



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 into 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.

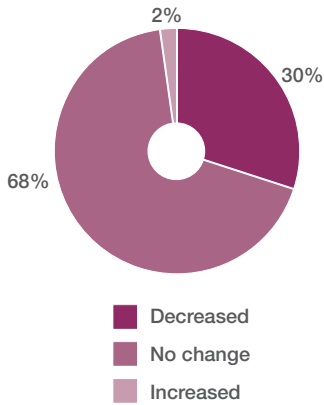
SECTOR TRENDS – RETAIL

- The food industry is proving most resilient with high demand for experienced multi-site managers with exposure to large volume turnover across multiple store locations (15+).
- Within the fashion market, there is an ongoing requirement for qualified regional and state managers from within high volume and fashion retailers.
- Experienced merchandise planners in both hard and soft lines will be needed in the second half of 2009. This role is critical, especially in the current economic environment, to interpret financial performance, future profit and forecasting sales.
- Despite challenging retail trading conditions, salaries have not fallen with companies still offering competitive salary packages to attract talent from their competitors.
- Bonuses are still being offered, with payment based on a 50:50 split between individual and company performance. Where package reductions are required, the preference is to reduce the bonus rather than base salary component.
- Jobseekers are being more realistic about their salary expectations although employers are still offering competitive packages to secure specific skills.
- While some flexibility is required, our advice to retail jobseekers is not to undersell your market worth because this may inhibit your future career progression in what remains a competitive market.

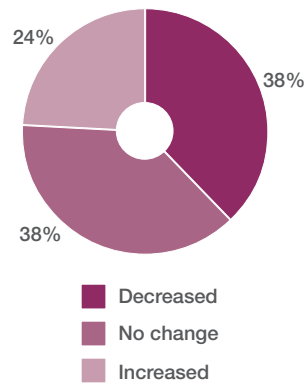


MARKET RESEARCH RESULTS

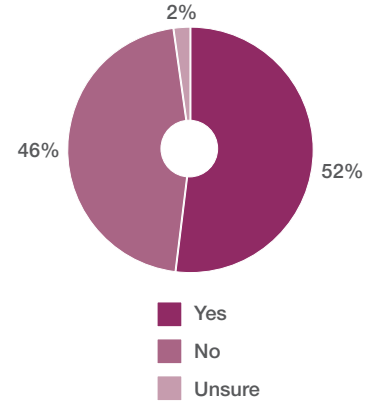
Over the last six months, how has your headcount been impacted by the global economic downturn?



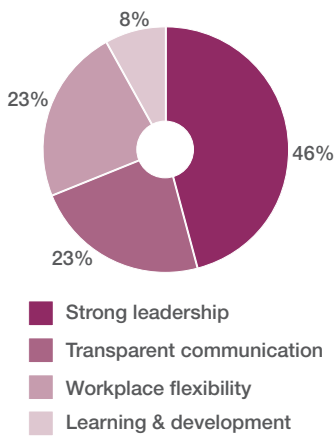
In the next 12 months, how do you see your headcount being impacted?



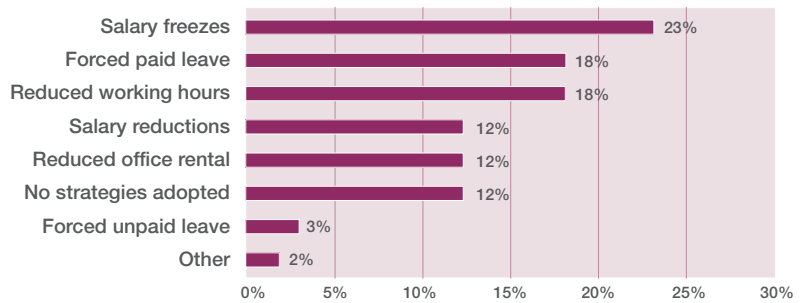
Do you anticipate business conditions will start to improve by the end of 2009?



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



What strategies has your organisation implemented to avoid job cuts?





SALARY TABLES – RETAIL OPERATIONS

FOOD SERVICES

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
Store Manager < \$1 million annual sales	35–45	30–40	30–40
Store Manager 1–2.5 million annual sales	35–55	30–50	30–50
Store Manager 2–5.5 million annual sales	55–65	50–60	50–60
Store Manager 5–10 million annual sales	65–80	60–70	60–70
Store Manager > 10 million annual sales	70–110	65–100	65–100
Multi Site Manager < 9 stores	55–75	50–60	50–60
Multi Site Manager > 9 stores	55–100	55–100	50–90
State Manager < 20 stores	110–145	105–135	100–130
State Manager > 20 stores	135–190	130–180	125–175
National Manager < 80 stores	100–140	90–135	85–130
National Manager > 80 stores	135–200	130–180	125–175

TELCO

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
Store Manager < \$1 million annual sales	35–45	30–40	30–40
Store Manager 1–2.5 million annual sales	35–55	30–50	30–50
Store Manager 2–5.5 million annual sales	55–65	50–60	50–60
Store Manager 5–10 million annual sales	65–80	60–70	60–70
Store Managers > 10 million annual sales	70–110	65–100	65–100
Multi Site Manager < 9 stores	55–75	50–60	50–60
Multi Site Manager > 9 stores	65–100	65–100	60–90
State Manager < 20 stores	115–150	110–140	105–135
State Manager > 20 stores	140–195	135–185	130–180
National Manager < 80 stores	130–160	120–150	120–150
National Manager > 80 stores	150–250	140–230	140–230

ELECTRICAL, FURNITURE, HOMEWEARS & NON FOOD

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
Store Manager < \$1 million annual sales	35–45	30–40	30–40
Store Manager 1–2.5 million annual sales	35–55	30–50	30–50
Store Manager 2–5.5 million annual sales	55–65	50–60	50–60
Store Manager 5–10 million annual sales	65–80	60–70	60–70
Store Manager > 10 million annual sales	70–110	65–100	65–100
Multi Site Manager < 9 stores	55–75	50–60	50–60
Multi Site Manager > 9 stores	55–100	55–100	50–90
State Manager < 20 stores	110–145	105–135	100–130
State Manager > 20 stores	135–190	130–180	125–175
National Manager < 80 stores	130–160	120–150	120–150
National Manager > 80 stores	150–250	140–230	140–230

Please note:
Salaries indicated are cash component plus superannuation, excluding other benefits, bonuses and extras.



SALARY TABLES – RETAIL OPERATIONS

FRANCHISE

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
FOOD AND NON FOOD			
Franchise Area Manager	55–100	55–100	50–90
National Franchise Manager	135–200	130–180	125–175

FASHION

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
Store Manager < \$1 million annual sales	35–40	30–40	30–40
Store Manager 1–2.5 million annual sales	40–50	30–50	30–50
Store Manager 2–5.5 million annual sales	55–65	50–60	50–60
Store Manager 5–10 million annual sales	65–80	60–70	60–70
Store Manager > 10 million annual sales	70–110	65–100	65–100
Multi Site Manager < 9 stores	55–85	50–75	50–75
Multi Site Manager > 9 stores	55–100	55–80	50–80
State Manager < 20 stores	80–145	75–135	75–135
State Manager > 20 stores	110–190	100–175	100–175
National Manager < 80 stores	80–140	75–135	75–135
National Manager > 80 stores	120–200	110–180	110–180

FOOD MULTIPLES

State	NSW	VIC	QLD
Salary	\$'000	\$'000	\$'000
ROLE			
Store Manager < \$35 million annual sales	50–100	50–100	50–90
Store Manager > \$35 million annual sales	100–130	100–130	90–130
Regional Manager < 15 stores	100–125	100–125	75–125
Regional Manager > 15 stores	150–230	150–230	125–200
State General Manager < 80 stores	200–250	200–250	180–225
State General Manager > 80 stores	250+	250+	225+

Please note:
Salaries indicated are cash component plus superannuation, excluding other benefits, bonuses and extras.



SALARY TABLES – BUYING & MERCHANDISING

FASHION, ACCESSORIES & HOMEWEARS

State	NSW	VIC
Salary	\$,000	\$,000
ROLE		
Assistant Planner	50–60	50–60
Assistant Buyer	55–62	55–62
Merchandise Planner	80–110	80–110
Buyer	85–100	85–100
Merchandise Planning Manager	120–150	120–145
Buying Manager	140–160	140–160
General Manager Merchandise	200–350	200–350

FOOD MULTIPLES

State	NSW	VIC
Salary	\$,000	\$,000
ROLE		
Assistant Planner	50–60	50–60
Assistant Buyer	55–65	55–65
Merchandise Planner	70–90	70–90
Senior Space Planner	110–140	110–140
Buyer	100–140	100–140
Merchandise Planning Manager	120–150	120–145
Buying Manager	160–180	160–180
General Manager Merchandise	200–250	200–250

GENERAL MERCHANDISE

State	NSW	VIC
Salary	\$,000	\$,000
ROLE		
Assistant Planner	50–60	50–60
Assistant Buyer	50–60	50–60
Merchandise Planner	70–90	70–90
Senior Space Planner	110–130	110–130
Buyer	100–140	100–140
Merchandise Planning Manager	140–160	140–160
Buying Manager	150–180	150–180
General Manager Merchandise	200–220	200–220

Please note:
Salaries indicated are cash component plus superannuation, excluding other benefits, bonuses and extras.



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