



Australian Government



National Skills Commission

The transformation of Australia's labour market

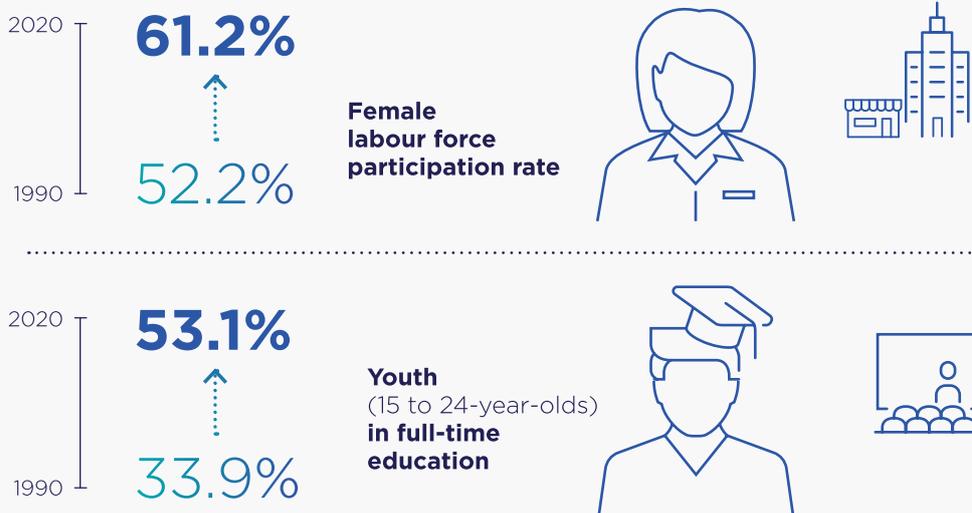
The shape of the Australian labour market has changed significantly over recent decades.

We can see the impact of these changes in both the types of jobs and the mix of industries across the economy. There has been strong growth in higher-skill level jobs, non-routine jobs and services jobs, and growing use of automation.

At the same time there have been other big structural changes such as a decline in manufacturing. Overall, the labour market weathered the impacts of these big picture forces and changes well.

Female employment and participation have grown strongly and, in response to jobs having higher skills needs, young people are spending longer in education.

Changes from February 1990 to February 2020

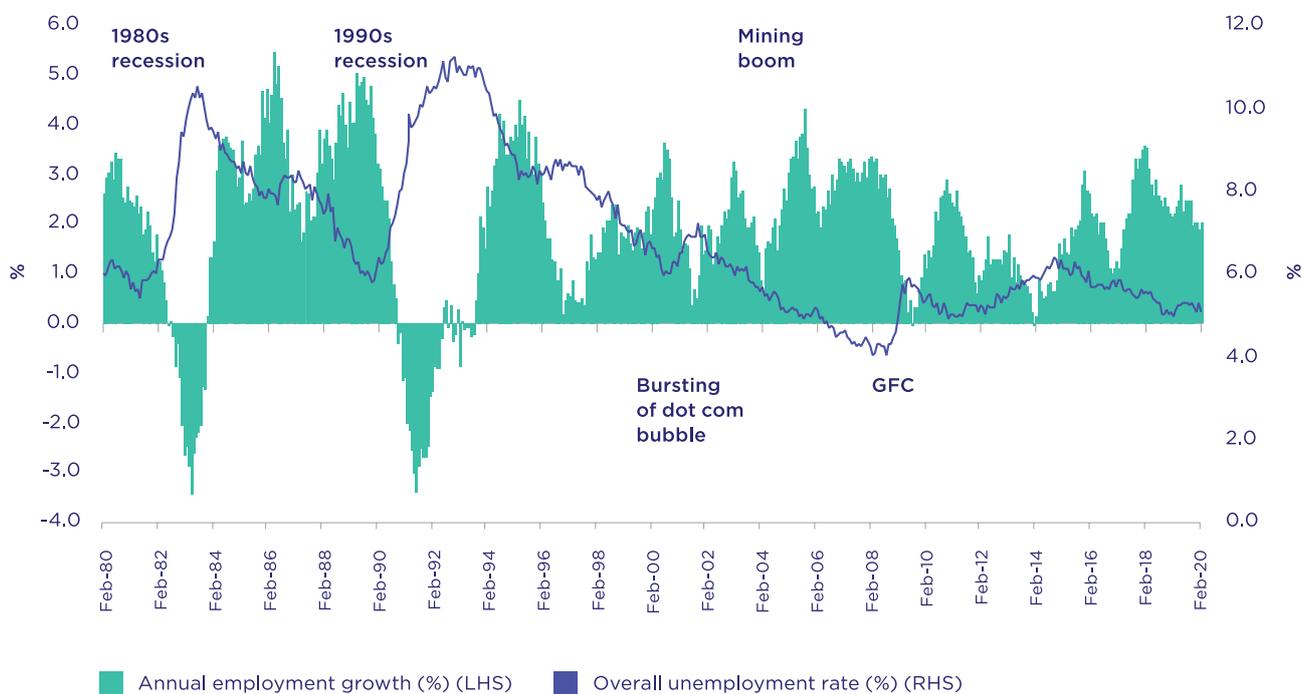


Economic conditions were strong before the COVID-19 pandemic

Over the past several decades, structural change in the economy, together with a number of economic shocks, have changed the shape of our labour market.

Australia entered the COVID-19 pandemic with a low unemployment rate and strong employment growth. In the three years to February 2020, the number of people employed increased at an average annual rate of 2.5%, while the unemployment rate was 5.1% just before the onset of the COVID-19 pandemic.

Australia entered the COVID-19 pandemic with a low unemployment rate



Source: ABS, Labour force, Australia, seasonally adjusted.

COVID-19 accelerated existing labour market trends

The COVID-19 pandemic initially had a significant, negative impact on the Australian labour market. Employment fell much more quickly and dramatically than in any previous recession.

There were also other impacts such as the effects of closed borders, changes and disruptions to supply chains and shifts in consumer spending.

Jobs have bounced back strongly. In fact, the June 2021 labour force figures from the Australian Bureau of Statistics showed that employment had continued to increase and has been above pre-pandemic levels since March 2021.

That said, the risk of ongoing outbreaks over the months ahead presents a high degree of uncertainty.

When it comes to broader structural changes, it appears that the largest impact of COVID-19 might be to accelerate those that were already underway. These include increasing activity online and the need for post-secondary qualifications.

The increase in jobs since the pandemic has mostly been in those that typically require a bachelor degree or higher



Source: ABS, *Labour force, Australia*, detailed, seasonally adjusted by NSC
Note: The Employment Index base is February 2020.



Since the shock of COVID-19, the main growth in jobs has been among those requiring a bachelor degree or higher



Many employers report having difficulty recruiting, especially in regional areas



In June 2021, job advertisements had exceeded pre-COVID-19 levels in every state and territory, although recent outbreaks present a risk to the outlook over coming months

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

nationalskillscommission.gov.au