



# Contingent Workforce Insights Australia

Updated April 2023

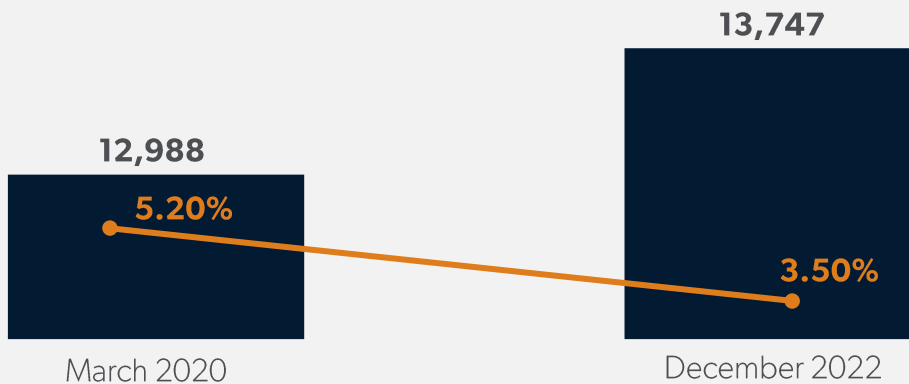
## Average GDP growth rose to a decade-high of 3.6% in 2021–22.

This growth drove a very tight labour market in Australia, where **the number of job openings were nearly equal to the number of potential candidates.**

December 2022 saw **strong labour market conditions** with growth in labour supply and talent demand.



Between March 2020 and December 2022, the number of **employed persons increased**, and **the unemployment rate decreased** to 3.5%



» 42%

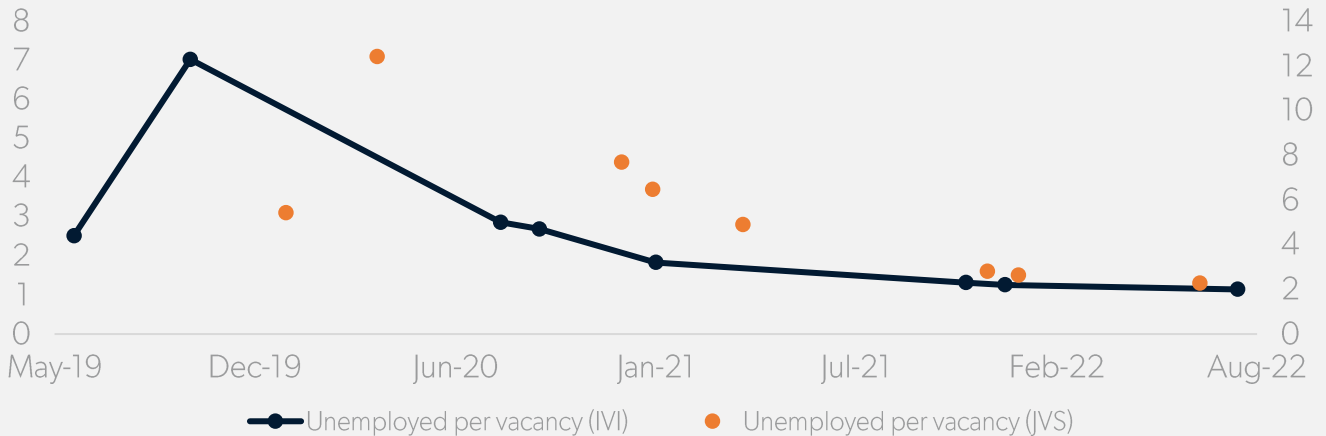
In August 2022, the total number of jobs advertised in Australia was 309,900, which was a 42% increase from the same time period in 2021.

» 3.5%

Job postings decreased by 3.5% from Sep-Dec 2022. However, they remain significantly above pre-pandemic levels.

## Tight labour market implications on skill shortages

The increase in labour demand has contributed to the reduction of unemployed persons per job vacancy based on the **Internet Vacancy Index (IVI)** and **Survey of Job Vacancies (JVS)** from the Australian Bureau of Statistics which suggests constraints in the supply of workers available to employers.



### Top Occupations with Shortages

Labourers  
Professionals  
Sales Workers  
Managers  
**Technicians and Trades Workers**  
Machinery Operators and Drivers  
Clerical and Administrative Workers  
Personal Service Workers  
Community and

### Top Titles with Shortages

Retail Manager  
Accountant  
Office Manager  
**General Clerk**  
Electrician  
Primary School Teacher  
Aged or Disabled Carer  
Truck Driver



*"Australia is currently facing a chronic skill shortage in many primary and fundamental industries against a fairly gloomy economic outlook. The main contributing factors are: a complete reshaping of the labour force due to mass displacement of workers during Covid; record low migration compounded by a mass exodus of international talent; and a rebounding economy fuelled by government stimulus which created an unprecedented demand for skills and labour."*

— **David Barr, Executive Director, APAC, Allegis Global Solutions**

## Regional Unemployment Rate

(in percentage, as of February 2023)



Almost **one-third** of Australia's job sector is facing a serious **shortage of workers**.

The **shortage in skills** is one of the factors contributing to Australia's historically low unemployment rate.

The number of challenging occupations to fill has jumped **from 153 to 286** throughout 2022.

Due to the **immigration freeze** in 2020-21, the workforce shrank due to layoffs and lockdowns in 2020. Lost jobs were subsequently restored and filled by domestic talent as the economy recovered in 2022.

**Quiet quitting** has been linked with low unemployment rate. Despite dissatisfaction and minimal wage growth, workers opt to stay in their roles.



*"Although the jobs market and economy is slowing, we anticipate that certain skills and industries will continue to face skills shortages for years to come. This was exacerbated by years of low-skilled migration, labour market reshaping and unprecedented demand for skills and experience in some sectors. Organisations should consider how to reskill their workers to address emerging talent gaps with reliable, external data to understand where their investments are best served and targeted."*

— David Barr, Executive Director, APAC, Allegis Global Solutions

## Recruitment Trends (Q4 2022)

### Job advertisement count

**56,250**

Seasonally adjusted count

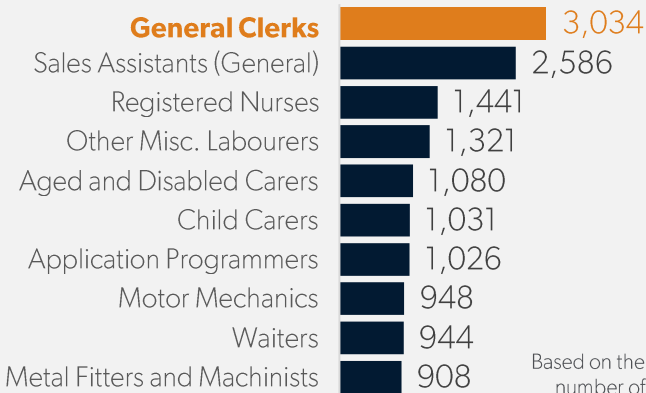
### Change over the month (Sep 2022 v. Aug 2022)

**↓ -5.4%**

### Change since March 2020

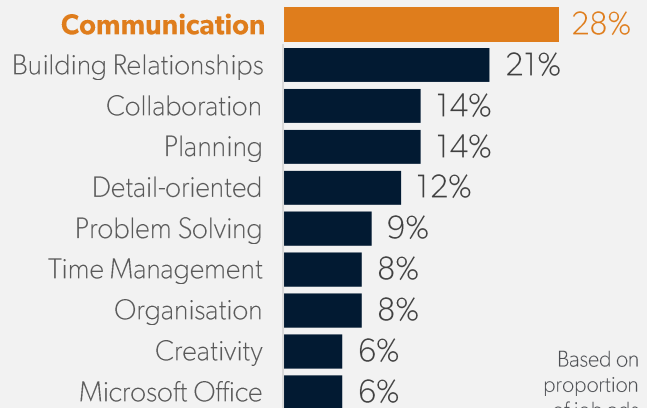
**↑ 146.5%**

### Top Occupations Recruited For



Based on the number of jobs online

### Top Soft Skills In Demand



Based on proportion of job ads

**65% of businesses in Queensland had difficulty recruiting.**

### Top 4 reasons cited by employers in Queensland:

- Lack of applicants
- Lack of suitable applicants
- Undesirable working conditions/hours
- Applicants lack technical skills

Note: Out of 1,998 responding employers

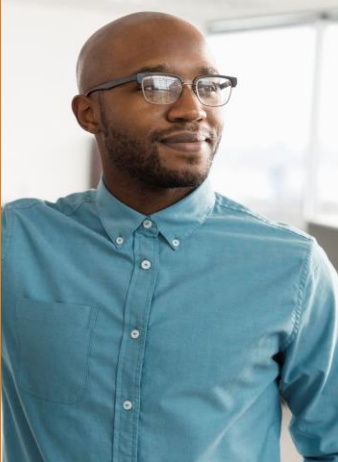
Source: Government data, NSC, Internet Vacancy Index, Lightcast



*"A robust workforce strategy can elevate an organisation's employer brand, which assists in attracting, engaging and retaining talent. It also aids the growth of internal – and sometimes global – movements that allow workers to focus on the work and fulfil their career map within the companies. When organisations supplement their workforce strategies with a contingent workforce, it gives them access to alternative talent pools that solves complex business issues and brings a range of ideas to the business that helps with business growth and retention."*

— **Natalie Martin, Business Development Director, ANZ, Allegis Global Solutions**

## The Contingent Workforce



As of February 2023, there were approximately **1.4 million people** working as independent contractors or freelancers in Australia, which is equivalent to around **10% of the total workforce**. The following are **hiring trends for the contingent workforce in Australia** for 2023.

Increased demand for digital skills

Greater use of online platforms

Focus on diversity and inclusion

Focus on skills and outcomes

Hybrid workforce models

## Companies in Australia with Contingent Workers

Many companies in industries such as construction, hospitality, and retail rely on contingent workers to meet their staffing needs. These are just a few examples of **companies in Australia** that use a contingent workforce and the **roles** that they hire.



Claims Assessors  
Customer Service Representative



Call Center Staff  
Technicians



Construction Workers  
Equipment Operators



Project Managers  
Engineers



Project Managers  
Engineers



Queensland Government

Policy Analysts  
Project Managers



*"Organisations need to ensure that they set themselves apart as an employer of choice and one way of doing that is to create a strong employer value proposition (EVP). In the current labour market, paying more might not necessarily be the best way to attract talent. In today's world, many people care more about flexibility, culture, employee benefits, corporate social responsibility and other initiatives. Organisations should review their policies to reflect market demands."*

— Chris Braddon, Operations Director, APAC, Allegis Global Solutions

## Government Initiatives

Queensland state is looking to the future with a clear plan to build prosperity and growth across the state by focusing on 3 objectives:

### Good Jobs

Queensland is forecast to record solid **economic growth of 2.5 %** in 2023-24, down slightly from 2.75% forecast in June 2022.

### Better Services

### Protecting our Great Lifestyle

#### Year-average employment growth

is forecast to remain strong at **2.75%** in 2022-23, before easing to 1.5% in 2023-24.



*"In order to continue to attract contingent workers in the challenging economic landscape, organisations should advocate the appeal of working in the business or the industry. They can achieve this by highlighting the social benefits of the business or projects; discussing the company's culture; speaking about the diversity, inclusion and equity practices in the workplace; and outlining fair pay frameworks. Businesses can also partner with a workforce specialist that can help develop workforce strategies with high speed-to-market solutions, expertise in supplier optimisation, competitive role pricing and access to reliable market insights built from recruitment data to ride out the waves of market movements.*

— Julie Jenkins, Head of Operations, Allegis Global Solutions

## Employment Projections by 2025

### Employment rates

All industries ↑ Up to **18.5%**

All regions ↑ 6.7% to **15.1%**

### Growth in New Jobs

**2.8M** employed

**+280k** workers ↑ **10.9%**

### Vocational Education and Training (VET)

**53%** of Queensland's state workforce

### Potential Jobs Opportunities (total)

**500k**

## Priorities in Australia's Labour Market

### Flexibility

Working from home will remain a priority for many Australian contingent workers. Workers have adapted and prefer flexibility in terms of work setup. With the tight job market, employers are putting importance on workers' wants and needs. Furthermore, according to reports, productivity is improved in a flexible arrangement.

### Compliance

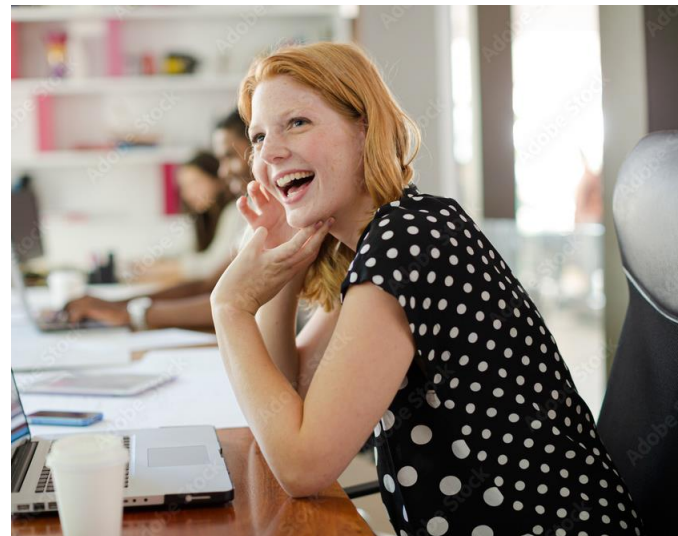
Compliance will remain a key focus for 2023 as most companies operate in a hybrid working setup. There are three main compliance issues to consider, amongst others, which includes: (1) workplace health and safety, (2) a safe digital environment and (3) privacy and worker data.

### Skilled Visa

The Australian government will be looking out for skilled foreign workers given the skills shortage in the country. Australia has plans to increase its immigration allocation with 142,400 skilled visas to fill in shortages of a few occupations which need skilled workers.

### High-priority jobs

These highly prioritised jobs can be granted a skilled visa in a few days: *School teachers, Childcare workers and childcare center managers, Aged and disabled carers, Nursing support workers, Counselors and psychologists, Medical scientists, Medical technicians, Social workers.*



#### Top Occupation for Projected Job Openings to 2026

Registered Nurses      Kitchenhands  
**Aged and Disabled Carers**  
**Sales Assistants**  
 General Clerks  
 Checkout Operators and Office Cashiers      Receptionists

Waiters      Storepersons

#### Top Occupation for Projected Employment Growth to 2026

Software and Applications      Database and ICT Security Specialists  
 Programmers      Human Resource Managers  
**Aged and Disabled Carers**  
 Registered Nurses      General Clerks  
 Management and Organization Analysts

Solicitors



## Conclusion

As we continue to navigate this period of economic uncertainty, it is imperative that companies remain focused on identifying the right skills to recruit the right people. With current inflationary pressures, companies might be better suited to consider alternative talent pools. Organisations should also review their employer value proposition (EVP) as it is a non-negotiable ethos for companies to stand out in a tight labour market.

Partnering with a workforce specialist that can help with the above will be beneficial for companies to develop workforce strategies that are aligned with the current market forces.



**If you have any questions on the insights shared or want to continue the conversation as to how these workforce trends may impact your workforce strategy journey, please reach out to your AGS representative.**

*This report was prepared by the Allegis Global Solutions' Market Insights team.*

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*The team of experienced researchers specialise in quantitative and qualitative secondary research across industries, sectors and geographies. Their goal is to provide multidimensional insights that help our clients formulate strategies to build workforces that transform their people into a competitive advantage.*

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