



Recruitment Insights Report – December 2022

December 2022
Recruitment activity¹

52%

Monthly change: ▼6% pts.
Yearly change: ▲1% pt.

December 2022
Recruitment difficulty rate²

65%

Monthly change: ▼4% pts.
Yearly change: ▲8% pts.

December 2022
Expect to increase staff³

25%

Monthly change: ▼5% pts.
Yearly change: ▼1% pt.

Key findings from the Recruitment Experiences and Outlook Survey (REOS)

- REOS indicators eased over the month, though they remain relatively high compared to historic figures. Recruitment activity and recruitment difficulty both decreased over the month, with a sharp decrease in recruitment activity in Rest of State areas. That said, it is important to note that REOS data are not seasonally adjusted, with lower levels of recruitment activity expected during December and January.
- 52% of employers reported recruitment activity this month, 6 percentage points lower than last month. This figure is 1 percentage point higher than in December 2021.
 - In Capital Cities the recruitment rate eased by 4 percentage points to 53% of employers in December 2022. In Rest of State areas, the recruitment rate decreased by 11 percentage points to 50% of employers. This is the largest percentage point decrease between consecutive months for this series.
- 13% of employers increased staffing levels over the past month, the same proportion as November 2022. The proportion of employers who decreased staff over the past month was 9%, 2 percentage points less than last month.
- The recruitment difficulty rate fell by 4 percentage points over the month to 65% of recruiting employers (representing 34% of all employers). It remains well above the result from a year ago (by 8 percentage points) but is also 10 percentage points below the peak recorded in July 2022.
 - The recruitment difficulty rate eased by 2 percentage points to 68% of recruiting employers in Rest of State areas, while in Capital Cities it eased by 6 percentage points to 63%.
- Employers' expectations to increase staffing levels over the next three months eased by 5 percentage points to 25%. In Capital Cities, the proportion fell by 8 percentage points to 23%, 14 percentage points less than its peak in April 2022 (37%). There was no change in proportion for Rest of State areas (28%). Some 3% of employers were expecting to decrease staffing levels over the next three months, a decline of 2 percentage points from November 2022.
- This month's report features the quarterly indicators for the December 2022 quarter. It includes breakdowns by remoteness, state, selected industry, and occupation group.

¹ Recruitment activity (also referred to as the 'recruitment rate') refers to the proportion of all employers who are either currently recruiting or who had recruited in the previous month.

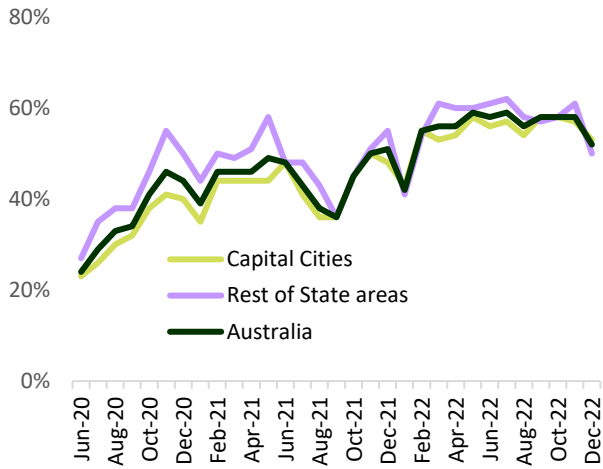
² The recruitment difficulty rate is the proportion of recruiting employers who experienced difficulty hiring staff in their most recent recruitment round.

³ The 'expect to increase staff' figure is the proportion of all employers who expect to increase staff numbers over the next three months.

Recruitment indicators – key charts

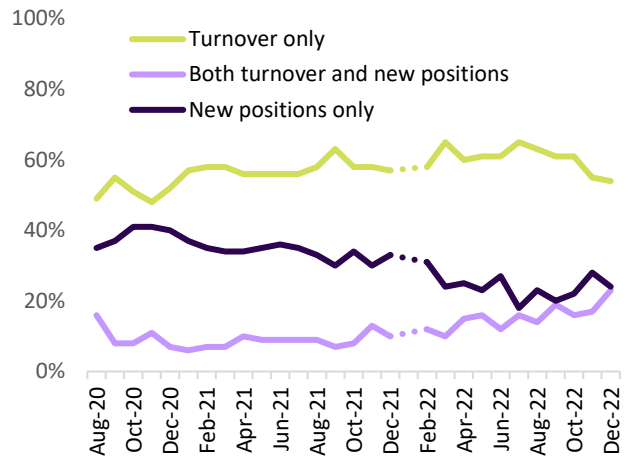
Recruitment activity

Proportion of employers



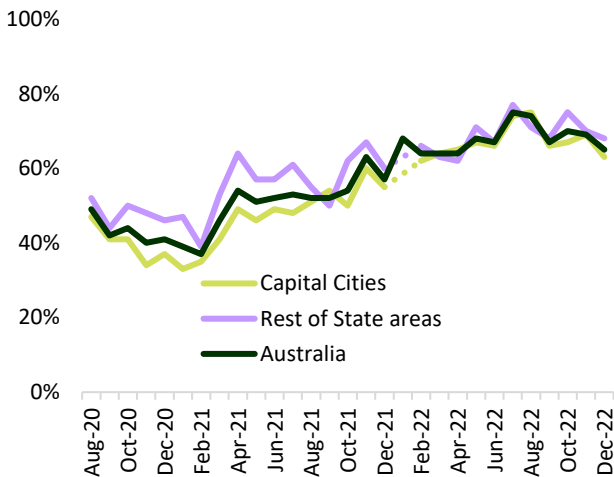
Reasons for recruitment

Proportion of recruiting employers



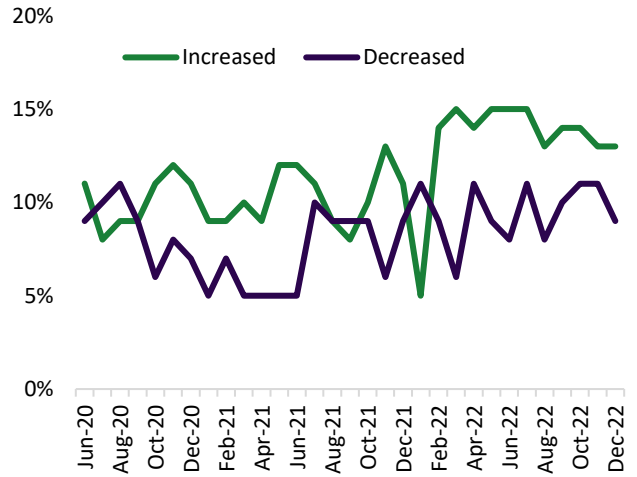
Recruitment difficulty

Proportion of recruiting employers



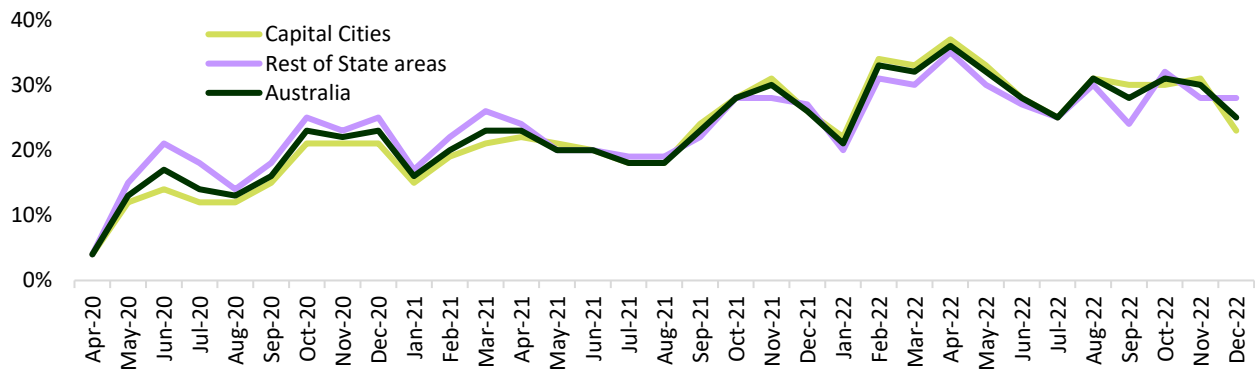
Increased / decreased staff over the past month

Proportion of employers



Employers who expect to increase staff numbers over the next 3 months

Proportion of employers



Note: Some disaggregated data was not publishable in January 2022; hence in some of the above charts data points from December 2021 to February 2022 have been joined by a dotted line.

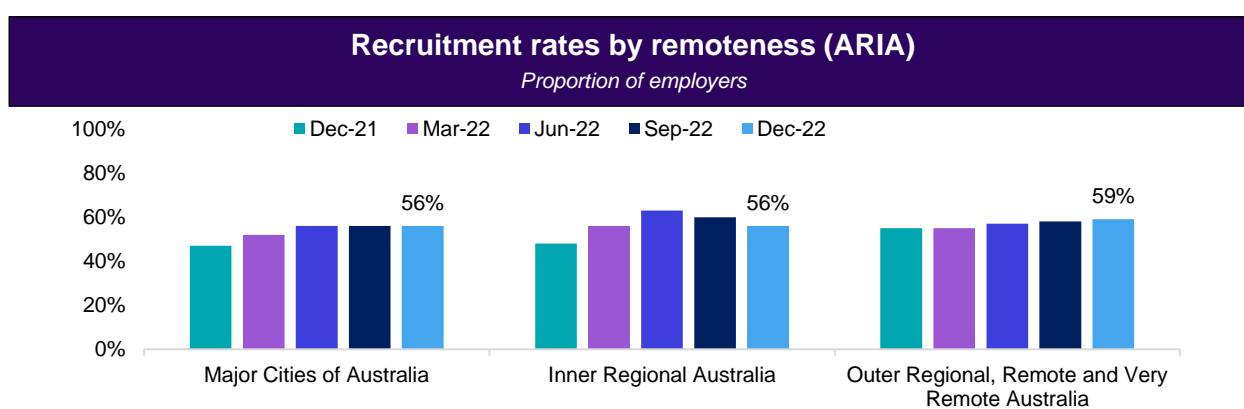
Recruitment indicators – quarterly results

The data in this section provides REOS quarterly results by industry, State, and level of remoteness, in addition to an occupational breakdown for the recruitment difficulty rate. These results are released on a quarterly basis, in the March, June, September, and December editions of the Recruitment Insights Report.

Recruitment rate

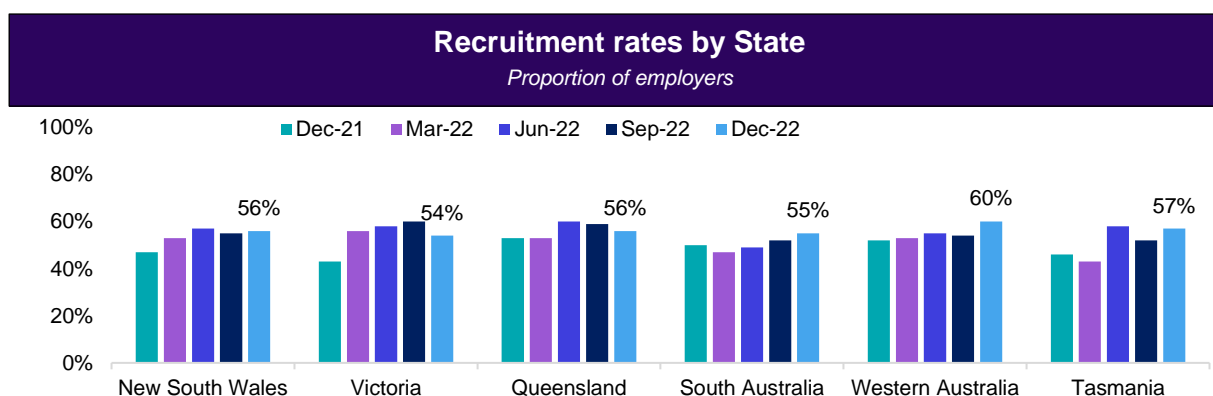
Recruitment rates by remoteness (ARIA)⁴

- Outer Regional, Remote, and Very Remote Australia had the highest recruitment rate this quarter (59%). The recruitment rate in Major Cities and in Inner Regional areas was 56%.
- The annual change in recruitment rates (December 2022 quarter compared with December 2021 quarter) was larger in Major Cities (9 percentage points higher) and Inner Regional Australia (8 percentage points higher) than in Outer Regional, Remote, and Very Remote Australia (4 percentage points higher).



Recruitment rates by State⁵

- Recruitment rates increased modestly over the quarter in New South Wales (56%, up by 1 percentage point) and South Australia (55%, up by 3 percentage points), with larger increases in Western Australia (60%, up by 6 percentage points) and Tasmania (57%, up by 5 percentage points). Recruitment rates were lower than last quarter for Victoria (54%, down by 6 percentage points) and Queensland (56%, down by 3 percentage points).
- Western Australia had the highest recruitment rate, while Victoria had the lowest.
- Recruitment rates by state increased over the year. The largest annual increases from the December 2021 quarter were in Victoria and Tasmania (both up 11 percentage points). The smallest increase was in Queensland, which was 3 percentage points higher than in the December 2021 quarter.

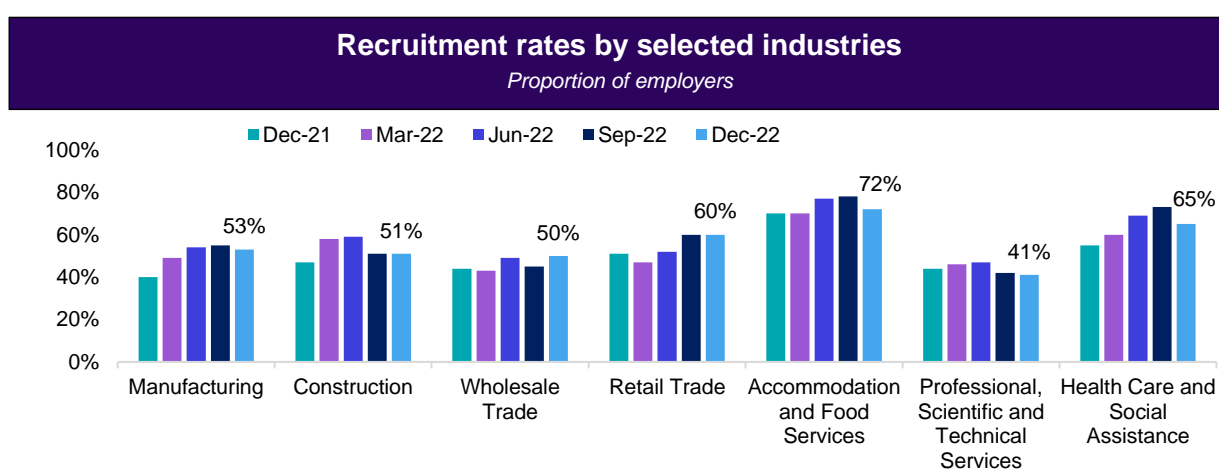


⁴ This classification is based on the Accessibility and Remoteness Index of Australia (ARIA), which consists of 5 'Remoteness Areas': Major Cities of Australia, Inner Regional Australia, Outer Regional Australia, Remote Australia, and Very Remote Australia. In this analysis, Outer Regional Australia, Remote Australia, and Very Remote Australia have been combined into one category due to small sample sizes. For further information please see [Remoteness Structure | Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/remoteness-structure).

⁵ The Northern Territory and Australian Capital Territory are not reported due to small sample size.

Recruitment rates by selected industries⁶

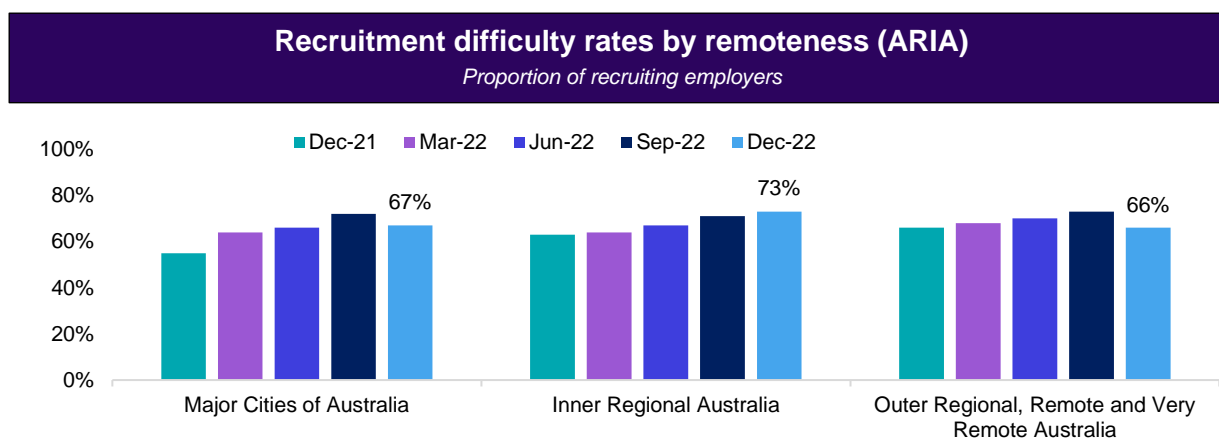
- The highest recruitment rates this quarter by industry were in Accommodation and Food Services (72%) and Health Care and Social Assistance (65%). Professional, Scientific, and Technical Services (41%) had the lowest.
- The recruitment rate for most reported industries either decreased or remained stable this quarter. Health Care and Social Assistance decreased by 8 percentage points, and Accommodation and Food Services decreased by 6 percentage points. Manufacturing (53%, down by 2 percentage points) and Professional, Scientific and Technical Services (down by 1 percentage point) decreased modestly.
- Despite common decreases in the latest quarter, most industries had moderate to large increases in their recruitment rates over the year. The largest increases were in Manufacturing (up by 13 percentage points since the December 2021 quarter) and Health Care and Social Assistance (up by 10 percentage points). Professional, Scientific and Technical Services was the only reported industry which had an annual decrease (down by 3 percentage points).



Recruitment difficulty rate

Recruitment difficulty rates by remoteness (ARIA)

- Recruitment difficulty rates eased over the quarter in Major Cities (67%, down by 5 percentage points) and in Outer Regional, Remote, and Very Remote Australia (66%, down by 7 percentage points). In contrast, the rate increased by 2 percentage points in Inner Regional Australia (to 73%).
- The annual change in recruitment difficulty was higher for recruiting employers in Major Cities (up by 12 percentage points) and Inner Regional Australia (up by 10 percentage points), but was the same in Outer Regional, Remote, and Very Remote Australia.



⁶ Selected industries include those with sufficient sample size to be reported on a quarterly basis.

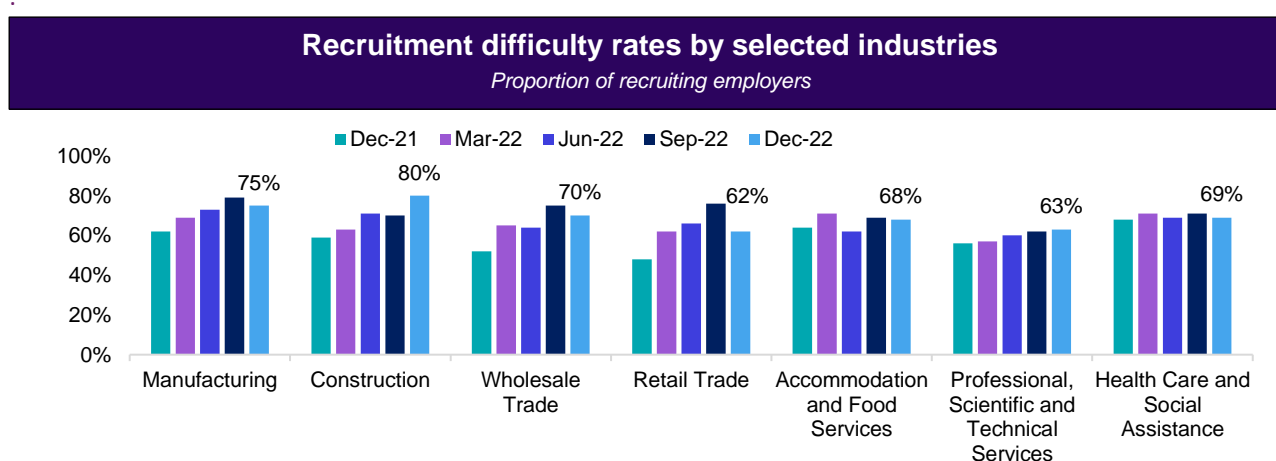
Recruitment difficulty rates by State

- Recruitment difficulty rates eased in most states in the latest quarter, although they remained relatively high in comparison to the levels recorded in previous years.
- Recruitment difficulty was highest in New South Wales (71%), Victoria, and Western Australia (both 70%), with Tasmania (53%) being the lowest. In terms of the quarterly change, recruitment difficulty eased in most states, especially in Tasmania (down by 14 percentage points from last quarter). New South Wales was the only state to not experience a decrease, remaining at 71% of recruiting employers.
- Recruitment difficulty rates were higher across most states compared with last year. The largest increase was for Western Australia, where difficulty was 16 percentage points higher, followed by Victoria and New South Wales (both 11 percentage points higher). Tasmania was the only state to experience a decrease in recruitment difficulty, 3 percentage points lower than in the December 2021 quarter.



Recruitment difficulty rates by selected industries

- Recruitment difficulty rates were highest for Construction (80%) this quarter, and lowest for Retail Trade (62%).
- Recruitment difficulty eased over the last quarter across most selected industries (except for Construction and Professional, Scientific and Technical Services) but remained higher than last year's levels of recruitment difficulty.
- Compared with the last quarter, the largest increase in recruitment difficulty was for Construction (up by 10 percentage points). Meanwhile, the largest decrease was for Retail Trade (down by 14 percentage points). Recruitment difficulty has remained relatively high but stable for Health Care and Social Assistance (69%), easing by 2 percentage points over the quarter, but increasing by 1 percentage point since the same time last year.
- For many of the selected industries, recruitment difficulty was much higher than it was at the same time last year. The largest difference was for Construction (up by 21 percentage points), followed by Wholesale Trade (up by 18 percentage points). The smallest change was in Accommodation and Food Services (up by 4 percentage points).

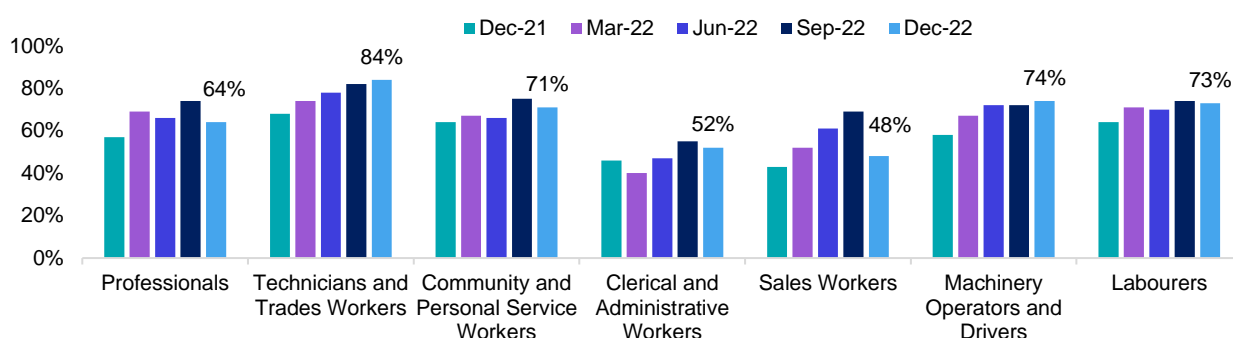


Recruitment difficulty rates by occupation recruited for

- The recruitment difficulty rate was highest when seeking Technicians and Trades Workers (84%) and lowest for Sales Workers (48%) this quarter.
- Difficulty rates eased across most occupation groups, with the biggest change for Sales Workers (down 21 percentage points from last quarter), followed by Professionals (64%, down by 10 percentage points).
- Technicians and Trades Workers, and Machinery Operators and Drivers (74%) both increased by 2 percentage points over the quarter, with both occupation groups experiencing increases each quarter over the year.
- All occupation groups experienced increases in recruitment difficulty over the last year. Technicians and Trades Workers and Machinery Operators and Drivers experienced the largest annual change in recruitment difficulty (both up by 16 percentage points) while the smallest increase was for Sales Workers (up by 5 percentage points).

Recruitment difficulty rates by occupation group

Proportion of recruiting employers



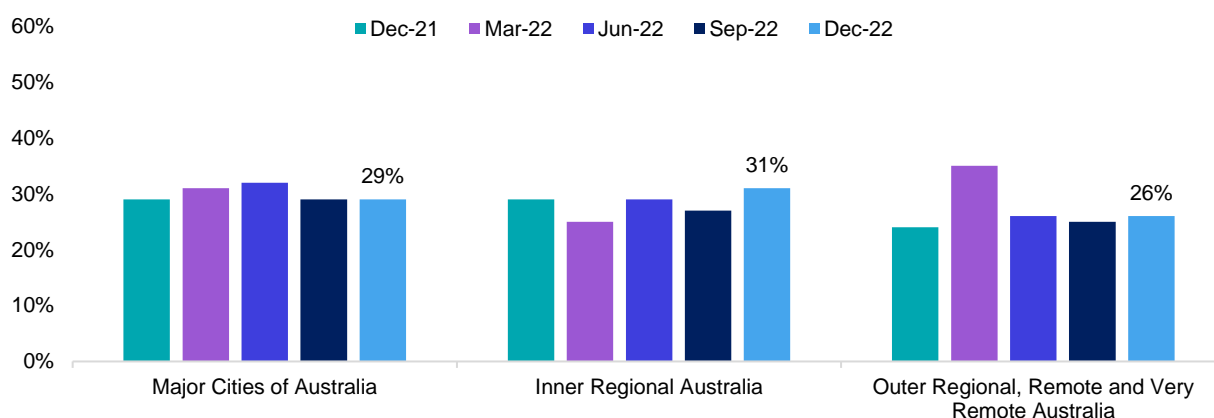
Expectations to increase staff numbers over the next 3 months

Expectations to increase staff by remoteness (ARIA)

- There were small increases in employers expecting to increase staff numbers over the next 3 months in Inner Regional Australia (31%, up by 4 percentage points), and Outer Regional, Remote and Very Remote Australia (26%, up by 1 percentage point) this quarter. The proportion in Major Cities remained stable at 29%.
- The annual change in staffing expectations increased modestly in Inner Regional Australia, and Outer Regional, Remote and Very Remote Australia (both up by 2 percentage points) and was the same as last year in Major Cities of Australia.

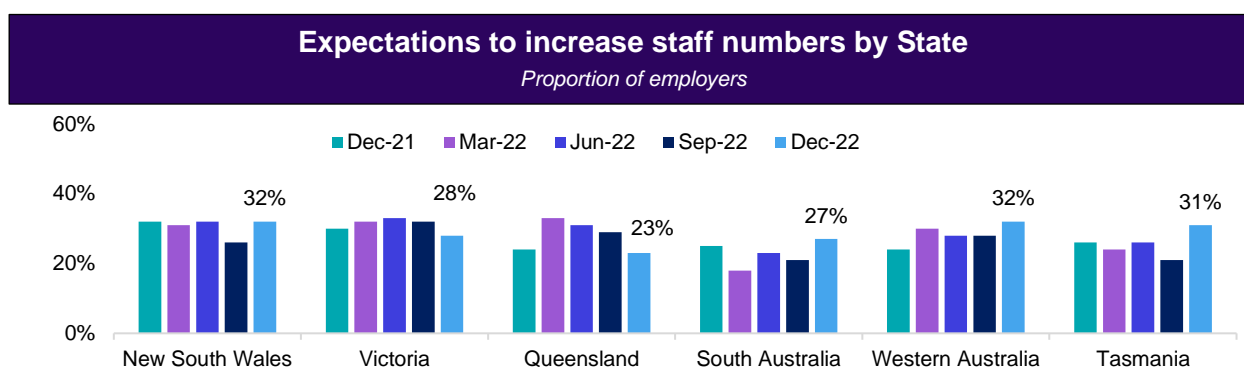
Expectations to increase staff numbers by remoteness (ARIA)

Proportion of employers



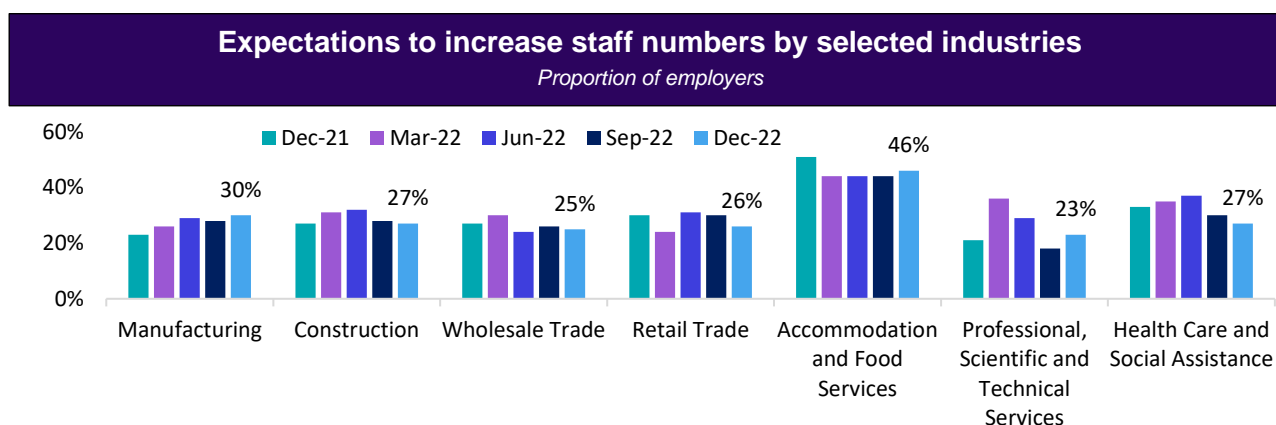
Expectations to increase staff by State

- The proportion of employers expecting to increase staff numbers over the next 3 months was highest in New South Wales and Western Australia (both 32%). In contrast, the smallest proportion was in Queensland (23%).
- Expectations to increase staff numbers eased in Victoria (down 4 percentage points) and Queensland (down 6 percentage points) in comparison with the last quarter. In all other states, the proportion expecting to increase was higher this quarter, with the largest increase in Tasmania (31%, up 10 percentage points).
- Compared with the previous year, the proportion of employers expecting to increase staffing increased the most in South Australia, Western Australia and Tasmania, while it was lower in Victoria and Queensland.



Expectations to increase staff by selected industries

- In the December 2022 quarter, Accommodation and Food Services had the highest proportion of employers expecting to increase staff over the next 3 months (46% of employers). Professional, Scientific and Technical Services had the lowest proportion of employers who expected to increase staff (23%).
- The proportion expecting to increase staff was higher this quarter for Professional, Scientific and Technical Services (up by 5 percentage points), Manufacturing and Accommodation and Food Services (both up by 2 percentage points). The proportion for all other industries was lower this quarter, with Retail Trade falling the most (by 4 percentage points).
- In comparison with last year, the proportion of employers expecting to increase staffing was higher for Manufacturing (up by 7 percentage points) and Professional, Scientific and Technical Services (up by 2 percentage points). It was lower compared with last year for Health Care and Social Assistance (down by 6 percentage points), Accommodation and Food Services (down by 5 percentage points), and Retail Trade (down by 4 percentage points).



Background

Information in the monthly Recruitment Insight Reports is based on the *Recruitment Experiences and Outlook Survey* (REOS), which is an ongoing survey of employers across Australia. Approximately 1200 employers are surveyed each month, with data published on the Jobs and Skills Australia website (jobsandskills.gov.au). While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with caution. In addition, the survey is targeted towards employers with 5 or more employees, and excludes many government organisations.

REOS results may not reflect the full impact that outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers who have closed down (even temporarily) and response rates can vary significantly by industry in areas under lockdown restrictions.

Please note that data collection paused over the Christmas and New Year periods as follows:

- 21 December 2020 until 8 January 2021, and
- 18 December 2021 to 7 January 2022.

Data in this release should be referenced as – *Jobs and Skills Australia, Recruitment Insights Report, December 2022*.

For additional information email RecruitmentAnalysis@jobsandskills.gov.au