



Survey of Employers' Recruitment Experiences South West Perth Priority Employment Area March 2012

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

For further information:
Ph: 1800 059 439 | recruitmentsurveys@deewr.gov.au

www.deewr.gov.au
ABN: 63 578 775 294



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The document must be attributed as 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – South West Perth Priority Employment Area – March 2012'.

Table of Contents

The South West Perth Priority Employment Area	1
Survey of Employers' Recruitment Experiences	1
Key Findings	1
Recruitment Experiences in the 12 Months Preceding the Survey	2
Most Recent Recruitment Activity	3
Applicants and Suitability.....	5
Apprentices and Trainees	6
Staff Training	6
Job Services Australia and Recruitment Methods	6
Indigenous Employees	6
Recruitment Expectations.....	7
Survey Results by Local Government Area	7
Opportunities for Job Seekers	8

The South West Perth Priority Employment Area

- The South West Perth Priority Employment Area (PEA) includes the Local Government Areas (LGAs) of Cockburn, Kwinana, Mandurah and Rockingham.
- The adult population in the South West Perth PEA increased by 23 per cent between 2006 and 2011. This was substantially larger than the population growth in Western Australia (16 per cent) and Australia (9 per cent).¹
- The unemployment rate for the South West Perth PEA in March 2012 (6.1 per cent) was above the Australian unemployment rate at that time (5.1 per cent). The unemployment rate for the PEA had decreased slightly since March 2011, when it stood at 6.3 per cent.
- Unemployment rates varied across the region, ranging from 4.5 per cent in the Cockburn LGA to 9.9 per cent in the Kwinana LGA. Unemployment rates for all but one LGA (Rockingham) within the PEA decreased between March 2011 and March 2012. The largest decrease was in the Mandurah LGA with the unemployment rate falling from 7.0 to 6.4 per cent.²

Survey of Employers' Recruitment Experiences

- 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.
- Survey responses were provided by 368 employers in the South West Perth PEA in March 2012. This region was previously surveyed in March 2010 and June 2009.
- In this analysis, the results of the survey are compared with the March 2010 and June 2009 findings, as well as aggregate results for all regions surveyed over the 12 months to March 2012.

Key Findings

- Labour market conditions in the South West Perth PEA have strengthened since the region was last surveyed in March 2010 and are slightly stronger when compared with all regions surveyed in the 12 months to March 2012. However, the survey results show a large decrease in the proportion of employers recruiting to increase staff numbers, which suggests that some local employers are facing difficult conditions despite the strength of the Perth labour market overall.
 - The proportion of employers who recruited in the 12 months preceding the survey had increased when compared with both the March 2010 and June 2009 surveys and was also above the figure for all regions surveyed. The recruitment rate was also higher than that for all regions.
 - The supply of applicants and suitable applicants in the South West Perth PEA had decreased from March 2010, but was larger than the average across all regions surveyed. Despite the decrease in applicants, there was also a notable decrease in the proportion of recent vacancies that remained unfilled.

¹ ABS, *Census of Population and Housing*, 2006 and 2011.

² DEEWR, *Small Area Labour Markets*, March quarter 2012.

- Future recruitment expectations in the South West Perth PEA were slightly stronger than when the region was last surveyed, but on a par with all regions. The proportion of employers who expected challenges to their business in the 12 months following the survey was smaller than for all regions surveyed. The main challenges anticipated by employers were reduced business activity (27 per cent) and recruitment difficulty resulting from skill shortages (22 per cent).

Recruitment Experiences in the 12 Months Preceding the Survey

- A larger proportion (73 per cent) of employers surveyed in the South West Perth PEA had recruited in the 12 months preceding the survey compared with the March 2010 and June 2009 results (69 per cent and 65 per cent respectively).
 - The Accommodation and Food Services industry had the largest proportion of employers reporting recruitment activity (90 per cent). This was significantly larger than the figure for that industry across all regions surveyed in the 12 months to March 2012 (74 per cent).
 - A large proportion of employers in the Health Care and Social Assistance industry also reported recruitment activity (85 per cent). This was mostly due to staff turnover (93 per cent) although 39 per cent of employers reported that they had recruited to increase staffing levels.
- Despite strong recruitment activity, the proportion of employers in the PEA who recruited to increase staff (46 per cent) was significantly smaller than the March 2010 and June 2009 results (63 per cent and 62 per cent respectively).
- The recruitment rate (25 vacancies per 100 staff) was higher than the result for all regions surveyed (20 vacancies per 100 staff).
 - The Wholesale Trade (46 vacancies per 100 staff), Manufacturing (27 vacancies per 100 staff), and Construction (26 vacancies per 100 staff) industries recorded higher recruitment rates than those industries in all regions surveyed in the 12 months to March 2012.
- In the March 2012 survey, 52 per cent of employers reported recruitment difficulty. This was on a par with the March 2010 result (53 per cent) but smaller compared with all regions surveyed in the 12 months to March 2012 (59 per cent).
- The proportion of unfilled vacancies (3.1 per cent) was less than half that reported in the March 2010 survey (7.2 per cent) and the result for all regions (7.4 per cent).

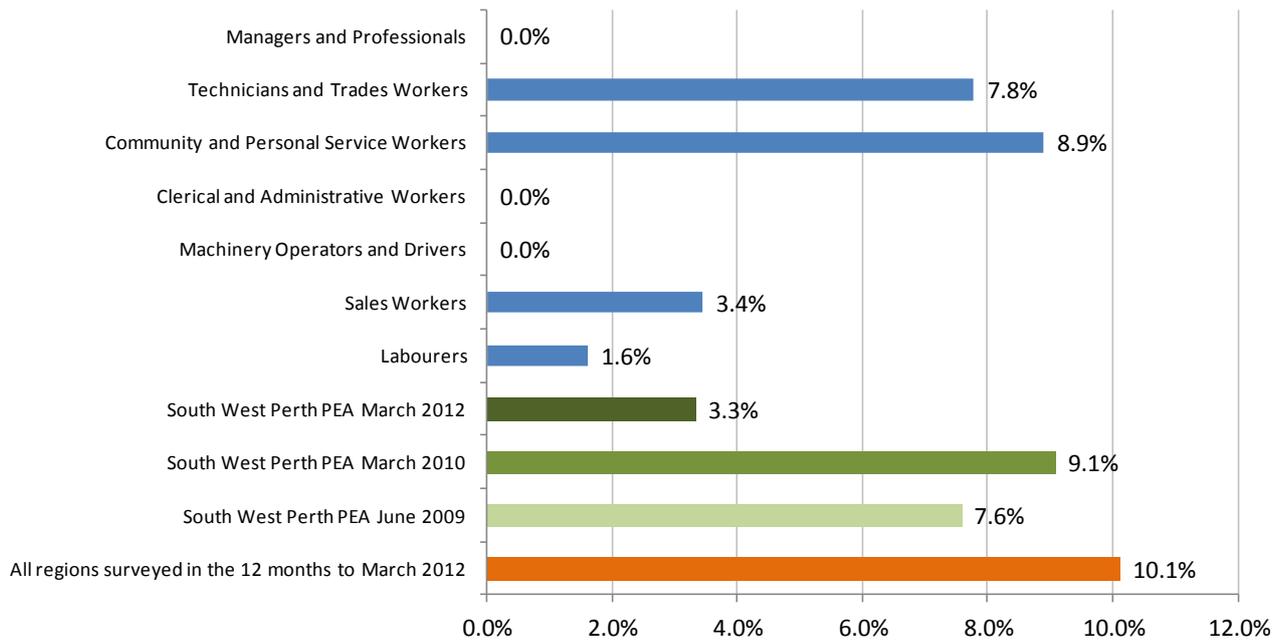
Table 1. Recruitment experiences in the 12 months preceding the survey

	South West Perth PEA			All Regions
	March 2012	March 2010	June 2009	12 months to March 2012
Proportion of employers who recruited	73%	69%	65%	68%
- to increase staff	46%	63%	62%	50%
- to replace staff	86%	81%	73%	86%
Vacancies per 100 staff	25	24	16	20
Proportion of unfilled vacancies	3.1%	7.2%	2.9%	7.4%
Proportion of recruiting employers who experienced difficulty	52%	53%	58%	59%

Most Recent Recruitment Activity

- At the occupation level, employers recruiting for Managers and Professionals, Clerical and Administrative Workers, and Machinery Operators and Drivers filled all of their vacancies, and employers who recruited for Labourers had a very low unfill rate (1.6 per cent). The Community and Personal Service Workers occupation group had the largest proportion of unfilled vacancies (8.9 per cent, predominantly Child Carers). However, this was still smaller than the March 2010 survey result (14.3 per cent) for that occupation group.
- The Technicians and Trades Workers occupation group had the second highest unfill rate (7.8 per cent, predominantly Structural Steel and Welding Trades Workers, and Sheetmetal Trades Workers), but this was still less than half the result for the same occupation group across all regions surveyed (20.5 per cent).

Figure 1. Proportion of unfilled vacancies in the most recent recruitment round



- Some 39 per cent of employers reported difficulty recruiting for their most recent vacancy compared with 47 per cent for all regions surveyed.
 - Technical skill requirements for the job was the most common reason given for difficulty (51 per cent) followed by a tight labour market or not enough applicants for the job (35 per cent), and the nature of the work required (18 per cent).
- Structural Steel and Welding Trades Workers, Child Carers, and Sales Representatives were among the occupations most commonly mentioned as difficult to fill (Table 2).

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

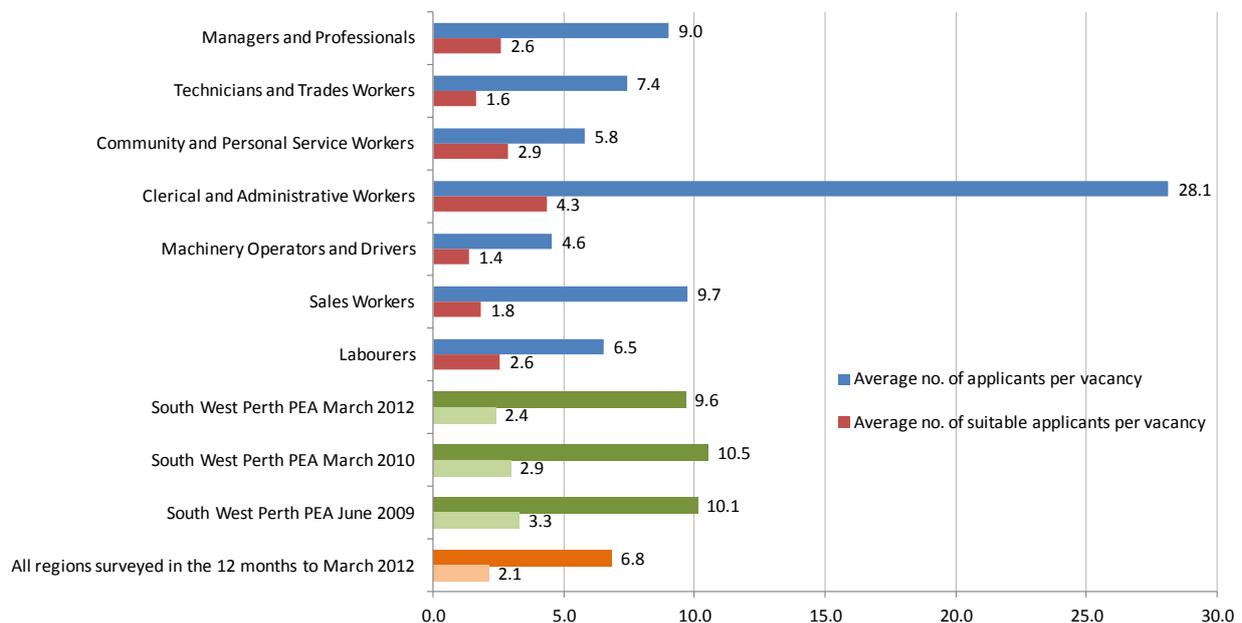
Bachelor's Degree or Higher VET Qualifications	
Structural Steel and Welding Trades Workers*	Electricians*
Metal Fitters and Machinists	Chefs
Hairdressers	
Other Occupations	
Child Carers*	Pharmacy Sales Assistants
Sales Representatives*	Truck Drivers*
Sales Assistants (General)*	

*These occupations were also difficult to fill in the March 2010 survey.

Applicants and Suitability

- Employers in the South West Perth PEA experienced a slight decrease in competition for vacancies when compared with the March 2010 result, but competition remained higher than across all regions surveyed.
 - The average number of applicants (9.6) and suitable applicants (2.4) per vacancy had decreased since the March 2010 survey (10.5 applicants and 2.9 suitable applicants per vacancy). However, the number of applicants and suitable applicants per vacancy was still higher than for all regions surveyed (6.8 applicants and 2.1 suitable applicants per vacancy).
 - Clerical and Administrative Worker vacancies had the highest average number of applicants and suitable applicants (28.1 applicants and 4.3 suitable applicants).
 - Employers recruiting for Machinery Operators and Drivers (4.6 applicants and 1.4 suitable applicants) received the lowest average number of applicants and suitable applicants per vacancy. Competition for vacancies in this occupation group had also decreased when compared with March 2010, at that time there were 8.1 applicants and 2.0 suitable applicants per vacancy.
 - The most common reasons for applicants being considered unsuitable were a lack of experience (64 per cent of employers who had unsuitable applicants), insufficient qualifications or training (30 per cent) and lack of interest in the job (16 per cent).

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



Apprentices and Trainees

- The proportion of employers with an apprentice or trainee on staff in the South West Perth PEA was unchanged from when the region was last surveyed in March 2010 (33 per cent).
 - At the industry level, a larger proportion of employers in the Health Care and Social Assistance industry (50 per cent) had an apprentice or trainee on staff compared with the results for March 2010 (33 per cent) and all regions surveyed (41 per cent).
 - There was a decrease in the proportion of employers in the Accommodation and Food Services industry with an apprentice or trainee on staff compared with the March 2010 result (29 per cent compared with 42 per cent).
 - Some 28 per cent of employers who had an apprentice or trainee reported that they had experienced challenges in employing them. The main challenges reported were that apprentices and trainees lacked general work readiness (54 per cent), that they did not complete their studies or stay on after attaining their qualifications (31 per cent), and that they lacked soft skills, such as the ability to work as part of a team (17 per cent).

Staff Training

- A similar proportion of employers in the South West Perth PEA (45 per cent) had staff undertake recognised training in the 12 months prior to the survey compared with all regions surveyed (44 per cent).
- A small proportion of employers reported barriers to providing recognised training for their staff (9 per cent compared with 19 per cent for all regions).
 - The main barriers reported were the high cost of the training (56 per cent) and the timing of the training (31 per cent).

Job Services Australia and Recruitment Methods

- A very small proportion (4 per cent) of recruiting employers identified using a Job Services Australia (JSA) provider in the past 12 months.
 - Of the employers who had identified using a JSA provider, 80 per cent were satisfied with the service provided.
 - The most common reasons why employers were not satisfied with the service provided were that the referred applicants lacked the required personal traits and qualities; that applicants did not want to work; and poor customer service from the JSA providers.
- The most common recruitment methods used by employers in their most recent recruitment round were the internet (41 per cent) and newspapers or magazines (32 per cent). Some 27 per cent of recruiting employers used informal methods only, such as word of mouth, in their most recent recruitment round.

Indigenous Employees

- Some 13 per cent of employers who recruited in the past 12 months had an applicant who identified as Indigenous.
 - Of these employers, 51 per cent had actually filled a vacancy with an Indigenous applicant.
- Only a small proportion (8 per cent) of recruiting employers reported challenges employing Indigenous applicants.
 - The main challenges reported were absences and time off from work (45 per cent) and limited interest in the job (27 per cent).

Recruitment Expectations

- A larger proportion of employers expected to recruit in the 12 months following the survey (52 per cent) when compared with March 2010 (49 per cent) and June 2009 (40 per cent). However, this was the same as the result for all regions (52 per cent).
 - The occupations for which employers most commonly expected to recruit were Structural Steel and Welding Trades Workers, Checkout Operators and Office Cashiers, Child Carers, Kitchenhands, Receptionists, and Sales Representatives.
 - A slightly smaller proportion (27 per cent) of employers anticipated increasing staff numbers in the 12 months following the survey compared with the result for March 2010 (30 per cent).
 - Some 44 per cent of employers expected to have difficulty recruiting in the 12 months following the survey. This was well above the June 2009 result (25 per cent).
- Around half (52 per cent) of employers expected challenges to affect their business in the 12 months following the survey.
 - Reduced business activity was most commonly expected to cause challenges (27 per cent of employers), followed by skill shortages or recruitment difficulties (22 per cent), and business regulations or government policy changes (17 per cent).

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

	South West Perth PEA			All Regions
	March 2012	March 2010	June 2009	12 months to March 2012
Expects to recruit	52%	49%	40%	52%
Expects to increase staff numbers	27%	30%	24%	29%
Expects to reduce staff numbers	4%	6%	6%	4%
Expects future difficulty	44%	41%	25%	46%
Uncertain about future recruitment	14%	15%	19%	10%

Survey Results by Local Government Area

- Despite the high unemployment rate for people living in the Kwinana LGA, businesses in the area reported relatively strong levels of recruitment activity.
- Unfill rates across the PEA were low, with only 2.2 per cent of employers' most recent vacancies remaining unfilled in the Kwinana LGA and all vacancies being filled in the Rockingham LGA.
- The supply of applicants for vacancies in the Kwinana LGA was very low when compared with the rest of the PEA. Employers in the Kwinana LGA reported that they had an average of 3.8 applicants per vacancy, compared with an average of 9.6 applicants for the PEA as a whole.
- Employers in the Cockburn and Mandurah LGAs were more optimistic about the future, with 59 per cent and 55 per cent of employers expecting to recruit in the 12 months following the survey. Whereas, the proportion of employers expecting to recruit in the Kwinana and Rockingham LGAs was considerably smaller (46 per cent and 43 per cent respectively).

Table 4. Survey results for March 2012 by Local Government Area

	Cockburn LGA	Kwinana LGA	Mandurah LGA	Rockingham LGA	South West Perth PEA
<i>12 months preceding the survey</i>					
Proportion of employers who recruited	74%	72%	77%	66%	73%
Vacancies per 100 staff	26	34	21	20	25
<i>Most recent recruitment activity</i>					
Proportion of vacancies unfilled	4.8%	2.2%	4.4%	0.0%	3.3%
Average number of applicants per vacancy	12.4	3.8	10.6	9.7	9.6
Average number of suitable applicants per vacancy	2.7	1.5	2.6	2.3	2.4
Had difficulty recruiting	46%	33%	35%	38%	39%
<i>Future – 12 months following the survey</i>					
Expected to recruit	59%	46%	55%	43%	52%
Anticipated recruitment difficulty	50%	50%	41%	33%	44%

Opportunities for Job Seekers

- The survey results suggest that opportunities exist for job seekers with the necessary skills and experience in higher-skilled occupations, such as Structural Steel and Welding Trades Workers, Electricians, Metal Fitters and Machinists, Chefs, and Hairdressers. Employment opportunities also exist in lower-skilled occupations such as Child Carers, Pharmacy Sales Assistants, Sales Representatives, Truck Drivers and Sales Assistants (General).
- Employment opportunities also exist in industries such as Mining and Health Care and Social Assistance, which are likely to have strong employment growth into the future.
- Employers surveyed in the South West Perth PEA had an above-average proportion of applicants who were considered unsuitable. Furthermore, almost three quarters (72 per cent) of employers responded that applicants were unsuitable because they lacked the technical skills or experience to perform the required job duties. This suggests that a large section of the region's potential workforce is not job ready. Emphasis needs to be placed on providing training in areas where there are employment opportunities.

More Information

- **Labour Market Information Portal:**
www.deewr.gov.au/lmip
- **Skill Shortages**
www.deewr.gov.au/skillshortages
- **Survey of Employers' Recruitment Experiences**
www.deewr.gov.au/regionalreports
- **Job Outlook**
www.joboutlook.deewr.gov.au
- **SkillsInfo**
www.skillsinfo.gov.au
- **Australian Jobs**
www.deewr.gov.au/australianjobs

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