INSIGHTS FROM LABOUR FORCE SURVEY, AUGUST 2022 QUARTERLY RELEASE

Employment by industry[1]

Labour market conditions in Australia have generally been strong since the initial deterioration in the labour market at the onset of COVID-19. As at the August quarter 2022, employment growth for all industries is 601,600 (or 4.6%) above its pre-COVID level (the February quarter 2020). However, this strength has not occurred evenly across industries with just 12 of the 19 industries having recorded an increase in employment over the period. Further, the increase in employment recorded since the February quarter 2020 has mostly been driven by very strong employment growth in five industries:

- Health Care and Social Assistance (up by 231,200 or 12.9%)
- Professional, Scientific and Technical Services (up by 152,300 or 13.2%)
- Retail Trade (up by 116,500 or 9.3%)
- Construction (up by 77,300 or 6.5%)
- Financial and Insurance Services (up by 71,200 or 15.3%)

The remaining 14 industries have recorded an increase in employment of just 28,300 (or 0.4%) over the period.

[1] All data are in seasonally adjusted terms unless otherwise stated. Data source is *ABS, Labour Force, Australia, Detailed*

Chart 1: Employment growth by industry (‘000) – to August 2022

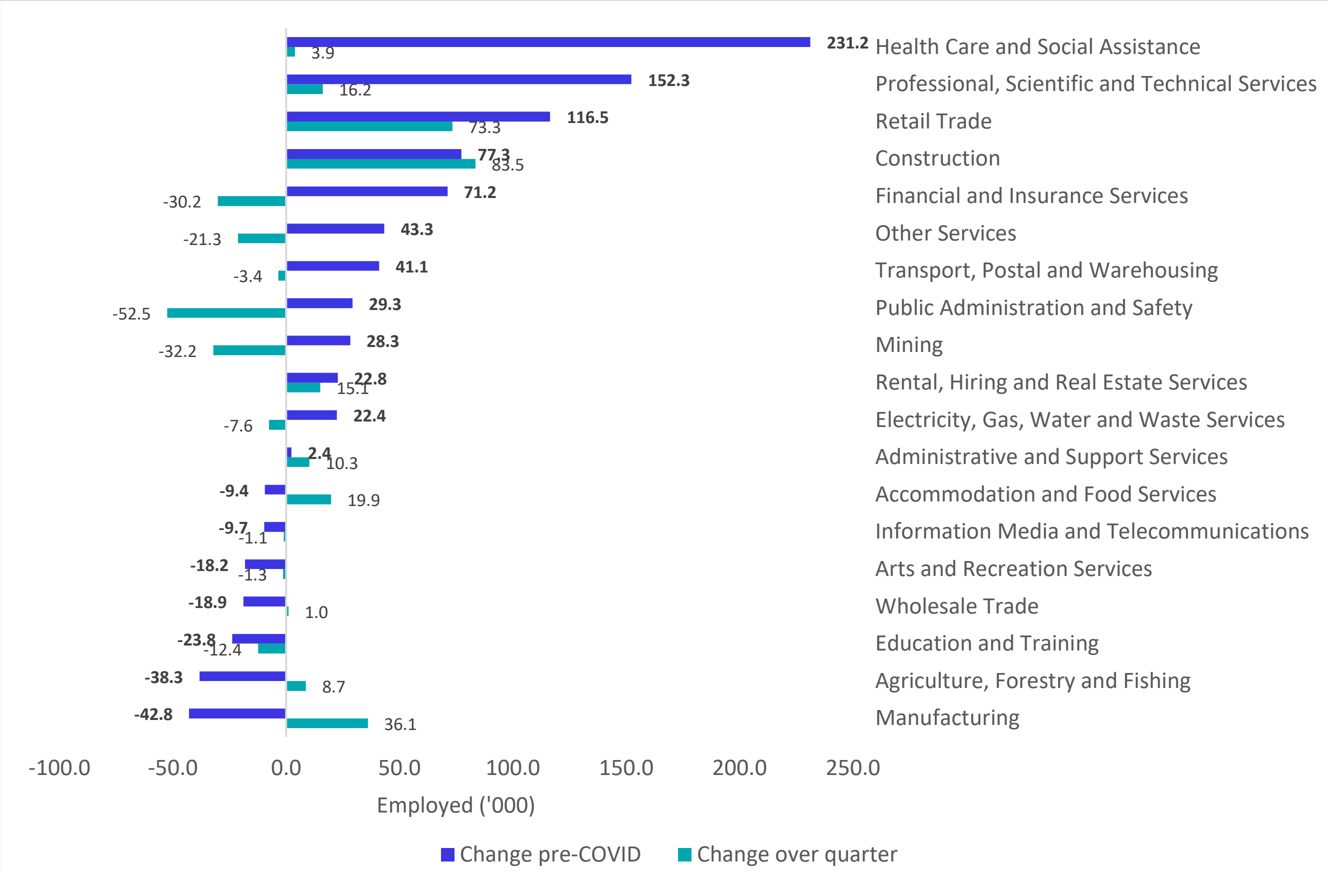


Table 1: Employment growth by Industry – Seasonally Adjusted (,000)

Industry	Employed August-22 ('000)	Employed May-22 ('000)	Quarterly employment change to Aug-22		Employment change since Feb-20	
			('000)	(%)	('000)	(%)
Agriculture, Forestry and Fishing	287.3	278.6	8.7	3.1	-38.3	-11.8
Mining	270.5	302.7	-32.2	-10.6	28.3	11.7
Manufacturing	867.8	831.8	36.1	4.3	-42.8	-4.7
Electricity, Gas, Water and Waste Services	155.0	162.6	-7.6	-4.7	22.4	16.9
Construction	1,262.2	1,178.8	83.5	7.1	77.3	6.5
Wholesale Trade	373.6	372.6	1.0	0.3	-18.9	-4.8
Retail Trade	1,363.0	1,289.6	73.3	5.7	116.5	9.3
Accommodation and Food Services	923.2	903.3	19.9	2.2	-9.4	-1.0
Transport, Postal and Warehousing	692.0	695.4	-3.4	-0.5	41.1	6.3
Information Media and Telecommunications	201.8	202.9	-1.1	-0.5	-9.7	-4.6
Financial and Insurance Services	537.7	567.9	-30.2	-5.3	71.2	15.3
Rental, Hiring and Real Estate Services	241.8	226.7	15.1	6.6	22.8	10.4
Professional, Scientific and Technical Services	1,306.2	1,290.1	16.2	1.3	152.3	13.2
Administrative and Support Services	435.3	425.1	10.3	2.4	2.4	0.5
Public Administration and Safety	859.8	912.3	-52.5	-5.8	29.3	3.5
Education and Training	1,109.9	1,122.3	-12.4	-1.1	-23.8	-2.1
Health Care and Social Assistance	2,025.4	2,021.6	3.9	0.2	231.2	12.9
Arts and Recreation Services	229.5	230.8	-1.3	-0.6	-18.2	-7.3
Other Services	531.2	552.6	-21.3	-3.9	43.3	8.9
TOTAL EMPLOYMENT	**13,617.1**	**13,559.3**	**57.8**	**0.4**	**601.6**	**4.6**

Reflecting continued strong economic growth and an increasingly tight labour market, employment in 5 of the 19 broad industry groups reached record highs[2] in the August 2022 quarter:

- Health Care and Social Assistance (2,025,400, up by 3,900 or 0.2% over the quarter)
- Retail Trade (1,363,000, up by 73,300 or 5.7% over the quarter)
- Professional, Scientific and Technical Services (1,306,200, up by 16,200 or 1.3% over the quarter)
- Construction (1,262,200, up by 83,500 or 7.1% over the quarter)
- Rental, Hiring and Real Estate Services (241,800, up by 15,100 or 6.6% over the quarter)

The rise in employment in the **Health Care and Social Assistance** industry is likely to be, in part, due to the resumption of elective surgeries and increased demand for allied health services as the health care system returns to pre-pandemic conditions.[3] The Medical and Other Health Care Services industry (inclusive of Allied Health Services) grew by 19,200 or 3.1% over the August quarter 2022.

Continued demand for goods and services is likely to have driven the increase in employment in the **Retail Trade** industry. High household savings rates and sustained employment growth continue to drive household spending, which increased 18.4% over the year to July 2022[4] despite increasing inflation and sluggish wage growth.

The **Construction** industry, despite some setbacks due to recent supply shortages, is expected to see continued growth over at least the next year due to a large pipeline of residential and non-residential projects, particularly a backlog of private non-residential construction work.[5]

Strong growth in domestic tourism has likely driven the increase in employment in the **Rental, Hiring and Real Estate Services** industry,[6] with the Rental and Hiring Services (except Real Estate) industry growing by 5,200 or 13.5% over the August quarter 2022.

---

[2] The seasonally adjusted quarterly industry employment data have been produced since November 1984

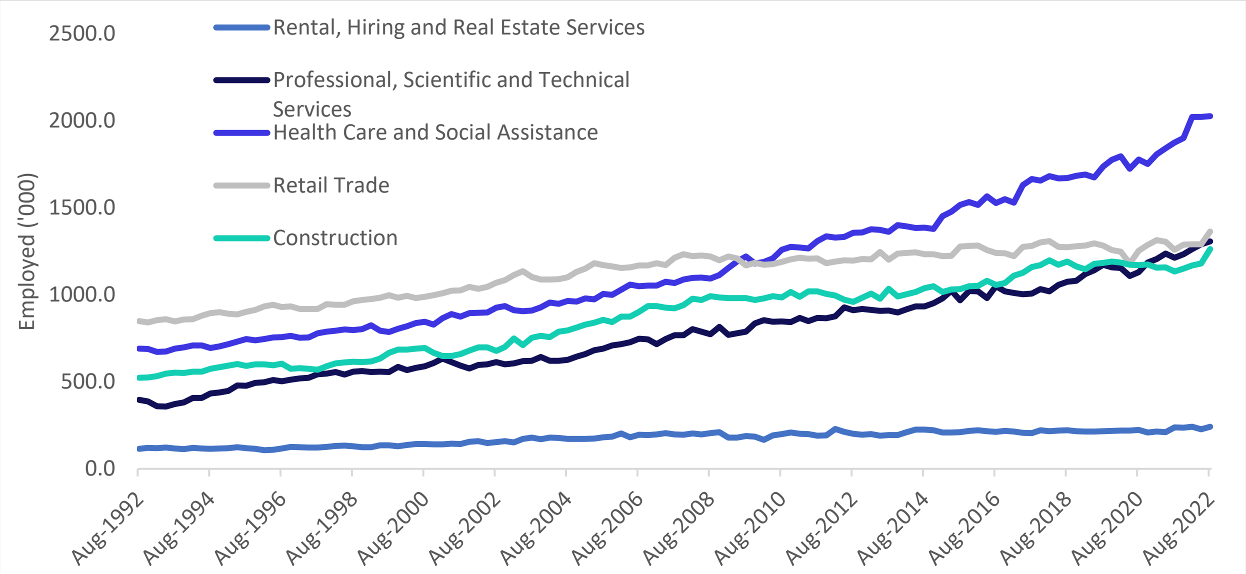
[3] ABS, Australian National Accounts: National Income, Expenditure and Product, June 2022.

[4] ABS, Monthly Household Spending Indicator, July 2022.

[5] RBA, Statement on Monetary Policy, August 2022.

[6] ABS, Australian National Accounts: National Income, Expenditure and Product, June 2022.

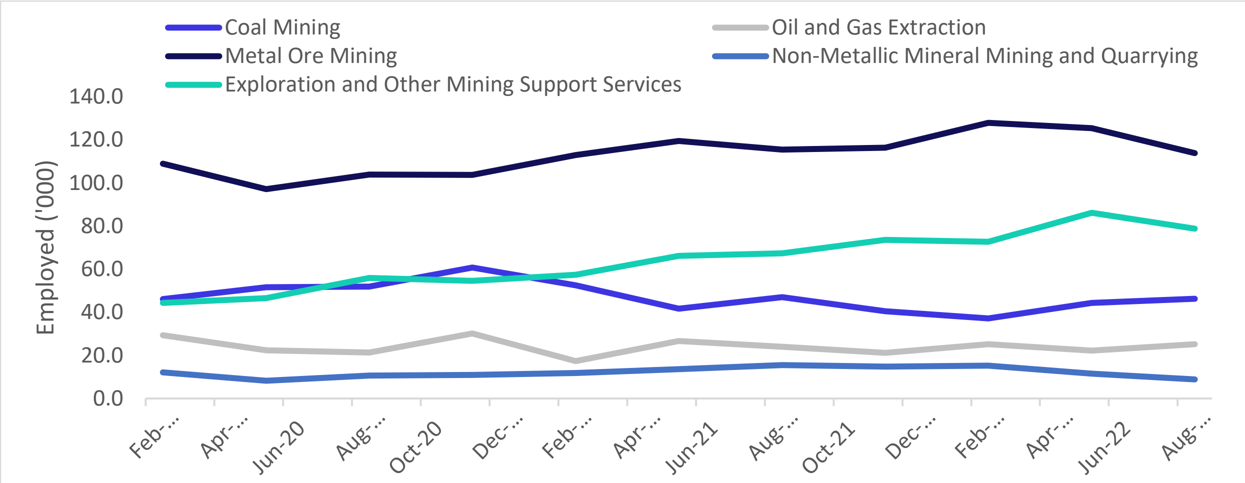
Chart 2: Employment growth for selected industries – August 1992 to August 2022



On the other hand, employment in the **Public Administration and Safety** industry fell by 52,500 (or 5.8%) in the August quarter 2022 to 859,800. This followed on from an increase in employment in the May quarter 2022 of 1.3% to 912,300, the second highest number on record. The decline in *total* hours worked in the industry has mirrored the change in employment, down by 6.1%.

Employment in the **Mining** industry fell by 32,200 or 10.6% to 270,500 in August 2022, after employment in the industry reached a record high in May 2022 of 302,700. The decline in *total* hours worked in the industry is less severe than the change in employment, down by 7.6%. Despite a large fall in employment in the Mining industry over the quarter, there has been significant disparity in employment growth for the sectors within the Mining industry. For instance, since February 2020, employment in Non-Metallic Mineral Mining and Quarrying has fallen by 3,300 (or 27.3%), while Oil and Gas Extraction has fallen by 4,100 (or 14.1%). By contrast, employment in Exploration and Other Mining Support Services has increased by 34,500 (or 77.8%) over the period, and the Metal Ore Mining Sector has also recorded a rise in employment, up by 4,800 (or 4.4%).

Chart 3: Employment growth by Mining sector ('000) – to August 2022



More detailed data show that 114 of the 214 detailed sectors across all industries (or 53.3%) have recorded an increase in employment since February 2020. Notably, 111 (or 51.9%) of the detailed industry sectors recorded an increase in employment in the quarter.

Over the **quarter** to August 2022:

- The **largest gains** were in Cafes, Restaurants and Takeaway Food Services (up by 44,500 or 6.9%), followed by Computer System Design and Related Services (up by 34,600 or 10.6%) and Building Structure Services (up by 22,400 or 25.1%).
- The **largest falls** were in State Government Administration (down by 60,900 or 21.3%), followed by School Education (down by 23,700 or 4.0%) and Other Social Assistance Services (down by 21,300 or 4.7%).

Since February 2020:

- The **largest gains** in employment were in Computer System Design and Related Services (up by 90,700 or 33.4%), followed by Other Social Assistance Services (up by 85,000 or 24.7%) and Supermarket and Grocery Stores (up by 48,100 or 17.4%).
- The **largest falls** were in State Government Administration (down by 53,300 or 19.2%), followed by Tertiary Education (down by 44,000 or 16.2%) and Sheep, Beef Cattle and Grain Farming (down by 36,900 or 23.5%).

Employment by occupation

Over the **quarter** to August 2022, employment increased in five of the eight occupation groups.

- The largest **gains** in employment were recorded for Managers (up by 103,400 or 5.9%), Community and Personal Service Workers (up by 38,500 or 2.6%) and Machinery Operators and Drivers (up by 35,200 or 4.1%).
- The largest **falls** were for Clerical and Administrative Workers (down by 70,600 or 3.9%), Professionals (down by 54,600 or 1.5%) and Technicians and Trades Workers (down by 8,300 or 0.4%).

Since February 2020, employment increased in six of the eight occupation groups.

- The largest **gains** were recorded for Professionals (up by 314,900 or 9.9%) and Managers (up by 244,900 or 15.2%), and Community and Personal Services Workers (up by 71,400 or 5.0%).
- The largest **falls** in seasonally adjusted employment were for Labourers (down by 97,500 or 7.7%) and Clerical and Administrative Workers (down by 20,100 or 1.1%).

Table 2: Employment growth by major occupation group – Seasonally Adjusted (‘000)

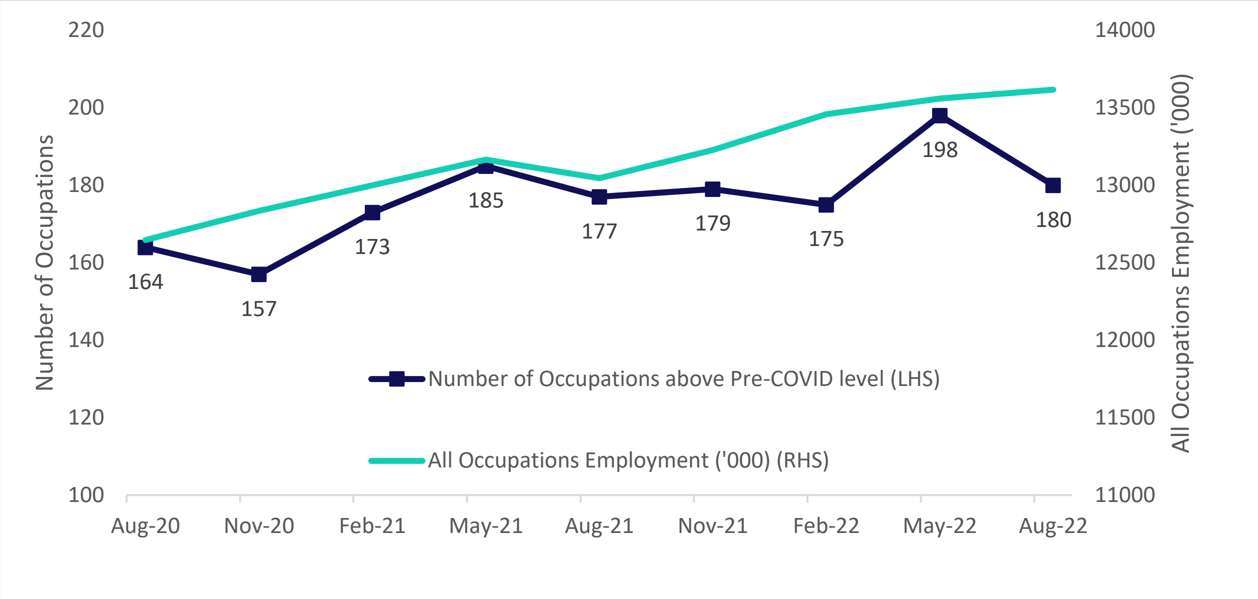
Occupation	August-22 ('000)	May-22 ('000)	Quarterly change ('000)	Quarterly change (%)	Change since Feb-20 ('000)	Change since Feb-20 (%)
Managers	1,853.2	1,749.8	103.4	5.9	244.9	15.2
Professionals	3,504.2	3,558.8	-54.6	-1.5	314.9	9.9
Technicians and Trades Workers	1,864.7	1,873.0	-8.3	-0.4	56.0	3.1
Community and Personal Service Workers	1,491.3	1,452.9	38.5	2.6	71.4	5.0
Clerical and Administrative Workers	1,745.1	1,815.7	-70.6	-3.9	-20.1	-1.1
Sales Workers	1,135.3	1,104.1	31.2	2.8	15.0	1.3
Machinery Operators and Drivers	892.0	856.8	35.2	4.1	61.3	7.4
Labourers	1,160.8	1,141.0	19.7	1.7	-97.5	-7.7
ALL OCCUPATIONS	**13,617.1**	**13,559.3**	**57.8**	**0.4**	**601.6**	**4.6**

While employment growth has been strong over the last two plus years, there has been divergent trends in employment at the occupation level. In February 2022, employment growth for all occupations stood 3.4% above the level recorded in February 2020, but less than half of the detailed occupations (175 out of 358, or 48.9%) had employment above their pre-COVID level.

The May quarter 2022 saw a change in trend, with occupations that had grown during the COVID-19 period up until February 2022 recording a decrease in employment, in contrast to a strong increase in employment for occupations that had struggled up until this point. The combined effect saw the number of occupations with employment above their pre-COVID level increasing substantially during the May quarter 2022 (up from 175 to 198), after remaining relatively steady for the five quarters prior.

For the August quarter 2022 we saw the number of occupations with employment above their pre-COVID level decreasing to 180, down from 198 in May. The seasonally adjusted detailed occupation series can exhibit considerable volatility so results should be viewed with caution.

Chart 4: Number of occupations with employment above pre-COVID levels



The largest increases in employment in the August quarter 2022 were recorded for Other Hospitality, Retail and Service Managers (up by 57,400 or 71.3%), followed by Human Resource Managers (up by 50,400 or 58.0%) and Sales Assistants (General) (up by 42,200 or 7.6%).

Table 3: Occupations with the largest increases in employment over the August 2022 quarter

Occupation	Skill Level	Employed August-22 ('000)	Employed May-22 ('000)	Quarterly employment change to August-2022		Employment change since Feb-20	
				('000)	(%)	('000)	(%)
Other Hospitality, Retail and Service Managers	2	137.8	80.5	57.4	71.3	70.6	105.1
Human Resource Managers	1	137.1	86.8	50.4	58.0	68.0	98.5
Sales Assistants (General)	5	595.4	553.2	42.2	7.6	89.0	17.6
Waiters	4	151.2	128.0	23.2	18.1	9.4	6.6
General Practitioners and Resident Medical Officers	1	92.9	74.0	18.9	25.6	26.2	39.3
Storepersons	4	169.8	152.2	17.7	11.6	53.9	46.4
General Managers	1	104.4	86.9	17.5	20.2	59.2	130.7
Bar Attendants and Baristas	4	100.0	84.5	15.4	18.2	-2.9	-2.8
Shelf Fillers	5	78.2	64.5	13.7	21.3	18.0	30.0
Bricklayers and Stonemasons	3	42.9	29.3	13.6	46.3	12.2	39.8

The largest decreases in employment over the quarter were recorded for Registered Nurses (down by 21,400 or 6.8%), Accounting Clerks (down by 19,300 or 15.3%) and Contract, Program and Project Administrators (down by 17,900 or 13.1%).

Table 4: Occupations with the largest falls in employment over the August 2022 quarter

Occupation	Skill Level	Employed August-22 ('000)	Employed May-22 ('000)	Quarterly employment change to August-22		Employment change since Feb-20	
				('000)	(%)	('000)	(%)
Registered Nurses	1	294.0	315.4	-21.4	-6.8	-0.3	-0.1
Accounting Clerks	4	106.7	126.0	-19.3	-15.3	-33.2	-23.7
Contract, Program and Project Administrators	2	119.2	137.2	-17.9	-13.1	-5.3	-4.3
Retail Managers	2	213.4	229.5	-16.0	-7.0	-20.1	-8.6
Occupational and Environmental Health Professionals	1	29.3	42.9	-13.6	-31.7	5.2	21.8
Human Resource Clerks	4	14.9	28.0	-13.1	-46.6	2.1	16.6
Aged and Disabled Carers	4	274.0	286.8	-12.8	-4.5	48.8	21.7
Fast Food Cooks	5	50.2	61.6	-11.5	-18.6	-2.8	-5.4
Secondary School Teachers	1	140.7	151.7	-11.0	-7.2	-7.9	-5.3
Supply, Distribution and Procurement Managers	1	37.6	47.4	-9.8	-20.6	0.5	1.5

Table 5 below outlines the ten largest growing and ten largest declining occupations since February 2020. Not surprisingly, given the shift towards higher skill levels that has accelerated over the COVID-19 period, the ten largest growing occupations are dominated by Skill Level 1 (5 of the 10 occupations), whereas Skill Levels 4 and 5 account for 7 of the 10 largest declining occupations.

Table 5: 10 occupations that recorded the largest increases and decreases in employment since February 2020

Occupation	Skill Level	Employment change since Feb-20 ('000)	Occupation	Skill Level	Employment change since Feb-20 ('000)
Sales Assistants (General)	5	89.0	Checkout Operators and Office Cashiers	5	-40.7
Other Hospitality, Retail and Service Managers	2	70.6	Accounting Clerks	4	-33.2
Human Resource Managers	1	68.0	General Clerks	4	-28.1
General Managers	1	59.2	Commercial Cleaners	5	-27.5
Storepersons	4	53.9	Livestock Farmers	1	-25.9
Aged and Disabled Carers	4	48.8	Retail Managers	2	-20.1
Accountants	1	32.0	Livestock Farm Workers	5	-19.2
Software and Applications Programmers	1	31.3	Building and Plumbing Labourers	5	-17.4
Electricians	3	29.5	Other Sales Assistants and Salespersons	5	-15.2
ICT Managers	1	28.5	Bank Workers	3	-15.0

Employment by Skill Level

Employment increased in three Skill Level groups and declined in two over the August quarter 2022. Skill Level 5 occupations recorded the largest increase in employment over the quarter (up by 43,300 or 2.2%). Skill Level 4 occupations recorded the second largest increase (up by 39,500 or 1.2%), followed by Skill Level 1 (up by 12,000 or 0.3%).

Since February 2020, employment has increased in Skill Level 1-4 occupations and declined in Skill Level 5 occupations. Skill Level 1 occupations have recorded the largest increase, up by 526,300 (or 12.5%) over the period, followed by Skill Level 4 occupations (up by 93,600 or 3.0%) and Skill Level 3 occupations (up by 66,600 or 3.4%). By comparison, employment for Skill Level 5 occupations has fallen by 62,100 (or 3.0%) over the COVID-19 period.

Table 6: Employment growth by skill levels – Seasonally Adjusted

Skill Levels	August-22 ('000)	May-22 ('000)	Quarterly Change ('000)	Quarterly Change (%)	Change since Feb-20 ('000)	Change since Feb-20 (%)
Skill Level 1 Occupations	4,720.9	4,708.9	12.0	0.3	526.3	12.5
Skill Level 2 Occupations	1,687.3	1,715.2	-27.9	-1.6	64.7	4.0
Skill Level 3 Occupations	2,011.4	2,012.2	-0.8	0.0	66.6	3.4
Skill Level 4 Occupations	3,258.7	3,219.2	39.5	1.2	93.6	3.0
Skill Level 5 Occupations	1,986.8	1,943.5	43.3	2.2	-62.1	-3.0
ALL SKILL LEVELS	**13,617.1**	**13,559.3**	**57.8**	**0.4**	**601.6**	**4.6**

The shift towards higher skill levels through the COVID period has been an acceleration of a long-term trend, as the workforce continues to become more highly educated and employment has transitioned towards services-based industries. Since February 2020, the share of total employment accounted for by Skill Level 1 occupations has increased by 2.2 percentage points to 34.5% in August 2022, while the share of total employment accounted for by Skill Level 5 occupations has fallen by 1.3 percentage points to 14.5%.