

Employers' experiences with retention issues

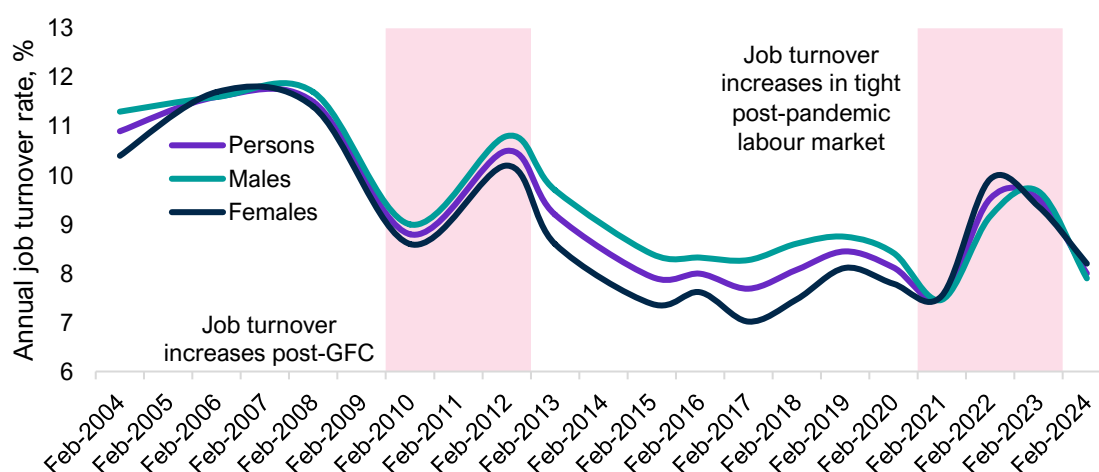
Note: This report was updated in July 2025 – see [Appendix B](#) for further detail.

Contextual overview

Over the last few years, more workers changed jobs compared with years prior to the COVID-19 pandemic. In the 12 months to February 2024, 1.1 million people changed jobs, resulting in a job mobility rate of 8%. This marked a decline from the recent peak of 9.6% in February 2023 but was still higher than the record low of 7.5% in February 2021.¹ The increasing rate of job mobility since the COVID-19 pandemic mirrored that of the increase seen over 2010-2012 in the aftermath of the Global Financial Crisis (Figure 1). It is worth noting that despite the recent increased rate of job mobility over 2021-2023, it is still relatively low compared to earlier decades and has generally been trending downwards since the late 1980s.

While the labour market became tighter following the pandemic, workers were able to take advantage of the increased competition for staff among businesses — evidenced by soaring levels of job advertisements through to 2022, seen via Jobs and Skills Australia's Internet Vacancy Index.² The recent decline in the annual job turnover rate coincides with a downturn in job advertisements from the highs in 2022.

Figure 1: Annual job turnover rate, proportion of employed people, February 2004 – February 2024



Source: Australian Bureau of Statistics (ABS), Job mobility, February 2024 (data from 2015-2024); Participation, Job Search and Mobility, Australia, February 2018 (data pre-2015).

¹ Australian Bureau of Statistics (ABS), Job mobility, February 2024.

² Jobs and Skills Australia, Internet Vacancy Index, August 2024.

To gain a better understanding of employers' retention issues, a module on the topic was included as part of the Recruitment Experiences and Outlook Survey (REOS). Please see [Appendix A](#) for the full set of questions and response categories, as well as response sequencing. This spotlight provides analysis from this set of questions, and is based on more than 3,300 responses, received from August 2023 to December 2023, and from February 2024 to May 2024 (*referred to hereafter as August 2023 to May 2024*).

Note about the data

The data obtained does not seek to provide a view of **overall** retention issues within businesses but rather highlights the extent of staff replacement of those employers who had *most recently recruited to replace staff for a given occupation*.

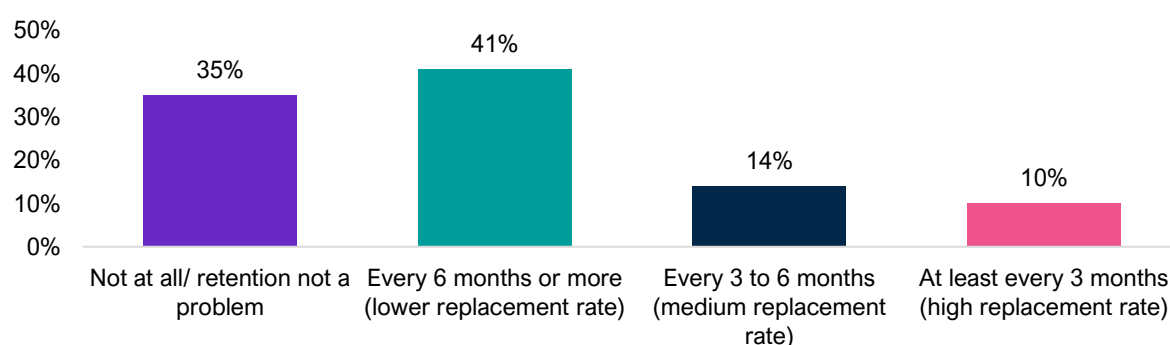
Key findings

- Of employers who had most recently recruited to replace staff, nearly 1 in 4 replace staff at least every 6 months.
 - This was most common for employers in Accommodation and Food Services and employers who recently recruited to replace Labourers.
- Staff leaving for other job opportunities and the nature of jobs were the most common reasons for employers needing to regularly replace staff.
 - Employers in Health Care and Social Assistance and those in Retail Trade also commonly noted that job conditions/salary dissatisfaction was a key reason, while the nature of the job was the most common reason cited by employers replacing Labourers.
- The most common impact on businesses from regularly replacing staff was largely related to recruitment costs, and time spent on training.
 - Decreased productivity/effects on revenue was more commonly cited by Construction businesses, and those replacing Technicians and Trades Workers.
- Many employers who regularly replaced staff were offering higher wages or other incentives (such as free accommodation) as strategies to retain staff.

Frequency of staff replacement

Close to a quarter (24%) of employers surveyed from August 2023 to May 2024 who recruited to replace staff in their most recent recruitment round (within the past 3 months or were currently recruiting) noted that they generally replace staff at least every 6 months for the occupations they recruited for (Figure 2) — an indication of medium to high replacement rates.

Figure 2: Frequency of replacing staff, proportion of recruiting employers who replaced or both replaced/had new positions for their most recently recruited occupations



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

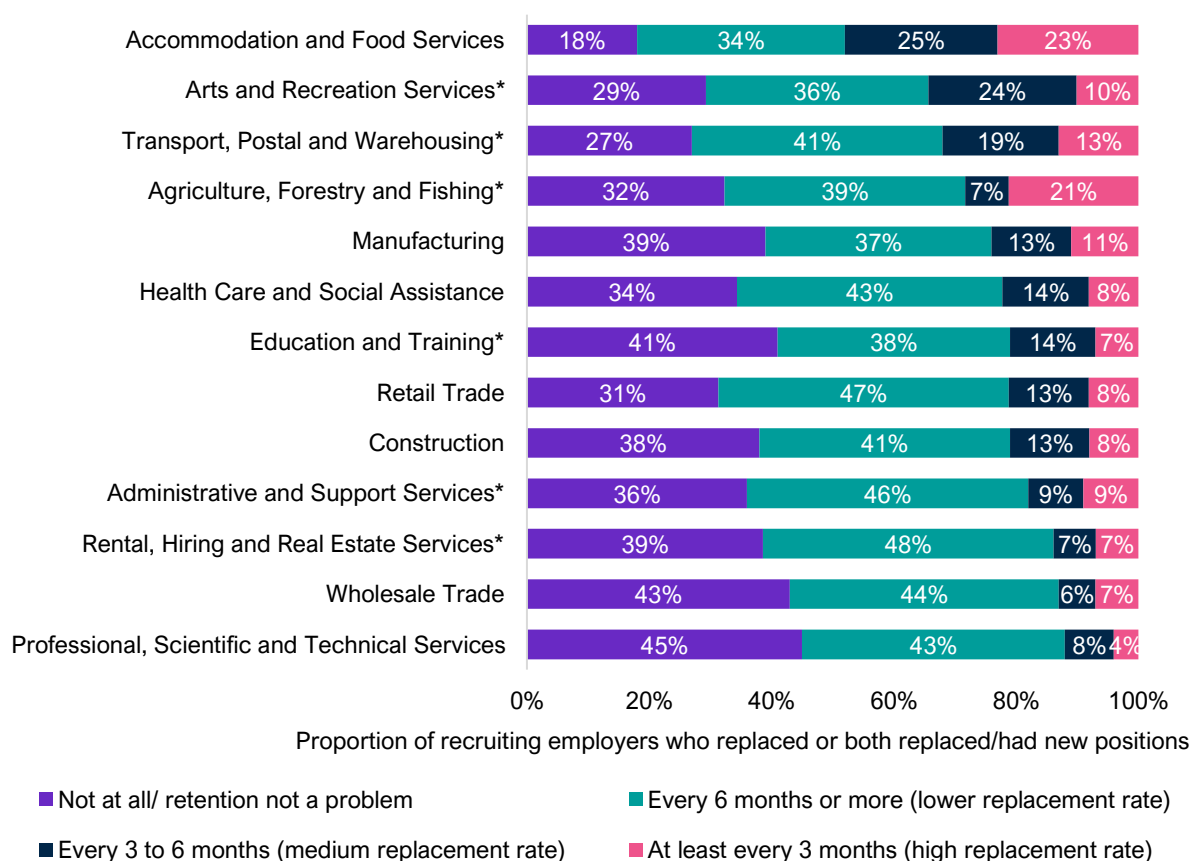
Just over a third of employers who recently recruited to replace staff reported that they do not often replace for the occupation, or that retention was not an issue. A further 41% reported that they generally only replaced staff for the occupation every 6 months or more, indicating a lower rate of replacement for the occupations recruited for. While replacing staff every 6 months may still be considered a high rate of replacement in some professions, for the purposes of this analysis, boundaries were set relative to each other.

By selected industries

From August 2023 to May 2024, close to half of the recruiting employers in Accommodation and Food Services (who had replaced staff) reported having medium to high replacement rates for the occupations they most recently recruited for (Figure 3). This was the industry with the highest proportion of employers reporting medium to high rates of replacement — due in part to the type of roles in that industry, which are often lower skilled in nature.

Conversely, very few employers (12%) in the Professional, Scientific and Technical Services industry reported medium to high rates of replacement for the occupations they most recently recruited for. This industry usually comprises higher skill level occupations, which generally have lower turnover rates.

Figure 3: Frequency of replacing staff for most recently recruited occupations – selected industries



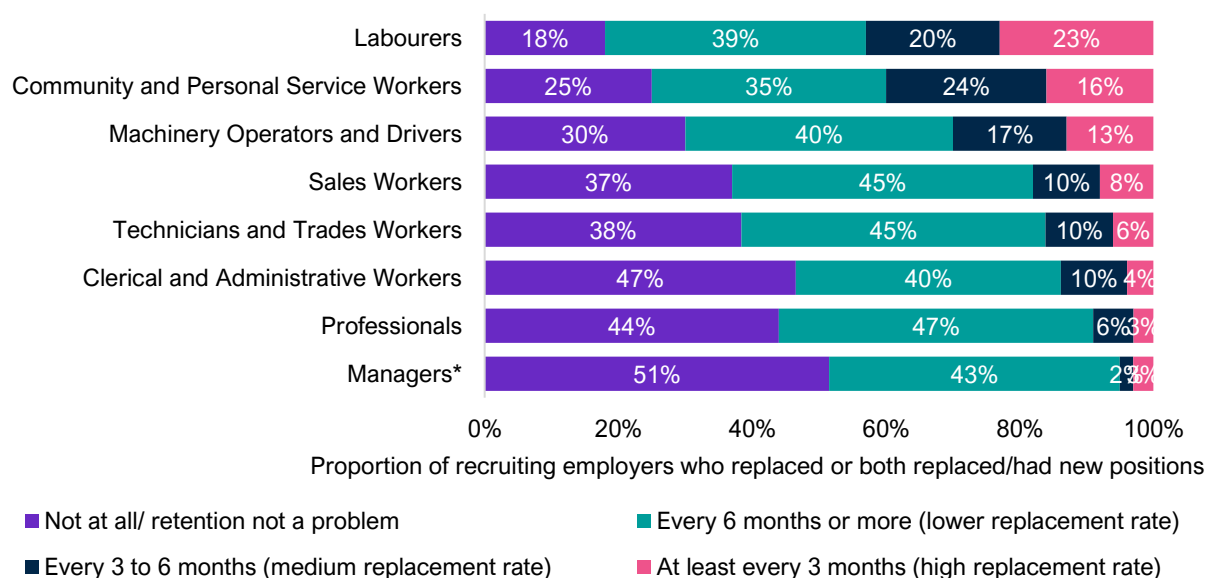
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results.

By major occupation groups

From August 2023 to May 2024, employers who recently recruited to replace Labourers or Community and Personal Service Workers most commonly reported medium to high rates of replacement (Figure 4). On the other hand, very few employers who recently recruited to replace Professionals or Managers faced retention issues for these occupations.

Figure 4: Frequency of replacing staff for most recently recruited occupations – main occupation groups



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for Managers.

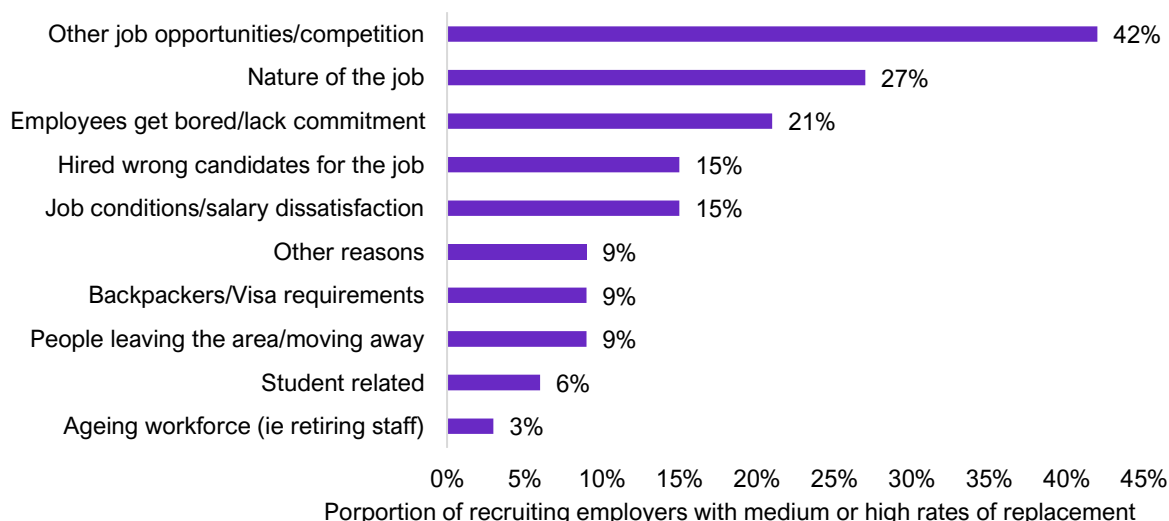
Reasons for regularly replacing staff

More than 2 in 5 recruiting employers (42%) with medium or high replacement rates over the August 2023 to May 2024 period, reported that they usually replaced staff for their most recently recruited occupation due to people leaving for other job opportunities (Figure 5). This aligns fairly well with data from the ABS³ which shows that 27% of all people who left or lost a job in the 12 months to February 2024 were people who left a job to obtain a better job or just wanted a change.

Close to a third of employers (27%) reported that the nature of the job required them to regularly replace staff. Notably, only 15% of employers reported that the conditions of the job or dissatisfaction with salaries was the reason for them having to regularly replace staff in the occupations they most recently recruited for.

³ Australian Bureau of Statistics (ABS), Job mobility, February 2024.

Figure 5: Reasons for regularly replacing staff for most recently recruited occupations

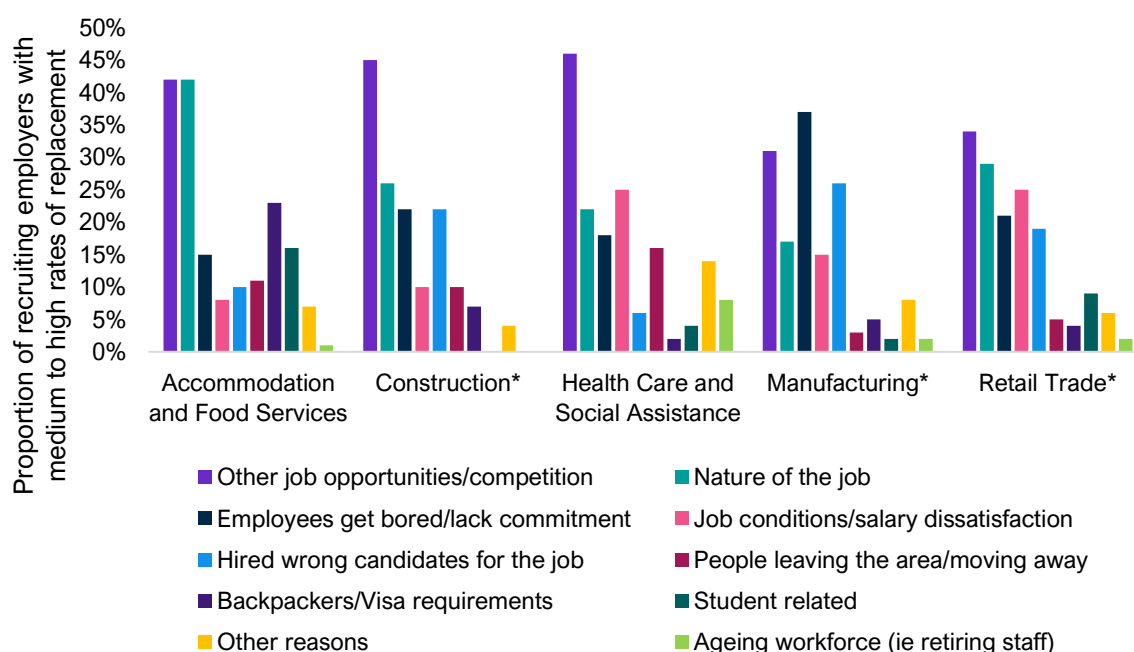


Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

By selected industries

Looking at a few selected industries, there were noticeable differences in the reasons employers were regularly replacing their staff (for most recently recruited occupations). While other job opportunities/competition was a prevalent reason among employers in all industries, those in Accommodation and Food Services equally noted the nature of the job as being a deciding factor for why they had to regularly replace staff (Figure 6).

Figure 6: Reasons for regularly replacing staff for most recently recruited occupations – by selected industries, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for Construction, Manufacturing and Retail Trade.

Accommodation and Food Services employers were also the most likely to report backpackers/visa requirements, and student related reasons.

Manufacturing employers on the other hand noted most commonly that their employees either get bored with the work or lack commitment to the job. Also, a strong reason for regularly replacing staff was that employers in this industry felt that they had hired the wrong candidates – prevalent in the Construction and Retail Trade industries also.

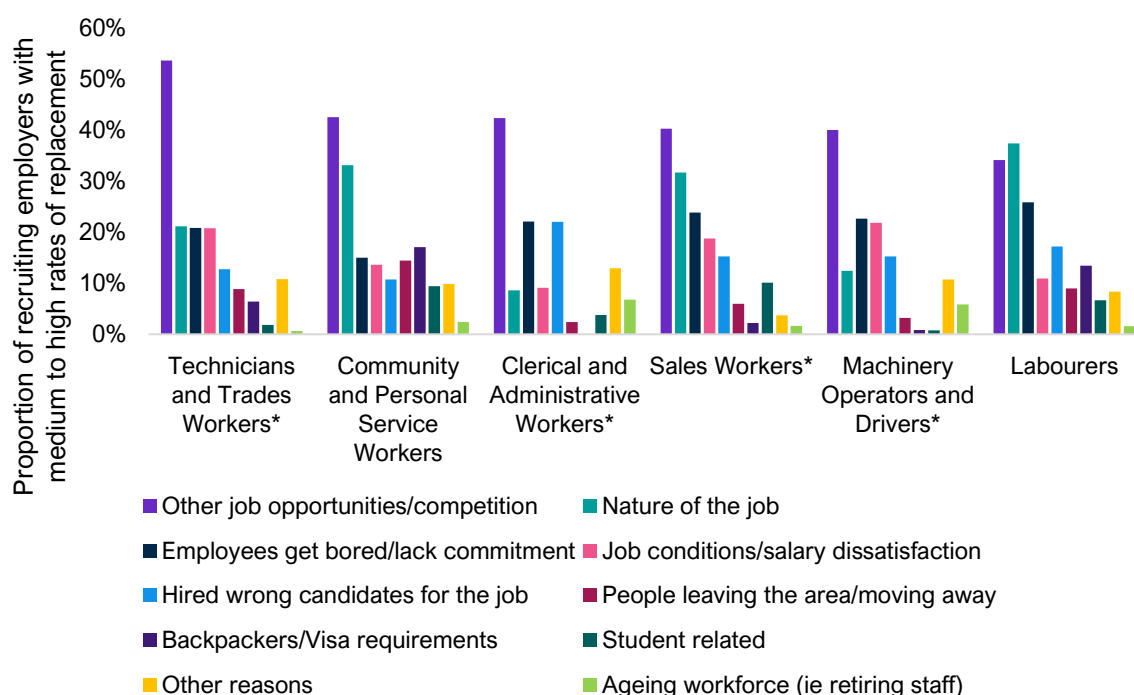
Employers in the Health Care and Social Assistance, and Retail Trade industries noted to a high level that the conditions of the job or dissatisfaction with salaries was a key factor in employees regularly leaving, and thus having to often replace staff.

By major occupation groups

Reasons by major occupation group (Figure 7), reveal that other job opportunities/competition was most commonly cited as a reason for regularly replacing staff for Technicians and Trades Workers – alluding to the fierce competition for these types of workers, often in areas of skills shortages. This was also common among all other occupation groups.

For Labourers however, the nature of the job was the most common reason cited – also high for Sales Workers and Community and Personal Service Workers, perhaps reflecting the at times strenuous work, and quality of working environments.

Figure 7: Reasons for regularly replacing staff for most recently recruited occupations – by selected main occupation groups, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

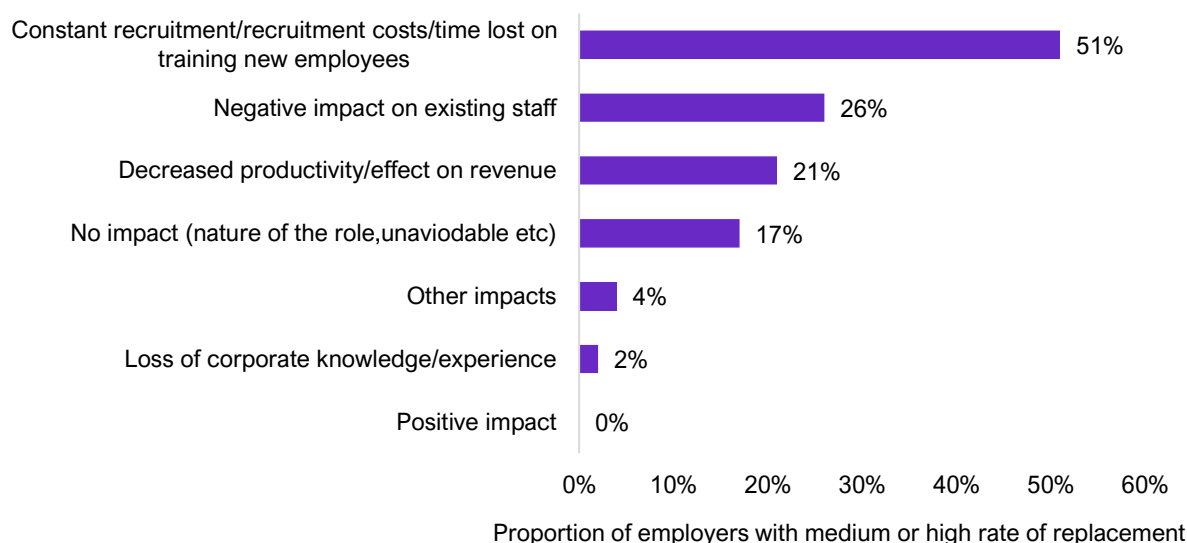
* Due to low sample size, caution is advised in interpreting results for Machinery Operators and Drivers, Sales Workers, Clerical and Administrative Workers and Technicians and Trades Workers.

Impacts on businesses

For more than half of employers who regularly replace staff, the impact on their business is largely related to the constant recruitment needed — including the costs involved, and the time lost through training new employees each time (Figure 8).

Around a quarter of employers noted that there was a negative impact on their existing staff, while 1 in 5 noted decreased productivity and negative effects on their revenue streams.

Figure 8: Impacts on business due to regularly replacing staff for most recently recruited occupations

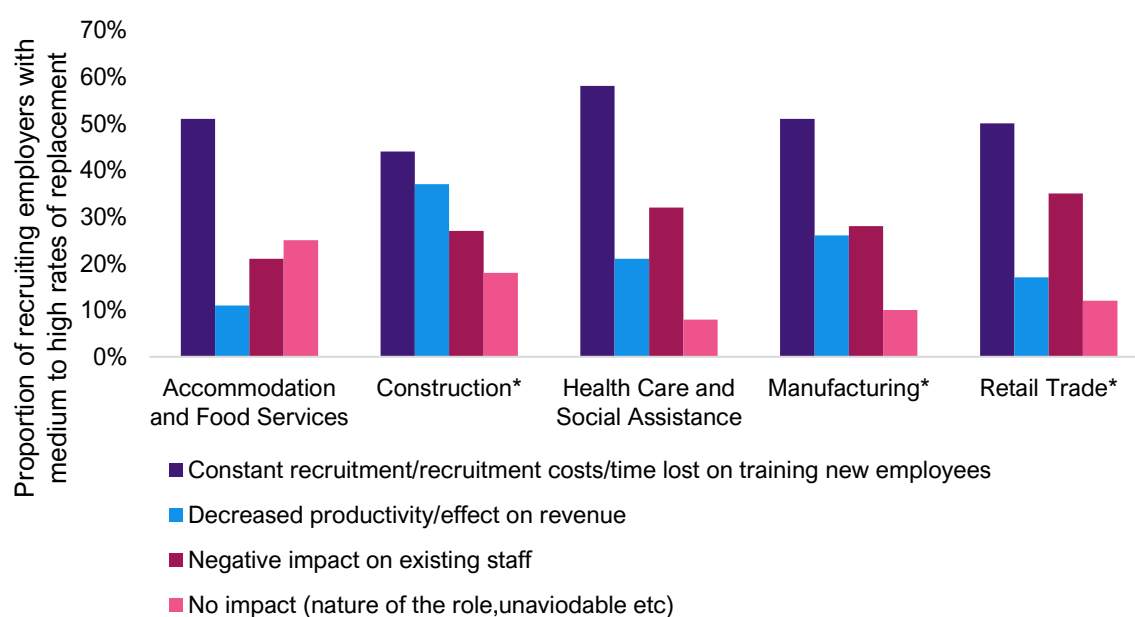


Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

By selected industries

While overall results outlined previously on the impacts on businesses from regularly replacing staff were informative, they were perhaps unsurprising, with the dominating theme being the impact of constant recruitment and the associated costs and time lost from that (through recruitment itself, or from regularly having to train new employees). Looking at select industries can provide some additional insights (Figure 9).

Figure 9: Impacts on business due to regularly replacing staff for most recently recruited occupations – by selected industries, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for Construction, Manufacturing and Retail Trade.

Employers in the Construction industry were more likely to report decreased productivity/effect on revenue than employers from other industries. Construction projects are often reliant on a stable workforce, so this result is not unexpected.

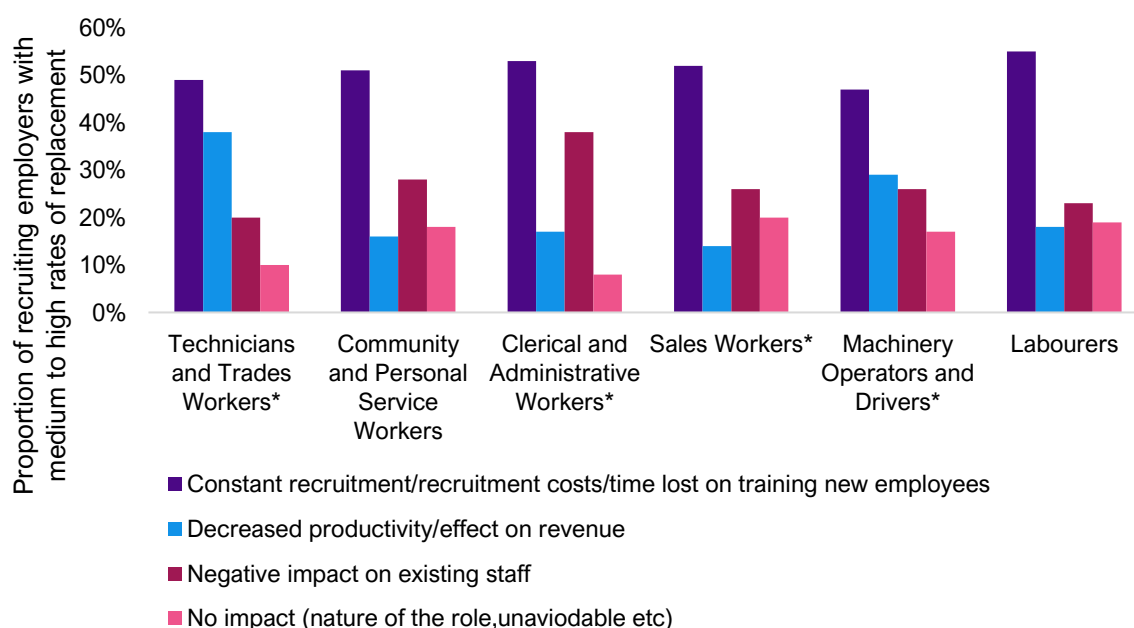
Retail Trade businesses were most likely to report a negative impact on their existing staff, from regularly having to replace staff – likely in reference to other staff having to work more hours through covering shifts. A quarter of employers in Accommodation and Food Services reported no impact to their business – largely stemming from a view that regular replacement of staff was unavoidable and was often a nature of the role.

By major occupation groups

Results by major occupation group (Figure 10) further back up many of the points outlined in the industry analysis. Regular replacement of Technicians and Trades Workers resulted in a much higher proportion of employers noting decreased productivity/effect on revenue, compared with regular replacement of Sales Workers for example.

Negative impacts on existing staff was most commonly reported from employers regularly replacing Clerical and Administrative Workers, while this was noted the least often by employers replacing Technicians and Trades Workers.

Figure 10: Impacts on business due to regularly replacing staff for most recently recruited occupations – by selected main occupation groups, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for Machinery Operators and Drivers, Sales Workers, Clerical and Administrative Workers and Technicians and Trades Workers.

Strategies used to retain staff

Employers with medium or high replacement rates were also asked about the strategies they were utilising to retain staff for their most recently recruited occupations. Close to a third (29%) reported that they were offering higher wages and/or other incentives to their staff to retain them (Figure 11). Around 1 in 6 (15%) employers were implementing flexible working arrangements, while 13% were upskilling their existing staff through further training programs or initiatives. Interestingly, 34% of employers noted that they were not utilising any strategies in particular to retain staff for their most recently recruited occupation.

Figure 11: Strategies businesses use to retain staff for most recently recruited occupations, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

Note: Employers who responded that there was 'No impact' to their business from regularly replacing staff were not asked what strategies they use to retain staff.

By selected industries

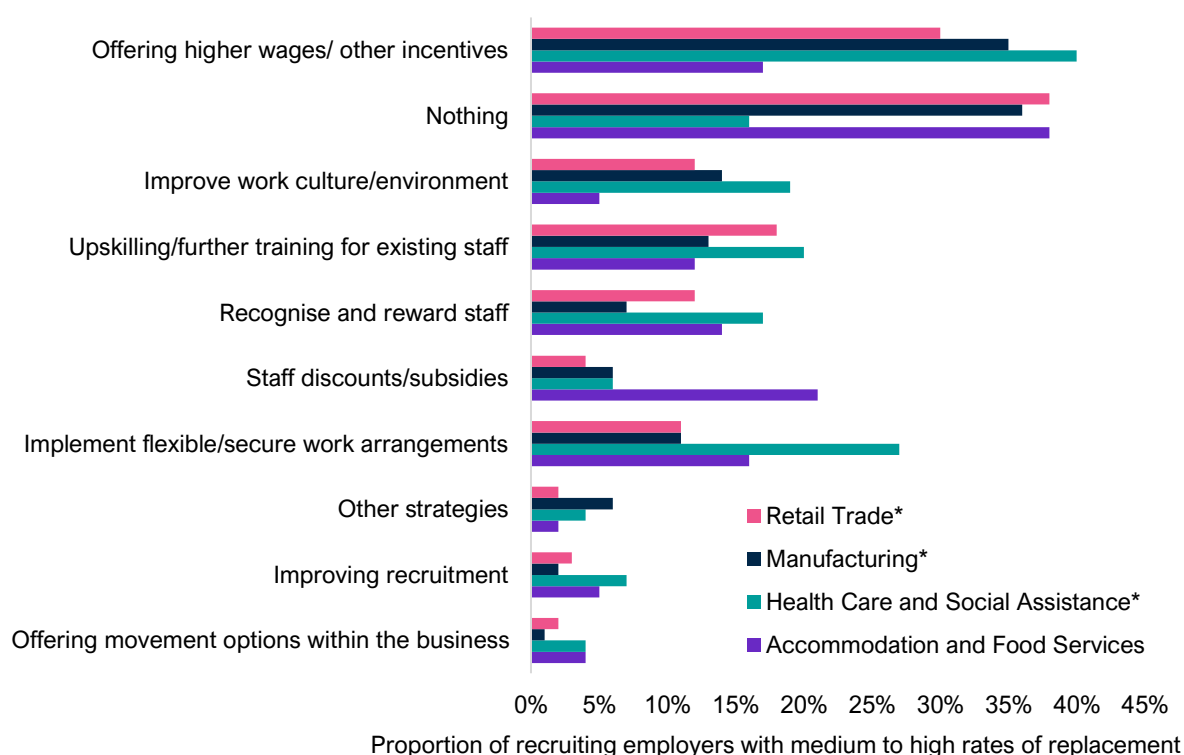
Only four major industries can be looked at with regards to the strategies used by employers (with medium to high rates of replacement) to retain staff (Figure 12).

Of the four industries in scope, employers in Health Care and Social Assistance who regularly replace staff were most likely to offer higher wages/other incentives in a bid to keep their staff. Accommodation and Food Service employers were the least likely, instead turning more towards offering staff discounts/subsidies and implementing flexible/secure work arrangements – also a feature of employers in Health Care and Social Assistance.

Improvements in work culture/environment was also popular among Health Care and Social Assistance employers, more so than those in Accommodation and Food Services.

Health Care and Social Assistance employers were the least likely to report that they weren't implementing any strategies in particular to retain their staff (16%), while for each other industry, nearly two in five employers noted that they weren't implementing any strategies in particular.

Figure 12: Strategies businesses use to retain staff for most recently recruited occupations – by selected industries, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for each industry, except for Accommodation and Food Services.

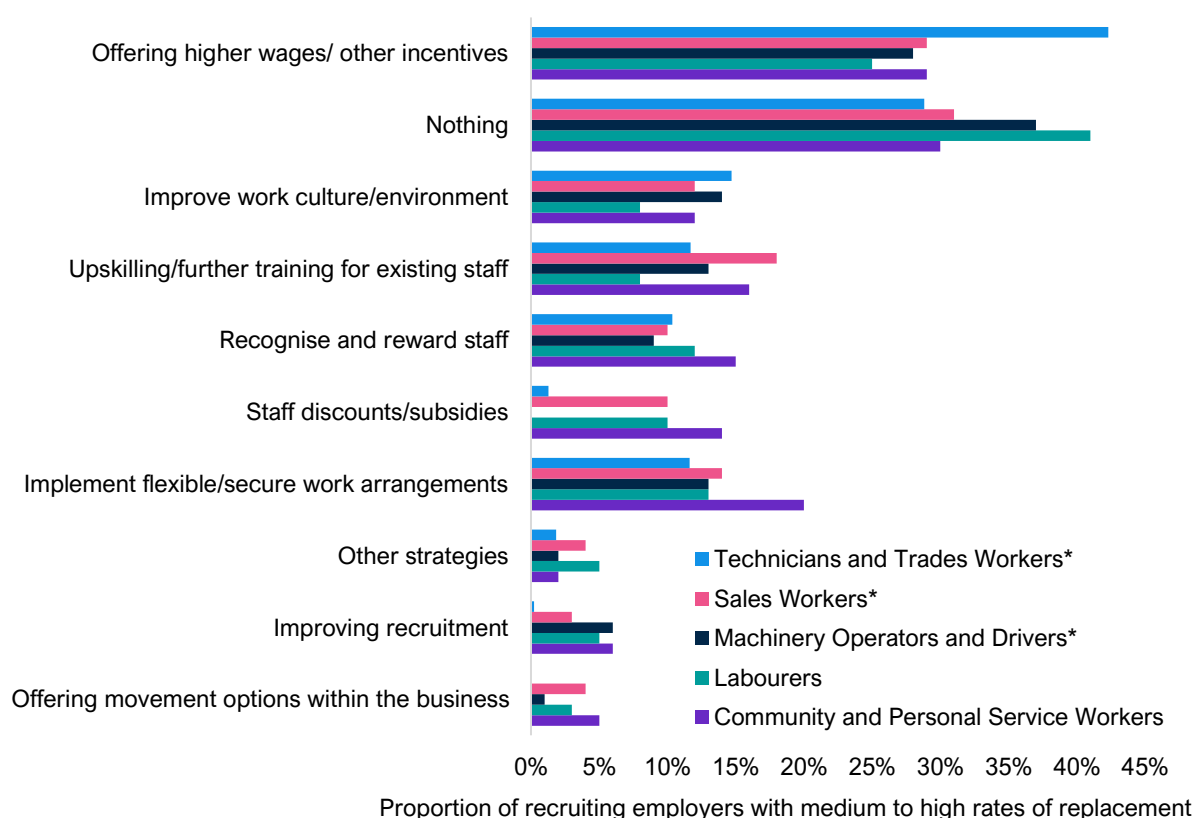
By major occupation groups

There was less variation in results when looking at select occupation groups. Almost half of the employers who regularly replace Technicians and Trades Workers offered higher wages/other incentives to retain their staff, compared to around 30% for the other occupation groups in scope.

Of employers who implement flexible/secure work arrangements, those who regularly replace Community and Personal Service Workers were the most likely to do so, which is a reflection of results seen earlier by selected industries.

Interestingly also was that those employers who regularly replace Labourers, were the least likely to offer upskilling or further training for their staff as a retention strategy, perhaps illustrating the limited amount of room some employers have for offering further training to their employees.

Figure 13: Strategies businesses use to retain staff for most recently recruited occupations – by selected main occupation groups, August 2023 to May 2024



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

* Due to low sample size, caution is advised in interpreting results for Technicians and Trades Workers, Sales Workers and Machinery Operators and Drivers.

Higher wages, or other incentives?

In early the 2024, upon re-introduction of questions, the response category of “Higher wages/other incentives” was split into two separate categories, “Offering higher wages”, and “Non-wages incentives” (see [Appendix B](#)). While results in the previous sections have been re-combined to the former grouped category to allow for analysis to be undertaken on all collected data (ensuring compatibility with data collected in 2023), there is some insight to be gained from the split categories.

From February 2024 to May 2024, 15% of employers who regularly replaced staff for their most recently recruited occupation noted that they were offering *higher wages* to retain their staff, while on the other hand, 14% noted that they were offering *non-wages incentives*.

In relation to the combined category, around 25% of employers were offering *higher wages and/or non-wages incentives* over this period (February 2024 to May 2024), compared with 31% over the initial period of August 2023 to December 2023.

Insights from employers *not* implementing strategies to retain their staff

From February 2024 to May 2024, there were 62 responses received which included further detail from those employers who reported that they were *not* implementing any specific strategies to retain their staff. These responses were manually coded to existing categories of strategies. Around 29% of these responses were genuine “Nothing” responses while all other responses could have been recoded to existing strategies. In some instances, it is unclear whether or not the respondent was talking about the occupation that was in scope or more generally about the whole business.

Figure 14: Recoded “Nothing” responses, to strategies used by the business to retain staff for most recently recruited occupations



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, 2025.

Background

The Recruitment Experiences and Outlook Survey (REOS) is an ongoing survey of employers across Australia. Approximately 800 employers are surveyed each month, with data published on the [Jobs and Skills Australia](#) 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 caution. The survey is targeted towards employers with five or more employees and excludes many government organisations. Further information is available in the [REOS methodology paper](#).

Data from the REOS are published monthly in the Recruitment Insights Report which is generally published on the third Tuesday of the month. Spotlights are also produced in most months.

Technical notes

The 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:

- Industry is defined by the [Australian and New Zealand Standard Industrial Classification \(ANZSIC\)](#), 2006, Version 2.0.
- Occupation is defined by the [Australian and New Zealand Standard Classification of Occupations \(ANZSCO\)](#), 2022.
- 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 2021.

Data in this release should be referenced as: *Jobs and Skills Australia, REOS Spotlight, Employers' experiences with retention issues, July 2025*.

For more information, email: reos@jobsandskills.gov.au

Appendix A: REOS questions on retention issues

The following questions were asked only of *employers who most recently recruited to replace staff, or both had new positions and replaced staff.*

Code	Question	Sequence
	How often have you had to replace staff for this occupation?	
RET1	1. Every month to less than 3 months (High)	→ RET2
	2. Every 3 months to less than 6 months (Medium)	→ RET2
	3. More than 6 months (Low)	→ END
	4. Not at all/not a problem	→ END
	5. Unsure	→ END
	Why have you had to regularly replace staff for this position?	
	<i>Note: Multiple responses allowed</i>	
RET2	1. Nature of the job	
	2. Employees get bored/lack commitment	
	3. Job conditions/salary dissatisfaction	
	4. Other job opportunities/competition	
	5. Hired wrong candidates for the job	
	6. Ageing workforce (i.e. retiring staff)	
	7. Backpackers/Visa requirements	
	8. People leaving the area/moving away	
	9. Other	
	10. Unsure	
	How does replacing staff affect your business?	
	<i>Note: Multiple responses allowed</i>	
RET3	1. Decreased productivity/effect on revenue	
	2. Negative impact on existing staff	
	3. Constant recruitment/recruitment costs/time lost on training new employees	
	4. Loss of corporate knowledge/experience	
	5. Positive impact - new ideas/new workers	→ END
	6. No impact (nature of the role, unavoidable etc.)	→ END
	7. Other	
	8. Unsure	
	What strategies have been used to keep staff for this occupation?	
	<i>Note: Multiple responses allowed</i>	
RET4	1. Offering higher wages/other incentives	
	2. Recognise and reward staff	
	3. Implement flexible/secure work arrangements	
	4. Improving recruitment	
	5. Upskilling/further training for existing staff	
	6. Offering movement options within the business	
	7. Offer subsidised meals/products or service discounts	
	8. Improve work culture/environment	
	9. Nothing	
	10. Other	
	11. Unsure	

Appendix B: Updated analysis with data collected in 2024

While a shorter version of this report was originally published in March 2024, based on data obtained from questions in field from August 2023 to December 2023 the questions were re-introduced from February 2024 to May 2024, to collect additional responses and to seek extra information, with a view to provide further breakdowns of data by industry and occupation groups where possible. In the process of re-introduction, a slight change to question 4 ([Appendix A](#)) was implemented:

1. Splitting up the response category of “Higher wages/other incentives” into two separate categories: “Offering higher wages”, and “Non-wages incentives”.
2. Addition of a text prompt for those who responded “Nothing” (no strategies used) to get more information.

While there was not enough extra data received to be able to report on all industries and occupation groups, indicative results for *selected* industries and occupation groups have been presented in this updated report.