

Robert—  
—Walters



Australia

# Labour Market Report

## H2



A woman with long brown hair, wearing a dark blue blazer over a light blue button-down shirt, is smiling and shaking hands with another person. She is holding a laptop in her left hand. The background is a blurred office environment with large windows.

# Australia

Australia has a stabilising role amid rising global division, according to Prime Minister, Anthony Albanese. Despite a recent economic slowdown, this has been the case, with a resilient labour market in the face of weaker economic growth, unemployment has held steady at around 4.1% for most of the past year, although the tide seems to be turning with weaker job creation statistics across almost all states.

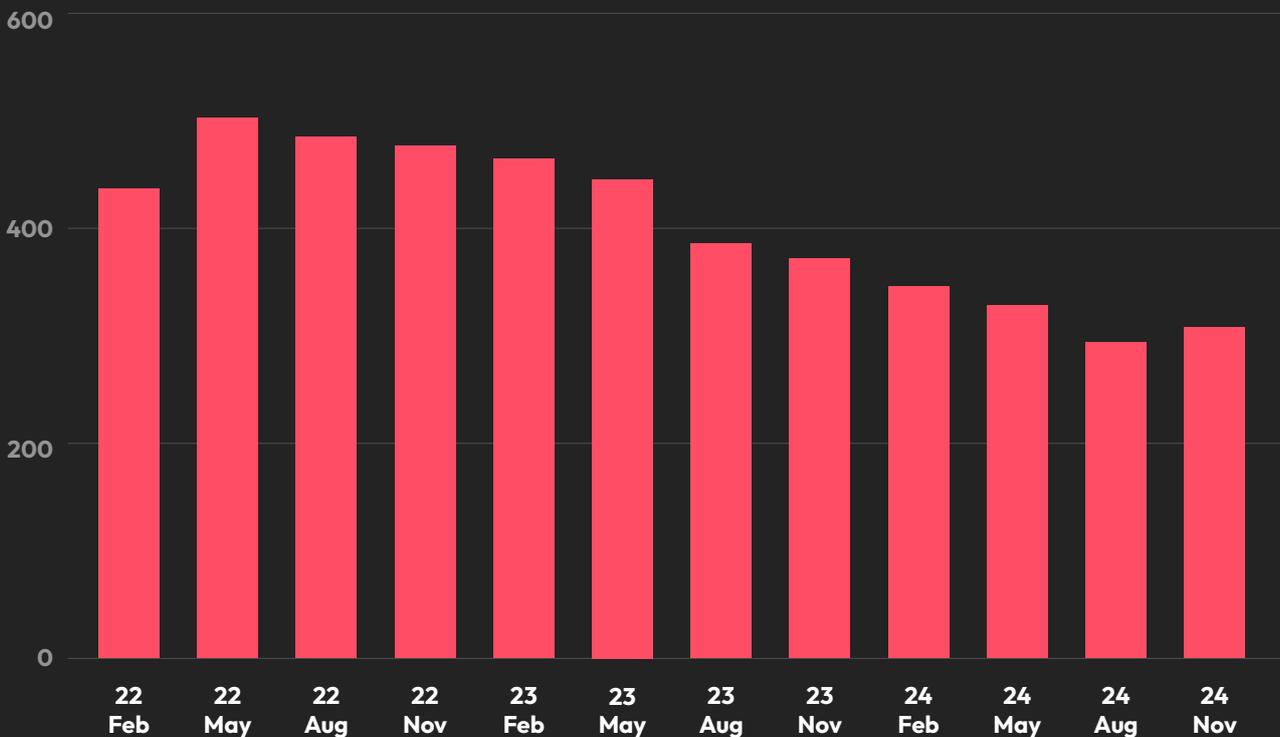
# Job Vacancies at lowest levels since 2021

However, recent data suggests a slowdown in employment. The Australian Bureau of Statistics reported a contraction in the number of jobs by 0.2% to 16.3 million, with job vacancies falling 4% to 329,600. This downturn in filled positions marked the first since September 2021's lockdowns.

Job ads on the job board Seek Australia, also show a drop of 5.7% in April 2025 compared to April 2024. Seek noted that the annual rate of decline slowed to its lowest point since December 2022.

Comparing year-on-year vacancy data, South Australia stands out as the only state showing growth at 5.9%. The Australian Capital Territory (-14.7%) recorded the steepest decline in ad volume, followed by Victoria (-11.3%). Queensland was the top contributor to the national rise in volume month-on-month, with a 7.6% increase in job ads.

Job Vacancies Australia per Month (Australian Bureau of Statistics) (thousand)



# Economy risks losing momentum

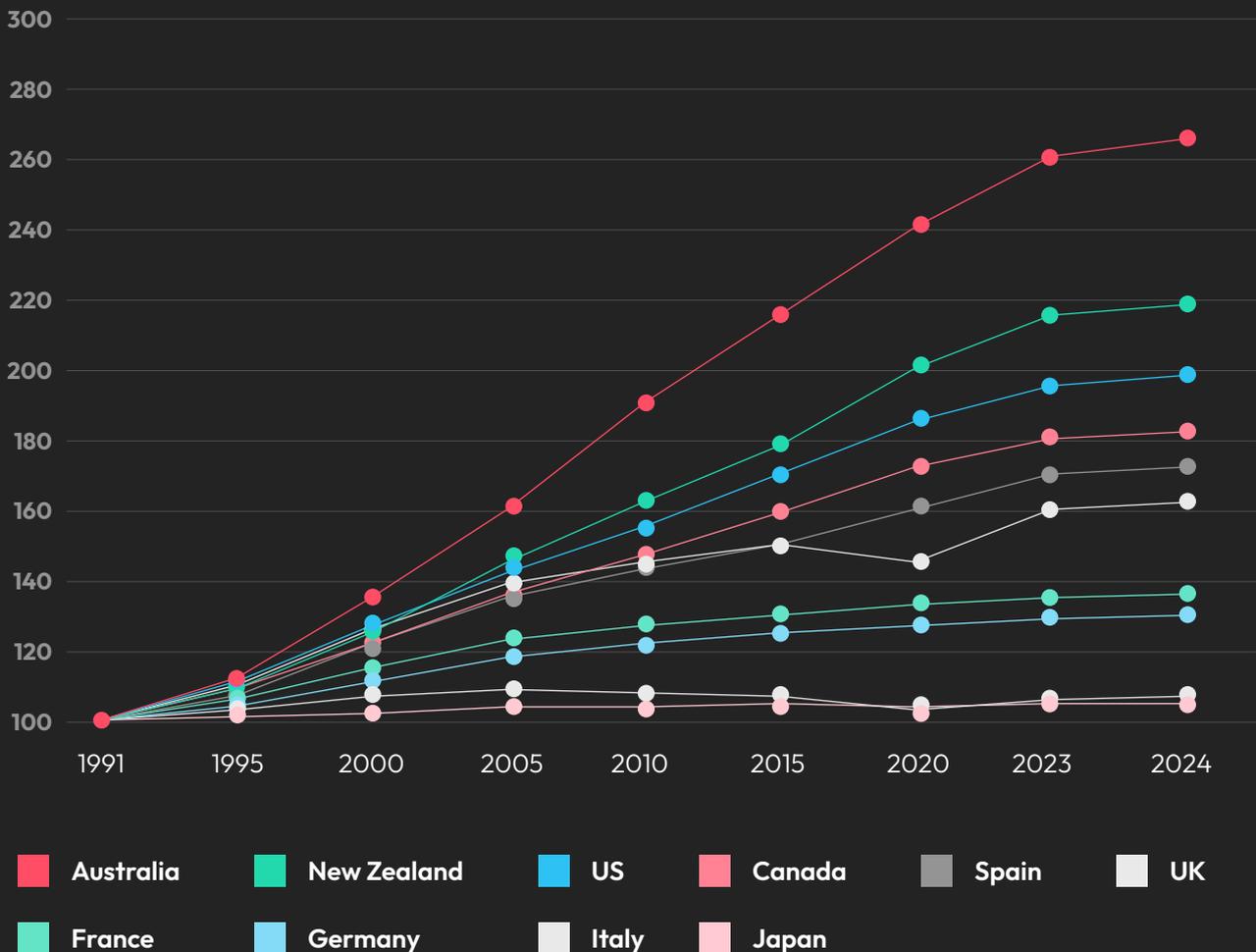
Australia's economy has prospered over the past decade. Between 2019 and 2024 it expanded by 11.1%, comfortably outperforming G7 nations, thanks to steady structural growth. Yet, in the recent year it has slowed to 1.3% growth, lagging behind top G7 performers like the U.S. and U.K.

The same trajectory can be seen in Australia's productivity rate. Average productivity grew more than 1.5% annually between 1993 and 2016, yet it has not

grown since and has been falling since 2022. GDP per capita, similarly, had grown by an average of 2.5% annually between 1993 and 2007, and yet over the past two years, GDP per capita has fallen 1% annually.

This lack of momentum has affected employer confidence. The National Australia Bank's survey showed its index of business conditions edged down 2 points to 0 in May, well below the long-run average of around +6.

### Indexed GDP Growth Rate of Australia, New Zealand & G7 Nations 1991-2024





## Prime minister seeks economic reforms

May saw Anthony Albanese become the first Australian prime minister in more than 20 years to claim back-to-back victories and the first Labor leader to achieve that feat since Bob Hawke in 1990. Reversing this economic decline is top of Anthony Albanese's agenda.

To counter this recent stagnation, the Australian government has sought to increase private R&D spending, offer tax incentives and strengthen university-industry collaboration, particularly in sectors like BioTech and Renewable Energy. Making free TAFE (Technical and Further Education) permanent, providing \$10 000 for apprentices, and delivering fee-free vocational training to meet skill gaps are all part of this spending. It will also target high-skill migration in critical sectors such as healthcare and AI.

The vision for the future includes a “Build big” agenda, targeting housing, hospitals, childcare, and clean energy manufacturing under his “Future Made in Australia” vision.

Energy, gas and metal ores remain key to the Australian economy, making up 60% of total exports. However, Australia has seen a rise in ‘green jobs’. 21% of Australian workers are in green-driven occupations (jobs where >10% of tasks support sustainability), closely tracking the OECD average of 20%. Roughly 7% remain in high-emissions roles (e.g., fossil fuel industries), mirroring OECD patterns



## Trends in brief

- 1** Australia's corporate regulator has moved to speed up the listing process to try to reverse the biggest slump in initial public offerings for more than a decade.
- 2** The rating agency S&P Global warned that Australia's cherished AAA rating, in place since 2003, is now at risk. How the elected government funds its campaign pledges and rising spending will be crucial.
- 3** \$842 million has been invested in the Remote Jobs & Economic Development program to create up to 3,000 jobs; 1,000 new Indigenous ranger roles; over 200 homes built in remote communities.
- 4** 30% wage demands from BAE System workers could threaten AUKUS shipbuilding timelines, increasing labour costs \$700m, adding to several industrial actions over the past few years.



## Outlook

- Annual GDP growth is forecast to fall from 1.3% to 1.2% by the end of 2025.
- Unemployment is forecast to rise from 4.1% to 4.5% by the end of 2025.
- Job vacancies are forecast to rise from 328,900 to 380,000 by the end of 2025.

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