Wholesale trade

…covers basics material wholesaling, machinery and equipment wholesaling, the wholesale of motor vehicles and motor vehicle parts, grocery, liquor and tobacco product wholesaling, commission based wholesaling and the wholesaling of other goods such as furniture, books and jewellery amongst many others.

This suite of Industry Snapshots complements *Future Focus*, the 2013 National Workforce Development Strategy. These snapshots provide additional information and analysis on each industry to assist stakeholders in planning for the future of their industry or sector. It should be noted that the longer term data contained in this publication is based on AWPA's four scenarios for Australia to 2025 and is not intended to be compared to other data sources or projections.

Key points

- Wholesale trade employs approximately 449,300 people, accounting for just under four per cent of the total Australian workforce.
- Just over one third (34 per cent) of the wholesale trade workforce is employed in small-sized enterprises (i.e. those that employ less than 20 workers), while 38 per cent are employed in medium-sized enterprises (i.e. those that employ between 20 and 199 workers) and 28 per cent in large enterprises (i.e. those that employ 200 workers or more).
- More than two thirds (67 per cent) of the wholesale trade workforce is male, compared to 54 per cent for all industries.
- 16 per cent of wholesale trade workers are employed part-time and 28 per cent work in regional and remote areas, compared to the all-industry averages of 30 per cent and 37 per cent, respectively.[1]
- A detailed employment profile for the wholesale trade industry (including information on its workforce, industry and occupational characteristics) can be found at www.skillsinfo.gov.au.

Industry outlook

The wholesale trade sector is an important industry within the Australian economy, employing 3.9 per cent of the total Australian workforce. In terms of industry value added, wholesale trade contributed around 4.6 per cent ($63.5b) to the national economy in 2011–12.[2]

[1] Regional and remote areas are defined as those outside state capital cities.
[2] 'Industry value added' is the measure of the contribution by industry to gross domestic product (GDP) at basic prices. ABS (2012) *Australian System of National Accounts*, cat. no. 5204.0, Table 11.

Short-term growth

The wholesale trade sector has shown strong employment growth over the past five years, at 12.9 per cent, exceeding the average for all industries, at 7.1 per cent. Growth has been particularly high for the Machinery and Equipment Wholesaling subsector, with its workforce increasing by more than a third (34.2 per cent) over the past five years. Similarly, employment in Grocery, Liquor and Tobacco Product Wholesaling has grown by nearly one-fifth (19.4 per cent) over the same period, more than double that of the all-industry average. Recent employment growth in Commission-Based Wholesaling has also been high, albeit from a smaller base than other industry subsectors. In comparison, Other Goods Wholesaling; Basic Material Wholesaling; and Motor Vehicle and Motor Vehicle Parts Wholesaling have shown steady growth in the short-term, but this has been below the average for Australian industry as a whole.

Table 1 Current and past employment in wholesale trade

Industry	Current employment		Past growth: five years	
	'000	% of total	'000	%
Wholesale trade	**449.3**	**3.9**	**51.3**	**12.9**
Basic Material Wholesaling	105.3	0.9	4.8	4.8
Machinery and Equipment Wholesaling	108.0	1.0	27.5	34.2
Motor Vehicle and Motor Vehicle Parts Wholesaling	29.6	0.3	1.3	4.4
Grocery, Liquor and Tobacco Product Wholesaling	76.4	0.7	12.4	19.4
Other Goods Wholesaling	87.2	0.8	4.5	5.5
Commission-Based Wholesaling	8.7	0.1	0.8	10.1
All industries	**11,588.7**	**100.0**	**798.1**	**7.4**

Note: Data for industry subsectors may not sum to the industry total because data for each subsector have been separately seasonally adjusted and trended and at the higher levels include 'not further defined' categories.
Source: ABS (2013) *Labour Force Australia*, February, cat. no. 6291.0.55.003 (DEEWR trend).

Long-term growth

Australia needs to position itself in a world where work is changing rapidly. Technological innovation, globalisation, the Asian century and new patterns of work are impacting on the demand for skills and the speed of change is making it hard to predict and plan for the future.

To deal with this uncertainty, AWPA has adopted a scenario planning approach to help us overcome these limitations in making projections about the future. Scenarios are alternative visions of potential futures, and provide a means to make decisions that take account of uncertainty.

AWPA developed four possible, plausible scenarios for Australia to 2025.

- In the **Long Boom** scenario, the high demand for resources traded with China and other countries continues. Industries challenged by the high terms of trade undertake structural adjustment. This results in a scenario of sustained prosperity and a restructured economy.
- In **Smart Recovery**, the challenges facing Europe and the United States affect financial markets. This means low growth for Australia to 2014–15. Growth then improves and Australia benefits from industry and government strategies to implement a knowledge economy.

- In **Terms of Trade Shock**, resource prices fall mainly due to increased supply from other countries, the Australian dollar falls and we move to a broader-based economy.
- **Ring of Fire** is a risky world with multiple economic and environmental shocks resulting in ongoing lower growth.

Economic modelling against each of these four scenarios was undertaken by Deloitte Access Economics (DAE) to determine the skills demand for the economy into the future. [3]

Employment in the wholesale trade industry is forecast to increase to 2025 by one per cent per annum under Smart Recovery and Terms of Trade Shock, and by 1.8 per cent per annum under Long Boom. This is slightly below the average for all industries.

Machinery and Equipment Wholesaling is expected to have the strongest growth among wholesale trade industry subsectors, with increases in employment in the years to 2018 and 2025 predicted to be more than double that of the all-industry average. In comparison, Commission-Based Wholesaling; Basic Material Wholesaling; and Motor Vehicle and Motor Vehicle Parts Wholesaling are all predicted to show a decline in employment across all four scenarios.

Table 2 Average annual industry employment growth in four scenarios, 2011–15 and 2011–25 (% per annum)

Industry	Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
	2018	2025	2018	2025	2018	2025	2018	2025
Wholesale trade	**1.8**	**1.8**	**1.7**	**1.0**	**0.8**	**1.0**	**0.6**	**0.0**
Basic Material Wholesaling	-2.2	-1.6	-2.2	-2.3	-3.1	-2.4	-3.4	-3.3
Machinery and Equipment Wholesaling	6.0	5.4	5.9	4.6	5.0	4.6	4.7	3.5
Motor Vehicle and Motor Vehicle Parts Wholesaling	-0.4	-1.6	-0.5	-2.3	-1.4	-2.4	-1.7	-3.3
Grocery, Liquor and Tobacco Product Wholesaling	0.9	0.7	0.8	0.0	-0.1	-0.1	-0.4	-1.1
Other Goods Wholesaling	1.9	1.1	1.8	0.4	0.9	0.3	0.7	-0.7
Commission-Based Wholesaling	-5.3	-2.5	-5.3	-3.2	-6.2	-3.3	-6.4	-4.2
All industries	**2.1**	**2.0**	**1.5**	**1.5**	**1.7**	**1.6**	**0.8**	**0.7**

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results.

Occupation outlook

Key occupations

The top ten occupations in wholesale trade account for 44.2 per cent of total employment in the industry. Sales Representatives and Storepersons are the largest occupations, comprising 7.7 and 7.0 per cent of total employment within the industry, respectively.

[3] A description of the scenarios and the Deloitte Access Economics modeling of employment in each, with state and territory breakdowns, is available at the AWPA website www.awpa.gov.au.

Table 3 Top ten wholesade trade occupations

Occupation		People employed	Industry employment
		'000	% of total
6113	Sales Representatives	31.7	7.7
7411	Storepersons	28.6	7.0
1311	Advertising and Sales Managers	21.1	5.1
5911	Purchasing and Supply Logistics Clerks	20.8	5.0
1333	Importers, Exporters and Wholesalers	18.2	4.4
2254	Technical Sales Representatives	16.1	3.9
5511	Accounting Clerks	14.1	3.4
5311	General Clerks	10.6	2.6
7331	Truck Drivers	10.5	2.6
7213	Forklift Drivers	10.1	2.5
Total wholesale trade		**411.5**	**44.2**

Source: ABS (2013) *Labour Force Australia*, detailed quarterly report, 2012 average of four quarters, cat. no. 6291.0.55.003.

Short-term growth

Table 4 shows current employment and past growth for the occupations that feature prominently within the industry. **Note that the figures refer to the expected number of people in these occupations across all industries, not just in the wholesale trade sector**.

Several key occupations in the wholesale trade sector have experienced substantial growth over the last five years. Employment of General Clerks has increased by more than half during this time, while Accounting Clerks; Technical Sales Representatives; Truck Drivers; and Importers, Exporters and Wholesalers have all shown growth at or above 10 per cent. Conversely, Forklift Drivers; Sales Representatives; and Purchasing and Supply Logistics Clerks have experienced a decline in employment over the past five years.

Table 4 Current and past employment in key occupations

Occupation		Current employment (all industries)		Past growth: five years	
		'000	% of total	'000	%
6113	Sales Representatives	94.2	0.8	-4.0	-4.1
7411	Storepersons	127.1	1.1	15.4	13.8
1311	Advertising and Sales Managers	124.0	1.1	0.9	0.7
5911	Purchasing and Supply Logistics Clerks	86.7	0.8	-2.4	-2.7
1333	Importers, Exporters and Wholesalers	20.9	0.2	1.9	10.0
2254	Technical Sales Representatives	34.0	0.3	7.0	26.2
5511	Accounting Clerks	168.3	1.5	43.8	35.2
5311	General Clerks	204.1	1.8	70.0	52.2
7331	Truck Drivers	198.5	1.8	30.6	18.2
7213	Forklift Drivers	55.0	0.5	-3.5	-6.0
All employed		**11,588.7**	**100.0**	**798.1**	**7.4**

Source: ABS (2013) *Labour Force Australia*, February, cat. no. 6291.0.55.003 (DEEWR trend).

Long-term growth and job openings

Table 5 indicates the long-term net job growth per annum expected in these occupation groups, according to Deloitte Access Economics' economic modelling of the scenarios.

Growth in key wholesale trade occupations is varied across the scenarios with some occupations (such as Advertising and Sales Managers; General Clerks; and Importers, Exporters and Wholesalers) showing strong growth across all scenarios. While overall growth in the industry is expected to be below the national average, decline in employment is predicted to be limited to Sales Representatives and Truck Drivers under the Ring of Fire scenario.

Table 5 Average annual occupation growth in four scenarios, 2011–18 and 2011–25 (%pa)

Industry		Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
		2018	2025	2018	2025	2018	2025	2018	2025
6113	Sales Representatives	0.2	0.7	-0.1	0.2	-0.1	0.2	-0.4	-0.2
7411	Storepersons	1.7	1.6	1.3	1.2	1.2	1.1	0.9	0.5
1311	Advertising and Sales Managers	3.5	3.1	2.9	2.6	3.0	2.7	2.4	2.1
5911	Purchasing and Supply Logistics Clerks	1.6	1.1	1.3	0.7	1.3	0.7	0.9	0.2
1333	Importers, Exporters and Wholesalers	4.2	2.9	3.9	2.5	3.6	2.5	3.3	1.8
2254	Technical Sales Representatives	2.5	2.5	2.2	2.1	2.2	2.2	1.8	1.6
5511	Accounting Clerks	1.6	1.3	1.1	0.9	1.1	0.9	0.6	0.4
5311	General Clerks	4.0	3.1	3.2	2.6	3.5	2.6	2.3	1.6
7331	Truck Drivers	1.2	0.9	0.6	0.5	0.5	0.3	-0.2	-0.4
7213	Forklift Drivers	0.5	0.8	0.2	0.5	0.1	0.4	0.0	0.1
All occupations		**2.1**	**2.0**	**1.5**	**1.5**	**1.7**	**1.6**	**0.8**	**0.7**

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results.

As noted, the data in Table 5 concerns employment growth in an industry. The number of total **job openings** which includes both employment growth and **the replacement resulting from individuals leaving the occupation net of those re-entering** can also be estimated. This replacement requirement is particularly significant in industries where there are high numbers of people retiring or leaving the occupation.

Table 6 shows the annual average job openings projected in key wholesale trade occupations to 2025. Under all four scenarios, the highest proportion of job openings is forecast for General Clerks and Advertising and Sales Managers, with job openings per annum expected to exceed the average for all occupations.

Table 6 Average annual job openings per annum, 2011 to 2025, in four scenarios

Occupation		Long Boom		Smart Recovery		Terms of Trade Shock		Ring of Fire	
		('000)	%	('000)	%	('000)	%	('000)	%
6113	Sales Representatives	4.0	3.2	3.4	2.7	3.5	2.7	3.0	2.2
7411	Storepersons	4.9	3.4	4.3	2.9	4.2	2.8	3.4	2.3
1311	Advertising and Sales Managers	8.1	5.2	7.2	4.7	7.3	4.8	6.2	4.2
5911	Purchasing and Supply Logistics Clerks	2.5	2.8	2.1	2.4	2.2	2.4	1.9	1.9
1333	Importers, Exporters and Wholesalers	0.9	3.5	0.8	3.1	0.8	3.1	0.6	2.5
2254	Technical Sales Representatives	2.1	3.4	1.9	3.0	1.9	3.1	1.7	2.5
5511	Accounting Clerks	3.8	2.3	3.2	1.9	3.2	1.9	2.4	1.3
5311	General Clerks	10.6	4.7	9.2	4.2	9.4	4.2	6.7	3.2
7331	Truck Drivers	4.9	2.7	4.2	2.3	3.7	2.0	3.3	1.4
7213	Forklift Drivers	2.0	2.0	1.8	1.7	1.7	1.6	1.5	1.4
All occupations		**576.4**	**4.4**	**500.9**	**3.9**	**513.3**	**4.0**	**391.4**	**3.1**

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results. Net replacement demand by AWPA (2013).

As Table 7 shows, nearly as many, or in some cases, more job openings are created by replacement as by new growth.

For Truck Drivers; Sales Representatives; and Purchasing and Supply Logistics Clerks, around two-thirds of job openings to 2025 under the Long Boom scenario will be created by replacement requirements as opposed to growth in these occupations (that is, new jobs). High replacement demand is attributable to workforce demographics such as the age profile of the current workforce, and workforce dynamics such as the rate of job turnover.

Under a Ring of Fire world, job openings in almost all key occupations within the industry are driven by replacement demand, with the exception of Importers, Exporters and Wholesalers; and Technical Sales Representatives.

Table 7 Total job openings (growth and net replacement) in four scenarios, 2011 to 2025

7.1 Long Boom

Occupation		Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
		('000)	%	('000)	%	('000)	%
6113	Sales Representatives	20.6	34.1	39.9	65.9	60.5	100.0
7411	Storepersons	39.2	52.9	34.8	47.1	74.0	100.0
1311	Advertising and Sales Managers	69.8	57.1	52.4	42.9	122.2	100.0
5911	Purchasing and Supply Logistics Clerks	13.8	36.7	23.8	63.3	37.6	100.0
1333	Importers, Exporters and Wholesalers	11.5	81.5	2.6	18.5	14.2	100.0
2254	Technical Sales Representatives	25.2	81.3	5.8	18.7	30.9	100.0
5511	Accounting Clerks	34.3	59.8	23.0	40.2	57.4	100.0
5311	General Clerks	102.0	64.1	57.1	35.9	159.0	100.0
7331	Truck Drivers	24.1	32.5	50.0	67.5	74.0	100.0
7213	Forklift Drivers	17.1	56.5	13.2	43.5	30.3	100.0
All occupations		**3,889.7**	**45.0**	**4,755.6**	**55.0**	**8,645.3**	**100.0**

7.2 Smart Recovery

Occupation		Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
		('000)	%	('000)	%	('000)	%
6113	Sales Representatives	12.4	24.3	38.8	75.7	51.2	100.0
7411	Storepersons	30.6	47.5	33.8	52.5	64.5	100.0
1311	Advertising and Sales Managers	56.9	53.1	50.3	46.9	107.3	100.0
5911	Purchasing and Supply Logistics Clerks	8.9	27.7	23.2	72.3	32.1	100.0
1333	Importers, Exporters and Wholesalers	9.5	78.8	2.5	21.2	12.0	100.0
2254	Technical Sales Representatives	22.2	79.8	5.6	20.2	27.8	100.0
5511	Accounting Clerks	25.6	53.5	22.3	46.5	47.9	100.0
5311	General Clerks	83.0	60.4	54.3	39.6	137.3	100.0
7331	Truck Drivers	15.2	24.0	48.2	76.0	63.3	100.0
7213	Forklift Drivers	14.0	52.1	12.9	47.9	26.9	100.0
All occupations		**2,953.2**	**39.3**	**4,559.6**	**60.7**	**7,512.9**	**100.0**

7.3 *Terms of Trade Shock*

Occupation		Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
		('000)	%	('000)	%	('000)	%
6113	Sales Representatives	13.6	26.1	38.7	73.9	52.3	100.0
7411	Storepersons	28.9	46.3	33.6	53.7	62.5	100.0
1311	Advertising and Sales Managers	58.4	53.6	50.5	46.4	108.9	100.0
5911	Purchasing and Supply Logistics Clerks	9.0	28.0	23.2	72.0	32.3	100.0
1333	Importers, Exporters and Wholesalers	9.5	79.0	2.5	21.0	12.0	100.0
2254	Technical Sales Representatives	22.8	80.2	5.6	19.8	28.5	100.0
5511	Accounting Clerks	25.7	53.5	22.4	46.5	48.1	100.0
5311	General Clerks	85.4	60.7	55.2	39.3	140.7	100.0
7331	Truck Drivers	7.2	13.2	47.6	86.8	54.8	100.0
7213	Forklift Drivers	13.0	50.4	12.8	49.6	25.7	100.0
All occupations		**3,080.4**	**40.0**	**4,619.3**	**60.0**	**7,699.6**	**100.0**

7.4 *Ring of Fire*

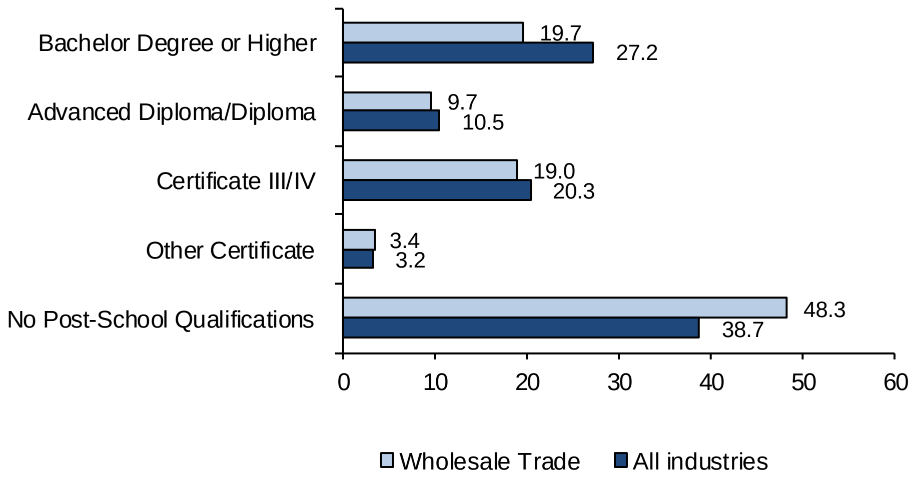
Occupation		Total growth (persons)		Net replacement estimates (persons)		Total job openings (persons)	
		('000)	%	('000)	%	('000)	%
6113	Sales Representatives	6.6	14.9	37.8	85.1	44.5	100.0
7411	Storepersons	18.7	36.5	32.6	63.5	51.4	100.0
1311	Advertising and Sales Managers	44.4	47.7	48.6	52.3	92.9	100.0
5911	Purchasing and Supply Logistics Clerks	6.0	21.0	22.6	79.0	28.6	100.0
1333	Importers, Exporters and Wholesalers	7.0	74.1	2.4	25.9	9.4	100.0
2254	Technical Sales Representatives	19.3	77.9	5.5	22.1	24.8	100.0
5511	Accounting Clerks	13.9	39.2	21.5	60.8	35.4	100.0
5311	General Clerks	49.3	49.2	50.9	50.8	100.2	100.0
7331	Truck Drivers	3.2	6.6	45.5	93.4	48.8	100.0
7213	Forklift Drivers	10.4	45.2	12.6	54.8	23.0	100.0
All occupations		**1,532.9**	**26.1**	**4,338.5**	**73.9**	**5,871.4**	**100.0**

Source: Deloitte Access Economics (2012) *Economic modelling of skills demand and supply*, Scenario output—detailed employment results. Net replacement demand by CEET (2013).

Education and training profile

The wholesale trade industry has a relatively high proportion of workers without post-school qualifications, at just under 50 per cent, compared to just below 39 per cent for all industries. However, the proportion of workers with a Certificate III/IV, at 19 per cent, is only slightly below the all-industry average, at 20 per cent.

Figure 1 Education profile of the wholesale trade workforce (%)



Note: Excludes 'Level of education not stated' from total.
Source: DEEWR (2012) *Australian Jobs 2012* (ABS 2011 Census data).

Figure 2 illustrates how demand for qualifications is expected to change over time. It shows the current education profile for each respective occupation: across all industries and within the wholesale trade industry. It then shows projected levels of educational attainment to 2025 by each occupation group depending on which of the four scenarios eventuates.

Managers and professional within the wholesale trade industry demonstrate extensive skills deepening across all four scenarios to 2025, with significant decreases in the proportion of workers with no post school qualifications and an accompanying rise in the proportion with a Bachelor degree or higher qualification.

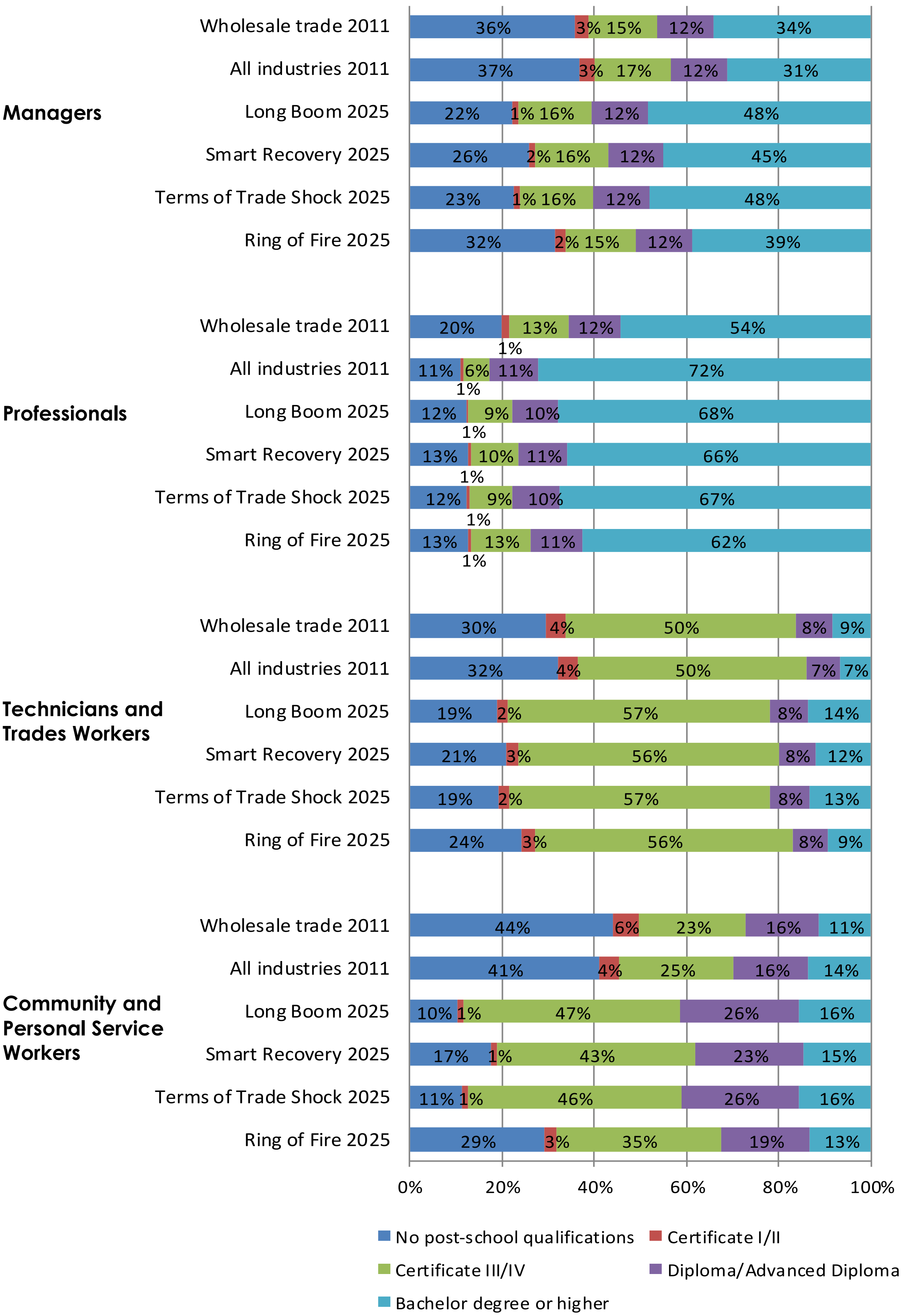
Technicians and trades workers show a similar increase in qualification holding, with the majority of growth at the Certificate III/IV level, followed by an increase in those with a Bachelor degree or higher.

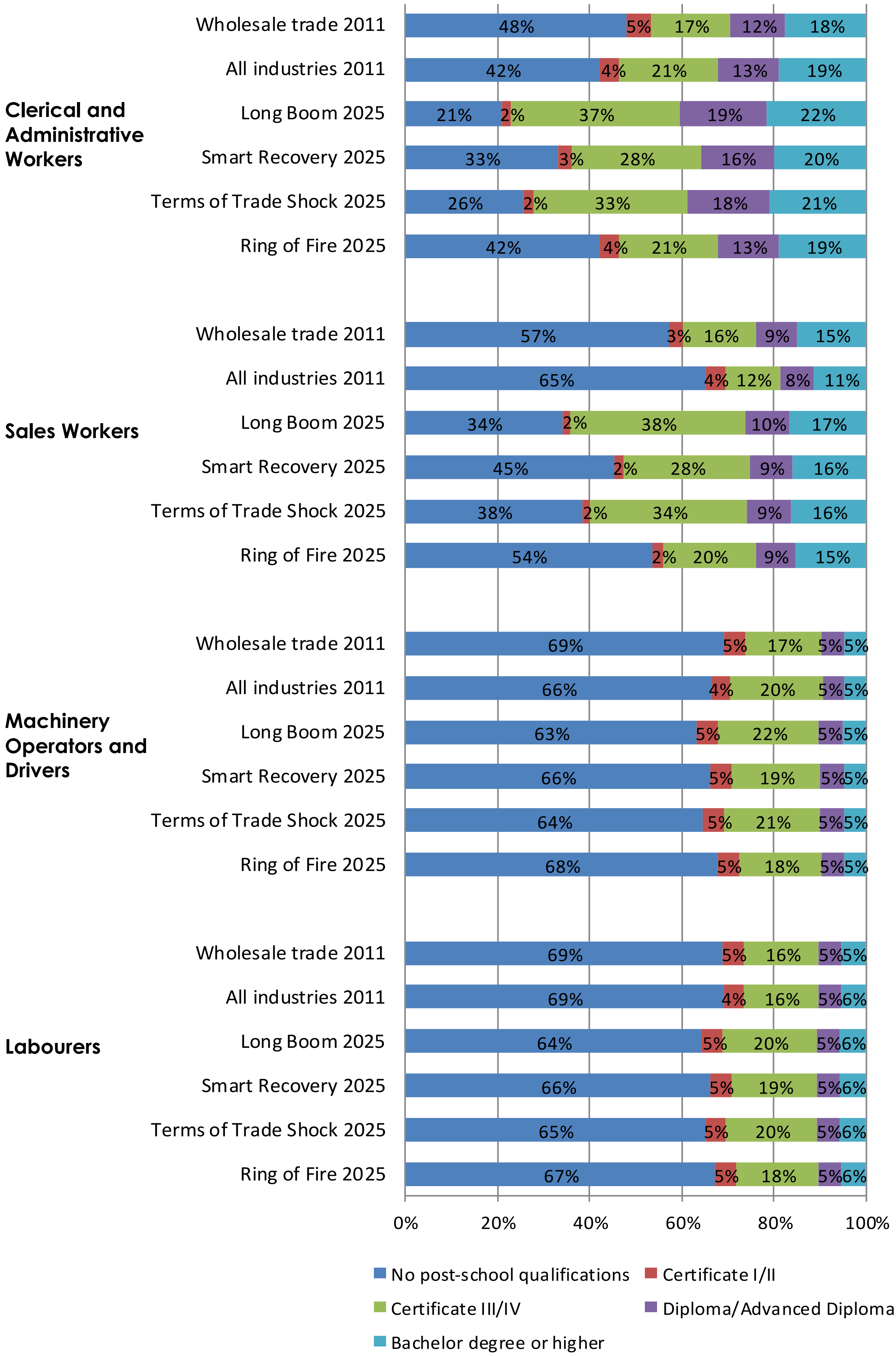
Clerical and administrative workers, along with sales workers, are expected to show the most dramatic decrease in the proportion of workers without post-school qualifications, particularly under the three higher growth scenarios.

Labourers and machinery operators and drivers are expected to continue to have low levels of qualification holding to 2025, with a small increase at the Certificate III/IV level across all four scenarios.

It should be noted that the number of community and personal service workers in the wholesale trade industry is very small, accounting for just over one thousand workers. Projections for qualification holding within this occupation/industry breakdown should therefore be treated with caution.

Figure 2 Educational attainment in the wholesale trade industry by occupation, 2011 and projections to 2025 (%)





Source: ABS (2012) *Survey of Education and Work 2012*, cat. no. 6227.0; and DAE (2012) Unpublished data.

Specialised occupations

In *Future Focus*, the 2013 National Workforce Development Strategy, AWPA has proposed that national planning for skills and industry workforce development should focus on **specialised occupations**. Specialised occupations are defined as those 'where specialised skills, learned in formal education and training, are needed at entry level and where the impact of market failure is potentially significant for the economy and/or the community.'

Specialised occupations demonstrate these characteristics:

- long lead time—skills are highly specialised and require extended learning and preparation time over several years;
- high use—skills are deployed for the uses intended (i.e. good occupational 'fit');
- high risk—the disruption caused by the skills being in short supply is great, resulting either in bottlenecks in supply chains or imposing significant economic or community costs because an organisation cannot operate; and
- high information—the quality of information about the occupation is adequate to the task of assessing future demand and evaluating the first three criteria.

Monitoring skills supply, especially for specialised occupations, will remain a critical element in meeting our workforce needs.

As the wholesale trade sector consists primarily of sales, administrative, production and transport-related occupations there are only a few 'specialised' occupations related to this industry. This is primarily because the industry requires skills to be gained quickly in order to respond to the demands of the economy and fluctuations in both international and domestic trade. Therefore the 'long lead time' requirement of the specialised occupations' criteria tends not to be as relevant to wholesale trade as to other industries. However, there are some management and professional occupations associated with the wholesale trade industry. These include:

Construction Managers
Auditors, Company Secretaries and Corporate Treasurers
Accountants

More detailed information about specialised occupations is available in *Future Focus, 2013 National Workforce Development Strategy* at http://www.awpa.gov.au.

Example workforce development initiatives

Investment in workforce development has been shown to maximise people's capabilities, lift productivity and increase workforce participation. Employee satisfaction levels and engagement also increase when enterprises make better use of their employees' skills.[4] Current workforce development initiatives in wholesale trade include the following examples:

- The **Right Way Program** has involved the development of a range of implementation products and services by the Industry Skills Council, Service Skills Australia (SSA). The program is designed to improve the quality of standards across the services skills industry through an application and assessment process operated by SSA and its network of state and territory agencies. Further information can be found at http://www.serviceskills.com.au/rightway.
- The Recognition of Prior Learning (RPL) Model has been amended by SSA through joint consultation with industry. The amended model is a response to industry feedback that employees in the service industries found the existing RPL processes and procedures too demanding. The amended RPL model encourages greater recognition of employees existing skills. This recognition potentially facilitates greater access to promotional opportunities and higher rates of remuneration. Further information can be found at http://www.serviceskills.com.au.
- The VET in Schools Project aims to provide clear guidance and resources to maximise the career pathways and employment outcomes for youth from VET in Schools programs relating to the services industries. Further information can be found at http://www.serviceskills.com.au/vet-in-schools.

[4] Skills Australia (2012) *Better use of skills, better outcomes: A research report on skills utilisation in Australia.*