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## Media Release

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## NEW SOUTH WALES EMPLOYER CONFIDENCE SURGES TO NEW HIGHS: HUDSON REPORT

**Sydney, Australia – Wednesday 20 January 2010** – NSW 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.

NSW Employers' hiring intentions have increased rapidly for a second consecutive quarter as business conditions surge and signs of a strong recovery in economic growth continue to appear. Up a considerable 9.6pp on last quarter, a net 27.3 percent of NSW 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 Amy Yates, Executive General Manager, Hudson Sydney. "It's well above the record low in the June 2009 quarter when sentiment was below zero. NSW hiring intentions are now drawing much closer to pre-downturn levels.

"Employers are now examining their workforces to ensure they have the right mix of skills to capitalise on growth as business picks up. During the downturn, many employers went to part-time or reduced hours as employers did everything they could to retain talent, and in January 2010 many of these employees are expected to move back into their standard full-time roles. Hiring intentions are expected to continue to pick up strongly over the course of the year as the recovery unfolds."

Employer sentiment in professional services in NSW has surged a further 14.7pp from last quarter. A net 43.3 percent of professional services employers are now reporting an intention to increase their permanent staff levels over Q1 2010, making the industry the most positive in the state. "This is a remarkable bounce back for professional services," said Yates.

A continued improvement in financial market conditions has seen employer confidence in the financial services sector head upwards. Sentiment in the industry has risen 9.6pp from last quarter and now stands at a net 33.9 percent. Yates said: "Wealth management has shown the strongest signs of recovery and growth, with confidence up significantly in recent months and hiring activity expected to escalate.

"Residential construction activity will be a key driver of economic growth in the coming year. Private sector housing approvals are growing and construction activity in public infrastructure is also increasing, with a large volume of education building work already underway."

Employer confidence in the construction/property/engineering industry is now at one of the highest levels of all industries in the State, with a net 30.3 percent of employers now reporting an intention to increase their permanent staff levels over the coming three months. "It's a far cry from the -8.9 percent low recorded in the middle of 2009," Yates added.

Employer sentiment in the telecommunications industry has increased strongly. A net 31.1 percent of employers are looking to increase headcount during Q1 2010. "We expect both carriers and vendor suppliers to begin to ramp up this year," said Yates.

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 Yates. Now, with one of the highest levels of confidence in the State, a net 35.2 percent of employers are expecting to increase their permanent staff levels over the coming three months. Up 15.3pp, a net 40.8 percent of employers reported plans to increase permanent staff in Q1.

In retail hiring, intentions are now at their strongest in over a year, after reaching extreme lows during the first three quarters of 2009. Up 2.8pp from last quarter, a net 25.3 percent of employers are now reporting an intention to increase their permanent staff levels over the coming three months. "Recruitment was sporadic for the majority of retailers over the course of 2009, but with the increase in consumer confidence and spending, employers now feel they have the impetus to drive growth in employee numbers for 2010," said Yates.

The strong increase in employer sentiment across the State is being driven by a continuing shift in intentions towards increasing headcount and away from decreasing headcount. The proportion of NSW employers looking to raise their permanent staff levels increased to 33.3 percent, while the proportion looking to reduce headcount decreased to 6 percent. The proportion of employers intending to hold their current staff levels steady declined to 58.2 percent from 60.7 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 Yates. "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.

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

"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 NSW employers turn their attention to effective talent acquisition and succession management activities to preserve healthy, viable, profitable business while positioning themselves for future growth."

**- ENDS -**

## 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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