

Slide 1

Australian Government  
Department of Education, Employment and Workplace Relations

## Hume Local Government Area

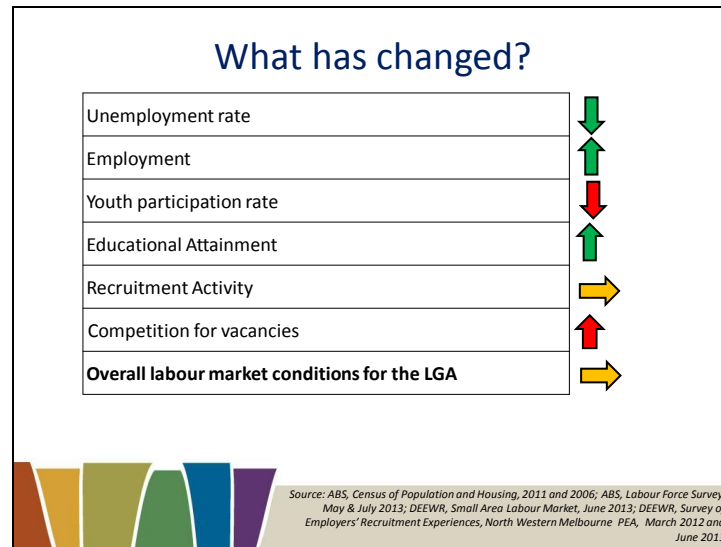
September 2013

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Branch Manager

Labour Market Research and Analysis Branch

### **Survey of Employers' Recruitment Experiences**

Hume Local Government Area (surveyed in June 2013 as part of the North Western Melbourne Priority Employment Area).



#### **What has Changed? (since last survey, March 2012)**

*Source: ABS, Census of Population and Housing, 2011 and 2006; ABS, Labour Force Survey, May & July 2013; DEEWR, Small Area Labour Market, June 2013; DEEWR, Survey of Employers' Recruitment Experiences, North Western Melbourne PEA, March 2012 and June 2013*

Labour market conditions in the Hume LGA have moderated since the March 2012 survey and the 2013 survey results suggest further softening in the future.

- **The unemployment rate** in the Hume LGA decreased from 7.8% in June 2012 to 7.0% in June 2013 (DEEWR, SALM, June 2013).
- **Employment** has remained steady in the 12 months to May 2013, but has increased by 16,600 jobs in the 5 years to May 2013 (ABS LFS, May Quarter 2013).
- **The youth participation rate** for the Northern-North West Labour Force Region fell from 69% in July 2011 to 64% in July 2013 (ABS LFS, July 2013).
- There was an increase in the proportion of 25-34 year olds in the LGA who had **completed Year 12** (from 62% to 70%, ABS Census 2006 and 2011).
- The survey showed that **recruitment activity was steady**
- **Competition for vacancies** had increased substantially.

**Strong population growth and a younger population**

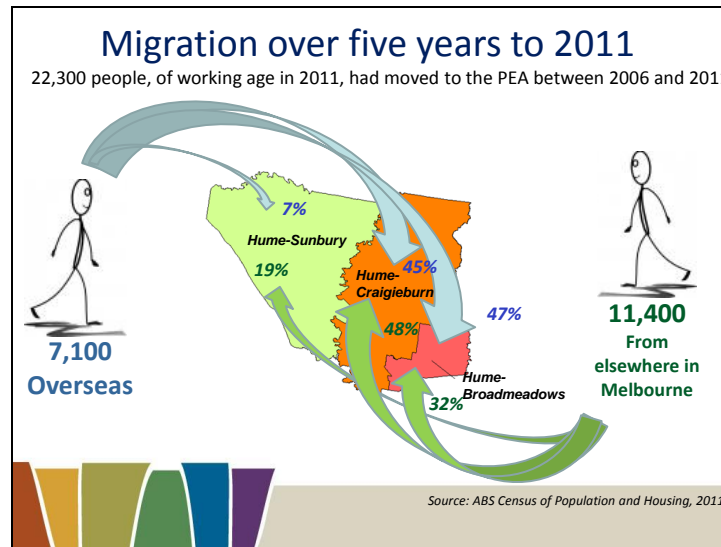
| Region                             | Adult Population (15+) 2011 | Growth 2006 to 2011 (15+) | Median Age 2011 |
|------------------------------------|-----------------------------|---------------------------|-----------------|
| Hume - Broadmeadows SLA            | 49,600                      | 3%                        | 34              |
| Hume - Craigieburn SLA             | 52,100                      | 34%                       | 30              |
| Hume - Sunbury SLA                 | 27,700                      | 12%                       | 36              |
| <b>Hume LGA</b>                    | <b>129,500</b>              | <b>16%</b>                | <b>33</b>       |
| <b>North Western Melbourne PEA</b> | <b>734,000</b>              | <b>21%</b>                | <b>33</b>       |
| Victoria                           | 4,355,200                   | 9%                        | 37              |
| Australia                          | 17,363,700                  | 9%                        | 37              |

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

**Strong population Growth and a younger population - Hume LGA**

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

The adult population (15 years+) for the Hume LGA at the time of 2011 Census was 129,500, an increase of 16% from the 2006 Census. Population growth between 2006 and 2011 for Victoria and Australia were lower (both 9%) than that for the Hume LGA, but higher for the North Western Melbourne PEA (21%). The Hume - Craigieburn SLA had the largest population growth (34%) of all the SLAs in the LGA.



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

Source: ABS Census of Population and Housing, 2011

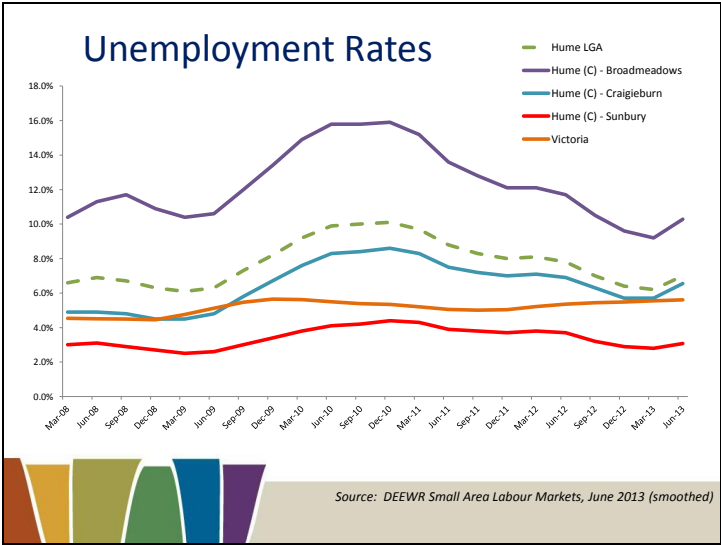
22,300 persons of working age in 2011 in the North Western Melbourne PEA had moved to the PEA over the five years to 2011 (20% of persons of working age living in the PEA in 2011).\*

The most common source were people living elsewhere in Melbourne in 2006 (11,400 persons of working age in 2011), with the most common destination being Hume - Craigieburn (5,500). The second most common source was people who were living overseas in 2006 (7,100 persons of working age in 2011), with the two main destination for those coming from overseas being Hume - Broadmeadows (3,400) and Hume Craigieburn (3200).

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

The majority of people came from the following localities:

| Region             | WAP  |
|--------------------|------|
| Overseas           | 7139 |
| Moreland (C)       | 3417 |
| Whittlesea (C)     | 1424 |
| Moonee Valley (C)  | 1367 |
| Darebin (C)        | 1018 |
| Brimbank (C)       | 846  |
| Macedon Ranges (S) | 776  |
| Melton (S)         | 540  |



**Unemployment Rates**

Source: DEEWR Small Area Labour Markets, June 2013 (smoothed)

The unemployment rate for the Hume LGA has remained consistently above the state and national unemployment rates. The Hume LGA unemployment rate stood at 7.0% in June 2013 compared with 5.7% for Victoria and 5.8% for Australia (August, seasonally adjusted).

Although there were decreases in the unemployment rate in each of the SLAs, there were large disparities between the unemployment rates. The Hume – Broadmeadows SLA had the highest unemployment rate (10.3%), followed by the Hume – Craigieburn SLA (6.6%). The Hume – Sunbury SLA had a particularly low unemployment rate of 3.1%, which was less than half of the LGA average.

Nevertheless, the unemployment rate in the Hume LGA has been declining since June 2012, when it stood at 7.8%, and is now below the unemployment rate for the North Western Melbourne PEA, which stands at 7.9%.

**Changes to Parenting Payments Single influencing New Start Allowance in the Hume LGA**

|                  | May 2013   |            | Change since May 2012 |                 | Change since May 2011 |                 |
|------------------|------------|------------|-----------------------|-----------------|-----------------------|-----------------|
|                  | NSA        | PPS        | NSA                   | PPS             | NSA                   | PPS             |
| 20-24 yrs        | 19%        | 16%        | -5% pts               | 1% pt           | -5% pts               | 0% pt           |
| 25-29 yrs        | 19%        | 28%        | 2% pts -              | 3% pts          | 3% pts                | -4% pts         |
| 30-34 yrs        | 17%        | 29%        | 5% pts                | -4% pts         | 5% pts                | -6% pts         |
| <b>35-39 yrs</b> | <b>25%</b> | <b>21%</b> | <b>11% pts</b>        | <b>-10% pts</b> | <b>12% pts</b>        | <b>-12% pts</b> |
| <b>40-44 yrs</b> | <b>33%</b> | <b>14%</b> | <b>12% pts</b>        | <b>-8% pts</b>  | <b>15% pts</b>        | <b>-10% pts</b> |
| <b>45-49 yrs</b> | <b>35%</b> | <b>5%</b>  | <b>15% pts</b>        | <b>-8% pts</b>  | <b>14% pts</b>        | <b>-9% pts</b>  |
| 50-54 yrs        | 26%        | 1%         | 6% pts                | -3% pts         | 5% pts                | -4% pts         |

**Youth participation falling but education participation rising**  
*North Western Melbourne LFR*

| Youth participation rate | Youth participation rate (labour market)<br><i>North Western Melbourne LFR</i> |                     | Youth participation in education<br><i>Hume LGA</i> |      |
|--------------------------|--|---------------------|---|------|
|                          | July 2013  | Change over 2 years | 2011  | 2006 |
| 15 to 19 years           | 43%  | -7%                 | 82%   | 78%  |
| 20 to 24 years           | 78%  | -5%                 | 34%   | 29%  |
| 25 to 34 years           | 79%  | -2%                 | 11%   | 8%   |
| 15 to 64 years (WAP)     | 74%  | 0%                  | 18%   | 16%  |

Source: ABS Labour Force, July 2013 (12 month average);  
 ABS Census of Population and Housing, 2011 and 2006

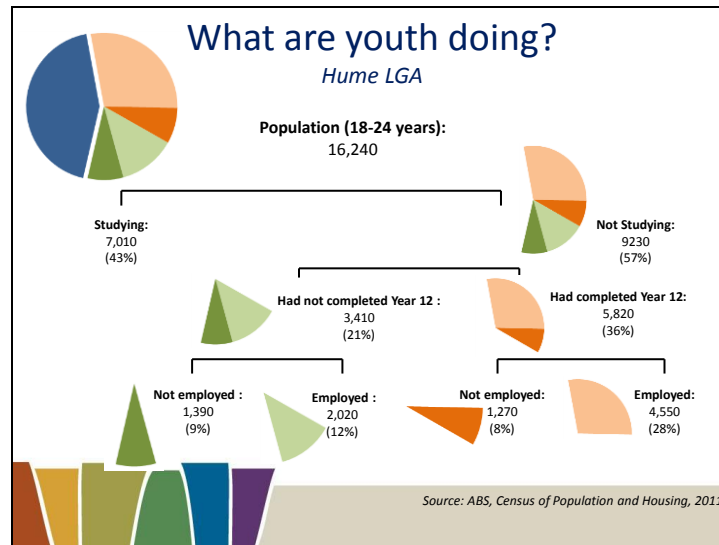
**Youth participation falling**

Source: ABS Labour Force, July 2013 (12 month average); ABS Census of Population and Housing, 2011 and 2006

The participation rate in the North Western Melbourne LFR has remained constant over the past 2 years from July 2011 standing at 74%. The actual figure, however, varies greatly across different age cohorts of the area.

The 15 to 19 year group has seen a drop in participation of 7 percentage points. This trend continues in the 20 to 24 age group with a drop of 5 percentage points. This trend is also evident across both Victoria and Australia but to a lesser extent (-1 percentage points and -2 percentage points in Victoria and -1 percentage points for both groups in Australia).

The Teenage full-time unemployment rate stands at 31% as at July 2013 and annual drop of 9 percentage points in 12 months.



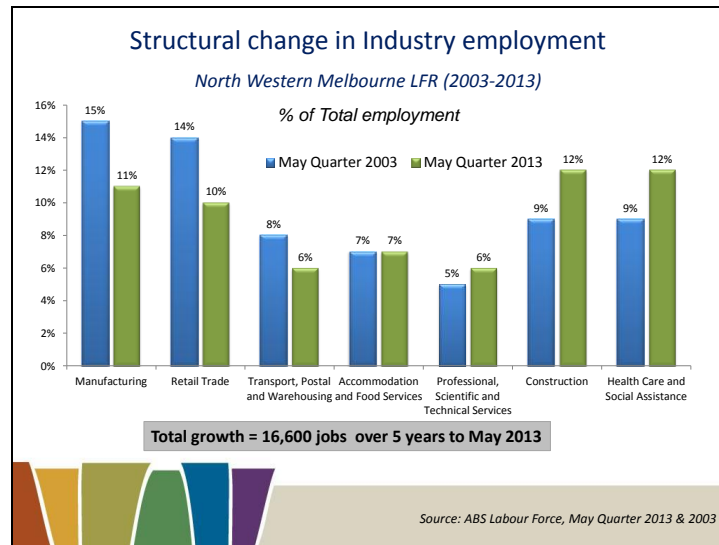
**What are youth doing?**

Source: ABS, Census of Population and Housing, 2011

According to the 2011 Census 57% (9,230) of 18 to 24 years olds in the Hume LGA, were not studying and may experience difficulty entering or staying in the labour market, particularly those who have not completed Year 12.

In particular, 16% (2,660 people) of youth aged 18 to 24 are not studying and not employed and 1,390 of these (9%) had not completed Year 12. These figures higher compared with Victoria, where 11% of youth aged 18 to 24 were not studying and not employed and 5% had also not completed Year 12. This group are especially at risk given their lack of Year 12 Certificate and level of disengagement within the labour market.

**Note:** Not stated records for FT/PT Student Status, Labour Force Status and Highest Year of School Completed have not been included.

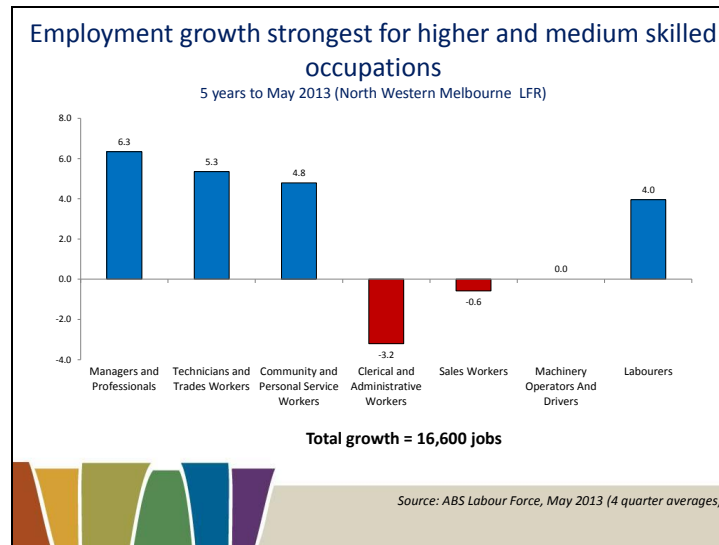


**Structural change in Industry employment**

Source: ABS Labour Force, May 2013 and May 2003

Over the ten years to 2013, there has been a structural change in industry employment in the North Western Melbourne LFR. Major traditional employers like Manufacturing and Retail Trade have experienced substantial declines in their share of total employment, while industries such as Construction and Health Care and Social Assistance has seen large increases in their share of total employment.





**Employment Growth Strongest for Higher Skilled Occupations**

Source: ABS Labour Force, May 2013 (4 quarter averages)

Over the five years to May 2013, employment growth for those *living in* the North Western Melbourne LFR has been strongest for the higher skilled occupation groups, most particularly Managers and Professionals (6,300 jobs). Growth has also been relatively high for Technicians and Trades Workers (5,300 jobs) and Community and Personal Service Workers (4,800 jobs). In term of lower skilled occupations, growth has only occurred for Labourers (4,000 jobs). The Clerical and Administrative Workers occupation group experienced the biggest fall in employment (3,200 jobs).

| Educational Attainment             |                 |            |   |                           |
|------------------------------------|-----------------|------------|---|---------------------------|
| Persons aged 25-34 years           |                 |            |   |                           |
| Region                             | Completed Yr 12 |            | Highest Non-School Qualification Attained               |                           |
|                                    | 2011            | 2006       | Advanced Diploma, Diploma or Certificate III & IV Level | Bachelor Degree or Higher |
| Hume - Broadmeadows SLA            | 67%             | 59%        | 26%   | 20%                       |
| Hume - Craigieburn SLA             | 73%             | 64%        | 30%   | 25%                       |
| Hume - Sunbury SLA                 | 71%             | 65%        | 39%   | 21%                       |
| <b>Hume LGA</b>                    | <b>70%</b>      | <b>62%</b> | <b>30%</b>  | <b>23%</b>                |
| <b>North Western Melbourne PEA</b> | <b>77%</b>      | <b>69%</b> | <b>29%</b>  | <b>33%</b>                |
| Victoria                           | 79%             | 73%        | 29%   | 40%                       |
| Australia                          | 75%             | 69%        | 30%   | 35%                       |

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

### **Educational Attainment – Persons aged 25-34 years**

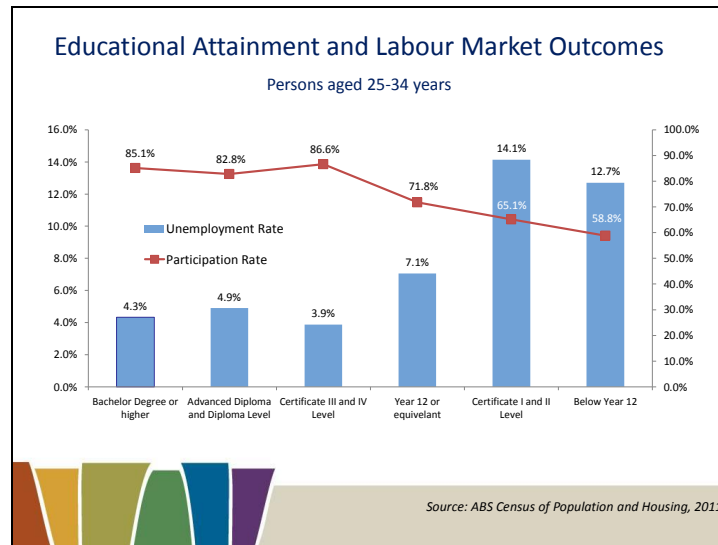
Source: ABS Census of Population and Housing, 2011 and 2006

The level of educational attainment is strongly linked with labour market outcomes. Accordingly, regions with relatively low levels of educational attainment tend, on average, to be less flexible in the face of economic slowdowns and face greater labour market difficulties.

At the time of the 2011 Census, the proportion of 25 to 34 year olds in the Hume LGA who had completed Year 12 or equivalent was 70%, smaller than Victoria (79%) and Australia (75%). This varied across SLAs, with the Hume - Broadmeadows SLA having the lowest level of Year 12 attainment (67%), while the Hume - Craigieburn SLA had the highest level of Year 12 attainment (73%).

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.

At the time of the 2011 Census, the proportion of 25 to 34 year olds who had attained an Advanced Diploma, Diploma or Certificate in the Hume LGA (30%) was slightly larger than the state (29%) and on a par with Australia (30%), while the proportion who had attained a Bachelor Degree or higher (23%) was significantly lower than the state and national averages (40% and 35% respectively).



**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 Hume LGA who had not completed Year 12 there was a low participation rate (58.8%) and a high unemployment rate (12.7%). Although the participation rate was marginally higher for those who had not completed year 12 but had attained a Certificate Levels I or II qualification, the unemployment rate was even higher (14.1%).

Unemployment rates are considerably lower for those who have completed Year 12. They are even better for those who have attained a Certificate Levels III or IV, or completed a tertiary education at the Advanced Diploma and Diploma Level or Bachelor Degree or higher level. This emphasises the importance of post-school education in gaining employment.

### Basic employability skills

Most importance placed on:

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

Personal traits and qualities applicants lacked:

- Enthusiasm
- Motivation
- Communication
- Confidence
- Teamwork



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

**Basic employability skills**

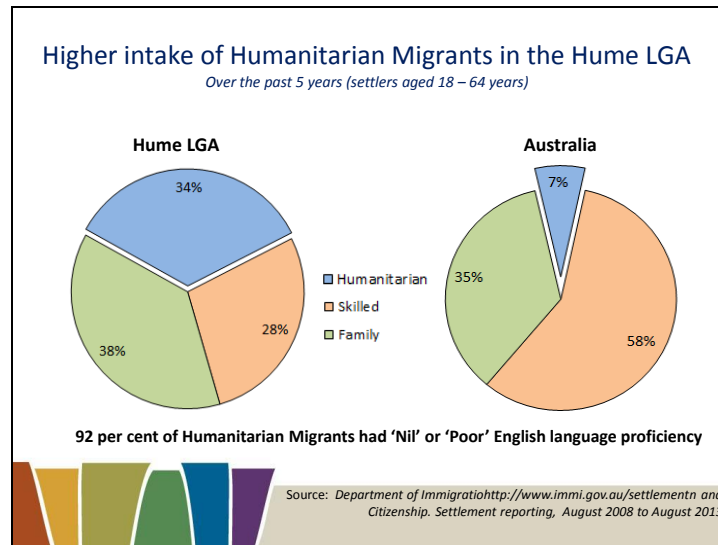
*Source: DEEWR, Survey of Employers' Recruitment Experiences, All regions surveyed in the 12 months to December 2010*

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**Higher Intake of Humanitarian Migrants in the Hume LGA – Settlers aged 18-64 years over the past 5 years**

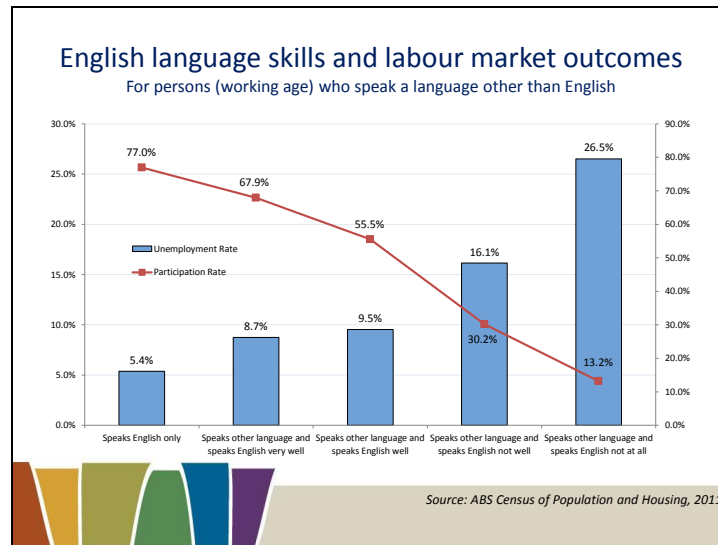
Source: Department of Immigration and Citizenship. Settlement reporting: <http://www.immi.gov.au/settlement>, August 2008 to August 2013

There have been over 6,450 migrants (aged 18-64 years) directly settle in the Hume LGA over the past 5 years:

- 28% (1,780 migrants) settled under the skilled migration stream, compared with 58% for Australia.
- 38% (2,390 migrants) settled under the family migration stream, compared with 35% for Australia.
- 34% (2,190 migrants) settled under the humanitarian migration stream, compared with 7% for Australia.

Some 92% of humanitarian migrants had 'nil' or 'poor' English language proficiency.

Of all Humanitarian migrants aged 18-64 who settled in Australia over the past 5 years, 5% settled in the Hume LGA. This is notably high considering less than 1% of Australia's working age population live in the LGA.



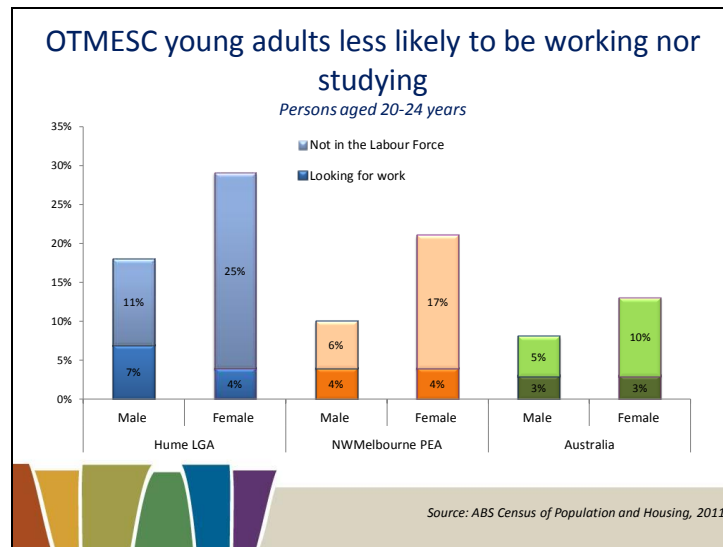
**English Language Skills and Labour Market Outcomes – For persons (working age) who speak a language other than English**

Source: ABS Census of Population and Housing, 2011

At the time of the 2011 Census, persons in the Hume LGA with lower levels of English proficiency were less likely to be successful in the labour market. People with low English proficiency are far more likely to be unemployed or not participating in the labour market.

People who speak other languages but still speak English well are also more likely to have poorer labour force outcomes than those who only speak English.

In the Hume LGA, the unemployment rate for working age persons without any English proficiency was 26.5% and the participation rate was only 13.2%. For working age persons who only spoke English, the unemployment rate (5.4%) and participation rate (77.0%) were considerably better.

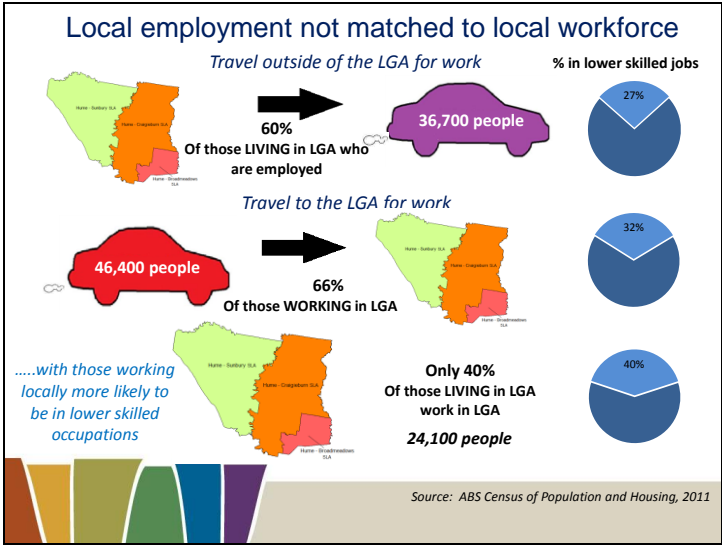


**Young OTMESC people not working or studying – Persons aged 20-24 years**

Source: ABS Census of Population and Housing, 2011

At the time of the 2011 census, 15% of OTMESC young adults (20-24 year olds) in the North Western Melbourne PEA were *neither employed nor studying*, compared with 11% for Australia overall. For young adult OTMESC males, there were higher levels of engagement than those from Main English Speaking Countries. Yet for OTMESC 20-24 year old females, engagement was lower, largely due to a larger proportion not being in the labour force.

In the Hume LGA, the level of disengagement amongst OTMESC 20-24 year olds was considerably higher (23%) than their MESC counterparts (15%). OTMESC young adult females in the Hume LGA were far more likely to be disengaged from studying and participating in the labour force (23%).



**Local employment not matched to local workforce**

Source: ABS Census of Population and Housing, 2011

At the time of the 2011 Census, 46,300 who worked in the LGA lived outside the PEA (66%). Another 24,100 people who worked in the Hume LGA also lived in the LGA. Of the people that lived in the LGA (Place of Work data), 36,800 (60%) travelled outside the LGA for work.


|                                   | Number        | Proportion |
|-----------------------------------|---------------|------------|
| <b>People who work in the LGA</b> | <b>70,400</b> |            |
| - and live in the LGA             | 24,100        | 34%        |
| - and live outside the LGA        | 46,400        | 66%        |
| <b>People who live in the LGA</b> | <b>60,800</b> |            |
| - and work in the LGA             | 24,100        | 40%        |
| - and work outside the LGA        | 36,700        | 60%        |

Of those who work outside the LGA, approximately 9000 work in the Melbourne CBD. Of those who work outside the LGA, approximately 11,000 are from Hume-Broadmeadows SLA, approximately 16,400 are from the Hume-Craigieburn SLA, and approximately 9,400 are from the Hume-Sunbury SLA.



**Recruitment continuing in Hume LGA  
despite some staff reductions**  
Recruitment experiences in the 12 months before the survey

- The recruitment rate (15 vacancies per 100) has remained steady since the region was last surveyed in March 2012.
- Most vacancies filled (1.7 per cent) was considerably lower than in for the last survey (7.2 per cent).
- More than one quarter of the employers surveyed reported a reduction in the number of staff (27 per cent), higher compared with the previous survey (20 per cent).



Source: DEEWR Survey of Employers' Recruitment Experiences, North Western Melbourne PEA, June 2013 and March 2012 and all PEAs surveyed in the 12 months to March 2013

**Survey Results - Recruitment Experiences 12 Months Preceding the Survey for the North Western Melbourne Priority Employment Area**

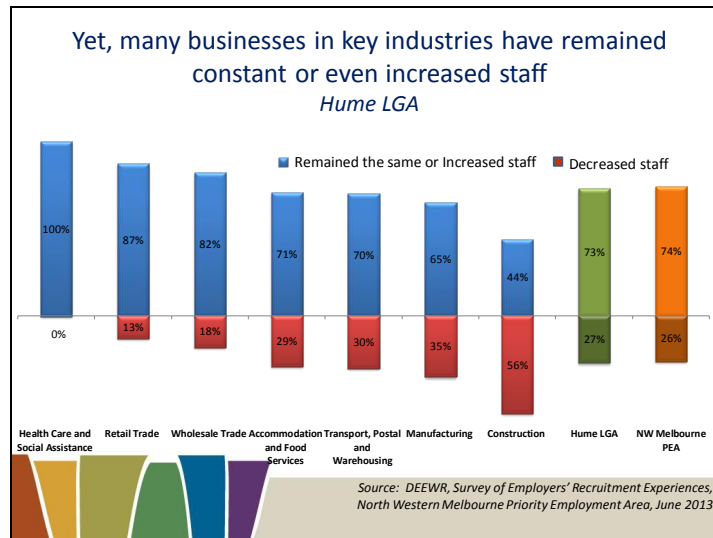
*Source: DEEWR, Survey of Employers' Recruitment Experiences, North Western Melbourne Priority Employment Area June 2013 and March 2012, and all regions surveyed in the 12 months to March 2013.*

112 employers were surveyed in the Hume LGA in June 2013.

The recruitment rate (15 vacancies per 100) in the 12 months prior to the survey had remained steady in the 15 months since the region was last surveyed in March 2012.

The rate of unfilled vacancies (1.7%) was considerably lower than in March 2012 (7.2%) and the figure (4.0%) for all PEAs surveyed over the 12 months to March 2013.

More than one quarter of the employers surveyed reported a reduction in the overall number of staff (27%), higher compared with the previous survey (20%).

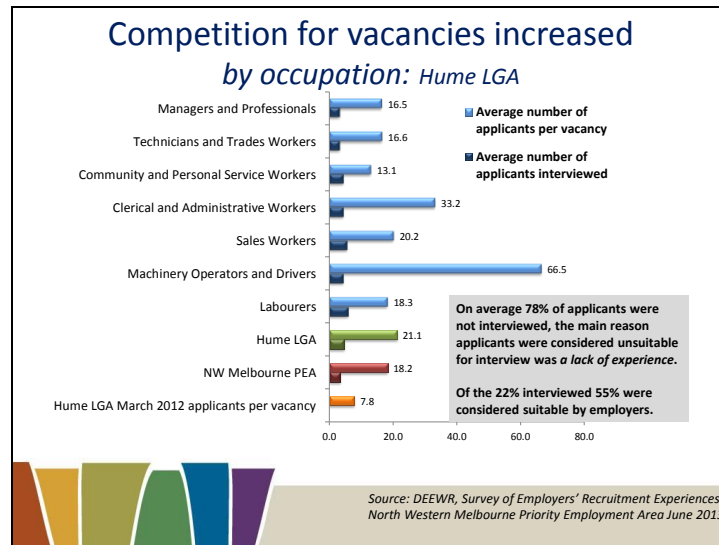


**Many businesses in key industries have increased staff**

Source: DEEWR, Survey of Employers' Recruitment Experiences, North Western Melbourne PEA, June 2013.

Despite the softer recruitment activity, more than one fifth of businesses (21%) had increased staff in the 12 months preceding the survey.

The proportion of businesses that had undertaken staff increases varied considerably across the major industries. Increases were more prevalent in the Health Care and Social Assistance industry (33%) and the Transport, Postal and Warehousing industry (30%). Employers in the Retail Trade and Construction industries were less likely to have increased staff over this period (13% and 11% respectively).



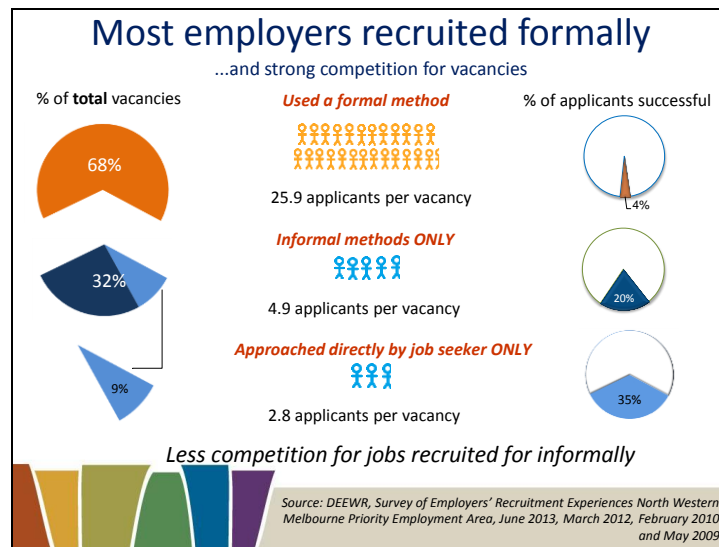
### Competition for vacancies

Source: DEEWR, Survey of Employers' Recruitment Experiences, North Western Melbourne Priority Employment Area June 2013.

There was, on average, more competition for vacancies in the Hume LGA (28.1 applicants per vacancy) compared with the last time the area was surveyed (7.8 applicants per vacancy). The competition was greater in the Hume LGA than in the whole of the North Western Melbourne PEA (18.2 applicants per vacancy)

There was a high level of competition for Clerical and Administrative Workers vacancies, with an average of 107.6 applicants per vacancy, and Machinery Operators and Drivers, an average of 66.5 applicants per vacancy.

Employers recruiting for Managers and Professionals and Technicians and Trade Workers had the lowest average number of applicants (16.5 applicants and 16.6 applicants respectively). Of those interviewed Managers and Professionals and Machinery Operators and Drivers applicant were most likely to be considered suitable (72% and 71% of interviewed applicants respectively). Clerical and Administrative Workers interviewees were least likely to be considered suitable (33% of interviewed applicants).



**Most Employers Recruited Formally**

Source: DEEWR, Survey of Employers' Recruitment Experiences North Western Melbourne Priority Employment Area, June 2013, March 2012, February 2010 and May 2009

- 68% of vacancies in the North Western Melbourne PEA were recruited through formal methods of recruitment (such as the Internet or Newspapers), receiving an average of 25.9 applicants per vacancy.
- By contrast, one third (33%) of vacancies were recruited for through informal methods **only** (such as word of mouth or approached by job seeker), receiving an average of just 4.9 applicants per vacancy.
- Employers for some 9% of vacancies relied solely on job seekers directly approaching the business. For these vacancies there was an average of 2.8 applicants of whom 35% were successful.

## Conclusion

**Labour market is steady but signs of weakening emerging**

- Unemployment rate has fallen recently but remains high
- Falling levels of participation for youth
- Decline in employment for major industries such as Manufacturing
- Employment growth weaker for lower skilled occupations

**What are the issues?**

- High intake of humanitarian migrants, and underutilisation of migrants generally.
- Disengagement among young adults
- A local workforce more reliant on lower skilled employment but a decline in lower skilled jobs.


**Opportunities**

- Employment still growing in major employing industries such as Health and Accommodation and Food Services
- Employers expecting to increase staff in a number of key industries.
- Greater employment success if job seekers approach employers
- Employment across the broader Melbourne labour market.

**Job seekers need to be job ready**

- Experience
- Education/training
- Employability skills
- English proficiency

**Collaboration amongst all key stakeholders and Local Employment Coordinator**



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**Further Information**

- [www.deewr.gov.au/lmip](http://www.deewr.gov.au/lmip)
- [www.deewr.gov.au/SkillShortages](http://www.deewr.gov.au/SkillShortages)
- [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports)
- [www.deewr.gov.au/australianjobs](http://www.deewr.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)



**Further Information**

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

- [www.deewr.gov.au/LMIP](http://www.deewr.gov.au/LMIP)
- [www.deewr.gov.au/SkillShortages](http://www.deewr.gov.au/SkillShortages)
- [www.deewr.gov.au/RegionalReports](http://www.deewr.gov.au/RegionalReports)
- [www.deewr.gov.au/australianjobs](http://www.deewr.gov.au/australianjobs)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

A report on the survey findings for the Hume LGA will be placed on the regional reports section of the DEEWR-Regional Reports web site.

Thank you.



Australian Government  
Department of Education, Employment and Workplace Relations

If you have any questions about the presentation please contact the Regional and Industry Employer Surveys section on

[1800 059 439](tel:1800059439) or email

[recruitmentsurveys@deewr.gov.au](mailto:recruitmentsurveys@deewr.gov.au)



