

Survey of Employers' Recruitment Experiences Windamere, New South Wales Employment Service Area March 2012

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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The document must be attributed as the 'DEEWR - Survey of Employers' Recruitment Experiences – Windamere Employment Service Area – March 2012'.





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The Windamere Employment Service Area

- The Windamere Employment Service Area (ESA) is located in the Central Tablelands of New South Wales, neighbouring the ESAs of Chifley (Bathurst), Patterson (Cowra, Orange) and Orana (Dubbo). It is made up of two Local Government Areas (LGAs): Lithgow (the main population centre in the region) and Mid-Western Regional (which includes the town of Mudgee).
- The Windamere ESA is relatively small with an adult population of 34 200 in 2011.
- Adult population growth has been modest, at only 4.9 per cent over the 2006-2011 period. The Windamere ESA has an ageing population, with a higher proportion (22 per cent) of the adult population aged 65 years and over compared with Australia (17 per cent).
- As at March 2012, the unemployment rate in the Windamere ESA was 6.4 per cent, higher than the Australian rate of 5.1 per cent.² The unemployment rate for the Lithgow LGA was 6.9 per cent and the Mid Western LGA rate was 6.0 per cent (March 2012).
- The Windamere ESA has lower levels of education, a higher proportion of jobless families and a higher proportion of the population on some form of income support payment relative to New South Wales and Australia:
 - The proportion of 25-34 year olds who had completed Year 12 or equivalent was significantly lower compared with Australia (46 per cent compared with 69 per cent);
 - 24 per cent of the working age population are in receipt of an income support payment (16 per cent for Australia); and
 - o 25 per cent of all families are jobless compared with 19 per cent for Australia.

Survey of Employers' Recruitment Experiences

The Department conducted a *Survey of Employers' Recruitment Experiences* in the Windamere Employment Service Area (ESA) in March 2012. In total, 275 employers were surveyed, of whom 165 had recruited.

Key Findings

- Labour market conditions in the Windamere ESA are subdued, with an unemployment rate of 6.4 per cent, compared with New South Wales (5.2 per cent) and Australia (5.1 per cent). The survey results confirm these slower labour market conditions with employers reporting low recruitment activity and unfill rates.
- While employers were less optimistic about their future recruitment expectations, the results suggest that there may be opportunities in the region for job seekers who have the required skills and experience.
- The region, although small in population, has a high proportion of young people not engaged
 in study and work and education levels are low, representing a challenge for a region with
 some labour supply issues and unmet demand in certain industries.

² DEEWR Small Area Labour Markets, March Quarter 2012



¹ ABS Census of Population and Housing 2006 & 2011

Recruitment Experiences in the 12 Months Preceding the Survey

- In the 12 months preceding the survey, 60 per cent of employers had recruited, compared with 68 per cent for all regions surveyed in the 12 months to March 2012.
- A lower proportion of vacancies over the preceding 12 months remained unfilled (4.6 per cent), compared with all regions surveyed in the 12 months to March 2012 (7.4 per cent).
 - Unfilled vacancies were most common in the Heath Care and Social Assistance industry (14.1 per cent).
- Some 55 per cent of employers who had recruited in the year prior to the survey had difficulty recruiting for one or more occupations.
 - Employers had particular difficulty recruiting for vacancies in the Health Care and Social Assistance and Other Services industries (both 67 per cent)³.
- The majority of employers reported staff numbers remained the same in the last 12 months (68 per cent) and a significantly lower proportion reported that they had decreased staff numbers (11 per cent), compared with all regions surveyed (20 per cent). Staff numbers were reduced most frequently in the Retail Trade (14 per cent) and Construction (10 per cent) industries.
 - The most common reasons for not recruiting were adequate staffing levels (73 per cent), followed by insufficient work/downsizing/weak economy (18 per cent).

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

	Windamere ESA (March 2012)	All Regions (12 months to March 2012)
Proportion of employers who recruited	60%	68%
- to increase staff	53%	50%
- to replace staff	86%	86%
Vacancies per 100 staff	21	20
Proportion of vacancies unfilled	4.6%	7.4%
Proportion of recruiting employers who experienced difficulty	55%	59%

³ The Other Services industry includes a broad range of personal services, such as hairdressing; religious, civil, professional and other interest groups; and selected repair and maintenance activities, including automotive repair.



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Employers were asked about their most recent recruitment experience.

- A much lower proportion of recent job vacancies were not filled (5.1 per cent) in the ESA compared with all regions surveyed in the 12 months to March 2012 (10.1 per cent).
 - The unfill rate varied by occupation. The high unfill rate for Community and Personal Service Workers (18.2 per cent) was spread across a range of occupations, including Welfare Support Workers and Child Carers.

20% 18.2% 15% 10.1% 10% 8.0% 5.1% 4.5% 5% 3.4% 2.0% 0.0% 0.0% 0% Managers and Technicians Sales Workers Labourers Windamere All regions 12 Community Clerical and Machinery months March Professionals and Trades and Personal Administrative Operators and **FSA** Workers Service Workers Drivers 2012 Workers

Chart 1: Proportion of unfilled vacancies by occupation

- Just under half (45 per cent) of employers surveyed had difficulty recruiting for their most recent vacancy.
 - Recruitment for Technicians and Trades Workers (71 per cent) and Machine Operators and Drivers (55 per cent) was particularly difficult.
- Employers reported difficulty recruiting for a range of occupations (Table 2).

Table 2: Occupations difficult to fill by skill level

Bachelor Degree or Higher VET Qualifications			
Human Resource Professionals	Plumbers		
Motor Mechanics	Chefs		
Metal Fitters and Machinists	Child Carers		
Other Occupations			
Sales Assistants (General)	Cooks		
Accounting Clerks	Welfare Support Workers		

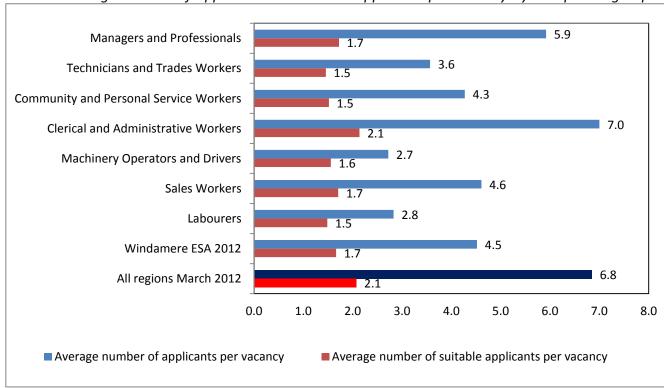


- The most common reasons reported by employers for recruitment difficulty were a tight labour market (49 per cent), the technical skill requirements of the job (28 per cent), and wages/remuneration not being competitive (20 per cent).
 - Tight labour market conditions were mainly reported as a source of difficulty by employers recruiting for Community and Personal Service Workers (60 per cent) and Technicians and Trades Workers (59 per cent), suggesting a shortage of labour with the required skills and experience in the region.
 - The technical skill requirements were mainly reported as a source of difficulty by employers recruiting for Clerical and Administrative Workers (50 per cent), although all vacancies for Clerical and Administrative Workers were filled. This suggests that employers may have filled some vacancies with applicants with insufficient qualifications and training.
 - Employers also reported that the wages and remuneration offered in the Mining industry contributed to recruitment difficulty in the region.

Applicants and Suitability

- There was a lower average number of applicants (4.5 applicants per vacancy) in the region, of whom an average of 1.7 applicants were considered suitable, compared with all regions surveyed in the 12 months to March 2012 (6.8 average applicants and 2.1 suitable applicants per vacancy).
 - o Applicants were frequently considered unsuitable due to having insufficient experience (44 per cent), insufficient qualifications or training (27 per cent) and their personality not fitting with the organisation (19 per cent).
 - o Employers had low numbers of suitable applicants for Technicians and Trade Worker, Labourer and Personal Service Worker vacancies (all 1.5 suitable applicants).

Chart 2: Average number of applicants and suitable applicants per vacancy by occupation group





- A very small proportion of employers (11 per cent) employed applicants who required further development.
- The most common reasons staff needed development were that they required training in skills specific to the job (67 per cent), soft skills and product training (both 28 per cent).

Apprentices and Trainees

- A smaller proportion (26 per cent) of employers had an apprentice or trainee employed in their business compared with all regions surveyed (34 per cent).
- Further, 28 per cent of business who employed an apprentice experienced challenges such as:
 - o the apprentices lacking general work readiness (50 per cent); and
 - o the apprentices do not stay and complete their apprenticeship (27 per cent).
- Some 20 per cent of employers anticipated recruiting an apprentice or trainee in the 12 months following the survey.
 - o Industries most likely to take on an apprentice in the 12 months following the survey were the Wholesale Trade (50 per cent) and Construction (35 per cent) industries.

Job Services Australia and Recruitment Methods

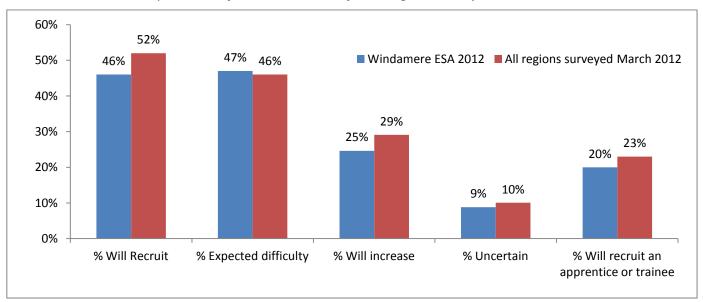
- Formal recruitment methods were most frequently used during employers' most recent recruitment round (59 per cent), such as newspaper advertising (32 per cent) and internet advertising (18 per cent).
- That said, 52 per cent of employers recruited through informal methods in their most recent recruitment round, such as word of mouth (31 per cent) and approached by a job seeker (20 per cent).
 - Use of word of mouth (33 per cent) and recruitment agencies (14 per cent) was particularly high among employers with Labourer vacancies.
- Some 21 per cent of recruiting employers used a Job Services Australia (JSA) provider when
 recruiting in the 12 months preceding the survey. Some 82 per cent of employers reported
 satisfaction with a JSA provider. Of those who reported dissatisfaction, the most common
 reasons were that the JSA provider had no suitable applicants to refer (50 per cent), or
 applicants lacked the required personal traits and qualities (50 per cent).

Future Recruitment Expectations

- Some 46 per cent of employers expected to recruit in the 12 months following the survey.
 - Future recruitment expectations were higher in the Health Care and Social Assistance (50 per cent) and Accommodation and Food Services (48 per cent) industries.
- Of those employers who anticipated recruiting, 47 per cent expected to have difficulty filling their vacancies, similar to all regions surveyed in the 12 months to March 2012 (46 per cent).
 - Anticipated recruitment difficulty was especially high in the Other Services industry (77 per cent).



Chart 3: Recruitment expectations for the 12 months following the survey



- Half of all employers surveyed anticipated that they would face either new or ongoing challenges in the 12 months following the survey, lower compared with 58 per cent for all regions surveyed in the 12 months to March 2012.
 - Reduced business activity and business regulations (both 27 per cent) and skill shortages/recruitment difficulties (24 per cent) were the most common reasons for expected challenges.
 - Anecdotal evidence from employers suggests that competition from the Mining industry for skilled staff will be a significant challenge in the next 12 months.
- A similar proportion of employers (3 per cent) expected to decrease staff numbers in the 12 months following the survey compared with all regions surveyed (4 per cent).
- Employers expected to recruit for a range of occupations in the 12 months following the survey, including entry-level occupations such as Waiters, Receptionists and Kitchenhands (Table 3).

Table 3: Occupations employers anticipated recruiting for in the 12 months following the survey

Bachelor Degree or Higher VET Qualifications			
Accountants	Motor Mechanics		
Structural Steel and Welding Trades Workers	Butchers and Smallgoods Makers		
Child Carers			
Other Occupations			
Sales Assistants (General)	General Clerks		
Waiters	Receptionists		
Kitchenhands	Shearers		
Bar Attendants and Baristas	Motor Vehicle Parts and Accessories Fitters		



Opportunities for Job Seekers

- There are opportunities for job seekers in lower skilled occupations, where competition for vacancies was low and unfill rates and recruitment difficulty was above average. This is particularly prevalent in occupations such as Welfare Support Workers, Child Carers, Accounting Clerks, Receptionists and General Clerks.
- The survey results suggest there may be some opportunities in higher skilled occupations in the Manager and Professional group, such as Accountants and Human Resource Professionals.
- Employers expected to recruit for a range of occupations in the 12 months following the survey, including several entry-level occupations (Sales Assistants, Kitchenhands and Waiters), suggesting opportunities for job seekers to enter the labour market will become available.
- The wide range of recruitment methods used by employers suggests that to maximise job opportunities, job seekers need to use a range of job search techniques. The high proportion of employers using word of mouth as a recruitment method also suggests that there are job opportunities that JSA providers could tap into by further engagement with employers and by expanding their community networks.



For more information:

- Labour Market Information Portal <u>www.deewr.gov.au/lmip</u>
- Skill Shortages including new publication Skill Shortages Australia www.deewr.gov.au/skillshortages
- Survey of Employers' Recruitment Experiences www.deewr.gov.au/regionalreports
- Australian Jobs 2012www.deewr.gov.au/AustralianJobs
- Job Outlook www.joboutlook.gov.au
- SkillsInfowww.skillsinfo.gov.au

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