

Slide 1

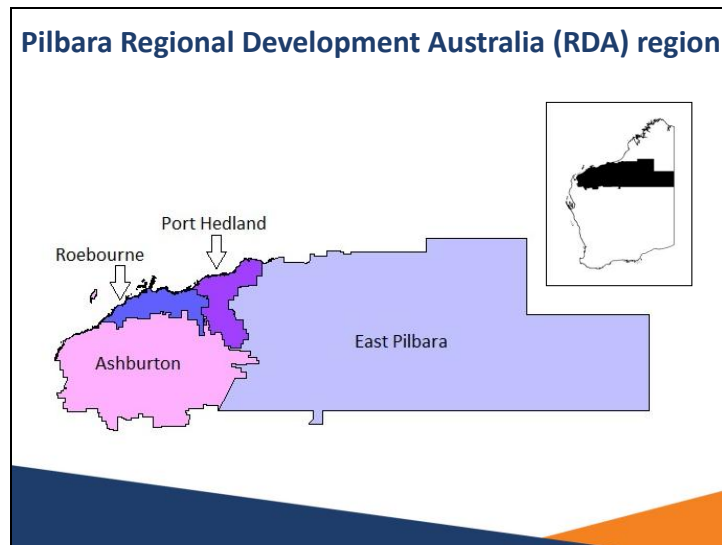
The slide features a dark blue background with a white diagonal stripe. In the top-left corner, there is an orange triangle containing the Australian Government crest and the text 'Australian Government' and 'Department of Employment'. The main title is centered in white text. Below the title, the presenter's name and role are listed. At the bottom left, the website address is provided. A small green triangle is visible in the bottom-right corner.

Australian Government  
Department of Employment

# Overview of the Pilbara Regional Development Australia Region

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[www.employment.gov.au](http://www.employment.gov.au)



**The Pilbara Regional Development Australia (RDA) region**

The Pilbara Regional Development Australia (RDA) region is made up four Local Government Areas (LGAs):

- Ashburton
- East Pilbara
- Port Hedland
- Roebourne

Employers from the Pilbara were last surveyed in August 2010.

The Pilbara makes up approximately 10 per cent of the Remainder- Balance Western Australia Labour Force Region (LFR).

**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 and unemployment rising
- **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).

- **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 and unemployment rising
- **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

<b>Pilbara profile</b>				
Region	Adult Population (15+)	Population Growth (2007-2012)	Regional employment growth (2006-2011)*	Proportion Indigenous
Ashburton	8870	49%	5480	9.3%
East Pilbara	10,720	60%	6520	17.0%
Port Hedland	12,860	19%	3460	14.8%
Roebourne	19,795	26%	6440	8.8%
<b>Pilbara</b>	<b>52,245</b>	<b>33%</b>	<b>22,000</b>	<b>12.0%</b>
Western Australia	1,965,440	16%	194,000	3.1%
Australia	18,419,630	10%	954,100	2.5%

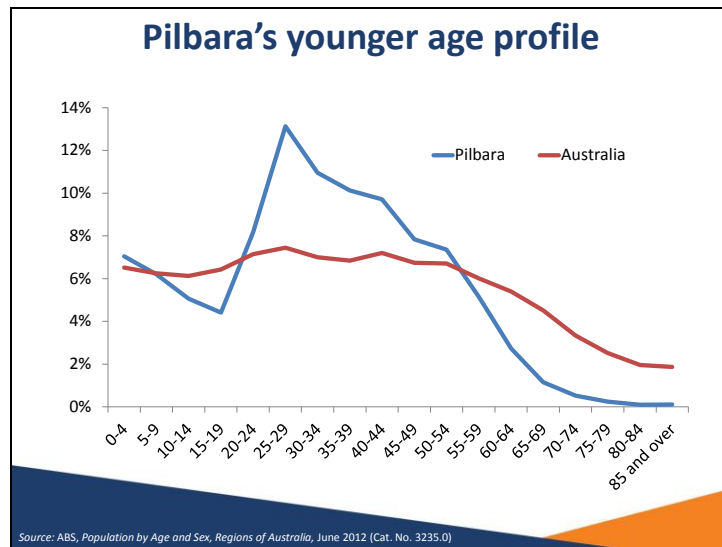
\* Growth in employed persons whose job is located in the region

Source: ABS, Population by Age and Sex, Regions of Australia, June 2012 (Cat. No. 3235.0); ABS, Census of Population and Housing, 2006 and 2011

### **Pilbara profile**

Source: Population data sourced from ABS, *Population by Age and Sex, Regions of Australia*, June 2012 (3235.0). Population data has been rounded. Indigenous data sourced from ABS, *Census of Population and Housing, 2011*. 'Regional employment growth' refers to employed persons working in the region and is taken from ABS, *Census of Population and Housing, 2006 and 2011 (Place of work)*.

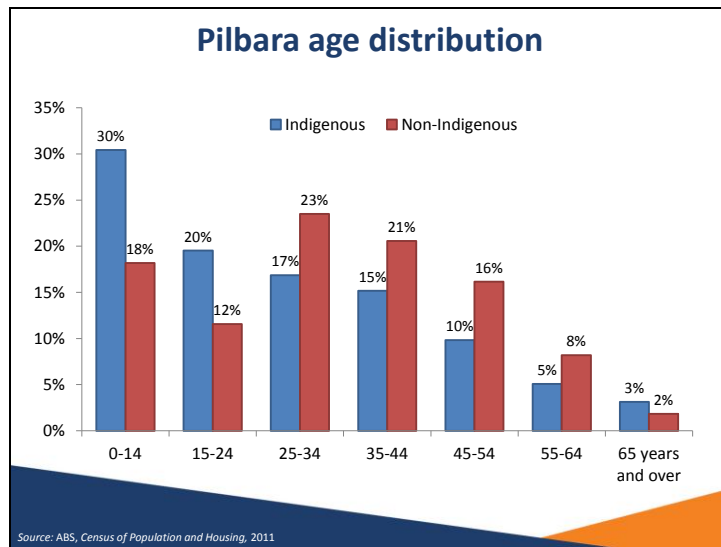
The Pilbara has experienced strong population and jobs growth as a result of the mining boom.



**Pilbara's younger age profile**

Source: ABS, Population by Age and Sex, Regions of Australia, June 2012 (Cat. No. 3235.0)

This chart demonstrates that the Pilbara has a much younger age profile than the national average.

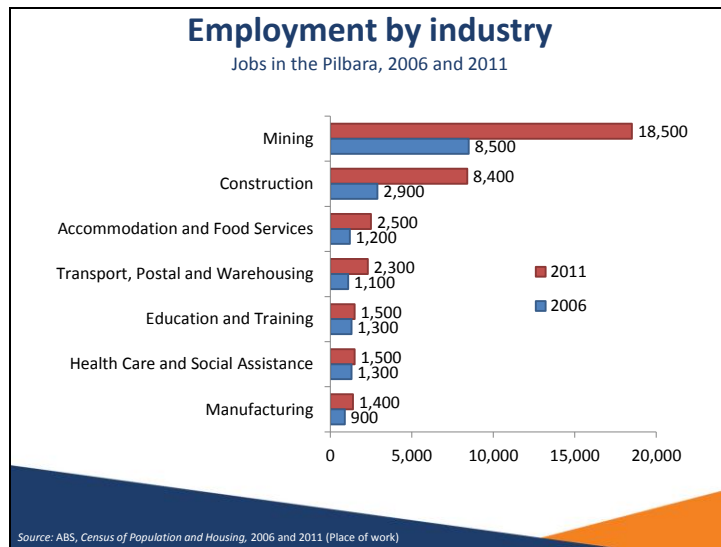


**Pilbara age distribution**

Source: ABS, Census of Population and Housing, 2011

The age distribution of the Pilbara shows that Indigenous residents comprise the majority of the cohort aged 0-24 years. Importantly, Indigenous residents account for the majority of people in age groups where people typically enter the workforce (15-24 years of age).

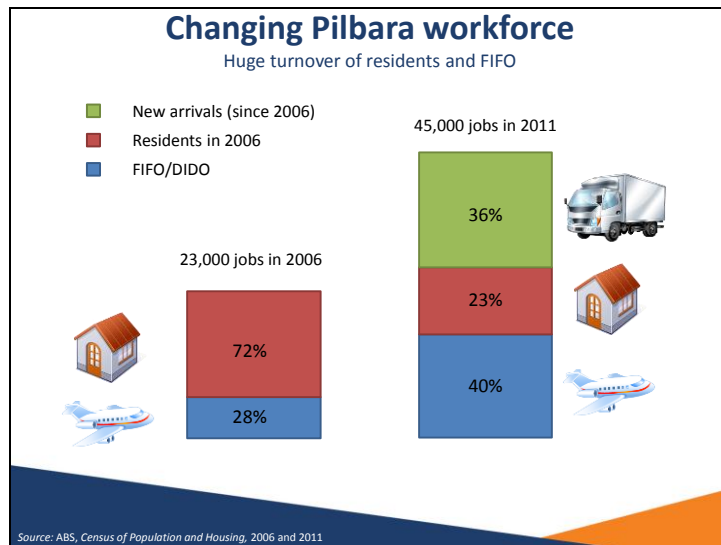
The population of people in their prime working age (25 to 54 years of age) is then predominantly made up of people from a non-Indigenous background.



**Employment by industry**

Source: ABS Census of Population and Housing, 2006 and 2011 (Place of work)

At the time of the 2011 Census, Mining and Construction were the two largest employing industries in the Pilbara, employing some 18,500 and 8400 people respectively.

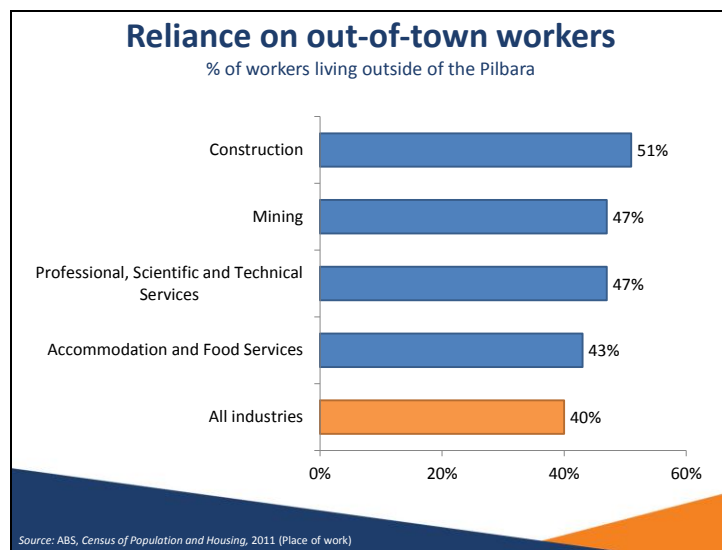


### Changing Pilbara workforce

Source: ABS, Census of Population and Housing, 2006 and 2011

In the five years from 2006 to 2011, the number of people whose job was in Pilbara almost doubled to 45,000. Filling these jobs in a region with a highly transitory population has provided unique challenges. While 36 per cent of workers in 2011 had moved to the Pilbara since 2006, a large proportion of the 2006 workforce left the region prior to 2011. Additionally, the number of people who work in the Pilbara but live elsewhere (e.g. fly-in/fly-out workers) have almost tripled from 2006 to 2011, and in 2011 comprised 40 per cent of the workforce.





**Reliance on out-of-town workers**

Source: ABS, Census of Population and Housing, 2011 (Place of work)

An average of 40 per cent of workers in the Pilbara live outside the Pilbara. This figure was higher for Construction (51 per cent) and Mining (47 per cent).

<b>Temporary work (skilled) visa grants declining</b>			
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
<b>All industries</b>	<b>8070</b>	<b>4660</b>	<b>-42.3</b>
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
<b>All occupations</b>	<b>8070</b>	<b>4660</b>	<b>-42.3</b>

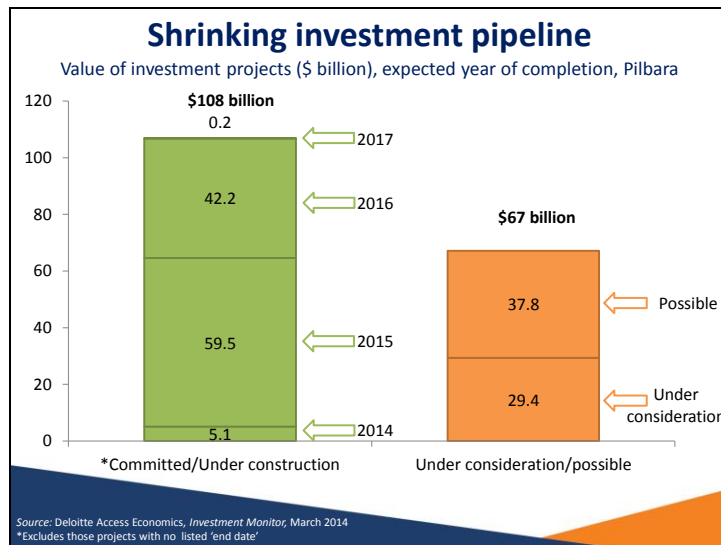
Source: Department of Immigration and Border Protection, Subclass 457 quarterly report, quarter ending at 31 December 2013

**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>; Pilbara figure taken from: <http://www.immi.gov.au/media/publications/statistics/immigration-update/state-territory-summary-dec-2013.pdf>

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

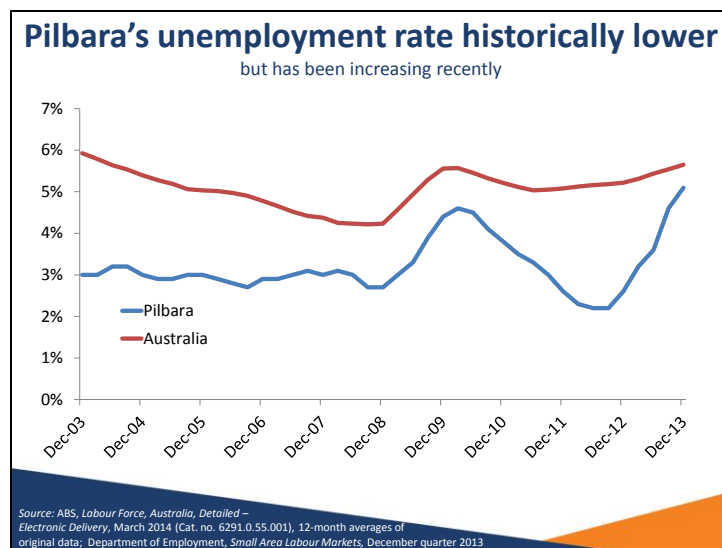
Similarly, in the Pilbara, the number of primary subclass 457 visas fell by 41.8 per cent over the year to December 2013.



### Shrinking investment pipeline

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

Data from Deloitte Access Economics' *Investment Monitor* suggests that the value of investment projects in the Pilbara is likely to taper after 2016-17, even if all projects that are 'under consideration' or 'possible' go through.



**Pilbara's unemployment rate historically lower**

Source: ABS, *Labour Force, Australia, Detailed - Electronic Delivery*, March 2014 (Cat. no. 6291.0.55.001), 12-month averages of original data; Department of Employment, *Small Area Labour Markets*, December quarter 2013.

Note: While more up-to-date data, as well as *seasonally adjusted* data, are available for Australia, a 12-month average of original estimates was used up to December 2013 to ensure comparability with the *Small Area Labour Markets* estimates for the December quarter 2013 (most up-to-date data).

Since December 2003, the Pilbara region has had an unemployment rate below the national average. However, recent data shows that the local unemployment rate has risen strongly and is now closer to the national rate.

**Regional unemployment rates on the rise**

Region	Dec-12	Dec-13	Change
Ashburton	1.2%	2.1%	0.9% pts
East Pilbara	3.5%	6.4%	2.9% pts
Port Hedland	3.8%	7.3%	3.5% pts
Roebourne	2.1%	4.3%	2.2% pts
<b>Pilbara</b>	<b>2.6%</b>	<b>5.1%</b>	<b>2.5% pts</b>
	<i>Apr-13</i>	<i>Apr-14</i>	<i>Change</i>
Western Australia*	5.2%	4.9%	-0.3% pts
Australia*	5.6%	5.8%	0.2% pts

Source: Department of Employment, *Small Area Labour Markets*, December quarter 2013; \*ABS, *Labour Force, Australia*, April 2014 (Cat. no. 6202.0), *seasonally adjusted*

**Regional unemployment rates on the rise**

*Source:* Unemployment rates for LGAs are sourced from Department of Employment *Small Area Labour Markets*, December quarter 2013. Unemployment rates for WA and Australia are sourced from ABS *Labour Force, Australia*, April 2014 (Cat No. 6202.0), *seasonally adjusted* and are for March 2014

The unemployment rate in the Pilbara has increased by 2.5 percentage points over the year to December 2013 (latest available data). The largest increase was seen in Port Hedland, where the unemployment rate rose by 3.5 percentage points to stand at 7.3 per cent.

**Indigenous labour market outcomes continue to lag**

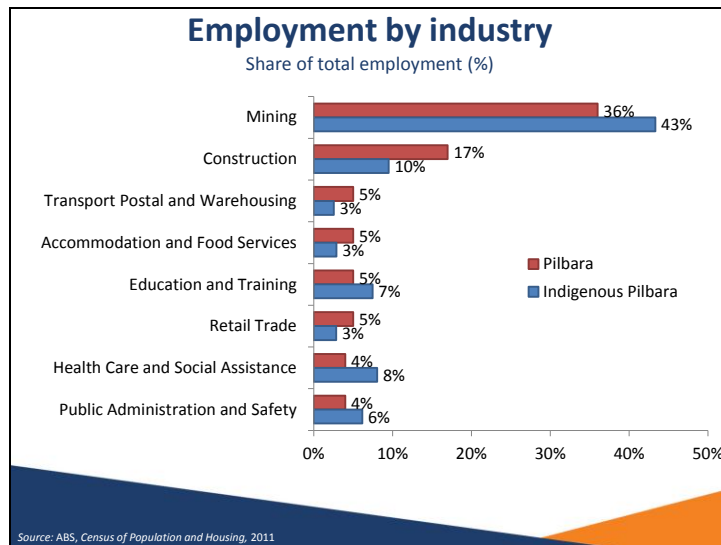
Region	Unemployment Rate		Participation Rate	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Ashburton	10.0%	1.0%	68.5%	92.5%
East Pilbara	14.0%	1.0%	58.5%	94.0%
Port Hedland	15.5%	2.0%	63.5%	89.0%
Roebourne	14.5%	2.0%	52.5%	89.5%
<b>Pilbara</b>	<b>14.0%</b>	<b>1.5%</b>	<b>59.5%</b>	<b>91.0%</b>
Western Australia	18.0%	4.5%	52.0%	79.0%

Source: ABS, Census of Population and Housing, 2011

**Indigenous labour market outcomes continue to lag**

*Source: ABS Census of Population and Housing, 2011.* Data are rounded, due to volatile nature of data. Data are for persons aged 15-64 years.

While Indigenous persons' labour market outcomes were more favourable in the Pilbara compared with the rest of Western Australia, they were still poorer compared with non-Indigenous persons.



**Employment by industry**

Source: ABS Census of Population and Housing, 2011.

Some 43 per cent of employed Indigenous persons work in the Mining industry. Interestingly, while 17 per cent of employed Pilbara residents work in Construction, this figure is much lower for Indigenous residents (10 per cent of employed persons).

**Improving Indigenous labour market outcomes**  
Feedback from employers

- Need for further education and training
- Issues with staff availability, reliability and retention
- Better advertising/information about job opportunities
- Improve employer flexibility/willingness to hire

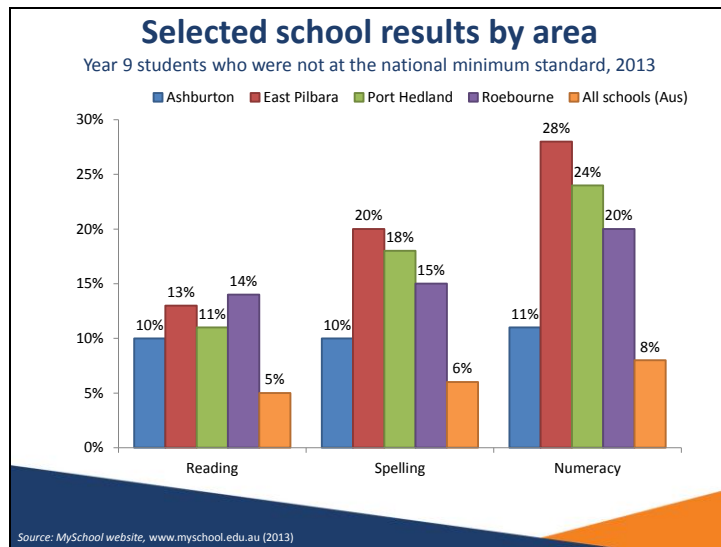
Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

**Improving Indigenous labour market outcomes**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

We asked employers what could be done to improve the employment prospects of Indigenous Australians. The most common issues raised included the need for further education and training and problems with the availability, reliability or retention of Indigenous staff

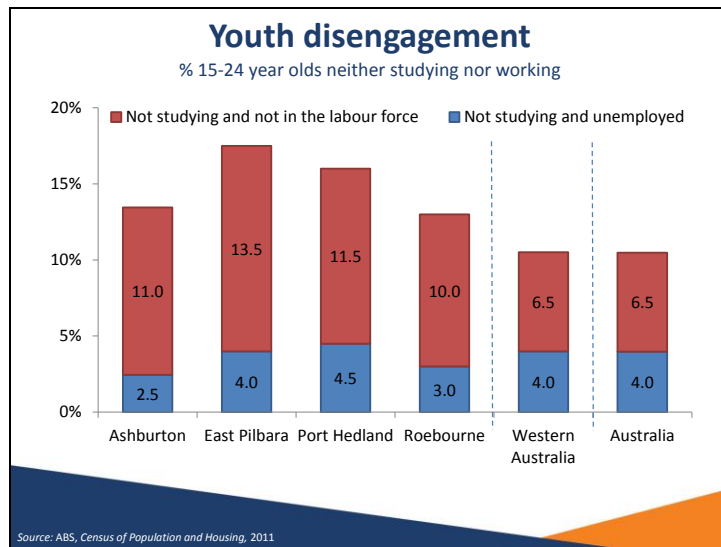




**Selected school results by area**

Source: MySchool website, www.myschool.edu.au (2013). Please note that the data are for selected schools in the Pilbara region.

This chart suggests that some Year 9 students in the Pilbara region did not meet the national minimum standards for reading, spelling and numeracy in 2013.



**Youth disengagement**

Source: ABS, Census of Population and Housing, 2011. Data are rounded.

Some 15 per cent of 15-24 year olds in the Pilbara were disengaged (neither working nor studying), compared with 11 per cent for Western Australia.

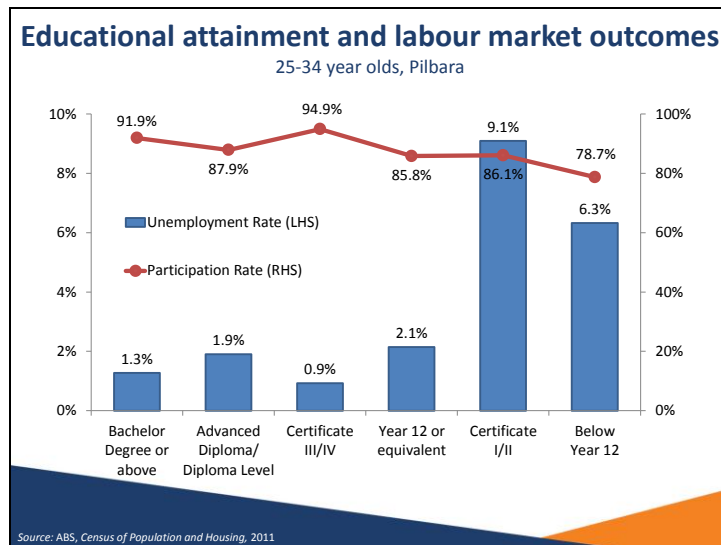
Educational attainment				
25-34 year olds				
Region	% of 25-34 year olds with:			
	Year 12 or above	Change since 2006	Advanced Diploma, Diploma, Cert III/IV	Bachelor Degree or higher
Ashburton	79%	5% pts	44%	17%
East Pilbara	77%	11% pts	43%	17%
Port Hedland	82%	10% pts	42%	22%
Roebourne	84%	8% pts	42%	24%
<b>Pilbara</b>	<b>81%</b>	<b>8% pts</b>	<b>43%</b>	<b>21%</b>
Western Australia	83%	6% pts	32%	32%
Australia	85%	5% pts	30%	35%

Source: ABS, Census of Population and Housing, 2011

**Educational attainment**

*Source: ABS, Census of Population and Housing, 2011*

The Pilbara region has a lower level of Year 12 and Bachelor Degree attainment compared with the State and national average. However, some 43 per cent of 25-34 year olds in the region have a higher certificate or diploma qualification, well above the average for Western Australia (32 per cent) and Australia (30 per cent).

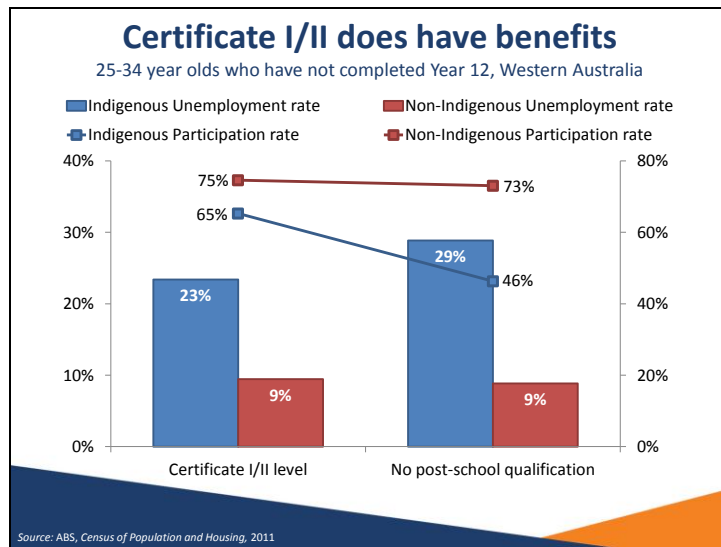


**Educational attainment and labour market outcomes**

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 the Pilbara, 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.



**Certificate I/II does have benefits**

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

This chart suggests that those with a Certificate I/II have somewhat better labour market outcomes compared with those who have no further qualification.

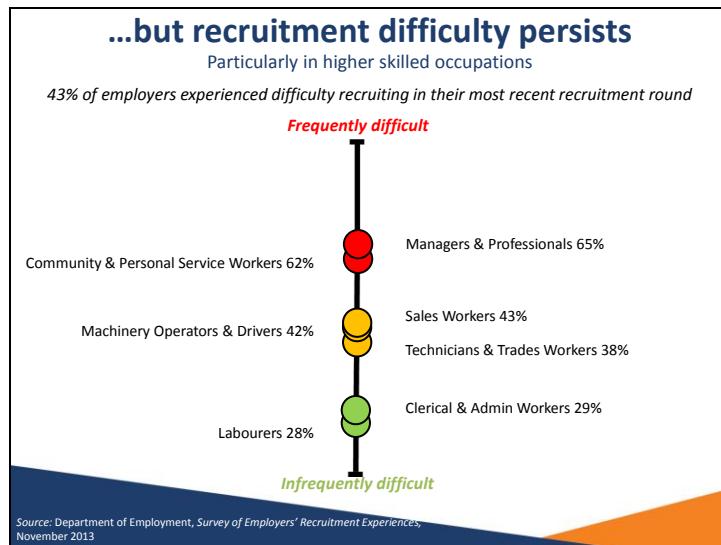
<b>Recruitment conditions have moderated...</b>			
Summary survey results			
	November 2013	August 2010	All regions average
<i>Past 12 months</i>			
Average annual vacancies per 100 staff	37.2	78.8	16.0
Problem retaining staff	28%	46%	9%
<i>Most recent recruitment round</i>			
Applicants per vacancy	6.3	4.9	10.6
Unfilled vacancies	6.4%	11.7%	3.7%
<i>Recruitment expectations</i>			
Expected to increase staff	24%	45%	19%

Source: Department of Employment, Survey of Employers' Recruitment Experiences, August 2010 and November 2013; All regions surveyed in the 12 months to March 2014

**Recruitment activity has moderated...**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, August 2010 and November 2013; All regions surveyed in the 12 months to March 2014.

While recruitment activity in the region appears to have eased markedly, it remains at a very high level compared with the average for all regions surveyed. The survey results suggest that businesses are still recruiting at an annual average rate of 37 vacancies per 100 staff, well above the average for all regions surveyed in the 12 months to March 2014 (16 vacancies per 100 staff).

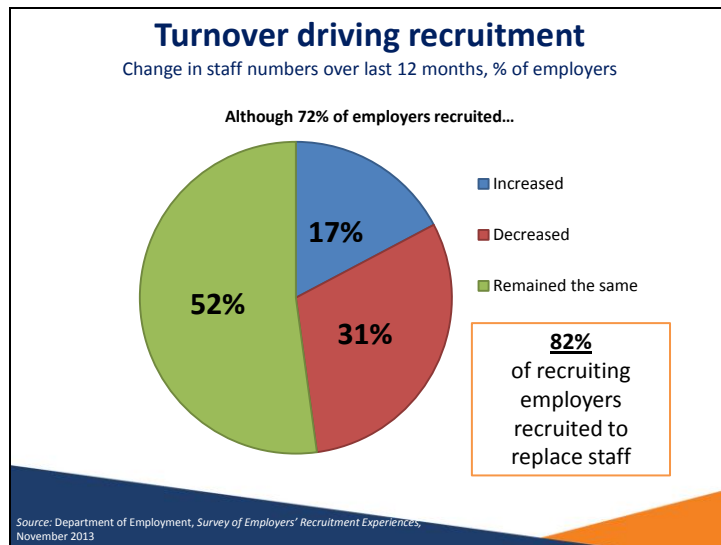


**...but recruitment difficulty persists**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

Employers surveyed reported higher rates of recruitment difficulty for Managers and Professionals (65 per cent) and Community and Personal Service Workers (62 per cent).

By contrast, businesses reported low rates of recruitment difficulty for Labourers (28 per cent) and Clerical and Administrative Workers (29 per cent).

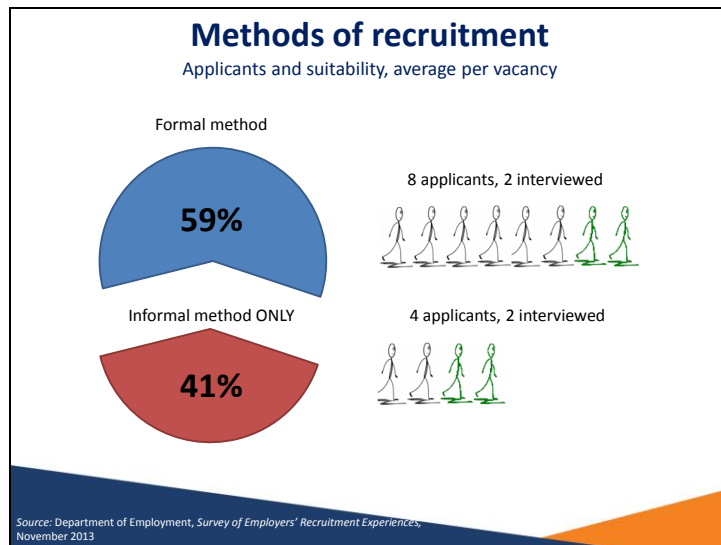


**Turnover driving recruitment**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

While 72 per cent of businesses surveyed indicated they recruited in the last 12 months, around half (52 per cent) said that staff numbers remained the same. Indeed, 82 per cent of recruiting employers recruited in order to replace staff, suggesting that the high rate of recruitment in the region was driven by staff turnover.



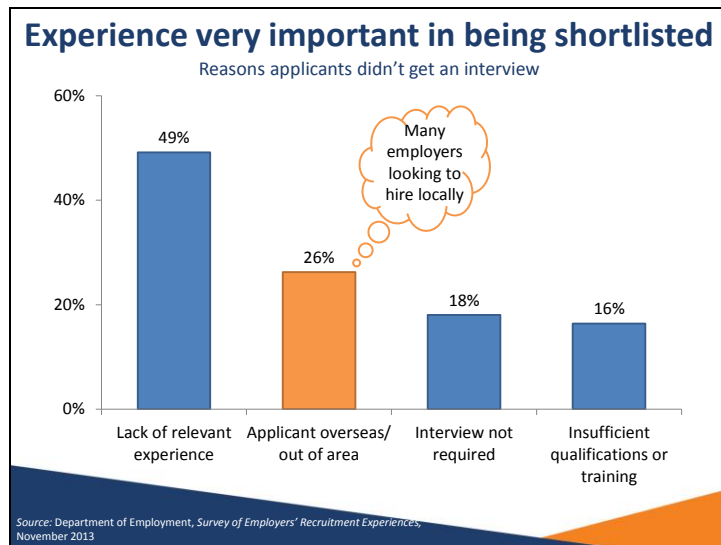


**Methods of recruitment**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

In the Pilbara, 41 per cent of employers surveyed used only informal methods of recruitment, including word of mouth, being approached by an applicant or having a sign in a window.

The survey results suggest that there is greater competition for applicants where employers use formal methods of recruitment. Applicants should therefore use a range of search methods when seeking employment.



**Experiences very important in being shortlisted**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

When asked why applicants didn't get an interview, 49 per cent of employers mentioned that a lack of relevant experience was a factor. Interestingly, some 26 per cent said that it was because the applicant was located overseas or out of the area, suggesting that employers might prefer to hire locally.

**Employability skills essential**

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

**Employers commonly mentioned**

- Interact/connect with others
- Communication skills
- Enthusiastic/positive attitude
- Hardworking/good work ethic

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

**Employability skills essential**

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

Employers want people who:

- Can interact/connect with others (people skills)
- Can communicate effectively
- Have an enthusiastic/positive attitude
- Are hardworking/demonstrate a good work ethic

**Opportunities exist**

**Employers had difficulty filling these vacancies...**

Higher skilled occupations	
Retail Managers	Child Carers
Registered Nurses	Motor Mechanics
Welfare Support Workers	Electricians
Entry-level occupations	
General Clerks	Bar Attendants and Baristas
Sales Representatives	Sales Assistants (General)

**...and intended to recruit for these occupations in the future**

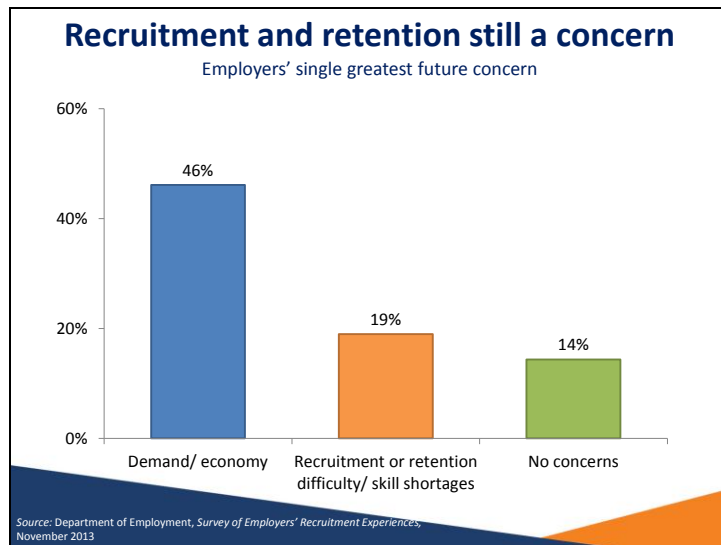
Truck Drivers	Housekeepers
Waiters	Checkout Operators and Office Cashiers
Structural Steel and Welding Trades Workers	

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

**Opportunities exist**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

While recruitment conditions have eased since the region was last surveyed, opportunities exist in those occupations for which businesses either (a) experienced difficulty recruiting; or (b) intended to recruit for in the 12 months following the survey.



**Recruitment and retention still a concern**

Source: Department of Employment, *Survey of Employers' Recruitment Experiences*, November 2013

While the level of demand/the economy was most often mentioned as employers' single greatest future concern, nearly one in five employers surveyed were most concerned about recruitment difficulties or retaining staff.

**Conclusion**

**Labour market conditions have eased, but still stronger than most regions**

- Falling recruitment
- Rising unemployment

**Challenges**

- Highly dependent on Mining
- Mines moving from construction to less labour intensive production phase
- Some difficulty filling vacancies still remain
- Disadvantaged groups: Indigenous; less educated
- Reliance on FIFO

**Opportunities**

- High levels of recruitment for occupations across all skill levels
- High turnover in many service occupations
- Employers increasingly want to hire locally
- Many vacancies advertised informally only, with few applicants

**Responses to challenges and opportunities**

- Education/training/apprenticeships, especially for training up locals
- Literacy and numeracy
- Employability skills (especially important for young job seekers)

**Collaboration among all key stakeholders vital**

## Conclusion

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- Employability skills (especially important for young job seekers)

Collaboration among all key stakeholders vital



**Further Information**

- [www.employment.gov.au/lmip](http://www.employment.gov.au/lmip)
- [www.employment.gov.au/skillshortages](http://www.employment.gov.au/skillshortages)
- [www.employment.gov.au/regionalreports](http://www.employment.gov.au/regionalreports)
- [www.employment.gov.au/australianjobs](http://www.employment.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://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](http://www.employment.gov.au/LMIP)
- [www.employment.gov.au/SkillShortages](http://www.employment.gov.au/SkillShortages)
- [www.employment.gov.au/RegionalReports](http://www.employment.gov.au/RegionalReports)
- [www.employment.gov.au/australianjobs](http://www.employment.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

A report on the survey findings for the Pilbara region has been placed on the regional reports section of the Department of Employment - Regional Reports web site.

Thank you.

