

RCSA Web Survey

Round 19 – June 2006

Executive Summary

Summary

- Business confidence has eased 3% and expected changes in volume of business have eased 0.3%
 - SA is expecting higher growth rates than elsewhere, WA is slightly less than average and NZ is considerably lower
- Difficulties in the labour market appear to be levelling out or even easing slightly. Labour shortages remain a big problem
 - NZ is finding it slightly easier than average to find appropriate applicants while WA and SA are finding it harder
- Staff turnover continues to trend down and has reached 24% pa down from 29% and staff growth has risen to 14.4% from 9.4%
 - Companies operating in VIC are experiencing less staff turnover and higher staff growth than average
- There has been an increase in permanent full-time employment and a decrease in part-time employment and contractor placements. On-hire placements have reduced dramatically but this appears to be a result of a one-off reduction in a single large scale placement program
- However the average proportion of revenue for on-hired, recruitment and contractor services all remain stable
 - WA gets a larger proportion of revenue from on-hired employees
 - NSW gets a larger proportion of revenue from contractor services
 - QLD, SA and WA get proportionally less revenue from recruitment services while NZ gets more



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Note: If locational differences are not mentioned, the differences are insufficient for comment

Executive Summary

Summary

- Lack of suitable candidates remains the top concern but has decreased 6%. The other concerns are all of a similar magnitude though it is 11% harder to finance growth. Industrial relations is only 4% more of a concern than last round
 - NZ is the least worried about the economy but lacks suitable candidates, has high cost of advertising. Least problems funding growth and industrial relations problems
 - NSW and VIC are close to average on all issues but NSW is less worried about WorkCover and employment legislation and VIC is more worried about employment legislation
 - QLD is least concerned about financing growth, maintaining profitability, price undercutting, restructuring industries and OH&S but more worried about industrial relations, employment legislation and immigration
 - SA lacks suitable candidates and is worried about price undercutting, workcover legislation and immigration and less worried about hiring intentions of clients, and legal issues about on-hired staff
 - WA is least worried about a range of issues including hiring intentions of clients, finding suitable candidates and staff, price undercutting



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Note: If locational differences are not mentioned, the differences are insufficient for comment

Executive Summary - Skills

- The biggest skills shortages remain in engineering professionals and associates with other business professionals in increasingly short supply. Trades remain in short supply.
- The top 10 skills shortages being:
 - Non-building professional engineers
 - Non-building engineering associates and technicians
 - Electrical trades (building)
 - Business professionals
 - Non-building electrical/electronic trades
 - Building professionals
 - Building associates and technicians
 - Carpenters and joiners
 - Metal trades
 - Plumbers



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R E S E A R C H C E N T R E

Executive Summary – Standards

- Slightly less than half of RCSA Members comply with or are accredited in standards
- A third of companies comply with RCSA Customer Service Standard as the most used standard. The next most popular standard is ISO9001/2000 with 17%
- Slightly more than half of respondents use the RCSA templates
 - The most cited reasons for not using the RCSA templates are:
 - Having their own
 - Not knowing about the standards
 - The most cited reason for using the RCSA templates are:
 - High standard, professional, legally based, industry standard
 - Ease of use



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R E S E A R C H C E N T R E

Process

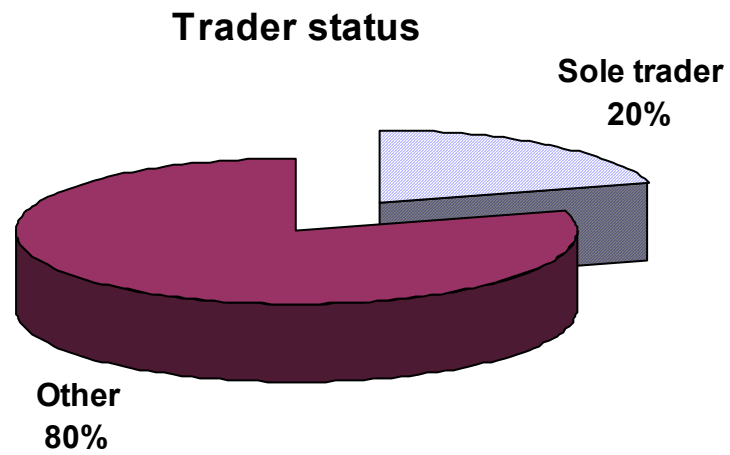
- Web survey
 - E-mail business heads in both NZ and Australia
 - Data collection began early May 2006 and completed 16 June 2006



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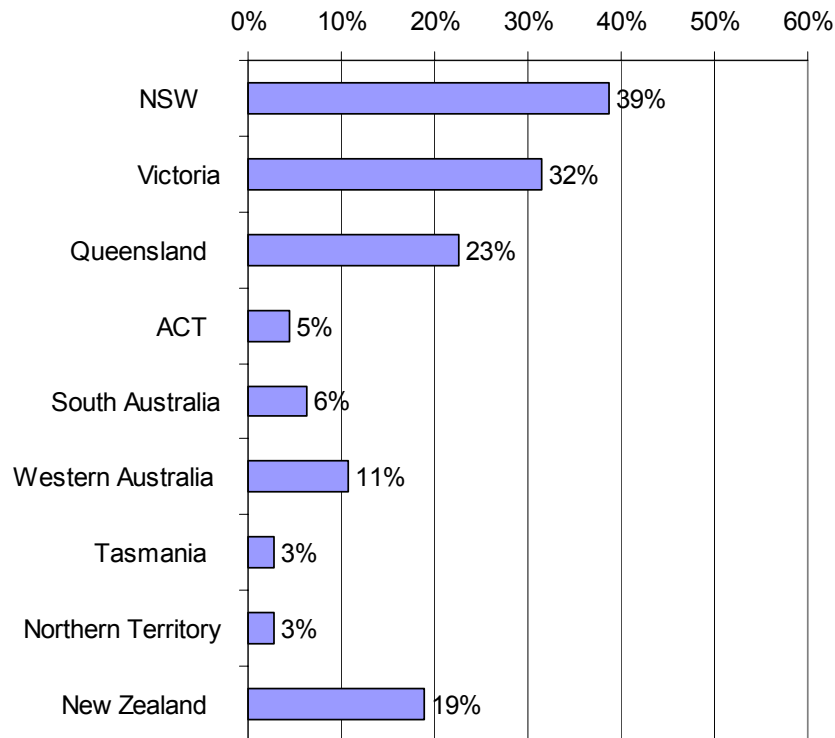
Demographics of sample



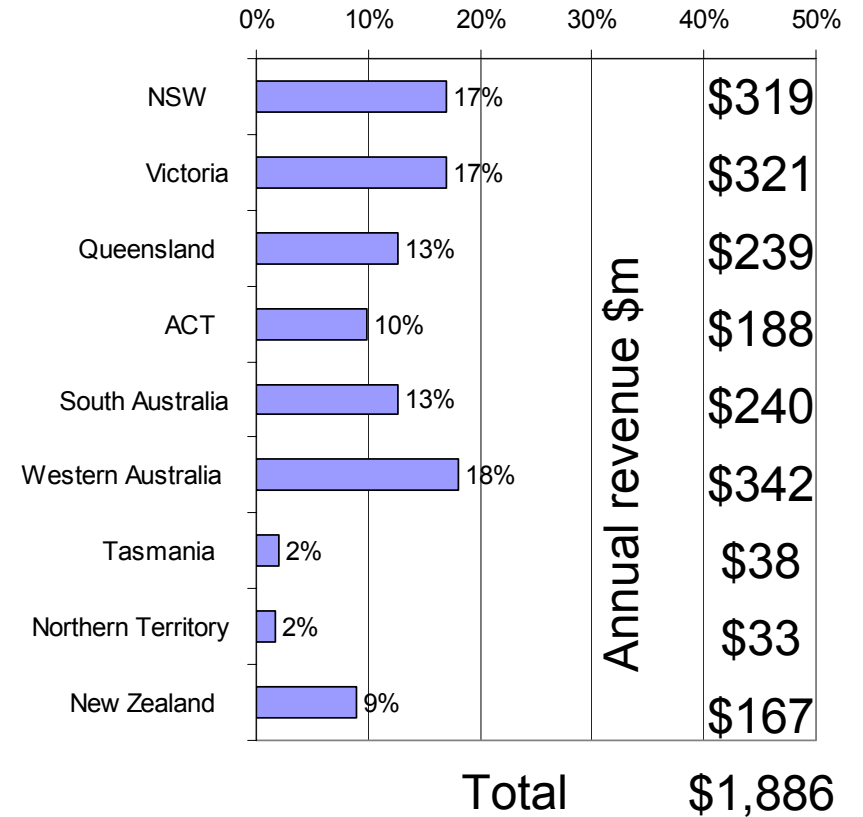
Demographics of sample

Location company operates in

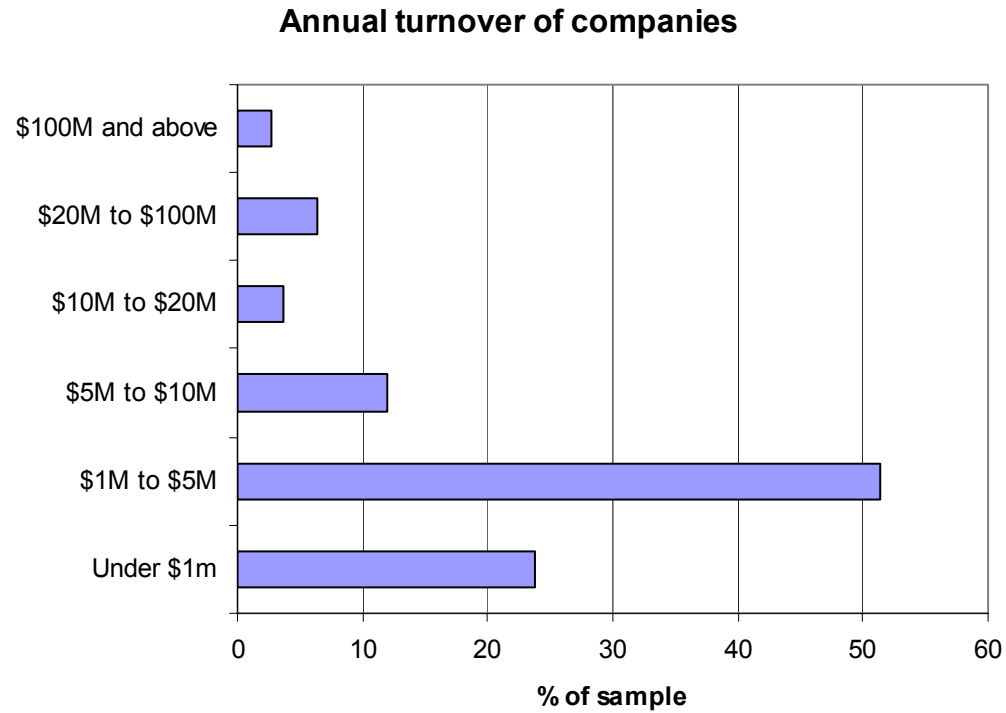
(note multiple locations allowed sums to more than 100%)



Proportion of revenue generated by location

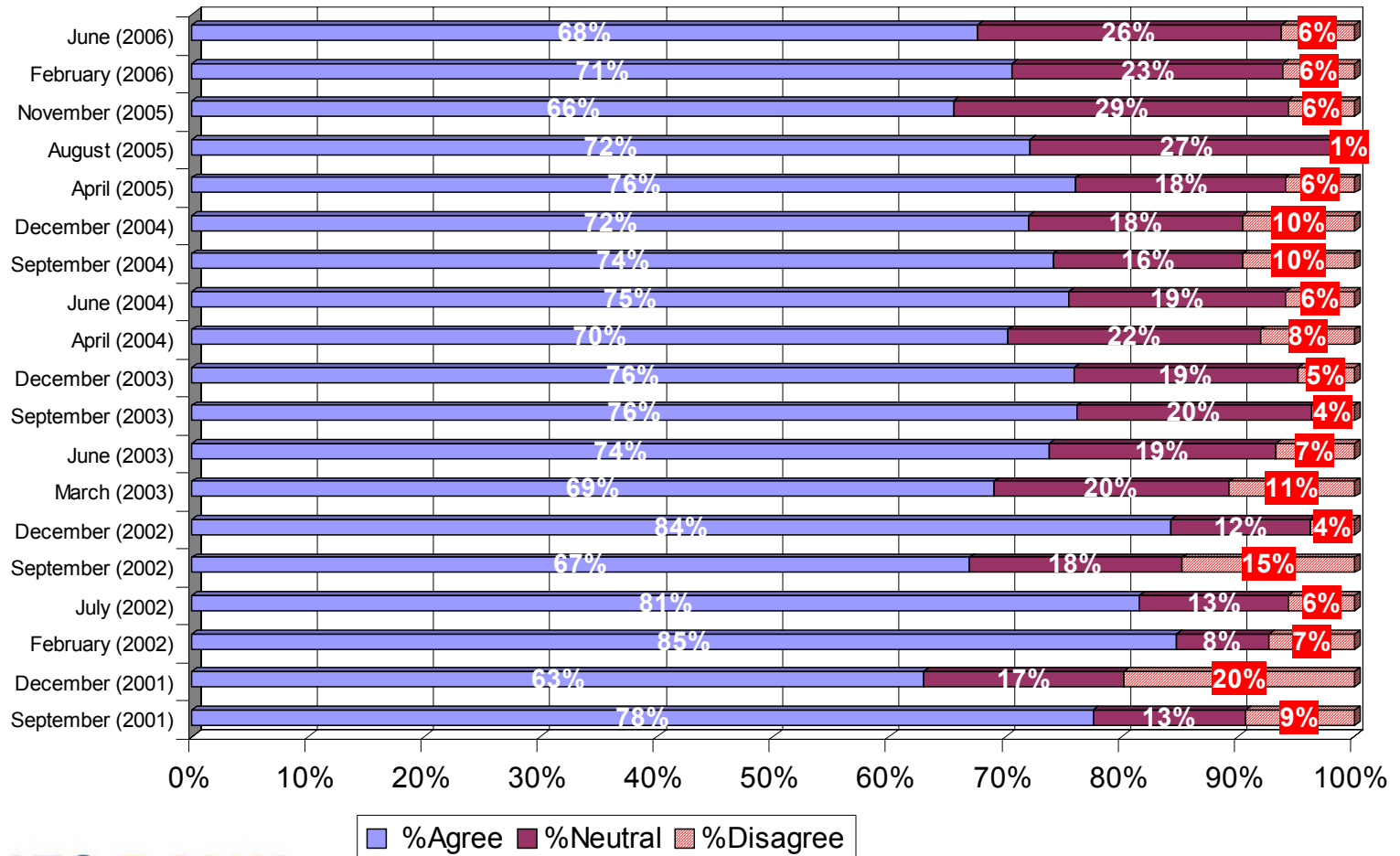


Demographics of sample



RCSA Members confidence about business improvements in the next three months has risen back to mid range

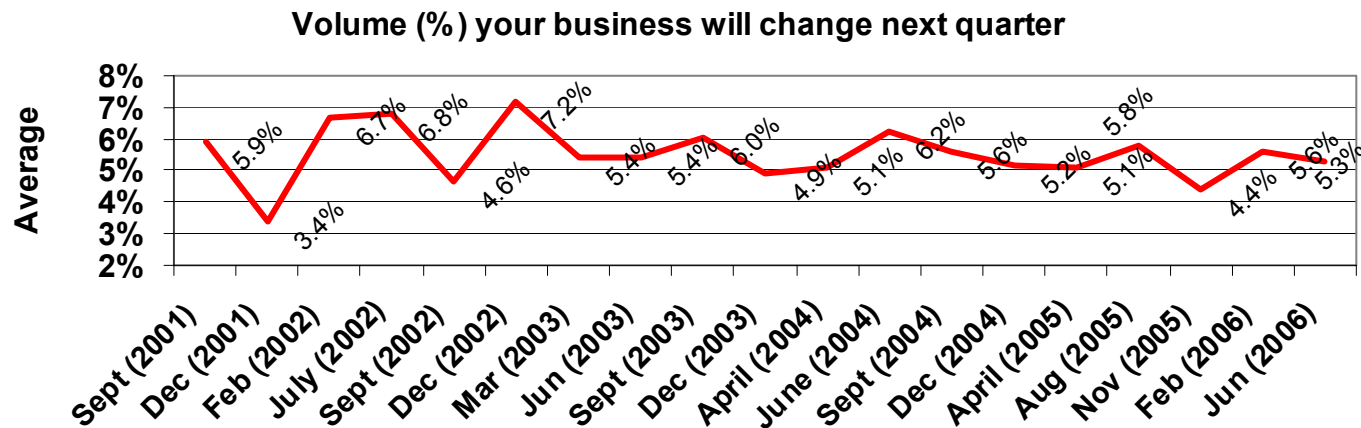
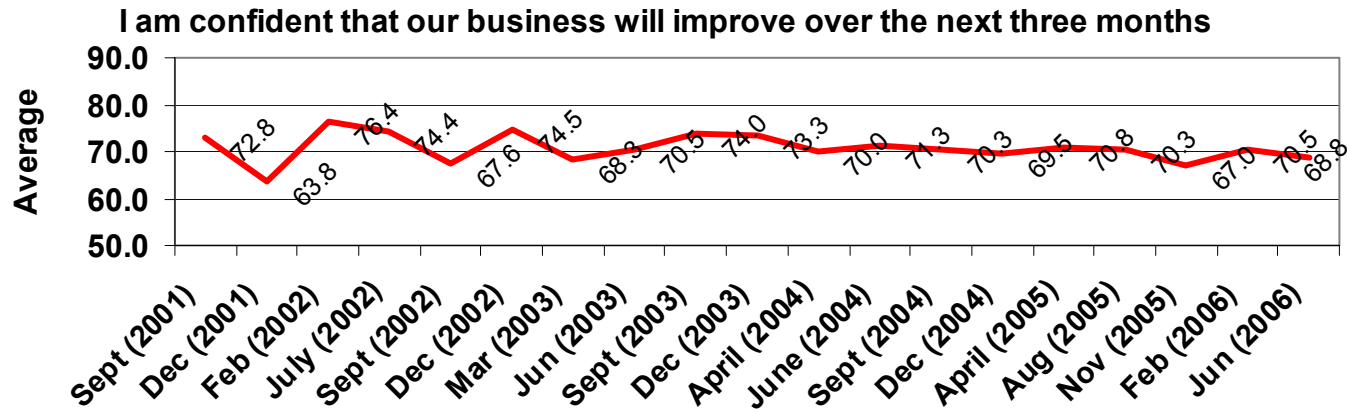
Confidence that business will improve in the next 3 months



Differences

SA is approximately 10% more confident than others, while WA and NZ are approx 10% less confident

Business confidence has eased 3% and expected changes in volume of business have eased 0.3%



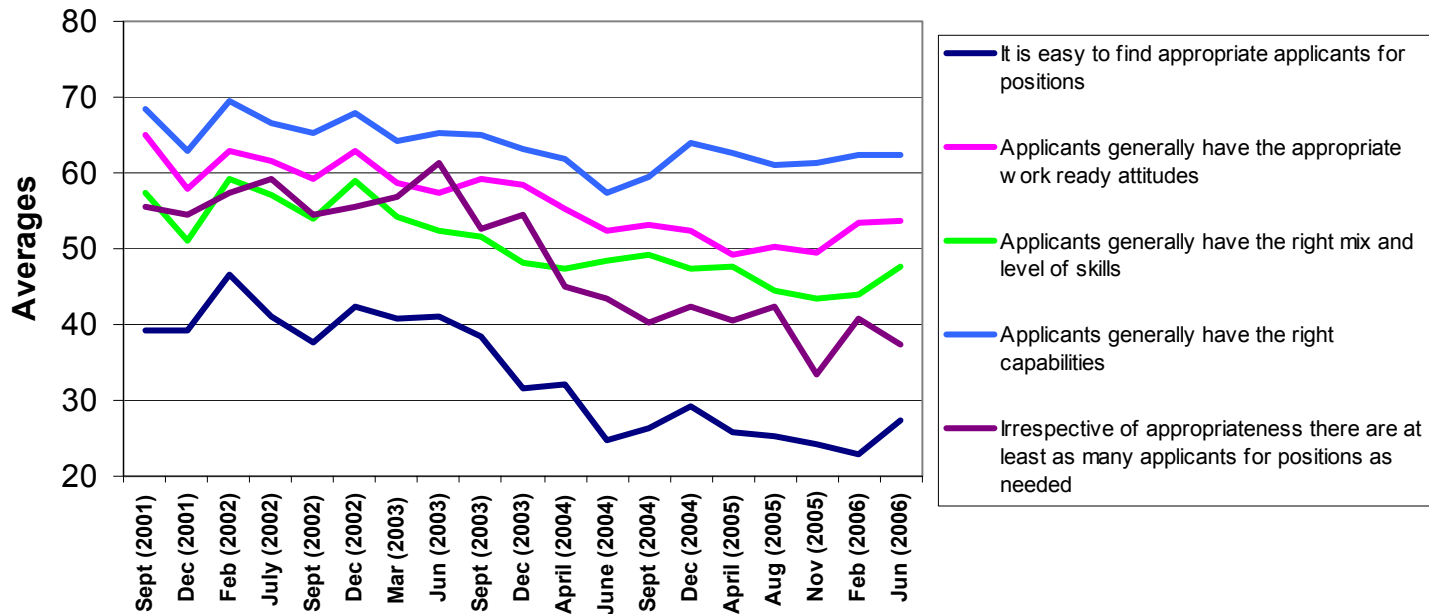
Scale:
 0=strongly disagree
 50=neutral
 100=strongly agree

Differences

SA is expecting higher growth rates than elsewhere, WA is slightly less than average and NZ is considerably lower

Difficulties in the labour market appear to be levelling out or even easing slightly. Labour shortages remain a big problem

Labour market scores

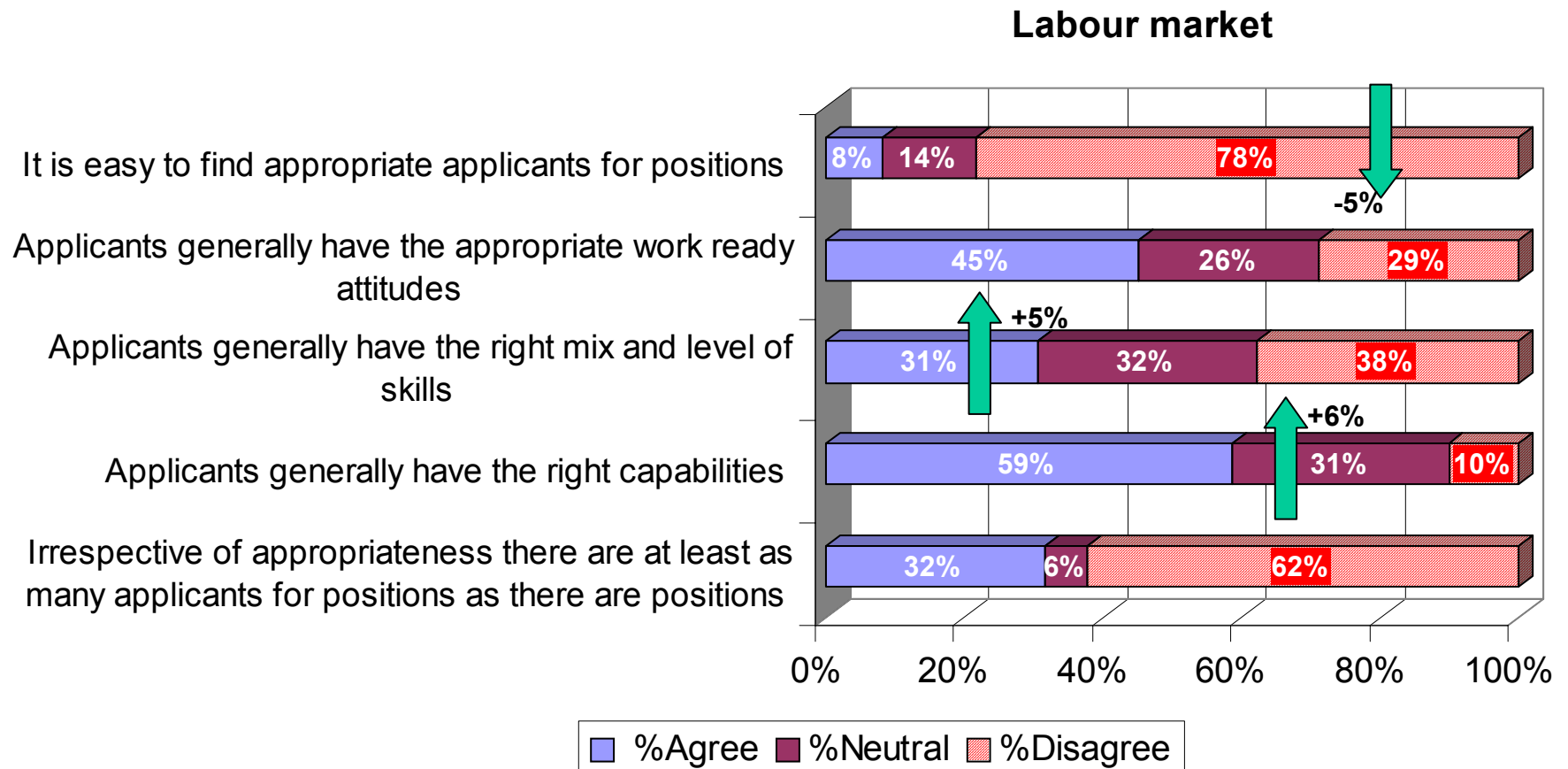


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Differences

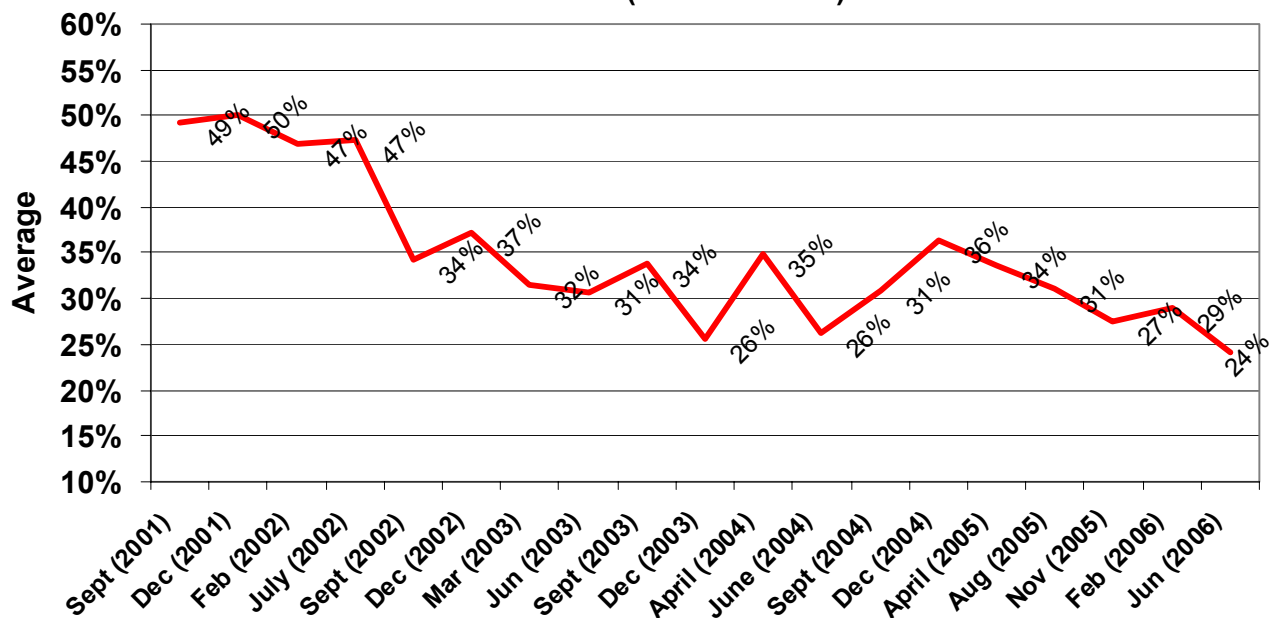
•NZ is finding it slightly easier than average to find appropriate applicants while WA and SA are finding it harder

Labour market scores have moved very little indicating that the decline in conditions has reached a plateau



Staff turnover continues to trend down and has reached 24% pa down from 29% and staff growth has risen to 14.4% from 9.4%

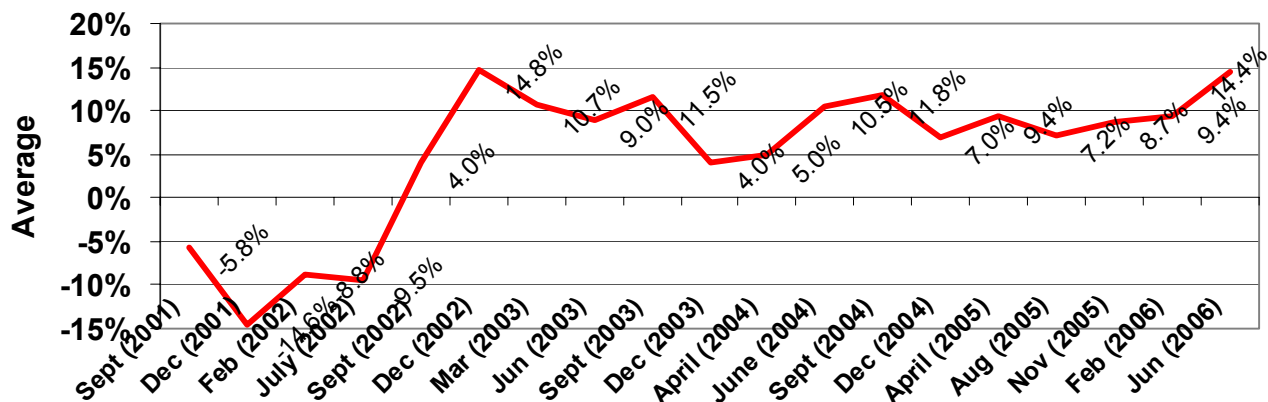
Staff turnover (% annualised)



Differences

- Companies operating in VIC are experiencing less staff turnover and higher staff growth than average

Staff growth (% annualised)



Staff placed and on-hired workers

There has been an increase in permanent full-time employment and a decrease in part-time employment and contractor placements. On-hire placements have reduced dramatically but this appears to be a result of a one-off reduction in a single large scale placement program

February 2006

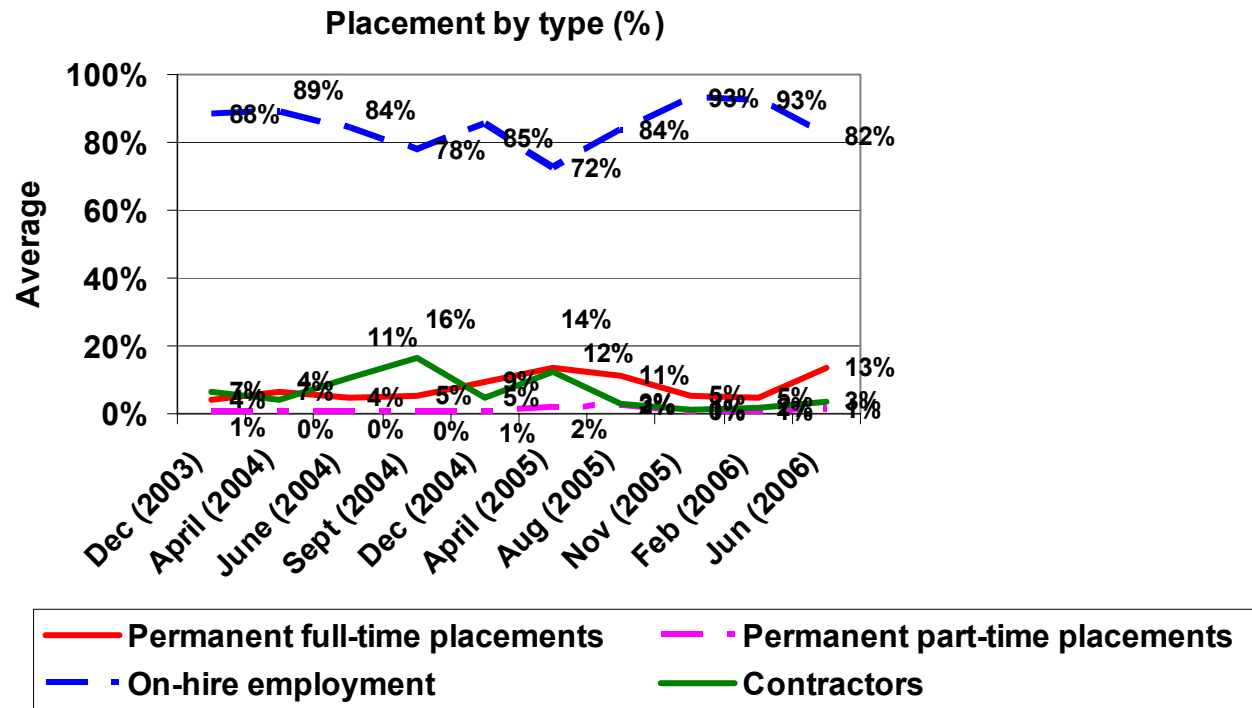
	Mean	Minimum	Maximum
Permanent full-time placements	23.90	0	211
Permanent part-time placements	3.01	0	50
On-hire employment	456.69	0	42,000
Contractors	9.56	0	300

June 2005

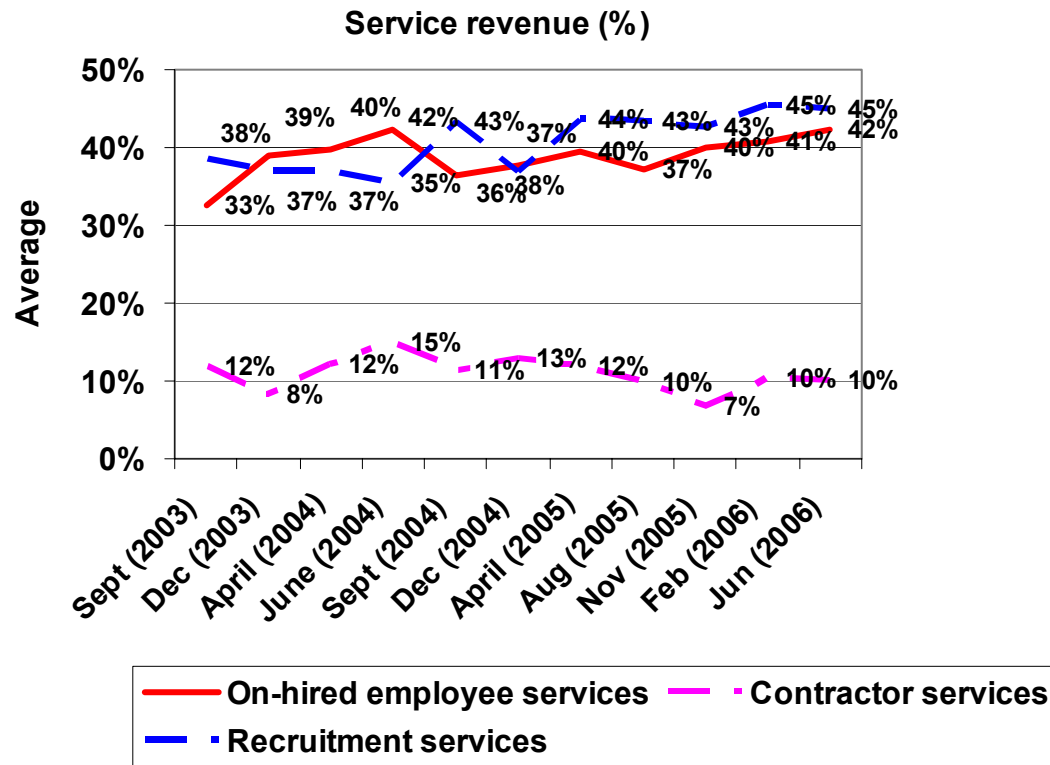
	Mean	Minimum	Maximum
Permanent full-time placements	27.10	0	150
Permanent part-time placements	2.69	0	50
On-hire employment	167.63	0	4,200
Contractors	6.96	0	200



The majority of placements are on-hire, with the proportion of those placements as part of the total remaining dropping from 93% of all placements to 82% - probably the result of a one-off reduction in a single large scale placement program or large organisation not responding



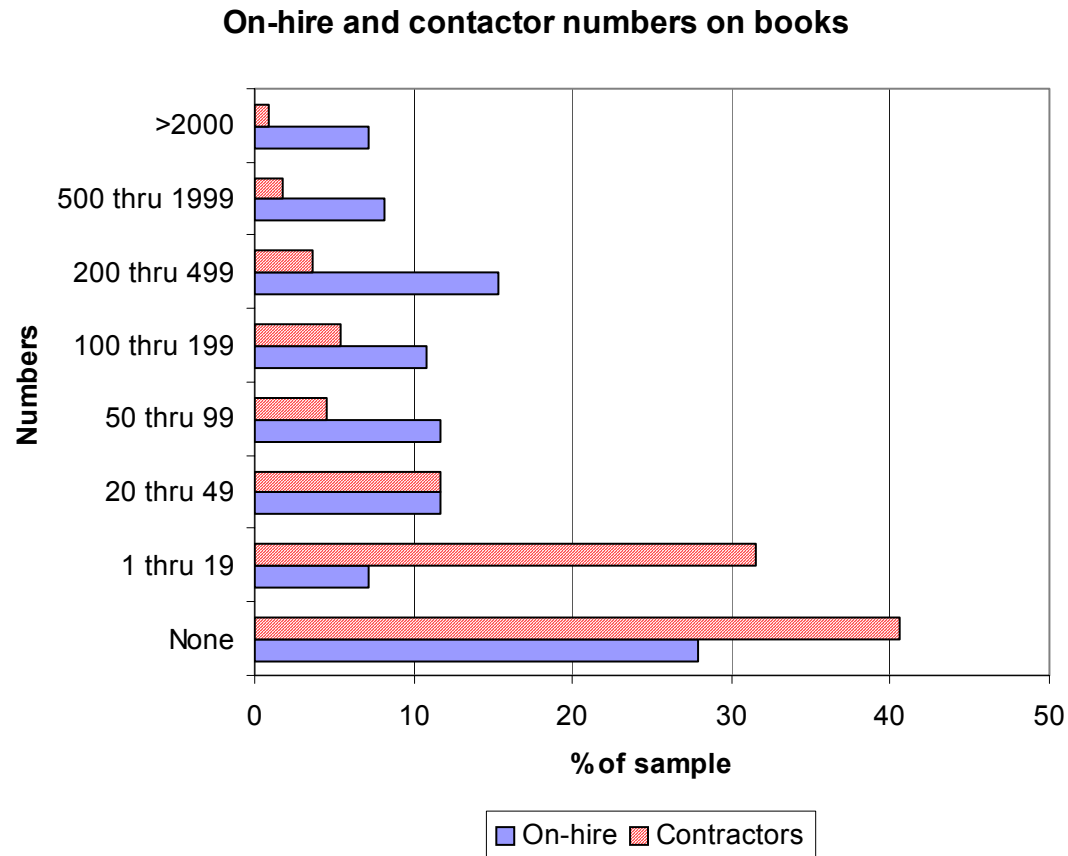
However the proportion of revenue for on-hired, recruitment has and contractor services all remain stable



Differences

- WA gets a larger proportion of revenue from on-hired employees
- NSW gets a larger proportion of revenue from contractor services
- QLD, SA and WA gets proportionally less revenue from recruitment services while NZ gets more

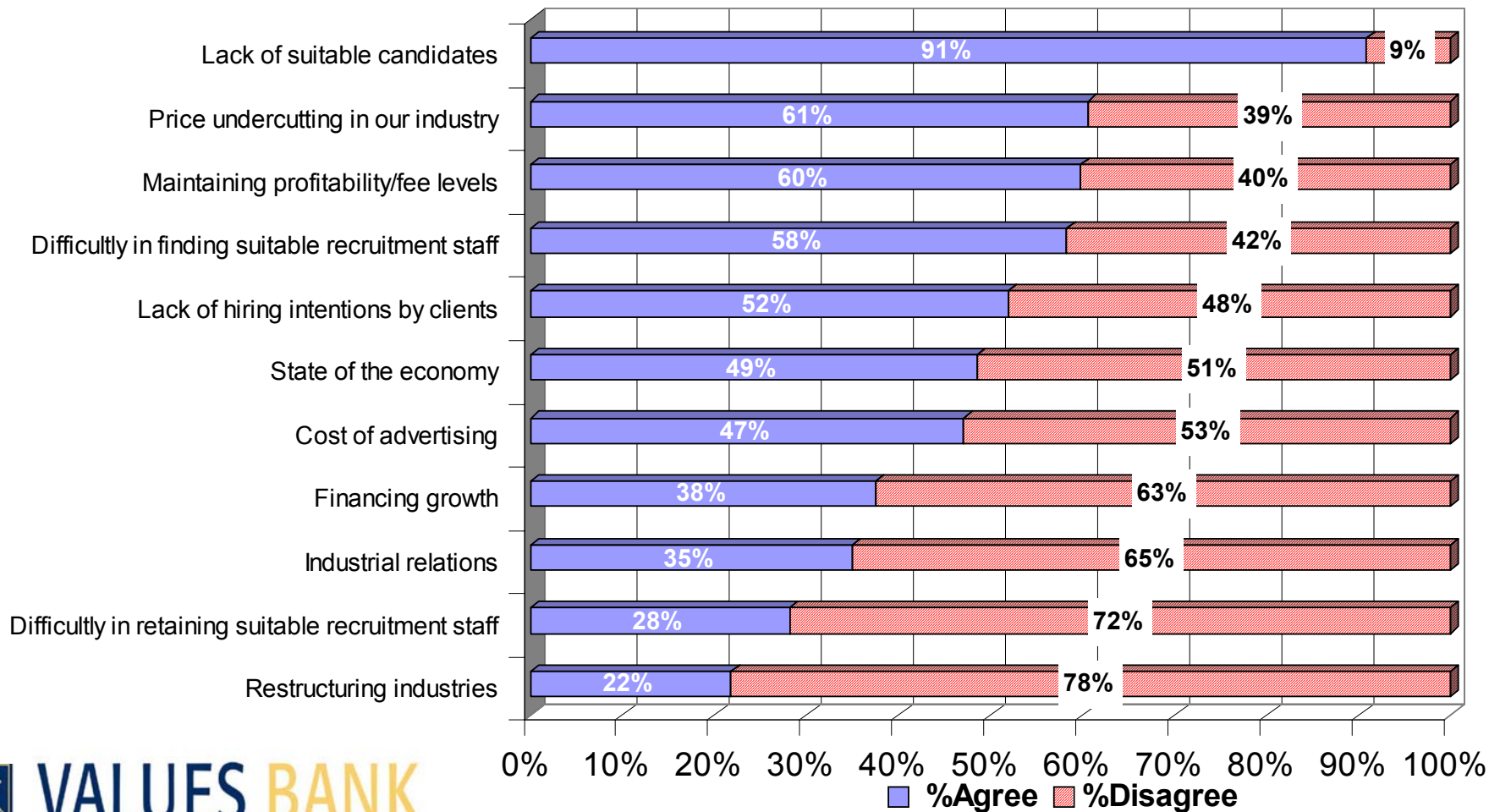
A substantial proportion of companies have neither contractors nor on-hire employees and a decline in respondents with >2000 on-hire numbers would explain the drop in that category.



Concerns for the present and near future

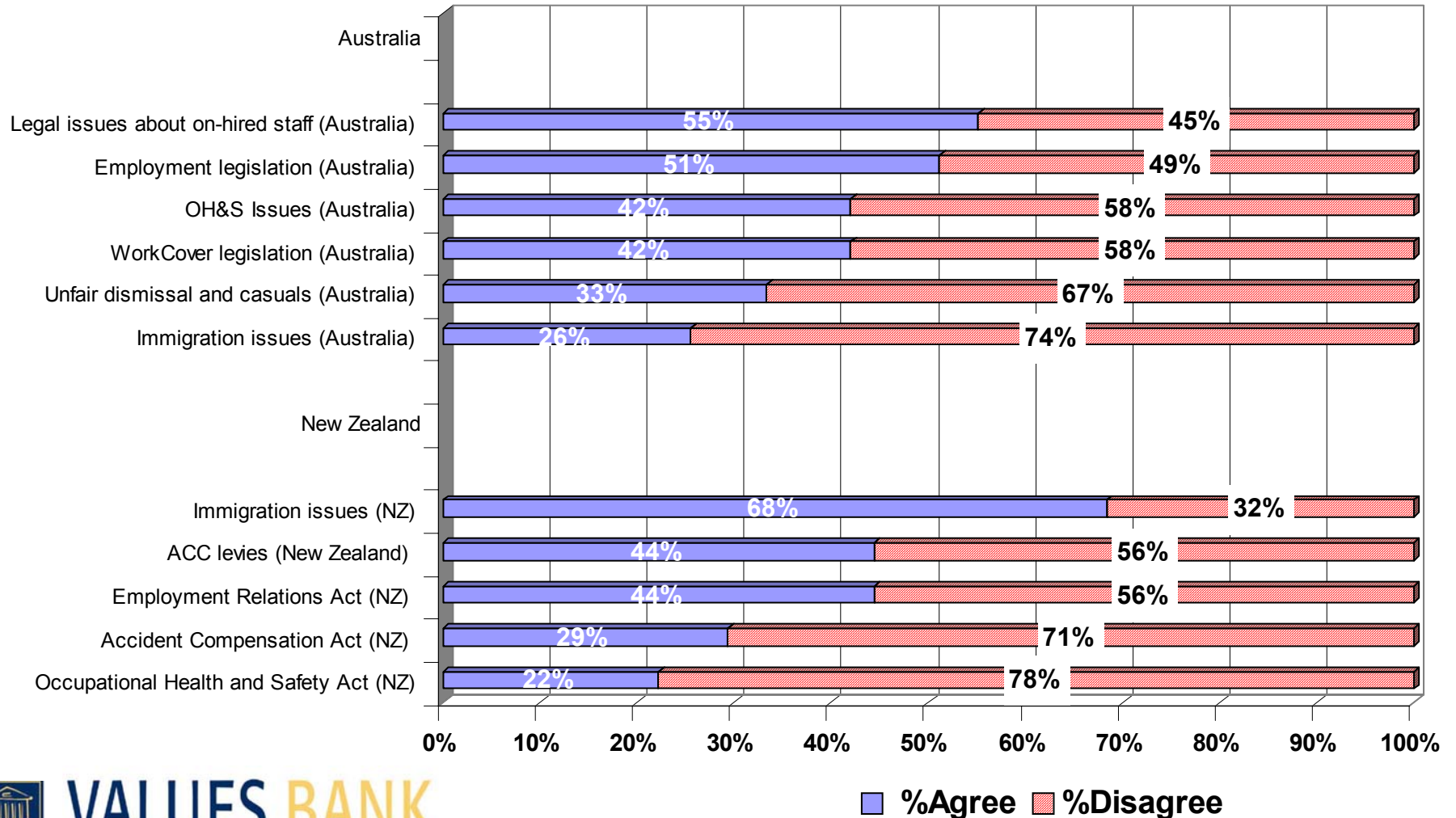
(all respondents)

Lack of suitable candidates remains the top concern but has decreased 6%. The other concerns are all of a similar magnitude though it is 11% harder to finance growth. Industrial relations is only 4% more of a concern than last round



Concerns for the present and near future (National issues)

In Australia concerns about Work Cover, OH&S and immigration have eased. In NZ, concerns about immigration have risen by 13% while concerns about ACC levies have increased 6% and the employment relations act has increased by 11%



Location differences

Variable	NSW	VIC	Qld	SA	WA	NZ
			Substantially less than average			
			Substantially more than average			
State of the economy	44.00	47.00	29.00	33.00	20.00	70.00
Lack of suitable candidates	88.00	91.00	96.00	100.00	83.00	100.00
Lack of hiring intentions by clients	50.00	53.00	46.00	43.00	42.00	50.00
Difficulty in finding suitable recruitment staff	64.00	60.00	56.00	57.00	33.00	53.00
Difficulty in retaining suitable recruitment staff	28.00	27.00	29.00	0.00	17.00	28.00
Financing growth	45.00	38.00	30.00	33.00	33.00	28.00
Maintaining profitability/fee levels	63.00	57.00	46.00	57.00	50.00	55.00
Price undercutting in our industry	71.00	57.00	46.00	71.00	50.00	56.00
Restructuring industries	23.00	18.00	4.00	0.00	0.00	22.00
Cost of advertising	45.00	44.00	48.00	50.00	42.00	63.00
Industrial relations	33.00	41.00	48.00	33.00	42.00	22.00
WorkCover legislation (Australia)	33.00	45.00	39.00	60.00	36.00	
Employment legislation (Australia)	46.00	61.00	61.00	60.00	45.00	
Legal issues about on-hired staff (Australia)	54.00	55.00	50.00	40.00	55.00	
Immigration issues (Australia)	23.00	28.00	36.00	60.00	45.00	
OH&S Issues (Australia)	38.00	47.00	35.00	40.00	36.00	
Unfair dismissal and casuals (Australia)	32.00	34.00	32.00	0.00	27.00	

Note:

<50=less than neutral

50=neutral

>50 = greater than neutral

Differences

- NZ is the least worried about the economy but lacks suitable candidates, has high cost of advertising. Least problems funding growth and industrial relations problems
- NSW and VIC are close to average on all issues but NSW is less worried about WorkCover and employment legislation and VIC is more worried about employment legislation
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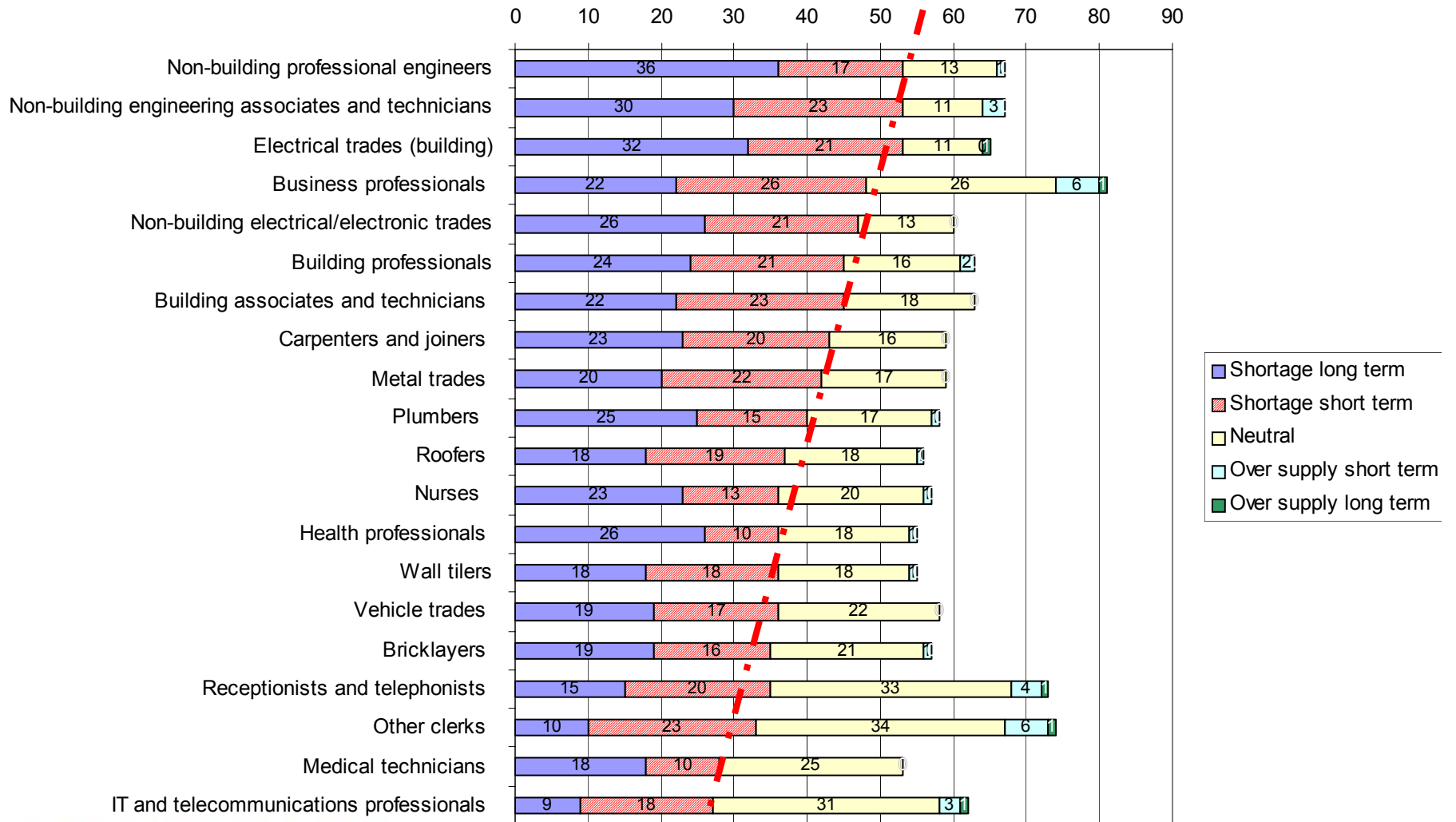


Skills issues

Skills shortages by occupation – top 20

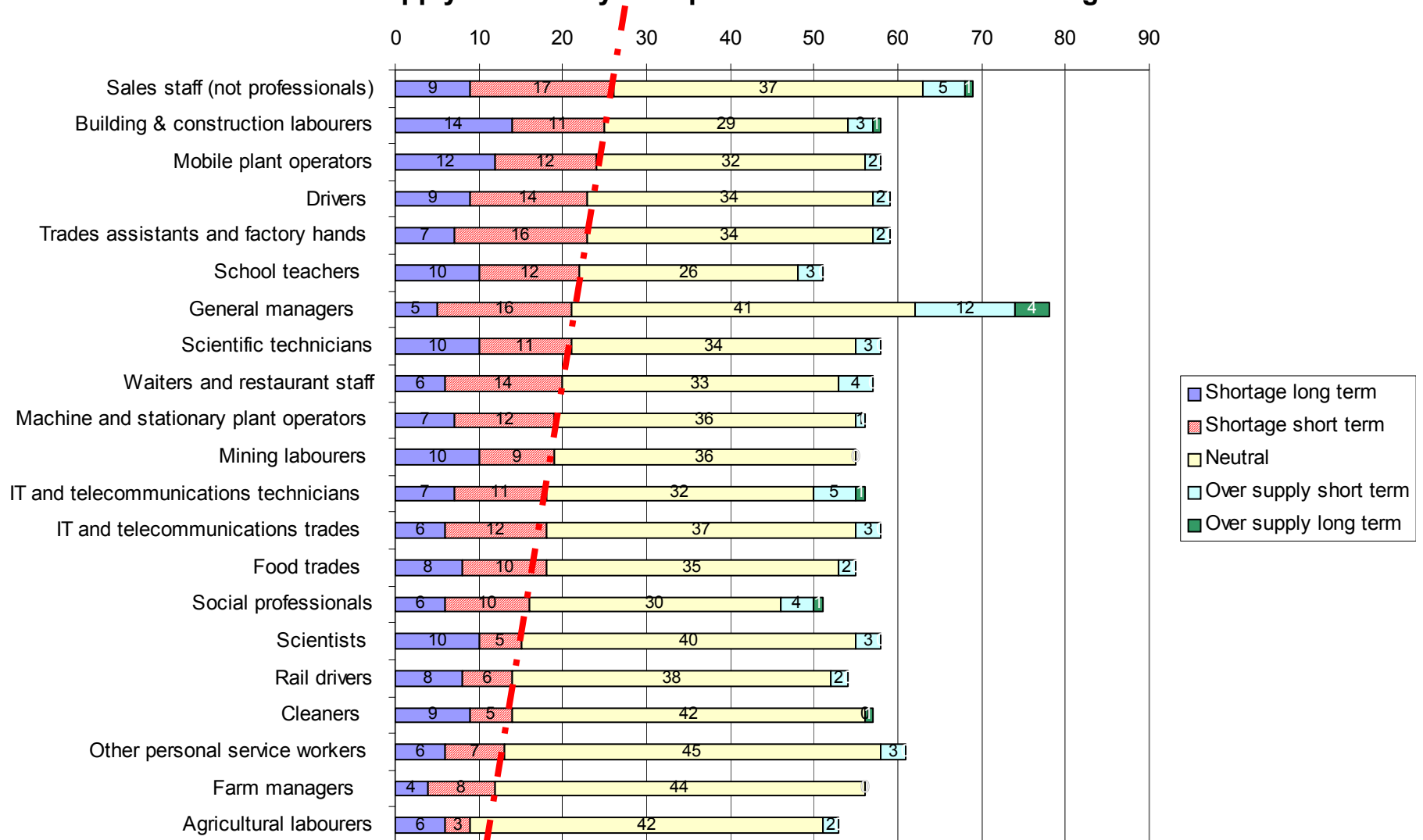
The biggest skills shortages remain in engineering professionals and associates with other business professionals in increasingly short supply. Trades remain in short supply.

Supply of skills by occupation in order of total shortage



Skills shortages by occupation – bottom 20

Supply of skills by occupation in order of total shortage



Top 10 skill shortages by location

➤ NSW

- Non-building professional engineers
- Non-building engineering associates and technicians
- Carpenters and joiners
- Nurses
- Health professionals
- Electrical trades (building)
- Business professionals
- Non-building electrical/electronic trades
- Building associates and technicians
- IT and telecommunications professionals

➤ VIC

- Non-building professional engineers
- Business professionals
- Non-building engineering associates and technicians
- Electrical trades (building)
- Building associates and technicians
- Building professionals
- Non-building electrical/electronic trades
- Vehicle trades
- IT and telecommunications professionals
- Nurses



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Top 10 skill shortages by location

➤ Queensland

- Business professionals
- Non-building engineering associates and technicians
- Non-building professional engineers
- Electrical trades (building)
- Non-building electrical/electronic trades
- Plumbers
- Receptionists and telephonists
- Building professionals
- Carpenters and joiners
- Bricklayers

➤ South Australia

- Carpenters and joiners
- Plumbers
- Bricklayers
- Roofers
- Sales staff (not professionals)
- Non-building professional engineers
- Building associates and technicians
- Business professionals
- Electrical trades (building)
- Non-building electrical/electronic trades



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Top 10 skill shortages by location

➤ Western Australia

- Non-building professional engineers
- Non-building engineering associates and technicians
- Building associates and technicians
- Electrical trades (building)
- Mobile plant operators
- Trades assistants and factory hands
- Business professionals
- Non-building electrical/electronic trades
- Plumbers
- Metal trades

➤ New Zealand

- Non-building electrical/electronic trades
- Building professionals
- Electrical trades (building)
- Non-building engineering associates and technicians
- Carpenters and joiners
- Plumbers
- Bricklayers
- Roofers
- Wall tilers
- Metal trades



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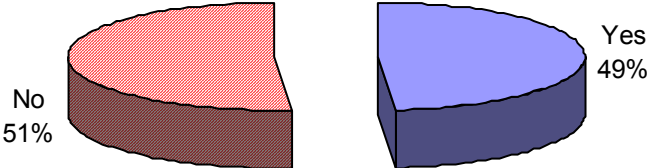
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Special section

Standards

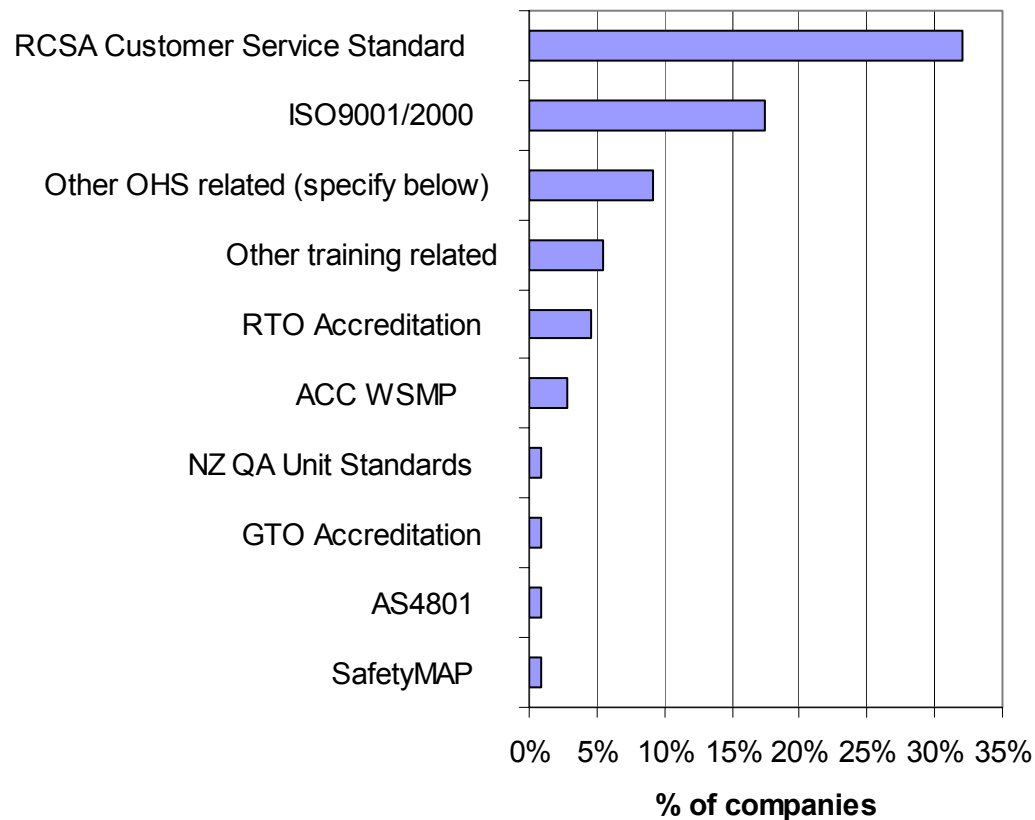
Slightly less than half of RCSA Members comply with or are accredited in standards

Does your company comply with or is accredited in standards



A third of companies are aware of the RCSA Customer Service Standard and see it as appropriate to comply with. The next most popular standard is ISO9001/2000 with 17%

Standard organisation complies with



Other standards used

➤ Other OHS related standards

- ACHS needs adding above
- HAACP
- NSW & Qld
- OH&S
- We have our own standards as complied with through OHS standards
- Workcover

➤ Other training related standards

- ACHS needs adding above
- AS 2885
- Cert IV Training & Assessment
- CSIA standard
- Industry Standards moving toward customer service standard recognition
- ITCRA CRP
- Select Recruitment Qualification

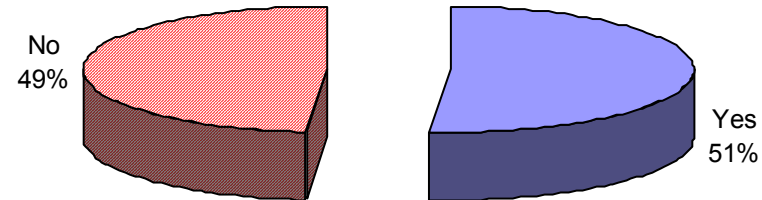


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R E S E A R C H C E N T R E

Slightly more than half of respondents use the RCSA templates

Do you use the RCSA templates available?



Using RCSA templates

➤ Why not use RCSA templates?

- Have our own
- Didn't know about
- No need
- Not appropriate

➤ Why use RCSA templates?

- High standard, professional, legally based, industry standard
- Ease of use



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Other Standards would you like RCSA to develop?

- A Strong disciplinary action for unethical agencies.
- More emphasis on ethical conduct!
- Not sure what is available for measuring training progress with recruiters.
- OH&S compliance for on-hired workers templates A temporary on-hired declaration, Client on-hired template.
- Some way of policing the RCSA Code of Conduct
- When I know more about WorkChoices I would think there would be a lot that the RCSA could provide to it's Members in this regard. Also not sure if you provide a standard/template for site inspections with clients?



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