

Overview of demand for professionals, associate professionals and managers: Victoria – June 2008

Economic Background

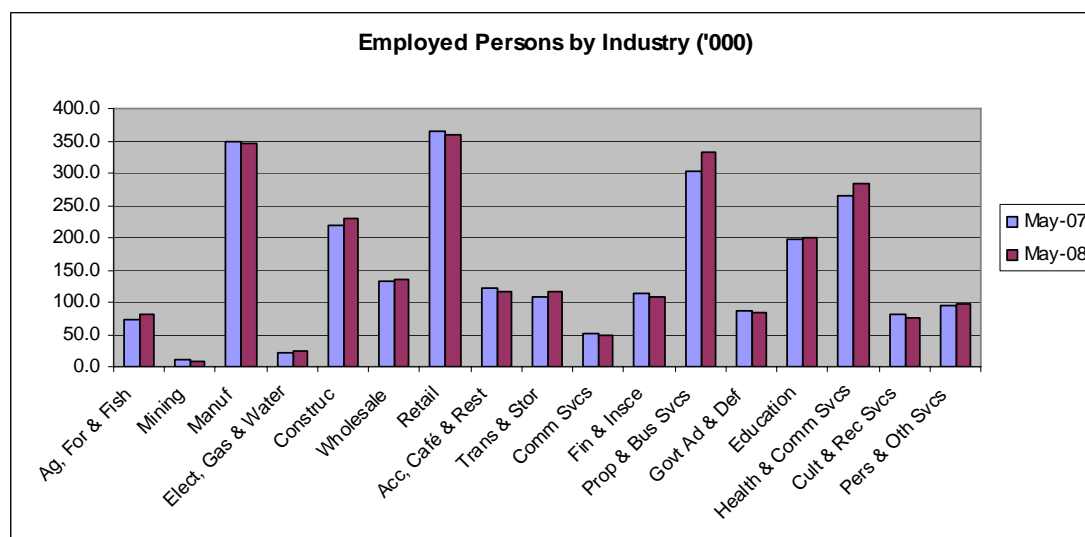
The Victorian Department of Treasury and Finance expected the economy to grow by 3.25 per cent in 2007-08. The main contributors to domestic demand growth are expected to be household consumption and non-residential construction. Export growth is expected to be moderate, with solid services exports growth offsetting weaker merchandise export growth. The rural sector has partly recovered from the drought conditions experienced in 2006-07, so agricultural production will make a moderate contribution to economic growth.

Labour Market and Population Trends

Australian Bureau of Statistics (ABS) State and Regional Indicators for Victoria show that over the year to the March 2008 quarter, the unemployment rate decreased from 5 per cent to 4.5 per cent and the participation rate decreased from 65.2 per cent to 64.8 per cent.

Victoria's population stood at over 5.2 million in the September quarter 2007, a growth of 1.5 per cent since September 2006. The increase in Victoria's population has been driven primarily by net overseas migration, which accounted for more than 60 per cent of growth in the year to September 2007.

According to a number employer surveys conducted in 2008, the resource-rich states of Western Australia and Queensland attracted professionals across a number of different occupational groups. This led to employers experiencing recruitment difficulties or reporting shortages for some professions.



Australian Bureau of Statistics (ABS) labour force data for Victoria: May 2008 and May 2007.

Specialist Managers

This occupational group includes resource managers; engineering, distribution and process managers; sales and marketing managers; and miscellaneous specialist managers. ABS Labour Force Survey data for Victoria indicate that 138 800 people were employed as specialist managers in May 2008 compared with 102 600 in May 2007.

Engineering Managers & Production Managers (manufacturing)

Demand for engineering managers and production managers (manufacturing) in Victoria is largely determined by activity levels in the manufacturing industry. Interstate migration coupled with a stable number of people entering the profession, and mixed activity levels in the manufacturing sectors resulted in a state-wide shortage of engineering managers in Victoria. The majority of employers recruiting for production managers (manufacturing) rated experience over qualifications and were seeking candidates with team leader and supervisory experience. Industry contacts reported difficulties recruiting applicants with relevant trade/technical qualification and skills, as well as experience, within the industry.

Production Managers (mining)

Demand for production managers (mining) is driven by the level of demand for commodities and reserves of natural resources. In Victoria, minerals exploration increased over the year to March 2008, and brown coal production increased over the five years to July 2007. Most industry contacts for this profession were seeking applicants with a mining engineering qualification and industry experience. Employers commented that many suitably qualified and experienced production managers were relocating interstate. The location of mines exacerbated the situation with some people favouring fly-in/fly-out style rosters in preference to moving to regional Victoria.

Child Care Co-ordinators

Demand for child care co-ordinators in Victoria has risen with an increased number of child care centres opening over the last four years. Employers recruiting experiences for this occupation varied depending on the level of responsibility attached to the position. However all employers required applicants to be diploma qualified as a minimum and have some management/assistant manager experience. There is currently no shortage of child care co-ordinators in Victoria. The Victorian Government supports integrating child care and education services which may impact the level of demand for this profession.

Science, Building and Engineering Professionals

Professionals in this group include natural and physical science professionals and building and engineering professionals. Labour force data for May 2008, indicate the number of people employed in this occupational group in Victoria fell to about 61 300, 2.5 per cent lower compared with May 2007. Demand for this occupational group primarily depends on activity levels in the manufacturing, mining, energy, communication and construction industries. See above for details on the manufacturing and mining industries. The ABS March 2008 State and Regional Indicators for Victoria, states the total value of engineering construction work done in Victoria during the December 2007 quarter increased by nearly four per cent from the September 2007 quarter.

Mining Engineers and Geologists

Demand for mining engineers and geologists in Victoria has risen with increasing mineral exploration and continued levels of mining production. Industry contacts stated the supply to these occupations was limited due to interstate migration, coupled with minimal university commencements. Consequently, shortages are likely to persist for these occupations over the next 12 months.

Mechanical, Production and Plant Engineers

In Victoria, 70 per cent of production or plant engineers are employed in the manufacturing industry, with most working in the machinery and equipment manufacturing industry subdivision. Approximately 60 per cent of mechanical engineers are employed in the manufacturing sector, with 40 per cent employed in motor vehicle manufacturing. Activity in car manufacturing is mixed, with proposed plant closures by Holden and Ford while production of hybrids by Toyota is expected to increase by 2010. Most industry contacts considered recruitment difficulties are growing for these professions because of low unemployment levels, and concerns regarding future job security in the Victorian automotive and power industries. Some contacts stated interstate migration contributed to a shortage in these occupations. Shortages are expected to continue for these occupations over the next 12 months.

Agricultural Scientist and Agricultural Advisors

Victoria is also currently experiencing shortages for agricultural scientists and advisors. While agricultural production levels in Victoria for 2007-08 have been affected by ongoing drought, anecdotal evidence suggests demand for agricultural scientists and advisors has increased due to increasingly complex environmental management issues. In addition, demand for these professions will benefit from state government funding being allocated for research, development and training to boost productivity through new technologies and farming practices. However, DEEWR higher education data shows the total number of completions in agriculture or related disciplines for Victoria has declined by more than 50 per cent between 2002 and 2006, leading to a limited supply pool for these professions. As a result, shortages are expected to persist for the next year.

Civil Engineers and Electrical Engineers

The Survey of Employers who Recently Advertised (SERA) suggested a shortage of civil and electrical engineers in Victoria. Despite increasing numbers of people entering these occupations in Victoria (through higher education graduations and immigration), high levels of infrastructure activity has generated a demand for the professions that cannot be met. With the current and projected infrastructure expenditure in Victoria, it is anticipated the shortage of civil and electrical engineers will continue for the next twelve months.

Business and Information Professionals

Occupations in this category include accountants, auditors and corporate treasurers; sales, marketing and advertising professionals; computing professionals; and miscellaneous business and information professionals (e.g. human resource professionals; librarians). ABS Labour Force Survey data indicate 176 500 were employed in this category in May 2008 compared with 159 600 in May 2007.

Accountants and External Auditors

Accountants and external auditors were two occupations surveyed from this category in 2008. While the number of qualified accounting graduates entering the profession in Victoria has increased slightly since 2002, the demand is for experienced, accounting professionals – particularly those with good communication, technical and analytical skills. In addition, the number of people choosing to study accounting has grown only marginally since 2002. These factors have led to employers having recruitment difficulties in finding suitable candidates, particularly in regional Victoria and this is expected to continue into the foreseeable future. A survey of employers seeking external auditors suggested there was a shortage, as less than 20 per cent of surveyed vacancies were filled. Employers indicated a good knowledge of Australian legislation standards was essential. The shortage for external auditors is expected to continue for the next year.

Health Professionals and Health and Welfare Associate Professionals

Occupations in the Health Professionals group include medical practitioners; nursing professionals; and miscellaneous health professionals (e.g. dental practitioners; pharmacists). ABS Labour Force Survey data suggest approximately 93 400 were employed in this category in May 2008 compared with 96 600 in May 2007. The Health and Welfare Associate Professionals group includes enrolled nurses; welfare associate professionals; and miscellaneous health professionals (e.g. ambulance officers and paramedics; Aboriginal and Torres Strait Islander health workers). ABS Labour Force Survey data indicate 17 500 were employed in this category in May 2008, compared with 20 200 in May 2007.

Registered Nurses; Registered Mid-wives; Registered Mental Health Nurses; Enrolled Nurses; and Dental Technicians

Three nursing professions (registered nurses; registered mid-wives; registered mental health nurses) and the welfare associate occupations of enrolled nurses and dental technicians were examined in 2008. Demand for all types of registered nurses has increased in recent years due to the ageing population and strong population growth in Victoria; and increasing public and private expenditure on health care. Health accounts for the largest share of expenditure (27 per cent) in the 2007-08 state budget, with the government allocating \$1.9 billion in 2007-2008 (over five years), for health, aged care and community health services. There are approximately 20,000 acute and sub-acute hospital beds in Victoria, of which the public sector accounts for approximately two thirds. More than half the Victorian nursing workforce is employed in acute and sub-acute hospitals.

The high demand for registered nurses; registered mid-wives and registered mental health nurses, compared to the limited supply in Victoria has led to these occupations being rated as in shortage, with the situation being more severe for regional areas and in some specialist sectors. The shortages are expected to persist for the next year. While no shortage was reported for enrolled nurses, the survey suggested the not-for-profit aged care sector experienced some difficulties attracting suitable applicants. The SERA for dental technicians indicated a shortage for this occupation that is likely to persist over the next 12 months.

Education Professionals

ABS Labour Force Survey data show 120 000 were employed as education professionals in May 2008, compared with 116 800 in May 2007.

Pre-primary School; Primary School; Secondary School; and Special Needs Teachers

The occupational labour markets of four education professions were examined in 2008: pre-primary school teachers; primary school teachers; secondary school teachers; and special needs teachers. Demand for teachers is dependent on the number of students in the population and education funding levels. Labour force data indicates that as at May 2008, there were 3200 pre-primary; 38 700 primary; 32 000 secondary; and 3700 special education teachers employed in Victoria.

No shortages were reported for pre-primary; primary school; secondary school or special education teachers. However, if the proposed integration of early childhood education and care services is adopted, the demand for higher qualified staff will increase, leading to possible recruitment difficulties or shortages for pre-primary school teachers in the next year. The relatively balanced labour market for primary and secondary school teachers in Victoria is expected to continue over the next six months. However, employers seeking secondary school teachers with mathematics, science, technology studies and food technology/hospitality specialisations reported some difficulties recruiting applicants.

Social, Arts and Miscellaneous Professionals

Employment in this occupational category is spread over many industries. ABS Labour Force Survey data for May 2008 suggests employment in this group remained at approximately 98 000 when compared with May 2007. Social worker; welfare worker; student counsellor; clinical psychologist; solicitor and occupational health and safety officer were the occupations surveyed in 2008 for this group.

Welfare Workers, Social Workers and Clinical Psychologists

Demand for welfare workers, social workers and clinical psychologists has increased in line with the growing and ageing population, and as mental health problems gain focus and recognition. Surveyed employers with vacancies for welfare workers were generally looking for applicants with good communication skills and experience in needs assessment, treatment, case management and community outreach work. Most employers reported they were able to fill the positions with suitable applicants reasonably easily. Consequently, no shortage was indicated and the Victorian labour market for welfare workers is not likely to change significantly over the next 12 months. In contrast, surveyed employers with vacancies for social workers and clinical psychologists indicated half of the vacancies for social workers and three quarters of vacancies for clinical psychologists were filled. Employers from non-government agencies with reported some recruitment difficulties, stating the uncertainty of on-going funding deterred some candidates. Information from employers suggests the labour market for social workers and clinical psychologists in Victoria is in shortage, which is expected to continue for the foreseeable future.

Student Counsellors

Demand for student counsellors has risen in Victoria, primarily as a result of increases in government funding to employ Student Welfare Coordinators to address student needs. A survey of employers seeking this occupation suggests that there is no

shortage in Victoria, however, some employers experienced some difficulties in recruiting when advertising shorter term or contract positions; or when the vacancies were in regional Victoria. Employers were generally looking for qualified candidates with practical experience in a school setting.

Solicitors

Demand for legal professionals is fuelled by economic activity and by social factors such as divorce and medical litigation. Industry sources in Victoria reported a relatively high demand for in-house legal counsel, lawyers with banking and finance, corporate/commercial, compliance, property, construction/infrastructure and energy and resources law expertise. Surveyed employers reported there was no shortage for solicitors in metropolitan Victoria. Some recruitment difficulties were experienced by employers looking for candidates in selected specialisations, in regional areas and at the junior and intermediate levels.

Occupational Health and Safety Officer

Demand for Occupational Health and Safety Officers is driven by the general level of economic activity, government funding, occupational health and safety trends and levels of unionisation. In Victoria the number of students graduating from tertiary health and safety courses is not large, however employers surveyed were generally satisfied with the quality of applicants and experienced few difficulties in filling their vacancies. This is not expected to change in the short-term.

Science, Engineering and Related Associate Professionals

Many of the factors impacting on the demand for the engineering professions also influence this occupational group. Professionals in this group include medical and science technical officers; and building and engineering associate professionals. ABS Labour Force Survey data suggest 35 100 were employed in this group in May 2008, compared with 33 000 in May 2007.

Agricultural Technical Officer

There are a number of specialisations for agricultural technical officers covering dairy farming; herd testing; field crops; artificial insemination; horticulture; and poultry. Demand for this occupation is determined by levels of agricultural activity, with production levels affected by recent drought. However, surveyed employers found they generally employers had multiple suitable applicants and were able to fill the vacancies relatively easily. Some employers surveyed found their regional location contributed to making their position difficult to fill and they could not match the salaries offered by city-based employers. Others had some difficulties recruiting when the position required very specific technical skills. Overall, the survey suggested this occupation is not in shortage in Victoria.

Civil Engineering Associates and Building Associates

Demand for civil engineering and building associates is primarily determined by the level of construction activity. Demand is strong with the Victorian government investing \$2.9 billion for infrastructure construction across the State in 2007-08. Surveyed employers with vacancies for civil engineering associates were seeking candidates with sound technical skills, knowledge and experience of Australian specific codes and standards, and good client service and communications skills. Employers with vacancies for building associates indicated suitably qualified and

experienced building estimators, with at least two years residential or commercial experience with multimillion dollar projects were in demand. The survey indicated both engineering and building associates are in shortage in Victoria with approximately one third of vacancies filled.

Electrical Engineering Associates and Electronic Engineering Associates

Demand for electrical engineering associates in Victoria is largely driven by activity in the electricity generation and distribution sectors. ABS Census data indicate employment of electrical engineering associates in Victoria increased by 17 per cent between 2001 and 2006 to approximately 632. Less than a quarter of surveyed vacancies for electrical engineering associates were filled, suggesting there is a shortage of this occupation in Victoria. This situation is likely to remain or perhaps intensify over the next 12 months due to the high levels of current infrastructure activity, and future investment in this area.

Approximately 58 per cent of Victoria's electronic engineering associates are employed in the telecommunications services industry and demand for this occupation is driven by general economic activity. In contrast to the electrical engineering associates, all vacancies for electronic engineering associates were filled. Most employers stated they were able to fill their vacancies relatively easily. The survey suggests there is no shortage of electronic engineering associates in Victoria. Demand for this occupation is likely to be steady or perhaps increase over the next 12 months, as the Victorian economy is expected to remain strong in 2008-09 with 3 per cent growth is forecast.

Mechanical Engineering Associates

Demand for mechanical engineering associates in Victoria is largely determined by the level of activity in the manufacturing sector. Surveyed employers were able to fill less than two thirds of vacancies, and there was less than 1 suitable applicant on average per vacancy. Employers were not necessarily seeking someone with degree qualifications, but did require experience and knowledge of AutoCAD and other software systems. No significant increase in supply from course completions and net immigration is expected over the short term. Shortages across most sectors of the industry are likely to persist in both metropolitan and regional Victoria for the next twelve months.

Other Associate Professionals

Occupations under this category are diverse (e.g police officers; safety inspectors and senior fire fighters) and are employed in a variety of industries. Primary products inspectors were surveyed for this occupational group in 2008.

Primary products inspector

Demand for this occupation is driven by general agricultural activity. Entrance to this occupation can be achieved in a variety of ways, including bachelor degrees; TAFE qualifications and also informal routes with employers recruiting and 'training up' unqualified staff. There were few advertised vacancies for this occupation but additional information was obtained from government departments and organisations which deal with primary product quality control and inspection. Of the employers contacted most were seeking people with meat industry experience to be trained in inspection and they generally received strong interest

from workers with relevant skills. All employers who advertised vacancies filled their positions within six weeks of advertising. The research indicates employers generally have little difficulty recruiting primary products inspectors and there is no shortage for this occupation. This is unlikely to change over the next year.