



Australian Government

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

Kempsey NSW: Survey of Employers' Recruitment Experiences

March
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Survey of Employers' Recruitment Experiences: Kempsey NSW

During March 2008, the Department of Education, Employment and Workplace Relations conducted a Survey of Employers' Recruitment Experiences in the Kempsey Employment Service Area (ESA) on the NSW north coast. In total, 250 businesses answered questions about their recruitment experiences over the last 12 months and their expectations for the next 12 months.

Outlined below is a summary of the information collected via a phone survey of randomly selected employers. The survey has been approved by the Australian Government Statistical Clearing House.

This information will be presented at the Kempsey Better Connections Workshop being conducted by the Department (workplace.gov.au/bcw). This workshop will bring together employment service providers, Federal, state and local government agencies, local chambers of commerce and other local stakeholders to develop solutions to local employment issues.

The objective of the workshops is to improve labour market effectiveness by addressing labour supply and skill shortage issues, increasing labour market participation and reducing unemployment. Workshop participants are encouraged to develop solutions to local issues identified at the workshop that can be realistically pursued at the local level by utilising existing resources and programs.

Kempsey ESA overview

As at June 2006, the estimated adult population (aged 15+) of the Kempsey ESA was 38 700. The area has a comparatively older population, with the working age population (aged 15-64) accounting for 76 per cent of the adult population (83.2 per cent for NSW and 83.9 per cent for Australia)¹.

The unemployment rate has been falling in recent years to stand at 9.5 per cent as at December 2007. This rate has fallen by 2.2 percentage points since December 2005. Nonetheless, it remains significantly above the state and national unemployment rates (4.8 per cent and 4.4 per cent respectively)².

At the time of the 2006 Census, the major employing industries in the Kempsey ESA were Retail Trade, Health and Community Services and Education³.

¹ Source: ABS Population by Age and Sex, June 2006

² Source: DEEWR, Small Area Labour Markets, December 2007

³ Source: ABS, 2006 Census of Population and Housing

Recruitment experiences of employers in the 12 months preceding the survey

The survey asked employers about their recruitment experiences in the 12 months preceding the survey. The following table summarises the recruitment experiences of employers in the 7 largest industries, by survey response. It includes the proportion of:

- employers who had recruited;
- vacancies remaining unfilled; and
- employers who reported difficulty recruiting staff in the past 12 months.

Table 1: Employers' recruitment experiences in the last 12 months⁴

Industry	Proportion of employers who had recruited (in the 12 months preceding the survey)	Proportion of vacancies unfilled	Proportion of recruiting employers who reported difficulty recruiting
Manufacturing	52.9%	21.7%	77.8%
Construction	43.3%	11.8%	53.8%
Retail Trade	42.9%	3.1%	50.0%
Accommodation, Cafés and Restaurants	33.3%	0.0%	58.3%
Property and Business Services	31.8%	0.0%	57.1%
Education	66.7%	0.0%	0.0%
Health & Community Services	41.7%	12.2%	70.0%
Total	42.8%	5.2%	51.4%

These results outline that 42.8 per cent of employers surveyed had recruited or attempted to recruit over the last 12 months.

- Recruitment activity was highest in the Education and Manufacturing industries (66.7 per cent and 52.9 per cent of employers respectively) and lowest in the Property and Business Services (31.8 per cent).

On average, 5.2 per cent of the 349 reported vacancies remain unfilled. This proportion varied significantly across industries.

- The Manufacturing industry had the highest proportion of unfilled vacancies (21.7 per cent), while the Accommodation, Cafés and Restaurants, Property and Business Services and Education industries had no unfilled vacancies.

Similarly, the proportion of recruiting employers who reported difficulty recruiting varied significantly by industry.

⁴ Due to the small number of respondents, Agriculture, Forestry and Fishing, Wholesale Trade, Cultural and Recreation Services and Personal and Other Services industries have not been included in this report, however, the results have been included in the totals.

- Reported recruitment difficulties were particularly high in the Manufacturing and Health and Community Services industries (77.8 per cent and 70.0 per cent of recruiting employers reported recruitment difficulty respectively). On the other hand, no employers in the Education industry reported recruitment difficulty.

Across all industries, 51.4 per cent of employers who had recruited in the last 12 months reported difficulty doing so.

Recruitment difficulty by occupation

The level of recruitment difficulty reported by employers also varied depending on the occupation for which they were recruiting.

- Not surprisingly, employers recruiting for higher skilled occupations had the most difficulty (62.5 per cent of recruiting employers), particularly those filling positions for Professionals and Associate Professionals (66.7 per cent for both).
- On the other hand, recruitment difficulties were relatively low for medium and lower skilled occupations (33.3 per cent and 28.6 per cent respectively).

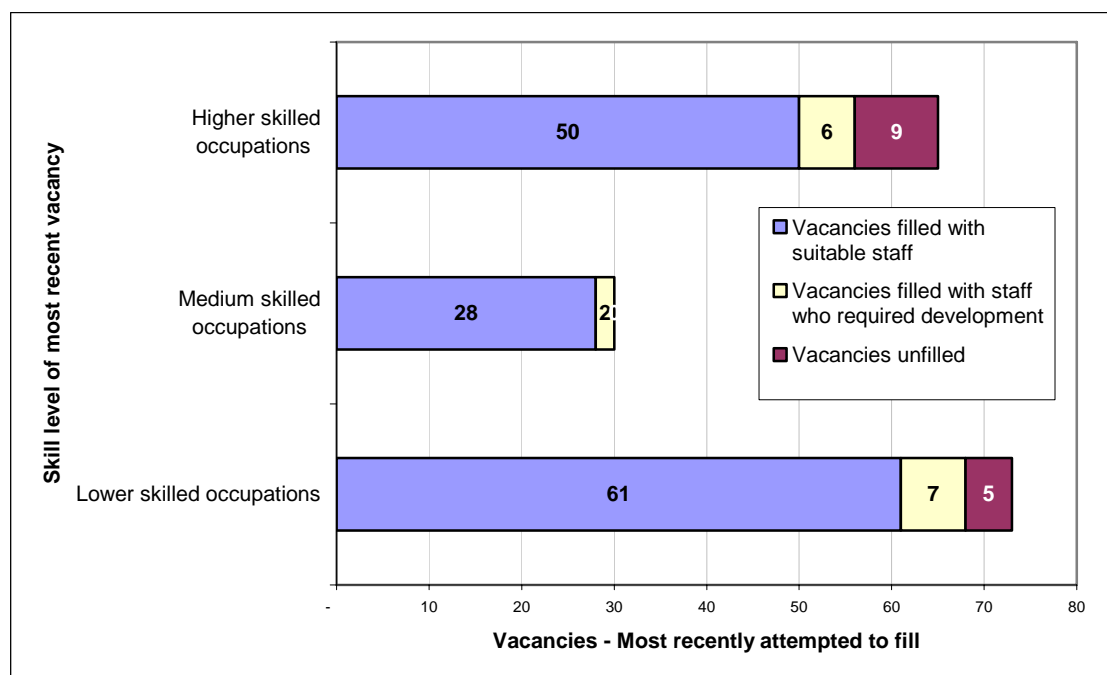
The main reasons reported by employers to explain the recruitment difficulties they experienced in the 12 months preceding the survey were:

- Hard to find people with the necessary technical skills (54 per cent).
- The tight labour market - not enough applicants (42 per cent).
- Location (25 per cent).

Success filling vacancies by occupation

As can be seen from the following chart, the level of success employers had filling vacancies depended on the skill level of the occupation for which they were recruiting.

- For higher skilled occupations, 13.8 per cent of vacancies remain unfilled. Additionally, a further 9.2 per cent of vacancies were filled with staff who required development.
- For medium and lower skilled occupations, 4.9 per cent of vacancies remained unfilled and 8.7 per cent of vacancies were filled with staff who required development.

Figure 1: Success filling most recent vacancy**Level of competition for vacancies**

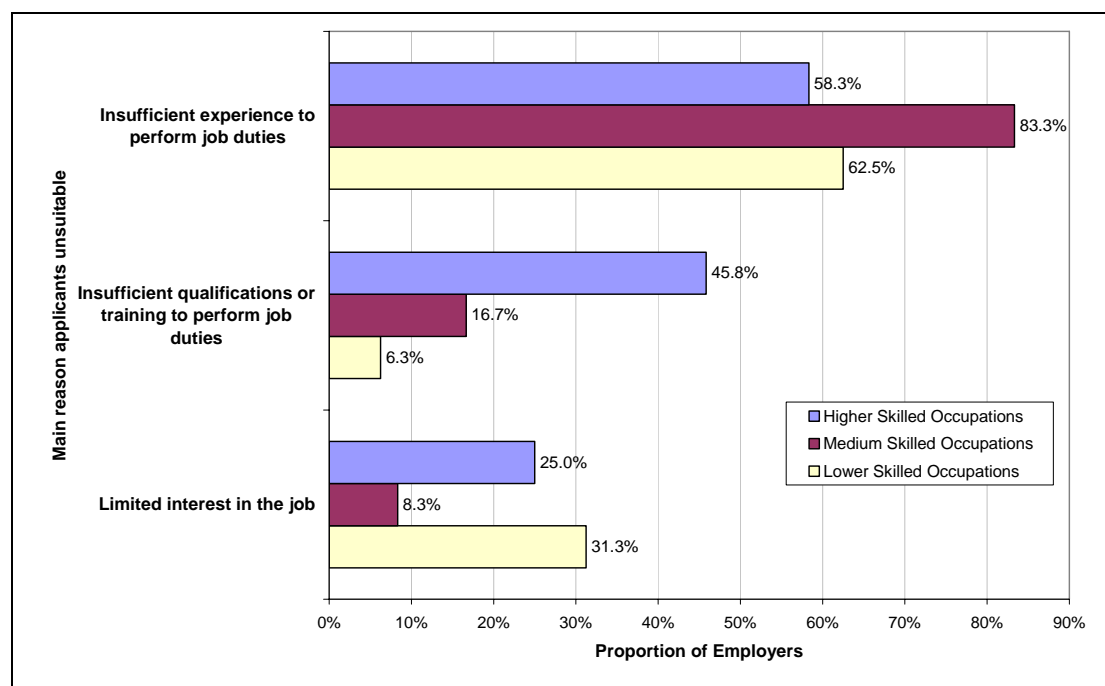
Overall, employers in the Kempsey region reported modest levels of competition for vacancies in the area, with an average of 3.6 applicants per vacancy, compared with an average of 4.2 applicants in other regions surveyed by the Department in the 12 months to March 2008.⁵ Of those 3.6 applicants, 1.6 applicants (on average) were considered suitable for the job.

- Competition for vacancies was relatively high for Associate Professionals (6.5 applicants/1.9 suitable applicants) and Elementary, Clerical, Sales and Service Workers (4.5 applicants/2.3 suitable applicants)
- Competition was relatively low for Tradespersons and Related Workers (1.9 applicants/1.0 suitable applicants) and Intermediate Clerical, Sales and Service Workers (3.4 applicants/1.3 suitable applicants).

The most common reasons that employers gave for applicants being unsuitable were insufficient experience (reported by 65.4 per cent of employers), insufficient qualifications and training (26.9 per cent) and a perceived lack of interest in the job (23.1 per cent). As can be seen from the following chart, the proportions varied depending on occupation skill level.

- Insufficient qualifications and training was the reason given most commonly by employers recruiting for higher skilled occupations. A significant proportion of employers who reported insufficient experience as a reason were recruiting for medium skilled occupations.

⁵ DEEWR, *Survey of Employers Recruitment Experiences, 12 months to March 2008*

Figure 2: Reasons applicants were considered unsuitable

Future recruitment expectations

Overall, recruitment activity in the next 12 months is expected to be relatively low, with 40.4 per cent of employers expecting to recruit (compared with 47.5 per cent for all regions surveyed in the 12 months to March 2008).

- This proportion was relatively high for Education (55.6 per cent) and Property and Business Services (54.5 per cent), but lower for Construction (30.0 per cent) and Health and Community Services (37.5 per cent).

Encouragingly, of those employers who do expect to recruit in the next 12 months, 60.4 per cent will do so as a result of business growth. Additionally, 56.4 per cent reported that they will recruit as a result of staff turnover.

- Business growth is expected to be relatively high in the Construction (77.8 per cent of recruiting employers) and Retail Trade (60.5 per cent) industries. Staff turnover is expected to be particularly high in the Accommodation, Cafés and Restaurants (75.0 per cent) and Health and Community Services (66.7 per cent) industries.

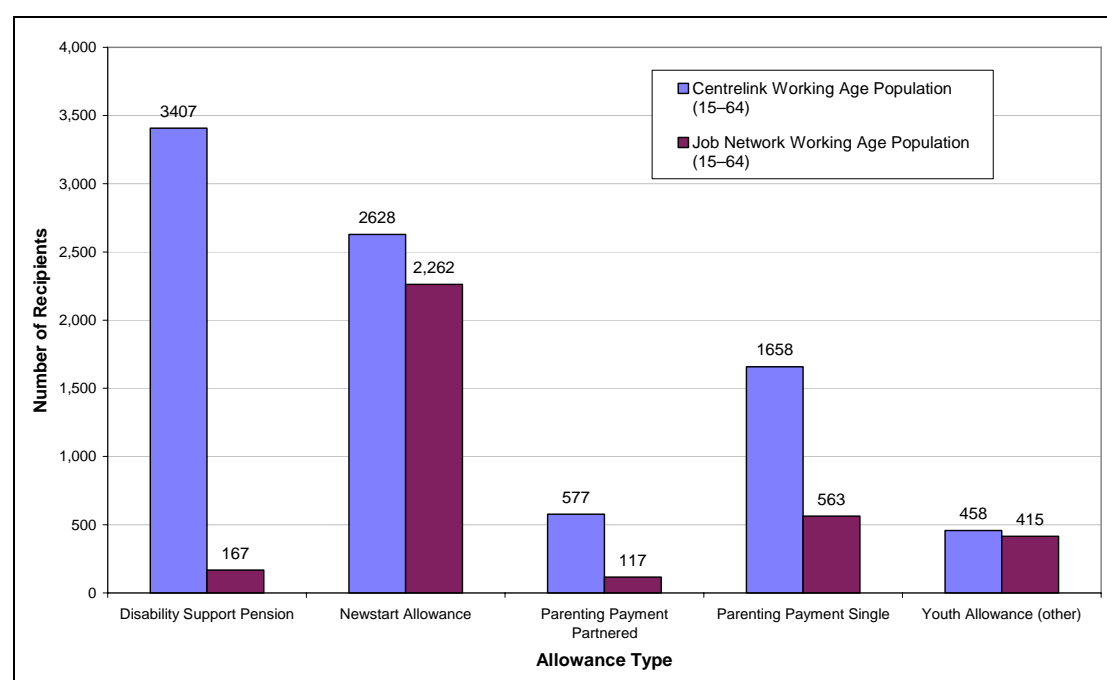
A low proportion of employers (47.5 per cent) expect recruitment to be difficult in the next 12 months (compared with the average of 58.4 per cent for all regions surveyed in the 12 months to March 2008). This proportion was particularly low for Retail Trade (39.5 per cent) and Property and Business Services (41.7 per cent). Recruitment difficulty is, however, expected to be high in the Manufacturing industry (88.9 per cent).

Centrelink population

As at March 2008, there were around 11 100 people in the Kempsey ESA who were in receipt of a Centrelink payment. This equates to 37.8 per cent of the working age population (compared with 16.9 per cent for NSW and 16.7 per cent for Australia⁶).

As can be seen from the following chart, a large proportion of this group receives either a Disability Support Pension (30.6 per cent of Centrelink clients), Newstart Allowance (23.6 per cent) or a Parenting Payment (20.1 per cent). Engagement with a Job Network provider is relatively high for Newstart Allowance recipients, but low for the other two major payment types.

Figure 3: Number of Centrelink recipients by payment type



Source: Centrelink and DEEWR Administrative Data, March 2008

⁶ Source: Centrelink and DEEWR Administrative Data, March 2008

Considering many employers in the Kempsey ESA raised concerns regarding the skill level of applicants, greater access to Australian Apprenticeships or on-the-job training may also play a vital role in easing future recruitment difficulties, as well as assist many unemployed people in finding work. Encouragingly, around 47 per cent of surveyed employers in the area who expect to recruit indicated that would consider employing an apprentice or providing work experience to an unemployed person.

For more information:

- Better Connections Workshops presentations
 - www.workplace.gov.au/bcw
- Regional reports
 - www.workplace.gov.au/regionalreports
- The Labour Market Information Portal
 - www.workplace.gov.au/lmip