

HR Quarterly Index Australian Dashboard Report

July 2013

EXECUTIVE SUMMARY

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

Good news is hard to come by this quarter with indicators across the board reinforcing much of what is being said in the media. Business confidence once again retracted in the past three months.

Expectations for the value of sales and profitability in the business sector were also down two points and three points respectively. Furthermore, capital expenditure has once again taken a dive with the expectation in the sector down 7% for the coming year.

On the human resource front the ability to find and keep staff remains a fairly consistent concern for business owners and managers. Perhaps some respite for the sector is that there was a decline in the expectations for wage inflation.

Fortunately, for the broader economy the business sector doesn't seem to be planning to reduce headcount with expectations around the size of workforce remaining steady.

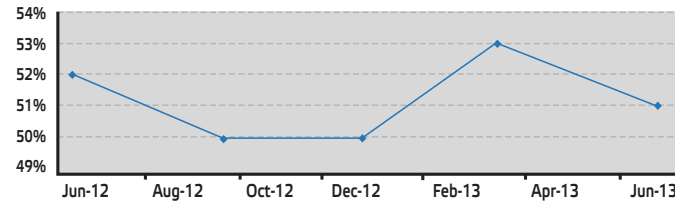
It is unlikely that we will see an improvement in the unemployment rate with job ads falling for the third quarter in a row.

It is unclear what effect the political landscape has had on the business sector but the falling Australian dollar should begin to assist exporters and internationally exposed business in Australia.

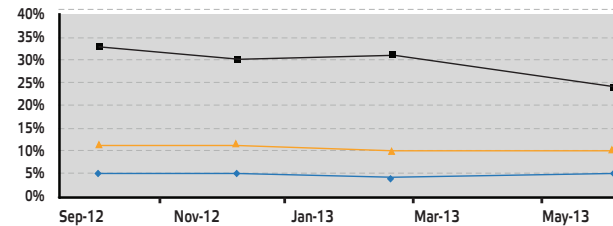
The focus must be on longer term planning if businesses are to weather what looks like a bumpy few months ahead. Now is the time to have candid conversations and try secure key employees with a view to the future.

Retention and succession planning that looks beyond just money and secures longer term commitment will be crucial.

Business Confidence



Business Expectations for Staff

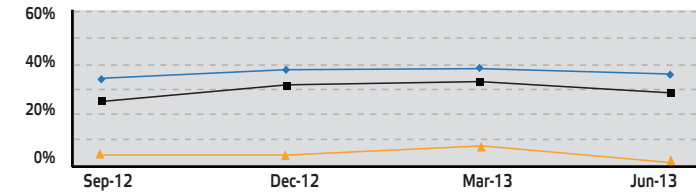


	Sep-12	Dec-12	Mar-13	Jun-13
Concerns - Ability to Find and Keep Staff	5%	5%	4%	5%
Expect Increases in Wages Bill	33%	30%	31%	24%
Expect Increases in Size of Workforce	11%	11%	10%	10%

Consolidated Results Table

Productivity Growth Factors	Sep-12	Dec-12	Mar-13	Jun-13	Qtr Var
Lack of Business Confidence	33%	31%	25%	29%	4%
Business Confidence	50%	50%	53%	51%	-2%
Concerns - Ability to Find and Keep Staff	5%	5%	4%	5%	1%
Expect Increase in Wages Bill	33%	30%	31%	24%	-7%
Expect Increase in Size of Workforce	11%	11%	10%	10%	0%
Expect Increase in Value of Sales	34%	38%	39%	37%	-2%
Expect Increase in Profitability	25%	31%	32%	29%	-3%
Expect Increase in Capital Expenditure	4%	4%	8%	1%	-7%

Business Expectations for Growth



	Sep-12	Dec-12	Mar-13	Jun-13
Expect Increase in Value of Sales	34%	38%	39%	37%
Expect Increase in Profitability	25%	31%	32%	29%
Expect Increase in Capital Expenditure	4%	4%	8%	1%

Job Advertisements

Job Advertisements per week	Month Change
Dec-12	-2.10%
Jan-13	0.60%
Feb-13	3.00%
Mar-13	-0.50%
Apr-13	-1.70%
May-13	-2.40%

Current State of the Employment Market

(as at June 2013)

Participation Rate	65%
Unemployment Rate	5.7%
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 2013
Sensis® Business Index June 2013

ANZ Job Advertisement Series June 2013
ABS - 6202.0 - March 2013, Labour Force, Australia