

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

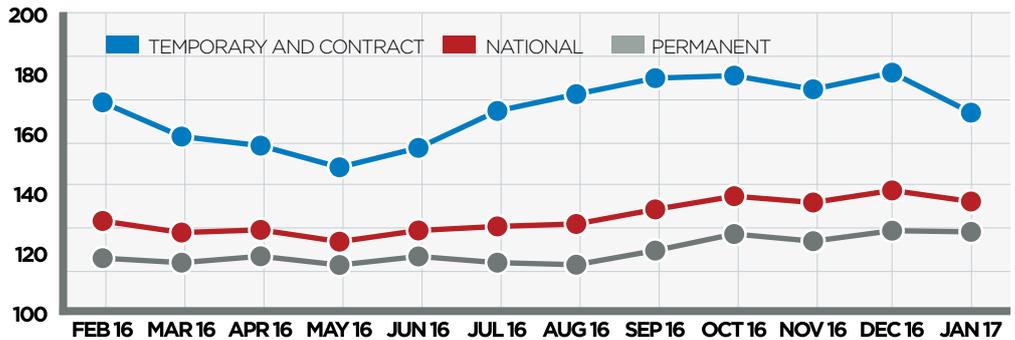
- ⦿ The Labourforce / Impex TL&SC Job Index fell 2.6% from the record high set in December
- ⦿ This is the normal seasonal cycle rather than anything more profound
- ⦿ Temporary and Contract job opportunities fell 7.4% while permanent fell just 0.3%
- ⦿ All states and territories fell in January with the exception of SA/NT which grew by 2.7%
- ⦿ Queensland grew substantially last year while WA remains the weakest state by a long mark
- ⦿ Road Transport fell a whopping 11.4%, higher than previous Januaries
- ⦿ Both clerical and managerial job opportunities disappointed in January
- ⦿ All industries experienced a fall in job vacancies with the notable exception of Manufacturing
- ⦿ It is only Mining, Utilities and Construction where demand remains weak

Market remains strong despite expected seasonal fall

The New Year has started slowly with the Labourforce/Impex Job Index slipping 2.6% from the record high set in December. The national Index fell from 140.35 to 136.65. The market remains very strong. The fall can be attributed to seasonal factor rather than anything more profound and structural. Job opportunities remain 12.1% higher over 12 months and 6.5% over the last six months. This is an extremely strong results benchmarked against most other sectors in the Australian employment landscape. The seasonal slowdown in temp and

contracting resulted in job vacancies falling 7.4% in January. By way of comparison they fell by 4% in January 2016 but from a lower base. The Temporary and Contracting Job Index hit a new record high of 179.73% in December, 14.5% higher than this time last year. Permanent job opportunities hit a new all time high of 126.89 in December so the small fall of 0.3% in January was a favourable result for such a quiet month historically. The rise over the last 12 months of just 5.0% is greater than many more "traditional" occupational sectors.

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



Growing concerns over NSW. SA/NT enjoys day in the sun

All states and territories fell in January with the exception of SA/NT, which grew by 2.7%. In contrast all states and territories grew in December! Although not a major employment region by volume, SA/NT has actually grown by 28.9% in 12 months, an extraordinary achievement. Some concern must be felt for NSW. Demand has fallen 2.7% in the last six months and only a strong first half to 2016 resulted in demand rising a net 7.9% over the last 12 months. It will be interesting to see whether job opportunities pick up in the first half of 2017.

Queensland's impressive growth in December was short lived with demand falling 2.0% in January. But it remains the strongest performer over 12 months with the Index up a remarkable 28.1%. Improvements in the mining and resources sector in Queensland appear to be the major catalyst for this improvement. VIC/TAS remains the strongest region with the Index at 168.54, only 0.7% down on December. Likewise WA remains the weakest state by a long mark. A 3.6% slide in January contributed to a fall of 6.6% annually in WA and an Index at just 87.08.

CHART 2 COMPARISON OF STATE JOB INDICES

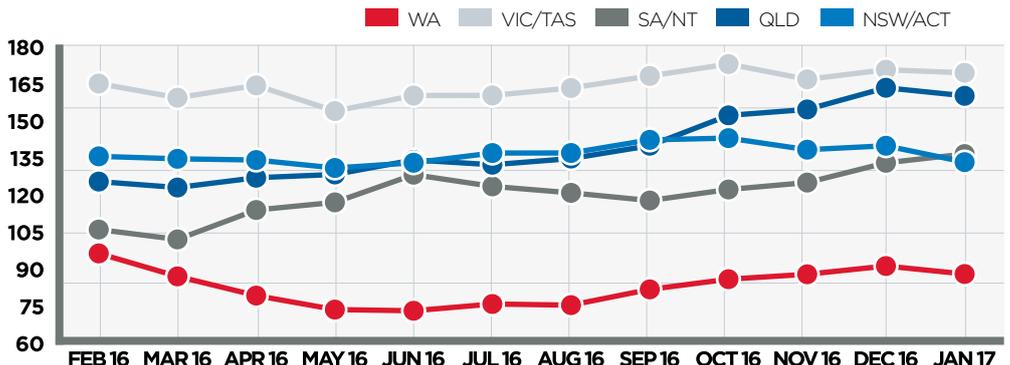
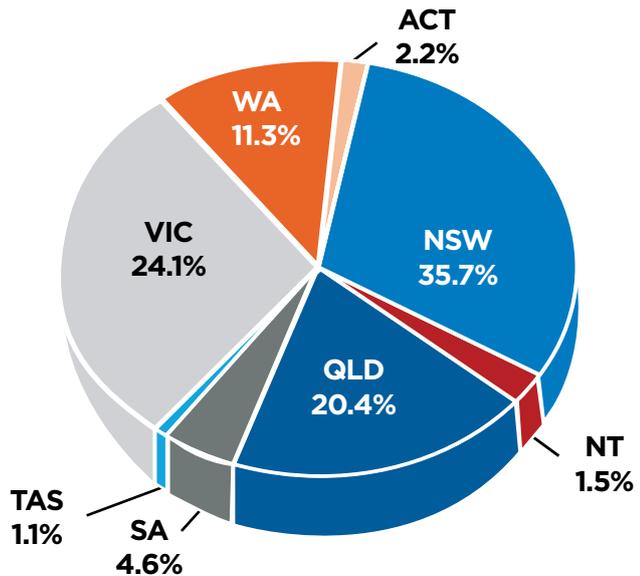


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY JANUARY 2017

It is interesting to compare the relative fortunes of the resource rich states. In the last 12 months WA's market share has fallen from 13.6% to 11.3% while Queensland's proportion has risen from 17.9% to 20.4%.



OCCUPATIONAL ANALYSIS

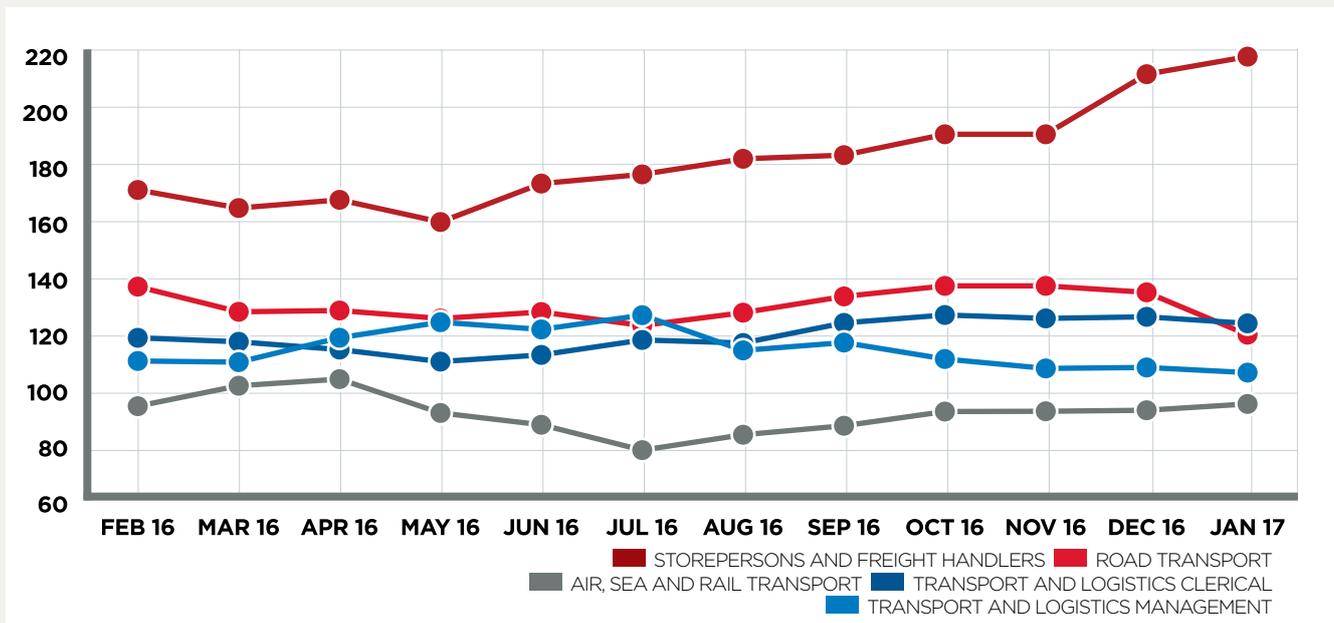
Road Transport shocker. Storepersons and Freight Handlers surprise strength

As would be expected at this time of year Road Transport fell, but the magnitude of the fall, a whopping 11.4% in January was substantially higher than that seen in previous years. Demand has eased over the last three months. It's now the only occupational category to be down year on year (7.5%).

Both clerical and managerial job opportunities disappointed in January, losing 1.9% and 1.7% respectively. The market remains very subdued at the senior level. TL&SC Management job opportunities are down 16.5% over the last six months. Clerical has been stronger rising 5.1% over the same period and by 10.4% over 12 months.

The surprise package in January was Storepersons and Freight Handlers where demand rose 3.0% when we'd normally see a fall post Christmas. The market has been extremely strong throughout 2016 so it's possible that employers have struggled to find staff so has wasted no time in the New Year to commence recruitment.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Manufacturing steady improvement continues

All industries experienced a fall in TL&SC job vacancies in January with the notable exception of Manufacturing which rose 2.7%. Given the difficulties faced by the sector this is a surprising but also an encouraging development. Demand was at an all time low a year ago but we saw steady improvement throughout 2016. This would be closely aligned to falls in the Australian dollar making

local production more competitive. Last month's record trade surplus demonstrates this point well.

The retail sector continued its normal seasonal cycle, with demand easing a further 3.1% in January, 9.8% over the last quarter. Demand is, however, up 15.0% compared to January 2016. The Retail and Wholesale Index sits at 147.78, a stronger positive trend over the longer term so we can expect job

opportunities to pick up this quarter.

In what is still a very strong overall national market it is only Mining, Utilities and Construction where demand remains very weak. The Index is on 82.88, still 4.4% lower than a year ago.

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

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

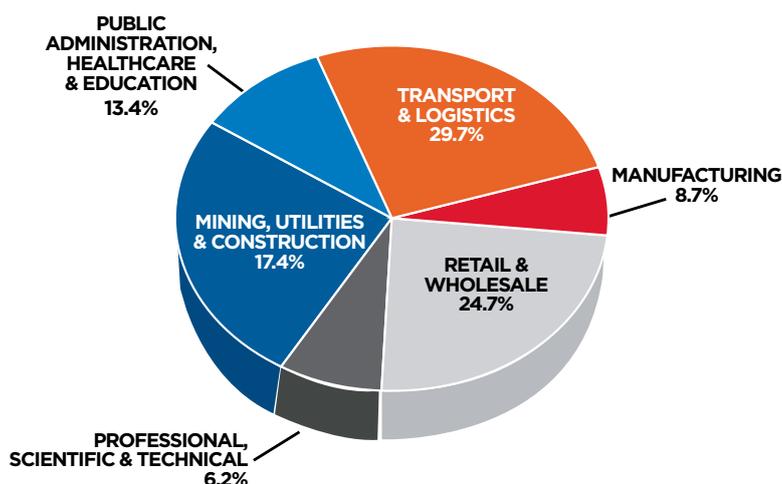
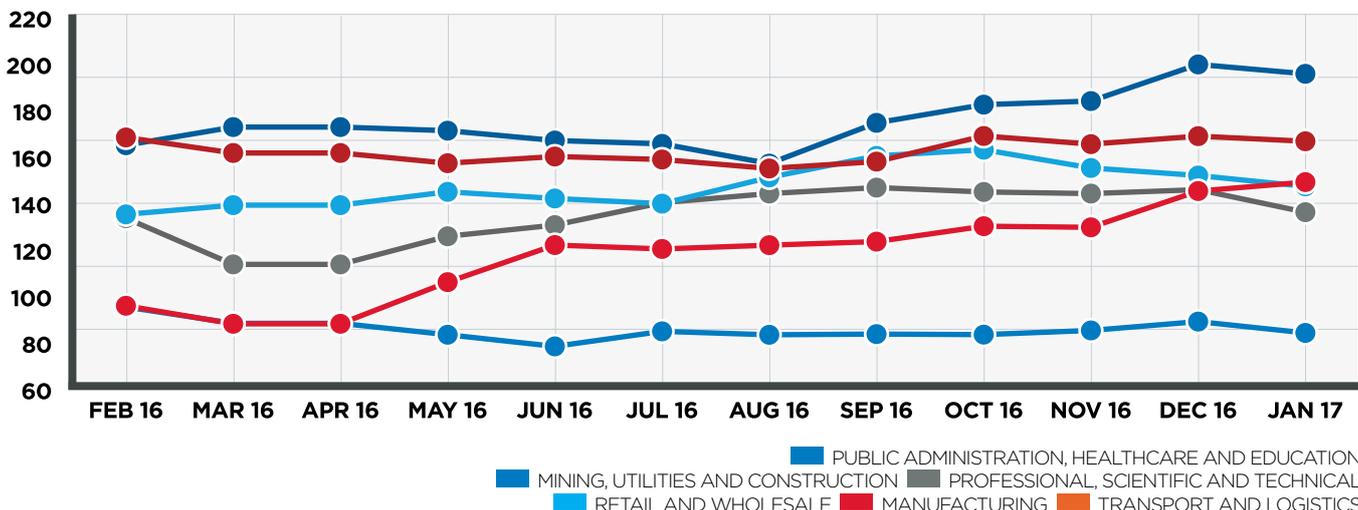


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY JANUARY 2017

Despite the improvements in the Retail and Wholesale sector demand represents just 8.7% of all advertised vacancies compared to 6.7% last January. Mining, Utilities and Construction has seen the largest fall, slipping from 20.4% to 17.4%. In 2017 we might see this improve as the rise in commodity prices is now starting to translate into higher production and new job vacancies.

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For more information about Labourforce Impex Transport, Logistics & Supply Chain Job Index

IMPEX PHONE 1300 85 85 15 EMAIL info@impexpersonnel.com.au

LABOURFORCE PHONE 13 30 91 EMAIL recruitment@labourforce.com.au