State of the Canberra recruitment market 2026

Navigating an uncharted era of the job market

HorizonOne

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Executive summary

The Canberra recruitment market in 2026 is not simply slow. It is structurally different from anything we have seen in the past five years, and the headline figures do not fully capture what is happening.

Unemployment in Canberra has risen sharply, from 3.0% at the end of 2024 to 4.4% by May 2026, the steepest proportional increase of any state or territory. Job advertisements in the ACT also recorded the largest national decline.

Yet, the most important story is not volume. It is a fundamental mismatch between what is available and what employers actually need. At HorizonOne, applications for every advertised role increased by 12.6% over the past year. However, shortlisted candidates fell by 42.1%. The problem in Canberra hiring is not a shortage of candidates; it is that most of the applications arriving are not the right ones.

AI-generated applications are flooding inboxes, APS insourcing is reshaping where permanent roles exist, and the candidates with the clearances and specialist skills employers need most are not the ones applying in volume.

At the same time, the market is not frozen. The federal Budget investment in tax compliance, defence capability, aged care, housing and environmental regulation is creating genuine demand in specific areas.

Organisations that understand where demand is concentrating, move decisively on quality candidates, and compete clearly on what they offer will continue to hire well. Those relying on higher unemployment figures to make hiring easier will be disappointed.

We've broken down what's really happening in the Canberra market, separating the headline noise from the trends that matter. We want you to have a clearer view of what's to come, and be equipped to make informed decisions over the year ahead.

David Harrington
CEO

Unemployed people

Compared to this time last year

Source: ABS Labour Force, May 2026 release

+50K

National hours worked

Compared to this time last year

Source: ABS Labour Force, May 2026 release

+10M

Job volumes

Over the past 12 months, compared to the 12 before

Source: HorizonOne internal recruitment data

-15.8%

Application numbers

Over the past 12 months, compared to the 12 before

Source: HorizonOne internal recruitment data

+12.6%

Contract opportunities

Over the past 12 months, compared to the 12 before

Source: HorizonOne internal recruitment data

+4.3%

Shortlisted candidates

Over the past 12 months, compared to the 12 before

Source: HorizonOne internal recruitment data

-42.1%

Australia's labour market:
Cooling or concerning?

Labour market trends

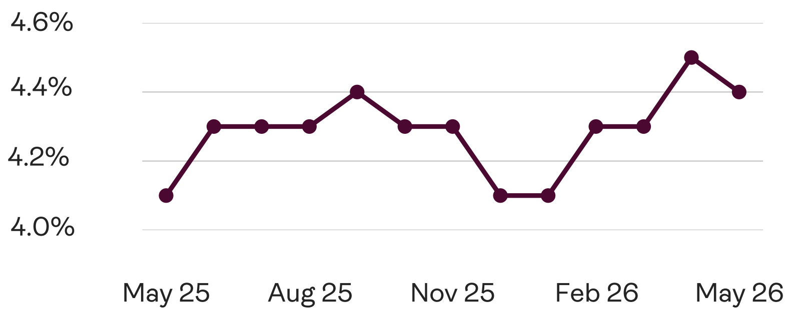
Australia's labour market is sending conflicting signals: unemployment is rising, yet employers are still hiring; applications are up, yet fewer candidates are making the shortlist. Understanding which figures tell the real story is the challenge facing employers and job seekers in 2026.

Australia's latest labour force data offered a slight boost after April's weaker result, but the annual figures still point to a market that has softened over the past year. The national unemployment rate eased from 4.5% to 4.4% in May, with employment increasing by around 40,000 people and participation lifting back to 66.8%. However, compared with a year earlier, unemployment remains higher at 4.4% versus around 4.1%, the number of people out of work has risen by roughly 12%, and employment growth of about 0.9% has lagged behind population growth, underscoring that the broader trend is still one of gradual softening despite the monthly improvement.

Unemployment rate

How many people are looking for work. A higher rate means more people need jobs.

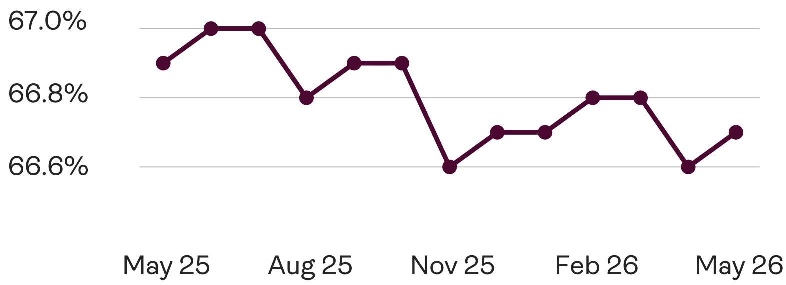
Source: ABS Labour Force, May 2026 release



Participation rate

How many people are working or looking for work. A higher rate means more people are in the job market.

Source: ABS Labour Force, May 2026 release



The numbers in context

Taken in isolation, none of these figures would be cause for alarm.

Together, they point to a labour market that is losing momentum. HSBC Australia's chief economist has described current conditions as a downturn, and an Oxford economist predicts unemployment to continue rising and peak at around 4.8% in late 2027:

> *"We expect the unemployment rate to peak at 4.8% in late 2027… Business confidence has cratered under higher inputs and borrowing costs, which will flow through their hiring decisions."*
>
> **Harry McAuley**
> *Economist*
> Oxford Economics Australia

Yet despite the headline figures and increasingly cautious commentary, employers have not stopped looking for talent. Underlying trend employment (which smooths out seasonal and cyclical factors) still increased by 22,100 people in April. This shows jobs are still being created, albeit at a slower pace than the number of people seeking work.

A survey by Jobs and Skills Australia highlights the complexity of current hiring conditions. Almost half of employers surveyed reported active recruitment activity, and a similar proportion said they were struggling to fill roles – however only 15% expected to increase staff numbers. Demand for workers has not disappeared, though many organisations appear reluctant to commit to workforce growth.

Employer Recruitment Experience

Sentiment of Australian employers and their experience when recruiting staff.

Source: Jobs and Skills Australia Recruitment Insights Report, June 2026 release

Measure	Survey result	Annual Change
Recruitment activity	47%	-3%
Recruitment difficulty	42%	-8%
Expect to increase staff	15%	-4%

The flow on effect for businesses and employees

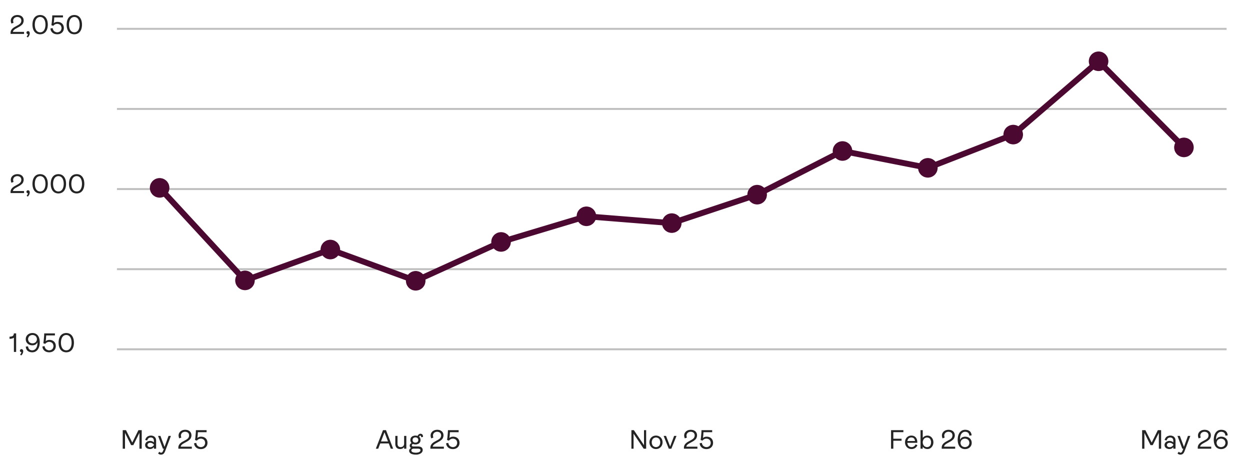
One explanation may lie in how businesses are managing demand.

According to the Australian Bureau of Statistics (ABS) Labour Force Australia report, in May, hours worked fell by 1.1% even as employment rose by 0.3%, suggesting the labour market recovered some headcount after April's weaker result, but this may not necessarily reflect overall capacity.

Hours worked

Total hours worked (in millions) for all jobs nationally.

Source: ABS Labour Force, May 2026 release



The annual comparison tells the sharper story: hours worked were up 2.2% over the year, while employment was up only 1.0% in seasonally adjusted terms. In other words, the total amount of work being done is growing faster than the number of people employed, reinforcing the sense that many organisations are still doing more with less.

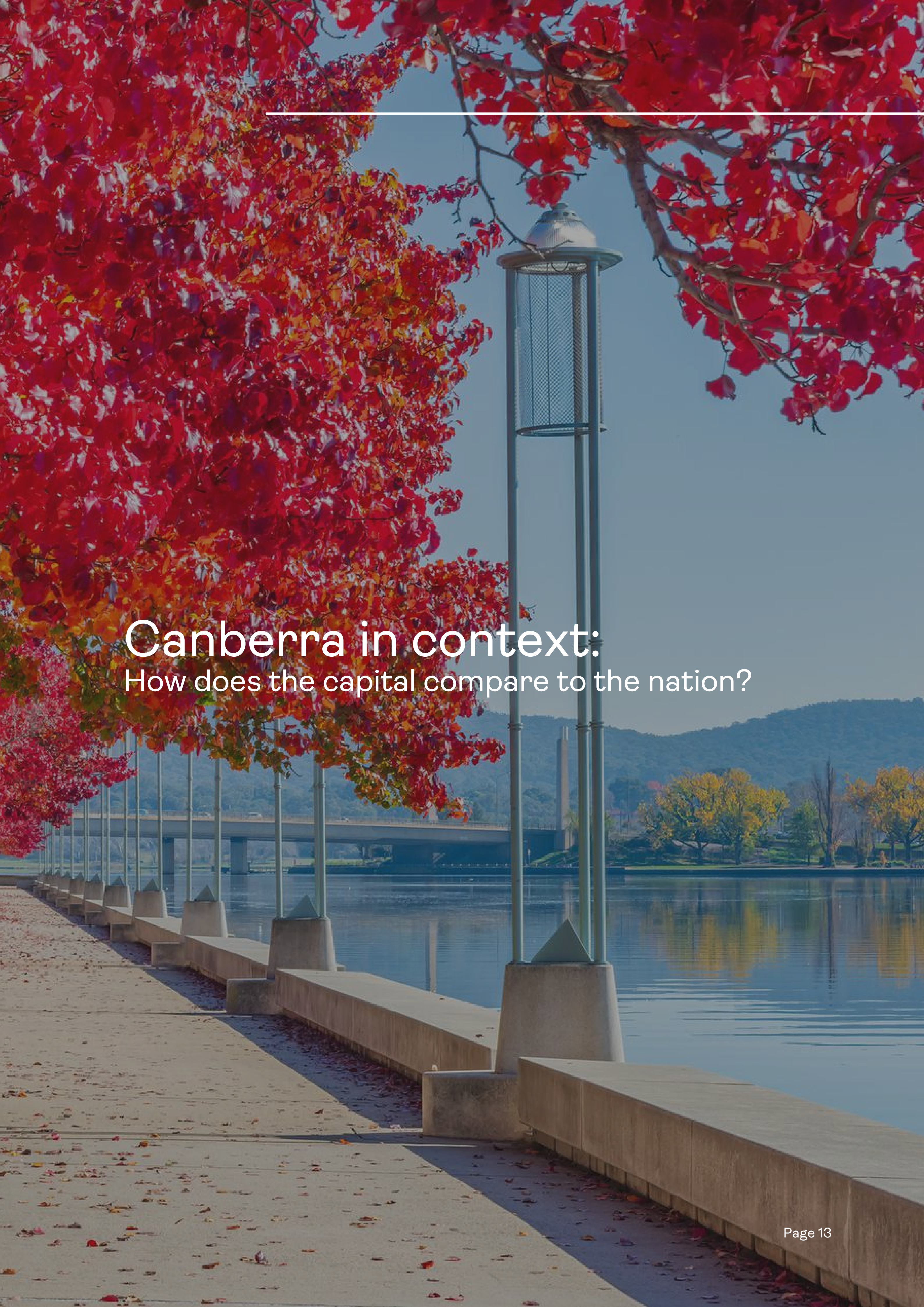
This is often an early sign of workforce stress. Businesses can only stretch capacity for so long before leaders need to decide whether to hire additional staff or accept higher levels of burnout and turnover.

Nationally, it also appears the labour market isn't moving in a single direction.

Administrative, junior and frontline roles have declined, while the pursuit of skilled workers is still strong in key sectors such as construction, healthcare, technology, and engineering.

Bucking the trend, Western Australia continues to outperform other states – likely due to resource investment and population growth.

The national labour market is not simply cooling, it is bifurcating.



Canberra in context:
How does the capital compare to the nation?

Advertising activity in Canberra

Canberra's labour market has traded urgency for selectivity. Traffic is still flowing through the roundabout, but the speed has changed.

Like the national market, Canberra is showing signs of slowing down. Data from Jobs and Skills Australia recorded the strongest decline in job advertisements in the ACT compared to the rest of the country, while unemployment has risen steadily from 3.0% at the end of 2024 to 4.4% in May 2026.

-5.9%
Monthly decline in ACT job advertisements compared with -0.9% nationally

Canberra rarely behaves like the rest of the country though. Recruitment activity typically relocates rather than vanishes – flowing between government, contractors, consultants, service providers, and community organisations as priorities change.

We are seeing this very pattern emerge in our own recruitment data. Federal government jobs advertised have declined while other segments – including non-profit and non-government organisations – have grown. Workforce needs are being spread more widely throughout the local economy, creating a more diverse mix of hiring activity than headline APS figures might suggest.

Change in HorizonOne advertising by sector

	Government	-18.1%
	Private Sector	-8.1%
	NFP / NGO	+9.8%

The Canberra talent pool

At first glance, Canberra would appear to have an abundance of available talent to meet these needs. LinkedIn Talent Insights reports more than 33,000 people in the region are open to work. Yet availability and suitability are not the same thing. Many employers continue struggling to find candidates with the specific skills, experience and clearances they require.

This helps explain why hiring demand is still strong in areas such as IT services, consulting, defence, government relations, and business services.

Fastest growing skills in Canberra

	Skill	One year growth
1.	Support Services	+26%
2.	ITIL Implementation	+25%
3.	Program Governance	+22%
4.	Senior Stakeholder Management	+21%
5.	Project Governance	+17%
6.	ITIL Process	+17%
7.	Policy Development	+17%
8.	Stakeholder Mapping	+15%
9.	Service Delivery Management	+14%
10.	Data Architecture	+14%

Source: LinkedIn Talent Pool Report June 2026: Canberra, ACT, Australia

A contradictory capital

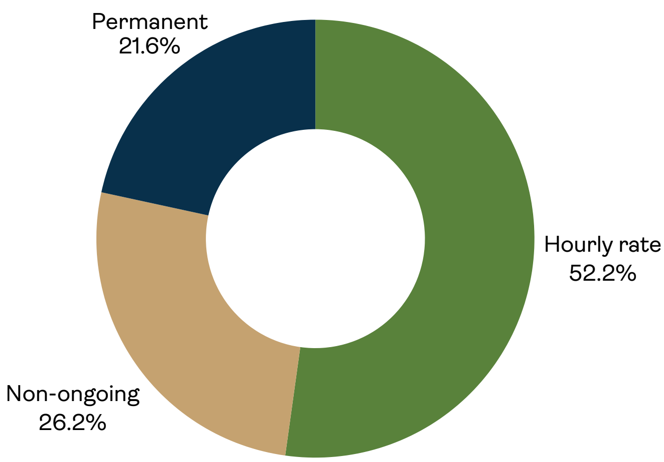
The broader national theme of doing more with less is also playing out locally. Many organisations in both the public and private sectors are placing greater pressure on existing teams while delaying permanent hiring decisions.

In addition, constraints on average staffing levels (ASLs) in the public sector have contributed to increased reliance on contractors, particularly where departments need to deliver project-based work without increasing permanent headcount.

Change in HorizonOne advertising by engagement type

	Hourly rate contract	+4.3%
	Non-ongoing contract	-37.9%
	Permanent	-18.4%

HorizonOne advertising over the past year by engagement type

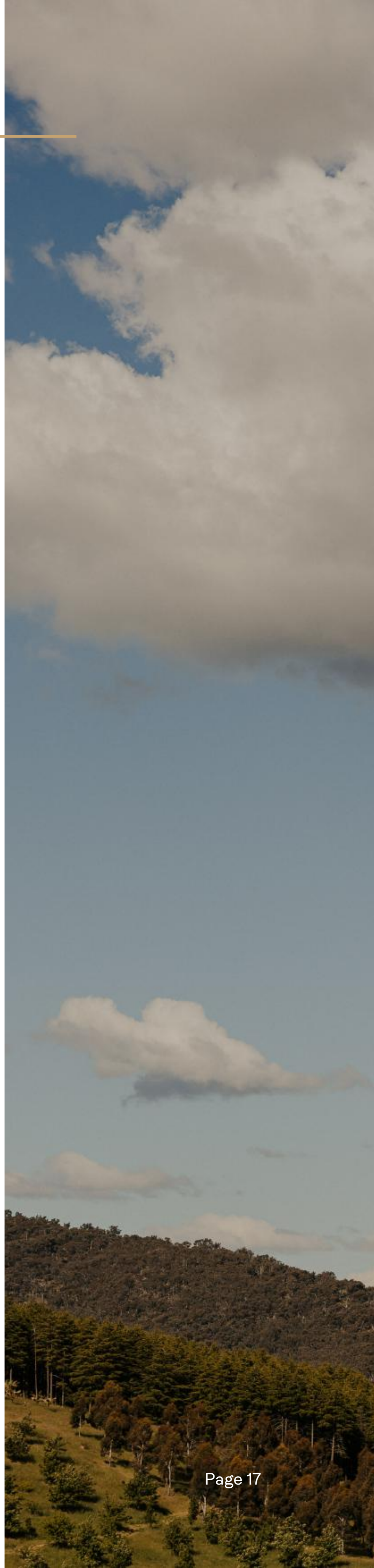


The result is a market that appears contradictory on the surface.

Job advertisements and confidence are down, and unemployment is up. Meanwhile, competition for specialist skillsets is only getting stronger and shortages persist in many parts of the local economy.

Canberra's unemployment is rising and job ads are falling.

The two realities coexist; conflating them or looking at either in isolation leads to poor decisions on both sides of the market.




AUS

The next chapter of the APS:
Redistribution, rather than reduction

The future state of the public service

The APS is still creating opportunities, with workforce capability emerging as a bigger issue than workforce numbers.

Despite ongoing discussion about redundancies and workforce reductions, the APS is not shrinking overall.

The government's insourcing agenda of employing people directly, has already converted thousands of outsourced positions into public service roles. This includes a further 1,250 contractor conversions at Services Australia over the next 12 months.

+1,315

ASL for 2026-27 vs 2025-26 ASL

Source: Budget Paper No. 4: Agency Resourcing, 2026–27

The latest Budget forecasts ASL to increase to 217,256 in 2026–27, up from the revised 215,941 estimate for 2025–26, reflecting their agenda of stable growth and building internal capability, while reducing reliance on contractors.

The source of those opportunities, however, is changing.

Budget priorities and agency-level workforce planning are affecting where resources and capability are required. This means we're likely to see concentrated growth in areas such as tax compliance, revenue integrity, defence capability, environmental regulation, and energy oversight.

For agencies outside priority areas, staffing levels are (or will soon be) reduced, and workforce structures reviewed as resources are redirected elsewhere.

Biggest ASL growth by entity

Entity	2025-26 ASL	2026-27 ASL	Change
Australian Taxation Office	19,938	21,410	+1,472
National Environmental Protection Agency	0 (New entity)	698	+698
Australian Energy Regulator	0 (New entity)	534	+534
Department of Defence – Civilian	19,786	20,169	+383
Australian Submarine Agency	883	1,209	+326

Source: Budget Paper No. 4: Agency Resourcing, 2026–27

Biggest ASL reductions by entity

Entity	2025-26 ASL	2026-27 ASL	Change
Services Australia	30,887	30,212	-675
National Disability Insurance Agency	10,509	9,840	-669
Department of Climate Change, Energy, the Environment and Water	4,816	4,438	-378
Australian Competition and Consumer Commission	1,765	1,468	-297
Department of Home Affairs	15,745	15,519	-226

Source: Budget Paper No. 4: Agency Resourcing, 2026–27

Changing priorities

This explains why media attention surrounding cost-cutting and downsizing can exist alongside a growing APS. The service is not shrinking, so much as redistributing capability.

The more important question is whether agencies can build that capability quickly enough. Reducing reliance on contractors and consultants is one thing; replacing specialised skillsets and institutional knowledge is another.

Lengthy recruitment processes remain common, regardless of changing priorities. Even agencies with funding and urgent programs to deliver still face increasing procurement hurdles and tight ASL constraints. This means they are forced to recruit at the snail's pace which has become standard across the APS.

APS funded priorities and the people needed to deliver them

Budget priority area	Capability needed	Delivery pressure
Tax compliance	Auditors, investigators, data specialists	Hiring speed and market competition
Defence / AUKUS	Engineering, project delivery, security-cleared roles	Specialist shortages
Energy and environmental regulation	Policy, regulatory, compliance capability	ASL constraints
NDIS safeguarding	Investigations, compliance, case management	Workforce redeployment

As a result, capability gaps are likely to persist in parts of the public service, particularly where project requirements outpace permanent workforce growth. Despite the government's desire to reduce the amount spent on external providers, we have already seen an increase in contractor demand as departments work to meet project deadlines, and this should continue in areas where specialist expertise is in short supply.

The APS is not shrinking, it is redistributing.

ASLs are rising, insourcing is accelerating, and budget investment is concentrating in specific agencies.

The practical question is whether government can build specialist internal capability fast enough to replace what contractors and consultants have historically delivered.

Impact on the private sector:
The Budget’s ripple effect

From policy priorities, to people needs

Government budget decisions do not just reshape the public service. Their effects move through the broader labour market in ways that are easy to miss if you're only watching the headline APS figures.

While much of the media attention falls on public service staffing levels, government priorities drive recruitment activity throughout the private sector.

This year's Budget offers some strong clues about where this activity may present itself next. Significant funding has been directed towards aged care, disability services, housing, access to justice and First Nations initiatives. These investments may translate into APS hiring, but will also increase workforce requirements for the organisations responsible for delivering services.

$100M
In additional First Nations remote housing funding

Aged care provides a good example. New funding spans:

- Supporting the aged care provider workforce
- Strengthening oversight and regulation
- Helping providers remain financially sustainable
- Expanding care delivered in people's homes

This creates opportunities for aged care providers, nurses, allied health professionals, care coordinators, compliance specialists, technology providers and workforce support services. As demand grows, there will be greater pressure for organisations to attract and retain staff in an already constrained labour market.

$1.60B
In additional aged care funding

Housing and homelessness priorities tell a similar story. Additional investment in social housing, homelessness services, and youth support is likely to increase the need for community housing providers, case managers, support workers and program delivery professionals. For many organisations, securing the workforce capability needed to deliver these programs is a top priority.

$1.96B
In additional housing and homelessness funding

The National Disability Insurance Scheme (NDIS) presents a more nuanced picture. While projected savings suggest a tighter funding environment, substantial investment is now being directed towards provider oversight, fraud prevention, compliance and governance. This indicates hiring activity may move instead of disappearing, and trend towards professionals with experience in areas such as regulation, risk and assurance.

$821.2M
In additional NDIS oversight and compliance funding

We are already seeing this shift play out in practice. In our own market conversations, we have heard examples of people previously working in hands-on care delivery, moving into administrative and compliance-focused roles as providers respond to growing oversight and reporting requirements across the NDIS.

For Canberra's non-profit, community and advisory sectors, these changes create opportunity and pressure. New programs, grants and funding streams can lead to a need for additional services, while also increasing expectations around reporting, governance, compliance and workforce capability.

The impact for businesses outside funded priorities

For many Canberra employers, these priorities may seem far removed from their own organisation. But the labour market impact will not be limited to the sectors receiving direct investment.

As funding flows into aged care, housing, disability services, justice and community programs, demand will also rise for the people needed to deliver, administer and oversee that work. That means greater competition for policy, program, project, compliance, administration, finance and stakeholder engagement talent.

Even in a market where more job seekers appear to be available, this still matters. Canberra's underlying talent pool has not suddenly expanded; rather, more organisations are likely to be competing for similar skillsets at the same time.

The roles facing increased competition

Demand area	Roles affected	Canberra talent pool
Oversight and compliance	Compliance officers, regulatory specialists, investigators, quality assurance officers	3,220
Program delivery	Program officers, project managers, grants officers, contract managers	5,374
Operational support	Administration officers, coordinators, finance officers, reporting officers	7,664
Data and systems	Data analysts, reporting analysts, ICT specialists, cyber specialists	11,989
Community-facing delivery	Case managers, service coordinators, stakeholder engagement officers	1,034

Canberra talent pool refers to the number of professionals who reside in the Canberra region, who match the demand area skillset.

Source: LinkedIn Talent Pool Report June 2026: Canberra, ACT, Australia

Organisations that treat the Budget as something that only matters inside the APS will be caught out.

Regardless of whether your sector has been affected by the Budget, it can still change who you are competing against, what skills become harder to find and how quickly you need to move.

Where hiring is going wrong:
It’s getting noisier, not easier

A lesson in quality over quantity

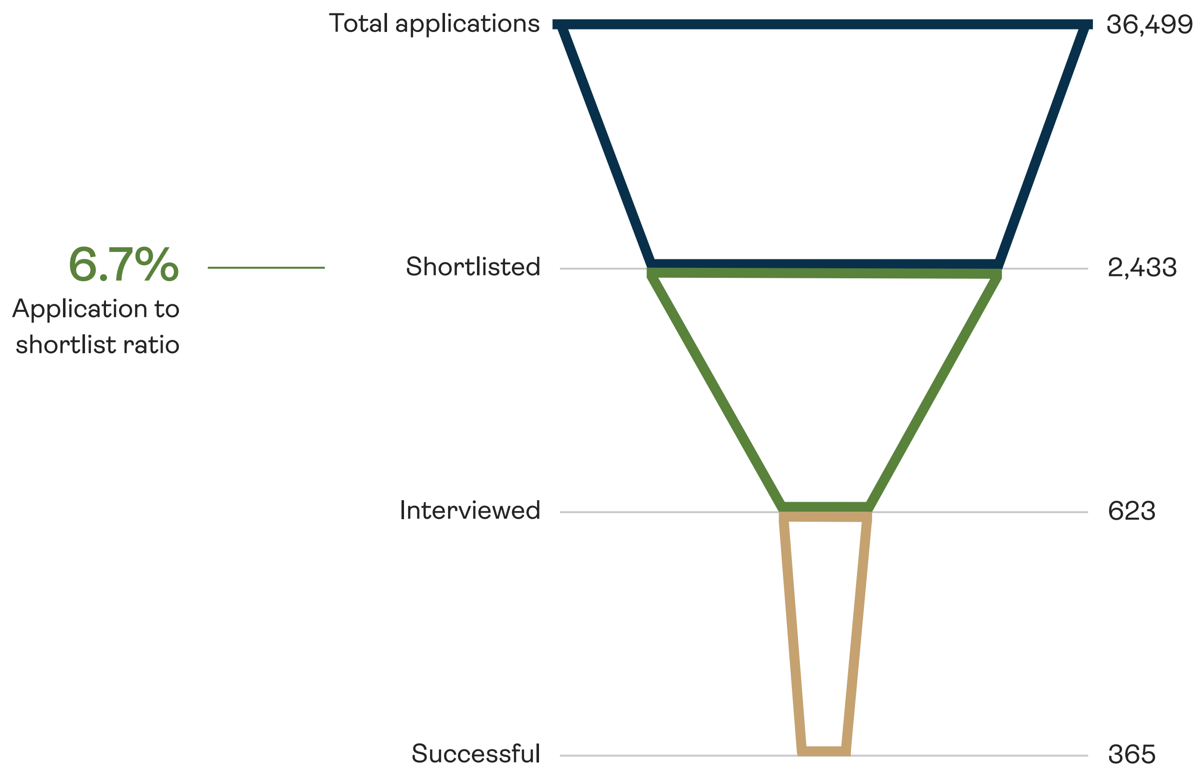
HorizonOne's internal data shows job volumes have fallen by around 15.8%, yet total applications have increased by 12.6%.

At first glance, this seems like good news for employers. In reality, shortlisted candidates have declined by 42.1%, suggesting that while more people are applying, fewer are genuinely suitable for the roles on offer.

Part of this appears to be driven by the growing use of AI to assist with job applications. Applying for jobs has never been easier, and many candidates are now using AI tools to generate cover letters and resumes so they can submit applications at scale. The result is a much larger pool of applications – many of which look and sound remarkably similar.

HorizonOne recruitment process outcomes FY2024-2025

Total applications scaled for visual comparison



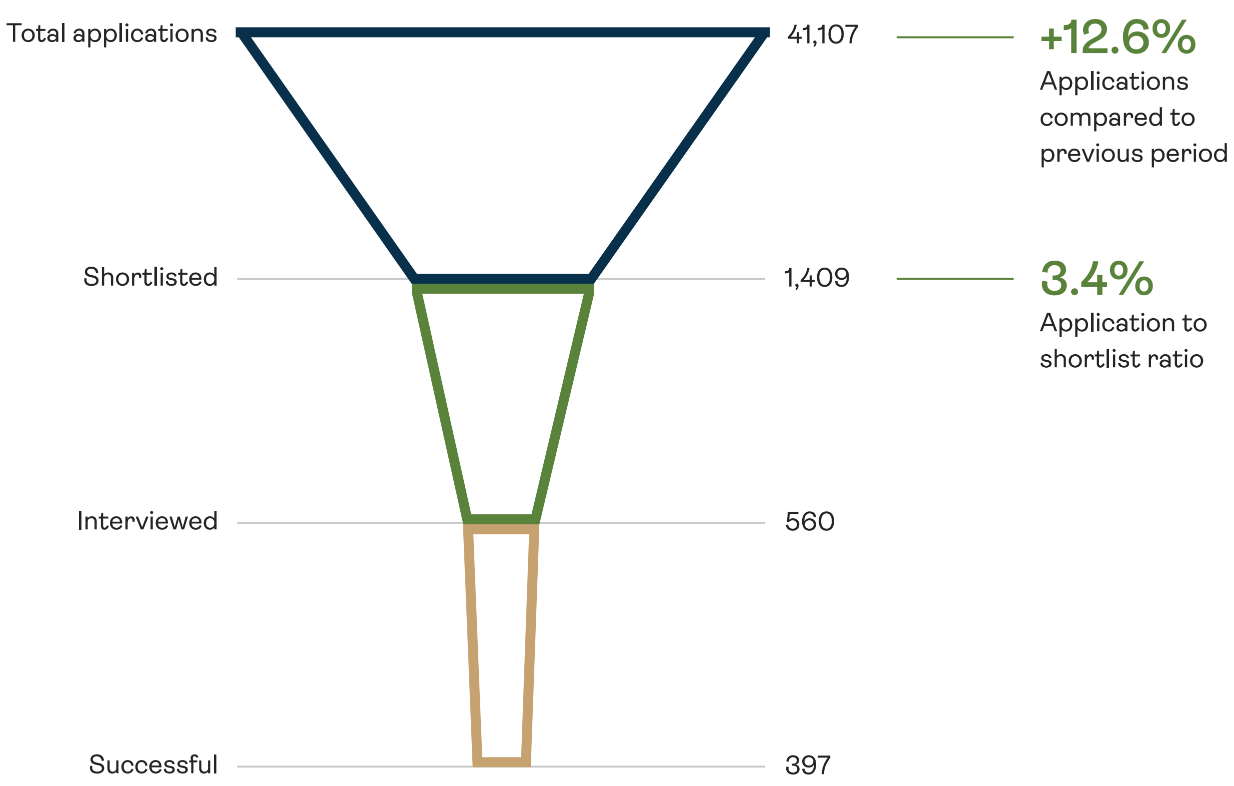
This has created a significant challenge for employers who now need to sift through hundreds of applications to find the few who are best suited to the role.

While AI-powered application screening software may seem like a reasonable solution, its strength lies in identifying keywords and matching applications to job descriptions. The challenge is that AI-generated applications are designed to do the same thing.

As a result, unsuitable candidates with highly optimised applications can rise to the top of the shortlist, while strong candidates whose CV's don't pass the AI screening's keyword test are overlooked.

HorizonOne recruitment process outcomes FY2025-2026

Total applications scaled for visual comparison



The problem is at the top of the funnel

Employers have always received applications from job seekers who are unlikely to meet core eligibility requirements.

What has changed is the scale. Automated job search tools now make it easier for people to apply quickly, repeatedly, and with little consideration for suitability. As a result, employers are seeing a dramatic increase in total applications, including a growing number that appear generic, poorly matched or clearly automated. This is adding to the painstaking time employers now need to spend sorting through applications when only a handful may genuinely meet the brief.

Recruiters know that some of the best candidates are not always the most obvious matches. They often bring highly transferable skills, relevant industry experience, or a proven ability to succeed in a similar environment. In a market where AI-generated applications and automated screening tools are becoming more common, there is a risk that recruitment processes become robots talking to each other, while genuinely suitable applicants get lost in the application avalanche. These qualities are easier for an experienced recruiter to recognise than an automated screening tool, particularly when it comes to finding the diamonds in the rough.

AI is changing who gets seen

> Simulations found AI-assisted applicants were up to 60% more likely to be shortlisted than equally qualified applicants submitting human-written resumes.
>
> **Xu, J., Li, G. & Jiang, J. Y. (2026),**
> *AI Self-preferencing in Algorithmic Hiring: Empirical Evidence and Insights,*
> arXiv.

Interestingly, once the right candidates are identified, positive hiring outcomes quickly follow.

Interview-to-placement conversion grew from 58.5% to 70.9% over the past year, suggesting the problem sits at the start of the recruitment process rather than the end. In a market flooded with applications, effective screening does not mean handing the process over to AI tools. It means taking the time to properly assess capability, transferable skills and fit.

+12.4%
Interview to placement ratio over the past 12 months

Employers who choose the high road – investing in careful screening and thoughtful shortlisting – are still reaping the rewards through stronger hiring outcomes.

Our data tells the clearest story in this report: applications are up 12.6%, yet shortlisted candidates are down 42.1%. The top of the funnel is being flooded by AI-generated applications that look and sound identical. Employers who try to solve this problem with automated screening are compounding it.

The answer is better human judgement at the front of the process, not more technology.

Recruitment discipline:
Why it matters more than ever

More candidates doesn't mean more options

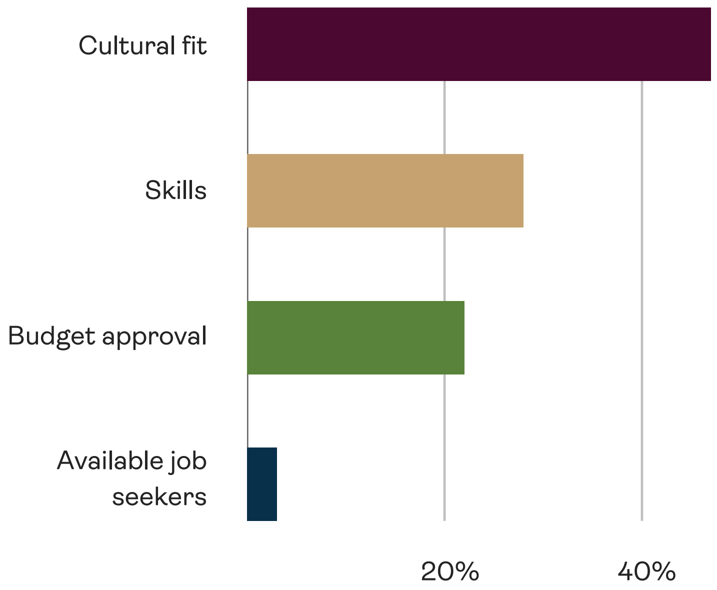
The increase in volume isn't the only issue with AI's impact on the job market. What was once a struggle to attract interest is now a struggle to determine who is the best fit for the role.

This is particularly evident when assessing qualities that are difficult to identify on paper.

Our internal survey data shows employers ranked cultural fit above skills, budget approval, and candidate availability as the hardest thing to find.

Hardest recruitment challenges for Canberra organisations

Source: HorizonOne internal survey data



The cost of a lack of discipline

Unfortunately, this is where many organisations get caught out. When flooded with applications, the temptation to move quickly and "get it over with" can lead to exclusive focus on technical ability. The result can be a poor hiring decision where a candidate's values, behaviours or ways of working don't align with the team they're stepping into.

There is also a tendency to assume that physically meeting more candidates will produce a better outcome. Employers can get trapped in an endless search for the perfect candidate – adding interview stages, waiting for more applications, and delaying decisions in the hope that someone better will come along. Meanwhile, the strongest candidates are already receiving offers from competing organisations.

The irony of the current Canberra market is that employers aren't grappling with a lack of applicants. It's that they have too many. More applications equal more information to assess and more opportunities for uncertainty to creep into the hiring process.

Ultimately, delays have and continue to be one of the biggest risks in recruitment. Prolonged recruitment processes erode candidate engagement and create space for strong talent to slip away.

On the flip side, the employers getting the strongest results are those invested in fine-tuning their recruitment discipline.

They are:

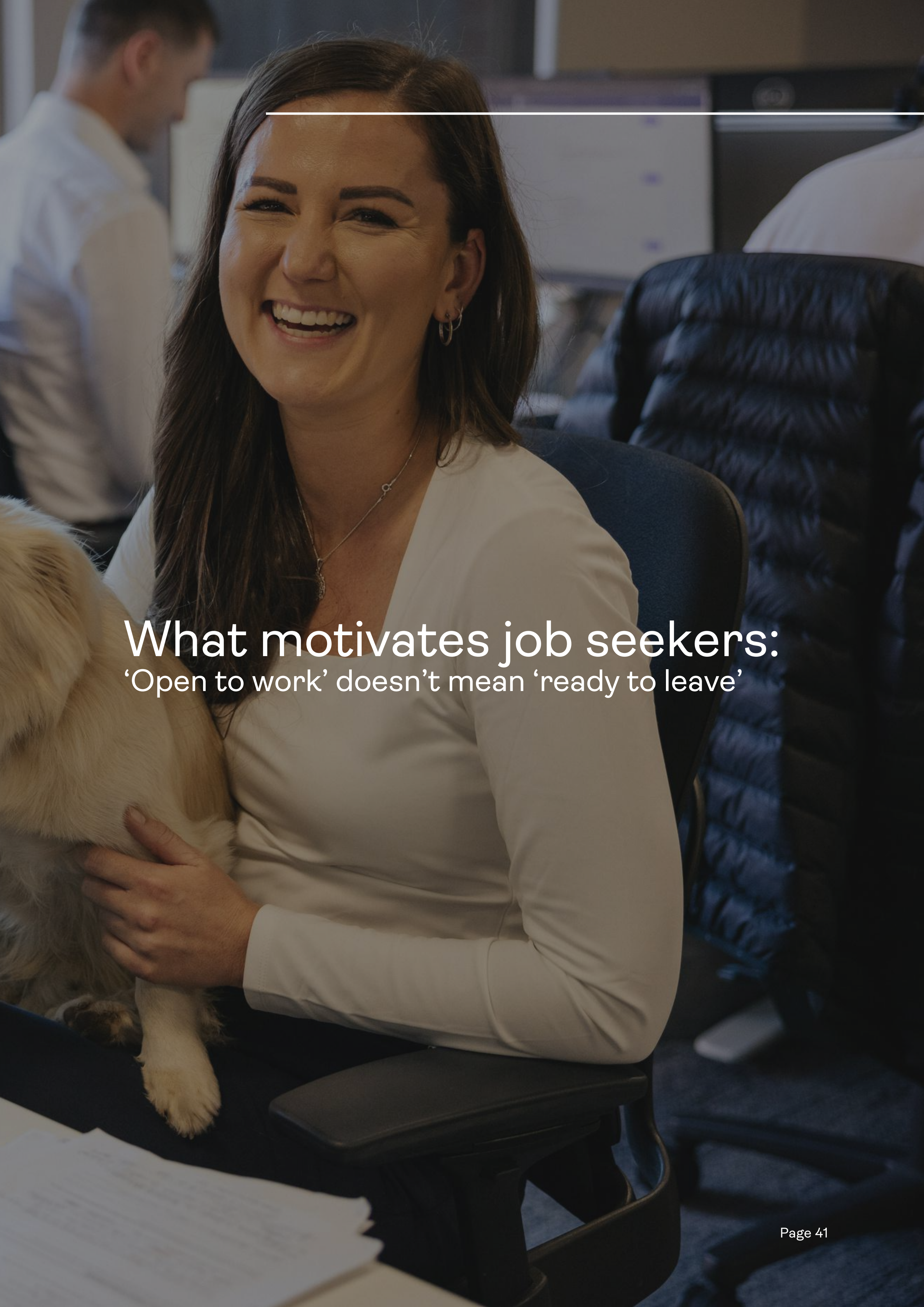
- Defining what success looks like before recruitment begins
- Challenging assumptions about the ideal candidate
- Looking beyond resumes and keyword matches
- Keeping shortlists focused and manageable
- Moving decisively once the right person is identified
- Engaging with experienced recruiters to support the process

Across the market right now, more applications is not the same as more suitably qualified options.

The employers achieving the strongest hiring outcomes are the ones who defined what they needed before they started, challenged their assumptions early, and moved quickly when they found the right person.

5 weeks
average time to complete a recruitment process in 2025

Source: Robert Half Australia, 2025



What motivates job seekers:
‘Open to work’ doesn’t mean ‘ready to leave’

Visibility vs availability

One of the more interesting shifts in the Canberra market is the difference between candidate visibility and candidate availability.

More people are applying for roles and indicating they're open to opportunities, however it doesn't automatically translate into a workforce eager to move. With instability and uncertainty swirling in the job market some job seekers are more interested in knowing what is out there, rather than being committed to moving.

In many cases, job seekers are actually becoming more selective than active.

According to LinkedIn's latest Employer Value Proposition Survey data, compensation and flexibility are now the two most important elements of an employer value proposition (EVP), with 51% of Canberra professionals prioritising pay and benefits and 50% prioritising flexible work arrangements. The gap to the next-ranked factor, career growth at 38%, is significant. Job security also remains a major consideration and is symptomatic of a market influenced by APS reform and broader economic caution.

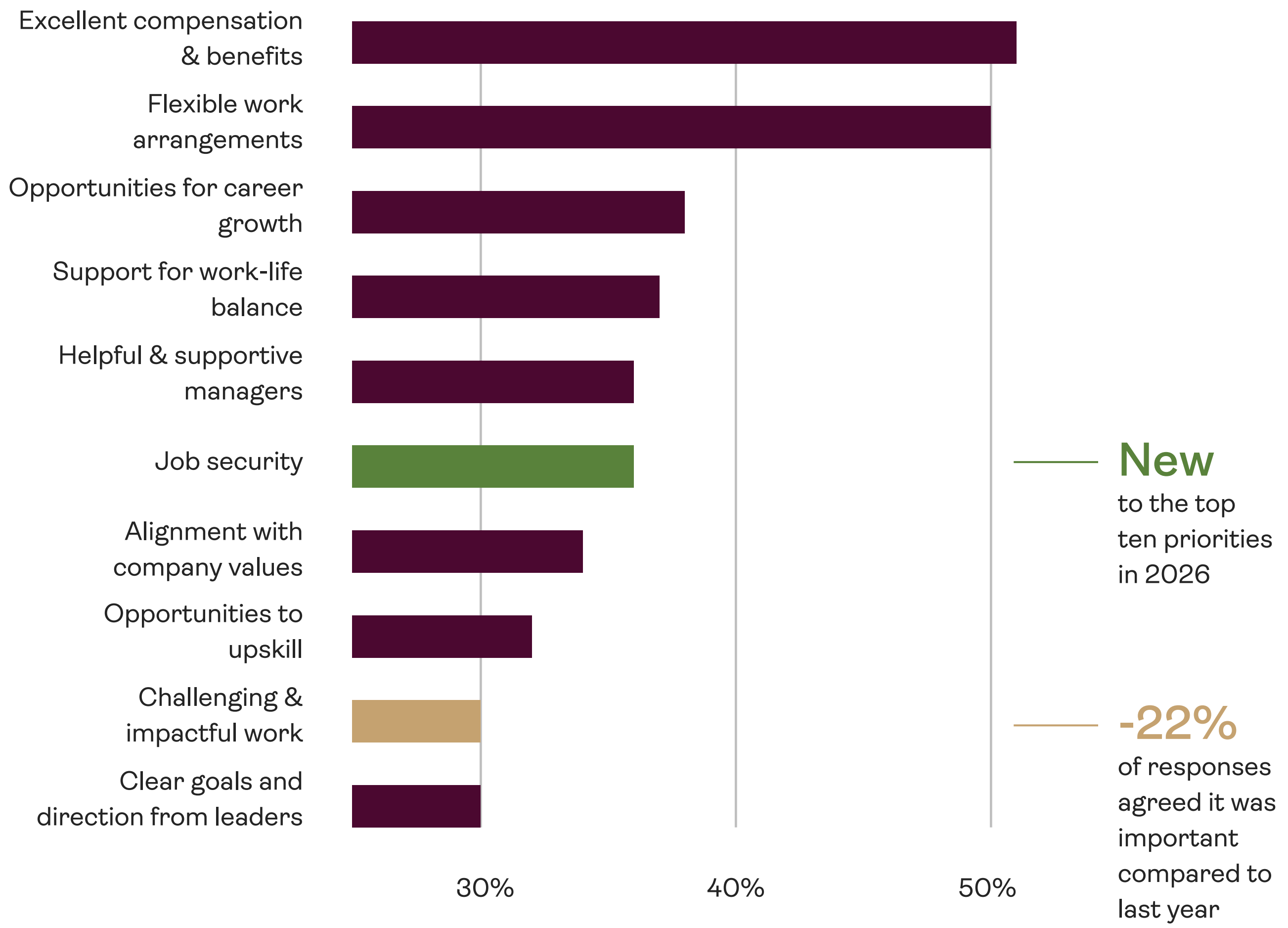
This is even more interesting when comparing to those priorities last year, which showed challenging and impactful work as the second most important priority and job security was not even in the top ten.

What is perhaps most revealing is that these priorities all point in a similar direction. Candidates are seeking more certainty, and want confidence that a move will:

- Leave them financially better off
- Provide flexibility
- Support their long-term career goals

Most important value propositions for Canberra professionals

Source: LinkedIn Employer Value Propositions Survey between June 2025 - May 2026



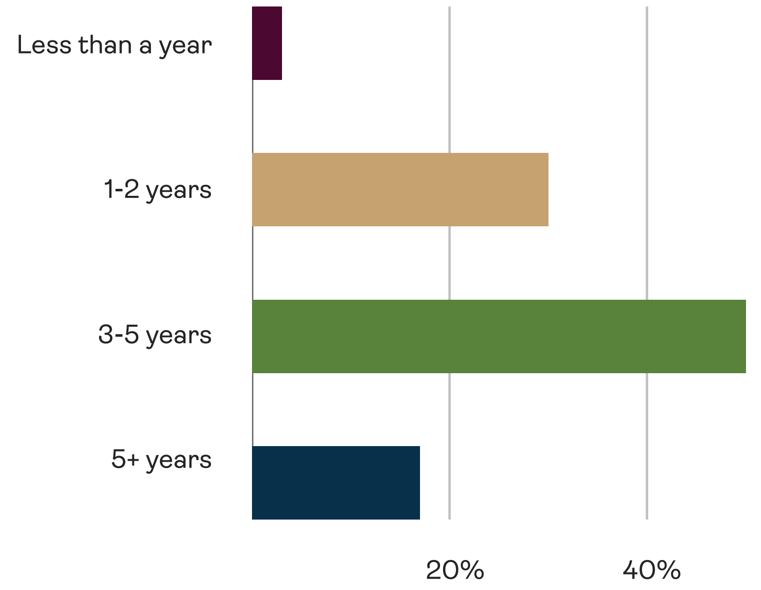
Professionals need a reason to move

Median tenure for a role is almost two years, and HorizonOne internal survey data shows half of respondents would stay in a role for three to five years before considering a move.

Challenging and meaningful work was the top motivator for staying with an employer, while flexibility and work-life balance ranked as the most important day-to-day consideration.

How long professionals would stay in a role before moving on

Source: HorizonOne internal survey data



This helps explain why many employers continue to find hiring difficult despite increased candidate activity. An abundance of applications doesn't necessarily mean people are motivated and ready to move. They may just be exploring their options and testing their value.

For employers, this reinforces the importance of a well-defined and realistic EVP. Organisations that cannot compete on salary may still be able to compete on flexibility, meaningful work, career growth or supportive leadership. Those that struggle to articulate any of these are likely to lose strong candidates without ever realising or knowing why.

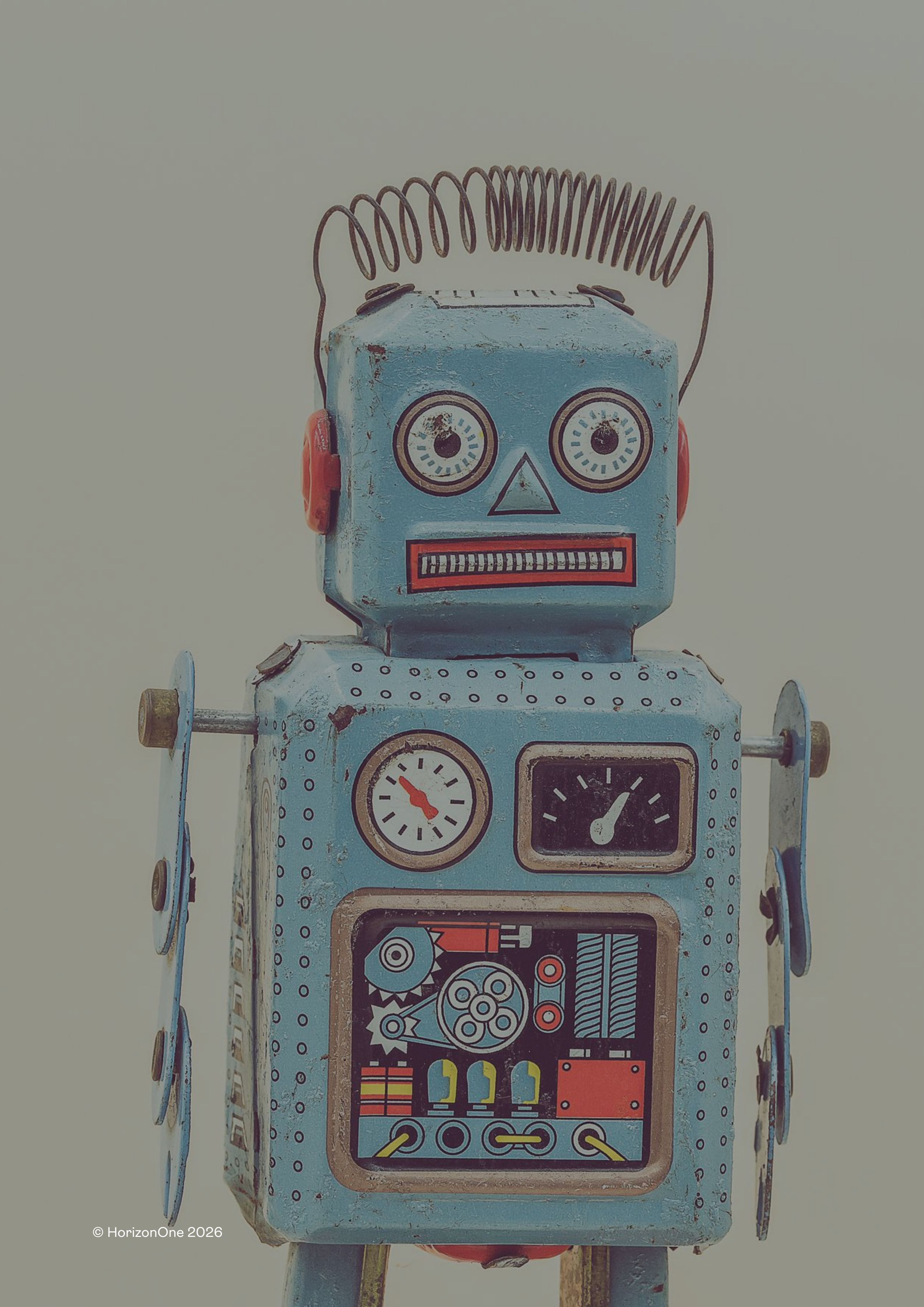
The candidate experience is also a frequently overlooked opportunity. In our polling, 46% of job seekers identified lack of feedback as their biggest frustration during the recruitment process.

Biggest frustrations for active job seekers

Source: HorizonOne internal survey data

In a market where many candidates are weighing up whether to move at all, poor communication can be enough to end the conversation before it really begins. What many hiring organisations also fail to consider is that for better or for worse, candidates want to know the outcome of their application.

This is not a restless workforce looking for an exit. Employers who assume rising unemployment has given them leverage are misreading the market.



The section about AI:
Because no report in 2026 is complete without one

AI is changing jobs not creating them

No labour market report in 2026 would be complete without mentioning AI.

The more interesting question though is: does the hype match reality?

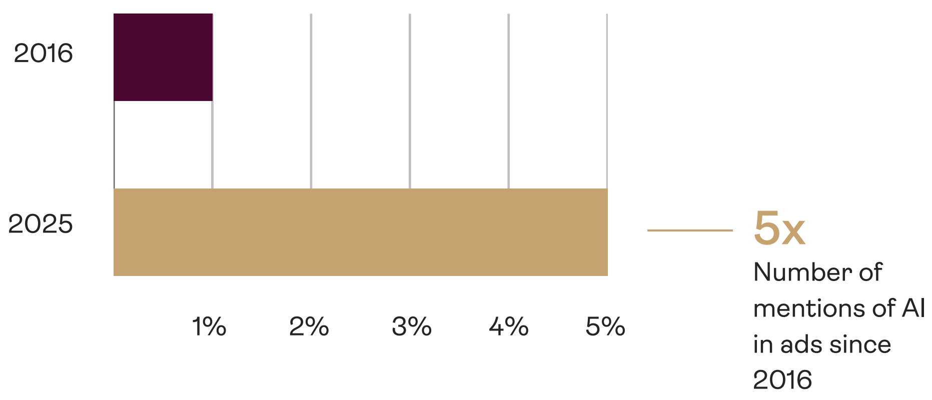
The answer, at least for now, is not entirely.

Roles dedicated entirely to AI still represent only a small share of total job advertisements. SEEK's AI Gauge, which measures the mention of AI-related knowledge and skills in job ads, showed that mentions have almost tripled since 2019. Therefore the broader shift is that more roles are beginning to include AI-related skills or responsibilities within otherwise traditional job descriptions, rather than creating AI-centric roles.

This shows that AI is not transforming the labour market at grand scale just yet. It is changing hiring demand, but not necessarily in the dramatic, all-consuming way the AI hype cycle would suggest.

Growth in mentions of AI-related skills in Marketing and Communications ads

Source: The SEEK AI Gauge: Australia, February 2026



Some organisations are also repositioning existing roles to capitalise on the rise of an AI-skilled workforce.

We're seeing a shift where existing roles are being reframed through an AI lens. Data, software, marketing and content roles are increasingly being advertised with AI-related language, even where the core responsibilities remain familiar.

For employers, this can be an effective way to attract future-focused talent, but only if the role genuinely offers the AI exposure or capability-building being promised.

Same role, new title

Below are the most common roles that mentioned AI-related skills for both 2016 and 2025. While responsibilities were broadly the same, employers are reshaping titles to match AI adoption trends.

Source: The SEEK AI Gauge: Australia, February 2026

2016	2025
Data Analyst	AI Engineer
Software Engineer	Machine Learning Engineer
Data Engineer	Automation Engineer

How AI is playing out in Canberra

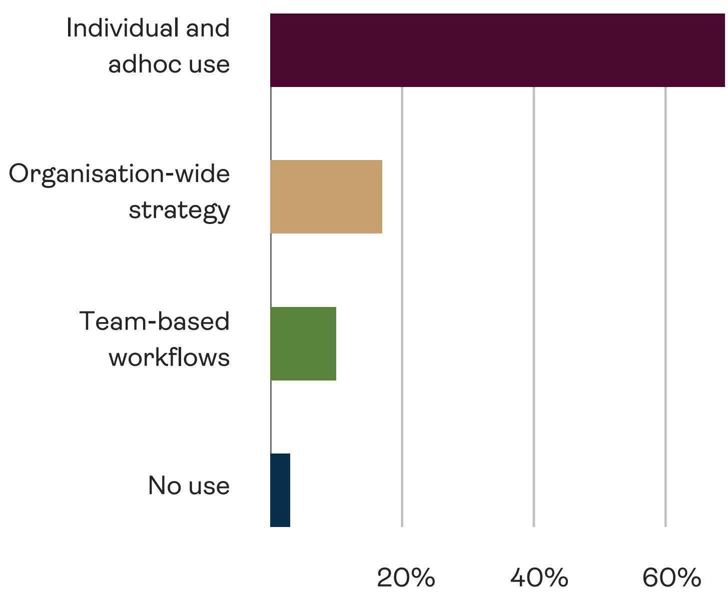
In Canberra, the biggest opportunities are unlikely to be in AI itself. They will be in the capabilities surrounding it. Governance, risk, policy, procurement, cyber security and data management have become ever-more important as organisations work out how to use AI safely and responsibly.

The Federal Government's decision to appoint Chief AI Officers across agencies reflects a growing focus on oversight and accountability as AI adoption accelerates.

Our own polling points to why this may be necessary. While 69% of respondents reported using AI in an individual and adhoc way, only 17% said their organisation had implemented it through a formal strategy. For many organisations, AI use appears to be occurring at the individual level well before it is being addressed at the business level.

AI adoption in Canberra organisations

Source: HorizonOne internal survey data

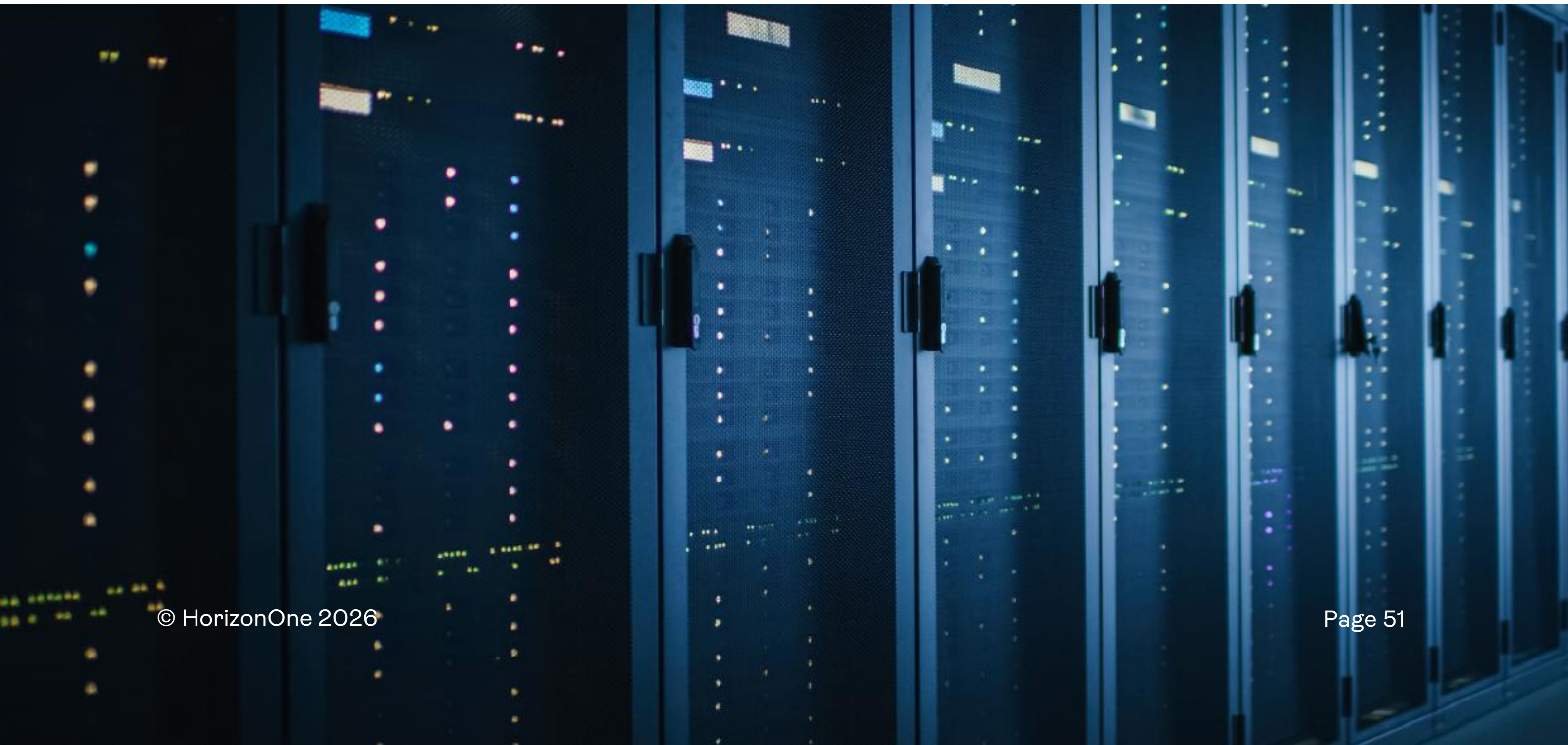


There is also a more physical side to the AI story. AI adoption depends on the infrastructure that supports it, particularly data centres and the people needed to build, operate and secure them. SEEK's AI Gauge notes that data centre-related roles rose sharply in 2025, spanning IT, construction, site management, electrical, HVAC, security and operational support roles.

+37.2%
Rise in data centre related jobs since January 2019

Canberra is already feeling this. CDC Data Centres operates multiple campuses across the south of the city, with further development in the pipeline, and Australian Data Centres has recently expanded its local footprint with an operational campus in Fyshwick. That investment is growing, and with it, demand for the people who build, run and protect these facilities.

For local employers, AI-related demand will extend beyond AI specialists and increase competition for cyber, infrastructure, technical trades, facilities and project delivery capability.



The short term gain, long term pain of AI-powered replacements

The future workforce implications of AI adoption are perhaps the most important discussion.

With many of the tasks traditionally performed by graduates and junior employees now being automated, the big question is: how will the next generation of talent develop the skills to be tomorrow's industry leaders?

While removing lower-level administrative work obviously creates short term efficiencies, this has long been the stage in a person's career where they:

- Learn judgement
- Build professional instincts
- Develop client skills
- Gain practical experience under supervision

So, before we race to optimise every task, we need to think very carefully about where the next generation will gain experience.

Entry-level jobs no longer equal entry-level expectations

> PwC found that junior roles with high exposure to replacement by AI, are 7x more likely to require senior-style skills, such as judgement, leadership and stakeholder management — skills usually developed through experience.
>
> **PwC**
> 2026 Global AI Jobs Barometer

This is not an argument against AI adoption.

Organisations that fail to embrace new technologies risk being outpaced by those that do. The challenge is ensuring productivity gains today do not come at the expense of capability development tomorrow.

Businesses that can strike this balance will be better placed to build the expertise and leadership pipelines needed for long term success.

Productivity gains from AI are immediate. The cost to capability pipelines will take years to show up, and longer still to fix.

Organisations need to plan for both, and they need to start now.

How to secure top talent:

Five ways to improve hiring outcomes in 2026

A cautious market rewards disciplined hiring

When application volume is high, discipline and consistency become even more critical. Recruitment needs to be treated as a strategic process rather than an administrative task, so strong candidates are identified rather than lost in the noise.

With this in mind, here are five ways employers can improve hiring outcomes in the current market:

1. Don't fight AI with AI

HorizonOne's data shows applications up 12.6% over the past year while shortlisted candidates fell 42.1%. Much of this is driven by AI-generated applications that look professional and pass keyword screening but do not reflect genuine suitability. Automated screening tools share the same weakness because they match keywords, not capability. Time invested earlier in the process, yields returns tenfold closer to the end.

2. Know what you're competing with

Compensation and flexibility are the two strongest motivators for Canberra job seekers, but the market isn't homogeneous and you need to know what matters to your audience. If your organisation cannot compete on salary, be clear about what else makes the role attractive – be it meaningful work, career growth, stability or culture.

3. Make the opportunity feel worth the move

Across Australia, median role tenure is approaching two years, and half of professionals say they would stay in a job for three to five years before considering a move. The default position for most candidates is not "looking", it is "open, if the opportunity is good enough." With the general uncertainty in both the economy and the job market, people are asking themselves if the risk of a move right now is worth it. A basic job description won't cut it for them. Be specific about the work, the team, the development opportunity, and why this role is worth the disruption of a move.

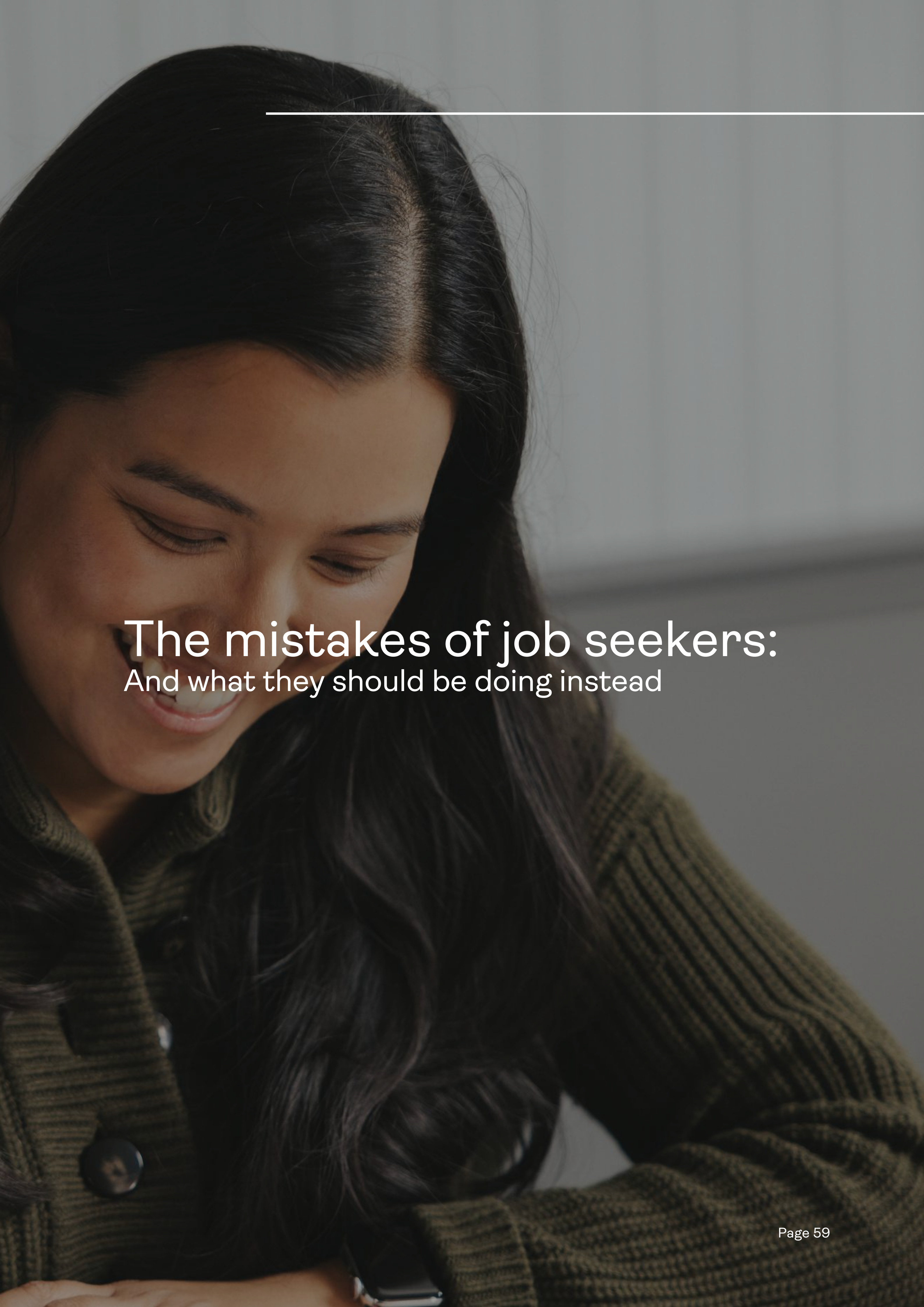
4. Act with purpose once you've found the right person

Our interview-to-placement conversion rate rose to 70.9% over the past year, which means that once the right candidates are in the room, hiring is working. The failure point is the time it takes to get there. In a market where skilled candidates are still fielding multiple offers, a two-week delay between interview and decision is often enough to lose out. If you think you've found the one, then don't hesitate – waiting around for unicorns is how organisations miss out on the person they need.

5. Treat the hiring experience as part of your employer brand

Lack of feedback is one of the biggest frustrations for job seekers. Give timely updates and be respectful of interactions, as this can influence whether a candidate accepts an offer or considers your organisation in the future.

In this market, the organisations securing the best people consistently know exactly what they need before they start, can articulate a compelling reason to join, and make decisions quickly. Everything else is noise.



The mistakes of job seekers:
And what they should be doing instead

Move with intent

The labour market may be more competitive, but that does not justify taking a scattergun approach.

In the current environment, thoughtful career moves are likely to produce better outcomes than simply increasing application volume. It's said a lot, but it doesn't mean it isn't true: Canberra is small and everyone knows everyone. When your name is in every hiring manager's inbox, you're unlikely to be taken seriously.

The candidates gaining traction in today's market are doing these five things well:

1. Know why you're moving

Understand what you are moving towards, not what you want to move away from. Whether the priority is pay, flexibility, career growth or more stability, this clarity will help you evaluate opportunities and communicate your motivations more effectively.

2. Focus on quality over quantity

Remember that while applications have increased, shortlisting rates have fallen. Tailored applications that quickly demonstrate relevant capability and interest are more likely to stand out. We'd be naive to explicitly advise you against using AI to prepare your application, but make sure that it's used to refine and draft rather than replacing the parts which make you unique.

3. Learn to tell your transferable skills story

With skills shortages persisting, employers are increasingly looking beyond direct experience. Make an effort to show how previous experience applies to a new role, as this may help you outperform those who are relying solely on matching job titles or technical skills.

4. Be prepared for a longer process

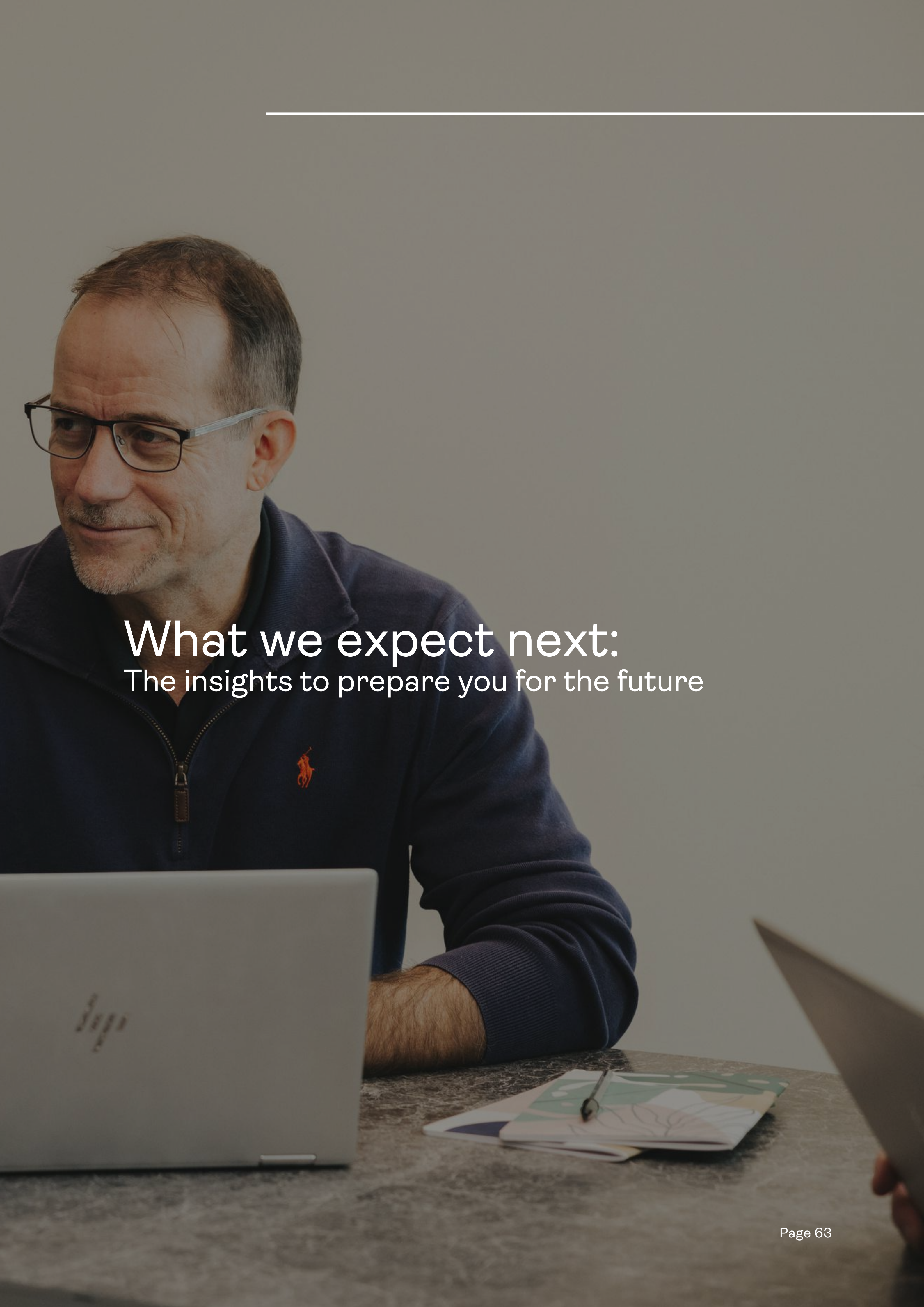
Because employers are more cautious, extended interview stages and rigorous assessments are common. These delays don't always mean you're out of the race.

5. Choose opportunities that match your appetite for risk

Permanent, contract and consulting roles each have their pros and cons. Think carefully about what matters most to you: stability, flexibility, variety of work, location, earning potential, and so on. The right opportunity is not always the highest paying one.

Application volumes are up across Australia while the number of people progressing have fallen sharply. The candidates gaining traction are the ones who have put in the work.

In a market full of AI-generated noise, a considered and specific approach is a genuine differentiator.



What we expect next:

The insights to prepare you for the future

A selective, deliberate and complex labour market

What has become clear over the past 12 months is that many of the assumptions that have held true in recent times no longer apply.

With this in mind, these are the five developments we expect to define the next phase of the Canberra labour market:

1. Conditions will not get easier for some time

Hiring confidence will remain subdued, but demand will not disappear. Workforce shortages, policy-driven investment and sector-specific growth will continue to create opportunities, albeit in pockets rather than across the board. At the same time, rising application volumes will not make hiring easier. Suitability will remain the real constraint, and employers who assume more applications mean better choice will be disappointed. The organisations and job seekers who perform best will be those prepared for a market that remains cautious, competitive and uneven.

2. Contracting will reassert its role in the Canberra market

Despite the government's overt agenda, hourly rate contracting has increased significantly. There are a few signs this will reverse in the short term, but contracting will remain a key part of Canberra's landscape in the long term. Agencies will continue to face competing pressures as they attempt to control permanent headcount while delivering complex programs of work. As a result, targeted engagement of specialist contractors will continue to hold an important place in Canberra's labour market.

3. AI literacy will matter long before specialist AI roles dominate hiring

The next phase of AI adoption won’t be defined by large numbers of dedicated AI roles. Instead, employers will expect workers to understand how to use AI to support business goals around productivity, decision support, and service delivery within existing roles. AI capability will become a foundational skill in many professions.

4. Employers that understand candidates will outperform those that don't

What matters to job seekers is constantly changing. Organisations that follow these fluctuations, and understand what candidates value now, will gain a distinct advantage in attracting and securing talent. Employers who assume higher unemployment figures will do the work for them will be caught off guard.

5. Security clearances will become a growth constraint

Demand for security cleared professionals is rising faster than clearances can be processed. Employers will increasingly face a choice between waiting for already-cleared talent, engaging people before clearances are finalised, or delaying work. Clearance status is becoming less of an administrative consideration and more a national security issue, as agencies face increasing operational demands.

The rules of this market have changed. Most recruitment processes haven't.

Applications are up, shortlisting rates have collapsed, and the candidates most organisations need are not the ones applying in volume. Workforce restructuring is reshaping where permanent roles exist. AI is quietly eroding the entry-level pipeline that builds tomorrow's leaders.

These are not trends you can effectively respond to with the same tired old recruitment process.

HorizonOne has been placing professionals across the Australian market since 2008. We work with federal and ACT government agencies, private sector organisations, consulting firms, corporates and specialist non-government organisations across technology, policy, procurement, program management, accounting and finance, HR, legal, executive search and scribing.

What sets us apart is not just who we work with. It is what we see. We know which parts of the market are quietly growing while others announce restraint. We know where specialist and cleared candidate pools are tightest, what it takes to move someone out of a role they are comfortable in, and what a competitive offer looks like in 2026. We know what process failures are costing organisations the candidates they want most.

If your hiring, or job search, isn't producing the results it should, we can tell you why, and we can fix it.

HorizonOne

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