



Recruitment Insights Report – August 2023

August 2023
Recruitment activity¹

46%

Monthly change: ▼5% pts
Yearly change: ▼10% pts

August 2023
Recruitment difficulty rate²

61%

Monthly change: ▲2% pts
Yearly change: ▼13% pts

August 2023
Expect to increase staff³

24%

Monthly change: ▲1% pt
Yearly change: ▼7% pts

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

August 2023 REOS results indicate that there was a decrease in the recruitment rate, lowering to levels last seen over much of 2021. Recruitment difficulty and the proportion of employers expecting to increase staffing levels remained relatively steady. This month's results indicate that labour market conditions continue to soften, particularly compared with this time last year when recruitment activity and difficulty were at near all-time highs — also in line with the Internet Vacancy Index results for August 2023 which showed a decline in internet vacancies⁴.

Recruitment activity

Over the month to August 2023, 46% of employers recruited, 5 percentage points lower than July 2023 and 10 percentage points lower than a year ago.

- In Capital Cities, 44% of employers recruited in August 2023, a decrease of 6 percentage points over the month and 10 percentage points lower than in August 2022.
- Recruitment activity in Rest of State areas also decreased, by 4 percentage points over the month to 48%. Recruitment activity in Rest of State areas remains 10 percentage points lower than a year ago.

The REOS also collects information by business size. Recruitment activity for small businesses (5 to 19 employees) has seen a 13 percentage point reduction over the last 12 months, to stand at 38% in August 2023, the lowest level in around 2 years. By contrast, large businesses (20 employees or more) have tapered off only slightly over the year, with 75% of respondents undertaking recruitment in August 2023. While the number of large businesses recruiting has not changed by much over the last year, it is likely that the number of vacancies in these large businesses has decreased given the overall decline in vacancies reported by both the Internet Vacancy Index and the Job Vacancy Survey⁵.

Recruitment difficulty

Recruitment difficulty edged up slightly in August 2023, increasing by 2 percentage points to 61% of recruiting employers (representing 28% of all employers). Notably, recruitment difficulty is now 13 percentage points lower than a year ago.

- The minor increase in recruitment difficulty over the month was due to an increase in difficulty in Capital Cities, increasing by 2 percentage points to 57%, while the recruitment difficulty rate in Rest of State areas increased by 1 percentage point, to 67% in August 2023.

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.

⁴ Jobs and Skills Australia, Internet Vacancy Index Report, August 2023

⁵ Australian Bureau of Statistics (May 2023), *Job Vacancies, Australia*

- Compared with a year ago, recruitment difficulty for Capital Cities is now 18 percentage points below the 75% recorded in August 2023; while for Rest of State areas, the difficulty rate is just 4 percentage points shy of the 71% recorded in August 2023.

Smaller businesses reported a 3 percentage point increase in recruitment difficulty over the month, to 63% in August 2023, but a 13 percentage point decline over the past year.

Large businesses reported a small drop (1 percentage point) in recruitment difficulty, to 55% (also 13 percentage points lower than a year ago).

Employers who increased staff and those expecting to increase in the future

Around 12% of employers increased their staffing levels in August 2023. This was 2 percentage points lower than last month, and very similar to a year ago (13%).

- Interestingly, this proportion was similar for employers in Capital Cities (12%), Rest of State areas (11%) and smaller businesses (11%). For larger businesses however, the rate was 15%, a decline of 7 percentage points over the month and the lowest rate recorded in almost 2 years.

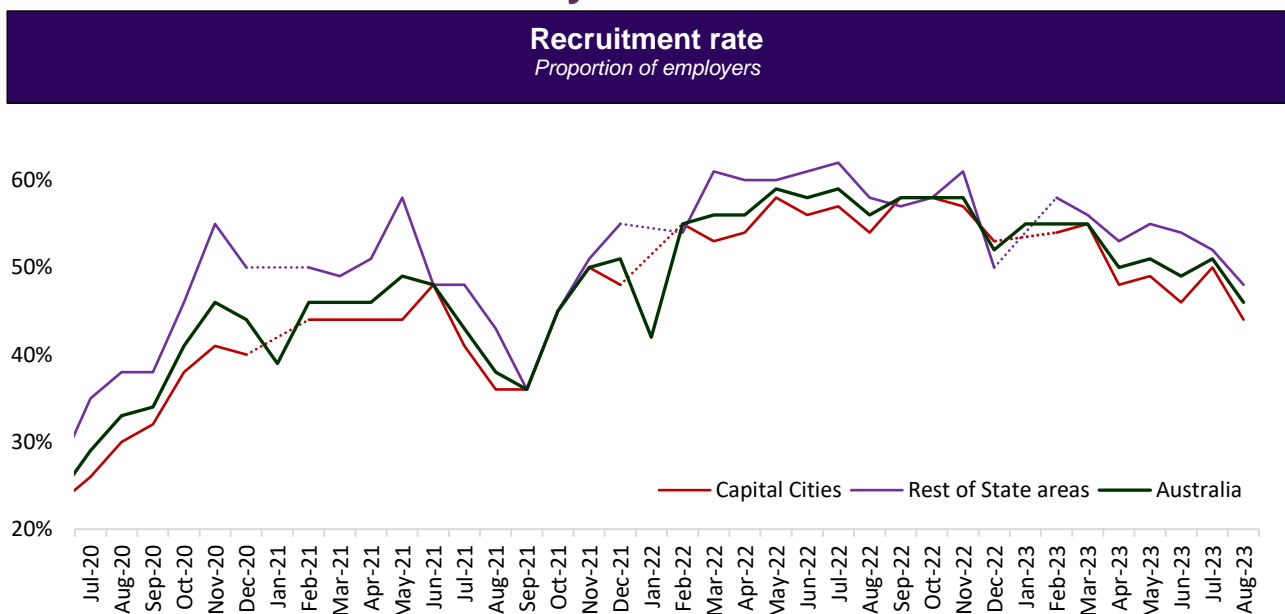
Expect to increase staff in the future

The proportion of employers who expected to increase staffing levels over the next 3 months rose by 1 percentage point, to 24% in August 2023. Even though the data can change from month to month, staffing expectations remain lower compared with results recorded during 2022.

- Employers in Capital Cities and small businesses were stable over the month, with 22% and 21% respectively, expecting to increase their staffing levels.
- Regional employers were more positive in their outlook, rising 4 percentage points to 28% over the month. Similarly, 37% of large businesses expected to increasing their staffing levels over the next 3 months, up from 30% last month.

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

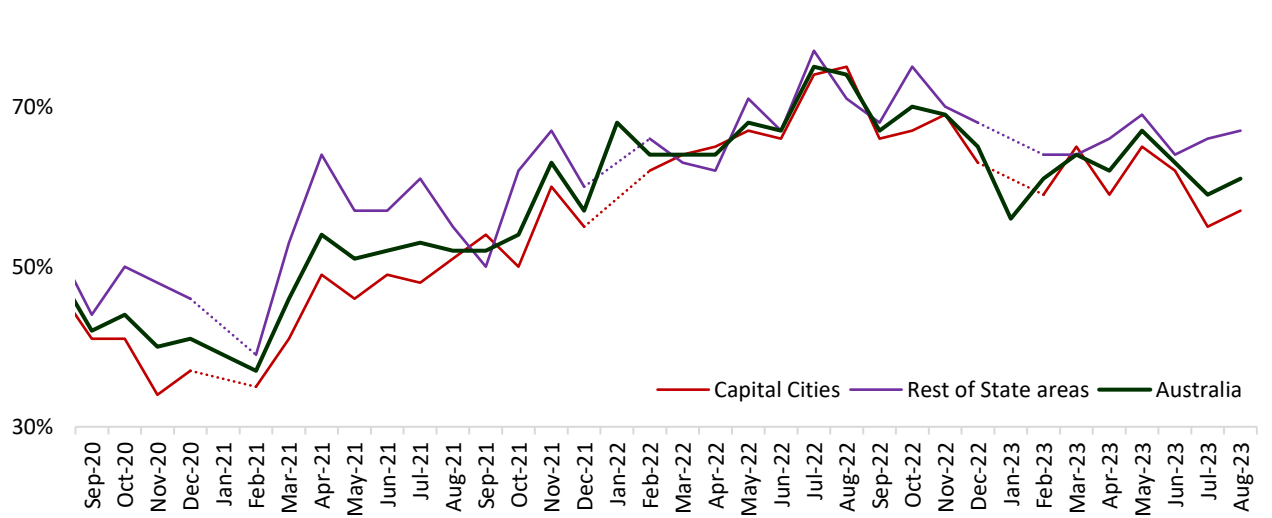
Recruitment indicators – key charts



Recruitment indicators – key charts

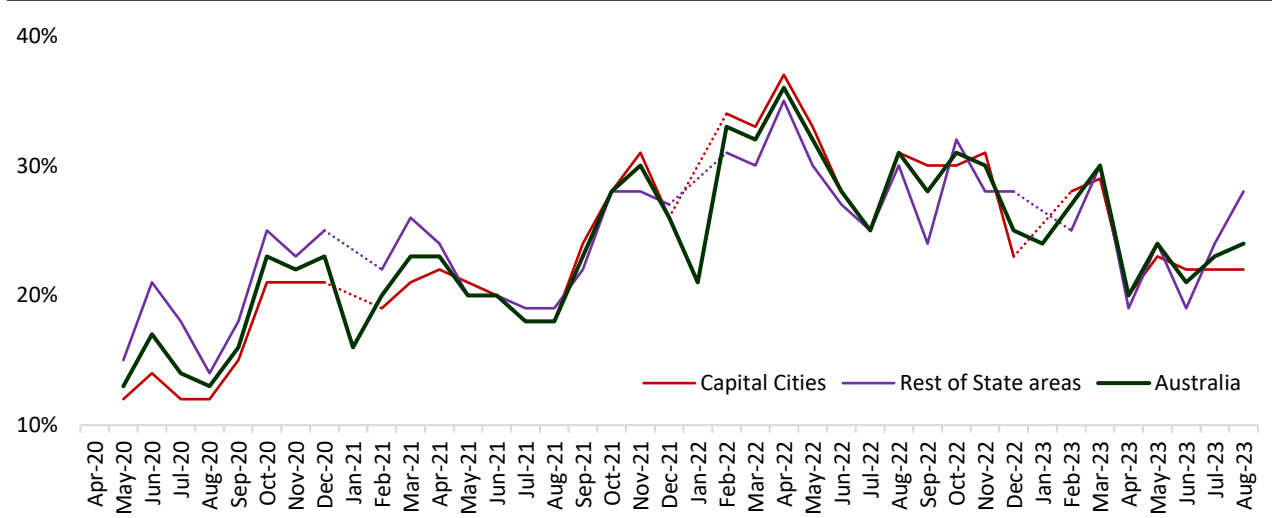
Recruitment difficulty

Proportion of recruiting employers



Employers who expect to increase staff numbers over the next 3 months

Proportion of employers

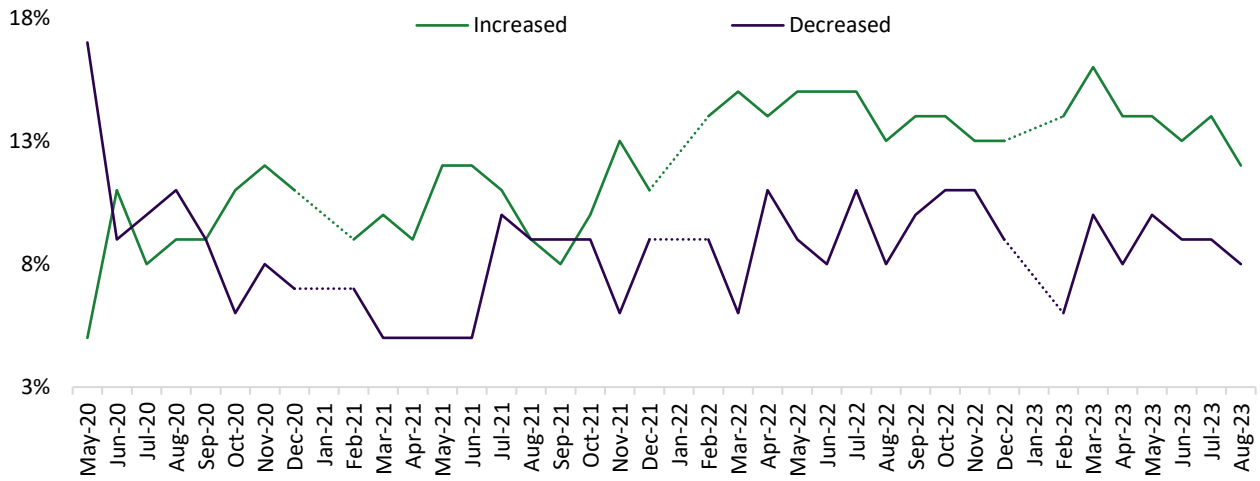


Note: Some disaggregated data are not available for January 2021, 2022, and 2023. Data points have been joined by a dotted line between December and February to reflect this.

Recruitment indicators – key charts

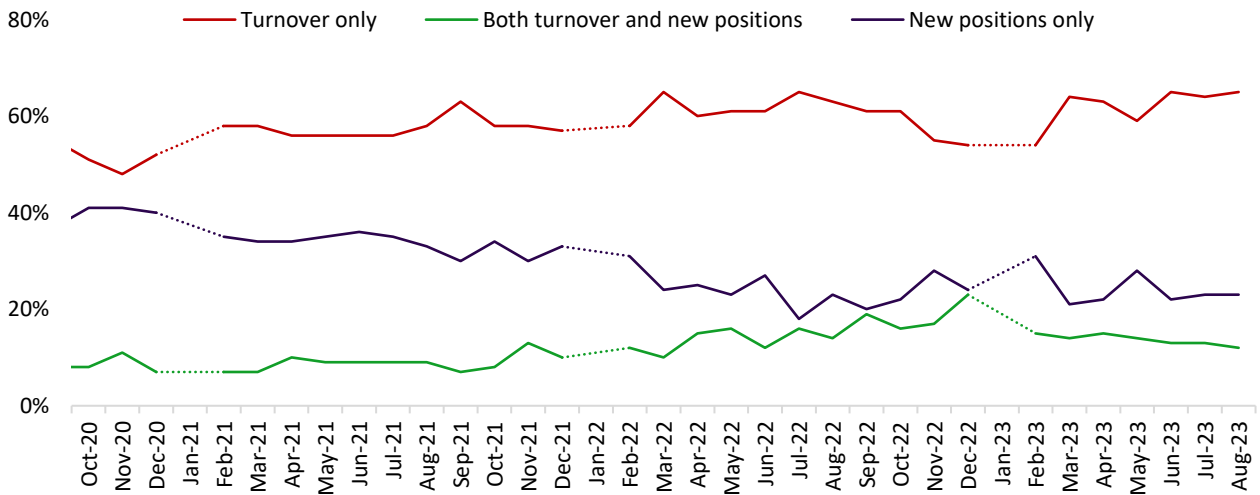
Increased / decreased staff over the past month

Proportion of employers



Reasons for recruitment

Proportion of recruiting 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.

Technical notes

The *Recruitment Experiences and Outlook Survey* (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.

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 (jobsandskills.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. The survey is targeted towards employers with five or more employees and excludes many government organisations. Further information is available at: jobsandskills.gov.au/work/reos-survey-methodology

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 (even temporarily), and response rates can vary significantly by industry in areas that were under lockdown restrictions at the time of survey. The survey was paused and adapted, particularly during 2020, to reflect changing labour market conditions due to the impacts of the COVID-19 pandemic.

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.

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

For additional information, email REOS@jobsandskills.gov.au.