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The slide features a dark blue background with a white diagonal stripe. In the top-left corner, there is an orange triangle containing the Australian Government crest and the text 'Australian Government Department of Employment'. The main title 'Overview of the Perth Labour Market' is centered in white. Below it, the presenter's name and title are listed. The website 'www.employment.gov.au' is in the bottom-left corner. A small green triangle is in the bottom-right corner.

Australian Government
Department of Employment

Overview of the Perth Labour Market

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www.employment.gov.au

Western Australia
What are the challenges?

- **Economic growth has slowed** – 5.1 per cent over the year to June 2013, down from 7.3 per cent recorded the previous year
- **Labour market conditions have been easing** - employment growth slowing, unemployment rising, recruitment activity falling
- **High exposure to Mining** – fourth largest employing industry in the State, transitioning from the construction phase to production phase
- **International uncertainty** – heavy reliance on China, slower than anticipated trading partner growth may further weaken commodity prices

Source: ABS, Australian National Accounts: State Accounts, 2013-14 (Cat. No. 5220.0)

Western Australia – What are the challenges?

Source: ABS, Australian National Accounts: State Accounts, 2013-13 (Cat. No. 5220.0).

As the State's economy transitions from the construction phase of major resource projects to the production and exports phase, economic growth is forecast to moderate in 2014-15.

Population profile

	Perth	Balance of Western Australia	Australia
Adult Population (15+) - Growth (2007 to 2012)	1,543,400 17%	422,000 14%	18,419,600 10%
Unemployment Rate - Annual Change	4.6% + 0.5% pts	5.8% + 1.4% pts	5.8% + 0.5% pts
Median Age (2011 Census)	36	37	37




Source: ABS, Population Estimates by Age and Sex, Regions of Australia, 2007 and 2012; ABS, Labour Force Survey, March 2014 (12 month averages of original data); ABS, Census of Population and Housing, 2006 and 2011

Population Profile

Source: ABS, Population Estimates by Age and Sex, Regions of Australia, 2007 and 2012; ABS, Census of Population and Housing, 2011

As at March 2014 the unemployment rate for Perth (Greater Capital City Statistical Area) was 4.6 per cent, increasing 0.5 percentage points in the preceding 12 months. The remainder of Western Australia experienced a higher increase in unemployment over the same period (1.4 percentage points) to stand at 5.8 per cent at March 2014.

Many people moving to Perth for work

		Employment in Perth (2011)
	Long term Perth residents (lived in Perth in 2006)	52%
	Elsewhere in WA and new arrivals from interstate	38%
	New arrivals from overseas	10%

Source: ABS, Census of Population and Housing, 2011

Many people moving to Perth for work

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census, just over half of people employed in Perth (Greater Capital City Statistical Area) were also living in Perth at the time of the 2006 Census. A large proportion (38 per cent) of people employed had moved to Perth from elsewhere in Western Australia and interstate between 2006 and 2011 while 10 per cent had moved from overseas.

How is the Western Australian labour market performing?

- **Employment** - up by a healthy 2.2 per cent over the year, although remains below the decade average of 3.3 per cent
- **Unemployment rate** – 4.9 per cent as at April 2014 compared with 3.7 per cent in April 2012
- **Participation rate** - 67.9 per cent, well below its peak of 69.9 per cent recorded in December 2008
- **Vacancies** – remain 53.9 per cent below their peak in May 2008

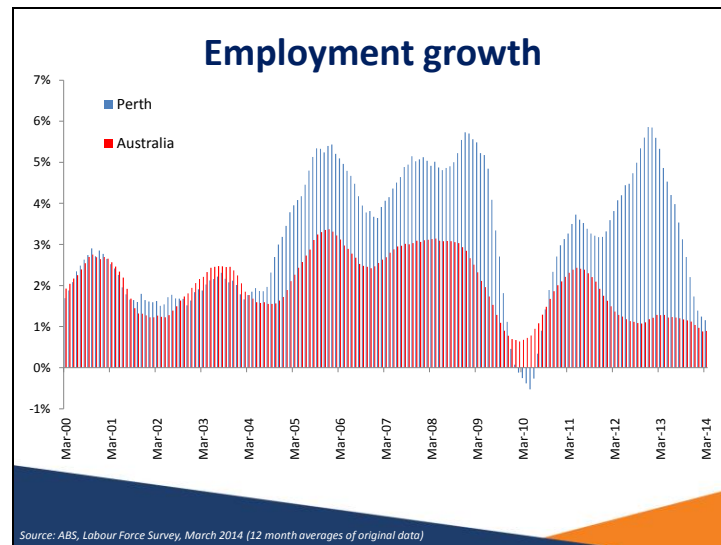
Source: ABS, Labour Force, Australia, April 2014 (Cat. no. 6202.0), seasonally adjusted, Department of Employment, Vacancy Report, February 2014, trend

How is the Western Australian labour market performing?

Source: ABS Labour Force, Australia, April 2014 (Cat No. 6202.0), seasonally adjusted. Department of Employment, Vacancy Report, February 2014, trend.

The unemployment rate for Western Australia has risen from 3.7 per cent in April 2012 to 4.9 per cent in April 2014.

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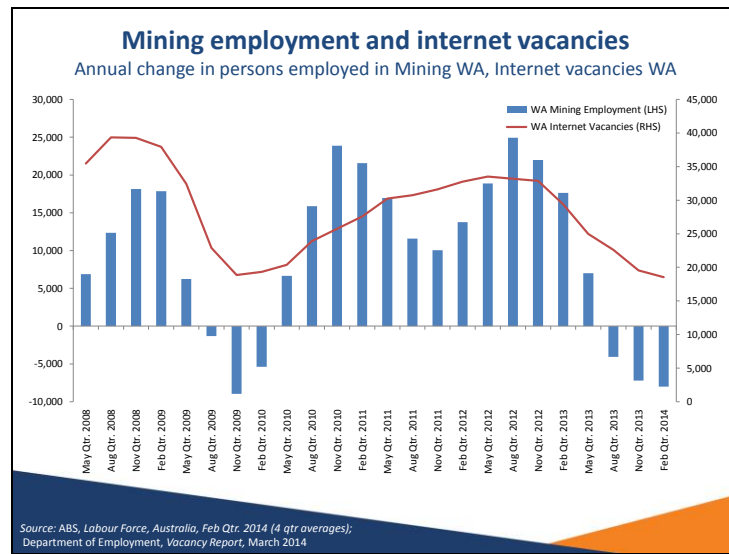
Employment growth

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

As at March 2014, over 1,058,000 people were employed and working in Perth (Greater Capital City Statistical Area).

In the 12 months to March 2014, Perth experienced employment growth of 1.2 per cent, compared with 0.9 per cent for Australia over the same period.

Employment growth in Perth peaked in December 2012 when the annual growth in persons employed was 5.9 per cent.



Mining employment and internet vacancies

Annual change in persons employed in Mining WA, Internet vacancies, WA

Source: ABS, Labour Force, Australia, Feb Qtr. 2014 (4 qtr averages); Department of Employment, Vacancy Report, March 2014

*** 4 quarter averages have been applied to employment data in this chart. Internet vacancies shown in the chart have been moved forward 2 quarters to better align with employment data.*

In the 4 quarters to February 2014, there was a decrease of over 8000 people employed in the Mining industry across Western Australia.

Employment in the Western Australian Mining industry peaked in the 4 quarters to August 2012 with an increase of almost 25,000 people.

Department of Employment vacancy data recorded almost 18,500 internet advertised job vacancies in Western Australia for March 2014.

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Temporary work (skilled) visa grants declining
 Subclass 457 visa grants located in Western Australia

Primary applications granted by sponsor industry (year ending)			
	31-Dec-2012	31-Dec-2013	Change from 2012-13 (%)
Construction	1760	940	-46.3
Mining	1640	850	-48.5
Other Services	980	580	-40.3
Health Care and Social Assistance	650	440	-32.2
Accommodation and Food Services	350	410	18.2
All industries	8070	4660	-42.3

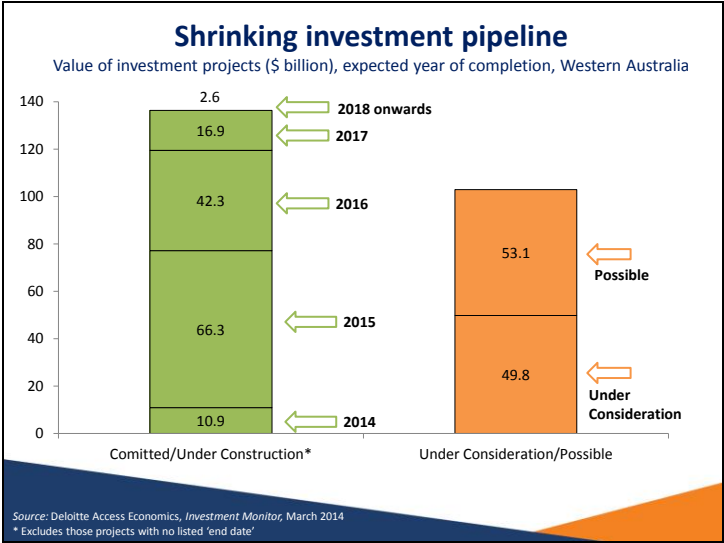
Primary applications granted by nominated occupation (year ending)			
	31-Dec-2012	31-Dec-2013	Change from 2012-13 (%)
Technicians and Trades Workers	3300	1860	-43.6
Professionals	3120	1740	-44.1
Managers	1100	810	-26.8
All occupations	8070	4660	-42.3

Source: Department of Immigration and Border Protection, Subclass 457 quarterly report, quarter ending at 31 December 2013

Temporary work (skilled) visas grants declining

Source: Department of Immigration and Border Protection, Subclass 457 quarterly report, quarter ending at 31 December 2013, <http://www.immi.gov.au/media/statistics/pdf/457-quarterly-report-2013-12-31.pdf>

The number of primary subclass 457 visas granted in Western Australia fell by 42.3 per cent in 2013, reflecting softer economic conditions compared with 2012.

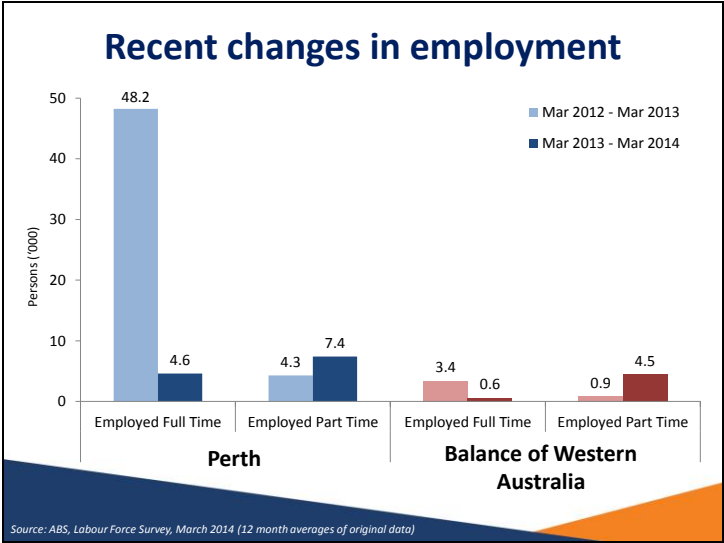


Shrinking investment pipeline

Value of investment projects (\$ billion), expected year of completion, Western Australia

Source: Deloitte Access Economics, *Investment Monitor*, March 2014

Data from Deloitte Access Economics' *Investment Monitor* currently suggests that the value of investment projects in Western Australia is likely to taper after 2016, especially if projects that are 'under consideration' or 'possible' do not go through.

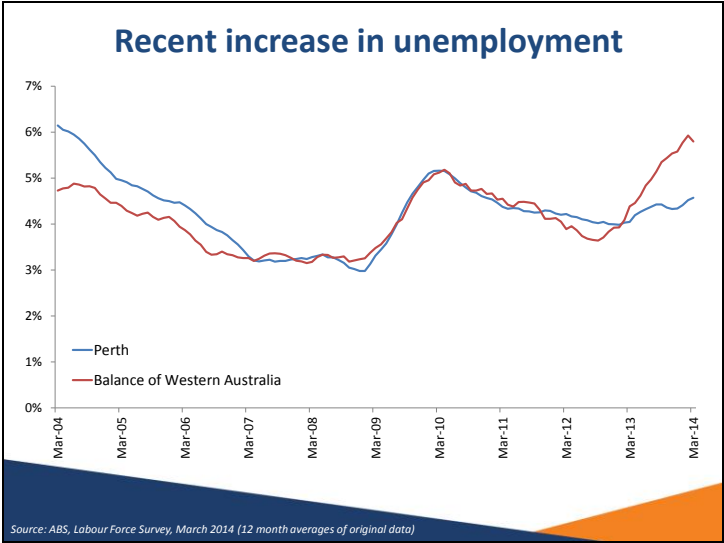


Recent changes in employment

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

In the 12 months to March 2013, the number of persons employed full time in Perth (Greater Capital City Statistical Area) increased by over 48,000. By comparison, in the 12 months to March 2014 the change in full time employment was significantly smaller with an increase just over 4,500 persons.

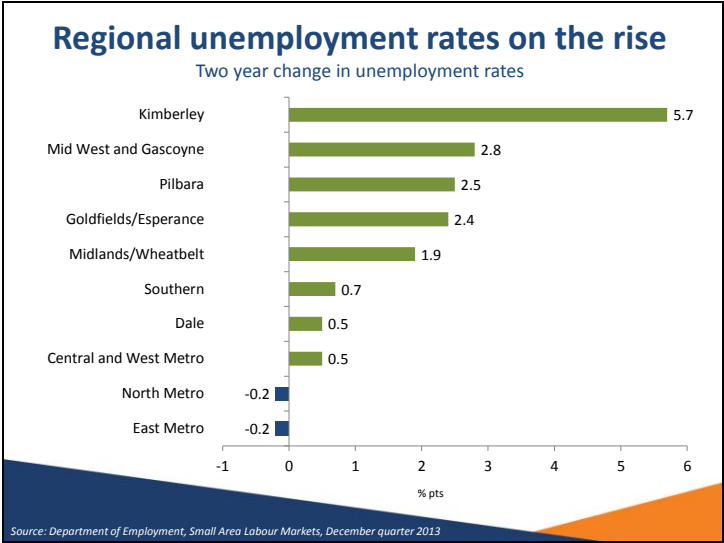
In both Perth and the remainder of Western Australia, increases in persons employed part-time were larger in the 12 months to March 2014 than in the preceding 12 months.



Recent increase in unemployment

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

As at March 2014, the unemployment rate for Perth (Greater Capital City Statistical Area) was 4.6 per cent, an increase of 0.5 percentage points in the preceding 12 months. The unemployment rate for both the remainder of Western Australia and Australia was 5.8 per cent at March 2014.



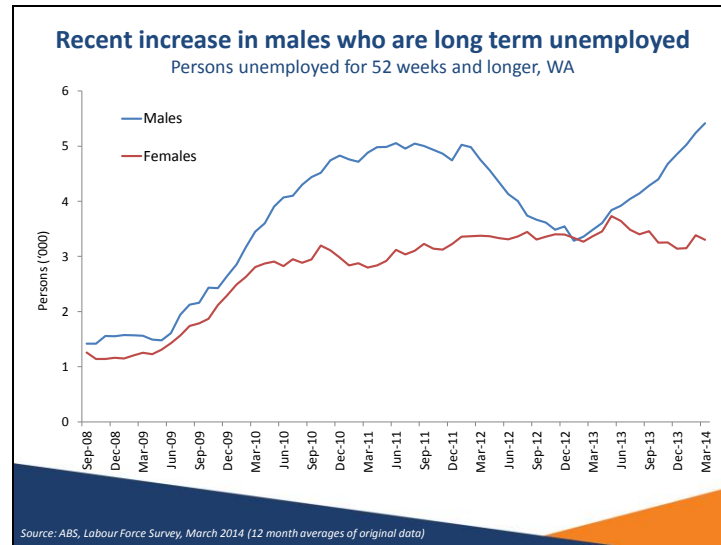
Regional unemployment rates on the rise

Two year change in unemployment rates

Source: Department of Employment, Small Area Labour Markets, December quarter 2013

Over the 2 years to December 2013, increases in unemployment rates have been markedly higher in regional areas of Western Australia compared with metropolitan areas.

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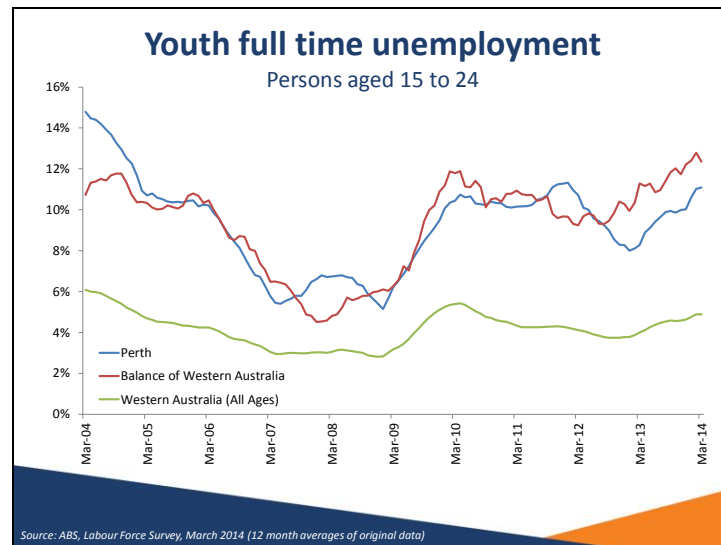


Recent increase in males who are long term unemployed

Persons unemployed for 52 weeks or longer

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

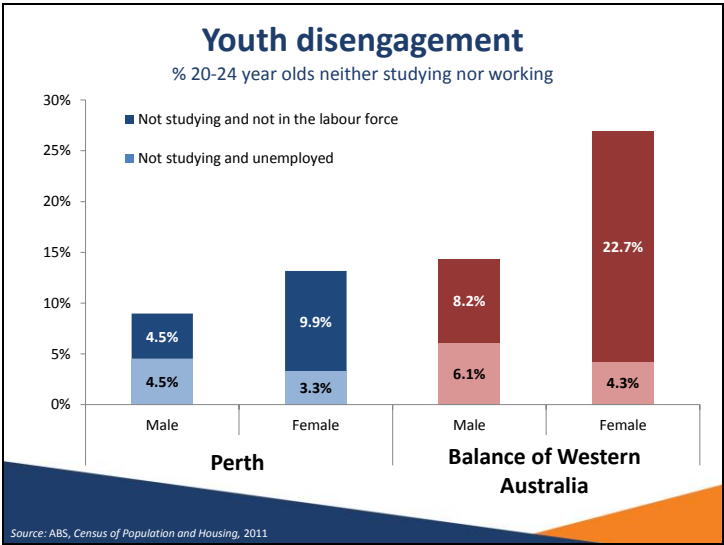
In the 12 months to March 2014 in Western Australia, there has been an increase of over 1900 males who are long term unemployed to stand at a total of 5,400.



Youth full time unemployment
Persons aged 15-24

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

As at March 2014, the youth full time unemployment rate was 11.1 per cent in Perth (Greater Capital City Statistical Area), an increase of 2.8 percentage points since March 2013. The youth full time unemployment rate for the remainder of Western Australia was 12.4 per cent, an increase of 1.1 percentage points over the same period. The full time unemployment rate for all ages in Western Australia was 4.9 per cent.



Youth disengagement
% 20-24 year olds neither studying nor working
Source: ABS, Census of Population and Housing, 2011

Some 11 per cent of 20-24 year olds in Perth (Greater Capital City Statistical Area) were disengaged (neither working nor studying), compared with 20 per cent for the remainder of Western Australia.

Educational attainment

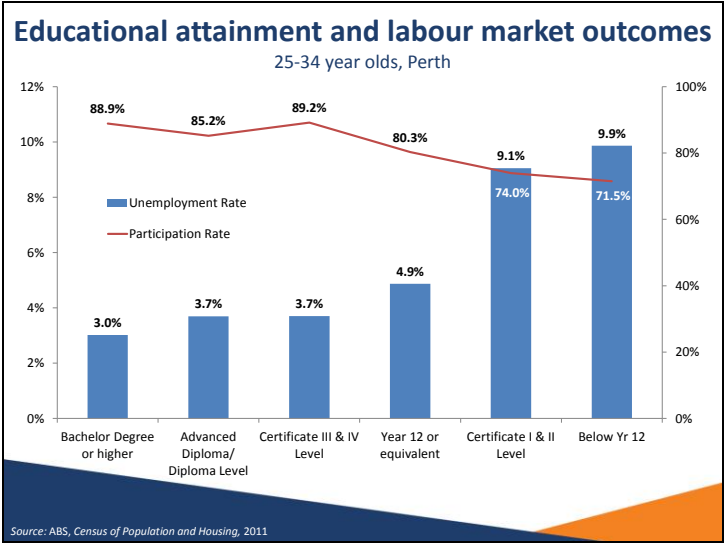
Region	% of 25-34 year olds with		
	Year 12 or above	Advanced Diploma, Diploma, Cert III/IV	Bachelor Degree or higher
Perth	85%	30%	35%
Balance of Western Australia	75%	36%	18%
Australia	85%	30%	35%

Source: ABS, Census of Population and Housing, 2011

Educational attainment

Source: ABS, Census of Population and Housing, 2011

Educational attainment for 25 to 34 year olds in Perth (Greater Capital City Statistical Area) is in line with national averages.

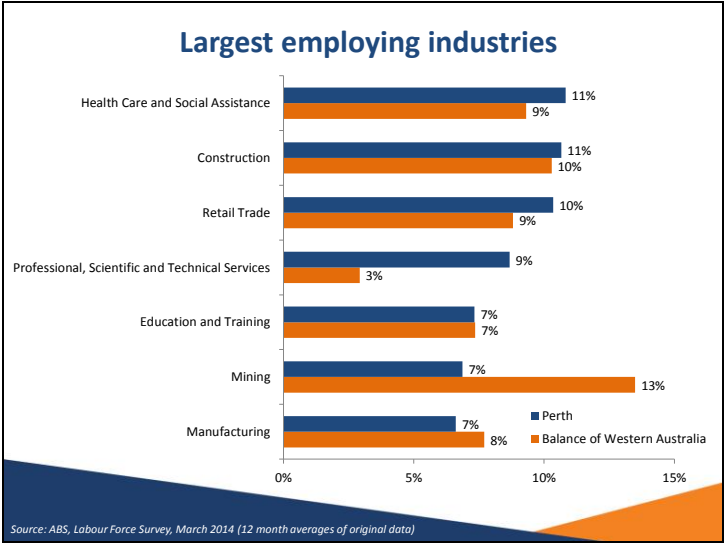


Educational attainment and labour market outcomes

Source: ABS, Census of Population and Housing, 2011. Figures are for the highest level of education attained.

This chart demonstrates the positive relationship between educational attainment and labour market outcomes.

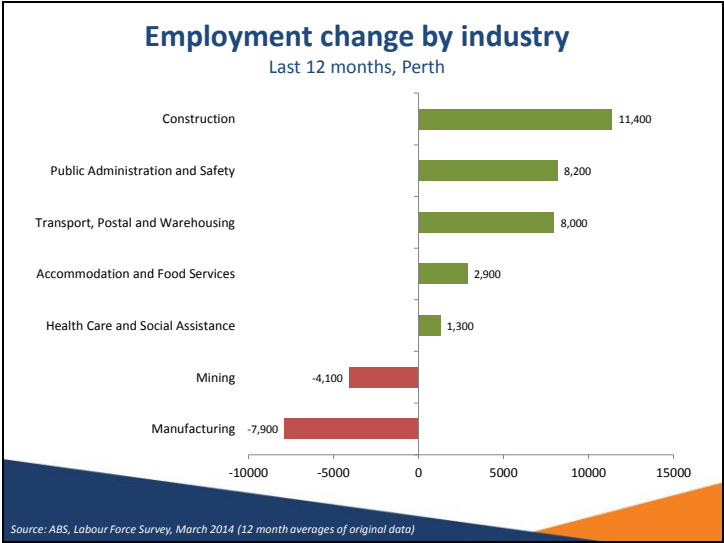
In Perth (Greater Capital City Statistical Area), those who hadn't completed Year 12 or had a Certificate I/II as their highest level of education faced low rates of labour force participation and high rates of unemployment.



Largest employing industries

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

As at March 2014 in Perth (Greater Capital City Statistical Area), Health Care and Social Assistance and Construction were the largest employing industries each accounting for 11 per cent of total employment in Perth.

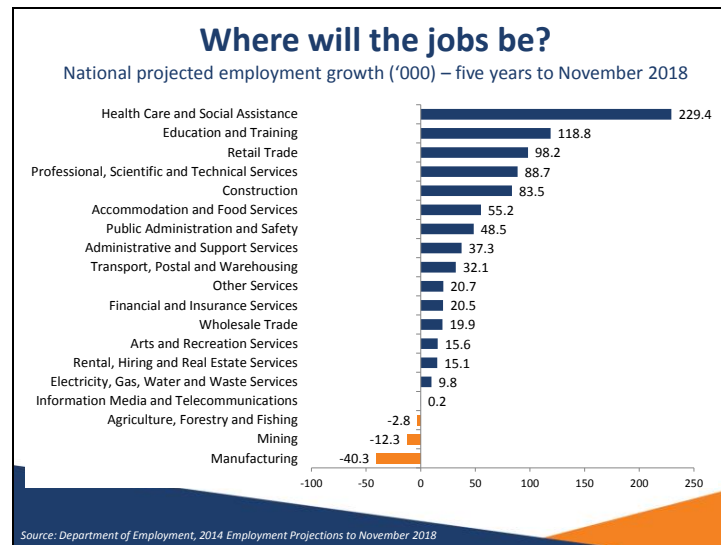


Employment change by industry

Last 12 months, Perth

Source: ABS, Labour Force Survey, March 2014 (12 month averages of original data)

In the 12 months to March 2014, the largest increases in employment were seen in the Construction and Public Administration and Safety industries while the largest decreases were in the Manufacturing and Mining industries.




Where will the jobs be?

Projected employment growth ('000) – five years to November 2018

Source: Department of Employment, 2014 Employment Projections to November 2018

For Australia, it is projected that by 2018 the Health Care and Social Assistance industry will experience the largest growth in employment while the largest decreases in employment will be in the Manufacturing and Mining industries.



What are employers telling us?

What are employers telling us?

In July 2013, the Department of Employment conducted the fourth annual *Survey of Employers' Recruitment Experiences in Capital Cities* across Australia.

In line with the slowdown in the resources sector, the survey results for **Perth** showed a continued easing from the tight labour market conditions identified in the 2011 survey. While the levels of recruitment activity remained well above those recorded in most other capital cities, more than one quarter of employers had reduced staff numbers in the past six months.

The economy or future demand for their goods or services was the single greatest concern of 40 per cent of respondents (up from 27 per cent in 2011) suggesting that many employers remain uncertain about the period ahead.

Recruitment conditions are easing

	Perth	
	2013	Change on 2012
Recruited for staff	76%	↓ 13% pts
Decreased staff numbers	26%	↑ 10% pts
Annual vacancies per 100 staff	26.2	↓ 4.0
Experienced recruitment difficulty	42%	↓ 8% pts
Unfilled vacancies	6.3%	↓ 2.2% pts

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

Recruitment conditions are easing

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

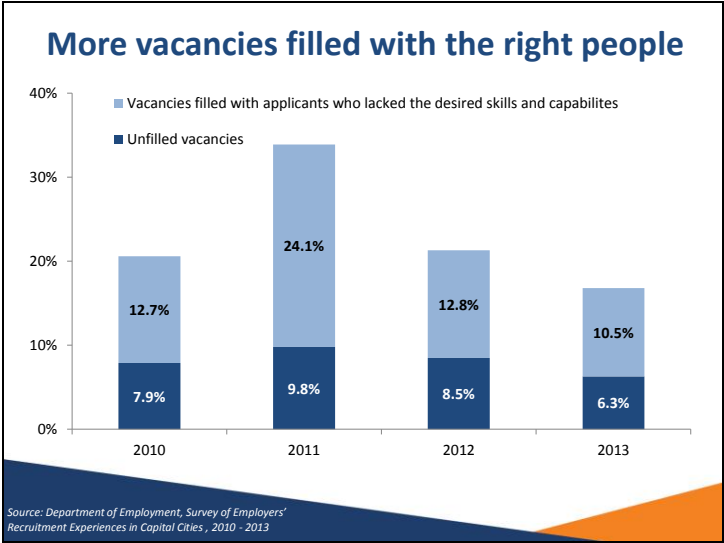
While recruitment activity in the region appears to have eased markedly, it remains at a higher level compared with other capital cities.

Conditions also easing in regional WA					
Recent survey results					
	Pilbara		Goldfields-Esperance		All regions
	Nov 2013	Aug 2010	Feb 2014	Nov 2010	Year to Mar 2014
<i>Past 12 months</i>					
Average annual vacancies per 100 staff	37.2	78.8	18.7	26.2	16.0
<i>Most recent recruitment round</i>					
Applicants per vacancy	6.3	4.9	8.4	5.2	10.6
Unfilled vacancies	6.4%	11.7%	2.5%	9.9%	3.7%
Recruitment difficulty	43%	61%	40%	52%	35%
<i>Recruitment expectations</i>					
Expected to increase staff	24%	45%	15%	29%	19%

Source: Department of Employment, Survey of Employers' Recruitment Experiences, various (2010-2014)

Conditions also easing in regional WA

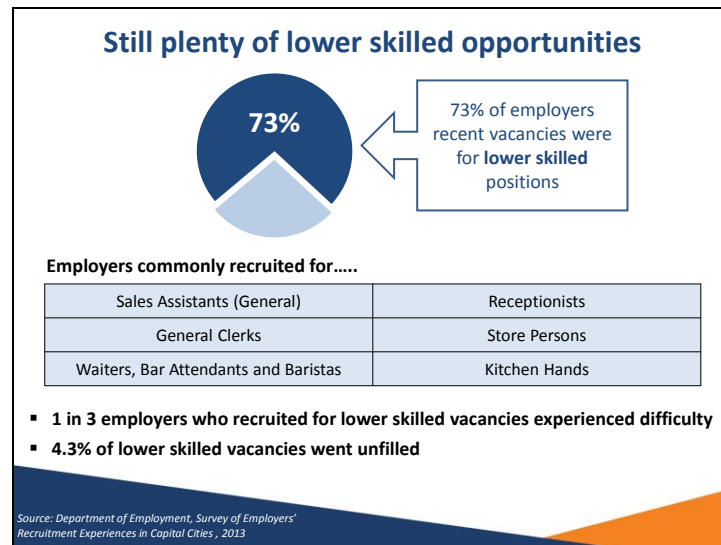
Source: Department of Employment, Survey of Employers' Recruitment Experiences, various (2010-2014). 'All regions' refers to all regions surveyed in the 12 months to March 2014.



More vacancies filled with the right staff

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

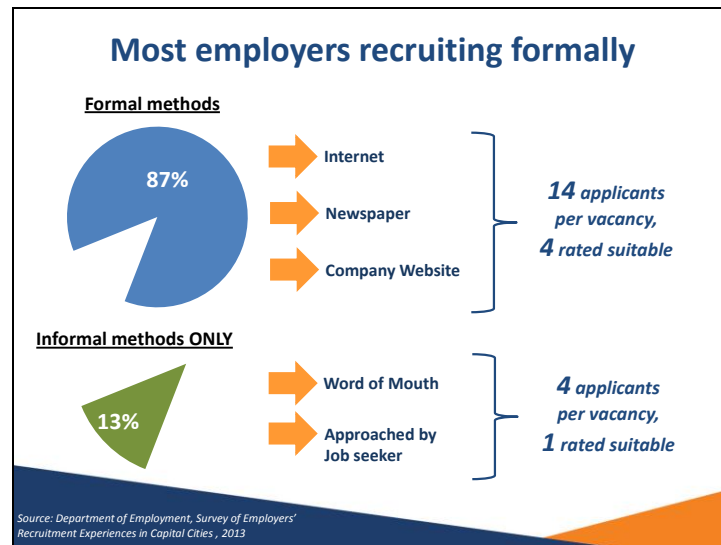
As recruitment conditions have showed a continued easing from the tight labour market conditions identified in the 2011 survey employers have been more successful filling their vacancies with staff who possessed the skills and capabilities that employers were looking for.



Still plenty of lower skilled opportunities

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

With almost three quarters of all recent vacancies in Perth being for lower skilled positions, there are still plenty of opportunities for job seekers.

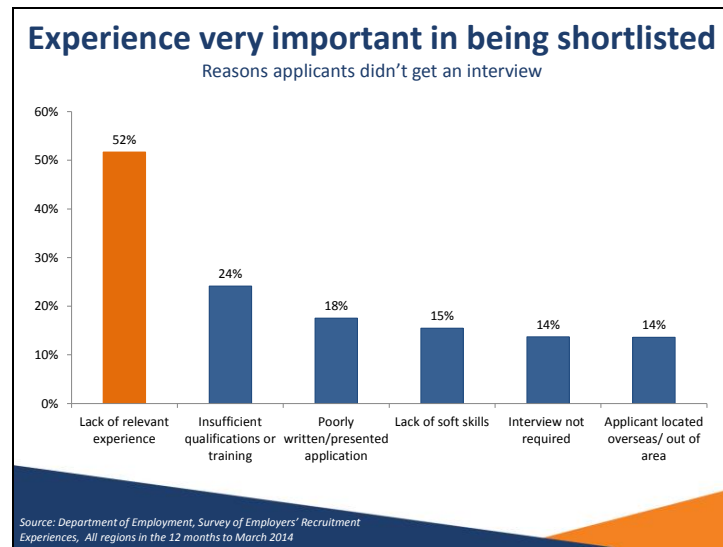


Most employers recruiting formally

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

In Perth, 87 per cent of employers used a formal method of recruitment in their most recent recruitment round including use of the internet, newspaper and company website. On average, formal recruitment methods attracted 14 applicants per vacancy of which 4 were considered suitable by the employer.

13 per cent of employers used an informal method ONLY, most commonly word of mouth and being approached by the jobseeker. On average, using an informal method only attracted 4 applicants, of which 1 was considered suitable by the employer.



Experiences very important in being shortlisted

Source: Department of Employment, Survey of Employers' Recruitment Experiences, All regions in the 12 months to March 2014

When asked why applicants didn't get an interview, 52 per cent of employers mentioned that a lack of relevant experience was a factor.

Employability skills essential
What employers considered essential in an applicant

71% of employers said that personality traits/qualities are more or equally as important as technical skills

- Enthusiastic/positive attitude
- Interact/connect with others/teamwork
- Hardworking/good work ethic
- Communicate
- Make good decisions
- Reliable

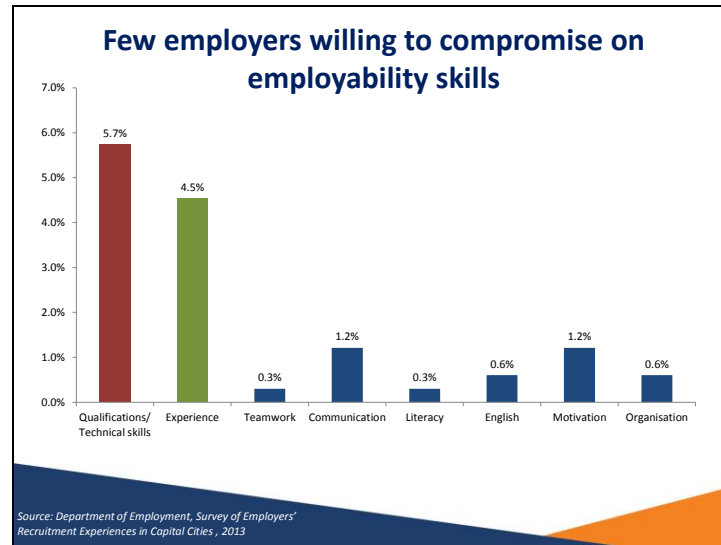
Source: Department of Employment, Survey of Employers' Recruitment Experiences, December 2013; All regions surveyed in the 12 months to Dec 2010.

Employability skills essential

Source: Department of Employment, Survey of Employers' Recruitment Experiences, December 2013; Department of Employment, Survey of Employers' Recruitment Experiences, All regions surveyed in the 12 months to December 2010

Employers want people who can/have

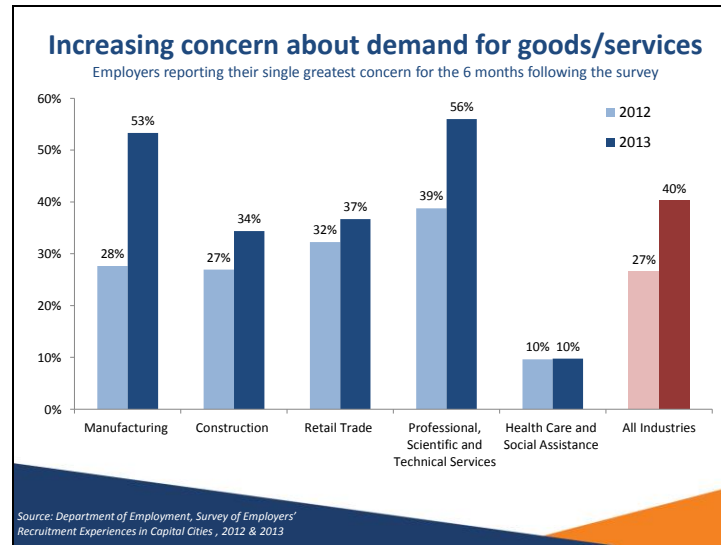
- Enthusiastic/positive attitude
- Interact/connect with others/teamwork
- Hardworking/good work ethic
- Communicate (higher order skill – e.g. hold an argument)
- Make good decisions
- Reliable



Few employers willing to compromise on employability skills

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

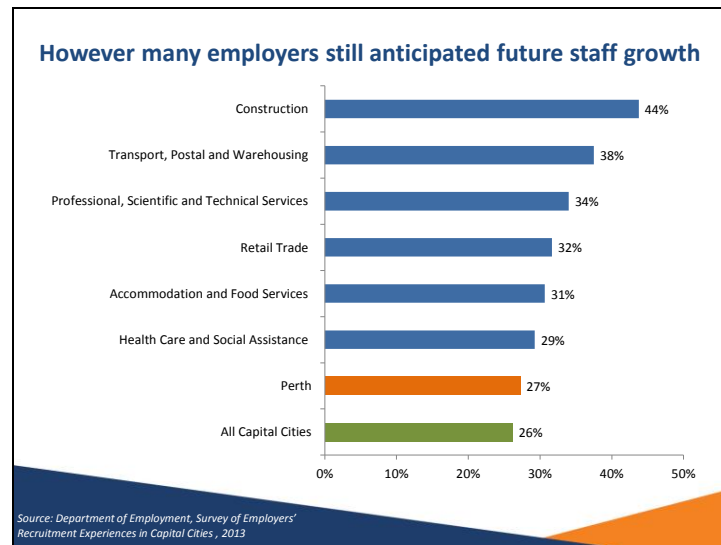
While some employers in Perth were willing to compromise on Qualifications/Technical skills and experience, very few were willing to compromise on employability skills such as teamwork, communication and motivation.



Increasing concern about demand for good/services

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2012 & 2013

The economy/future demand for their goods or services was the single greatest concern of 40 per cent of respondents (up from 27 per cent in 2011) suggesting that many employers remain uncertain about the period ahead.



However many employers still anticipate future staff growth

Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, 2013

Despite an increased concern for future demand for goods/services many employers still anticipated the need to increase staff levels particularly in the Construction and Transport, Postal and Warehousing industries.

Conclusion

Labour market conditions strong but easing

- Subdued employment growth in 2013-14
- Unemployment rate starting to rise
- Recruitment activity falling

Challenges

- Reliance on Mining industry and transition to other industries
- Disparity in labour market conditions
- Large increase in male long-term unemployment
- Youth unemployment/disengagement

Opportunities

- Many employers expect to increase staff numbers
- High proportion of vacancies for lower skilled positions
- Some vacancies advertised informally, with fewer applicants

Collaboration among all key stakeholders vital



Conclusion

Further Information

- www.employment.gov.au/lmip
- www.employment.gov.au/skillshortages
- www.employment.gov.au/regionalreports
- www.employment.gov.au/australianjobs
- www.joboutlook.gov.au



Further Information

More information on labour market conditions and other research on small areas can be found on these web sites

- www.employment.gov.au/LMIP
- www.employment.gov.au/SkillShortages
- www.employment.gov.au/RegionalReports
- www.employment.gov.au/australianjobs
- www.joboutlook.gov.au

A report on the survey findings for the fourth annual *Survey of Employers' Recruitment Experiences in Capital Cities* has been placed on the regional reports section of the Department of Employment - Regional Reports web site.

Thank you.

