

University skills shortage

“The most rapid growth in employment in Australia is amongst professionals, managers and associate professionals”

Public policy on skills training under the former Coalition Government prioritized trade training. The Rudd Labor Government is following suit, building on false assumptions, according to the Monash Centre for Population and Urban Research.

This priority is based on the false assumption of widespread skills shortages in the trades, a paper written by Bob Birrell, Ernest Healy and T Fred Smith says.

By contrast, demand for university-trained professionals, particularly in Australia's service industries, has grown much more strongly, yet the output of Australia's domestic graduates has been static over the last decade.

Skill shortages currently and for the foreseeable future will mainly lie in occupations requiring university training. There is an urgent need for public policy to reflect this situation, the paper says.

The incoming Rudd Labor Government believes

that skill shortages are an important component of Australia's inflationary breakout. Government leaders have repeatedly asserted that, unlike the departed Coalition Government, Labor will attack the supply side of the inflationary equation. To this end, the government will promote education and training for skilled occupations where shortages are most evident.

This focus on the vocational sector is curious, the paper says.

It has occurred in the face of evidence which shows that the most rapid growth in employment in Australia is amongst professionals, managers and associate professionals, employees who, for the most part, need university credentials as their entry point to these occupations. This rapid growth has occurred at a time when domestic training at university level has been static, a situation that has produced chronic shortages. Such shortages have been alleviated somewhat by a massive increase in the intake of migrant professionals.

Yet the Rudd Government initiatives, as they impact on post-school education, have so far followed the preceding Coalition Government's diagnosis of the skill shortage problem. Labor has focussed on the trade and to some extent the technology R&D level. As indicated, it has promised to finance some 450,000 training places over four years at the Certificate II,



III and IV levels.

There has been little critical scrutiny of this training places initiative. It appears to be as much a welfare initiative as a skill initiative. The first tranche of some 20,000 training places are to be offered in 2008 to people who are marginal to the labour market – in that, despite the current jobs boom, they are still

looking for work. This tranche appears to follow from the Coalition Government's skill voucher program. This program sought to get unemployed and low-skilled people into the labour market by helping them gain some qualifications, even if at the semi-skilled Certificate II level.

Under the banner Skilling Australia for the

Future, registered training organisations are invited to tender for the provision of the training places for the initial 20,000 offering. Tenders are required to offer places for a wide range of professional, associate professional, trade and sub-trade occupations, as well as for semi-skilled occupations including sales assistants, checkout operators, and cashiers and cleaners.

The training is to cover just three months from April to June 2008, though there will be extensions in some fields in a subsequent tender. Under these circumstances, it is likely that most of the places will be offered at the semi-skilled end of the spectrum.


This program seems admirable for the purpose of helping to get the small minority of aspiring workers who can't find employment into jobs. It remains to be seen how the subsequent rollout of the 450,000 training places will work out.

In contrast to this flurry of actions regarding trade places, all we have from the Rudd Government on the much more important higher education front is the initiation of a higher education review. This may or may not lead to an expansion in university training at some unknown date.

Why this inaction, the paper asks. There is no doubt about the extent of professional and associate professional skill shortages. A good indicator of employer

judgements about skill shortage priorities is their willingness to sponsor skilled migrants under the business long-stay 457 visa category. It is a good indicator because of the cost involved in sponsoring and moving personnel to Australia under this visa. There were 55,980 finalised nominations of principal applicants in 2006-2007. The great majority were for professionals including 6210 computing, programming and software designers, 4060 nurses, 3610 general practitioners and doctors in training and over 3000 engineers.

Unlike the trade area, there are Government enforced limits to the availability of university places. Universities cannot offer HECS liable places beyond the number specified each year by the Commonwealth. A tiny minority of domestic students in the fields of medicine and law used to enrol as full-fee students. This option, too, is about to be removed by the Rudd Labor Government.

The situation is curious, the paper says. There is a far greater need for additional training at the university level than there is at the vocational level. The Rudd Government has so far not indicated any willingness to pay for additional university places. Yet it is prepared to subsidise up to 450,000 vocational training places. 

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