

REOS Recruitment Insights Report - July 2026

Jobs and Skills Australia surveys around 1000 employers each month in the Recruitment Experiences and Outlook Survey (REOS) to understand their recruitment experiences and staffing expectations.

Key Findings

Employers in Capital Cities are showing signs of holding back on recruitment, with recruitment rates and future staffing outlook decreasing sharply over the month and year. Employers in Rest of State areas appear to be resilient, with recruitment rates remaining higher than in Capital Cities over the same periods. The recruitment difficulty rate eased over the month in line with the falling recruitment rate. Likewise, the proportion of employers with long-term unfilled vacancies across Australia decreased over the month.

In smoothed terms, which provides a more general indication of movement among the indicators relative to previous months, both the recruitment rate and difficulty rate experienced only minor declines compared with results observed in the prior month.

Recruitment activity

The recruitment rate decreased by 7 percentage points to 44% of employers in July 2026 and is currently 6 percentage points lower than it was a year ago — despite the large monthly movement in the recruitment rate, in smoothed terms, there was only a marginal decrease recorded over the month.

The largest decrease in recruitment rates occurred in Capital Cities, which fell by 10 percentage points over the month to 40% of employers (down by 9 percentage points compared to last year). The decrease was smaller in Rest of State areas, with a recruitment rate of 51%, 2 percentage points lower than last month. In July, the recruitment rate in Rest of State areas was the same as it was a year earlier.

Recruitment difficulty

There were small decreases in the recruitment difficulty rate over the month, coinciding with the backdrop of decreased recruitment activity. Overall, recruitment difficulty eased by 1 percentage point to 43% of recruiting employers in July 2026. Despite this decline, the rate remained 4 percentage points higher than last year. For context, the July difficulty rate was 32 percentage points lower than the peak rate recorded in July 2022.

While noting the month-to-month variability in this series, the recruitment difficulty rate eased by 2 percentage points in Capital Cities to 42% of recruiting employers, 4 percentage points

higher than last year. In Rest of State areas, the rate declined by 1 percentage point to 44% of recruiting employers and is 1 percentage point higher than it was a year earlier.

In smoothed terms, the recruitment difficulty rate in both Capital Cities and Rest of State areas was unchanged over the month.

Staffing outlook: employers expecting to increase staff

The proportion of employers expecting to increase staff numbers also eased in July 2026, falling by 3 percentage points to 17% of employers (2 percentage points lower than last year). The fall was concentrated in Capital Cities, at 15% of employers (5 percentage points lower than last month and 4 percentage points lower than last year). The staffing outlook in Rest of State areas was more resilient, remaining at 20% of employers in July 2026, and 1 percentage point higher than last year.

In smoothed terms, this series has remained stable throughout much of 2026, with a gradual decline observed in Capital Cities. In Rest of State areas, the rate decreased from October 2025 through to March 2026, increasing slightly between March and July 2026.

Reason for recruiting

Recruitment due to staff turnover only was the main reason why employers recruited in July 2026 (accounting for 58% of recruiting employers). Some 32% of recruiting employers aimed to fill new staff positions only, and the remaining 10% were recruiting to fill both new staff and staff turnover positions.

Staffing changes over the last month

Some 13% of employers increased their staff in July 2026, compared with 16% at the same time last year. Meanwhile, around 12% of employers reported a decrease in their staff numbers over the month, compared with 9% of employers a year ago.

Employers unable to fill vacancies in a month

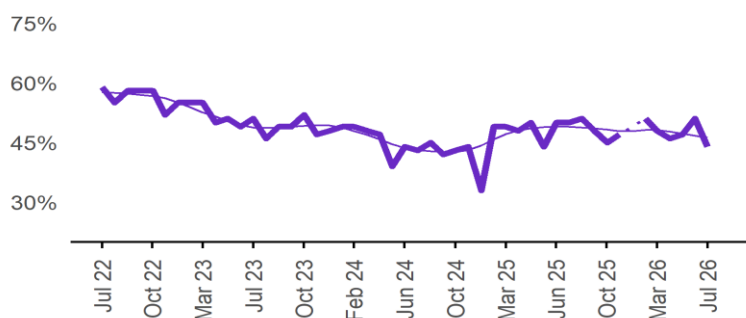
The proportion of recruiting employers who were unable to fill their vacancies within a month fell by 3 percentage points to 38% of recruiting employers in July 2026. This figure was 2 percentage points higher than the 36% recorded in July 2025.

The proportion of employers with unfilled vacancies in Capital Cities stood at 39% of recruiting employers in Capital Cities but decreased by 8 percentage points to 36% in Rest of State areas. By skill level, the proportion of employers with unfilled lower-skilled vacancies (ANZSCO skill levels 4–5) decreased by 7 percentage points to 27% of recruiting employers, while the proportion with unfilled higher-skilled vacancies (ANZSCO skill levels 1–3) eased by just 1 percentage point to 48% in July 2026.

REOS national indicators ¹

Recruitment rate

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



44%

Monthly change:

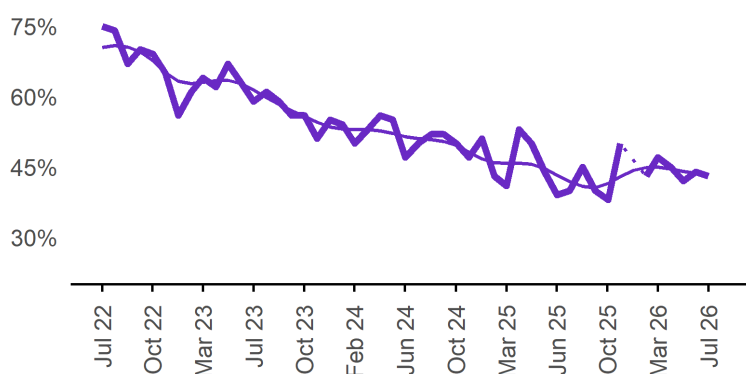
▼ 7% pts

Annual change:

▼ 6% pts

Recruitment difficulty rate

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



43%

Monthly change:

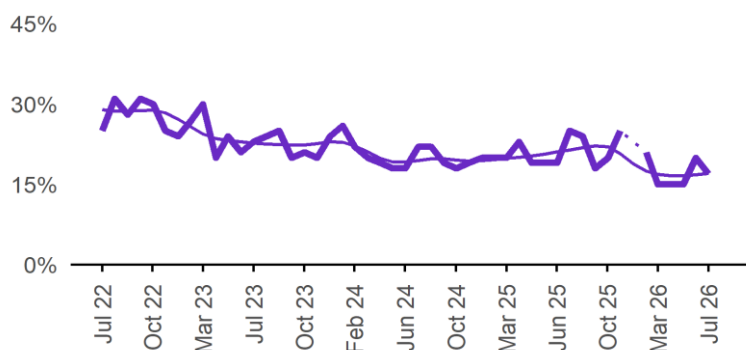
▼ 1% pt

Annual change:

▲ 4% pts

Expecting to increase staff

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



17%

Monthly change:

▼ 3% pts

Annual change:

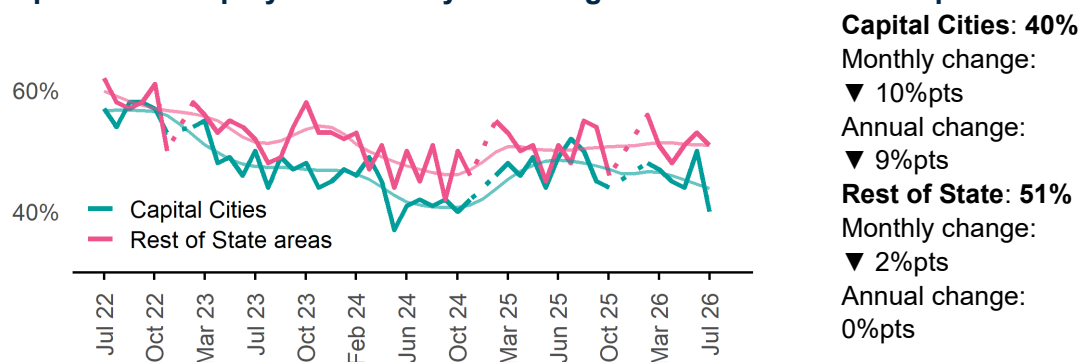
▼ 2% pts

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

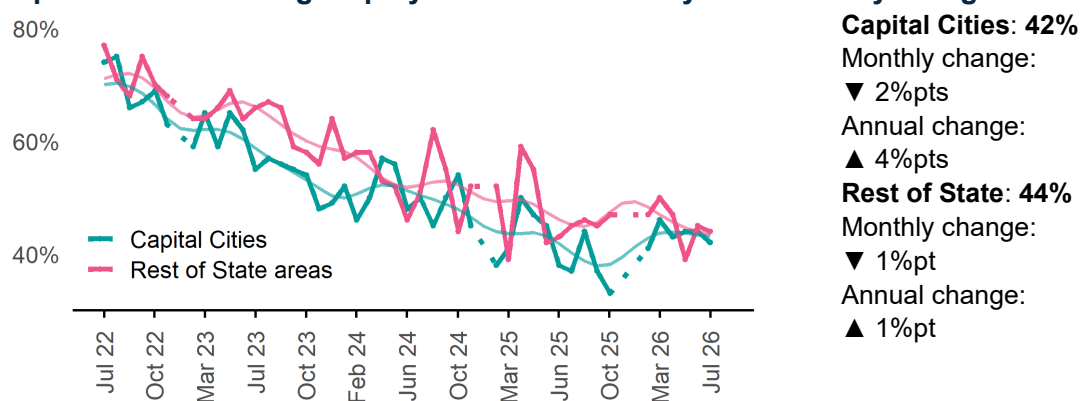
Recruitment rate

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



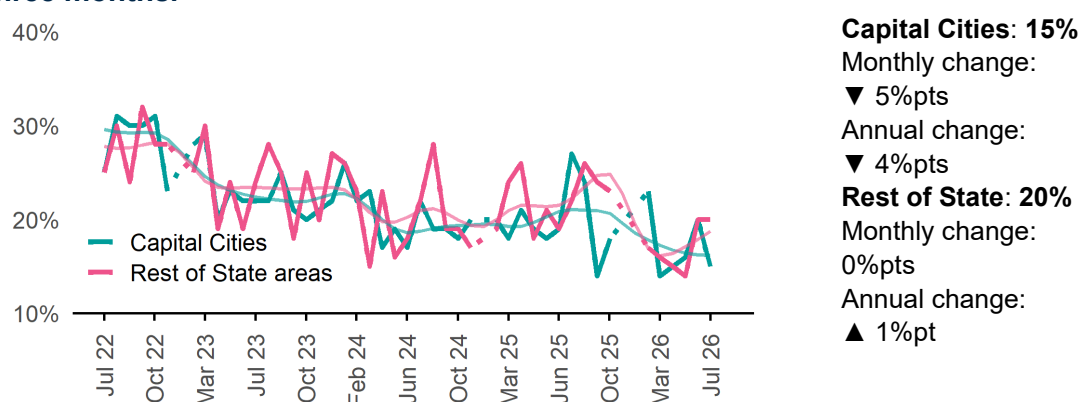
Recruitment difficulty rate

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.

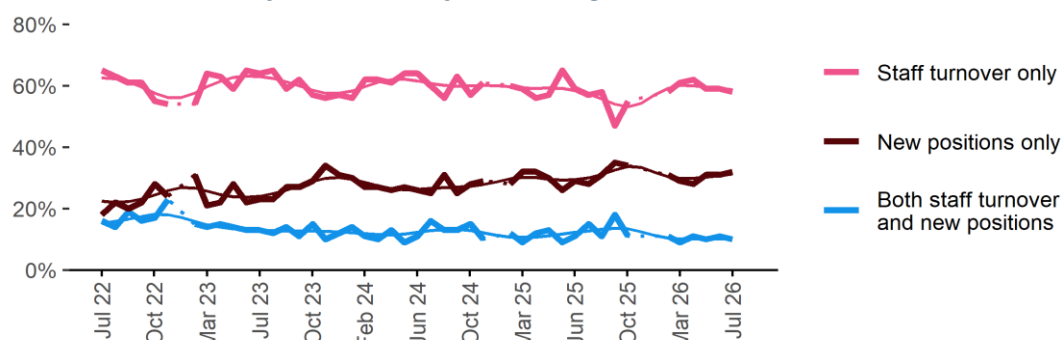


² Data are not available for January in some years. Data points have been joined by a dotted line between December and February to reflect this. 'Rest of State' refers to areas outside the capital cities.

Other recruitment indicators

Reason for recruiting

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



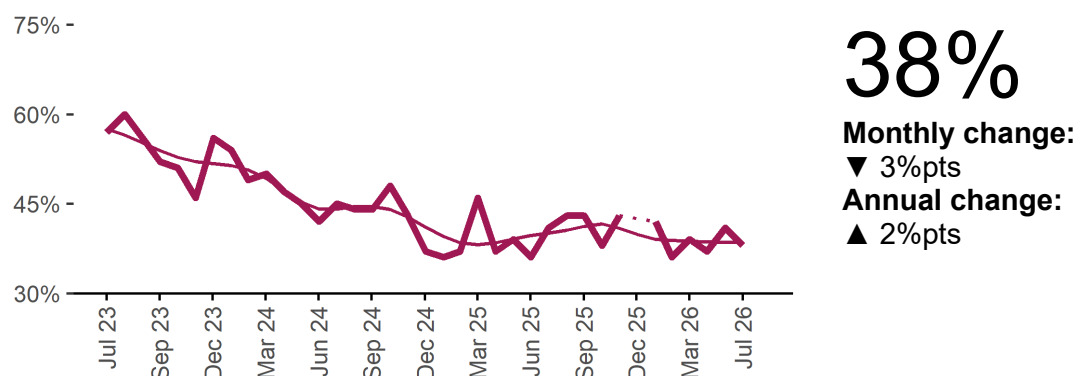
Staffing changes over the last month

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.*



* 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 1000 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 time series 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 2026.

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.

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:

- Recruitment pressures in Australia's high skilled labour market– August 2026

Reasons for recruitment difficulty and future concerns by higher skilled occupations and location.

Recent spotlights:

- Recruitment Experiences and Outlook Survey, June quarter 2026 – July 2026
- Shifting employer sentiment (employers' future concerns) – May 2026