



Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences

South Eastern Employment Service Area –

March 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 July 2009, the economic downturn has eased. The Australian labour market has shown significant signs of recovery, with a fall in the unemployment rate of 0.9 percentage points to 4.9 per cent and a rise in employment of 509 000 people to 11 444 200 between July 2009 and May 2011¹.

The South Eastern Employment Service Area

- The South Eastern Employment Service Area (ESA) is situated in the Murray-Murrumbidgee Labour Force Region. It consists of the Statistical Local Areas of Coolamon, Cootamundra, Corowa Shire, Greater Hume Shire - Pt A, Greater Hume Shire - Pt B, Gundagai, Junee, Lockhart, Narrandera, Temora, Tumbarumba, Tumut Shire, Urana, Wagga Wagga - Pt A, and Wagga Wagga - Pt B. The unemployment rate for the South Eastern ESA increased by one percentage point to 5.3 per cent over the year to December 2010², slightly higher than the Australian unemployment rate at that time (5.2 per cent)³.

Survey of Employers' Recruitment Experiences

- In order to gain a better understanding of labour market conditions in the South Eastern ESA, the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in March 2011. The survey was conducted by telephone interview with 280 businesses.
- 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 for the 12 months following the survey.

Key Findings

- The South Eastern ESA survey results indicate that recruitment activity and overall recruitment difficulty in the region was on par with all regions surveyed in the 12 months to March 2011, but that there was considerable recruitment difficulty for some occupations. In particular, the proportion of vacancies that went unfilled for Technicians and Trades Workers (19.7 per cent, predominately Motor Mechanics) and Machinery Operators and Drivers (19.4 per cent, largely Automobile and Truck Drivers) was considerably higher than other occupation groups in the South Eastern ESA. Coupled with the low average number of suitable applicants for these vacancies, this suggests that within these occupation groups good opportunities exist for job seekers with the appropriate level of skills.
- Only one third (33 per cent) of applicants were considered suitable for the vacancy for which they had applied. This suggests there is a need to address the skill levels, experience and

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

² DEEWR, *Small Area Labour Markets*, December 2010.

³ ABS, *Labour Force, Australia*, May 2011, cat. no. 6202.0 (12 month average of original data).

attributes possessed by the region’s potential work force.

- Recruitment expectations for the 12 months following the survey were moderate, with 45 per cent of employers expecting to recruit. Of these, almost half (46 per cent) anticipated difficulty doing so.

Recruitment Experiences in the 12 Months Preceding the Survey

- Recruitment activity was on par with all regions surveyed in the 12 months to March 2011.
 - A similar proportion of employers had recruited in the 12 months preceding the survey (73 per cent) compared with all regions surveyed in the 12 months to March 2011 (71 per cent).
 - The majority (86 per cent) of employers who recruited did so to replace staff, which is on par with all regions surveyed (84 per cent).
 - The proportion of employers who recruited to increase staff numbers (49 per cent) was smaller than that for all regions surveyed (54 per cent).
 - The number of vacancies advertised in the previous 12 months, as a proportion of the number of staff currently employed in businesses across the region (15 per cent), was lower compared with all regions surveyed (22 per cent).
- Employers reported a moderate level of difficulty recruiting and retaining staff.
 - More than half (56 per cent) of employers who recruited in the previous 12 months, reported difficulty. This was slightly higher than for all regions surveyed (54 per cent).
 - A slightly larger proportion of vacancies over the preceding 12 months remained unfilled (8.0 per cent) compared with all regions surveyed (7.3%).

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

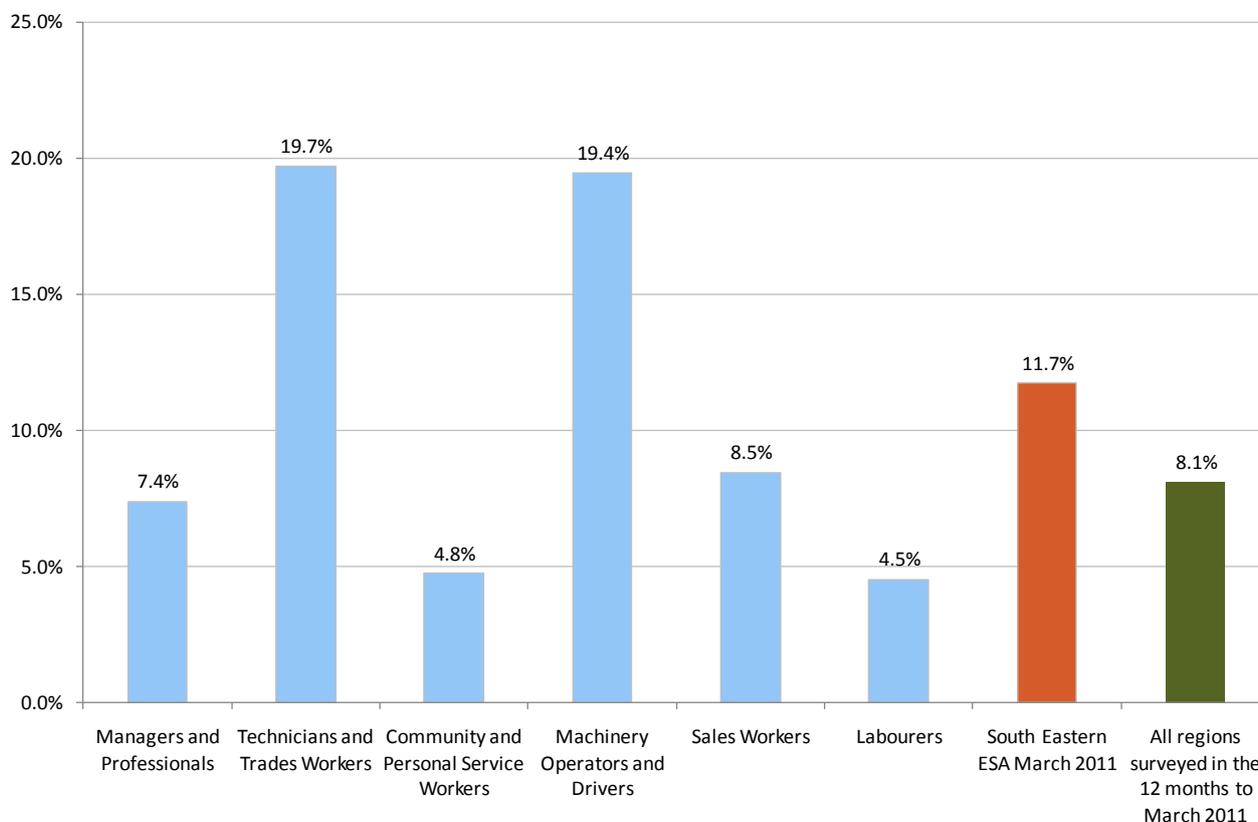
	South Eastern ESA (March 2011)	All Regions (12 months to March 2011)
Proportion of employers who recruited	73%	71%
- to increase staff	49%	54%
- to replace staff	86%	84%
Proportion of recruiting employers who experienced difficulty	56%	54%
Proportion of unfilled vacancies	8.0%	7.3%

Most Recent Recruitment Activity

- Employers in the South Eastern ESA had less success filling vacancies when compared with all regions surveyed in the 12 months to March 2011.
 - In the employers’ most recent recruitment rounds, a larger proportion of vacancies were not filled in the South Eastern ESA (11.7 per cent) compared with all regions surveyed (8.1 per cent).
 - In particular, the proportion of vacancies that went unfilled for Technicians and Trades Workers (19.7 per cent, predominately Motor Mechanics) and Machinery Operators and

Drivers (19.4 per cent, largely Automobile and Truck Drivers) was considerably higher than other occupation groups in the South Eastern ESA (Figure 1).

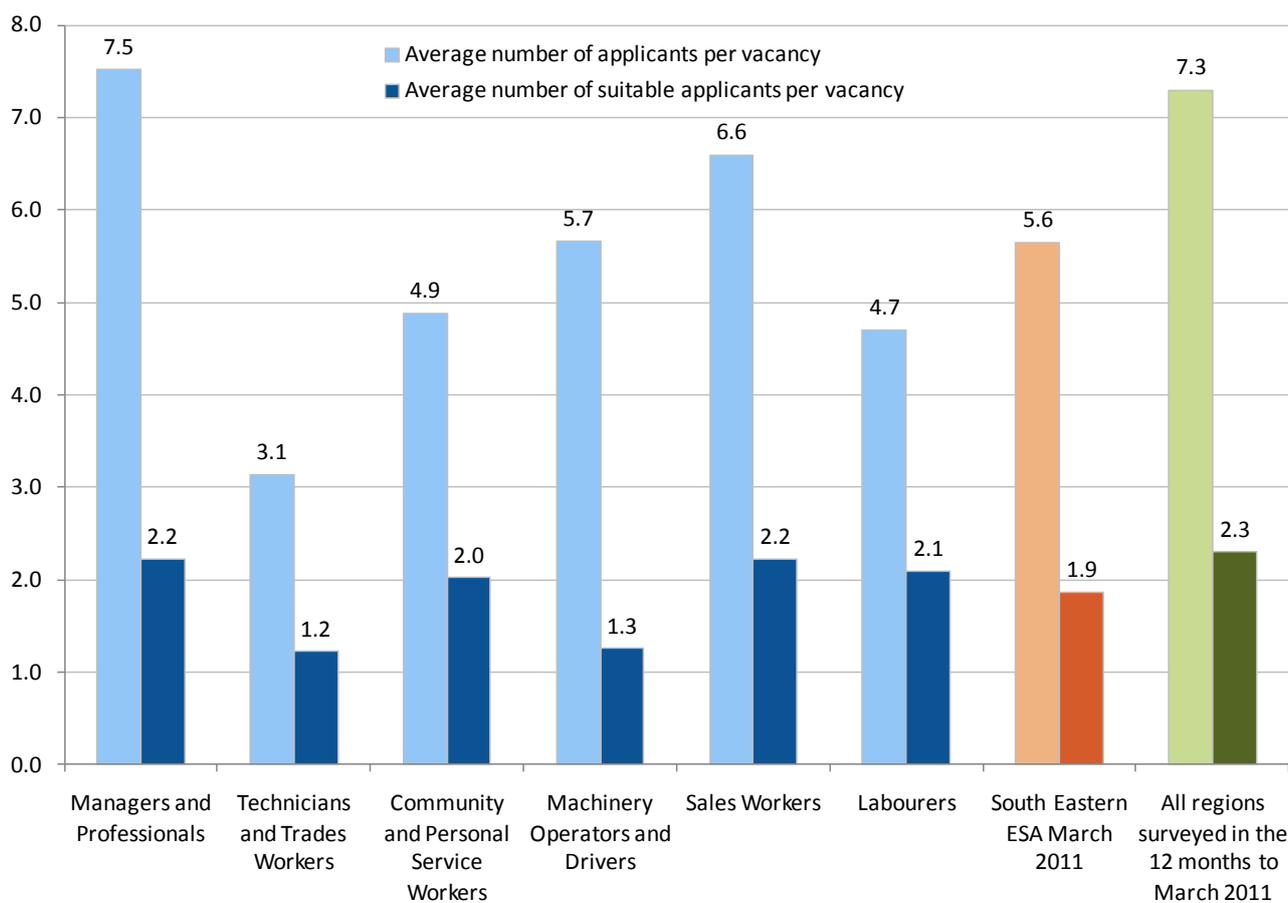
Figure 1. Proportion of unfilled vacancies in the most recent recruitment round



Applicants and Suitability

- Consistent with the higher rate of unfilled vacancies, employers in the South Eastern ESA experienced a lower level of competition for vacancies. Many applicants were also considered unsuitable for the vacancy for which they had applied. This suggests a substantial gap exists between employer expectations and the level of skills, experience and attributes possessed by applicants.
 - There was an average of 5.6 applicants per vacancy (compared with 7.3 for all regions), of whom an average of 1.9 applicants were considered suitable (2.3 for all regions) (see Figure 2).
 - There was low competition for Technicians and Trades Workers (3.1 applicants), Labourers (4.7 applicants) and Community and Personal Service Workers (4.9 applicants).
 - In line with the considerably higher rate of unfilled vacancies in these occupation groups, employers recruiting for Technicians and Trades Workers and Machinery Operators and Drivers received the lowest average number of suitable applicants (1.2 and 1.3 respectively). This suggests that within these occupation groups good opportunities exist for job seekers with the appropriate level of skills.
 - The most common reasons for applicants being considered unsuitable were their lack of experience (49 per cent of employers who had unsuitable applicants) and insufficient qualifications or training (21 per cent).

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



- A slightly larger proportion of employers reported difficulty recruiting for their most recent vacancy (44 per cent) compared with all regions surveyed (41 per cent).
 - Motor Mechanics, Sales Assistants (General) and Early Childhood (Pre-primary School) Teachers were the occupations that were the 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	
Motor Mechanics	Registered Nurses
Early Childhood (Pre-primary School) Teachers	Chefs
Structural Steel and Welding Trades Workers	Plasterers
Other occupations	
Sales Assistants (General)	Storepersons
Truck Drivers	Bus and Coach Drivers
Child Carers	Commercial Cleaners
General Clerks	

Apprentices and Trainees

- A larger proportion of employers in the South Eastern ESA employed an apprentice or trainee compared with all regions surveyed, however fewer anticipated recruiting one in the 12 months following the survey.
 - More than two-fifths (41 per cent) of employers had an apprentice or trainee on staff at the time of the survey, higher than the average for all regions surveyed (36 per cent). In particular, a substantial proportion (61 per cent) of employers in Manufacturing had an apprentice or trainee on staff.
 - Despite this, only 19 per cent of employers in the South Eastern ESA anticipated recruiting an apprentice or trainee in the 12 months following the survey, compared with 22 per cent for all regions surveyed. However, future recruitment expectations for apprentices and trainees were strong in the Manufacturing industry (39 per cent).
- More than half (53 per cent) of employers with an apprentice or trainee reported challenges in employing them.
 - The main challenges reported were that apprentices and trainees lacked soft skills (30 per cent), that there were difficulties meeting mandatory training requirements (such as block TAFE attendances) (19 per cent), the cost and day-to-day time requirements of apprenticeships and traineeships and that apprentices and trainees lacked general work readiness (both 16 per cent).

Staff Training

- Almost two-fifths of employers (39 per cent) had staff undertake nationally recognised training in the 12 months prior to the survey, which was less than for all regions surveyed (46 per cent).
- More than one-fifth (21 per cent) of employers reported challenges in providing staff training.
 - The main challenge reported was the location of the training (45 per cent). This was considerably higher than the figure for all regions surveyed (36 per cent) indicating that access to training facilities in the South Eastern ESA is more limited.
 - The second most reported challenge was the cost of training (30 per cent). This figure is similar to that reported for all regions surveyed (31 per cent).

Job Services Australia (JSA)

- Although there was a lower awareness of JSA in the South Eastern ESA, a larger proportion of employers were satisfied with the service provided.
 - 45 per cent of all employers were aware of JSA compared with 52 per cent for all regions surveyed.
 - Almost one quarter (24 per cent) of employers who were aware of JSA had used the service in the 12 months preceding the survey. This figure is similar to that reported for all regions surveyed (26 per cent).
 - 87 per cent of employers who had used a JSA provider were satisfied, compared with 70 per cent for all regions surveyed.
 - Of those employers who were not satisfied, the most common reasons for dissatisfaction were that JSA providers delivered poor customer service (67 per cent) and that the nominated applicants lacked personal traits and qualities (33 per cent).

Future Recruitment Expectations

- Recruitment expectations were moderate in the South Eastern ESA.
 - Less than half (45 per cent) of employers expected to recruit in the 12 months following the survey, slightly lower than for all regions surveyed (48 per cent).
 - More than one quarter (26 per cent) of employers anticipated increasing staff numbers in the 12 months following the survey, a figure comparable with that for all regions (27 per cent).
 - Relative to other industries, a larger proportion of employers in the Manufacturing and Retail industries anticipated recruiting in the 12 months following the survey (50 per cent and 47 per cent respectively). A larger proportion of employers in the Manufacturing industry also anticipated increasing staff numbers (32 per cent) compared with all industries (26 per cent).
- Employers expected recruitment difficulties to be moderate in the 12 months following the survey.
 - Almost half (46 per cent) of employers surveyed who expected to recruit in the 12 months following the survey anticipated having difficulty, which was slightly higher than for all regions surveyed (43 per cent).
 - However, only 14 per cent of employers who expected to recruit anticipated the degree of recruitment difficulty to increase, compared with 19 per cent for all regions surveyed.
 - The most common reasons reported for recruitment becoming more difficult were a tight labour market or not enough applicants (29 per cent), and the inability to offer competitive wages and the technical skill requirements of the job (both 24 per cent).

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

	South Eastern Employment Service Area (March 2011)	All Regions (12 Months to March 2011)
Expects to recruit	45%	48%
Expects future difficulty	46%	43%
Expects to increase staff numbers	26%	27%
Expects to reduce staff numbers	3%	3%

Opportunities for Job Seekers

- The South Eastern ESA survey results show that while a small proportion of employers expect the labour market to tighten further over the 12 months following the survey, many employers expect to continue to experience significant difficulty in filling positions and finding suitable staff.
- While opportunities exist across a range of industries and occupations employer recruitment expectations indicate ongoing opportunities in the Manufacturing and Retail industries. Particularly in the Manufacturing industry, many employers anticipate increasing staff numbers in the following 12 months.
- Two occupations where significant opportunities exist are Technicians and Trades Workers and Machinery Operators and Drivers, for which there was a high difficulty in filling vacancies and few suitable applicants in the most recent recruitment round.
- Job seekers willing to undergo training or complete an apprenticeship or traineeship will be well positioned to find employment.



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

- **Job Outlook**

www.joboutlook.deewr.gov.au

- **SkillsInfo**

www.skillsinfo.gov.au

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