

Defining shortage drivers

Drawing on existing research, workforce data and industry intelligence, Skills Insight has developed hypotheses about the factors contributing to occupational shortages in different workforce contexts. The shortage drivers table below provides a common framework for describing and comparing these factors and shortage characteristics. By examining occupations with different characteristics, the project will identify patterns, evidence needs and potential responses that may also be relevant to other occupations and industries. This will strengthen the evidence available to industry, governments and other decision-makers and support responses that reflect the circumstances of particular occupations, industries and places. For more information about the project's occupations or associated shortage drivers related to this project, please refer to the Feedback Hub and our [project webpage](#).

Shortage driver	Definition
Workforce composition and replacement pressures	Workforce pressures associated with ageing workforces, replacement needs, or reliance on particular worker cohorts. This includes circumstances where groups such as women, mature-aged people, people with disability, First Nations people, temporary migrants or culturally and linguistically diverse communities may be underutilised or disproportionately relied upon.
Training system constraints	Workforce shortages arising where training facilities, placements, trainers or delivery capacity are insufficient to meet workforce needs. This includes constraints related to funding, availability, training duration, or the absence of accessible entry pathways into an occupation.
High cost of training investment	High costs and time requirements for education and training can deter private investment in workforce development. Costs are borne upfront, while the benefits of increased capability and productivity may not be realised until much later, contributing to underinvestment.
Job quality	Pay, working conditions, career progression, work security can create shortages. Workers may move to other occupations or employers that offer better outcomes.
Social infrastructure constraints	Workforce pressures associated with regional, rural or remote locations where access to housing, health services, education,

	childcare, transport, job opportunities for family members, or other community infrastructure may affect attraction and retention.
Recruitment and job design	Shortages arising from limited awareness of occupations, narrow recruitment practices, poor job design, or barriers that reduce the pool of potential applicants. This may include inflexible work arrangements, poor workplace culture, or insufficiently inclusive workplaces.
Employer expectations and employee skills mismatch	Workforce shortages arising where workers must meet requirements beyond formal qualifications before they can practise effectively. These may include licences, registration, certification, examinations, memberships or substantial workplace experience, which can extend the time required to become job-ready.
Insufficient data	Available data is insufficient to confidently assess workforce conditions or shortage drivers. This may occur where occupations are poorly represented in classifications or reliable workforce evidence is limited, reducing visibility in workforce planning and policy processes.
Structural demand change	Long-term shifts increasing labour demand, e.g. climate adaptation, clean energy transition, biosecurity risks, aged care demand, technology adoption
Cyclical or project-driven demand	Temporary or cyclical surges, e.g. housing construction, infrastructure pipelines, disaster recovery, major events.
Policy or regulatory demand shock	New standards, compliance requirements or funded programs increasing demand for particular occupations.



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