



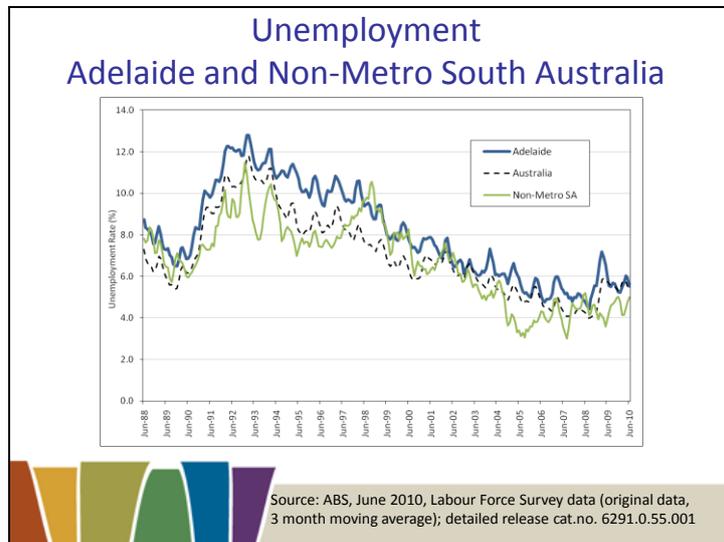
Australian Government
Department of Education, Employment and Workplace Relations

**Labour Market Conditions and Survey of
Employers' Recruitment Experiences**

South Australia

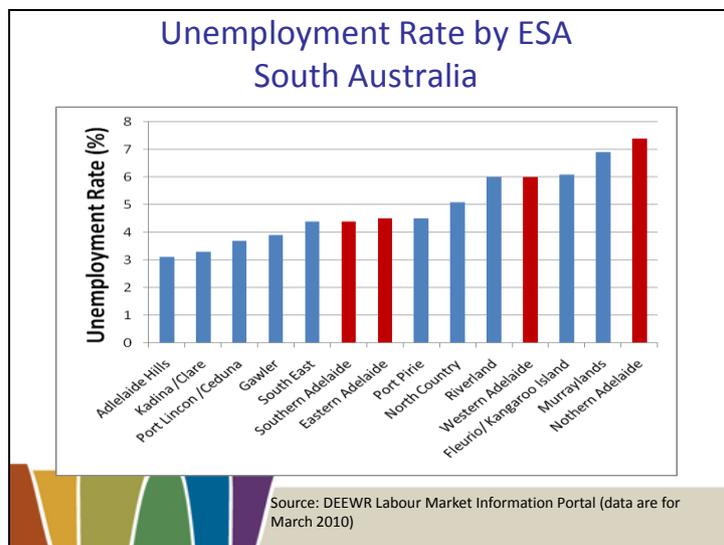
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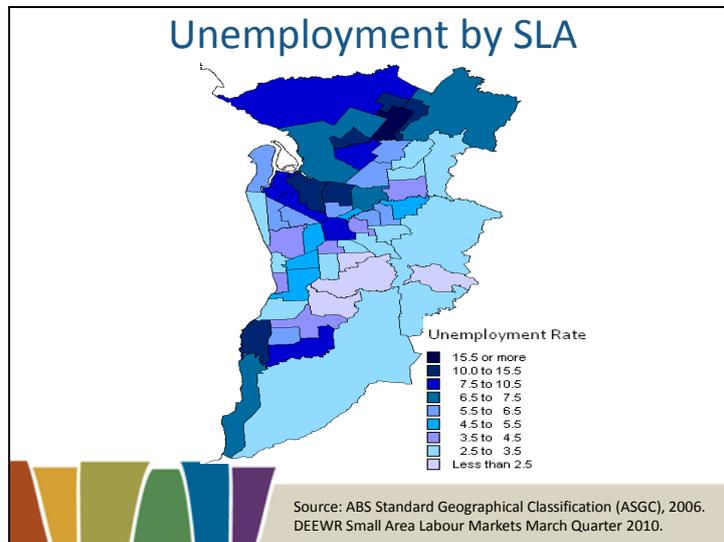
This chart shows unemployment rates for Adelaide, Non-Metro SA and Australia between June 1988 and June 2010.

While unemployment rates have increased since the global economic slowdown (commencing September 2008) they remain well below the levels reached in the early 1990's.



This chart shows unemployment rates in the ESA's across South Australia. The Adelaide based ESA's are shown in red.

- Encouragingly, many South Australian ESA's have unemployment rates below 5 per cent.
- The unemployment rate in Northern Adelaide is above 7 per cent.



This map shows unemployment rates by Statistical Local Area (SLA) in Adelaide.

We can see that many suburbs in Eastern Adelaide such as Mitcham are shaded in light grey indicating that they have unemployment rates of less than 2.5 per cent.

The Following SLAs have unemployment rates above 10%

SLA	Unemployment Rate March 2010
Salisbury (C) – Central	10.3 per cent
Playford (C) – East Central	10.6 per cent
Salisbury (C) – Inner North	11.0 per cent
Port Adelaide Enfield (C) – Inner	11.3 per cent
Onkaparinga (C) – North Coast	11.5 per cent
Port Adelaide Enfield (C) – Park	11.7 per cent
Playford (C) - West Central	14.3 per cent
Playford (C) - Elizabeth	20.6 per cent

Regions with High Levels of Disadvantage				
Indicator	Elizabeth Central/ Playford	Port and Enfield SLAs	Onkaparinga North Coast	Adelaide Metro Area
Unemployment Rate	14.9%	11.0%	11.5%	5.3%
% of families with children where no parent is working	34%	39%	33%	20%
% of population Aged 15-64 who have not completed Year 10	17%	17%	14%	10%
% of population Aged 15-64 on a Centrelink allowance	38%	32%	34%	20%

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

This table highlights some of the other negative social issues associated with high unemployment for some of the more disadvantaged areas of Adelaide.

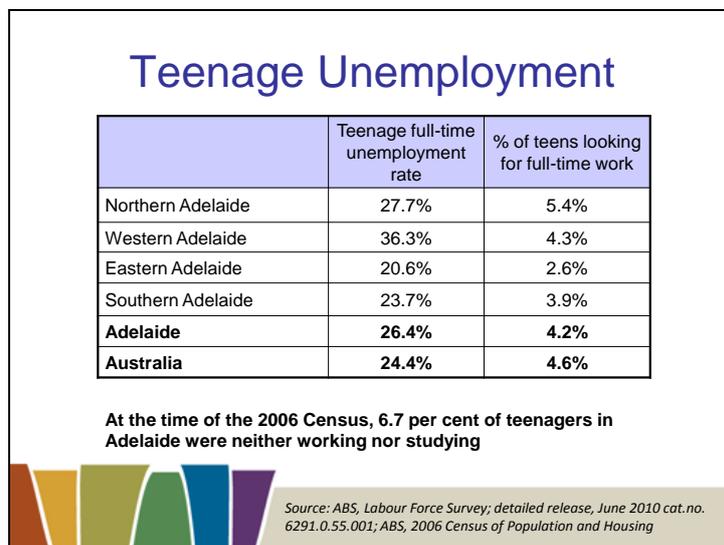
We can see from the table that in regions with higher levels of unemployment that there is a significantly higher proportion of:

- families with children where no parent is working.
- the working age population who have not completed year 10.
- the working age population in receipt of a Centrelink allowance.

2 regions are based on groups of SLA's

Elizabeth/Central Playford is made up of: Elizabeth Playford and the 2 Central Playford SLA's – East Central and West Central.

Port Adelaide Enfield SLAs: Port Adelaide Enfield (C) – Inner; Port Adelaide Enfield (C)- Port; Port Adelaide Enfield (C) – Park.



This table provides teenage Labour Force Survey data for the Labour Force Regions of Adelaide.

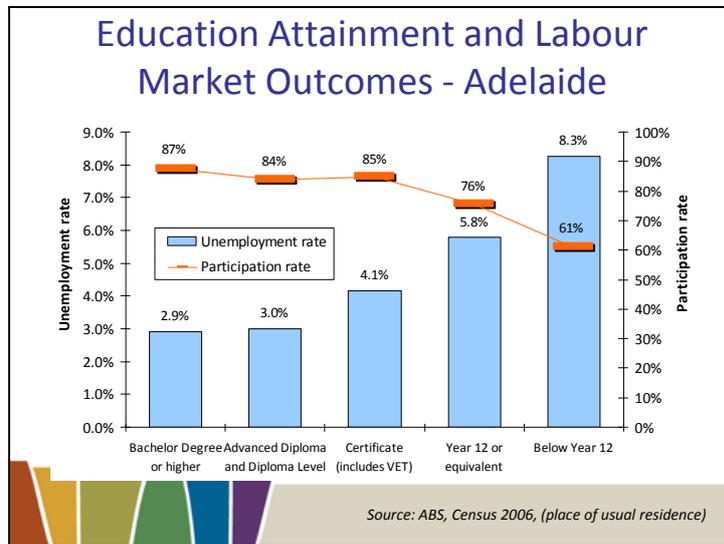
Due to their lack of skills and experience, teenagers in the full-time labour market can be particularly vulnerable during a labour market downturn.

- The teenage full time unemployment rate was well about the National rate in Western Adelaide (36.3 per cent) and Northern Adelaide (27.7 per cent).

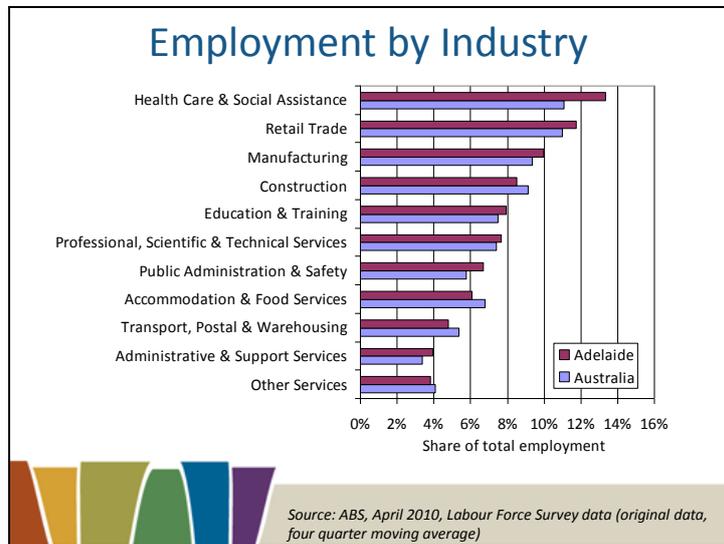
At the time of the 2006 Census, 6.7 per cent of teenagers in the Adelaide were neither working nor studying. This compares to 7.1 per cent for Australia.

There was, however, a considerable variation in the proportion of disengaged teenagers across Adelaide's 4 labour force regions.

- Northern Adelaide: 9.0 per cent of teenagers were neither working nor studying
- Western Adelaide: 7.1 per cent of teenagers were neither working nor studying
- Southern Adelaide 6.4 per cent of teenagers were neither working nor studying
- Eastern Adelaide: 3.3 per cent of teenagers were neither working nor studying

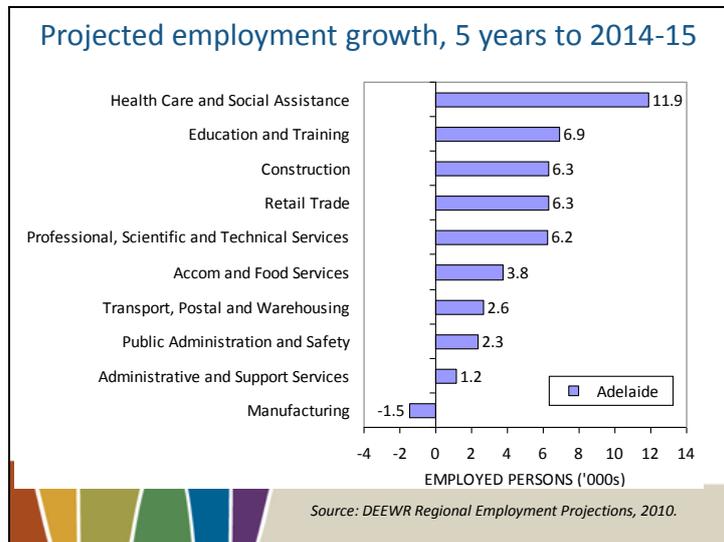


As can be seen in this chart, those people in Adelaide with relatively high levels of education perform better in the labour market, with higher labour force participation rates and lower unemployment rates, compared with those with lower levels of educational attainment.



In this chart the share of employment by industry for Adelaide is compared with Australia.

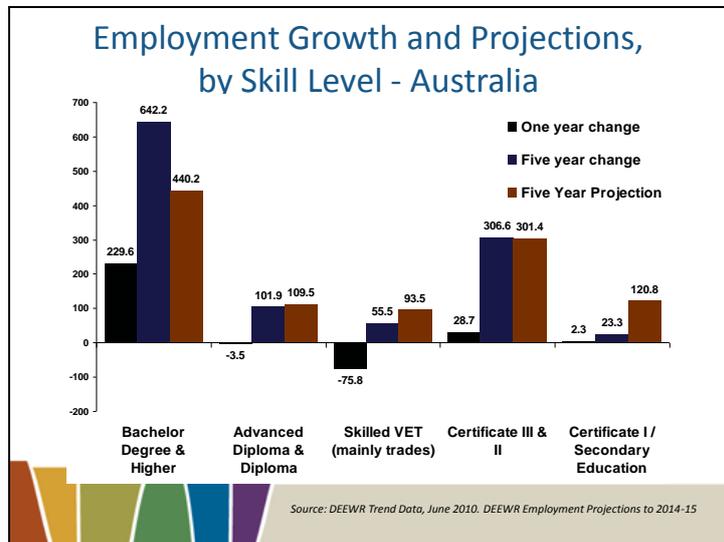
Health Care and Social Assistance is now the largest employing industry in Adelaide.



This slide gives the projected employment growth for Adelaide over the 5 years to 2014-15.

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

We can see from the chart above that Health Care and Social Assistance is projected to be a key growth area in the region over the next five years.



- The largest increase in the number of jobs in the last five years has been in those suitable for workers with a Bachelors Degree or higher.

Internet Vacancy Index (IVI) South Australia

June 2010	Annual change		Number of vacancies
	Per cent	Number	
Managers	7.9	80	1102
Professionals	4.8	111	2449
Technicians and Trades Workers	16.9	251	1737
Community and Personal Service Workers	8.9	75	918
Clerical and Administrative Workers	9.4	167	1944
Sales Workers	5.2	61	1238
Machinery Operators and Drivers	16.5	114	806
Labourers	-11.0	-177	1432
South Australia	6.2	682	11,626

Source: DEEWR, Vacancy Report, June 2010

The number of vacancies in South Australia has increased for most occupation categories in the year to June 2010.

Growth in vacancies has been particularly strong for:

- Technicians and Trades Workers;
- Clerical and Administrative Workers (includes positions ranging from general office supervisors and program administrators to receptionists and secretaries); and
- Community and Personal Service Workers (which include hospitality workers and people who assist health professionals such as aged and child carers).

Employer Survey

- Responses from 2500 employers
- Covers six State capital cities
- 97% of workplaces 10+ staff
- Representative sample
- Response Rate: 71.1%

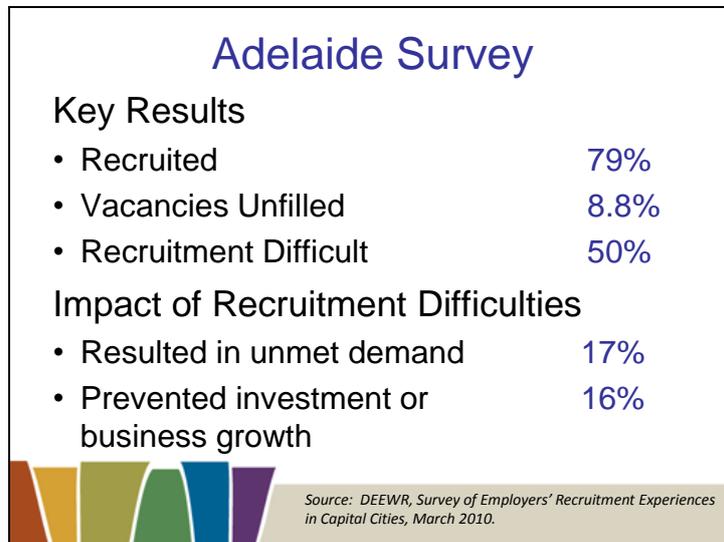


Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2010.

The Survey of Employer's Recruitment Experiences in State Capital Cities measured the severity of recruitment difficulties in businesses over the past six months. Results for March 2010 identify which sectors and cities are most impacted by recruitment difficulties.

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

- 418 employers were located in Adelaide.
- A response rate of 71.1 per cent was achieved. This is a very strong result for an employer survey of this kind, which reflects the importance of recruitment issues to employers.

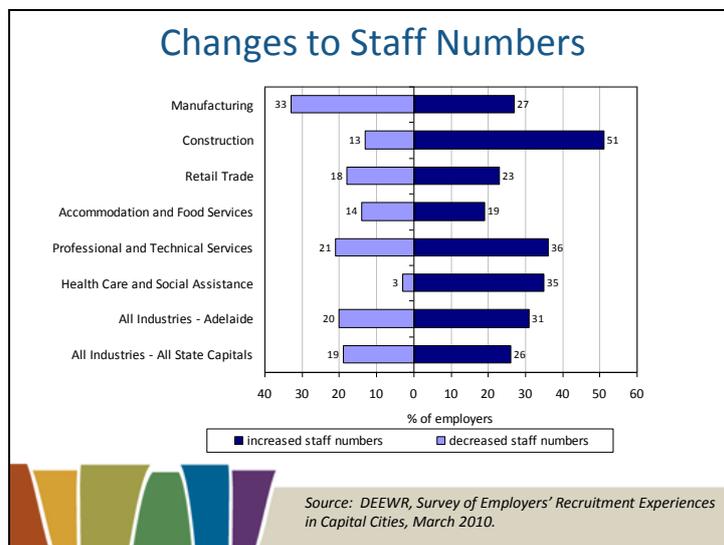


In Adelaide:

- 79 per cent of employers recruited compared with 80 per cent for all six capital cities surveyed.
- 8.8% of vacancies from the past 6 months remained unfilled at the time of the survey (the all city average was 7.3 per cent).
- half of all recruiting employers said that recruitment was difficult (the all city average was 43 per cent).

Many employers said that recruitment difficulties had a negative impact on their business.

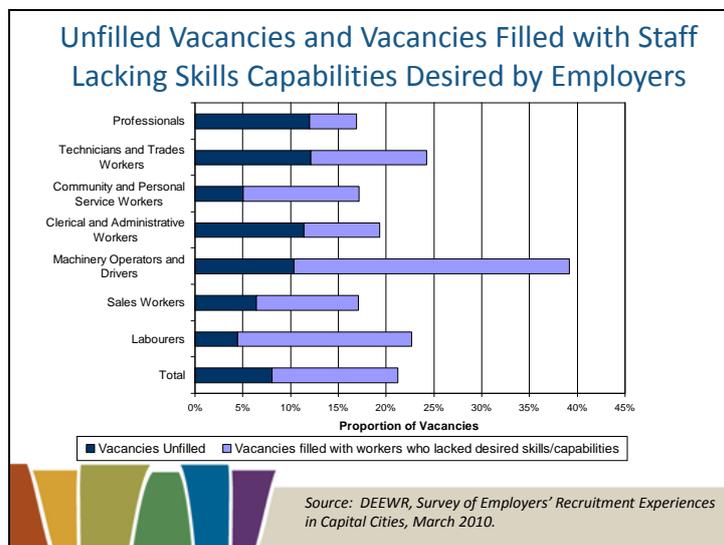
- 17% of all employers (whether they recruited or not) said that recruitment difficulties prevented them from meeting the market demand for their goods or services (15% for all capital cities)
- 16% of employers said that recruitment difficulties prevented them from undertaking investment projects or from growing their business (13% for all capital cities)



This slide shows changes to staff numbers in the 6 months prior to the survey, by industry.

Across all industries 31 per cent of surveyed businesses in Adelaide increased staff numbers while 20 per cent reduced overall staff numbers (this compares with results of 26 per cent and 19 per cent respectively for all capital cities).

- Staff numbers decreased in more Manufacturing workplaces over the previous 6 months than they increased (33 per cent compared to 27 per cent respectively).
- The resilience of the Health Care and Social Assistance sector was highlighted by the very small proportion of workplaces in this industry that reduced staff numbers (in the previous six months only 3 per cent of workplaces reduced staff numbers while 35 per cent increased staff numbers).



This chart shows the proportion of vacancies which remained unfilled (dark blue) and the proportion that were filled with a worker who lacked the skills or capabilities that the employer was looking for (light blue).

We can see that employers had difficulty filling vacancies across a wide range of occupations.

Almost 40 per cent of vacancies for Machinery operators either remained unfilled or were filled with staff that did not have the skills or capabilities desired by the employer:

- Employers most commonly said that recently recruited Machinery Operators and Drivers lacked the technical skills that they were looking for.

- More than 12 per cent of Technicians and Trades Workers vacancies remained unfilled.

- There were also more than 12 per cent of Technicians and Trades Workers vacancies which were filled with job seekers who lacked skills or capabilities.

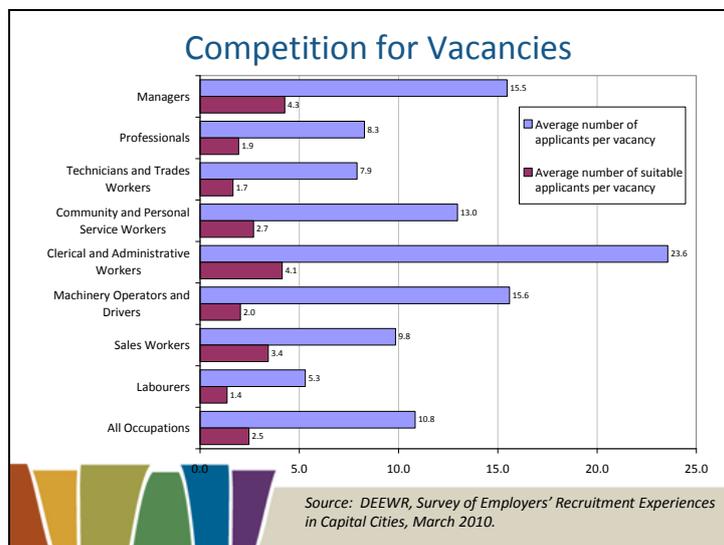
- Employers who recruited for Technicians and Trades Workers said that job seekers most commonly lacked experience and Technical Skills.

Occupations Difficult to Fill

Bachelor Degree or Higher VET Qualifications			
Registered Nurses	Hospital Pharmacist	Speech Pathologist	Welfare Worker
Engineers	Structural Steel and Welding Trades Worker	Motor Mechanic	Automotive Electrician
Baker	Electrician	Refrigeration and A/C Mechanic	Metal Fitters and Machinist
Other Occupations			
Waiter	Bar Attendant	Kitchen hand	Café Worker
Hotel Service Manager	Factory Process Worker	Commercial Cleaner	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.



This chart shows the average number of applicants and average number of applicants rated as 'suitable' received by Adelaide based employers per job vacancy.

- Overall there was an average of 10.8 applicants for every one vacancy, of which an average of 2.5 applicants were rated as suitable.
- This compares to all city results of an average of 12.9 applicants per job vacancy of whom 3.1 were rated as being 'suitable' for the job.

Average numbers of applicants and applicants suitable were the lowest for:

- Employers filling vacancies in the Labourer occupation category. The high number of vacancies often associated with Labouring jobs mean that high average numbers of applicants are less likely.
- Employers recruiting for Tradespersons and Professionals also received fewer applicants (on average) than was the case for all occupations.

Employers attempting to fill vacancies for Clerical and Administrative Workers received the highest average number of applicants per vacancy.

Note: these are average figures and there are wide variations in the number of applicant numbers between individual cases in all categories.

Reasons Applicants Unsuitable

60% of employers received applications from job seekers who they did not regard being suitable.

Reasons for unsuitability included:

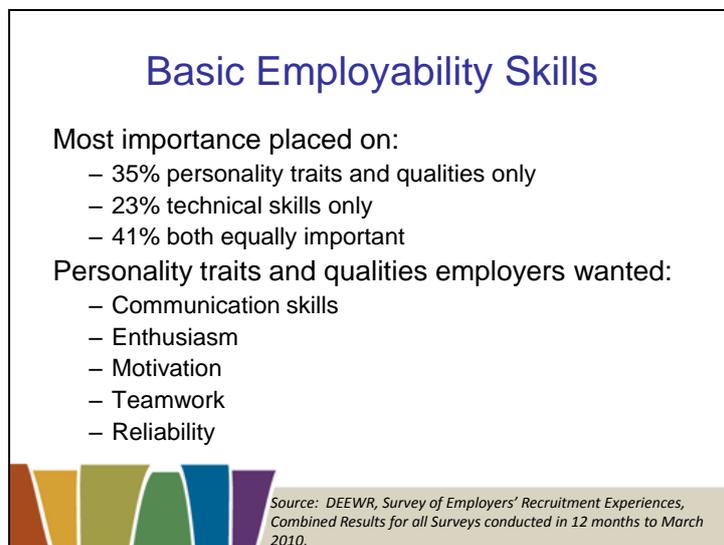
- Applicants having insufficient experience to perform job duties
- Applicants having insufficient technical skills or expertise to perform job duties
- Basic employability skills



Source: DEEWR, Survey of Employers' Recruitment Experiences, Combined Results for all Surveys conducted in 12 months to March 2010,

60% of employers received one or more applicants who they did not regard as being suitable for the job during their most recent recruitment round. In surveys completed in the 12 months to March 2010 employers were asked the reasons why job seekers were considered unsuitable. Lack of work experience was the most common reason for applicant unsuitability, followed by insufficient technical skills or expertise.

- These reasons were commonly mentioned by employers attempting to fill vacancies for all major occupation categories.



Employers were also if technical skills or basic employability skills were more important to them when evaluating the suitability of job applicants.

•Over two-fifths (41 per cent) of employers surveyed thought that both technical skills and experience and basic employability skills (such as personal traits and qualities) were equally important and just over one third (35 per cent) thought that personal traits and qualities alone were more important. Less than a quarter (23 per cent) of employers considered technical skill and experience alone to be more important.

The sorts of personality traits or qualities most sought after by employers included positive attitude, communication skills, teamwork skills, motivation and reliability.

Challenges Employing an Apprentice Australia

More than half (59%) of employers who employed an Apprentice or Trainee found it challenging.

Common challenges included:

- Apprentices and Trainees lacked soft skills and work readiness;
- Non-completion and retention;
- Cost and time requirements; and
- Lack of appropriate workplace supervisors/trainers.



Source: DEEWR, Survey of Employers' Recruitment Experiences, Combined Results for all Surveys conducted in 12 months to March 2010.

Of the more than 1300 employers surveyed in the 12 months to March 2010 who recruited an apprentice or trainee in the past year, 59 per cent said that they found it 'challenging'

The most commonly reported challenges outlined by employers were:

- Apprentices and trainees lacked soft skills (29 per cent of employers who said their recruitment was challenging) and finding people who are work ready (26 per cent);
- Non-completion or poor retention of apprentice/trainee (12 per cent);
- Cost and time requirements (11 per cent);
- Lack of appropriate workplace supervisors/trainers (9 per cent).



Employment expectations for the next six months were optimistic in Adelaide. Compared with employers in other State capital cities, employers in Adelaide were most likely to expect an increase in staff numbers (equal with Perth), and least likely to expect a decline in staff numbers (equal with Perth and Melbourne).

Greatest Concern:

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 in Adelaide were most concerned about recruitment and skill shortages (39 per cent), than were most concerned about low or uncertain levels of demand (37 per cent).

Conclusions

- Labour market conditions have improved since early 2009
 - Manufacturing Industry remains weak.
- Adelaide employers expect continued employment growth
- Still pockets of labour market disadvantage.
- High numbers of job applicants
- But many employers having difficulty finding appropriate workers.
 - Recruitment Difficulties having negative impact on businesses.
- Employment opportunities at all skill levels for those who are job ready:
 - The greatest challenge to employing an Apprentice/Trainee is finding someone with the necessary soft skills and who is job ready



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Employment opportunities at all skill levels for those who are job ready:

- The greatest challenge to employing an Apprentice/Trainee is finding someone with the necessary soft skills and who is job ready