



ManpowerGroup

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AUSTRALIAN JOB OUTLOOK POSITIVE FOR 2017, DESPITE A YEAR OF CHANGE AND MORE UNCERTAINTY AHEAD

ManpowerGroup Employment Outlook Survey Q1 2017

AUSTRALIA (13 DECEMBER 2016): As 2016 draws to a close and businesses set their sights on the year ahead, Australian employers appear to be keeping a level-headed approach to hiring despite broader economic and political uncertainty. This is according to the latest ManpowerGroup Employment Outlook Survey, released today, which shows that hiring intentions remain cautiously optimistic, with some job gains expected and almost 80 per cent of businesses intending to keep their headcount the same in Q1 2017.

The resulting national Net Employment Outlook (NEO)¹ is +9%, down two percentage points from last quarter, and at the same level as this time last year.

Richard Fischer, Managing Director, ManpowerGroup Australia and New Zealand, reflected on the year that was and noted that businesses are again adopting a wait and see approach in terms of reacting to implications of macro issues.

“The hiring intentions forecast for the first quarter remains modest for the fourth consecutive year, suggesting that at the start of the year employers tend to wait and see how things pan out before making broader hiring decisions. Across the board, there is certainly some positivity, with 13 per cent of employers looking to bolster their headcount with additional hires, while the clear majority – 76% - are not intending to make any changes.

“If you look at what the last 12 months has brought from a macro political and economic perspective, it was certainly a year of uncertainty and change. We have had a double dissolution election in Australia, the ‘Brexit’ decision in the United Kingdom, and an American Presidential campaign. While there is arguably still some uncertainty around the impact of such events, business sentiment has been relatively stable throughout the year.”

A closer look at the Australian states showed Queensland employers reported the biggest drop in NEO quarter on quarter – down to +3% from +10% last quarter, and down from +8% this time last year.

Mr Fischer noted that the Queensland labour market remains weak, saying this is largely due to the end of ‘labour intensive’ construction across the resources sector.

“Queensland employers remain cautious in their hiring intentions heading into the new year – taking a ‘wait and see’ or ‘make do with what we have’ approach to hiring. The reason for this is three-fold – across the state a number of major construction projects have wrapped up such as BHP’s Caval Ridge mine; we are seeing falling commodity prices; and we have had weaker than expected retail growth, which has all led to a more subdued outlook. In regional centres this has also been exacerbated by the ongoing drought.

¹ The Net Employment Outlook is calculated by subtracting the percentage of employers anticipating a decrease in hiring activity from the percentage of employers anticipating an increase in employment. Seasonal adjustment is then applied to the data.

“The resources sector will remain a key driver of future growth, but the Queensland economy needs to manage the transition from construction to production in this sector. Outside of this sector there will be growth in residential construction, tourism and agriculture,” Mr Fischer said.

Other states that are predicting a slump in hiring intentions include Tasmania, with a NEO of +3%, down seven percentage points quarter on quarter and an overall drop in three percentage points year on year. The Australian Capital Territory has recorded an NEO of +9%, down five percentage points from the last quarter and an overall two percentage points from the beginning of 2016.

Across the industries, Transportation & Utilities – which had the strongest forecast across the industry sectors last quarter – is expected to be sluggish in the upcoming quarter – with its NEO dropping from +17% in Q4 2016 to +8%. This is the same figure reported at the beginning of 2016. At the same time, Finance, Insurance and Real Estate and Manufacturing both reported a drop of four percentage points, to +11% and +4%, respectively.

“We are again seeing the impact of automation in the manufacturing space, which is also having an impact in the Finance sector, with the rise of digital service offerings and automated roles. Companies across these sectors, like many others, are on the search for quality I.T. candidates that can drive the integration of tech within the business.”

Finally, despite a drop in quarter on quarter results for large businesses by two percentage points, year on year outlook has increased by two percentage points and sits at a respectable NEO of +17%. Small and medium businesses have recorded remain the same year on year, modest NEO figures of +7% and +9% respectively.

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Table 1. Net Employment Outlook Comparison by Region

	Q1 2017	Quarter-on-Quarter Change	Year-on-Year Change
NATIONAL	+9%	↓ (-2%)	- (-/+0%)
SA	+7%	↓ (-2%)	↑ (+5%)
QLD	+3%	↓ (-8%)	↓ (-5%)
TAS	+3%	↓ (-7%)	↓ (-3%)
VIC	+13%	↓ (-1%)	↑ (+2%)
NT	+7%	↑ (+1%)	- (-/+0%)
WA	+5%	↑ (+2%)	- (-/+0%)
NSW	+10%	↓ (-3%)	- (-/+0%)
ACT	+9%	↓ (-5%)	↓ (-2%)

Table 2. Net Employment Outlook Comparison by Sector

	Q1 2017	Quarter-on-Quarter Change	Year-on-Year Change
Finance, Insurance & Real Estate	+11%	↓ (-4%)	↓ (-6%)
Manufacturing	+4%	↓ (-4%)	↓ (-2%)
Mining & Construction	+7%	↓ (-2%)	↑ (+7%)
Public Administration	+10%	↑ (+1%)	↑ (+2%)
Services	+12%	↓ (-3%)	↓ (-2%)

Transportation & Utilities	+8%	↓ (-9%)	- (-/+0%)
Wholesale Trade & Retail Trade	+7%	↓ (-1%)	↑ (+2%)

Table 3. Net Employment Outlook Comparison by Organisation size

	Q1 2017	Quarter-on-Quarter Change	Year-on-Year Change
Micro (<10)	+4%	↑ (+1%)	↑ (+1%)
Small (10-49)	+7%	↓ (-4%)	- (-/+0%)
Medium (50-249)	+9%	↓ (-4%)	- (-/+0%)
Large (>250)	+17%	↓ (-2%)	↑ (+2%)

Table 4. APAC Q1 2017 results

Country	Q1 2017	Quarter-on-Quarter change	Year-on-Year change
AUSTRALIA	+9%	↓ (-2%)	- (-/+0%)
CHINA	+4%	↓ (-1%)	↓ (-3%)
HONG KONG	+13%	↑ (+1%)	↓ (-2%)
INDIA	+24%	↓ (-7%)	↓ (-19%)
JAPAN	+23%	- (-/+0%)	- (-/+0%)
NEW ZEALAND	+15%	- (-/+0%)	+4%
SINGAPORE	+9%	↑ (+1%)	↓ (-1%)
TAIWAN	+25%	↑ (+4%)	↓ (-2%)

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