

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

- ⚙️ **The Labourforce Impex Transport, Logistics and Supply Chain Job Index fell 1.0% in March**
- ⚙️ **The Index now sits at 116.47 with the pace of growth now clearly slowing**
- ⚙️ **Temporary and Contract demand rose 3.3% while Permanent opportunities fell 2.4%**
- ⚙️ **Demand in Vic/Tas fell 3.1%. The trend up over twelve months is now slowing**
- ⚙️ **WA fell 4.6%, dragged down by the difficulties faced by the Mining and Resources sector**
- ⚙️ **Demand for TL&SC clerical staff continues to grow rapidly while management opportunities shrunk for a third successive month**
- ⚙️ **Transport and Logistics employers continue to show confidence as hiring continues**
- ⚙️ **Likewise the retail sector continues to grow strongly after the Christmas downturn**

INTEREST RATES ON HOLD & THE MIGHTY KIWI DOLLAR

At its meeting this month, the Reserve Bank of Australia decided to leave the cash rate unchanged at 2.25 per cent. This leaves the cash rate at the lowest levels since the 1960's.



Moderate growth in the global economy is expected in 2015, with the US economy continuing to strengthen, even as China's growth slows a little from last year's outcome.

Commodity prices have declined over the past year, in some cases sharply. The price of oil in particular is much lower than it was a year ago. These trends appear to reflect a combination of lower growth in demand and, more importantly, significant increases in supply. The much lower levels of energy prices will act to strengthen global output and temporarily to lower CPI inflation rates.

The economy is likely to be operating with a degree of spare capacity for some time yet. With growth in labour costs subdued, it appears likely that inflation will remain unchanged.

The Australian dollar has declined noticeably against a rising US dollar over the past year, though less so against a basket of currencies. The interesting news is the Aussie versus the Kiwi.

For the first time since the Australian Dollar was floated in 1983, the New Zealand dollar looks like it might hit parity. Less than four years ago, the Aussie was buying \$NZ1.36 amidst a booming Australian economy and record commodity prices. With current commodity prices low and the dairy price high (Did you know that NZ supplies one third of the world's dairy) the scene is set for parity.

This could lead to Australians exporting more to NZ, and NZ business looking to make investments and acquisitions in Australia.



NATIONAL JOB INDEX

Job market slows for second month

The Transport Logistics and Supply Chain employment market eased off for a second successive month with a 1.0% fall in March placing the Labourforce Impex Job Index at 116.47. Whilst this is a trend no-one in the sector would wish to see continue it should be put in context. In particular advertising of jobs fell nationally in March by an even greater amount. Furthermore over the past 12 months demand has risen 18.6%, so some levelling off is inevitable. Our sector

remains strong. It is only broader economic issues that create uncertainty across the employment market that have driven the RBA to lower interest rates.

There has been a reversal of form between temporary and contract employment and permanent vacancies. Temporary and Contract job advertisements rose taking the Index back up from 122.95 to 127.04, a 3.3% gain wiping out most of the decline

in February. Despite the volatility in the last quarter the trend remains positive with vacancies up a massive 31.7% over the last twelve months.

Demand for permanent staff declined 2.4% in March. The Permanent Index fell from 115.99 to 113.15. Permanent vacancies are up 14.6% year on year and, despite not as great as that of Temporary and Contract, is still a very positive trend.

KIWI DOLLAR PARITY

With the New Zealand Dollar edging closer to parity with the Australian dollar for the first time in almost a generation, it is important to think of what the impact might be.

Some of the reasons the NZD is strong is because they have turned their economy around and the global dairy boom is sustaining record prices for their commodities. Compare this to Australia's falling commodity prices.

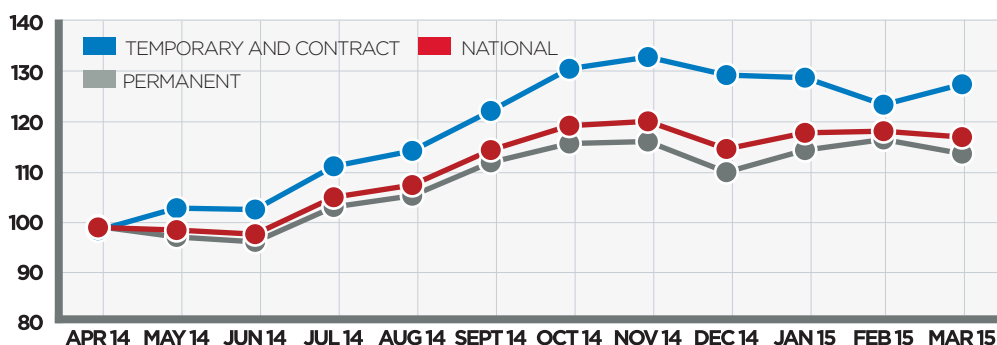
It means Australians are exporting to New Zealand. Woolworths sold Aussie lamb to the Kiwis at Christmas time. With the dollar getting such strong value, New Zealand firms are looking to make investments in Australia by acquiring assets.

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Regan Brown
Regan Brown
CEO
LABOURFORCE

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



STATE ANALYSIS

Job ad volumes fall in all States except NSW

Job advertising volumes fell in all states with the exception on NSW, which grew by 3.4% and Queensland that remained on 116.5. The index for NSW rose to 105.62 but it still leaves it amongst the understandably poorer performing Mining and resource rich states.

In March Vic/Tas experienced a rare fall, a fall of 3.1%. It remains the best performing state with growth of 38.4% in 12 months. But with 36.5% growth in the last months of

10.5% that trend is clearly softening.

Western Australia was the weakest performing state in March. It fell 4.6% but job advertising in the Transport and Logistics sector are still up 11.0% year on year, a good result given the dependence upon mining and resources.

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

CHART 2 COMPARISON OF STATE JOB INDICES

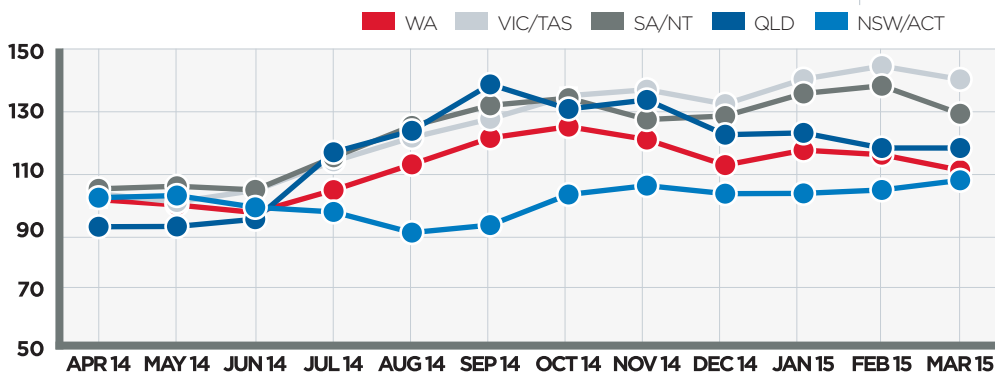
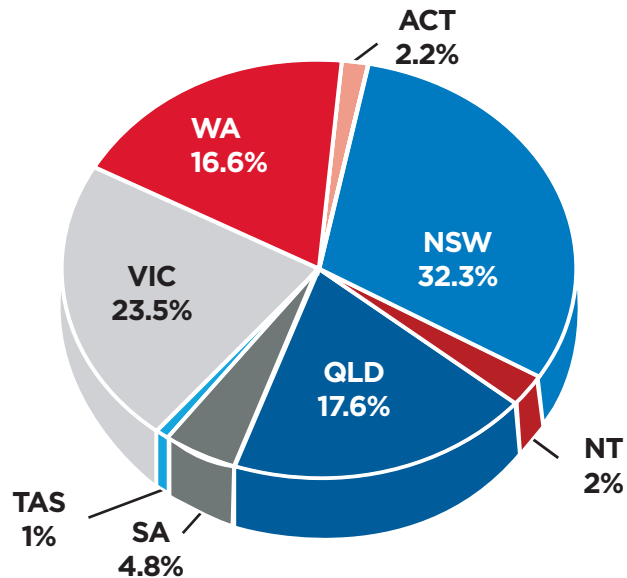


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY MARCH 2015

The growth in NSW market in March saw it recover some of its market share. It grew from 31.4% to 32.3%, still well down on the share it held a year ago.

In contrast Victoria took a rare fall, slipping from 24.1% to 23.5% of all job advertisements posted.



OCCUPATIONAL ANALYSIS

Clerical up. Management down.

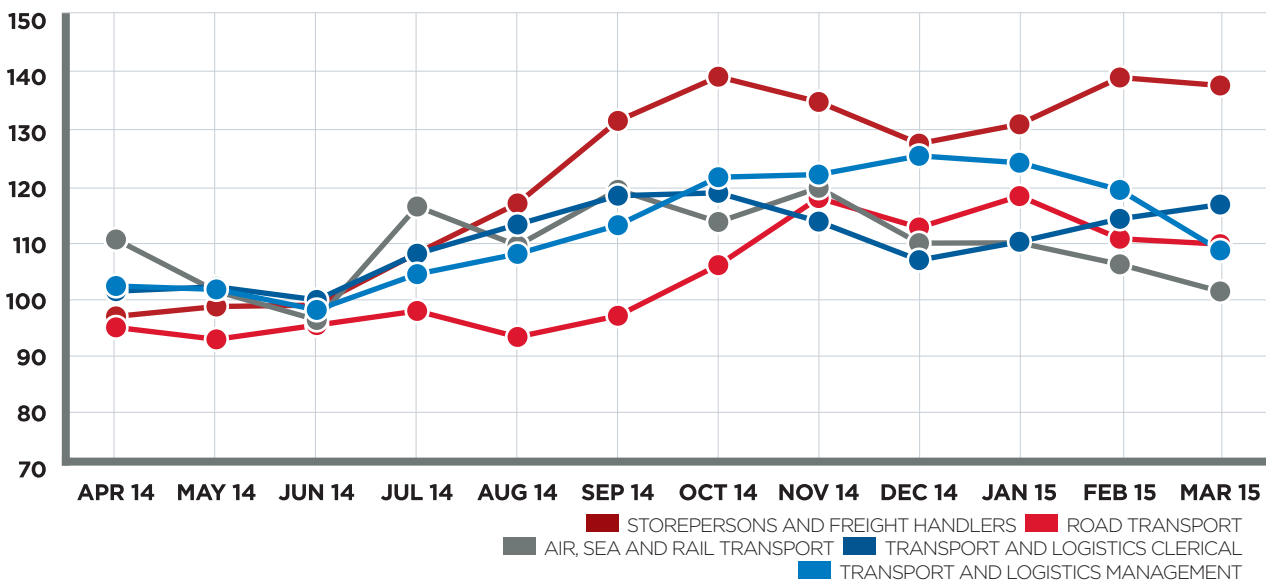
Demand for Store Persons and Freight Handlers continues to gyrate, this month experiencing a 1% fall after two months of growth. The index is up 51.5% over 12 months, a phenomenal performance but one that does seem to be losing momentum.

Transport, Logistics and Supply Chain Clerical enjoyed a fourth successive month of growth, this time 2.2%. That equates to 9.4% for the year to date. The index now sits at 115.86 and trending up. The clear contrast is with TL&SC

Managerial positions which have fallen for a third consecutive month. This month's whopping 9.5% fall just about wipes out all the growth in the prior 12 months.

It's hard to identify the trend in demand for Road Transport professionals. While demand slipped 0.9% in March, contributing to a 2.7% fall in the quarter but 13.3% growth in the last six months also suggests some positive sentiment amongst employers.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Retail sector performing strongly

The confident attitude amongst Transport and Logistics employers in early 2015 continued in March with a further 2.0% increase in advertised vacancies. The Index is now at 141.13. This represents a very encouraging 18.9% rise in 12 months.

The retail sector is also performing very strongly. Whilst February's rise of 11.0% was always going to be very hard to beat, the 4.2% rise in March was impressive. The index

now sits at 134.41.

In stark contrast the opposite has occurred in the public sector where demand for Transport, Logistics and Supply Chain specialists has fallen for a third successive month. A shocking 8.7% fall takes the tally for the quarter to 23.3%. This can only be attributed the three state elections in the first quarter of 2015 holding back demand.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

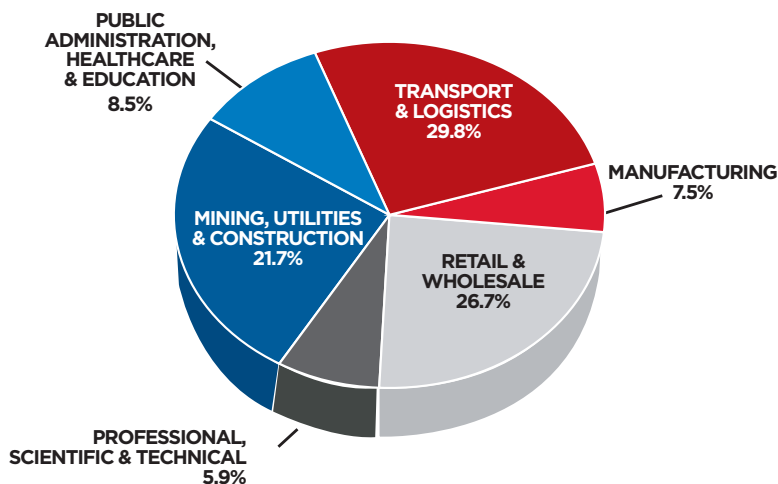
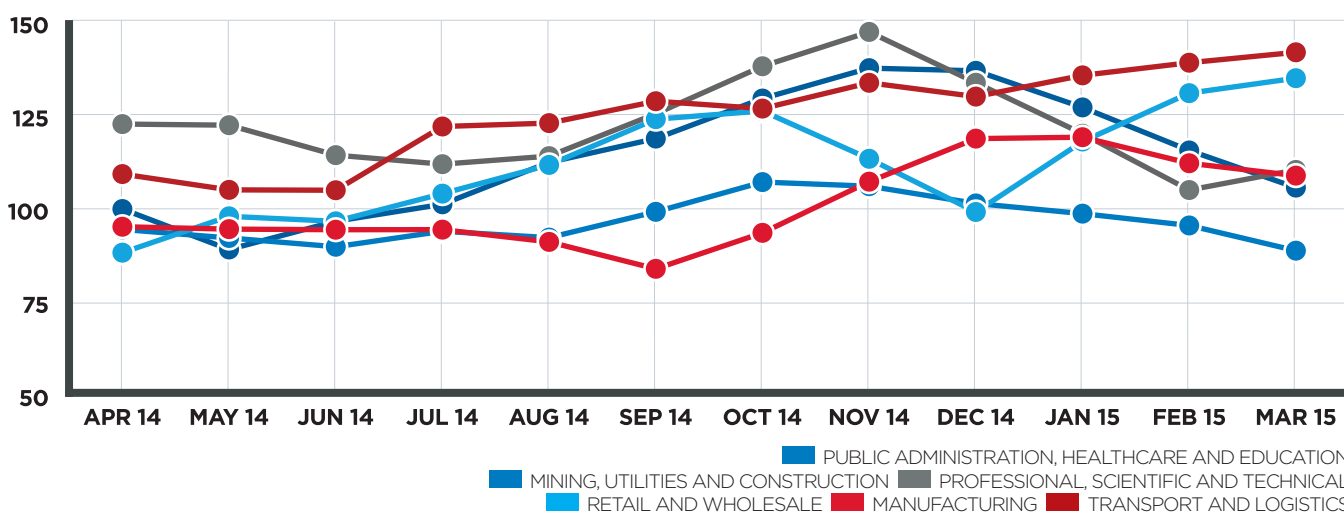


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY MARCH 2015

The growth in opportunities by Transport and Logistics employers takes its share to just shy of 30% of all advertised positions. Likewise Retail and Wholesale now exceed over one in four job vacancies. Mining, Utilities and Construction continues its contraction because of falling demand and prices retreating a further % from 23.1% to 21.7% in March.

In October 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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