



## Recruitment Conditions in Australia's Capital Cities

The *Survey of Employers' Recruitment Experiences* monitors recruitment conditions across Australia. In 2017, the survey was conducted in capital cities for the eighth consecutive year and more than 4,000 employers responded.

Conditions across the capital cities differed significantly in 2017. The jobs markets in Sydney and Canberra strengthened, with tighter labour market conditions resulting in an increasing number of employers having difficulty filling their vacancies. Meanwhile, conditions in Darwin have softened, with employers reporting increasing numbers of applicants, resulting in the proportion of employers with recruitment difficulties being considerably lower than in recent years.

### Sydney



Sydney has one of the strongest jobs markets of all the capital cities. As staff numbers in many businesses have continued to grow, an increasing number of employers reported not being able to fill their vacancies or having considerable difficulty in filling them.

- **MANY BUSINESSES EXPANDING:**

Some 28 per cent of employers reported that they had increased staff numbers over the previous 12 months, compared with 13 per cent who decreased staff numbers.

- **CHALLENGING RECRUITMENT ENVIRONMENT:**

Almost half (47 per cent) of respondents reported difficulty recruiting staff in their most recent recruitment activity, the most of any city. Additionally, 18 per cent had been unable to fill all of their recent vacancies, again the most of any city.

- **EMPLOYERS ARE OPTIMISTIC:**

Around 35 per cent of employers expect to increase staff numbers over the next 12 months.

### Recruitment Difficulty



#### EXTRA BITE

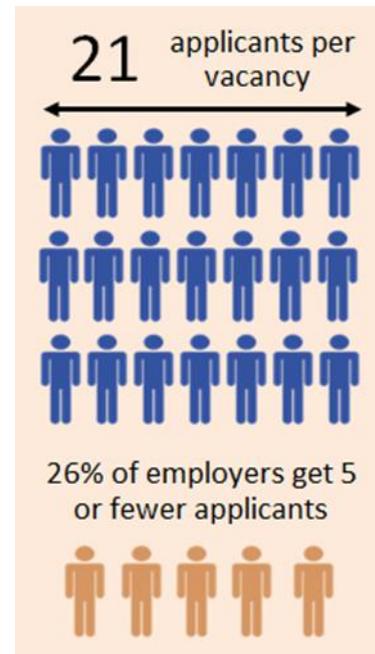
Recruitment difficulty doesn't just inconvenience employers, it also has other negative effects. More than one third (36 per cent) of recruiting employers in Sydney reported that difficulties finding or keeping staff impacted negatively on their output, investment in their business or the quality of their goods and services.

# Melbourne



Conditions in Melbourne are significantly stronger than they were three years ago, with strong employment growth over this period. Recruitment conditions remain steady compared with 2016, with difficulties not particularly widespread and broadly in line with the average across all cities.

- **RECRUITMENT DIFFICULTY:**  
More than one third (37 per cent) of employers reported difficulty in their most recent recruitment activity. The technical skill requirements of the job was the most common cause of their difficulty (54 per cent).
- **VARIABILITY IN APPLICANT NUMBERS:**  
On average, employers received 21 applicants per vacancy<sup>i</sup> in 2017. However, about one quarter of employers received, at most, five applicants per vacancy.
- **CONTINUED SHIFT TO INTERNET RECRUITMENT:**  
Only 6 per cent of employers advertised their most recent vacancies in newspapers, compared with 20 per cent in 2012. Over this period, the proportion of employers using the internet as a recruitment method increased from 60 per cent to 66 per cent.



## EXTRA BITE

The shift away from advertising in newspapers is a national trend, as major newspapers are displaced by internet recruitment sites. While the share of vacancies in local newspapers has been declining more slowly, employers are increasingly using social media to fill local vacancies.

# Brisbane



Conditions in Brisbane continue to improve. While the jobs market tightened in 2017, most employers reported that they are able to source suitable workers without difficulty.

### MORE EMPLOYERS HAVE INCREASED STAFF NUMBERS:

Around 29 per cent increased staff numbers in 2017 compared with 25 per cent in 2016. Twice as many employers reported increasing staff numbers as decreasing.

### THE LABOUR MARKET HAS TIGHTENED:

More employers reported recruitment difficulties in 2017 than in previous years. However, the level of difficulty still remains lower than in most other cities.

### STRONG EMPLOYMENT EXPECTATIONS:

One in three employers anticipate increasing staff numbers in the next 12 months, the second most of any city. Employers are more optimistic compared with most other cities, with fewer concerned about the economy and more reporting no concerns.

## Change in staff numbers in Brisbane



# Adelaide



Conditions in Adelaide are showing some signs of improvement. That said, the persistently high numbers of job applicants suggests that job search conditions remain highly competitive.

- **MANY EMPLOYERS INCREASING STAFF**

**NUMBERS:**

Just under one in three employers (32 per cent) reported increasing staff numbers over the previous 12 months, more than in any other city.

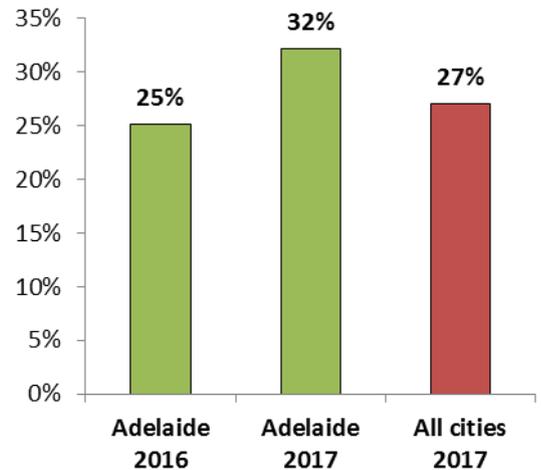
- **EMPLOYERS STILL RECEIVE MANY APPLICANTS:**

Nearly two thirds (63 per cent) of employers received at least 20 applicants when last advertising vacancies. Nonetheless, 37 per cent of employers said they had difficulty recruiting appropriate staff for their business.

- **MORE EMPLOYERS EXPECT TO INCREASE STAFF NUMBERS:**

Some 30 per cent of employers expect to increase staff over the next year, the highest proportion recorded in Adelaide since 2011.

**% of employers who increased staff over the previous 12 months**



## EXTRA BITE

As job search conditions in Adelaide and Perth have become more competitive, employers are increasingly filling vacancies using informal methods, such as word of mouth or hiring job seekers who approached them about potential opportunities. In 2017, 23 per cent of vacancies across these two cities were not advertised, up from 17 per cent in 2013.

# Perth



While there have been signs of improvement with an increase in employment and decreasing unemployment, recruitment conditions at the time of the survey in June 2017 were still relatively soft. Since then, employment has increased by more than 15,000 and unemployment has fallen by around 3000<sup>ii</sup>.

**MANY BUSINESSES**

**REDUCED STAFF NUMBERS:**

More employers (29 per cent) decreased staff than increased (19 per cent) over the previous 12 months, and the recruitment rate is one of the lowest among the capital cities.

**EMPLOYERS ARE CONCERNED**

**ABOUT THE ECONOMY:**

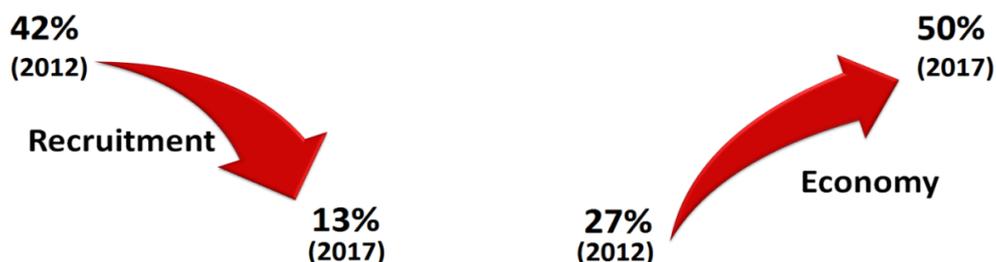
Half of employers reported demand for their goods and services or the economy as their greatest concern for the next 12 months. This marks a significant shift since 2012, when recruitment was the most common concern.

**VERY FEW VACANCIES**

**REMAIN UNFILLED:**

In 2017, employers received a high average number of applicants (24 applicants per vacancy, having doubled since 2012) and few vacancies remained unfilled (3 per cent).

## What are employers most worried about?



# Hobart



Labour market conditions improved in Hobart in 2017 and employers are optimistic about the future. The survey results show a strengthening jobs market, which is consistent with the 6 per cent employment growth recorded for Hobart in the year to January 2018, the highest annual increase since 2004<sup>iii</sup>.

- **FEW EMPLOYERS DECREASED STAFF NUMBERS:**

Only 10 per cent of employers decreased staff numbers, the lowest of all cities. Meanwhile, 29 per cent of employers reported increasing staff numbers, the highest proportion since 2011.

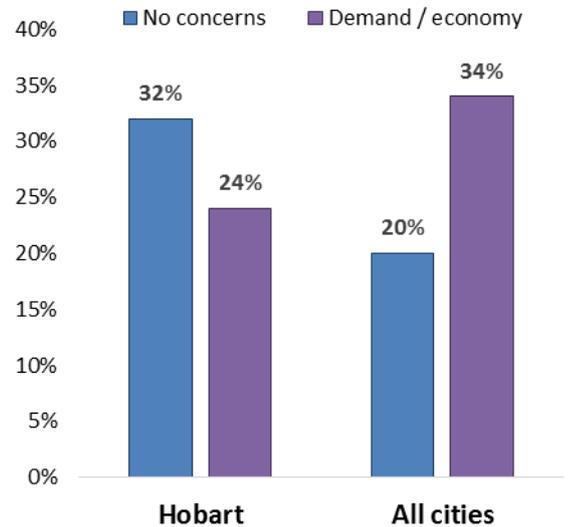
- **INCREASING DIFFICULTY RECRUITING:**

A growing proportion of employers reported that recruitment was difficult (42 per cent, up from 33 per cent in 2016). More than half (52 per cent) of employers recruiting for higher skilled occupations experienced difficulty.

- **MOST OPTIMISTIC OF THE CITIES:**

Almost one in three surveyed employers reported no future concerns, by far the most of any city. Additionally, Hobart had the lowest proportion of employers who were most concerned about demand for their goods or services or the economy.

Employers' Greatest Future Concern



## EXTRA BITE

More than one quarter of employers in Darwin hire additional staff to meet peak seasonal demands, the most of any capital city.

# Darwin



Darwin's labour market has softened, resulting in the jobs market becoming more competitive and employers having less difficulty filling vacancies.

### GROWING CONCERNS ABOUT THE ECONOMY:

The 2017 results mark the first time more employers were most concerned about demand for their goods and services or the economy (42 per cent) than about recruitment difficulties or staff retention (29 per cent). This result coincides with 23 per cent of surveyed employers reducing staff numbers in 2017.

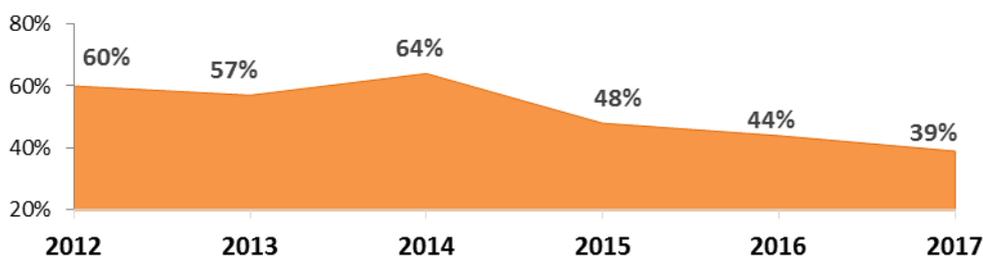
### INCREASINGLY COMPETITIVE JOBS MARKET:

In 2017, 44 per cent of employers received 10 or more applicants per vacancy<sup>i</sup>, compared with 29 per cent in 2012.

### RECRUITMENT DIFFICULTIES EASING:

While remaining higher than most capital cities, the proportion of employers reporting recruitment difficulties fell to 39 per cent in 2017, well down on the 64 per cent recorded in 2014.

% of employers who had difficulty recruiting



# Canberra



Canberra's labour market remains strong, with robust employment growth in 2017 and an increase in the participation rate.

## RECRUITING HAS BECOME MORE CHALLENGING:

The proportion of employers reporting recruitment difficulty increased from 36 per cent in 2016 to 43 per cent in 2017. Additionally, one in 10 recent vacancies were not filled. Only Sydney recorded a higher unfilled vacancy rate.

## MANY EMPLOYERS INCREASED STAFF NUMBERS:

Employers were more than twice as likely to report having increased staff numbers in the previous 12 months (30 per cent of surveyed employers) than reducing staff numbers (14 per cent).

## EMPLOYERS REMAIN OPTIMISTIC:

Around 31 per cent of surveyed employers expected to increase staff numbers and one in five employers reported that they had no significant concerns for the next 12 months.



## About the Survey

Results from the *Survey of Employers' Recruitment Experiences in Capital Cities* are used to compare recruitment conditions between capital cities. Information on a range of recruitment indicators such as the number of vacancies advertised and filled, applicant numbers, and employers' recruitment expectations are collected as part of the survey.

The sample is taken to ensure results are broadly representative by:

- industry
- location within each city
- reported business size

In order to improve the reliability of year-on-year comparisons, the majority of responses each year are comprised of employers who responded in the previous year's survey. To offset any potential issues caused by the sample gravitating towards responding employers, the remaining are sampled using fresh contacts which are selected to meet quota and representativeness requirements.

The survey averages a response rate of approximately 60 per cent.

Further results from the *Survey of Employers' Recruitment Experiences in Capital Cities* can be found at <https://www.jobs.gov.au/recruitment-conditions> or by contacting [RecruitmentAnalysis@jobs.gov.au](mailto:RecruitmentAnalysis@jobs.gov.au)

<sup>i</sup> When advertising online or in a newspaper.

<sup>ii</sup> Source: ABS Labour Force Detailed, January 2018, 12 month average of original data.

<sup>iii</sup> Source: ABS Labour Force Detailed, January 2018, 12 month average of original data.