



Survey of Employers' Recruitment Experiences

Mid West and Gascoyne Employment Service Area May 2011

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

- 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 4.1 per cent in March 2008, and the pace of employment growth had begun to ease. However, in September 2008 world growth weakened dramatically and economic and labour market conditions in Australia deteriorated sharply.
- 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 511 200 people to 11 448 500 between July 2009 and July 2011¹.

The Mid West and Gascoyne Employment Service Area

- The Mid West and Gascoyne Employment Service Area (ESA) covers a large area of Western Australia and consists of 25 Statistical Local Areas (SLAs), including Carnarvon, Geraldton, Greenough, Northampton, the Territory of Christmas Island and the Territory of Cocos (Keeling) Island. The Geraldton SLA is the largest population centre in the Mid West and Gascoyne ESA, accounting for 31 per cent of the working age population.² The ESA has a large and growing mining industry, including the new Karara Iron Ore Mine, east of Morawa.
- In June 2011, the unemployment rate for the Mid West and Gascoyne ESA (4.3 per cent) was considerably lower than the Australian unemployment rate at that time (5.1 per cent).³

Survey of Employers' Recruitment Experiences

- In order to gain a better understanding of labour market conditions in the Mid West and Gascoyne ESA, the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in May 2011. The survey was conducted by telephone interview with 301 businesses.
- The survey collected information on:
 - the recruitment of employees in the 12 months preceding the survey;
 - the experience employers had recruiting for their most recent vacancy; and
 - recruitment expectations for the 12 months following the survey.

Key Findings

- The Mid West and Gascoyne ESA survey results suggest that employers have experienced strong recruitment activity, higher recruitment difficulty and lower levels of competition for vacancies than all regions surveyed by DEEWR in the 12 months to June 2011. This was particularly evident amongst employers recruiting for Machinery Operators and Drivers and Technicians and Trades Workers. Despite this, employers were relatively successful filling their vacancies, which may be due to higher rates of vacancies being filled with job seekers who required development.

¹ ABS, *Labour Force, Australia*, July 2011, cat. no. 6202.0 (trend).

² ABS, *Population Estimates by Age and Sex, Regions of Australia, 2010*, cat. no. 3235.0.

³ DEEWR, *Small Area Labour Markets*, June quarter 2011. Please note that the unemployment rate for the Mid West and Gascoyne ESA excludes the territories of Christmas Island and the Cocos (Keeling) Island.

Recruitment Experiences in the 12 Months Preceding the Survey

- A smaller proportion (66 per cent) of employers in the Mid West and Gascoyne ESA had recruited in the 12 months preceding the survey compared with all regions surveyed in the 12 months to June 2011 (74 per cent). However, the recruitment rate was higher (36.8 vacancies per 100 staff) compared with all regions surveyed (24.3 vacancies per 100 staff).
- The recruitment rate was particularly high for the Accommodation and Food Services industry (87 vacancies per 100 staff). The high recruitment rate in this industry was accompanied by a low retention rate (31 per cent of employers reported a retention problem).
- Of those employers who recruited in the Mid West and Gascoyne ESA, a smaller proportion (48 per cent) recruited to increase staff numbers compared with all regions surveyed (53 per cent). The majority (88 per cent) of employers who had recruited did so to replace staff, a proportion slightly higher than that for all regions surveyed (85 per cent).
- A large proportion (82 per cent) of employers in the Health Care and Social Assistance industry recruited in the 12 months preceding the survey. Of these employers, 79 per cent recruited to increase staffing levels.
- Two thirds of all employers (66 per cent) who recruited in the preceding 12 months had difficulty doing so, compared with 60 per cent for all regions surveyed.
- Despite a larger proportion of employers experiencing recruitment difficulty, a smaller proportion of vacancies remained unfilled (6.2 per cent) compared with all regions surveyed (8.3 per cent).

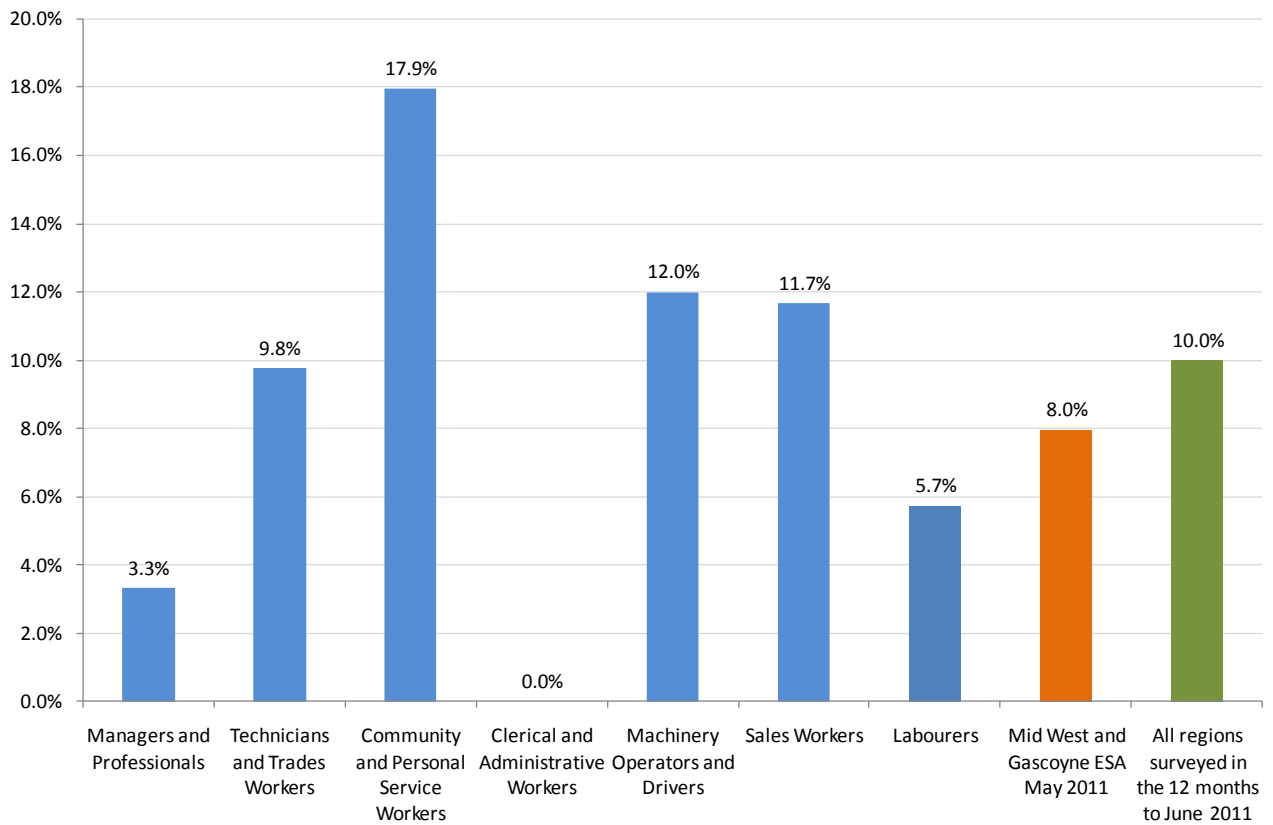
Table 1. Recruitment experiences in the 12 months preceding the survey

	Mid West and Gascoyne Employment Service Area (May 2011)	All Regions (12 Months to June 2011)
Proportion of employers who recruited	66%	74%
- to increase staff	48%	53%
- to replace staff	88%	85%
Proportion of recruiting employers who experienced difficulty	66%	60%
Proportion of unfilled vacancies	6.2%	8.3%

Most Recent Recruitment Activity

- A considerably larger proportion of employers recruiting for their most recent vacancy in the Mid West and Gascoyne ESA (56 per cent) reported difficulty compared with all regions surveyed (45 per cent). However, the proportion of employers with unfilled vacancies was smaller than that for all regions surveyed (8.0 per cent and 10.0 per cent respectively).
- The success of filling vacancies during the most recent recruitment activity varied greatly across occupation groups (see Figure 1). In particular, a large proportion of vacancies went unfilled for Community and Personal Service Workers (17.9 per cent, predominately Child Carers and Bar Attendants and Baristas) and Machinery Operators and Drivers (12 per cent, mainly Truck Drivers). Sales Workers (11.7 per cent) and Technicians and Trades Workers (9.8 per cent) also had high unfill rates.

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



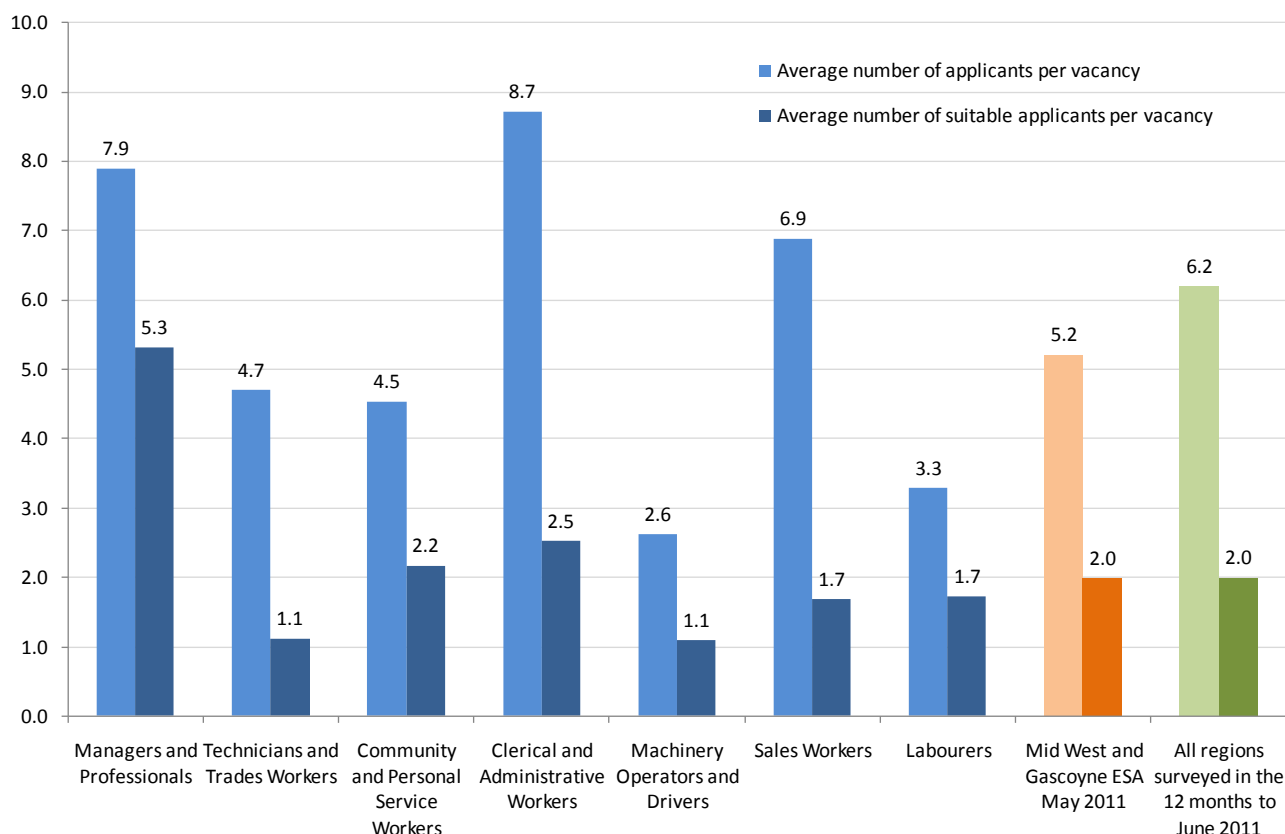
- Just over one in three (34 per cent) employers who experienced recruitment difficulty mentioned a tight labour market or not enough applicants as a reason, followed by the location of the business (remoteness and transport issues) (27 per cent) and the technical skill requirements of the job (26 per cent).
- Sales Assistants (General), Child Carers, Receptionists and Truck Drivers were the occupations most commonly mentioned as being difficult to fill (see Table 2).

Table 2. Occupations difficult to fill by skill level

Bachelor Degree or Higher VET Qualifications	
Chefs	Cooks
Motor Mechanics	Retail Managers
Registered Nurses	
Other occupations	
Sales Assistants (General)	General Clerks
Child Carers	Storepersons
Receptionists	Bar Attendants and Baristas
Truck Drivers	Housekeepers
Kitchenhands	

- Consistent with the larger proportion of employers who experienced recruitment difficulty, employers in the Mid West and Gascoyne ESA experienced a lower level of competition for vacancies.
 - There was an average of 5.2 applicants per vacancy, fewer than that for all regions (6.2 applicants per vacancy). On average, 2.0 applicants were considered suitable by employers, which was the same as that for all regions (see Figure 2).
 - In line with the considerably larger proportion (67 per cent) of employers who experienced difficulty recruiting for both Technicians and Trades Workers and Machinery Operators and Drivers, employers recruiting for these occupation groups also received the lowest average number of suitable applicants (1.1 per vacancy).
 - The most common reasons for applicants being considered unsuitable were their lack of experience (46 per cent of employers who had unsuitable applicants), insufficient qualifications or training (27 per cent) and a poor attitude or lack of basic work-readiness skills (27 per cent).
 - A larger proportion (23 per cent) of vacancies in the Mid West and Gascoyne ESA were filled with job seekers who required development when compared with all regions surveyed (16 per cent). This figure indicates a need to address the skill levels, experience and attributes possessed by the region's potential workforce.

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



Apprentices and Trainees

- A quarter of employers in the Mid West and Gascoyne ESA had an apprentice or trainee on staff at the time of the survey, a smaller proportion than for all regions surveyed (35 per cent).
- In addition to this, the proportion of employers anticipating recruiting an apprentice or trainee in the 12 months following the survey was smaller than for all regions surveyed (20 and 23 per cent respectively).
- Over a third of employers (37 per cent) who employed an apprentice or trainee reported challenges in employing them. The challenges most commonly reported were meeting the mandatory training requirements (for example, the distance to the training location) and that apprentices or trainees did not complete their studies or stay on after attaining their qualifications (both 19 per cent).

Staff Training

- Two fifths of employers in Mid West and Gascoyne ESA had staff undertake recognised training in the 12 months prior to the survey. This figure is smaller than that for all regions surveyed (45 per cent).
- The two most common training providers used by employers in the Mid West and Gascoyne ESA were industry bodies (37 per cent) and commercial training providers (32 per cent). In all regions surveyed only 30 per cent of employers who had staff undertake recognised training used an industry body, while 37 per cent used a commercial training provider.
- Almost one third (30 per cent) of employers reported challenges in providing staff training (26 per cent for all regions).
- The main challenge reported was the location of the training (69 per cent). This was considerably larger than the figure for all regions surveyed (36 per cent) indicating that a lack access to training facilities in the Mid West and Gascoyne ESA is limiting training opportunities.
- The second most reported challenge was the cost of training (23 per cent).

Job Services Australia (JSA)

- Only 6 per cent of employers had used a Job Services Australia (JSA) provider in their most recent recruitment round.
 - The most common recruitment methods used by employers were newspaper/magazine advertisements (49 per cent) and word of mouth/approached applicant (32 per cent).
 - Of the employers who used a JSA provider, 23 per cent were not satisfied with the service provided.
 - The most common reasons for dissatisfaction were that JSA applicants lacked the personal traits and qualities sought by employers (80 per cent) and that JSA providers delivered poor customer service and lacked highly qualified applicants (both 40 per cent).

Future Recruitment Expectations

- Recruitment expectations were above average in the Mid West and Gascoyne ESA.
 - More than half (55 per cent) of employers expected to recruit in the 12 months following the survey, a larger proportion than for all regions surveyed (52 per cent).
 - Almost one third (30 per cent) of employers anticipated increasing staff numbers in the 12 months following the survey, similar to the average for all regions (29 per cent).
 - Recruitment expectations were particularly high in the Accommodation and Food Services and Health Care and Social Assistance industries (62 and 59 per cent of employers respectively).
- Recruitment difficulties were expected by many employers in the 12 months following the survey. Almost half of the employers (47 per cent) who expected to recruit anticipated having difficulty, the same figure as that for all regions surveyed.
- More than half (58 per cent) of employers anticipated they would face either new or ongoing challenges in the 12 months following the survey, which was slightly larger than all regions surveyed in the 12 months to June 2011 (55 per cent). A changing market was the most commonly reported challenge (21 per cent of employers). Skill shortages/recruitment difficulties and geographical location were also commonly reported as challenges (both 20 per cent).

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

	Mid West and Gascoyne Employment Service Area (May 2011)	All Regions (12 Months to June 2010)
Expects to recruit	55%	52%
Expects future difficulty	47%	47%
Expects to increase staff numbers	30%	29%
Expects to reduce staff numbers	5%	3%
Uncertain about future recruitment	9%	13%

Opportunities for Job Seekers

- The Mid West and Gascoyne ESA survey results, in particular the high recruitment and unfill rates, indicate that significant opportunities exist for job seekers. The large number of employers expecting to recruit in the following 12 months suggests the labour market will remain tight with opportunities for job seekers increasing in the immediate future.
- In particular, many opportunities may become available in industries such as Accommodation and Food Services and Health Care and Social Assistance, where employers are expecting a high level of future recruitment.
- The high unfill rates and low levels of competition for vacancies indicate a shortage of job seekers with the qualities and skills employers expect. These constraints are most evident for Machinery Operators and Drivers, Technicians and Trades Workers, Sales Workers and Community and Personal Service Workers. Opportunities may exist for job seekers willing to develop the skills required for these occupations.
- To some extent, the high level of recruitment difficulty reported by employers in the Mid West and Gascoyne ESA may be due to the region's remoteness and small resident population. Therefore job seekers willing to relocate to the region are also likely to find employment opportunities.

Employer Strategies

- In light of the recruitment challenges employers are facing and are likely to face into the future, they may need to consider a number of approaches to attract and secure the workers they require, including:
 - Targeting underutilised sources of labour such as mature aged and Indigenous populations;
 - Sourcing workers from other regions;
 - Clearly communicating their expectations regarding skills and experience when advertising vacancies;
 - Using retention strategies such as flexible working hours to reduce staff turnover and retain older workers who are nearing retirement; and
 - Providing under-skilled staff with training.



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