



Recruitment Insights Report – March 2023

March 2023
Recruitment activity¹
55%

Monthly change: 0% pts
Yearly change: -1% pt

March 2023
Recruitment difficulty rate²
64%

Monthly change: +3% pts
Yearly change: 0% pts

March 2023
Expect to increase staff³
30%

Monthly change: +3% pts
Yearly change: -2% pts

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

- The March 2023 REOS results indicate that recruitment activity was steady this month and remains at high levels. While recruitment activity in Capital Cities rose slightly over the month, this was offset by easing activity in Rest of State areas. Recruitment difficulty, while increasing in March 2023 to 64%, remains well below levels recorded in mid-2022.
- The proportion of employers recruiting has remained stable at 55% for three consecutive months and remains 4 percentage points below the series high of 59% in July 2022.
 - The recruitment rate in Capital Cities was 55% in March 2023, rising by one percentage point over the month and is 2 percentage points higher than a year ago.
 - Recruitment activity eased in Rest of State areas over the month, down by 2 percentage points to stand at 56% in March 2023, and 5 percentage points lower than a year ago.
- In March 2023, 16% of employers reported increasing their staff numbers over the last month – the highest proportion since the series commenced in May 2020 (note that month to month movements for this indicator can vary). The proportion of employers who reported decreased staff numbers was 10% in March 2023, which is around average over the last year.
- Recruitment difficulty increased in March 2023, rising to 64% of recruiting employers (or 36% of all employers) in the past month, an increase of 3 percentage points over the month, but unchanged compared with a year ago. The recruitment difficulty rate is now 11 percentage points below the series high of 75% recorded in July 2022.
 - The increase in recruitment difficulty over the month is due to rising difficulty in Capital Cities, up by 6 percentage points to 65%. By contrast, the recruitment difficulty rate was unchanged for Rest of State areas, at 64% in March 2023.
 - There were also marked increases in difficulty for businesses with 20 employees or more (up by 13 percentage points to 67%) and employers recruiting to fill higher skilled positions (ANZSCO Skill Level 1-3, up by 7 percentage points to 72%).
- In March 2023, 30% of employers surveyed expect to increase their staffing levels in the next three months. This was 3 percentage points higher than in February 2023, but 2 percentage points lower than 12 months ago (32%). The proportion of employers who expected to decrease staffing was unchanged over the month, at 3% in March 2023.

This month's report also features more detailed REOS data for the March quarter 2023. It includes breakdowns by area (remoteness and state), selected industries, and occupation group.

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.

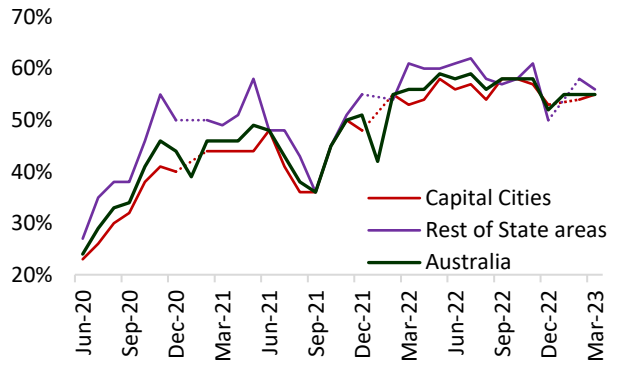
² The recruitment difficulty rate is the proportion of recruiting employers who experienced difficulty hiring staff in their most recent recruitment round.

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

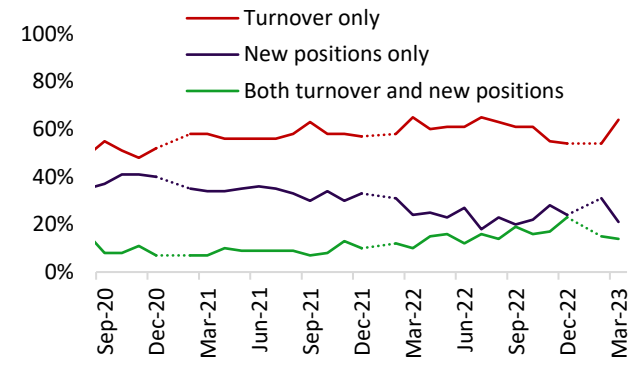
Recruitment activity

Proportion of employers



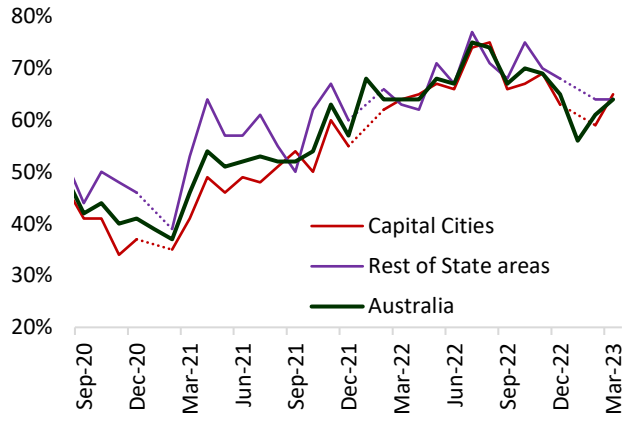
Reasons for recruitment

Proportion of recruiting employers



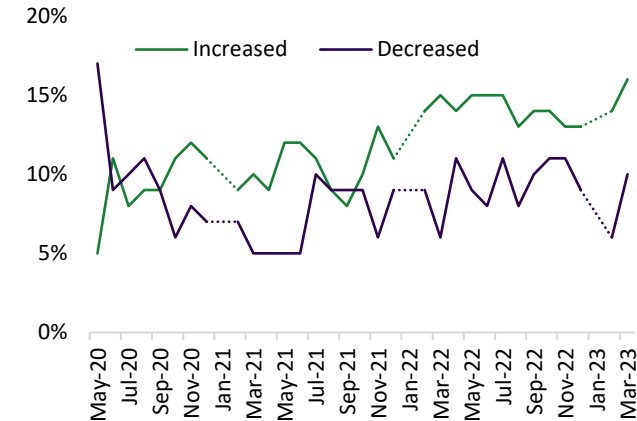
Recruitment difficulty

Proportion of recruiting employers



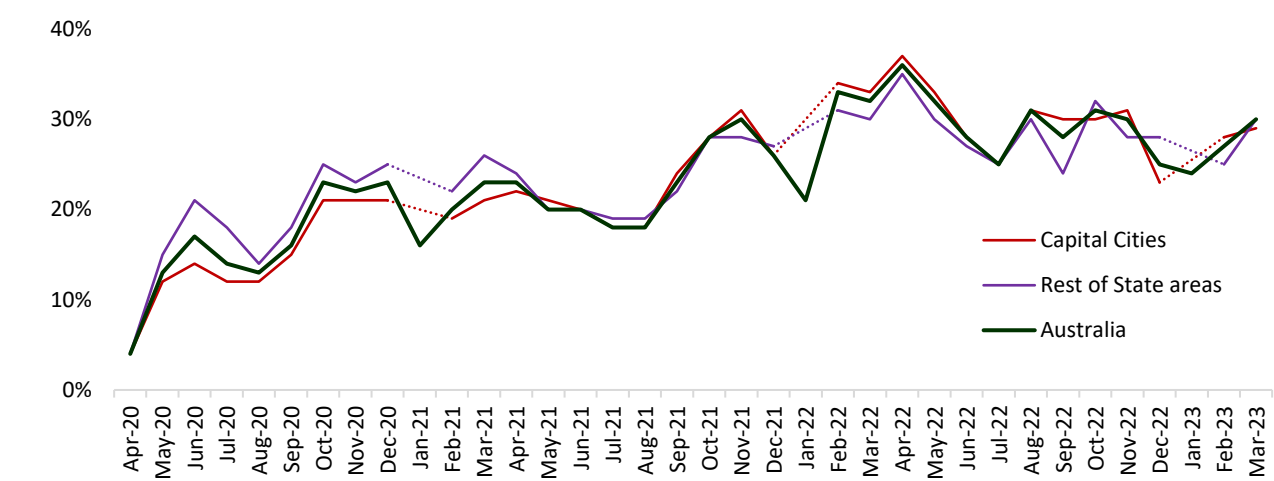
Increased / decreased staff over the past month

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.

Recruitment indicators – March 2023 quarterly results

The data in this section provides REOS quarterly results by industry, state and area, 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 activity

Recruitment rates by state⁴

During the March quarter 2023:

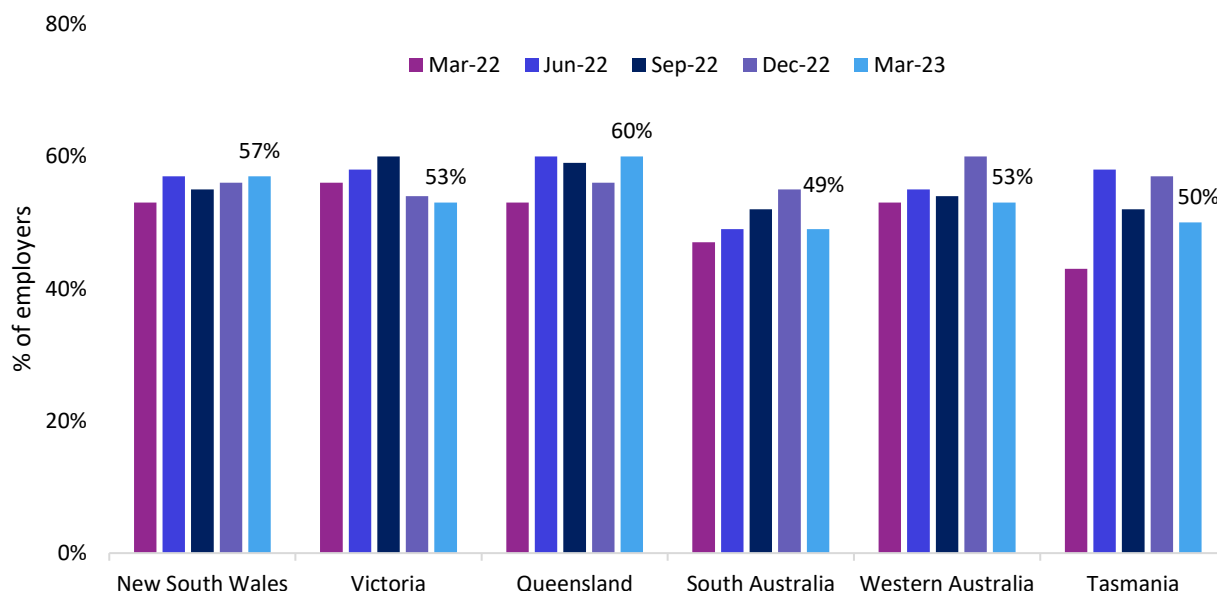
- At 60%, Queensland had the highest proportion of employers recruiting. This was 4 percentage points higher than in the previous quarter (December 2022). At 57%, New South Wales was the second highest recruiting state in the quarter. See Figure 1 below.
- The lowest quarterly recruitment rate was in South Australia (49%), 6 percentage points lower than in December 2022.
- Western Australia (53%) and Tasmania (50%) both had the sharpest decreases in quarterly recruitment activity, with the recruitment rate in both states 7 percentage points lower than in the December quarter 2022.

Over the year to March quarter 2023:

- Victoria was the only state to record a decline in the quarterly recruitment rate over the year, declining from 56% in the March quarter 2022 to 53% in the March quarter 2023.
- The largest annual increases were in Queensland and Tasmania, which both increased by 7 percentage points since the March quarter 2022.

Figure 1: Recruitment rates by state

Proportion of employers



⁴ The Northern Territory and Australian Capital Territory are not reported due to small sample sizes.

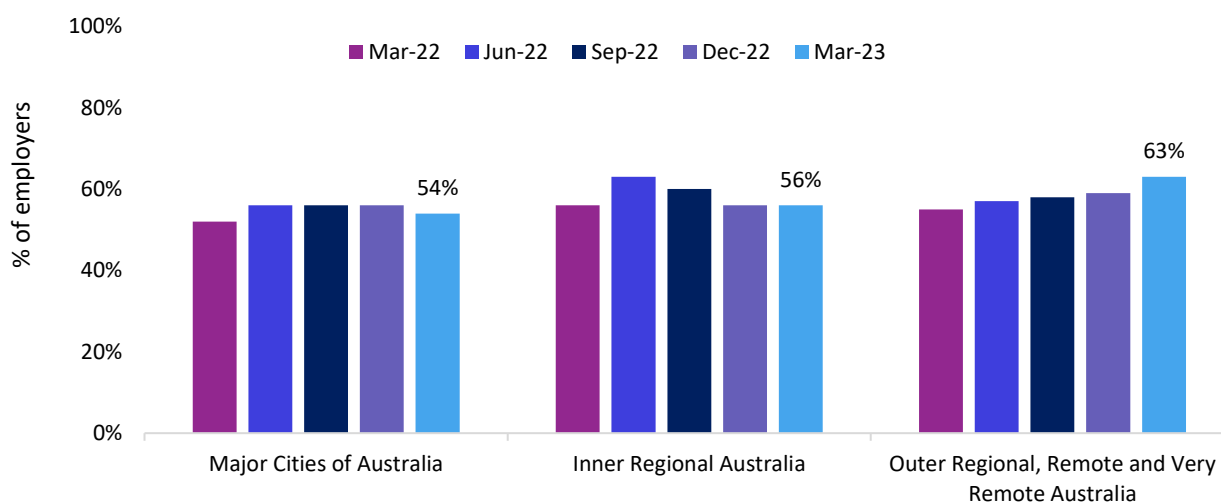
Recruitment rates by remoteness (ARIA)⁵

Nationally, 55% of employers recruited in the March quarter 2023, 1 percentage point lower than the December quarter 2022. Key findings by area in the March quarter were:

- The March quarter recruitment rate for Major Cities fell to 54%, after remaining stable at 56% for the previous 3 quarters (see Figure 2).
- The quarterly recruitment rate in Inner Regional Australia was 56%, unchanged from the previous quarter.
- At 63%, Outer Regional, Remote, and Very Remote Australia had the highest recruitment rate, up by 4 percentage points from the last quarter, and a record high quarterly recruitment rate for this series.
- The largest increase over the year to the March quarter 2023 was in Outer Regional, Remote, and Very Remote Australia, which rose by 8 percentage points. The recruitment rate in Major Cities of Australia increased by 2 percentage points over the same period.

Figure 2: Recruitment rates by remoteness (ARIA)

Proportion of employers



Recruitment rates by selected industries⁶

- At 80%, Accommodation and Food Services recorded the highest recruitment rate this quarter, a series high, increasing by 8 percentage points since the December quarter 2022 (Figure 3).
- Professional, Scientific, and Technical Services (44%), had the lowest quarterly recruitment rate. This was 3 percentage points higher than in the December quarter 2022.
- The quarterly recruitment rate for Retail Trade fell by 6 percentage points to 54%, the largest quarterly decrease for all reportable industries.
- The recruitment rate for Manufacturing this quarter was 55%, its equal highest recruitment rate.

Two industries had an annual decrease in their quarterly recruitment rates. These were:

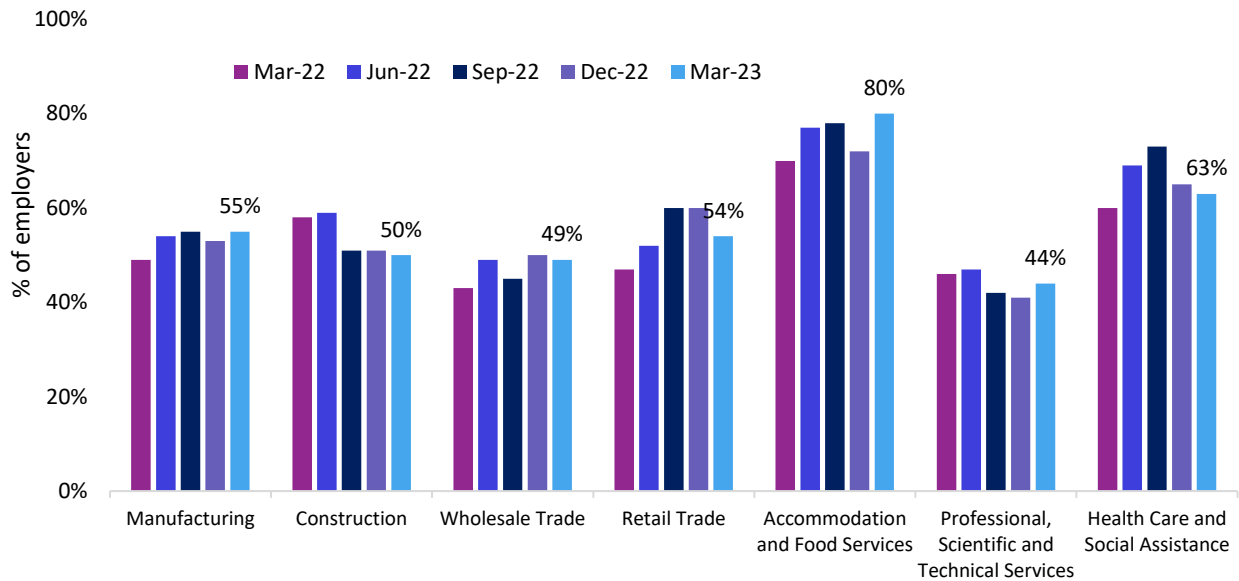
- Construction - down by 8 percentage points to 50%; and Professional, Scientific, and Technical Services, down by 2 percentage points.
- The largest annual increase was in Accommodation and Food Services, for which the recruitment rate rose by 10 percentage points over the year.

⁵ 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).

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

Figure 3: Recruitment rates by selected industries

Proportion of employers



Recruitment difficulty rate

Recruitment difficulty rates by state

In the March quarter 2023,

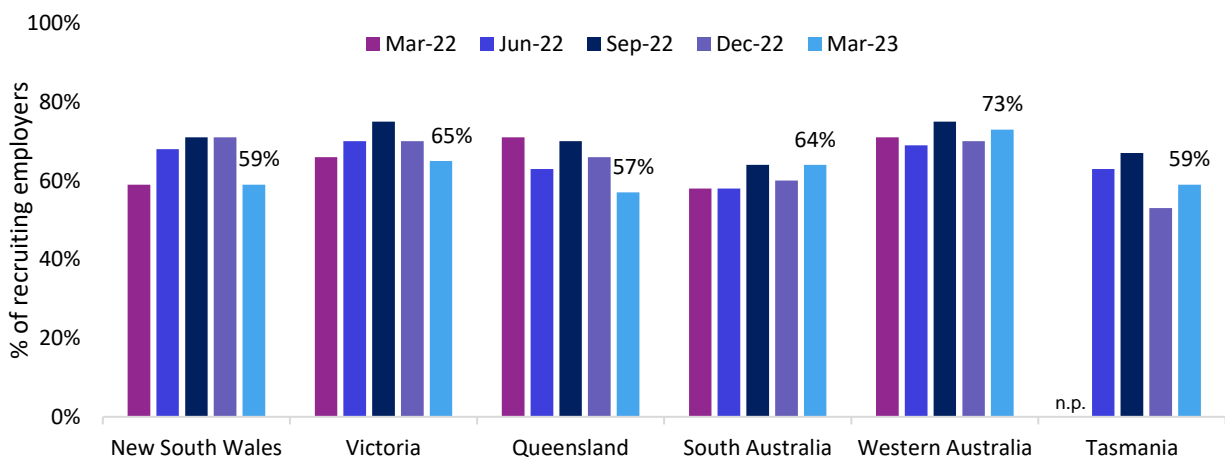
- There were significant decreases in recruitment difficulty for New South Wales, down by 12 percentage points to 59% of recruiting employers; and Queensland, down by 9 percentage points to 57%. Queensland also had the lowest proportion of recruiting employers with recruitment difficulty.
- The highest quarterly recruitment difficulty rate was in Western Australia, at 73%.

Over the year to the March quarter 2023,

- the largest change in the recruitment difficulty rate was in Queensland, where difficulty eased by 14 percentage points.
- Victoria was the only other state with a decline in difficulty over this time, easing by 1 percentage point to 65% of recruiting employers.

Figure 4: Recruitment difficulty rates by State

Proportion of recruiting employers



Recruitment difficulty rates by remoteness (ARIA)

In the March quarter 2023,

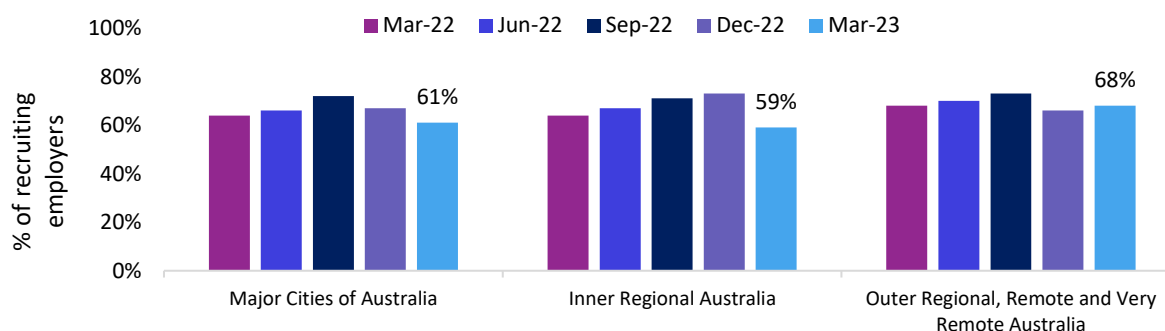
- Some 62% of recruiting employers had difficulty recruiting, 6 percentage points lower than in the last quarter (December 2022).
- Quarterly recruitment difficulty eased significantly in both: Inner Regional Australia, down by 14 percentage points to 59%; and in Major Cities of Australia, down by 6 percentage points to 61%.
- The quarterly recruitment difficulty rate increased by 2 percentage points to 68% of recruiting employers in Outer Regional, Remote, and Very Remote Australia.

Over the year to the March quarter 2023,

- The recruitment difficulty rate eased in both: Major Cities of Australia, down by 3 percentage points; and in Inner Regional Australia, down by 5 percentage points.
- Recruitment difficulty remained steady in Outer Regional, Remote, and Very Remote Australia (68%).

Figure 5: Recruitment difficulty rates by remoteness (ARIA)

Proportion of recruiting employers



Recruitment difficulty rates by selected industries

In the March quarter 2023,

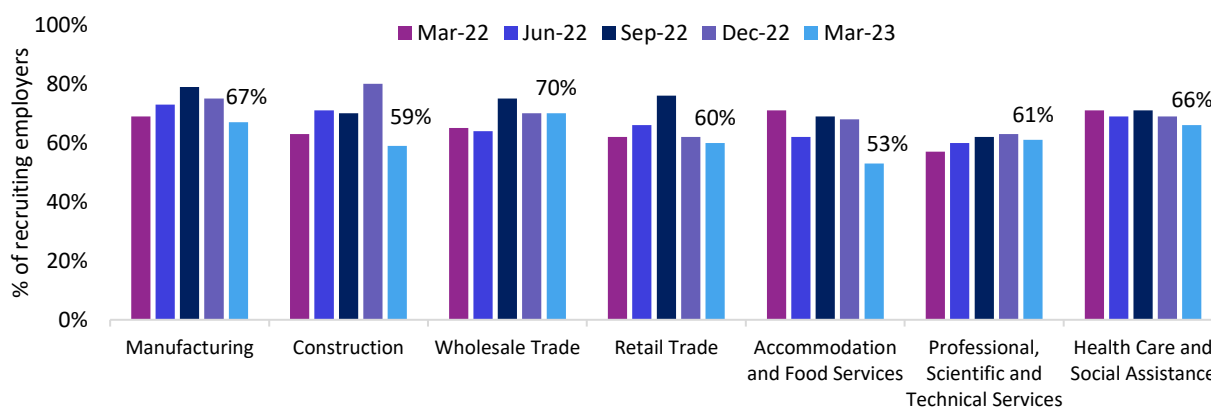
- Recruitment difficulty was highest for Wholesale Trade at 70%, followed by Manufacturing (67%), and Health Care and Social Assistance (66%). The lowest quarterly recruitment difficulty rates were recorded for Accommodation and Food Services (53%) and Construction (59%).

Compared to a year ago,

- For most reportable industries, employers had less difficulty recruiting in the March quarter 2023 than the same time last year. The greatest difference was for Accommodation and Food Services, down by 18 percentage points from 71% in the March quarter 2022.

Figure 6: Recruitment difficulty rates by selected industries

Proportion of recruiting employers



Recruitment difficulty rates by occupation

In the March quarter 2023,

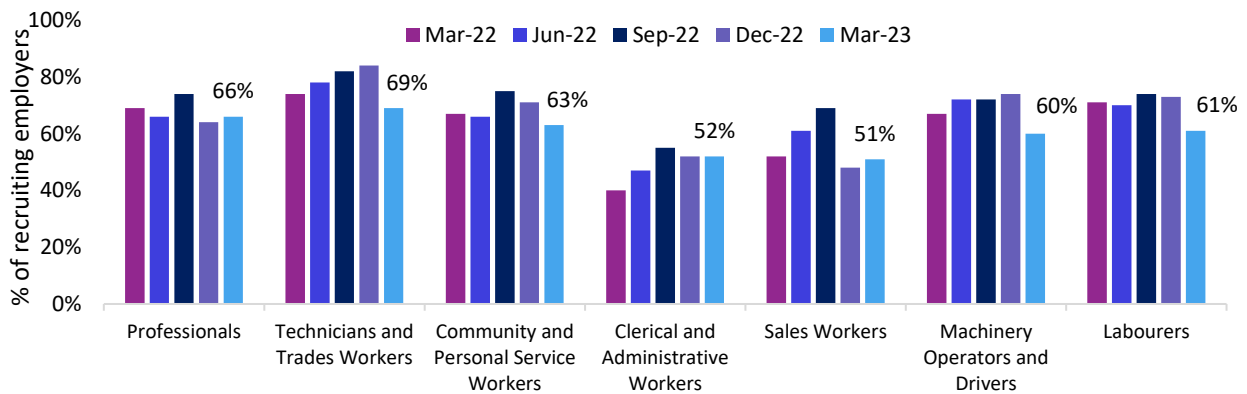
- At 69%, employers recruiting for Technicians and Trades Workers had the highest recruitment difficulty rate. There were significant decreases in recruitment difficulty for Technicians and Trades Workers and Labourers.
- The lowest quarterly recruitment difficulty rates were for employers recruiting for Sales Workers (51%) and Clerical and Administrative Workers (52%).

Compared with March quarter 2022,

- Most occupation groups experienced lower rates of recruitment difficulty in the March quarter 2023 compared with the same period last year. The only exception was employers recruiting for Clerical and Administrative Workers.

Figure 7: Recruitment difficulty rates by occupation group

Proportion of recruiting employers



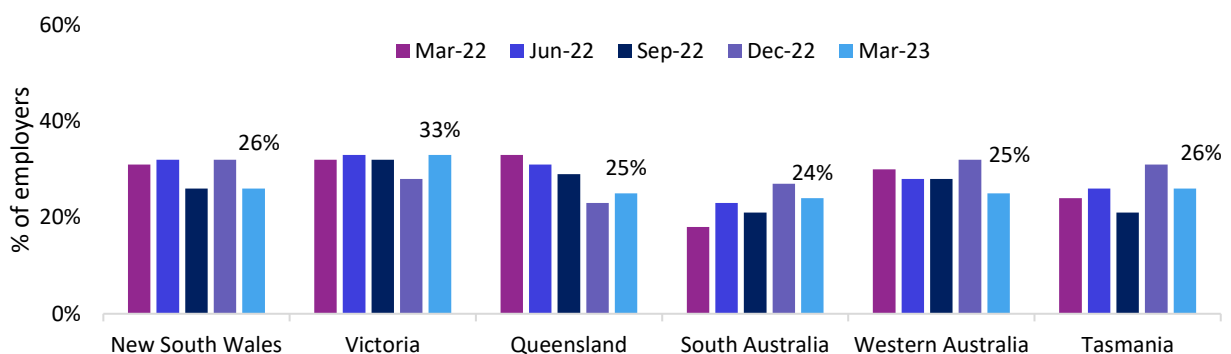
Expectations to increase staff numbers over the next 3 months

Expectations to increase staff by state

- The proportion of employers in Victoria who expected to increase their staffing levels in the next three months rose by 5 percentage points to 33% over the March quarter 2023. This was the highest proportion across the states
- The smallest proportion was in South Australia, at 24% of employers, down by 3 percentage points over the quarter.
- The largest annual change in the proportion of employers expecting to increase staffing in the next three months was in Queensland (25%), down by 8 percentage points from the March quarter 2022.

Figure 8: Expectations to increase staff numbers by state

Proportion of employers



Expectations to increase staff by remoteness (ARIA)

Over the March quarter 2023,

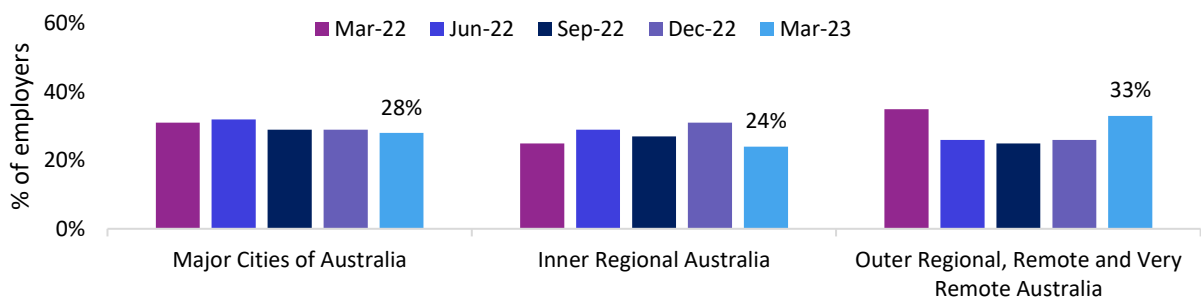
- The proportion of employers who expected to increase staffing levels in the next three months eased in Major Cities of Australia, down by 1 percentage point to 28%; and falling more significantly in Inner Regional Australia, down by 7 percentage points to 24%.
- By contrast, the proportion in Outer Regional, Remote, and Very Remote Australia rose by 7 percentage points, to 33% of employers.

Over the year to March quarter 2023,

- The proportion of employers who expected to increase staffing levels in the next three months decreased across each of reported ARIA regions, with the largest decrease being in Major Cities of Australia (down by 3 percentage points).

Figure 9: Expectations to increase staff numbers by remoteness (ARIA)

Proportion of employers



Expectations to increase staff by selected industries

Over the March quarter 2023,

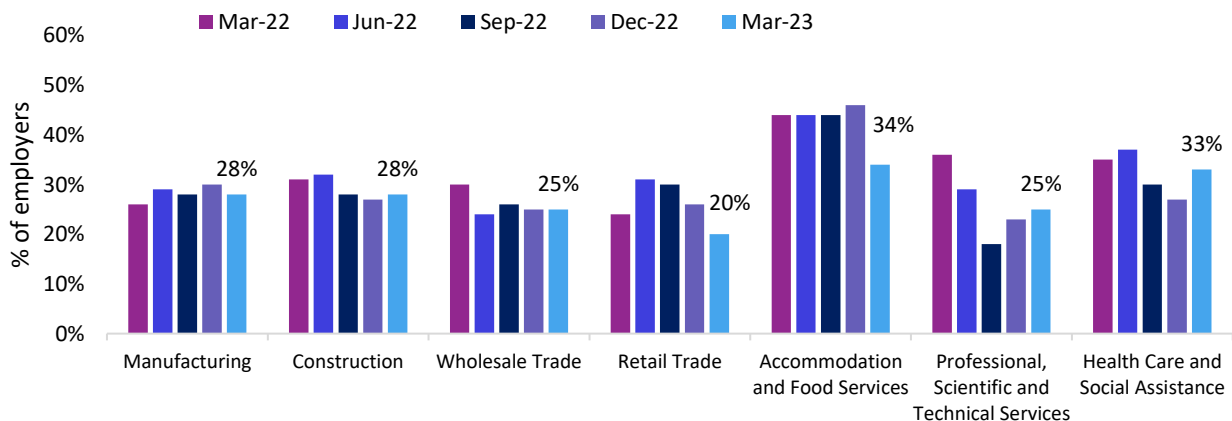
- The proportion of employers expecting to increase staffing levels in the next three months eased significantly for Accommodation and Food Services, down by 12 percentage points to 34%.
- The largest increase was for Health Care and Social Assistance (33%), which rose by 6 percentage points over the same period.
- At 20%, Retail Trade had the smallest proportion of employers who expected to increase their staffing levels in the next three months.

Over the year to March quarter 2023,

- Manufacturing was the only industry with an annual increase in the proportion of employers who expected to increase staffing in the next three months, up by 2 percentage points to 28%.
- The largest decreases were recorded for Accommodation and Food Services, down by 10 percentage points to 34%; and Professional, Scientific, and Technical Services, down by 11 percentage points to 25%.

Figure 10: Expectations to increase staff numbers by selected industries

Proportion of employers



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. Approximately 1,200 employers are surveyed each month, with data published on the [Jobs and Skills Australia website](https://jobsandskills.gov.au) (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, March 2023*.

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