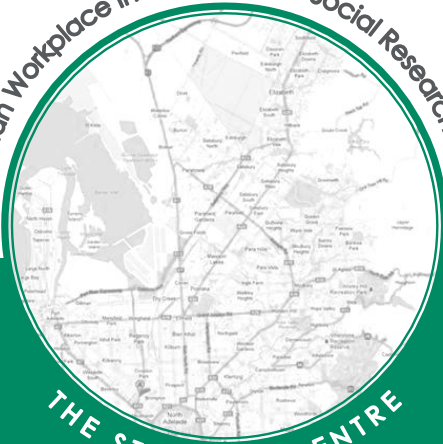


Australian Workplace Innovation and Social Research Centre



THE STRETTON CENTRE

Impact of the auto industry closure

Workplace Futures Survey - Playford and Salisbury Wave 2

Rasika Ranasinghe, Ann-Louise Hordacre, John Spoehr
September 2014

*A report for The Stretton Centre funded by the
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THE UNIVERSITY
of ADELAIDE
AUSTRALIAN WORKPLACE
INNOVATION AND SOCIAL
RESEARCH CENTRE



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***Workplace Futures Survey –
Playford and Salisbury Wave 2***

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WISeR also specialises in socio-economic impact assessment including the distributional impacts and human dimensions of change on different population groups and localities. Our research plays a key role in informing policy and strategy development at a national, local and international level.

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EXECUTIVE SUMMARY

The first wave of the *Workplace Futures Survey (WFS) – Playford and Salisbury (WFS)* was implemented in November 2013, just prior to the announcement of the closure of the GM Holden production plant in Elizabeth by 2017. This survey included responses from 451 employers across the Cities of Playford and Salisbury. The second wave of the survey was administered six months later in May 2014, with a total of 455 employers, of which 338 were continuing participants from the previous round. The attrition rate from Wave 1 to Wave 2 was approximately 25% and a representative top-up sample utilised to maintain the overall sample size. The overall response rate was 11.7% in the second wave which is slightly lower than the first wave (12.5%).

The timing of the two surveys provides a clear comparison of ‘before’ and ‘after’ the auto closure announcement revealing the initial impacts of this severe economic shock on employer sentiment. The surveys therefore have come at a critical period in the regional economy of northern Adelaide.

Wave 2 of the survey is a shorter version than Wave 1, and was primarily intended to gather employer perceptions contributing to the Workplace Futures Index (WFI). In addition, Wave 2 includes new thematic questions relating to the impact of the auto industry closure. This report presents the findings from the second wave of the WFS and provides a comparison with the first wave of the survey.

IMPACT OF AUTO INDUSTRY CLOSURE

Overall: Nearly four in ten employers (39%) indicated that the closure of the auto industry will lead to a *reduction in employment*. In Playford, where the impacts appear to be greater, 45% of employers expected a reduction in employment. Almost one third (30%) of employers expected a *reduction in profitability* including 13% who expected a significant impact and 3% who anticipated a very significant impact. *Future business viability* was under a degree of threat for one third employers (32%). While only 4% of employers considered themselves at high *risk of closure*, 29% reported either a moderate (12%) or some (17%) risk of closure.

Industry-level: Between a half and a third of employers in retail trade (50%), construction (38%), health care and social services (36%) and manufacturing (34%) sectors expected a *reduction in employment*. Retail trade establishments (53%) also expected the greatest *impact on profitability*, although an impact was also expected in manufacturing (45%) and construction (44%) establishments – and to a lesser extent in health care and social services (39%). Nearly 60% of retail trade employers expected an adverse impact on their *future viability*, followed by construction (43%) and manufacturing (36%). However, only 23% of health care and social services expected their future viability to be at risk – usually anticipating only low impact. The retail trade sector appears the most vulnerable to closure with almost half indicating their businesses were at *risk of closure*, followed by construction (38%), manufacturing (33%) and health care and social services with only 23% reporting a level of risk for their establishments.

By size of establishment: Smaller enterprises were most vulnerable to the impacts of the auto industry closure. There was a marked trend with those in smaller industries reporting the largest risk to their future viability and risk of closure to their establishments, with risk reducing as establishment size increases. A similar but less marked trend was seen with smaller establishments expecting greater *reductions in employment* and in *profitability*. Noting that only a few establishments had more than 200 employees, their results should be interpreted with caution.

EMPLOYER SENTIMENT

The cautious employer optimism displayed in the November 2013 round of the WFS clearly cooled in the second wave of the survey in May 2014, with declines in each of the indicators.

In November 2013, 12% of employers expected a strong increase in **intentions to invest** in the next 12 months, while 40% expected a moderate increase. By May 2014, the share of employers in these groups had fallen to 8% and 34% respectively. In terms of **intentions to recruit** in the next 12 months, one in three employers (33%) expected a strong or moderate increase in



their hiring expectations in November 2013. This share had fallen to 30% in May 2014. One in two employers expected a strong or moderate increase in expected **profits** in November 2013, which had fallen to 40% by May 2014. In the first wave of the survey in November 2013, nearly six out of ten employers (58%) expected strong or moderate **growth**, which had decreased to 53% by May 2014.

VACANCIES

The share of employers with a current vacancy remained much the same between the two waves with 14% in November 2013 to 13% in May 2014. Six in ten employers did not expect *any* vacancies in the 12 months to May 2015. There was a high level of demand for sales workers at the time of the survey (with 25% of employers reporting a currently vacant position) while technicians and tradespersons had the highest expected demand in the next 12 months to May 2015 (21% of employers). This compares with technicians and tradespersons as the occupation with the highest current and future demand in the first wave of the WFS with approximately one in five employers reporting or expecting a vacancy.

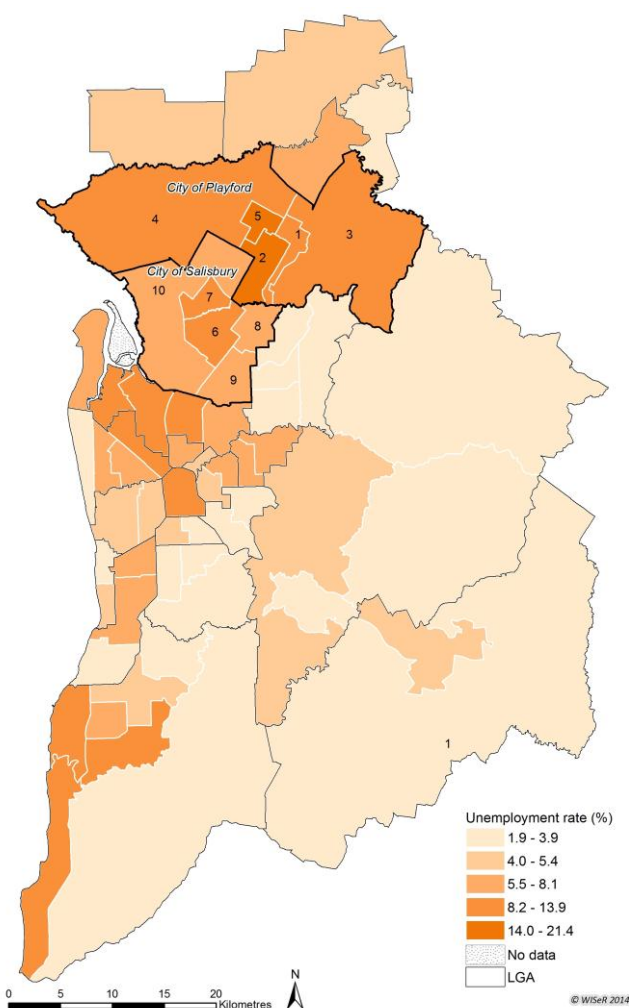
1 INTRODUCTION

The *Workplace Futures Survey (WFS) – Playford and Salisbury* is a longitudinal workplace survey implemented in Playford and Salisbury, and managed by the Australian Workplace Innovation and Social Research Centre (WISeR) for the Stretton Centre with funding from the federal government Suburban Jobs Program. The WFS is designed to capture in-depth information on a range of workplace issues and trends that will provide a comprehensive picture of the issues and challenges faced by employers in the region. Four surveys are currently planned in this series.

This report presents the headline findings from the second wave (Wave 2) of the WFS, which was administered in May 2014 and provides a comparison with the first wave (Wave 1) administered six months earlier in November 2013. Wave 1 of the WFS was run just prior to the December 2013 announcement of the closure of the GM Holden production plant in Elizabeth by 2017. Accordingly, a clear comparison of the ‘before’ and ‘after’ scenario of the perceived impacts of this severe economic shock on employer sentiment is possible.

The surveys, therefore, come at a critical period in the regional economy of Adelaide - North. This region, which includes the Cities of Playford and Salisbury (as well as Tea Tree Gully, Port Adelaide - East and Gawler - Two Wells), has had historically high and persistent unemployment (see Figure 1), particularly among young people. At the State level, unemployment has risen in the post GFC environment while total employment has remained relatively high but not sufficiently so to lead to a reduction in unemployment. This is evident in Figure 2, which illustrates the trends in monthly unemployment and vacancy data for South Australia between March 2006 and March 2014.¹ Vacancy data indicate that vacancies have declined over the period. At the same time, unemployment continues an upward trend, widening the gap between unemployment and employment

FIGURE 1: UNEMPLOYMENT RATE, GREATER ADELAIDE, DECEMBER 2013



¹ Monthly vacancy data are based on the Internet Vacancy Index (IVI) data from the Department of Employment (May 2014), and includes a count of online job advertisements newly lodged on SEEK, MyCareer, CareerOne and Australian JobSearch during the month.

opportunities.² The rising labour force participation rate has further exacerbated this problem recently.

FIGURE 2: TRENDS IN UNEMPLOYMENT AND VACANCIES, SOUTH AUSTRALIA, MARCH 2006-MARCH 2014



Source: Unemployment data (monthly, trend): ABS (2014) Labour Force, Australia, 6202.0 Table 7. Vacancy data (monthly): Vacancy Report, May 2014, Department of Employment. Vacancy data are based on a count of online job advertisements newly lodged on SEEK, MyCareer, CareerOne and Australian JobSearch during the month.

2 WORKPLACE FUTURES SURVEY, PLAYFORD AND SALISBURY

Wave 1 of the WFS (November 2013) incorporated responses from 451 employers across the Cities of Playford and Salisbury³. The current Wave 2 of the WFS was completed in May 2014, with a total of 455 employers, of which 338 (approximately 75%) were continuing participants from the previous round with the remainder of employers recruited in May 2014.⁴ This latest version of the survey is shorter than the one used in Wave 1⁵ and is primarily intended to gather employer perceptions as inputs to the Workplace Futures Index (WFI)⁶, along with thematic questions relating to the impact of the auto industry closure. This report presents the findings from Wave 2 of the WFS and provides a comparison with Wave 1 of the survey.

² While internet vacancy data by definition excludes non-internet based vacancies, it provides a reasonable proxy of available vacancies, as the majority of employers use the internet as the primary source of advertising existing vacancies (Ranasinghe *et al*, 2014a).

³ For detailed information and findings from Wave 1 of the WFS, please refer to Ranasinghe *et al* (2014a).

⁴ The WFS includes four surveys implemented between November 2013 and May 2014.

⁵ See section 5 for details of the survey module.

⁶ Additional details on the WFI are available from Ranasinghe *et al* (2014b). The WFI will be updated with the latest data and presented in a forthcoming report.

The topics covered in Wave 2 include:

- Organisational details;
- Employer confidence (measured using five indicators including intentions to invest and recruit, expectations of profits, sales and business growth for the next 12 months);
- Employment and vacancies;
- Factors affecting business performance; and
- Thematic questions: impact of auto industry closure.

The survey was implemented as Computer Assisted Telephone Interviews (CATI), conducted for WISER by Harrison Research Inc., a professional market research company. As in the previous round, survey notifications were sent to selected organisations prior to the telephone interviews. This provided relevant information including the purpose of the survey, who was conducting the research, who would conduct the interviews, and privacy issues. In addition, participants were provided with a brief report from Wave 1, which also refers them to the detailed report (available online). The notification also stated that participation was voluntary and provided a means for organisations to opt out of the survey.

2.1 METHODOLOGICAL OVERVIEW

The original sample was drawn from the *Sensis Business Database* which is a comprehensive directory of registered businesses across Australia. The *Sensis* database for the cities of Playford and Salisbury contains a number of establishments with no industry classification (approximately 34% of the total). These listings were included in the sampling framework for Wave 1 of the WFS and were classified under the ‘other’ industry category.⁷

The primary sampling unit for all waves of the survey is the ‘establishment’⁸, and the reference population is any establishment or organisation employing two or more workers located in the Cities of Playford and Salisbury. In Wave 2, around 6% of ‘continuing’ establishments (ie establishments participating in both Waves 1 and 2) had only one employee, reflecting a decline in staff numbers between November 2013 and May 2014.

Similar to Wave 1, the continuing sample was drawn using a two-staged stratified random sampling approach based on industry (according to ANZSIC codes)⁹ and size of establishment in the region. Within each city, the sample is selected in proportion to the number of businesses operating in each industry, and the size of the establishment determined by the number of people working in them¹⁰. Hence the sample is intended to be representative of employers within the two local government areas¹¹. For the continuing sample, wave 2 sample design is consistent with Wave 1, and incorporates over-sampling of the manufacturing and health care and social assistance industries. Appropriate industry weights are calculated and applied in the analysis.¹². A simple random sample was drawn for the wave 2 top-up sample for logistical and practical reasons.

⁷ Wave 2 did not recruit any further employers from listings without industry classifications. However, all employers included in Wave 1 were eligible and approached to participate in Wave 2.

⁸ Throughout the report, the terms establishment, organisation and employer are used interchangeably to minimise repetition and improve readability.

⁹ Australia and New Zealand Standard Industrial Classification (ANZSIC) codes (Australian Bureau of Statistics, 2013)

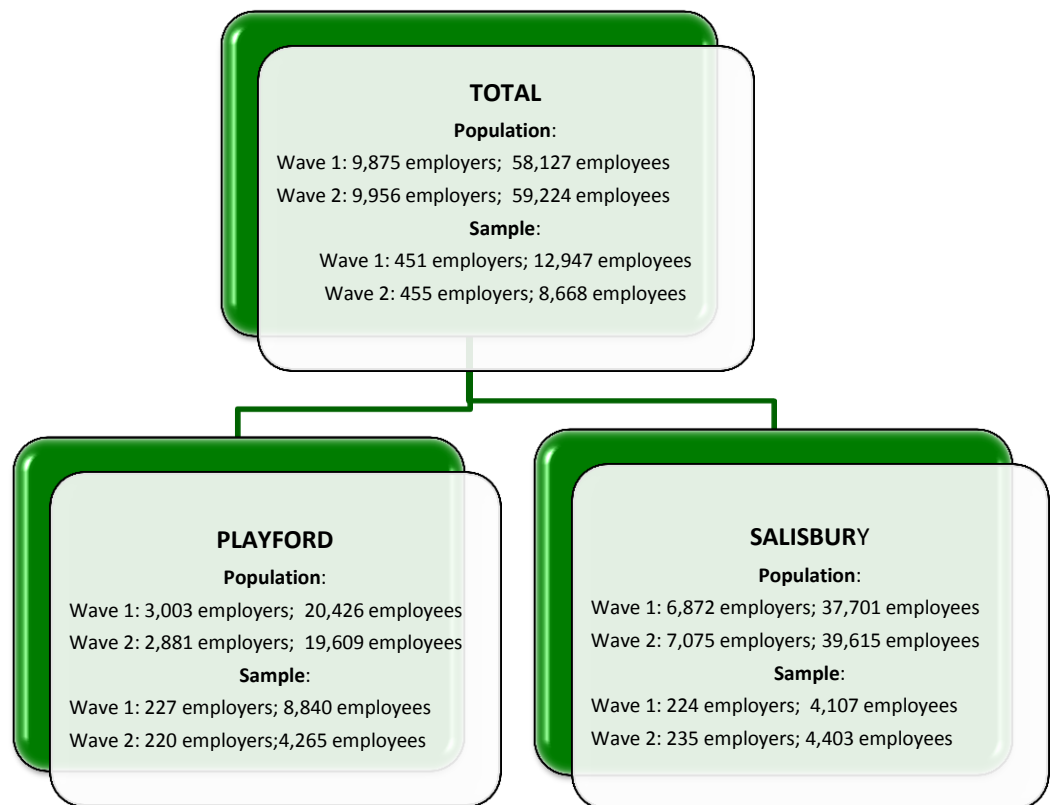
¹⁰ A simple random sample was drawn for the top-up sample (instead of two-staged stratified approach).

¹¹ Note, that some findings are extrapolated from the sample to the population and presented in the report. These are shown to provide a regional context and should be interpreted with caution.

¹² Employment weights are based on ABS Census (2011), and establishment weights are based on the *Sensis* business data for Playford and Salisbury. While all reasonable care has been in their calculation, the figures presented should be interpreted only as indicative.

Wave 1 of the WFS was comprised of 451 establishments in the Cities of Playford and Salisbury with a total of 12,947 employees.¹³ Wave 2 of the WFS contained responses from 455 employers (220 in Playford and 235 in Salisbury), of which 338 were continuing participants from Wave 1. Accordingly, the attrition rate was approximately 25% with a top-up sample utilised to maintain the overall sample size. The Wave 2 response rate was 11.7%, slightly lower than in Wave 1 (12.5%). Figure 3 below illustrates the distribution of the population and sample within each location across the two waves¹⁴. The most significant change across the two waves is the decrease in the number of employees in the Playford sample (4,265 employees in the current wave to, compared to 8,840 in wave 1). This is primarily a result of attrition - a small number of Playford establishments with a large number of employees that were part of the wave 1 sample, have not continued their participation in wave 2.

FIGURE 3: POPULATION AND SAMPLE DISTRIBUTION: WAVES 1 AND 2



WISer 2014

Appendix A contains detailed information about the size of establishments, employment type and industry distribution with comparisons between Wave 1 and Wave 2. Of note, establishments at November 2013 estimated that on average they had roughly the same number of employees as they did one year earlier (see Figure 22). However, establishments at May 2014 reported an average of one fewer employee a year previously. More importantly, in six months the average number of employees had fallen from 23 per establishment in November 2013 (Wave 1 of the WFS) to 20 in May 2014 (Wave 2 of the WFS). However, nearly 54% of employers did not see any change in staff numbers during the 12 months between May 2013 and May 2014.

With regard to employment type, the proportion of establishments that did not employ any full-time staff decreased marginally in May 2014 by 3 percentage points to 8%. In May 2014, 55% of establishments had no part-time workers, compared to 48% in

¹³ See Ranasinghe et al (2014a) for details of Wave 1 of the WFS.

¹⁴ The reference employee population is based on employment by industry data from the ABS Census (2011).

November 2013. The share of establishments with no casual employees fell from 70% in November 2013 to 60% in May 2014, with a corresponding increase in those with 1 to 4 casual employees. The distribution of establishments with apprentices in their workforce has not changed significantly across the two waves with 82% of establishments having no apprentices in May 2014.

3 IMPACT OF THE AUTO INDUSTRY CLOSURE

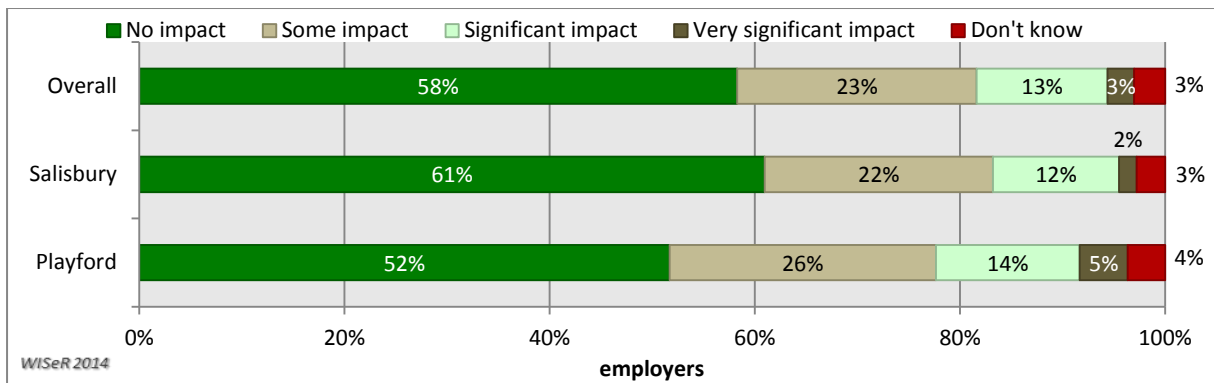
- Reduction in employment
 - Overall, nearly four in ten employers (39%) indicated that the closure of the auto industry will lead to a reduction in employment, including 16% who expected significant or very significant impact.
 - In Playford, where the impacts appear to be greater, 26% of employers expect some impact and 14% expect a significant impact on reducing employment.
 - Half of retail trade employers (50%) expected a reduction in employment, followed by construction (38%), health care and social services (36%) and manufacturing (34%) sectors.
 - Smaller enterprises appear considerably more vulnerable to the impacts of the auto industry closure with 40% of establishments with 1 to 4 employees and those with 5 to 19 employees expecting reductions in employment.
- Impact on profitability
 - Almost one third (30%) of employers expected some impact, 13% expected a significant impact and 3% anticipated a very significant impact on their profitability.
 - The greatest impact on profitability was in retail trade (53%), manufacturing (45%) and construction (44%) sectors.
- Impact on future business viability
 - One third of employers (32%) indicated that they expected some impact on future business viability as a result of the closure of the auto industry.
 - Nearly 60% of retail trade employers expected their future viability to be adversely affected, followed by construction (43%) and manufacturing (36%).
 - Employers across the board expected reductions in profitability and had concerns about their future viability with approximately one in two employers in every size category, except the largest with 200+ employees, indicating that they will be impacted by the closure of the auto industry.
- Risk of closure
 - Overall 4% of employers considered themselves at high risk of closure, while 12% were at moderate risk and 17% expected some risk of closure.
 - Risk of closure follows a similar pattern with retail trade being at the highest risk, followed by construction and manufacturing.
 - Employers' expectation of the risk of closure is inversely related to establishment size. Forty-three percent of the smallest establishments (1 to 4 staff), 30% of establishments with 5 to 19 employees, and 15% of those with 20 to 199 employees indicated that they were at some risk of closure. Only 6% of the largest employers (with 200+ staff) indicated the same.

3.1 REDUCTION IN EMPLOYMENT

Overall, nearly four in ten employers (39%) indicated that the closure of the auto industry would lead to a reduction in employment (Figure 4)¹⁵. This figure includes 23% who expected *some impact* in reducing employment and 13% who expected significant reductions in employment. Three percent of employers expected very significant reductions in employment due to the closure of the auto industry.

¹⁵ See Appendix B for related data tables.

FIGURE 4: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN EMPLOYMENT (% OF EMPLOYERS), MAY 2014



Weighted base=9,956 employers; unweighted base =455 employers

The impact was pronounced in Playford, with close to 45% of employers indicating that they expected a reduction in employment (26% expecting some impact and 19% a significant or very significant impact). While in Salisbury, 36% of employers reported an expected reduction in employment (22% expecting some impact and 14% a significant or very significant impact).

INDUSTRY

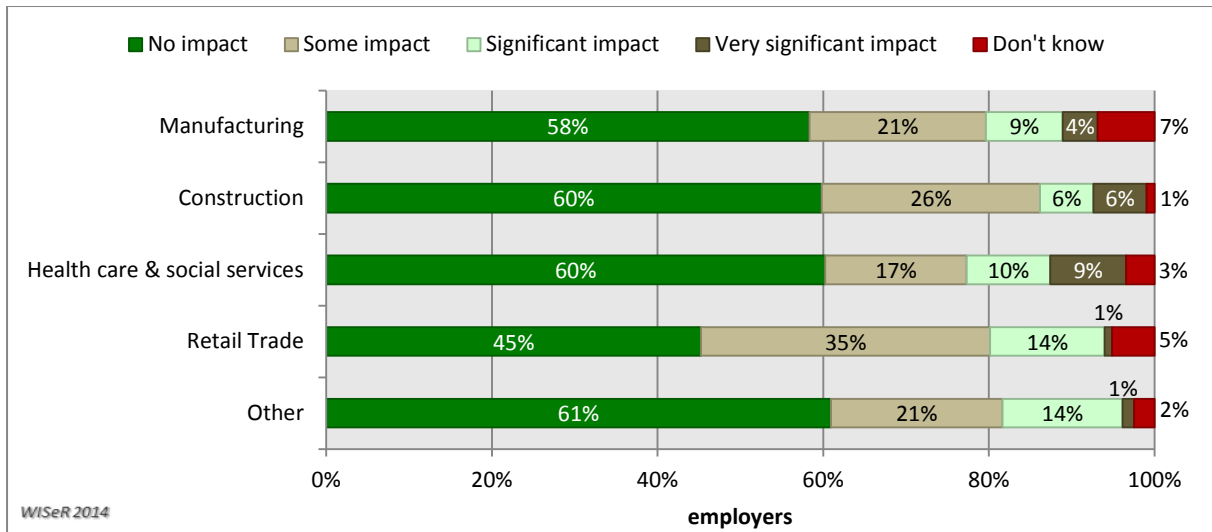
Potential impact of the closure of the auto industry on reducing employment by industry groups is presented in Figure 5. It should be noted that this survey does not capture all major automobile component suppliers based in the region and therefore does not provide a complete picture of the impacts on manufacturing of the closure. Related research by WISeR indicates that the effects of the Holden and Toyota closures are likely to be extremely negative (Burgan & Spoehr, 2013).

The retail industry had the highest proportion of employers indicating they expected an impact on employment as a result of the closure of the auto industry. More than one third (35%) of employers in retail trade expected some impact on employment, while 14% indicated significant impact, and 1% indicated very significant impact on employment.

In terms of strongest impacts, employment in the health care and social assistance sector appears to be most exposed to the closure of the auto industry with one in five employers indicating significant (10%) or very significant (9%) impacts. A further 17% indicated some impact on employment due to the closure of the auto industry.

In addition, over one third of manufacturing and construction employers expected impacts from the automotive closures, with 12-13% expecting impacts to be significant or very significant.

FIGURE 5: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN EMPLOYMENT BY INDUSTRY (% OF EMPLOYERS), MAY 2014

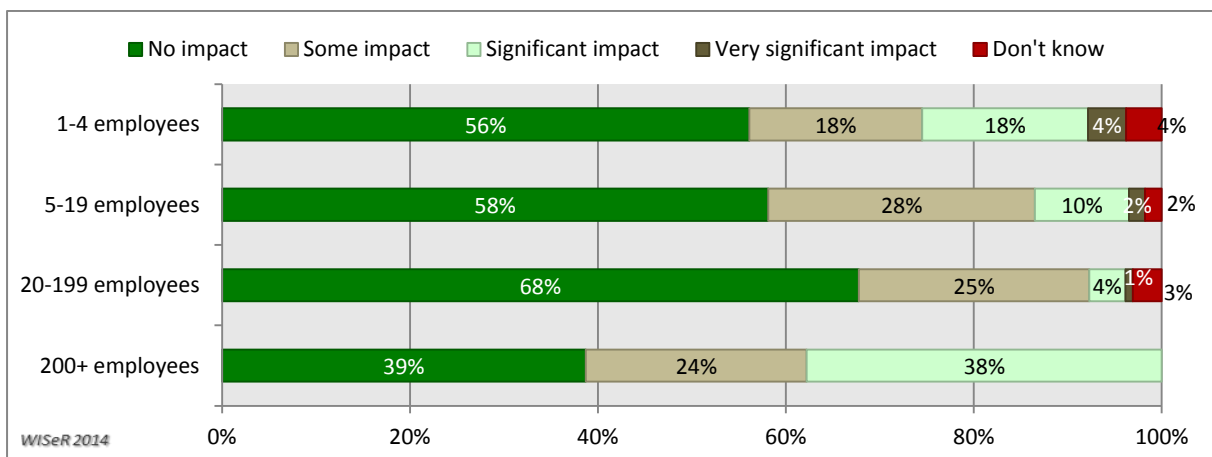


Weighted base=9,956 employers; unweighted base =455 employers

ESTABLISHMENT SIZE

Figure 6 illustrates the impact of the auto industry closure on employment by size of establishment. Forty percent of small employers (1 to 4 employees) were expecting impact on employment from the automotive closures, with 22% of these expecting a significant or very significant reduction in employment. Almost three in ten employers (28%) in establishments with 5 to 19 employees expected some impact reducing employment. One in ten employers expected a significant impact, while 2% expected a very significant impact. Of the medium to large establishments (20 to 199 employees), 68% expected no impact on employment due to the auto industry closure. However, one in four employers in this category expected some impact, with a further 4% expecting significant and a small proportion (1%) expecting a very significant impact on employment.

FIGURE 6: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN EMPLOYMENT BY ESTABLISHMENT SIZE (% OF EMPLOYERS), MAY 2014



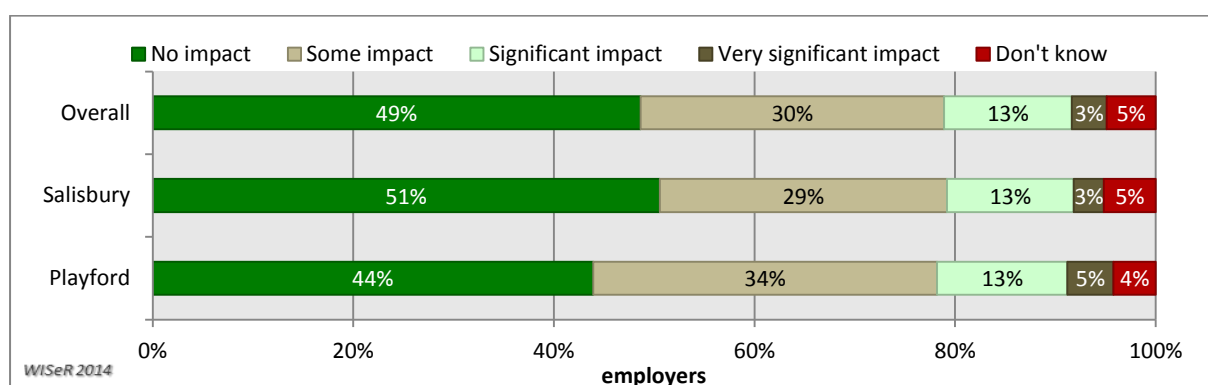
Weighted base=9,919 employers; unweighted base =452 employers
 Estimates for establishments with 200 or more employees should be interpreted with caution as the sample size for this category was very small (n=5).

3.2 REDUCTION IN PROFITABILITY

In terms of the impact of the closure of the auto industry on reducing business profitability, overall 30% of employers expected some impact, 13% expected a significant impact and 3% anticipated a very significant impact (Figure 7)¹⁶.

Of employers in Salisbury, 29% expected some impact on reduction in profitability, 13% expected significant reductions in profitability, while 3% of employers anticipated a very significant impact on reducing profitability due to the closure of the auto industry. A larger share of employers in Playford anticipated some impact on profitability (34%) as a result of the closure of the auto industry. As in Salisbury, 13% of employers in Playford expected significant impacts leading to reductions in profitability. A slightly higher share (5%) of employers in Playford expected very significant reductions in profitability.

FIGURE 7: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN PROFITABILITY (% OF EMPLOYERS), MAY 2014



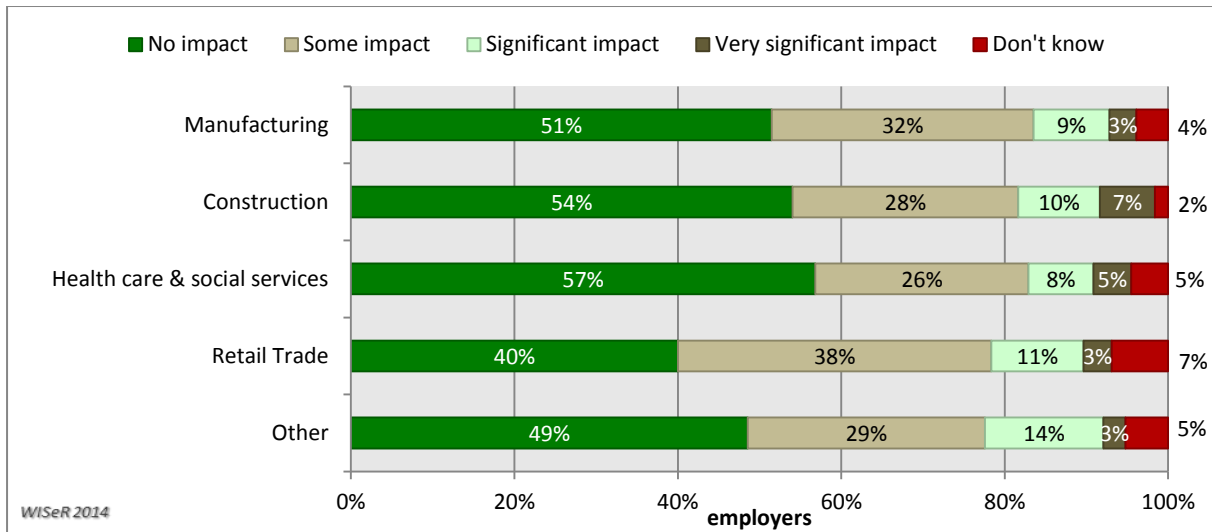
Weighted base=9,956 employers; unweighted base =455 employers

INDUSTRY

More than half the retail trade employers expected an impact in profitability, including 38% expecting some impact (38%), and 14% anticipating a significant or very significant impact (11%) on profitability due to the auto industry closure (see Figure 8). Just over one in two employers in manufacturing (51%), construction (54%) and health care and social services (57%) expected no impact on profitability from the closure of the auto industry. Yet, between 12% and 19% of employers from these industries expected a significant or very significant impact on profitability, while a quarter to a third expected some impact.

¹⁶ See Appendix B for associated data tables.

FIGURE 8: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN PROFITABILITY BY INDUSTRY (% OF EMPLOYERS), MAY 2014

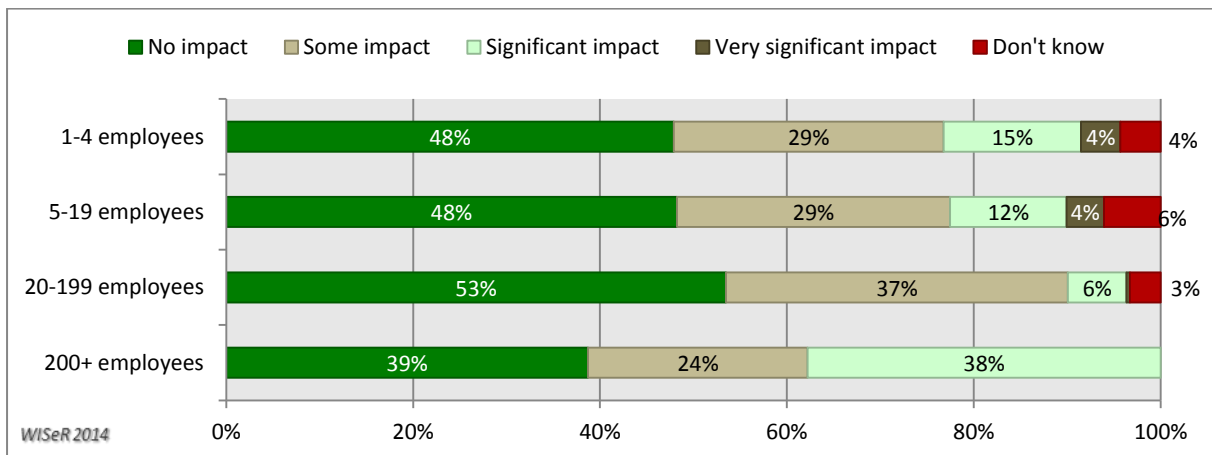


Weighted base=9,956 employers; unweighted base =455 employers

ESTABLISHMENT SIZE

Nearly one half of small employers (1 to 4) and establishments with 5 to 19 employees expected an impact on profitability, with close to one in five (16-19%) expecting a significant or very significant impact (Figure 9). Establishments with 20 to 199 employees were slightly more resilient with (43%) indicating some (37%) or a significant impact (6%) but none reporting expectations of a very significant impact.

FIGURE 9: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: REDUCTION IN PROFITABILITY BY ESTABLISHMENT SIZE (% OF EMPLOYERS), MAY 2014



Weighted base=9,919 employers; unweighted base =452 employers
 Estimates for establishments with 200 or more employees should be interpreted with caution as the sample size for this category was very small (n=5).

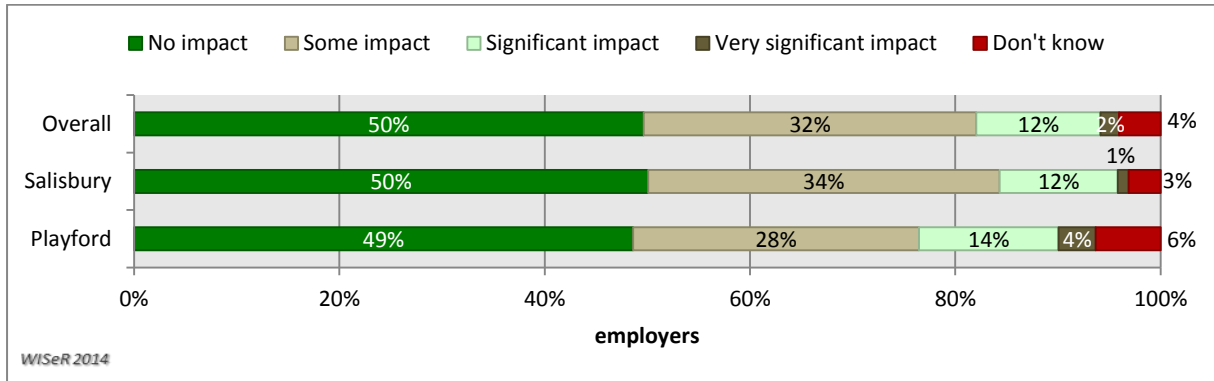
3.3 FUTURE VIABILITY

Impacts of the closure of the auto industry on future viability of establishments are presented in Figure 10¹⁷. Nearly half of all employers indicated that they expected the automotive closures would have an impact on their future viability. One third of

¹⁷See Appendix B for the associated data tables.

employers (32%) expected some impact on future business viability as a result of the closure of the auto industry. Twelve percent of employers expected a significant impact, while 2% expected a very significant impact on the future viability of their establishments.

FIGURE 10: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: FUTURE VIABILITY (% OF EMPLOYERS), MAY 2014



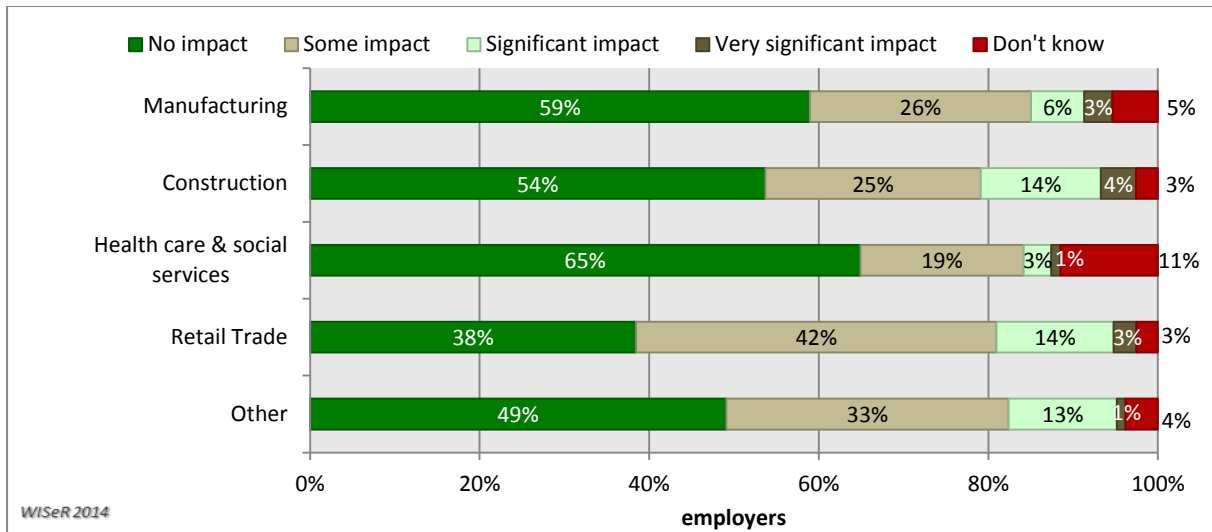
Weighted base=9,956 employers; unweighted base =455 employers

Just over one third of Salisbury employers (34%) expected some impact on future viability due to the closure of the auto industry, while 12% anticipated a significant impact and 1% reported very significant impacts. Twenty-eight percent of employers in Playford anticipated some impact on future business viability as a result of the closure of the auto industry, while 14% expected significant impacts, and 4% expected very significant impacts.

INDUSTRY

Impact of the closure of the auto industry on business viability by industry sector is presented in Figure 11. Nearly six in ten employers in manufacturing (59%) expected no impact on future viability. One in four (26%) expected some impact, 6% expected a significant impact and a further 3% expected a very significant impact on future business viability as a result of the closure of the auto industry. In the construction sector, one quarter of employers expected some impact on future viability, with 14% expecting a significant impact and a further 4% expecting a very significant impact on future viability.

FIGURE 11: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: FUTURE VIABILITY BY INDUSTRY (% OF EMPLOYERS), MAY 2014



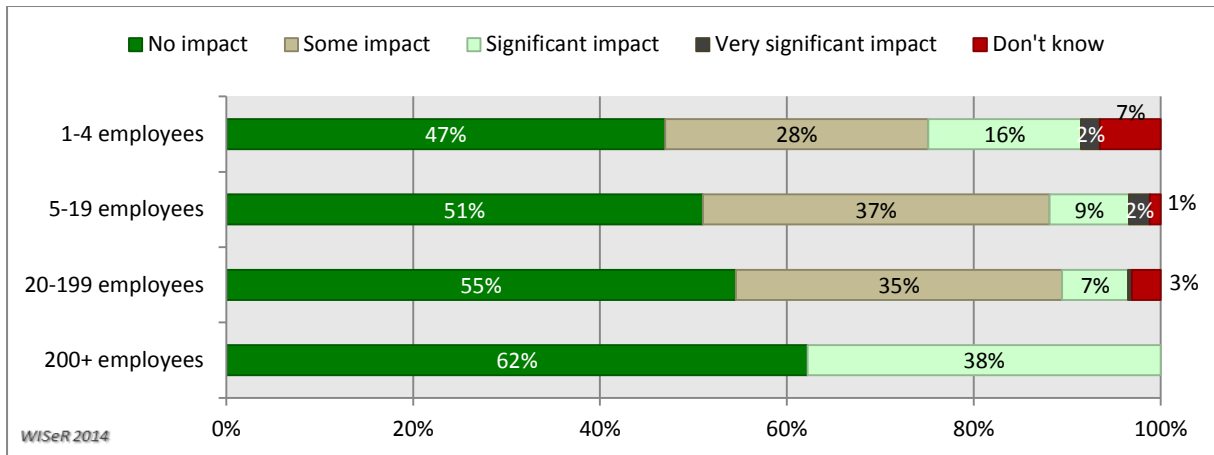
Weighted base=9,956 employers; unweighted base =455 employers

The health care and social services industry was the least likely to expect their future viability will be impacted by the closure of the auto industry, with 65% of employers in the sector indicating that they will not be affected. However, nearly one in five employers (19%) in this industry expected some impact, while 4% anticipated either a significant or very significant impact. Nearly six in ten (59%) retail trade employers indicated that their future viability would be impacted by the auto industry closure. Of those employers, 42% expected some impact, with 14% expecting significant and 3% anticipating a very significant impact on future business viability.

ESTABLISHMENT SIZE

Larger establishments tend to report less impact on their future viability from the auto industry closure than smaller ones. Nearly three in ten (28%) small establishments with one to four employees expected some impact, and a further 16% expected a significant impact, and 2%, a very significant impact (Figure 12). Of establishments with 5 to 19 employees, 37% anticipated some impact on future viability and 9% expected significant impact. Two percent of employers in this group expected a very significant impact. Medium to large establishments with 20 to 199 employees had a smaller proportion with 35% indicating that they will have some impact, and 7% with a significant impact.

FIGURE 12: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: FUTURE VIABILITY BY ESTABLISHMENT SIZE (% OF EMPLOYERS), MAY 2014



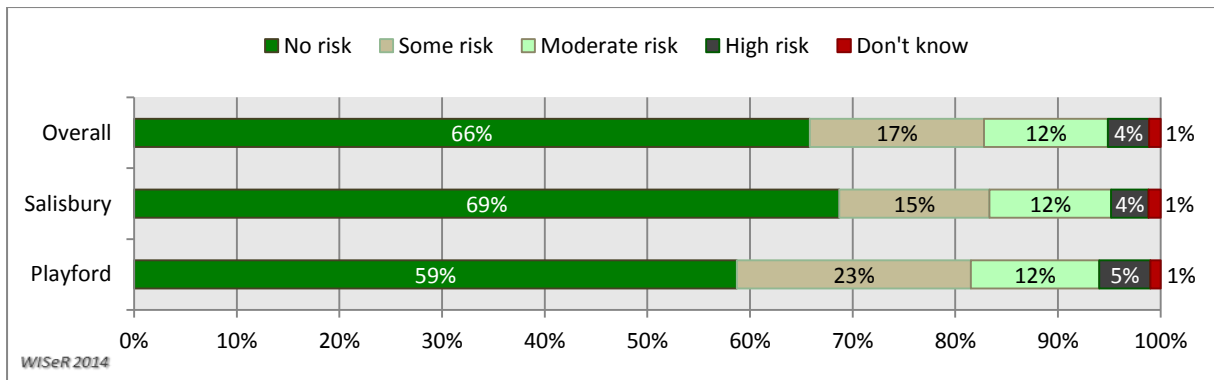
Weighted base=9,919 employers; unweighted base =452 employers
 Estimates for establishments with 200 or more employees should be interpreted with caution as the sample size for this category was very small (n=5).

3.4 RISK OF CLOSURE

Employer assessment of the risk of business closure as a result of the closure of the auto industry is presented in Figure 13¹⁸. Overall, one third of employers (33%) considered their organisation to be at risk of closure (to some extent). This includes 4% who considered their organisations at high risk of closure, 12% at moderate risk and 17% at some risk of closure. Employer expectations were quite similar in Salisbury.

The perception of risk is more pronounced in Playford, with 40% of employers considering themselves to be at some degree of risk of closure. This includes 5% who indicated a high risk, 12% a moderate risk and 23% some risk of organisational closure as a result of auto industry closure.

FIGURE 13: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: RISK OF CLOSURE (% OF EMPLOYERS), MAY 2014



Weighted base=9,956 employers; unweighted base =455 employers

INDUSTRY

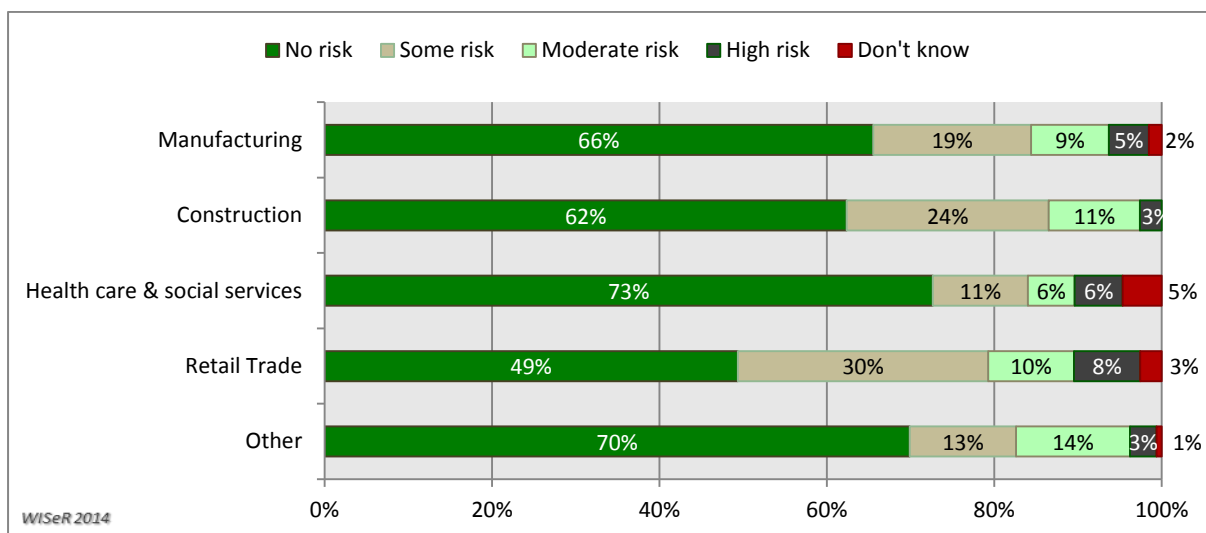
Five percent of manufacturing industry employers reported they were at high risk of business closure, due to the closure of auto industry (Figure 14). A further 9% indicated that they were at moderate risk while 19% expected some risk of closure. Almost one in

¹⁸ See Appendix B for associated data tables.

four employers in the construction sector felt they were at some risk of closure, while 11% indicated a moderate risk and 3% reported a high risk of closure. While the health care and social services sector had the highest proportion of employers who did not report a risk of closure (73%), just over one in ten (11%) indicated that they were at some risk of closure, while 6% were at moderate or high risk.

The retail trade sector appears the most vulnerable with almost half indicating their businesses were at risk, most of these (30%) reported some risk of closure. One in ten indicated a moderate risk while 8% felt they were at high risk of closure.

FIGURE 14: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: RISK OF CLOSURE BY INDUSTRY (% OF EMPLOYERS), MAY 2014

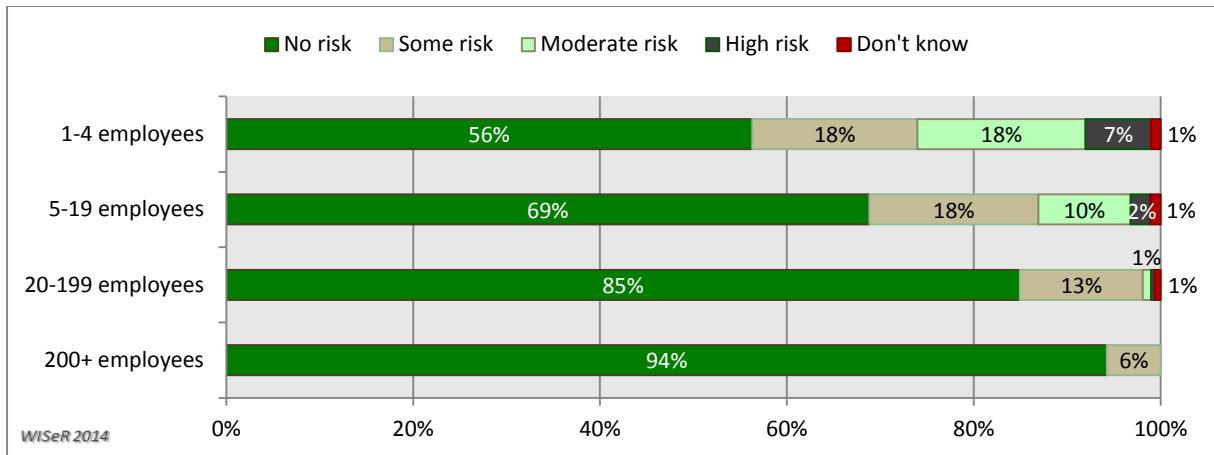


Weighted base=9,956 employers; unweighted base =455 employers

ESTABLISHMENT SIZE

There was a marked trend with those in smaller establishments reporting the largest risk of closure to their establishments, with risk reducing as establishment size increases (see Figure 15). Small businesses (with 1 to 4 employees) were at the highest risk of closure due to the collapse of the auto industry with 7% at very high risk, and a further 36% at moderate or some risk. Two percent of establishments with five to nineteen employees were at high risk of closure, with 10% at moderate risk and a further 18% at some risk of closure. A large proportion of medium and large establishments indicated that they were not at risk of closure (85% of establishments with 20 to 199 employees and 94% with 200+ employees).

FIGURE 15: IMPACT OF THE CLOSURE OF THE AUTO INDUSTRY: RISK OF CLOSURE BY ESTABLISHMENT SIZE (% OF EMPLOYERS), MAY 2014



Weighted base=9,919 employers; unweighted base =452 employers
 Estimates for establishments with 200 or more employees should be interpreted with caution as the sample size for this category was very small (n=5).

4 ORGANISATIONAL PERFORMANCE

ORGANISATIONAL PERFORMANCE FACTORS

The top 5 factors reported to affect organisational performance remained the same from November 2013 to May 2014:

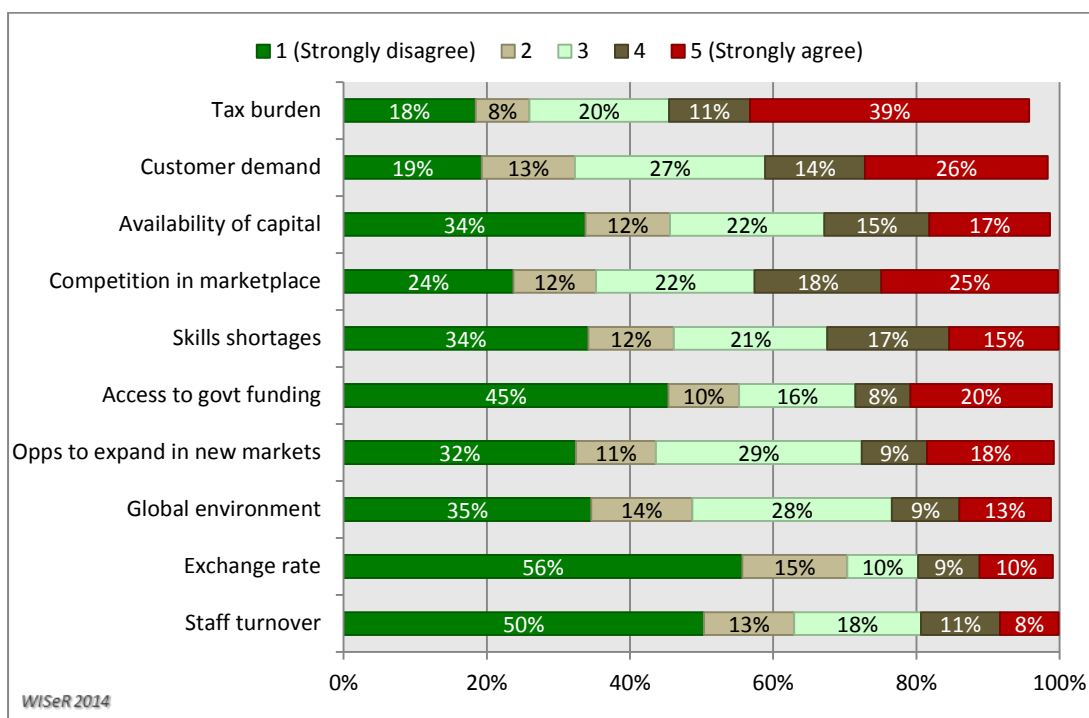
- ✓ Tax burden
- ✓ Customer demand
- ✓ Competition in the market place
- ✓ Availability of capital
- ✓ Skills shortage

Employer ratings of organisational performance factors in May 2014 and in November 2013 are presented in Figure 16 and Figure 17 respectively¹⁹. In both waves of the WFS, employers rated a range of organisational factors that would affect their performance on a five-point scale. The ratings range from 1 - strongly disagree, to 5 - strongly agree. For clarity of presentation, unsure or not applicable responses (up to 4% in both rounds) are not included in the figures, but are presented in Appendix B.

The top five factors affecting organisational performance have remained constant across the two waves, indicating that employers continue to have the same concerns. Approximately one half of employers agreed that tax burden affected their organisational performance (50% in May 2014 and 48% in November 2013) making this the most critical issue in both waves of the survey. Moreover, the share of employers who strongly agreed that this was an issue increased from 35% in November 2013 to 39% in May 2014, further highlighting their concern regarding taxes. In addition, more than one third of employers continued to express concern in May 2014 in the areas of customer demand, availability of capital, competition in the market place and skill shortages.

¹⁹ The related data tables are available in Appendix B.

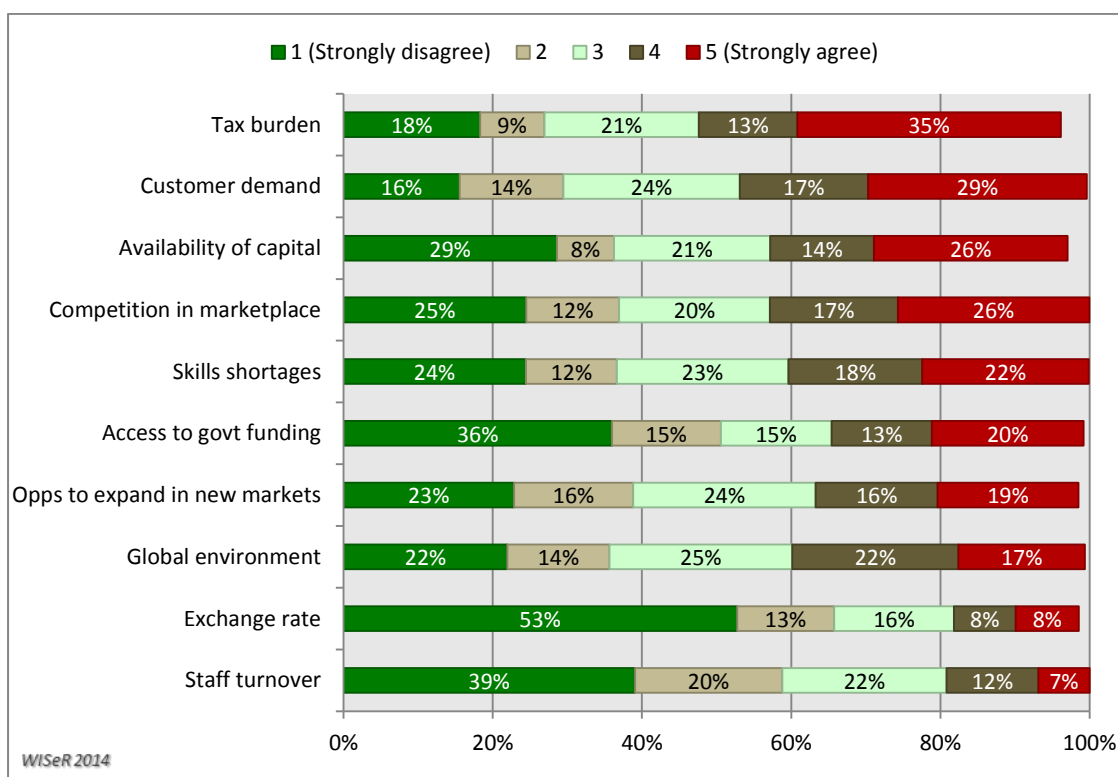
FIGURE 16: FACTORS THAT AFFECT PERFORMANCE (% OF EMPLOYERS): MAY 2014



May 2014 base: All employers (weighted=9,956; unweighted=455)

Note: Not applicable/unsure responses are not shown.

FIGURE 17: FACTORS THAT AFFECT PERFORMANCE (% OF EMPLOYERS): NOVEMBER 2013



November 2013 base: All employers (weighted=9,875; unweighted=451)

Note: Not applicable/unsure responses are not shown.

At the other end of the scale, perceptions of impacts due to exchange rate and staff turn-over remained low. Only 16% of employers indicated the exchange rate affected performance in November 2013, increasing slightly to 19% in May 2014, while those indicating staff turn-over affected performance was 19% at both points.

5 EMPLOYER SENTIMENT INDICATORS

The cautious employer optimism displayed in the November 2013 round of the WFS clearly cooled in the second wave of the survey in May 2014, with declines in each of the indicators.

- **Intentions to invest** in the next 12 months: In November 2013, 12% of employers expected a strong increase, while 40% expected a moderate increase. By May 2014, the share of employers in these groups had fallen to 8% and 34%, respectively.
- **Intentions to recruit** in the next 12 months: One in three employers (33%) expected a strong or moderate increase in their recruitment expectations in November 2013. This share had fallen to 30% in May 2014.
- **Expectations for business profits** in the next 12 months: One in two employers expected a strong or moderate increase in profits in November 2013. In May 2014, this share had dropped to 40%.
- **Expectations for sales** in the next 12 months: Just over half of employers (53%) expected a strong or moderate increase in sales in November 2013. In May 2014, this share had dropped to 46%.
- **Expectations for growth** in the next 12 months: Nearly six out of ten employers (58%) expected strong or moderate growth in November 2013. This share had fallen to 53% in May 2014.

The WFS captures five distinct but related aspects of employer sentiment which are used to derive the composite Workplace Futures Index (WFI).²⁰ Employers were asked to rate on a five-point scale²¹ their expectations in relation to the following:

- Intentions to invest in the next 12 months
- Intentions to recruit in the next 12 months
- Expectations for business profits in the next 12 months
- Expectations for sales in the next 12 months
- Expectations for growth in the next 12 months

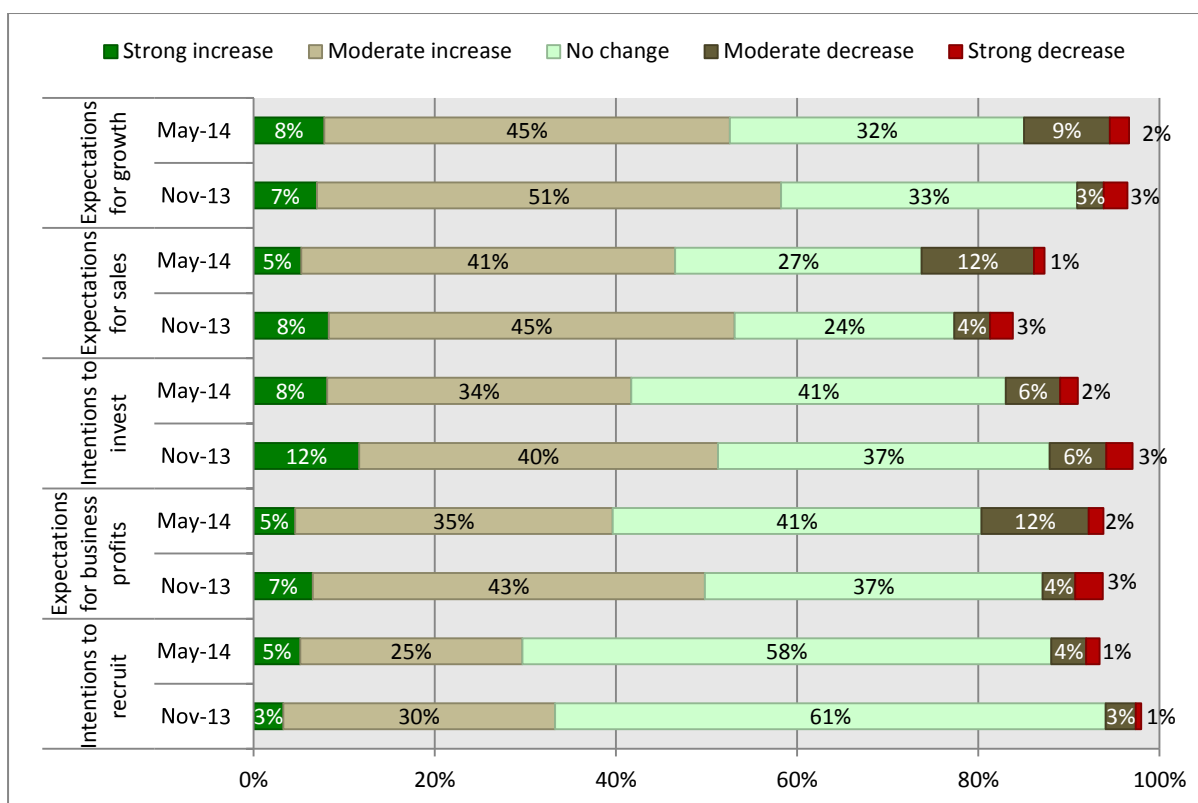
Employer responses to these indicators in November 2013 and May 2014 are presented in Figure 18.²² Overall, the May 2014 results indicate a definite cooling of the cautious optimism expressed in November 2013 with recent responses potentially due to the announcement of the closure of GM Holden (which occurred soon after the first wave of the WFS in November 2013).

²⁰ See Ranasinghe et al (2014b) for details of index construction and related information.

²¹ The scale ranges from a high of 'strong increase' to a low of 'strong decrease'.

²² For clarity of presentation, unsure/not applicable responses are not included in the figure. These details are available in the data tables in Appendix B.

FIGURE 18: BUSINESS SENTIMENT INDICATORS IN THE NEXT 12 MONTHS: NOVEMBER 2013 AND MAY 2014 (% OF EMPLOYERS)



November 2013: Weighted base: 8,613 employers; unweighted base: 399 employers
 May 2014: Weighted base= 8,685 employers; unweighted base =406 employers
 Note: Not applicable/unsure responses are not shown.

Employers continue to be cautiously optimistic in their expectations for **business growth** in the coming year with 53% indicating an expectation of growth from May 2014 (compared to 58% in November 2013). One third of employers did not expect a change in growth in both waves. Nearly one in ten employers (9%) expected a moderate decrease in growth in the next 12 months to May 2015, an increase of six percentage points from the previous round of the WFS in November 2013.

Slightly less than half (46%) expected an increase in **sales** in the next 12 months to May 2015 - a reduction of 7 percentage points from Wave 1. In the same wave (May 2014), 13% expected a decrease in sales (of which 12% expected a moderate decrease) in the next 12 months. There was a three percentage point increase in the share of employers who expected no change in sales (from 24% in November 2013 to 27% in May 2014).

Employer confidence has eroded since November 2013 regarding their **intentions to invest** in the next 12 months. The share of employers with a strong increase in their expectations to invest fell by four percentage points in May 2014 to 8%, while those who expected a moderate increase in investment decreased by six percentage points to 34%. Intentions to decrease investment did not change, with more employers expecting no change, a four percentage point increase from November 2013, or being unsure about investment over the coming year (also a five percentage point increase).

One half of establishments expected an increase in **profits** in Wave 1 of the survey at November 2013. This fell to 40% by May 2014, of which 5% expected a strong increase while the rest expected a moderate increase. Forty-one percent expected no change in profits in the 12 months to May 2015 – a four percentage point increase since Wave 1.

Employers continued to be cautious in their hiring expectations with 30% expecting an increase in **recruitment** in May 2014, as compared with 33% in November 2013. There was a 5 percentage point decrease in employers who expected a moderate increase in recruitment (from 30% in November 2013 to 25% in May 2014). A considerable proportion (58%) expected no change in recruitment in the next 12 months to May 2015.

6 VACANCIES AND SKILLS DEMAND

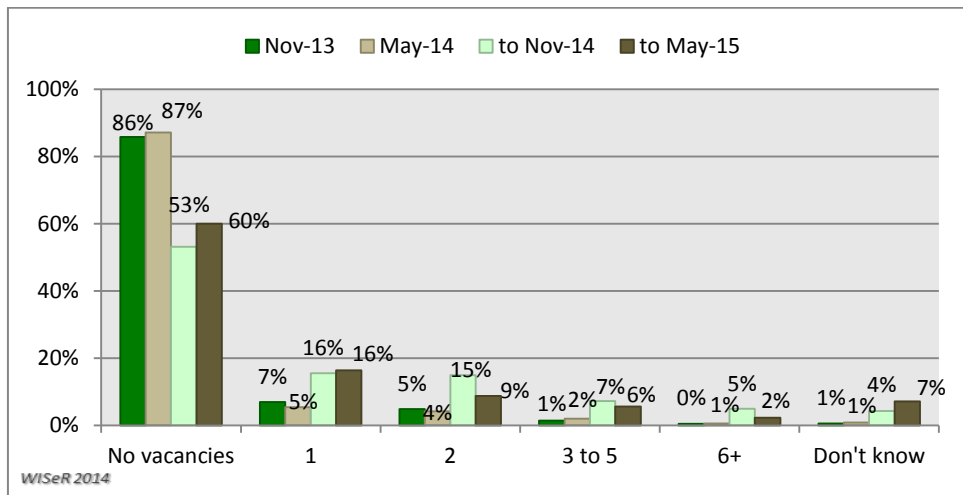
- The share of employers with a current vacancy remained much the same between the two waves with 14% in November 2013 to 13% in May 2014.
- Employment density, which reflects the total current vacancies to employment ratio was 1.5% in the May 2014 sample (as compared to 1.6% in November 2013).
- Six in ten employers did not expect any vacancies in the 12 months to May 2015.
- Top currently vacant occupations as at May 2014:
 - Sales workers (25%), professionals (21%) and clerical and administrative (15%)
- Top currently vacant occupations as at November 2013:
 - Technicians and tradespersons (21%), community and personal services (16%) and professionals (14%)
- Occupations required in the next 12 months (to May 2015):
 - Technicians and tradespersons (34%), labourers (14%) and sales workers (13%)
- Occupations required in the next 12 months (to November 2014):
 - Technicians and tradespersons (23%), sales workers (17%), and clerical and administrative (15%)

The share of employers with a current vacancy remained much the same between the two waves with 14% in November 2013 to 13% in May 2014. Employment density, which reflects the total current vacancies to employment ratio was 1.5% in the May 2014 sample (as compared to 1.6% in November 2013). The May 2014 *Vacancy Report* indicates that there were 7,224 vacancies in South Australia, of which 6,505 were in the Adelaide region (Department of Employment, 2014). Based on the May 2014 WFS data, the estimated vacancies in Playford and Salisbury would account for approximately 14% of all vacancies in Adelaide region and almost 13% in South Australia.

Figure 19 presents current vacancies reported by employers at the time of the survey and the expected number of vacancies in the next 12 months. Six in ten employers did not expect any vacancies to May 2015 - an increase of seven percentage points from Wave 1 (vacancies to November 2014). Five percent of employers reported having one vacancy in May 2014 (compared to 7% in November 2013). The share of employers with two vacancies at the time of the survey also decreased between the surveys (from 5% to 4%). Establishments with three to five vacancies increased marginally from 1% in November 2013 to 2% in May 2014.

In terms of expected vacancies in the coming year, the share of employers expecting just one vacancy in the 12 months was 16% in both waves of the survey. The share of employers expecting two vacancies in the following year fell from 15% in Wave 1 (to November 2014) to 9% in Wave 2 (to May 2015). This fall in expectations of future vacancies continues with a one percentage point fall for those expecting 3 to 5 vacancies and a three percentage point fall in the share of employers who expected six or more vacancies in the coming year.

FIGURE 19 : VACANCIES BY ESTABLISHMENT, NOVEMBER 2013 TO NOVEMBER 2014 (%)

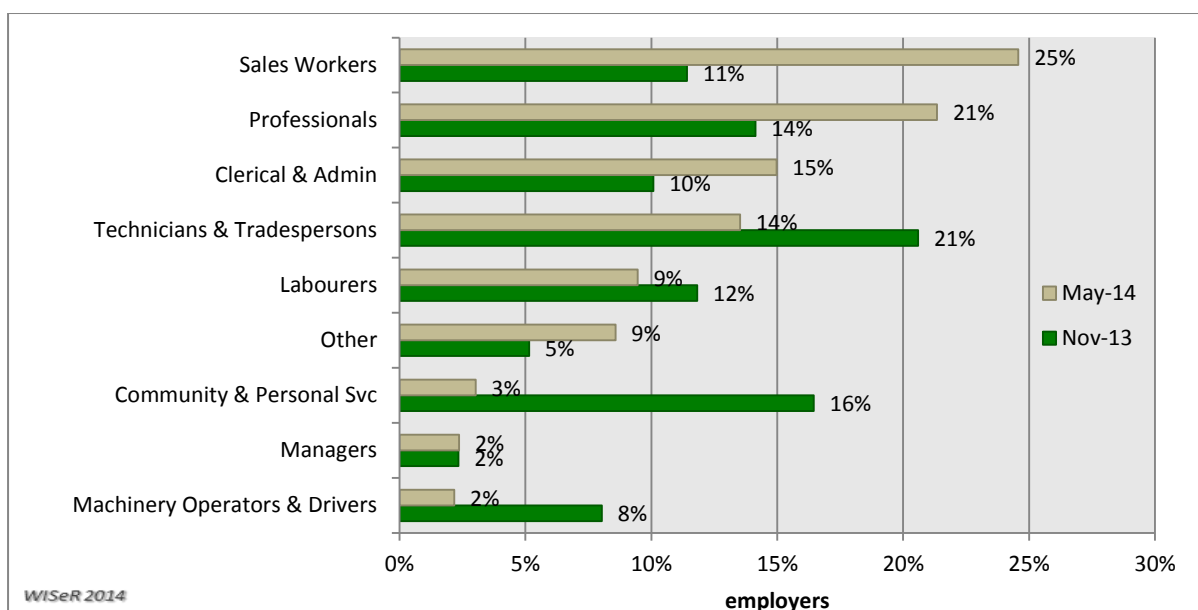


November 2013 base: All employers (weighted=9,875; unweighted=451)
 May 2014 base: All employers (weighted=9,956; unweighted=455)
 Displays vacancy (Nov 13 & May 14) and expected vacancies (to Nov 14 & to May 15)

Figure 20 illustrates the *currently* vacant occupations of establishments that reported at least one vacancy in May 2014 and November 2013. One quarter of employers reported having vacant positions for sales workers in May 2014, which is a 14 percentage point increase from November 2013. There was an increase in vacant positions for professional occupations (from 14% to 21%) and clerical and administrative occupations (10% to 15%) from November 2013 to May 2014.

In November 2013, 21% of employers with a vacancy had openings for technicians and trades persons. This had fallen to 14% by May 2014, indicating that there are either fewer openings for these occupations or employers have been relatively successful at hiring. Similar trends are evident in labourers (fallen from 12% in November 2013 to 9% in May 2014) and in machinery operators and drivers (from 8% in November 2013 to 2% in May 2014). The most striking change is evident in community and personal services occupations, which had fallen from 16% in November 2013 to 3% in May 2014. Across the waves, only 2% of employers had vacant managerial positions.

FIGURE 20: VACANT OCCUPATIONS, NOVEMBER 2013 AND MAY 2014 (% OF EMPLOYERS WITH VACANCIES)

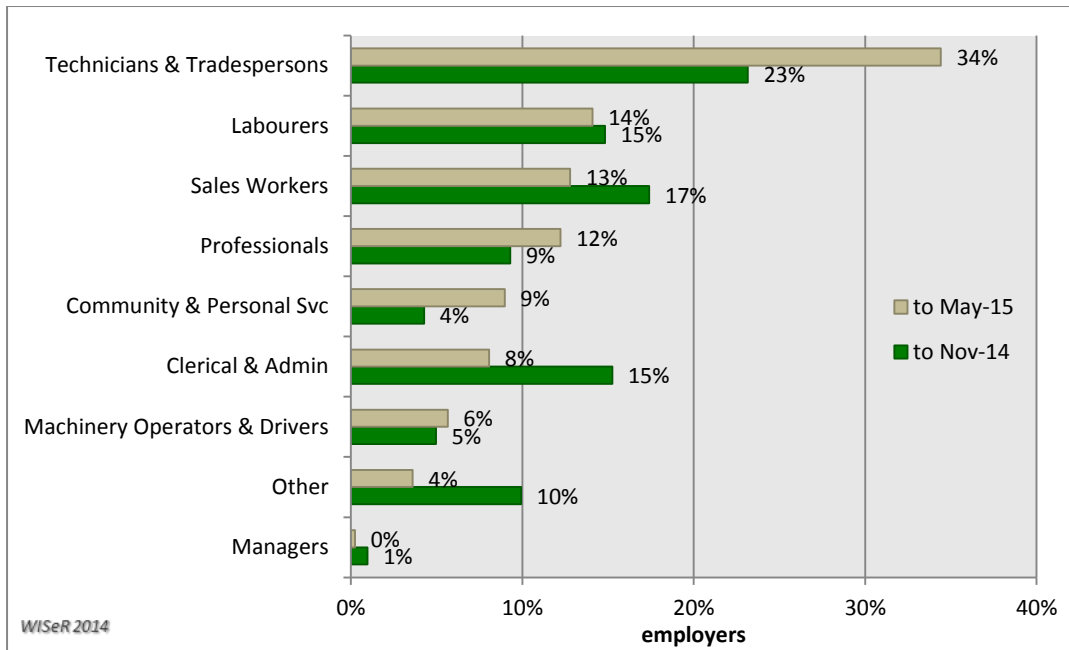


November 2013: Weighted base: 1,342 employers; unweighted base: 86 employers
 May 2014: Weighted base= 1,261 employers; unweighted base =65 employers

One third of employers in May 2014 expected to have a vacancy in the following 12 months, reflecting almost a 10 percentage point decrease in expectations compared with those six months early in Wave 1. Technicians and tradespersons continue to be the most in demand, with the proportion of employers anticipating such a vacancy in the next 12 months increasing to 34% in Wave 2 (from 23% in Wave 1) (Figure 21). Fourteen percent of employers with a vacancy in May 2014 indicated requiring labourers in the next 12 months, a similar proportion to Wave 1.

The share of employers expecting vacancies in sales over the coming year dropped from 17% in Wave 1 to 13% in Wave 2. The demand for clerical and administrative occupations was set to decline with the share of employers expecting a vacancy falling from 15% in November 2013 to 8% in May 2014. On the other hand the proportion of employers expecting vacancies in professional occupations and community and personal services increased across the two waves. Nine percent expected professional vacancies in the twelve months from November 2013 while 12% reported the same from May 2014. The share of employees with community and personal services vacancies were set to increase from 4% to 9% over the same period. Expected vacancies in managerial occupations remained low with less than 1% of employers indicating a need in the 12 months to May 2015.

FIGURE 21: OCCUPATIONS REQUIRED TO NOVEMBER 2014 AND TO MAY 2015 (% OF EMPLOYERS EXPECTING A VACANCY WITHIN 12 MONTHS)



November 2013: Weighted base: 4,203 employers; unweighted base: 214 employers
 May 2014: Weighted base= 3,326 employers; unweighted base =156 employers

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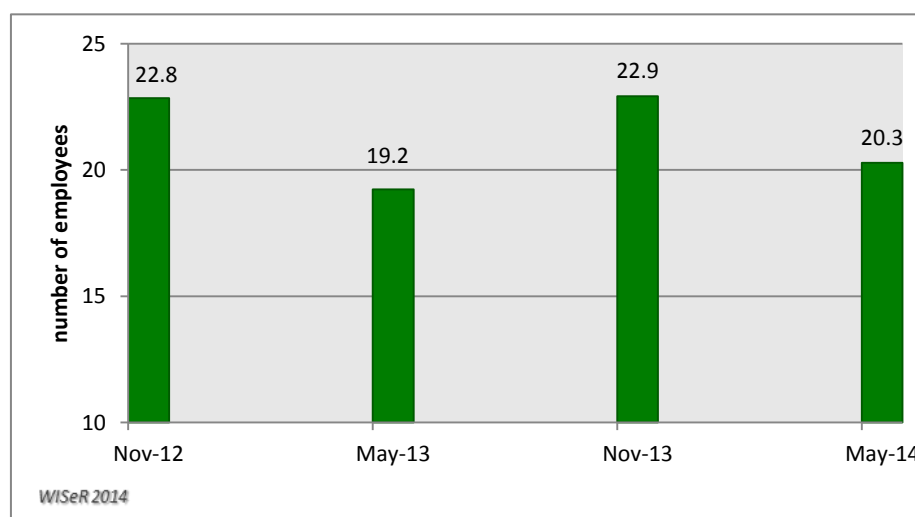
Appendix A. EMPLOYERS AND EMPLOYEES

SIZE OF ESTABLISHMENTS

CHANGE IN THE NUMBER OF EMPLOYEES: NOVEMBER 2012 TO MAY 2014

There has been considerable change in the number of employees reported within establishments between November 2013 and May 2014, indicating potential volatility in the regional labour market in Playford and Salisbury. However, it should be noted that November 2012 and May 2013 are estimates of the number of employees made one year later (at the surveys conducted November 2013 and May 2014, respectively) so they should be interpreted with caution.²³ Of note, establishments at November 2013 estimated they had the same number of employees as they did one year earlier (see Figure 22). More importantly, in six months the average number of employees had fallen from 23 per establishment in November 2013 (Wave 1 of the WFS) to 20 in May 2014 (Wave 2 of the WFS).

FIGURE 22: AVERAGE NUMBER OF EMPLOYEES PER ESTABLISHMENT: NOVEMBER 2012-MAY 2014

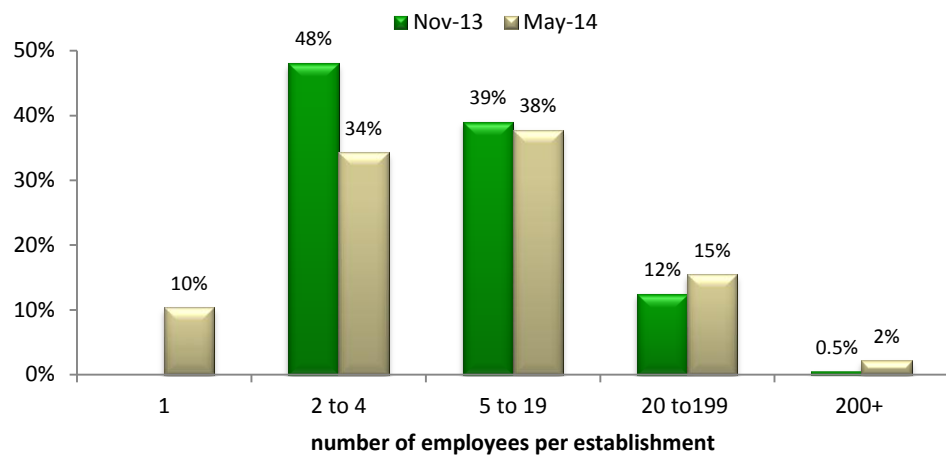


*November 2013: Weighted base=9,875 employers; unweighted base =451employers
 May 2014: Weighted base= 9,919 employers; unweighted base =452 employers*

The distribution of establishments as defined by the number of current employees is presented in Figure 23 and shows the changes between November 2013 and May 2014. While the WFS is restricted to establishments with two or more employees, Wave 2 of the survey in May 2014 consists of a small number of establishments (n=28, accounting for 10% of the weighted distribution) with only one employee. This is partly a reflection of the decrease in the number of employees within responding organisations since the first round of the survey in November 2013 (n=16) and partly due to the inclusion of a small number of single-employee establishments in the replacement top-up sample in May 2014 (n=12).

²³ The data for May 2014 and November 2013 are collected in the survey as the number of *current* employees in the organisation, while the data for November 2012 and May 2013 are collected as the reported number of employees within the organisation *12 months ago*.

FIGURE 23: DISTRIBUTION OF ESTABLISHMENTS (%) BY NUMBER OF CURRENT EMPLOYEES: NOVEMBER 2013 AND MAY 2014



WISer 2014

November 2013: Weighted base=9,875 employers; unweighted base =451 employers
 May 2014: Weighted base= 9,919 employers; unweighted base =452 employers

Just over one third of establishments (34%) employed between two to four staff In May 2014, which is a 14 percentage point decrease from November 2013. This change partly reflects the changes in establishment size across the two survey rounds discussed below. The proportion of establishments with five to nineteen employees remained stable between November 2013 (39%) and May 2014 (38%). The proportion of large businesses has increased between the two waves – establishments with 20 to 199 employees increased from 12% to 15%, while those with 200 or more employees increased from 0.5% in November 2013 to 2% in May 2014.

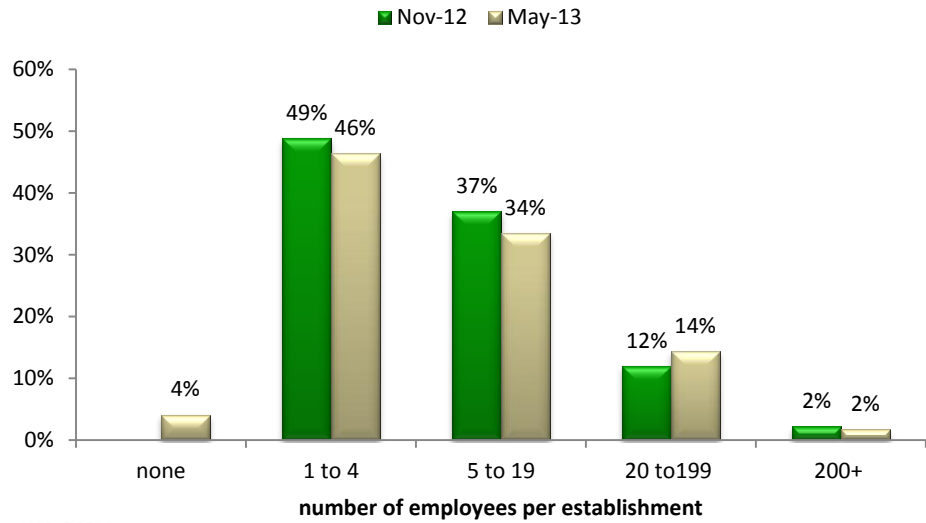
An analysis of the probability of transition between establishment sizes²⁴ indicates that most organisations were relatively stable across the two waves. Establishments with two to four employees in November 2013 had a 66% probability of remaining in the same size category in May 2014, while an establishment with 5 to 19 employees had a 87% probability of remaining in that category. The probability of an establishment with 2 to 4 employees in November 2013, moving down to one with only a single employee in May 2014 was 14%. An establishment with 5 to 19 employees in November 2013 had a 10% probability of moving down to an establishment with 2 to 4 employees in May 2014.

REPORTED NUMBER OF EMPLOYEES AT NOVEMBER 2012 AND MAY 2013

Respondents to both Waves of the WFS estimated the number of employees 12 months earlier. This provides additional information on changes in employment levels. Four percent of establishments in the Wave 2 of the WFS reported that they had no employees a year earlier (at May 2013; see Figure 24). The proportion of establishments reporting they had one to four employees declined slightly from 49% in November 2012 to 46% in May 2013, and the proportion of establishments estimating 5 to 19 employees one year earlier also declined slightly from 37% in November 2012 to 34% in May 2013. On the other hand, the proportion of organisations with 20 to 199 employees increased between the two waves (from 12% to 14%). The proportion of very large establishments (200+ employees) remained at 2%.

²⁴ Using Markov transition probability matrices (Shorrocks, 1978; Horowitz & Horowitz, 1968)

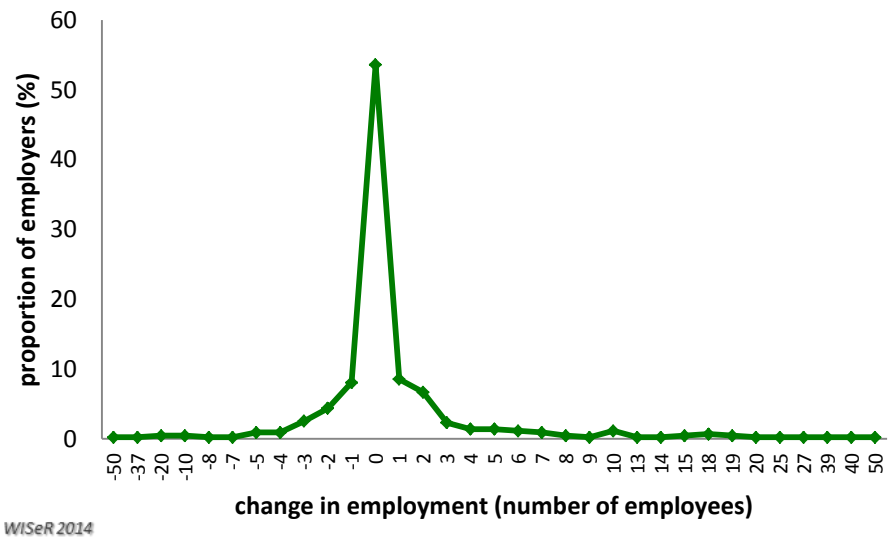
FIGURE 24: ESTIMATED NUMBER OF EMPLOYEES AT NOVEMBER 2012 AND MAY 2013 (% OF EMPLOYERS)



November 2013: Weighted base=5,812 employers; unweighted base =435employers
 May 2014: Weighted base= 9,695 employers; unweighted base =434 employers

Figure 25 further illustrates the change in employment over 12 months within establishments. Nearly 54% of employers did not see any change in staff numbers between May 2013 and May 2014.

FIGURE 25: CHANGE IN EMPLOYMENT OVER 12 MONTHS, MAY 2014



May 2014: Weighted base= 9,695 employers; unweighted base =434 employers

EMPLOYMENT TYPE

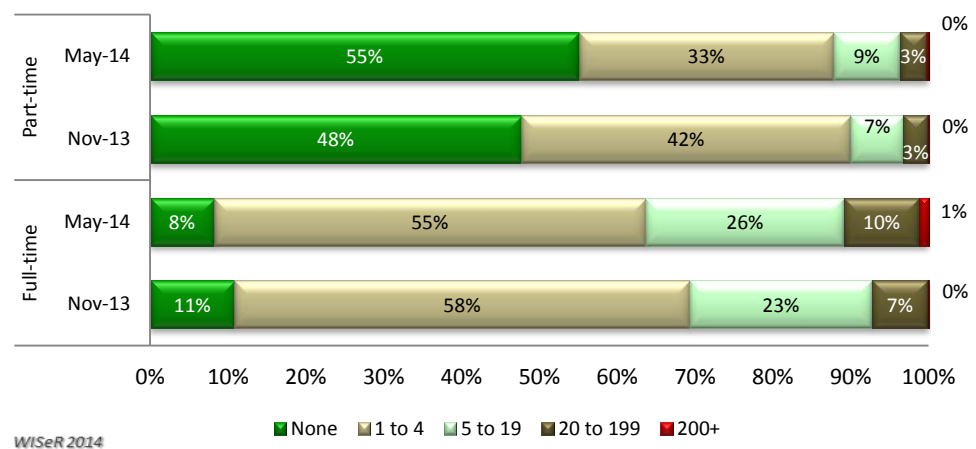
FULL-TIME AND PART-TIME EMPLOYEES

The composition of employment types within establishments is presented in Figure 26, which shows the distribution of full-time and part-time employees in the two waves. The

proportion of establishments that did not employ any full-time staff decreased in May 2014 by 3 percentage points to 8%. Just over one half of establishments (55%) had between one and four full-time workers in May 2014, a fall of 3 percentage points from November 2013. Approximately one quarter of establishments employed between 5 and 19 full-time staff in May 2014 (26%) and November 2013 (23%). There has been an increase in the proportion of establishments with 20 to 199 full-time employees from 7% in Wave1 to 10% in Wave2 in May 2014.

In 2014, 55% of establishments had no part-time workers, compared to 48% in November 2013. One third of establishments (33%) had between one and four part-time workers in May 2014, almost 10 percentage points lower than November 2013. Employers with five to nineteen part-time workers increased from 7% in November 2013 to 9% in May 2014. Establishments with 20 to 199 part-time employees stayed at 3% across the two waves.

FIGURE 26: FULL-TIME AND PART-TIME EMPLOYEES IN ORGANISATIONS (% OF EMPLOYERS): NOVEMBER 2013-MAY 2014

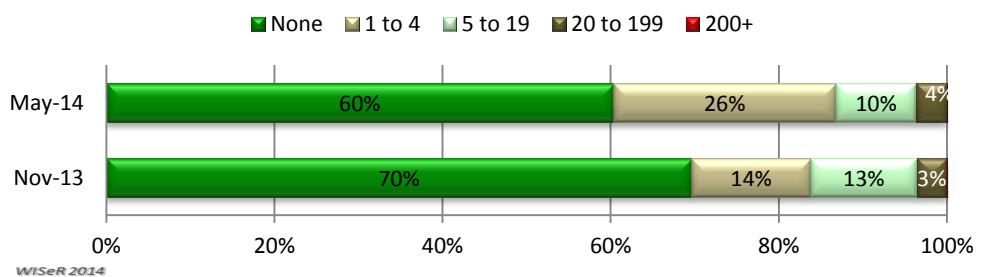


November 2013: Weighted base=9,868 employers; unweighted base =449employers
 May 2014: Weighted base= 9,891 employers; unweighted base =450 employers

CASUAL EMPLOYEES

As the share of establishments with no casual employees fell from 70% in November 2013 to 60% in May 2014, firms with 1 to 4 casual employees increased by 12 percentage points (see Figure 22). Establishments employing between 5 and 19 casual workers decreased by 3 percentage points (to 10%) in May 2014, while those with 20 to 199 casual employees increased marginally (from 3% in November 2013 to 4% in May 2014).

FIGURE 27: DISTRIBUTION OF CASUAL EMPLOYEES WITHIN ESTABLISHMENTS (% OF EMPLOYERS): NOVEMBER 2013 – MAY 2014

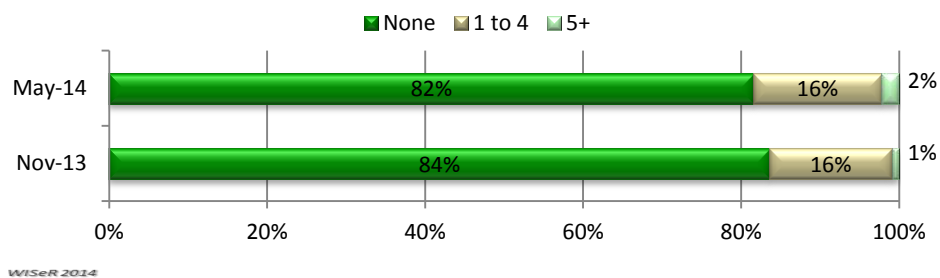


November 2013: Weighted base=8,801 employers; unweighted base =408 employers
 May 2014: Weighted base= 9,807 employers; unweighted base =445 employers

APPRENTICES

The distribution of establishments with apprentices in their workforce has not changed significantly across the two waves (Figure 23). The share of establishments with no apprentices was 82% in May 2014, which is a two percentage point decrease from November 2013. The proportion of establishments employing between 1 and 4 apprentices stayed constant at 16%, while those with five or more apprentices increased slightly to 2% in May 2014 (from 1% in November 2013).

FIGURE 28: DISTRIBUTION OF APPRENTICES WITHIN ESTABLISHMENTS (% OF EMPLOYERS): NOVEMBER 2013 – MAY 2014



WISER 2014

November 2013: Weighted base=9,875 employers; unweighted base =451 employers
 May 2014: Weighted base= 9,807 employers; unweighted base =445 employers

INDUSTRY DISTRIBUTION

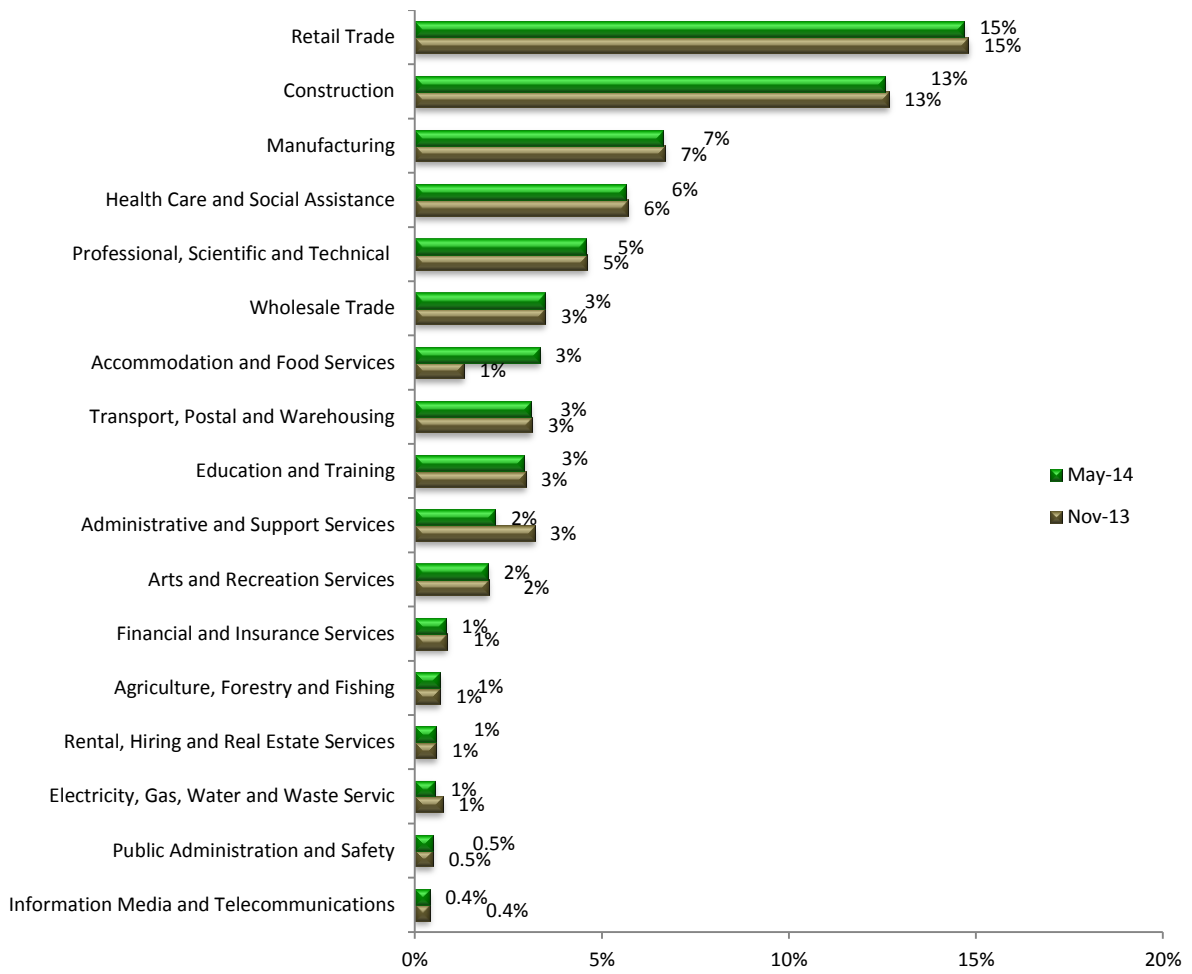
Responding establishments are classified according to their main activity using the Australia and New Zealand Standard Industrial Classification (ANZSIC) codes. The distribution of industries within Playford and Salisbury in November 2013 and May 2014 is presented in Figure 29.²⁵ Overall, the industrial distribution has remained consistent across the two waves.

Retail trade (15%) and construction (13%) are the dominant industries in Playford and Salisbury. They are followed by manufacturing (7%), health care and social assistance (6%) and professional services (5%). Following the approach used in the Wave 1 of the WFS, establishments have been grouped into five broad industry categories in order to capture the 'industries of interest' in the region. They include manufacturing, construction, health care and social assistance, and retail trade along with the 'other' category which combines all other industries.²⁶

²⁵ The industrial distribution presented here is based on the *Sensis* database.

²⁶ The 'other' industry category accounts for approximately 60% of the total in both rounds of the survey.

FIGURE 29: INDUSTRY DISTRIBUTION – ALL INDUSTRIES (% OF EMPLOYERS), NOVEMBER 2013 AND MAY 2014.



WISeR 2014

November 2013 base: All employers (weighted=9,875; unweighted=451)

May 2014 base: All employers (weighted=9,956; unweighted=455)

Note: the 'other services' category is not presented in the figure.

Appendix B. DATA TABLES

TABLE 1: IMPACT OF AUTO INDUSTRY CLOSURE (% OF ESTABLISHMENTS): REDUCTION IN EMPLOYMENT, MAY 2014

	Playford	Salisbury	Total
No impact	52	61	58
Some impact	26	22	23
Significant impact	14	12	13
Very significant impact	5	2	3
Don't know	4	3	3
Total	100	100	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 2: IMPACT OF AUTO INDUSTRY CLOSURE (% OF ESTABLISHMENTS): REDUCTION IN PROFITABILITY, MAY 2014

	Playford	Salisbury	Total
No impact	44	51	49
Some impact	34	29	30
Significant impact	13	13	13
Very significant impact	5	3	3
Don't know	4	5	5
Total	100	100	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 3: IMPACT OF AUTO INDUSTRY CLOSURE (% OF ESTABLISHMENTS): FUTURE VIABILITY, MAY 2014

	Playford	Salisbury	Total
No impact	49	50	50
Some impact	28	34	32
Significant impact	14	12	12
Very significant impact	4	1	2
Don't know	6	3	4
Total	100	100	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 4: IMPACT OF AUTO INDUSTRY CLOSURE (% OF ESTABLISHMENTS): RISK OF CLOSURE, MAY 2014

Risk of closure	Playford	Salisbury	Total
High risk	5	4	4
Moderate risk	12	12	12
Some risk	23	15	17
No risk	59	69	66
Don't know	1	1	1
Total	100	100	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 5: IMPACT OF AUTO INDUSTRY CLOSURE BY INDUSTRY (% OF ESTABLISHMENTS): REDUCTION IN EMPLOYMENT, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
Manufacturing	58	21	9	4	7	100
Construction	60	26	6	6	1	100
Health care & social services	60	17	10	9	3	100
Retail Trade	45	35	14	1	5	100
Other	61	21	14	1	2	100
Total	58	23	13	3	3	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 6: IMPACT OF AUTO INDUSTRY CLOSURE BY INDUSTRY (% OF ESTABLISHMENTS): REDUCTION IN PROFITABILITY, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
Manufacturing	51	32	9	3	4	100
Construction	54	28	10	7	2	100
Health care & social services	57	26	8	5	5	100
Retail Trade	40	38	11	3	7	100
Other	49	29	14	3	5	100
Total	49	30	13	3	5	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 7: IMPACT OF AUTO INDUSTRY CLOSURE BY INDUSTRY (% OF ESTABLISHMENTS): FUTURE VIABILITY, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
Manufacturing	59	26	6	3	5	100
Construction	54	25	14	4	3	100
Health care & social services	65	19	3	1	11	100
Retail Trade	38	42	14	3	3	100
Other	49	33	13	1	4	100
Total	50	32	12	2	4	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 8: IMPACT OF AUTO INDUSTRY CLOSURE BY INDUSTRY (% OF ESTABLISHMENTS): RISK OF CLOSURE, MAY 2014

	High risk	Moderate	Some risk	No risk	Don't know	Total
Manufacturing	5	9	19	66	2	100
Construction	3	11	24	62	0	100
Health care & social services	6	6	11	73	5	100
Retail Trade	8	10	30	49	3	100
Other	3	14	13	70	1	100
Total	4	12	17	66	1	100

Weighted base=9,956 employers; unweighted base =455 employers

TABLE 9: IMPACT OF AUTO INDUSTRY CLOSURE BY SIZE OF ESTABLISHMENT (% OF ESTABLISHMENTS): REDUCTION IN EMPLOYMENT, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
1-4 employees	56	18	18	4	4	100
5-19 employees	58	28	10	2	2	100
20-199 employees	68	25	4	1	3	100
200+ employees	39	24	38	0	0	100
Total	59	23	13	3	3	100

Weighted base=9,919 employers; unweighted base =452 employers

TABLE 10: IMPACT OF AUTO INDUSTRY CLOSURE BY SIZE OF ESTABLISHMENT (% OF ESTABLISHMENTS): REDUCTION IN PROFITABILITY, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
1-4 employees	48	29	15	4	4	100
5-19 employees	48	29	12	4	6	100
20-199 employees	53	37	6	0	3	100
200+ employees	39	24	38	0	0	100
Total	49	30	13	4	5	100

Weighted base=9,919 employers; unweighted base =452 employers

TABLE 11: IMPACT OF AUTO INDUSTRY CLOSURE BY SIZE OF ESTABLISHMENT (% OF ESTABLISHMENTS): FUTURE VIABILITY, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
1-4 employees	47	28	16	2	7	100
5-19 employees	51	37	9	2	1	100
20-199 employees	55	35	7	0	3	100
200+ employees	62	0	38	0	0	100
Total	50	32	12	2	4	100

Weighted base=9,919 employers; unweighted base =452 employers

TABLE 12: IMPACT OF AUTO INDUSTRY CLOSURE BY SIZE OF ESTABLISHMENT (% OF ESTABLISHMENTS): RISK OF CLOSURE, MAY 2014

	No impact	Some impact	Significant impact	Very significant impact	Don't know	Total
1-4 employees	7	18	18	56	1	100
5-19 employees	2	10	18	69	1	100
20-199 employees	0	1	13	85	1	100
200+ employees	0	0	6	94	0	100
Total	4	12	17	66	1	100

Weighted base=9,919 employers; unweighted base =452 employers

TABLE 13: DISTRIBUTION OF ESTABLISHMENTS (%) BY NUMBER OF CURRENT EMPLOYEES

Number of employees	Nov-13	May-14
1	--	10.4
2 to 4	48.1	34.3
5 to 19	39.0	37.7
20 to199	12.5	15.4
200+	0.5	2.1
Total	100	100

November 2013: Weighted base=9,875 employers; unweighted base =451employers

May 2014: Weighted base= 9,919 employers; unweighted base =452 employers

TABLE 14: DISTRIBUTION OF ESTABLISHMENTS (%) BY REPORTED NUMBER OF EMPLOYEES 12 MONTHS AGO

	Nov-12	May-13
none	--	4.1
1 to 4	48.8	46.3
5 to 19	37.0	33.5
20 to199	12.0	14.3
200+	2.2	1.7
Total	100	100

November 2013: Weighted base=5,812 employers; unweighted base =435employers

May 2014: Weighted base= 9,695 employers; unweighted base =434 employers

TABLE 15: EMPLOYMENT TYPE DISTRIBUTION (% OF ESTABLISHMENTS): FULL-TIME/PART-TIME

	Full-time		Part-time	
	Nov-13	May-14	Nov-13	May-14
None	10.9	8.2	47.7	55.1
1 to 4	58.4	55.4	42.3	32.7
5 to 19	23.5	25.5	6.8	8.5
20 to 199	7.1	9.6	3.1	3.44
200+	0.1	1.21	0.1	0.25
Total	100	100	100	100

November 2013: Weighted base=9,868 employers; unweighted base =449employers
 May 2014: Weighted base= 9,891 employers; unweighted base =450 employers

TABLE 16: EMPLOYMENT TYPE DISTRIBUTION (% OF ESTABLISHMENTS): CASUAL EMPLOYEES

Casual	Nov-13	May-14
None	69.6	60.3
1 to 4	14.1	26.4
5 to 19	12.6	9.6
20 to 199	3.5	3.7
200+	0.1	
Total	100	100

November 2013: Weighted base=8,801 employers; unweighted base =408 employers
 May 2014: Weighted base= 9,807 employers; unweighted base =445 employers

TABLE 17: EMPLOYMENT TYPE DISTRIBUTION (% OF ESTABLISHMENTS): APPRENTICES

Apprentices	Nov-13	May-14
None	83.6	81.6
1 to 4	15.5	16.2
5+	0.9	2.2
Total	100	100

November 2013: Weighted base=9,875 employers; unweighted base =451 employers

May 2014: Weighted base= 9,807 employers; unweighted base =445 employers

TABLE 18: INDUSTRY DISTRIBUTION BY CITY (% OF ESTABLISHMENTS), NOVEMBER 2013 AND MAY 2014

Industry	Nov-13			May-14		
	Playford	Salisbury	Total	Playford	Salisbury	Total
Information Media and Telecommunications	0.3	0.4	0.4	0.4	0.4	0.4
Public Administration and Safety	0.0	0.7	0.5	0.0	0.7	0.5
Electricity, Gas, Water and Waste Services	0.7	0.8	0.7	0.0	0.8	0.5
Rental, Hiring and Real Estate Services	1.9	0.0	0.6	1.9	0.0	0.6
Agriculture, Forestry and Fishing	1.8	0.2	0.7	1.9	0.2	0.7
Financial and Insurance Services	0.6	0.9	0.8	0.7	0.9	0.8
Arts and Recreation Services	1.8	2.1	2.0	1.8	2.0	2.0
Administrative and Support Services	3.4	3.1	3.2	0.0	3.0	2.1
Education and Training	2.9	3.0	3.0	3.1	2.9	2.9
Transport, Postal and Warehousing	2.4	3.5	3.1	2.5	3.4	3.1
Accommodation and Food Services	4.3	0.0	1.3	4.5	2.9	3.3
Wholesale Trade	1.9	4.2	3.5	1.9	4.1	3.5
Professional, Scientific and Technical	3.9	4.9	4.6	4.1	4.8	4.6
Health Care and Social Assistance	6.5	5.3	5.7	6.8	5.2	5.6
Manufacturing	4.6	7.6	6.7	4.8	7.4	6.6
Construction	10.8	13.5	12.7	11.3	13.1	12.6
Retail Trade	16.9	13.9	14.8	17.6	13.5	14.7
Other Services	35.3	36.1	35.9	36.8	35.1	35.6
Total	100	100	100	100	100	100

November 2013 base: All employers (weighted=9,875; unweighted=451)

May 2014 base: All employers (weighted=9,956; unweighted=455)

TABLE 19: FACTORS THAT AFFECT ORGANISATIONAL PERFORMANCE (% OF ESTABLISHMENTS), NOVEMBER 2013 AND MAY 2014

	1 (strongly agree)	2	3	4	5 (strongly disagree)	na/ unsure/ don't know
Nov-13						
Tax burden	18	9	21	13	35	4
Customer demand	16	14	24	17	29	0
Competition in the marketplace	25	12	20	17	26	0
Opportunities to expand in new markets	23	16	24	16	19	1
Exchange rate	53	13	16	8	8	1
Availability of capital	29	8	21	14	26	3
Skills shortages	24	12	23	18	22	0
Staff turnover	39	20	22	12	7	0
Global environment	22	14	25	22	17	1
Access to government funding	36	15	15	13	20	1
May-14						
Tax burden	18	8	20	11	39	4
Customer demand	19	13	27	14	26	2
Competition in the marketplace	24	12	22	18	25	0
Opportunities to expand in new markets	32	11	29	9	18	1
Exchange rate	56	15	10	9	10	1
Availability of capital	34	12	22	15	17	1
Skills shortages	34	12	21	17	15	0
Staff turnover	50	13	18	11	8	0
Global environment	35	14	28	9	13	1
Access to government funding	45	10	16	8	20	1

November 2013 base: All employers (weighted=9,875; unweighted=451)

May 2014 base: All employers (weighted=9,956; unweighted=455)

TABLE 20: EMPLOYER SENTIMENT INDICATORS – TO NOVEMBER 2013 AND MAY 2014 (% OF ESTABLISHMENTS)

	Intentions to invest in the next 12 months	Intentions to recruit in the next 12 months	Expectations for business profits in the next 12 months	Expectations for sales in the next 12 months	Expectations for growth in the next 12 months
Nov-13					
Strong increase	11.6	3.3	6.5	8.3	7.0
Moderate increase	39.6	30.0	43.3	44.8	51.2
No change	36.6	60.8	37.3	24.2	32.7
Moderate decrease	6.2	3.3	3.6	3.9	2.9
Strong decrease	2.9	0.6	3.0	2.5	2.6
Unsure	2.9	2.0	6.3	4.5	3.0
Not applicable	0.1	-	-	11.7	0.6
May-14					
Strong increase	8.1	5.1	4.6	5.2	7.8
Moderate increase	33.6	24.5	35.0	41.3	44.8
No change	41.4	58.4	40.7	27.2	32.5
Moderate decrease	5.9	3.9	11.8	12.4	9.5
Strong decrease	1.9	1.5	1.6	1.1	2.1
Unsure	7.7	5.1	4.9	3.2	3.4
Not applicable	1.3	1.6	1.3	9.6	0.0

November 2013: Weighted base: 8,613 employers; unweighted base: 399 employers

May 2014: Weighted base= 8,685 employers; unweighted base =406 employers

Note: Not applicable/unsure responses are not shown.

TABLE 21: NUMBER OF VACANCIES: NOVEMBER 2013 TO MAY 2015 (% OF EMPLOYERS)

Number of vacancies	Nov-13	May-14	to Nov-14	to May-15
No vacancies	85.8	87.19	53.2	59.98
1	7.0	5.37	15.5	16.33
2	4.9	4.12	15.0	8.78
3 to 5	1.4	2.0	7.2	5.6
6+	0.5	0.5	4.9	2.3
Don't know	0.5	0.85	4.3	7.07
Total	100.0	100.0	100	100

November 2013 base: All employers (weighted=9,875; unweighted=451)

May 2014 base: All employers (weighted=9,956; unweighted=455)

TABLE 22: CURRENTLY VACANT OCCUPATIONS (% OF EMPLOYERS) – NOVEMBER 2013 AND MAY 2014

Occupation	Nov-13	May-14
Machinery Operators & Drivers	8.0	2.2
Managers	2.3	2.4
Community & Personal Svc	16.5	3.0
Other	5.2	8.6
Labourers	11.8	9.5
Technicians & Tradespersons	20.6	13.5
Clerical & Admin	10.1	15.0
Professionals	14.1	21.3
Sales Workers	11.4	24.6
Total	100	100

November 2013: Weighted base: 1,342 employers; unweighted base; 86 employers

May 2014: Weighted base= 1,261 employers; unweighted base =65 employers

TABLE 23: EXPECTED VACANCIES IN THE NEXT 12 MONTHS: TO NOVEMBER 2014 AND MAY 2015

Occupation	To Nov-14	To May-15
Managers	1.0	0.2
Other	9.9	3.6
Machinery Operators & Drivers	5.0	5.6
Clerical & Admin	15.2	8.1
Community & Personal Svc	4.3	9.0
Professionals	9.3	12.2
Sales Workers	17.4	12.8
Labourers	14.8	14.1
Technicians & Tradespersons	23.2	34.4
Total	100	100

November 2013: Weighted base: 4,203 employers; unweighted base: 214 employers

May 2014: Weighted base= 3,326 employers; unweighted base =156 employers

the 1990s. The authors also note that the majority of the research on the effects of the 1990s has been conducted in the United States.

There are a number of reasons why the effects of the 1990s may be different in the United Kingdom. First, the UK economy has not experienced the same level of unemployment as the United States. Second, the UK economy has not experienced the same level of technological change as the United States.

Third, the UK economy has not experienced the same level of globalization as the United States. Fourth, the UK economy has not experienced the same level of financial liberalization as the United States. Finally, the UK economy has not experienced the same level of demographic change as the United States.

Therefore, it is important to investigate the effects of the 1990s in the United Kingdom. This paper aims to do this by examining the effects of the 1990s on the UK economy. The paper is organized as follows. Section 2 discusses the effects of the 1990s on the UK economy. Section 3 discusses the effects of the 1990s on the UK labour market. Section 4 discusses the effects of the 1990s on the UK financial market. Section 5 discusses the effects of the 1990s on the UK demographic structure. Section 6 concludes.

2. The 1990s

The 1990s were a period of economic growth and technological change in the United Kingdom. The UK economy grew at an average rate of 2.5% per year during the 1990s. This was a significant improvement on the 1.5% growth rate of the 1980s.

The UK economy also experienced significant technological change during the 1990s. The UK economy became more technologically advanced than it had been in the 1980s. This was due to a number of factors, including increased investment in research and development, and the introduction of new technologies.

The UK economy also experienced significant globalization during the 1990s. The UK economy became more integrated with the rest of the world. This was due to a number of factors, including increased trade and investment, and the liberalization of international trade.

Finally, the UK economy experienced significant financial liberalization during the 1990s. The UK economy became more financially liberal than it had been in the 1980s. This was due to a number of factors, including the liberalization of the UK financial market, and the liberalization of international financial markets.

Therefore, the 1990s were a period of economic growth and technological change in the United Kingdom. The UK economy grew at an average rate of 2.5% per year during the 1990s. This was a significant improvement on the 1.5% growth rate of the 1980s.

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