

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 July 2016.

The Mining and Resources employment sector experienced a rise of 2.5% over the month with the DFP Mining and Resources Job Index increasing from 50.02 to 51.26 in July. With some encouraging signs of stability and growth, national vacancies are now 7.1% higher than a year ago. Most of the improvement this month was due to the Temporary and Contract market which rose 5.6%, reversing June's fall of 3.6%. The permanent market is also showing tentative signs of recovery with another small rise of 0.3% in July. July proved a really positive month for Western Australia with job vacancies rising 4.5% and up now by 11.9% over 12 months. However, Queensland continues to struggle with job opportunities falling a further 4.4%. Metal Ore Mining employment is proving to be the most consistent performer with vacancies rising a further 3.7%. The top performing occupational category in July was Operational Management which experienced a very strong 13% rise in job opportunities.

We welcome all comments and observations. 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.

National Job Index

DFP Mining and Resources Job Index

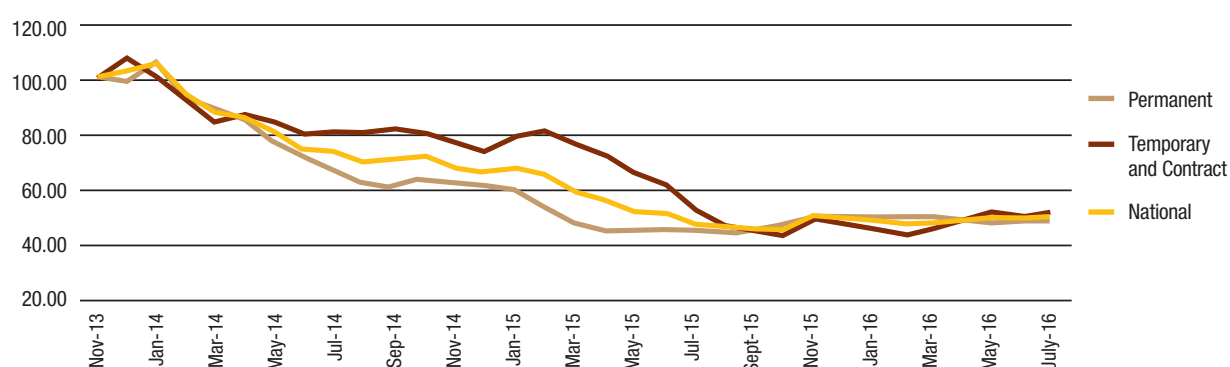


Chart 1: National Index and Job Type Analysis

Job prospects in the mining and resources sector took a positive step forward in July with the DFP Mining and Resources Job Index rising 2.5% from 50.02 to 51.26 in July. This was a strong performance with national data across most industry sectors showing signs of weakness attributed to the Brexit result. However, the resources sector is driven by different factors. The index is now at its highest since June last year and we are now able to report that for the first time since our records began in 2013, vacancies are higher than they were a year ago. Clearly with an index around 50, it is still very weak, however, we are now seeing tentative signs of improvement and not just stability.

National Job Index *(continued)*

The majority of this improvement was in the Temporary and Contract market where job opportunities rose 5.6% reversing June's fall of 3.6%. 2016 has seen a more positive trend for the first time with vacancies up an impressive 14% over 6 months from what was a record low period.

The Permanent market is also showing tentative signs of recovery with a small rise of 0.3% in July. Whilst demand is down 1.2% from 6 months ago, a strong back end of 2015 means it is 12.1% higher than a year ago, albeit off a very low base.

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

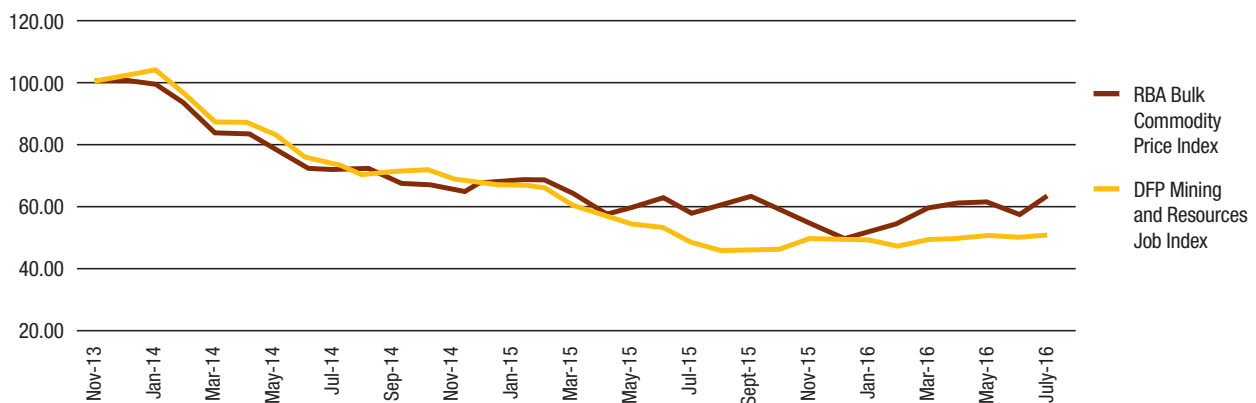


Chart 2: Comparison between the National Index and the RBA Commodity Price Index

The RBA's measure of bulk commodity prices has been volatile of late. It rose 9.2% in July reversing a fall of 5.9% in June. However, over a longer period, a more consistent pattern has emerged. The Bulk Commodity Price Index is up 9.7% year on year which correlates strongly with the DFP hiring indicator being up 7.1% over a similar period. It is the improvement in prices which is driving the small but positive gains in employment.

State Analysis

State Analysis

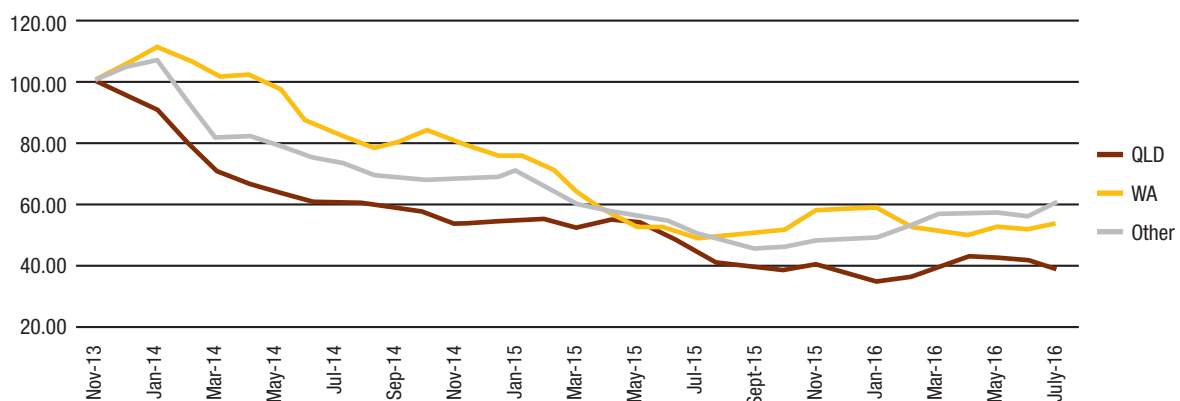


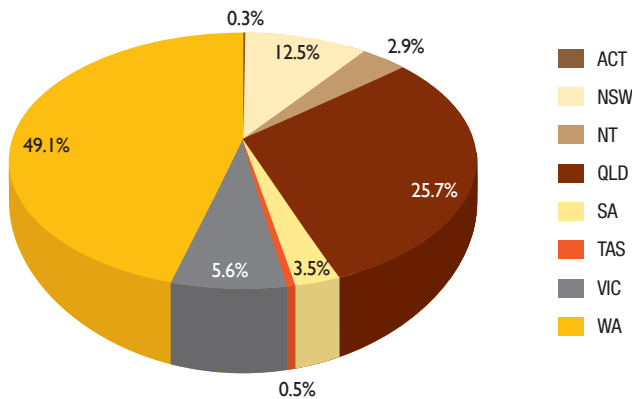
Chart 3: Comparison of State Job Indices against the National Norm

July proved a really positive month for Western Australia. Job opportunities in the sector rose 4.5%. This contributed to a 9.1% rise in the quarter and 11.9% growth over 12 months. While most in the West will still consider the market as very challenging, there are signs of gradual improvement in employment prospects.

State Analysis *(continued)*

The same cannot be said for Queensland where vacancies fell a further 4.4%. Employment conditions remain uncertain in Queensland, still down 9.1% over this time last year.

State Proportions



Following July's strong growth, Western Australia's share of the national market has picked up again. At 49.1% its share is gaining, although it is still short of its peak of the last 3 years of over 55%.

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

Chart 4: Analysis of Job Advertisements by State and Territory

Sub Sector Analysis

Sub Sector Analysis

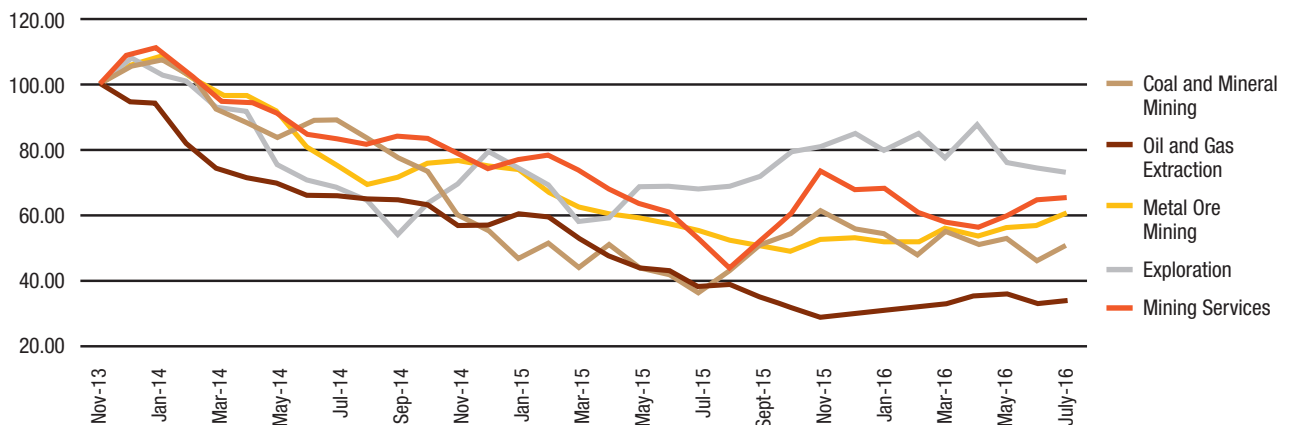


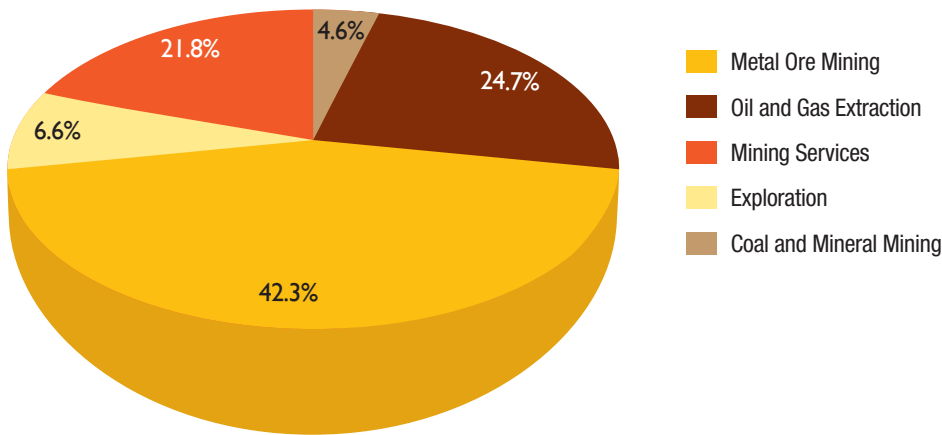
Chart 5: Analysis of Job Vacancies by Sub Sector

Metal Ore Mining employment again is proving to be the most consistent performer. In July, job opportunities rose a further 3.7%. The first half of 2016 has shown the most positive trends in several years with vacancies up 13.1% in the last 6 months.

Coal Mining has been very volatile all year and despite a 10.1% rise in July, it is still trending down. Improvements in July only restored the market to the level seen before an equally large fall in June. Job opportunities in Coal Mining are still 7.5% lower than 6 months ago.

Sub Sector Analysis *(continued)*

Sub Sector Proportions



Prospects for Metal Ore Mining employment improved in July and now holds 42.3% of the entire Australian market. This is the highest proportion it has held since measurement commenced.

Chart 6: The Proportion of Job Vacancies by Sub Sector

High Level Occupational Analysis

High Level Occupational Analysis

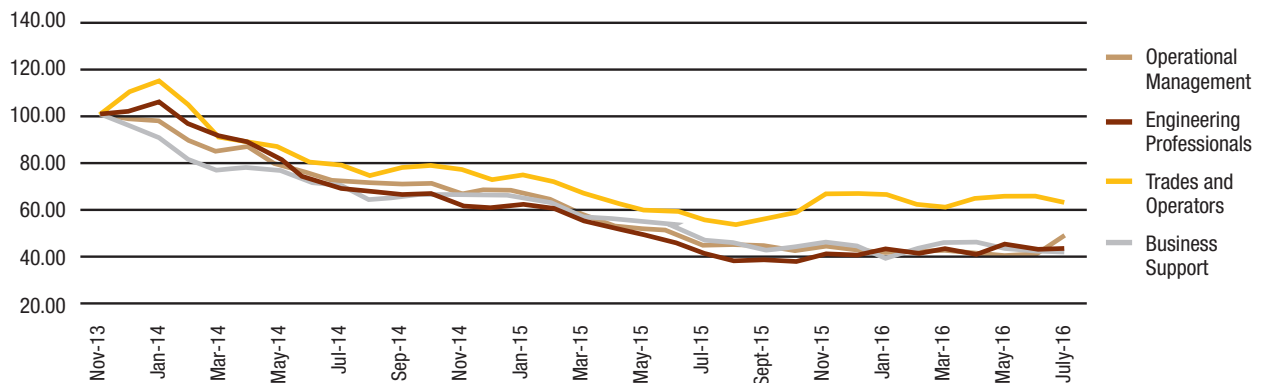


Chart 7: Analysis of Job Advertisements by Occupational Group

The top performing occupational category in July was Operational Management which again enjoyed a very strong 13.0% rise in job opportunities. That takes the quarterly rise to 20.5%, and at 50.08, the first time the index has been above 50 since June last year.

Trades and Operators remain the strongest market. Despite a fall of 2.8% in July, it has grown 15.3% year on year.

Operational Management

Operational Management Analysis

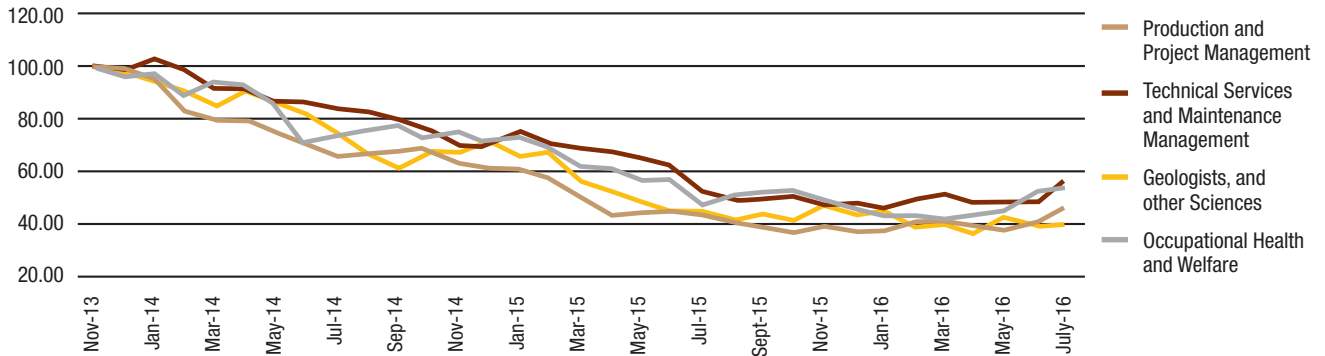


Chart 8: Analysis of Job Vacancies across Operational Management Occupations

Demand for Technical Services and Maintenance Management took a really positive turn in July, recording a substantial 17.8% rise in vacancies. Demand is 25.6% higher than 6 months ago and the index is at its highest since June 2015.

Production and Project Management was even stronger, rising a very healthy 18.5% in July. This is very much contrary to a previously stable but weak market. This single rise takes the index to its highest level since March 2015.

Whilst a very positive month, we obviously issue some caution in interpreting the results, as a longer trend needs to be seen before sustainable growth can be confirmed.

Engineering Professionals

Engineering Professionals Analysis

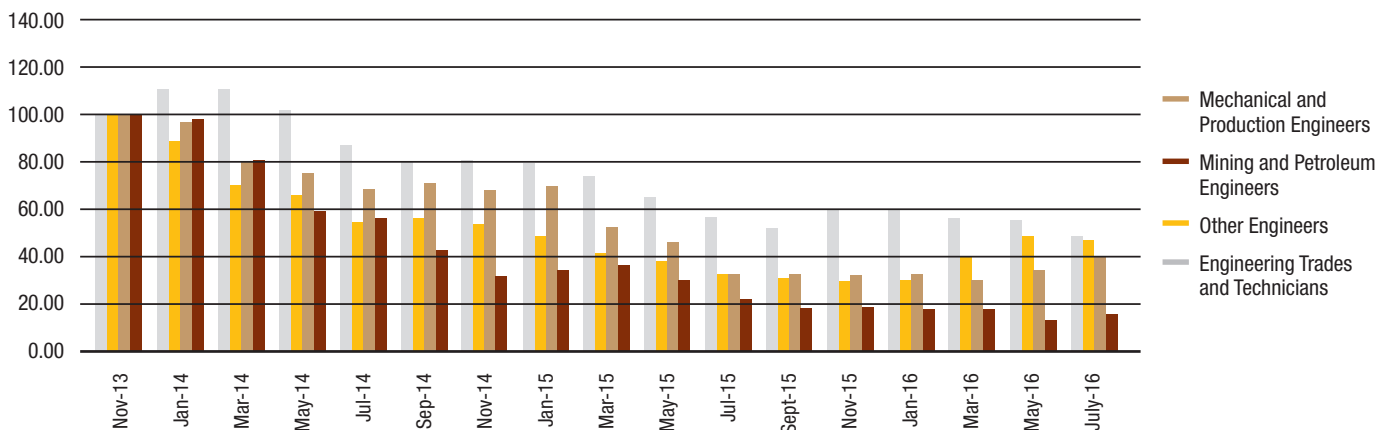


Chart 9: Analysis of Job Vacancies across Engineering Occupations

The market for engineers in the mining and resources sector remains very weak. Mining and Production Engineers stand out in particular. Its index is now at 13.38, a new record low and 45.3% below 12 months ago. There is no other occupational sector in the Mining and Resources sector to report such poor job vacancy results. There are little signs of improvement despite the overall improvement in hiring activity.

Engineering Trades and Technicians also hit a new record low. A 1.16% contraction in July has seen its index fall to 49.92, the first time it has dropped below 50.

In stark contrast, Mechanical and Production Engineers have seen their employment prospects improve considerably in recent months. Demand rose again in July by 3%, taking its index, whilst only at 39.10, to the best level since June 2015.

Trades and Operators

Trades and Operator Analysis

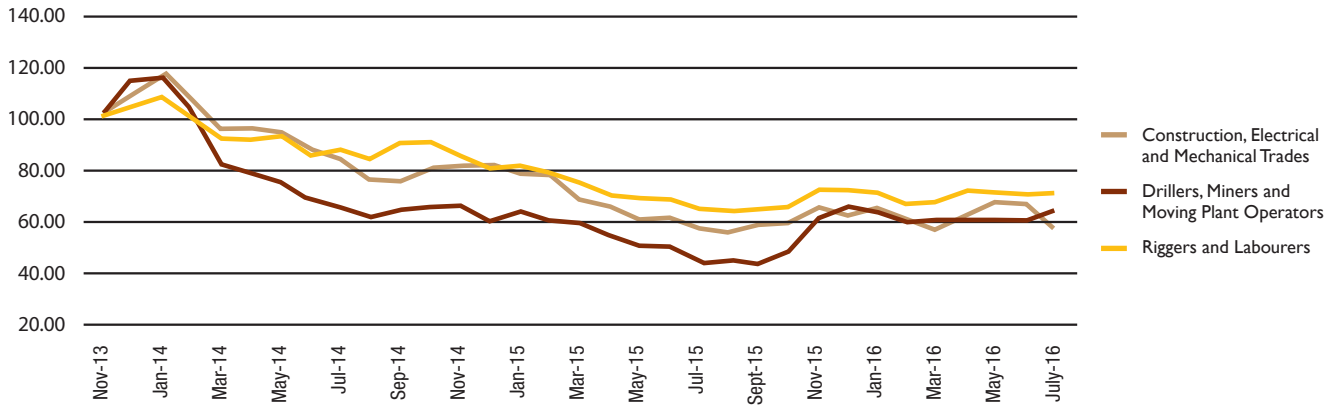


Chart 10: Analysis of Job Vacancies across Mining and Resources Trades and Operators

Demand for Riggers and Labourers still hasn't moved strongly in either direction. Growth in July was 0.7%, along with just 0.1% in the last 3 months and just 0.2% in 6 months.

By way of contrast, Construction, Electrical and Mechanical Trades remains volatile. The index shed a massive 13.5% in July, however, this only reversed strong gains seen in the previous 3 months. Its index of 58.81 remains close to the record low set in March this year.

The market for Drillers, Miners and Moving Plant Operators remains very healthy. They saw demand rise 3.3% in July and 36.6% over the last 12 months. The index sits at 62.78, its highest since January 2015.