

Media Release

1 December 2008

Slowdown fails to dent demand for skilled labour says new national employment skills index

Australia's skilled labour drought is bordering on the extreme despite rising unemployment, according to the first ever national indicator that measures supply and demand for skilled labour.

The new quarterly Clarius Skills Index, developed by the Clarius Group with KPMG-Econtech and launched today, shows that skills shortages in 13 of the 19 occupation categories analysed were at the highest levels since 2001.

Key areas of the economy including construction, engineering, health and IT still demonstrated strong, unfulfilled demand which would potentially limit growth potential in an otherwise difficult economy.

While there were an estimated 2 million professional and associate professional jobs either taken or available (demand), there were only 1.94 million available to fill them (supply).

When trades are accounted for there were 1.275 million jobs either taken or available but only 1.214 million available to fill them.

The national combined total for the September quarter was 3.275 million positions either taken or available but only 3.155 million people to fill them. (See [top ten occupations](#) with the highest level of skills shortages below).

Clarius Group Executive Chairman, Geoff Moles, said worsening economic conditions did not necessarily mean an end to the skills crisis with the Index pointing to a tight employment market at the top end.

"Financial services and some parts of the commercial property sector have eased significantly, but the slowdown is far from uniform across all industries and in particular for niche roles such as those in the IT sector," Mr Moles said.

"At a macro level, if you are managing IT, a healthcare organisation or need engineers to work on an infrastructure project, the lack of skilled labour could compound the pressure the economic slowdown is placing on your company's growth prospects."

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

The results are reflected in the skills barometer which applies a ranking to Australian industry as well as specific occupation categories.

How it works

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.

In the September quarter, the Index score was 103.5, a slight increase on the 103.3 recorded in the previous quarter and moderately higher than the 102.4 registered at the same time last year. The result just fell below the extreme rating on the skills barometer.



National Skill Shortage stands at 103.5

“Our experience suggests that while most industry sectors will shed jobs in the short term, many of the redundancies will impact employees now regarded as low performers but who may have been better positioned in the boom times,” Mr. Moles said.

The Clarius Skills Index will be 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.

While statistics are released every month on unemployment and job vacancies at national, state and industry levels, they are unable to provide a clear picture of the availability of skilled labour against demand.

KPMG Econtech, Senior Economist, Chris Murphy, forecasted unemployment would peak at five per cent by the end of 2009 but this would do little to alleviate skills shortages in many sectors.

“Despite an increase in unemployment levels and moderating growth, the growth in skills shortage continued during the September quarter, albeit at a slower pace than previous periods,” he said.

“With KPMG-Econtech forecasting a rise in the unemployment rate to 5% by mid-2009, the skills index is expected to further moderate, particularly in areas such as financial services”

“At this stage, we don’t expect the increase in unemployment to eliminate skills shortages across the economy. Skilled labour demand and supply fluctuations will continue to vary from industry to industry.”

According to the Clarius Skills Index, the top 10 occupation categories with the highest level of skills shortages were:



The top ten occupations with the highest level of skills shortages are:

1. Chefs
2. Metal related tradespersons
3. Hairdressers
4. Automotive related tradespersons
5. Health professionals
6. Food related tradespersons
7. Computing professionals
8. Building and Engineering professionals
9. Construction tradespersons
10. Printing tradespersons

Media contacts:

Chris Newlan on 02 9692 8811 or 0407 881 139 or

Lotta Haegg on 02 9692 8811 or 0403 044 584

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 modelling. Its work covers the key areas of industry economics, social policy, tax policy and economic forecasting in Australia and Asia