



News Release

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Skilled labour job losses slowed in June quarter says Clarius Skills Index

Job losses among skilled workers appear to be slowing following substantial layoffs in the first three months of 2009, according to the June quarter Clarius Skills Index released today.

The Index, the only measure of underlying demand and supply of skilled labour, reported a surplus of 37,000 skilled workers in Australia as of June 30.

Despite the economic downturn and rising unemployment, the Index recorded a "balanced" rating of 98.8, down from 100.3 in the March quarter, across the 19 skilled occupation categories it measures.

A score of 100 indicates equal tension between labour supply and demand. Anything greater than 105 on the skills shortage side of the Index is regarded as extreme. A score of 95 to 98 is moderate.

Brighter employment prospects now exist for building, engineering, IT and accounting professionals

Building and engineering plunged from 104.1 in the June quarter last year to 100.7 in the March quarter, but slowed to 99.4 this quarter. IT Professionals dropped from 104.0 in June 08 to 101.0 in March but also slowed to 99.6 in the June quarter.

Despite the positive signs, the Clarius Skills Index reached its lowest level since 2003 in June and shows the labour market demand continued to ease in all skilled occupations for a second consecutive quarter.

But Clarius Group Executive Manager, Kym Quick, said it was not as bad as figures from the March quarter implied.

"We expected worse. But the latest analysis, and what we're seeing in the market place, indicates that job losses in skilled occupations are close to bottoming out," she said.

"If there is gloom and doom it's in the unskilled areas. We're seeing positive activity in most sectors as companies realise the value of retaining good, skilled staff. In our Candle ICT recruitment business, for example, June was the strongest month that we have seen since the downturn first impacted the Market in November. This has been reflected in all metrics including revenue, incoming orders and overall activity levels which is a positive sign."

"I believe, on current indicators, that the employment market could be close to where it was 18 months ago by July-August next year with many occupations including Engineering, Accounting, Building and Construction related trades and ICT again experiencing skills shortages.



The most significant blackspot in the June Clarius Skills Index was recorded in trade skills occupations, particularly in construction, electrical and electronics have been the hardest hit across the economy.

An oversupply of 23,000 tradespersons now exists with construction, electrical and electronics trades the hardest hit. The oversupply compares to a 58,000 shortage just 12 months ago. Trades vacancies have plunged 60% over the last 12 months.

Chefs, business and information professionals, hairdressers and health professionals still experienced moderate skills shortages in the June quarter.

All three of the broad skilled occupation groups – professionals, associate professionals and tradespersons – are now showing Clarius Skills Index readings under 100 (i.e. an oversupply of skilled labour). Further, 14 of the 19 individual occupations featured in the Clarius Skills Index now show a reading of under 100, up from eight occupations last quarter.

(See the Clarius Skills Index table and the Top Ten occupations with the highest level of skills shortages in the full report)

Background and how the Clarius Skills Index works:

The Clarius Skills Index analyses labour demand against supply, using labour force data supplied by the Department of Employment and Workplace Relations and the Australian Bureau of Statistics.

The results are reflected in a skills barometer which applies a ranking to specific occupation categories which will be released quarterly.

A score of 100 indicates equal tension between labour supply and demand. Anything greater than 105 on the skills shortage side of the Index is regarded as extreme. A score of 95 to 98 is moderate.

The Clarius Skills Index is produced quarterly so that government and business can keep a very close eye on any skills trends that might otherwise get overshadowed by a downturn in the economy.



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About Clarius Group

Clarius Group (ASX: CND) is a specialist in the employment services market providing recruitment, contractor and staff services in the information and communications technology, banking, finance, commercial accounting, library, records and senior management markets to governments and corporations across the Asia Pacific region.

Established over twenty four years ago and listed on the Australian Stock Exchange in 1997, Clarius Group has a reputation for high-quality delivery and remains one of the largest, longest standing and best performing recruitment suppliers in the region

About KPMG Econtech

KPMG Econtech is one of Australia's leading independent economic consultancies specialising in economic modeling. Its work covers the key areas of industry economics, social policy, tax policy and economic forecasting in Australia and Asia.