

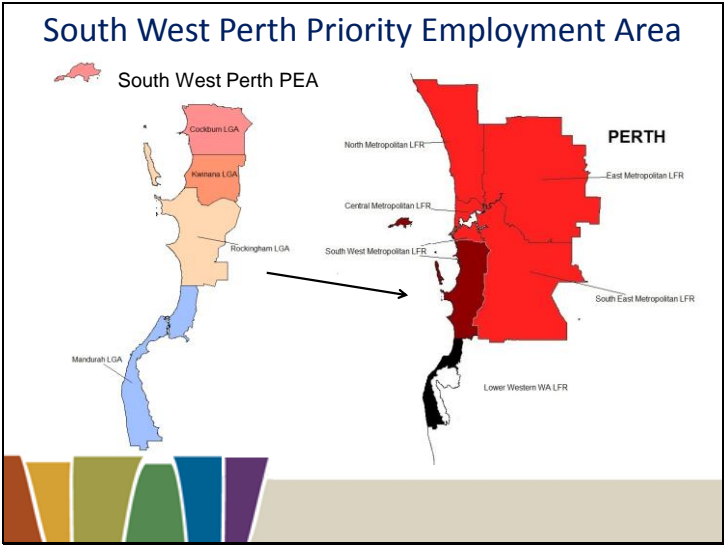
Slide 1



Overview of the South West Perth Priority Employment Area

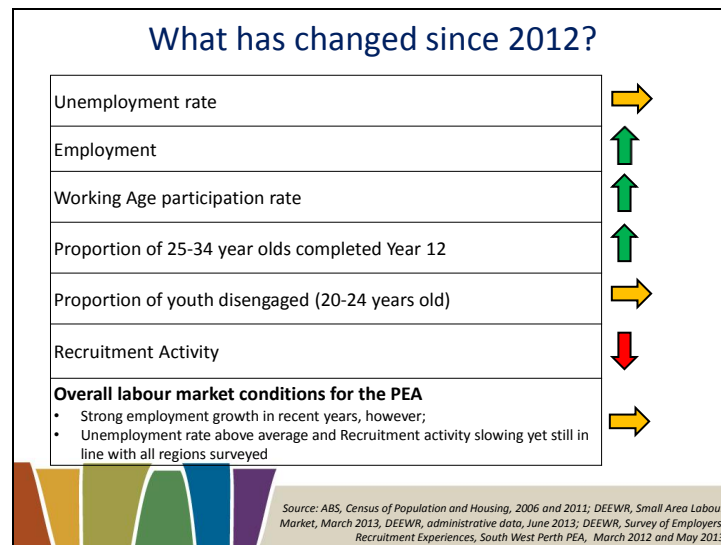
DEEWR, South West Perth PEA, Survey of Employers' Recruitment Experiences, May 2013

Presenter: Ivan Neville, Branch Manager, Labour Market Research and Analysis Branch



Map of South West Perth Priority Employment Area (PEA)

The South West Perth PEA comprises four Local Government Areas (LGAs):
Cockburn
Kwinana
Mandurah
Rockingham



What has changed? (Since last survey, March 2012)

Source: ABS, Census of Population and Housing, 2011 and 2006; DEEWR, Small Area Labour Market, March 2013, DEEWR, administrative data, June 2013; DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, March 2012 and May 2013

- **The unemployment rate** in the South West Perth PEA remained the same (6.1 per cent) in the 12 months to March 2013 (DEEWR, SALM, March 2013).
- **Employment** (15+) increased by 31,600 in the PEA (31 per cent) in the 5 years to the 2011 Census and by 7,000 in the South West Metropolitan LFR (June 2012 to June 2013).
- **The Working Age participation rate** for the South West Perth PEA increased from 73.8 per to 76.8 per cent in the 5 years to the 2011 Census.
- There was an increase in the number of 25-34 year olds in the PEA who had **completed Year 12** (from 53 to 62 per cent) (ABS Census 2006 and 2011).
- The proportion of **youth** (20-24 years old) **disengaged** in the 2011 Census was similar to the proportion in 2006 (ABS Census of Population and Housing, 2006 and 2011).
- The survey showed a **decrease in recruitment activity**.

Profile of South West Perth PEA

Region	Adult Population (2011)	Adult Population Growth (2006 - 2011)	Median Age (2011)	Participation Rate (15-64 years) (2011)
Cockburn LGA	75,950	22%	34	80.1%
Kwinana LGA	23,850	28%	32	73.3%
Mandurah LGA	60,000	24%	42	72.3%
Rockingham LGA	84,950	25%	34	77.5%
South West Perth PEA	244,800	24%	36	76.8%
Western Australia	1,901,300	15%	36	78.1%
Australia	18,111,500	9%	37	75.8%

Source: ABS, Estimated Resident Population, 2006 and 2011; ABS, Census of Population and Housing, 2006 and 2011

Profile of South West Perth PEA

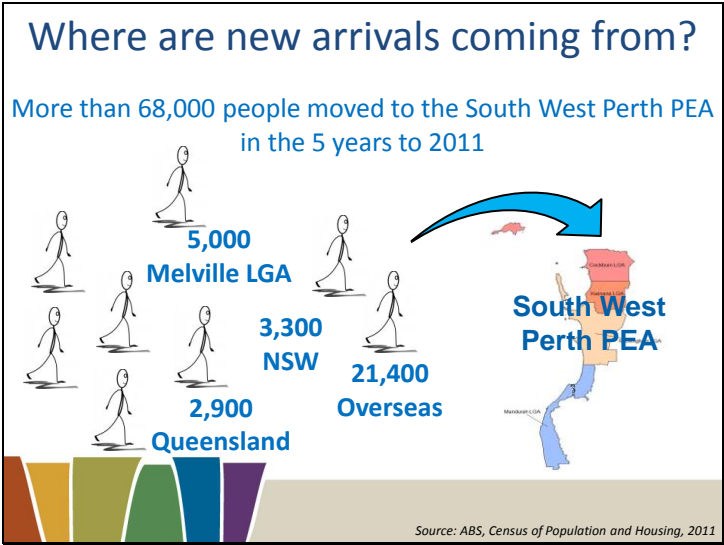
Source: ABS, Estimated Resident Population, 2006 and 2011; ABS, Census of Population and Housing, 2006 and 2011

In June 2011, the adult population (15+ years) in the South West Perth PEA was 244,800.

The PEA experienced adult population growth of 24 per cent between 2006 and 2011, which was considerably higher than the growth for both Western Australia and Australia (15 per cent and 9 per cent respectively).

At the time of the 2011 Census, the median age for people living in the South West Perth PEA was 36 years.

At the time of the 2011 Census, the working age participation rate in the South West Perth PEA was 76.8 per cent, lower than that for Western Australia (78.1 per cent) but slightly higher than Australia (75.8 per cent).



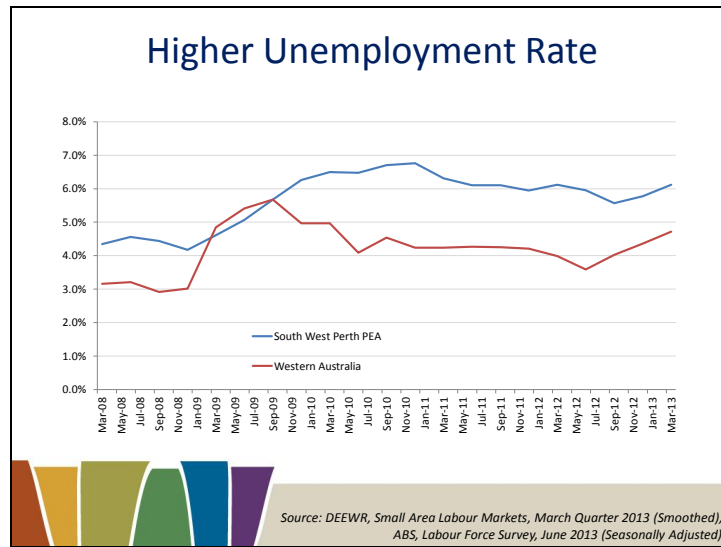
Where are new arrivals coming from?

Source: ABS Census of Population and Housing, 2011

In the five years to the 2011 Census, 68,600 people (27 per cent of the population) of all ages moved to the South West Perth PEA.

The majority of people came from the following localities:

Region	People	% of people who moved to the South West Perth PEA
Overseas	- 21,400	(31%)
Melville LGA, WA	- 5,000	(7%)
New South Wales	- 3,300	(5%)
Queensland	- 2,900	(4%)



Higher Unemployment Rate

Source: DEEWR, Small Area Labour Markets, March Quarter 2013 (Smoothed), ABS, Labour Force Survey, June 2013 (Seasonally Adjusted)

The unemployment rate for the South West Perth PEA has been consistently above the state unemployment rate since December 2009. The rate troughed at 4.2 per cent in December 2008 and peaked at 6.8 per cent in December 2009.

Unemployment Rate

Region	March 2013	March 2012	Annual Change
Cockburn LGA	4.3%	4.5%	-0.2% pts
Kwinana LGA	10.4%	9.9%	0.5% pts
Mandurah LGA	6.9%	6.4%	0.5% pts
Rockingham LGA	6.3%	6.6%	-0.3% pts
South West Perth PEA	6.1%	6.1%	0.0% pts
Western Australia (June 2013 & June 2012, seasonally adjusted)	4.6%	3.6%	1.0% pts
Australia (June 2013 & June 2012, seasonally adjusted)	5.7%	5.2%	0.5% pts

Source: DEEWR, Small Area Labour Markets, March 2013; ABS, Labour Force Survey, June 2013 (Seasonally Adjusted)

Unemployment Rate

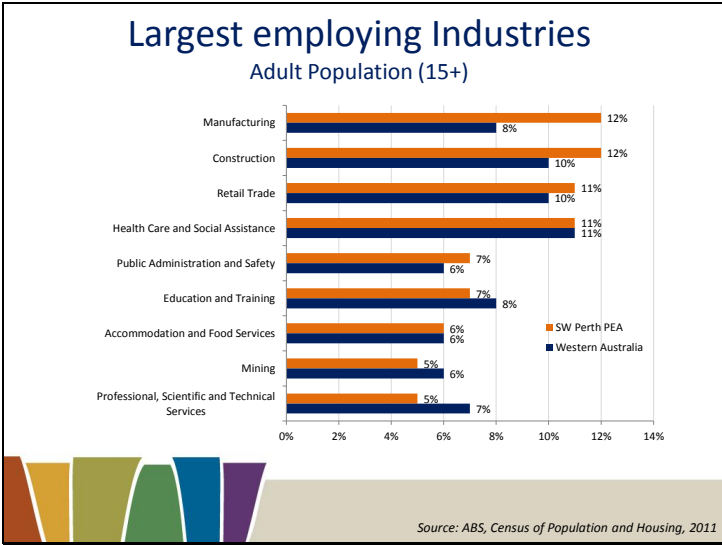
Source: DEEWR, Small Area Labour Markets, March 2013; ABS, Labour Force Survey, June 2013 (Seasonally Adjusted)

In March 2013, the South West Perth PEA had an unemployment rate of 6.1 per cent, higher than that for Western Australia (4.7 per cent) and Australia (5.6 per cent).

However, while the state and national unemployment rates had increased (in the 12 months to June 2013) the unemployment rate for the South West Perth PEA had remained unchanged in the 12 months to March 2013.

Unemployment rates within the South West Perth PEA varied considerably. In March 2013, the Kwinana LGA had the highest unemployment rate (10.4 per cent), while Cockburn LGA had the lowest unemployment rate (4.3 per cent). The Kwinana and Mandurah LGAs had the highest unemployment rate increases (both 0.5 percentage points) in the 12 months to March 2013.

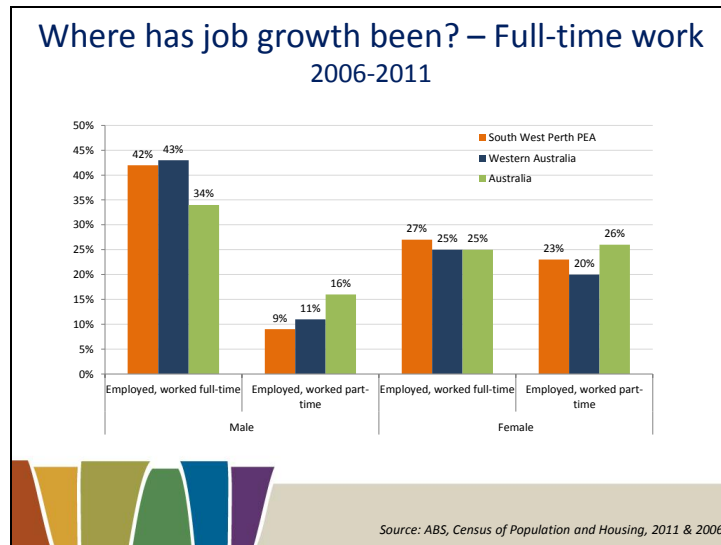
The Kwinana LGA was identified as one of ten LGAs for specific place-based measures in the 2011 Australian Government Budget.



Employment by Industry – Adult Population (15+)

Source: ABS, Census of Population and Housing, 2011

In the South West Perth PEA Manufacturing and Construction were the largest employing industries. This was followed by the Health Care and Social Assistance and Retail Trade industries.



Where has job growth been? (2006-2011)- Adult Population (15+)


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

Job growth in the South West Perth PEA in the 5 years to the 2011 Census was primarily driven by males and females who found full-time employment (42 per cent and 27 per cent respectively). This was similar to the growth for Western Australia (43 per cent for males and 25 per cent for females employed full-time).

Which occupations are growing?

South West Perth PEA

Occupations	Employed persons (2011)	% Growth
Professionals	19,637	53%
Community and Personal Service Workers	14,363	45%
Managers	13,088	35%
Clerical and Administrative Workers	19,210	33%
Machinery Operators and Drivers	12,062	32%
Technicians and Trades Workers	27,099	23%
Sales Workers	12,779	21%
Labourers	14,540	12%
Factory Process Workers	1,749	-19%
Total	132,778	31%



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

Which occupations are growing? (Adult population 15+)

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

Total employment growth in the South West Perth PEA in the 5 years to 2011 was very strong (31 per cent). The occupations that had the largest job growth were Professionals (53 per cent), followed by Community and Personal Service Workers (45 per cent).

Teenage Full-Time Unemployment

Region	Teenage full-time unemployment rate (15-19 years)	Teenage full-time Unemployment to Population Ratio (15-19 years)
	June 2013	
South West Metropolitan LFR	22.6%	5.4%
Western Australia	17.7%	3.8%
Australia	25.0%	4.2%

Source: ABS, Labour Force Survey, June 2013 (12 month averages of original data)

Teenage Full-Time Unemployment

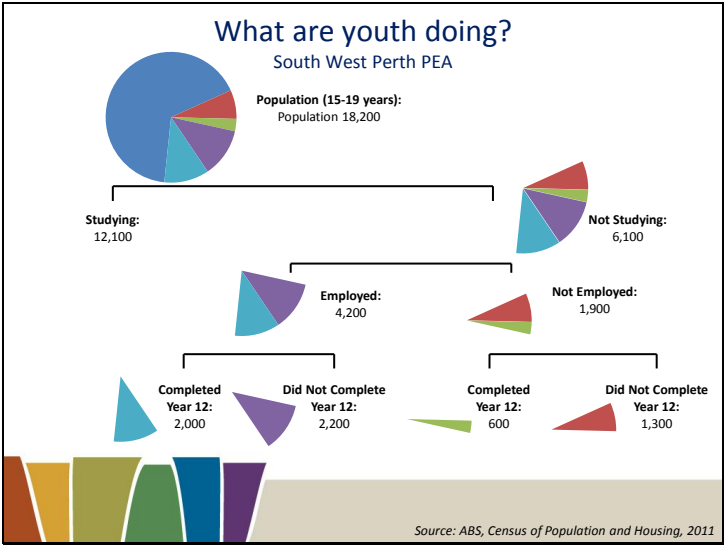
Source: ABS, Labour Force Survey, June 2013 (12 month averages of original data)

Due to their lack of skills and experience, teenagers in the full-time labour market can be particularly vulnerable during a labour market downturn.

In June 2013, the teenage full-time unemployment rate for the South West Metropolitan LFR* was 22.6 per cent. This was considerably higher than the rate for Western Australia (17.7 per cent) but marginally lower than that for Australia (25.0 per cent).

The teenage full-time unemployment to population ratio in the South West Metropolitan LFR (5.4 per cent) was higher than both the state and national ratios (3.8 per cent and 4.2 per cent respectively).

*NOTE: The Cockburn, Kwinana and Rockingham LGAs are situated in the South West Metropolitan LFR and account for 59 per cent of the LFR’s working age population.

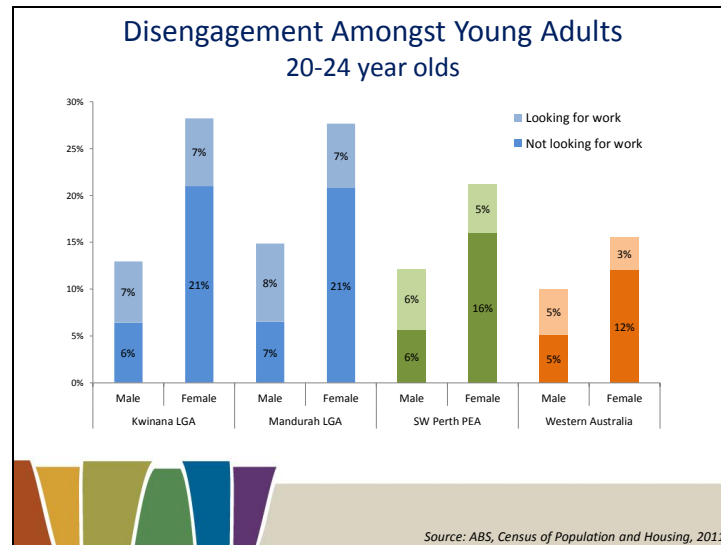


What are youth doing? – South West Perth PEA (15-19 years old)

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census 33 per cent (6,100) of 15 to 19 years olds in the South West Perth PEA, were not studying.

In particular, just over one fifth (22 per cent, 4,100 people) of people aged 15 to 19 were either not studying and not employed or not studying and had not completed Year 12. This was higher compared with Western Australia (17 per cent, 23,200 people). This group are especially at risk given their lack of Year 12 Certificate and level of disengagement within the labour market.



Disengagement Amongst Young Adults (20-24 year olds)

Source: ABS, Census of Population and Housing, 2011

The proportion of 20 to 24 year olds (young adults) in the South West Perth PEA neither working nor studying (17 per cent) was higher than for Australia (13 per cent).

The proportion of young adult males not working or studying in the South West Perth PEA (6 per cent) was similar to the state level (5 per cent).

The proportion of young adult females not working or studying in the PEA (16 per cent) was higher than at the national level (12 per cent).

The Kwinana and Mandurah LGAs had a particularly large proportion of young adult females not working or studying (both 21 per cent). The proportion of young adult males not working or studying was highest in the Mandurah LGA (7 per cent).

Indigenous labour market outcomes remain a concern

Region	Kwinana LGA	South West Perth PEA	Western Australia	Australia
Indigenous				
Unemployment Rate (%)	20.5%	19.8%	17.9%	17.2%
Participation Rate (%)	35.0%	54.6%	51.7%	55.9%
Non-Indigenous				
Unemployment Rate (%)	6.5%	5.6%	4.5%	5.5%
Participation Rate (%)	75.0%	77.3%	78.9%	76.4%

Source: ABS, Census of Population and Housing, 2011

Indigenous labour market outcomes remain a concern

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census, the Indigenous unemployment rate for the Kwinana LGA was 20.5 per cent, which was higher than for South West Perth PEA (19.8 per cent), Western Australia (17.9 per cent) and Australia (17.2 per cent).

The Indigenous participation rate was significantly lower when compared with the PEA, WA and Australia.

Educational Attainment (aged 25-34 years)				
Region	% completed Yr 12		% attained Advanced Diploma, Diploma or Certificate Level III/IV	% attained Bachelor Degree or higher
	2006	2011		
Cockburn LGA	62%	73%	34%	32%
Kwinana LGA	45%	59%	34%	17%
Mandurah LGA	45%	53%	36%	14%
Rockingham LGA	49%	58%	39%	15%
South West Perth PEA	53%	62%	36%	21%
Western Australia	64%	70%	31%	31%
Australia	69%	75%	30%	35%

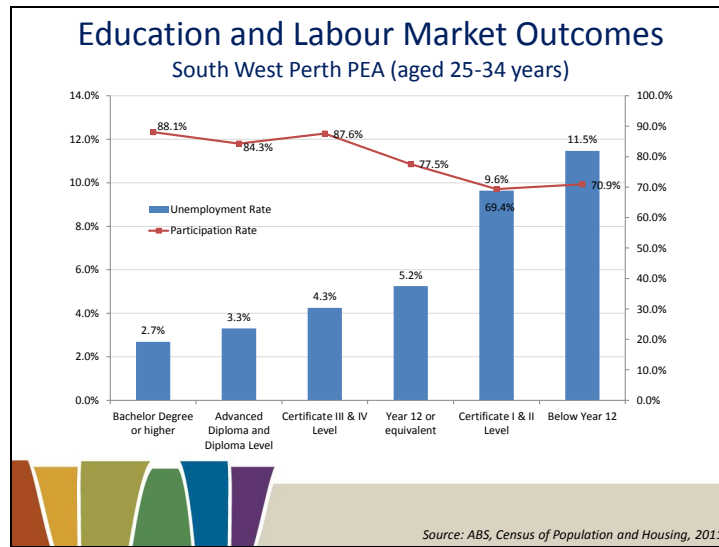
Source: ABS, Census of Population and Housing, 2006 and 2011

Educational Attainment – (aged 25-34 years)

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

The level of educational attainment is strongly linked with labour market performance and the ability of a region (or its population) to respond flexibly to an economic downturn. Upon retrenchment, those with lower educational attainment will usually find it significantly more difficult to find subsequent employment than their higher skilled counterparts. Accordingly, regions with relatively low levels of educational attainment tend to be less flexible in the face of economic slowdowns and face greater labour market difficulties.

Educational attainment in the South West Perth PEA was below the state and national levels, with a lower proportion of people aged 25 to 34 years (62 per cent) having completed Year 12 compared with Western Australia (70 per cent) and Australia (75 per cent). While the proportion of people aged 25 to 34 years with an advanced diploma, diploma or certificate III/IV was larger (36 per cent), the proportion with a bachelor degree or higher (21 per cent) was smaller.



Education and Labour Market Outcomes – South West Perth PEA (aged 25-34 years)

Source: ABS, Census of Population and Housing, 2011

The graph highlights that there is a strong relationship between educational attainment and employment outcomes. In the South West Perth PEA, people aged 25-34 with a Bachelor Degree or higher had an unemployment rate of just 2.7 per cent. However, people aged 25-34 who had not completed Year 12, or any other qualification, had an unemployment rate of 11.5 per cent.

Student reading and numeracy below average in some LGAs

Region	% of Year 9 govt school students who did not meet the minimum standard for:	% of Year 9 govt school students who did not meet the minimum standard for:
	Reading	Numeracy
	2012	
Mandurah LGA	27%	20%
Rockingham LGA	15%	7%
Western Australia	8%	6%

Source: Myschool website, www.myschool.edu.au, 2012; 2012 National Assessment Program—Literacy and Numeracy
*These figures are not an average, they are from a selected school within the LGA

Student reading and numeracy below average in some LGAs

Source: Myschool website, www.myschool.edu.au, 2012, 2012 National Assessment Program—Literacy and Numeracy, *These figures are not an average, they are the result of a selected school within the LGA

Reading and numeracy levels are below average in some parts of the South West Perth PEA, particularly in the Mandurah and Rockingham LGAs.



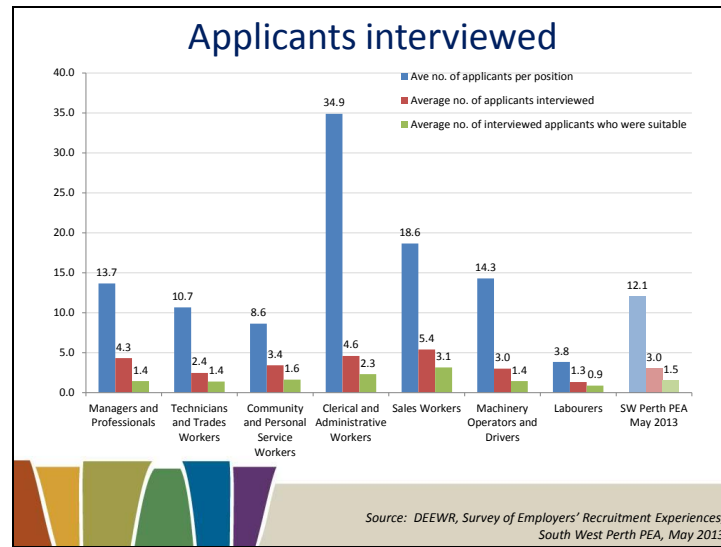
Recruitment Activity Softening

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, March 2012 and May 2013

Survey results from the South West Perth PEA survey highlight a softening in recruitment activity from March 2012 to May 2013.

- The proportion of employers who recruited decreased from 73 per cent to 65 per cent, although this was still higher than the average for all surveyed regions across Australia (58 per cent)
- The recruitment rate decreased from 25 vacancies per 100 staff to 17 vacancies per 100 staff. This was consistent with a decline in vacancies across Western Australia and Australia.

Over the year to April 2013, vacancies declined across all regions in Australia. The largest decrease was recorded in South West WA (down by 53.9%), followed by Outback Queensland (40.4%). Elsewhere in Western Australia, strong falls were recorded in Pilbara & Kimberley (down by 35.3%), Perth (33.5%) and Goldfields and Southern WA (32.7%). *Source: DEEWR Internet Vacancy Index (IVI), April 2013 (three month moving average).*



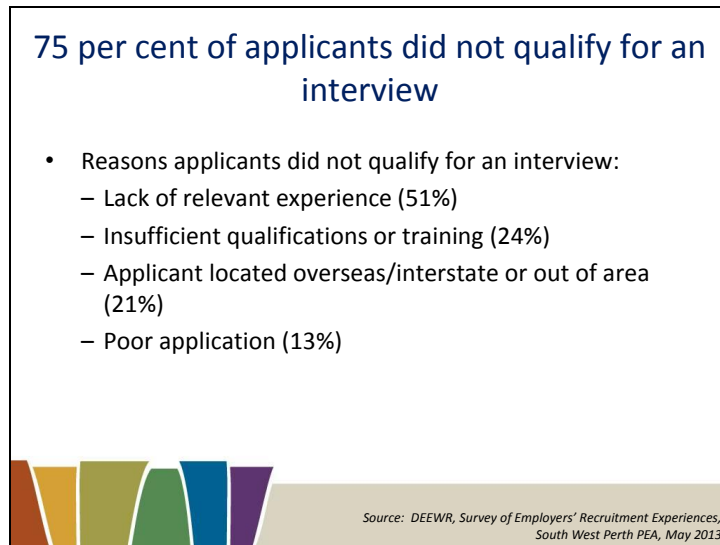
Applicants interviewed

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

On average there were 12.1 applicants per vacancy in employers' most recent recruitment round. Of those applicants 3.0 applicants were interviewed and 1.5 deemed suitable.

A job seeker who was successful in obtaining an interview for a Labourers job had a very good chance of being deemed suitable (an average of 1.3 applicants were interviewed and 0.9 were suitable).

Clerical and Administrative Workers had the largest proportion of average applicants per vacancy (34.9), but a relatively small average number of applicants interviewed (4.6).



Reasons Applicants Unsuitable

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

- Reasons applicants did not qualify for an interview:
 - Lack of relevant experience (51%)
 - Insufficient qualifications or training (24%)
 - Applicant located overseas/interstate or out of area (21%)
 - Poor application (13%)



What employers consider essential in a worker

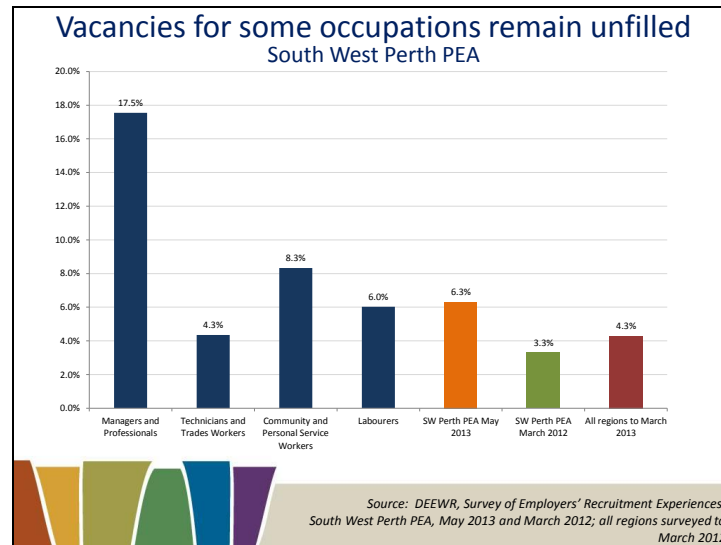
Source: DEEWR, Survey of Employers' Recruitment Experiences, Peel RDA, May 2013; SW Perth PEA May 2013

Combined survey results from the South West Perth PEA and the Peel RDA in May 2013 showed that employers most commonly considered essential in a worker:

- Qualifications (33 per cent)
- Employability skills (31 per cent)
- Experience (28 per cent)
- Technical skills and knowledge (18 per cent)

Most commonly mentioned employability skills are:

- Motivation
- Communication
- Reliability
- Teamwork
- Flexibility

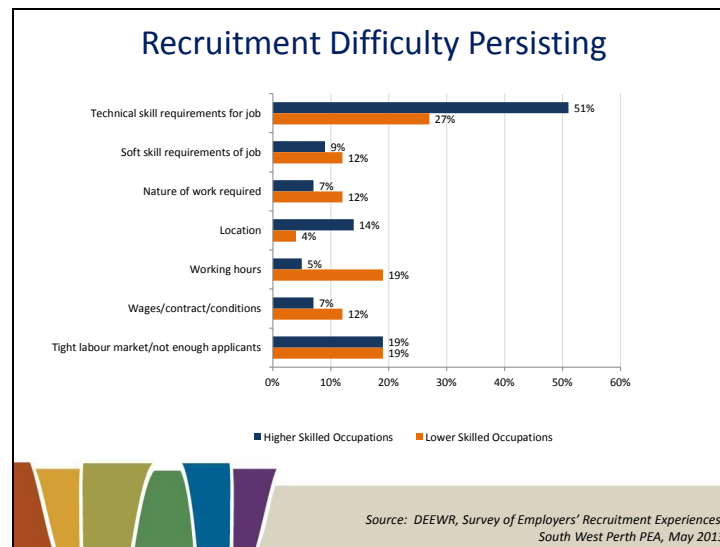


Vacancies for some occupations remain unfilled – South West Perth PEA

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013 and March 2012; all regions surveyed to March 2012

Since the region was last surveyed in March 2012, employers in the South West Perth PEA have had less success filling their most recent vacancies (6.3 per cent compared with 3.3 per cent). The figure was also higher when compared with the result for all regions surveyed in the 12 months to March 2013 (4.3 per cent).

At the occupation level employers had the least success filling vacancies for Managers and Professionals (17.5 per cent unfilled) and Community and Personal Service Workers (8.3 per cent unfilled). By contrast, all vacancies were filled for Clerical and Administrative Workers, Sales Workers and Machinery Operators and Drivers.



Recruitment Difficulty Persisting


Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

Despite the softening labour market conditions, some 43 per cent of employers reported recruitment difficulty during their most recent recruitment round.

More than half of employers recruiting for higher skilled occupations experienced difficulty (54 per cent) while one third (32 per cent) of employers recruiting for lower skilled occupations experienced difficulty.

The extent and nature of recruitment difficulty varied according to the skill level of occupation. For employers recruiting for higher skilled occupations the job's *technical skill requirements* was the most commonly reported cause of difficulty. Those recruiting for lower skilled occupations most commonly cited *soft skill requirements* as a cause of difficulty. Other common reasons for recruitment difficulty were a *tight labour market*; *working hours* and *wages/conditions* being offered.

Occupations Difficult to Fill	
Bachelor Degree or Higher VET Qualifications	
Child Carers	Early Childhood (Pre-primary School) Teachers
Registered Nurses	
Other occupations	
Insulation and Home Improvement Installers	Metal Engineering Process Workers
Hairdressers	General Clerks
Garden and Nursery Labourers	Food and Drink Factory Workers
Building and Plumbing Labourers	

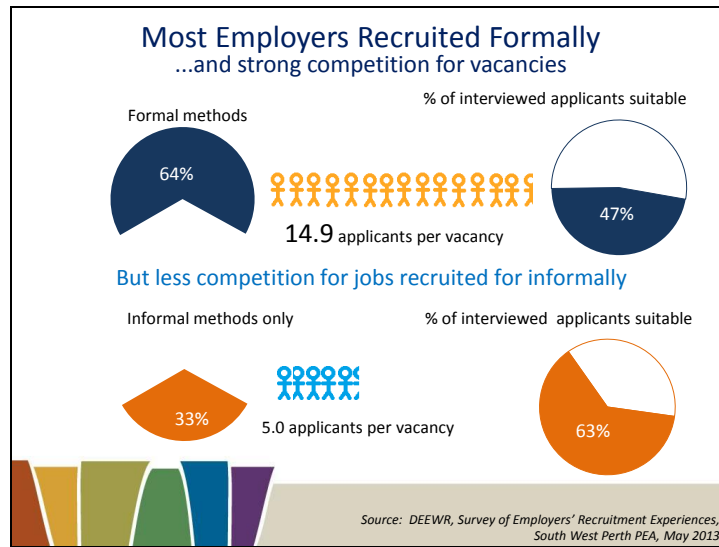


Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

Occupations Difficult to Fill

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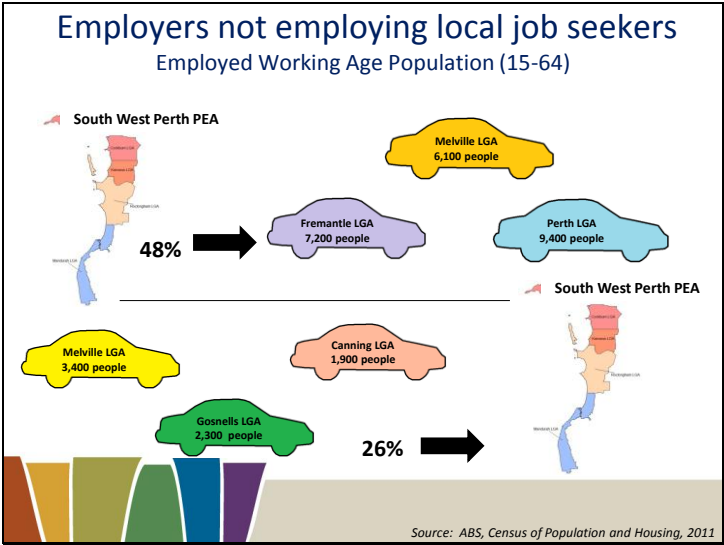
Employers surveyed in the South West Perth PEA highlighted a range of occupations that they found difficult to fill, including Child Carers, Registered Nurses, Early Childhood (Pre-primary School) Teachers, Insulation and Home Improvement Installers, Metal Engineering Process Workers, General Clerks, Hairdressers, and Garden and Nursery Labourers.



Most Employers Recruited Formally

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

- 64 per cent of employers surveyed in the South West Perth PEA used formal methods of recruitment (such as the Internet or Newspapers), receiving an average of 14.9 applicants per vacancy.
- By contrast, one third of employers used informal methods only (such as word of mouth or approached by job seeker), receiving an average of just 5.0 applicants per vacancy.



Employers not employing local job seekers – Employed Working Age Population (15-64)

Source: ABS Census of Population and Housing, 2011

Almost half (48 per cent) of the employed working age population living in the South West Perth PEA travel outside the PEA for work. The most common destinations are the Perth (9,400 people), Fremantle (7,200 people) and Melville (6,100 people) LGAs.

Some 26 per cent of the employed working age population who work within the South West Perth PEA travel from outside the PEA for work. These people most commonly come from the Melville (3,400 people), Gosnells (2,300 people) and Canning (1,900 people) LGAs.

Recruitment Outlook
for the 12 months following the survey

	South West Perth PEA May 2013	South West Perth PEA March 2012	All regions to March 2013
Expects to recruit	38%	52%	42%
Will increase staff numbers	20%	27%	21%

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013 and March 2012; all regions surveyed to March 2012

Recruitment Outlook

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013 and March 2012; all regions surveyed to March 2012

The proportion of employers who expected to recruit in the year following the survey decreased from 52 per cent in March 2012 to 38 per cent in May 2013. Likewise, the proportion of employers who expected to increase staff had fallen from 27 per cent to 20 per cent.

Occupations Employers Commonly Expect to Recruit for	
Bachelor Degree or Higher VET Qualifications	
Structural Steel and Welding Trades Workers	Child Carers
Metal Fitters and Machinists	Early Childhood (Pre-primary School) Teachers
Other occupations	
Sales Assistants	Waiters
Checkout Operators and Office Cashiers	General Clerks
Kitchenhands	Pharmacy Sales Assistants

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

Occupations Employers Commonly Expect to Recruit for

Source: DEEWR, Survey of Employers' Recruitment Experiences, South West Perth PEA, May 2013

This slide shows the main occupations that employers in the South West Perth PEA commonly expect to recruit for in the year following the survey, including Structural Steel and Welding Trades Workers, Child Carers, Sales Assistants, Waiters, Checkout Operators and Office Cashiers, General Clerks, Kitchenhands, and Pharmacy Sales Assistants.

Conclusion

Some signs of labour market softness but still in line with all regions surveyed

- Unemployment rate remained above national and state average
- Survey results show a reduction in recruitment activity since the last survey in March 2012
- More applicants per vacancy than all regions surveyed

Challenges


- Pockets of disadvantage – Kwinana LGA
- Employers not employing locally
- Teenage job seekers, youth disengagement, education, literacy and numeracy, employability skills
- Many employers having difficulty filling vacancies
- Slowdown in resources sector and possible impact on FIFO workers

Opportunities

- Lower skilled occupations, including Sales Assistants and Waiters
- A number of large and growing industries
- Job seekers may benefit from work experience and training

Collaboration

- Further engagement between stakeholders, particularly regarding opportunities for work experience and apprenticeships/traineeships
- Engagement with Local Employment Coordinator, Margaret Banks



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Further Information

- www.deewr.gov.au/regional-reports-employers-recruitment-experiences
- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/australianjobs
- www.skillsinfo.gov.au
- www.joboutlook.gov.au
- www.deewr.gov.au/news/aussie-jobs



Further information

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

- www.deewr.gov.au/regional-reports-employers-recruitment-experiences
- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/australianjobs
- www.skillsinfo.gov.au
- www.joboutlook.gov.au
- www.deewr.gov.au/news/aussie-jobs

This presentation will be placed on the regional reports section of the DEEWR website www.deewr.gov.au/regional-reports-employers-recruitment-experiences.



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