



NEWS RELEASE:

How Australian Businesses Are Responding To Rising Fuel Prices

Wednesday 16th November 2005: New research conducted by CSI – The Remuneration Specialists reveals that fourteen (14%) of Australian businesses have already made changes to their motor vehicle benefits policies as a result of rising fuel prices and/or employee pressure to compensate for increased fuel costs. Typically, these organisations have increased car allowances or kilometre reimbursement rates.

Meanwhile, forty-two per cent (42%) of organisations are currently considering whether or not motor vehicle benefits policy changes are necessary at this point in time; thirty per cent (30%) of organisations have indicated that having considered this issue no adjustments will be made to motor vehicle policies; and a further fourteen per cent (14%) have not considered this issue at all.

“The dramatic rise in fuel prices is a contentious issue for Australian businesses,” commented Mr Jairus Ashworth, CSI’s Managing Director, “And we encourage all organisations to review the issue holistically and to think creatively. For example, organisations should bear in mind that in Australia increased fuel efficiency of modern motor vehicles has seen the average fuel expenditure per kilometre travelled decline by 11% in the past 5 years, prior to the recent spikes.”

Of those thirty per cent (30%) of organisations that have considered the impact of rising fuel prices on employees and decided against making changes to their motor vehicle policies, eight per cent (8%) of these are handling the pressure from employees by undertaking non-monetary activities, such as facilitating car pooling amongst employees.

Released in November 2005, CSI’s *How Organisations Are Responding To Rising Fuel Prices Report* also gauges the pressure organisations are under from employees to compensate for the rise in fuels prices. Twenty-one per cent (21%) of organisations are receiving *strong* pressure from employees. Whilst forty-seven per cent (47%) of organisations are receiving *moderate* pressure and thirty-two per cent (32%) are receiving *minor* pressure.

For a full copy of the report, please go to:

http://www.csirem.com.au/email_pages/fuel_flyer.htm

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CSI's *How Organisations Are Responding To Rising Fuel Prices Report 2005* was conducted as one-off 'hot HR issues' survey and included information collected via email from HR or Remuneration staff within 43 Australian organisations. It reports on how organisations are responding to increases in fuel prices and/or employee pressure to compensate for the rise in fuel prices.

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CSI – The Remuneration Specialists

CSI is a specialist remuneration consultancy that provides advice to assist organisations with strategic and operational remuneration activities. With a reputation for excellence and integrity, CSI assists organisations with setting remuneration strategy, designing remuneration policies, sourcing and utilising market remuneration data, and providing training in remuneration management theory and practice.

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