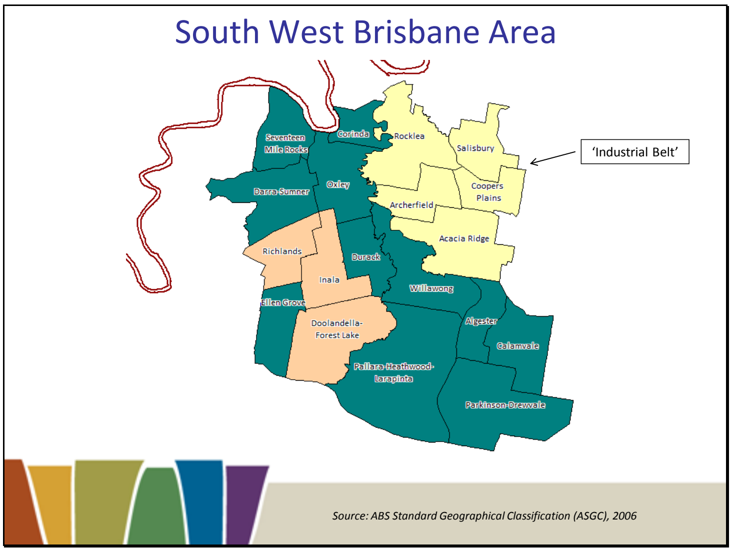
Slide 1

Labour Market Conditions and Employer Recruitment Experiences
South West Brisbane
Ivan Neville, Labour Market Research and Analysis Branch

Slide 2



South West Brisbane Area

This map shows the group of 19 Statistical Local Areas (SLAs) that are the primary focus of this presentation and which will be referred to as 'South West Brisbane'. These include:

- Seventeen Mile Rocks
- Darra Sumner
- Richlands
- Ellen Grove
- Inala
- Doolandella – Forest Lake
- Pallara Heathwood – Larapinta
- Parkinson – Drewvale
- Calamvale
- Algester
- Willawong
- Durack
- Oxley
- Corinda
- Rocklea
- Archerfield
- Acacia Ridge
- Coopers Plains
- Salisbury

Within this area, we will look more closely at Richlands and Inala SLAs (combined) as an example of a small local area whose residents are among the most disadvantaged in Australia. We will also look at Doolandella-Forest Lake SLA since it is an adjacent SLA that provides a very strong contrast.

Finally, we will look at a group of five SLAs in the north east – referred to as the 'Industrial Belt' – both in terms of the characteristics of its residents and the key industries that provide employment in that area, including where the people who work there actually live (i.e. to what extent the significant opportunities in its dominant industries are benefiting local people).

Slide 3

South West Brisbane – Selected Residential SLAs

	'Industrial Belt'	Inala/ Richlands	Doolandella - Forest Lake	South West Brisbane	Australia
Population 15+ (June 2009)	15 914	11 276	14 591	102 980	17 766 042
Population growth over five years (15+)	5.5%	6.6%	15.4%	16.3%	10.2%
Working age (15-64) Partic. Rate (Census)	73.5%	58.1%	79.6%	75.8%	75.0%
Unemployment Rate (SALM Dec 2010)	11.5%	18.6%	6.4%	7.6%	5.2%
% working age pop. born in OTMESC	22.0%	36.7%	21.6%	25.6%	16.9%
Indigenous % of working age pop.	2.8%	6.7%	1.2%	1.9%	2.1%

Source: ABS *Population by Age and Sex, Regions of Australia, 2009* (cat. no. 3235.0), DEEWR *Small Area Labour Markets, December Quarter 2010* and ABS *Census of Population and Housing 2006*

South West Brisbane – Selected Residential SLAs

This table provides data from the official ABS population estimates as at 30 June 2009 (population and population growth), the DEEWR *Small Area Labour Markets* (SALM) publication (unemployment rate estimates) and the 2006 Census (all other items).

- The group of five SLAs that constitute the 'Industrial Belt' – Acacia Ridge, Archerfield, Coopers Plains, Rocklea and Salisbury – have a slightly larger resident population (aged 15 years and above) than the other two local areas examined in detail, but only by a narrow margin. Given its significantly larger area, this indicates that its overall population density is lower. A large proportion of the area within the Industrial Belt is given over to industrial and commercial activities. That is, it is rich in employment but relatively poor in population.
- Furthermore, population growth in the Industrial belt and in Inala/Richlands has been lower over the last five years than the Australian average. In contrast, the 'dormitory suburb' of Doolandella-Forest Lake had strong population growth of 15.4 per cent and the entire South West Brisbane area had even stronger growth of 16.3 per cent. (Comparisons: Brisbane City 10.0, Australia 10.2, Greater Brisbane 12.8, Queensland 14.3)
- At Census time, the working age (15 to 64 years) participation rate across South West Brisbane was slightly higher than the Australian average, and it was significantly higher in Doolandella-Forest Lake, at 79.6 per cent. It was slightly lower than the national average for residents of the Industrial Belt and very low in the disadvantaged area of Inala/Richlands, at 58.1 per cent.
- The latest SALM estimates of unemployment rates (December 2010) show that Doolandella-Forest lake has a lower unemployment rate than South West Brisbane as a whole but is still slightly above the national rate of 5.2 per cent. The unemployment rate, however, is high among residents of the Industrial Belt – more than twice the national rate at 11.5 per cent – while it is extremely high in Inala/Richlands at 18.6 per cent.
- There is a high proportion of people born in 'other than main English speaking countries' (OTMESC) right across South West Brisbane. At Census time, their proportion within the working age population was 25.6 per cent, significantly above the national average of 16.9 per cent. Both the Industrial Belt and Doolandella-Forest Lake had slightly smaller proportions than South West Brisbane as a whole,

but both were also well above the national average. Inala/Richlands had a very high proportion of its working age residents born in OTMESC at 36.7 per cent.

- Finally, South West Brisbane has a lower proportion of Indigenous people among its working age population than Australia as a whole – 1.9 per cent, compared with 2.1 per cent nationally at the time of the Census. This is reasonably high by capital city standards, however. The proportion of Indigenous people is lower again among the working age residents of Doolandella-Forest Lake, at 1.2 per cent, while Indigenous people comprise a relatively high proportion in the Industrial Belt at 2.8 per cent. Inala/Richlands has among the highest concentration of working age Indigenous people of any area in Brisbane at 6.7 per cent. In fact, the single SLA of Inala has this proportion at 7.0 per cent, second only behind the relatively small SLA of Wacol among all SLAs in Greater Brisbane.

Slide 4

Unemployment Rate – Selected Residential SLAs

Statistical Local Areas	December 2009	December 2010
Richlands	17.7%	19.0%
Durack	17.3%	18.6%
Inala	17.3%	18.6%
Acacia Ridge	16.9%	18.1%
Willawong	16.4%	17.8%
Algester	3.8%	4.4%
Calamvale	3.7%	4.4%
Corinda	4.0%	3.5%
Oxley	3.5%	3.8%
Seventeen Mile Rocks	1.4%	1.8%

Source: DEEWR *Small Area Labour Markets, December Quarter 2010*

Unemployment Rate – Selected Residential SLAs

This table provides data from the DEEWR *Small Area Labour Markets* (SALM) publication (unemployment rate estimates) for the December Quarter 2010.

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Vulnerable in the Labour Market (Census 2006)

	'Industrial Belt'	Inala/ Richlands	Doolandella - Forest Lake	South West Brisbane	Australia
Country of Birth OTMESC – Working Age Participation Rate	63.8%	55.5%	71.8%	67.9%	67.2%
Indigenous – Working Age Participation Rate	58.2%	52.6%	76.5%	63.4%	56.8%
Whole working age population – Participation Rate	73.5%	58.1%	79.6%	75.8%	75.0%
Country of Birth OTMESC – Working Age UE Rate	8.9%	10.8%	5.3%	7.0%	7.6%
Indigenous – Working Age Unemployment Rate	14.7%	24.7%	0%	13.4%	15.7%
Whole working age population – Unemployment Rate	5.9%	11.0%	3.5%	4.7%	5.3%

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

Vulnerable in the Labour Market (Census 2006)

This table looks at Census labour force outcomes for working age (i.e. 15 to 64 years) residents of the same SLA groups who were born in Other Than Main English Speaking Countries (OTMESC) and those people who identify as Indigenous people.

- Both groups had noticeably lower rates of labour force participation than the general population in all three SLA groups as well as in South West Brisbane and Australia as a whole.
- With one notable exception in each case, the unemployment rate for people born in OTMESC was significantly higher and that for Indigenous people was very much higher, than the rate for the general population.
- The exceptions: For people born in OTMESC, the 'lower' unemployment rate than the general population in Inala/Richlands is still much higher than the OTMESC rate in any other area. This outcome reflects the overriding locational disadvantage in this area and its reflection in a very high general unemployment rate. The anomalous 0 per cent unemployment rate for Indigenous people in Doolandella-Forest Lake reflects the very low number of Indigenous people who live in this area, the even lower number of them who are unemployed and the possible impact of Census confidentiality protections.
- The importance of locational disadvantage can be seen in the outcomes for all three groups in the Inala/Richlands area, which are very much worse than outcomes in any other area. The locational disadvantage tends to 'even out' differences between these groups to some degree, as noted above.

Slide 6

Teenage Unemployment - Brisbane

	Teenage full-time unemployment rate (%)	% of teens unemployed and looking for full-time work
Outer Brisbane City	27.7%	4.1%
Greater Brisbane	25.6%	5.1%
Queensland	**25.1%**	**6.0%**
Australia	**23.4%**	**4.5%**

At the time of the 2006 Census, 6.7 per cent of teenagers in Greater Brisbane were neither working nor studying.

Source: ABS *Labour Force, Australia, Detailed – Electronic Delivery, March 2011* (Cat No. 6291.0*.55.001* – annual averaged original data) and ABS *2006 Census of Population and Housing*

Teenage Unemployment - Brisbane

This table provides teenage Labour Force Survey data for Labour Force Regions. As before, 'Greater Brisbane' refers to the Brisbane Statistical Division, or Major Statistical Region. Brisbane City itself is divided into an 'Outer Ring' and an 'Inner Ring'.

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

- The teenage full time unemployment rate was high in the outer part of Brisbane City, standing at 27.7 per cent in the twelve months to March 2011, compared to 25.6 per cent across Greater Brisbane as a whole and the national rate of 23.4 per cent.
- In the twelve months to March 2011, 5.1 per cent of the teenagers in Greater Brisbane were unemployed and looking for full time work, compared to the national average of 4.5 per cent.
- At the same time, only 4.1 per cent of the teenagers in the outer parts of Brisbane City were unemployed and looking for full time work, indicating that a smaller than average proportion of teenagers are participating in the full time labour market in this area.
- At the time of the 2006 Census, 6.7 per cent of teenagers in Greater Brisbane were neither working nor studying. This compares to 7.1 per cent for Australia.

Slide 7

Teenagers in SW Brisbane – Part Time/Full Time Student status and Labour Force Status (Census)

	Full Time Student	Part Time Student	Not attending institution	TOTAL
Employed Full Time	0.7%	2.3%	13.5%	**16.6%**
Employed Part Time	25.1%	1.3%	5.3%	**31.7%**
UE looking for full time	0.1%	0.1%	2.3%	**2.5%**
UE looking for part time	3.3%	0.2%	0.7%	**4.2%**
Not in the Labour Force	40.0%	0.5%	4.6%	**45.1%**
TOTAL	**69.2%**	**4.4%**	**26.4%**	**100.0%**

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

Teenagers in SW Brisbane – Part Time/Full Time Student status and Labour Force Status (Census)

These data apply to teenagers (15 to 19 years) whose usual residence was in any of the 19 SLAs that constitute the South West Brisbane area at the time of the 2006 Census. Proxies have been used for full time/part time employment and notional allocations between categories have been made as explained below. Teenage cohorts who are neither working nor studying are identified with red shading.

The three largest cohorts of teenagers in South West Brisbane were:

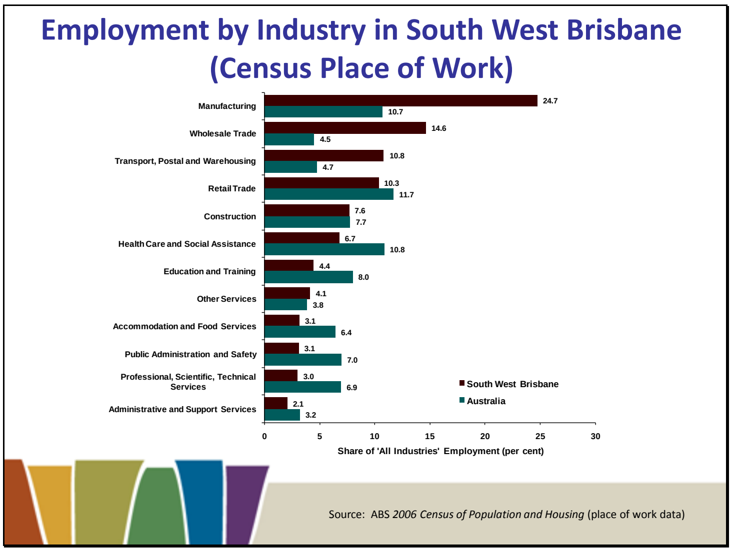
- Full time students who were not in the labour force – 40.0%;
- Full time students who were working part time – 25.1%; and
- Teenagers who were not studying and were working full time – 13.5%

Together these three cohorts accounted for almost four out five teenagers in South West Brisbane (**78.6%**)

At Census time, the teenage full time unemployed to population ratio was **2.5%** and the teenage full time unemployment rate was **13.2%**.

In deriving these figures, 'hours worked in Census week' was used as a proxy for full time/part time employment status, with those employed people who were not at work in Census week notionally distributed pro-rata between these categories. Furthermore, students who were stated as attending an educational institution but who had no stated full time/part time student status were notionally distributed between these two categories on a pro-rata basis as well. Finally, those with unstated labour force status and those whose educational attendance was not stated were excluded from the percentage calculations (which means, in effect, that they were notionally distributed pro-rata between remaining categories too).

Slide 8



Employment by Industry in South West Brisbane (Census Place of Work)

This chart shows the top twelve employing industries in South West Brisbane (as proportions of total employment) and the corresponding percentages for Australia. The data are based on place of work Census data and thus show the kind of employment on offer in the region, as distinct from the kind of employment engaged in by local residents.

Manufacturing was by far the dominant employer in South West Brisbane, accounting for 24.7 per cent of all employment. This is well in excess of the national average proportion of 10.7 per cent of employment in Manufacturing. Wholesale Trade (14.6 per cent of employment) and Transport, Postal and Warehousing (10.8 per cent of employment) are also very strong in this area.

These three key industries reflect the fundamental nature of the South West Brisbane area and, in particular, the five SLAs of the Industrial Belt, which are prime locations for factories, warehouses and transport depots. The concentration of these key industries is even stronger in the Industrial Belt, as the following table shows.

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'Industrial Belt' Workers – Key Industries and Commuting Patterns (Census 2006 – percentages)

Industry	Percentage of local employment	Residential location of workforce		
		Live in 'Industrial Belt'	Live in remainder of South West Brisbane	Live elsewhere
Manufacturing	29.3%	4.4%	13.5%	82.1%
Wholesale Trade	18.3%	3.5%	13.2%	83.3%
Transport, Postal and Warehousing	13.1%	5.3%	12.1%	82.6%
Total Employment	100%	5.6%	12.7%	81.6%

Source: ABS *2006 Census of Population and Housing* (place of work and place of usual residence data)

'Industrial Belt' Workers – Key Industries and Commuting Patterns (Census 2006 – percentages)

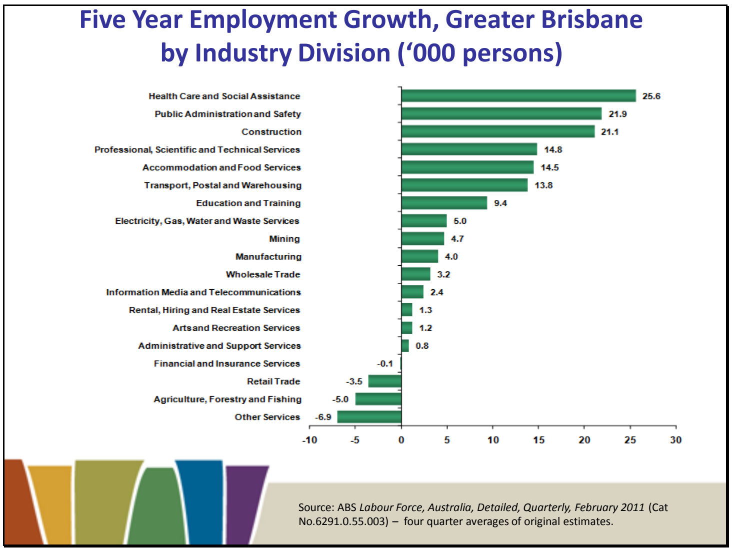
This table shows that the representation of the three 'key industries' in the Industrial Belt is significantly stronger than in South West Brisbane as a whole, which is already well above the national average. Between them, these three industries account for almost two out of every three jobs available in the Industrial Belt (**60.7%** of total employment at the time of the Census).

The key question arises: To what extent are local people in South West Brisbane making use of the employment opportunities available in these three key industries in the Industrial Belt? In particular, what potential exists to tap this resource to provide employment to residents of the more disadvantaged SLAs?

A simultaneous use of Census place of work and place of usual residence data can clarify the extent to which jobs in the Industrial Belt were being filled by local people at the time of the 2006 Census. More than 80 per cent of the workers employed in these three key industries live outside of the South West Brisbane area, and this same pattern holds true for employment across all industries.

The data suggest that the answer to the first question is 'not nearly enough'. To answer the second question would require a concerted attempt to identify employer needs and attempt to meet them with local candidates. Transport, skills, literacy/numeracy and attitudinal barriers would all have to be effectively addressed for this to occur.

Slide 10

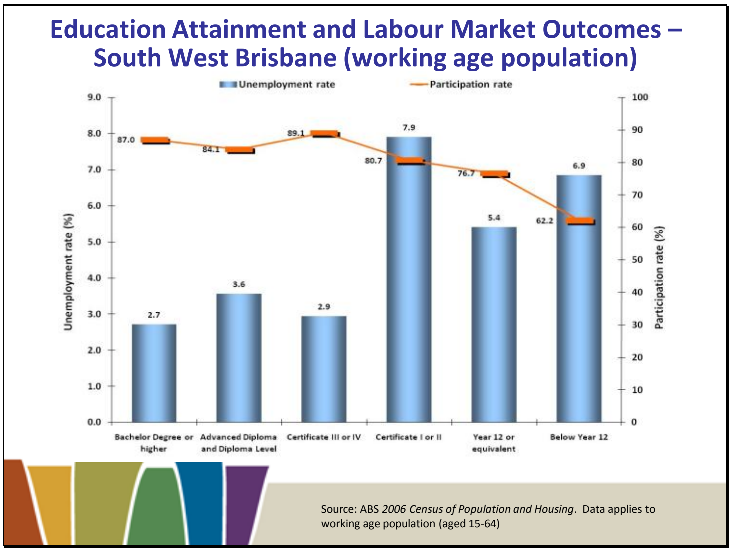


Five Year Employment Growth, Greater Brisbane by Industry Division (‘000 persons)

This chart shows growth in employment by Industry Division over the last five years for residents of the Greater Brisbane area.

- Five year employment growth was largest in Health Care and Social Assistance in Greater Brisbane. Demand in this industry will be driven by a growing and ageing population, and strong employment growth is therefore expected to continue. There are many entry level occupations and part-time work opportunities in this industry which may be suitable for lower skilled or inexperienced job seekers.
- Overall employment in Manufacturing has remained almost static over the past five years in Greater Brisbane, and a similar outcome or even a net loss of employment is expected over the next five years, although particular sectors of Manufacturing (e.g. food processing) may do well. This is in line with long term structural change in the Australian economy, with some basic manufacturing likely to continue to move to countries with lower labour costs.

Slide 11



Education Attainment and Labour Market Outcomes – South West Brisbane (working age population)

As can be seen in this chart, those people in the South West Brisbane area with higher levels of education perform better in the labour market, with higher labour force participation rates and lower unemployment rates. This reflects the pattern seen across Australia and emphasises the importance of continuing education to help job seekers obtain employment and participate in the labour market.

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Indicators of Disadvantage – Selected Residential SLAs

Indicator	'Industrial Belt'	Inala/ Richlands	Doolandella - Forest Lake	South West Brisbane	Australia
% of families with children where no parent is working	29.2%	48.9%	12.5%	20.8%	19.8%
% of population aged 15-64 who have not completed Year 10	12.8%	24.6%	8.4%	10.6%	11.9%
% of population aged 15-64 on a Centrelink allowance	24.5%	38.4%	15.7%	17.6%	17.3%
% of yr 9 Govt School Students below min standard for Reading	12%	33%	8%	n/a	8%
-for numeracy	9%	23%	7%	n/a	5%

Sources: Centrelink - DEEWR Administrative data, March 2011 and ABS *Estimated Resident Population, June 2009*; Other - ABS *2006 Census of Population and Housing,* MySchool Website

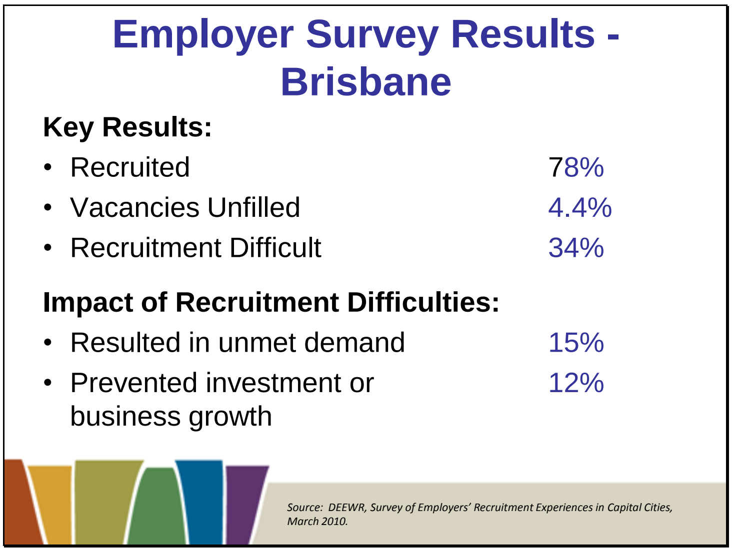
Indicators of Disadvantage – Selected Residential SLAs

This table shows the same groups of SLAs, along with comparisons for the whole South West Brisbane area and Australia, and looks in more detail at some key indicators of disadvantage.

- The proportion of families with children where no parent works, an indicator of generational disadvantage, was extremely high at the time of the 2006 Census in Inala/Richlands, at 48.9 per cent – nearly half of all families with children and more than twice the national rate. It was also very high in the Industrial Belt at 29.2 per cent. These outcomes reflect both a higher proportion of single parent families among all families with children (e.g. 46.5 per cent for Inala/Richlands, compared with 27.4 per cent for all of South West Brisbane and 25.8 per cent for Australia) and higher rates of joblessness among both couple families with children and single parent families. In contrast, only 12.5 per cent of families with children in Doolandella-Forest Lake were jobless, which was significantly lower than the national average.
- More than twice the proportion of the working age population in Inala/Richlands at Census time had failed to complete Year 10 than in Australia as a whole (24.6 per cent compared with 11.9 per cent for Australia). Residents of the industrial belt also showed slightly poorer rates of year 10 completion then the national average but the entire South West Brisbane area had a better than average outcome on this basic level of educational attainment (10.6 per cent of the working age population had not completed Year 10). Once again, Doolandella-Forest Lake showed significantly better Year 10 completion rates on this indicator with only 8.4 per cent of working age people failing to complete Year 10. People with low levels of educational attainment generally have poorer labour market outcomes and are more vulnerable to economic downturns and restructuring.
- The proportion of the resident working age population on some kind of Centrelink benefit tells a similar story. The entire South West Brisbane area (17.6 per cent) is comparable to the national average (17.3 per cent), while a significantly higher proportion of residents of the Industrial Belt are on benefits (24.5 per cent) and the data for Inala/Richlands are, once again, alarmingly high (38.4 per cent).
- The proportion of students below minimum reading and numeracy standards are based on results for an individual school in or near each SLA group. Once again, the outcome for Inala/Richlands is well

above the national benchmark and means that a much greater proportion of local young people will experience significant barriers to finding and retaining employment.

Slide 13



Employer Survey Results – Brisbane

Our *Survey of Employer's Recruitment Experiences in State Capital Cities* in March 2010 received responses from 2,500 employers. The number of responses in each city enabled reliable estimates of local recruitment difficulties to be made in each case.

In Brisbane:

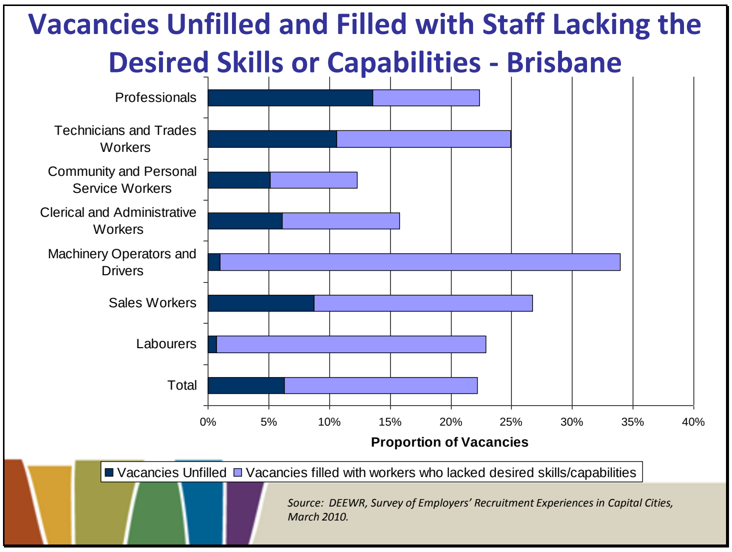
- 78 per cent of employers recruited compared with 80 per cent for all six capital cities surveyed.
- Fewer vacancies remained unfilled in the six months prior to the survey (4.4 per cent) than was the case for any other capital city (the all city average was 7.3 per cent).
- Fewer employers said that recruitment was difficult (34 per cent of employers who recruited) than was the case in any other capital city (the all city average was 43 per cent).

Many employers said that recruitment difficulties had a negative impact on their business.

- 15% of all employers (whether they recruited or not) said that recruitment difficulties prevented them from meeting the market demand for their goods or services (15% for all capital cities)
    - Employers in Health (19%) or Manufacturing (18%) were most likely to say that they could not meet demand
- 12% of employers said that recruitment difficulties prevented them from undertaking investment projects or from growing their business (13% for all capital cities)
    - Employers in Professional, Scientific and Technical services (19%) were most likely to say that recruitment difficulties prevented investment or business growth.

- (These data not on this slide) Recruitment proved to be most difficult for employers in Health Care and Social Assistance (42% reported difficulty) and – importantly for South West Brisbane – Manufacturing (41% reported difficulty). Furthermore, employer reports confirmed the status of Health Care and Social Assistance as the prime growth industry – 40% reported increasing staff in the previous 6 months and only 2% decreased staff. In manufacturing, the growth picture was more mixed, with 25% increasing and 25% decreasing staff.

Slide 14



Vacancies Unfilled and Filled with Staff Lacking the Desired Skills or Capabilities – Brisbane

This chart shows the proportion of vacancies unfilled and filled with staff lacking the skills or capabilities desired by the employer. This chart relates to the most recent recruitment round of the employer (where they have had enough time to know the outcome of the recruitment round).

Results in the chart show that:

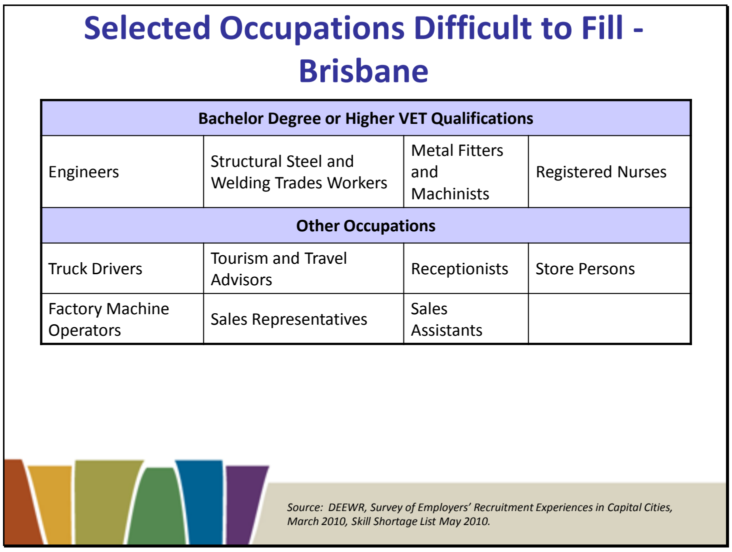
- Vacancies for Professionals and Trades Workers most commonly remained unfilled.
- The proportion of unfiled vacancies was lower for Machine Workers and Labourers, but employers commonly hired staff for these occupation categories who lacked the skills or capabilities that they were looking for.

Skills/Capabilities Lacking

Machine Operators: 1. Experience; 2. Technical Skills; 3. Motivation.
Labourers: 1. Experience; =2. Motivation, Licensing.

- Unfilled positions for Sales workers were often for positions that required some technical knowledge including Sales Representatives positions or Sales Assistant businesses in Hardware, Automotive and Alarm installation businesses for example.

Slide 15



Bachelor Degree or Higher VET Qualifications			
Engineers	Structural Steel and Welding Trades Workers	Metal Fitters and Machinists	Registered Nurses
Other Occupations			
Truck Drivers	Tourism and Travel Advisors	Receptionists	Store Persons
Factory Machine Operators	Sales Representatives	Sales Assistants	

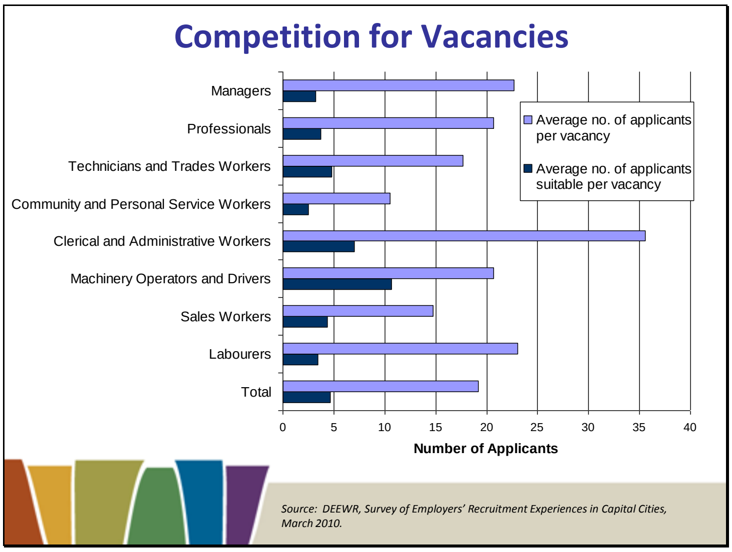
Selected Occupations Difficult to Fill – Brisbane

This slide shows some of the occupations that employers commonly told us were difficult to fill.

Bachelor Degree or Higher VET Qualifications
- Engineers
- Structural Steel and Welding Trades Workers
- Metal Fitters and Machinists
- Registered Nurses

Other Occupations
- Truck Drivers
- Tourism and Travel Advisors
- Receptionists
- Store Persons
- Factory Machine Operators
- Sales Representatives
- Sales Assistants

Slide 16



Competition for Vacancies

Employers in Brisbane received more applicants and more suitable applicants per vacancy than was the case in any other capital city.
The average number of applicants was high for every occupation category.

- Overall there was an average of 19.2 applicants for every one vacancy, of which an average of 4.7 applicants were rated as suitable.
- For all cities Average applicants: 12.9; Average applicants suitable: 3.1

Note: these are average figures and there are wide variations between individual cases in all categories.

Slide 17

Reasons Applicants Unsuitable

Less than 25% of job seekers were regarded as 'suitable' by employers

Reasons for unsuitability included:

- Applicants having insufficient experience
- Applicants having insufficient technical skills or expertise
- Basic employability skills

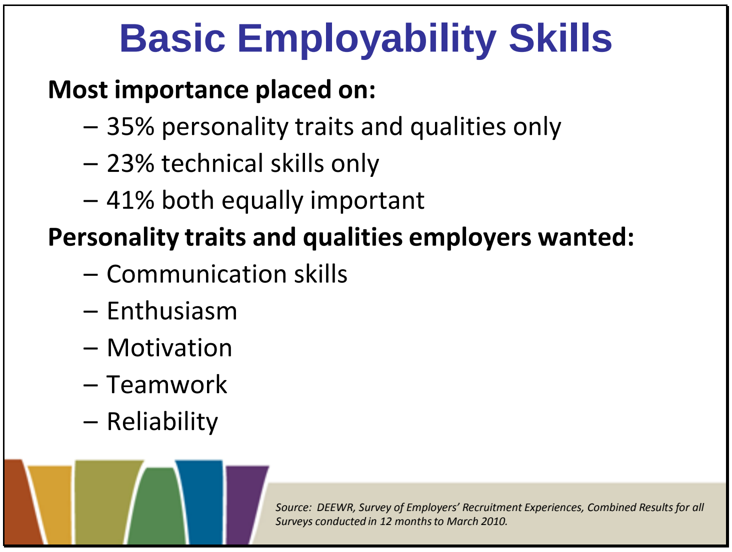
Source: DEEWR, Survey of Employers' Recruitment Experiences, Combined Results for all Surveys conducted in 12 months to March 2010. DEEWR, and in Capital Cities, March 2010.

Reasons Applicants Unsuitable

Less than one quarter (24.4%) of job applicants were regarded by employers as being suitable for the job in which they had applied.

In many surveys completed in the 12 months to March 2010 employers were asked the reasons why job seekers were considered unsuitable. Lack of work experience was the most common reason for applicant unsuitability, followed by insufficient technical skills or expertise.

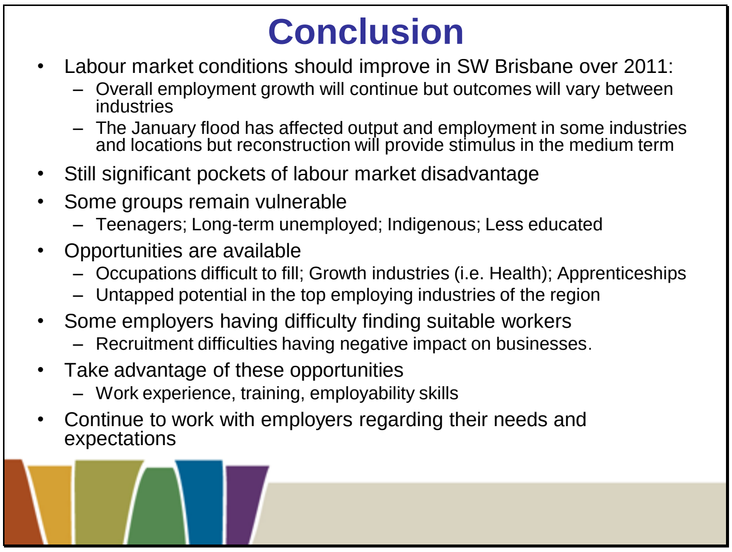
Slide 18



Basic Employability Skills

- Over two-fifths (41 per cent) of employers surveyed thought that both technical skills and experience and basic employability skills (such as personal traits and qualities) were equally important and just over one third thought that personal traits and qualities alone were more important. Less than a quarter (23 per cent) of employers considered technical skill and experience alone to be more important.
-
- These survey results indicate that in today's labour market, jobs seekers need to have both technical or job-specific skills and employability skills.

Slide 19



Conclusion

Notes on flood impact and general state of the local economy:

- Like much of Queensland, employment growth in outer Brisbane has been patchy across industries recently, reflecting continuing weakness in key economic sectors such as dwelling investment and household consumption spending.
- The impact of the recent Brisbane flood will exacerbate this in the short to medium term through the associated destruction of assets and loss of production and employment in affected industries and locations.
- Immediate flood impacts may be wider in the local economy due to the flow-on effect of lost profits, wages and consumer confidence to other industries.
- In due course, employment and activity in reconstruction will offset these effects. In particular, residential building should get some much-needed stimulus from this effort.

Slide 20

Further Information

For more information:

- www.deewr.gov.au/lmip
- www.deewr.gov.au/SkillShortages
- www.deewr.gov.au/regionalreports
- www.deewr.gov.au/australianjobs
- www.joboutlook.gov.au
- www.skillsinfo.gov.au
- www.jobsearch.gov.au