



**Australian Government**

**Department of Education, Employment and Workplace Relations**

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# **Greater Shepparton Local Government Area**

**Survey of Employers' Recruitment Experiences**

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**September 2012**





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The document must be attributed as the 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – Greater Shepparton Local Government Area – September 2012'.

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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## Report Summary

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The survey results highlight some labour market weakness in the Greater Shepparton Local Government Area (LGA). This is also reflected in the persistently high unemployment rate over the past two years, which has ranged from 7.5 per cent to 8.7 per cent.

Employers surveyed in the Greater Shepparton LGA reported low levels of recruitment activity in the 12 months to September 2012. There was also a marked decline in the number of local employment opportunities since the region was previously surveyed in 2011. Additionally, competition for vacancies was high and is likely to continue with future recruitment expectations of surveyed employers also pessimistic.

However, despite the subdued labour market opportunities still exist in the area, particularly in the Health Care and Social Assistance and Retail Trade industries.

## The Greater Shepparton Local Government Area

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The Greater Shepparton LGA, situated in the North Eastern Victoria Priority Employment Area (PEA), is one of the 10 LGAs, which was identified in the 2011-2012 Budget to receive funding for measures to address disadvantage through the Better Futures Local Solutions initiative.<sup>1</sup>

The unemployment rate for the Greater Shepparton LGA in December 2012 was 8.6 per cent.<sup>2</sup> This was significantly higher than the unemployment rates for Victoria and Australia (5.8 and 5.5 per cent respectively).<sup>3</sup> However, it was in line with the unemployment rate in December 2010 (8.5 per cent), highlighting that the labour market in the area has been subdued for some time.<sup>4</sup>

At the time of the 2011 Census, the three main industries providing employment to people living in the Greater Shepparton LGA were Health Care and Social Assistance, Manufacturing, and Retail Trade. Agriculture was also an important industry in the region. While total employment increased by 4 per cent in the five years to 2011, employment declined in both Manufacturing and Retail Trade. On the other hand, there was a solid increase in Health Care and Social Assistance, while Construction and Education and Training recorded modest employment growth (Figure 1).<sup>5</sup>

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<sup>1</sup> The North Eastern Victoria PEA includes the LGAs of Albury, Benalla, Campaspe, Corowa Shire, Greater Shepparton, Indigo, Moira, Strathbogie, Wangaratta and Wodonga.

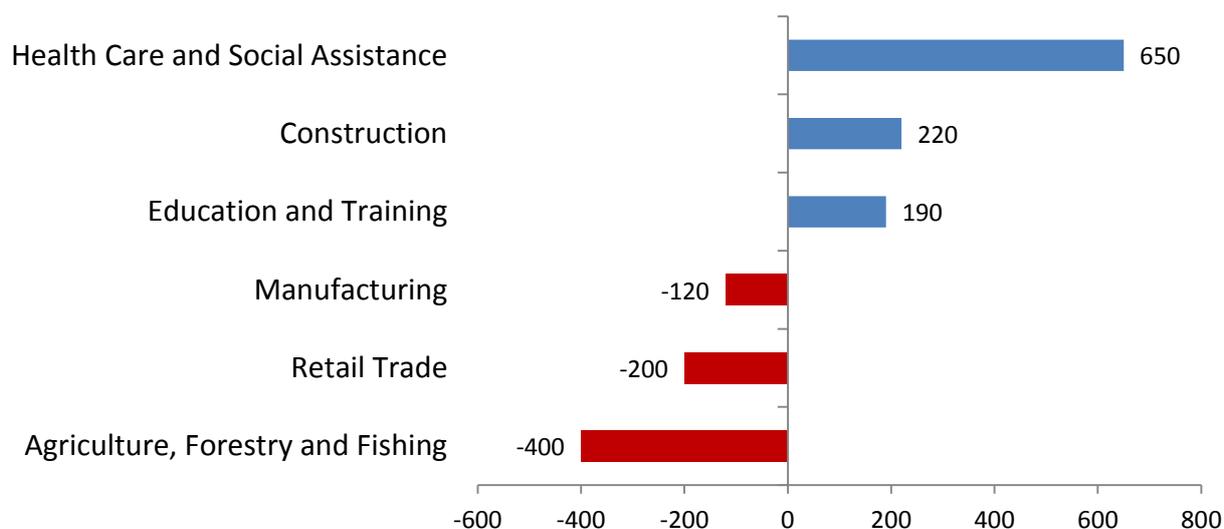
<sup>2</sup> DEEWR, *Small Area Labour Markets*, December quarter 2012

<sup>3</sup> ABS, *Labour Force Survey 6202.0*, Seasonally adjusted data, April 2013

<sup>4</sup> DEEWR, *Small Area Labour Markets*, December quarter 2012

<sup>5</sup> ABS, *Census of Population and Housing*, 2011

**Figure 1. Industry Employment Growth: Greater Shepparton LGA  
(Change in number of people employed 2006 to 2011)**



### Labour Market Disadvantage

In the Greater Shepparton LGA several groups are disadvantaged in the labour market. At the time of the 2011 Census, only 41 per cent of the working age population had completed Year 12 or equivalent, which was substantially below the average for the state (59 per cent). Across the North Eastern Victoria PEA, there was a very high unemployment rate for people who had not completed Year 12 or a post school qualification (14.7 per cent).<sup>6</sup>

The Greater Shepparton LGA also has a higher proportion of Indigenous residents (3 per cent) compared with Victoria overall (1 per cent). Labour market outcomes for the Indigenous population are well below those for the non-Indigenous population. In 2011, the unemployment rate for the Indigenous working age population of the LGA was 20.9 per cent and the participation rate was 54.2 per cent. By contrast, the unemployment rate for the non-Indigenous working age population was 5.3 per cent and the participation rate was 75.0 per cent.<sup>7</sup>

In the last 5 years, more than 500 humanitarian migrants have settled in the Greater Shepparton LGA. Humanitarian migrants accounted for 32 per cent of the LGA's migrant intake over the period, compared with only 7 per cent for Australia overall.<sup>8</sup> Humanitarian migrants often have no or poor English language proficiency, which significantly restricts their employment prospects. The unemployment rate for people with no or poor English language proficiency in the LGA is four times that for people who speak English only (20.7 per cent compared with 5.2 per cent).<sup>9</sup>

<sup>6</sup> ABS, *Census of Population and Housing*, 2011

<sup>7</sup> ABS, *Census of Population and Housing*, 2011

<sup>8</sup> Department of Immigration and Citizenship. Settlement reporting: <http://www.immi.gov.au/settlement>, May 2008 to May 2013

<sup>9</sup> ABS, *Census of Population and Housing*, 2011

One in five families with children aged under 15 years has no employed parent, well above the figure for Victoria (13 per cent). The rate of joblessness is even more pronounced for lone parent families (50 per cent).<sup>10</sup>

### Recruitment Activity Low and Slowing

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The department conducted a Survey of Employers' Recruitment Experiences in the North Eastern Victoria PEA in September 2012 and collected responses from 94 employers in the Greater Shepparton LGA (386 responses in total). The survey results indicate that labour market conditions in the Greater Shepparton LGA are subdued and that recruitment activity has declined since 2011 (Table 1). This trend is consistent with the North Eastern Victoria PEA overall.

Employers surveyed in the region reported low levels of recruitment activity, with only 53 per cent recruiting in the year prior to the survey. The recruitment rate (10 vacancies per 100 staff) was also substantially lower than in previous surveys conducted in the region.

Nonetheless, recruitment rates were higher for some industries indicating that employment opportunities are still available. In the Retail Trade industry the recruitment rate was 16 vacancies per 100 staff with 95 per cent of employers reporting they had replaced staff in the year before the survey, clearly indicating the high level of staff turnover in the industry. Furthermore, a number of employers in Retail Trade responded that they anticipated the need to recruit for Sale Assistants in the coming year.

Consistent with the subdued labour market, only 4.4 per cent of vacancies remained unfilled in the year prior to the survey.

- Employers recruiting for Managers and Professionals, and Technicians and Trades Workers reported a small number of unfilled vacancies in their most recent recruitment round, however, vacancies for all other occupations had been filled.

Despite the low unfill rate, employers reported difficulty recruiting for a number of occupations, including Sales Assistants (General), Motor Mechanics and Housekeepers.

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<sup>10</sup> ABS, *Census of Population and Housing*, 2011

**Table 1. Recruitment experiences in the 12 months preceding the survey**

	Greater Shepparton LGA		NE Victoria PEA	All Regions Surveyed
	Sep 2012	Aug 2011	Sep 2012	12 months to Sep 2012
<b>Proportion of employers who recruited</b>	53%	74%	52%	63%
<b>- to increase staff</b>	42%	45%	50%	46%
<b>Vacancies per 100 staff</b>	10	23	16	18
<b>Proportion of vacancies unfilled</b>	4.4%	11.0%	3.5%	5.5%

In line with the subdued recruitment activity, the average number of applicants for vacancies was high in the most recent recruitment round (8.6 applicants per vacancy) and was well up on the result from the 2011 survey (5.3 applicants per vacancy). However, very low average applicant numbers were reported for Technicians and Trades Workers (3.4 applicants), and Labourers (2.1 applicants) vacancies.

More than three quarters (77 per cent) of applicants in the most recent recruitment round were considered unsuitable by employers. Employer responses highlighted experience and employability skills as attributes applicants commonly lacked, including those recruiting for lower skilled occupations such as Sales Assistants and Receptionists.

Despite the labour market barriers faced by many migrants, around 25 per cent of all surveyed employers who recruited in the year before the survey reported hiring an applicant from a non-English speaking background. In addition, 29 per cent of employers reported that the written and spoken English skills of applicants were a barrier to them getting a job.

Formal methods of recruitment were utilised by 72 per cent of recruiting employers, with newspapers the most common method (42 per cent of employers), followed by the internet (26 per cent). However, 26 per cent of recruiting employers used informal methods only, in particular word of mouth or approaching a job seeker directly.

### **Future Recruitment Expectations**

Recruitment expectations for the year following the survey suggest a continuing decline in recruitment activity is likely in the LGA and across the broader PEA. Only 31 per cent of employers surveyed anticipated recruiting staff, compared with 62 per cent in the previous survey. The proportion of employers expecting to recruit to increase staff (23 per cent) had also declined considerably since the previous survey (33 per cent).

## Challenges and Opportunities

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The softening labour market conditions in the Greater Shepparton LGA are likely to present challenges to job seekers. However, strong employment growth in the Health Care and Social Assistance industry and moderate employment growth overall will still provide a range of opportunities.

While competition for vacancies was high overall, the low number of applicants for some occupations, including lower skilled occupations such as Labourers, indicates there may be a shortfall of applicants for certain jobs.

Job seekers can increase their employment chances by developing their employability skills, utilising Job Services Australia (JSA) providers and by being proactive in their job search activities and approaching employers directly. Additionally, job seekers who seek and take up opportunities for work experience will be better placed to gain paid employment in entry level occupations such as Sales Assistants and Receptionists.

Despite the high unemployment rate among those who have low English language proficiency, the survey results indicate that many employers are willing to engage job seekers from a non-English speaking background so it is important that there is an ongoing focus on developing the English language skills of these migrants.

### More Information

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Survey of Employers' Recruitment Experiences: [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports)

Labour Market Information Portal: [www.deewr.gov.au/lmip](http://www.deewr.gov.au/lmip)

Skill Shortages: [www.deewr.gov.au/skillshortages](http://www.deewr.gov.au/skillshortages)

Job Outlook: [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

SkillsInfo: [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au)

Australian Jobs: [www.deewr.gov.au/australianjobs](http://www.deewr.gov.au/australianjobs)

