



Survey of Employers' Recruitment Experiences Illawarra Priority Employment Area April 2010

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



CONTENTS

Australian Labour Market	3
The Illawarra Priority Employment Area	4
Survey of Employers' Recruitment Experiences	5
Main Findings	5
Recruitment Activity	6
Changes in Staffing Levels	7
Recruitment Success	7
Number of Applicants and their Suitability	8
Recruitment Difficulty	9
Personality Traits and Qualities	10
Future Recruitment Expectations	11
Apprentices and Trainees	12
Opportunities for Job Seekers	13
Business Challenges	13
Mature Age Workers	14
Job Services Australia	14



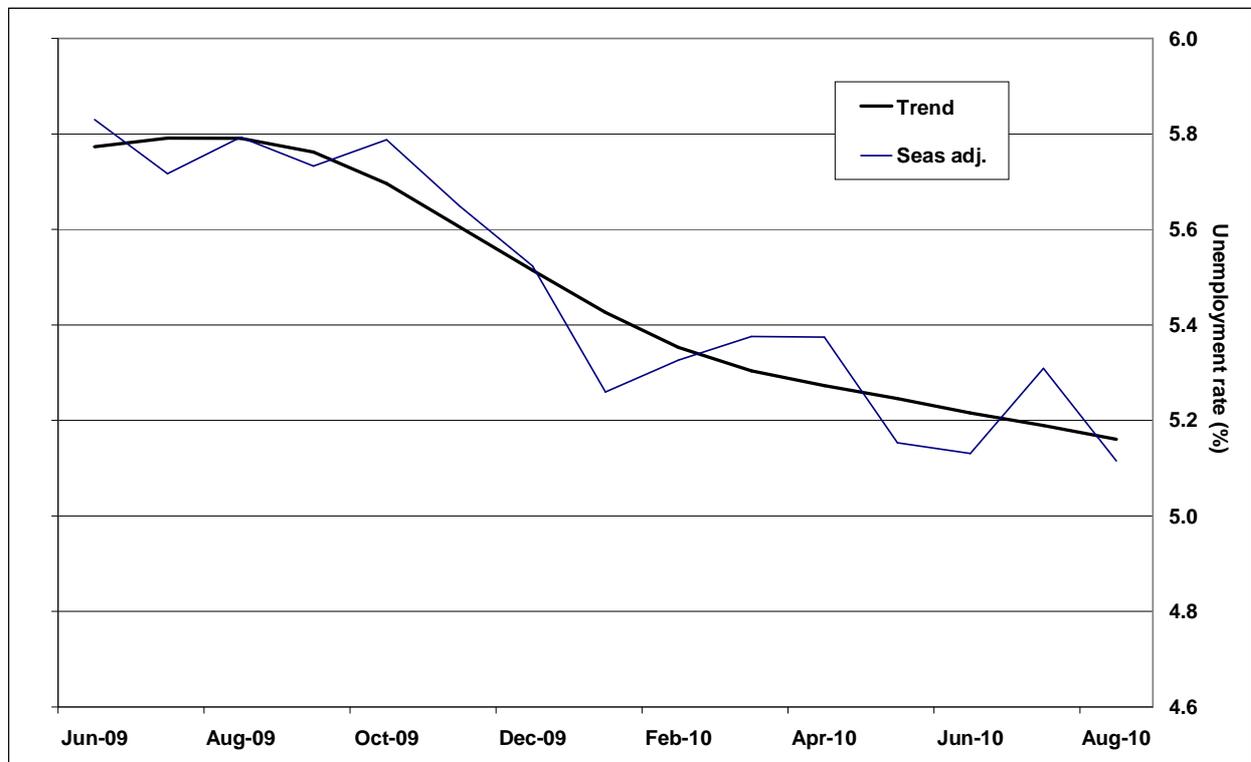
Australian Labour Market

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 2008¹, and the pace of employment growth had begun to ease.

In September 2008, however, world growth weakened significantly and economic and labour market conditions in Australia deteriorated sharply. During this time, the unemployment rate in Australia increased by 1.5 percentage points, from 4.3 per cent in September 2008 to 5.8 per cent in June 2009.

Since June 2009 the economic downturn has eased. The Australian labour market has shown significant signs of recovery, with a fall in the unemployment rate of 0.7 per cent and a rise in employment of 367 400 people.

Figure 1. Australian unemployment rate



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

¹ Australian Bureau of Statistics, *Labour Force, Australia, Detailed-electronic delivery*, July 2009, cat. no. 6291.0.55.001 (Seasonally Adjusted data).

The Illawarra Priority Employment Area

The Illawarra Priority Employment Area in New South Wales is comprised of four Local Government Areas: Wollongong, Shellharbour, Shoalhaven and Eurobodalla. The Illawarra Priority Employment Area represents 84 per cent of the Illawarra Labour Force Region (LFR) in New South Wales. The city of Wollongong comprises over half (52 per cent) of the Illawarra Priority Employment Area.

Figure 2. The Illawarra Priority Employment Area



Although the unemployment rate in the region fell by 1.4 percentage points to 6.2 per cent in the 12 months to August 2010², the participation rate declined by 1.9 percentage points over the year to stand at just 58.6 per cent in August 2010. The participation rate in the Illawarra was well below the national average (65.2 per cent).

Illawarra was selected as a Priority Employment Area because it had:

- A high unemployment rate, high youth (15–24 years) unemployment rate and below average participation rate;
- Experienced severe labour market disadvantage during the 1990s recession which lasted for most of the following decade; and
- Relatively low levels of educational attainment.

² Australian Bureau of Statistics, *Labour Force, Australia, Detailed*, - Electronic Delivery, Apr 2010, cat. No. 6291.0.55.001 (three month averages).

Survey of Employers' Recruitment Experiences

In order to gain a better understanding of labour market conditions in the Illawarra Priority Employment Area, the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in Illawarra in June 2009 and a follow up survey in April 2010.

A survey was conducted by telephone interview with 266 businesses responding to the survey in June 2009 and 324 in April 2010. Where possible, the same employers were contacted in April 2010. Although the responses from the 2010 survey were spread across 16 industries, in this report results are presented for only the eight 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 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 the Illawarra are compared with the combined results of Priority Employment Area surveys conducted by DEEWR in the 12 months to March 2010, as well as the June 2009 Illawarra survey. These results provide useful benchmarks against which labour market conditions in the region can be examined.

Main Findings

The survey results suggest that labour market conditions in Illawarra have improved slightly from the June 2009 survey but still remain soft. Compared with the June 2009 survey, the April 2010 survey found:

- A higher level of recruitment activity;
- A higher proportion of employers who recently increased staff numbers;
- A higher proportion of employers who expected to increase staff numbers; and
- A higher proportion of unfilled vacancies.

Despite this reported increase in recruitment activity, the level of competition for vacancies in Illawarra was higher in the April 2010 survey than it was in the June 2009 survey.

The survey results indicate that overall, opportunities for job seekers are relatively scarce, however opportunities do exist in the Technicians and Trades Workers occupation group with 11.1 per cent of most recent vacancies unfilled. The low proportion of employers expecting to recruit an apprentice or trainee (15 per cent) may prevent lower skilled workers from up-skilling to these occupations.

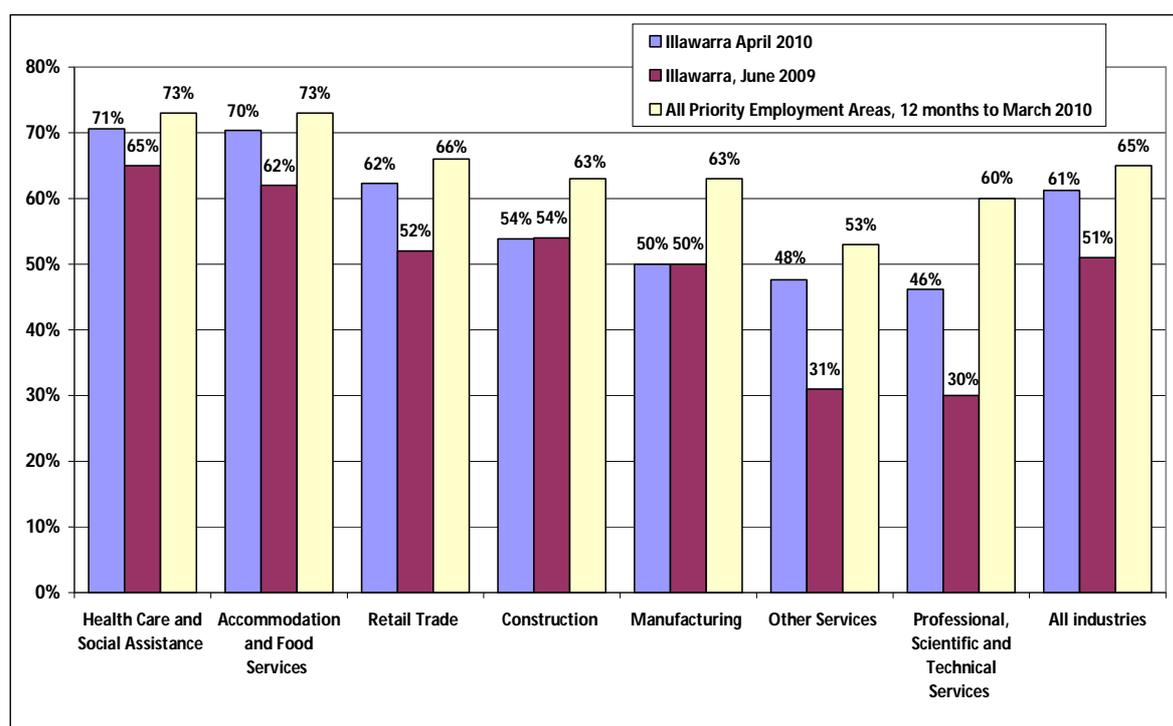
Recruitment Activity

A higher proportion of employers in Illawarra recruited in the 12 months to April 2010 (61 per cent) compared with June 2009 (51 per cent).

More than two-thirds (71 per cent) of employers in Health Care and Social Assistance recruited in the 12 months prior to the survey. Compared with the June 2009 survey, recruitment activity increased considerably in the Other Services³ (from 31 per cent to 48 per cent) and Professional, Scientific and Technical Services (from 30 per cent to 46 per cent) industries.

Despite this increase, recruitment activity in the Illawarra Priority Employment Area (61 per cent) was still lower than the combined results of all Priority Employment Areas surveyed in the 12 months to March 2010 (65 per cent).

Figure 3. Proportion of employers who recruited in the 12 months preceding the survey



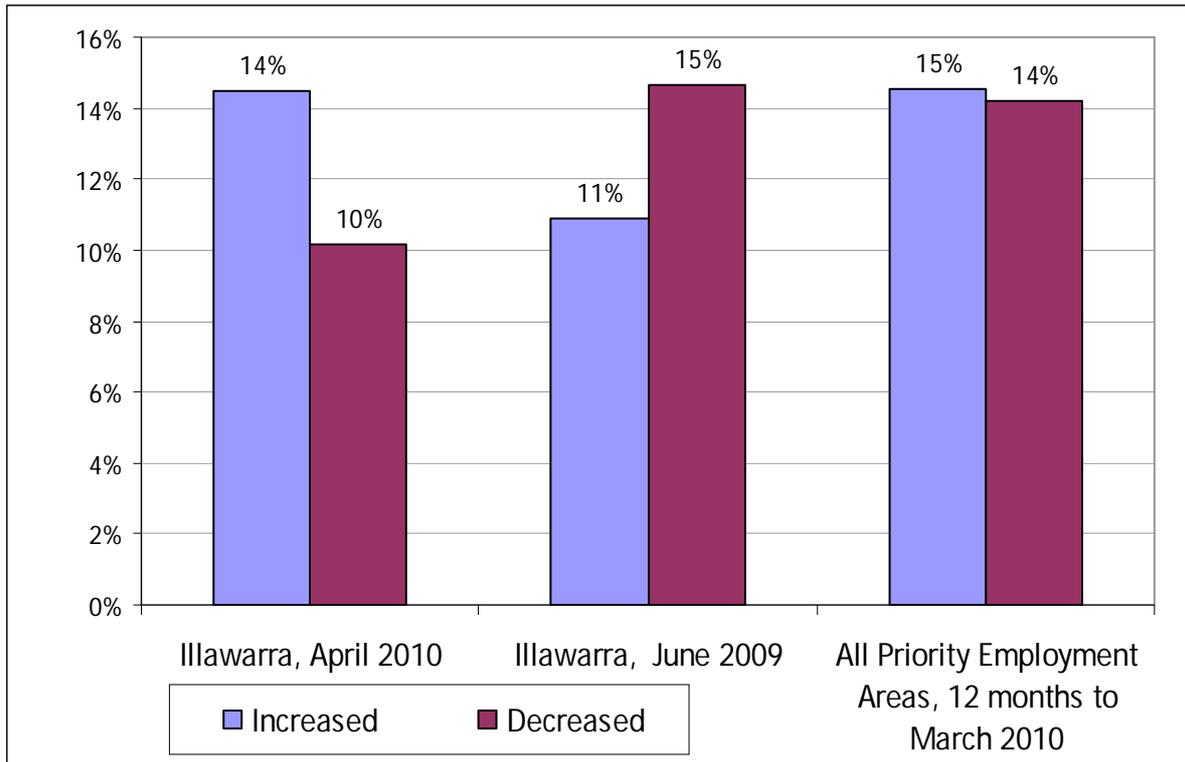
³ Other Services includes a broad range of personal services (for example, hairdressing and beauty services); religious, civic, professional and other interest group services; and selected repair and maintenance activities

Changes in Staffing Levels

The proportion of employers reporting an increase in staffing levels in the three months prior to the survey was higher in April 2010 (14 per cent) than in June 2009 (11 per cent). This is similar to Priority Employment Areas surveyed in the 12 months to March 2010 (15 per cent).

The proportion of employers who decreased staffing levels was lower in April 2010 (10 per cent) compared with June 2009 (15 per cent) and all Priority Employment Areas surveyed (14 per cent).

Figure 4. Change in staff numbers, three months preceding the survey

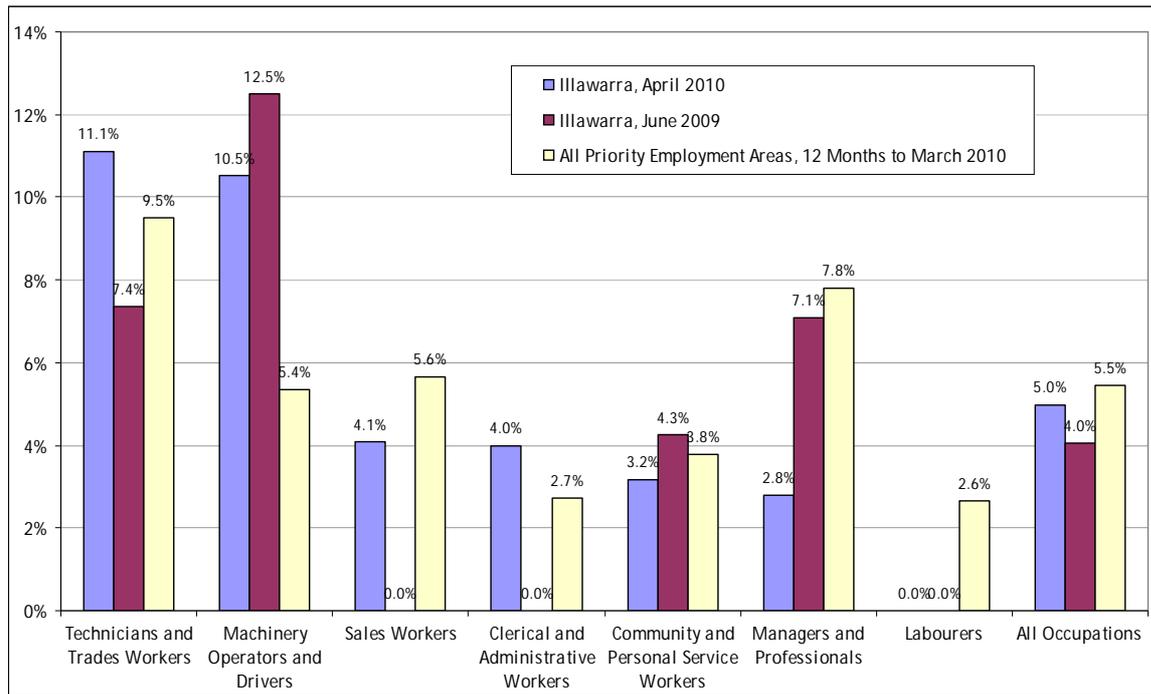


Recruitment Success

Across all occupations, employers in Illawarra reported that 5.0 per cent of most recent vacancies were unfilled. This is slightly higher than in the June 2009 survey (4.0 per cent) but a little lower than for all Priority Employment Areas surveyed in the 12 months to March 2010 (5.5 per cent).

Most occupations had low unfill rates, indicating that the demand for these occupations was being met by the local labour supply. Notably, all vacancies for Labourers were filled in the June 2009 and April 2010 surveys. High unfill rates were recorded for Machinery Operators and Drivers (10.5 per cent) and Technicians and Trades Workers (11.1 per cent). Opportunities for job seekers may exist in these occupations.

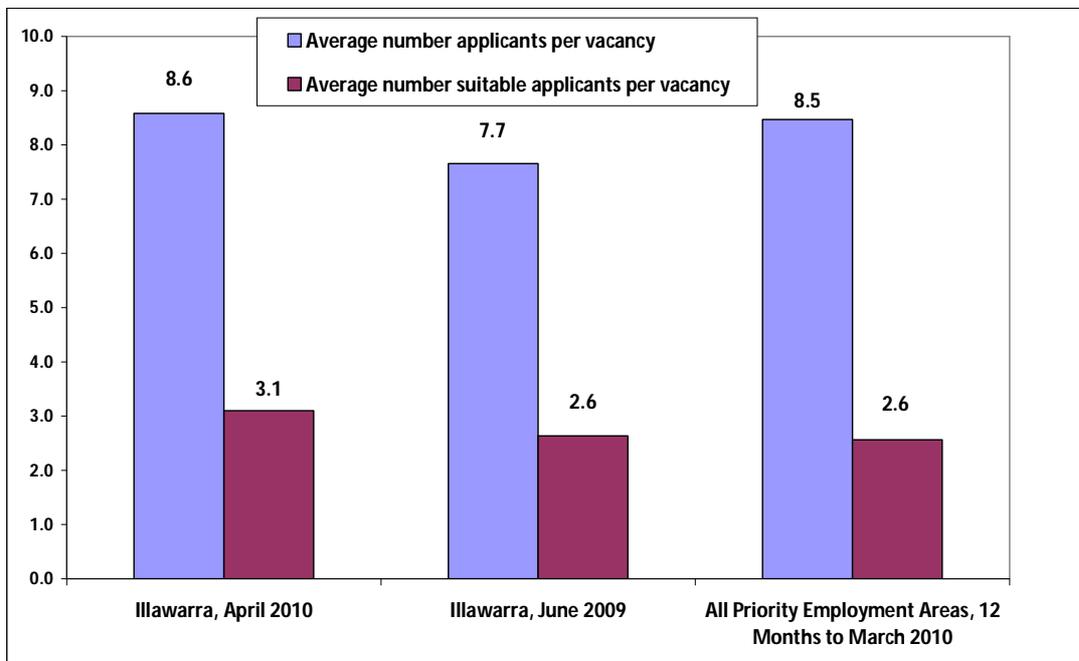
Figure 5. Unfill rate, most recent vacancy



Number of Applicants and their Suitability

In April 2010, there was an average of 8.6 applicants per vacancy and 3.1 suitable applicants per vacancy in the Illawarra, compared with 7.7 and 2.6 in June 2009.

Figure 6. Average number of applicants and suitable applicants per vacancy, most recent recruitment round



Lower skilled occupation groups, such as Clerical and Administrative Workers and Sales Workers had the highest average number of applicants per vacancy (12.5 and 11.1 respectively).

Overall, about one in three (36 per cent) applicants were considered suitable by employers. Vacancies for Community and Personal Service Workers had the highest proportion of suitable applicants (49 per cent). This is consistent with the low unfill rate for this occupation, and indicates that there was a high quality pool of applicants for these vacancies.

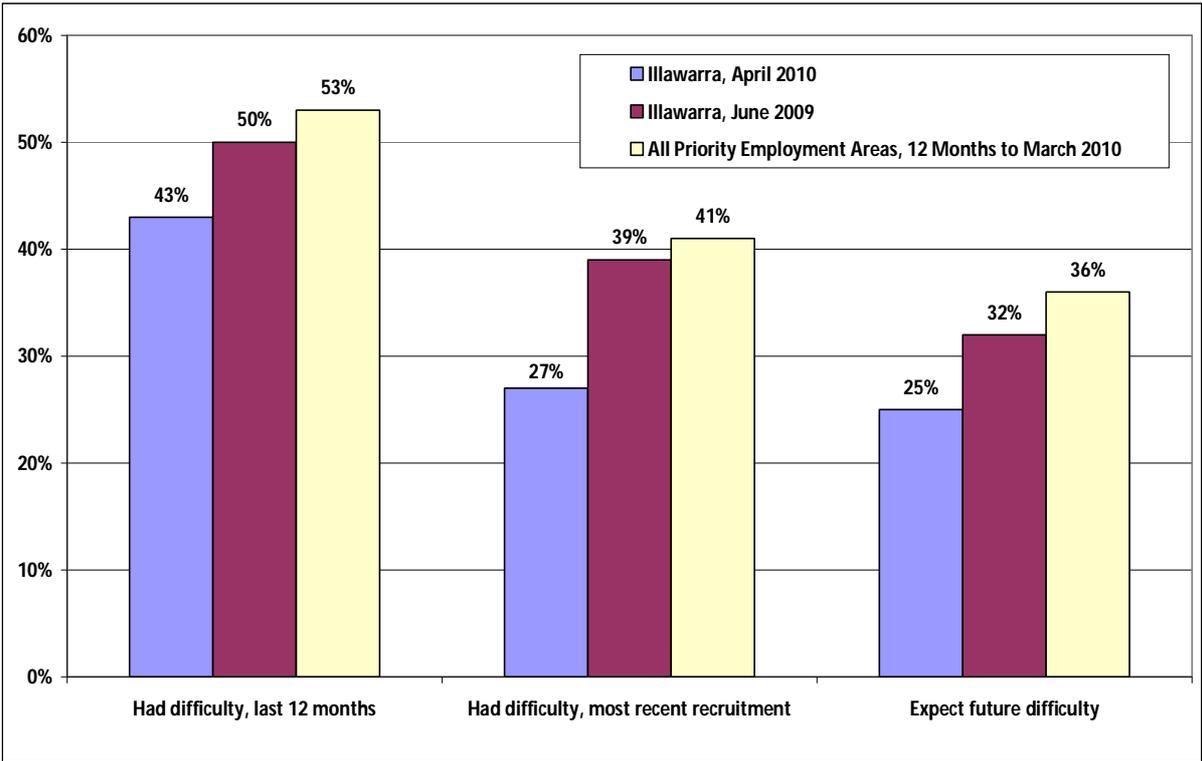
The most common reason for applicant unsuitability, regardless of occupation group, was lack of experience to do the job (69 per cent) followed by lack of qualifications (35 per cent) and lack of basic work readiness skills / poor attitude (13 per cent).

Recruitment Difficulty

The proportion of employers in Illawarra who had difficulty recruiting in the 12 months preceding the survey was lower in June 2009 (50 per cent) compared with all Priority Employment Areas surveyed (53 per cent), and had further eased by April 2010 (43 per cent).

Recruitment difficulties were more prevalent among employers in Manufacturing (50 per cent), Construction (47 per cent) and Retail Trade (47 per cent) industries.

Figure 7. Proportion of employers reporting recruitment difficulty



More than half of the occupations which employers considered difficult to fill required applicants to have a Bachelor degree or a higher VET qualification. However, there were several difficult to fill occupations at the lower skill level.

Figure 8. Difficult to fill occupations

Batchelor Degree or Higher VET Qualifications
Early Childhood (Pre-primary School) Teachers
Structural Steel and Welding Trades Workers*
Metal Fitters and Machinists*
Butchers and Smallgoods Makers
Hairdressers*
Registered Nurses*
Chefs*
Other Occupations
Motor Vehicle and Vehicle Parts Salespersons
Pharmacy Sales Assistants
Sales Assistants (General)*
Aged and Disabled Carers
Child Carers*
Commercial Cleaners
Receptionists*
Truck Drivers
Waiters*

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

Employers most commonly found occupations difficult to fill due to the technical skill requirements of the job (43 per cent) and lack of soft skills, such as communication and interpersonal skills (26 per cent).

Personality Traits and Qualities

More than a third (35 per cent) of employers in the region placed more importance on an applicant’s personal traits and qualities rather than technical ‘job-specific’ skills (21 per cent).

Employers most commonly reported motivation, communication and enthusiasm as the personality traits or qualities that applicants most frequently lacked.

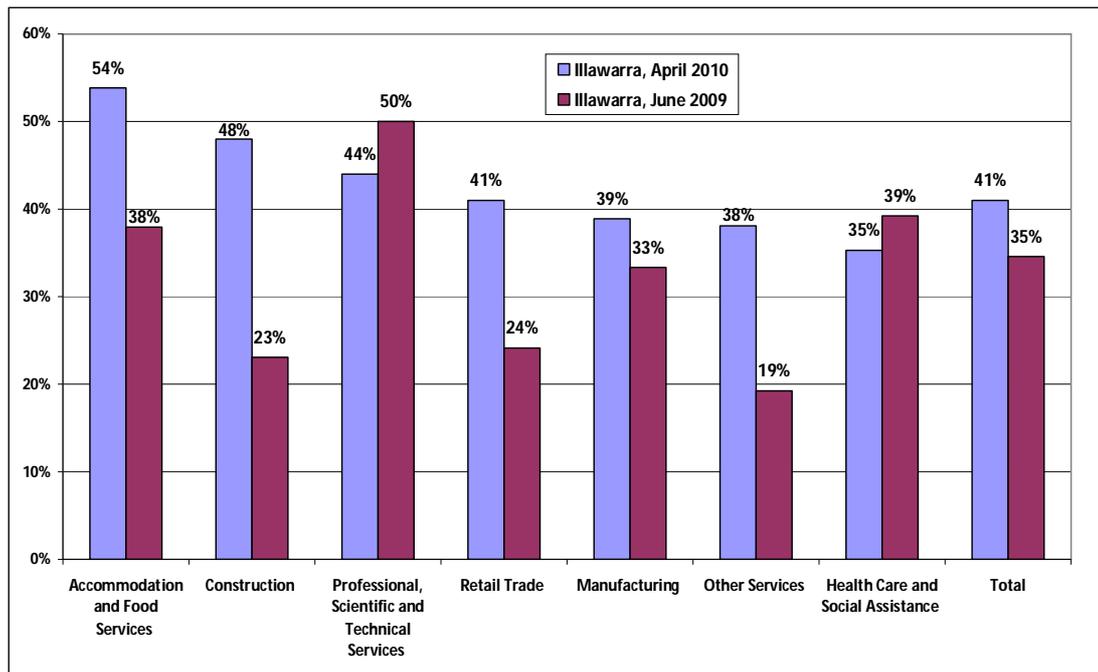


Future Recruitment Expectations

The proportion of employers who expected to recruit in the 12 months following the survey was higher in April 2010 than in the June 2009 survey (41 per cent compared with 35 per cent) but lower than Priority Employment Areas surveyed in the 12 months to March 2010 (44 per cent).

Recruitment expectations were higher in April 2010 compared with June 2009, with the exception of two industries: Professional, Scientific and Technical Services and Health Care and Social Assistance.

Figure 9. Proportion of employers who expected to recruit in the 12 months following the survey



There was a slightly higher degree of uncertainty regarding future recruitment in Illawarra in April 2010 (16 per cent) compared with June 2009 (15 per cent), but lower than for the Priority Employment Areas surveyed (18 per cent). The most common cause of recruitment uncertainty was an expected fall in demand for products and services (63 per cent).

Recruitment expectations for Technicians and Trades Workers and Sales Workers were relatively strong. Of the employers who intended to recruit in the 12 months following the survey, more than a quarter (27 per cent) intended to recruit at least one Technician or Trades Worker and 23 per cent intended to recruit at least one Sales Worker. Two-fifths (40 per cent) of employers who intended to recruit at least one Technician and Trades Worker expected to encounter recruitment difficulty.

Figure 10. Occupations employers expected to recruit in the 12 months following the survey

Technicians and Trades Workers
Structural Steel and Welding Trades Workers*
Metal Fitters and Machinists*
Carpenters and Joiners
Motor Mechanics
Cooks
Electricians
Sales Workers
Sales Assistants (General)*
Real Estate Sales Agents
Pharmacy Sales Assistants*
Community and Personal Service Workers
Aged and Disabled Carers*
Child Carers*
Labourers
Metal Engineering Process Workers
Garden and Nursery Labourers
Commercial Cleaners*
Housekeepers

* Occupations marked with an asterisk were considered difficult to fill in April 2010.

Apprentices and Trainees

The proportion of businesses who employed an apprentice or trainee in the Illawarra Priority Employment Area remained unchanged (34 per cent) between June 2009 and April 2010, although this was slightly higher than the proportion for all Priority Employment Areas surveyed in the 12 months to March 2010 (31 per cent). Approximately one in seven employers (15 per cent) had a school-based apprentice or trainee.

Apprentices and trainees were most commonly employed by businesses in the Manufacturing (53 per cent), Other Services (52 per cent) and Health Care and Social Assistance (43 per cent) industries.

A low proportion of employers intended to recruit an apprentice or trainee in the 12 months following the survey (15 per cent) compared with last year (19 per cent) and all Priority Employment Areas surveyed in the 12 months to March 2010 (20 per cent).

Twenty-two per cent of employers who currently had an apprentice or trainee said they would increase their intake, while only 5 per cent (compared with 39 per cent last year) said they would reduce their intake of apprentices or trainees.

Opportunities for Job Seekers

Sixty per cent of all vacancies recorded in the April 2010 survey were for medium to lower skilled occupations, such as Community and Personal Service Workers, Clerical and Administrative Workers, Sales Workers and Labourers. The low unfill rates for these vacancies indicate that demand for labour for these occupations was being met in this Priority Employment Area. There was unmet demand for Machinery Operators and Drivers, as the unfill rate (10.5 per cent) was relatively high.

Opportunities exist for Technicians and Trades Workers, with 11.1 per cent of vacancies remaining unfilled and 36 per cent of recruiting employers reporting difficulty. Strong recruitment expectations (27 per cent of employers who intended to recruit) indicate that the solid demand for Technicians and Trades Workers is likely to increase over the 12 months following the survey. The low proportion of employers expecting to recruit an apprentice or trainee (15 per cent) may prevent lower skilled workers from up-skilling to these occupations.

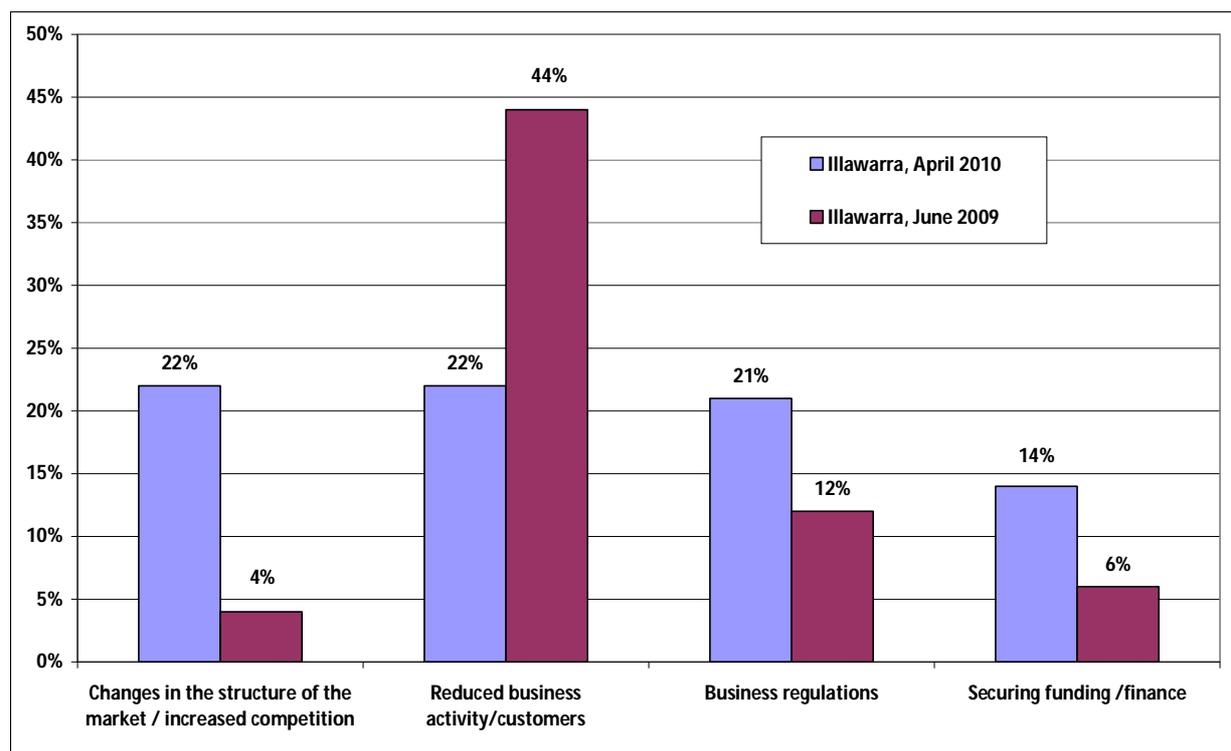
Recruitment expectations for Sales Workers were also strong (23 per cent of employers who intended to recruit) however, competition for these vacancies is likely to be high as indicated by the low unfill rate (4.1 per cent), high number of applicants (11.1) and suitable applicants (3.7) for most recent Sales Worker vacancies.

Business Challenges

A higher proportion of employers expected to face challenges in the 12 months following the April 2010 survey (52 per cent) compared with June 2009 (45 per cent).

In June 2009, the largest proportion of employers reported that reduced business activity was a business challenge. In April 2010, employers had a wider and more evenly spread range of challenges, namely changes in the structure of the market (including increased competition), reduced business activity and business regulations (including industrial relations laws, changes to awards and taxation of small businesses).

Figure 11. Challenges for the 12 months following the survey.



Mature Age Workers

Most workplaces were relatively young. More than half (57 per cent) of employers surveyed said that less than one-quarter of their workforce was aged 45 year or over.

The vast majority (85 per cent) of employers stated that there were no challenges associated with employing mature age people. Anecdotal evidence collected during the survey was that almost all employers had positive attitudes towards mature age workers.

Job Services Australia

Amongst employers, there was a moderate awareness of (55 per cent), low usage of (11 per cent) but high satisfaction (76 per cent) with the services provided by Job Services Australia or Job Network providers.

In the Wollongong LGA, Job Services Australia awareness was somewhat higher (60 per cent), as was usage (19 per cent) and satisfaction (88 per cent).

The most common reasons for dissatisfaction with Job Services Australia providers was the referral of unsuitable or poor quality job seekers to employers, followed by the perception that providers did not listen to employers' needs.



For more information:

- [Report and Presentation for the June 2009 Illawarra Survey of Employers' Recruitment Experiences](#)
- **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
- **Priority Employment Areas**
www.keepaustraliaworking.gov.au

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