



2022 round-up & 2023 predictions

MARKET OVERVIEW

End of Year review and 2023 predictions

At the risk of sounding like a broken record...

We have found ourselves repeating the same thing over the last couple of years, and the end of 2022/start of 2023 is much the same: there is still an excess of jobs and a shortage of skilled candidates for tech jobs in Australia.

But, there has been an interesting shift...

A general round-up of the market as a whole:

Increasingly, candidates are looking at the holistic opportunity as opposed to making a quick dollar. They are thinking more about stability and the long-term prospects, asking questions about growth opportunities, how the tech stack or project scope will evolve and what financial backing the organisation has. We have also seen a big upswing among candidates having a preference for permanent, or at least long-term or fixed-term contracts.

Mass redundancies have affected the jobseeker's search criteria.

This shift has no doubt been prompted by the economic downturn in the US market and subsequent substantial layoffs being reported daily in the media. The impact of this is that the 'sexy' US-owned companies, unicorn-wannabes and high-risk/high-tech startups that were so attractive a year ago are now not snapping up quite such a high proportion of the talent as candidates become more risk averse. Most notable lay-offs have been Thoughtworks, Google, Salesforce, Meta, Microsoft, IBM and soon Atlassian are gearing up to follow suit. As of the 3rd of Feb, around 85,000 workers in tech have been made redundant in 2023, according to the headcount live tracker at [Layoffs.fyi](https://layoffs.fyi).

Obviously, those same layoffs have meant there is more talent available in the market, but this still hasn't narrowed the skill gap sufficiently. However, it does appear that candidates don't have quite so many offers to choose from and counter offers have dropped (perhaps because employers are more confident of being able to rehire) but it's still more competitive than the pre-pandemic situation. What has been a big positive is the impact this has had on hiring processes, with even the traditionally slow moving big corporates now moving much more quickly to lock down the top candidates. On top of that, attraction strategies have radically shifted with more sign-on bonuses (up by 264%, according to SEEK), flexible work options, and more focus on qualitative motivators such as the desire to work for a company with good ethics and corporate responsibility.

A promising start to 2023...

The interesting thing we have noticed is that despite all the doom and gloom in the media, we haven't yet seen anything slowing down in terms of hiring demand. We have had our busiest January & February ever across a variety of industries, primarily among the larger corporate organisations.

Superannuation and Insurance industry trends:

Transformation and organisational change is the hot topic across both industries. For most of our clients, 2023 is the year of operational efficiency & process improvement in the form of new systems, processes and a new operating model. This has resulted in more roles at the Change Manager, Project Manager and BA level, which has pushed up the rate expectations for contractors; this market remains contract driven over perm.

For many of our clients in 2021 and 2022, they were focused on company acquisitions and mergers, along with the de-merging/sale of their Super and Life businesses. That has led us to focus on integration and streamlining people, process, and systems in 2023.

No doubt the interest rate rise will affect how customers respond and the focus will be on more visibility and autonomy with their funds and policies and a greater level of control to make an informed decision. This will lead us to an increased need for a better digital presence and brings us to a world where customer experience (UX), human-centred design and omnichannel are essential.

Digital transformation and digital infrastructure upgrades will not be slowed even by an economic downturn and the need to move fast and fail quickly through the adoption of Agile practices, with many opting for a SAFe-scaled Agile approach.

Tech markets that are set to boom this year:

- We expect that 2023 will bring an increase in needs across Cyber Security off the back of the high-profile breaches in 2022. There will be a rise in Cyber-Security-As-A-Service as an attempt to navigate the talent shortages in this space.
- Data Governance is at the forefront of everyone's minds, not to mention regulatory obligations.
- 1st and 2nd line Risk is and will continue to be a high priority, particularly risk oversight and education of the business stakeholders and their obligation to manage risk - Risk/transformation professionals are in high demand, which has caused a salary spike.
- We also expect to see continued demand for automation across organisations.
- Machine learning will continue to be part and parcel of engineering strategies as we lean into the large amounts of data available to better inform customer strategies.
- With APRA's introduction of Operational Standard 230 on 1st Jan 24, it's all around business continuity and operational resilience, that will have a big impact on the roles required this year across:
 - Cyber
 - IT Disaster Recovery
 - Crisis Management
 - Business Continuity

As this demand will be financial services industry-wide, we may experience difficulties in sourcing candidates and an increase in salary expectations as a result.

Flexible working is still a key attraction strategy.

Whilst there does seem to be a noisy element in the media and industry calling for a return to the standard office setup. Flexibility is still a key requirement for most candidates but more are seeking the hybrid set-up than fully remote. Companies that have a looser policy of 2-3 days a week seem to be attracting more candidates. But a mandatory 3 days a week is less attractive to most.

Is the 4-day week coming?

Reports coming out of the UK tell of a resounding success. Over 33 companies and almost 1,000 employees have reported that they won't be returning to a 5-day-a-week setup. Certainly, if we in Australia adapted the same model, it would open up the market to the return-to-work mums (and dads!) and that could go some way to alleviating the tech skill shortage which could only be a positive. Not to mention the increase in productivity this could bring with better work/life balance.

A Salary Guide:

If the role you require is not here, please reach out for more information

SALARIES	
Head of/Senior Leader	\$220 - \$270k
Program Managers	\$220+
Change Manager/Senior	\$190k+ & \$170k+
PM/Senior	\$170k - \$190k +
BA/Senior	\$130k - \$160k+
Solution Architect	\$170k - \$190k +
Developer/Senior	\$120k - \$170k
Dev Leads	\$170k+
DevOps	\$160k+
Cloud Architect	\$180k+
Scrum Master/ Coach	\$180k+ - \$200k
CONTRACT RATES	
Program Managers	\$1,400 - \$1,700
Change Manager	\$1,100 - \$1,300
PM's	\$1,100 - \$1,300
BA's	\$900 - \$1,100
Solution Architect	\$1,100 - \$1,300
Developer	\$900 - \$1,100
QA Engineer	\$750 - \$900
DevOps	\$900 - \$1,100
Cloud Architect	\$1,000 - \$1,300
Scrum Master/ Coach	\$1,100 - \$1,300

**All contract rates are to the candidate directly
Payroll, oncosts & agency margin not included **