



REOS Recruitment Insights Report – March 2025

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

Key Findings

Headline figures for March 2025 continue to indicate a resilient recruitment environment, with conditions remain similar to those in February 2025. The national recruitment rate has remained steady, supported by a minor increase in the proportion of employers who have increased their staffing numbers over the month.

Additionally, employers are finding it less difficult to recruit. The headline recruitment difficulty rate continues to trend downward, with much of the recent easing concentrated in the Rest of State areas. Overall recruitment difficulty is now just 4 percentage points shy of the record low experienced in February 2021. Employers also continue to fill their vacancies in an adequate time, with only a minor increase in the proportion of recruiting employers who were unable to fill their vacancies within a month.

Recruitment activity

In March 2025, the recruitment rate was 49%, remaining unchanged over the month. Compared with a year ago (March 2024), the recruitment rate has also remained unchanged.

In the Capital Cities, 48% of employers recruited in March 2025 (an increase of 2 percentage points over the month), compared with 53% in Rest of State areas (a decrease of 2 percentage points over the month).

Compared to a year ago (March 2024), the recruitment rate in Capital Cities has increased by 2 percentage points, while it remains unchanged in Rest of State areas.

Recruitment difficulty

The recruitment difficulty rate further decreased by 2 percentage points to 41% of recruiting employers in March 2025, continuing its decline from January. It is now 9 percentage points lower than a year ago and 34 percentage points below the record high of 75% in July 2022. The series low occurred in February 2021 at 37%.

In March 2025, 41% of employers in Capital Cities faced recruitment difficulty, compared to 39% in Rest of State areas.

Recruitment difficulty increased by 3 percentage points over the month in the Capital Cities and now stands 5 percentage points lower relative to a year ago (March 2024).

In Rest of State areas, recruitment difficulty decreased by 13 percentage points over the month, 19 percentage points lower than in March 2024 – its lowest level since the series began.

Staffing outlook: employers expecting to increase staff

Over the month, the proportion of employers expecting to increase their staffing numbers in the next three months remained steady at 20% of employers in March 2025. This was 2 percentage points lower than it was a year earlier. This series peaked in April 2022 at 36%, while the record low occurred in April 2020 at 4%.

In Capital Cities, 18% were expecting to increase their staffing levels in the next three months, which was 2 percentage points lower over the month, and 4 percentage points lower than a year ago. In contrast, Rest of State areas saw 24% of employers expecting to increase their staffing levels in the next three months, 5 percentage points higher over the month and 1 percentage point higher than a year ago.

Reason for recruiting

In March 2025, 59% of employers recruited due to staff turnover. Meanwhile, 32% hired for new positions only, and the remaining 9% recruited for both new roles and turnover replacement.

Staffing changes over the last month

Some 18% of employers increased their staff in March 2025, which was 1 percentage point higher than last month. Meanwhile, around 12% of employers said their staff numbers decreased, compared with 7% of employers a year ago.

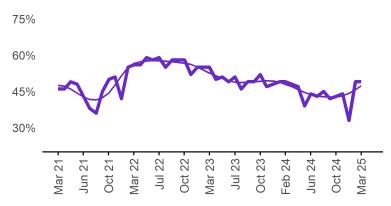
Employers unable to fill vacancies in a month

The proportion of recruiting employers who were unable to fill their vacancies in a month increased by 1 percentage point to 37% in March 2025. This figure is 12 percentage points lower than the 49% recorded in March 2024. The series peaked in August 2022 at 72%, while the series low occurred in February 2025 at 36%.

REOS national indicators ¹

Recruitment rate

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



49%

Monthly change: 0%pts Annual change: 0%pts

Recruitment difficulty rate

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

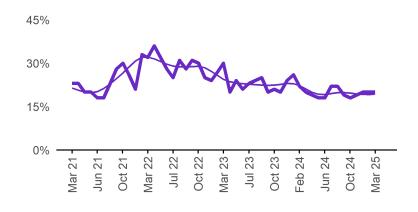


41%

Monthly change: ▼ 2%pts Annual change: ▼ 9%pts

Expecting to increase staff

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



20%

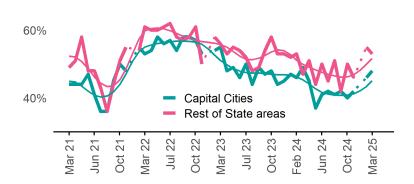
Monthly change: 0%pts Annual change: ▼ 2%pts

¹ 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 areas²

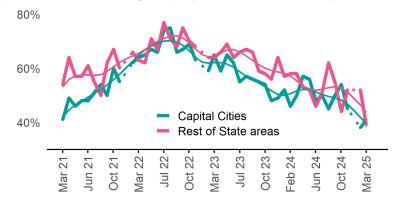
Recruitment rate

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.



Capital Cities: 41%

Monthly change:

▲ 3%pts

Annual change:

▼ 5%pts

Rest of State: 39%

Monthly change:

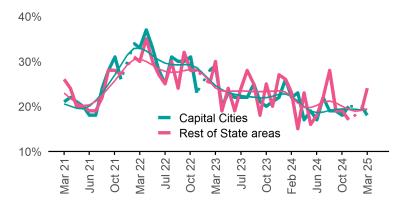
▼ 13%pts

Annual change:

▼ 19%pts

Staffing outlook - Expecting to increase staff

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



Capital Cities: 18%

Monthly change:

▼ 2%pts

Annual change:

▼ 4%pts

Rest of State: 24%

Monthly change:

▲ 5%pts

Annual change:

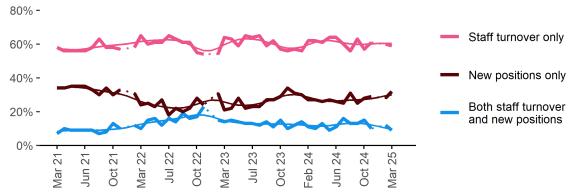
▲ 1%pt

² Data are not available for January in some years. 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

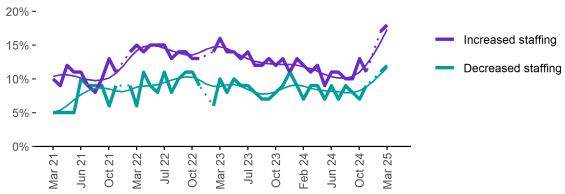
Reason for recruiting

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 vacancies 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.

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. Around 1,000 employers are surveyed each month, with data published on the <u>JSA website</u>. 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. Details of the survey methodology can be accessed from the <u>JSA website</u>.

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. Due to using 13 months in the moving average, 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, March 2025.

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 <u>JSA website</u>. 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, <u>ARIA</u> (ABS' Accessibility and Remoteness Index of Australia) as well as selected industry and occupation groups.

Next Recruitment Insights Report release:

• April 2025 Recruitment Insights Report – 20 May 2025

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:

• March Quarter 2025 Quarterly Report – 8 May 2025

Recent spotlights:

- Research article Employers' experiences of young job applicants 6 March 2025
- February spotlight December quarter 2024 results 6 February 2025