

Skills shortage to worsen during 2010, report shows

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Australia is experiencing a skills shortage with the oversupply of workers falling from 45,000 to 17,000, the latest Clarius Skills Index has revealed.

The shortage is greatest for professionals in the building and engineering, computing and health sectors, while demand is also outstripping supply for jobs for chefs, metal workers, wood workers and hairdressers.

Clarius claimed the shortage is being exacerbated by the aging population, and that despite the skills shortage being put on the backburner for the past year, the problem will be a major one during the next 12 months. "The skills shortage we were in the midst of 18 months ago will be worsened as demand for talent will again outweigh supply for skilled labour," the report stated.

Chefs are currently in highest demand, topping the list for the past six months with demand for 67,000 chefs outstripping the current workforce of 63,000, while wood tradespersons and metal tradespersons round out the top three. The remaining occupations in highest demand are building and engineering professionals, hairdressers, food tradespersons, health professionals, building and engineering associate professionals, automotive tradespersons and computing professionals.

Clarius said the growing demand shows the economy is beginning to recover, and the drop in oversupply is the first time since mid-2008 the majority of professional, associate professionals and trades occupations have reported an increase in demand.

"Seventeen out of the 20 skilled occupations featured in the Clarius Skills Index for the December quarter recorded an increase in demand for skilled labour, with nine of the categories now recording a shortage of skilled people." "By comparison, 19 of the 20 occupations had index readings under 100 (oversupply) in the September quarter, 2009. This illustrates the clear upswing in the December quarter back to balanced labour market conditions."

Eleven out of the top 20 occupations are now categorised as being under-supplied. Additionally, Clarius said the index reading of 99 for the December quarter shows demand for additional labour is still outstripping supply overall. "As stimulus packages flow through and employer confidence grows the pressures of shortages of skilled labour in various sectors are going to impact strongly."

"The rise in the index for the December quarter reflects an acceleration in recruitment activity, particularly in the second half of the quarter (end November and December). Over the last six months, firms have been preparing for expansion and those plans are now being implemented." Some of the more prominent results include:

- The group skills indexes for professionals, associate professionals and tradespersons all grew into the "balanced" range.
- Tradespersons recorded the largest increase of 1.5% to 98.7. Associate professionals rose by 0.7% to 100.8, with professionals rising 0.4% to 99.
- Increase in labour demand was recorded among 17 of the top 20 occupations, with metal tradespersons recording the largest quarterly index increase of 2.8%.

Additionally, Clarius stated the turnaround during the December quarter reflects high business activity levels, citing a NAB Business survey which shows business confidence grew by three points to 19. But the group also said the growth of demand for labour will see many workers begin to leave their current jobs, which they may have kept during the downturn despite setbacks such as pay freezes, in order to feel secure in their position.

"As Australia emerges from the economic slowdown of 2009, it is now expected that employees will begin playing 'musical chairs'. As confidence continues to grow, many employees will shift from their current workplace that provided job security during the slowdown to workplaces offering more attractive employment arrangements."

"These transitions will not necessarily appear in labour force data or the Clarius Skills Index, but the movement of labour is expected to cause some turbulence in the labour market."