

Q1 2025

# PRECISION SOURCING

MARKET REPORT



by  
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*As Managing Director of one of Australia's leading technology and data recruitment firms, I can confidently say that Q1 was a game of two halves.*

The quarter began sluggishly, with vacancies remaining stubbornly low and client sentiment subdued across all sectors. Optimism was in short supply, and hiring decisions were cautious, reflecting broader market uncertainty.

However, the second half of the quarter marked a dramatic turnaround—a complete 180. We saw a surge in vacancies and a renewed sense of confidence among employers, particularly in the technology sector.

- **Why?**

Living in Australia it is difficult to ignore the role the US economy plays in affecting our economic world down under.

#### **What's going on in the US?**

- **Inflation continues to trend down, slowly**
- **Unemployment came down – on average, unemployment remains low. The U.S. economy added 254,000 jobs in September 2024, and the unemployment rate fell to 4.1%**
- **Rates were cut - in September, the Federal Funds rate was cut by 0.5% to a range of 4.75% to 5%, following Monetary Policy easing in many other jurisdictions.**

The technology sector, despite the boom in all things related to AI, has also seen flat employment. The vast majority of employment growth has been concentrated in three sectors – Healthcare, Government and Leisure and Hospitality. It is natural to assume that the positive news coming out of the US can only have a promising knock on effect in Australia.

The Reserve Bank of Australia (RBA) remains an outlier, keeping the cash rate steady. It is worth noting that cash rates in Australia did not increase to the extent they did in the U.S. with the current rate of 4.35% still below the current U.S. Federal Funds rate.

## Positive Signs:

### AUSTRALIAN JOB MARKET RECOVERY

The good news is that the overall Australian job market showed encouraging signs of recovery and momentum.

- Job advertisements increased by 1.3% in September 2024, according to the latest data from the Jobs and Skills Australia Internet Vacancy Index (IVI), bringing total national vacancies to 232,600. This marks the second consecutive month of growth, following August's robust 4.8% rise.
- The SEEK September Employment Report reinforces this positive outlook, with job ads rising for the third consecutive month—up 0.5%.
- This is the first time since May 2022 that we've seen sustained growth over three months, signalling renewed employer confidence across industries, including the technology sector.

## Indicators of Economic Recovery:

### INFLATION, UNEMPLOYMENT, AND PERMANENT VACANCIES

The signs are positive, as early indicators of recovery are showing typical signs of improvement.

- Inflation has come down to 2.7% for August, from 3.5% in July. The dip below 3% puts the monthly measure of annual inflation back within the RBA's target band of 2-3% for the first time since August 2021.
- Unemployment has increased over the last 12 months and now stabilized.
- We are also seeing a trend back towards permanent vacancies, indicating more confidence in the market and the direction businesses believe we are heading.

## Future Outlook:

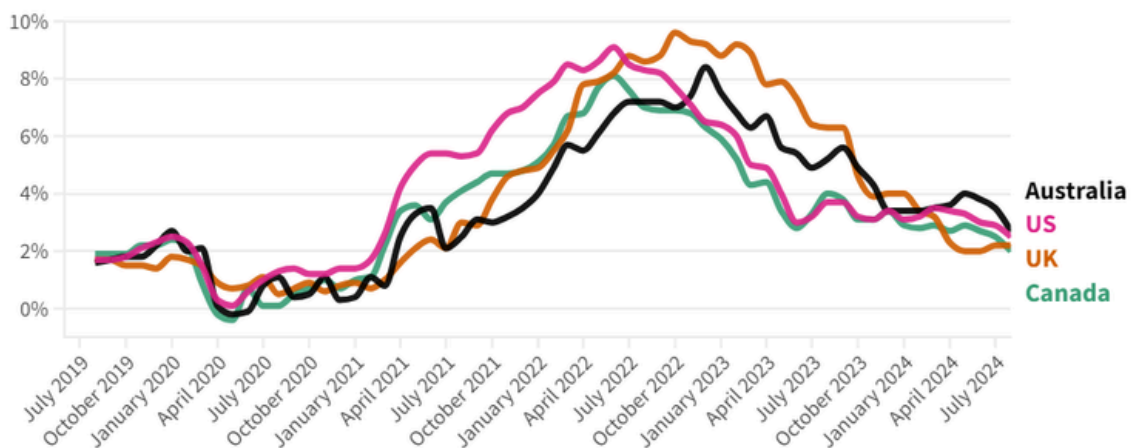
### POSITIVE MOMENTUM FOR 2025

With a potential rate cut expected to come from the RBA in early 2025 we have every reason to be feeling positive.

- As an optimist by nature what matters is not whether conditions are good or bad, but whether conditions are changing for the better or worse relative to expectations.
- Our expectations are that we are through the worst in the technology and data sector, and it isn't unwise to expect to see a significant increase in activity and market conditions from April 2025 at the latest.

### Inflation down around the world

Rate of consumer price inflation in the previous 12 months, monthly to August 2024



## Q1 Data Market Report

How well set are we for another boom in the data tech market? That should be the question that hiring managers and executives are asking themselves. You can read the full Q1 data market report [here](#).

## Q1 SAP Market Report

The SAP market in certain areas is currently very client driven, a shift that many were keen to see happen. To some, this is a welcome adjustment to what was an unsustainable landscape of soaring salaries, rate increases and constant movement of SAP resources between SI partners in the boom of 2022. You can read the full Q1 SAP market report [here](#).

## Q1 Technology Market Report

The first quarter of FY25 draws to a close and it is safe to say the technology sector experienced a mix of growth and challenges across the board. In the latter stages of the quarter, we started to sense that the market had shown signs of an uptick with job postings, candidates being contacted about opportunities, interviews and offers. You can read the full Q1 technology market report [here](#).

Thank you for reviewing the Precision Sourcing Q1 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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