

Q2 2024 employment market trends

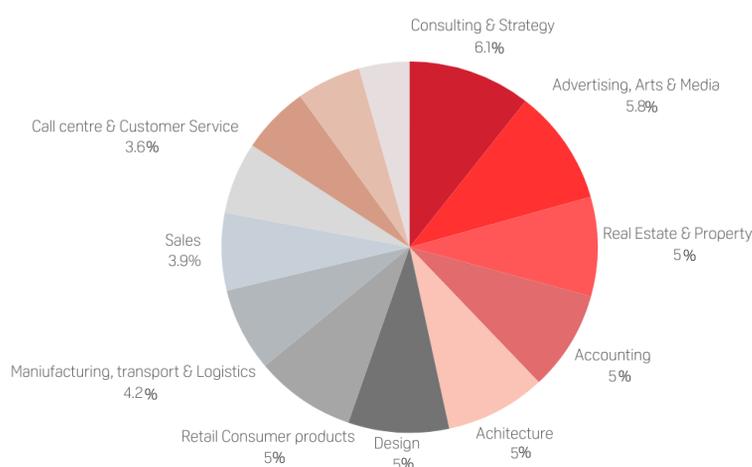
Oct - Dec 2023

The 2023 Australian job market defied uncertainties, maintaining stability despite challenges like inflation and high-interest rates. With a low unemployment rate of 3.8%*, notably below the OECD average of 4.8%, Australia showcased economic resilience and historic strength. 2023 saw tight labour supply with extensive skill shortages and continuing low productivity growth. However, the wages price index showed an overall 4% increase**, the highest annual WPI growth recorded since March 2009.

2023 ended with a robust job market and showed more settled signs as inflationary pressures were reducing. This meant businesses were able to breathe a little easier and shift their strategies from reactionary to pro-activity but *what's in store for 2024?* No doubt the landscape will be dynamic shaped by evolving economic conditions, technological advancements, and shifting workplace dynamics but the major prediction is that there will be a softening of the available jobs in the market.

Source: *ABS Labour Force, **Wage Price Index '23

mme's 2023 Salary growth by core sectors



Market insight:

It's no surprise given the economic upheaval of 2023 resulted in a weakening labour market, NSW online job adverts decreasing by 11.5%* and 9%* nationally, for the year. It is expected the first half of 2024 will see the job slowdown continue however, late 2024 into 2025 and 2026 it is projected to regain. The National Skill Commission has reported HealthCare and Social Assistance, Professional, Scientific and Tech Services, Education and Training, and Accommodation and Food Services will provide more than three-fifths** of the total projected employment growth by 2026. As for remuneration, the RBA anticipates Wage Price Index growth will slow from the 4% in Dec 2023 to 3.7% by the end of 2024**

Projected growth:

Overall, economists reported that the economy remained in 'relatively good shape' at the conclusion of 2023. However, life in 2023 (for some) felt recession-like as Australians faced more interest rate hikes, a rising tax bill and a still-increasing cost of living that again outpaced wage growth. Unemployment is under the microscope with experts predicting close to a half a percentage point rise. In 2024 the RBA will remain committed to keeping inflation low, returning inflation to target and avoiding too much of an increase in unemployment. Going into 2024 the Internet Vacancy Index indicated the labour market is "holding steady" with the number of Internet vacancies remaining at relatively high levels.

In terms of expansion, the projected top 5 industries with the fastest 2024 growth are anticipated to be Healthcare, Renewable Energy, Technology, Tourism, and Education & Training. Additionally, the Finance & Insurance Services sector is expected to be the leader in revenue growth, forecasted at a 9.5%* yoy increase.

Source: *IBISWorld Growth 2024

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Trends:

Understanding the skills poised for high demand in the upcoming year is crucial for both employers and employees. Business leaders leverage insights to craft strategies for attraction and retention, informing internal training initiatives to ensure teams are appropriately up-skilled.

In 2023, the skills market stayed highly competitive, with 56%* of employers reported recruitment difficulty in November, 40% of which reported an escalation. This prompted businesses to adopt skills-based hiring models, broadening their talent networks to secure the necessary expertise. The skill supply and demand imbalance will persist through 2024.

The job titles with specific hard or technical skills at the top of the supply and demand discrepancy are:

HR professionals: HR Business Partners, Employee/Workplace Relations Specialists and Managers
Finance: Technical Financial Accountants, Management Accountants and AR/AP. **Banking and Insurance:** Compliance, Regulatory Change, Privacy Risk assessment. **Cyber security:** Claims and incident response workers. **Sales:** Business Development/ Account Managers and Sales Engineers. **Office Support:** EA/PA, and Admin. **Customer Service:** Call Centre and CX representatives.

*Jobs and Skills Australia,

REASONS FOR RECRUITMENT DIFFICULTY



The Job Seeker profile:

Current job seekers prioritise opportunities that offer hybrid flexibility, alignment with company values, emphasise purpose-driven goals and demonstrate a commitment to continuous learning and diversity.

Remuneration: Salaries continue to be in hot contention in attraction and retention. Job seekers are less and less negotiable as the cost of living pressures continue.

Collaborative Culture: Open communication, team-centric environment and where diverse perspectives are welcomed.

Meaningful Impact: Sustainability initiatives, social responsibility, creating positive change are the clear winners in application motivation.

Stability: A crucial factor is job security. Companies and industries that demonstrate stability are preferred.

mme's local expert opinion:

December was a busy month for us, marked by our highest number of placements since June! This positive momentum continues as our clients express optimism about the future and plan to keep hiring throughout the quarter. Great news for job seekers as ample opportunities are available and top talent remains in high demand. While industry average hiring times may be longer, *it's a reminder that quality takes time*. On the candidate side, some are opting out of environments that feel less than ideal. Did on-boarding fall short? Is the workplace culture misaligned? Job seekers are making their voices heard by actively searching for new opportunities – and that's a positive sign for a healthy job market. For us, our efficient recruitment strategies are yielding strong results. Our average time to hire is a quick 38 days, compared to the industry standard of 63 days, and we're finding success through our existing connections. This means we may already have the perfect match for your job, boss, and culture.



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