MARCH 2017

LABOURFORCE impex Labour Health

Transport, Logistics & Supply Chain Job Index REPORT

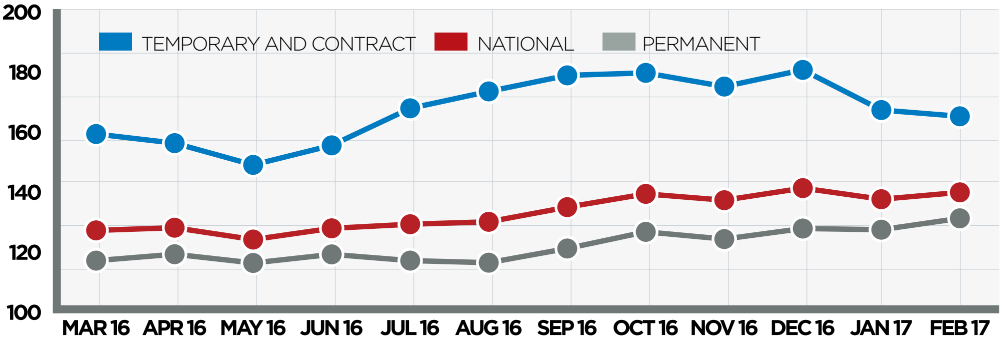
KEY FINDINGS

- The Labourforce / Impex TL&SC Job Index rose 1.7% closing in on the record high set in December
- The strongest growth is now in permanent job opportunities with vacancies rising 3% in February while temporary and contract roles slipped 1.3%
- All states grew with the exception of Queensland which fell 4.1%
- While demand rose in WA in February it is still very weak with demand 10.4% lower than a year ago
- TL&SC Management enjoyed a rare strong month. Managerial roles rose 4.3%
- Demand for Store Persons and Freight Handlers hit another all time record high Index of 225.50
- Manufacturing had another very positive month. Vacancies expanded by 5%
- Transport and Logistics employers were also very busy with job activity up 4%. Both are now at new record levels

Index on the rise again. Close to record highs

In February the Labourforce/Impex Transport Logistics and Supply Chain Job Index rose 1.7% largely reversing the fall seen in January. The national Index rose to 138.94 closing in on the record high of 140.35 set in December 2016. The rise over 12 months of 6.8% is pretty much in line with the broader rise across the Australian economy. The big difference is that TL&SC started on a very high base level and stayed there. Temporary and Contract roles eased a further 1.3% in February giving rise to a 5.7% fall over the last quarter, consistent for this time of year following Christmas. If history is to repeat itself the market picks up in the second quarter. Permanent job opportunities hit another record high of 130.29 – a 3% expansion over January. Demand is an impressive 10.7% higher than this time last year. Permanent opportunities now represent 70.6% of all national vacancies. The general move to a greater casualisation of the workforce Australia wide this does not appear to be the case in TL&SC.

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



Jobs growth in Queensland tapers out. WA still negative

All states and territories rose in February with the notable exception of Queensland which fell 4.1%. It also fell in January. Demand peaked at a record high in December but has slipped back significantly. TL&SC seems to be following a more common trend in Queensland where strong jobs growth in the earlier part of 2016 has since tapered out. Demand is still a net 22.6% higher than a year ago. We've regularly observed a relatively weak NSW market. February saw a strong rebound with job vacancies rising 4.7%. Even with that rise the increase in demand over 6 months is just 1.9% and an equally modest 2.9% over 12 months. VIC/TAS is also pretty static albeit at a very high level. Activity rose 1.5% in February but just 4.2% over 12 months. The Index now sits at 171.05 only slightly below the record achieved in October. WA is the only state to record negative growth (-7.4%) over the past year. The Index, at 88.33, is also well behind all other states and territories. It did inch up 1.4% in February and the last six months were certainly a lot stronger than the preceding six months.

CHART 2 COMPARISON OF STATE JOB INDICES

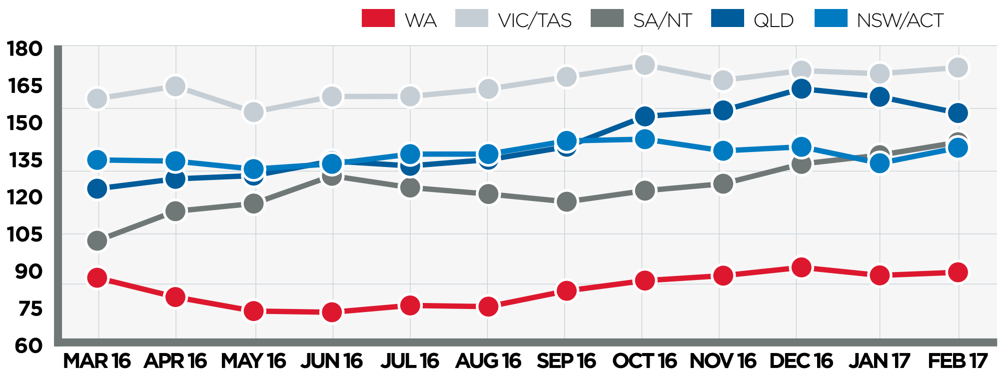
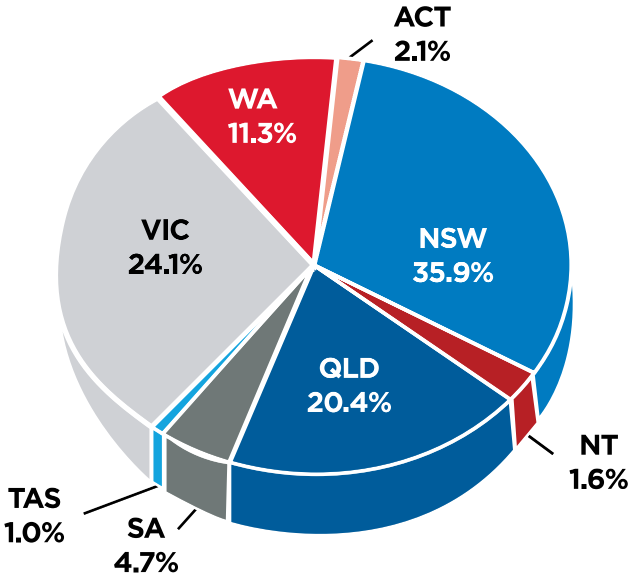


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY FEBRUARY 2017

Comment is made above regarding the relative stability of the NSW and Victorian TL&SC markets. They combine to represent exactly 60% of the market, demonstrating just how critical they are to the performance of the market nationally.



OCCUPATIONAL ANALYSIS

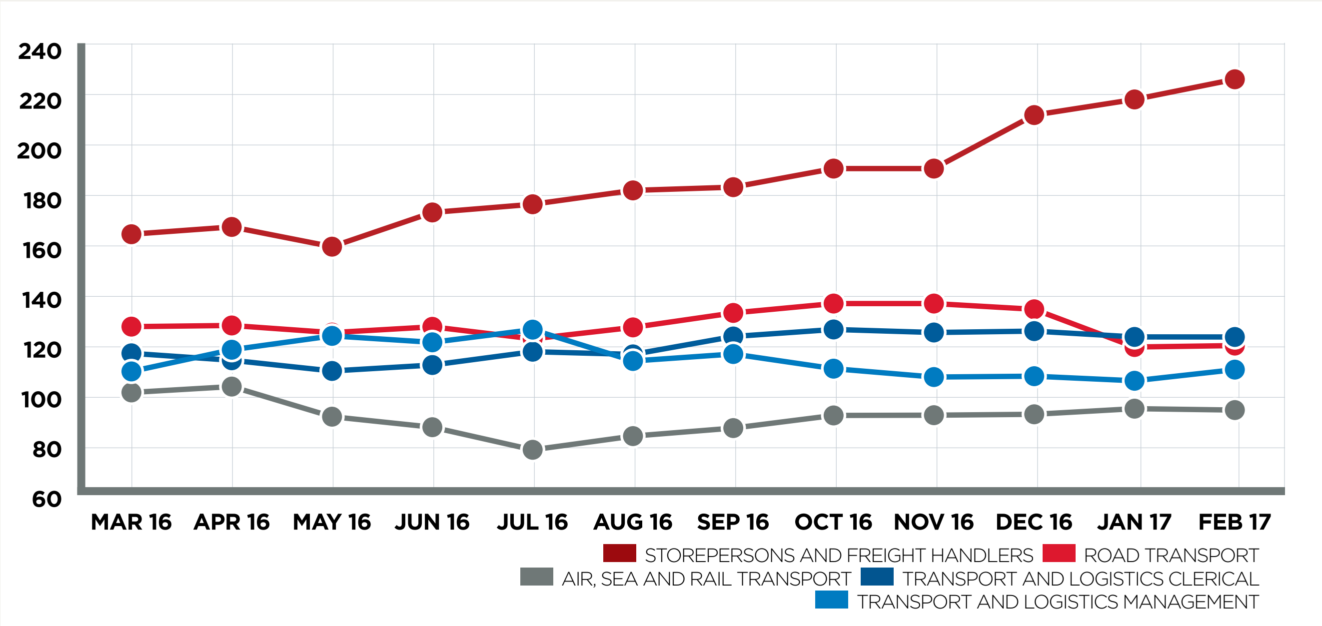
Store Persons and Freight Handlers hits another all-time high

February's growth was dominated by substantial rises in TL&SC Management and Store Persons and Freight Handlers. Management job opportunities peaked last July and the market has been pretty subdued since then. The 4.3% rise in February was therefore very welcome.

It takes the level of opportunities up to 108.83 still 3.1% below the July record and just 0.3% above the level this time last year.

Demand for Store Persons and Freight Handlers has hit another all-time high. The Index is now on 225.50, so over double the level when we first started measurement in late 2013. What is also very encouraging is that this recent growth has been achieved in what would normally be a relatively quiet period in the annual cycle.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Manufacturing at record high after another good month

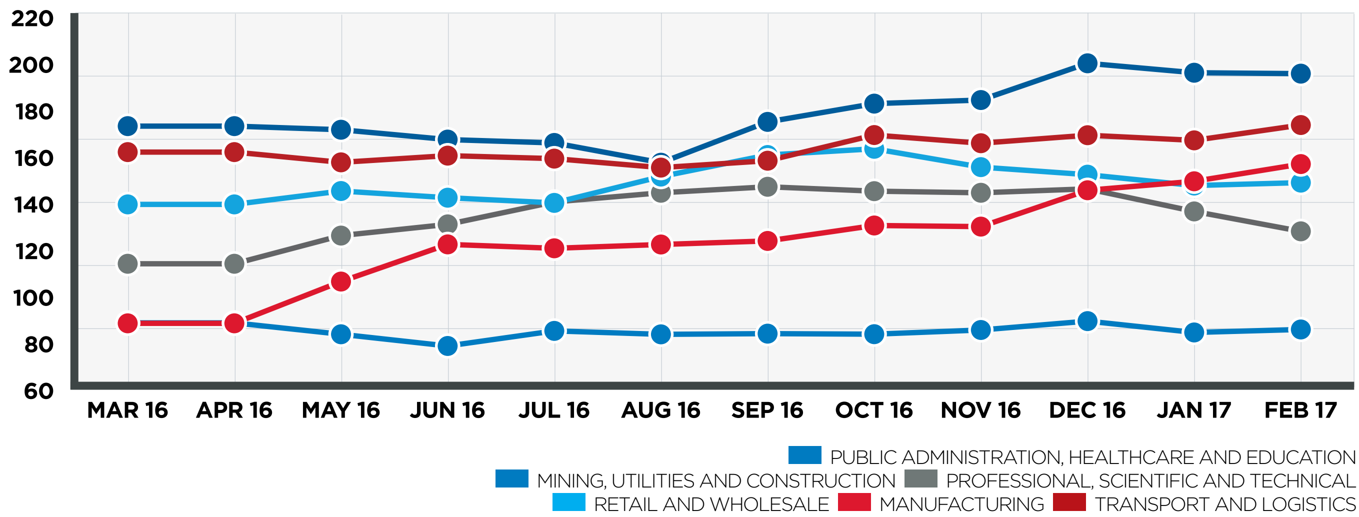
Once more Manufacturing has had an exceptional month with job vacancies rising 5%. That now equates to a 20.9% rise over three months and 64.1% over 12 months. But it must also be noted that at the corresponding period last year demand was heading for an all time low in March 2106. The Index now sits at an all time record high of 155.17.

Transport and Logistics employers were also out in force with job opportunities up a healthy 4%. The Index rose to 171.93. This is also a record high exceeding the previous record of 167.73 set in October 2016.

The 1.5% rise in Mining, Utilities and Construction is also worthy of note. The Index still lags at 84.16, well below all other industries and a disappointing 10.5% less than a year ago. More detailed analysis shows Construction and Mining still weak. We expect Mining to improve as production rises but economists also foreshadow a downturn in Construction activity so job prospects in these sectors going forward are decidedly mixed.

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

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY



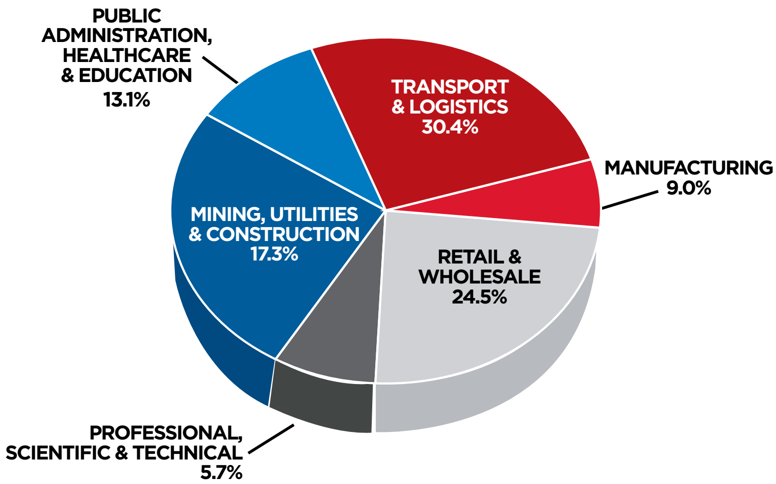


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY FEBRUARY 2017

Transport and Logistics employers now account for just over 30% of all job vacancies for TL&SC staff. The equivalent percentage when we started measuring in late 2013 was just 24.6%. This suggests that over the last three years an increasing amount of work has been outsourced to third parties.