

Transport, Logistics & Supply Chain Job Index

REPORT

KEY FINDINGS

-  **The Labourforce Impex Transport, Logistics and Supply Chain Job Index fell 2.4% in May**
-  **Vacancies in the sector are still 10.7% higher than this time last year**
-  **A weakening trend is apparent in permanent hiring in 2015 but Temporary and Contract remains very strong**
-  **The Federal Government's EOFY tax concession for small business may help push demand up in June**
-  **Demand in Western Australia continues to soften, driven by the easing in investment in Mining and Resources**
-  **Last month's precipitous fall in Air, Sea and Rail advertising volumes has abated**
-  **Demand for both Managers and Clerical staff in Transport, Logistics and Supply Chain has fallen for a second successive month**
-  **Confidence to hire amongst Transport and Logistics employers has also waned but Retail and Wholesale playing an increasing part in job creation**

TL&SC INDUSTRY IS FACING CHANGE

We have seen much activity as we head into the end of the financial year in the Transport, Logistics and Supply Chain Industry, and we can expect to see consolidation and growth for the next financial year.

Earlier this year Toll announced it was being acquired by the enormous Japan Post. Last month this was approved with 95.9% of investors who voted were in favour of the takeover at a special shareholder meeting in Melbourne. Japan Post indicated they would keep the Toll name and that all of the 40,000 Toll employees would be keeping their jobs.

Postal groups and logistics companies are facing pressure to consolidate as fewer letters are sent but parcel deliveries increase.

At the end of last year, US delivery group FedEx agreed to pay \$6.3 billion to buy Australian TNT Express. FedEx also acquired Bongo International, which specialises in online delivery and e-commerce services, to boost its e-commerce business.

More recently, Asciano Limited announced that its logistics arm, Patrick Port Logistics, has agreed to form a new joint venture with ACFS Port Logistics. The joint venture will bring together the Patrick and ACFS metropolitan logistics businesses. Patrick and ACFS will each own a 50% equity interest in the new joint venture. Impex and Labourforce welcomed the news that Arthur Tzaneros, current Managing Director of ACFS, has been appointed as the new CEO of the joint entity.

There is significant investment in the Australian transport and logistics industry because of the skill, high calibre of professionals and expertise within our industry. It demonstrates the strength of the Australian logistics industry.



NATIONAL JOB INDEX

Index: 2.4% fall in May - third consecutive fall - 7.9% decline last quarter

The Labourforce/Impex Transport Logistics and Supply Chain Job Index fell 2.4% in May. This is the third consecutive fall totalling 7.9% in the last quarter. The Index now sits at 108.36 and has still risen by 10.7% over the past twelve months. But the contrast between the strengthening market through much of 2014 and the softer

jobs market now is starting to trend is of concern. There are no obvious reasons for the fall although generally employment conditions and investment remains subdued and GDP growth below trend. The Federal Government's EOFY tax break for small business announced in the budget may provide some stimulation to the Transport,

Logistics and Supply Chain market in the next month.

The weakness in permanent hiring, reported last month, continues. The Index, at 102.38, was down a further 4.3% in May. Vacancies are now down 11.7% over the past three months reflecting some lack of confidence amongst employers so far in 2015.

With the considerable investment in the Australian Transport, Logistics and Supply Chain industry, the world is turning it's eyes to our local expertise, experience and know-how. Australia has a skilled, experience and agile sector.

That's why you should only use suppliers who are specialist and experienced within our sector for all of your labourforce needs.

You can trust Impex with all of your international transport and logistic staffing solutions.

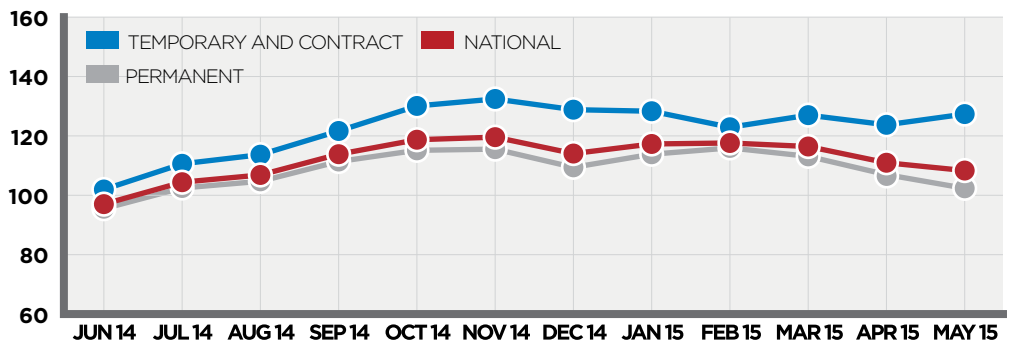
We are strategically located at transport and logistic hubs and have more than 15 years experience specialising in the TL&SC sector.

Contact us today.

Regan Brown

Regan Brown
DIRECTOR
IMPEX
PERSONNEL

CHART 1 NATIONAL INDEX AND JOB TYPE ANALYSIS



STATE ANALYSIS

WA: Down. Victoria: Subdued. Qld, SA, NT: Pick up

Western Australia experienced a third consecutive fall in vacancies advertised in May, falling 9.6%. Advertising volumes in WA have fallen 26.6% over the last three months alone. A fall in investment and new projects in the Mining and Resources sector is clearly the main driver.

Victoria's has also seen subdued demand with job advertising in the sector falling 7.7% in May. This fall contributes to a 20.2% fall in the last quarter. But, despite

the recent decline, the market is still historically strong with the index still 16.9% higher year on year.

The market in Queensland, SA and NT, in contrast, seems to be picking up. Queensland enjoyed a 4.9% rise while SA and NT combined to produce a 7.9% increase. While both trend up neither are at the record highs set in 2014 so they have potential to go higher still.

CHART 2 COMPARISON OF STATE JOB INDICES

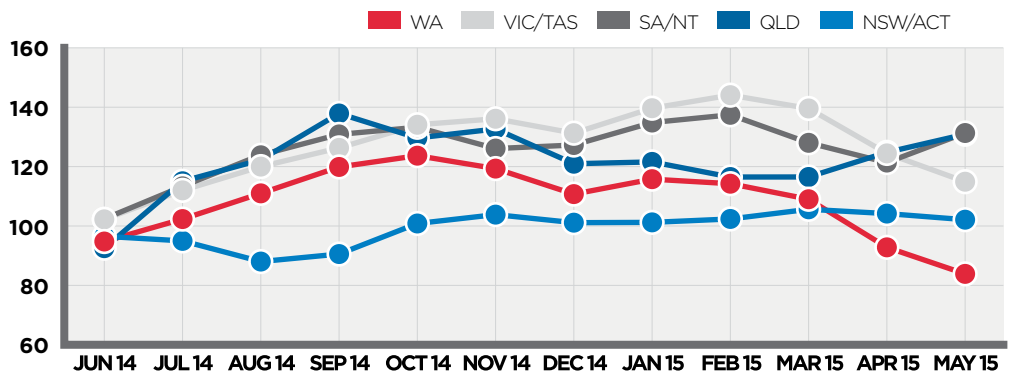
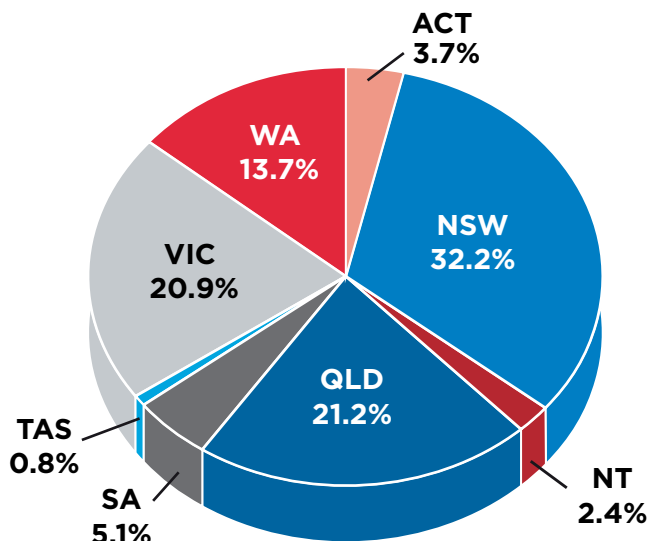


CHART 3
ANALYSIS OF JOB ADVERTISEMENTS BY STATE AND TERRITORY MAY 2015

Victoria's market share continues to shrink, at 20.9%, the lowest level since June last year. In fact, for the first time, demand in Queensland, at 21.2%, exceeds that of Victoria. NT and SA's upward trend remains a relatively small percentage of overall national demand.



OCCUPATIONAL ANALYSIS

All occupational groups suffered declines in opportunities

For a second successive month all occupational groups suffered declines in opportunities. Air, Sea and Rail Transport fell only 4.4% after a massive 18% fall in April.

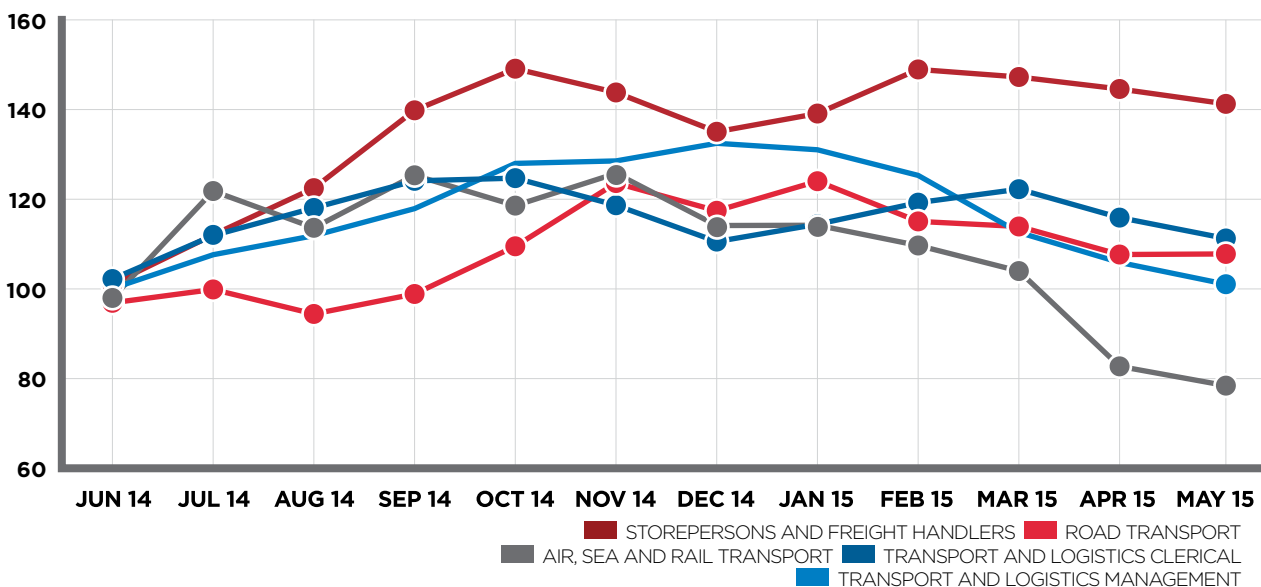
Storepersons and Freight Handlers fell again in May, this time by 2.1%. Yet again the fall was not substantial but it is this area of staffing which represents a large cohort grew so well in 2014 so it does heavily influence the entire sector.

Some softening was probably inevitable but you would not

hope for a more serious decline in fortunes.

Demand for Transport, Logistics and Supply Chain Management and Clerical personnel both fell in May, by 3.6% and 4.0% respectively. Whilst both have fallen for two months Clerical has held up far better from a longer term perspective up 5.3% year on year while Management opportunities are down, just a fraction, less 2.8%.

CHART 4 ANALYSIS OF JOB ADVERTISEMENTS BY SPECIALIST OCCUPATION



INDUSTRY ANALYSIS

Hiring falters. Index still up on last year but off March record

Hiring by the major Transport and Logistics employers continues to falter. Demand has fallen a further 7.7% in May after easing 3.5% in April. The Index still sits at 125.91, 20.6% up on this time last year but well off the record established in March this year. Some softening might have been anticipated but this is a trend that could start to concern.

Demand in the retail sector rose 3.0% in May. If the Federal Government's small business incentive is to translate into jobs

in the sector, retail is likely to be a winner next month.

Demand in Mining, Utilities and Construction seems to be setting its own course down. The Index fell a further 4.3% in May. That leaves the index at 88.14, a new all time low, 18.7% less than 3 months ago and 26.8% lower than six months ago. The situation remains particularly bleak in Mining and Utilities but hopefully construction activities in both residential and infrastructure will help boost Construction.

CHART 5 ANALYSIS OF JOB ADVERTISEMENTS BY INDUSTRY

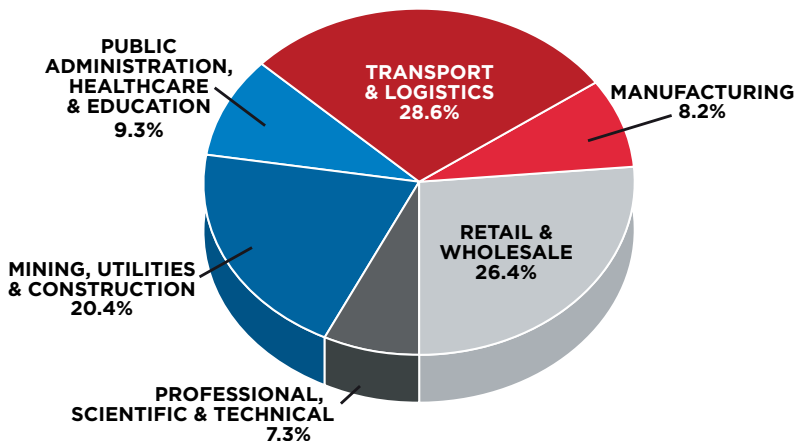
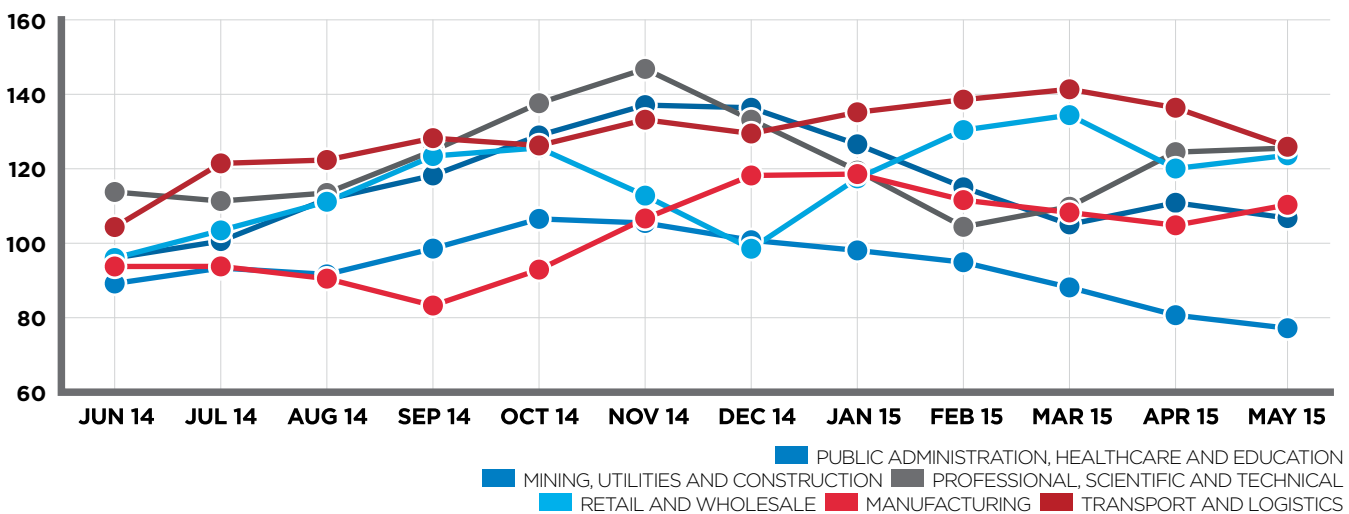


CHART 6 THE PROPORTION OF JOB ADVERTISEMENTS BY INDUSTRY MAY 2015

Mining, Utilities and Construction share has now slipped to 20.4%, an all time low but still a very important sector. Retail and Wholesale remain the second most critical industry sub sector for Transport, Logistics and Supply Chain employment, and, at 26.4% is growing in importance.

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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