

Contact: Rowena Hawksley  
Hudson  
02 8233 2297/0410 142 210  
rowena.hawksley@hudson.com

Contact: Ian Pope  
Hill & Knowlton  
02 9286 1266/0416 826 037  
ipope@hillandknowlton.com.au

## Media Release

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## AUSTRALIAN EMPLOYER CONFIDENCE SURGES TO NEW HIGHS: HUDSON REPORT

**Sydney, Australia – Wednesday 20 January 2010** – Australian employers' sentiment has surged again to reach the highest level of confidence seen since September 2008, according to the latest *Hudson Report: Employment Expectations* survey released today.

Australian hiring intentions have increased rapidly for a third consecutive quarter as business conditions surge and signs of a strong recovery in economic growth continue to appear. Up a considerable 10.6pp on last quarter, a net 29.1 percent of employers have indicated an intention to increase their permanent staff levels during the January–March 2010 period.

"This is an excellent result to begin the New Year," said Mark Steyn, CEO Hudson Australia/New Zealand. "It's well above the record low in the June 2009 quarter, when sentiment was virtually zero. Australian hiring intentions are now drawing much closer to pre-downturn levels."

All States and Territories and the vast majority of industries have recorded a significant increase in sentiment for at least a second consecutive quarter.

WA reported by far the biggest quarterly increase in sentiment across the States and Territories. Up 23.0pp from last quarter, a net 43.1 percent of employers are now indicating an intention to increase their permanent staff levels in Q1. "WA has rebounded strongly as resurgent demand from China and a recovery in commodities prices sees a range of projects being fast-tracked," said Steyn.

QLD has also recorded a strongly positive result, up 16.2pp to 35.3 percent. "The improved outlook for mining and resources together with the stimulus provided by government infrastructure projects has seen sentiment continue to improve," said Steyn.

In NSW, strong business and consumer confidence has seen employer sentiment increase for a second consecutive quarter, rising 9.6pp to its highest level in over a year at 27.3 percent. ACT employers reported the smallest quarterly increase of all regions. Up 1.7pp, a net 30.1 percent of employers are now reporting an intention to increase their permanent staff levels over the coming three months. "The ACT has performed very strongly all year relative to

other States and Territories," said Steyn. "Whilst this is a relatively small rise, the ACT is still one of the most positive regions in Australia.

"The professional services sector has contributed strongly to increasing employer confidence nationally, with a range of employers hiring again as business conditions improve." Sentiment is now the strongest it has been in 18 months, with a net 44.7 percent of employers reporting an intention to increase their permanent staff levels, up 13.7pp from last quarter. "This is an extremely strong and positive result considering that only last June sentiment stood at a low of -3.1 per cent," Steyn added.

The IT industry continues to go from strength to strength. "IT projects that were put on hold 12-18 months ago are beginning to get the go ahead and this is pushing sentiment back up rapidly," said Steyn. Up 15.3pp, a net 40.8% of employers reported plans to increase permanent staff in Q1.

The strong increase in employer sentiment across the nation is being driven by a continuing shift in intentions towards increasing headcount and away from decreasing headcount. The proportion of employers looking to raise their permanent staff levels increased to 35.5 per cent this quarter, compared to 26.6 percent in Q4 2009, while the proportion looking to reduce headcount decreased to 6.3 percent from 8.1 percent. The proportion of employers intending to hold their current staff levels steady declined to 58.2 percent from 65.3 percent last quarter.

"This rise in employers actively hiring again, shown in these figures, is an extremely positive trend and one that is clearly gaining strong traction," said Steyn. "The swing in these figures indicates that many of those employers who initially had reduced headcount and subsequently transitioned to a cautious 'wait and see' mode are now starting to actively hire again," said Steyn.

"The Australian economy has undoubtedly outperformed expectations in recent months," he said. "Consistent net employment growth is expected to be well underway during 2010, once spare capacity in the number of average hours worked has been absorbed.

"We're already feeling the pinch of skills shortages in some regions and industries and this will certainly tighten as the economy continues to gain strength. It's imperative that Australian employers turn their attention to effective talent acquisition, development and retention activities to preserve healthy, viable, profitable business while positioning themselves for future growth."

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## Editor Note

Please contact us for more information and print-ready graphs.

## The Hudson Report

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.

In its ninth year of quarterly publication, the *Hudson Report* combines robust data on employment expectations with economic commentary and extensive market insights gleaned from Hudson's conversations with employers nationwide. *Hudson Report: HR Insights* is used by employers throughout Australia to stay abreast of contemporary human resources issues and best practice. *Hudson Report: Employment Expectations* is a leading economic indicator and a trusted source of information on issues and trends affecting the Australian labour market. It is used by Australia's wider business community to assist in long-term strategic planning.

Results for this issue *Hudson Report* were gathered through interviews with 4,470 employers across Australia, conducted by Hudson recruitment, talent management and managed services professionals. Participants are surveyed from 19 core industry groups, aligned with the Australian Bureau of Statistics industry classifications. Copies of the *Hudson Report* are available at [www.au.hudson.com](http://www.au.hudson.com)

## About Hudson

Hudson is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organisational performance by assessing, recruiting, developing, engaging and retaining the best and brightest people for their businesses. The company employs nearly 2,500 professionals serving clients and candidates in more than 20 countries. More information is available at [www.hudson.com](http://www.hudson.com)

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