RCSA Web Survey

Round 3 - February 2002

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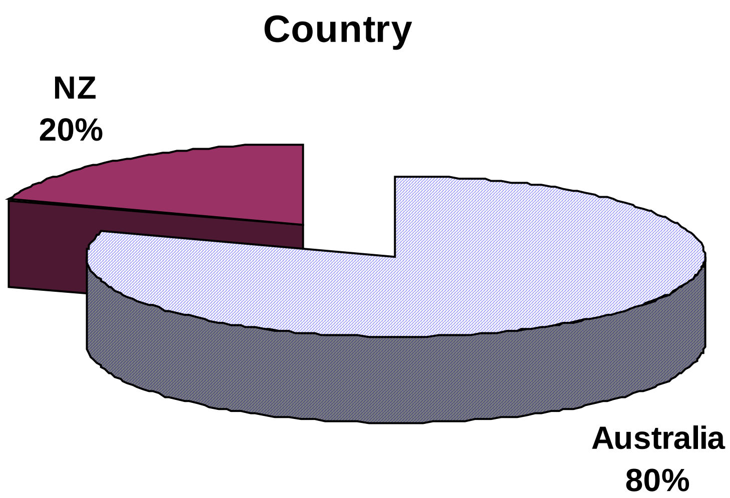
Executive Summary

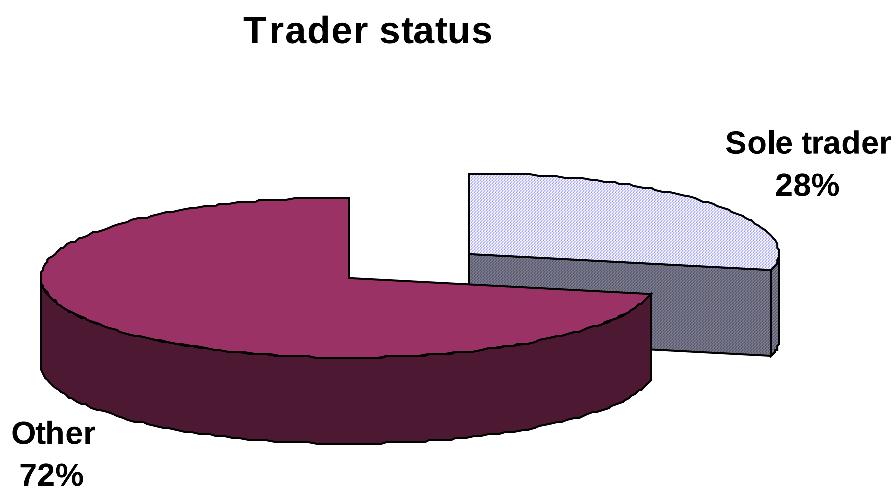
- Overall, the survey showed a marked increase in optimism for the immediate future
  - Members are:
    - Expecting business to increase. 85% agree that it will increase in the next six months, up from 63% for the last survey. This gives a 19.7% increase in the RCSA Member Confidence Score
    - Expecting business volumes to rise by 5.8%, up from 4.9%
    - Finding it slightly easier to locate suitable candidates (up 4%) and are much more positive about the quality of the candidates
    - Continuing to experience a reduction in their own staff levels (down 4.4%) although the rate of loss is reduced somewhat since last survey
  - Members greatest concerns for the future are the same as last survey but the order has changed:
    - Price undercutting in their industry – same level of concern
    - Maintaining profitability/fee levels – same level of concern
    - Lack of hiring intentions by clients – reduced level of concern
    - Deteriorating economy – reduced level of concern
- Over the last six months there has been a reduced demand for full-time workers and an increased demand for casual workers

Process

- Web survey
  - E-mail business heads in both NZ and Australia
  - 164 responses

Demographics of sample





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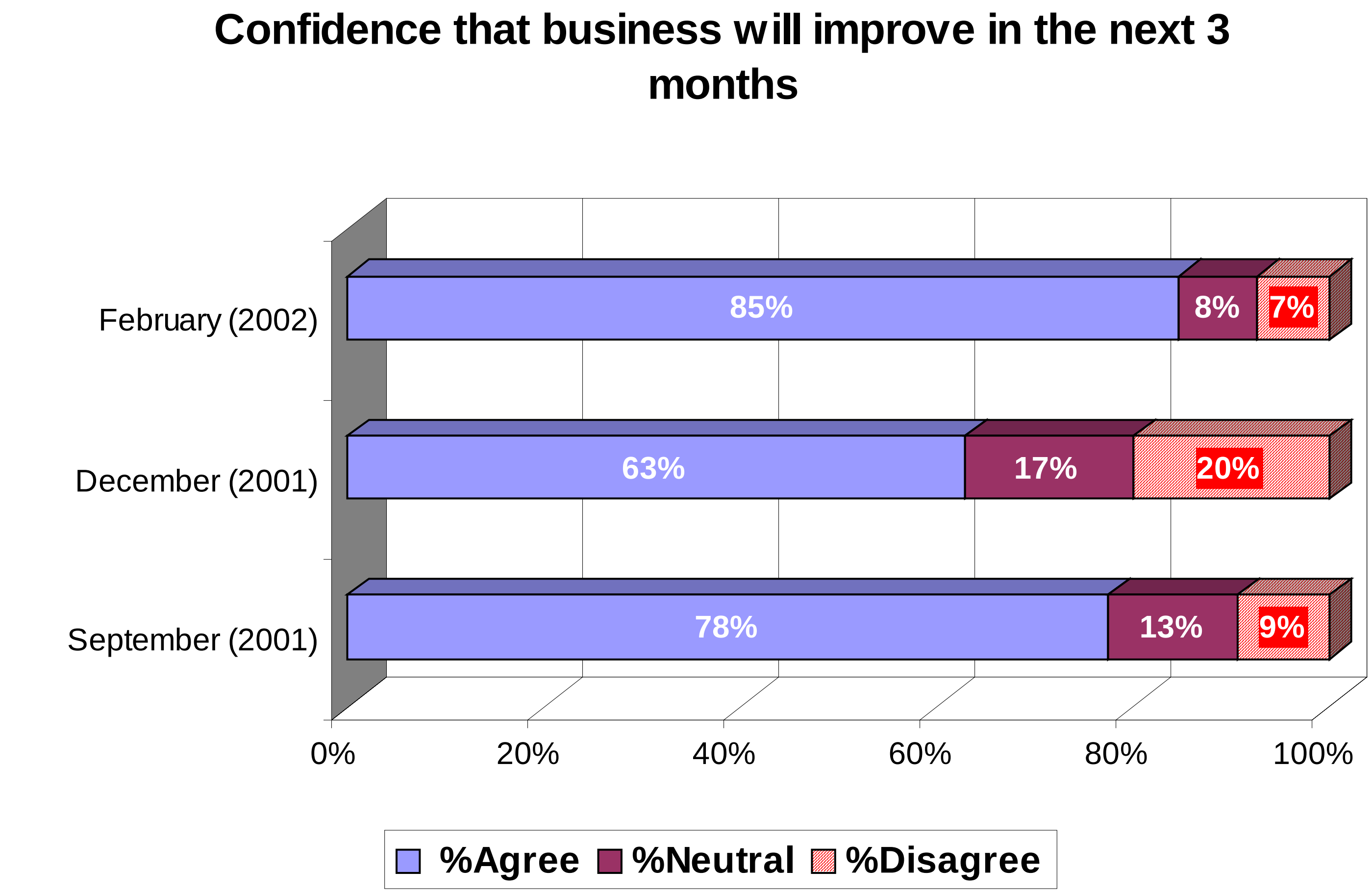
RCSA members are confident their business will improve in the next three months. They are also expecting a lift in their business volume in the next three months.



Expected volume of business increase in the next quarter =5.8% up from 4.9% last round

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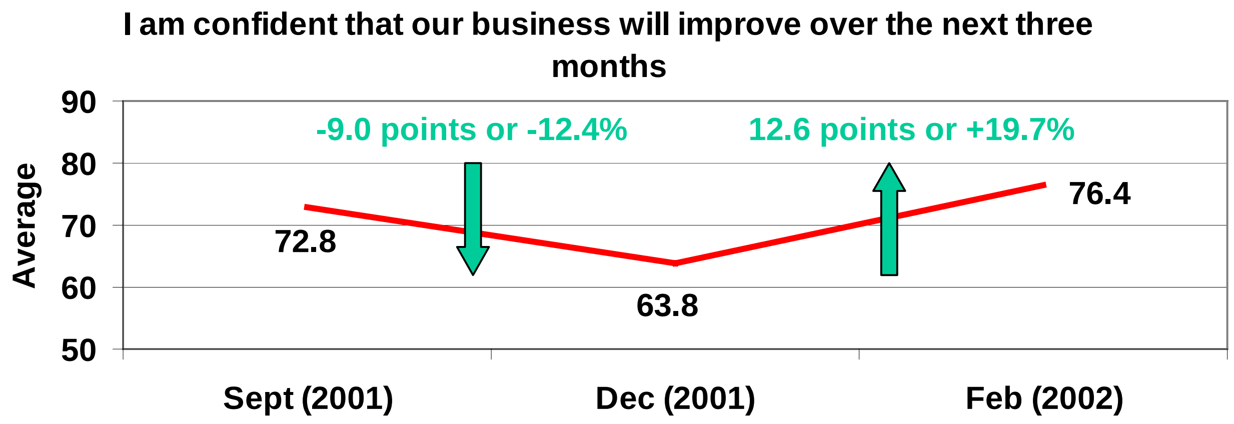
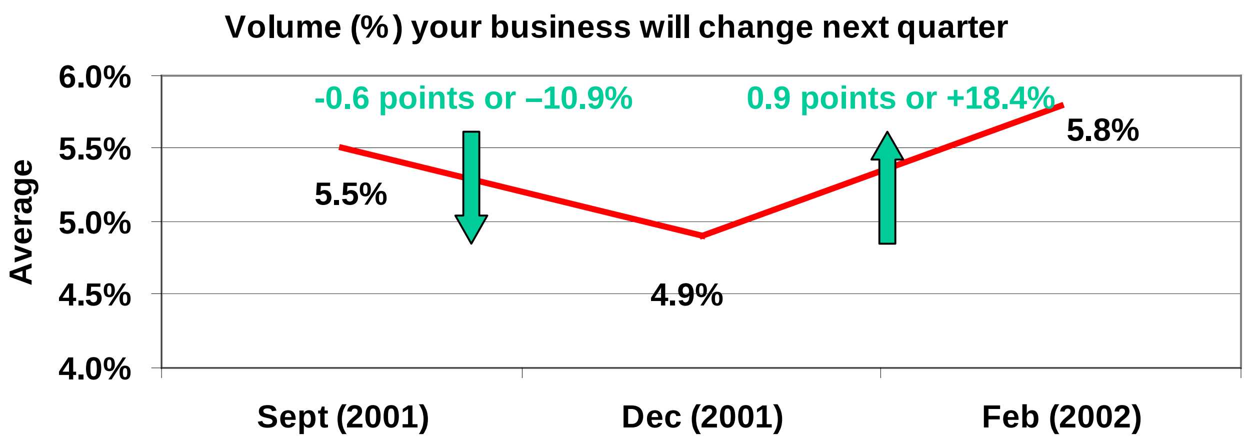
Business confidence is high and risen 12.6 points or 19.7% since December and expected growth in volume has increased 0.9%



Scale:
0=strongly disagree
50=neutral
100=strongly agree



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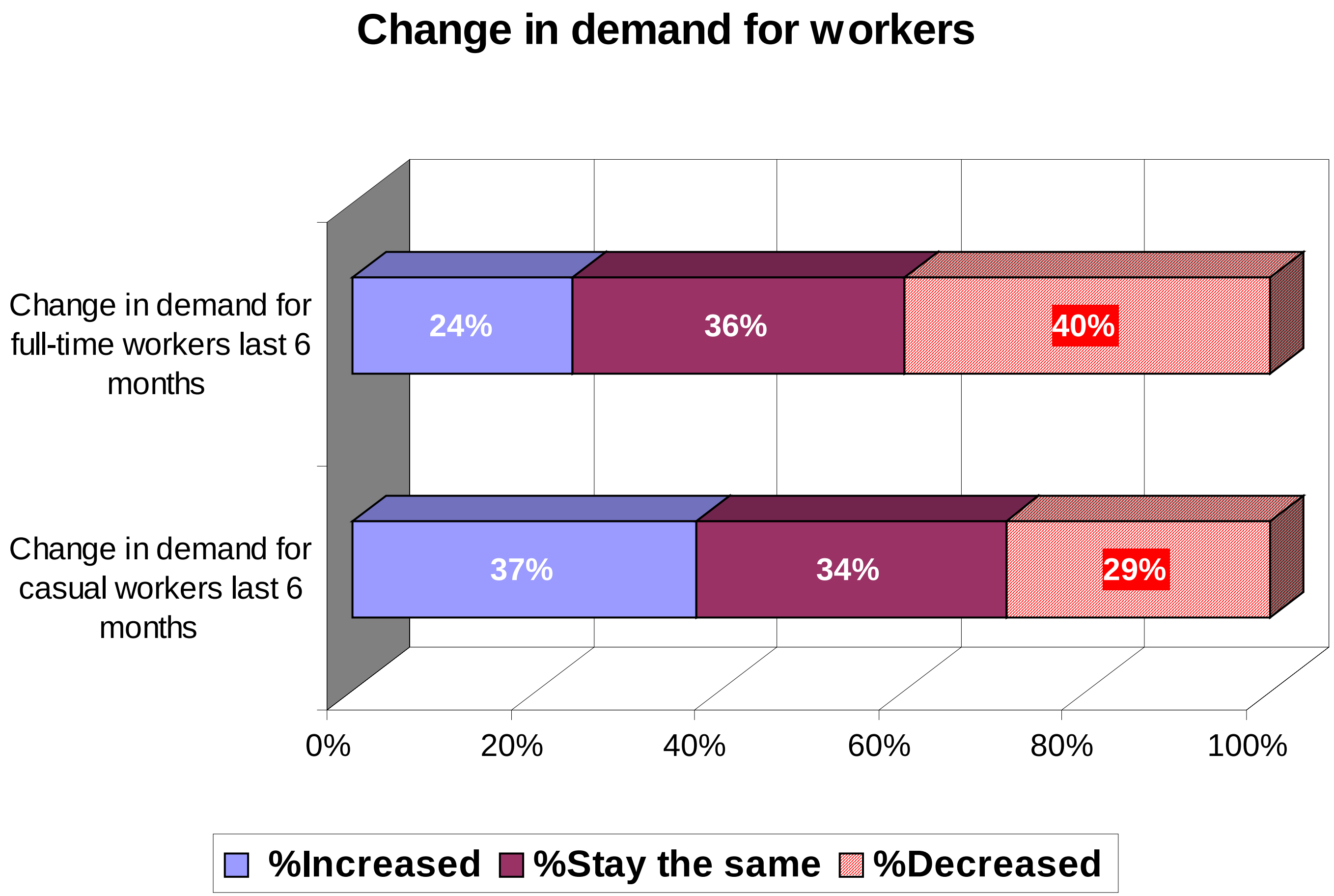
The demand for casual labour has increased at the expense of full-time workers over the last six months



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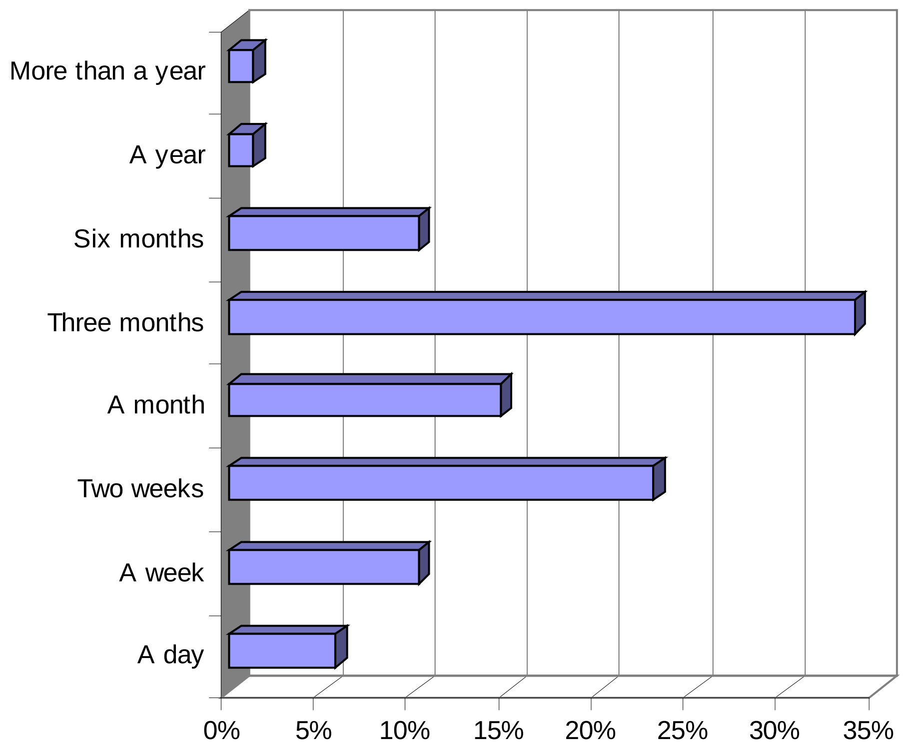
The majority (53%) of on-hired employees are appointed for a month or less

Usual appointment term for on-hired employees



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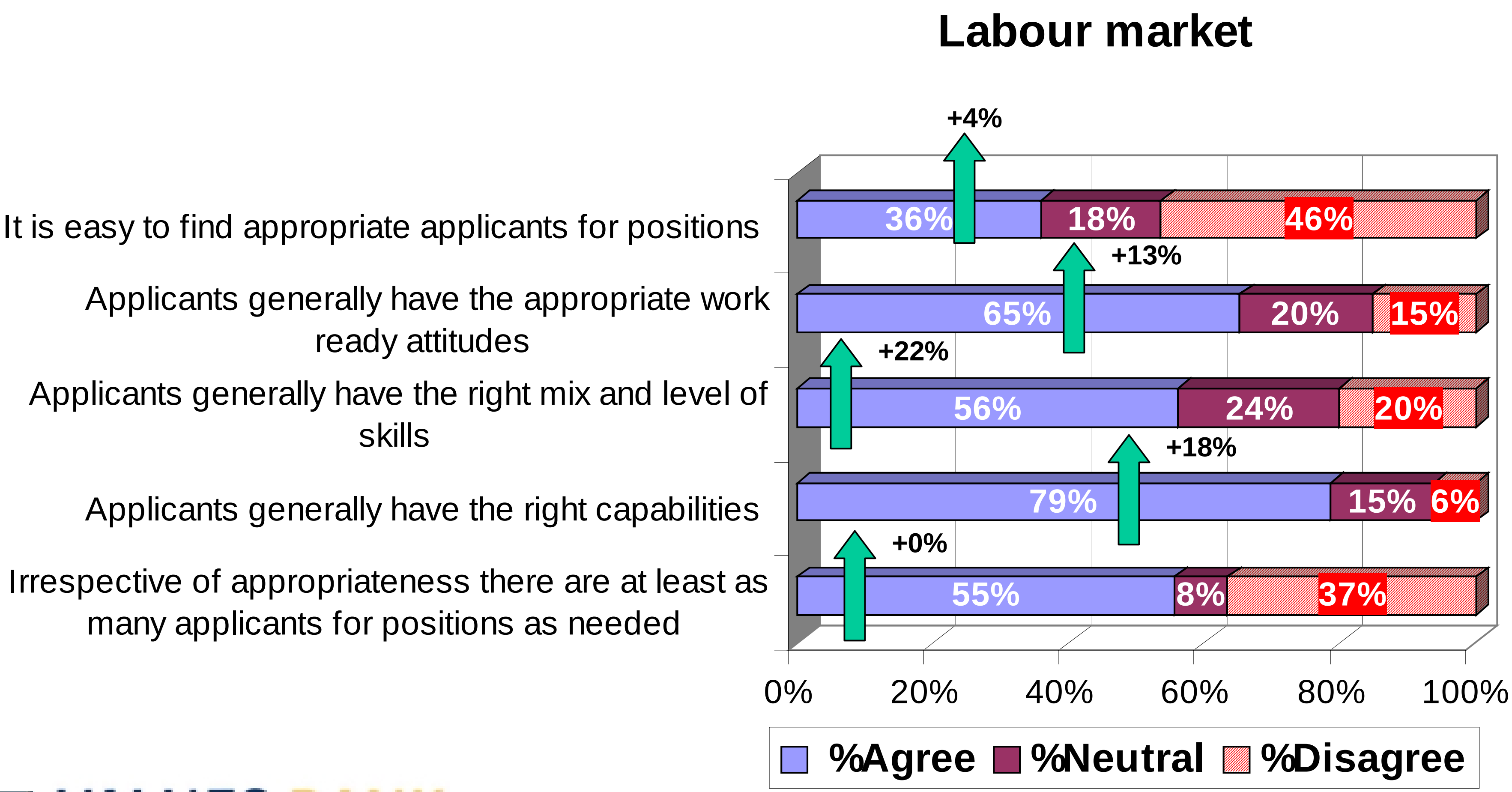
Confidence in the labour market has improved considerably since the last survey

Only availability of appropriate candidates remains an issue



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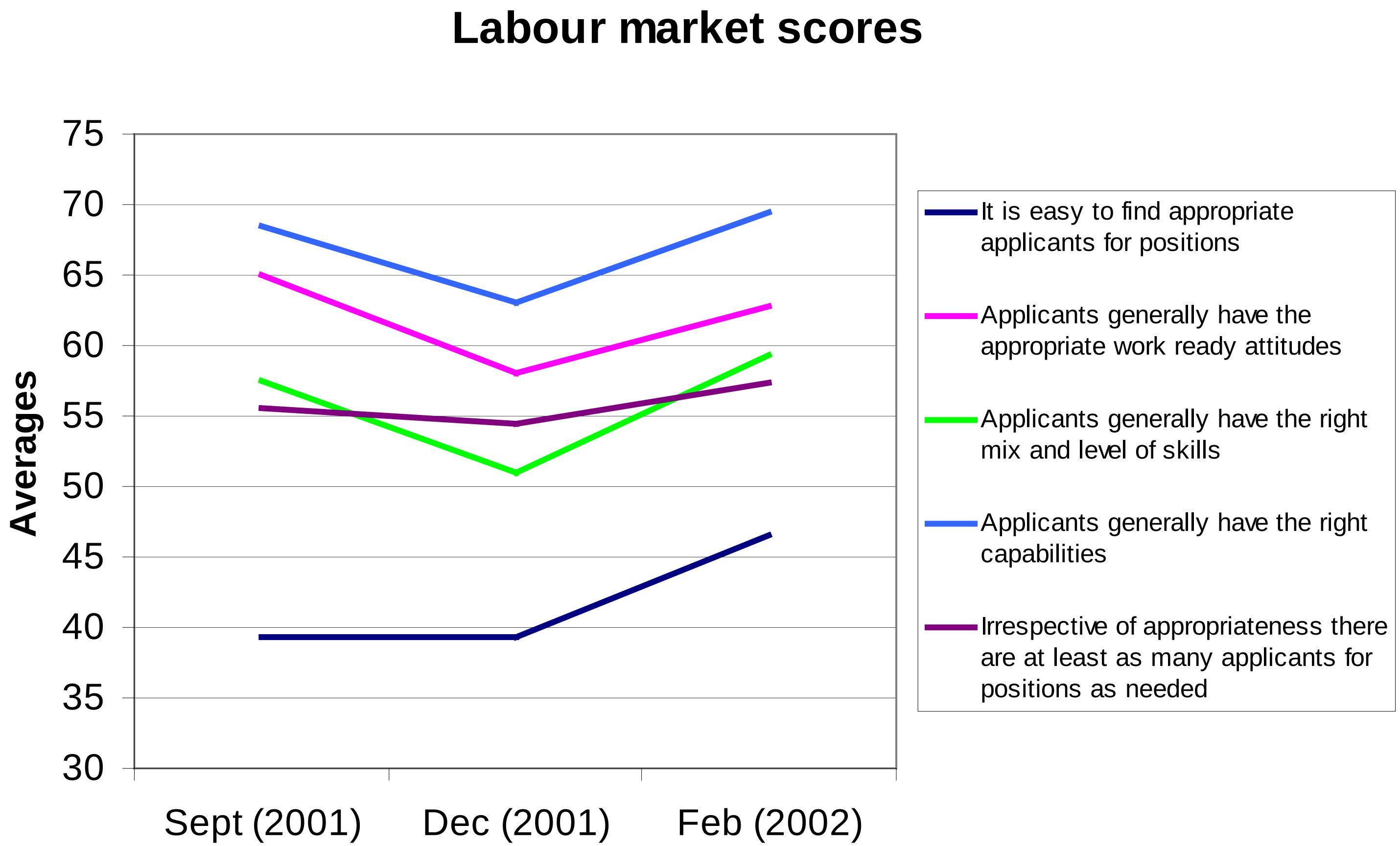
Labour market scores are the highest they have been since beginning the survey



Scale:
0=strongly disagree
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100=strongly agree

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RCSA member staff turnover remains very high and staff levels shrank for the third survey in a row

There is extreme variability in the rate of staff turnover. RCSA members have similar levels of turnover as last quarter and are replacing fewer exiting staff

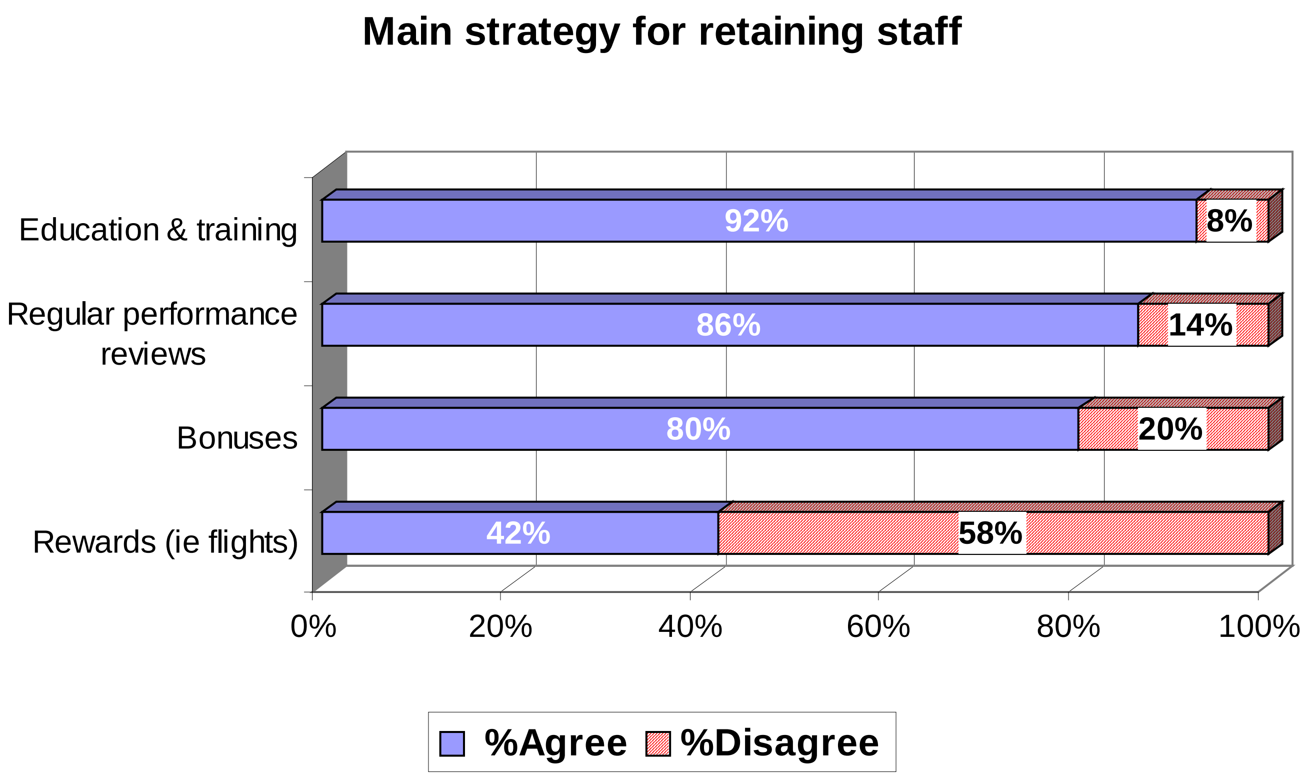
February 2002

	Mean	Minimum	Maximum
Equivalent full time internal positions in your business (include yourself)	19.20	1	500
Internal employees who left your business in the last six	1.90	0	15
Staff turnover 6 months - %	23.50	0	150
Internal employees who joined your business in the last six months	1.40	0	10
Staff growth 6 months - %	-4.40	-150	100

December 2001

	Mean	Minimum	Maximum
Equivalent full time internal positions in your business (include yourself)	16.1	1	220
Internal employees who left your business in the last six months	2.7	0	25
Staff turnover 6 months - %	24.6%	0.0%	200.0%
Internal employees who joined your business in the last six months	1.9	0	10
Staff growth 6 months - %	-7.3%	-150.0%	66.7%

Education and training is the preferred strategy for retaining staff



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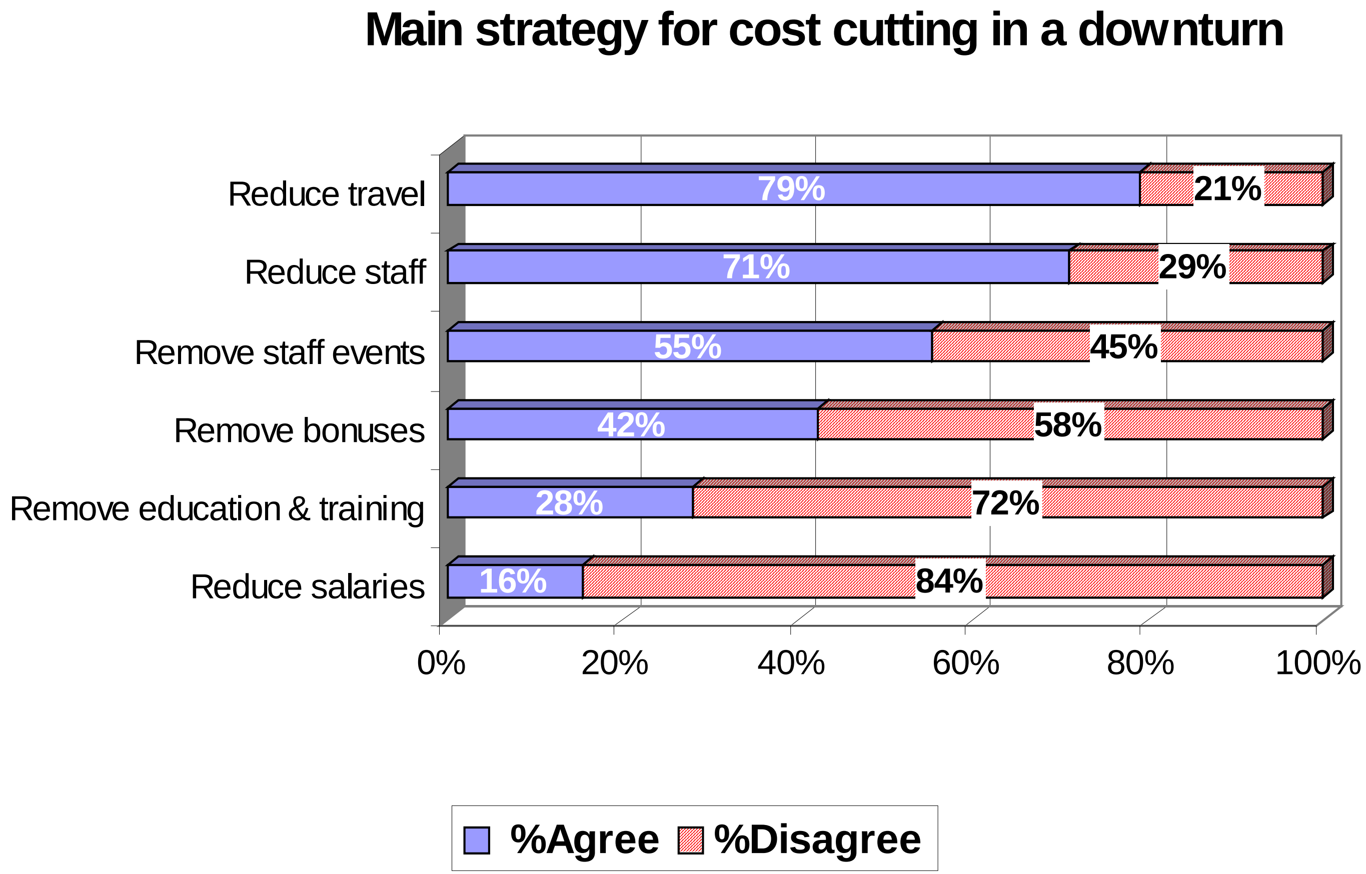
The main strategy for cost cutting in a downturn is to reduce travel followed by reducing staff



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Industry sectors the greatest number of people placed in the last month are in Trades & Services followed by Hospitality and Travel

	Mean	Minimum	Maximum
Total number Placed	92.80	0	2600
Trade & services – total placed	32.50	0	1089
Hosp & Travel – total placed	17.00	0	2600
Health & medical – total placed	11.40	0	1200
General Management – total placed	9.60	0	420
Marketing & advert – total placed	6.60	0	384
Logistics & supply – total placed	6.20	0	205
Logistics & supply – total placed	4.50	0	126
Bldg & Engineering – total placed	1.80	0	85
Banking & Finance – total placed	1.20	0	25
IT & Telecoms – total placed	1.00	0	60
Legal – total placed	0.40	0	12
Education – total placed	0.40	0	21
Scientific – total placed	0.30	0	10

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Note: variability between surveys may arise because of a few members placing large numbers – this is a problem of small data sets

The top 30 occupations are:

Process workers again achieve the top position while labourers have fallen from second to 5^{th} position. Nurses have risen from 6^{th} to 2^{nd} while chefs and kitchen hands appear in the top 30 for the first time

	Mean	Minimum	Maximum
Trade & services - Process workers	19.80	0	1000
Health & medical - Nurses – for local employment	9.90	0	1200
Hospitality & Travel - Chefs	5.80	0	900
Hospitality & Travel - Kitchen hands	5.70	0	900
Trade & services - Labourers	4.70	0	180
Logistics & supply - Stores people	4.70	0	205
Hospitality & Travel - Waiters/waitresses	3.80	0	600
General management – Secretary/PAs	3.30	0	253
Marketing & advertising - Call centre staff	3.00	0	170
Other 1_number	2.90	0	90
General management – Clerks	2.90	0	100
Trade & services - Other manufacturing workers	2.50	0	121
General management – Receptionists	2.40	0	67
Marketing & advertising - Data entry staff	2.10	0	200
Trade & services - Metal trades	1.60	0	73
Other 2_number	1.40	0	100
Logistics & supply - Driver	1.30	0	35
Hospitality & Travel - Bar attendants	1.30	0	200
Marketing & advertising - Telemarketers	1.20	0	60
Health & medical - Nurses – for export	1.00	0	150
Trade & services - Wine industry workers	0.90	0	70
Trade & services - Trades assistants	0.90	0	50
Building & Engineering - Drafts people	0.80	0	39
General management – Senior management	0.60	0	18
Banking & Finance - Bookkeepers	0.50	0	20
Trade & services - Postal workers	0.40	0	28
Trade & services - Electricians	0.40	0	13
Building & Engineering - Civil/structural engineers	0.40	0	33
Health & medical - Doctors	0.30	0	50
Trade & services - Sales consultants	0.30	0	10

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Staff placed and on-hired workers

February 2002

	Mean	Minimum	Maximum
Number of staff placed on client payrolls by your business	65.40	0	6,000
Total number of on-hired workers you manage	168.10	0	5,824
Number of hours billed for on-hired workers by your business	22,153.10	0	2,000,000

December 2001

Number of staff placed on client payrolls by your business - last month	90	0	4,500
Total number of on-hired workers you manage - last month	328	0	7,000
Number of hours billed for on-hired workers by your business - last month	14,724	0	475,000

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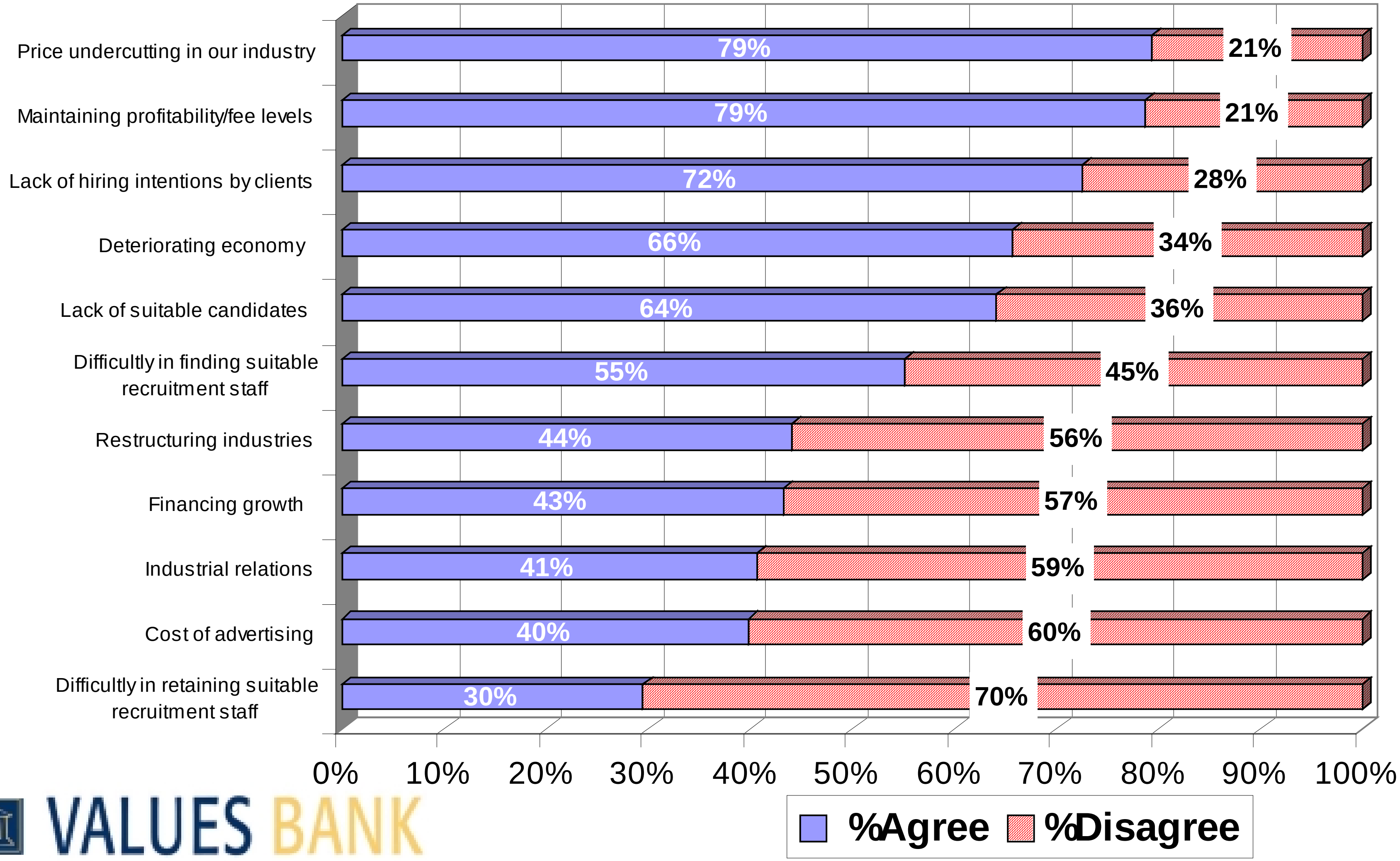
Note: variability may arise because of a few large numbers – this is a problem of small data sets

Concerns for the present and near future (all respondents)

Concerns about lack of hiring intentions by clients has dropped 15% to third place and the deteriorating economy has dropped by 18% from 2nd place. Concerns about price undercutting and maintaining profitability levels remain at the same level.



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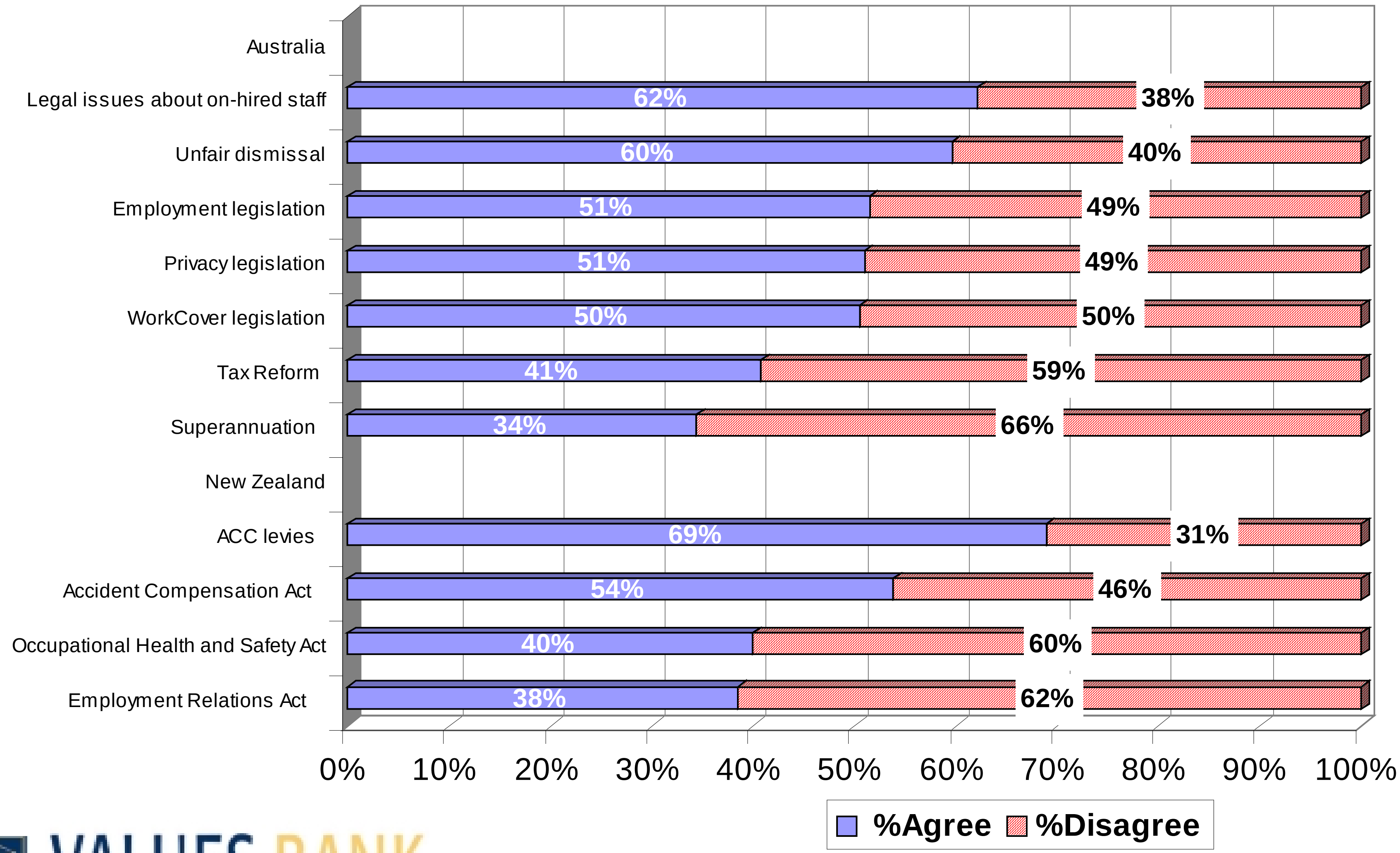
Concerns for the present and near future (National issues)



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New Zealand members

Note: these data should be used with caution as there were only 32 NZ respondents

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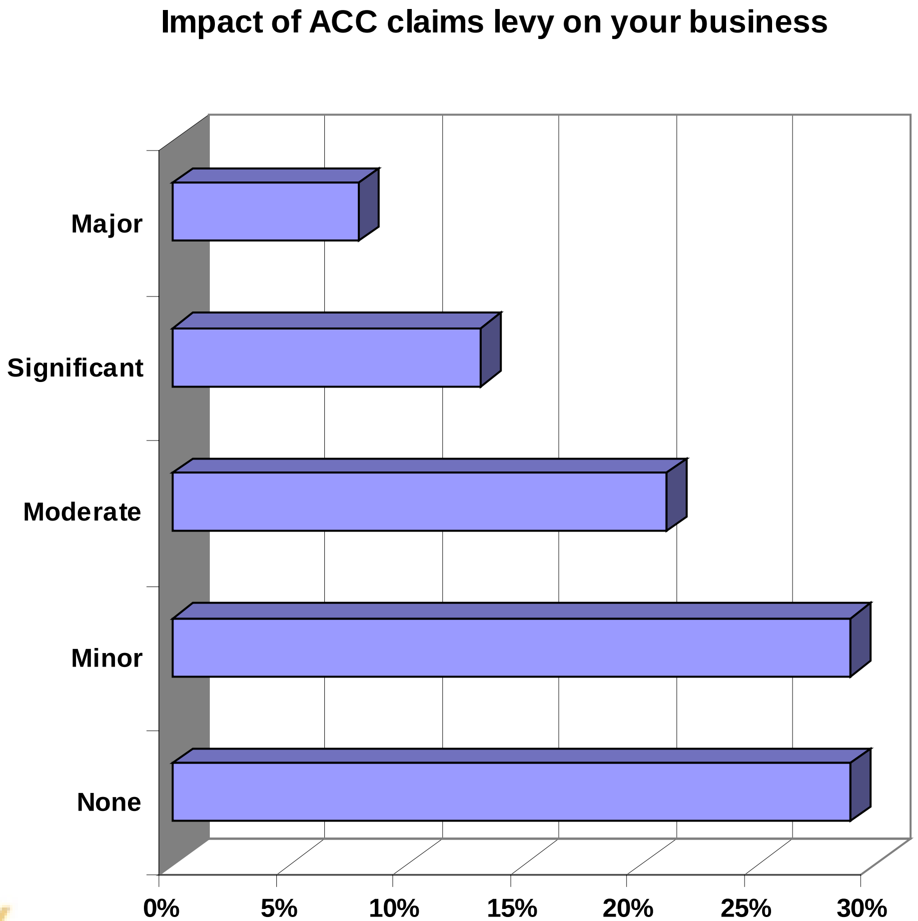
More than half the respondents (58%) believe the ACC claims levy has minor or no influence on their business



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