JUNE 2017

LABOURFORCE impex Labour Health

Transport, Logistics & Supply Chain Job Index REPORT

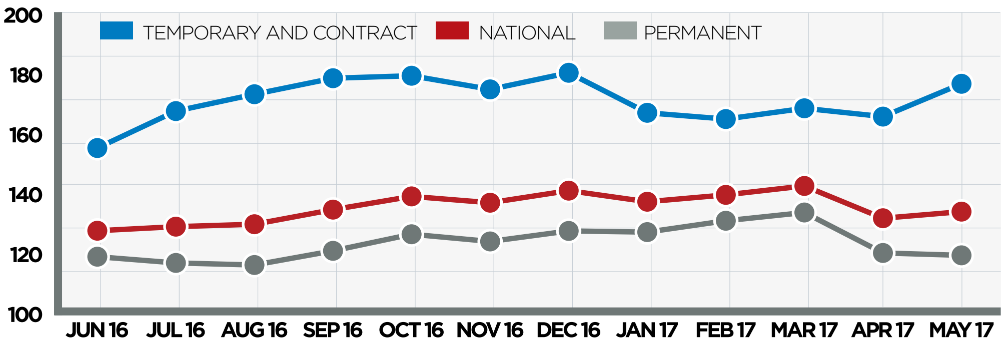
KEY FINDINGS

- In May, the Labourforce / Impex TL&SC Job Index recovered 1.7%, largely a seasonal pick up from the low in April because of Easter
- The structural change is the divide between the sharp rise in Temporary and Contract and the slide in permanent vacancies
- TL&SC is showing clear signs of a further move towards a contingent workforce
- Victoria continues to expand, up 5.5% to a new record high
- NSW remains a drag on the national market falling 1%
- Store Persons and Freight Handlers leads all occupations, up 28.8% year on year
- Retail and Wholesale continued to slide - 10.3% in May alone. Transport employers are picking up the slack up 6.8% in May, a new record high and evidence of a move towards outsourcing

May market bounce back. Temps rise again

After the unexpected and substantial fall in job vacancies in April it was encouraging to see the market bounce back with a 1.7% rise in May. The Labourforce/Impex Transport Logistics and Supply Chain Job Index rose from 131.13 to 133.34. April was affected by Easter and ANZAC Day so this rise may only be correcting that temporary seasonal factor. While this does not nearly recover the 7.6% contraction in April it is a step in the right direction. The market is still 4% down over the last quarter but it's up 8.2% compared to this time last year. This is a strong performance compared to many other sectors. There is a profound variation between trends in the fixed and flexible job markets. In May the big rise was in the Temporary and Contract side. Job opportunities grew by 6.6%. The Index is on 176.05 closing in on the record high set last December. By way of contrast permanent job opportunities fell a further 0.7% in May. This follows a massive 10.4% fall in permanent vacancies last month. The longer term trend can best illustrate the divergence. Over the last 12 months Temporary and Contract vacancies have risen by 18.9% while over the same period Permanent vacancies have risen just 2.9%. What's more the former were already much stronger! The ratio of Temporary to Permanent job advertisements is the highest ever – 65.7%/34.3%. It was 69.3%/30.7% 12 months ago and 73.4%/26.6% when we first started publishing in late 2013.

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



VIC and QLD recover. NSW retreats

In April all states fell. In May some states recovered while others remained subdued. Hardly surprisingly VIC/TAS fell the least in April and expanded the most in May – up by 5.5%. The Index also rose to 179.09 the highest ever. The only other state to show similar strength in May was Queensland which grew by a creditable 4.2%. This was its first rise since December but still leaves it 7.6% lower than six months ago.

Of the big South Eastern states only NSW/ACT failed to recover. It retreated a further 1% in May. It is now the only region to be lower than a year ago (down 2%). The graph provides a breakdown of the proportions of each state and territory.

CHART 2 COMPARISON OF STATE JOB INDICES

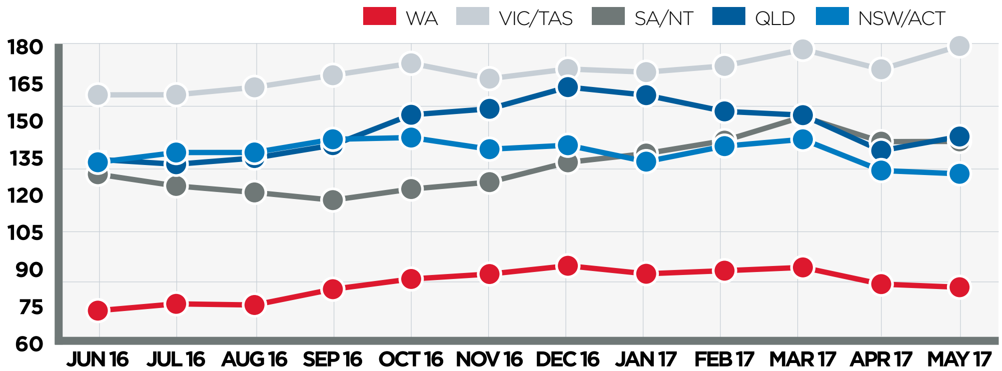
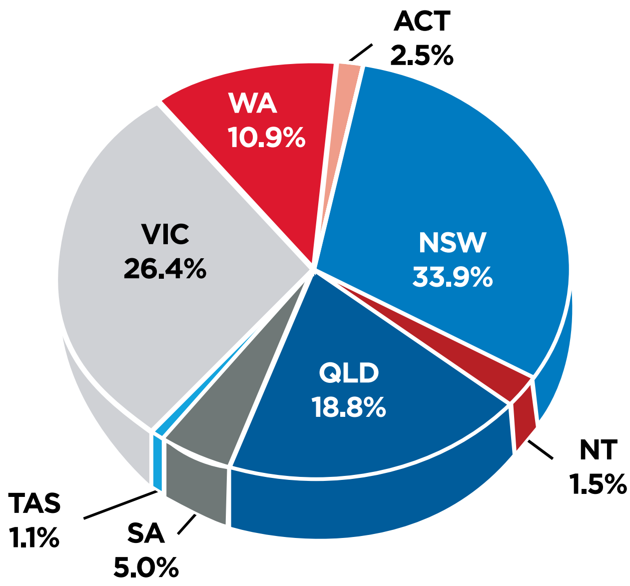


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY MAY 2017

NSW represents just over one third of the entire national market. The protracted lethargy in NSW is acting as quite a drag on an otherwise strong national market.



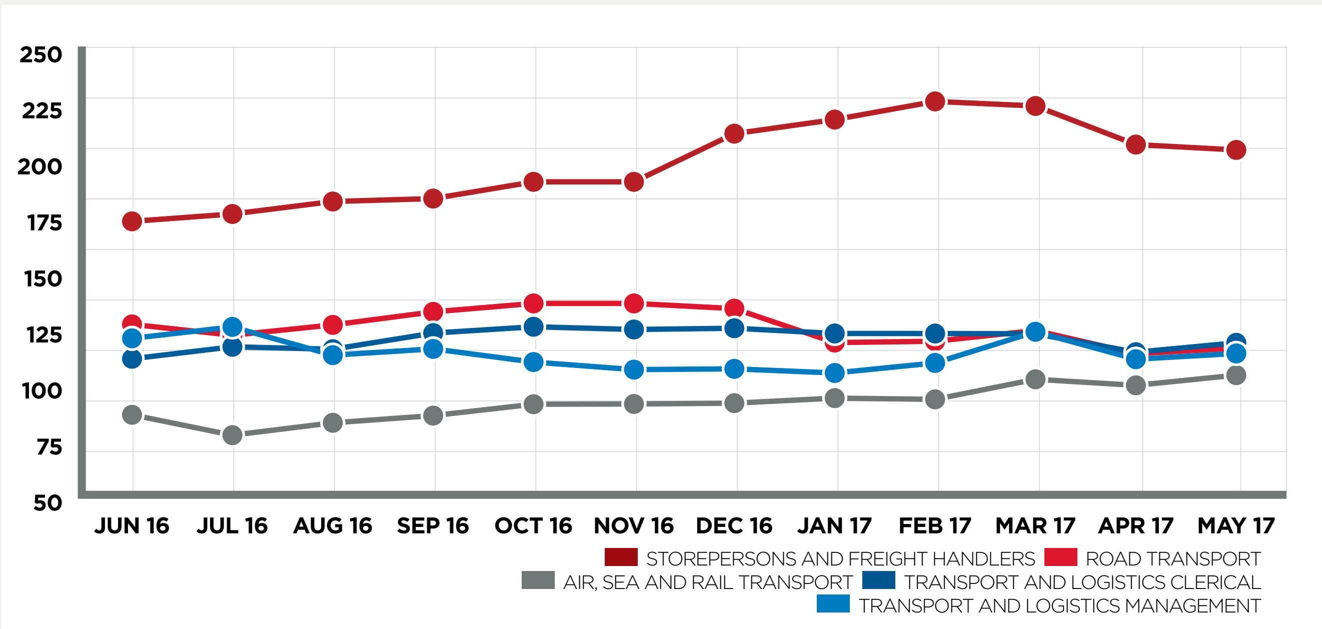
OCCUPATIONAL ANALYSIS

Store Persons and Freight Handlers up 28.8% year on year

It is quite extraordinary how close all occupations other than Store Persons and Freight Handlers are aligned. All fell in April and grew in May. All Indices are within 15 points of each other ranging from 103.38 for Air, Sea and Rail Transport to 117.80 for TL&SC Clerical. TL&SC Management enjoyed a rare pick-up in demand rising 2.3%. The Index is now on 113.07, the highest level of demand since September 2016 yet still 7.6% down year on year.

Store Persons and Freight Handlers fell 1.2% in May. The Index is down at 203.86, off 9.6% in the last three months but still a staggering 28.8% higher than a year ago. Demand tends to pick up in the second half of the year.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Another shocker for Retail and Wholesale

While many industries recovered in May Retail and Wholesale had another shocking month dropping another 10.3%. That combines to total 23.6% in the last quarter. This is more than seasonal factors. Demand is down 18.3% compared to this time last year.

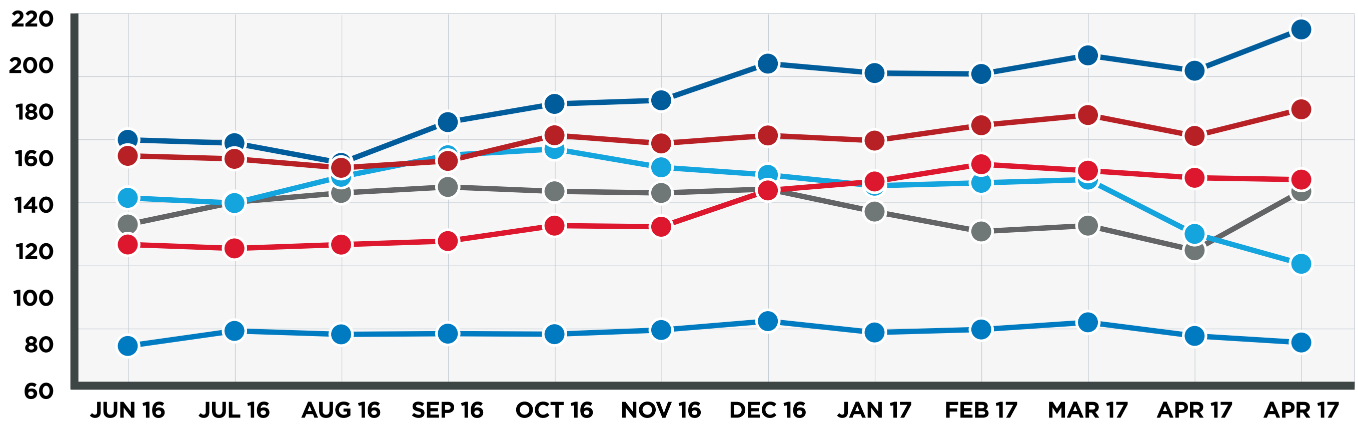
There are, no doubt, significant disruptive elements challenging the sector – on line shopping and new entrants in the food sector – but distribution is still required.
It might be that these new players outsource delivery so we are seeing a structural shift away from the retailers themselves towards transport companies.

Transport employers picked up hiring activity by 6.8% in May and demand is up precisely 20% over the same 12-month period. This too suggests that the transport sector is benefitting from a move to outsourcing. May's growth took the Transport Index to 178.79, a new record high.

Public Administration, Health and Education also performed strongly picking up by 9.1%, more than recovering the decline in April. Demand is up a net 20.5% year on year and the Index has also achieved a new high of 213.13.

The graph provides a breakdown of the proportions of each major industrial sector.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY



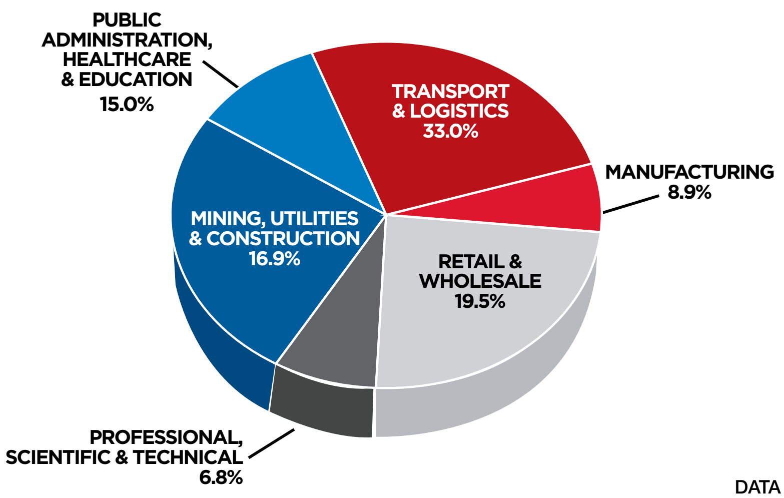


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY MAY 2017

The shift from Retail and Wholesale to Transport and Logistics is also reflected in respective market shares. Retail and Wholesale vacancies has seen its share of the national market decline from 22.1% to 19.5% in May alone. In May Transport and Logistics rose from 31.4% to 33%, close to its record high.