

Tuesday 22 January 2018

Finance job opportunities drop nearly 10% in wake of Royal Commission

Key points

- The Sunsuper Australian Job Index (formerly the Kinetic Super Job Index) rose 2.1% in trend terms to 119.44 in the December quarter.
- All the recent momentum has been in the permanent job market – rising 11.4% over the last 12 months.
- Contingent demand (temporary and contract jobs) has been surprisingly sluggish slipping 0.3% year-on-year.
- Full-time work rose 6.5% on an annual basis and part-time rose an impressive 20.2%.
- Demand for community and personal service workers rose a massive 30.6% last year.
- Twelve successive monthly rises saw demand in healthcare and social services expand 34.2%.
- The Royal Commission appears to have impacted career opportunities in financial services, with demand shrinking 9.6% year-on-year.
- VIC/TAS index rose every month in 2018 to end the year on a record high of 138.92, the highest regional index.

The latest Sunsuper Australian Job Index has today revealed that over the last 12 months the permanent job market rose 11.4%, whereas contingent (temporary and contract) demand slipped 0.3%.

The weakest performing industry of 2018 was financial and insurance services which saw demand dropping 9.6% year-on-year.

The Sunsuper Australian Job Index is the first and only Australian jobs report to split data between permanent and contingent (i.e. temporary, fixed term contract and casual) job vacancies.

Sunsuper's Chief Economist Brian Parker said it comes as little surprise that financial services was the worst performing industry in 2018 when it came to employment demand.

"The Royal Commission and its aftermath seem to have an ongoing impact on employment demand and career opportunities in the sector," said Mr Parker. "The only comfort from these results is that demand started to stabilise in the last quarter of 2018 (growing 1.6%) suggesting that the worst may be over and some rebuilding may occur in the year ahead."

"Although contingent demand was up 1.3% in the last quarter of 2018, demand was particularly sluggish all of last year slipping 0.3% year-on-year. By comparison, contingent demand rose by more than 6% in 2016 and 2017.

"All the recent momentum has been in the permanent job market, with demand rising 1.7% in the December quarter contributing to an 11.4% rise over the last 12 months.

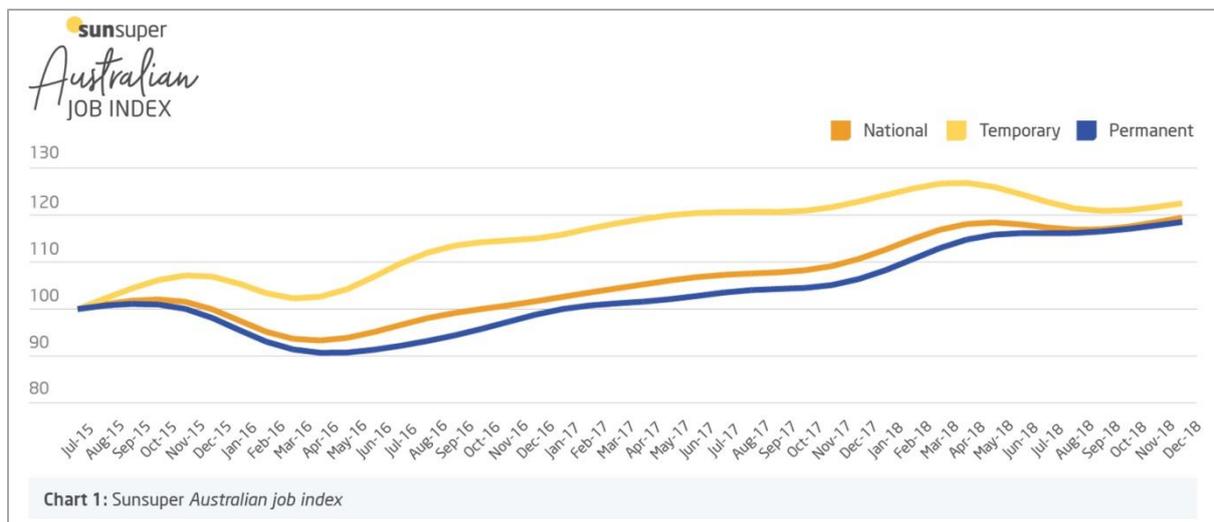
"Demand for clerical and administrative workers fell 2.4% in 2018 while demand for professionals rose 16.2%, indicating a gradual decline in more process orientated roles and replacement by more senior roles requiring higher skills.

“The standout performer for the year was undoubtedly healthcare and social assistance. Twelve successive monthly rises saw demand expand 34.2%.

“The Queensland market ended the year on a high. After a sluggish start to the year job vacancies rose 6.6% in the December quarter driving the index to a record high. The Queensland market is now more diversified and no longer dependent on tourism and construction.

“One of the more critical trends to observe is the lack of growth in job opportunities in Western Australia in 2018. Demand grew just 2.8%, a disappointing result given two previous years of strong recovery and, at least for the earlier part of the year, a strong mining and resources sector. The US/China trade dispute has damaged confidence in the sector and employment opportunities in Western Australia have suffered as a result. Western Australia has the highest unemployment in the country and these trends suggest another tough year ahead.

For a full copy of the report, visit www.sunsuper.com.au/australianjobindex



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About the Sunsuper Australian Job Index

The Sunsuper Australian Job Index measures and tracks digital job advertisements across more than 4,000 sources including job boards, employer career portals and recruitment company web sites.

Following on from the Fund’s merger with Kinetic Super in May 2018, Sunsuper took over the Kinetic Super Job Index Report. The Kinetic Super report previously only used contingent job data, whereas as the Sunsuper Australian Job Index now reports both permanent and contingent trends.