



Australian Government
**Department of Employment and
Workplace Relations**

Gascoyne Region

Survey of Employers' Recruitment Experiences

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Background to survey findings

This report was prepared by the Labour Supply and Skills Branch, Labour Market Strategies Group and is based on research conducted by the Branch in conjunction with local employer and business organisations.

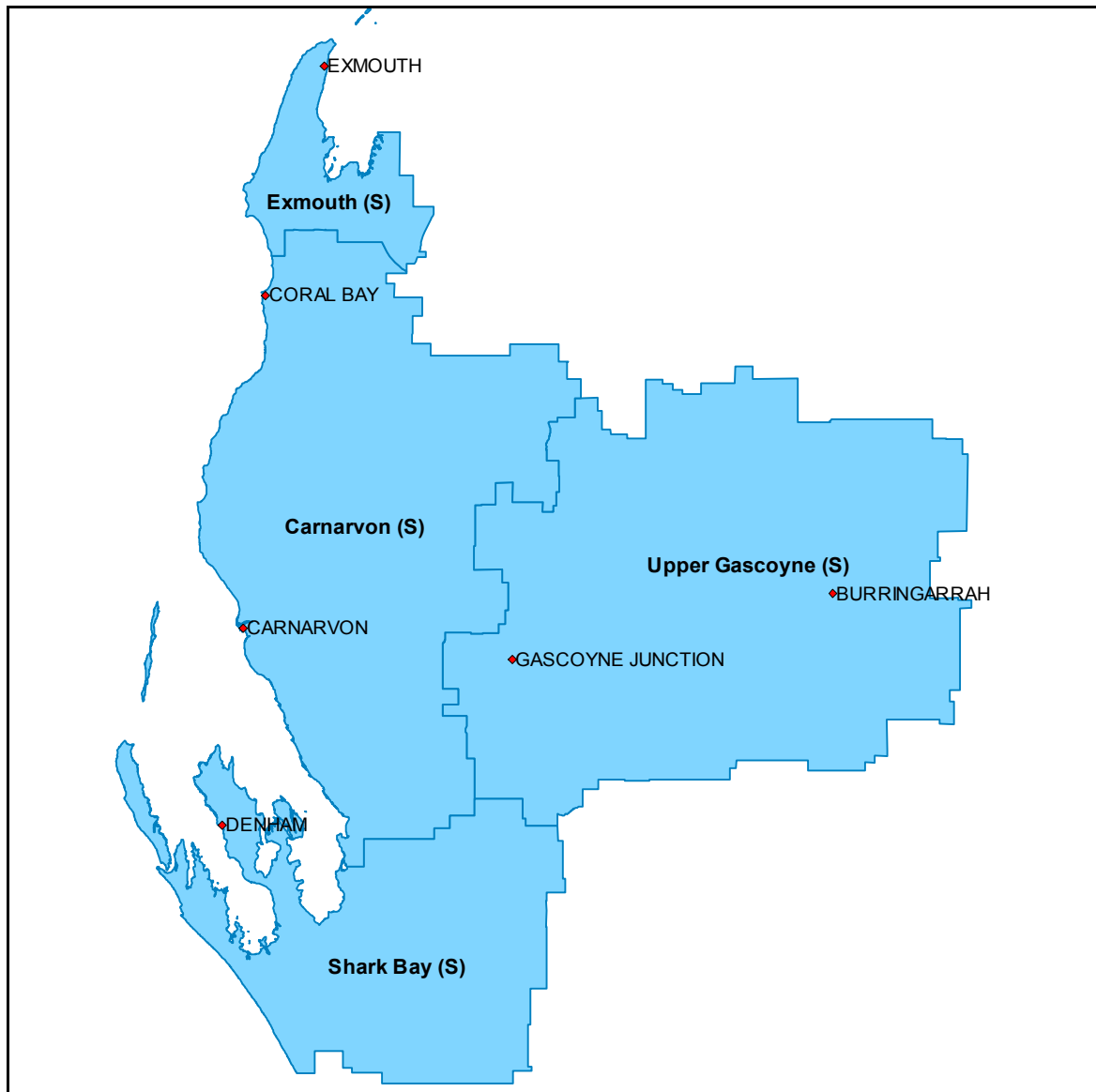
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Gascoyne Region



This survey was conducted to evaluate the recruitment experiences of employers across the Gascoyne region.

The four regions covered by the survey are:

- Exmouth Shire;
- Carnarvon Shire;
- Upper Gascoyne Shire; and
- Shark Bay Shire.

EXECUTIVE SUMMARY

Background

Australia has experienced strong and sustained economic and employment growth over the past decade which has seen the unemployment rate fall from 8.3 per cent to 4.2 per cent in May 2007.¹ Consequently, the labour market is tighter now than it was ten years ago and employers have been increasingly having difficulty recruiting and retaining appropriate staff for their business. As the population ages, recruitment difficulties may become more acute, particularly in industries and regions where there is already a high proportion of older workers.

The extent and nature of recruitment difficulties can vary markedly across regions. Some areas are clearly performing better than others in terms of employment growth and levels of unemployment and this impacts 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.

To gain a better understanding of the recruitment difficulties being experienced by employers in the Gascoyne region, a phone survey of 171 businesses was completed in May 2007. This survey gathered information on employers' success in filling vacancies and the quality of applicants they received, as well as their future employment expectations.

This report presents the findings of this survey in the context of local labour market conditions such as the industrial composition of the region and potential sources of untapped labour supply.

Labour Market Overview

As at the time of 2006 Census, the estimated adult population (15+) of the Gascoyne region was 6900 with almost two thirds (62.5 per cent) residing in the Carnarvon Shire. The region's population is relatively old with persons of mature age (44 and over) making up a higher proportion of the adult population in Gascoyne than in Western Australia and Australia overall. The major employing industries in the region include Agriculture, Forestry and Fishing, Retail Trade, Accommodation, Cafés and Restaurants, and Government Administration and Defence.

As with Western Australia more generally, the unemployment rate in the Gascoyne region has fallen substantially, from 4.6 per cent in June 2005 to 3.9 per cent in June

¹ *Seasonally Adjusted Unemployment Rate - ABS Labour Force Survey May 2007.*

2007.² Despite this fall in the unemployment rate, the proportion of the working age population receiving Centrelink allowances is higher in the Gascoyne region than for the State and Australia overall.

Main Findings

The Gascoyne Survey of Employers' Recruitment Experiences found that 51 per cent of employers surveyed had recruited or attempted to recruit in the last 12 months. In general, these employers experienced recruitment difficulties in line with those experienced across other areas of Australia with 8 per cent of vacancies reported by employers remaining unfilled. Despite this relative success, the proportion of vacancies which remained unfilled varied significantly across industries and regions. Employers in the Accommodation, Cafés and Restaurants industry had the highest proportion of unfilled vacancies. Similarly a considerably higher proportion of vacancies in the Shark Bay area remained unfilled.

Employers' success filling vacancies varied considerably depending on the occupation. Higher skilled occupations were not as frequently reported by employers in the Gascoyne region as lower skilled vacancies but were more frequently unfilled, while vacancies in lower skilled occupations were more likely to be filled. There were few suitable applicants for vacancies across all skill levels with a lack of technical skills or expertise the main reason applicants were regarded as unsuitable for the job for which they had applied.

This low level of competition for vacancies was commonly identified as contributing to recruitment difficulties in the region, as was the location of the job or the region generally. Overall, 50 per cent of employers reported difficulty filling the occupation for which they had most recently recruited and a further 6 per cent reported difficulty recruiting for any occupation over the past 12 months.

Looking forward, employment in the region is anticipated to remain strong with almost half of the employers surveyed expecting to recruit over the next 12 months (48 per cent). These recruitment expectations are most commonly due to anticipated employee turnover, however, a large proportion of employers surveyed expect to create positions within their business over the next 12 months. The majority of employers surveyed across the region expect this continuing demand to lead to recruitment difficulties over the next 12 months.

² DEWR, *Small Area Labour Markets Publication – June Quarter 2007*.

1. GASCOYNE AND REGION LABOUR MARKET

1.1. The tightening Australian labour market³

Against the backdrop of strong and sustained economic growth, Australia has experienced robust labour market conditions over the last decade, with employment growth averaging 2.4 per cent per year and the unemployment rate falling from 8.3 per cent in May 1997 to 4.2 per cent in May 2007.⁴ Despite the labour force participation rate increasing by 1.8 percentage points over this period, there is far less 'slack' in the labour market now than there was ten years ago. The increasing tightness in the labour market has resulted in the emergence and increased severity of shortages in a number of skilled professions, including most trades, many professional health sector occupations, accountants, child care workers and civil engineers.

In the past, the labour market has generally been able to adjust to skill shortages, by increasing the training provided to new entrants or as people have shifted from one career to another. However, the current business cycle is unlike others in the past, because the tight labour market has been accompanied by an increase in the pace of change in required skills, the ageing of the baby boomer generation, fertility rates that have fallen below replacement levels and an increased life expectancy of the population.

Moreover, the ratio of people of workforce age (15-64) to people of retirement age (65+) will be considerably lower in the future than it is now and labour force growth in the coming years will be significantly slower than it has been in the past. Together, these factors mean that, over the next five years, there will be an estimated 195 000 fewer workers than would otherwise have been the case had the population not begun to age. Clearly, in view of this shortfall, employers are unlikely to be able to meet all of their labour requirements from traditional sources.

The shortfall in available labour will have serious consequences for business if it cannot adapt to the changing circumstances already occurring in the labour market. In particular, it will be more difficult for employers to find and recruit staff and it will become more important to retain existing employees. To meet this challenge, innovative recruitment and retention strategies will be required and businesses will need to look beyond traditional sources of labour to other groups, such as older workers, people with disabilities and people wanting to work part-time.

The reduction in the supply of available labour will be widespread, although the severity will vary by industry, occupation and region. The Mining and Manufacturing industries are expected to be especially affected, as are the Tradesperson and Elementary and Intermediate Clerical, Sales and Service Worker

³ Data are in seasonally adjusted terms.

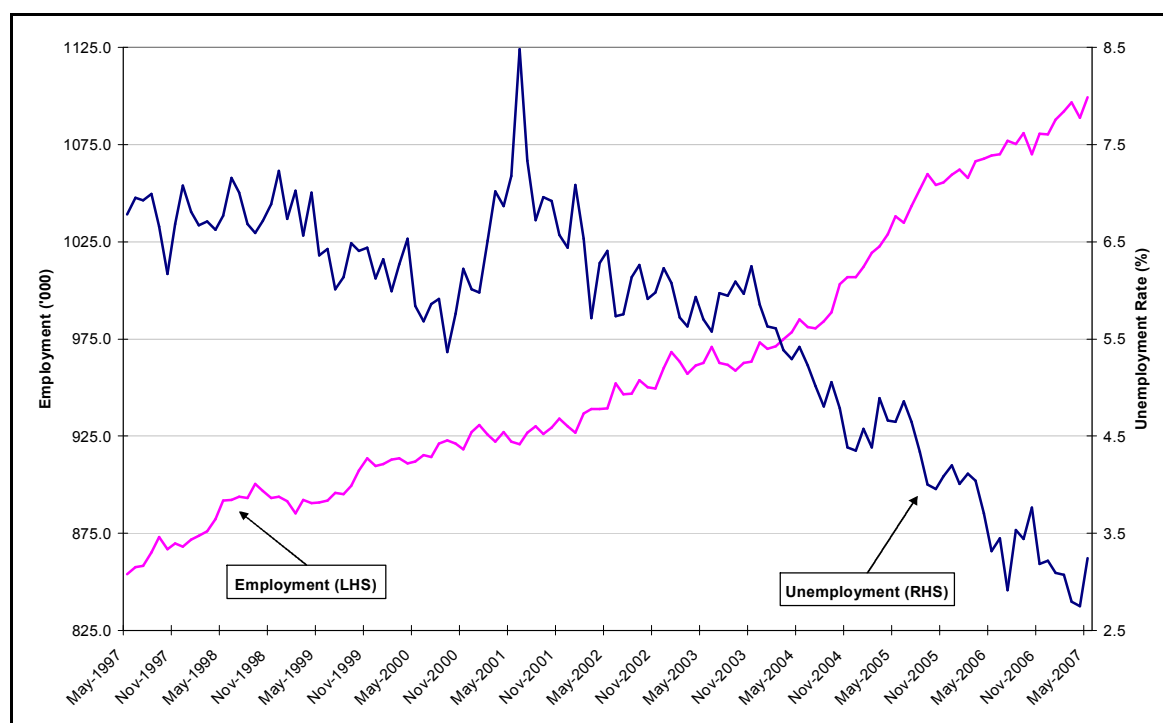
⁴ The unemployment rate as at September 2007 remains at 4.2 per cent.

occupation groups. In the case of Tradespersons, the estimated labour supply shortfall comes on top of the current skill shortages with which employers are already becoming familiar. At the State and Territory level, the impact on employment growth is expected to be greatest in South Australia, followed by the ACT and Tasmania (although all States and Territories will be significantly affected).

1.2. Western Australia⁵

In light of the strong growth in the resources sector, economic growth has been particularly strong in Western Australia, which has led to a substantial increase in employment and a significant reduction in the State's unemployment rate, putting pressure on the supply of available skilled labour.

Chart 1: Employment (LHS) and Unemployment Rate (RHS), Western Australia, May 1997 to May 2007



Source: ABS *Labour Force Australia*, Catalogue number 6202.0

⁵ Data are in seasonally adjusted terms, unless stated otherwise.

Employment in Western Australia increased by 245 700 (or 28.8 per cent) over the ten years to May 2007, with males (up by 116 500 or 23.5 per cent) and females (up by 129 200 or 36.1 per cent) both recording strong growth. This growth was predominantly in full-time employment with an increase of 143 300 positions. Over the same period, the unemployment rate has fallen from 6.8 per cent to 3.2 per cent.⁶

- The level of unemployment in Western Australia has also fallen substantially, by 25 300 (or 40.7 per cent) over the past decade to now stand at 36 800.
 - The level of long-term unemployment (those unemployed for 12 months or more) fell by 79.6 per cent to 2810 over the five years to May 2007.⁷

On the supply side, the proportion of West Australians actively participating in the labour market has increased by 2.3 percentage points over the decade to May 2007, to now stand at 67.8 per cent. However, the impact this has had on the available labour supply has been more than offset by the vigorous employment growth recorded over the same period.

As is the case for Australia as a whole, pressure on the available labour supply in Western Australia will become more pronounced over time as the population ages. DEWR has forecast a shortfall of 18 400 workers in Western Australia by 2009-10 as a result of the ageing of the population.⁸

1.3. The Gascoyne Region

As at the time of 2006 Census, the estimated adult population (15+) of the Gascoyne region was 6900. Almost two thirds (62.5 per cent) of this population reside in the Carnarvon Shire 23.9 per cent reside in the Exmouth Shire and 10.5 per cent reside in the Shark Bay Shire.

The population of the Gascoyne region is relatively old compared with the State and Australia overall. For example, persons aged between 15 and 44 account for 51.7 per cent of the adult population, which is slightly lower than for the State (53.4 per cent) and Australia (52.3 per cent). However, the proportion of the population in this age group varies considerably across the areas surveyed. For instance, in the Upper Gascoyne area, 58.2 per cent of the adult population is aged between 15 and 44 compared with 40.3 per cent in the Shark Bay area.⁹

As with Western Australia more generally, the unemployment rate in the Gascoyne region has fallen substantially, from 4.6 per cent in June 2005 to 3.9 per cent in June 2007.¹⁰ Despite the fall in unemployment, the proportion of the working age population receiving Centrelink allowances is higher in the Gascoyne region.

⁶ Since the time of the survey, the seasonally adjusted unemployment rate for Western Australia has risen slightly to 3.5 per cent.

⁷ Data on LTU by State are in original terms.

⁸ *Workforce Tomorrow, 2005 – DEWR Publication.*

⁹ *2006 Census of Population and Housing.*

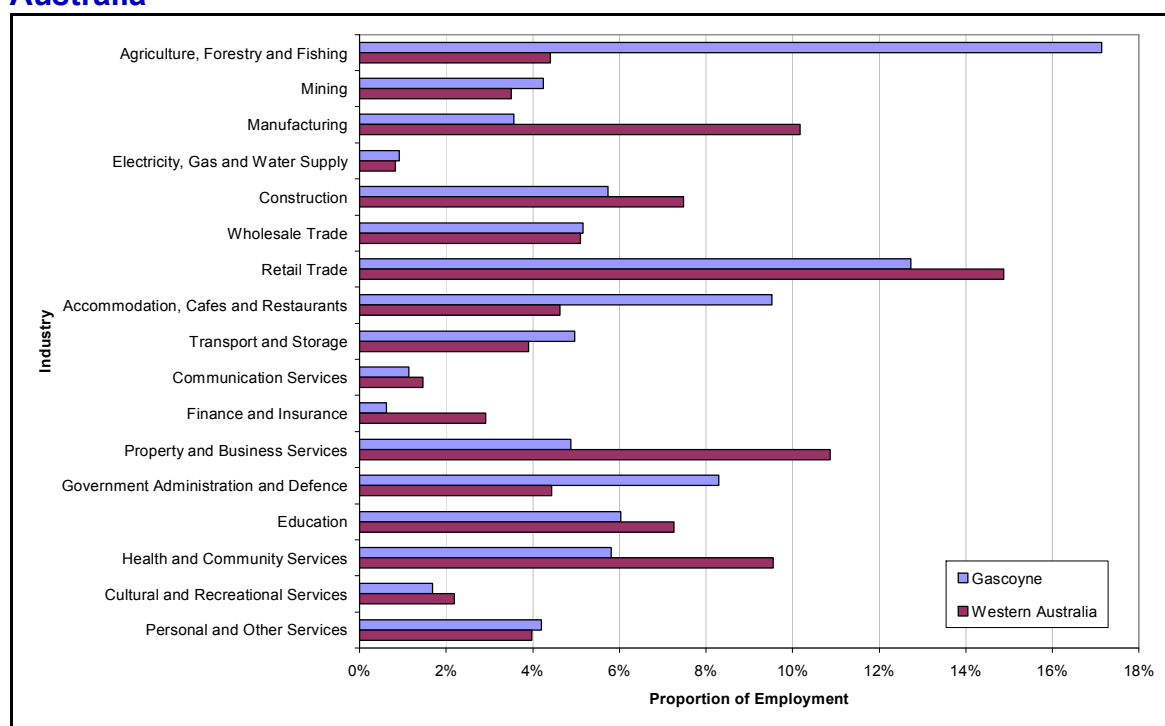
¹⁰ DEWR, *Small Area Labour Markets Publication – March Quarter 2007.*

Overall, around 22 per cent of the working age population in the Gascoyne region is in receipt of a Centrelink payment, which is higher than the comparable proportion for Western Australia and Australia overall (15 per cent and 18 per cent, respectively).¹¹

1.4. Industry Composition

Chart 2 compares employment by industry in the Gascoyne region with Western Australia. This chart shows that the Agriculture, Forestry and Fishing industry is the largest employing industry in the region and accounts for a significantly higher proportion of the workforce in Gascoyne than for the State as a whole. Other major employing industries are Retail Trade, Accommodation, Cafés and Restaurants, and Government Administration and Defence.

Chart 2: Employment by Industry – Gascoyne region and Western Australia



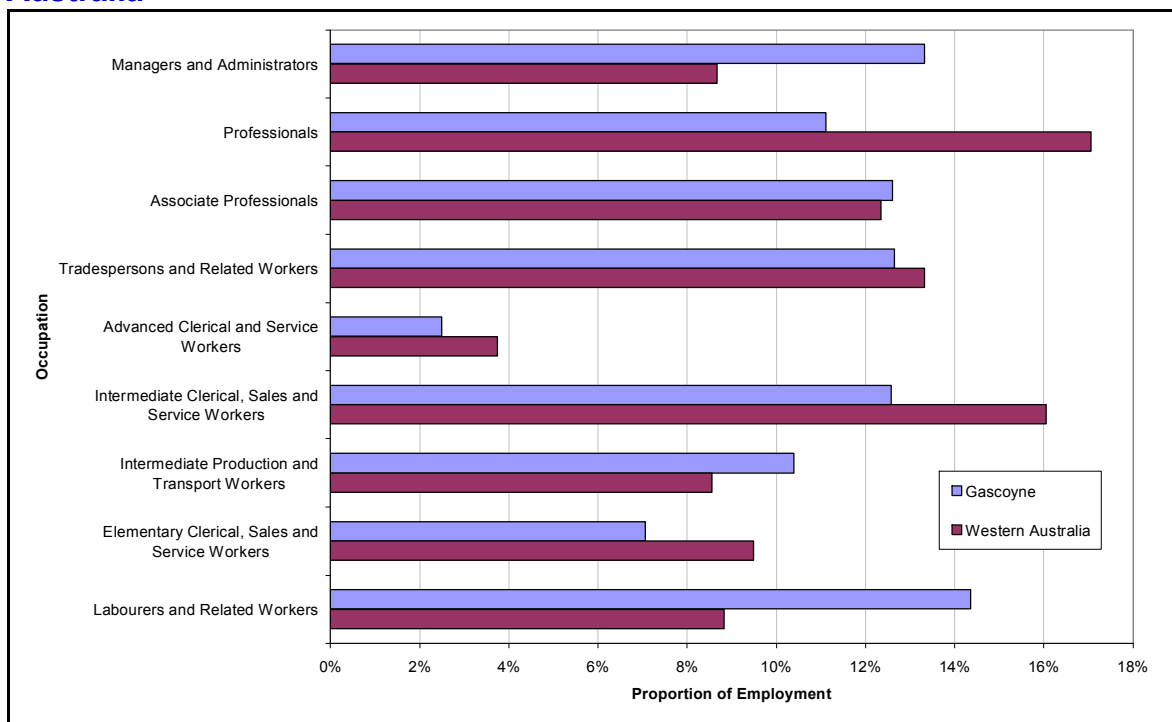
Source: 2001 Census of Population and Housing.

¹¹ Centrelink Administrative data – June 2007 and 2006 Census of Population and Housing.

1.5. Occupation Composition

Chart 3 compares employment by occupation in the Gascoyne region with Western Australia. In line with the high employment levels in the Agriculture, Forestry and Fishing industry, a large proportion of workers in the region are employed as Managers and Administrators (which includes Farm Managers) and Labourers and Related Workers (which includes Farm Hands). Both of these occupation groups account for a significantly greater proportion of employment in Gascoyne than in Western Australia more generally.

Chart 3: Employment by Occupation – Gascoyne region and Western Australia



Source: 2001 Census of Population and Housing.

2. SKILLS IN DEMAND

Information on skills in demand is difficult to obtain. To do so, DEWR monitors and undertakes research on skills in demand and prepares listings of occupations in demand at the State and national level. When determining if an occupation is in demand the Department makes contact with industry and employer organisations.

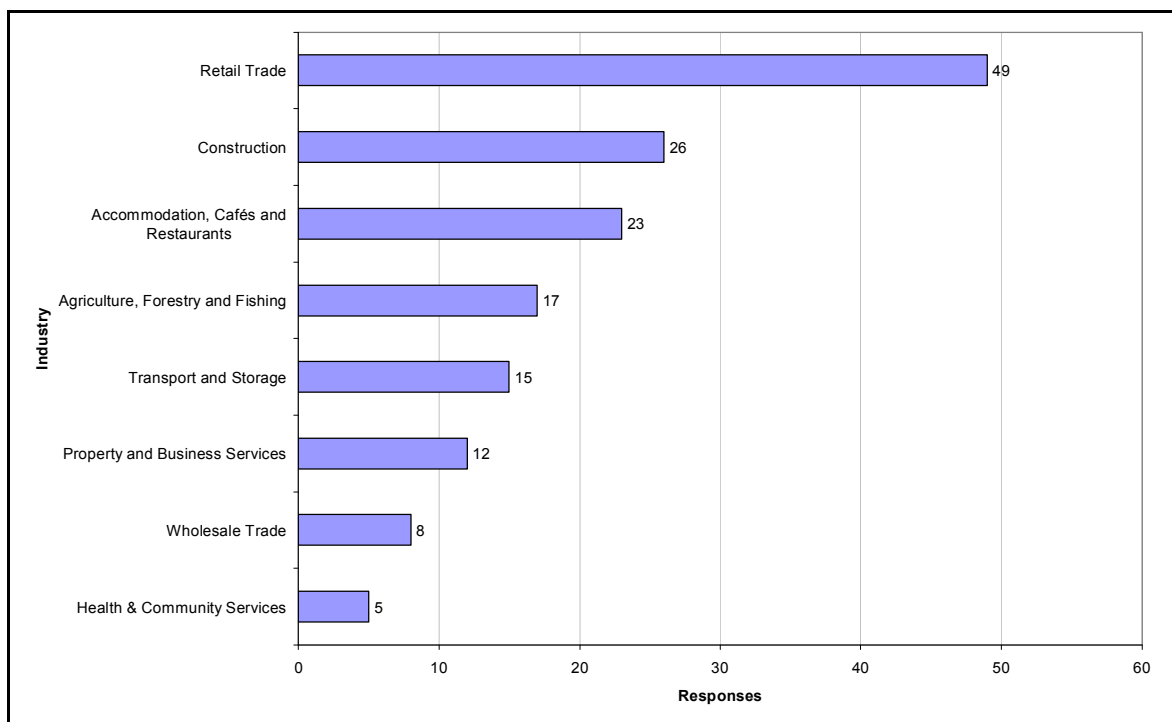
Departmental research shows that in Western Australia skills in demand and recruitment difficulties are widespread in the Professions (such as Engineers, Registered Nurses, Dentists and Physiotherapists), and in the Trades (such as Metal Machinists, Toolmakers, Motor Mechanics, Auto Electricians, Panel Beaters, Electricians, Carpenters and Joiners, Fibrous Plasterers, Bricklayers and Plumbers and Gas Fitters). More information on skills in demand in Western Australia is available on the Department's Workplace site (www.workplace.gov.au/skillsindemand).

To gain a greater understanding of the skills in demand in the Gascoyne region, DEWR conducted a telephone survey of local employers in April and May 2007. Findings from the survey provide a good indication of the extent and nature of recruitment difficulties that local employers face and identify labour market opportunities into which employment service providers can tap.

3. SURVEY FINDINGS

The Gascoyne Survey of Employers' Recruitment Experiences collected information from 171 businesses in the region. As shown in Chart 4, these responses were concentrated in eight of the major employing industries in the region.¹²

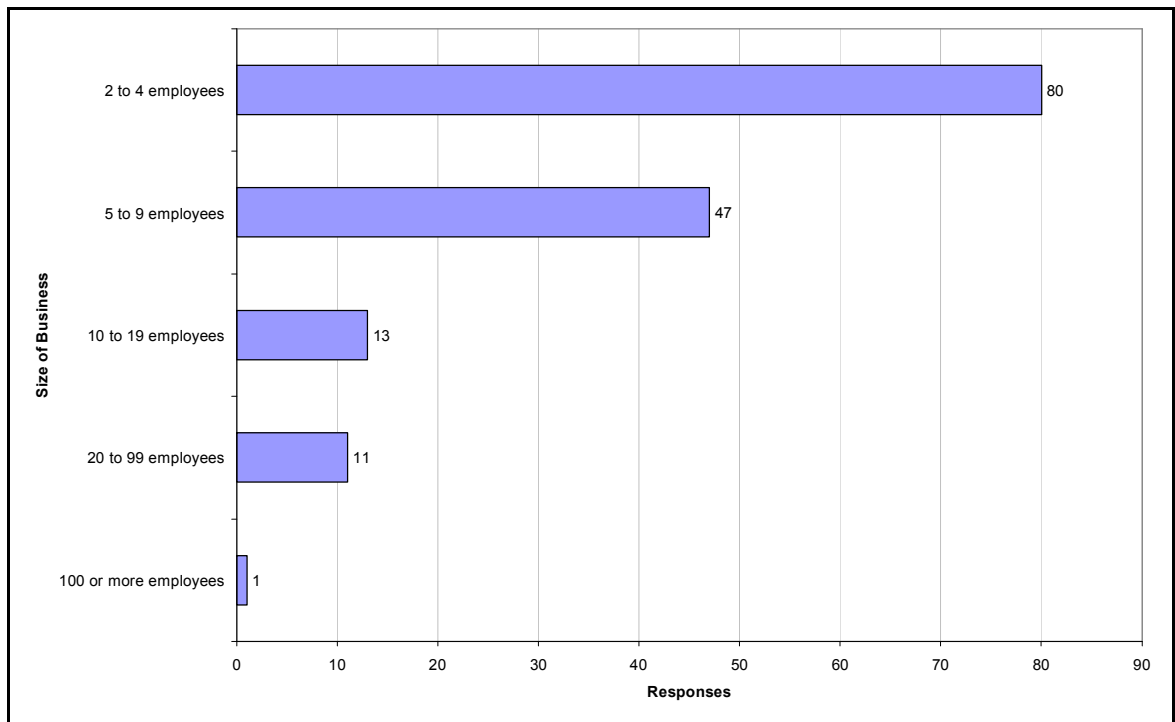
Chart 4: Responses by Industry



These responses were also concentrated within smaller businesses. As shown in Chart 5, 47 per cent of the businesses that responded to the survey employed between two and four staff. On the other hand, 12 businesses with 20 or more employees responded to the survey. This distribution needs to be considered when evaluating survey results, as the size of a business is a major determinant of recruitment activity.

¹² In total, 15 industries were surveyed, although reliable results were produced for only eight of these industries. The results for the Manufacturing (4), Electricity, Gas and Water Supply (1), Communication Services (2), Government Administration and Defence (2), Education (3), Cultural and Recreation Services (1), and Personal and Other Services (3) industries are considered too unreliable due the small number of businesses interviewed. The results for these business are included in totals.

Chart 5: Responses by Size of Business¹³



3.1. Recruitment Experiences in last 12 months

The results of the survey indicate that recruitment activity was widespread among the employers surveyed in the Gascoyne region with 51 per cent having recruited or attempted to recruit in the last 12 months.

Table 1 presents an overview of the recruitment activity reported by surveyed employers.

¹³ A further 19 sole trader businesses were surveyed but due to the nature of these businesses their results have not been included in this report.

Table 1: Overview of Recruitment Activity in last 12 months by Industry

Industry	Employers who had recruited	Number of vacancies reported
Agriculture, Forestry & Fishing	10 (59%)	122
Construction	8 (31%)	23
Wholesale Trade	4 (50%)	65
Retail Trade	27 (55%)	127
Accommodation, Cafés & Restaurants	13 (57%)	108
Transport & Storage	5 (33%)	12
Property & Business Services	7 (58%)	16
Health & Community Services	4 (80%)	17
Total	88 (51%)	768

Recruitment activity was most common in the Health and Community Services (80 per cent) and Agriculture, Forestry and Fishing industries (59 per cent) and least common in the Construction industry (31 per cent). The level of recruitment activity in the Gascoyne region was low in comparison with other areas of Western Australia that have been surveyed to date. In particular, the Mid-West Gascoyne Skills in Demand Survey, which was conducted in August 2006, found that 62 per cent of employers in the region had recruited. Moreover, the recruitment activity of employers surveyed within the Gascoyne region as part of this survey was broadly in line with this overall result (61 per cent).

3.2. Recruitment Difficulty by Industry

Findings from the survey indicate that recruitment success varied significantly across industries. While recruitment success can most simply be measured in terms of whether a vacancy was filled or not, this only provides one component of potential recruitment difficulty in an industry or a region. Other indicators to measure the level of recruitment difficulties across an industry and a region include the proportion of employers who were not able to fill vacancies and the proportion of employers who had some degree of recruitment difficulty, whether that difficulty led to unfilled vacancies or not. Table 2 presents the results for these three key indicators of recruitment difficulty for each industry based on the recruitment experiences of employers over the last 12 months.

Table 2: Indicators of Recruitment Difficulty in last 12 months by Industry¹⁴

Industry	Vacancies unfilled in last 12 months	Employers with unfilled vacancies in the last 12 months	Employers who had difficulty recruiting in the last 12 months
Agriculture, Forestry & Fishing	4.9%	40.0%	80.0%
Construction	8.7%	12.5%	50.0%
Wholesale Trade	0.0%	0.0%	50.0%
Retail Trade	11.8%	29.6%	51.9%
Accommodation, Cafés & Restaurants	26.9%	23.1%	38.5%
Transport & Storage	0.0%	0.0%	40.0%
Property & Business Services	12.5%	28.6%	57.1%
Health & Community Services	23.5%	50.0%	75.0%
Total	7.9%	26.1%	55.7%

Overall, of the 768 vacancies reported by employers in the Gascoyne region, 8 per cent (61 vacancies) remained unfilled and 26 per cent of employers reporting one or more unfilled vacancies. Employers in the Accommodation, Cafés and Restaurants industry had the highest proportion of unfilled vacancies, with 27 per cent of vacancies reported remaining unfilled. These unfilled vacancies were also comparatively widespread with 23 per cent of employers reporting one or more unfilled vacancies. By contrast, employers in the Wholesale Trade and Transport and Storage industries filled all of their reported vacancies.

Despite the success employers had in filling vacancies in some industries, the overall proportion of unfilled vacancies in the Gascoyne region (8 per cent) is considerably higher than the result seen in the Mid-West Gascoyne Skills in Demand Survey, which found that 3 per cent of vacancies were not filled.

As can be seen from Table 2, 56 per cent of employers reported difficulty recruiting, most commonly in the Agriculture, Forestry and Fishing industry (80 per cent). On the other hand, despite the high proportion of unfilled vacancies, just over one third of employers in the Accommodation, Cafés and Restaurants industry reported difficulty recruiting in the last 12 months.

3.3. Recruitment Difficulty by Occupation

As mentioned in the previous section, recruitment difficulties can arise for a number of reasons. While many of these reasons are due to the location or availability of

¹⁴ The results for some industries may be excluded from this table due to low base sizes but are included in the total. For base sizes of percentages, see Table 1.

local labour supply, many reasons for the recruitment difficulties relate to the type of occupation that an employer is attempting to fill. Overall, 88 employers in the Gascoyne region provided information on their most recent recruitment experience. Table 3 presents an overview of the occupations reported by employers for which they had most recently attempted to fill by occupation group and skill level.

Table 3: Overview of Most Recent Recruitment Activity by Major Occupation Group and Skill level

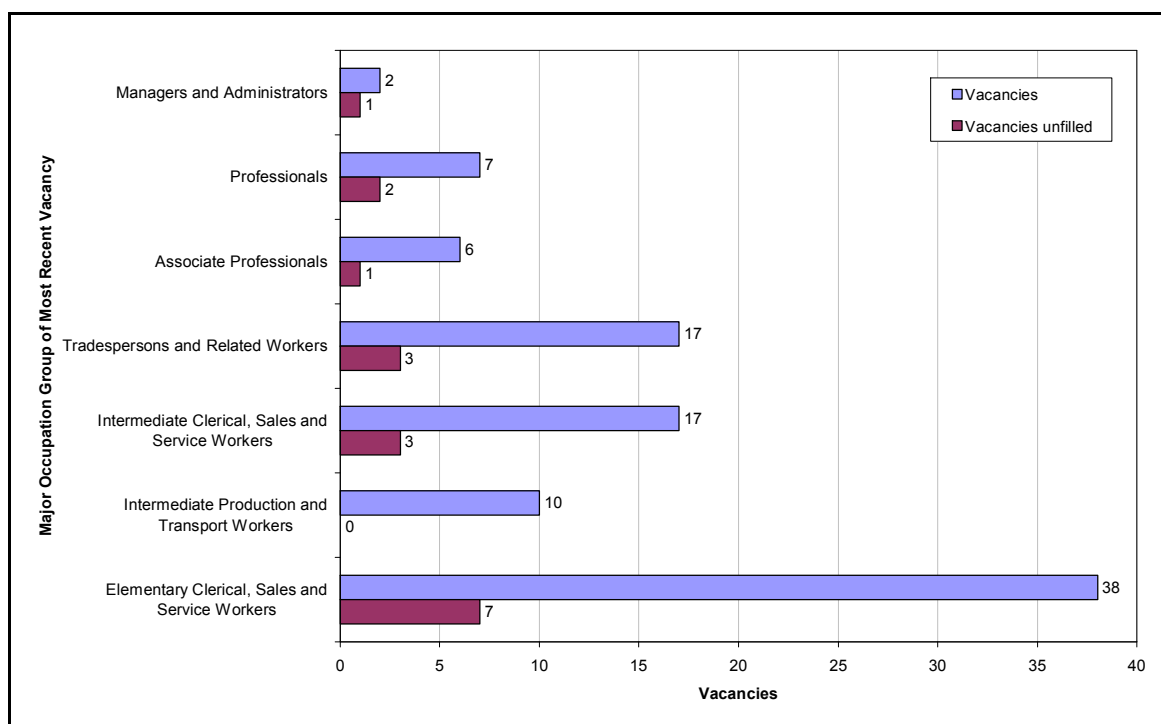
Occupation and Skill level	Employers who had recruited	Number of vacancies reported
Higher skill occupations	26	32
Managers and Administrators	2	2
Professionals	6	7
Associate Professionals	5	6
Tradespersons and Related Workers	13	17
Medium skill occupations	22	27
Intermediate Clerical, Sales and Service Workers	16	17
Intermediate Production and Transport Workers	6	10
Lower skill occupations	40	247
Elementary Clerical, Sales and Service Workers	22	38
Labourers and Related Workers	18	209
Total	88	306

As with the analysis of recruitment difficulties by industry, recruitment difficulty by occupation cannot solely be measured in terms of whether a vacancy was filled or not. Other indicators that can be used to more accurately measure the level of recruitment difficulties in an occupation include the level of competition for positions, that is, the number of applicants who an employer was able to select from to fill the position, as well as the suitability of these applicants, and the proportion of employers who found the occupation difficult to fill. The results for these three key indicators of recruitment difficulty will be analysed in detail in the following sections.

3.3.1. Recent Recruitment Success

Of the 306 vacancies for which employers had most recently attempted to fill, 22 (or 7 per cent) remained unfilled. However, an employer's success filling this most recent vacancy varied considerably depending on the type of occupation and skill level, as is shown in Chart 6.

Chart 6: Number of Vacancies and Vacancies Unfilled - By Major Occupation Group of Most Recent Vacancy¹⁵



As is evident from Chart 6, vacancies in higher skilled occupations were not as frequently reported but were more frequently unfilled. In all, there were 32 higher skilled vacancies, of which, 7 (or 22 per cent) were not filled. On the other hand, vacancies for lower skilled occupations were more prevalent but were less frequently unfilled. In particular, while not shown in the chart, there were 209 Labourer and Related Worker vacancies, of which 5 (2 per cent) were not filled.

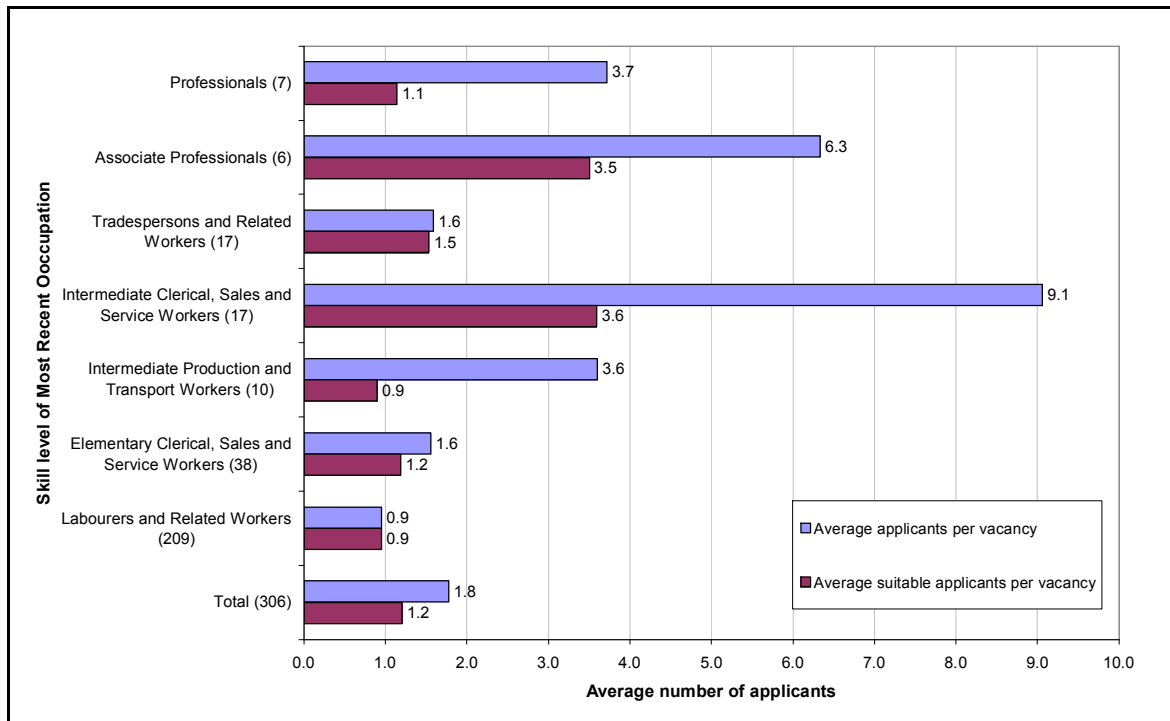
3.3.2. Level of Competition and Suitability of Applicants

The level of competition for positions and the quality of these applicants provides additional insight into the difficulties being experienced by employers in the Gascoyne region. The following section analyses the number and suitability of applicants based on the type of occupation that the employer most recently attempted to fill. Overall, employers in the Gascoyne region reported low competition for vacancies in the area, with an average of just 1.8 applicants per vacancy. This level of competition is closely related to the labour market conditions in an area, typically areas of lower unemployment, such as Gascoyne, have a lower

¹⁵ Results for the Labourer and Related Workers occupation group have been excluded from this chart due to the large number of vacancies reported. Of the 209 vacancies in this occupation group, 5 were not filled.

level of competition for vacancies. However, there is considerable variation across the broad occupation groups, as is shown in Chart 7.¹⁶

Chart 7: Average Applicants and Average Applicants Suitable - By Major Occupation Group of Most Recent Vacancy¹⁷



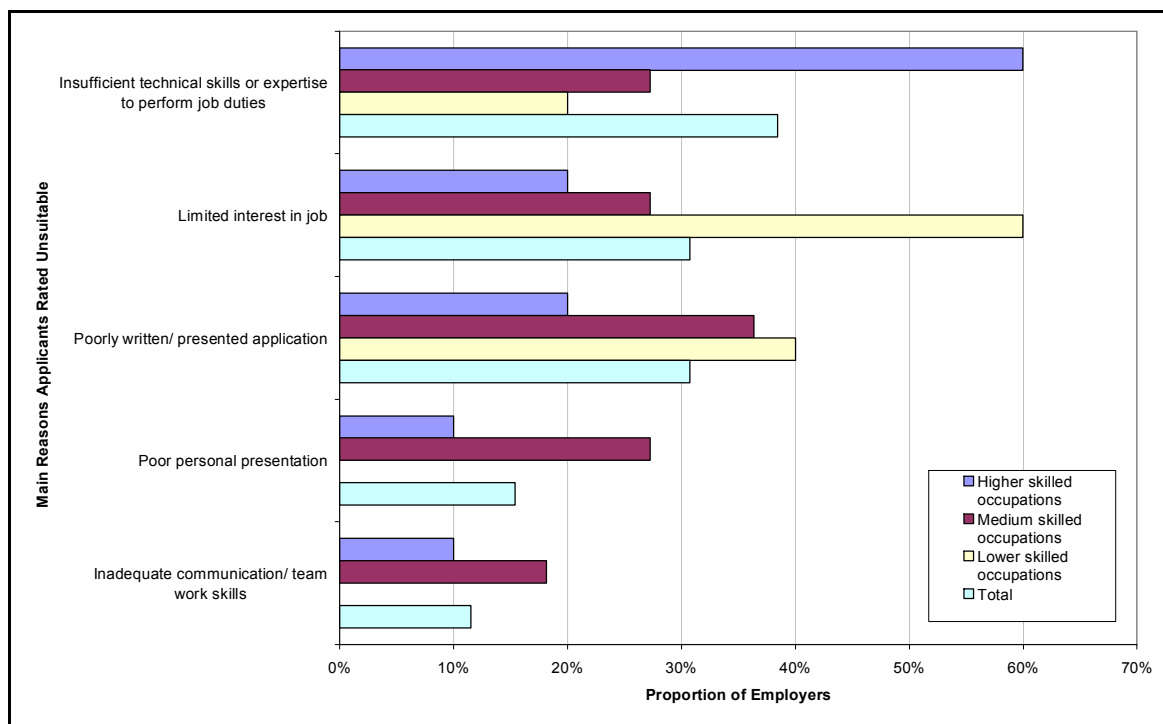
The level of competition for vacancies is lowest in lower skilled positions, in particular, vacancies for Labourers and Related Workers attracted an average of just 0.9 applicants per vacancy. On the other hand, positions for Intermediate Clerical, Sales and Service Workers attracted an average of 9.1 applicants per vacancy. Of the higher skilled occupation groups, Tradespersons and Related Workers attracted an average of 1.6 applicants, while, on average, there were 6.3 applicants for each Associate Professional vacancy.

However, the number of applicants alone tells one part of the story in regards to the level of competition in the Gascoyne region. The suitability of applicants is also a key indicator of recruitment difficulty. As is evident from Chart 7, on average, there were just 1.2 applicants considered suitable by employers. This indicates that employers had little, if any, choice of suitable job seekers to fill their vacancies.

¹⁶ This level of competition is on par with the levels seen in the Mid-West Gascoyne Skills in Demand Survey. However, the results for these two surveys should not be regarded as directly comparable, given that competition and applicant quality vary depending on the type of occupation and skill level of the vacancy.

¹⁷ Results for the Managers and Administrators occupation group have been excluded from this chart due to the small number of vacancies reported. Of the 4 applicants for vacancies in this occupation group, none were considered suitable.

Chart 8: Reasons for Applicant Unsuitability by Skill Level of Most Recent Vacancy



The results of the survey indicate that, across the region, employers most commonly reported applicants were unsuitable because they lacked the technical skills or expertise for the position (38 per cent of employers). Other reasons commonly reported by employers for rating one or more applicants as unsuitable included their limited interest in the job and their poorly written or presented application.

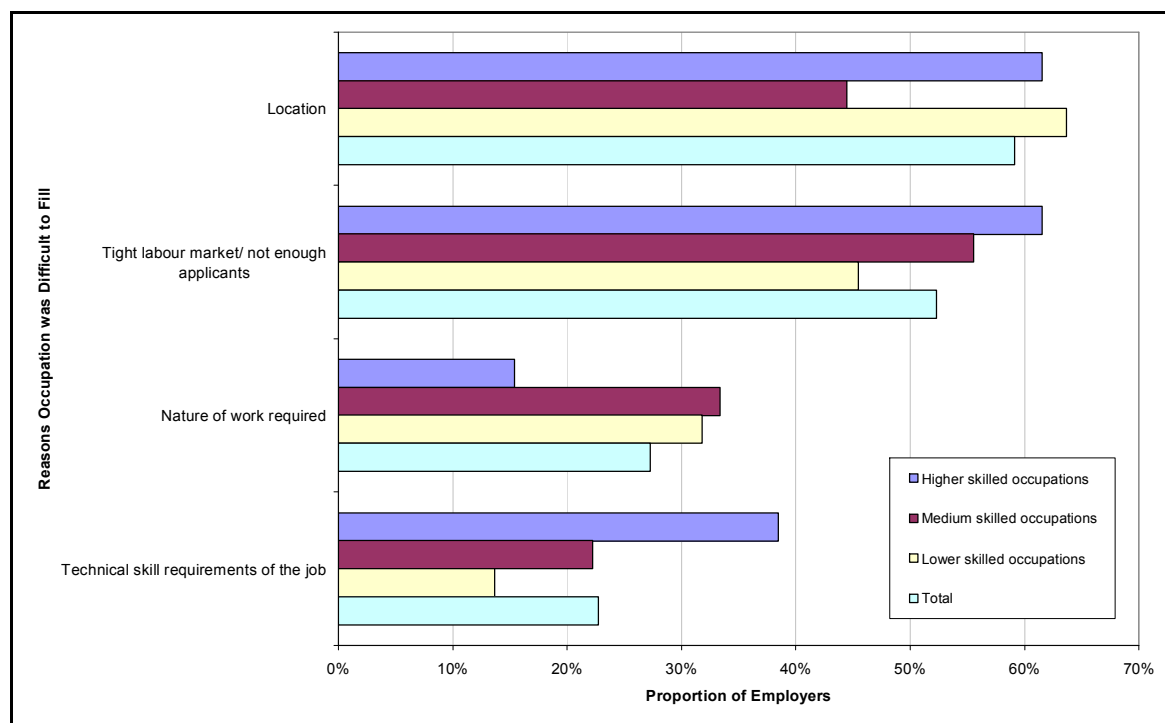
Interestingly, the results of the survey show a clear difference in the reasons reported by employers based on the skill level of the occupation. As shown in Chart 8, employers with higher skilled vacancies most commonly reported applicants to be unsuitable due to a lack of technical skills or expertise. On the other hand, employers with medium skilled vacancies most commonly reported applicants were unsuitable due to their poorly written applications and, those with lower skilled vacancies, due to their limited interest in the job.

3.3.3. Reported Recruitment Difficulty

Overall, half of the employers surveyed reported recruitment difficulties filling their most recent vacancy. As with previous indicators, recruitment difficulty varies significantly depending on the skill level of the vacancy. For instance, 55 per cent of employers with lower skilled vacancies reported difficulty recruiting for that position compared with 41 per cent of employers with medium skilled vacancies and 50 per cent of employers with higher skilled vacancies. The level of reported recruitment difficulty was highest among employers with Professional vacancies (83 per cent), which is not surprising given the high proportion of unfilled vacancies in

this occupation group. The reasons reported as contributing to this difficulty were similarly varied.

Chart 9: Reasons for Recruitment Difficulty by Skill Level of Most Recent Vacancy¹⁸



As shown in Chart 9, location was the principle cause of recruitment difficulties in the Gascoyne region (reported by 59 per cent of employers). This reason for recruitment difficulty was more commonly reported by employers recruiting for lower skilled occupations as well as higher skilled occupations, which is somewhat common in regional areas across Australia. Recruitment difficulties were also commonly attributed to the tight labour market in the area (52 per cent of employers). Other reasons for recruitment difficulty that were commonly reported related to the type of vacancy with 27 per cent of employers reporting difficulty due to the nature of work and 23 per cent due to the technical skill requirements of the position.

Recruitment difficulties are fairly widespread across the region, with 50 per cent of employers reporting difficulty filling their **most recent** vacancy. However, the proportion of employers who reported difficulty recruiting in any occupation over the past 12 months is higher again. Overall, 56 per cent of employers who had recruited in the last 12 months reported difficulty doing so. Table 4 presents an overview of the occupations most commonly reported as difficult to fill by employers in the Gascoyne region.

¹⁸ Most recent occupation only.

Table 4: Occupations Difficult to Fill in last 12 months by Skill level¹⁹

Occupation and Skill level
<p>Higher skilled occupations</p> <ul style="list-style-type: none"> Motor Mechanics Structural Steel and Welding Tradespersons
<p>Medium skilled occupations</p> <ul style="list-style-type: none"> Receptionists Truck Drivers
<p>Lower skilled occupations</p> <ul style="list-style-type: none"> Sales Assistants Domestic Housekeepers Cleaners Meat and Fish Process Workers Other Food Factory Hands Farm Hands Kitchenhands

3.4. Future Recruitment Expectations

Overall, 82 of the 171 employers surveyed expected to recruit over the next 12 months (48 per cent). As with recruitment activity over the last 12 months, recruitment expectations varied across industries. For instance, employers in the Manufacturing industry were most likely to recruit over the next 12 months (75 per cent of employers), while those in the Construction industry were least likely to recruit (31 per cent of employers). The recruitment activity is most commonly due to expectations of employee turnover with 67 per cent of recruiting employers surveyed expecting to replace staff in the next 12 months. This proportion is particularly high in the Agriculture, Forestry and Fishing and Accommodation, Cafés and Restaurants industries (89 per cent and 83 per cent respectively).

Despite expected turnover, a large proportion of this recruitment activity is expected to stem from anticipated employment growth with 33 per cent of employers surveyed expecting to create positions within their business over the next 12 months. Despite the low level of expected recruitment activity in the industry generally, these employment growth expectations are particularly high in the Construction industry (88 per cent of employers). This result suggests that demand for labour will continue to grow strongly in the region over the next 12 months leading to increasing recruitment difficulties. This outlook is shared by many

¹⁹ Vacancies for which employers had difficulty recruiting for over the past 12 months. It is important to note that this is an indicative list of occupations reported as difficult to fill by employers and although occupations were reported as difficult to fill this does not necessarily mean that positions in these occupations were not filled.

employers with 67 per cent of recruiting employers reporting that they expected recruitment difficulties over the next 12 months.

As with recruitment difficulty over the past 12 months, future recruitment difficulty is likely to be spread across skill levels. The occupations expected to be difficult to fill are shown in Table 5.

Table 5: Occupations Expected to be Difficult to Fill in next 12 months by skill level

Occupation and Skill level
<p>Higher skilled occupations Air Transport Professionals Motor Mechanics Electricians</p>
<p>Medium skilled occupations Education Aides Waiters Truck Drivers</p>
<p>Lower skilled occupations Sales Assistants Checkout Operators and Cashiers Domestic Housekeepers Cleaners Farm Hands Kitchenhands Handypersons</p>

4. LABOUR SUPPLY INFORMATION

The results of the Gascoyne Survey of Employers' Recruitment Experiences suggest that strong employment expectations will continue to place pressure on the available labour supply. This strong recruitment growth will be compounded by the impact of an ageing population in the area with 39.8 per cent of the working age population aged 45–64 and therefore approaching retirement. Consequently, employers will be increasingly unlikely to be able to meet all of their labour requirements from traditional sources of labour supply and will find it increasingly difficult to fill vacancies across all skill levels.

4.1. Centrelink Population²⁰

One alternative source of labour is those of working age in receipt of a Centrelink payment. In total, Centrelink's working age customer population in the survey area is around 1300. Significantly, the proportion of the working age population receiving a Centrelink allowance is higher in the Gascoyne region (22 per cent) compared with Western Australia and Australia overall (15 per cent and 18 per cent, respectively).²¹

Chart 10 shows the distribution of Centrelink clients across selected allowance types. Recipients of Disability Support Pension account for 28 per cent of all Centrelink recipients living in the Gascoyne region, while Newstart allowance and Parenting Payment Single recipients account for a further 24 per cent and 21 per cent, respectively.

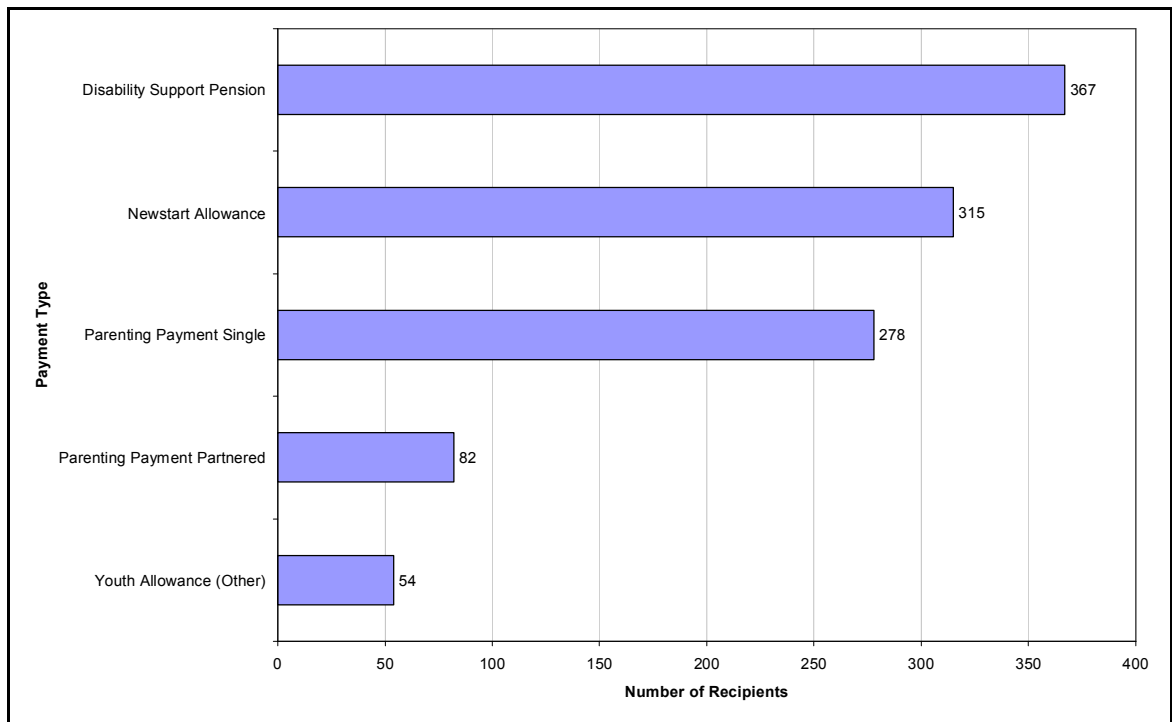
The high number of Disability Support Pension and Parenting Payment Single customers indicates that there is a large potential source of labour available to local employers who are willing to provide flexible working arrangements, such as casual and part-time work.²²

²⁰ Based on postcodes included in the Gascoyne Survey of Employers' Recruitment Experiences.

²¹ *Centrelink Administrative data – June 2007 and 2006 Census of Population and Housing.*

²² It is important to note that not all persons currently in receipt of a Centrelink payment will have a requirement to be engaged in job search activities.

Chart 10: Centrelink Working Age (15-64) Customer Population – Gascoyne Region, June 2007



5. REGIONAL ANALYSIS

This section provides an analysis of the survey results and provides background information on employment within three of the survey regions.²³

5.1. Carnarvon

Carnarvon Shire covers the central western part of the Gascoyne region. Responses were collected from 88 businesses, which were concentrated in the Retail Trade (26) and Construction (16) industries.

Overall, 56 of the 88 employers surveyed had recruited over the last 12 months (64 per cent). These employers had attempted to fill 568 vacancies, of which, 7 per cent were not filled. Despite this relatively low proportion, these unfilled vacancies were comparatively widespread with 23 per cent of employers reporting one or more unfilled vacancies. As a consequence, recruitment difficulties were reported by 55 per cent of employers in the Carnarvon area.

Chart 11: Vacancies Reported as the Most Recent and Vacancies Unfilled – by Major Occupation Group

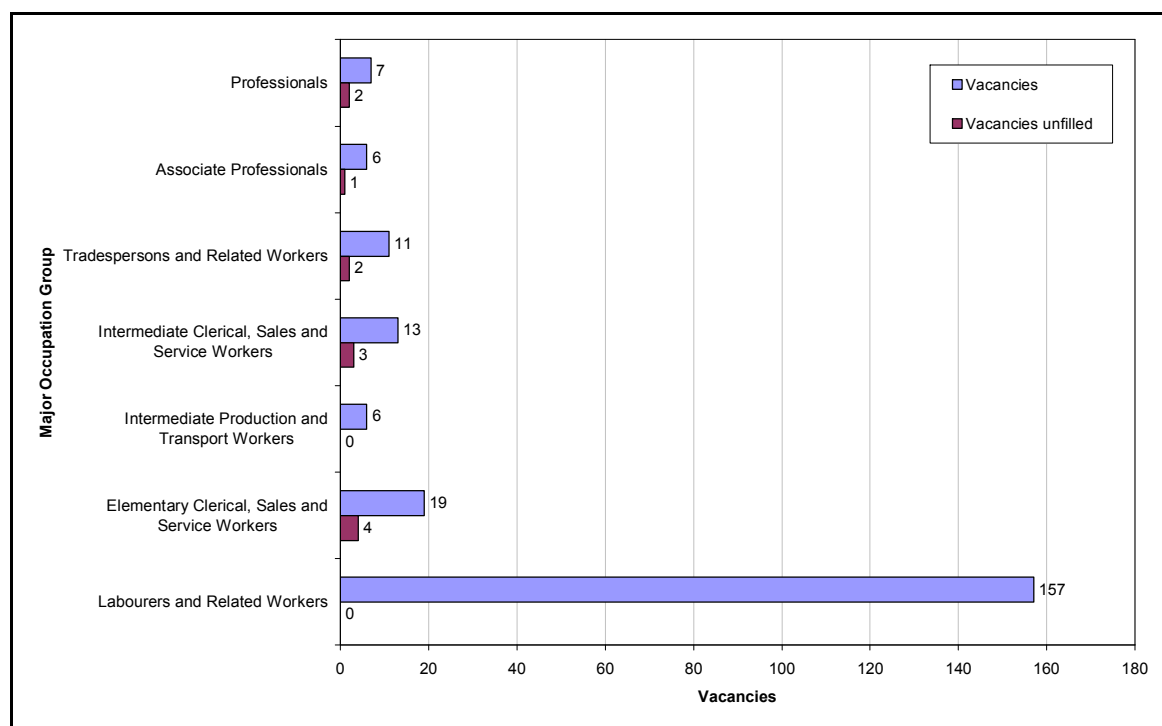


Chart 11 shows that recent recruitment activity was most commonly reported for Labourers and Related Workers with 157 vacancies, which included occupations

²³ Results for the Upper Gascoyne Shire can not be analysed separately due to the small number of responses received from businesses in this region.

such as Meat and Fish Process Workers and Other Food Factory Hands. Despite the large number of vacancies, employers reported that all vacancies in this occupation group were filled, as were most of the vacancies across all occupation groups. Notwithstanding employers' success filling recent vacancies, there was a low level of competition for vacancies in these occupations and in the area generally, with an average of just 2.1 applicants for recent vacancies and an average of 1.3 applicants considered suitable by employers.

Moreover, in spite of the success employers had in filling recent vacancies, 50 per cent reported that their most recent vacancy was difficult to fill. A further 5 per cent of employers reported difficulty filling a vacancy in the last 12 months. Not surprisingly, given the level of competition, the tight labour market was most commonly identified as a cause of this difficulty (56 per cent of employers who reported difficulty). Other commonly reported reasons for recruitment difficulty included the location (51 per cent), the technical skill requirements of the job (24 per cent) and the nature of work required (22 per cent).

Overall, the recruitment expectations of employers are considerably lower than the past 12 months with just 44 per cent of employers expecting to recruit. This future recruitment is predominantly expected to arise because of staff turnover (64 per cent of recruiting employers), however, employment growth is also expected by a number of recruiting employers (38 per cent). This level of employment growth has been forecast by many employers to lead to recruitment difficulties in the next 12 months (64 per cent). Occupations that were identified by employers as likely to be difficult to fill in the next 12 months included higher skilled occupations, such as Motor Mechanics and Electricians, as well as medium skilled occupations, such as Education Aides and Truck Drivers.

5.2. Exmouth

Exmouth Shire incorporates the northern part of the survey region. Responses were collected from 38 businesses, which were concentrated in the Retail Trade (16) and Construction (6) industries.

Overall, half of the employers surveyed had recruited over the last 12 months. These employers had attempted to fill 126 vacancies, of which, 5 per cent were not filled, which was the lowest proportion of unfilled vacancies in the regions surveyed. Nonetheless, these unfilled vacancies were fairly widespread with 21 per cent of employers reporting one or more unfilled vacancies. As a consequence, recruitment difficulties were reported by 47 per cent of employers in the Exmouth area.

Recent recruitment activity was predominantly for lower skilled occupations, such as Meat and Fish Process Workers and Sales Assistants. As with all vacancies over the past 12 months, employers reported that the majority of these 'most recent' vacancies were filled (33 out of 35 vacancies). Despite the success employers had in filling recent vacancies, there was a very low level of competition with an

average of just one applicant and, on average, just 0.8 applicants considered suitable by employers.

In spite of this level of competition, the proportion of employers who reported difficulty filling this most recent occupation was the lowest of all regions surveyed (42 per cent). A further 5 per cent of employers reported difficulty filling vacancies over the last 12 months. The location of the vacancy or the area generally was most commonly identified as a cause of this difficulty (50 per cent of employers), while the technical skill requirements of the job were also commonly identified (40 per cent of employers).

Despite the relatively low level of recruitment difficulties among employers in the Exmouth area over the past 12 months, the recruitment expectations of employers into the next 12 months may lead to greater difficulties as demand for staff grows. On this issue, the survey results suggest that recruitment activity may decline in the area over the next 12 months with just 47 per cent of employers expecting to recruit. These recruitment expectations are predominantly due to staff turnover (61 per cent), however, employment growth is also expected by a number of recruiting employers (39 per cent or recruiting employers). Notwithstanding these lower recruitment expectations, 61 per cent of employers expect to have difficulty recruiting in the next 12 months.

5.3. Shark Bay

The Survey of Employers' Recruitment Experiences collected responses from 36 businesses in the Shark Bay Shire, in particular in the Accommodation, Cafés and Restaurants industry (13 responses).

Overall, 10 of the 36 employers surveyed had recruited over the last 12 months (28 per cent). These employers had attempted to fill 64 vacancies, of which, 20 per cent were not filled, which was the highest proportion of unfilled vacancies in the regions surveyed. These unfilled vacancies were also comparatively widespread with 50 per cent of employers reporting one or more unfilled vacancies. As a consequence, recruitment difficulties were quite widely reported by employers in the Shark Bay area (70 per cent).

Chart 12: Vacancies Reported as the Most Recent and Vacancies Unfilled – by Major Occupation Group

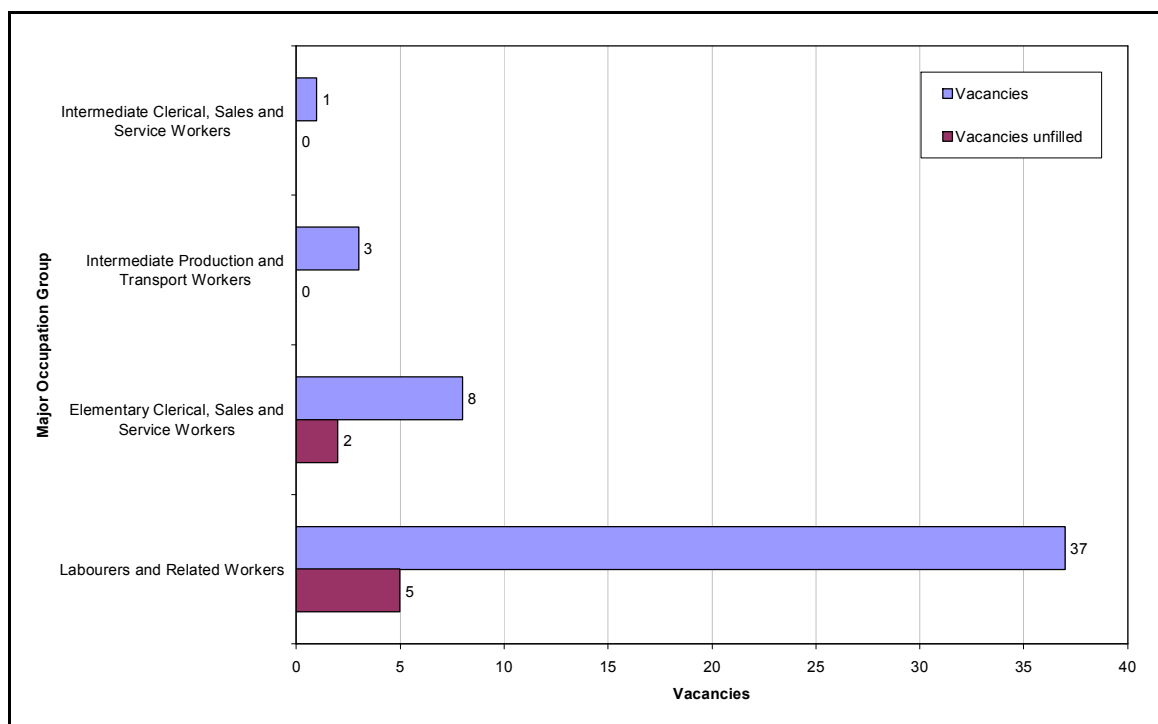


Chart 12 shows that recent recruitment activity was most commonly reported for Labourers and Related Workers. There was a total of 37 vacancies in this occupation group, which included occupations such as Kitchenhands and Farm Hands. Despite the low skilled nature of these occupations, 5 positions were not filled. There was also a low level of competition for vacancies in these occupations and in the area more generally, with an average of just 0.9 applicants for recent vacancies. All of these applicants were considered suitable by employers, which is not surprising given the lower skill level of these positions and the lack of competition.

This recent recruitment activity suggests that, although the majority of vacancies were filled, recruitment was difficult for many employers. This is supported by survey results, which show that 60 per cent of employers reported that their most recent vacancy was difficult to fill. Moreover, a further 10 per cent of employers reported difficulty filling a vacancy in the last 12 months. The location of the vacancy or the area generally was most commonly identified as a cause of this difficulty (89 per cent of employers), while the seasonality of work was also commonly identified (44 per cent of employers).

Overall, recruitment activity in the region is likely to increase with 47 per cent of employers expecting to recruit. These recruitment expectations are predominantly due to staff turnover (71 per cent of recruiting employers), however, employment growth expectations were also widely reported by recruiting employers (29 per cent). Not surprisingly, these strong recruitment expectations are predicted by many employers to lead to recruitment difficulties in the next 12 months (76 per cent).

Occupations that were identified by employers as likely to be difficult in the next 12 months were mostly lower skilled occupations, such as Cleaners, Kitchenhands, and Farm Hands.

APPENDIX: MAJOR OCCUPATION GROUPS

This appendix provides additional detail on the occupation categories used throughout this report. Definitions provided below are based on the Australian Standard Classification of Occupations (ASCO). More information on ASCO and the definitions of major occupation groups can be found on the Australian Bureau of Statistics website www.abs.gov.au.

Managers and Administrators

Managers and Administrators head government, legislative, industrial or commercial establishments, or departments within these organisations. Examples of occupations in this major group include: Generalist Managers such as Judges, Government Ministers, and Professional Builders; Specialist Managers who coordinate the administration and operation of specialised functions within an organisation such as Human Resource Managers or Sales and Marketing Managers; and Farmers and Farm Managers.

Professionals

Professionals perform analytical, conceptual and creative tasks through the application of theoretical knowledge and experience in the fields of science, engineering, business and information, health, education, social welfare and the arts. Typically Professionals have a level of skill commensurate with a bachelor degree or higher qualification.

Associate Professionals

Associate Professionals perform complex technical and administrative support functions which require an understanding of the underlying theories and methods of a particular field and significant practical skills. Tasks performed typically include conducting scientific tests; assisting health and welfare professionals in the provision of services; organising the operations of retail, hospitality and accommodation establishments; maintaining public order and safety; coordinating sports training and participating in sporting events; and business administration.

Tradespersons and Related Workers

Tradespersons and Related Workers apply trade or industry specific technical knowledge and operate complex precision machinery or plant to complete several stages in the fabrication and maintenance of products. Typically, Tradespersons and Related Workers have a level of skill commensurate with an AQF Certificate III or higher qualification.

Advanced Clerical and Service Workers

Advanced Clerical and Service Workers perform a range of complex organisational, administrative, service and liaison tasks. Tasks typically include performing secretarial tasks; recording and maintaining financial information; compiling and preparing technical information; and providing liaison and communication services and sales support.

Intermediate Clerical, Sales and Service Workers

Intermediate Clerical, Sales and Service Workers perform a range of clerical, sales and service tasks requiring a limited degree of discretion and judgement. Typically they have a level of skill commensurate with an AQF Certificate II or higher qualification or at least 1 year's relevant experience.

Intermediate Production and Transport Workers

Intermediate Production and Transport Workers operate plant, machinery and vehicles to transport passengers and goods, to generate power and to perform various agricultural, manufacturing and construction functions.

Elementary Clerical, Sales and Service Workers

Elementary Clerical, Sales and Service Workers perform a range of clerical, sales and service tasks, usually under supervision, within established routines and procedures.

Labourers and Related Workers

Labourers and Related Workers perform routine tasks usually working under close supervision. Tasks performed typically include cleaning various types of premises and machinery; assisting tradespersons; assembling components and performing other manual manufacturing and construction tasks; and assisting in the cultivation and production of plants and animals.

