

Slide 1



Australian Government
Department of Education, Employment and Workplace Relations

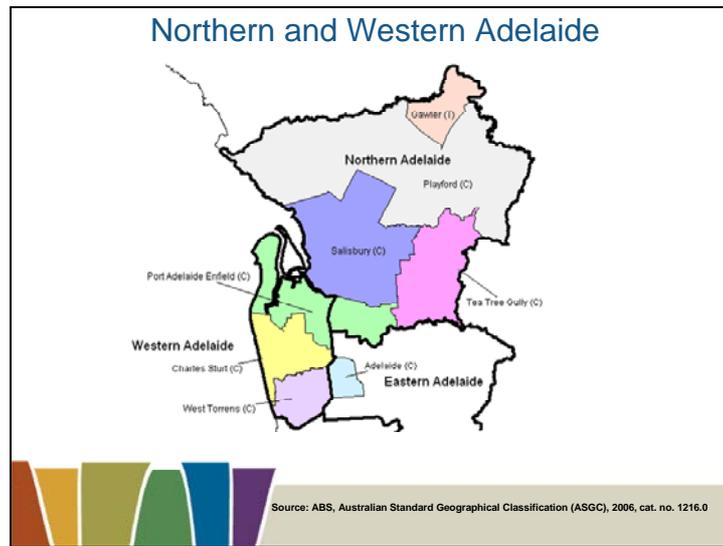
Labour Market Conditions in Northern and Western Adelaide

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Labour Market Conditions in Northern and Western Adelaide

Slide 2



This map shows Northern and Western Adelaide and covers the Northern and Western Adelaide Labour Force Regions (LFRs) and the Adelaide Local Government Area (LGA).

The Local Government Areas (LGAs) in each LFR are:

Northern Adelaide

- Gawler (T);
- Playford (C);
- Salisbury (C); and
- Tea Tree Gully (C)

Western Adelaide

- Charles Sturt (C); and
- West Torrens (C)

Port Adelaide Enfield (C) is split across both Labour Force Regions (LFRs), while Adelaide Local Government Area (LGA) is in the Eastern Adelaide Labour Force Region (LFR).

**Northern and Western Adelaide
labour market profile**

	Northern Adelaide LFR	Western Adelaide LFR	Australia
Adult population (15+)	308 200	183 800	17 910 400
% aged 65 and over	15.9%	23.6%	16.7%
Employment	179 300	106 400	11 067 500
% change since June 2009	0.8%	5.3%	2.7%
Unemployment rate	6.8%	4.6%	5.3%
% point change since June 2009	-0.6	-3.6	-0.5
Participation rate (15-64)	72.8%	77.1%	76.2%
% point change since June 2009	-0.2	2.0	-0.3

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.003, June 2010, three month averages of original data.

This slide compares labour market outcomes for Northern Adelaide and Western Adelaide Labour Force Regions with Australia.

Results show a general improvement in labour market conditions in Western Adelaide LFR while the labour market conditions remain comparatively soft in Northern Adelaide.

Population

Population growth over the year to June 2010 was 1.7 per cent in Northern Adelaide and 0.9 per cent in Western Adelaide compared with 2.5 per cent for Australia.

A high proportion of Western Adelaide residents are aged 65+

Employment

Over the year to June 2010, employment increased slightly in the Northern Adelaide LFR (0.8 per cent) while employment growth in the Western Adelaide LFR was 5.3 per cent. Employment in Australia grew by 2.7 per cent over the same period.

Unemployment Rate

The unemployment rate in the Northern Adelaide LFR fell by 0.6 percentage points to 6.8 per cent in the year to June 2010, but remains above the Australian unemployment rate of 5.3 per cent.

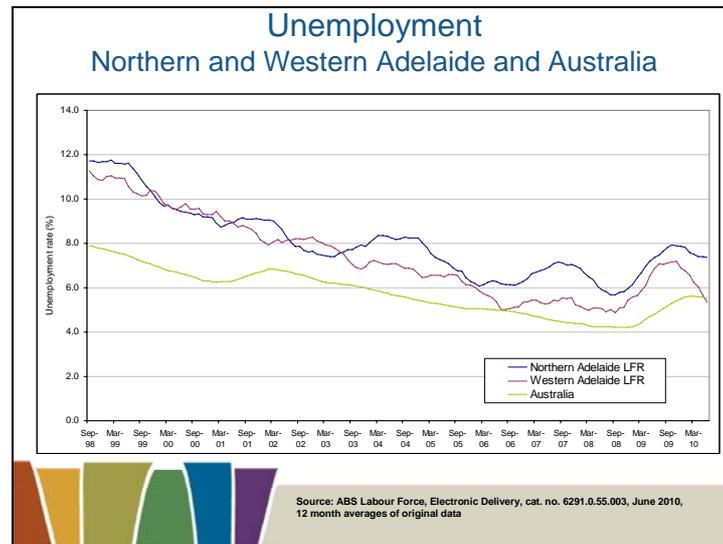
Over the year to June 2010, the unemployment rate in the Western Adelaide LFR decreased by 3.6 percentage points to stand at 4.6 per cent.

The combined unemployment rate for the two LFR's was 6.0 per cent in June 2010.

Participation Rate

The working age participation rate in Northern Adelaide LFR (72.8 per cent) was below the Australian rate (of 76.2 per cent). Western Adelaide LFR had a working age population participation rate (77.1 per cent).

Over the year to June 2010, the participation rate decreased slightly in the Northern Adelaide LFR (0.2 percentage points) while it increased substantially by 2.0 percentage points in Western Adelaide LFR. Over the same time period, the participation rate in Australia decreased by 0.3 percentage points.



This graph shows that:

the unemployment rate in both the Northern and Western Adelaide LFRs has been consistently higher than the National average since 1998.

the unemployment rate has been trending downwards since the late 90's

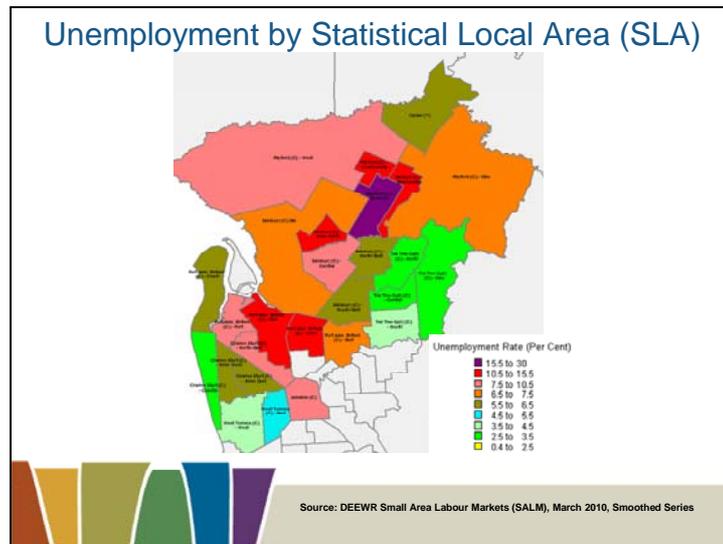
unemployment figures for Western Adelaide have shown signs of improvement more recently.

June 2010 unemployment rates

Northern Adelaide LFR - 6.8%

Western Adelaide LFR - 4.6%

Australia - 5.3%

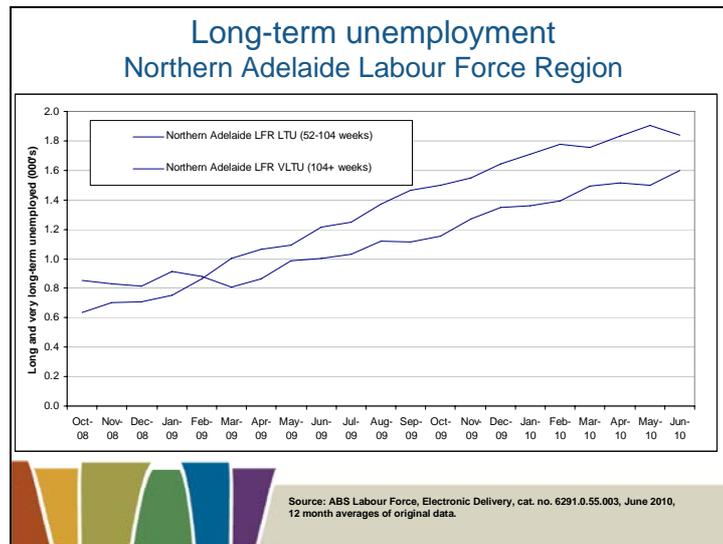


This slide shows the disparity in unemployment rates between SLAs within Northern and Western Adelaide.

Unemployment rates were particularly high in SLAs within:

- Playford (C) (Elizabeth - 20.6 per cent) & West Central - 14.3 per cent),
- Salisbury (C) (Inner North - 11.0 per cent) & Central - 10.3 per cent) and
- Port Adelaide Enfield (C) (Park - 11.7 per cent) & Inner - 11.3 per cent).

Slide 6



This slide shows that the number of people who are long term unemployed (52 weeks+) and very long term unemployed (104 weeks+) in Northern Adelaide has increased steadily since October 2008.

The longer that people are unemployed the less likely they are to regain employment.

Recipients of Centrelink Benefits				
	% of Working Age Population on Centrelink Benefits	% of Working Age Population on Unemployment Benefits	% Change over 12 Months for all Centrelink Benefit Recipients	% Change over 12 Months for Unemployment Benefit Recipients
Northern Adelaide LFR	24%	6%	3%	13%
Western Adelaide LFR	22%	6%	2%	9%
Northern and Western Adelaide	23%	6%	3%	11%
Australia	18%	5%	5%	15%

Source: DEEWR, Administrative Data, March 2009, March 2010; ABS Estimated Resident Population by AGSC and Age Groups, June 2008, cat. no. 3235.0

While the proportion of people who receive a Centrelink benefit in the region remains above the national average, increases in the number of beneficiaries over the past 12 months have been below the national average.

Recipients of Centrelink Benefits

A higher proportion of the working age (15-64) population of the Northern Adelaide LFR (24 per cent) and the Western Adelaide LFR (22 per cent) were in receipt of a Centrelink Benefit compared with Australia (18 per cent).

A higher proportion of the working age population (15-64) of Northern and Western Adelaide was in receipt of the Disability Support Pension (8 per cent) compared with Australia (5 per cent).

The increase in Centrelink recipients in Northern and Western Adelaide was 3 per cent compared with 5 per cent for Australia.

Recipients of Unemployment Benefits

The proportion of the working age (15-64) population receiving unemployment benefits (Youth Allowance (Other) or Newstart) in Northern and Western Adelaide (6 per cent) was slightly above the National average (5 per cent).

The increase in Unemployment benefit recipients in Northern and Western Adelaide (11 per cent) was lower than the increase for Australia (15 per cent).

Demographic groups vulnerable in the labour market

	Unemployment rate		Participation rate	
	N&W Adelaide	Australia	N&W Adelaide	Australia
OTMESC* Migrants	9.0%	7.5%	45.6%	56.0%
Indigenous	18.7%	15.6%	50.6%	54.5%

*Other than mainly English speaking countries.

Source: ABS, 2006 Census of Population and Housing; Source: (OTMESC, Indigenous, single parents); ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.003, June 2010, 12 month averages of original data. (youth and mature aged workers)

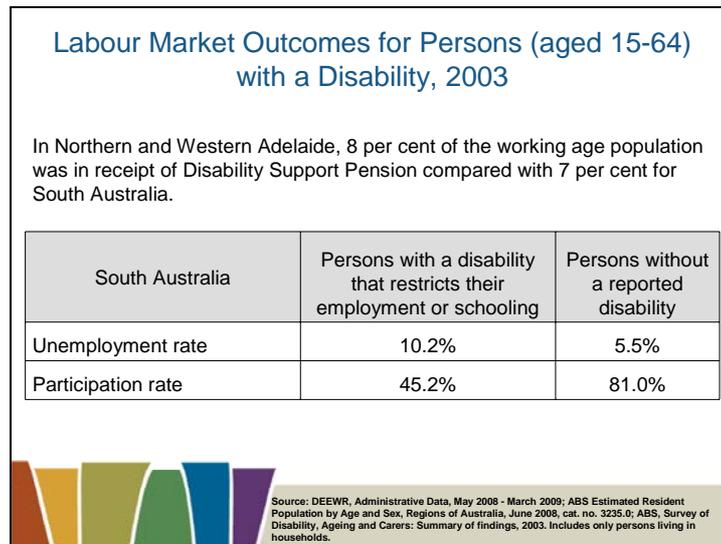
Persons identifying as Indigenous and migrants from non-english speaking backgrounds have (on average) worse labour market outcomes than the rest of the population.

OTMESC Migrants

- OTMESC stands for ‘Other Than Mainly English Speaking Countries’. Lack of English language skills are often a barrier to employment for OTMESC migrants.
- A slightly higher proportion of the Northern and Western Adelaide adult population was born in an OTMESC (18.3 per cent) compared with Australia (17.6 per cent).
- The Local Government Areas of Adelaide (C) (29.1 per cent), Charles Sturt (C) (23.4 per cent) and West Torrens (C) (23.2 per cent) had particularly high OTMESC migrant concentrations.
- By SLA, nearly half of the adult population of Port Adelaide Enfield (C) – Park (one of the red areas on the map we just looked at), were born in an OTMESC. Many of these OTMESC migrants are from Vietnam (17.8 per cent of adult population).
- For Northern and Western Adelaide as a whole, the largest OTMESC groups were born in Italy (2.5 per cent of adult population) and Vietnam (2.0 per cent).
- In 2006, the unemployment rate for OTMESC migrants was 9.0 per cent, 1.5 percentage points higher than the Australian OTMESC unemployment rate.
- At the same time, the participation rate for OTMESC migrants was 45.6 per cent, 10.4 percentage points lower than the Australian OTMESC unemployment rate.

Indigenous

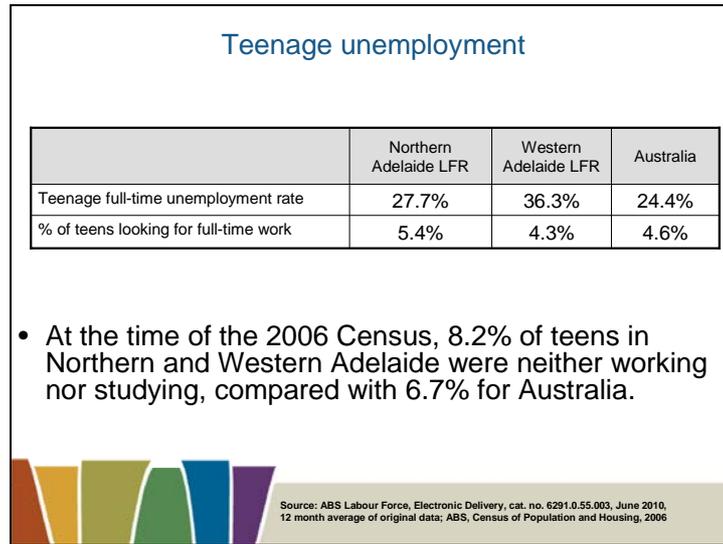
- The proportion of the population who identified as Indigenous was higher than the National average (1.8 per cent) in the SLAs of Playford (C)– West Central (3.1 per cent), Playford (C) – Elizabeth (2.3 per cent), Port Adelaide Enfield (C) – Port (2.3 per cent) and Port Adelaide Enfield (C) - Park (1.9 per cent).
- The Indigenous unemployment rate in Northern and Western Adelaide was 18.7 per cent, 3.1 percentage points higher than the Indigenous unemployment rate for Australia.
- The Indigenous participation rate in Northern and Western Adelaide was 50.6 per cent, 3.9 percentage points lower than the Indigenous participation rate for Australia.



Persons with a disability that restricts their employment or schooling have higher levels of unemployment and lower levels of labour force participation than persons without a reported disability.

In 2003, one in five South Australians (aged 15-64 years) reported having a disability. 8.9 per cent reported having a disability that restricted their employment or schooling.

In Northern and Western Adelaide 8% of the working age population is in receipt of a Disability Support Pension (DSP), compared with 5% for Australia.



The slide shows the labour market outcomes for teenagers in Northern and Western Adelaide. Lower levels of experience and skills leave teenagers vulnerable to economic downturns.

The teenage full-time unemployment rate in the Northern (27.7 per cent) and Western Adelaide (36.3 per cent) LFRs was higher than the National average (24.4 per cent) as at May 2010.

In the year to June 2010, the teenage full-time unemployment rate increased by 3.8 percentage points in the Northern Adelaide LFR and 2.2 percentage points in the Western Adelaide LFR compared with a 3.7 percentage point increase for Australia.

The proportion of teenagers looking for full-time work was slightly higher than the National average (4.6 per cent) in Northern Adelaide (5.4 per cent) and slightly below it in Western Adelaide (4.3 per cent).

The proportion of teenagers who were looking for full-time work decreased over the year to June 2010, by 0.9 percentage points in Northern Adelaide and 0.2 percentage points in Western Adelaide compared with a 0.4 percentage point increase for Australia.

At the 2006 Census, 8.2% of teens in Northern and Western Adelaide were neither working nor studying, compared with 6.7% for Australia.

SLAs with High Levels of Disadvantage

Indicator	Playford-Elizabeth	Port Adelaide /Enfield -Park	South Australia
Unemployment Rate	21%	12%	5%
% of families with children where no parent is working	47%	45%	20%
% of population Aged 15-64 who have not completed Year 10	16%	17%	8%
% of population Aged 15-64 on a Centrelink allowance	48%	35%	20%
% of yr 9 Govt School Students below min standard for Reading	26%	45%	6%
-for numeracy	15%	37%	4%



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

This slides shows that some regions within the Northern and Western Adelaide area had particularly high levels of disadvantage, most notably, Playford (Elizabeth) and Port Adelaide (Enfield Park).

Educational Attainment
*Proportion of Working Age Population
(15 to 64 years)*

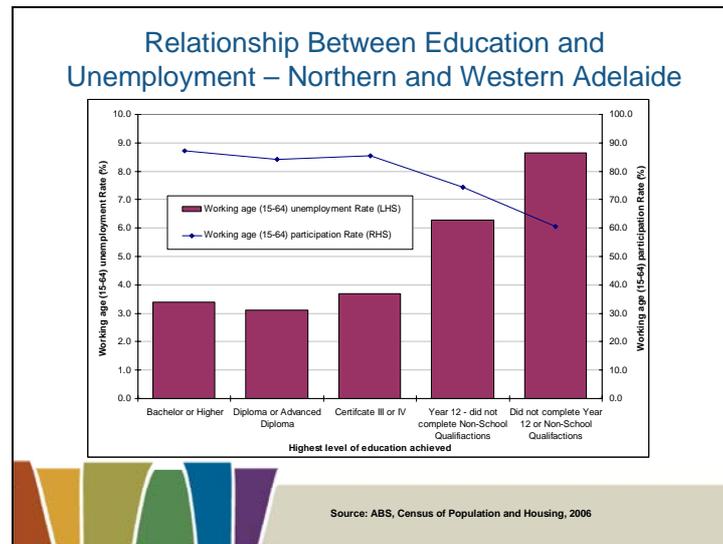
	Northern Adelaide LFR	Western Adelaide LFR	Northern and Western Adelaide	Australia
Completed year 12 or equivalent	37%	47%	41%	47%
Bachelor degree or higher	9%	15%	12%	17%

Source: ABS, Census of Population and Housing, 2006

Educational Attainment

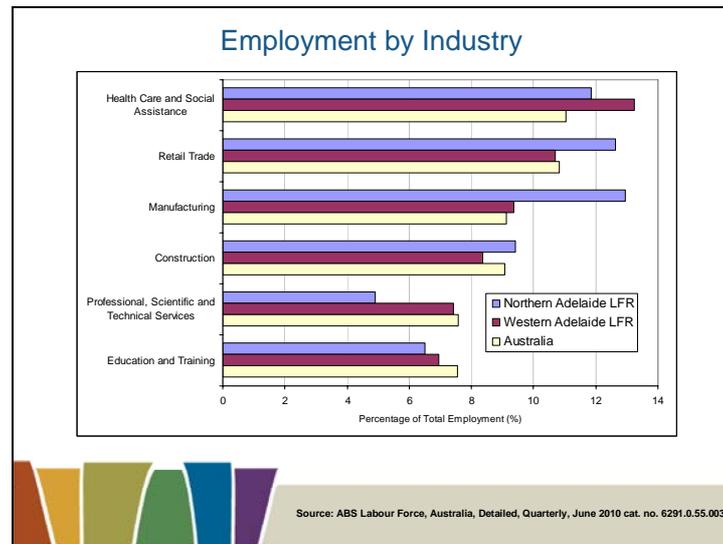
Education attainment is significantly lower in Northern Adelaide than the National Average.

The level of educational attainment is strongly linked with labour market performance and the ability of a region (or its population) to respond flexibly to an economic shock. Accordingly, regions with relatively low levels of educational attainment tend, on average, to be less flexible in the face of economic slowdowns and face greater labour market difficulties. For example, upon retrenchment, those with lower educational attainment will find it significantly more difficult to find subsequent employment than their more highly skilled counterparts.



There is a strong relationship between educational attainment and employment outcomes. For those of working age (15-64) who did not complete Year 12 or a Non-School Qualification in Northern and Western Adelaide, the unemployment rate was 8.6 per cent at the time of the 2006 Census, while for those who had a Bachelor degree or higher, the unemployment rate was 3.4 per cent.

Further training such as apprenticeships and other Certificate training could improve job seekers' engagement in the labour force. The unemployment rate for people who completed a Certificate III or IV qualification was 3.7 per cent compared with 8.6 per cent for those who did not complete year 12. In addition, the participation rate was 85.3 per cent for those who completed a Certificate III or IV qualification compared with 60.5 per cent for those who did not complete year 12.



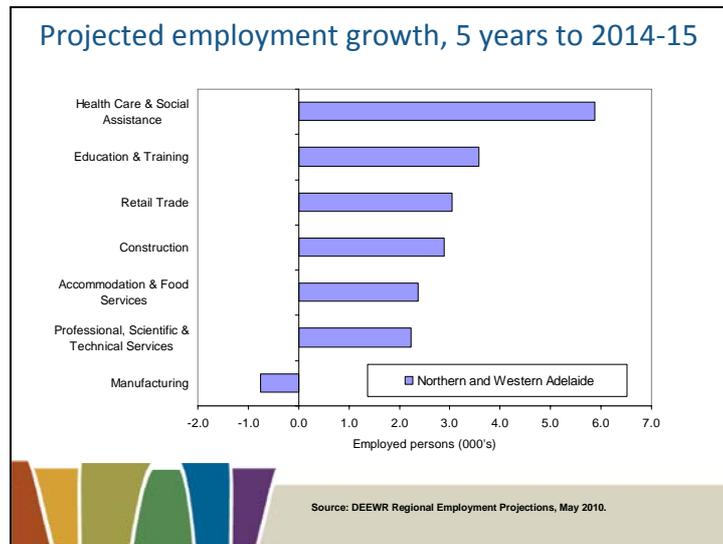
An indicator of labour market vulnerability is a high concentration of employment in industries that are sensitive to economic downturns, such as the Manufacturing and Retail Trade industries. This chart compares the employment by industry in Northern Adelaide and Western Adelaide Labour Force Regions with Australia.

In Northern Adelaide there was a high concentration of employment in Manufacturing (13 per cent compared with 9 per cent for Australia) and Retail Trade (13 per cent compared with 11 per cent).

Employment in Health Care and Social Assistance is expected to continue to grow in the future. An ageing population, the continued demand for child care coupled with the growth of community and home-based services and advances in medical technology are expected to increase the future demand for health services.

DEEWR has projected employment in the Health Care and Social Assistance industry to grow at an average rate of 3.0 per cent per annum in the five years to 2013-14. This compares with an average annual growth rate of 1.0 per cent for all industries over the same period. (source: <http://www.skillsinfo.gov.au/skills/IndustryOutlooks>)

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This slide gives the projected employment growth in the Northern and Western Adelaide LFRs over the 5 years to 2014-15.

Employment in Health Care and Social Assistance is projected to increase by 5 900 jobs over the 5 years to 2014-15.

Employment is expected to decline in Manufacturing by 700 jobs over the 5 years to 2014-15

Employer Survey

- Northern and Western Adelaide
- 249 employers surveyed in March 2010
- 80% of employers recruited
 - 51% of employers had difficulty recruiting
- 7.1% of recent vacancies unfilled



Source: DEEWR, Northern and Western Adelaide Survey of Employers' Recruitment Experiences, March 2010.

The survey covered Northern and Western Adelaide, which includes the Labour Force Regions of Northern Adelaide and Western Adelaide and the Local Government Area of Adelaide.

249 employers were surveyed in the area March 2010 as part of a larger survey of 2500 businesses in across State Capital cities.

80% of employers recruited

51% of these employers said that recruitment was difficult

7.1% of recent vacancies unfilled

Changes to staff numbers

Industry of business	Proportion of employers	
	Staff Increase in past 6 months	Staff Decrease in past 6 months
Construction	45%	18%
Professional, Scientific and Technical Services.	40%	20%
Retail Trade	26%	26%
Health Care and Social Assistance	25%	0%
Manufacturing	24%	33%
Total	28%	21%

Source: DEEWR, Northern and Western Adelaide Survey of Employers' Recruitment Experiences, March 2010;

The past 12 months has been a volatile time for many businesses in the region and this is reflected in changes in the number of workers employed in local workplaces. These results are mixed across industry sectors.

Across all industries 28% of surveyed businesses increased staff numbers while 21% reduced staff numbers. It is notable that 25% of employers in the Health Care and Social Assistance industry increased staff numbers while no employers in this industry decreased staff numbers.

Recruitment Difficulty

Industry group of most recent vacancy	% of employers reporting that recruitment was 'Difficult' NW Adelaide	% of employers reporting that recruitment was 'Difficult' All State Capital Cities
Health Care	63%	48%
Construction	60%	50%
Accommodation and Food Services	53%	37%
Manufacturing	49%	48%
Professional, Scientific and Technical Services	41%	48%
All Industries	51%	43%

Source: DEEWR, Northern and Western Adelaide Survey of Employers' Recruitment Experiences, March 2010.

Just over half of recruiting employers said that recruitment for at least one occupation over the past 6 months was 'difficult'.

Employers had difficulty recruiting across a range of industries.

Local employers were more likely to experience difficulty filling vacancies in Health Care, Construction, and Accommodation and Food Services.

Impact of Recruitment Difficulties % of all employers

Impact of recruitment and retention difficulties on business				
	Couldn't meet Market Demand	Prevented Investment or Business Growth	Reduced the Quality of Outputs	Any of these Problems
Northern and Western Adelaide	18	18	14	26
All State Capitals	15	13	16	23

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

Recruitment and retention difficulties had negative impacts on many local businesses.

This slide shows the proportion of employers who told us that, in the past 6 months, recruitment and retention difficulties:

- Prevented them from meeting market demand for their goods or services (18% compared with 15% for all capital cities).
- Prevented them from carrying out investment projects or from growing their business (18% compared with 13%).
- Had a noticeable and negative impact on the quality of their business outputs (14% compared with 16%).
- A higher proportion of employers in NW Adelaide were negatively impacted by recruitment and retention difficulties than was the case across State Capital cities (26% compared to 23%).

Selected Occupations Difficult to Fill

Bachelor Degree or Higher VET Qualifications		
Civil Engineers	Structural Steel and Welding Trades Workers	Motor Mechanics
Chefs	Registered Nurses	Electricians
Other Occupations		
Commercial Cleaners	Factory Process Workers	Truck Drivers
Café Workers	Call or Contact Centre information Clerks	Waiters
Kitchen Hands	Hotel Service Managers	Bar Attendants

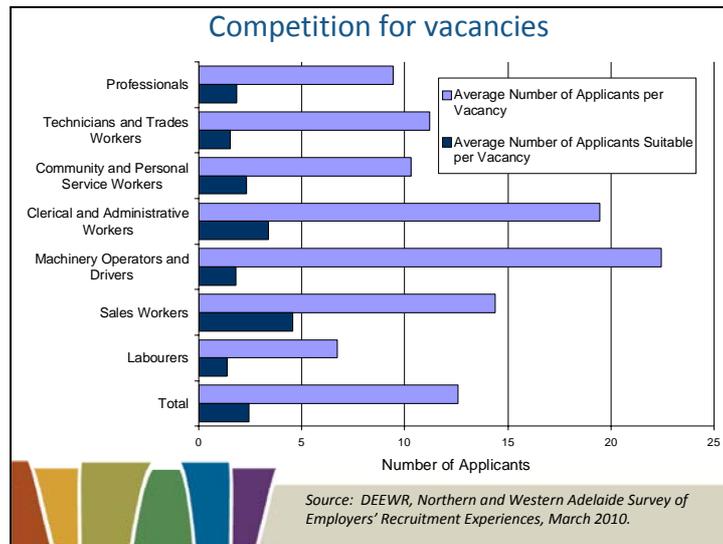
Source: DEEWR, Northern and Western Adelaide Survey of Employers' Recruitment Experiences, May 2009, March 2010.

This slide shows the occupations that employers commonly told us were difficult to fill. Difficulties considered when compiling this list included employers reporting that they:

- were unable to fill vacancies;
- were forced to fill vacancies with applicants who did not have the skills or capabilities that they were looking for; or
- had to delay the completion of the recruitment exercise because they could not find suitable candidates.

Local workers with the appropriate qualifications and/or characteristics in these occupations would have an increased likelihood of securing employment in the region.

Although there are a number of difficult to fill jobs that require a higher level of education (either higher VET (Cert III/IV) or Bachelor Degree or higher), many of the occupations mentioned as difficult to fill are medium to lower skill level jobs such as cleaners and factory process workers.



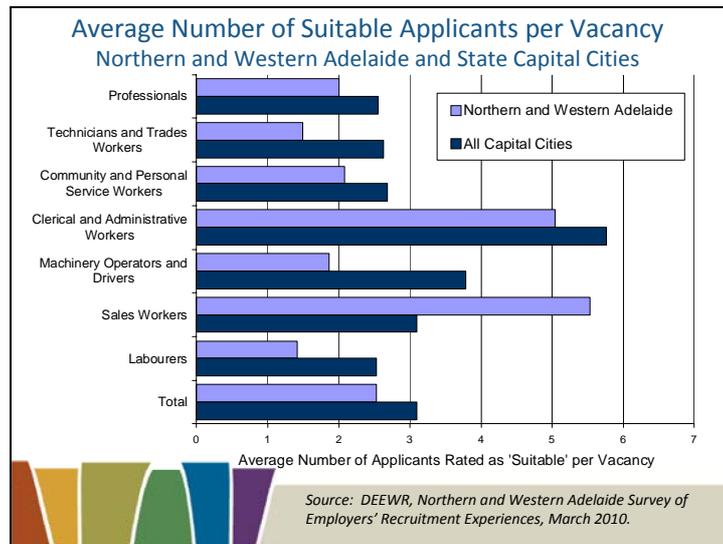
Across all occupations

There was an average of 12.6 applicants per vacancy compared with an average of 12.9 for all capital cities.

However, employers reported a low average number of suitable applicants per vacancy (2.5). This compares with an average of 3.1 applicants suitable per vacancy for all capital cities. This suggests that a higher than usual number of job applicants did not have the necessary skills or capabilities to do the job for which they had applied.

By Occupation:

The number of job applicants per vacancy was particularly high for Clerical workers and Machinery Operators and Drivers.



Despite having a reasonably high average number of job applicants to select from employers regarded a lower number of applicants as being 'suitable' for each job vacancy than was the case for all capital cities.

In their most recent recruitment round 10% of employers received an average of less than one suitable job applicant per vacancy.

17% of employers who recently recruited for Technicians and Trades Workers had an average of less than one suitable job applicant per vacancy. This included recruitment for vacancies such as Motor Mechanics, Bakers and Cabinet Makers.

18% of employers who recently recruited for Labourers received an average of less than one suitable applicant per vacancy. This included recruitment for vacancies such as Motor Vehicle Parts and Accessories fitters.

Reasons Applicants Unsuitable

Less than 20% of job applicants were regarded as being suitable by employers.

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, Northern and Western Adelaide Survey of Employers' Recruitment Experiences, March 2010, May 2009.

Only 19.5 per cent of job applicants were regarded as being suitable for the job for which they had applied (considers employer's most recent recruitment round only). In a May 2009 survey in the region 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.

Employers in Northern and Western Adelaide also placed importance on the personality traits or qualities of applicants. The sorts of personality traits or qualities most sought after by employers included positive attitude, communication skills, teamwork skills, motivation and reliability.



Employers in the Northern and Western Adelaide were asked when recruiting, whether they placed more importance on the applicant's personal traits and qualities or on their technical skills and experience.

35% said that personal traits and qualities were most important

23% said that technical skills were most important

41% said that both personal traits and technical skills were equally important.

These survey results indicate that in today's labour market, jobs seekers need to have both technical or job-specific skills and basic employability skills.



Staff Numbers:

Overall, employers in Northern and Western Adelaide were optimistic about the next six months.

41% of employers said that they expected staff numbers at their workplace to increase in the next six months (compared with 37% across all State capital cities) while 6% of employers expected staff numbers to decline (6% for all State capital cities).

50% of employers in Construction expected to increase staff numbers in the next six months.

Greatest Concern:

Employers were asked to nominate whether interest rates, skill shortages or uncertain or declining demand for goods or services was of the greatest concern to them in their business in the next six months.

Despite the recent economic turbulence and uncertainty employers in Northern and Western Adelaide are highly concerned about skill shortages.

40% of all surveyed employers were most concerned about skill shortages over the next six months (this compares with 37% for Australia).

39% were most concerned about low or uncertain levels of demand in the next six months.

11% were most concerned about interest rates

5% had no concerns at all

Manufacturers were likely to be most concerned about future demand (50%)

Employers of businesses in Health Care and Social Assistance likely to be most concerned about skill shortages (50%)

**Northern and Western Adelaide -
Conclusion**

- Labour market conditions are mixed but the worst may be over
- Pockets of significant disadvantage exist
- Vulnerable groups (Indigenous, youth, OTMESC, people with disabilities, less educated)
- Still opportunities
 - employers continuing to recruit
 - unfilled vacancies across all skill levels
 - Target growth industries and occupations difficult to fill.
 - Apprenticeships
- Job seekers need to be job ready
 - Work Experience
 - Training
 - Employability Skills
- Continue to work with employers



Conclusion

Labour market conditions are mixed but the worst may be over

Pockets of significant disadvantage exist

There are vulnerable groups in the community (Indigenous, youth, OTMESC, people with disabilities, less educated)

Opportunities are still available

employers continuing to recruit

unfilled vacancies across all skill levels

Target growth industries and occupations difficult to fill.

Apprenticeships

Job seekers need to be job ready

Work Experience

Training

Employability Skills

Continue to work with employers to understand their needs

Further Information

- www.deewr.gov.au/lmip
- www.workplace.gov.au/skillshortages
- www.deewr.gov.au/regionalreports
- www.joboutlook.gov.au
- www.skillsinfo.gov.au
- www.deewr.gov.au/Australianjobs



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