

Slide 1



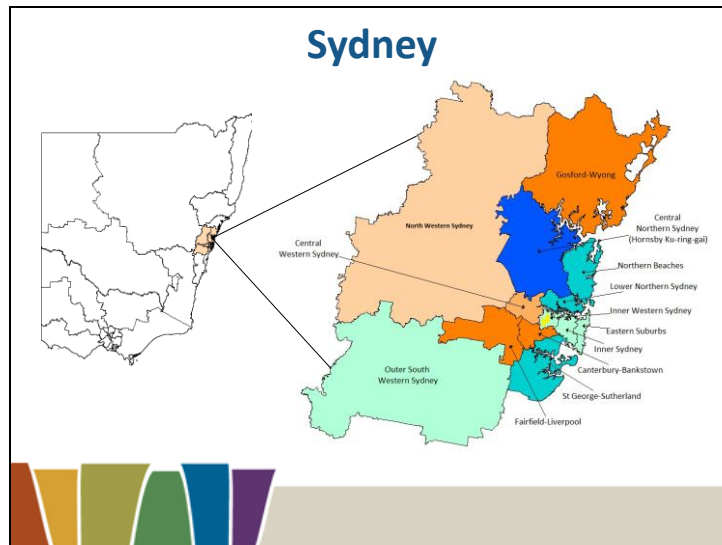
Australian Government
Department of Education, Employment and Workplace Relations

Overview of the Sydney Labour Market

31 October 2012

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Map:

In the Sydney Metro Statistical Division (SD) there are 13 Labour Force Regions

****Priority LGAs**

•Canterbury –Bankstown

- **Bankstown LGA
- Canterbury LGA

•Central Northern Sydney

- Baulkham Hills LGA
- Hornsby LGA
- Ku-ring-gai LGA

•Central Western Sydney

- Auburn LGA
- Holroyd LGA
- Parramatta LGA

•Eastern Suburbs

- Randwick LGA
- Waverley LGA
- Woollahra LGA

•Fairfield-Liverpool

- Fairfield LGA
- Liverpool LGA

•Gosford-Wyong

- Gosford LGA
- **Wyong LGA

•Inner Sydney

- Botany Bay LGA

- Leichhardt LGA
- Marrickville LGA
- Sydney LGA
- Inner Western Sydney**
 - Ashfield LGA
 - Burwood LGA
 - Canada Bay LGA
 - Strathfield LGA
- Lower Northern Sydney**
 - Hunter's Hill LGA
 - Lane Cove LGA
 - Mosman LGA
 - North Sydney LGA
 - Ryde LGA
 - Willoughby LGA
- North Western Sydney**
 - Blacktown LGA
 - Blue Mountains LGA
 - Hawkesbury LGA
 - Penrith LGA
- Northern Beaches**
 - Manly LGA
 - Pittwater LGA
 - Warringah LGA
- Outer South Western Sydney**
 - Camden LGA
 - Campbelltown LGA
 - Wollondilly LGA
- St George-Sutherland**
 - Hurstville LGA
 - Kogarah LGA
 - Rockdale LGA
 - Sutherland Shire LGA

Sydney Labour Market Profile

	Sydney	New South Wales	Australia
Adult population (15+)	3,793,200	6,015,200	18,640,200
% aged 65 and over	16.1%	18.2%	17.5%
Total Employment	2,368,900	3,615,800	11,500,600
% change: year to Sep-12	0.9%	0.4%	0.5%
Unemployment rate	4.5%	4.9%	5.1%
% pt change: year to Sep-12	-0.4%	-0.2%	0.1%
Participation rate (15-64)	75.6%	74.7%	76.3%
% pt change: year to Sep-12	-0.1%	-0.3%	-0.4%

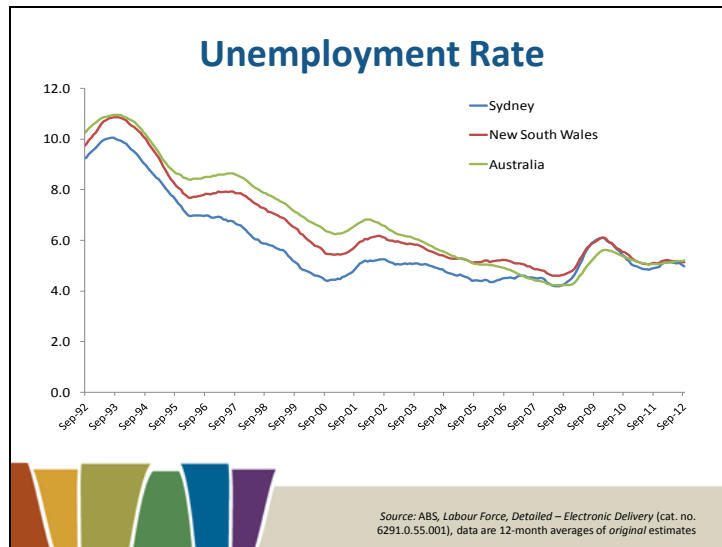
Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, September 2012 three-month averages of original data;

Labour Market Profile:

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

The employment growth in Sydney is relatively low (0.9% in the year to September 2012), but still above the state and national growth rates. Additionally, the unemployment rate for Sydney is lower than the national rate, although the working age participation rate is slightly lower than the national rate.

Slide 4



Unemployment Rate – Time Series:

Source: ABS Labour Force data, September 2012, 12-month averages

This time series graph shows current unemployment rate for Sydney, while being higher than in 2008 prior to the Global Financial Crisis, was still lower than in earlier years.

Regional Disparity

Region	Unemployment Rate	Annual % point change	WAP Participation Rate (2011)
Fairfield-Liverpool LFR	7.9%	0.9% pts	65.2%
- Fairfield East SLA	12.5%	2.1% pts	58.1%
Northern Beaches LFR	2.5%	-0.1% pts	81.9%
Sydney	4.5%	-0.4% pts	75.3%
New South Wales	4.9%	-0.2% pts	74.4%
Australia	5.1%	0.1% pts	75.8%

Source: DEEWR Small Area Labour Markets, June 2012; ABS Labour Force, three-month average, September 2012; ABS 2011 Census of Population and Housing.

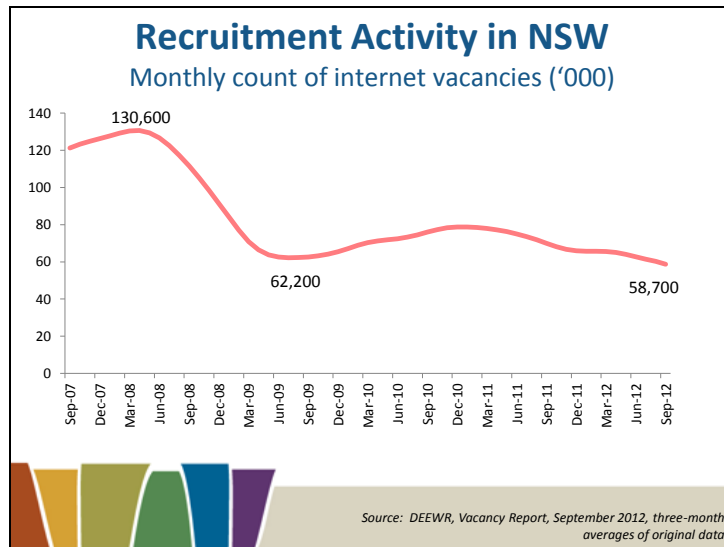
Regional Disparity:

Source: DEEWR Small Area Labour Markets, June 2012; ABS Labour Force, three-month average, September 2012; ABS 2011 Census of Population and Housing.

This table shows the regional disparity across Sydney, with some areas displaying well above average unemployment and participation rates.

The Fairfield East SLA unemployment rate refers to June 2012 (from Small Area Labour Markets), with the remainder referring to September 2012 data from the ABS Labour Force Survey.

Slide 6



Recruitment Activity:

Source: DEEWR, Vacancy Report, September 2012, three-month averages of original data

The number of internet job ads in New South Wales more than halved between March 2008 and June 2009.

There was a slight recovery in 2010 and early 2011, but vacancy numbers have now fallen back to levels below that of June 2009.

Jobs Growth in Higher Skilled Occupations
Change in employment in the 12 months to August 2012

	Full-time	Part-time	All employed
Higher skilled occupations	+18,500	+11,800	+30,300
Lower skilled occupations	-19,200	+7,200	-12,000
All occupations	-700	+19,000	+18,300

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.003, August 2012
4 quarter averages of original data;

Labour Market Profile:

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, August 2012 4 quarter averages of original data

Over the twelve months to August 2012, employment in higher skilled occupations (those in the Managers, Professionals and Technicians & Trades Workers occupation groups) increased by 30,300. By contrast, employment in lower skilled occupations (those not higher skilled as defined above) decreased by 12,000. Job losses were concentrated in full-time employed in lower skilled occupations (decreased by 19,200).

Declines in lower skilled full-time employment may have negative impacts on poverty and increase the number of working poor in Sydney, often regarded as one of the most expensive cities to live in in the world.

Long-term Unemployment			
Region	Long-term unemployed (52 weeks or more)		Average duration of unemployment
	Persons ('000)	Per cent of all unemployed	
Sydney	25.1	20.3%	39 Weeks
New South Wales	44.0	22.6%	45 Weeks
Australia	118.1	18.8%	37 Weeks

Source: ABS Labour Force Data, September 2012,
12 month averages of original data

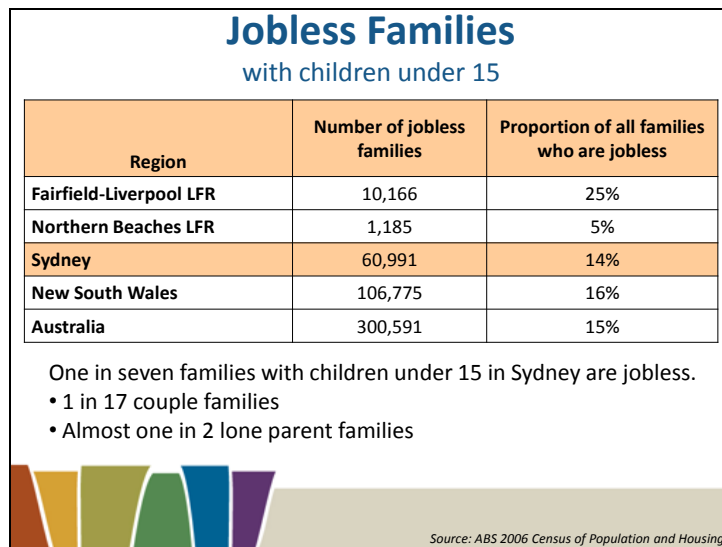
Long-term Unemployment:

Source: ABS Labour Force Data, September 2012, 12 month averages of original data

Long-term unemployed are those who have been unemployed and looking for work for at least 52 weeks.

The proportion of unemployed persons who were long-term unemployed in Sydney (20.3%) was above the national rate (18.8%) but lower than for the state (22.6%).

Similarly, the average duration of unemployment in Sydney (39 weeks) was above the national rate (37 weeks) but lower than the state (45 weeks).

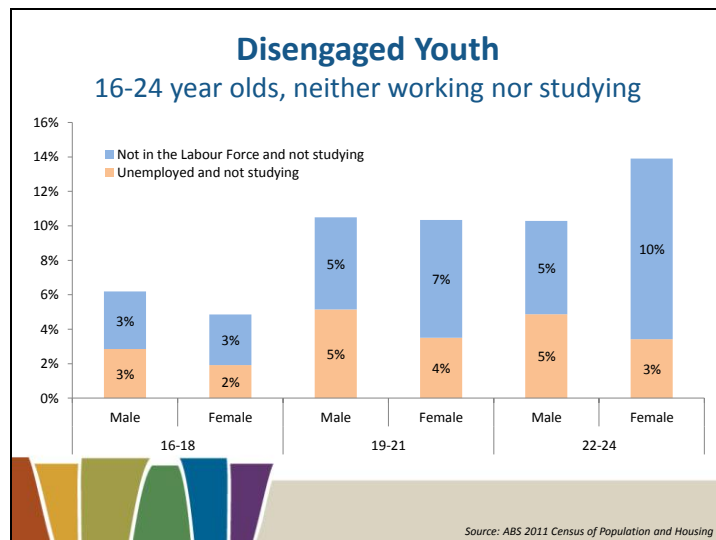


Jobless Families:

Source: ABS 2006 Census of Population and Housing

Jobless families are families where no parent is employed (*ABS 2006 Census of Population and Housing*)

The proportion of families with children under 15 years in Sydney who are jobless (14%) is slightly below both the State (16%) and Australia (15%). However, variability between regions in Sydney is evident, with 25% of all families with children under 15 years in the Fairfield-Liverpool LFR without an employed parent compared with 5% in the Northern Beaches LFR.



Disengaged Youth:

Source: ABS 2011 Census of Population and Housing.

This chart shows persons aged 16-24 years in Sydney who are not working or studying by gender.

<h3 style="text-align: center;">Income Support Payments</h3> <p style="text-align: center;">Proportion of the working age population in receipt of a benefit</p>		
Region	Centrelink Benefit	Unemployment Benefit
Fairfield-Liverpool LFR	26%	6%
- Fairfield East SLA	34%	9%
Northern Beaches LFR	6%	1%
Sydney	14%	4%
New South Wales	17%	4%
Australia	17%	4%

Source: DEEWR Administrative Data, September 2012, ABS 3235.0 – Population by Age and Sex, Regions of Australia, 2011

Income Support Payments:

Source: DEEWR Administrative Data, September 2012, ABS 3235.0 – Population by Age and Sex, Regions of Australia, 2011

This table shows the proportion of the working age population in receipt of a Centrelink or Unemployment benefit.

Overall in the Sydney region, there was a lower proportion of the working age population in receipt of a Centrelink benefit (14%) compared with Australia (17%). However, some areas had a much higher proportion of the population in receipt of a Centrelink benefit, such as the Fairfield-Liverpool LFR (26%).

Labour Market Outcomes for Persons (aged 15-74) with a Disability, 2009			
	Australia (persons aged 15 – 74)		
	Has a disability/health condition that restricts their employment or schooling	Has a disability/health condition that does NOT restrict their employment or schooling	Without a reported disability or health condition
Share of total employment (%)	Accounts for 10.4% of total employment	Accounts for 18.3% of total employment	Accounts for 71.3% of total employment
Key Labour Market Indicators			
Unemployment rate	10.1%	4.6%	5.5%
Participation rate*	54.4%	80.5%	81.9%

** Please note, data exclude 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

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 per cent) employed persons aged 15-74 years reported having a disability.

- 10.4 per cent 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 per cent) of the total population aged 15-74 years reported having a disability in 2009.

- 15.5 per cent 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 restricts their employment/schooling.

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

<h3 style="text-align: center;">Educational Attainment</h3> <p style="text-align: center;">25-34 years of age</p>			
Region	Completed Year 12 or equivalent	Attained Adv Diploma, Diploma or Certificate level	Attained Bachelor Degree or higher
Fairfield-Liverpool LFR	72%	33%	22%
- Fairfield East SLA	69%	28%	20%
Northern Beaches LFR	85%	34%	44%
Sydney	81%	29%	43%
New South Wales	75%	33%	37%
Australia	75%	33%	35%

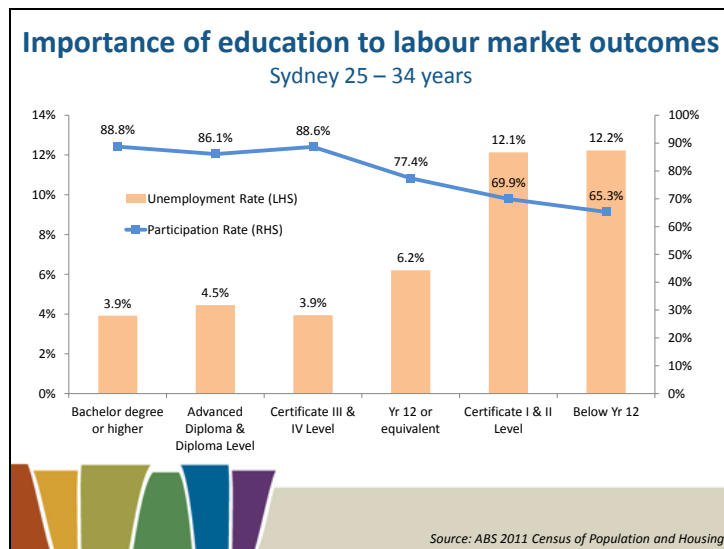
Source: ABS 2011 Census of Population and Housing

Educational Attainment:

Source: ABS 2011 Census of Population and Housing

Year 12 completion rates for people aged 25-34 years old are considerably higher in Sydney (81%) compared with both New South Wales (75%) and Australia (75%). However, results vary across the city, with 85% of 25-34 year olds in the Northern Beaches LFR having a Year 12 Certificate or equivalent compared with 72% for those in the Fairfield-Liverpool LFR.

A similar result can be seen for the proportion of people aged 25-34 years old who have attained an Advanced Diploma/Diploma/Certificate Level and those who have attained a Bachelor Degree or higher.



Educational Attainment and Labour Market Outcomes:

Source: ABS 2011 Census of Population and Housing

This slide illustrates the correlation between education and labour market outcomes in Sydney, 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.

School results in Reading and Numeracy

% of Yr 9 government students who did not meet the minimum standards in:	Fairfield-Liverpool LFR	Northern Beaches LFR	New South Wales	Australia
Reading	25%	3%	6%	6%
Numeracy	14%	1%	6%	6%

Source: Myschool website, 2011

School Results – Reading and Numeracy:

Source: Myschool website

This slide shows the proportion of Year 9 students at a selected government high school in the Fairfield-Liverpool and Northern Beaches LFR who did not meet minimum standards for literacy and numeracy in 2011, compared with the proportions of Year 9 students who did not meet minimum standards for literacy and numeracy in New South Wales and nationally.

While the selected government school’s data are not necessarily representative of all Year 9 students in the regions identified, it demonstrates that there are some pockets of disadvantage.

OTMESC Labour Market Outcomes					
Region	OTMESC proportion of working age population	Unemployment Rate		Participation Rate	
		OTMESC	Non-OTMESC	OTMESC	Non-OTMESC
Fairfield-Liverpool LFR	57%	9.2%	7.5%	61.6%	69.7%
Northern Beaches LFR	19%	4.4%	3.4%	78.0%	82.7%
Sydney	37%	7.7%	5.0%	69.5%	78.2%
New South Wales	28%	7.7%	5.5%	68.9%	76.2%
Australia	24%	7.7%	5.3%	69.1%	77.5%

Source: ABS 2011 Census of Population and Housing

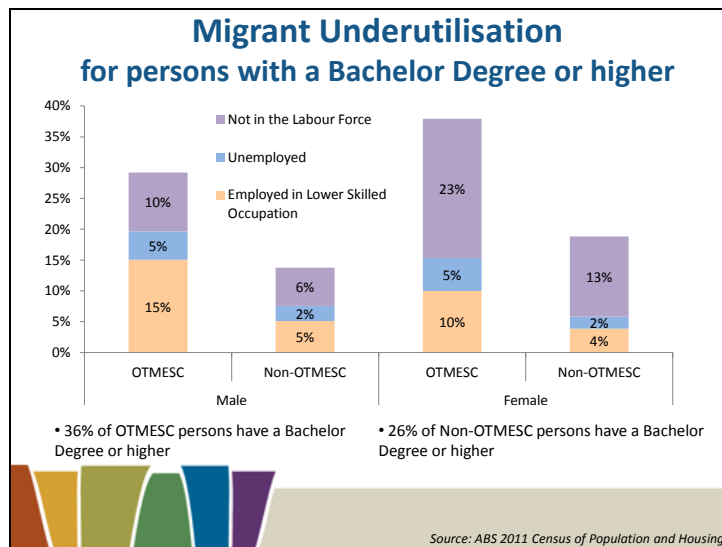
OTMESC Labour Market Outcomes:

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, 37% of the working age population in Sydney were born in an OTMESC, higher compared with both New South Wales (28%) and Australia (24%). Results varied between LFRs with 57% of the WAP in the Fairfield-Liverpool LFR born in an OTMESC compared with only 19% for the WAP in the Northern Beaches LFR.

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



Migrant Underutilisation:

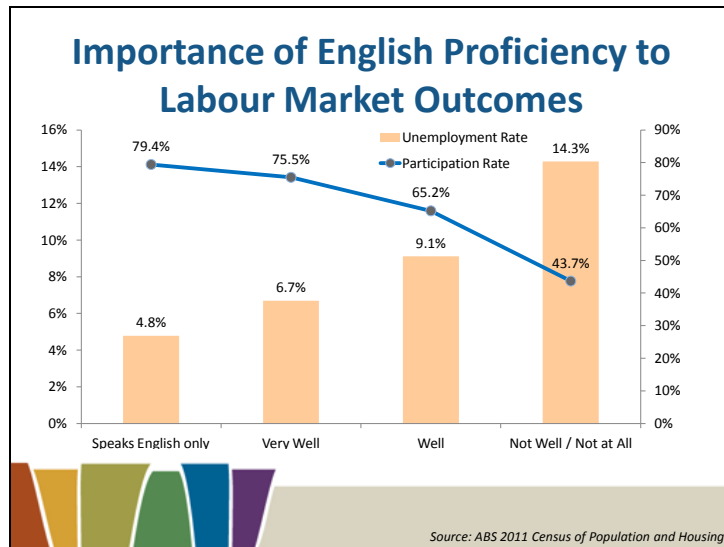
Source: ABS 2011 Census of Population and Housing

This chart illustrates migrant underutilisation by comparing labour market participation of those with a Bachelor Degree by whether they were a migrant from a Other Than Main English Speaking Country or not.

Lower Skilled Occupation refers to those in the Machinery Operators and Drivers, Sales Workers and Labourers occupation groups.

Overall, 36 per cent of the working age population in Sydney born in an OTMESC have obtained a Bachelor Degree or higher qualification. This compares with 26 per cent for the Non-OTMESC population.

Of the working age population, there was a lower level of labour market participation for highly qualified OTMESC persons compared with the Non-OTMESC population. For both 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 lower skilled occupation.

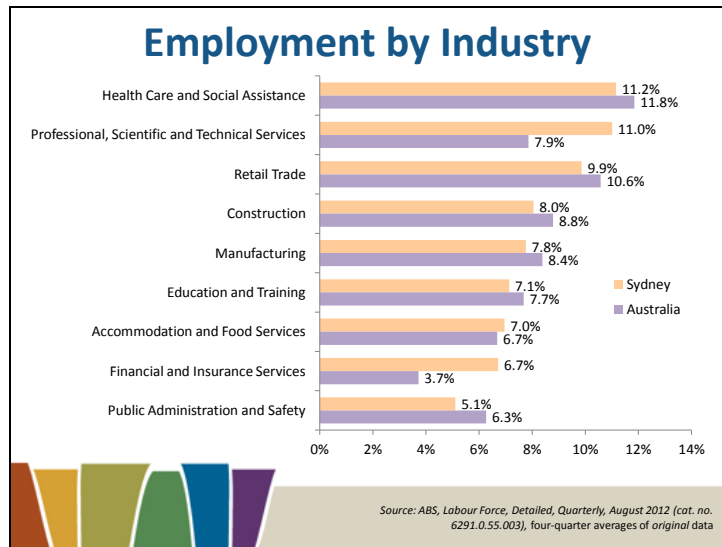


English Proficiency and Labour Market Outcomes:

Source: ABS 2011 Census of 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.

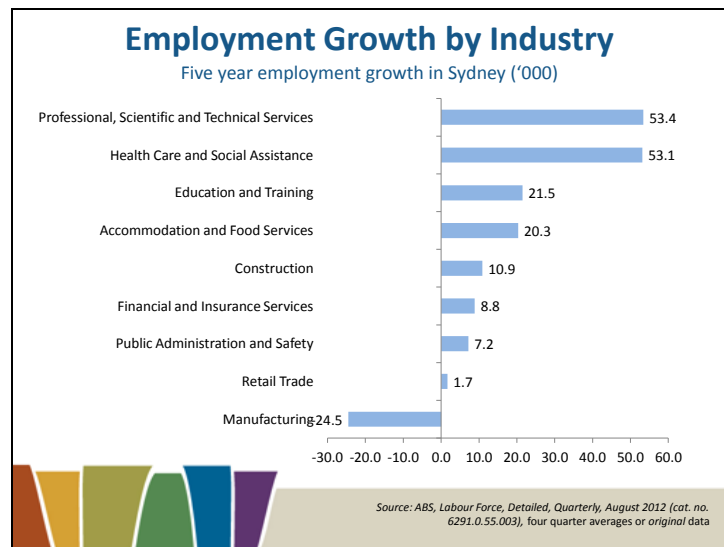
This data is from the 2011 Census of Population and Housing, which asked for the English proficiency of those who primarily spoke a language other than English at home.



Employment by Industry:

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

Employment in Sydney was highest in the Health Care and Social Assistance (11.2% of all employed), Professional, Scientific and Technical Services (11.0%) and Retail Trade (9.9%) industries.



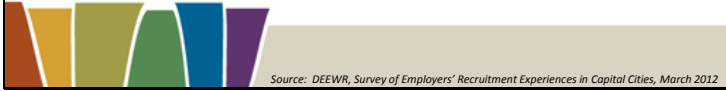
Employment Growth by Industry - Five year employment growth in Sydney ('000):

Source: ABS Labour Force, Australia, Detailed, Quarterly, August 2012, (Cat No. 6291.0.55.003), four quarter averages of original data

Employment growth in Sydney over the five years to August 2012 was highest in the Professional, Scientific and Technical Services (increase of 53,400) and Health Care and Social Assistance (increase of 53,100) industries.

Employer Survey Results - Sydney

- Slightly below average level of recruitment activity
 - 1 in 10 jobs became vacant in last six months
- Half of recruiting employers had difficulty filling a vacancy in the last six months
 - Recruitment difficulty more prevalent in higher skilled occupations
- Employers anticipated relatively strong recruitment following the survey, although less than previous years



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

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Regional differences in recruitment activity

Region	Past 6 Months	
	Vacancies per 100 staff	% of employers decreasing staff numbers
Fairfield-Liverpool LFR	5.6	24%
Northern Beaches LFR	13.6	16%
Sydney	9.8	16%
All Capital Cities	11.4	18%

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

Employer Survey Results – Sydney:

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

About one in ten positions became vacant during the six months to March 2012 (9.8 vacancies per 100 staff), lower compared with all capital cities (11.4 vacancies per 100 staff).

Disparity between regions in Sydney was demonstrated by the Fairfield-Liverpool LFR reporting 5.6 vacancies per 100 staff, compared with 13.6 vacancies per 100 staff for the Northern Beaches LFR. A higher proportion of employers decreased staff numbers in the six months prior to the survey in the Fairfield-Liverpool LFR (24%) compared with the Northern Beaches LFR (16%).

Medical Receptionists: North Shore vs. Western Sydney

Essential Requirements
"Good communication skills, well presented, able to work in a team."

Western Sydney
"Previous medical experience essential"
\$16.00 - \$20.00 per hour

North Shore
"Medical reception experience not essential"
\$25.00 - \$29.99 per hour

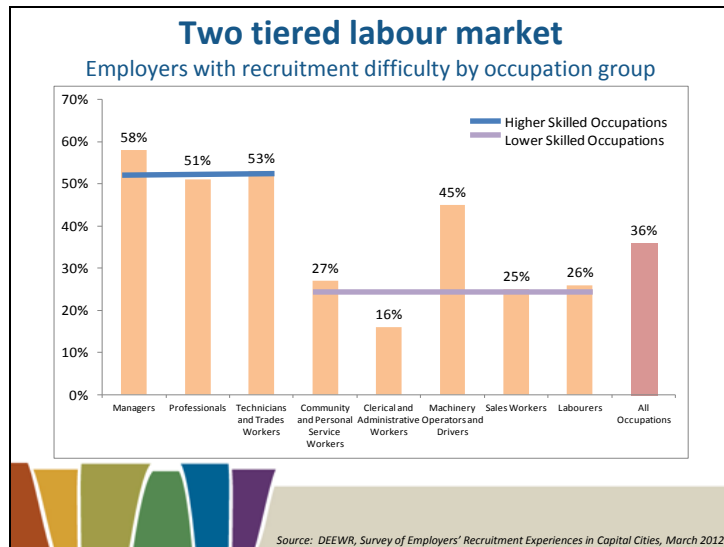
VS.

Source: Seek Job Advertisements, 25 October 2012

Medical Receptionists:

Source: Seek Job Advertisements, 25 October 2012

This slide illustrates the differences that can be found in job vacancies across Sydney. In this case, there are two vacancies for the same occupation with notably different conditions.

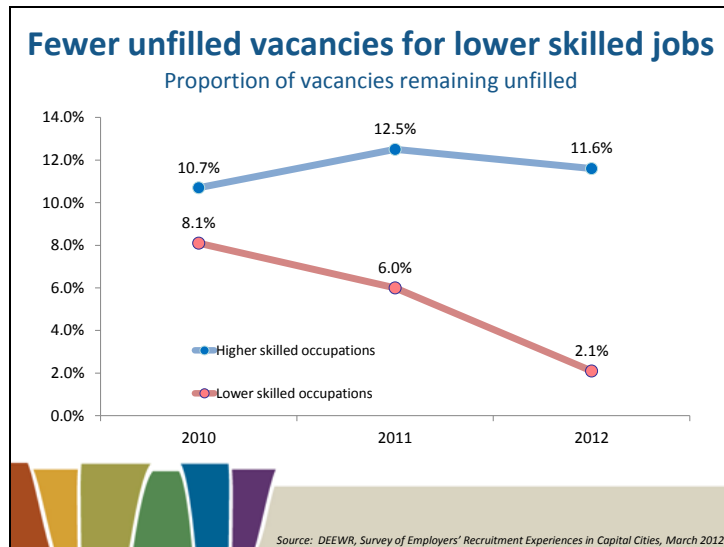


Recruitment Difficulty:

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

Just over one third (36%) of employers reported recruitment difficulty in their most recent recruitment round.

Levels of recruitment difficulty varied significantly between higher and lower skilled occupation groups. 53% of employers recruiting for Higher Skilled Occupations reported recruitment difficulty, compared with only 25% for employers recruiting for Lower Skilled Occupations.



Unfilled Vacancies for Higher and Lower Skilled Occupations – Time Series:

Source: DEEWR, Survey of Employers' Recruitment Experiences in Capital Cities, 2010, 2011 and 2012

Over the last three years, the proportion of lower skilled vacancies that remained unfilled has fallen, and was 2.1% in 2012. By contrast, the proportion of vacancies remaining unfilled remained relatively stable over the three years.

Occupation Based Classifications	
High Skilled Occupation Categories	
Professionals and Managers	
Hospitality, Retail and Service Managers	Red
Teachers	Green
ICT Professionals	Red
Registered Nurses	Red
Technicians and Trades Workers	
Automotive Electricians and Mechanics	Red
Mechanical Engineering Trades Workers	Red
Food Trades Workers	Red
Structural Steel and Welding Trades Workers	Yellow

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

Occupation Based Classifications – Higher Skilled Occupation Categories:

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.

Occupation Based Classifications	
Lower Skilled Occupation Categories	
Community and Personal Services Workers	
Aged, Disability and Nursing Support Workers	Green
Hospitality Workers	Green
Clerical and Administrative Workers	
General Clerks	Green
Receptionists	Green
Sales Workers	
Sales Representatives	Red
Sales Assistants and Checkout Operators	Yellow
Machinery Operators and Drivers	
Plant and Machine Operators	Red
Storepersons	Green
Labourers	
Factory Process Workers	Yellow
Food Preparation Assistants	Green

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

Occupation Based Classifications – Lower Skilled Occupation Categories:

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

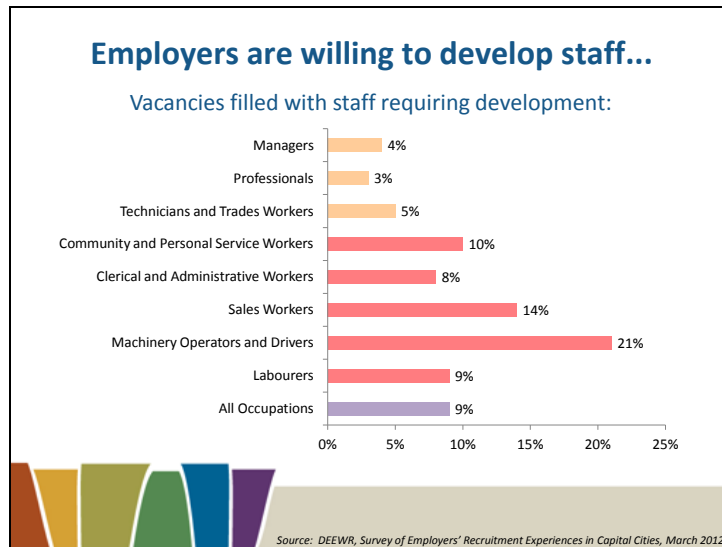
This table shows lower skilled occupations by level of difficulty in all capital cities March 2012

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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.

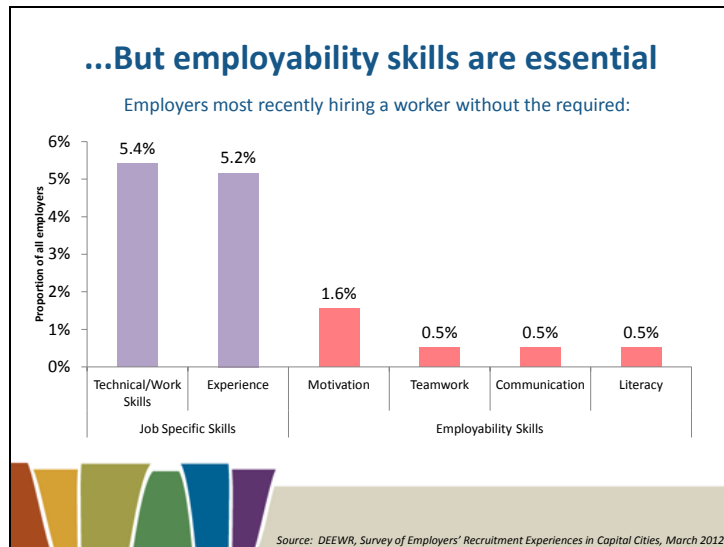


Vacancies filled with workers who lacked desired skills/capabilities:

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:

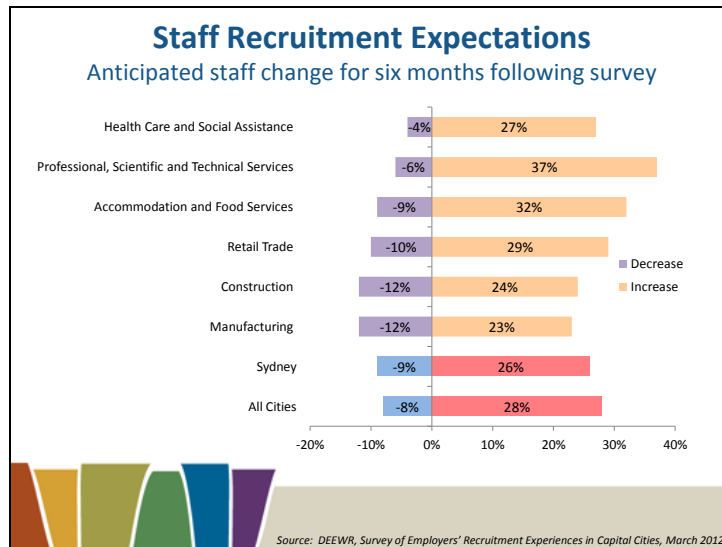
- 4% for higher skilled occupations
- 12% for lower skilled occupations
- 9% for all occupations



Employability Skills:

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

While 9% of recently recruited staff did not have the desired capabilities for the position, employers were generally only willing to hire an applicant who is lacking in Job Specific Skills than one lacking in Employability Skills.

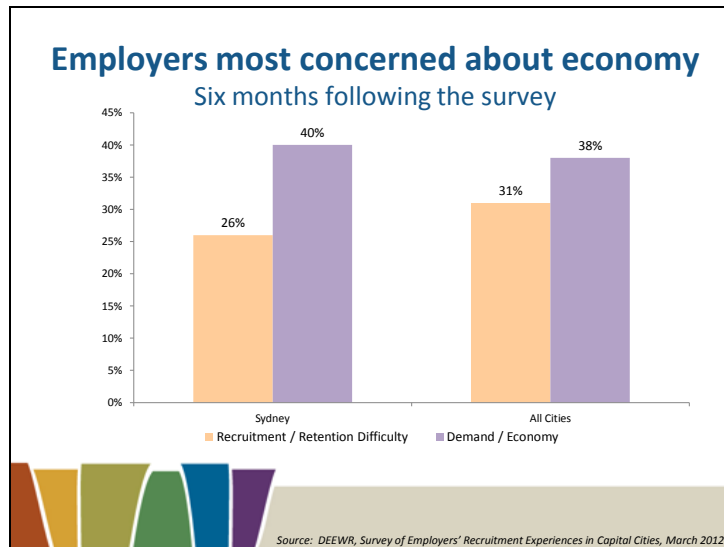


Staff Recruitment Expectations– next six months – by major industry category:

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

Over one quarter (26%) of employers in Sydney anticipated increasing staff numbers in the six months following the survey, while 9% anticipated decreasing staff numbers, comparable with the average for all cities (28% and 8% respectively).

Over one third (37%) of employers in the Professional, Scientific and Technical Services industry and 32% of employers in the Accommodation and Food Services industry expected to increase staff numbers.



Greatest future concern for six months following the survey:

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

Employers in Sydney were most commonly concerned with demand for their products/services or the economy (40% of employers listed this as their greatest concern for the six months following the survey). By contrast, 26% of employers reported recruitment or retention difficulty as their greatest concern.

Conclusion

- Unemployment remains low, but...
 - Considerable variation across the city
 - Declining vacancies, with fewer lower skilled opportunities
 - Employment growth has slowed
- Disadvantaged groups:
 - Lower educated, disengaged youth, long-term unemployed, jobless families, people with disabilities
 - Underutilisation of skilled migrants
- Considerable opportunities still exist
 - Sydney is the largest and most diverse labour market
 - Many higher skilled occupations remain difficult to recruit for and in demand
 - Growth industries, including Health Care and Social Assistance & Professional, Scientific and Technical Services
 - Future levels of recruitment encouraging
- Job seekers need to be job ready
 - Training / apprenticeships, work experience
 - English proficiency
 - Employability skills a must!
- Stakeholders need to work together: providers, educational institutions, employers and job seekers



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Department of Education, Employment and Workplace Relations

If you have any questions about the presentation please contact
the Regional and Industry Employer Surveys Section on
[1800 059 439](tel:1800059439) or email recruitmentsurveys@deewr.gov.au

