

HR Quarterly Index New Zealand 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 for New Zealand.

The good news keeps coming with business confidence at a 20 year high in New Zealand. A 15% jump in the past quarter follows a 12% jump earlier in the year. These levels haven't been seen since the early 90's and are great news for the business sector.

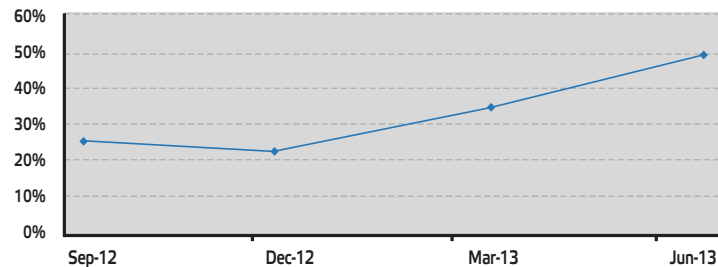
All the major indicators are trending upwards with profitability, exports, activity outlook and employment making substantial gains from last quarter.

The employment market has improved at a rate of nearly 4% year on year through to the end of May. Some areas continue to be heavily seasonal but overall this is a great indicator for the overall performance of the economy for the coming year.

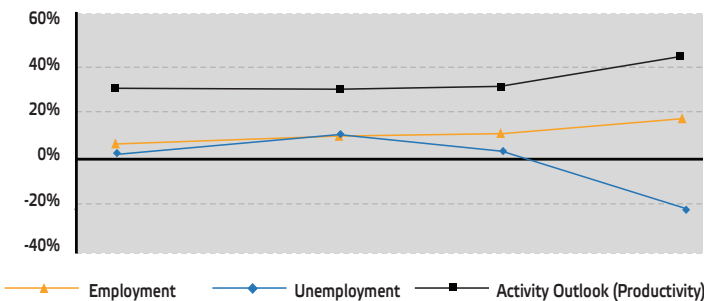
The only area of concern is really around the ease of credit, which has contracted nearly 10% since September last year. This may have longer-term effects on capital expenditure for the business sector but will only be seen in subsequent months and even year.

All in all the sector should enjoy the positivity in the market and focus on securing key staff. If the growth continues, the employment market will certainly tighten and quality employees will become scarce.

Business Confidence



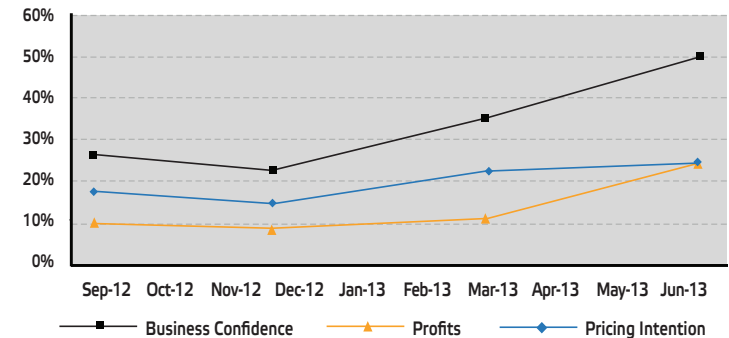
Business Expectations for Staff



Consolidated Results Table

Productivity Growth Factors	Sep-12	Dec-12	Mar-13	Jun-13
Business Confidence	26%	23%	35%	50%
Activity Outlook	31%	31%	32%	45%
Employment	6%	8%	8%	17%
Unemployment	1%	9%	1%	-22%
Profits	10%	9%	13%	26%
Pricing Intention	17%	15%	22%	26%
Exports	17%	19%	15%	23%
Investment	17%	14%	15%	22%
Ease of Credit	11%	15%	4%	2%

Business Expectations for Growth



Job Advertisements

Job Vacancies - Skilled Vacancies index by region	Monthly change Apr13 - May13	Annual change May12 - May13
Auckland	0.70%	3.50%
Wellington	5.60%	-1.70%
North Island - Other	3.20%	14.50%
Canterbury	-3.40%	7.20%
South Island - Other	-0.90%	-7.60%
Nationwide	2.00%	3.90%

Current State of the NZ Employment Market

Participation Rate	64.2%
Unemployment Rate	6.7%
Wage Growth (Labour Cost Index)	0.5%
IMF Unemployment Forecast 2013 - NZ	6.4%
OECD Unemployment Forecast 2013	6.0%
Employment by person	2,230,000
Unemployment by person	160,000

Key Sources:

HR Coach Research Institute
Department of Labour - Labour Statistics

ANZ Business Outlook
Business New Zealand Planning Forecast 2013