Australian Government | Jobs and Skills Australia

REOS Recruitment Insights Report - October 2026

Jobs and Skills Australia surveys around 1000 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 activity strengthened in October 2026, with 51% of employers either recruiting or having recently recruited. This was 3 percentage points higher than September 2026 and a year earlier. Recruitment activity remained stronger in Rest of State areas than in Capital Cities.

Recruitment difficulty remained unchanged over the month, with 48% of recruiting employers reporting difficulty filling vacancies. While this was well below the record highs recorded in 2022, recruitment challenges continued to be more pronounced than a year ago. Recruitment conditions continued to vary across regions, with employers outside the capital cities more likely to report difficulty recruiting staff.

Employer confidence softened in October 2026, with 17% of employers expecting to increase staffing levels over the next three months. Staffing expectations declined across both Capital Cities and Rest of State areas and were slightly below the level recorded a year earlier.

Recruitment continued to be driven primarily by staff replacement rather than workforce expansion. Almost two-thirds of recruiting employers were hiring solely to replace workers who had left, while around one-quarter were recruiting only for new positions.

Overall, the results present a mixed picture of labour demand in October 2026. Recruitment activity increased over the month, while employer expectations for future staffing eased. Recruitment continued to be driven largely by staff replacement rather than workforce expansion.

Recruitment activity

In October 2026, 51% of employers were recruiting or had recently recruited. This was 3 percentage points higher than in September 2026 and a year earlier.

Recruitment activity was stronger in Rest of State areas (55%) than in Capital Cities (48%). Recruitment was unchanged over the month in Capital Cities but increased by

6 percentage points in Rest of State areas. Compared with a year earlier, recruitment activity increased in both regions.

Recruitment difficulty

The recruitment difficulty rate remained unchanged at 48% of recruiting employers in October 2026. Recruitment difficulty was 8 percentage points higher than a year earlier but remained substantially below the record high of 75% recorded in July 2022.

Recruitment difficulty remained higher in Rest of State areas (51%) than in Capital Cities (46%). Recruitment difficulty increased in Capital Cities over the month but declined outside the capital cities, narrowing the gap between regions.

Staffing outlook: employers expecting to increase staff

The proportion of employers expecting to increase staffing levels over the next three months fell to 17% in October 2026, a decrease of 5 percentage points from September 2026. Staffing expectations were 1 percentage point lower than a year earlier.

Staffing expectations were slightly lower in Capital Cities (17%) than in Rest of State areas (19%). Expectations declined across both regions over the month, with a sharper fall occurring in Capital Cities.

Reason for recruiting

Recruitment activity continued to be driven mainly by staff turnover. In October 2026, 65% of recruiting employers were hiring solely to replace employees who had left, while 26% were recruiting only for new positions and 9% were recruiting for both replacement and new roles.

The findings indicate that recruitment remained more strongly associated with replacing existing staff than creating new positions.

Staffing changes over the last month

Around 13% of employers reported increasing staff numbers during October 2026, while 13% reported a reduction in staffing. The proportion increasing staff was slightly lower than a year earlier, while the proportion reducing staff was higher than in October 2025.

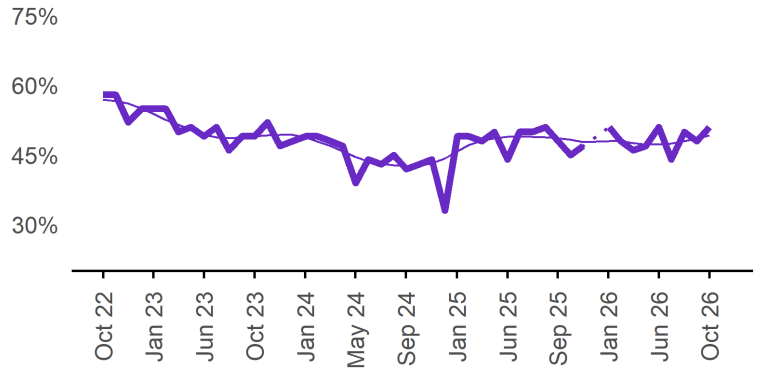
Employers unable to fill vacancies in a month

The proportion of recruiting employers with vacancies that remained unfilled for longer than one month increased by 3 percentage points to 43% in October 2026. This was unchanged from a year earlier and remained well below the peak levels recorded in 2022.

REOS national indicators [1]

Recruitment rate

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

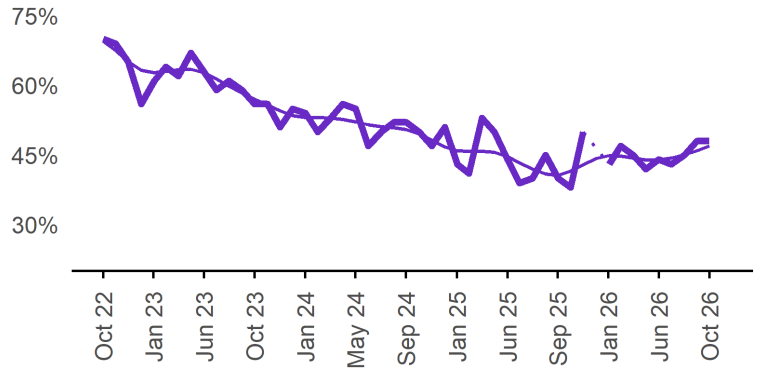


51%

Monthly change:
▲ 3%pts
Annual change:
▲ 3%pts

Recruitment difficulty rate

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

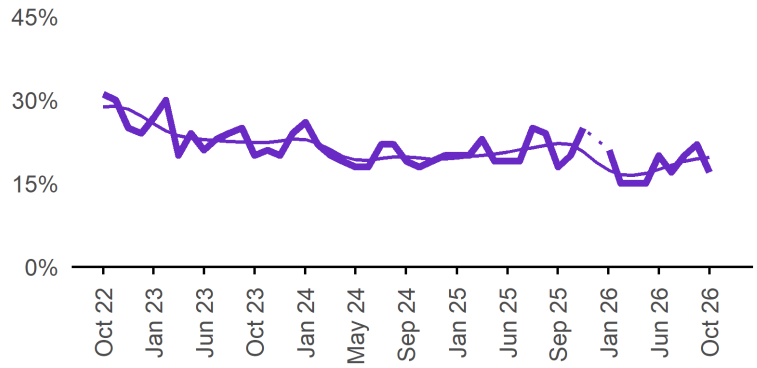


48%

Monthly change:
◄► 0%pts
Annual change:
▲ 8%pts

Expecting to increase staff

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



17%

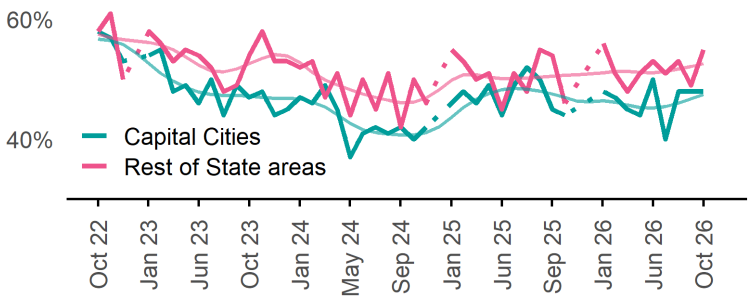
Monthly change:
▼ 5%pts
Annual change:
▼ 1%pt

[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 areas[2]

Recruitment rate

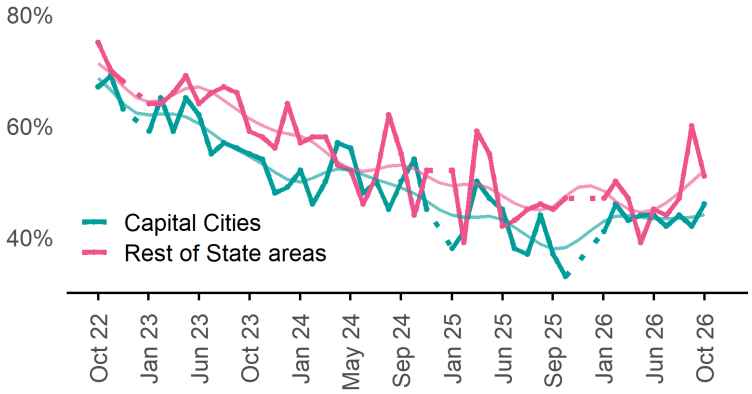
Proportion of employers currently recruiting or who recruited in the previous month.



Capital Cities: **48%**
Monthly change:
◄► 0%pts
Annual change:
▲ 3%pts
Rest of State: **55%**
Monthly change:
▲ 6%pts
Annual change:
▲ 1%pt

Recruitment difficulty rate

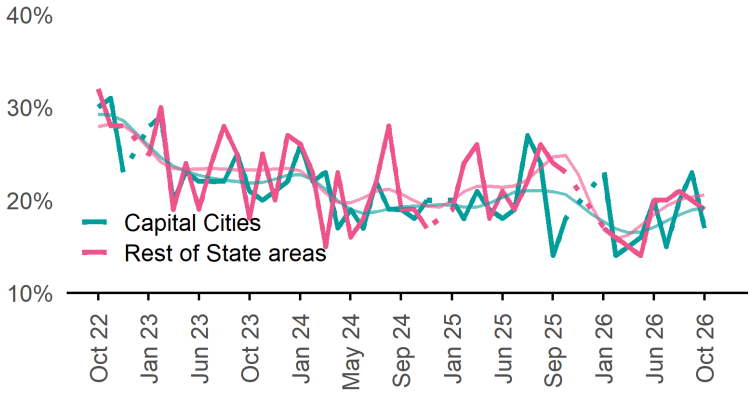
Proportion of recruiting employers who stated they had difficulty hiring staff.



Capital Cities: **46%**
Monthly change:
▲ 4%pts
Annual change:
▲ 9%pts
Rest of State: **51%**
Monthly change:
▼ 9%pts
Annual change:
▲ 6%pts

Staffing outlook – Expecting to increase staff

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



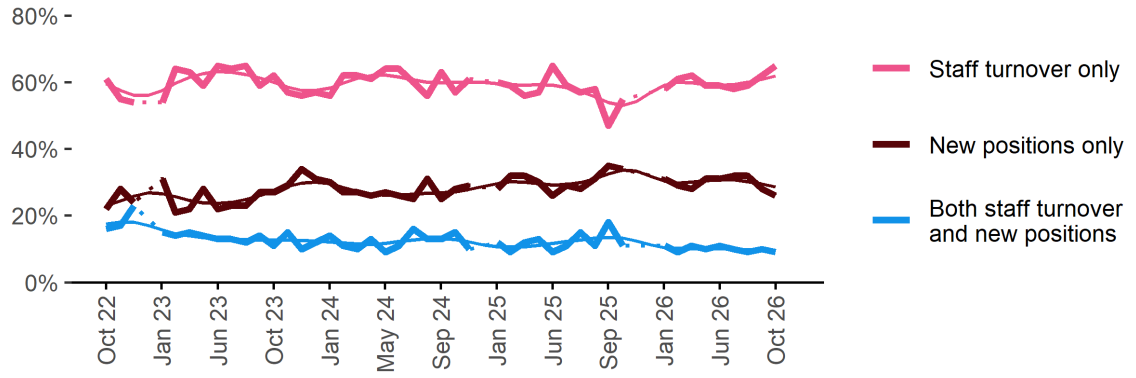
Capital Cities: **17%**
Monthly change:
▼ 6%pts
Annual change:
▲ 3%pts
Rest of State: **19%**
Monthly change:
▼ 1%pt
Annual change:
▼ 5%pts

[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

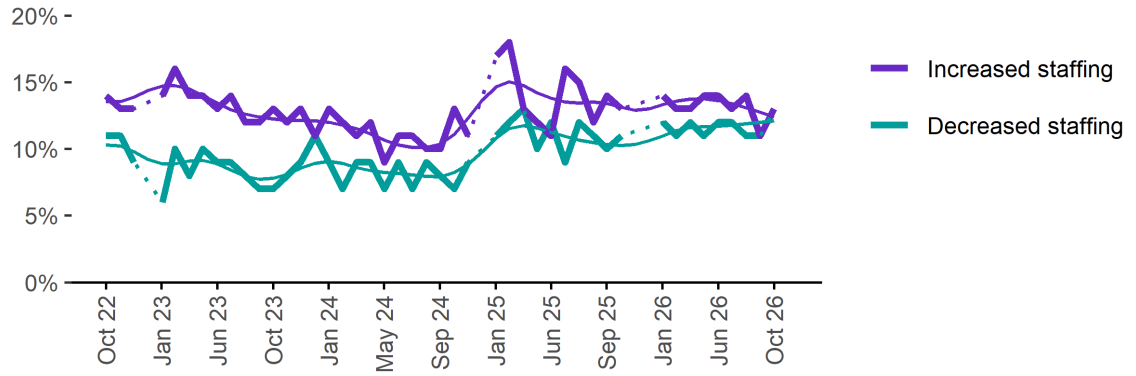
Reason for recruiting

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



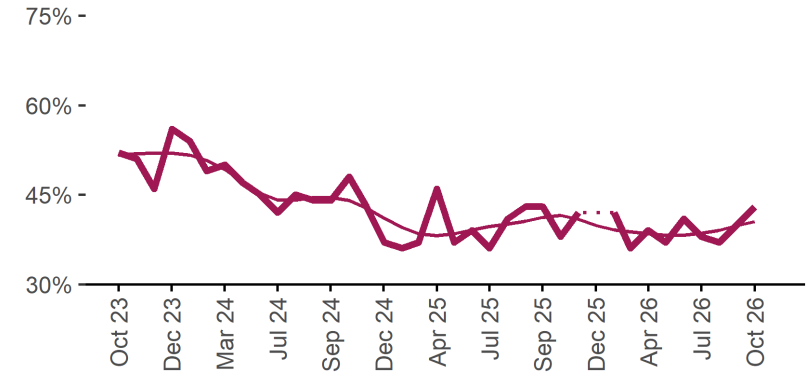
Staffing changes over the last month

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.*



43%

Monthly change:
▲ 3%pts
Annual change:
◄► 0%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 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 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, October 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 OSCA & 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:

- November 2026 Recruitment Insights Report – 15 December 2026

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:

- Supply & Apply: An analysis of applicants per vacancy – 26 November 2026

Recent spotlights:

- September quarter 2026 results – 29 October 2026
- Recruitment trends in the IT industry – 24 September 2026