

## MEDIA RELEASE

Wednesday 13<sup>th</sup> May 2009

### **Skills shortages subdued but not resolved despite Budget forecast on rising unemployment**

Right Management supports the Government's 2009 Budget forecast indicating a pro-longed rise in unemployment ahead, but warned employers from cutting too deep and said the skills shortage in Australia is far from over.

In last night's Budget, the Government forecast the unemployment rate to reach six per cent by June this year and accelerate to 8.25 per cent by June 2010 – well above the previous estimate of 7 per cent. It expects unemployment will peak at 8.5 per cent in 2010/11, concluding that one million Australians will be out of work in the next two years.

Bridget Beattie, Regional General Manager of Right Management in Australia and New Zealand, supported this and said the growing pressure on companies to scale back their workforce in these tough times is being reflected in the growth of Right Management's Career Management business which has experienced growth of over 300 per cent over the past 12 months, and says employers must continue to take into account their long term needs when making staffing decisions.

"While the skills shortage appears to have eased dramatically in recent times, the problem has not simply dissolved. Employers will need to continue to develop the skill sets to meet their own demand. Reducing headcount is not always the best alternative to securing long-term growth," Ms Beattie said.

"Ironically, while over the past few years employers have spent their efforts trying to attract quality talent, the tables have now turned and the new challenge for employers is to find ways to keep their highly skilled people close to their organisation through turbulent times.

"The growing financial strain on many employers means they will need to be more creative about how they can use their workforce in different ways as they are forced to do more with less. For instance, this means utilising the skills they do have across different parts of their business through redeployment strategies, and paying more attention to employee wellness and engagement levels so as to continue boosting productivity among existing employees," she said.

**Employers must also be aware of the new rules on redeployment set to take effect on 1 July 2009.**

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Under new changes to the Fair Work Act, set to take effect on 1 July 2009, employers will be legally obliged to consider their redeployment options before making staff redundant, and this also applies to their associated entities.

"Despite little media attention, employers must ensure they are aware of the new rules on redeployment and take a broad look right across their associated companies to adhere to the new requirements. Most importantly, they will need to put proper systems and processes in place to ensure they have the capability to implement the changes effectively and seamlessly," Ms Beattie said.

### **Boost to paid parental leave**

Right Management welcomed the Government's move to support paid parental leave and believes the move to offer new parents 18 weeks pay at the minimum wage from 2011 will encourage employees to take leave and return to the workforce rather than resigning.

"Employers will need to ensure that they are able to factor in the prospect of parental leave into their workforce planning and are able to tap into existing skills within the business to fill the temporary gap, and sustain productivity during this time," Ms Beattie said.

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### **Editor's Note:**

#### **About Right Management**

Right Management ([www.right.com](http://www.right.com)) is the talent and career management expert within Manpower, the global leader in employment services. Right Management helps clients win in the changing world of work by designing and executing workforce solutions that align talent strategy with business strategy. Our expertise spans talent assessment, leadership development, organisational effectiveness, employee engagement and workforce transition. Right Management partners with companies of all sizes. More than 80% of Fortune 500 companies are currently working with us to help them grow talent, reduce costs and accelerate performance. Right Management is a wholly owned subsidiary of Manpower Inc., leader in the employment services industry, creating and delivering services that enable its clients to win in the changing world of work.

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