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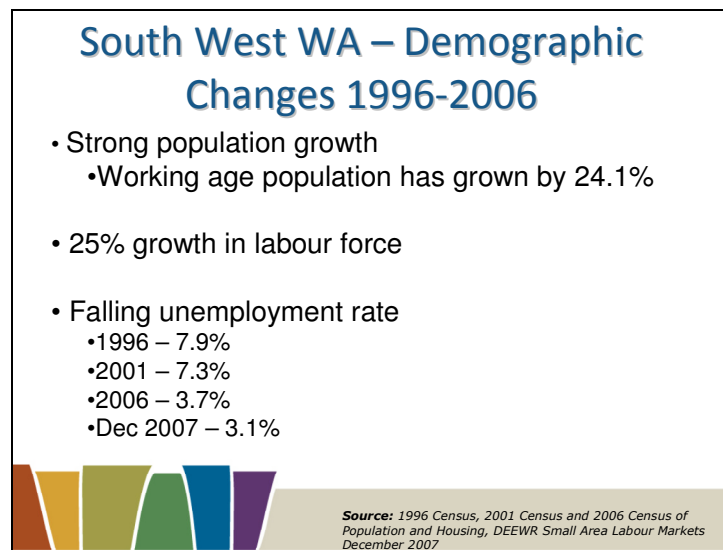


Australian Government  
Department of Education, Employment and Workplace Relations

# South West WA Survey of Employers' Recruitment Experiences



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**Population growth** (*Source: 1996 Census, 2001 Census and 2006 Census of Population and Housing*)

Between 1996 and 2006, the South West WA ESA working age population grew by 24.1 per cent (8.7 per cent between 2001 and 2006). The total population grew by 17.7 per cent between 1996 and 2006 (8.4 per cent between 2001 and 2006).

The number of working age people engaged in the labour force grew by 25.3 per cent between 1996 and 2006 (8.6 per cent between 2001 and 2006). As a result, the labour force participation rate for the working age population increased by 2.9 percentage points between 1996 and 2006, going from 74.0 per cent to 76.9 per cent during this time.

**Unemployment**

The number of unemployed people fell by 41.4 per cent between 1996 and 2006 (44.8 per cent between 2001 and 2006)

As a result, the unemployment rate fell from 7.9 per cent in 1996, to 7.3 per cent in 2001 and 3.7 per cent in 2006 (*1996 Census, 2001 Census, 2006 Census*).

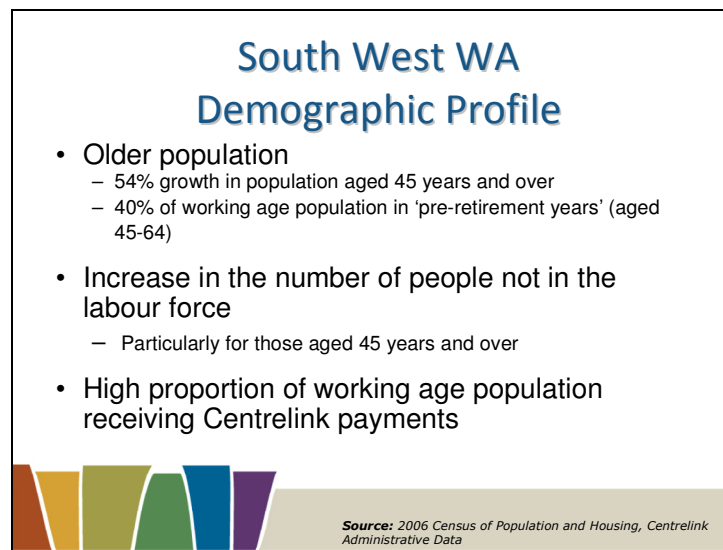
As at December 2007, the unemployment rate for South West WA was 3.1 per cent (*DEEWR Small Area Labour Markets, December 2007*). This is roughly in line with the unemployment rate for Western Australia (3.2 per cent) and below Australia (4.4 per cent).

There is some variation across the ESA, with the unemployment rate ranging from 1.3 per cent in Dardanup (S) – Pt B to 5.8 per cent in Collie (S).

Labour Force information by SLA (*DEWR Small Area Labour Markets, December 2007*)

*Selected SLAs*

<b>SLA</b>	<b>Labour Force</b>	<b>UE rate</b>
Bunbury (C)	18 450	3.4%
Busselton (S)	13 337	3.2%
Augusta-Margaret River (S)	6476	3.1%
Manjimup (S)	6401	3.2%
Collie (S)	4808	5.8%
Harvey (S) – Pt B	4682	2.6%
Dardanup (S) – Pt A	4045	3.2%
Donnybrook-Balingup (S)	2787	2.5%
Capel (S) – Pt B	2610	1.9%
Bridgetown-Greenbushes (S)	2468	3.4%
Capel (S) – Pt A	1863	2.8%
Dardanup (S) – Pt B	1631	1.3%



**South West WA  
Demographic Profile**

- Older population
  - 54% growth in population aged 45 years and over
  - 40% of working age population in 'pre-retirement years' (aged 45-64)
- Increase in the number of people not in the labour force
  - Particularly for those aged 45 years and over
- High proportion of working age population receiving Centrelink payments

Source: 2006 Census of Population and Housing, Centrelink Administrative Data

**Older population** (*Source: 2006 Census of Population and Housing First Release*)

In the South West WA ESA there is a total adult population (15+) of around 112 200 and a working age population (those aged between 15 and 64 years) of around 94 400.

The number of people aged 45 years and over grew by 54 per cent between 1996 and 2006 (23.7 per cent between 2001 and 2006). This compares with 7.3 per cent growth in the number of people aged 44 years and under between 1996 and 2006.

**Workforce ageing** (*Source: 2006 Census of Population and Housing First Release*)

This population ageing is likely to affect the size of the local workforce in coming years, with 40 per cent of the working age population in their pre-retirement years (aged 45 to 64 years). This is a higher proportion than for both Western Australia and Australia (36.6 per cent for both).

The number of people aged 45 to 64 years increased by 60.4 per cent between 1996 and 2006. This was driven by strong growth in the 55 to 64 age bracket (75.7 per cent), which makes up 17.1 per cent of the working age population.

**The population not in the labour force** (*Source: 1996 Census, 2001 Census and 2006 Census of Population and Housing*)

At the time of the 2006 Census, there were around 19 000 people of working age (15 to 64 years) not in the labour force in South West WA. This number increased by 7.2 per cent between 1996 and 2006.

In 2006, the number of people of working age not in the labour force represented 22 per cent of the total working age population.

Between 1996 and 2006, the number of people aged between 45 and 64 years not in the labour force increased by 27.5 per cent. This was driven by particularly strong growth in the 55 to 64 year age bracket (37.2 per cent).

**Centrelink population** (*Source: Centrelink administrative data, March 2008*)

As at March 2008, there were around 13 000 people of working age in receipt of a Centrelink payment (13.8 per cent of the total working age population, compared with 12.9 per cent for Western Australia).

Main payment types: Disability Support Pension (33.9 per cent of recipients), Parenting Payment Single (21.6 per cent of recipients) and Newstart Allowance (16.1 per cent of recipients).

Persons who identified as Indigenous accounted for around 6 per cent of all working age Centrelink recipients in the South West WA ESA (all allowance types).

**Migration in South West WA** (*Source: Department of Immigration and Citizenship Settlement Database*)

Settlers arriving from 1 May 2007 to 30 April 2008

	Number of Settlers
Humanitarian Program	8
Non-Humanitarian – Family Stream	147
Non-Humanitarian – Skill Stream	400
Non-Humanitarian Program – Total	547
<b>Total Settlers</b>	<b>555</b>

**South West WA - Industry Profile**

Industry	Proportion of total employment		Change (between 2001 and 2006 Census)
	South West WA	Western Australia	
Retail Trade	14.6%	14.0%	13.7%
Manufacturing	12.4%	9.9%	16.2%
Construction	11.5%	9.0%	55.6%
Health and Community Services	8.5%	10.4%	24.5%
Agriculture, Forestry and Fishing	8.4%	3.4%	-14.8%

Source: ABS 2006 Census of Population and Housing/ABS 2001 Census

At the time of 2006 Census, the Retail Trade industry was the largest employing industry in the South West WA ESA, accounting for 14.6 per cent of employment. Other major employing industries were Manufacturing (12.4 per cent of total employment) and Construction (11.5 per cent of total employment). All three of these industries employ a greater proportion of total employment in the South West WA ESA than in Western Australia (14.0 per cent, 9.9 per cent and 9.0 per cent respectively).

The Agriculture, Forestry and Fishing industry also accounts for a much greater proportion of employment in South West WA than in Western Australia overall (8.4 per cent, compared with 3.4 per cent of total employment).

On the other hand, the Property and Business Services industry accounts for a significantly smaller proportion of employment in South West WA than in Western Australia (7.0 per cent, compared with 10.7 per cent).

**Employment Growth** (Source: 2001 and 2006 Census)

In the five years between the 2001 Census and the 2006 Census, employment in the South West WA ESA grew by approximately 8700 persons, or 15.7 per cent.

Very strong employment growth was recorded in the Construction industry (2600 persons or 55.6 per cent). This growth is expected to continue in the near future, **particularly with the recent approval of the Efficiency and Growth expansion project at the Worsley refinery**. This expansion is expected to provide about 4000 jobs over the life of the project with an expected peak workforce of 1700 in about 18 months time.

The Health and Community Services industry also recorded strong growth between 2001 and 2006, with employment in the industry growing by 24.5 per cent.

Despite overall trends in the industry, employment in Manufacturing in South West WA grew by around 1100 persons, or 16.2 per cent. This growth is most likely associated with the current Mining boom (particularly with Bauxite Mining), with a large share of the industry workforce employed in Alumina and Aluminium Manufacturing. A large share of workers are also employed in Wine Manufacturing.

Not surprisingly, employment in the Mining industry has also grown significantly, increasing by 28.1 per cent between 2001 and 2006. The main types of Mining in the region include, Black Coal, Gold, Bauxite, Iron Ore, Mineral Sand and Nickel Ore.

In contrast, employment in the Agriculture, Forestry and Fishing industry fell by around 900 persons, or 14.8 per cent. A large part of this downturn may be attributed to the ongoing impact of the drought across Australia, which particularly affects regions such as South West WA, where employment in the industry is high.

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To gain a greater understanding of current skills in demand in the South West WA Employment Service Area (ESA), DEEWR conducted a telephone survey of local employers in October 2007.

The South West WA Survey of Employers' Recruitment Experiences collected information from 269 businesses. 42 per cent of these respondents were from small businesses, employing between 2 and 4 staff (while at the other end only 18 per cent of respondents employed 20 or more staff). This is important as recruitment activity is strongly related to business size. In general, the larger the business, the more likely they are to recruit and vice versa.

The responses were concentrated across 8 key industries.

Overall the survey found that:

63 per cent of employers surveyed had recruited or attempted to recruit in the past 12 months. Compared with other regions surveyed, this is quite a strong level of recruitment activity (56.8 per cent of employers recruited or attempted to recruit in the past 12 months across all regions surveyed in the 12 months to March 2008).

Recruitment activity was highest in the Education (92.9 per cent), Health and Community Services (68.4 per cent) and Manufacturing (67.5 per cent) industries,

and lowest in Agriculture, Forestry and Fishing (52.2 per cent), reflecting the impact of the drought.

Overall, employers responding to the survey attempted to fill 1010 vacancies. Of these, 12.0 per cent were not filled. This proportion of unfilled vacancies is higher than the average for other regions surveyed across Australia to date (9.9 per cent). Recruitment success varied significantly across industries. For instance, the Construction and Retail Trade industries each recorded a high proportion of vacancies remaining unfilled (19.9 per cent and 15.4 per cent respectively), while employers in the Agriculture, Forestry and Fishing (3.3 per cent of vacancies unfilled) and Education (4.8 per cent) industries reported smaller proportions of unfilled vacancies.

The proportion of unfilled vacancies indicates the depth of recruitment difficulties in a region or industry. Another indicator of recruitment difficulty is the number of employers who experienced unfilled vacancies in their business over the last 12 months. Overall, 19.5 per cent of employers who had attempted to recruit reported one or more unfilled vacancies in their business. This proportion was highest in the Construction (30.4 per cent), Health and Community Services (23.1 per cent) and Education (23.1 per cent) industries.

Finally, of the employers who had attempted to recruit, 73 per cent reported difficulty filling vacancies. Reports of difficulty were most prevalent among employers in the Construction (91.3 per cent), Property and Business Services (88.2 per cent) and Health and Community Services (84.6 per cent) industries.

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***Key industries – No. of Employers Surveyed***

Retail Trade – 77

Manufacturing – 40

Construction – 34

Property and Business Services – 29

Agriculture, Forestry and Fishing - 23

Accommodation, Cafés and Restaurants – 20

Health and Community Services – 19

Education - 14

**Other industries surveyed**

Wholesale Trade - 6

Personal and Other Services – 3

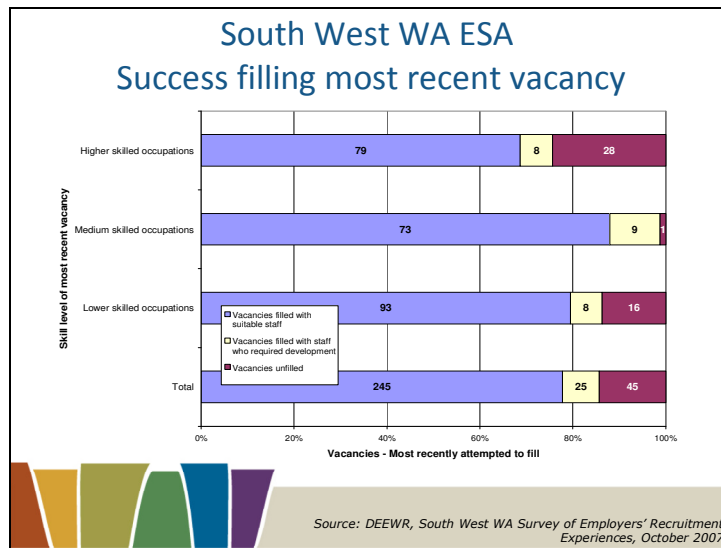
Mining – 2

Transport and Storage – 1

Finance and Insurance - 1

**Total 269**

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To provide insight into current labour market conditions in the South West WA ESA, employers were asked to provide information on their most recent vacancy. Overall, employers reported a total of 315 recent vacancies of which 14.3 per cent remained unfilled.

This chart shows the number of vacancies that were reported by employers in South West WA by skill level, broken down by whether the employer filled the vacancy with suitable staff (blue section), filled the vacancy with staff who required development (yellow section) or whether the vacancy was not filled (red section).

As can be seen from the chart, employers attempting to fill higher skilled vacancies had the most difficulty filling positions. In total, there were 115 vacancies for higher skilled occupations, of which 24.3 per cent were not filled. A further 7.0 per cent were filled with staff who required development. Within this occupation group, employers recruiting for Professionals had the most difficulty, with 38.6 per cent of vacancies remaining unfilled.

By contrast, employers attempting to fill medium skilled vacancies were relatively successful, with just 1.2 per cent of vacancies remaining unfilled. However, a relatively high proportion of vacancies were filled with staff who required

development (10.8 per cent). Within this occupation group, employers recruiting for Intermediate Clerical, Sales and Service Workers filled 25 per cent of vacancies with staff who required development.

Interestingly, employers had greater difficulty filling vacancies for lower skilled occupations, than for medium skilled occupations. In total, 13.7 per cent of the 117 vacancies for lower skilled occupations remained unfilled. A further 6.8 per cent of vacancies were filled with staff who required development. Within this occupation group, recruitment difficulty was evenly spread between Elementary Clerical, Sales and Service Workers and Labourers and Related Workers.

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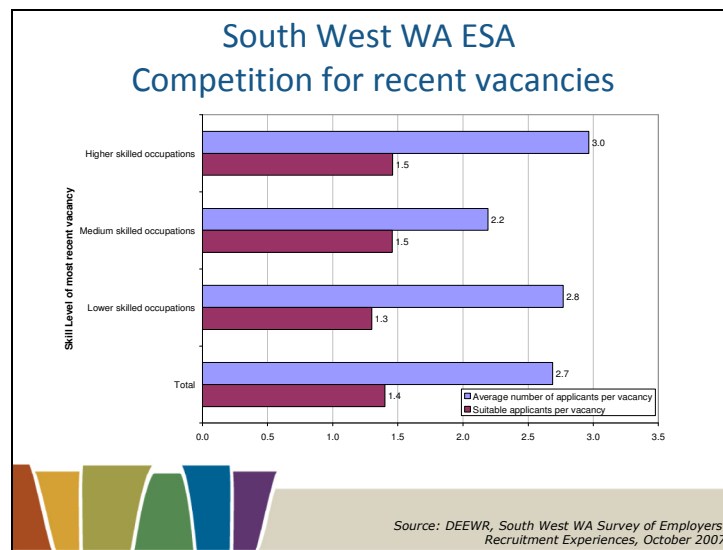
### **Skill levels**

Highly skilled includes: Managers and Administrators; Professionals; Associate Professionals; and Tradespersons and Related Workers.

Medium skilled includes: Advanced Clerical and Service Workers; Intermediate Clerical, Sales and Service Workers; and Intermediate Production and Transport Workers.

Lower skilled includes: Elementary Clerical, Sales and Service Workers; and Labourers and Related Workers.

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High levels of recruitment activity, combined with high rates of unfilled vacancies suggests that there is significant stress on the current South West WA labour supply. This seems to be confirmed by low levels of competition for vacancies.

This chart shows the average number of people who applied for vacancies (most recent only) and the average number of applicants who were considered suitable for the job for which they had applied.

Overall, the results of the survey indicate that there is a very low level of competition for vacancies in the South West WA ESA with an average of 2.7 applicants per vacancy (the average for all regions surveyed to date is 4.2).

However, competition for vacancies alone does not explain how labour supply contributes 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. As shown in the chart, an average of 1.4 applicants were considered suitable for the position for which they applied.

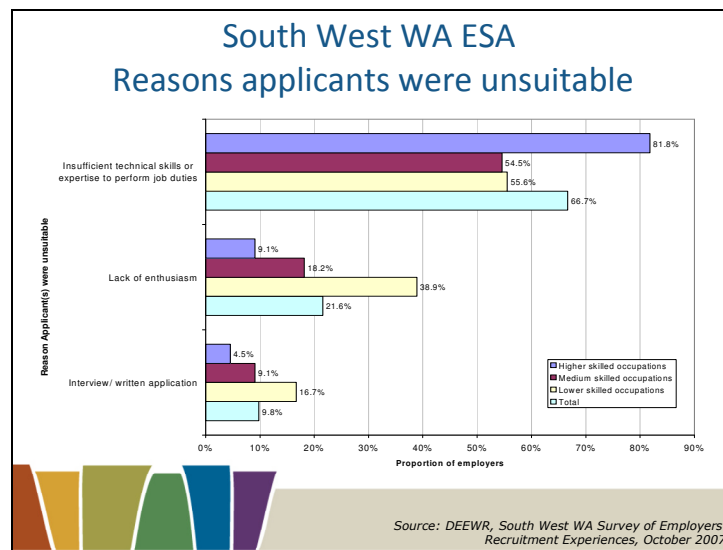
This level of competition for vacancies is related to the type and skill level of an occupation. Competition was generally highest for higher skilled vacancies, with an

average of 3.0 applicants per vacancy, of which an average of 1.5 applicants were considered suitable. Interestingly, vacancies for Associate Professionals had a very high level of competition (an average of 8.7 applicants and 3.6 suitable applicants), while vacancies for Professionals had a very low level of competition (an average of 1.8 applicants and 0.9 suitable applicants).

Medium skilled vacancies only attracted an average of 2.2 applicants per vacancy, of which an average of 1.5 applicants were considered suitable. Within this occupation group, competition was particularly low for Intermediate Production and Transport Workers (an average of 2.0 applicants and 1.1 suitable applicants).

Lower skilled vacancies attracted an average of 2.8 applicants per vacancy. Interestingly though, only an average of 1.3 applicants were considered suitable. This may be explained by low levels of competition for Labourers and Related Workers, which attracted an average of 2.2 applicants per vacancy and 1.0 suitable applicants.

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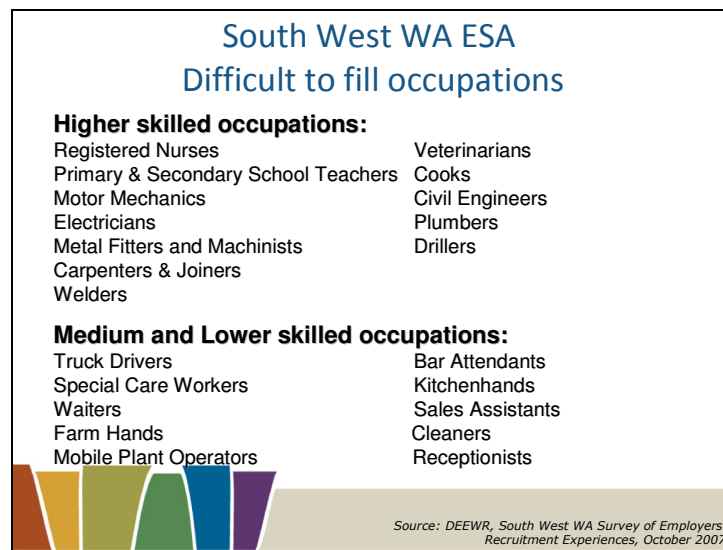


Given the low number of suitable applicants across the region, understanding the issues that prevent applicants from being regarded as suitable is necessary to improve employment outcomes in the region.

This chart shows why surveyed employers found one or more applicants to be unsuitable for the occupation for which they had applied, by the skill level of the occupation.

Across all the most recently advertised vacancies, employers most commonly found one or more applicants to be unsuitable due to insufficient technical skills or expertise to do the job (66.7 per cent of employers). This was the most common reason reported by employers recruiting for higher skilled occupations (81.8 per cent of employers).

21.6 per cent of employers with one or more unsuitable applicants reported reasons related to a lack of enthusiasm, while 9.8 per cent said that applicants were unsuitable due to reasons related to the selection process. These proportions were significantly higher for employers recruiting for lower skilled occupations (38.9 per cent and 16.7 per cent of employers respectively).



63.9 per cent of employers reported that it was difficult to fill their most recent vacancy.

As with other indicators, this result is also closely linked to the skill level of a vacancy with 83.1 per cent of employers with higher skilled vacancies reporting difficulty, compared with 64.1 of employers with medium skilled vacancies and 44.6 per cent of employers with lower skilled vacancies.

The most commonly reported reason for recruitment difficulty was the tight labour market, that is, not enough applicants for the job (40.7 per cent) (which is not surprising given the low level of competition for vacancies and low unemployment rate in the region).

Other reasons include the technical skill requirements of the job (38.0 per cent), the nature of the work (29.6 per cent); and the location of the job (20.4 per cent).

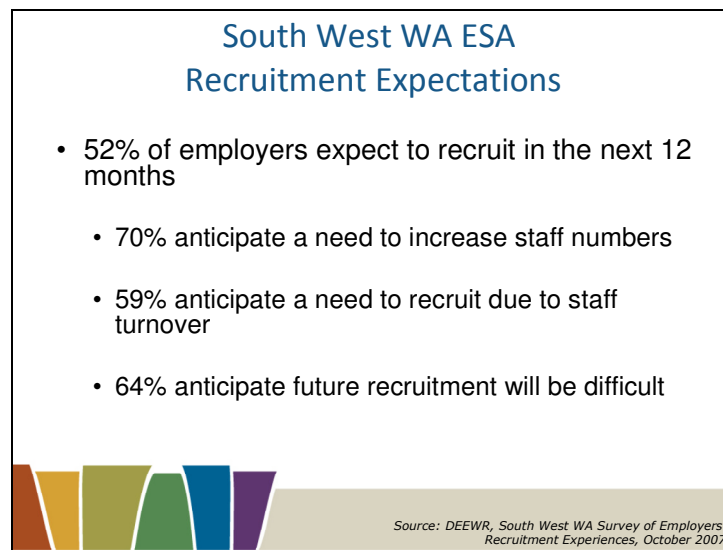
What we can see on this slide is an indicative list of the occupations that were most commonly reported as difficult to fill by employers (all vacancies over the last 12

months)<sup>1</sup>. While this list of occupations does not directly translate to a comprehensive list of occupations in demand or shortage 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.

As is evident from the list, recruitment difficulties exist across the range of skill levels, particularly Trades occupations. Apprenticeship commencements have increased by one third (33.1 per cent) over the last 5 years, particularly in Mining, Manufacturing and Construction. However there remains room for expansion of the use of apprenticeships and traineeships to help alleviate these recruitment difficulties. (*DEEWR Apprenticeship Commencement Data 2002/2003 and 2007/2008*)

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<sup>1</sup> Greatest difficulty has been determined by multiple employers in the region reporting recruitment difficulty for that occupation and does not necessarily translate into unfilled vacancies in that occupation.



What the preceding analysis has demonstrated is that recruitment difficulties exist across a broad range of occupations in the South West WA area. This section will analyse how demand for labour may develop over the next 12 months and the effect of this demand on future recruitment difficulties.

Survey results suggest that recruitment will continue to be relatively strong over the next 12 months with 52.0 per cent of employers surveyed expecting to recruit over the next 12 months (compared with an average 47.5 per cent for all regions in the 12 months to March 2008). Recruitment expectations were highest in the Construction (64.7 per cent), Education (64.3 per cent) and Health and Community Services (63.2 per cent) industries.

The majority of this recruitment is anticipated to stem from business growth, with 70 per cent of the employers who expect to recruit reporting this as their anticipated reason for future recruitment. Growth expectations were particularly high in the Manufacturing (80.0 per cent), Education (77.8 per cent) and Construction (72.7 per cent) industries.

A large amount of this recruitment is also expected to stem from staff turnover. Overall, 59 per cent of the employers who expect to recruit anticipate needing to

replace existing staff within their business over the next 12 months. This view was particularly evident in the Education (77.8 per cent of recruiting employers), Health and Community Services (75.0 per cent of recruiting employers) and Retail Trade (74.4 per cent) industries.

These results suggest that demand for labour should grow in the region over the next 12 months possibly leading to increased recruitment difficulties both in attracting and retaining staff. This expectation of recruitment difficulties is an outlook held by 64 per cent of employers who expect to recruit in the next 12 months.


### What can be done?

- Migration
- Look beyond traditional sources of labour
- Mature age workers
- Workplace flexibility
- Training



**Looking beyond traditional sources of labour**

- 13.8% of working age population in receipt of a Centrelink payment
- Need to consider:
  - Parents, people with disabilities and mature age workers
  - Long-term unemployed
  - Working age population not in the labour force



Source: Centrelink Administrative Data, 2006 Census of Population and Housing

International comparisons of labour force participation rates indicate that it is possible to catch up with the best performing countries by increasing participation among welfare recipients, mature age workers and parents.

Overall, as at March 2008, there were around 13 000 persons of working age in receipt of a Centrelink payment in the South West WA ESA. This equates to 13.8 per cent of the total working age population, which is higher than Western Australia (12.9 per cent), but lower than Australia (16.5 per cent).


A large proportion of Centrelink recipients receive either the Disability Support Pension, Newstart Allowance or a Parenting Payment. More than three-quarters (76.6 per cent) of all Centrelink recipients receive one of these payments.

The number of long-term unemployed has fallen over the last decade, however there are still almost 500 people who have been unemployed for longer than 52 weeks.

In addition, a high proportion (22 per cent) of the working age population are not in the labour force. Almost half of this group are approaching retirement (aged 45-64).

### Mature Age Workers

- Mature age workers are increasingly being valued by employers, as they:
  - Bring a wealth of experience and maturity to a workplace;
  - Have less absenteeism and fewer accidents;
  - Are loyal, reliable and have an enthusiasm to learn; and
  - Relate to customers of all ages



In the South West WA area, around 2 out of every 5 workers are aged 45 years and over (i.e. mature age workers).

### **What are the effects of an ageing population?**

It means that fewer people will be entering the labour force, as well as employers being at risk of losing a large number of skilled and experienced workers. As a result it will be much harder for businesses to find workers in the coming years.

- E.g. - for Western Australia, DEEWR has projected that the impact of the ageing population will result in a shortfall of 18 400 workers.  
<Source: DEEWR Workforce tomorrow, 2005-2010>

While this may be bad news for employers, it does mean that there will be far greater opportunities for both young and mature age job seekers in terms of (re)entering the workforce and/or advancing their career.

### **Value of mature age workers**

Many employers are aware of the potential effect of the ageing population on their business and are increasingly valuing mature age workers. Some of the benefits of such workers which are increasingly being recognised by employers include:


- they bring a wealth of experience and maturity to a workplace

- they have less absenteeism and fewer accidents
- they are loyal, reliable and have an enthusiasm to learn
- they relate to customers of all ages

A good source of information for mature age workers and job seekers can be found at [www.jobwise.gov.au](http://www.jobwise.gov.au).

### Improving Workplace Flexibility

- Phased retirement
- Increasing education and training
- Increasing access to flexible working hours
- Job sharing
- Improving the work/family balance
- Providing childcare facilities
- Apprenticeships / Traineeships
- Recruiting lower skilled workers and training them up



One of the keys to attracting and retaining workers is to **improve workplace flexibility**.

Some innovative responses that employers are already making include:

- Retaining mature-age employees through strategies such as phased retirement and age-awareness training;
- Increasing education and training for existing employees (both on and off the job);
- Increasing access to flexible working hours;
- Job sharing;
- Improving the work/family balance for their employees;
- Providing child care facilities in or near the workplace to retain workers who are carers for young children;
- Modifying the workplace and tasks so that they can be performed by employees with various levels of disability;
- Offering Apprenticeships/Traineeships; and
- Recruiting people at the lower skill level and training them to perform the job.

**Skilling Australia for the Future**

- Productivity Places Program to deliver 450 000 training places over four years
- Focus on occupations in shortage or difficult to fill
- 175 000 of the places will be for job seekers
- Places will be available for existing workers
- Registered Training Organisations will work with Employment Service Providers to identify eligible job seekers

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The *Productivity Places Program* under the *Skilling Australia for the Future* initiative will deliver 450,000 training places over four years in priority occupations, to help Australian workers develop the skills they need. 175,000 training places are allocated to job seekers, including 20,000 apprenticeship places. Training places for job seekers will be available from April 2008.

Priority occupations are occupations assessed as being in demand and occupations for which employers have experienced recruitment difficulty. Changes to the list of priority occupations will be made by *Skills Australia* – a high level body of experts, comprising economic, industry, academic and expertise in the provision of education or training – established to advise the Government on current and future demand for skills and training. It will identify future and persistent skills shortages as well as industries where retraining and up-skilling of workers may be required to prevent unemployment, under-employment and skills obsolescence.

Flexible options for training will be available such as part-time, outside business hours and distance mode training. Innovative strategies may be used to deliver training in regional and remote locations. Training places will be delivered in an industry-driven system, ensuring that training is more responsive to the needs of businesses and participants. Employers can work with their local employment service

providers and training organisations to meet their skills demands in priority occupations.


Employment service providers will be encouraged to identify job seekers who are eligible for the fully funded training places and encourage them to undertake the training on offer.

For Job Network and Disability Employment Network, time spent by a job seeker in approved Skilling Australia training will not count as time in assistance for star rating purposes. This will ensure that time spent in training will be excluded when calculating the speed of placement for star rating purposes. This is of course additional to the benefits of increased employability of job seekers as a result of quality training.

The policy on activity test requirements will be improved to enable job seekers to undertake training. To ensure a job seeker is able to complete their training, the job seekers (whether in part-time or full-time training) will only be required to accept a job that fits around the timing of their training. This will maximise their chance to contribute meaningfully to the skilled labour needs of Australia.

**South West WA ESA  
Summary**

- Strong and growing economy and labour market
- Ageing population
- Recruitment and retention difficulties experienced by employers
- High proportion receiving Centrelink payments and/or not in the labour force
- We all need to act NOW

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### **Local economy and labour market**

The South West WA economy has experienced strong growth in recent years. This growth has been widespread across all industries, but particularly in Construction, Mining, Health and Community Services and Manufacturing. Between 2001 and 2006, these industries grew by 55.6 per cent, 28.1 per cent, 24.5 per cent and 16.2 per cent respectively.

Growth in these industries has placed significant strain on the local labour market, as they absorb the available pool of workers. Consequently, the unemployment rate has fallen dramatically from 7.9 per cent in 1996 to 3.7 per cent in 2006 and 3.1 per cent in December 2007. This has made it increasingly difficult for local employers to attract and retain staff.

### **Population growth and ageing**

This pressure on the current labour supply has been partially offset by strong population growth in the region, with the working age population growing by 24.1 per cent between 1996 and 2006. However, much of the growth during this time has been concentrated in older age groups.

Comparison of Census data indicates that there has been a demographic shift over the last decade, with the number of people aged 45 years and over increasing by 54.2 per cent between 1996 and 2006.

This has particularly affected the working age population. In 1996, the number of people in their pre-retirement years (aged 45-64 years) accounted for 31.0 per cent of the working age population. In 2006, this increased to 39.9 per cent. This proportion is higher than for both Western Australia and Australia (36.6 per cent), suggesting that the South West WA ESA is particularly vulnerable to the effects of the ageing population in the coming years

### **Recruitment and retention difficulties**

The effects of the tight local labour market have been reflected in DEEWR's Survey of Employers' Recruitment Experiences.

Overall, 72.8 per cent of employers who had recruited in the 12 months preceding the survey experienced difficulty recruiting, compared with 63.8 per cent for all regions surveyed in the 12 months to March 2008. Recruitment difficulties were most prevalent in the Construction (91.3 per cent) and Health and Community Services (84.6 per cent) industries.

Recruitment difficulties have also been reflected in the number of reported vacancies that were not filled. For all industries, 12.0 per cent of vacancies were not filled, compared with 9.9 per cent for all regions surveyed in the 12 months to March 2008.

Low levels of competition for vacancies provides an additional indicator of a tight labour market. Overall, Employers received an average of 2.7 applicants per vacancy, which is much lower than other regions surveyed to date (4.2 applicants per vacancy). Of these, only half (52 per cent or 1.7 applicants) were considered suitable.

A relatively high proportion of employers expect to recruit in the 12 months following the survey (52.0 per cent, compared with 47.5 per cent for all regions). While most of this recruitment is expected to occur due to business growth (70.0 per cent of employers), 59.3 per cent of employers will recruit due to staff turnover.

Recruitment difficulties are likely to remain, with 64.3 per cent of employers who will recruit in the next 12 months expecting difficulty, compared with 58.4 per cent for all regions.

### **Future sources of labour**

Given the strain that is being placed on the current labour supply, it is important to look towards non-traditional sources of labour in the future. For instance,

- 13.8 per cent of the working age population are in receipt of a Centrelink payment. Three-quarters of these recipients receive either the Disability Support Pension, Newstart Allowance or a Parenting Payment.
- There are almost 500 people classified as long-term unemployed (have been out of work for 52 weeks or longer).
- 22 per cent of the working population are not engaged in the labour market.

The necessity of bringing these groups into the labour market highlights the importance of immediate action through:

- Phased retirements
- Increased access to education and training
- Greater flexibility in the workplace

## Thank you

More information:

- [www.workplace.gov.au/bcw](http://www.workplace.gov.au/bcw)
- [www.workplace.gov.au/regionalreports](http://www.workplace.gov.au/regionalreports)
- [www.workplace.gov.au/lmip](http://www.workplace.gov.au/lmip)
- [www.productivityplaces.deewr.gov.au](http://www.productivityplaces.deewr.gov.au)



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