

The following definition of scarce and critical skills was adopted in principle on Wednesday 5<sup>th</sup> July 2006 by all members of the Skills Focus Group.

**Scarce and Critical Skills refers to an absolute or relative demand, current or future, for skilled, qualified and experienced people to fill particular roles/professions, occupations or specialisations in the labour market.**

---

Clarification notes to allow for consistent interpretation of the definition.

**Scarce skill**, as a concept, refers to an absolute or relative demand for skilled people to fill particular **roles/professions or occupations** in the labour market.

**Absolute demand** : suitably skilled people are not available, for example:

A new or emerging occupation, i.e. there are few, if any, people in the country with the requisite skills

Firms, sectors and even the country are unable to implement planned growth strategies and experiencing productivity, service delivery and quality problems directly attributable to a lack of skilled people.

Replacement demand would reflect an absolute scarcity where there are no people enrolled or engaged in the process of acquiring the skills that need to be replaced.

**Relative demand**: suitably skilled people available but do not meet other employment criteria, for example:

Geographical location, i.e. people are unwilling to work outside of urban areas.

Equity considerations, i.e. there are few if any candidates with the requisite skills from specific groups available to meet the skills requirements of firms and enterprises.

Replacement demand would reflect a relative scarcity if there are people in education and training (formal and work-place) who are in the process of acquiring the necessary skills (qualification and experience) but where the lead time will mean that they are not available in the short term to meet replacement demand.

**Skill** is the necessary competencies that can be expertly applied in a particular context for a defined purpose” and “competence” has three elements:

- a. Practical competence – the ability to perform a set of tasks.
- b. Foundational competence – the ability to understand what we ourselves or others are doing and why.
- c. Reflexive competence – the ability to integrate or connect our performance with an understanding of the performance of others, so that we can learn from our actions and are able to adapt to changes and unforeseen circumstances.

**Critical skills** as a concept, refers to the demand for an element of the practical, foundational or reflexive competence that allows for **specialization** within roles/professions or occupations and includes specific “top-up’ skills. Particular **specialization** “top-up skills for roles/professions or occupations ‘top-up’ might have arisen as a result of changing technology or new forms of work organization.

**Priority skills** as a concept refers to the scarce and critical skills that are needed at a point in time; and will be established through scarce and critical skills identification processes

**Core skills** as a concept are scarce and critical skills that are specific to a particular organization and more often than not similar to Critical Skills. Core skills are usually the basis for a competitive edge for an organization.