

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2004-2005 ADDITIONAL SENATE ESTIMATES HEARING
17 FEBRUARY 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 3: Increased Workforce Participation

Output Group 3.2: Labour Market Strategies

Output 3.2.2: Industry and Labour Supply Strategies

Question Number: W273-05

Question:

Senator Wong requested in writing:

In your 2004 Skills Shortage List you have identified the geographic extent of skills shortages by the following categories:

N – National

S – State

M – Metropolitan

R – Regional

D- ‘recruitment difficulties’

(a) Please define these terms. Please name the regional areas that come under ‘R’, and the metropolitan areas under ‘M’. Please provide a map showing the geographical area covered by each region in ‘R’ and ‘M’.

(b) Please list all of the skills shortages that occurred by each region in ‘R’ and each metropolitan areas for each year from 1996 to 2004.

(c) Please provide the total number of skills shortages for each region and metropolitan area for each year from 1996 to 2004.

(d) Please provide the level of each shortage that occurred in each of the professions, trades and ICT Skills Specialisations jobs in each region for each year from 1996 to 2004.

(e) Please provide the level of each shortage that occurred in each of the professions, trades and ICT Skills Specialisations jobs in each metropolitan area for each year 1996 to 2004.

(f) Please provide the level of each shortage that occurred in each of the professions, trades and ICT Skills Specialisations jobs in each state for each year from 1996 to 2004.

- (g) Please provide the level of each shortage that occurred in each of the professions, trades and ICT Skills Specialisations jobs in each electorate for each year from 1996 to 2004.
- (h) Please provide all copies of the 'National Skills Shortage List' since 1996 (including 1996).

Answer:

a) Skill shortage ratings resulting from research undertaken by DEWR are presented as State-wide shortages, or as metropolitan or regional shortages for each State and the Northern Territory. Where information is reported for the ACT, there is no distinction made between metropolitan and regional shortages.

Definitions (as they appear in the 2004/05 National and State Skill Shortage Lists on the Australian Workplace Internet site)

National (N) = Generally, a rating of national shortage means that the shortage is reported in at least three States, including at least one of the three largest States (New South Wales, Victoria or Queensland). However, the decision to rate an occupation as being in national shortage is taken through a consultative process involving Canberra-based DEWR staff and State/Northern Territory officers who have undertaken the research.

State (S) = DEWR research shows the shortage for the given occupation is evident in metropolitan and non-metropolitan areas of the State or Territory. That is, the shortage is State-wide.

Metropolitan (M) = the DEWR research has shown that there is a shortage for that occupation in the State or Territory capital city. That is, the shortage is restricted to the metropolitan area of the State or Northern Territory – Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Darwin. Metropolitan areas are based on commonly accepted understandings of capital city boundaries rather than on postcodes or statistical regions.

Regional (R) = the shortage is apparent in non-metropolitan areas of the State/Territory. Ratings for individual regions are not available as skill shortage information is not collected on a region by region basis.

Recruitment difficulties (D) = Recruitment difficulties occur when employers have some difficulty filling vacancies for an occupation. There may be an adequate supply of skilled workers, but employers are still unable to attract and recruit a sufficient number of suitable employees.

The recruitment difficulties may be due to characteristics of the industry, occupation or employer, such as: relatively low remuneration, poor working conditions, poor image of the industry, unsatisfactory working hours, location hard to commute to, ineffective recruitment advertising and processes or organisation-specific and highly-specialised skill needs.

Skill shortages

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.

Shortages are typically for specialised and experienced workers, and can coexist with relatively high unemployment overall or in the occupation. An occupation may be assessed as in shortage even though not all specialisations are in shortage. Occupations may be in shortage in particular geographical areas and not in others. Although skill shortages are monitored closely, there may be localised or specialised shortages that are not reflected in these lists.

- b) The shortages identified between 1996 and 2004 are provided in Attachment 1. Prior to the skill shortage listing released in December 1998, DEWR skill shortage ratings were available only on a State/Territory basis. Only in a few instances were shortages differentiated between metropolitan and regional areas.
- c) DEWR does not quantify skill shortages. DEWR surveys selected occupations in the trades, professions and ICT based on departmental knowledge of local labour market conditions. Coverage varies between States and between years depending on priorities and on demands for information. Therefore reports from different years cannot be compared. Occupations assessed as being in shortage each year are detailed in Attachments 1 and 2.
- d) DEWR research does not quantify skill shortages. The research uses a range of data, including following up a sample of employers who have recently advertised to assesses whether employers are having difficulty filling advertised vacancies because of a lack of skilled workers. The nature of the research methodology does not enable shortages to be quantified.
- e) See (d).
- f) See (d).
- g) Information on skill shortages is not collected by electorate.
- h) Lists of skill shortages released by DEWR since (and including) 1996 are at Attachment 2.