



**Australian Government**

**Department of Education, Employment and Workplace Relations**

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# **Townsville**

## **Priority Employment Area**

**Survey of Employers' Recruitment Experiences**

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**February 2013**





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The document must be attributed as the 'Department of Education, Employment and Workplace Relations Survey of Employers' Recruitment Experiences – Townsville Priority Employment Area – February 2013'.

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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## Key Findings

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While the unemployment rate in the Townsville Priority Employment Area (PEA) has remained lower than that for the state and the other PEAs for much of the last five years, labour market conditions have moderated in the past two years and there are some signs of weakness in the region.

- Overall employment and the labour force participation rate have declined in the last two years indicating that the labour market has softened;
- There are also pockets of disadvantage within the Townsville PEA, with the Indigenous population in particular experiencing poorer labour market outcomes;
- The survey results show a reduction in recruitment activity, although the level of recruitment is still in line with the average for all regions surveyed;
- Since the last survey in November 2011, competition for vacancies has increased and the unfilled vacancy rate has decreased significantly, particularly for Technicians and Trades Workers, indicating that past skill shortages are easing;
- While future recruitment expectations have softened since November 2011, there will be a range of employment opportunities, in both higher and lower skilled occupations, in the coming year.

## Townsville Priority Employment Area

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The Townsville PEA includes the LGAs of Burdekin, Charters Towers, Hinchinbrook, Palm Island and Townsville and has a working age population of 153,000.<sup>1</sup>

The unemployment rate for the Townsville PEA in December 2012 was 4.2 per cent,<sup>2</sup> well below that for the state (5.8 per cent).<sup>3</sup> Unemployment rates across the PEA ranged from a low of 3.8 per cent in the Burdekin Local Government Area (LGA), to a high of 9.3 per cent in the Palm Island LGA.<sup>4</sup>

Despite the relatively low unemployment rate in the region, total employment declined by 8,700 in the Northern-North West Labour Force Region (LFR)<sup>5</sup> in the two years to May 2013. Over the same period, the participation rate also decreased from 76.4 per cent to 69.6 per cent.<sup>6</sup>

The largest employing industries for people living in the Townsville PEA are Health Care and Social Assistance (12 per cent of all employment), Public Administration and Safety (11 per cent), and Retail Trade (11 per cent). Growth in employment between 2006 and 2011 was highest in the Health Care and Social Assistance and Construction industries, while employment fell significantly in the Agriculture, Forestry and Fishing industry.<sup>7</sup>

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<sup>1</sup> ABS, *Estimated Resident Population*, 2011.

<sup>2</sup> DEEWR, *Small Area Labour Markets*, December Quarter 2012.

<sup>3</sup> ABS, *Labour Force*, seasonally adjusted, May 2013.

<sup>4</sup> DEEWR, *Small Area Labour Markets*, December Quarter 2012.

<sup>5</sup> ABS, *Estimated Resident Population*, 2011. The Townsville PEA accounts for 86 per cent of the Northern-North West LFR's working age population.

<sup>6</sup> ABS, *Labour Force*, May 2013 (12 month averages of original data).

<sup>7</sup> ABS, *Census of Population and Housing*, 2011.

At the time of the 2011 Census, 7 per cent of the working age population in the Townsville PEA identified as Indigenous (3 per cent for Queensland overall). A significantly lower proportion of the Indigenous working age population (44 per cent) in the Townsville PEA were employed compared with the non-Indigenous working age population (77 per cent).<sup>8</sup>

### Recruitment Activity Slowing

The department conducts Surveys of Employers' Recruitment Experiences in regions across Australia. A survey of the Townsville PEA was conducted in February 2013 and collected responses from 379 employers across the region. Previous surveys were conducted in November 2011, August 2010 and November 2009.

In the year prior to the survey, 58 per cent of employers surveyed in the Townsville PEA had recruited. This was considerably lower than when the region was last surveyed in November 2011 (69 per cent), but still on a par with all regions surveyed (58 per cent).

The annual recruitment rate (22 vacancies per 100 staff) had also fallen slightly since November 2011 (25 vacancies per 100 staff), but was still relatively high when compared with all regions surveyed to March 2013 (17 vacancies per 100 staff).

- At the industry level, declines in the recruitment rate occurred in a range of major industries, including Manufacturing, Construction, Retail Trade, and Health Care and Social Assistance. However, aside from Construction, recruitment activity for these industries was higher than the all-regions average.
- The recruitment rate remained notably high in the Accommodation and Food Services industry (48 vacancies per 100 staff), reflecting the high level of staff turnover in the industry.

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

	Townsville PEA (Feb 2013)	Townsville PEA (Nov 2011)	Townsville PEA (Aug 2010)	All regions surveyed (12 months to Mar 2012)
<b>Proportion of employers who recruited</b>	<b>58%</b>	69%	75%	58%
<b>Annual vacancies per 100 staff (recruitment rate)</b>	<b>22</b>	25	25	17
<b>Proportion of employers who had recruitment difficulty</b>	<b>55%</b>	66%	55%	49%

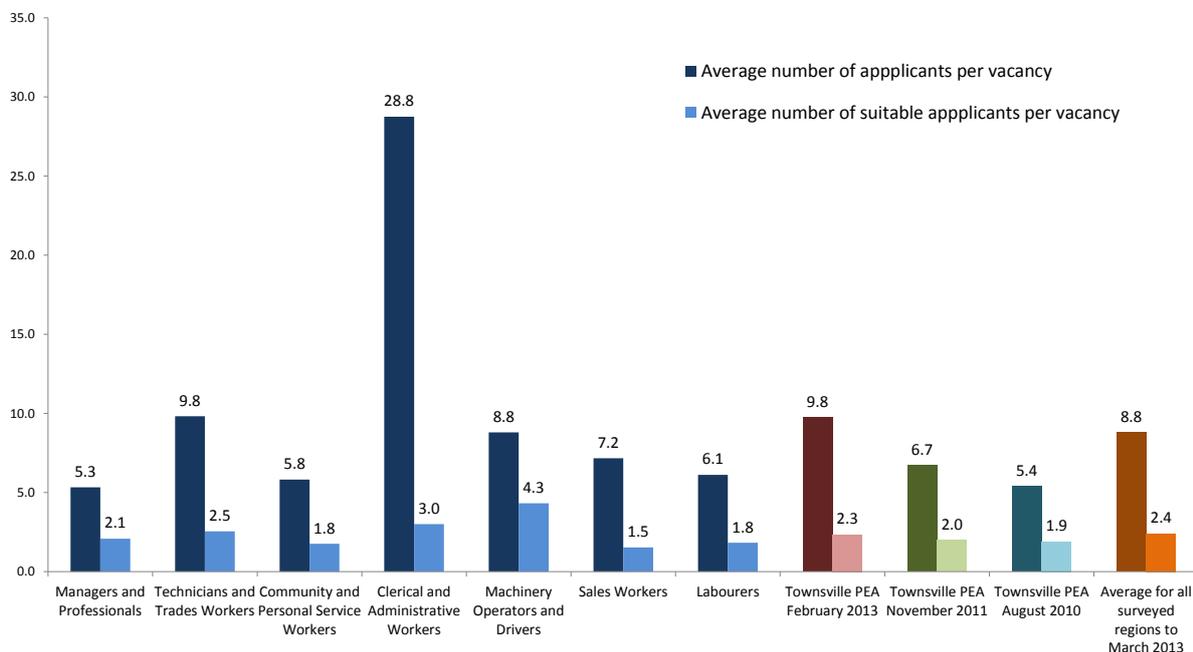
<sup>8</sup> ABS, *Census of Population and Housing*, 2011.

## Competition for Vacancies Increasing

Employers had, on average, 9.8 applicants per vacancy in their most recent recruitment round. Competition for vacancies has steadily increased since August 2010 (5.4 applicants per vacancy) and November 2011 (6.7 applicants per vacancy).

- The average number of applicants and suitable applicants for Technicians and Trades Worker vacancies (9.8 applicants and 2.5 suitable applicants) had increased significantly since the last survey (3.5 applicants and 1.2 suitable applicants) indicating that past skill shortages are easing.
- The result was the same for Machinery Operators and Drivers vacancies with an average of 8.8 applicants and 4.3 suitable applicants, compared with an average of 3.8 applicants and 1.2 suitable applicants in the previous survey.

**Figure 1. Average number of applicants and suitable applicants per vacancy**



The increase in competition for vacancies led to a significant decrease in the unfilled vacancy rate in the February 2013 survey (3.9 per cent) compared with November 2011 (13.6 per cent). The unfill rate for Technicians and Trades Workers also decreased substantially from 21.7 per cent to 11.1 per cent.

Despite the decrease in the unfilled vacancy rate, employers still considered three quarters of job applicants unsuitable. The most common reasons for unsuitability were that applicants lacked experience, qualifications and/or soft skills. Almost half of employers (48 per cent) who had unsuitable applicants deemed that they lacked some general employability skill or personal attribute considered important for the job.

Recruitment difficulty was also still an issue in the region. Some 55 per cent of employers experienced difficulty recruiting in the year prior to the survey, which was higher than for all regions surveyed to March 2013 (49 per cent). Difficulty was reported for a range of occupations, including higher skilled occupations, such as Motor Mechanics, Child Carers, Chefs, Structural Steel and Welding Trades Workers, Early Childhood Teachers, Metal Fitters and Machinists, and Retail Managers; and lower skilled occupations, such as Truck Drivers, Bar Attendants and Baristas, and Sales Representatives.

### **Recruitment Outlook Moderate**

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The overall recruitment outlook for employers in the Townsville PEA was moderate. For the year following the survey, 41 per cent of employers anticipated recruiting staff, with 18 per cent of these employers considering increasing staff numbers. This was in line with all regions surveyed in the 12 months to March 2013. However, it was substantially lower than in the previous survey when 62 per cent of employers anticipated recruiting staff and 31 per cent of these employers expected to increase staff numbers.

Employers expected to recruit for a range of occupations, across all skills levels, in the year following the survey. The most commonly mentioned occupations were Sales Assistants, Bar Attendants and Baristas, Crop Farm Workers, General Clerks, Storepersons, Motor Mechanics, and Structural Steel and Welding Trades Workers.

### **Opportunities for Job Seekers**

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The softening labour market conditions in the Townsville PEA may present challenges to job seekers. However, the survey results indicate that there is a range opportunities for job seekers in growth industries, including Health Care and Social Assistance, and industries experiencing a high level of staff turnover, such as Accommodation and Food Services, and Retail Trade.

Despite the apparent easing of skill shortages in the area, many surveyed employers still reported recruitment difficulty and that a majority of job applicants were unsuitable. Applicants were mostly considered unsuitable due to a lack of qualifications and experience. Increasing opportunities for apprenticeships, traineeships and work experience in the region may help to address this concern and assist with future skilled labour supply.

Almost half of the employers who had unsuitable applicants deemed that applicants lacked some general employability skill or personal attribute considered important for the job. Job seekers who utilise available resources, including Job Services Australia providers, to improve their employability skills are likely to increase their chances of finding employment.

## More Information

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Survey of Employers' Recruitment Experiences: [www.deewr.gov.au/regionalreports](http://www.deewr.gov.au/regionalreports)

Labour Market Information Portal: [www.deewr.gov.au/lmip](http://www.deewr.gov.au/lmip)

Skill Shortages: [www.deewr.gov.au/skillshortages](http://www.deewr.gov.au/skillshortages)

Job Outlook: [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

SkillsInfo: [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au)

Australian Jobs: [www.deewr.gov.au/australianjobs](http://www.deewr.gov.au/australianjobs)

