Bibra Lake Presentation

Presented on 2nd April 2009

Slide 2 - Introduction

Bibra Lake is located in the Cockburn Statistical Local Area (SLA) in the South West Corridor region.

Slide 3 – Population Profiles *(Source: ABS Censuses 2001 and 2006)*

<u>Cockburn SLA</u>

Working Age Population (15-64): 51,000

-The working age population of Cockburn has a younger age profile than Western Australia and Australia with a lower proportion of the working age population (34.0%) aged between 45 and 64 than Western Australia (37.1%) and Australia (37.3%).

<u>South West Corridor</u>

Working Age Population (15-64): 205,200

-A similar proportion (37.1%) of the population is aged between 45 and 64 as for Western Australia (37.1%) and Australia (37.3%).

<u>Population Growth</u>

Between the 2001 Census and the 2006 Census, population growth in both the Cockburn SLA and the SW corridor region, has been greater than in Western Australia and Australia.

The Working Age Population has grown by 12.5% in the Cockburn SLA and 9.4% in the South West Corridor, which is higher than the growth seen in Western Australia (7.7%) and Australia (6.3%).

Slide 4 – Unemployment and Labour Force Profiles *(Sources: DEEWR Small Area Labour Markets, December 2008, Centrelink Administrative Data, December 2008, ABS Labour Force Survey, February 2009)*

Cockburn SLA

Unemployment rate: 3.2% as at December 2008. The unemployment rate in Cockburn has actually decreased from 3.4% in June and September 2008.

The unemployment rate has decreased over the last 3 years to stand at 3.2% at December 2008. It was 4.4% at December 2005. The December rate in Cockburn (3.2%) is below the current (February) rate for South-West Corridor (4.0%) and Western Australia (4.2%).

21.3% of the working age population in the Cockburn SLA are not in the labour force (21.7% for WA).

13.0% of the working age population receive Centrelink payments compared with 13.6% in Western Australia and 17.5% for Australia.

Over one third (35.3%) of Centrelink payment recipients in the Cockburn SLA are in receipt of the Disability Support Pension (compared with 32.3% for WA and 31.5% for Australia).

South West Corridor

Unemployment rate: 4.0% at February 2009

The unemployment rate in the South West Corridor region had decreased over the last 3 years from, 4.1% at September 2005 to stand at 3.0% at September 2008. However it has risen over the last few months to be at the same level it was this time 3 years ago (4.0% at February 2006).

The unemployment rate in South West Corridor is slightly lower than Western Australia (4.2% in February 2009), and Australia (5.2% in February 2009). The unemployment rate for Australia was 5.0% in February 2006, with a low of 3.9% in February 2008.

22.6% of the working age population in the SW Corridor are not in the labour force (21.7% for WA).

13.1% of the working age population receive Centrelink payments. 34.2% of Centrelink payment recipients in the South West Corridor region are in receipt of the Disability Support Pension (compared with 32.3% for WA and 31.5% for Australia).

Employment Growth

Between the 2001 Census and the 2006 Census employment growth in both the Cockburn SLA and the SW corridor region, has been greater than in Western Australia and Australia. Employment growth has also been greater in the Cockburn SLA and the broader South West Corridor region than in WA and Australia (20.0% and 16.2% compared with 12.9% and 9.7%).

Slide 5 – Employment by Industry *(Source: ABS Censuses 2001 and 2006)*

Another important part of the profile of the area is the distribution of employment across industries.

The Retail Trade industry was the largest employing industry in the Cockburn SLA and accounted for 15.1% of employment at the time of the 2006 Census. Other major employing industries were Manufacturing (14.3% of total employment); Health and Community Services (10.4% of total employment); Property and Business Services (9.4%); and Construction (9.4%). These all accounted for a similar proportion of employment in Cockburn as for Western Australia overall, with the exception of Manufacturing which accounted for a higher proportion of employment in the Cockburn SLA.

Employment growth in the Cockburn SLA has been particularly strong in the Construction and Health and Community Services industries with 39.5% and 37.9% increases, which respectively correspond to 1.3 and 1.4 percentage point increases in the proportion of total employment represented by these industries over the 5 years between the 2001 Census and 2006 Census.

There have also been declines in employment in some industries in the Cockburn SLA including Agriculture, Forestry and Fishing (down by 30.3%), Communication Services (down by 8.9%) and Wholesale Trade (down by 6.1%).

Slide 6 – Survey of Employers Recruitment Experiences

The survey of Employers' Recruitment Experiences in Bibra Lake was conducted in February 2009.

202 employers responded, the majority of which were in the Retail Trade and Manufacturing Industries.

Two thirds (67%) of businesses surveyed had remained the same size over the three months prior to the survey.

15% of businesses surveyed had increased staff numbers in the three months prior to the survey. Higher demand was the main reason employers increased staff levels (71% of employers who increased staff numbers).

18% of businesses surveyed had decreased staff numbers in the three months prior to the survey. A fall in demand was the main reason employers decreased staff levels (72% of employers who decreased staff numbers).

Slide 7 – Recruitment Experiences in the 12 Months Prior to the Survey

54% of employers who responded to the survey had recruited or attempted to recruit in the 12 months preceding the survey:
-28% of recruitment was solely due to turnover;
-35% of recruitment was solely due to growth; and
-37% of recruitment was due to both turnover and growth.

Recruitment solely due to turnover was most common in the Retail industry. Recruitment solely due to business growth was most common in the Manufacturing industry.

Overall, employers who had recruited reported 636 vacancies over the 12 months preceding the survey. 2% (or 15 positions) of these vacancies remained unfilled. This is very low compared with 11% of vacancies that remained unfilled in all regions surveyed in the 12 months to October 2008.

8% of employers reported that their business had one or more unfilled vacancies. This is low compared with 23% of employers in all regions surveyed in the 12 months to October 2008.

Slide 8 – Recruitment Experiences in the 12 Months Prior to the Survey

53% of recruiting employers reported that recruitment over the past 12 months was difficult regardless of whether they filled the positions or not.

Commonly reported issues that made recruitment difficult over the past 12 months were:
-Lack of applicants;
-Lack of skilled applicants;
-Wages not competitive; and
-Competition with the mining sector.

23% of employers said that the availability of public transport to and from the Bibra Lake area affected their ability to attract and retain staff.

Slide 9 - Recruitment Experiences in the 12 Months Prior to the Survey

Employers who had recruited in the 12 months prior to the survey, reported that three quarters (75%) of their filled vacancies, were filled with staff who lived within 20 kilometres of the Bibra Lake area.

21% of employers who had recruited had employed staff from overseas. 48% of employers who had employed staff from overseas had done so through an employer sponsored visa.

3% of employers who had recruited had engaged someone from interstate or overseas to complete a specialised short term job. This is low compared with the results of the AMC survey, where 21% of employers who had recruited, reported that they had engaged someone from interstate or overseas to complete a short term job.

Given the extremely low level of unfilled vacancies it is surprising that 44% of employers had positions they were unable to fill on the first attempt in the 12 months preceding the survey.

Slide 10 – Success Filling Recent Vacancies by Occupation Group

Recruitment difficulties can be attributed to a number of causes. While many of these reasons relate to aspects of the employer, industry or region, such as location or availability of local labour supply, other causes of difficulty can stem from the type of occupation that an employer is attempting to fill.

One of the key indicators of whether recruitment difficulties exist for an occupation is the degree of success that employers had in filling vacancies with suitable job seekers.

In their most recent recruitment round, employers in Bibra Lake attempted to fill 150 vacancies. Overall, 6% of these recent vacancies were not filled. This is low compared with 14% of recent vacancies unfilled for all employers surveyed in the 12 months to October 2008.

Higher skilled occupations had the highest proportion of unfilled vacancies (13%). Again, this is low in comparison with the level of unfilled vacancies for higher skilled occupations in all surveys conducted in the 12 months to October 2008 (19%).

Employers surveyed in the Bibra Lake area reported that 10% of most recent vacancies were filled with job seekers who required development. In all surveys conducted in the 12 months to October 2008 12% of vacancies were filled with job seekers who required development.

Lower skilled vacancies had the highest proportion of vacancies filled with job seekers who required development (20%). This was also slightly above the proportion of lower skilled vacancies that were filled with job seekers who required development in all surveys conducted (17%).

Slide 11 – Reasons Job Seekers Needed Development

Over half (54%) of the employers surveyed, who reported that job seekers needed development, indicated that training was required in soft skills, not specific to the job (e.g. teamwork skills, communication skills, reliability etc).

Employers recruiting for lower and medium skilled vacancies most commonly reported that job seekers required development in soft skills.

Under half (43.3%) of all employers surveyed to October 2008, who indicated that job seekers required development, identified soft skills as the area where development was required.

Other areas in which job seekers required development were in skills specific to the job (38%) and training on systems or machinery used in the job (23%).

Slide 12 – Recruitment Methods Used

The method of recruitment used by employers can also affect the level of competition for vacancies. This chart shows the main recruitment methods used by employers in their latest recruitment round.

Overall, the main methods of recruitment used by employers in the Bibra Lake area were Newspaper ads (41%), word of mouth (33%) followed by the Internet (27%), and recruitment agencies (10%).

These were the main methods used by all employers surveyed in the 12 months to October 2008. A higher proportion of employers surveyed in the Bibra Lake area used the Internet for their latest recruitment method, (27%) compared with all employers surveyed in the 12 months to October 2008 (19%). A lower proportion of employers surveyed in the Bibra Lake area used a recruitment agency for their latest recruitment method, (10%) compared with all employers surveyed in the 12 months to October 2008 (19%).

Slide 13 – Competition for Recent Vacancies and the Suitability of Applicants

Overall, the results of the survey suggest that the level of competition for vacancies in the Bibra Lake area was higher than in other regions surveyed, with an overall average of 6.6 applicants per vacancy compared with an average of 5.0 applicants per vacancy for all other regions surveyed in the 12 months to October 2008.

However, the level of competition for vacancies differed depending on the skill level of the vacancy and the high overall average was primarily driven by the high numbers of applicants applying for medium skilled vacancies. On average, in Bibra Lake, competition for medium skilled vacancies was very high (an average of 11.0 applicants per vacancy) compared with all regions surveyed in the 12 months to October 2008 (5.5). Competition for lower skilled vacancies was also high in Bibra Lake (6.1) compared with all regions surveyed in the 12 months to October 2008 (4.4). Competition for higher skilled vacancies was low in Bibra Lake (3.7) compared with all regions surveyed in the 12 months to October 2008 (5.1).

Competition for vacancies alone does not explain how applicants contribute to recruitment difficulties. The quality of applicants can affect not only whether an employer fills a vacancy but also whether they are satisfied with the result of recruitment.

In the Bibra Lake area, an average of 2.9 applicants per vacancy were considered suitable for the job for which they had applied. This is high compared with an average of 1.9 suitable applicants per vacancy in all areas surveyed in the 12 months to October 2008. However, the average number of suitable applicants varied depending on the skill level of the vacancy.

Employers from the Bibra Lake area reported a high average number of suitable applicants per medium skilled vacancy (4.8) compared with the average for all regions surveyed in the 12 months to October 2008 (1.9). Employers from the Bibra Lake area reported a high average number of suitable applicants per lower skilled vacancy (3.0) compared with the average for all regions surveyed in the 12 months to October 2008 (1.8). The average number of suitable applicants per higher skilled vacancy (1.4) reported by employers from the Bibra Lake area is similar to the average for all regions surveyed in the 12 months to October 2008 (1.8).

Slide 14 – Reasons Applicants were Unsuitable by Occupation Group

Across all most recently advertised vacancies, employers most commonly found one or more applicants to be unsuitable because they had insufficient experience to perform the duties of the job (67% of employers). This reason was also reported most commonly by employers surveyed in all regions in the 12 months to October 2008 (57%).

Other reasons that applicants were reported as unsuitable by employers in Bibra Lake included:
-Insufficient qualifications or training (32%);
-Poor attitude and/or lacked basic work ready skills (16%);
-Inadequate communication or teamwork skills (12%);
-Poor English literacy or numeracy skills (10%);
-Limited interest in the job (10%); and
-Poor personal presentation (10%).

Slide 15 – Employability Skills – What were employers looking for?

The attributes that most employers were looking for were enthusiasm (reported by 41 per cent of employers that recruited), communication skills (31 per cent), teamwork skills (31 per cent), reliability (28 per cent) and motivation (28 per cent).

Employers surveyed indicated that applicants most commonly lacked communication skills, motivation and enthusiasm.

Slide 16 – Employer emphasis on personality traits/technical skills when filling recent vacancies

Overall, in their most recent recruitment round, most employers placed emphasis on personality traits (79%) rather than technical skills (20%) when filling vacancies.

However, the extent of this emphasis varied according to the skill level of the occupation. A higher proportion of employers who recruited for lower skilled occupations placed emphasis on personality traits and/or personal qualities (86%), than those who recruited for medium skilled (83%) and higher skilled occupations (68%).

On the other hand, a higher proportion of employers who recruited for higher skilled occupations placed emphasis on technical skill (32%), than those who recruited for medium skilled (17%) and lower skilled (11%) occupations.

More than half (54.0 per cent) of employers who thought that job seekers required development, identified soft skills as the area development was needed. This is further evidence of the importance that employers placed on soft skills.

Interestingly not a single employer said that they placed equal importance on both personality traits and/or qualities and technical skills.

Slide 17 – Reasons recruitment was difficult – most recent vacancy

More than a third (38%) of employers surveyed reported that they have difficulty recruiting for their most recent vacancy (compared with 58% for all regions surveyed). Of those employers who reported recruitment difficulty, 82% said it was the same level of difficulty as usual, 39% said it was more difficult than usual, and 13% said it was less difficult than usual.

Across all most recently advertised vacancies, employers found recruitment difficult primarily because of the tight labour market, that is, not enough applicants for the job and the technical skill requirements of the job (both reported by 44% of employers who recruited in the 12 months prior to the survey). These reasons were also the most commonly reported reasons identified by employers surveyed in all regions in the 12 months to October 2008 (44% and 39% respectively).

Employers commonly reported the tight labour market as a reason why recruitment was difficult. This appears to contradict the vacancy data collected in the survey, where employers reported a high average number of applicants and suitable applicants per vacancy, particularly for medium and lower skilled vacancies.
Other major reasons, reported by employers, for their recruitment difficulties included:

- Uncompetitive wages or remuneration (20%);
- The soft skill requirements for the job (12%); and
- The process of recruitment was difficult/time consuming (7%).

The reasons employers encountered recruitment difficulty differed depending on the skill level of the vacancy.

Employers recruiting for higher skilled vacancies reported the technical skill requirements of the job (reported by 60% of employers) and the tight labour market (40%) as the most common reasons that they had recruitment difficulty.

Employers recruiting for medium skilled vacancies reported uncompetitive wages and the tight labour market (both 43%) as the most common reasons that they had recruitment difficulty. This is surprising, given the relatively high average number of applicants and suitable applicants per vacancy, reported by this group of employers.

Employers recruiting for lower skilled occupations reported the tight labour market (56%) as the main reason they encountered recruitment difficulty.

Slide 18 – Difficult to Fill Occupations

In the Bibra Lake survey, employers commonly reported the following trades as difficult to fill:

-Structural Steel and Welding Tradespersons;
-Metal Fitters and Machinists;
-Electricians; and
-Cabinet Makers.

Medium and lower skilled occupations such as Sales Assistants, General Clerks and Store Persons were also commonly reported by employers as difficult to fill.

While the list of occupations difficult to fill does not directly translate into a comprehensive list of occupations in demand for the region, it does provide valuable information on jobs that are difficult to fill and identifies opportunities for job seekers with the appropriate skills and qualifications or the ability to quickly gain these skills.

Slide 19 – Retention Strategies

Employers who had recruited in the 12 months prior to surveying were asked whether they had any retention strategies to reduce staff turnover.

50% of employers had strategies.

The most commonly reported retention strategies were increasing wages (35%), providing flexible hours (19%) and providing development and training (7%).

Slide 20 – Apprentices and Trainees

A quarter (25%) of employers surveyed currently had an apprentice or trainee.

16% of employers reported they would consider recruiting an apprentice or trainee over the 12 months following the survey. This is low compared with 42% of employers in all regions surveyed the 12 months to October 2008.

21% of employers who had an apprentice or trainee and indicated that they would recruit one in the 12 months following the survey said that they expect to take on fewer apprentices or trainees in the 12 months following the survey than they had in the 12 months prior to the survey.

The most common barrier to employing an apprentice was that the employer had no need for one (63.6% of employers who would not recruit an apprentice). The next most common reason was the prohibitive cost/time/training requirements (16.5%).

Slide 21 – Provision of Staff Training

Over a third (39%) of employers had staff undertake training in the 12 months prior to the survey. The majority (88%) of this training was fully funded by employers.

This training was most commonly conducted through external providers at offsite locations (47% of employers that provided training). Employers also conducted training through internal, informal methods (i.e. on the job training, 25%) and internal formal methods (i.e. through a training department of the business, 23%). TAFE and other government providers were used by 14.3% of employers who had staff undertake training. No employers specifically said that they used Challenger TAFE.

Nearly all (97%) employers surveyed who had staff undertake training in the 12 months prior to the survey, felt that this training method met their requirements.

Additionally, 81% of employers who had staff undertake training in the 12 months prior to the survey indicated that their training needs were met by local providers.

More than three quarters (79%) of employers surveyed said they faced no barriers to providing formal, recognised training to their staff.

Slide 22 – Factors Influencing Choice of Training Provider

Employers were primarily influenced by course content (indicated by 31% of employers who provided training), flexibility of delivery time (30%) and the location of the provider (25%).

Over a third (39%) of employers indicated that they will have staff undertake training in the 12 months following the survey.

The majority (91%) of employers who had staff undertake training in the 12 months prior to the survey do not expect to reduce the number of staff that will undertake this training in the 12 months following the survey.

Slide 23 –Recruitment Expectations in 12 Months Following the Survey

A low proportion (25%) of surveyed employers in the Bibra Lake area expect to recruit in the 12 months following the survey (compared with 50% for all regions surveyed in the 12 months to October 2008).

43% of this recruitment is expected to occur in the three months following the survey.

Of those employers who expect to recruit, 61% anticipate they will need to as a result of business growth compared with 69% for all regions surveyed in the 12 months to October 2008. The majority (90%) of employers who expected to recruit anticipated an increased demand for their products and/or services.

Recruitment due to staff turnover is expected to be lower than average. Of those employers who expect to recruit 41% anticipate that they will need to replace staff compared with 61% for all regions surveyed in the 12 months to October 2008.

Just under three quarters (72%) of employers surveyed expected recruitment to be easier in the three months following the survey. All of these employers reported an expected increase in the number applicants as the reason for anticipated ease of recruitment difficulty.

Slide 24 – Recruitment Expectations in 12 Months Following the Survey

17% of surveyed employers were uncertain about recruitment in the 12 months following the survey. Just under half (47%) of those employers who were uncertain about recruitment were wary of a fall in demand for their products and/or services. 12% were uncertain because they were concerned about pressure on business cash flow and/or finance.

10% of employers surveyed expected to reduce staff numbers in the 12 months following the survey. The majority (85%) of employers who expected to reduce staff numbers anticipated a fall in demand for their products and/or services.

Most of these staff reductions are expected to happen quickly, half (50%) are expected occur in the 3 months following the survey, a further quarter (25%) are expected to occur in the 6 months following the survey. Sales assistant was the role most commonly identified for reduction.

Slide 25 – Expected Business Challenges in 12 Months Following the Survey

More than half (57%) of employers surveyed did not expect to encounter any non recruitment challenges in the 12 months following the survey.

Of those employers that did expect non-recruitment challenges in the 12 months following the survey, most of the challenges identified are related to the Global Financial Crisis (GFC). These challenges may indirectly affect recruitment and staffing decisions in the future.

34% expected changes in the structure of the market to pose challenges for their business. A third (33%) of employers anticipated a reduced business activity. Just under a quarter (24%) expected challenges in keeping existing customers. 20% of employers thought that they would encounter cash flow problems in the 12 months following the survey.

Slide 26 - Summary

In the 12 months prior to the survey, employers in the Bibra Lake area had a relatively low level of recruitment difficulty. This is indicated by a number of survey results including;

- A very low proportion of unfilled vacancies (2%) compared with all employers surveyed in the 12 months to October 2008 (11%);

- A low proportion of employers reporting recruitment difficulty (53%) compared with all employers surveyed in the 12 months to October 2008 (69%);

- A high average of applicants per vacancy (6.6) compared with all employers surveyed in the 12 months to October 2008 (5.0);

- A high average of suitable applicants per vacancy (2.9) compared with all employers surveyed in the 12 months to October 2008 (1.9);

- In the 12 months following the survey, employers in the Bibra Lake area indicated;

- Low recruitment expectations, with 25% expecting to recruit compared with 50% of all employers surveyed in the 12 months to October 2008; and

- An anticipated ease in recruitment difficulty.