



Australian Government



National
Skills
Commission

Australia's shift to a higher skilled, services-based economy

Australia's shift to a higher skilled, more services-based economy can be seen in the changing industry, occupational and skill mix of jobs.

Changes in jobs across industries

Across industries, the largest increases in jobs over the 20 years to February 2020 (that is, just prior to the impact of the COVID-19 pandemic) were in services industries.

Health care and social assistance saw a jump in employment of 977,400 (or 119.4%) over that period. That saw it move from Australia's third largest employing industry in February 2000 to the country's largest employing industry by February 2020.

Other labour-intensive, services-based industries to record large growth in employment over the same period were:

- professional, scientific and technical services - up 601,500 or 106.2%
- education and training - up 506,700 or 81.9%
- construction - up 499,000 or 72.9%
- public administration and safety - up 353,700 or 75.1%.

Employment growth over 20 years

+977,400

health care and social assistance



+601,500

professional, scientific and technical services



+506,700

education and training



+499,000

construction

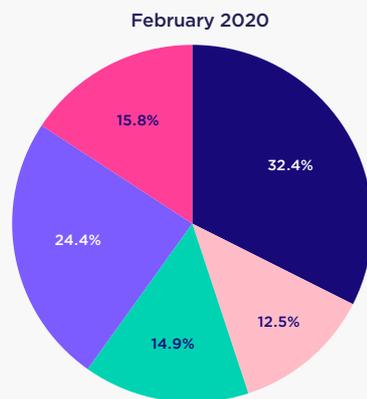
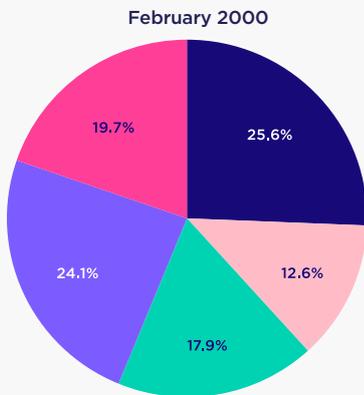


+353,700

public administration and safety



Jobs have become more highly skilled



- Bachelor degree or higher
- Diploma or Advanced Diploma
- Cert III or IV
- Cert II or III
- Cert I or secondary education

Sources: ABS, Labour force, Australia, detailed, seasonally adjusted by NSC

More growth in jobs that require higher level qualifications

Another major shift has been the growth in jobs that require higher level qualifications. Encouragingly, at the same time, more young people than ever before are gaining qualifications after leaving school.

In the two decades to 2020, the jobs seeing the most growth were those requiring at least a university degree.

These jobs accounted for almost half of total employment growth over the 20 years to February 2020. By contrast, jobs usually requiring a certificate I or secondary education attainment level saw the weakest increases.

Since the onset of the pandemic, the vast majority of increases in employment have been in jobs that usually require a university degree (or higher).

Growth is highest among professionals and community and personal service workers

Over the 20 years to February 2020, professionals and community and personal service workers accounted for more than half of total employment growth.

The weakest employment growth over the same period was seen for labourers and clerical and administrative workers.

Automation – as well as the shift to services and higher skill level jobs – may help explain these trends.

The professionals and community and personal service workers groups comprise jobs that tend to be harder to automate. In contrast, jobs within the labourers and clerical and administrative workers groups were more susceptible to automation.

Largest growth in professionals' jobs 2000 to 2020



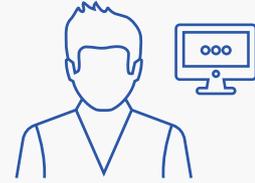
+138,300

Registered Nurses



+64,800

Accountants



+61,300

**Software and
Applications Programmers**

STEM skills and jobs also saw strong growth

STEM skills (science, technology, engineering and maths) are an integral part of Australia's labour market and have helped drive the emergence of more complex, innovative work in many industries.

Over the 20-year period to February 2020, before the impact of the COVID-19 pandemic on the labour market, employment in STEM occupations grew by 85%. This was more than twice as fast as the increase seen in non-STEM occupations (which grew by 40.2%).

Employment in STEM occupations is also projected by the NSC to grow by 12.9% over the next five years, well above the projected growth of non-STEM occupations (6.2%).

For more information, see
The state of Australia's skills 2021: now and into the future
in full at

nationalskillscommission.gov.au