



Australian Government

Department of Education, Employment and Workplace Relations

# Survey of Employers' Recruitment Experiences

## Combined Results for All Regions 12 months to June 2011

This report was prepared by the Labour Market Research and Analysis Branch and is based on research conducted by the branch.

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## The Australian Labour Market

Prior to the onset of the Global Financial Crisis in September 2008, economic and labour market conditions in Australia had been reasonably strong, although the unemployment rate had already troughed at 4.1 per cent in March 2008, and the pace of employment growth had begun to ease. However, in September 2008 world growth weakened dramatically and economic and labour market conditions in Australia deteriorated sharply.

Between July 2009 and March 2011, the Australian labour market showed significant signs of recovery, with a fall in the unemployment rate of 0.9 percentage points to 4.9 per cent and a rise in employment of 496 700 people to 11,433,400. However, between March and September 2011, employment growth has slowed considerably (rising by only 8 300) and the unemployment rate has increased to 5.2 per cent<sup>1</sup>.

Figure 1. Unemployment rate, Australia, January 2009 to September 2011<sup>2</sup>

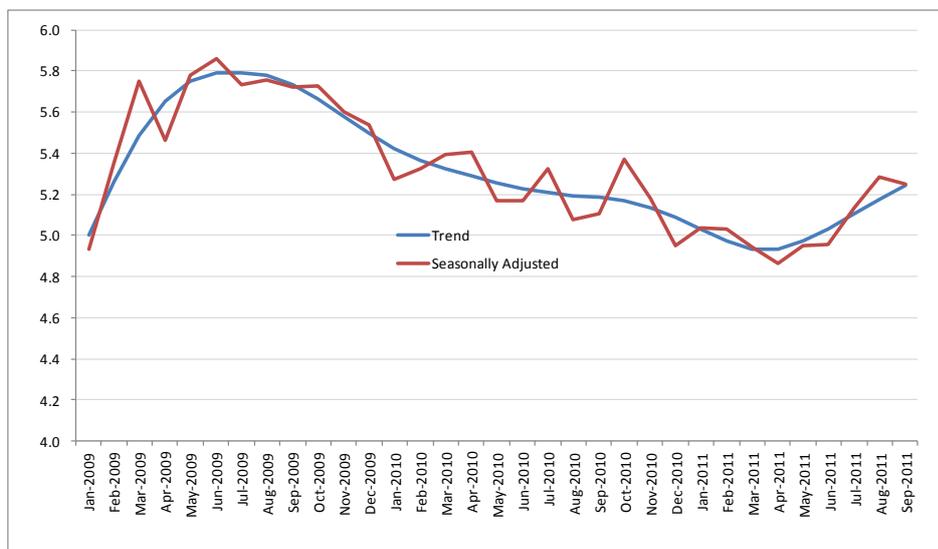
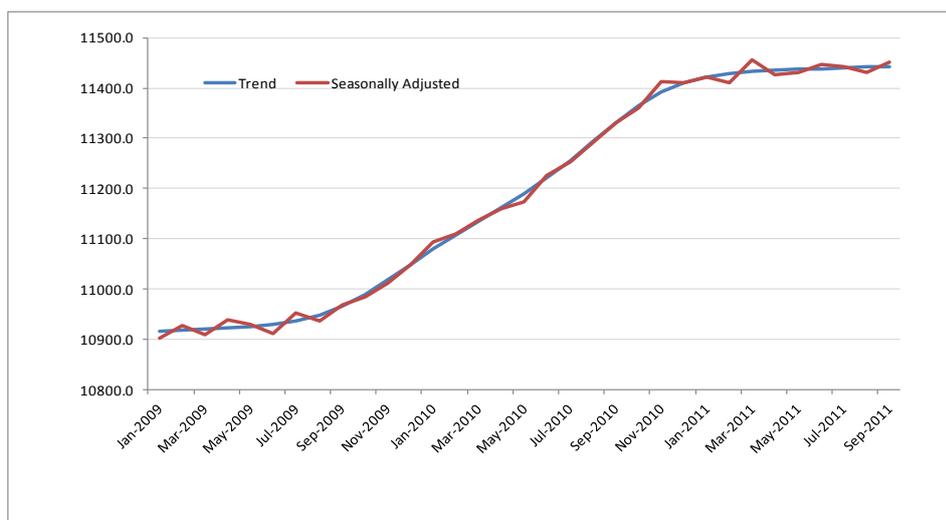


Figure 2. Employed persons, Australia, January 2009 to September 2011<sup>2</sup>



<sup>1</sup> ABS, *Labour Force, Australia*, September 2011, cat. no. 6202.0 (trend).

<sup>2</sup> ABS, *Labour Force, Australia*, September 2011, cat. no. 6202.0 (seasonally adjusted and trend).

## *Survey of Employers' Recruitment Experiences*

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In order to gain a better understanding of labour market conditions, the Department of Education, Employment and Workplace Relations (DEEWR) conducts Surveys of Employers' Recruitment Experiences in various regions of Australia.

The surveys are conducted by telephone interview and collect information on:

- recruitment of employees in the 12 months preceding the survey;
- the experience employers had recruiting for their most recent vacancy; and
- recruitment expectations in the 12 months following the survey.

The following report provides a summary of the combined results for all regions surveyed in the 12 months to June 2011. To provide a meaningful comparison, the results have been compared with the results of all regions surveyed in the 12 months to June 2010<sup>3</sup>.

Between July 2010 and June 2011, the Department conducted surveys of employers' recruitment experiences in each of the 24 regions listed in Table 1. Results from these surveys have been published at [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports) as they have become available.

In total, 6768 employers responded to the survey across all surveyed regions. The Retail Trade industry had the highest number of responding employers, followed by the Accommodation and Food Services and Manufacturing industries. Almost half (49 per cent) of the surveyed employers had fewer than 10 employees.

*Table 1. Regions surveyed in the 12 months to June 2011*

<b>Region</b>	<b>State</b>	<b>Month Surveyed</b>
Caboolture-Sunshine Coast PEA	Qld	Jul 2010
Central Coast –Hunter PEA	NSW	Jul 2010
Townsville-Thuringowa PEA	Qld	Aug 2010
North Eastern Victoria PEA	Vic	Aug 2010
Pilbara ESA	WA	Aug 2010
Gold Coast ESA	Qld	Aug 2010
Port Augusta-Whyalla-Port Pirie PEA	SA	Sep 2010
ACT/Queanbeyan ESA	ACT/NSW	Oct 2010
Darwin ESA	NT	Oct 2010
Goldfields-Esperance ESA	WA	Nov 2010
Mackay (Bowen) ESA	Qld	Nov 2010
Toowoomba ESA	Qld	Dec 2010

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<sup>3</sup> In the 12 months to June 2010, the majority of regions surveyed were Priority Employment Areas. The data for this period may therefore be more representative of disadvantaged labour markets than of the Australian labour market in general.

Capricornia ESA	Qld	Dec 2010
Orana ESA	NSW	Feb 2011
Port Lincoln Ceduna ESA	SA	Feb 2011
South Eastern ESA	NSW	Mar 2011
Geelong ESA	Vic	Mar 2011
Patterson ESA	NSW	Mar 2011
Sturt ESA	NSW	Apr 2011
South East (SA) ESA	SA	Apr 2011
Alice Springs ESA	NT	May 2011
Mid West and Gascoyne ESA	WA	May 2011
Mount Isa ESA	Qld	Jun 2011
Southern ESA	WA	Jun 2011

ESA= Employment Service Area

PEA = Priority Employment Area

### **Main Findings**

The combined results suggest that overall labour market conditions in the regions surveyed in the 12 months to June 2011 were stronger compared with regions surveyed in the 12 months to June 2010. However, the survey results also indicate that conditions varied considerably across the regions and industries surveyed in the 12 months to 2011.

- Greater recruitment activity in the 12 months to June 2011
  - A larger proportion of surveyed employers had recruited compared with the 12 months to June 2010 (74 per cent compared with 65 per cent).
  - Employers also had a higher recruitment rate (24.3 vacancies per 100 staff, compared with 16.2 vacancies per 100 staff).
- More recruitment difficulty in the 12 months to June 2011
  - A larger proportion of employers reported that they had experienced recruitment difficulty compared with the 12 months to June 2010 (60 per cent of recruiting employers compared with 51 per cent).
  - In employers' most recent recruitment round, a larger proportion of vacancies remained unfilled (10.0 per cent), compared with all regions surveyed in the 12 months to June 2010 (5.2 per cent).
- Stronger future recruitment expectations in the 12 months to June 2011
  - More than half (52 per cent) of employers expected to recruit in the 12 months following the survey compared with only 43 per cent in the 12 months to June 2010.
- Significant regional labour market disparity in the 12 months to June 2011
  - Of all regions surveyed in the 12 months to June 2011, the greatest demand for labour was in Pilbara, Darwin, Mackay (Bowen), ACT/Queanbeyan, Alice Springs and Mt Isa.

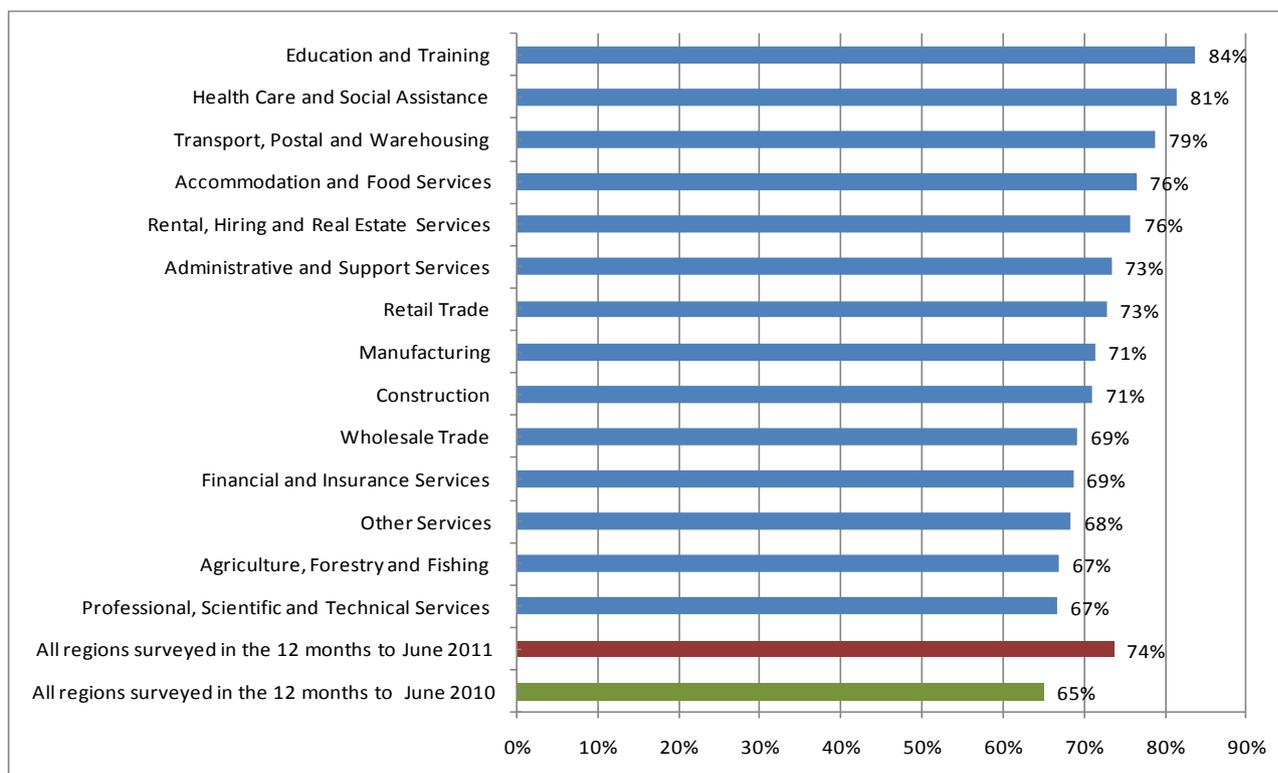
Employers in these regions reported substantial recruitment difficulty and above average rates of unfilled vacancies.

- Opportunities exist for job seekers in a range of occupations
  - Opportunities exist for job seekers willing to take up apprenticeships in Trade occupations which employers find difficult to fill such as Motor Mechanics, Structural Steel and Welding Trades Workers and Metal Fitters and Machinists.
  - Opportunities also exist in a range of lower skilled occupations such as Sales Assistants, Child Carers, Truck Drivers and Storepersons.

### Recruitment Activity

The proportion of employers in the surveyed regions who had recruited in the 12 months preceding the survey (74 per cent) was larger than the result for the regions surveyed in the 12 months to June 2010 (65 per cent). The recruitment rate was also higher (24.3 vacancies per 100 staff) compared with all regions surveyed in the 12 months to June 2010 (16.2 vacancies per 100 staff).

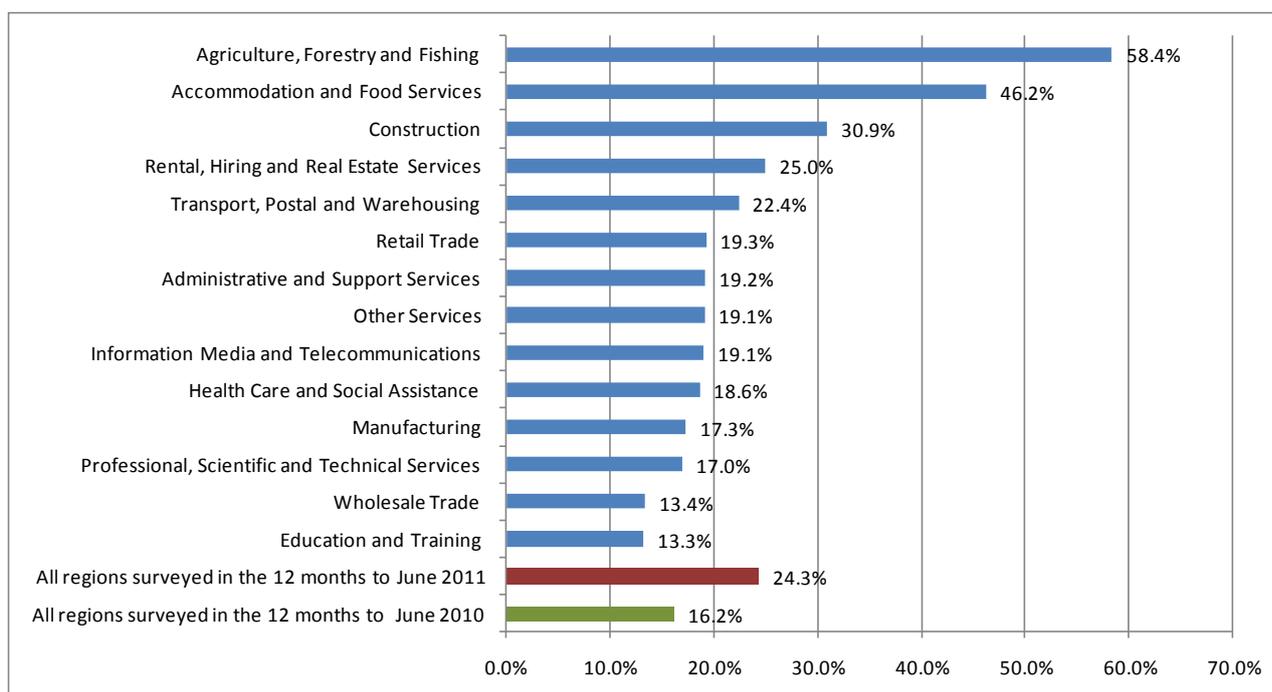
Figure 3. Proportion of employers who recruited in the preceding 12 months



- The Education and Training industry had the largest proportion of recruiting employers in the 12 months preceding the survey (84 per cent), followed by the Health Care and Social Assistance industry (81 per cent).
- Recruitment activity in the Agriculture, Forestry and Fishing and Professional, Scientific and Technical Services industries was the lowest with 67 per cent of employers recruiting.
- The majority (85 per cent) of employers who recruited did so to replace staff, slightly larger than for all regions surveyed in the 12 months to June 2010 (81 per cent). The proportion of employers who recruited to increase staff numbers (53 per cent) was slightly smaller than that for all regions surveyed in the 12 months to June 2010 (56 per cent).

- Recruitment to replace existing staff was highest in the Accommodation and Food Services and the Health Care and Social Assistance industries (92 per cent).

Figure 4. Recruitment rate in the preceding 12 months



- The highest recruitment rates<sup>4</sup> were in the Agriculture, Forestry and Fishing industry (58.4 vacancies per 100 staff) and Accommodation and Food Services industry (46.2 vacancies per 100 staff), which were significantly higher than the recruitment rate across all industries (24.3 per cent). This is likely to be related to the seasonal nature of recruitment in these industries, and high turnover in the Accommodation and Food Services industry.
- By contrast, the recruitment rates in the Education and Training and Wholesale Trade industries were very low (13.3 and 13.4 per cent respectively).

### Recruitment Success

Across all surveyed regions, employers reported 37,547 vacancies in the 12 months preceding the survey, of which 8.3 per cent remained unfilled. This unfill rate was higher compared with all regions surveyed in the 12 months to June 2010 (4.8 per cent), suggesting a tightening of the labour market.

- The Construction industry had the largest proportion of unfilled vacancies (18.6 per cent).
- By contrast, the Agriculture, Forestry and Fishing industry had the lowest proportion of unfilled vacancies (1.1 per cent) followed by the Education and Training industry (3.0 per cent).

<sup>4</sup> The recruitment rate is the number of vacancies that employers filled or attempted to fill over the 12 months preceding the survey as a proportion of the number of staff they employed at the time they were surveyed.

Figure 5. Proportion of vacancies unfilled in the preceding 12 months

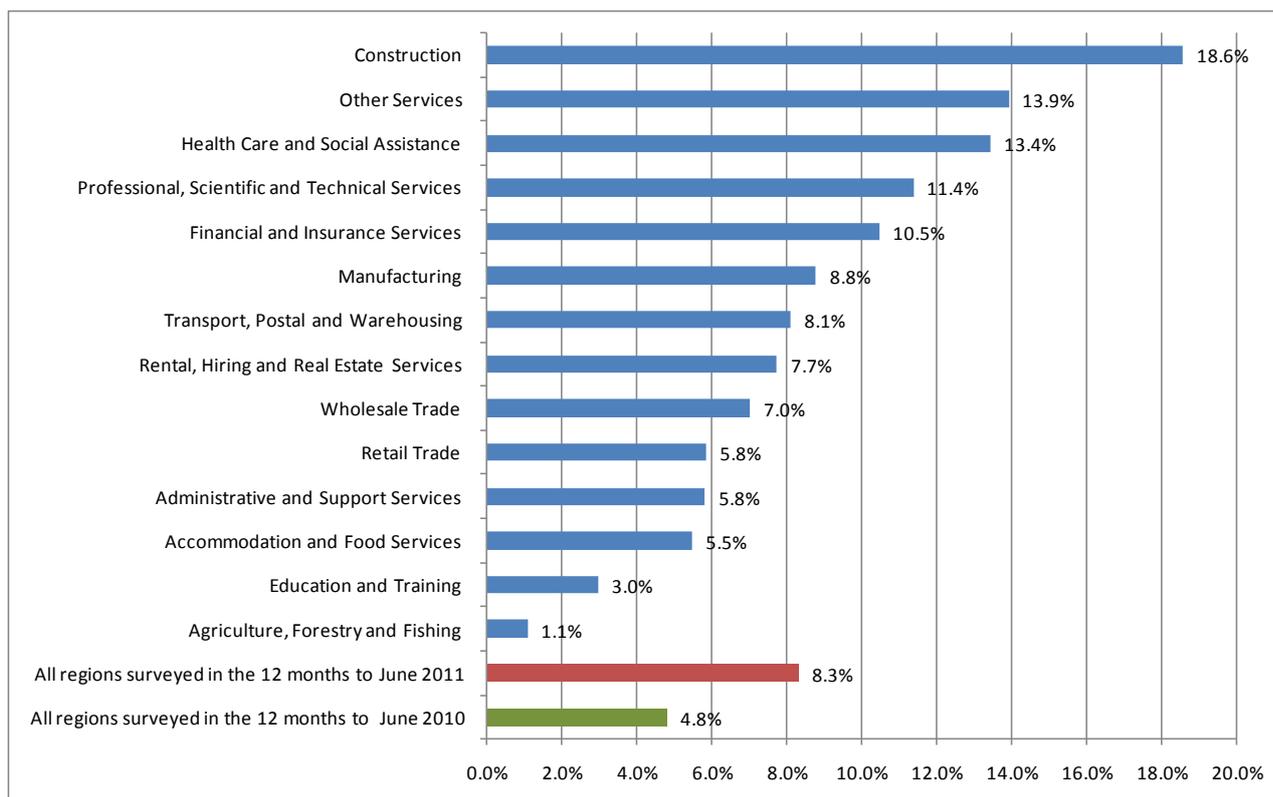
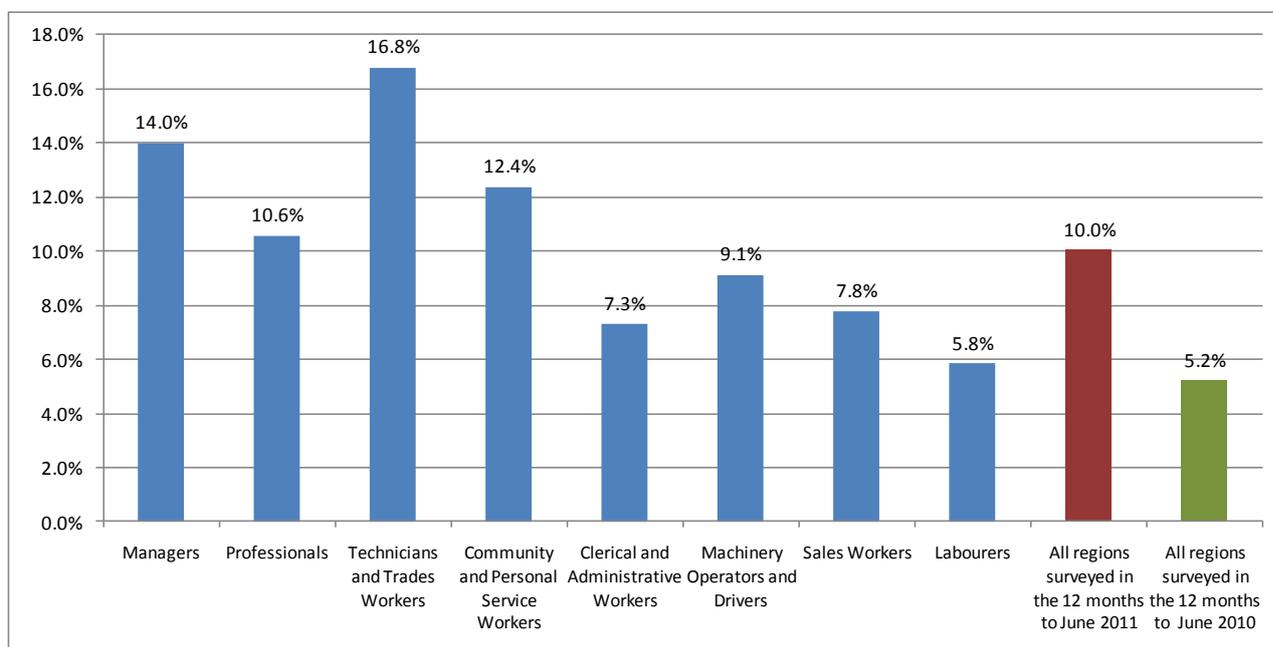


Figure 6. Proportion of vacancies unfilled in the most recent recruitment round



- In employers' most recent recruitment round, again a larger proportion of vacancies remained unfilled (10.0 per cent), compared with all regions surveyed in the 12 months to June 2010 (5.2 per cent).
- A large proportion of vacancies for higher skilled occupations, such as Technicians and Trades Workers, remained unfilled (16.8 per cent) in the most recent recruitment round.

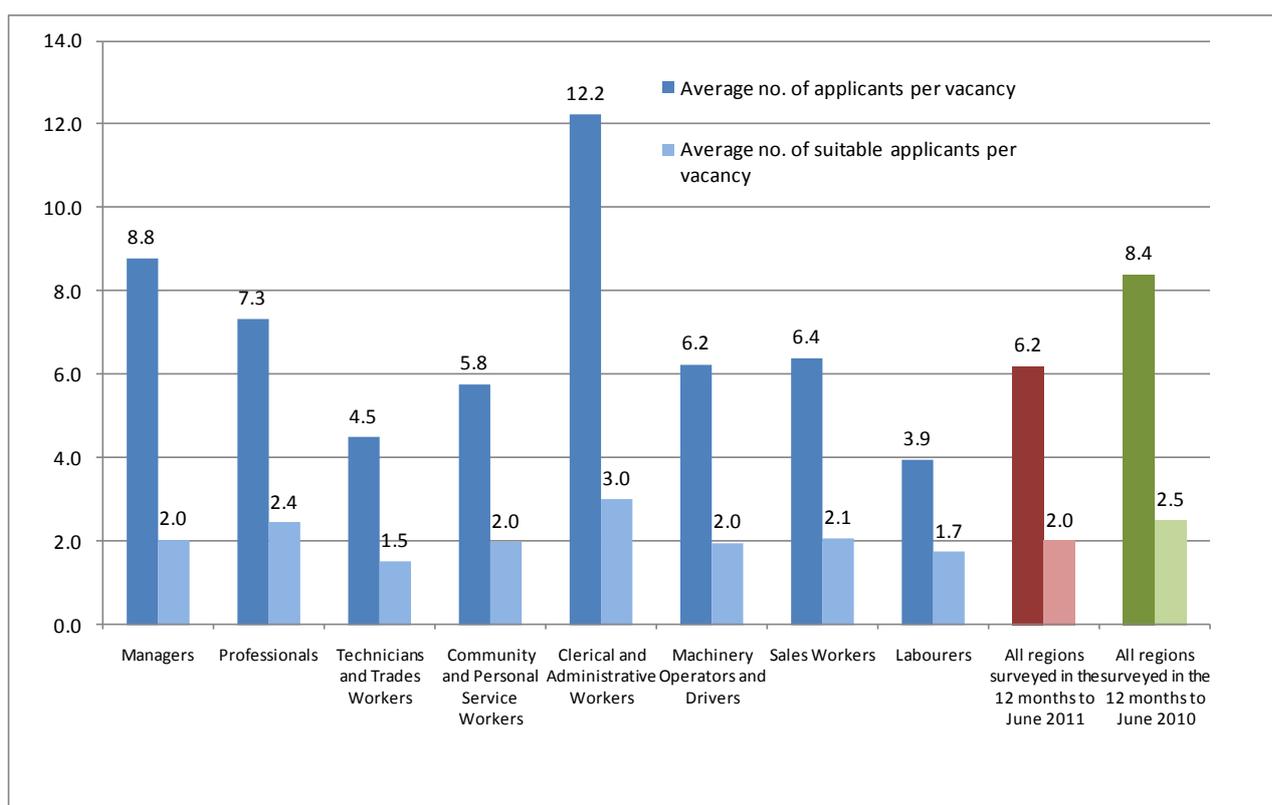
- Labourers (5.8 per cent) and Clerical and Administrative Workers (7.3 per cent) occupations had the lowest unfill rates.
- The results for the 12 months to June 2010 show a similar pattern, with the highest unfill rate reported for Technicians and Trades Workers vacancies (9.1 per cent) and the lowest unfill rate reported for Labourer vacancies (2.4 per cent).

### Competition for Vacancies

Many applicants were considered unsuitable for the vacancy for which they had applied. This suggests a gap between employer expectations and the skills, experience and attributes possessed by applicants.

- Competition for vacancies was lower (6.2 applicants per vacancy) than for the regions surveyed in the 12 months to June 2010 (8.4 applicants per vacancy).
- In total, employers considered less than one third of applicants to be suitable for the position for which they had applied. There were on average 2.0 applicants per vacancy, which was lower than for all regions surveyed in the 12 months to June 2010 (an average of 2.5 applicants per vacancy).

Figure 7. Number of applicants and suitable applicants per vacancy in the most recent recruitment round



- The highest average number of applicants per vacancy was reported by employers recruiting for Clerical and Administrative Workers and Managers (12.2 and 8.8 respectively).
- There was low competition for Technicians and Trades Workers (4.5 applicants and 1.5 suitable applicants per vacancy) which is consistent with the high proportion of unfilled vacancies in this occupation group, and suggests opportunities for job seekers willing to upgrade their skills.
- There was also low competition for Labourers (3.9 applicants and 1.7 suitable applicants per vacancy), although this may be related to employers having a greater tendency to use informal methods of recruitment (e.g. word of mouth) for these vacancies.
- The most common reason applicants were considered unsuitable was insufficient experience to perform the duties of the position (reported by 56 per cent of employers). This was lower when compared with all regions surveyed in the 12 months to 2010, when 65 per cent of employers reported this as a reason for applicant unsuitability.
- Insufficient qualifications for the duties of the position was also a relatively common reason for applicant unsuitability (26 per cent), however, this was significantly less important for occupations requiring a lower level of skill, such as Sales Workers (10 per cent) and Labourers (15 per cent).
- By contrast, applicants for lower skilled vacancies were much more likely to be unsuitable due to limited interest in the job (19 per cent) compared with higher skilled vacancies (5 per cent).

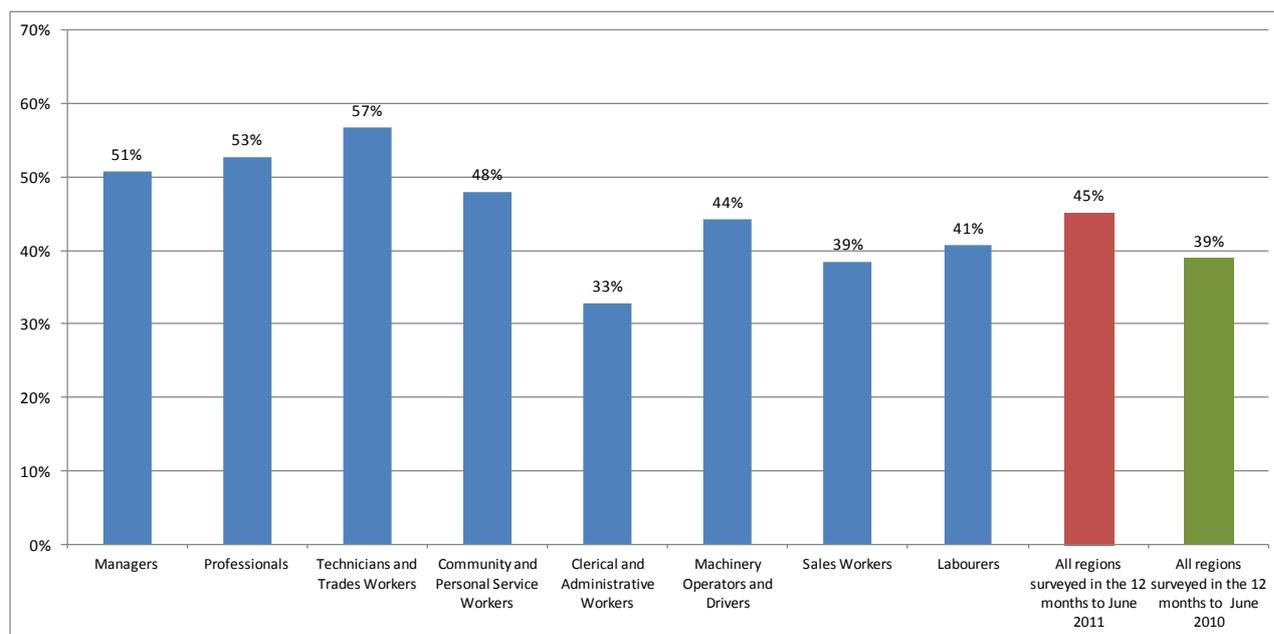
### *Recruitment Difficulty*

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In line with the higher unfill rates, employers encountered a higher level of difficulty recruiting staff. This suggests opportunities exist for job seekers who have the skills or attributes which employers are seeking.

- In the 12 months preceding the survey, 60 per cent of employers who recruited reported difficulty. This was larger than in the 12 months to June 2010 (51 per cent).
- The Health Care and Social Assistance industry experienced the highest level of recruitment difficulty (69 per cent) whereas the Agriculture, Forestry and Fishing industry experienced the least recruitment difficulty (46 per cent).

Figure 8. Proportion of recruiting employers who experienced difficulty in their most recent recruitment round by occupation group



- In their most recent recruitment round, recruitment difficulty was most widespread among employers recruiting for higher skilled occupations, such as Technicians and Trades Workers, with 57 per cent of employers reporting recruitment difficulty.
- However, employers reported a range of occupations across all skill levels as being difficult to fill (see Table 2). Overall, the most frequently reported occupations difficult to fill were Sales Assistants followed by Motor Mechanics and General Clerks. While only a small proportion of employers recruiting for Sales Assistant experienced difficulty, the large number of businesses which employ Sales Assistants results in it being the most frequently reported occupation difficult to fill.

Table 2. Occupations difficult to fill by skill level

Bachelor Degree or Higher VET Qualifications	
Motor Mechanics	Metal Fitters and Machinists
Structural Steel and Welding Trades Workers	Chefs
Registered Nurses	Cooks
Other Occupations	
Sales Assistants	General Clerks
Truck Drivers	Child Carers
Receptionists	Storepersons
Bar Attendants	Sales Representatives

## ***Recruitment Difficulty by Region***

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Recruitment difficulty varied considerably across the regions surveyed in the 12 months to June 2011 (see Attachment A).

- The Mackay (Bowen) ESA and the Darwin ESA had the largest proportion of unfilled vacancies in employers' most recent recruitment round (19.7 and 19.1 per cent respectively), almost double that for all regions surveyed (10.0 per cent). The proportion of employers reporting recruitment difficulty in these ESAs (54 per cent and 53 per cent respectively) was also larger than for all regions surveyed (45 per cent) indicating a tight labour market.
- Employers in the ACT/Queanbeyan ESA also experienced considerable difficulty recruiting with a high proportion of unfilled vacancies (17.5 per cent) and a large proportion of employers reporting difficulty recruiting (56 per cent).
- Other areas experiencing difficulty recruiting were the Alice Springs, Pilbara and Mount Isa ESAs. Of these, Mount Isa had the highest proportion of unfilled vacancies at 14.6 per cent,.
- The Alice Springs ESA had the largest proportion of employers reporting recruitment difficulty (62 per cent) which, along with a high recruitment rate (42.6 per cent vacancies per 100 staff), almost double than that for all regions (24.3 per cent), indicates very strong labour demand in that region.
- The Pilbara ESA had the largest proportion of employers reporting retention difficulty (46 per cent), which was much larger than that for all regions (18 per cent). Combined with a very high recruitment rate (78.8 per cent vacancies per 100 staff), the survey results suggest that employers in the Pilbara region will need to consider both recruitment and retention strategies into the future.

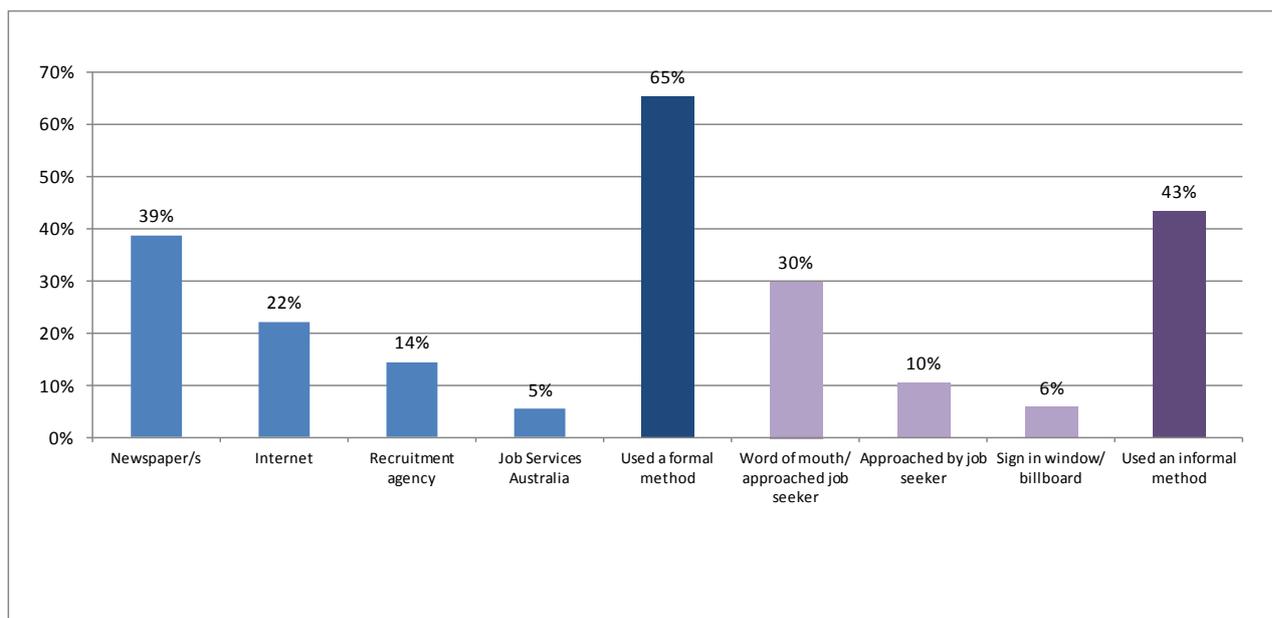
## ***Recruitment Methods***

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Employers used a wide range of formal and informal methods when recruiting for their most recent vacancies. Formal methods of recruiting, such as newspapers, the Internet or utilising a recruitment agency were more common than informal methods, such as word of mouth or being approached by a job seeker (65 per cent compared with 43 per cent). Newspapers and word of mouth were the most common recruitment methods (39 per cent and 30 per cent respectively).

Usage of Job Services Australia was relatively low (5 per cent), however, it is likely to be understated as employers are sometimes unaware that a recruitment agency is a Job Services Australia provider.

Figure 9. Recruitment methods used by employers in the most recent recruitment round



### Training and Development

The proportion of employers who hired staff who required further development in the 12 months to June 2011 was in line with the 12 months to June 2010 (both 14 per cent).

- Employers reported that new staff who required development frequently needed training in skills specific to the job (62 per cent) and soft skills not specific to the job (21 per cent) such as attitude and motivation.
- Less than half (45 per cent) of employers surveyed in the 12 months to June 2011 reported that they had arranged for their staff to undertake nationally recognised training in the 12 months prior to being surveyed.
  - This training was most commonly provided by Commercial training providers (37 per cent), Industry bodies (30 per cent) and TAFE (25 per cent).
- Just over one quarter of employers (26 per cent) experienced barriers to providing training to their staff.
- The most common barriers to providing training were the location (44 per cent) and the high cost (30 per cent) associated with the training.

## ***Apprentices and Trainees***

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Overall, 35 per cent of respondents employed an apprentice which was similar to all regions surveyed in the 12 months to June 2010 (34 per cent). The highest proportions of employers who employed apprentices were in the Other Services<sup>5</sup> and Construction industries (58 and 56 per cent respectively).

- A similar proportion of employers expected to recruit an apprentice (23 per cent) compared with all regions surveyed in the 12 months to June 2010 (22 per cent).
- A slightly larger proportion of employers expected to increase their number of apprentices or trainees (13 per cent) compared with all regions surveyed in the 12 months to June 2010 (11 per cent).
- Employers who had an apprentice/trainee reported that the most common challenges were that apprentices lacked work readiness skills (29 per cent), lacked soft skills (25 per cent) and didn't complete their apprenticeship or stay with the business long enough (15 per cent).

## ***Staff Retention***

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18 per cent of employers surveyed in the 12 months to June 2011 reported that staff retention was a significant problem for their business. Of those, 61 per cent had one or more retention strategies in place.

- The most common retention strategies were increased remuneration (43 per cent), providing a good working environment (33 per cent) and providing development and training (28 per cent). These results have shifted compared with the regions surveyed in the 12 months to June 2010, when employers focused more on providing a good working environment (47 per cent) and less on increased remuneration (29 per cent).
- Staff retention was most commonly considered to be a problem in the Accommodation and Food Services (24 per cent) and Administrative and Support Services (20 per cent) industries.
  - Just over half (53 per cent) of employers in the Accommodation and Food Services industry had a retention strategy, the most common being a good working environment (40 per cent).
  - Employers in the Administrative and Support Services industry had a higher than average proportion of retention strategies (74 per cent), the most common one being development and training (39 per cent).

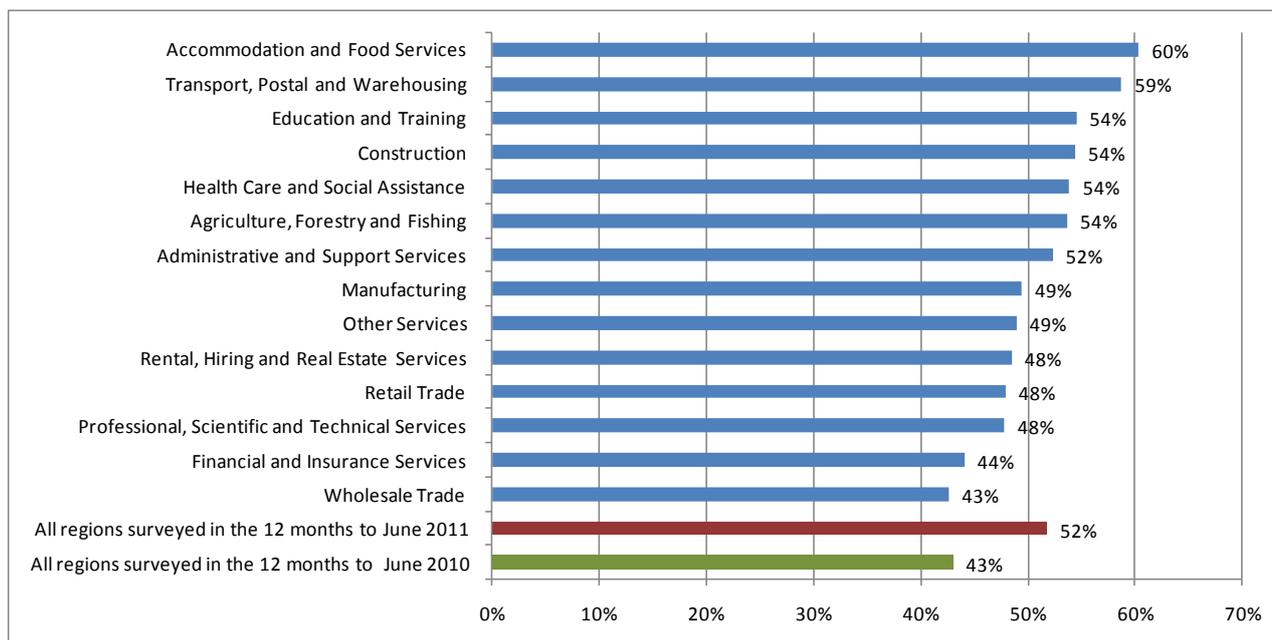
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<sup>5</sup> The Other Services industry includes a broad range of personal services, such as hairdressing; religious, civil, professional and other interest groups; and selected repair and maintenance activities, including automotive repair.

## Future Recruitment Expectations

Recruitment expectations in the 12 months following the survey were higher than for the regions surveyed in the 12 months to June 2010.

Figure 10. Proportion of employers who expected to recruit in the 12 months following the survey



- More than half of the employers surveyed expected to recruit (52 per cent), which was larger than for all regions surveyed in the 12 months to June 2010 (43 per cent).
- Around one third (29 per cent) of employers expected to increase staff numbers, compared with 26 per cent for all regions surveyed in the 12 months to June 2010.
- Only 3 per cent of employers expected to decrease staff numbers, which was on par with the 12 months to June 2010.

In line with the improved labour market conditions in 2010 – 11 a higher proportion of employers expected to experience recruitment difficulty.

- Almost half (47 per cent) of the employers who expected to recruit anticipated having difficulty, which was larger than for the results of all regions surveyed in the 12 months to June 2010 (37 per cent).
- Employers in the Accommodation and Food Services industry were most likely to expect difficulty recruiting (60 per cent), whereas employers in the Wholesale Trade industry were least likely to expect difficulty (43 per cent).

## *Expected Challenges*

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More than half (55 per cent) of employers expected to encounter challenges in the 12 months following the survey, which was slightly larger than for all regions surveyed in the 12 months to June 2010 (52 per cent).

- The most commonly reported challenges were reduced business activity or fewer customers (23 per cent) and business regulations (22 per cent).
- 18 per cent of employers reported that skill shortages and recruitment difficulty would be a challenge. This was higher than for the 12 months to June 2010 (12 per cent) when employers most commonly expressed concern about reduced business activity (32 per cent).

## ATTACHMENT A

*Key survey results by region, 12 months to June 2011*

Region	Month of survey	Number of vacancies in past 12 months per 100 staff currently employed	Proportion of recruiting employers who experienced difficulty (most recent recruitment round)	Proportion of vacancies unfilled (most recent recruitment round)	Proportion of recruiting employers who had retention difficulty
Caboolture-Sunshine Coast PEA	Jul 2010	16.0	26%	4.4%	N/A
Central Coast –Hunter PEA	Jul 2010	17.7	40%	3.4%	13%
Townsville-Thuringowa PEA	Aug 2010	24.6	41%	5.5%	15%
North Eastern Victoria PEA	Aug 2010	34.8	39%	5.8%	9%
Pilbara ESA	Aug 2010	78.8	61%	11.7%	46%
Gold Coast ESA	Aug 2010	16.5	37%	6.7%	8%
Port Augusta-Whyalla-Port Pirie PEA	Sep 2010	16.9	39%	7.3%	7%
ACT/Queanbeyan ESA	Oct 2010	20.1	56%	17.5%	22%
Darwin ESA	Oct 2010	56.7	53%	19.1%	29%
Goldfields-Esperance ESA	Nov 2010	26.2	52%	9.9%	19%
Mackay (Bowen) ESA	Nov 2010	30.5	54%	19.7%	37%
Toowoomba ESA	Dec 2010	18.8	40%	6.5%	15%
Capricornia ESA	Dec 2010	29.0	42%	14.0%	20%
Orana ESA	Feb 2011	9.8	35%	6.7%	16%
Port Lincoln Ceduna ESA	Feb 2011	20.3	38%	10.2%	13%
South Eastern ESA	Mar 2011	14.8	44%	11.7%	11%
Geelong ESA	Mar 2011	16.2	35%	4.5%	10%
Patterson ESA	Mar 2011	19.4	39%	6.5%	13%
Sturt ESA	Apr 2011	16.7	43%	9.9%	9%
South East SA ESA	Apr 2011	16.3	37%	9.5%	8%
Alice Springs ESA	May 2011	42.6	62%	11.2%	37%
Mid West and Gascoyne ESA	May 2011	36.8	56%	8.0%	21%
Mount Isa ESA	Jun 2011	38.4	59%	14.6%	25%
Southern ESA	Jun 2011	24.2	53%	9.8%	22%
All regions surveyed in the 12 months to June 2011		24.3	45%	10.0%	18%



**For more information:**

- **Labour Market Information Portal**  
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