

DATA Q2 MARKET REPORT 2023

OVERVIEW

Happy New Year to our data market. The Precision Sourcing data team would like to take this opportunity to say thank you for your support in 2022. This is a time to reflect on the previous quarter and look ahead to 2023. It is important to first deal with the elephant in the room, the possible recession we have all been talking about.

Due to the threat of recession and ongoing global issues, many companies took a more cautious approach. Whilst caution was the flavour of the quarter for some, other companies and industries acted quickly in making sweeping redundancies. This action occurred mainly within the technology and start up space, especially companies backed by venture capitalists.

The general sentiment coming back is much more positive than the beginning of Q2. With interest rates flattening, consumer spending consistent and less bad news from the media, there is a feeling that Australia will be able to get through whatever comes this year, we couldn't have said that a few months ago.

There is a feeling in the market that everyone has taken an extended break, after the last couple of years, either visit home or see family/friends and come back refreshed to kick on in 2023. We found companies were back at it earlier this year than the last couple, probably due to the lack of natural disaster or pandemic!

December can sometimes be one of the busiest times of the year as hiring managers are trying to squeeze in hires before the holiday season or the polar opposite - the 'leave it until next year' attitude as there are a million and one other things needed completing before the break. We can confirm it was a slower month compared to previous years.

We have seen the data market slow down (both contract and permanent) however, this is in comparison to the last 18 months which have been an anomaly. If we compared it to pre pandemic 2020 it is still rather busy.

Hiring managers are being more selective on who they bring into the team, reverting back to the 'unicorn' mindset of ticking all of the boxes rather than the mentality of taking a candidate who meets 80% of what is needed, which happened a lot during the last 2 years. An accurate indicator of how the market will pan out with a recession is the work being won by consultancies, although the majority have hiring freezes for recruitment, they are still winning work. Surprisingly they are being cautious, however it is driven by the goal putting consultants who are currently on the bench, in a project as the first port of call.

4.5%

Of the Data market moved positions which is down 100% last quarter

68%

Precision Sourcing hiring increased by 68% versus Q1

OVERVIEW CONTINUED

From a candidate perspective, “I am going to start looking in the new year” was what we heard most from data candidates in the market towards the end of Q2. They were being more selective with entertaining any interviews before the new year as they had ‘burn out’ from how busy the market has been.

Data candidates are telling us, “I am being asked to come back into the office, more, (sometimes 5 days a week), however my lifestyle has changed, and I would prefer the hybrid model”.

Permanent data professionals lean more towards 2-3 days a week in the office (max) and contract are wanting 1 day a week in the office or fully remote (within Australia/NZ). Hiring managers are often not the decision makers, it is executive leadership reverting back to the ‘bums on seats’ mentality. If you are a hiring manager, you must consider how this affects your ability to attract and retain talent.

Interestingly there has been an uptick in permanent Data Scientists demanding contract opportunities however the supply of opportunities is not meeting these requests. If a recession is coming/happens we usually see more contract opportunities, so the fact they are not coming through shows the confidence the market has. Anecdotally Data candidates have shown a lot of interest in the ML/Ops space so could this be an area of growth coming sooner rather than later.

The NZ market has eased off significantly and clients are being overly cautious with spending compared to the Australian market as the economic environment has been impacted more. What we are noticing is many of our NZ data network are making the move across the ditch to enhance their career after gaining NZ citizenship (during the pandemic) which gives full work rights here in Australia.

Key takeaways across the board from Q2:

- Hiring managers are reverting to finding the ‘unicorn’ mindset when bringing someone into their team.
- Consultancies are still winning work which is a good indicator of how the market will pan out.
- WFH policies are changing across both contract and permanent roles to the ‘bums on seats’ mentality, which is dangerous.
- Data candidates have shown a lot of interest in the ML/Ops space so could this be an area of growth this quarter.
- NZ data network are making the move across the ditch to enhance their career.

10%

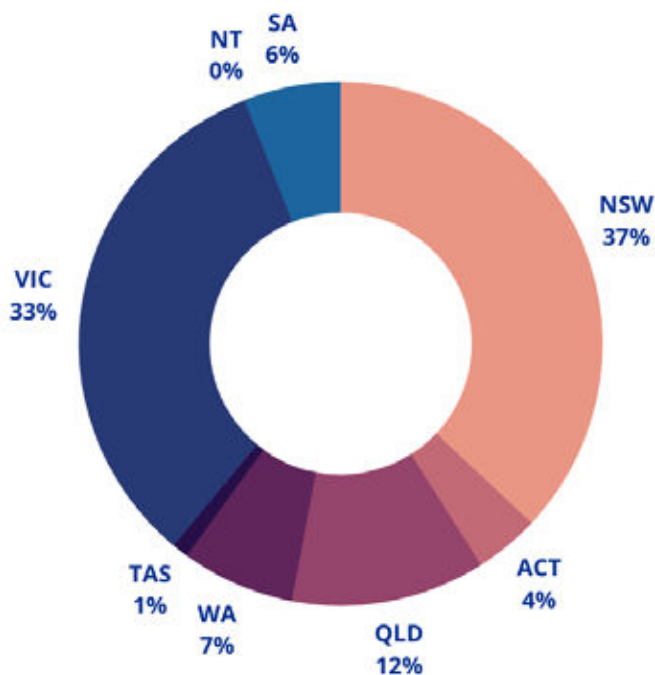
Contractors moving into new roles have increased rates by 10% versus 12 months ago

15%

Permanent candidates moving roles have increased salaries by 15% versus 12 months ago

QUICK FACTS

Hires Per State



Recruiter of the Quarter



Sean Gray

If you don't know him already, you should. He comes with over 5 years' experience in the Data Engineering & BI space and specialises in permanent recruitment here. He runs an incredibly thorough process when it comes to working roles with clients and represents the best candidates in the market with the same level of detail and knowledge. If you're someone on either side of the fence, introduce yourself to Sean. You won't regret it.

Roles In Demand

Data Engineer

Insights/Analysts

BI Developer

Skills In Demand

Snowflake and DBT

PowerBI

Active Sectors Hiring

Retail

Banking/Insurance

Healthcare

Q3 OUTLOOK



Advice for Candidates

Our advice to candidates is brush up on your interviewing skills as there is competition in the market again, you will not be the only one in the process, shortlists are juicier as the supply of candidates outweighs the demand for hiring in the market. Do not get sucked into the 'bad news' publicised currently about the economy. There are still plenty of opportunities in the market with new projects kicking off however the skill shortage in the data talent market still exists as we transition into this stabilisation.

Advice for Hiring Managers

The 'unicorn' you are looking for in the market still does not exist and never will. However, you do have more choice when it comes to candidates as the volume of jobs out there decreases. Make sure you are running a slick recruitment process; we have noticed a lot of stickiness among processes which is leaving a sour taste in candidates' mouths. The knock-on effect is those candidates talking to their networks and in turn it starts to taint brands out there.