Recruitment Insights Report – September 2021

Recruitment activity	Recruitment difficulty rate	Expect to increase staff
36%	**52%**	**23%**
Change since August 2021[1]:	Change since August 2021:	Change since August 2021:
▼ 2% pts	- 0% pts	▲ 5% pts

Key findings from the Recruitment Experiences and Outlook Survey (REOS)[2]

- REOS results in September 2021 show that labour market conditions remain subdued. Future staffing expectations have improved, which may reflect the anticipated easing of COVID-19 related restrictions over the coming months.
- In September 2021, 36% of employers were recruiting or had recruited in the past month, 2 percentage points lower than August 2021 (38%).
    - The recruitment rate remained steady in Capital Cities (at 36%), while it dropped by 7 percentage points in Rest of State areas (from 43% to 36%).
    - New South Wales had the lowest recruitment rate (31%, up from 24% in August 2021), followed by Victoria (32%, down from 37% in August 2021).
- Some 8% of employers increased staff numbers in the previous month, while 9% decreased staff numbers. The 'net staffing change' (proportion of employers that increased staff minus the proportion that decreased staff) of -1 percentage point is the lowest recorded since August 2020.
- The proportion of employers with staff stood down or on reduced hours stood at 28% in September 2021, an increase on the 24% in August 2021 and 7% in May 2021.
- The proportion of recruiting employers who reported recruitment difficulty remained steady at 52% from August to September 2021.
    - The rate of recruitment difficulty decreased significantly in Rest of State areas, down from 55% to 50% over the month, while in Capital Cities it increased by 3 percentage points to 54%.
- In September 2021, 23% of employers expected to increase their staffing levels over the next 3 months, a 5 percentage point increase on August 2021, and the highest proportion since April 2021.
    - Accommodation and Food Services (34%) had the highest proportion of employers that expected to increase staff numbers over the next 3 months.
    - Expectations to increase staff in New South Wales stood at 22%, a significant increase on August 2021 (13%).
- This month's Spotlight section presents recent results on employers' greatest future concern for the next 3 months. The results vary significantly by state, with one in five employers in Western Australia citing 'recruitment and retention difficulty' as their single greatest future concern.

Note: Recruitment activity refers to the proportion of all employers who are 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 all employers who expect to increase staff numbers over the next three months.

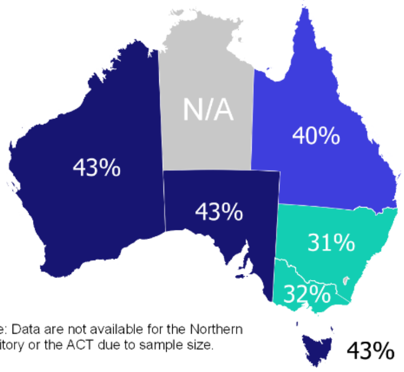
[2] Please note that the REOS results may not reflect the full impact that the current outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers that have closed down and response rates can vary significantly by industry in areas under lockdown restrictions.

Recruitment activity

- In September 2021, 36% of employers were recruiting or had recruited in the past month, 2 percentage points lower than August 2021 (38%).
- The recruitment rate remained steady in Capital Cities (at 36%) while it dropped by 7 percentage points in Rest of State areas (from 43% to 36%).
- New South Wales had the lowest recruitment rate of the states (31%, up from 24% in August 2021), followed by Victoria (32%, down from 37% in August 2021).
- Western Australia, South Australia and Tasmania had the highest recruitment rates (all 43%). For Western Australia, this was the lowest recruitment rate recorded since August 2020.
- The recruitment rate for businesses with 5 to 19 employees declined by 2 percentage points over the month to stand at 30% in September 2021. The recruitment rate for businesses with 20 or more employees declined by 4 percentage points, to 61%.
- Employers in Professional, Scientific and Technical Services (46%) and Accommodation and Food Services (43%) were most likely (out of the reported industries) to have recruited in September 2021.

Recruitment by state and territory

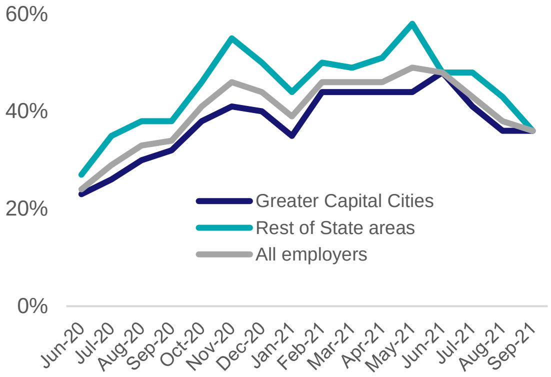
Proportion of employers who are recruiting by state



Note: Data are not available for the Northern Territory or the ACT due to sample size.

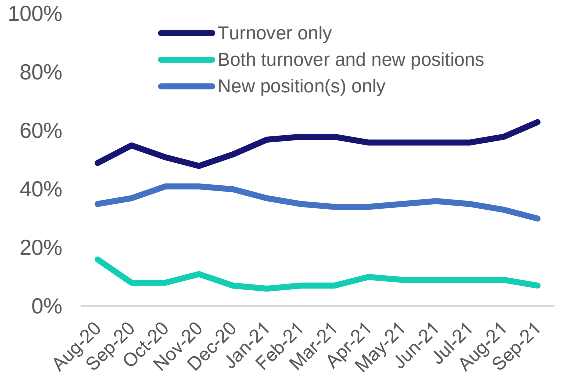
Recruitment by region type

Proportion of employers who are recruiting by region type



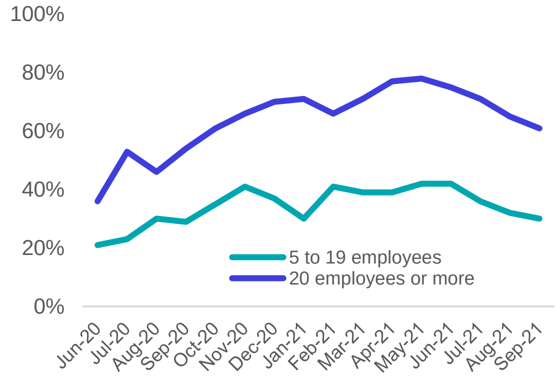
Reason for recruitment

as a proportion of recruiting employers



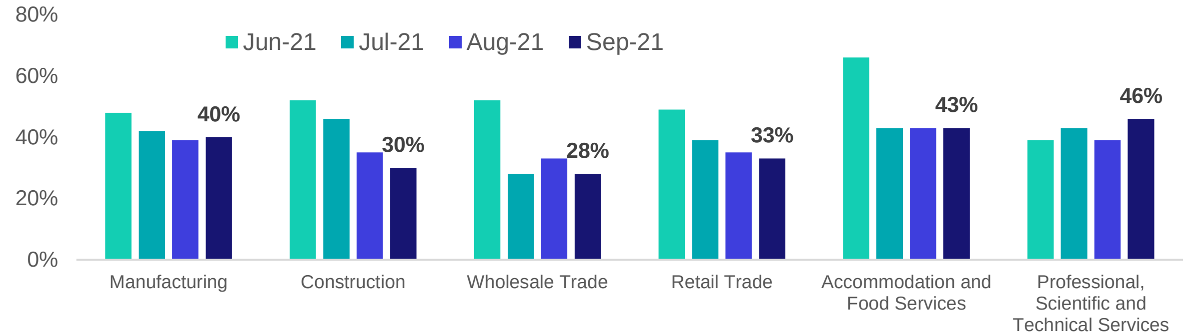
Recruitment by business size

Proportion of employers who are recruiting by business size



Recruitment rate by selected[3] industries

Proportion of employers who are recruiting by industry



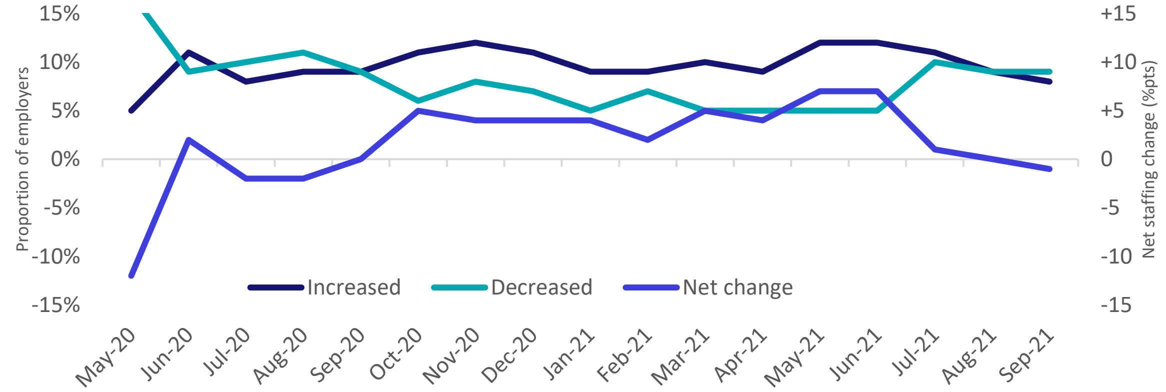
[3] Some industries are not reportable due to small sample sizes.

Staffing changes over the past month

- In September 2021, 8% of employers had increased staffing levels over the past month, slightly below the result for August 2021 (9%). Some 9% of employers reported decreased staffing levels, the same as in August 2021. The 'net staffing change' (proportion of employers that increased staff minus the proportion that decreased staff) was -1 percentage point, the lowest result recorded since August 2020.
- In September 2021, Victoria recorded the lowest net staffing change (-6 percentage points), followed by New South Wales (-2 percentage points).
- Western Australia recorded the highest net staffing change of +8 percentage points, a slight increase on the +7 percentage point figure recorded for June, July and August 2021.
- Employers in Retail Trade and Wholesale Trade recorded the lowest net staffing change (both -6 percentage points), while Professional, Scientific and Technical Services recorded the highest (+5 percentage points).

Employers that increased or decreased staff over the past month

Proportion of employers

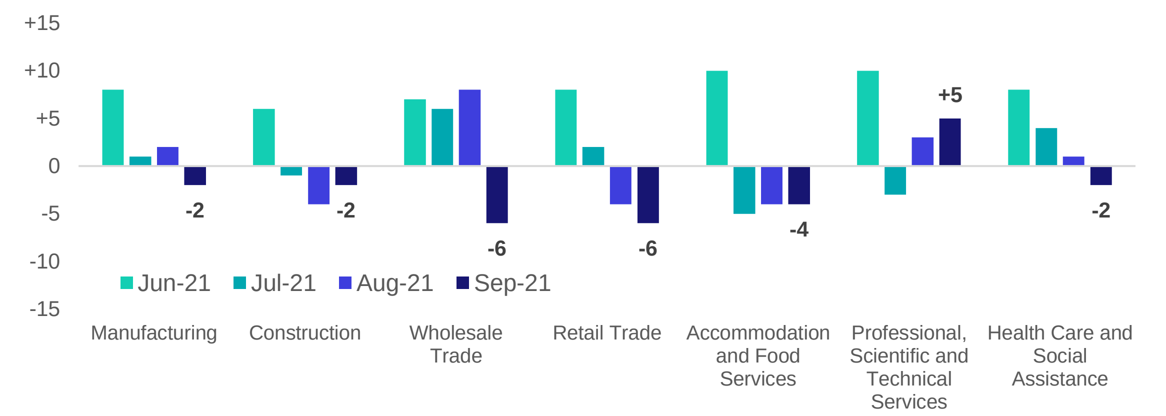


Net staffing change - by state

Percentage point difference (% increased - % decreased)

Net staffing change - by selected[4] industries

Percentage point difference (% increased - % decreased)



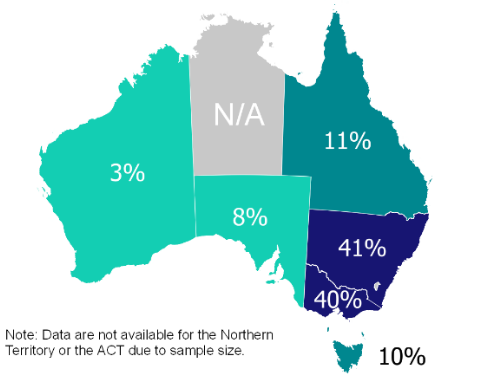
[4] Some industries are not reportable due to small sample sizes.

Employers with staff stood down or on reduced hours

- The proportion of employers with staff stood down or on reduced hours[5] stood at 28% in September 2021, an increase on the 24% recorded in August 2021 and much higher than the 7% recorded in May 2021.
- Over the month the proportion of employers with staff stood down or on reduced hours has increased in both Capital Cities (from 26% to 31%) and in Rest of State areas (from 18% to 21%).
- New South Wales had the highest proportion of employers with staff stood down or on reduced hours (41%), followed by Victoria (40%). On the other hand, Western Australia had the lowest proportion (3%), followed by South Australia (8%).
- The proportion of employers with staff stood down or on reduced hours was highest in Accommodation and Food Services (48%), followed by Health Care and Social Assistance (32%) and Construction (31%). Wholesale Trade recorded the largest increase over the month, from 13% in August 2021 to 30% in September 2021.

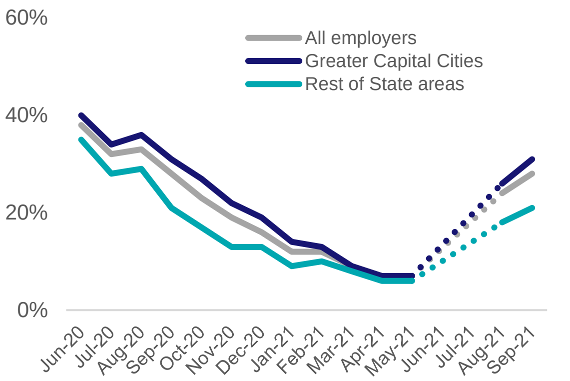
Staffing arrangements by state and territory

Proportion of employers with staff stood down/on reduced hours by state



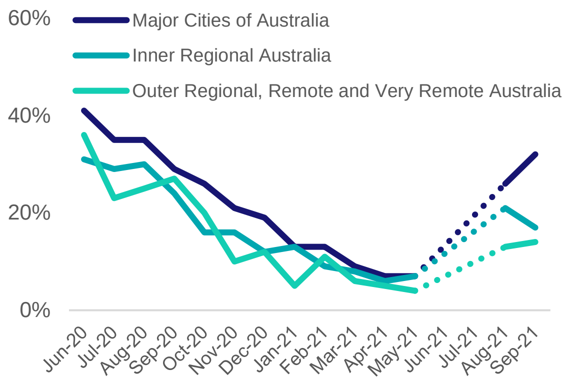
Staffing arrangements by region type

Proportion of employers with staff stood down/on reduced hours by region type



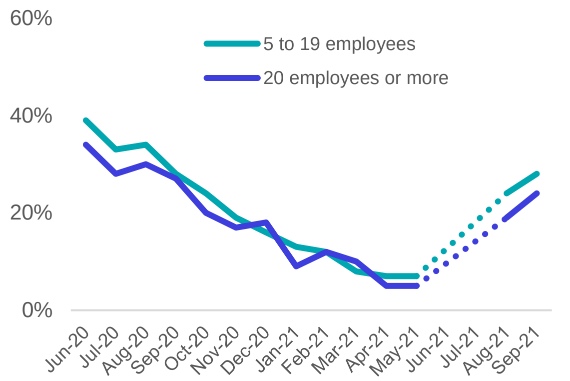
Staffing arrangements by ARIA

Proportion of employers with staff stood down/on reduced hours by ARIA region



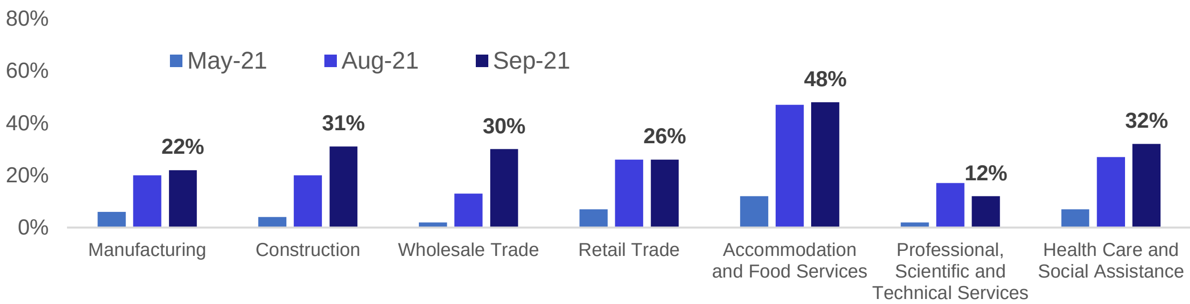
Staffing arrangements by business size

Proportion of employers with staff stood down/on reduced hours by business size



Staffing arrangements by selected[6] industries

Proportion of employers with staff stood down/ on reduced hours by industry



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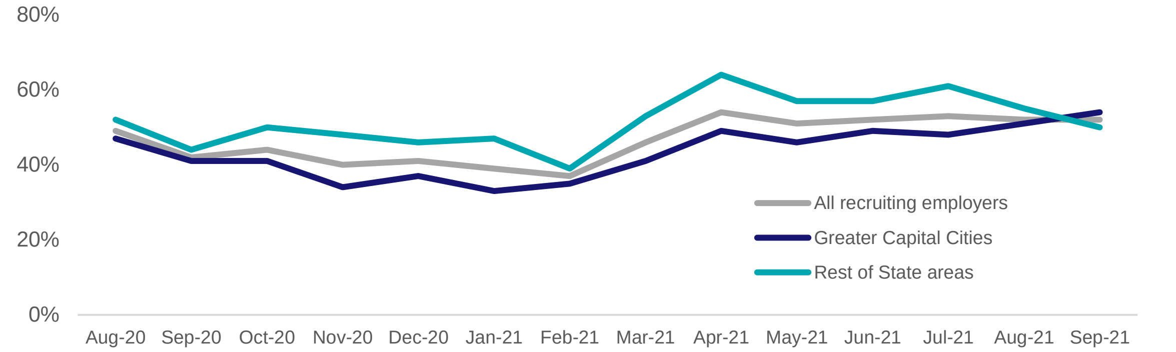
[5] The question on whether employers had staff stood down or on reduced hours was not asked in June or July 2021.
[6] Some industries are not reportable due to small sample sizes.

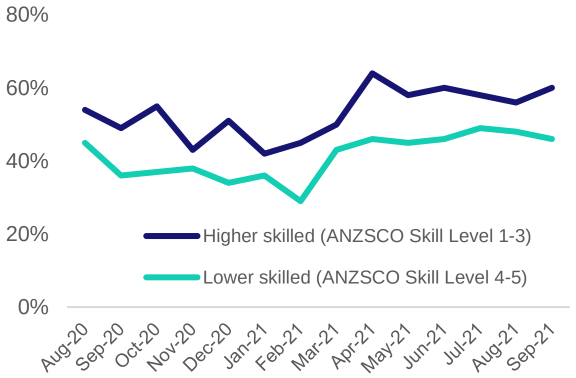
Recruitment difficulty rate

- The proportion of recruiting employers who reported recruitment difficulty remained steady at 52% from August to September 2021.
- The rate of recruitment difficulty decreased notably in Rest of State areas, down from 55% to 50% over the month, while in Capital Cities it increased by 3 percentage points to 54%.
- Over the month the rate of recruitment difficulty remained the same for businesses with 20 or more employees (at 48%), while there was a slight increase for businesses with 5 to 19 employees (up from 54% to 55%).
- Higher skilled occupations remained considerably more difficult to recruit for compared with lower skilled[7] occupations, with a rate of recruitment difficulty of 60% and 46%, respectively.
- The difficulty rate for employers recruiting only for non-casual positions remained at 55% in September 2021, while for employers recruiting only for casual positions it decreased from 48% to 45% over the month.

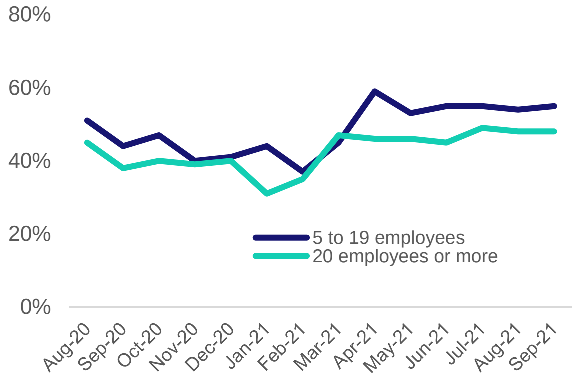
Difficulty by region type
as a proportion of recruiting employers



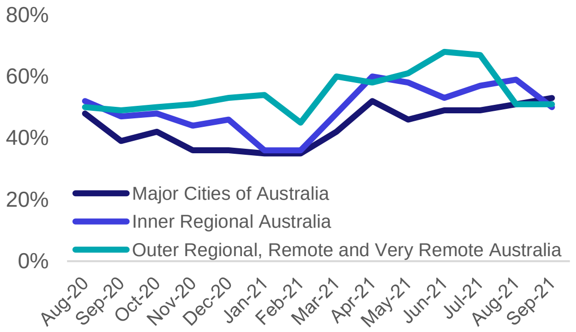
Difficulty by skill level of occupation
as a proportion of recruiting employers



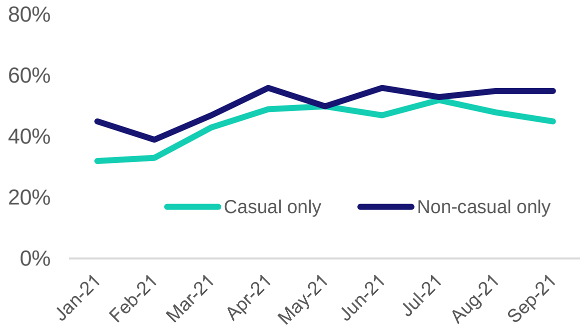
Difficulty by business size
as a proportion of recruiting employers



Difficulty by ARIA region type
as a proportion of recruiting employers



Difficulty by position type
as a proportion of recruiting employers

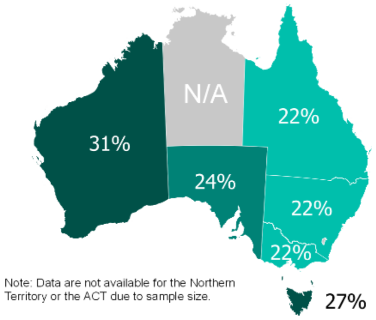


[7] In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, while higher skilled refers to ANZSCO Skill Levels 1, 2 or 3.

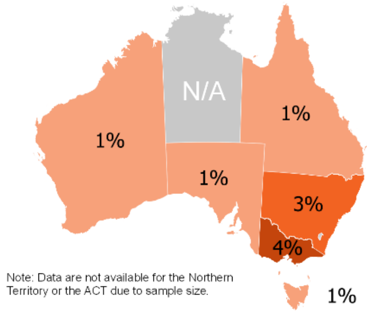
Staffing outlook

- In September 2021, 23% of employers expected to increase their staffing levels over the next 3 months, a 5 percentage point increase on August 2021 and the highest proportion since April 2021.
- Western Australia had the highest proportion of employers expecting to increase staff numbers over the next 3 months (31%). Expectations to increase staff in NSW stood at 22%, a significant increase on August 2021 (13%).
- Over the past month, expectations to increase staffing levels rose in both Capital Cities (from 18% to 24%), and in Rest of State areas (from 19% to 22%).
- Accommodation and Food Services (34%) had the highest proportion of employers that expected to increase staff numbers over the next 3 months. This was an increase on the 25% recorded in August 2021, and the 18% recorded in July 2021.
- Wholesale Trade had the lowest proportion that expected to increased staff numbers (14%).
- The overall proportion of employers expecting to decrease staff numbers (2%) decreased over the month from August 2021 (5%).

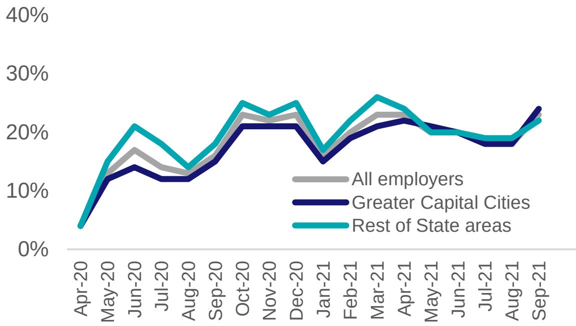
Expectations to increase staff
as a proportion of all employers



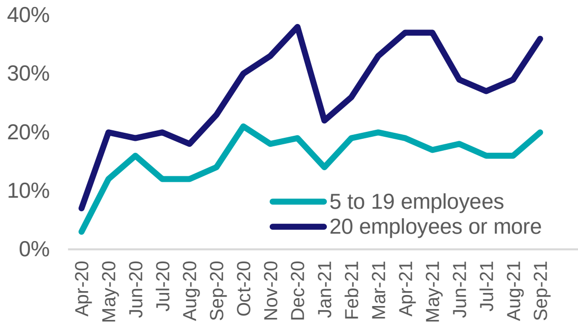
Expectations to decrease staff
as a proportion of all employers



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 selected[8] industries
as a proportion of all employers

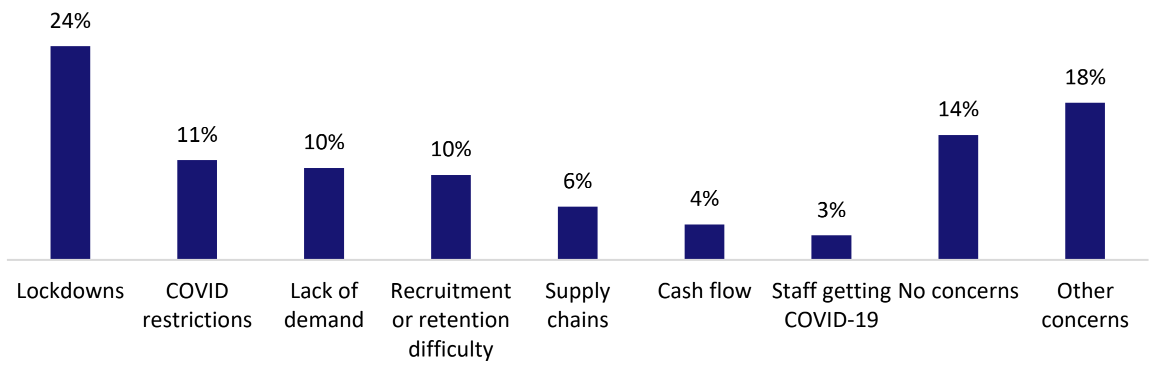
[8] Some industries are not reportable due to small sample sizes.

Spotlight: Employers' Single Greatest Future Concern

This month's Spotlight presents findings on employers' greatest future concerns for their business in the next 3 months, based on REOS data collected between 27 August 2021 to 30 September 2021. Note that employers were only asked to provide their *single greatest* concern for the next 3 months.

Overall, 24% of employers mentioned 'lockdowns' – either current or potential future lockdowns - as their greatest concern for the next 3 months. The second most common response was 'no concerns', mentioned by 14% of employers. COVID-19 restrictions (11%), including border closures, travel restrictions and quarantine requirements, was the third most common response, followed by a lack of demand for products and services (10%), and recruitment or retention difficulty (10%). Less common concerns included supply chain delays and disruptions (6%), problems with cash flow (4%), and the risk of staff contracting COVID-19 (3%).

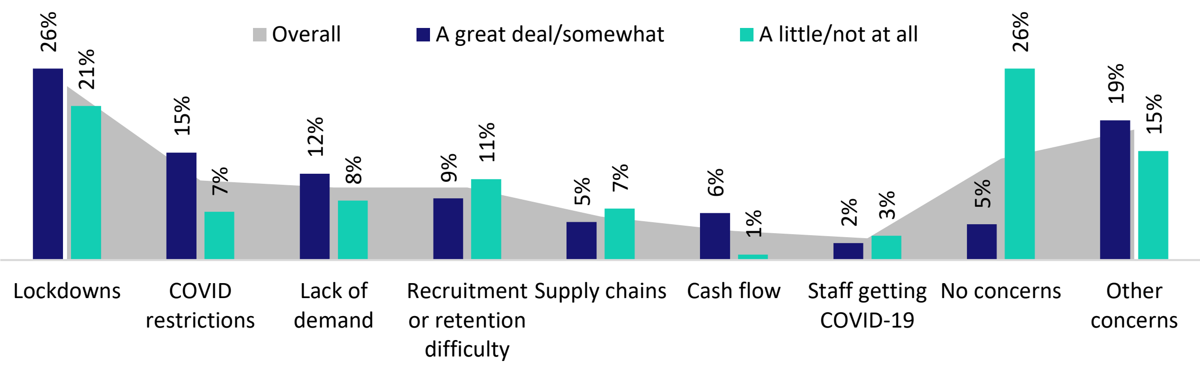
Greatest single concern over the next three months
Proportion of all employers, 27 August to 30 September 2021



Some 18% of employers had 'other concerns,' which included keeping up with demand, general business costs, health-related issues such as mental health and burnout, and concerns around vaccination requirements.

Employers' concerns varied by the extent to which they were impacted by COVID-19.[9] Employers impacted 'a little' or 'not at all' were more likely to have 'no concerns' about the next three months (26%) compared with employers impacted 'a great deal' or 'somewhat' by COVID-19 (5%). By contrast, lockdowns (26%), COVID-19 restrictions (15%), and a lack of demand for products and services (12%), were more commonly mentioned by employers who were impacted 'a great deal' or 'somewhat' compared with those only impacted 'a little' or 'not at all'.

Greatest single concern – by Impact of COVID-19 on business
Proportion of all employers, 27 August to 30 September 2021

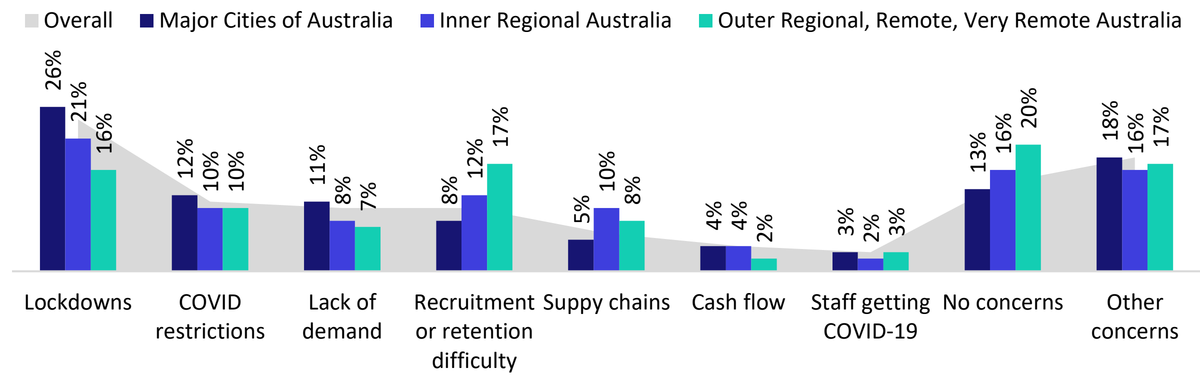


[9] In this period, 57% of employers were 'greatly' or 'somewhat' impacted by COVID-19, while 43% were impacted 'a little' or 'not at all'.

Concerns also varied by the remoteness[10] of an employer's location. The proportion of employers who said that lockdowns were their greatest concern was higher in major cities than in outer regional and remote areas. Conversely, the proportion of employers who had 'no concerns' was highest in outer regional and remote areas. Recruitment and retention difficulty was a markedly more common concern in Outer Regional, Remote and Very Remote areas (17%) compared with Major Cities (8%).

Greatest single concern – by ARIA region type

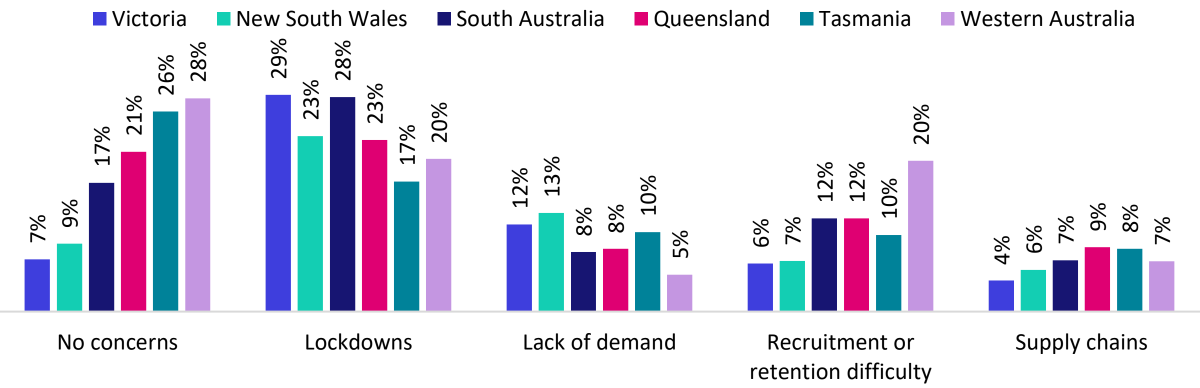
Proportion of all employers, 27 August to 30 September 2021



The proportion of employers citing 'no concerns' varied substantially across states. Unsurprisingly, the states that have been most impacted by lockdowns – New South Wales and Victoria – were least likely to have 'no concerns', while employers in Western Australia (28%) and Tasmania (26%) were most likely to have 'no concerns'. Lockdowns were most commonly the greatest future concern for employers in Victoria (29%) and South Australia (28%), followed by New South Wales and Queensland (both 23%). Notably, employers in Western Australia were much more likely to be concerned about recruitment or retention difficulty (20%) compared with other states.

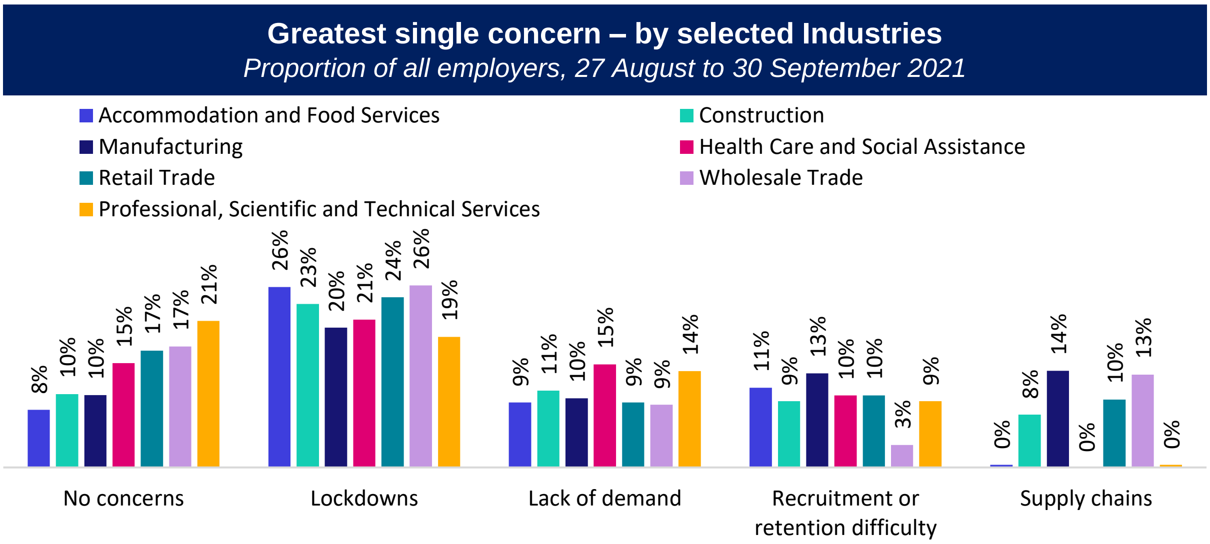
Greatest single concern – by State

Proportion of all employers, 27 August to 30 September 2021



Results by selected industries reveal that employers in Professional, Scientific, and Technical Services (21%) were the most likely to have 'no concerns', while those in Accommodation and Food Services were the least likely to have 'no concerns' (8%). Concerns around current or future lockdowns were common across all industries, although most prevalent in Accommodation and Food Services and Wholesale Trade (both 26%). Supply chains were a common concern for Manufacturing (14%), Wholesale Trade (13%), Retail Trade (13%) and Construction (8%) but were rarely mentioned by employers in other reported industries.

[10] The classification used in this section is based on the Accessibility and Remoteness Index of Australia (ARIA+), which divides Australia into 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.



Background

Information in the monthly 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). 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.

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, September 2021.

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