

# Job market insights

The first quarter of 2025.

**Welcome to our quarterly market insights report, where we explore the latest trends in the Australian employment market. This report provides actionable insights for employers managing a conservative labour market.**

In the first quarter of 2025, we observed a decline in hiring activity with a small uptick toward the end of the period, alongside notable sector and regional disparities, and a candidate-driven market with sectors like Construction seeing 254 applications per ad. Additionally, candidates continue to value flexible working arrangements and purpose-driven employers, offering opportunities to adjust hiring strategies to meet these preferences. Wage growth also emerged as a key trend, with the Wage Price Index (WPI) rising by 3.4% year-on-year, driven by sectors like Health Care and Social Assistance. We unpack these trends and offer strategic recommendations to support your hiring goals in 2025.



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# Employment insights

## Unemployment remains steady

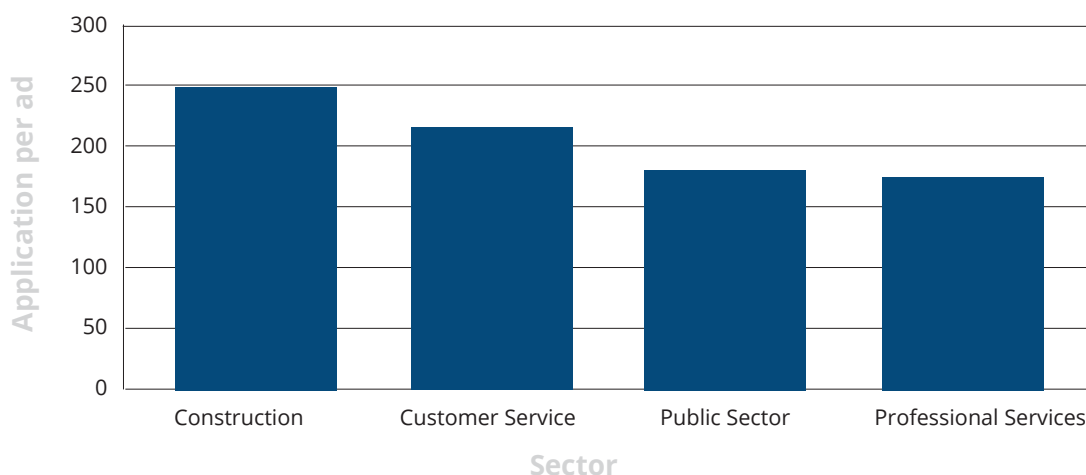
The unemployment rate in March 2025 held steady at 4.1%, as reported by The Australian Bureau of Statistics, suggesting a tight labour market despite reduced hiring activity. Strong demand for roles persists, but fewer new positions are being advertised. Employers should note that competition for high-quality candidates remains intense, particularly for skilled roles.

Unemployment  
rate:  
**4.1%**

## Record candidate engagement

Candidate activity remains exceptionally high, with all states reporting strong engagement. Tasmania, Victoria, and New South Wales showed particularly strong candidate activity and presents the most opportunity. At the sector level, Construction led with 254 applications per ad, followed by Customer Services at 216, Public Sector at 179, and Professional Services at 177, highlighting a competitive candidate pool. This also suggests there has never been a better time to attract top talent with an influx of candidates.

**Candidate job applications by sector**  
(Applications per ad, March 2025)



Source: [SEEK quarterly snapshot](#)



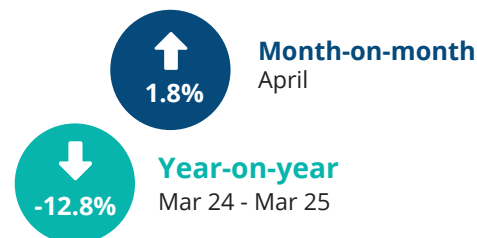
## Key takeaways for employers

- **Managing the candidate-driven market:** High application volumes highlight the need for efficient screening processes. Partnering with a recruitment company can help manage this influx to secure top talent in 2025.
- **Support flexible work arrangements and promote your employer value proposition:** Offering casual or contract positions can attract candidates who are looking for flexibility which is still a top priority for applicants. Furthermore, have your Employer Value Proposition (EVP) front and centre to stand out in a crowded market.

# Job advertisement trends

## Job ads

Over the 12 months to March 2025, job advertisement volumes across the Australian market have moderated, indicating a more measured hiring environment. SEEK data shows a 12.8% year-on-year decline in job ads for March 2025. However, early signs of stabilisation emerged in April, with SEEK reporting a 1.8% month-on-month increase. The ANZ-Indeed Job Ads Index also recorded a slight lift of 0.5% in April, reinforcing the possibility of a gradual recovery. While these month-on-month gains are modest, they suggest the market may be finding its footing, though it remains a “watch and see” scenario.



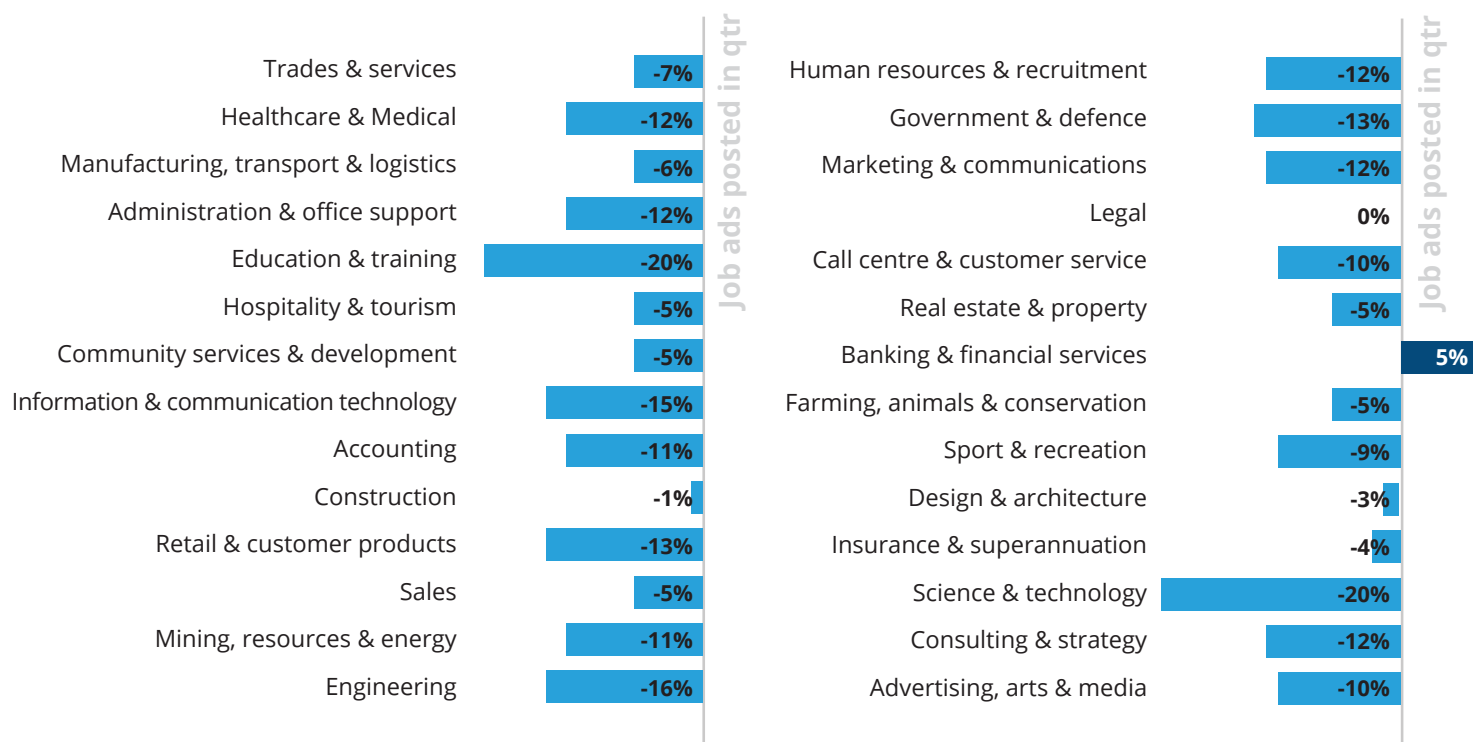
Source: [Seek salary index March \(Y/Y\)](#)

Source: [Seek salary index April \(M/M\)](#)

Looking at industry-specific trends, several sectors experienced notable declines in job advertisements over the past year. Education & Training and Science & Technology were among the hardest hit, both down 20% year-on-year. The Public Sector saw a 12% drop, while Professional Services declined by 10%. In contrast, the Banking and Financial Services sector bucked the trend, recording a 5% year-on-year increase in job ads—the only sector to show growth during this period.

## Sector job ad changes

(Y/Y, March 2024 to March 2025)

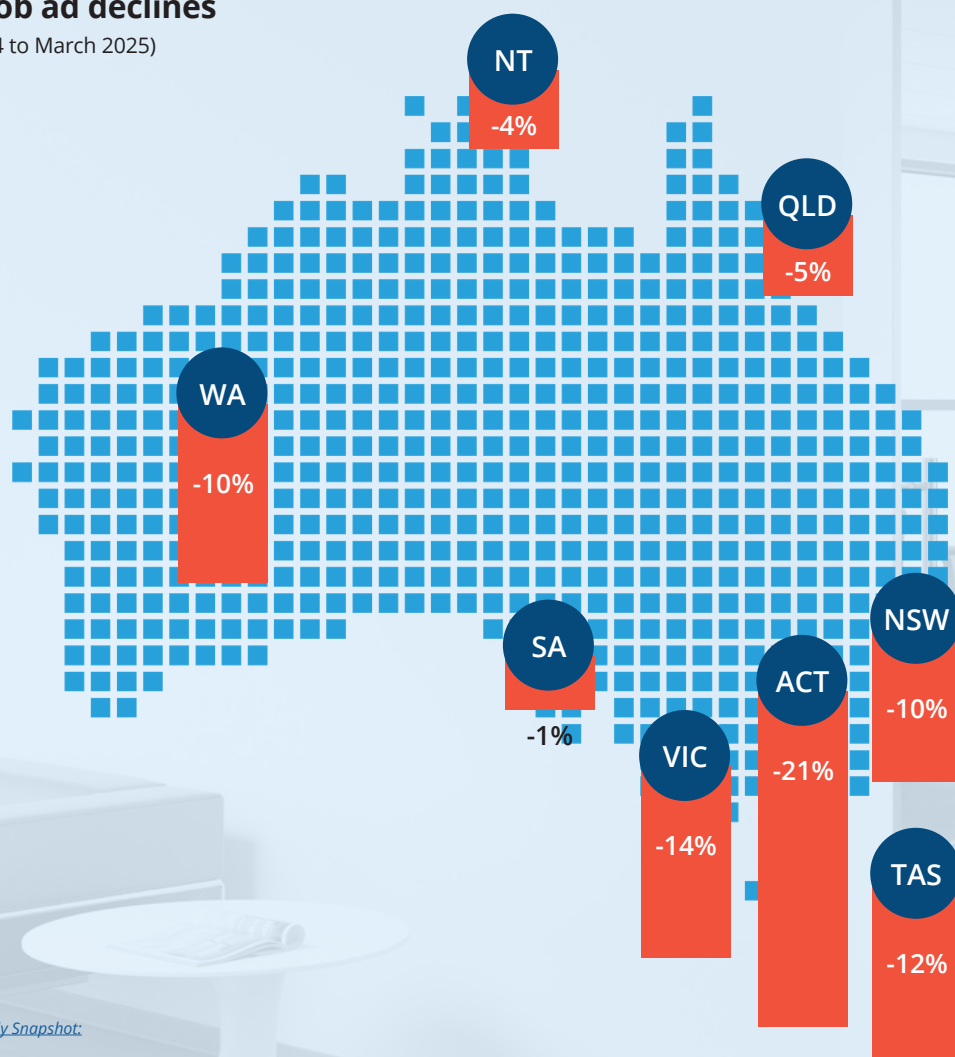


## Regional market variations

Across the board, job advertisements declined by 9.6% Y/Y in both metropolitan and regional areas. Victoria (-21%) and the ACT (-14%) led the drop, likely reflecting reduced public sector activity.

## Regional job ad declines

(Y/Y, March 2024 to March 2025)



Source: [Seek Quarterly Snapshot](#)



## Key takeaways for employers

- **Leverage sector opportunities:** In declining sectors, expect **greater candidate availability** unlike in Banking/Finance where **competition for talent may increase**.
- **Adjust for regional dynamics:** Regions with high declines may offer **larger candidate pools**—a good opportunity for employers to **recruit cost-effectively** or **fill hard-to-staff roles**.
- **Stay flexible:** With a slight rebound appearing this month, employers need to monitor market shifts month to month and **adjust hiring plans accordingly**.



# Wage growth insights

## Growth continues

As of early 2025, wage growth in Australia is showing a steady upward trend. In the March quarter, private sector wages rose by **0.9%**, while the public sector saw a slightly higher increase of **1.0%**—largely due to new enterprise agreements in New South Wales, Western Australia, and Victoria. This quarterly growth pattern is inline with the year-on-year trends. Over the 12 months to March 2025, the **Wage Price Index (WPI)** increased by **3.4%** overall. Public sector wages grew a little faster at **3.6%**, compared to **3.3%** in the private sector.



## Industry variations

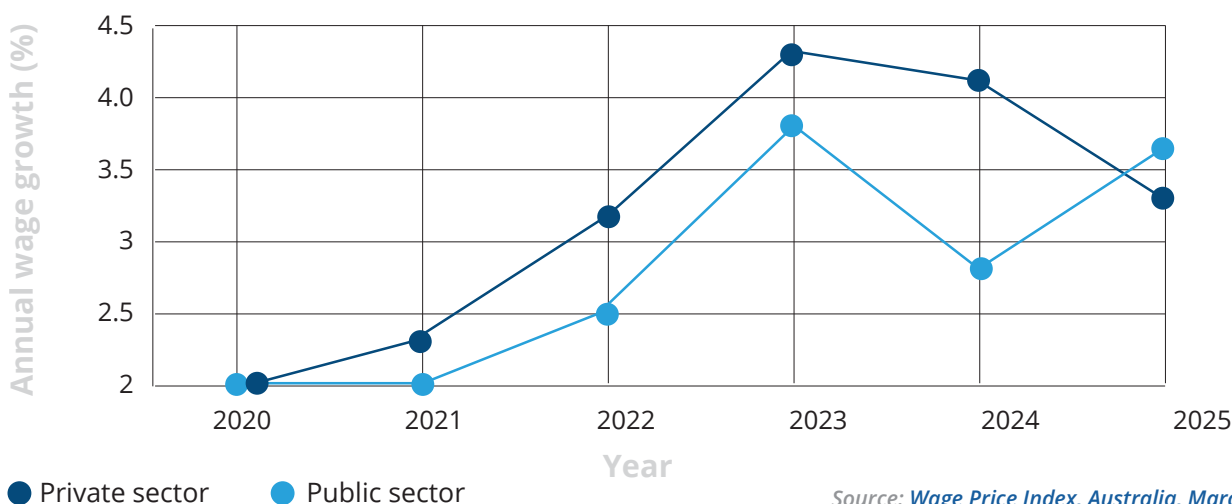
Healthcare and social assistance led industry wage growth at 1.4%, supported by aged care wage adjustments, childcare retention payments, and public sector agreements. Education and training followed closely with a 1.3% rise. In contrast, Retail Trade, Accommodation and Food Services, Information Media and Telecommunications saw the lowest growth at just 0.1%.

## Industry comments

According to KPMG Chief Economist, Brendon Rynne, “real wages are now ahead of inflation, which while good news for households, will need to be backed up by a boost in productivity”. This was further supported by the RBA governor, Michelle Bullock who had previously cautioned that wages couldn’t be sustained without a productivity bump. This does not necessarily mean longer hours or working harder, it’s about looking at ways to increase output through greater efficiency.

## WPI annual wage growth by sector

(2020-2025)



Source: [Wage Price Index, Australia, March 2025 quarter](#)



## Key takeaways for employers

- **Budget for sustained wage pressure:** In 2025, with wages increasing, particularly in public-facing sectors, managers should budget for potential increases.
- **Wage benchmarks:** Monitor sector-specific benchmarks to stay competitive in attraction and retention.
- **Improved productivity:** Have an increased focus on productivity to balance wage growth and business performance. Review current workflows, invest in upskilling, and leverage automation where possible.

# A final word: Strategic insights for employers

The Australian labour market in Q1 2025 reflects a complex and cautious environment. A 12.8% year-on-year decline in job advertisements, paired with a steady unemployment rate of 4.1%, signals conservative hiring behaviour across many sectors. Yet, this is counterbalanced by a highly active candidate market, particularly in industries such as Construction, which saw 254 applications per ad, creating strong opportunities for employers to access a wide talent pool.

While most sectors experienced reduced hiring activity, Banking and Financial Services bucked the trend with 5% year-on-year growth in job ads, revealing sector-specific resilience. Wage growth remains steady, led by Healthcare and Social Assistance, but experts stress that sustained increases must be supported by productivity improvements to remain viable.

Significant regional disparities—most notably Victoria's 21% drop in job ads—highlight the importance of tailoring recruitment strategies.

As 2025 progresses, **agility will be key**. While hiring activity remains conservative, employers who adapt their strategies early—by capitalising on candidate engagement, regional variations, and evolving expectations—will be best positioned to attract, retain, and engage the right talent.

## Strategic priorities for employers

- **Streamline recruitment:** High application volumes require efficient processes. Leveraging recruitment partners can speed up screening and selection.
- **Target sector and regional advantages:** Identify softening markets where talent is more available and position offerings accordingly.
- **Prioritise flexibility and EVP:** Candidates continue to value flexible working arrangements and purpose-driven employers—make this central to your hiring strategy.
- **Plan for wage pressure:** Monitor sector-specific trends and invest in productivity to balance wage growth with business performance.

## How we can help

Drake International delivers targeted staffing solutions to meet your business needs:

- **Flexible workforce solutions:** Contract, temporary, and scalable staffing options.
- **Strategic recruitment:** Access to pre-vetted, qualified talent.
- **Market insights:** Competitive salary benchmarking and workforce planning.
- **Industry expertise:** Sector-specific recruitment strategies.

Whether you're tackling staffing challenges or planning for growth, we're here to help. Contact Drake International at **13 14 48** to find the right solution for your business.

### Data sources:

[SEEK Employment Trends Quarterly Snapshot](#), [ABS Wage Price Index](#), [SEEK Advertised Salary Index](#), [SEEK Employment Report March](#), [SEEK Employment Report - April](#)