Australian Government | Jobs and Skills Australia

Recent trends for displaced workers in Australia

Changing profiles and outcomes for displaced workers from 2015 to 2025

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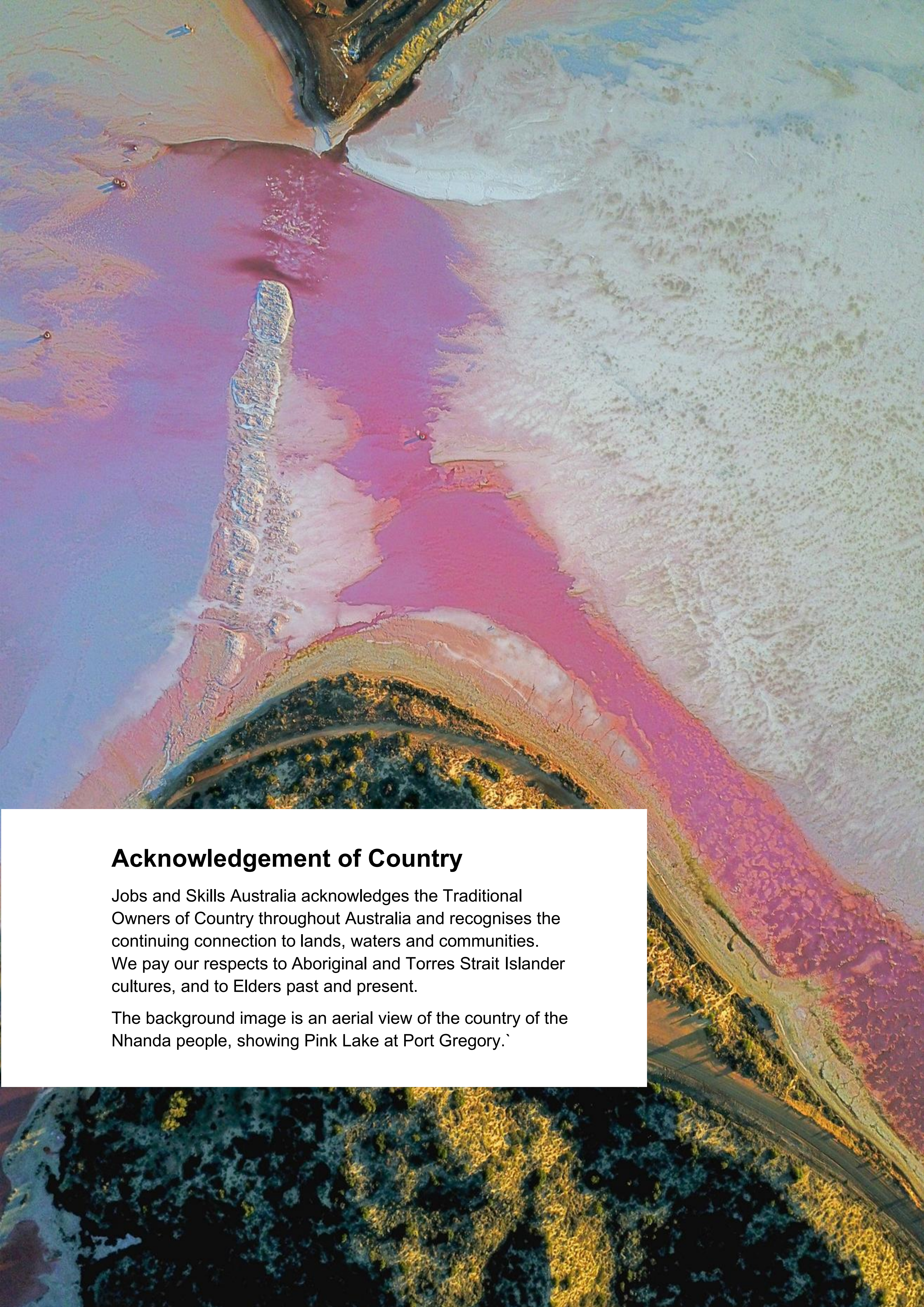

Acknowledgement of Country

Jobs and Skills Australia acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to Elders past and present.

The background image is an aerial view of the country of the Nhanda people, showing Pink Lake at Port Gregory.`

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Executive summary

Workers leaving and losing jobs is a common labour market transition known as job separation. In Australia, around one in five employees aged 20-64 leave or lose their job each year (Sila 2019). Most separations are voluntary with workers leaving jobs for better opportunities or career progression. However, around one-fifth are involuntary, creating a cohort of displaced workers that warrant policy attention.

Job displacement is typically linked to business downturns, restructuring, lay-offs or technological change - resulting in income loss and periods of unemployment. Recent Australian examples include the decline of car manufacturing and workforce transitions related to the shift to clean energy. There are also concerns that displacement may occur from AI.

By contrast, voluntary separations usually reflect positive worker choices such as pursuing higher-paying roles, = better job matches, or = improved working conditions. As such, voluntary separation is often seen as a sign of a healthy labour market, while displacement is more closely associated with economic disruption and adjustment.

This report addresses the what, who, why, and how of displacement in Australia across the last decade (2015-2025), providing new insights into displacement trends, affected worker and post-displacement outcomes.

It addresses four key evidence gaps by providing:

- detailed occupational insights about jobs that are being displaced
- intersectional insights on who is being displaced
- geographical insights into where displacement is occurring
- longitudinal insights on what happens after displacement including brand new analysis on which workers and occupations have stronger or weaker outcomes.

To better assess outcomes and the quality of labour market transitions following displacement, we also present a Post-displacement Outcomes Index (POI) which combines two measures of post-displacement success: re-employment and earnings outcomes.

Key Findings

Worker displacement declined between 2015 to 2025 against a backdrop of a strengthening labour market, while the industry, occupational and geographic profile of displacement changed. Displacement became less concentrated in mining, manufacturing and construction industries and increased in some service industries, professional and managerial occupations, and major metropolitan areas. This geographical and occupational shift in some ways offers diverse re-employment opportunities across stronger labour markets with occupations that have highly transferable skills across different industries.

Post displacement earning and employment outcomes have also generally improved. Workers displaced more recently are more likely to return to employment and have experienced smaller earnings losses than earlier cohorts. However, these outcomes remain uneven across occupations and groups of workers, and earnings losses remain an important consequence of displacement. Increasing insolvency-related displacement also highlights a potentially more vulnerable group of workers who may have limited access to redundancy entitlements or other financial protections.

Displacement has declined overall, against a backdrop of a strengthening labour market.

The share of separated workers who were displaced fell from 39% in 2015 to 30% in 2025, and the national displacement rate declined from around 6% to 4%. The decline is also evident in linked administrative data based on a narrower definition of displacement by redundancy. The number of occupations classified as having high displacement more than halved between 2015-16 and 2023-24, from 41 to 14 out of 244 occupations.

The industry, occupational and geographic profile of displacement has shifted

Displacement rates fell substantially in industries traditionally associated with restructuring and large-scale job losses. Between 2015 and 2025, declines occurred in Mining, Manufacturing, Construction, and Electricity, Gas, Water and Waste Services and increased in Accommodation and Food Services, Administrative and Support Services, and Other Services (Repairs, beauty, laundry and other miscellaneous services).

The occupational profile of displacement also shifted away from mining-related technical and trade occupations that featured prominently earlier in the decade towards professional and managerial occupations, including roles in ICT, media, finance and human resources.

This change is also visible geographically. In 2015-16, some of the highest displacement rates occurred in mining and manufacturing-intensive regions including Perth, regional Western Australia, South Australia and Queensland, and the Illawarra and Hunter Valley. By 2023-24, the highest rates were concentrated predominantly in greater Sydney and Melbourne.

This geographical shift to metropolitan areas means that displaced workers have more diverse opportunities for re-employment or transitions into alternative careers in these larger labour markets. In contrast, where displacement occurs in a regional or place-based settings where one industry dominates the local economy, alternative employment opportunities can be limited. Highly industry specific operational jobs in mining for example can sometimes face greater transition challenges (JSA 2023, 2026a).

However, the occupational shift in displacement to professional occupations shows that workers in high-skill occupations are not immune, despite often possessing specialised technical, professional or managerial expertise. Whilst these skills may be more transferable to other careers and occupations, emerging drivers of displacement including offshoring. AI, and other technological change offers potential further displacement risk.

Post-displacement outcomes have improved but remain uneven and earnings losses persist.

There is still a high risk of remaining out of work after displacement. Only 74% of workers displaced by redundancy in 2022-23 were employed one year later. However, this improved over time (3 years post displacement) and more broadly earnings outcomes have improved substantially across the decade. Workers displaced by redundancy in 2015-16 who returned to employment after one year experienced a median real earnings loss of 26%, compared to a 6% loss for workers displaced in 2022-23.

However, the outcomes improvement is not uniform. Our index insights show strong improvements among practical, operational and frontline service occupations, including in construction, transport, hospitality and personal services. In contrast, several professional, managerial and administrative occupations experienced declining outcomes over the period. The evidence therefore suggests that the risk associated with displacement is not determined simply by whether a worker returns to employment. The quality of the transition, including the earnings available in subsequent employment, also matters.[1]

Insolvency-related displacement is increasing and exposing potential gaps in protection

Retrenchment remains the most common reason for displacement, although its share has declined over the decade. At the same time, displacement associated with employers going out of business is increasing and is disproportionately concentrated among workers employed by small businesses.

This potentially creates a more financially vulnerable group of displaced workers, particularly where workers have limited or no access to redundancy-related payments. Together with changes to the industries and occupations experiencing displacement, this raises questions about whether existing protections and employment supports are reaching the workers most exposed to emerging forms of displacement.

In relation to key intersectional findings, there has been a gender rebalancing of displacement across the decade in line with the industry, occupational and geographical profile shifts. Outcomes have also improved across both sexes and across migrant groups but further research needs to be done, especially on Aboriginal and Torres Strait Islander workers and People with Disability.

[1] Estimates of re-employment outcomes are drawn from two different data sources that measure different forms of displacement and are not directly comparable. The sources provide complementary perspectives, with survey data capturing a broad population of displaced workers and linked administrative data enabling longitudinal analysis of workers displaced through redundancy. For more information, please refer to the breakout boxes on page 10 and the technical appendix.

What do our findings mean for policy and industry?

This timely 'stocktake' of displacement offers policymakers and industry a baseline to measure future displacement against as we enter a changing period of technological change. Modernising monitoring of emerging AI-related and offshoring displacement; declining job mobility; and historically low and declining retrenchment using this report's baseline is key. Reviewing whether supports are reaching emerging cohorts is another. Increasing displacement in industries and occupations where workers are casualised or working for small businesses and not protected by redundancy-related entitlements as well as developing employment services reforms where supports for displaced workers may shift are other pivotal changes at play. This report's new evidence baseline will assist policymakers and industry monitor these pivotal changes and target their attention to the most needed supports.

Our findings suggest several priorities for future monitoring and support of displaced workers:

Modernise displacement monitoring

Changes in the occupational, industry and geographic profile of displacement mean that monitoring systems need to identify emerging areas of displacement risks and drivers rather than relying primarily on industries and regions historically associated with large-scale retrenchment. This monitoring could continue to identify trends on displacement declines and outcomes improvement and also identify the more emerging potential negative displacement risks related to technological change.

Review whether existing supports are fit for purpose and reaching emerging more vulnerable displaced workers

Increasing displacement among some professional, managerial and metropolitan workers, together with growth in insolvency-related displacement, may expose workers who are less likely to be identified through traditional responses to structural adjustment or mass retrenchment.

Further investigation may be warranted into gaps in supports and protections including around worker eligibility, financial protections, employer notification requirements and the timing of support where businesses cease operating or workers do not receive conventional redundancy entitlements.

Use occupation and outcomes evidence to better target supports

Detailed occupation-level evidence on displacement, re-employment and earnings outcomes can help identify workers who experience more difficult transitions and where targeted employment, skills or other assistance may be most valuable. It can also assist identifying workers who aren't currently on the radar.

Establish a baseline for future technological and structural change.

This report provides a benchmark against which future changes associated with AI, offshoring and other structural shifts can be assessed. Repeating this analysis as further data become available would help distinguish emerging AI-related displacement trends from normal labour market adjustment.

In conclusion, his analysis of worker displacement provides a comprehensive stocktake of displacement in Australia and new evidence on trends, changing worker profiles and post-displacement outcomes. These findings and the policy considerations they raise establish a benchmark for monitoring future developments, particularly as technological change and other structural shifts may pivotally reshape the what, who, how, and why of displacement.

We welcome feedback on this report by contacting us at inclusiveparticipation@jobsandskills.gov.au