



Australian Government



Jobs and Skills Australia

National Industry Overview

17 October 2024



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Australia's industry structure

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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.

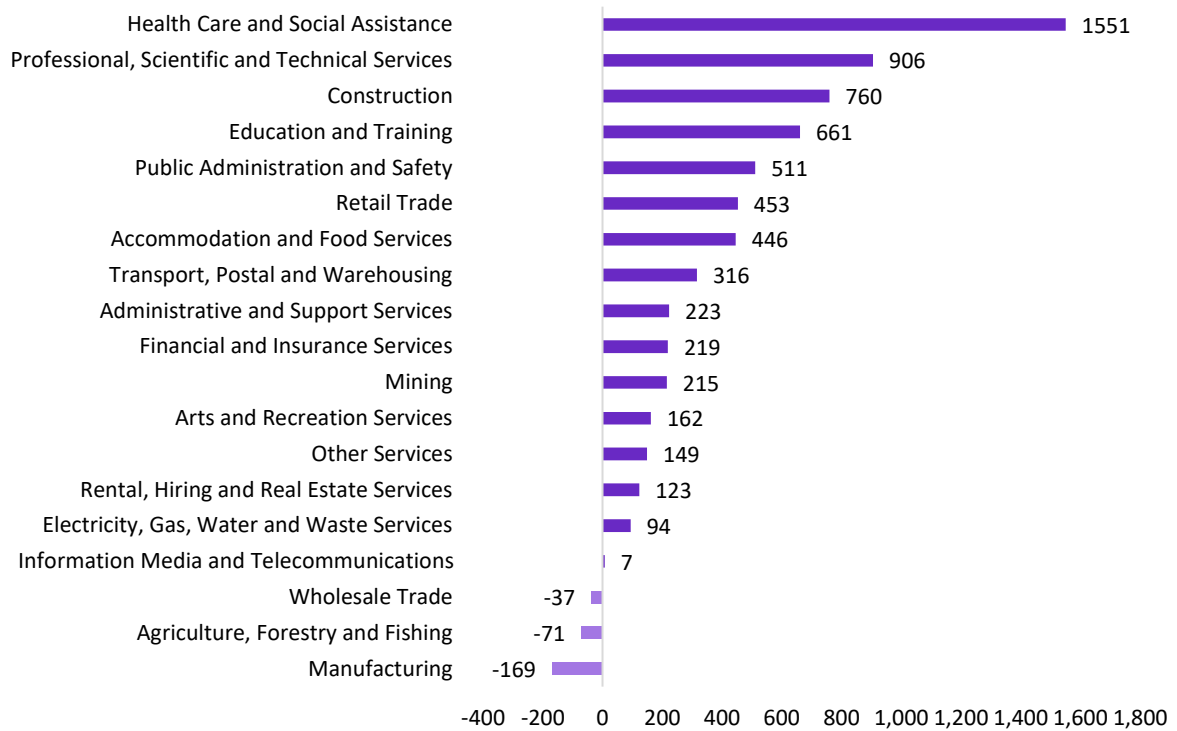
Three decades ago, Manufacturing was the largest employing industry in Australia, accounting for 13.5% of total employment. Today, it is the eighth largest and accounts for 6.2% of total employment. The decline in Manufacturing has been caused by many factors, including increased competition from overseas 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 August 1994, 4.9% of the workforce was employed in this industry, compared with 2.2% in August 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.

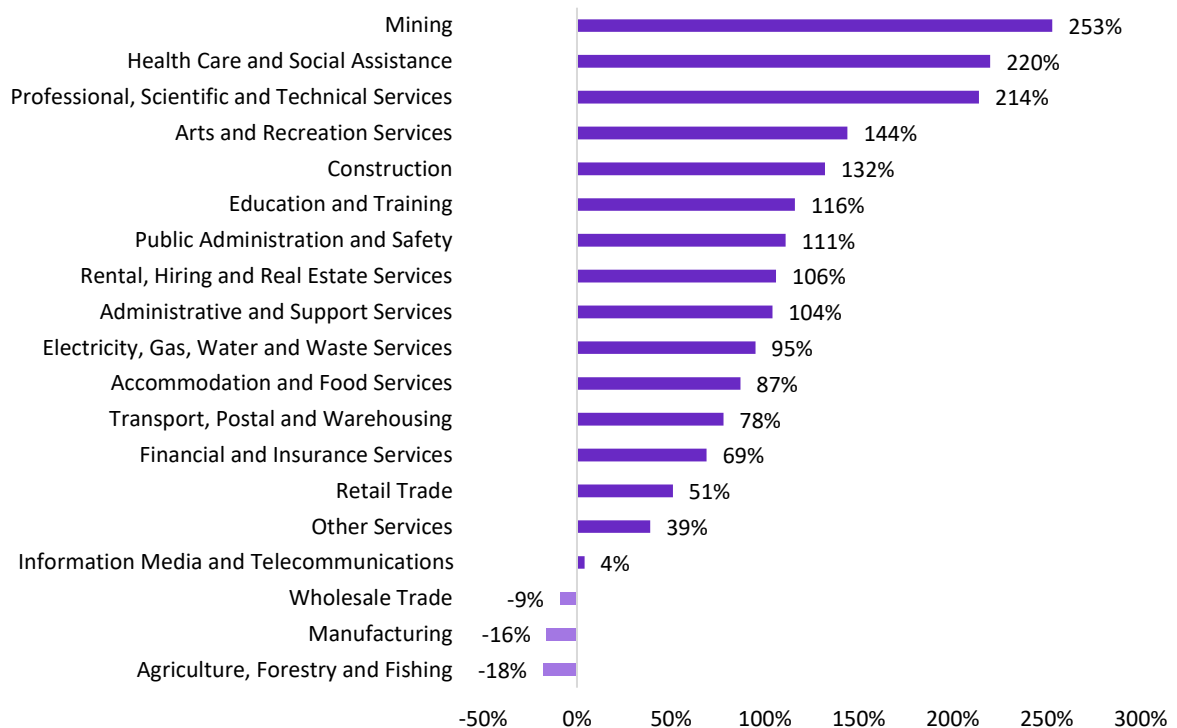
Much of the increase in the services sector has been driven by growth in Health Care and Social Assistance. This industry has had strong employment growth, with 31.4% growth over the past five years and growth of 219.8% over the 30 years to August 2024. With Australia's ageing population, the Health 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 213.8% employment growth over the past 30 years and 18.0% over the past five years.

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



Source: ABS, Labour Force Survey, August 2024, Jobs and Skills Australia (JSA) trend data.

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



Source: ABS, Labour Force Survey, August 2024, Jobs and Skills Australia (JSA) trend data.

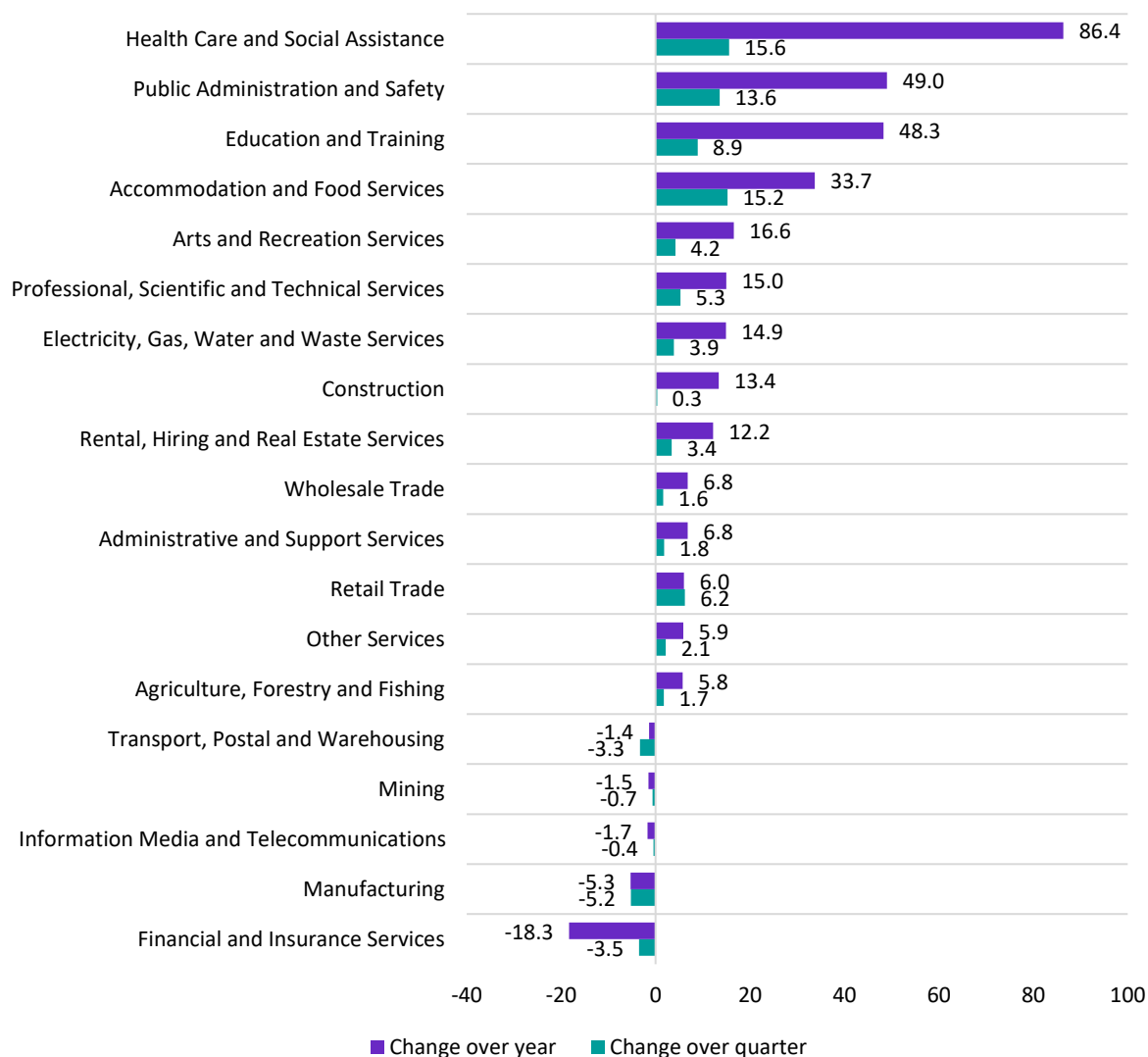
Recent developments in employment by industry

Reflecting a diverse, strong labour market, ABS Labour Force Survey data for August 2024 shows that employment has increased in 14 of the 19 broad industry groups between August 2023 and August 2024. The latest payroll jobs data indicate that between 17 June 2023 and 15 June 2024, 16 of the 19 industries recorded increases in employee jobs¹.

Since the August quarter 2023, the largest gains in employment were in Health Care and Social Assistance (up by 86,400, or 4.0 per cent), Public Administration and Safety (up by 49,000, or 5.3 per cent), Education and Training (up by 48,300, or 4.1 per cent) and Accommodation and Food Services (up by 33,700, or 3.7 per cent).

The largest falls over the year to August 2024 were in Financial and Insurance Services (down by 18,300, or 3.3 per cent), Manufacturing (down by 5,300, or 0.6 per cent) and Information Media and Telecommunications (down by 1,700, or 0.9 per cent).

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



Source: ABS, Labour Force Survey, August 2024, Jobs and Skills Australia (JSA) trend data.

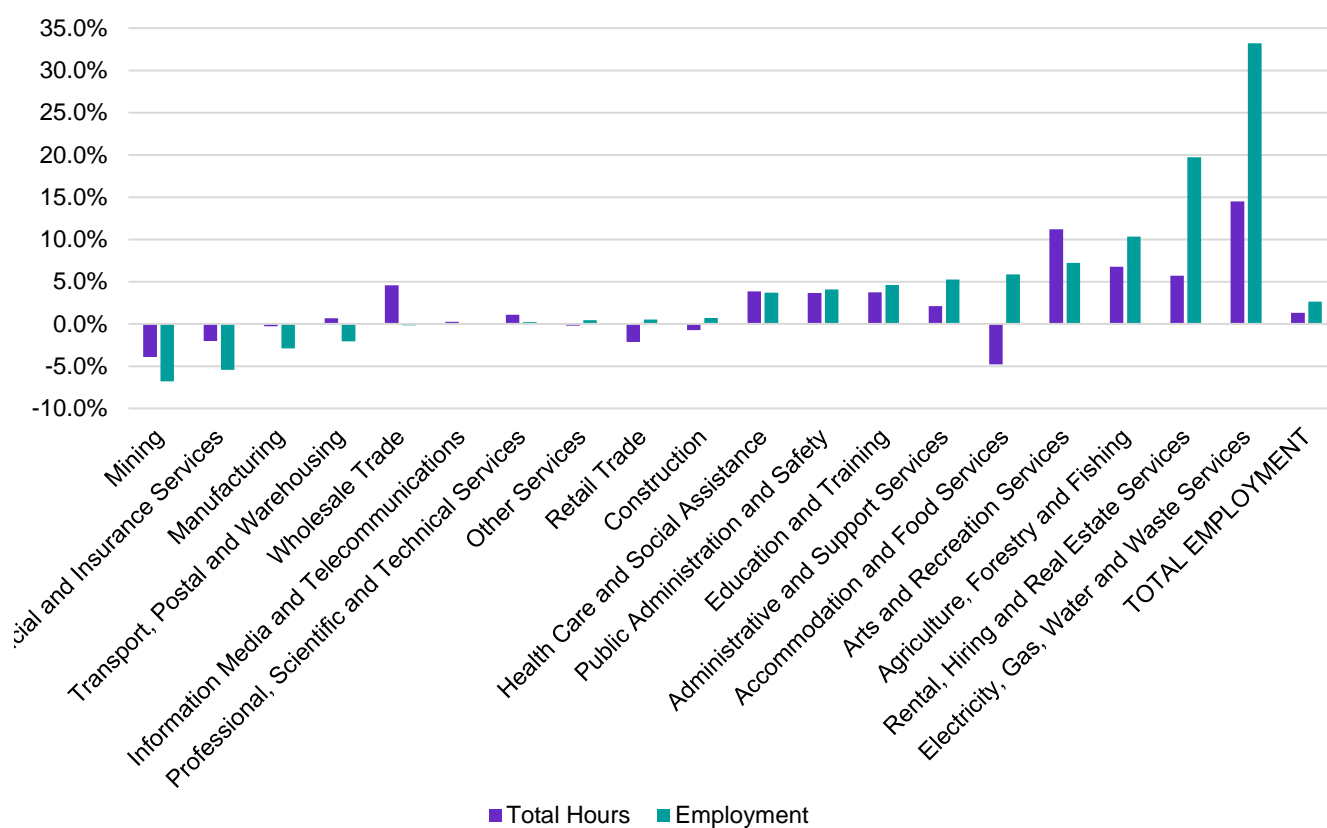
¹ ABS, Weekly Payroll Jobs and Wages in Australia, Detailed, week ending 15 June 2024.

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 year.

From August 2023 to August 2024, there has been an overall increase in both overall hours worked (up by 1.3%) and total employment (up by 2.6%). However, total employment has dropped in 5 out of the 19 broad industry groups for the year to August 2024, with hours worked dropping in 7 of the industry groups. For example, Mining saw a reduction in total employment (down by 6.8%) and hours worked (down 3.9%).

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



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

Job advertisements

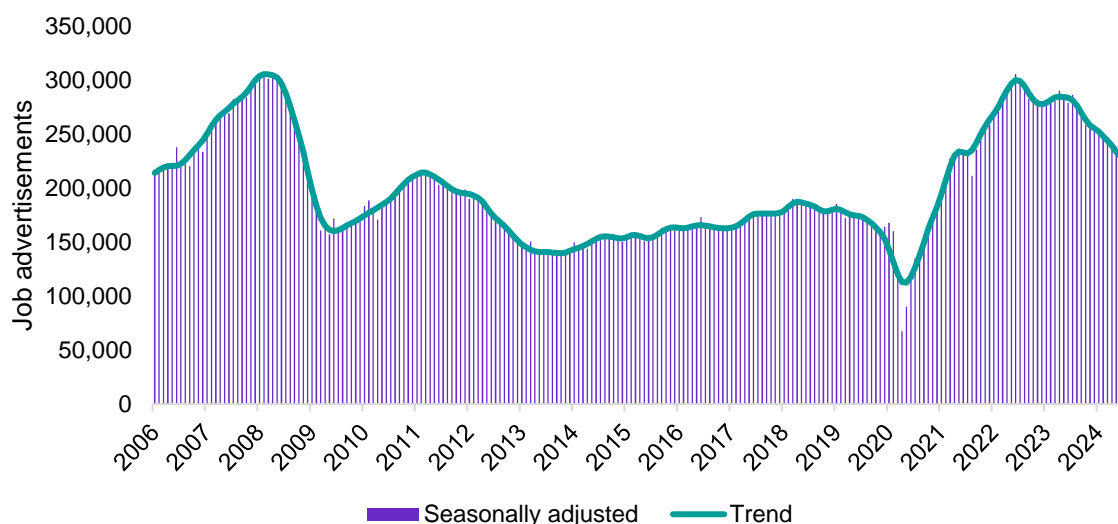
Online job advertisements have continued to decline from the peak in recruitment activity in mid-2022. Vacancy numbers have eased consistently, with this trend appearing in both the ABS Job Vacancies series and the Jobs and Skills Australia's Internet Vacancy Index. That said, the decline has been milder than may have been expected and interrupted by occasional monthly spikes. Resultantly, there are around 35% more online job advertisements in the labour market currently than compared with the monthly average from 2019.

Over the month of August 2024, online job advertisements increased by 4.8% (or 10,600 job advertisements) to stand at 231,200. Over the last twelve months, job advertisements decreased by 16.9% (or 47,100). Vacancy numbers, though, are at high levels historically, with this decline coming from a near series peak recorded in June 2022. These trends are illustrated in figure 5.

Recruitment activity increased in all states and territories over the month, with the strongest increases recorded in Victoria (up by 8.4% or 4,200 job advertisements) and South Australia (up by 6.9% or 900). The only decline was recorded in the Northern Territory (down by 3.6% or 120).

Over the twelve months to August 2024, online job advertisements have decreased across all states and territories. The strongest decreases were recorded in Victoria (down 24.3% or 17,400 job advertisements), New South Wales (20.3% or 17,400) and the Australian Capital Territory (down 23.9% or 1,900).

Figure 5: Online job advertisements, January 2006 to August 2024



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

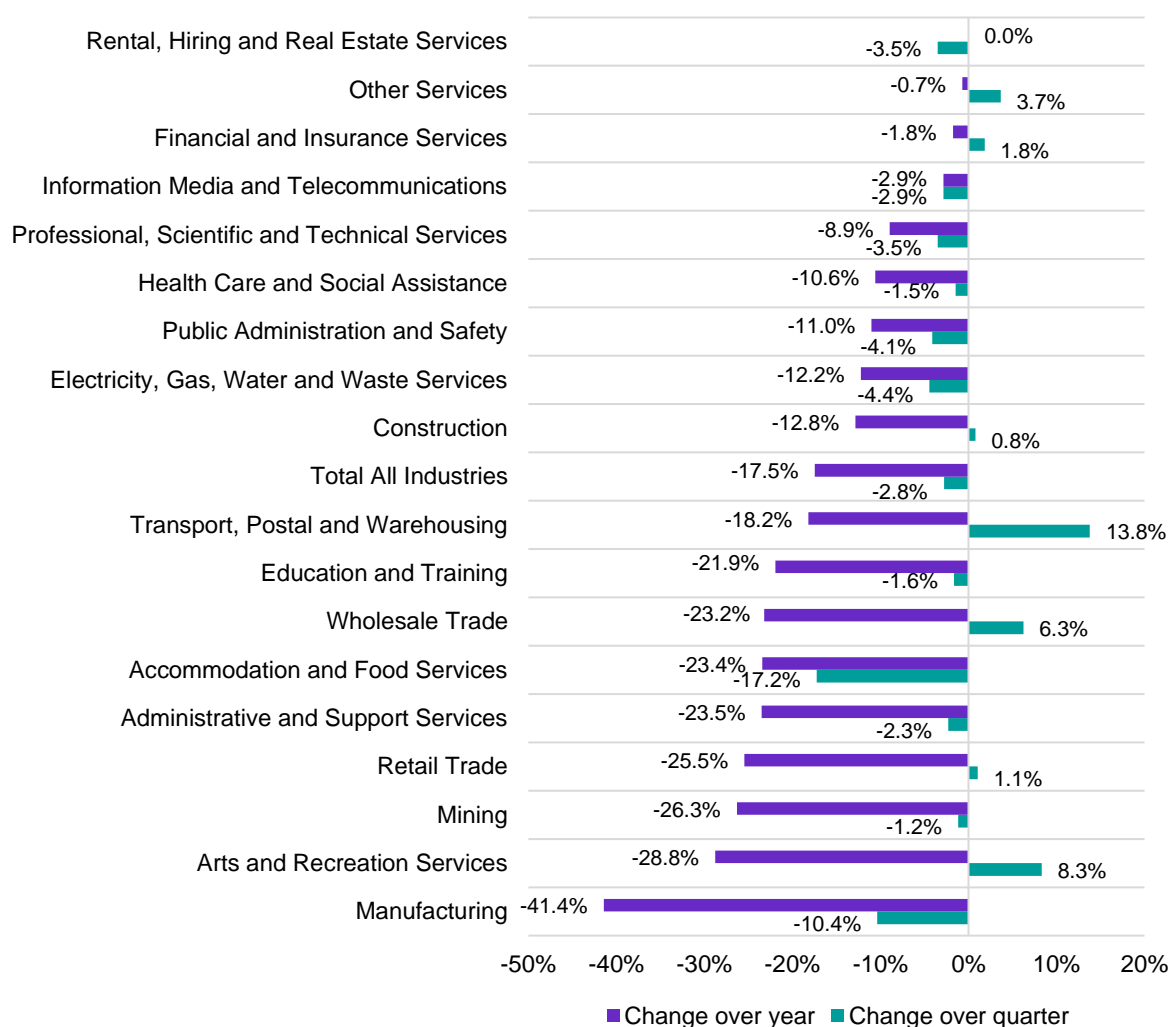
ABS Job Vacancies

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

In seasonally adjusted terms, the Job Vacancies, Australia series recorded 329,900 job vacancies in the August 2024 quarter. This represents a fall of 5.2% or 18,100 job vacancies over the quarter and a decrease of 17.1% or 68,100 vacancies over the year. Vacancy numbers, though, are at high levels historically, 45.1% higher than before COVID-19.

Figure 6 presents the annual and quarterly percentage change in vacancies by industry. There has been easing in vacancies over the last year across most industries with vacancy numbers declining each quarter from the series high recorded in May 2022. Over the quarter, the strongest increases in vacancies were in Transport, Postal and Warehousing (13.8%), Arts and Recreation Services (8.3%), and Wholesale Trade (6.3%).

Figure 6: Annual and quarterly percentage change in estimated vacancies by industry, August 2024



Source: Australian Bureau of Statistics, Job Vacancies, Australia, August 2024, calculations by Jobs and Skills Australia.