



REOS Recruitment Insights Report – February 2025

Jobs and Skills Australia surveys at least 1,000 employers in the Recruitment Experiences and Outlook Survey (REOS) each month to find out their experiences recruiting staff, and whether they are expecting to increase staffing levels.

Key Findings

Headline figures for February 2025 show a continued favourable recruitment environment. More employers are recruiting, with the national recruitment rate rising back to a level last seen 12 months ago. This is further supported by a sharp rise in the proportion of employers who have increased their staffing numbers over the month.

Along with an increase in recruitment, employers are also finding it less difficult to recruit. The headline recruitment difficulty rate continues to trend downward with most of the easing concentrated in the Capital Cities. The number of vacancies taking longer than 1 month to fill also continues to ease, with the proportion of employers citing unfilled vacancies dropping to another historical low.

Recruitment activity

In February 2025, the recruitment rate was 49%. This was 16 percentage points higher than last month, noting that the January 2025 recruitment rate was unusually low (at 33%) and should be interpreted with caution. Compared with a year ago (February 2024), the recruitment rate has remained unchanged over the year.

This series peaked in both May 2022 and July 2022 at 59% while the record low occurred in June 2020 at 24%.

In the Capital Cities, 46% per cent of employers recruited in February 2025, while this rate was 55% percent in Rest of State areas.

Compared to a year ago (February 2024), the recruitment rate in Capital Cities has decreased by 1 percentage point, versus an increase of 3 percentage points in Rest of State areas.

Recruitment difficulty

The recruitment difficulty rate decreased by 8 percentage points to 43% of recruiting employers in February 2025, which is the lowest reported recruitment difficulty rate since February 2021. Recruitment difficulty is currently 11 percentage points lower than it was a year ago and is 32% points below the record high of 75% in July 2022.

A lower proportion of recruiting employers experienced recruitment difficulty in the Capital Cities areas (38%) compared with Rest of State areas (52%) in February 2025.

In the Capital Cities, recruitment difficulty stands 14 percentage points lower than a year ago (February 2024).

In Rest of State areas, recruitment difficulty is 5 percentage points lower than in February 2024.

Staffing outlook: employers expecting to increase staff

Over the month, the proportion of employers expecting to increase their staffing numbers in the next three months remained steady at 20% of employers in February 2025. This was 6 percentage points lower than it was a year earlier.

This series peaked in April 2022 at 36% while the record low occurred in April 2020 at 4%.

A higher proportion of employers in Capital Cities (20%) were expecting to increase their staffing levels in the next three months compared with Rest of State areas (19%).

These figures now stand 6 percentage points lower than a year ago for Capital Cities and 7 percentage points lower than a year ago in Rest of State areas.

Reason for recruiting

Recruitment due to staff turnover only was the main reason why employers recruited in February 2025 (60% of recruiting employers). Some 28% of recruiting employers aimed to fill new staff positions only, and the remaining 12% were recruiting to fill both new staff and staff turnover positions.

Staffing changes over the last month

Some 17% of employers increased their staff in February 2025. Meanwhile, around 11% of employers said their staff numbers decreased.

Employers unable to fill vacancies in a month

The proportion of recruiting employers who were unable to fill their vacancies in a month fell by 1 percentage point to 36% in February 2025, the lowest recorded of this series. This figure is 18 percentage points lower than the 54% recorded in February 2024.

This series peaked in August 2022 at 72%.

REOS national indicators ¹

Recruitment rate

Proportion of employers currently recruiting or who recruited in the previous month.



49%

Monthly change:

▲ 16% pts

Annual change:

◄► 0% pts

Recruitment difficulty rate

Proportion of recruiting employers who stated they had difficulty hiring staff.



43%

Monthly change:

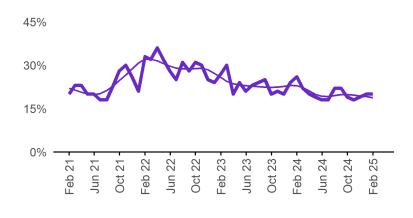
▼ 8% pts

Annual change:

▼ 11% pts

Expecting to increase staff

Proportion of employers who expected to increase staffing numbers over the next three months.



20%

Monthly change:

◄► 0% pts

Annual change:

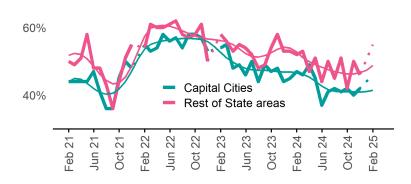
▼ 6% pts

¹ A Henderson smoothed line has been included in the charts to reduce month to month volatility and illustrate long term patterns. See the explanatory note for more information.

Capital City/Rest of State areas²

Recruitment rate

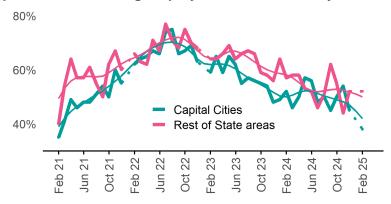
Proportion of employers currently recruiting or who recruited in the previous month.



Capital Cities: 46%
Annual change:
▼ 1% pt
Rest of State: 55%
Annual change:
▲ 3% pts

Recruitment difficulty rate

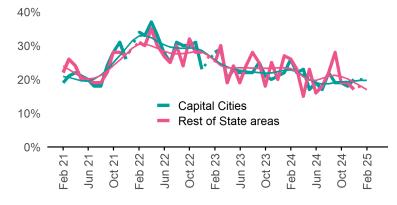
Proportion of recruiting employers who stated they had difficulty hiring staff.



Capital Cities: 38%
Annual change:
▼ 14% pts
Rest of State: 52%
Annual change:
▼ 5% pts

Staffing outlook - Expecting to increase staff

Proportion of employers who expected to increase staffing numbers over the next three months.



Capital Cities: 20%
Annual change:
▼ 6% pts

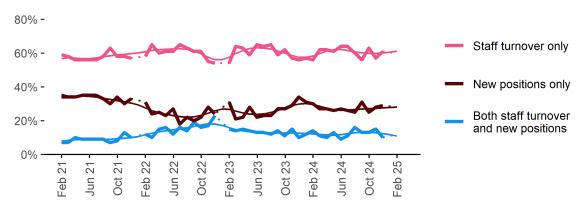
Rest of State: 19%
Annual change:
▼ 7% pts

² Data are not available for January in some years. Data points have been joined by a dotted line between December and February to reflect this. 'Rest of State' refers to areas outside the capital cities.

Other recruitment indicators

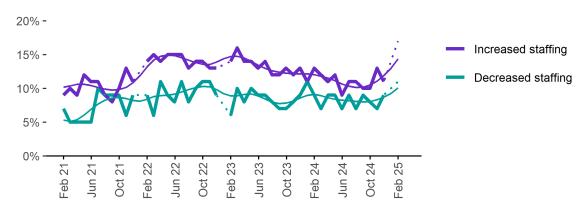
Reason for recruiting

Proportion of employers currently recruiting or who recruited in the previous month.



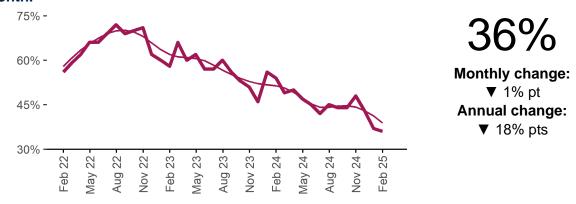
Staffing changes over the last month

Proportion of employers who said they increased or decreased staffing compared to the previous month.



Employers unable to fill vacancies within a month

Proportion of recruiting employers who were unable to fill their vacancies within a month.



Background

Jobs and Skills Australia (JSA) conducts the Recruitment Experiences and Outlook Survey (REOS), a telephone administered survey with the business owner or other person in the business responsible for recruitment. At least 1,000 employers are surveyed each month, with data published on the <u>JSA website</u>. While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be used with a degree of caution. In addition, the survey is targeted towards employers with 5 or more employees and excludes many government organisations. Details of the survey methodology can be accessed from the JSA website.

Smoothed series in charts

Charts include Henderson-smoothed lines in addition to original data for most of our recruitment indicators. As the timeseries is not yet long enough for seasonal adjustment, a Henderson smoothed moving average with a 13-term filter (equating to 13 months) has been directly applied to the original series. This provides an indication of the general movement in each recruitment indicator relative to previous months. Due to using 13 months in the moving average, results for the most recent six months will be revised when another month is added to the series.

Referencing this report

Data in this release should be referenced as: Jobs and Skills Australia, Recruitment Insights Report, February 2025.

Contact us

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

Also available from the REOS

Data file with monthly and quarterly recruitment indicators

A REOS data file is available on the <u>JSA website</u>. Breakdowns by Capital City/Rest of State area, Business size, and ANZSCO Skill Level are included in the monthly results. Quarterly recruitment indicators provide detail by state, <u>ARIA</u> (ABS' Accessibility and Remoteness Index of Australia) as well as selected industry and occupation groups.

Next Recruitment Insights Report release:

March 2025 Recruitment Insights Report – 15 April 2025

Stay up to date

JSA also releases semi-regular reports including spotlight articles, detailing aspects of the REOS that cannot be included in our monthly Recruitment Insights Report. Sign up and get the Recruitment Insights Report notifications sent straight to your inbox.

Upcoming spotlight:

March Quarter 2025 Quarterly Report – 22 May 2025

Recent additional research:

- Research article Employers' experiences of young job applicants 6 March 2025
- February spotlight December quarter 2024 results 6 February 2025