

Strongest job gains in Health Care & Education

Employment by industry

- **Employment by industry:** Employment rose by 65,600 in the three months to February. Over the past 12 months, 256,600 people have found jobs (in seasonally adjusted terms). A record 13.02 million Aussies are currently employed.
- **Job creation:** Over the three months to February, most jobs were added in Education & Training (up 50,500), followed by Health Care & Social Assistance (up 21,000), Agriculture, Forestry & Fishing (up 18,200) and Accommodation & Food Services (up 12,500). Over the year, the strongest job gains were in Health Care and Social Assistance (up 101,700), Education & Training (up 97,300), Manufacturing (up 56,000), Construction (up 39,100) and Professional, Scientific and Technical Services (up 38,900).
- **Largest employers:** Health Care and Social Assistance remains the biggest employer with 1.79 million employees (13.8 per cent of the total) followed by Retail Trade (1.26 million jobs or 9.6 per cent), Construction (1.19 million or 9.1 per cent) and Professional, Scientific & Technical Services (1.16 million or 9.0 per cent).

The data on employment by industry gives insights into which industries are growing the fastest as well as insights on the performance of the broader economy.

What does it all mean?

- While not market moving – and backward looking - the detailed labour force data provides an interesting breakdown of employment by industry and which sectors of the Aussie economy are adding or shedding jobs.
- Over the year to February the economy added 256,600 jobs with an annual growth rate of 2 per cent. Employment growth has been solid with job creation highly concentrated in the Health Care & Social Assistance and Education & Training sectors – accounting for 77 per cent of total job gains.
- Unsurprisingly, wage growth in the Health Care & Social Assistance sector is the strongest across all sectors – up 3.1 per cent in the December quarter from a year ago.
- But the labour market has deteriorated in March due to shutdowns of several key industries - such as retailing, hospitality, education, recreation and aviation – due to the enforcement of restrictive travel bans, ‘social distancing’ and ‘self-isolation’ measures by governments to try and contain the coronavirus (COVID-19) pandemic.
- Workers are already being ‘stood down’ with Flight Centre, Premier Investments, JB HiFi and Hallenstein Glassons (due to New Zealand’s lockdown) all making announcements today that employees will be furloughed immediately. Yesterday, over 36,000 Aussies were told to ‘stand down’ as Virgin Australia and Star Entertainment announced closures.
- The Federal government is reportedly poised to establish a national COVID-19 ‘problem-solving’ commission headed by former Fortescue mining executive Mr. Nev Power, as the number of Aussie virus infections increase and jobs are lost.

EMPLOYMENT	
Change, '000, 12 months to February 2020	
TOTAL Employment*	256.6
Health Care and Social Assistance	101.7
Education and Training	97.3
Manufacturing	56.0
Construction	39.1
Professional, Scientific and Technical Services	38.9
Accommodation and Food Services	30.9
Financial and Insurance Services	24.9
Administrative and Support Services	12.9
Rental, Hiring and Real Estate Services	5.1
Wholesale Trade	4.2
Information Media and Telecommunications	-0.9
Arts and Recreation Services	-2.2
Mining	-6.9
Agriculture, Forestry and Fishing	-9.0
Transport, Postal and Warehousing	-11.2
Electricity, Gas, Water and Waste Services	-17.6
Retail Trade	-31.8
Public Administration and Safety	-35.0
Other Services	-36.2

Source: ABS, CommSec
*Seasonally adjusted data adds to 260.2

Ryan Felsman, Senior Economist (Author)
Twitter: @CommSec

IMPORTANT INFORMATION AND DISCLAIMER FOR RETAIL CLIENTS

The Economic Insights Series provides general market-related commentary on Australian macroeconomic themes that have been selected for coverage by the Commonwealth Securities Limited (CommSec) Chief Economist. Economic Insights are not intended to be investment research reports. This report has been prepared without taking into account your objectives, financial situation or needs. It is not to be construed as a solicitation or an offer to buy or sell any securities or financial instruments, or as a recommendation and/or investment advice. Before acting on the information in this report, you should consider the appropriateness and suitability of the information, having regard to your own objectives, financial situation and needs and, if necessary, seek appropriate professional of financial advice. CommSec believes that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made based on information available at the time of its compilation, but no representation or warranty is made as to the accuracy, reliability or completeness of any statements made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed by any other member of the Commonwealth Bank of Australia group of companies. CommSec is under no obligation to, and does not, update or keep current the information contained in this report. Neither Commonwealth Bank of Australia nor any of its affiliates or subsidiaries accepts liability for loss or damage arising out of the use of all or any part of this report. All material presented in this report, unless specifically indicated otherwise, is under copyright of CommSec. This report is approved and distributed in Australia by Commonwealth Securities Limited ABN 60 067 254 399, a wholly owned but not guaranteed subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124. This report is not directed to, nor intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or that would subject any entity within the Commonwealth Bank group of companies to any registration or licensing requirement within such jurisdiction.

What do the figures show?

Industry Employment - February

- **Employment** rose by 65,600 in the three months to February. Jobs rose in 9 of the 19 major industry sectors.
- **Over the past 12 months**, 256,600 people have found jobs, up from 247,200 in the 12 months to November. A record 13.02 million Aussies are currently employed.
- **Over the three months to February the number of jobs rose** by the most in Education & Training (up 50,500), followed by Health Care & Social Assistance (up 21,000), Agriculture, Forestry & Fishing (up 18,200) and Accommodation & Food Services (up 12,500).
- **In the three months to February, the number of jobs fell** by the most in Electricity, Gas & Waste Services (down 16,100), followed by Public Administration & Safety (down 15,800), "Other Services" (down 14,200) and Mining (down 10,200).
- **Over the year to February, 10 out of 19 sectors added jobs.** The strongest gains were in Health Care and Social Assistance (up 101,700), Education & Training (up 97,300), Manufacturing (up 56,000), Construction (up 39,100) and Professional, Scientific and Technical Services (up 38,900).
- The sectors that **shed the most jobs** over the past year: "Other Services" (down 36,200), Public Administration & Safety (down 35,000), Retail Trade (down 31,800) and Electricity, Gas & Waste Services (down 17,600).
- Health Care and Social Assistance remains the **biggest employer** with 1.79 million employees (13.8 per cent of the total) followed by Retail Trade (1.26 million jobs or 9.6 per cent), Construction (1.19 million or 9.1 per cent) and Professional, Scientific & Technical Services (1.16 million or 9.0 per cent).

What is the importance of the economic data?

- The Australian Bureau of Statistics (ABS) provides **detailed labour market figures** one week after releasing 'top level' statistics of employment & unemployment levels across states and territories. The detailed data is useful in identifying broader underlying trends and instructive about the health of the economy.

What are the implications for interest rates and investors?

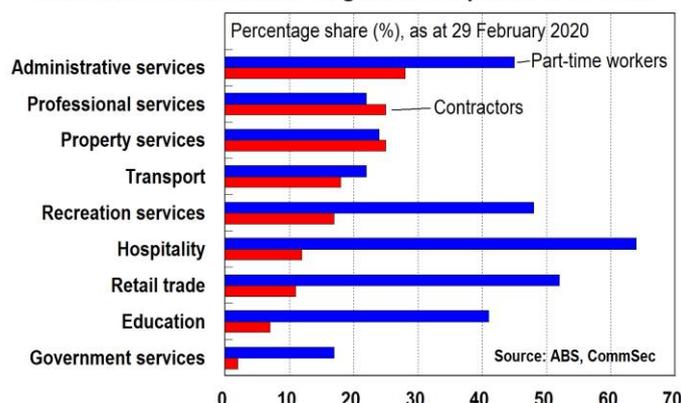
- Australia's services sector is expected to bear the brunt of the coronavirus crisis hit to the labour market. The Retail Trade, Education & Training and Accommodation & Food Services industries employ a combined 3.3 million Aussies. Casual, part-time and contractors have large worker representations within these industries.
- With a quarter of all Aussies employed in small businesses with 20 workers or less, business closures and supply disruptions present a huge downside risk to policymakers attempting to navigate a sharp economic downturn and unprecedented health crisis.
- All eyes are now focused on key measures of the labour market – unemployment and underemployment – but the number of 'hours worked' is probably the most important indicator of them all.

Ryan Felsman, Senior Economist, CommSec
 Twitter: @CommSec

BIGGEST EMPLOYERS IN AUSTRALIA		
	Employment, '000, seasonally adjusted, February 2020	% total
TOTAL EMPLOYMENT*	13016.9	100.0
Health Care and Social Assistance	1792.5	13.8
Retail Trade	1255.7	9.6
Construction	1187.5	9.1
Professional, Scientific and Technical Services	1166.0	9.0
Education and Training	1121.5	8.6
Accommodation and Food Services	939.4	7.2
Manufacturing	922.0	7.1
Public Administration and Safety	824.7	6.3
Transport, Postal and Warehousing	650.2	5.0
Other Services	490.3	3.8
Financial and Insurance Services	466.7	3.6
Administrative and Support Services	436.8	3.4
Wholesale Trade	391.3	3.0
Agriculture, Forestry and Fishing	337.2	2.6
Arts and Recreation Services	249.0	1.9
Mining	241.0	1.9
Rental, Hiring and Real Estate Services	219.5	1.7
Information Media and Telecommunications	216.0	1.7
Electricity, Gas, Water and Waste Services	134.5	1.0

Source: ABS, CommSec
 *Seasonally adjusted data adds to 13041.8

Shutdown industries have large share of part-time workers



Employment by business size

As at 30 June 2019
 Source: ABS, CommSec

