

Tempting people to move for work takes more than dollars

July 21 2014



(Phys.org) —Sufficient financial inducements are one way of encouraging people to move to regional Australia for jobs, but other factors also play a part, according to a new report.

Moving workers from a region with high unemployment to a region with many job vacancies is an important aspect of labour markets. The Commission of Audit recently advised the government to "force" long-term unemployed people who are single and between the ages of 22 and 30 to move to areas of higher employment if they have been on the dole

for 12 months.

Researchers from Monash and Deakin Universities investigated the willingness of people from NSW and South Australia, states with pockets of relatively high unemployment, to move to Karratha, Western Australia, and Emerald, Queensland for work. These are both regional centres that had a relatively high demand for labour in 2012.

Associate Professor Chandra Shah from Monash University's Centre for the Economics of Education and Training said some groups of people were more prepared to move for work than others. Typically a person most likely to move for work was under 30, male, single, not born in Australia, looking for a new job, knew people other than family at the location where the job was offered and didn't own a house.

"People were more willing to move for work if offered jobs that were ongoing or long term rather than fixed term and jobs that provided training," Associate Professor Shah said.

"Fly-in/fly-out contracts were more attractive than permanent relocation."

The researchers also calculated the wage premium a person was willing to forgo (or trade off) to have these conditions included in the job offer. Prospective employees were willing to trade off \$10,500 to have a fly-in fly-out rather than a permanent relocation contract.

On the other hand, a wage premium is required to attract women (\$29,000 above average wages); married people (\$19,200); and people who own their house (\$25 600) to accept [jobs](#) in the two regional locations. Those over 40 generally required a higher wage premium to move.

Dr Aaron Nicholas from Deakin University said policies promoting geographical labour mobility were more likely to succeed if job offers included opportunities to gain or improve skills, and provided more than short-term contracts.

"Addressing the demand-side factors, such as matching job seekers' skills and experience to employer requirements, has the potential to improve geographic labour mobility," Dr Nicholas said.

More information: The report is available online:
www.ncver.edu.au/publications/2727.html

Provided by Monash University

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