

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

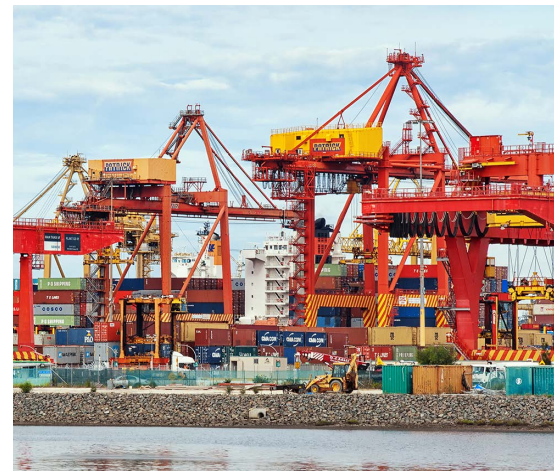
- ⚙️ The Labourforce Impex Transport, Logistics and Supply Chain Job Index rose a very impressive 5.7% in September.
- ⚙️ The Index now sits at 125.24, a new record high for the sector.
- ⚙️ Growth in Temporary and Contract is driving this surge, up a staggering 10.1% this month alone. This is likely to ease in the New Year as seasonal demand contracts.
- ⚙️ Permanent demand is up too, by 4.0% and hopefully this will be sustained.
- ⚙️ Victoria/Tasmania remains the strongest region but even WA performed surprisingly well in October, demand increasing by 9.6%, its first rise since January. Queensland is also showing continued signs of improvement.
- ⚙️ Demand for Store Persons and Freight Handlers continues to expand with demand rising a further 10.2% in the lead up to Christmas.
- ⚙️ Seasonal demand will have also accounted for much of the 14.4% rise in demand for Road Transport professionals. Both are expected to ease in the New Year.
- ⚙️ Substantial growth in both Transport and Logistics and Retail and Wholesale could have been anticipated but it was the 8.9% rise in demand in the Mining and Resources sector that caught the eye, a rare positive outcome in a sector experiencing substantial job losses.

STEVEDORING PRICES CONTINUE TO FALL

The Australian Competition and Consumer Commission's (ACCC) has released its annual container stevedoring monitoring report, which highlights the improved performance of the industry.

Average stevedoring prices for the industry fell for the second consecutive year and, in real terms, are now at the lowest level recorded by the monitoring program.

"We are continuing to see benefits of increased competition in the stevedoring industry, with lower average prices, continued investment and reports of improved customer service," ACCC Chairman Rod Sims said.



Industry assets have doubled over the past three years as a result of investment by the stevedores. New entrant Hutchison Ports Australia has been developing terminals in Sydney and Brisbane, while the incumbent stevedores have been investing in automation, cranes and other equipment.

The report notes Hutchison has been operational since 2013 but is yet to attract adequate market share. Some factors contributing to the challenges faced by new entrants may be within a stevedore's control, while others relate to specific characteristics of the industry.

QUBE V BROOKFIELD IN ASCIANO TAKEOVER

Asciano is recommending a \$9 billion takeover offer from Brookfield Infrastructure while Qube consortium (that includes Global Infrastructure Partners and CPPIB) now have confidentiality agreements in place to access to confirmatory due diligence, to acquire all of the issued capital in Asciano not already owned by the Qube Consortium. Asciano and Qube are developing rival freight hubs in Sydney and compete with one another in logistics and port stevedoring services.

NATIONAL JOB INDEX

More spectacular growth. Index reaches record high

The Labourforce/Impex Transport Logistics and Supply Chain Job Index has enjoyed another spectacular rise in job vacancies with the number of advertisements in October rising a further 5.7% over September.

Both August and September also showed strong growth giving rise to a remarkable 16.3% rise in the last quarter. The Index rose from 118.49 to 125.24, a new record high since measurement

began. The same seasonal trend as last year seems to be repeating itself but from a higher base. The market is now 5.5% higher than this time last year. The Temporary and Contract market drove this month's growth, rising a staggering 10.1%! The Index rose from 141.01 to 155.22, 19.3% above October last year. We can expect one more month of strength in the Temporary and Contract market before things slow just before

Christmas and the New Year.

The Permanent market has also performed well. It rose 4.0% to 115.83, also a new record high, just eclipsing the record set last November. It is just 0.6% higher than a year ago but the permanent market was sluggish in the earlier part of the year and now has momentum. This momentum should continue even when the Temporary market fades.

Impex and Labourforce are a specialist transport, supply chain and logistics recruitment company. We can provide you with all of your permanent and temporary workforce needs.

Because we specialise in your industry it means you only get pre-qualified, experience and job ready candidates.

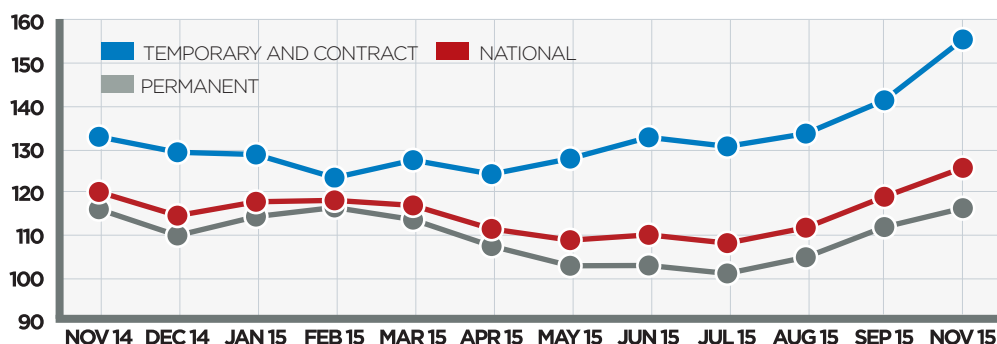
What stands us out from our competitors is that we drug and alcohol test and pre-employment medical test all of our candidates and casual staff by our occupational nurses from LabourHealth before we send them to you. This saves you money because it leads to a more productive workforce, lower absenteeism, lower workers compensation premiums and a happier, safer, more reliable workforce.

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Regan Brown

Regan Brown
CEO
LABOURFORCE

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



STATE ANALYSIS

Booming jobs growth in all States and Territories

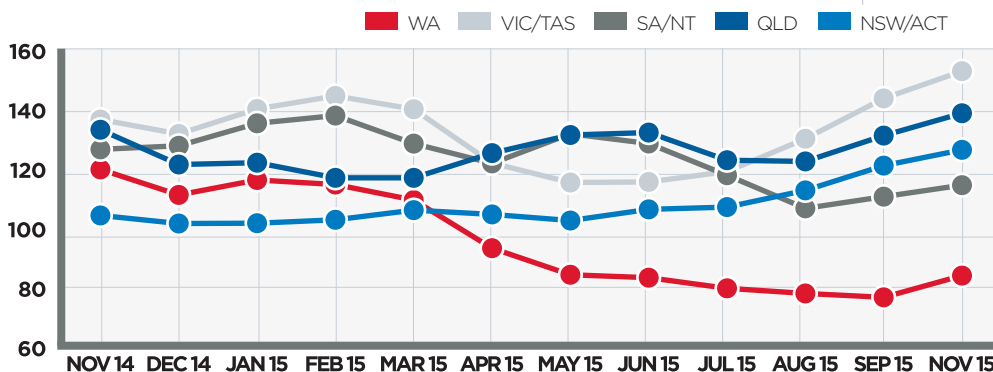
The exceptional national jobs growth in October was spread across all states and territories. For once we can even report a pickup in demand in Western Australia! There vacancies rose 9.6%, the strongest of all states, albeit from a far lower base. This was WA's first rise in TL&SC vacancies since January. Vacancies in WA are 32.4% below the peak set in October 2014 so the market is still very much in the doldrums.

All other states shared healthy rises from 3.5% to 6.4%. Victoria/Tasmania should

be singled out because it remains the strongest state with a new record high of 152.39, 9.1% higher than this time last year. But the state with the strongest trend is NSW (and ACT) recording a really impressive 24.9% growth in demand over twelve months. This growth has been consistent and unrelenting.

Despite its dependence on the mining and resources sector Queensland is also showing a very positive trend of late. Vacancies there were up 5.7%, 12.9% higher in the last quarter.

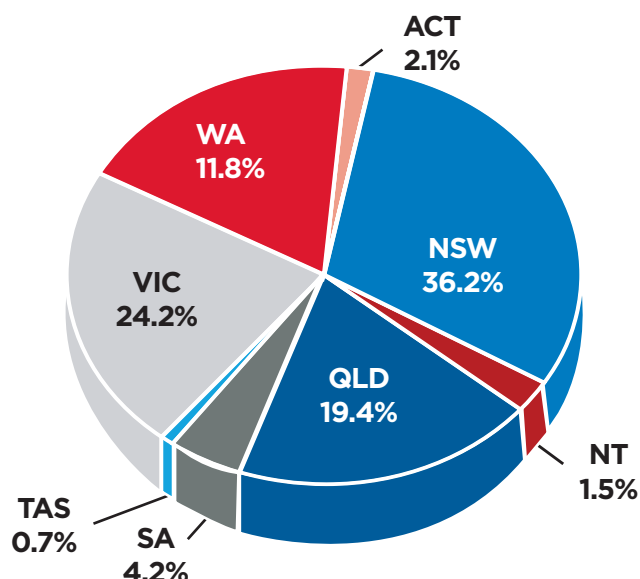
CHART 2 COMPARISON OF STATE JOB INDICES



NOVEMBER 2015

CHART 3 ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY NOVEMBER 2015

New South Wales has been steadily growing its share of new vacancies in Transport, Logistics and Supply Chain. Twelve months ago it represented a 30.6% share. That has now grown to 36.2% in an expanding market. Over this period Western Australia has suffered the opposite fate with its share shrinking from 18.5% in October 2014 to 11.8% last month.



OCCUPATIONAL ANALYSIS

Christmas casals feed 10% boost. Ads up 27%

It's been another bumper month for Store Persons and Freight Handlers with demand rising a further 10.2% in the lead up to Christmas. Advertising volumes are a staggering 27.4% up on this time last year with recent demand even more accelerated.

However much of this demand is of a casual nature so we anticipate some easing in the New Year post

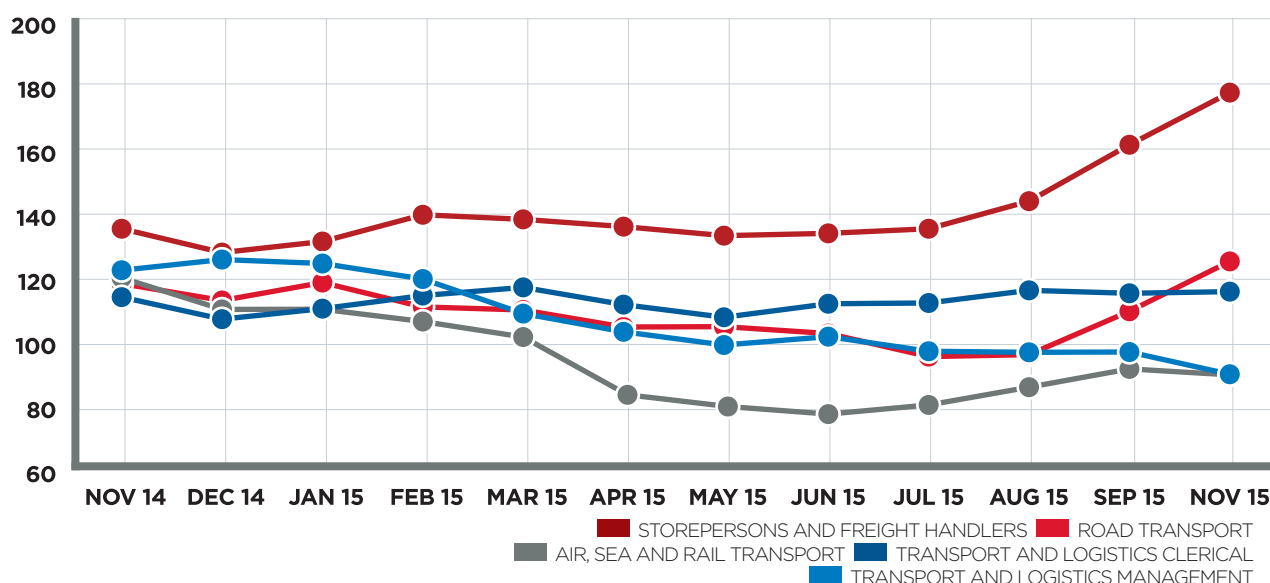
Christmas. The Index now sits at a new all time record of 176.68. There would be few occupations in Australia that have experienced such bullish demand over the last two years.

Probably for the same reason Road Transport demand shot up 14.4%, that's a 31.5% rise in a quarter. Such phenomenal growth surely cannot be sustained and a soft landing should

be anticipated early next year.

By way of contrast managerial opportunities in the sector continue to diminish. Vacancies contracted a further 7.2%. The long term trend is also of concern, down 26.5%. It's hard to explain such shrinkage when the market seems to be otherwise faring so well.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Retail & wholesale boost. Transport & Logistics going strong

The overall national rise was shared amongst all key industries. Not unexpectedly Retail and Wholesale rose 4.8% in line with seasonal demand. Last year's trend is likely to be repeated and we will see demand pulling back early in the New Year. But demand is up 17.6% on this time last year. This may represent retailers responding to the on line threat by now providing more on

line purchase and delivery services.

Transport and Logistics employers are also enjoyed both structural and seasonal increases in demand for staff. In October this rose a further 6.8%, 23.3% in the last quarter alone! The Index now stands at 155.63, the strongest performing industry sector.

If last month the surprise performer

was Manufacturing, this month's award must surely go to Mining, Utilities and Construction, which was up an additional 8.9%. This is consistent with the rise reported for WA suggesting that, while the employment market in the Mining and Resources sector is generally very poor, at least demand for TL&SC staff is showing signs of life.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

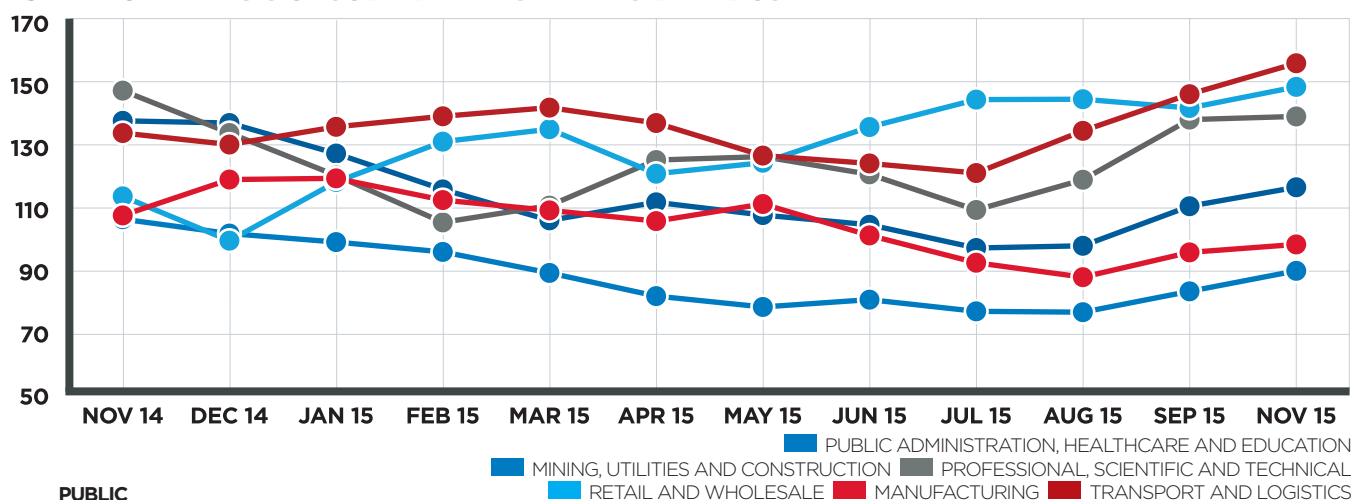
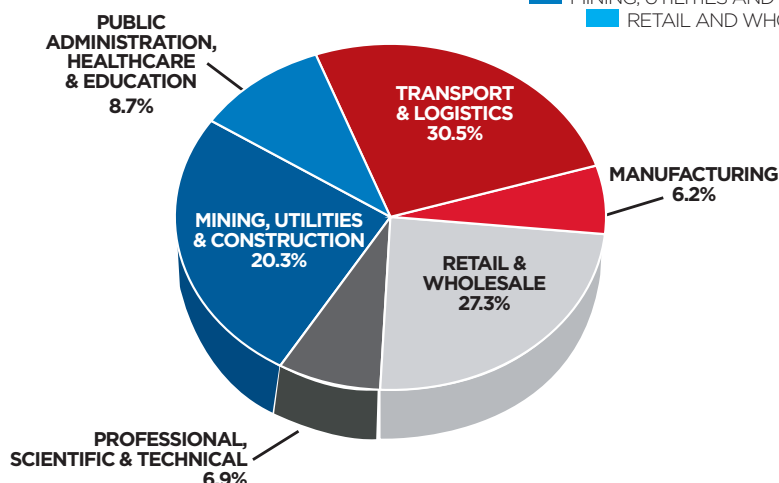


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY NOVEMBER 2015

Last month we reported Retail and Wholesale and Transport and Logistic employers still hold similar shares of the market – both just shy of 30%. In October fortunes changed dramatically with Retail falling back to 27.3% while Transport and Logistics share of total demand roared to 30.5%. This is a new record share which is likely to expand as Retail retreats further post Christmas.



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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