

Recruitment activity

**45%**

Change since September 2021<sup>1</sup>:

▲ 9% pts

Recruitment difficulty rate

**54%**

Change since September 2021:

▲ 2% pts

Expect to increase staff

**28%**

Change since September 2021:

▲ 5% pts

## Key findings from the Recruitment Experiences and Outlook Survey (REOS)<sup>2</sup>

- REOS results in October 2021 show that labour market conditions have tightened over the past month. Recruitment activity has increased, consistent with trends in Internet Vacancy Index (IVI) data, while expectations to increase staff are at their highest level since the series commenced in April 2020. Recruitment difficulty has also become more common in Rest of State areas.
- In October 2021, 45% of employers were recruiting or had recruited in the past month, 9 percentage points higher than September 2021 (36%).
  - The recruitment rate increased by 9 percentage points to stand at 45% in both Capital Cities and Rest of State areas.
  - Of the states, Queensland recorded the highest recruitment rate of 55%, a rebound of 15 percentage points over the month to October 2021 after an 11-percentage point decline over the month to September 2021.
  - Victoria (37%) and New South Wales (40%) recorded the lowest recruitment rates although both rates had increased since September 2021 (by 5 percentage points and 9 percentage points respectively).
  - Nearly two thirds of employers (64%) in Accommodation and Food Services were recruiting in October 2021, a significant increase on September 2021 (43%).
- The proportion of employers with staff stood down or on reduced hours stood at 19% in October 2021, a 9-percentage point decrease from September 2021.
- The recruitment difficulty rate increased by 2 percentage points over the month to 54%.
  - The recruitment difficulty rate increased sharply in Rest of State areas, from 50% to 62%, while in Capital Cities it fell from 54% to 50%.
- In October 2021, 28% of employers expected to increase their staffing levels over the next 3 months, a 5-percentage point increase on September 2021 and the highest proportion recorded since the series commenced in April 2020.
  - Expectations to increase staff in New South Wales stood at 30%, a notable increase on September 2021 (22%).
  - Accommodation and Food Services (47%) had a record high proportion of employers that expected to increase staff numbers over the next 3 months.
- This month's Spotlight explores the high level of difficulty that employers are having when recruiting for Hospitality Workers.

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.

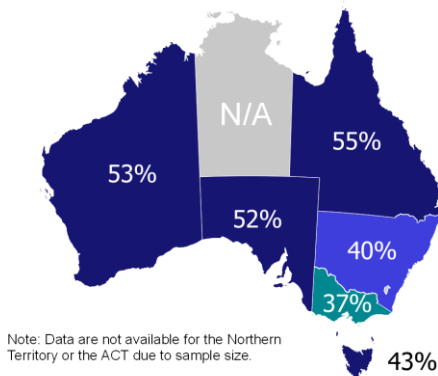
<sup>2</sup> REOS results may not reflect the full impact that outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers that have closed down (even temporarily) and response rates can vary significantly by industry in areas under lockdown restrictions.

# Recruitment activity

- In October 2021, 45% of employers were recruiting or had recruited in the past month, 9 percentage points higher than September 2021 (36%).
- The recruitment rate in Capital Cities and Rest of State areas stood at 45%. Both rose by 9 percentage points from the previous month (36%).
- Victoria (37%) and New South Wales (40%) recorded the lowest recruitment rates although both rates had increased since September 2021 (by 5 percentage points and 9 percentage points respectively).
- The highest recruitment rates were recorded in Queensland and Western Australia. Queensland's recruitment rate rose by 15 percentage points over the month to 55%, while Western Australia's recruitment rate rose by 10 percentage points to 53%.
- The recruitment rate for businesses with 5 to 19 employees increased by 10 percentage points over the month to 40% in October 2021. Likewise, the recruitment rate for businesses with 20 or more employees rose by 6 percentage points, to 67%.
- Employers in Accommodation and Food Services (64%) were by far the most likely (out of the reported industries) to have recruited in October 2021. This result was a significant increase on the 43% recorded in the previous 3 months, but remains below the figure recorded in June 2021 (66%).

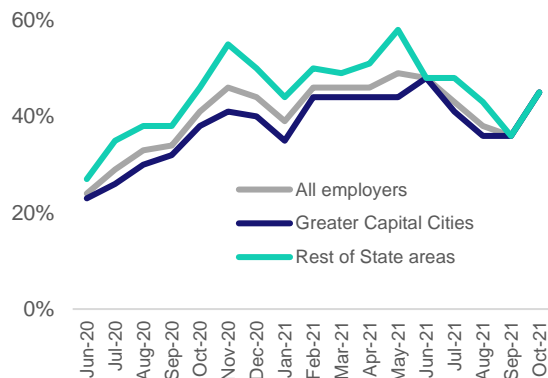
## Recruitment by state and territory

Proportion of employers who are recruiting by state



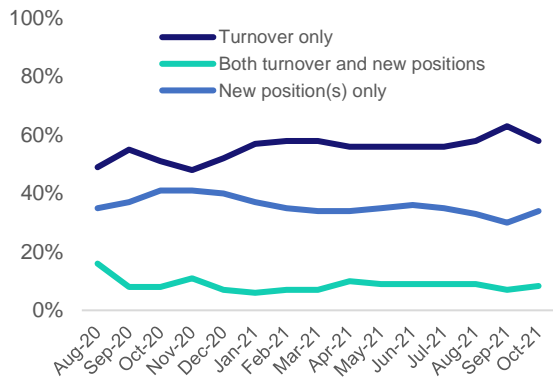
## Recruitment by region type

Proportion of employers who are recruiting by region type



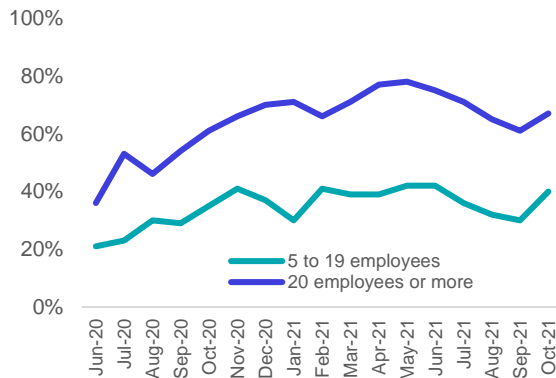
## Reason for recruitment

as a proportion of recruiting employers



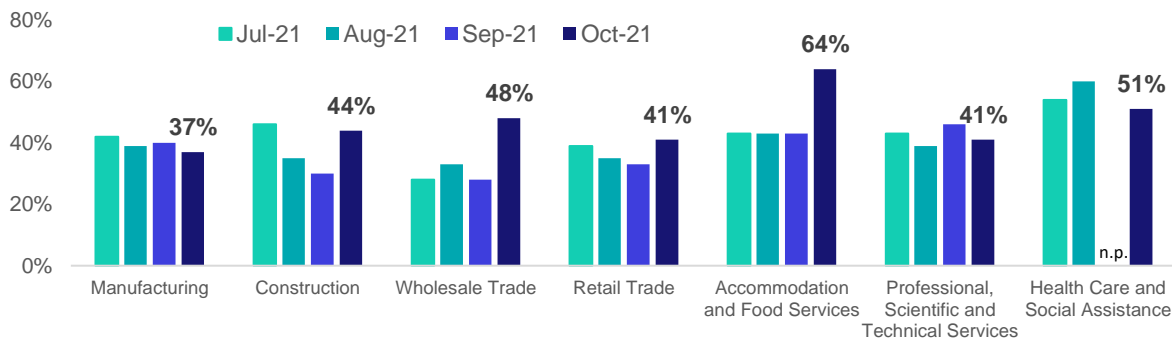
## Recruitment by business size

Proportion of employers who are recruiting by business size



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

Proportion of employers who are recruiting by industry

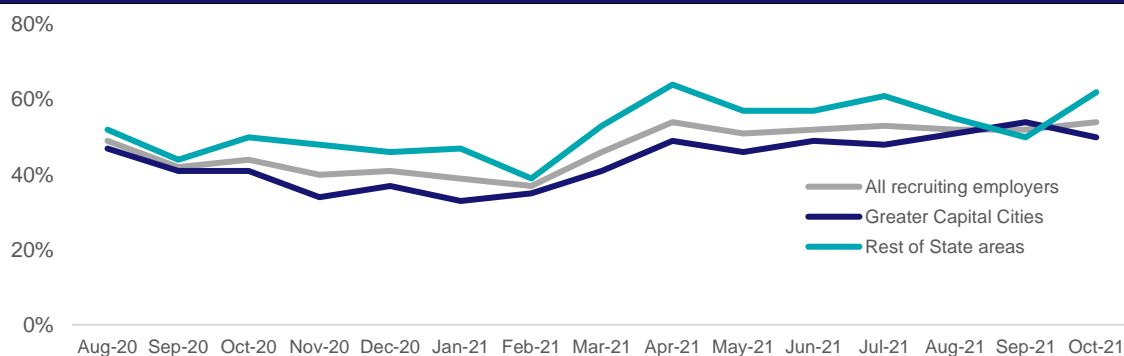


<sup>3</sup> Some industries are not reportable due to small sample sizes.

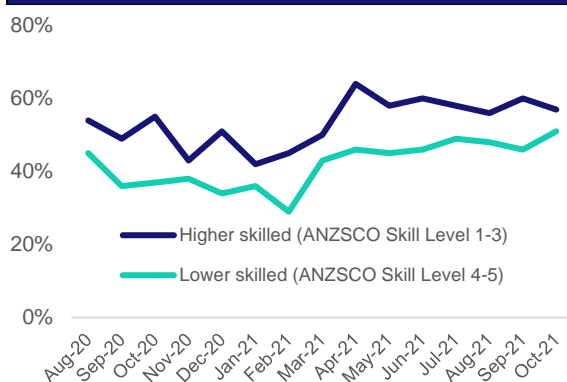
# Recruitment difficulty rate

- The recruitment difficulty rate increased by 2 percentage points over the month to stand at 54%.
- In Rest of State areas, the difficulty rate increased sharply from 50% to 62%, while in Capital Cities it fell from 54% to 50%.
- Over the month the recruitment difficulty rate increased by 1 percentage point for businesses with 20 or more employees (to 49%), as well as those with 5 to 19 employees (to 56%).
- Higher skilled occupations remain more difficult to recruit for compared with lower skilled<sup>4</sup> occupations, with recruitment difficulty rates of 57% (down from 60% last month), and 51% (up from 46%), respectively.
- The difficulty rate for employers recruiting only for non-casual positions decreased 5 percentage points to 50%, while for employers recruiting only for casual positions it increased from 45% to 55% over the month.

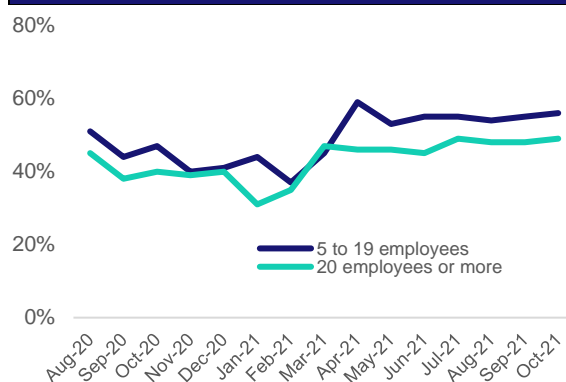
## Difficulty by region type as a proportion of recruiting employers



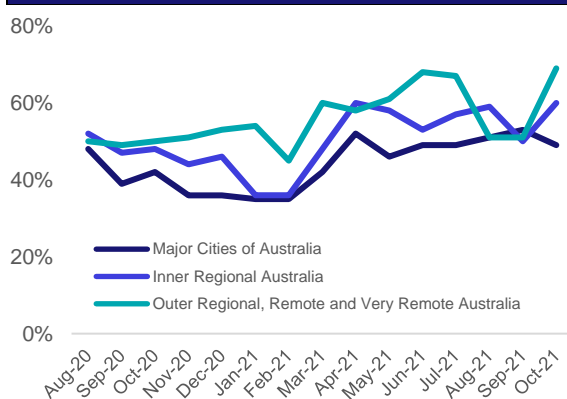
## Difficulty by skill level of occupation as a proportion of recruiting employers



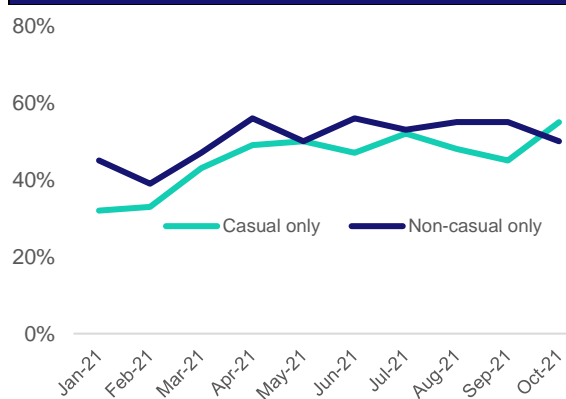
## Difficulty by business size as a proportion of recruiting employers



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



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



<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.

## Spotlight: Recruitment difficulty for Hospitality Workers

This month's Spotlight focuses on the difficulty that employers have in hiring Hospitality Workers. With low overseas migration and an increase in job advertisements leading to higher competition for workers, employers recruiting for Hospitality Workers have been reporting having recruitment difficulty more frequently when compared with other occupation groups.

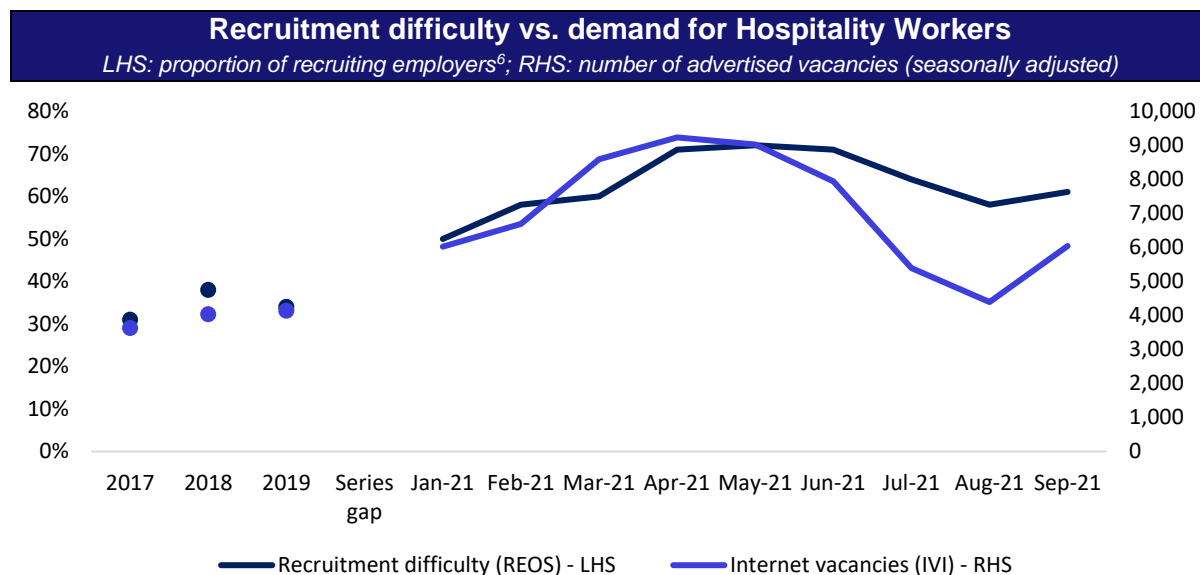
Hospitality Workers are defined by ANZSCO as an occupation group<sup>5</sup> that provides services to customers of hotels, bars, cafes, restaurants, casinos and similar establishments. Occupations that fall under the Hospitality Worker umbrella include:

- Bar Attendants and Baristas, Café Workers, Gaming Workers, Hotel Service Managers, Waiters and Other Hospitality Workers.

The demand for Hospitality Workers in 2021, and the subsequent difficulty recruiting for them has been at markedly higher levels than in previous years. The number of vacancies advertised on the internet for this occupation group (as recorded in the National Skills Commission's Internet Vacancy Index) peaked at 9,230 advertisements in April 2021, well above the 2019 average of 4,140 per month.

The frequency at which employers have reported difficulty filling vacancies for Hospitality Workers is also much more common in 2021 than previous years, aligning with increased demand. In May 2021 (the most recent peak of recruitment difficulty recorded), 72% of employers reported that they had found it difficult to fill their vacancies for Hospitality Workers, well above the average of 34% across 2019.

As shown in the chart below, more recently there has been a decrease in both vacancies and recruitment difficulty for Hospitality Workers, primarily due to the recent lockdowns imposed across NSW and Victoria. As lockdowns ease and the seasonal recruitment in the leadup to Christmas and summer holidays takes place over the next few months, it is expected that both demand and recruitment difficulty will once again increase for Hospitality Workers.



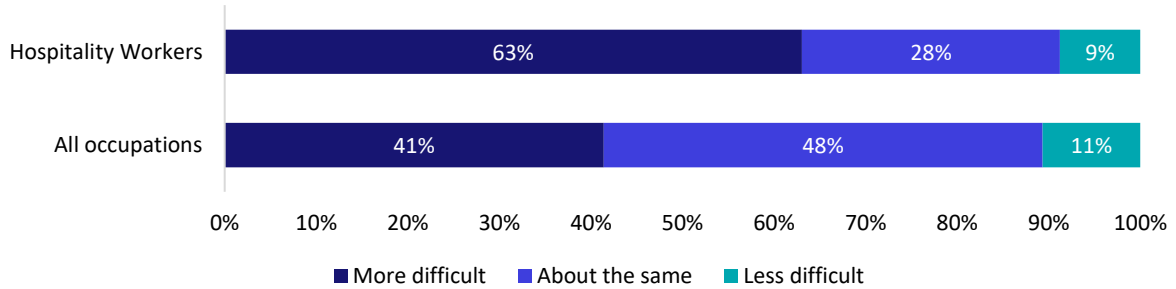
Recent results from the REOS have also shown that employers recruiting for Hospitality Workers found it harder finding staff than before the pandemic. Almost two thirds (63%) of employers surveyed between March and October 2021 reported they had more difficulty compared with before March 2020 (i.e. prior to the COVID-19 pandemic), with only 9% reporting that recruitment was easier. In comparison, around 41% of employers recruiting across all occupations reported finding it more difficult than prior to COVID, while 11% reported that it was less difficult.

<sup>5</sup> Hospitality Workers are a 3-digit ANZSCO group.

<sup>6</sup> Proportions are 3-month averages, recorded as middle month for each 3-month period.

## Recruitment difficulty compared to pre-March 2020

proportion of recruiting employers March 2021 to October 2021

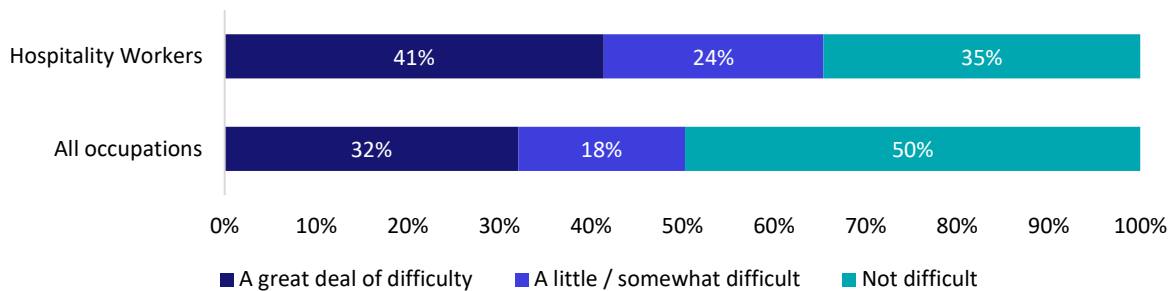


With difficulty filling vacancies for Hospitality Workers becoming much more common since the onset of COVID-19, the rate of recruitment difficulty in 2021 has been higher for Hospitality Workers compared with the average for all occupations.

Consistent with this, employers recruiting for Hospitality Workers were also more likely to experience “a great deal of difficulty” compared with the average for all occupations (41% compared with 32%). Additionally, the proportion of employers who did not experience any difficulty recruiting was considerably lower for employers recruiting for Hospitality Workers than other occupations (35% compared to 50%).

## Severity of recruitment difficulty

proportion of recruiting employers, March 2021 to October 2021



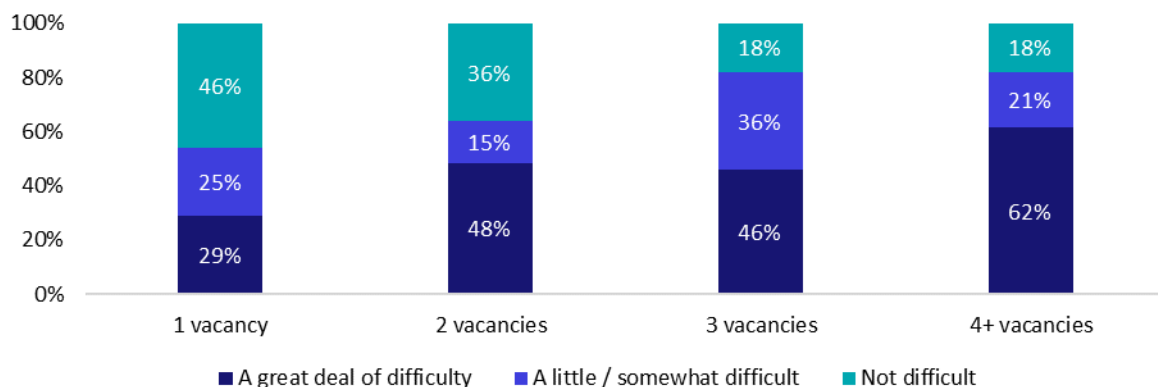
The reasons why employers are recruiting for Hospitality Workers in 2021 has also changed since 2019. For example:

- Recruitment is now more likely to be due to a new position being created (39% in 2021 compared with 15% in 2019); and
- Recruitment rounds are more likely to have more than one vacancy (60% in 2021 compared with 37% in 2019).

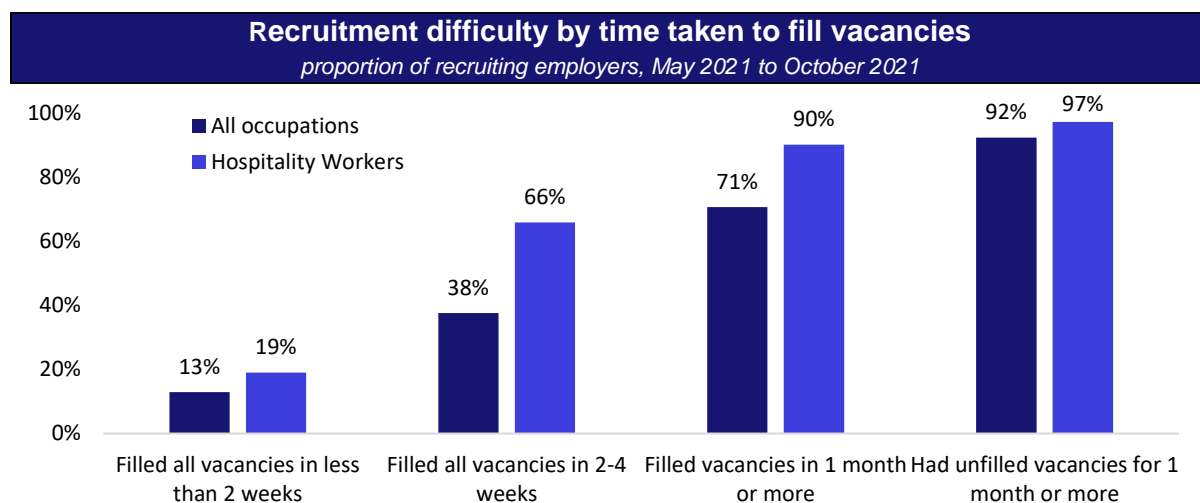
Difficulty finding staff also increased as the number of vacancies in an employer’s recruitment round rose. Between March and October 2021, just over a quarter (29%) of employers looking to fill one vacancy experienced a great deal of difficulty, rising to over three in five (62%) for those who were looking to fill 4 or more vacancies.

## Scale of difficulty – for Hospitality Workers

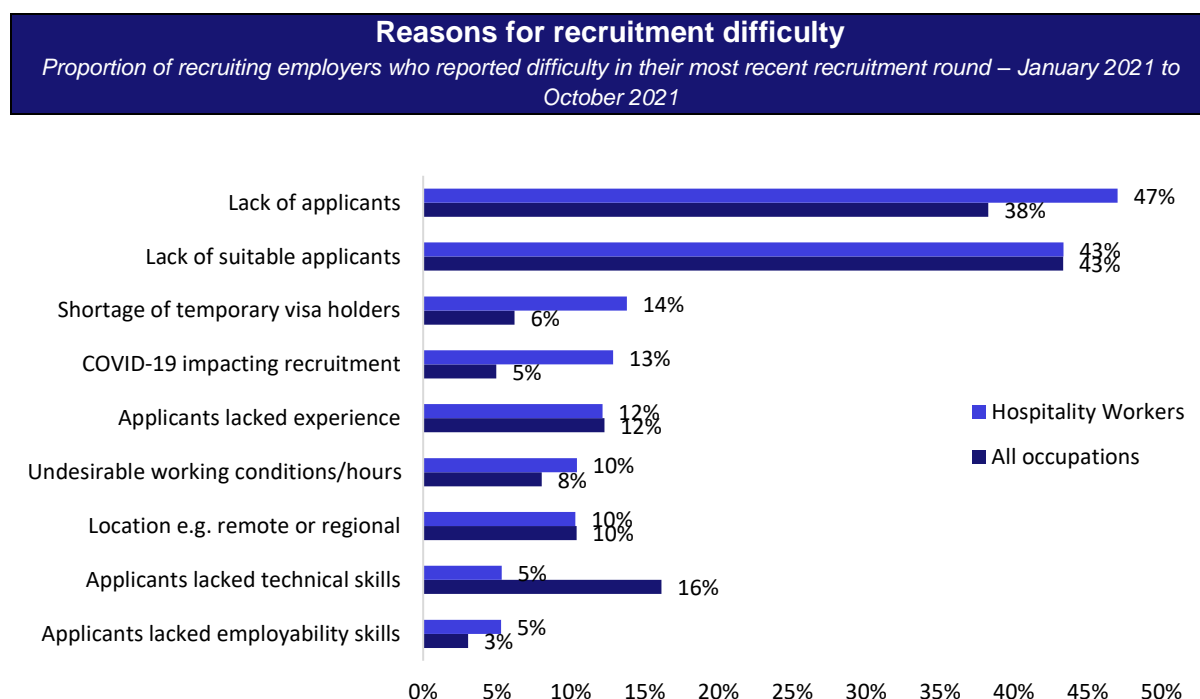
proportion of recruiting employers by number of vacancies in recruitment round, March 2021 – October 2021



Analysis of REOS data also found that recruitment difficulty for employers looking to fill vacancies for Hospitality Workers was also closely linked to the length of the recruitment process. The rate of recruitment difficulty increased sharply when employers reported that vacancies had taken more than 2 weeks to fill. About two thirds (66%) of employers recruiting for Hospitality Workers who filled their vacancies between 2 and 4 weeks reported difficulty in the process, with this proportion increasing to over 90% if the process took more than a month.



Recruitment difficulty is typically due to employers being unable to attract sufficient applicants with the skills and attributes that they are looking for. Between January and October 2021, the most common reason reported for recruitment difficulty was a lack of applicants (47% of those reporting difficulty), closely followed by the lack of suitable applicants (43%). Other common reasons were a shortage of temporary visa holders (14%) and applicants lacking experience (12%). The impact of COVID-19 on the recruitment of Hospitality Workers was also more commonly cited by employers as a reason for recruitment difficulty (13%) compared with employers recruiting for all occupations (5%).

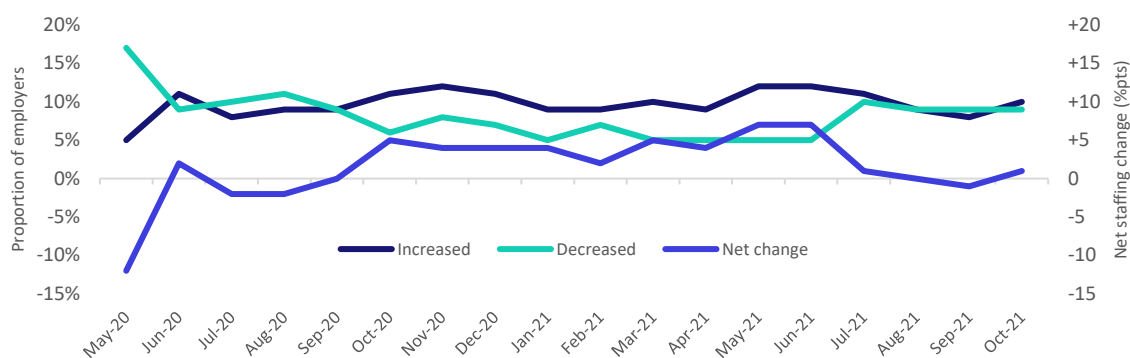


## Staffing changes over the past month

- In October 2021, the proportion of employers that increased their staffing levels over the past month stood at 10%, an increase on the 8% recorded in September 2021. The proportion that decreased their staffing levels remained unchanged at 9% over the month. The 'net staffing change' (proportion of employers that increased staff minus the proportion that decreased staff) was +1 percentage point in October, slightly higher than the -1 percentage point in September 2021.
- Victoria recorded the lowest net staffing change (-7 percentage points), while the largest net staffing change was recorded in Queensland (+6 percentage points).
- New South Wales (+5 percentage points) recorded a notable improvement in net staffing change compared with the -2 percentage point figure recorded in September 2021.
- Employers in Wholesale Trade recorded the lowest net staffing change (-9 percentage points), while employers in Accommodation and Food Services recorded the highest (+7 percentage points).

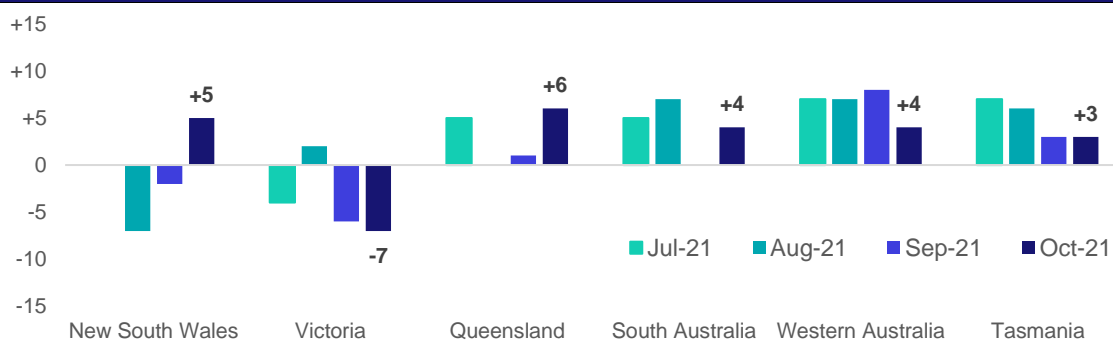
### Employers that increased or decreased staff over the past month

Proportion of employers



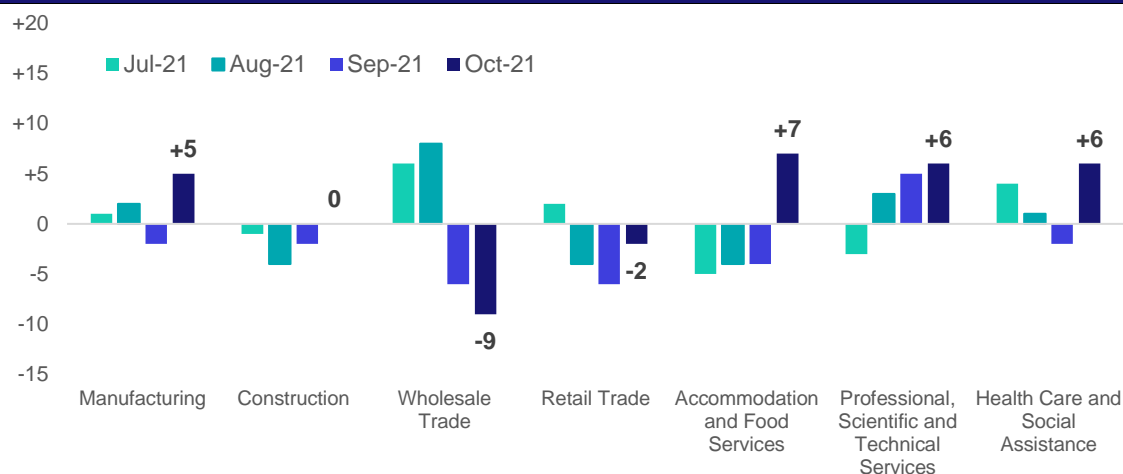
### Net staffing change - by state

Percentage point difference (% increased - % decreased)



### Net staffing change - by selected<sup>7</sup> industries

Percentage point difference (% increased - % decreased)



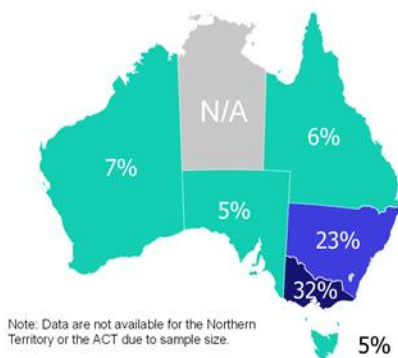
<sup>7</sup> Some industries are not reportable due to small sample sizes.

# Employers with staff stood down or on reduced hours

- The proportion of employers with staff stood down or on reduced hours<sup>8</sup> stood at 19% in October 2021, a decrease from the 28% recorded in September 2021.
- Over the month the proportion of employers with staff stood down or on reduced hours decreased in both Capital Cities (from 31% to 21%) and Rest of State areas (from 21% to 15%).
- Victoria had the highest proportion of employers with staff stood down or on reduced hours (32%), followed by New South Wales (23%). These proportions were well above those recorded in any other state.
- The proportion of employers with staff stood down or on reduced hours was highest in Accommodation and Food Services (42%, a decline of 6 percentage points over the month), followed by Manufacturing (24%, an increase of 2 percentage points).
- Construction (12%) and Wholesale Trade (12%) both recorded large declines over the month (declines of 19 percentage points and 18 percentage points respectively) in the proportion of employers with staff stood down or on reduced hours.

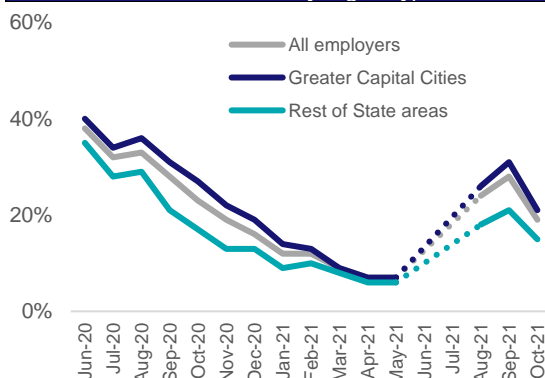
## Staffing arrangements by state and territory

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



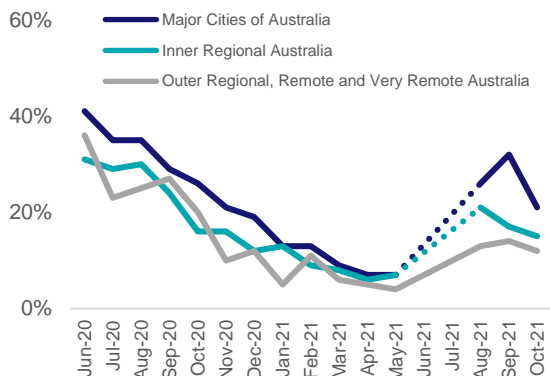
## Staffing arrangements by region type

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



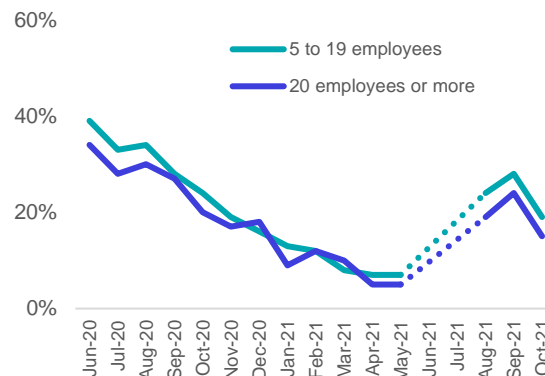
## Staffing arrangements by ARIA

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



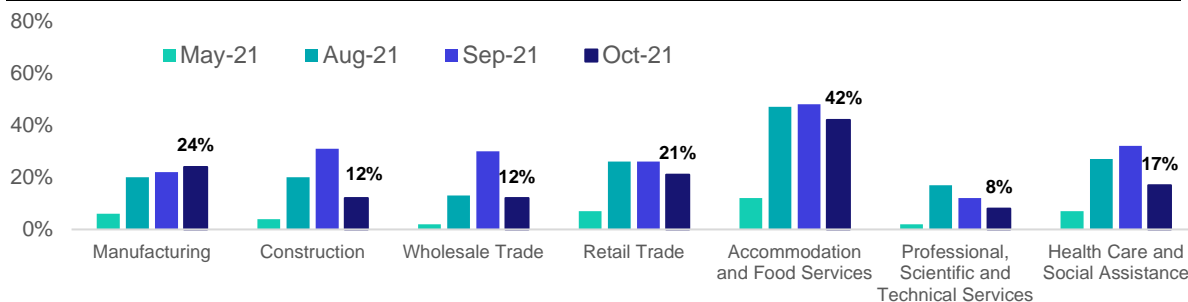
## Staffing arrangements by business size

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



## Staffing arrangements by selected<sup>9</sup> industries

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



<sup>8</sup> The question on whether employers had staff stood down or on reduced hours was not asked in June or July 2021.

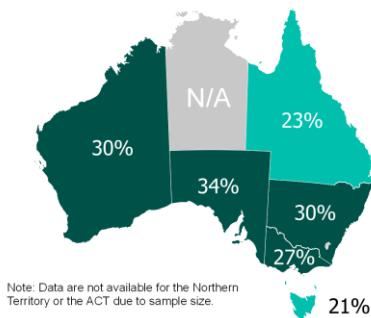
<sup>9</sup> Some industries are not reportable due to small sample sizes.



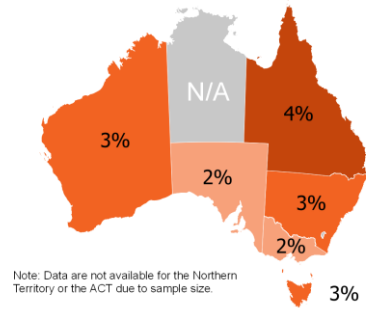
# Staffing outlook

- In October 2021, 28% of employers expected to increase their staffing levels over the next 3 months, a 5 percentage point increase on September 2021, and the highest rate recorded since the series commenced in April 2020.
- South Australia had the highest proportion of employers expecting to increase staff numbers over the next 3 months (34%), followed by Western Australia and New South Wales (both 30%).
- Expectations to increase staffing levels stood at 28% in both Capital Cities and Rest of State areas.
- Accommodation and Food Services (47%) had the highest proportion of employers who expected to increase staff numbers over the next 3 months. This was a significant increase on September 2021 (34%) and the highest rate recorded for this industry since April 2020.
- Professional, Scientific, and Technical Services had the smallest proportion who expected to increase staff numbers (15%), down 7 percentage points from the previous month.
- The proportion of employers expecting to decrease staff numbers stood at 3%, a slight increase on September 2021 (2%).

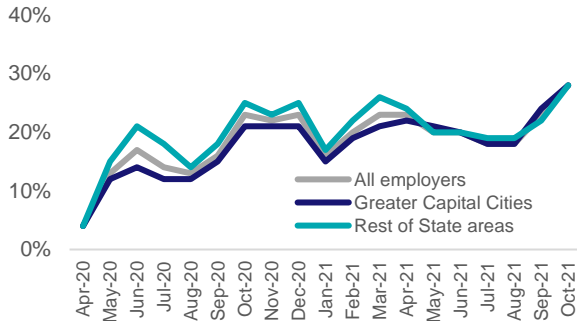
## Expectations to increase staff as a proportion of all employers



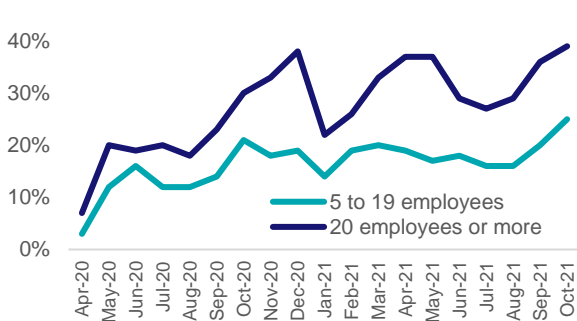
## Expectations to decrease staff as a proportion of all employers



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



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



## Staffing expectations over the next 3 months by selected<sup>10</sup> industries as a proportion of all employers



<sup>10</sup> Some industries are not reportable due to small sample sizes.

## Background

Information in the monthly Recruitment Insight Reports is based on the *Recruitment Experiences and Outlook Survey* (REOS), which is an ongoing survey of employers across Australia. Approximately 1,200 employers are surveyed each month, with data published on the Labour Market Information Portal (LMIP). While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with caution. In addition, the survey is targeted towards employers with 5 or more employees, and excludes many government organisations.

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

Data in this release should be referenced as – National Skills Commission, Recruitment Insights Report, October 2021.

For additional information email [RecruitmentAnalysis@skillscommission.gov.au](mailto:RecruitmentAnalysis@skillscommission.gov.au).