



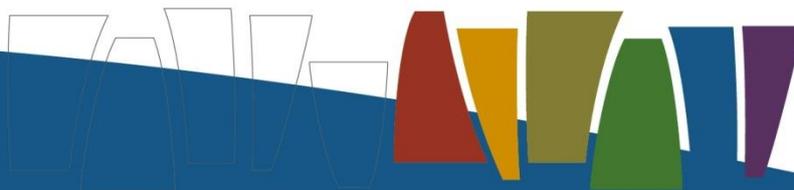
Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences

Sydney West and Blue Mountains Priority Employment Area

November 2012





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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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About the Region

The Sydney West and Blue Mountains Priority Employment Area (PEA) is a large and populous region comprising the Local Government Areas (LGAs) of Auburn, Blacktown, Blue Mountains, Hawkesbury, Holroyd, Parramatta and Penrith.

The PEA includes many high growth areas of Sydney such as Parramatta and Blacktown, with the working age population of the PEA growing at a faster rate than Sydney overall.¹

The unemployment rate for the PEA is frequently above the Sydney average (5.5 per cent compared with 4.8 per cent respectively in February 2013²), with the unemployment rate in the PEA having increased since mid-2012. There were some pockets within the PEA with relatively high levels of unemployment, such as south-western Blacktown and southern Parramatta.³

A large proportion (36 per cent) of the working age population of the Sydney West and Blue Mountains PEA was born in an Other Than Main English-Speaking Country (OTMESC), significantly larger than the Australian average (19 per cent).⁴ OTMESC migrants are heavily concentrated in the Auburn LGA, where they make up 69 per cent of the working age population.

The Sydney West and Blue Mountains PEA is a net exporter of labour, with close to 150,000 residents employed outside the PEA⁴. This situation is likely to continue, with population growth outpacing jobs growth over recent years.⁴

The largest employing industries in the PEA are Manufacturing, Health Care and Social Assistance and Retail Trade.⁴

Key Findings

The Department conducted a survey of employers' recruitment experiences in the Sydney West and Blue Mountains PEA in November 2012, collecting responses from 461 employers. The region was previously surveyed in October 2011, June 2010 and September 2009.

The survey results suggest that recruitment activity in the Sydney West and Blue Mountains PEA, as it has been in previous surveys, remains at below average levels.

The subdued demand for, and ample supply of, labour has resulted in strong competition for vacancies, relatively low levels of recruitment difficulty and few unfilled vacancies for many occupations. Labour market conditions will likely remain subdued in the near-term, with a below average proportion of employers in the PEA anticipating recruiting in the 12 months following the survey.

Figure 1: Softening labour market conditions in the PEA

Key indicators showing easing recruitment conditions since October 2011

	Unfilled Vacancies	Recruitment Difficulty	Expect to Recruit
Indicator Result:	4.9%	35%	41%
Change from previous survey:	-5.0%pts ↓	-9%pts ↓	-10%pts ↓

¹ ABS, *Population Estimates by Age and Sex*, cat. no. 3235.0, 2006 and 2011.

² ABS, *Labour Force, Australia*, February 2013 (cat. no. 6291.0.55.001), 12 month average of original data.

³ In December 2012, the Blacktown (C) – South-West Statistical Local Area had an unemployment rate of 9.9 per cent and the Parramatta (C) – South Statistical Local Area had an unemployment rate of 9.5 per cent. DEEWR, *Small Area Labour Markets*.

⁴ ABS, *Census of Population and Housing*, 2006 and 2011.

Subdued Recruitment Activity

Recruitment activity in the Sydney West and Blue Mountains PEA, as with previous surveys, remained at below average levels. In the 12 months preceding the survey, employers reported 15 vacancies per 100 staff, compared with an average of 18 vacancies per 100 staff for all regions surveyed.

- Recruitment was most commonly due to staff turnover, with 54 per cent of employers recruiting solely to replace staff.
- Recruitment activity was highest in the Accommodation and Food Services, Construction and Health Care and Social Assistance industries.
- Annual recruitment activity was highest in the Penrith and Blue Mountains LGAs (17 vacancies per 100 staff), and lowest in the Auburn LGA (7 vacancies per 100 staff).

Strong Competition for Vacancies

The large supply of labour in the PEA is reflected in the strong competition for vacancies with employers reporting an average of 12.6 applicants per vacancy. This was higher compared with when the region was last surveyed (9.3 applicants per vacancy) and the average for all regions surveyed in the 12 months to September 2012 (8.2 applicants per vacancy).

- Competition for vacancies was particularly high for Clerical and Administrative Workers (23.2 applicants per vacancy) and Machinery Operators and Drivers (22.6 applicants per vacancy).
- There were fewer applicants for vacancies in the less populous LGAs of Hawkesbury (6.8 applicants per vacancy) and Blue Mountains (7.5 applicants per vacancy).
- Just over one in five applicants were considered suitable by employers, equating to an average of 2.7 suitable applicants per vacancy. Emphasising the importance of skills and experience to job seekers, four in five employers reported that unsuitable applicants were lacking in relevant skills or experience.

The majority of employers recruited using formal methods, most commonly the internet and newspapers. However, just over one in five employers (21 per cent) recruited using informal methods only, such as word of mouth.

- Average applicant numbers were low when employers only used informal recruitment methods to fill positions (1.5 applicants per vacancy).

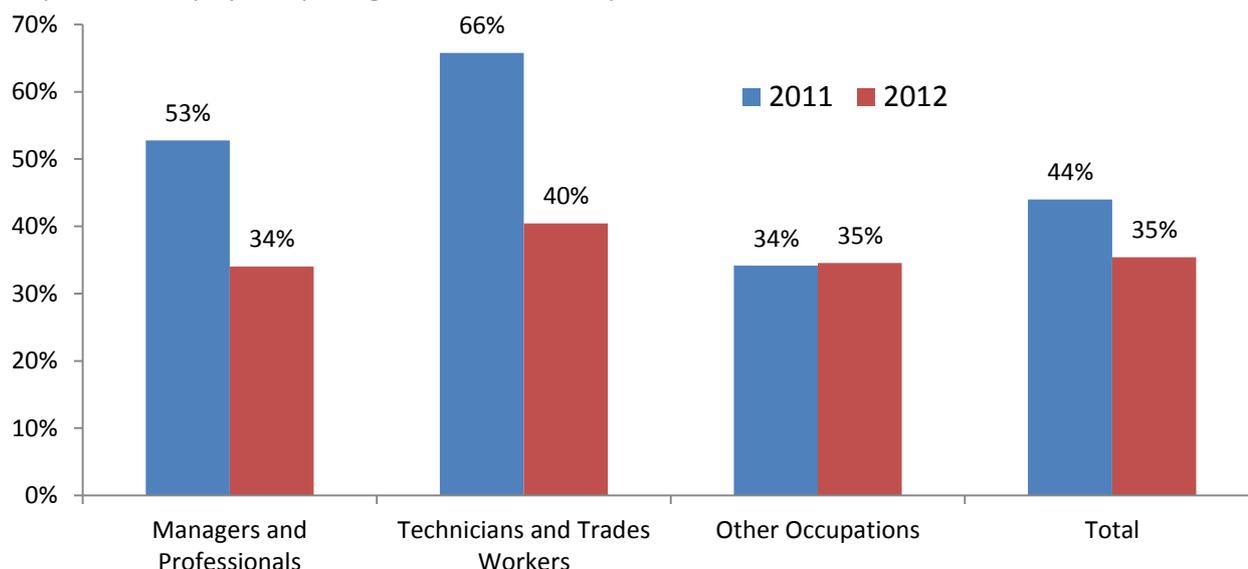
Recruitment Difficulty Easing

Recruitment difficulty in the PEA has eased over the last year, and is now among the lowest of all PEAs recently surveyed. Just over one in three employers (35 per cent) reported recruitment difficulty in their latest recruitment round, compared with 44 per cent when the PEA was previously surveyed in October 2011.

- Figure 2 shows that much of this recent reduction is due to fewer employers reporting recruitment difficulty for higher skilled occupations, particularly for Technicians and Trades Workers (where only two in five employers reported difficulty – the second lowest of all PEAs recently surveyed).
- However, employers still reported difficulty recruiting for a number of occupations. The most commonly cited include Early Childhood (pre-Primary School) Teachers, Chefs, Structural Steel and Welding Trades Workers, Waiters, Receptionists and Truck Drivers.
- More than half of the employers who reported recruitment difficulty stated that it was difficult to find people with the necessary skills.

Figure 2: Recruitment Difficulty Easing for Higher Skilled Occupations

Proportion of employers reporting recruitment difficulty



Employers were able to fill most of their vacancies in their latest recruitment round.

- Employers reported an unfilled vacancy rate of 4.9 per cent, compared with 9.9 per cent in the previous survey and 7.2 per cent for all regions.

Subdued Recruitment Outlook

The survey results suggest a continuation of below-average recruitment activity and recruitment difficulty in the PEA, at least in the short term. Just 41 per cent of surveyed employers expected to recruit in the 12 months following the survey, well below the 51 per cent recorded for the region in October 2011.

- Similarly, just one in five employers expected to increase staff numbers, compared with one in three in the 2011 survey.
- Stronger recruitment is anticipated for the Health Care and Social Assistance and Accommodation and Food Services industries, with one in three employers expecting to increase staff in the 12 months following the survey.
- The recruitment outlook was strongest for the Blue Mountains LGA (56 per cent of employers anticipated recruiting), although only 27 per cent of employers in the Auburn LGA anticipated recruiting.

Three in five employers anticipated challenges for the 12 months following the survey, the most common challenges being reduced business activity (40 per cent) and business regulations (23 per cent).

Job Opportunities

There are significant labour market challenges facing job seekers in the Sydney West and Blue Mountains PEA, not least the high competition for vacancies. However, the PEA is part of the largest and most diverse labour market in Australia providing many job opportunities in the broader region.

- Job seekers should be aware of opportunities within the PEA in high recruiting industries such as Health Care and Social Assistance and Accommodation and Food Services.

Employers have emphasised, given the competition for vacancies, the need for job seekers to have relevant skills or experience to be seriously considered for jobs. Job seekers should consider relevant work experience and undertake training where necessary to increase their chances of employment in many of the lower skilled occupations.

Some employers recruited for vacancies using informal methods only. Job seekers should use a variety of pro-active job search methods, such as approaching employers directly, to tap into these vacancies as there is significantly less competition for these vacancies.

Employers reported a number of occupations as being difficult to fill, such as Early Childhood (pre-Primary School) Teachers, Chefs, Structural Steel and Welding Trades Workers, Waiters, Receptionists and Truck Drivers.

- Additional opportunities exist in occupations that employers anticipated recruiting for in the 12 months following the survey (many of which were mentioned above), including Registered Nurses, Café Workers, Sales Assistants (General) and Storepersons.

More Information

Survey of Employers' Recruitment Experiences: www.deewr.gov.au/regionalreports

Labour Market Information Portal: www.deewr.gov.au/lmip

Skill Shortages: www.deewr.gov.au/skillshortages

Job Outlook: www.joboutlook.deewr.gov.au

SkillsInfo: www.skillsinfo.gov.au

Australian Jobs: www.deewr.gov.au/australianjobs