

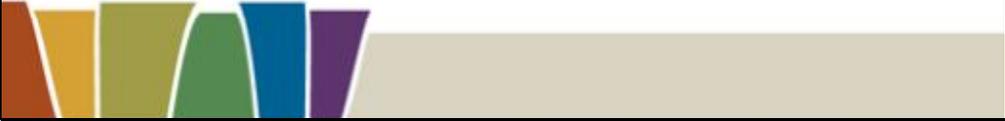
Introduction slide



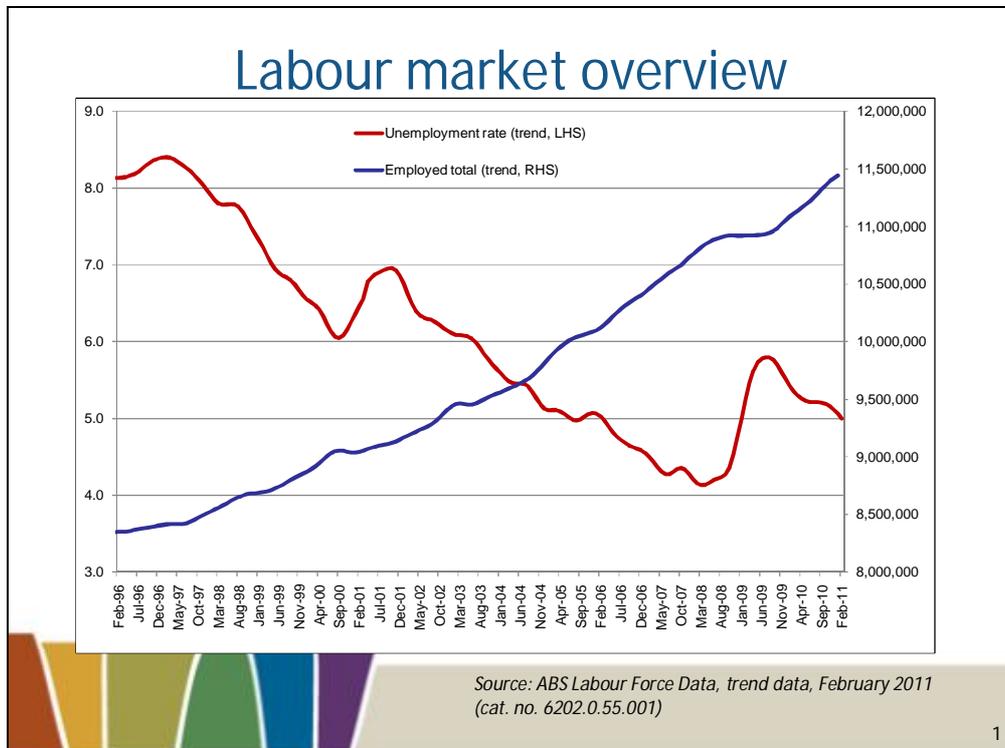
Australian Government
Department of Education, Employment and Workplace Relations

Changes and challenges in the Australian labour market

Ivan Neville
Branch Manager
Labour Market Research & Analysis Branch
Department of Education, Employment and Workplace Relations



Slide 1

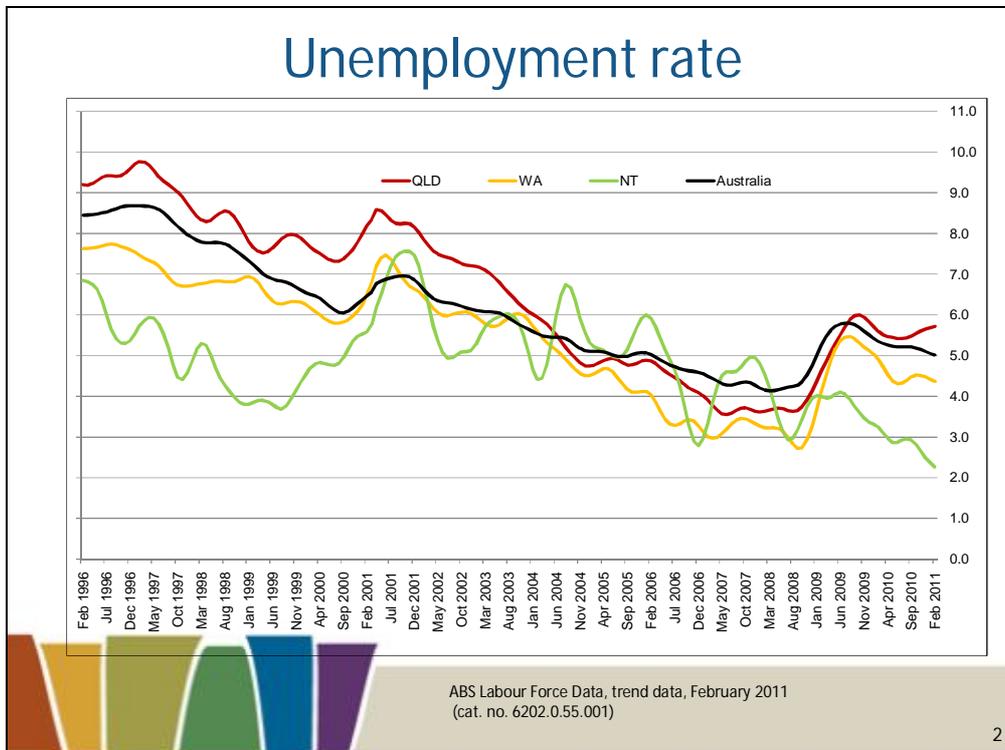


Source: ABS Labour Force Data, trend data, January 2011 (cat. no. 6202.0.55.001)

This chart shows the trend unemployment rate and the total number of people employed over the last 15 years.

We can see the increase in the unemployment rate caused by the global recession that started in September 2008 (4.3%) and peaked in July 2009 (5.8%). Notice that the total number of people employed leveled off during this period, but did not actually fall below the September 2008 level.

Overall, this graph reflects a strong and resilient labour market. There are more Australians not only in work (over 11.4 million people), but in full-time work (8.05 million people) than ever before.



Source: ABS Labour Force Data, trend data, February 2011 (cat. no. 6202.0.55.001)

This chart shows the trend unemployment rate for Queensland, Western Australia, Northern Territory and Australia over the past fifteen years.

During the global recession, Queensland and Western Australia had a steeper rise in their respective unemployment rates and over a longer period compared with the Northern Territory.

Population profile				
	Working age population (15–64 years) (2009)	Median age, years (2009)	Population growth (15–64) (2004–2009)	% Indigenous (15–64) (2006)
Cairns	102,600	35	17,700 (21%)	9%
Capricornia (Rockhampton)	147,700	35	16,500 (13%)	5%
Darwin	90,700	33	11,900 (15%)	9%
Mackay	120,100	35	18,800 (19%)	3%
Pilbara	34,600	31	4,400 (14%)	14%
Townsville	155,100	34	19,200 (14%)	6%
Australia	14,851,000	37	1.65 million (10%)	2%

Source: ABS, 2006 Census of Population and Housing, Population Estimates by Age and Sex, 2004 and 2009

Source: ABS, 2006 Census of Population and Housing, Population Estimates by Age and Sex, 2004 and 2009

The median age of all Australians was almost 37 years (36.8 years to be precise). That means that half of all Australians were younger than 37 and half were older than 37 in 2006.

We can see that the median age is somewhat younger in Northern Australia, especially in the Pilbara (31 years) and Darwin (33 years), compared with Australia. That is good news for employers, as a relatively high proportion of the population is of working age, that is aged between 15–64 years, compared with Australia.

However, the fastest growing age group in Australia across the total population was the 55–64 year age group (18% growth between 2004–2009). This trend was visible in each of the areas in Northern Australia shown in the table above with the exception of Darwin, where the highest growth was in the 65+ age group.

One in every six people of working age were in the 55–64 year age group (17%). This may be of some concern to employers, as these people are nearing retirement age and will be leaving the workforce.

The question for employers is, where are you going to get your workers?

Future employment growth opportunities

- Total employment is projected to grow by nearly **1.3 million jobs** over the 5 years to 2015–16, or **2.1% per year**
- Three industries will account for over **half** of all jobs growth:
 - **Health Care and Social Assistance** (323,000 jobs)
 - **Construction** (201,000 jobs)
 - **Professional Scientific & Technical Services** (149,000 jobs)
- Strong growth in the **Mining** industry (6.1% per year or 69,000 jobs), but it is still a comparatively small employing industry
- Below average growth in **Accommodation and Food Services** (1.2% per year or 46 600 jobs).

Source: DEEWR Industry Projections, 2015–2016.

4

What are the future employment growth opportunities?

- Total employment is projected to grow by nearly **1.3 million jobs** over the 5 years to 2015–16, or **2.1% per year**
- Three industries will account for over **half** of all jobs growth:
 - **Health Care and Social Assistance** (323,000 jobs)
 - **Construction** (201,000 jobs)
 - **Professional Scientific & Technical Services** (149,000 jobs)
- Strong growth in the **Mining** industry (6.1% per year or 69,000 jobs), but it is still a comparatively small employing industry
- Below average growth in **Accommodation and Food Services** (1.2% per year or 46 600 jobs).

Future challenges – skill shortages

- The **labour market tightened in 2010** and employers experienced greater difficulty recruiting for skilled workers than in 2009
- Most significant tightening was in **Western Australia**, followed by the **Northern Territory**
- The most **difficult vacancies** to fill in 2010 were for **Resource Professions**
- Vacancies in **Construction Trades, Automotive Trades and Child Care Occupations** became more difficult to fill in 2010



Source: Skill Shortages Summary 2010
Department of Education, Employment and Workplace Relations

5

The labour market is tightening and employers experienced greater difficulty recruiting skilled workers in 2010 than in 2009. Nationally, employers were able to fill 61% of vacancies, reducing from 65% in 2009.

The most significant tightening was in Western Australia, where the proportion of vacancies filled fell by 14 percentage points and there was an average of 1.3 suitable applicants per vacancy. The Northern Territory also experienced tightening with a fall of 8 percentage points in the proportion of vacancies filled and there were fewer than 0.2 suitable applicants per vacancy.

The most difficult vacancies to fill in 2010 were for Resource Professions, which includes occupations such as geologists and Mining Engineers, with 45% of vacancies filled. In addition, the fill rates for Automotive trades fell by 19 percentage points, Construction Trades by 13 percentage points and Child Care Occupations by 12 percentage points.

Skill shortages

Queensland	Western Australia	Northern Territory
Professions and associates Child care, surveyors, quantity surveyors, engineers, health professions (including nurses, medical imaging and physiotherapists), engineering draftspersons/technicians	Professions and associates Child care, surveyors, quantity surveyors, engineers, health professions (including nurses, medical imaging and physiotherapists), engineering draftspersons/technicians	Professions and associates Engineers, physiotherapists, nurses, civil engineering draftspersons/technicians
Trades Automotive, engineering, food and some construction (particularly in regional areas)	Trades Automotive, construction, electro technology (including electrician) and some engineering and food (particularly in regional locations)	Trades Automotive, engineering, construction, food, electrotechnology (including electrician)

Source: www.deewr.gov.au/skillshortages

Looking at the three States across which Northern Australia is spread, the skill shortages they have in common are:

- Engineers
- Physiotherapists
- Engineering draftspersons/technicians
- Automotive trades
- Engineering trades
- Food trades

Cairns labour market

- Tourism industry:
 - Sharp downturn in 2009, signs of recovery in 2010
 - Cyclone Yasi, floods and crisis in Japan likely to have a negative impact on the Queensland tourism industry
- Sharp rise in the unemployment rate from December 2008, peaking at 10.4% in June 2010.
- DEEWR survey conducted in April 2010 found:
 - above average levels of recruitment difficulty (56%)
 - highly prevalent in the Professional, Scientific and Technical Services Industry (82 per cent)

Job opportunities exist for

- Professionals (Civil Engineering)
- Sales Workers & General Clerks
- Cleanup and rebuilding after Cyclone Yasi

Unemployment rate, Cairns ESA

Source: DEEWR Small Area Labour Market data

The Survey of Employer's Recruitment experiences was conducted in the Cairns Priority Employment area in April 2010 with 342 employers being surveyed. Previously surveyed in September 2009.

- The Far North Queensland Labour Force region experienced the highest unemployment rate of all Priority employment areas surveyed (12.4 % at March 2010) and 13.0% in February 2011.
- Employers had experienced higher recruitment levels than when previously surveyed in September 2009.
- Job seekers in the region appear to be facing relatively strong competition for vacancies.
- There was an average of 11.5 applicants per vacancy in Cairns, of whom an average of 2.7 were considered suitable per vacancy.

The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET Qualifications

- Chefs
- Motor Mechanics
- Retail Managers
- Accountants
- Civil Engineering Professionals
- Plumbers

Other Occupations

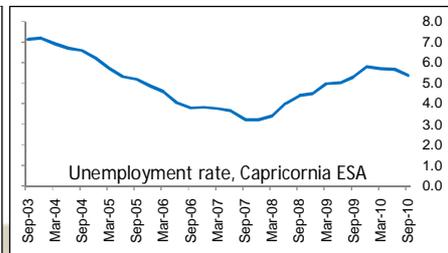
- Sales Assistants (General)
- General Clerks
- Child Carers
- Truck Drivers
- Waiters
- Receptionists

Capricornia (Rockhampton) labour market

- Relatively strong labour market with slightly younger age profile, high labour force participation rate and an unemployment rate of 5.4%
- Mining industry accounts for 1 in every 9 workers
- Pockets of disadvantage (Mount Morgan and Woorabinda)
- DEEWR survey conducted in December 2010 prior to the floods
 - Majority of employers (56%) experienced recruitment difficulty
 - Very **high unfill rate** 36% in the **Construction** industry
 - Civil Engineering Professionals and Construction Managers difficult to fill

Demand for **specific occupations** **expected to increase** with flood reconstruction efforts, namely:

- Technicians and Trades Workers
- Labourers
- Machinery Operators & Drivers



Source: DEEWR Small Area Labour Market data, September 2010

8

247 employers were surveyed in the Capricornia Employment Service Area in December 2010

Surveyed prior to the recent flood disaster (labour market conditions may have changed significantly since then) and demand for labour in occupation groups such as Technicians and Trade workers will likely increase with the post – flood reconstruction phase and the expansion of resource projects throughout Central Queensland.

The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET Qualifications

Civil Engineering Professionals
 Construction Managers
 Chefs
 Real Estate Sales Agents
 Metal Fitters and Machinists
 Motor Mechanics
 Hotel Service Managers
 Cooks

Other occupations

General Clerks
 Bar Attendants and Baristas
 Motor Vehicle Parts and Accessories
 Fitters
 Storepersons
 Sales Assistants (General)
 Service Station Attendants
 Packers

Darwin labour market

- Historically strong labour market – virtually untouched by the global recession. Very strong population growth, employment growth and very low unemployment rate (1.8%)
- DEEWR survey conducted in November 2010 found widespread recruitment difficulty (68% of employers), notable in:
 - Accommodation and Food Services (92%)
 - Health Care and Social Assistance (78%)
- 19% of recently advertised vacancies **not filled**

Job opportunities for entry into labour force via **lower skilled occupations** and **upskilling**:

- from Building and Plumbing Labourer to a trades apprentice
- from Receptionist or General Clerk to Contract, Program and Project Administrator

Date	Unemployment Rate (%)
Sep-03	3.5
Mar-04	3.2
Sep-04	3.4
Mar-05	3.3
Sep-05	3.1
Mar-06	3.2
Sep-06	2.8
Mar-07	2.2
Sep-07	2.4
Mar-08	2.1
Sep-08	2.3
Mar-09	2.0
Sep-09	2.2
Mar-10	1.9
Sep-10	1.8

Source: DEEWR Small Area Labour Market data

305 employers were surveyed in the Darwin Employment service area in November 2010 (previously surveyed in May 2007)

- Second highest population growth rate of any region in Australia (3.1 per cent).
- The Northern Territory Government has forecast strengthening economic and population growth for 2010–11:
 - -widening international trade surplus,
 - -further growth in public sector investment, and
 - -strong population growth due to natural increase (more births than deaths) and to overseas and interstate migration.

Source: Northern Territory Government, *Budget 2010–11: Northern Territory Economy (Budget Related Paper)*.

Slide 16 ...continued

- Employers recruiting in Accommodation and Food Services (92 per cent) and Health Care and Social Assistance (78 per cent) reported highest levels of recruitment difficulty.
- A very high proportion of recent vacancies remained unfilled (19.1 per cent), compared with all regions surveyed in the 12 months to June 2010 (5.2 per cent).
- There was a moderate level of competition for vacancies, with an average of 5.6 applicants per vacancy in the Darwin ESA, of whom an average of 1.9 applicants were considered suitable.
- The number and variety of difficult to fill occupations in Darwin indicates that there is opportunity for entry into the labour force via the lower skilled occupations.
- Opportunities for job seekers exist for Community and Personal Service Workers (particularly for Child Carers) and Technicians and Trades Workers (particularly for Metal Trades Workers).
- The difficult to fill occupations in Darwin indicate that there is opportunity for career path progression in several employing industries, namely in Retail Trade (e.g. from Checkout Operator to Retail Supervisor and General Manager) and in Health Care and Social Assistance (e.g. from Child Carer to Early Childhood Teacher).

The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET

Qualifications

Early Childhood (Pre-primary School)
Teachers
General Managers
Contract, Program and Project
Administrators
Real Estate Sales Agents
Electricians
Metal Fitters and Machinists
Structural Steel and Welding Trades
Workers
Vehicle Painters

Other Occupations

Sales Assistants (General)
General Clerks
Receptionists
Child Carers
Bar Attendants and Baristas
Waiters
Purchasing and Supply Logistics Clerks
Storepersons
Delivery Drivers
Truck Drivers
Sales Representatives
Personal Assistants
Retail Supervisors
Checkout Operators
Service Station Attendants
Housekeepers
Building and Plumbing Labourers

Pilbara labour market

- Economy dominated by the Mining industry (30% of total employment) which was affected by the global recession, but now recovering
- Labour market conditions still strong with unemployment rate at 4.6%
- DEEWR survey conducted in August 2010 showed a very high level of recruitment activity, an above average level of recruitment difficulty and:
 - One in nine recently advertised vacancies **unfilled**
 - Recruitment difficulty was particularly prevalent in **Health Care and Social Assistance, Retail Trade and Construction** industries

Job opportunities for a wide range of occupations and skill levels:

- Various Managers
- Community and Personal Service Workers (Welfare Support Workers, Child Carers)
- Machinery Operators and Drivers (Truck Drivers)
- Technicians and Trades Workers
- Building, Plumbing and Other Labourers

Unemployment rate, Pilbara ESA

Source: DEEWR Small Area Labour Market data

200 employers were surveyed in the Pilbara employment Service Area in August 2010

- Low unemployment rate (4.6 per cent) compared with all regions surveyed in the 12 months to June 2010 (5.1 per cent)
- A significantly larger proportion of employers recruited in the Pilbara Employment Service Area in the 12 months prior to the survey (81 per cent) compared with all regions surveyed in the 12 months to June 2010 (65 per cent).
- A larger proportion of vacancies over the preceding 12 months remained unfilled (21.2 per cent) compared with all regions surveyed in the 12 months to June 2010 (4.8 per cent).
- A higher proportion of employers reported difficulty recruiting in the most recent recruitment round (61 per cent) compared with all regions (51 per cent).
- The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET Qualifications

Contract, Program and Project Administrators
 General Managers
 Advertising and Sales Managers
 Welfare Support Workers
 Electricians
 Motor Mechanics
 Cooks

Other occupations

Child Carers
 Truck Drivers
 Other Miscellaneous Labourers
 Building and Plumbing Labourers
 Sales Assistants (General)
 General Clerks
 Kitchenhands
 Checkout Operators and Office Cashiers
 Car Detailers
 Receptionists

Mackay labour market

- Strong, diverse economy including Mining, Agriculture, Construction and various Service industries.
- Strong labour market conditions with rapid population growth, a younger age profile and below average unemployment rate (4.3 %)
- DEEWR survey in November 2010 found widespread recruitment activity.
 - One in five (20%) recently advertised vacancies **not filled**
 - Recruitment difficulty due, in part, to wages offered and strong demand for labour

Job opportunities across a **range of occupation groups and skill levels:**

- Technicians and Trades Workers
- Machinery Operators and Drivers
- Sales Workers
- General Clerks

Date	Unemployment Rate (%)
Sep-03	7.5
Mar-04	6.5
Sep-04	6.0
Mar-05	5.5
Sep-05	4.5
Mar-06	4.0
Sep-06	3.8
Mar-07	3.5
Sep-07	3.8
Mar-08	4.0
Sep-08	4.5
Mar-09	5.0
Sep-09	5.5
Mar-10	5.5
Sep-10	5.0

Source: DEEWR Small Area Labour Market data

254 employers were surveyed in the Mackay Employment Service Area in November 2010 (previously surveyed in November 2008)

- In the 12 months prior to the survey, the majority (88 per cent) of employers recruited and many of these employers (70 per cent) reported recruitment difficulty.
- Just under one fifth (19.7 per cent) of vacancies were not filled and more than half (54 per cent) of employers who recruited, reported difficulty.
- More than half (54 per cent) of employers who recruited, reported difficulty. This is higher than for all regions surveyed (42 per cent).
- The most common reasons for difficulty were the inability of employers to offer competitive wages (40% of employers who reported difficulty) and tight labour market conditions or a lack of applicants (36 per cent).
- Employers indicated that these reasons for difficulty can be attributed to the Mining industry in the area, which has a strong demand for labour and offers higher than average wages.

The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET Qualifications

- Motor Mechanic
- Metal Fitters and Machinists
- Structural Steel and Welding Tradespersons
- Electricians
- Chefs

Other occupations

- Truck Drivers
- General Clerks
- Storepersons
- Sales Assistants (General)
- Checkout Operators and Cashiers
- Sales Representatives
- Child Carers
- Delivery Drivers

Townsville labour market

- Concentration of industries that are sensitive to economic downturns (Manufacturing, Accommodation and Food Services, Retail Trade and Construction)
- Relatively strong labour market conditions and good anticipated demand for labour
- Younger population, higher participation rate and strong population growth
- DEEWR survey in August 2010 found a high level of recruitment activity and slightly above average levels of recruitment difficulty

Job opportunities for:

- Registered Nurses
- Metal Fitters and Machinists
- Electricians
- Community and Personal Service Workers

Month	Unemployment Rate (%)
Sep-03	8.5
Mar-04	5.5
Sep-04	5.5
Mar-05	5.5
Sep-05	5.0
Mar-06	6.0
Sep-06	5.5
Mar-07	5.0
Sep-07	4.5
Mar-08	4.5
Sep-08	4.0
Mar-09	4.0
Sep-09	5.0
Mar-10	5.0
Sep-10	5.0

Source: DEEWR Small Area Labour Market data

340 employers were surveyed in the Townsville-Thuringowa Priority Employment Area in August 2010 (previously surveyed in November 2009)

- A larger proportion of employers recruited in the Townsville-Thuringowa Priority Employment Area (75 per cent) compared with all Priority Employment Areas surveyed in the 12 months to June 2010 (65 per cent); however this was the same level of recruitment activity in the region as the previous year.
- A similar proportion of vacancies over the preceding 12 months remained unfilled (6.1 per cent) compared with November 2009 (6.2 per cent), but was higher compared with all Priority Employment Areas surveyed in the 12 months to June 2010 (4.8 per cent).
- A lower proportion of employers reported difficulty recruiting in their most recent recruitment round (41 per cent) compared with November 2009 (64 per cent).

The following occupations were reported as difficult to fill by employers who responded to the survey:

Bachelor Degree or Higher VET Qualifications

- Registered Nurses
- Metal Fitters and Machinists
- Chefs
- Motor Mechanics
- Cooks
- Electricians
- Architectural, Building and Surveying Technicians

Other occupations

- Child Carers
- Truck Drivers
- Storepersons
- Drillers, Miners and Shot Firers
- Sales Assistants (General)
- Other Miscellaneous Technicians and Trades Workers

Occupations difficult to fill

Bachelor Degree or Higher VET Qualifications	
Metal Fitters and Machinists	Motor Mechanics
Electricians	Chefs
Structural Steel and Welding Trades Workers	
Other Occupations	
Sales Assistants (General)	General Clerks
Checkout Operators	Child Carers
Bar Attendants and Baristas	Cooks
Sales Representatives	Storepersons
Receptionists	Truck Drivers
Motor Vehicle Parts and Accessories Fitters	

Source: DEEWR, Survey of Employers' Recruitment Experiences

13

This slide shows the most common occupations difficult to fill, as reported by employers in the surveys across the six regions.

There are a number of trades, and a number of lower skilled occupations.

Where to source labour/skills?

- Unemployed
- Women
- Mature aged
- Indigenous
- People not in the labour force
- Migration



Underutilised labour – unemployed

- There were **604,000 unemployed** people in Feb 2011
 - The largest proportion of unemployed people were **aged 15–24** years (252,000 people, or 41%)
 - 1 in 5 unemployed people were aged 45–64 years
- Roughly **equal proportions of unemployed women** (48% or 291,300) as there are **unemployed men** (52% or 312,800)
- Two-thirds of unemployed people (411,000) have been unemployed for **less than 6 months**
- Long term unemployed: 113,700 or 19% of all unemployed
- 31,000 people received either Newstart or Youth Allowance in December 2010 across the six regions.

Source: ABS Labour Force data, 12 month average of original data, working age population, December 2010, ABS Labour Force data, trend data, December 2010, DEEWR Administrative data, December qtr 2010

15

Source: ABS Labour Force data, 12 month average of original data, working age population, December 2010, ABS Labour Force data, trend data, December 2010, DEEWR Administrative data, December qtr 2010

- Around 5% of Australia's working age population are in receipt of an unemployment benefit (660,000 on Newstart or Youth Allowance Other at December 2010).
 - There has been an increase in the number of people receiving unemployment benefits between December 2008 and December 2010 (22%), with the exception of Darwin (-8%)
 - Vast majority of the increase (90%) is due to an increase in the number of people receiving Newstart
 - In fact, the growth in Youth Allowance – Student (+49,000 over 2 years, or up by 24%) far outstripped the growth in Youth Allowance Other (+12,000, or up by 15%).

Two-thirds (68%) of people receiving an unemployment benefit, that is either Newstart or Youth Allowance Other) are in the **15–44 year** age group.

Underutilised labour - women

- Women account for 45% of the total labour force (approx. 5.5 million women workers at February 2011)
 - But women represent only 13% of employment in Mining and 12% in Construction
- The number of women in the labour force increased by 40% (or 1.6 million women) between January 1996 and February 2011
 - Womens' labour force participation is **highest** in the **45–54 year** age group (78.4%) and **lowest** in the **55–64** years age group (54.3%)
 - 2.4 million women work **part-time** (46%)
- 445,900 women work part-time but **want to work more hours**



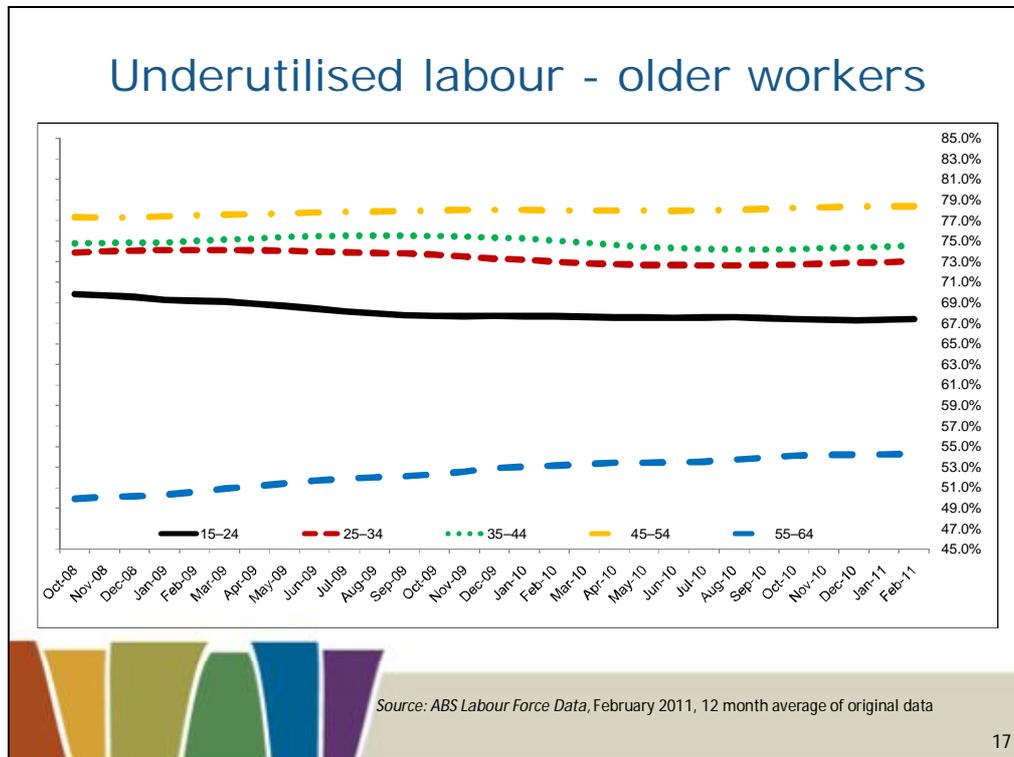
Source: ABS Labour Force Data, February 2011, trend data: DEEWR, Employment Outlook for Mining and Construction; ABS Labour Force data, 12 month average of original data, working age (15–64 years) population, February 2011; ABS, Underemployed Workers, September 2010

16

- Women account for just under half (45%) of Australia's labour force. The number of women in the labour force increased by 40%, or 1.6 million women) between January 1996 and December 2010.
 - Women account for the **majority of part-time workers** (70% or 2.4 million part time working women)
 - Only 35% of all **full-time** workers are women.
 - Of all working women, 54% work full-time and 46% work part-time.
- Unemployment is somewhat more equitable, as 48% of all unemployed persons are women (295,000 women).
- The participation rate for women was highest in the 45–54 year age group, followed by the 35–44 year age group, who are likely to have caring commitments for children or ageing parents. There is a sharp decrease in women's labour force participation in the 55–64 year age group.

Source: *ABS Labour Force Data*, trend data and 12 month average of original data, February 2011, Working Age population (15–64 years)

- As at September 2010, the ABS estimates there were 445,900 women who worked part-time who would prefer to work more hours (compared with 288,000 men). On average, these women wanted to work an additional 12.9 hours per week. Most (61%) would prefer not to change their employer.



Source: ABS Labour Force Data, February 2011, 12 month average of original data

This chart shows the labour force participation rate for people by age group.

- Labour force participation is highest for those aged 25–54 years
- Notable drop off in participation in the 55–64 year age group, which indicates that there may be potential workers in this age group
 - We can see that people aged 55–64 years have increased their labour force participation over the last year.
 - Indicates that older workers are willing to stay in the labour force
- **Challenge is to keep these people in work longer.**
 - Access to training
 - Incentives to become workplace mentors or coaching roles – share their experience in the labour force

Underutilised labour –Indigenous

- Median age for all Indigenous people is 20 years compared with 37 years for non-Indigenous people
- Labour force characteristics of Indigenous people:
 - Higher unemployment rate (18.1%) compared with non-Indigenous people (5.5%)
 - Lower participation rate (58.1% / 76.7%) and
 - Large number not in the labour force (141,000 Indigenous people)
- Policy focus: increase employment and participation

Source: 2006 Census, ABS *Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey, 2009* (cat. no. 6287.0).

18

Source: ABS, Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey, 2009 (cat. no. 6287.0).

This slide shows labour force characteristics of Aboriginal and Torres Strait Islanders.

- High unemployment rate compared with non-Indigenous people
- Low participation rate compared with non-Indigenous people
- Large number not in the labour force

Aim to increase the participation rate for Indigenous people

Underutilised labour – People not in the labour force

- One in three Australians aged 15 years and over are not in the labour force (5.9 million people)
- 1.3 million of them want to work, most of whom are **women** (63%)
- Many of these people would require a significant change in their personal circumstances before they could take up a job, however potential sources of labour supply may be:
 - 168,000 people who are caring for children, of whom 113,600 intend to enter the labour force within 12 months
 - Most (55%) would prefer to work part-time
 - 102,100 discouraged job seekers, of whom 57,600 intend to enter the labour force within 12 months
 - Many are women (61%) or over 55 years of age (54%)
 - Almost 40% believe they are **too old to be considered by employers**

Source: ABS, *Persons Not in the Labour Force, Australia*, cat. no. 6220.0. 19

The ABS Persons Not in the Labour Force publication indicates that there are a significant number of people outside the labour force who could be a potential source of labour supply. That said, it is clearly not appropriate to suggest that all, or even most, of those marginally attached are in a position to enter the labour force, as some commentators have suggested in the past.

There are, however, three sub-groups of the marginally attached who together provide some indication of the extent of excess labour supply, at least with respect to those currently outside the labour force.

- Discouraged job seekers (who number 102 100). Of these, 57 600 people state they intend to or might enter the labour force within 12 months.
- Persons who wanted to work, were actively looking for and were available to start work within four weeks but were unable to start work in the reference week (who number 21 700);
- A group of the marginally attached who are caring for children (who number 168 000), most of whom would prefer to work part-time.

Slide 19...continued

The Government remains committed to ensuring that all those people not currently in the labour force who want to work and are available to start work have the skills they need when they enter the jobs market. To this end, the Government has funded a range of initiatives to skill up job seekers and workers in critical industry sectors. This includes \$660 million under the Skills for Sustainable Growth initiative, which is helping to address immediate skills needs in the Australian economy. In addition, the Government has invested \$200 million in the new Critical Skills Investment Fund, to help train up to 39 000 people to support sectors facing high skills demand.

Discouraged job seekers are defined as people who wanted to work and were available to start work but who were not actively looking because they believed they would not find a job.

The number of discouraged job seekers (aged 15 and over) was 102 100 in September 2010, down by 9700 (or 8.7 per cent) compared with 111 800 in September 2009. Despite this decrease, the number of discouraged jobseekers in 280 200 or 27.6 per cent higher than the pre-global recession level of 73 900.

Source: ABS, *Persons Not in the Labour Force, Australia*, cat. no. 6220.0.

How to better match supply with demand

- Increase the participation of underutilised groups: women, older workers, long-term unemployed, Indigenous, youth
- Increase the skill level of the population: e.g. literacy, numeracy, work-readiness, work experience, apprenticeships/traineeships, higher education
- Increase the skill level of existing employees through training
- Continue to offer flexible working hours to retain or attract mature age workers/women into the workforce

Government policy aims to increase participation in the labour force and increase the skill level of the population. However, employers can also help themselves by investing in training and continuing to offer flexible working hours.

- Increase the participation of underutilised groups: women, older workers, long-term unemployed, Indigenous, youth
- Increase the skill level of existing employees through training
- Increase the skill level of the population: e.g. literacy, numeracy, work-readiness, work experience, apprenticeships/traineeships, higher education
- Continue to offer flexible working hours to retain or attract mature age workers/women into the workforce

Conclusion

- Labour market conditions are strong, likely to tighten further
- Fierce competition for labour: between industries, regions and employers
- Utilising and building existing labour force
 - Training and skills development
 - Attracting skills to your area
 - Supporting training through apprentices and traineeships
- More people than ever are working now
 - Target underutilised labour: women, older people, long term unemployed, discouraged job seekers, Indigenous, youth
- Collaboration between government, industry, educational institutions, training providers

Further Information

- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages including new publication [Skill Shortages, Australia](#)
- www.deewr.gov.au/regionalreports
- www.deewr.gov.au/australianjobs
- www.skillsinfo.gov.au including [New Jobs 2010](#)
- www.joboutlook.gov.au
- www.keepaustraliaworking.gov.au



22

Further information

More information on labour market conditions and other research on small areas can be found on these web sites

- www.deewr.gov.au/LMIP
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/RegionalReports
- www.deewr.gov.au/australianjobs
- www.skillsinfo.gov.au
- www.joboutlook.gov.au
- www.keepaustraliaworking.gov.au

All individual reports/presentations on the survey findings for the six regions we have discussed today can be found at deewr.gov.au/regionalreports.

Today's presentation will be uploaded to this site in the next couple of weeks.

Thank you.

End slide

