Industry analysis: Health Care and Social Assistance

Overview:

Jobs in the Health Care and Social Assistance industry have grown strongly over the last 20 years and this is expected to continue.

Introduction:

Alongside structural changes to the composition of employment in Australia, an ageing population and the rollout of the National Disability Insurance Scheme (NDIS), employment growth over recent decades has concentrated towards the Health Care and Social Assistance industry.

The primary focus of this analysis is to assess the long-term employment trends in the Health Care and Social Assistance industry. This is achieved via undertaking an analysis of the Health Care and Social Assistance industry over the 20-year period to February 2020, prior to the impacts of COVID-19. While COVID-19 has had a significant effect on the Australian labour market, only short-term effects from the pandemic are observable in the data to date.

In addition, a brief analysis of the effects of COVID-19 on the Health Care and Social Assistance industry, current job vacancies and projected employment growth within the industry is provided.

Long-term trend:

Over the 20-years to February 2020, national employment has shown strong growth, up by 4,238,200 persons or 48.3%. At an industry level, this growth was reflected in some key compositional changes to the structure of the labour market. For example, employment grew in 15 of the 19 broad industries as the labour market underwent a continuation of long-term structural change, shifting away from production-based industries such as Manufacturing towards service-based industries such as Health Care and Social Assistance (Figure 1).

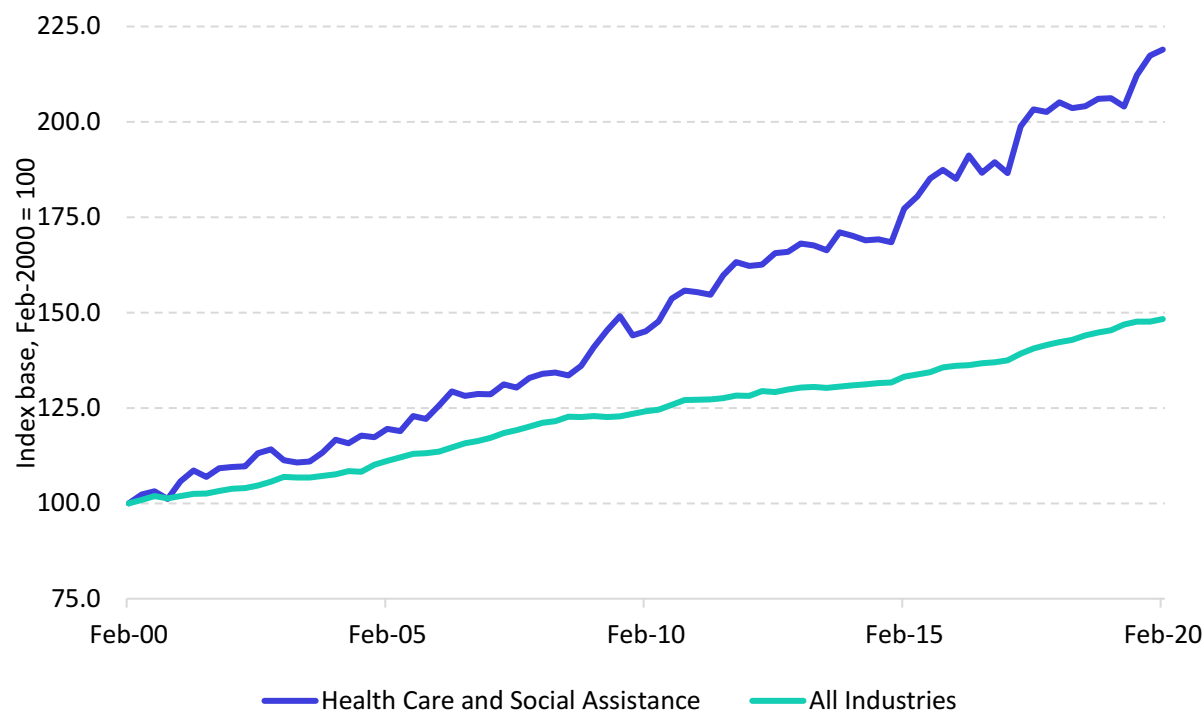### Figure 1: 20-year change in employment by industry – February 2000 to February 2020

Source: ABS Labour Force Survey, Detailed quarterly, seasonally adjusted August-2021.

The Health Care and Social Assistance industry recorded the strongest growth of any industry over the 20 years to February 2020, with employment more than doubling (up by 973,500 or 118.9%). The strength of growth observed in the Health Care and Social Assistance industry far outpaced the growth observed across all industries over the same period (Figure 2).

The growth recorded over the period saw the Health Care and Social Assistance industry move from Australia's third largest employing industry in February 2000 to the country's top employing industry in February 2020.

Figure 2: 20-year change in employment comparison, Health Care and Social Assistance and All Industries – February 2000 to February 2020

Source: ABS Labour Force Survey, Detailed quarterly, seasonally adjusted August-2021.

COVID-19 impact:

The initial impact of COVID-19 was widespread throughout the Australian economy, with employment declining across 14 of the 19 industry groups over the quarter to May 2020. Nationally employment fell by 845,600 persons or 6.5% over the quarter to stand at a three year low of 12,165,800 persons as at May 2020.

Within the Health Care and Social Assistance industry, the decline in employment as a result of COVID-19 and its associated restrictions was less severe than what was observed across all industries. Employment within the Health Care and Social Assistance industry fell 4.0% (or 71,900 persons) over the quarter to May 2020. After the initial decline, employment in the industry has rebounded strongly, increasing by 9.0% (or 155,300 persons) from the May 2020 low point to August 2021 (most current data). Employment for the Health Care and Social Assistance industry now stands 4.7% (or 83,400 persons) above pre-COVID-19 levels. By contrast, employment for all industries remains commensurate with levels observed prior to the pandemic (down slightly by 2,300 persons which rounds to a 0.0% change in employment).

Indeed, as at August 2021, employment in the Health Care and Social Assistance industry stands at a record all-time high of 1,875,300 persons.

Figure 3: COVID-19 Impact on employment comparison, Health Care and Social Assistance and All Industries – February 2020 to August 2021
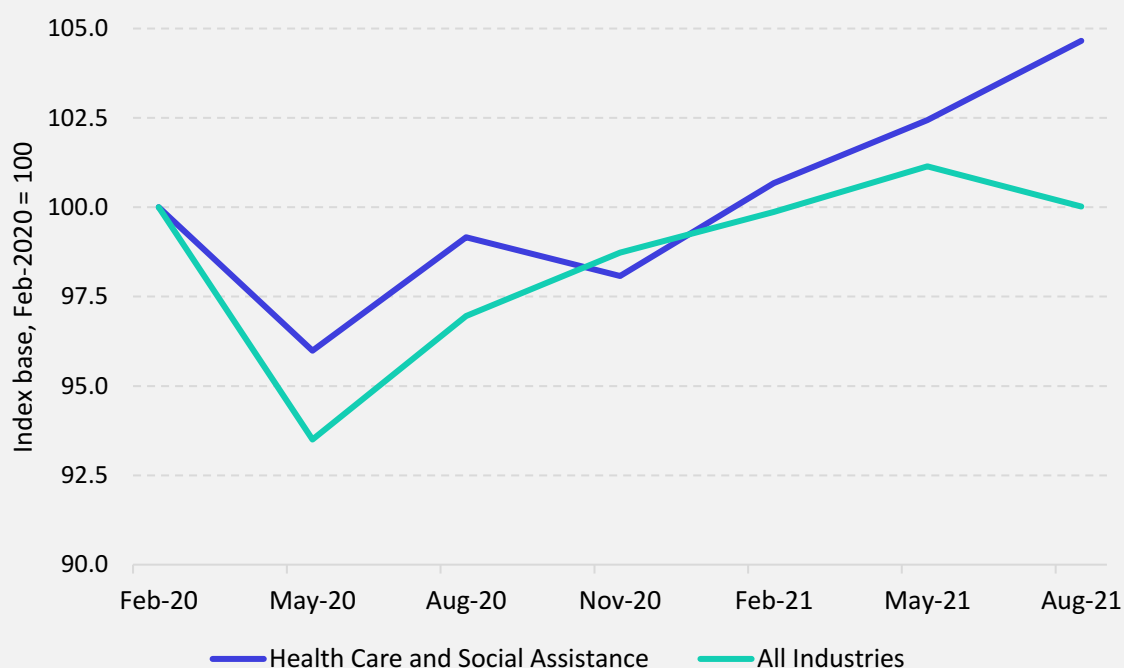
Source: ABS Labour Force Survey, Detailed quarterly, seasonally adjusted August-2021.

*Pre-COVID-19 levels are defined as the February 2020 quarter.

Health Care and Social Assistance industry – sector analysis:

Employment increased across all sectors (ANZSIC 3-digit industry groups) within the Health Care and Social Assistance industry over the 20 years to February 2020 (Figure 4). The largest increase was recorded in the Other Social Assistance Services sector, with employment in the sector tripling over the period (up by 229,400 or 200.8%). The Other Social Assistance Services sector includes adoption services, youth welfare services, disabilities assistance services, welfare counselling and aged care assistance services.

- The strong growth in Other Social Assistance Services is not surprising, given the strong links in the sector to both the ageing population and the rollout of the NDIS.

Other sectors within the industry to record large increases in employment include Hospitals (up by 229,000 or 84.5%), Allied Health Services (up by 151,900 or 156.5%), Residential Care Services (up by 123,200 or 89.6%) and Medical Services (up by 89,000 or 98.7%).

Figure 4: Health Care and Social Assistance 20-year employment growth and sector composition of growth – February 2000 to February 2020
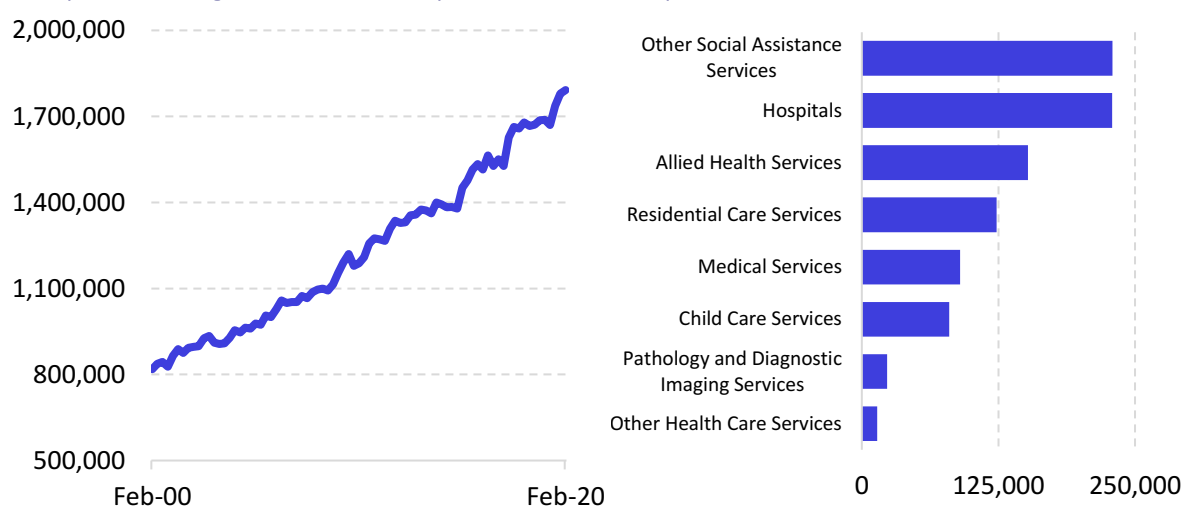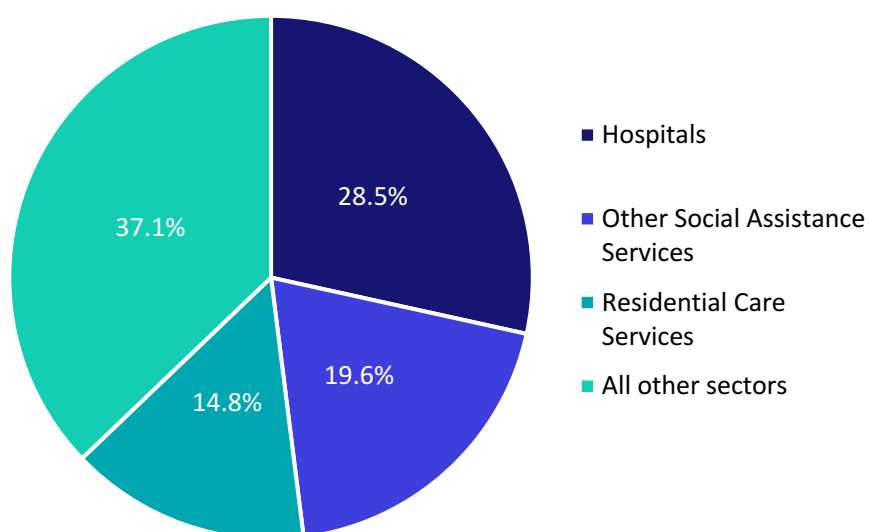

Source:
ABS Labour Force Survey, Detailed quarterly, seasonally adjusted August-2021.
ABS Labour Force Survey, Detailed quarterly, National Skills Commission seasonally adjusted August-2021.

As at February 2020, the Hospitals sector was the largest employing sector within the Health Care and Social Assistance industry (employing 499,900 or 28.5% of total employment in the industry), followed by Other Social Assistance Services (employing 343,700 or 19.6%) and Residential Care Services (employing 260,900 or 14.8%). Together these three sectors accounted for well over half (62.9%) of total Health Care and Social Assistance industry employment (Figure 5).

Figure 5: Health Care and Social Assistance industry composition by sector – February 2020
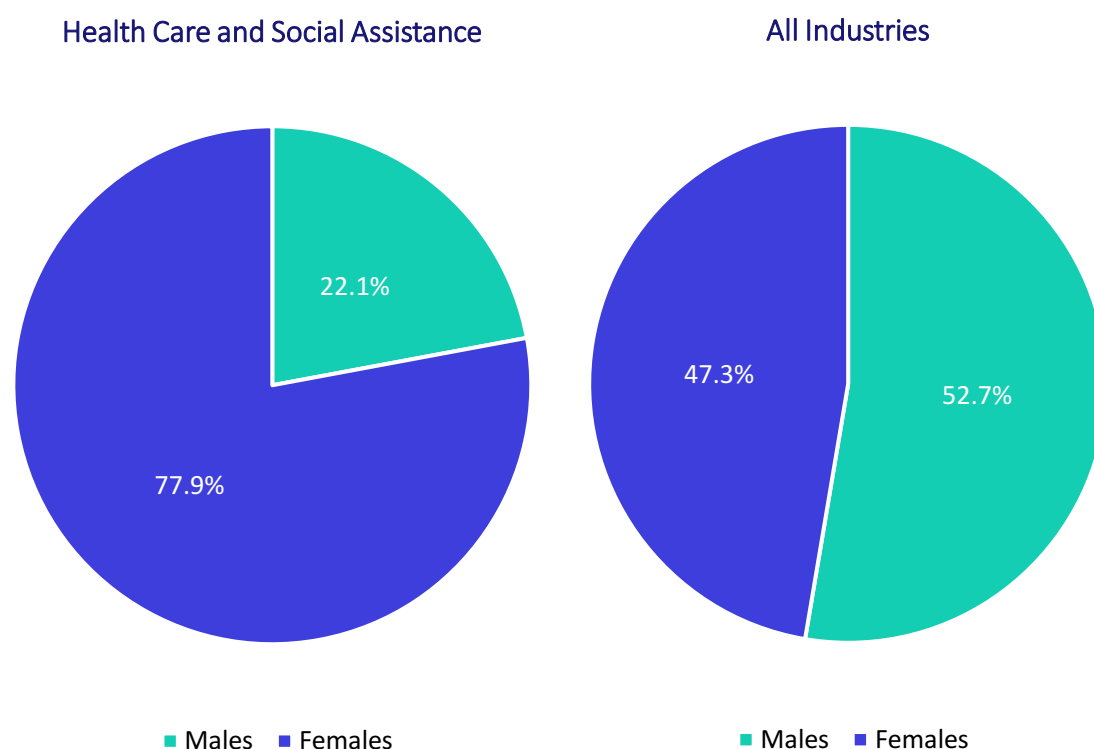

Source: ABS Labour Force Survey, Detailed quarterly, National Skills Commission seasonally adjusted August-2021.

Health Care and Social Assistance industry – demographics:

Compared to employment in all industries, the Health Care and Social Assistance industry comprises a higher proportion of female employment. Workers are also, on average, older as compared to other industry groups and more likely to be employed on a part time basis.

Of those employed in the Health Care and Social Assistance industry, more than three quarters (77.9%) are female. The proportion of females employed within the industry has decreased by 1.7 percentage points over the 20 years to February 2020, compared with a 3.5 percentage point increase for all industries. However, the female share of employment remains substantially higher in the Health Care and Social Assistance industry compared with that in all industries as at February 2020.

Figure 6: Industry composition by gender – February 2020

Health Care and Social Assistance	All Industries

■ Males   ■ Females   ■ Males   ■ Females

Source: ABS Labour Force Survey, Detailed quarterly, National Skills Commission seasonally adjusted August-2021.

Persons employed in the Health Care and Social Assistance industry are on average older compared to all industries. Indeed, 55.4% of those employed within the industry are aged 44 years and below, compared with 60.4% of persons employed in all industries. Despite the Health Care and Social Assistance industry employing an older population than the average for all industries, persons aged 25 to 34 years old represent the largest age bracket employed within the industry, and their share of industry employment has grown by 2.9 percentage points over the 20-year period to February 2020.

Table 1: Industry composition by age – February 2020

Industry	Age bracket	Share of employment (%)	
		Feb-00	Feb-20
Health Care and Social Assistance	15-24 years	9.4	9.5
	25-34 years	21.2	24.1
	35-44 years	29.6	21.9
	45-54 years	28.0	21.4
	55-64 years	10.1	18.7
	65 years and over	1.7	4.5
All industries	15-24 years	17.8	14.8
	25-34 years	24.2	23.7
	35-44 years	25.6	21.8
	45-54 years	21.9	20.2
	55-64 years	8.9	14.9
	65 years and over	1.6	4.5

Source: ABS Labour Force Survey, Detailed quarterly, National Skills Commission seasonally adjusted August-2021.

Part-time employment is common in the Health Care and Social Assistance industry with 45.2% of the industry employed on a part-time basis as at February 2020, compared with 31.7% for all industries. Further, the share of part-time employment in the Health Care and Social Assistance industry has remained higher compared to all industries for the entire 20 year period to February 2020.

Figure 7: Industry composition by work type (full-time/part-time) – February 2020
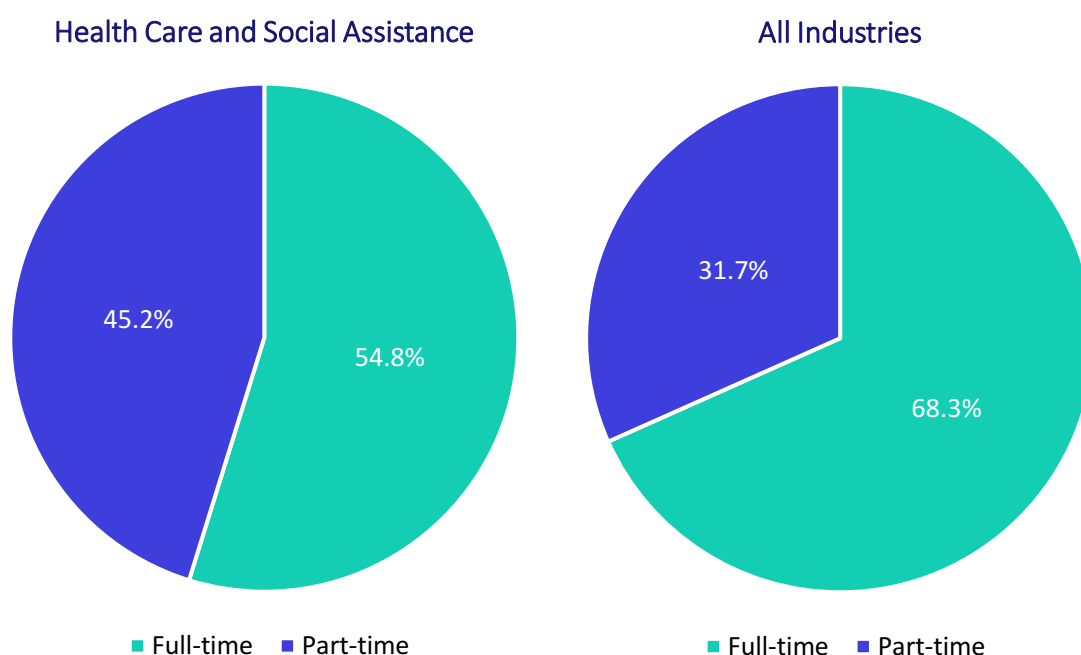
Health Care and Social Assistance

45.2% 54.8%

■ Full-time ■ Part-time

All Industries

31.7% 68.3%

■ Full-time ■ Part-time

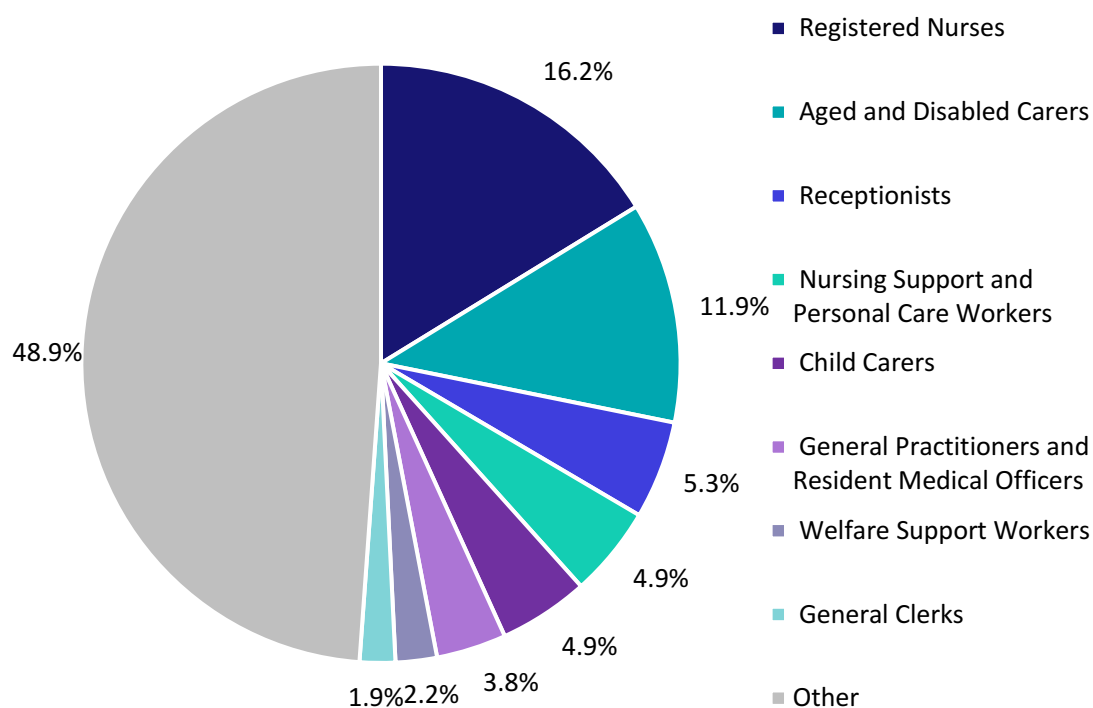Source: ABS Labour Force Survey, Detailed quarterly, National Skills Commission seasonally adjusted August-2021.

Health Care and Social Assistance industry – occupational analysis[1]:

Analysing the Health Care and Social Assistance industry through an occupational lens provides valuable insight into the range of skills and experience required within the industry as well as allowing the linking of up-to-date recruitment activity data.

Figure 8 shows the composition of the Health Care and Social Assistance industry by 4-digit occupational groups. As is demonstrated, over half (51.1%) of Health Care and Social Assistance industry employment is concentrated in the eight largest employing occupations within the industry. The largest employing occupations within the Health Care and Social Assistance industry are Registered Nurses (comprising 16.2% of industry employment or 286,000 persons), followed by Aged and Disabled Carers (11.9% or 210,200), Receptionists (5.3% or 93,100), Nursing Support and Personal Care Workers (4.9% or 86,200), Child Carers (4.9% or 85,600), General Practitioners and Resident Medical Officers (3.8% or 66,500), Welfare Support Workers (2.2% or 39,300) and General Clerks (1.9% or 33,800).

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[1] Please note that data on occupation employment by industry are custom data from the ABS Labour Force Survey and are four quarter averages of original estimates.

Figure 8: Health Care and Social Assistance industry largest employing occupation

Source: ABS Labour Force Survey, custom data, four quarter average of original Feb-2020 to Nov-2020.

When thinking of the Health Care and Social Assistance industry, highly skilled occupations such as specialty doctors and nurses may come to mind, and indeed the largest employing occupation in the industry, Registered Nurses, is a Skill Level 1 occupation. However, as demonstrated by Figure 9, employment within the industry is diverse with regards to skill level requirements. Over a third (33.7%) of total industry employment is concentrated in lower skilled (Skill Levels 4 and 5) occupations. Further, three of the five largest employing occupations in the industry (Aged and Disabled Carers, Receptionists, and Nursing Support and Personal Care Workers) require education/experience commensurate with Skill Level 4.

Figure 9: Health Care and Social Assistance industry composition by Skill Level
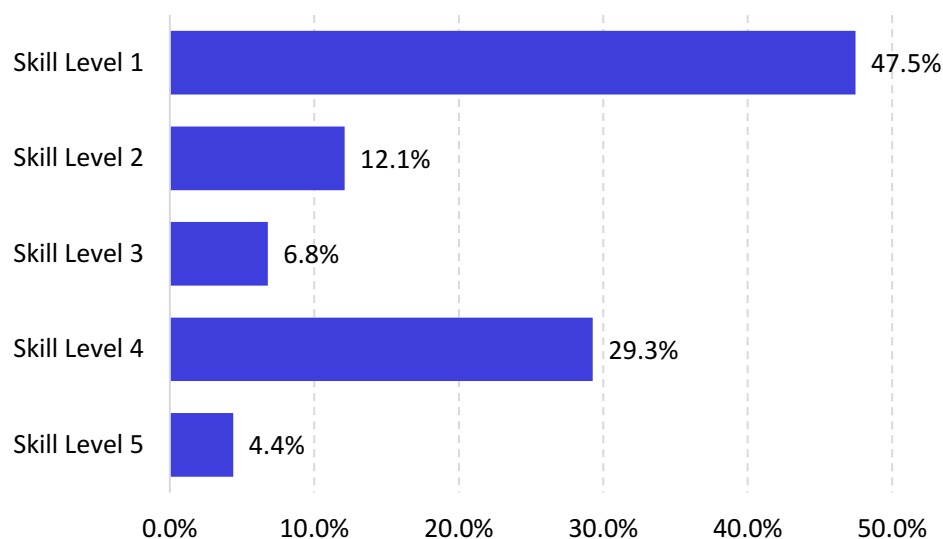
Source: ABS Labour Force Survey, custom data, four quarter average of original Feb-2020 to Nov-2020.
Note: Skill level groups are defined by the ABS ANZSCO structure according to the highest educational attainment (HEA) and commensurate work experience typically required of employees:

   Skill Level 1 occupations typically require a bachelor's degree or HEA level.
   Skill Level 2 occupations typically require an Advanced Diploma or Diploma HEA level.
   Skill Level 3 occupations typically require a Certificate IV or III with two years of on-the-job training (Skilled VET) HEA level.
   Skill Level 4 occupations typically require a Certificate II or III HEA level.
   Skill Level 5 occupations typically require a Certificate I or secondary education HEA level.

As demonstrated by Figure 10, employment growth within the Health Care and Social Assistance industry has tended towards Higher Skilled (Skill Levels 1 and 2) occupations over recent years. For instance, over the five years to 2020, the composition of Health Care and Social Assistance employment accounted for by higher skilled jobs increased by 2.2 percentage points. This increased share of higher skilled employment in the industry can be entirely attributed to a decrease in Middle Skilled employment (Skill Level 3), down by 2.9 percentage points over the same period. Employment opportunities are still available for Lower Skilled occupations within the industry, with Lower Skilled employment (Skill Levels 4 and 5) increasing by 0.7 percentage points over the five years to 2020.

Figure 10: Change in Health Care and Social Assistance industry composition by Skill Level (% pts) – Five years to 2020
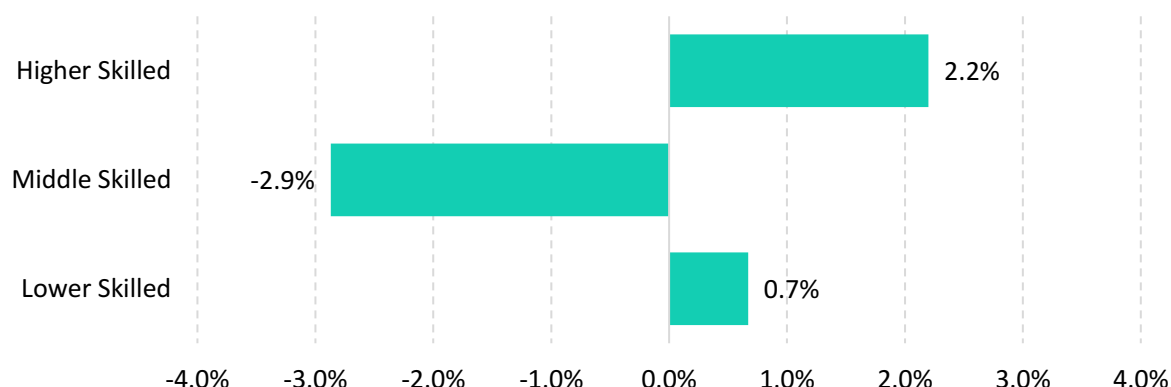
Source: ABS Labour Force Survey, custom data, four quarter average of original, 2015 and 2020.

Note: Skill level groups are defined by the ABS ANZSCO structure according to the highest educational attainment (HEA) and commensurate work experience typically required of employees:
'Higher Skilled' includes Skill Levels 1 and 2.
'Middle Skilled' includes Skill Level 3.
'Lower Skilled' includes Skill Levels 4 and 5.

Health Care and Social Assistance industry – occupational analysis cont. current demand:

Job vacancies provide useful and timely data which can be used to approximate labour demand. The National Skills Commission's (NSC) Internet Vacancy Index (IVI) is the only publicly available source of detailed data on online vacancies. The recruitment activity data captured by the IVI will be used as a proxy for labour demand in this section[2]. In total there were 31,600 job advertisements for the eight largest employing occupations of the Health Care and Social Assistance industry during September 2021, representing 13.8% of total recruitment activity nationally.

Growth in job advertisements have been observed across all of the eight largest employed 4-digit occupations within the Health Care and Social Assistance Industry compared with pre-COVID-19 levels (Table 2). The strongest gains have been for Nursing Support and Personal Care Workers (up by 98.0% or 620 job advertisements), followed by Registered Nurses (72.6% or 3,100 job advertisements), General Practitioners and Resident Medical Officers (62.5% or 680 job advertisements), Welfare Support Workers (39.2% or 380 job advertisements) and Aged and Disabled Carers (55.9% or 1,200 job advertisements).

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[2] The IVI does not reflect all job advertisements in the labour market, rather only those posted on select online jobs boards. The IVI has other conceptual limitations as a measure of labour demand including not accounting for non-advertised vacancies. See the NSC's Vacancy Report for detail.
https://lmip.gov.au/default.aspx?LMIP/GainInsights/VacancyReport

Table 2: Internet Vacancy Index (IVI) results September 2021 – largest employing occupations of the Health Care and Social Assistance industry

ANZSCO Title	Job advertisements - September 2021	Pre-COVID Change (no.)	Pre-COVID Change (%)
Registered Nurses	7,400	3,100	72.6%
Aged and Disabled Carers	3,200	1,200	55.9%
Receptionists	2,700	660	32.5%
Nursing Support and Personal Care Workers	1,300	620	98.0%
Child Carers	2,800	850	42.7%
General Practitioners and Resident Medical Officers	1,800	680	62.5%
Welfare Support Workers	1,000	380	39.2%
General Clerks	11,400	3,300	40.4%
HC&SA Industry Top Occupations Total	**31,600**	**10,700**	**51.5%**
Australia Total	**229,000**	**60,800**	**36.2%**

Source: National skills Commission, Internet Vacancy Index (IVI), September 2021, seasonally adjusted.
Notes: *Pre-COVID-19 job advertisement levels are defined as the 12-month average in the seasonally adjusted IVI series to February 2020 (see Vacancy Report for details).
**Seasonally adjusted IVI data at the 4-didgit occupation by state level of detail are not published publicly.

In total, the rate of growth in job advertisements across the eight largest employing Health Care and Social Assistance industry occupations compared with pre-COVID-19 levels (up by 51.5%) is greater than that observed across all occupations (36.2%). This may represent increasing employment opportunities within the Health Care and Social Assistance industry.

The NSC's Skills Priority List (SPL), published in June 2021, provides a measure of occupational shortages[3]. SPL findings show that these large employing Health Care and Social Assistance occupations are slightly less likely to be experiencing shortages compared to all occupations. Of the 35 occupations (at the six-digit level) that make up the 8 largest employing Health Care and Social Assistance industry occupations (at the four-digit level), 17.1% are in 'Shortage', compared to 19.1%, on average, across all occupations.[4] Consequentially the high level of recruitment activity for this occupational group is more likely than average to be met in the short term, which may facilitate the strong growth that is projected for the industry over the next five years, as discussed in the 'projected future employment' section below.

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[3] An occupation has the assessment rating 'Shortage' when employers are unable to fill or have considerable difficulty filling vacancies for an occupation, or significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations. An occupation has the assessment rating 'No Shortage' if research has not identified any significant difficulty filling vacancies.

[4] The ANZSCO codes of the 35 occupations at the six-digit level that compromise the 8 largest employing Health Care and Social Assistance industry occupations at the four-digit level are: 253111, 253112, 254411, 254412, 254413, 254414, 254415, 254416, 254417, 254418, 254421, 254422, 254423, 254424, 254425, 411711, 411712, 411713, 411714, 411715, 411716, 421111, 421112, 421113, 421114, 423111, 423311, 423312, 423313, 423314, 531111, 542111, 542112, 542113 and 542114.

An important aspect to consider in the context of labour demand is the ability for employers to connect with job seekers. The NSC surveys employers to learn about their recruitment needs and to better connect job seekers with employment opportunities. In line with the IVI trends, the NSC's Recruitment Experiences and Outlook Survey (REOS) results have shown that employers in the Health Care and Social Assistance industry are often recruiting, and frequently expect to increase staff numbers. Latest available data from the Recruitment Experiences and Outlook Survey shows that 60% of employers in the Health Care and Social Assistance industry were either recruiting at the time of the survey or had recruited in the past month, compared to 38% of employers across all industries in September 2021.[5] In addition, 23% of employers in the Health Care and Social industry were expecting to increase staff numbers over the next three months, the same as the rate for all industries.

Figure 11 shows the 50 skills most sought after in recruitment for the 8 largest employing Health Care and Social Assistance industry occupations over the 12 months to August 2021. Skills such as 'Communication Skills' were important across both all occupations and the top employing Health Care and Social Assistance industry occupations, being sought after in 30.5% and 28.8% of job advertisements respectively. However, a number of other skills sought after by employers for the Health Care and Social assistance occupations differ to those sought after across all occupations. For instance:

- Administrative Support (with 13.6% of largest employing Health Care and Social Assistance industry occupations recruiting for this skill compared with 3.5% across all occupations)
- Midwifery (10.4% and 1.4% of job advertisements respectively)
- First Aid (10.2% and 3.0% of job advertisements respectively)
- Working With Mental Health (10.1% and 3.0% of job advertisements respectively)
- Computer Literacy (9.2% and 4.5% of job advertisements respectively)

Figure 11: Most sought after skills in recruitment for Health Care and Social Assistance industry largest employing occupations

Microsoft Word
Administrative Functions   Meal Preparation
Meeting Deadlines
Cancer knowledge   General Practice   Case Management
Verbal Communication   Midwifery   Vaccination   Pathology   Decision Making
Time Management   Working With Patient And/Or Condition: Chronic Disease
Customer Service   Cardiopulmonary Resuscitation (CPR)
Organisational Skills   Working With Mental Health   Research
Data Entry   Nursing Support
Writing   Communication Skills   First Aid
Building Relationships   Scheduling   Administrative Support
Rehabilitation   Computer Literacy   Microsoft Office   Problem Solving
Detail-Orientated   Team Work   Patient Care   Multi-Tasking   Surgery
Immunisations   Written Communication   Care Planning   Home Care   Nursing
Clinical Experience   Microsoft Excel   Planning   Leadership   Paediatrics
Child Care   Prioritising Tasks   Mentoring
Energetic

Source: Burning Glass Technologies, 12 months to August 2021, most commonly requested skills in job advertisements for select occupations (ANZSCO: 2544, 4231, 5421, 4233, 4211, 2531, 4117, 5311).
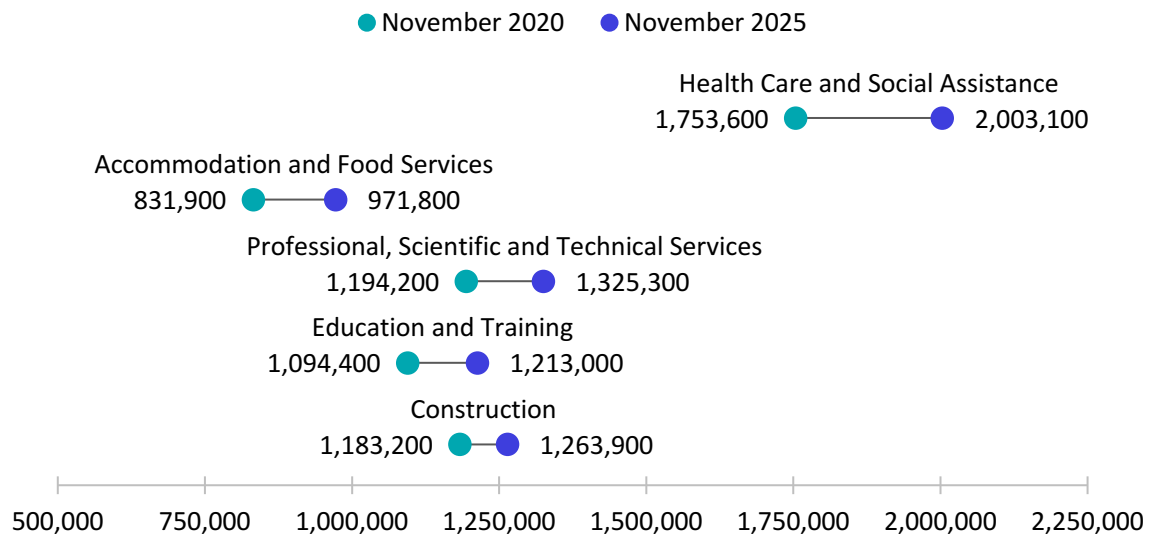Note: Font size represents the number of job advertisements requesting the given skill.

Health Care and Social Assistance industry – projected future employment

While IVI data can be used as an indicator of current demand, the NSC's employment projections provide insight to the future direction of the labour market.

Employment is projected to increase in 17 of the 19 broad industries over the five years to November 2025 according to the latest projections. Notably, the Health Care and Social Assistance industry is projected to make the largest contribution to employment growth over the period (increasing by 249,500 persons or 14.2%) (Figure 12).

This projected growth is supported by continued investment in public health care at the state and federal levels along with ongoing demand generated by the National Disability Insurance Scheme. Increasing demand for childcare and Australia's ageing population also contribute to this strong projected growth, with employment in this industry, as discussed, having been relatively resilient to the impacts of COVID-19.

Figure 12: Top five largest projected employment growth industries – five years to November 2025

● November 2020   ● November 2025

Health Care and Social Assistance
1,753,600 ●————● 2,003,100

Accommodation and Food Services
831,900 ●—● 971,800

Professional, Scientific and Technical Services
1,194,200 ●—● 1,325,300

Education and Training
1,094,400 ●—● 1,213,000

Construction
1,183,200 ●—● 1,263,900

| 500,000 | 750,000 | 1,000,000 | 1,250,000 | 1,500,000 | 1,750,000 | 2,000,000 | 2,250,000 |

Source: National Skills Commission, Employment Projections by Industry, five years to November 2025.