Australian Government
Jobs and Skills Australia

Recruitment Insights Report – April 2023

April 2023 Recruitment activity[1]	April 2023 Recruitment difficulty rate[2]	April 2023 Expect to increase staff[3]
50%	**62%**	**20%**
Monthly change: ▼5% pts.	Monthly change: ▼2% pts	Monthly change: ▼10% pts
Yearly change: ▼6% pts.	Yearly change: ▼2% pts	Yearly change: ▼16% pts

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

- Results from the April 2023 REOS indicate that recruitment activity and recruitment difficulty eased over the month. There was also a sharp drop in employers' expectations to increase staffing.

- In April 2023, recruitment activity eased by 5 percentage points over the month to 50% of employers recruiting. This month's recruitment activity rate is comparable to levels recorded at the end of 2021.
    - 48% of employers recruited in Capital Cities in April 2023, a decrease of 7 percentage points over the month, and 6 percentage points lower than in April 2022.
    - Recruitment activity in Rest of State areas (53%) was higher than in Capital Cities. However, it also eased over the month, falling by 3 percentage points over the month to stand 7 percentage points lower than a year ago.

- 14% of employers increased their staffing levels in April 2023. This was 2 percentage points lower than last month, and the same proportion as recorded a year ago. Meanwhile, 8% of employers decreased their staffing this month, down by 2 percentage points over the month.

- Recruitment difficulty eased by 2 percentage points to 62% of recruiting employers in April 2023, (representing 31% of *all* employers).
    - 59% of recruiting employers had recruitment difficulty in Capital Cities. This was 6 percentage points lower than in both March 2023 and in April 2022.
    - On the other hand, in Rest of State areas, recruitment difficulty increased by 2 percentage points to 66% this month, 4 percentage points higher than a year ago.

- Over the month to April 2023, there was a 10-percentage point decrease in the proportion of employers expecting to increase staffing levels over the next three months, to 20%. This is the sharpest monthly decrease since the series started in April 2020 and is now at its lowest level since August 2021 (18%).
    - This decline was also evident across both smaller and larger employers, as well as in Capital Cities and Rest of State areas.

- 4% of employers expected to decrease staffing in the next 3 months, a rise of 1 percentage point from last month, and 2 percentage points higher than a year ago.

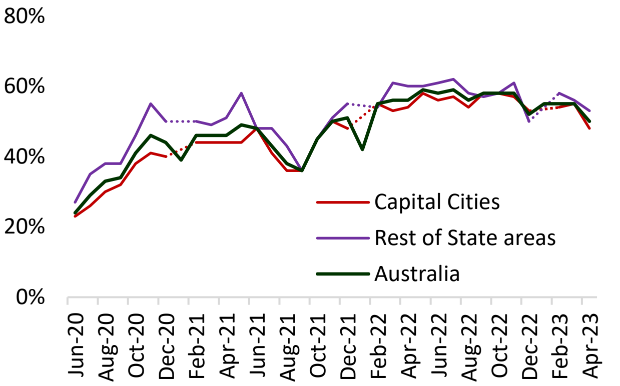
This month's spotlight focuses on recent trends in recruitment conditions experienced by employers in Greater Capital Cities versus Rest of State areas of Australia.

[1] Recruitment activity (or the 'recruitment rate') is 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

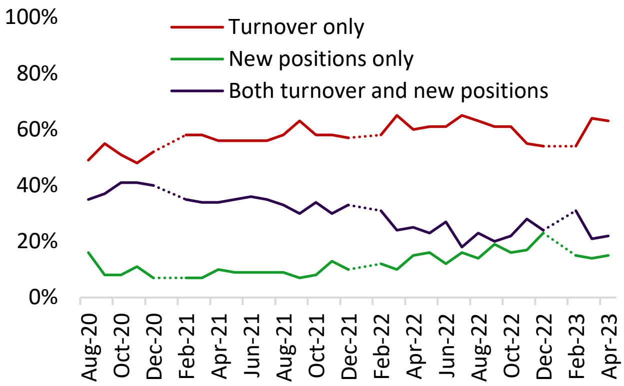
Recruitment activity

Proportion of employers



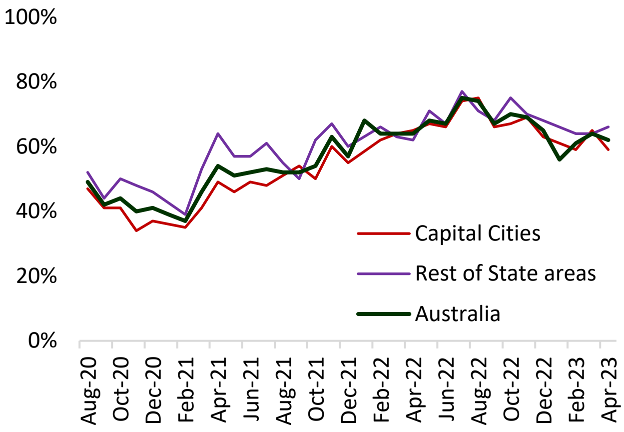
Reasons for recruitment

Proportion of recruiting employers



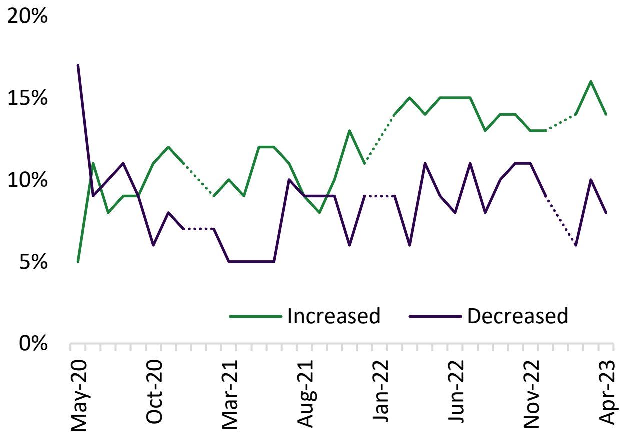
Recruitment difficulty

Proportion of recruiting employers



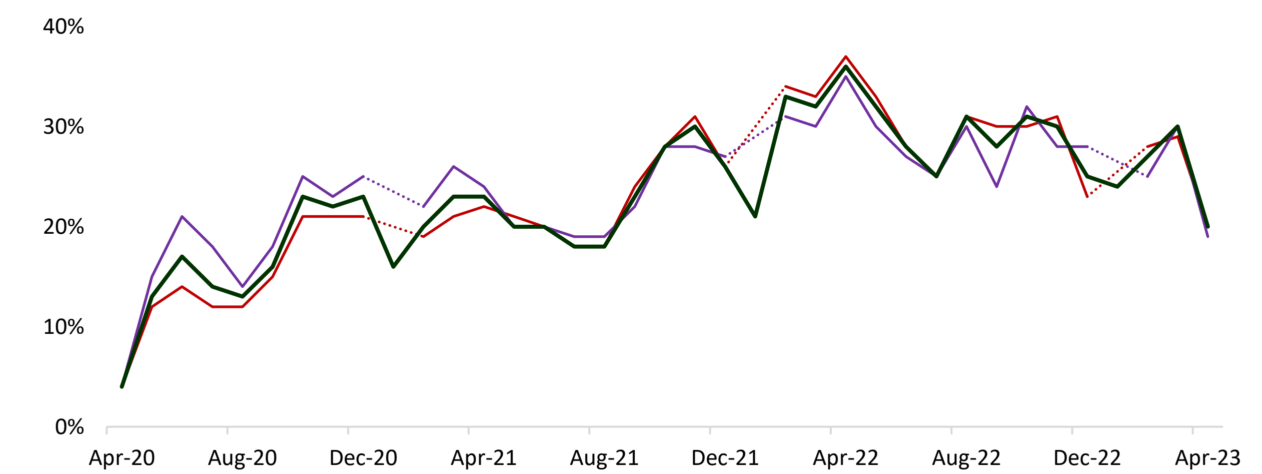
Increased / decreased staff over the past month

Proportion of employers



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

Proportion of employers



Note: Some disaggregated data are not available for January 2021, 2022, and 2023. Data points have been joined by a dotted line between January and February each year to reflect this.

Spotlight: Recruitment conditions in Greater Capital Cities and Rest of State areas

This Spotlight focuses on recent trends in recruitment for Capital Cities and Rest of State areas using year to March 2023 data. These include recruitment activity, recruitment difficulty, and expectations to increase staffing levels.

Key findings[4]

- The number of job advertisements remains high, and well above pre COVID-19 levels in both Capital Cities and Rest of State areas.
    - Reflecting this are record high levels of employment in both region types.
- March 2023 REOS results indicate that recruitment activity remains at high levels across Capital Cities and Rest of State areas, while recruitment activity in Rest of State areas remains marginally above Capital Cities.
- Recruitment difficulty is currently lower than in 2022, but difficulty in Rest of State areas remains above Capital Cities.
- Employers in Rest of State areas most recently have marginally higher expectations to increase their staffing levels than their counterparts in Capital Cities.

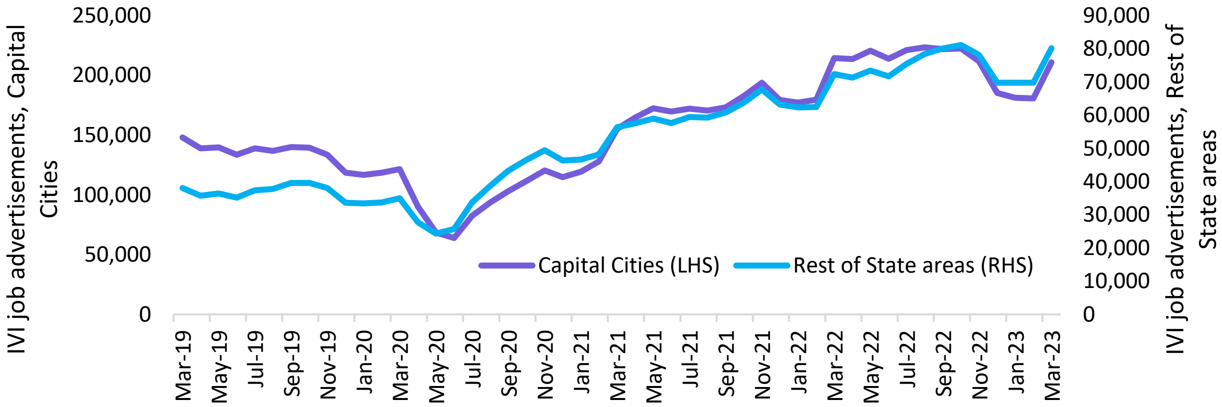
Internet Vacancy Index trends in Capital Cities and Rest of State areas

The latest Internet Vacancy Index (IVI) data shows a continued increase in job advertisement levels (Figure 1). A strong recovery in recruitment activity was observed in Capital City and Rest of State areas since the downturn associated with the COVID-19 pandemic. However, the initial impact of COVID-19 on recruitment activity was more severe in Capital Cities than Rest of State areas, with job advertisements falling by 47% from March 2020 to June 2020 for Capital Cities, and by 30% from March 2020 to May 2020 for Rest of State areas.

The total number of job advertisements in Rest of State areas reached a high of 81,100 in October 2022, then decreased to 69,700 in February 2023. In Capital Cities, the highest level of job advertisements was recorded in August 2022 (223,300).

The level of total job advertisements in Capital Cities and Rest of State areas remains well above the pre-COVID-19 period. Since March 2019, online job advertisements increased by 42.6% for Capital Cities, and 110.4% for Rest of State areas.

Figure 1. Internet Vacancy Index for Capital Cities and Rest of State areas, March 2019 to March 2023



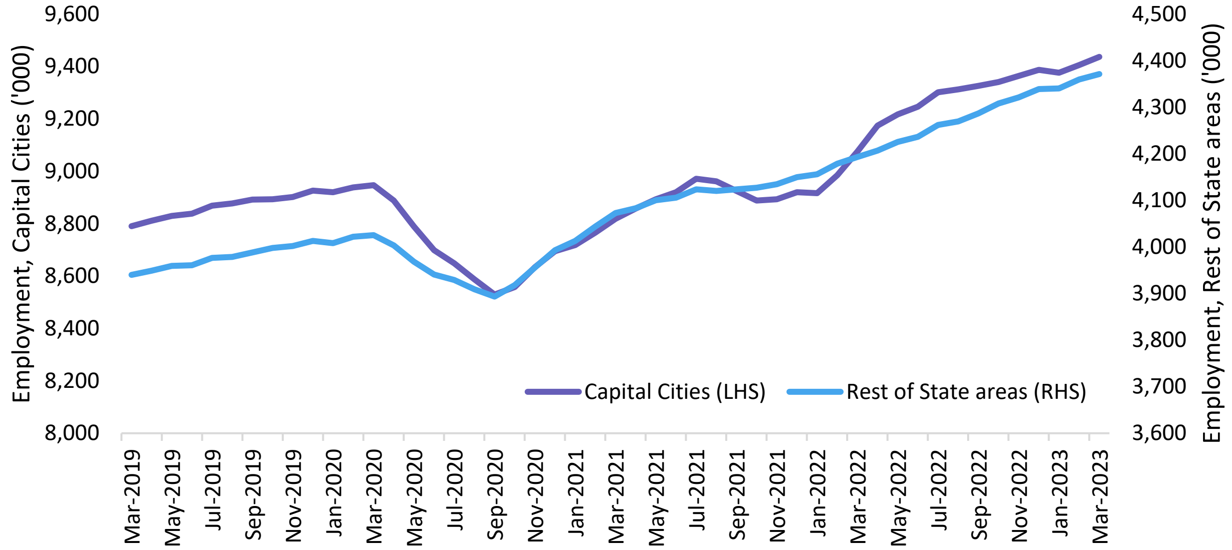
Source: Jobs and Skills Australia, Internet Vacancy Index, March 2023.

[4] Unless otherwise stated, REOS data is for the period April 2022 to March 2023.

Employment trends in Capital Cities and Rest of State areas

The latest Labour Force data (March 2023) shows a continued increase in employed persons across Capital Cities and Rest of States areas (Figure 2). The increasing level in employed persons has generally aligned with the increase in job advertisements (see Figure 1, above). One notable difference between employment levels between Rest of State areas and Capital Cities was the fall in employment in Capital Cities during the latter half of 2021 due to COVID-19 related lockdowns with the onset of the Delta variant (particularly in Melbourne).

Figure 2. Total employment for Capital Cities and Rest of State areas, March 2019 to March 2023

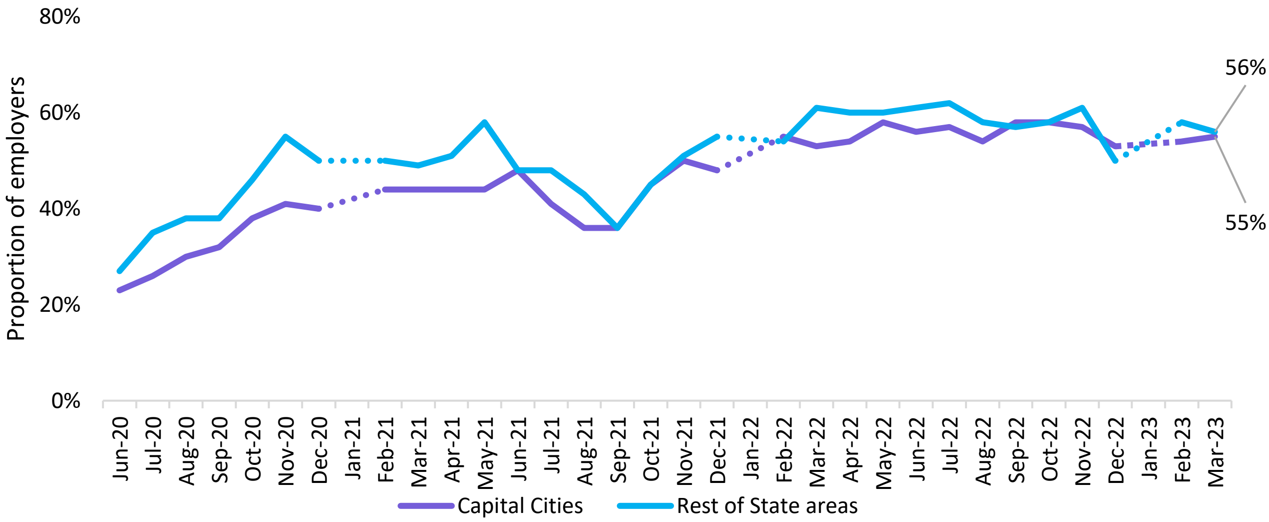


Source: ABS, Labour Force, Australia, Detailed, March 2023, 6-month averages of original estimates.

Recruitment activity

REOS results suggest that there is increasingly a higher incidence of recruitment in Rest of State areas than in Capital Cities from June 2020 to March 2023. Figure 3 below highlights the disparity in recruitment rates between the two region types. Since June 2020, there has often been a higher rate of recruitment among employers in Rest of State areas compared with employers in Capital Cities. There has been some convergence since mid-2022. However, recruitment activity in both region types has decreased from their respective peaks in October and November 2022.

Figure 3. Recruitment activity for Capital Cities and Rest of State areas, June 2020 to March 2023*



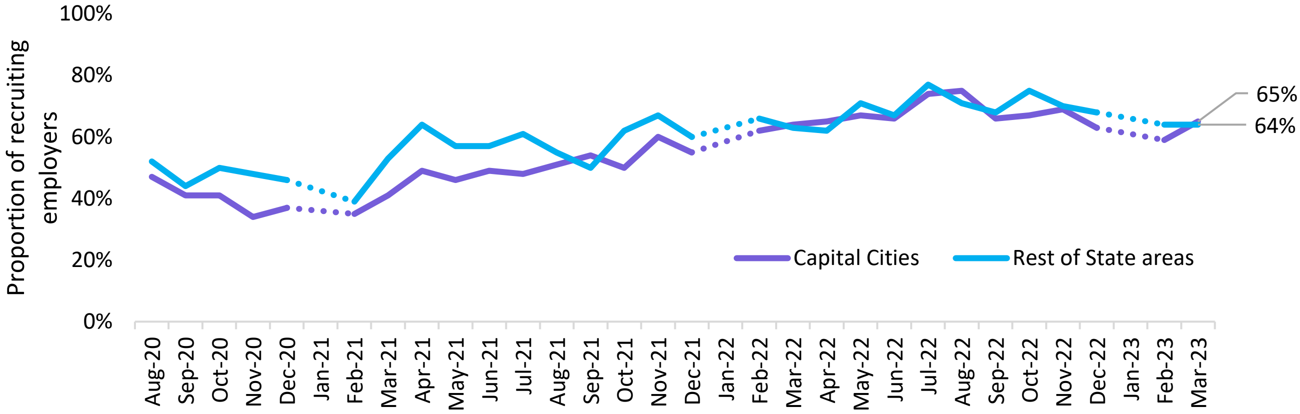
**Note: Disaggregated data (in original terms) for January 2021, January 2022 and January 2023 are not available.*

Recruitment difficulty has eased slightly but remains high

The recruitment difficulty rate started rising in early 2021 to reach a record high in mid-2022, with 75% of recruiting employers in Capital Cities and 77% of recruiting employers in Rest of State areas having difficulty recruiting.

Since the peak in July 2022 (75%, recruiting employers), the recruitment difficulty rate has eased, falling by 10 percentage points in Capital Cities to stand at 65% in March 2023, and by 13 percentage points in Rest of State areas to stand at 64% in March 2023.

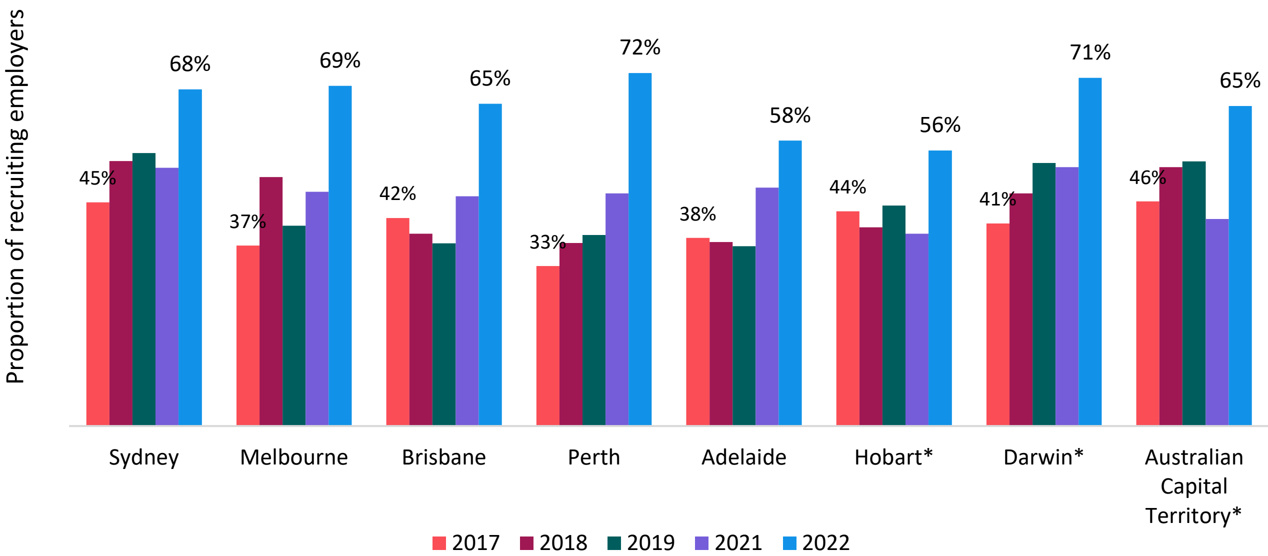
Figure 4. Recruitment difficulty for Capital Cities and Rest of State areas, August 2020 to March 2023*



**Note:* Disaggregated data (in original terms) for January 2021, January 2022 and January 2023 are not available.*

In Capital Cities, the recruitment difficulty rate increased for all states compared with the pre-COVID-19 period. The biggest increase was in Perth, which increased from 33% of recruiting employers in 2017 to 72% in 2022. Hobart had the lowest recruitment difficulty rate for 2022 at 56%.

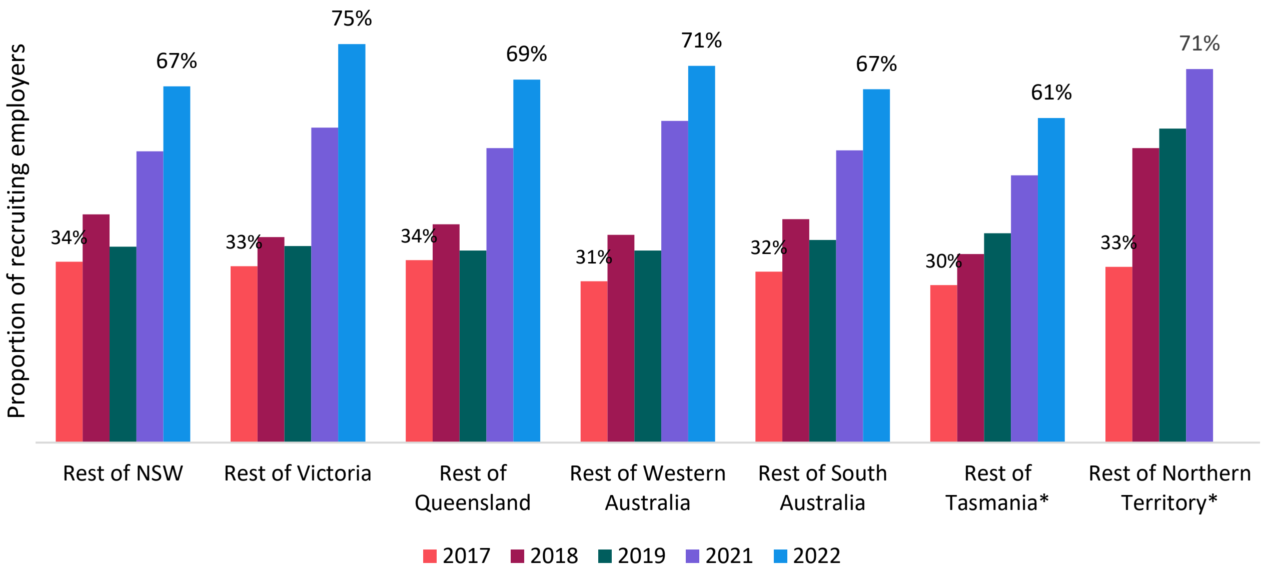
Figure 5. Recruitment difficulty for Capital Cities, 2017 to 2022*



**Note:* Disaggregated data (in original terms) for 2020 and 2023 year-to-date are not available. Additionally, Hobart, Darwin and Australia Capital Territory data should be treated with caution.*

Over the same period, like Capital Cities, recruitment difficulty rates in Rest of State areas increased across all states. The biggest increase was recorded in Rest of Victoria, rising from 33% of recruiting employers in 2017 to 75% in 2022. Rest of Tasmania had the lowest recruitment difficulty rate for 2022 at 61%.

Figure 6. Recruitment difficulty for Rest of State areas, 2017 to 2022*



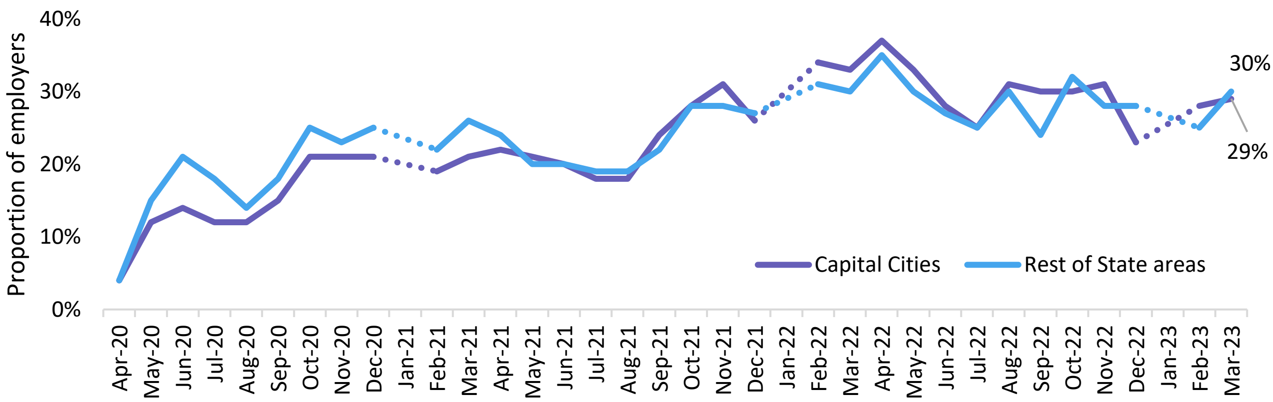
**Note: Disaggregated data (in original terms) for 2020 and 2023 year-to-date are not available. Additionally, Rest of Tasmania and Rest of Northern Territory data should be treated with caution, and disaggregated data for Rest of Northern Territory in 2022 is not available.*

Expectations to increase staffing levels

As part of the REOS, employers are asked about their expectations to increase their staffing levels in the next three months.

The proportion of employers that expected to increase staffing levels was higher in Rest of State areas compared to Capital Cities from April 2020 to around March 2021. Both proportions kept similar levels through April 2021 to August 2021 at around 20%, followed by an increase to around 28% from September 2021 to October 2021. Since then, the proportion of employers expecting to increase staffing levels tended to be greater in Capital Cities until July 2022, with some fluctuation into 2023. By March 2023, the proportions of employers expecting to increase staffing has reached 29% in Capital Cities and 30% for Rest of State areas.

Figure 8. Employers' expectations to increase staffing levels in the next three months for Capital Cities and Rest of State areas, April 2020 to March 2023



Technical notes

The *Recruitment Experiences and Outlook Survey* (REOS) is a telephone administered survey with the business owner or other person in the business responsible for recruitment.

All figures presented in this report have been weighted by location and workplace size, according to the Australian Bureau of Statistics Counts of Australian Businesses, including Entries and Exits (June 2018 to June 2022) publication. The weighted figures are intended to create nationally representative results by correcting for the oversampling of smaller regions compared with larger regions.

Data collected in the survey have been coded and reported according to the following ABS classifications:

- Capital City and Rest of State areas are defined by the Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure and Greater Capital City Statistical Areas, July 2016.

Recruitment Experiences and Outlook Survey - Background

Jobs and Skills Australia conducts the *Recruitment Experiences and Outlook Survey* (REOS), a telephone administered survey with the business owner or other person in the business responsible for recruitment. At least 1,000 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 of COVID-19 and the associated restrictions on employers and their recruitment experiences, as the survey was unable to gather data from employers who closed down (even temporarily). During the height of the pandemic, response rates varied significantly by industry, and by area, as different lockdown restrictions were applied.

Note that data collection pauses over the Christmas and holiday period as follows:

- 21 December 2020 until 8 January 2021
- 18 December 2021 to 7 January 2022
- 17 December 2022 to 9 January 2023.

Data in this release should be referenced as: *Jobs and Skills Australia, Recruitment Insights Report, April 2023.*

For additional information, email REOS@jobsandskills.gov.au