Australian Government | National Skills Commission

INSIGHTS FROM LABOUR FORCE SURVEY, MAY 2022 QUARTERLY RELEASE

Employment by industry[1]

While labour market conditions in Australia have generally been strong since the initial deterioration in the labour market at the onset of COVID-19, this strength has not occurred evenly across industries. As at the May quarter 2022, despite employment growth for all industries now 530,100 (or 4.1%) above its pre-COVID level (the February quarter 2020), just 10 of the 19 industries have recorded an increase in employment over the period. Indeed, the increase in employment recorded since the February quarter 2020 has been driven by very strong employment growth in just six industries:

- Health Care and Social Assistance (up by 225,400 or 12.6%)
- Professional, Scientific and Technical Services (up by 135,100 or 11.7%)
- Financial and Insurance Services (up by 101,200 or 21.7%)
- Public Administration and Safety (up by 81,300 or 9.8%)
- Other Services (up by 64,100 or 13.1%)
- Mining (up by 60,400 or 24.9%).

On the other hand, the remaining 13 industries have recorded a fall of employment of 110,400 (or 1.4%) 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 May 2022

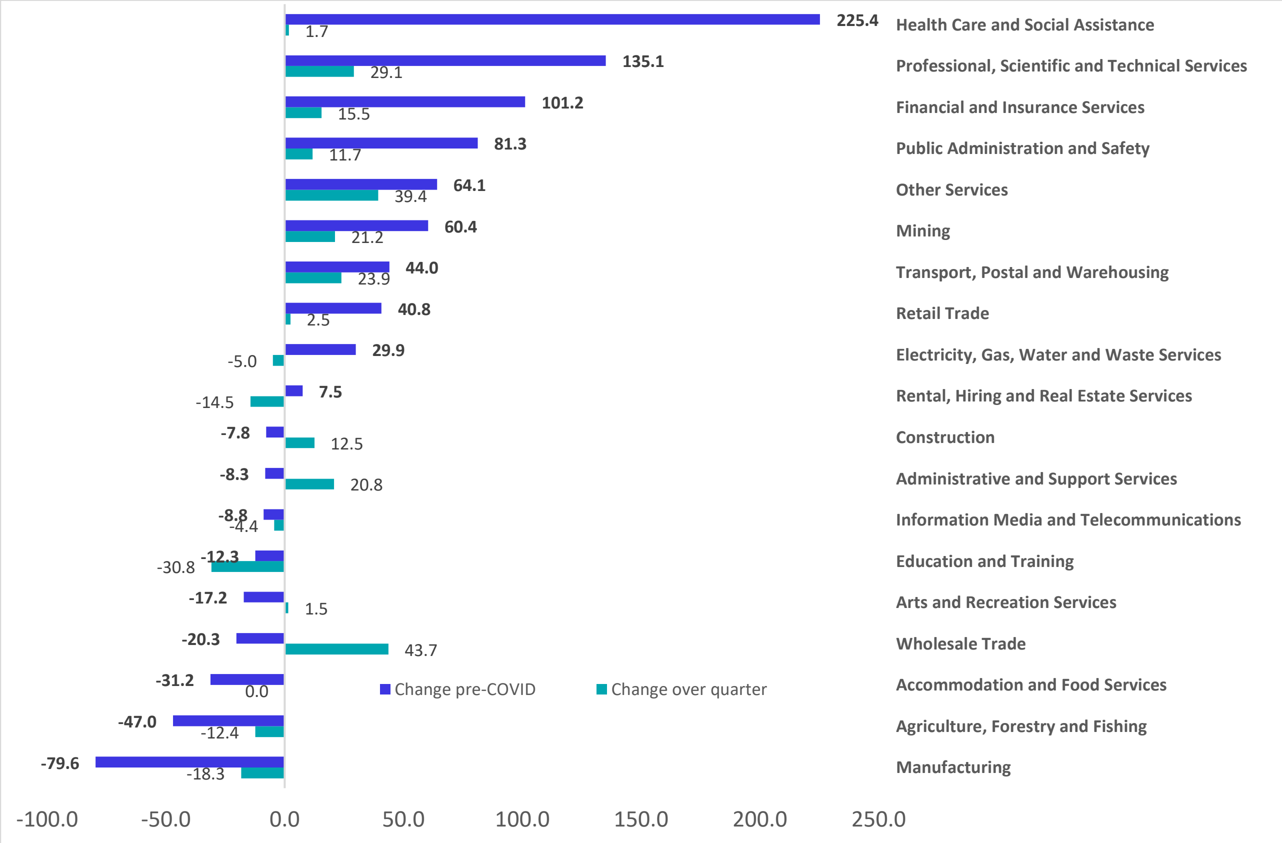


Table 1: Employment growth by Industry – Seasonally Adjusted (,000)

Industry	Employed May-22 ('000)	Quarterly employment change to May 2022		Employment change since February 2020	
		('000)	(%)	('000)	(%)
Agriculture, Forestry and Fishing	278.5	-12.4	-4.2	-47.0	-14.4
Mining	302.6	21.2	7.5	60.4	24.9
Manufacturing	831.1	-18.3	-2.2	-79.6	-8.7
Electricity, Gas, Water and Waste Services	162.5	-5.0	-3.0	29.9	22.6
Construction	1,177.1	12.5	1.1	-7.8	-0.7
Wholesale Trade	372.3	43.7	13.3	-20.3	-5.2
Retail Trade	1,287.3	2.5	0.2	40.8	3.3
Accommodation and Food Services	901.4	0.0	0.0	-31.2	-3.4
Transport, Postal and Warehousing	694.9	23.9	3.6	44.0	6.8
Information Media and Telecommunications	202.7	-4.4	-2.1	-8.8	-4.2
Financial and Insurance Services	567.7	15.5	2.8	101.2	21.7
Rental, Hiring and Real Estate Services	226.6	-14.5	-6.0	7.5	3.4
Professional, Scientific and Technical Services	1,289.1	29.1	2.3	135.1	11.7
Administrative and Support Services	424.7	20.8	5.1	-8.3	-1.9
Public Administration and Safety	911.8	11.7	1.3	81.3	9.8
Education and Training	1,121.3	-30.8	-2.7	-12.3	-1.1
Health Care and Social Assistance	2,019.6	1.7	0.1	225.4	12.6
Arts and Recreation Services	230.5	1.5	0.7	-17.2	-7.0
Other Services	552.0	39.4	7.7	64.1	13.1

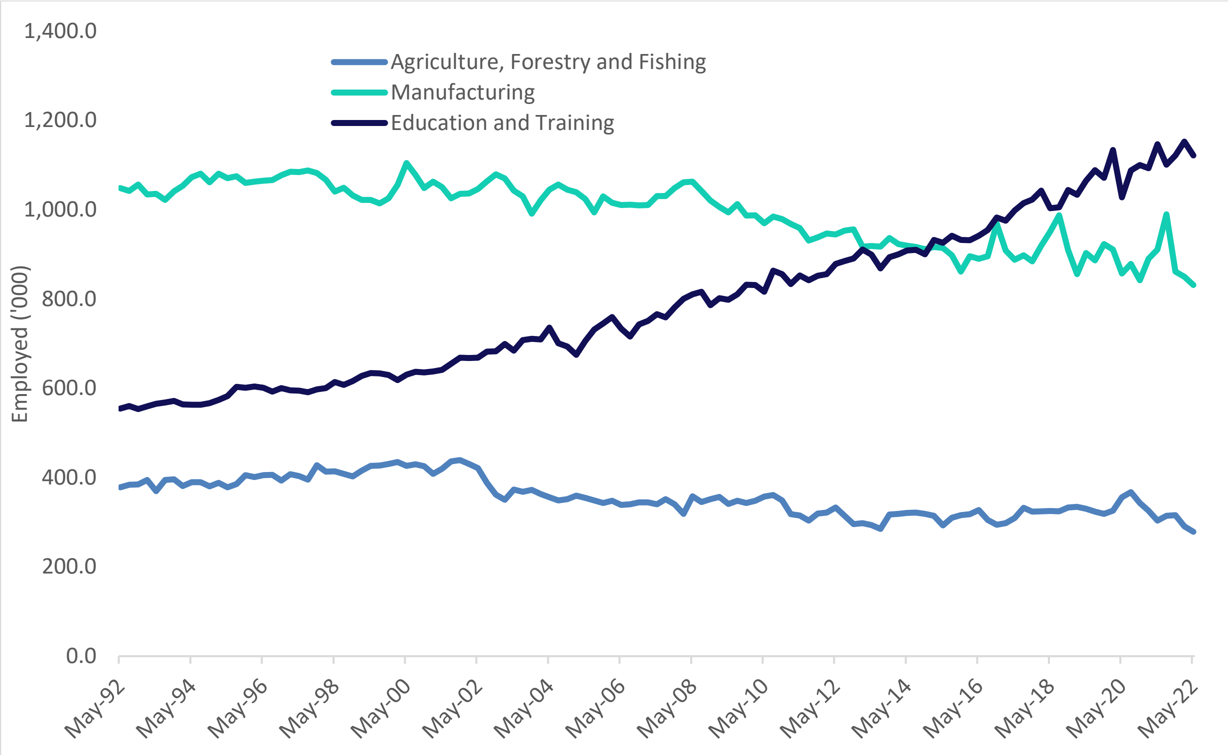
Employment in the **Agriculture, Forestry and Fishing** industry fell by 12,400 (or 4.2%) in the May quarter 2022 to a record low[2] of 278,500. This followed on from a fall in employment in the February quarter 2022 of 7.9%.

While employment in the industry has fallen by 11.9% over the last two quarters, the decline in *total* hours worked in the industry has been far less severe, down by 4.3%. As a result, *average* hours worked in the industry has increased by 6.2% since the November quarter 2021.

This strong decline in employment in the industry while at the same time those remaining in the industry working longer hours is likely to be, in part, due to the significant decline in people in Australia on Working Holiday Maker visas since the onset of COVID-19[3].

That said, industry gross value added also fell sharply over the March quarter 2022, down by 5.8%, driven by a 6.6% fall in Agriculture caused by adverse weather impacting crop and livestock production[4].

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



The **Manufacturing** industry also recorded its lowest level of employment ever recorded in the May quarter 2022, down by 18,300 (or 2.2%) to 831,100. Employment in Manufacturing has declined over the long term, as strong global competition, offshore processing of natural resources and an increase in the capital intensity of production due to increased automation have impacted on the domestic workforce[5].

---

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

[3] Data from the Department of Home Affairs show that, as at 31 May 2022, data from the Department of Home Affairs show that there were just 35,053 Working Holiday Maker visa holders in Australia, compared with 141,142 at 31 December 2019. While many of these Visa Holders will not be counted in the ABS' Labour Force Statistics (to be counted as a usual resident and therefore in the Labour Force Statistics an individual must reside, or intend to reside, in Australia for 12 months in a 16 month period), those on second and third visas (which give people that satisfy certain criteria the ability to extended their Working Holiday Maker visa beyond the initial 12 months) are likely to be included. In the 6 months to 31 December 2019, 14,254 second and third Working Holiday Maker visas were granted to people who were working in the Agriculture, Forestry and Fishing industry, compared with just 2,901 in the 6 months to 31 December 2021.

[4] ABS, Australian National Accounts: National Income, Expenditure and Product, March 2022

[5] National Skills Commission, *The State of Australia's Skills 2021: now and into the future*, https://www.nationalskillscommission.gov.au/reports/state-of-australia-skills-2021

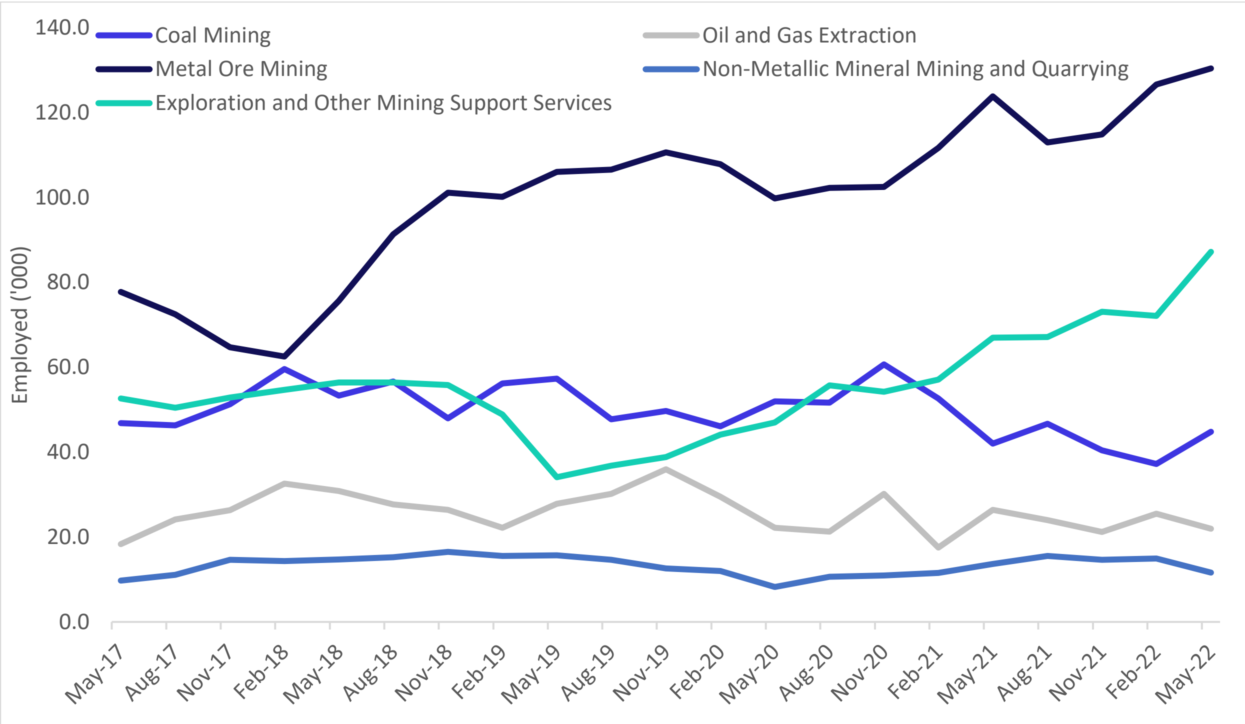
Industry gross value added in Manufacturing, however, has increased strongly over recent quarters. The increase of 1.1% over the March quarter 2022 was the sixth quarter of the past seven to see a rise in this measure of production.

Employment in the **Education and Training** industry fell strongly in the May quarter 2022 (down by 30,800 or 2.7%) and is now 12,300 (or 1.1%) below the level recorded in the February quarter 2020. Data from the ABS' Tourism Satellite Accounts[6] show that the industry has been the most affected by the decline in international visitors throughout the COVID-19 period, with "tourism jobs"[7] in Education and Training accounting for almost 70% of the 104,400 decline in tourism jobs recorded since the December quarter 2019.

On the other hand, employment in **Mining** reached a record high of 302,600 in May 2022, an increase of 21,200 (or 7.5%) over the quarter. Employment in the industry is now 60,400 (or 24.9%) above the level recorded in February 2020.

Despite the strong overall growth in Mining, there has been significant disparity in employment growth for the sectors within the Mining industry. For instance, since February 2020, employment in Oil and Gas Extraction has fallen by 7,500 (or 25.6%), while in Coal Mining employment has fallen by 1,300 (or 2.8%). By contrast, employment in Exploration and Other Mining Support Services has increased by 43,000 (or 97.5%) over the period, while the Metal Ore Mining Sector has also recorded a strong rise in employment, up by 22,600 (or 20.9%).

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



More detailed data show that just 105 of the 214 detailed sectors across all industries (or 49.1%) have recorded an increase in employment since February 2020. Notably, just 97 (or 45.3%) of the detailed industry sectors recorded an increase in employment in the quarter.

Over the quarter to May 2022:

[6] https://www.abs.gov.au/statistics/economy/national-accounts/tourism-satellite-accounts-quarterly-tourism-labour-statistics-australia-experimental-estimates/mar-2022

[7] Please note that jobs associated with international students are included in these estimates

- The largest gains were in Other Transport Support Services (up by 23,400 or 50.5%), followed by Architectural, Engineering and Technical Services (up by 23,100 or 7.7%) and Religious Services (up by 22,400 or 89.5%).
- The largest falls were in Preschool Education (down by 19,300 or 21.6%), followed by Tertiary Education (14,800 or 5.9%) and Real Estate Services (down by 13,500 or 9.2%).

Since February 2020:

- The largest gains in employment were in Other Social Assistance Services (up by 109,200 or 31.8%), followed by Computer System Design and Related Services (up by 54,000 or 19.9%) and Hospitals (up by 53,100 or 10.6%).
- The largest falls were in Sheep, Beef Cattle and Grain Farming (down by 51,700 or 32.5%), followed by Cafes, Restaurants and Takeaway Food Services (down by 40,600 or 5.9%) and Pharmaceutical and Other Store-Based Retailing (down by 35,100 or 16.1%)

Employment by occupation

Over the **quarter** to May 2022, employment increased in six of the eight occupation groups.

- The largest **gains** in employment were recorded for Professionals (up by 69,800, or 2.0%), Technicians and Trade Workers (up by 67,700, or 3.7%) and Community and Personal Service Workers (up by 26,900, or 1.9%).
- The largest **falls** were for Managers (down by 35,600, or 2.0%) and Labourers (down by 16,900, or 1.5%, reversing the increase in employment of 16,900 over the February 2022 quarter).

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

- The largest **gains** were recorded for Professionals (up by 416,200, or 13.1%), Managers (up by 120,500, or 7.5%) and Technician and Trade Workers (up by 64,000, or 3.5%).
- The largest **falls** in seasonally adjusted employment were for Labourers (down by 121,500, or 9.6%) and Sales Workers (down by 22,700, or 2.0%).

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

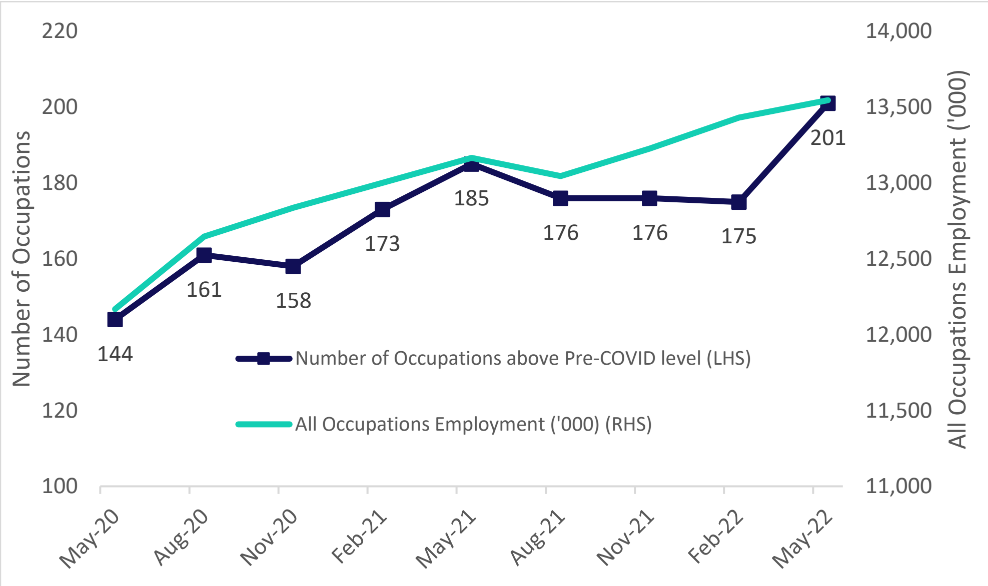
Occupation	May 2022 ('000)	February 2022 ('000)	Quarterly change ('000)	Quarterly change (%)	Change since Feb-20 ('000)	Change since Feb-20 (%)
Managers	1,730.4	1,766.0	-35.6	-2.0	120.5	7.5
Professionals	3,593.3	3,523.5	69.8	2.0	416.2	13.1
Technicians and Trades Workers	1,873.8	1,806.0	67.7	3.7	64.0	3.5
Community and Personal Service Workers	1,448.9	1,421.9	26.9	1.9	27.4	1.9
Clerical and Administrative Workers	1,818.1	1,792.9	25.3	1.4	55.6	3.2
Sales Workers	1,099.7	1,099.3	0.4	0.0	-22.7	-2.0
Machinery Operators and Drivers	854.8	843.8	10.9	1.3	22.8	2.7
Labourers	1,138.2	1,155.0	-16.9	-1.5	-121.5	-9.6
ALL OCCUPATIONS	**13,545.6**	**13,432.0**	113.6	0.8	530.1	4.1

While employment growth has been strong over the last two years, up until the February quarter 2022 there has been divergent trends in employment at the occupation level. For instance, in February 2022, employment growth for all occupations stood 3.2% 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 significant reversal of this trend, as occupations that had grown during the COVID-19 period recording a decrease in employment, in contrast to the strong increase in employment for occupations that had struggled up until the February quarter 2022. Indeed, for occupations with employment **above** pre-COVID levels in February 2022, employment over the May quarter *fell* by 125,900. For occupations with employment **below** pre-COVID levels in February 2022, employment over the May quarter *increased* by 420,700.

As a result, as shown in chart 4, the number of occupations with employment above their pre-COVID level increased substantially during the May quarter 2022 (up from 175 to 201), after remaining relatively steady for the five quarters prior. That said, 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



Indeed, in the May quarter 2022, 208 (or 58.1%) of detailed occupations recorded an increase in employment, the largest number of detailed occupations to record an increase since the May quarter 2017.

The largest increases in employment in the May quarter 2022 were recorded for Electricians (up by 28,900 or 19.6%), followed by Advertising and Marketing Professionals (up by 25,800 or 32.5%) and Retail Managers (up by 22,100 or 10.7%).

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

Occupation	Skill Level	Employed May-22 ('000)	Quarterly employment change to May 2022		Employment change since February 2020	
			('000)	(%)	('000)	(%)
Electricians	3	175.7	28.9	19.6	18.7	11.9
Advertising and Marketing Professionals	1	105.1	25.8	32.5	19.0	22.1
Retail Managers	2	229.5	22.1	10.7	-4.6	-2.0

ICT Business and Systems Analysts	1	57.5	17.0	41.8	15.8	37.8
Registered Nurses	1	320.2	15.6	5.1	27.8	9.5
Forklift Drivers	4	74.7	14.8	24.8	3.1	4.3
Earthmoving Plant Operators	4	50.2	14.2	39.4	-4.0	-7.4
Checkout Operators and Office Cashiers	5	140.2	13.6	10.7	-32.2	-18.7
Metal Fitters and Machinists	3	110.4	12.8	13.1	-1.1	-0.9
ICT Support Technicians	2	82.6	12.7	18.2	8.9	12.0

The largest decreases in employment over the quarter were recorded for Human Resource Managers (down by 59,300 or 40.2%), Other Hospitality, Retail and Service Managers (down by 32,700 or 28.6%) and Graphic and Web Designers, and Illustrators (down by 24,600 or 30.5%).

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

Occupation	Skill Level	Employed May-22 ('000)	Quarterly employment change to May 2022		Employment change since February 2020	
			('000)	(%)	('000)	(%)
Human Resource Managers	1	88.1	-59.3	-40.2	18.4	26.5
Other Hospitality, Retail and Service Managers	2	81.5	-32.7	-28.6	13.3	19.5
Graphic and Web Designers, and Illustrators	1	56.1	-24.6	-30.5	1.0	1.9
Office Managers	2	137.1	-20.8	-13.2	-9.3	-6.4
Chief Executives and Managing Directors	1	42.8	-17.7	-29.3	9.0	26.6
Early Childhood (Pre-primary School) Teachers	1	50.4	-17.0	-25.3	1.1	2.2
Bar Attendants and Baristas	4	83.2	-15.2	-15.5	-20.4	-19.7
General Managers	1	85.5	-13.5	-13.6	39.7	86.4
Commercial Cleaners	5	138.9	-11.8	-7.8	-32.3	-18.9
Information Officers	4	59.9	-10.1	-14.4	-25.2	-29.6

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 (6 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)
Aged and Disabled Carers	4	63.5	Commercial Cleaners	5	-32.3
Sales Assistants (General)	5	41.5	Checkout Operators and Office Cashiers	5	-32.2
Accountants	1	41.3	Information Officers	4	-25.2
General Managers	1	39.7	Livestock Farmers	1	-24.6
Storepersons	4	31.4	Sales Representatives	4	-20.5
Registered Nurses	1	27.8	Bar Attendants and Baristas	4	-20.4

Finance Managers	1	25.8	General Clerks	4	-20.2
Database and Systems Administrators, and ICT Security Specialists	1	25.2	Cafe and Restaurant Managers	2	-19.4
Receptionists	4	23.3	University Lecturers and Tutors	1	-17.7
Software and Applications Programmers	1	23.0	Waiters	4	-16.6

Employment by Skill Level

Employment increased in Skill Level 1-4 occupations and declined in only Skill Level 5 occupations, over the May quarter 2022.

Skill Level 3 occupations recorded the largest increase in employment over the quarter (up by 90,500 or 4.7%). Skill Level 4 occupations recorded the second largest increase, (up by 56,200 or 1.8%), followed by Skill Level 2 (47,200 or 2.8%) and Skill Level 1 (32,700 or 0.7%).

Since February 2020, employment has also increased in Skill Level 1-4 occupations and decreased in Skill Level 5 occupations. Skill Level 1 occupations have recorded the largest increase, up by 528,100 (or 12.6%) over the period, followed by Skill Level 2 occupations (95,700 or 5.9%) and Skill Level 3 occupations (up by 66,500 or 3.4%). By comparison, employment for Skill Level 5 Occupations has fallen by 117,900 (or 5.7%) over the COVID-19 period.

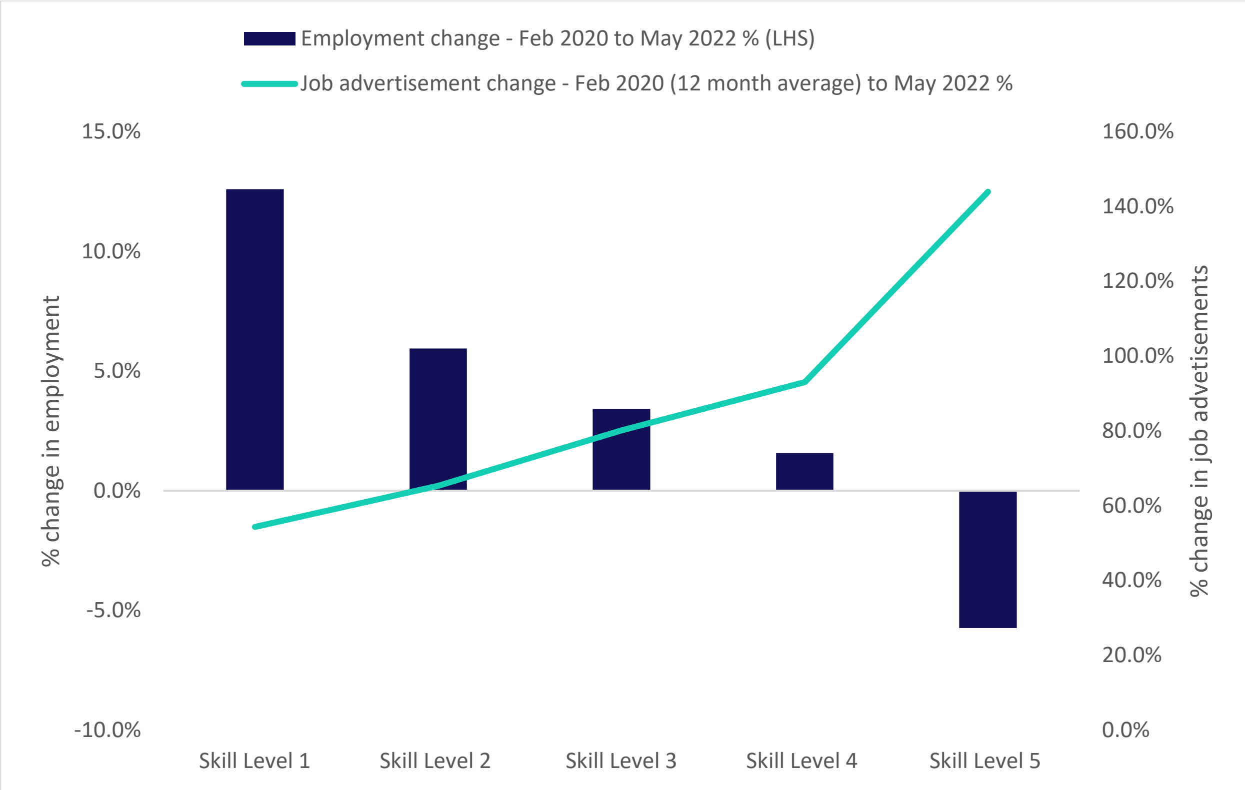
Table 6: Employment growth by skill levels – Seasonally Adjusted

Skill Levels	May 2022 ('000)	Quarterly Change ('000)	Quarterly Change (%)	Change since February 2020 ('000)	Change since February 2020 (%)
Skill Level 1 Occupations	4,722.4	32.7	0.7	528.1	12.6
Skill Level 2 Occupations	1,706.6	47.2	2.8	95.7	5.9
Skill Level 3 Occupations	2,012.2	90.5	4.7	66.5	3.4
Skill Level 4 Occupations	3,217.1	56.2	1.8	49.7	1.6
Skill Level 5 Occupations	1,935.2	-14.9	-0.8	-117.9	-5.7
ALL SKILL LEVELS	**13,545.6**	**113.6**	**0.8**	**530.1**	**4.1**

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 2.4 percentage points to 34.7% in May 2022, while the share of total employment accounted for by Skill Level 5 occupations has fallen by 1.6 percentage points to 14.2%.

Notably, this shift towards higher skill levels has not been observed in the NSC's count of online job advertisements, the Internet Vacancy Index. Indeed, as shown in Chart 5, growth in online job advertisements from pre-COVID levels has been inversely related to employment growth, with the largest growth recorded by Skill level 5 occupations (up by 143.9%) followed by Skill Level 4 (93.0%) and Skill Level 3 (80.1%).

Chart 5: Growth in employment and job ads – (IVI) since the onset of COVID-19



More recently, however, this inverse relationship between skill level employment growth and skill level job advertisement growth has not occurred. There has still been a significant disparity in job advertisement growth compared with employment growth for Skill Level 5 occupations, but job advertisement growth for these Skill level 5 occupations has not continued to significantly outpace job advertisement growth for the other Skill Levels. In addition, while Skill Level 1 occupations have recorded employment growth over the last 6 months, employment growth has been stronger for Skill Level 2 and Skill Level 3 occupations.

Chart 6: Growth in employment and job ads – (IVI) since November 2021