

# E.L Index October 2023 Report

## Executive Employment in Australia

*Politics has taken over from economic concerns, even as employment falls*

*Executive demand – a lead indicator of employment – continues to fall*

Executive employment is falling and that doesn't bode well for the future of the Australian economy.

While all things economic haven't had much press lately it is about time that more energy is focused in that direction.

With the country concentrating on other matters, executive demand again fell across most of the country and industry groups, according to the E.L. Executive Demand Index.

Mr Grant Montgomery, Managing Director of E.L Blue a leading human resources consultancy that researches and publishes the E.L. Executive Demand Index, said: "With the referendum on the Voice it has been hard to get anyone to concentrate on employment demands for executives in Australia."

"But the reality is that it is a lead indicator on the state of the general economy and it continues to fall.

"This month the fall was 2 per cent and that is on the back of some continuous falls over the last quarter totally more than 15 percent.

"This is at a time when GDP is also showing some worrying trends - the national accounts showed GDP (output) per hour worked fell 0.4 per cent in the three months to March, and was also down 2 per cent in the three months to June. In the year to June, it fell a significantly whopping 3.6 per cent.

"Over the last two months the only person that seems to be concentrating on Australia's economic position is the unfairly maligned former head of the Reserve Bank of Australia, Philip Lowe.

"He said just before he stood down that a lift in productivity growth will certainly be helpful, allowing stronger growth in nominal and real wages and profits," Lowe said.

"But nobody seems to be listening. Instead, Australia is suffering, as indeed are many modern economies, on a lack of interest in all things economic.

"Pollution and climate change are getting far more traction than increased growth and production," Mr Montgomery said.

"Avoiding low cost reliable energy sources in favour of more costly renewables has had precedence over reducing the cost of living for the average household.



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“And the Voice campaign has taken precedence over a single drive to decrease poverty and disadvantage across the country.

“Of course, the state of the economy should not be the be all and end all on how we measure the success of Australia and its inhabitants’ wellbeing, but it sure does beat whatever is in second place.

“We need to concentrate immediately on ways to increase productivity as that will allow for increasing wages without putting inflationary pressures on the economy as a whole.

“Legislation currently going through parliament on issues like ‘Same job, same pay and limiting superannuation savings, may sound reasonable on the surface but they do nothing to help Australia’s productivity and in fact work against it.

“The unfortunate thing is that not noticing that the Australian economy is under performing will not be taken seriously until general high unemployment and business closures become really obvious,” Mr Montgomery said.

In September, among the states results were mixed. While New South Wales and Victoria were different – NSW up, Victoria down – the big swing item was Queensland, which fell 9 per cent after a gain the prior month. The smaller regions were also mixed, with Tasmania standing out as having registered two consecutive months of gains.

Among the industry groups, it was a month of mixed results. Engineering led the way higher, led by government sector hiring. However, Management and Information Technology the lowest, with Marketing largely flat.

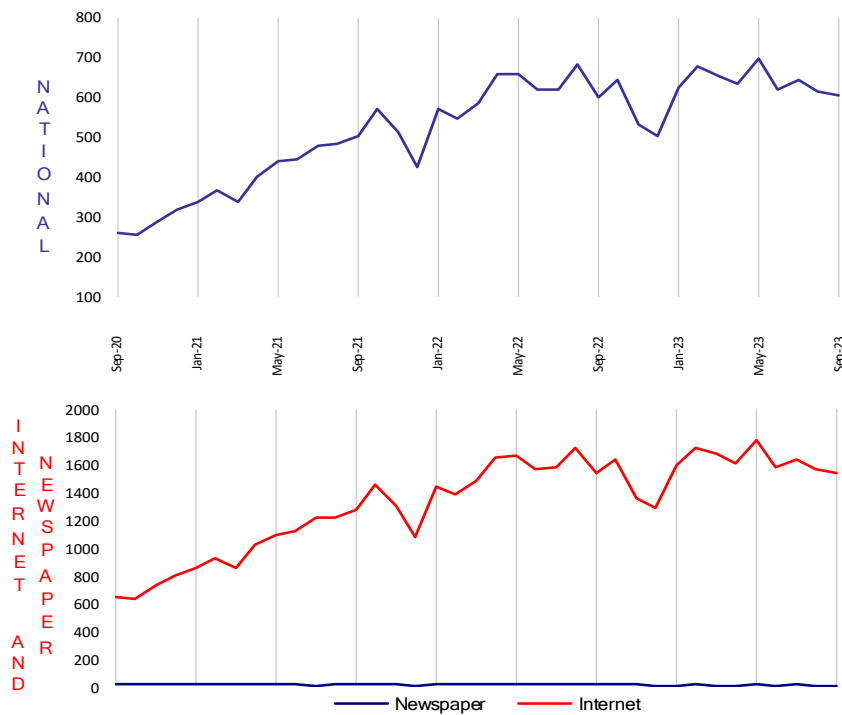
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<b>September 2023 National Index:</b>	<b>604</b>
<b>Same period last year (September 2022):</b>	<b>601</b>
<b>Percentage change over last month:</b>	<b>-2%</b>

**National Summary**

Despite it not catching the headlines so far, the demand for Australian executives continues its fall in a worrying sign for the local economy. While the country and government has been concentrating on other matters, executive demand again fell across most of the country and industry groups. Proven to be a predictor of general employment trends with a three-month lag, the Index fell another 2 per cent in September compared with the prior month.



The E.L Index compares the current month against a historical base (Newspaper - last quarter 1992, Internet – last quarter 2001) normalised to 100 making comparisons between categories valid.



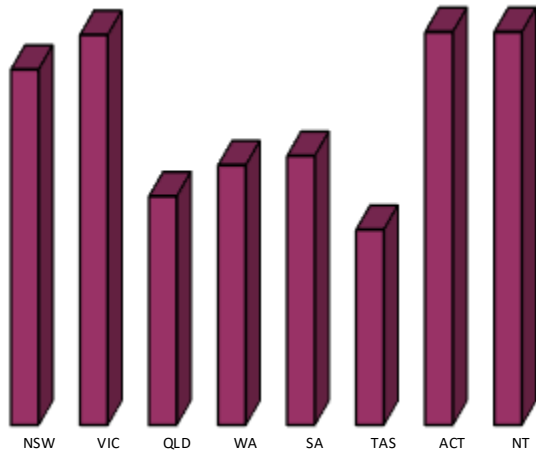
National Demand for Executives over last Seven Years

A sad looking graph, the three-monthly trend figure has continued to fall away from its record highs.

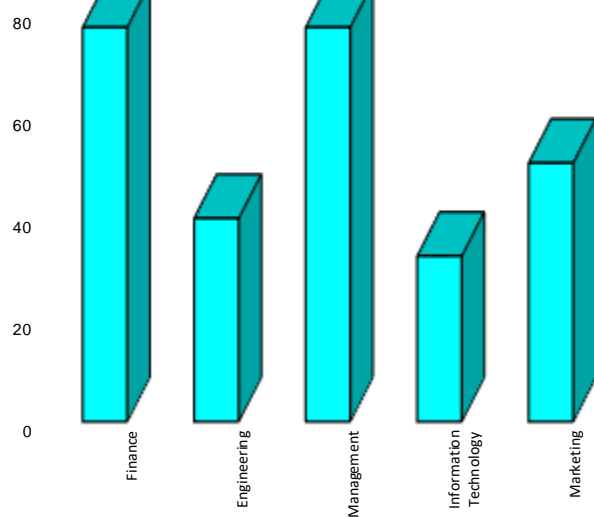


Graph showing the trend of the E.L National Index (three month moving average)

STATE BY STATE COMPARISON



EXECUTIVE GROUP



State

In September, among the states results were mixed. While New South Wales and Victoria were different – NSW up, Victoria down – the big swing item was Queensland, which fell 9 per cent after a gain the prior month. was the only large state to move forward (up 4 per cent). The smaller regions were also mixed, with Tasmania standing out as having registered two consecutive months of gains.

Executive

Among the industry groups, it was a month of mixed results. Engineering led the way higher, led by government sector web-based advertising. However, Management and Information Technology the lowest, with Marketing largely flat.

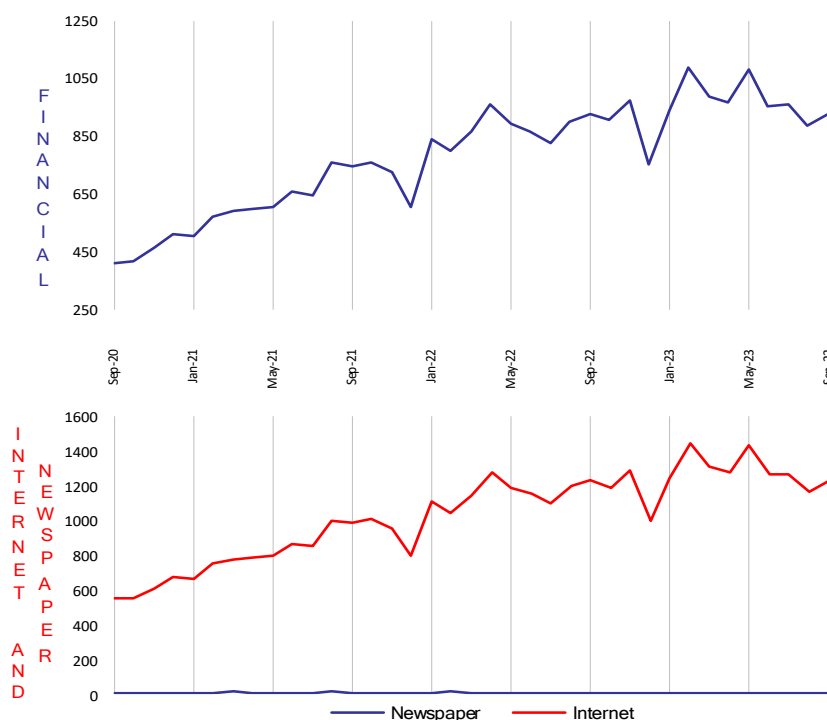


<b>September 2023 E.L Finance Index:</b>	<b>922</b>
<b>Same period last year (September 2022):</b>	<b>921</b>
<b>Percentage change over last month:</b>	<b>4%</b>

Financial positions were up 4 per cent compared to the prior month, with web-based positions recovering somewhat while print-based positions were lower.

All states and territories except for New South Wales were higher, with New South Wales suffering from losses in both the business and government sectors.

The 4 per cent gain leaves the Financial index in a strong performance compared to other industry groups.



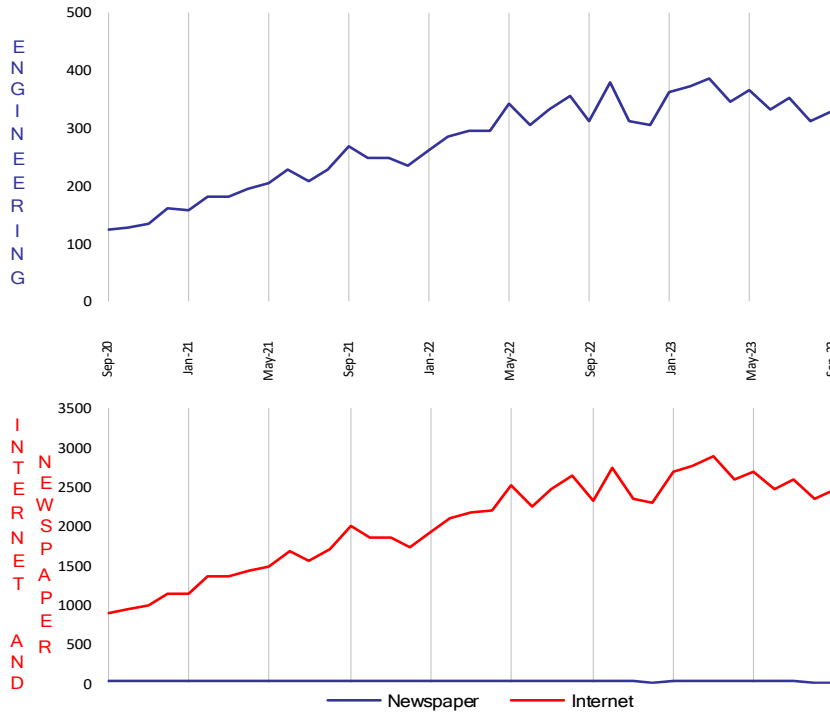
Demand for financial executives over the last three years

**Data input definitions:** Any position that requires recognised accounting qualifications includes: Accountant, Administration Manager, Auditor, Finance Controller, Budget Accountant, Chief Financial Officer, Cost Accountant, Divisional Accountant, Financial Accountant, Finance Manager, Management Accountant, Systems Accountant, Treasury Accountant, Treasurer



<b>September 2023 E.L Engineering Index:</b>	<b>327</b>
<b>Same period last year (September 2022):</b>	<b>311</b>
<b>Percentage change over last month:</b>	<b>6%</b>

Engineering recorded a 6 per cent increase in the month, recovering some of the losses from the prior month. Most of the states and territories recorded gains, with only the Northern Territory and Western Australia registering either a flat or negative demand result. We can expect to see a more topsy-turvy result from the Engineering index as interest rates affect private projects, and start-ups in government projects slow.



Demand for engineering executives over the last three years

**Data input definitions:** Positions that require an engineering qualification or equivalent. Includes; Engineers: Aeronautical, Chemical, Civil, Consulting, Design, Electrical, Electronic, Environmental, Industrial, Mechanical, Metallurgical, Structural, Telecommunication, Quality, Logistics and Mining. Managers; Project, Production, Purchasing, Construction, R & D, Site, Building, or Manufacturing.

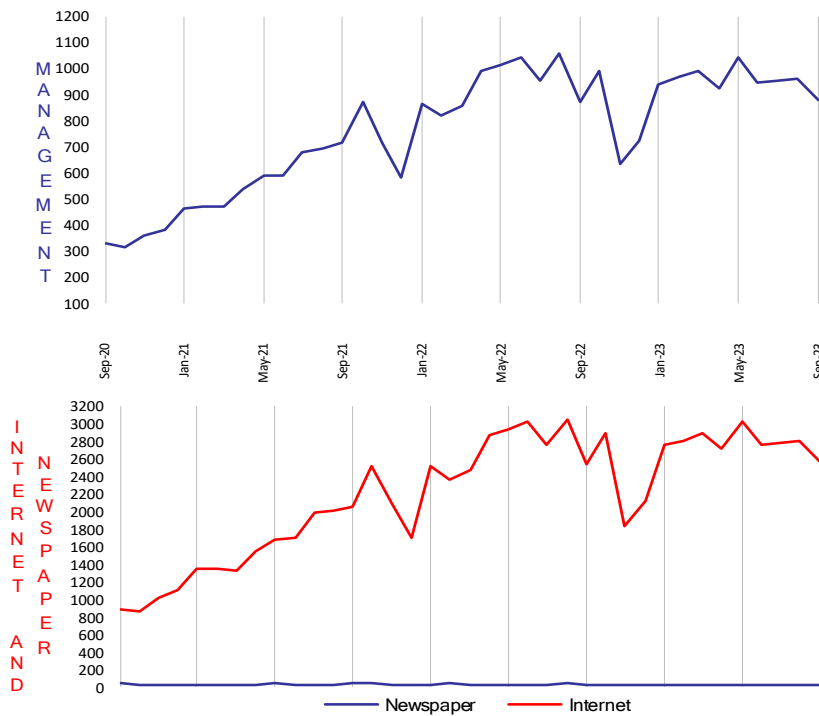


<b>September 2023 E.L Management Index:</b>	<b>875</b>
<b>Same period last year (September 2022):</b>	<b>870</b>
<b>Percentage change over last month:</b>	<b>-9%</b>

The Management sector has snapped its run of gains, losing 9 per cent compared with the prior month.

The Management index remains at the same level as it was a year prior, having regained some ground after the losses suffered at the end of 2022.

The losses were widespread and relatively significant, led by the ACT, Queensland and Tasmania. However, it was losses in New South Wales and Victoria that put the mocker on the index and forced it lower.



Demand for management executives over the last three years

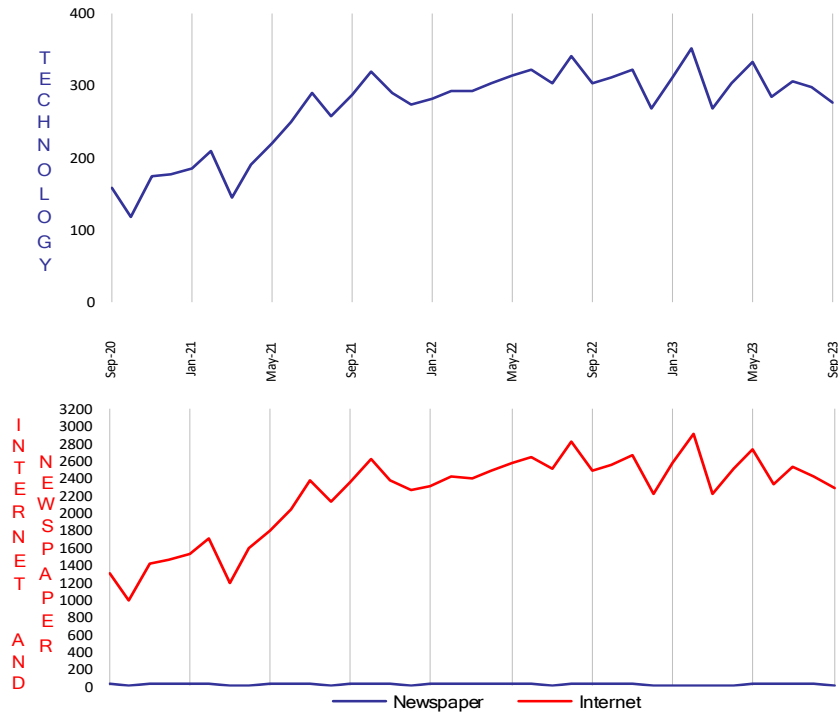
**Data input definitions:** Senior management of people and other resources not specifically requiring accounting, engineering, DP or marketing skills. Includes: Chief Executive Officer, Divisional Manager, Executive Director, General Manager, Group General Manager, Managing Director, Retail Manager, Property Manager, Human Resource Manager, Industrial Relations Manager, Economist



<b>September 2023 E.L Information Technology Index:</b>	<b>275</b>
<b>Same period last year (September 2022):</b>	<b>302</b>
<b>Percentage change over last month:</b>	<b>-7%</b>

Information Technology fell a further 7 per cent in September, meaning its recent sawtooth pattern of recent months has been broken to the downside.

However, the gains and losses across the country were haphazard, with New South Wales and Victoria slightly higher, but Western Australia, the ACT and Queensland moving lower to produce the overall loss. Print and web advertising was lower in both the business and government sectors.



Demand for Information Technology over the last three years

**Data input definitions:** Any position of which information technology software or hardware management is more than seventy five per cent of the role. Includes: Chief Information Officer, MIS Manager, Network Manager, Software Manager, Systems Architect, Business Systems Analyst, EDP Manager, IS Manager



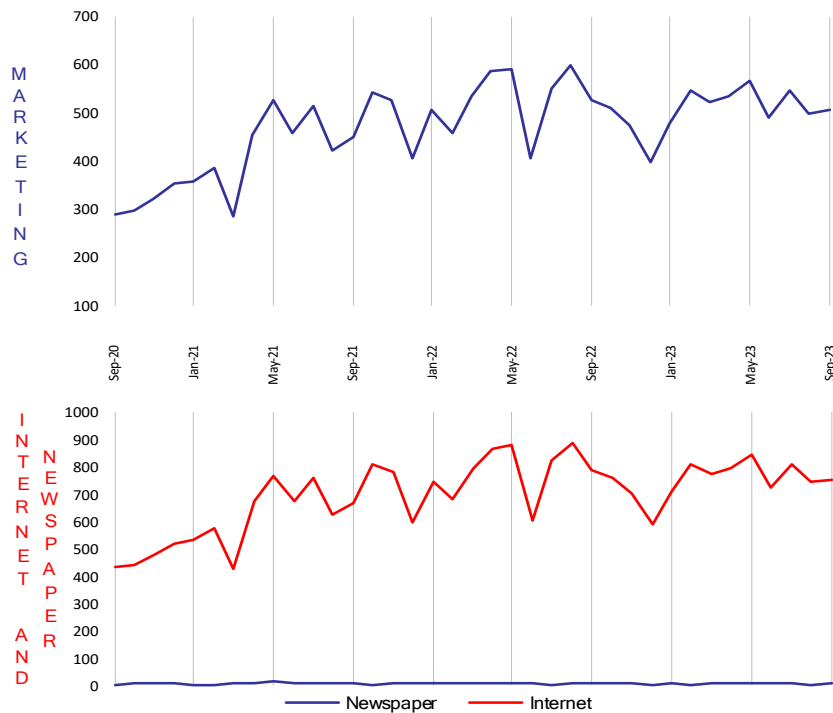


<b>September 2023 E.L Marketing Index:</b>	<b>506</b>
<b>Same period last year (September 2022):</b>	<b>527</b>
<b>Percentage change over last month:</b>	<b>2%</b>

Marketing performed relatively well in September among the sectors, recording a 2 per cent gain compared to the prior month.

Print advertising was higher in the business and government sectors, as was web-based business sector ads.

Amid the states, Marketing was higher given that the second largest state, Victoria, was up strongly as was the ACT (off a small base). South Australia recorded a positive result again, while Queensland was down.



Demand for Marketing Executives over the last three years

**Data input definitions:** Management level sales and marketing roles (*i.e. above salesmen or sales representative level*). Examples Include; Advertising Manager, Account Manager/Executive, Brand Manager, Business Development Manager, Government Relations Manager, Marketing Manager, Media Manager, Product Manager, Public Relations Manager, Public Affairs Manager, Sales Manager, Sales Planner, Sales Trainer, State Sales Manager, Sales Engineer, Territory Manager



# About the E.L Index

The E.L Index is a comprehensive monthly analysis of employment trends at executive level. An Australian analysis is produced in Sydney and an Asian analysis in Hong Kong and Singapore.

The E.L Index has shown by two separate University studies to correlate strongly with general economic and business trends. It is featured by most of the major news services and is closely followed by government and central bank analysts.

The E.L Index is actually a combined national index of all executive demand made up of five separate indices; E.L Finance Index, E.L IT Index, E.L Management Index, E.L Marketing Index and the E.L Engineering Index.

The National and specific career group Indexes are shown as relative indexes recording the monthly demand activity for executive positions in the current month against the demand in a historical base period which is normalised to 100. The historical base period used was the average of the last quarter of 1992 which research showed to be the bottom of that downturn.

By averaging to a historical base period the comparison of, say, June 1994 to June 2000 is meaningful, giving a clean, easily understood appreciation of changing investment and economic trends without seasonal obscurity.

The E.L Index utilises data from both print and internet sources and is the only employment index to do so.

The print data is collected from the major employment paper in each state. National papers are not used to avoid "doubling up". Internet data is not collected off the web sites which can be subject to some error but instead collected through raw data provided by the ISP themselves. Print data has over 15 years of historical data and the internet more than 6 years.

## **Why Executive Demand is a primarily lead indicator?**

It is often claimed that unemployment figures and broad-based job vacancy surveys do not give a fair impression of what is occurring in executive ranks. The E.L Index addresses this and has some interesting correlative and predictive qualities. Such as:

- Employment of management usually precedes the employment of skilled and unskilled workers.
- Employment of engineering executives precedes major capital investment.
- The division between various management sectors gives an indication of which sectors of the economy are experiencing growth or decline.
- Compares month by month changes in the public and private sector as well as monitoring government expenditure patterns.
- Makes regional comparisons after allowing for population differences.
- It shows a 'rate of change' and can therefore be realistically compared to general economic and employment growth unlike some surveys that report absolute numbers.
- Core data is collected on an actual expenditure of business and government, not on a respondent's opinion or confidence level.

