

REOS Recruitment Insights Report February 2024

Jobs and Skills Australia generally surveys at least 1,000 employers each month in the Recruitment Experiences and Outlook Survey (REOS) to find out about their experiences recruiting staff, and whether they are expecting to increase staffing levels.

Key Findings

There was a slight increase in the recruitment rate for February 2024, due solely to an increase in recruitment activity in capital cities. In addition, there was an increase in the share of employers expecting to increase their staffing levels in the future, particularly for capital cities. The proportion of employers experiencing recruitment difficulty decreased slightly over the month.

In *smoothed* terms, recruitment activity is generally flat and is well below peak levels recorded in mid-2022. Recruitment difficulty has eased over the last nine consecutive months, reflecting improved labour supply as evidenced by a historically very high labour force participation rate. The latest REOS findings are consistent with other labour market indicators indicating a gentle softening in the Australian labour market while underlying conditions remain reasonably tight.¹

Recruitment activity

In February 2024, 49% of surveyed employers recruited. This was 1 percentage point higher than in January 2024 but 6 percentage points lower than in February 2023.

- In Capital Cities, 47% of employers recruited in February 2024, 2 percentage points higher than January 2024.
- The recruitment rate was 52% in Rest of State areas, 1 percentage point lower than January 2024.

Recruitment difficulty

The recruitment difficulty rate decreased by 1 percentage point over the month, to 54% of recruiting employers. The trend over most of 2023 has been a reduction in the recruitment difficulty rate, which currently sits 21 percentage points below the peak of 75% in July 2022.

- In Capital Cities, 52% of recruiting employers experienced recruitment difficulty, 3 percentage points higher than the previous month.

¹ ABS *Labour Force Survey*, January 2024, seasonally adjusted data.

- Recruitment difficulty in Rest of State areas decreased by 7 percentage points over the month to 57%.

Generally, smaller businesses (with 5 to 19 employees) report greater recruitment difficulty than their counterparts in larger businesses (with 20 or more employees). In February 2024, this trend continued, with 56% of smaller businesses reporting recruitment difficulty compared with 48% for larger businesses.

Employers recruiting for higher skilled (Skill level 1–3) positions were more likely to experience recruitment difficulty (66%) in February 2024, compared with 41% for those hiring for Skill level 4–5 positions.

Staffing outlook: employers expecting to increase staff

The proportion of employers expecting to increase their staffing levels in the next three months increased by 2 percentage points, to 26% in February 2024.

- Only 2% of employers were expecting their staffing levels to decrease.

Staffing changes over the last month

In February 2024, 13% of employers increased their staffing levels over the past month, up by 2 percentage points.

- In Capital Cities, 11% of employers increased their staffing levels in February 2024, unchanged from last month.
- 15% of employers in Rest of State areas increased staffing over the month, 4 percentage points higher than last month.

Over the same period, 9% of employers decreased their staffing levels, 2 percentage points lower than last month.

Reason for recruiting

Most employers recruited due to staff turnover only (56%) in February 2024, while 30% recruited to fill new positions only. Some 14% of employers were recruiting to fill positions due to both staff turnover as well as for new positions.

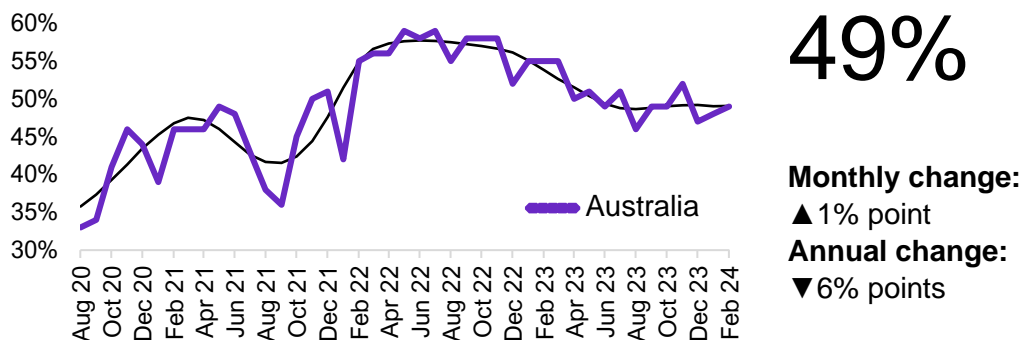
Employers unable to fill vacancies in a month

The proportion of recruiting employers who were unable to fill their vacancies within a month was 54% in February 2024, 2 percentage points lower than January 2024, and well below the peak of 72% recorded in August 2022.

REOS national indicators²

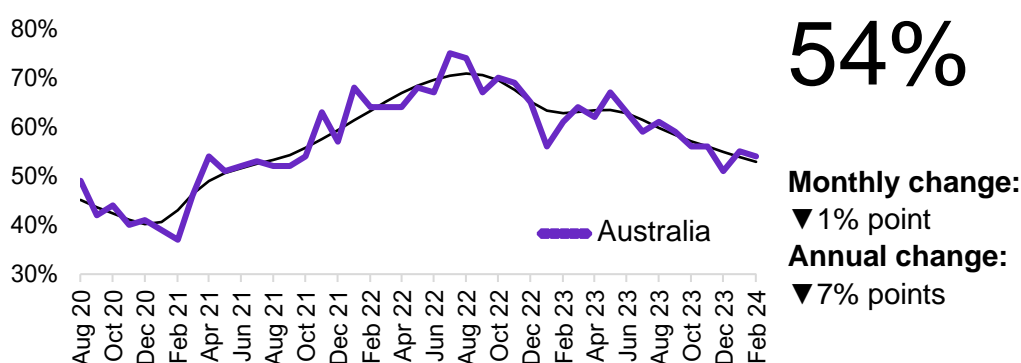
Recruitment rate

Proportion of employers currently recruiting or who recruited in the previous month



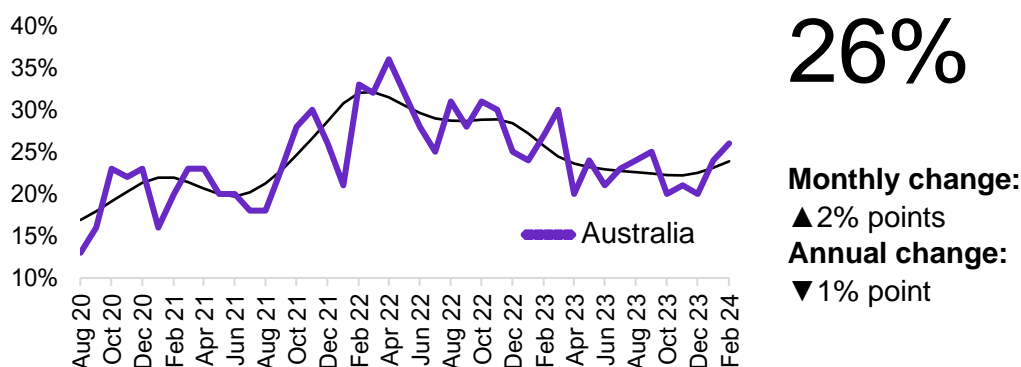
Recruitment difficulty rate

Proportion of recruiting employers who stated they had difficulty hiring staff



Staffing outlook – Expecting to increase staff

Proportion of employers who expected to increase staff in the next three months

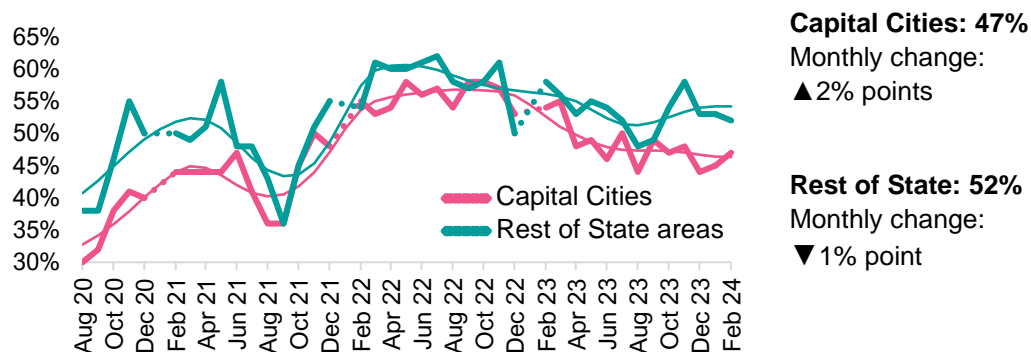


² A Henderson smoothed line has been included in the charts to reduce month to month volatility and illustrate long term patterns. See the explanatory note for more information.

Capital City/Rest of State areas³

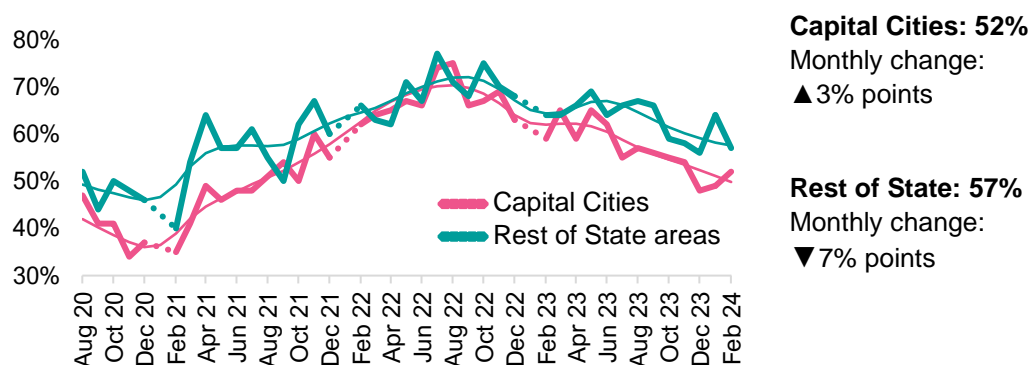
Recruitment rate

Proportion of employers currently recruiting or who recruited in the previous month.



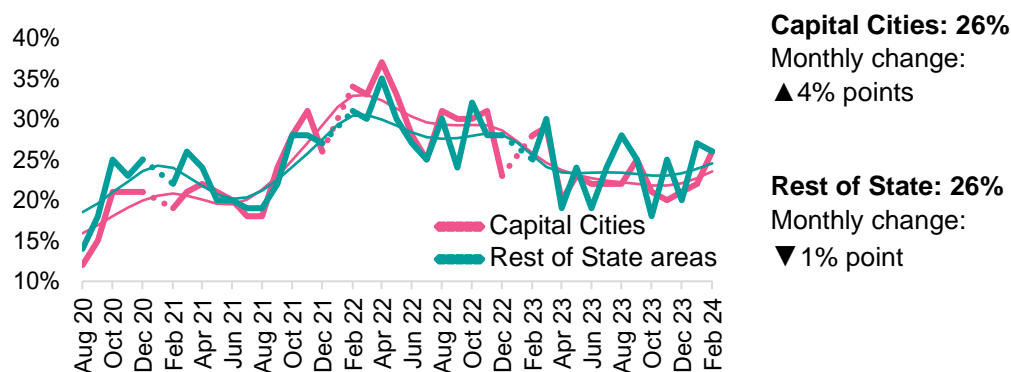
Recruitment difficulty rate

Proportion of recruiting employers who stated they had difficulty hiring staff.



Staffing outlook – Expecting to increase staff

Proportion of employers who expected to increase staffing numbers over the next three months.

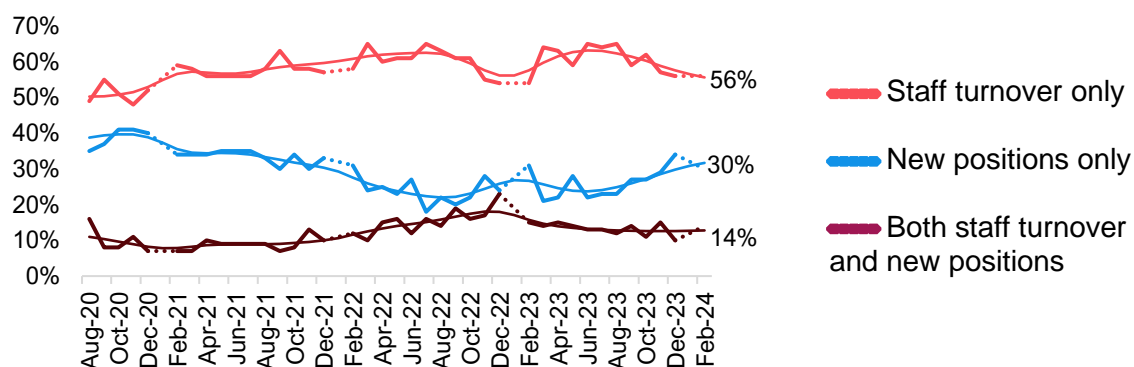


³ Data are not available for January 2021, 2022 and 2023. Data points have been joined by a dotted line between December and February to reflect this. 'Rest of State' refers to areas outside the capital cities.

Other recruitment indicators

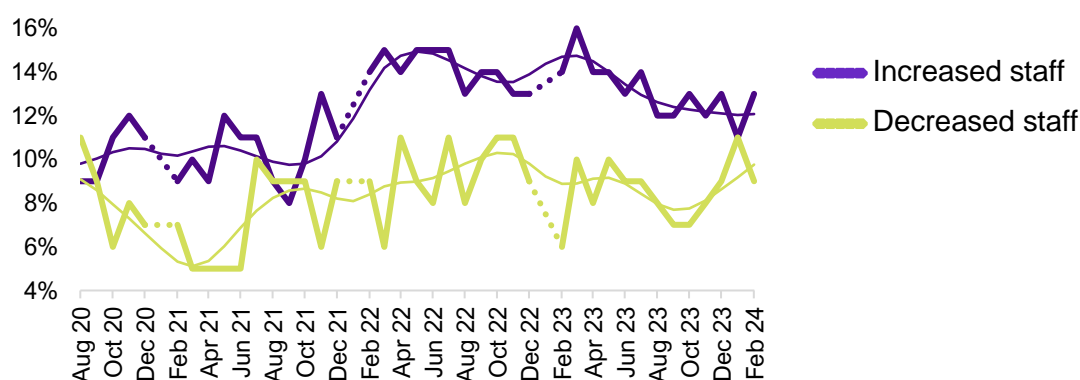
Reason for recruiting

Proportion of employers currently recruiting or who recruited in the previous month



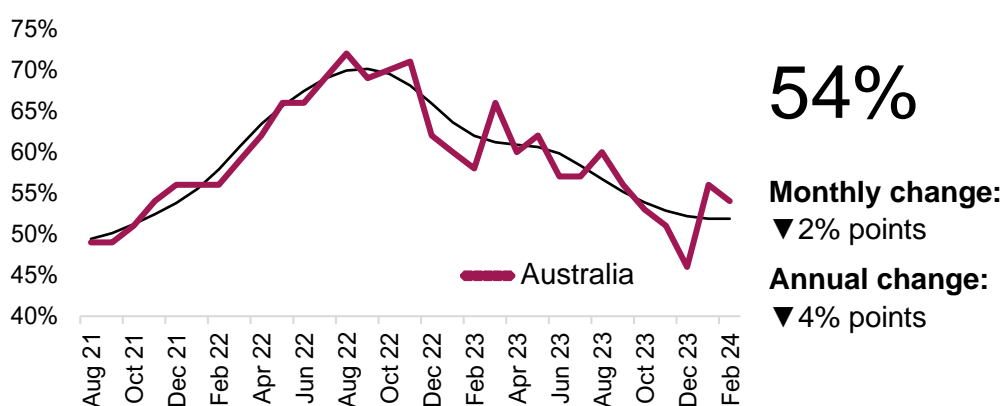
Staffing changes over the last month

Proportion of employers who said they increased or decreased staffing compared to the previous month



Employers unable to fill jobs within a month

Proportion of recruiting employers who were unable to fill their vacancies within a month*



* Excludes employers who have been recruiting for less than a month.

Recruitment Experiences and Outlook Survey (REOS)

Background

Jobs and Skills Australia (JSA) 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 [JSA website](#). While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with a degree of caution. In addition, the survey is targeted towards employers with 5 or more employees and excludes many government organisations.

Smoothed series in charts

Charts include Henderson-smoothed lines in addition to original data for most of our recruitment indicators. As the timeseries is not yet long enough for seasonal adjustment, a Henderson smoothed moving average with a 13-term filter (equating to 13 months) has been directly applied to the original series. This provides an indication of the general movement in each recruitment indicator relative to previous months. Using 13 months in the moving average means results for the most recent six months will be revised when another month is added to the series.

Referencing this report

Data in this release should be referenced as: *Jobs and Skills Australia, Recruitment Insights Report, February 2024*.

Contact us

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

Also available from the REOS

Data file with monthly and quarterly recruitment indicators

A REOS data file is available on the [JSA website](#). Breakdowns by Capital City/Rest of State area, Business size, and ANZSCO Skill Level are included in the monthly results. Quarterly recruitment indicators provide detail by state, ARIA (ABS' Accessibility and Remoteness Index of Australia) as well as selected industry and occupation groups.

Next Recruitment Insights Report release:

- March 2024 Recruitment Insights Report and data file - 16 April 2024

Stay up to date

JSA also releases semi-regular reports including spotlight articles, detailing aspects of the REOS that cannot be included in our monthly Recruitment Insights Report. [Sign up](#) and get the Recruitment Insights Report notifications sent straight to your inbox.

Upcoming spotlight:

- Experiences of employers recruiting for Apprentices – 4 April 2024

Recent spotlights:

- Employers' retention issues
- Employers who hired a jobless applicant
- Employers' Greatest Future Concern for the next three months