

Recruitment pressures in Australia's higher-skilled labour market

Higher-skilled occupations play an important role in supporting productivity, innovation and the delivery of essential services across the Australian economy. From health professionals and engineers to ICT specialists and skilled trades workers, these occupations are critical to the functioning and future growth of businesses, industries and communities. This report focuses on higher-skilled occupations, defined as occupations at Skill Levels 1, 2 and 3,¹ and examines the recruitment pressures employers experience when trying to fill these roles.

In recent years, many employers have reported difficulty recruiting for higher-skilled roles. While recruitment difficulty rates provide an indication of hiring challenges, they do not fully capture employers' recruitment experiences. Employers may face a range of interconnected pressures, including shortages of suitably qualified or experienced workers, limited applicant pools, competition for talent, and concerns about future workforce capacity. These pressures often occur simultaneously and can vary across occupations and locations.

Drawing on data from the Recruitment Experiences and Outlook Survey (REOS), this report explores the factors that shape recruitment pressures in Australia's higher-skilled labour market, based on employers' reported experiences and perspectives when recruiting for higher-skilled occupations. The findings suggest that recruitment outcomes are influenced by both workforce-related factors, such as skills shortages and workforce capacity, and location-related factors, such as access to housing, training opportunities, and supporting infrastructure. These pressures can be particularly pronounced in regional and remote Australia, where workforce shortages may be compounded by local barriers to attracting and retaining workers.

Understanding the factors that contribute to higher-skilled recruitment pressures provides a more comprehensive view of employers' recruitment experiences and helps to explain why some higher-skilled occupations and locations face more persistent hiring challenges than others. It is important to note that the findings in this report reflect the experiences and perspectives reported by employers through REOS and should be interpreted as indicators of recruitment pressures rather than definitive measures of labour market conditions. While the survey provides valuable information about employers' recruitment experiences and workforce concerns, it does not directly capture all factors that may influence recruitment outcomes, such as remuneration, employment conditions, recruitment practices or investment in workforce development. JSA considers these findings alongside other labour market evidence to better understand recruitment challenges and workforce needs across Australia.

¹ Classifications are based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) [Conceptual basis of ANZSCO | Australian Bureau of Statistics](#). Similar rankings will result when compared against the current Occupation Standard Classification of Australia (OSCA). [OSCA Conceptual model | Australian Bureau of Statistics](#).

Key findings

- There are different types of recruitment pressures depending on the occupation or the location of recruitment.
- Location influences recruitment outcomes for higher-skilled occupations through access to skilled workers and the characteristics of the place, such as access to training, housing and supporting infrastructure.
- The challenges for higher-skilled occupations include access to workers with the right qualifications, skills, and experience, job design and attractiveness, and the long-term sustainability of workforces.
- Recruitment difficulties for higher-skilled occupations are amplified in regional and especially remote areas, where location-based constraints add to existing workforce shortages.
- Developing local talent can be more challenging in regional and remote areas, where access to training opportunities is often more limited.

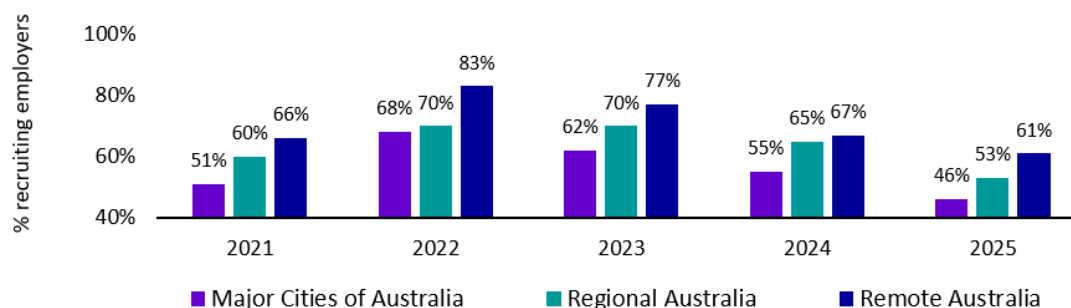
The challenge of hiring higher-skilled workers

Employers across Australia can find it difficult to recruit workers for higher skilled occupations. However, recruitment difficulty rates alone do not explain why employers face these challenges. Using data from REOS, this analysis goes beyond recruitment difficulty rates to explore the challenges and pressures employers experience when trying to fill these roles. It examines the factors that contribute to persistent recruitment challenges and how these differ across occupations and locations. The recruitment difficulty rate is one of the key REOS indicators measuring the proportion of recruiting employers who had difficulty filling their most recent vacancies.

While the overall recruitment difficulty rate has decreased since 2022, differences between locations have remained relatively consistent over time. Figure 1 shows that employers in remote Australia have reported the highest levels of recruitment difficulty in every year since 2021, followed by employers in regional Australia. Employers in major cities have generally reported the lowest levels of recruitment difficulty.

The persistence of these differences suggests that recruitment challenges are influenced by more than short-term changes in labour market conditions – rather, they are influenced by longer-term workforce and location-related pressures.

Figure 1. Higher skilled recruitment difficulty across locations, May 2021- December 2025*



Source: JSA, Recruitment Experiences and Outlook Survey, *calculated for employers recruiting in the past 3 months.

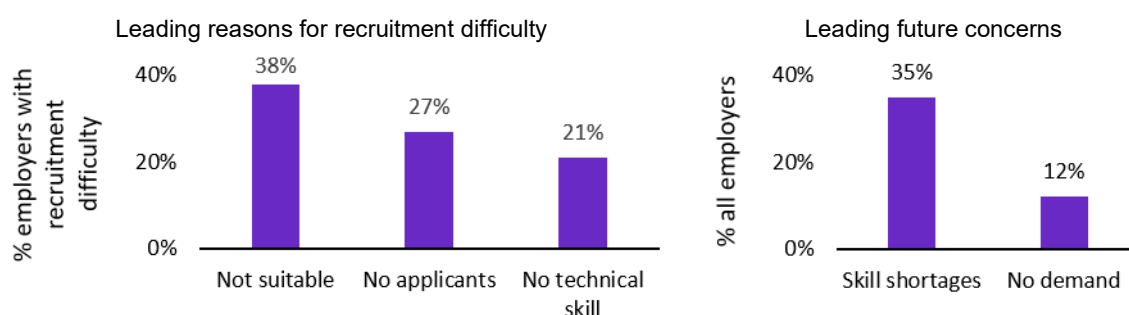
Recruitment Pressures

Having difficulty filling vacancies does not always mean employers are facing the same challenges. Some employers struggle to attract applicants, while others receive applications but cannot find candidates with the right skills, qualifications or experience. Employers may also be concerned about future workforce needs, even if they are able to fill vacancies in the short term.

These interconnected challenges are referred to in this report as *recruitment pressures*. They include factors such as skill shortages, competition for workers, limited local labour pools, and concerns about future workforce capacity. Understanding these pressures provides a broader picture of employers' recruitment experiences than recruitment difficulty rates alone. Previous REOS reports have examined employers' reasons for recruitment difficulty separately from their future workforce concerns. Bringing these perspectives together provides a broader view of the pressures employers face when recruiting for higher-skilled occupations.

Between 2021 and 2025, employers recruiting for higher skilled roles most often reported a lack of suitable applicants (38% of employers with recruitment difficulty), a lack of applicants overall (27%), and a shortage of technically skilled candidates (21%) as barriers to filling vacancies (Figure 2). These findings suggest that employers often struggle not only to attract applicants, but also to find candidates with the skills and experience needed for higher-skilled roles.

Figure 2. Main reasons for recruitment difficulty and employers' future business concerns, 2021-2025*



Source: JSA, Recruitment Experiences and Outlook Survey, * calculated for all employers and employers recruiting with difficulty in the past 3 months. Higher skilled jobs only.

Over the same period, employers also reported longer-term workforce concerns. Skill shortages and staff retention were the most common concerns (35% of all employers), followed by uncertainty about future demand for their services (12%).

Together, these findings indicate that many employers are managing both immediate recruitment challenges and longer-term workforce concerns. The prominence of skills shortages in both current hiring difficulties and future workforce concerns highlights the persistent nature of workforce supply issues in higher-skilled occupations.

While employers' experiences differ across occupations and locations, many of the challenges they face follow similar patterns. To better understand these patterns, statistical analyses were used to investigate employers' reported recruitment difficulties and future workforce concerns across Australia. The analysis suggested several distinct recruitment

pressure profiles,² helping to explain the different factors influencing recruitment outcomes for higher-skilled occupations.

Recruitment pressures through the lens of location

Employers' responses suggest that location can influence recruitment outcomes in two distinct but interconnected ways. Some pressures arise from the characteristics of a place itself, while others stem from the employers' ability to access suitably skilled workers. Together, these factors help to explain why employers in different parts of Australia experience recruitment challenges in different ways. In this report, location pressures encompass both Place-based pressures and Workforce access pressures, as described below.

Place-based pressures

Place-based pressures arise from the characteristics of a location itself. They include factors such as housing availability and affordability, access to training opportunities, distance and travel requirements, and local labour market and economic conditions.

Employers facing place-based pressures often report that local training opportunities are limited, accommodation is difficult to access, or that broader economic conditions affect their ability to recruit and operate. These factors can affect not only recruitment outcomes, but also workforce retention and business operations more broadly. Place-based pressures are geographically specific and help explain differences in recruitment outcomes between major cities, regional areas and remote locations.

Workforce access pressures

Workforce access pressures relate to employers' ability to access suitably skilled workers in a location. Employers experience them when they have difficulty finding qualified applicants locally. In these cases, recruitment challenges are driven primarily by limited access to the skills employers need, rather than the characteristics of a location itself.

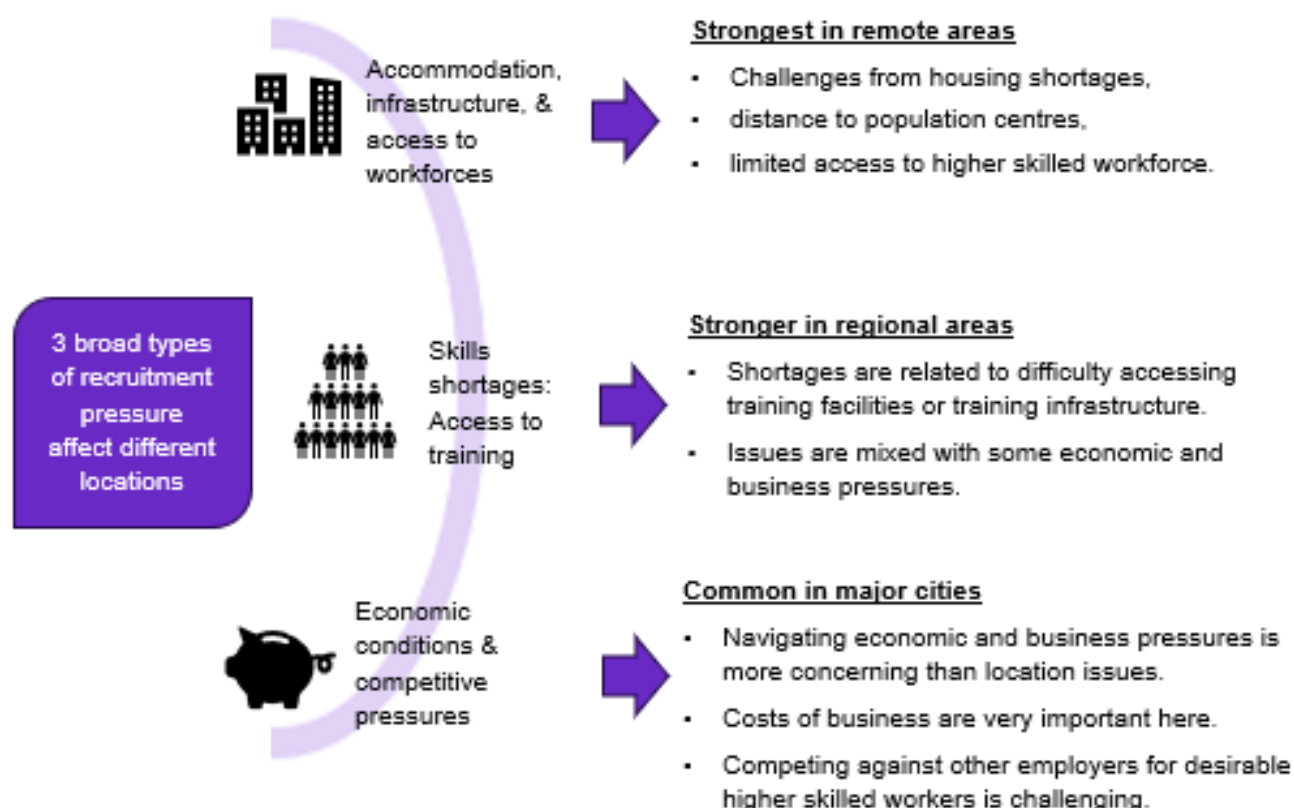
Workforce access pressures may reflect shortages of specialised skills, or insufficient numbers of job seekers with relevant qualifications or experience in a location, leading to strong competition for talent between employers. These pressures contribute to the recruitment pressure profiles of specific job types and occupation groups and are explored further in the occupation section of this report.

Location pressures: three key themes

Employers' reported reasons for recruitment difficulty and concerns about future workforce needs suggest that location-related recruitment pressures for higher-skilled occupations can be grouped into three broad themes: access to affordable accommodation, access to training opportunities, and local economic conditions (Figure 3).

² Recruitment pressure: A set of themes (e.g. skill shortages, workforce capacity, location pressure, competition) built on statistical analysis of the reasons for recruitment difficulty and future business concerns experienced by employers of higher skilled occupations. Each occupation has a recruitment pressure profile based on combinations of these themes.

Figure 3. How location contributes to recruitment pressure (Employers with recruitment difficulty and known number of applicants, 2021-2025).



Source: JSA, Recruitment Experiences and Outlook Survey

While employers across Australia experience all three pressures to some extent, their relative importance differs by location. Together, these factors influence both the attractiveness of a location to workers and employers' ability to access skilled labour, shaping the recruitment pressures experienced in different parts of Australia.

Major cities generally benefit from larger labour markets, greater access to training providers, more housing options, and better supporting infrastructure. As a result, employers in these locations are more likely to report economic conditions and competition from other businesses as important contributors to recruitment difficulty. Workers in major cities often have more employment options, increasing competition for skilled talent.

In contrast, regional and remote areas face multiple recruitment pressures at the same time. Access to housing, training opportunities and skilled workers can be more limited, while greater distances from major population centres can make it more difficult to attract and retain workers. As a result, employers in these locations are more likely to report accommodation, infrastructure and distance-related barriers when describing their recruitment challenges.

Recruitment pressures through the lens of occupations

Four main recruitment pressure types

While location influences recruitment outcomes, occupation-specific pressures are shaped by factors such as skills, qualifications and workforce characteristics associated with different types of work. As a result, employers recruiting for different occupation groups often experience recruitment challenges in different ways.

Analysis of responses from employers recruiting for higher-skilled occupations suggested four main types of recruitment pressure: skill shortages, workforce access, workforce capacity, and competition (Table 1). Each pressure type captures a distinct aspect of employers' recruitment experiences, although they often occur together in practice.

The key contributors to each pressure type are presented in Table 1. Together, these four pressure types provide a framework for understanding the recruitment challenges faced by employers and form the basis of the occupation-level recruitment pressure profiles presented later in Table 2. While the profiles were developed using a different methodology, they show broad similarities to the Occupation Shortage Drivers previously published by JSA.³

Table 1. Difficulties associated with the types of recruitment pressure

Skill shortages	Workforce access	Workforce capacity	Competition
Qualification shortage	Location pressure	High workforce demand	Recruitment competition
Experience shortage	Labour supply shortage	International recruitment	Labour supply shortage
Digital/AI capability gap	International recruitment	Training pipeline gap	Job attractiveness
Specialist skill shortage		No applicants	Operating environment
Overall skill shortage			Applicant suitability

Source: JSA, Recruitment Experiences and Outlook Survey.

Skill shortages

Skills shortages occur when employers cannot find enough applicants with the required skills, qualifications, or experience needed for a role. These shortages were expressed in different ways across occupation groups:

- Employers recruiting for Managers and Professionals often reported shortages of specialist expertise.
- Employers recruiting for Managers and Sales Workers reported difficulty attracting applicants with sufficient experience.
- Employers recruiting for Professionals and Clerical and Administrative Workers expressed concerns about current and future digital capability requirements, including emerging technologies and AI-related skills.
- Employers recruiting for Technicians and Trades Workers reported shortages across multiple areas, including skills, qualifications, and experience.

³ [2025 Occupation Shortage Drivers Report](#)

Workforce access

Workforce access pressures occur when employers are unable to access suitably skilled workers, even when those workers may be available elsewhere.

- These pressures were evident across all occupation groups, although their importance varied. Limited access to suitable applicants (labour supply shortage) was a common recruitment challenge across all occupation groups.
- Some employers reported receiving too few applications from their local labour market, while others relied on interstate or overseas recruitment to access the workers they needed.
- Unlike skill shortages, workforce access pressures do not necessarily mean that workers with the required skills are unavailable. Instead, they reflect difficulties connecting employers with suitably skilled workers due to geographic, mobility or labour market constraints.

Workforce capacity

Workforce capacity pressures relate to the perceived ability of the training system and workforce pipeline to meet the future workforce needs. Gaps in training pathways or a reliance on international skilled workers can constrain future workforce growth.

- This was a defining issue for recruitment for Technicians and Trades Workers.
- Employers often reported receiving few or no applicants while also expressing concern about the number of people entering relevant training pathways.
- Access to training was often limited by cost, time commitments, location, or shortages of qualified trainers.
- While international recruitment helped some employers fill higher skilled vacancies, many expressed concern that reliance on overseas recruitment and ongoing training gaps could limit the workforce's ability to meet future demand.

Competition

Competition pressures arise when employers compete for a limited pool of suitable applicants or need to distinguish their vacancy from those of other employers when a large variety of jobs are on the market. Unlike skill shortages which relate to the availability of skilled applicants, competition pressures are driven by demand for workers. These competition pressures can occur even where workers are available, particularly when multiple employers are seeking the same candidates.

Competition was a defining issue for recruitment for both Technicians and Trades Workers and Community and Personal Service Workers, although the reasons differed:

- For Technicians and Trades Workers, competition was driven by skill shortages, too few applicants, and longer-term workforce capacity challenges.
- For Community and Personal Service Workers, competition was closely linked to job attractiveness, pay, and employment conditions, not to a shortage of applicants.

Recruitment pressure profiles by major occupation groups

Employers recruiting for different occupation groups reported different combinations of recruitment pressures. Some occupations faced persistent shortages of specialised skills, while others were more affected by competition for workers, workforce access constraints, or concerns about the future supply of skilled labour.

Table 2 presents recruitment pressure profiles for each occupation group by showing the relative importance of the four recruitment pressure types. These profiles provide a fuller picture of recruitment difficulty by highlighting the mix of pressures contributing to recruitment challenges within each occupation group.

Table 2. Higher skilled occupation groups experienced different combinations of recruitment pressure, Employers with recruitment difficulty and known number of applicants, 2021-2025.

Profiles by occupation group

Occupation group	Skill shortages	Workforce access	Workforce capacity	Competition
Managers	•••	•••	•	•
Professionals	•••	•••	•	•
Technicians & Trades Workers	••••	••••	••••	••••
Community & Personal Service Workers	•	••	•	••••
Clerical & Administrative Workers	••	••	•	•
Sales Workers	••	••	•	•

Dots: relative importance of the pressures to each occupation, on a scale of 1-4.

1: The issue exists but does not define the occupation's pressure profile.

4: This is a defining issue in the pressure profile of the occupation.

Recruitment for Technicians and Trades Workers reported the broadest and most intense combination of recruitment pressures. Employers recruiting for these occupations reported strong challenges related to skills shortages, workforce access, workforce capacity, and competition, suggesting that recruitment difficulties reflect both limited availability of suitably skilled workers and strong demand for those workers.

Employers recruiting for Managers and Professionals also experienced substantial pressure from skills shortages and workforce access constraints, reflecting the specialised qualifications, experience, and expertise often required for these roles. However, competition and workforce capacity pressures were less prominent than for Technicians and Trades Workers recruitment.

In contrast, recruitment for Community and Personal Service Workers were strongly associated with competition pressures rather than skills shortages. The profile of this occupation group suggests that job design plays a key role in driving competition for these employers.

Employers recruiting or Clerical and Administrative Workers and Sales Workers generally experienced lower levels of recruitment pressure across all themes, consistent with the relatively low recruitment difficulty rate for these groups.

Taken together, these findings show that recruitment difficulties are shaped by different combinations of underlying pressures across occupation groups. Understanding these pressure profiles provides a more nuanced picture of recruitment challenges and helps explain why some occupations face more persistent recruitment difficulties than others, even when operating in similar labour market conditions.

Recruitment pressure profiles in detail: Professionals and Technicians and Trades Workers

Breaking down the major occupation groups into more detailed higher-skilled job types shows that workforce access pressures can be a significant driver of recruitment difficulty for some job types. Table 3 highlights higher-skilled jobs where employers reported difficulty accessing suitable workers, either from local labour markets or through broader recruitment channels, including interstate and overseas recruitment.

Unlike skill shortages, which occur when there are insufficient workers with the required skills, qualifications or experience, workforce access pressures arise when employers have difficulty connecting with available workers. These pressures can occur even when suitably skilled workers exist elsewhere. Workforce access pressures were most common among recruitment for Professionals and Technicians, and Trades Workers. Employers recruiting for these occupations frequently reported difficulties attracting workers to where jobs were located. In many cases, suitably skilled workers may be available elsewhere in Australia or overseas, but employers faced challenges accessing them due to geographic, labour market or mobility constraints.

The occupations in Table 3 may appear in more than one category because employers often experience multiple recruitment pressures at the same time. Inclusion in a category indicates that the issue was identified by surveyed employers as a notable or defining feature of that occupation's recruitment pressure profile. Exclusion does not imply that the issue is absent, only that it was not identified as a prominent recruitment pressure.

Table 3. Examples of recruitment pressures among higher-skilled occupations

Skills shortages and limited applicant supply Employers struggle to find suitably qualified, skilled or experienced applicants, often affected by a small candidate pool and training pipeline gaps.	Competition & job attraction challenges Employers face strong competition for suitable candidates and may have difficulty attracting applicants.
Arts & Media Professionals Automotive & Engineering Trades Workers Business, Human Resource & Marketing Professionals Design, Engineering, Science & Transport Professionals Education Professionals Electrotechnology & Telecommunications Trades Workers Engineering, ICT & Science Technicians ICT Professionals Legal, Social & Welfare Professionals Other Technicians and Trades Workers	Automotive & Engineering Trades Workers Business, Human Resource & Marketing Professionals Design, Engineering, Science & Transport Professionals Education Professionals Electrotechnology & Telecommunications Trades Workers Food Trades Workers
Workforce access pressures Employers have difficulty accessing suitable workers due to limited local labour supply or reliance on interstate or overseas recruitment	Workforce capacity pressures Current skill shortages and training pipeline challenges may affect the workforce's ability to meet future demand.
Automotive & Engineering Trades Workers Design, Engineering, Science & Transport Professionals Engineering, ICT & Science Technicians Food Trades Workers Health Professionals ICT Professionals Legal, Social & Welfare Professionals Skilled Animal, Agricultural & Horticultural Workers	Automotive & Engineering Trades Workers Construction Trades Workers Electrotechnology & Telecommunications Trades Workers Engineering, ICT & Science Technicians Health Professionals ICT Professionals Legal, Social & Welfare Professionals Other Technicians & Trades Workers

Source: JSA, Recruitment Experiences and Outlook Survey, ANZSCO/OSCA 2-digit occupations

What does this mean for higher-skilled occupations?

Recruitment pressures in Australia's higher-skilled labour market are shaped by both workforce and location factors. The findings indicate that for some occupations, the main challenge is a shortage of workers with the required skills, qualifications or experience. For others, recruitment difficulties arise because employers cannot access or attract suitable workers to the locations where jobs are available.

Location can intensify these challenges. Limited housing, training opportunities, and access to services can make it harder for employers to attract and retain skilled workers, particularly in regional and remote Australia. Smaller labour markets and fewer opportunities to develop local talent can further constrain workforce supply.

The findings suggest that recruitment difficulties are rarely driven by a single factor. Instead, they are often greatest when workforce shortages coincide with local constraints such as limited housing, training opportunities and access to services. Understanding how these workforce and location pressures interact provides a more complete picture of recruitment challenges and helps explain why some higher-skilled occupations experience persistent recruitment difficulties. This is particularly evident in regional and remote Australia, where workforce shortages and local barriers often occur together.

Background

The Recruitment Experiences and Outlook Survey (REOS) is an ongoing survey of employers across Australia. Approximately 1,000 employers are surveyed each month, with data published on the Jobs and Skills Australia 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 caution. The survey is targeted towards employers with five or more employees and excludes many government organisations. Further information is available in the REOS methodology paper.

REOS data is published monthly in the Recruitment Insights Report, which is generally published on the third Tuesday of the month. Spotlights are also produced in most months.

Technical notes

The REOS is a telephone-administered survey with the business owner or other person in the business who is responsible for recruitment. All figures presented in this report have been weighted by location and workplace size, according to the [Australian Bureau of Statistics Counts of Australian Businesses, including Entries and Exits \(June 2021 to June 2025\)](#) publication. The weighted figures are intended to create nationally representative results by correcting for the oversampling of smaller regions compared with larger regions.

REOS survey data are coded and reported according to the following ABS classifications:

- Industry is defined by the [Australian and New Zealand Standard Industrial Classification \(ANZSIC\), 2006, Version 2.0.](#)
- Occupation is defined by both the [Australian and New Zealand Standard Classification of Occupations \(ANZSCO\), 2022](#), and the [Occupation Standard Classification for Australia \(OSCA\), 2024.](#)
- Capital City and Rest of State areas are defined by the [Australian Statistical Geography Standard \(ASGS\): Volume 1 - Main Structure and Greater Capital City Statistical Areas, July 2021.](#)

Data in this release should be referenced as *Recruitment pressures in Australia's higher-skilled labour market, August 2026*.

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