

Overview of demand for professionals, associate professionals and managers: Australian Capital Territory – June 2008

Economic Background

From 2000-01 to 2006-07 the ACT economy has grown at an average of 3.2 per cent per year, making it one of Australia's strongest economies. ACT Treasury expects the Territory's economy to have grown modestly at 1.75 per cent over the year to June 2008. ACT economic growth is forecast to be a solid 3.75 per cent in 2008-09 on the basis of growth in government consumption and government and private investment. The expected population growth of the ACT is 1.25 per cent, which is above the long run average growth of one percent, driven by sustained government recruitment to the region. Despite this population growth, the continued shortage of skilled workers in the ACT is an impediment to business expansion and higher growth rates in major employing industries.

The ACT has a relatively small work force, employing approximately 190 000 people, which is less than two per cent of total employment in Australia. In the year to June 2008 the ACT trend employment growth was 0.9 per cent, which is the lowest nationally. However, the unemployment rate in the ACT, 2.6 per cent at June 2008, was also the lowest. The main employing industries in the Territory are government administration and defence (28 per cent), property and business services (14 per cent), retail trade (10 per cent), education (8 per cent), and health and community services (8 per cent).

The Territory's economic growth, an increased population size and ageing infrastructure has led to an increase in investment in infrastructure. The ACT Government has invested \$314 million in infrastructure in 2007-08, up from \$100 million in 2001. Territory infrastructure has been improved in a number of areas including health, transport, physical growth of the city, climate change and information technology. Examples of these include the Gungahlin Drive Extension and other road connections, enlargement of the Cotter Dam and delivering new schools and upgrading 72 others in the Territory.

12 Specialist Managers

The occupations in this group researched in the ACT were engineering manager and child care coordinator, and both of these occupations were found to be in shortage in the Territory this year. Demand for these managers is strong, with the number of engineering managers in the ACT increasing by nearly nine per cent between the 2001 and 2006 ABS Census. The number of child care coordinators has experienced stronger growth with an increase of approximately 15 per cent between 2001 and 2006.

The government administration and defence industry is the largest employer of workers in the ACT, employing just over 26 per cent of the workforce (2006 Census). This industry employs nearly 40 per cent of engineering managers in the Territory, mostly in defence. A further 30 per cent of engineering managers are employed by the property and business services industry, in consulting engineering services. Both of these industries have experienced growth over the year.

The health and community services industry employs nearly eight per cent of the workforce in the ACT (2006 Census). Most child care co-ordinators in the ACT are employed by this industry, with the industry having grown 3.9 per cent over the past ten years. The ACT has the highest participation rates for women in the labour force, (71.4 per cent compared with 57.4 per cent nationally), which has led to strong demand for child care. Although child care coordinator is a

small occupation within the ACT, continued population growth and higher birth rates may lead to further increases in demand.

21 Science, Building and Engineering Professionals

Science, building and engineering professionals examined in this year's program were civil, electrical and mechanical engineers. Demand for civil and electrical engineers is strong with employment growth of 29 per cent and 30 per cent respectively between the 2001 and 2006 ABS Census. The number of mechanical engineers was down slightly over the same period. All three occupations were found to be in shortage in 2007-08. In particular, employers requiring senior engineers experienced the greatest difficulty recruiting.

Over the past year, the increase in demand for civil engineering professionals was underpinned by increased infrastructure expenditure in the ACT. More than half of all civil engineers employed in the ACT work as consultants with activity levels driven by non residential building construction and the government sector. Strong demand is expected to continue with the Construction Forecasting Council forecasting further increases averaging eight per cent per annum from 2008-09 to 2010-11.

Demand for electrical engineers in the ACT has also been strong, driven by increases in engineering construction activity and energy supply. The Construction Forecasting Council recorded a yearly increase of 11 per cent from 2002-03 to 2006-07 in spending on electricity, pipelines and telecommunications engineering to \$144 million in 2006-07 in the ACT. Further increases are forecast.

Employment of mechanical engineers in the ACT is largely driven by activity in the manufacturing industry. This is a small industry in the ACT, accounting for two per cent of total employment in the Territory. Over the five years to May 2008 employment in the manufacturing industry has declined by around nine per cent. This decrease is reflected in a slight fall in employment of mechanical engineers between the 2001 and 2006 ABS Census.

22 Business and Information Professionals

Professionals in this group that are researched in the ACT were accountants and external auditors. These occupations are in continued shortage this year, and the shortage is likely to persist. In the ACT the number of accountants has grown by nearly 22 per cent between 2001 and 2006, while the number of external auditors has increased by 50 per cent.

Business and information professionals are employed by a broad range of industries. This means an indicator of demand for these occupations is the general performance of the Territory's economy, which experienced strong growth this year. The government administration and defence industry is one of the largest employers in the ACT, and has been growing. Over the past five years there has been an increase of 11 000 persons employed by the industry within the Territory. The DEEWR Skilled Vacancies Index for accountants and auditors shows the number of advertised vacancies for both of these occupations has been increasing over the past six years to reach 10 a month on average in 2007.

To analyse the labour market for accountants and auditors DEEWR conducts a survey of employers who have recently advertised. Most surveyed employers found it difficult to find suitably qualified and experienced business and information professionals. Employers reported difficulty in finding accountants or external auditors with the experience that they required. Few of the applicants for advertised positions were considered by employers to be suitable. External auditors, for which approximately 20 per cent of vacancies were filled, were more difficult to find than accountants, where 60 per cent of vacancies were filled.

23 Health Professionals

Health professionals examined in this year's program in the ACT were registered nurses, midwives and mental health nurses. The ACT continues to experience shortages in these occupations. A significant number of nursing positions remained unfilled for extended periods of time and vacancies in aged care and mental health in particular were difficult to fill.

ABS Labour Force Survey data indicate the health and community services industry employs around 8 per cent of the ACT workforce and has increased by three per cent over the five years to May 2008. Demand for health professionals has been driven by an ageing and growing ACT population, as well as Territory Government expenditure on health services. Actual and projected expenditure for ACT Health indicate increased health funding in recent years with \$4.2 million designated for workforce recruitment and retention from 2005 to 2010. Between the 2001 and 2006 Census, employment of registered nurses increased by 1.5 per cent per annum, registered midwives by 2.8 per cent per annum, and registered mental health nurses by 2.2 per cent per annum. Ageing nursing workforces means that demand for these occupations is likely to remain strong over the next year.

24 Education Professionals

The occupations researched in this group in the ACT were pre-primary, primary, secondary and special needs teachers. Primary and secondary teachers were not in shortage, while pre-primary and special needs teachers were difficult to recruit. The number of teaching professionals in the ACT has increased between 2001 and 2006, with the strongest growth in special needs teachers, who increased by over 60 per cent, although from a smaller base than the other teaching professionals. The lowest increase was for secondary school teachers, who grew by approximately three per cent.

The education industry employs nearly nine per cent of workers in the ACT, and 97 per cent of the pre-primary, primary, secondary and special needs teachers (2006 Census). Demand for education professionals in the ACT is linked to the number of students enrolled in schools within the Territory. The ACT School Census (February 2008) published by the ACT Department of Education and Training recorded a slight decrease in the number of students enrolled in the ACT between 2004 and 2008, however, 2008 showed an increase of 123 students from 2007. The highest area of increase was special needs students, with an increase of 14 per cent to nearly 2200 between 2004 and 2008.

25 Social, Arts and Miscellaneous Professionals

Occupations examined in this year's program include social workers, welfare workers and solicitors. This is a diverse group of professionals, with employment spread across a range of industries. Quarterly Labour Force Survey data indicate that employment of social, arts and miscellaneous overall has remained relatively stable over the five years to May 2008.

Social workers and welfare workers were found to be in shortage in 2007-08. Demand for social and welfare workers is strong, with large increases in employment between the 2001 and 2006 ABS Census. Supply to these occupations has been limited in recent years, with relatively low higher education completions for related courses in the ACT. Shortages were particularly relevant for senior roles. Demand in the ACT for solicitors has been steady. Senior positions in this occupation were slightly more difficult to recruit for. However with adequate supply to fill vacancies, there is no evidence of a shortage of solicitors in the ACT.

31 Science, Engineering and Related Associate Professionals

Occupations examined in this group were building and civil engineering associates. Between the 2001 and 2006 ABS Census, employment of civil engineering associates in the ACT increased by

more than 70 per cent to 84 in 2006. The number of building associates was down slightly over the same period.

Demand for building associates in the ACT is primarily driven by construction activity, with more than 80 per cent of all building associates in the ACT employed in the industry. ABS data indicate the total value of construction work done in the Territory has increased by 32 per cent over the five years to March 2008. Demand for civil engineering associates has also been strong with an increase in civil infrastructure projects including the Gungahlin drive extension and residential land releases in Dunlop, Harrison and Macgregor. Strong demand for building and civil engineering associates is expected to continue with the Construction Forecasting Council of Australia forecasting sustained growth in both residential and non residential construction in the ACT to 2012.