



Clarius Skills Index

December Quarter 2011
Prepared by KPMG Econtech
Released February 2012

alliance
recruitment

candle

LLOYD
MORGAN

SouthTech

the one
umbrella

NEW + IMPROVED

- + 20 new ANZSCO occupations
- + IVI based vacancy series
- + Updated skills shortage barometer

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econ
TECH

Prepared by KPMG Econtech

Disclaimer

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Foreword

Welcome to the Clarius Skills Index, it is the fourteenth quarterly report analysing and reporting on the shortages and over-supply of skilled labour in 20 employment categories.

It is also the first quarterly report based on a new list of ANZSCO occupations aimed at improving the relevance of the report to our audience.

Other updates in this report include a new barometer setting and the inclusion of improved vacancy data. A new historical time series is provided in the report to provide comparison between quarters on a consistent basis back to and including 2006.

The Clarius Skills Index is the only national Index which provides a clear picture of current and future availability of skilled labour against demand.

Labour market conditions continued to ease in the December quarter, reflecting the uncertain economic outlook.

A slowdown in employment growth can also be partially attributed to a recent dip in business confidence. This has led to a reduction in the skills indices for most occupations over the last quarter. The overall Index has weakened since the September quarter.

Although times are tough in some industries, certain areas of skilled labour are still in high demand and there are significant shortages in several categories.

Clarius Group has again combined the knowledge of the Australian employment market from its Alliance, Candle, Lloyd Morgan, SouthTech and The One Umbrella businesses, with the informed and technical advice of the respected economic consultants KPMG Econtech, to analyse, index and forecast the labour skills shortage or oversupply.

This report will help you make informed decisions about current and projected labour market conditions. Clarius Group is once again proud to be partnering with KPMG Econtech to deliver this insightful Index measuring the supply and demand of skilled labour.



Kym Quick
Chief Executive Officer – Clarius Group

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IT Services



Established over 27 years ago and listed on the Australian Securities 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 Clarius Group

Clarius Group (ASX: CND) is a specialist in the employment services market providing recruitment, contractor and staff services in the Accounting, Administration, Banking, Engineering, Finance, Information Management, Information Technology, Library, Marketing, Records, Sales and Senior Management markets to governments and corporations across the Asia Pacific region.

Established over 27 years ago and listed on the Australian Securities 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.

Clarius Group operates through a number of quality specialist brands including:

- Alliance Recruitment Corporate Services
- Candle Information Technology
- Lloyd Morgan Accounting, Banking and Finance
- SouthTech Architecture, Construction, Engineering and Manufacturing
- The One Umbrella Library and Information Management
- Ignite Payroll and Contractor Management Services
- Jav IT Managed IT Services and Professional IT

Clarius Group employs over 320 staff through a network of offices located in Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra in Australia; Auckland and Wellington in New Zealand; Hong Kong, Beijing and Shanghai in China; and Singapore.



KPMG Econtech

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

How the Clarius Group KPMG Econtech Labour Skills Index works

Clarius Group commissioned KPMG Econtech to analyse, index and forecast labour demand against labour supply across 20 occupation categories as defined by the Australian Bureau of Statistics (ABS).

The method used to determine the Index is based on the premise that where skilled labour demand (employment plus vacancies) equals supply (employment plus unemployment), the Index is balanced at 100.

During times of labour market tightness, when employers experience difficulty finding appropriately skilled employees, the Index is greater than 100. Conversely, at times when employees are easier to find (in a soft labour market), the Index is less than 100.

The Index has also been interpreted into a skills shortage barometer to highlight the levels of risks to employers in relation to the availability of skilled labour.

The Clarius Skills Index barometer now has seven readings that are based on the following ranges for the Index.

The readings are tighter than in previous indices and two extra readings have been added. The purpose of this update is to more readily alert the reader to changes in the Index through time.

- Very low** – index is less than 97.5
- Low** – index is between 97.5 and 98.4
- Moderate** – index is between 98.5 and 99.4
- Balanced** – index is between 99.5 and 100.5
- High** – index is between 100.6 and 101.5
- Very high** – index is between 101.6 and 102.5
- Extreme** – Index is greater than 102.5



Changes to the Clarius Skills Index

In addition to the updated Index barometer readings, there have been two other key changes to the Index implemented in this report: a new occupation list; and the inclusion of improved vacancy data.

Occupations

Previously, the Clarius Skills Index reported against 20 occupations, which were based on the Australian Standard Classification of Occupations (ASCO).

ASCO has now been replaced by the Australian and New Zealand Standard Classification of Occupations (ANZSCO) and ANZSCO based analysis of occupations is the industry standard.

Accordingly, the Clarius Group has carefully selected 20 new occupations for the Index which are based on ANZSCO. These new occupations are as follows:

New ANZSCO Occupations:

Managers

- Advertising and Sales Managers
- Chief Executives, Managing Directors and General Managers
- Construction, Distribution and Production Managers
- Corporate Services Managers
- Finance Managers
- ICT Managers

Professionals

- Accountants, Auditors, Company Secretaries
- Advertising and Marketing Professionals
- Engineering Professionals
- Financial Brokers and Dealers and Investment Advisors
- ICT Professionals
- Information and Organisation Professionals
- Legal Professionals

Technicians

- Building and Engineering Technicians
- ICT and Telecommunications Technicians

Clerical and Administrative Workers

- Accounting Clerks and Bookkeepers
- Financial and Insurance Clerks
- Inquiry Clerks and Receptionists
- Office and Practice Managers
- Personal Assistants and Secretaries

The new list using ANZSCO refines the old (ASCO) one, better targeting the Index at occupations that are of particular interest to our audience.

While some of the new occupations on the list are closely related to those on the old, such as ANZSCO's ICT Professionals and ASCO's Computing Professionals, they are not identical.¹

¹ The concordance of occupations between ANZSCO and ASCO can be found in the ABS publication 1220.0 ANZSCO - Australian and New Zealand Standard Classification of Occupations, First Edition Correspondence Tables - ANZSCO First Edition to ASCO Second Edition

Vacancy data

A key benefit from moving to the new ANZSCO occupations is the ready availability of more detailed data.

In particular, this publication makes use of DEEWR's Internet Vacancy Index (IVI) rather than from its superseded newspaper based Skilled Vacancy Index (SVI).

This is an improvement to the underlying data used in the Index and follows the "ongoing decline in the level of vacancies in the newspaper based SVI [which] has adversely affected the ability to analyse vacancy trends by occupation".

As such, "the [SVI] series is no longer a reliable indicator of labour demand. By contrast, the Internet Vacancy Index has a strong correlation to the employment figures, and has been shown to be a two month leading indicator of employment change".²

Impact on the Index

The three changes, namely: the new barometer readings, the new ANZSCO occupations and the IVI-based vacancy series have all been included to update and improve the Index.

They also represent a structural change and, as such, the ANZSCO-based Index readings in this report are not directly comparable with the ASCO-based Index readings from previous quarterly reports.

To facilitate proper comparison between quarters and through time, it is necessary that the new Index for each ANZSCO occupation can be examined against history.

Accordingly, the changes applied to the December quarter 2011 Index have also been consistently applied to the historical ANZSCO data, which commenced in 2006. All figures (current and historic) presented in this report are based on the updated approach.

² Vacancy Report, October 2011 from the Australian Government's Department of Education, Employment and Workplace Relations.

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Notwithstanding the troubled situation in parts of the global economy, the Australian economy in comparison has remained resilient. Australia's policy frameworks have provided us with an effective shock absorber in the face of global events. This places Australia in a stronger position relative to other advanced economies to continue to grow its economy.

Clarius Skills Index – December Quarter 2011

There was an oversupply of 160,500 skilled people across four major occupation categories for the final quarter of 2011.

However despite the oversupply, the Index has identified a number of specific occupations with **extreme** or **high** shortage.

The largest movement was in the Clerical and Administrative Workers group, which saw its index drop 1.5 per cent from the September quarter to **97.1**. Overall, for this occupation group, there was an oversupply of 51,800 skilled workers.

The next biggest change in the index was for the Professional group, where there was a 1.2 per cent decrease from the September quarter to an index reading of **98.7**. In December, the group had an oversupply of 32,300.

Within this group, two specific occupations are facing significant shortages, with Engineers being in the **extreme** range, with an index reading of **102.9** and a shortage of 3,700 and ICT Professionals at **101.3** and experiencing a shortfall of 2,700 skilled workers.

The Managers group saw a small decrease in the Index reading in the quarter, and an oversupply of 18,400 skilled workers. However, the Index identified an **extreme** shortage of Corporate Services Managers, with the Index being at **102.9** and a **high** shortage of Advertising and Sales Managers with an Index reading of **101.1**. It also showed that Construction, Distribution and Production Managers had a **balanced** Index of **100**.

While the Index for Technicians group experienced a slight increase to **96.7**, it still has the biggest oversupply, with 58,000 people looking for jobs.

Notwithstanding this weakening, five of the 20 occupations analysed in this report, remain in shortage. Across the 20 occupation indexes, 18 of them fell when compared on a consistent basis against the previous quarter.

These movements have occurred against a backdrop of softening labour market conditions amid high levels of economic uncertainty in global markets.

The RBA's latest market intelligence had indicated significant caution in hiring intentions, with firms waiting for evidence of growth in demand before looking to increase staff levels.

The most recent labour force report³ by the Australian Bureau of Statistics indicates that the job market conditions have deteriorated slightly.

The recent ABS data highlights a slight decline in the labour force participation rate from 65.5 per cent during most of 2011 to 65.2 in the December quarter 2011.

The pattern of employment changed in 2011, with full-time employment decreasing, and part-time employment increasing at the same time. This partially reflects businesses managing lower profitability by cutting working hours rather than reducing staff levels.

The data also suggests that labour demand slackened in mid-2011, with the unemployment rate rising from 5.0 to 5.3 per cent between May and September 2011. It has since fallen back to 5.2 per cent for the December quarter of 2011.

Unemployment Rate by State (per cent)

	AUST	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Dec-11	5.3	5.2	5.2	5.4	5.3	4.3	6.2	3.8	4.4
Sep-11	5.2	5.5	5.3	5.4	5.6	4.2	4.8	3.9	4.1

Australian Bureau of Statistics, Labour Force, Australia, Catalogue Number 6202.0, December 2011

Note: All rates are seasonally adjusted with the exception of NT and ACT which are Trend data

The pattern of employment changed in 2011, with full-time employment decreasing, and part-time employment increasing at the same time. This partially reflects businesses managing lower profitability by cutting working hours rather than reducing staff levels.

This pattern reversed in the 2011 December quarter when full-time employment increased (0.3 per cent) and part-time employment decreased (1.6 per cent).

This outcome may reflect a desire in some sectors, including the corporate sector and in ICT, to increase hours worked rather than increase hiring as a cautious response to economic uncertainty.

The renewed weakness in the global economy, coupled with a slowing domestic labour market prompted the RBA to lower rates by 0.25 percentage points in November and again in December 2011.

Notwithstanding the troubled situation in parts of the global economy, the Australian economy in comparison has remained resilient. Australia's policy frameworks have provided us with an effective shock absorber in the face of global events.⁴ This places Australia in a stronger position relative to other advanced economies to continue to grow its economy.

⁴ The implications of global economic transformations for Australia, Economic Roundup Issue 4, 2011, Speech by Dr Parkinson. Treasury, Canberra.

Five of the 20 occupations analysed in this report, remain in shortage. Across the 20 occupation indexes, 18 of them fell when compared on a consistent basis against the previous quarter.

These movements have occurred against a backdrop of softening labour market conditions amid high levels of economic uncertainty in global markets.

Clarius Skills Index – December Quarter 2011

By Occupational Group	Seasonally Adjusted					% Change (Sep-11 to Dec-11)	Labour Demand ('000)	Labour Supply ('000)	Difference ('000) (Supply less demand)
	Dec-06	Dec-08	Dec-10	Sep-11	Dec-11				
Managers	100.0	100.4	99.7	98.9	98.8	-0.2%	1,501.6	1,520.0	18.4
Professionals	101.9	101.6	100.1	99.9	98.7	-1.2%	2,479.4	2,511.7	32.3
Technicians and trades workers	98.7	98.1	97.3	96.6	96.7	0.1%	1,710.9	1,768.9	58.0
Clerical and Administrative Workers	100.0	99.5	97.9	98.6	97.1	-1.5%	1,745.8	1,797.6	51.8

By Occupation	Seasonally Adjusted					% Change (Sep-11 to Dec-11)	Labour Demand ('000)	Labour Supply ('000)	Difference ('000) (Supply less demand)
	Dec-06	Dec-08	Dec-10	Sep-11	Dec-11				
Managers									
Advertising and Sales Managers	107.0	106.2	104.5	102.9	101.1	-1.7%	137.4	135.9	-1.5
Chief Executives, Managing Directors, and General Managers	98.4	98.8	98.6	97.8	98.1	0.2%	120.2	122.6	2.4
Construction, Distribution and Production Managers	102.6	105.1	101.7	101.1	100.0	-1.0%	178.6	178.5	-0.1
Corporate Services Managers	102.8	100.7	106.5	107.2	102.9	-4.0%	10.9	10.6	-0.3
Finance Managers	100.7	101.2	100.2	99.4	99.0	-0.5%	58.8	59.4	0.6
ICT Managers	101.5	99.5	99.4	98.3	98.5	0.2%	43.5	44.2	0.7
Professionals									
Accountants, Auditors, Company Secretaries	106.7	104.2	101.6	101.2	99.7	-1.5%	175.0	175.5	0.5
Advertising and Marketing Professionals	101.8	101.2	100.2	100.2	98.8	-1.4%	118.8	120.2	1.4
Engineering Professionals	107.8	112.9	104.6	105.4	102.9	-2.4%	131.8	128.1	-3.7
Financial Brokers and Dealers, and Investment Advisors	101.6	100.2	100.0	99.3	98.3	-1.1%	84.7	86.2	1.5
ICT Professionals	110.4	106.9	105.7	104.5	101.3	-3.1%	213.8	211.0	-2.7
Information and Organisation Professionals	99.3	98.6	98.4	98.0	97.8	-0.2%	13.6	13.9	0.3
Legal Professionals	105.9	106.4	101.1	101.0	99.7	-1.3%	69.3	69.5	0.2
Technicians									
Building and Engineering Technicians	101.0	102.9	100.1	100.0	99.0	-1.0%	107.7	108.8	1.1
ICT and Telecommunications Technicians	101.3	100.2	99.7	98.5	97.7	-0.8%	64.0	65.5	1.5
Clerical and Administrative Workers									
Accounting Clerks and Bookkeepers	99.9	99.6	97.5	98.3	96.9	-1.4%	311.8	321.8	9.9
Financial and Insurance Clerks	101.7	99.7	98.4	98.7	97.2	-1.5%	115.5	118.8	3.3
Inquiry Clerks and Receptionists	99.8	99.2	97.8	98.4	97.0	-1.5%	289.5	298.4	9.0
Office and Practice Managers	97.5	97.4	96.4	96.9	96.1	-0.8%	172.0	179.0	7.0
Personal Assistants and Secretaries	100.0	99.5	98.6	99.7	97.4	-2.3%	141.1	144.9	3.8

Note: Total labour demand and total labour supply have been seasonally adjusted, the underlying data is in original terms. The historical skills indices for each occupation are updated each time with new seasonal factors.

Top Ten Occupations with the Highest Levels of Skills Shortages

December 2011

Occupations	Index	Reading
1. Corporate Services Managers	102.9	Extreme
2. Engineering Professionals	102.9	Extreme
3. ICT Professionals	101.3	High
4. Advertising and Sales Managers	101.1	High
5. Construction, Distribution and Production Managers	100.0	Balanced
6. Accountants, Auditors, Company Secretaries	99.7	Balanced
7. Legal Professionals	99.7	Balanced
8. Building and Engineering Technicians	99.0	Moderate
9. Finance Managers	99.0	Moderate
10. Advertising and Marketing Professionals	98.8	Moderate

September 2011

Occupations	Index	Reading
1. Corporate Services Managers	107.2	Extreme
2. Engineering Professionals	105.4	Extreme
3. ICT Professionals	104.5	Extreme
4. Advertising and Sales Managers	102.9	Extreme
5. Accountants, Auditors, Company Secretaries	101.2	High
6. Construction, Distribution and Production Managers	101.1	High
7. Legal Professionals	101.0	High
8. Advertising and Marketing Professionals	100.2	Balanced
9. Building and Engineering Technicians	100.0	Balanced
10. Personal Assistants and Secretaries	99.7	Balanced

At the Coalface


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Employer clients need to think before they slash staff simply because they see it as an immediate cost saving – they must consider future scenarios and the additional costs that are involved in finding and hiring the right staff with the skills their company needs when the economy picks up.

At the Coalface

Clarius Group Ltd

Retaining a good skills mix, improving productivity and becoming more flexible with their workforce is going to be the major challenges for many Australian companies over the next 12 months.

While there remains shortages in key sectors like engineering professionals, advertising and sales managers and ICT professionals a number of sectors have softened.

Employers in these categories are struggling to get appropriate staff, other industries have the relative luxury of being much choosier when it comes to hiring decisions.

As the economy shifts again there is going to be mounting pressure on executives about how they manage their staff and the spread of skills required to ensure the company can deliver goods and services to its customers.

Ultimately, it will come down to how a company is able to focus on and achieve increased productivity levels. It's something that each of our recruitment businesses are experiencing more and more from clients – they want assessment of the productivity capabilities of potential candidates.

During the difficult economic times, organisations have learnt to do more with less which has raised the expectation of employers when it comes to individual staff output.

Every employer knows that they need to improve productivity, it's whether managers actually know how to do it that presents a lot of challenges to many organisations. Knowing where to start and which buttons to push is a major issue for managers in their daily life.


The fear of breaching restrictions around employment laws and a range of other workplace issues provides an added challenge to the role of managers in trying to raise productivity levels of staff and teams.

Many organisation do not have the internal resources, expertise and capability to deal with the issues and get the outcomes that they need. Sometimes it's tempting to believe that it's easier to do nothing.

The Clarius Group is responding to these changes and demands, working with clients to determine precisely what they want in a particular position and testing candidates accordingly.

Employer clients need to think before they slash staff simply because they see it as an immediate cost saving – they must consider future scenarios and the additional costs that are involved in finding and hiring the right staff with the skills their company needs when the economy picks up.

This is where flexible solutions are going to be so important - asking people to job share and to go onto more part time hours is one solution to having to let go of talented employees.



If, as many economic and financial commentators are predicting, there could be a GFC2, then the more flexible options you have as an employer the more likely you are to survive and be ready for growth.

At the Coalface continued...

Clarius Group Ltd

Clients should explore these alternatives because that allowed a lot of people to retain good skills, keep the productivity levels up, keep the staff engaged, but reduce their overheads by making sure that they were staffing up as demand was required.

Coming into and during the GFC a lot of employers began to adopt more flexible employment approaches – rather than cut staff, they re-organised their workforce.

If, as many economic and financial commentators are predicting, there could be a GFC2, then the more flexible options you have as an employer the more likely you are to survive and be ready for growth.

The contract market is expected to continue growing and remain stable, and that's where the comforting message is in terms of the employment market, which suggests that there is a demand there.



Recruiting requirements of some clients in certain industry sectors are potentially the most rigorous they've ever been.

And that's because it has rarely been more important for employers to ensure their staff can deliver optimum performances.

At the Coalface

There's a shortfall of 1,500 in the Advertising and Sales Manager category, a change of 1.7 per cent in the Index from September (102.9) to December (101.1)

The Advertising and Marketing Professionals category has an oversupply of 1,400, down 1.4 per cent from 100.2 in September to 98.8 in December.

In Clerical and Administration Workers there is an oversupply of 7,000 office and practice managers and 9,000 inquiry clerks and receptionists.

Productivity is the word that seems to be on every employer's lips today.

Alliance is seeing a significant increase in employers' requirements to assess the productivity capabilities of existing staff, along with being more specific about the productivity of future candidates that they are prepared to hire.

In fact recruiting requirements of some clients in certain industry sectors are potentially the most rigorous they've ever been.

And that's because it has rarely been more important for employers to ensure their staff can deliver optimum performances.

Basically the majority of clients are saying they want fewer staff to do more.

They're wanting better productivity gains from the existing employees they have, so when they are looking at hiring new personnel, where during the height of the skill shortage they were less likely to be fussy, they're very fussy now about the type of people they bring on.

Alliance has introduced a strategic partnership with one of Australia's leading personality profiling and competency testing companies in order to provide employers with a better fit of candidates for the roles we are filling. This "job fit analysis" provides a comprehensive overview of a candidates' capabilities which allows employers to make a more informed decision about who they hire.

Clients are asked to provide what they want a job to do and the productivity requirements they have. Candidates are then tested against those specific requirements and are predominately met 90 per cent or more.

It's a rigorous testing package that all final shortlisted candidates sit through to ensure the best available talent is secured on behalf of clients.

One of the sectors where activity has picked up is in the Sales and Marketing sector after a slow period in the last two quarters followed by an upsurge from December onwards.

Corporate Services

The market overall has been predictably quiet given the time of year, however recent client feedback has provided some confidence that the second half of the financial year will be a stronger one given early indications of client hiring patterns.

At the Coalface continued...

Corporate Services

The underlying driver is that a lot of organisations have got active client bases that are being quite conservative with their expenditure but are now getting to a point where they really do need to start investing again.

And quality sales people, those that get out there and are able to achieve that are becoming increasingly in demand. One driver is that companies have been very moderate with their expenditure leading up to June and are now wanting to invest heavily to get their revenue back to more acceptable levels.

Sales skills are also increasing in demand in some unusual sectors.

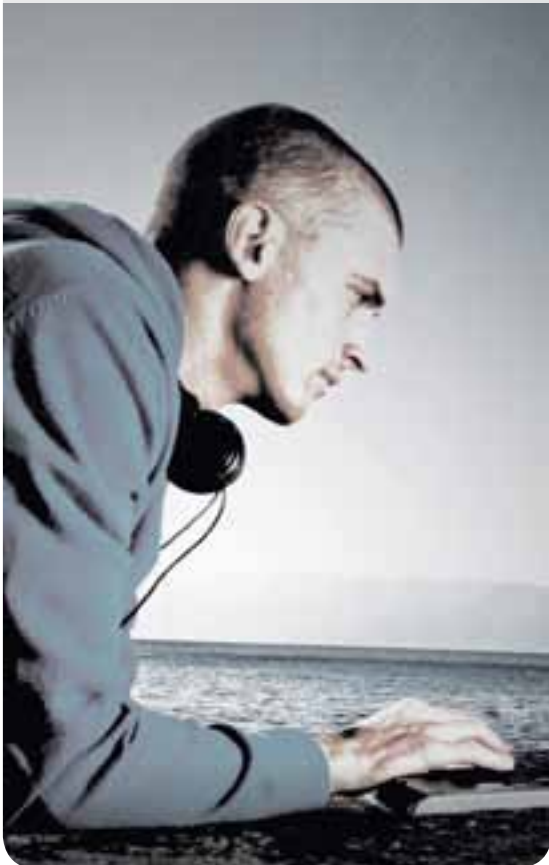
Audit companies are certainly looking to increase their personnel as company finances are scrutinised more than ever before in light of the difficult economic conditions. This has led to a surge in sales professional within this sector as organisations look to capitalise on the demand and secure greater revenue as a result.

The WA mining sector is the most active of all sectors nationally with the need for personnel at its highest level. This includes supply companies to the sector, including training and services companies, IT companies and other service providers who are all looking for personnel to provide to the sector in light of the current boom it is experiencing. The majority of the demand is coming from the salary bands of between \$65,000 - \$100,000 where Alliance has seen a surge of over 18 per cent in requirements since the beginning of the financial year with no slow down expected.

The market overall has been predictably quiet given the time of year, however recent client feedback has provided some confidence that the second half of the financial year will be a stronger one given early indications of client hiring patterns.

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r e c r u i t m e n t

The most sought after skills are in the telco, utilities, banking and professional services professions. Project managers and .Net professionals are still most sought after skills.



At the Coalface

Information Technology

There is an oversupply of 700 ICT Managers and 1,500 ICT and Telecommunications Technicians. However, at the Professionals level there is a significant shortage of 2,700 ICT Professionals.

Various industry sectors continue to have strong demand for IT services, particularly government, the entertainment industry, telecoms, utilities and mining.

IT services remain very much a part of those areas with many businesses outsourcing arrangements part of their day to day operations.

Government, whilst there hasn't been large growth from an IT perspective, remains relatively smooth in comparison to others.

The entertainment industry and more specifically online media and gaming, are continuing to improve especially relating to new products in the market and mobile technologies – a reason for increased activity.

The telcos are diversifying, so they are building businesses and separate divisions to offer their customers more. The competition in this area and the introduction of NBN is driving that.

Utilities and mining are businesses where demand seems to be outstripping supply because they are continually growing.

The most sought after skills are in the telco, utilities, banking and professional services professions. Project managers and .Net professionals are still most sought after skills.

Business analyst demand is mostly in the telco, utilities and professional services sectors. Architects, especially enterprise architects, across the board are in demand also.

As the massive demand for application development continues, it is likely the uptake of mobile technologies will increase their need.

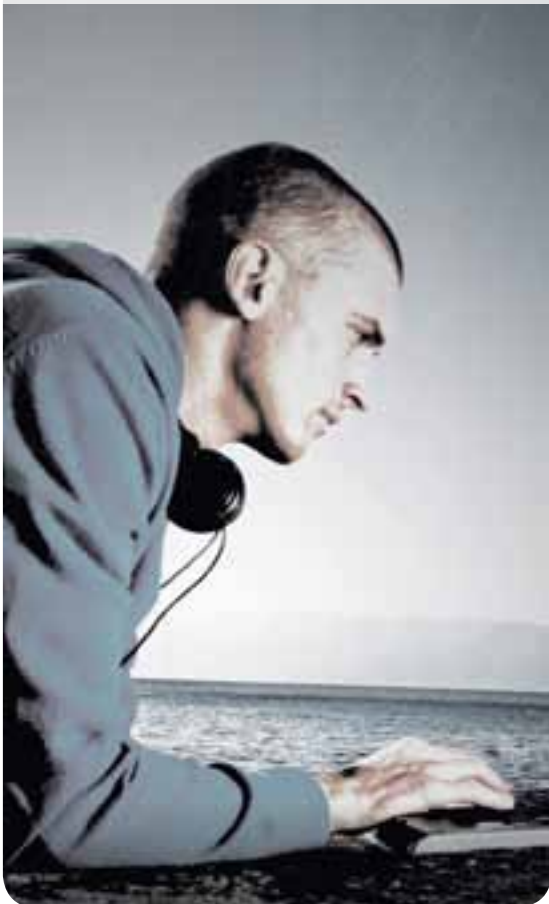
Recent bank job cuts will obviously have an impact on some major IT projects, especially on a larger scale. CIOs in general are believed to have IT budgets ready to spend on these projects, but the business side is keeping them in a waiting pattern until there is more certainty in the economy.

Caution is everything, an increase in contract roles for the banks is now likely because they are obviously letting go many permanent staff and will realise they will need to keep some people on contracts.

Candle is seeing an increase in the amount of contract roles which is likely to continue for a while and obviously tending to the other side of caution.

The length of the contracts tends to be short initially (i.e. six months) as companies are being cautious. Employers can then extend them if need be and this tends to be more affordable.

A number of projects will become mission critical as we move into 2012, with the outcome being higher activity in the rate of employment in both perm and contract hires.



At the Coalface continued...

Information Technology

There is an increasing trend for project timeframes to be extended out with resources waiting for the green light. The delay with some IT projects may in turn cause businesses to rethink the technologies they were going to implement. If that's the case it may mean businesses have wasted money on the analysis and scoping and head back to the drawing board.

The other areas of skills shortages are in cloud computing, data warehousing, security specialists and database managers.

A number of projects will become mission critical as we move into 2012, with the outcome being higher activity in the rate of employment in both perm and contract hires.

In the last two months of last year, permanent recruitment has slowed, but contract recruitment will continue to grow before permanent hiring comes back in the next six to 12 months.



While employers may place increased pressure on existing staff to perform in an effort to reduce the number of staff cuts, they should exercise caution when doing so.

By being more open to flexible working arrangements to alleviate the pressure from increased workloads, employers will be able to minimise the backlash of disgruntled workers jumping ship which normally accompanies improvements in the economy and employment markets.



At the Coalface

Opportunities at managerial level for CEO's Managing Directors and General Managers tightened over the last quarter with a current oversupply in the job market of 2,400, with the Index moving up slightly from 97.8 to 98.1.

While there was an oversupply of Finance Managers, the competition was not quite as tough with more than 600 looking for positions.

At the Professional level, there was an oversupply of 1,500 of Financial Brokers and Dealers and Investment Advisers with the Index moving from near equal supply and demand, at 99.3, to soften to 98.3.

At the Clerical and Administration Workers level for Accounting Clerks/Bookkeepers and Financial/Insurance Clerks, there are significantly different levels of oversupply.

For Financial and Insurance Clerks there is an oversupply of 3,300. But for Accounting Clerks and Bookkeepers more than 9,900 people are seeking positions.

The slowdown in some parts of the economy has had an ironic impact on increased recruitment in particular financial services area.

There has been a notable increase in demand for debt collections services as companies increase intake reporting frequencies from monthly to weekly because of the failure of clients to pay for products and services.

There have also been indications of a minor upturn in the demand for Auditors. Auditing remains a skills-short area due to the highly specialised nature of the work required for organisations to meet governance expectations.

For the next six months, productivity will be absolutely key to the success of the accounting and financial organisations as they need to achieve more with diminished resources.

While employers may place increased pressure on existing staff to perform in an effort to reduce the number of staff cuts, they should exercise caution when doing so.

By being more open to flexible working arrangements to alleviate the pressure from increased workloads, employers will be able to minimise the backlash of disgruntled workers jumping ship which normally accompanies improvements in the economy and employment markets.

The accounting, banking and finance markets have experienced significant changes in hiring patterns over the past quarter, due to global economic conditions, specifically the European debt crisis, and the US credit crisis.

The financial services sector, in particular, has seen a shift towards the outsourcing to cheaper economies, a reduction in the number of personnel due to decreasing revenue, with reduced demand cited as the primary reason for holding off on recruitment.

Accounting, Banking and Finance

To date, executive positions have been the hardest hit with diminished demand for those in the \$80,000 to \$150,000 range. However, the oversupply of executives will result in a flurry of executive appointments when the market rebounds.



At the Coalface continued...

Accounting, Banking and Finance

The Global Financial Crisis is still very prevalent in the minds of employers. Recent staff cuts from some of Australia's major banks are expected to spark a wave of outsourcing, particularly for financial institutions, as demand decreases due to low consumer and business confidence.

Domestic government and economic issues, such as the carbon tax, have taken a back seat to the global financial scenario, but more specifically the European debt crisis which has played havoc in the financial markets in recent months.

To date, executive positions have been the hardest hit with diminished demand for those in the \$80,000 to \$150,000 range. However, the oversupply of executives will result in a flurry of executive appointments when the market rebounds.

Consumers have reined in spending, banks are tougher on lending and companies are writing down their debt where possible to reduce their overheads.

This market slowdown in the past six months has been very strategic because there hasn't been enough demand for services to sustain a workforce as big as it used to be.

Salaries have remained stable for the last two quarters; however they are expected to soften over the next six months.

Graduate programs are being delayed or put on hold by some employers, despite companies indicating the need for young talent.

Graduates are being offered positions but employers are delaying appointments for six months and up to a year in the hope that economic conditions improve in that time.

However, the continued postponement of training programs, coupled with an increased oversupply of labour, has prompted candidates to up-skill to enhance their jobs prospects, particularly those that have been made redundant over the last quarter.

LLOYD MORGAN

Demand for skills in the larger mining states has created challenges for Victorian, South Australia and Tasmanian companies that are having to strengthen employment propositions to source, attract and retain local engineers.



At the Coalface

Building and Engineering

At the Managerial level for Construction, Distribution and Production Managers, there is a very slight shortage of 100.

However, in the Professional category there is a significant shortage of experienced Engineers of more than 3,700 to fulfil roles in major resources and infrastructure projects.

At the Technicians and Trades Workers level there is an oversupply of 1,100 of Building and Engineering Technicians

Over the past quarter, the resources boom has continued to create demand for skills within the engineering and construction sectors, particularly for highly skilled staff which is expected to be greater than supply over the next 12 months.

Demand for senior engineers has been high in WA and Queensland particularly from companies such as Woodside, Chevron, Shell, BP, BHP Billiton and Rio Tinto.

Second tier projects are being tendered for by NSW companies to supply whole project packages which create job opportunities here in the state, although this is only now beginning to trickle down into the NSW market.

This demand for skills in the larger mining states has created challenges for Victorian, South Australia and Tasmanian companies that are having to strengthen employment propositions to source, attract and retain local engineers.

Overall, project managers, project engineers, process engineers, QA engineers, piping design engineers, contract administrators, estimators and senior design engineers are skills sets that are most in demand.

However, current global economic uncertainty and the potential of another downturn have resulted in companies delaying their hiring decisions.

The European debt crisis and the financial turmoil in the US are increasing pressures on employers to reduce costs and increase productivity, particularly those companies freezing new hires who have head offices abroad.

Productivity efficiencies are also emerging as a major concern during the hiring process with reports that the Fair Work Act, in some instances, isn't flexible or robust enough to achieve the desired outcomes.

High demand for senior civil engineers has also remained constant, despite economic conditions, in both the public and private sectors for major infrastructure projects across Australia.

There is also a trend for cross-skilled candidates with multiple abilities across industry sectors, however economic pressures have prevented employers from making adequate salary offers.

Productivity efficiencies are also emerging as a major concern during the hiring process with reports that the Fair Work Act, in some instances, isn't flexible or robust enough to achieve the desired outcomes.



At the Coalface continued...

One area of cross-skilling demands is the emerging skills shortages in the 3D CAD design area of mining equipment, specifically those candidates with a combination of Inventor CAD and Solidworks CAD skills with mining industry knowledge.

Skills shortages in the resources sector have forced a number of larger companies, in particular, to seek off-shore talent which in turn requires them to use the Federal Government's 457 visa laws.

Despite the recent welcomed changes to 457 visa applications, there is substantial benefit if on hire labour agreement requirements are relaxed to allow on-hire companies to recruit overseas workers, particularly in electrical and mechanical disciplines, to hire out to its clients.

Currently there are a large number of graduate engineers from China and India who are completing their Masters of Engineering in Australia, with the majority expected to fill graduate roles due to continuing skills shortages, provided they meet Federal visa requirements.

Over the past quarter wage pressures, particularly in those sectors that employ Fly In, Fly Out and Drive In, Drive Out skills, are emerging.

However, salary levels will remain constant rising on par with inflation. Salaries are expected to increase between three and five per cent over the next six to twelve months.

SouthTech

Building and Engineering

As knowledge and records management becomes demystified and organisational benefits are realised, organisations are increasing strategies to capture and leverage off their corporate knowledge and memory to reduce content duplication, increase productivity and improve revenue.



At the Coalface

Business and Information Management includes Information and Organisation Professionals such as librarians and record keeping staff, crucial jobs in a wide range of private and public organisations.

There is a current oversupply of just 300 workers in this occupations category with 13,900 people available but only 13,600 employed plus vacancies.

The Clarius Skills Index for the category has moved down from 98.0 to 97.8 from September to December indicating a very slight softening of the sector.

While some employers in the libraries and records sectors are showing caution in their hiring decisions there is still continuing demand in both occupation categories.

On the library side we have a continuing demand for cataloguers, teacher librarians, library experienced sales consultants.

The largest employers of library staff are academic institutions and public libraries. This is due to the number of hours they are open per week and the number of sites, size of the libraries and number of users.

However, there is continual shrinking of roles across the library sector as traditional roles or tasks such as cataloguing, circulation or document delivery are being outsourced to suppliers or superseded by technology such as Radio Frequency Identification (RFID) or electronic scanning.

On the records side we have a shortage of skills in archivists, records staff who have Sentencing (the process of document destruction) and Electronic Document Records Management System (EDRMS).

Activity in the records area will continue across all sectors (public and private) and activity is largely driven on an as-needs basis.

Organisations are (or are planning) to digitise parts of their collections to retain and preserve their corporate memory and make it easier to access electronically.

Due to legislative requirements and compliance, organisations are also implementing or increasing the use of EDRMS.

As knowledge and records management becomes demystified and organisational benefits are realised, organisations are increasing strategies to capture and leverage off their corporate knowledge and memory to reduce content duplication, increase productivity and improve revenue.

Since its inception, the information management industry (IM) has continued to evolve to remain relevant to its stakeholders.

Business and Information

Succession planning and ing of existing staff are ongoing concerns with a lot of employers.

Libraries in particular are realising that a lot of their senior staff will be retiring in the next few years and they have not always invested in increasing the skills and experience of their more junior staff.



At the Coalface continued...

Business and Information

Technology will continue to be a major enabler for the sector.

E-resources, WiFi, Radio Frequency Identification (RFID), Web 2.0 and mobile technology has allowed them to reach out to new target audiences and to provide content to their stakeholder anytime, anywhere without the constraints of the doors being open.

Libraries are defining what their core business is and implementing initiatives such as shelf ready (outsourcing cataloguing of library resources) and outsourcing the support and maintenance of their Library Management Systems to suppliers.

Records management has been impacted by the increase in electronic records and the move to Electronic Document Records Management Systems (EDRMS).

Due to the nature of the information management sector, staff are continually ing to embrace and provide new services to stakeholders such as e-books, RFID, mobile technology, Web 2.0 and EDRMS.

The increased acquisition of personal mobile devices means that libraries will continue to provide increased online alternatives to print material.

As more mainstream and academic content (e.g. prescribed textbooks) is published and made available there will be an increased utilisation of mobile technology for personal and academic use.

Salaries in the IM space incrementally go up each year, via an EBA (Enterprise Bargaining Agreement) or through CPI increases. The percentage will depend on the organisation people work at e.g. Local Government will go up 3 – 3.5 per cent a year on average.

Succession planning and ing of existing staff are ongoing concerns with a lot of employers.

Libraries in particular are realising that a lot of their senior staff will be retiring in the next few years and they have not always invested in increasing the skills and experience of their more junior staff.

There is also the issue of how to attract new people to both the library and records the industries.

Productivity gains have been a focus in the IM sector for a number of years.

Organisations are always looking at how they can continually improve their services and products for their stakeholders – and justifying their existence as cost centres.

If this wasn't the case, technologies such as RFID and e-books wouldn't be so prevalent in libraries and EDRM systems in organisations worldwide.



In terms of people, the estimated skill shortage of 5,200 in the June quarter 2011 across the 20 selected occupations reversed significantly to an oversupply of 34,900 people in the December quarter.

Skill Shortages at the Occupation Level

The index focuses on 20 selected ANZSCO occupations and these are each allocated to one of four occupation groups - Managers, Professionals, Technicians, and Clerical and Administrative Workers.

All four groups eased in the December quarter 2011, consistent with movements of most of the underlying 20 occupations.

In terms of people, the estimated skill shortage of 5,200 in the June quarter 2011 across the 20 selected occupations reversed significantly to an oversupply of 34,900 people in the December quarter, when looking at the new ANZSCO-based time series data.

This large change was widespread, reflective of movements experienced across the board by all of the occupation groups between June and December quarters (see table).

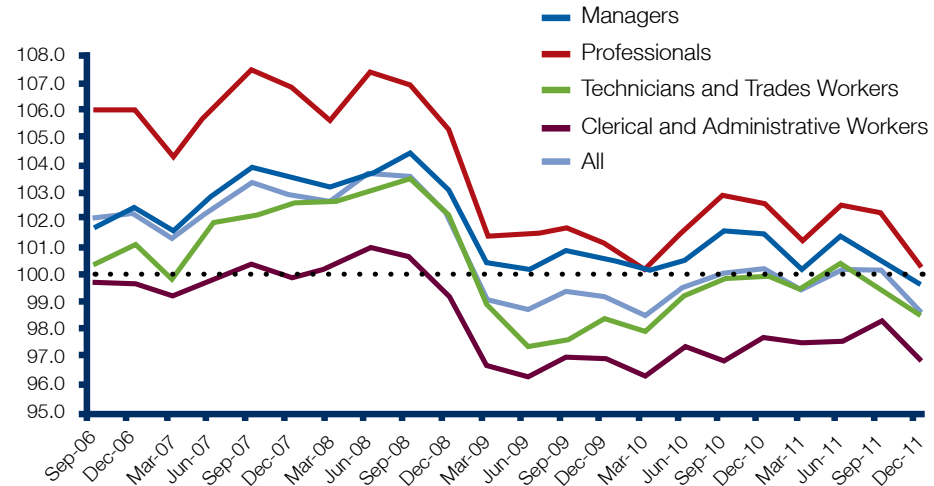
This has been reflective of the broader labour market conditions within the Australian economy.

	Difference (supply less demand '000)		
	Dec Qt 11	Sep Qt 11	Jun Qt 11
Managers	1.8	-3.0	-7.3
Professionals	-2.5	-19.1	-22.2
Technicians	2.6	0.9	-0.6
Clerical and Admin Workers	33.1	17.0	24.9
All 20 listed occupations	34.9	-4.3	-5.2



Higher qualification based groups have in general experienced greater index readings than those requiring lower qualifications, but all have been impacted by weaker labour market conditions in the December quarter 2011.

Clarius Skills Index – 20 Occupations



In terms of the overall index (representing all 20 selected ANZSCO occupations), it has eased from 100.2 to **98.7** moving from “balanced” to “**moderate**”, with total labour demand growing slower than total labour supply.

Recent reports⁵ by the Australian Bureau of Statistics indicate that the job market conditions have deteriorated slightly, with the RBA’s liaison reporting businesses are cautious about hiring amid high levels of economic uncertainty in global markets.

The figure following is the historical time series of the new index. Changes to the index implemented in this report have been consistently applied to the historical ANZSCO data.

The Clarius Skills Index reached a low in the September quarter of 2009. Following this low, all the occupation groups, have seen improving labour market conditions.

The figure highlights that higher qualification based groups have in general experienced greater index readings than those requiring lower qualifications, but all have been impacted by weaker labour market conditions in the December quarter 2011.

⁵ Australian Bureau of Statistics, Labour Force, Australia, Catalogue Number 6202.0, December 2011

The index for ICT Managers increased marginally from 98.3 to 98.5, as supply fell by more than demand. Supply is affected by ongoing issues including an ageing workforce, global competition for ICT skills, and movement of ICT managers to other sectors.

Further analysis of the Index for each occupation group reveals the following results for the quarter:

Managers:

Managers have experienced a weakening labour market.

Vacancies were down across the board, which suggests that the current mood of caution will lead to stalling employment in the coming months.

The pool of Chief Executives, Managing Directors and General Managers grew this quarter. The index remained low, increasing from 97.8 to **98.1**.

The index for Advertising and Sales Managers has been declining since the June Quarter and now sits at **101.1**. Global economic uncertainty means that the outlook remains restrained for the time being. However, a shortage of 1,500 remains.

The skills shortage for Corporate Services Managers has eased but the index has remained **extreme**, easing significantly from 107.2 to **102.9**. Corporate Services can be sensitive to falls in business confidence, and this has been evidenced by a decrease in advertising for management positions.

Demand for Finance Managers has increased in recent times because of demand for oversight of the productivity of new teams. However, vacancies eased for this quarter, suggesting that employment growth will ease in the coming months. The index fell from 99.4 to **99.0**.

Demand for Construction, Distribution and Production Managers increased this quarter.

As the mining sector continues to boom, technical managers are likely to be in high demand.

The construction industry is expected to have a strong annual growth rate and a shortage of project managers may prevail. This sector was not immune to falling business confidence however, and vacancies were down. The index for this quarter was **balanced** at **100.0**.

The index for ICT Managers increased marginally from 98.3 to **98.5**, as supply fell by more than demand. Supply is affected by ongoing issues including an ageing workforce, global competition for ICT skills, and movement of ICT managers to other sectors.

This quarter's fall in supply is likely a result of the tightening labour market. Despite this, jobs growth in ICT is expected in the near future.

Confidence in the financial services sector ranks second only to the mining sector, but it has eased slightly due to economic concerns. This is reflected in slowing job vacancies. Some financial services firms have opted to increase hours worked rather than increase hiring.

Professionals:

The index for Professionals has continued to decline.

Demand for Accountants has shrunk in response to the uncertain economic climate. The index moved slightly below 100 for the first time since March 2010, but remained **balanced**.

Confidence in the financial services sector ranks second only to the mining sector, but it has eased slightly due to economic concerns. This is reflected in slowing job vacancies. Some financial services firms have opted to increase hours worked rather than increase hiring.

While overall demand for advertising staff fell marginally, there has been an increase in demand for advertising staff in property and business services. The index was **moderate** at **98.8**.

The shortage of ICT professionals eased significantly this quarter as vacancies fell and unemployment increased. This was reflected in a fall in the index from 104.5 to **101.3**. But there is still a significant shortage of 2,700 ICT professionals.

However, the IT industry is preparing for an increasing shortage as a number of major projects take off.

Some government agencies will soon start system enhancement projects and the mining and resources sector is increasing its demand for ICT professionals. The NBN will also increase labour demand.

There continues to be an **extreme** shortage of Engineering Professionals, with an index of **102.9**. Mining engineers, environmental engineers and electrical engineers continue to be in high demand from the mining sector.

Vacancies for Legal Professionals experienced a large drop this quarter, and employment is at its lowest level since June 2009. The index remained **balanced** at **99.7**.

Building of the NBN will create demand for specific skills, including construction workers, telecommunications lines workers and cablers.

Training is anticipated to commence at the end of 2012 to ready workers for the full scale rollout in 2014.

Technicians:

There was little movement in the index for Technicians this quarter, and it remained “**moderate**” at **98.5**.

Employment increased for Building and Engineering Technicians (oversupply of 1,100), and ICT and Telecommunications Technicians (oversupply of 1,500), and corresponding unemployment eased slightly.

Demand and supply were both up. There is enough construction and reconstruction taking place to maintain moderate growth in the construction sector, and the index for Building and Engineering technicians remains **moderate** at **99.0**.

Building of the NBN will create demand for specific skills, including construction workers, telecommunications lines workers and cablers.

Training is anticipated to commence at the end of 2012 to ready workers for the full scale rollout in 2014. In this quarter however, the index for ICT and Telecommunications Technicians fell slightly and is now considered **low** at **97.7**.

Clerical and Administrative Workers:

The index for Clerical and Administrative Workers fell slightly from low to **very low**.

There has not been a great amount of movement in the indices for sub-professions within this sector, but all fell this quarter, on average 1.5 per cent, after increasing previously.

This reflected greater unemployment, and reduced vacancies for all sub-professions. These indices all sit at a low level. In the December quarter there was an oversupply of 33,000 across the five main sub-categories.

Demand increased for Office and Practice Managers, Personal Assistants and Secretaries, Inquiry Clerks and Receptionists, as well as Accounting Clerks and Bookkeepers, as did supply.

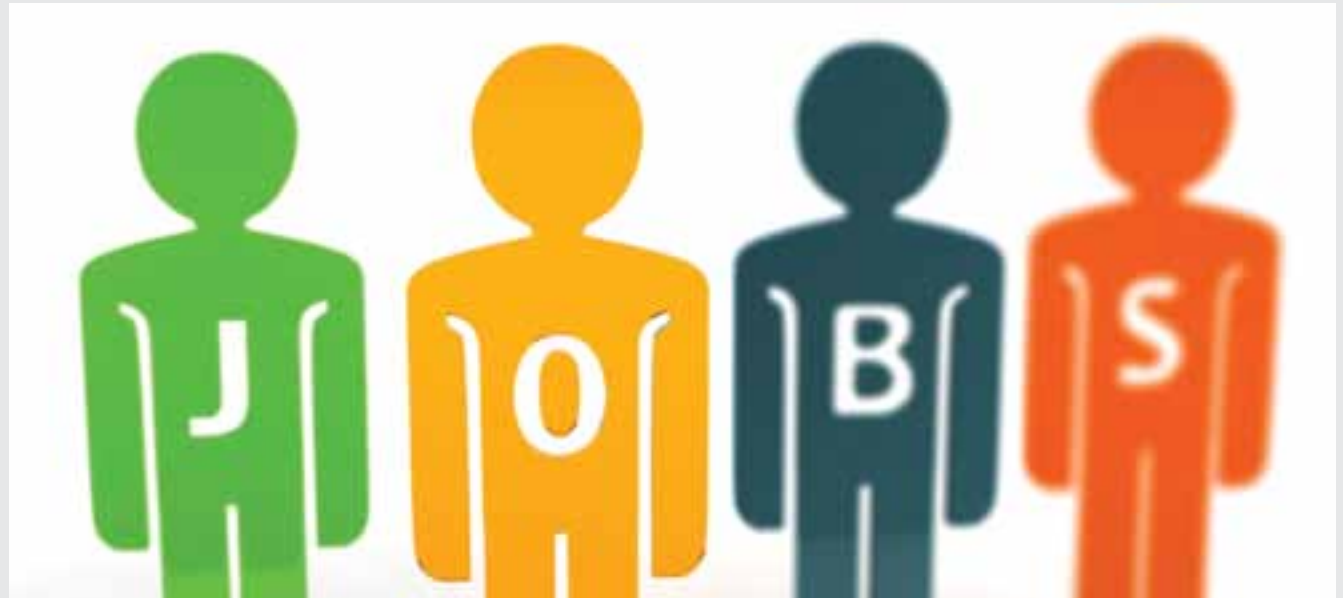
Demand has been particularly strong for staff with administrative experience in large teams.

2012 Employment Market Outlook

“

While the employment market has softened in many sectors over the past year, resource industry growth, ICT and revenue generating occupations will experience more positive activity the further we move into 2012.

”



2012 will be a year when management will need to look closely at how they manage staff and available skills, being careful not to cut staff with skills they may need as the economy picks up only to discover they are hard and expensive to find.

The continued resources boom in Western Australia and Queensland, while continuing to pour profits into the private sector and government coffers, is also creating knock on effects along the eastern seaboard.

Engineering and associated skills, IT professionals and accounting staff in Sydney and Melbourne will continue to be attracted to the West coast and, to a lesser extent, into Queensland.

Specialist sales skills, particularly in the audit and debt recovery areas, are increasingly being sought and this is expected to increase as companies seek to move products and services and recover funds from slow paying debtors.

Audit companies are particularly seeking to increase their personnel as company finances are scrutinised more than ever before in light of the difficult economic conditions.

At the same time, 2012 will be a year when management will need to look closely at how they manage staff and available skills, being careful not to cut staff with skills they may need as the economy picks up only to discover they are hard and expensive to find.

Management with a longer outlook will plan to negotiate with staff to reduce hours before contemplating redundancies to retain existing skills and knowledge to ensure the company maintains its performance and profitability while leaving room to respond to any uptake in demand.

This more flexible approach, with the agreement of existing staff, will provide companies with much more positive outcomes all round.

In industries such as libraries and records keeping, the constant and rapid changes to the various forms of mobile technologies, from smartphones to tablet computers, is requiring ing of staff.

While there are cutbacks in these sectors, driven by technological advances, these very changes are helping to reshape employment in this sector through 2012.

Computing professionals will continue to be in high demand as the NBN rollouts gather pace, major banks update systems and the online and gaming sectors introduce new products and services.

Diversification in the telco sector is also expected to put demand pressures on available IT skills with some companies having to go offshore.

This will mean further pressure on 457 visa availability and the federal government's preparedness to be more flexible, in particular with the on hire labour agreement (allowing recruiters to hire out overseas skilled workers to its clients).

Lower interest rates and investment opportunities over the next 12 months are expected to see strategic recruitment begin to pick up in order to meet market requirements.

The resources sector shows few, if any, signs of slowing and this is sustaining and will increase the demand for highly skilled staff through 2012.

Australia may have one of the strongest performing economies in the world but is far from immune to overseas financial crises in Europe and the US, which has in the past 12 months and continues to have cautionary effects on employers.

As a result the accounting, banking and finance markets have experienced significant changes in hiring patterns over the past quarter.

Consequently the financial services sector has seen increases in offshore outsourcing as demand decreases due to low consumer and business confidence and potential cost savings.

However, lower interest rates and investment opportunities over the next 12 months are expected to see strategic recruitment begin to pick up in order to meet market requirements.

The resources sector shows few, if any, signs of slowing and this is sustaining and will increase the demand for highly skilled staff through 2012.

Over the past quarter, the resources boom has continued to create demand for skills within the engineering and construction sectors, particularly for highly skilled staff which is expected to be greater than supply over the next 12 months.

Supply companies to the sector, including training and services companies, IT companies and other service providers who are all looking for personnel to provide to the sector in light of the current boom, are also expected to continue perform strongly.

Most of Australia's biggest resource companies have high demand for senior engineers.

And as skilled professionals are drawn from those available and willing to move to WA or Queensland there is something of a vacuum being created in the Sydney and Melbourne markets where major infrastructure projects are in various stages of development or construction.

In turn, there are wage pressures as experienced engineering professionals are in strong bargaining positions to seek better salary deals. This is expected to continue in 2012.

Productivity – The Imperative of Investing in Training

Employers across all industry sectors have refocused their hiring intentions and requirements on potential staff who can deliver significant productivity improvements to their businesses.

They are increasingly demanding recruiters provide comparative evidence of candidate capabilities relating to their productivity objectives.

Productivity is a measure of the rate at which inputs are transformed into outputs. Productivity growth implies that fewer inputs are required to produce a given level of output, or, for a given level of inputs, more output can be produced.

Australia requires productivity growth for economic growth and higher standards of living. In addition, further productivity growth is necessary to assist with major economic challenges that Australia faces, such as demographic ageing.

So, what needs to be done for the medium to long term to ensure capabilities are available that respond to these needs?



In order to ensure that investment in human capital results in productivity gains, there must be links between training providers and employers to ensure that skills supply meets skills demand.

There are a number of practical aspects to Australia's current productivity challenge as companies in all sectors seek to lift their outputs while maintaining or lowering costs.

With continuing financial crises in both Europe and the US as well as downturns in retail and manufacturing in Australia, the pressure to improve productivity levels has rarely been higher in recent decades.

Education and training are undoubtedly foundations of both labour force participation and productivity.

What must be considered, however, is that the acquisition of skills is one thing, but it is the utilisation of skills that matters for productivity.

A recent study released by the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne found that a mismatch between skills and qualifications and employment potentially results in negative labour market outcomes.

In order to ensure that investment in human capital results in productivity gains, there must be links between training providers and employers to ensure that skills supply meets skills demand.

Furthermore, in a recent research report by the Productivity Commission, education and training are identified as essential to the development of skills and knowledge required for a productive economy.

Development of the skill level of individual workers raises the potential productivity of the labour force. An educated and skilled workforce promotes innovation and implementation of technological advances.

In recognition of the role of education and training in enhancing Australia's productivity, and in light of increasing skills shortages, there have been a number of education and training related reforms by state and Commonwealth governments.

The reforms are guided by the objectives of the National Agreement for Skills and Workforce Development. This agreement aims to provide Australians with the opportunity to develop the skills and qualifications needed to participate in, and contribute to, the labour market.

While investment in education does not have immediate benefits, and there would likely be a net cost in the short-term, it produces large long-term economic gains to the wider economy and it is a worthy investment.

Australia has a high quality education sector, and we must continue to invest in and grow it in order to face our demographic challenges.

It is crucial to look forward and invest in training to plan for these shortages now – or we will face a much larger problem in the future.

Looking at Australia's productivity growth more recently, annual average productivity growth has fallen since it heights in the 1990s of 2.1 per cent to 1.4 per cent in the 2000s.

How we've performed

Over the past 40 years, real growth in Australia has averaged 1.9 per cent per year, with labour productivity contributing the vast majority of this.

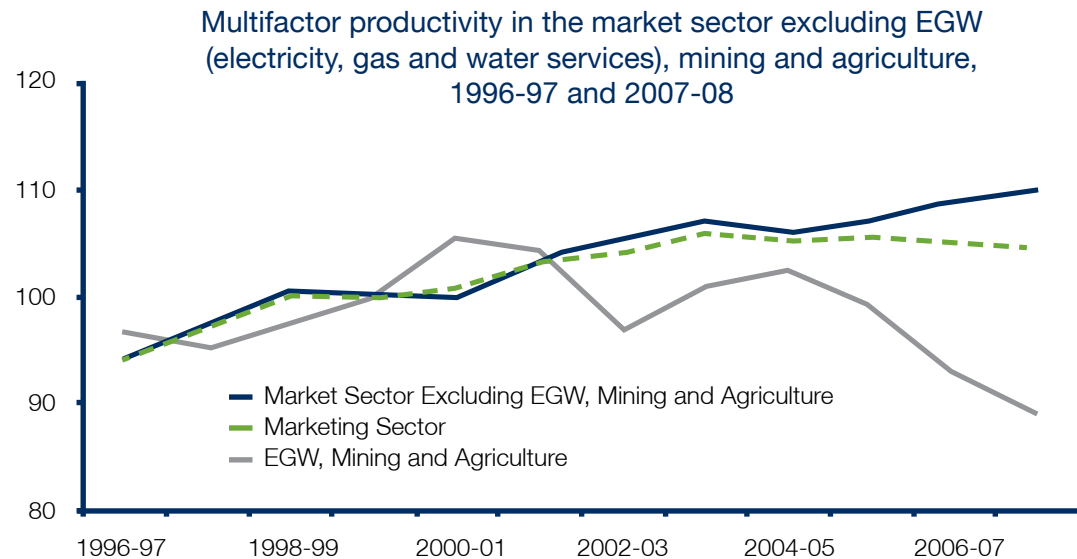
For the next 40 years, the Commonwealth Treasury has forecast real growth to slow marginally to about 1.5 per cent per year, again with labour productivity the key contributor.

Looking at Australia's productivity growth more recently, annual average productivity growth has fallen since it heights in the 1990s of 2.1 per cent to 1.4 per cent in the 2000s.

According to the Productivity Commission, this more recent productivity decline can mainly be attributed to:

- the impact of lagged production in the mining sector in response to the major capital investments needed to satisfy booming export demand;
- agricultural productivity suffering from the extended periods of drought; and
- the utilities sector benefiting from major capital investments but this has coincided with reduced output growth, reflecting in part demand management initiatives.

These factors are evident in the following diagram:



Source: PC <http://www.pc.gov.au/research/productivity/estimates-trends/recent-movements>: Accessed 23 January 2012

It falls upon not only the private sector but also the federal and state governments as well as tertiary institutions at all levels to ensure that education and training course content has significant focus on the importance and values of optimising productivity.

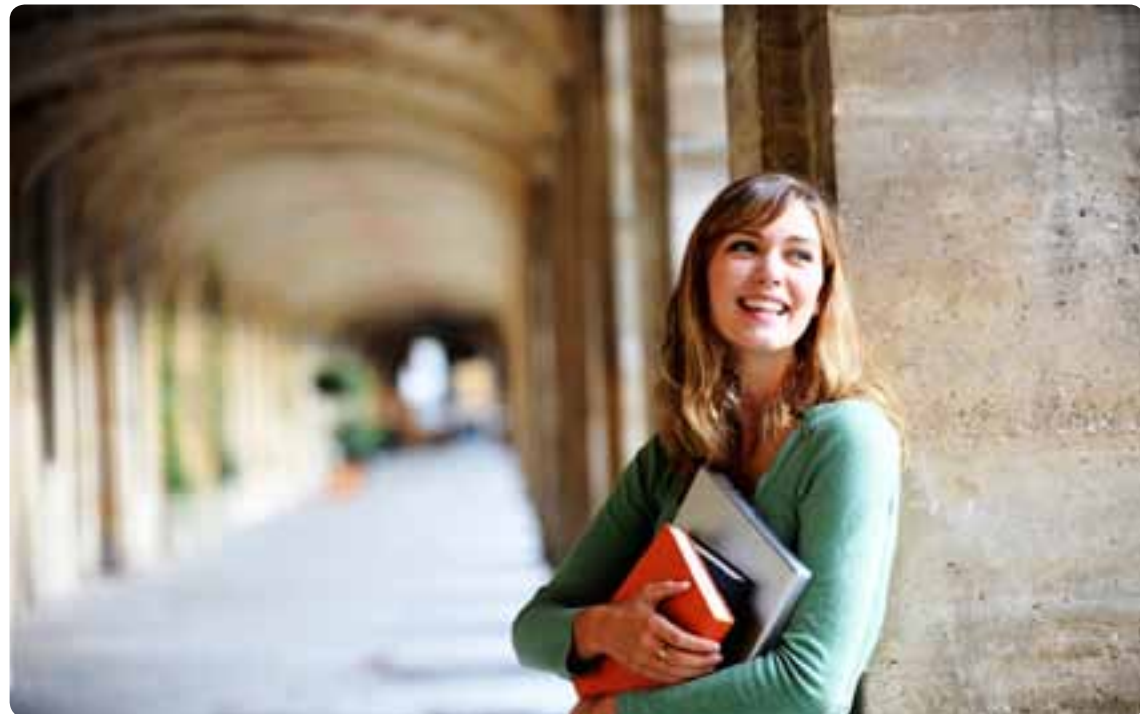
And that these components relate to the real worlds of resources, workplace expectations, performance and management.

Ultimately, it is the responsibility of several sectors of the community to make conscious efforts to lift productivity levels across the nation.

It falls upon not only the private sector but also the federal and state governments as well as tertiary institutions at all levels to ensure that education and training course content has significant focus on the importance and values of optimising productivity.

And that these components relate to the real worlds of resources, workplace expectations, performance and management.

In response to the increased demands from employer clients, Clarius Group and its brands provides productivity assessments for companies seeking identification of skills and experience in candidates that will deliver the productivity gains these clients are seeking.



The domestic outlook appears to be cautiously optimistic given Australia's solid position relative to other developed economies.

Investment in the Australian resources sector has continued to surge. This growth reflects investor confidence in the medium to long run outlook for the Australian resources sector.

Provided investment growth continues in line with current trends, resource sector investment will be a key contributor to domestic economic activity over the next two years.

Labour Market Analysis and Forecast

Activities in the domestic economy fell in the beginning of 2011, as heavy flooding and cyclones destroyed a large proportion of agricultural output and disrupted mining production in the eastern states of Australia.

However, activities have mostly recovered to pre-flooding levels since then. Furthermore, the rebuilding of flood-affected areas should provide a boost to construction activity in the medium term.

Global economic growth has been slow. Recent events within major developed economies have led the IMF to make a downward revision to its global growth forecasts for 2012 and 2013.

In its January 2012 World Economic Outlook, the IMF cut its forecast of world output growth for 2012 from 4 per cent (published in September) to 3.3 per cent. The forecast for 2013 was also revised down to 3.9 per cent (previously forecast at 4.5 per cent).

This downward revision is due to a combination of factors such as continued instability in the Euro zone and uncertainty in the recovery of the US economy.

A potential default by Italy has emerged as the most pertinent risk to global financial markets. Compared to Greece, Ireland and Portugal, the much larger Italian economy may be too big to bailout in the case of a default.

The newly established Emergency Stabilisation Fund is unlikely to be able to cover potential losses on Italian debt, and yields on Italian government bonds are currently at an uncomfortably high level.

On the upside, recent data from the US have been more upbeat, with unemployment falling to 8.5 per cent in December 2011 (the lowest rate since February 2009). This is a positive sign for the US economy, which is heavily reliant on consumer spending.

The domestic outlook appears to be cautiously optimistic given Australia's solid position relative to other developed economies.

Investment in the Australian resources sector has continued to surge. This growth reflects investor confidence in the medium to long run outlook for the Australian resources sector.

In addition, investment intentions (as measured by the ABS Survey of New Capital Expenditure) over the next few years remain very strong compared with historical data.

Provided investment growth continues in line with current trends, resource sector investment will be a key contributor to domestic economic activity over the next two years.

While prices for mineral commodities softened in late 2011 (reflecting growth in global output of mineral commodities combined with lower steel production), exports are forecast to grow at an above trend pace over the next few years as economic development continues at a rapid pace in emerging Asian economies.

Over the medium term, dwelling investment is also expected to pick up, driven by strong underlying demand for housing, a solid labour market and ongoing population growth. That said, growth in residential investment is forecast at a slower average pace than was seen over the past ten years.

Australia's population growth rate has been declining since it peaked in late 2008. In the year to December 2008, the population grew by 2.2 per cent, reflecting both high fertility as well as growth in net overseas migration.

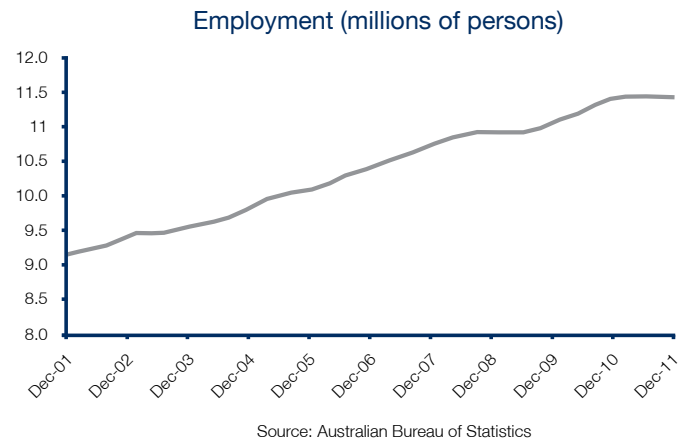
There is more uncertainty in other sectors of the economy, such as household consumption and business investment outside of the resources sector.

Australia's population growth rate has been declining since it peaked in late 2008. In the year to December 2008, the population grew by 2.2 per cent, reflecting both high fertility as well as growth in net overseas migration.

Much of this growth was due to a net inflow of migrants.

Since then, unfavourable economic conditions, combined with rising public concern over the sustainability of population growth, have led the government to cut planned migrant intakes. As such, growth has now slowed to a pace of 1.4 per cent in the year to June 2011.

The following chart presents employment levels over the past ten years.



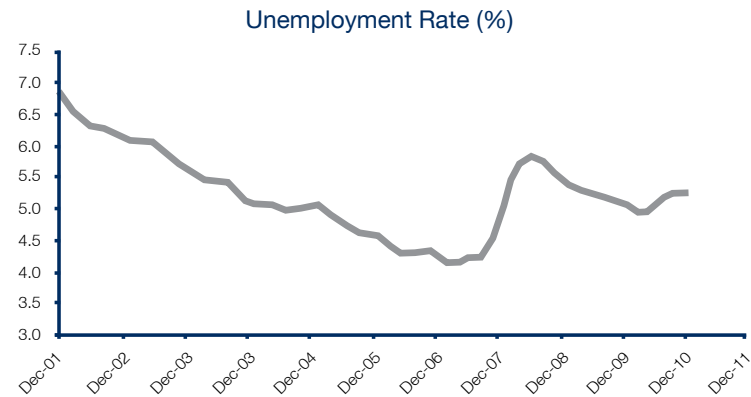
Employment grew at a very fast pace over the latter half of 2010, but slowed throughout 2011 as events in the global economy weighed upon business sentiment. This led business to take a more cautious approach to hiring.

Over the last half of 2011, employment actually began to contract. As of December 2011, overall employment within the Australian economy was at roughly the same level as recorded in December 2010.

This downturn in employment growth contributed to rising unemployment over late 2011. The national unemployment rate reached 5.3 per cent in September 2011 (up from a recent low of 4.9 per cent in April 2011).

Over the last half of 2011, employment actually began to contract. As of December 2011, overall employment within the Australian economy was at roughly the same level as recorded in December 2010.

The national rate of unemployment is illustrated in the following chart.



Source: Australian Bureau of Statistics

The national unemployment rate now sits at 5.2 per cent (up from a recent low of 4.9 per cent in April 2011).

We expect that this trend will continue over the remainder of 2011/12. Soft employment growth is likely to result in softer consumer spending over the next year.

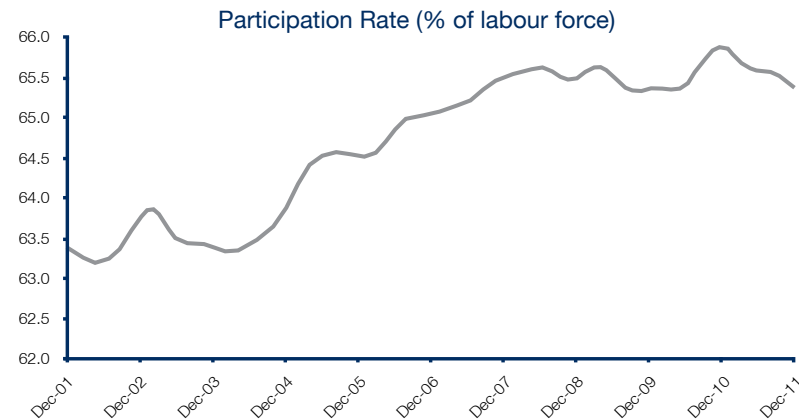
Recent data suggests that labour demand slackened in mid-2011, with the unemployment rate rising from 5.0 to 5.3 per cent between May and September 2011.

It has remained at 5.2 per cent since October 2011. The Australian Bureau of Statistics employment report shows a slight rise in unemployment in November and December combined with slightly lower participation, indicating that trepidation over global conditions continues.

After holding the official cash rate unchanged over most of 2011, the RBA recently began to cut rates, lowering the overnight rate by 25 basis points in both November and December.

This easing of monetary policy was primarily a response to deteriorating economic conditions in the global economy and some labour market softness rather than reflecting conditions in the domestic economy.

Labour force participation rates are illustrated in the following chart.



Source: KPMG Econtech MM2 model, December 2011.

The total number of jobs advertised online and in newspapers declined by 0.9 per cent over December 2011, to a weekly average of 179,970 advertisements (ANZ Job Advertisement Series).

Total job advertising is 2.6 per cent lower than December 2010, representing the first annual decline since February 2010.

Job advertising continues to weaken in New South Wales and Victoria, reflecting ongoing consolidation in the manufacturing and retail sectors.

After holding the official cash rate unchanged over most of 2011, the RBA recently began to cut rates, lowering the overnight rate by 25 basis points in both November and December.

This easing of monetary policy was primarily a response to deteriorating economic conditions in the global economy and some labour market softness rather than reflecting conditions in the domestic economy.

Much of Australia's economic growth in recent years has been reliant on high commodity prices.

However, the deterioration in the global economic outlook took a toll on commodity prices in late 2011.

Fruit and vegetable prices have recently fallen as agricultural production has now begun to recover from disruptions due to the natural disasters at the beginning of 2011.

The Australian Bureau of Statistics has also adjusted its Consumer Price Index (CPI) calculation, which led to a downward revision of its published inflation figures.

These factors have caused CPI figures in Australia to ease in recent months, which has allowed the RBA greater freedom to cut rates.

The pattern of wages growth across the states and territories is likely to largely reflect the pace of economic activity.

Accordingly, fast-paced wages growth is most likely to be in Queensland, Western Australia and the Northern Territory.

State Comparisons

The resource rich states of Queensland, Western Australia and the Northern Territory are expected to continue to be the top performing states in terms of Gross State Product (GSP) growth.

These states performed well in 2010/11 with the exception of Queensland which suffered as a result of natural disasters. Queensland and Western Australia are leading growth in the 2011/12 year.

Despite the ongoing global economic issues, Australia's resources sector continues to be a major recipient of investment and resource rich states are expected to perform well in the short term as a result of this investment.

Growth is expected to be slower in New South Wales and the Australian Capital Territory.

New South Wales is pursuing tighter budgetary measures with saving initiatives and spending cuts in the horizon.

Growth in the ACT is likely to be adversely affected by the federal government focus on budget savings. This is likely to impact on activity in the government focussed ACT labour force.

The pattern of wages growth across the states and territories is likely to largely reflect the pace of economic activity.

Employment growth generally follows growth in activity with a lag, and wage pressures are most acute in those regions that have relatively strong labour demand.

Accordingly, fast-paced wages growth is most likely to be in Queensland, Western Australia and the Northern Territory.

The pattern of population growth is uneven across states and territories.

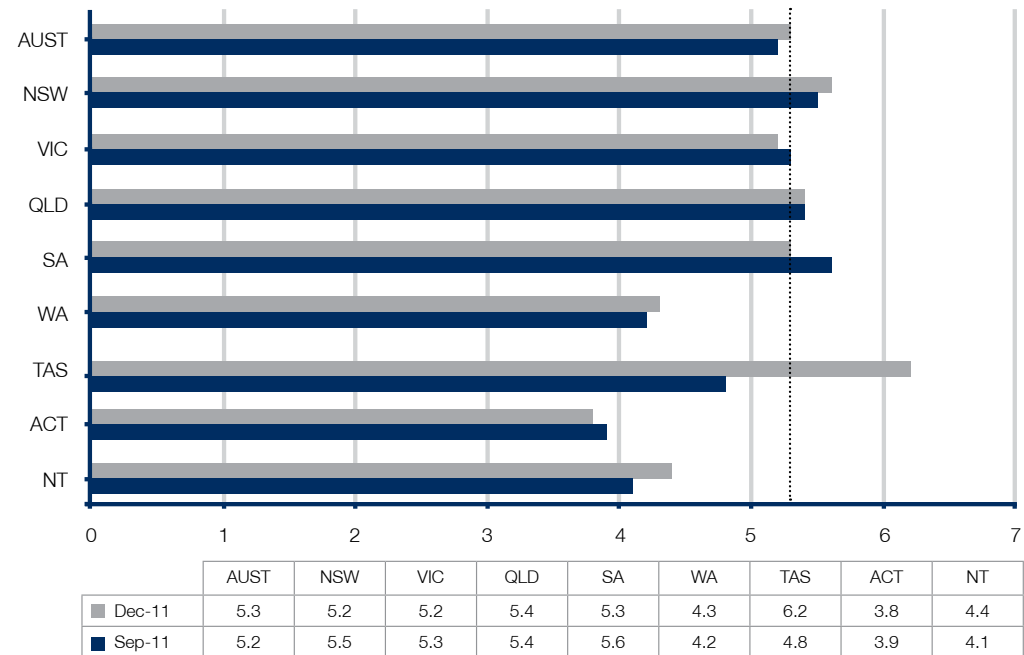
Western Australia recorded the highest population growth in 2011 due to its booming mining sector attracting an inflow of workers from interstate and overseas.

Tasmania and the Northern Territory recorded the slowest growth.

Australia's relatively low fertility rates, combined with the tightening of immigration requirements, will likely lead to relatively slow population growth over the longer term.

Victoria's economic performance has been recovering since the flooding in early 2011. Overall, the state has enjoyed healthy population growth, along with solid growth in employment. However, Victoria faces a number of challenges going forward, including slow productivity growth, skills shortages, aging infrastructure and high housing costs.

Unemployment Rates by State (per cent)



Australian Bureau of Statistics, Labour Force, Australia, Catalogue Number 6202.0, December 2011
 Note: All rates are seasonally adjusted with the exception of NT and ACT which are Trend data



New South Wales

NSW accounts for around 32 per cent of the Australia economy. While the smaller states tend to specialise, NSW has the most diversified economy. As such the NSW economic cycle generally reflects the national outlook.

Economic growth in NSW was slower than expected in 2011 due to low levels of consumer and business sentiment depressing the retail sector.

Going forward labour market conditions are expected to be less favourable as employers become pessimistic about profitability. This will likely result in slower wage growth.

The short term outlook for South Australia is optimistic. The agriculture sector has performed strongly in recent times due to above average rainfall and rising grain prices. Other key industries such as defence and mining continue to attract investment in the short-term.



Victoria

Victoria is the “manufacturing state”, making it the most cyclical of the larger states. It also has a sizeable agricultural industry but lacks the resources of QLD and WA. The exposure to the manufacturing industry means that economic conditions in VIC are sensitive to fluctuations in the exchange rate.

Victoria’s economic performance has been recovering since the flooding in early 2011. Overall, the state has enjoyed healthy population growth, along with solid growth in employment. However, Victoria faces a number of challenges going forward, including slow productivity growth, skills shortages, aging infrastructure and high housing costs.

Business confidence is relatively flat in Victoria, as businesses fear the sluggish economic conditions in Europe and the US will spread locally. This will likely lead to hiring activities slowing.

Employment prospects in education and tourism will likely continue to be pessimistic as the outlook for service exports remains soft due to a high AUD and increased international competition.



Queensland

Natural disasters in early 2011 caused severe damage to Queensland’s infrastructure, and disrupted production in the mining and agriculture sectors. Activities have since been recovering.

The rebuilding of homes and businesses has seen construction and related service activities grow.

The Queensland Government has approved funding in various short-term infrastructure projects, which should partly offset the negative pressure on non-residential construction due to falling business confidence.

High levels of mining construction are also expected for QLD which will further support activities in the state.



South Australia

Although the mining sector is becoming a larger part of the SA economy, GSP is still largely driven by the manufacturing sector. South Australia’s traditional export strengths are in wine, cereals, meats and automotive manufacturing.

The short term outlook for South Australia is optimistic. The agriculture sector has performed strongly in recent times due to above average rainfall and rising grain prices. Other key industries such as defence and mining continue to attract investment in the short-term.

Mining exports for the state are expected to grow strongly. SA’s major trading partners are the power economies of Asia, which are expected to grow at a fast pace compared to most developed nations.

The unemployment rate in WA has been slow in recent years due to the state's booming mining sector. Unemployment is expected to remain low as the state's economy accelerates.



Western Australia

WA is the "mining state" and riding high on the resources boom. Mining-related investment and exports form a large part of the WA economy. This makes WA more exposed to developments in the world economy as commodity prices are linked to the general health of the global economy.

Future growth in the state's mining sector is expected to remain a key contributor to total state GSP growth.

The unemployment rate in WA has been slow in recent years due to the state's booming mining sector. Unemployment is expected to remain low as the state's economy accelerates.



Tasmania

For many years, TAS experienced slow population growth with net interstate departures offsetting the natural rate of increase in the population.

This trend has now been reversed, with the number of interstate arrivals to TAS exceeding the number of departures. Population growth is expected to continue, albeit not as strongly as in recent times, driven by strong natural increases and high levels of overseas immigration.

Business and consumer confidence in the Tasmanian economy remained weak. Retail spending has been slow and the state's housing industry has also softened.

Manufacturers in Tasmania have been facing tough conditions, especially the state's key sectors such as forestry.

Tasmania is also heavily reliant on its tourism industry, which has suffered in recent times as the strong AUD has discouraged overseas tourist and encouraged more Australians to travel overseas.

These risks are likely to continue. However, moderation of the Australian dollar's strength is likely to see a pickup in manufacturing exports and tourism activities.

The state's employment figures have remained solid. Growing demand for food is likely to support employment in the state's agriculture and food manufacturing industries.



Australian Capital Territory

The ACT is highly exposed to the operations of the Australian Government. Government consumption expenditure accounts for over 75 per cent of GSP, more than three times the national figure. Since government spending tends to be relatively stable, the cycle in ACT growth tends to be less pronounced than other states.

The unemployment rate for the ACT remains well below the national average. ACT are the highest paid in the country in terms of annual average wages. This supports a strong level of private consumption.

The ACT is not generally export-oriented. This means that it is less affected by international developments.

The unemployment rate for the ACT remains well below the national average. ACT are the highest paid in the country in terms of annual average wages. This supports a strong level of private consumption.



Northern Territory

The NT is highly exposed to the local mining industry. Growth has been strong recently, partly fuelled by high levels of investment demand. In particular, business investment in the mining sector was strong. Private investment in dwellings was comparably weaker.

GSP growth was slower than growth in final demand, implying slow growth in the export sector.

Over the next few years, high commodity prices and strong demand from China, India and other developing Asian economies should provide a boost to growth, as the mining industry is a major driver of activity in the territory. This should support healthy employment growth, which will further bolster household confidence and private consumption.

Overall, GSP in the territory is forecast to grow healthily over the medium to long term.



Methodology, Definitions and References

Methodology

The Clarius Group – KPMG Econtech Labour Skills is calculated as:
$$\frac{\text{Labour Demand}}{\text{Labour Supply}}$$

Where:

Labour demand = number of skilled employed persons + number of skilled job vacancies

Labour supply = number of skilled employed persons + number of skilled unemployed persons

The number of skilled employed persons is based on ABS employment by occupation data (catalogue number 6291.0.55.003, Labour Force, Australia, Detailed, Quarterly, November 2011).

The number of skilled unemployed persons is based on ABS unemployment by occupation data (catalogue number 6291.0.55.003, Labour Force, Australia, Detailed, Quarterly, November 2011). Those included in the 'worked more than two years ago' and 'never worked for two weeks or more' categories are separated into occupations, using the same profile as the unemployed persons who are assigned occupations.

The number of skilled job vacancies is based on DEEWR job vacancy data (State Occupation Counts data). The DEEWR data is based on a count of online vacancies newly lodged on SEEK, My Career, Career One and Australian JobSearch during the month. The IMI vacancies have been coded by DEEWR to occupations based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

Definitions

Employed: This includes people aged 15 and over who are working full time or part time. Employment represents labour demand.

Unemployed: This includes people aged 15 and over who are looking for full-time work or part-time work, or waiting to start a new job.

Unemployment rate: The number of unemployed persons expressed as a percentage of the labour force.

Labour Force: This includes the total number of people employed and unemployed (see above). The labour force represents labour supply.

Participation Rate: The percentage of the population aged 15 and over that is in the labour force.

Average earnings: The average gross (before tax) earnings of employees. It is estimated by dividing quarterly total earnings by the number of employees.

The following occupation definitions have been reproduced from the 'Australian and New Zealand Standard Classification of Occupations', 1st Edition, ABS cat. No. 1220.0.

Managers

Advertising and Sales Managers: Plan, organise, direct, control and coordinate advertising, public relations, sales and marketing activities within organisations. (minor group 131)

Chief Executives, Managing Directors, and General Managers: Determine, formulate and review the general policy programs and the overall direction of organisations within the framework established by boards of directors and similar governing bodies. (unit group 1111)

Construction, Distribution and Production Managers: Plan, organise, direct, control and coordinate building and construction, engineering, importing, exporting and wholesaling, manufacturing, production, supply and distribution activities within organisations. (minor group 133)

Corporate Services Managers: Plan, organise, direct, control and coordinate the overall administration of organisations. (unit group 1321)

Finance Managers: Plan, organise, direct, control and coordinate the financial and accounting activities within organisations. (unit group 1322)

ICT Managers: Plan, organise, direct, control and coordinate the acquisition, development, maintenance and use of computer and telecommunication systems within organisations. (minor group 135)

Professionals

Accountants, Auditors, Company Secretaries: Plan and provide accounting, financial auditing and treasury valuation services and systems to individuals and organisations, and plan and review legislative compliance activities. (munir group 221)

Advertising and Marketing Professionals: Develop and coordinate advertising strategies and campaigns, determine the market for new goods and services, and identify and develop market opportunities for new and existing goods and services. (unit group 2251)

Engineering Professionals: Fly and ensure the safe operation of aircraft, control and manage the operation of ships, boats and marine equipment, design buildings, landscapes and products for manufacture and visual communication, design, plan and organise the testing, construction and maintenance of structures, machines, production systems and plants, and perform analytical, conceptual and practical tasks in relation to the chemical and physical properties of the universe, living organisms, and the environment. (sub-major group 23)

Financial Brokers and Dealers, and Investment Advisors: Conduct financial market transactions on behalf of clients, sell loans and insurance, buy and sell commodities, offer financial investment advice and plans, and develop and manage financial plans for individuals and organisations. (minor group 222)

ICT Professionals: Perform analytical, conceptual and practical tasks which support the efficient and secure provision of information and communication technology (ICT) services to government, commercial and industrial organisations, and individuals. (sub-major group 26)

Information and Organisation Professionals: Support organisations, government, individuals and the community by analysing, organising and managing information and data, and by providing advice on policy, business and organisational methods, and the value of property and other items. (minor group 224)

Legal Professionals: Provide legal advice, prepare and draft legal documents, conduct negotiations on behalf of clients, plead cases in courts and tribunals, hear legal and other matters in courts and tribunals, and interpret, analyse, administer and review the law. (minor group 271)

Technicians

Building and Engineering Technicians: Perform tests and provide technical support to Construction Managers, Architects and Engineering Professionals in research, design, construction, operation and maintenance of equipment, distribution systems and installations, and resource estimation and site inspection. (minor group 312)

ICT and Telecommunications Technicians: Provide support to the development and maintenance of computer infrastructure, web technology and telecommunications networks, and the diagnosis and resolution of technical problems. (minor group 313)

Clerical and Administrative Workers

Accounting Clerks and Bookkeepers: Compile, record and process documents relating to creditors and debtors, operating costs, financial transactions and payrolls. (minor group 551)

Financial and Insurance Clerks: Receive deposits and pay out money in financial institutions, process credit, loan and insurance applications, maintain records of securities transactions and registrations, offer odds and accept bets, and compile data and undertake statistical and actuarial computations. (minor group 552)

Inquiry Clerks and Receptionists: Respond to requests for information, and receive and greet people. (sub-major group 54)

Office and Practice Managers: Organise and manage the functions and resources of offices and professional practices such as administrative systems and office personnel. (minor group 512)

Personal Assistants and Secretaries: Perform organisational, clerical, secretarial and other administrative tasks in support of Managers and Professionals. (sub-major group 52)

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Clarius Skills Index – September Quarter 2011

By Occupational Group	Seasonally Adjusted					% Change (Jun-11 to Sep-11)	Labour Demand ('000)	Labour Supply ('000)	Difference ('000) (Supply less demand)
	Sep-06	Sep-08	Sep-10	Jun-11	Sep-11				
Managers	99.4	101.3	100.0	99.6	98.9	-0.6%	1,500.2	1,516.2	16.0
Professionals	101.9	102.4	100.5	100.1	99.9	-0.2%	2,514.5	2,517.4	2.9
Technicians and trades workers	98.0	98.9	97.4	97.2	96.6	-0.6%	1,645.3	1,702.7	57.5
Clerical and Administrative Workers	100.1	101.1	97.1	98.0	98.6	0.7%	1,752.2	1,776.7	24.6

By Occupation	Seasonally Adjusted					% Change (Dec-10 to Mar-11)	Labour Demand ('000)	Labour Supply ('000) (Labour force)	Difference ('000) (Supply less demand)
	Sep-06	Sep-08	Sep-10	Jun-11	Sep-11				
Managers									
Advertising and Sales Managers	105.8	108.4	104.6	104.2	102.9	-1.3%	140.0	136.1	-3.9
Chief Executives, Managing Directors, and General Managers	97.7	99.5	98.9	98.4	97.8	-0.6%	104.0	106.3	2.3
Construction, Distribution and Production Managers	102.1	105.7	101.7	101.8	101.1	-0.7%	176.6	174.7	-1.9
Corporate Services Managers	103.1	101.2	103.6	107.4	107.2	-0.1%	9.7	9.0	-0.7
Finance Managers	100.1	102.6	100.5	100.3	99.4	-0.8%	50.5	50.8	0.3
ICT Managers	100.4	101.1	99.6	99.0	98.3	-0.7%	47.8	48.6	0.8
Professionals									
Accountants, Auditors, Company Secretaries	107.4	107.0	102.1	101.8	101.2	-0.6%	188.6	186.3	-2.3
Advertising and Marketing Professionals	101.9	102.7	100.8	100.3	100.2	-0.1%	120.0	119.7	-0.3
Engineering Professionals	106.6	113.6	104.2	105.6	105.4	-0.2%	147.0	139.5	-7.5
Financial Brokers and Dealers, and Investment Advisors	101.9	101.4	100.5	99.4	99.3	-0.1%	89.4	90.0	0.6
ICT Professionals	109.6	108.7	106.1	105.3	104.5	-0.7%	214.8	205.6	-9.2
Information and Organisation Professionals	99.4	99.1	98.8	98.1	98.0	-0.1%	19.9	20.3	0.4
Legal Professionals	105.8	107.5	101.4	101.2	101.0	-0.2%	76.0	75.3	-0.7
Technicians									
Building and Engineering Technicians	100.2	104.7	100.2	100.8	100.0	-0.8%	106.6	106.6	0.0
ICT and Telecommunications Technicians	100.7	101.3	99.2	99.7	98.5	-1.1%	61.9	62.8	0.9
Clerical and Administrative Workers									
Accounting Clerks and Bookkeepers	100.1	101.2	96.6	97.6	98.3	0.8%	297.0	302.1	5.0
Financial and Insurance Clerks	101.7	101.3	97.7	98.1	98.7	0.7%	117.5	119.0	1.5
Inquiry Clerks and Receptionists	99.8	100.5	97.1	97.8	98.4	0.7%	283.1	287.6	4.5
Office and Practice Managers	97.6	98.3	95.5	96.3	96.9	0.6%	170.8	176.3	5.5
Personal Assistants and Secretaries	100.0	101.4	97.9	98.3	99.7	1.4%	126.0	126.4	0.4

Note: Total labour demand and total labour supply have been seasonally adjusted, the underlying data is in original terms.
The historical skills indices for each occupation are updated each time with new seasonal factors.

Clarius Skills Index – June Quarter 2011

By Occupational Group	Jun-08	Jun-10	Mar-11	Jun-11	% Change	Labour	Labour	Difference
					(Mar-11 to Jun-11)	Demand ('000)	Supply ('000)	('000) (Supply less demand)
Managers	100.6	99.2	98.5	99.6	1.1%	1,485.8	1,492.1	6.3
Professionals	102.6	99.6	99.0	100.1	1.1%	2,576.9	2,574.7	-2.2
Technicians and trades workers	98.6	96.9	96.7	97.2	0.5%	1,713.4	1,763.0	49.6
Clerical and Administrative Workers	101.4	97.7	97.8	98.0	0.1%	1,743.4	1,779.9	36.5

By Occupation	Jun-08	Jun-10	Mar-11	Jun-11	% Change	Labour	Labour	Difference
					(Sep-10 to Dec-10)	Demand ('000)	Supply ('000)	('000) (Supply less demand)

Managers

	Jun-08	Jun-10	Mar-11	Jun-11	% Change	Labour	Labour	Difference
					(Sep-10 to Dec-10)	Demand ('000)	Supply ('000)	('000) (Supply less demand)
Advertising and Sales Managers	107.7	102.5	102.6	104.2	1.6%	132.2	126.9	-5.4
Chief Executives, Managing Directors, and General Managers	98.7	98.2	97.4	98.4	1.1%	100.3	101.9	1.6
Construction, Distribution and Production Managers	104.8	101.0	100.6	101.8	1.3%	176.1	172.9	-3.2
Corporate Services Managers	100.2	99.7	104.2	107.4	3.0%	10.2	9.5	-0.7
Finance Managers	102.1	99.8	99.1	100.3	1.1%	45.8	45.7	-0.1
ICT Managers	100.6	98.9	97.9	99.0	1.1%	45.3	45.8	0.5

Professionals

Accountants, Auditors, Company Secretaries	107.0	101.0	100.3	101.8	1.6%	188.3	185.0	-3.4
Advertising and Marketing Professionals	102.7	100.0	99.1	100.3	1.2%	128.8	128.3	-0.4
Engineering Professionals	111.9	102.4	103.8	105.6	1.7%	143.7	136.1	-7.6
Financial Brokers and Dealers, and Investment Advisors	101.9	99.4	98.6	99.4	0.8%	98.9	99.5	0.6
ICT Professionals	111.5	104.3	104.2	105.3	1.1%	218.6	207.7	-10.9
Information and Organisation Professionals	99.1	98.0	97.2	98.1	1.0%	23.2	23.7	0.4
Legal Professionals	108.3	100.7	99.7	101.2	1.5%	75.1	74.2	-0.9

Technicians

Building and Engineering Technicians	103.9	99.7	100.0	100.8	0.8%	105.6	104.8	-0.8
ICT and Telecommunications Technicians	101.6	98.4	98.5	99.7	1.2%	58.3	58.5	0.2

Clerical and Administrative Workers

Accounting Clerks and Bookkeepers	101.6	97.3	97.5	97.6	0.0%	301.8	309.3	7.5
Financial and Insurance Clerks	102.2	98.5	98.1	98.1	-0.1%	124.4	126.9	2.4
Inquiry Clerks and Receptionists	101.0	97.3	97.6	97.8	0.2%	283.3	289.8	6.5
Office and Practice Managers	98.4	96.3	96.4	96.3	0.0%	153.4	159.3	5.9
Personal Assistants and Secretaries	101.2	98.2	98.2	98.3	0.2%	149.4	152.0	2.6

Note: Total labour demand and total labour supply have been seasonally adjusted, the underlying data is in original terms. The historical skills indices for each occupation are updated each time with new seasonal factors.

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