

Recruitment activity

51%

Change since April 2021¹:

▲ 2% pts

Recruitment difficulty rate

53%

Change since April 2021:

▼ 1% pts

Expect to increase staff

21%

Change since April 2021:

▼ 3% pts

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

- REOS results in May 2021 suggest that labour market conditions continue to be relatively sound overall. More employers are recruiting but many have difficulty finding suitable staff. Expectations to increase staff numbers over the next 3 months, while still relatively strong, have eased slightly since April 2021.
- In May 2021, 51% of surveyed employers reported that they were recruiting or had recruited in the past month. This is the highest recorded proportion since the REOS rate of recruitment series began in June 2020.
- Since April 2021 the recruitment rate has increased in Rest of State areas (from 51% to 59%), while in Capital Cities it has decreased slightly (from 48% to 47%).
- Employers in Western Australia (58%) were most likely to report that they were recruiting, while employers in Victoria (43%) were least likely.
- Some 53% of recruiting employers reported recruitment difficulty in May 2021, a slight decrease on the 54% recorded in April 2021.
 - The rate of difficulty decreased in Rest of State areas (from 64% to 59%) over the past month, while in Capital Cities it remained unchanged at 48%.
- In May 2021, 21% of employers expected to increase their staffing levels over the next 3 months, slightly lower than the 24% recorded in April 2021.
- Employers in the Accommodation and Food Services industry remain the most likely to expect to increase their staffing levels over the next 3 months (29%).
- This month's Spotlight provides a breakdown of key results by sub-sector within the Health Care and Social Assistance industry, using data collected from August 2020 to May 2021. It shows that employers in Residential Care Services have a particularly high rate of recruitment (72%), while the recruiting employers in Child Care Services have a high rate of recruitment difficulty (55%).

Note: Recruitment activity refers to the proportion of employers either currently recruiting or who had recruited in the previous month. The recruitment difficulty rate is the proportion of recruiting employers who experienced difficulty hiring. The 'expect to increase staff' figure is the proportion of employers who expect to increase staff numbers over the next three months.

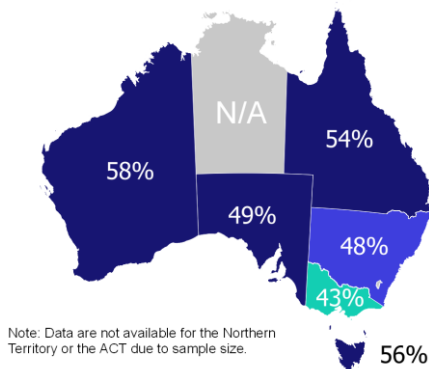
¹ In this release, 'May' refers to the 4 weeks to 28 May 2021, while 'April' refers to the 4 weeks to 30 April 2021. See the 'Background' for more information on time periods used in this report.

Recruitment activity

- In May 2021, some 51% of employers surveyed reported that they were recruiting or had recruited in the past month. This is the highest recorded proportion since the REOS recruitment rate series began in June 2020.
- Since April 2021, the recruitment rate has increased in Rest of State areas (from 51% to 59%), while in Capital Cities it has decreased slightly (from 48% to 47%).
- Employers in Western Australia were most likely to report that they were recruiting or had recruited in the past month (58%), followed by Tasmania (56%). Employers in Victoria (43%) were the least likely to have recruited.
- The proportion of businesses with 5 to 19 employees who were recruiting increased to a series high of 45% in May 2021. The recruitment rate for businesses with 20 or more employees (79%) was similar to April 2021 (80%).
- Employers in the Accommodation and Food Services industry were the most likely to recruit (69%), followed by Health Care and Social Assistance (58%).

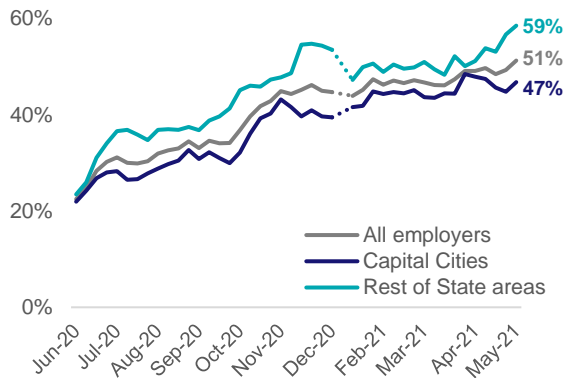
Recruitment by state and territory

proportion of employers who are recruiting by state



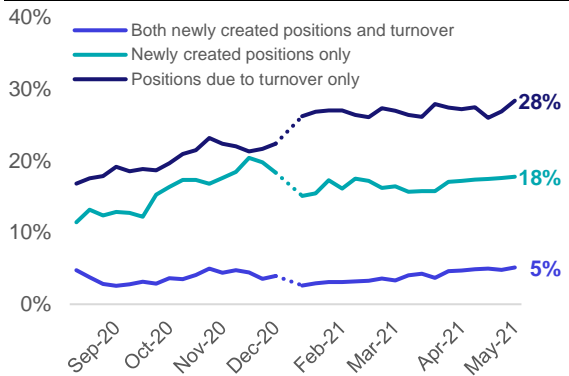
Recruitment by region type

proportion of employers who are recruiting by region



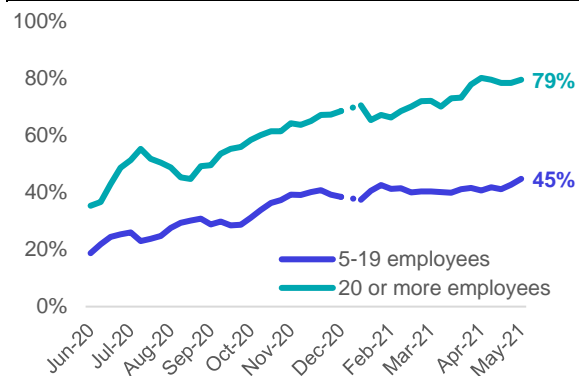
Reason for recruitment

as a proportion of all employers



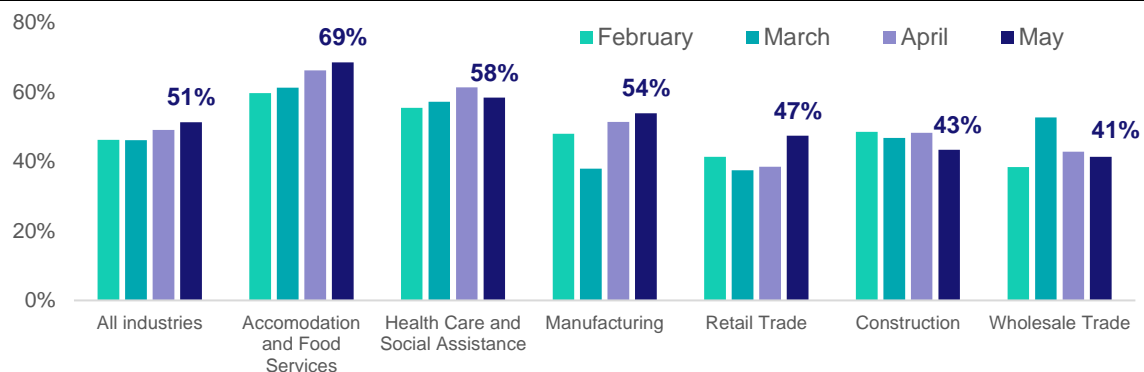
Recruitment by business size

Proportion of employers who are recruiting by business size



Recruitment rate by selected² industry

Proportion of employers who are recruiting by industry

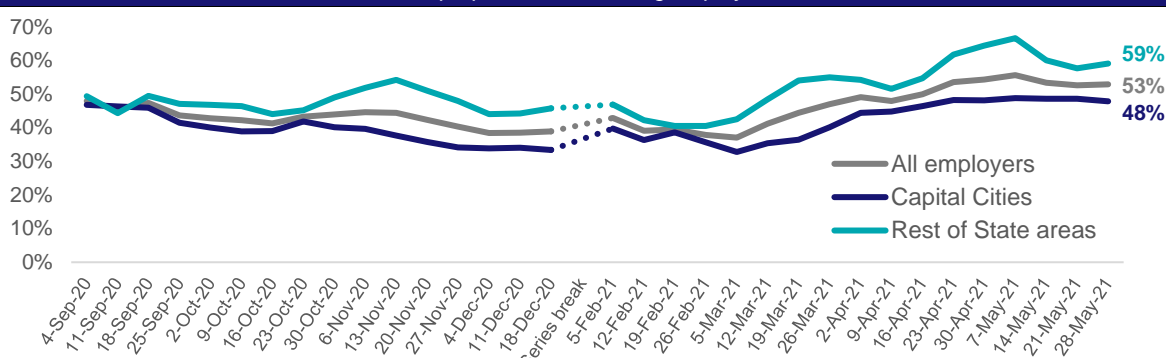


² Some industries are not reportable due to small sample sizes. The Professional, Scientific and Technical Services industry has been excluded for this reason, despite having been included in previous reports.

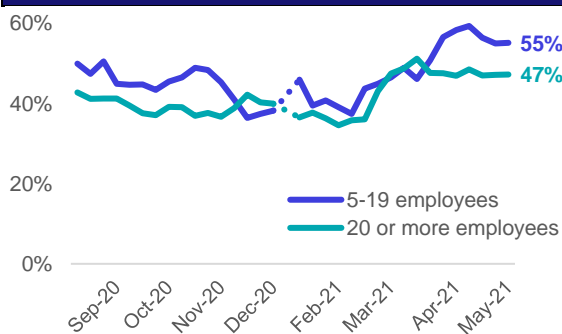
Recruitment difficulty rate

- In May 2021, 53% of recruiting employers reported recruitment difficulty, falling slightly from 54% in April 2021.
- The rate of difficulty decreased in Rest of State areas (from 64% to 59%) over the past month, while in Capital Cities it remained unchanged at 48%.
- Some 55% of recruiting businesses with 5 to 19 employees reported recruitment difficulty in May 2021, down from 58% in April 2021. The rate of difficulty for recruiting businesses with 20 employees or more remained steady at 47% over this same period.
- Higher skilled occupations remain considerably more difficult to recruit for compared with lower skilled³ occupations, at 60% and 48%, respectively.
- 'Blue collar' occupations also remain considerably more difficult to recruit for compared with 'white collar' occupations (60% and 47%, respectively).
- A lack of suitable applicants (48%) is the most common reason for recruitment difficulty, followed closely by a lack of applicants (46%).

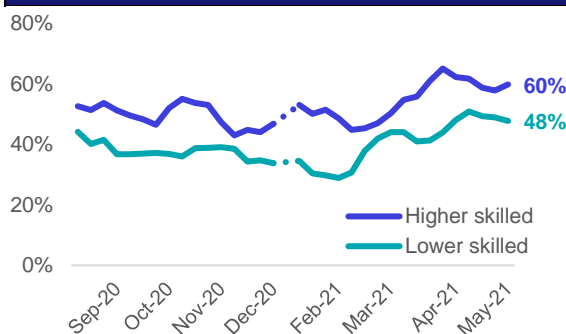
Difficulty by region type as a proportion of recruiting employers



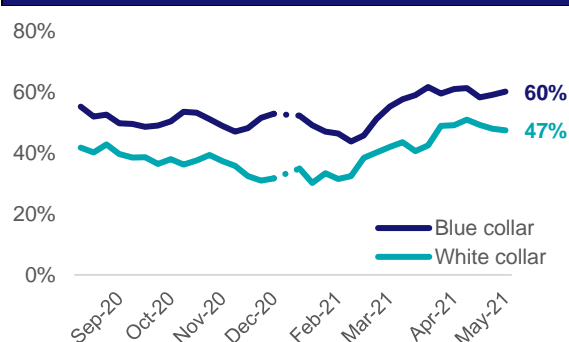
Difficulty by business size as a proportion of recruiting employers



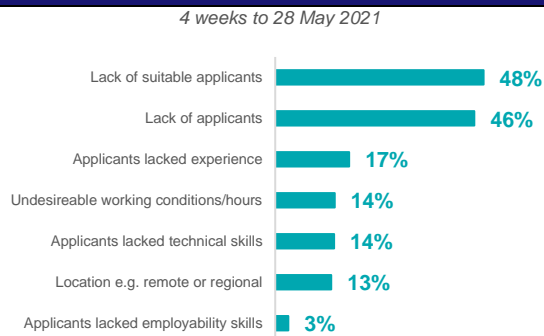
Difficulty by skill level of occupation as a proportion of recruiting employers



Difficulty by 'collared'⁴ occupation as a proportion of recruiting employers



Reason for recruitment difficulty as a proportion of employers who reported difficulty



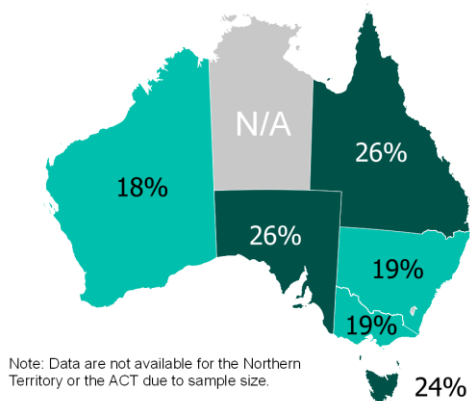
³ In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, while higher skilled refers to ANZSCO Skill Levels 1, 2 or 3.

⁴ Blue collar occupations include Technicians and Trades Workers, Machinery Operators and Drivers, and Labourers. White collar occupations include Managers, Professionals, Community and Personal Service Workers, Clerical and Administrative Workers, and Sales Workers. Note: Data by 'collared' occupation and reasons for recruitment difficulty are not published in the REOS weekly data file releases but are available upon request.

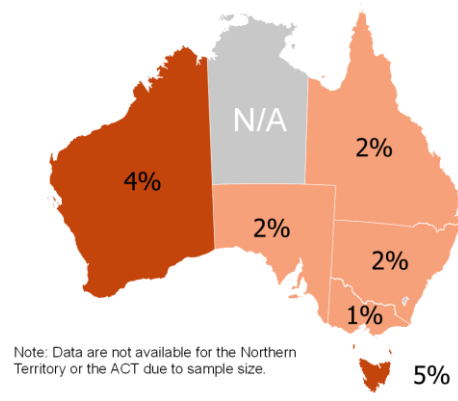
Staffing outlook

- In May 2021, 21% of employers expected to increase their staffing levels over the next 3 months, slightly lower than the 24% recorded in April 2021.
- Employers in Queensland and South Australia were the most likely to expect to increase their staffing levels over the next 3 months (both 26%). Employers in Western Australia (18%) were the least likely, a 10 percentage point decrease since April 2021.
- Over the past month, expectations to increase staffing levels in both Rest of State areas and Capital Cities fell slightly to stand at 21% and 22% respectively.
- Expectations to increase staffing levels decreased for businesses with 5 to 19 employees (from 20% to 17%) and for businesses with 20 or more employees (from 39% to 37%) from April to May 2021.
- Employers in the Accommodation and Food Services (29%) industry remain the most likely to expect to increase their staffing levels over the next 3 months, while employers in the Retail Trade industry (16%) remain the least likely of the reported industries.

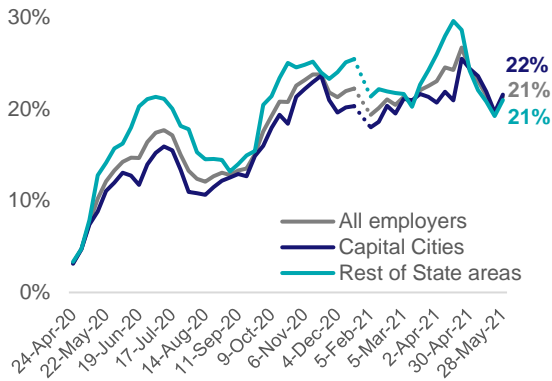
Expectations to increase staff as a proportion of all employers



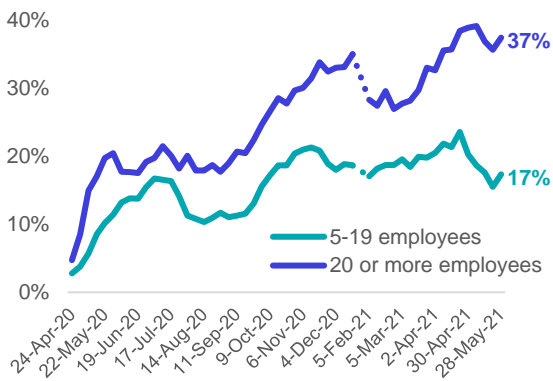
Expectations to decrease staff as a proportion of all employers



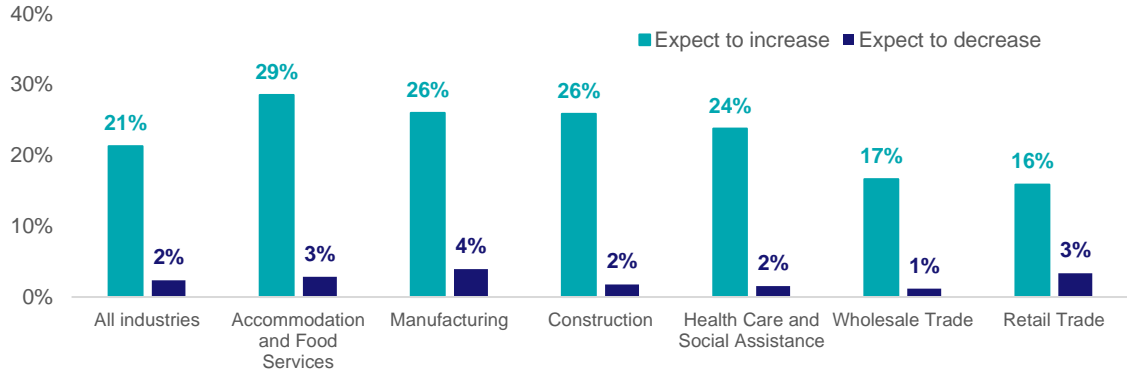
Expectations to increase staff by region type as a proportion of all employers



Expectations to increase staff by business size as a proportion of all employers



Staffing expectations over the next 3 months by selected⁵ industries as a proportion of all employers



⁵ Some industries are not reportable due to small sample sizes. The Professional, Scientific and Technical Services industry has been excluded for this reason, despite having been included in previous reports.

Spotlight: Recruitment experiences and expectations within the Health Care and Social Assistance industry

This month's Spotlight provides information about employers' recruitment experiences and staffing outlook in the Health Care and Social Assistance industry by 3-digit ANZSIC industry group (referred to as 'sub-sectors').

The NSC projects the Health Care and Social Assistance industry to make the largest contribution to employment growth in the five years to November 2025 (an increase of 249,500 employed persons).⁶

Consistent with these projections, REOS results have shown that over the past 10 months, employers in the Health Care and Social Assistance industry are often recruiting, and frequently expect to increase staff numbers over the next 3 months. Survey data also show that employers in some sub-sectors experience difficulty when trying to find workers to fill their vacancies.

The sub-sectors within Health Care and Social Assistance for which REOS can report results on are:

- **Residential Care Services:** This includes aged care residential services, children's homes, hospices, and crisis care accommodation. The REOS results for this sub-sector are mostly based on aged care residential services.
- **Other Social Assistance Services:** This includes welfare counselling services, adoption services, youth welfare services, disabilities assistance services, and aged care assistance services.
- **Child Care Services:** This includes any services that provide day care of infants or children.
- **Medical Services:** This includes both general practice medical services and specialist medical services.
- **Allied Health Services:** This includes dental services, optometry and optical dispensing, physiotherapy services, and chiropractic and osteopathic services.

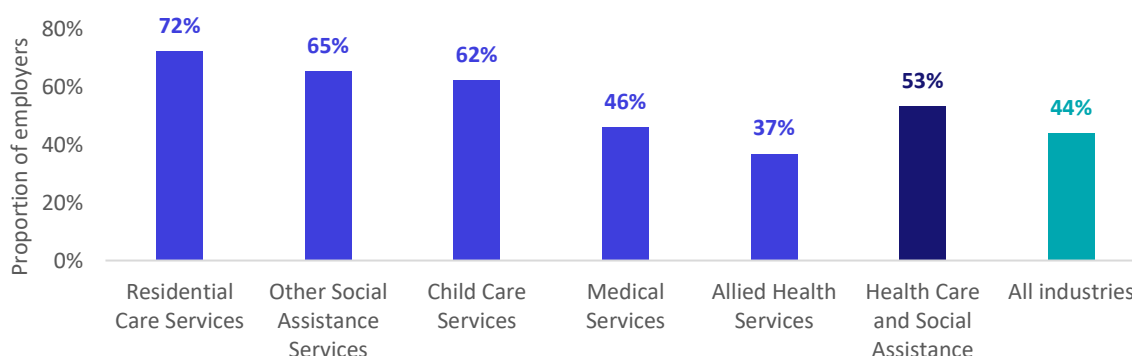
The REOS collects insufficient data to report individually on other sub-sectors in Health Care and Social Assistance, including:

- **Hospitals**
- **Pathology and Diagnostic Imaging Services**
- **Other Health Care Services**

The high rate of recruitment⁷ in Health Care and Social Assistance in the REOS has been mainly driven by 3 sub-sectors. Residential Care Services (72%), Other Social Assistance Services (65%) and Child Care Services (62%) all had a high proportion of employers who were recruiting compared with the industry average (53%) from August 2020 to May 2021. Comparatively, Allied Health Services had a low proportion of employers recruiting (37%).

Recruitment rates - by Health Care and Social Assistance sub-sector

proportion of all employers, August 2020 to May 2021



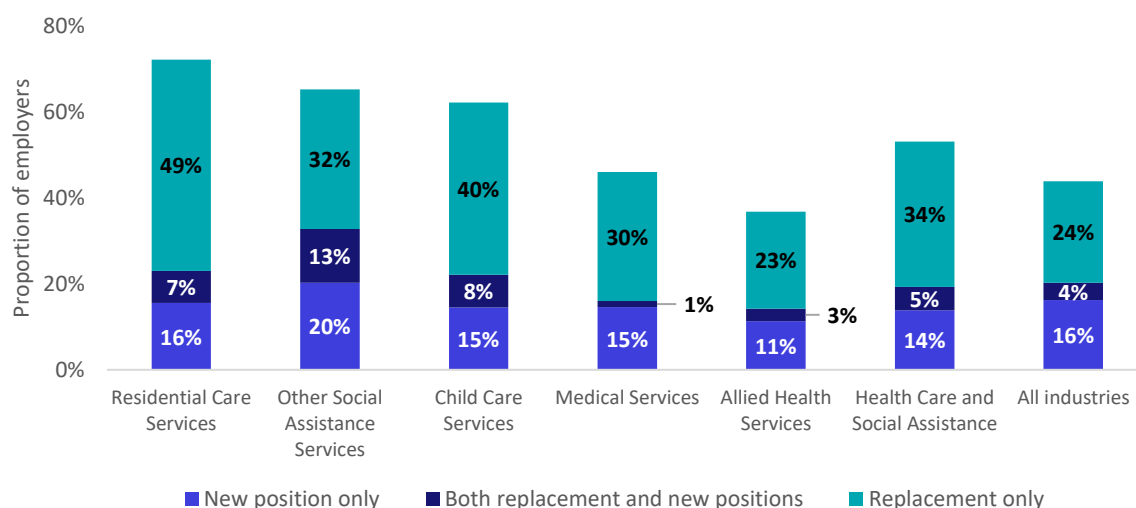
⁶ NSC, *2020 Industry Employment Outlook*, available from the [Employment Projections](https://lmi.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections) page of the Labour Market Information Portal (<https://lmi.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections>).

⁷ The recruitment rate is the proportion of employers who were recruiting at the time of the survey or who had recruited in the previous month.

The chart below shows whether employers recruited due to a new position, turnover or both. Employers in Health Care and Social Assistance recruited for new positions at a similar rate as that for all industries. However, the proportion that recruited only to replace staff (34%) was much higher compared with the all industries average (24%). The Residential Care Services (49%) and Child Care Services (40%) sub-sectors had particularly high proportions of employers that recruited only to replace staff. On the other hand, the Other Social Assistance Services sub-sector had a high proportion of employers (20%) that recruited due to new positions only.

Reason for recruitment - by Health Care and Social Assistance sub-sector

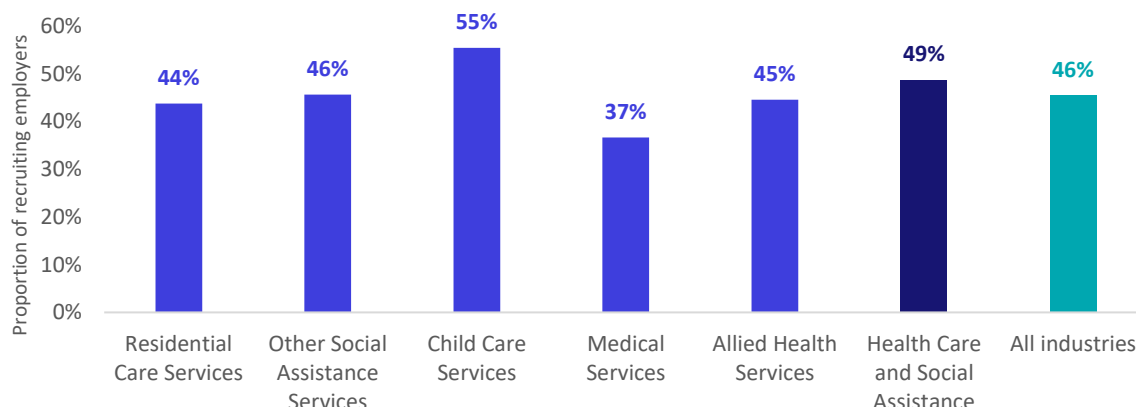
proportion of all employers, August 2020 to May 2021



For most sub-sectors, the rate of recruitment difficulty was in line with the average for all industries (46%). However, recruitment difficulty was high in Child Care Services (55%) and low in Medical Services (37%).⁸ Occupations within Health Care and Social Assistance for which employers commonly reported recruitment difficulty include Early Childhood Teachers, Child Carers, Dental Assistants, and Aged and Disabled Carers.

Rate of recruitment difficulty - by Health Care and Social Assistance sub-sector

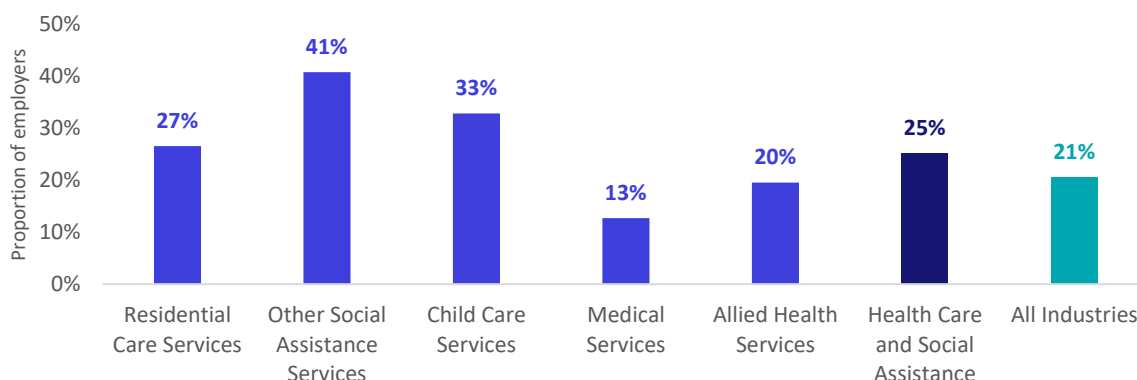
proportion of recruiting employers, August 2020 to May 2021



⁸ The low rate of recruitment difficulty in Medical Services is driven by recruitment for Receptionists and General Clerks. The limited data available for General Practitioners and Resident Medical Officers suggest that the recruitment difficulty rate for these occupations is very high.

Employers in the Other Social Assistance Services (41%) and Child Care Services (33%) sub-sectors were the most likely to expect to increase staffing levels over the 3 months after being surveyed. Employers in Medical Services (13%) were the least likely to expect to increase staffing numbers.

Expect to increase staff numbers - by Health Care and Social Assistance sub-sector
proportion of all employers, August 2020 to May 2021



Background

Information in the Recruitment Insight Reports is based on the *Recruitment Experiences and Outlook Survey (REOS)*, which is an ongoing survey of employers across Australia. Approximately 1,200 employers are surveyed each month, with data published on the Labour Market Information Portal (LMIP) as a weekly data file and a monthly report. 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.

Note that the month time periods referenced in this report are based on the closest 4-week period of data. The table below shows the month and corresponding 4-week period:

August 2020	4 weeks to 4 September 2020	January 2021	4 weeks to 5 February 2021
September 2020	4 weeks to 25 September 2020	February 2021	4 weeks to 26 February 2021
October 2020	4 weeks to 30 October 2020	March 2021	4 weeks to 2 April 2021
November 2020	4 weeks to 27 November 2020	April 2021	4 weeks to 30 April 2021
December 2020	4 weeks to 18 December 2020	May 2021	4 weeks to 28 May 2021

Please note that data collection paused over the Christmas and New Year period from 21 December 2020 until 8 January 2021.

Data in this release should be referenced as – National Skills Commission, Recruitment Insights Report, May 2021.

For additional information email RecruitmentAnalysis@skillscommission.gov.au.