

Graduates face slim pickings

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University students hoping that the economic recovery will make it easier for them to find work at the employer of their choice are going to be disappointed, as the number of vacancies available for 2011 is unlikely to pick up in most companies.

Most employers have filled graduate vacancies for 2010, meaning that there were 22.2 per cent fewer positions compared with the previous year, says the Australian Association of Graduate Employers.

It is the first such decline in the seven years since the AAGE began surveying the graduate recruitment market and will compound the effects of a depressed jobs market on graduates throughout this year.

And despite signs of a rebounding economy, 2011 could be more of the same.

Major banks along with accounting firms Deloitte, PricewaterhouseCoopers and Ernst & Young have confirmed smaller intakes for 2010 and say it is too early to tell when graduate recruitment might return to the levels seen before the economic downturn. They will begin recruiting early next year for graduates to begin in 2011.

The latest AAGE survey, to be released today, found that almost half of survey respondents (45 per cent) expect graduate vacancies to remain the same for 2011, and a further 9 per cent will recruit fewer graduates or none at all.

Many are still in wait-and-see mode with 17 per cent yet to make any commitment to graduate recruitment.

However, 24 per cent of employers plan to recruit slightly more graduates, and 5 per cent plan to employ many more graduates.

Westpac Banking Corp hopes to increase graduate recruitment in 2011. It has 100 graduates ready to begin next year, around 60 fewer than the same time last year.

"We expect to increase our graduate intake towards more normal levels in 2011, however we have not settled on final numbers at this stage," a bank spokesman says.

National Australia Bank will also take on fewer graduates next year, 90 compared with 120 in 2009. The bank has yet to decide how many it will recruit in 2011. At Deloitte 360 graduates will start next year, down on 510 in 2009.

The AAGE survey paints a relatively bleak picture of the current graduate employment landscape - with median starting salaries falling by \$400.

Vacancy levels have also dropped in 10 out of 15 industry groups and in all states and territories.

The median number of applications per vacancy doubled to 43 compared with the previous year as students scrambled for far fewer jobs.

But a more positive outlook for economic growth has prompted Treasury secretary Ken Henry to predict it will not be "too many years" before Australia is back at close to full employment and skills shortages are a problem again.

"The skills shortage issue went away temporarily behind the big dark cloud of the GFC, but it is going to rear its head again," the chief executive of student employment company Sydney Talent, Anne Moore, says.

"The market is definitely showing signs of picking up and organisations are now entertaining what it will mean for them to be on board again."

Telstra this year reinstated a centralised approach to co-ordinate a graduate program across universities.

Aldi is also bucking the trend and is looking to employ 50 graduates a year, compared with 20 in 2008.

Coles expects to double graduate recruits in 2010 to between 110 and 115, up from 55 this year. In 2011 the graduate intake is expected to be higher again.

These moves confirm survey findings that retail, sales and marketing, information technology and telecommunications industries increased vacancies for 2010.

The federal government, health services, and construction and property were the only other sectors to increase graduate recruitment.

KPMG is also starting to regain some confidence. It has 225 graduates starting next year, but could employ some of the students doing vacation work this summer.

"As the market continues to improve, we will consider offering opportunities for our vacationers to join us sooner than our typical graduate start date," KPMG head of talent Jessica Harrison says.

However, Ernst & Young remains cautious. In July, The Australian Financial Review reported Ernst & Young would start 350 graduates in 2010, compared with 425 in 2009. The company confirmed those numbers would not change.

Among many large graduate employers, applications for posts open in the first quarter of any given year and offers are made towards the middle of the year.

Successful applicants are typically in their penultimate year of university and so they have the promise of a job upon graduation the following year.

Australia and New Zealand Banking Group employed around 250 graduates in 2009, through its formal graduate program and via direct appointments across Australia and New Zealand.

A bank spokeswoman says there are 130 places available in the formal graduate program in 2010 across Australia, New Zealand and India, but there is no way to forecast how many graduates might join the company through direct appointments.

PwC, meanwhile, has opened its graduate recruitment program to applications year-round and is targeting graduates from non-business degrees.

PwC director of human capital Sharon Bell says 360 graduates started in 2009 and more than 300 are expected to join during 2010.

Engineering firm GHD says it takes a more conservative view of the rate of recovery.

The firm will take on 135 graduates in Australia and New Zealand early next year, down on the 216 in early 2009.

"Unlike many competitors, we honoured our offers [in 2009]," David Beech-Jones, general manager, people, says.

"The economic downturn and uncertainty has impacted on our demand for graduate recruitment this year."

GHD will "keep graduate recruitment under active consideration" throughout 2010, Beech-Jones says.

Daniel Purchase, a director of graduate recruitment website GradConnection, says information and communications technology graduates remained in demand during the crisis and graduate engineers will soon find themselves in demand again, including in the mining and resources sector.

"Up until the last 12 to 18 months things were very competitive in the engineering space," he says.

"[Firms] are anticipating it will return to that highly competitive hiring environment in the next 12 months."

The AAGE survey found that graduates entering mining jobs had the highest median starting salary of \$80,000, followed by those undertaking legal work at \$70,000 and chemical engineering at \$67,200.

The gloss has worn off graduate investment bankers who attracted the highest median salary in last year's survey of \$75,000. In 2010 they will start on \$67,000.

Almost half (47 per cent) of employers have not reduced graduate starting salaries.

Just 10 per cent of employers are offering any form of work bonuses, such as cash lump sums, down from 17 per cent in the 2007 survey.

Those in search of career satisfaction seek jobs at Google

Macquarie Group has been knocked off its perch as the aspirational employer of choice for graduates as vacancies dry up in investment banking and students look to more secure sources of employment.

Google took the No. 1 spot from Macquarie, which has been the employer most graduates aspired to work for in the past two annual surveys conducted by the Australian Association of Graduate Employers.

The 2010 survey, released on Friday, showed Google had moved up from sixth place in the previous year's survey, and from eighth place in the 2008 review of the graduate recruitment landscape.

The Australian Financial Review identified Macquarie, PricewaterhouseCoopers and GM Holden earlier this year as employers that had axed graduate jobs or deferred start dates.

Last year PwC was voted as the top graduate employer in the field of accountancy, this year the firm was usurped by Deloitte.

Deloitte will bring in 360 new graduates next year, down from 510 in 2009. Despite the drop, the national partner for people and performance, Alec Bashinsky, said Deloitte was "one of the few firms that is totally still committed to

grads".

"We didn't retrench graduates, we didn't postpone their start dates, whereas a lot of our competitors did."

Google spokeswoman Lucinda Barlow said graduate numbers would continue growth in 2010 and 2011.

"Graduates are a huge part of Google. A large proportion of Googlers have joined us straight from university . . . We're always looking out for bright interns and grads who love to solve tough problems and work alongside industry experts."

Ms Barlow said opportunities for graduates were uncapped: "They will work alongside senior Googlers, they present at developer conferences, and they can quickly become team leads on exciting projects that impact Google and the world."

Graduate roles at Google Australia are mostly in software engineering where local as well as global innovations such as Google Maps and Google Wave are developed.

The survey found software engineering was the only career area out of 21 to see a major increase in vacancies for 2010. Vacancies rose 67 per cent. They rose just 1 per cent in electrical/electronic engineering, but declined in all other career areas.

Vacancies in investment banking decreased 53 per cent, the third largest fall behind marketing (74 per cent) and human resources (55 per cent).

The starting salaries of graduate investment bankers have also dived. The median salary will be \$67,000 next year compared with \$75,000 this year.

The AAGE survey found as a result of the economic downturn, 13 per cent of employers re-deployed graduates to a different location; 9 per cent re-deployed graduates to a different role; 8 per cent had withdrawn graduate offers; 7 per cent deferred start dates without a financial incentive, and 3 per cent deferred start dates with a financial incentive.

Macquarie did not provide any detail about its graduate recruitment program.

The Australian Financial Review

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