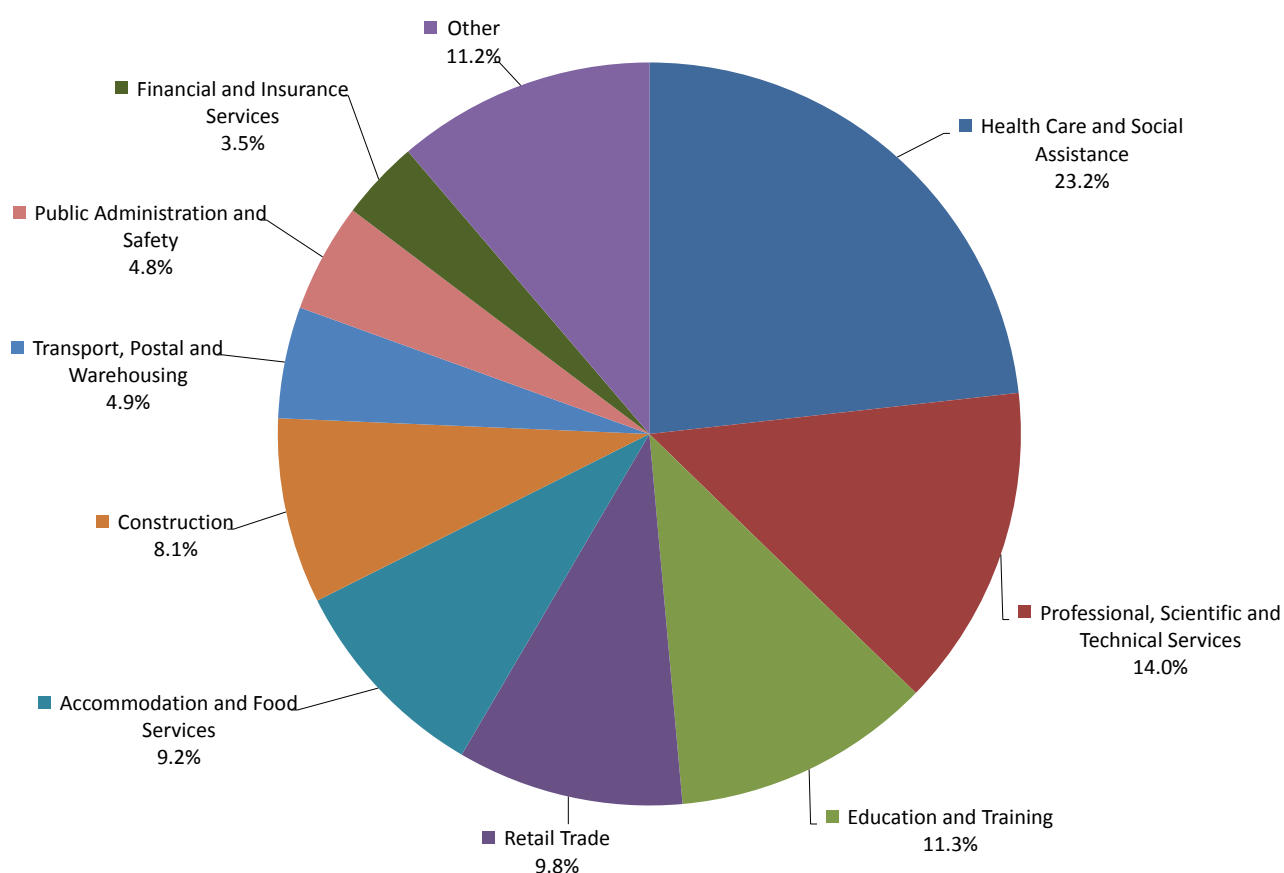




Overview

- Based on the forecasts and projections published in the December 2015 Mid-Year Economic and Fiscal Outlook (MYEFO), the Department of Employment projects total employment to increase by 989,700 (or 8.3 per cent) over the five years to November 2020.
- Employment is projected to increase in 16 of the 19 broad industries over the five years to November 2020, with declines in employment projected for **Agriculture, Forestry and Fishing, Mining and Manufacturing**.
- 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 250,200), followed by **Professional, Scientific and Technical Services** (151,200), **Education and Training** (121,700) and **Retail Trade** (106,000). Together, these four industries are projected to provide more than half of total employment growth over the five years to November 2020.

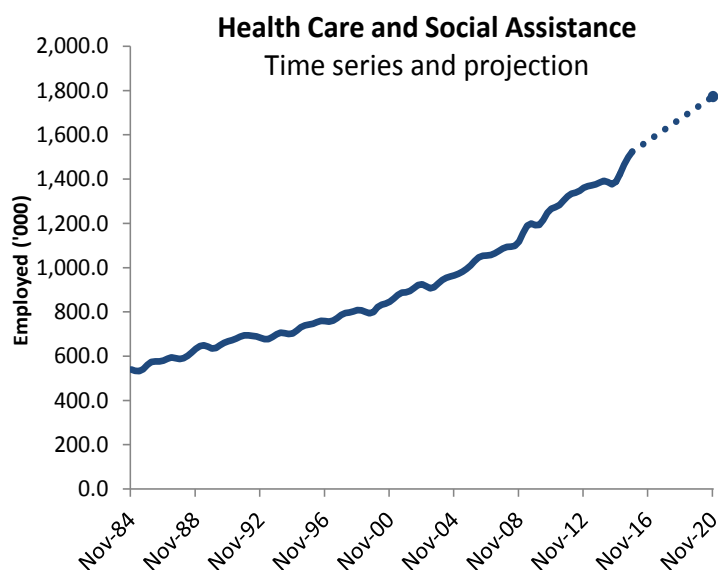
Share of projected employment growth, by industry¹ - five years to November 2020



¹ 'Other' consists of Administrative and Support Services; Rental, Hiring and Real Estate Services; Other Services; Arts and Recreation Services; Information Media and Telecommunications; Wholesale Trade and Electricity, Gas, Water and Waste Services. Agriculture, Forestry and Fishing; Mining and Manufacturing are excluded from the chart as they are not projected to grow over the five years to November 2020.

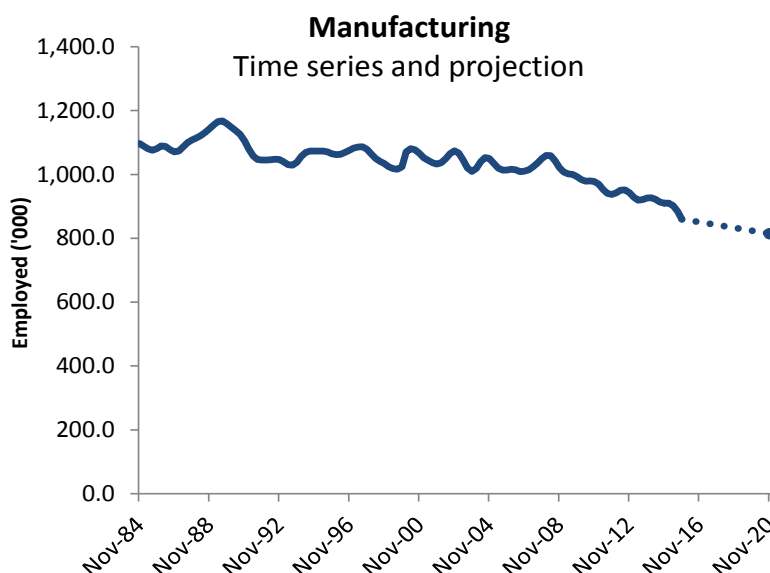
Industry commentary

- **Health Care and Social Assistance** has been the primary provider of new jobs in the Australian labour market since the 1990s. Over the next five years, employment in the industry is projected to increase by 250,200 (or 16.4 per cent). Factors contributing to this strong projected growth include the implementation of the National Disability Insurance Scheme, Australia's ageing population, and increasing demand for childcare and home based care services. Employment growth in this industry is likely to favour part-time and female workers.

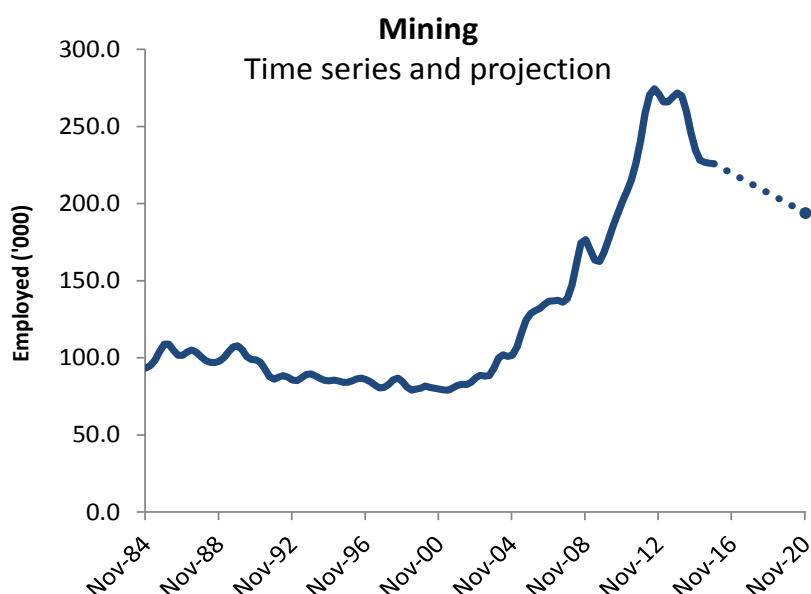


- Employment in **Professional, Scientific and Technical Services** is projected to increase by 151,200 (or 14.8 per cent) over the five years to November 2020, the second largest increase of any industry. The projected high rate of employment growth in the industry reflects ongoing strength in demand for the services of qualified and highly educated workers throughout the economy. Although the passing of the resources boom is expected to dampen employment growth in the Architectural, Engineering and Technical Services sector, which has increased by 29.1 per cent over the past five years to 308,100, strong housing construction activity and infrastructure investment and a positive contribution from the lower Australian dollar are expected to enable the sector to increase employment by 60,100 (or 19.5 per cent) over the five years to November 2020.
- Employment in **Education and Training** is projected to increase by 121,700 (or 13.0 per cent) over the five years to November 2020. This growth is expected to be supported by above average growth in the school aged population, improving strength in the international education sector as a result of the lower Australian dollar, and continuing growth in part-time workers and non-teaching staff.
- Historically low interest rates and an improvement in domestic tourism as a result of the lower Australian dollar are expected to underpin solid employment growth in **Retail Trade** (up by 106,000 or 8.4 per cent) and **Accommodation and Food Services** (up by 98,800 or 12.0 per cent) over the five years to November 2020. Despite subdued conditions in both industries in the years following the onset of the Global Financial Crisis in late 2008, over the past two years these industries have recorded an improvement in the rate of employment growth.
 - In Retail Trade, employment growth is expected to be particularly strong in the Hardware, Building and Garden Supplies Retailing sector over the five years to November 2020 (up by 14,300 or 15.6 per cent) and in the Clothing, Footwear and Personal Accessory Retailing sector (up by 20,400 or 13.0 per cent), in a continuation of the strong growth recorded by these sectors over the past decade.
- **Construction** industry employment is projected to grow by 87,000 (or 8.3 per cent) over the five years to November 2020. Following several years of subdued growth, employment in Construction has increased by 69,400 (or 7.1 per cent) over the past three years, against the backdrop of a strong rise in residential building construction and historically low interest rates, both of which are likely to continue to support growth in the industry into the period ahead notwithstanding a drag on the industry's employment growth stemming from the decline in construction associated with the resources sector.

- Employment in Heavy and Civil Engineering Construction is projected to decline by 4,800 (or 6.5 per cent) over the five years to November 2020, with conditions in this sector expected to be constrained by lower investment in Mining.
- The long-term decline of employment in **Manufacturing** is expected to continue, with employment in the industry projected to decline by 45,700 (or 5.3 per cent) over the five years to November 2020. This decline is expected to be primarily driven by a projected fall of 27,500 (or 58.3 per cent) in Motor Vehicle and Motor Vehicle Part Manufacturing, following the announced plant closures by Ford, Holden and Toyota. That said, the lower Australian dollar should offer some support to the rest of the industry over the period ahead.



- Employment in **Mining** is projected to fall by 31,900 (or 14.1 per cent) over the five years to November 2020. After recording extremely strong employment growth over much of the past decade, employment in the industry has declined by 45,900 (or 16.9 per cent) over the past two years, driven by weakening growth in demand from China and cost cutting by firms in response to a fall in the price of commodities. In addition, the fall in Mining employment reflects a peak in capital expenditure, the transition of new mines from a construction phase to a less labour intensive operational phase and the deferral of a number of major resource projects that would have otherwise supported employment in the industry. Against this backdrop, employment in the industry is projected to continue to decline.



Department of Employment Industry Projections – five years to November 2020

Industry	Projected employment growth – five years to November 2020	
	('000)	(%)
Agriculture, Forestry and Fishing	-9.4	-3.1
Mining	-31.9	-14.1
Manufacturing	-45.7	-5.3
Electricity, Gas, Water and Waste Services	0.8	0.6
Construction	87.0	8.3
Wholesale Trade	3.1	0.8
Retail Trade	106.0	8.4
Accommodation and Food Services	98.8	12.0
Transport, Postal and Warehousing	52.2	8.5
Information Media and Telecommunications	8.8	4.0
Financial and Insurance Services	37.4	8.5
Rental, Hiring and Real Estate Services	25.8	11.9
Professional, Scientific and Technical Services	151.2	14.8
Administrative and Support Services	32.6	7.8
Public Administration and Safety	51.2	7.0
Education and Training	121.7	13.0
Health Care and Social Assistance	250.2	16.4
Arts and Recreation Services	24.5	10.8
Other Services	25.5	5.3
All Industries	989.7	8.3

Background and methodology

Each year, the Department of Employment produces employment projections by industry, occupation and region for the following five years, the latest being the five years to November 2020. These projections are produced using detailed data from the ABS Labour Force Survey.

The projections were derived from best practice time series models that summarise the information in a time series and use it to forecast the series. Forecasts from autoregressive integrated moving average (ARIMA) and exponential smoothing with damped trend (ESWDT) models are combined, with adjustments made to take account of research undertaken by the Department of Employment and known future industry developments. The projection for total employment growth is consistent with the forecasts and projections for total employment growth published in the Government's 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO). The MYEFO employment growth rate forecasts are 2.00 per cent for 2015-16 and 1.75 per cent for 2016-17 and the projections are 1.50 per cent for both 2017-18 and 2018-19.

The projections to November 2020 are 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 November 2020 are expected to be released in the coming months. For further information, please contact James Jordan (02 6240 2597) or email james.jordan@employment.gov.au. Any media enquiries should be directed to the Department of Employment media unit (media@employment.gov.au).