



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.

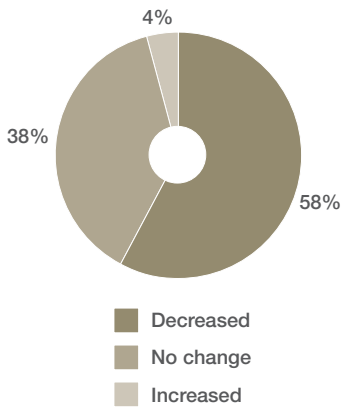
SECTOR TRENDS – SUPPLY CHAIN

- The recruitment of permanent positions in this market is still active, as businesses look to make efficiencies in their supply chain strategies.
- We are seeing the impacts of Business-to-Business organisations importing and exporting less, and less distribution from Business-to-Consumer organisations due to lower consumer confidence and spending. Having said that, Fast Moving Consumer Goods (FMCG), Retail, Pharmaceutical and 3PL (Third Party Logistics) businesses are still actively hiring, particularly in Victoria.
- In contrast, the industrial market is much quieter, especially for senior roles in excess of \$150k.
- We are seeing a skills demand for operational/functional distribution specialists within 3PL and hands-on roles at mid-to-senior levels within warehouse and distribution centres, in particular demand planning and forecasting.
- Salaries have remained steady across the industry and increases can still be achieved for professionals changing roles. We are also seeing salary increases for skilled people moving to Australia from the US and UK, as the maturity and complexity of these markets means clients view candidates with this background more favourably.
- While employees can still expect bonuses, these will be at a lesser rate than previous years and the focus has shifted to ensuring job security and working for a company that will thrive in comparison to their competitors in the current market.

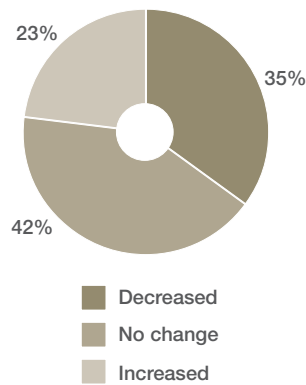


MARKET RESEARCH RESULTS

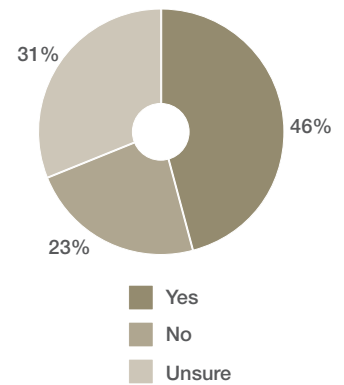
Over the last six months, how has your headcount been impacted by the global economic downturn?



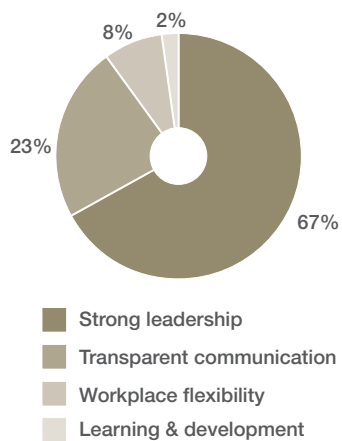
In the next 12 months, how do you see your headcount being impacted?



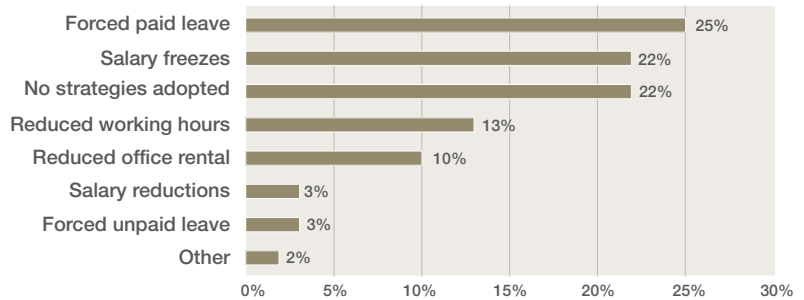
Do you anticipate business conditions will start to improve by the end of 2009?



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



What strategies has your organisation implemented to avoid job cuts?





SALARY TABLES

| State | NSW | NSW | VIC | VIC | QLD | QLD | WA | WA |
|--|---------|----------|---------|----------|---------|----------|---------|----------|
| Size of Company | Sml/Med | Large | Sml/Med | Large | Sml/Med | Large | Sml/Med | Large |
| Salary | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| PLANNING | | | | | | | | |
| Production Planner/Scheduler | 50-70 | 60-80 | 50-65 | 65-80 | 40-60 | 55-75 | 45-65 | 55-75 |
| Demand Planner/Analyst | 70-85 | 75-100 | 50-75 | 75-90 | 50-75 | 70-87 | 55-70 | 65-85 |
| Supply (MRP or Finished Goods) Planner | 60-80 | 70-95 | 60-80 | 70-95 | 55-75 | 65-90 | 50-70 | 60-80 |
| Replenishment Manager | 60-80 | 70-95 | 60-80 | 70-95 | 55-75 | 65-90 | 60-80 | 70-95 |
| S&OP Analyst | 70-90 | 75-95 | 70-90 | 70-100 | 60-80 | 70-90 | 65-80 | 75-90 |
| Demand Planning Manager | 90-110 | 110-150 | 85-100 | 110-150 | 85-100 | 95-140 | 85-100 | 90-120 |
| Planning Manager – Supply Chain | 90-120 | 130-170 | 90-120 | 120-185 | 80-120 | 110-175 | 80-120 | 110-170 |
| S&OP Manager | 100-130 | 130-200 | 100-130 | 130-200 | 100-130 | 130-200 | 100-130 | 130-180 |
| Supply Chain Planning Manager | 100-130 | 130-170 | 100-130 | 120-185 | 90-120 | 110-175 | 100-130 | 120-185 |
| Director/Head of Supply Chain† | N/A | 180-350+ | N/A | 180-350+ | N/A | 180-350+ | N/A | 180-350+ |
| LOGISTICS/DISTRIBUTION | | | | | | | | |
| Customer Service Officer | 45-55 | 50-65 | 40-50 | 40-55 | 40-50 | 40-55 | 40-50 | 40-55 |
| Logistics/Supply Chain Coordinator | 50-75 | 60-80 | 50-75 | 60-80 | 48-70 | 58-80 | 50-70 | 60-80 |
| Logistics/Inventory Analyst | 60-75 | 65-90 | 50-70 | 50-90 | 50-70 | 50-80 | 55-70 | 55-80 |
| Inventory Controller | 50-70 | 55-85 | 45-65 | 55-95 | 45-65 | 60-90 | 45-65 | 60-90 |
| Warehouse Supervisor | 50-70 | 55-80 | 45-65 | 50-80 | 45-65 | 50-77 | 50-65 | 50-70 |
| Warehouse Manager | 65-85 | 80-120 | 55-75 | 75-120 | 55-75 | 75-110 | 55-70 | 60-85 |
| DC Manager | 90-120 | 110-160 | 90-120 | 110-180 | 85-115 | 110-150 | 90-120 | 110-140 |
| Transport/Distribution/Logistics Manager | 75-100 | 100-145 | 70-90 | 100-145 | 70-90 | 90-145 | 90-120 | 120-140 |
| Supply Chain Development Manager | 85-110 | 120-160 | 85-110 | 100-160 | 80-110 | 110-180 | 90-120 | 110-160 |
| General Manager Supply Chain Logistics | 100-150 | 180-350 | 100-150 | 150-250 | 100-150 | 140-240 | 100-150 | 140-250 |

Please note:

- Salaries indicated are inclusive of superannuation, but exclusive of bonus/incentive schemes.
- 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.
- Roles marked N/A are not commonly found in small to medium size companies.

† Salaries at this level can vary widely depending on the individual's background and experience and the scope of the role. Please contact our Executive Search team for specific advice regarding salaries at the executive level.



CONTACT US

Adrian Oldham, Director
t +612 8292 2226
e adrianoldham@michaelpage.com.au

Sydney

t +612 8292 2000
f +612 8292 2001

Parramatta

t +612 8836 0700
f +612 8836 0701

Chatswood

t +612 8292 2500
f +612 8292 2501

Melbourne

t +613 9607 5600
f +613 9607 5666

Wheelers Hill

t +613 8562 5400
f +613 8562 5499

Brisbane

t +617 3414 6100
f +617 3414 6101

Perth

t +618 9215 9500
f +618 9215 9599

enquiry@michaelpage.com.au
www.michaelpage.com.au

PLEASE NOTE – The Michael Page Salary & Employment Forecast is a value added service that we offer to our clients and candidates. The data is collected and compiled taking reasonable care, but information contained within this data and our interpretation and commentary should not be taken as conclusive and is to be used as a guide only. This material should not be copied or reproduced in whole or in part except by express and written approval by Michael Page.