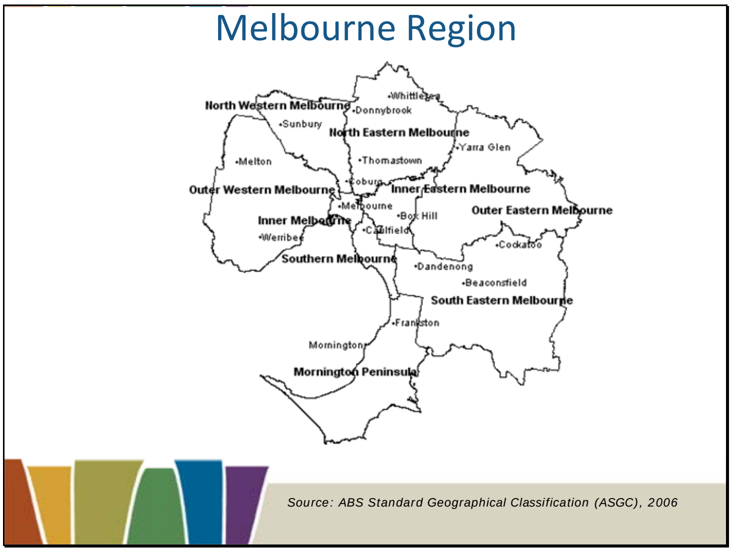
Slide 1


Presented Monday August 9 2010.

Slide 2




This map shows the Labour Force Regions of Melbourne.

Slide 3

## Melbourne - Profile

| | Melbourne | North Western Melbourne | South Eastern Melbourne | Inner Melbourne | Victoria | Australia |
|---|---|---|---|---|---|---|
| **Population 15+** | 3,312,400 | 259,000 | 364,000 | 302,700 | 4,484,000 | 17,910,400 |
| **Adult Population Aged 65+** | 15.6% | 15.5% | 12.7% | 10.0% | 16.9% | 16.7% |
| **Working Age Participation Rate** | 76.7% | 74.2% | 75.1% | 80.8% | 76.0% | 76.2% |
| **Mature Age (45-64) Participation Rate** | 75.3% | 67.3% | 74.6% | 79.6% | 74.5% | 73.8% |
| **Unemployment Rate** | 5.2% | 9.1% | 7.5% | 3.5% | 5.5% | 5.3% |
| **% WAP on Centrelink Benefits** | 15.3% | 22.1% | 18.8% | 11.0% | 16.9% | 17.2% |
| **% WAP OTMESC*** | 26.1% | 30.9% | 34.9% | 26.6% | 20.7% | 16.9% |

** Other than mainly English speaking countries*

*Source: ABS, Labour Force, Australia, June 2010, cat. no. 6202.0, three month average data; ABS, Census of Population and Housing, 2006, DEEWR Administrative Data – June 2010*

*Sources;*

*ABS, Labour Force, Australia, June 2010, cat. no. 6202.0, three month average data;*

*ABS, Census of Population and Housing, 2006,*

*DEEWR Administrative Data – June 2010*

<u>Centrelink</u>

6.2% of WAP in North Western Melbourne in receipt of DSP compared to 4.4% for Melbourne and 5.2% for Australia.

<u>OTMESC</u>

<u>Participation Rates</u>

Melbourne 54.3%

North Western Melbourne 46.1%

Australia 56.0%

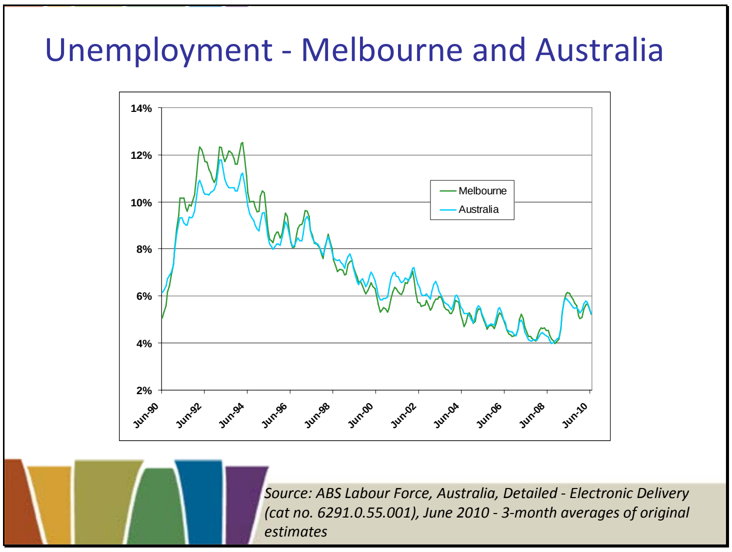
<u>Unemployment Rates</u>

Melbourne 8.4%

North Western Melbourne 9.8%

Australia 7.5%

Slide 4




Source;

*ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 3-month averages of original estimates*

Unemployment rates are higher than before the economic downturn but are nowhere near the levels reached in the early 90s.

Slide 5

## Unemployment Rate by Region

| | June 2010 Unemployment Rate | June 2009 Unemployment Rate | Change over 12 months (percentage points) |
|---|---|---|---|
| **Melbourne** | **5.2%** | **6.1%** | **- 0.9** |
| Inner Melbourne | 3.5% | 6.0% | - 2.5 |
| Outer Eastern Melbourne | 3.9% | 5.8% | - 1.9 |
| Southern Melbourne | 4.4% | 6.3% | - 1.9 |
| Mornington Peninsula | 4.4% | 3.7% | 0.7 |
| Inner Eastern Melbourne | 4.5% | 5.1% | - 0.6 |
| North Eastern Melbourne | 4.6% | 5.1% | - 0.5 |
| Outer Western Melbourne | 5.8% | 7.9% | - 2.1 |
| South Eastern Melbourne | 7.5% | 7.2% | 0.3 |
| North Western Melbourne | 9.1% | 6.7% | 2.4 |

*ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 3-month averages of original estimates*

*Source;*

*ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 3-month averages of original estimates*

This chart shows that within Melbourne, unemployment rates vary considerably by labour force region.

Slide 6

## Long-Term Unemployment

| Region | Long-term unemployed (52 weeks and under 104 weeks) | | Very long-term unemployed (104 weeks and over) | | Average Weeks Unemployed |
|---|---|---|---|---|---|
| | June-10 | June-09 | June-10 | June-09 | June-10 |
| Melbourne | 10% | 7% | 6% | 6% | 33 |
| North Western Melbourne | 8% | 5% | 9% | 7% | 44 |
| South Eastern Melbourne | 10% | 8% | 6% | 7% | 28 |
| Inner Melbourne | 10% | 4% | 2% | 5% | 22 |
| Victoria | 11% | 7% | 7% | 6% | 37 |
| Australia | 10% | 7% | 7% | 7% | 34 |

*ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 12-month averages of original estimates*

Source;

*ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 12-month averages of original estimates*

The longer that people are unemployed the less likely they are to regain employment. One in ten (10 per cent) unemployed people in Melbourne were long term unemployed (between 52 weeks and 104 weeks).

Slide 7

## Teenage Unemployment

| | Teenage full-time unemployment rate | % of teens looking for full-time work |
|---|---|---|
| North Western Melbourne | 52.3% | 6.3% |
| South Eastern Melbourne | 31.8% | 4.6% |
| Inner Melbourne | 21.9% | 1.3% |
| **Melbourne** | **26.8%** | **3.1%** |
| Victoria | 29.0% | 3.9% |
| Australia | 24.4% | 4.6% |

**At the time of the 2006 Census, 5.3 per cent of teenagers in Melbourne were neither working nor studying compared with 6.7% for Australia**

*Source: ABS Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 12-month averages of original estimates; ABS, 2006 Census of Population and Housing*

Sources;

*ABS, Labour Force, Australia, Detailed - Electronic Delivery (cat no. 6291.0.55.001), June 2010 - 12-month averages of original estimates*

*ABS, Census of Population and Housing, 2006*

The teenage full-time unemployment rate in North Western Melbourne (52.3 per cent) is the highest of any labour force region in Australia.

At the time of the 2006 Census, 7.7 per cent of teenagers in North Western Melbourne were neither working nor studying compared 6.7% for Australia

Slide 8

## Indigenous Population Aged15-64

| | Civilian population aged 15 to 64 years | Unemployment rate | Participation rate | Employment to population ratio |
|---|---|---|---|---|
| | '000 | % | % | % |
| **Victoria** | | | | |
| Indigenous | 23.0 | 17.1 | 55.7 | 46.2 |
| Non-Indigenous | 3678.7 | 5.7 | 76.1 | 71.7 |
| Total | 3701.8 | 5.7 | 75.9 | 71.6 |
| **AUSTRALIA** | | | | |
| Indigenous | 336.6 | 18.1 | 58.1 | 47.6 |
| Non-Indigenous | 14,452.1 | 5.5 | 76.7 | 72.5 |
| Total | 14,788.7 | 5.7 | 76.3 | 72.0 |

*Source: Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey, 2009*

*Source;*

*Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey, 2009. These data are averages for calendar year 2009 taken from the monthly Labour Force Survey.*

The unemployment rate is substantially higher for Indigenous persons compared with non-Indigenous persons in both Victoria and Australia.

Furthermore, the participation rate for those identifying as Indigenous is much lower compared to those who are non-Indigenous in both Victoria and Australia.

Slide 9

## Disability and Labour Force Status

| | Australia (15-74) | | |
|---|---|---|---|
| | Schooling or employment restriction | All with reported disability | No reported disabilities |
| Employed People (%) | 5.4% | 28.7% | 71.3% |
| Unemployment Rate (%) | 13.0% | 6.7% | 5.5% |
| Participation Rate (%) | 61.3% | 68.2% | 81.9% |

*Source: ABS, Survey of Education and Training, 2009*

*Source;*

*ABS, Survey of Education and Training, 2009*

Persons with a disability that restricts their employment or schooling have poorer labour market outcomes compared with persons without a disability.

Slide 10

## Regions with High Levels of Disadvantage

| *Indicator* | Brimbank | Hume | Greater Dandenong | Melbourne |
|---|---|---|---|---|
| Unemployment Rate | 8.9% | 9.3% | 10.8% | 5.6% |
| % of families with children where no parent is working | 29.9% | 24.9% | 32.0% | 19.0% |
| % of population aged 15-64 who have not completed Year 10 | 19.6% | 19.0% | 21.3% | 11.9% |
| % of population aged 15-64 on a Centrelink allowance | 25.3% | 27.1% | 25.9% | 15.3% |
| % of yr 9 Govt School Students below min standard for Reading | 24% | 23% | 24% | 4.0% (VIC) |
| -for numeracy | 6% | 8% | 9% | 2.0% (VIC) |

*Sources: Unemployment Rates - DEEWR Small Area Labour Markets, Smoothed Series, March 2010, Centrelink - DEEWR Administrative data, June 2010 and ABS Estimated Resident Population, June 2008 Other - ABS Census of Population and Housing, 2006, MySchool Website, NAPLAN Summary Report 2009*

*Sources:*

*Unemployment Rates - DEEWR Small Area Labour Markets, Smoothed Series;*

*March 2010, Centrelink - DEEWR Administrative data, June 2010;*

*ABS, Estimated Resident Population, June 2008;*

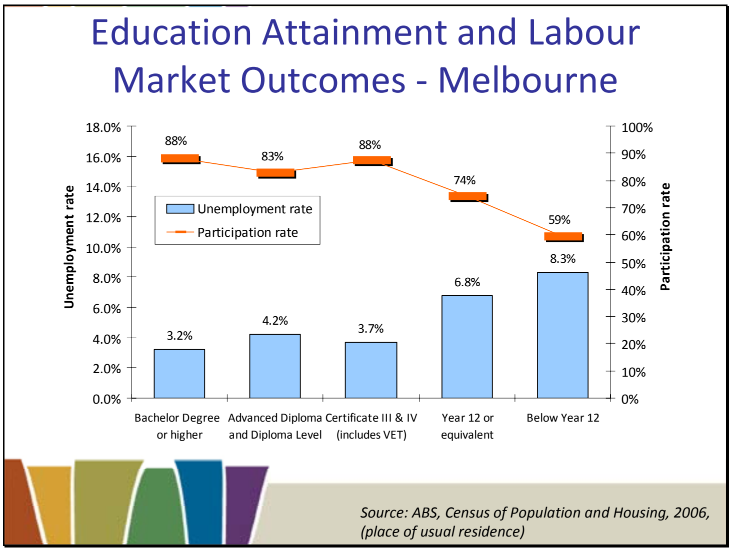
*ABS, Census of Population and Housing, 2006;*

*MySchool Website; and*

*NAPLAN Summary Report 2009*

This chart shows various socioeconomic indicators for selected disadvantaged regions within Melbourne.

Slide 11

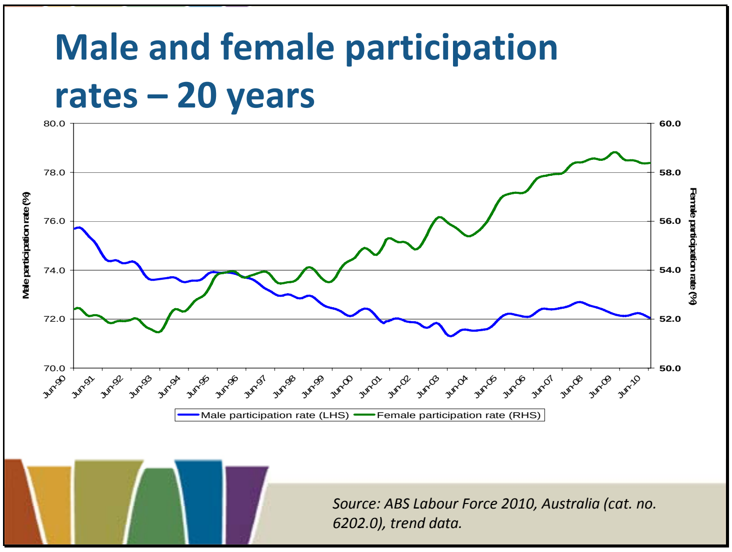



*Source;*

*ABS, Census of Population and Housing, 2006 (Place of Usual Residence)*

As can be seen in this chart, those people in the Melbourne Statistical Division with higher levels of education perform better in the labour market, with higher labour force participation rates and lower unemployment rates. This reflects the pattern seen across Australia and emphasises the importance of continuing education to help job seekers obtain employment and participate in the labour market.

Slide 12

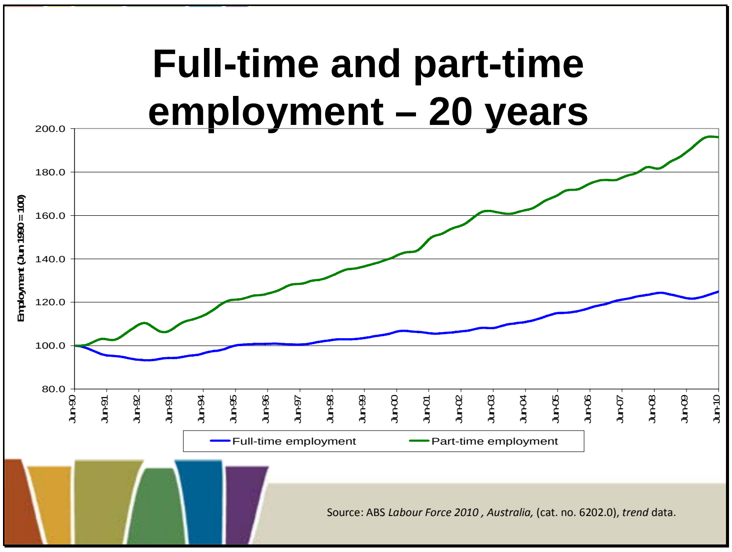



*Source:*

*ABS, Labour Force 2010, Australia (cat. no. 6202.0), trend data.*

This chart shows that over the last decade, the female labour force participation rate increased while the male labour force participation rate decreased.

Slide 13

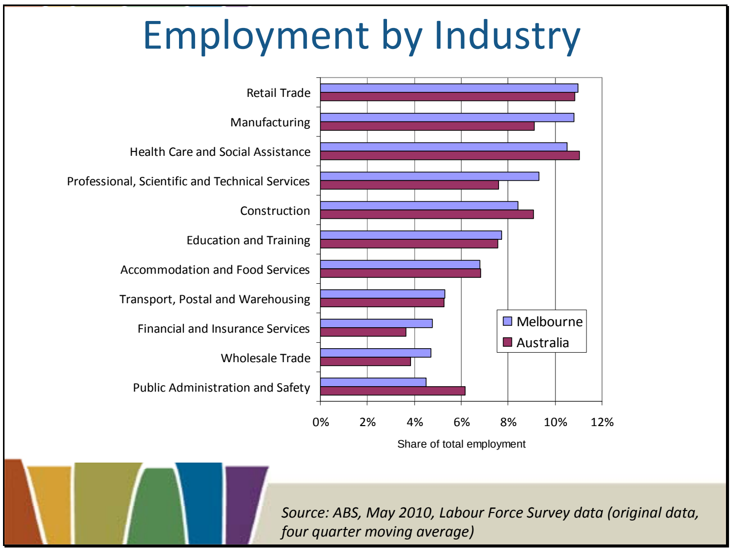



*Source;*

*ABS, Census of Population and Housing, 2006 (Place of Usual Residence)*

This chart shows that over the last decade, part-time employment increased at a higher rate than full-time employment.

Slide 14

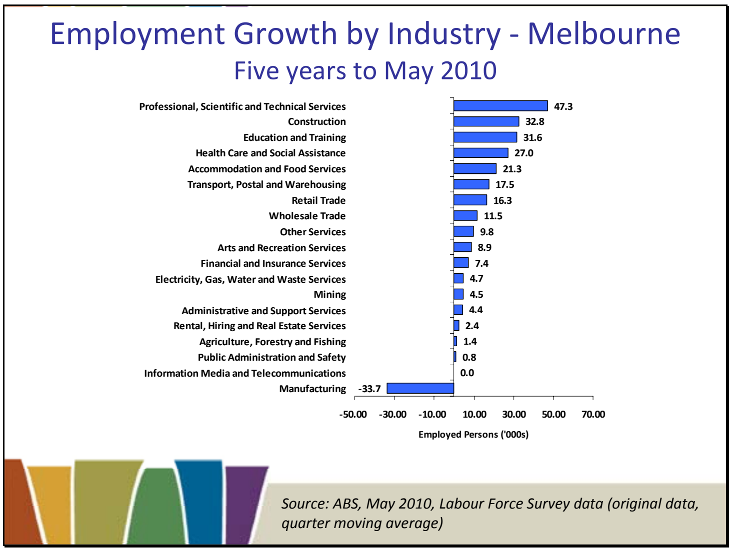



*Source;*

*ABS, Labour Force Region, cat.no. 6291.0.55.003, Quarterly Release, May 2010, 4 quarter averages of original data*

This chart shows the distribution of employment by industry in Melbourne, compared with Australia.

Slide 15

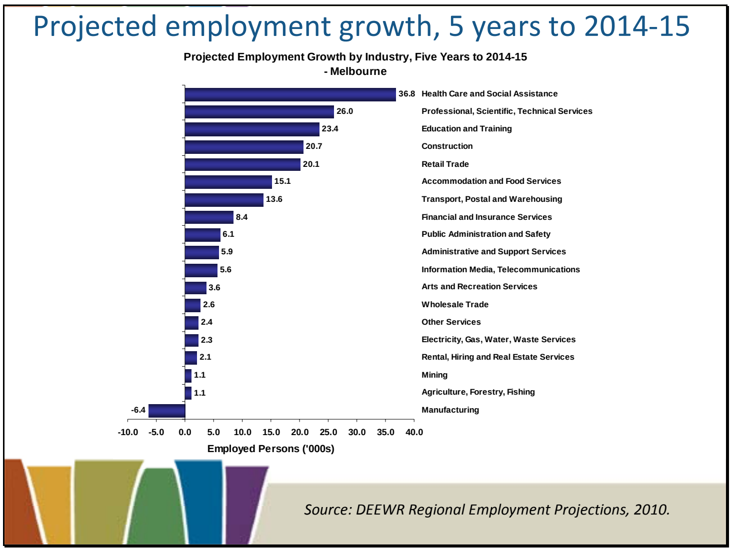



*Source;*

*ABS, Labour Force Region, cat.no. 6291.0.55.003, Quarterly Release, May 2010, 4 quarter averages of original data*

This chart shows the growth in employment by Industry for Melbourne over five years to May 2010. Employment growth was largest in Professional, Scientific and Technical Services while employment declined in Manufacturing.

Slide 16



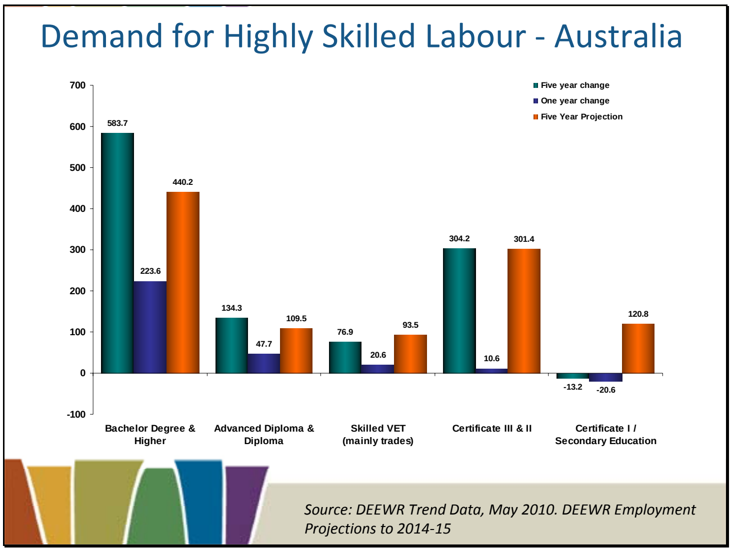

*Source;*

*DEEWR Regional Employment Projections, 2010*

This slide gives the projected employment growth by industry in Melbourne over the five years to 2014-15. Employment growth is projected to be largest in Health Care and Social Assistance while employment is expected to decline in Manufacturing.

These projections were updated in February 2010 to take into account recent economic developments in Australia and abroad.

Slide 17




*Source:*

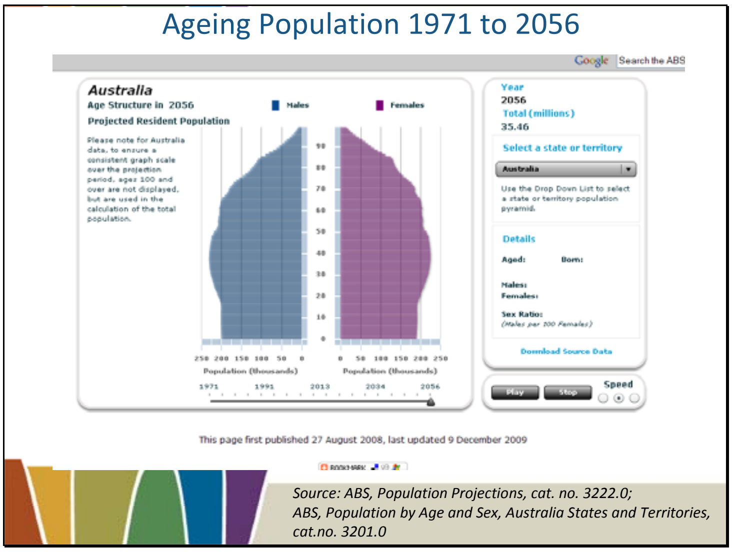
*DEEWR, Employment Projections to 2014-15, May 2010*

The level of educational attainment is strongly linked with labour market performance and the ability of a population to respond flexibly to an economic shock. Post school qualifications, for instance, allows people to gain employment in higher skilled occupations, such as Professional, Manager and Technician and Trades Worker occupations, which tend to be more stable, more in demand and higher paid.

The highest number of jobs in the last five years have been suitable for workers with a Bachelors Degree or higher. This trend is projected to continue for the next five years.

There is also strong employment growth projected over the next five years for jobs that require a Certificate II or III.

Slide 18




*Sources:*

*ABS, Population Projections, Australia, cat. no. 3222.0*

*ABS, Population by age and sex, Australian States and Territories, cat. no. 3201.0*

This animation demonstrates how the age profile of the Australian population has changed since 1971 and is projected to change to 2056. As time progresses, there has been and will continue to be an increasing proportion of older Australians in the population.

The animation of the population pyramid has been removed and replaced with a description of the animation to ensure that the information is available to people with various information accessibility needs. The animation can be accessed on the ABS website: ABS Population Pyramid for Australia
[http://www.abs.gov.au/websitedbs/d3310114.nsf/home/population%20pyramid%20preview](http://www.abs.gov.au/websitedbs/d3310114.nsf/home/population%20pyramid%20preview)

Slide 19

## Internet Vacancy Index (IVI)

| Victoria | % change over the year to May 2010 | Number of Vacancies |
|---|---|---|
| Managers | 18.3 | 6 662 |
| Professionals | 5.4 | 13 709 |
| Technicians and Trades Workers | 26.0 | 5 992 |
| Community and Personal Service Workers | 0.3 | 2 950 |
| Clerical and Administrative Workers | 31.3 | 9 900 |
| Sales Workers | 6.8 | 5 580 |
| Machinery Operators and Drivers | 17.8 | 2 092 |
| Labourers | -13.0 | 3 508 |
| **Total** | **12.2** | **50 394** |

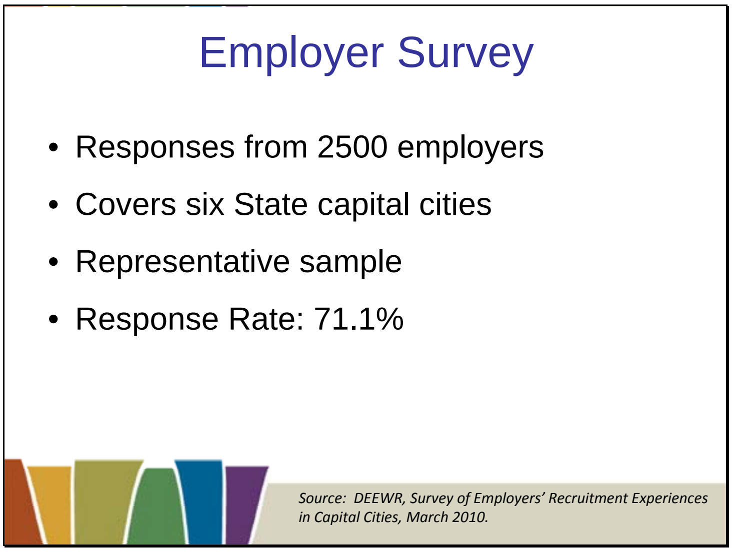
*Source: DEEWR, Internet Vacancies Index, June 2010*

*Source:*

*DEEWR, Internet Vacancy Index, June 2010*

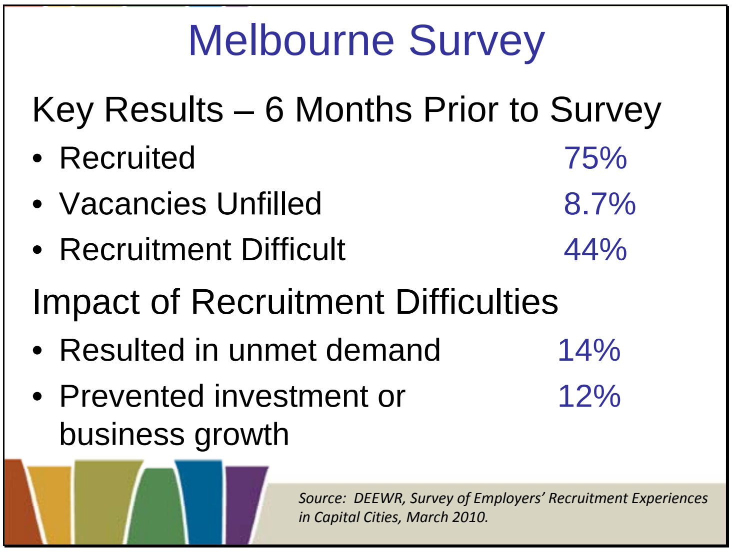
This slide shows that there are employment opportunities across all occupation categories. More than half (52 per cent) of all vacancies were for Managers, Professionals and Technicians and Trades Workers.

Slide 20




In March 2010, DEEWR conducted a Survey of Employers' Recruitment Experiences in the six State Capital Cities. Overall, 2500 employers completed the survey with the number of responses in each city enabling reliable estimates of recruitment difficulties to be made for each capital city Of these, 474 employers were located in Melbourne.

Slide 21




Over the past 6 months;

- Employers who recruited;

  75% in Melbourne compared with 80% in all State Capital cities

- Proportion of Vacancies Remaining Unfilled;

  8.7% in Melbourne compared with 7.3% for all State Capital cities

- Proportion of employers who said that recruitment was difficult over the past six months;

  44% in Melbourne compared with 43% for all State Capital cities

- These difficulties had very significant and real impacts on Melbourne businesses;

Preventing 14% of employers from meeting market demand for their goods and services.

Preventing 12% of employers from carrying out investment projects or growing their business.

Slide 22

## Changes to Staff Numbers

| Industry of business | Proportion of workplaces | |
|---|---|---|
| | Staff increase in past 6 months (%) | Staff decrease in past 6 months (%) |
| Manufacturing | 34 | 8 |
| Construction | 39 | 17 |
| Retail Trade | 36 | 7 |
| Accommodation and Food Services | 35 | 6 |
| Professional, Scientific and Technical Services | 34 | 2 |
| Health Care and Social Assistance | 25 | 2 |
| **All Industries - Melbourne** | **32** | **6** |
| **All Industries - Australia** | **26** | **19** |

*Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2010.*

Across all industries, 32% of employers in Melbourne increased staff numbers in the past six months while 6% reduced staff numbers.

Slide 23

## Recruitment Difficulty by Industry

| Industry | Employers Who: Found Recruitment 'Difficult' | Employers Who: Had Staff Retention Problems | Recruitment Difficulties Prevented Employer from: meeting market demand, carrying out investment projects or growing business |
|---|---|---|---|
| Manufacturing | 47% | 10% | 21% |
| Construction | 56% | 0% | 28% |
| Retail | 44% | 24% | 16% |
| Accommodation and Food Services | 24% | 18% | 14% |
| Professional, Scientific and Technical Services | 42% | 20% | 20% |
| Health Care and Social Assistance | 49% | 9% | 15% |
| **All Industries - Melbourne** | **44%** | **17%** | **19%** |

*Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2010.*

This slide shows the proportion of recruiting employers who had recruitment and/or retention difficulty. Of employers surveyed in Melbourne who recruited, 44 per cent reported recruitment difficulty. High proportions of recruiting employers in the Construction (56 per cent) and Health Care and Social Assistance (49 per cent) industries reported recruitment difficulty.

It also shows the impacts of recruitment difficulty on business output and investment. Investment or output was restricted due to recruitment or retention difficulties in nearly one-fifth (19 per cent) of employers.

Slide 24

## Employers Reporting Difficulty in their most recent vacancy

| Occupation group of most recent vacancy (Selected Groups) | Had unfilled vacancies | Hired staff who lacked desired skills/ capabilities | Had to extend recruitment/ readvertise | Had any problem |
|---|---|---|---|---|
| **Technicians and Trades Workers** | 26% | 14% | 15% | 45% |
| **Community and Personal Service Workers** | 9% | 17% | 21% | 40% |
| **Machinery Operators and Drivers** | 29% | 25% | 36% | 79% |
| **Sales Workers** | 18% | 16% | 17% | 42% |
| **Labourers** | 13% | 14% | 9% | 27% |
| **All Occupations – Melbourne** | 18% | 14% | 18% | 42% |

*Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2010.*

This table shows the proportion of employers who, in their most recent recruitment round:

- Could not fill all their vacancies;
- Filled vacancies with workers who lacked the skills or capabilities that they desired; and
- Had to extend the recruitment round or re-advertise because of difficulties finding suitable staff.

The final column shows employers who had any one of these problems.

Slide 25

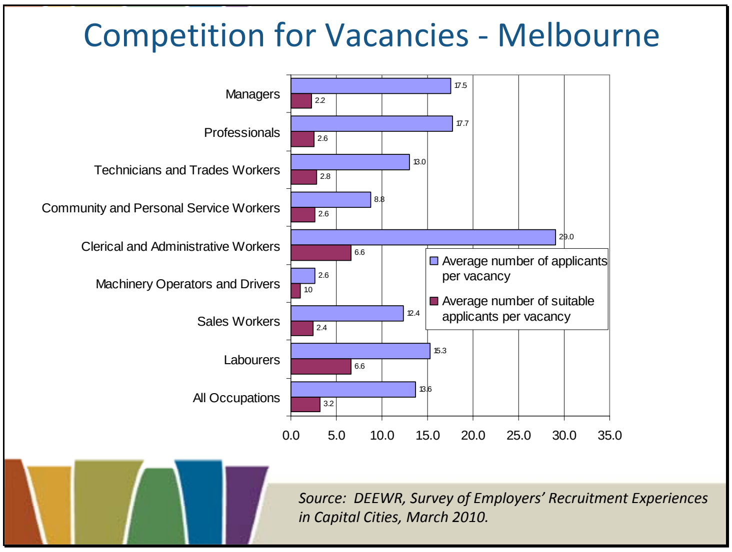
## Occupations Difficult to Fill - Melbourne

| Bachelor Degree or Higher VET Qualifications | | | |
|---|---|---|---|
| Registered Nurses | Hospital Pharmacists | Speech Pathologists | Welfare Workers |
| Engineers | Structural Steel and Welding Trades Workers | Motor Mechanic | Automotive Electricians |
| Bakers | Electricians | Refrigeration and A/C Mechanics | Metal Fitters and Machinists |
| **Other Occupations** | | | |
| Waiters/Café Workers | Bar Attendants | Kitchen hands | Truck Drivers |
| Hotel Service Managers | Factory Process Workers | Commercial Cleaners | Store Persons |

*Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2010, Skill Shortage List May 2010.*

This slide shows some of the occupations that employers commonly told us were difficult to fill.

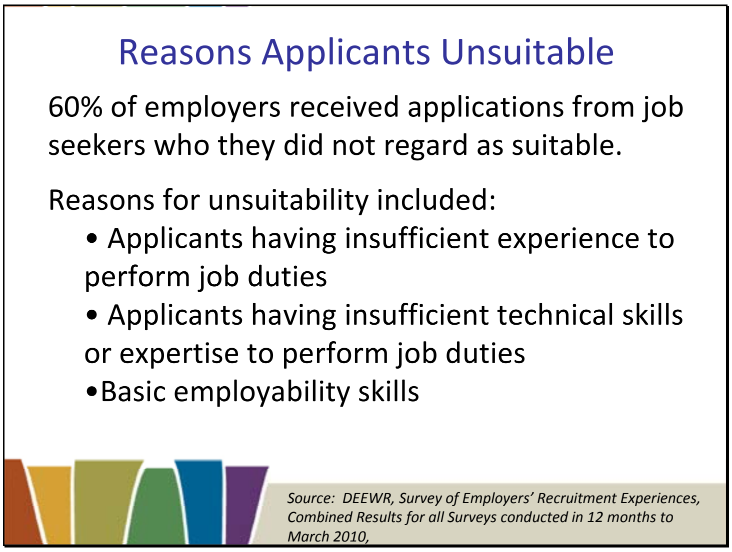
Slide 26




Employers in Melbourne reported an average of 8.5 applicants per vacancy. There were high average numbers of applicants per Clerical and Administrative Worker (29.0), Professional (17.7) and Manager (17.5) vacancy. Employers recruiting for Machinery Operators and Drivers reported an average of 2.6 applicants per vacancy.

Employers in Melbourne reported an average of 3.2 suitable applicants per vacancy. There were high average numbers of applicants per Clerical and Administrative Worker (6.6) and Labourer (6.6) vacancy. Employers recruiting for Machinery Operators and Drivers reported an average of 1.0 suitable applicants per vacancy.

Slide 27




This chart is based on combined data for all regional surveys conducted by DEEWR in the 12 months to March 2010. It shows the main reasons applicants were considered unsuitable.

Slide 28


This chart is based on combined data for all surveys conducted in the 12 months to March 2010. It highlights the importance that employers placed on personality traits and the traits they sought in applicants.

Slide 29


<u>Staff Numbers</u>

Overall, employers in Melbourne were optimistic about the employment expectations for the next six months.

<u>Greatest Concern:</u>

Employers were asked to nominate whether interest rates, skill shortages or uncertain or declining demand for goods or services was of greatest concern to them in their business in the next six months. More employers were most concerned about low or uncertain levels of demand (41%) than were most concerned about skill shortages (27%) in the next six months.

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# Conclusion

- Overall, labour market conditions improving
- Still pockets of disadvantage
- Ongoing structural changes to labour market
- Some groups remain vulnerable
  - Teenagers; OTMESC; Indigenous; less educated, long term unemployed
- Considerable opportunities
  - Melbourne employers expect continued employment growth
  - Growth industries – Health Care and Social Assistance.
  - Broad range of occupations difficult to fill
- Employers having difficulty finding appropriate workers
  - Recruitment Difficulties having negative impact on businesses.
- How to take advantage of these opportunities
  - Work experience, training, apprenticeships, employability skills
  - Literacy and numeracy
- Continue to work with employers regarding their needs and expectations

Slide 31

## Further Information

- For more information:
  - www.deewr.gov.au/lmip
  - www.deewr.gov.au/skillshortages
  - www.deewr.gov.au/regionalreports
  - www.joboutlook.gov.au
  - www.skillsinfo.gov.au