

Overview of demand for professionals, associate professionals and managers: Western Australia – June

Economic Background

Western Australia (WA) is continuing to experience high levels of economic growth, fuelled by strong demand for the State's natural resources. In the six years since 2001, the WA economy has grown an average of 5.5 per cent per year. In the year 2006-07 the economy grew by 6.3 per cent and the population increased by 2.2 per cent. WA State Treasury forecast that the WA economy would grow by 7.5 per cent in the year 2007-08 and a further five per cent in 2008-09.

The Western Australian labour force participation rate has remained at slightly above 68 per cent for the period June 2007 to June 2008. This is higher than the total of Australia, for the same period, of about 65 per cent. The unemployment rate has remained steady at between 3.3 per cent and 3.4 per cent for this period. The pace of employment growth over the last few years has been strong creating a tight labour market and wide spread labour shortage leading to significant demand for labour. The Housing Industry Association report that housing starts in WA fell over seven per cent in the March 2008 quarter, however related skill shortages in the industry remained high due to increased activity in the non-residential building sector. The Western Australian Chamber of Commerce and Industry (CCI), has predicted that if economic growth continued at the current rate it is expected there will be a demand for an extra 400 000 workers in the next ten years.

The resources sector continues to perform strongly. Figures from the WA Department of Industry and Resources show that the current value of the WA resources industry has increased to over \$53 billion and many more mineral and petroleum projects are planned for WA. Several large resource projects have become operational in 2007-08 and are already moving into the next stages of their development. The high level of activity is expected to continue in construction and development over the next 12 months. Of the \$25.6 billion worth of private sector projects approved almost 90 per cent can be classified as a resource project, related infrastructure or involves down stream processing of the product.

The Western Australian government is forecast to spend \$7.6 billion on critical capital works, including electricity and water in 2008-09 as part of a longer-term \$26.1 billion capital works program throughout the state.

The Department of Education, Employment and Workplace Relations (DEEWR) Skills in Demand research shows skills shortages across most trade groups including metal/engineering, construction, food automotive and electrical/electronics. In the professions and associate professions, shortages are wide spread in engineering and engineering associate occupations, finance, health, and teaching. Employer comments suggest that the strong demand and high remuneration in the mining and resource sector is affecting the supply of skills to a range of trade and professional occupations as skilled workers are attracted to lower skilled but higher paid employment in that sector. Of the 1300 vacancies surveyed by DEEWR, around half were for trade level positions, one third were for professional level positions and the remainder were for associate professional level

positions. Almost a quarter of these vacancies remained unfilled. Employers with higher skilled positions were most affected with 36 per cent of their vacancies remaining unfilled. Figures provided by the Department of Immigration show that 14 440 primary visa were issued for WA in the year to July 2008 and of these 5670 were for people with skills required in the mining or construction sector.

Education and Childcare Professions

Figures provided by the WA Department of Education and Training (WADET) show that demand for pre-primary and primary teachers has remained constant at a little under 13,000 each year between 2003 and 2008. In February 2008, WA had almost 190,000 registered primary school students participating across 507 public primary schools, 47 public high and secondary schools, 262 non-government schools and a range of remote and other education facilities. Of these, about 54,500 were enrolled in private and independent schools. Primary school registrations have increased by about 1,700 or one per cent between 2007 and 2008. These increases were mostly absorbed by the private school sector, continuing a long-term declining trend in the proportion of students attending public schools in WA. The overall student population has increased in line with the total population increase in WA, and WADET projections indicate the total number of primary pupils in WA will increase to 220,000 by 2010.

In February 2008, WA had over 140, 000 registered secondary students participating across 86 public secondary schools, 61 district high schools, 148 non-government secondary schools, 69 education support and language development facilities and a range of senior and agricultural colleges. Of these more than 57, 000 were enrolled in private and independent secondary schools. Legislation was introduced to increase the school leaving age from 16 to 17 years of age and this may lead to higher demand for secondary school teachers as student numbers increase in this age cohort. WADET has indicated the most significant areas for which recruitment is difficult are design and technology, home economics, mathematics and physics. WADET reports difficulty filling vacancies in some regional and rural areas, especially in the far north of the State. Principals and coordinators of special needs teachers expressed concern that, due to an aging workforce, there may be insufficient new staff available in the future.

There is strong demand for qualified workers in the childcare industry. Many employers have indicated that should a correctly qualified person apply for a position, they would be offered the job because of the current skill shortage in this industry. There will continue to be a shortage of qualified staff in the childcare industry as there is an increasing demand for childcare places. Relatively low wages and high staff turnover mean the shortage of qualified people is likely to continue.

Health Professionals

With a population growth of three per cent, and an aging population, demand for nurses continued to grow. Employers indicated that due to shortages of Registered Nurses, they often fill vacancies with Enrolled Nurses to maintain levels of care. Employers also report that online vacancies tend to attract many overseas applications, especially from South Africa, and the UK. As well as full and part-time positions, other strategies for attracting staff include offering job sharing, casual and working pool options. This is especially the case in the larger hospitals where staffing levels can be measured in shifts rather than full-time employees.

Shortages of Midwives have been reported by public and private maternity hospitals. Some large employers report actively recruiting Midwives from the UK to resolve current and expected shortages. Shortages of Mental Health Nurses are currently being reported by employers. Industry sources report that attracting staff to mental health nursing has been difficult for a number of years. There is strong demand for Enrolled Nurses in on-going patient care roles such as specialised clinics, aged care homes and hostels for people with various mental and physical disabilities. Aged care and intellectual disability care appear to be areas where filling positions was particularly difficult compared with curative and rehabilitative nursing. Employers have also recognised that there is a strong attraction for shift work, especially in large hospitals where higher incomes may be earned.

Industry bodies have confirmed that there is a shortage of senior or experienced Social Workers. Dwindling undergraduate intake numbers have required universities to offer variations of postgraduate courses to attract people with other qualifications to return to study to become Social Workers. There has been a decline in the number of recent graduates from the Social Work Degree courses of WA universities over the last three years.

There are current shortages of Welfare Workers who work with people with mental health issues. Employers who work with indigenous groups have indicated a preference for indigenous staff and have found these positions are not easy to fill. Demand is predicted to remain high for persons with suitably qualified people and with some level of experience. Difficulty in recruitment is expected to continue in rural locations, and for people who are able to work with indigenous communities.

Business and Information Professionals

Demand for accountants appears to be exceeding supply, with the most sought after individuals possessing three to five years experience. A study by the Australian Tax Office shows that tax agents are also in high demand as 53 per cent of those surveyed indicated an increase in clients in the past year, with 74 per cent of those indicating that the staff numbers remained unchanged. Some larger organisations are recruiting from overseas and doing so with planned campaigns, as well as recruiting second and third year university students. Some smaller organisations are employing graduates, however they report inexperience can lead to efficiency issues. Retention of current employees including newly experienced graduates is an issue for public practice accounting firms. Larger companies are more able to recruit staff with higher salaries and broader career opportunities. Overseas accountants are often unable fill the supply gap due to their limited knowledge of the Australian Taxation system.

Demand for external auditors is particularly high for professionals with five to 10 years experience. An increase in regulatory control has significantly increased the demand for external auditors. The majority of employers appear to be seeking external auditors with experience in large international firms who possess good communication skills and who are able to work with meticulous detail. Large recruiters state that a significant quantity of general tax related work is outsourced internationally, due to the shortage of local employees. A number of employers suggested that some other countries do not have the same benchmarks as Australia therefore it can be difficult to assess the quality of international employees resulting in recruitment difficulties. The limited supply of professional auditors can also be attributed to high wastage rates, with people entering the

field to gain experience and then moving to more lucrative areas within the accounting industry.

Science, Engineering and Related Professionals

Except for mechanical engineers, there has been growth in demand for all engineers. This has led to an increased demand to bring engineers into Australia on immigration visas for the life of a project. An informal system of teaming highly skilled engineers with newly graduated engineers is emerging as a solution to the limited supply of people with experience required by the industry.

Demand for Agricultural Scientists, Advisors and Technical Officers is currently greater than supply. Commercial employers have indicated that there is strong competition for the best university graduates for the positions at the end of each year. Farm sizes are increasing for efficiency reasons, and more science is being applied. Agricultural Technical Officers work in the areas of field trials, laboratory trials, and bio-security and research stations. Demand is usually for specialisation in certain areas such as grain crops, animals, and fruit. Various scientific equipment can also require product knowledge. There is strong demand for Field Officers, who collect data and assist with reporting, and Research Station Officers, who conduct trials and assist scientists. Advancements in science and agricultural trends in crops and harvest types will have some bearing on demand. Ongoing recruitment, reflecting scientific needs, mainly by the State Government agencies, can be expected to continue.

Agricultural Inspectors provide documentation for produce leaving WA as well as quarantine services for product entering the State. The Department of Agriculture and Food also employs bio-security officers to manage and cull intruding species that become a threat to crops. At the Federal level, the Australian Quarantine and Inspection Service provides inspection, verification and certification services to the export meat, dairy, fish, grain and horticulture industries in Australia. It also provides foreign border protection by employing agricultural product inspectors at Australian entry points. Due to ongoing threats from agricultural pests and disease, as well as the requirement for a range of certifications of products, regular recruitment for positions in both the State and Federal government agencies can be expected to continue.

Demand for building associates has continued to be at a high level due to the buoyant WA economy. The Australian Bureau of Statistics data shows that although there was a decline of three per cent in new residential approvals in 2006-07 compared with the previous year, there was an increase in the total value of these buildings of 14 per cent. Increased labour and materials costs are well recognised as reasons for the increases in prices that may dampen demand in the near future. The value of non-residential building approvals has also increased in the same period by 19 per cent reflecting the high level of activity in the commercial building sector.

Mining and Resource Specialists

There is continued high demand for all trades and professions in the highly active WA mineral resources industry. In 2007 the resources sector recorded an increase of seven per cent growth reaching a total value of \$53.1 billion. The Australian Bureau of Statistics (ABS) figures show that investment in mining developments in WA was \$15.03 billion in 2007, which was a 19 per cent increase from the previous year.

This has resulted in a high level of demand for all professions relevant to the mining and resource industry with some of the demand being met by overseas recruitment on short-term visas. Employers have reported a significant shortage of experienced geologists and there is a trend among geologists to seek work in metropolitan based roles rather than isolated areas with camp or temporary accommodation. Employers said they preferred to use internet job sites and recruitment agencies to recruit geologists. The main source of employees was recruitment companies and word-of-mouth referrals. Most geology vacancies require people with five to 10 years experience, though those who have just graduated are currently assured jobs due to the large shortage of geologists.

The local supply of mining engineering graduates is growing in line with the boom in the resource sector. In 2007, the number of mining engineering graduates in WA more than doubled. Much of the supply of experienced engineers is being met by professionals arriving from overseas under the 457 visa system. Mine deputy roles are less likely to be filled by overseas applicants because of the need for knowledge of the mining regulations and the relevant laws that cover the mining industry in Western Australia.

Recruitment agencies working in the mining sector have reported that their success was due to their extensive databases and the professional networks, and hence most positions are not advertised in the media. Employers reported that they were more willing to employ newly qualified graduates than they were in the past if they were unable to hire experienced people.