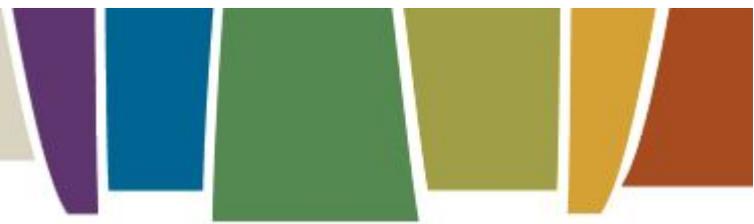




Australian Government

Department of Education, Employment and Workplace Relations



Survey of Employers' Recruitment Experiences

Central Victoria Priority Employment Area (Ararat, Ballarat, Central Goldfields, Greater Bendigo, Hepburn, Moorabool, Mount Alexander, Northern Grampians and Pyrenees Local Government Areas)

May 2010

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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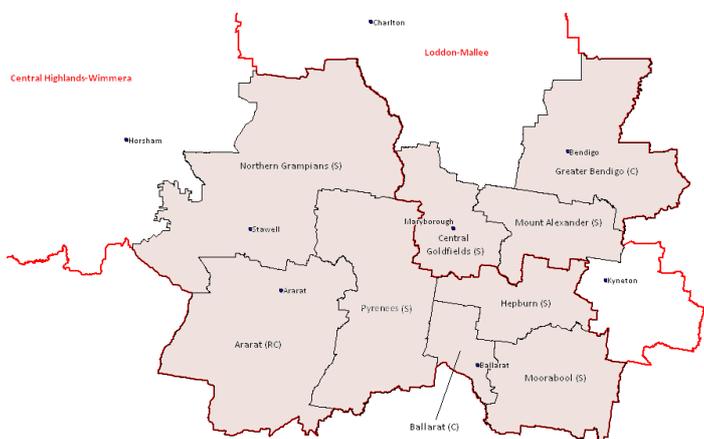
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The Australian Labour Market

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 4.0 per cent in February 2008, and the pace of employment growth had begun to ease. In September 2008, however, world growth weakened dramatically and economic and labour market conditions in Australia deteriorated sharply. During this time, the unemployment rate reached a peak of 5.8 per cent in June 2009 and has since decreased to 5.1 per cent in September 2010.¹ Despite this improvement at the national level, unemployment rates remain high in some regions while recruitment difficulties are starting to emerge in others.

In early 2009, the Government identified 20 regions across Australia as being particularly vulnerable to the effects of the economic downturn. These Priority Employment Areas were selected on the basis of a series of economic and social indicators of disadvantage.

Central Victoria Priority Employment Area



The Central Victoria Priority Employment Area

The Central Victoria Priority Employment Area is comprised of the Ararat (RC), Ballarat (C), Central Goldfields (S), Greater Bendigo (C), Hepburn (S), Moorabool (S), Mount Alexander (S), Northern Grampians (S) and Pyrenees (S) Local Government Areas (LGAs).

The LGAs in the Central Victoria Priority Employment Area fall broadly within two areas, i.e. Ballarat and Bendigo. The Ballarat area includes the LGAs of Ballarat (C), Ararat (RC), Hepburn (S), Moorabool (S), Northern Grampians (S) and Pyrenees (S). The Bendigo area includes the LGAs of Greater Bendigo (C), Central Goldfields (S) and Mount Alexander (S).

Central Victoria was identified as a Priority Employment Area because of its high reliance on the Manufacturing sector (an industry which, historically, has been particularly sensitive to a reduction in global and domestic demand) and its relatively weak labour market.

The Central Victoria Priority Employment Area has:

- a higher unemployment rate.
- an older population.
- lower levels of educational attainment compared with Australia as a whole.

¹ Australian Bureau of Statistics, *Labour Force*, Australia, Spreadsheets, September 2010, cat. no. 6202.0 (seasonally adjusted data).

Survey of Employers' Recruitment Experiences

In order to gain a greater understanding of labour market conditions in the Central Victoria Priority Employment Area, the Department of Education Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in September 2009 and again in May 2010.

The survey was conducted by telephone interview with 339 businesses in the region responding to the September 2009 survey and 284 responding to the May 2010 survey. Although responses from the May 2010 survey were spread across 19 industries, in this report results are presented for only the six industries for which reliable results were able to be produced. Businesses in the other industries are included in the totals.

The survey collected information on:

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

Findings from the survey highlight the extent and nature of recruitment difficulties facing local employers and provide insight into the challenges facing businesses in the current economic climate.

In this report, data for Central Victoria are compared with the results from the Central Victoria survey conducted in September 2009 and the combined results of all surveys conducted by DEEWR in Priority Employment Areas in the 12 months to June 2010. These results provide a useful benchmark against which labour market conditions in the region can be examined.

Main Findings

The survey results suggest that labour market conditions in the Central Victoria Priority Employment Area have improved since September 2009.

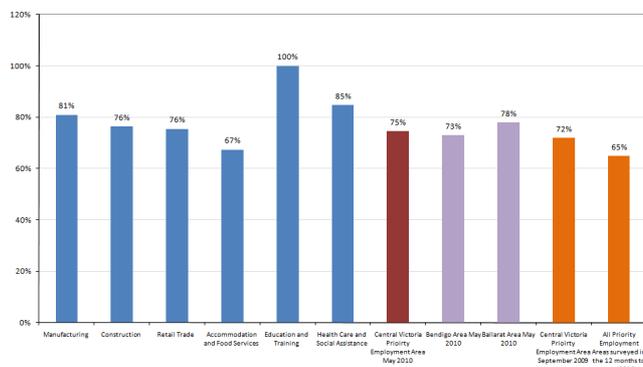
Recruitment activity remained relatively high over the 12 months preceding the survey with employers increasing staff numbers in recent months. This was particularly evident in the large employing industries of Manufacturing and Construction, where 31 per cent and 29 per cent of employers respectively, reported increasing staff numbers in the three months preceding the survey.

The survey results also show 53 per cent of surveyed employers expected to recruit in the 12 months following the survey. This is a positive sign when compared with last year, where only 49 per cent of employers expected to recruit in the 12 months following the survey and only 43 per cent of all employers surveyed in the Priority Employment Areas to June 2010.

Recruitment Activity

The results from the survey conducted in May 2010 indicate a slight increase in recruitment activity since the region was surveyed in September 2009 (from 72 per cent to 75 per cent).

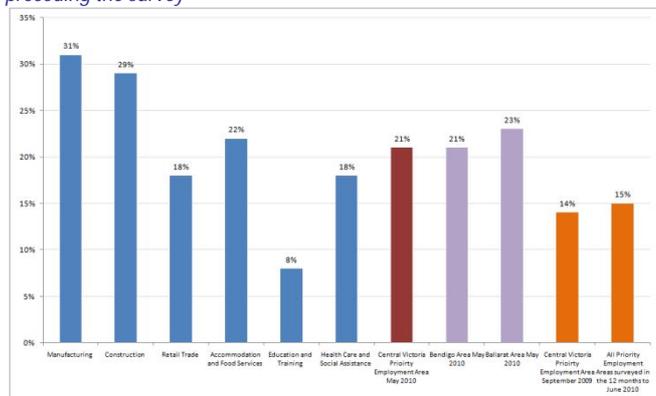
Proportion of employers who recruited in the 12 months preceding the survey



Changes in Staffing Levels

- A larger proportion of surveyed employers (21 per cent) increased staff numbers in the three months preceding the survey compared with employers surveyed in Central Victoria in September 2009 (14 per cent). Of the employers surveyed, 31 per cent in the Manufacturing industry increased staff numbers in the three months preceding the survey, followed by employers in the Construction industry (29 per cent) and Accommodation and Food Services industry (22 per cent).

Proportion of employers who increased staffing levels in the three months preceding the survey

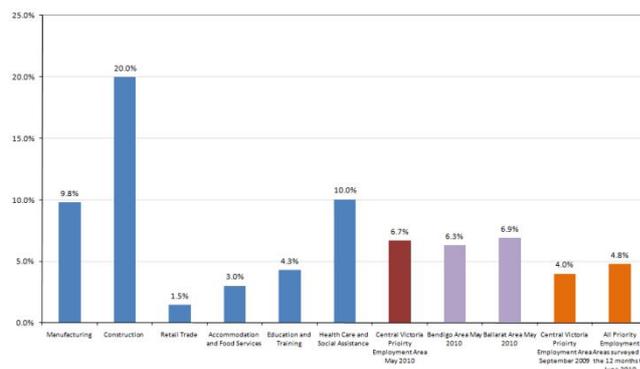


- Changes in staff numbers were mainly attributed to changes in demand for goods and services and natural attrition.

Recruitment Success

Overall, employers in the May 2010 survey reported a higher proportion of vacancies remaining unfilled in the 12 months preceding the survey (6.7 per cent) than in September 2009 (4.0 per cent) and all employers surveyed in Priority Employment Areas in the 12 months to June 2010 (4.8 per cent).

Proportion of unfilled vacancies in the 12 months preceding the survey



- Similarly, a larger proportion of *most recently advertised* vacancies remained unfilled (6.0 per cent) compared with employers surveyed in Central Victoria in September 2009 (4.2 per cent) and all Priority Employment Areas surveyed in the 12 months to June 2010 (5.2 per cent). The highest proportion of unfilled vacancies was for Managers and Professionals (17.6 per cent) followed by Technicians and Trades Workers (10.4 per cent) and Community and Personal Service Workers (5.6 per cent).
- The same proportion of vacancies in May 2010 and September 2009 were filled with employees who required development (16 per cent).

Recruitment Difficulty

- A similar proportion of employers reported experiencing difficulty recruiting for their most recent vacancy (36 per cent) compared with employers surveyed in Central Victoria in September 2009 (37 per cent). However, this was lower compared with all employers surveyed in Priority Employment Areas in the 12 months to June 2010 (39 per cent).

- A relatively high proportion of employers had difficulty recruiting for Community and Personal Service Workers (52 per cent) and Machinery Operators and Drivers (50 per cent).
- The most common causes of recruitment difficulty were the technical skill requirements of the job (36 per cent), the tight labour market (30 per cent) and the soft skill requirements of the job (21 per cent).

Vacancies that employers in Central Victoria considered difficult to fill by occupation

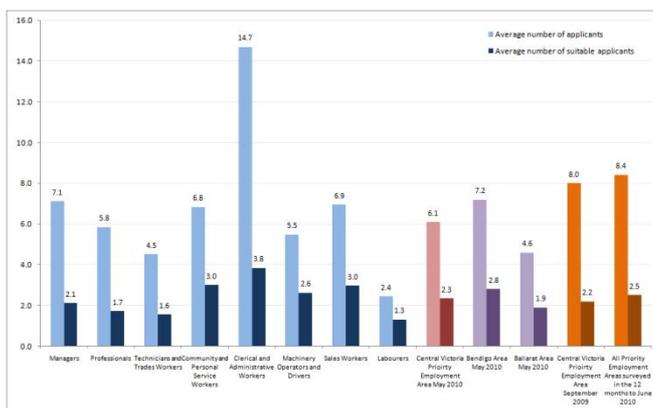
Bachelor degree or higher VET qualifications	
Architectural, Building and Surveying Technicians*	Chefs*
Motor Mechanics*	Plumbers
Primary School Teachers	Registered Nurses*
Secondary School Teachers	Structural Steel and Welding Trades Workers*
Other occupations	
Child Carers	Bar Attendants and Baristas*
Sales Assistants*	Waiters*

**Occupations marked with an asterisk were considered difficult to fill in the September 2009 and May 2010 surveys*

Number of Applicants and Suitability

- The average number of applicants per vacancy was lower (6.1 applicants per vacancy) compared with all employers surveyed in Central Victoria in September 2009 (8.0 applicants per vacancy) and Priority Employment Areas surveyed in the 12 months to June 2010 (8.4 applicants per vacancy).
- Employers recruiting for Clerical and Administrative Workers received, on average, the highest number of applicants per vacancy (14.7 applicants per vacancy).

Average number of applicants and suitable applicants per vacancy for the most recent vacancy

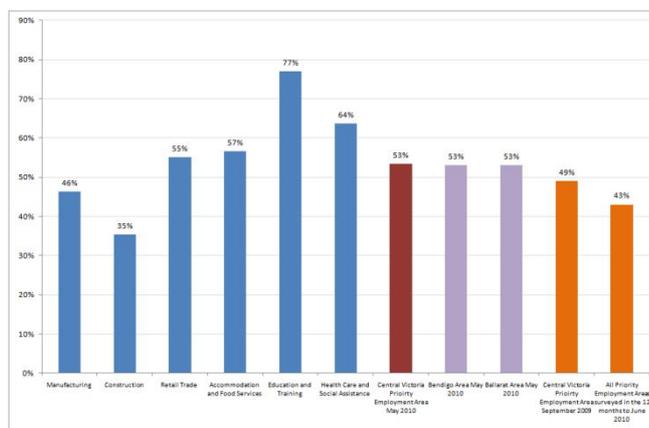


- Insufficient experience (63 per cent) and insufficient qualifications or training (24 per cent) to perform the duties of the occupation were the most common reasons given by employers for rating applicants as unsuitable.

Future Recruitment Expectations

- A higher proportion of surveyed employers expected to recruit in the 12 months following the survey (53 per cent) compared with employers surveyed in Central Victoria in September 2009 (49 per cent) and all employers surveyed in Priority Employment Areas (43 per cent).

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



- Of the employers who expected to recruit in the 12 months following the survey, 73 per cent anticipated needing to recruit to replace staff who leave the business.
- Half of the surveyed employers, who expected to recruit in the 12 months following the survey, expected that recruitment will be difficult. This is higher than the average for all employers surveyed in Central Victoria in September 2009 (30 per cent) and all employers surveyed in Priority Employment Areas in the 12 months to June 2010 (37 per cent).
- More than one quarter (28 per cent) of surveyed employers expected to increase staff in the 12 months following the survey, which was largely attributed to a higher demand for products/services (74 per cent).

- Very few employers (3 per cent) expected to reduce staff in the 12 months following the survey.
- A smaller proportion of employers (14 per cent) were unsure whether they would recruit in the 12 months following the survey compared with employers previously surveyed in September 2009 (19 per cent). This uncertainty was largely attributed to a possible fall in demand for their products and/or services (59 per cent).

Anticipated Challenges

- Half of all employers surveyed expected to face new or ongoing challenges in the 12 months following the survey.
- Employers stated that business regulations, including changes to superannuation, workplace relations and child care qualification requirements (26 per cent) and changes in the structure of the market (20 per cent) would be a challenge for their business.

Staff Retention

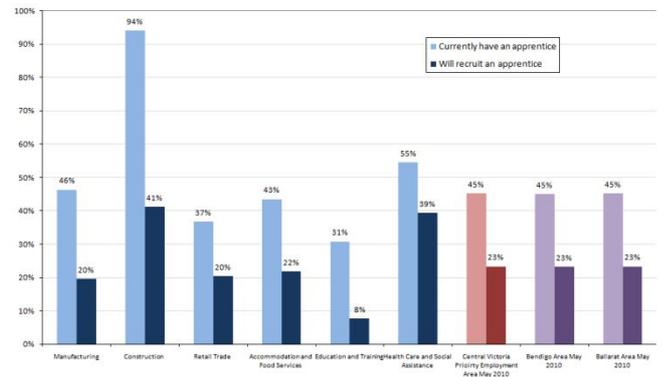
- Almost three quarters (73 per cent) of surveyed employers reported having staff leave in the 12 months preceding the survey, which is the same proportion as employers surveyed in September 2009. The main reasons staff left the business were personal (58 per cent) and to take up another position (51 per cent).
- Only 40 per cent of employers had strategies in place to reduce staff turnover. Of those employers who did have retention strategies in place, 29 per cent offered increased wages and 28 per cent provided flexible working hours and development and training opportunities.

Apprenticeships

- Overall, 23 per cent of surveyed employers stated that they expected to recruit an

apprentice or trainee in the 12 months following the survey.

Proportion of employers who currently employ an apprentice and the proportion of employers who will recruit an apprentice in the next 12 months



- Around 13 per cent of employers stated that they increased the number of apprentices/trainees they had in the 12 months preceding the survey.
- Employers in the Health Care and Social Assistance industry expected high future apprentice/trainee recruitment (39 per cent). This intake will help to meet the future demand of the industry in Central Victoria due to the ageing population in the area (19 per cent of the adult population is aged 65 and over compared with 17 per cent nationally).

Training and Development

- Of the employers surveyed, 67 per cent had an employee undertake training (other than an apprenticeship or traineeship) in the 12 months preceding the survey, with the vast majority of employers (83 per cent) fully funding this training and 14 per cent partially funding the training.
- Off site training through an external provider was used by 54 per cent of employers followed by informal internal training (45 per cent) and on site training through an external provider (31 per cent).



For 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
- **Productivity Places Program**
www.productivityplaces.deewr.gov.au
- **SkillsInfo**
www.skillsinfo.gov.au

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