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Australian Government
Department of Education, Employment and Workplace Relations

Overview of the Perth Labour Market

5 November 2012

Ivan Neville
Branch Manager
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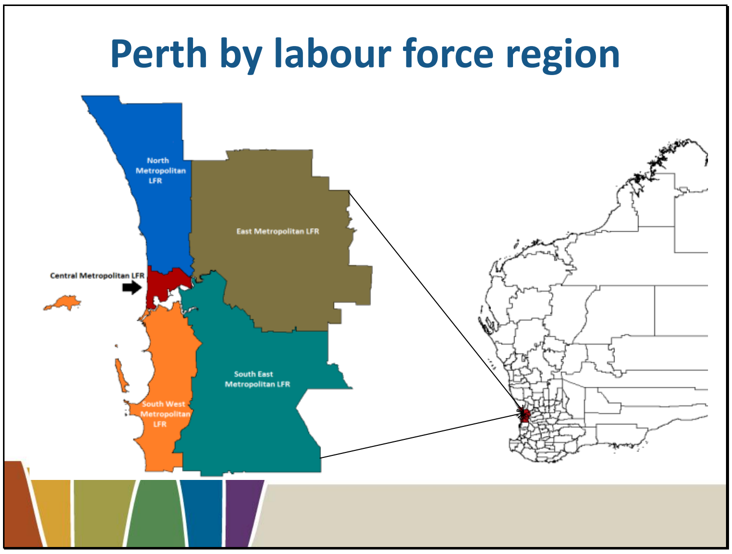

There are five labour force regions that fit wholly in the Perth statistical district (SD):

Central Metropolitan

Cambridge LGA
Claremont LGA
Cottesloe LGA
Mosman Park LGA
Nedlands LGA
Peppermint Grove LGA
Perth LGA
Subiaco LGA
Vincent LGA

East Metropolitan

Bassendean LGA
Bayswater LGA
Kalamunda LGA
Mundaring LGA
Swan LGA

North Metropolitan

Joondalup LGA
Stirling LGA
Wannaroo LGA

South East Metropolitan

Armadale LGA
Belmont LGA
Canning LGA
Gosnells LGA
Serpentine-Jarrahdale LGA
South Perth LGA
Victoria Park LGA

South West Metropolitan

Cockburn LGA
East Fremantle LGA
Fremantle LGA
Kwinana LGA
Melville LGA
Rockingham LGA

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Perth labour market profile

	Perth	Western Australia	Australia
Total Employment	**977,479**	**1,292,996**	**11,500,600**
% change: year to Sep-12	5.1%	4.2%	0.5%
Unemployment rate	**3.6%**	**3.8%**	**5.1%**
% pt change: year to Sep-12	-0.4%	-0.3%	0.1%
Participation rate (15-64)	**80.1%**	**79.1%**	**76.3%**
% pt change: year to Sep-12	1.0%	0.6%	-0.4%

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, September 2012 three month averages of original data;

Perth Labour Market Profile

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, September 2012 three month averages of original data;

Total employment in Perth increased by 5.1% (or 47,554 people) higher compared with Australia 0.5% (or 60,973).

Unemployment declined by 0.4 per cent in Perth in the 12 months to September, however the Australian unemployment rate increase by 0.1 per cent over the same period.

Participation in the labour market increased in Perth (1.0 per cent) yet the declined in Australia (-0.4 per cent).

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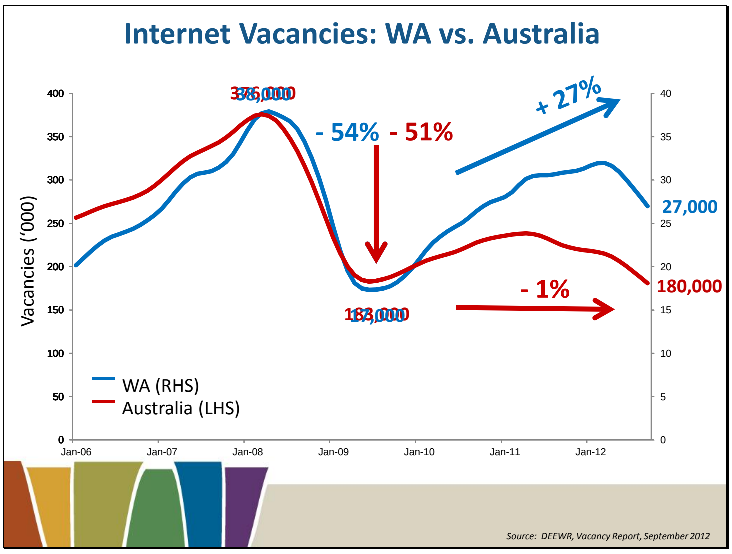

<u>Internet Vacancies</u>

Internet Vacancies: Source: DEEWR, Vacancy Report, September 2012

This slide shows the difference in post Global Financial Market Recovery between Western Australia and the aggregate Australia economy.

Western Australia reached a peak of around 38,000 Internet Advertised Job Vacancies in April 2008. This was followed by a sharp 54% fall to around 17,000 by June 2009, due to the effects of the global economic slowdown.

This has been followed by a period of marked recovery, with Internet Advertised Job Vacancies increasing 27% to some 27,000 by September 2012.

In the period to June 2009 the aggregate Australian economy has experienced a similar trend, reaching a peak of around 376,000 Internet Advertised Job Vacancies in March 2008 and falling by 51% to 183,000 by June 2009.

Despite the marked recovery seen in WA, the aggregate Australian economy has flattened in the post Global Financial Crisis period. Internet Advertised Job Vacancies have fallen by around 1% between June 2009 and September 2012 to around 180,000.

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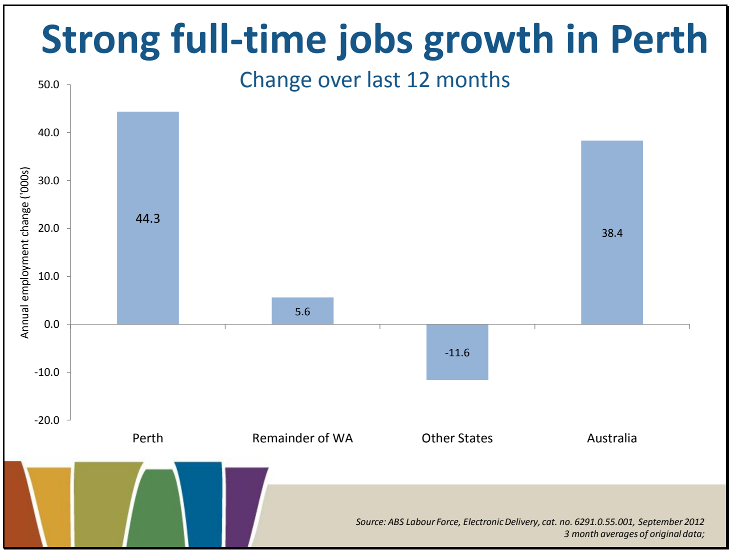

<u>Unemployment rate decline since the GFC</u>

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, September 2012; 3 month averages of original data;

Perth has been the driver for strong full-time jobs growth in Western Australia particularly in the last 12 months, with full-time jobs growing greater than Australia.

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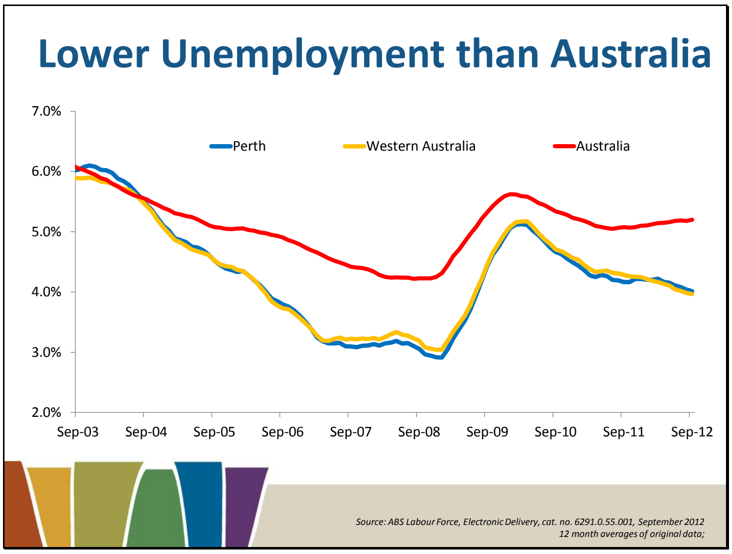

Unemployment rate decline since the GFC
Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, September 2012, 12 month averages of original data;

The unemployment rate for Perth and Western Australia since the start of the GFC and has remained lower than the national unemployment rate.

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Regional Disparity

Region	Unemployment Rate	Annual % pt change	WAP Participation Rate (2011)
Central Metropolitan LFR	2.6%	0.3% pts	79.1%
East Metropolitan LFR	3.2%	-1.5% pts	78.3%
North Metropolitan LFR	3.6%	0.4% pts	79.8%
South East Metropolitan LFR	4.1%	-1.6% pts	77.5%
South West Metropolitan LFR **- Kwinana LGA**	4.1% **9.7%**	0.3% pts **0.1% pts**	78.3% **73.3%**
Perth	3.6%	-0.4% pts	78.6%
Western Australia	3.8%	0.3% pts	78.1%
Australia	5.1%	0.1% pts	75.8%

Source: DEEWR Small Area Labour Markets, June 2011 and June 2012; ABS 2011 Census, Population and Housing, Source: ABS Labour Force Data, September 2012, 3 month averages of original data

Regional Disparity
Source: DEEWR Small Area Labour Markets, June 2011 and June 2012; ABS 2011 Census, Population and Housing, Source: ABS Labour Force Data, September 2012, 3 month averages of original data

This table shows the regional disparity in Perth, that despite strong employment growth there are still areas of disadvantage with high unemployment rates correlating with lower participation rates.

Kwinana is one of the 10 place based priority regions.

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Jobless Families

with children under 15

Region	Number of jobless families	Proportion of all families who are jobless
Central Metropolitan LFR	660	7%
East Metropolitan LFR	3244	12%
North Metropolitan LFR	5367	11%
South East Metropolitan LFR **- Belmont LGA**	4681 **535**	14% **20%**
South West Metropolitan LFR **- Kwinana LGA**	3916 **480**	12% **19%**
Perth	17,868	12%
Australia	300,591	15%

Source: ABS 2006 Census of Population and Housing

<u>Jobless Families</u>
Source: ABS 2006 Census of Population and Housing

The proportion of families who are jobless in Perth (12 per cent) is lower than Australia (15 per cent). However, areas within Hobart show a much higher proportion families who are jobless such as Belmont (20 per cent) and Kwinana (19 per cent).

Jobless families are families where parents are not employed or in the labour force with children under 15 years of age (*ABS 2006 Census of Population and Housing*).

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Working Age Indigenous Population
2011 and 2006 Census

Region	Population	Unemployment Rate	Annual % pt change	Participation Rate	Annual % pt change
Perth	Indigenous	17.6%	1.3% pts	54.3%	1.8% pts
	Non-Indigenous	4.6%	1.1% pts	79.0%	1.5% pts
	Total	4.7%	1.1% pts	78.7%	1.5% pts
Australia	Indigenous	17.2%	1.6% pts	55.9%	-1.0% pts
	Non-Indigenous	5.5%	0.4% pts	76.4%	0.8% pts
	Total	5.7%	0.4% pts	75.9%	0.7% pts

Source: 2011 and 2006 Census, Population and Housing

<u>Working Age Indigenous Population 2011 and 2006 Census</u>
Source: ABS, 2011 and 2006 Census of Population and Housing

This slide shows that Labour market outcomes for Indigenous people are poorer than for Non-Indigenous persons, with a higher unemployment rate and lower participation rate for the Indigenous population.

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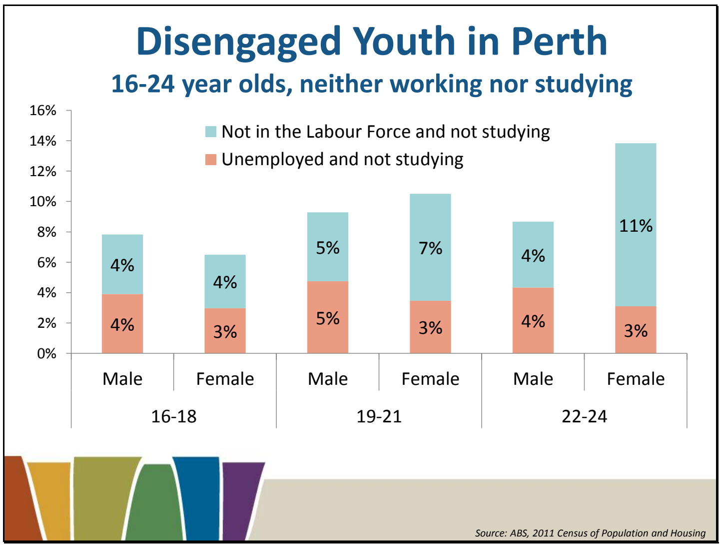

<u>Disengaged Youth – Perth</u>

Source: ABS, 2011 Census of Population and Housing

This chart shows the proportion of people aged between 16 to 24 years, who are not working or studying by gender in Perth.

At the time of the 2011 Census, the proportion of females aged 22 to 24 years who were Not in the Labour Force was significantly higher compared with males in Perth (11% and 4%). Yet the proportion of unemployed females aged 22-24 years is lower (3%) compared with males aged 22-24 (4%).

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Educational Attainment

Persons aged 25-34 years

Region		Completed Year 12	Diploma / Certificate level	Bachelor Degree or higher
Perth	Indigenous	38%	30%	8%
	Non-Indigenous	75%	33%	36%
	Total	**74%**	**33%**	**36%**
Western Australia		**70%**	**35%**	**31%**
Australia		**75%**	**33%**	**35%**

Source: ABS, 2011 Census of Population and Housing

<u>Educational Attainment Indigenous and Non-Indigenous</u>

Source: ABS, 2011 Census of Population and Housing

Year 12 completion rates for people aged 25-34 years old are considerably higher for the Non-Indigenous population in Perth (75%) compared with the Indigenous population (38%).

However, are slightly lower (74%) than the national average Year 12 completion rate (75%) but higher than the state (70%).

Overall, the proportion of people aged 25-34 years old who have attained an Advanced Diploma/Diploma/Certificate Level were similar compared with Australia (both 33%), however, the proportion of the population who are Indigenous has significantly lower levels of educational attainment for a Bachelor degree or higher compared with the non-Indigenous population (8% compared with 36%).

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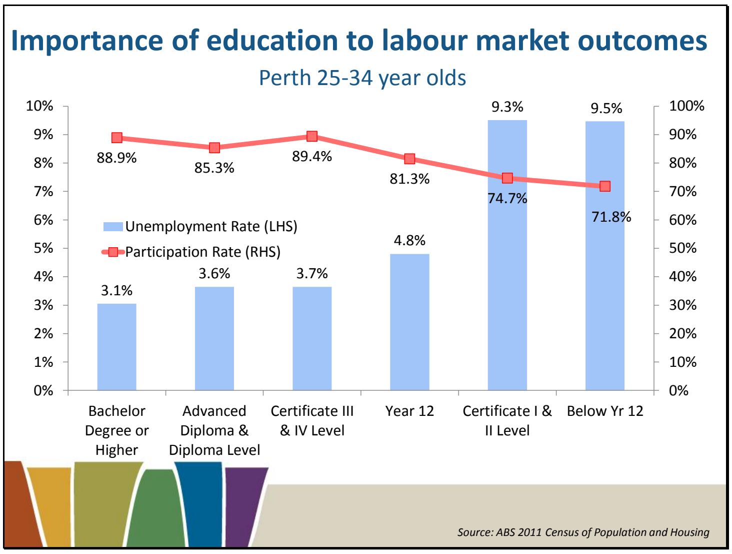

<u>Educational Attainment and Labour Market Outcomes:</u>
Source: ABS 2011 Census of Population and Housing

This slide illustrates the correlation between education and labour market outcomes in Perth, with higher labour force participation rates and lower unemployment rates for those with higher levels of educational attainment.

This reflects the pattern seen across Australia and demonstrates the importance of continuing education to help job seekers obtain employment and participate in the labour market.

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School results in Reading and Numeracy

% of Year 9 government students who did not meet minimum standards

	Kwinana LGA	Belmont LGA	Western Australia	Australia
Reading	23%	21%	7%	6%
Numeracy	18%	17%	6%	6%

Source: Myschool website, 2011

<u>School Results in Reading and Numeracy 2011</u>
Source: Myschool website

This table shows the proportion of year 9 students who did not meet the minimum standards for reading and writing.
The selected high school had a higher proportion of students who did not meet the minimum standard compared with all schools in Australia and Western Australia.

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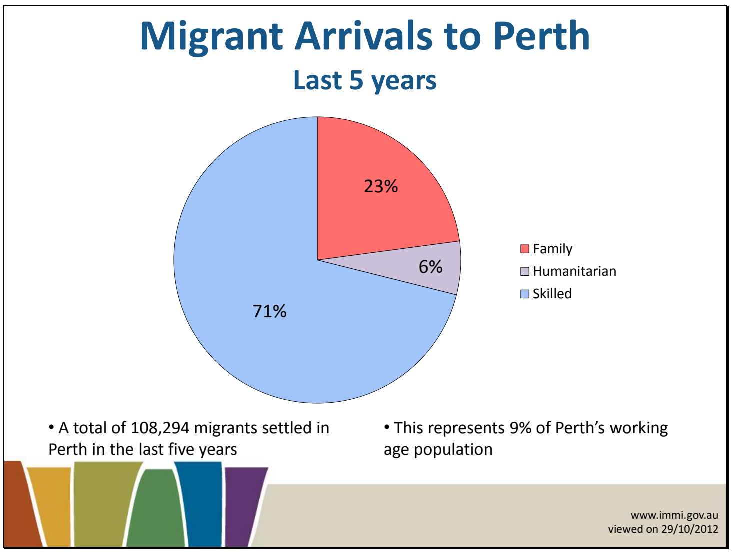

Migrant Arrivals:
Source: Department of Immigration settlement reporting facility www.immi.gov.au viewed on the 29/10/2012, 5 Years from 4 October 2007 to 4 October 2012

In the last five years, 108,294 migrants settled in the Perth region (11% of total migrants to Australia). This represents 9% of the working age population of Perth.

% Perth makes up of migrants to Australia:

Family	8%
Humanitarian	9%
Skilled	12%
Total	11%

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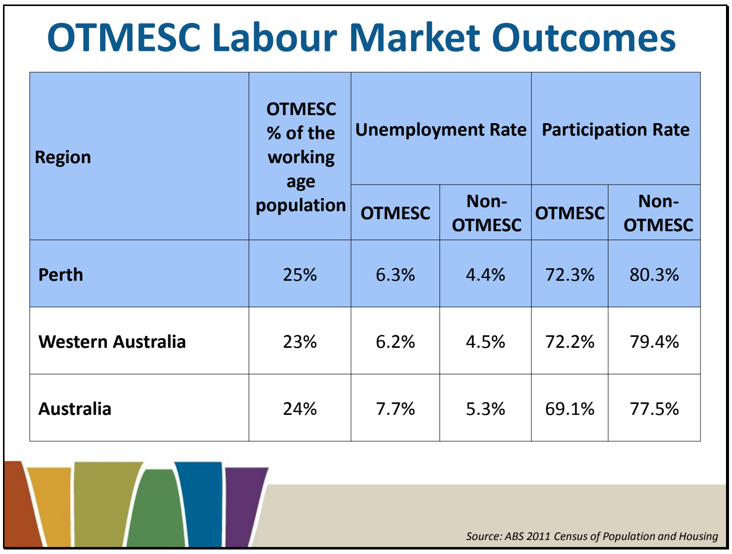

Region	OTMESC % of the working age population	Unemployment Rate		Participation Rate	
		OTMESC	Non-OTMESC	OTMESC	Non-OTMESC
Perth	25%	6.3%	4.4%	72.3%	80.3%
Western Australia	23%	6.2%	4.5%	72.2%	79.4%
Australia	24%	7.7%	5.3%	69.1%	77.5%

OTMESC Labour Market Outcomes:
Source: ABS 2011 Census of Population and Housing

This table compares labour market outcomes for those people born in an Other than Main English Speaking Country (OTMESC) compared with the remaining (Non-OTMESC) population. Non-OTMESC countries include Australia, Canada, Ireland, New Zealand, South Africa, United Kingdom and the United States of America.

At the time of the 2011 Census, 25% of the working age population in Perth were born in an OTMESC, slightly higher compared with both Western Australia (23%) and Australia (24%). Results varied between Labour Force Regions with 30% of the Working Age Population in the South East Metropolitan LFR born in an OTMESC compared with only 21% for the Working Age Population in the South West Metropolitan LFR.

Persons born in an OTMESC have a higher unemployment rate and lower participation rate when compared with those born in a non-OTMESC.

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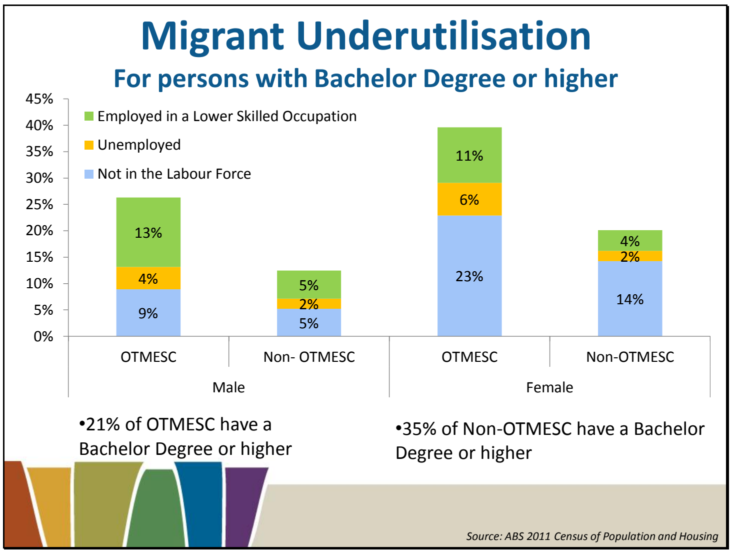

Migrant Underutilisation

Source: ABS 2011 Census of Population and Housing

This chart shows Migrant underutilisation for person with a Bachelor Degree by persons born in Other than main English speaking countries.

OTMESC: defined as persons who are born in an other than main English speaking country
Non-OTMESC: defined as persons who are born in a main English speaking country, including Australia.

Overall, 21 per cent of the working age population in Perth born in an OTMESC have obtained a Bachelor Degree or higher qualification. This compares with 35 per cent for the Non-OTMESC population.

•There was a lower level of labour market participation for highly qualified OTMESC people compared with the Non-OTMESC population
•For males and females, a higher proportion of the OTMESC population with a Bachelor Degree or higher were either not in the labour force, unemployed or employed in a low skilled occupation.

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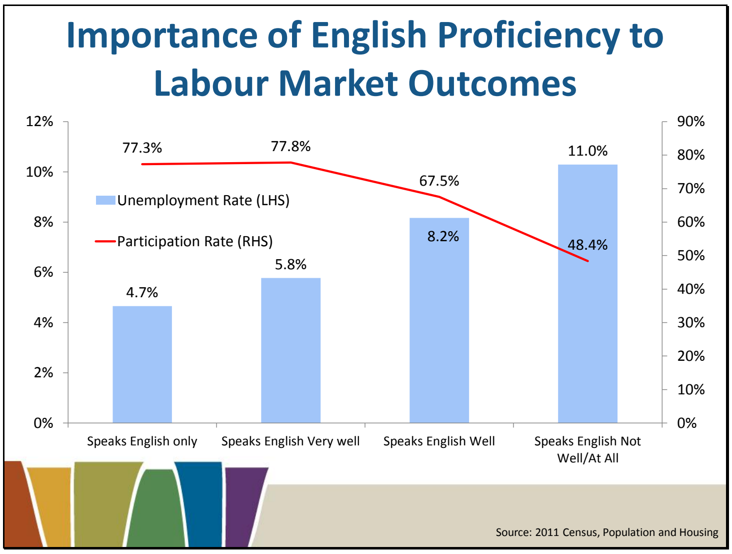

<u>English Proficiency and Labour Market Outcomes</u>
Source: 2011 Census, Population and Housing

There is a clear correlation between English language proficiency and labour market outcomes. Among those who reported lower levels of proficiency in spoken English, unemployment rates were higher and participation rates lower.

This data is from the 2011 Census of Population and Housing, which asked for the English proficiency of those who primarily spoke a language other than English at home.

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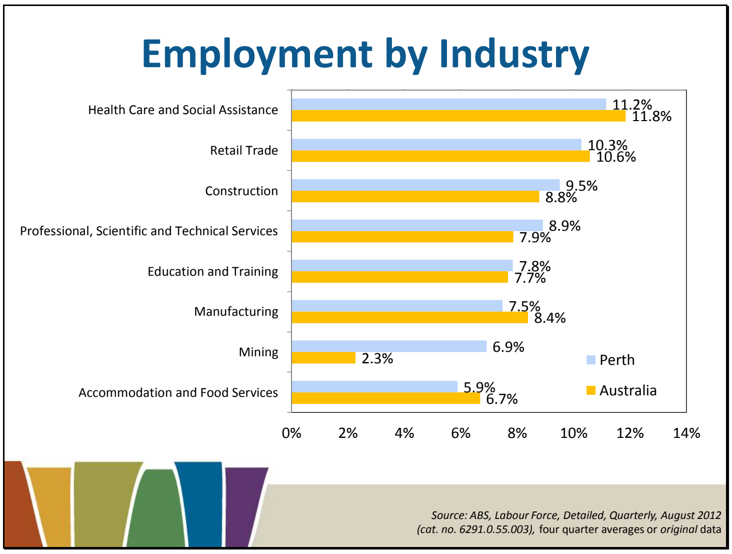

Employment by Industry

Source: ABS, Labour Force, Detailed, Quarterly, August 2012 (cat. no. 6291.0.55.003), four quarter averages of *original* data

The Health Care and Social Assistance and Retail industries are the largest employing industries in Perth (comprising 11.2% and 10.3% of all employment respectively).

The Mining industry comprises 6.9% of all employment in Perth, much higher than the national proportion (2.3%).

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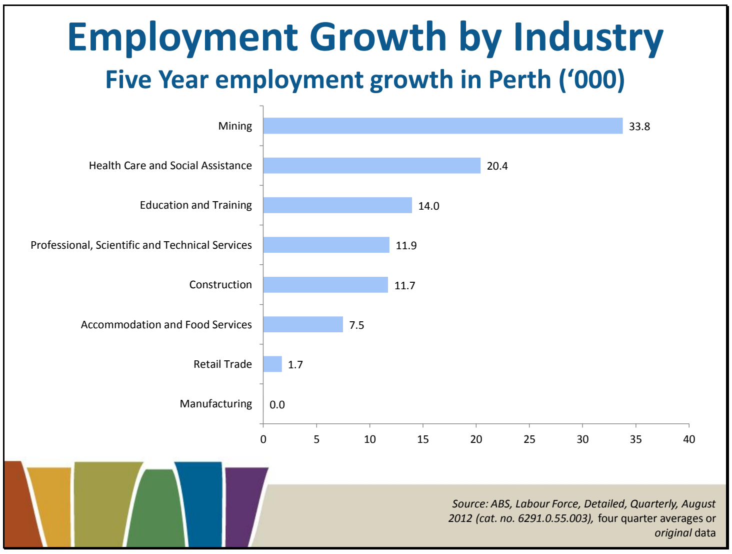

<u>Employment Growth by Industry</u>
Source: ABS, Labour Force, Detailed, Quarterly, August 2012 (cat. no. 6291.0.55.003), four quarter averages or original data

Mining has had the largest employment growth of all industries in Perth over the last five years to August 2012, doubling employment from 32,100 in August 2007 to 65,900 in August 2012. The increase in Perth employment in Mining comprises 28% of the overall increase in Mining employment across Australia, with Western Australia as a whole contributing just under half (48%) of all jobs growth in the sector.

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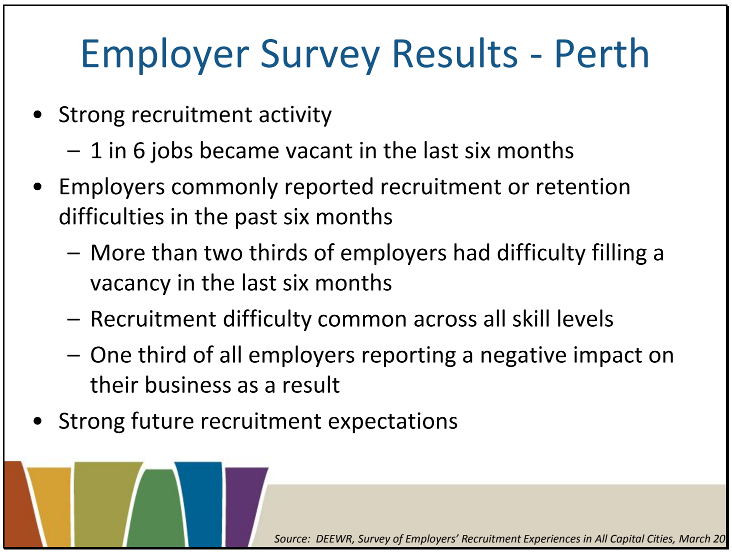

<u>Employer Survey Results Perth</u>

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

- Strong recruitment activity
  - 1 in 6 jobs became vacant in the last six months
- Employers commonly reported recruitment or retention difficulties in the past six months
  - More than two thirds of employers had difficulty filling a vacancy in the last six months
  - Recruitment difficulty common across all skill levels
  - One third of all employers reporting a negative impact on their business as a result
- Strong future recruitment expectations

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Summary of recruitment conditions in each capital city

City	RECRUITMENT ACTIVITY	RECRUITMENT DIFFICULTY	RECRUITMENT OUTLOOK
SYDNEY	MODERATE	MILD	WEAKENING
MELBOURNE	MODERATE	MODERATE	WEAKENING
BRISBANE	MODERATE	MODERATE	STEADY
ADELAIDE	MODERATE	MODERATE	WEAKENING
PERTH	**HIGH**	**HIGH**	**STRONG**
HOBART	SUBDUED	MILD	SUBDUED
DARWIN	HIGH	VERY HIGH	VERY STRONG
CANBERRA	MODERATE	HIGH	STEADY

Source: DEEWR, Survey of Employers' Recruitment Experiences in All Capital Cities, March 2012

Summary of recruitment conditions in each capital city:

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

- Summary results were derived by considering a range of indicators collected in the survey.
- recruitment outlook was for the six months following the survey.

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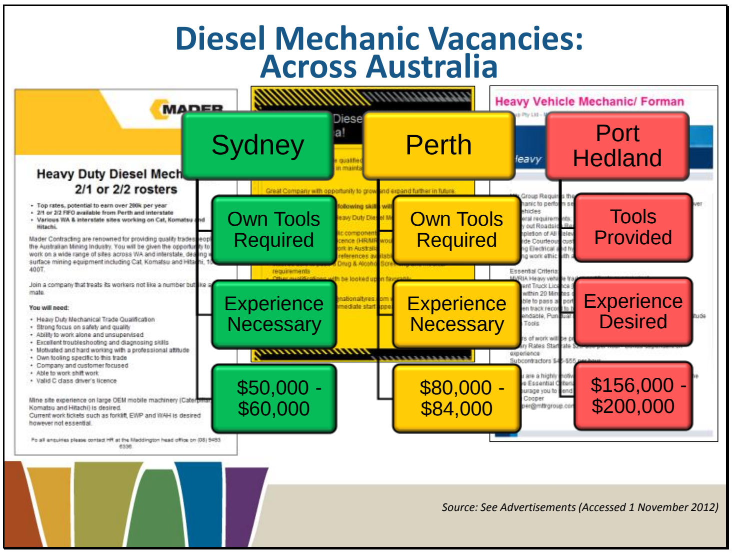

<u>Diesel Mechanic Vacancies</u>
Source: See Advertisements (Accessed 1 November 2012)

This slide illustrates the differences in conditions for vacancies in Perth, Sydney and Port Hedland (outback Western Australia), using three vacancies for diesel mechanics as an example.

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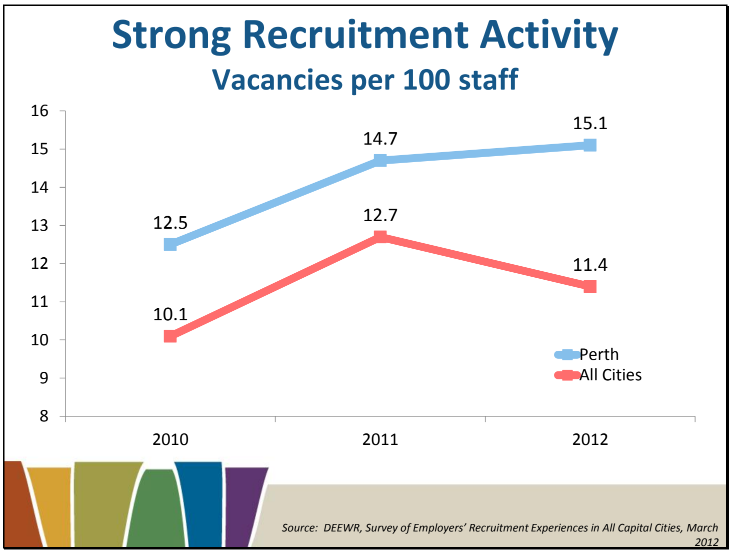

Strong Recruitment Activity:

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

Vacancies per 100 staff in Perth have been consistently higher compared with All Cities.

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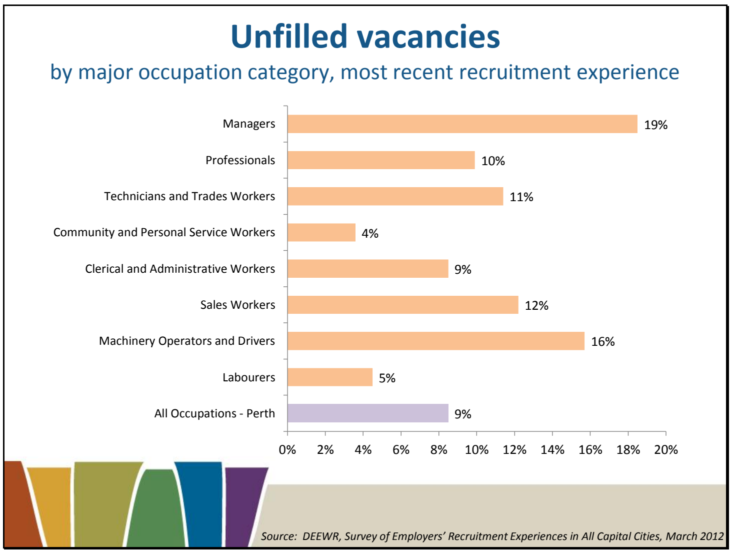

<u>Unfilled filled vacancies by major occupation category, most recent recruitment experience:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

This chart shows the proportion of vacancies that remained unfilled in employers' most recent recruitment round.

Many employers had difficulty recruiting staff for a wide range of major occupation categories.

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<u>Vacancies filled with workers who lacked desired skills/capabilities:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

This graph shows the proportion of employers filling vacancies with an applicant who lacked the desired skills/capabilities:

- 24% of employers recruiting for Machinery Operators and Drivers filled a vacancy with staff requiring development compared with only 2% of employers recruiting for Professionals

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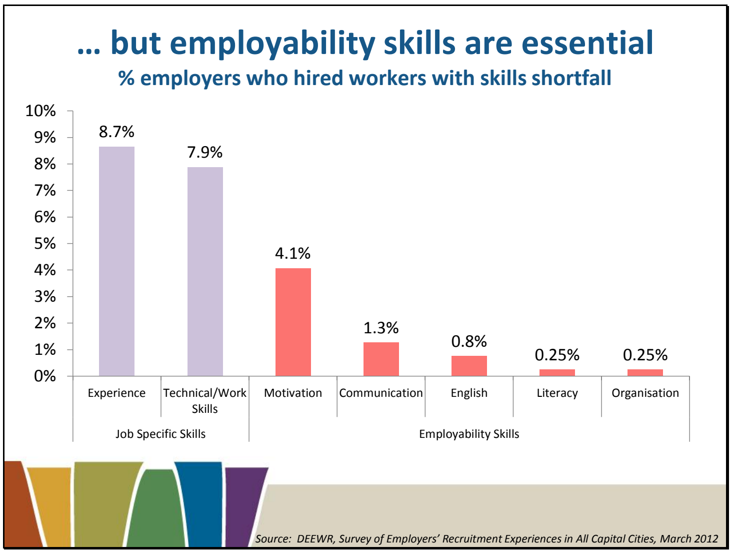

<u>Employability Skills:</u>

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

Over one in six recently recruited staff did not have the desired capabilities for the position.

Employers are more willing to hire an applicant who is lacking in Job Specific Skills than one lacking in Employability Skills.

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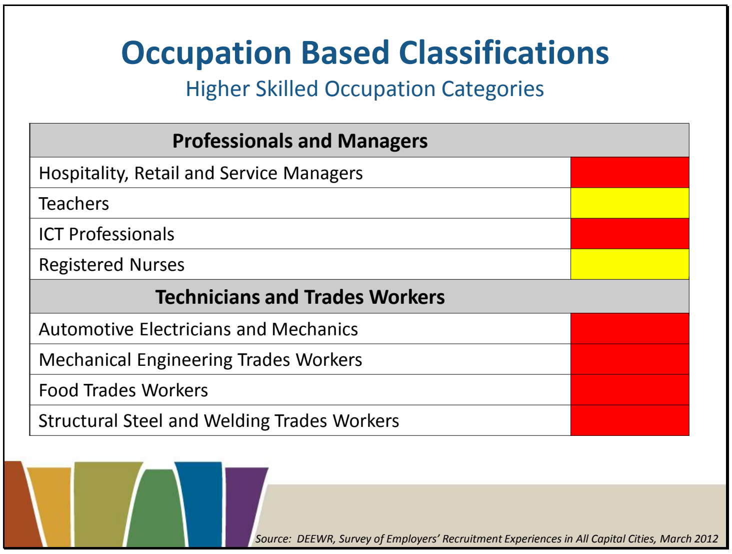

<u>Occupation Based Classifications – Higher Skilled Occupation Categories:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

This table shows high skilled occupations by level of difficulty in all capital cities March 2012

Red = the majority of employers reported the occupation was difficult to recruit for or a relatively high number of vacancies remained unfilled or both.

Yellow = employers often reported it being difficult to recruit for or employers often recruited a worker who did not have the desired skills or capabilities or both.

Green =few or no indicators of difficulty recruiting for the occupation.

However, other indicators, such as the suitability of staff hired, the number of applicants and whether the employer extended the recruitment process, were also used when categorising each occupation.

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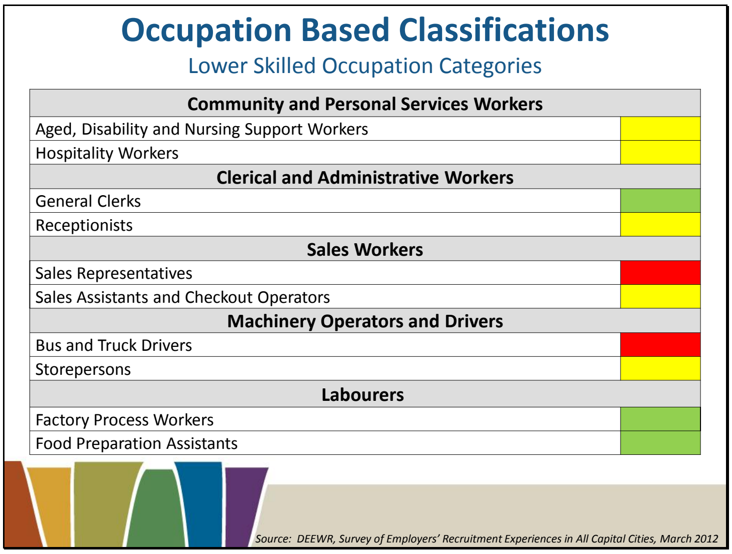

<u>Occupation Based Classifications – Lower Skilled Occupation Categories:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

This table shows lower skilled occupations by level of difficulty in all capital cities March 2012

Red = the majority of employers reported the occupation was difficult to recruit for or a relatively high number of vacancies remained unfilled or both.

Yellow = employers often reported it being difficult to recruit for or employers often recruited a worker who did not have the desired skills or capabilities or both.

Green =few or no indicators of difficulty recruiting for the occupation.

However, other indicators, such as the suitability of staff hired, the number of applicants and whether the employer extended the recruitment process, were also used when categorising each occupation.

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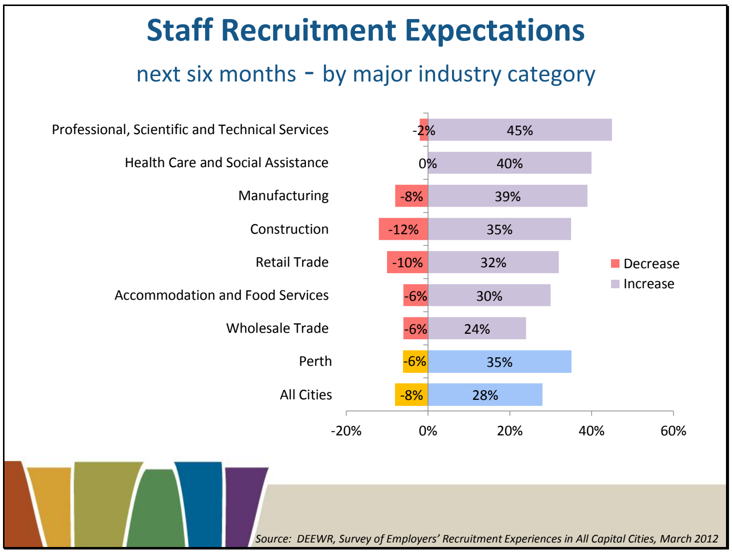

<u>Staff Recruitment Expectations– next six months – by major industry category:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

Of those employers who expect to recruit in the next six months in Perth, 35% expect to increase staff while 6% expect to decrease staff, much higher compared with the average for all cities (28% expect to increase and 8% expect to decrease).

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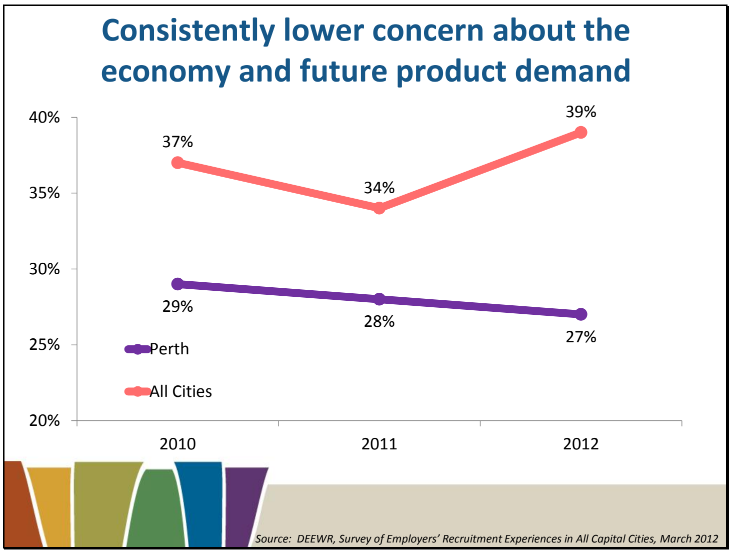

<u>Single Greatest Concern:</u>
Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

Employers in Perth have consistently reported lower concern about the economy (27%) compared with All Cities (39%).

42% of employers in Perth reported Recruitment / Retention Difficulty as their single greatest concern compared with only 29% for All Cities.

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Opportunities in the Retail sector

Source: ABS 2011 Census of Population and Housing, DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, March 2012

One in 10 jobs in Retail Trade industry

- Employs one third of working teenagers

- A range of job opportunities available
  - Low employment growth but high turnover
  - Half employed part time
  - Half work as Sales Workers, but remainder in a range of occupations across all skill levels
  - Entry level opportunities
- Employers have difficulty finding suitable staff
  - Half of employers recruiting for Sales Workers had difficulty
  - Two thirds of employers in Retail had difficulty recruiting or retaining staff

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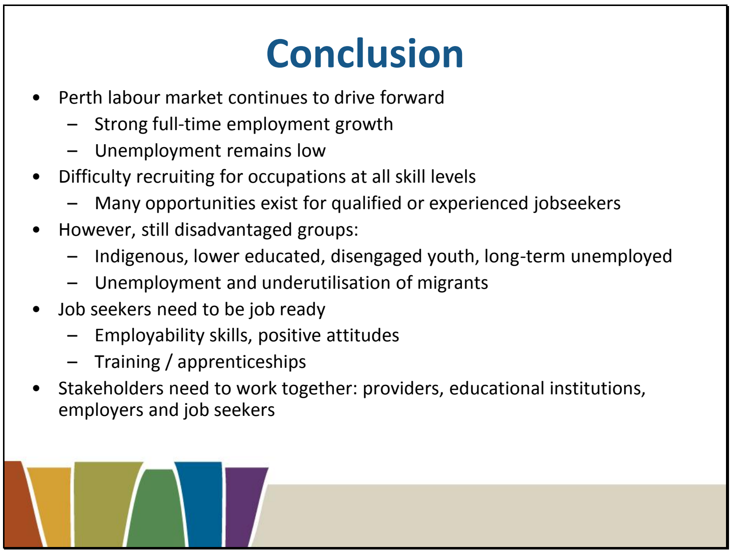

Conclusion:

Perth labour market continues to drive forward

– Strong full-time employment growth

– Unemployment remains low

Difficulty recruiting for occupations at all skill levels

– Many opportunities exist for qualified or experienced jobseekers

However, still disadvantaged groups:

– Indigenous, lower educated, disengaged youth, long-term unemployed

– Unemployment and underutilisation of migrants

Job seekers need to be job ready

Employability skills, positive attitudes

Training / apprenticeships

Stakeholders need to work together: providers, educational institutions, employers and job seekers

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Australian Government

Department of Education, Employment and Workplace Relations