



THE HUDSON REPORT

EMPLOYMENT AND HR TRENDS

Australia
Employment Expectations

FROM GREAT PEOPLE TO GREAT PERFORMANCE®

APRIL-JUNE 2011

Hudson

Message from the CEO	3
Introduction and Methodology	4
Summary of Key Findings	5
Permanent Employment Expectations	6
By Industry	8
By Region	
Australian Capital Territory	9
New South Wales	10
Newcastle/Hunter/Central Coast	12
Greater Western Sydney	14
Queensland	15
South Australia	17
Victoria	19
Western Australia	21
Your Points of Contact	23

MESSAGE FROM THE CEO

Confidence amongst Australian employers continues to show strength into the second quarter of 2011. A fractional easing of 0.2pp leaves net 32.9% intending to increase their permanent headcount over Q2 2011 - effectively on a par with that reported last quarter.

Unemployment is now at its lowest rate in two years and the latest national accounts data shows that the economy maintained its growth momentum through the December quarter of 2010. A healthy 0.7 per cent growth over the quarter was achieved despite the negative impact of adverse weather conditions on production, rising living costs on consumption and a temporary plateau in private investment.

According to the ABS the unemployment rate remained unchanged at 5.0 per cent in January. Wage inflation picked up in the December quarter and is now running at 3.9 per cent, up from 2.9 per cent at the start of 2010. This acceleration was in part attributed to the 'normalisation' of trading conditions and the strength of competition for skilled workers.

Growing competition is set to make it increasingly difficult for employers to attract and retain talent. Talent management programmes will need to be well thought through and selection procedures robust in order for employers to identify the correct people to drive their organisations forward throughout 2011.



A handwritten signature in black ink, appearing to read 'Mark Steyn'.

Mark Steyn
CEO Hudson Australia/New Zealand

INTRODUCTION AND METHODOLOGY

INTRODUCTION

The Hudson Report is an established and highly reputable publication, based on in-depth and nationwide research. Released quarterly, the report uncovers and analyses the hiring expectations of Australian employers over the forthcoming quarter and provides insights into a range of human resource issues currently impacting business and the broader Australian economy.

Combining robust data on employment expectations with economic commentary and extensive market knowledge from Hudson's conversations with employers nationwide, the Hudson Report is the leading source for business leaders on the relevant trends and issues in the Australian labour market.

The Hudson Report for the April - June 2011 period consists of interviews with 5,072 employers across Australia.

METHODOLOGY

The Hudson Report has established a reputation as a key socio-economic indicator in the Australian market. It captures employers' hiring expectations for permanent workforces over the forthcoming three months.

The Report's quarterly findings on permanent employment expectations are built on the premise that the expectation to increase or decrease permanent staffing levels represents a significant indication of employers' optimism for the growth of their organisations.

The Hudson Report frequently refers to the term 'net effect'. The net effect figure is calculated by taking the percentage of employers surveyed that expect to increase permanent staff levels during the forthcoming three months and subtracting the percentage of employers surveyed that expect to decrease staff levels.

The Hudson Report combines the expectations of key employment decision makers from all major industries across small (<20 employees), medium (20–200 employees) and large (>200 employees) organisations, and analyses the findings in relation to other key economic indicators (e.g. interest rates and housing figures).

For the April - June 2011 period 5,072 employers were personally surveyed by Hudson recruitment and consulting professionals.

- L Advertising/Marketing/Media
- L Construction/Property/Engineering
- L Education
- L Financial Services/Insurance
- L FMCG
- L Government
- L Healthcare (excluding government)
- L Healthcare (government)
- L Information Technology
- L Manufacturing
- L Non Profit
- L Professional Services
- L Resources
- L Retail
- L Telecommunications
- L Tourism/Hospitality
- L Transport
- L Utilities
- L Wholesale/Distribution

SUMMARY OF KEY FINDINGS

- └ The Hudson Report: Employment Expectations survey for Q2 2011 (April – June) shows that national sentiment among Australian employers remains strong.
- └ A net 32.9% of employers are planning to increase their permanent staff levels during the next three months – representing a very slight decline of 0.2pp from the previous quarter.
- └ Almost two-thirds of the industries surveyed reported an increase in sentiment compared to Q1 2011.
- └ All industries continue to report positive levels of employer sentiment and net hiring intentions range from 14.6% to 55.7%.
- └ The majority of employers nationally continue to report plans to maintain their current headcount (54.5%). The proportion of employers intending to increase their permanent headcount remained virtually the same as last quarter at 39.2% while the proportion looking to decrease headcount rose very slightly from 6.1% to 6.3%.
- └ Hiring intentions in NSW lifted 4.7pp with a net 34.1% of employers now planning to increase permanent staffing levels. Construction/property/engineering is the most confident industry within the state with a net 48.3% of employers planning to increase headcount in Q2.
- └ A net 27.5% of employers in Victoria have reported intention to increase headcount over the coming quarter, a drop of 3.1pp from Q1.
- └ Hiring intentions in Queensland declined 4.0pp to a net sentiment of 37.6%, however confidence across all industries in this state remains relatively high in anticipation of a strong, long-lasting post-flood recovery.
- └ Hiring intentions in the ACT have decreased 12.2pp since with a net 32.5% of employers intending to increase permanent staffing levels in the coming quarter. This balances out a sharp increase in confidence reported last quarter.
- └ Employer confidence in South Australia has lifted 3.7pp to a net sentiment of 22.6%, following five quarters of easing sentiment. The state remains the least confident region surveyed.
- └ Despite the slight dip in sentiment, Western Australia's hiring intentions remain the highest of all the states and territories, with a net 47.4% of employers intending to increase permanent headcount.
- └ There is wide variation in sentiment across the industry sectors surveyed nationally for the April to June period. Resources remains the most confident industry with a net 55.7% of employers planning to increase headcount during Q2.
- └ Employer sentiment within the professional services industry also remains strong with a net 49.4% of employers planning to increase their staff numbers.
- └ Government is the least confident industry decreasing 4.8pp to rest at a net sentiment of 14.6% after three previous consecutive quarters of increasing sentiment. Hiring intentions within the manufacturing industry saw the sharpest decrease of all industries, dipping 9.0pp to a net 30.1%.

PERMANENT EMPLOYMENT EXPECTATIONS

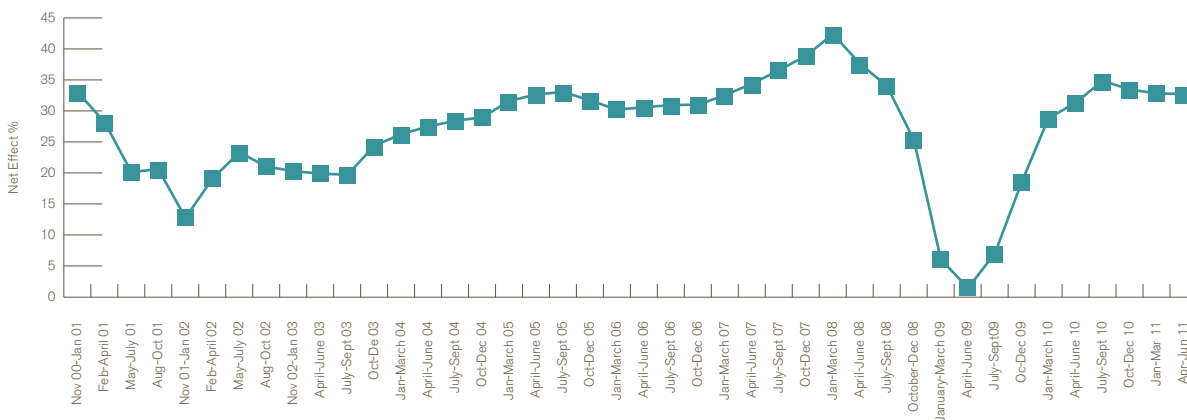
OVERALL

The Hudson Report: Employment Expectations survey for April – June 2011 shows that national net sentiment among Australian employers has effectively stayed on par with that recorded last quarter – declining only 0.2pp. Confidence has remained strong

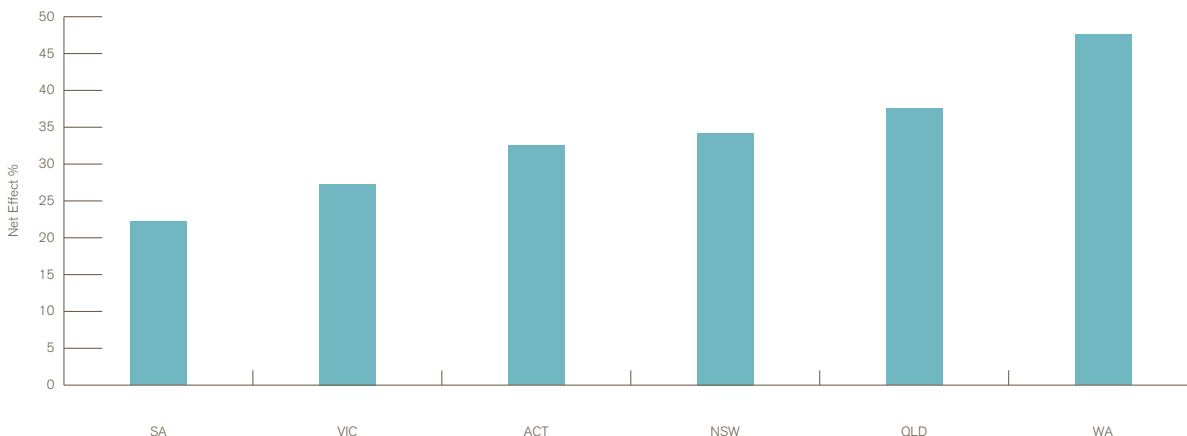
with a net 32.9% of employers planning to increase permanent staff levels in the coming three months. About two thirds of the industries surveyed reported an increase in sentiment from the previous quarter.

The unemployment rate has reached its lowest level in two years¹. The RBA predicts the economy will strengthen in anticipation of the mining investment boom, which will increase demand on skilled labour. Employment growth is therefore expected to moderate, but remain strong, through 2011 before accelerating again in 2012 as this investment gains momentum².

NATIONAL PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



PERMANENT EMPLOYMENT EXPECTATIONS April-June 2011: By State/Territory



¹ 6202.0 – Labour Force, Australia, Feb 2011: Australian Bureau of Statistics

² 'Labour demand to slow in 2011, but regain momentum with investment in 2012'; BIS Shrapnel Economic Outlook report, February 2011, p11

PERMANENT EMPLOYMENT EXPECTATIONS

BY INDUSTRY

All industry sectors surveyed for April – June 2011 are reporting positive net sentiment. Employment sentiment industry-wide ranged from a net 14.6% to a net 55.7% of employers intending to increase permanent staff over the coming quarter.

The **resources** industry has reported the highest level of employer sentiment nationally with a net 55.7% of employers planning to increase permanent hires during the forthcoming quarter. The industry recorded a decline in sentiment in Queensland, resulting from the mining production and transportation issues across flood-affected areas³. Despite this state-specific dip, the industry nationally remains very strong and this is likely to

continue over the coming months as part of a long-lasting recovery, following a summer of natural disasters.

The **professional services** sector recorded a drop in employer confidence, with hiring intentions down 6.4pp to a net 49.4%, but remains the second most confident industry nationally.

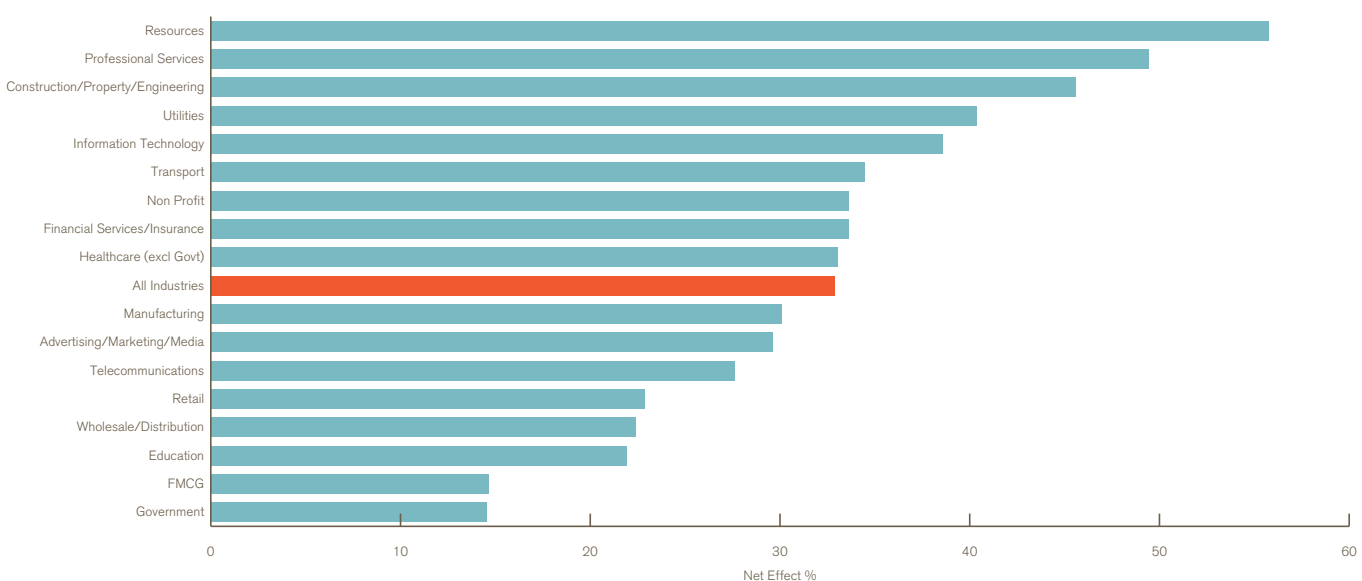
Hiring intentions within the **Information Technology** industry dropped 3.6pp with a net 38.6% of employers reporting plans to increase staff levels. This is the second consecutive quarter of easing sentiment and the lowest recorded level of sentiment in the sector since early 2010. However, employer

sentiment within the IT industry remains robust, with the \$36 billion National Broadband Network expected to drive industry growth in 2011⁴.

Hiring intentions in the **manufacturing** sector dropped 9.0pp to a net 30.1% following a significant lift in employer sentiment the previous quarter (an increase of 14.3pp from the October – December 2010 quarter). Sentiment is likely to continue to drop as the federal government's plan to introduce a price on carbon emissions is creating uncertainty within the industry, with major companies already reporting profit losses⁵. Also increasing pressure on the industry are factors

NATIONAL PERMANENT EMPLOYMENT EXPECTATIONS

April–June 2011: By Industry



³ 'Queensland floods force another coal mine closure', The Australian, 11 January 2011

⁴ 'Industry optimism on the rise', The Australian, 1 March 2011

⁵ 'Carbon price 'to harm manufacturing'', Sydney Morning Herald, 27 February 2011

PERMANENT EMPLOYMENT EXPECTATIONS

such as rising input costs, the high Australian dollar making imports cheaper and the fear that these factors may drive manufacturing jobs offshore⁶.

Employer sentiment in the **government** sector decreased 4.8pp, with a net 14.6% of employers indicating that they will raise permanent staff levels in the next three months and representing the lowest level of sentiment across all industries nationwide. This result follows three consecutive quarters of increasing sentiment.

Confidence in the **financial services** industry remains stable this quarter. Lifting a slight 0.9pp, a net 33.6% of employers are now intending to increase permanent staff levels. Domestic banks' investments in improving core infrastructure and risk management could well be underpinning confidence in this industry⁷.

Construction/property/engineering reported the third highest level of employer sentiment across industries nationally, with hiring intentions at a steady net 45.6%, remaining virtually unchanged from the previous quarter (net 45.5%).

Employer sentiment in Australia's **advertising/marketing/media** sector reached its highest level since the April – June 2008 quarter, building on an increase from the previous quarter, with hiring intentions lifting a further 2.2pp to a net 29.6%. The 'post-Christmas blues' generated a gradual but continuous erosion of spending last quarter and this quarter's increase could represent a recovery from that lull⁸.

Although it remains one of the least confident industries, employer sentiment in the **FMCG** sector lifted 6.3pp to a net 14.7%.

Sentiment in the **private healthcare** sector reached its highest level since early 2008, with hiring intentions increasing 5.9pp to a net 33.1% following a slight dip the previous quarter.

⁶ 'Fed Labor risks backlash on factory jobs', ninems, 21 March 2011

⁷ 'E-robbers the new security risk for Australian banks: SAS Institute', Computerworld, 21 March 2011

⁸ 8501.0 – Retail Trade, Australia, Jan 2011: Australian Bureau of Statistics

PERMANENT EMPLOYMENT EXPECTATIONS

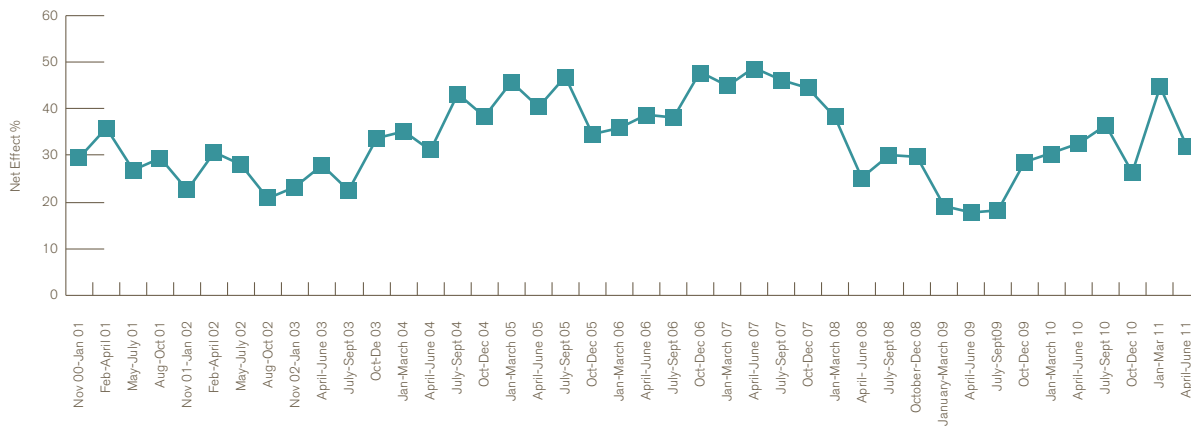
AUSTRALIAN CAPITAL TERRITORY

- Hiring intentions statewide decline 12.2pp to net 32.5%
- Sentiment within government declined 18.2pp to a net 21.2%

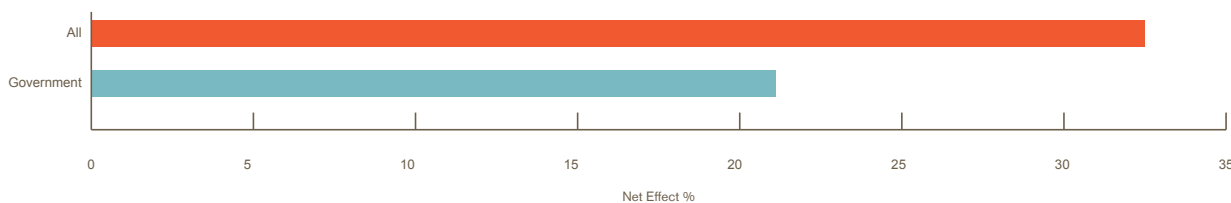
A net 32.5% of employers in the ACT have reported an intention to increase permanent staffing levels during the next quarter. Whilst this represents a decline of 12.0pp some softening was expected in the wake of the sharp 21.0pp increase in sentiment from the previous quarter. This result represents a return to positive long-term trend levels for the ACT market.

Employer confidence in government declined 18.2pp, with a net 21.2% of employers intending to increase permanent headcount.

ACT PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



ACT PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



PERMANENT EMPLOYMENT EXPECTATIONS

NEW SOUTH WALES

- Employer confidence up 4.7pp to a net 34.1%
- Construction/property/engineering the most confident industry with a net sentiment of 48.3%
- Sentiment in manufacturing declines 8.3pp to a net 37.4%

Employer confidence in NSW has lifted 4.7pp with a net 34.1% of employers reporting intentions to increase their permanent headcount in the April – June 2011 quarter. The increase in employer sentiment in NSW balances a slight dip in sentiment in the previous quarter as businesses sought to minimise their spending in line with the lifting of interest rates by the RBA in the latter part

of last year⁹. Interest rates have now been on hold since November and are not expected to increase until the second half of 2011¹⁰ which may be influencing this quarter's lift in employer confidence.

The construction/property/engineering industry continues to make a significant contribution to overall sentiment in NSW. This is the most confident local industry, with a net 48.3% of employers surveyed intending to increase headcount in the forthcoming quarter.

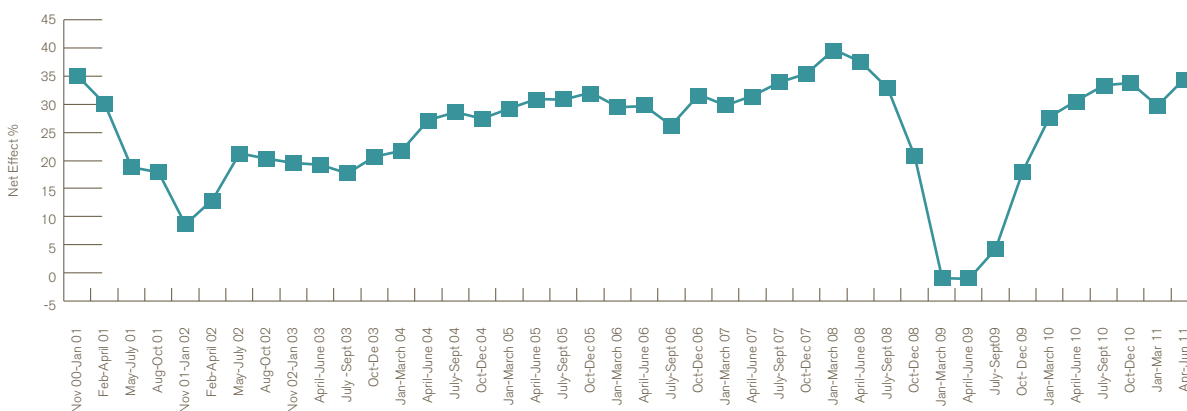
The professional services industry in NSW has slipped from its position as the most confident industry with a slight drop in hiring intentions to a net 46.6% of employers intending on

increasing staff numbers in the next three months. However, this is still a very strong result.

Employer confidence in the Information Technology industry remains strong with a net 45.3% of employers looking to increase permanent staff numbers. The \$36 billion National Broadband Network is expected to drive industry growth in 2011¹¹ and may well be influencing this result.

Employer sentiment in the advertising/marketing/media industry in NSW declined 6.5pp to a net 16.1% of employers planning to increase staff number over Q2.

NSW PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



⁹ Media release, Reserve Bank of Australia, 2 November 2010

¹⁰ Near-term rate rises unlikely, says BIS Shrapnel, The Australian, 18 March 2011

¹¹ Industry optimism on the rise, The Australian, 1 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

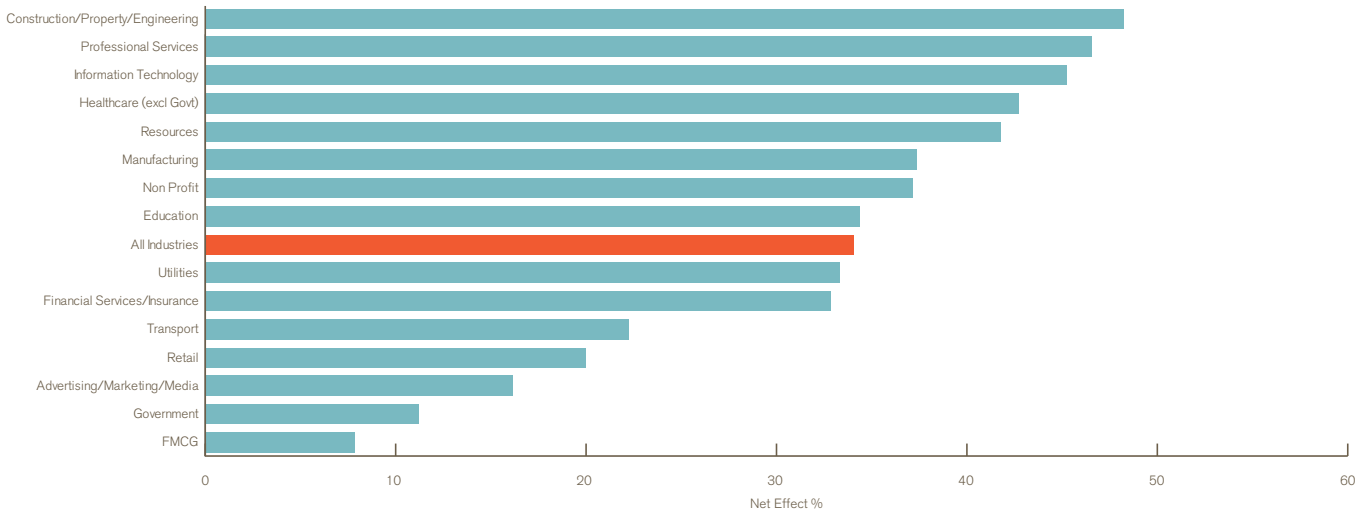
Hiring intentions in the state's manufacturing industry dropped 8.3pp to a net 37.4%, balancing the large 20.1pp increase the previous quarter. Sentiment is likely to continue to drop as the federal government's plan to introduce a price on carbon emissions is creating uncertainty within the industry, with major companies already reporting profit losses¹². Also increasing pressure on the industry are factors such as rising input costs, the high Australian dollar making imports cheaper and the fear that these factors will drive manufacturing jobs offshore¹³.

Hiring intentions in government increased 8.0pp to a net sentiment level of 11.2%, balancing the large decrease (17.4pp to a net 3.2%) last quarter.

Although FMCG employers remain the least confident of any industry in NSW, hiring intentions have lifted from 0% to a net 7.8% of employers intending to increase staffing levels.

Employer sentiment within the private healthcare industry in NSW increased slightly by 0.1pp, to stand at a net 42.7% of employers indicating plans to increase headcount. This is the highest result on record for this industry. The ratio of population over 70 to those aged 16-54 expected to double by 2050¹⁴. This combined with the disparity in wages between aged care nurses and other health care sector workers has created a shortage of staff to care for ageing Australians¹⁵ and driven demand for employees in this industry.

NSW PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



¹²Carbon price 'to harm manufacturing', Sydney Morning Herald, 27 February 2011

¹³Fed Labor risks backlash on factory jobs; ninemsn, 21 March 2011

¹⁴Caring for Older Australians, Australian Government Productivity Commission, January 2011

¹⁵ANF supports calls for more aged care funding, Australian Nursing Federation, 2 February 2011

PERMANENT EMPLOYMENT EXPECTATIONS

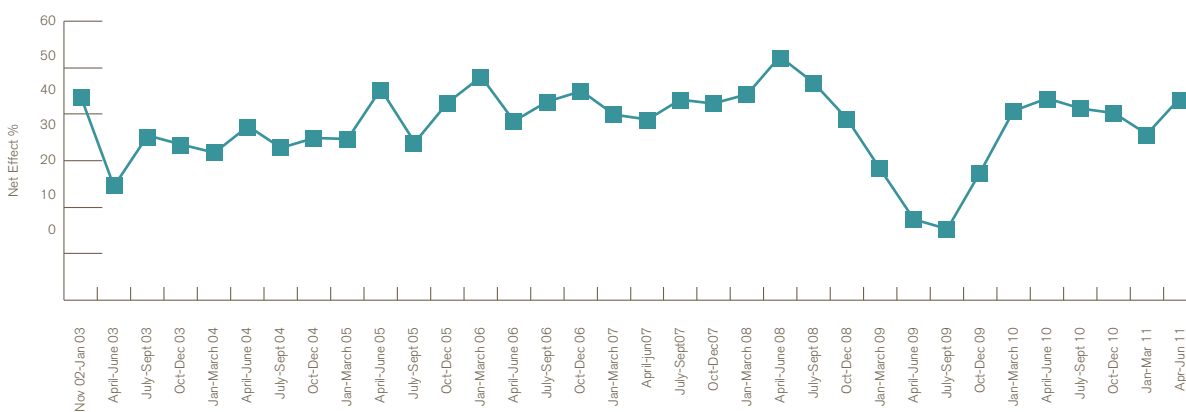
NEWCASTLE/HUNTER/CENTRAL COAST

- Confidence lifts 8.1pp to a net sentiment of 43.5%
- First reported rise in sentiment in more than 12 months
- Substantial lift in construction/property/engineering employer confidence – hiring intentions up 30.1pp to net 64.5%

The Newcastle/Hunter/Central Coast region of NSW has reported an 8.1pp rise in hiring intentions. A net 43.5% of employers are now planning to increase permanent headcount in the next quarter and this represents the first reported sentiment increase in the region in more than 12 months.

The construction/property/engineering industry reported a substantial spike in confidence with sentiment lifting 30.1pp to a net 64.5%. While the strong Australian dollar has put pressure on manufacturing in other regions, hiring intentions in the Hunter's manufacturing industry improved by 7.4pp to a very strong net 54.8%. These industry results are likely in response to the NSW Coalition's announcement of increased funding for infrastructure projects¹⁶ and the Hunter Expressway project generating strong interest in the region¹⁷.

HUNTER/CENTRAL COAST PERMANENT EMPLOYMENT EXPECTATIONS November 2002–June 2011



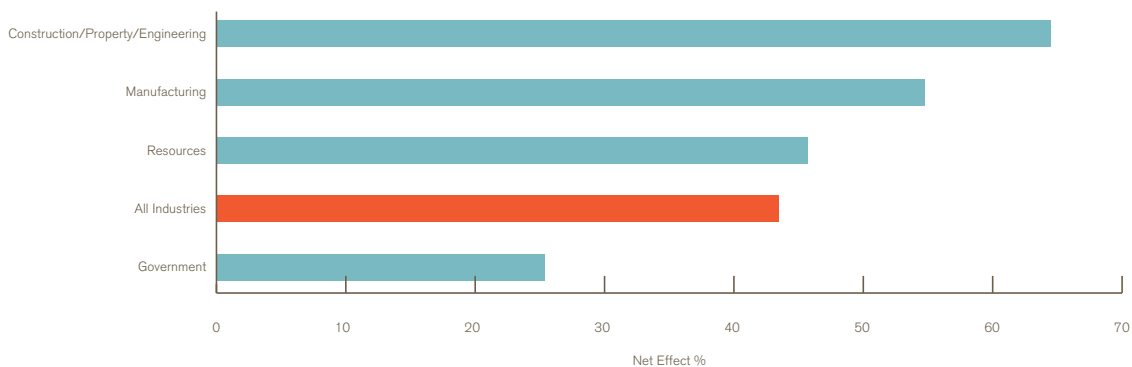
¹⁶Funds for mining-affected communities', The Newcastle Herald, 1 March 2011

¹⁷'Work on Branxton end of Hunter Expressway almost ready to start', Cessnock Advertiser, 2 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

The region's only drop in confidence was among employers within the resources industry, who reported a decrease of 12.9pp in hiring intentions from the previous quarter to a net sentiment of 45.7%. This decline in sentiment may be due to seasonal rain creating substantial shortages of Hunter export coal and lengthening the offshore shipping queue – creating concern among international coal buyers¹⁸.

HUNTER/CENTRAL COAST PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



¹⁸'Rain hits coal production', The Newcastle Herald, 4 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

GREATER WESTERN SYDNEY

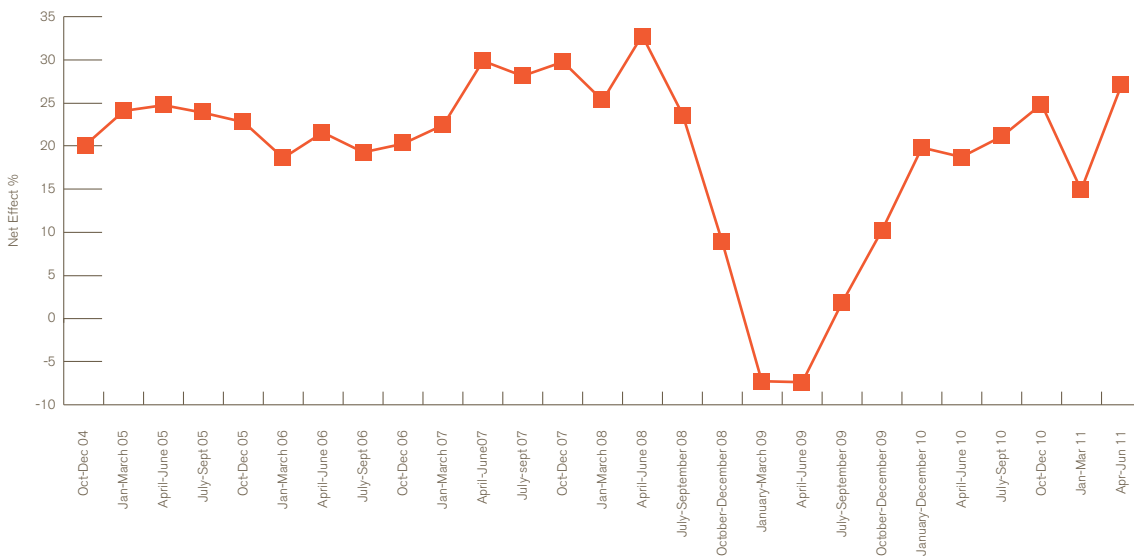
- Hiring intentions lift 12.2pp to a net 27.1%
- Sentiment slightly below the national average (32.9%)

Hiring intentions in Greater Western Sydney increased by 12.2pp to a net 27.1%, boosted mainly by a high level of sentiment within the government sector.

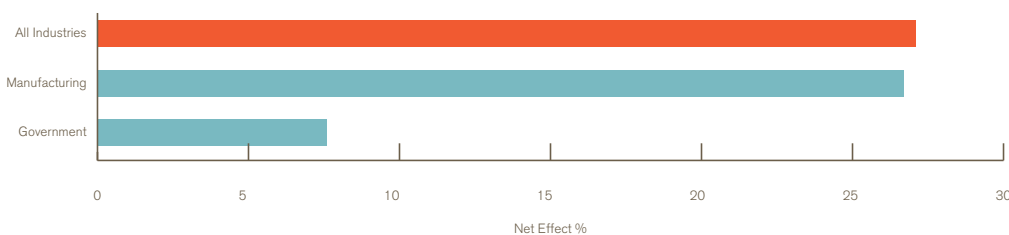
Sentiment surged across the region's government sector, with hiring intentions jumping 24.3pp and returning to a positive net figure of 7.6%. This balances the previous quarter's drop of 27.5pp.

Employer confidence in manufacturing dropped 13.3pp to a net 26.7%. Factors such as the federal government's proposed carbon tax, rising input costs, the high Australian dollar making imports cheaper and the fear that these factors will drive manufacturing jobs offshore¹⁹ may have impacted this result.

GWS PERMANENT EMPLOYMENT EXPECTATIONS October 2004–June 2011



GWS PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



¹⁹Fed Labor risks backlash on factory jobs; ninemsn, 21 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

QUEENSLAND

- Employer confidence eases 4.0pp to a net sentiment of 37.6%
- Professional services employer sentiment drops 23.6pp to a net 53.1%
- Employer sentiment within state government sector decreases 16.2pp to a net 13.7%

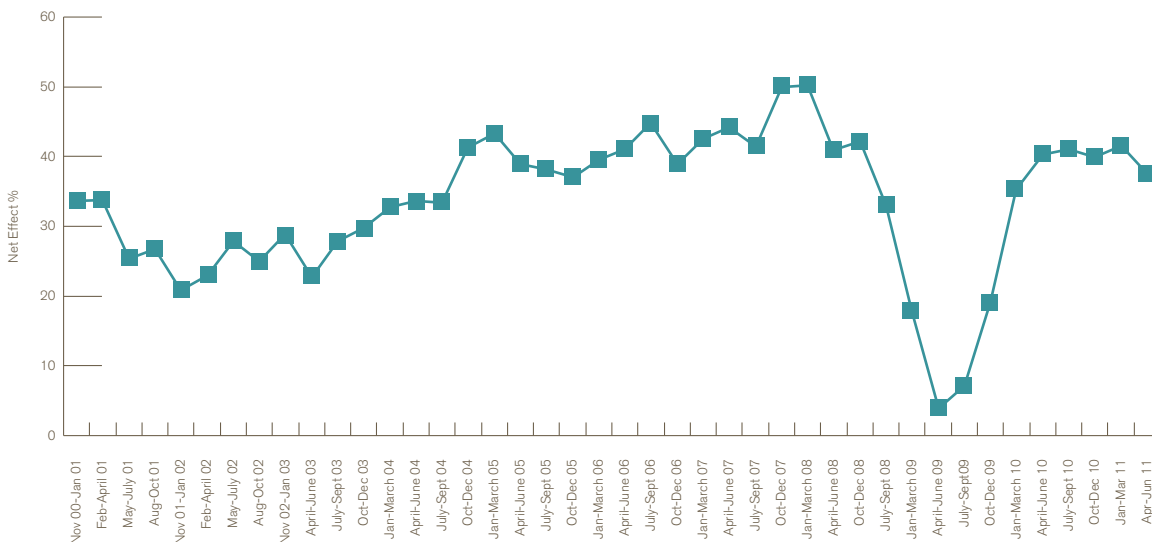
Queensland employer sentiment has eased 4.0pp with a net 37.6% now reporting an intention to increase headcount over the April – June 2011 quarter. Demand for staff in Queensland was clearly returning at the beginning of this year, with the number of jobs in the State increasing by 3,000 in November 2010²⁰ and wages growing at a rate of 4.4% per year. While these figures were not as strong as in the other major states, the outlook

for Queensland is likely to improve significantly. Driven by the ramping up of major mining infrastructure projects, both employment numbers and wages were expected to increase rapidly during 2011²¹.

The recent natural disasters appear to have had a slight tempering effect on employer confidence in this quarter's results and it is expected that the floods and cyclone Yasi will cut up to two per cent from state economic growth in 2010/11. However, rebuilding will drive very strong growth in construction and maintenance related activity in 2011/12 and 2012/13²².

Confidence among state government employers has declined, with hiring intentions declining 16.2pp since last quarter to a net sentiment of 13.7%. The government is now under pressure to rebuild flood-devastated areas, which will create a challenge in allocating financial resources and may cause sentiment to decline further.

QLD PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



²⁰Australian Labour Force: Jobs surge, lifts annual growth to historic highs! Westpac, 9 December 2010

²¹Australian business indicators, Westpac, 29 November 2010

²²Rebuilding Queensland, BIS Shrapnel, 15 March 2011

http://www.bis.com.au/verve/_resources/MediaAlert_QLDConf_FINAL.pdf

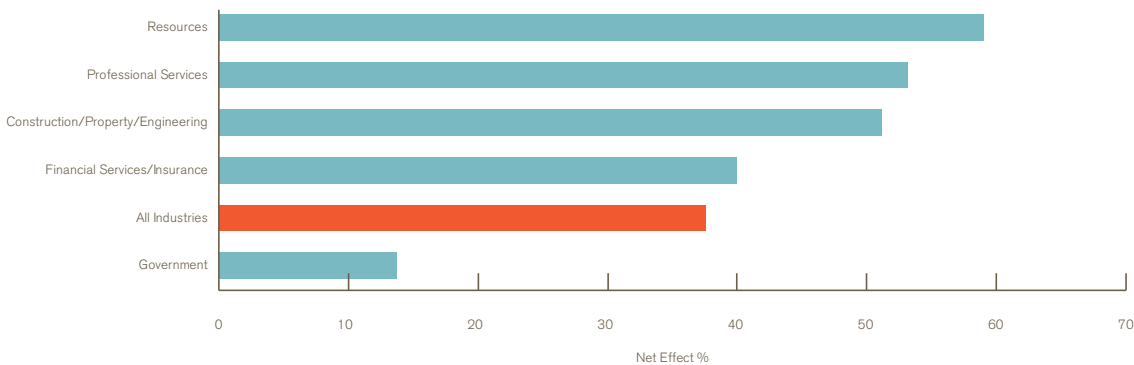
PERMANENT EMPLOYMENT EXPECTATIONS

The professional services industry remains confident with a net sentiment of 53.1%. Employer sentiment declined 23.6pp, however this balances a sharp increase the previous quarter.

Employer sentiment in Queensland's resources industry decreased by 11.7pp to a net 59.1% which is likely related to the mining production and transportation issues associated with the floods²³. Despite this temporary decline in sentiment, the net level of hiring intentions within the industry remains strong and is likely to increase in coming months as part of a long-lasting post-flood recovery.

QLD PERMANENT EMPLOYMENT EXPECTATIONS

April–June 2011: By Industry



²³Queensland floods force another coal mine closure, The Australian, 11 January 2011

PERMANENT EMPLOYMENT EXPECTATIONS

SOUTH AUSTRALIA

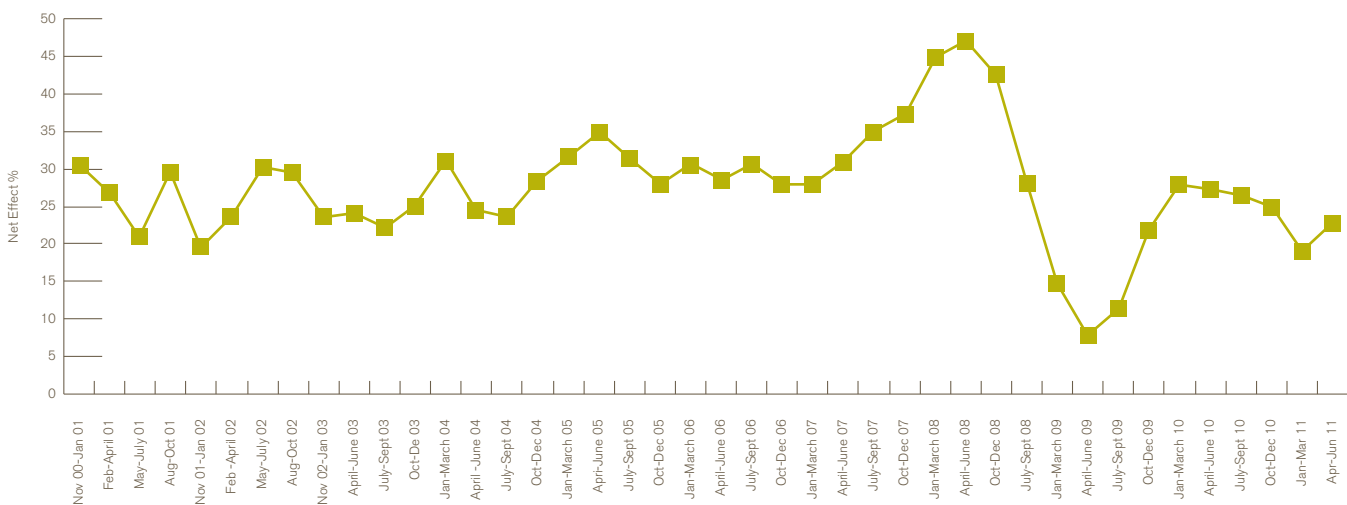
- South Australian employer sentiment has lifted 3.7pp to a net 22.6%
- Employer sentiment in state government sector remains in negative territory at a net -1.2%
- Sentiment in manufacturing boosted by government infrastructure projects to a net 32.4%

Employers in South Australia have reported an increase in confidence of 3.7pp to reach a net sentiment of 22.6%, a result 10.3pp below the national average.

Government employers have reported a 10.5pp lift in net employer sentiment, however hiring intentions remain in negative territory (-1.2%) for the second consecutive quarter.

A significant drop in hiring intentions of 21.0pp was reported in the state's construction/property/engineering industry, with the industry reaching its lowest level of sentiment (net 15.8%) since the June 2009 quarter. This may be due to the downturn in government-funded construction, which accelerated over the previous two financial years with residential projects, schools and hospitals²⁴.

SA PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



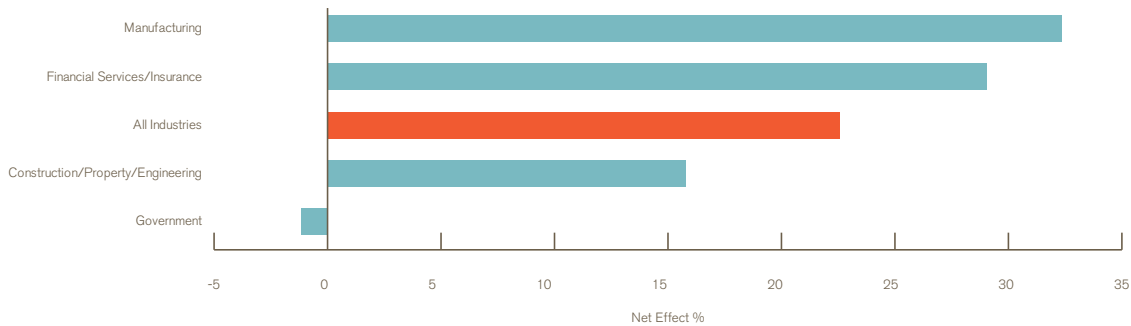
²⁴Private cash to replace public funds as construction changes gear, The Australian, 10 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

At 32.4% the manufacturing industry retains the highest net level of all industries in South Australia. This increase can possibly be influenced by the forecast completion of a large number of infrastructure projects, including electrification of the rail system, the desalination plant, the dual Southern Expressway, the Adelaide Oval redevelopment and construction of the nation's air warfare destroyers²⁵.

Financial services in South Australia saw a small decline of 2.0pp in employer sentiment to a net 29.0%.

SA PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



²⁵Can Premier Mike Rann save his sinking ship?, The Adelaide Advertiser, 12 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

VICTORIA

Employer sentiment declines 3.1pp from last quarter to a net 27.5%

Professional services remains strongest industry with net employer sentiment of 44.6%

A net 27.5% of employers in Victoria are reporting an intention to increase permanent staff in the April – June quarter (down 3.1pp).

Employer confidence in Victoria's information technology sector declined 3.3pp to a net 29.7%. Some employers are reported to be expecting to engage contractors rather than hiring permanent IT staff²⁶, however, sentiment remains high, with the \$36 billion National

Broadband Network expected to drive industry growth in 2011²⁷.

Hiring intentions in the FMCG and retail industries in Victoria experienced net increases of 4.9pp to 21.6% and 4.7pp to 24.2% respectively in a climate of improving consumer demand resulting from population growth²⁸ and low unemployment levels²⁹.

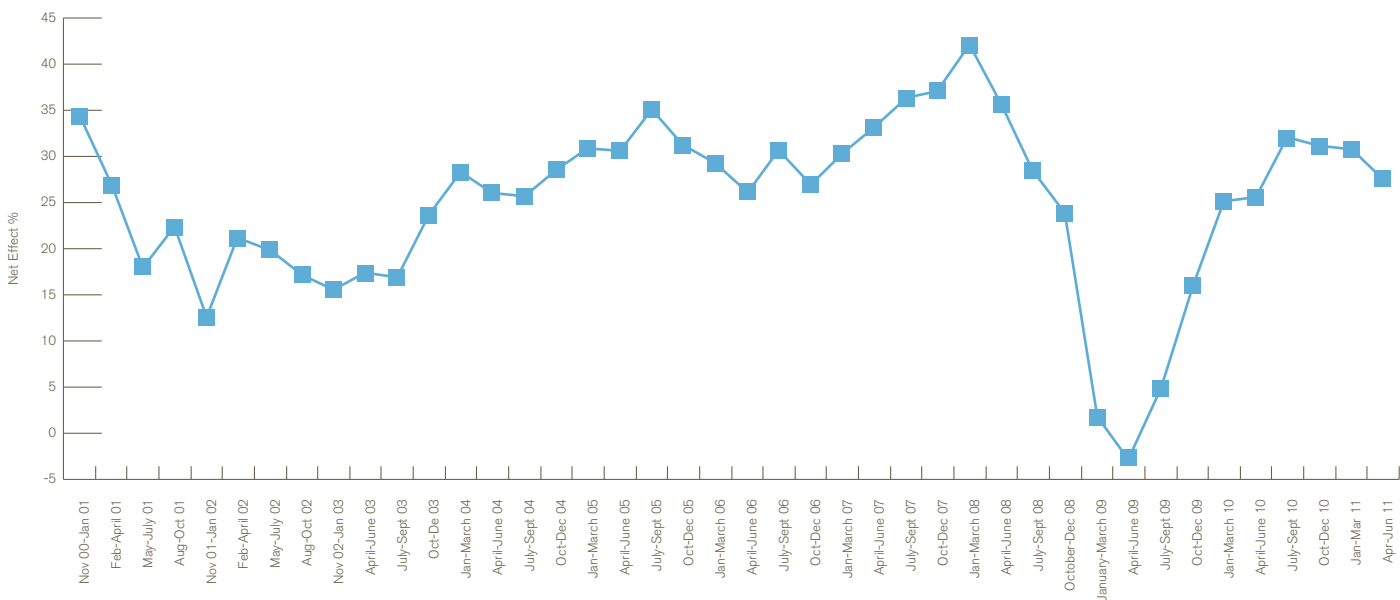
Employer sentiment in the private healthcare industry increased 18.4pp to a net 28.6%. The ratio of population over 70 to those aged 16-54 is expected to double by 2050³⁰. This combined with the disparity in wages between aged care nurses and other health care sector workers is viewed to have created a shortage

of staff to care for ageing Australians³¹ and will spur ongoing, long-term demand for employees in this industry.

Hiring intentions in the construction/property/engineering industry declined 14.0pp to a net 32.2%.

Employer sentiment within Victoria's professional services industry remains strong at a net 44.6%. Professional services maintains one of the highest levels of employer confidence among all industries in Victoria.

VIC PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



²⁶Clicks IT Recruitment and Retention Report, March 2011

²⁷'Slowdown in population growth comes with benefits and drawbacks for economy', BIS Shrapnel Economic Outlook report, February 2011, p9

²⁸'Australian Labour Force: Jobs surge, lifts annual growth to historic highs', Westpac, 9 December 2010

²⁹6202.0 – Labour Force, Australia, Feb 2011: Australian Bureau of Statistics

³⁰Caring for Older Australians, Australian Government Productivity Commission, January 2011

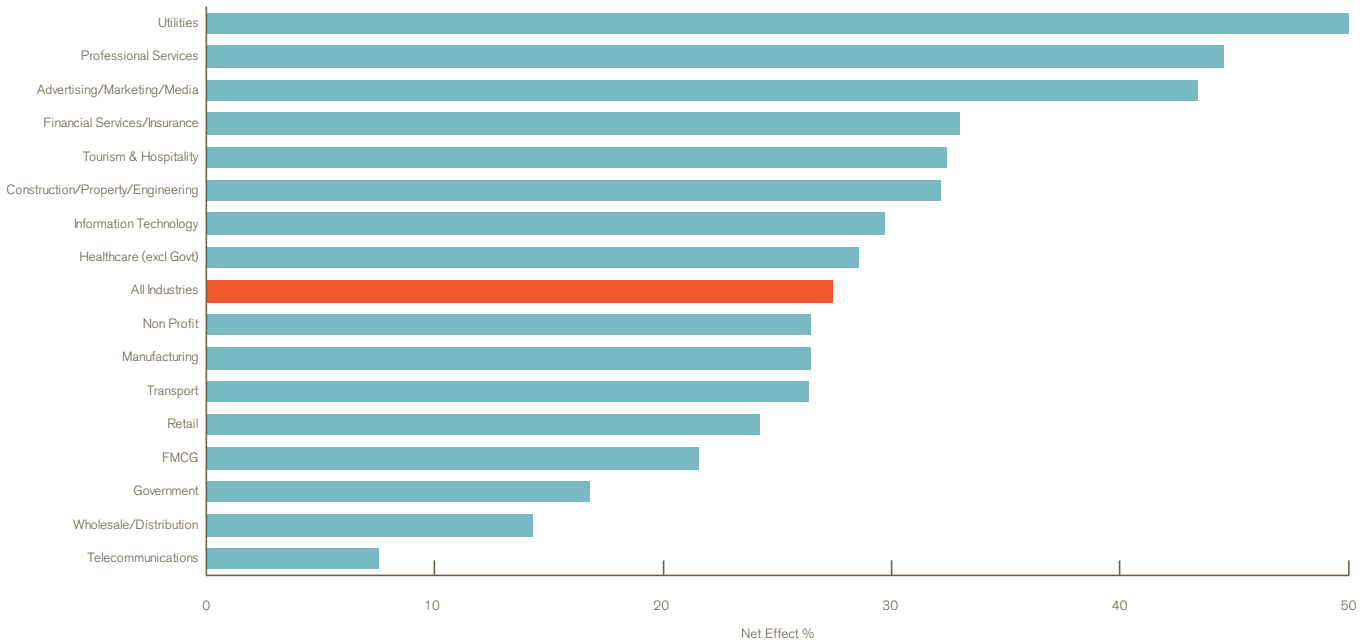
³¹ANF supports calls for more aged care funding, Australian Nursing Federation, 2 February 2011

PERMANENT EMPLOYMENT EXPECTATIONS

Despite holding a strong level of net sentiment at 33.0%, employer confidence in financial services entered its fourth quarter of declining confidence, with a decrease of 4.7pp from Q1 2011.

Employer sentiment within government has dipped 8.6pp to a net 16.8% following an increase in sentiment the previous quarter and a gradual increase in sentiment over the past four quarters.

VIC PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



PERMANENT EMPLOYMENT EXPECTATIONS

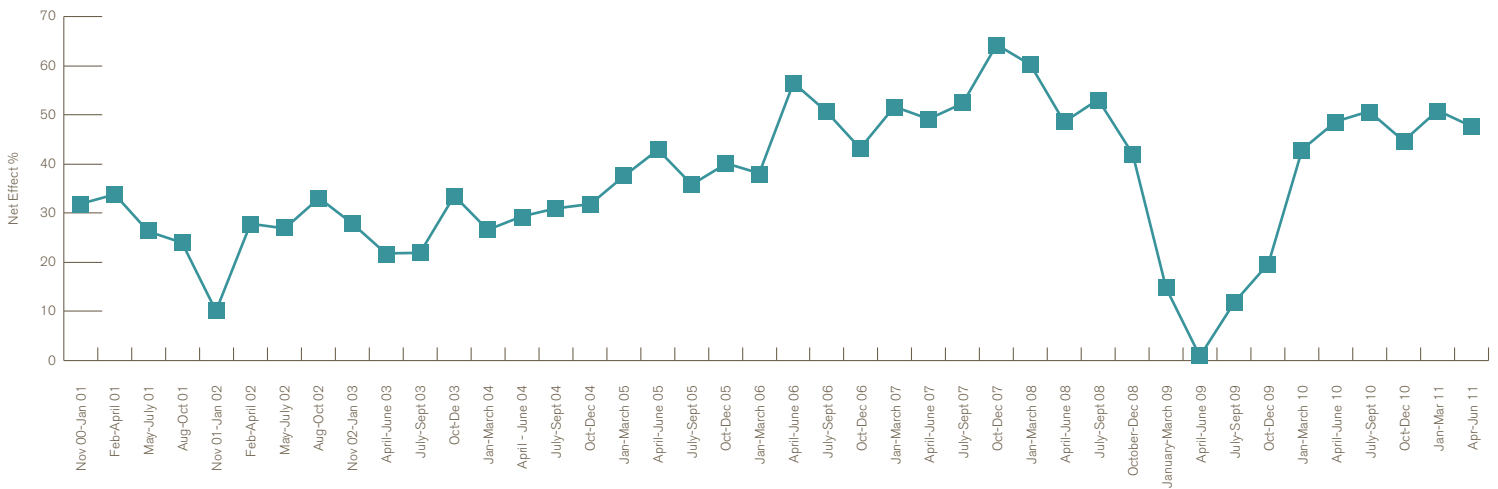
WESTERN AUSTRALIA

- Employer sentiment in Western Australia is highest of all states and territories at a net 47.4%
- Professional services employers remain very confident, reporting a net sentiment of 55.8%
- Resources industry experienced third consecutive increase in employer sentiment, lifting 2.4pp to a net 65.9%

Western Australia's hiring intentions remain the highest of all the states and territories at a net 47.4%, a slight dip of 3.1pp compared to the previous quarter. Demand from most industries remains high due to the state government's announcement of a large number of upcoming resource projects³².

Employer sentiment in WA's professional services industry remains very strong at a net 55.8%, but did experience a very slight drop this quarter (0.3pp) following a significant fall last quarter (11.3pp).

WA PERMANENT EMPLOYMENT EXPECTATIONS November 2000–June 2011



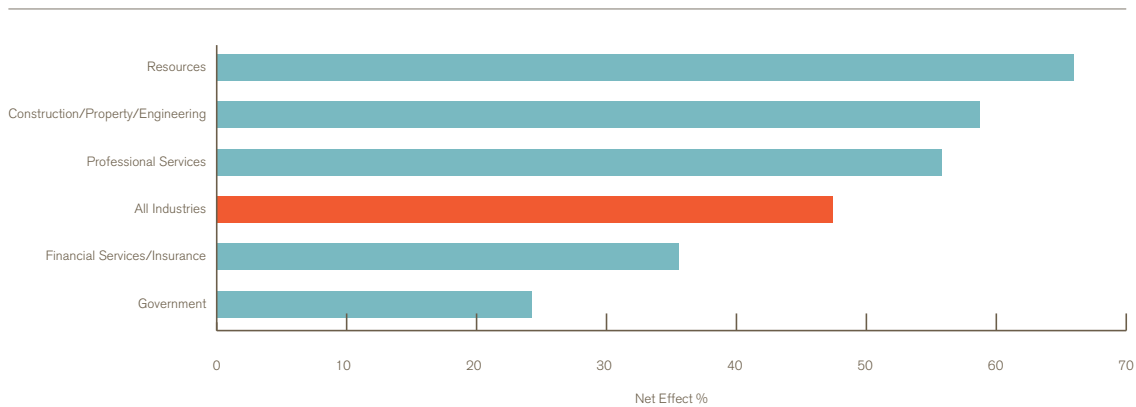
³²WA economy: To boom or not to boom! 720 ABC Perth, 17 March 2011

PERMANENT EMPLOYMENT EXPECTATIONS

The state's resource industry experienced its third consecutive increase in employer sentiment, rising another 2.4pp to a net 65.9% after last quarter's 9.0pp jump. Large projects within the region are progressing swiftly, with main players such as Oakajee³³ and Sino Iron³⁴ adding to positive hiring intention within the industry.

Employer confidence in the construction/property/engineering industry fell marginally by 4.2pp but remain strong overall at a net 58.7%

WA PERMANENT EMPLOYMENT EXPECTATIONS April–June 2011: By Industry



³³Oakajee \$2.3bn blowout threat, WA Business News, 22 March 2011

³⁴Southern Cross wins Sino Iron contract, WA Business News, 2 March 2011

YOUR POINTS OF CONTACT

YOUR POINTS OF CONTACT

NATIONAL

Mark Steyn, Chief Executive Officer
Hudson Australia/New Zealand
t (02) 8233 2222
mark.steyn@hudson.com

AUSTRALIAN CAPITAL TERRITORY

John Henderson, General Manager
Hudson ACT
t (02) 6229 1555
john.henderson@hudson.com

NEW SOUTH WALES

Amy Yates, Executive General Manager
Hudson Sydney
t (02) 8233 2222
amy.yates@hudson.com

HUNTER/CENTRAL COAST

James Tocci, General Manager
Hudson Hunter/Central Coast
t (02) 4927 2223
james.tocci@hudson.com

QUEENSLAND

Dean Davidson, Executive General Manager
Hudson Queensland
t (07) 3258 8333
dean.davidson@hudson.com

SOUTH AUSTRALIA

Greg May, General Manager
Hudson South Australia
t (08) 8223 8811
greg.may@hudson.com

VICTORIA

Martin Retschko, Executive General Manager
Hudson Victoria
t (03) 9623 6637
martin.retschko@hudson.com

WEST AUSTRALIA

Andrew Tomich, General Manager
Hudson Western Australia
(08) 9323 0222
andrew.tomich@hudson.com

ABOUT HUDSON

Hudson (NASDAQ: HHGP) is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total project solutions, Hudson helps clients achieve greater organisational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs more than 2,000 professionals serving clients and candidates in approximately 20 countries. More information is available at au.hudson.com.

HUDSON

Adelaide	+61 8 8223 8800
Auckland	+64 9 977 9800
Brisbane	+61 7 3258 8333
Canberra	+61 2 6229 1555
Christchurch	+64 3 977 8500
Melbourne	+61 3 9623 6666
Mount Waverley	+61 3 9535 8222
Hunter/Central Coast	+61 2 4927 2220
Greater Western Sydney	+61 2 8836 0222
Perth	+61 8 9323 0222
Sydney	+61 2 8233 2222
Wellington	+64 4 917 9200