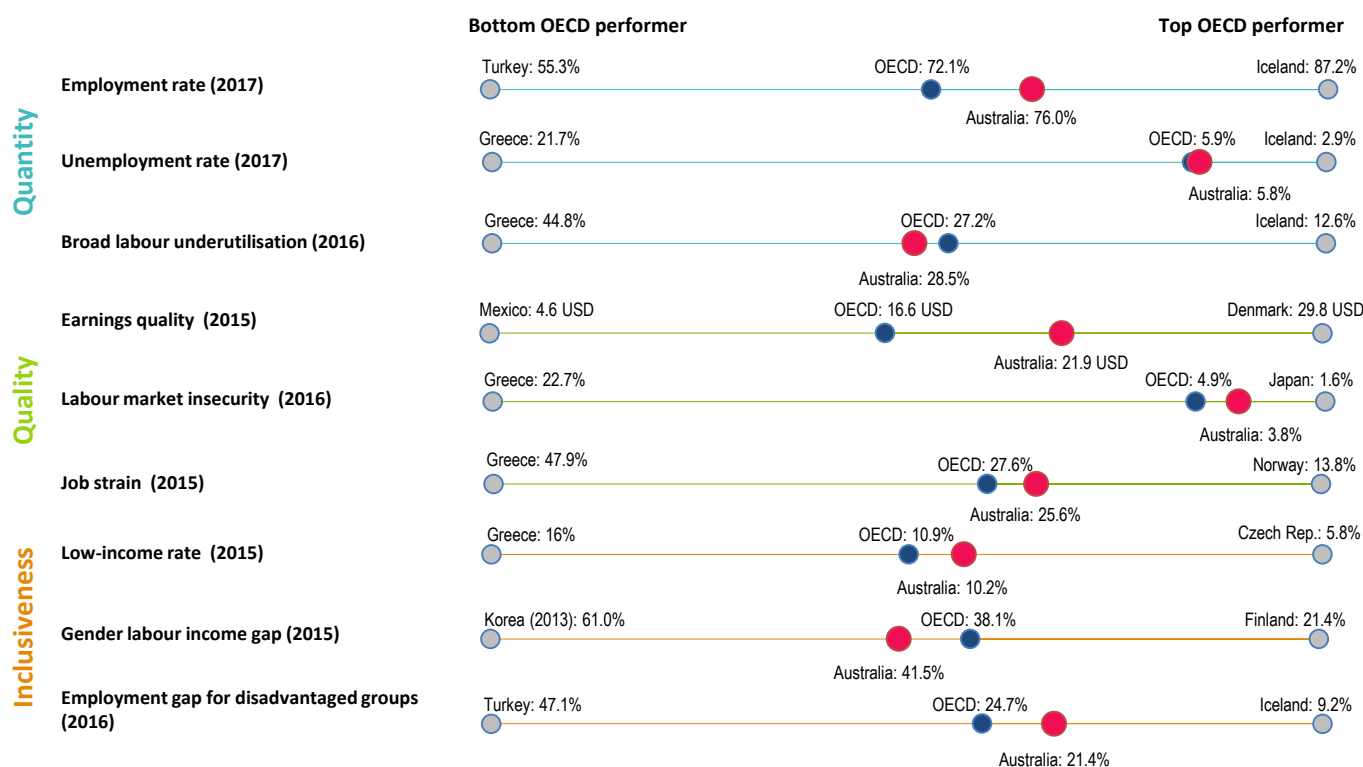


How does AUSTRALIA compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Australia



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. This includes measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially

disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Australia scores well on job quantity, on the back of its high employment rate and relatively low unemployment rate. However, additional measures of utilisation, including involuntary part-time work, indicate Australia to be below the OECD average.



- The quality of jobs is generally high in Australia. Labour market insecurity is among the lowest in the OECD area, reflecting a dynamic labour market, where laid off workers are able to find new employment with relative ease. Australia has a network of contracted out employment services that provide targeted support to job seekers. Earnings quality is well above the OECD average, and job strain is low.
- Australia scores well on some dimensions of labour market inclusiveness. The incidence of poverty on the

job is below the OECD average and the employment rate of disadvantaged groups is relatively high. There are nevertheless very large gaps in socio-economic outcomes between indigenous and non-indigenous groups. Australia also performs less well on the gender labour income gap. The incidence of part-time employment for women is higher than the OECD average, and in particular, the labour supply of mothers with young children is low.

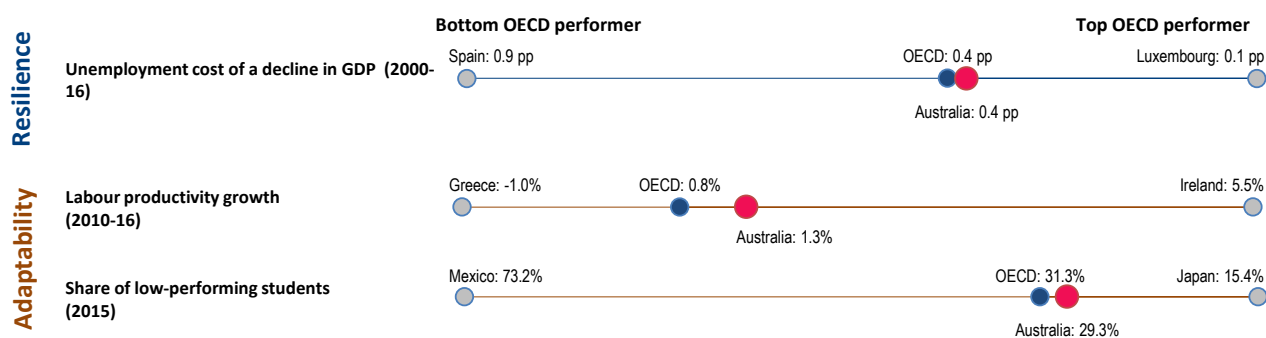
FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Australia scores at, or above, the OECD average in indicators of resilience and adaptability, which in turn support the overall good outcomes on job quantity, job quality and inclusiveness.

- Australia is close to the OECD average in terms of resilience; a score helped by its dynamic labour market. The end of the mining investment boom saw a rise in the unemployment rate but subsequent relocation of labour across sectors and regions and a strong economy in other respects are helping bring unemployment down again.
- Labour productivity growth is above the OECD average and student skills, too. However there is a worrying negative trend in PISA scores. Australia is sliding down in international rankings of student performance, and economic disadvantage affects students' outcomes.

Framework conditions for Australia



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).