

Slide 1

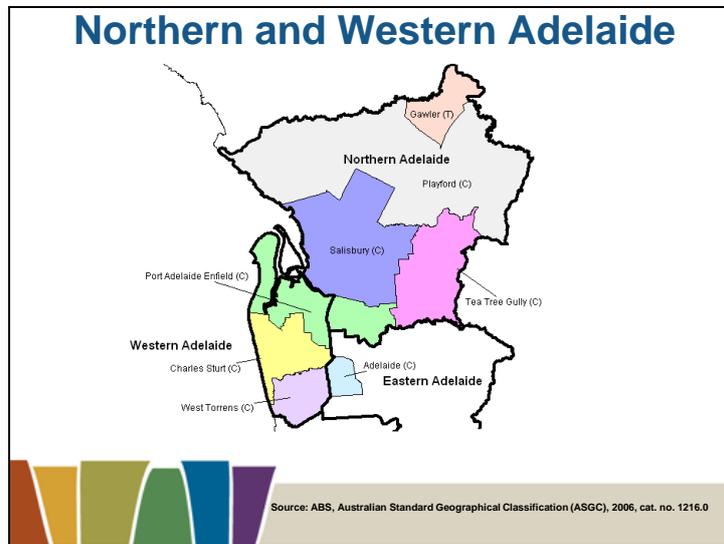


Australian Government  
Department of Education, Employment and Workplace Relations

## Labour Market Conditions in Northern and Western Adelaide

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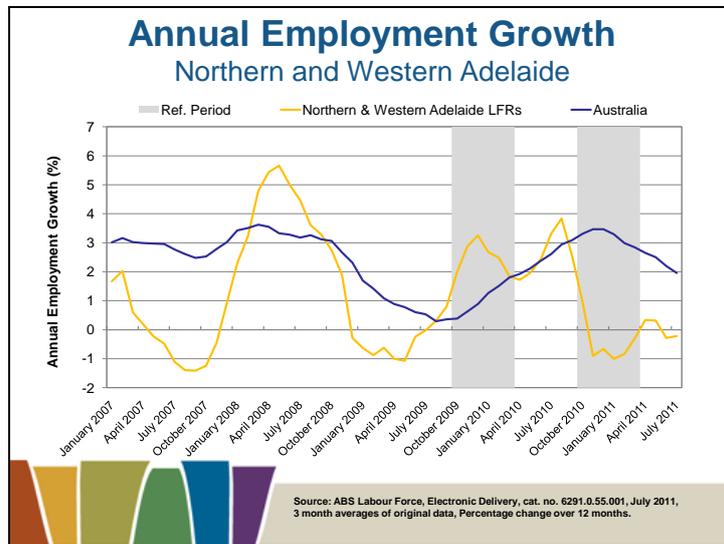
This map shows the Northern and Western Adelaide Priority Employment Area which covers the Northern and Western Adelaide Labour Force Regions (LFRs) and the Adelaide Local Government Area (LGA).

<b>Northern and Western Adelaide Labour Market Profile</b>			
	<b>Northern Adelaide LFR</b>	<b>Western Adelaide LFR</b>	<b>Australia</b>
<b>Adult population (15+)</b>	313, 867	186, 597	18, 098, 642
% aged 65 and over	16.2%	20.9%	16.6%
<b>Employment</b>	181 000	107 500	11 439 500
<i>Annual % change to July 2011</i>	1.1%	-2.4%	2.0%
<i>6 month % change Feb-July 2011</i>	1.9%	0.6%	0.2%
<b>Unemployment rate</b>	7.0%	4.1%	4.9%
<i>Percentage point change July 2010 to July 2011</i>	1.1	0.5	-0.3
<b>Participation rate (15-64)</b>	73.4%	74.8%	76.6%
<i>Percentage point change July 2010 to July 2011</i>	1.2	-2.4	0.4

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.003, July 2011  
three month averages of original data.

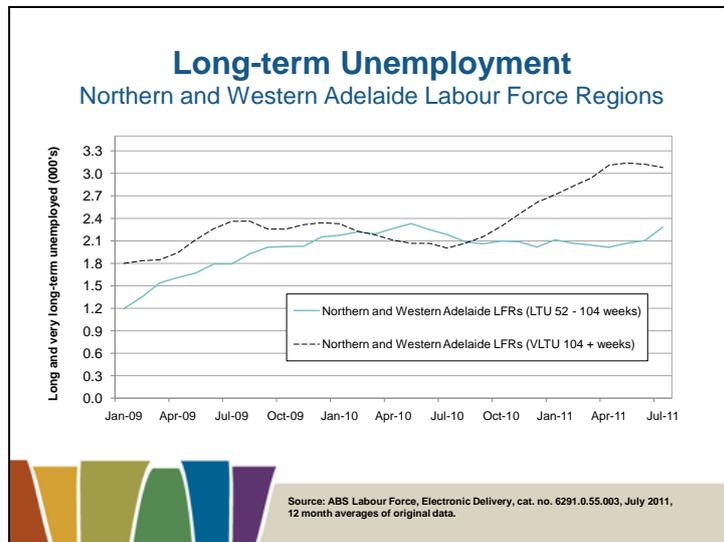
This slide compares labour market outcomes for Northern Adelaide and Western Adelaide Labour Force Regions with Australia.

- In the six months to July employment growth in NAWA has been stronger than for Australia
  - This however, follows a contraction in local employment in the six months to Feb 2011.
- Unemployment has increased, in both Northern Adelaide (by 1.1 percentage points) and Western Adelaide (by 0.5 percentage points) over the year.
- The small rise in unemployment in Western Adelaide is accompanied by a decline in the working age participation rate.
  - If the WAP participation rate had remained at July 2010 levels then the WAP unemployment rate would be 7.1% compared with its current level of 4.2% (almost 3 percentage points higher).
- Conversely, the WAP participation rate increased in Northern Adelaide.
  - Assuming the WAP part rate stayed at the level it was for July 10 (72.2%) the updated July 2011 WAP unemployment rate for Northern Adelaide would be 5.6%, compared with it's actual level of 7.2%.



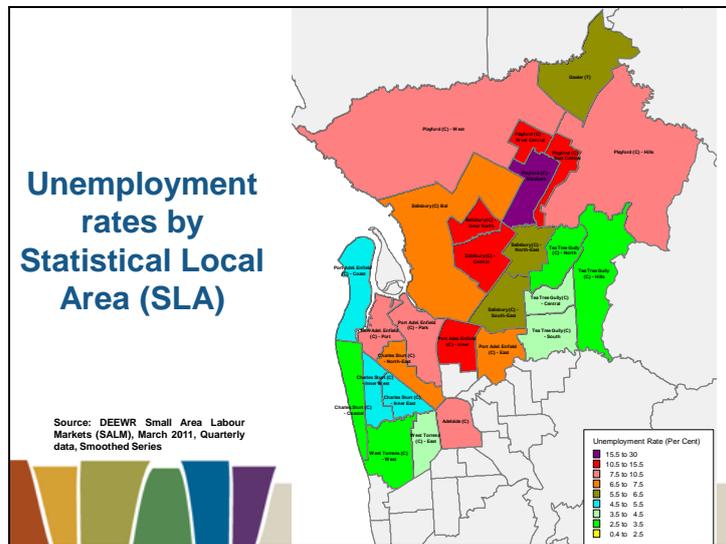
This chart shows annual employment growth for the Northern and Western Adelaide LFRs and for Australia over the past 5 years (based on 3 month averages of original data).

- Employment growth for NAWA bounced back strongly after the initial fallout from the GFC .
- In the last 12 months, however, employment growth (as measured by the ABS) has stagnated.



This slide shows that the number of people who have been unemployed for 2 years or longer (104 + weeks) in Northern and Western Adelaide LFRs has increased (by 1,070 persons) from July 2010 to July 2011. This represents an increase of 54 per cent.

- This increase suggests that many of those who were unable to secure employment during the downturn which followed the GFC have continued to remain unemployed for a long period of time.
- The longer that a person is unemployed, the less likely they are to regain employment.



This map shows the unemployment rate ranges for each Statistical Local Area (SLA) in the Northern and Western Adelaide PEA in the March quarter 2011 using Small Area Labour Market data.

- The disadvantaged Playford LGA consists of the 5 SLA's (pink , purple and red) below Gawler at the top of the map.

The map shows that there is considerable regional variation in the unemployment rate between SLA's within the Priority Employment Area.

<b>Recipients of Centrelink Benefits</b>				
	% of Working Age Population on Centrelink Benefits	% Change over 12 Months for all Centrelink Benefit Recipients	% of Working Age Population on Unemployment Benefits	% Change over 12 Months for Unemployment Benefit Recipients
<b>Northern Adelaide</b>	25%	3%	6%	4%
<b>Western Adelaide</b>	23%	1%	5%	1%
<b>Australia</b>	17%	0%	4%	-4%

Source: DEEWR, Administrative Data, June 2010, June 2011; ABS Estimated Resident Population by AGSC and Age Groups, June 2009, cat. no. 3235.0

There has been an increase in the proportion of the Working Age Population in both Northern and Western Adelaide on Centrelink and (particularly) on Unemployment benefits in the past 12 months.

- This contrasts results for Australia overall
  - The increase in Centrelink recipients in the Northern and Western Adelaide Priority Employment Area was 3 per cent compared with 0 per cent for Australia.
  - The number of persons in receipt of Unemployment benefits in the Northern and Western Adelaide Priority Employment increased over the year to June 2011 (3 per cent), while for Australia overall, persons in receipt of Unemployment benefits decreased by 4 per cent.

### **Recipients of Centrelink Benefits**

- A higher proportion of the working age (15-64) population of the Northern Adelaide LFR (25 per cent) and the Western Adelaide LFR (23 per cent) were in receipt of a Centrelink Benefit compared with Australia (17 per cent).
  - A higher proportion of the working age population (15-64) of the Northern and Western Adelaide was in receipt of the Disability Support Pension (8.0 per cent) compared with Australia (5.4 per cent).

### **Recipients of Unemployment Benefits**

- The proportion of the working age (15-64) population receiving unemployment benefits (Youth Allowance (Other) or Newstart) in the Northern and Western Adelaide (6 per cent) was above the National average (4 per cent).



<b>Job Seekers on JSA Caseload</b> Proportion of Caseload in NAWA, April 2011			
	Northern Adelaide	Western Adelaide	Australia
Disability	23%	23%	20%
Homeless	10%	11%	9%
Ex-Offender	11%	9%	11%
NESB	18%	30%	17%
Indigenous	7%	7%	12%
Refugee	8%	16%	4%
No. of Job Seekers on JSA Caseload	17,458	9,455	764,123

Source: DEEWR, JSA caseload data, as at 29 April 2011.

This slide compares the JSA caseload for Northern Adelaide and Western Adelaide Labour Force Regions with Australia.

There are 17458 on JSA books in Northern Adelaide and 9455 in Western Adelaide. (April 2011)

We can see here that a high proportion of job seekers in both Northern and Western Adelaide (as indicated by the proportion on the JSA caseload) have significant barriers to employment.

Homelessness and being an Ex-offender are very significant barriers to employment.

Non-English Speaking Background represent a particularly high proportion of jobseekers in Western Adelaide.

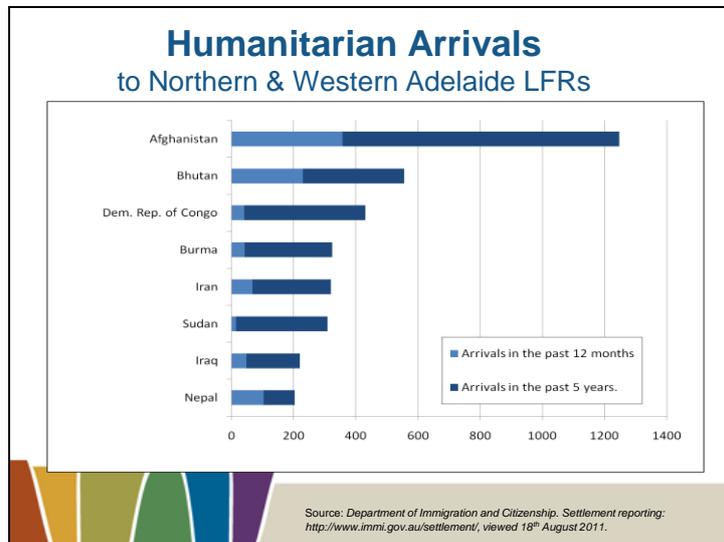
Indigenous:

ABS Census data shows the indigenous population as a proportion of the overall population being below the national average (1.5% vs 2.3%) resulting in the proportion of the caseload in Northern and Western Adelaide being below the national average.

Refugees:

Western Adelaide in particular has a high proportion of the JSA caseload being made up of refugees.





Source: *Department of Immigration and Citizenship. Settlement reporting:*  
<http://www.immi.gov.au/settlement/>, viewed 18<sup>th</sup> August 2011.

Almost three quarters (74%) of the 7,466 humanitarian arrivals to South Australia in the past 5 years have settled in Northern or Western Adelaide (5,634)!

- Probably largely due to cheaper housing and the availability of support services?

Of the 1071 humanitarian migrants who settled in the Northern and Western Adelaide region in the past 12 months, one third were born in Afghanistan (33%), just over one fifth (21%) were born in Bhutan, 10% were born in Nepal and 6% were born in Iran.

Of the 5,634 humanitarian migrants who settled in the Northern and Western Adelaide region over the past 5 years, 22% were born in Afghanistan, 10% were born in Bhutan and 8% were born in the Democratic Republic of Congo.

Arrival dates:

- Past 5 years: 1<sup>st</sup> July 2006 – 1<sup>st</sup> July 2011
- Past 12 months: 1<sup>st</sup> July 2010 – 1<sup>st</sup> July 2011

<b>Labour Market Outcomes for Persons (aged 15-74) with a Disability, 2009</b>		
	<b>Australia (persons aged 15 – 74)</b>	
	<b>Has a disability/health condition that restricts their employment or schooling</b>	<b>Without a reported disability or health condition</b>
Share of total employment (%)	Accounts for 10.4% of total employment	Accounts for 71.3% of total employment
<b>Key Labour Market Indicators</b>		
Unemployment rate	10.1%	5.5%
Participation rate*	54.4%	81.9%

In Northern and Western Adelaide, 8.0 per cent of the working age population was in receipt of Disability Support Pension compared with 5.4 per cent for Australia.

\* Please note, data excludes persons aged 65-74 years who are not in or are not marginally attached to the labour force

Source: ABS Customised Tables, Survey of Education and Training, 2009; DEEWR, Administrative Data, June 2011.

### **Labour Market Outcomes for Persons (aged 15-74) with a Disability, 2009**

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

This slide shows the effect of having a disability on labour market outcomes.

- In 2009, over one in four (28.7%) of employed persons aged 15-74 years reported having a disability.
- 10.4% of employed persons (aged 15-74 years) reported having a disability that restricted their employment or schooling.
- In contrast, almost one in three (32.9%) of the total population aged 15-74 years reported having a disability in 2009.
- 15.5% of the population (aged 15-74 years) reported having a disability that restricted their employment or schooling.
- The unemployment rate was much higher and the participation rate was much lower for people with a disability that restrict their employment/schooling.

Please note: data excludes persons aged 65-74 years who are not in or marginally attached to the labour force.

### Indigenous Employment Outcomes

	Unemployment rate		Participation rate	
	NAWA	Australia	NAWA	Australia
Indigenous	19.0%	15.6%	52%	57%
Non- Indigenous	5.8%	5.1%	73%	76%

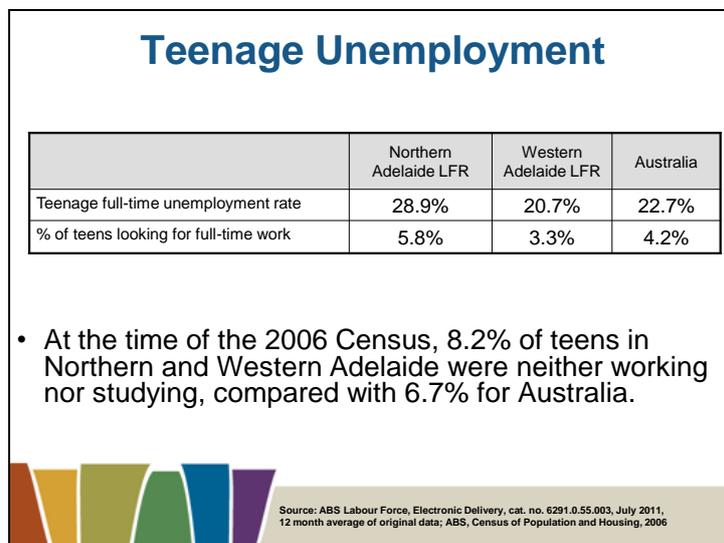
Source: ABS, 2006 Census of Population and Housing; Working Age Population

Persons identifying as Indigenous have (on average) worse labour market outcomes than the rest of the population.

#### **Indigenous**

1.5% of the TOTAL population in NAWA identified themselves as Indigenous in the 2006 census.

- The proportion of the TOTAL population who identified as Indigenous was higher than the National average (2.3 per cent) in the SLAs of Playford (C)– West Central (4.0 per cent), Playford (C) – Elizabeth (3.6 per cent), Port Adelaide Enfield (C) – Port (2.7 per cent) and Port Adelaide Enfield (C) - Park (2.4 per cent).
- The Indigenous unemployment rate in Northern and Western Adelaide was 19.0 per cent, 3.4 percentage points higher than the Indigenous unemployment rate for Australia.
- The Indigenous participation rate in Northern and Western Adelaide was 52.4 per cent, 4.5 percentage points lower than the Indigenous participation rate 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 Adelaide LFR (28.9 per cent) was well above the National average (22.7 per cent) as at July 2011.
- The teenage full-time unemployment rate in the Western Adelaide LFR was slightly lower than the Australian average (20.7%).
- Between July 2010 to July 2011, the teenage full-time unemployment rate increased by 0.8 percentage points in the Northern Adelaide LFR compared with a 1.5 percentage point decrease for Australia.
- In the Western Adelaide LFR, the teenage full-time unemployment rate decreased dramatically, falling by 13.7 percentage points from 34.3% in July 2010 to 20.7% in July 2011.
- The proportion of teenagers looking for full-time work was slightly higher than the National average (4.2 per cent) in Northern Adelaide (5.8 per cent) and slightly below it in Western Adelaide (3.3 per cent).
- Between July 2010 to July 2011, the proportion of teenagers who were looking for full-time work increased by 0.2 percentage points in the Northern Adelaide LFR compared with a 0.4 percentage point decrease for Australia, however, in the Western Adelaide LFR, the proportion of teenagers who were looking for full-time work decreased by 1.1 percentage points.

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



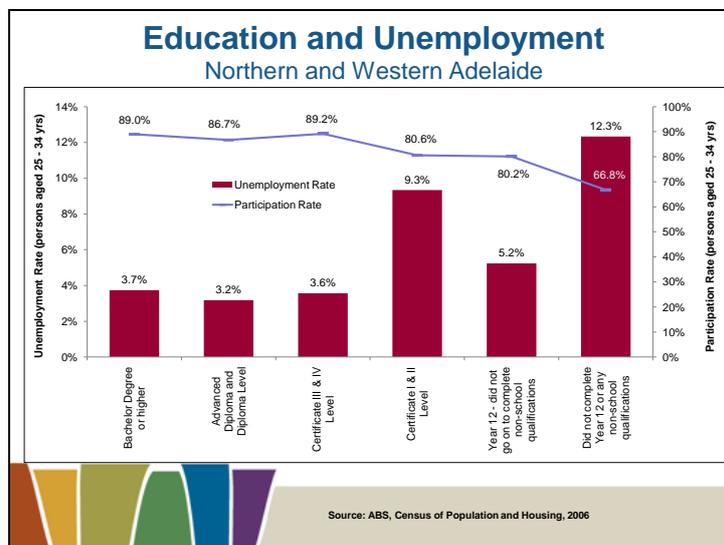
**Selected LGA Profiles at a Glance:**  
Variable Levels of Disadvantage

Indicator	Playford LGA	Tea-Tree Gully	South Australia
Unemployment Rate	13.7%	3.3%	5.5%
% of families with children where no parent is working	31%	13%	20%
% of persons aged 25-34 years who have completed yr 12 or equivalent	42%	66%	64%
% of persons aged 25-34 years who have obtained a BA degree or higher	6%	21%	24%
% of population Aged 15-64 on a Centrelink allowance	36%	14%	20%
% of yr 9 Govt School Students below min standard for Reading	34%	8%	6%
-for numeracy	32%	3%	4%

Sources: Unemployment Rates - DEEWR Small Area Labour Markets, Smoothed Series, March 2011, Centrelink - DEEWR Administrative data, June 2011 and ABS Estimated Resident Population, June 2009. Other - ABS Census of Population and Housing, 2006, MySchool Website, viewed August 2011.

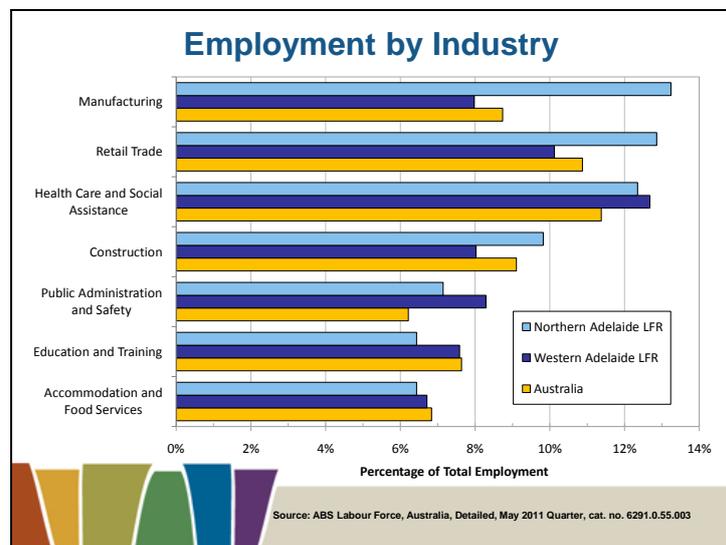
This slide highlights the variability in levels of disadvantage in the PEA.

- The Playford LGA has been identified as one of 10 “disadvantaged community” across Australia, and has been targeted for a range of Government initiatives to boost economic participation and reduce the prevalence of ongoing disadvantage.
- Economic and Social disadvantage is very prevalent in the Playford-Elizabeth SLA (which is an SLA within the Playford LGA).
  - The unemployment rate stands at 20.7 per cent (SALM- March 2010)
  - almost half of families with children have no parent working (47 per cent)
  - Almost half of the WAP in the SLA are in receipt of a Centrelink payment (49 per cent)
- On the other hand labour market outcomes for people in Tea-Tree Gully are strong and indicators of disadvantage low.



There is a strong relationship between educational attainment and employment outcomes. For ‘young persons’ aged 25 to 34 years, who did not complete Year 12 or a Non-School Qualification in the Northern and Western Adelaide Priority Employment Area, the unemployment rate was 12.3 per cent at the time of the 2006 Census, while for those who had a Bachelor degree or higher, the unemployment rate was 3.7 per cent.

- Further training such as apprenticeships and other Certificate III-IV training could improve job seekers’ engagement in the labour force.
  - The unemployment rate for people who completed a Certificate III or IV qualification was 3.6 per cent compared with 12.3 per cent for those who did not complete year 12.
  - In addition the participation rate was 89.2 per cent for those who completed a Certificate III or IV qualification compared with 66.8 per cent for those who did not complete year 12.

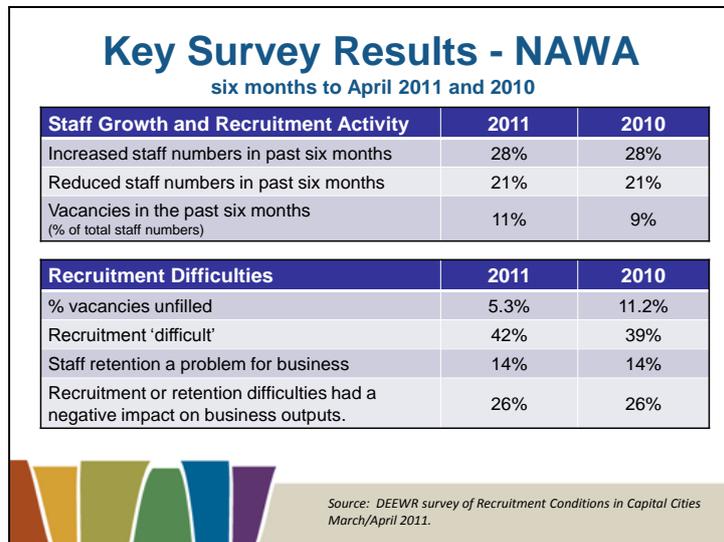


This chart compares the employment by industry in Northern Adelaide and Western Adelaide Labour Force Regions with Australia.

- 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.
- In Northern Adelaide there was a high concentration of employment in Manufacturing (14 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 significantly 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 4.5 per cent per annum, which equates to around 323 300 new jobs across the country in the five years to 2015-16. This figure includes lower skilled positions such as wardspeople, cleaners and gardeners all of which have high levels of part-time employment. This compares with an average annual growth rate of 2.1 per cent for all employment growth over the next 5 years period. (source: <http://www.skillsinfo.gov.au/skills/IndustryInformation/>)



Survey of Employers in Capital cities, March/April 2011.

- 2650 responses
- Follows 2010 survey
- 256 employers surveyed from Northern and Western Adelaide
  - Of these, 202 were surveyed one year ago
  - This greatly increases the reliability of comparisons as we are comparing how the recruitment conditions of many of the same businesses have changed over time.
  - Overall survey response rate 76.1%

**What do the survey results tell us about Northern and Western Adelaide?**

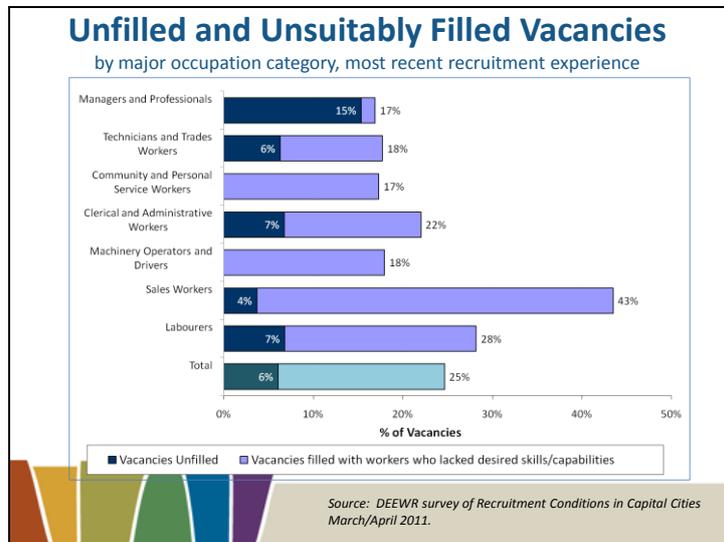
- As was the case in 2010 there is still quite a lot of volatility and uncertainty in the region (28% increased, 21% decreased).
    - 24% of employers who reduced staff numbers in the past six months did so because of Turnover, while 9 per cent did so due to seasonal factors. The figures reported in the table overstate increases/decreases that are intended to be permanent by about one third.
  - Unfilled vacancies have declined significantly from 11.2% to 5.3%.
    - This outcome is consistent with the stagnant employment growth in the previous year.
3. Nevertheless there are still many local opportunities:
- Recruitment activity remains high (up on last year 11% vs 9%).
    - Jobs are still regularly coming up (they may just be a little harder to get)
  - While more vacancies are filled, employers are still commonly reporting difficulty recruiting staff;

- We will see later that employers often have difficulty filling vacancies with appropriate staff across a range of high and lower skilled occupation categories.
- Staff Retention is still a significant problem for 14% of employers. (staff turnover feeds the vacancy rate).

4. Despite low levels of employment growth in the past year recruitment and retention difficulties remain a significant problem for many local employers. More than a quarter (26%) of employers reported that recruitment or retention difficulties had a negative impact on their business in the previous six months.

Difficulties recruiting or retaining staff prevented them from:

- Meeting the market demand for their goods and services (17%)
- Carrying out investment projects or growing their business. (17%)
- Reduced the quality of their outputs (18%)

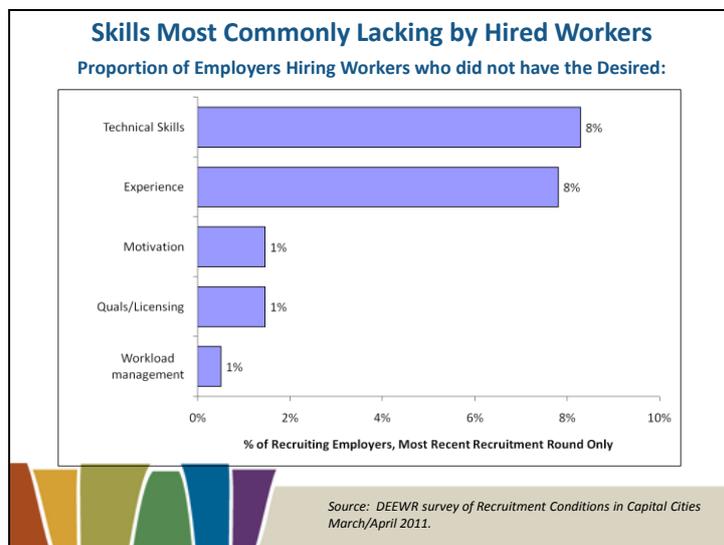


This chart shows, in employer's most recent recruitment round, the proportion of vacancies that remained unfilled and the proportion of vacancies that were filled with workers who did not have the skills or capabilities desired by the employer.

Overall one quarter of vacancies either remained unfilled (6%) or were filled with a worker who did not have the skills or capabilities that the employer was looking for (19%).

We can see here that employers had difficulty finding appropriate staff for both high and lower skilled occupation categories.

- A high proportion of Professional positions remained unfilled.
- A high proportion of positions for Sales Workers (along with other lower skilled occupation categories) were filled with workers who did not have the skills or capabilities that the employer was looking for.



We saw in the previous chart that overall, 19 per cent of vacancies were filled with workers who did not have skills or capabilities that they were looking for. This chart identifies the skills or capabilities that hired workers were most commonly lacking by showing the proportion of employers who, in their most recent recruitment exercise, filled a vacancy with a worker who did not have the desired skills or capabilities.

We can see here that 8 per cent of employers filled vacancies in their most recent recruitment round with workers who lacked the technical skills that they were looking for, and that a further 8 per cent of employers hired workers who lacked the experience that they were looking for.

While employers were often willing to compromise on technical skills or experience, they only rarely compromised on soft skills.

- only a relatively small proportion of employers hired workers who did not have the soft skills, (motivation and workload management).
- Note also the absence of responses for teamwork, communication skills, and English Language and literacy skills was due to 0% of employers hired workers without these skills.



*Source: DEEWR, Survey of Employers' Recruitment Experiences, 12 months to December 2010*

Results from all regions surveyed in the 12 months to December 2010 showed that, when recruiting, employers placed most importance placed on:

- 30 per cent personal traits and qualities only
- 28 per cent technical skills only
- 41 per cent both equally important

Personal traits and qualities that employers most commonly stated that applicants lacked:

- Communication
- Motivation
- Enthusiasm
- Presentation

<b>Difficult to Fill Occupations</b>	
six months to April 2011	
<b>Bachelor Degree or Higher VET Qualifications</b>	
ICT Professionals	Metal Fitters and Machinists
Structural Steel and Welding Tradespersons	Motor Mechanics
Painting Trades Workers	Chefs
<b>Other Occupations</b>	
Welfare Support Workers	General Clerks
Logistics Clerks	Food Trades Assistants
Metal Engineering Process Workers	

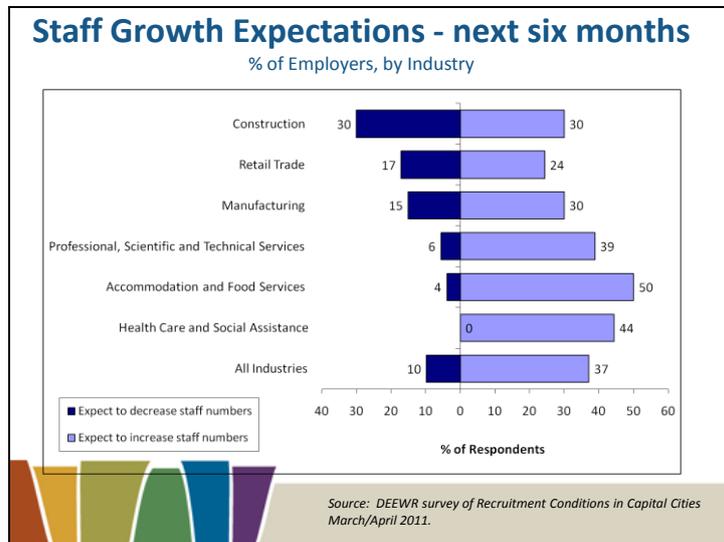


This slide shows the occupations that employers most commonly told us that they:

- Were unable to fill vacancies for.
- 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.

These occupations show that employment opportunities exist for appropriate staff across a range of skill levels and a range of industries. 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 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 labourers.



- Many employers in Construction are pessimistic about coming months.
- Overall expectations for Retail and Manufacturing also weak.
- Staff growth expectations in the Health Care and Social Assistance remained strong.

## Conclusions

Some areas performing well while others struggling.

Employment growth has stagnated in the past year

- Expectations for future growth are soft
- Fears of prolonged global weakness

Some groups are particularly vulnerable

- Teenagers; Humanitarian Migrants; Indigenous; less educated

Yet there are still plenty of local job opportunities

- Job vacancies remain strong.
- Employers having difficulty finding appropriate workers at all skill levels
- Growth industries – Health.

Soft Skills are essential to tap into these opportunities

- Communication, motivation, enthusiasm, presentation, literacy
- Also important: Work experience, training, apprenticeships,

Continue to work with employers regarding their needs and expectations

- Work with your Local Employment Coordinator



## Further Information

- [www.deewr.gov.au/lmip](http://www.deewr.gov.au/lmip)
- [www.deewr.gov.au/skillshortages](http://www.deewr.gov.au/skillshortages)
- [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)
- [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au)
- [www.deewr.gov.au/Australianjobs](http://www.deewr.gov.au/Australianjobs)



