

DFP Mining and Resources Job Index

Introduction

Welcome to the latest edition of the DFP Mining and Resources Job Index which provides month end data for November 2017.

Improvement continued in the Mining and Resources sector with the DFP Mining and Resources Job Index rising a further 1.8% in November. Job demand in the sector is now up 9.8% for the quarter and 34.7% for the year.

Permanent vacancies led the way for November and were up by 3%. Year on year, permanent jobs are now up 37.3%.

The market continues to improve in both key mining states of Western Australia and Queensland. While WA has taken a back seat to growth in Queensland in recent months, it had the larger increase of 3.3% for November with Queensland up by 2.7%.

Oil & Gas Extraction was the most positive sector, growing by 13.7% in November and Coal had a solid month, up 8.8% in what has otherwise been a turbulent year for the Coal industry.

In specific occupational categories, demand for Engineering professionals continues to rise as vacancies increased again this month, by 5.1%. Conversely, demand for Operational Management suffered a consecutive decrease and hiring was down by 6.4% in November.

National Job Index

DFP Mining and Resources Job Index

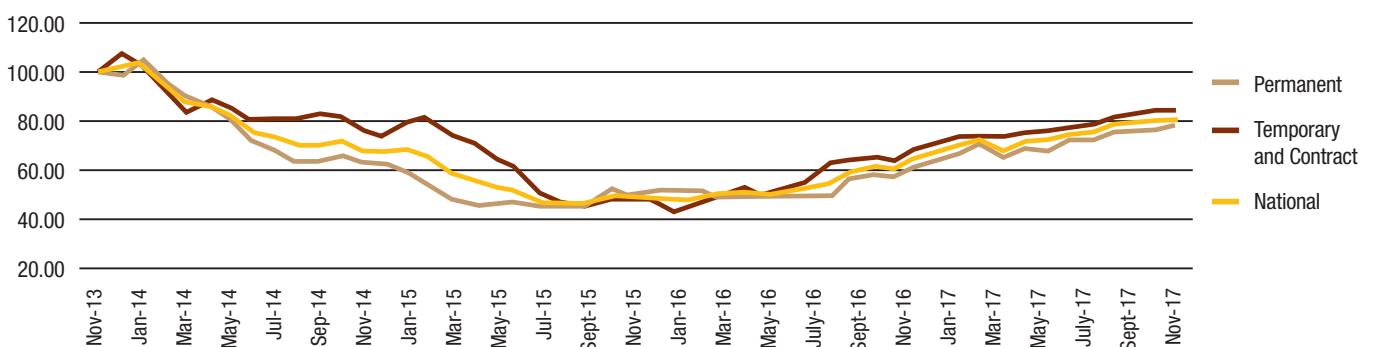


Chart 1: National Index and Job Type Analysis

The sector continues its steady improvement late in the year with the DFP Mining and Resources Job Index rising 1.8% in November. The Index rose from 79.94 to 81.41. This is the first time the national Index has risen above the 80.0 level since May 2014, indicating further strengthening in the market. There has been a 34.7% rise in monthly job vacancies since this time last year and a rise of 9.8% this quarter alone.



National Job Index *(continued)*

The Permanent market provided the bulk of activity in November. Permanent job opportunities rose 3%, an encouraging rise as we lead into Christmas. Permanent opportunities rose 37.3% in the last 12 months although the Index, on 78.85 still lags behind the Temporary and Contract Job Index on 85.11.

Temporary / Contract job vacancies grew by just 0.3% for the month, however its quarterly growth of 9.6% is strong. Annual growth now sits on 31.4%. This consistent growth in both permanent and temporary/contract work augers well for 2018.

DFP Mining and Resources Job Index v RBA Bulk Commodity Price Index (A\$)

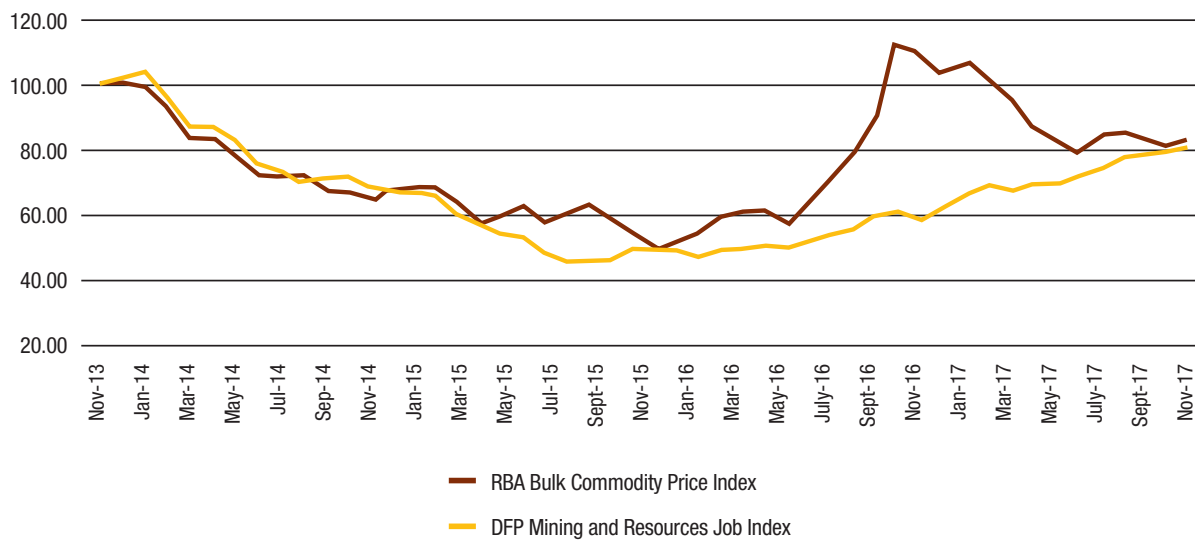


Chart 2: Comparison between the National Index and the RBA Commodity Price Index

Employer hiring is now back on track with improving commodity prices. The RBA's Non Rural Bulk Commodity Price Index rose 1.6% in November while our Job Index rose 1.8%. The RBA's Index has been reset in our graph at 100 in November 2013 to correlate with the base period of our Index. That now equates to 85.08, therefore over a 4 year period, it has closely aligned to the DFP Job Index, now on 81.41. Despite the aberration when commodity prices spiked unsustainably in late 2016, prices and job demand have tracked one another.

The RBA's Index covers a range of bulk commodities. Recent strength in Iron Ore prices and agreement by OPEC countries to push oil prices back up, suggest a favourable and more stable market for 2018. This is a positive sign for the job seekers.

State Analysis

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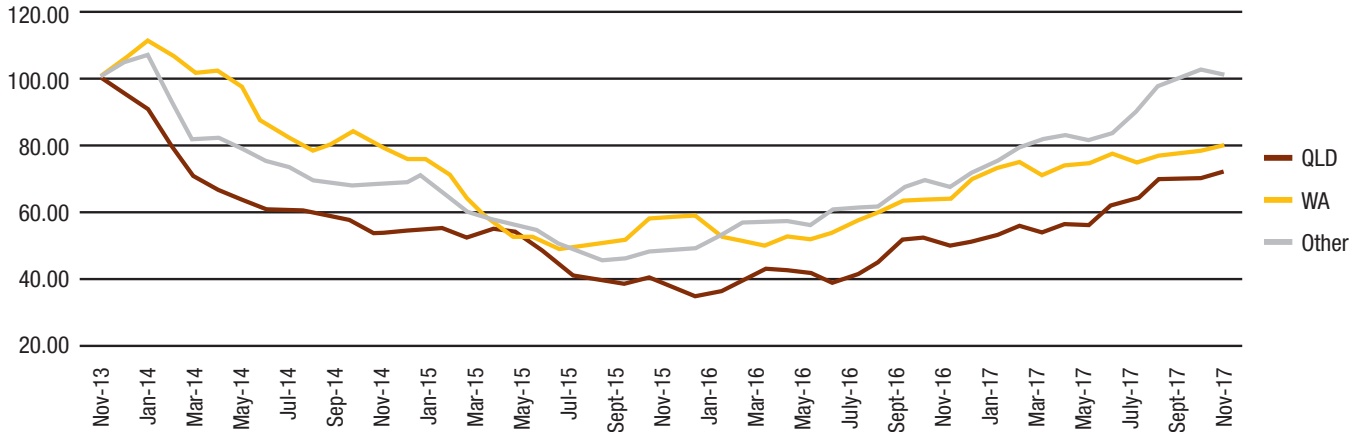


Chart 3: Comparison of State Job Indices against the National Norm

Growth in vacancies in Western Australia have exceeded growth in Queensland for the first time since June. WA grew by 3.3% compared to Queensland's rise of 2.7%. WA's 3 successive months of growth has taken the Index to 79.73, it's best in 3 years, back in October 2014.

Queensland has enjoyed stronger annual growth in percentage terms (36.7%) but its Index, on 71.22, still lags WA. Five months of successive growth now sees the level of job vacancies in Queensland the strongest in 3.5 years, back in February 2014.

The graph below provides a breakdown of the proportions of each state and territory.

The renewed strength of the WA market has not resulted in its national share returning to its previous high. Its share has regularly been in the high 40%'s, peaking above 50% in late 2015, when the Queensland market was relatively weak. The WA market share now sits at 44.8%.

State Proportions

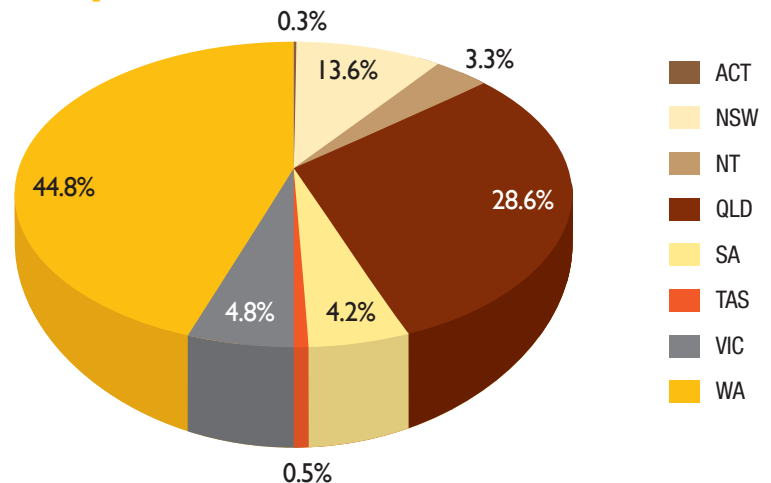


Chart 4: Analysis of Job Advertisements by State and Territory



Sub Sector Analysis

Sub Sector Analysis

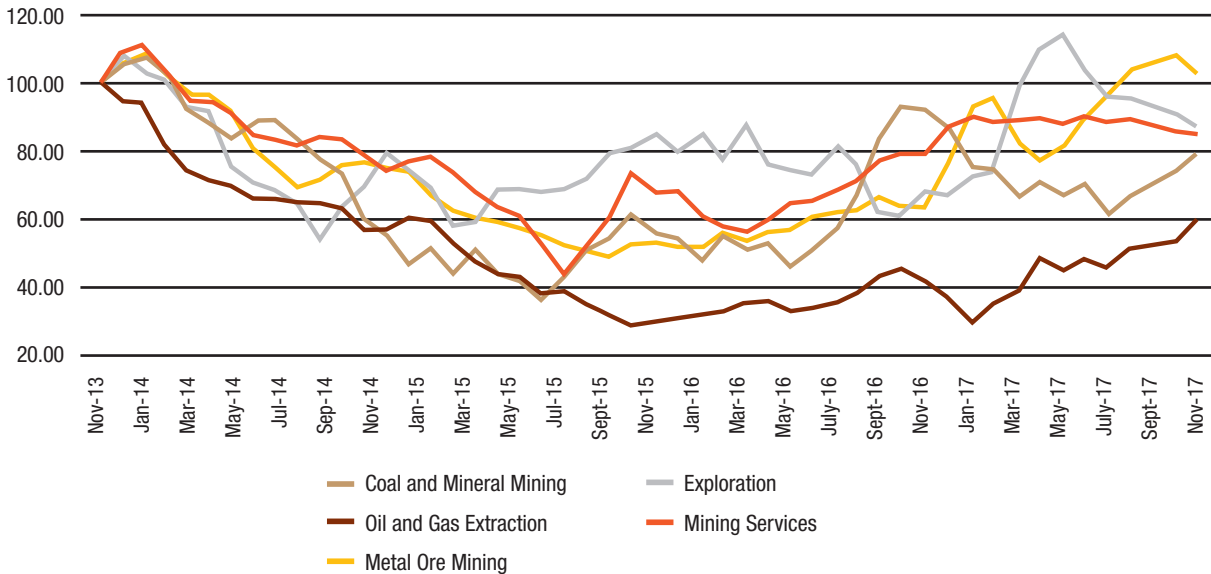


Chart 5: Analysis of Job Vacancies by Sub Sector

November saw particularly strong growth in demand in the Oil and Gas sector. Demand grew by 13.7%. Job opportunities in the sector reached an all time low in January (Index 31.00) but have since rallied and it now sits on 59.43. This is still low but the growth is encouraging and it's the strongest result since January 2015.

After a very poor year, Coal Mining job opportunities rose 8.8% in November. This goes a long way to recovering the 13.1% decline year on year. Much hope in the sector for job creation rests with Adani and the Carmichael mine.

Unfortunately a string of positive months of growth in Metal Ore Mining came to an end in November. After 5 consecutive rises in job vacancies, the market contracted 3.1%. Demand is still up a huge 61.6% over the last 12 months. The Index remains just above the 100 mark – 102.40.

The big boost in Oil and Gas jobs has seen its share of the market rise to 27%. It's been exactly one year since it was at this level and has been as low as 17.4% since then.

Sub Sector Proportions

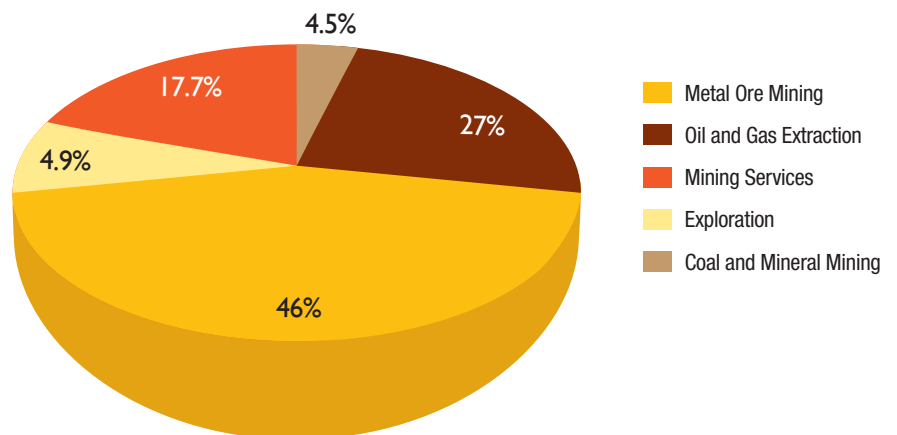


Chart 6: The Proportion of Job Vacancies by Sub Sector

High Level Occupational Analysis

High Level Occupational Analysis

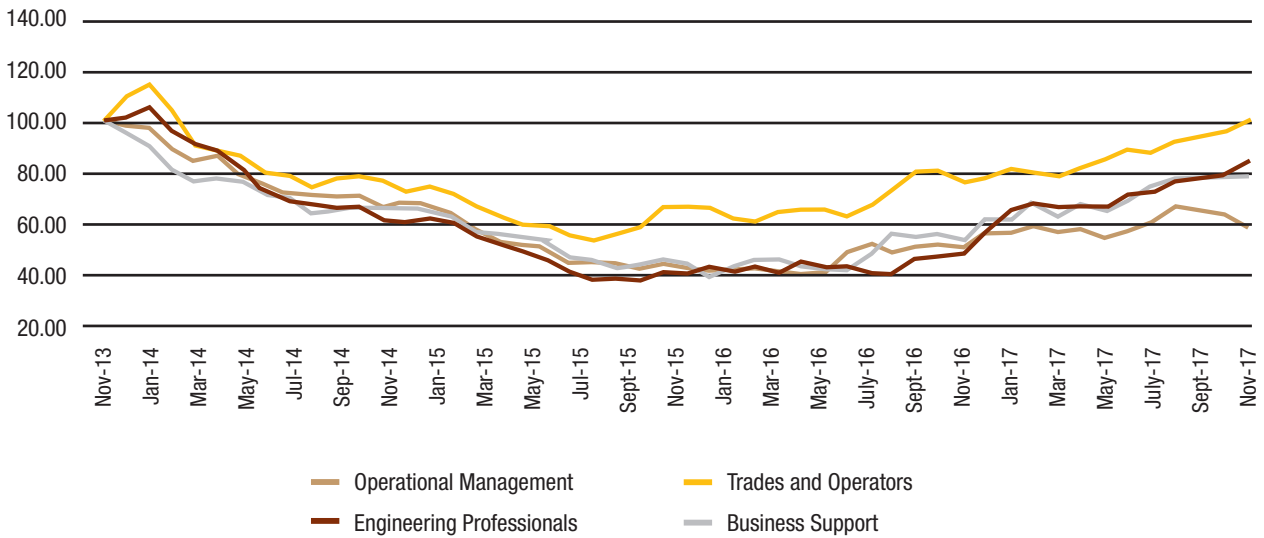


Chart 7: Analysis of Job Advertisements by Occupational Group

November was another poor month for Operational Management, with demand easing 6.4%. This is the second fall since the high level achieved in September. Demand was basically flat for the quarter while other occupations rose 9.8%. Job opportunities are up a more encouraging 15%, over the year, but that's still well short of the 34.7% averaged overall. The Index is back to 59.76, again distancing itself behind the other major occupational groups.

It's a far more positive picture for Engineering Professionals. Demand rose 5.1% in November, contributing to a 14.9% rise for the quarter. The Index is now on 82.72, the highest since April 2014. This has really been one of the success stories of 2017 with Engineering jobs climbing 67% in the last 12 months.

Trades and Operators job opportunities are also on the rise, increasing 5.1% in a month and 14% over the quarter. What makes this month most notable is that the Index has risen to 100.40, the first time any major occupational index has risen above the starting benchmark since February 2014.

Operational Management

Operational Management Analysis

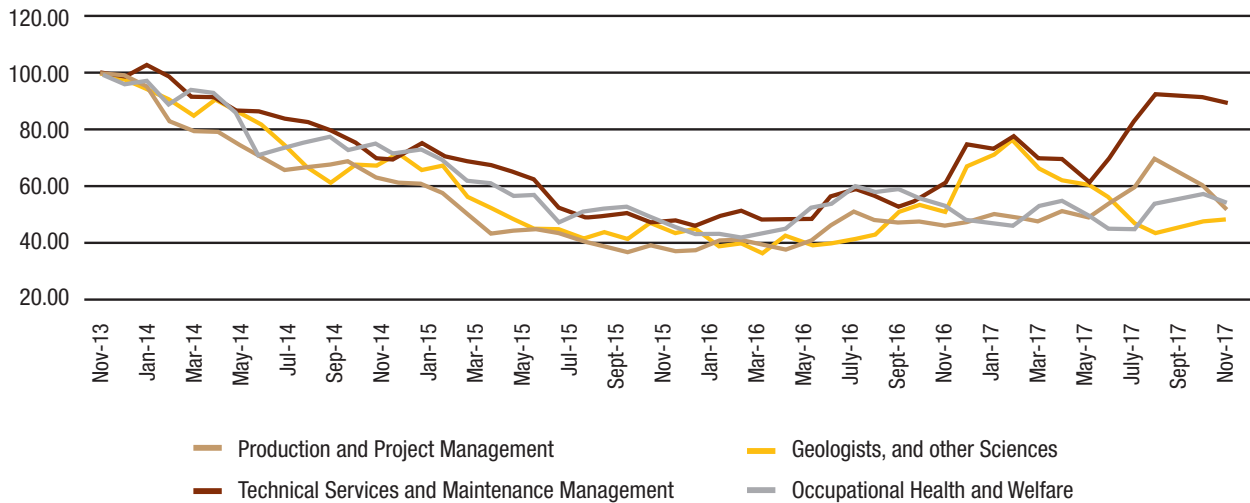


Chart 8: Analysis of Job Vacancies across Operational Management Occupations

It's been another very weak month for Production and Project Managers. Job opportunities contracted 12.6%, contributing to a very poor run of form in the last 2 months. In September, demand peaked at 65.73 but has retreated substantially since. Annual growth is now just 8.9%, an underwhelming performance given its weak starting point in the first place.

Over the longer term the standout category is Technical Service and Maintenance Management. Roles have risen a remarkable 58.1% over the last 12 months. This has been achieved in spite of a slowdown in recent months with demand falling marginally in October and again by just 1.9% in November.

Job prospects for Geologists and OHS professionals have been weak all year. The former have fallen by 10% since last November and OHS by 3.4% over a similar period. Geologists and Other Scientists rose by 2.1% in November. Their respective indices are 49.00 and 53.17. Therefore after 4 years, demand for such professionals is still only half that seen when research was first published in November 2013.

Engineering Professionals

Engineering Professionals Analysis

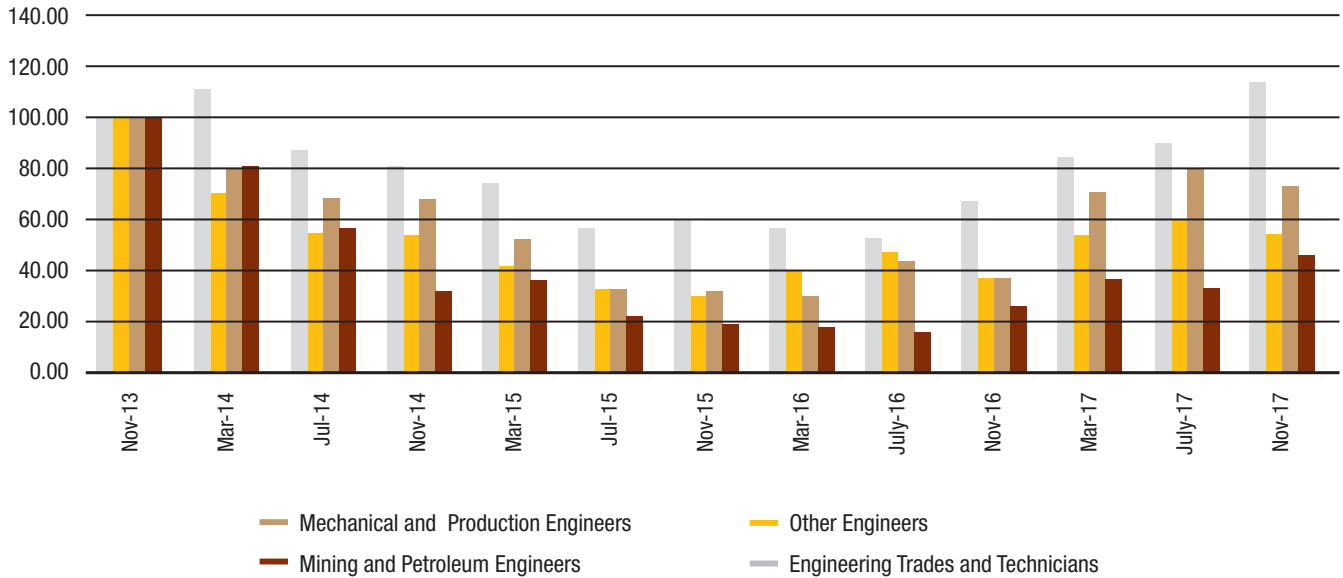


Chart 9: Analysis of Job Vacancies across Engineering Occupations

Another month of contrasting fortunes for different engineering disciplines. Mining and Petroleum Engineering, after very lean times has enjoyed another positive month. The percentages are flattering though. Novembers rise was 17.7% and its now 30.7% up for the quarter, an increase of 85.6% for the year. But all of this growth still leaves the Index on just 43.84, still well off the level of demand enjoyed at the end of the mining boom.

The other occupation to be riding high is Engineering Trades and Technicians. Demand expanded by 8.7% for the month which is really impressive as the Index was already on the up. It's now on 113.77, the best since January 2014. Impressively, demand has risen 69.9% in 12 months, in what was already the strongest performing engineering area.

Mechanical and Production Engineers has also had a spectacular year with demand rising 82.4% since November 2016. But while there was considerable expansion in the first 6 months, results have slowed considerably more recently, slipping 2.7% in November and rising by only 7.4% over the last 6 months.



Trades and Operators

Trades and Operator Analysis

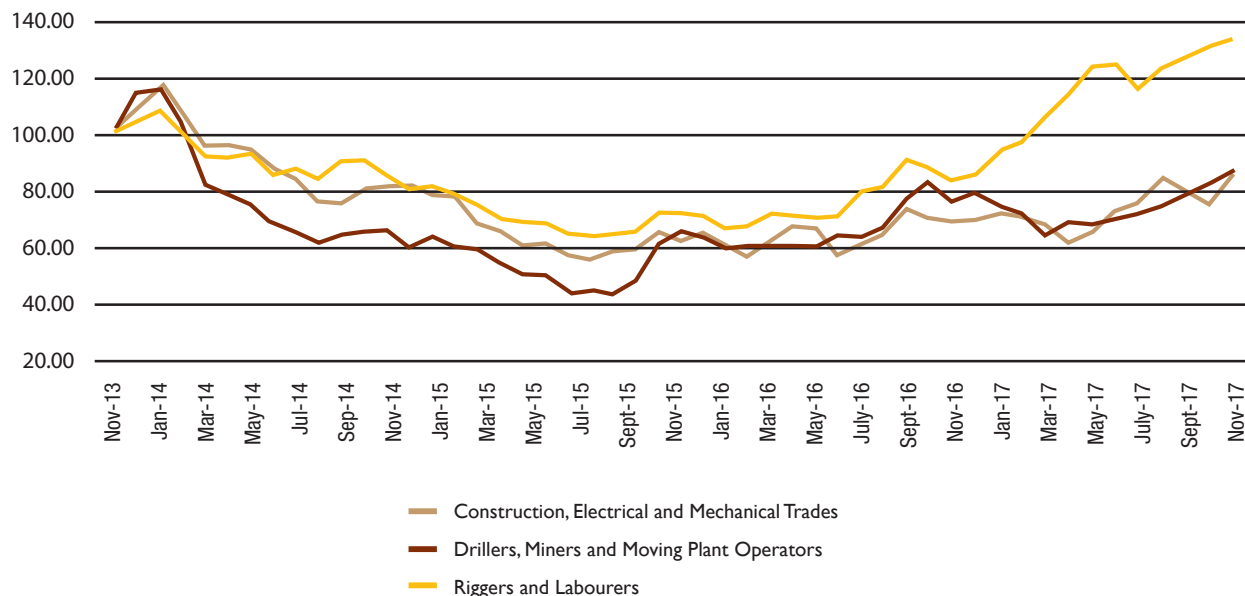


Chart 10: Analysis of Job Vacancies across Mining and Resources Trades and Operators

This month's growth in all Trades and Operators job opportunities is symptomatic of just how good a year it's been for these skill categories. In November, job opportunities for Construction, Electrical and Mechanical Trades rose 9.1%, Drillers, Miners and Moving Plant Operators by 4.6% and Riggers and Labourers by 2.5%.

Annual growth has been particularly impressive for the Trades, Riggers and Labourers. The Index for Riggers and Labourers is now 132.59, a third successive record high. This represents annual growth in demand of 53.8%.