



Q1 OVERALL TECHNOLOGY MARKET REPORT 2024



OVERVIEW

Q1 was the first quarter where we really noticed the impact of 14 interest rate rises on the Australian economy. There has been a lot of news focused on the will we, won't we have a recession but fundamentally what we have experienced across the technology and data sector is a significant decrease in vacancies in Q1. Economists are largely on the same page reporting that a downturn of some sort is coming, we believe it is here, within technology and data.

The challenge we face as recruiters is twofold:

- 1) Less vacancies
- 2) Less high-quality candidates

Unemployment still sits at historic lows (3.7%) and due to the negative economic narrative people are quite rightly cautious about changing jobs with a 'better the devil you know' approach.

Immigration is at record levels with over 450,000 people entering Australia in the last 12 months and this is having a positive effect both on the economy, as well as candidate pipelines.

The short-term outlook is certainly challenging however the medium to long term outlook is positive and we have a lot to be excited about here in Australia. China is working through its own economic difficulties however we expect them to again rely on Australia's amazing natural resources including iron ore. As the world's biggest producer of lithium, Australia is perfectly positioned to ride the wave of a shift to renewables and make an impact across the likes of solar, wind and hydrogen.

It is easy to forget that living in a democracy with a stable government isn't a given for many countries and it isn't just the Australian climate we should be grateful for. Based on client feedback and sentiment, we expect the current challenges for the technology and data sector to be short lived with pre COVID hiring levels set to return in 2024.

From a candidate perspective, the insane counteroffer and 'take your pick' of potential new jobs is certainly over. This does not mean it is now a client driven market and that employers can expect to find a line of people ready to join their business. Yes, your SEEK adverts, like ours, will receive more responses, but do not expect the quality to be necessarily there. Great people are working for great businesses and to move in the current climate requires more than an advert on SEEK.

The fundamentals of what is important to candidates hasn't changed:

- 1) Autonomy
- 2) Development
- 3) Purpose

Of course, we want to be paid a 'fair wicket' more than ever now, so that we can pay our mortgages and highly inflated rent and petrol.

How employers are responding to the economic challenges and the new demand on employees is the interesting part. Mandated 5, 4, 3 day returns to the office are playing out as employers wrestle to win back some form of equilibrium and control. Finding some common ground and understanding as to what is important for employees whilst serving the business need, is imperative moving forward.

What should employers be doing?

If you are hiring, then now is the time to brush up on your story telling skills. Where is the business going, what is the vision, what are the challenges, how do you plan to overcome these hurdles and what part can the person in front of you play? How are you navigating and differentiating in the current market, what are your USP's, how do you lead and develop people? The best candidates are nervous about making a move and they are looking for security and to reduce risk.

What should candidates be doing?

Jumping on our monthly '[Job Hunt Tool Kit](#)' session. If you are thinking about a move in the next 6 months or want to be proactive then it will be the most valuable \$10 you ever spend (all proceeds go to our partner the [Black Dog Institute](#)). We had a call this week from someone who attended a session a couple of months ago. They had been on the market for 5 months and some of what they were taught in that 1 hour session enabled them to pivot and secure their dream job. They have offered to put \$500 behind the bar for our Christmas party due to the impact that \$10 webinar had on their career. Of course, we politely declined as recruiters aren't drinkers.

MARKET INSIGHTS

SAP Market Insight

We have seen a real shift back to a contract focused market in SAP. There is a lot of noise around S4 transformations and a significant number of programs in the pipeline for 2024. The concern is that a number of delayed projects and pent-up demand could see a high volume of SAP programs running at the same time and then a 'war for talent' in the SAP space throughout 2024.

Good news for SAP candidates.

You can read the full SAP market overview [here](#).

Project Services Market Insight

This is the market that we have found impacted the most. Clients are collectively 'kicking the can down the road' and digital transformations are either on hold or very much focused on 2024 for now. We have seen the Business Analysis and Project Management space as probably the most active part of the project services pillar, but overall vacancies are down 38% compared to Q1 2023. The sense is that employers have over hired in recent years and they have made the necessary cut backs in this area.

You can read the full Project Services market report [here](#).

Software Engineering & Cloud

We have found the startup, VC and mid-market impacted the most in Q1 with vacancies declining by over 40%. This is also the market where we have experienced the most frustration around client expectations. Vacancies have become unicorn wish lists with at times an unrealistic bar set.

You can read the full Software Engineering & Cloud market report [here](#).

Data Market

The data market held up well in Q1 and we experienced a slight rally in the second part of the quarter. The negative for candidates is rates and salaries reduced slightly with an 8% decrease in permanent salaries and 14% decrease in contract rates when comparing the same time last year. Overall the data market is well set and deeply embedded as a necessity for many employers therefore we expect 2024 to once again be fruitful for the world of data.

You can read the full Data market report [here](#).