

RCSA Web Survey

Round 9 - Sept 2003

Executive Summary

Summary

- Members are expecting better economic conditions and faster growth, but this is not without problems as they anticipate significant skills shortages – ie the labour market is unlikely to keep up with economic growth

Findings

- Business confidence has risen 5% and members predict an 6% growth in revenue in the next quarter
- In addition, members are:
 - Experiencing an increase in their own staff levels since the last survey. Staff turnover remains as high
 - Finding it just as hard to locate appropriate applicants and they expect this to become a much worse problem in the near future (as this has become their number one concern for the future)
- Members top concerns have changed markedly since the last survey. Concerns about the economy and lack of hiring intentions by clients have dropped from the top two positions to 5th and 6th place. The top four concerns are:
 - Lack of suitable candidates
 - Price undercutting in their industry
 - Maintaining profitability/fee levels
 - Difficulty in finding suitable recruitment staff
- In Australia the greatest concerns for the future remain:
 - Legal issues about on-hired staff
 - WorkCover Legislation, replacing unfair dismissal (down 10%)



Executive Summary cont'd

- Member revenue
 - Half (50%) of revenue is generated by on-hire contractor and employee services, 44% by recruitment services and 6% by consulting services
- Placements
 - Permanent full-time placements account for just 12% of placements
 - Permanent part-time placements account for only 1% of placements
 - On-hired employment accounts for 53% of placements and
 - On-hired contracts account for 34% of placements
- The greatest number of placements is:
 - Health care & medical workers
 - Trade & labour related workers
 - Clerical workers
- Occupations placed by on-hire arrangements are:
 - Trade & labour related 94%
 - Hospitality travel & tourism 88%
 - Health care & medical 78%
 - IT & telecommunications 60%
 - Clerical 58%
 - Operational & technical 54%
- The occupations with substantial permanent full-time placements are:
 - Managers & executives 73%
 - Other 65%
 - Banking & finance 61%
 - Clerical 34%

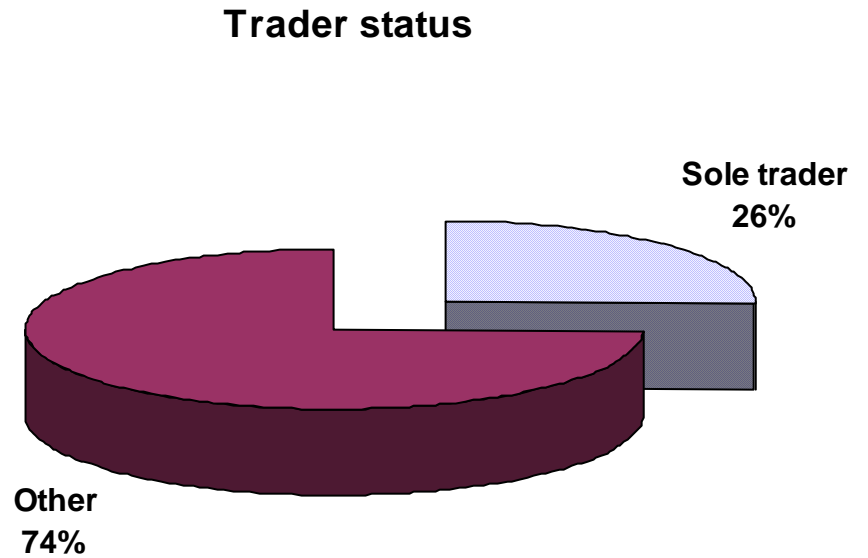
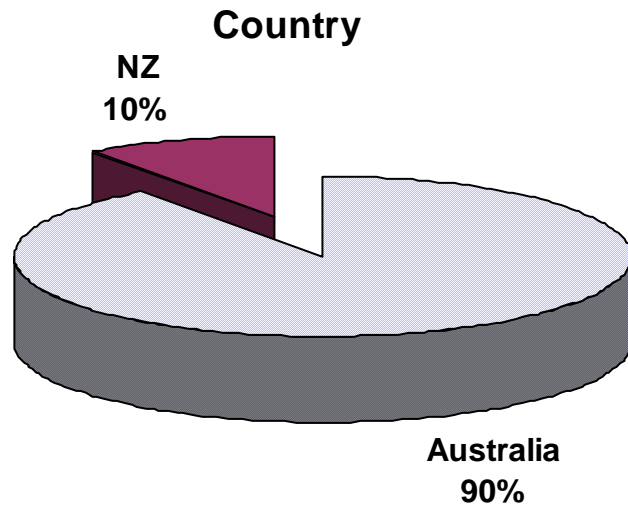


Process

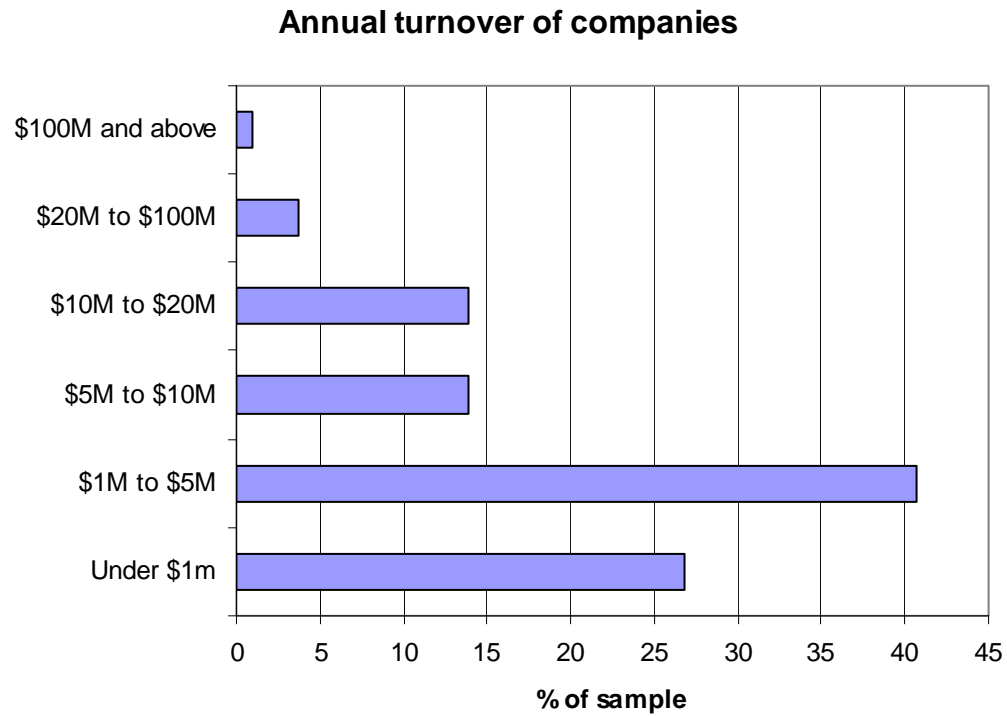
- Web survey
 - E-mail business heads in both NZ and Australia
 - Data collection began early September 2003



Demographics of sample

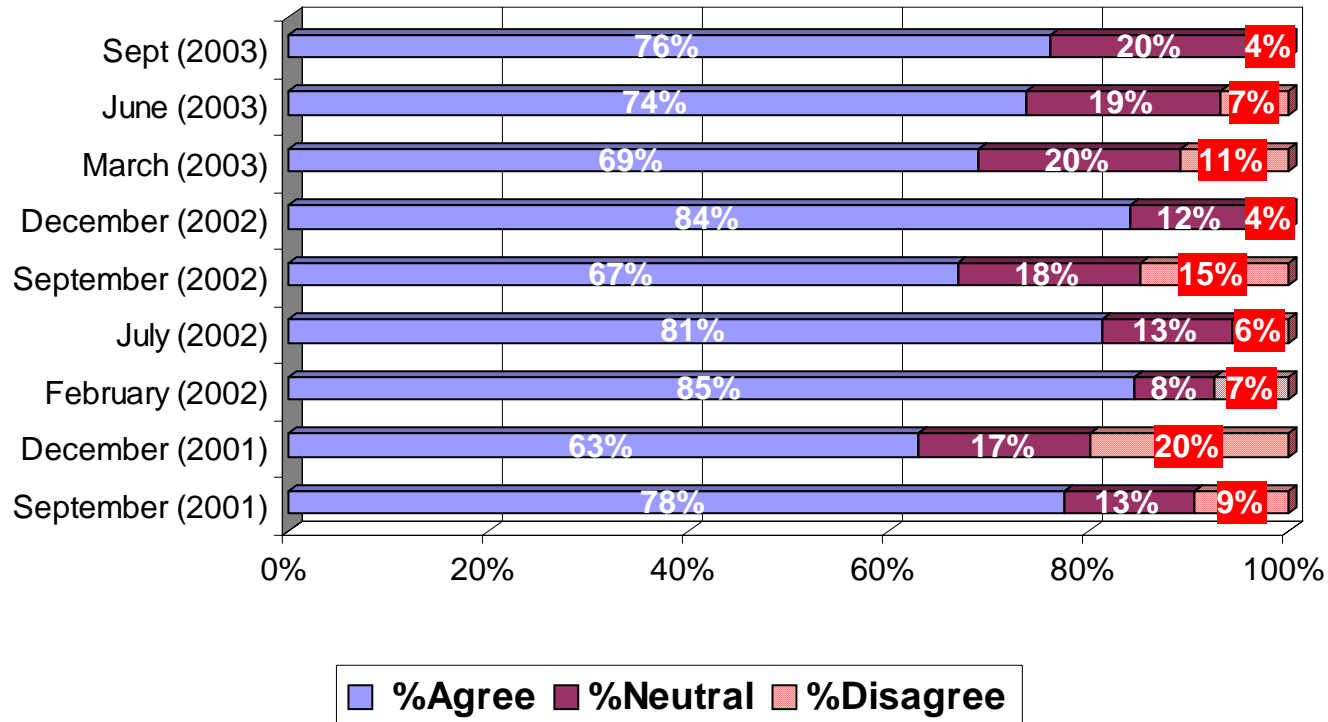


Demographics of sample



RCSA members are slightly more confident their business will improve in the next three months and expected volumes are up 11%

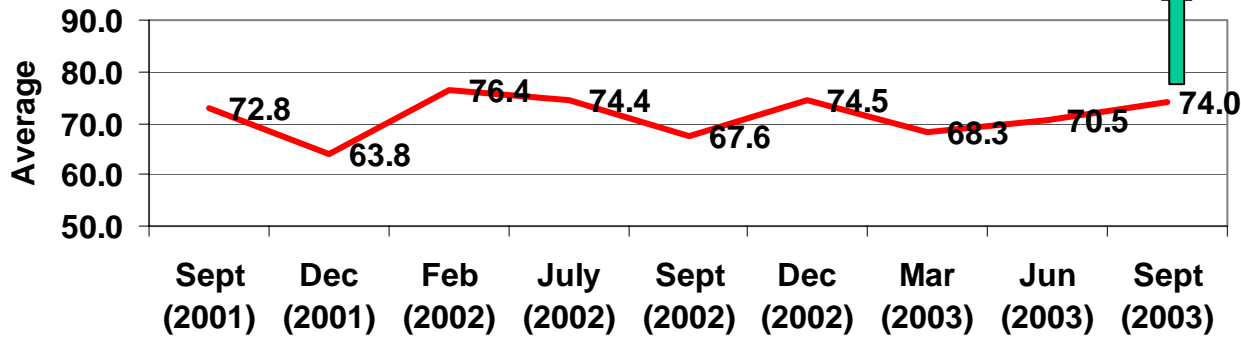
Confidence that business will improve in the next 3 months



Expected volume of business increase in the next quarter =6.0% up 0.6 from last round

Business confidence has risen slightly. The expected growth in volume has risen 11%

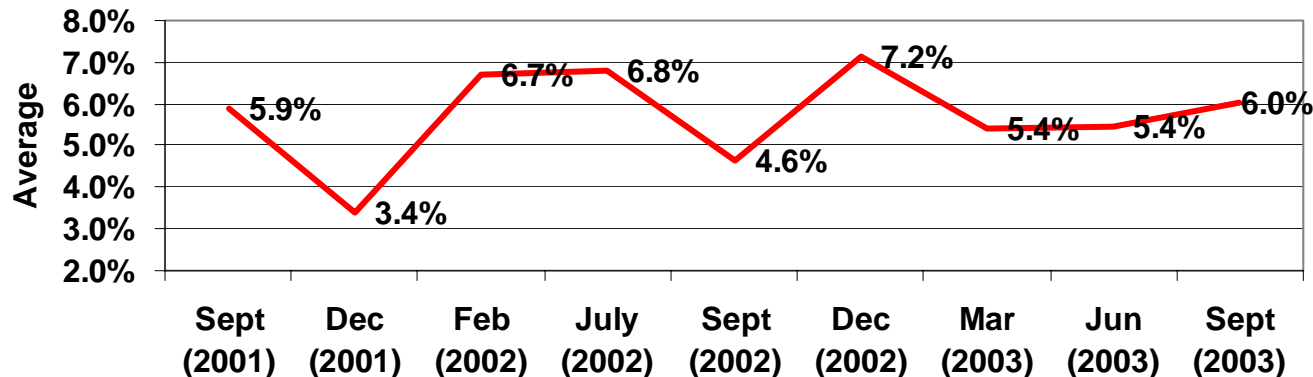
I am confident that our business will improve over the next three months



+3.5 points or +4.9%

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

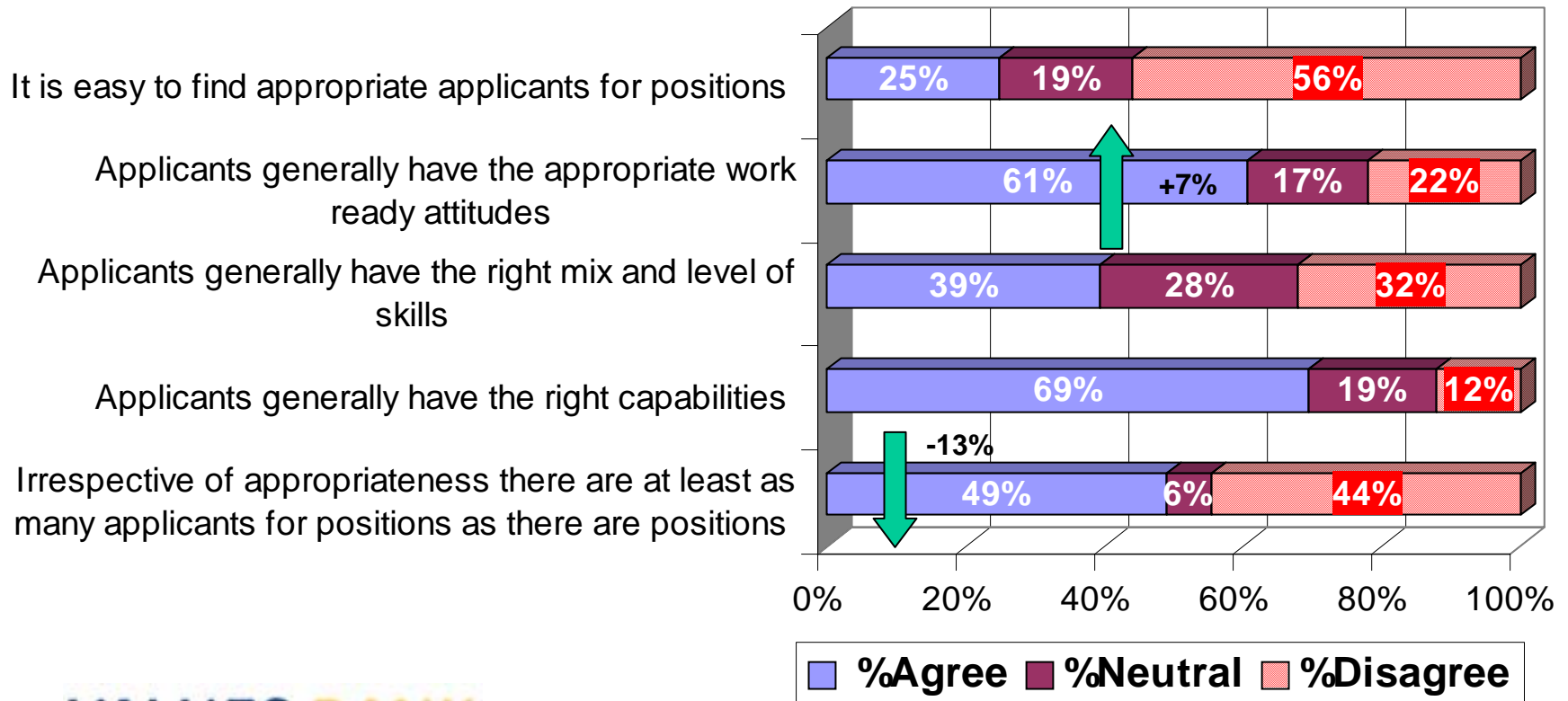
Volume (%) your business will change next quarter



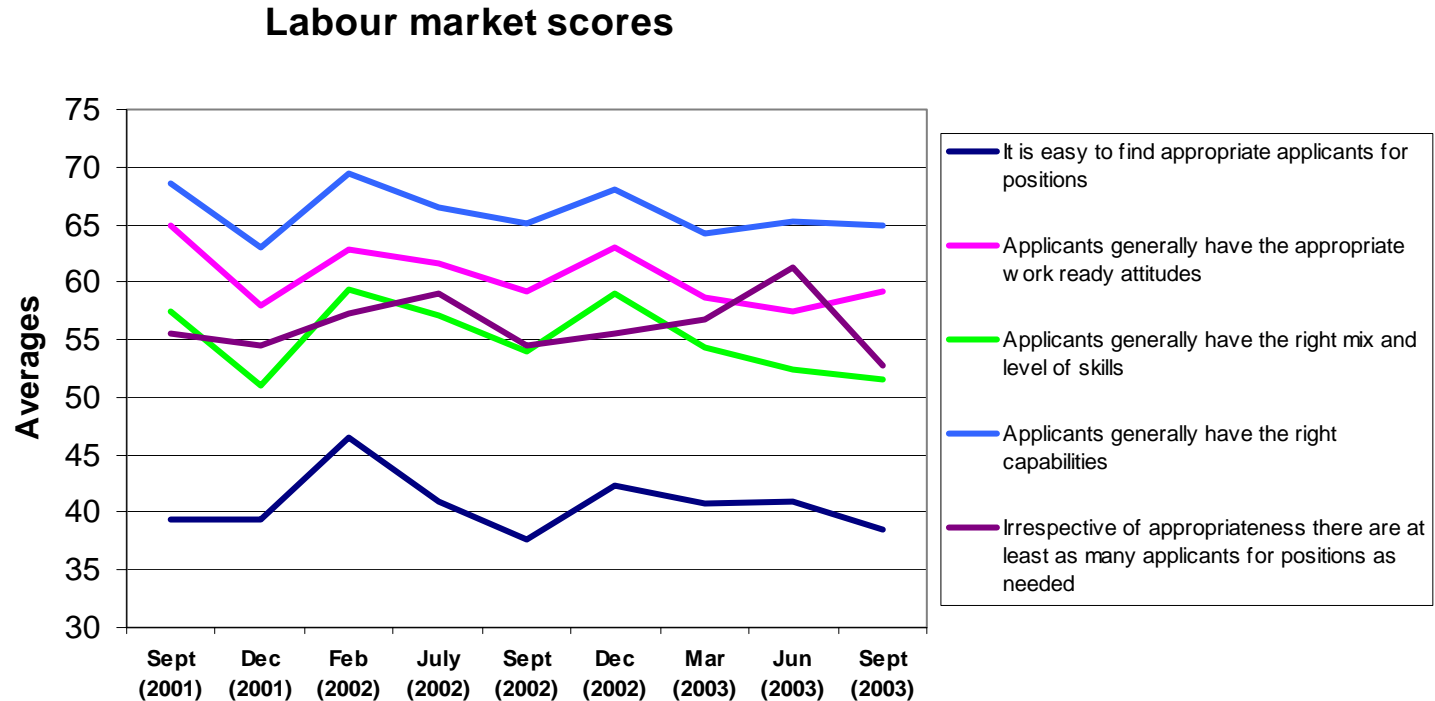
There is continuing difficulty in finding appropriate applicants, while the overall number of applicants are dropping

This is good news as less time will be spent on inappropriate candidates

Labour market



Labour market scores continue to ease



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



RCSA member staff turnover remains high.

There is extreme variability in the rate of staff turnover. RCSA members have similar levels of staff turnover compared to last quarter but are recruiting more

June 2003

	Mean	Minimum	Maximum
Equivalent full time internal positions in your business (include yourself)	20.76	1	620
Internal employees who left your business in the last six months	2.27	0	39
Staff turnover 6 months - %	15.31	0	100
Internal employees who joined your business in the last six months	2.82	0	35
Staff growth 6 months - %	4.50	-100	60

September 2003

	Mean	Minimum	Maximum
Equivalent full time internal positions in your business (include yourself)	12.92	1	213
Internal employees who left your business in the last six months	2.48	0	70
Staff turnover 6 months - %	16.94	0	100
Internal employees who joined your business in the last six months	3.33	0	70
Staff growth 6 months - %	5.74	-88	100



Staff placed and on-hired workers

September 2003

Note the structure of the question has changed

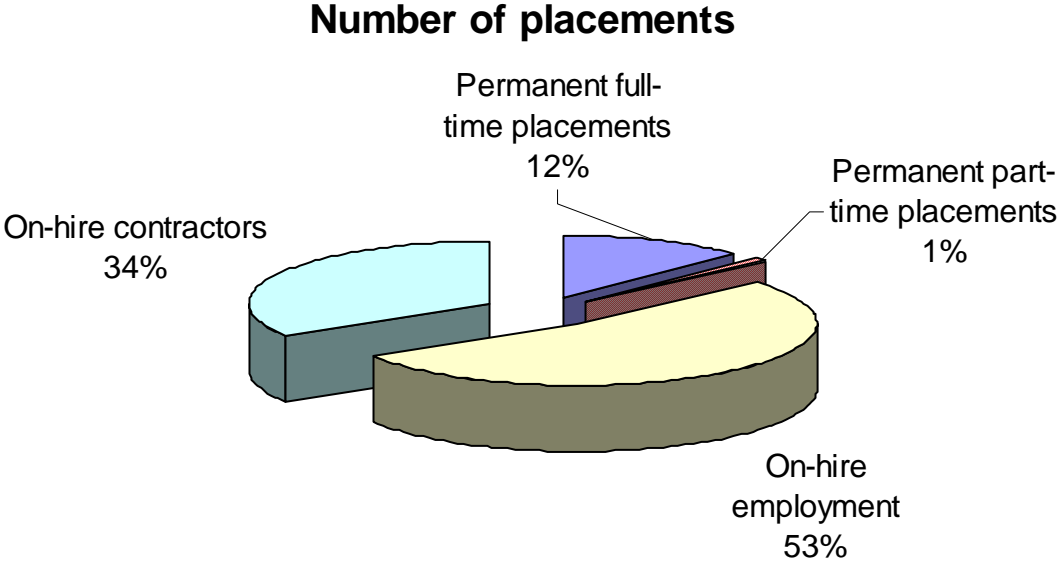
	Mean	Minimum	Maximum
Permanent full-time placements	28.01	0	717
Permanent part-time placements	2.69	0	50
On-hire employment	117.85	0	3728
On-hire contractors	76.08	0	6000

June 2003

	Mean	Minimum	Maximum
Permanent full-time placements	24.31	0	325
Permanent part-time placements	2.63	0	31
On-hire placements	339.05	0	5,400
Number of hours billed for on-hired workers	99,808.54	1	2,400,000

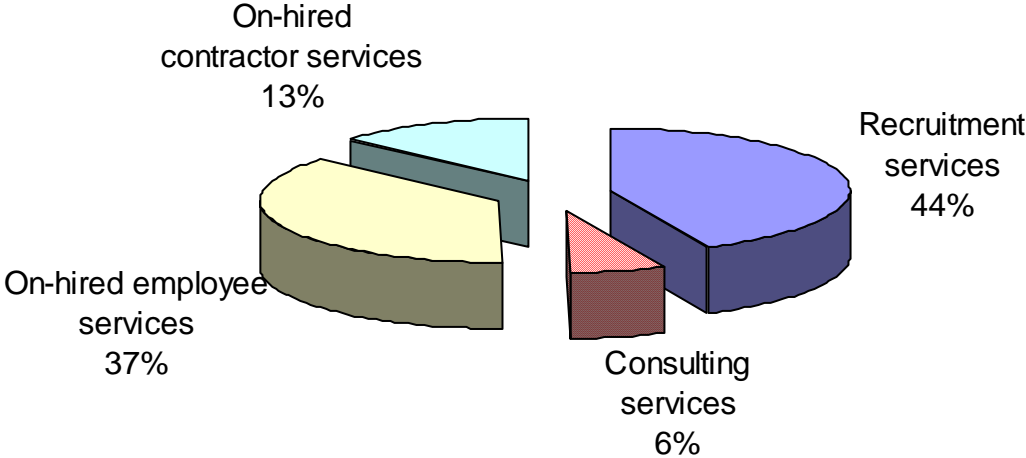


The majority of placements are on-hire

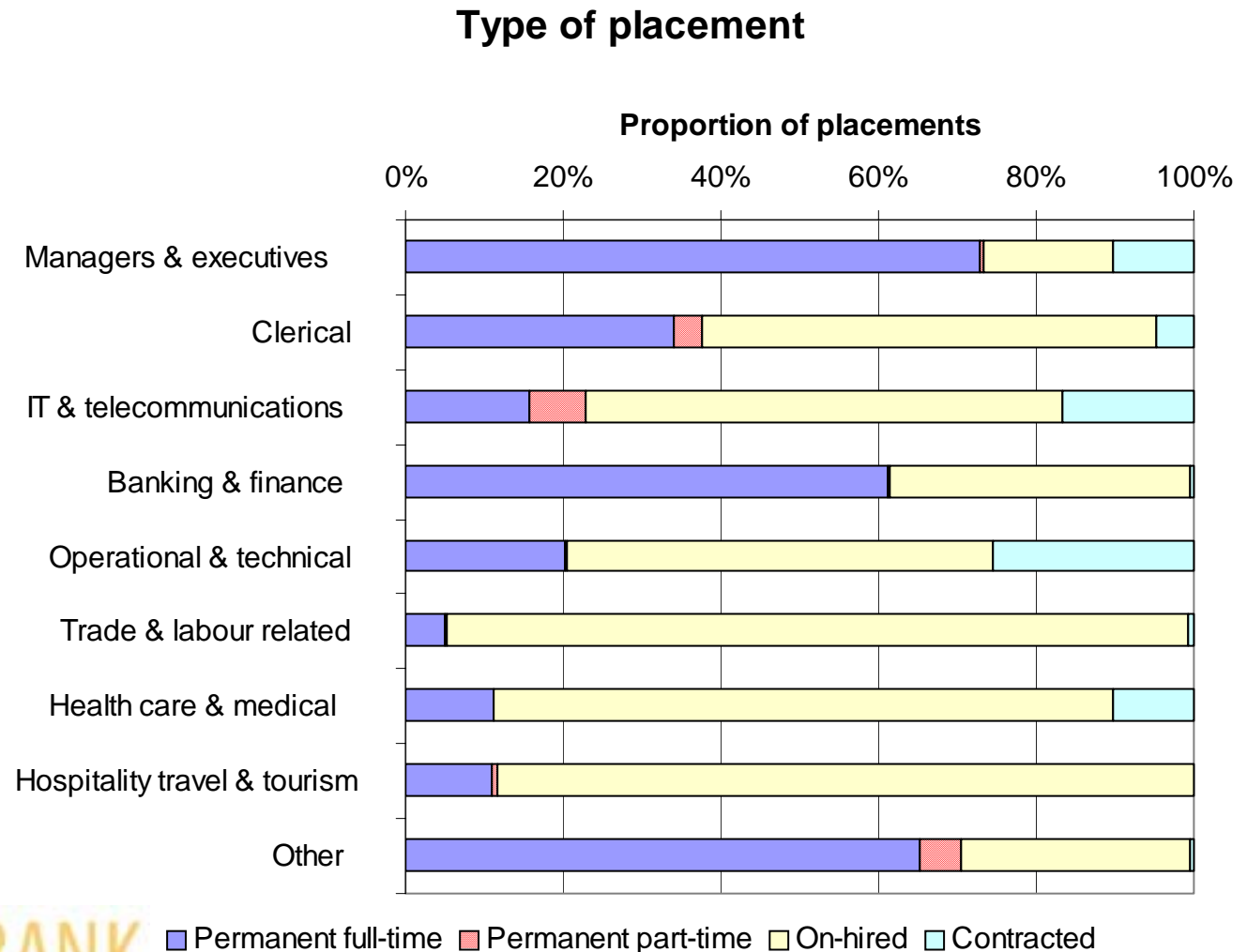


Half of revenue comes from on-hire placements

Proportion of revenue for services



On-hire placement is the dominant method for all occupational types except managers and banking and finance workers



	Permanent full-time	Permanent part-time	On-hired	Contracted
Managers & executives	73%	0%	16%	10%
Clerical	34%	3%	58%	5%
IT & telecommunications	16%	7%	60%	17%
Banking & finance	61%	0%	38%	1%
Operational & technical	20%	0%	54%	25%
Trade & labour related	5%	0%	94%	1%
Health care & medical	11%	0%	78%	10%
Hospitality travel & tourism	11%	1%	88%	0%
Other	65%	5%	29%	1%



Health care & medical placements are the most frequent with an average of 78 placed per company every three months

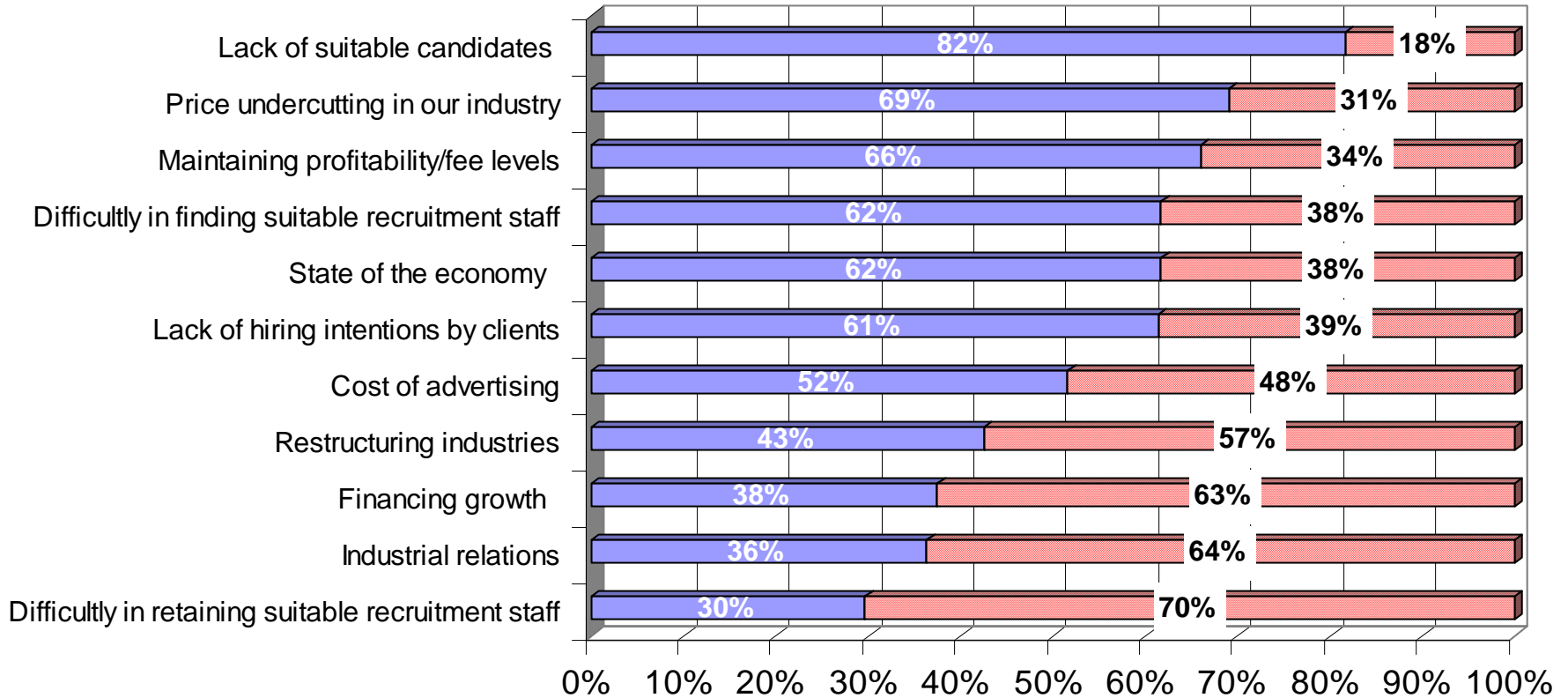
Health care & medical	78	0	6,000
Trade & labour related	35	0	852
Clerical	19	0	304
Operational & technical	11	0	300
T & telecommunications	8	0	501
Hospitality travel & tourism	6	0	667
Banking & finance	4	0	127
Managers & executives	3	0	25
Other	2	0	48



Concerns for the present and near future

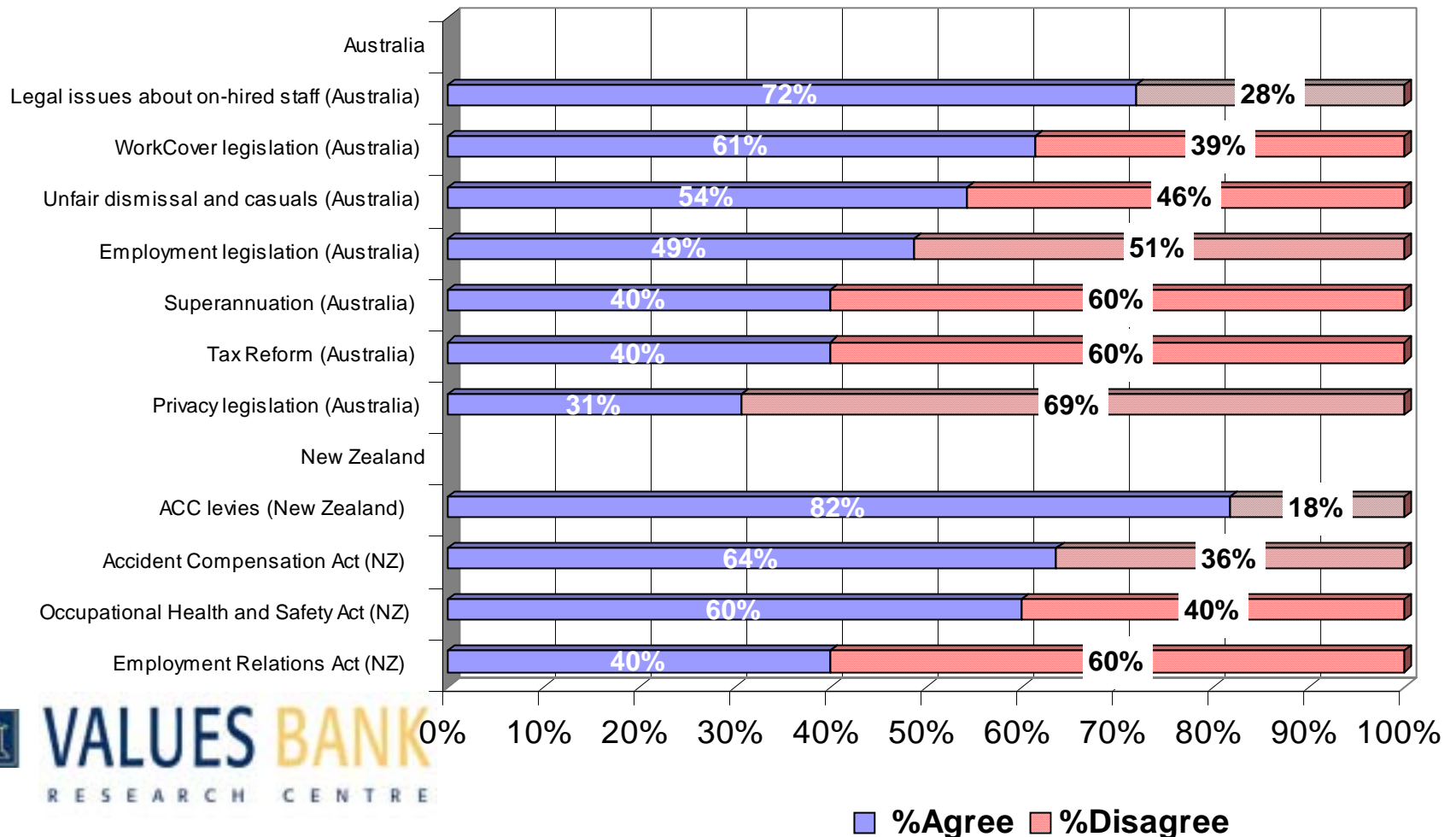
(all respondents)

Lack of suitable candidates has risen to top concern while the state of the economy and hiring intentions have both dropped 5 places. This indicates confidence in the economy. Price undercutting remains at similar levels of concern.



Concerns for the present and near future (National issues)

Concerns about all issues remains constant in Australia while ACC levies and Accident Compensation have become strong concerns in NZ.



NZ and Australia compared

NZ is likely to experience greater labour market supply problems than Australia

- NZ's economy is expected to increase faster than Australia's
- NZ members are experiencing a greater difficulty in finding the appropriate applicants for positions and
- They expect this problem to get worse in future
- This has a greater potential to slow NZ's economic growth



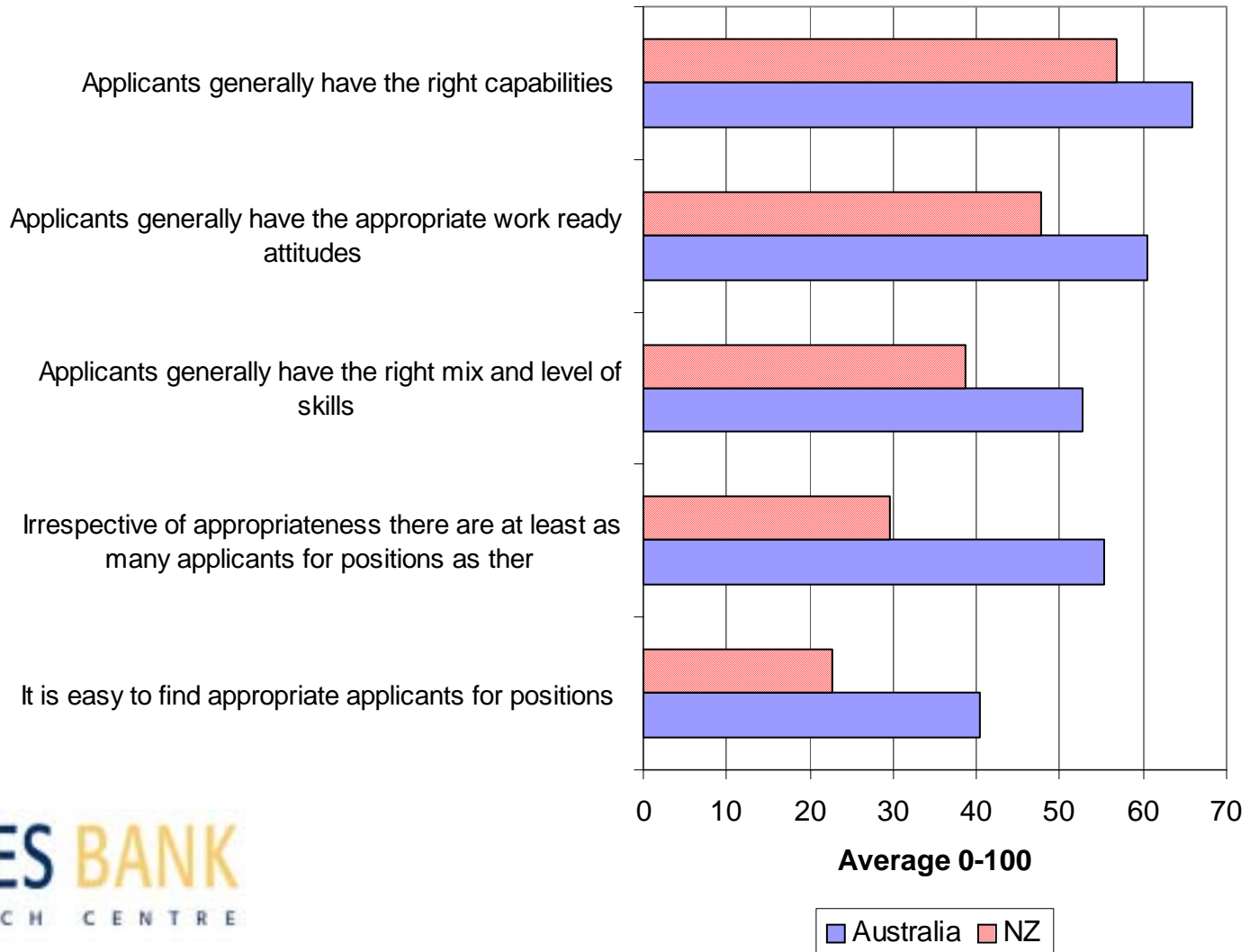
NZ members are slightly more optimistic about the amount of business increase they expect in 3 months

	Australia	NZ
I am confident that our business will improve over the next three months (score 0-100)	73.98	75.00
Increase in business next quarter (%)	5.93	7.05



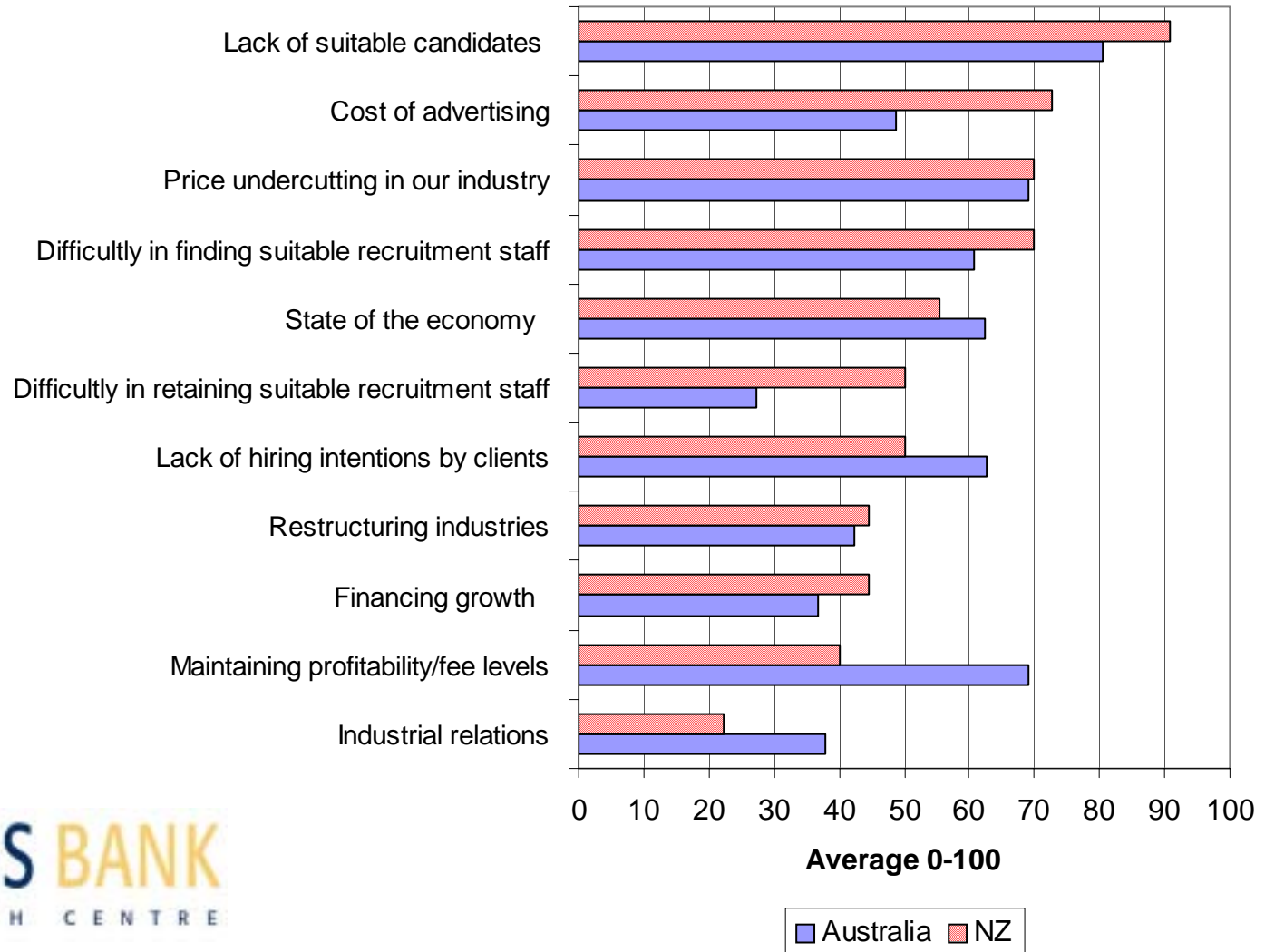
NZ members are much more concerned about the skills market than Australians – they are finding it particularly difficult to locate appropriate applicants

Present skills market



NZ members have a greater concern about the future availability of suitable candidates (91% cf 81%)

Future concerns



NZ member firms are growing at a faster rate and have lower staff turnover rates than their Australian counterparts

	Australia	NZ
Staff turnover 6 months - %	18.18	5.95
Staff growth 6 months - %	4.80	14.10



NZ and Australian members derive their revenue from similar services

Proportion of revenue

