

Press release 6 March2025

Employers face a salary squeeze as candidates and employees demand higher pay

- 49% of Australian employers say job candidates are more demanding when it comes to salary this year compared to last year
- 72% of employees say it has become more challenging to negotiate a pay rise this year compared to last year, while 90% of workers plan to ask for a pay rise this year
- Workers want a pay rise to recognise they have consistently exceeded performance goals (36%), have taken on new projects and workload (32%) and to keep pace with the cost of living (32%)
- If an increase is not granted this year, 40% of employees will be patient and maintain a good work ethic but 36% of workers will look for a new job

Sydney, 6 March 2025 – Sustained inflation and increasing responsibilities are driving growing demands for higher salaries this year but employees are finding it challenging to negotiate an increase in pay, the newly released <u>Robert Half 2025 Salary Guide</u> reveals.

The research by specialised recruiter <u>Robert Half</u> uncovers the war waging between workers and their employers about their remuneration. About half (49%) of employers state that candidates are more demanding when it comes to salary compared to the previous year. Meanwhile, 72% of workers report it is more challenging to negotiate a pay rise now than it was last year. Only 5% of workers report it is now less challenging, while 23% report it is no more or less difficult than it has previously been.

"Our 2025 Salary Guide paints a picture of the complex salary dynamics that will shape the job market this year," says **Nicole Gorton, Director at Robert Half.** "The current work environment faces a salary dilemma. Employers continue to face budget constraints and focus on cost management while the demand for higher pay has become louder from employees who haven't had a significant pay rise during a turbulent few years despite their hard work and their need to feel financially stable."

Workers duel with employers over pay

Robert Half's newly released 2025 Salary Guide reveals 90% of workers will not let challenging salary negotiations stop them from asking for a pay rise this year. When asked on what basis they expect a salary increase in the coming 12 months, recognition for their increased efforts in their role (36%) ranks similarly to their need for a higher income (32%) and having taken up new projects or a larger workload (32%).

Reasons why a pay rise is warranted	Percentage of employees
I have consistently exceeded my performance goals	36%
The cost of living has increased and my salary needs to keep pace	32%
I have taken on new projects or a larger workload	32%
I have acquired new skills or qualifications that are valuable to my role	29%
I am seeking a promotion to a higher-paying position	27%
I have not received a salary increase in a long time	15%
I am not being compensated fairly for my work	9%
l expect a raise every year	9%

Independent survey commissioned by Robert Half among 1,000 full-time office workers in Australia.



Employers squeezed on salary

The research reveals 30% of employers agree that merit warrants a pay rise while 26% state all employees are evaluated on similar criteria. However, other reasons will also influence their salary decisions.

Reasons to increase salaries	Percentage of employers
On merit; employees meet and exceed performance goals	30%
All employees are evaluated on similar criteria to determine if a raise	26%
is applicable	
To stay competitive, if current salary is not aligned with market or	19%
skills in demand	
Retention, as keeping people is valued over replacing them	18%
Employee tenure	6%

Independent survey commissioned by Robert Half among 500 employers in Australia.

When employers and employees cannot successfully negotiate

If employers cannot meet worker demands, professionals have a balanced attitude towards their next steps. While more than a third (37%) will decide to either leave immediately or will start to look for work elsewhere, the Robert Half 2025 Salary Guide reveals 40% will bide their time and maintain good work ethic, 38% will focus on professional development and 36% will ask to revisit the conversation in a few months.

Plans if a pay rise is not received this year	Percentage of employees
Be patient and maintain good work ethic	40%
Focus on professional development	38%
Ask to revisit the salary conversation in a few months	36%
Look for a new job	36%
Ask for more benefits (such as additional paid time off, remote work options, flexible schedules)	36%
Work harder (such as work longer hours, take on extra responsibilities)	27%
Quit my job straight away	1%
I'll do nothing	2%

Independent survey commissioned by Robert Half among 1000 full-time office workers in Australia.

"Employees are becoming more vocal about their contributions and compensation expectations the more inflation affects their hip pocket," **Gorton** says. "Failing to recognise and reward top performers is a costly oversight. While salary increases aren't always feasible, open communication, robust benefits packages and professional development opportunities are necessary for maintaining morale, engagement and loyalty. After all, competitive compensation and comprehensive rewards are essential for attracting and retaining top talent as well as remaining an employer of choice," concluded **Gorton**.

Top in-demand roles for 2025

Robert Half's 2025 Salary Guide reveals the permanent roles that are in highest demand in finance and accounting, IT and technology, financial services, business support, human resources and marketing this year, along with national average starting salaries.



Finance and accounting

Role	25 th percentile	50 th percentile	75 th percentile
Financial Controller	\$160,500	\$173,000	\$197,500
FP&A Manager/	\$150,000	\$167,000	\$186,500
Business Partner			
Finance Manager	\$127,000	\$143,000	\$160,500
Financial Accountant	\$93,500	\$103,000	\$112,500
Management	\$100,000	\$111,000	\$120,000
Accountant			
Assistant Accountant	\$74,000	\$78,500	\$84,000
AP/AR Officer	\$70,000	\$74,000	\$79,000

IT and technology

Role	25 th percentile	50 th percentile	75 th percentile
Software Developer	\$84,000	\$99,000	\$120,000
Business Analyst	\$112,500	\$127,500	\$141,000
Cyber-Security	\$133,000	\$152,000	\$181,000
Specialist			
Data Engineer	\$123,500	\$142,500	\$161,500
BI/Data Analyst	\$114,500	\$130,500	\$143,500
Systems Engineer	\$110,500	\$133,000	\$145,000
Cloud Engineer	\$126,000	\$154,500	\$170,000
IT Support	\$68,000	\$78,500	\$86,500

Financial services

Role	25 th percentile	50 th percentile	75 th percentile
Operational Risk	\$126,500	\$146,500	\$156,500
Manager			
Tax Manager	\$134,000	\$154,000	\$180,500
Compliance Manager	\$136,000	\$146,500	\$161,000
Senior Legal Counsel	\$144,000	\$185,000	\$222,000
Treasury Manager	\$137,500	\$159,000	\$185,500
Technology Risk	\$133,500	\$147,500	\$162,500
Manager			
Senior Credit Risk	\$145,500	\$161,000	\$180,500
Manager			

Business Support

Role	25 th percentile	50 th percentile	75 th percentile
Executive Assistant	\$89,000	\$100,000	\$117,000
Administrative	\$64,000	\$66,500	\$70,500
Assistant			
Customer Service	\$59,000	\$64,000	\$69,000
Representative			
Company Secretary	\$108,500	\$118,500	\$135,000
Office Manager	\$79,500	\$88,500	\$101,000
Receptionist	\$64,000	\$66,500	\$70,500



Human resources

Role	25 th percentile	50 th percentile	75 th percentile
HR Generalist	\$71,500	\$77,000	\$82,500
HR Coordinator	\$71,500	\$77,000	\$82,500
HR Manager	\$127,500	\$145,500	\$159,500
HR Business Partner	\$108,000	\$122,000	\$138,000
HR Advisor	\$84,500	\$98,000	\$112,500
WHS Manager	\$121,000	\$141,000	\$158,000
Talent Acquisition	\$89,000	\$100,000	\$108,500
Advisor			

Marketing

Role	25 th percentile	50 th percentile	75 th percentile
Marketing Manager	\$108,500	\$141,500	\$150,000
Content Manager	\$100,000	\$118,000	\$129,000
Social Media Manager	\$88,000	\$117,000	\$128,000
Marketing	\$68,000	\$73,000	\$78,000
Coordinator			

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Notes to editors

About the Robert Half Salary Guide

The Robert Half Salary Guide is the most comprehensive and authoritative resource on starting salaries and recruitment trends in finance and accounting, financial services, technology and business support. The results and insights of the Robert Half Salary Guide are based on comprehensive analyses, local job placements, local expertise and independent research of industry executives.

Starting salaries are not a one-size-fits-all, which is why they are separated into three percentiles. The percentiles account for differences in experience, skills, professional certifications, demand for the role and the size/complexity of the company that's hiring.

25th percentile

The candidate is new to the role, with little or no experience, and requires more than casual instruction or supervision to perform day-to-day duties.

50th percentile

The candidate has the experience to consistently perform core responsibilities without direct supervision and is very comfortable with processes and subject matter associated with the role.

75th percentile

The candidate's value to the organisation goes far beyond the ability to perform normal job duties; the candidate has (rare) qualifications that enable consistent contribution in unique ways and is ready for the next career level when the opportunity becomes available.

Note: The 25th percentile is not the lowest end of the salary range, and the 75th percentile is not the highest or a cap. Robert Half provides these percentiles because they are the ones most commonly used. Salaries outside of this range occur far less frequently and, as a result, are not included in the Robert Half Salary Guide.

About the research

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The study is developed by Robert Half and was conducted online in November 2024, by an independent research company of 500 hiring managers and 1,000 full-time office workers in finance, accounting, business support, and IT and technology. Respondents are drawn from a sample of SMEs, large private, publicly-listed and public sector organisations across Australia. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the global, specialised talent solutions provider that helps employers find their next great hire and jobseekers uncover their next opportunity. Robert Half offers both contract and permanent placement services, and is the parent company of Protiviti, a global consulting firm. Robert Half Australia has offices in Brisbane, Melbourne, Mount Waverley, Perth and Sydney. More information on <u>roberthalf.com/au</u>.

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