

HR Quarterly Index Australian Dashboard Report

January 2013

EXECUTIVE SUMMARY

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

The new year seems to be bringing a sense of conservative optimism with it. Although business confidence hasn't risen, it hasn't worsened, indicating that business sentiment could be leveling out.

All the major business indicators seem to be trending into positive territory with value of sales up 4% and most promisingly of all, profitability up by 6%. Further to this, lack of business confidence contracted over the past quarter by 2%.

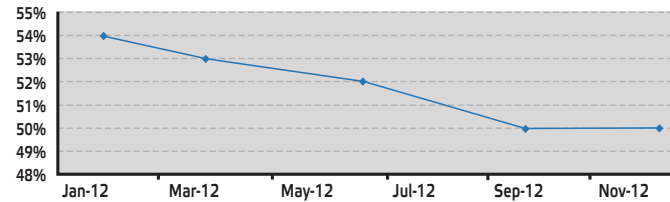
Interest rates have decreased over the past year, yet the Australian Dollar remains at record highs. Businesses exposed to international markets are having to continue to absorb higher costs as a result.

On the other hand, the heat seems to have come out of the domestic employment market, which is offering long overdue respite to business owners and managers.

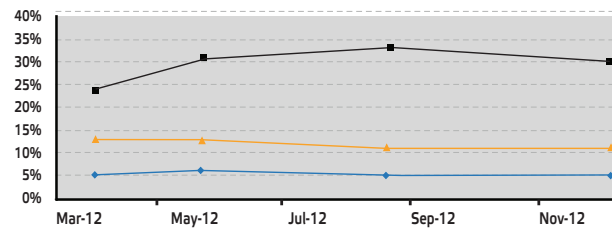
The expectation of an increase in wages has contracted for the first time in 12 months and the expectation of the size of workforce has remained the same.

This offers businesses a unique opportunity to take stock of their human resources, invest in technology and services and proactively plan for the coming 12 months without the previous pressures of an employees market.

Business Confidence



Business Expectations for Staff

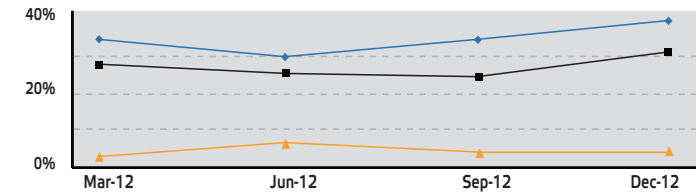


| | Mar-12 | Jun-12 | Sep-12 | Dec-12 |
|---|--------|--------|--------|--------|
| Concerns - Ability to Find and Keep Staff | 5% | 6% | 5% | 5% |
| Expect Increases in Wages Bill | 24% | 31% | 33% | 30% |
| Expect Increases in Size of Workforce | 13% | 13% | 11% | 11% |

Consolidated Results Table

| Productivity Growth Factors | Mar-12 | Jun-12 | Sep-12 | Dec-12 | Qtr Var |
|---|--------|--------|--------|--------|---------|
| Lack of Business Confidence | 28% | 29% | 33% | 31% | -2% |
| Business Confidence | 53% | 52% | 50% | 50% | 0% |
| Concerns - Ability to Find and Keep Staff | 5% | 6% | 5% | 5% | 0% |
| Expect Increase in Wages Bill | 24% | 31% | 33% | 30% | -3% |
| Expect Increase in Size of Workforce | 13% | 13% | 11% | 11% | 0% |
| Expect Increase in Value of Sales | 35% | 30% | 34% | 38% | 4% |
| Expect Increase in Profitability | 28% | 26% | 25% | 31% | 6% |
| Expect Increase in Capital Expenditure | 3% | 7% | 4% | 4% | 0% |

Business Expectations for Growth



| | Mar-12 | Jun-12 | Sep-12 | Dec-12 |
|--|--------|--------|--------|--------|
| Expect Increase in Value of Sales | 34% | 30% | 34% | 38% |
| Expect Increase in Profitability | 28% | 26% | 25% | 31% |
| Expect Increase in Capital Expenditure | 3% | 7% | 4% | 4% |

Job Advertisements

| Job Advertisements per week | Month Change |
|-----------------------------|--------------|
| Mar-12 | 3.30% |
| Jun-12 | -2.40% |
| Sep-12 | -2.10% |
| Oct-12 | 4.60% |
| Nov-12 | 2.90% |

Current State of the Employment Market

(as at December 2012)

| | |
|------------------------------------|------------|
| Participation Rate | 65% |
| Unemployment Rate | 5.3% |
| IMF Unemployment Forecast | 7.8% |
| OECD Unemployment Forecast | 7.9% |
| Employment by person | 11,517,000 |
| Unemployment by person | 615,000 |
| Labour force underutilisation rate | 12.5% |

Key Sources:

HR Coach Research Institute
National STAR Report 2012
Sensis® Business Index November 2012

ANZ Job Advertisement Series December 2012
ABS - 6202.0 - December 2012, Labour Force, Australia