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Jobs and Skills Australia

Jobs and Skills Australia Update

6 March 2023



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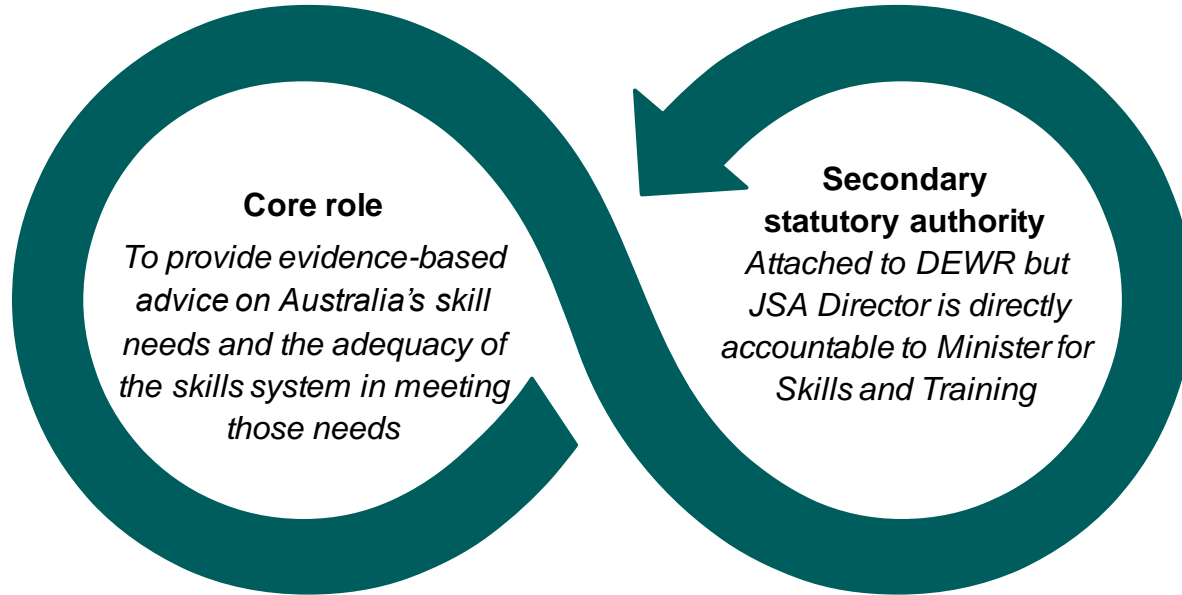
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Jobs and Skills Australia: where we are at and where we are going

Professor Peter Dawkins AO
Director, Jobs and Skills Australia

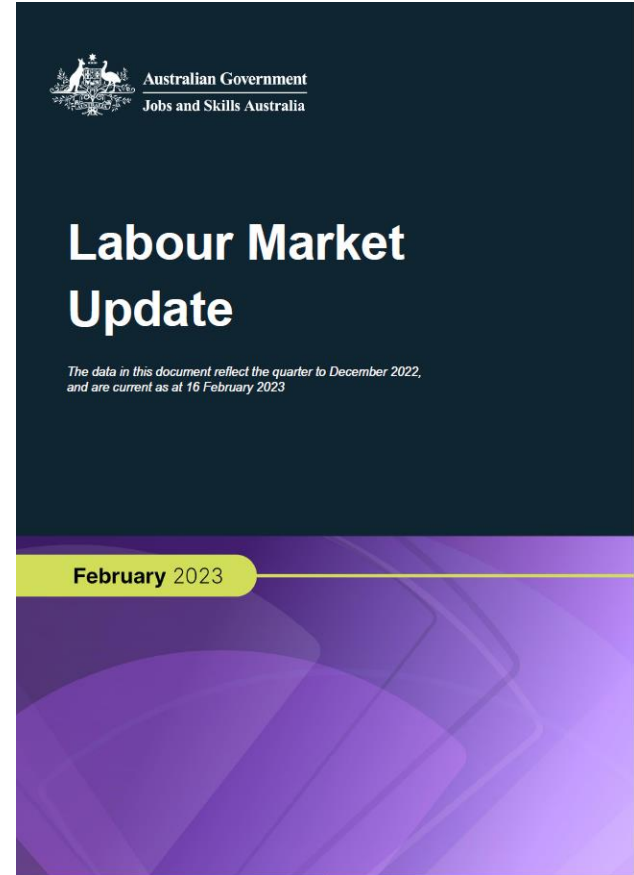


JSA Overview

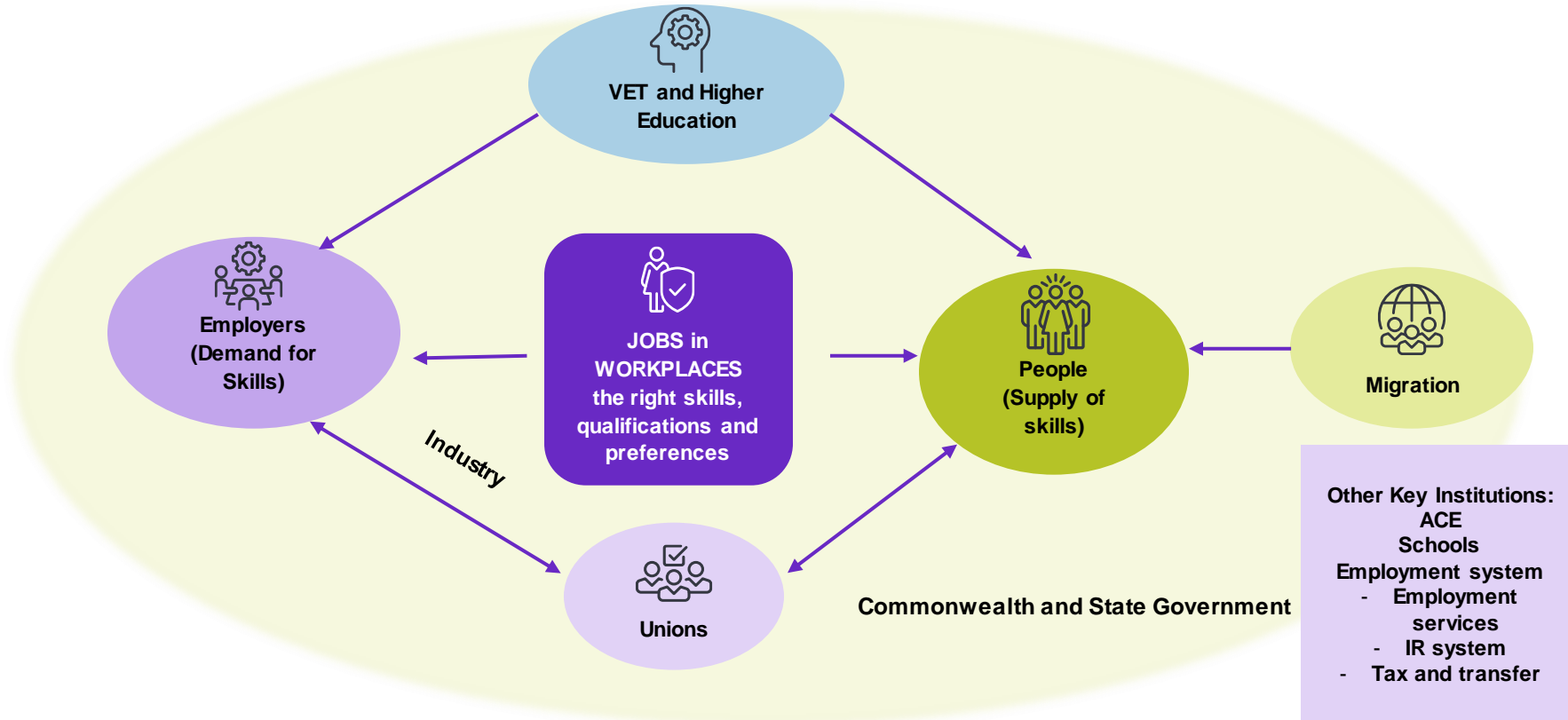


Labour Market Update

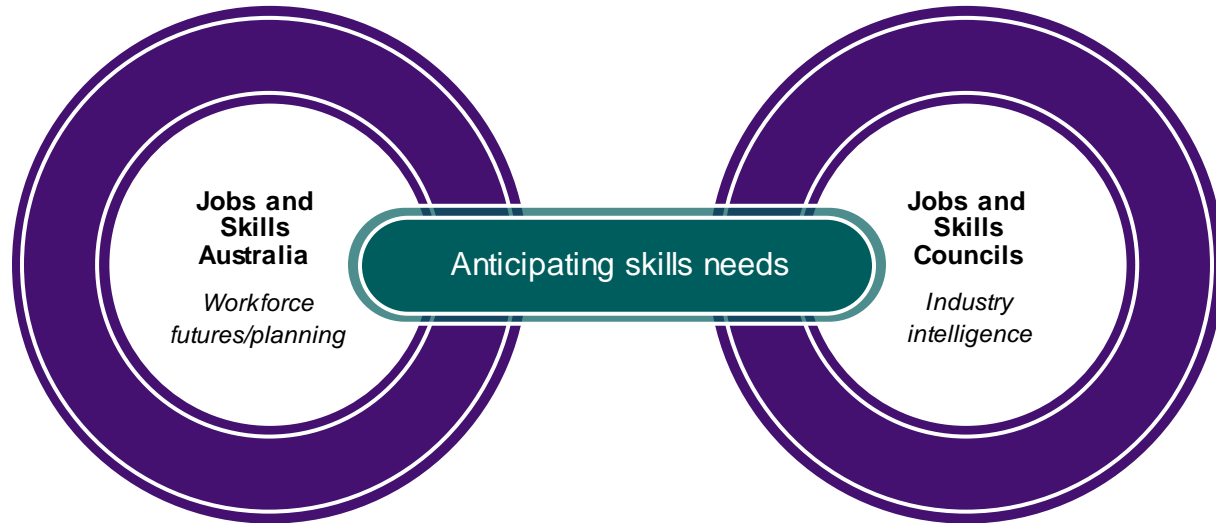
- Recent labour market outcomes
- Employment growth has varied across skill levels, occupation and industries
- Job advertisements and recruitment activity have declined
- As job advertisements have declined, employers' recruitment difficulty has eased
- Comparing recruitment difficulty in capital cities and regional areas
- Labour demand and recruitment difficulty remain highest for the higher skill levels
- Labour markets are similarly tight in many other countries
- Key skills needs including top 20 occupations in demand



National Skills System



JSA will work closely with the new industry Jobs and Skills Councils (JSCs)



Clean Energy Workforce Capacity Study

What the study will do...

Define the clean energy workforce & describe its current state.

Analyse future demand for clean energy workers, and the impact on employment in high-emitting sectors undergoing transition.

Analyse future supply of clean energy workers –

- What are the skills?
- Where do these skills exist currently?
- What are the education & training pathways?

Identify the enablers and barriers to developing and delivering clean energy education and training

Explore opportunities and barriers for women, First Nations Australians, people with disability and Australians from culturally and linguistically diverse backgrounds.

Explore sector specific enablers and barriers faced by small, medium, and large employers

Regional Case studies & analysis of place-based success factors

International comparative analysis & case studies

Analysis over the next 10, 20, 30 years based on different transition scenarios

The study will be supported by extensive consultation and genuine partnerships, led by a steering group of industry and technical experts and stakeholders.



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Questions?





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Labour market update and current skills challenges

Rayeed Rahman

A/g Assistant Secretary

Labour Market and Migration Branch



Labour market conditions remain robust

- Labour demand remains strong and there has been some growth in labour supply
- Total employment has grown, with particularly strong growth in full-time employment
- Unemployment and underemployment remain at very low levels
- Nominal wages growth is showing promising signs
(not so much real wages)

Key indicators – Dec 2022, change since Sept 2022

Employment	13,747,100	↑ 0.6%
Monthly hours worked	1,888.0 million	↑ 1.3%
Labour force	14,246,900	↑ 0.6%
Unemployment rate	3.5%	↓ 0.1%
Participation rate	66.6%	Steady

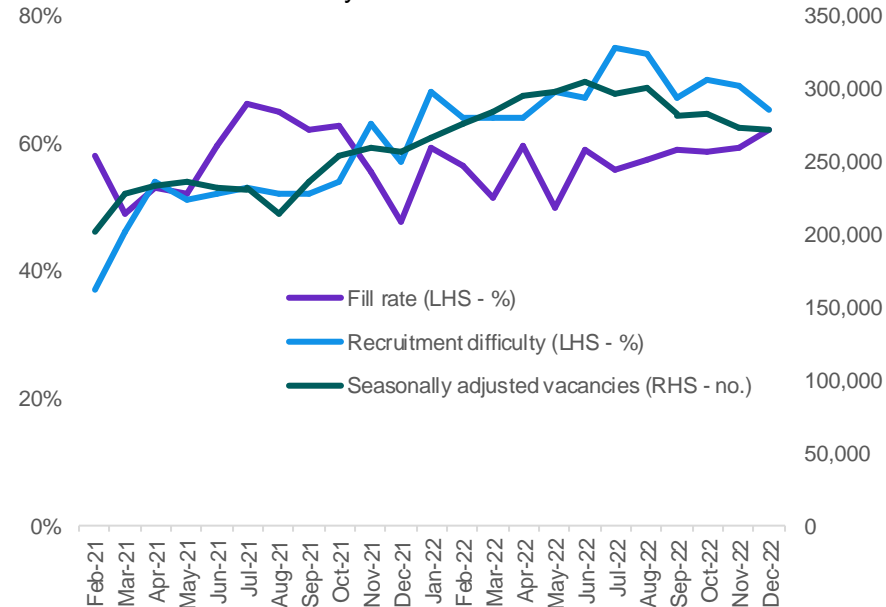
Source: ABS, Labour Force, Australia, December 2022, seasonally adjusted data.

There are some recent signs of easing, but tightness remains

- Online job ads surged in 2021, and hiring difficulty rose significantly
- In recent months there has been some easing:
 - Online job ads fell by 10.4% since the June 2022 peak
 - Recruiting employers facing difficulty filling positions has declined to 65% from a peak of 75% in July 2022
 - The vacancy fill rate for skilled positions has increased
- But, hiring difficult remains elevated and fill rates are still well below historical rates

Monthly fill rate, recruitment difficulty and internet vacancies

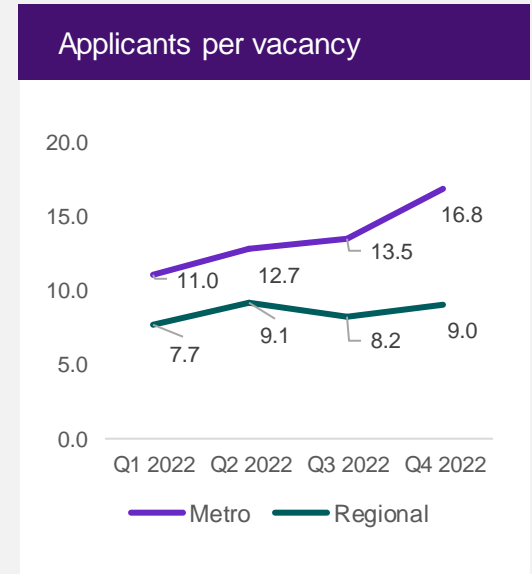
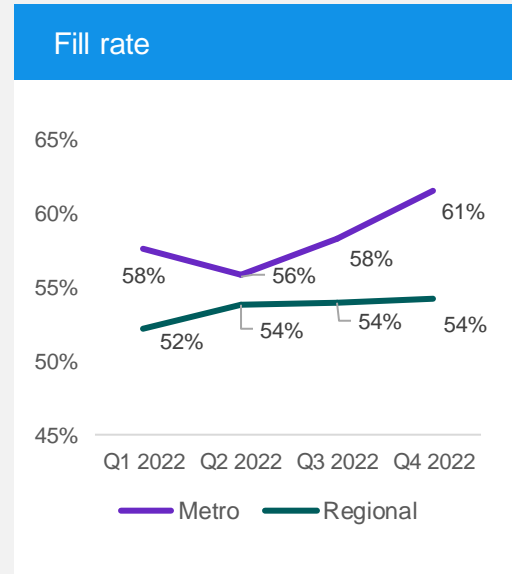
February 2021 – December 2022



Source: JSA, Internet Vacancy Index, Recruitment Experiences and Outlook Survey, Survey of Employers' who Recently Advertised

The national picture is only part of the story: regional areas face significant recruitment issues

- Fill rates and the number of applicants per vacancy are consistently lower in regional areas
- Recent increases has been primarily seen in metro areas
- The fill rate has not changed in regional areas
- The number of applicants per vacancy has only marginally increased in regional areas



Source: Jobs and Skills Australia, Survey of Employers who Recently Advertised, 2022

There are skills challenges in the current labour market

- In the 2022 Skills Priority List (SPL), occupations assessed in shortage increased from 19% in 2021 to 31% in 2022, mostly in Skill level 1 and 3 occupations
- Recent analysis shows 36% of employment growth **in occupations with higher ed as the primary pathway, but over 60% in occupations with VET qualifications as the primary pathway.**
- There are several key areas with pressing shortages, notably in health care, digital and trades

Top 20 occupations in demand nationally

No.	Occupation	IVI job ads*
1	Registered Nurses	8377
2	Software and Applications Programmers	6269
3	Aged and Disabled Carers	4642
4	Child Carers	4277
5	Construction Managers	4230
6	Motor Mechanics	3924
7	Retail Managers	3777
8	Chefs	3725
9	Generalist Medical Practitioners	3352
10	Metal Fitters and Machinists	3137
11	ICT Business and Systems Analysts	3053
12	Civil Engineering Professionals	2871
13	Electricians	2839
14	Early Childhood (Pre-primary School) Teachers	2493
15	Contract, Program and Project Administrators	2392
16	Advertising and Marketing Professionals	2265
17	Physiotherapists	1262
18	Gardeners	1015
19	Mining Engineers	957
20	Database and Systems Administrators, and ICT Security Specialists	942

Source: National Skills Commission, Skills Priority List, 2022; National Skills Commission, Employment outlook Industry and occupation trends over the five years to November 2026, 2022; JSA, Internet Vacancy Index, December 2022

Categorising skills pressures

- Skill shortages on their own only tell part of the story – occupations are likely to have different pressures
- JSA has recently commenced work on categorising skills pressures to better inform strategies and policies
- Builds on work of Sue Richardson (NCVER, 2007), classifying skills shortages based on whether there are existing people with the essential skills and whether those skills are being effectively utilised

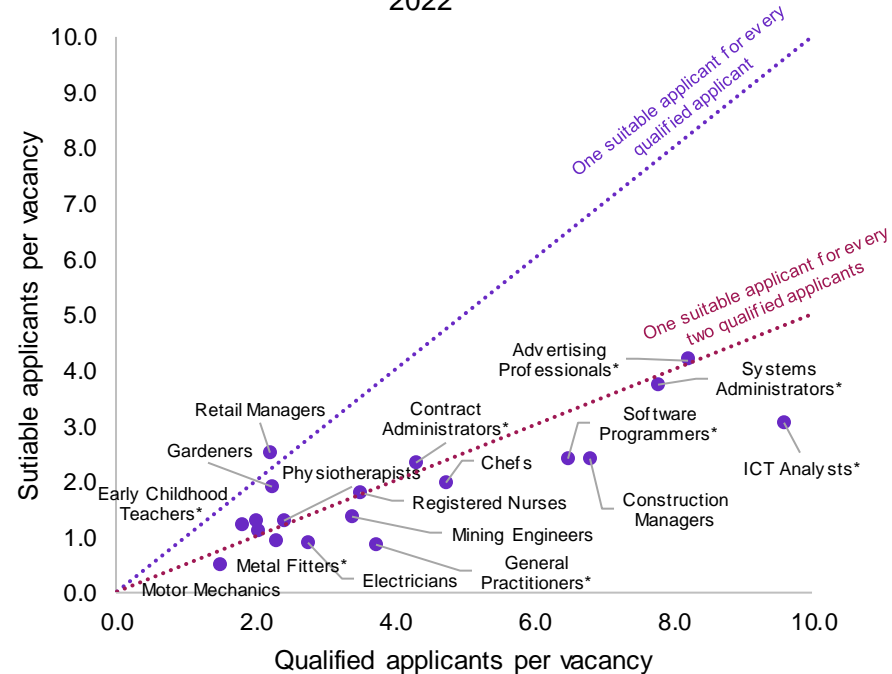
Preliminary JSA shortage classifications

Classification of skills shortage	Occupations (from top 20 occupations in demand)
Level 1 shortage	Motor Mechanics Early Childhood (Pre-primary School) Teachers Electricians Metal Fitters and Machinists Physiotherapists
Level 2 shortage	Gardeners Retail Managers
Quality gap	Civil Engineering Professionals Chefs Construction Managers Software and Applications Programmers ICT Business and Systems Analysts Database and Systems Administrators, and ICT Security Specialists Advertising and Marketing Professionals
Skills mismatch	Contract, Program and Project Administrators Aged and Disabled Carers Child Carers
Yet to be determined	Registered Nurses General Practitioners and Resident Medical Officers Mining Engineers

There may be a quality gap between what employers want and workers offer

- Many employers are looking for more than just a qualified candidate
- Employers also want to hire people with strong “employability skills” such as:
 - Communication
 - Planning
 - Project management
 - Problem solving
 - Writing and research
- For many occupations, fewer than half the qualified applicants that apply for a position are deemed suitable by the employer

Qualified applicants and suitable applicants per vacancy 2022



Source: Jobs and Skills Australia, Survey of Employers who Recently Advertised, 2022



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Approach to stakeholder engagement

Joanna Reeve

A/g Assistant Secretary

Strategic Advice and Engagement Branch





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