

March 2022
Recruitment activity¹

56%

Change since February 2022:

▲ 1% pt

March 2022
Recruitment difficulty rate

64%

Change since February 2022:

▶ 0% pts

March 2022
Expect to increase staff

32%

Change since February 2022:

▼ 1% pt

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

Note: Employers in flood affected regions of New South Wales and Queensland were generally not surveyed throughout March 2022. Results for these two States should therefore be used with caution.

- REOS results³ for March 2022 indicate that labour market conditions remain tight, consistent with recent strong growth in online vacancies⁴ and a low unemployment rate of 4.0%⁵. The recruitment rate has edged up to a new peak, while nearly two thirds of recruiting employers reported difficulty filling their vacancies. The proportion of employers who expected to increase staffing numbers over the next 3 months remains high at around a third.
- The recruitment rate reached a new peak of 56% in March 2022, having increased by 1 percentage point since February 2022.
 - The recruitment rate reached a new peak of 61% in Rest of State areas, up from 54% in February 2022. In Capital Cities, the recruitment rate fell by 2 percentage points to 53% but remains very high. This is the the second highest rate for Capital Cities since the beginning of the series in June 2020.
 - Of the States, Victoria and Queensland had the highest recruitment rates (both 60%).
 - Nearly two thirds (65%) of recruiting employers recruited due only to turnover, which is the highest level since the series began in August 2020.
- The proportion of employers who increased their staffing levels in the past month reached a peak of 15% in March 2022.
- Some 64% of recruiting employers experienced recruitment difficulty (representing 36% of all employers). While this is the same as the February 2022 result, it is the equal-second highest monthly result on record.
 - The recruitment difficulty rate was similar in Rest of State areas (63%) compared with Capital Cities (64%).
- Almost one third (32%) of all employers expected to increase staff over the next 3 months. This was 1 percentage point lower than February 2022 (33%), but the second highest level since the beginning of the series in April 2020. Accommodation and Food Services remains the industry with the highest proportion of employers intending to increase staff, at 42%.
- This month's spotlight presents results on the job status of the people who employers recently hired, providing insights into the kinds of positions for which jobless people are most likely to get a job.

¹ 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 Results from February 2022 have been revised and may now differ slightly from what was published in the previous release.

³ Note that REOS results are not seasonally adjusted and are therefore affected by seasonal factors.

⁴ NSC, *Preliminary IVI Factsheet, March 2022* (labourmarketinsights.gov.au/our-research/internet-vacancy-index)

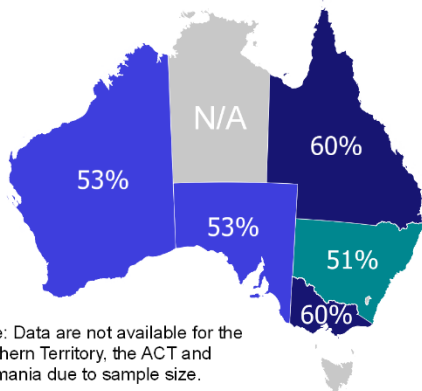
⁵ ABS, *Labour Force, Australia, March 2022*

Recruitment activity

- The recruitment rate reached a new peak of 56% in March 2022, an increase of 1 percentage point from February 2022 (55%).
- Nearly two thirds (65%) of recruiting employers recruited to fill only turnover positions, the highest result since the series began in August 2020. Less than one quarter (24%) of recruiting employers were recruiting for new positions only.
- The recruitment rate reached a new peak of 61% in Rest of State areas, up from 54% in February 2022. In Capital Cities, the recruitment rate fell by 2 percentage points to 53% but remains very high. This is the second highest rate for Capital Cities since the beginning of the series in June 2020.
- The recruitment rate for businesses with 20 employees or more jumped to a record high of 85%, increasing by 13 percentage points since February 2022. For businesses with 5 to 19 employees, the recruitment rate stood at 49%, the second highest rate on record for this group of businesses.
- Accommodation and Food Services had the highest recruitment rate, at 74%, followed by Health Care and Social Assistance (62%). Wholesale Trade had the lowest proportion of employers recruiting, at 43% in March 2022.

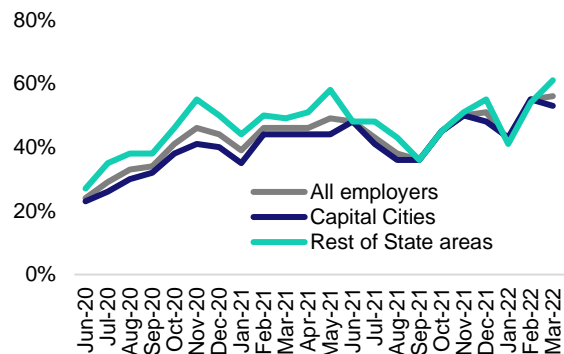
Recruitment by state and territory

Proportion of employers who are recruiting by state



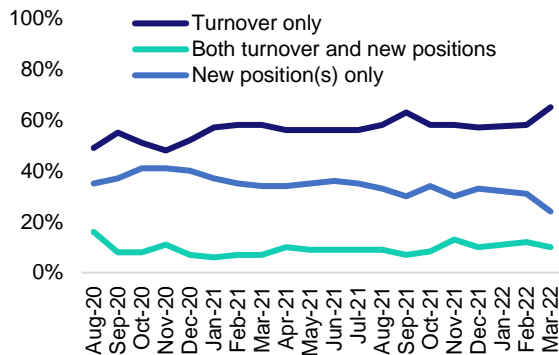
Recruitment by region type

Proportion of employers who are recruiting by region type



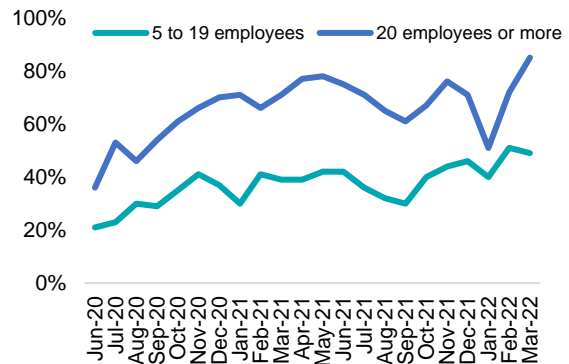
Reason for recruitment

as a proportion of recruiting employers



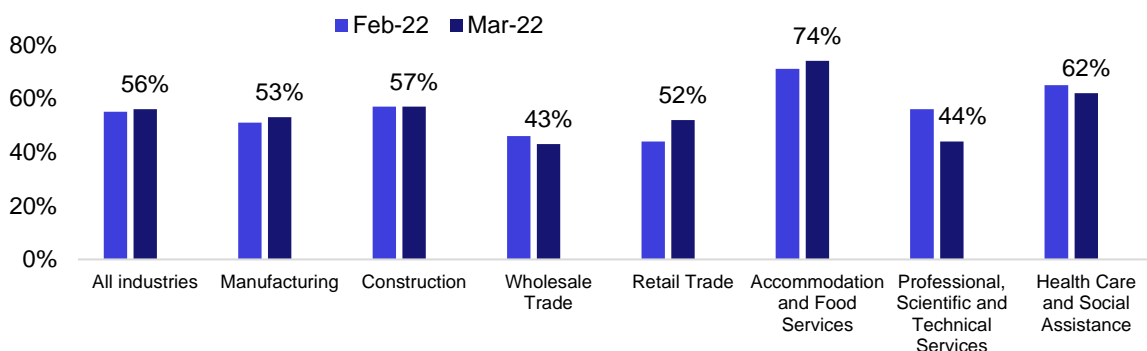
Recruitment by business size

Proportion of employers who are recruiting by business size



Recruitment rate by selected⁶ industries

Proportion of employers who are recruiting by industry

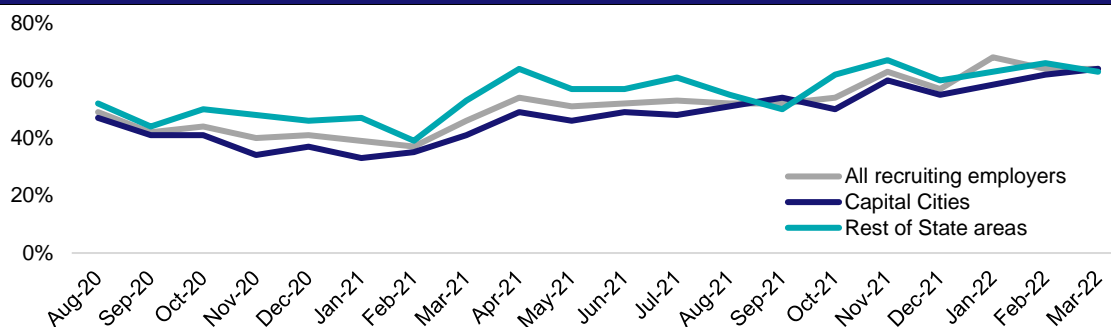


⁶ Some industries are not reportable due to small sample sizes.

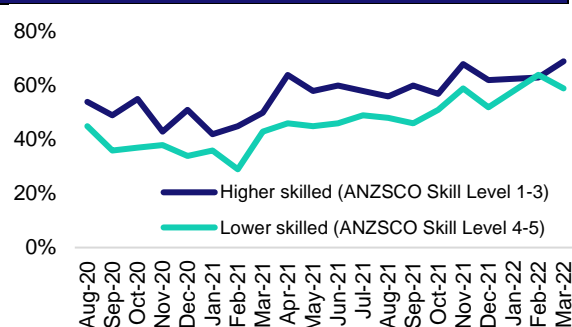
Recruitment difficulty rate (for recruiting employers)

- In March 2022, 64% of recruiting employers reported having recruitment difficulty, unchanged from last month.
- The recruitment difficulty rate in Rest of State areas fell 3 percentage points to 63%, while in Capital Cities it rose 2 percentage points to 64%.
- Recruitment difficulty for Higher Skilled positions rose 6 percentage points to 69% of recruiting employers, but for Lower Skilled positions it eased 5 percentage points down to 59%.
- Some 65% of recruiting businesses with 5 to 19 employees had recruitment difficulty, up 2 percentage points since last month. Meanwhile, 62% of recruiting businesses with 20 or more employees found recruitment difficult, down 1 percentage point over the same period.
- A greater proportion of recruiting employers had difficulty filling non-casual positions only (65% - a record high for this series), compared with employers filling only casual positions (58%).

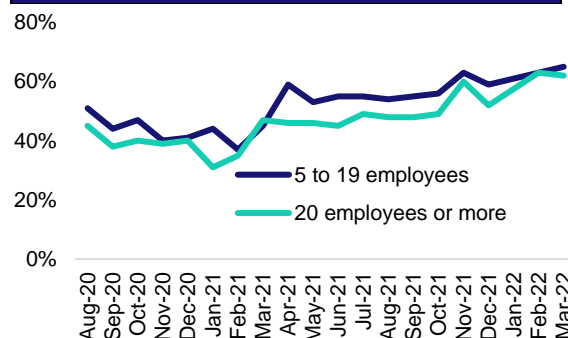
Difficulty by region type
as a proportion of recruiting employers



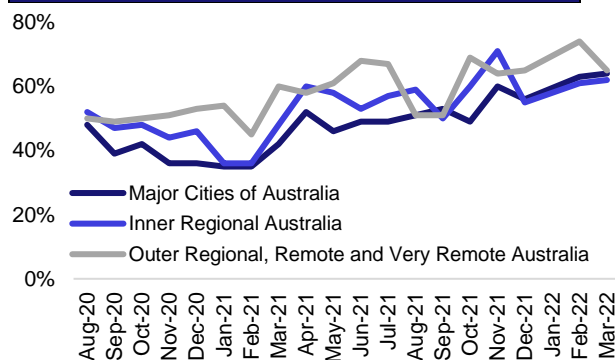
Difficulty by skill level of occupation
as a proportion of recruiting employers



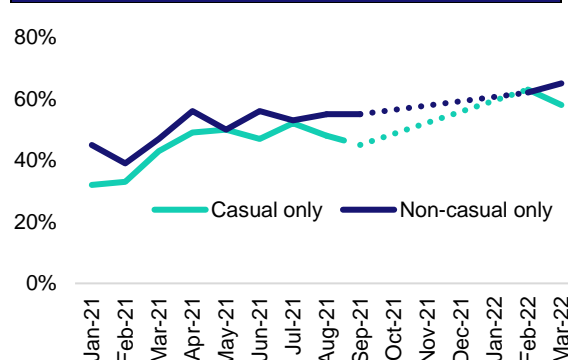
Difficulty by business size
as a proportion of recruiting employers



Difficulty by ARIA region type
as a proportion of recruiting employers



Difficulty by position type
as a proportion of recruiting employers



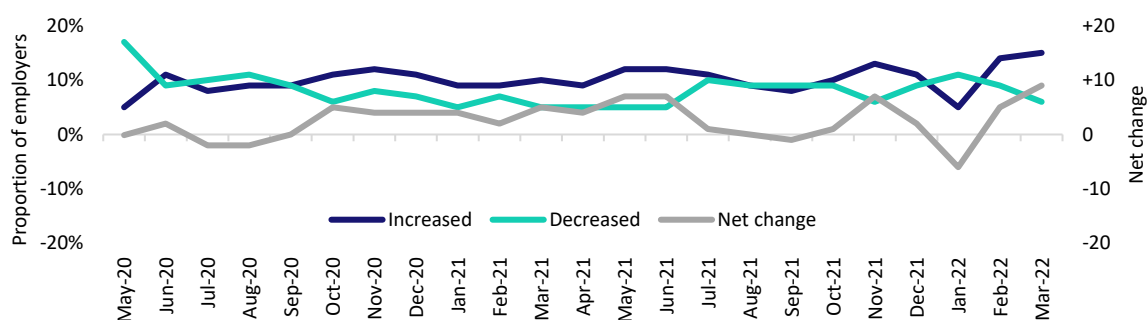
Note: As disaggregated recruitment difficulty data was not publishable in January 2022, data points from December 2021 to January 2022 have been joined by a straight line in the above charts.

Staffing changes over the past month

- A record high 15% of employers increased staff over the past month, while 6% decreased staff. The 'net staffing change' (proportion of employers who increased staff minus the proportion of employers who decreased staff) was +9 percentage points in March 2022, an increase from +5 percentage points in February 2022.
- All reported states recorded positive net staffing changes in March 2022. Victoria had the greatest net staffing change of +14 percentage points, followed by Western Australia (+9 percentage points).
- Accommodation and Food Services recorded a net staffing change of +23 percentage points in March 2022, a substantial increase on the +4 percentage points result in February 2022. The smallest net staffing change was for Retail Trade at +1 percentage point.

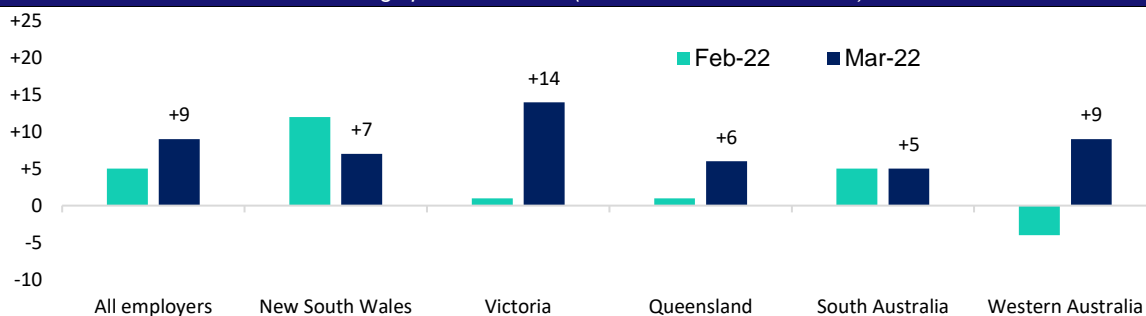
Employers who increased or decreased staff over the past month

Proportion of employers



Net staffing change – by state

Percentage point difference (% increased - % decreased)



Net staffing change – by selected⁷ industries

Percentage point difference (% increased - % decreased)



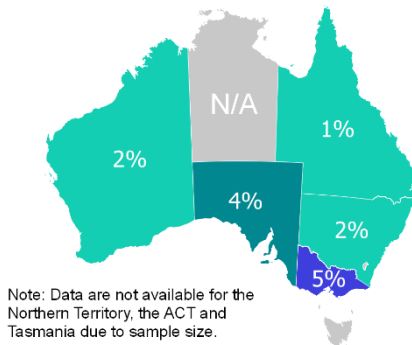
⁷ Some industries are not reportable due to small sample sizes.

Employers with staff stood down or on reduced hours⁸

- In March 2022 the proportion of employers with staff stood down or on reduced hours fell to a record low of 3%, well below the 28% recorded in September 2021, when lockdowns related to the COVID-19 Delta outbreak affected many parts of Australia.
- Some 3% of employers had staff stood down or on reduced hours in Capital Cities, with 2% doing the same in Rest of State areas. Victoria had a slightly higher proportion than other States, at 5%.
- The proportion of employers with staff stood down or on reduced hours fell most notably over the month in the Health Care and Social Assistance, Accommodation and Food Services, and Wholesale Trade industries.

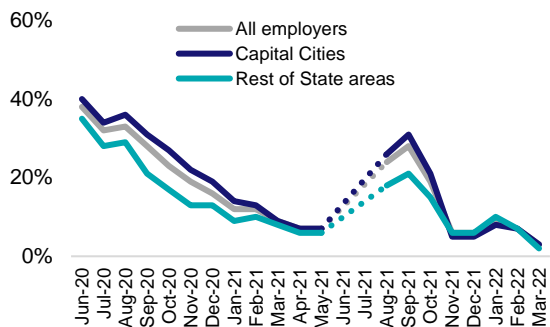
Staffing arrangements by state and territory

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



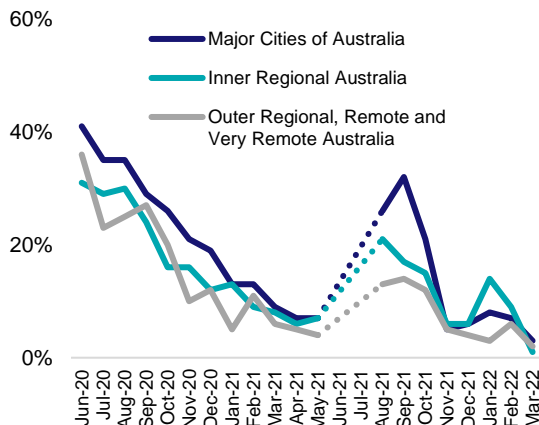
Staffing arrangements by region type

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



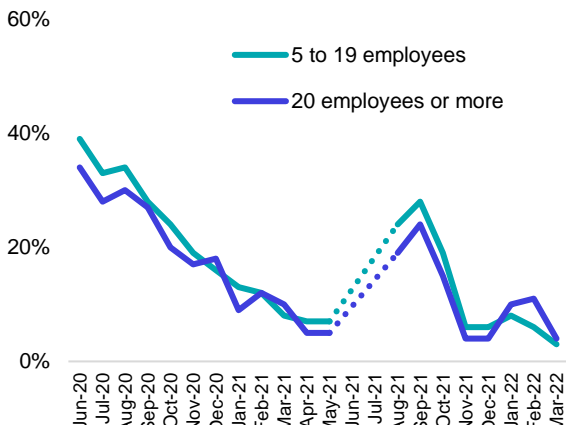
Staffing arrangements by ARIA

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



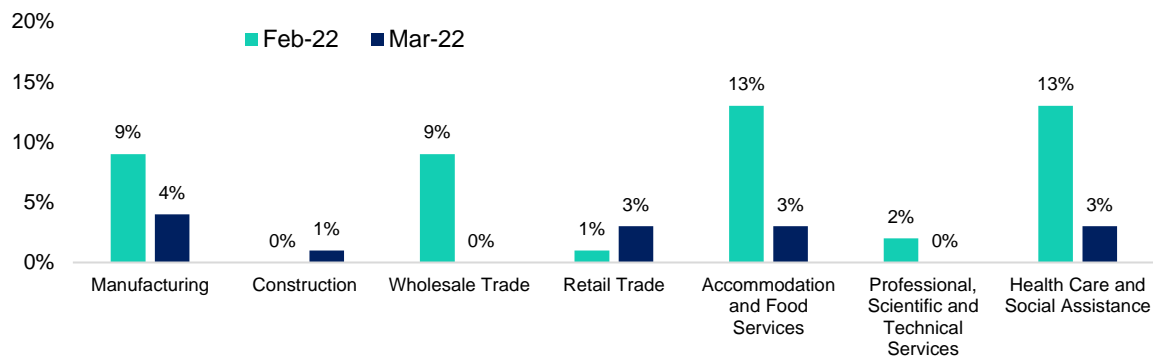
Staffing arrangements by business size

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



Staffing arrangements by selected⁹ industries

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



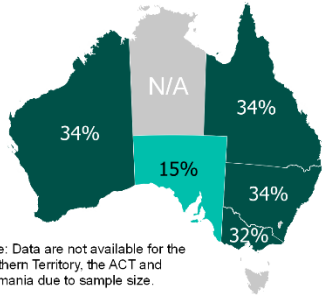
⁸ Note: Collection of REOS data for this section has been discontinued and future reports will not include this information.

⁹ Some industries are not reportable due to small sample sizes.

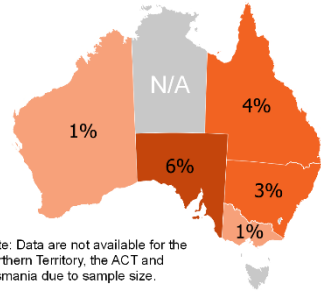
Staffing outlook

- Expectations to increase staffing levels stood at 32% this month, 1 percentage point down from 33% in February 2022. Some 3% of employers expected to decrease staffing levels over the next 3 months.
- Expectations to increase staffing levels were slightly higher in Capital Cities (33%) than in Rest of State areas (30%). New South Wales, Queensland and Western Australia all had the highest proportion of employers expecting to increase staff in the next three months (all 34%), compared with only 15% of employers in South Australia. Some 6% of employers in South Australia expected to decrease staff, which was slightly higher compared with other states.
- Some 30% of businesses with 5 to 19 employees expected to increase staff over the next 3 months, while 41% of businesses with 20 or more employees expected to do the same.
- In March 2022, Accommodation and Food Services (42%), Professional, Scientific and Technical Services (39%) and Wholesale Trade (34%) were the industries (of those reported) with the highest proportions of employers expecting to increase staff over the next 3 months.

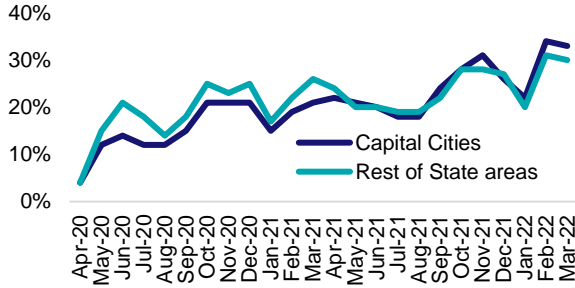
Expectations to increase staff as a proportion of all employers



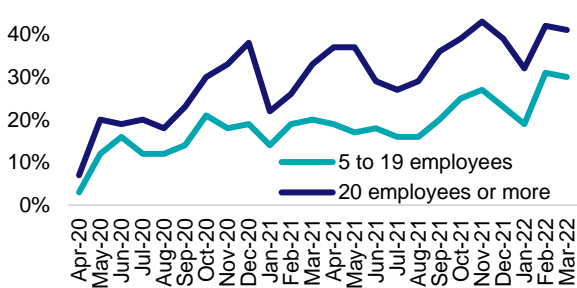
Expectations to decrease staff as a proportion of all employers



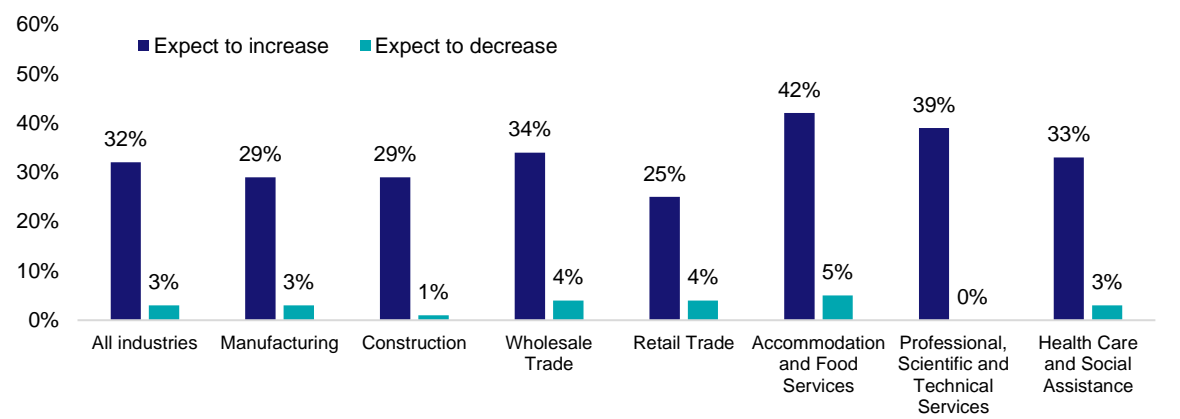
Expectations to increase staff by region type as a proportion of all employers



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



Staffing expectations over the next 3 months by selected¹⁰ industries as a proportion of all employers



¹⁰ Some industries are not reportable due to small sample sizes.

Spotlight: Job status of employers' recent hires

Do people who get a job already have a job? What does this tell us about the competition unemployed job seekers face when applying for jobs? What kind of jobs do jobless people get? To gain some insight into these questions, the National Skills Commission has been asking successfully recruiting employers¹¹ whether the people they recently hired already had a job. This Spotlight presents the initial findings from this question.

Key findings:

- Of the employers who recently filled vacancies:
 - 47% hired people who were jobless (all new hires were jobless for 29% of employers, and 17% hired a combination of people with a job and people without).
 - 53% hired only people who already had a job
- People who are jobless are more likely to be hired for:
 - positions that don't require experience;
 - casual positions;
 - part time positions; and
 - positions that don't require post-school education (Skill Level 5 positions)
 - ABS *Participation, Job Search and Mobility* data suggests jobless people who attain Skill Level 5 positions are often teenagers aged 15 to 19 years.

As with most other REOS indicators, the proportions presented in this Spotlight exclude 'unsure' responses. However, this question received a notably high proportion of 'unsure' responses (21% of employers who were asked the question were 'unsure'). These results should therefore be treated with a degree of caution.

Overall results

All the recent hires were jobless for over a quarter (29%) of successfully recruiting employers, while 16% hired both jobless people and people who had a job. The remaining 55% of employers hired only people who already had a job.



¹¹ 'Successfully recruiting employers' are those who filled at least 1 vacancy in their most recent recruitment round from the last month. From 23 November 2021 to 1 April 2022, 53% of employers were currently recruiting or had recruited in the past month. Of these, 60% had filled at least one vacancy and were therefore asked about the job status of their recent hires.

Results by vacancy characteristics

The prior job status of recent hires varied according to the experience requirements of the position they were hired for.

Employers requiring relevant experience were more likely to hire applicants who were employed at the time of recruitment (all had jobs for 66% of employers) compared with those who didn't require relevant experience (36%). In contrast, employers who didn't require relevant experience were more likely to hire people without a job (43%) compared with those employers who required experience (20%).

Relevant experience is a common requirement in the labour market - nearly two thirds of recruiting employers say they require relevant experience.¹² The data below shows that even when relevant experience is *not* required, employers often end up hiring someone who already has a job (and therefore has some recent work experience).¹³

This finding emphasises the importance of work experience in giving unemployed job seekers the best chance of finding a job.



Jobless applicants are more likely to be hired for casual positions (as opposed to non-casual positions) and part-time positions (as opposed to full-time positions). Nearly half (45%) of employers who filled casual positions hired only jobless applicants, compared with 20% of employers who filled non-casual positions. Likewise, 42% of employers who filled part-time positions hired only jobless applicants, compared with 22% of employers who filled full-time positions.

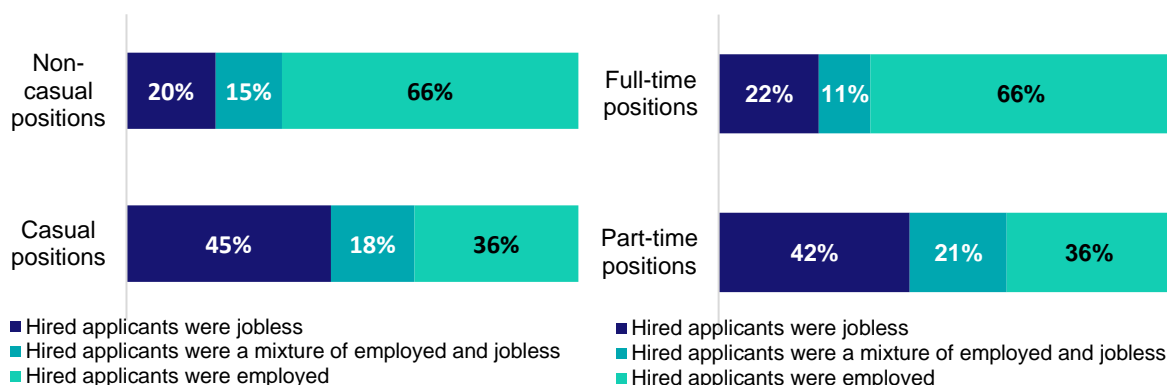
The data suggests that casual and part-time positions provide the best opportunities for jobless applicants to get a foothold in the labour market.

¹² Based on REOS data collected from May 2021 to March 2022.

¹³ Note that 'jobless' hired applicants were jobless at the time of being hired but may have recently had a job and therefore may have had recent work experience.

Prior job status of employers' recent hires – by type of vacancy

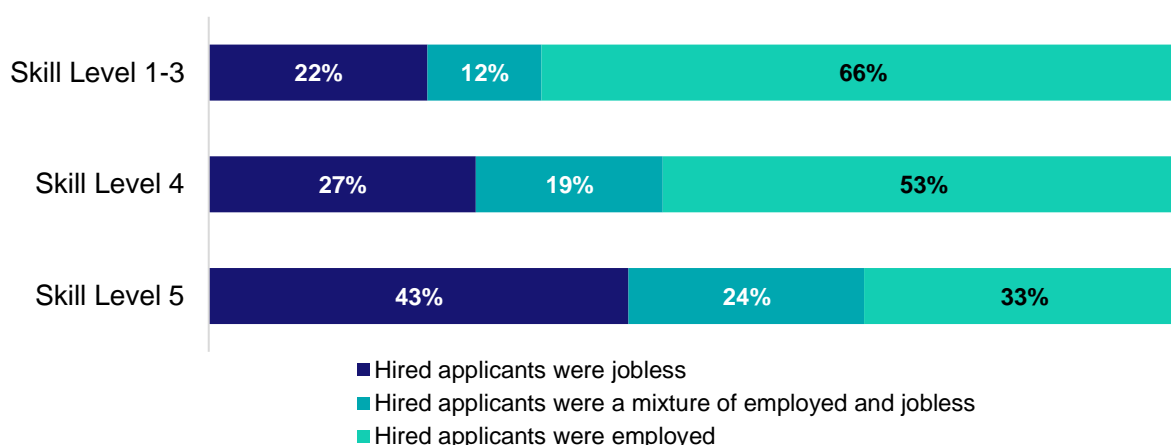
(% of successfully recruiting employers, 23 November 2021 – 1 April 2022)



Employers who filled vacancies for Skill Levels 1, 2 or 3 (jobs requiring a Certificate III or higher) were more likely to recruit employed applicants (66%) compared with employers filling lower Skill Level positions. Some 43% of the employers who filled Skill Level 5 vacancies (which don't require post-school education) filled all their vacancies with jobless people.

Prior job status of employers' recent hires – by skill level of the vacancy

(% of successfully recruiting employers, 23 November 2021 – 1 April 2022)



ABS data shows a similar trend

ABS *Participation, Job Search and Mobility* data shows a similar trend, but from the perspective of recently hired people. It can tell us what proportion of recently hired people¹⁴ were not working a year ago, which can be used as an approximation of the proportion of recently hired people who didn't have a job at the time when they were hired.¹⁵

The proportion of recently hired people who were not working a year ago shows a similar trend to REOS data when disaggregated by Skill Level of the vacancy recently filled. The chart below shows that 69%¹⁶ of recently hired persons in Skill Level 5 jobs were not working a year ago. This is significantly higher than the proportions of newly employed people in Skill Level 1 (49%), Skill Level 2 (47%), Skill Level 3 (54%) and Skill Level 4 (57%) jobs who were not working a year ago.

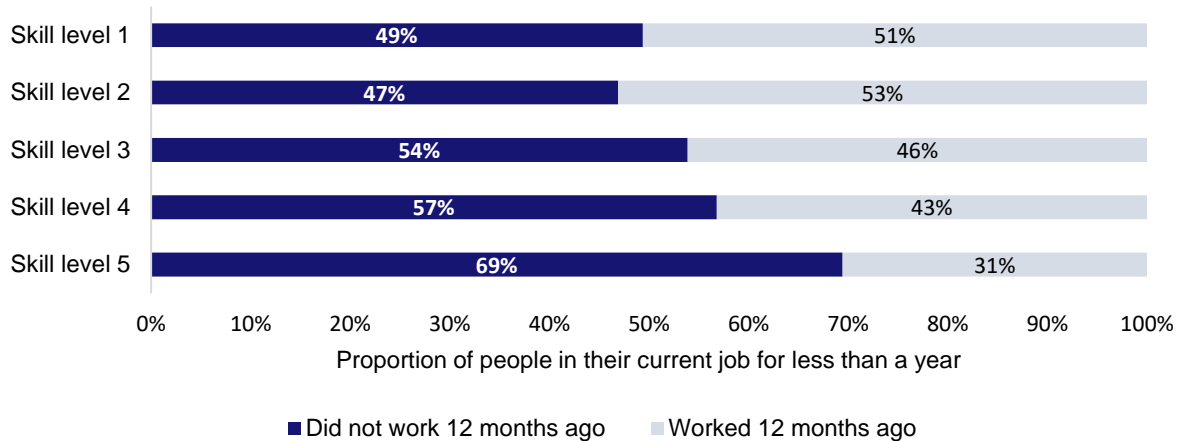
¹⁴ 'Recently hired people' are defined as people working in their current job for less than a year.

¹⁵ Note that this is an approximation; it is possible for some of these people to have been employed in another job when they were hired for their current job, and still not have been working a year ago.

¹⁶ ABS *Participation, Job Search and Mobility*, February 2021

People in their current job for less than a year – whether worked 12 months ago

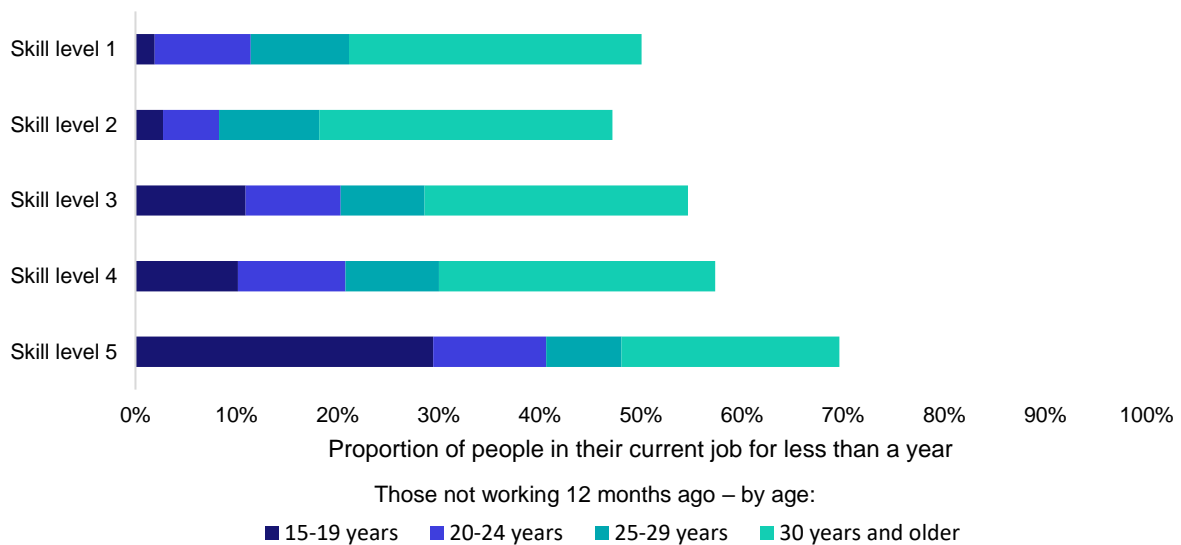
February 2021



The high proportion of jobless people moving into Skill Level 5 jobs is driven in part by teenagers. As shown in the chart below, people aged 15 to 19 years make up a significant share of the recently hired people in Skill Level 5 jobs who were not working a year ago – far more so than for other Skill Levels. Many of these young people are likely to be entering the jobs market for the first time.

People in their current job for less than a year who weren't working 12 months ago – age breakdown

February 2021



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 Insights website (labourmarketinsights.gov.au). 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.

REOS results may not reflect the full impact that 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 who have closed down (even temporarily) and response rates can vary significantly by industry in areas under lockdown restrictions.

Please note that data collection paused over the Christmas and New Year period from 21 December 2020 until 8 January 2021, and 18 December 2021 to 7 January 2022.

Data in this release should be referenced as – National Skills Commission, Recruitment Insights Report, March 2022.

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