

Wednesday 30 October 2019

Australian contingent job vacancies records the highest rate in three years

Key points

- The *Sunsuper Australian Job Index* rose by 1.9% in trend terms in the September quarter and by 2.3% over the year to September.
- In the last year, contingent job opportunities have risen 14.6% while permanent jobs have fallen 2.3%, and for the first time since 2016, contingent vacancies represent more than 30% of all job advertisements.
- Construction vacancies have recovered strongly in 2019 up by a further 17.2% in the September quarter after a 18.2% gain in the June quarter.
- Growth in the mining industry has seen vacancies jump by 5.6% in the quarter and by 11.6% over the year to September.
- Industry disruption has had a considerable impact on the retail job market, but after four consecutive quarterly declines retail vacancies jumped by 13.9% in the September quarter.
- The strongest increases in total vacancies during the quarter were recorded in Tasmania up 8.8% and the Australian Capital Territory up 8.5%. Victoria recorded another solid gain (up 4.1%) while vacancies in New South Wales have been virtually flat for the past six months.

The latest *Sunsuper Australian Job Index* has today revealed that for the first time since 2016, contingent vacancies represent more than 30% of all job advertisements.

The Q3 *Sunsuper Australian Job Index* report also found that contingent job opportunities have risen a remarkable 14.6% while permanent jobs have continued to fall by 2.3% in the September quarter.

The year-to-date has been characterised by significant growth in contingent job opportunities. The rate of growth reached 4.8% in the last quarter and on an annual basis the rise is 14.6%.

Over the corresponding periods permanent job opportunities rose 1.3% in the September quarter but contracted by 2.3% from a year ago.

Sunsuper's Chief Economist Brian Parker said that there are two key dynamics potentially at play here.

"The first is that employers may be responding prudently to tighter business conditions by hiring temporary and contract staff rather than permanent head count just in case conditions deteriorate further.

"The second is a more general, longer-term trend both locally and internationally for employers to move towards contingent staffing solutions," said Mr Parker.

“The report also shows demand for professionals continues to grow steadily. The 2.5% gain over the September quarter represents the eighth consecutive quarterly gain. This occupational group represents the greatest number of job vacancies advertised on websites.

“The market has also been exceptionally strong for managerial (executive) positions rising over four successive quarters. The accumulated rise for the year of 14.9% is even higher than that of professionals at 9.2%.

Other industries to perform well are the mining, construction and utilities sector, which indicated the strongest signs of growth.

“In the September quarter this expansion was 7%, taking the annual rise to 14.1%. At a more granular level, construction vacancies have soared by 17.2% over the last quarter and 18.2% in the June quarter, after five quarters of decline,” said Mr Parker.

“The retail and wholesale sector are showing signs of significant change. Industry disruption has had a considerable impact of the retail job market. After four quarters where vacancies declined by an average of 10% per quarter, the September quarter saw some improvement with a rise of 10.6%, with retail vacancies alone rising by 13.9%.

“Retail sales figures since the end of the financial year suggest that income tax refunds had a relatively modest impact on spending, which perhaps makes the jump in vacancies somewhat surprising.”

Mr Parker also highlights that the national overview in job vacancies rose in all states and territories over the September quarter.

“Permanent job vacancies rose in all states except NSW, where permanent vacancies have declined for the third consecutive quarter.

“The strongest rise in permanent vacancies were in Tasmania (up 8.4%) the Australian Capital Territory (up 4.7%) and Western Australia (up 3.4%).”

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. For a full copy of the report, visit 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 Job Index Report. The Kinetic report previously only used contingent job data, whereas as the Sunsuper Australian Job Index now reports both permanent and contingent trends.