



Australian Government



National Skills Commission

Australia's current, emerging and future workforce skills needs

2022 overview

Labour market conditions in Australia have been very strong over the past year. As a result the unemployment rate has fallen to levels not seen in close to 50 years.

Across key cohorts, young people, women and the long-term unemployed have all experienced robust labour market conditions and improved outcomes. But, as the Government's Jobs and Skills Summit underscored, more work needs to be done to ensure all Australians can fully participate in the labour market.

While labour market conditions have strengthened substantially in aggregate, employment growth across industries has been largely driven by just five of the 19 broad industry groups: *Health Care and Social Assistance, Professional Scientific and Technical Services, Retail trade, Construction and Financial and Insurance Services.*

Employment growth concentrated in 5 industry groups



Health Care and Social Assistance



Professional Scientific and Technical Services



Retail Trade



Construction



Financial and Insurance Services industries

Reflecting the increase in the demand for workers the number of occupations on the NSC’s Skills Priority List for 2022 (the Skills Priority List assesses skill shortages) has almost doubled relative to 2021. This has stemmed mainly from a tightening in the labour market for Professionals – particularly health and education professionals (such as medical practitioners, nurses and teachers).

Although shortages for Professional occupations surged in 2022, skill shortages remain most common among Technicians and Trades workers. This is particularly the case for occupations requiring an apprenticeship such as electricians, carpenters, chefs and motor mechanics.

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Registered nurses



Software and applications programmers

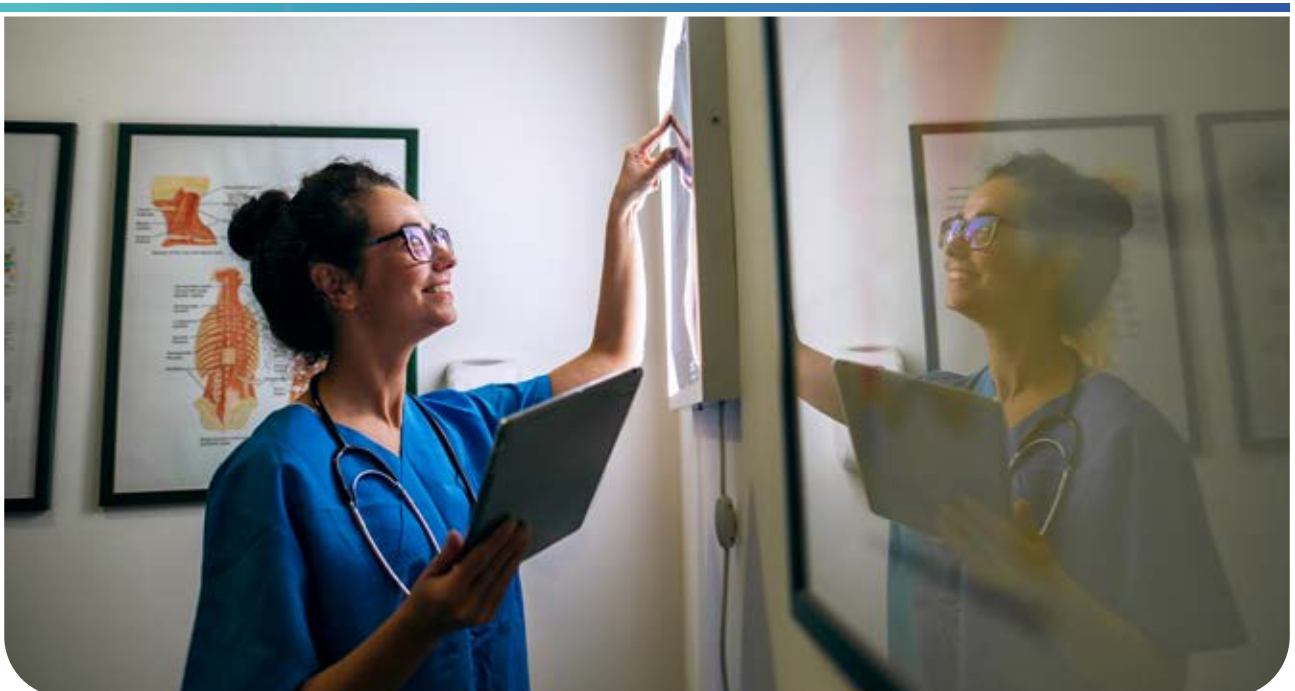


Aged and disabled carers

are some of the occupations with the **economy’s key skills needs.**

Combining the Skills Priority List with other data sets produced by the NSC, such as job vacancies and five-year employment projections provides an estimate of some of the economy’s key skills needs. The ‘top three’ occupations identified using this approach are (in order of the number of job vacancies): registered nurses; software and applications programmers; and aged and disabled carers.

While methodologies for assessing skills shortages vary between countries, recent international findings suggest that skill shortages – particularly for health care and IT professionals – are common across a number of economies.



Projections to 2026

The NSC's five-year employment projections indicate that jobs growth is expected to be highest across service industries and in jobs requiring higher level qualifications.

Mapping the employment projections to the Australian Skills Classification shows the skills clusters with the largest increases in time spent will be: Health and care; Business operations and financial activities; and Communication and collaboration. Those cluster families with the fastest growth are expected to be: Performance evaluation and efficiency improvement; Digital technologies and electronics; and Health and care.

Skills clusters with the largest expected increases in time spent



Health and care



Business operations and financial activities



Communication and collaboration



Skills clusters with the fastest expected growth



Performance evaluation and efficiency improvement



Digital technologies and electronics



Health and care



Transitioning to a green economy

The transition to a net zero carbon and green economy means new skills and jobs will be required across both traditional and emerging sectors.

In a number of occupations ('Green Enhanced Skills') the broad purpose of the occupation remains the same, but elements of the occupation have changed. For example, truck drivers may be increasingly focused on reducing fuel consumption.

A range of occupations will face growing demand with the shift to a net zero carbon economy ('Green Increased Demand' occupations). These include many conventional jobs like electricians, carpenters, and fitters.

'Green New and Emerging' occupations are jobs that have emerged due to green economy activities and technologies. Many occupations in this category are associated with clean energy specific roles or roles associated with emerging technologies. These occupations represent a range of cutting-edge opportunities presented by decarbonisation, which Australia could harness and grow significantly over time.

Green Increased Demand	Green Enhanced Skills	Green New/Emerging
<p>Where the work context may change (expected increase in demand generally), but the tasks, knowledge, skills and abilities generally do not.</p> <p>Example occupations:</p> <ul style="list-style-type: none"> • Electricians • Structural Steel Erector • Fitter 	<p>Where the occupation's purposes remain the same, but tasks, skills, knowledge, and external elements, such as credentials, have been altered.</p> <p>Example occupations:</p> <ul style="list-style-type: none"> • Plumber • Sales and marketing manager • Civil Engineer 	<p>Where the demand of green economy and technologies have created the need for unique work and worker requirements.</p> <p>Example occupations:</p> <ul style="list-style-type: none"> • Recycle Worker • Sustainability specialists • Environmental Research Scientist



Megatrends inform the Five Cs

The NSC used the CSIRO's 2022 Report: *Our Future World*, and the seven megatrends identified in that report, to help identify future skills needs.

The Megatrends are:



1. Adapting to climate change

The protection of livelihoods, infrastructure and people's quality of life as the climate changes.



2. Leaner, cleaner and greener

The global push to reach net zero and beyond, protect biodiversity and use resources efficiently.



3. The escalating health imperative

The promotion of health in the face of rising demand, demographic ageing, emerging diseases and unhealthy lifestyles.



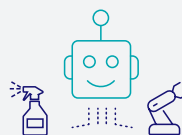
4. Geopolitical shifts

The increase in efforts to ensure global stability, trade and economic growth.



5. Diving into digital

The rapidly growing digital and data economy.



6. Increasingly autonomous

The rise of artificial intelligence and advanced autonomous systems to enhance productivity and outputs across all industries.



7. Unlocking the human dimension

The elevating importance of diversity, equity and transparency in business, policy and community decision-making.

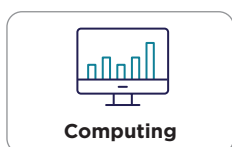
The megatrends broadly underscore the importance of the 'Four Cs' identified in last year's report, namely: Care, Computing, Cognitive ability and Communication.

The megatrends also clearly identify a fifth 'C': Climate. That is, the broad set of skills required to transition to a net zero carbon economy and respond to the impacts of climate change.

While not encompassing all the economy's future skills needs, the Five C's do point to a range of skills likely to underpin many of the jobs of the future.



Care: the group of skills that provide care and support; and responds to demographic change (such as the ageing of the population) and healthcare needs.



Computing: a group of skills needed to respond to the digital world and the increasing use of digital technologies across the entire economy.



Cognitive abilities: the group of advanced reasoning and higher order skills computers cannot easily replace, especially non-routine cognitive skills.



Communication: the group of skills needed to collaborate and engage within and across workplaces.



Climate: the range of skills required to transition to a net zero economy and respond to the impacts of climate change.



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