



Industry Employment Projections 2019 Report

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The Department of Employment, Skills, Small and Family Business projects that total employment will increase by 1,075,000 (or 8.3 per cent) over the five years to May 2024.¹ The 2019 employment projections are based on the forecasted and projected total employment growth rates published in the 2019-20 Budget, the Labour Force Survey (LFS) data (June 2019) for total employment, and the detailed quarterly LFS data (May 2019) for industry employment data.

- Employment is projected to increase in 16 of the 19 broad industries over the five years to May 2024, with declines in employment projected for **Agriculture, Forestry and Fishing, Manufacturing and Information Media and Telecommunications**.
- The long term structural shift in employment towards services industries is projected to continue over the coming five years. **Health Care and Social Assistance** is projected to make the largest contribution to employment growth (increasing by 252,600), followed by **Professional, Scientific and Technical Services** (172,400), **Education and Training** (129,300) and **Construction** (113,700). Together, these four industries are projected to provide over three-fifths (or 62.1 per cent) of total employment growth over the five years to May 2024.

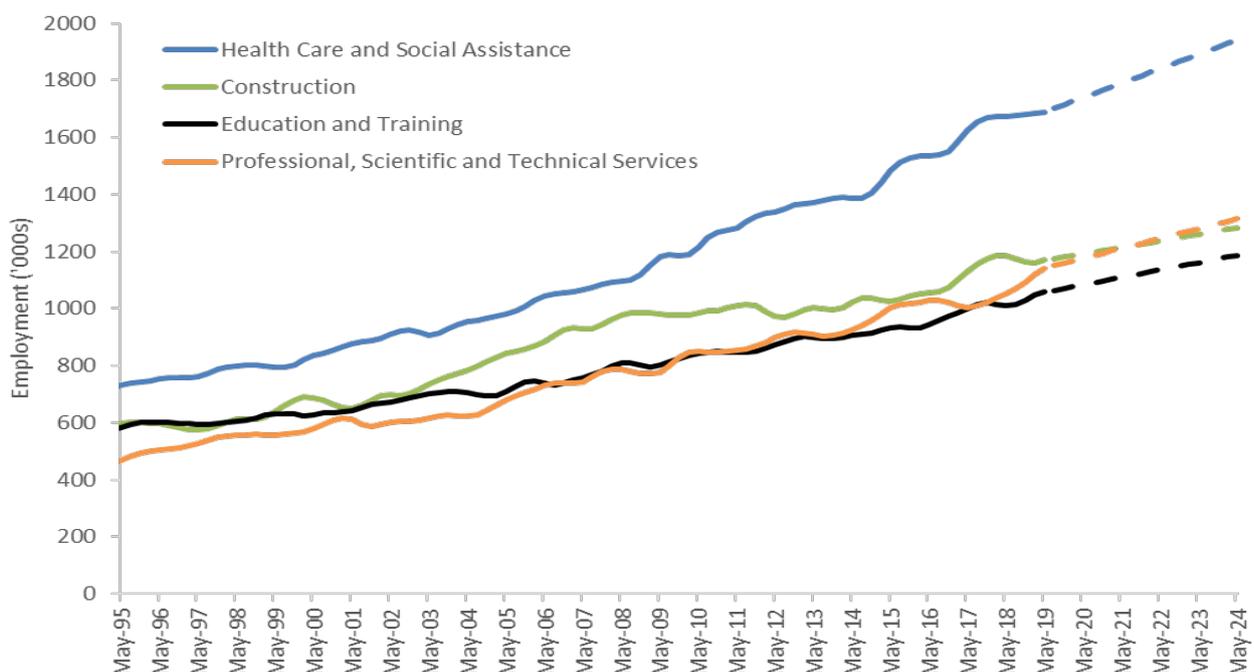
Industry Employment Projections – five years to May 2024

Industry	Projected employment growth – five years to May 2024	
	('000)	(%)
Agriculture, Forestry and Fishing	-3.8	-1.2
Mining	15.4	6.2
Manufacturing	-3.4	-0.4
Electricity, Gas, Water and Waste Services	6.8	4.4
Construction	113.7	9.7
Wholesale Trade	10.4	2.6
Retail Trade	62.3	4.8
Accommodation and Food Services	91.4	10.0
Transport, Postal and Warehousing	43.7	6.6
Information Media and Telecommunications	-0.6	-0.3
Financial and Insurance Services	20.4	4.6
Rental, Hiring and Real Estate Services	12.3	5.7
Professional, Scientific and Technical Services	172.4	15.1
Administrative and Support Services	34.8	7.7
Public Administration and Safety	52.1	6.2
Education and Training	129.3	12.2
Health Care and Social Assistance	252.6	15.0
Arts and Recreation Services	26.7	10.4
Other Services	38.4	7.4
All Industries	1075.0	8.3

¹ It should be noted that there are far more job opportunities created for job seekers through job turnover than through net employment growth, with ABS data showing there are around 4 to 5 million movements into, and out of, employment every year. Department of Employment, Skills, Small and Family Business calculation from ABS, Labour Force, Australia (Cat. No. 6202.0), 12 months of original estimates.

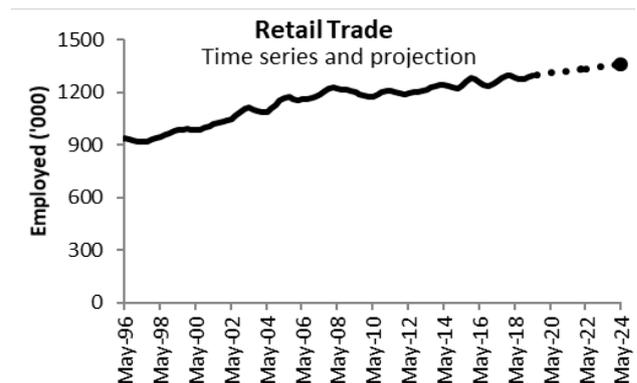
Industry commentary

- Employment in **Health Care and Social Assistance**, the primary provider of new jobs in the Australian labour market since the 1990s, is projected to increase by 252,600 (or 15.0 per cent) over the next five years. This growth is supported by the continued demand generated by the National Disability Insurance Scheme and Australia’s ageing population. Large investments in hospitals and increasing demand for childcare and home-based care services also contribute to this strong projected growth.
- Employment in **Professional, Scientific and Technical Services** is projected to increase by 172,400 (or 15.1 per cent) over the five years to May 2024, reflecting ongoing strength in demand for the services of qualified and highly educated workers throughout the economy.
 - The Professional, Scientific and Technical Services industry is projected to become the second largest employing industry by May 2024, overtaking the Construction industry.
 - Major contributions to the industry’s employment growth are expected to come from the Architectural, Engineering and Technical Services (projected to grow by 45,100 or 14.6 per cent) and Computer System Design and Related Services (43,100 or 17.6 per cent). Trade-exposed firms are expected to be favoured by the Australian dollar remaining within the narrow range it has been in for some years.
- Employment in **Education and Training** is projected to increase by 129,300 (or 12.2 per cent) over the five years to May 2024. This growth is expected to be supported by increases in the school aged population, continued strength in the international education sector and growing demand for adult and community education.
- **Construction** industry employment is projected to grow by 113,700 (or 9.7 per cent) over the five years to May 2024. This represents a growth rate higher than the all industries average but less than the strong 14.6 per cent growth observed over the five years to May 2019.
 - The slower projected employment growth in Residential Construction (up 11,400 or 8.2 per cent), impacted by the sustained decline in dwelling approvals, is offset by continued infrastructure investment. There is strong projected growth in Non-Residential Construction (8,500 or 12.5 per cent) and the Heavy and Civil Engineering Construction sectors (15,100 or 14.4 per cent).

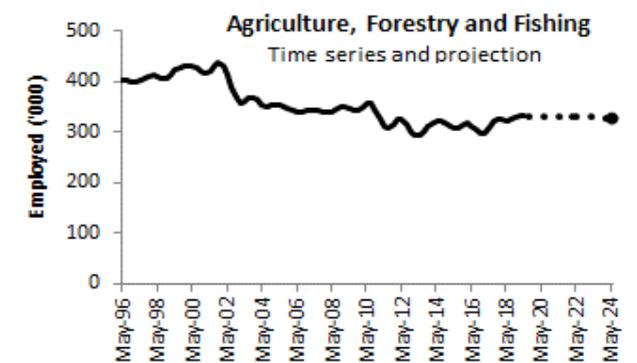


- Strong growth in the leisure economy is projected to continue over the five years to May 2024.
 - **Accommodation and Food Services** employment is projected to increase by 91,400 (or 10.0 per cent), supported by strength in both domestic and international tourism as a result of the lower Australian dollar and an expanding middle class in Asia.
 - The Cafés, Restaurants and Takeaway Food Services sector is projected to make the largest contribution (of 77,400 jobs) to employment growth of any industry sector.
 - Employment in the **Arts and Recreation Services** industry is projected to increase by 38,400 (or 10.4 per cent) off the back of strong involvement in sport at all levels and rising interest in personal fitness and gyms.

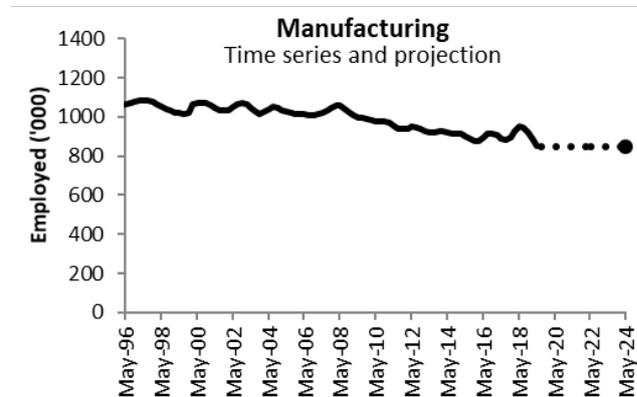
- **Retail Trade** employment is projected to rise by 62,300 (or 4.8 per cent) over the five years to May 2024, well below the national average of 8.3 per cent. Employment demand is being dampened by continued competitive pressures in the industry and the ongoing shift towards online sales in some sectors – employment in Department Stores is projected to fall by 3000 (or 4.1 per cent). However, on-going population growth supports other sectors – employment in Clothing, Footwear and Personal Accessory Retailing is projected to increase by 14,000 (or 8.5 per cent).



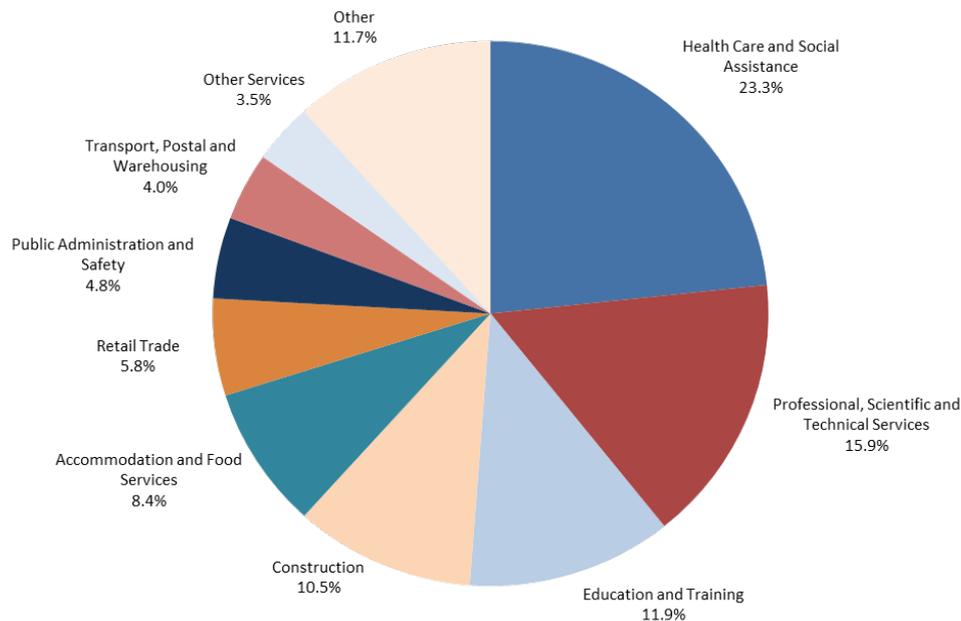
- Employment in the **Agriculture, Forestry and Fishing** industry is projected to fall by 3800 (or 1.2 per cent), impacted by the effects of extreme weather events and the extended drought conditions in much of Australia.
 - Employment is projected to decline the most for Sheep, Beef Cattle and Grain Farming (down by 1500 or 1.1 per cent) and Fruit and Tree Nut Growing (400 or 1.5 per cent).



- Employment in **Manufacturing** is projected to fall by 3400 (or 0.4 per cent) over the five years to May 2024. The long-term decline in some Manufacturing sectors is projected to continue, with the Printing and Printing Support Services sector projected to decline by 5300 (or 15.7 per cent). Even so there are positive signs within the industry, with projected growth of 3200 (or 9.0 per cent) in the Structural Metal Product Manufacturing sector, supported by a lower Australian dollar and significant domestic infrastructure investment.



Department of Employment, Skills, Small and Family Business Industry contribution to projected employment – five years to May 2024*



Note: 'Other' consists of Administrative and Support Services; Arts and Recreation Services, Financial and Insurance Services; Mining, Rental, Hiring and Real Estate Services; Wholesale Trade and Electricity, Gas, Water and Waste Services. Agriculture, Forestry and Fishing; Manufacturing and Information Media and Telecommunications are excluded from the chart as they are not projected to grow over the five years to May 2024.

Background and methodology

Each year, the Department of Employment, Skills, Small and Family Business produces employment projections by industry, occupation and region for the following five years, the latest being the five years to May 2024. These projections are produced using detailed data from the ABS Labour Force Survey.

The projections have been derived from best practice time series models that summarise the information that is in a time series and convert it into a forecast. The projections are made by combining forecasts from autoregressive integrated moving average (ARIMA) and exponential smoothing with damped trend (ESWDT) models, with some adjustments made to take account of research undertaken by the Department of Employment, Skills, Small and Family Business and known future industry developments. The projection for total employment growth is consistent with employment growth for the month of June 2019 and the Government's forecasts and projections for total employment growth from 2019-20 onwards, as published in the 2019-20 Budget.

The projections to May 2024 will be available on the Department's Labour Market Information Portal at <http://lmip.gov.au/default.aspx?LMIP/EmploymentProjections>. Occupational and regional projections for the five years to May 2024 are expected to be released in the coming months.

For further information, please contact Phillip Wise (02 6121 8871) or email phillip.wise@jobs.gov.au. Any media enquiries should be directed to the Department of Employment, Skills, Small and Family Business media unit (media@employment.gov.au).

