



Australian employer hiring plans remain modest; but 76% have no plans to alter workforces in the coming quarter

Manpower Employment Outlook Survey Q3 2015

AUSTRALIA (9 June 2015): Australia's hiring pace is expected to ease heading into quarter three, with fewer employers intending to add to their payrolls but with the vast majority of employers (76%) reporting no intention of making changes to their workforce in the coming three months. Only twelve per cent of employers are looking to hire, a nine percentage point drop quarter-on-quarter.

The Net Employment Outlook (NEO) for quarter three of +6% is a decrease of two percentage points quarter-on-quarter, and four percentage points year-on-year, and the forecast is generally weaker than hiring intentions across the rest of the Asia Pacific region.

Lincoln Crawley, Managing Director, ManpowerGroup ANZ, said the decrease in hiring intentions is not surprising.

"Australian employers are currently facing a number of challenges, least of all the slowing of the economy, which is driving uncertainty in the market. We have seen around a nine per cent increase in the number of employers making no changes; historically this figures sits in the mid-60s, so to see it at 76 per cent is disheartening.

"Australian employers are battening down the hatches, and to remain competitive they will need to address long-term workforce planning and embrace flexible working practices, in what is a challenging but promising economic environment," Mr Crawley said.

"If anything the shifting economy is a chance for business to seize new opportunities. As we are seeing in certain states, diversified economies are more buoyant, and it is this model when applied nationwide that will allow Australia's economy to remain globally competitive."

Nationally, employers in the Northern Territory recorded the largest fall in hiring intention quarter-on-quarter of 13 percentage points to record an NEO of +1%; the first time in three and a half years that the Territory's Outlook has dropped to below +11%. Employers in Perth also reported a considerable drop quarter-on-quarter of 11 percentage points, to record the only negative hiring intention of -6%.

"Activity in the Northern Territory has been driven by the oil and gas sector in recent months. Employers have most likely completed workforce planning in the lead up to activity, so it's no surprise to see the decrease in hiring intention," said Mr Crawley

Queensland employers have indicated the strongest hiring intention cross the country for the first time since 2005, recording a NEO of +9%, relatively stable quarter-on-quarter.

"We are seeing Queensland weather the shifts in the local economy better than other resource-heavy states. Queensland's diversified economy has provided options for employers and job seekers alike in the wake of the mining downturn. Where others have struggled due to reliance on a receding sector; Queensland has been able to make up ground due to its strengths in retail trade, transport and services," said Mr Crawley.

Employers in South Australia, Tasmania, the Australian Capital Territory all reported increases in hiring intention quarter-on-quarter. Those in South Australia and Tasmania recorded modest increases of one and three percentage points to record NEOs of +4% and +5%, respectively. The forecast in the Australian Capital Territory saw a considerable increase of 12 percentage points, as employers reported a NEO of +5%, its first positive hiring intention for 2015.

"Hiring in the ACT continues to be volatile due to ongoing governmental shifts. We saw deep cuts across the public sector in the not-too-distant past and continue to see hiring vary as a result of enduring workforce adjustments, including an increase in outsourced services," Mr Crawley concluded.

Both New South Wales and Victoria employers are heading into quarter three with conservative hiring intentions recording NEOs of +5% and +8%, down four and five percentage points respectively.

Across the board most sectors reported a decrease in hiring intention; with Finance, Insurance & Real Estate and Wholesale Trade & Retail Trade the only sectors reporting slight increases of one percentage point, to record NEOs of +19% and +2%, respectively.

“The property market continues to drive significant movement; particularly with increased visibility into state level infrastructure plans, like Transport NSW’s masterplan, which drives continued investment in the sector.

“In addition, technological product development in banking and finance continues to create employment opportunities, while the insurance sector is driven by older Australians seeking to offset risk,” Mr Crawley concluded.

The largest quarter-on-quarter fall in hiring intention was recorded in Mining & Construction, which is down seven percentage points, recording a NEO of -2%.

Services sector employers recorded the second strongest NEO of +12%, relatively stable quarter-on-quarter; while Public Admin / Education and Manufacturing both saw a three percentage point drop heading into quarter three, recording NEOs of +3% and +1% respectively. Transport & Utilities sector employers also reported a slight decrease of two percentage points to a NEO of +5%.

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