



Australian Government

Department of Education, Employment and Workplace Relations

# Survey of Employers' Recruitment Experiences

## Goldfields/Esperance ESA – November 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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## Australian Labour Market

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- 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<sup>1</sup>.
- Since August 2009, the economic downturn has eased. The Australian labour market has shown significant signs of recovery, with a fall in the unemployment rate of 0.8 percentage points to 5.0 per cent and a rise in employment of 490 200 people between August 2009 and December 2010.

## The Goldfields/Esperance ESA

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- The most recent available data for Goldfields/Esperance show that the September quarter 2010 unemployment rate for the region stood at 4.4 per cent, which was below the comparable rate for Australia (5.3 per cent)<sup>2</sup>. Within the Employment Service Area, however, the unemployment rate varied widely (table 1).

Table 1: Unemployment Rates by Small Area Labour Market (more populated regions only)

Region	Labour Force (persons)	Unemployment Rate
Ravensthorpe	1,596	1.6%
Leonora	1,131	3.1%
Esperance	8,382	3.6%
Kalgoorlie/Boulder	19,293	3.8%
Coolgardie	2,393	4.6%
Dundas	708	7.1%
Ngaanyatjarraku	773	23.7%
Goldfields/Esperance Employment Service Area	35,700	4.4%
Australia	11,780,500	5.3%

## Survey of Employers' Recruitment Experiences

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- In order to gain a better understanding of labour market conditions in the Goldfields/Esperance Employment Service Area the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in November 2010. The survey was conducted by telephone interview with 250 businesses in the Employment Service Area.

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<sup>1</sup> Australian Bureau of Statistics, *Labour Force, Australia*, December 2010, cat. no. 6202.0 (seasonally adjusted series).

<sup>2</sup> DEEWR Small Area Labour Markets September quarter 2010.

- 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.
- The survey collected information on:
  - the recruitment 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 expectations in the 12 months following the survey.

## Key Findings

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- The remoteness of the Goldfields/Esperance Employment Service Area, combined with strong levels of recruitment activity and low levels of unemployment in the region have resulted in recruitment difficulties that are well above average levels recorded in other surveyed areas.
  - Two thirds (67 per cent) of employers reported that recruitment was 'difficult' in the past 12 months compared with 53 per cent for all regions surveyed in the 12 months to October 2010<sup>3</sup>; and
  - Almost one in ten recent vacancies (9.9 per cent) remained unfilled at the time of the survey (compared with 6.9 per cent for all regions surveyed).
- Employers had particular difficulty recruiting for Technicians and Trades Workers and Community and Personal Service Workers (including occupations such as Child Carers; and Health and Welfare Support Workers).
- Fly in/fly out workers are currently being used by local employers to meet their demand for lower skilled jobs such as for Cleaners and Mining Labourers as well as for more highly skilled and specialised Mining positions. These employers would be likely to look to alternatives in the local labour market if they became available.
- Underpinned by the anticipated strong employment growth in the Mining Sector (59 per cent of employers in the Mining industry expected to increase staff numbers in the 12 months following the survey) labour market conditions are expected to tighten further in the Goldfields/Esperance Employment Service Area in 12 months following the survey.
- More than one third (35 per cent) of employers expected that recruitment would be more difficult in the 12 months following the survey (compared with the all survey result of only 17 per cent) while only 3 per cent of employers expected recruitment to become easier.
- Strong competition for workers between employers and the anticipated further tightening of the local labour market suggest that the numerous employment opportunities expected in the Mining industry in the 12 months following the survey will flow through the local economy and create employment opportunities in other sectors.

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<sup>3</sup> Comparison surveys to October 2010 are dominated by surveys of the Government's Priority Employment Areas which were assessed as being particularly vulnerable to the global slow-down and therefore likely to have more subdued levels of recruitment activity than was the case in many other regions.

## Recruitment Activity and Staff Turnover

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- The survey results show there is a high level of recruitment activity and staff turnover in the region.
- Despite the high number of small businesses in the Goldfields/Esperance Employment Service Area, almost three quarters (72 per cent) of businesses surveyed had recruited in the previous 12 months compared with 69 per cent for all regions surveyed.
- In the 12 months preceding the survey, employers in Goldfields/Esperance had an average of 26 vacancies for every 100 staff. This is well above the average of 21 vacancies for every 100 staff recorded for all regions surveyed in the 12 months to October.
- Staff turnover was reported as being a significant problem by 19 per cent of employers.

## Employment Growth

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- The survey results show that a higher proportion of employers increased staff numbers in the three months prior to the survey compared with all regions surveyed in the 12 months to October 2010 (19 per cent compared with 16 per cent).
- Staff numbers were reduced by only 10 per cent of businesses (compared with 13 per cent in all surveyed regions).
- Half of the surveyed employers in the Mining industry said that staff numbers had increased in the previous three months while none reported decreasing staff numbers.

*Table 2. Recent Recruitment Experiences*

	Goldfields/Esperance Employment Service Area (November 2010)	All Regions (12 months to October 2010)
Proportion of employers who recruited in previous 12 months	72%	69%
Recruitment rate (vacancies in previous 12 months /staff numbers)	26%	21%
Increased staff numbers in the previous 3 months	19%	16%
Reduced staff numbers in the previous 3 months	10%	13%

## Recruitment Difficulties

- Two thirds (67 per cent) of employers in the Goldfields/Esperance Employment Service Area said that recruitment was ‘difficult’ in the previous 12 months compared with 53 per cent of employers across all surveyed regions in the 12 months to October 2010.
- In employers’ most recent recruitment round, almost one in ten vacancies (9.9 per cent) remained unfilled at the time of the survey. This was significantly higher than the proportion of recent vacancies unfilled for all regions surveyed in the 12 months to October 2010 (6.9 per cent).
- More than one quarter of vacancies for Technicians and Trades Workers (25.8 per cent) remained unfilled. Employers who had difficulty recruiting for Technicians and Trades Workers most commonly reported that it was difficult to find workers with the appropriate technical skills.
- Employers reported that 16.1 per cent of vacancies for Community and Personal Service Workers<sup>4</sup> remained unfilled. The most common cause of recruitment difficulties for vacancies in this major occupation category was the location of the job.
- Fly in/fly out workers were used by 15 per cent of Mining related businesses<sup>5</sup> to fill their most recent vacancy. Employers used fly in/fly out workers to fill vacancies for Cleaners and Mining Labourers as well as for Trades qualified staff.
- Occupations most commonly identified by employers as being difficult to fill are listed below.

Table 3. Occupations difficult to fill by skill level

Bachelor Degree or Higher VET Qualifications	
Accountants	Registered Nurses
Geologists/Environmental Scientists	Metal Fitters and Machinists
Mechanical Engineering Technicians	Structural Steel and Welding Tradespersons
Air Conditioning and Refrigeration Mechanics	Electricians
Motor Mechanics	Automotive Technicians
Chefs	Bakers and Pastry Cooks
Other Occupations	
Retail Managers	Sales Representatives
Health and Welfare Support Workers	Child Carers
Truck Drivers	Drillers

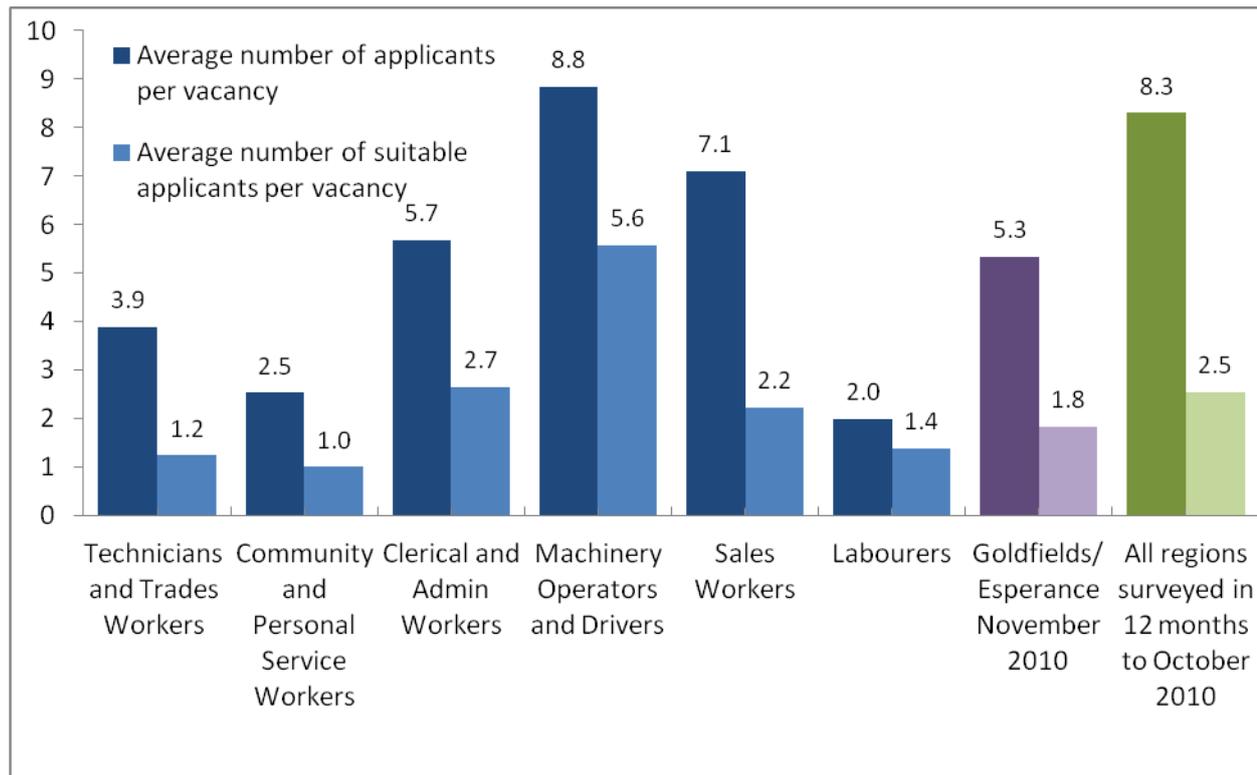
<sup>4</sup> The Community and Personal Services Workers category includes Carers, Hospitality Workers and Welfare Workers.

<sup>5</sup> Businesses that mainly provide goods and services directly to the Mining Industry.

## Job Applicants

- On average, local employers received 5.3 job applicants per vacancy, of whom an average of 1.8 were regarded by employers as suitable for the job for which they had applied.
  - These results are well below average results for all regions surveyed in the 12 months to October 2010 (an average of 8.3 applicants per vacancy, of whom an average of 2.5 were regarded as suitable for the job).
- Employers recruiting for Technicians and Trades Workers, Community and Personal Service Workers, and Labourers often had little choice between job applicants receiving, on average, less than 1.5 suitable applicants per vacancy.

Figure 1. Average number of applicants and suitable applicants per vacancy



- The most common reason that applicants were considered to be 'unsuitable' for the job was due to their *insufficient experience to perform the duties of the position* (identified by 59 per cent of employers).
  - Employers also commonly rated applicants as being 'unsuitable' because of their *insufficient qualifications or training to perform job duties*, and because of their *poorly written job application* (both mentioned by 19 per cent of employers).

## Apprentices and Trainees

- More than one quarter of employers (28 per cent) in the Goldfields/Esperance Employment Service Area had an apprentice and/or trainee at the time of the survey.
- 13 per cent of employers expected to increase the number of apprentices/trainees in their business in the 12 months following the survey, while none expected to reduce the number.

- More than half of employers with an apprentice or trainee (53 per cent) reported that they had experienced challenges. The most commonly reported challenges were that the apprentice/trainee:
  - lacked work readiness (16 per cent of employers with an apprentice/trainee);
  - lacked soft skills (9 per cent); and
  - did not complete the program or stay long enough with the business (7 per cent).
- Recognised training was provided by 41 per cent of employers in the previous 12 months. Just under one third of employers (32 per cent) who provided recognised training reported that they had experienced challenges. The majority of these (59 per cent) reported that their work location was a challenge.

### Job Services Australia

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- Less than half of employers surveyed were aware of Job Services Australia (46 per cent). More than one quarter (27 per cent) of employers who were aware of Job Services Australia had used the service, but of those who had, almost two thirds (64 per cent) were satisfied with the service that they received.

### Future Employment Growth

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- The demand for labour in Goldfields/Esperance is likely to remain strong in the 12 months following the survey with many local employers (29 per cent) expecting to increase staff numbers.
- More than half of all businesses surveyed in the Mining industry (59 per cent) expected to increase staff numbers in the 12 months following the survey (see table 4).

*Table 4. Expectations for staff growth in the 12 months following the survey, by industry*

	Expect to increase staff numbers	Expect to decrease staff numbers
Mining	59%	0%
Other Services <sup>6</sup>	45%	0%
Manufacturing	41%	0%
Accommodation and Food Services	26%	3%
Retail Trade	13%	4%
Total	29%	2%

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<sup>6</sup> The Other Services Division includes a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; and private households employing staff.

## Future Recruitment Difficulties

- A higher proportion of employers in Goldfields/Esperance expected to recruit in the 12 months following the survey compared with all regions in the year to October 2010 (54 per cent compared with 46 per cent).
- Of those employers who expected to recruit in the 12 months following the survey:
  - More than half of employers (55 per cent) expected that recruitment would be difficult; and
  - More than one third (35 per cent) expected that recruitment would be more difficult than it was this year.

*Table 5. Recruitment expectations for the 12 months following the survey*

<i>Proportion of employers</i>	Goldfields/Esperance Employment Service Area (November 2010)	All Regions (12 months to October 2010)
Expects to recruit	54%	46%
Expects future difficulty	55%	41%
Expects recruitment to become more difficult	35%	17%
Expects recruitment to become easier	3%	6%

## Opportunities for Job Seekers

- Strong competition for workers between employers and the anticipated further tightening of the local labour market suggest that the numerous employment opportunities expected in the Mining industry in the 12 months following the survey will flow through the local economy and create employment opportunities in other sectors.
- The positive future outlook held by many employers in the region, coupled with already difficult recruitment conditions for many Trades positions suggest that employment opportunities should extend to strong demand for work ready Apprentices and Trainees across the region in the 12 months following the survey.



**For more information:**

- **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)

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