

# Hiring intentions upbeat despite weakness in key sectors

## *Retail employers yet to find Christmas cheer*

**AUSTRALIA (12 September 2017)** – Hiring expectations for the last quarter of 2017 have failed to record a pre-Christmas bump despite remaining in positive territory as Wholesale and Retail Trade employers report a more subdued employment Outlook than the same time last year.

The *ManpowerGroup Employment Outlook Survey* for 4Q17 records a Net Employment Outlook (NEO)<sup>1</sup> of +10% for Australia, signaling that more companies expect to increase payrolls than not heading into the last quarter of this year. The survey collects data from over 59,000 employers in 43 countries, including 1,500 in Australia.

### **INSERT GRAPH OF AUSTRALIAN NEO COMMENCING FROM 2010**

The data reveals that hiring prospects have improved in six of the seven tracked industries compared to the previous quarter and nearly all states and territories have recorded an improved Outlook. However, comparisons to the same period in 2016 are not as favourable and the positive national Outlook obscures stark differences across the country.

The strong result is powered by the Mining & Construction sector and the Public Administration & Education sector, which are recording an Outlook higher than the national average and strong year-over-year gains. However, employers in the Finance, Insurance & Real Estate sector, Manufacturing sector and Services sector are all recording year-over-year declines in hiring expectations, despite their respective Outlooks remaining in positive territory. Expectations have declined in the Finance sector by five percentage points and are down one percentage point for the Services sector.

Particularly notable is the decline in expectations for the Wholesale & Retail Trade sector as it enters the pre-Christmas shopping period, which is usually regarded as its busiest time of the year. Hiring expectations are down four percentage points for 4Q17 compared to both the prior quarter and the same time last year.

### **INSERT SECTOR COMPARISON YEAR-OVER-YEAR GRAPH OF NEO WITH SAME FOR NATIONAL AVERAGE – BAR GRAPH**

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<sup>1</sup> 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.

ManpowerGroup Australia & New Zealand Managing Director Richard Fischer believes the latest data affirms the strength of the Australian employment market while pointing to some key differences across the country.

“Australian employers are signaling they intend to compete vigorously for talent as we head into the fourth quarter,” said Mr Fischer. “Australia has now sustained seven years of strong hiring expectations.”

“However, there are clearly some differences across the country with Mining & Construction continuing to help drive the positive Outlook while other sectors are more subdued. It is pleasing that the smaller states continue to report an improved Outlook. In particular, the Western Australian economy continues to show signs of recovering from the end of the mining boom.”

Regionally, the Outlook in Western Australia has improved steadily for six consecutive quarters and is eight percentage points stronger from the same time last year. In fact, the forecast is now stronger than at any point since the third quarter of 2014, and showing signs that employer confidence may be recovering following the end of the mining boom. Elsewhere, hiring prospects have improved by four percentage points from the same time last year in South Australia, Queensland and Tasmania.

However, employers in Victoria, New South Wales and the ACT have all recorded declining expectations compared to the same time last year, down four, two and six percentage points respectively, although all still remain in positive territory. An even more severe decline is reported in the Northern Territory where hiring expectations are down seventeen percentage points. The Northern Territory is the only region where employers report negative expectations overall.

#### **INSERT STATE COMPARISON GRAPH OF NEO – BAR GRAPH**

Within the Asia Pacific region, Australia has the second lowest result behind China at +8%. Japan’s employers report the strongest hiring intentions with a Net Employment Outlook of +23%. Elsewhere, employers in the United States report an Outlook of +17%.

Mr. Fischer said that overall Australia’s employment Outlook was both positive and stable and had avoided much of the volatility experienced in other countries. Furthermore, despite the subdued Outlook in the Retail sector the experience of past years made him hopeful that a pick up would occur closer to Christmas.

“Retailers are currently reporting more subdued expectations than a year ago. However, this is likely to improve as the critical Christmas shopping period gets closer resulting in strong competition for retail workers”, said Mr Fischer.

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