

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

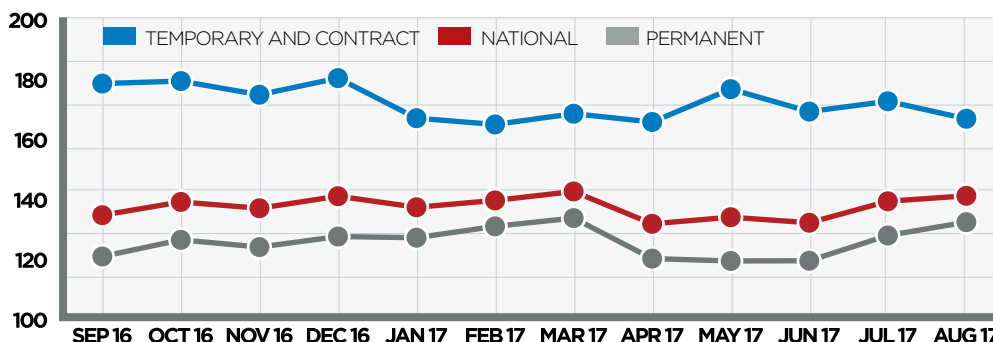
- The Labourforce / Impex TL&SC Job Index rose a further 1.3% in August.
- The National Index, at 140.48, is closing in on the record high set in March of this year.
- The permanent market is very strong, rising a further 3.5% in August, up 14% year on year.
- Meanwhile Temporary and Contract job opportunities eased 3.4%. It's now 3.7% lower than twelve months ago!
- Queensland has been performing particularly strongly in the last quarter.
- Meanwhile Victoria remains the best performing state and territory, the index at a new record high of 184.02.
- TL&SC Management job opportunities are up 11.1% year on year and closing in on their record level.
- By way of contrast automation and productivity gains are hurting TL&SC roles with demand down 5.8% in August alone.
- Demand for Stores Persons and Freight Handlers have commenced their seasonal ascension rising 5% in the month.
- Both Retail and Manufacturing are enjoying healthy employment expansion. The former is seasonal and the latter more structural in nature.

Another strong month of growth. Record in sight

The TL&SC employment market enjoyed another strong month in employment growth. The Labourforce/Impex Transport Logistics and Supply Chain Job Index rose 1.3% from 138.65 to 140.48. This was smaller than the substantial rise seen in July but it means that the national index has inched that much closer to the peak level of 141.92 seen in March. It seems inevitable that this record will fall before the year is out. Despite the strength seen in the last two months the slower start to the year means that job opportunities are 8.8% higher than this time last year.

Yet again it is permanent job vacancies that are growing the strongest, up a further 3.5% in August. This now totals 10.9% in the quarter and 14% year on year, an annual rate of growth well above the national norm. The weakness lies in the Temporary and Contract arena where job opportunities fell 3.4% in August. This is even more surprising as, at least in the past, this is the time of year when, prior to Christmas, temporary work really picks up. Temporary and Contract work is now 3.7% lower than 12 months ago. This flies in the face of increased hype surrounding "insecure employment".

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



Queensland bumper month. Victoria hits record high

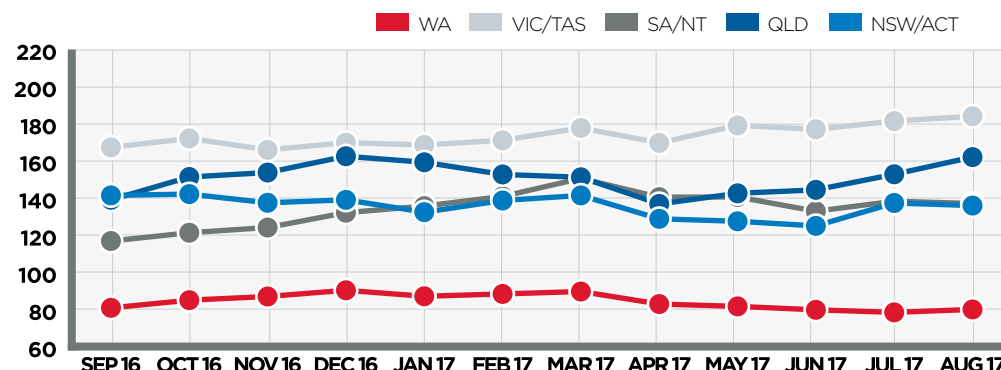
It was another bumper month for TL&SC jobs in Queensland. Job vacancies rose a massive 6.1% taking it to a quarterly rise of 13.7%. Ironically the index, at 162.02 is marginally shy of the record set last December. Demand in Queensland does seem to be quite seasonal with similar growth profiles seen in 2015 and 2016.

VIC/TAS goes from strength to strength. August's rise for VIC/TAS may only have been 1.4% but this

was sufficient to take their Index to a new record high of 184.02. Growth has been very consistent over the last 12 months. Annual growth is 13.3%, remarkably from a very high base!

July was the strongest month for NSW in a long time. Demand eased 1% in NSW/ACT last month but it remains second only to VIC/TAS. However, demand has changed little over the last 12 months and yet to challenge the record established last September.

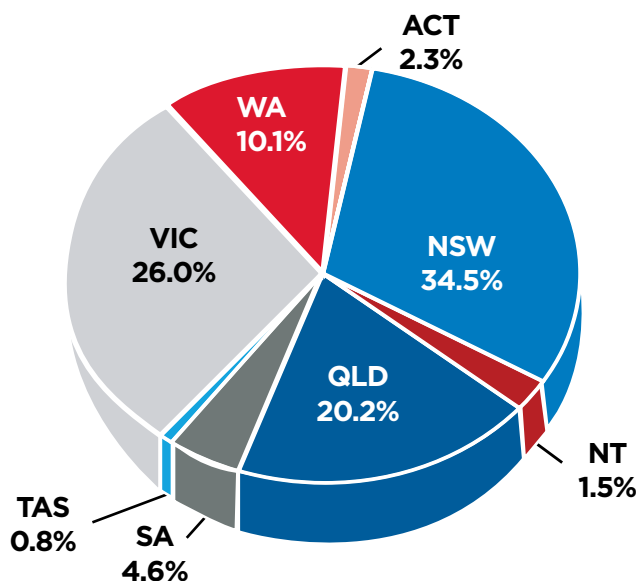
CHART 2 COMPARISON OF STATE JOB INDICES



SEPTEMBER 2017

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

Demand has been static in NSW for the last 12 months. Its share of the national market has therefore shrunk. It has fallen from 37.2% to 34.5% with the slack being shared between Queensland and Victoria.



OCCUPATIONAL ANALYSIS

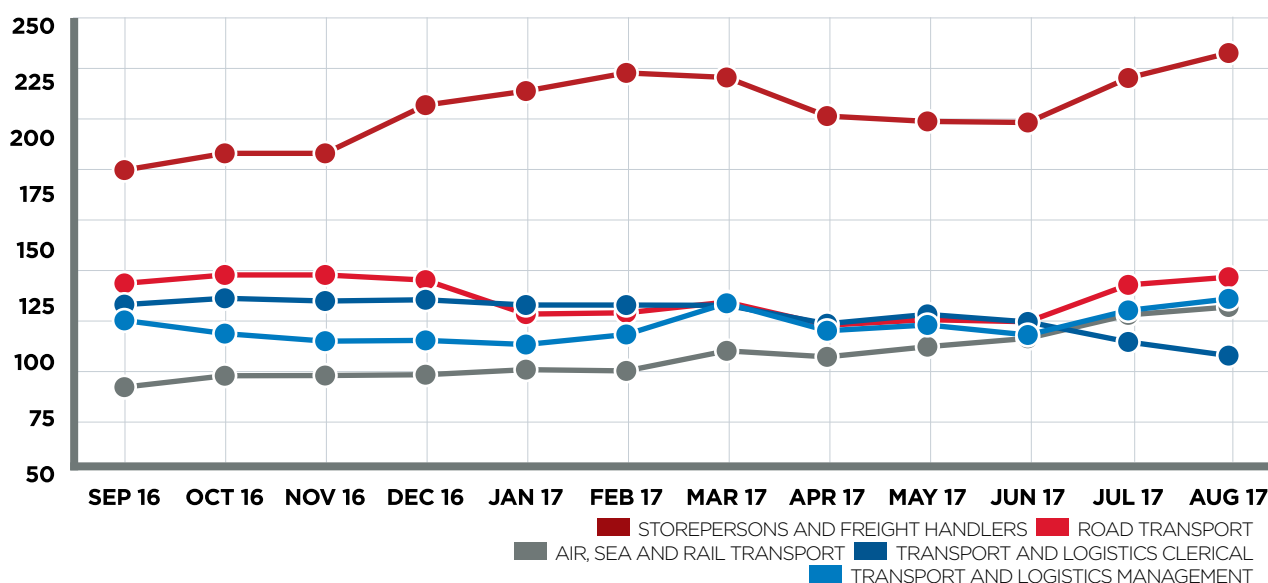
Boost to employment prospects across the board - except clerical

Once again, all occupations, except TL&SC Clerical, saw solid improvement in employment prospects in August. Demand for clerical staff fell another 5.8% in August. That's a 13.9% year on year fall against the national norm of plus 8.8%. At 99.40 it is now the only occupational index below its starting point of 100.00. The broader TL&SC market is up 40% since late 2013. This suggests that automation and productivity gains have been more evident in the back office. Applications such as on line tracking of deliveries would be an example of where support services have been automated.

TL&SC Management, thus far, has avoided a similar fate. Demand was up another 4.3% last month. Demand for senior executives is now up 11.1% year on year with the Index, now on 124.71 very close to the record set of 124.90 last July.

The long-anticipated rise in demand for Storepersons and Freight Handlers is now in full swing. Demand rose 5% in August, 15% for the quarter. The index, at 234.36 is easily at a new record level. The only question is why demand actually fell so significantly mid-year?

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Retail and wholesale skyrocket but manufacturing goes ballistic

Given the time of year there is no surprise that the best performing industry in August was Retail and Wholesale. Demand skyrocketed by 11.1%. We saw similar seasonal growth in 2015 and 2016, but, echoing the point raised earlier regarding Stores Persons and Freight Handlers the only question is why did demand slump so much mid-year? It could be an element of the Amazon fear factor or the impact of increasing energy bills on discretionary consumer spending? Whatever the reason those uncertainties have been shrugged off and it is business as usual.

Manufacturing is also growing at a similar expansionary rate. Here growth started in July and has gone absolutely "ballistic" over the last quarter, up a staggering 35.5%. Annual growth of 66.9% is equally impressive. It has established a new record high of 201.34.

This level of growth in the face of a reasonably strong economy and a resilient Australian dollar has defied expectations.

One explanation could be that Manufacturers are 'insourcing' an increasing amount of their TL&SC functions. Transport and Logistics employers were very quiet in August, slipping a disturbing 7.4% given the time of year. The statistics show that annual growth amongst Transport and Logistics employers is still up 5.3% over 12 months but all this growth was achieved in 2016 and things have been a lot more subdued in 2017. There is still likely to be greater job opportunities over the next quarter but this will be seasonal rather than structural growth.

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

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

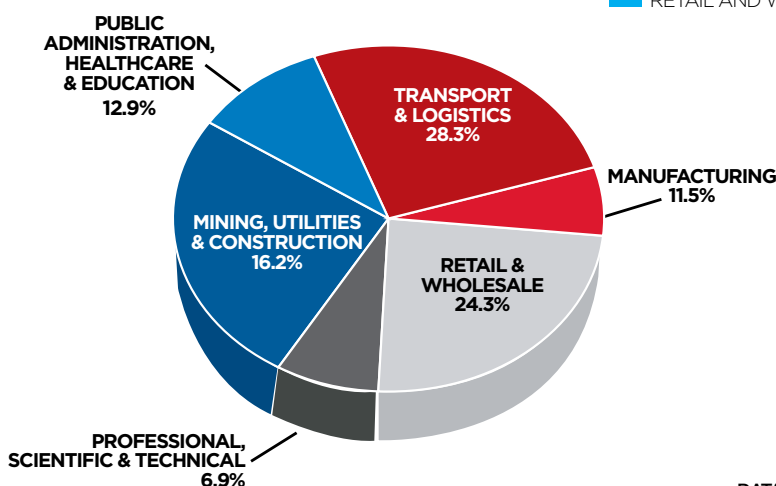
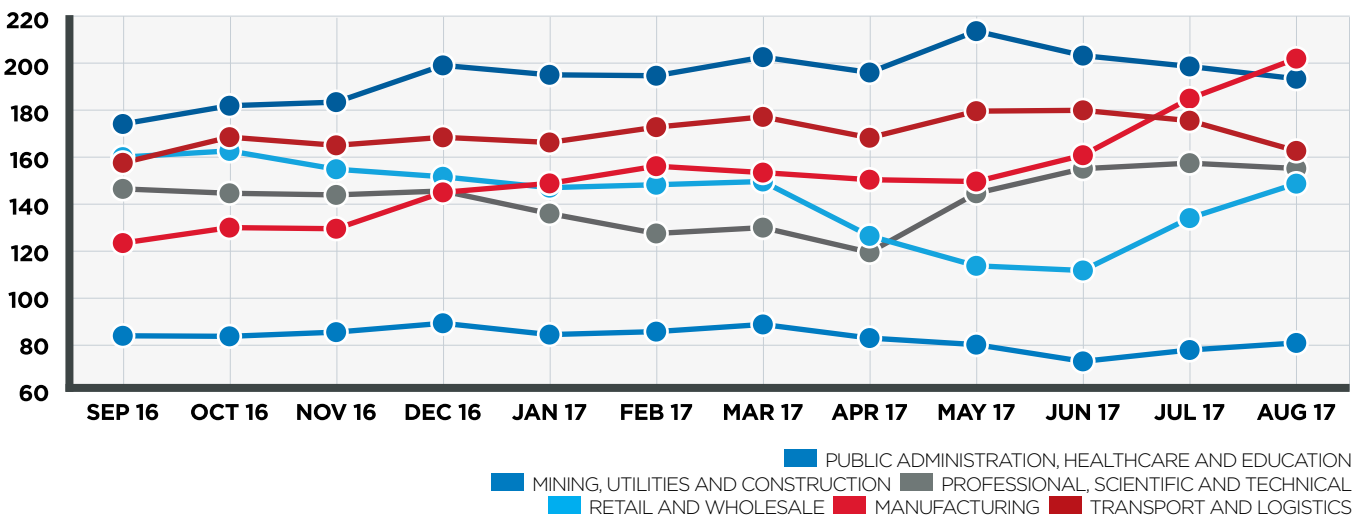


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY AUGUST 2017

Despite the subdued run through much of 2017 Transport and Logistics employers still control the greatest share of the TL&SC employment market. But this share has slipped from 31.7% last August to 28.3% this August.

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