Recruitment Insights Report – March 2021

Recruitment activity[1]	Recruitment difficulty rate	Expect to increase staff
46%	**49%**	**23%**
Change since February 2021[2]:	Change since February 2021:	Change since February 2021:
- 0% pts	▲ 11% pts	▲ 3% pts

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

- In March 2021, 46% of surveyed employers reported that they were recruiting or had recruited in the past month, unchanged from February.
- The recruitment rates in both Rest of State areas (49%) and Capital Cities (44%) were unchanged from February 2021.
- Employers in Western Australia (54%) were most likely to report that they were recruiting, while only 35% of employers in Tasmania reported that they were recruiting.
- Recruitment difficulty stood at 49% in March 2021, a significant increase on the 38% recorded in February 2021. It is similar to, but slightly higher than, the levels seen in late 2020.
  - The rate of difficulty increased in both Rest of State areas (from 41% to 54%) and Capital Cities (from 36% to 44%) over the last month.
- In March 2021, 23% of employers expected to increase their staffing levels over the next 3 months, compared with 20% in February 2021 and 16% in June 2020.
  - In Rest of State areas, the proportion of employers expecting to increase staff in March 2021 reached a peak of 26%, the highest level since the start of the series in April 2020.
- Employers in the Health Care and Social Assistance industry were the most likely to expect to increase their staffing levels over the next 3 months (33%), followed by employers in Accommodation and Food Services (32%).
- In March 2021, 63% of businesses reported 'no risks' to staying open over the next 6 months. This has increased significantly since August 2020, when it was 12%. See this month's Spotlight for more information.

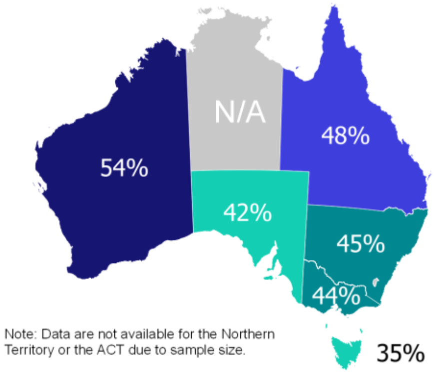
[1] Recruitment activity is defined as the proportion of employers who were recruiting at the time of the survey or who had recruited in the previous month.
[2] In this release, 'March' refers to the 4 weeks to 2 April 2021, while 'February' refers to the 4 weeks to 26 February 2021. See the 'Background' for more information on time periods used in this report.

Recruitment activity

- In March 2021, almost half (46%) of employers surveyed reported that they were recruiting or had recruited in the past month, unchanged from February 2021.
- The recruitment rates in both Rest of State areas (49%) and Capital Cities (44%) were unchanged from February 2021.
- Employers in Western Australia were most likely to report that they were recruiting or had recruited in the past month (54%), followed by Queensland (48%). Employers in Tasmania (35%) and South Australia (42%) were the least likely to have recruited.
- The proportion of medium to large businesses (20 or more employees) recruiting had increased by 4 percentage points over the month, to stand at 70%.
- Employers in the Accommodation and Food Services industry were the most likely to recruit (61%), followed by Health Care and Social Assistance (57%).

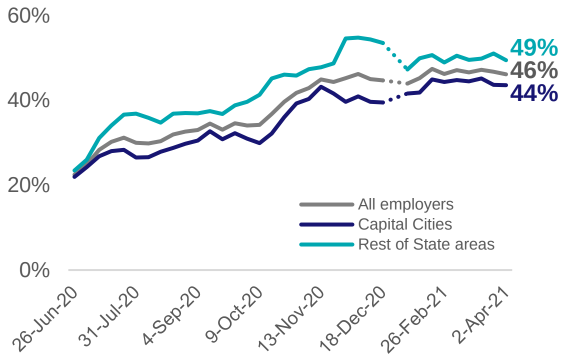
Recruitment by state and territory

proportion of employers who are recruiting by state



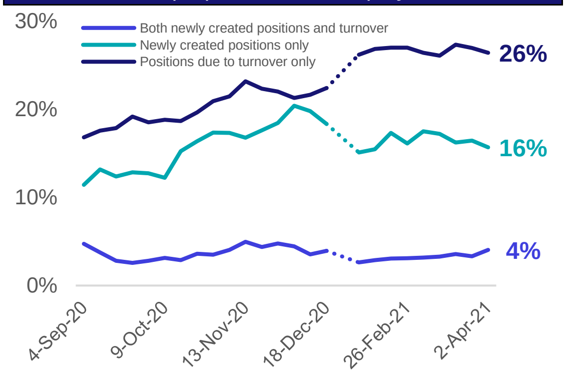
Recruitment by region type

proportion of employers who are recruiting by region



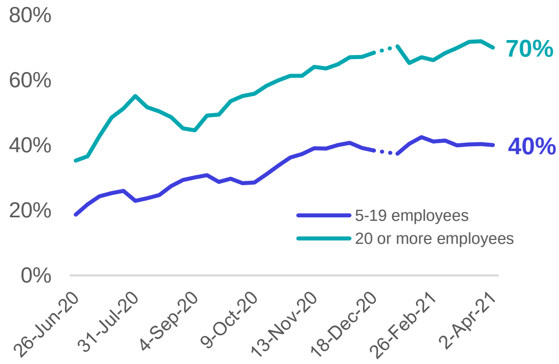
Reason for recruitment

as a proportion of all employers



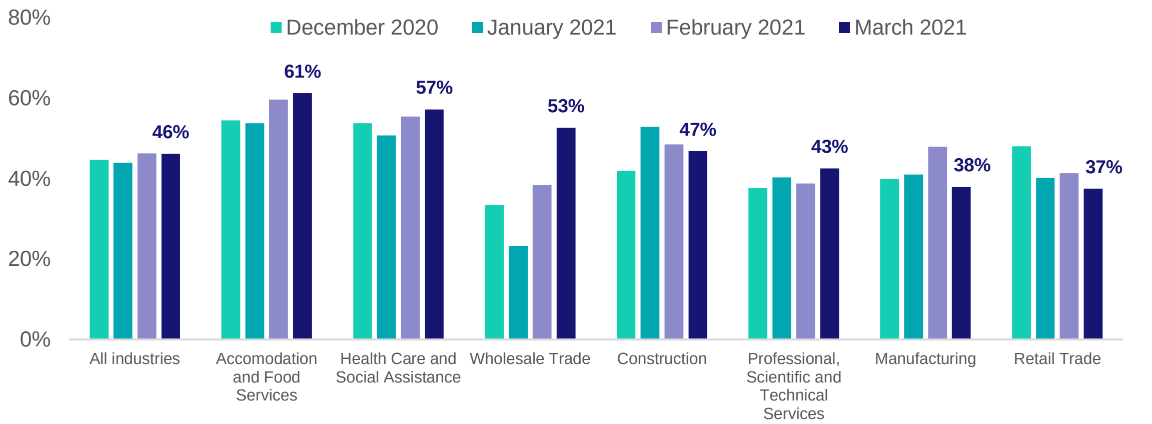
Recruitment by business size

Proportion of employers who are recruiting by business size



Recruitment rate by selected[3] industry

Proportion of employers who are recruiting by industry



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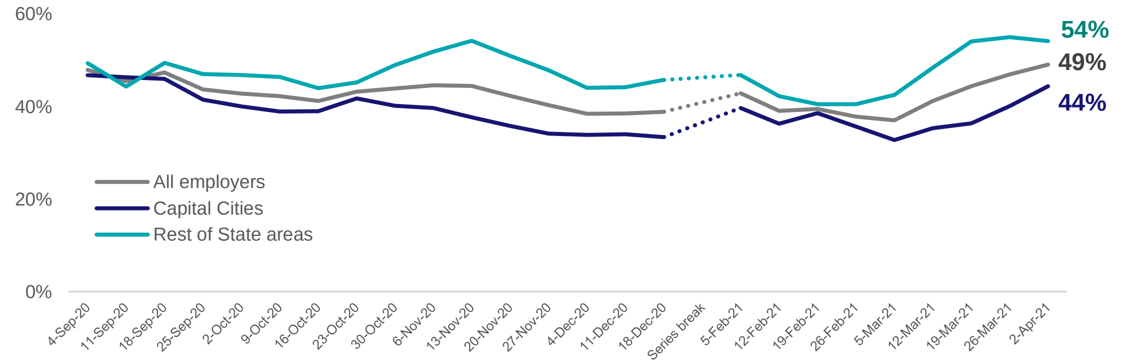
[3] Some industries are not reportable due to small sample sizes.

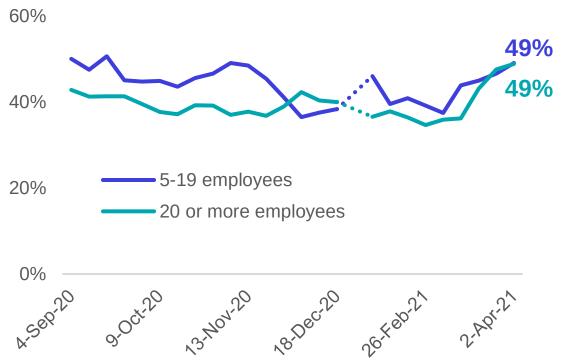
Recruitment difficulty rate

- In March 2021, the proportion of recruiting employers experiencing recruitment difficulty (49%) increased compared with February 2021 (38%).
- The rate of difficulty increased in both Rest of State areas (from 41% to 54%) and Capital Cities (from 36% to 44%) over the month.
- Medium to large businesses (20 employees or more) and small businesses (5 to 19 employees) had the same rate of recruitment difficulty (49%). For both business size groups, this was a significant increase since February 2021.
- The rate of recruitment difficulty has risen for both higher skilled and lower skilled[4] occupations since February 2021. Higher skilled occupations remain more difficult to recruit for compared with lower skilled occupations (55% and 44%, respectively).
- A lack of suitable applicants is the most common reason for recruitment difficulty.

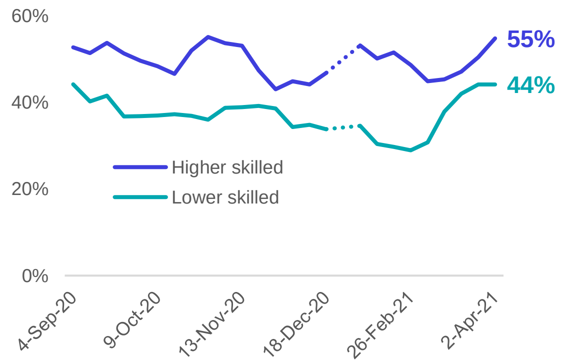
Difficulty by region type
as a proportion of recruiting employers



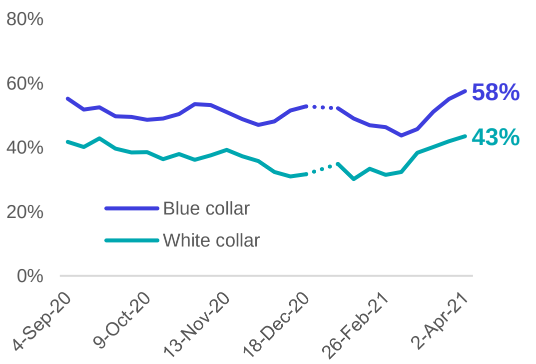
Difficulty by business size
as a proportion of recruiting employers



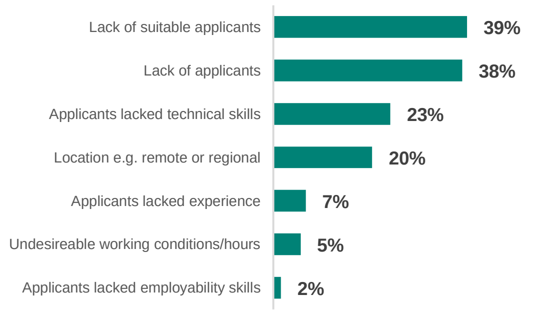
Difficulty by skill level of occupation
as a proportion of recruiting employers



Difficulty by 'collared[5]' occupation
as a proportion of recruiting employers



Reason for recruitment difficulty
as a proportion of employers who reported difficulty
4 weeks to 2 April 2021



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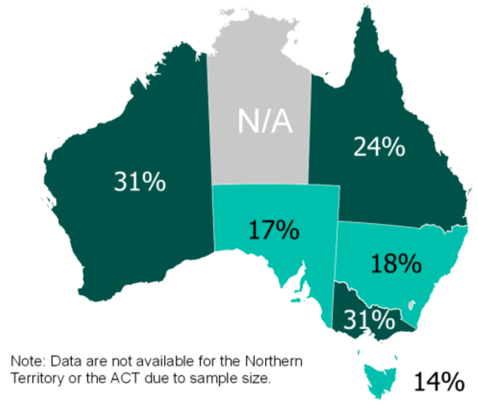
[4] In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, while higher skilled refers to ANZSCO Skill Levels 1, 2 or 3.

[5] Blue collar occupations include Technicians and trades workers, Machinery operators and drivers, and Labourers. White collar occupations include Managers, Professionals, Community and personal service workers, Clerical and administrative workers, and Sales workers. Note: Data by 'collared' occupation and reasons for recruitment difficulty are not published in the REOS weekly data file releases but are available upon request.

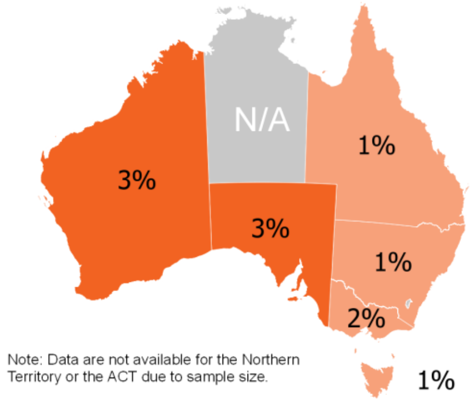
Staffing outlook

- In March 2021, 23% of employers expected to increase their staffing levels over the next 3 months, compared with 20% in February 2021 and 16% in June 2020.
- There was notable disparity between the States in March 2021. Employers in Western Australia and Victoria were the most likely to expect to increase their staffing levels over the next 3 months (both 31%), while employers in Tasmania (14%), South Australia (17%) and New South Wales (18%) were the least likely.
- In Rest of State areas, expectations to increase staffing levels reached their highest level (26%) since the series began in April 2020. Some 21% of employers in Capital Cities expected to increase staffing levels, a slight increase on February 2021 (19%).
- Employers in the Health Care and Social Assistance (33%) and Accommodation and Food Services (32%) industries were the most likely to expect to increase their staffing levels over the next 3 months.

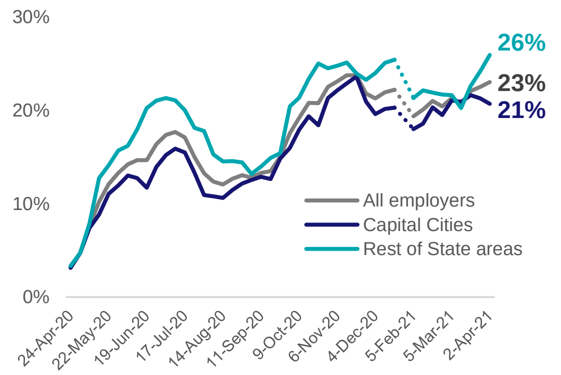
Expectations to increase staff
as a proportion of all employers



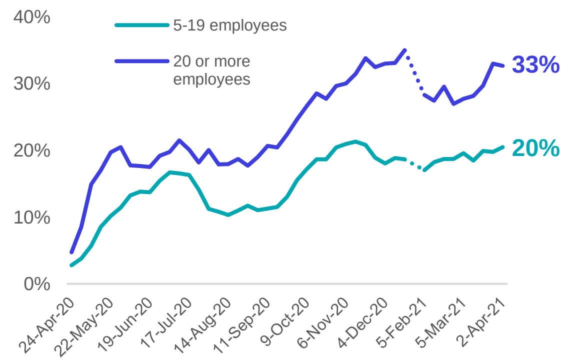
Expectations to decrease staff
as a proportion of all employers



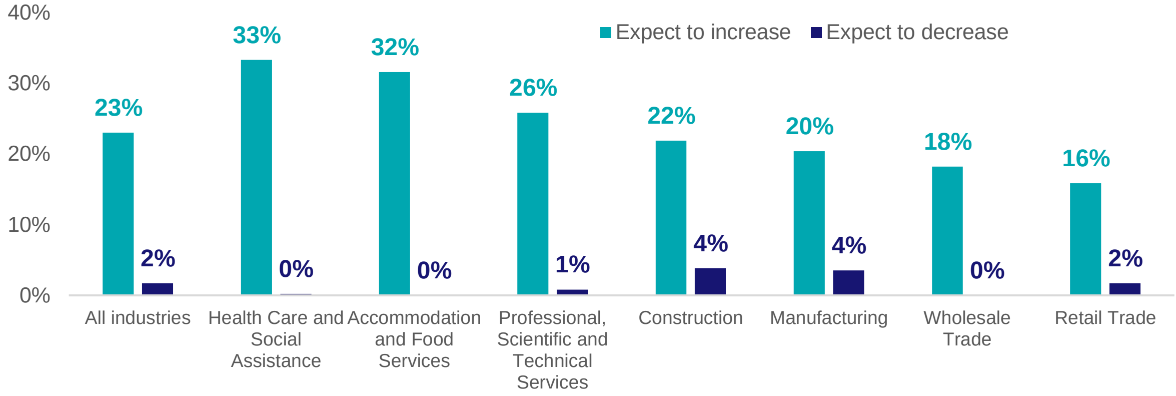
Expectations to increase staff by region type
as a proportion of all employers



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



Staffing expectations over the next 3 months by selected[6] industry
as a proportion of all employers



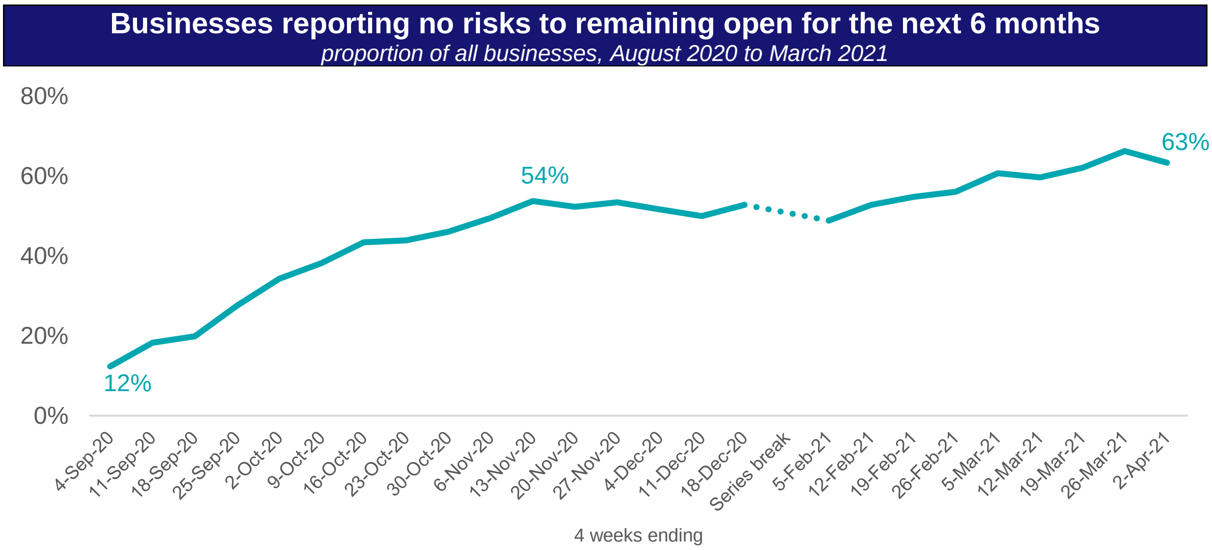
[6] Some industries are not reportable due to small sample sizes.

Spotlight – Business risks

This month's Spotlight features data collected as part of the REOS on the risks to businesses staying open for the 6 months after being interviewed.

Businesses are increasingly likely to report 'no risks' to remaining open

In the 4 weeks to 4 September 2020, just 12% of businesses reported there were no risks to remaining open for the next 6 months. This rose rapidly to 54% by mid-November 2020, and has since increased further to 63% in the 4 weeks to 2 April 2021.



In the 4 weeks to 2 April 2021, 72% of businesses in the Retail Trade industry reported that they had no risks to remaining open, the highest of the reported industries, followed by the Professional, Scientific and Technical Services (71%), Health Care and Social Assistance (67%) and Manufacturing (64%) industries. Businesses in the Accommodation and Food Services industry (52%) were the least likely to report that they had no risks to remaining open, although this had increased from 7% in the 4 weeks to 4 September 2020. Some 59% of businesses in Wholesale Trade and 61% of businesses in Construction reported no risks.

There was little overall difference in the proportion of businesses reporting no risks between Capital Cities (63%) and Rest of State areas (64%).

Restrictions and ongoing impacts of COVID-19 are the most common risks reported by businesses, but have become less common

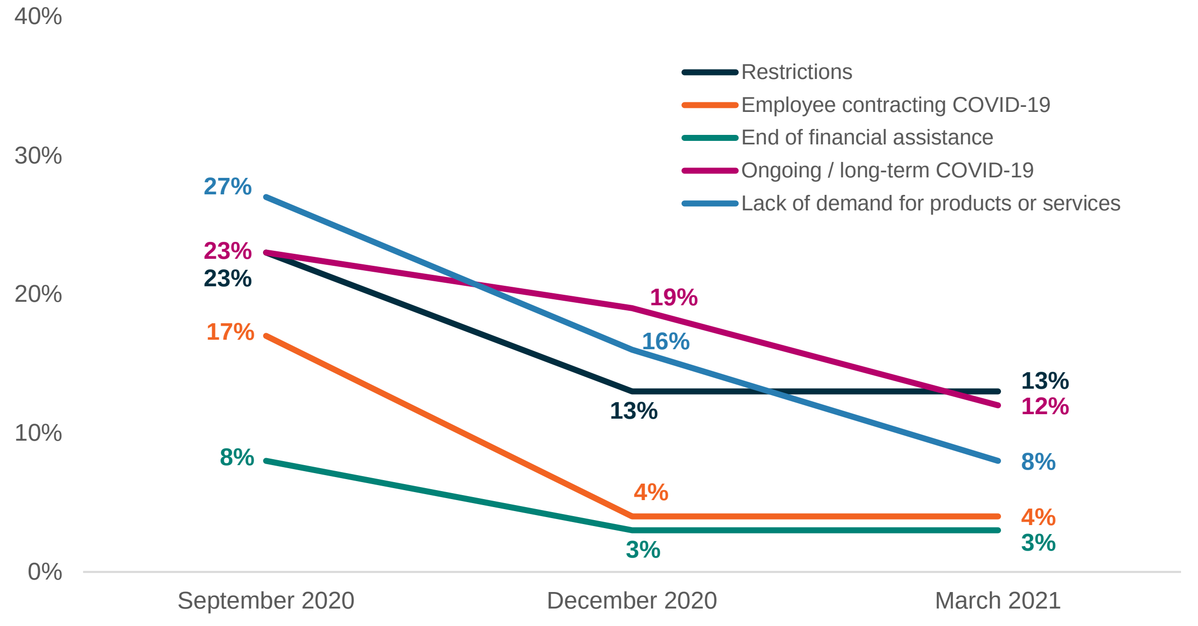
There have been significant declines across all the risk types reported by businesses from September 2020 to March 2021.

In March 2021, the most common risk to remaining open reported by businesses was the impact of restrictions (13%). This was the same as the figure recorded in December 2020 but significantly lower than in September 2020 (23%).

While a lack of demand for the business' goods and services was the most commonly reported risk in September 2020 (27%), it has declined significantly to stand at 8% in March 2021.

The long term impact of COVID-19, including border closures and potential future outbreaks, was considered a risk by one in 5 employers (19%) in December 2020, however by March 2021 this proportion had almost halved to 12%. In March 2021, only 3% of employers reported that the end of financial assistance was a risk to remaining open, and only 4% considered an employee contracting COVID-19 as a risk.

Risks to staying open for the next 6 months
proportion of all businesses, September 2020, December 2020 and March 2021



Background

Information in the 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) as a weekly data file and a monthly report. While the data are indicative of recruitment activity, they may be subject to seasonal factors and other volatility and should therefore be treated with caution. In addition, the survey is targeted towards employers with 5 or more employees, and excludes many government organisations.

Note that the month time periods referenced in this report are based on the closest 4-week period of data. The table below shows the month and corresponding 4-week period:

Month reference period	*4 week period of data collection*
August 2020	4 weeks to 4 September 2020
September 2020	4 weeks to 25 September 2020
October 2020	4 weeks to 30 October 2020
November 2020	4 weeks to 27 November 2020
December 2020	4 weeks to 18 December 2020
January 2021	4 weeks to 5 February 2021
February 2021	4 weeks to 26 February 2021
March 2021	4 weeks to 2 April 2021

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, March 2021.

For additional information email RecruitmentAnalysis@skillscommission.gov.au.