

DFP Mining and Resources Job Index

AUGUST 2018

Detailed Market Analysis for the Mining
and Resources Sector in Australia



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Introduction

Welcome to the latest edition of the DFP Mining and Resources Job Index which provides month end data for August 2018.

Job increases continued in the Mining and Resources sector with a further rise in August of 0.8%, bringing the National Index to 93.69. Permanent job vacancies continue to lead the way with demand up 2.4% for the month. Conversely, there was a decline in Temporary & Contract roles as they fell by 1.7%. Western Australia and Queensland both had similar increases of 1.5% and 1.3% respectively. Metal Ore Mining with an increase of 5.7% and Coal & Mineral Mining up by 9.7% were the best performing sectors in August. All occupational groups had increases in job vacancies for the month except for Operational Management roles which fell by 1.7%.

Our aim is to deliver research that is timely and informative to employers, job seekers and those with an interest in the Australian Mining and Resources job market.

Local experts in the resources industry backed by a strong national brand.

Focusing on contract and permanent positions, DFP Resources works in partnership with clients and candidates across a variety of Resources segments.

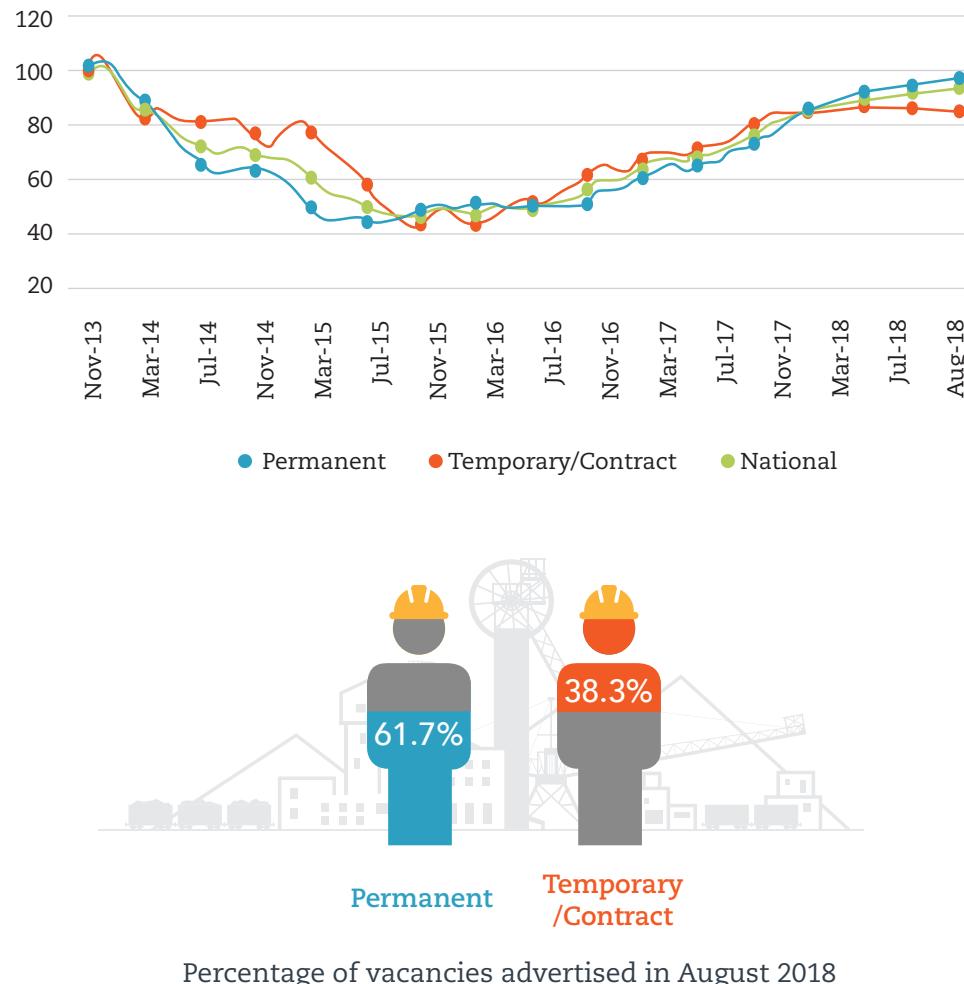
We recruit across the following resources segments:

- Exploration
- Mining – Surface & Underground
- Maintenance & Engineering
- Health, Safety and Environment
- Site Administration
- Learning & Development
- Oil and Gas
- Shutdowns
- Logistics and Transport
- Trades
- Projects



National Job Index

Chart 1: National Index and Job Type Analysis



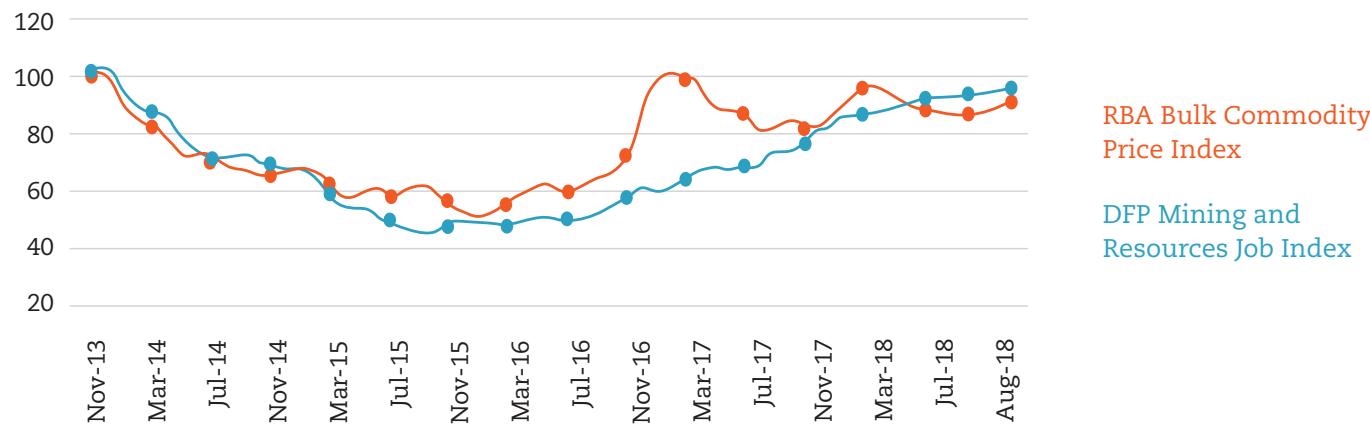
Despite signs of a more broadly based slowdown in the jobs market, employment prospects in the Mining and Resources sector continue to improve. Job vacancies rose another 0.8%, the fifteenth consecutive rise with the National Index rising from 92.95 to 93.69. This is the highest level since February 2014. However, the rate of growth is slowing. The Index has risen a very strong 26.4% over the past 12 months but this has slipped to 8.8% in the last 6 months.

The Permanent job market is driving this growth. Demand rose 2.4% in August and by 5% in the last quarter. There have been just 2 falls in the last 20 months and those were back in Q2 2017. The Permanent index now sits at 97.93, closing in on the starting point of 100 set nearly 5 years ago. At that time, employers were shedding staff and now sourcing scarce talent has become the challenge.

The temporary and contract market is still as strong as it has ever been over the last 5 years but whilst stable for the previous 2 months, it has now had its first month of material decline. Contingent job opportunities contracted 1.7% in August. From a longer term perspective, demand is up just 4.3% in 6 months and 12.8% in the last year. The relatively slower growth in temporary and contract demand is due to employers realigning their workforces towards permanent rather than flexible staff to lock in scarce skills.

National Job Index

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



The RBA's Non Rural Bulk Commodity Price Index rose 2.7% in August while the DFP Job Index rose just 0.8%. The gap between the respective key indicators has narrowed again but remains broadly in alignment. The Price Index is the lead indicator and this infers that job prospects should continue to improve. The only major proviso to this is that a Trade War between China and US is bad for everyone and of particular concern to suppliers of raw material to China. This leaves employers in a quandary. They need to maintain or increase capacity to make the most of current prices and demand but must temper this with concerns over longer term market risk.

State Analysis

Chart 3: Comparison of State Job Indices - **August Index**

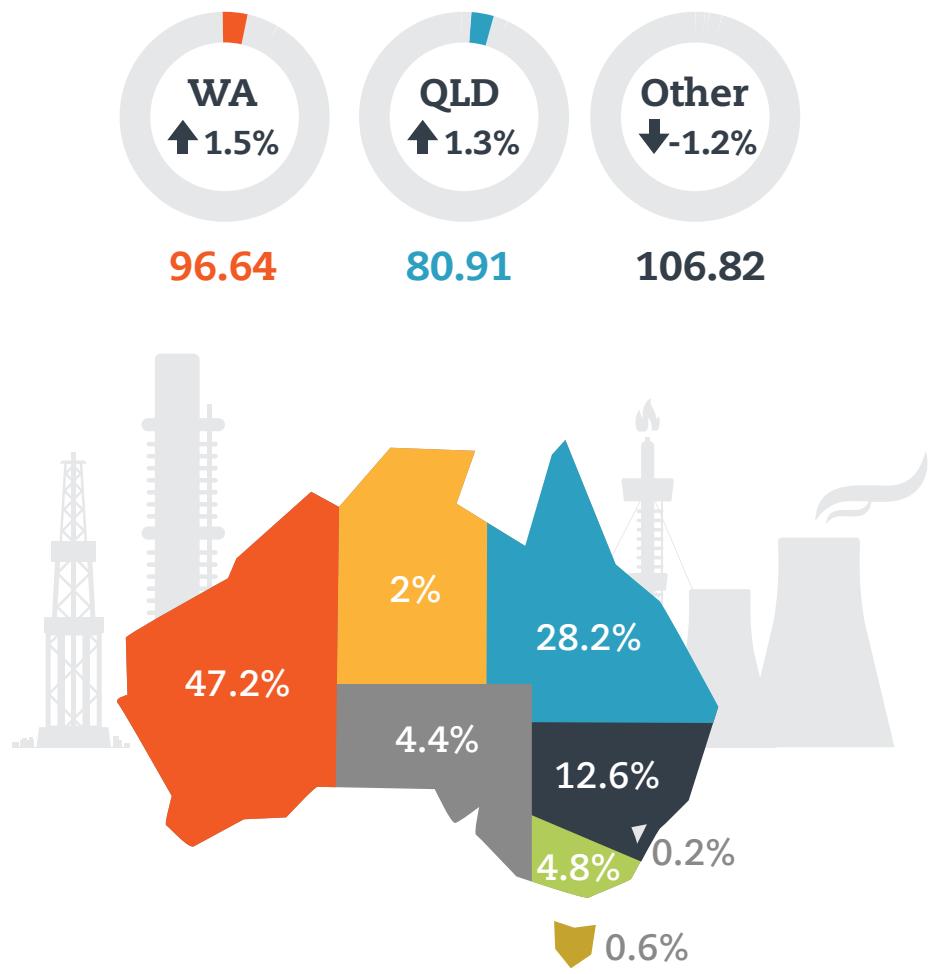


Chart 4: Analysis of Job Advertisements by State and Territory - **August Index**

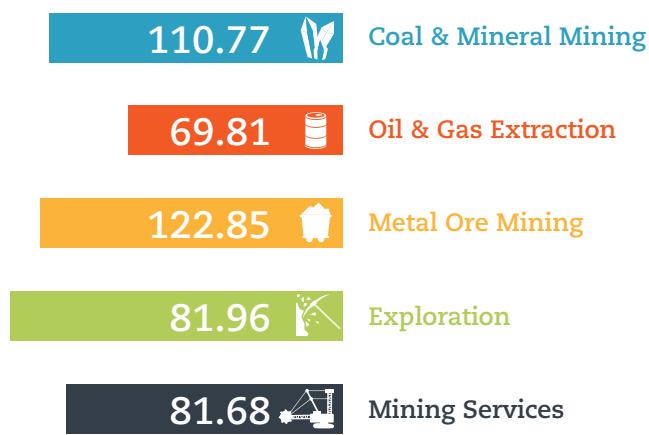
In July job vacancies in the sector in Western Australia fell for the first time in 14 months. In August we saw a return to the positive with a 1.5% rise in positions available in the state. The more familiar pattern of growth has resumed with the WA Index rising from 95.19 to 96.64. Both short term and longer term growth remains impressive, particularly the 29.2% year on year growth.

The Queensland market also remains at a relatively high level. The index rose 1.3% in August from 79.84 to 80.91. This narrowly eclipses the historical high achieved in April making it the highest level of demand since January 2014. While recent growth has been muted, it can still boast a 28.3% rise in job vacancies over the last 12 months.

With significant growth in both WA and Queensland over the last 12 months, both states have seen their already dominant market share increase. WA has risen 1% from 46.2% to 47.2% while Queensland has risen 0.4% to 28.2%. These increases have been at the expense of NSW and Victoria which have seen a small decline in their market share.

Sub Sector Analysis

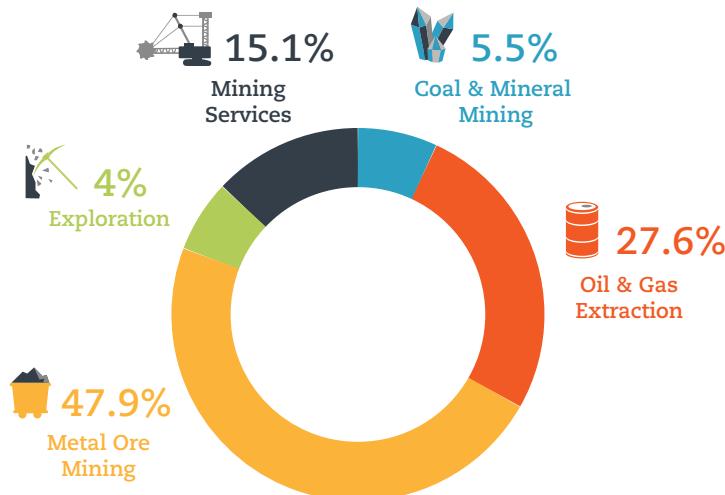
Chart 5: Analysis of Job Vacancies by Sub Sector - **August Index**



Metal Ore Mining has enjoyed another excellent month with job opportunities expanding by a further 5.7%. Job opportunities are now at a new record high of 122.85. Other than a dip in both early 2017 and early 2018 demand has been rising. All measures impress – 10.5% over 3 months, 14.8% over 6 months and 27.2% over 12 months. With the level of demand growing at this rate, it is hardly surprising that employers are starting to experience skills shortages.

Job opportunities in Oil & Gas Extraction contracted slightly in August after 3 good months of growth. The 5.6% fall was significant and eliminated the recent growth. Demand is up 15.2% over 6 months and by an impressive 53.2% over the last year. Strong oil and gas prices plus a healthy level of projects should see further growth during the remainder of 2018.

Chart 6: The Proportion of Job Vacancies by Sub Sector - **August Index**

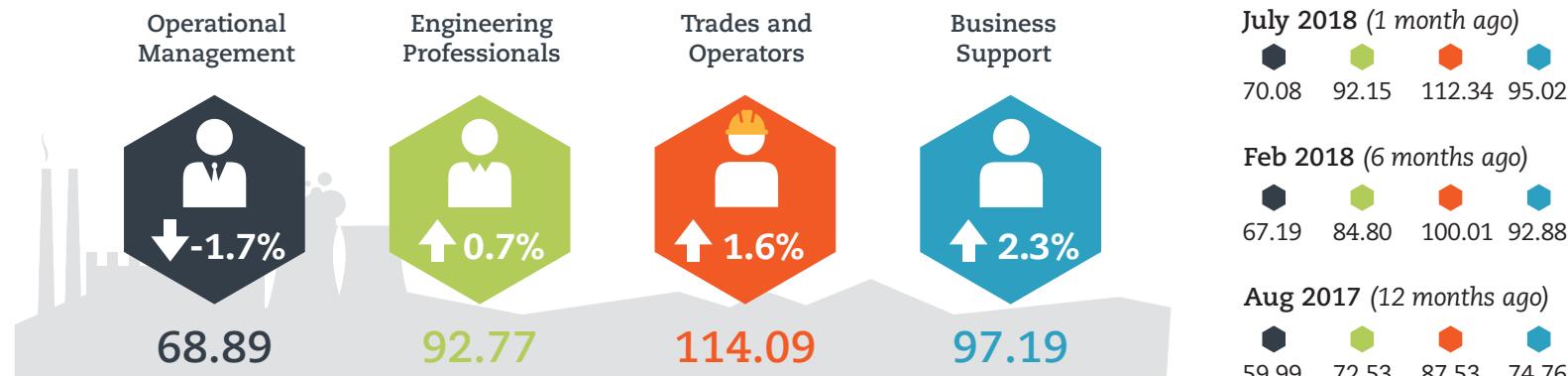


Coal Mining job opportunities have fluctuated throughout 2018. This is primarily a function of relatively small volumes of job advertisements. In the last 6 months the index has fluctuated wildly but the rise is just 0.1%. The surge in demand prior to that means that the index remains above 100.

While Mining Services continues to grow it is not doing so at the same rate as other sub sectors. Accordingly, its share of the national job market has shrunk in the last year from 19.9% to 15.1%

High Level Occupational Analysis

Chart 7: Analysis of Job Advertisements by Occupational Group - August Index



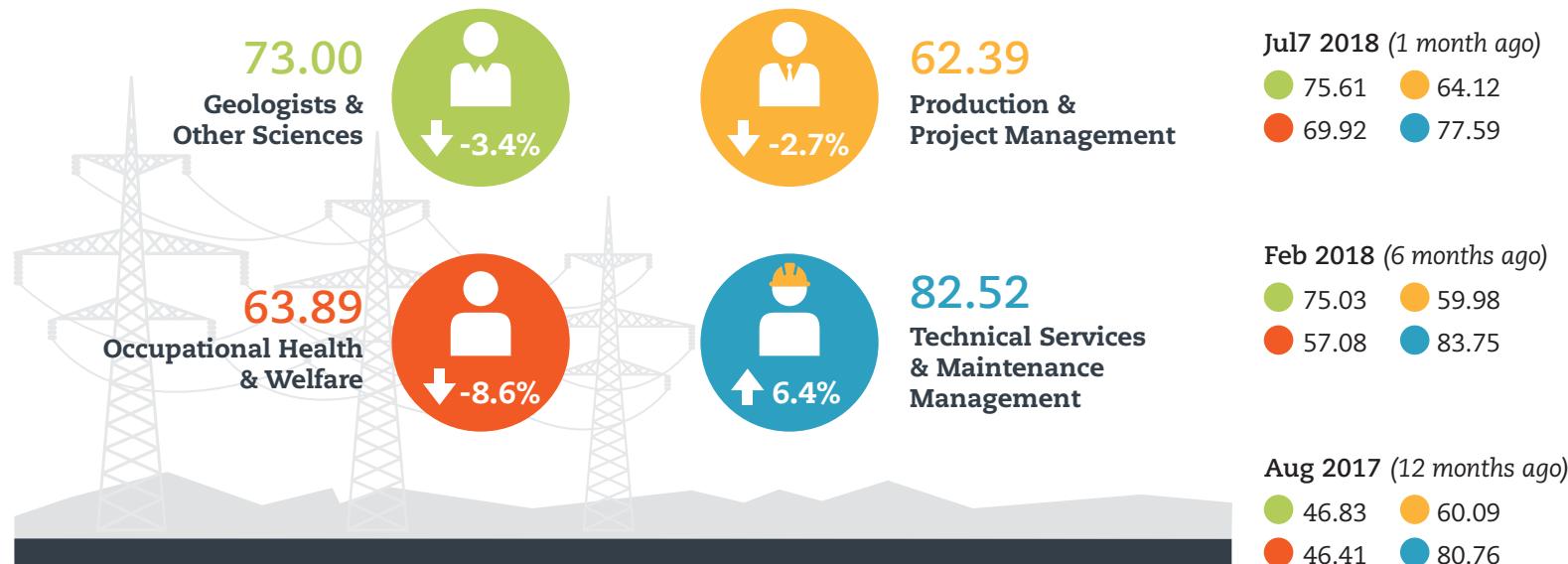
All High Level Occupations rose in August apart from Operational Management which fell 1.7% contributing to a very poor quarter that has seen demand fall by 4.8%. Operational Management now has the lowest year on year growth (14.8%) and the lowest index (68.89).

Business Support was the strongest, rising 2.7% in August. The star performer continues to be Trades and Operators which saw demand rise a further 1.6%, achieving another new monthly record with the Job Index on 114.09. Expansion in Trades and Services job opportunities has been very consistent for over 2 years. Annual growth sits at 30.3% which is impressive given it is off a relatively high base.

Engineering Professionals have enjoyed a very strong quarter. Demand for their services rose a very healthy 7.9%, the highest for all occupations. While the earlier part of 2018 was relatively quiet, it has also recorded 27.9% growth year on year, comparable to that of Trades and Services. The index has also now reached 92.77 which is the highest since February 2014.

Operational Management

Chart 8: Analysis of Job Vacancies across Operational Management Occupations - **August Index**



Technical Services & Maintenance Management enjoyed a reversal in fortune returning a healthy increase after 3 months of decline. Demand peaked in April and has since fallen substantially. However, it remains the strongest management occupation with an index of 82.52.

Ironically, all the other occupations fell in August. Occupational Health & Welfare has followed a broadly similar trajectory of late. Demand was very strong until June and has softened in the last couple of months. Where the difference lies is in annual growth – a massive 37.7% in 12 months.

Despite the slow month, Geologists (and related sciences) have also enjoyed a resurgent market. The number of online job vacancies has risen 55.9% over the last 12 months. It is also a sector that was particularly hard hit during the mining and resources downturn, so job seekers are benefiting from this change in fortune.

The only occupation to flourish in July was Production & Project Management. This could not be repeated in August. We saw a 2.7% tail off in demand from last month's high. Demand is now just 3.8% higher than a year ago so these professionals are yet to enjoy significantly improved job prospects despite the overall recovery in the sector.

Engineering Professionals

Chart 9: Analysis of Job Vacancies across Engineering Occupations - **August Index**



93.99

Mechanical & Production Engineers

97.32 - July 2018 (1 month ago)
79.91 - Feb 2018 (6 months ago)
83.21 - Aug 2017 (12 months ago)



67.33

Other Engineers

73.53 - July 2018 (1 month ago)
61.46 - Feb 2018 (6 months ago)
61.42 - Aug 2017 (12 months ago)



48.03

Mining & Petroleum Engineers

50.81 - July 2018 (1 month ago)
46.33 - Feb 2018 (6 months ago)
33.54 - Aug 2017 (12 months ago)



121.34

Engineering Trades & Technicians

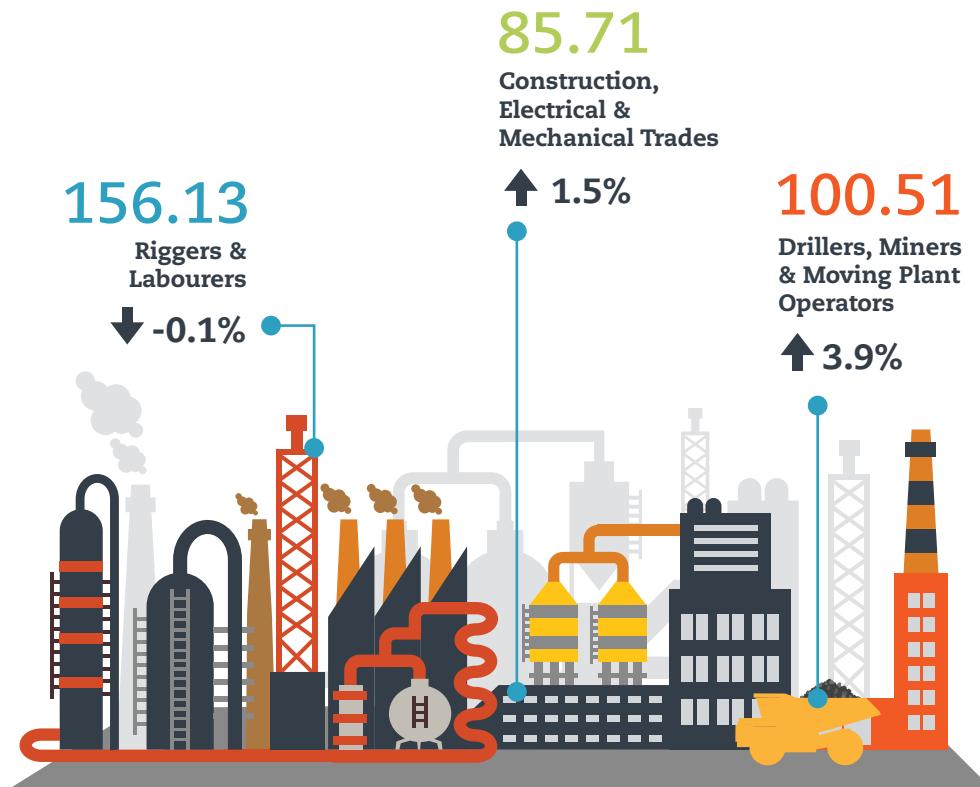
114.94 - July 2018 (1 month ago)
111.47 - Feb 2018 (6 months ago)
89.18 - Aug 2017 (12 months ago)

For a second successive month the only engineers to enjoy any growth was Engineering Trades & Technicians. They saw job opportunities rise another 5.6%. This takes the index for Engineering Trades & Technicians to a new record high of 121.34. There has been excellent growth in vacancies over the last 4 months. However, much of this growth has backfilled a weak start to the year.

The market shed job opportunities for most other engineers. Mechanical & Production Engineers saw demand fall 3.4% while Mining & Production Engineering slipped 5.5%. At least for Mining & Production Engineers, the recent weakness is overshadowed by the 43.2% rise it has experienced in the last 12 months. Their index remains the lowest at 48.03 due to that growth coming from an exceptionally low base.

Trades and Operators

Chart 10: Analysis of Job Vacancies across Mining and Resources Trades and Operators - **August Index**



156.21
July 2018 (1 month ago)

127.49
Feb 2018 (6 months ago)

116.30
Aug 2017 (12 months ago)

84.48
July 2018 (1 month ago)

75.32
Feb 2018 (6 months ago)

75.78
Aug 2017 (12 months ago)

96.74
July 2018 (1 month ago)

96.15
Feb 2018 (6 months ago)

71.98
Aug 2017 (12 months ago)

Demand for Riggers & Labourers slowed in August. It slipped just 0.1% from the record high of 156.31 set last month.

Drillers, Miners & Moving Plant Operators continue to display positive results, growing by 3.9% in August and is now up 39.6% year on year.

Construction, Electrical & Mechanical Trades continue to stabilise. The 1.5% rise in August has helped lift its vacancies up by 13.8% over the past 12 months.

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