

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

- ⚙️ The Labourforce / Impex TL&SC Job Index rose 0.6%, its third successive monthly rise
- ⚙️ The national Index sits at 129.13, ever closer towards the record set in February this year
- ⚙️ Temporary and Contract drove demand up rising 3.4% to a new record Index high of 172.56
- ⚙️ The Permanent market is more sluggish, down 0.6% in August but still well up year on year
- ⚙️ Victoria remains the strongest market. Demand also rose 1.9% in August
- ⚙️ The market is being driven by increased demand for Storepersons and Freight Handlers which rose another 3.2%
- ⚙️ Demand for Road Transport professionals has also expanded substantially over the last year, up 32.6%
- ⚙️ White collar professions are, unfortunately, not enjoying the same level of success. Demand for both TL&SC Management and Clerical fell in August
- ⚙️ Retail and Wholesale employers were the most active. Demand shot up 10.5%
- ⚙️ The Manufacturing sector is also holding up very well. It grew by 1.6% in August
- ⚙️ Mining, Utilities and Construction employers could not sustain recent gains. Job opportunities in these sectors fell 1.6%

DISRUPTION TO SUPPLY CHAIN

The supply chain is the sum of the components that gets the product to the customer. **Some argue a chain is only as strong as it's weakest link.**



We are facing disruption and challenges to traditional models that require the ability (and culture) to be agile when faced with uncertainties. The capacity to replace the broken link efficiently is what keeps the chain strong.

Last week we saw South Korea's (and 7th worldwide) largest container shipper, Hanjin, file for bankruptcy protection. This led to significant uncertainty for any retailers with goods on board, port operators who would not load or unload containers because of uncertainty of whether they would be paid, transport operators who rely on their contracts, and many others. In the same week, a Victorian supply chain specialist recruiter enters liquidation, and we continue to read about the saga of Dick Smith and Masters. This is at the same time that consolidation from other parts of the supply chain are showing tremendous value and improving services and efficiency to their clients.

MHD reported last month a PwC report validated Mergers and Acquisitions have risen nearly 100% last year from \$87 billion to \$173 billion.

One thing we do understand is that no single player acts within a vacuum. The network effects are felt along the chain. That is why many of our clients are choosing to use contingent workforces as a critical part of their supply chain management process. The ability to flex-up and flex-down is just one element. Further value is captured by partnering with a supplier that drug & alcohol checks and pre-employment medicals every contractor before they step foot on your site. From executive positions to freight forwarders, to the warehouse floor, Impex and Labourforce provide quality, reliable candidates at market leading rates. As we enter our twentieth year next year, we continue to refine our process and value proposition because we know that you demand nothing less.

NATIONAL JOB INDEX

3 in a row puts Index close to record high

Once more the Labourforce/Impex Transport Logistics and Supply Chain Job Index enjoyed another month of growth. In August job opportunities rose by 0.6%, the third successive rise. The index now sits at 129.13, which is getting even closer to the record of 130.14 set in February. Again, all this growth was seen in the Temporary and Contract market. Demand rose by a further

3.4% after last month's rise of 8.0%. The rises in the last three month total 16.5% and look like emulating the trend we've seen in previous years where the "temp market" rises substantially in the second half of the year. However this year it's starting from a higher base! The Index has risen to 172.56, a new record high. We expect demand to maintain this positive momentum and for the

index to rise further over the months ahead. The Permanent market however remains the weak link. Once more job opportunities edged down, falling 0.6% in August. While that is now two months of decline, the falls have been fairly small relative to a very strong permanent market seen in the second quarter of 2016. There should be no cause of alarm for job seekers.

INFORMATION IS CRITICAL

Labourforce and Impex understand our leadership role within the Australian and New Zealand supply chain industry.

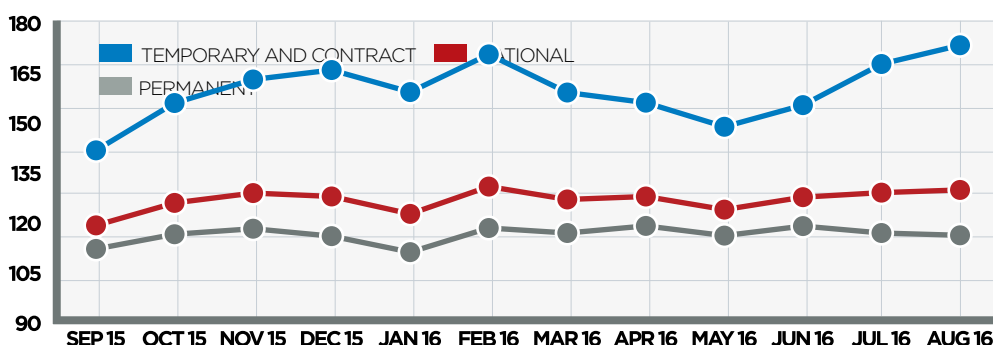
That is why we have invested in producing this report so you have information that is important to planning your decisions. We make this report freely available to all participants in the sector, not just our clients, because we know how important it is for everyone to thrive.

Whilst Labour market statistics are available in other reports, this is the only reliable and supply chain specific report that is up to date and drills down to focus only within our sector. This specialist report reflects our values. Quality, timeliness and only service customers specifically within the supply chain sector.

We hope you continue to benefit from the information provided. Also, feel free to refer a colleague to our report. They can sign up for free on our website.



CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



STATE ANALYSIS

Vic and NSW power on. Qld picks up steam

In August the Queensland market picked up steam again. Demand rose 1.9% wiping out the 1.5% fall in July. Demand has now risen in four of the last five months and vacancies are 5.1% higher in the last quarter.

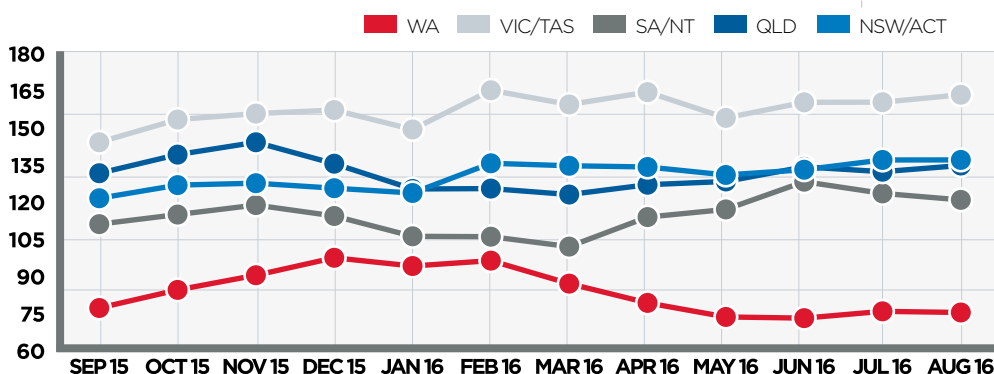
Victoria remains the strongest market. Demand also rose 1.9% in August. The Index sits at 162.39, a massive 25.3% higher than this time last year. It is however just shy of the

record 164.20 set in February. This record could be broken as seasonal demand rises in the build up to Christmas.

NSW is also a very healthy 20.5% higher year on year although job vacancies were unchanged from last month.

The graph provides a breakdown of the proportions of each state and territory.

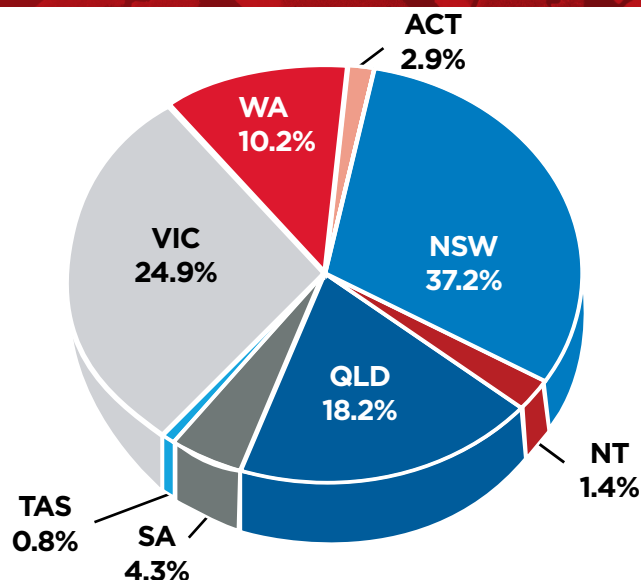
CHART 2 COMPARISON OF STATE JOB INDICES



SEPTEMBER 2016

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

Victoria now represents nearly a quarter of all advertised vacancies. It held just 19.7% when counts started back in November 2013. This represents its pace of growth over and above the national level of expansion in demand for TL&SC staff over the period.



OCCUPATIONAL ANALYSIS

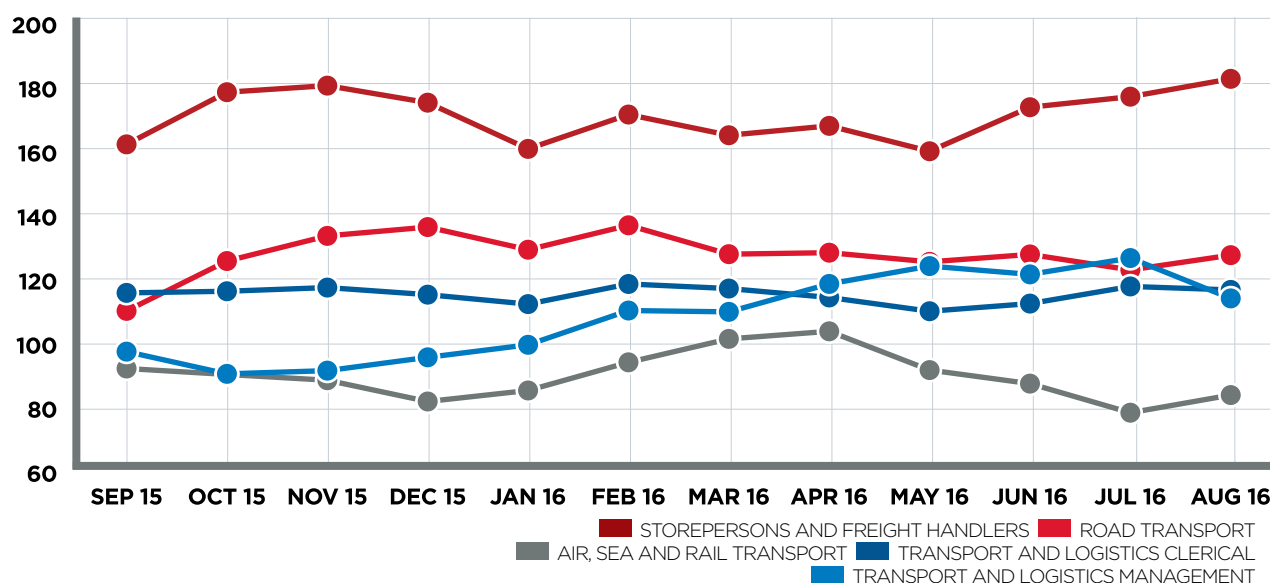
Demand for Storepersons & Freight Handlers hits record high

In August we have once more seen the expanding TL&SC market being driven by increased demand for Storepersons and Freight Handlers. It rose another 3.2% in August, an impressive 14.3% for the last quarter. The index soared to a new record high of 180.85, eclipsing last November's record level of 178.73. Demand for Road Transport professionals has also expanded substantially over the last year. Job vacancies rose 3.8% in August reversing a fall in July. But, more significantly, advertising volumes are a

massive 32.6% higher than this time last year. The Index is now at 125.80 and, given the likely seasonal push for temporary staff, we may well see the record high set in February challenged later this year. White collar professions are, unfortunately, not enjoying the same level of success. Demand for TL&SC Management dropped a massive 10.1% after an encouraging lift in July where a new record high benchmark was set. That has certainly been short lived. However demand for management

level professionals has been on a very strong positive trajectory all year so it will be interesting to see whether this is a short term aberration or the first signs of an emerging downward trend. Likewise opportunities at a clerical level have also stalled. Demand fell 0.9% for the month of August but advertising volumes are still up 6.2% over the last quarter. Disappointingly demand remains precisely where it was twelve months ago while the general TL&SC market has enjoyed growth of 16.1%.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Christmas comes early in retail and wholesale

In August Retail and Wholesale employers were the most active. Demand shot up 10.5%. The magnitude of this rise so early on in the build up to Christmas is surprising but welcome nonetheless. Demand is still down 20.2% over 12 months so there is certainly scope for a pickup in seasonal demand over the next few months.

The good run of form amongst Transport and Logistics employers has ebbed over

recent months. We saw a record level of demand in June but this fell slightly in July and slipped a further 2.2% in August.

The Manufacturing sector is also holding up very well. It grew by 1.6% in August, but, more importantly, has risen by over 50% in the last year. The strength of local consumer demand and a lower Australian dollar assisting international competitiveness have definitely helped

job creation in the TL&SC space amongst our manufacturers.

Unfortunately Mining, Utilities and Construction employers could not sustain recent gains. Job opportunities in these sectors fell 1.6% in August following a big pickup in demand in July. Demand remains an encouraging 18.0% higher than a year ago but still well down on the 5.3% peak seen back in February.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

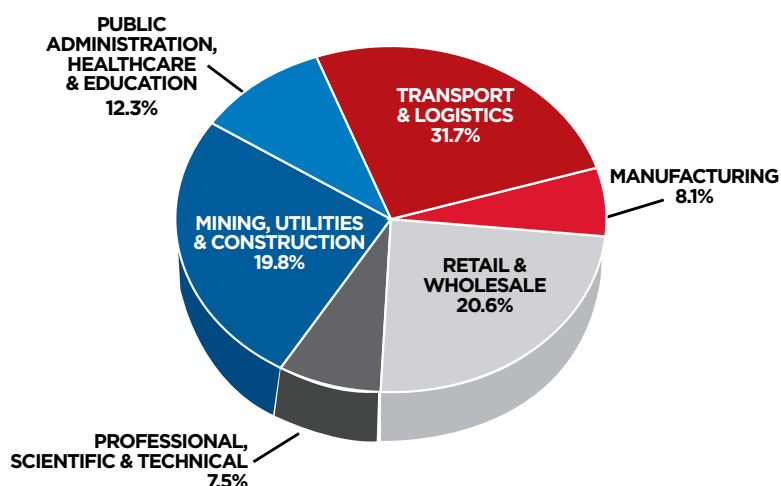
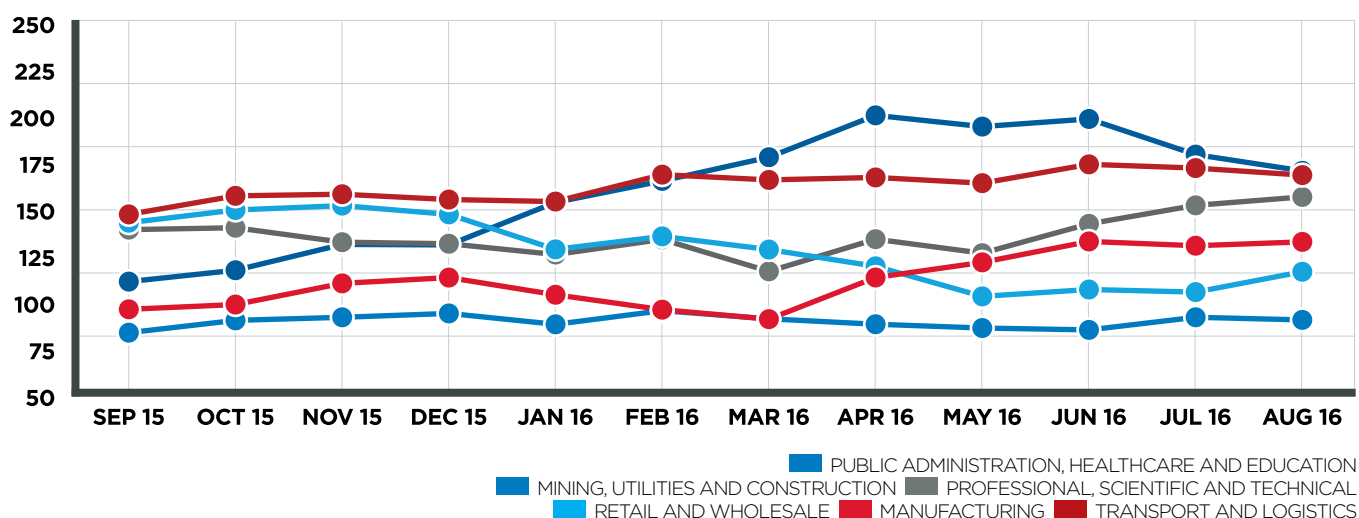


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY AUGUST 2016

The pickup in the Mining Utilities and Construction is important to the overall picture. It now represents 19.8% of vacancies. Weakness in the sector is the only area to have restricted growth over the last two years.

DATA SUPPLIED UNDER COPYRIGHT BY HRO2 RESEARCH PTY LTD

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

LABOURFORCE PHONE 13 30 91 EMAIL recruitment@labourforce.com.au
IMPEX PHONE 1300 85 85 15 EMAIL info@impexpersonnel.com.au
LABOURHEALTH PHONE 1300 306 866 EMAIL info@labourhealth.com.au