



Australian Government



Jobs and Skills Australia

National Industry Overview

24 April 2024





Australia's industry structure

National overview to the employment region industry profiles

Structural change in Australia

Over the past century, Australia's industry structure has undergone fundamental changes, moving from an economy that was highly dependent on manufactured goods and agricultural produce, to today's economy in which service-based industries employ the vast majority of Australians.

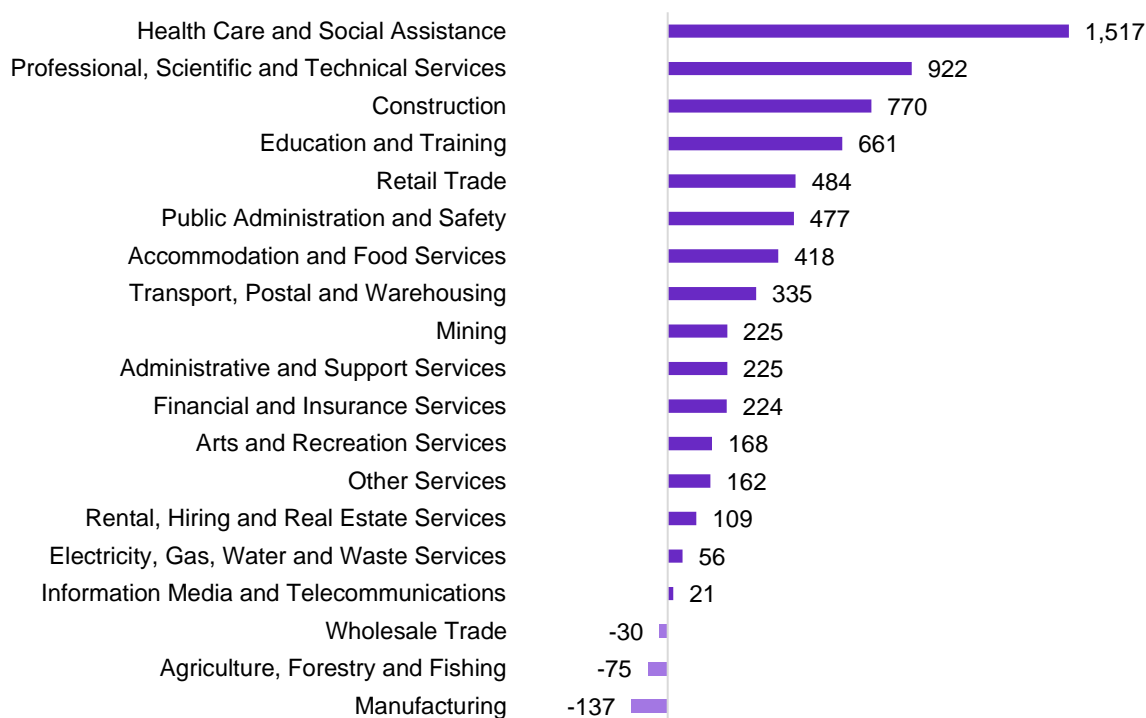
Three decades ago, Manufacturing was the largest employing industry in Australia, accounting for 13.6% of total employment. Today, it is the seventh largest and accounts for 6.4% of total employment. The decline in Manufacturing has been caused by many factors, including increased competition from overseas manufacturers, who often have lower production costs.

People are also less likely to be employed in Agriculture, Forestry and Fishing than they were 30 years ago. In February 1994, 5.0% of the workforce was employed in this industry, compared with 2.2% in February 2024. This has been due to a combination of factors, including technology and automation.

The importance of the services sector to the economy has expanded rapidly in recent years, offsetting the falls in other industries. Today, around four in every five Australian workers are employed in a service industry. Service industries include all industries besides Manufacturing; Construction; Agriculture, Forestry and Fishing; Mining; and Electricity, Gas, Water and Waste Services, although, even within these industries, there are service components.

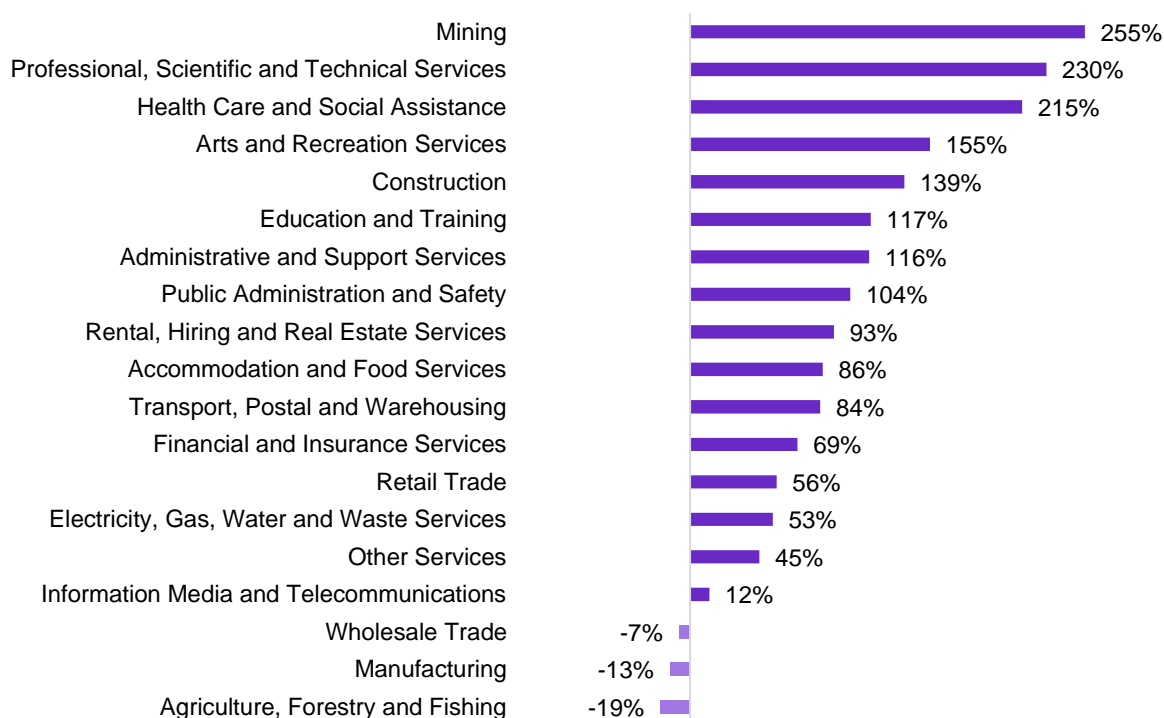
Much of the increase in the services sector has been driven by growth in Health Care and Social Assistance. This industry has had strong employment growth, with 31.9% growth over the past five years and growth of 214.8% over the 30 years to February 2024. With Australia's ageing population, the Health Care and Social Assistance industry is likely to continue experiencing growth in the coming years. Professional, Scientific and Technical Services has also recorded strong employment growth, experiencing 230.4% employment growth over the past 30 years and 19.0% over the past five years.

Figure 1: Change in employment by industry between February 1994 and February 2024 ('000)



Source: ABS, Labour Force, Detailed, February 2024, data trended by the ABS.

Figure 2: Change in employment by industry between February 1994 and February 2024 (%)



Source: ABS, Labour Force, Detailed, February 2024, data trended by the ABS.

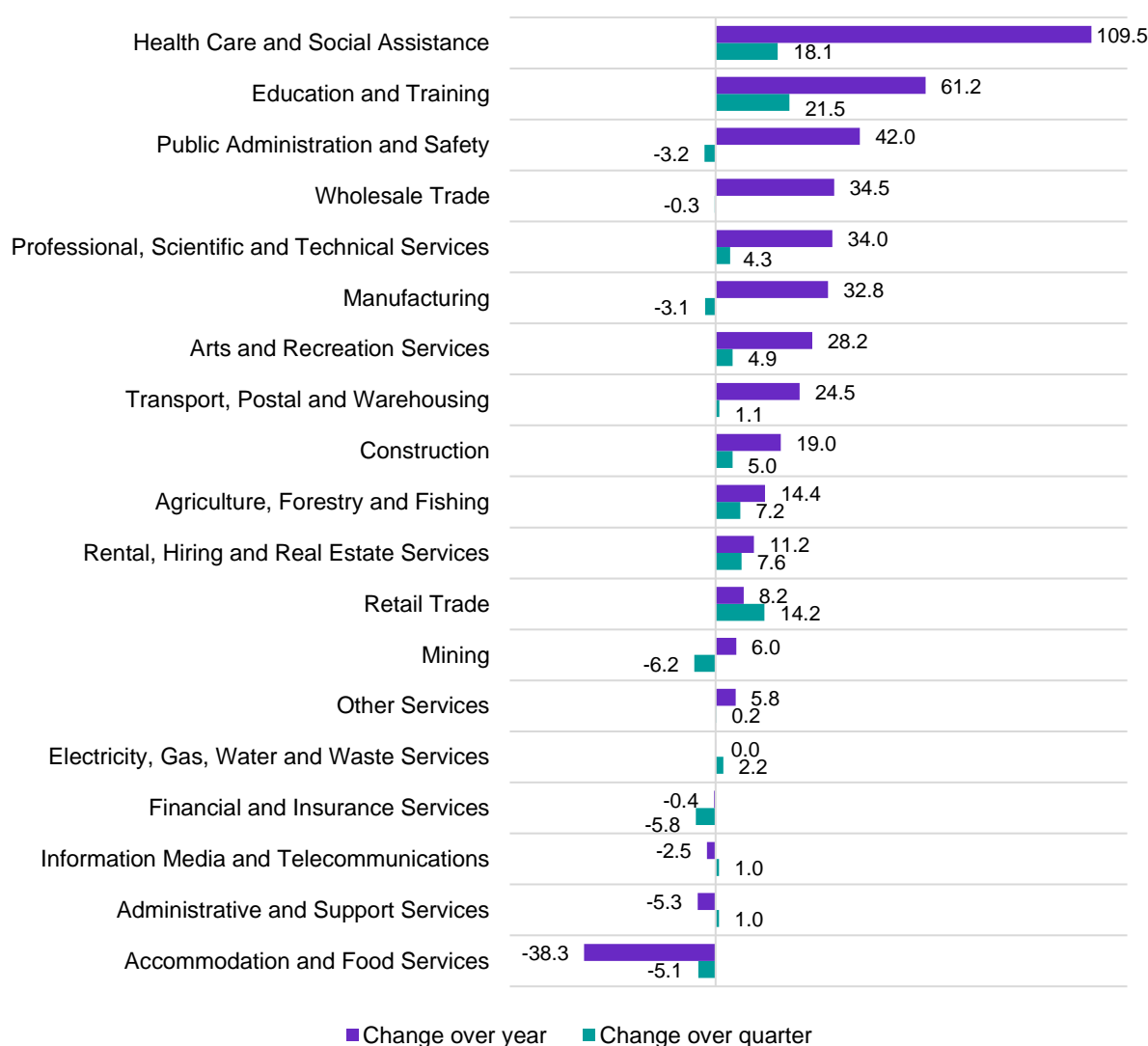
Recent developments in employment by industry

Reflecting a diverse, strong labour market, ABS Labour Force Survey data for February 2024 shows that employment has increased in 14 of the 19 broad industry groups between February 2023 and February 2024. The latest payroll jobs data indicate that between 18 February 2023 and 17 February 2024, 16 of the 19 industries recorded increases in employee jobs¹.

Since the February quarter 2023, the largest gains in employment were in Health Care and Social Assistance (up by 109,500, or 3.5%), Education and Training (up by 61,200, or 9.6%), Public Administration and Safety (up by 42,000, or 4.7%) and Wholesale Trade (up by 34,500, or 1.1%).

The largest falls over the year to February 2024 were in Accommodation and Food Services (down by 38,300, or 4.8%), Administrative and Support Services (down by 5,300, or 2.0%), Information Media and Telecommunications (down by 2,500, or 1.3%) and Financial and Insurance Services (down by 400, or 0.1%).

Figure 3: Employment growth by industry ('000) February 2024



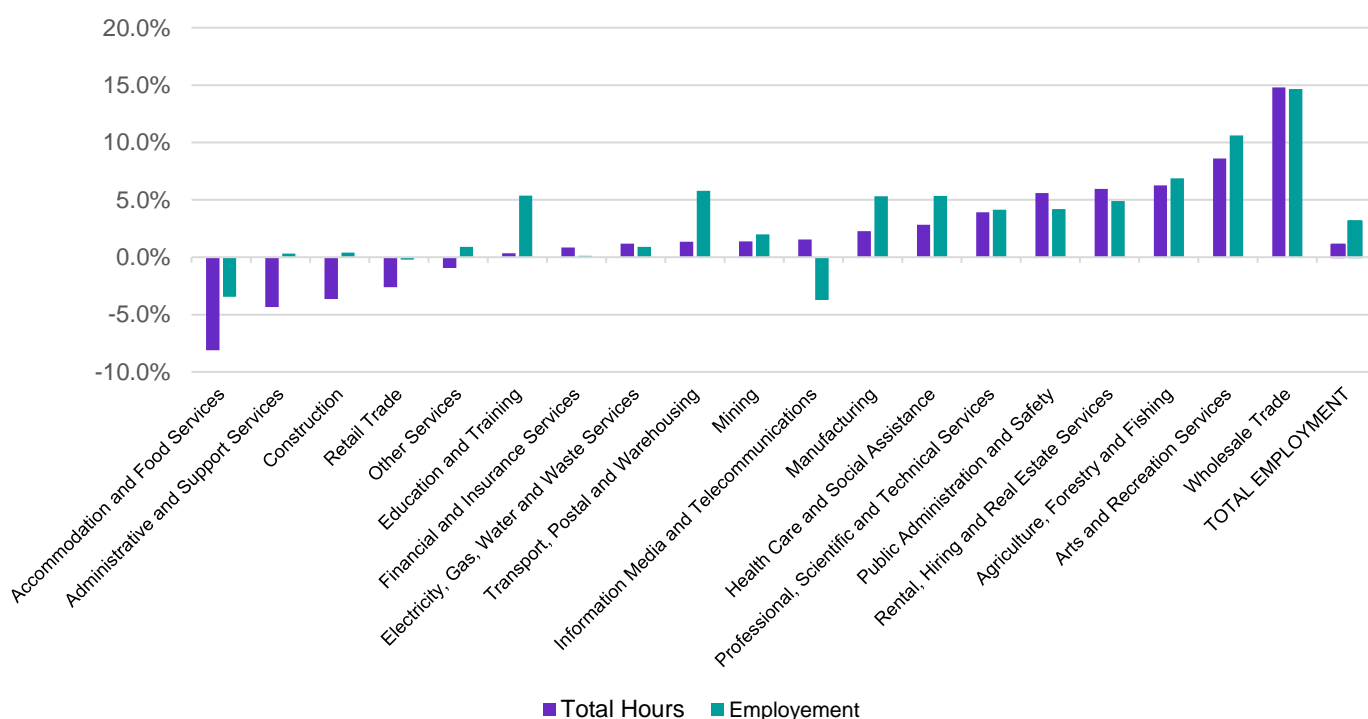
Source: ABS, *Labour Force, Detailed, February 2024*, data trended by the ABS.

¹ ABS, *Weekly Payroll Jobs and Wages in Australia, Detailed, week ending 17 February 2024*.

Hours worked by industry

The decline in hours worked during the COVID-19 period was followed by an accelerated recovery in hours worked and in employment levels. However, increasing economic uncertainty caused by fears of inflation and subsequent interest rate rises slowed growth over the last quarter. From February 2023 to February 2024, there has been an increase in both overall hours worked (up by 1.1%) and total employment (up by 3.1%). The percentage growth in employment is greater than the percentage growth in hours worked for 13 of the 19 broad industry groups for the year to February 2024. For example, in the Health Care and Social Assistance industry, employment grew by 5.3% while hours worked grew by 2.8% over the year to February 2024.

Figure 4: Percentage change in employment and hours worked over February 2023 to February 2024



Source: ABS, *Labour Force, Detailed, February 2024*, employment data trended by the ABS; hours worked data is four-quarter average.

Job advertisements

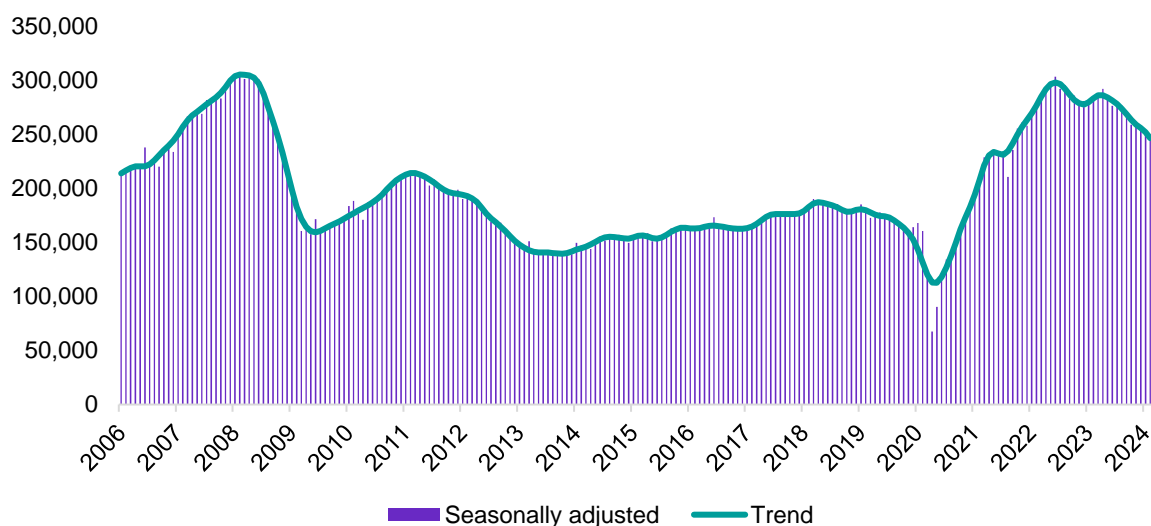
Online job advertisements have continued to decline from the peak in recruitment activity in mid-2022. In recent months vacancy numbers have slowed, with this trend appearing in both the ABS Job Vacancies series and the Jobs and Skills Australia's Internet Vacancy Index. That said, the decline has been milder than may have been expected, with around 50% more vacancies in the labour market currently than the 2019 monthly average.

In February 2024, online vacancies decreased by 2.3% (or 5,900 job advertisements) to stand at 247,400. Over the last twelve months, job advertisements decreased by 12.8% (or 36,300). Vacancy numbers, though, are at high levels historically, with this decline coming from a near series peak recorded in June 2022. (See figure 5)

Recruitment activity declined in all states and territories over the month, with the strongest decreases recorded in the Northern Territory (down by 3.8% or 130 job advertisements) and the Australian Capital Territory (down by 3.7% or 260). The largest declines by number of vacancies were recorded in New South Wales (down by 2.4% or 1,700) and Victoria (down by 2.7% or 1,600).

Over the twelve months to February 2024, growth in recruitment activity has been observed in some smaller economies; particularly Tasmania (up 14.3% or 580 job ads) and to a lesser degree in the Northern Territory (up 1.1% or 40). Recruitment activity, though, has softened across the rest of Australia, with strong decreases recorded in Victoria (down 19.6% or 14,200), New South Wales (17.1% or 14,900) and the Australian Capital Territory (down 13.6% or 1,100).

Figure 5: Internet Vacancy Index, January 2006 to February 2024



Source: Jobs and Skills Australia, Internet Vacancy Index, seasonally adjusted and trend data, February 2024.

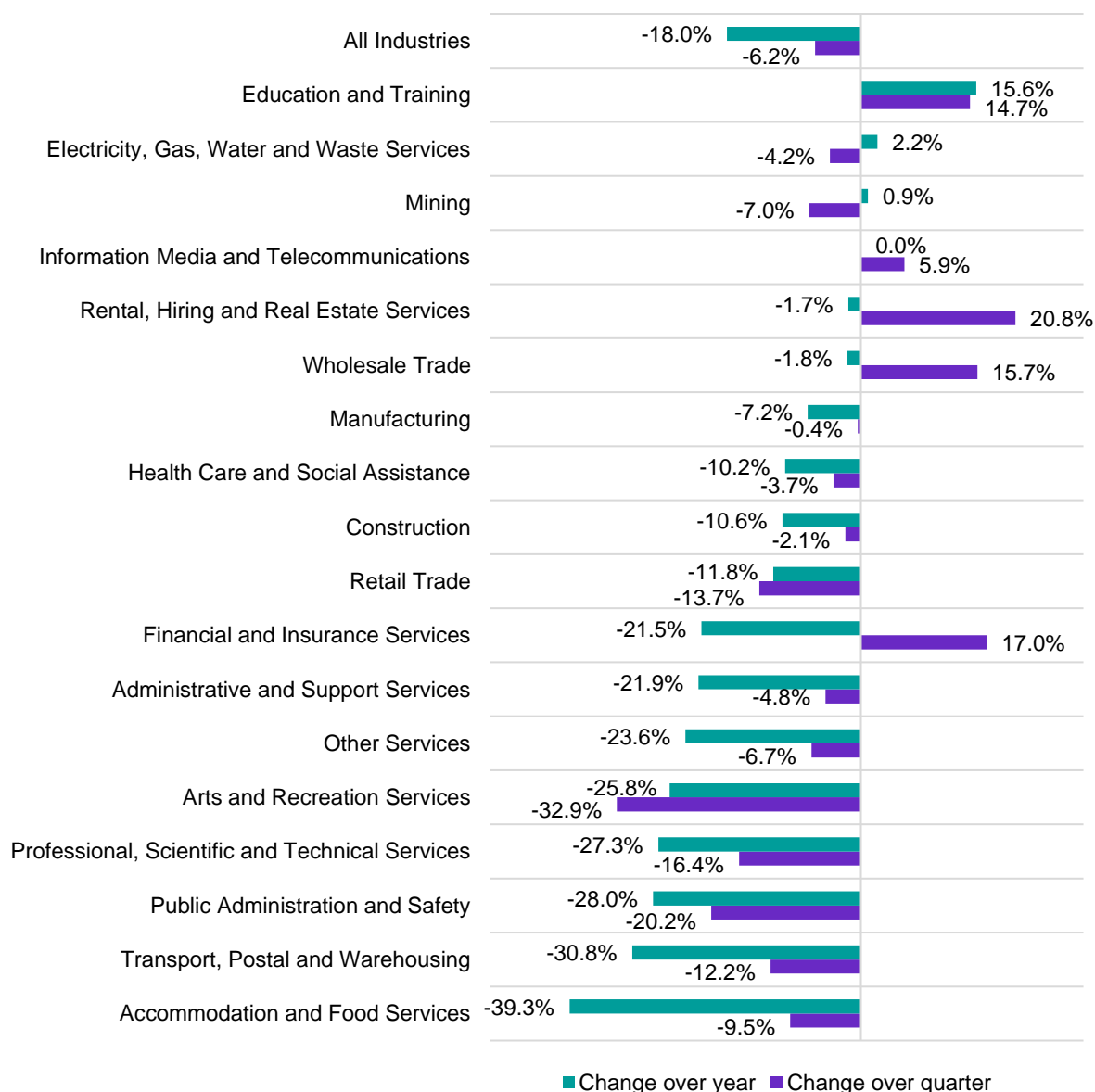
ABS Job Vacancies

Congruent with the Internet Vacancy Index, ABS Job Vacancies data indicate a decline in recruitment activity.

In seasonally adjusted terms, the Job Vacancy Survey recorded 363,800 job vacancies in the February 2024 quarter. This represents a fall of 6.1% or 23,600 job vacancies over the quarter and a decrease of 17.7% or 78,500 vacancies over the year. Vacancy numbers, though, are at high levels historically, 59.8% higher than in February 2020.

Figure 6 presents the annual and quarterly percentage change in vacancies by industry. There has been considerable easing in vacancies over the last year across most industries with vacancy numbers declining from the series high recorded in May 2022. Over the quarter vacancies increased considerably in Rental, Hiring and Real Estate Services (20.8%), Financial and Insurance Services (17.0%), Wholesale Trade (15.7%) and Education and Training (14.7%).

Figure 6: Job vacancies by industry (%) February 2024



Source: Australian Bureau of Statistics, Job Vacancies, Australia, February 2024.