



Survey of Employers' Recruitment Experiences in Launceston – November 2008

To gain a greater understanding of recruitment experiences in the Launceston Employment Service Area (ESA), the Department of Education, Employment and Workplace Relations (DEEWR) undertook a telephone survey of local employers in November 2008. Findings from the survey provide a good indication of the nature of recruitment activity and the extent to which local employers face recruitment difficulties, as well as identifying labour market opportunities for employers and job seekers.

Until September 2008, Australia had experienced robust labour market conditions for well over a decade, with strong and sustained economic and employment growth, which saw the unemployment rate fall to a low of 3.9 per cent on February 2008.¹ However, the period following September 2008 has seen Australia's economy affected by the Global Financial Crisis (GFC) which has seen a sharp deterioration in economic conditions around the globe.

Labour Market Information

- The estimated adult population (15+) of the Launceston ESA was 112 900 as at June 2007 and the estimated working age population (those aged 15 to 64) was 91 700.²
 - The population of the Launceston ESA is slightly older in comparison with Tasmania overall. For instance, those approaching retirement (i.e. those aged 45 to 64) in the Launceston ESA, make up 16 per cent of the adult population compared with 15 per cent for Tasmania and 14 per cent for Australia.
- In the five years to September 2008 the unemployment rate in the Launceston ESA decreased from a high of 8.9 per cent in September 2003 to a low of 4.5 per cent in September 2008.³ This unemployment rate is above the level for Tasmania (4.1 per cent) and Australia overall (4.2 per cent).⁴
- According to the 2006 Census, the Launceston ESA had a participation rate of 60.1 per cent which was marginally below to the State average of 60.5 per cent.
- The largest employing industries in the Launceston ESA, at the time of the 2006 Census were:
 - Retail Trade (15 per cent of employment); and
 - Health and Community Services (12 per cent).
- In the five years between the 2001 and 2006 Censuses there was solid employment growth in the Launceston ESA with an increase in the total number of people employed of 11 per cent (or around 5700 people). For the State, the number of people employed grew by 12 per cent and for Australia the number of people employed grew by 10 per cent.

¹ Australian Bureau of Statistics, Labour Force, Australia, Spreadsheets, Dec 2008, cat. No. 6202.0.55.001 (seasonally adjusted data).

² ABS Estimated Residential Population Data Cat. No. 3235.0.55.001, June 2007, concorded by DEEWR.

³ DEEWR Small Area Labour Market data, September 2008.

⁴ DEEWR Small Area Labour Market data, September 2008

- Employment growth occurred in the majority of industries across Launceston ESA over this period, with large increases occurring in the following industries:
 - Construction (48 per cent); and
 - Accommodation, Cafés and Restaurants (18 per cent).
- On the other hand, employment in the Agriculture, Forestry and Fishing industry fell by 4 per cent.
- Employment growth between the census periods occurred quite evenly across occupation groups in the Launceston ESA.
 - There was a 12 per cent increase in the number of people employed in higher skilled occupations, a 13 per cent increase for medium skilled occupations and a 9 per cent increase for lower skilled occupations.

Key Survey Results

The Launceston Survey of Employers' Recruitment Experiences collected information from 212 businesses. The survey results are as follows:

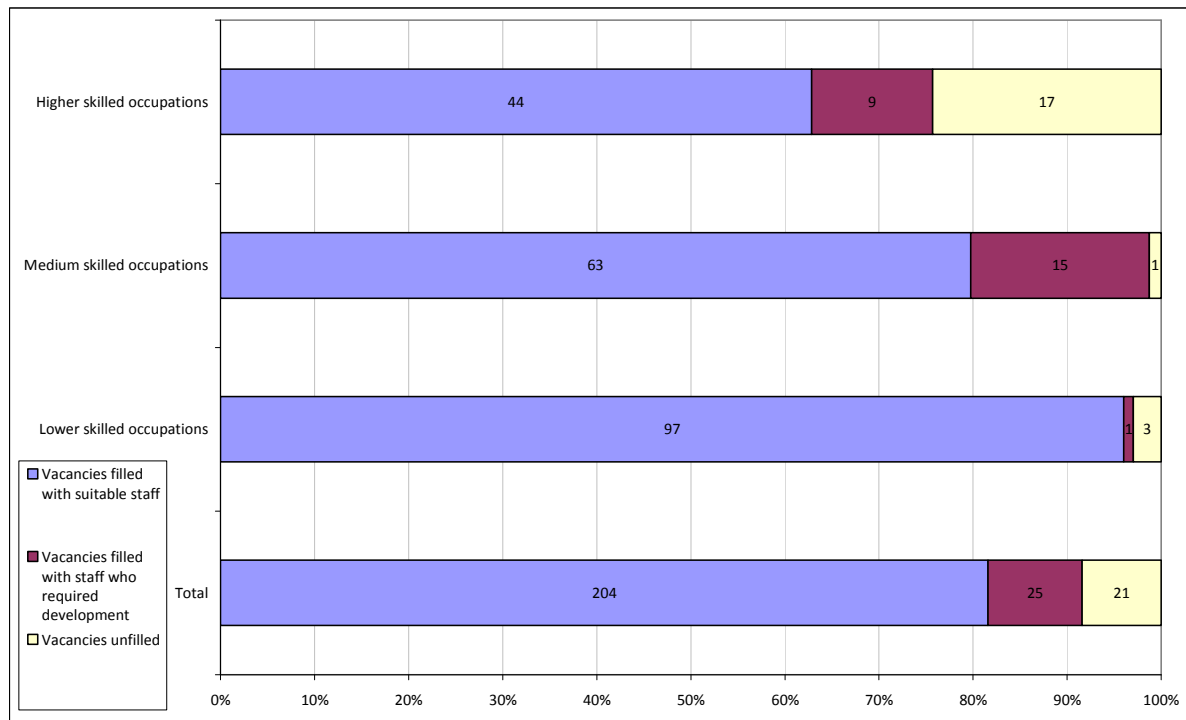
- In the 12 months prior to the survey, 70 per cent of employers surveyed in the Launceston ESA had attempted to recruit. This is a similar level to that recorded across Tasmania overall (72 per cent). However, it is higher than for all regions surveyed across Australia in the 12 months to October 2008 (62 per cent).
- In the 12 months prior to the survey, a smaller proportion of vacancies were not filled in Launceston ESA compared with all regions surveyed in the 12 months to October 2008 (5 per cent compared with 11 per cent for all regions).
- The proportion of employers in Launceston ESA who had unfilled vacancies in their business was low by comparison with employers in all regions surveyed (16 per cent compared with 23 per cent).
- Of employers who recruited in the Launceston ESA in the 12 months prior to the survey, nearly two thirds (65 per cent) reported difficulty filling vacancies. This is lower than the results from all regions surveyed (68 per cent). The greatest difficulties were experienced in the Agriculture, Forestry and Fishing industry (80 per cent).

Success Filling Recent Vacancies

- When recruiting for their most recent vacancy, a large proportion of employers used formal recruitment methods (62 per cent), notably newspapers (36 per cent).
- The unfill rate for recent vacancies in Launceston ESA was low by comparison with all regions surveyed across Australia in the 12 months to October 2008 (8 per cent compared with 14 per cent in all regions surveyed). The rate of unfilled vacancies in Launceston ESA differed by the skill level of the vacancy:
 - higher skilled vacancies – 24 per cent unfilled;
 - medium skilled vacancies – 1 per cent unfilled; and
 - lower skilled vacancies – 3 per cent unfilled.
- The proportion of vacancies that remained unfilled for higher skilled occupations in Launceston ESA was also higher than the unfill rate recorded for higher skilled occupations across all regions surveyed (24 per cent compared with 19 per cent).

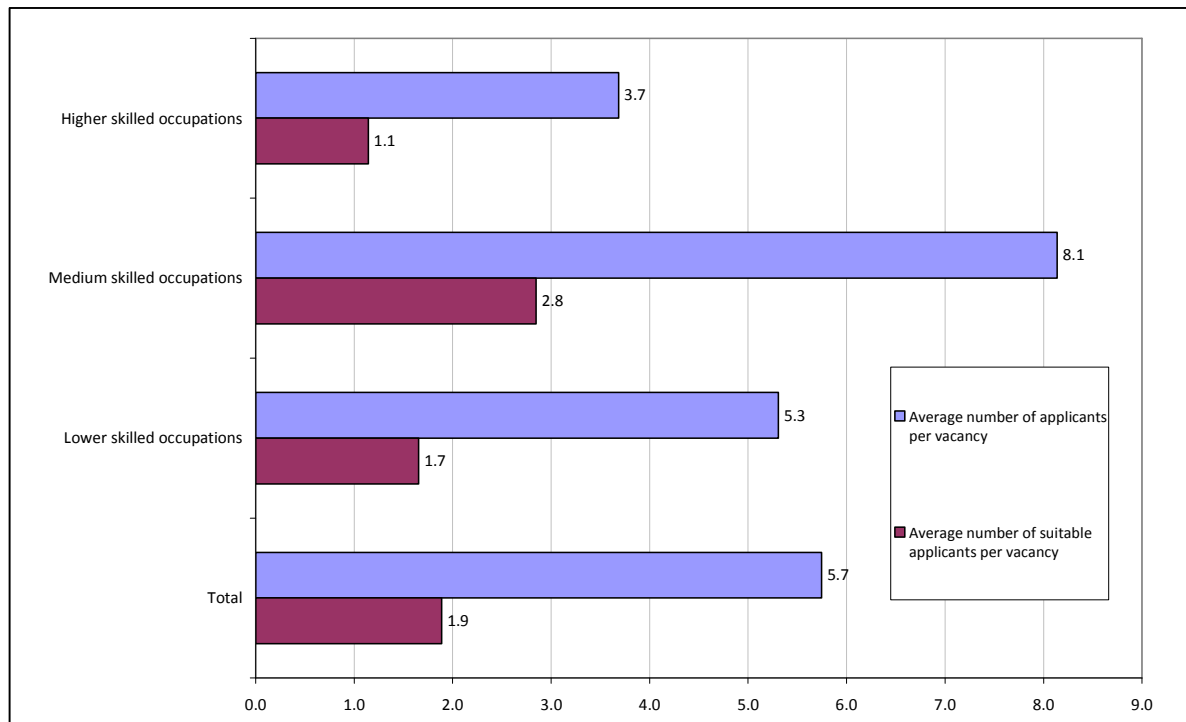
- Chart 1 shows that the proportion of recent vacancies that were filled with staff who required development varied by the skill level of the occupation: only 1 per cent of lower skilled vacancies were filled with staff requiring development compared with 19 per cent of medium skilled vacancies.

Chart 1: Success Filling Most Recent Vacancy by Occupation Skill Level



- The most common reasons employers reported difficulty recruiting for recent vacancies were:
 - the technical skill requirements of the position (43 per cent);
 - the tight labour market (28 per cent);
 - the soft skill requirements of the position (25 per cent); and
 - the nature of the work (21 per cent).
- Overall, employers in the Launceston ESA reported an average of 5.7 applicants per position which is higher than the average for all regions surveyed (5.0 applicants). On average, 1.9 of these applicants were considered suitable for the position, which is in line with the level for all surveyed regions (1.9 applicants).
- Chart 2 shows that there was a high level of competition for medium skilled vacancies in the Launceston ESA with an average of 8.1 applicants per vacancy of whom 2.8 were considered suitable. This compares with an average of 3.7 applicants and 1.1 suitable applicants per vacancy for higher skilled positions.

Chart 2: Competition for Recent Vacancies by Occupation Skill Level



- The main reasons employers found one or more applicants to be unsuitable were:
 - Insufficient experience to perform duties (reported by 58 per cent of employers); and
 - Insufficient qualifications or training to perform the job duties (reported by 40 per cent of employers).
- Table 1 lists the most common reasons applicants were unsuitable by the skills level of the occupation.

Table 1: Main Reasons Applicants Were Unsuitable by Occupation Skill Level

Skill level of most recent vacancy	Reasons applicants were unsuitable
Higher skilled occupations	Insufficient qualifications or training Lack of experience Limited interest in the job
Medium skilled occupations	Lack of experience Insufficient qualifications or training Poor personal presentation Poor job search motivation
Lower skilled occupations	Lack of experience Limited interest in the job Poor personal presentation Poor job search motivation

Recruitment Expectations in the 12 Months following the survey

- Nearly half (49 per cent) of employers surveyed in the Launceston ESA expect to recruit in the 12 months following the survey, which is on par with the level of recruitment activity anticipated by employers across all regions surveyed (50 per cent).
- A large proportion of this recruitment is expected to be due to staff turnover (59 per cent of employers expect to recruit due to staff turnover). Recruitment as a result of turnover is expected to be particularly high in the Agriculture, Forestry and Fishing; Health & Community Services; and Accommodation, Cafés and Restaurants industries. Just over 71 per cent of employers also expect to recruit due to business growth.
- Half of the employers in the Launceston ESA who expect to recruit in the next 12 months anticipate they will have difficulty doing so, compared with 59 per cent of employers in all regions surveyed.

Additional Information

The extent and nature of recruitment difficulties can vary markedly across regions. Some areas have stronger employment growth and lower levels of unemployment than others and this will have an impact on the number of employment opportunities as well as the number of local job seekers available to fill vacancies. Other factors such as international, interstate and regional migration, education and training, and the emerging demands of new technology also affect the ability of employers to attract appropriate staff to their business. Industry, occupation and employer characteristics can also exacerbate recruitment difficulties.

Additional labour market information can be found at the following websites:

- Labour Market Information Portal - www.workplace.gov.au/lmip
- Labour Market Analysis - <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/>
- Better Connections Workshops - www.workplace.gov.au/bcw
- Regional Reports - www.workplace.gov.au/regionalreports
- SkillsInfo - www.skillsinfo.gov.au/

Contact Details

This report was prepared by the Labour Supply and Skills Branch, Research Analysis & Evaluation Group.

The Labour Supply and Skills Branch would like to thank the employers who participated in the research for their contribution.

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