

# Economics Weekly

## This week's economic highlights

- The **National Skills Commission's Internet advertised job vacancies** increased in August, resuming the growth trend that paused in July. However, **SEEK's job advertisements count** fell marginally in August, marking the third consecutive month of job ad decline.
- ABS **labour force data** shows that employment growth remains very strong in construction, manufacturing and retail. But has declined in the mining, finance and personal services sectors.
- ABS **population estimates for Q1 of 2022** confirm modest growth in the resident population – the first quarter since the international borders were opened in December 2021. All states and territories saw an increase in population in the year to Q1.

## Latest Australian labour market data

**Detailed labour force data** for the three months to August 2022 (released this week by the ABS) indicates:

- **Employment in 10 of the 18 industries** was higher in Aug 2022 than in May 2022. The strongest job recoveries in these three months were in construction, retail trade and manufacturing (see chart 1).
- **Employment was lower in 7 of Australia's 19 major industries in the three months to August 2022 than prior to the pandemic (February 2020)**. Utilities employed 16.9% more people, finance & insurance employed 15.3% more people and professional services employed 13.2% more people in August 2022 (see chart 2).
- **Average work hours were lower in 12 of Australia's 19 major industries** in the three months to August 2022 than in February 2020. Average work hours were significantly lower in arts & recreation (-5.6%), agriculture (-5.1%) and education (-5.0%). The largest increase in average work hours was in rental & real estate, up by 5.0%.

The National Skills Commission's preliminary monthly **internet job vacancies index increased by 2.6%** to 301,100 in August 2022 (see chart 4), indicating a return to the growth trend following a temporary decline in July. The NSC notes that *"there has been sustained growth in recruitment activity over the past twelve months with job advertisements up by 37.7%"*. Compared to pre-COVID recruitment activity, job advertisements rose by 78.9% nationally.

Job advertisement levels rose in all states and territories except in South Australia in August 2022. Month-on-month growth in recruitment activity was most significant in Northern Territory (+11.2% m/m), Victoria (+8.9% m/m) and Tasmania (+4.8% m/m). Job ads fell by 1.6% in South Australia (see chart 5). All states and territories recorded higher job ad compared to their pre-COVID levels.

**SEEK's count of online job advertisements fell by 0.6% m/m in August 2022** marking the third consecutive month of job ad decline. Ads were 30.9% higher than in August 2021 and 51.8% higher than in August 2019. Applications per job ad increased for the second month, rising by 3.5% compared to July 2022. SEEK noted that job ads have

moderated from record-high levels. Job ads fell in all states and territories except in Victoria and the Northern Territory (see chart 6); the largest monthly decline was in South Australia (down by 5.0%) followed by Western Australia and the ACT (both down 3.0%). Job ads rose in Victoria (up by 3.7%) and the Northern Territory (up by 0.7%).

The greatest monthly increase in new job ad volumes by industries in August compared to July 2022 were design & architecture (+12.5%); education & training (+5.8%) and administration & office support (+5.1%). Information & communication technology (-4.9%), government & defence (-3.5%) and consulting & strategy (-2.7%) had the largest falls compared to the previous month.

**Table 1: SEEK job ads, August 2022**

	Job ads change, %		
	Jul 2022 to Aug 2022	Aug 2021 to Aug 2022	Aug 2019 to Aug 2022
<b>Australia</b>	<b>-0.6</b>	<b>30.9</b>	<b>51.8</b>
NSW	-1.5	54.8	38.5
VIC	3.7	29.1	51.3
Qld	-1.9	28.4	68.8
ACT	-3.0	12.1	4.7
SA	-5.0	9.7	73.4
WA	-3.0	6.4	67.1
TAS	-2.2	14.6	91.2
NT	0.7	12.5	70.0

Source: SEEK, *SEEK Employment Report*, August 2022.

## Latest Australian demographic data

**Australia's total population** was estimated to be 25,912,614 people on 31 March 2022. The population grew by 124,200 people (0.5% q/q) in Q1 2022 and by 239,800 people (0.9% p.a.) over the year to Q1.

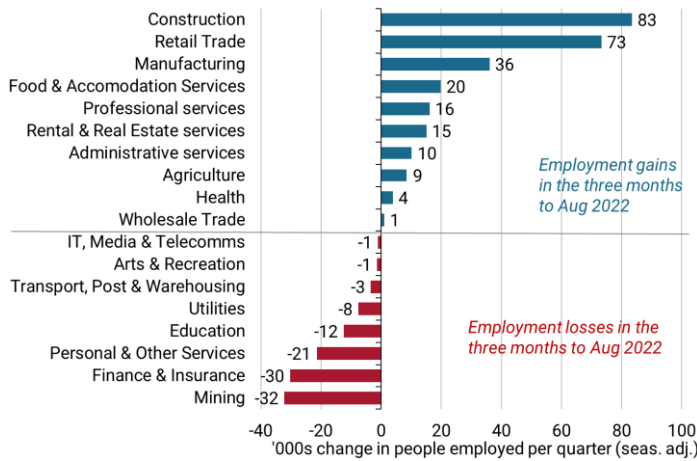
Australia's natural increase (births less deaths) added 28,000 people in the quarter and 130,200 people over the year to Q1 (see chart 7). This consisted of 309,300 births and 179,100 deaths in the year.

Net overseas migration (NOM, long-term and permanent arrivals less departures) added 96,100 people in the quarter and 130,200 people over the year to Q1 2022. This consisted of 320,000 overseas migration arrivals and 210,400 departures over the year. March 2022 was the first quarter since the international borders were opened following almost two years of negative net overseas migration in 2020 and 2021, a result of reduced migration due to the pandemic.

All states and territories saw an increase in population in the year to Q1 2022 (see chart 8). Queensland had the largest population increase in the year to Q1 2022, adding 94,300 people (+1.8% y/y) due to positive NOM (53,984 more interstate arrivals than departures). This was followed by NSW (+49,500 people, +0.6% y/y) and Victoria (+46,500 people, +0.7% y/y).

**Chart 1: Employment in 10 of the 18 industries** was higher in Aug 2022 than in May 2022. The strongest job recoveries in these three months were in construction, retail trade and manufacturing.

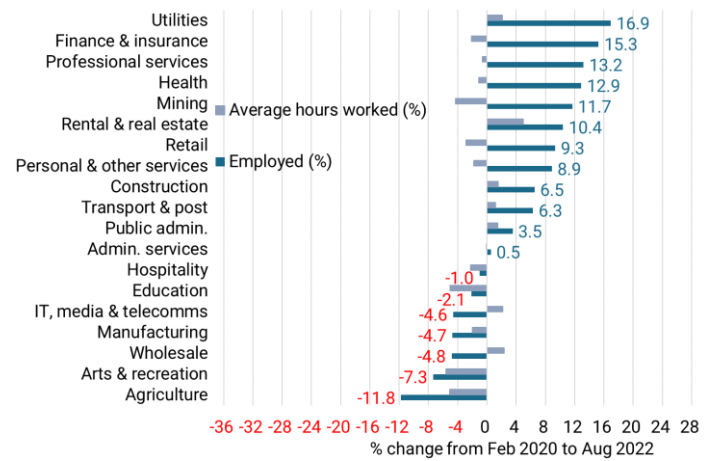
**Change in employment by industry, three months to Aug 2022**



Source: ABS, *Detailed Labour Force Australia*, Aug 2022.

**Chart 2: Employment was lower in 7 of Australia's 19 major industries** in the three months to August 2022 than it had been prior to the pandemic in February 2020. Average work hours were lower in 12 of Australia's 19 major industries.

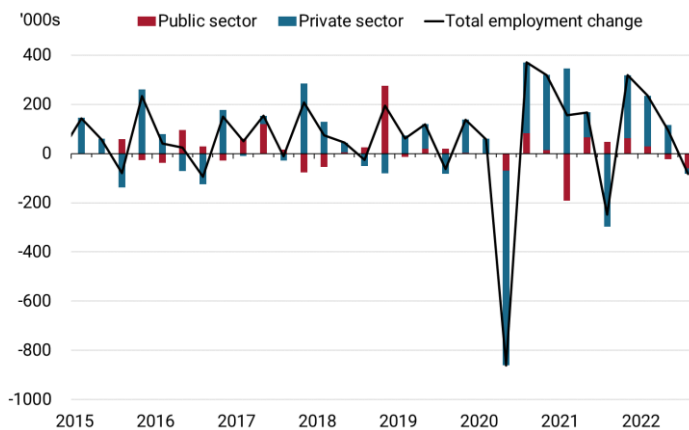
**Employment and average work hours by industry, % change from Feb 2020 to Aug 2022**



Source: ABS, *Detailed Labour Force Australia*, Aug 2022.

**Chart 3: Private sector employment** fell in the three months to August 2022. Employment in the public sector declined in August at a faster pace than three months earlier.

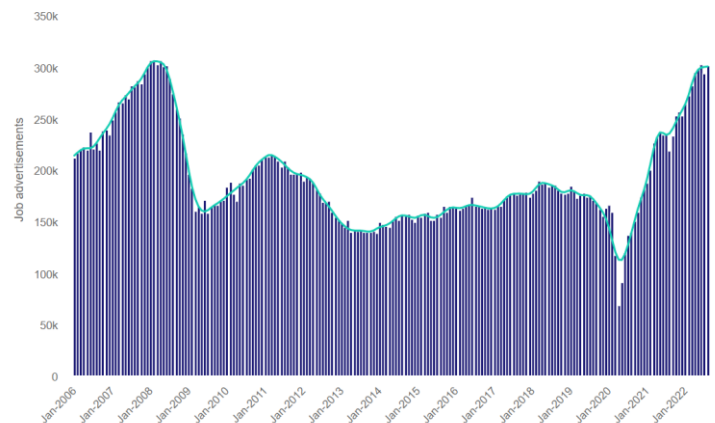
**Change in employment in the private and public sectors per quarter, 2015 to Aug 2022**



Source: ABS, *Detailed Labour Force Australia*, Aug 2022.

**Chart 4: The National Skills Commission's preliminary monthly internet job vacancies index** increased by 2.6% (+7,700 job ads) to 301,100 in August 2022.

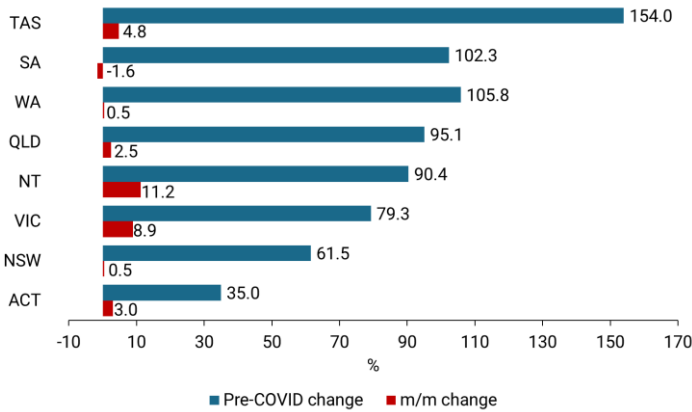
**Online job ad volumes – January 2006 to August 2022**



Source: National Skills Commission, *Vacancy Report*, Aug 2022

**Chart 5:** The number of **job vacancies advertised online** rose in August 2022 in all states and territories except in South Australia. Job ads rose most prominently in the NT, Vic and Tas. All states had more job ads in August 2022 than prior to COVID-19 pandemic.

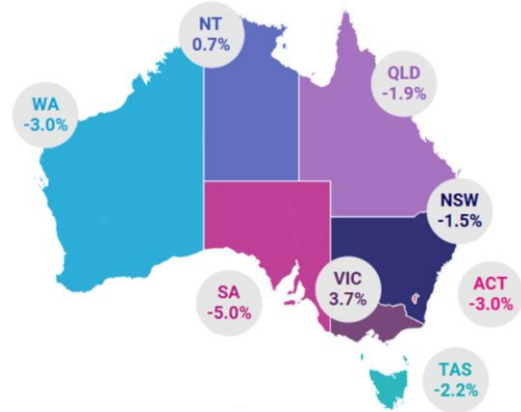
Online job ads growth, by state and territory, August 2022



Source: National Skills Commission, *Vacancy Report*, Aug 2022

**Chart 6:** SEEK's job ads fell by 0.6% m/m in Aug 2022 but were 30.9% higher than in Aug 2021 and 51.8% higher than in Aug 2019. Job ads fell in all states in Aug 2022 except in Victoria and the NT.

SEEK job ads monthly growth, by state, Aug 2022

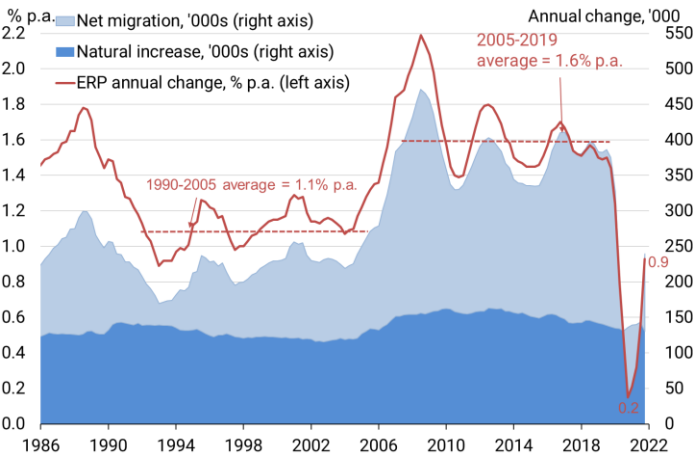


Source: SEEK, Aug 2022.

**Chart 7:** Australia's **population growth** rose by just 0.9% over the year to March 2022, with 239,800 people added over the year. The annual natural increase (births less deaths) was 130,200 while net overseas migration (NOM, arrivals less departures) added 109,600 people.

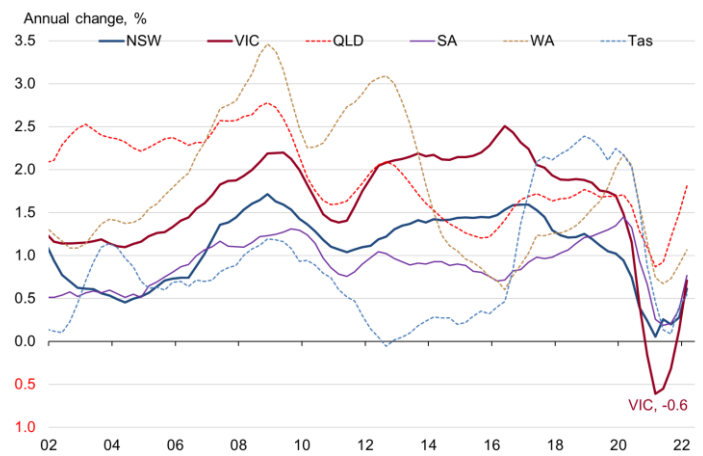
**Chart 8:** Population growth accelerated in all states in the year to March 2022. Queensland recorded the strongest population growth in the year to Q1 2022 (+1.8% y/y) due to positive interstate migration, attracting people from NSW and Victoria.

Estimated resident population growth, 1985 to Q1 2022



Source: ABS, *National, state and territory population*, Mar 2022

Population growth by state, 1982 to Q1 2022



Source: ABS, *National, state and territory population*, Mar 2022

### This week's data and events 19 September – 21 September 2022

Day	Date	Data/event	Data period
Wed	21 Sep	<a href="#">NSC, Internet Vacancy Index</a>	August 2022
Wed	21 Sep	<a href="#">ABS, Labour Force Detailed</a>	August 2022
Wed	21 Sep	<a href="#">ABS, National, state and territory population</a>	March 2022

### Next week's data and events 26 September – 30 September 2022

Day	Date	Data/event	Data period
Wed	28 Sep	ABS, Engineering Construction Activity	June 2022
Wed	28 Sep	ABS, Retail Trade	August 2022
Thu	29 Sep	ABS, Job Vacancies	August 2022

## Ai Group Industry Performance Indicators

Australian Performance of Manufacturing Index®	August 2022	49.3 ▼
Australian Performance of Construction Index®	August 2022	47.9 ▲
Australian Performance of Services Index®	August 2022	53.3 ▲

Seasonally adjusted. Arrows represent direction of movement relative to last observation. Source: Ai Group.

## Australian economy: latest annual growth rates and RBA forecasts (as of Aug 2022)

% change over the year	Dec 2021	Jun 2022	Dec 2022	Jun 2023	Dec 2023	Jun 2024	Dec 2024
<b>Gross domestic product (GDP)</b>	4.2	3.6	3.2	2.3	1.8	1.8	1.7
Household consumption	3.5	6.0	4.9	2.8	2.4	2.3	2.2
Dwelling investment	5.3	-4.6	1.7	2.5	-0.1	-2.6	-4.8
Business investment	6.4	1.7	4.9	5.9	6.6	5.7	4.6
Public demand	5.1	3.5	3.6	-0.5	-0.7	0.8	1.8
Gross national expenditure	5.0	4.4	3.7	1.5	1.5	1.8	1.9
Imports	1.0	10.0	11.4	6.2	4.0	3.0	2.9
Exports	-2.6	4.9	8.6	9.8	5.1	2.8	2.2
Terms of trade	10.3	7.5	2.6	-14.6	-8.9	-4.4	-1.6
Real household disposable income	3.7	3.0	-0.9	-3.1	-0.9	0.9	1.5
<b>Unemployment rate (qtr average, %)</b>	4.2	3.8	3.4	3.4	3.5	3.7	4.0
Employment	2.1	3.2	4.4	2.2	1.4	1.1	0.9
<b>Average wage rates (WPI)</b>	2.3	2.6	3.0	3.4	3.6	3.8	3.9
<b>Trimmed mean inflation (CPI)</b>	2.6	4.9	6.0	5.0	3.8	3.3	3.0
Headline inflation (CPI)	3.5	6.1	7.8	6.2	4.3	3.5	3.0

■ = actual. □ = forecast. Sources: ABS, various data; RBA 'baseline scenario' in *Statement on Monetary Policy*, August 2022.

Forecasts 3 August. Forecasts are conditioned on a path for the cash rate broadly in line with expectations derived from surveys of professional economists and financial market pricing. Other forecast assumptions: TWI at 63, A\$ at US\$0.69 and Brent crude oil price at US\$94bbl. Assumed rate of population growth is broadly in line with the profile set out in the Aus Gov 2022/23 Budget.

## Ai Group Research and Economics Team

**Dr Jeffrey Wilson**  
Director of Research  
and Economics

**Colleen Dowling**  
Senior Research Analyst  
& Team Leader

**Dr Nike Adeoye**  
Economist

**Dr Aneeq Sarwar**  
Senior Economist

**Adiba Mohammed**  
Research Assistant

[economics@aigroup.com.au](mailto:economics@aigroup.com.au)