



**Centre of Full Employment and Equity**

**Submission to the Standing Committee on  
Employment and Workplace Relations**

*Inquiry into regional skills relocation*

Centre of Full Employment and Equity  
The University of Newcastle, Callaghan NSW 2308, Australia  
Home Page: <http://e1.newcastle.edu.au/coffee>  
Email: [coffee@newcastle.edu.au](mailto:coffee@newcastle.edu.au)

Committee Secretary  
House of Representatives  
PO Box 6021  
Parliament House  
CANBERRA NSW 2600

16 April, 2010

Dear Secretary,

### **Inquiry into Regional skills reallocation**

Thank you for the opportunity to make a submission to the Standing Committee on Employment and Workplace Relations Inquiry into Regional skills reallocation.

The Centre of Full Employment and Equity (known as CofFEE) is an official research centre at the University of Newcastle and seeks to promote research aimed at restoring full employment and achieving an economy that delivers equitable outcomes for all. CofFEE is active in public education and community development. Our research staff regularly speak at professional and public policy conferences within Australia and abroad.

CofFEE has developed its labour market indicators - CLMI - which provide more accurate measures of labour underutilisation in Australia than the official summary data published by the Australian Bureau of Statistics. In collaboration with the Urban Research Program (URP) at Griffith University, CofFEE has developed the CofFEE/URP Employment Vulnerability Index (UVI) for suburbs across Australia. The UVI identifies suburbs that have higher proportions of the types of jobs thought to be most at risk in the current economic climate.

CofFEE research projects include public sector employment policies and the Job Guarantee; central banks and financial markets; estimating the costs of inflation targeting and unemployment; gender segregation; defining local labour markets; and welfare-to-work dynamics.

In 2008, CofFEE and Jobs Australia published the findings from an Australian Research Council Linkage Partnership which sought to develop a new framework for the design of regional employment policy. This submission is based on the report *Creating effective local labour markets: a new framework for regional employment policy*.

We provide this submission as constructive input towards the Committee's deliberations. Please do not hesitate to contact us if you require further information on any of the issues raised in our submission.

Kind regards,

Professor William Mitchell  
Director, Centre of Full Employment and Equity  
University of Newcastle

**For further information on this submission, please contact:**

Professor William Mitchell  
Professor of Economics  
Director, Centre of Full Employment and Equity  
University of Newcastle  
Callaghan NSW 2308  
Tel: 02 4921 5027  
Fax: 02 4921 8731  
[ecwfm@alinga.newcastle.edu.au](mailto:ecwfm@alinga.newcastle.edu.au)

Dr Beth Cook  
Research Fellow  
Centre of Full Employment and Equity  
University of Newcastle  
Callaghan NSW 2308  
Tel: 02 4921 8981  
Fax: 02 4921 8731  
[beth.cook@newcastle.edu.au](mailto:beth.cook@newcastle.edu.au)

**Acknowledgement**

We also acknowledge the valuable input into the research that underpins this Submission provided by Victor Quirk.

## 1. Introduction

The abandonment of the state as a significant source of employment and on-the-job training has left a 30 year legacy of chronic labour under utilisation and inadequate skill formation capacity. The assumption that industry will provide sufficient skills training fails to acknowledge the chronic incapacity of the private sector to do so for much of the population.

The OECD's response to rising and persistent unemployment was the 1994 Jobs Study that advocated extensive reforms, notably the reduction of budget deficits and public debt, labour market deregulation, redefinition of the responsibilities of government in terms of full employability, widespread reform of unemployment and related benefit systems and investment in formal education and training to improve the skill base of disadvantaged workers.

The most damning indictment of the OECD policy agenda is that in recent years employer groups have argued that Australia is suffering from a skill shortage, despite the continued high rate of labour underutilisation. The coexistence of skill shortages and high rates of labour underutilisation implies that 'the problem is one of insufficient skills formation' (Quirk, 2009: 2). The Skills Australia (2010: 3) report notes that:

During the last economic boom Australia's economic growth was constrained by a shortage of skilled labour. At the same time however more than 1.1 million people were either looking for work or wanted to work more. People who can't secure work during an economic boom are often excluded because they lack the required foundation and technical skills. And having a job is the single most important factor in achieving greater social inclusion.

The failure to implement a regional development policy in Australia has resulted in a concentration of labour underutilisation in particular regions and a myriad of long-term consequences that reinforce multiple disadvantages and cause social exclusion: poor school performance and poor human capital formation produces a low productivity workforce and low income (Cook et al., 2008).

A number of recent recommendations seek to develop labour market intelligence at the national level to address the issue of skill shortages through investments in education and training (Skills Australia, 2010: Department of Transport and Regional Services, 2006). Changes to employment services introduced in 2009 include a greater focus on disadvantaged job seekers, employer servicing and meeting the needs of the local labour market. There is a greater recognition of the need for skill formation through formal training, with the Productivity Places Program providing training places for the unemployed and for those in the workforce to upgrade skills.

In addition to other labour market programs, policies to address labour or skill shortages in Australia have included the Relocation Assistance Scheme (RAS), later the Mobility Assistance Scheme (MAS) and assistance through the Job Seeker Account and the Employment Pathway Fund. While playing a useful role in assisting job seekers to relocate to take up employment opportunities, these schemes operate at the periphery of the labour market and have marginal impacts, at best.

This submission emphasises the necessity to develop a new framework for regional development capable of producing sustainable development by meeting economic, social and environmental objectives.

## **2. Skill shortages in Australia**

Skill shortages in Australia are widely recognised as impediments to economic activity and productivity growth (Skills Australia, 2010). The term “skill” refers to a specific ability, and is generally used where the ability is assumed to have been in some sense developed through experience or training. It is usually assumed that when employers speak of a “skills shortage” they are referring to an absence of technical proficiency, but more broadly, they mean a range of worker capabilities and behaviours that contribute to their profitability

DEWR & NCVET (2002: 3) defined skill shortages as follows:

Skill shortages exist when employers are unable to fill or have considerable difficulty in filling vacancies for an occupation, or specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and reasonably accessible location.

Skill shortages occur for particular industries and may be concentrated in geographical areas. Much of the analysis of skill shortages in Australia has concentrated on identifying shortages at the industry level.

A survey of employers in 2006 found that 75 per cent of employers identified the inability to find skilled staff as the greatest barrier to remaining competitive (AIG, 2006). In 2009, employers reported skill shortages for technicians and trades workers (28.1 per cent of employers), engineers (15.3 per cent), labourers and process workers (7 per cent), managers (5.9 per cent), and apprentices and trainees (5.9 per cent) (AIG, 2009).

The most significant shortages for the construction and manufacturing industries were for technicians, tradespersons and engineers. Engineering occupations were the major skill shortage identified in the services sector, while the greatest shortage of managers occurred in the construction sector (AIG, 2009).

There is less information available on skill shortages at the regional level. The NSW Standing Committee on State Development (2006) report *Inquiry into skills shortages in rural and regional NSW* detailed skill shortages by region (Table 1).

Table 1: Summary of skills shortage by region in NSW

<b>Region</b>	<b>Identified skill shortages</b>
Central Coast	Automotive repair industry, metal trades, tourism and hospitality, construction
Capital Region	Shortages in various areas of skilled employment, primarily in vocationally trained occupations as well as university trained occupations.
Central Western	Boilermakers and welders.
Far Western	Automotive mechanics, carpenters, nurses, commercial cookery staff, community service workers, electricians, fitters and turners, hairdressers, hospital machinists, metal fabricators
Greater Western Sydney	Auto/aerospace, building/construction, engineering, manufacturing, transport/logistics, health/community services, information communication technology
Hunter	Boilermakers, electricians, engineers, fabricators, labourers, machinists.
Illawarra	Aged care nurses, boilermakers, chefs, electricians, engineers, fitters and turners, registered nurses, truck drivers.
Mid North Coast	Cabinet making and joinery, laminators, metal fabrication, metal fitting and machinery, spray painting, textile fabricators and welding.
Murray	Accountants, boilermakers, chefs, motor mechanics, registered supervisory level staff, nurses, welders.
New England North West	Tradespersons and medical professionals such as doctors and dentists.
Orana	Business services, electrical trades and electronic technology, hospitality, manufacturing, machine operators and mechanical trades.
Riverina	Accountants, carpenters, engineers, health industry professionals, librarians, metal fitters, production managers, tilers, welders, plasterers

Source: Standing Committee on State Development: 25, Table 3.2

A survey conducted in the Hunter and the Illawarra in 2005 (AIG, 2005) found that 91 per cent of Illawarra employers and 85 per cent of Hunter employers were experiencing skill shortages. Major occupations in demand were financial services, logistics, mechanical and general engineering, information technology and sales, protective services, supervisors, boilermakers, fitters, bricklayers, machinists, electricians, riggers and scaffolders.

DEEWR reports on skill shortages for all states and territories detailing occupations with skill shortages by whole of state, metropolitan area and regional areas. While there were many occupations experiencing state wide or national skill shortages in 2008-09, there were no occupations registering shortages at the metropolitan level and only a few occupations shown as experiencing skill shortages in some regions (DEEWR, 2009). These occupations are detailed in Table 2. There were no regional shortages recorded for Queensland or South Australia.

Table 2: Regional skill shortages in Australia, 2008-09

State	Occupation	State	Occupation
NSW	• Accountant	Western Australia	• Quantity surveyor
	• Dentist		• Retail pharmacist
	• Dental specialist	Tasmania	• Child care coordinator
	• Retail pharmacist		• Primary school teacher
	• Environmental health officer		• Social worker
	• Carpenter		• Solicitor
	• Cook, chef		
Victoria	• Accountant	Northern Territory	• Student counsellor

Source: DEEWR, State and Territory Skill shortages

In addition to the occupations with skill shortages, DEEWR identifies occupations where employers were experiencing recruitment difficulties. Since the DEEWR publication is not based on a statistically valid sample of employers it does not quantify the extent of the skill shortages for each occupation. Moreover, the DEEWR data is not disaggregated to individual regions so it is difficult to determine skill shortages for specific geographical areas.

### 3. Policies to address skill shortages

Economic theory predicts that, in situations where labour demand for particular skills outstrips supply, the adjustment process involves an increase in wages to attract the necessary labour from other areas. Thus over time, labour markets will adjust to produce equilibrium where demand equals supply. This process may involve considerable lead times due to the amount of time required for training.

However, the adjustment process may not achieve labour market equilibrium since there are other issues that impinge on the adjustment process. Potential workers consider the attractiveness of the work having regard to the type of work and working conditions as well as occupation health and safety concerns. In addition, other factors influence employment decisions such as the needs of other family members with regard to employment, education and social needs. Wages may not increase due to controls on wages or imperfect information (Trendle, 2008). Workers may not be immediately aware of the higher wages on offer in occupations they may be interested in. They may need to undergo further training and will only be prepared to commit to this if they think wages will be relatively high for an extended period of time.

Differences in the causes of skill shortages and the prevailing circumstances in particular industries point to the necessity to develop policies that address specific issues (DEWR & NCVET, 2002). Responses to skill shortages include:

- Increased employment incentives in the form of higher wages or improved working conditions. In addition to attracting suitable workers specific strategies to retain skilled employees may be introduced;
- In situations where the supply of labour is insufficient or large wage increases are necessary to attract additional skilled workers employers may pursue a strategy of increasing the capital intensity of production to reduce labour requirements;

- Provision of additional training places to increase the supply of skilled workers; or
- Relocation of workers from other areas if skill shortages are localised.

One strategy for resolving skill shortages is the provision of additional training places. Some policy approaches that include additional training in the trades have included fast tracking of apprenticeship training and the introduction of school based apprenticeships. Increases to higher education places to facilitate future increases in professionals and has been a strategy used to increase the numbers of health professionals.

Existing employees can also undergo further training to fill higher skill positions. An issue that needs to be considered in the development of strategies to reduce skill shortages is the reason why the skill shortage exists. For example, if the major issue is wastage, such that there are a large number of workers with the appropriate skills and qualifications who are not currently working in that occupation, a greater emphasis may need to be placed on investigating the reasons for workers leaving the occupation and development of strategies to retain workers.

In industries or regions experiencing skill shortages it may be necessary for employers to increase wages and improve working conditions to make these jobs more attractive than alternatives. A consequence of attracting workers to these firms, industries or areas is that skill shortages could occur in other industries or regions. Thus, the solution to the immediate skill shortage may not result in an efficient outcome where generalised shortages exist. These shortages need to be addressed systematically at an industry-wide or national level.

Orthodox economic theory posits that labour mobility resolves regional labour market imbalances as workers migrate from areas with higher rates of unemployment to low unemployment areas. Mitchell (2008) points out that labour supply responses are incomplete and operate with considerable lags, leaving pockets of high unemployment. In particular, other factors such as differentials in house prices have impeded mobility because workers outside major growth areas are unable to enter the housing market, especially in buoyant metropolitan labour markets.

Australia has traditionally used skilled migration to source skills in demand. Skilled migration increased from 16,180 in 1985-86 to 44,497 in 2000-01 and then more than doubled to reach 114,780 in 2008-09. The success of skilled migration in alleviating skill shortages has been reduced to the extent that some skilled migrants have not been able to have their overseas qualifications recognised, lack local work experience or familiarity with the Australian work culture or have settled in areas where their skills are not in demand.

Labour market programs to encourage internal migration to address skill shortages in Australia have included the Relocation Assistance Scheme (RAS) that commenced in 1974 and was later incorporated into the Mobility Assistance Scheme (MAS) that was abolished in 1997. More recently, relocation assistance has been facilitated as part of the Job Seeker Account under the Job Network and the Employment Pathway Fund under Job Services Australia.

These programs have accommodated small numbers of job seekers and have remained peripheral in terms of labour market intermediation and addressing skill shortages. In the three years from 2003 to 2006 only 2 per cent of job seekers received relocation assistance and relocation expenditure accounted for less than 1 per cent of total Job



Seeker Account expenditure (DEWR, 2006). In total, 6,503 job seekers received an average of \$369 in relocation assistance and around half of the recipients remained off benefits after receiving assistance.

DEWR operated a pilot scheme in late 2006 and 2007 to assess the efficacy of programs to relocate workers from areas of high unemployment to areas experiencing skill shortages. The pilots involved identifying people from high unemployment areas in Coffs Harbour and the Shoalhaven in NSW and northern Adelaide who were prepared to relocate to Western Australia for employment and matching them to vacancies in Western Australia. Job seekers were identified through the Job Network and up to \$5,000 relocation assistance was available per person.

Despite the fact that skill shortages in Western Australia were primarily in high skill jobs, the pilot targeted low skill vacancies in an attempt to marry the competing objectives of filling vacancies and providing employment for low skill workers. DEWR acknowledged that addressing skill shortages through relocation was problematic because 'there were not a lot of skilled unemployed people on the east coast that needed to relocate to get work' (Australia, House of Representatives, 2010: E&WR 4).

The pilots were found to be very resource intensive and more expensive than when people relocated using Job Network assistance. The pilots failed to reach the target numbers of job seekers and only managed to fill two thirds of the quota of 130. Similarly, employer interest in the pilots was subdued, as DEEWR staff explained at a hearing of the Standing Committee on Employment and Workplace Relations in March 2010 (Australia, House of Representatives, 2010: E&WR 3)

As it played out, it was very difficult to get employers to engage in the pilot. While there was a lot of noise in the media about it, actually finding employers who said: 'Yes, I want to be in this pilot. I'll commit to providing jobs for these people,' it was really difficult for us. In terms of our job seekers, we were looking for fairly low skilled work over in the west and the shortages, it was reported, tended to be more in the skilled area. That was a difficulty for us.

DEEWR noted that relocation of unemployed people from the eastern states to fill skilled vacancies in Western Australia was not a viable option since there was a general shortage of skilled workers. The experience with relocation programs indicates that they are not capable of playing a significant role in solving the problem of skill shortages or regional unemployment. The solution to skill formation to facilitate economic growth and innovation in the Australian economy requires an integrated national framework such as the proposal outlined in the remainder of this submission.

#### **4. A spatial Keynesian approach to skill formation and regional development**

The Centre of Full Employment and Equity (CofFEE) and Jobs Australia published a report, *Creating effective local labour markets: a new framework for regional employment policy* that outlined a strategic framework to address skill formation and equity by ensuring that there are opportunities for all to engage in productive work and have access to social services (Cook et al., 2008). The spatial Keynesian approach to economic and social policy would involve:

- An expansion of the public sector to provide critical infrastructure and services;
- A National Skills Development framework;
- A Job Guarantee that would provide public sector employment for all those willing and able to work.

The overriding objective of the new strategic framework for regional development proposed is sustainable development where economic, social and environmental objectives are achieved and available labour resources are fully utilised. A spatial Keynesian approach would facilitate the development of regionally focused interventions to provide infrastructure and services according to the specific needs of the community.

#### 4.1 Creating a National Skills Development framework

Skills shortages are now well recognised by Australian industry as compromising their ability to innovate and compete in global markets. Analyses of skills shortages by industry and governments invariably consider the issue from the perspective of business and profitability, which places the emphasis on containment of labour costs both in terms of wages and conditions, and hence, whenever possible, externalising the costs associated with developing the skills firms require in their workers. Within this context, the notion of structural unemployment arising from “skills mismatch” can be understood as implying an unwillingness of firms to offer jobs (with attached training opportunities) to unemployed workers that they deem to have undesirable characteristics.

The Australian public sector of the 30 year post-war era (1945-1975) largely kept skill shortages at bay despite prolonged high labour utilisation because the public sector deliberately trained more people than it required to counter the under-training propensity of the private sector. With the privatisation of public utilities, the downsizing of public sector workforces, and the widespread adoption of private sector practices in the public sector, the skill building role was abolished with little consideration as to the impact this would have on the maintenance of adequate levels of skill development.

The degree of skill shortage and the persistent unemployment and underemployment of the past 30 years represent two-sides of the same coin. They both reflect a lack of governance at the federal level. Richardson (2009) makes a case for government intervention to overcome skill shortages when the decisions of firms, skilled persons and training institutions impact on third parties. These include when the employment of workers with skills in short supply will increase employment of other workers, increase economic activity in a declining region, or reduce skills mismatch and reduce the level of structural unemployment and inflationary wage pressures

In terms of monitoring labour market developments, the former CES played a significant role in detecting, analysing and coordinating responses to skills shortages. But the fragmented and competitive nature of Job Services Australia prevents formation of a coherent overview, or the gathering of clear labour market intelligence with which to inform policy.

The Howard Government actually discouraged people from undertaking training. Access to training for the unemployed was conditional on their first participating in its compliance programme, known as “Work-for-the-Dole”. Montague and Bessant

(2007) point out that in the 10 years from 1997 TAFE funding was cut by over \$1 billion in real terms, reducing enrolments by more than 300,000.

We propose a role for the state in direct skill formation through a National Skills Development (NSD) framework which we consider will address the skills problem and support the global competitiveness of Australian industry. The clear necessity is for the state to provide experiential opportunities that develop vocational skills designed to abstractly resemble the skilled tasks performed in local labour markets. Several points need to be considered when developing a NSD framework.

- Maintaining a buffer stock of public sector jobs provides work for all irrespective of their skill levels and also allows paid-work opportunities to be structured into training and career development;
- The Federal and State Governments must renew their commitment to trade and vocational training and to adequately fund our public schools and universities. Public policy must also set in place safety-net structures to ensure that every person under 20 years of age is in education, training or a paid job; and
- Occupational planning capacities must be reintroduced to ensure that the apprenticeship and training programmes are targeted in areas of regional and industrial need.

The urgency of this approach is underlined by economic modelling by Skills Australia (2010: 5) that revealed that ‘under the highest future growth scenario, the economic demand for qualifications will require that 62 per cent of employed people hold qualifications at Certificate III or above by 2015, rising to almost 70 per cent in 2025’, compared to only 52 per cent in 2007. The report identifies the necessity for substantial additional government investment due to the need to increase tertiary enrolments by 3 per cent per year for the next 10 years. This echoes Cutler’s (2008: xi) finding that tertiary institutions are underfunded and will ‘require a substantial increase in funding as a share of GDP’.

Moreover, Skills Australia (2010) flags concerns regarding quality due to the contraction of public funding per student contact hour in the vocational education and training sector in the recent past. Similar concerns regarding quality are raised by Quirk (2009: 5) in relation to higher education due to the ‘explosion in student to tutor & lecturer ratios as quality has been sacrificed for volume’.

Skills Australia (2010) also recommends a target approach to specialised occupations through the implementation of a coordinated approach to annual planning for these occupations involving industry and professional bodies as well as Skills Australia, DEEWR, states and territories, education providers and Industry Skills Councils.

It is proposed that, in developing the NSD, the Commonwealth will establish:

- Regional labour market coordination units to support the delivery of a range of labour market support services, whereby several Commonwealth agencies co-locate in order to: conduct multidisciplinary regional socio-economic research and analysis; facilitate industry and community input into regional strategic planning; promote employment, education and training institution alignment with regional economic development strategic plans; and provide regional coordination of the Industrial Simulation Service and Job Guarantee Service;

- An Industrial Simulation Service (ISS) within each region to rigorously identify the skilled tasks performed by industry, to design activities that inculcate the skills to perform such tasks in novices, and to furnish the training authorities (school, TAFE, University, Job Guarantee Service, rehabilitation provider, etc...) with the venues, technical support, and equipment they require to provide experiential activities to form those skills; and
- The Job Guarantee will be a system of public sector employment paid at the minimum federal award, with particular emphasis on developing skills in local demand while meeting unmet community and environmental needs. It will be engineered to produce an internationally competent world class labour force, generating a high standard of living with improving environmental and social standards. The Job Guarantee will achieve these goals by giving unemployed people skill-enhancing jobs. The Job Guarantee would be supported in the design and equipping of its numerous workplaces and activities by the Industrial Simulation Service, according to the skills formation strategy of the region.

#### 4.2 The Job Guarantee

An integral component of skill formation and regional policy requires that employment opportunities are provided for all those willing to work. The Job Guarantee (JG) is a policy proposal to restore the role of the public sector as a significant employer, and to do so in a way that also controls inflation (Mitchell, 1998). The macroeconomic principles underpinning this proposal constitute an alternative economic paradigm to that which has dominated economic policy-making in Australia for 30 years, and which has entrenched under-employment, fuelled private debt and destroyed the nation's skills formation capacity (Mitchell, 2001).

The JG is based on a buffer stock principle whereby the public sector offers a fixed wage job for up to 35 hours per week to anyone willing and able to work, thereby establishing and maintaining a buffer stock of employed workers which expands (declines) when private sector activity declines (expands), much like today's unemployed buffer stocks.

The JG provides a platform for developing the national skills base, by comparing the *observed* skills and competencies of the JG workforce with the emerging skills requirements of each regional labour market. This would inform the provision of accredited training (both in-house and via external providers such as TAFE), the indenturing of apprentices, and the design of JG activities so that they include experiential development of skills expected to be in local demand, thereby restoring the role of the public sector as a net trainer of skilled workers and minimising the likelihood of inflationary bottle-necks in labour supply.

The flexibility of the JG would extend to designing jobs to accommodate individuals with special physical, intellectual and behavioural needs. It could also be adapted to address the needs of rural and remote communities, and to reflect cultural norms within indigenous and other non-Anglo Australian communities.

The JG is intended as a platform to: provide economic security and social integration for those whose labour is currently being under-utilised; reduce social dislocation arising from unemployment and poverty; and contribute to the quality of life of all by its contributions to a better environment, public amenity and improved services.

As a minimum wage employer that accommodates the poaching of its skilled workers by other employers, and even facilitates this practice when extra workers are needed in the private sector, the JG is a superior price stabiliser than the present method that entails keeping over a million people precariously unemployed and under-employed, and in a condition of skill-atrophying idleness, social exclusion and poverty.

## 5. Conclusion

Employment programs to facilitate relocation of the unemployed to take up skilled vacancies in other regions have a part to play in overcoming skill shortages. However, these programs have only ever been used on a small scale and are not a solution to general skill shortages of the type currently experienced in Australia. The pilot projects conducted in 2006-07 demonstrated that there is a tension between the objective of filling skilled vacancies in growth areas and providing opportunities for the unemployed to relocate from high unemployment regions.

The persistent coexistence of skill shortages and high levels of labour underutilisation in Australia signals the necessity for a new national approach to skill formation and regional employment. This submission argues that there is an urgent need for a national approach to analysis of existing skill shortages, developing projections for future skill requirements and expansion of both the financial resources and quality of education and training.

However, these initiatives in isolation will not provide meaningful employment for the unemployed and underemployed and will fail to deliver a socially inclusive society. In order to restore full employment it is necessary for the public sector to offer employment opportunities to those unable to secure employment through the Job Guarantee. JG jobs would enhance the skill level of the labour force by providing employment and training opportunities for the unemployed to work in a supervised environment. This model would ensure the availability of a pool of skilled workers for industry, thereby facilitating economic expansion.

## References

AIG (2005) *Submission to Inquiry: Skills Shortages in Rural & Regional New South Wales*, Australian Industry Group, North Sydney.

AIG (2006) *World Class Skills for World Class Industries*, Australian Industry Group, North Sydney.

AIG (2009) *Skilling Business in Tough Times*, Australian Industry Group, North Sydney.

AMWU (2005) *Submission to the New South Wales Legislative Council Standing Committee on State Development: Inquiry into skills shortages in rural and regional NSW*, Automotive, Food, metals, Engineering, Printing and Kindred Industries Union, Granville.

Australia, House of Representatives (2010) *Regional skills relocation*, Standing Committee on Employment and Workplace Relations, viewed 12 April 2010, available at: <http://www.aph.gov.au/hansard/reps/commttee/R12888.pdf>.

Cook, B., Mitchell, W., Quirk, V., Watts, M. (2008) *Creating effective local labour markets: a new framework for regional employment policy*, Centre of Full Employment and Equity, University of Newcastle.

Cutler, T. (2008) *Venturous Australia: Building Strength in Innovation*, Cutler & Company, North Melbourne.

Department of Education, Employment and Workplace Relations (2009) *State and Territory Skill Shortages*, viewed 14 April 2010, available at: <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/SkillShortages/StateandTerritorySkillShortagelists/>.

Department of Employment and Workplace Relations (DEWR) 2006 *Job Network Job Seeker Account Evaluation*, DEWR, Canberra.

Department of Transport and Regional Services (2006) 'Skill Shortages in Australia's Regions', *Bureau of Transport and Regional Economics Working Paper No. 68*, Department of Transport and Regional Services, Canberra.

DEWR & NCVER (2002) *Nature and Causes of Skill Shortages: Reflections from the Commonwealth national Industry Skills Initiative Working Groups*, DEST, Canberra.

Mitchell, W. F. (1998) 'The Buffer Stock Employment Model – full Employment without a NAIRU', *Journal of Economic Issues*, 32(2) pp547-55.

Mitchell, W. F. (2001) 'The unemployed cannot find jobs that are not there', in Mitchell, W. F, and Carlson, E. A (eds.) *Unemployment: The Tip of the Iceberg*, CAER/UNSW Press, Sydney, pp. 85-115.

Montague, A. and Bessant, J. (2007) 'Australian Skill shortages: How the Howard Government Did Not Change its Mind', *Economic and Labour Relations Review*, Vol. 18, No. 1, pp. 99-114.

Quirk, V. (2009) 'A 21<sup>st</sup> Century Solution to Skill Shortages in Australia', , *Centre of Full Employment and Equity Working Paper No. 09-04*, University of Newcastle.

Richardson, S. (2009 'What is a Skill Shortage?', *Australian Bulletin of Labour*, v. 35, iss. 1, pp. 635-54.

Skills Australia (2010) *Australian Workforce Futures: A National Workforce Development Strategy*, viewed 12 April 2010, available at: [http://www.skillsaustralia.gov.au/PDFs\\_RTFS/WWF\\_strategy.pdf](http://www.skillsaustralia.gov.au/PDFs_RTFS/WWF_strategy.pdf)

Standing Committee on State Development (2006) *Inquiry into skills shortages in rural and regional New South Wales*, New South Wales Standing Committee on State Development, Sydney.

Trendle, B. (2008) 'Skill and labour shortages – definition, cause and implications', Working Paper No. 54, *Department of Education, Training and the Arts*, Queensland.