

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2 and 3 NOVEMBER 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 2: Higher productivity, higher pay workplace

Output Group 2.1: Workplace relations policy and analysis

Output 2.1.1: Workplace relations policy advice

Question Number: W627-06

Questions:

Senator Marshall asked in writing:

According to his media release of 9 October, the Prime Minister, John Howard has said that 'Today, as never before, Australia is a workers' market'.

- (a) Did the Department provide any assistance in preparing the Prime Minister's statement?
- (b) What is the Department's definition of a 'worker's market'?
- (c) What research, studies or surveys have been conducted to support the assertion that Australia is a 'workers market'?

Answers:

Response to (a)

No.

Response to (b)

The Department's view of a 'workers market' is one in which the economy and labour market is such that employer demand is strong and jobseekers and workers have a much greater choice in the number of employment opportunities that are available.

Response to (c)

Research undertaken by the Department during 2004 and 2005 has identified that there were skills in demand in most trades especially in engineering/metal, wood and automotive trades as well as strong demand for chefs and cooks and some construction trades. Skill needs in the professions were mainly evident for engineers, while in the health sector there was strong demand for registered nurses and health specialists (such as physiotherapists). There is also strong demand for a number of

other occupations including accountants and child care workers. Demand for a number of information and communications technology (ICT) skills also exists.

There are a number of research studies or surveys that can inform judgements about the state of the labour market. ABS *Labour Force* survey data show that employment growth has been particularly strong in the 12 months to August 2005 at 4.2 per cent which compares with a 10 year annual average of 1.9 per cent.

Employer demand has been quite strong over the past year. The ABS *Job Vacancies* survey series rose by 11.1 per cent in the 12 months to August 2005. The DEWR *Skilled Vacancy Survey* series has risen by 1.3 per cent in the past quarter and 7.5 per cent in the past month.

A number of surveys have noted the continued strength of the labour market over the past 12 months. These include surveys undertaken by the Australian Chamber of Commerce and Industry (ACCI) (i.e. St George-ACCI Business Expectations Survey and ACIL Tasman – ACCI Survey of Investor Confidence), the National Australia Bank (the National's Quarterly Business Survey) and the ANZ (the ANZ Job Advertisements Series). Other organisations to have commented on the robust nature of the labour market in the past 12 months have been the Reserve Bank of Australia (RBA), Treasury and private forecasters such as Access Economics in their publication *Business Outlook*.

For instance, the RBA commented in their recent *Statement on Monetary Policy* (November 2005) that there has been a widespread increase in rates of staff turnover. Consequently firms are more actively using non-wage remuneration – such as bonus payments, more flexible work arrangements and more generous leave provisions – to attract and retain employees. Firms are also increasing the frequency of their salary reviews and rates of promotion.