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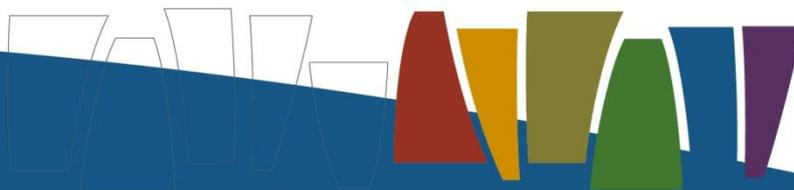
**Department of Education, Employment and Workplace Relations**

## **Survey of Employers' Recruitment Experiences**

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**November 2012**

### **Kimberley Employment Service Area**





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The document must be attributed as the 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – Kimberley Employment Service Area – November 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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## About the Survey

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The Department conducts surveys of employers' recruitment experiences in regions across Australia. The surveys provide information on employers' recent and expected demand for skills and labour at a local level. The results are provided to local stakeholders to develop employment strategies to help in matching job seekers with job opportunities.

The Kimberley Employment Service Area (ESA) survey was conducted in November 2012 and collected responses from 263 employers across the region. Some 60 per cent of responding employers were located in the Broome LGA.

## The Kimberley Employment Service Area

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At the time of the 2011 Census, the adult population of the Kimberley ESA was 26,200, with 38 per cent identifying as Indigenous. Adult population growth from 2006 to 2011 was 21 per cent, compared with 15 per cent for Western Australia and 9 per cent for nationally.<sup>1</sup>

The September 2012 unemployment rate for the ESA was 5.0 per cent, which was in line with the Australian unemployment rate, but above the WA rate of 3.8 per cent. Unemployment rates across the ESA ranged from a low of 3.6 per cent in the Broome Local Government Area (LGA) to a high of 13.3 per cent in the Halls Creek LGA.<sup>2</sup>

Only 39 per cent of the Indigenous working age population (persons aged 15-64) in the Kimberley region are employed. Consistent with the pattern nationwide, the unemployment rate for Indigenous residents in the Kimberley ESA (15.5 per cent) was substantially higher than for non-Indigenous residents (2.2 per cent). The participation rate (the proportion of the working age population either employed or actively looking for work) was also significantly lower for Indigenous residents (46 per cent) compared with non-Indigenous residents (80 per cent).<sup>3</sup>

Seasonal and fly in-fly out working arrangements are commonplace in the Kimberley ESA. At the time of the 2011 Census, one in six people working in the Kimberley ESA lived outside of the region, an increase of almost 600 people travelling to the region for work since 2006.<sup>4</sup>

Figure 1 shows that the largest employing industries in the Kimberley ESA are Health Care and Social Assistance (13 per cent of all employment), Education and Training (12 per cent), and Mining (10 per cent).<sup>5</sup>

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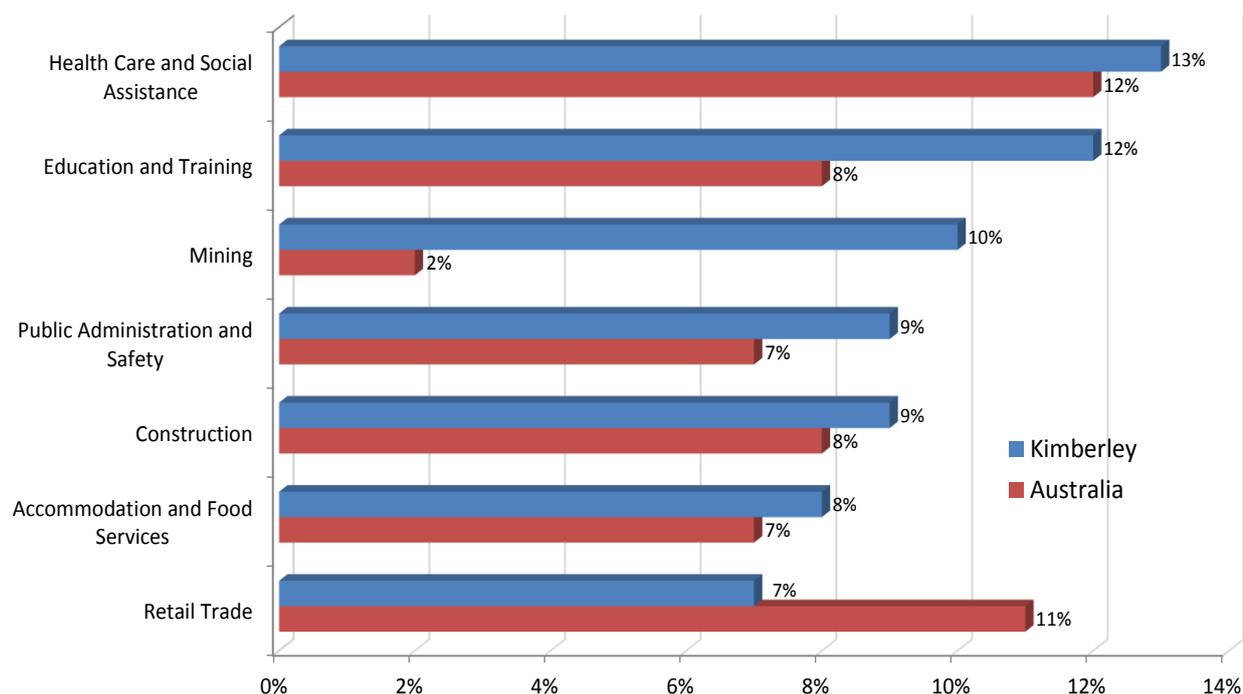
<sup>1</sup> ABS, *Census of Population and Housing, 2006 and 2011*.

<sup>2</sup> DEEWR, *Small Area Labour Markets, September Quarter 2012*.

<sup>3</sup> ABS, *Census of Population and Housing, 2011*.

<sup>4</sup> ABS, *Census of Population and Housing, 2006 and 2011*.

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

**Figure 1. Employment by Industry, Kimberley ESA**

## Key Findings

Labour market conditions in the Kimberley ESA are different to those found in many other parts of the country. The Kimberley ESA survey results show that the region has:

- very high levels of recruitment activity, highlighting the high levels of staff turnover and seasonal employment in the region;
- many employers experiencing difficulty recruiting staff;
- significant labour supply issues with, on average, only half as many job applicants per vacancy as other regions surveyed;
- many employers filling job vacancies with applicants from an Indigenous background;
- more businesses expecting to recruit in the next 12 months, and expecting difficulty doing so, than other regions surveyed.

## Recruitment Experiences in the 12 Months Preceding the Survey

In the 12 months prior to the survey, 74 per cent of employers surveyed in the Kimberley ESA had recruited. This was higher than the average for all other regions surveyed in the 12 months to September 2012 (63 per cent).

The annual recruitment rate was 66 vacancies per 100 staff, which was more than three times the average for all other surveyed regions (18 vacancies per 100 staff). The recruitment rate was particularly high in the Accommodation and Food Services, and Retail Trade industries (144 and 117 vacancies per 100 staff respectively), highlighting the significant staff turnover in these two industries.

Consistent with the high levels of turnover in the region, 24 per cent of employers stated that staff retention was a significant problem for their business over the past 12 months. Some employers also commented that high staff turnover was an accepted feature of doing business in the Kimberley and therefore did not report it as problematic.

About 4 per cent of surveyed employers who recruited in the past 12 months used a Job Services Australia (JSA) provider to help find applicants. Of those employers, 86 per cent were satisfied with the service they received.

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

	Kimberley ESA (Nov 2012)	Aggregate of all regions surveyed (12 months to Sep 2012)
% of employers who recruited	74%	63%
Annual vacancies per 100 staff (recruitment rate)	66	18
Proportion of vacancies unfilled	3.6%	5.5%
% of recruiting employers who experienced difficulty	60%	53%
Staff retention a significant problem for business	24%	11%

### Most Recent Recruitment Activity

Employers in the Kimberley were more likely to have experienced difficulty recruiting for their most recent vacancy (54 per cent) compared with those in all regions surveyed (41 per cent).

- The most common cause of recruitment difficulty in the Kimberley ESA was the remote location (42 per cent of employers experiencing recruitment difficulty).
- Further, 36 per cent of employers stated that they experienced recruitment difficulty because they did not receive many job applicants.
- Wage competition (20 per cent) was also a factor mentioned regularly as contributing to recruitment difficulty. A number of employers noted that wage competition from the Mining industry was the primary cause of this issue.

The majority of employers (60 per cent) used at least one formal method for their most recent recruitment activity, for example, the Internet (30 per cent) and newspapers (27 per cent). Significantly, this left 40 per cent of employers who relied solely on informal methods of recruitment, such as word of mouth or placing a sign in the window. This suggests that job seekers who expand their networks and actively approach employers may improve their prospects of finding employment.

Employers surveyed in the Kimberley ESA reported difficulty filling vacancies for a range of occupations including Motor Mechanics, Chefs, Sales Assistants and General Clerks (see Table 2).

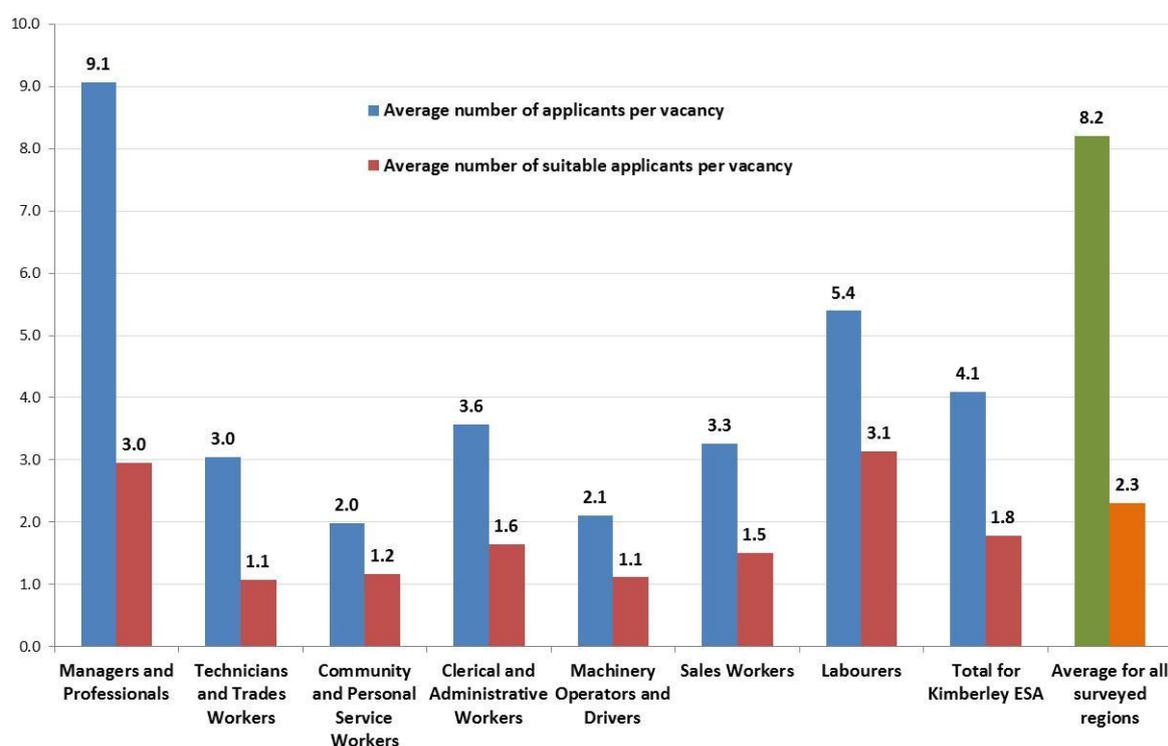
**Table 2. Occupations most commonly mentioned as difficult to fill by skill level**

Higher Skilled Occupations	
Motor Mechanics	Chefs
Structural Steel and Welding Trades Workers	
Other occupations	
Sales Assistants	General Clerks
Receptionists	Housekeepers
Welfare Support Workers	

### Applicants and Suitability

Employers had, on average, 4.1 applicants per vacancy in their most recent recruitment round. By comparison, the all-region average was 8.2 applicants per vacancy. More than half of all applicants were rated as unsuitable with the main reasons being that they lacked sufficient experience to perform the duties of the job or that they lacked the requisite qualifications/training to do the job. More than one in five employers who recruited and had unsuitable applicants stated that they rated at least one applicant unsuitable due to their location. This result highlights a desire of employers to fill many vacancies locally.

**Figure 2. Average number of applicants and suitable applicants per vacancy**



## Apprentices and Trainees

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Almost one quarter (23 per cent) of surveyed employers reported having an apprentice or trainee on staff.

A considerably higher proportion of employers had experienced challenges with apprentices and trainees in the Kimberley ESA (40 per cent of employers with apprentices or trainees) compared with all other regions surveyed (26 per cent).

Some employers mentioned that it was difficult to fill apprenticeship positions because they could not compete with the wages offered in the Mining industry and because it was hard to find young people who wished to remain in the regional town centres long-term.

Further, due to the remoteness of the Kimberley ESA, formal apprenticeship training was often conducted in blocks of up to one month at a time, twice a year. Employers indicated that these “block release” periods, on top of annual leave, were difficult to cover from a staffing point of view.

## Recruitment Expectations – Next 12 Months

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The overall recruitment outlook for employers in the Kimberley ESA was positive. In the 12 months following the survey, 61 per cent of employers stated their intention to recruit staff, with 32 per cent doing so to increase staff numbers. By comparison, only 47 per cent of employers across all regions planned to recruit, of whom one quarter expected to increase staff numbers.

Higher demand for products/services (48 per cent) and seasonality<sup>6</sup> (34 per cent) were the main reasons given by employers intending to increase staff numbers in the next 12 months.

More than half of employers (60 per cent) in the Kimberley ESA expected to face significant challenges to their business in the 12 months following the survey. These challenges most commonly related to recruitment difficulties, reduced levels of business activity and the remote location of the work.

Employers expected to recruit for a range of occupations in the 12 months following the survey, including Sales Assistants (General), Receptionists, Chefs, Housekeepers, Welfare Support Workers, Cooks, General Clerks, Motor Mechanics and Waiters.

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<sup>6</sup> Seasonality here refers to the weather – dry vs wet season – and also the market forces that occur as a result.

## Opportunities

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Levels of recruitment activity and staff turnover are very high in the Kimberley ESA so opportunities for job seekers frequently emerge across a broad range of higher and lower skilled occupations. The optimistic recruitment expectations of employers suggest that these labour market conditions will continue through 2013.

Low job applicant numbers and high vacancy rates suggest that job seekers looking to enter the work force will have a good chance of securing employment in many parts of the region. This is particularly the case for job seekers who have relevant education and training.

With staff retention a significant problem in the Kimberley ESA, employers will need to continue to look at strategies to address this. Flexible working arrangements including part time work are likely to be particularly effective ways to attract and retain Indigenous workers, people with caring responsibilities and older workers looking to transition into retirement.

Only 4 per cent of employers who recruited over the past 12 months used a JSA provider. However, of those who did use a JSA provider 86 per cent were satisfied with the service provided, suggesting that expanding community networks and increasing employer engagement may allow JSA providers to assist more job seekers in the region.

## More Information

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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)

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

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)

