

Recruitment activity

39%

Change since July 2021¹:

▼ 4% pts

Recruitment difficulty rate

52%

Change since July 2021:

▼ 1% pt

Expect to increase staff

18%

Change since July 2021:

- 0% pts

Key findings from the Recruitment Experiences and Outlook Survey (REOS)²

- REOS results in August 2021 show that labour market conditions are continuing to ease, reflecting the impacts of recent COVID-19 outbreaks and associated lockdowns in several regions across Australia.
- In August 2021, 39% of employers were recruiting or had recruited in the past month, 4 percentage points lower than July 2021 (43%).
 - The recruitment rate has decreased by 3 percentage points in Capital Cities (from 40% to 37%) and by 4 percentage points in Rest of State areas (from 48% to 44%).
 - Not surprisingly, given the current restrictions in the state, NSW had the lowest recruitment rate of the states (25%), followed by Victoria (38%) On the other hand, Western Australia had the highest recruitment rate (52%), followed closely by Queensland (51%).
- The proportion of recruiting employers who reported recruitment difficulty decreased slightly, to 52% in August 2021, down from 53% in July 2021.
 - The rate of recruitment difficulty decreased significantly in Rest of State areas, down from 61% to 54% over the month, while in Capital Cities it increased by 2 percentage points to 50%.
- In August 2021, 18% of employers expected to increase their staffing levels over the next 3 months, unchanged from July 2021.
 - Health Care and Social Assistance and Accommodation and Food Services (both 24%) had the highest proportion of employers that expected to increase staff numbers over the next 3 months.
 - Expectations to increase staff in NSW stood at 12%, unchanged from July 2021 but down 14 percentage points since June 2021.
- This month's Spotlight section presents recent results on whether employers have staff stood down, on reduced hours, or working from home. These questions were reintroduced into the REOS in August 2021, after being suspended from the survey in June and July 2021.

Note: Recruitment activity refers to the proportion of all employers who are either currently recruiting or who had recruited in the previous month. The recruitment difficulty rate is the proportion of recruiting employers who experienced difficulty hiring. The 'expect to increase staff' figure is the proportion of all employers who expect to increase staff numbers over the next three months.

¹ In this release, 'August' refers to the 4 weeks to 27 August 2021, while 'July' refers to the 4 weeks to 30 July 2021. See the 'Background' for more information on time periods used in this report.

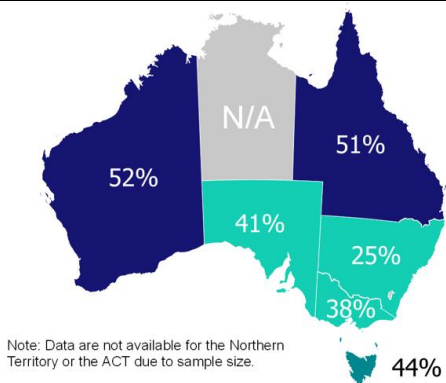
² Please note that the REOS results may not reflect the full impact that the current outbreaks of COVID-19 and associated restrictions have had on employers and their recruitment experiences since the survey is unable to gather data from employers that have closed down and response rates can vary significantly by industry in areas under lockdown restrictions. Also note that in the three weeks ending 16 July 2021, employers in Greater Sydney, Wollongong and Shellharbour were not surveyed due to lockdown restrictions.

Recruitment activity

- In August 2021, 39% of employers were recruiting or had recruited in the past month. This is a 4 percentage point drop from the proportion recorded in July 2021 (43%).
- The recruitment rate has decreased in both Capital Cities (from 40% to 37%) and in Rest of State areas (from 48% to 44%).
- NSW had the lowest recruitment rate of the states (25%), followed by Victoria (38%). On the other hand, Western Australia had the highest recruitment rate (52%), followed by Queensland (51%).
- The recruitment rate for businesses with 5 to 19 employees declined by 3 percentage points over the month to stand at 33% in August 2021. The recruitment rate for businesses with 20 or more employees also declined, by 5 percentage points, to 66%.
- Employers in Accommodation and Food Services were more likely to have recruited in August 2021 (47%) compared with July 2021 (42%), but far less likely to have recruited compared with June 2021 (70%). Employers in Retail Trade have also recorded a significant decline in recruitment over the last 2 months, from 55% in June 2021 to 33% in August 2021.

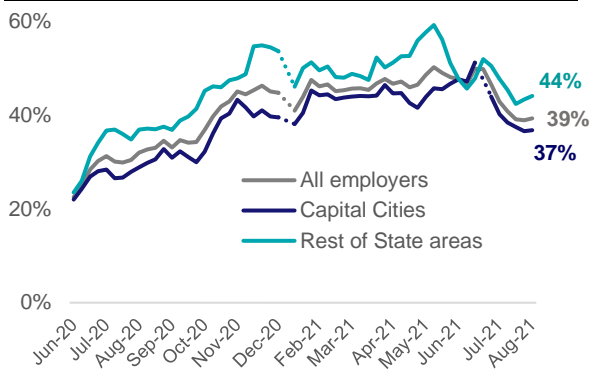
Recruitment by state and territory

Proportion of employers who are recruiting by state



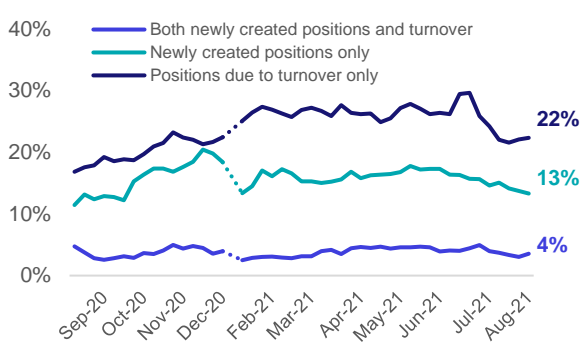
Recruitment by region type

Proportion of employers who are recruiting by region type



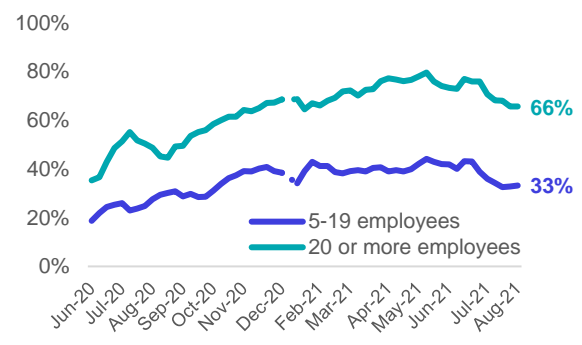
Reason for recruitment

as a proportion of all employers



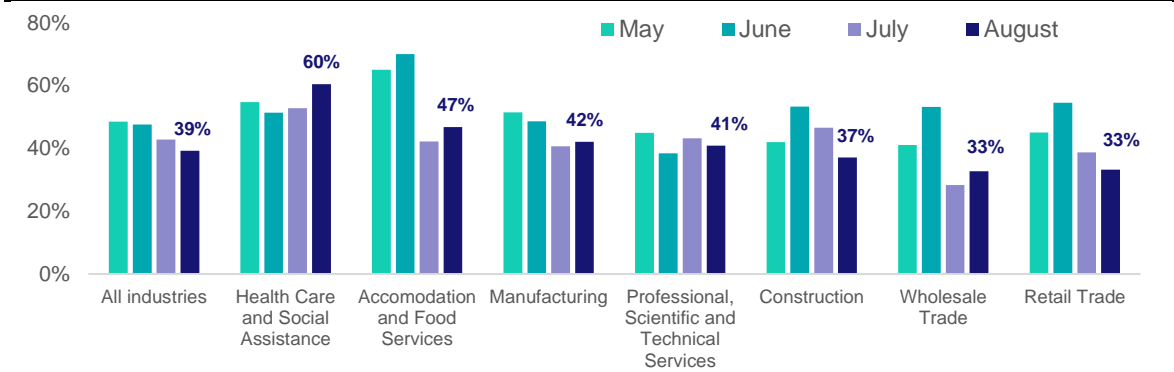
Recruitment by business size

Proportion of employers who are recruiting by business size



Recruitment rate by selected³ industries

Proportion of employers who are recruiting by industry

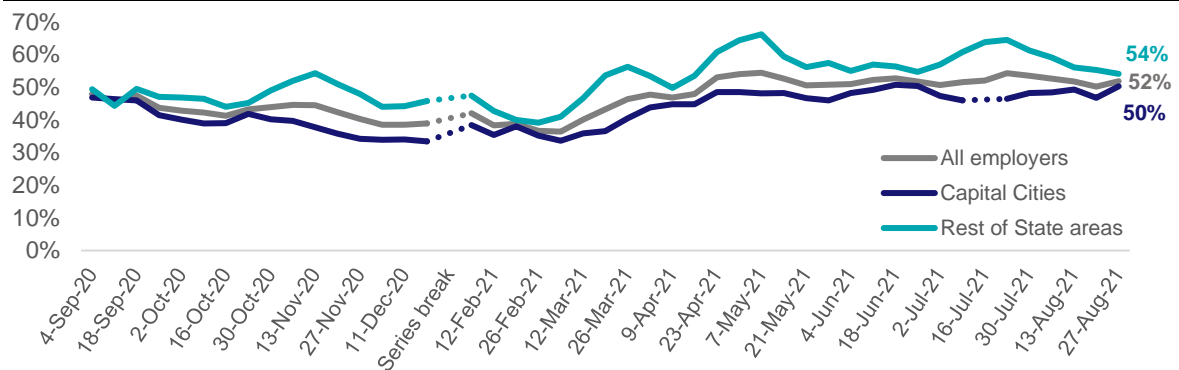


³ Some industries are not reportable due to small sample sizes.

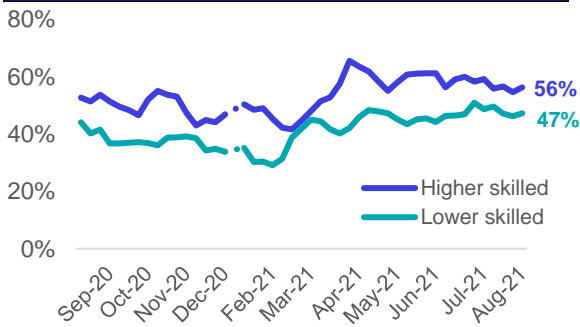
Recruitment difficulty rate

- The proportion of recruiting employers who reported recruitment difficulty decreased slightly to 52% in August 2021, down from 53% in July 2021.
- The rate of recruitment difficulty decreased significantly in Rest of State areas (from 61% to 54%) over the past month, while in Capital Cities it increased from 48% to 50%.
- The rate of recruitment difficulty decreased by 2 percentage points for both businesses with 20 or more employees (from 50% to 48%) and for businesses with 5 to 19 employees (56% to 54%).
- Higher skilled occupations remained considerably more difficult to recruit for compared with lower skilled⁴ occupations, with a rate of recruitment difficulty of 56% and 47%, respectively.
- A lack of suitable applicants (44%) was the most common reason for recruitment difficulty, followed by a lack of applicants (36%).
- The difficulty rate for Technicians and Trades Workers (69%) was the highest of the major occupation groups in August 2021, followed by Community and Personal Service Workers (61%). Employers more commonly had difficulty recruiting for Labourers over recent months, with the recruitment difficulty rate increasing from 48% in May 2021 to 60% in August 2021.

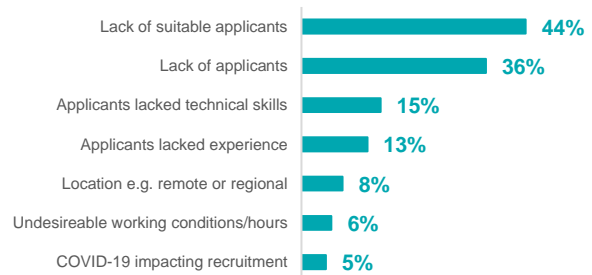
Difficulty by region type
as a proportion of recruiting employers



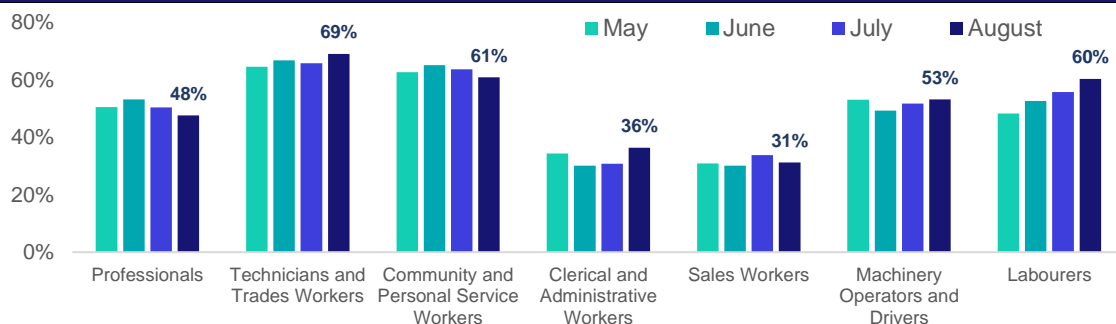
Difficulty by skill level of occupation
as a proportion of recruiting employers



Reasons for recruitment difficulty
as a proportion of employers who reported difficulty



Difficulty by major occupation group⁵
as a proportion of recruiting employers



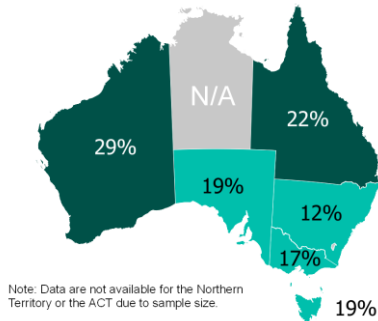
⁴ In this report, lower skilled refers to occupations with an ANZSCO Skill Level of 4 or 5, while higher skilled refers to ANZSCO Skill Levels 1, 2 or 3.

⁵ Data in this chart are quarterly averages; i.e. averages of the 13 weeks leading up to the end of the month specified.

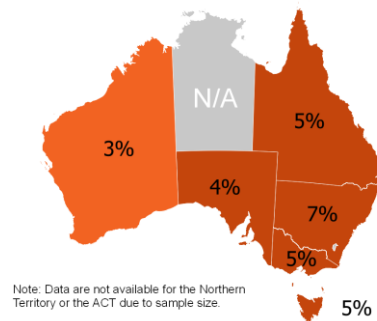
Staffing outlook

- In August 2021, 18% of employers expected to increase their staffing levels over the next 3 months, unchanged from July 2021.
- Western Australia had the highest proportion of employers expecting to increase staff numbers over the next 3 months (29%). Just 12% of employers in NSW expected to increase their staffing levels, unchanged over the past month but down by 14 percentage points since June 2021.
- Over the past month, expectations to increase staffing levels remained unchanged in Capital Cities (17%), and increased by 1 percentage point in Rest of State areas (20%).
- Of the reported industries, Accommodation and Food Services and Health Care and Social Assistance (both 24%) had the highest proportion of employers that expected to increase staff numbers over the next 3 months.
- In Accommodation and Food Services, expectations to increase staff (24%) have increased since July 2021 (18%), but remain below the 31% recorded in June 2021.
- The overall proportion of employers expecting to decrease staff numbers (5%) increased slightly over the month. Of the states, New South Wales (7%) had the highest proportions of employers who expected to decrease staff over the next 3 months.

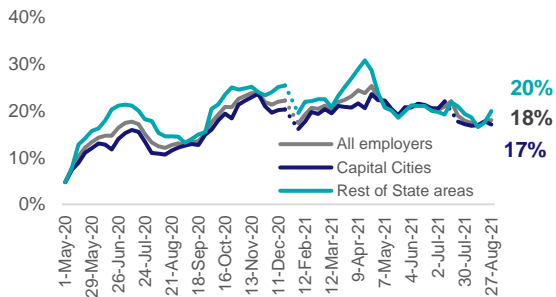
Expectations to increase staff as a proportion of all employers



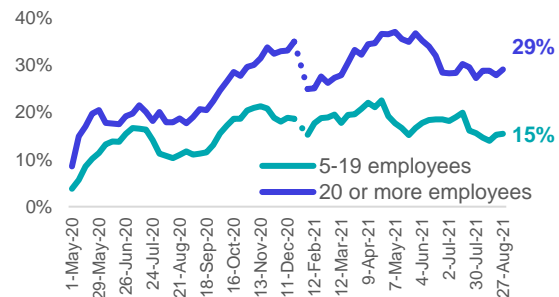
Expectations to decrease staff as a proportion of all employers



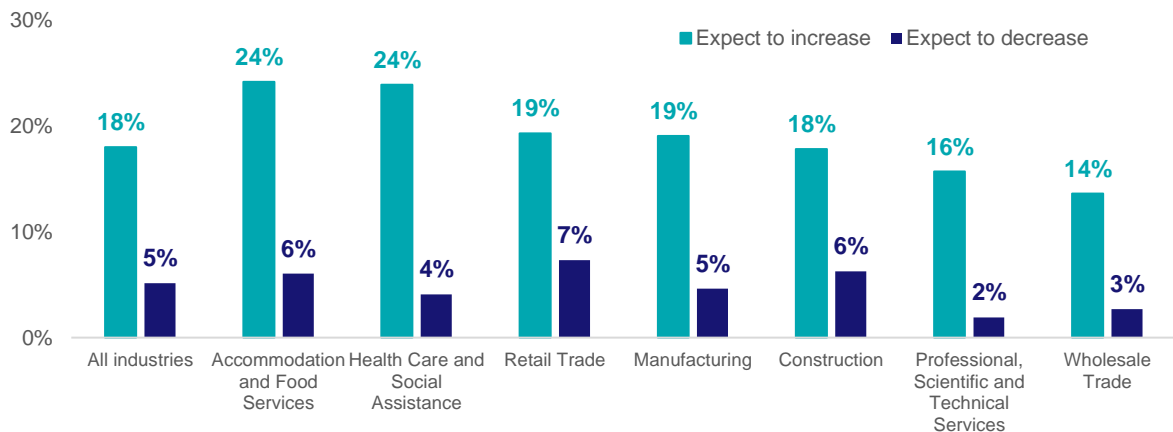
Expectations to increase staff by region type as a proportion of all employers



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



Staffing expectations over the next 3 months by selected⁶ industries as a proportion of all employers



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

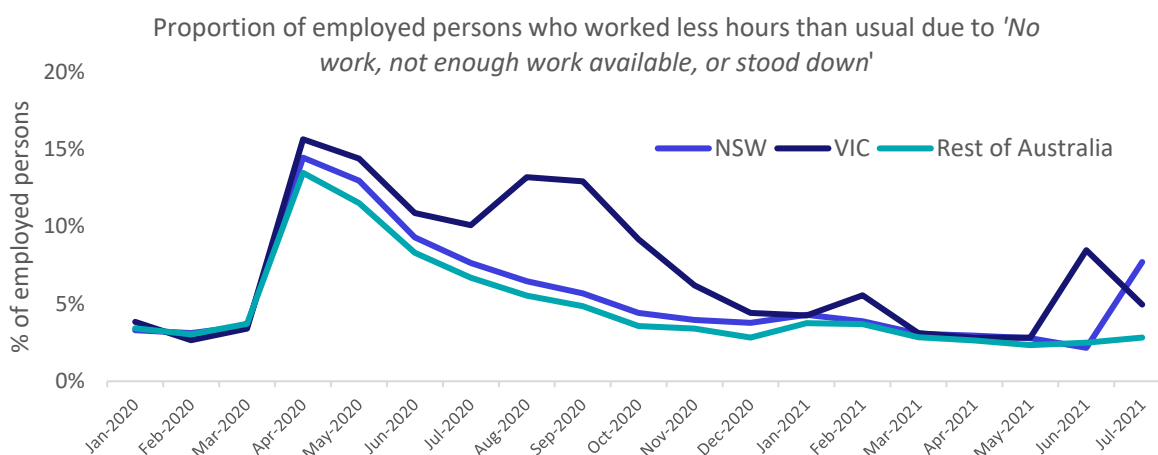
Spotlight: Employers with staff stood down, on reduced hours, or working from home

Results from the ABS Labour Force Survey (LFS) in recent months show that many employed people have had their hours reduced or have been stood down (i.e. staff who remain employed but are currently not working any hours) as a result of the ongoing lockdowns across Australia. This spotlight provides further insight into this issue by using data from the REOS survey⁷ to investigate the extent to which businesses are having to reduce staff hours or stand them down.

ABS data on employed persons stood down or working less hours than usual

Not surprisingly given the recent outbreaks of COVID-19 cases in both states, ABS LFS data show that New South Wales and Victoria have recorded a significant increase in the proportion of employed people who worked less than their usual hours due to 'No work, not enough work available, or stood down' in recent months.

- It is worth noting that the decline in those employed working less than usual hours due to 'No work, not enough work available or stood down' recorded in July 2021 in Victoria reflects that the July LFS reference period occurred at a time when the state had recently eased restrictions, before re-entering lockdown on 16 July 2021.



Source: ABS, Labour Force, Australia, July 2021

The LFS data also show that during lockdowns, a large number of people work less than their usual hours for 'other reasons'⁸



Source: ABS, Labour Force, Australia, July 2021

⁷ Please note that the REOS results may not reflect the full impact that the current 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 that have closed down and response rates can vary significantly by industry in areas under lockdown restrictions.

⁸ Note the ABS has advised that people reporting other reasons for working less hours increases significantly in lockdowns, indicating that some respondents feel that the longstanding categories do not fully capture the complexity of the restrictions and/or that it is difficult for them to attribute the reasons to a single category.

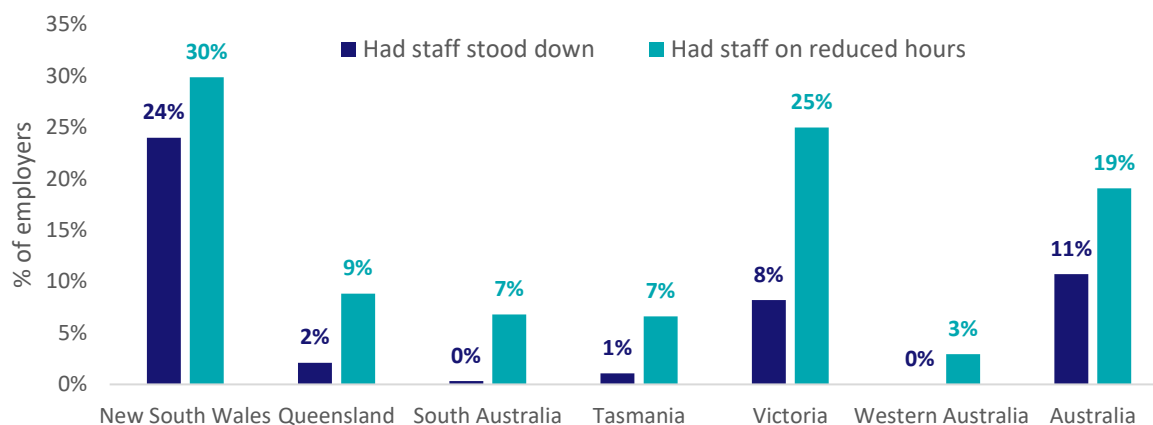
REOS results on employers who have staff stood down or on reduced staff hours

Employers had been asked about their staffing situation (whether they had staff stood down, on reduced hours, or working from home) since April 2020.⁹ The question continued to be asked until May 2021, at which time it was ceased due to the strong improvement in labour market conditions across Australia that had occurred in the second half of 2020 and early 2021. However, recent COVID-19 outbreaks and subsequent lockdowns in various parts of Australia resulted in the reintroduction of these questions on 9 August 2021.¹⁰

In August 2021, 11% of employers had staff stood down, and 19% had staff on reduced hours. New South Wales had the highest proportion of employers that had staff stood down (24%) and on reduced hours (30%). Victoria also had a high proportion of employers with staff on reduced hours (25%), and while the proportion with staff stood down (8%) was substantially lower than New South Wales, it was higher than all the other states.

Employers with staff stood down or on reduced hours - by state¹¹

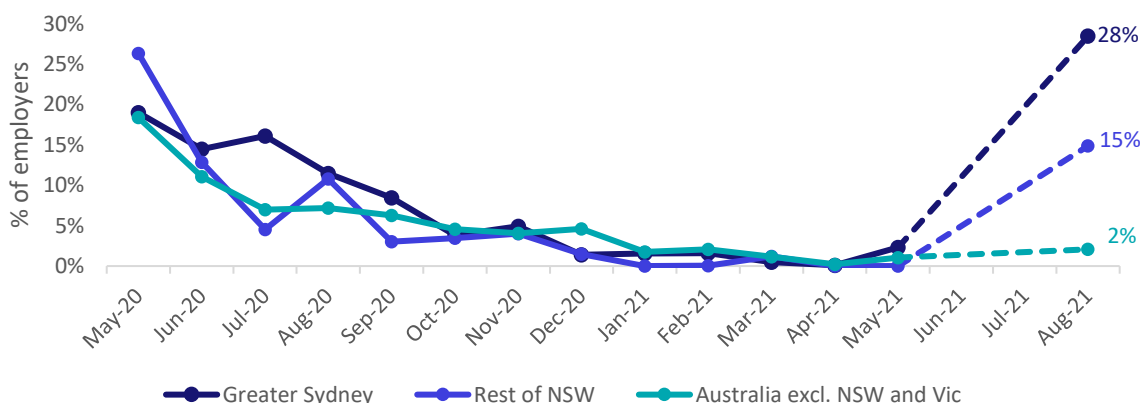
Proportion of all employers, 9 August to 27 August 2021



Within New South Wales, a much higher proportion of employers had staff stood down in Greater Sydney compared with the Rest of New South Wales. Indeed, the proportion of employers who had staff stood down in Greater Sydney in August 2021 stood at 28%, the highest proportion recorded since the series began in May 2020.¹² By comparison, 15% of employers in the Rest of New South Wales reported having staff stood down, the highest proportion since the 26% recorded in May 2020.

Employers with staff stood down – Greater Sydney and Rest of NSW

Proportion of all employers



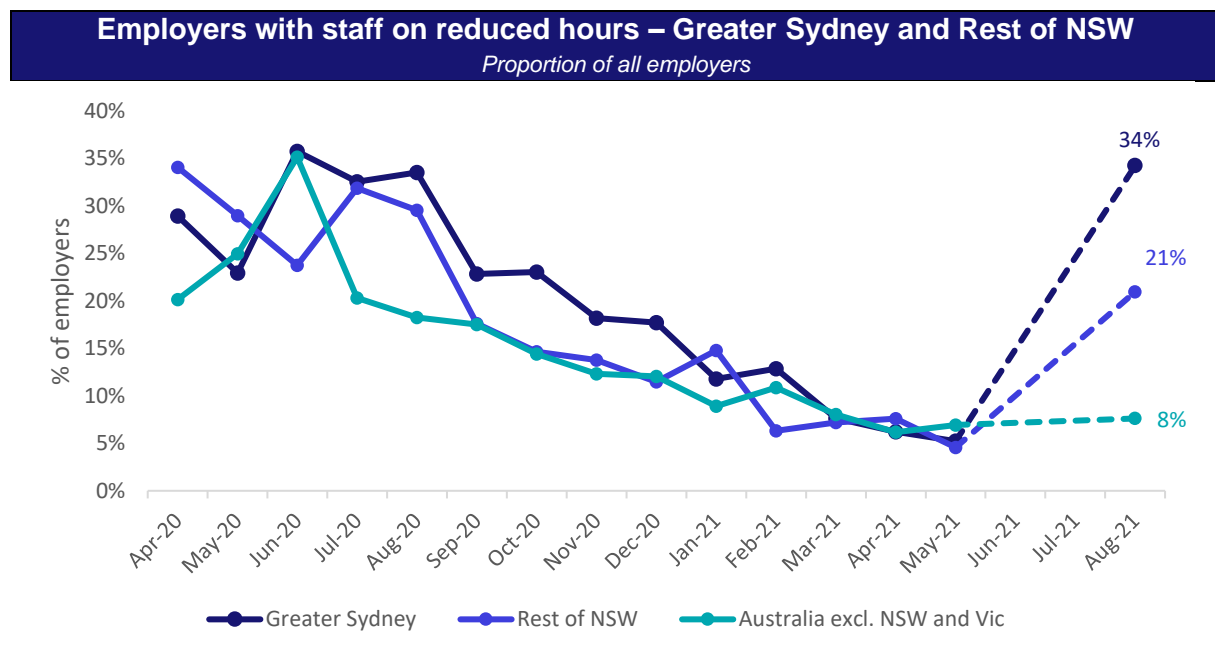
⁹ A number of changes were made to these questions over time to ensure they were appropriate at the time of asking them. In April 2020 employers were asked whether they had staff stood down/on reduced hours since the onset of the pandemic; in May 2020 employers were asked whether they had staff stood down/on reduced hours in the past month; while from June 2020 employers were asked whether they currently had staff stood down/on reduced hours. Results from April 2020 and May 2020 should therefore be used with caution.

¹⁰ In the REOS time series charts in this Spotlight, a dotted line connects the May 2021 result to the August 2021 result, to acknowledge the missing data for June and July 2021.

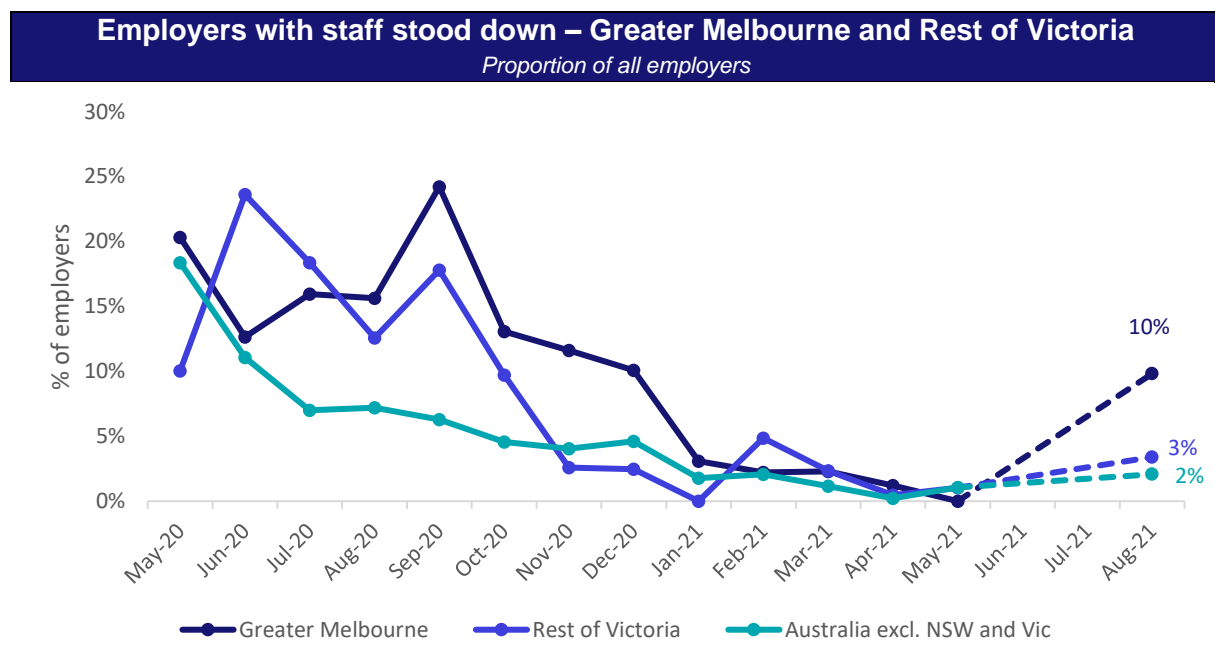
¹¹ The Northern Territory and the Australian Capital Territory have not been reported separately due to small sample sizes.

¹² The question on whether employers had staff stood down was introduced in late April 2020, with insufficient data collected to produce a result for this month. The result for May 2020 therefore marks the beginning of this series.

Over a third (34%) of employers in Greater Sydney had staff on reduced hours in August 2021, similar to the proportion recorded in mid-2020, when employers were able to access the initial JobKeeper payment of \$1,500 per eligible employee. In the Rest of New South Wales, the proportion with staff on reduced hours in August 2021 (21%) was higher than for Australia excluding New South Wales and Victoria (8%) but well below the April 2020 figure (34%).



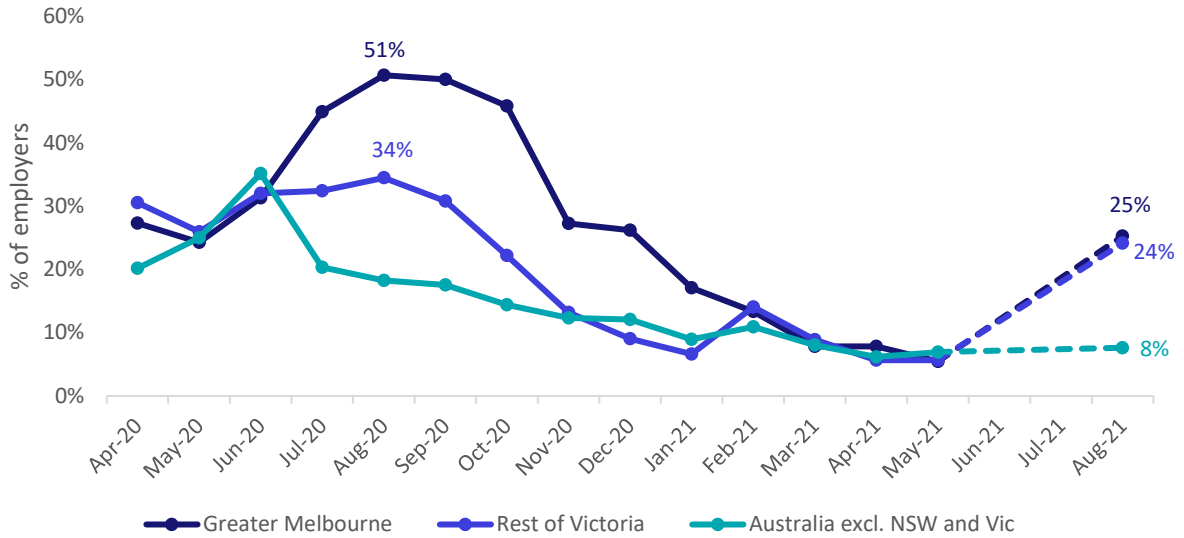
In Greater Melbourne, the proportion of employers with staff stood down increased from 0% in May 2021 to 10% in August 2021, but remains below the peak of 24% recorded in September 2020. On the other hand, there has been little change in the proportion of employers in Rest of Victoria that had staff stood down in August 2021 (3%) compared with May 2021 (1%).



The impact of lockdowns in the Rest of Victoria, however, has been evident in the proportion of employers that have had to reduce staff hours. Indeed, in both Greater Melbourne and Rest of Victoria, the proportion of employers with staff on reduced hours increased significantly in recent months, to stand at 25% and 24%, respectively in August 2021. By comparison, just 8% of employers in Australia excluding New South Wales and Victoria had staff on reduced hours. That said, while both Greater Melbourne and Rest of Victoria have recorded significant increases in the proportion of employers with staff on reduced hours in recent months, it remains well below the peaks recorded in August 2020 (of 51% and 34%, respectively).

Employers with staff on reduced hours – Greater Melbourne and Rest of Victoria

Proportion of all employers



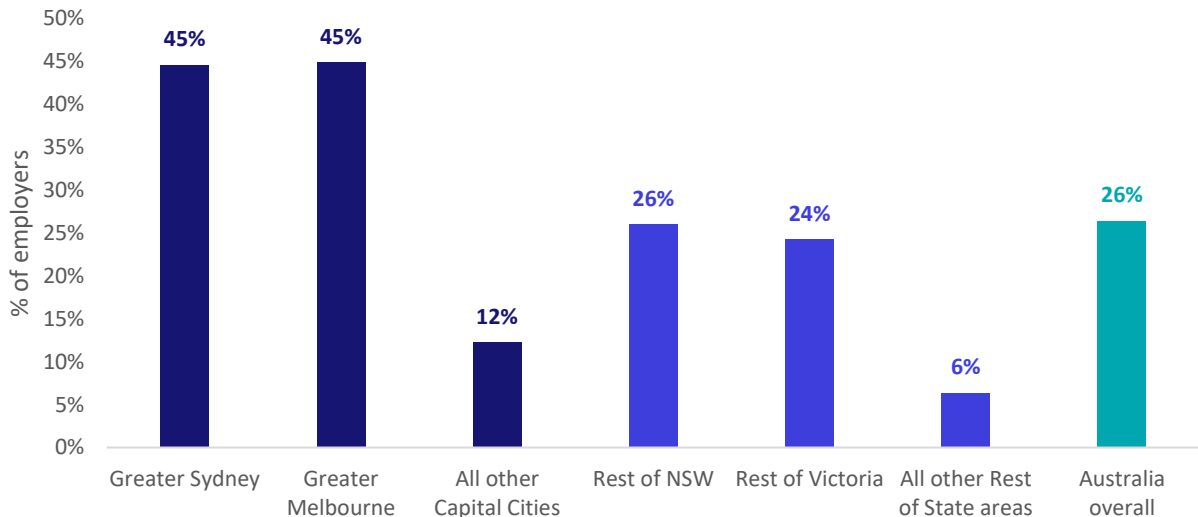
Staff working from home

The REOS has also collected information on staff working from home. In August 2021, just over a quarter (26%) of employers had staff working from home. Notably, this varied considerably by region. Indeed, in Greater Sydney and Greater Melbourne, 45% of employers had staff working from home, well above the 12% recorded in the other Capital Cities. In addition, 26% of staff in Rest of New South Wales and 24% of staff in Rest of Victoria had staff working from home, compared with 6% in the other Rest of State areas.

- The higher incidence of employers with staff working from home in Capital Cities is likely to reflect both the composition of jobs in Capital Cities compared with Rest of State areas, and also the fact that Rest of New South Wales and Rest of Victoria have been in lockdown for a shorter length of time than their Capital City counterparts.

Employers with staff working from home – by region

Proportion of all employers, 9 August to 27 August 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) in 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 used 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 (excluding those in this month's Spotlight) are based on the closest 4-week period of data. The table below shows the month and corresponding 4-week period:

August 2020	4 weeks to 4 September 2020	March 2021	4 weeks to 2 April 2021
September 2020	4 weeks to 25 September 2020	April 2021	4 weeks to 30 April 2021
October 2020	4 weeks to 30 October 2020	May 2021	4 weeks to 28 May 2021
November 2020	4 weeks to 27 November 2020	June 2021	4 weeks to 25 June 2021
December 2020	4 weeks to 18 December 2020	July 2021	4 weeks to 30 July 2021
January 2021	4 weeks to 5 February 2021	August 2021	4 weeks to 27 August 2021
February 2021	4 weeks to 26 February 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, August 2021.

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