



employment market trends

Jan-Mar Quarter, 2023

The March quarter highlighted a low appetite for financial risk among job seekers resulting in a reluctance to transition to new positions. Concerns of economic uncertainty are believed to be the primary reason why many individuals hesitate to leave their current jobs. Much like the December quarter, the March quarter followed suit with a low unemployment rate sitting at 3.5% nationally and for the Northern Beaches it was reported at 2.3%*. The ABS has reported a stronger increase in hours worked and noted the most recent net employment growth recorded was in full-time employment. As of March, 70.1%* of the workforce are in full time employment, up from 68.2% pre-pandemic. This increase begs the question: Is the cost of living and household financial pressures fuelling this upward trend?

Source: *ABS, Labor Force Australia, MAR 23

SEEK Advertised Salary Index

YEARLY CHANGE

↑4.7%
MAR 2022 TO MAR 2023

Market demand:

The demand for labour was still strong and is contributing to advertised salary growth, with SEEK reporting advertised salaries up 4.7%** over the year to March. Talent is still scarce and impacting wage growth. For sectors experiencing the labour market shortage, employees are more likely to bargain for pay rises and organisations are needing to create a compelling employee experience to attract new talent. Additionally, certain industries such as healthcare, information technology, and logistics saw higher demand for skilled professionals

Projected growth:

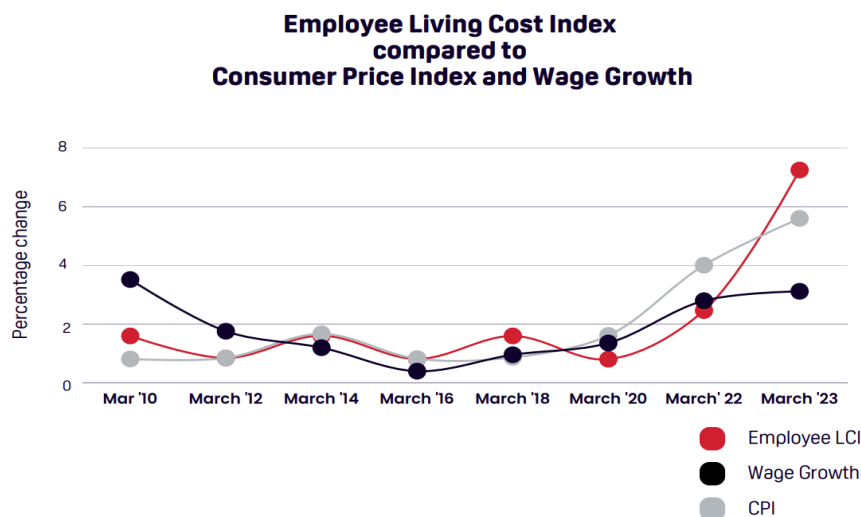
For the latter part of 2023 **“The rise of the temporary and contract worker”** is the whisper in the market. The impact of the current economic climate and uncertainty has resulted in businesses finding value in temporary workforce solutions. Hiring contractors or temps enable a flexible workforce that can adapt to changing needs amidst market fluctuations and provides an opportunity to engage highly skilled talent for specialised projects. The availability of candidates seeking temporary and contract work has risen, the influx of Working Holiday Visas and increased allowance of skilled migrants will support this as a viable option for businesses. In addition, career contractors who previously opted for permanent work due to job security are now returning to contracting for the flexibility it offers and higher wages than permanent roles.

Source: **SEEK advertised Salary index, MAR 2023

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Trends:

Salary growth has slowed however, candidate expectations remain high. Drivers behind these expectations are cost-of-living pressures. More than a third of organisations are reporting increased staff turnover with voluntary attrition rising to its highest point in five years**. In response, HR leaders say their top priority is improving their total rewards package. To include flexibility, leave, well-being programs and corporate discounts plus communicating the non-salary benefits on offer to staff is becoming an increasingly critical part of the retention toolkit. Salary movement continues to be a trending topic and for Q3 2023, we saw the biggest increase in junior candidates with highly sought-after skills who are currently being underpaid in a different sector. Mme's time to hire for Q3 hires was sitting at an 17 day average* across entry, mid-level and senior levels and this is projected to improve further in Q4, as budgets are spent and decisions made for the new financial year, something we consistently see in year on year data.



Graph Source: ABS Selected livings costs Australia, MAR 223 NB: March 2023 based on RBA estimation.



The Job Seeker profile:

Due to the current economic climate, job seekers are increasingly reaching out to recruiters for insights, reassurance, and added confidentiality. They are prioritising their monetary and lifestyle needs when considering potential employers. The Job Seeker is evolving but still, top considerations are;

Salary : Job seekers are needing a solid incentive to move. Financial pressures and economic uncertainty are the key drivers for an increase in remuneration.

Lifestyle: Companies that demonstrate key benefits that impact lifestyle are often favoured over companies offering low-value perks and the part-time market is buoyant.

Job Security: Stability and security are highly sought after, especially in uncertain economic times.

Expert Opinion:

As families adapt to the economic pressures, the Northern Beaches is seeing a rise in parents re-entering the workforce, albeit on a part time basis. This market is a skilled, capable and experienced talent pool and it will pay dividends for companies to consider how they can best capitalise on this emerging talent. Looking into restructuring roles to accommodate a 'family first' approach is an option to secure these newly available part timers, and as always, accommodating work from home flexibility for everyone.

Source: ** Salary trends Australia, 2023, *mme Bullhorn Placement data Jan - Mar 2023



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