



Survey of Employers' Recruitment Experiences in Hobart – November 2008

To gain a greater understanding of the recruitment experiences in the Hobart 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 level 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 Hobart ESA was 196 200 as at June 2007 and the estimated working age population (those aged 15 to 64) was 161 600.
 - Like the whole of Tasmania, the population of Hobart is older than Australia's population overall (18 per cent of the adult population in Hobart is aged 65 and over, compared with 16 per cent in Australia).²
- In the five years to September 2008 the unemployment rate in the Hobart ESA reached a high of 7.2 per cent in September 2003 and fell to a low of 4.1 per cent in September 2008.³ The unemployment rate for September 2008 was in line with the level for Tasmania (4.1 per cent) and Australia overall (4.2 per cent).⁴
- At the time of the 2006 Census, Hobart ESA had a labour force participation rate of 61.4 per cent, higher than the state average of 60.5 per cent.
- The largest employing industries in the Hobart ESA, at the time of the 2006 Census were:
 - Retail Trade (accounting for 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 Hobart with an increase in the total number of people employed of 13 per cent (or around 11 700 people). The growth in Hobart accounted for more than half of the State's employment growth over the same period (the number of people employed in Tasmania 12 per cent or 22 200 people).

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 in Hobart over this period, with some of the large increases occurring in:
 - Government Administration and Defence (53 per cent);
 - Construction (48 per cent);
 - Accommodation, Cafés and Restaurants (15 per cent).
- On the other hand, a 13 per cent decrease in employment was recorded in the Communications industry.
- Looking at occupation groups, the highest employment growth between the census periods occurred in the higher skilled occupations, in particular, there was a 17 per cent increase recorded in the number professionals.
 - However, there was a decrease in employment for the Advanced Clerical and Service Workers occupation group (5 per cent).

Key Survey Results

The Hobart Survey of Employers' Recruitment Experiences collected information from 259 businesses in the local area. The main results from the survey are as follows:

- In the 12 months prior to the survey, 71 per cent of employers surveyed had attempted to recruit. This was higher than the level of recruitment activity recorded across all regions surveyed in the 12 months to October 2008 (62 per cent).⁵
- In the 12 months prior to the survey some 4 per cent of vacancies were not filled in the Hobart ESA which is significantly below the level recorded for all regions surveyed in the 12 months to October 2008 (11 per cent).
- The proportion of employers who had unfilled vacancies in their business in the Hobart ESA was low in comparison with employers across all regions surveyed (13 per cent compared with 23 per cent).
- Of the employers who recruited in Hobart ESA in the 12 months prior to the survey, 61 per cent reported difficulty filling vacancies. The greatest difficulties were experienced in the Manufacturing (81 per cent) and Health and Community Services (71 per cent) industries.

Success Filling Recent Vacancies

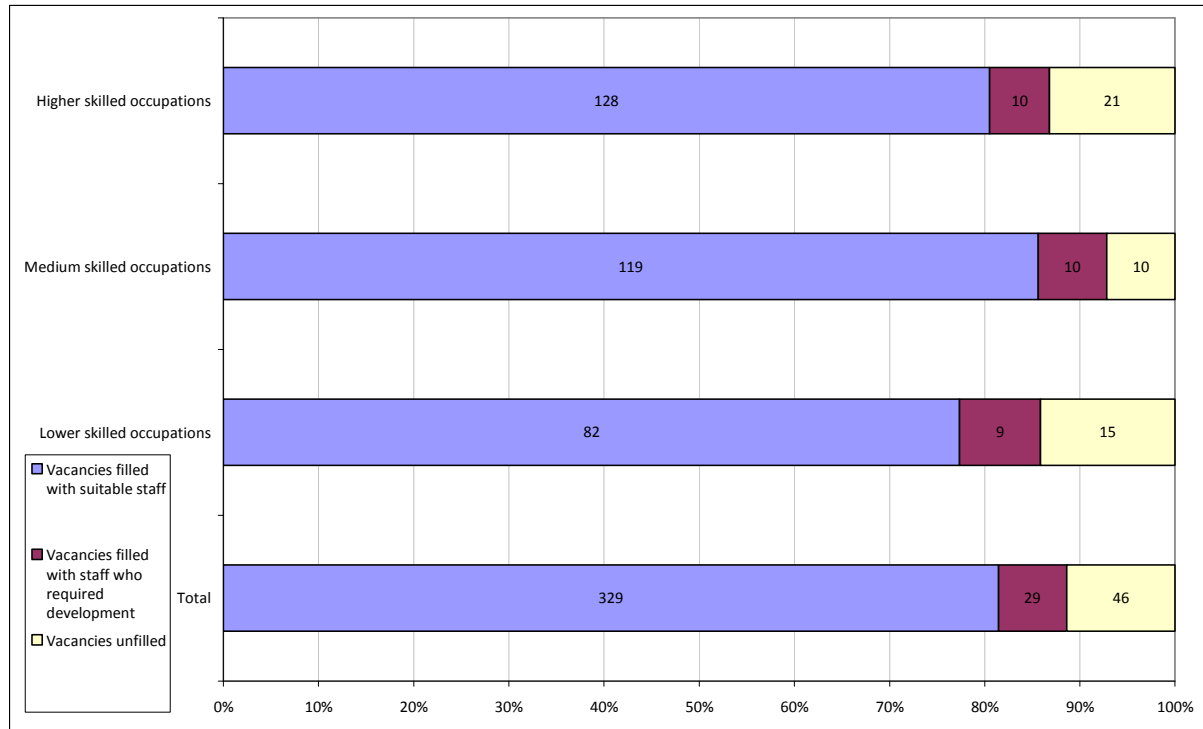
- When recruiting for their most recent vacancy more than two thirds (68 per cent) of employers in the Hobart ESA used formal recruitment methods and 41 per cent used informal recruitment methods. The most common recruitment methods were:
 - newspaper/s (44 per cent);
 - word of mouth (30 per cent);
 - recruitment agency (16 per cent); and
 - the internet (15 per cent).

⁵ Combined results of all regions surveyed across Australia in the 12 months to October 2008.



- Compared with all regions surveyed, employers in Hobart ESA reported a lower rate of vacancies remaining unfilled for the position for which they most recently recruited (14 per cent across all regions compared with 11 per cent of vacancies in Hobart ESA). However, as can be seen in Chart 1, the rate of unfilled vacancies in Hobart ESA varied by the skill level of the vacancy:
 - higher skilled vacancies – 13 per cent unfilled;
 - medium skilled vacancies – 7 per cent unfilled; and
 - lower skilled vacancies – 14 per cent unfilled.

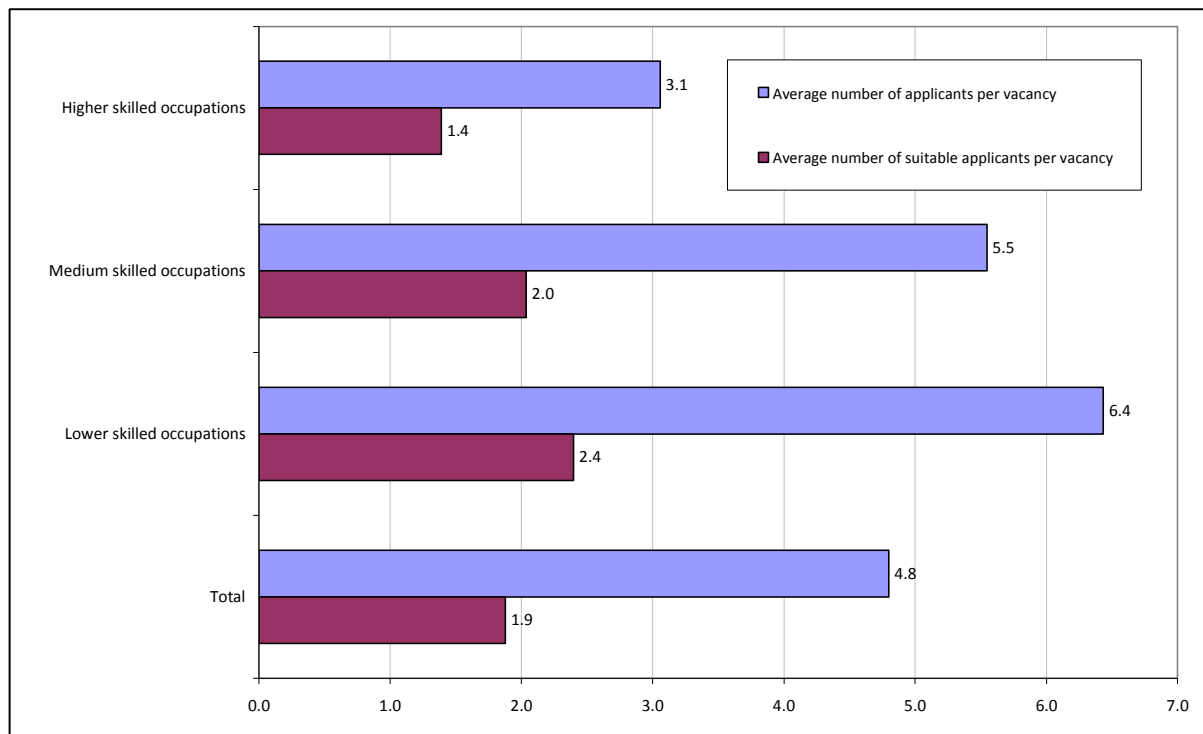
Chart 1: Success Filling Most Recent Vacancy by Occupation Skill Level



- The most common reasons employers reported difficulty recruiting for their most recent vacancies were the:
 - tight labour market (reported by 38 per cent of recruiting employers);
 - technical skill requirements of the job (33 per cent); and
 - soft skill requirements of the job (26 per cent).
- Employers reported an average of 4.8 applicants per recent vacancy compared with an average across all regions surveyed of 5.0 applicants. On average, 1.9 applicants were considered suitable per vacancy in the Hobart ESA which was the same as the average number of suitable applicants per vacancy across all regions surveyed in the 12 months to October 2008.
- As illustrated in Chart 2, competition for vacancies varied by the skill level of the occupation. On average, employers of lower skilled vacancies received 6.4 applicants per vacancy compared with an average of 3.1 applicants for higher skilled occupations.



Chart 2: Competition for Recent Vacancies by Occupation Skill Level



- Overall, the main reasons employers found one or more applicants to be unsuitable were:
 - lack of experience (reported by 47 per cent of employers);
 - insufficient qualifications or training to perform duties (39 per cent); and
 - limited interest in the job (12 per cent).
- Table 1 lists the most common reasons applicants were considered unsuitable by the skill 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 Inadequate communication/teamwork skills Poor personal presentation
Lower skilled occupations	Lack of experience Limited interest in the job Applicant didn't turn up Insufficient qualifications or training



Recruitment Expectations in the 12 Months following the survey

- A smaller proportion of employers in the Hobart ESA expect to recruit in the 12 months following the survey compared with employers in all regions surveyed (41 per cent compared with 50 per cent).
- Overall, two thirds (66 per cent) of recruitment in the 12 months following the survey is expected to stem from staff turnover. Employers expected staff turnover to be particularly high in the Accommodation, Cafés and Restaurants (93 per cent), Health and Community Services (78 per cent) and Retail Trade (77 per cent) industries. Over half (54 per cent) of employers also expect to recruit due to business growth.
- A smaller proportion of employers in the Hobart ESA expect to have difficulty recruiting in the 12 months following the survey compared with all employers surveyed in the 12 months to October 2008 (44 per cent compared with 59 per cent).



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 and Evaluation Group.

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

For further information, please contact Labour Supply and Skills Branch on 1800 059 439 or E-mail: regionalreports@deewr.gov.au

