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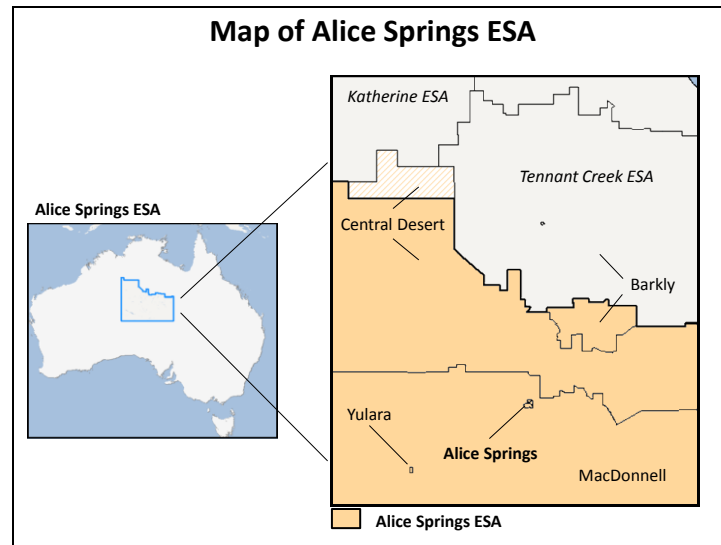
Australian Government
Department of Employment

Labour market conditions in Alice Springs

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Alice Springs Employment Service Area (ESA) – August 2013



Map of Alice Springs ESA

The Alice Springs Employment Service Area (ESA) comprises the following Statistical Local Areas (SLAs):

- Alice Springs – Charles
- Alice Springs – Heavitree
- Alice Springs – Larapinta
- Alice Springs – Ross
- Alice Springs – Stuart
- Barkly – Balance*
- Central Desert**
- MacDonnell
- Yulara

*While some of the Barkly – Balance SLA exists within the ESA, most of its population lives in the neighbouring Tennant Creek ESA.

**While most of the population of Central Desert lives in the Alice Springs ESA, some live in the neighbouring Katherine ESA.

| | Adult Population (15+) (2012) | 5 year change (2007-2012) | Median age (Census) | % WAP Indigenous |
|--------------------------|--------------------------------------|----------------------------------|----------------------------|-------------------------|
| Alice Springs LGA | 22,400 | 1,300 | 33 | 17% |
| Central Desert LGA | 3,100 | n.a | 27 | 77% |
| MacDonnell LGA | 5,200 | 200 | 27 | 84% |
| Alice Springs ESA | 31,500 | 1,500 | 31 | 34% |
| Northern Territory | 182,000 | 19,700 | 31 | 25% |
| Australia | 18,419,600 | 1,638,900 | 37 | 2% |

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

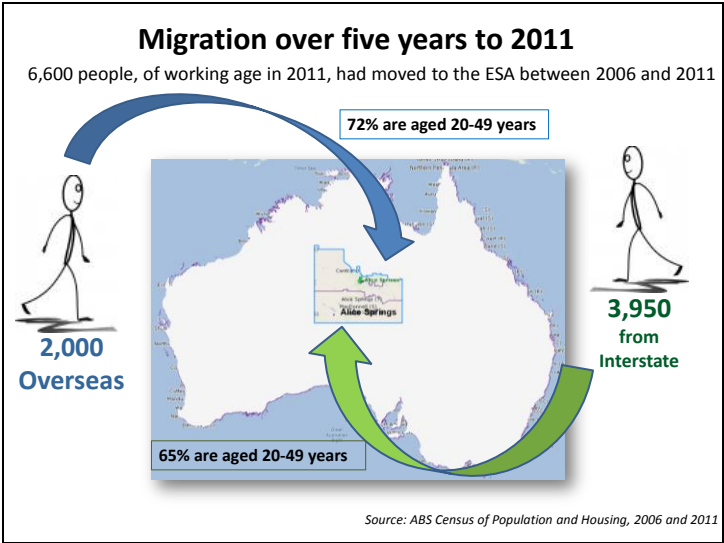
Population profile

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

The Alice Springs ESA had an adult population of 31,500 in 2012 with the majority living in the Alice Springs LGA (22,400).

The median age of people living in the Alice Springs ESA was the same as the Northern Territory (31) but below Australia (37).

At the time of the 2011 Census, more than one-third of the working age population in the Alice Springs LGA (34 per cent) identified as Indigenous. This was substantially higher than the proportion for the Northern Territory (25 per cent).



Migration Over Five Years (persons of working age in 2011)

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

6,600 persons of *working age* (15-64) in 2011 in the Alice Springs ESA moved to the ESA over the five years to 2011 (26% of persons of working age living in the PEA in 2011).*

The most common source were people living overseas in 2006 (2,000 persons of working age in 2011), The second most common sources were people who were living in New South Wales, Victoria, Queensland and South Australia in 2006 (3,400 persons of working age in 2011).

**Note: These figures include only those who reported and adequately defined their location in 2006 during the 2011 Census.*

| Labour Market Profile | | | |
|------------------------------|--------------------------|----------------------|---|
| Variable across the region | | | |
| | Unemployment rate | Annual change | Participation rate WAP (2011 Census) |
| Alice Springs LGA | 2.7% | -0.1% pts | 81.9% |
| Central Desert LGA | 20.7% | 1.2% pts | 52.1% |
| MacDonnell LGA | 21.1% | 1.4% pts | 44.2% |
| Alice Springs ESA | 6.5% | 0.2% pts | 73.3% |
| Northern Territory* | 5.3% | 1.3% pts | 75.1% |
| Australia** | 5.7% | 0.4% pts | 75.8% |

Source: Department of Employment, Small Area Labour Markets, June quarter 2013; *ABS, Labour Force, Australia, October 2013 (cat. no. 6202.0), trend data; **ABS, Labour Force, Australia, October 2013 (cat. no. 6202.0), seasonally adjusted data; ABS Census of Population and Housing, 2011

Labour Market Profile

*Source: Department of Employment, Small Area Labour Markets, June quarter 2013; *ABS, Labour Force, Australia, October 2013 (cat. no. 6202.0), trend data; **ABS, Labour Force, Australia, October 2013 (cat. no. 6202.0), seasonally adjusted data; ABS Census of Population and Housing, 2011*

In June 2013, the unemployment rate in the Alice Springs ESA was 6.5 per cent, well above the unemployment rates for the Northern Territory and Australia (5.3 per cent and 5.7 per cent respectively).

The Alice Springs LGA recorded the lowest unemployment rate within the ESA (2.7 per cent), while the Central Desert and MacDonnell LGAs had high unemployment rates of 20.7 per cent and 21.1 per cent respectively.

From June 2012 to June 2013 the Alice Springs' ESA unemployment rate relatively remained stable with an increase of 0.2 percentage points.

| Aboriginal and Torres Strait Islander Peoples | | | | | |
|--|-----------------------|-------------------|----------------|--------------------|----------------|
| Working age population (15-64 years) | | | | | |
| Region | Proportion Indigenous | Unemployment Rate | | Participation Rate | |
| | | Indigenous | Non-Indigenous | Indigenous | Non-Indigenous |
| Alice Springs LGA | 17% | 12.3% | 2.1% | 48.5% | 88.1% |
| Central Desert LGA | 77% | 26.6% | 0.6% | 37.8% | 94.7% |
| MacDonnell LGA | 84% | 22.5% | 1.4% | 35.9% | 85.9% |
| Alice Springs ESA | 34% | 18.9% | 2.0% | 41.0% | 88.4% |
| Northern Territory | 26% | 19.2% | 2.9% | 46.0% | 84.8% |
| Australia | 2% | 17.2% | 5.5% | 55.9% | 76.4% |

Source: ABS Census of Population and Housing, 2011

Aboriginal and Torres Strait Islander Peoples - Working Age Population
Indigenous Labour Market Outcomes

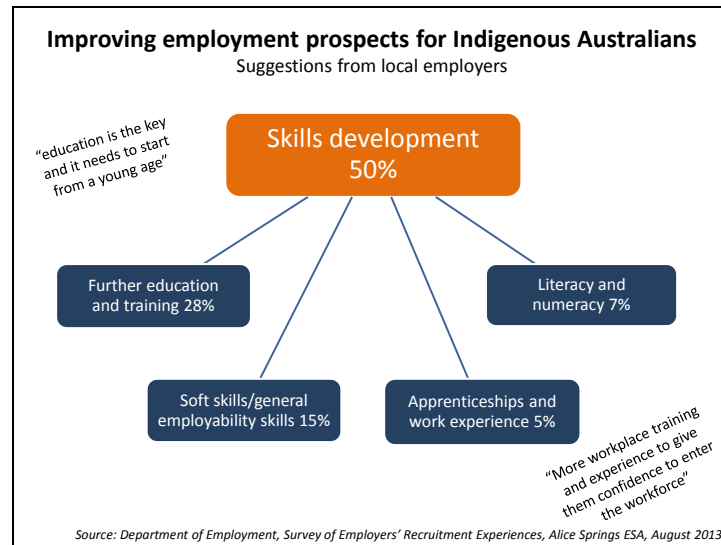
Source: ABS, Census of Population and Housing, 2011

In 2011, the proportion of the working age population who identified as Indigenous in the Alice Springs ESA (34 per cent) was above the Northern Territory average (26 per cent). In the MacDonnell LGA, the population was predominantly Indigenous (84 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.

The unemployment rate for Indigenous residents in Alice Springs ESA was 18.9 per cent, compared with 2.0 per cent for non-Indigenous residents. Additionally, the participation rate for Indigenous residents was low (41.0 per cent) when compared with non-Indigenous residents (88.4 per cent).

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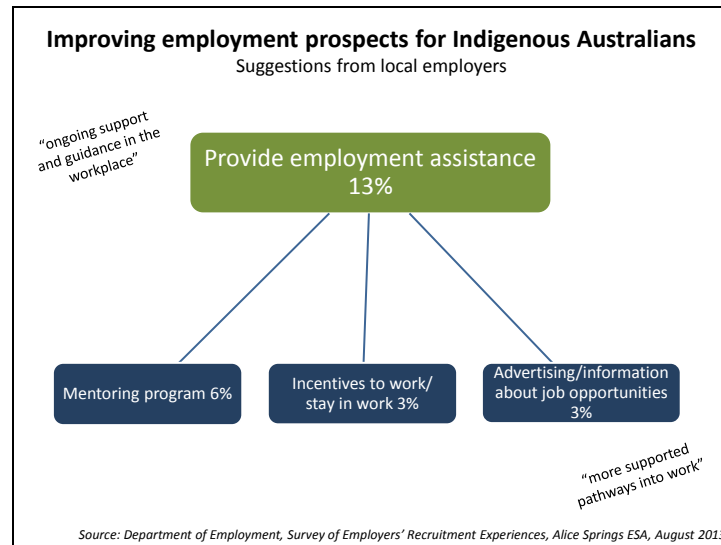
Improving employment prospects for Indigenous Australians

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013

As part of the Department of Employment's regional *Surveys of Employers' Recruitment Experiences*, more than 1000 employers have been asked what could be done to improve the employment prospects of Indigenous Australians. This question has been asked of employers in the Alice Springs Employment Service Area (ESA).

Half of responding employers in Alice Springs identified the importance of further developing the skills of Indigenous job seekers to improving employment outcomes. Most commonly mentioned suggestions outlined the need for further education and training, while a significant minority highlighted the benefits of Indigenous job seekers improving their soft skills or general employability skills.

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Improving employment prospects for Indigenous Australians

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Almost one in seven responding employers (13 per cent) in Alice Springs suggested providing employment assistance to improve Indigenous employment outcomes. Suggestions were wide-reaching and targeted at different stages of the recruitment and employment process. Employers highlighted the need to improve Indigenous awareness of job opportunities, use third parties to facilitate the recruitment process and provide incentives and mentoring to help Indigenous workers stay in employment.

Many long-term residents missing out
(Working Age Population 15-64 year olds)

| Living in Alice Springs in 2011 and... | % of Population | Unemployment Rate | Participation Rate |
|--|-----------------|-------------------|--------------------|
| ...lived in Alice Springs ESA 2006 | 70% | 6.2% | 70.3% |
| ...lived elsewhere in 2006 | 30% | 2.6% | 87.7% |

Source: ABS, Census of Population and Housing, 2011

Many long-term residents missing out – Working Age Population (15-64 year olds)

Source: ABS, Census of Population and Housing, 2011

Some 30 per cent of the working age population in the Alice Springs ESA in 2011 lived elsewhere in 2006. Compared with long-term residents, recent arrivals have taken greater advantage of the employment opportunities that have arisen in the region.

| | Jobless families (with children under 15) | % of all families (with children under 15) |
|--------------------------|--|---|
| Alice Springs LGA | 330 | 13% |
| Central Desert LGA | 240 | 54% |
| MacDonnell LGA | 290 | 49% |
| Alice Springs ESA | 860 | 24% |
| Northern Territory | 4,410 | 20% |
| Australia | 294,880 | 14% |

Source: ABS Census of Population and Housing, 2011

Higher incidence of jobless families

Source: ABS, Census of Population and Housing, 2011

Jobless families are families where parents are not employed or in the labour force with children under 15 years of age (*ABS, 2006 Census of Population and Housing*)

Some 24 per cent of families with children in the Alice Springs ESA did not have an employed parent, larger than the figures for the Northern Territory and Australia (20 per cent and 14 per cent respectively).

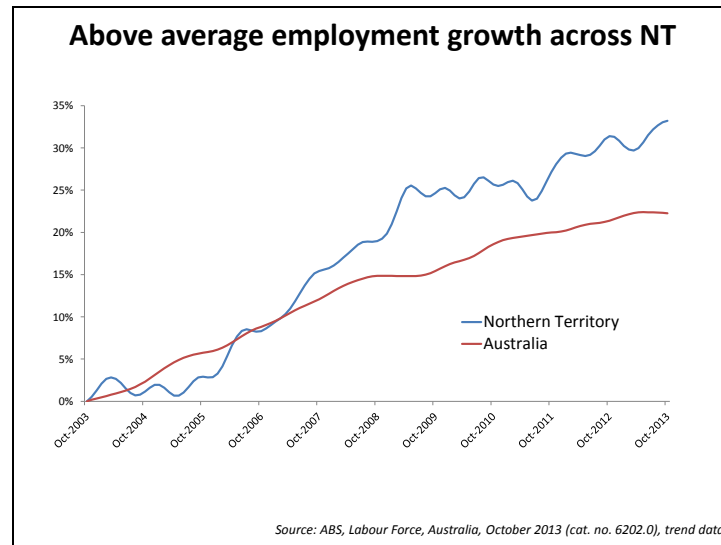
However, this varied greatly between the LGAs. Some 54 per cent of families with children in the Central Desert LGA were jobless, while only (13 per cent) in the Alice Springs LGA were jobless.

Nationally, 40 per cent (or 259,236) of all families with dependent children under 15 on income support payments are persistently jobless (16 March 2012). 85 per cent of these persistently jobless families are single parent jobless families.

Of all persistently jobless families, 55 per cent (142,130) are very persistently jobless for three years (16 March 2009 -16 March 2012).

A ‘persistently jobless family’ is defined by the Department of Employment as a family with at least one dependent child under the age of 16 where all parents (partnered or single) are on income support and have no reported earnings in the previous year.

A ‘very persistently jobless family’ is defined by the Department of Employment as a family with at least one dependent child under the age of 16 where all parents (partnered or single) are on income support and have no reported earnings in the previous 3 years.

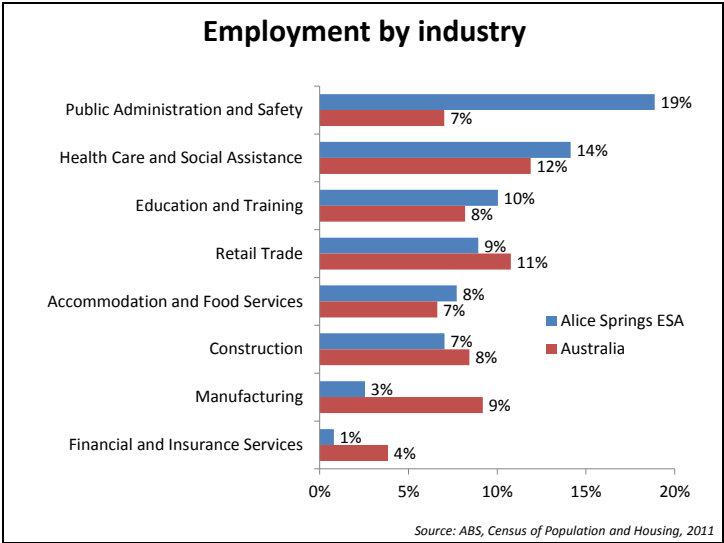


Employment growth

Source: ABS, Labour Force, Australia, October 2013 (cat. no. 6202.0), trend data

This graph shows the change in employment over the past 10 years for the Northern Territory and Australia.

The Northern Territory has experienced strong growth since 2006, well above employment growth for Australia overall. Australia's employment growth over the last 10 years has been relatively consistent, apart from the stagnation that coincided with the GFC.

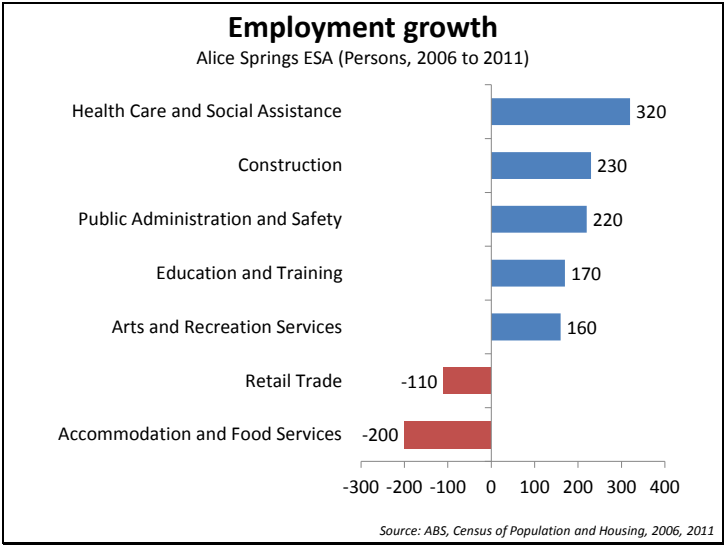


Employment by Industry

Source: ABS, Census of Population and Housing, 2011 (adult population)

In the Alice Springs ESA the Public Administration and Safety and the Health Care and Social Assistance industries were the top employing industries. The proportion of people employed in the Public Administration and Safety industry was almost 3 times more than Australia overall.

Note: The proportion of employed people working in the Public Administration and Safety industry in the ACT was 33%.



Employment growth – Alice Springs ESA (Persons, 2006 to 2011)

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

The largest growth of employed persons was seen in the Health Care and Social Assistance industry which grew by 320 persons. This was followed by the Construction industry (230 persons) and the Public Administration and Safety industry (220 persons).

The Retail Trade and Accommodation and Food Services industries had a decline in employed persons (110 and 200 respectively).

| Teenage full-time unemployment | | | |
|---------------------------------------|--|----------------------|--|
| | Teenage full-time unemployment rate | | Teenage full-time unemployment to population ratio (Oct-13) |
| | October 2013 | Annual change | |
| Northern Territory | 20.5% | 0.0% pts | 4.6% |
| Australia | 25.7% | 1.6% pts | 4.2% |

Source: ABS, Labour Force, Australia, Detailed – Electronic Delivery, October 2013 (cat. no. 6291.0.55.001), 12-month averages of original data

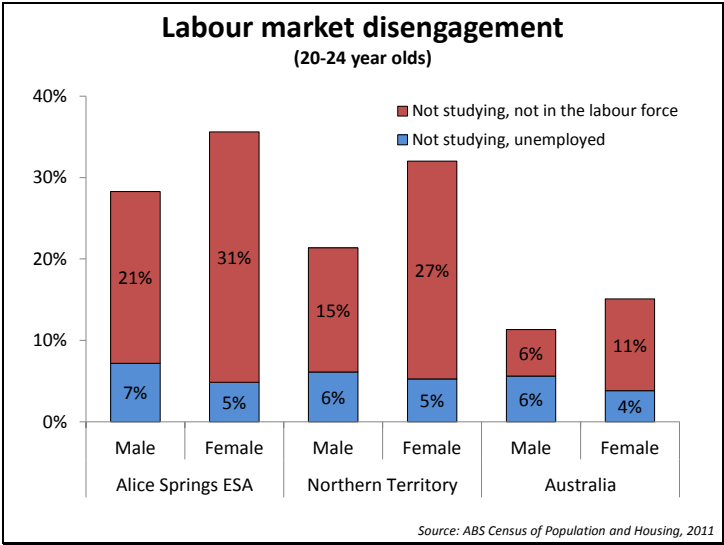
Teenage Full-time Unemployment

Source: ABS, Labour Force, October 2013 (12 month averages); ABS Census of Population and Housing, 2011

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

In October 2013, the full-time unemployment rate for the Northern Territory was 20.5 per cent, lower than Australia (25.7 per cent).

The teenage full-time unemployment to population ratio in the Northern Territory (4.6 per cent) was similar to Australia (4.2 per cent).

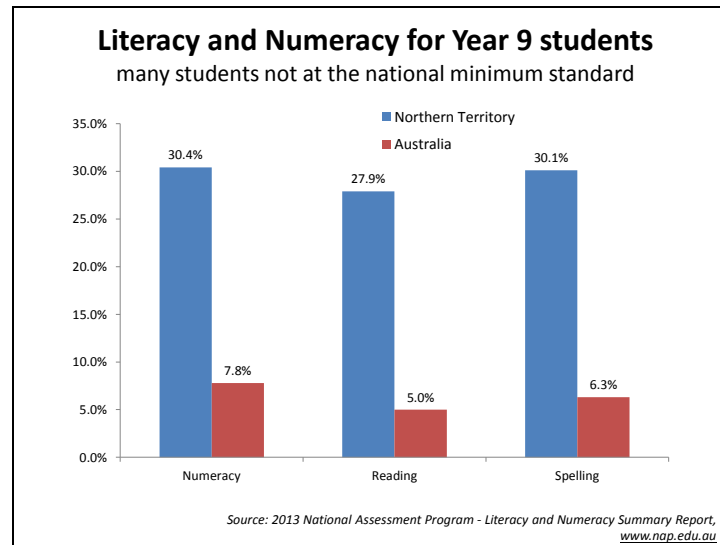


High Levels of Disengagement amongst Young Adults (20-24 year olds)

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census, 32 per cent of young adults (persons aged 20 to 24 years) in the Alice Springs ESA were neither working or studying. This figure is notably higher when compared to the Northern Territory (26 per cent) and Australia (13 per cent).

For young adult males in the Alice Springs ESA, 21 per cent were not in the labour force and not studying and a further 7 per cent were unemployed and not studying. For young adult females in the Alice Springs LGA, 31 per cent were not in the labour force and not studying and a further 5 per cent were unemployed and not studying.



Literacy and Numeracy for Year 9, many students not at the national minimum standard

Source: 2013 National Assessment Program - Literacy and Numeracy Summary Report, www.nap.edu.au

The 2013 National Assessment Program - Literacy and Numeracy Summary Report results showed that 30.4 per cent of Year 9 students in the Northern Territory did not meet the national minimum standard for numeracy, reading and spelling, significantly higher compared with the results for Australia.

| Educational attainment | | | | |
|-------------------------------|-----------------------|-------------------|---|---------------------------|
| 25-34 year olds | | | | |
| Region | Year 12 or equivalent | | Advanced Diploma, Diploma, or Cert III/IV | Bachelor Degree or higher |
| | 2011 | Change since 2006 | | |
| Alice Springs LGA | 65% | 8% pts | 31% | 30% |
| Central Desert LGA | 29% | n.a | 14% | 10% |
| MacDonnell LGA | 20% | n.a | 10% | 9% |
| Alice Springs ESA | 55% | 11% pts | 27% | 24% |
| Northern Territory | 58% | 7% pts | 29% | 24% |
| Australia | 75% | 6% pts | 30% | 35% |

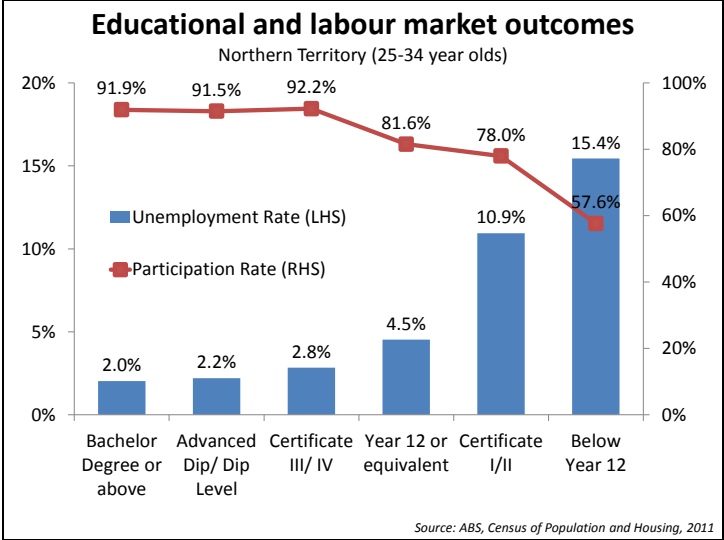
Source: ABS Census of Population and Housing, 2011

Educational attainment – persons aged 25-34 years

Source: ABS, Census of Population and Housing, 2011

At the time of the 2011 Census, the proportion of 25 to 34 year olds in the Alice Springs ESA who had completed Year 12 or equivalent was 55 per cent, smaller than the Northern Territory and Australia (58 per cent and 75 per cent respectively).

Job seekers who have not completed Year 12 and have limited experience in the workforce are likely to lack many basic employability skills that employers value and look for in applicants, particularly for lower skilled vacancies and entry level positions such as apprenticeships and traineeships.

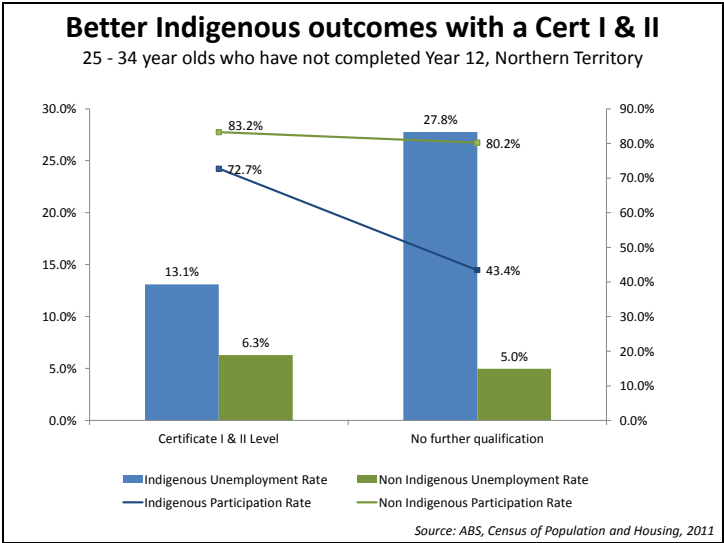


Educational Attainment and Labour Market Outcomes

Source: ABS, Census of Population and Housing, 2011

There is a strong relationship between educational attainment and employment outcomes. For those aged 25 to 34 years in the Northern Territory, there were high unemployment rates for those who had completed Certificate I & II but had not completed Year 12 (10.9 per cent) and those who did not complete Year 12 without any further post school qualification (15.4 per cent).

Unemployment rates are considerably lower for those who have completed tertiary education at the Bachelor degree, Advanced Diploma and Diploma Level. It should also be noted that employment outcomes are better for those who have attained Certificate Levels III or IV. This emphasises the importance of post school education in ensuring success in gaining employment.



Benefit of completing a Certificate I & II – Indigenous/non Indigenous – For persons who have not completed year 12 – Northern Territory (25-34 years old)

Source: ABS, Census of Population and Housing, 2011

The unemployment rate for Indigenous persons who had not completed year 12 with a Certificate I and II was much smaller than that for Indigenous persons who had no further qualifications. The participation rate for this group was also much higher for those with a Certificate I and II compared to those with no further qualifications.

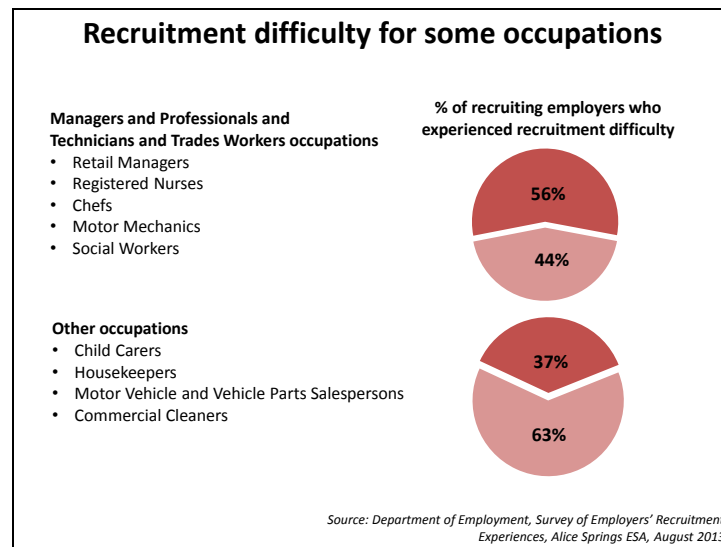
| Employer survey: key results | | | |
|---|-------------------------------|-------------------------------|---------------------------------|
| | Alice Springs 2011 | Alice Springs 2013 | All regions surveyed |
| <i>Past 12 months</i> | | | |
| Average annual vacancies per 100 staff | 43 | 31 | 16 |
| <i>Most recent recruitment round</i> | | | |
| Experienced difficulty recruiting | 62% | 43% | 38% |
| Unfilled vacancies | 11.2% | 5.4% | 3.9% |
| Average no. of applicants per vacancy | 4.5 | 6.1 | 11.4 |
| <i>Recruitment expectations</i> | | | |
| Expect to increase staff | 30% | 17% | 18% |

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013 and May 2011; All Regions surveyed, 12 months to March 2013

Employer survey: key results

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013 and May 2011; All Regions surveyed, 12 months to March 2013

- The annual recruitment rate in the Alice Springs ESA was 31 in 2013 compared to 43 in 2011 and 17 for all regions.
- In the most recent recruitment round:
 - Employers in the Alice Springs ESA experienced 43 per cent difficulty recruiting (higher than all regions at 39 per cent).
 - There were 5.4 per cent unfilled vacancies compared to 4.3 for all regions. This was double in 2011 (11.2 per cent).
 - Average number of applicants per vacancy was 6.1, smaller compared to all regions (8.8)
- In the 12 months following the survey, 45 per cent of employers expect to recruit, with 17 per cent expecting to increase.



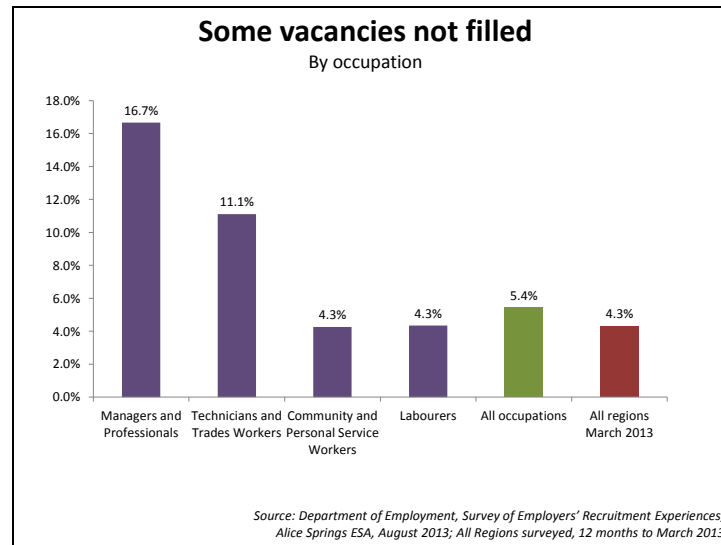
Recruitment difficulty persisting

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013

Despite competition for vacancies in the Alice Springs ESA, some 43 per cent of employers experienced recruitment difficulty

For employers recruiting for Managers and Professionals and Technicians and Trades Workers occupations, over half (56 per cent) experienced recruitment difficulty.

Employers recruiting for other occupations were less likely to experience recruitment difficulty (37 per cent of recruiting employers).



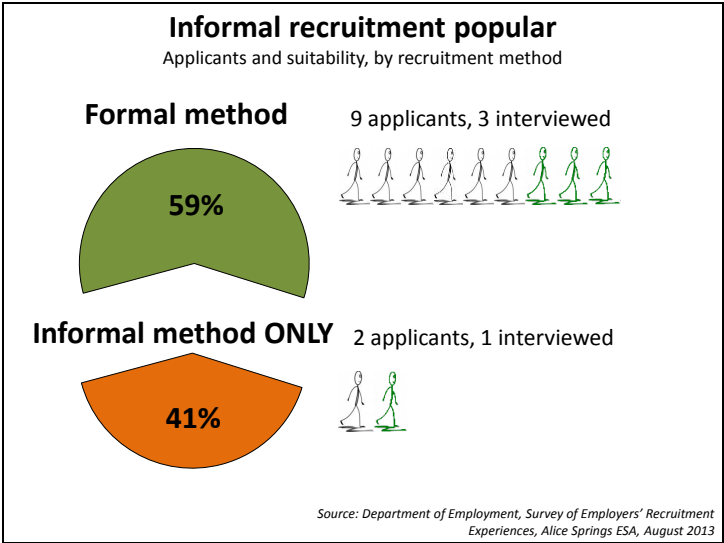
Unfill Rate by Occupation

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013; All Regions surveyed, 12 months to March 2013

There was on average 5.4 per cent of most recent vacancies that remained unfilled. This was above the average for all regions in the 12 months to March 2013 (4.3 per cent).

The highest unfill rate was for Managers and Professionals (16.7 per cent), followed by Technicians and Trades Workers (11.1 per cent).

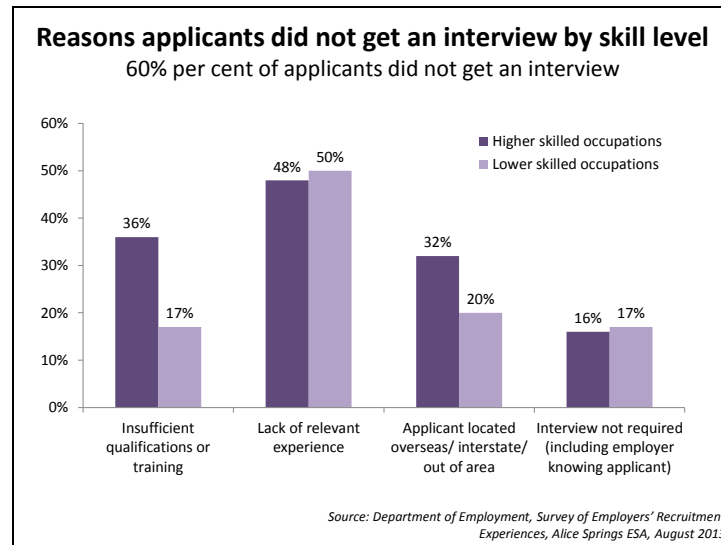
Clerical and Personal Service Workers, Sales workers and Machinery Operators and Drivers reported no unfilled vacancies.



Informal recruitment popular

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013

A large proportion of businesses opted to only use informal methods of recruitment, such as word of mouth, to fill their vacancies. Job seekers would therefore benefit from using a range of search methods when looking for a job.



Reasons Applicants Unsuitable

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013

60 per cent of applicants did not get an interview in the Alice Springs ESA.

Reasons applicants were considered unsuitable include:

Higher skilled occupations:

- Lack of relevant experience (48 per cent)
- Insufficient qualifications or training (36 per cent)
- Applicant located overseas interstate/ out of area (32 per cent)
- Interview not required (including employer knowing applicant) (16 per cent)

Lower skilled occupations:

- Lack of relevant experience (50 per cent)
- Applicant located overseas interstate/ out of area (20 per cent)
- Insufficient qualifications or training (17 per cent)
- Interview not required (including employer knowing applicant) (17 per cent)

Basic employability skills essential

Most importance placed on:

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

Most important employability skills in Alice Springs:

- Friendly
- Communication skills
- Well presented
- Trustworthy
- Reliability
- Teamwork

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

Basic employability skills essential

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

Most importance placed on:

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

Personal traits and qualities applicants lacked:

- Friendly
- Communication skills
- Well presented
- Trustworthy
- Reliability
- Teamwork

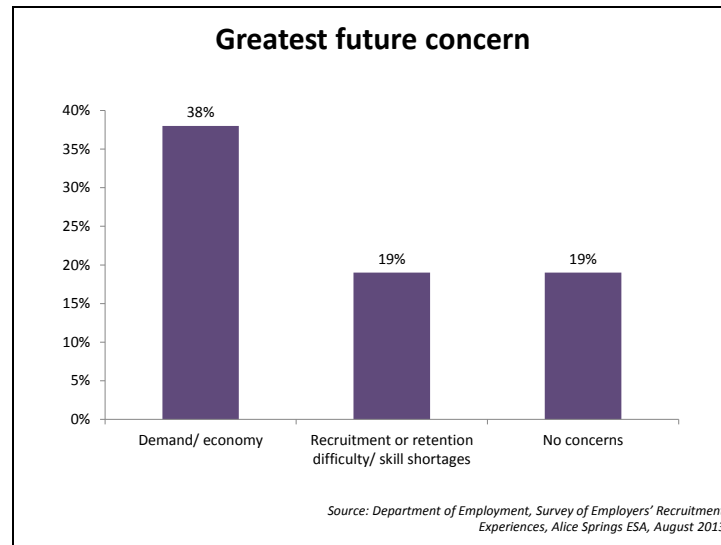


Apprentices and Trainees

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

Of all employers surveyed through the Departments *Survey of Employers' Recruitment Experiences* in the six months to August 2013, 28 per cent employed an apprentice or trainee.

Of these employers, 20 per cent reported experiencing challenges in employing an apprentice or trainee most commonly due to the employee lacking general work readiness/soft skills and/or the employee not staying long enough/completing their apprenticeship/traineeship.



Greatest future concerns

Source: Department of Employment, Survey of Employers' Recruitment Experiences, Alice Springs ESA, August 2013

More than one third of employers (38 per cent) reported that Demand or the Economy was their greatest future concern for the next 12 months. This was followed by Recruitment or Retention Difficulty or Skill Shortages (19 per cent), while an equal amount of employers reported they had no concerns.

Conclusion

Labour market outcomes are mixed

- Overall labour market conditions remain reasonably solid
- Outcomes vary significantly by region

Challenges

- Disadvantaged Groups: Indigenous; jobless families; disengaged youth; people with lower levels of education and literacy/numeracy
- Job experience essential for many jobs (including many lower skilled jobs)
- Employers not employing local job seekers

Opportunities

- Strong employment growth in many service industries
- Recruitment difficulty persists as demand for many occupations remains strong
- Greater employment success if job seekers approach employers directly

Responses to challenges and opportunities

- Work experience
- Education/training/apprenticeships
- Employability skills (especially important for lower skilled jobs)
- Literacy and numeracy
- Working with employers regarding their needs and expectations
- Collaboration amongst all key stakeholders vital

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Job seekers require

- Education/training
- Employability skills (especially important for lower skilled jobs)
- Work experience/Apprenticeships
- Literacy and numeracy

Collaboration amongst all key stakeholders vital

Further Information

- www.employment.gov.au/lmip
- www.employment.gov.au/SkillShortages
- www.employment.gov.au/regionalreports
- www.employment.gov.au/australianjobs
- www.skillsinfo.gov.au
- 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.

A report on the survey findings for the Alice Springs ESA is available on the regional reports section of the Department of Employment web site.

Thank you.



For any questions about this presentation please contact the
Recruitment Analysis Section on 1800 059 439
or email
recruitmentsurveys@employment.gov.au