



Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences Toowoomba, Queensland Employment Service Area December 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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The document must be attributed as the 'DEEWR - Survey of Employers' Recruitment Experiences – Toowoomba Employment Service Area – December 2011'.



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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.
- Between June 2009 and March 2011, the Australian labour market recovered strongly, with a fall in the unemployment rate of 0.9 percentage points to 4.9 per cent and a rise in employment of 507 400 people to 11 436 800. However, between March 2011 and April 2012, employment growth has slowed considerably (increasing by only 47 400 people) and the unemployment rate has increased to 5.1 per cent.¹

The Toowoomba Employment Service Area

- The Toowoomba Employment Service Area (ESA) is comprised of the Toowoomba and the Lockyer Valley Local Government Areas (LGAs). The Toowoomba LGA makes up 60 per cent of the Darling Downs Labour Force Region (LFR) and the Lockyer Valley makes up 44 per cent of the West Moreton LFR. The largest population centre in the ESA is the Toowoomba LGA, which has a working age population (15–64 years) of 104 800 people or 82 per cent of the total adult population in the Toowoomba ESA.²
- Between 2005 and 2010, adult population growth in the Toowoomba ESA was the same as for Australia (both 11 per cent), yet it experienced significantly higher population growth in the 65 years and over age group (21 per cent) compared with Australia (14 per cent).³
- The Toowoomba ESA has historically had a lower unemployment rate when compared with Australia (Chart 1). In December 2011, the unemployment rate in the Toowoomba ESA was 4.3 per cent, which was lower than the Australian rate at the time (5.1 per cent).⁴
- The region was affected by the Queensland flood disaster in December 2010 and January 2011, causing substantial damage to agricultural products and delays to exports (due to the closure of the Brisbane port). The grain and fruit and vegetable sectors in the region were particularly hard hit. Damaged fields and heavy rainfall throughout the region in the first few months of 2011 also resulted in crops not being planted. While agriculture only accounts for 9 per cent of total employment within the ESA⁵, employment in industries that are involved in value-adding to primary products was also affected.
- 369 employers were surveyed in the Toowoomba ESA in December 2011 and the survey included a flood module. This region was previously surveyed in December 2010 and September 2007.

¹ ABS, *Labour Force, Australia*, April 2012, cat. no. 6202.0 (trend).

² ABS, *Estimated Resident Population*, 2010.

³ ABS, *Estimated Resident Population*, 2005 and 2010.

⁴ DEEWR, *Small Area Labour Markets*, December Quarter 2011.

⁵ ABS, *Census of Population and Housing*, 2006.

Survey of Employers' Recruitment Experiences

- The Department conducted a second survey of employers' recruitment experiences in the Toowoomba ESA in December 2011. This region was previously surveyed in December 2010, before the flood disaster, which affected both the Toowoomba and Lockyer Valley Local Government Areas (LGAs). In total, 369 employers were surveyed, of whom 281 had recruited in the 12 months preceding the survey.
- 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

- Overall, labour market conditions in the Toowoomba ESA are relatively strong. The unemployment rate in the region has consistently remained below the national average and the survey results indicate that demand for labour is high. However, despite an increase in the average number of applicants per vacancy, a larger proportion of recent vacancies remained unfilled when compared with December 2010. The proportion of unfilled Technicians and Trades Worker vacancies had almost tripled since December 2010, indicating that there are shortages of qualified tradespeople in the area.
 - Recruitment activity had increased slightly since the previous survey in December 2010 and was stronger than all regions surveyed in the 12 months to December 2011.
 - Employers experienced increased recruitment difficulty and a larger proportion of vacancies remained unfilled in their most recent recruitment round, particularly those employers recruiting for Technicians and Trades Workers.
 - Future recruitment expectations were stronger when compared with the December 2010 survey.

Recruitment Experiences in the 12 Months Preceding the Survey

- In the 12 months preceding the survey, 76 per cent of employers in the Toowoomba ESA had recruited. This was slightly larger than when the region was surveyed in December 2010 (73 per cent), and substantially larger when compared with all regions surveyed in the 12 months to December 2011 (68 per cent).
- In the previous 12 months there were 22 vacancies for every 100 staff employed. This was slightly higher when compared with the December 2010 survey (19 vacancies per 100 staff), and all regions surveyed (20 vacancies per 100 staff).
- A large proportion of employers recruited due to turnover (88 per cent) compared with recruitment due to business growth (49 per cent). This was similar to the December 2010 survey, and all regions surveyed (Table 1).
- A larger proportion (21 per cent) of employers reported increasing staff numbers in the last 12 months when compared with the December 2010 survey (13 per cent). However, this was similar to all regions surveyed (20 per cent).
 - The most common reason for not recruiting was adequate staffing levels (74 per cent), followed by insufficient work/downsizing/weak economy (18 per cent).

- A slightly larger proportion of vacancies remained unfilled in the last 12 months (6.5 per cent) compared with the December 2010 survey (5.9 per cent), but this was smaller than the result for all regions surveyed (8.0 per cent).
 - Unfilled vacancies were most common in the Other Services⁶ (26.5 per cent) and Construction industries (16.9 per cent).
 - Some 57 per cent of employers had difficulty recruiting, which was slightly smaller than all regions surveyed (60 per cent).

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

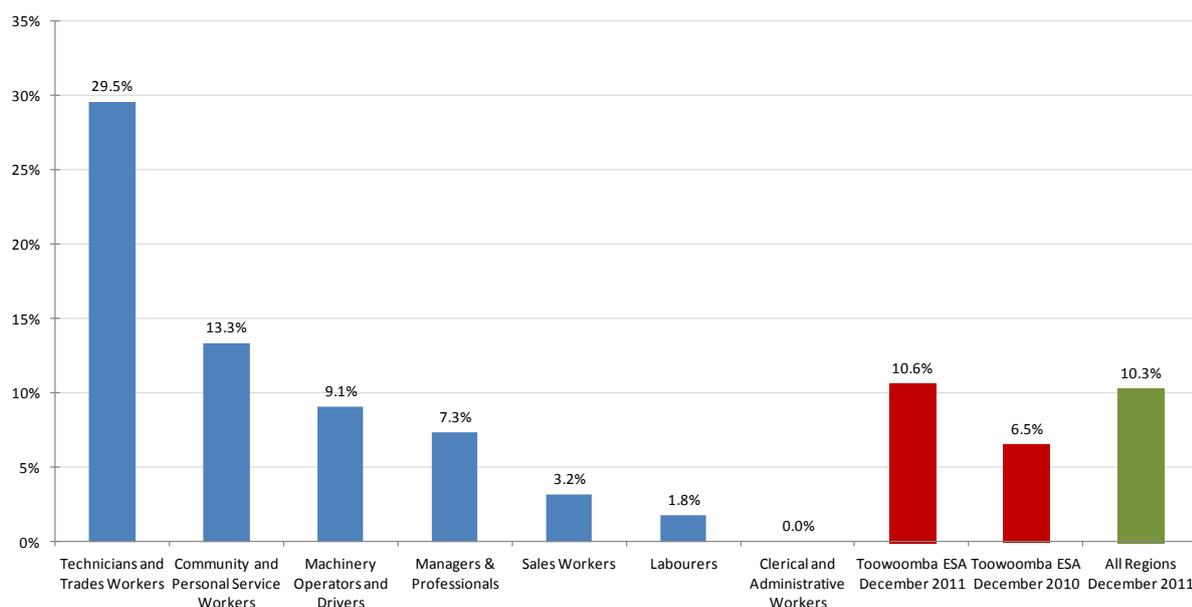
	Toowoomba ESA (December 2011)	Toowoomba ESA (December 2010)	All Regions (12 months to December 2011)
Proportion of employers who recruited	76%	73%	68%
- to increase staff	49%	52%	52%
- to replace staff	88%	84%	85%
Vacancies per 100 staff	22	19	20
Proportion of vacancies unfilled	6.5%	5.9%	8.0%
Proportion of recruiting employers who experienced difficulty	57%	55%	59%

Most Recent Recruitment Activity

- The proportion of vacancies remaining unfilled in the most recent recruitment round (10.6 per cent) was on a par with all regions surveyed in the 12 months to December 2011 (10.3 per cent), but was considerably larger than in the December 2010 survey (6.5 per cent).
 - The highest unfill rate recorded was for Technicians and Trades Worker vacancies (29.5 per cent; predominantly: Hairdressers, Structural Steel and Welding Trades Workers, Metal Fitters and Machinists, Chefs and Panel Beaters). This was almost triple the December 2010 result (10.2 per cent) and substantially larger when compared with all regions surveyed (18.9 per cent).

⁶ 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.

Figure 2: Proportion of unfilled vacancies in the most recent recruitment round



- Less than half (43 per cent) of employers had difficulty recruiting for their most recent vacancy, compared with 40 per cent in December 2010 and 46 per cent across all regions surveyed. Recruitment difficulty was high for employers recruiting for Technicians and Trades Workers (60 per cent), Managers and Professionals (58 per cent) and Machinery Operators and Drivers (52 per cent).
- Employers reported difficulty recruiting for a range of occupations (Table 2).

Table 2: Occupations difficult to fill by skill level

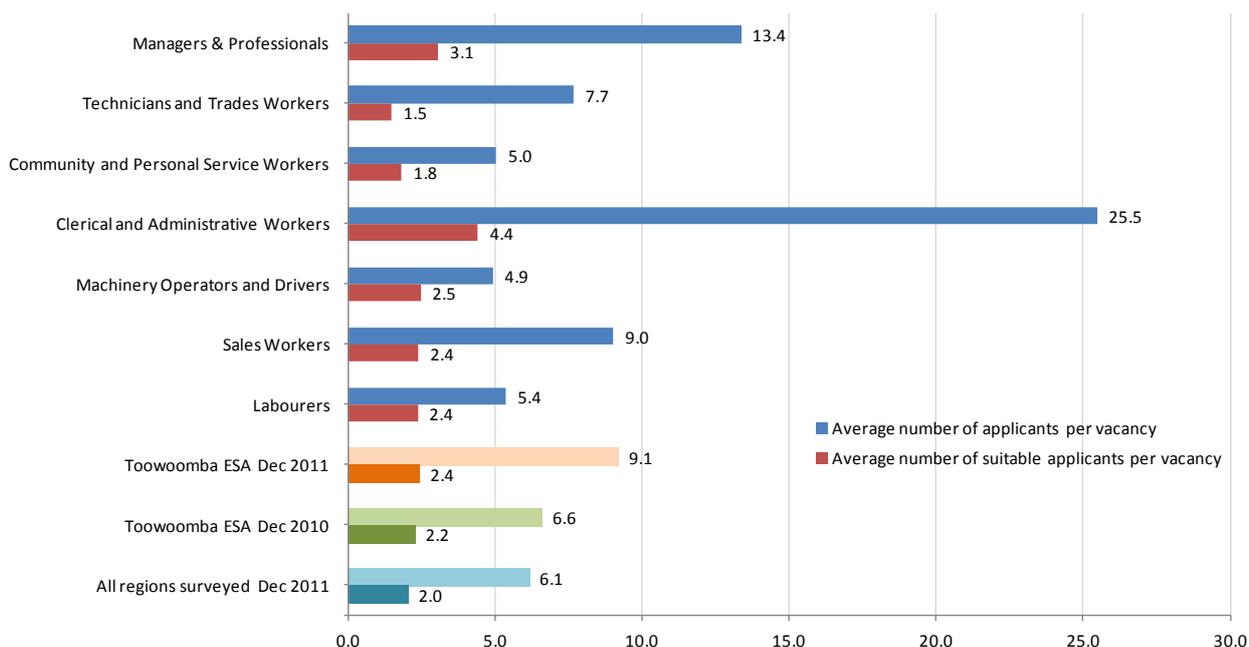
Bachelor Degree or Higher VET Qualifications	
Cooks	Chefs*
Motor Mechanics*	Metal Fitters and Machinists*
Structural Steel and Welding Trades Workers*	
Other Occupations	
Motor Vehicle Part and Vehicle Parts Interpreter	Truck Drivers*
Receptionists*	Waiters*
Sales Assistants (General)*	Sales Representative
Receptionists*	Bar Attendants and Baristas
General Clerks*	Pharmacy Sales Assistants
Child Carers*	

*Occupations marked with an asterisk were difficult to fill in both December 2010 and December 2011.

- The most common reasons reported by employers for recruitment difficulty were the technical skill requirements of the job (33 per cent), wages or remuneration not being competitive (22 per cent) and the nature of the work required (17 per cent).
 - Employers recruiting for Machinery Operators and Drivers and Technicians and Trades workers most commonly reported a tight labour market (64 per cent and 61 per cent respectively), followed by the technical skill requirements for the job (both 36 per cent) as the main reasons for recruitment difficulty. This suggests that there is a shortage of skilled applicants in the ESA.

- In employers' most recent recruitment round there was an average of 9.1 applicants per vacancy, of whom 2.4 were considered suitable. This was higher than when the region was surveyed in December 2010 (6.6 applicants per vacancy with 2.2 considered suitable) and all regions combined (6.1 and 2.0 respectively) (Chart 3).
 - Applicants were most commonly considered unsuitable due to insufficient experience (47 per cent), their personality not fitting with the organisation (25 per cent) and insufficient qualifications or training (23 per cent).
 - Employers recruiting for Clerical and Administrative workers had a significantly higher average number of applicants and suitable applicants per vacancy (25.5 applicants and 4.4 suitable applicants) compared with the same occupation group across all regions surveyed in the 12 months to December 2011 (13.5 and 3.2).
 - For Technicians and Trades Workers vacancies there were 7.7 applicants per vacancy, however there were only 1.5 suitable applicants for each vacancy. The main reasons reported by employers were insufficient experience and/or technical skill requirements (65 per cent).
 - It was a similar picture for Machinery Operators and Drivers, with 64 per cent of employers reporting that applicants lacked the technical skills or experience to perform the duties required of them.
 - The increase in the average number of applicants per vacancy between the December 2010 and December 2011 surveys may partially be a result of the floods, with more job seekers looking for work outside their normal occupations due to the impact on businesses.

Figure 3: Average number of applicants and suitable applicants per vacancy by occupation group



Indigenous

- Some 19 per cent of employers who had recruited in the preceding 12 months had applicants from an Indigenous background.⁷ Of those employers who had applicants from an Indigenous background, 50 per cent had filled a vacancy with an applicant from an Indigenous background.

Impact of the Floods

- Employers who recruited in the 12 months before the survey were asked if their businesses, and in particular staffing levels, were affected by the flood disaster that occurred in December 2010 and January 2011.

⁷ At the time of the 2006 Census, 2.5 per cent of the working age population was Indigenous, slightly lower than Queensland (3.0 per cent) and slightly higher than Australia (2.1 per cent).

Table 3: Impact of the floods in December 2010 and January 2011

	Proportion of employers
Proportion of employers who were affected by the floods	77%
Proportion of employers whose staffing levels were affected by the floods	45%
How the flood had an impact on staffing levels / staffing hours	
Staff couldn't come to work	57%
Employers reduced staff hours	31%
Staff took leave	14%
Employers stood staff down	13%
Employers made staff redundant	5%
Proportion of employers still being affected by the floods	12%

- A large proportion (77 per cent) of employers were affected by the floods and, of whom, 59 per cent reported that their staffing levels were affected.
- The main reason that staffing levels were affected by the floods was that staff were unable to get to work (57 per cent). This may have been due to property damage to their homes and/or damage to roads and transport preventing access to work.
- Some 31 per cent of employers reported that they reduced staff hours due to the impact of the floods on their business.
- At the time of the most recent survey, 12 per cent of employers were still experiencing the effects of the floods. Employers reported that they continued to reduce staff hours, not replace staff, and that they were unable to find suitable applicants to replace departing staff.
- However, employers in the transport industry reported that they had increased staff hours due to standard delivery routes being affected by the floods and to assist with community care.
- While employers reported that the flood disaster had impacted on staffing levels, only 4 per cent of employers experienced recruitment challenges as a result. The main impacts were a lack of job seekers and that regular staff found work or moved elsewhere.

Recruitment Methods and Job Services Australia

- Employers were more likely to use formal methods of recruitment (69 per cent of recruiting employers) compared with informal recruitment methods (42 per cent). The most common recruitment methods used by employers were internet advertising (38 per cent), Newspapers/Magazines and word of mouth (both 32 per cent).
- A small proportion of recruiting employers (6 per cent) used a Job Services Australia (JSA) provider to recruit in the last 12 months, 83 per cent of whom were satisfied with the service provided. The main reasons given by those employers dissatisfied with their JSA experiences were that applicants did not want to work and applicants lacked the personal traits or qualities required for the job (both 67 per cent).

Apprentices and Trainees

- The proportion of employers who had an apprentice or trainee employed in their business was the same as in December 2010 (both 41 per cent). This was larger when compared with all regions surveyed (34 per cent).
- A similar proportion of employers (29 per cent) anticipated recruiting an apprentice or trainee in the 12 months following the survey compared with December 2010 (27 per cent). This was also larger compared with all regions surveyed (23 per cent).
 - Employers in the Other Services (65 per cent), Health Care and Social Assistance (57 per cent) and Construction (56 per cent) industries commonly employed an apprentice or trainee.
 - Employers were most likely to anticipate employing an apprentice or trainee in the Other Services (38 per cent) and Health Care and Social Assistance industries (34 per cent) in the 12 months following the survey.

Future Recruitment Expectations

- Recruitment expectations following the survey were strong with 59 per cent of employers expecting to recruit. This was substantially larger than the December 2010 survey (47 per cent) and all regions surveyed (51 per cent).
 - Future recruitment expectations were particularly high in the Education and Training (76 per cent), Manufacturing (63 per cent) and Accommodation and Food Services (59 per cent) industries.
 - Future recruitment expectations were subdued in the Construction industry (39 per cent).
- Of those employers who anticipated recruiting, 44 per cent expected to have difficulty filling their vacancies, which was similar to the December 2010 survey (43 per cent) and all regions surveyed in the 12 months to December 2011 (46 per cent).
- More than half (55 per cent) of employers anticipated that they would have challenges following the survey, which was on a par with the December 2010 survey (57 per cent).
 - Reduced business activity (33 per cent) was the most commonly anticipated challenge. The proportion of employers reporting this anticipated challenge had increased slightly since the December 2010 survey (29 per cent).
 - Business and government regulations (26 per cent) were also frequently mentioned by employers as a challenge. This was also larger when compared with the December 2010 survey (19 per cent).
 - Employers also reported challenges arising from the demand for labour and skilled staff in the Mining and Gas industries.
- Employers expected to recruit for a range of occupations in the 12 months following the survey, including Truck Drivers, Waiters, General Clerks, Sales Assistants (General), Hairdressers, Real Estate Sales Agents and Mechanical Engineers.

Table 4. Recruitment expectations for the 12 months following the survey

	Toowoomba ESA (December 2011)	Toowoomba ESA (December 2010)	All Regions (12 months to December 2011)
Expects to recruit	59%	47%	51%
Expects to increase staff numbers	31%	25%	29%
Expects to reduce staff numbers	4%	3%	4%
Expects future difficulty	44%	43%	46%
Uncertain about future recruitment	9%	18%	10%

Opportunities for Job Seekers

- Opportunities may exist for job seekers willing to undertake an apprenticeship or traineeship in Technicians and Trades Worker occupations (Hairdressers, Structural Steel and Welding Trades Workers and Mechanical Engineers).
- Insufficient experience to perform job duties was the most common reason employers found applicants to be unsuitable. The survey results highlight the need to provide job seekers with opportunities to gain work experience.
- The wide range of recruitment methods used by employers indicates that job seekers need support to use a range of job search techniques.
- The large proportion of employers using word of mouth as a recruitment method suggests that Job Services Australia providers should continue efforts to expand their community networks to access these opportunities.



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