

REOS Recruitment Insights Report - July 2025

Jobs and Skills Australia surveys around 800 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

Recruitment indicators this month suggest a potential strengthening in employer demand, with recruitment activity reaching its equal highest level since late 2023. In smoothed terms, the recruitment rate is now trending upwards. Although the overall staffing outlook remain unchanged, regional variation was evident. A slightly higher proportion of employers in Capital Cities expected to increase staff compared to those in Rest of State areas, contributing to a balanced national outlook.

Employers' increasing ability to fill vacancies quickly is reflected in the long-term downward trend in the recruitment difficulty rate. This decline is particularly pronounced in Capital Cities, while in the Rest of States areas have seen a slight increase. Compared to the same period last year, the recruitment difficulty rate has decreased and continues to trend downward, indicating improving conditions for employers seeking to recruit.

Recruitment activity

In July 2025, the recruitment rate increased by 6 percentage points to 50% of employers, returning to the same level observed in May 2025. Compared to the same period last year, the recruitment rate is now 3 percentage points higher.

Recruitment activity varied across regions. In Rest of State areas, the recruitment rate increased by 6 percentage points to 51% of employers recruited in July 2025. In Capital Cities, the recruitment rate was slightly lower at 49%, following a 5 percentage point increase over the month. Compared to a year ago, the recruitment rate in Capital Cities has increased by 8 percentage points, while the recruitment rate for Rest of State areas increased by 1 percentage point.

Recruitment difficulty

The recent increase in the recruitment rate is reflected by a decline in the recruitment difficulty rate, which decreased by 5 percentage points to 39% of recruiting employers in July 2025. Recruitment difficulty is currently 8 percentage points lower compared to the same time last year and is at the lowest point since February 2021, when it was 37%.

Regional differences were evident. A lower proportion of recruiting employers in Capital Cities reported recruitment difficulty with the recruitment difficulty rate decreasing by 7 percentage points over the month to 38%. This was 10 percentage points lower than a year ago. In contrast, recruitment difficulty in Rest of State areas, increased by 1 percentage point to 43%, although this remains some 3 percentage points below the level recorded in July 2024.

Staffing outlook: employers expecting to increase staff

Employer expectations for staffing remained steady in July 2025 with 19% of employers expecting to increase their staff in the next three months. This was just 1 percentage point higher than the same time last year.

In the Capital Cities, the proportion of employers expecting to increase their staff increased by 1 percentage point to 19%, which is 2 percentage points higher than a year ago. Conversely, expectations in Rest of State areas decreased by 2 percentage points over the month, and also reported at 19%. Despite the monthly decrease, this figure remains 1 percentage point above the level recorded a year ago.

Reason for recruiting

In July 2025, the proportion of employers recruiting to replace staff turnover decreased by 6 percentage points to 59%. However, staff turnover remained the primary reason for recruitment among surveyed employers. Meanwhile, 29% of recruiting employers were recruiting solely to fill new staff positions, showing an increase of 3 percentage points over the month. An additional 11% were recruiting to fill both staff turnover and new positions, up by 2 percentage points over the month.

Staffing changes over the last month

Some 16% of surveyed employers increased their staff in July 2025, showing an increase of 5 percentage points compared to last month and the same period last year. Meanwhile, the proportion of employers who reduced staffing levels fell by 3 percentage points over the month but remained the same as a year ago at 9%.

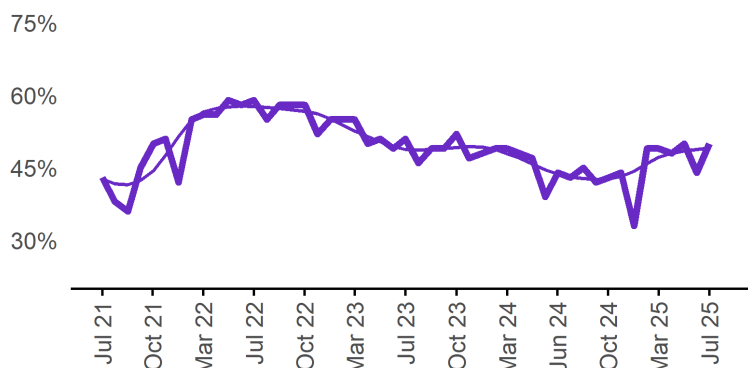
Employers unable to fill vacancies in a month

The proportion of recruiting employers who were unable to fill their vacancies within a month fell by 3 percentage points to 36% in July 2025, returning to the series low last recorded in February 2025. This figure is 6 percentage points lower than the 42% recorded a year ago, indicating improved efficiency in recruitment processes over the past year.

REOS national indicators ¹

Recruitment rate

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



50%

Monthly change:

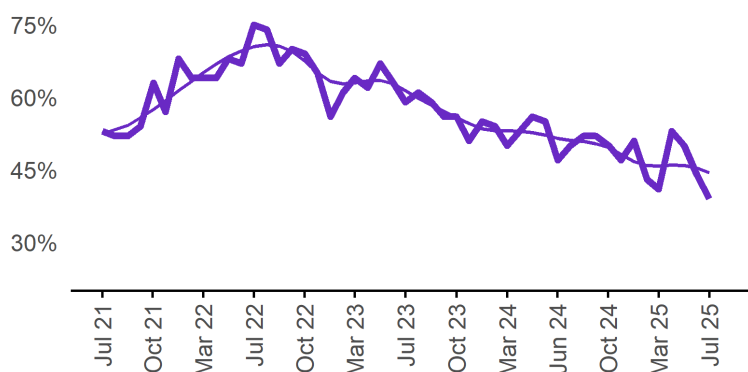
▲ 6%pts

Annual change:

▲ 6%pts

Recruitment difficulty rate

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



39%

Monthly change:

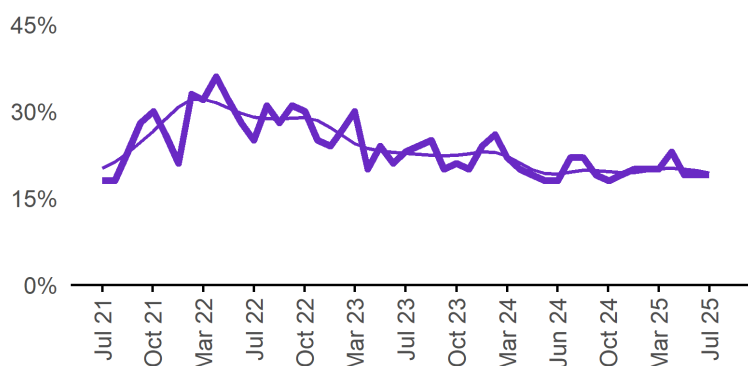
▼ 5%pts

Annual change:

▼ 8%pts

Expecting to increase staff

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



19%

Monthly change:

0%pts

Annual change:

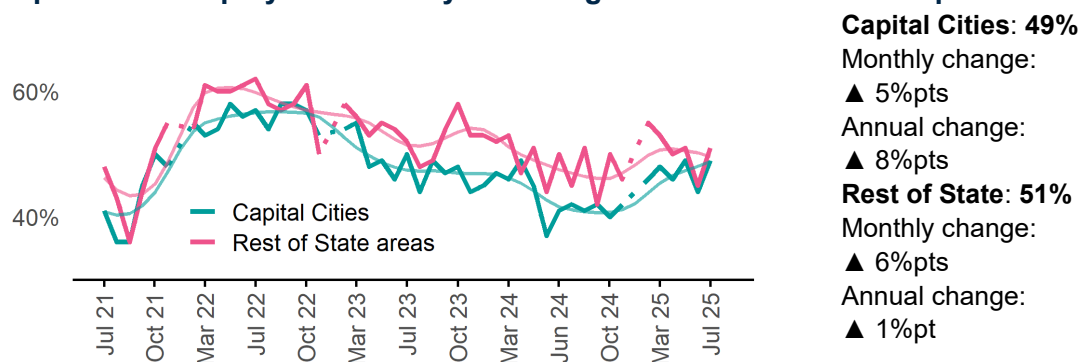
▲ 1%pt

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

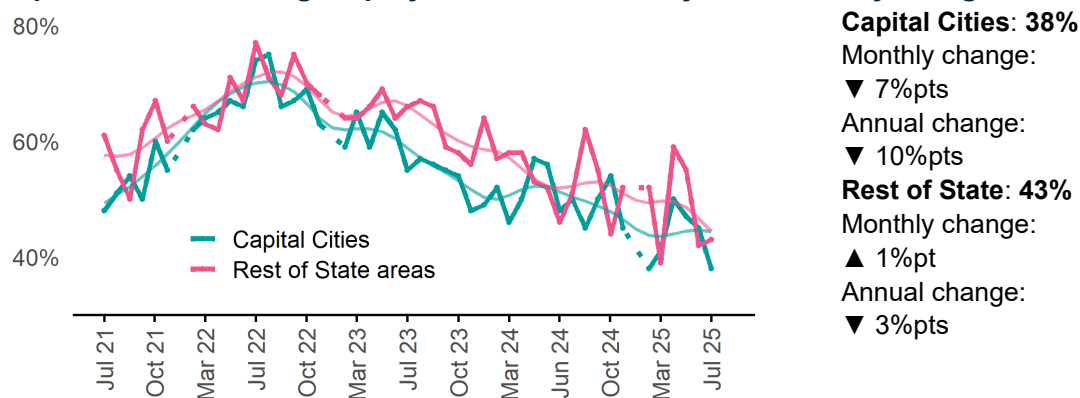
Recruitment rate

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



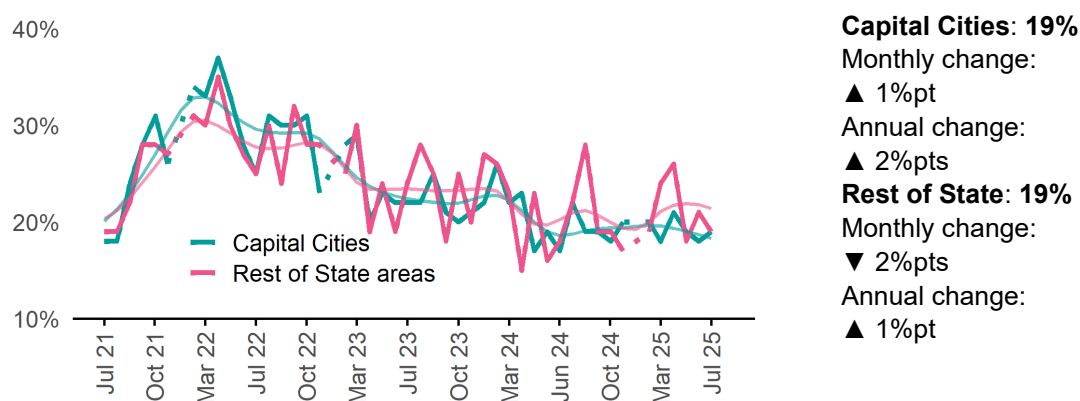
Recruitment difficulty rate

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



Staffing outlook – Expecting to increase staff

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

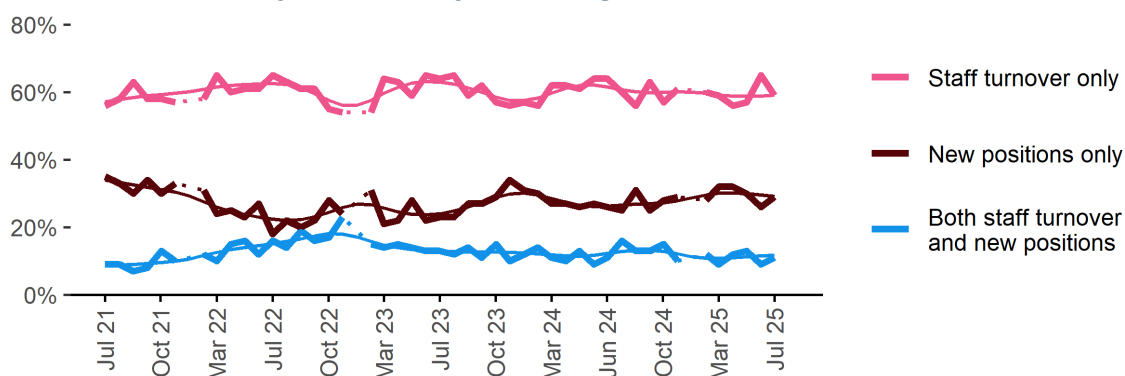


² Data are not available for January in some years. Data points have been joined by a dotted line between December and February to reflect this. 'Rest of State' refers to areas outside the capital cities.

Other recruitment indicators

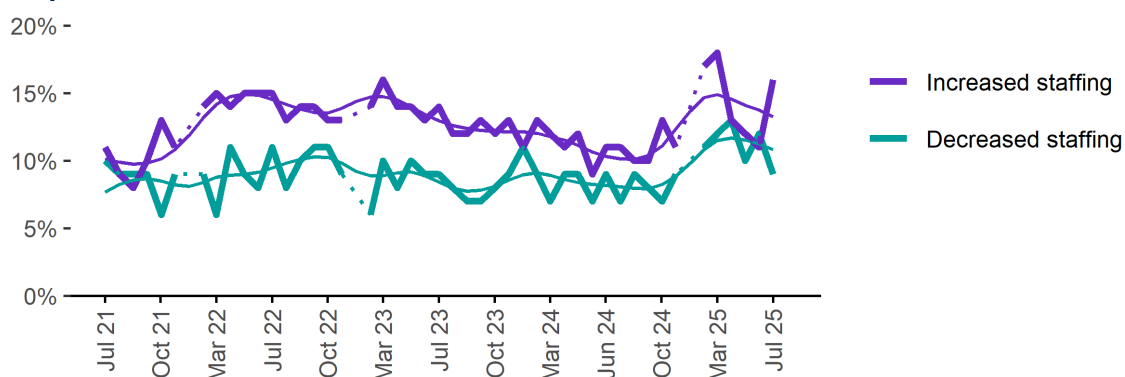
Reason for recruiting

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



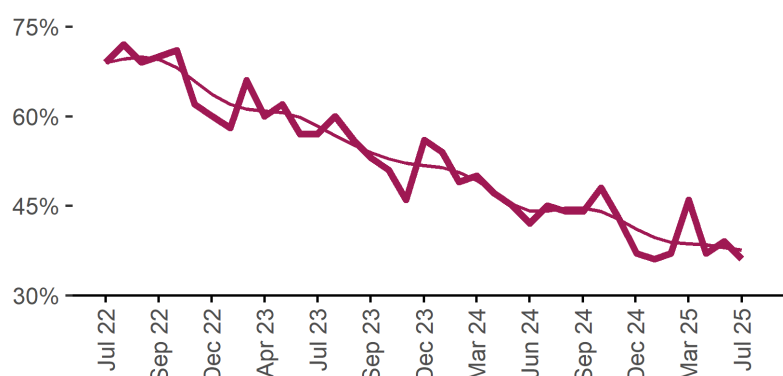
Staffing changes over the last month

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.*



36%

Monthly change:

▼ 3%pts

Annual change:

▼ 6%pts

* Excludes employers who have been recruiting for less than 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. Around 800 employers are surveyed each month, with data published on the [JSA 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 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 each month.

How to reference data from this report

Jobs and Skills Australia, Recruitment Insights Report, **July 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 [JSA website](#). 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, [ARIA](#) (ABS' Accessibility and Remoteness Index of Australia) as well as selected industry and occupation groups.

Next Recruitment Insights Report release:

- August 2025 Recruitment Insights Report – 16 September 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:

- June quarter 2025 results – 28 August 2025

Recent spotlights:

- Update – Employers' experiences with retention issues – 24 July 2025
- How recruitment challenges impact businesses – 26 June 2025