

Recruitment activity<sup>1</sup>

**46%**

Change since December 2020<sup>2</sup>:

▲ 1%

Recruitment difficulty rate

**38%**

Change since December 2020:

▼ 1%

Expect to increase staff

**20%**

Change since December 2020:

▼ 2%

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

- In February 2021, 46 per cent of surveyed employers reported that they were recruiting or had recruited in the past month, a slight increase from the 45 per cent recorded in December.
- Employers in New South Wales (50 per cent) were most likely to report that they were recruiting, while only 42 per cent of employers in Victoria reported that they were recruiting.
- The recruitment rate continues to be greater in Rest of State areas (49 per cent) compared with Capital Cities (44 per cent).
- Recruitment difficulty decreased slightly from 39 per cent in December 2020 to 38 per cent in February 2021.
  - The rate of difficulty in Rest of State areas remains higher (41 per cent) than in Capital Cities (36 per cent).
- In February, 20 per cent of employers expected to increase their staffing levels over the next 3 months, compared with 22 per cent in December 2020 and 16 per cent in June 2020.
- Employers in the Construction industry were the most likely to expect to increase their staffing levels over the next three months (26 per cent).

<sup>1</sup> Recruitment activity is defined as the proportion of employers who were recruiting at the time of the survey or who had recruited in the previous month.

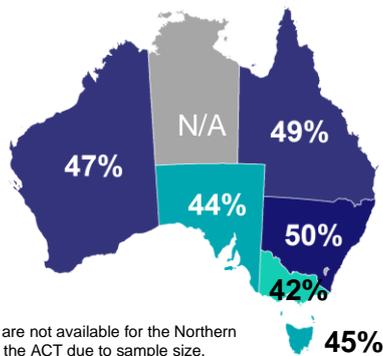
<sup>2</sup> In this release, 'February' refers to the four weeks to 26 February 2021, while 'December' refers to the four weeks to 18 December 2020. See the 'Background' for more information on time periods used in this report.

# Recruitment activity

- In February, almost half (46 per cent) of employers surveyed reported that they were recruiting or had recruited in the past month, similar to the proportion in December (45 per cent).
- Employers in New South Wales were most likely to report that they were recruiting or had recruited in the past month (50 per cent), followed by Queensland (49 per cent) and Western Australia (47 per cent). Employers in Victoria (42 per cent), South Australia (44 per cent) and Tasmania (45 per cent) were the least likely to have recruited.
- While the recruitment rate continues to be higher in Rest of State areas (49 per cent) compared with Capital Cities (44 per cent), employers in Rest of State areas were less likely to have recruited in February 2021 compared with December 2020. Over the same period, employers in Capital Cities were more likely to have recruited.
- A smaller proportion of employers were recruiting for newly created positions only (16 per cent) compared with the peak in early December (21 per cent).
- Employers in the Accommodation and Food Services were the most likely to recruit (60 per cent) out of the selected industries.

## Recruitment by state and territory

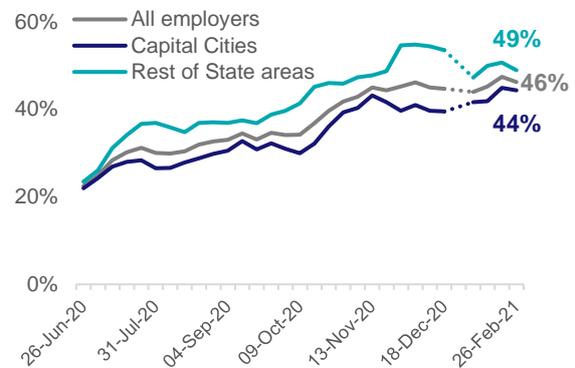
proportion of employers who are recruiting by state



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

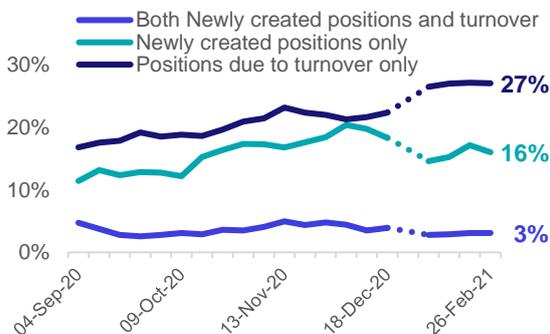
## Recruitment by region type

proportion of employers who are recruiting by region



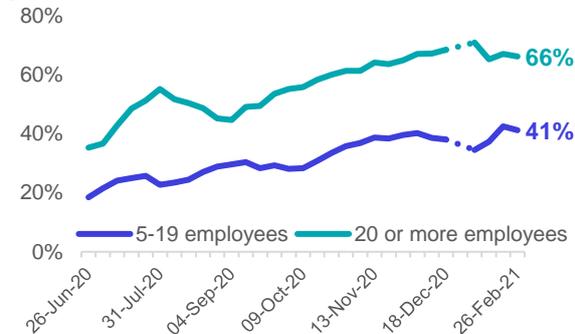
## Reason for recruitment

as a proportion of all employers



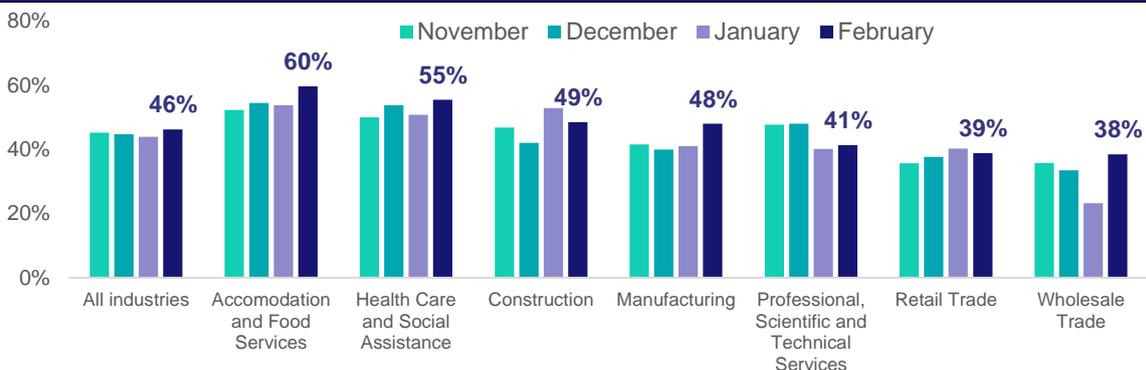
## Recruitment by business size

Proportion of employers who are recruiting by business size



## Recruitment rate by selected<sup>3</sup> industry

Proportion of employers who are recruiting by industry

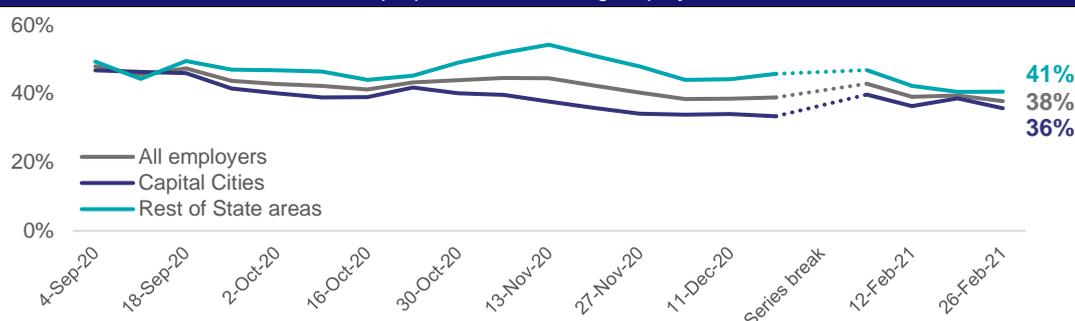


<sup>3</sup> Due to small sample sizes some industries are not reportable and are therefore excluded from analyses.

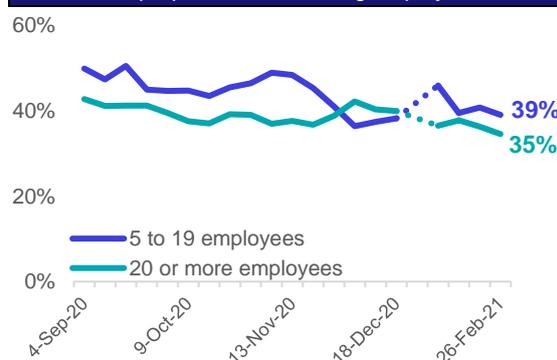
## Recruitment difficulty rate

- The proportion of *recruiting* employers experiencing recruitment difficulty (38 per cent) fell slightly compared with December (39 per cent).
- The proportion of employers experiencing recruitment difficulty has fallen since December in Rest of State areas but has increased in Capital Cities. The rate of difficulty in Rest of State areas (41 per cent) remains higher than in Capital Cities (36 per cent).
- The rate of recruitment difficulty for medium to large businesses (20 employees or more) fell from 40 per cent in December to 35 per cent in February. It remains lower than the share of small businesses (5 to 19 employees) that reported recruitment difficulty in February (39 per cent).
- The rate of recruitment difficulty fell for lower skilled<sup>4</sup> occupations since December. Higher skilled occupations remain significantly more difficult to recruit for compared with lower skilled (49 per cent and 29 per cent, respectively).
- A lack of suitable applicants is the most common reason for recruitment difficulty.

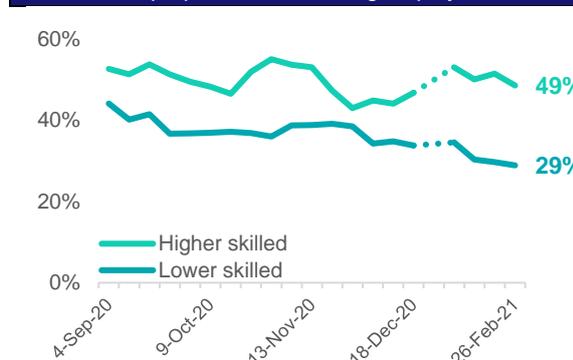
### Difficulty by region type as a proportion of recruiting employers



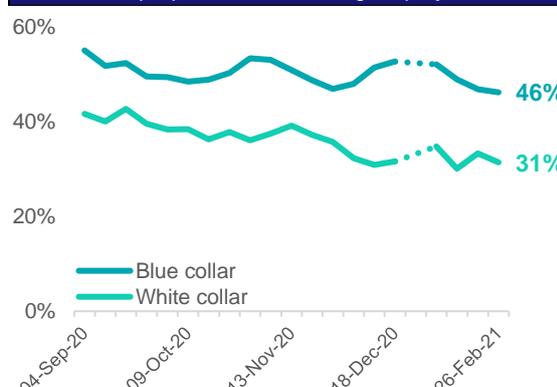
### Difficulty by business size as a proportion of recruiting employers



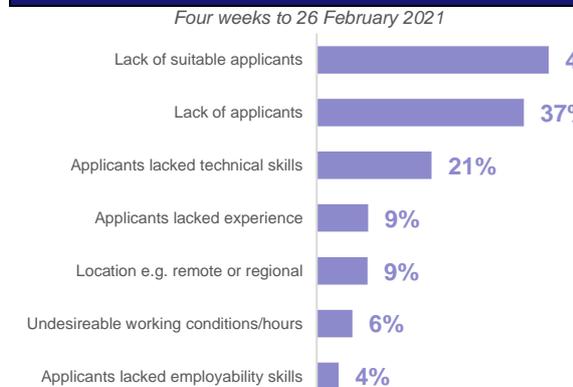
### Difficulty by skill level of occupation as a proportion of recruiting employers



### Difficulty by 'collared'<sup>5</sup> occupation as a proportion of recruiting employers



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



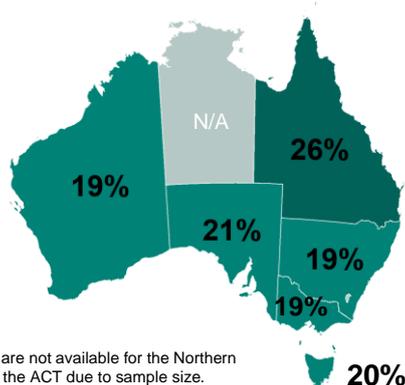
<sup>4</sup> In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, while higher skilled refers to ANZSCO Skill Levels 1, 2 or 3.

<sup>5</sup> 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

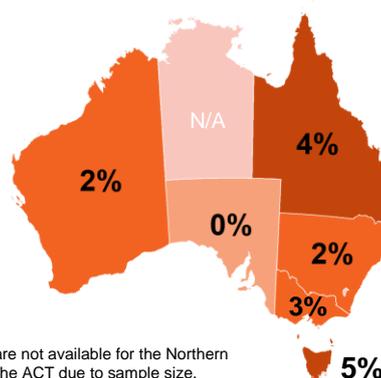
- In February, 20 per cent of employers expected to increase their staffing levels over the next 3 months, compared with 22 per cent in December 2020 and 16 per cent in June 2020.
- Employers in Queensland were the most likely to expect to increase their staffing levels over the next 3 months (26 per cent), followed by South Australia (21 per cent) and Tasmania (20 per cent).
- The gap between the proportion of employers who expected to increase their staffing numbers in Rest of State areas compared with Capital Cities has narrowed since December. Some 22 per cent of employers in Rest of State areas expected to increase their staffing levels compared with 20 per cent of employers in Capital Cities.
- Employers in the Construction (26 per cent) and Manufacturing (24 per cent) industries were the most likely to expect to increase their staffing levels over the next 3 months.

### Expectations to increase staff as a proportion of all employers



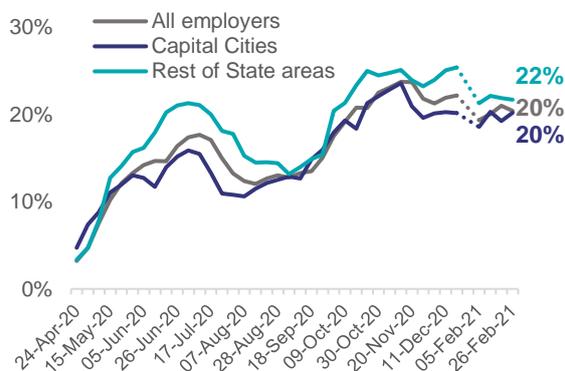
Note: Data are not available for the Northern Territory or the ACT due to sample size.

### Expectations to decrease staff as a proportion of all employers

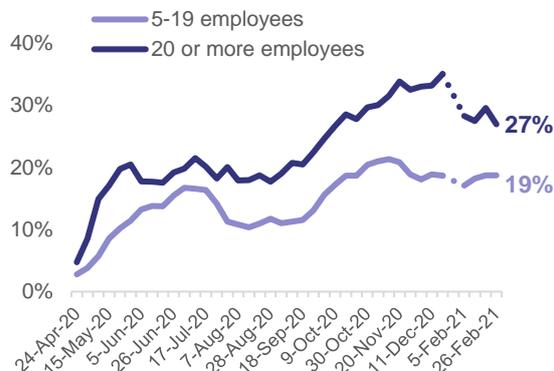


Note: Data are not available for the Northern Territory or the ACT due to sample size.

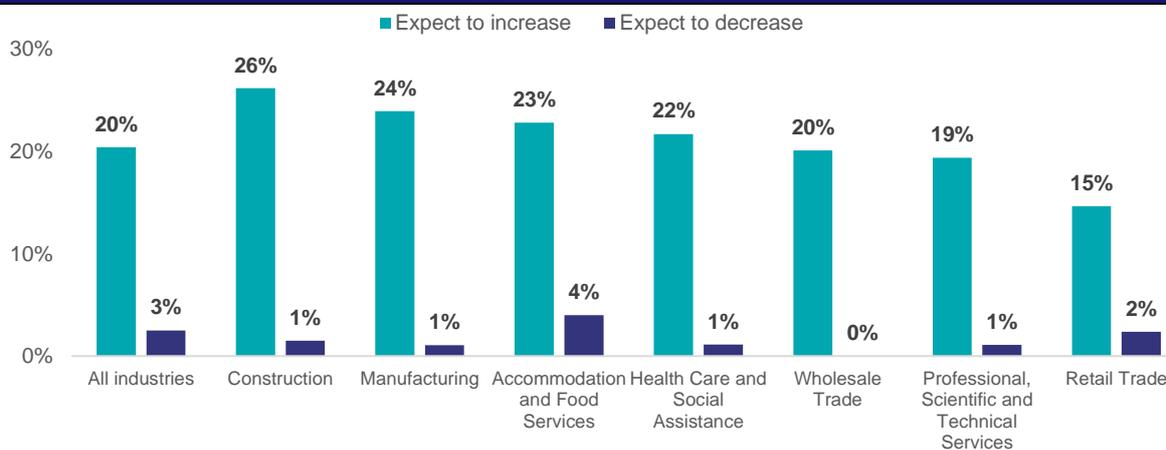
### Expectations to increase staff by region type as a proportion of all employers



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



### Staffing expectations over the next 3 months by selected<sup>6</sup> industry as a proportion of all employers



<sup>6</sup> Due to small sample sizes some industries are not reportable and are therefore excluded from analyses.

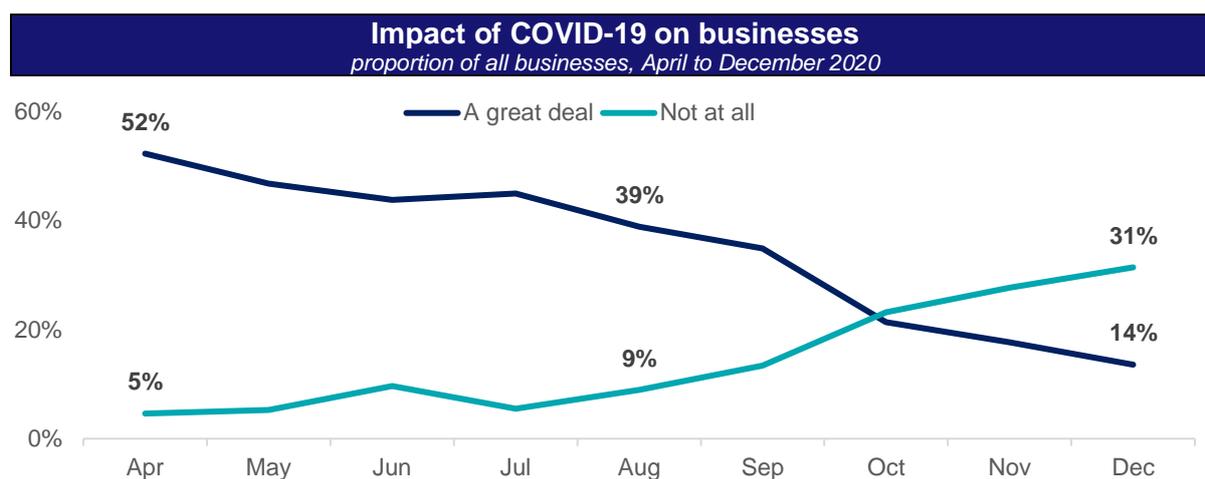
## Spotlight – A Year in Review: 2020

This month's Spotlight features data collected as part of the REOS which demonstrates the impact COVID-19 had on businesses throughout 2020. Further analysis will be made available in the NSC's *Recruitment Experiences and Outlook Survey 2020 Data Report* which is scheduled to be released in the coming months.

### Impact of COVID-19 on businesses

In response to the COVID-19 pandemic, the forerunner to the Recruitment Experiences and Outlook Survey was amended in March 2020 to begin measuring the impact of the COVID-19 pandemic on businesses.

In April 2020, more than half (52 per cent) of employers said that they were impacted “a great deal” by the COVID-19 pandemic.<sup>7</sup> While restrictions were eased for much of the country by mid-June 2020, businesses in areas such as hospitality and the arts continued to face tight restrictions that limited their operating capacity. The proportion of employers impacted “a great deal” fell gradually to August 2020, when it stood at 39 per cent, then fell more rapidly to 14 per cent by December 2020.



In April 2020, just one in twenty employers (5 per cent) reported not being impacted at all by COVID-19. By December 2020, nearly one in three employers (31 per cent) reported that they were not impacted at all by COVID-19. August appears to have been a turning point for many businesses in a recovery to pre-pandemic trading conditions.

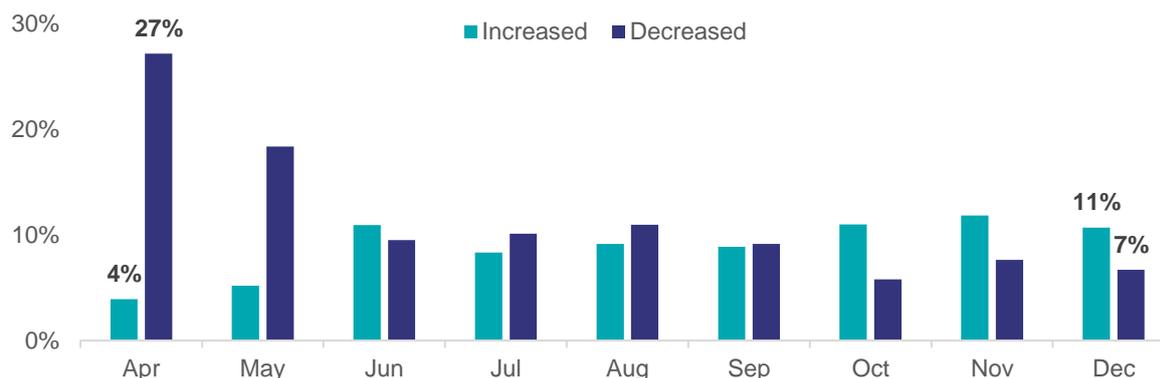
### Impact of COVID-19 on staffing levels

From March 2020 the REOS captured data on staffing level movements, i.e. whether an employer had increased or decreased staff over the previous month. One in five (27 per cent) employers in April 2020 reported that they had decreased staff, most likely due to the flow on effects that trading restrictions, border closures and social distancing measures had on economic activity and hence, the need for staff. While this proportion significantly decreased by June 2020 to 9 per cent, it was still sitting at 7 per cent in December 2020.

<sup>7</sup> Prior to 10 August 2020, employers were asked about the impact of COVID-19 since March 2020; from 10 August 2020, employers were asked about the *current* impact of COVID-19.

## Whether employer had decreased or increased staff over the previous month

proportion of all businesses, April to December 2020



Only 4 per cent of employers reported that they had increased staff over the previous month in April 2020. While this proportion increased in June 2020 to 11 per cent, it had also remained at about this level throughout 2020, increasing only slightly to 12 per cent in November. A longer time series may be needed to establish a baseline level of monthly staffing change.

## Background

Information in the Recruitment Insight Reports are based on the *Recruitment Experiences and Outlook Survey*, 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 treated with caution. In addition, the survey is targeted towards employers with five or more employees, and excludes many government organisations.

Note that the month time periods referenced in this report (excluding the *Spotlight* section) are based on the closest four-week period of data. The table below shows the month and corresponding four-week period used:

Month reference period	Four week period of data collection
June 2020	Four weeks to 26 June 2020
November 2020	Four weeks to 27 November 2020
December 2020	Four weeks to 18 December 2020
January 2021	Four weeks to 5 February 2021
February 2021	Four weeks to 26 February 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, February 2021.

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