

DFP Mining and Resources Job Index

Introduction

Welcome to the latest edition of the DFP Mining and Resources Job Index, which provides the December month end results and completes the final 6 months of data for 2013.

The Index dropped slightly by 1.58 points from November to finish the year at 87.12.

Western Australia continues to represent over half of all national job advertisements in the Mining and Resources sector, while opportunities fell further for the fourth consecutive month in Queensland.

Weakness within the Exploration segment continued, whilst Coal Mining remains the weakest sub sector. In contrast, Oil and Gas Operations roles are outperforming the rest of the market.

Demand for Engineering Professionals has stabilised in this quarter and the demand for Trades and Operators has been consistently strong over the past 6 months.

We welcome all comments and observations. Our aim is to deliver research that is timely and useful to employers, job seekers and those with an interest in the Australian Mining and Resources job market.

National Job Index

DFP Mining and Resources Job Index

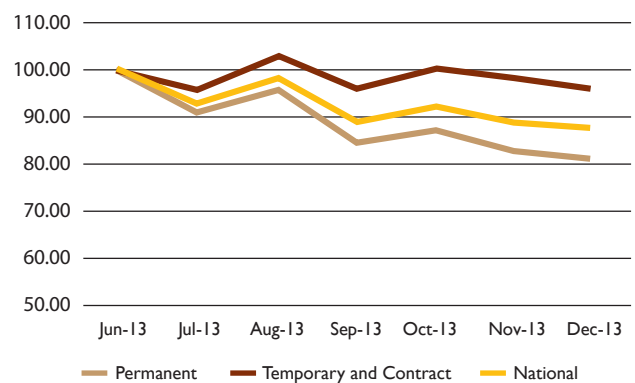


Chart 1: National Index and Job Type Analysis

December has seen a further steadying of demand in the Resources sector with the DFP Mining and Resources Index falling slightly from 88.70 to 87.12. December and January are typically difficult months to interpret because of the fall off in advertising due to the Christmas and New Year holiday period; however, our numbers suggest the market has held up reasonably well.

The total number of opportunities is still below that in June, when the Index was set, reflecting the softening in sectoral employment as investment fell in 2013. Whilst the decline is clear, demand has not “hit the wall” with notable areas of strength in contrast to those areas of weakness. Permanent opportunities are significantly down but the measure of Temporary and Contract opportunities sits at 96.63, indicating only a 3.37% fall over 6 months. In some segments, Mining and Resources companies continue to employ in reasonable volumes though are more prudent and opting for more flexible workforce arrangements.

State Analysis

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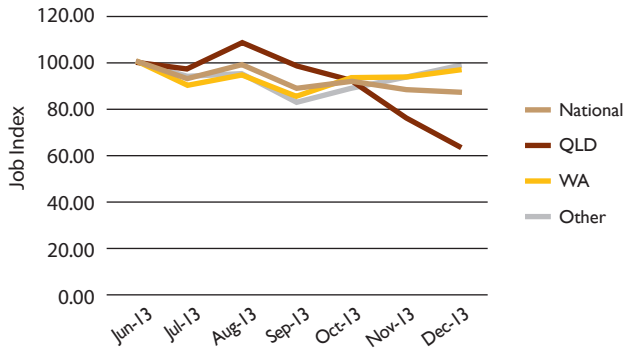


Chart 2: Comparison of State Job Indices against the National Norm

Nowhere are the fluctuating fortunes within the Mining and Resources sector more apparent than in comparison with state performance. Whilst considering seasonal factors, Western Australia is faring reasonably well with overall vacancies down only 3.18% while Queensland has declined 36% from our June base. However, the recent approval of both the GVK/Aurizon and now Clive Palmer's China First railway lines from the Galilee Basin to Abbot Point may provide some scope for improved employment conditions in the beleaguered state in the medium term.

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

State Proportions

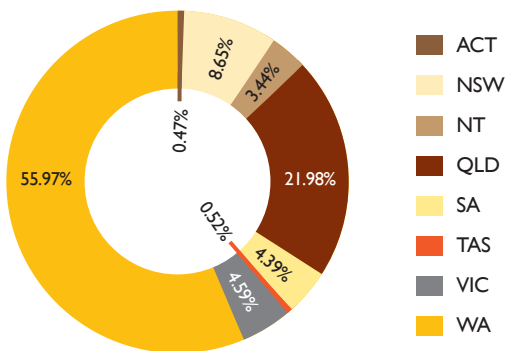


Chart 3: Analysis of Job Advertisements by State and Territory December 2013

The further decline in opportunities in Queensland has seen its market share of vacancies slip further to 21.98%. The minor states have performed well but account in total for approximately 22% of advertisements, while WA's share is just under 56% of all job advertisements in Mining and Resources.

Sub Sector Analysis

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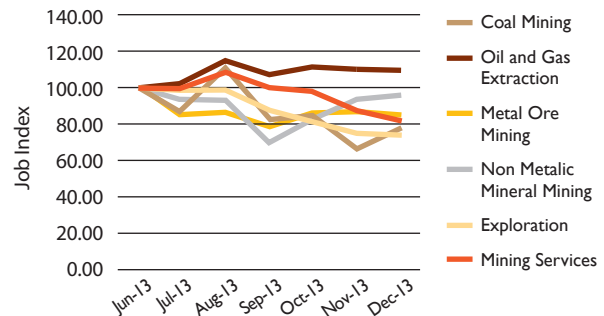


Chart 4: Analysis of Job Vacancies by Sub Sector

Two trends remain clear within our time series analysis of the Mining and Resources sector: Oil and Gas Operations are powering forward and now report advertising vacancy levels up 9.24% over 6 months.

In comparison, opportunities in Coal Mining and Exploration have fallen significantly over the same period. As demonstrated by the poor financial performance of several leading service providers, Mining Services is struggling. Opportunities are down 18.17% in 6 months and the rate of decline continues to be of concern.

Sub Sector Proportions

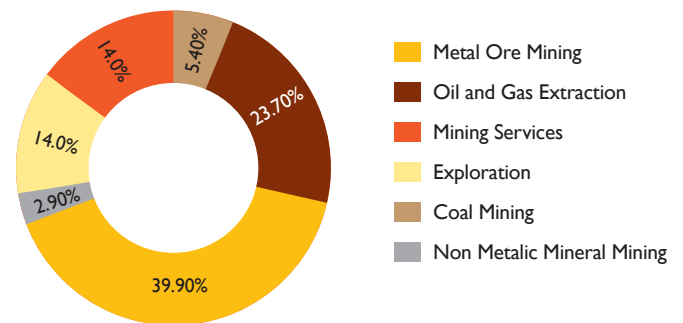


Chart 5: The Proportion of Job Vacancies by Sub Sector December 2013

Job opportunities in Metal Ore Mining continue to dominate the employment landscape, accounting for almost 40% of all vacancies. Demand for staff is holding up relatively well in this sector. Of note within the sub sectors has been a fall in Exploration from 16.57% to 14.0% and a rise in Oil and Gas Extraction roles from 18.9% to 23.7% of all vacancies advertised in December.

High Level Occupational Analysis

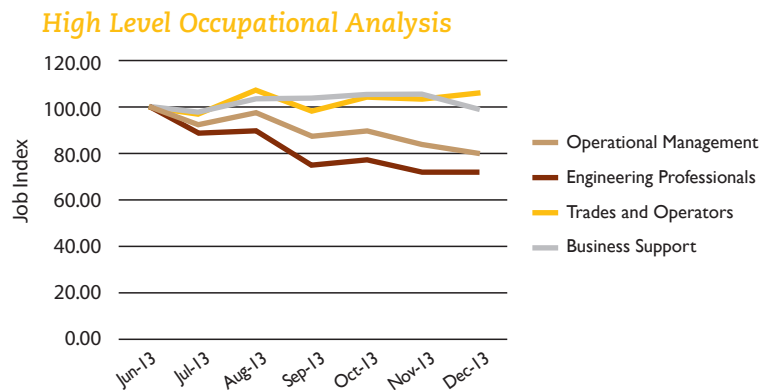


Chart 6: Analysis of Job Advertisements by Occupational Group

December has seen continued stabilisation in Engineering positions which had suffered a steep decline in the previous quarter. There is a long way to go to recover lost ground; however, this steadiness will provide some comfort to Engineering Professionals.

Trade and Operations roles have experienced another positive month with the Index rising 2.5 index points to 105.91. Demand for core production staff remains very healthy. Conversely, this is not the same for operational management opportunities which have now seen 2 months of decline. Business Support roles that had previously shown surprising resilience finally saw a softening in opportunities in December with their Index falling below 100 for the first time since July.

Operational Management

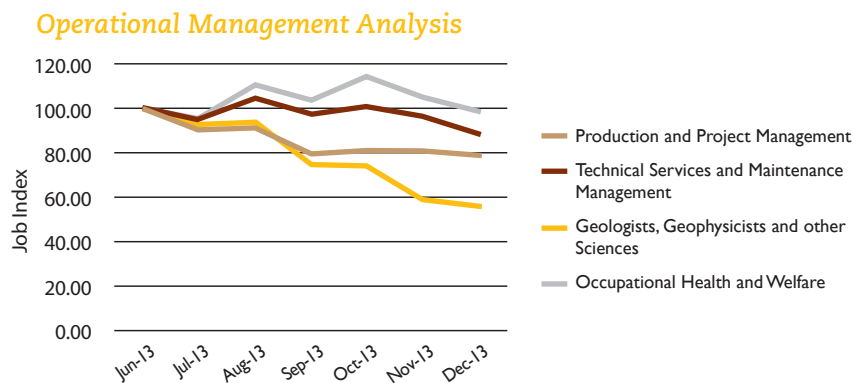


Chart 7: Analysis of Job Vacancies across Operational Management Occupations

The market for Geologists and Geophysicists fell again, for the fourth month in succession. The only comfort was that the fall was relatively small in December. Demand for these professionals has collapsed by over 40% in just 6 months and this trend mirrors the decline in the Exploration sub sector reported in our industry analysis.

With confidence increasing in exploration activity due to coalition support for the sector, this is yet to resonate through into the market. Additionally, a lack of investment into smaller explorers combined with the current gold price is likely to be having an impact.

Following significant falls in the previous quarter for Project and Production Management, demand has stabilised for a second successive month. Technical Services and Maintenance Management opportunities have also experienced a similar trajectory. In contrast, Occupational Health and Welfare which had performed well for much of the earlier period of our analysis has experienced a second month of decline. However, the Index for these jobs in this group still sits at 98.58, holding up well over the 6 month period reported.

Engineering Professionals

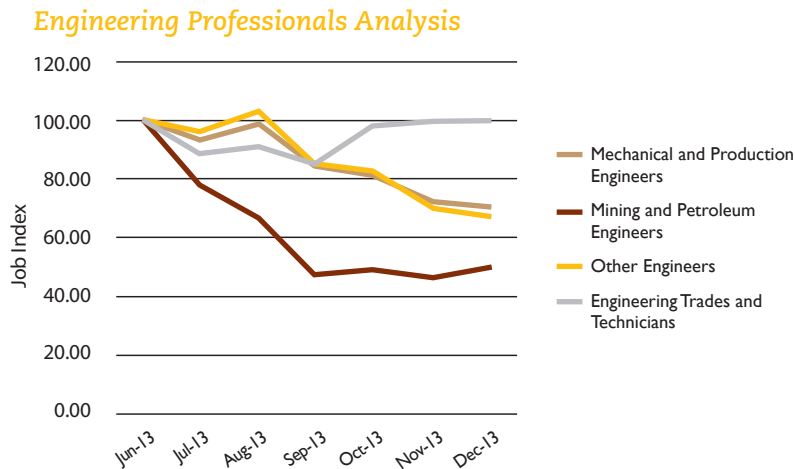


Chart 8: Analysis of Job Vacancies across Engineering Occupations

The overall stability of Engineering Professional jobs has been shared fairly evenly across all sub occupations. The most positive signal is another small rise in Mining and Petroleum Engineering roles which had experienced a significant decline in vacancies in the previous quarter.

Both Mechanical and Production Engineers and Other Engineering roles fell slightly. The strongest market remains Engineering Trades and Technicians where the Index sits at 99.59 showing excellent resilience over the last 6 months in an otherwise weak sector.

Trades and Operators

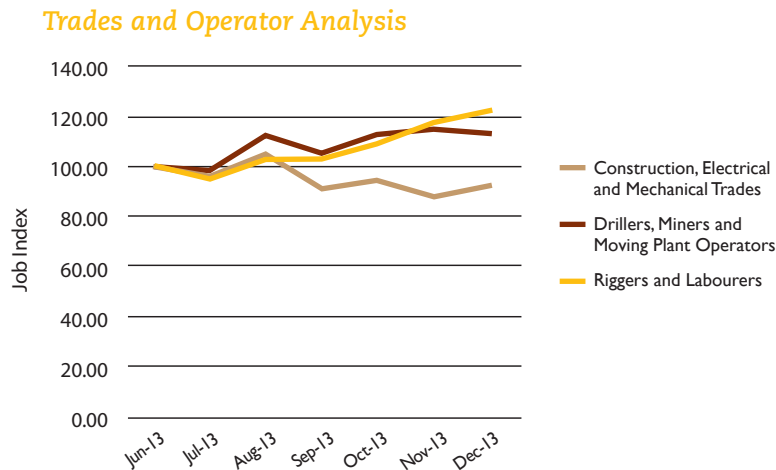


Chart 9: Analysis of Job Vacancies across Mining and Resources Trades and Operators

In generally weak employment conditions, job opportunities in the trades and semi skilled areas remain the stand out performer. Demand for core operational staff – Drillers, Miners and Moving Plant Operators stabilised while Rigger and Labouring opportunities enjoyed a fifth successive month of increased demand. The growth in these roles advertised was particularly strong in the final quarter of 2013 and bodes well for 2014.