

Slide 1



Australian Government
Department of Education, Employment and Workplace Relations

Overview of the Melbourne Labour Market

21 November 2012

Ivan Neville
Branch Manager
Labour Market Research and Analysis Branch



Melbourne labour market profile

	Melbourne	Remainder of Victoria	Australia
Total Employment	2,145,700	733,500	11,511,400
% Change: Year to Oct 12	0.3%	-0.2%	0.5%
Unemployment Rate	5.3%	5.8%	5.2%
% Pt Change: Year to Oct 12	0.0% pts	0.9% pts	0.1% pts
Participation Rate (WAP)	76.5%	75.6%	76.3%
% Pt Change: Year to Oct 12	-0.6% pts	-0.4% pts	-0.3% pts

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

Melbourne labour market profile:

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

Total employment in Melbourne increased by 0.3% (or 6,122 people), slightly lower than Australia (0.5% or 61,360 people).

The unemployment rate has remained at 5.3% in the 12 months to October 2012. Similarly, Australia increased by only 0.1% pts to 5.2%. The unemployment rate for the Remainder of Victoria has increased by 0.9% in the 12 months to October 2012.

Labour market participation decreased in Melbourne, the Remainder of Victoria and Australia (decreases of 0.6% pts, 0.3% pts and 0.4% pts respectively).

Regional Disparity

Region	Unemployment Rate	Annual % pt Change	Participation Rate (WAP)
South Eastern Melbourne LFR	6.9%	0.5% pts	73.6%
• Greater Dandenong SLA	12.0%	0.6% pts	65.7%
Inner Eastern Melbourne LFR	4.2%	-0.3% pts	84.1%
Melbourne	5.3%	0.2% pts	76.5%
Remainder of Victoria	5.8%	0.7% pts	75.6%
Australia	5.2%	0.1% pts	76.3%

Source: DEEWR Small Area Labour Markets, June 2012; ABS 2011 Census, Population and Housing, ABS Labour Force Data, October 2012, 3 month averages of original data

Regional Disparity:

Source: DEEWR Small Area Labour Markets, June 2012; ABS 2011 Census, Population and Housing, Source: ABS Labour Force Data, October 2012, 3 month averages of original data.

This table shows the regional disparity between areas of Melbourne. Despite strong employment growth there are still areas of disadvantage with high unemployment rates and lower participation rates.

Full-time jobs in decline

Change in employment in the 12 months to October 2012

	Full-time	Part-time	All employed
Melbourne	-5,500	+11,600	+6,100
Remainder of Victoria	-14,000	+12,600	+1,400
Total Victoria	-19,500	+24,300	+4,700

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012
3 month averages of original data;

Full-time jobs in decline:

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012 3 month averages of original data.

Over the 12 months to October 2012, employment in Victoria has increased by 4,700. However, full-time employment has decreased by 19,500 and part-time employment has increased by 24,300. The decrease in full-time employment was highest in the Remainder of Victoria (-14,000).

Impact not evenly felt

Change over the 12 months to October 2012

Change in....	Males	Females
Full-time employed <i>15 – 24 year olds</i>	-18,000 <i>-25,700</i>	-1,500 <i>-5,700</i>
Part-time employed	+2,900	+21,300
Unemployment rate	+0.3% pts	+0.2% pts
Participation rate (WAP)	-0.8% pts	-0.2% pts

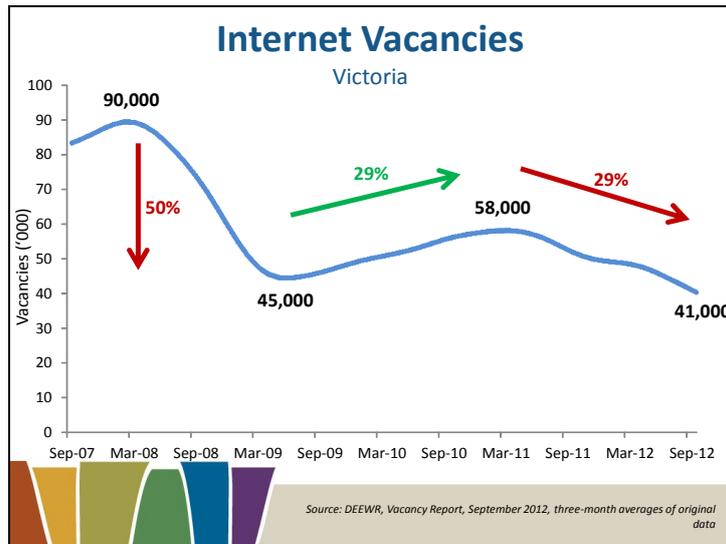


Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012
3 month averages of original data;

Impact not evenly felt:

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012 3 month averages of original data.

Slide 6



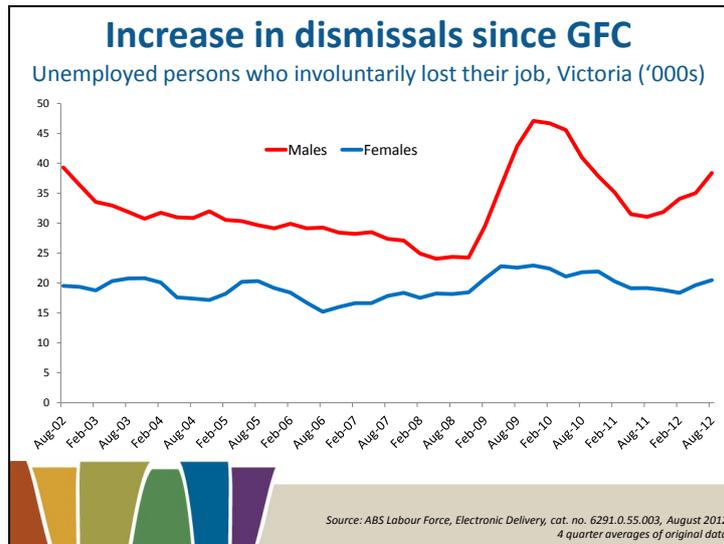
Internet vacancies:

Source: DEEWR, Vacancy Report, September 2012.

The number of internet job ads in Victoria halved between February 2008 (90,000) and June 2009 (45,000).

There was a slight recovery in 2010 and early 2011, but vacancy numbers have now fallen back to levels below that of June 2009 (currently 41,000).

Slide 7



Increase in dismissals since GFC

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

Over the last 10 years, there have been more unemployed males who involuntarily lost their jobs in Victoria than females. However, with the onset of the GFC, there was a rapid increase for males that was not matched by females, with a similar situation also occurring over the past 12 months.

Long-term Unemployment			
Region	Long-term unemployed (52 weeks or more)		Average duration of unemployment
	Persons ('000)	Per cent of all unemployed	
Melbourne	19.8	16.1%	31 Weeks
Remainder of Victoria	8.6	20.1%	43 Weeks
Australia	118.4	18.7%	37 Weeks

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

Long-term Unemployment:

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

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

The proportion of unemployed persons who were long-term unemployed in Melbourne (16.1%) was below both the Remainder of Victoria (20.1%) and Australia (18.7%).

The average duration of unemployment in the Remainder of Victoria (43 weeks) was much higher than Melbourne (31 weeks) and Australia (37 weeks).

Jobless Families with children under 15

Region	Number of jobless families	Proportion of all families who are jobless
South Eastern Melbourne LFR	7,880	15%
Inner Eastern Melbourne LFR	3,915	7%
Melbourne	46,136	12%
Remainder of Victoria	20,583	15%
Australia	294,874	14%

One in eight families with children under 15 in Melbourne are jobless.

- 1 in 19 couple families
- Almost one in 2 lone parent families



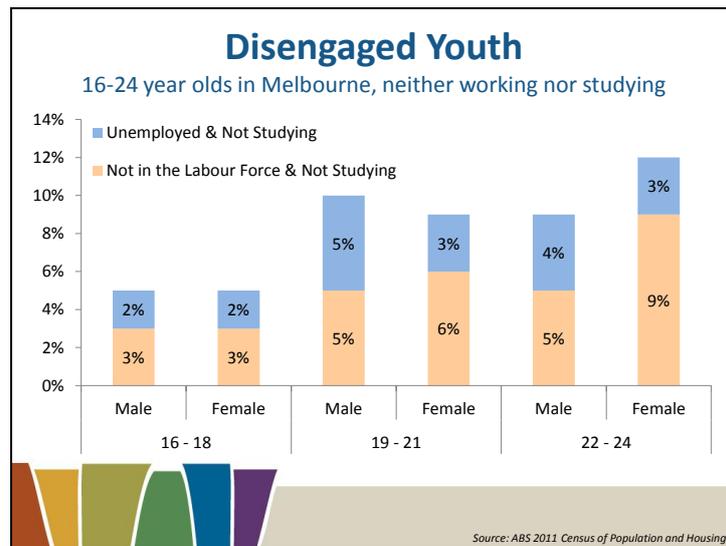
Source: ABS 2011 Census of Population and Housing

Jobless Families:

Source: ABS 2011 Census of Population and Housing.

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

The proportion of families with children under 15 years in Melbourne who are jobless (12%) is slightly below both the State (13%) and Australia (14%).



Disengaged Youth:

Source: ABS 2011 Census of Population and Housing.

This chart shows persons aged 16-24 years in Melbourne who are neither working nor studying.

<h3 style="text-align: center;">Educational Attainment</h3> <p style="text-align: center;">25-34 years of age</p>			
Region	Completed Yr 12	Adv Dip, Dip or Certificate Level	Bachelor Degree or higher
South Eastern Melbourne LFR	72%	37%	26%
• Cardinia – Pakenham SLA	65%	44%	19%
Inner Eastern Melbourne LFR	91%	22%	59%
Melbourne	83%	29%	44%
Remainder of Victoria	64%	42%	23%
Australia	75%	33%	35%

Source: ABS 2011 Census of Population and Housing

Educational Attainment:

Source: ABS 2011 Census of Population and Housing

Year 12 completion rates for people aged 25-34 years old are considerably higher in Melbourne (83%) than both the Remainder of Victoria (64%) and Australia (75%). However, results vary across the city, with 91% of 25-34 year olds in the Inner Eastern Melbourne LFR having a Year 12 Certificate or equivalent compared with 72% for those in the South Eastern Melbourne LFR.

A similar result can be seen for the proportion of people aged 25-34 years old that have attained a Bachelor Degree or higher.

Mixed school results by area				
% of Yr 9 government students who did not meet the minimum standards in:	South Eastern Melbourne LFR	North Eastern Melbourne LFR	Victoria	Australia
Persuasive Writing	28%	15%	11%	14%
Spelling	15%	9%	7%	8%
Grammar	19%	8%	6%	9%

Source: Myschool website, 2011

Mixed school results by area:

Source: Myschool website.

This slide shows the proportion of Year 9 students at a selected government high school in the South Eastern Melbourne LFR and North Eastern Melbourne LFR who did not meet minimum standards for Persuasive Writing, Spelling and Grammar in 2011, compared with the proportions of Year 9 students who did not meet minimum standards for Persuasive Writing, Spelling and Grammar in Victoria and nationally.

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

South Eastern Melbourne LFR

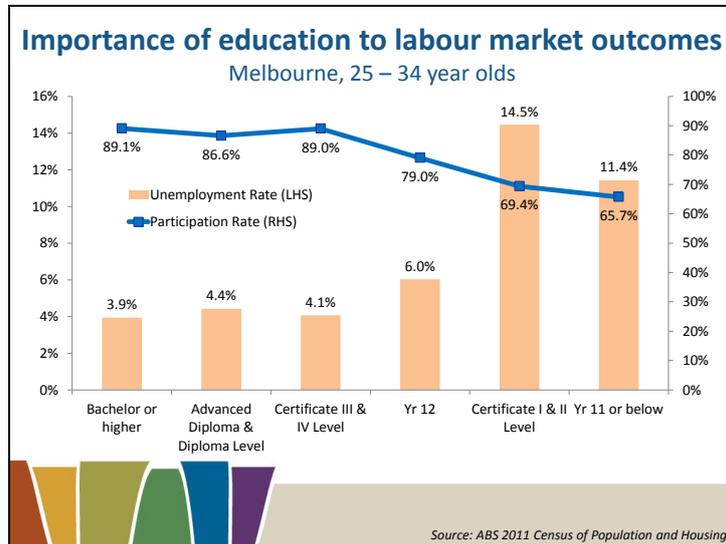
Selected School: Hampton Park Secondary College

Other Local Schools: Cranbourne Secondary College
Fountain Gate Secondary College

North Eastern Melbourne LFR

Selected School: Diamond Valley College

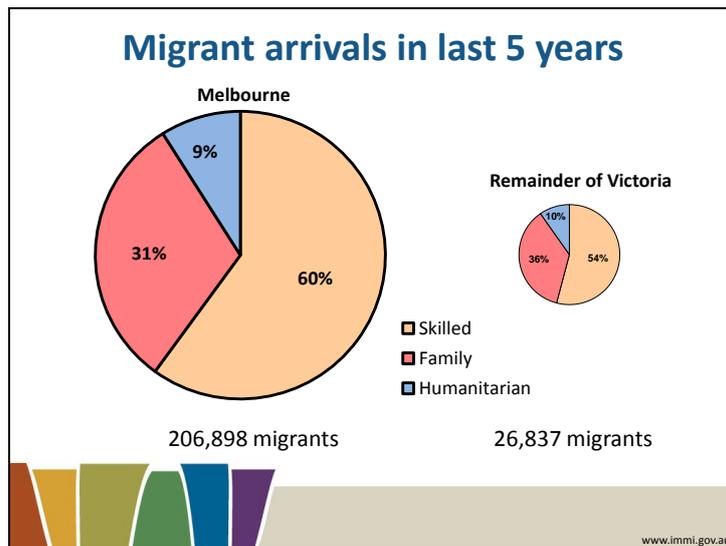
Other Local Schools: Warrandyte High School
St Helena Secondary College



Importance of education to labour market outcomes:

Source: ABS 2011 Census of Population and Housing.

This slide illustrates the correlation between education and labour market outcomes in Melbourne, with higher labour force participation rates and lower unemployment rates for those with higher levels of educational attainment. This reflects the pattern seen across Australia and demonstrates the importance of continuing education to help job seekers obtain employment and participate in the labour market.



Migrant arrivals in last 5 years:

Source: Department of Immigration settlement reporting facility www.immi.gov.au.

In the five years to September 2012, there were 233,735 migrant arrivals in Victoria:

- 206,898 (89%) went to Melbourne
- 26,837 (11%) went to the Remainder of Victoria.

Migrants of working age made up 7% of the working age population of Melbourne.

OTMESC Labour Market Outcomes					
Migrants born in an Other Than Main English Speaking Country					
Region	OTMESC proportion of working age population	Unemployment Rate		Participation Rate	
		OTMESC	Non-OTMESC	OTMESC	Non-OTMESC
Melbourne	32%	7.8%	4.8%	68.7%	79.1%
Remainder of Victoria	11%	7.8%	5.2%	64.0%	75.2%
Australia	24%	7.7%	5.3%	69.1%	77.5%

Source: ABS 2011 Census of Population and Housing

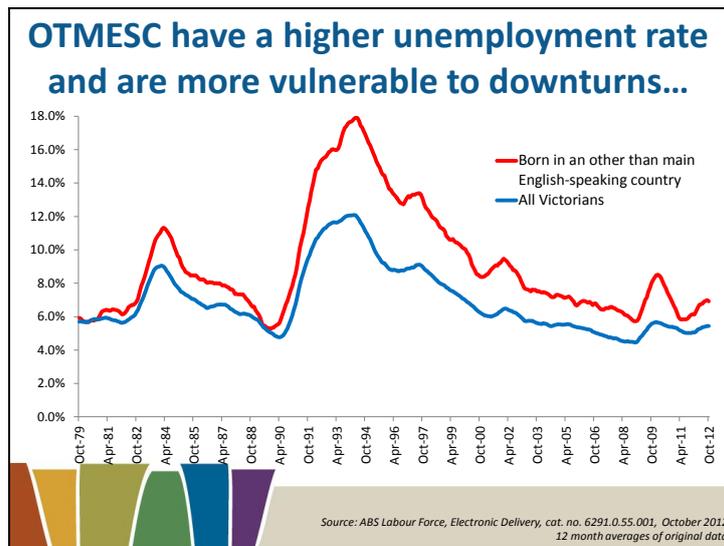
OTMESC Labour Market Outcomes:

Source: ABS 2011 Census of Population and Housing

This table compares labour market outcomes for those people born in an Other than Main English Speaking Country (OTMESC) compared with the remaining (Non-OTMESC) population. Non-OTMESC countries include Australia, Canada, Ireland, New Zealand, South Africa, United Kingdom and the United States of America.

At the time of the 2011 Census, 32% of the working age population in Melbourne were born in an OTMESC, higher than both Victoria (27%) and Australia (24%).

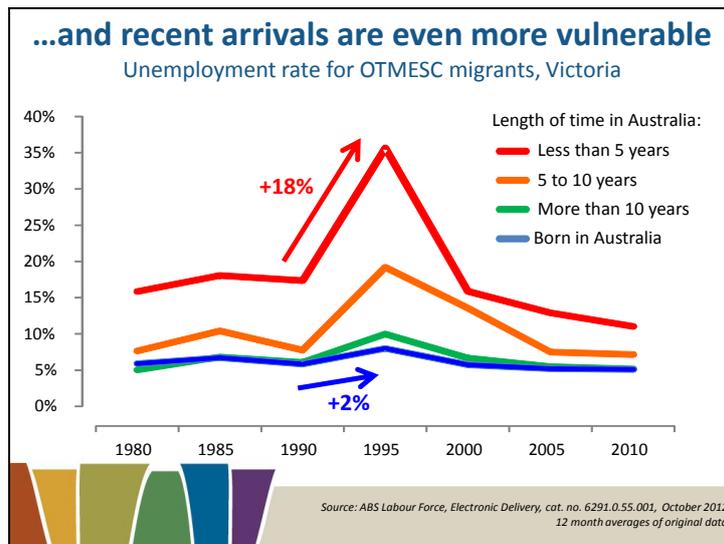
People born in an OTMESC have a higher unemployment rate and lower participation rate when compared with those born in a non-OTMESC.



OTMESC have a higher unemployment rate and are more vulnerable to downturns

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012; 12 month averages of original data.

Over the last 30 years, migrants from an other than main English speaking country have had a higher unemployment rate compared with all Victorians. Importantly, the increase in the unemployment rate for OTMESC migrants during economic downturns is greater than for the population as a whole.



Recent arrivals are more vulnerable

Source: ABS Labour Force, Electronic Delivery, cat. no. 6291.0.55.001, October 2012; 12 month averages of original data.

Recent OTMESC migrants consistently have a higher unemployment rate than those who have been in Australia for longer. OTMESC migrants who have been in Australia for 10 years or more have unemployment rates very similar to those who were born in Australia.

Additionally, economic downturns often have a larger negative impact on recent OTMESC migrants compared with those who have been in Australia longer, as demonstrated by the increase in unemployment rate between 1990 and 1995.

Most common occupations for recent OTMESC migrants in Melbourne

Bachelor Degree or Higher VET Qualifications	
Software and Applications Programmers	Registered Nurses
Cooks	Accountants
Chefs	Retail Managers
Other occupations	
Sales Assistants (General)	Waiters
Commercial Cleaners	Kitchenhands
Aged and Disabled Carers	Storepersons
Nursing Support and Personal Care Workers	Checkout Operators and Office Cashiers

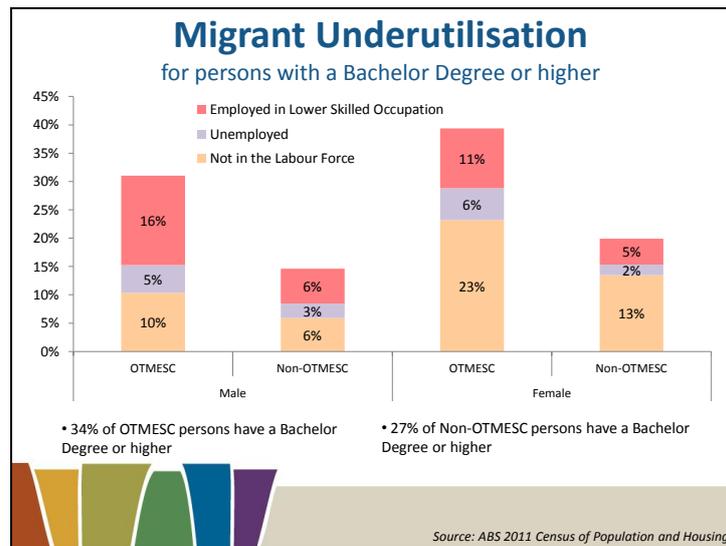

Red = One of the 20 fastest growing occupations in Australia

Source: ABS 2011 Census of Population and Housing

Most common occupations for recent OTMESC migrants in Melbourne:

Source: ABS 2011 Census of Population and Housing.

This slide lists the most common occupations for recent OTMESC migrants in Melbourne, which includes many of the fastest growing occupations in Australia.



Migrant Underutilisation:

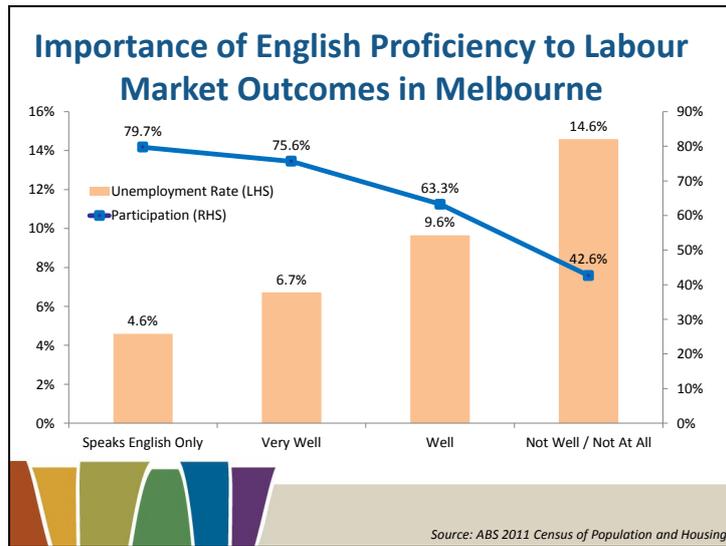
Source: ABS 2011 Census of Population and Housing.

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

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

Overall, 34 per cent of the working age population in Melbourne born in an OTMESC have obtained a Bachelor Degree or higher qualification, compared with 27 per cent for the Non-OTMESC population.

Of the working age population, there was a lower level of labour market participation for highly qualified OTMESC persons compared with the Non-OTMESC population. For both male and females, a higher proportion of the OTMESC population with a Bachelor Degree or higher were either not in the labour force, unemployed or employed in a lower skilled occupation.



Importance of English Proficiency to Labour Market Outcomes in Melbourne:

Source: ABS 2011 Census of Population and Housing.

There is a clear correlation between English language proficiency and labour market outcomes. Among those who reported lower levels of proficiency in spoken English, unemployment rates were higher and participation rates lower.

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

Essential: English proficiency

Job Title	Qualifications	Salary	English Proficiency
Web Developer	Tertiary Qualifications	\$80,000	Fluent English
Chef - Full Time	TAFE Qualifications	\$50,000	Fluent English
Casual Store Workers	No Qualifications	\$40,000	Fluent English

Source: Seek Advertisements (Accessed 8 November 2012)

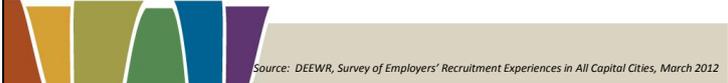
Essential - English proficiency:

Source: Seek Advertisements (Accessed 8 November 2012).

This slide illustrates the importance of English language proficiency for jobs at all skill levels.

Employer Survey Results - Melbourne

- Recruitment activity easing slightly on 2011 levels
 - 1 in 9 jobs became vacant in last six months
- Recruitment difficulty also easing since 2011
 - But just over half recruiting employers had difficulty filling a vacancy in the last six months
 - Fewer lower skilled job opportunities
 - Unfilled vacancies persistently high for Technicians and Trades Workers occupations



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

Employer Survey Results - Melbourne:

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

Survey of Employers in Capital cities, March/April 2012.

- 3,295 responses
- Follows 2011 survey

Summary of recruitment conditions in each capital city

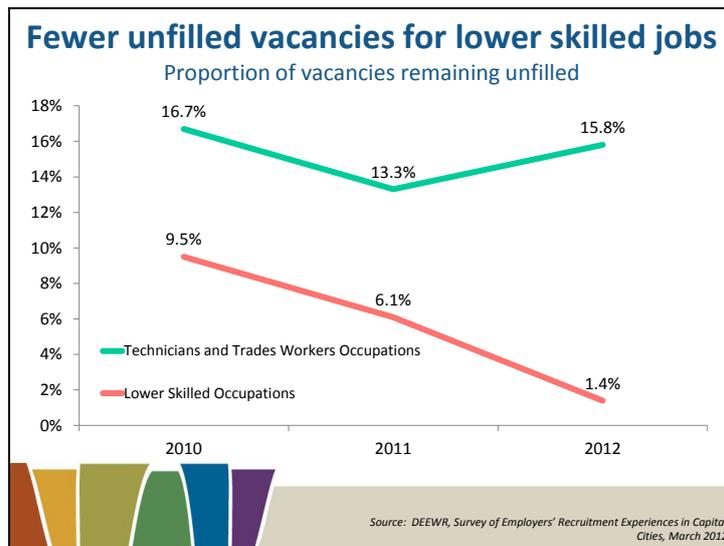
City	RECRUITMENT ACTIVITY	RECRUITMENT DIFFICULTY	RECRUITMENT OUTLOOK
SYDNEY	MODERATE	MILD	WEAKENING
MELBOURNE	MODERATE	MODERATE	WEAKENING
BRISBANE	MODERATE	MODERATE	STEADY
ADELAIDE	MODERATE	MODERATE	WEAKENING
PERTH	HIGH	HIGH	STRONG
HOBART	SUBDUED	MILD	SUBDUED
DARWIN	HIGH	VERY HIGH	VERY STRONG
CANBERRA	MODERATE	HIGH	STEADY

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

Summary of recruitment conditions in each capital city:

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

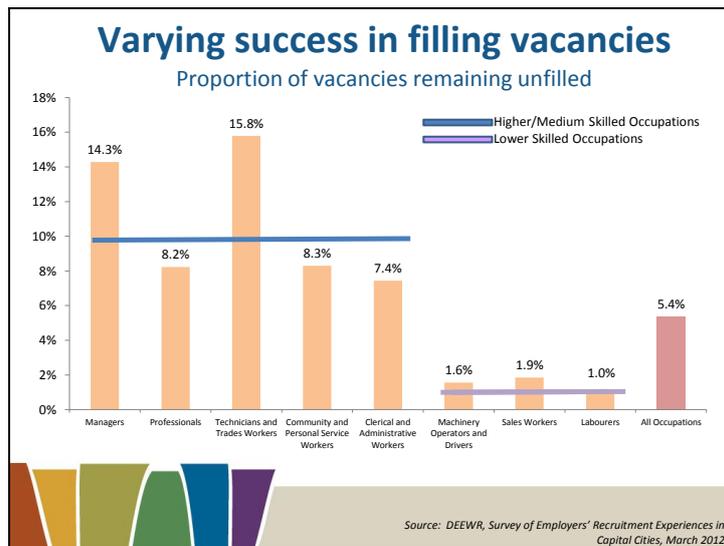
- Summary results were derived by considering a range of indicators collected in the survey.
- Recruitment outlook was for the six months following the survey.



Fewer unfilled vacancies for lower skilled jobs – Time Series:

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

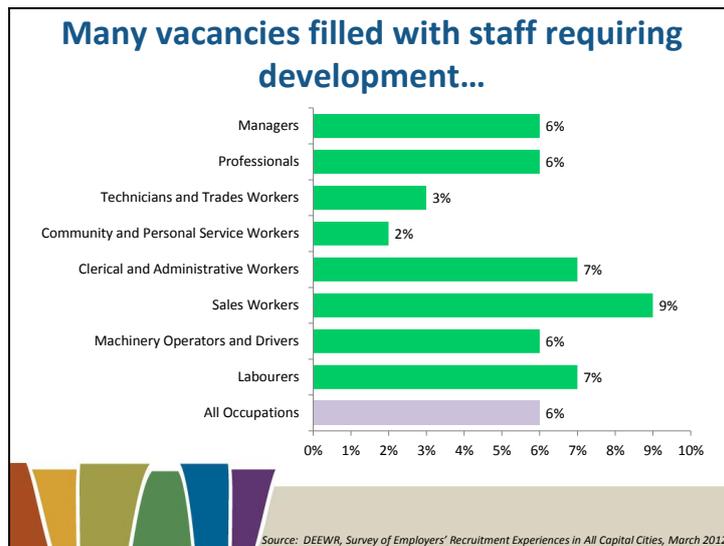
Over the last three years, the proportion of lower skilled vacancies that remained unfilled has fallen, and was 1.4% in 2012. By contrast, the proportion of vacancies remaining unfilled for Technicians and Trades Workers has increased to 15.8% in 2012 from 13.3% in 2011.



Varying success in filling vacancies:

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

Employers in Melbourne were generally successful in filling vacancies for lower skilled occupations, with only 1.4% remaining unfilled. By contrast, much higher proportions of vacancies remained unfilled for Technicians and Trades Workers and Managers occupation groups (15.8% and 14.3% respectively).



Many vacancies filled with staff requiring development:

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

A significantly lower proportion of employers in Melbourne (6%) filled their vacancy with staff lacking the required skills or capabilities, compared with 13% for all capital cities. Almost one in ten (9%) of Sales Workers vacancies were filled with a worker requiring development compared with only 2% of vacancies for Community and Personal Service Workers.



Employability skills a must:

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

This graph shows the importance of applicants having employability skills as well as job specific skills.

One in nine recently recruited staff did not have the desired capabilities for the position.

Employers are more willing to hire an applicant who is lacking in Job Specific Skills than one lacking in Employability Skills.

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

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

Occupation Based Classifications – Higher Skilled Occupation Categories:

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

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

Red = the majority of employers reported the occupation was difficult to recruit for or a relatively high number of vacancies remained unfilled or both.

Yellow = employers often reported it being difficult to recruit for or employers often recruited a worker who did not have the desired skills or capabilities or both.

Green = few or no indicators of difficulty recruiting for the occupation.

However, other indicators, such as the suitability of staff hired, the number of applicants and whether the employer extended the recruitment process, were also used when categorising each occupation.

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

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

Occupation Based Classifications – Lower Skilled Occupation Categories:

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

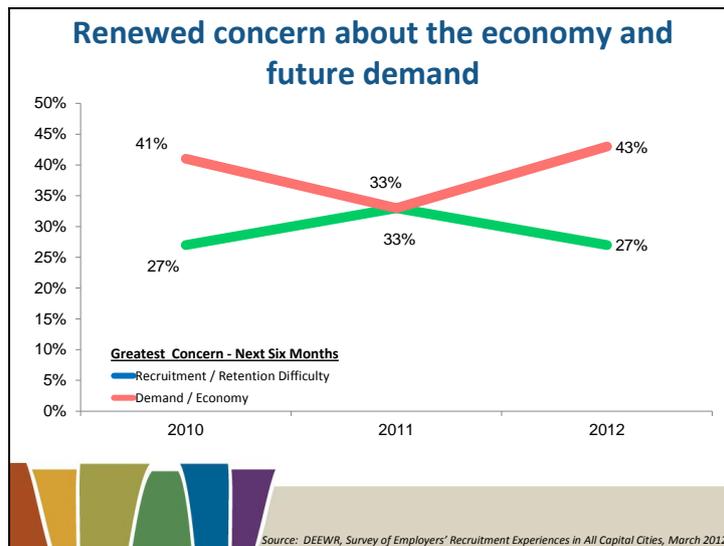
This table shows lower skilled occupations by level of difficulty in all capital cities March 2012

Red = the majority of employers reported the occupation was difficult to recruit for or a relatively high number of vacancies remained unfilled or both.

Yellow = employers often reported it being difficult to recruit for or employers often recruited a worker who did not have the desired skills or capabilities or both.

Green = few or no indicators of difficulty recruiting for the occupation.

However, other indicators, such as the suitability of staff hired, the number of applicants and whether the employer extended the recruitment process, were also used when categorising each occupation.



Renewed concern about the economy and future demand:

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

43% per cent of employers reported Demand/Economy as their single greatest concern in the six months following the survey.

However, there was some variability across industries.

- 37% of employers in the Health Care and Social Assistance industry reported Recruitment/Retention Difficulty as their greatest concern in the six months following the survey compared with only 19% of employers citing Demand/Economy.

Conclusion

- Melbourne labour market relatively strong with low unemployment rate, but...
 - Employment growth has stalled, with full-time job losses across the state
 - Declining vacancies
 - Considerable variation across the city
- Disadvantaged groups:
 - Lower educated, disengaged youth, long-term unemployed
 - Unemployment and underutilisation of migrants
- Considerable opportunities still exist
 - Melbourne has a large and diverse labour market
 - Many higher skilled occupations remain difficult to recruit for and in demand
 - Melbourne continues to have many vacancies for lower skilled and entry level positions
 - Growth industries including Health Care and Social Assistance & Professional, Scientific and Technical Services
- Job seekers need to be job ready
 - Training / apprenticeships, work experience
 - Employability skills, positive attitudes
 - English proficiency
- Stakeholders need to work together: providers, educational institutions, employers and job seekers



Melbourne labour market relatively strong with low unemployment rate, but...

- Employment growth has stalled, with full-time job losses across the state
- Declining vacancies
- Considerable variation across the city

Disadvantaged groups:

- Lower educated, disengaged youth, long-term unemployed
- Unemployment and underutilisation of migrants

Considerable opportunities still exist

Melbourne has a large and diverse labour market

Many higher skilled occupations remain difficult to recruit for and in demand

Melbourne continues to have many vacancies for lower skilled and entry level positions

Growth industries including Health Care and Social Assistance & Professional, Scientific and Technical Services

Job seekers need to be job ready

Training / apprenticeships, work experience

Employability skills, positive attitudes

English proficiency

Stakeholders need to work together: providers, educational institutions, employers and job seekers

