

HR Quarterly Index Australian Dashboard Report

May 2011

EXECUTIVE SUMMARY

The HR Quarterly Index provides a summary of employment confidence in the business sector from the HR Coach Research Institute.

The holding pattern continues as businesses are cautious in a multi speed economy. Confidence in Queensland in particular has contracted due to environmental issues and the affect of the Australian Dollar on the Tourism Sector. Other states have fared well in particular the Northern Territory.

Confidence in the past quarter is in a holding pattern in an environment with mixed indicators and market conditions.

Unemployment is low and wages growth is on the rise. Despite this, businesses are not spending with concerns based on the external environment.

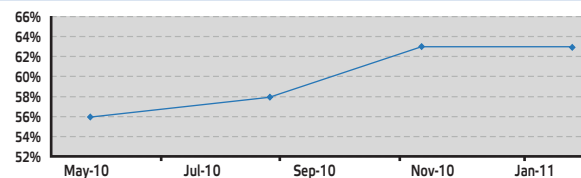
This is limiting business owner's willingness to spend both in areas of capital expenditure and preparation for growth. This Quarterly Index has identified that as businesses are still uncertain about the future, they are in fact focusing on relationships with their people.

In February 2011, the HR Coach Research Institute has identified a positive change in internal satisfaction of employees in the business sector of 3%. Business owner's satisfaction with their own business strategy also followed this upward trend.

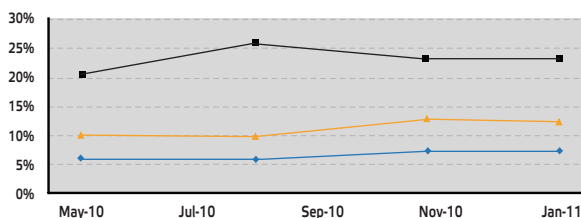
The Sensis report has also identified that customer relationships are forging stronger sales confidence. Caution has led to a focus on strengthening relationships internally and externally.

This theme may in fact be the core focus for 2011.

Business Confidence



Business Expectations for Staff



	May-10	Aug-10	Nov-10	Feb-11
Concerns - Ability to Find and Keep Staff	6%	6%	7%	7%
Expect Increases in Wages Bill	21%	26%	23%	23%
Expect Increases in Size of Workforce	10%	10%	13%	12%

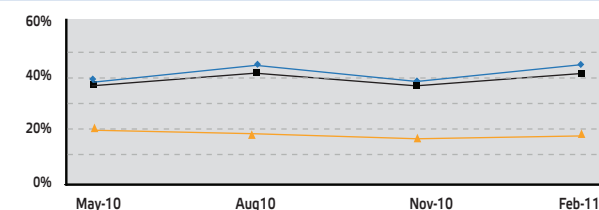
Internal Business Engagement Rating

Employer Summary	Aug-10	Nov-10	Feb-11
Overall Business Engagement Rating	64%	63%	67%
Overall Employer Confidence in Strategy Fulfillment	60%	59%	62%
Overall Employee Confidence in the Workplace	68%	67%	70%

Consolidated Results Table

Productivity Growth Factors	May-10	Aug-10	Nov-10	Feb-11	Qtr Var
Lack of Business Confidence	25%	21%	19%	19%	0%
Business Confidence	56%	58%	63%	63%	0%
Concerns - Ability to Find and Keep Staff	6%	6%	7%	7%	0%
Expect Increase in Wages Bill	21%	26%	23%	23%	0%
Expect Increase in Size of Workforce	10%	10%	13%	12%	-1%
Expect Increase in Value of Sales	36%	46%	39%	44%	5%
Expect Increase in Profitability	34%	41%	35%	41%	6%
Expect Increase in Capital Expenditure	20%	18%	17%	18%	1%

Business Expectations for Growth



	May-10	Aug-10	Nov-10	Feb-11
Expect Increase in Value of Sales	36%	46%	39%	44%
Expect Increase in Profitability	34%	41%	35%	41%
Expect Increase in Capital	20%	18%	17%	18%

Job Advertisements

Job Advertisements have consistently been rising with consistent trends of newspaper advertisements increasing at a slower rate than the internet.

Job Advertisements per week	Month Change
Apr-10	-0.40%
May-10	2.60%
Jun-10	2.70%
Jul-10	1.40%
Aug-10	2.60%
Nov-10	2.90%
Feb-11	1.20%

Current State of the Employment Market

(as at April 2011)

Participation Rate	66.1%
Unemployment Rate	5.0%
IMF Unemployment Forecast 2011 - Australia	5.1%
OECD Unemployment Forecast 2011	8.6%
Employment by person	11,434,700
Unemployment by person	604,100
Labour force underutilisation rate	12.1%

Key Sources:
HR Coach Research Institute
National STAR Report 2011
Sensis® Business Index 2011

ANZ Job Advertisement Series 2011
ABS - 6202.0 - Labour Force, Australia