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Australian Employment Stalls in June as Jobless Rate Rises

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Australia's labour market took a sharp turn in June, adding just 2,000 jobs—well below the 30,000 projected by economists, pushing the national unemployment rate up from 4.1% to 4.3%.

This marks the highest unemployment level in more than two years and points to a softening trend that is beginning to weigh on economic confidence and momentum. Youth unemployment surged to 10.4%, while underemployment rose to 6%, painting a sobering picture of labour market conditions that could increase pressure on the Reserve Bank of Australia (RBA) to ease monetary policy.

According to Westpac, the broader labour market is clearly losing steam. Total hours worked in June declined by 0.9%, and full-time roles dropped by 1.3%, indicating that employers are becoming more cautious in their hiring decisions. While adult employment remained steady, younger Australians were disproportionately affected by the downturn. These trends, though partly influenced by survey volatility, support Westpac's forecast that unemployment could reach 4.4% by year-end, with annual job growth slowing to just 1.3%. The data reflects a clear gap between workforce expansion and the rate of job creation.

The weaker employment figures have added to growing speculation that the RBA may cut interest rates as early as August. If job growth continues to slow and inflation remains contained, the central bank may have little choice but to act in order to support domestic demand. However, the softening labour market also raises broader concerns about Australia's long-term economic resilience. A mismatch between job supply and labour demand growth could further erode living standards and put more pressure on household budgets, particularly as the cost of living remains elevated.



What is especially concerning is the disconnect between private sector resilience and public policy direction. Structural reform, targeted productivity incentives and support for small and medium-sized enterprises have been lacking. These are critical tools for sustainable job creation, especially for younger Australians struggling to gain a foothold in the workforce.

As employment conditions deteriorate, the onus is now on policymakers to move beyond rhetoric and deliver results. Without pragmatic leadership and a coherent, pro-growth agenda, Australia risks drifting toward economic stagnation just as many global peers are beginning to stabilize and recover.