

HR Quarterly Index Dashboard Report

October 2009

EXECUTIVE SUMMARY

The HR Quarterly Index provides a summary of employment confidence in the business sector.

The Institute has identified that in anticipation of an economic rebound, businesses are moving into preparation mode.

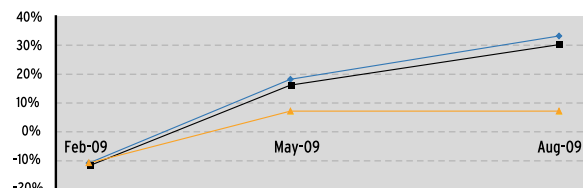
The top 3 critical issues facing business have remained the same over the past year - Lack of Work or Sales, Cash-Flow and the Economic Climate.

With an improving expectation of growth in sales and profitability, businesses are looking to resource this trend with increased participation of employees as well as the recruitment of new employees. Concern in relation to finding and keeping talent could see an increase in wages bills - both through an increase in hours of part time employees, and rates of pay for full time employees. This may address the labour underutilization rates that have increased in the past year.

With a low expectation of investment in capital expenditure, businesses are maintaining a short term view in relation to return on investment strategies. This will drive business improvement strategies; building on core business rather than innovation.

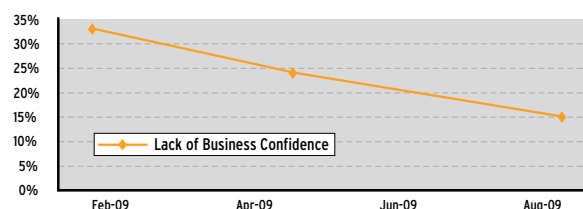
As internal organisational confidence continues to decline, businesses will need to focus on internal processes. Businesses will most likely be addressing orientations, workplace and legislative policies in the coming months. This may trigger a resurgence of quality management systems in the market.

Business Expectations for Growth



	Feb-09	May-09	Sep-09
Expect Increase in Value of Sales	-11%	18%	33%
Expect Increase in Profitability	-12%	16%	30%
Expect Increase in Capital Expenditure	-11%	7%	7%

Lack of Business Confidence



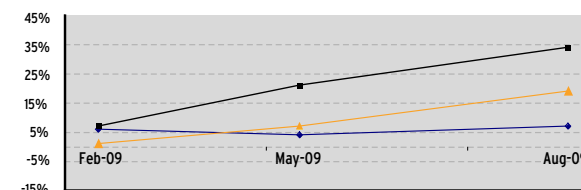
Current State of the Employment Market

(as at August 2009)

Participation Rate	65%
Unemployment Rate	5.8%
IMF Unemployment Forecast 2010	7.8%
OECD Unemployment Forecast 2010	7.9%
Employment by person	10,770,20
Unemployment by person	668,700
Labour force underutilisation rate	15.5%

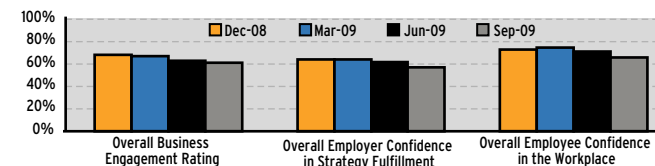
Key Sources: HR Coach Research Institute, National STAR Report Sept 09, Sensis® Business Index Sept 09, IMF World Economic Outlook 2009, Australian Financial Review, ABS - 6202.0 - Labour Force, Australia, Aug 2009

Business Expectations for Staff



	Feb-09	May-09	Sep-09
Ability to Find and Keep Staff	6%	4%	7%
Expect Increase in Wages Bill	7%	21%	34%
Expect Increase in Size of Workforce	1%	7%	19%

Internal Business Confidence



Consolidated Results Table

Productivity Growth Factors	Aug-08	Nov-08	Feb-09	May-09	Sep-09	Qtr Var
Lack of Business Confidence	27%	34%	33%	24%	15%	-9%
Concerns - Ability to Find and Keep Staff	10%	9%	6%	4%	7%	3%
Expect Increase in Wages Bill	29%	13%	7%	21%	34%	13%
Expect Increase in Size of Workforce	10%	4%	1%	7%	19%	12%
Expect Increase in Value of Sales	22%	4%	-11%	18%	51%	33%
Expect Increase in Profitability	14%	-2%	-12%	16%	46%	30%
Expect Increase in Capital Expenditure	1%	-10%	-11%	7%	7%	0%

Internal Process Management

Surveying over 240 workplaces, and 40 key business processes, the following identify processes business owners are most commonly dissatisfied with.

Top 3 Processes (most dissatisfied within the workplace)	
Orientation Program	54%
Workplace Policies	48%
Legislation Policies	44%