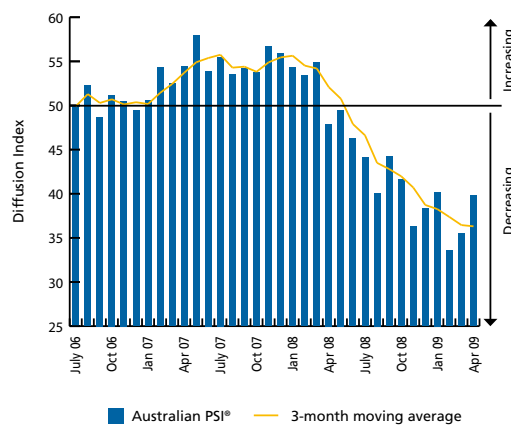


CONDITIONS REMAIN WEAK FOR A THIRTEENTH CONSECUTIVE MONTH

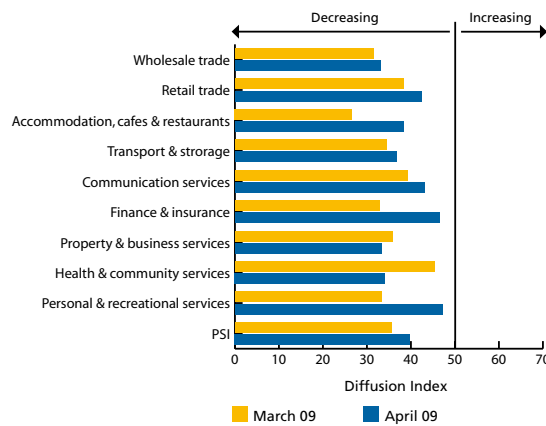
KEY FINDINGS

- Business conditions remained weak in the services sector for a 13th consecutive month, despite the rate of decline in activity moderating further.
- The Australian Industry Group/Commonwealth Bank Performance of Services Index (**Australian PSI®**) rose 4.3 points to 39.8 in April, still well below the 50.0 level that separates expansion from contraction.
- The sales, new orders, stocks and deliveries sub-indexes continued to lift from the lows recorded in February.
- Selling prices fell further in April, offsetting the benefits of a sharp deceleration in input cost growth.
- An increasing number of services sectors reported a moderation in the rate of contraction in the month.
- Activity fell in five states, with the rate of decline moderating in three. Tasmania was the only state to report growth in April.
- Following annual seasonal reanalysis, each of the sub-indexes and composite indexes were revised.



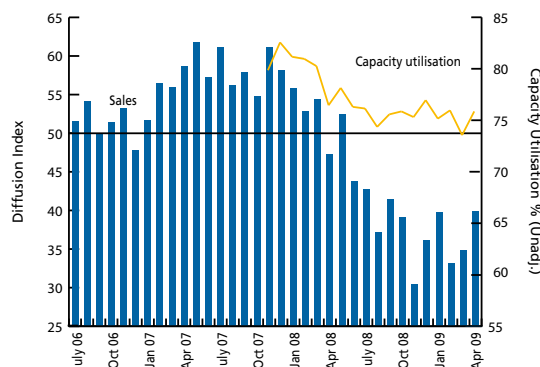
SECTORS

- In seasonally adjusted terms, activity fell in all nine sectors in April, as was the case in the previous month, although the rate of decline eased in seven.
- The sub-indexes for personal & recreational services and finance & insurance each exhibited significant improvement in the month, despite falling short of the 50.0 level.
- Modest declines in activity were also recorded in the communication services and retail trade sectors.
- Activity fell at a much slower pace in the accommodation, cafés & restaurants sector, while the transport & storage and wholesale trade sub-indexes recorded more modest improvement.
- Property & business services and health & community services were the only sectors to cite a stronger rate of deterioration in April.

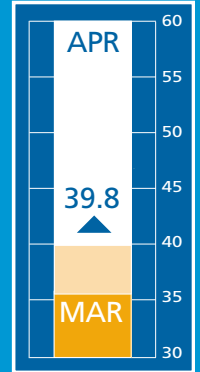


SALES AND CAPACITY

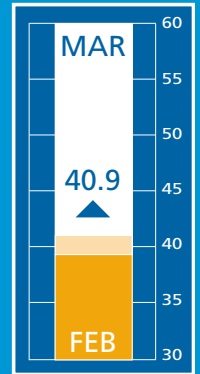
- Sales of services fell for the 11th consecutive month in April, although at a slower pace than in the preceding month. The seasonally adjusted sales sub-index rose by 5.1 points to 39.9.
- Unadjusted, sales increased in only the accommodation, cafés & restaurants sector, compared with no sectors in March.
- The largest falls were in health & community services and transport & storage, the only two sectors to report a faster rate of decline.
- Sales fell at a significantly slower pace than in the previous month in communication services; finance & insurance; property & business services; and wholesale trade.
- Sales were unchanged in the retail trade and personal & recreational services sectors.
- Capacity utilisation lifted in April, increasing from 73.5% to 75.8% (unadjusted).



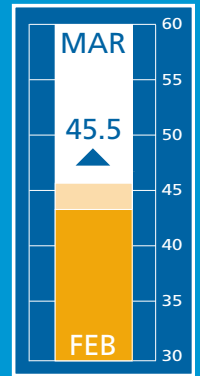
AUSTRALIAN PSI®



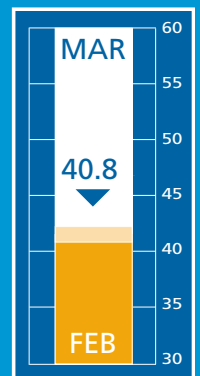
EUROZONE SERVICES INDEX



UK SERVICES INDEX



USA SERVICES INDEX



NEW ORDERS

- The decline in new orders eased for a second successive month in April, with the seasonally adjusted sub-index lifting 6.2 points to 37.6.
- In unadjusted terms, only the accommodation, cafés & restaurants sector reported an increase in new orders in the month, compared with no sectors in March.
- The heaviest declines in new orders were recorded in the retail trade and property & business services sectors.
- Significant declines were also reported in transport & storage; wholesale trade; and health & community services, suggesting continued weakness in these sectors over the coming months.
- New orders fell at a more moderate rate in the communication services; finance & insurance; and personal & recreational services sectors.

EMPLOYMENT AND WAGES

- In seasonally adjusted terms, the employment sub-index increased by 4.5 points to 41.7.
- Unadjusted, employment increased in only the finance & insurance sector, compared with no sectors in March. Employment remained steady in the personal & recreational services sector.
- Employment fell most heavily in transport & storage; health & community services; and property & business services.
- More moderate declines in employment were registered in the retail trade; communication services; wholesale trade; and accommodation, cafés & restaurants sectors.
- Average wages increased marginally following a fall in the previous month, with the sub-index improving 2.1 points to 50.3 (unadjusted).

STOCKS

- Stocks of finished goods continued to be run-down in April, despite the seasonally adjusted sub-index rising 1.8 points to 42.5.
- While no sector recorded an accumulation in inventories in the month (unadjusted), as was the case in March, stocks remained steady in accommodation, cafés & restaurants; transport & storage; and finance & insurance.
- The strongest declines in stocks were recorded in the health & community services; property & business services; and wholesale trade sectors.
- Inventories were run down in communication services for a second consecutive month, while the rate of depletion eased in the personal & recreational services and retail trade sectors.

DELIVERIES, INPUT COSTS, SELLING PRICES

- Supplier deliveries fell for a 13th successive month in April, despite the seasonally adjusted sub-index rising 1.1 points to 38.2.
- On an unadjusted basis, deliveries fell in six of the nine services sectors, and remained steady in retail trade; accommodation, cafés & restaurants; and finance & insurance.
- The heaviest falls in deliveries occurred in the key distribution sectors of wholesale trade and transport & storage.
- The rate of contraction eased in the personal & recreational services and communication services sectors.
- Growth in input costs fell sharply in April, with the seasonally adjusted sub-index dropping 9.2 points to 60.4, the softest rate of growth in more than five years.
- Input costs rose in all sectors, excluding communication services and finance & insurance where they were steady.
- Selling prices fell for a second consecutive month, with the sub-index decreasing by 1.0 points to 47.6.

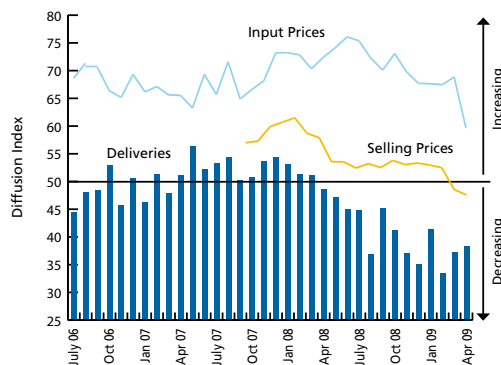
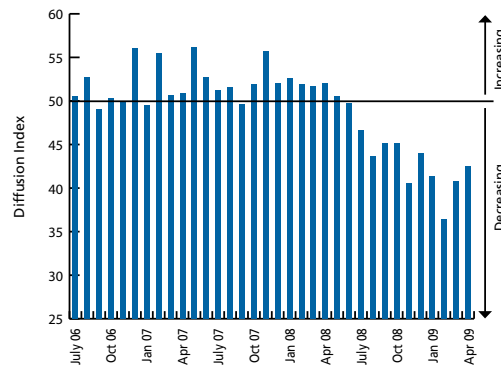
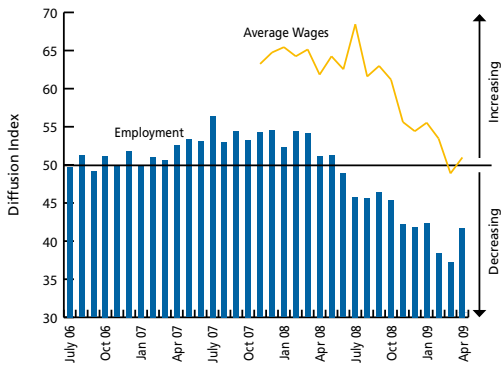
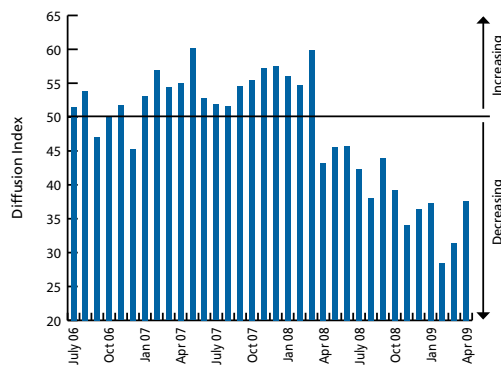
AUSTRALIAN PSI®*

	April 2009	March 2009	Monthly Change	Direction	Rate of Change	Trend**(Months)
AUSTRALIAN PSI®	39.8	35.5	+4.3	Contracting	Slower	13
SALES	39.9	34.8	+5.1	Contracting	Slower	11
NEW ORDERS	37.6	31.4	+6.2	Contracting	Slower	13
EMPLOYMENT	41.7	37.2	+4.5	Contracting	Slower	11
SUPPLIER DELIVERIES	38.2	37.1	+1.1	Contracting	Slower	13
INVENTORIES	42.5	40.7	+1.8	Contracting	Slower	11
INPUT PRICES	60.4	69.6	-9.2	Expanding	Slower	75
SELLING PRICES	47.6	48.6	-1.0	Contracting	Faster	2
WAGES	50.3	48.2	+2.1	Expanding	na	1
CAPACITY UTILISATION (%)	75.8	73.5	+ 2.3 % pts	Expanding	na	na

Results are based on the responses of around 200 companies. New monthly seasonal adjustment factors, derived directly from an X-12 estimation process were introduced in April 2009.

* Australian PSI® data is seasonally adjusted for sales, new orders, employment, supplier deliveries, inventories and input prices.

** Number of months moving in current direction.



WHAT IS THE AUSTRALIAN PSI®?

The Australian Industry Group – Commonwealth Bank Australian Performance of Services Index (Australian PSI®) is a seasonally adjusted national composite index based on the diffusion indexes for sales, orders/new business, deliveries, inventories and employment with varying weights. An Australian PSI® reading above 50 points indicates services activity is generally expanding; below 50, that it is declining. The distance from 50 is indicative of the strength of the expansion or decline.

More information can be obtained from the Ai Group web site www.aigroup.com.au

SPONSOR STATEMENT

Commonwealth Bank is delighted to be the sponsor of the Australian PSI® and is pleased to be able to provide the expertise of our Chief Economist Michael Blythe as the key spokesperson for the Performance of Services Index. The Commonwealth Bank is one of Australia's premier service organisations and with the majority of the Australian economy being services based we believe this important piece of research will add real value to the industry. It will provide insights and information that have not previously been available. We look forward to continuing to work with the Australian Industry Group to enhance and develop the Australian PSI®.



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