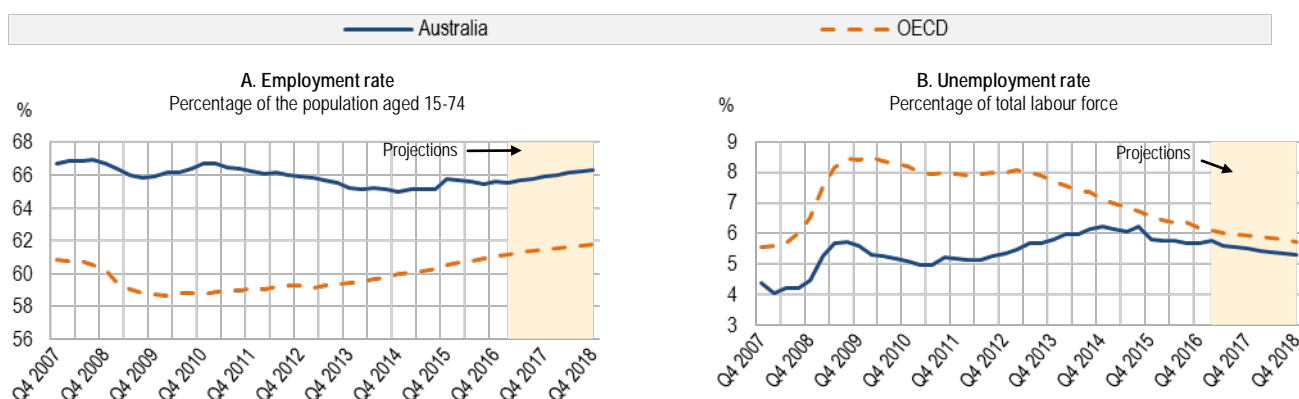


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Australia



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

INTERNATIONAL LABOUR MARKET TRENDS AND PROSPECTS

The improvement of labour market conditions in the OECD area is expected to continue in 2017 and 2018. The employment rate has recovered following the global financial crisis and is projected to reach soon its highest level in more than a decade. While the unemployment rate has not yet fully recovered, it could approach its pre-crisis level by late 2018.

THE AUSTRALIAN LABOUR MARKET

- Australia's working-age employment rate (66% in the first quarter of 2017) substantially exceeds the OECD average (61%), and the unemployment rate (5.8%) remains slightly below the OECD average (6.1%).
- After declining slightly for several years, the employment rate stabilised in 2016 and is forecast to rise slightly in 2017 and 2018.

- Against the background of a stable participation rate, the unemployment rate was stable in 2016 and is forecast to decline to 5.3% by the end of 2018.
- While Australia's unemployment rate remains below the average for the OECD area, the gap has shrunk from 3 percentage points in mid-2011 to 0.3 percentage points in early 2017.
- In Australia, the increase in the unemployment rate was relatively limited at the time of the global financial crises, but from 2011 to 2015 it crept up slowly, and it is projected to remain above its pre-crisis level of close to 4% through 2018.
- The relative stability of employment, unemployment and participation rates over the last decade suggests that Australia's labour market is quite resilient; it also seems to have weathered the commodity price/mining bust well.

Scoreboard of labour market performance for Australia



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in 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 characterised by 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 average per capita annual earnings of men and women divided by average per capita earnings of men. *Employment gap for disadvantaged groups*: Average difference in the employment rate for prime-age men 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) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE AUSTRALIAN LABOUR MARKET

After 25 consecutive years of economic growth, how do labour market outcomes in Australia compare? The scoreboard of labour market performance in the *OECD Employment Outlook 2017* presents indicators for job quantity, job quality and inclusiveness. For each indicator, Australia can be compared with the OECD average and top and bottom performers. On almost all indicators, the Australian labour market performs as well as or better than the OECD average.

- The incidence of job strain and the average level of labour market insecurity are areas of particular strength, where the Australian labour market scores close to those of the top OECD performers.
- In terms of employment and unemployment rates as well as the employment gap for disadvantaged groups, the Australian scores are closer to the OECD average than to those of the top OECD performers.

The incidence of low net incomes in Australia is close to the OECD average.

- The gender labour income gap in Australia is slightly above the OECD average. This indicator refers to annual labour earnings, and partly reflects gender differences in time worked. In Australia nearly 40% of female employment is part-time, one of the highest shares in the OECD (after the Netherlands and Switzerland).
- Although the employment rate in Australia exceeds the OECD average, the difference is eroded when employment is expressed in terms of full-time equivalents, again illustrating the impact of the high incidence of part-time jobs.
- Nearly 9% of employed people in 2015 were working part-time involuntarily, i.e. their hours had been reduced or they had been unable to find full-time work. This is one of the highest shares in the OECD (after Italy and Spain), representing an area where labour market performance could be improved.

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