

May 2022  
Recruitment activity<sup>1</sup>

**59%**

Monthly change: ▲3% pts  
Yearly change: ▲10% pts

May 2022  
Recruitment difficulty rate

**68%**

Monthly change: ▲4% pts  
Yearly change: ▲17% pts

May 2022  
Expect to increase staff

**32%**

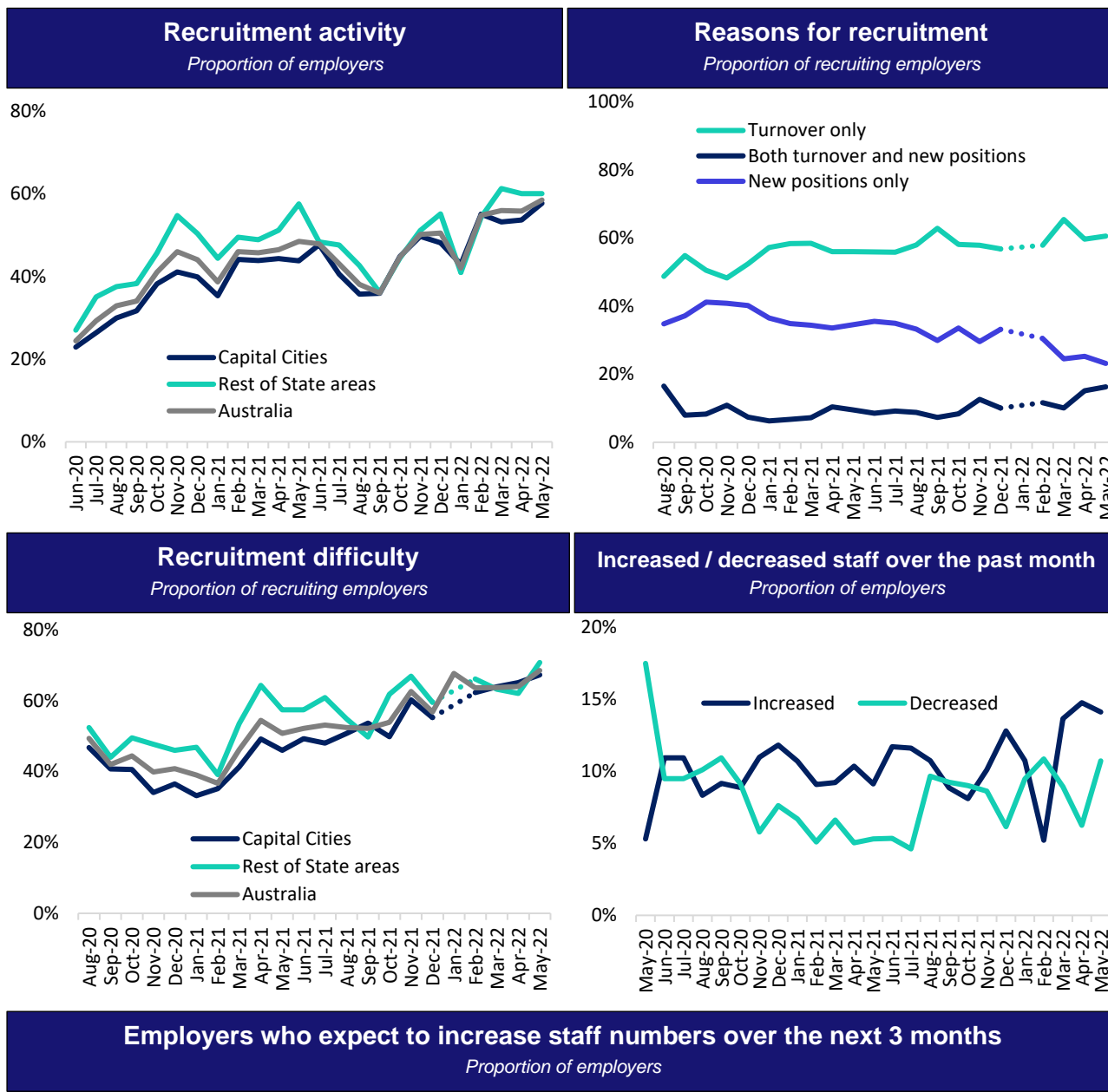
Monthly change: ▼4% pts  
Yearly change: ▲12% pts

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

- REOS results for May 2022 point to a still tight labour market. Recruitment activity in the survey climbed to a new peak in May 2022, while recruitment difficulty also increased to an equal-record high. Expectations to increase staff eased from last month's peak but remain significantly higher than a year ago.
- Some 59% of employers reported recruitment activity, which is 3 percentage points higher than last month and the highest level since the series began in June 2020.
  - In Capital Cities, the recruitment rate increased by 4 percentage points over the month, reaching a new peak of 58%. Meanwhile, the recruitment rate in Rest of State areas remained steady at 60%.
  - Some 61% of recruiting employers recruited due to turnover only, and a further 16% recruited due to both turnover and new positions. Meanwhile, some 23% of recruiting employers recruited to fill new positions only.
- The recruitment difficulty rate increased to 68% of recruiting employers (representing 40% of all employers), an equal-record high with January 2022.
  - In Rest of State areas, the recruitment difficulty rate increased by 9 percentage points to 71%, while in Capital Cities it rose by 2 percentage points to 67%.
  - Recruitment difficulty for Higher Skilled vacancies (ANZSCO Skill Levels 1-3) jumped 7 percentage points to a peak of 74% while for Lower Skilled vacancies (ANZSCO Skill Levels 4-5) the recruitment difficulty rate increased slightly to 63%.
  - Recruitment difficulty for non-casual positions reached a peak of 74%, while for casual positions the rate of difficulty eased to 55%.
- In May 2022, 15% of employers increased staffing levels over the past month, while 9% decreased staffing levels.
- The proportion of employers expecting to increase staffing levels over the next 3 months was 32% in May 2022. While this is a decline on April 2022 (36%), it is 12 percentage points higher compared with a year ago.
- This month's Spotlight explores how the time taken to fill vacancies has changed since before the onset of COVID-19.

<sup>1</sup> Note: Recruitment activity (also referred to as the 'recruitment rate') 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.

# Recruitment indicators – key charts



Note: Some disaggregated data was not publishable in January 2022; hence in some of the above charts data points from December 2021 to February 2022 have been joined by a dotted line.

## Spotlight: Time taken to fill (or try to fill) vacancies

As part of the National Skills Commission's *Recruitment Experiences and Outlook Survey (REOS)*, recruiting employers<sup>2</sup> have been asked about the time it has taken them to fill their vacancies (if they filled all their vacancies), or how long they have had vacancies go unfilled (if they had at least one unfilled vacancy). This Spotlight shows the findings looking at the length of time filling – or trying to fill – vacancies.

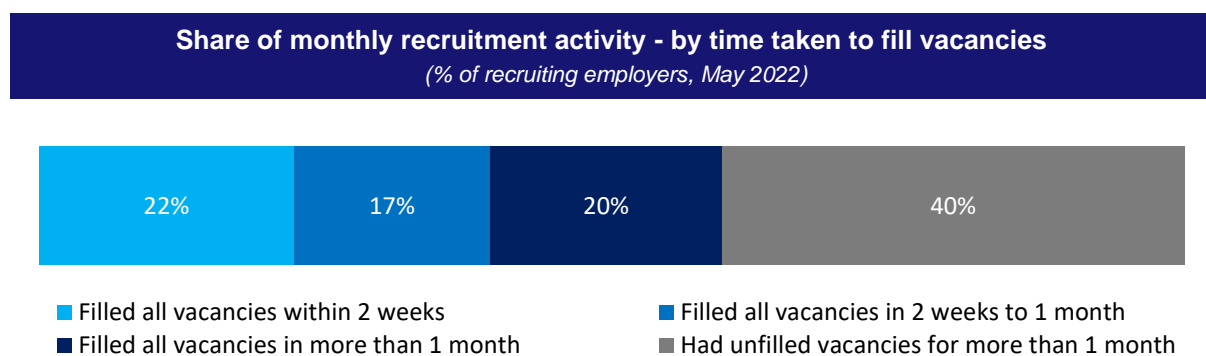
### Key findings:

- Since 2019, and over 2021-22 to date<sup>3</sup> an ever-increasing proportion of recruiting employers had at least one of their vacancies go unfilled for more than one month.
  - Conversely, there are fewer employers filling all their vacancies within 2 weeks.
  - This shift is more commonly seen in Rest of State areas.
- Employers recruiting for Community and Personal Service Workers and Labourers have seen the largest shifts in the time it takes to fill vacancies.
- Recruitment difficulty has increased in parallel with the length and success of recruitment, with those on the extreme end who had vacancies go unfilled for longer than one month experiencing the highest level of difficulty.
  - It means that the increased recruitment difficulty seen in the REOS in recent times is strongly matched with recruitment taking longer on average, and more employers having their vacancies go unfilled for long periods of time

For this analysis, results have been collated for employers' previous three months (rather than the one month as usually shown in REOS) and excludes employers who had unfilled vacancies for up to a month (due to not having enough time to categorise their recruitment). It should be noted that key results in this spotlight (such as difficulty rate) will therefore not match other results in this Recruitment Insights Report.

### The majority of vacancies are not filled within a month

In May 2022, about two in five employers were able to fill their vacancies within a month.



Despite a tight labour market, 22% of employers were able to fill all their vacancies quickly (within two weeks), most often when recruiting for lower skill levels, part-time and/or casual positions. Employers who take longer to fill their vacancies are more often recruiting for higher skilled full-time, non-casual positions and have greater experience requirements.

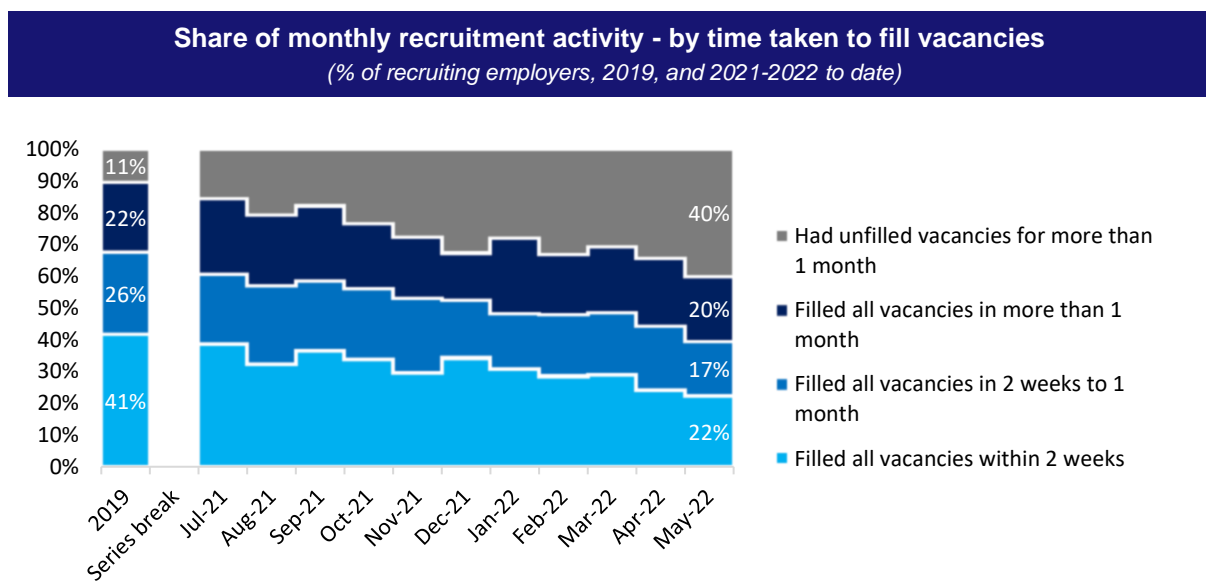
<sup>2</sup> Those who were currently recruiting at the time of the survey or had recruited in the past three months.

<sup>3</sup> 2021-22 to date encompasses July 2021 to May 2022.

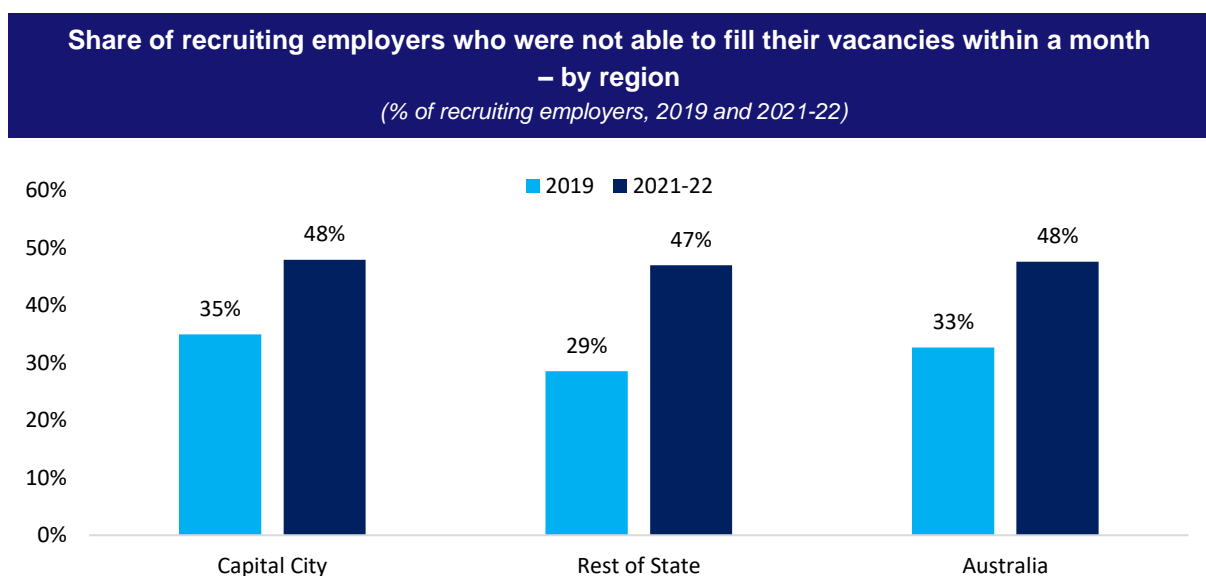
## It now takes longer to fill vacancies

The share of recruiting employers who have had at least one of their most recent vacancies remain unfilled for at least a month has increased from 16% in July 2021 to 40% in May 2022. Along with this, the share of recruiting employers who quickly filled all their vacancies within two weeks has almost halved over 2021-22 to date, to make up only 22% of total recruitment in May 2022 (from 39% in July 2021).

While the trend over 2021-22 is clear, it is also worth noting that time taken to fill vacancies at the start of 2021-22 were typically longer than was the case prior to the COVID-19 pandemic. Results in 2019 indicate that only 11% of recruiting employers had one or more of their most recent vacancies go unfilled for at least a month, and two in five (41%) employers filled all their vacancies within two weeks.

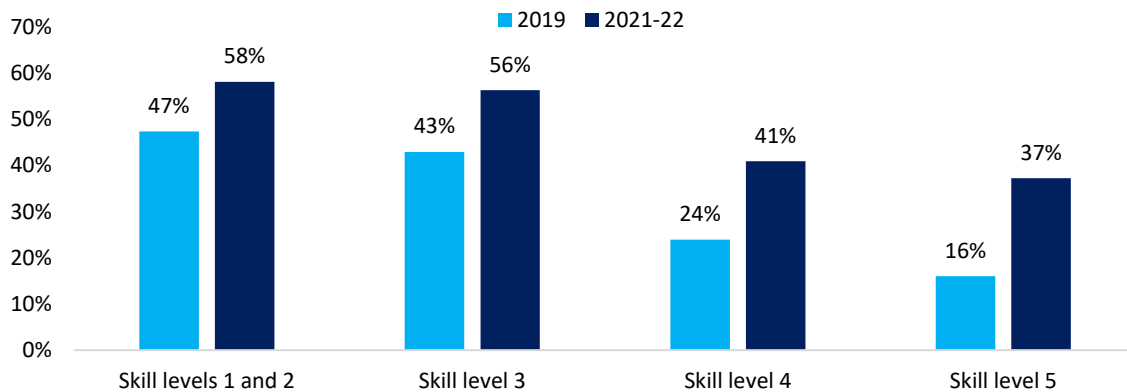


In 2019, on average, 33% of recruiting employers were not able to fill their vacancies within a month<sup>4</sup>, compared with 48% in 2021-22. This increase was more prominent in Rest of State areas, where an 18 percentage point increase was seen (compared with a 13 percentage point increase in Capital Cities).



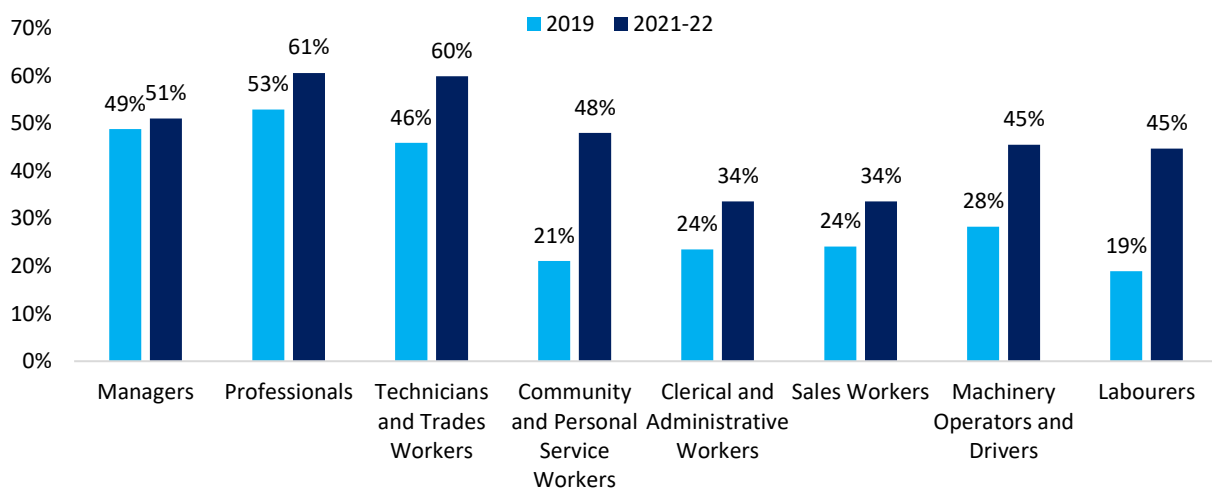
<sup>4</sup> A combination of those who had unfilled vacancies for more than a month and those who filled all their vacancies in more a month.

**Share of recruiting employers who were not able to fill their vacancies within a month  
– by skill level of occupation recruited for**  
(% of recruiting employers, 2019 and 2021-22)



Employers recruiting for skill level 5 occupations experienced the largest increase in the proportion who were not able to fill their vacancies within a month. Lower skill levels occupations in general (skill levels 4 and 5) were the most impacted since 2019, with the average share of recruiting employers who were not able to fill their vacancies within a month almost doubling in size.

**Share of recruiting employers who were not able to fill their vacancies within a month  
– by major occupation group**  
(% of recruiting employers, 2019 and 2021-22)



Additionally, increases were seen across every major occupation group, with the largest increases occurring among employers recruiting for Community and Personal Service Workers (from 21% in 2019 to 48% in 2021-22), and Labourers (from 19% in 2019 to 45% in 2021-22). Community and Personal Service Workers in particular, which includes Carers and Hospitality Workers, has been one of the occupation groups most impacted over the period, due to the evolving Covid pandemic from early 2020 and a more limited labour supply due to border closures.

## Time to fill vacancies is linked with difficulty

While employers have been increasingly taking longer than a month to fill their vacancies since 2019, this has aligned with a corresponding increase in the proportion of employers reporting recruitment difficulty. Interestingly, the difficulty rate experienced in the different lengths of recruitment rounds has barely changed since 2019, showing the link between time and difficulty.

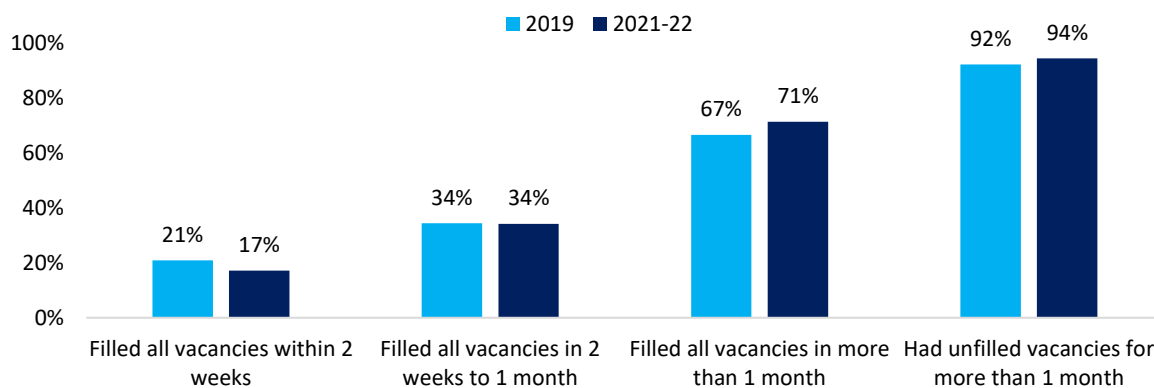
In 2019, 21% of recruiting employers who filled their vacancies within 2 weeks noted that they had difficulty in filling those vacancies, compared with 17% in 2021-22 to date. For employers who filled all their vacancies in 2 weeks to a month, there was no change, while for those that took longer than a month to fill all their vacancies, 67% experienced difficulty in 2019 compared with 71% in 2021-22 to date. At the extreme end, there was only a 2 percentage point increase in the proportion of recruiting employers who experienced difficulty where they had vacancies go unfilled for more than a month (92% to 94%).

With the overall difficulty rate increasing by 11 percentage points since 2019, the stability in the difficulty rate for each category shows that both the difficulty rate and time taken to fill vacancies have increased at a similar rate.

### Share of recruiting employers who experienced recruitment difficulty – by time taken to fill vacancies

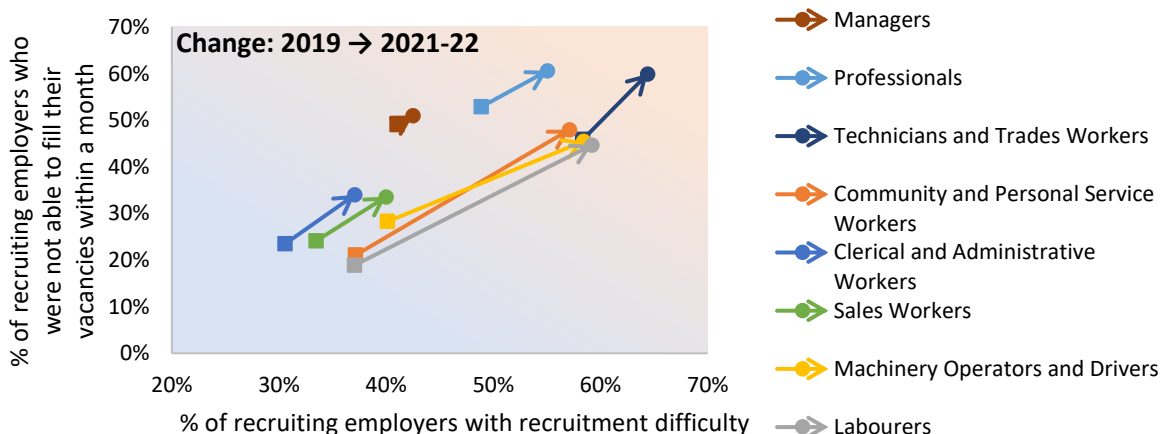
(% of recruiting employers, 2019 and 2021-22)

Overall recruitment difficulty rate: **42% → 53%**



When pairing overall recruitment difficulty and the share of recruiting employers who were not able to fill their vacancies within a month for major occupation groups, it is possible to visualise the changing nature of recruitment from 2019 to 2021-22.

### Change in recruitment difficulty and the share of recruiting employers who were not able to fill their vacancies within a month – by main occupation group, 2019 to 2021-22



As noted previously, there have been fairly large changes for Community and Personal Services Workers, and Labourers, along with Machinery Operators and Drivers, where a larger proportion of recruiting employers are now taking longer to fill their vacancies, while the difficulty rate overall for these groups has similarly increased significantly over the period. These occupation groups in 2019– along with Sales Workers and Clerical and Administrative Workers – were generally easier to recruit for and vacancies tended to be filled fairly quickly, when compared with Professionals, and Technicians and Trades Workers. In 2021-22 to date however, fewer vacancies for these groups are filled within a month and are more often difficult on average.

## 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](http://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, May 2022.

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