



Australian Government



Jobs and Skills Australia

# Recruitment difficulty update to May 2024

Jobs and Skills Australia's *Recruitment Experiences and Outlook Survey* (REOS) measures the proportion of recruiting employers who report having difficulty recruiting. This is referred to as the 'recruitment difficulty rate' and has been an output of the survey since August 2020. This spotlight will seek to unpack recent trends in recruitment difficulty, in the context of broader labour market conditions. This report will focus on data that has been collected between January 2024 to May 2024.

This spotlight is an update on recent recruitment difficulty trends and follows on from the first spotlight on recruitment difficulty that covered data up to [May 2023](#) and the recently published [2023 Year in Review](#) report that covered data on recruitment difficulty up to December 2023.

## Key findings:

- Recruitment difficulty has continued to ease for employers since early 2024.
- The pace of jobs growth has softened and the unemployment rate has risen compared with 24 months ago, which has further eased recruitment difficulty.
- Employers reported a lack of suitable applicants as the main reason for recruitment difficulty. Other reasons such as undesirable working conditions, and a lack of experienced applicants were also commonly mentioned by employers.
- Recruitment difficulty for higher skilled occupations remains at a higher level compared with lower skilled occupations.
- Employers continue to have vacancies remain unfilled for long periods of time.

*Note: REOS data in this report is presented as both original and smoothed data<sup>1</sup>. Smoothed data removes the irregular month-to-month variability of original data and highlights underlying trends.*

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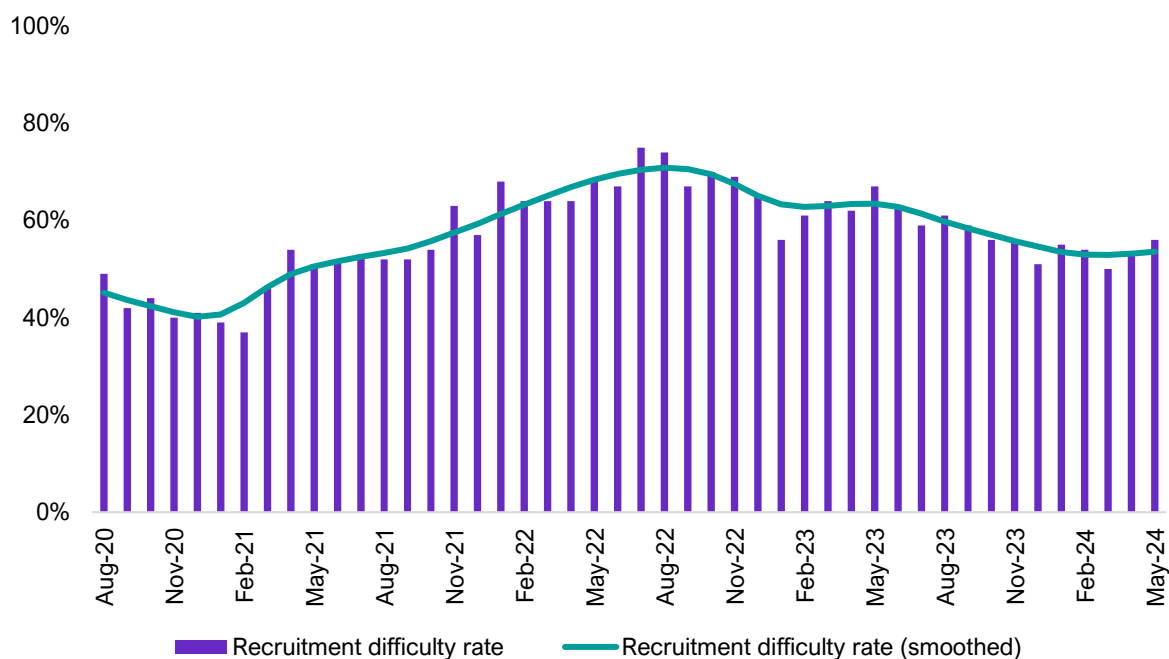
<sup>1</sup> REOS monthly data is smoothed by applying a Henderson 13 term moving average.

## Headline recruitment difficulty

In July 2022, the recruitment difficulty rate hit a record high with 75% of recruiting employers finding it hard to recruit staff and has been trending down since the later half of 2023 and into early 2024, as shown in Figure 1.

In May 2024, 56% of recruiting employers reported difficulty in recruiting, an increase over the last few months, and higher than the 53% reported in April 2024. The May 2024 result is lower to that of a year prior in May 2023 (67%).

**Figure 1: Recruitment difficulty rate, Australia (Proportion of recruiting employers, %)**



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

Recent recruitment difficulty observed in the REOS data can be attributed to both broader labour market conditions, and demand from employers.

### Broader labour market conditions

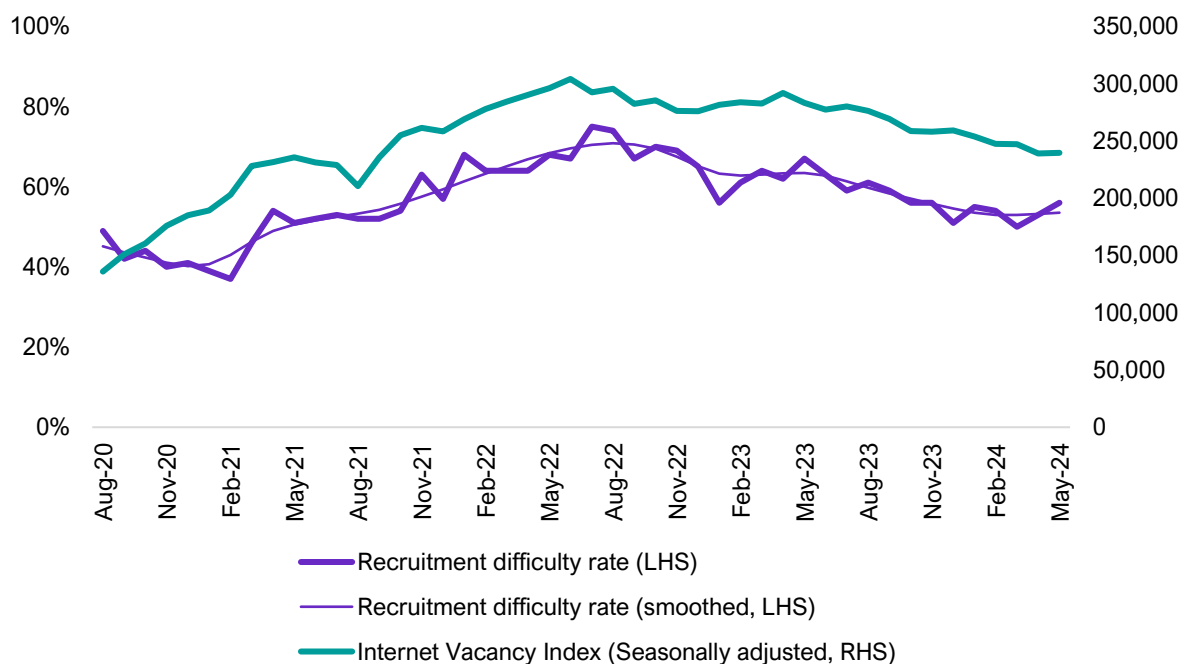
After signs of a slight easing in the level of demand during the end of 2022, JSA’s Internet Vacancy Index (IVI)<sup>2</sup> combined with the REOS have both indicated that the labour demand has stabilised and has eased since the beginning of 2024. After peaking in June 2022, the seasonally adjusted IVI has fallen 21% to May 2024 indicating an easing in employment opportunities and labour demand (Figure 2).

Within the same period, the unemployment rate hit a record low of 3.5% (seasonally adjusted) in July 2022 and has since risen to 4.0% in May 2024<sup>3</sup>. An increased unemployment rate and employers considerably less likely to cite a lack of applicants as a cause of difficulty (discussed below) suggests a growing pool of applicants within the labour market. These broad labour market conditions are providing sustained relief to employers as reflected by the decline in the recruitment difficulty rate over the last two years.

<sup>2</sup> Jobs and Skills Australia’s Internet Vacancy Index (IVI) is a monthly count of online jobs advertisements and is an indicator of the demand for labour.

<sup>3</sup> Australian Bureau of Statistics, Labour Force Survey, May 2024.

**Figure 2: Recruitment difficulty rate, Australia (Proportion of recruiting employers, %) and Internet Vacancy Index, Australia (Number of vacancies)**



Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024; Jobs and Skills Australia, Internet Vacancy Index, May 2024.

### Employers’ reasons for recruitment difficulty

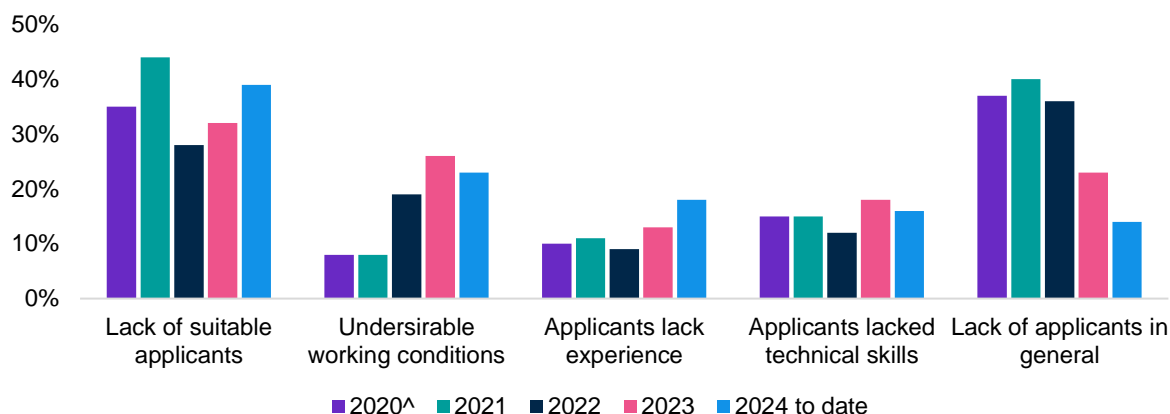
The REOS adds context by asking employers why they are experiencing recruitment difficulty. The top 5 reasons for recruitment difficulty in 2024 to date include a lack of suitable applicants (39%), undesirable working conditions (23%), a lack of experienced applicants (18%), applicants lacking technical skills (16%) and a lack of applicants in general (14%), (Figure 3).

Compared to 2023, the proportion of employers reporting a lack of suitable applicants and a lack of experience as the reason for their recruitment difficulty have both increased. Figure 3 shows that both of these reasons have increased in recent times.

Since 2022, undesirable working conditions (which includes hours and salary) had increased in 2023 and is the second most common reason employers cite having difficulty recruiting (23%) in May 2024 to date.

Lack of general applicants as a reason for recruitment difficulty continues to decline where it peaked at 40% in 2021 and is now the least common response to date in 2024 (14%).

**Figure 3: Top 5 reasons for recruitment difficulty, 2020<sup>^</sup> to 2024 to date (Proportion of employers with recruitment difficulty, %)**



<sup>^</sup>2020 comprises August to December data only.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

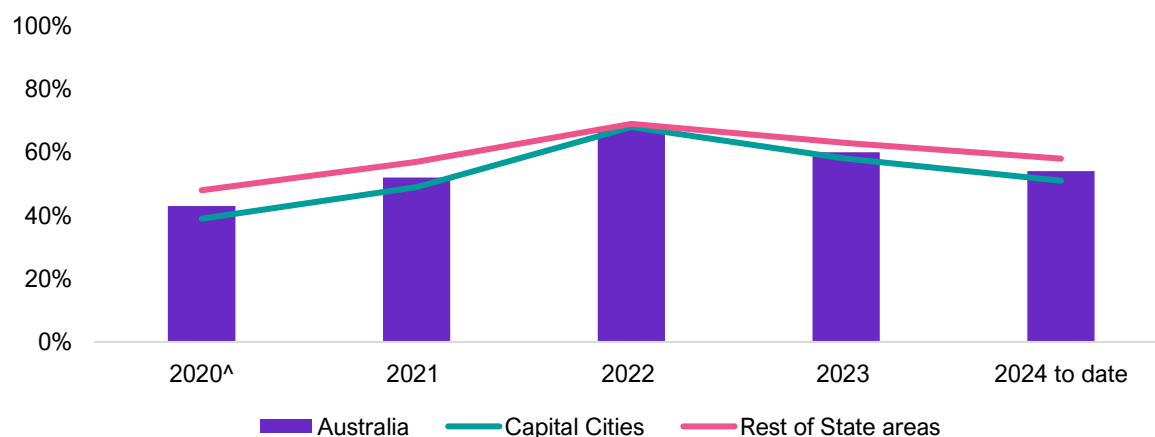
## Recent trends in recruitment difficulty

Recruitment difficulty decreased across geographical regions, selected industries, skill levels, major occupation groups, and the time taken to fill vacancies between 2023 and 2024 to date.

### Recruitment difficulty by Capital Cities and Rest of State areas

Recruitment difficulty in both Capital Cities and Rest of State areas decreased from 2023 into 2024 to date with difficulty rates in Capital Cities continuing to ease faster than Rest of State areas (Figure 4). Despite variations in recruitment difficulty from month-to-month, the recruitment difficulty rate in Rest of State areas (58%) remains higher than in Capital Cities (51%). When compared to 2023, recruitment difficulty fell by 5 percentage points in Rest of State areas and is down by 7 percentage points in Capital Cities.

**Figure 4: Annual recruitment difficulty rates, by region (Proportion of recruiting employers, %)**



<sup>^</sup>2020 comprises August to December data only.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

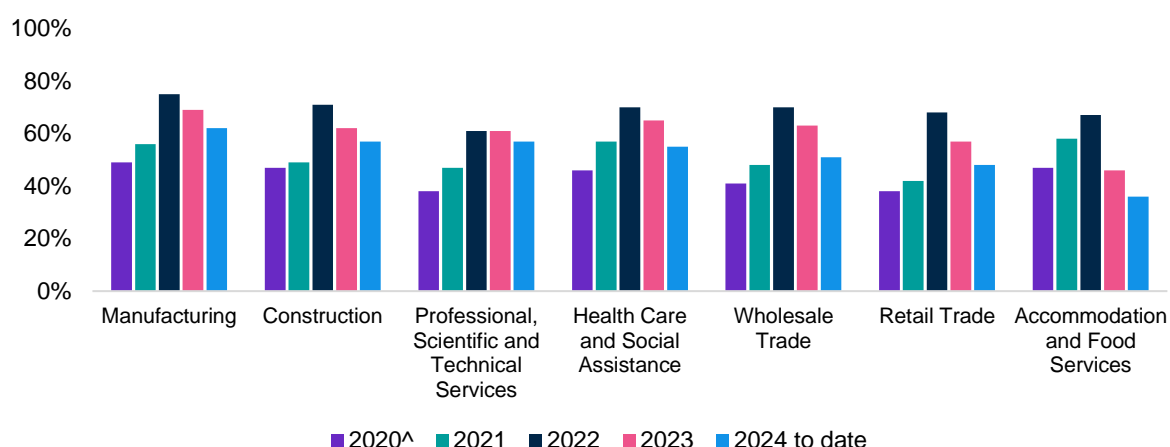
## Recruitment difficulty by selected industries

The selected industries in Figure 5 show that all seven major industry divisions experienced decreased recruitment difficulty from 2023 to 2024 to date.

The Manufacturing industry in 2024 to date has the largest proportion of employers experiencing recruitment difficulty (62%), while the Accommodation and Food Services industry (36%) recorded the lowest difficulty rate in 2024 to date.

The Wholesale Trade industry (51%) recorded the largest decline in recruitment difficulty, dropping 12 percentage points compared to 2023.

**Figure 5: Recruitment difficulty rate by selected industries, 2020<sup>^</sup> to 2024 to date (Proportion of recruiting employers, %)**



<sup>^</sup>2020 comprises August to December data only.

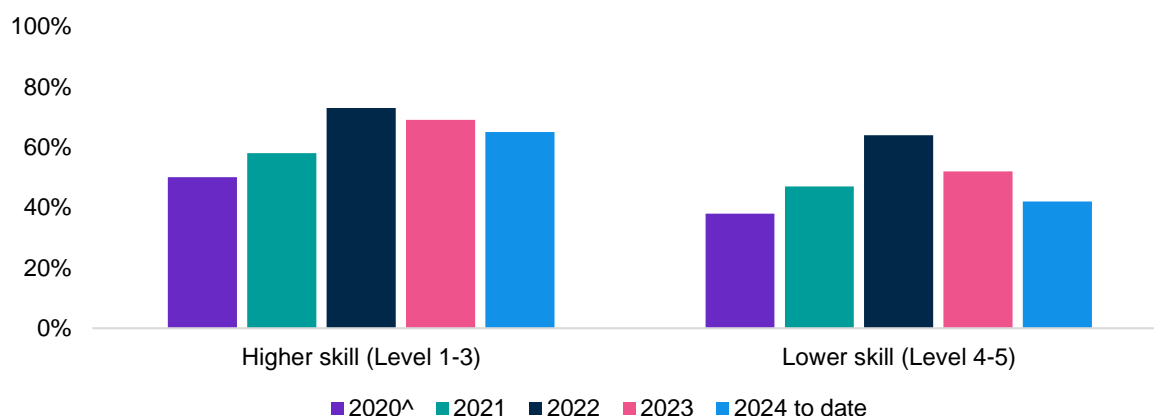
Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

## Recruitment difficulty by skill level

In 2024 to date, a greater proportion of employers recruiting for higher skilled occupations experienced difficulty (65%) compared with those recruiting for lower skilled occupations (42%).

Since their respective peaks in 2022, the proportion of recruiting employers that had recruitment difficulty has continued to decrease into 2024 to date. Furthermore, the decline in difficulty was greater for employers recruiting to fill lower skilled occupations (down 10 percentage points) than those recruiting for higher skilled occupations (down 4 percentage points), (Figure 6).

**Figure 6: Recruitment difficulty by higher or lower skilled occupation level<sup>4</sup>, 2020<sup>^</sup> to 2024 to date (Proportion of recruiting employers, %)**



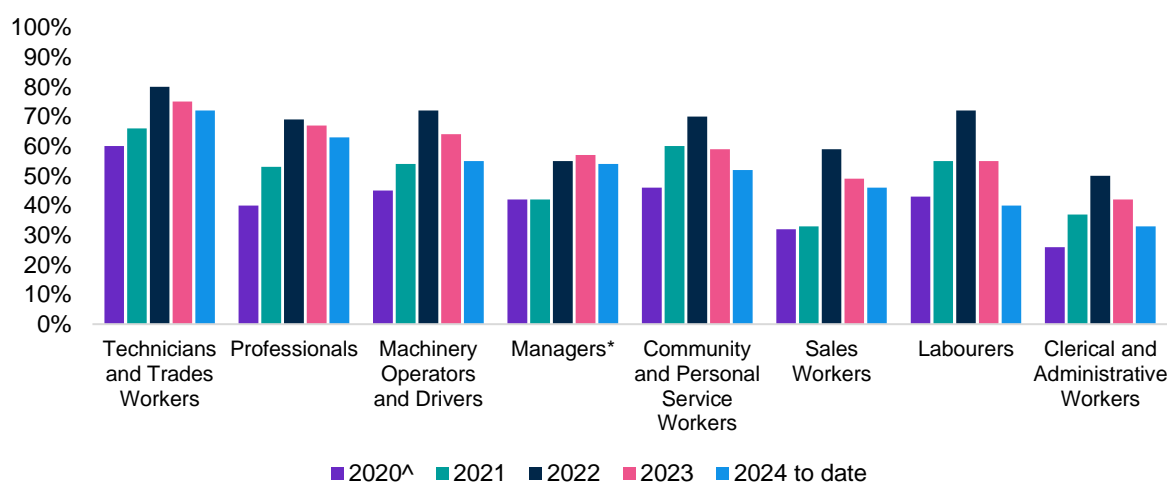
<sup>^</sup>2020 comprises August to December data only.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

### Recruitment difficulty by major occupation

Some major occupation groups continue to have high levels of recruitment difficulty so far in 2024, although compared with 2023, all groups had a lower proportion of employers reporting difficulty. Recruitment for Technicians and Trades Workers occupations remain the most difficult, with 72% of recruiting employers experiencing difficulty in 2024 while Clerical and Administrative Workers remain the least difficult to recruit for (33%). Recruitment difficulty for Labourers is now at its lowest recorded level. The largest decrease in recruitment difficulty from 2023 was recorded for Labourers (40%), decreasing by 15 percentage points from 55% last year (Figure 7).

**Figure 7: Recruitment difficulty rate by occupation group, 2020<sup>^</sup> to 2024 to date (Proportion of recruiting employers, %)**



\*Managers are based on a small sample size. Interpret result with caution. <sup>^</sup>2020 comprises August to December data only.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

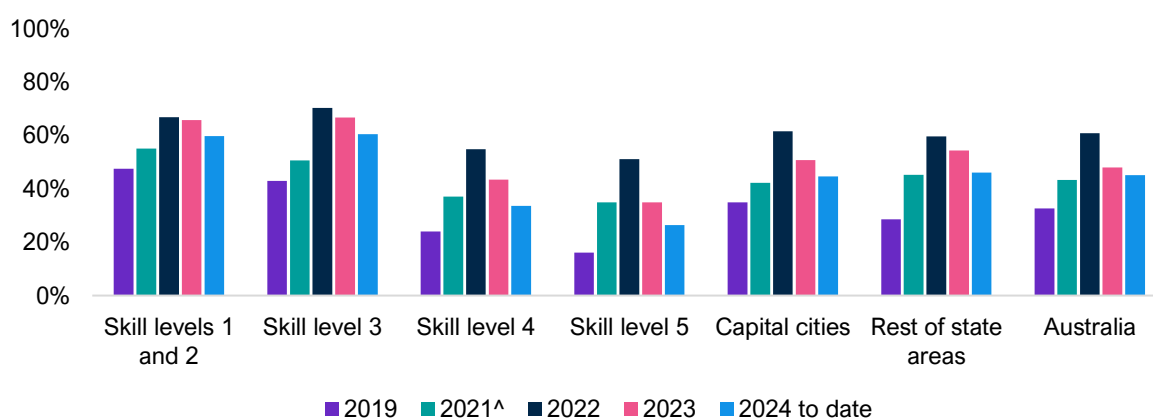
<sup>4</sup> Australian Bureau of Statistics, Australian and New Zealand Standard Classification of Occupations, 2022.

## Time taken to fill vacancies

The proportion of employers not filling their vacancies within a month peaked in 2022 (Figure 8). Since then, the proportion of employers not filling their vacancies within a month has been decreasing but is still higher than compared with 2019.

Skill level 1-3 entry level vacancies generally take longer to fill. Employers were considerably less likely to fill their vacancies within a month. Some higher-skilled occupations have lengthier recruitment processes, which may contribute to the longer unfilled vacancy time. Employers recruiting for skill level 4 and 5 occupations found it easier to fill their vacancies within a month (34% and 26% respectively). Further, employers recruiting for Skill level 5 occupations have found it much easier to fill their vacancies since 2022 than any other skill level to date. They have experienced the largest decline since 2022.

**Figure 8: Recruitment difficulty rate by employers unable to fill vacancies within a month, 2019 and 2021<sup>^</sup> to 2024 to date (Proportion of recruiting employers, %)**



<sup>^</sup>Data unavailable for 2020, while 2021 comprises May to December data. For comparability with 2019, data from 2021 to 2024 encompasses employers who recruited in the *previous 3 months* and excludes employers *who had unfilled vacancies for less than a month*.

Source: Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, May 2024.

## Background

The Recruitment Experiences and Outlook Survey (REOS) 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. Further information is available in the [REOS methodology paper](#).

Data from the REOS are published monthly in the *Recruitment Insights Report* which is generally published on the third Tuesday of the month. Spotlights are also produced in most months, generally released in the first week of the month.

### Recent Spotlight topics include:

- *REOS March quarter 2024 report* (published May 2024): more detailed REOS data disaggregated by state, area, industry, and occupation are released in this quarterly report.
- REOS Spotlight - Employers' experiences recruiting for apprentices (published April 2024)
- Earlier topics include retention issues, jobless applicants, employers unrealised vacancies and recruitment patterns for entry level workers.

## Technical notes

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:

- Industry is defined by the Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006, Version 2.0.
- Occupation is defined by the Australian and New Zealand Standard Classification of Occupations (ANZSCO), 2022.
- 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.

Data in this release should be referenced as: *Recruitment difficulty update to May 2024, Jobs and Skills Australia, July 2024*.

For more information, email: [reos@jobsandskills.gov.au](mailto:reos@jobsandskills.gov.au).