

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

- ⚙️ The Labourforce / Impex Job Index fell in March by 3%
- ⚙️ The Index fell from its record high of 130.14 to 126.27 but still up 8.4% year on year
- ⚙️ Temp and Contract fell 6.7%. The market has been volatile in early 2016 but still very strong
- ⚙️ Permanent opportunities fell just 1.3%
- ⚙️ The biggest state loser was WA, tanking a shocking 9.7%
- ⚙️ NSW remains the fastest growing and Victoria the strongest state
- ⚙️ Both Stores / Freight Handlers and Road Transport fell but remain very strong
- ⚙️ Growth in demand for Air, Sea and Rail Transport Professionals continues unabated, up 7.9% in March
- ⚙️ Mining, Construction and Utilities and Manufacturing continue to weaken
- ⚙️ Public Sector, Education and Health is enjoying rapid growth while demand amongst core Transport and Logistics companies remains very robust

THE TIMES THEY ARE A CHANGING

The Transport, Supply Chain and Logistics Sector is facing extraordinary change. Goods are moving faster, further and more efficiently. Not only is change becoming more dynamic, but also the rate of change is increasing.



As governments try to come to terms with community expectations, stakeholder arguments and harsh realities of market forces, we look forward and hope that some of the big issues can be finalised at what is looking more and more likely to be a double dissolution in July. The uncertainty for the Road Safety Remuneration Tribunal Order is just one significant issue for our sector.

But, at the same time, whilst things are changing fast, some things stay the same. Responding to customer needs and doing the best job they want you to do. Our congratulations go to Paul Zalai and his colleagues for the decision to merge the Freight & Trade Alliance (FTA) and the Australian Peak Shippers Association (APSA). There is no doubt the combined entity will be a powerful and influential voice for their members.

In another high profile example of exceptional customer service, special note must go to Richard White, CEO and Founder of WiseTech Global. They solve complex pain points of the world's supply chains. Their software helps move goods and data around the world. It is being used in over 115 countries globally. They have been innovating and improving customer experience for many years. And we don't just take their word for it. The Stock Exchange investors agreed. The shares rose 16.2% on debut and the value of the company last week exceeded \$1 billion. Not bad for a locally based freight and logistics software company.

NATIONAL JOB INDEX

Index retreats 3%. Have employers put hiring on hold?

The Labourforce/Impex Transport Logistics and Supply Chain Job Index retreated 3% from the record high set in February. With the Index rising 6.7% last month this can be considered more of a correction than the emergence of a new negative trend. The Index fell from 130.14 to 126.27 but this level is still 8.4% higher than this time last year.

It will be interesting to see where the market heads next month. Political uncertainty, talk of

a Federal election, even a phoney one, tends to scare employers. They may put new hiring on hold until a clearer political direction is apparent then business confidence will return and hiring intentions improve.

The Temporary and Contract market took the brunt of the contraction in demand. In March the Index fell from its record high of 169.81 to 158.37. This 6.7% fall wiped out the 7.1% rise seen in February. The Temporary and

Contract market has been unusually volatile in early 2016 but it is still at a very high level so should not worry job seekers in our sector.

The Permanent market contracted by a more conservative mark, only 1.3%. It has however grown in each preceding quarter and by 2.7% over the last twelve months. This is hardly spectacular growth but it's steady and consistent and still remains close to the record high set in February.

SPECIALISATION GETS RESULTS

The magnificent achievements by Richard White and his team at WiseTech Global teach us a very valuable lesson.

Not only do you need to work out what you are really good at, and focus all of your energy into that, but, you also need to be customer responsive to the extent of sometimes getting ahead of them and providing the innovation they could never do themselves.

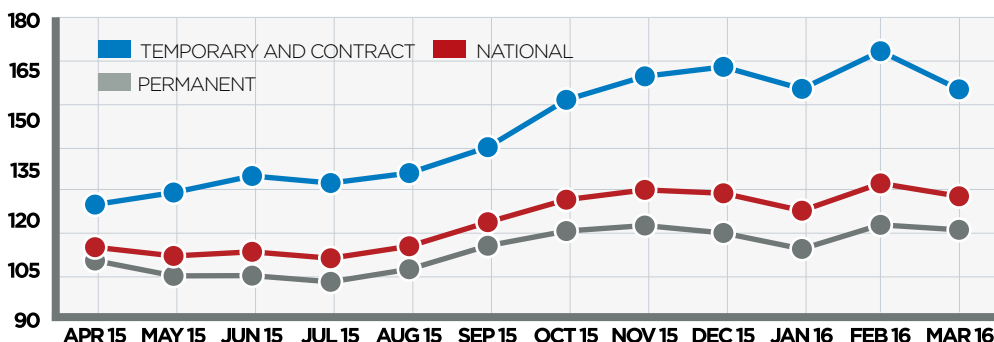
We admire White's tenacity and leadership. Congratulations on hitting the "unicorn" status after your IPO this month.



Regan Brown

Regan Brown
CEO
LABOURFORCE

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



STATE ANALYSIS

WA tanks. NSW and Victoria still strong

Surprisingly demand fell in all states and territories in March. The biggest loser was WA, tanking a shocking 9.7%. The mining and resource dependent state had been showing some signs of improvement in the last quarter of 2015 and holding up in the first couple of months of this year but this significant fall has unwound most of those gains.

In contrast NSW, which grew the most in February, fell the least, 0.7%, in March. The Index, at 133.72, is now just off the record

high set last month, and still looking strong. It remains the fastest growing state notching up a 26.6% rise over 12 months.

If NSW is the fastest growing, Victoria still leads as the strongest state by some way. Demand fell by 3.5% in March and the Index for VIC/TAS, at 158.46, is still close to 25 points ahead of NSW. But most of Victoria's gain was seen in mid to late 2015 and the gains since have been less dramatic yet more volatile.

CHART 2 COMPARISON OF STATE JOB INDICES

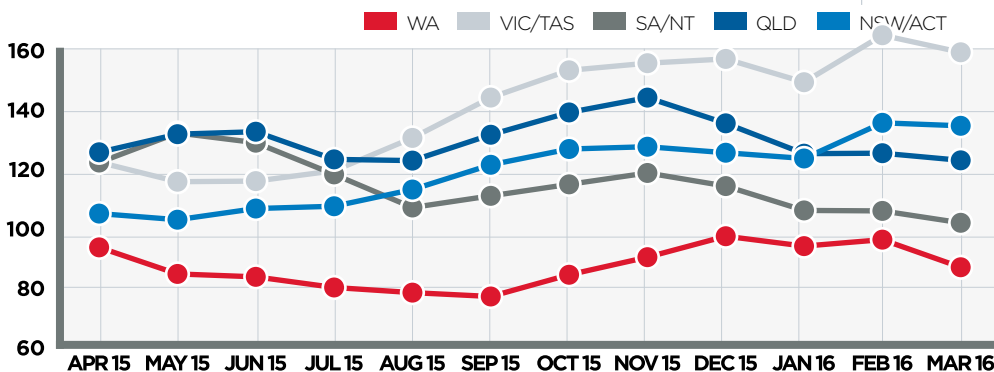
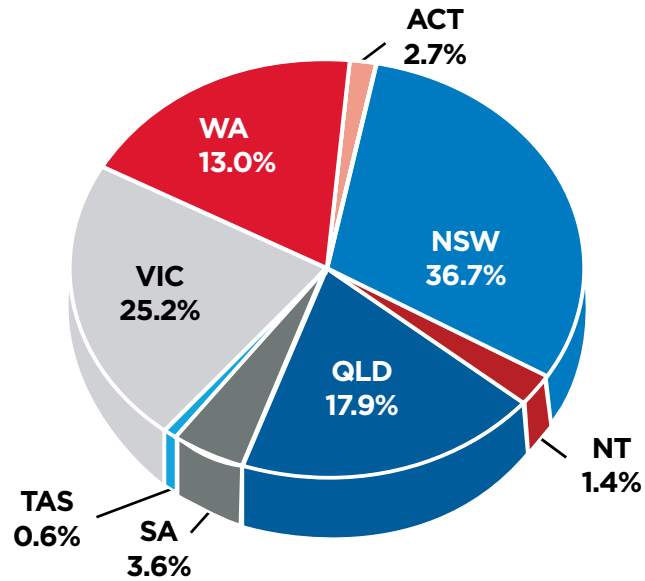


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY MARCH 2016

NSW holds the largest proportion of TL&SC positions vacant. The current level of 37.3% is a record share and has been gained at the expense of Western Australia whose share has slipped dramatically from the 17% to 18% level when counts began in late 2013 to just 12.1% last month.



OCCUPATIONAL ANALYSIS

Volatility returns as political fragility threatens market

If Stores and Freight Handlers and Road Transport have been the main drivers for the impressive growth in the sector over the past 12 months it is also these two occupational categories that are showing the greater volatility in the start of 2016. Both fell in March, by 6.7 and 3.8% respectively. Demand for Stores Persons and Freight Handlers has actually fallen 5.9% in the first three months of the year but it's still up a whopping 19.1% year on

year so demand remains very strong.

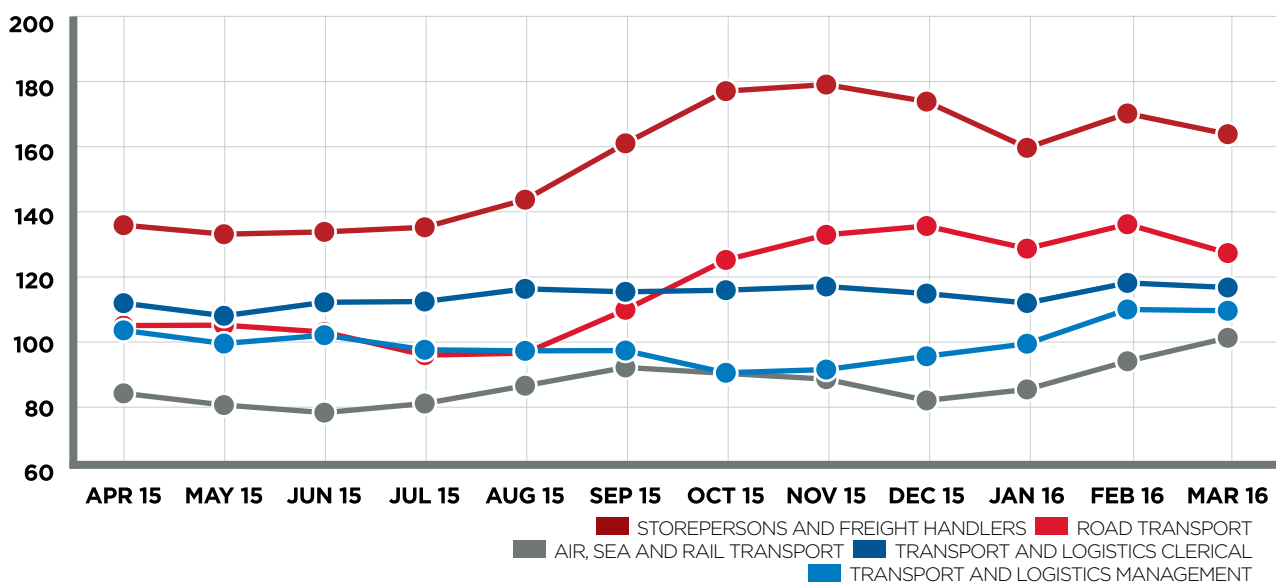
Demand for white collar professionals was more stable in March. The Index for TL&SC Managers fell by just 0.4% and TL&SC Clerical by just 1.2%.

Despite these small falls the momentum remains positive. These occupations have struggled compared to blue collars areas within TL&SC on the past year so hopefully this can be sustained despite the

political fragility that threatens the more broad employment market.

Despite a softer market elsewhere, demand for Air, Sea and Rail Transport Professionals continues unabated. Demand rose a further 7.9% in March leaving the Index at 99.66; it's strongest since last March. Demand for these specialists still represents less than 5% of all vacancies.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Public sector saves the day. Manufacturing again weak

Once again demand within the Public Sector, Health and Education took centre stage, going against the overall market, expanding a further 17% in March. An element of this is statistical in that demand was particularly weak a year ago when there were budgetary cut backs in several states. The Public Sector has seen broader growth in employment advertising. But the Index is at a new historical high, at 191.52, ready to break through the 200 barrier

that would be an extraordinary feat. Ironically it may be political uncertainty that prevents this from happening! In stark contrast Manufacturing experienced another very weak month. Demand fell a further 6.9% contributing to a 21.2% fall in the first quarter of 2016. The Index for Manufacturing is now at 88.07, even lower than the 88.26 level for March for the combined Mining, Construction and Utilities sector.

It's also pretty quiet in Retail and Wholesaling with demand easing 6.3%. But this is more seasonal whereas the contraction in demand for both Manufacturing and Mining is more structural in nature. Demand amongst core Transport and Logistics companies' remains very strong. Demand fell from a record high Index of 169.00 to 162.16 but this is still 14.7% higher than this time last year.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

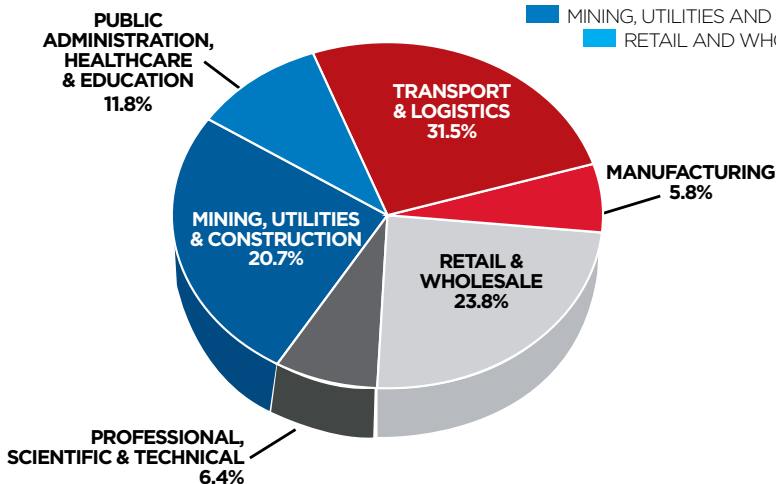
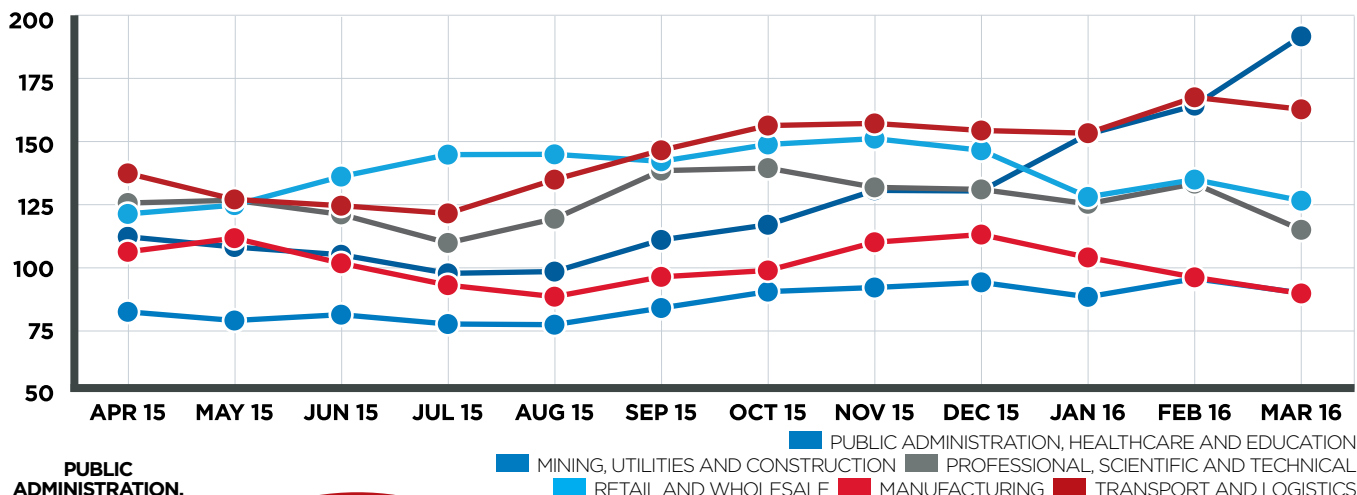


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY MARCH 2016

Transport and Logistics employers still represent the greatest proportion at 31.6%. Despite the massive growth in Public Sector, Health and Education it only represents 14.2% of total demand.

In October 2014 the Labourforce / Impex Transport, Logistics and Supply Chain Job Index was recalibrated to take account of the demise of Mycareer.com.au, a single but significant source of job advertisement data. This has involved a complete rerun of all historical data. This will produce more accurate and less volatile data. However as all indices have been restated comparison to prior reports is not possible.

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For more information about Labourforce Impex Transport, Logistics & Supply Chain Job Index

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