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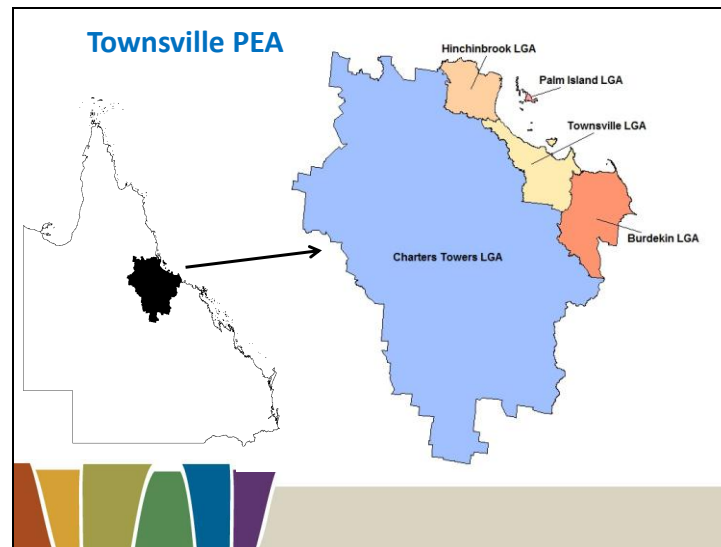
Australian Government
Department of Education, Employment and Workplace Relations

Townsville Priority Employment Area

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



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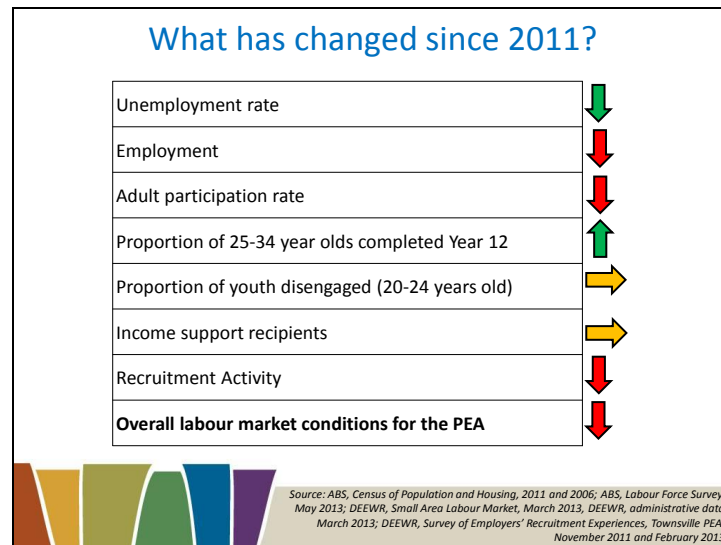
Townsville Priority Employment Area

The Townsville Priority Employment Area (PEA) includes five Local Government Areas (LGAs):*

- Burdekin LGA
- Charters Towers LGA
- Hinchinbrook LGA
- Palm Island LGA
- Townsville LGA

The Townsville PEA is situated wholly within the Northern-North West Labour Force Region (LFR) and accounts for 86 per cent of that LFR's working age population.

*Note: Until 2010 the Townsville PEA was composed of seven LGAs (ASGC 2006). The LGA boundaries (ASGC 2010) used in this presentation are synonymous with those of 2006, excepting that Thuringowa LGA was absorbed into Townsville LGA, and Dalrymple and Charters Towers LGAs were combined into one LGA (Charters Towers LGA).



What has Changed? (since last survey, November 2011)

Source: ABS, Census of Population and Housing, 2011 and 2006; ABS, Labour Force Survey, May 2013; DEEWR, Small Area Labour Market, December 2012, DEEWR, administrative data, March 2013; DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013

Labour market conditions in the Townsville PEA have moderated in the past two years and results from the February 2013 survey suggest further softening in the future.

- **The unemployment rate** in the Townsville PEA dropped to 4.2 per cent in March 2013 from 5.7 per cent in December 2011 (DEEWR, SALM, March 2013).
- **Employment** decreased by 8,700 in the two years to May 2013.
- **The adult participation rate** for the Northern-North West Labour Force Region dropped from 76.3 per cent in November 2011 to 69.6 per cent in May 2013.
- There was an increase in the number of 25-34 year olds in the PEA who had **completed Year 12** (from 66 to 70 per cent) (ABS Census 2006 and 2011).
- The proportion of **youth (20-24 years old) disengaged from the labour force and study** was similar (ABS Census of Population and Housing, 2006 and 2011).
- Reliance on **income support payments** increased slightly (DEEWR administrative data, March 2013).
- The survey showed a **decrease in recruitment activity**.
- Employment fell in most major industries (ABS LFS, May Quarter).
- The proportion of **families who are jobless** decreased slightly (ABS Census 2006 and 2011).

Population Profile				
Region	Adult Population (15+)	Growth (2006-2011)	% Adult Population of Working Age (15-64 years)	Median Age (2011)
Burdekin LGA	14,150	0%	78%	41
Charters Towers LGA	9,660	4%	81%	38
Hinchinbrook LGA	9,770	0%	74%	46
Palm Island LGA	1,830	33%	96%	24
Townsville LGA	143,090	10%	88%	33
Townsville PEA	178,500	8%	86%	34
Queensland	3,586,610	10%	84%	36
Australia	18,111,460	9%	83%	37

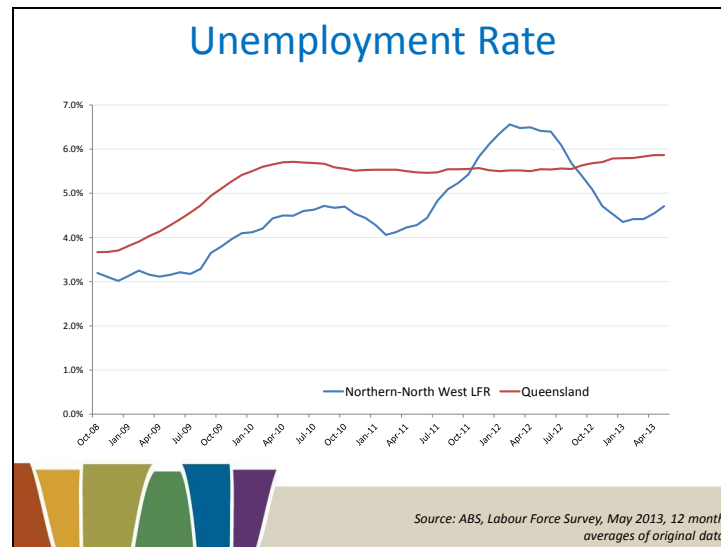
Source: ABS, Estimated Resident Population, 2006 and 2011; ABS, Census of Population and Housing, 2011

Population Profile

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

The adult population (15 years+) in the Townsville PEA (178,500) increased by 8 per cent in the five years to June 2011. The adult population in both Queensland and Australia had marginally higher increases over the same period (10 per cent and 9 per cent respectively). Growth was particularly high in the Palm Island LGA, with the adult population increasing by one third over this period.

The Townsville PEA had a relatively young population with a lower median age (34 years) than both Queensland and Australia (36 years and 37 years respectively).



Unemployment Rate

Source: ABS, Labour Force Survey, May 2013, 12-month averages of original data

The unemployment rate for the Northern-North West LFR has been lower than the state average since September 2012.* The unemployment rate had fallen considerably since February 2012, when it stood at 6.6 per cent, to a low of 4.4 per cent in January 2013. It has since risen slightly to 4.7 per cent in May 2013.

*Note: The Townsville PEA is situated wholly within the Northern-North West Labour Force Region (LFR) and accounts for 86 per cent of that LFR's working age population.

Diverse Labour Market Conditions in the Region

Region	Unemployment Rate (March 2013)	Adult Population Participation Rate (2011)
Burdekin LGA	3.7%	64.4%
Charters Towers LGA	5.4%	62.5%
Hinchinbrook LGA	4.5%	59.8%
Palm Island LGA	8.9%	53.0%
Townsville LGA	4.3%	71.5%
Townsville PEA	4.3%	69.6%
Queensland (May 2013, seasonally adj.)	5.8%	65.8%
Australia (May 2013, seasonally adj.)	5.5%	65.2%

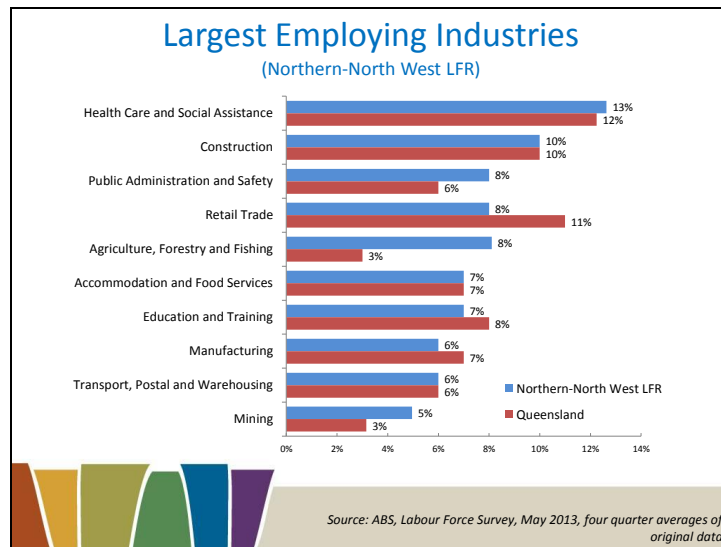
Source: DEEWR, Small Area Labour Markets, March quarter 2013, smoothed series; ABS, Census of Population and Housing, 2011

Diverse Labour Market Conditions in the Region

Source: DEEWR, Small Area Labour Markets, March quarter 2013; ABS, Census of Population and Housing, 2011

While the unemployment rate remains relatively low for the Townsville PEA overall there is considerable variation across the region. The Burdekin and Townsville LGAs have the lowest unemployment rates (3.7 per cent and 4.1 per cent respectively). However, the Palm Island LGA has a particularly high unemployment rate of 8.9 per cent.

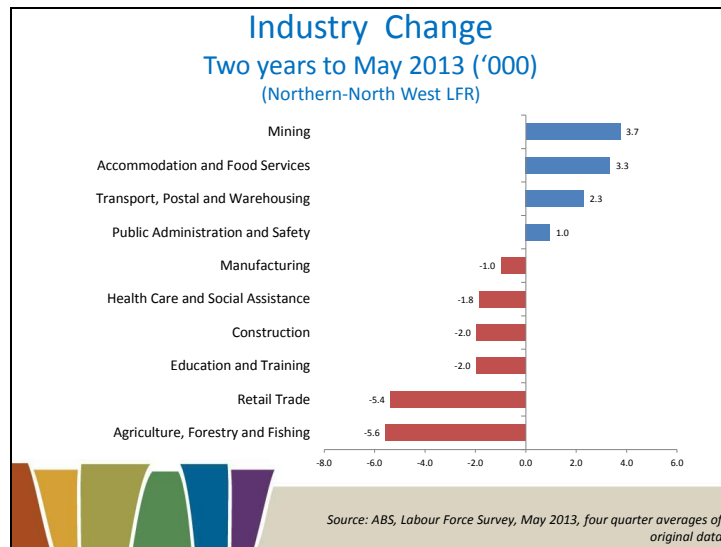
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Largest Employing Industries

Source: ABS, Labour Force Survey, May 2013, four quarter averages of original data

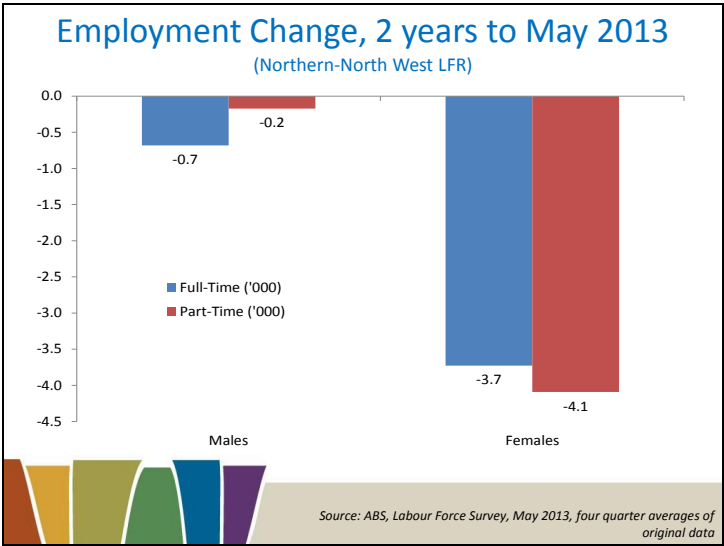
The largest employing industries in the Northern-North West LFR are Health Care and Social Assistance, Construction, and Public Administration and Safety.



Industry Change

Source: ABS, Labour Force Survey, May 2013, four quarter averages of original data

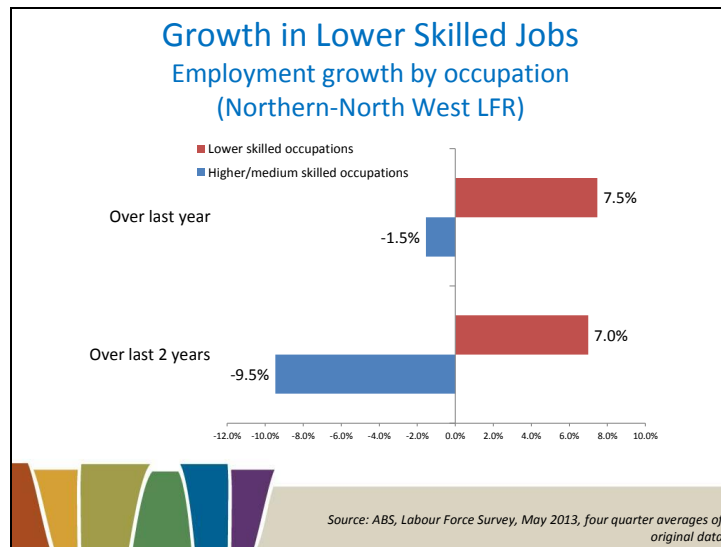
In the two years to May 2013 there was a considerable decrease in employment in the Agriculture, Forestry and Fishing and Retail Trade industries. The largest growth in employment took place in the Mining, and Accommodation and Food Services industries.



Employment Change, 2 years to May 2013

Source: ABS, Labour Force Survey, May 2013, four quarter averages of original data

In the two years to May 2013, employment decreased by 8,700 in the Northern-North West LFR. The majority of the decrease was in female employment (7,800).



Growth in Lower Skilled Jobs

Source: ABS, Labour Force Survey, May 2013, four quarter averages of original data

Employment in higher skilled occupations (Managers, Professionals; Technicians and Trades Workers; Community and Personal Service Workers; and Clerical and Administrative Workers) fell by 1,500 (or 1.5 per cent) over the 12 months to May 2013 in the Northern-North West LFR. By contrast, employment in lower skilled occupations (Sales Workers; Machinery Operators and Drivers; and Labourers) rose by 3,300 (or 7.5 per cent) over the same period.

Teenage Labour Market

Region	May 2013	
	Teenage full-time unemployment rate (15-19 years)	Full-time Unemployment to Population Ratio (May 2013)
Northern-North West LFR	14.4%	4.1%
Queensland	26.0%	5.5%
Australia	24.5%	4.2%

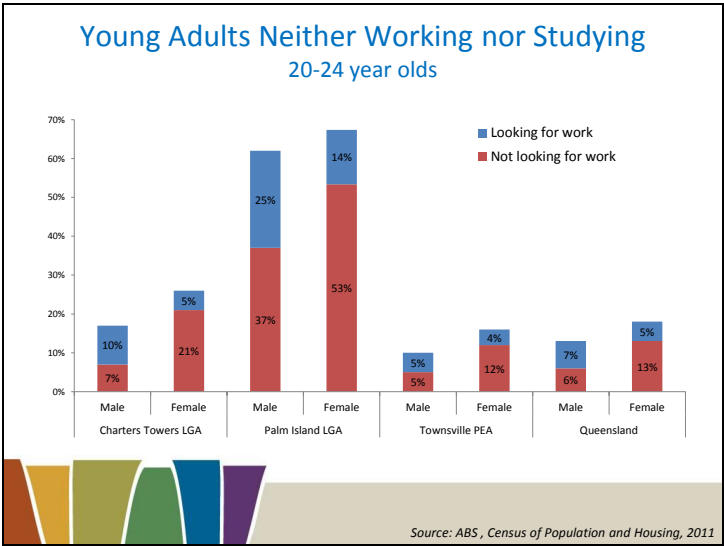
Source: ABS, Labour Force Survey, May 2013, 12 month averages of original data

Teenage Labour Market

Source: ABS, Labour Force Survey, May 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 May 2013, the teenage full-time unemployment in the Northern-North West LFR (14.4 per cent) was lower compared with the state (26.0 per cent) and national (24.5 per cent) rates.



Proportion of 20-24 year olds neither working nor studying

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census, 13 per cent of 20-24 year olds in the Townsville PEA were neither employed or studying, a smaller proportion compared with Queensland (15 per cent).

There was a significantly larger proportion of young adults neither working nor studying in the Charters Towers LGA and, in particular, the Palm Island LGA.

Pockets of High Family Joblessness

Region	Number of jobless families	Proportion of all families who are jobless	Proportion of couple families who are jobless	Proportion of lone parent families who are jobless
Burdekin LGA	260	15%	5%	51%
Charters Towers LGA	190	17%	5%	46%
Hinchinbrook LGA	120	12%	4%	49%
Palm Island LGA	130	46%	30%	70%
Townsville LGA	2,390	14%	4%	40%
Townsville PEA	3,090	14%	5%	42%
Queensland	62,170	14%	5%	43%

Source: ABS, Census of Population and Housing, 2011

Pockets of High Family Joblessness

Source: ABS, Census of Population of Housing, 2011

At the time of the 2011 Census, the proportion of families with children under 15 in the Townsville PEA who were jobless was the same as the state overall (14 per cent). The figure had fallen slightly since the 2006 Census (18 per cent). However, there were areas where family joblessness was particularly pronounced. Palm Island LGA had the highest level of joblessness amongst families (46 per cent), with almost three quarters (70 per cent) of lone parent families being jobless.

Indigenous Labour Market Outcomes					
Region	Proportion Indigenous	Unemployment Rate		Participation Rate	
		Indigenous	Non - Indigenous	Indigenous	Non - Indigenous
Burdekin LGA	5%	18.7%	3.7%	51.5%	79.0%
Charters Towers LGA	8%	26.7%	4.4%	54.0%	76.1%
Hinchinbrook LGA	6%	22.4%	3.0%	53.6%	77.0%
Palm Island LGA	94%	29.6%	0.0%	51.9%	90.8%
Townsville LGA	6%	17.3%	4.7%	56.8%	80.9%
Townsville PEA	7%	19.9%	4.5%	55.4%	80.3%
Queensland	3%	18.1%	5.9%	59.7%	77.8%

Source: ABS, Census of Population and Housing, 2011

Indigenous Labour Market Outcomes

Source: ABS, Census of Population and Housing, 2011

In 2011, the proportion of the working age population who identify as being Indigenous in the Townsville PEA (7 per cent) was well above the Queensland average (3 per cent). In the Palm Island LGA, the population was predominantly Indigenous (94 per cent of the working age population).

The census data highlight that labour market outcomes for the Indigenous population were significantly below the non-Indigenous population. Furthermore, labour market outcomes for Indigenous people in the Townsville PEA were slightly worse than for the overall Indigenous population in Queensland.

The unemployment rate for Indigenous residents in Townsville PEA was 19.9 per cent, compared with 4.5 per cent for non-Indigenous residents. Additionally, the participation rate for Indigenous residents was also low in the Townsville PEA (55.4 per cent) when compared with non-Indigenous residents (80.3 per cent).

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		
Burdekin LGA	55%	61%	34%	14%
Charters Towers LGA	61%	61%	31%	14%
Hinchinbrook LGA	69%	71%	36%	15%
Palm Island LGA	21%	33%	12%	7%
Townsville LGA	68%	72%	34%	24%
Townsville PEA	66%	70%	34%	23%
Queensland	68%	74%	32%	29%
Australia	69%	75%	30%	35%

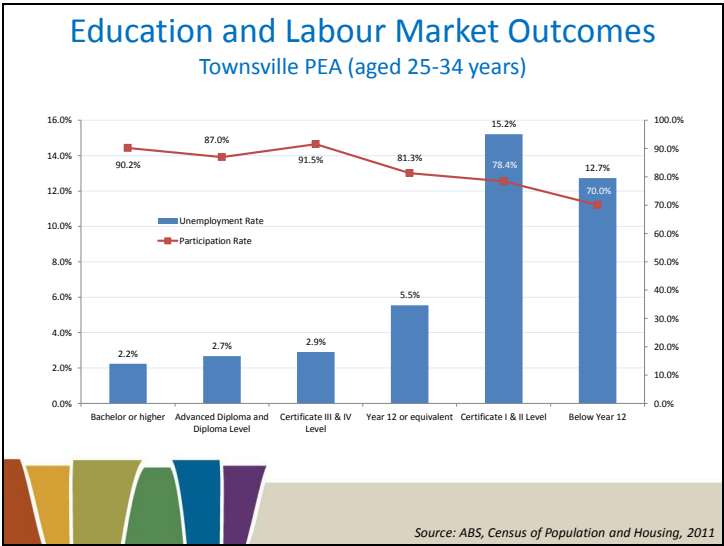
Source: ABS, Census of Population and Housing, 2006 and 2011

Educational Attainment

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 Townsville PEA was only moderately below the state and national levels, with a lower proportion of people aged 25 to 34 years (70 per cent) having completed Year 12 compared with Queensland (74 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 (34 per cent), the proportion with a bachelor degree or higher (23 per cent) was smaller.



Education and Labour Market Outcomes

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 Townsville PEA, people aged 25-34 with a Bachelor Degree or higher had an unemployment rate of just 2.2 per cent. However, people aged 25-34 who had not completed Year 12, or any other qualification, had an unemployment rate of 12.7 per cent.

Student reading and numeracy below average in some areas

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	
Charters Towers LGA	13%	12%
Palm Island LGA	93%	69%
Queensland	8%	5%

Source: Myschool website, www.myschool.edu.au
* These figures are not an average, they are the result of a selected school within the LGA

Student reading and numeracy below average

*Source: Myschool website, www.myschool.edu.au * 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 Townsville PEA, particularly Palm Island and Charters Towers.

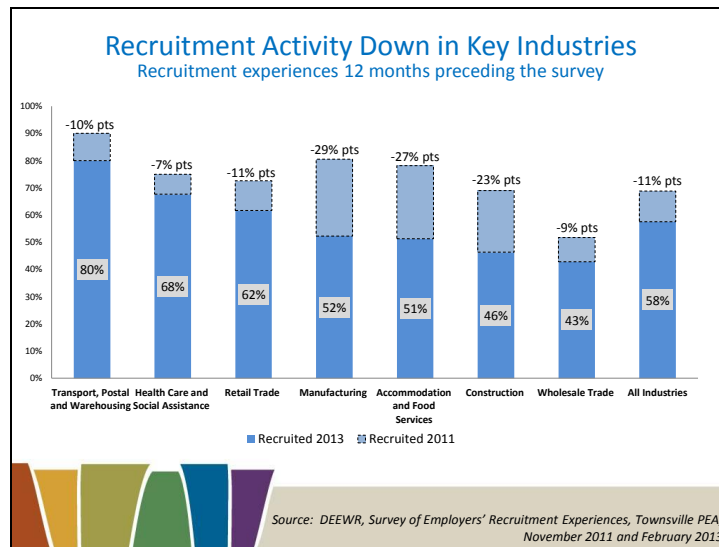


Recruitment Activity Softening

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013

Survey results from the Townsville survey highlight a softening in recruitment activity from November 2011 to February 2013.

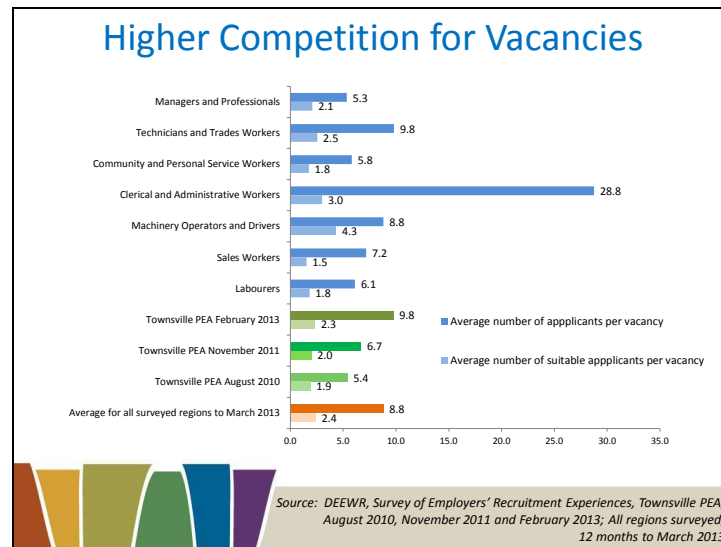
- The proportion of employers who recruited decreased from 69 per cent to 58 per cent
- The recruitment rate decreased from 25 vacancies per 100 staff to 22 vacancies per 100 staff
- The proportion of unfilled vacancies and employers reporting recruitment difficulty (in the most recent recruitment round) were both lower (13.6% down to 3.9%) and (51% down to 42%)



Recruitment activity down in key industries

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013

The proportion of employers who recruited in the 12 months preceding the survey decreased considerably in a number of key industries within the Townsville PEA since November 2011, even in those industries where staff turnover is strong, such as Health Care and Social Assistance, Accommodation and Food Services, and Retail Trade. Manufacturing experienced the greatest decrease down 29 percentage points from 2011.



Higher competition for vacancies

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, August 2010, November 2011 and February 2013; All regions surveyed, 12 months to March 2013

Consistent with a softer labour market, competition for vacancies was stronger, as indicated by the high average number of applicants per vacancy (9.8) compared with the November 2011 survey (6.7).

There was a particularly high average number of applicants for Clerical and Administrative Worker vacancies (28.8). By contrast, the average number of applicants was relatively low for Managers and Professionals (5.3), Community and Personal Service Workers (5.8) and Labourers (6.1).

Skill Shortages Easing for Technicians and Trades Workers Occupations

	Townsville PEA February 2013	Townsville PEA November 2011
Average number of Applicants	9.8	3.5
Average number of Suitable Applicants	2.5	1.2
Unfilled Vacancy Rate	11.1%	21.7%

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, August 2010, November 2011 and February 2013; All regions surveyed, 12 months to March 2013


Skill Shortages Easing for Technicians and Trades Workers Occupations

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, August 2010, November 2011 and February 2013; All regions surveyed, 12 months to March 2013

The survey results show an easing in skill shortages for Technicians and Trades Workers in the Townsville PEA since November 2011. Competition for vacancies increased substantially and the average number of suitable applicants more than doubled from 1.2 to 2.5. This higher competition was accompanied by a decrease in the unfill rate from 21.7 per cent to 11.1 per cent.

Many applicants were considered unsuitable

- More than **three quarters** of all applicants were considered to be unsuitable for the job.
Common reasons job applicants were unsuitable were:
 - Insufficient experience (56%)
 - Insufficient qualifications or training (22%)
 - Lack of employability skills and personal characteristics (48%)



Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, February 2013

Many applicants were considered unsuitable

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, February 2013.

- More than **three quarters** of all applicants were considered to be unsuitable for the job that they applied for.
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Basic Employability Skills

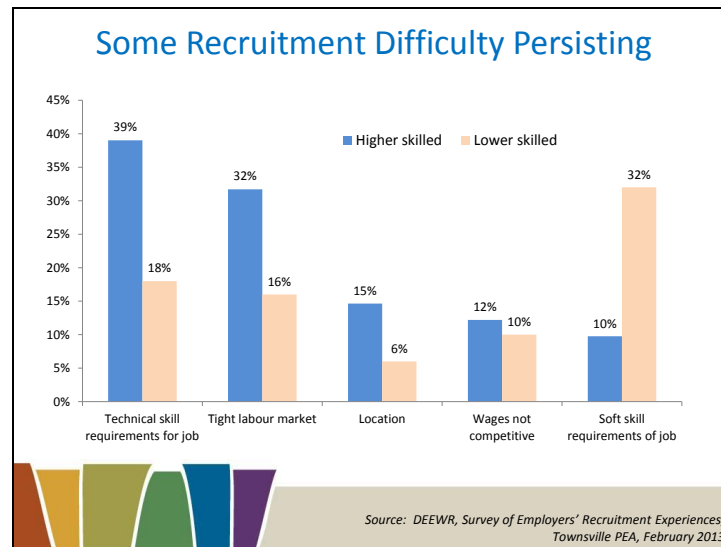
Source: DEEWR, Survey of Employers' Recruitment Experiences, All regions surveyed in the 12 months to December 2010

Most importance placed on:

- 30 per cent personal traits and qualities only
- 28 per cent technical skills only
- 41 per cent both equally important

Personal traits and qualities applicants lacked:

- Enthusiasm
- Motivation
- Communication
- Confidence
- Teamwork



Some Recruitment Difficulty Persisting

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, February 2013

Despite the softening labour market conditions, some 42 per cent of employers reported difficulty during their most recent recruitment round. 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* were 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*; *location* and the *inadequacy of wages* being offered. Overall, half of employers recruiting for higher skilled occupations experienced difficulty while over one third (37 per cent) of employers recruiting for lower skilled occupations experienced difficulty.

Many Higher skilled Occupations Considered Difficult to Fill

Bachelor Degree or Higher VET Qualifications	
Motor Mechanics*	Child carer*
Chefs*	Structural Steel and Welding Trades Workers*
Early Childhood (Pre-primary School) Teachers	Metal Fitters and Machinists*
Retail Managers	
Other occupations	
Truck Drivers*	Bar Attendants and Baristas
Sales Representatives	

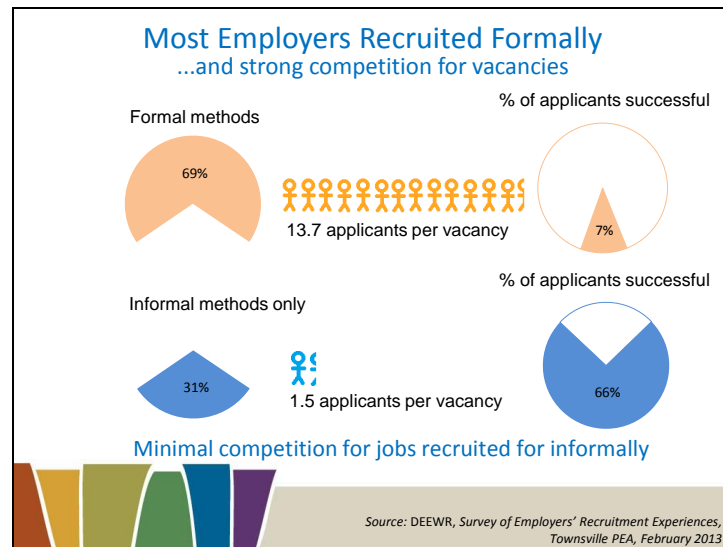
* Occupation also reported as difficult to fill in the November 2011 survey of the region.

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA November 2011 and February 2013

Higher skilled occupations persistently difficult to fill

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA November 2011 and February 2013

Employers surveyed in the Townsville PEA highlighted a range of occupations that they found difficult to fill, including Motor Mechanics, Child Carers, Chefs, Truck Drivers and Bar Attendants and Baristas.



Most Employers Recruited Formally

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, February 2013

- 69 per cent of employers surveyed in the Townsville PEA used formal methods of recruitment (such as the Internet or Newspapers), receiving an average of 13.7 applicants per vacancy.
- By contrast, one third (31 per cent) of employers used informal methods only (such as word of mouth or approached by job seeker), receiving an average of just 1.5 applicants per vacancy.

Recruitment Outlook Subdued
for the 12 months following the survey

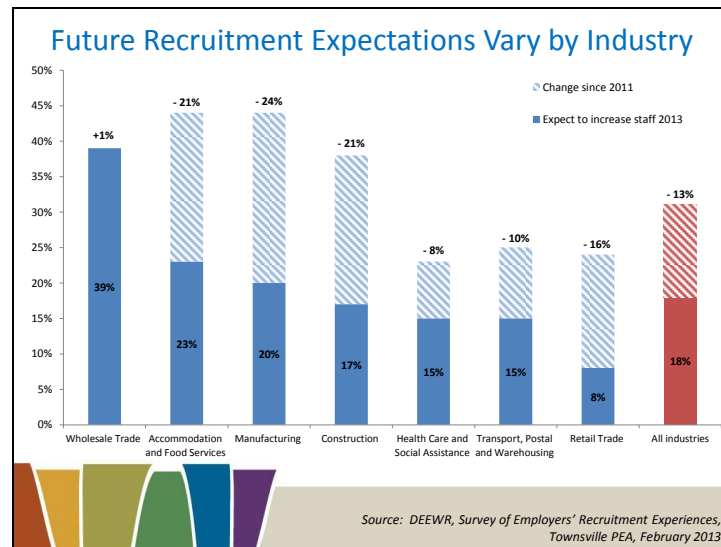
	Townsville PEA February 2013	Townsville PEA November 2011
Expects to recruit	41%	62%
Will increase staff numbers	18%	31%

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013; All regions surveyed, 12 months to March 2013

Recruitment Outlook Subdued

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013; All regions surveyed, 12 months to March 2013

The proportion of employers who expected to recruit in the year following the survey decreased from 62 per cent in November 2011 to 41 per cent in February 2013. Likewise, the proportion of employers who expected to increase staff had fallen from 31 per cent to 18 per cent.



Future Recruitment Expectations Vary by Industry

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, February 2013

Employers in the Wholesale Trade and Accommodation and Food Services industries had the most positive recruitment expectations for the 12 months following the survey, with 39 per cent and 23 per cent of employers respectively expecting to increase staff numbers.


Recruitment expectations among employers in the Construction and Manufacturing industries were mixed.

Recruitment expectations were particularly subdued in the Retail Trade industry with only 8 per cent of employers expecting to increase staff.

**Lower Skilled Occupations Employers
Commonly Expect to Recruit**

Occupations	
Sales Assistants	Bar Attendants and Baristas*
Storepersons	Crop Farm Workers
General Clerks	Truck Drivers*
Sales Representatives*	

**Also reported as being difficult to fill*



Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA
November 2011 and February 2013

Lower skilled Occupations Employers Commonly Expect to Recruit

Source: DEEWR, Survey of Employers' Recruitment Experiences, Townsville PEA, November 2011 and February 2013

This slide shows the main lower skilled occupations that employers in the Townsville PEA commonly expect to recruit for in the year following the survey, including Sales Assistants, Bar Attendants and Baristas, General Clerks and Truck Drivers.

Conclusion

Some signs of labour market weakness in the region.

- Unemployment rate has remained low for the past five years
- However, employment has declined in the last two years
- Past skill shortages are easing
- Survey results show a reduction in recruitment activity, although the level of recruitment is still in line with the average for all regions surveyed

Challenges


- Indigenous employment, jobless families
- Literacy and numeracy, education, employability skills

Opportunities

- Lower skilled occupations, including Sales Assistants, Bar Attendants and Baristas and General Clerks
- Growth industries: Health Care and Social Assistance
- High staff turnover industries: Accommodation and Food Services, and Retail Trade

Collaboration

- Further engagement between stakeholders, particularly regarding opportunities for work experience and apprenticeships/traineeships



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A rectangular box containing the title 'Further Information' in blue text at the top. Below the title is a list of seven blue hyperlinks, each preceded by a hyphen. At the bottom left of the box is a decorative graphic consisting of several overlapping, semi-transparent colored shapes in shades of orange, yellow, green, blue, and purple. At the bottom right of the box is a solid light beige rectangular area.

Further Information

- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/regionalreports
- www.deewr.gov.au/australianjobs
- www.skillsinfo.gov.au
- www.joboutlook.gov.au
- www.deewr.gov.au/news/aussie-jobs-publication-highlights-employment-growth

Further Information

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

- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/regionalreports
- www.deewr.gov.au/australianjobs
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A report on the survey findings for the Townsville Priority Employment Area will be placed on the regional reports section of the DEEWR>Regional Reports website.



Australian Government
Department of Education, Employment and Workplace Relations

For any questions about this presentation please contact the

Regional and Industry Employer Surveys

**Section on 1800 059 439 or email
recruitmentsurveys@deewr.gov.au**

