



Australian Government

Department of Education, Employment and Workplace Relations

# Survey of Employers' Recruitment Experiences

## South Eastern Melbourne Priority Employment Area

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 document must be attributed as 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – South Eastern Melbourne Priority Employment Area'.

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## The South Eastern Melbourne Priority Employment Area

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- The South Eastern Melbourne Priority Employment Area (PEA) comprises the five Local Government Areas (LGAs) of Cardinia, Casey, Greater Dandenong, Frankston and Kingston.
- While employment in the region increased by 3,100 over the 12 months to March 2012 and there was a slight decrease in the unemployment rate (down 0.2 percentage points), the unemployment rate of 6.1 per cent remained higher than the state and national rates of 5.2 per cent and 5.1 per cent respectively.<sup>1</sup>
- Unemployment rates differed by LGA, ranging from 4.7 per cent in Cardinia to 8.2 per cent in the Greater Dandenong LGA.<sup>2</sup>
- In March 2012, the participation rate for the PEA (71.2 per cent) was lower compared with the state and national rates (76.3 per cent and 76.5 per cent respectively).<sup>3</sup>
- A larger proportion of the working age population is from a non-English speaking background (28 per cent) compared with Victoria (21 per cent) and Australia (17 per cent).<sup>4</sup>
- The number of unemployment beneficiaries in the region rose by 6.6 per cent over the year to June 2012 compared with a 3.0 per cent rise nationally.<sup>5</sup>
- Manufacturing is the largest employing industry in the region, accounting for 17 per cent (37,000 people) of total employment compared with 11 per cent for Victoria.

## Survey of Employers' Recruitment Experiences

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- The department conducts surveys of employers' recruitment experiences in regions and industries 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 better match job seekers with job opportunities.
- In total, 369 employers were surveyed in the South Eastern Melbourne PEA in April 2012. This area was previously surveyed in February 2010 and July 2009.

## Key Findings

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- Overall, labour market conditions in the South Eastern Melbourne PEA are mixed. Despite this the survey results suggest that conditions are softening, with recruitment activity and demand for labour declining since previous surveys of the region. The variance in survey results, however, suggests labour market conditions differed across the PEA.
  - Demand for labour continued to be soft and the recruitment rate (number of vacancies per 100 staff) was lower compared with the July 2009 survey.
  - A smaller proportion of employers recruited in the 12 months preceding the survey compared with the February 2010 survey.
  - The proportion of vacancies remaining unfilled in the 12 months preceding the survey had decreased substantially when compared with the February 2010 results.
  - The supply of applicants and the number of suitable applicants was very high, double that for all regions surveyed in the 12 months to June 2012.
  - While employers were able to fill all vacancies in their most recent recruitment round, on average there were fewer vacancies compared with the previous survey and a high number of suitable applicants across all occupation groups.

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<sup>1</sup> DEEWR, *Small Area Labour Markets, March quarter 2012*.

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

<sup>3</sup> ABS *Labour Force, July 2012 (3 month averages)*.

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

<sup>5</sup> DEEWR administrative data, June 2012; ABS, *Census of Population and Housing, 2011*.

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- The Health Care and Social Assistance industry has seen significant growth in recruitment and future recruitment is expected to be strong.
- Overall, employers were less optimistic about their future recruitment expectations.

### Recruitment Experiences in the 12 Months Preceding the Survey

- A smaller proportion of employers (60 per cent) surveyed in the PEA had recruited in the 12 months preceding the survey compared with the February 2010 survey (65 per cent).
  - Frankston LGA had the highest recruitment activity with 68 per cent of employers recruiting, while only 55 per cent recruited in the Greater Dandenong LGA.
  - The Health Care and Social Assistance industry had the largest proportion of employers who had recruited (80 per cent). Of these, 61 per cent had recruited to increase staff numbers.
- A smaller proportion of employers (47 per cent) recruited to increase staff when compared with the February 2010 survey (58 per cent). Cardinia LGA had the largest proportion of employers who recruited to increase staff (64 per cent) compared with Frankston LGA (41 per cent).
- Employers were less likely to experience recruitment difficulty (50 per cent) when compared with all regions surveyed (56 per cent).
- While the recruitment rate for the PEA (13 vacancies per 100 staff) was lower than the average across all regions (20 vacancies per 100 staff), the results varied across both the region and industries.
  - Kingston LGA recorded 10 vacancies per 100 staff, compared with the Frankston LGA with 21 vacancies per 100 staff.
  - The Health Care and Social Assistance industry had the highest recruitment rate (25 vacancies per 100 staff), a significant increase in recruitment activity since the February 2010 survey results (14 vacancies per 100 staff).
  - The Manufacturing and Construction industries had the lowest recruitment rates (8 and 10 vacancies per 100 staff respectively).
- The proportion of vacancies that were unfilled (5.2 per cent) was considerably lower compared with the results from February 2010 (10.4 per cent) (Table 1).

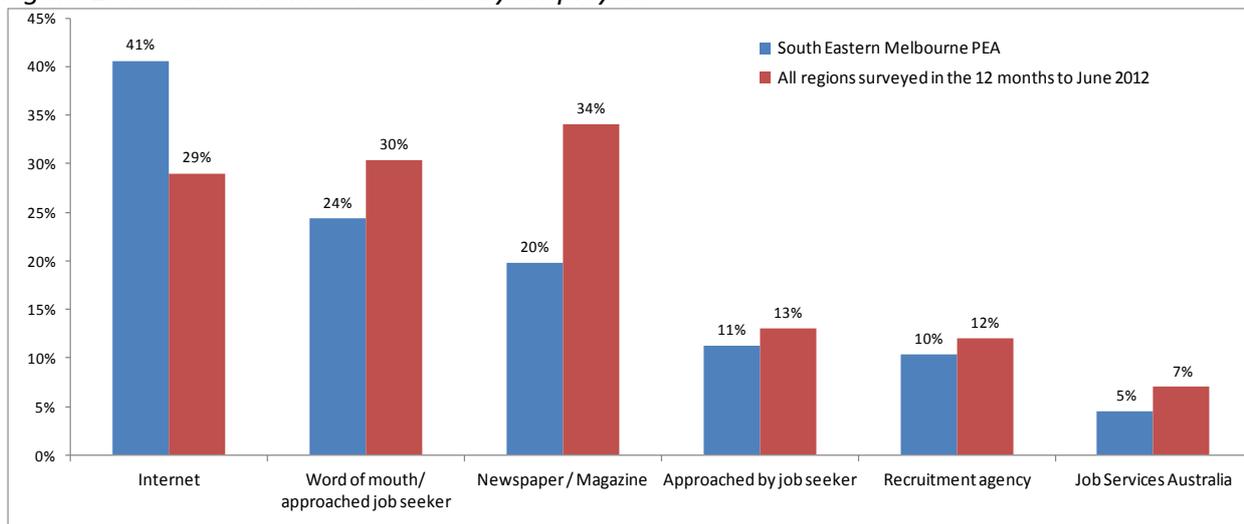
Table 1. Recruitment experiences in the 12 months preceding the survey

	South Eastern Melbourne PEA			All Regions (12 months to June 2012)
	(April 2012)	(Feb 2010)	(July 2009)	
<b>Proportion of employers who recruited</b>	60%	65%	69%	65%
- to increase staff	47%	58%	65%	48%
- to replace staff	88%	82%	81%	85%
<b>Vacancies per 100 staff</b>	13	13	19	19
<b>Proportion of recruiting employers who experienced difficulty</b>	50%	47%	50%	56%
<b>Proportion of unfilled vacancies</b>	5.2%	10.4%	2.3%	6.3%

## Most Recent Recruitment Activity

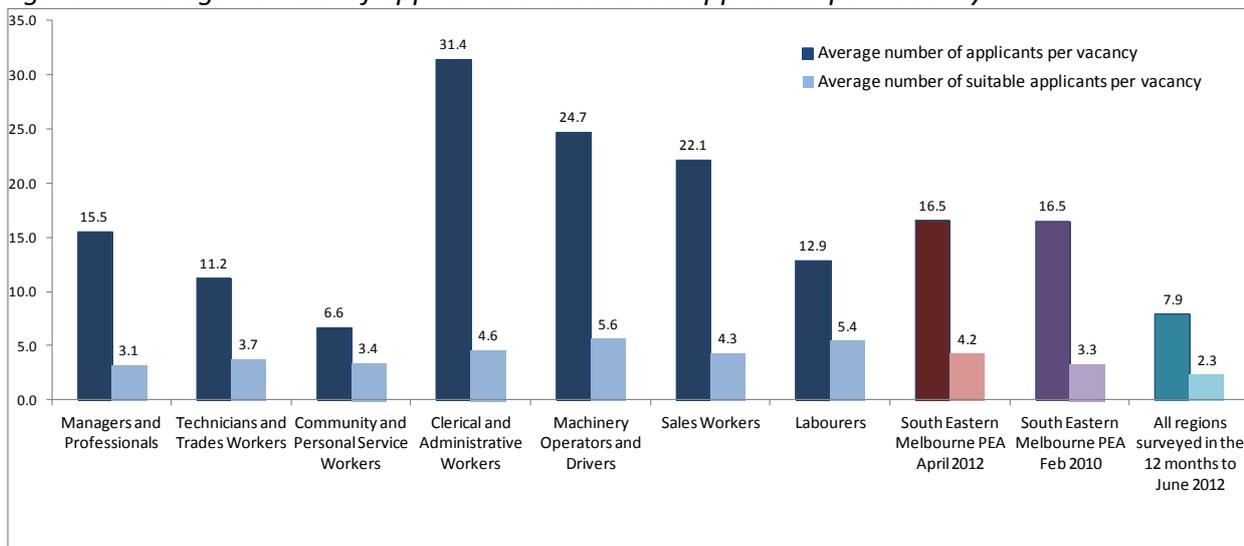
- Employers surveyed in the PEA filled all vacancies in their most recent recruitment round compared with an unfill rate of 9.9 per cent in February 2010. However, there was on average 1.3 vacancies per recruiting employer compared with 1.7 vacancies for all regions.
- The internet was the most popular recruitment method, utilised by 41 per cent of employers, followed by word of mouth or being approached by the job seeker (24 per cent) (Figure 1).
- Some 32 per cent of recruiting employers used informal recruitment methods only.

Figure 1. Recruitment methods used by employers



- Employers experienced a higher level of competition for vacancies in their most recent recruitment round, with an average of 16.5 applicants per vacancy (7.9 for all regions), of whom 4.2 were considered suitable (2.3 for all regions).
  - Competition was particularly high in the Kingston LGA where there was an average of 23.6 applicants and 6.5 suitable applicants per vacancy.
  - Vacancies for Clerical and Administrative Workers received the highest number of applicants (31.4 applicants per vacancy) (Figure 2).

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



- Of those considered unsuitable for a vacancy, the most common reasons were a lack of experience (61 per cent) and insufficient qualifications or training (33 per cent).
- A smaller proportion of employers (11 per cent) filled vacancies with job seekers requiring further development compared with the February 2010 survey (17 per cent).
- A smaller proportion of employers (37 per cent) reported difficulty recruiting for their most recent vacancy compared with all regions surveyed (44 per cent).
  - Finding people with the necessary technical skills was the most common reason for the recruitment difficulty (42 per cent), followed by a tight labour market/not enough applicants for the job (35 per cent).
- Table 2 shows the occupations for which employers most commonly reported recruitment difficulty.

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

<b>Bachelor Degree or Higher VET Qualifications</b>	
Child Carers	Electricians
Early Childhood (Pre-primary School) Teachers	Metal Fitters and Machinists
Structural Steel and Welding Trades Workers	Carpenters and Joiners
<b>Other occupations</b>	
Sales Representatives	Truck Drivers
Receptionists	Sales Assistants (General)

### **Apprentices and Trainees**

- Some 30 per cent of employers had an apprentice or trainee (34 per cent in all regions).
  - Employers in the Cardinia and Frankston LGAs were the most likely to employ an apprentice or trainee (both 36 per cent).
  - More than half of employers (58 per cent) in the Construction industry employed an apprentice or trainee and 27 per cent anticipated recruiting following the survey.
  - Some 20 per cent of employers anticipated recruiting an apprentice or trainee in the future.
- The proportion of employers who reported challenges in employing an apprentice or trainee had reduced substantially from 52 per cent (February 2010) to 22 per cent.
- The main challenges reported were a lack of general work readiness (54 per cent) and apprentices not completing their studies/staying with the business (50 per cent).

### **Staff Training and Job Services Australia**

- A smaller proportion of employers (43 per cent) had staff undertake recognised training when compared with the last survey (60 per cent).
  - Training provided by a commercial training provider and/or a TAFE was most commonly used by employers (65 per cent and 24 per cent respectively).
- A very small proportion of recruiting employers (1 per cent) had used a Job Services Australia (JSA) provider in the 12 months preceding the survey.

## Non-English Speaking Background

- Almost two thirds of employers (63 per cent) had an applicant from a non-English speaking background.
- Of the employers who received an applicant from a non-English speaking background:
  - Half filled a position with an applicant from a non-English speaking background.
  - More than half (52 per cent) reported that both written and spoken English skills were a barrier to employment.
  - Some 10 per cent of employers reported 'other barriers' to employment, including qualifications not being recognised in Australia.

## Future Recruitment Expectations

- Future recruitment expectations in the PEA were less optimistic compared with all regions surveyed in the 12 months to June 2012. A smaller proportion of employers (25 per cent) expected to recruit to increase staff than in previous surveys and a larger proportion anticipated decreasing staff numbers (7 per cent) (Table 3).
  - Future recruitment expectations were highest in the Health Care and Social Assistance industry with 61 per cent expecting to recruit, of whom 32 per cent expected to increase staff numbers.
  - Some 24 per cent of employers in the Manufacturing industry expected to increase staff numbers, while employers in the Retail Trade industry were least likely to increase numbers (14 per cent).

Table 3. Recruitment expectations for the 12 months following the survey

	South Eastern Melbourne PEA			All Regions (12 months to June 2012)
	(April 2012)	(Feb 2010)	(July 2009)	
<b>Expects to recruit</b>	46%	44%	47%	50%
<b>Expects to increase staff numbers</b>	25%	27%	30%	27%
<b>Expects to reduce staff numbers</b>	7%	3%	6%	5%
<b>Expects future recruitment difficulty</b>	39%	35%	29%	44%
<b>Expects challenges in the next 12 months</b>	56%	51%	48%	58%

- The proportion of employers anticipating new/ongoing challenges to affect their business following the survey (56 per cent) had increased since July 2009 (48 per cent).
  - Reduced business activity was most commonly reported as a challenge (46 per cent).

- Table 4 shows the occupations for which employers expected to recruit following the survey.

*Table 4. Future occupations employers expected to recruit for by skill level*

<b>Bachelor Degree or Higher VET Qualifications</b>	
Electricians	Child Carers
Sheetmetal Trades Workers	Plumbers
Early Childhood (Pre-primary School) Teachers	Structural Steel and Welding Trades Workers
Metal Fitters and Machinists	
<b>Other occupations</b>	
Sales Assistants (General)	Sales Representatives
Other Factory Process Workers	General Clerks

### **Opportunities for Job Seekers**

- There are likely to be opportunities for job seekers in the Health Care and Social Assistance and Manufacturing industries due to the relatively high proportion of employers who had recruited and who intended to recruit following the survey.
- Despite the softness in the South Eastern Melbourne labour market, there is still a broad range of occupations for which employers are having difficulty filling. Accordingly, JSA providers and job seekers in the region need to target these opportunities better and work more closely with employers regarding their needs and expectations.
- While acknowledging that transport may be an issue, it is important for JSA providers and job seekers to take advantage of the employment opportunities in the greater Melbourne labour market.
- As nearly three quarters of the surveyed employers cited insufficient technical skills or experience as the reason an applicant was considered unsuitable, support for job seekers to complete relevant and appropriate training, improve their literacy/numeracy skills, and gain relevant work experience will increase their capacity to take advantage of the work opportunities as they occur.
- Given the large proportion of employers who only use informal recruitment methods, JSA providers are well placed to work more closely with such employers to facilitate a match between their needs and the skills of local job seekers.

## 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.deewr.gov.au](http://www.joboutlook.deewr.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)

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