

HR Quarterly Index Australian Dashboard Report

Q3 2015

EXECUTIVE SUMMARY

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

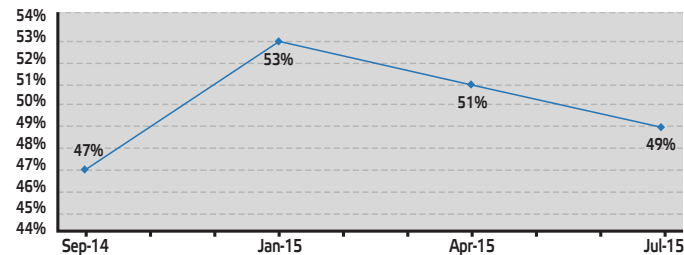
Business confidence contracted 2% last quarter continuing the previous quarters fall. The fact that the Reserve Bank has since left interest rates unchanged may lead to a further decline in the coming months.

Expected increases in value of sales continued to slide this past quarter indicating an element of uncertainty. That being said the expected increase in profitability jumped by 11% all the while the expectation of increased capital expenditure has remained the same. This is largely due to consistently low interest rates and no clear indication of future economic trends.

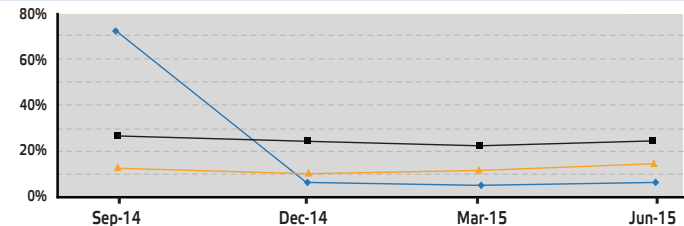
On the human resource front, concerns relating to the ability to find and keep staff have risen 3% this quarter, indicating that employers are expecting to grow their headcount. This is further reinforced the expected increase in the size of workforce jumping 3%. Unemployment remains above 6%, which makes policy makers in Australia nervous, however, is the envy of the developed world.

Business owners and managers should be mindful of making any rash decisions in the coming months, as business confidence has largely been affected by the federal budget, interest rates and the volatility of the Australian Dollar. As the dust settles, we should see incremental improvements across the board.

Business Confidence



Business Expectations for Staff



	Sep-14	Jan-15	Apr-15	Jul-15
Concerns - Ability to Find and Keep Staff	71%	6%	4%	7%
Expect Increases in Wages Bill	27%	24%	22%	24%
Expect Increases in Size of Workforce	11%	10%	11%	14%

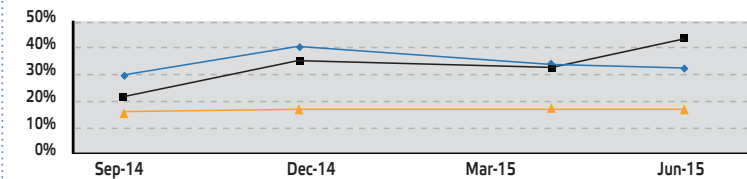
Top 3 Issues for Business

Lack of Work/Sales
Economic Climate
Cash Flow/Bad Debts/Profitability

Consolidated Results Table

Productivity Growth Factors	Sep-14	Jan-15	Apr-15	Jul-15	Qtr Var
Lack of Business Confidence	35%	25%	24%	22%	-2%
Business Confidence	47%	53%	51%	49%	-2%
Concerns - Ability to Find and Keep Staff	71%	6%	4%	7%	3%
Expect Increase in Wages Bill	27%	24%	22%	24%	2%
Expect Increase in Size of Workforce	11%	10%	11%	14%	3%
Expect Increase in Value of Sales	30%	40%	34%	31%	-3%
Expect Increase in Profitability	22%	35%	33%	44%	11%
Expect Increase in Capital Expenditure	17%	18%	18%	18%	0%

Business Expectations for Growth



	Sep-14	Jan-15	Apr-15	Jul-15
Expect Increase in Value of Sales	30%	40%	34%	31%
Expect Increase in Profitability	22%	35%	33%	44%
Expect Increase in Capital Expenditure	17%	18%	18%	18%

Job Advertisements

Job Advertisements per week	Month Change
Feb-14	4.50%
May-14	-6.30%
Jul-14	0.60%
Sep-14	0.70%
Dec-14	1.80%
Feb-15	0.90%
Jul-15	0.00%

Current State of the Employment Market (as at July 2015)

Participation Rate	65%
Unemployment Rate	6.00%
IMF Unemployment Forecast	6.10%
OECD Unemployment Forecast	6.10%
Employment by person	11,760,000
Unemployment by person	745,000
Labour force underutilisation rate	14.70%

Key Sources:

HR Coach Research Institute
Sensis® Business Index Mar 2015
Australian Bureau of Statistics

ANZ Job Advertisement Series 2015
Trading Economics