

Q4 2024

PRECISION SOURCING

MARKET REPORT



by
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Let's start with the bad news.

Australia is already in a per capita recession.

What does this mean? It means that the average income or economic output per person in Australia is declining.

The RBA anticipates that the quarterly inflation rate will rise to 3.8% for the April-June period, up from 3.6% in the March quarter. The June quarter results will be released on July 31st, and many are anticipating the potential for another interest rate increase. Australians are feeling the pressure each day, as over 90% of contractors seek rate increases at extension, but unfortunately these requests are being rejected by most Australian companies.

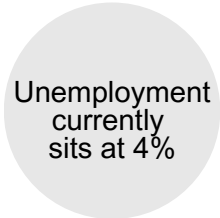


CURRENT MARKET NARRATIVE

As a business, Precision Sourcing experienced a decrease in vacancies of nearly 20% as businesses cautiously wrapped up the financial year. A recent survey we conducted with Australian CTO / CIO's reflected a cautious FY25 with capex loosely the same as FY24. Unemployment currently sits at 4%, up slightly on last quarter's 3.8% but still tracking at a historical low.

Now for some good news. Vacancies increased this quarter by 8%, compared to Q423.

Precision Sourcing enjoyed its best quarter of FY24 in terms of EBIT performance so there is some positivity to report. There is however no getting away from the fact that the technology and data sector have been considerably affected in the last 18 months with a slow steady decline occurring since early 2023.



Have we reached the bottom yet? Are we bouncing along the bottom?

What we are experiencing depends on the market we operate within.

Data and project services have been considerably impacted alongside the software development market.

The architecture, security and SAP space have remained resolute with some impact but less so compared to other markets.

How long will this current market downturn last?

I am not an economist and tend to look at life via a glass half full lens. I have worked in the tech recruitment space for 25 years experiencing the GFC, the economic impact of the September 11 attacks, the dotcom bubble and most recently, COVID.

What I can tell you is this:

- The technology and data sector are facing significant short-term challenges.
- Mid to long term the sector is well set to bounce back strongly.
- Australia is perfectly placed to take advantage of the shift to renewable energy whilst also taking advantage of the ever-present demand for our natural resources.

Tips for candidates:

If you are on the market right now demand face to face interviews. Now is not the time to be hiding behind screens. Face-to-face interactions build stronger impressions and trust.

Tips for clients:

If you are hiring right now don't get complacent with your process.

- Unemployment remains at a historically low rate and although more candidates are on the market they may not necessarily be at the level you are looking for.
- Therefore, implement a slick and dynamic hiring process that aims to impress and showcase your business as one that knows what it's doing.
- Great talent is reluctant to move right now and more willing to stay where they are than risking a move.
- If you want to attract talent, start by impressing them at the very first stage.

HYBRID WORKING UPDATE

Most organisations are adopting a hybrid model of two to three days in the office being the norm now. Some CTOs are struggling with companywide policies to mandate full-time returns to the office which are not helping retention or attraction of tech talent.

Q4 DATA MARKET REPORT

There is a more positive sentiment on the market compared to last quarter. We have seen a strong uptick in day rate contract roles and consultancies winning projects which are the early indicators of a rebound. You can read the full Q4 data market report [here](#).

Q4 SAP MARKET REPORT

The SAP market has experienced a stop/start period over the past quarter, characterised by intent among hiring managers coupled with a hesitancy from sign off approvals and the people in charge of the pennies. You can read the full Q4 sap market report [here](#).

Q4 TECHNOLOGY MARKET REPORT

Hiring activity has been notably subdued as clients shift their focus towards planning for the upcoming financial year, resulting in a challenging environment for candidates. You can read the full Q4 technology market report [here](#).

Thank you for reviewing the Precision Sourcing Q4 Overall Market Report. We welcome any questions, comments, or feedback. Your input is invaluable as we work to improve our resources for the industry.



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