REOS Recruitment Insights Report – September 2023

September 2023 Recruitment activity[1]	September 2023 Recruitment difficulty rate[2]	September 2023 Expect to increase staff[3]
49%	**59%**	**25%**
Monthly change: ▲3% pts	**Monthly change: ▼2% pts**	**Monthly change: ▲1% pt**
Yearly change: ▼9% pts	Yearly change: ▼8% pts	Yearly change: ▼3% pts

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

September 2023 REOS results repeat the pattern of the previous 6 months or so, with recruitment activity and recruitment difficulty rates up one month and down the next. Both indicators have been generally trending down over the year, however, and are now well below levels seen over much of 2022. The proportion of employers expecting to increase staffing saw a slight rise, likely reflecting recruitment intentions in the lead up to Christmas. Overall, the results indicate that recruitment activity is softer than 12 months ago but remains somewhat resilient.

Recruitment activity

During September 2023, 49% of employers recruited, 3 percentage points higher than August 2023. Despite this rise, it remains 9 percentage points lower than a year ago.

- In Capital Cities, 49% of employers recruited in September 2023, an increase of 5 percentage points over the month, but 9 percentage points lower than in September 2022.

- The recruitment rate in Rest of State areas also increased, by 1 percentage point over the month to 49%. Recruitment activity in Rest of State areas remains 8 percentage points lower than a year ago.

Despite the recruitment rate for small businesses (5 to 19 employees) increasing by 4 percentage points to 42% in September 2023, it is 10 percentage points lower than a year ago. By contrast, recruitment activity for large businesses (20 employees or more) stands at 77%, 2 percentage points higher than August 2023 but 5 percentage points lower than a year ago.

Recruitment difficulty

Recruitment difficulty fell slightly in September 2023, decreasing by 2 percentage points to 59% of recruiting employers (representing 29% of all employers). Notably, recruitment difficulty is now 8 percentage points lower than a year ago.

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[1] Recruitment activity (or the 'recruitment rate') is the proportion of all employers who are either currently recruiting or who had recruited in the previous month.
[2] The 'recruitment difficulty rate' is the proportion of recruiting employers who experienced difficulty hiring staff in their most recent recruitment round.
[3] The 'expect to increase staff' (also 'staffing outlook') figure is the proportion of all employers who expect to increase staff numbers over the next three months.

- Recruitment difficulty in Capital Cities and Rest of State areas both decreased by 1 percentage point over the month, to 56% and 66% respectively in September 2023.

- Compared with a year ago, recruitment difficulty for Capital Cities is now 10 percentage points below the 66% recorded in September 2022; while for Rest of State areas, the difficulty rate is just 2 percentage points below the 68% recorded in September 2022.

- Smaller businesses reported a 2 percentage points decrease in recruitment difficulty over the month, to 61% in September 2023, an 8 percentage point decline over the past year. Large businesses reported a small increase (1 percentage point) in recruitment difficulty, to 56% (6 percentage points lower than a year ago).

Employers who increased staff

Around 12% of employers increased their staffing levels in September 2023. This was unchanged over the month but slightly lower (2 percentage points) than a year ago (14%).

- Interestingly, this proportion was similar for employers in Capital Cities (12%), Rest of State areas (11%) and smaller businesses (10%). For larger businesses however, the rate was 18%.

Expect to increase staff in the future

The proportion of employers who expected to increase staffing levels over the next 3 months rose by 1 percentage point, to 25% in September 2023, but is lower when compared with most results recorded during 2022.

- Employers expecting to increase staff in Capital Cities and small businesses rose over the month, with 25% and 22% respectively expecting to increase their staffing levels over the next 3 months.

- Employers in Rest of State areas expecting to increase staff had fallen by 3 percentage points to 25% over the month while large businesses remained steady with 37% of employers expecting to increase their staffing levels over the next 3 months.

A very small proportion (3%) of employers expected to decrease staff levels in the next 3 months, up slightly from 2% last month.

Recruitment indicators – key charts
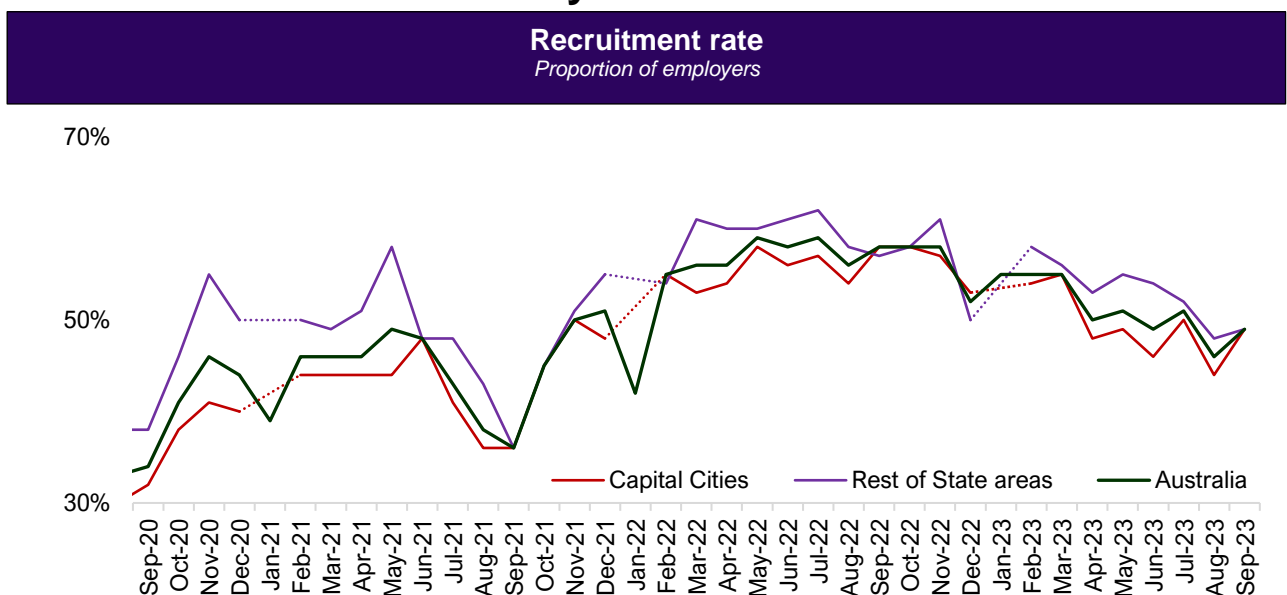
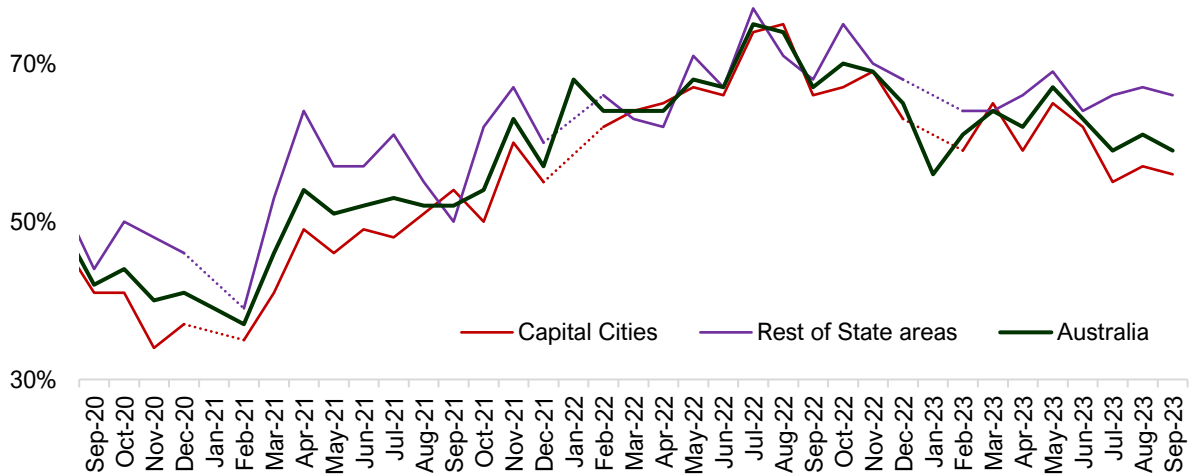**Recruitment rate**
Proportion of employers

Note: Some disaggregated data are not available for January 2021, 2022, and 2023. Data points have been joined by a dotted line between December and February to reflect this.
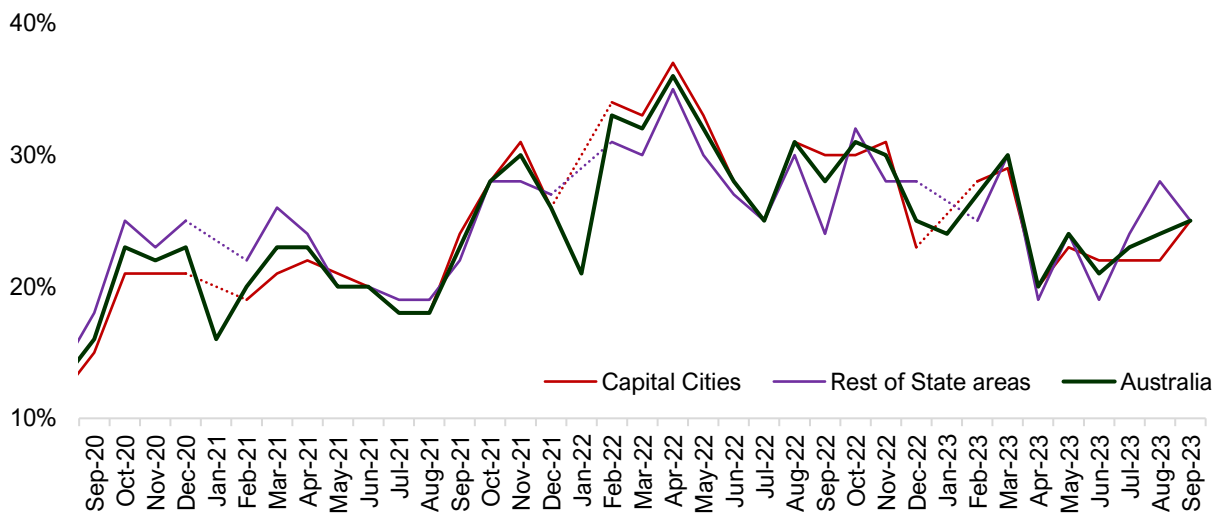
Recruitment indicators – key charts

Recruitment difficulty
Proportion of recruiting employers

Employers who expect to increase staff numbers over the next 3 months
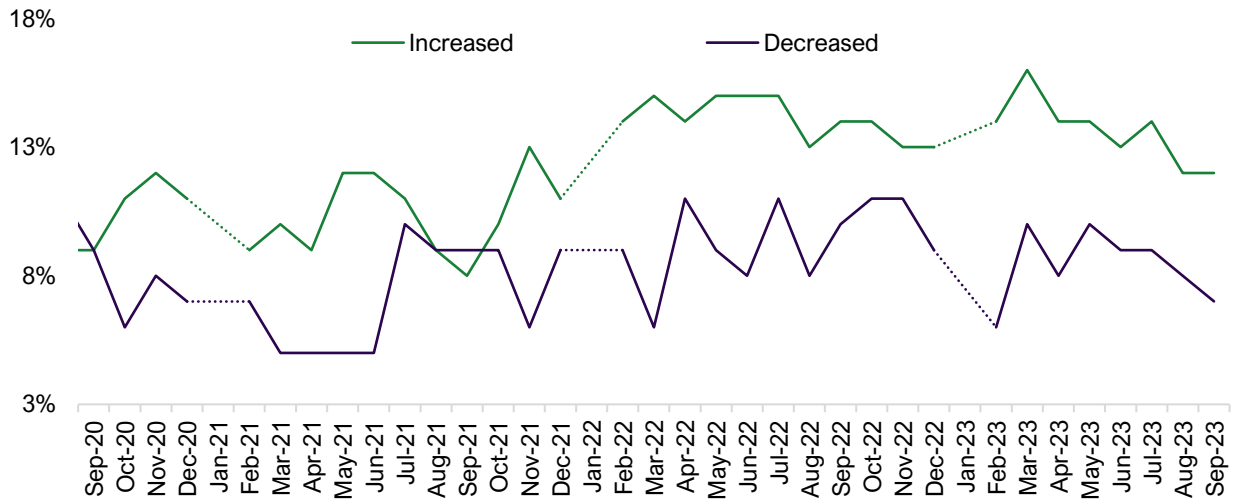### *Proportion of employers*

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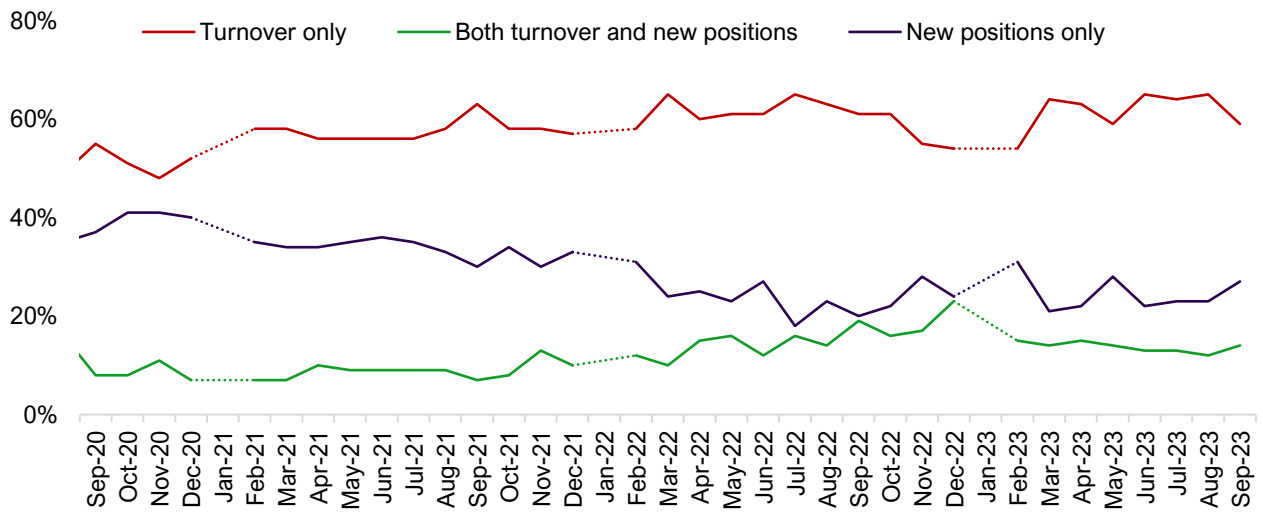
Recruitment indicators – key charts

Increased / decreased staff over the past month
Proportion of employers

Legend: Increased, Decreased

Reasons for recruitment
Proportion of recruiting employers

Legend: Turnover only, Both turnover and new positions, New positions only

Note: Some disaggregated data are not available for January 2021, 2022, and 2023. Data points have been joined by a dotted line between December and February to reflect this.

Background

Information in this report is based on the *Recruitment Experiences and Outlook Survey* (REOS), which is an ongoing survey of employers across Australia. Approximately 1,000 employers are surveyed each month, with data published on the Jobs and Skills Australia website. 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. The survey is targeted towards employers with five or more employees and excludes many government organisations.

The REOS is a telephone administered survey with the business owner or other person in the business responsible for recruitment. All figures presented in this report have been weighted by location and workplace size, according to the Australian Bureau of Statistics Counts of Australian Businesses, including Entries and Exits (June 2018 to June 2022) publication. The weighted figures are intended to create nationally representative results by correcting for the oversampling of smaller regions compared with larger regions.

Data collected in the survey have been coded and reported according to the following ABS classifications:

- Capital City and Rest of State areas are defined by the Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure and Greater Capital City Statistical Areas, July 2016.

Note that data collection paused over the Christmas and New Year periods as follows:
- 21 December 2020 until 8 January 2021,
- 18 December 2021 to 7 January 2022 and
- 17 December 2022 to 9 January 2023.

More detail is available at: jobsandskills.gov.au/work/reos-survey-methodology and for further information, email REOS@jobsandskills.gov.au.

Recent REOS releases

The REOS Spotlight series features analysis on topics of interest not covered in the regular monthly report, utilising a greater range of data available in the rich survey dataset. These reports are available on the Jobs and Skills Australia website at: https://www.jobsandskills.gov.au/work/recruitment-experiences-and-outlook-survey.

Recent releases cover employers' greatest concerns for the future, unrealised vacancies (or employers who had given up recruiting), recruitment patterns for entry level vacancies and recent trends in recruitment difficulties.

Referencing

Data in this release should be referenced as: *Jobs and Skills Australia, Recruitment Insights Report, September 2023.*