



Australian Government



National
Skills
Commission

Key Findings

Skills Priority List 2021

The Skills Priority List (SPL) provides the backbone piece of labour market analysis on occupations that will help inform National Skills Commission (NSC) advice on a range of labour market issues.

The SPL provides a current labour market rating and a future demand rating for occupations nationally. Current labour market ratings are also available for occupations at a state and territory level.

The evidence supporting the development of the list includes labour market data analysis, employer surveys, stakeholder consultation with industry bodies and federal and state/territory government agencies, as well as consideration of other available sources of data and information.

Overall, the SPL covers nearly 800 occupations nationally. Occupations that are considered to be in scope for the SPL are defined in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) as Skill Level 1 - 4 occupations at the six-digit level, excluding occupations 'not further defined' or 'not elsewhere classified'.

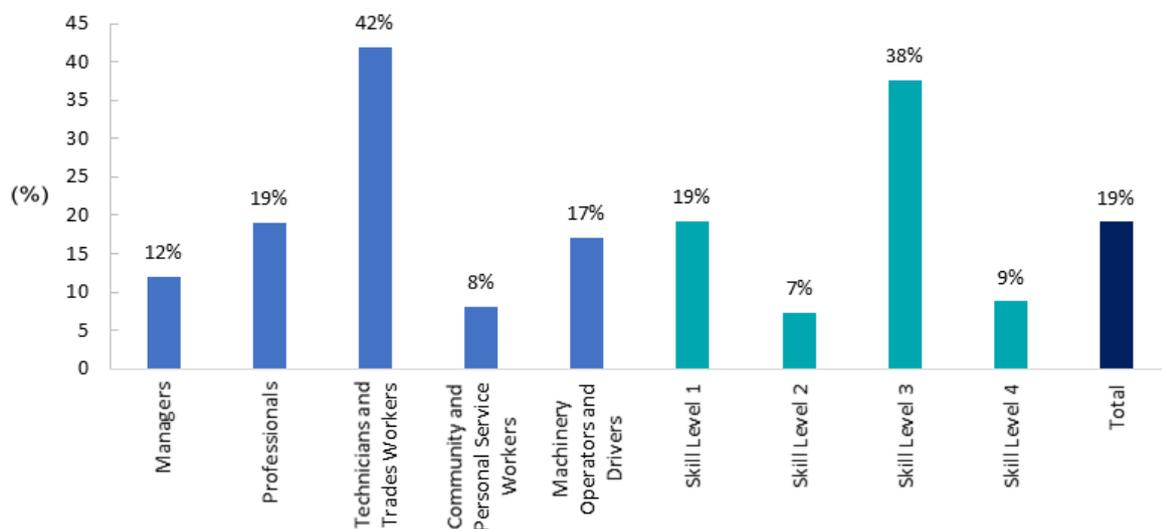
This research represents the most comprehensive survey of occupational shortages conducted by the Australian Government, with the NSC building on over 30 years of skill shortage research conducted by the Department of Education, Skills and Employment (and its predecessors).

Both the SPL and methodology are available on the NSC website: [National Skills Commission - Skills Priority List](#). This report outlines the key findings from the 2021 SPL and provides commentary on current shortages, future demand and results by region.

Current Shortages

- Shortages have been identified in 153 occupations (19% of assessed occupations) nationally (Figure 1).
- Shortages are most common in the Technicians and Trades Workers occupation group, with 42% of occupations assessed in shortage.
 - Large employing Technicians and Trades worker occupations in shortage include Electrician (General), Carpenter, Chef and Fitter (General).
 - Previous research conducted by the NSC has found that shortages of Technician and Trades workers are often persistent over time.
- Close to a fifth (19%) of assessed Professionals occupations are in shortage, followed by Machinery Operators and Drivers (17%), Managers (12%) and Community and Personal Service Workers (8%).
- Skill Level 3 occupations have the largest proportion in shortage (38%), followed by Skill Level 1 (19%), with the fewest occupations in shortage for Skill Level 4 and Skill Level 2 (9% and 7% respectively)¹.
 - Large employing Skill Level 3 occupations in shortage include Hairdresser, Child Care Worker and Motor Mechanic (General).

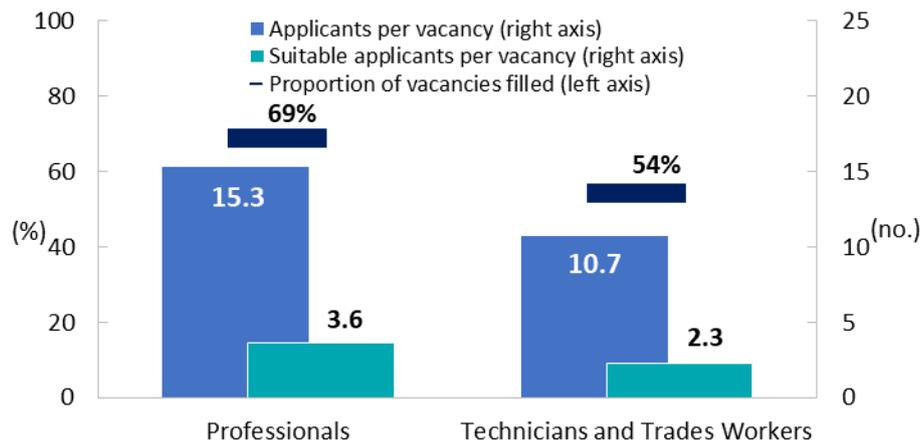
Figure 1: Proportion of occupations in shortage, by Major Occupation Group and Skill Level



¹ Skill Level 1 occupations are commensurate with a Bachelor degree or higher educational attainment level, Skill Level 2 with an Advanced Diploma or Diploma educational attainment level, Skill Level 3 with a Certificate IV or III educational attainment level and Skill Level 4 with a Certificate II or III educational attainment level. Please note: Skill Level 5 occupations (commensurate with a Certificate I or secondary education attainment level) are not in scope for assessment.

- Of the two occupation groups with the highest proportion of occupations in shortage, Professionals and Technicians and Trades Workers, NSC data show that in 2020-21, employers recruiting for Technicians and Trades Workers attracted smaller fields of applicants and filled a lower proportion of their vacancies (see Figure 2).

Figure 2: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), 2020-21



Future Demand

- 265 occupations have strong projected future demand (33% of assessed occupations), 481 have moderate future demand (60%), and 53 have soft future demand (7%).
 - Strong future demand is most common in Labourers (50% of assessed occupations), Community and Personal Service Workers (44%), and Professionals (43%). Large employing occupations in these groups include Child Care Worker and Developer Programmer.
 - Strong future demand is also most common in higher skilled occupations (43% of Skill Level 1 occupations and 31% of Skill Level 2 occupations).
- 57 occupations (7% of assessed occupations) have strong projected future demand and are currently in shortage nationally.
 - This includes occupations such as ICT Project Manager and Aged or Disabled Carer.

Results by state and territory

- Of the states and territories, the Northern Territory has the highest proportion of assessed occupations in shortage (32%), followed by New South Wales (30%) (Table 1).
- The Australian Capital Territory has the lowest proportion of assessed occupations in shortage (16%).
- While there were 646 occupations assessed as not in shortage nationally, some were in shortage in a number of states and territories.
- It should be noted that the variation across the states and territories, at least in part, reflects differences in the stakeholder input received.

Table 1: Number of occupations assessed as being in shortage by state and territory

State/Territory	Occupations in shortage				Per cent of all assessed occupations in shortage
	Whole of jurisdiction	Metropolitan only	Regional only	Total	
New South Wales	226	0	17	243	30%
Victoria	147	1	17	165	21%
Queensland	127	0	18	145	18%
South Australia	132	0	17	149	19%
Western Australia	130	0	19	149	19%
Tasmania	132	0	17	149	19%
Northern Territory	252	0	5	257	32%
Australian Capital Territory	129	0	0*	129	16%
Australia	136	0	17	153	19%

*All of the Australian Capital Territory is considered metropolitan.

- Additionally, NSC data show regional employers generally attract fewer applicants than those in metropolitan locations, and fill fewer vacancies (57% of vacancies filled in regional areas compared with 63% in metropolitan areas).

Results over time

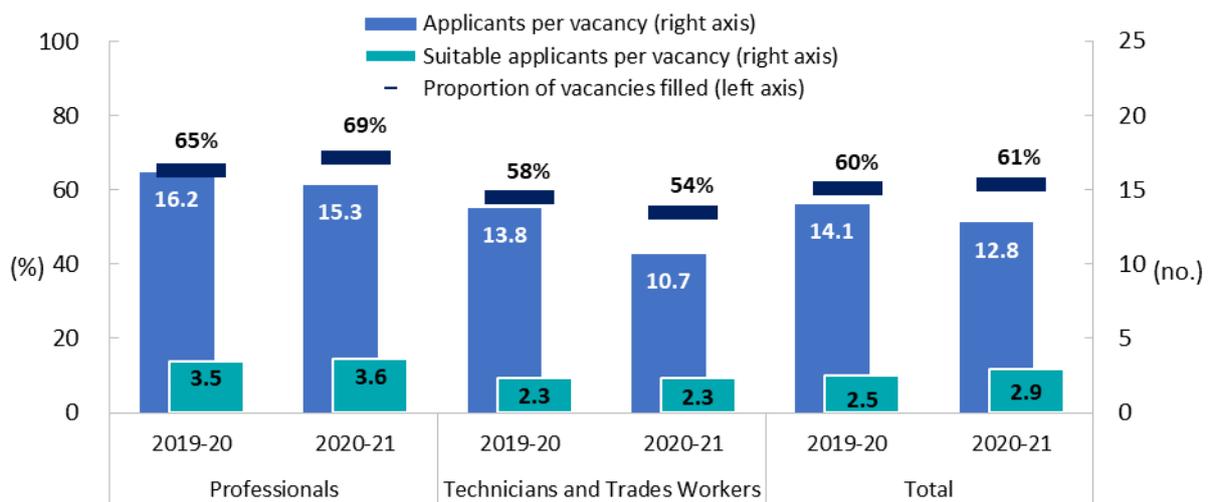
- NSC data indicate that in a number of jurisdictions, employers generally had more difficulty filling their advertised vacancies in 2020-21² compared with the previous year.
 - This included the Northern Territory, (where employers filled 53% of vacancies in 2020-21, compared with 67% in the previous year) Western

² Data used for the SPL analysis includes 2020-21 NSC data to April 2021.

Australia (57% compared with 63%) and Queensland (59% compared with 62%).

- In some cases, employers were able to recruit with less difficulty compared with the previous year.
 - This included the Australian Capital Territory, (where employers filled 62% of vacancies in 2020-21, compared with 55% in the previous year) Tasmania (64% compared with 57%) and Victoria (66% compared with 61%).
- NSC data suggest that the labour market for Technicians and Trades Workers tightened in 2020-21 compared with the previous year (54% of vacancies were filled in 2020-21, down from 58%).
- The labour market for Professionals eased over the same period (with 69% of vacancies filled, up from 65%) (Figure 3).

Figure 3: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), 2019-20 and 2020-21



Stakeholder engagement

Stakeholder consultation on the SPL involves a twice-yearly online survey as well as face-to-face (or online) engagement with a broad range of participants.

- As at 30 June 2021, the NSC had contacted more than 300 representative bodies as part of the SPL stakeholder process. The types of representative bodies targeted included peak bodies, industry groups, professional associations, unions, and regional representative bodies.
- The NSC received over 110 submissions via one or both of the two survey processes conducted in Sept-Oct 2020 and Feb-Mar 2021, or via direct contact with the NSC.

- Stakeholders shared a range of insights and evidence on occupations of interest with the NSC. These insights informed the assessment of occupational shortages and provided the NSC with a rich source of additional information to better understand shortages.
 - Overall, the most frequently raised occupation was Chef, followed by Cook, Civil Engineer and Metal Fabricator.
 - The industry sectors with the highest level of engagement were Construction, followed by Manufacturing, and Education and Training.
 - COVID-19 was nominated by around 30% of respondents as a reason for recruitment difficulty.
 - The majority of stakeholders who responded expected their recruitment difficulties to worsen in the future.
- All state and territory governments and a range of federal government agencies have also been consulted on the development of the SPL. Input is sought from these key stakeholders as many have their own research into occupational shortages which was incorporated into the NSC's assessment where received.