



Trends in vacancies and recruitment in Capital Cities and Rest of State areas

This report provides an overview of job vacancy trends and recruitment activity during the COVID-19 pandemic and into 2021, for Capital Cities compared with Rest of State areas





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The document must be attributed as Trends in vacancies and recruitment in Capital Cities and Rest of State areas.

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Key findings

- Recruitment activity has recovered since the trough in April 2020. Job advertisements in Capital Cities, as measured by the National Skills Commission's Internet Vacancy Index (IVI), have risen to levels commensurate with those observed prior to the COVID-19 downturn, while job advertisements in Rest of State areas have now *surpassed* previously observed levels.
- The incidence of recruitment difficulty among recruiting employers in 2020 has increased in Rest of State areas compared with 2019, while decreasing slightly in Capital Cities over the same period.¹
 - In Rest of State areas, the overall increase in the incidence of recruitment difficulty was largely driven by employers more frequently having difficulty recruiting for medium skilled (Skill Level 3) and lower skilled (Skill Levels 4-5) occupations.
 - Looking at the skilled labour market, the Survey of Employers who Recently Advertised (SERA) found that employers recruiting for skilled positions in the period after severe national COVID-19 restrictions were lifted (July to October 2020) were more likely to fill their vacancies than those recruiting during the pre-COVID-19 period. Since November 2020, however, the proportion of skilled vacancies being filled has declined in both Capital Cities and Rest of State areas compared with the pre-COVID-19 level.
- The most common reasons for employers' recruitment difficulty during 2020 were a lack of applicants and applicants being unsuitable to the position. Employers in Rest of State areas recruiting for skilled positions often mentioned their *location* as a reason for their recruitment difficulty.
- The reason for the increased prevalence of recruitment difficulty in Rest of State areas is unclear, although is likely to be due to a number of factors, such as the closure of international borders (and therefore, access to a seasonal workforce) and the scale of recruitment activity.
- Recruitment difficulty is an important area of ongoing investigation for the National Skills Commission. Further research on this topic is currently being undertaken, including:
 - Employers' perceptions on what made the recruitment process difficult
 - The severity of employers' recruitment difficulty
 - Whether employers were able to fill their vacancies
 - How long the position took to fill
 - Whether the employer had to modify their recruitment to find staff.

¹ *Recruitment Experiences and Outlook Survey (2020) and Survey of Employers' Recruitment Experiences (2019)*.

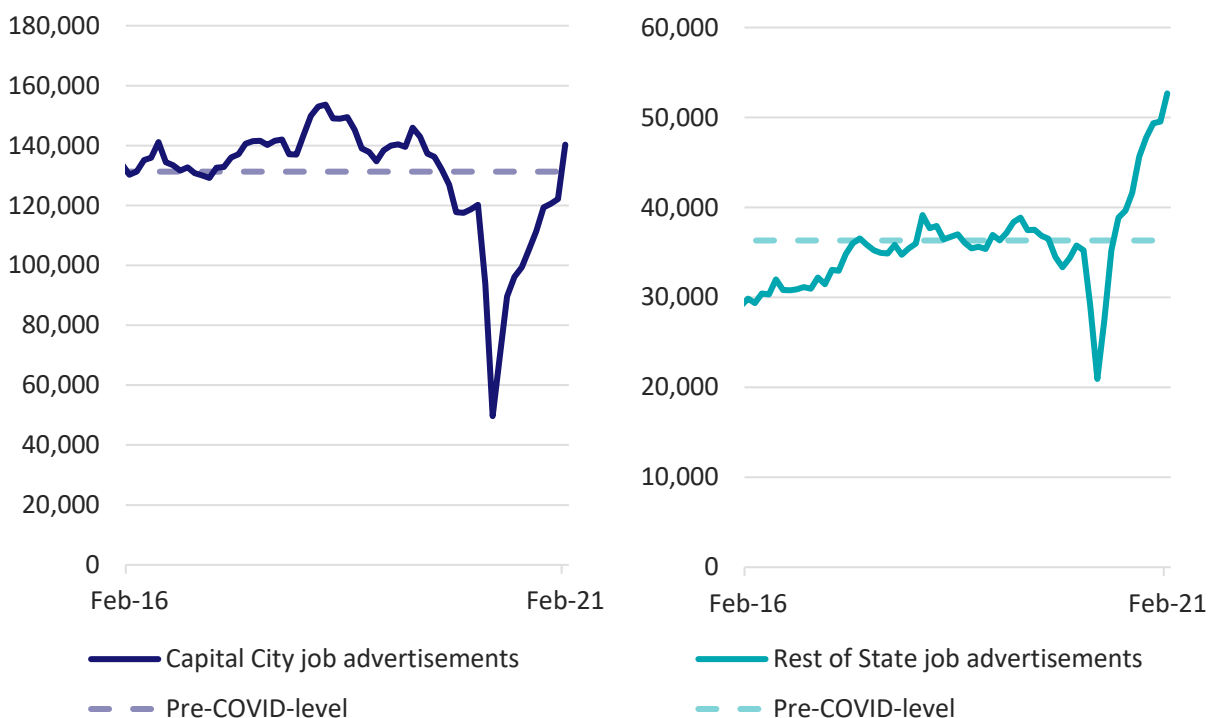
Part 1 Internet Vacancy Index trends in Capital Cities and Rest of State areas

Overall, in seasonally adjusted terms, the latest Internet Vacancy Index (IVI) data show a continued increase in job advertisement levels, up 7.0% (or 12,600 job advertisements) over the month to February 2021. This represents the 10th consecutive month on month increase in job advertisements, which now stand 14.3% (or 24,000 job advertisements) above the pre-COVID-19 levels².

The strong recovery in recruitment activity has been observed in both Capital City and Rest of State areas since the downturn associated with the COVID-19 pandemic. However, the initial impact of COVID-19 on recruitment activity was more severe in Capital Cities than Rest of State areas, with job advertisements falling by 58.7% and 40.6% between February 2020 and April 2020 respectively. Consequently, recent recovery has returned Capital City recruitment activity to levels commensurate with those observed prior to the COVID-19 downturn, up by 6.9% or 9,000 job advertisements as compared to pre-COVID-19 levels to stand at 140,300 in February 2021. Whereas the uptick in Rest of State recruitment activity represents job advertisements surpassing previously observed levels. The Rest of State IVI series recorded a new series high (the series began in March 2010) of 52,700 job advertisements in February 2021 and has increased 45.0% or 16,400 job advertisements from pre-COVID-19 levels.

The proportion of total job advertisements across the country recorded in Rest of State areas reached a series high of 29.7% in April 2020 (during the trough of the COVID-19 downturn in total recruitment activity), and has declined only slightly since, standing at 27.3% in February 2021. The proportion of total job advertisements accounted for by Rest of State areas remains well above the 21.7% average seen over the 12 months to February 2020.

Figure 1: Recruitment activity recovery comparison – IVI job advertisements five years to February 2021



Source: National Skills Commission, Internet Vacancy Index, seasonally adjusted data, February 2021.

Note: Seasonally adjusted IVI estimates at the regional level of detail are not currently released publicly.

Further IVI results disaggregated results by region, skill level and occupation can be found in Appendix A.

² Pre-COVID-19 job advertisement levels are defined as the 12-month average in the seasonally adjusted IVI series to February 2020.

Industry employment dynamics in Rest of State and Capital City areas – February 2021 quarter results

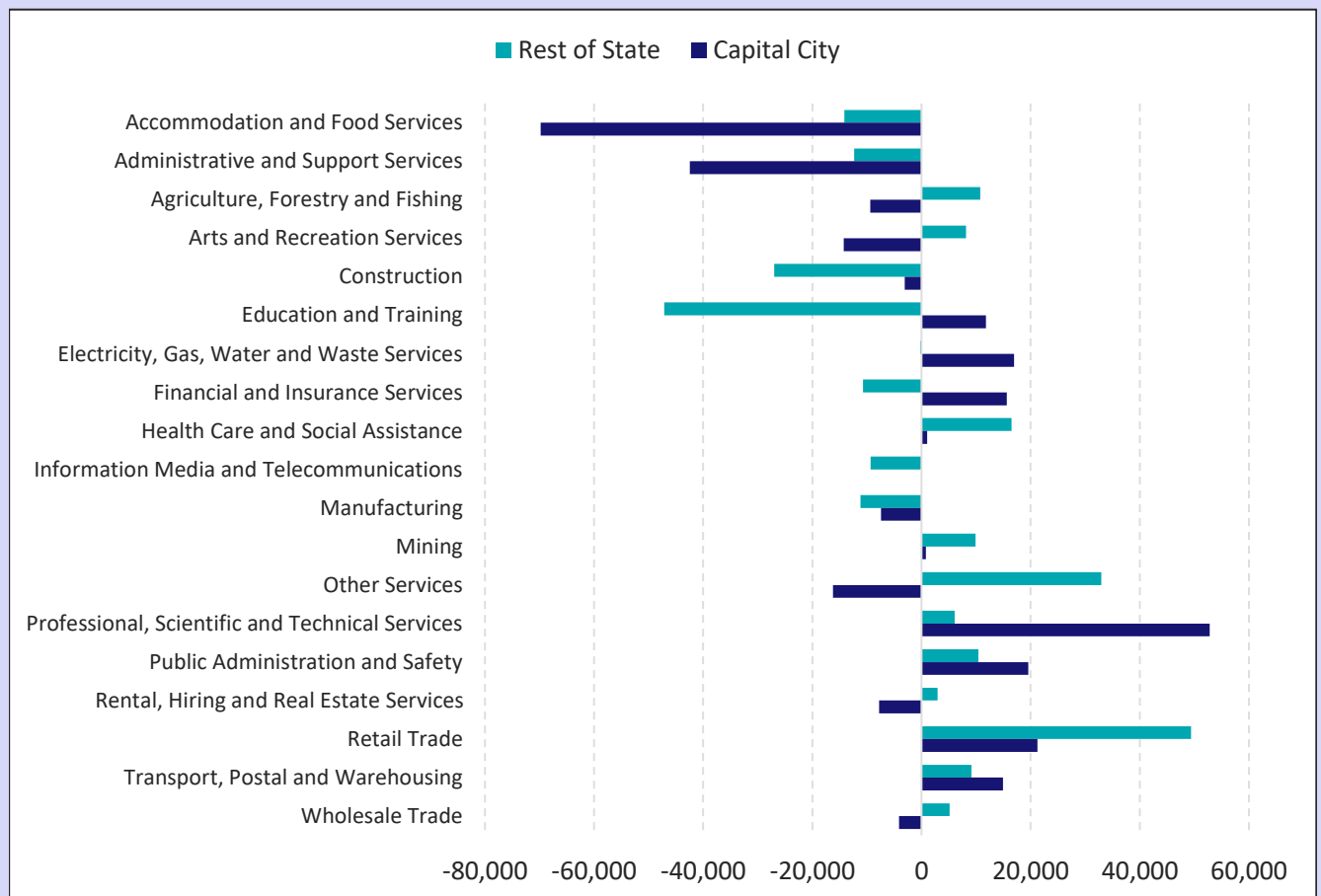
ABS Labour Force data also show that the largest falls in employment by industry occurred in Capital Cities, due in part to their larger populations and the impacts of more severe restrictions related to the COVID-19 pandemic. For example, from February 2020 to February 2021 employment in Accommodation and Food Services declined by 69,800 in Capital Cities, compared with a fall of 14,100 in Rest of State areas. Other industries which recorded significant falls in Capital Cities include Administrative and Support Services (-42,400), Other Services (-16,200) and Arts and Recreation Services (-14,200).

- It is worth noting, however, that the number of industries that recorded an increase in employment from February 2020 to February 2021 was similar, with employment increasing in 11 of the 19 industries in Rest of State areas, compared with nine in the Capital Cities.

In a majority of industries, the direction of change in employment over the period from February 2020 to February 2021 was the same in Rest of State areas and Capital Cities. For example, Retail Trade recorded the largest increase in employment in Rest of State areas and the second largest increase in Capital Cities over the period (up by 49,400 and 21,200 respectively).

In some industries, however, there was a significant disparity in changes in employment between Capital Cities and Rest of State areas from February 2020 to February 2021. For instance, employment in Education and Training increased by 11,800 in Capital Cities over the period, compared with a fall of 47,100 in Rest of State areas. In the Rental, Hiring and Real Estate Services industry, employment in Rest of State areas increased by 3,000 compared with a fall of 7,800 in the Capital Cities.

Figure 2: Change in employment by region – February 2020 to February 2021



*Source: Australian Bureau of Statistics, Labour Force Survey custom data, February 2021 original data.

*Note: Rest of State/Capital City employment statistics are original data aggregated from SA4 level and should be used with caution.

Part 2 Recruitment difficulty in Capital Cities and Rest of State areas

This section draws on results from the National Skills Commission’s *Recruitment Experiences and Outlook Survey (REOS)*³ to highlight key findings on recruitment difficulty in 2020.

2.1 Recruitment and recovery from COVID-19 impacts

In line with trends identified in the IVI data collection, recruitment activity collected via the REOS suggests that there has been a faster recovery in Rest of State areas than in Capital Cities. Figure 3 below highlights the disparity in recruitment rates between the two region types. Since June 2020, there has been a consistently higher rate of recruitment among employers in Rest of State areas compared with employers in Capital Cities.

Figure 3: Employers recruiting by region type

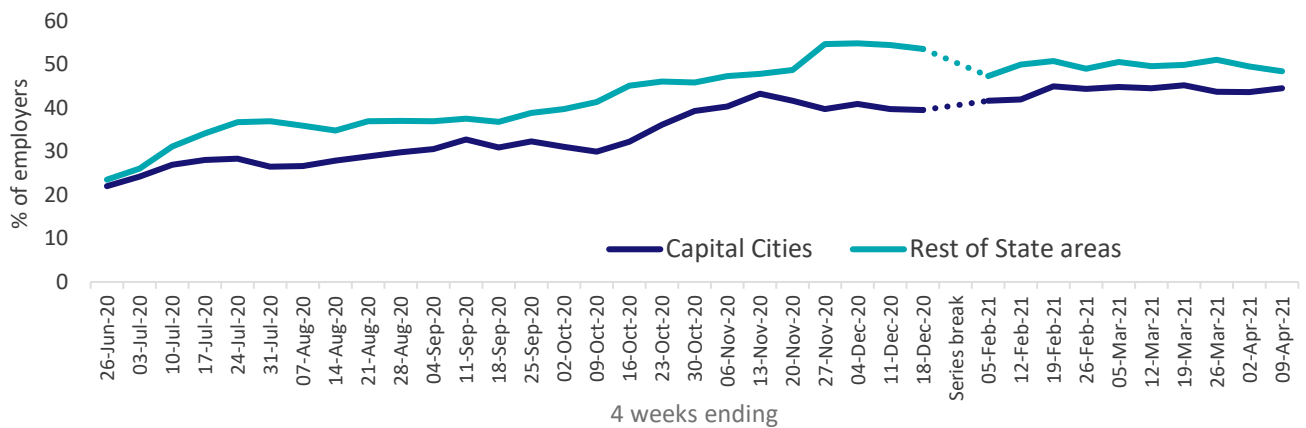
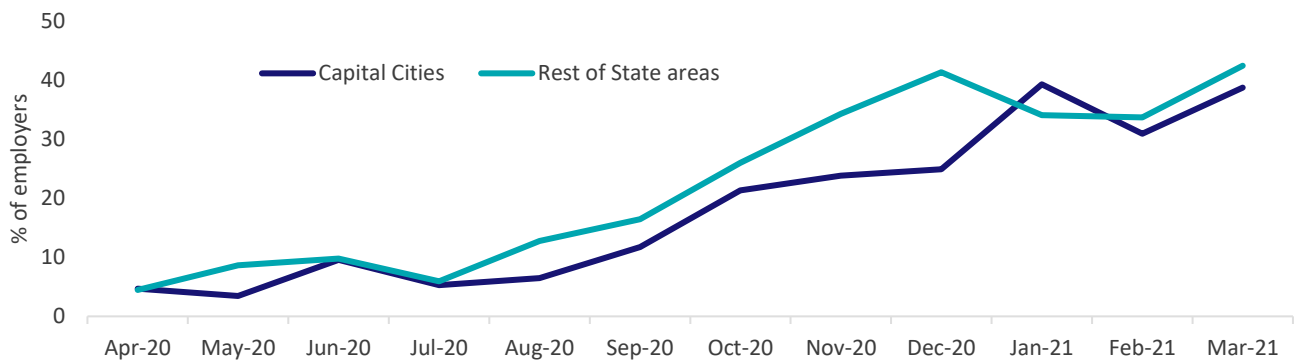


Figure 4 shows that throughout the latter half of 2020 employers in Rest of State areas recovered from COVID-19 impacts at a faster rate compared with employers in Capital Cities. In December, around 41% of employers reported no impact from COVID-19, compared with around 25% in Capital Cities. This is likely to reflect the high concentration of COVID-19 cases in Capital Cities relative to Rest of State areas. It is worth noting, however, that results in early 2021 show that the proportions of unaffected employers in Capital Cities and Rest of State areas have generally converged.

Figure 4: Employers not impacted at all by COVID-19⁴



³ Note that the REOS sample is targeted towards employers with five or more employees and excludes many government organisations and employers in the Agriculture, Forestry and Fishing industry.

⁴ 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.

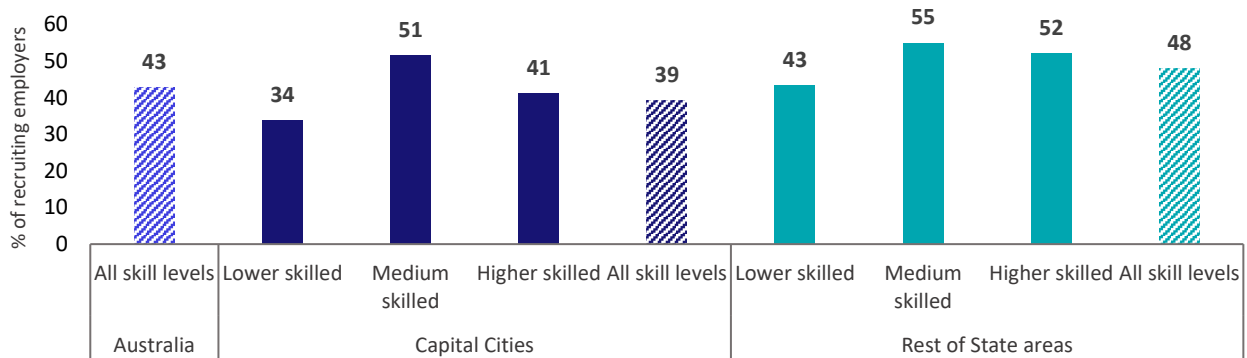
2.2 Recruitment difficulty in 2020

Following a pause after the onset of the pandemic in March 2020, the NSC resumed its survey question on recruitment difficulty in August 2020. Between 10 August and 18 December 2020, 39% of surveyed employers were recruiting or had recruited in the past month. Of these, 43% reported having difficulty filling their vacancies. This is similar to the proportion recorded in 2019.

Results from the REOS suggest that recruitment has become more difficult for employers in Rest of State areas, while those in Capital Cities are now *less* likely to report difficulty in filling vacancies than prior to COVID-19. Across Australia, a lack of applicants and applicants being unsuitable to the position remain the two most likely reasons for recruitment difficulty, while one in five Rest of State employers who had difficulty believed that their *location* was a reason they had difficulty filling vacant positions.

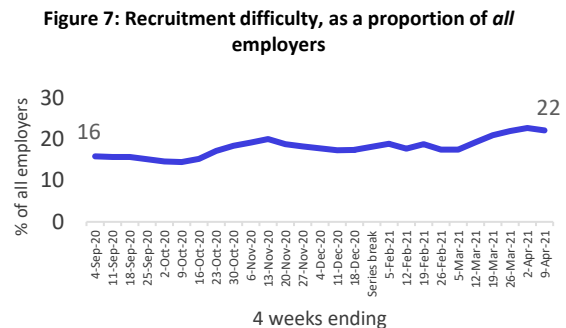
Figure 5 shows that the incidence of recruitment difficulty in 2020⁵ varies by region type and skill level⁶ of the occupation being recruited for. Recruitment difficulty is more prevalent in Rest of State areas than in Capital Cities, and more common for medium and higher skilled occupations than for lower skilled occupations.

Figure 5: Incidence of recruitment difficulty (2020)



Source: REOS (August to December 2020)

Across the period of data collection from the current iteration of the REOS survey (August 2020 to April 2021), the proportion of recruiting employers having recruitment difficulty decreased from the 48% recorded in the four weeks to 4 September, to 37% in the four weeks to 5 March 2021, before it increased again to 48% in the four weeks to 9 April 2021 (Figure 6). As a proportion of all employers surveyed, the proportion that had recruitment difficulty over this period increased from 16% to 22% (Figure 7), in part due to the increasing rate of recruitment from August 2020 to November 2020.



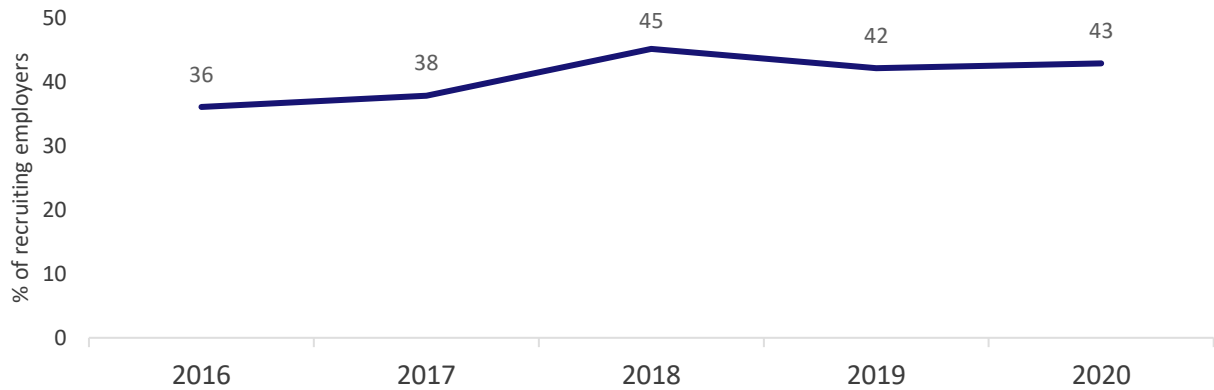
⁵ Employers surveyed from 10 August to 18 December 2020.

⁶ In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, medium skilled refers to an ANZSCO Skill Level of 3, and higher skilled refers to an ANZSCO Skill Level of 1 or 2.

2.3 How does 2020 compare with earlier years?⁷

There has been little change in the overall incidence of recruitment difficulty between 2019 and 2020 (noting that data collection in 2020 took place from August to December). Recruitment difficulty has been more common in the last three years than in 2016, when the level of difficulty was seven percentage points lower compared with 2020.

Figure 8: Recruitment difficulty across time⁸



In 2020, recruitment difficulty in Rest of State areas exceeded that recorded for Capital Cities for the first time over the period for which we have comparable data (Figure 9).

Figure 9: Recruitment difficulty by region type

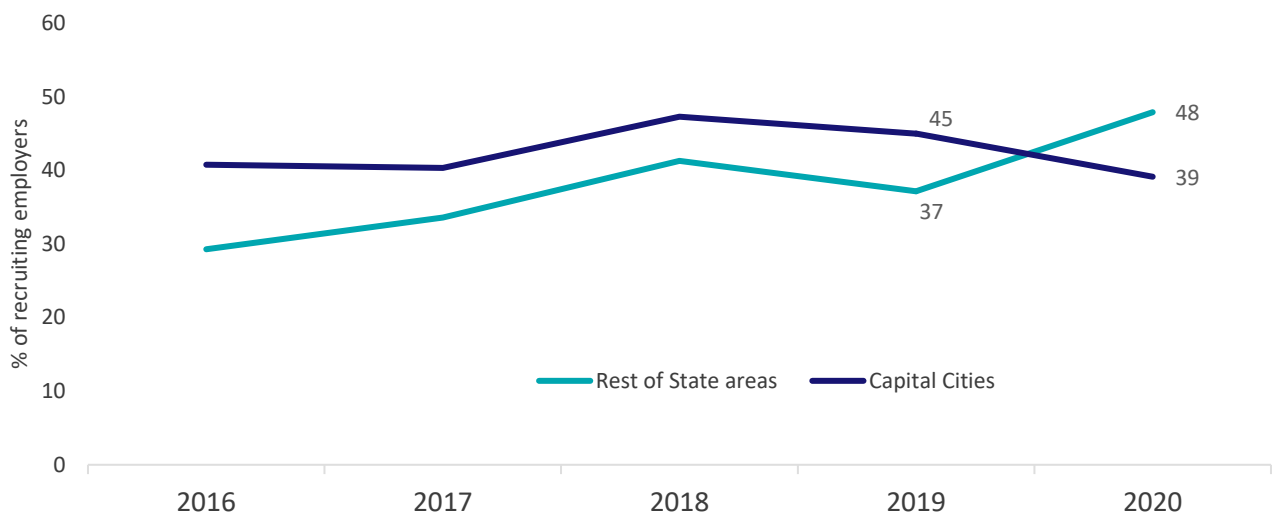
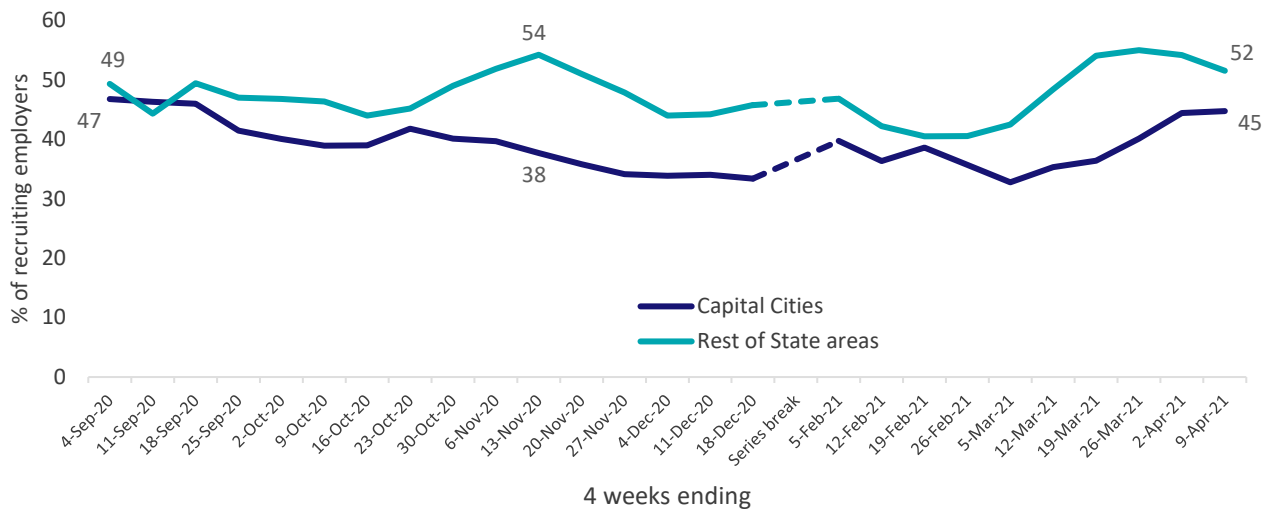


Figure 10 shows the rates of recruitment difficulty for Capital Cities and Rest of State areas through the last five months of 2020 and early 2021 (the period for which REOS survey data is available). In Rest of State areas, recruitment difficulty stood at 52% in the four weeks to 9 April 2021, slightly below the recent peak of 55% in the four weeks to 26 March 2021, but well above the trough of 41% in February 2021. Recruitment difficulty in Capital Cities generally declined from August 2020 to February 2021, but has recently increased again to stand at 45% in the four weeks to 9 April 2021.

⁷ Data from 2016 to 2019 are based on results from the *Survey of Employers' Recruitment Experiences* (SERE). Due to changes in questions from the SERE to the REOS, comparisons from 2019 to 2020 can be difficult to interpret and should be treated with some caution.

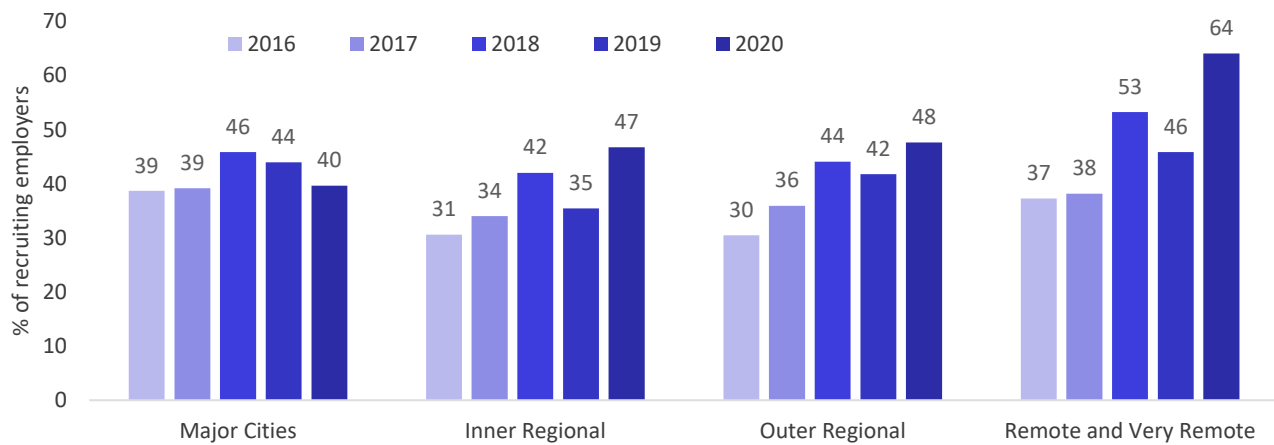
⁸ 2020 results are based on employers surveyed from 10 August 2020 to 18 December 2020.

Figure 10: Recruitment difficulty across 2020 and 2021



Disaggregating data by Remoteness Areas⁹ shows that there have been increases in the incidence of recruitment difficulty among recruiting employers for Inner Regional, Outer Regional, and Remote and Very Remote regions. Employers in Major Cities have experienced a fall in the incidence of recruitment difficulty, which is similar to the result obtained for Capital Cities. This data also suggests that employers in remote and very remote areas are more likely to find recruitment difficult than employers in regional areas and major cities, particularly since 2018.

Figure 11: Recruitment difficulty by Remoteness Areas¹⁰



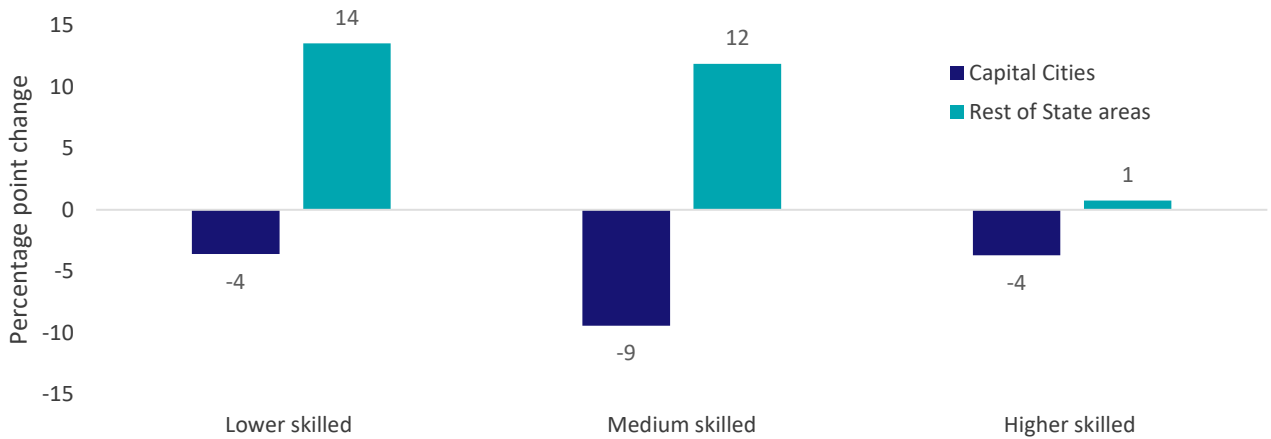
⁹ Remoteness Areas are based on the Accessibility and Remoteness Index of Australia (ARIA+), produced by the Hugo Centre for Population and Housing. The 'Major Cities' category includes non-capital cities such as Wollongong, the Gold Coast and Newcastle, and excludes the smaller capital cities of Darwin and Hobart.

¹⁰ Results for 'Remote and Very Remote' regions are based on small sample sizes and should be interpreted with caution.

Figure 12 provides an overview of the change in incidence of recruitment difficulty by skill level, in Rest of State areas and Capital Cities from 2019 to 2020:

- In Rest of State areas, the increase in recruitment difficulty has occurred mainly for lower skilled and medium skilled occupations
- In Capital Cities, the decline in recruitment difficulty has occurred across all skill levels.

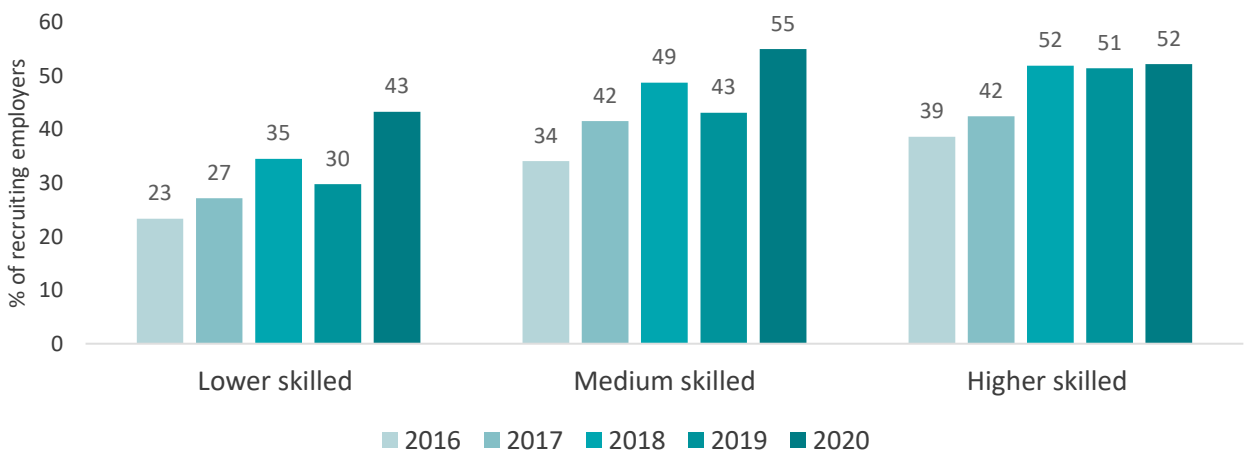
Figure 12: Percentage point change in recruitment difficulty, 2019 and 2020



Figures 13 and 14 provide a time series of recruitment difficulty incidence by skill level of the occupation recruited for and show that while the proportion of employers experiencing recruitment difficulty has increased in Rest of State areas across most skill levels, the opposite has occurred in Capital Cities, with a lower proportion of employers finding it difficult to obtain new staff across all skill level groups.

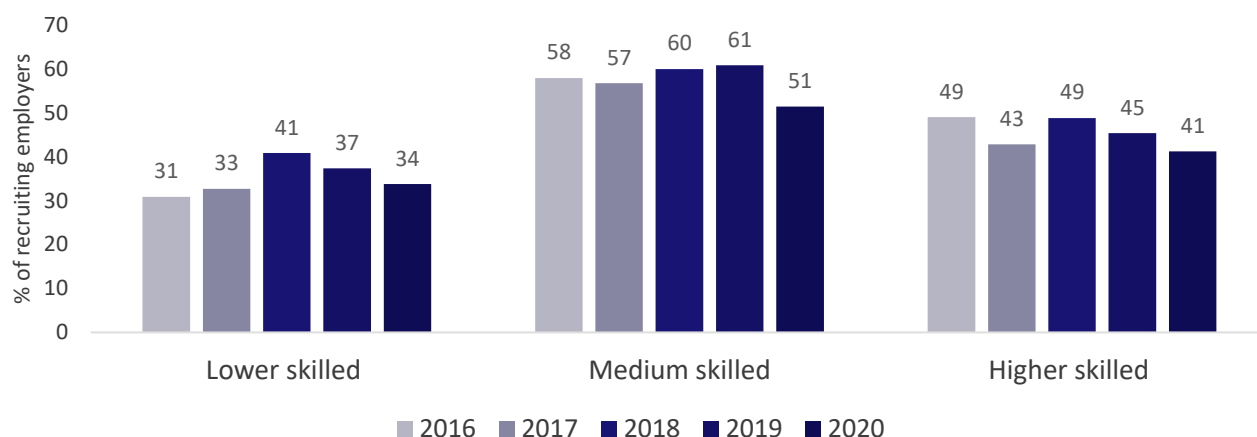
In Rest of State areas, the proportion of employers with recruitment difficulty for lower skilled and medium skilled occupations is at its highest level since at least 2015 (noting that comparable data goes back to 2016). The rate of difficulty for higher skilled occupations is high compared with 2016 and 2017, but has remained steady since 2018.

Figure 13: Recruitment difficulty by skill level - Rest of State areas



In Capital Cities, the proportion of employers having recruitment difficulty decreased for all skill level groups from 2019 to 2020. The most significant fall was for medium skilled occupations (a fall of 10 percentage points), now lower than any result from 2016 to 2019.

Figure 14: Recruitment difficulty by skill level - Capital Cities



Does recruitment difficulty indicate that vacancies are being left unfilled?

Recruitment difficulty is not synonymous with skills shortages or the inability to fill vacant positions. An employer having difficulty recruiting could mean that it took longer for them to fill the vacancy or they were unable to find a “perfect fit”.

- Departmental research from 2018-2019¹¹ shows that most employers were able to respond to their recruitment difficulty without being significantly affected. Employers responded by increasing the hours of existing staff while they looked for new staff, hiring someone with less experience and training them up, using labour hire to temporarily fill positions or by readvertising the position.

Results from another NSC survey - the Survey of Employers who Recently Advertised (SERA)¹² - show that in both Rest of State areas and Capital Cities, recruiting employers more frequently filled their skilled vacancies in the period after the lifting of severe national COVID-19 related restrictions compared with the pre-COVID-19 period. Since November 2020, however, employers have been less likely to fill their skilled vacancies, with the proportion filled in both Capital Cities and Rest of State areas (see Table 1) falling to levels below the pre-COVID-19 period.

Differences in results between REOS data and SERA data reflect differences in the timing, scope and coverage of each survey. As such, findings should be treated with caution, noting that the National Skills Commission will continue to monitor these data.

Table 1: Proportion of vacancies filled (Skill levels 1-3, SERA data)

	Pre-COVID-19 period (Sept 2019-March 2020)	Jul 2020 -Oct 2020	Nov 2020-Feb 2021
Capital Cities	62%	70%	57%
Rest of State areas	55%	62%	53%

The survey was temporarily suspended between April and June 2020 due to the COVID-19 pandemic.

The occupations covered by this survey vary over the time series.

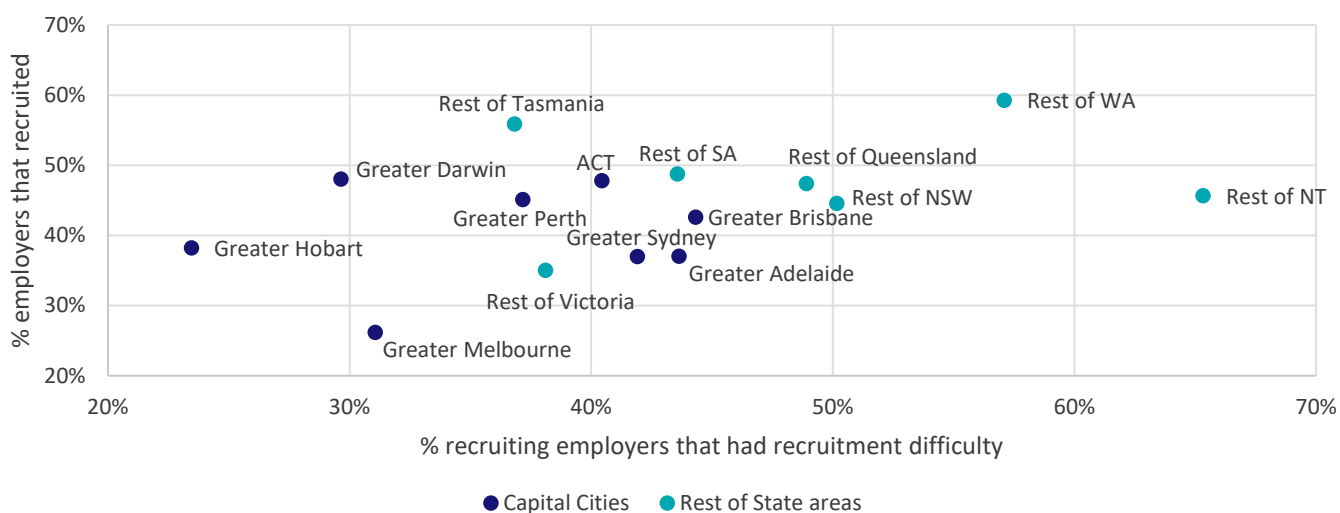
¹¹ National Skills Commission, *Employer perspectives on recruitment difficulty – 2018*, available from <https://lmip.gov.au/default.aspx?LMIP/GainInsights/EmployersRecruitmentInsights>

¹² The SERA aims to identify shortages in the Australian labour market for selected skilled occupations (ANZSCO Skill Levels 1-3). The survey is telephone-based and asks employers a range of questions regarding their recruitment experience for an identified vacancy, collecting both quantitative and qualitative data. By contrast, the REOS utilises a broader sample of employers who may or may not have recently recruited and encompasses recruitment for both lower skilled and higher skilled positions.

Rates of recruitment difficulty vary by individual Rest of State and Capital City areas. For each region, Figure 15 shows the proportion of employers that recruited on the vertical axis; and the proportion of recruiting employers that had difficulty on the horizontal axis. Some notable trends include:

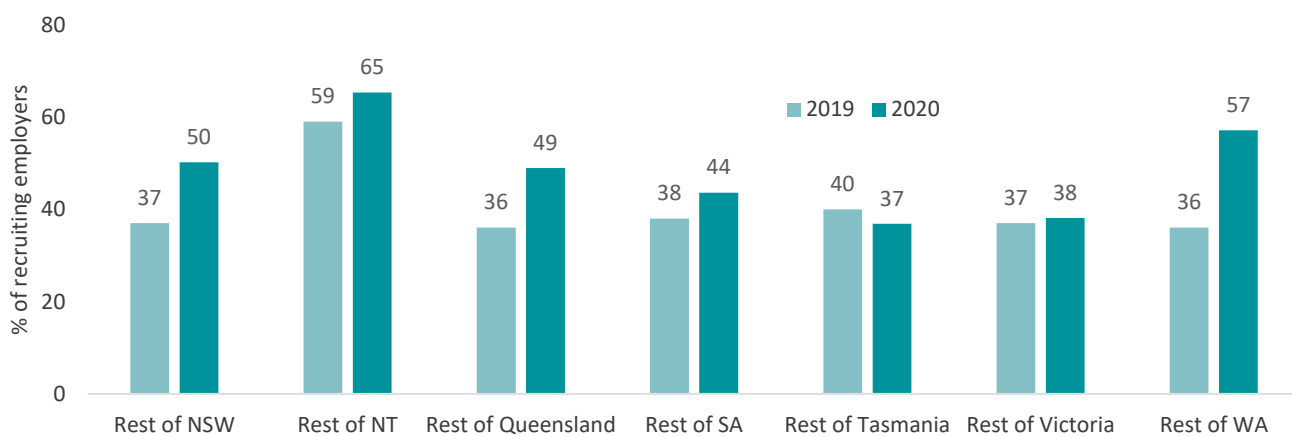
- In general, Rest of State areas tend to have higher rates of recruitment, as well as higher rates of difficulty amongst recruiting employers.
- Rest of WA and Rest of NT¹³ had both high rates of recruitment and high rates of recruitment difficulty.
- Both Greater Melbourne and Rest of Victoria had relatively low rates of recruitment and low rates of recruitment difficulty.
- Greater Hobart had a moderate rate of recruitment, but the lowest rate of recruitment difficulty of any region.

Figure 15: Rates of recruitment and recruitment difficulty (data from August to December 2020)



Rest of WA, Rest of NSW and Rest of Queensland have shown the largest increase in the incidence of recruitment difficulty among recruiting employers compared with 2019, as shown in Figure 16. Notably, recruitment difficulty in the Rest of Victoria has increased only marginally.

Figure 16: Incidence of recruitment difficulty by Rest of State areas (data from August to December 2020)¹⁴



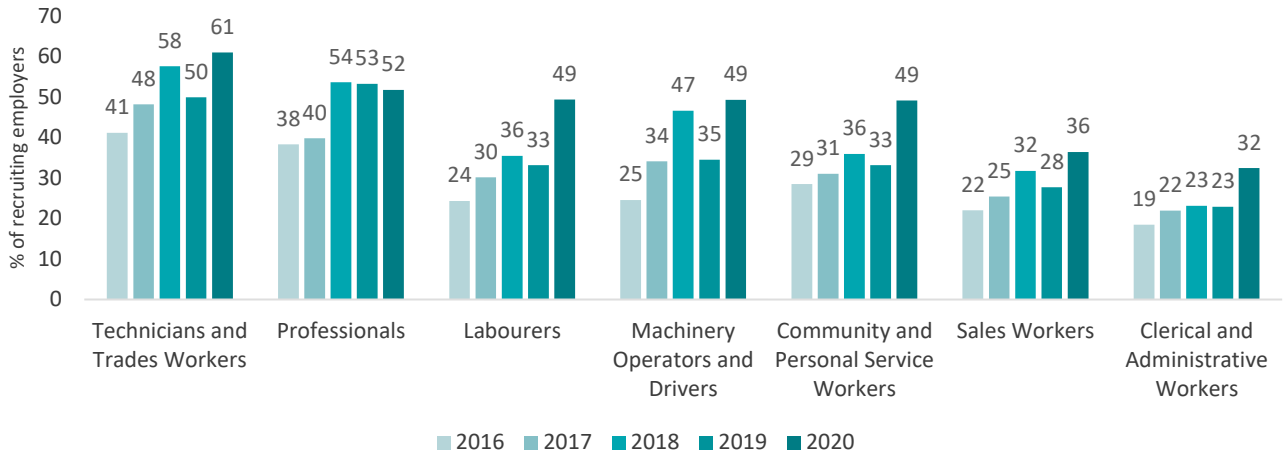
¹³ Result for Rest of NT is based on a small sample size.

¹⁴ Ibid.

Recruitment difficulty in Rest of State areas by occupation and industry¹⁵

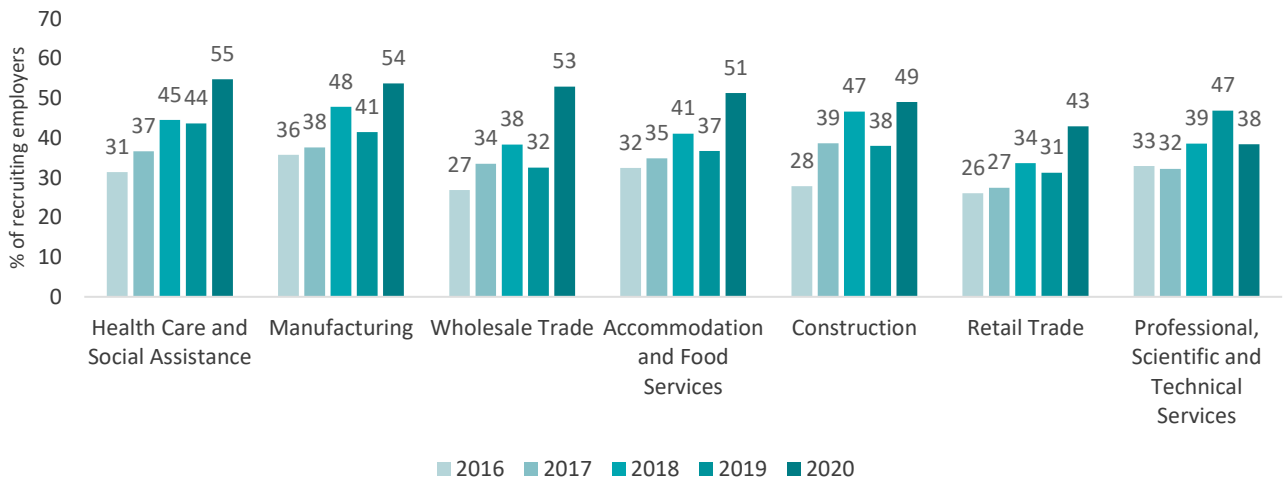
In Rest of State areas, recruitment difficulty increased from 2019 to 2020 for all major occupation groups except Professionals. The greatest increases were recorded for Community and Personal Service Workers (+16 percentage points), Labourers (+16 percentage points) and Machinery Operators and Drivers (+14 percentage points).

Figure 17: Recruitment difficulty in Rest of State areas by occupation group



From 2019 to 2020, the proportion of employers reporting recruitment difficulty increased across all the reported industries¹⁶ except for Professional, Scientific and Technical Services. The largest increases were recorded for Wholesale Trade (+21 percentage points), Accommodation and Food Services (+14 percentage points) and Manufacturing (+13 percentage points).

Figure 18: Recruitment difficulty in Rest of State areas by industry



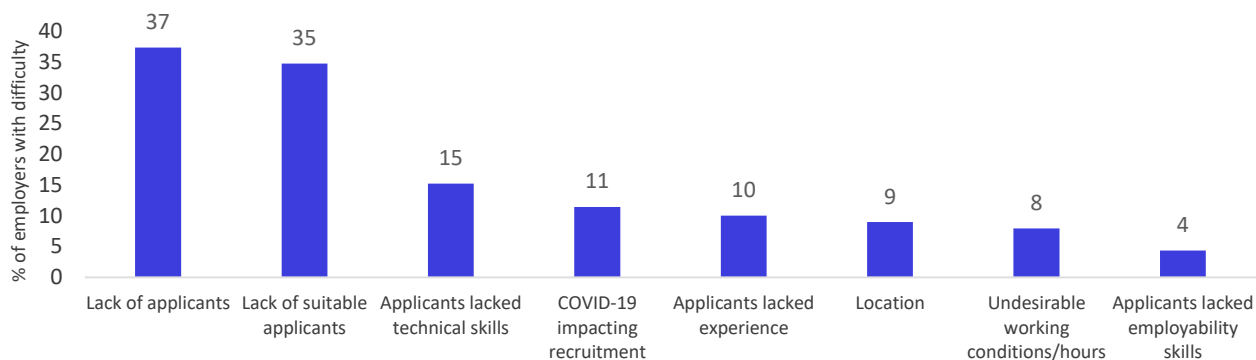
¹⁵ Rest of State results for 2020 by industry and occupation are based on small sample sizes. Results for Managers have been excluded due to insufficient data. Note that these results do not give an indication of the availability of services by industry or occupation. That is, they do not account for the *volume* of recruitment for particular occupations or industries, just the incidence of recruitment difficulty that has occurred when the occupation has been recruited for.

¹⁶ 'Reported industries' have been selected based on sample size. They encompass 7 of the 19 ANZSIC industry divisions: Health Care and Social Assistance, Manufacturing, Wholesale Trade, Accommodation and Food Services, Construction, Retail Trade, and Professional, Scientific and Technical Services.

2.4 Reasons for recruitment difficulty in 2020¹⁷

Employers who reported recruitment difficulty were asked the reasons for their difficulty, with employers able to provide multiple answers. By far the two most common reasons mentioned by employers were a general lack of applicants (37%), and a lack of suitable applicants (35%). Other reasons included: applicants lacking technical skills (15%), COVID-19 impacting recruitment (11%), applicants lacking experience (10%) and the location of the business (9%).

Figure 19: Reasons for recruitment difficulty (2020)

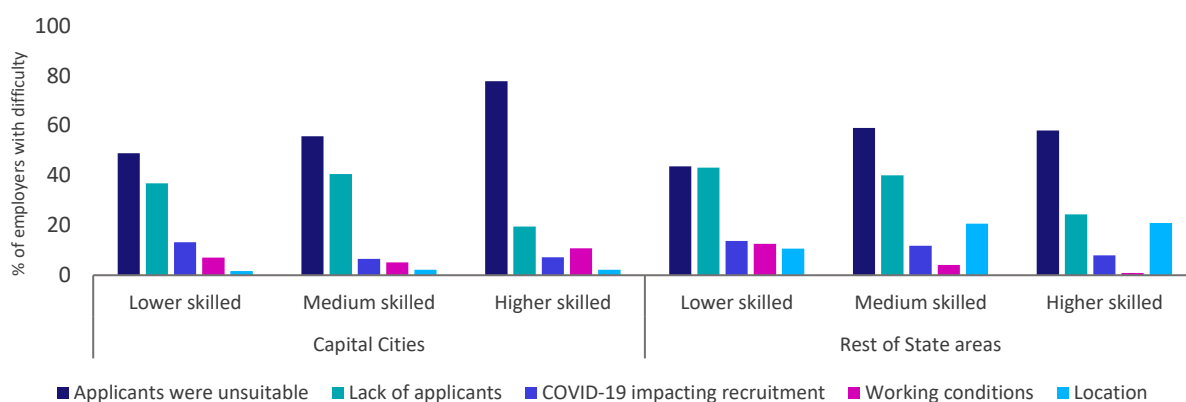


Note: employers could provide more than one response.

The chart below shows the reasons for employers' recruitment difficulty by region type and skill level.¹⁸ For this analysis, the 'Applicants were unsuitable' category was created by aggregating several categories: 'lack of suitable applicants', 'applicants lacked technical skills', 'applicants lacked experience', and 'applicants lacked employability skills'. The chart demonstrates that between September and December 2020:

- 'Applicants were unsuitable' was the dominant reason for employers' difficulty recruiting for higher skilled occupations, particularly in Capital Cities. For lower and medium skilled occupations, a general lack of applicants was also a common cause for difficulty in addition to applicants being unsuitable. For lower skilled occupations in Rest of State areas, a general lack of applicants was just as common a reason for difficulty as applicants being unsuitable.
- The employer's location was mentioned as a reason for difficulty by about one in five employers in Rest of State areas who had difficulty recruiting for medium or higher skilled occupations.

Figure 20: Reasons for recruitment difficulty as a proportion of employers with difficulty



Note that a time comparison of the above data is not available due to changes to this question over time.

¹⁷ Reasons for recruitment difficulty collected from 21 September to 18 December 2020.

¹⁸ Disaggregated results on reasons for recruitment difficulty are based on a small sample size.

Further research planned for 2021 on recruitment difficulty

Recruitment difficulty is an important ongoing area of investigation for the National Skills Commission. Further avenues of research in 2021 include:

- The recent addition of questions on unfilled vacancies into the REOS, to determine if employers were able to fill their vacancies, despite having difficulty
- Qualitative research, involving detailed discussions with employers to gain information on:
 - Employers' perceptions on what made the recruitment process difficult
 - The severity of employers' recruitment difficulty
 - How long the position took to fill
 - Whether the employer had to modify their recruitment to find staff.

Part 3 Insights from internal migration data

The movement of people between jobs across different geographies is difficult to measure. While a proxy – internal migration – can be used to understand the general dynamics in the movement of people, care should be taken when drawing conclusions on the labour market based on these data.

Internal migration data¹⁹ from the ABS show that there is typically a net movement of people from Capital Cities to Rest of State areas (although as Figure 23 shows, this is mainly due to flows away from Sydney and Melbourne when considering *within* State movements).

For Capital Cities, while both arrivals and departures have declined over the past year, the net flow to cities has decreased. While this has typically been reported in the media as an ‘exodus’ from Capital Cities to the Rest of State areas, it is largely due to a decline in departures from Rest of State areas to Capital Cities since around the year to September 2019 (Figure 22). Arrivals to Capital Cities have declined more than departures from Capital Cities (Figure 21).

Figure 21: Population flows for Capital Cities (year-to)

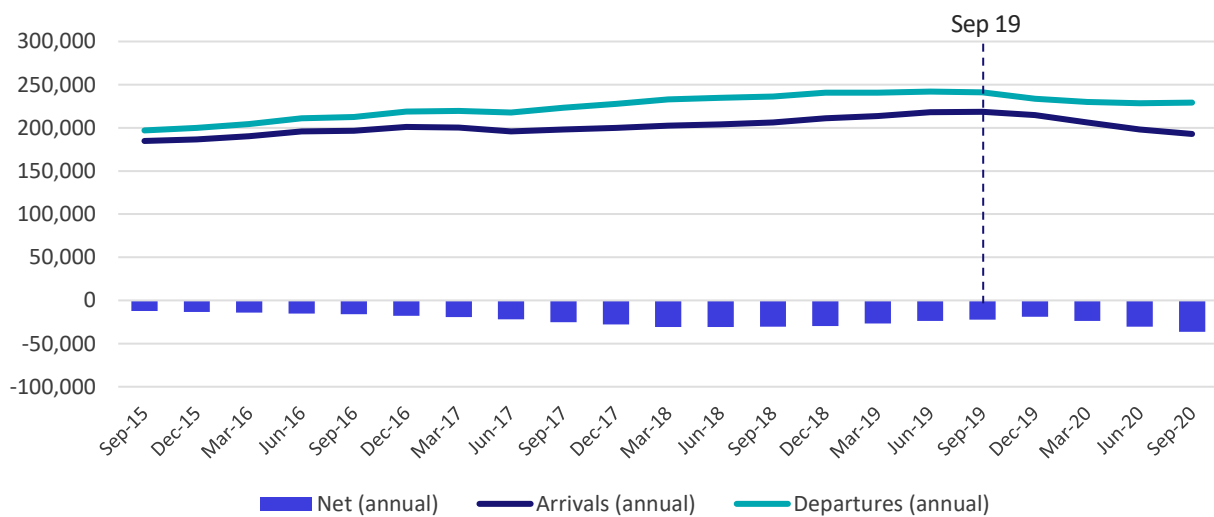
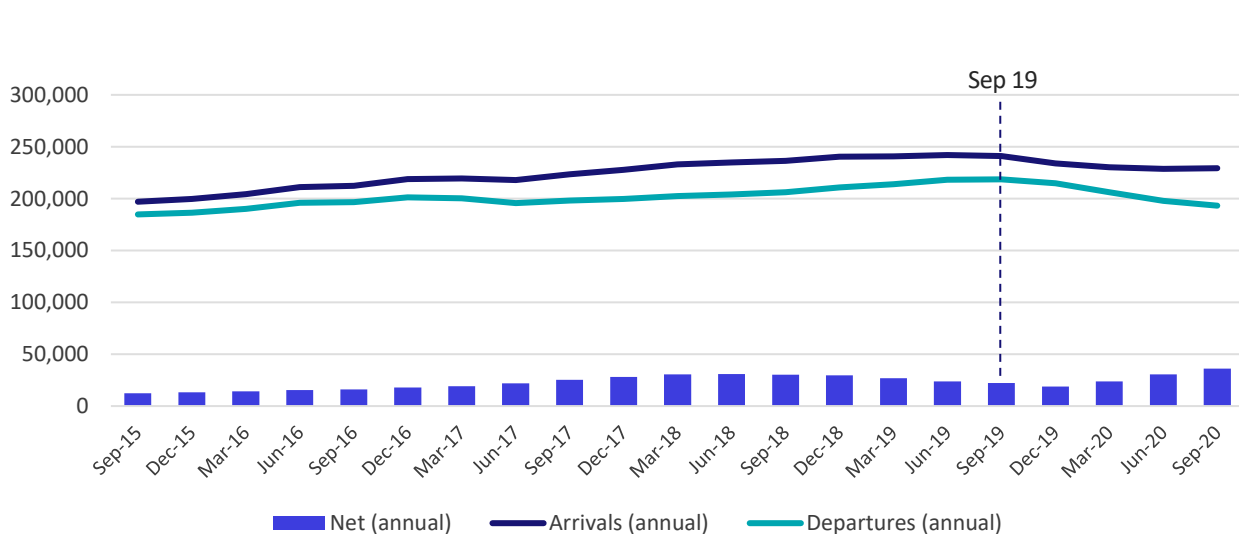


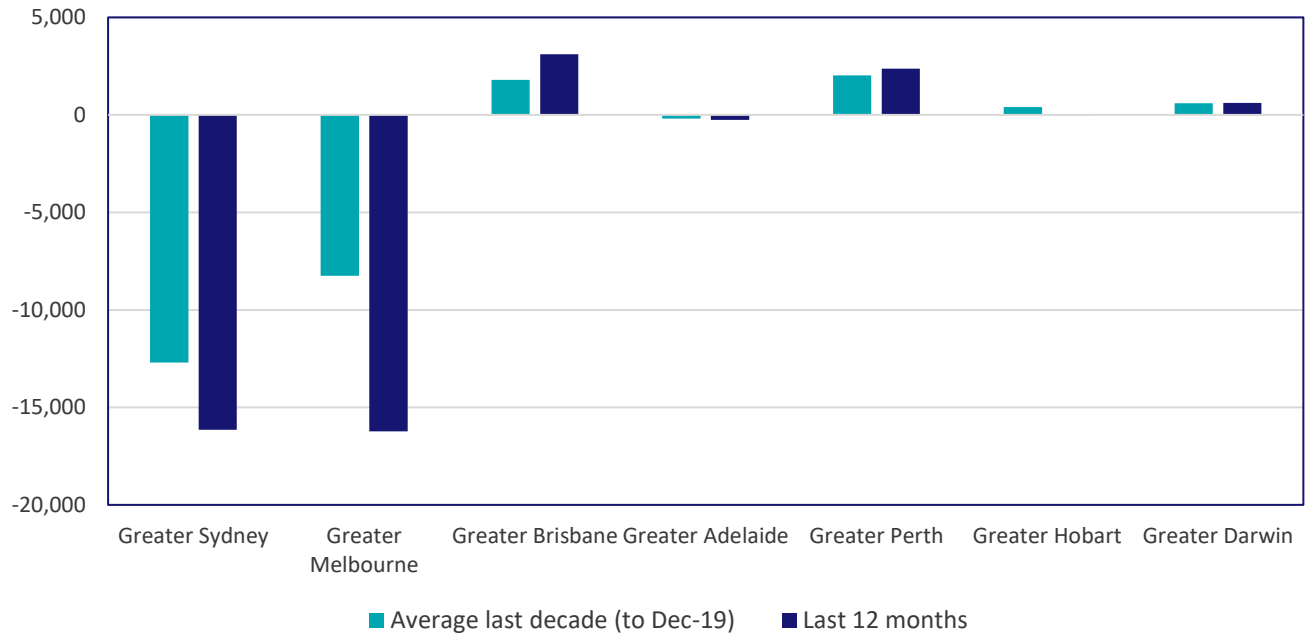
Figure 22: Population flows for Rest of State areas (year-to)



¹⁹ ABS, *Regional internal migration estimates, provisional*, September 2020

The increase in the net flow from Capital Cities to Rest of State areas is largely driven by movements within New South Wales and Victoria, with Sydney and Melbourne typically seeing more people move to other parts of New South Wales and Victoria respectively (rather than the other way around). The general exception to the direction of this net flow is the 15-24 year age group, which typically sees more young people moving to the Capital Cities than the Rest of State areas. In Western Australia and Queensland, the opposite pattern is generally observed with the net flow to Brisbane and Perth from the surrounding regions more than offsetting flows the other way. Over the course of the past year, the net flow has increased and now sits at a higher level than the decade average for these cities.

Figure 23: Capital city comparison - net migration from/to regions within State



Appendix A Further results from the IVI (February 2021)

Disaggregated to the regional level, widespread recruitment activity recovery is observable with job advertisements now exceeding pre-COVID-19 levels for 35 of the 37 IVI regions in February 2021. The Dubbo & Western NSW region has recorded the strongest increase from pre-COVID-19 levels (up by 111.6% or 810 job advertisements), followed by Southern Highlands & Snowy NSW (80.4% or 410 job advertisements), NSW North Coast (79.1% or 1,600 job advertisements), Fleurieu Peninsula & Murray Mallee SA (78.5% or 340 job advertisements), and Riverina & Murray NSW (70.2% or 780 job advertisements).

Sydney and Melbourne remain the only IVI regions with recruitment activity below pre-COVID-19 levels, down by 5.5% or 2,600 job advertisements and 2.6% or 1,000 job advertisements respectively.

- Overall, Capital City areas have recorded an average increase of 6.9% (9,000 job advertisements) from pre-COVID-19 levels. By comparison, job advertisements in Rest of State areas increased by an average of 45.0% (16,400 job advertisements) from pre-COVID-19 levels.
- Despite average job advertisements growth in Rest of State areas far outpacing Capital City regions, the majority of recruitment activity remains concentrated in Capital Cities; reflective of the population distribution across Australia. February 2021 data show 72.7% of all job advertisements were recorded in Capital City areas.

Table A1: Recruitment activity by region – February 2021 Summary

Classification	IVI Region	Number of job advertisements	Monthly change		Pre-COVID-19 Comparison*	
			(%)	(no.)	(%)	(no.)
New South Wales						
Rest of State	Blue Mountains, Bathurst & Central West NSW	1,600	8.4%	130	55.4%	580
Rest of State	Dubbo & Western NSW	1,500	12.1%	170	111.6%	810
Rest of State	Gosford & Central Coast	1,500	3.5%	50	30.5%	340
Rest of State	Illawarra & South Coast	2,300	9.4%	200	66.8%	910
Rest of State	NSW North Coast	3,600	10.7%	350	79.1%	1,600
Rest of State	Newcastle & Hunter	4,700	7.8%	340	39.8%	1,300
Rest of State	Riverina & Murray	1,900	8.0%	140	70.2%	780
Rest of State	Southern Highlands & Snowy	920	6.9%	60	80.4%	410
Capital City	Sydney	44,000	15.2%	5,800	-5.5%	-2,600
Rest of State	Tamworth & North West NSW	900	8.7%	70	66.3%	360
Victoria						
Rest of State	Ballarat & Central Highlands	850	6.9%	50	37.5%	230
Rest of State	Bendigo & High Country	2,800	7.5%	200	55.5%	1,000
Rest of State	Geelong & Surf Coast	1,900	4.2%	80	17.9%	290
Rest of State	Gippsland	2,000	7.6%	140	50.3%	670
Capital City	Melbourne	38,500	18.2%	5,900	-2.6%	-1,000
Rest of State	Wimmera & Western	840	6.9%	50	40.9%	240
Queensland						
Capital City	Brisbane	22,100	16.2%	3,100	23.1%	4,100
Rest of State	Central Queensland	2,800	5.0%	130	28.1%	610
Rest of State	Far North Queensland	4,700	3.1%	140	9.9%	430
Rest of State	Gold Coast	4,700	6.0%	270	45.2%	1,500

Rest of State	Outback Queensland	490	3.3%	20	12.6%	50
Rest of State	Sunshine Coast	2,700	8.4%	210	70.1%	1,100
Rest of State	Toowoomba & South West QLD	1,800	6.0%	100	53.2%	630
South Australia						
Capital City	Adelaide	9,300	13.6%	1,100	39.4%	2,600
Rest of State	Fleurieu Peninsula & Murray Mallee	780	10.8%	80	78.5%	340
Rest of State	Port Augusta & Eyre Peninsula	500	8.8%	40	49.8%	170
Rest of State	Yorke Peninsula & Clare Valley	240	10.4%	20	41.9%	70
Western Australia						
Rest of State	Goldfields & Southern WA	1,800	1.3%	20	41.1%	530
Capital City	Perth	17,000	8.6%	1,300	34.4%	4,300
Rest of State	Pilbara & Kimberley	2,000	-1.9%	-40	31.1%	480
Rest of State	South West WA	1,100	0.3%	0	59.7%	400
Tasmania						
Capital City	Hobart & Southeast Tasmania	1,300	13.2%	150	25.2%	260
Rest of State	Launceston & Northeast Tasmania	570	8.3%	40	32.2%	140
Rest of State	North West Tasmania	450	5.0%	20	67.4%	180
Northern Territory						
Capital City	Darwin	1,600	11.7%	170	38.4%	450
Rest of State	Regional Northern Territory	690	9.4%	60	41.5%	200
Australian Capital Territory						
Capital City	Canberra & ACT	6,600	9.3%	560	13.8%	800
Rest of State Total		52,700	6.3%	3,100	45.0%	16,400
Capital City Total		140,300	14.9%	18,200	6.9%	9,000

Source: National Skills Commission, Internet Vacancy Index, seasonally adjusted data, February 2021.

Note:

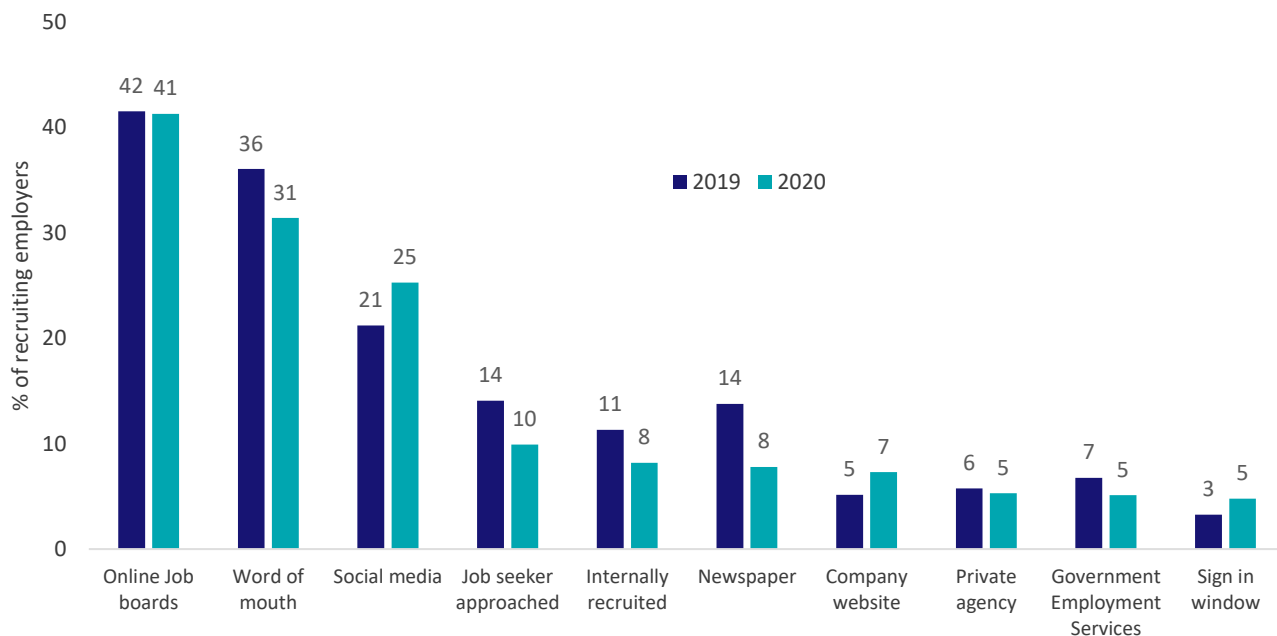
* Pre-COVID-19 job advertisement levels are defined as the 12-month average in the seasonally adjusted IVI series to February 2020.

** Seasonally adjusted estimates at the regional level of detail are not currently released publicly.

*** The sum of regional results may not match State/National totals due to geographical coding to 'other regions' within states. Further, series are separately seasonally adjusted and are non-additive.

Figure A1 highlights the change in employers' recruitment methods usage from 2019 to 2020. Notably, there has been little change in the proportion of employers that used online job boards, indicating that the large shifts seen in IVI in Rest of State areas over the past year are unlikely to be due to shifts in recruitment methods usage. There have been declines in the rates of usage of word of mouth, advertising in the newspaper, and recruiting from job seekers who approach the business, while the usage of social media has increased.

Figure A1: Usage of recruitment methods from 2019 to 2020 - Rest of State areas



Note: employers could select more than one method.

Source: National Skills Commission, Recruitment Experiences and Outlook Survey (August to December 2020); and the Survey of Employers' Recruitment Experiences (2019)

Recruitment activity recovery in Rest of State areas has outpaced that observed in Capital Cities for all Skill Level groups. In both Rest of State and Capital City areas, Skill Level 5 occupations (commensurate with a Certificate I or secondary education level) recorded the strongest recovery, up by 66.3% and 25.2% from pre-COVID-19 levels respectively.

- While strong growth in recruitment activity continues to be observed in lower skilled occupation groups (Skill Levels 4 and 5), it is important to understand this activity in the context of the impact of COVID-19 on employment. Of the total drop in employment observed in response to the COVID-19 economic shock over the quarter to May 2020, 71.7% (580,500 persons) was concentrated in lower skilled occupations²⁰.

While recruitment activity recovery for higher skilled occupations (Skill Levels 1 and 2) in Rest of State areas has seen job advertisements exceed pre-COVID-19 levels, in Capital Cities recruitment activity recovery for these Skill Level groups has been notably weaker. February 2021 results show recruitment activity for higher skill occupations is now commensurate with pre-COVID-19 level in Capital Cities, down slightly by 0.4% and 0.5% for Skill Level 1 and Skill Level 2 occupations respectively. This is indicative of a delayed recovery in recruitment activity for professional positions in Capital City areas compared to Rest of State areas.

²⁰ ABS Labour Force Survey, Detailed, Quarterly, cat no. 6291.0.55.003 February 2021, National Skills Commission seasonally adjusted data

Table A2: Recruitment activity by Skill Level group and region – February 2021

Skill Level	Number of job advertisements	Monthly change		Pre-COVID-19 Comparison*	
		(%)	(no.)	(%)	(no.)
Rest of State					
Skill Level 1 - Bachelor degree or higher	14,800	9.9%	1,300	30.0%	3,400
Skill Level 2 - Advanced Diploma or Diploma	5,400	7.2%	370	46.7%	1,700
Skill Level 3 - Certificate IV or III* (Skilled VET)	8,000	3.6%	280	41.1%	2,300
Skill Level 4 - Certificate II or III	15,200	5.5%	790	49.8%	5,100
Skill Level 5 - Certificate I or secondary education	9,000	3.0%	260	66.3%	3,600
Capital City					
Skill Level 1 - Bachelor degree or higher	55,700	13.8%	6,700	-0.4%	-220
Skill Level 2 - Advanced Diploma or Diploma	12,900	18.0%	2,000	-0.5%	-70
Skill Level 3 - Certificate IV or III* (Skilled VET)	17,700	7.5%	1,200	13.3%	2,100
Skill Level 4 - Certificate II or III	38,300	13.0%	4,400	10.1%	3,500
Skill Level 5 - Certificate I or secondary education	15,100	8.2%	1,100	25.2%	3,000

Source: National Skills Commission, Internet Vacancy Index, seasonally adjusted data, February 2021.

Note:

* Pre-COVID-19 job advertisement levels are defined as the 12-month average in the seasonally adjusted IVI series to February 2020.

** Seasonally adjusted estimates at the regional level of detail are not currently released publicly.

**The sum of skill level group results may not match totals as seasonally adjusted data are non-additive.

As shown in Table A3, the occupations with the largest number of job advertisements were similar across Capital Cities and Rest of State areas, with four occupations appearing in the top 10 in both. This was similar when looking at occupations that have recorded the largest increase in job advertisements over the year to February 2021 (see Table A4), with seven occupations appearing in the top 10 largest increases in job advertisements in both Capital Cities and Rest of State areas.

Table A3: Largest recruiting occupations (ANZSCO four-digit) by region – February 2021.

Capital City	Job advertisements	Rest of State	Job advertisements
General Clerks	6,100	General Clerks	2,400
Software and Applications Programmers	5,100	Sales Assistants (General)	2,400
Sales Assistants (General)	4,700	Registered Nurses	2,200
Advertising and Sales Managers	3,900	Other Miscellaneous Labourers	1,300
Registered Nurses	3,100	Aged and Disabled Carers	1,200
Construction Managers	2,300	Motor Mechanics	1,000
Accountants	2,300	Chefs	1,000
ICT Business and Systems Analysts	2,300	Metal Fitters and Machinists	850
Human Resource Professionals	2,100	Commercial Cleaners	820
Other Miscellaneous Labourers	2,100	Truck Drivers	820

*Source: National Skills Commission, Internet Vacancy Index, three-month average of original data, February 2021

Table A4: Largest annual growth in job advertisements by occupations (ANZSCO four-digit) and region – February 2021.

Capital City	Job advertisements – Annual change	Rest of State	Job advertisements – Annual change
Registered Nurses	830	Sales Assistants (General)	1,000
Waiters	720	General Clerks	750
General Clerks	560	Registered Nurses	660
Sales Assistants (General)	540	Aged and Disabled Carers	450
Other Miscellaneous Labourers	520	Commercial Cleaners	430
Bar Attendants and Baristas	510	Waiters	390
Storepersons	500	Other Miscellaneous Labourers	390
Motor Mechanics	470	Chefs	370
Commercial Cleaners	470	Motor Mechanics	320
Kitchenhands	460	Truck Drivers	300

**Source: National Skills Commission, Internet Vacancy Index, three-month average of original data, February 2021*

Appendix B Map of Greater Capital Cities and Rest of State areas

The two main region types referred to in this report – ‘Capital Cities’ and ‘Rest of State areas’ are defined according to the ABS’ Australian Statistical Geography Standard (ASGS).

Capital Cities refer to Greater Capital Cities as defined in the ASGS, while Rest of State areas refer to all other areas within each State or Territory that are outside the Greater Capital Cities. These two region types are shown on the map below.

