



Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences Western Downs, 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 – Western Downs 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 Western Downs Employment Service Area

- The Western Downs Employment Service Area (ESA) is a large and sparsely populated area that covers the majority of the Southern Queensland region. The ESA consists of six Local Government Areas (LGA) and the main population centres are Roma (Maranoa LGA) and Dalby (Western Downs LGA). The four westernmost LGAs (Bulloo, Murweh, Paroo and Quilpie) are sparsely populated.
- There were 34 300 people of working age (15-64 years) in the ESA as of 2010.²
- The adult population in the Western Downs ESA increased by 5.6 per cent between 2005 and 2010, which was significantly lower than in Queensland (13.8 per cent) and Australia (10.5 per cent).³ The largest increases occurred in the 65 and over age group (9.9 per cent), the 55-64 age group (9.0 per cent) and the 45-54 age group (7.1 per cent), due in large part to people moving into the older age groups.
- As of December 2011, the unemployment rate for the Western Downs ESA was 3.8 per cent, significantly lower than Queensland (5.5 per cent) and Australia (5.1 per cent). There is, however, some variability in unemployment rates across the ESA with the unemployment rate being 7.8 per cent in the Paroo LGA. On the other hand, the unemployment rate in the Maranoa LGA was 2.2 per cent.⁴
- The proportion of the working age population that is Indigenous (6 per cent) is higher compared with Queensland (3 per cent) and Australia (2 per cent).⁵ The LGAs with the largest proportion of Indigenous people are Paroo (26 per cent), Murweh (10 per cent), Quilpie (10 per cent) and Bulloo (9 per cent).
- The proportion of the 25-34 age group who have completed Year 12 (57 per cent) is lower than the state and national averages (68 per cent and 69 per cent respectively).⁶ The proportion of the 25-34 age group with a post-school qualification is also low (45 per cent) compared with Queensland (56 per cent) and Australia (61 per cent).⁷
- The main employing industries are Agriculture, Retail Trade, Health Care and Social Assistance and Education and Training.

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

² ABS Estimated Resident Population 2010.

³ Ibid.

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

⁵ Australian Census of Population and Housing, 2006.

⁶ Ibid.

⁷ Ibid.

- The eastern part of the ESA borders the Surat Basin, which is increasingly important to the local economy due to large scale coal mining and coal seam gas to liquid natural gas projects that are under development in the region.
- The region was severely impacted by the floods that affected Queensland in March 2010, December 2010-January 2011, April 2011 and February 2012. Agriculture, the largest employing industry, was particularly hard hit. Mining, while not a major employer, was also substantially affected resulting in knock-on effects to industries such as Transport and Construction.
- A flood module was included in this survey to gauge the effects of flooding on employers' staffing and recruitment experiences.

Survey of Employers' Recruitment Experiences

- The Department conducted a *Survey of Employers' Recruitment Experiences* in the Western Downs ESA in December 2011. In total, 307 employers were surveyed, of whom 221 had recruited.
- 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 Western Downs ESA are fairly strong compared with all regions surveyed in the 12 months to December 2011, despite the majority of employers reporting that the December 2010-January 2011 floods had affected staffing levels. The labour market is tight with high unfill rates, high recruitment difficulty and a low number of applicants per vacancy. These conditions have been driven partly by demand for labour in the Mining industry in the region.
 - The proportion of vacancies remaining unfilled and employers experiencing recruitment difficulty in the 12 months preceding the survey were both higher compared with all regions surveyed.
 - Employers also reported a high proportion of unfilled vacancies and high recruitment difficulty in their most recent recruitment round, particularly for Technicians and Trades Workers and Machinery Operator and Drivers.
 - Strong recruitment activity is expected with a high proportion of employers expected to recruit in the 12 months following the survey.
 - The labour market is likely to continue to strengthen as the region recovers from flooding and various resources projects come on line, although this may increase the existing skills shortage and housing affordability issues.

Recruitment Experiences in the 12 Months Preceding the Survey

- In the 12 months preceding the survey, 72 per cent of employers in the Western Downs ESA had recruited, similar to all regions surveyed in the 12 months to December 2011 (68 per cent).
- There were 29 vacancies for every 100 staff employed in the previous 12 months, which is substantially higher compared with all regions surveyed in the 12 months to December 2011 (20 vacancies per 100 staff).

- A large proportion of employers had recruited due to turnover (87 per cent) compared with recruitment due to business growth (52 per cent). This was similar to all regions surveyed in the 12 months to December 2011 (Table 1).
- A higher proportion (11.2 per cent) of vacancies over the preceding 12 months remained unfilled compared with all regions surveyed to December 2011 (8.0 per cent).
- Unfilled vacancies were most common in the Other Services (42.5 per cent), Manufacturing (26.6 per cent) and Accommodation and Food Services (14.6 per cent) industries.⁸
- Two thirds of employers reported difficulty recruiting in the 12 months preceding the survey. This was higher compared with all regions surveyed to December 2011 (59 per cent).
- Recruitment difficulty was particularly prevalent in the Manufacturing (77 per cent), Wholesale Trade (69 per cent) and Health Care and Social Assistance (68 per cent) industries.
- A lower proportion of employers (13 per cent) decreased staff numbers in the 12 months preceding the survey compared with all regions surveyed (20 per cent).
- Employers most commonly decreased staff in the Manufacturing (24 per cent), Construction (21 per cent) and Agriculture, Forestry and Fisheries (17 per cent).
- The main reasons for decreasing staff numbers were a fall in demand for products and services (35 per cent) and a shortage of skilled workers (30 per cent).

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

	Western Downs ESA (December 2011)	All Regions (12 months to December 2011) December 2011)
Proportion of employers who recruited	72%	68%
- to increase staff	52%	52%
- to replace staff	87%	85%
Vacancies per 100 staff	29	20
Proportion of recruiting employers who experienced difficulty	66%	59%
Proportion of vacancies unfilled	11.2%	8.0%

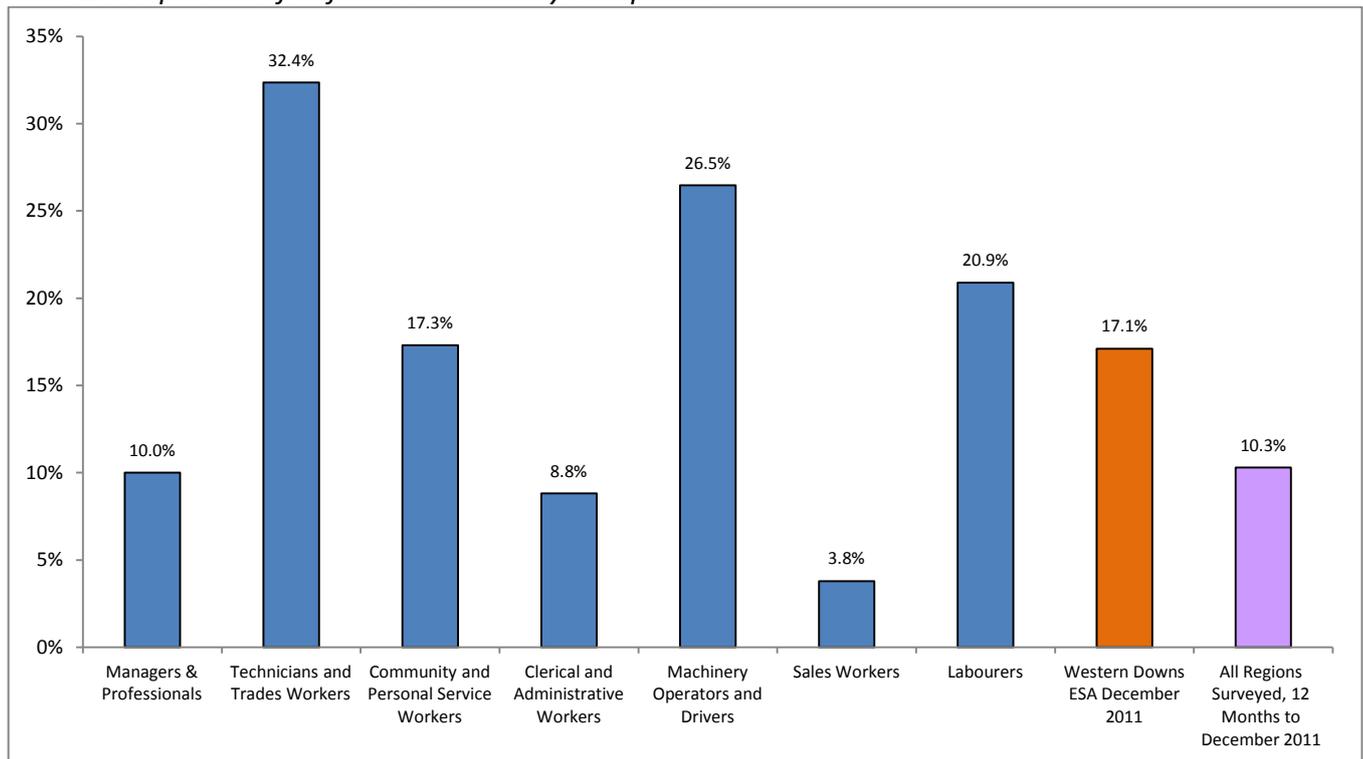
⁸ The Other Services industry includes a broad range of personal services, such as hairdressing; religious, civil, professional and other interest groups; and selected repair and maintenance activities, including automotive repair.

Most Recent Recruitment Activity

Employers were asked about their most recent recruitment experience.

- A higher proportion of recent job vacancies were not filled (17.1 per cent) compared with all regions surveyed in the 12 months to December 2011 (10.3 per cent).
 - The high unfill rate in the Technician and Trades Worker occupation group (32.4 per cent) was driven by vacancies remaining unfilled for Motor Mechanics and Structural Steel and Welding Trades Workers.
 - The high unfill rate for Machinery Operators and Drivers (26.5 per cent) was due to a high unfill rate for Truck Drivers.
 - 20.9 per cent of vacancies for Labourers also remained unfilled.

Chart 1: Proportion of unfilled vacancies by occupation



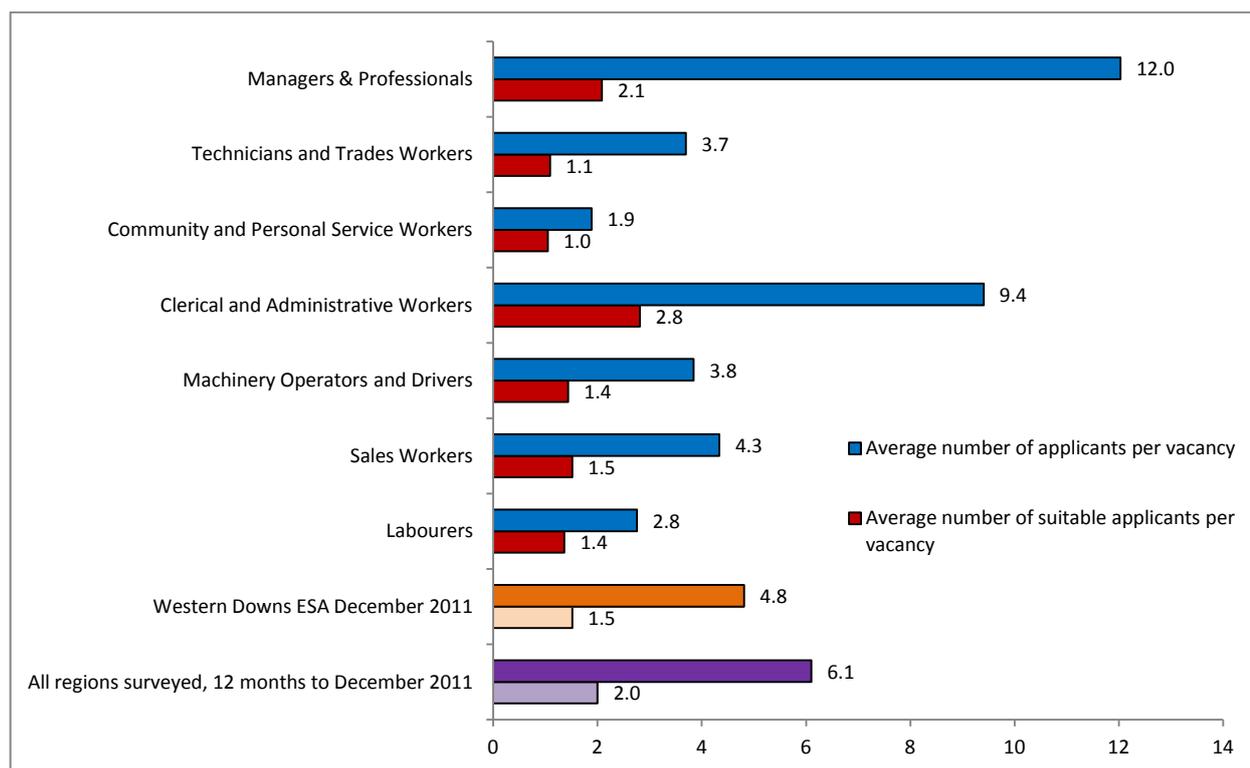
- Some 59 per cent of employers reported recruitment difficulty for their most recent vacancy, compared with 46 per cent for all regions surveyed in the 12 months to December 2011.
 - Recruitment difficulty was particularly high for Machinery Operators and Drivers (82 per cent) and Technicians and Trades Worker vacancies (67 per cent).
- More information on the range of occupations difficult to fill is included in Table 2.

Table 2: Occupations difficult to fill

Bachelor Degree or Higher VET Qualifications	
Structural Steel and Welding Trades Workers	Motor Mechanics
Automotive Electricians	Metal Fitters and Machinists
Hairdressers	Cooks
Other Occupations	
Child Carers	General Clerks
Sales Assistants (General)	Truck Drivers
Motor Vehicle Parts and Accessories Fitters	Kitchenhands
Bar Attendants and Baristas	Industrial Spraypainters

- The most common reasons given for recruitment difficulty were the tight labour market (50 per cent), wages/remuneration not being competitive (29 per cent) and location (27 per cent).
 - Many employers specifically mentioned Mining industry activity in the area when citing the tight labour market conditions and being unable to offer competitive wages/remuneration as a source of recruitment difficulty.
 - When employers raised location as a source of recruitment difficulty, they often specified that this was due to housing availability and affordability. Employers based in the Maranoa LGA in particular reported location as a source of recruitment difficulty, an area that has experienced substantial rises in rental prices over the past year.
- There was a low average number of applicants for each vacancy (4.8), of whom an average of 1.5 applicants were considered suitable by employers. By contrast, there was an average of 6.1 applicants for each vacancy in the regions surveyed in the 12 months to December 2011 of whom 2.0 were considered suitable.
 - Applicants were most frequently considered to be unsuitable due to insufficient experience (57 per cent), their personality not suiting the job (27 per cent, mostly for lower skilled occupations) and insufficient qualifications or training (25 per cent).
 - There was a low number of suitable applicants for vacancies in the Community and Personal Services Worker (1.0 suitable applicant) and Technicians and Trades Worker (1.1 suitable applicants) occupation groups.
 - On the other hand, there was a relatively high number of applicants for the limited vacancies in the Managers and Professionals (12.0 applicants) and Clerical and Administrative Worker (9.4 applicants) occupation groups.

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



- One in four employers (25 per cent) filled at least one vacancy with staff who required development/further training, compared with 19 per cent for all regions surveyed in the 12 months to December 2011.
 - Staff most commonly needed training or development in job specific skills (63 per cent), or due to a lack of experience (33 per cent).

Indigenous

- More than one in three (36 per cent) employers who had recruited in the previous 12 months had applicants from an Indigenous background, of whom 63 per cent filled a vacancy with an applicant from an Indigenous background.

Impact of the Floods

- Some 79 per cent of employers who recruited in the 12 months preceding the survey reported being affected by the floods which occurred in December 2010 - January 2011. Some 63 per cent of these employers reported that the main impact was on staffing levels (Table 3).
 - The most common effects were staff not being able to get to work (58 per cent), reductions in staff hours (29 per cent) and staff being forced to take leave (29 per cent).
 - Of those employers whose staffing levels were affected by flooding, 11 per cent reported that their staffing levels were still being impacted at the time of the December 2011 survey.

Table 3: Impact of the December 2010-January 2011 floods

Flood	%
Proportion of employers who were impacted by the floods	79%
Proportion of flood impacted employers whose staffing levels were impacted by the floods	63%
How the flood impacted staffing levels / staffing hours	
Staff couldn't come to work	58%
Employers reduced staff hours	29%
Staff took leave	29%
Employers stood staff down	21%
% of employers still being affected by the floods	11%
% of employers who experienced challenges during flood recovery	5%

Recruitment Methods and Job Services Australia

- The recruitment methods used most frequently during employers' most recent recruitment round were newspapers/magazines (48 per cent), the internet (39 per cent) and word of mouth (34 per cent).
 - Word of mouth was particularly common amongst employers with Sales Worker vacancies (48 per cent).
- Some 14 per cent of employers used a JSA provider when recruiting in the 12 months preceding the survey.
 - Of those employers who had used a JSA provider in the previous 12 months, 72 per cent were satisfied with the service.

Apprentices and Trainees

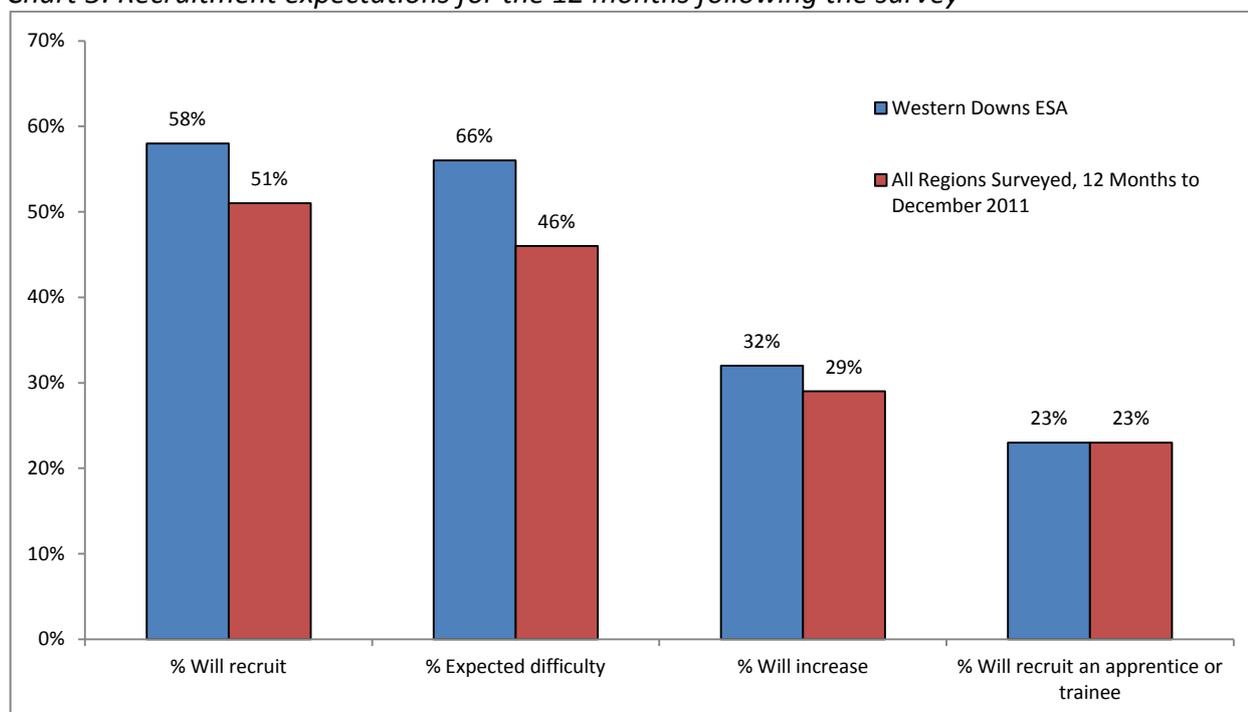
- Some 27 per cent of employers in the Western Downs ESA currently employ an apprentice or trainee, lower compared with 34 per cent for all regions surveyed in the 12 months to December 2011.
- The proportion (23 per cent) of employers expecting to recruit an apprentice or trainee in the 12 months following the survey was the same as all regions surveyed in the 12 months to December 2011.
 - Employers in the Construction (64 per cent), Other Services (61 per cent) and Manufacturing (55 per cent) industries were most likely to currently employ an apprentice or trainee.
 - Employers in the Construction (50 per cent) and Manufacturing (43 per cent) industries were more likely to expect to recruit an apprentice or trainee in the 12 months following the survey than in other industries.

Future Recruitment Expectations

- The majority (58 per cent) of employers expected to recruit in the 12 months following the survey, higher compared with 51 per cent for all regions surveyed.
 - Future recruitment expectations were particularly high in the Accommodation and Food Services (70 per cent) and Manufacturing (66 per cent) industries.

- Of those employers who expected to recruit in the 12 months following the survey, 66 per cent expected to have recruitment difficulty, substantially higher compared with all regions surveyed in the 12 months to December 2011 (46 per cent).
 - Expected recruitment difficulty was especially high in the Manufacturing (84 per cent) and Health Care and Social Assistance (74 per cent) industries.
- The proportion of employers who were uncertain about recruitment in the 12 months following the survey (11 per cent) was similar to all regions surveyed (10 per cent).

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



- More than half (54 per cent) of employers expected challenges in the 12 months following the survey, similar to all regions surveyed (59 per cent).
 - Skill shortages (51 per cent) and geographic location (35 per cent) were the most frequently cited challenges.
 - Employers who specified skill shortages as a future recruitment challenge frequently mentioned competing with the Mining industry for skilled staff.
 - Employers who specified geographic location as a future recruitment challenge often mentioned the low availability and affordability of housing in the region.
- A relatively small proportion (2 per cent) of employers 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 Sales Assistants (General), Commercial Cleaners and Kitchenhands (Table 4).

Table 4: Occupations for which employers expect to recruit in the 12 months following the survey

Bachelor Degree or Higher VET Qualifications	
Structural Steel and Welding Trades Workers	Motor Mechanics
Cooks	Accountants
Electricians	
Other Occupations	
Sales Assistants (General)	Bar Attendants and Baristas
Commercial Cleaners	Kitchenhands
Motor Vehicle and Vehicle Parts Salespersons	Checkout Operators and Office Cashiers
Sales Representatives	Truck Drivers

Opportunities for Job Seekers

- The survey results indicate that labour market conditions are fairly strong in the Western Downs ESA. Opportunities for job seekers exist in occupations with high unfill rates, high recruitment difficulty and with low numbers of suitable applicants, in particular:
 - Machinery Operators and Drivers (Truck Drivers and Industrial Spray Painters); and
 - Technicians and Trades Workers (Structural Steel and Welding Workers, Motor Mechanics, Automotive Electricians and Metal Fitters and Machinists).
- Opportunities also exist in entry-level occupations (Sales Workers and Labourers) which could provide entry into the labour market for job seekers with minimal recent experience in the labour market, such as young people, parents returning to the labour force and the long-term unemployed.
- One of the main reasons applicants were considered unsuitable was a lack of experience. Support for work experience programs, work readiness skills and support for apprentices and trainees could provide job seekers with skills and experience.
 - Further opportunities for apprentices and trainees could increase the stock of skilled workers, especially in difficult to fill occupations.



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