

20 November 2020

Select Committee on Temporary Migration
By email: temporarymigration.sen@aph.gov.au**Question on Notice:**

Senator Walsh: One of the things that's perplexing us in this inquiry is that we have skills shortages in areas where I guess you wouldn't imagine that we would in the community, including areas where your universities obviously produce a lot of fantastic graduates, like engineering and teaching and physiotherapy and law—all of these occupations are on the skills shortage lists. Can you give us any insight into why that's the case? Do we have some difficulty producing sufficient numbers of graduates in those sorts of areas for the jobs that are out there?

There are a number of reasons why the pipeline of graduates emerging from universities may not be sufficient to cover existing skills gaps.

As noted by Vicki Thomson in her evidence to the Select Committee, skills gaps at the graduate level can be related to the cyclical nature of some professions. Mining, petroleum and other related sectors tend to follow a boom and bust rather than a steady state model. This can create a mismatch in demand and supply, as demonstrated during the 1990s, when skills gaps emerged in the area of mining engineering. In response, universities increased enrolments in these courses, however the pipeline of an undergraduate degree (around four years) meant that businesses responded by bringing in skilled migrants to cover these gaps. So by the time the students graduated, these shortages no longer existed.

Skills shortages lists also cover gaps across the spectrum of workforce needs, not just at the graduate end. As noted by CPA Australia in their submission to the 2016 Department of Education review of the Skilled Occupation Lists, at that time the:¹

current gaps in the labour market for accountants are not for graduates, rather for mid to senior positions and specialist expertise. **Applied Economics advises that new graduates are a poor indicator of tightness...** Strong demand for experienced and specialist accountants is further evidenced by the observations of recruiters. Hays observes that "Across Australia the shortage of highly skilled Accountants remains an issue for employers".

Shortages can also arise due to the conditions within certain professions. Despite the fact that universities graduate large cohorts of nurses each year, conditions such as lengthy hours, poor pay and the quality of working environments have been identified as contributing to nursing shortages. As noted in the *Australian Journal of Advanced Nursing* in 2017:²

¹ CPA Australia, 2016-17 Skilled Occupation List: Submission from CPA Australia to the Department of Education, emphasis added.

² Goodare, Pete, 2017, "Literature Review: Why do we continue to lose our nurses?", *Australian Journal of Advanced Nursing*, 34 (4). https://www.ajan.com.au/archive/ajan_34.html

With such phrases as “I just couldn’t take it anymore”, “nursing is too much”, and “if you are doing a good job, it is mentally as well as physically exhausting and demanding” (MacKusick and Minick 2010; Ihlenfeld 2004), it comes as no surprise that part-time employment and total withdrawal is increasingly present in the nursing profession.

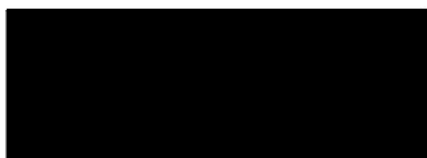
Finally, it is important to remember that Australian universities enrol international as well as domestic students. In some fields of education, such as Information Technology (65%), Management & Commerce (54%), and Engineering and Related Technologies (46%), international students comprise a significant proportion of the student cohort (see table provided below).³ While some of these students studied offshore and many international graduates remain in Australia to take advantage of post-study work rights, a 2018 Federal Treasury paper found that only around 16% seek a permanent migration outcome.⁴ This means that some fields of education – and thus some professions – may be vulnerable to skills losses over time as these international graduates return home or seek employment offshore.

Table 1: International Students by Field of Education, 2019

Field of Education	International Students	Total Students	% International
Natural and Physical Sciences	29,681	134,334	22%
Information Technology	75,643	116,623	65%
Engineering and Related Technologies	56,065	121,980	46%
Architecture and Building	13,843	42,370	33%
Agriculture, Environmental and Related Studies	4,427	18,747	24%
Health	41,394	265,586	16%
Education	11,640	127,202	9%
Management and Commerce	216,149	399,609	54%
Society and Culture	42,702	332,155	13%
Creative Arts	20,335	97,478	21%
Food, Hospitality and Personal Services	215	2,480	9%
Mixed Field Programs	1,548	13,179	12%
Non-award courses	13,095	19,399	68%
TOTAL	521,948	1,609,798	32%

Source: Department of Education and Training, Higher Education Statistics Collection, 2019

Yours sincerely,



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CHIEF EXECUTIVE

³ Calculated using DET Higher Education Statistics Collection, 2019, All Students, <https://docs.education.gov.au/node/55053>
Note that around 22% of international students were located offshore during 2019 – they cannot be disaggregated from the data supplied. Note these numbers include all levels of study (ie, undergraduate and postgraduate).

⁴ <https://research.treasury.gov.au/sites/research.treasury.gov.au/files/2019-08/Shaping-a-Nation-1.pdf>, p.21.