

Get set for a jobs glut

Appeared in: News Limited

Author: Darryl Passmore

Dated: 15 August 2010

Australian businesses face a shortage of up to 500,000 workers within a decade, according to a new report.

Social demographer Mark McCrindle says the country will next year hit “peak employment” – the point at which more people leave full-time jobs than enter them.

The looming phenomenon is the result of a perfect storm: record numbers of baby boomers retiring from the workforce Generation Y studying for longer and a major shift in employment patterns that means one in three workers are now in part-time jobs.

While politicians talk about limiting migration, employers are staring at an unprecedented shortfall in skilled labour.

And the more quickly the economy fully recovers from the global financial crisis, the sooner the effects will be felt.

Wages costs are set to go through the roof over the next decade as companies engage in a “bidding war for the best talent”. That’s the good news for the workers of tomorrow. Generation Y and Generation Z will be able to name their price as companies vie for their skills.

The bad news is they will also ace a raft of higher, and new, taxes to pay for the health and care costs of supporting an army of baby boomers living longer than any generation before.

“We’ll see inter-generational warfare with younger workers asking “why should we have to find money from taxes to support a group – the baby boomers – which has the highest net wealth of any generation we’ve had?”

Australia has 5.5 million baby boomers, born between 1946 and 1964. The first of them will reach the official pension age of 65 next year.

“Three million Australians will be at the traditional retirement age within a decade – that’s about a quarter of the current workforce,” Mr McCrindle said.

“The majority of those are full-time workers. But the (4.65 million) Generation Y-ers coming in to replace them are often working part-time jobs.