

Survey of Employers' Recruitment Experiences

Central Victoria Priority Employment Area

October 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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The Central Victoria Priority Employment Area

The Central Victoria Priority Employment Area (PEA) comprises the Local Government Areas (LGAs) of Ararat, Ballarat, Central Goldfields, Greater Bendigo, Hepburn, Moorabool, Mount Alexander, Northern Grampians and Pyrenees.

There were 194,900 people of working age (15-64 years) in the Central Victoria PEA as of 2011. Growth in the adult population was 6 per cent over the 5 years to 2011, compared with 9 per cent for Victoria and Australia. ²

The main employing industries in the PEA are Health Care and Social Assistance, Retail Trade, Manufacturing and Construction. The Agriculture industry is a major employer in the westernmost LGAs of Ararat and Northern Grampians.³

The department conducted a Survey of Employers' Recruitment Experiences in the Central Victoria PEA in October 2012. In total, 362 employers were surveyed, of whom 236 had recruited. The region was previously surveyed in September 2011, May 2010 and September 2009.

Key Findings

Overall, labour market conditions in the region are moderate, despite having weakened slightly since the region was last surveyed in September 2011.

The unemployment rate in the Central Victoria PEA is 5.5 per cent, compared with 5.4 per cent for Victoria.

- The unemployment rate in the PEA has declined substantially since September 2010, when it peaked at 7.6 per cent.
- Unemployment varies by region, with high rates of unemployment in the Central Goldfields (9.1 per cent) and Ballarat (6.0 per cent) LGAs. By contrast, unemployment was lower in the Moorabool (4.0 per cent), Ararat and Northern Grampians (both 4.7 per cent) LGAs. Unemployment in the Greater Bendigo LGA was 5.3 per cent.⁴

The survey results indicate that labour market conditions in the region had eased over the previous year.

• A lower proportion of employers (66 per cent) recruited in the year preceding the survey compared with the previous survey (73 per cent in 2011).

¹ ABS Estimated Resident Population, 2011

² Ibid.

³ ABS Census of Population and Housing, 2011

⁴ DEEWR, Small Area Labour Market, September 2012

• There was also evidence of decreased demand for labour with the proportion of unfilled vacancies (6.9 per cent) substantially lower compared with the 2011 survey (9.4 per cent). In the most recent recruitment round, the proportion of unfilled vacancies (6.9 per cent) was also substantially lower compared with the 2011 survey (11.7 per cent).

These findings are consistent with a softening in the labour market, as fewer employers recruited, and those that did had less difficulty in filling their vacancies. Nonetheless, the result did not fall below those for all regions surveyed suggesting that recruitment activity remains relatively strong.

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

Key Indicators	Central Victoria PEA Oct 2012	Central Victoria PEA Sep 2011	All Regions Surveyed 12 Months to September 2012
Proportion of employers who recruited	66%	73%	63%
Proportion of vacancies unfilled	6.9%	9.4%	5.5%
Proportion of employers who experienced difficulty	53%	59%	53%

Despite the general softening in demand for labour in the region, there was some evidence of skill shortages, with high unfill rates and difficulty recruiting and low numbers of suitable applicants for Technician and Trades Worker and Community and Personal Service Worker vacancies in particular.

- A high proportion of recent Technician and Trades Worker (18.3 per cent) and Community and Personal Service Worker (13.2 per cent) vacancies remained unfilled.
- A high proportion of employers recruiting for Technicians and Trades Workers (58 per cent) experienced recruitment difficulty compared with the average across all occupation groups (41 per cent) in their most recent recruitment.
- Employers cited several Technicians and Trades Worker (Chefs, Motor Mechanics, Structural Steel and Welding Trades Workers) and Community and Personal Service Worker (Child Carers) vacancies as difficult to fill.

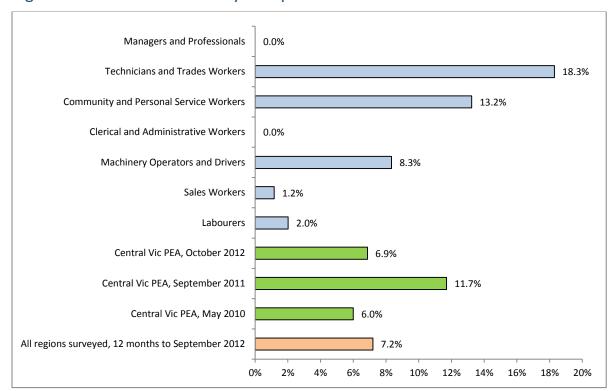


Figure 1: Unfilled vacancies by occupation in most recent recruitment round

There were fewer applicants and suitable applicants for vacancies than in previous surveys. Despite the apparent low competition for vacancies, the survey results indicate that there may be a discrepancy between those skills and attributes sought by employers and those which applicants possess.

- The average number of applicants per vacancy (5.2) was lower than in the 2011 survey (7.8), although this varied substantially by occupation group. In addition, a lower average number of applicants were considered suitable by employers than the previous survey (1.7 and 2.3 respectively).
- Low suitability of applicants was reported for Labourers, Technicians and Trades Workers and Community and Personal Service Workers.
- Employers most commonly considered applicants unsuitable due to insufficient experience to perform the duties of the job (57 per cent of employers), employability skills or personal characteristics⁵ (37 per cent) and insufficient qualifications or training (27 per cent).

⁵ The proportion of employers (with at least one unsuitable applicant) who stated at least one of the following reasons for applicant unsuitability: applicant personality did not fit with the organization, lack of soft skills and applicant not interested in the work.

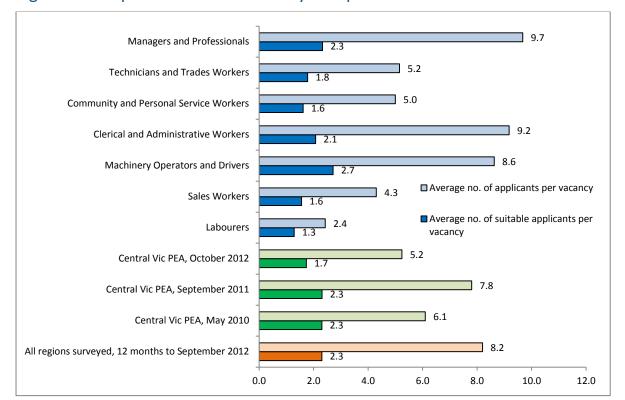


Figure 2: Competition for vacancies by occupation

While the recruitment methods used by employers in the region were similar to those used by employers across all regions surveyed, employers in the Central Victoria PEA were much more likely to use newspapers/magazines and less likely to use the internet.

 Some 42 per cent of employers used newspapers/magazines to recruit (compared with 32 per cent for all regions surveyed), while a much lower proportion (20 per cent) used the internet (compared with 30 per cent for all regions surveyed).

Employers experiencing difficulty recruiting, particularly in areas of skill shortage, may be able to gain access to a wider pool of labour by making greater use of the internet when recruiting, together with developing stronger links with Jobs Services Australia providers.

The Future

Future recruitment expectations were moderate yet indicate that employers expectations for the year following the survey were more cautious than in 2011.

- A lower proportion of employers expected to recruit in the year following the survey (46 per cent) compared with 57 per cent in 2011 and a lower proportion expected to increase staff numbers (23 per cent, compared with 31 per cent in 2011).
- There was, however, an increase in the proportion of employers expecting to have difficulty recruiting (43 per cent compared with 38 per cent). This increase in expected recruitment difficulty may reflect skill shortages or gaps rather than a strengthening in the labour market outlook.

Table 2: Future recruitment expectations

Key Indicators	Central Victoria	Central Victoria	All Regions Surveyed
	PEA	PEA	12 Months to
	Oct 2012	Sep 2011	September 2012
Will recruit	46%	57%	47%
Expect to increase staff	23%	31%	25%
Expect difficulty	43%	38%	43%

Where are the jobs?

There are many opportunities for job seekers of various skill levels, despite the softening in demand for labour across the region.

- Employers reported high unfill rates and high recruitment difficulty for a number of skilled occupations, suggesting a shortage of skilled job seekers for occupations such as Technicians and Trades Workers (Chefs, Motor Mechanics, Structural Steel and Welding Trades Workers) and Community and Personal Service Worker (Child Carers).
- Employers expected to recruit for a range of occupations in the 12 months following the survey, including a range of skilled occupations (such as Motor Mechanics, Structural Steel and Welding Trades Workers and Chefs) and entry-level occupations (Sales Assistants (General), Housekeepers and Kitchenhands). These vacancies in entry-level occupations may provide job seekers with good employability skills, but with minimal work experience, an opportunity to enter the labour market.

More Information

- Survey of Employers' Recruitment Experiences
 <u>www.deewr.gov.au/regional-reports-employers-recruitment-experiences</u>
- Labour Market Information Portal www.deewr.gov.au/lmip
- Skill Shortages including the publication Skill Shortages Australia www.deewr.gov.au/skillshortages
- Australian Jobs 2012 <u>www.deewr.gov.au/AustralianJobs</u>
- Job Outlook www.joboutlook.gov.au
- SkillsInfo <u>www.skillsinfo.gov.au</u>
- Aussie Jobs <u>www.deewr.gov.au/AussieJobs</u>

