

Summary

Executive Employment February 2019

New Year boom in executive jobs

Strongest monthly increase in new positions in over two years

All on the back of a robust domestic economy

This year is shaping up as boom year for the Australian economy despite international uncertainty.

Demand for Australian executives surged 29 per cent in January as employers responded to a strong domestic outlook and set themselves up for what is likely to be a busy year.

Despite continued international economic turbulence the E.L. Executive Demand Index recovered all the losses recorded in the last three months of 2018.

Mr Grant Montgomery, Managing Director of international executive search firm E.L Consult that researches and publishes the E.L Index said “it might seem unusual in these heady political days to speak positively about the economy, but these numbers are very strong.

Executives are a high cost purchase and businesses only increase management numbers when they are planning and expecting a bright future.

“Although there has been a lot of talk about political and economic instability, it appears that employers are looking beyond this and voting with their feet. Their companies’ futures look good and they are responding by building their management teams.

“The Australian share market lost 8.2 per cent in value in the last three months of 2018 over what, in hindsight, seems like a relatively small matter.

“This kind of volatility can deflate confidence and lead to what is called a ‘market-led downturn’, so it is unsurprising that employers took a break heading into Christmas.

“Now, as equity markets are showing signs of recovery and despite sabre rattling by the US and China the fear of a catastrophic world trade outcome has fallen.

“Recent research by E.L has shown that Australian executive demand leads international trends and situations, so this kind of recovery is a very good sign for the year of the pig.

“Executive demand is volatile on the upside and the downside, probably due to its smaller base compared to general employment. This can explain some large movements over the past six months and promises that volatility could be high going forward. However, the overall trend has continued to remain positive.”

“Whatever your take on the federal political landscape the economy is doing well.

“Really the government, and the Reserve Bank, have not received the credit they deserve for shepherding the economy along with a light touch,” Mr Montgomery said.

“Business confidence and consequently the economy is on a high.”



E.L Executive Demand Index February Report continued

Mr Montgomery said there are some domestic headwinds for the economy, particularly the probability that the next Federal election will produce a Labor victory, and, connected to that, a resulting slower domestic housing market as investment disincentives are introduced.

In January, the overall index was supported by gains in all states and territories. The biggest gains were in the larger states of Queensland and Victoria, while South Australia led the way among the smaller regions.

The E.L Information Technology Index is showing extraordinary resilience and again consistently outperforms all other indexes

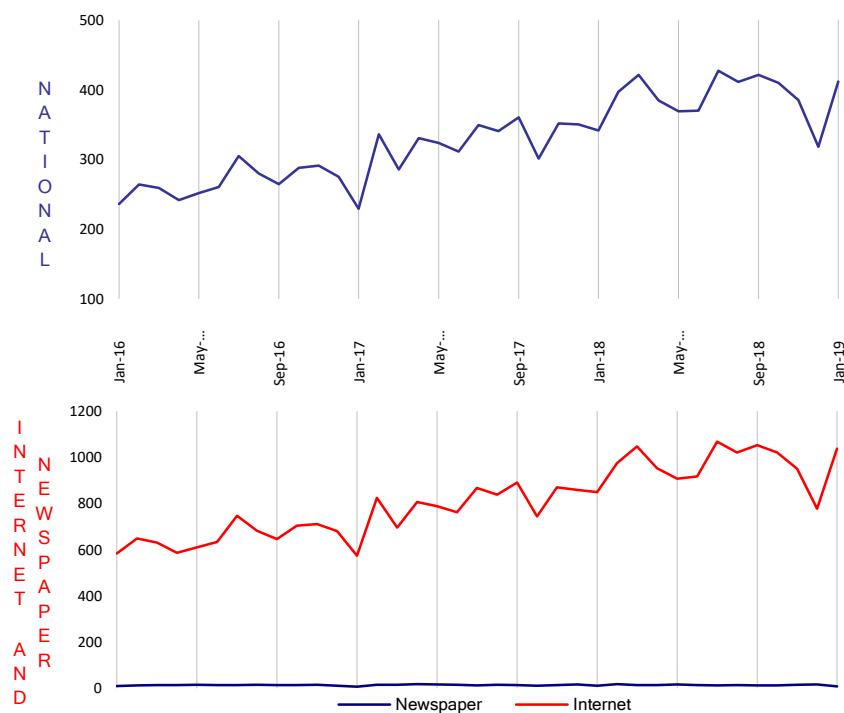
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January 2019 National Index:	412
Same period last year (January 2018):	342
Percentage change over last month:	29%

National Summary

Demand for Australian executives surged 29 per cent in January as employers again concentrated on the strong position of the domestic economy and set themselves up for what is likely to be a busy year. As international economic turbulence subsided, the index recovered all of its losses recorded in the last three months of 2018



The E.L Index compares the current month against a historical base (Newspaper - last quarter 1992, Internet - last quarter 2001) normalised to 100 making comparisons between categories valid.



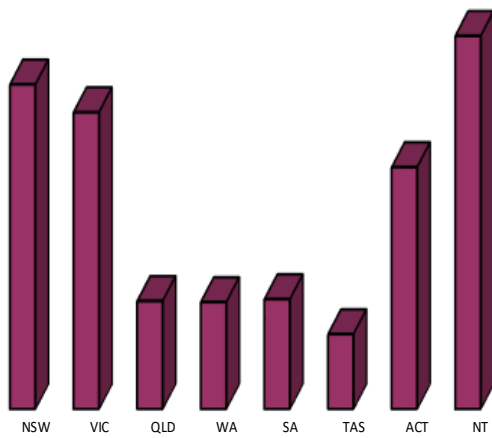
National Demand for Executives over last Seven Years

The trend showed a tick up due to the significant one month rise but this was insufficient to push the long-term trend above that of 2018. The next two months will be telling.

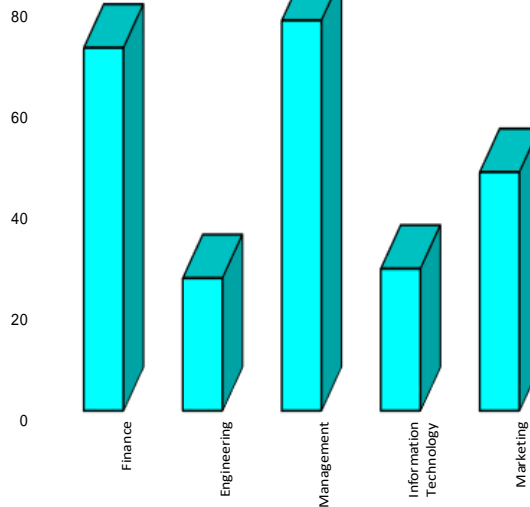


Graph showing the trend of the E.L National Index (three month moving average).

STATE BY STATE COMPARISON



EXECUTIVE GROUP



States

Overall the E.L Index was supported by gains in all states and territories. The biggest gains among the larger states of Queensland and Victoria, while South Australia led the way among the smaller states.

Executive

The Marketing Index had the biggest gains over the month but as this largely a catch up on falls in the previous quarter Information Technology could be considered the best performer was overall followed by Management. All regions were positive or flat, with Engineering registering a 0% result, probably due to seasonal factors.

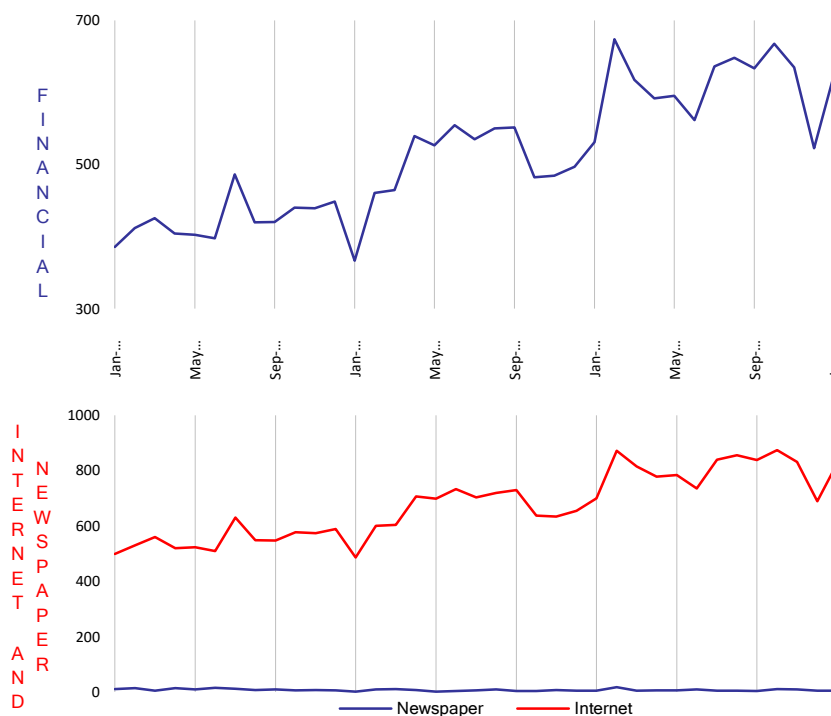


January 2019 E.L Finance Index:	626
Same period last year (January 2018):	531
Percentage change over last month:	20%

The Financial index rose a healthy 20 per cent in January, bouncing back from heavy falls of the December quarter.

The result was particularly strong because it came as Royal Commissioner Hayne was writing his report that had a significant effect on the banking sectors confidence. The banking sector is one of the single biggest employer of fiancé executives.

The recovery of financial markets in January improved general sentiment.



Demand for financial executives over the last three years

Data input definitions: Any position that requires recognised accounting qualifications includes: Accountant, Administration Manager, Auditor, Finance Controller, Budget Accountant, Chief Financial Officer, Cost Accountant, Divisional Accountant, Financial Accountant, Finance Manager, Management Accountant, Systems Accountant, Treasury Accountant, Treasurer

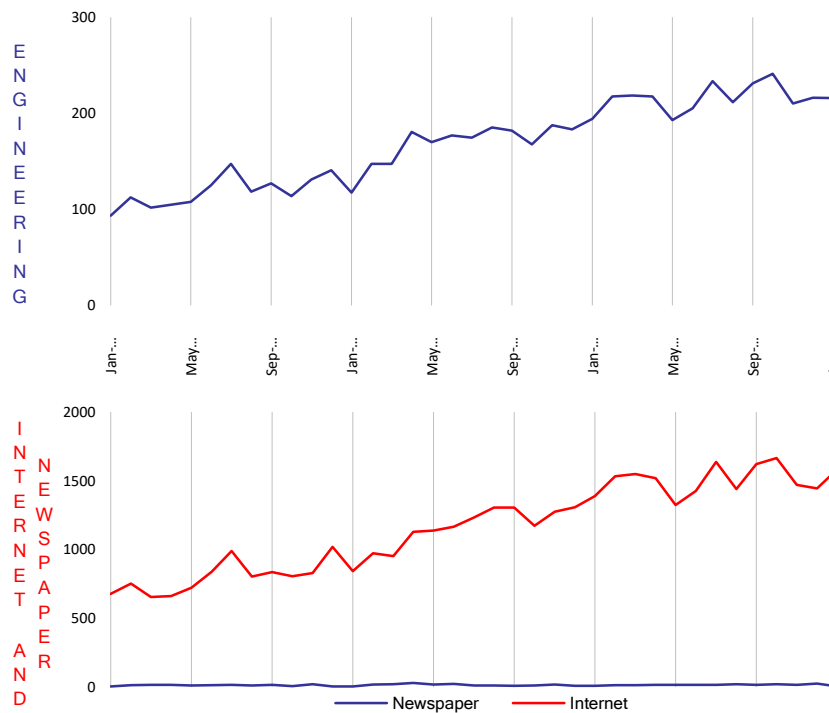


January 2019 E.L Engineering Index:	216
Same period last year (January 2018):	194
Percentage change over last month:	0%

Engineering recorded a flat result and was the only sector to not produce a positive in the month. However, it should be noted that its performance in the December quarter was far stronger than in many other sectors.

Gains in New South Wales were counteracted by small losses in Victoria and Western Australia.

The likelihood is that the Engineering sector was affected by seasonal factors - engineering projects tend to be lumpy and can slow considerably in January with less public infrastructure planning and spending.



Demand for engineering executives over the last three years

Data input definitions: Positions that require an engineering qualification or equivalent. Includes; Engineers: Aeronautical, Chemical, Civil, Consulting, Design. Electrical, Electronic, Environmental, Industrial, Mechanical, Metallurgical, Structural, Telecommunication, Quality, Logistics and Mining. Managers; Project, Production, Purchasing, Construction, R & D, Site, Building, or Manufacturing.

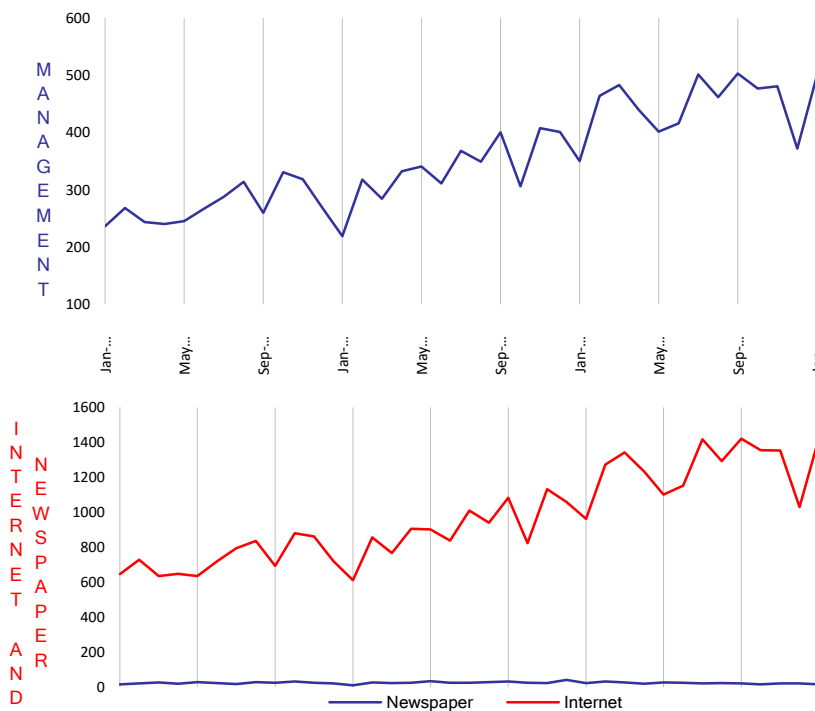


January 2019 E.L Management Index:	499
Same period last year (January 2018):	350
Percentage change over last month:	34%

Management surged 34 per cent in January. Despite this, it was such a strong month generally that it was only the third-best performing sector in the month.

While the Northern Territory recorded a negative result, gains in all other states and territories, led by Queensland, produced the overall increase.

The Management sector has regained all the losses incurred in the December quarter.



Demand for management executives over the last three years

Data input definitions: Senior management of people and other resources not specifically requiring accounting, engineering, DP or marketing skills. Includes: Chief Executive Officer, Divisional Manager, Executive Director, General Manager, Group General Manager, Managing Director, Retail Manager, Property Manager, Human Resource Manager, Industrial Relations Manager, Economist

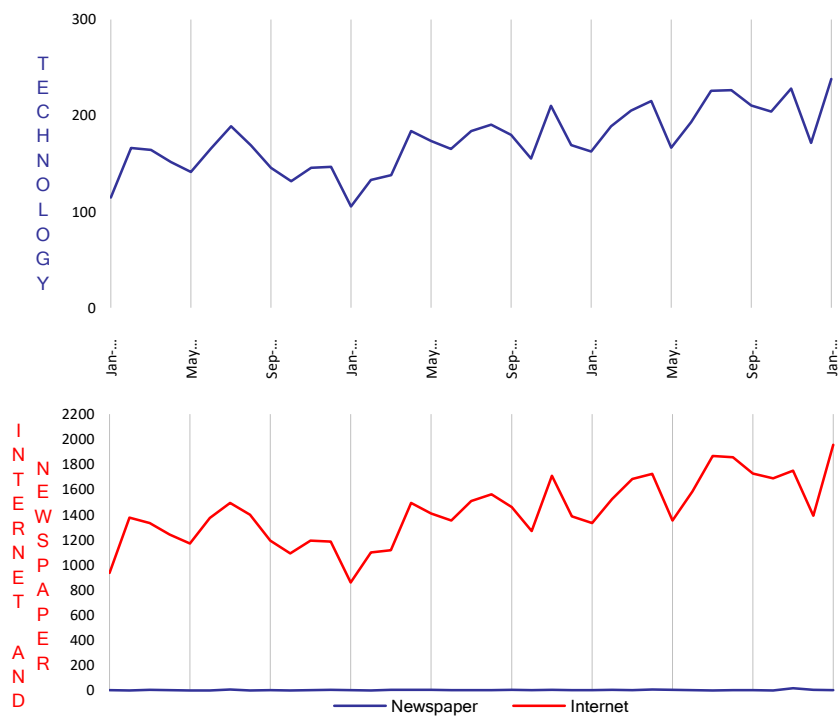


January 2019 E.L Information Technology Index:	238
Same period last year (January 2018):	163
Percentage change over last month:	39%

Wow! the Information and Communications Technology sector rose 39 per cent, again registering one of the best results out of all the sectors.

The three big eastern seaboard states all delivered significant gains, while Western Australia and Tasmania fell. Western Australia produced a better than trend result in the latter half of 2018.

Given its low base, relatively small movements in raw demand can lead to relatively significant increases in index performance.



Demand for Information Technology over the last three years

Data input definitions: Any position of which information technology software or hardware management is more than seventy five per cent of the role. Includes: Chief Information Officer, MIS Manager, Network Manager, Software Manager, Systems Architect, Business Systems Analyst, EDP Manager, IS Manager

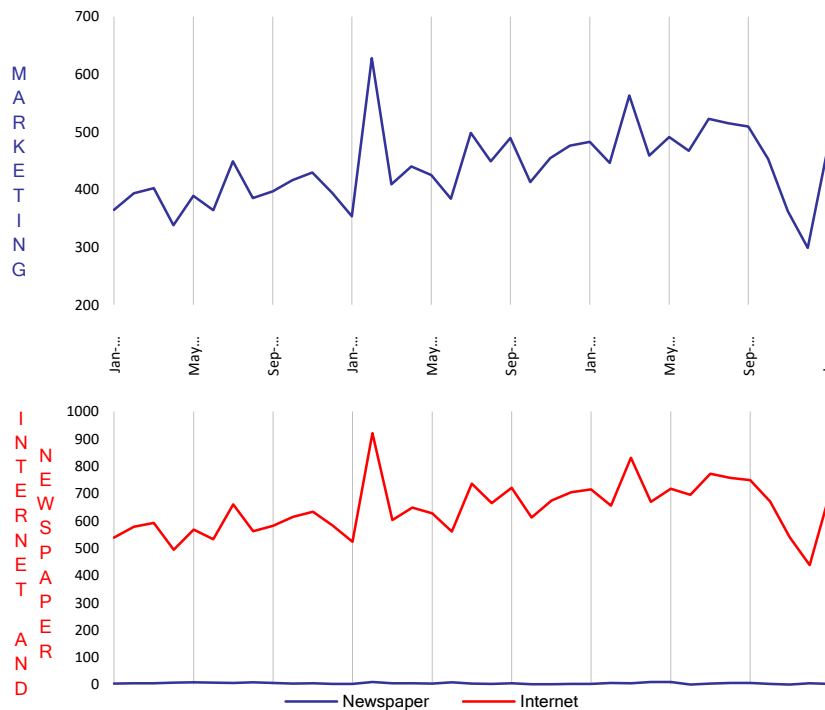


January 2019 E.L Marketing Index:	471
Same period last year (January 2018):	482
Percentage change over last month:	58%

The Marketing index streamed the field during the month, rising 58 per cent. However, it should be noted that Marketing recorded significant retractions in the December quarter and a big chunk of this rise is catchup.

Overall, Marketing is back to its long-term positive trend when considering the losses and the ensuing bounce back.

As we said in December, the falls then being experienced did not match with the short-term anecdotal evidence and were due to see some signs of recovery after the holiday slowdown.



Demand for Marketing Executives over the last three years

Data input definitions: Management level sales and marketing roles (*i.e. above salesmen or sales representative level*). Examples Include; Advertising Manager, Account Manager/Executive, Brand Manager, Business Development Manager, Government Relations Manager, Marketing Manager, Media Manager, Product Manager, Public Relations Manager, Public Affairs Manager, Sales Manager, Sales Planner, Sales Trainer, State Sales Manager, Sales Engineer, Territory Manager



About the E.L Index

The E.L Index is a comprehensive monthly analysis of employment trends at executive level. An Australian analysis is produced in Sydney and an Asian analysis in Hong Kong and Singapore.

The E.L Index has shown by two separate University studies to correlate strongly with general economic and business trends. It is featured by most of the major news services and is closely followed by government and central bank analysts.

The E.L Index is actually a combined national index of all executive demand made up of five separate indices; E.L Finance Index, E.L IT Index, E.L Management Index, E.L Marketing Index and the E.L Engineering Index.

The National and specific career group Indexes are shown as relative indexes recording the monthly demand activity for executive positions in the current month against the demand in a historical base period which is normalised to 100. The historical base period used was the average of the last quarter of 1992 which research showed to be the bottom of that downturn.

By averaging to a historical base period the comparison of, say, June 1994 to June 2000 is meaningful, giving a clean, easily understood appreciation of changing investment and economic trends without seasonal obscurity.

The E.L Index utilises data from both print and internet sources and is the only employment index to do so.

The print data is collected from the major employment paper in each state. National papers are not used to avoid "doubling up". Internet data is not collected off the web sites which can be subject to some error but instead collected through raw data provided by the ISP themselves. Print data has over 15 years of historical data and the internet more than 6 years.

Why Executive Demand is a primarily lead indicator?

It is often claimed that unemployment figures and broad-based job vacancy surveys do not give a fair impression of what is occurring in executive ranks. The E.L Index addresses this and has some interesting correlative and predictive qualities. Such as:

- Employment of management usually precedes the employment of skilled and unskilled workers.
- Employment of engineering executives precedes major capital investment.
- The division between various management sectors gives an indication of which sectors of the economy are experiencing growth or decline.
- Compares month by month changes in the public and private sector as well as monitoring government expenditure patterns.
- Makes regional comparisons after allowing for population differences.
- It shows a 'rate of change' and can therefore be realistically compared to general economic and employment growth unlike some surveys that report absolute numbers.
- Core data is collected on an actual expenditure of business and government, not on a respondent's opinion or confidence level.

