



EMPLOYMENT MARKET OVERVIEW

The white-collar employment market is beginning to stabilise but this is not translating into new job creation. Our annual employment survey, which this year includes responses from over 400 senior managers from Australia's corporate sector, reveals 51% of respondents believe their headcount will not be reduced further over the next 12 months. This suggests employment levels are stabilising after the sharp cuts that occurred in sectors such as financial services during the second half of 2008.

While this is an encouraging sign it points to employment market stabilisation rather than recovery. For a recovery to occur new jobs must be created and only 16% of respondents believe this will happen over the year ahead. Business confidence levels are still too low for employers to invest in new job creation. Only 49% of respondents predict improved conditions by the end of 2009, with 27% forecasting no improvement and 24% still unsure.

The permanent recruitment market has been most heavily impacted by the fall in business confidence. Contracting has proved

more resilient, particularly in the professions where permanent employment has been hardest hit by the economic downturn. We are starting to see an increase in contract roles within financial services in Australia and more broadly across the UK and US markets. These are encouraging signs because in previous downturns the sectors that led us out of the downturn were the ones to lead us out.

Events over the last 12 months have temporarily obscured the skills shortage but employers still recognise the importance of staff retention. To avoid staff cuts many companies have pursued alternative strategies of payroll cost reduction. Our employment survey reveals 35% of companies have frozen salaries, 18% have implemented forced paid leave and 9% have reduced working hours.

The focus of staff retention strategies must change to reflect the economic downturn. In contrast to previous years in which financial incentives rated highly, employees are now looking for leadership and direction during uncertain times. Of our survey respondents, 51% rated leadership as the

most effective staff engagement strategy in the current environment, followed by transparent communication at 31%.

Our advice to employers is that staff retention is even more important during a downturn. Companies should not operate on the assumption that the skills lost will be readily available when they are required again. Commercial and business development capabilities, as well as sales and marketing functions, need to be established ahead of the next market upturn. Our experience of previous downturns shows the companies that continue to invest in these business critical functions gain market share in the first stage of the upturn.

Hiring activity will remain cautionary for the second half of 2009 and this will be reflected in reduced salary pressure. Permanent salaries are remaining constant but we anticipate any increases to be 1% - 3% with bonus components typically being reduced. Contracting rates are proving to be more resilient and will increase before permanent salaries when market conditions improve.

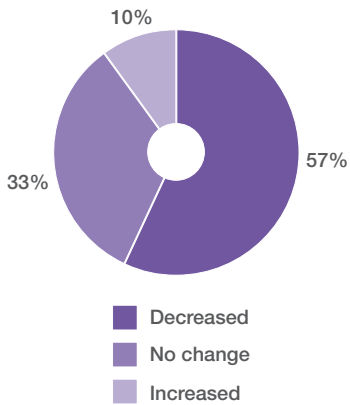
SECTOR TRENDS – HUMAN RESOURCES

- Investment in Human Resource programs has fallen and there are a significantly reduced number of full-time opportunities for generalist practitioners and specialists in areas such as Occupational Health and Safety (OH&S) and Remuneration and Benefits. On the positive side, more movement is occurring at the senior level (\$150k+) which indicates companies are beginning to invest for the longer term.
- Hiring activity is proving more resilient in the contracting market and employers are targeting specialists in areas such as Industrial Relations (IR) for project-based roles. The volume of contracting opportunities remains modest but we are seeing a slight improvement which may signify the market is beginning to stabilise.
- Large organisations are reviewing their RPO models and bringing these functions in-house to reflect current business conditions. Over the medium term this has the potential to increase the volume of permanent and contract positions on offer.
- Salary levels remain flat across the board, with modest increases for specialist skills in areas such as IR. Job seekers recognise that in the current climate, 2009 is not the year to be overly demanding with respect to remuneration.

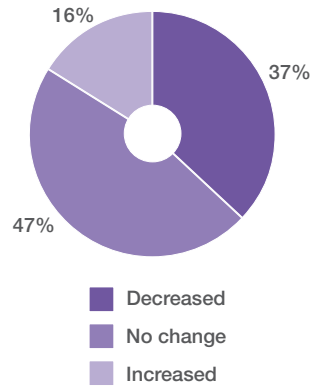


MARKET RESEARCH RESULTS

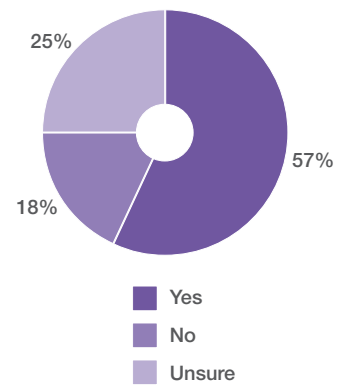
Over the last six months, how has your headcount been impacted by the global economic downturn?



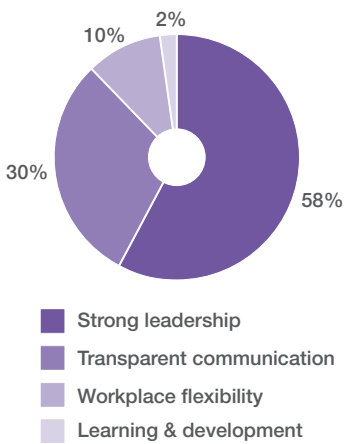
In the next 12 months, how do you see your headcount being impacted?



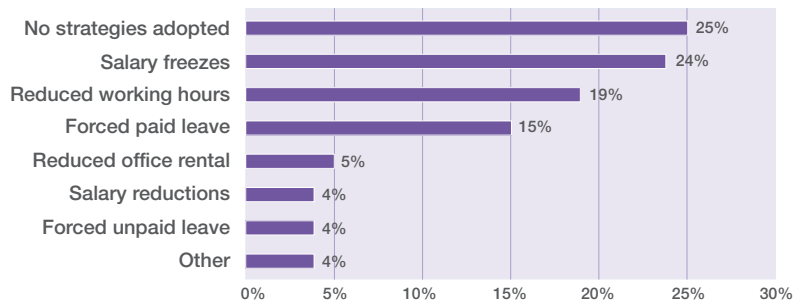
Do you anticipate business conditions will start to improve by the end of 2009?



What employee engagement strategies are proving most effective in the current environment?



What strategies has your organisation implemented to avoid job cuts?





SALARY TABLES

State	NSW				VIC			
	1-2 years		3+ years		1-2 years		3+ years	
Experience								
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ROLE								
HR Director	160-250	220-300	200-260	300-400	150-220	180-250	200-280	280+
HR Manager	90-120	120-150	100-140	140-180	90-120	100-130	110-150	130-180
HR Consultant/Business Partner	65-85	75-95	75-95	85-110	65-85	75-95	75-95	85-110
HR Advisor	55-65	60-75	60-80	70-85	55-65	60-75	60-80	70-85
HR Coordinator/HR Admin/L&D Coordinator	38-50	40-55	50-60	55-65	40-50	40-55	50-60	55-65
L&D Manager	82-102	102-122	102-144	132-204	82-102	102-122	112-144	132-204
L&D Consultant	56-72	66-77	61-82	66-92	61-82	71-87	71-87	77-92
Trainer/Facilitator	50-70	60-80	70-80	80-100	55-75	60-80	70-80	80-100
Instructional Designer	70-80	80-100	80-100	100-150	70-80	80-100	80-100	100-150
Remunerations & Benefits Manager	100+	120-160	140-180	150-300	100+	120-160	140-180	150-300
Remunerations & Benefits Advisor/Consultant	50-65	70-90	80-100	100-140	55-70	65-85	80-100	100-140
HR Payroll Manager	70-90	75-100	85-120	120-140	70-90	75-100	85-120	120-140
HR Payroll	45-50	50-60	55-70	70-85	50-55	50-60	55-70	70-85
ER/IR Manager	72-92	82-102	102-133	133-224	72-92	82-102	102-133	133-224
ER/IR Advisor	61-72	61-77	66-82	77-92	61-72	61-77	66-82	77-92
HRIS Specialist	70-90	75-95	80-120	100-160	70-90	75-95	80-120	100-160
Internal Recruitment Manager	85-100	90-110	100-130	120-200	85-100	90-110	100-130	120-200
Internal Recruitment	45-60	50-70	65-80	70-100	50-60	55-65	65-80	70-100
OH&S Manager	87-112	97-123	112-133	112-144	87-112	97-122	112-133	112-144
OH&S Consultant	56-77	66-87	77-97	82-102	61-71	66-87	76-97	82-102
HR Graduate	38-40	N/A	N/A	N/A	42-48	N/A	N/A	N/A

State	QLD				WA			
	1-2 years		3+ years		1-2 years		3+ years	
Experience								
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ROLE								
HR Director	150-250	200+	200-260	250 +	150-250	200+	200-260	250 +
HR Manager	90-120	100-140	100-140	120-180	90-120	100-140	100-140	120-180
HR Consultant/Business Partner	65-85	75-95	75-95	85-110	65-85	75-95	75-95	85-110
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OH&S Consultant	56-77	56-87	66-92	67-102	56-77	56-87	66-92	67-102
HR Graduate	38-40	N/A	N/A	N/A	38-40	N/A	N/A	N/A

Please note:

- Salaries indicated are cash component plus superannuation, excluding other benefits, bonuses and extras.
- Roles marked N/A are not commonly found with more than two years' experience or in large companies.
- Small to medium companies are defined as having a turnover of less than \$250 million. Large companies are defined as having a turnover of more than \$250 million.



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