

Transport, Logistics & Supply Chain Job Index

QUARTERLY REPORT

KEY FINDINGS

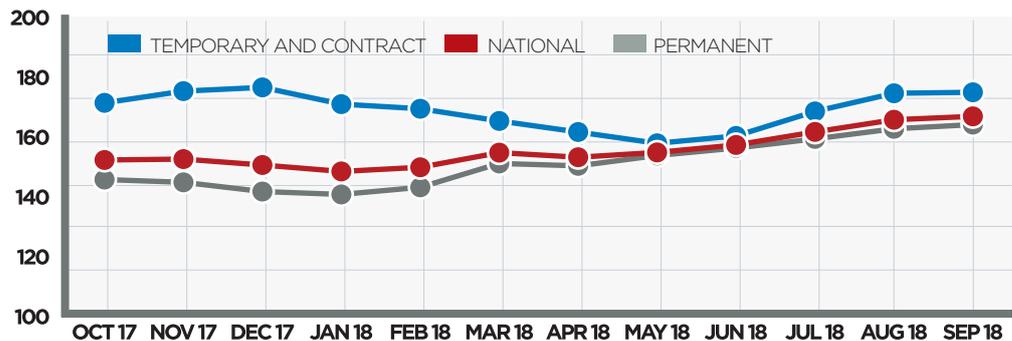
- The Labourforce/Impex TL&SC Job Index rose 6.1% in the September quarter to a record level of 165.98**
- Contingent job opportunities surged 9.2% in the quarter although this was less than seen in prior years**
- Permanent vacancies rose 5% and have enjoyed more consistent growth rising 16.2% year on year to a new record high**
- The Victorian market is on fire with growth of 11% in the quarter, 19.1% over 12 months**
- Both NSW and Queensland were strong over the quarter but fell back in the month of September**
- Road Transport has been the big winner over 12 months rising a mammoth 30.6%**
- Executive level roles have been in short supply all year, but these picked up in the last quarter**
- Transport and Logistics had a relatively quiet quarter. Demand is up 37.5% year on year although it peaked in August and fell in September**
- Manufacturing has also been bullish while Retail and Wholesale have disappointed with relatively little job creation in a historically buoyant quarter.**

Index hits new record high. Temp, contract expanding

Job prospects in the Transport Logistics and Supply Chain sector rose an impressive 6.1% in the September quarter. This takes the Impex/Labourforce Job Index to a new record high of 165.98. This is an impressive performance in a period that has seen a broader slowing in the number of job opportunities advertised. The Index is also 11.3% higher than this time last year. There was good growth in both permanent and contingent vacancies, but the latter was especially impressive. 9.2% growth in three months is massive by any measure. However, this is the time of year that temporary and contract always expands.

Interestingly the slow down in demand earlier in the year means that demand is exactly the same as a year ago and a little lower than the peak seen two years ago. Permanent jobs rose slower by 5%, but arguably this is more impressive because this reflects three consecutive months of record breaking growth. The Permanent Job Index is now up to 163.23, an incredible 16.2% higher than a year ago. Recent legal cases may be pushing employers away from flexible working arrangements or it could be that employers are preferring permanent employees to lock in scarce talent.

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



Job opportunities booming in Victoria / Tasmania

The September quarter saw big performances by the big states. The largest was achieved in Victoria with a little help from Tasmania. The VIC/TAS Job Index grew a massive 11% in the September quarter to 231.63 easily passing all prior records. Job opportunities in the region have risen every month this year. With vacancies 19.1% higher than a year ago, employers in Victoria are struggling in a sellers' market. Queensland was the big performer in Q2. This quarter the growth was equally impressive – a net 7.7%. What was a little unusual was that

it peaked in August on 205.84 but slipped back to 200.51 in September. This is a small rise and possibly just a monthly statistical hiccup. An index of 200 implies that job vacancies have doubled since measurement started in November 2013. NSW/ACT has had a strong year with demand up 14.4% in 2018. Growth this quarter was 5.2%. It too has expanded every month this year though, ironically, it slipped by 1.1% in September. August established a new record Index of 150.33 so we are still seeing job opportunities around record levels.

CHART 2 COMPARISON OF STATE JOB INDICES

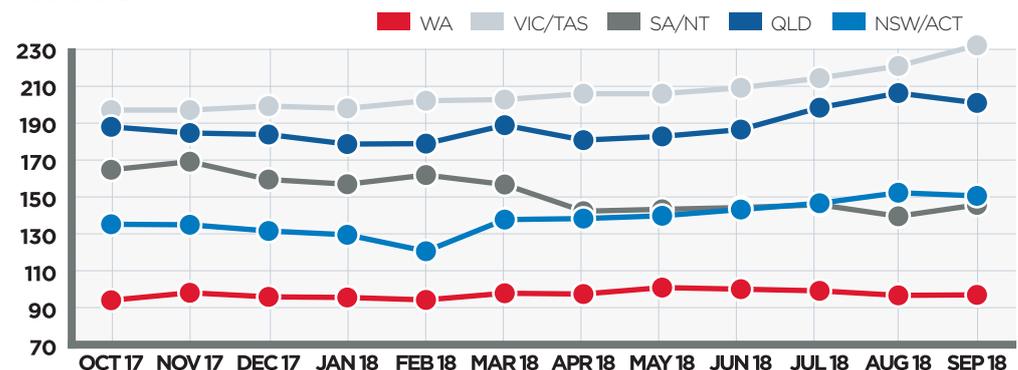
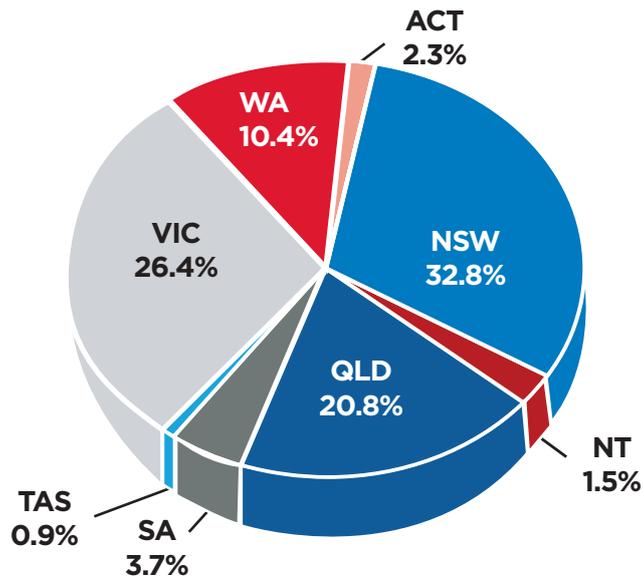


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY SEPTEMBER 2018

While all states have been performing well the relative strength of Victoria has seen its share of the national “pie” rise 2% in 12 months to 27.7%. While 2018 has been good for NSW, Q4 of 2017 was weak. Accordingly, the growth in Victoria year on year has been at the expense of NSW which retreated 1.5% over the same period.



OCCUPATIONAL ANALYSIS

Spectacular rise in demand for storepersons, freight handlers

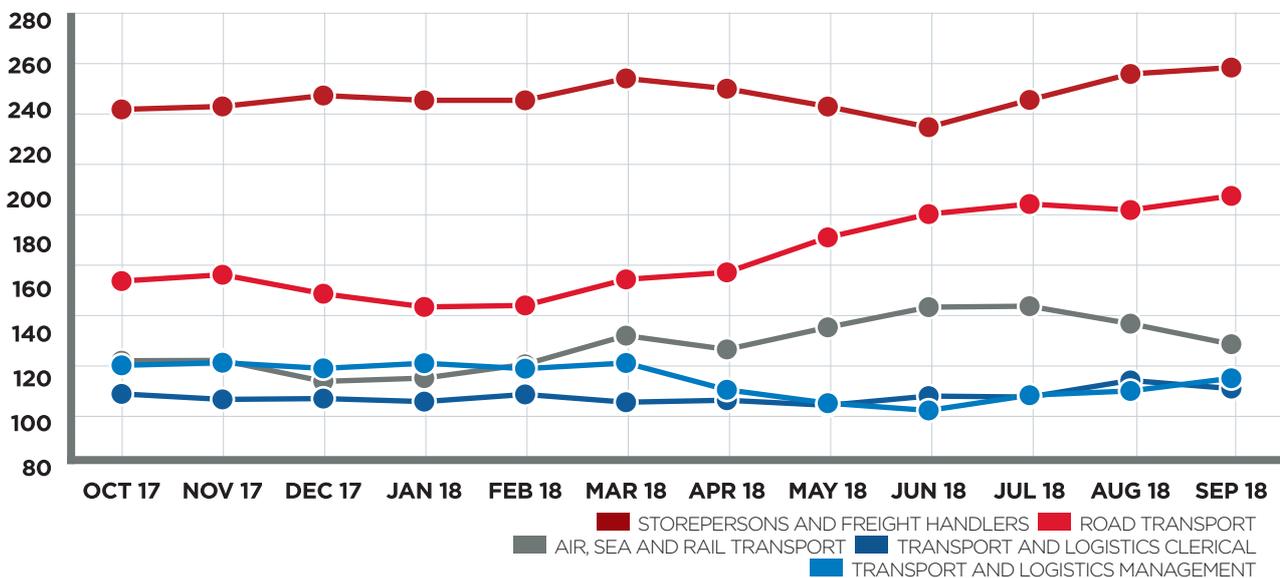
As is normal for this time of the year demand for Storepersons and Freight Handlers rose spectacularly. The 11.6% rise more than compensated for a slow second quarter and leaves job opportunities at the highest level on record – 255.53. The only proviso to this is that the annual growth was “just” 5.1%, below the national norm.

The biggest gain – year on year – has been in Road Transport. The y-o-y rise was a mammoth 30.6%.

September saw a new record set of 198.14 although the rate of growth slowed considerably in the third quarter.

It was an encouraging quarter for senior level opportunities. Demand rose 14.1% however this still leaves demand 6.4% lower than a year ago. The second quarter was very quiet but employers and back out hiring managerial roles again, Job prospects are good once more.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Robust boost in manufacturing. Strong last quarter expected

Despite the overall market strength, for once, Transport and Logistics employers were not the ones leading the charge. They slipped back 1.6% in the quarter but remain a magnificent 37.5% higher than a year ago. The Index, on 227.86, is still sufficiently close to the record of 238.27 set in August to conclude that September may just have been a short lived statistical aberration. The trend should remain positive until the end of the year. The sector to impress this quarter was Manufacturing. Job opportunities rose a surprisingly robust

18.7%. This is however, not a record level. The Index is on a very impressive 214.97 but this is still 5.6% below the start of 2018. Demand peaked in December 2017. A strong last quarter would not surprise. Transport and Logistic job vacancies are also on the rise in the public sector. These rose 8.1% in the last quarter leaving the Index on 224.83. This level was last exceeded in March of this year but hiring has been subdued since then. Retail and Wholesale has disappointed. In prior years this time of year has provided a regular

burst of seasonal employment. The three month's rise of 6.8% is lower than average. On line shopping has moved the location of where purchases take place but has increased employment in transport. If, as many have observed, employment is more casual it may be that employers simply increase hours and utilisation of their casual workforce at this time of year rather than hire more casual and temporary staff just for the busy season. The graph provides a breakdown of the proportions of each major industrial sector.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

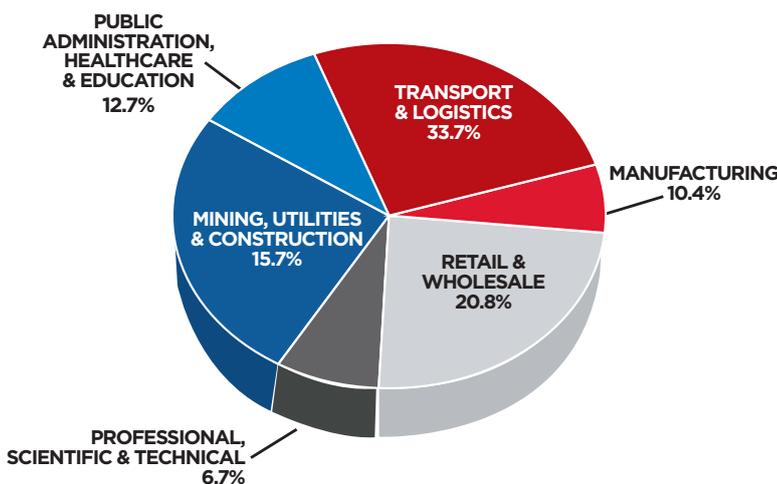
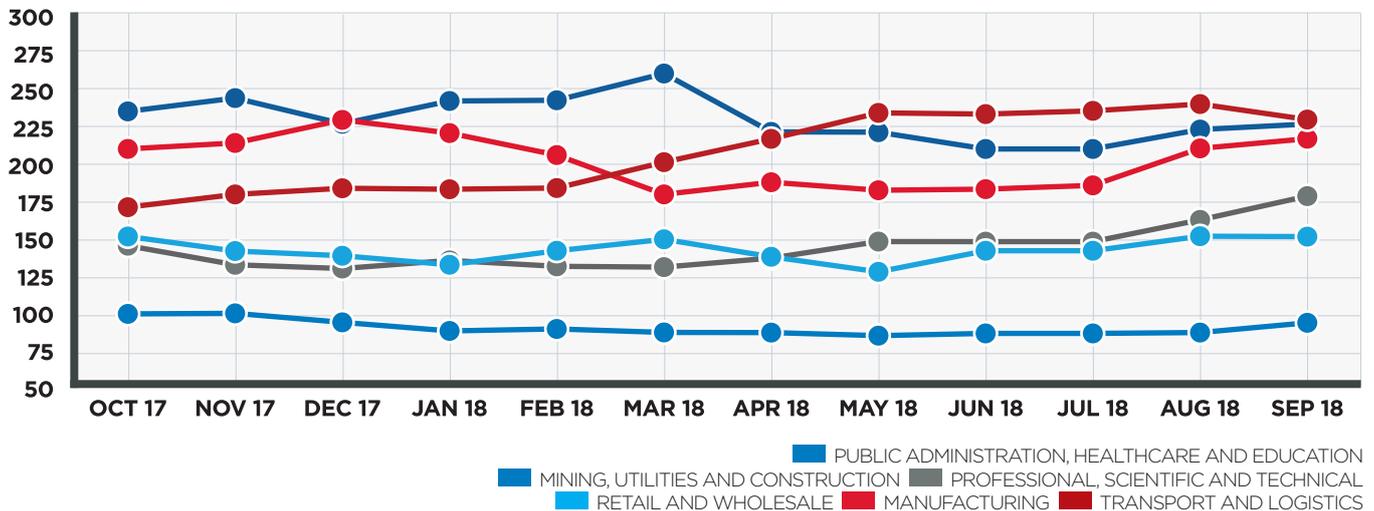


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY SEPTEMBER 2018

The massive pick up job opportunities with Transport and Logistics companies in the last twelve months has had a knock-on effect on its share of the national market. It has risen 6.4% y-o-y to 33.7%. That gain has been absorbed by falls in all other sectors.

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