



Employment Outlook for Retail Trade



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Introduction

The Retail industry is the largest employing industry in the Australian economy, employing 1 203 300 people as at February 2009 (or 11.1 per cent of the total workforce). The Retail industry is strongly influenced by the economic cycle, with interest rates, disposable income levels, consumer confidence and the technological environment also being vital to the performance of the industry.

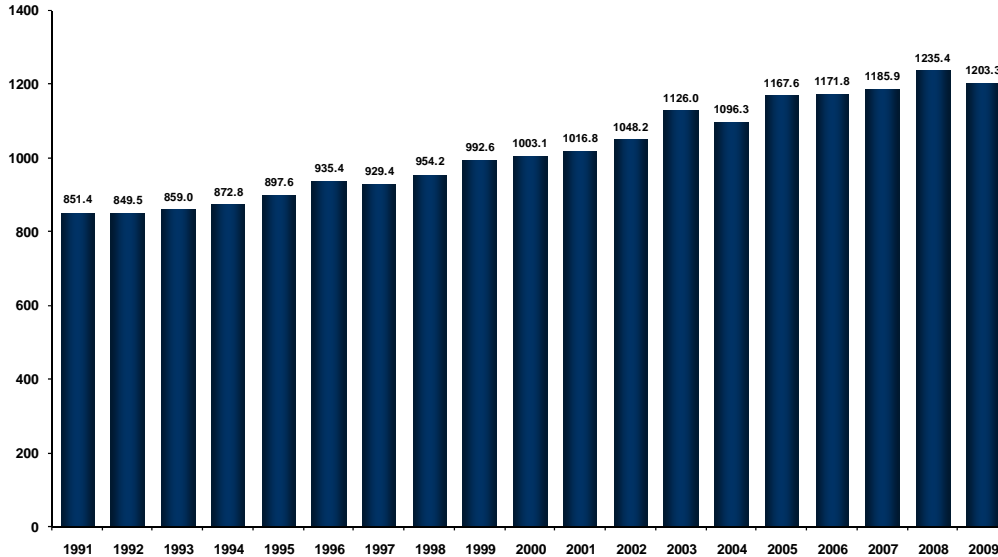
The industry is roughly divided into 14 sectors: Supermarket and Grocery Stores; Pharmaceutical and Other Store-Based Retail; Clothing, Footwear and Accessory Retail; Specialised Food Retail; Department Stores; Hardware, Building and Garden Supplies Retail; Motor Vehicle Retail; Recreational Goods Retail; Electrical and Electronic Goods Retail; Furniture, Floor Coverings, Houseware and Textile Retail; Fuel Retail; Motor Vehicle Parts and Tyre Retail; Non-Store Retail; and Commission-Based Retail (Buying and Selling).

The discussion below focuses on employment characteristics, trends and prospects in the Retail industry, and highlights sectors where job growth is strongest. The analysis of characteristics includes workforce ageing, employment share by gender, educational profile, weekly earnings, average hours worked, regional and occupational employment and vacancies.

Employment Growth

Employment in the Retail industry has shown moderate long-term growth (see Figure 1). In the five years to February 2009, employment in Retail rose by 107 000 (or 9.8 per cent) to 1 203 300. This represents an average annual growth rate of 1.9 per cent.

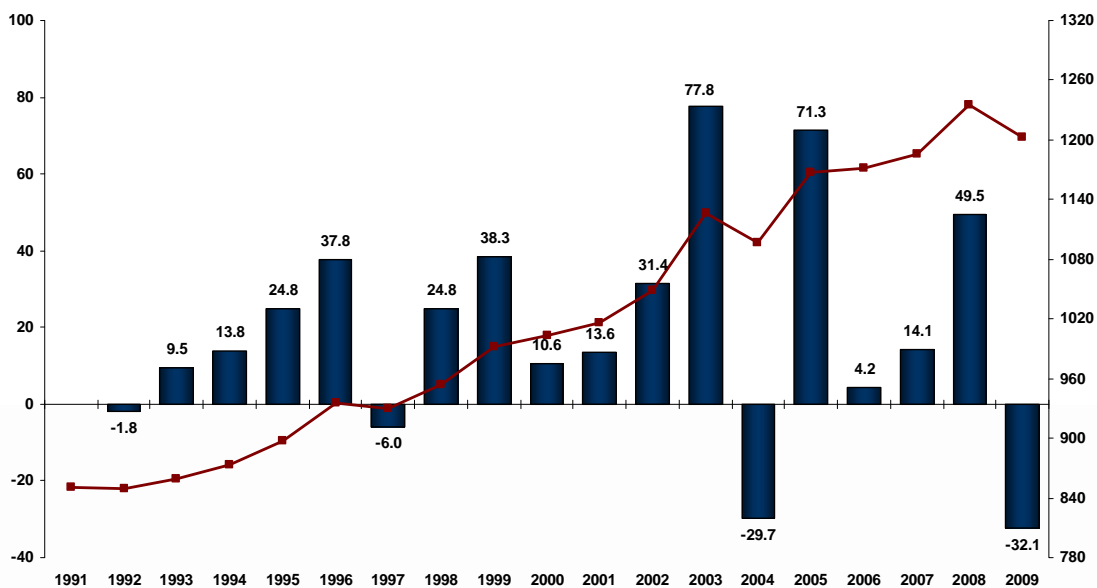
Figure 1: Employment Level ('000s) - February 1991 to February 2009



Source: ABS Labour Force Survey (DEEWR trend data)

While long-term job growth is evident, employment in Retail is vulnerable to fluctuations in the economy (see Figure 2). Annual growth has been somewhat variable over the previous 10 years with the employment level falling in the year to February 2009 (down by 32 100) following four consecutive rises in the years to February 2008 (up by 49 500), February 2007 (up by 14 100) and February 2006 (up by 4200), and a strong rise in the year to February 2005 (up by 71 300).

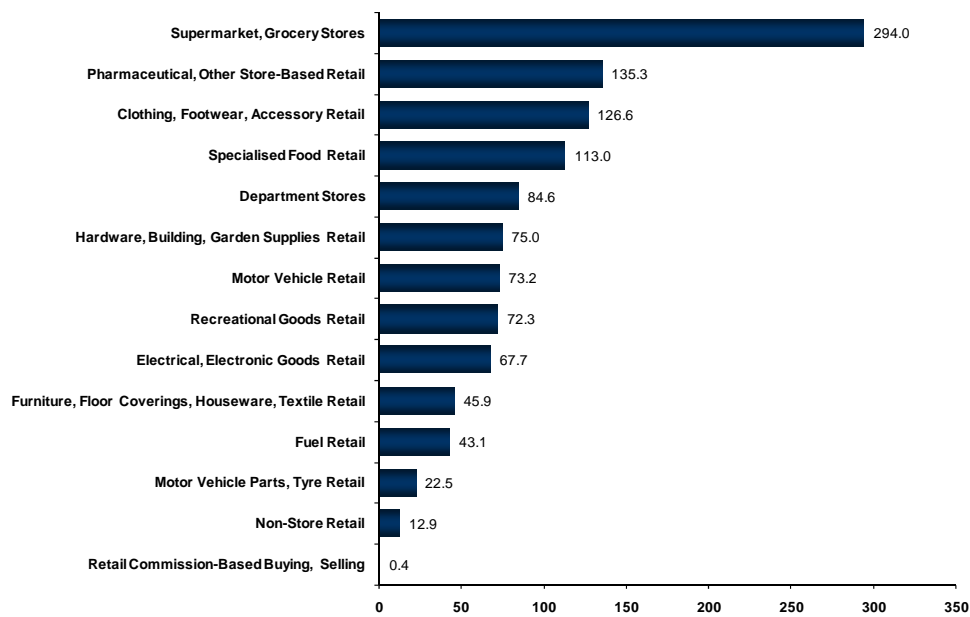
Figure 2: Employment Level (line RHS) and Annual Change ('000) - year to February (cols LHS)



Source: ABS Labour Force Survey (DEEWR trend data)

When employment in the Retail Trade industry is broken down into specific sectors, the main contributors to employment can be identified. Figure 3 highlights the distribution of Retail employment, specifically its concentration in Supermarket and Grocery Stores (294 000 workers or 25.2 per cent of industry employment). Pharmaceutical and Other Store-Based Retail was the second largest sector, employing 135 300 workers (or 11.6 per cent), followed by Clothing, Footwear and Accessory Retail (126 600 or 10.9 per cent) and Specialised Food Retail (113 000 or 9.7 per cent). A very small number of employees (400 or less than one per cent) were employed in Commission-Based Retail (Buying and Selling) and a small number of workers were employed in Non-Store Retail (12 900 or 1.1 per cent) and in Motor Vehicle Parts and Tyre Retail (22 500 or 1.9 per cent).

Figure 3: Retail Sectors - Employment Levels ('000s) - February 2009



Source: ABS Labour Force Survey (DEEWR trend data)

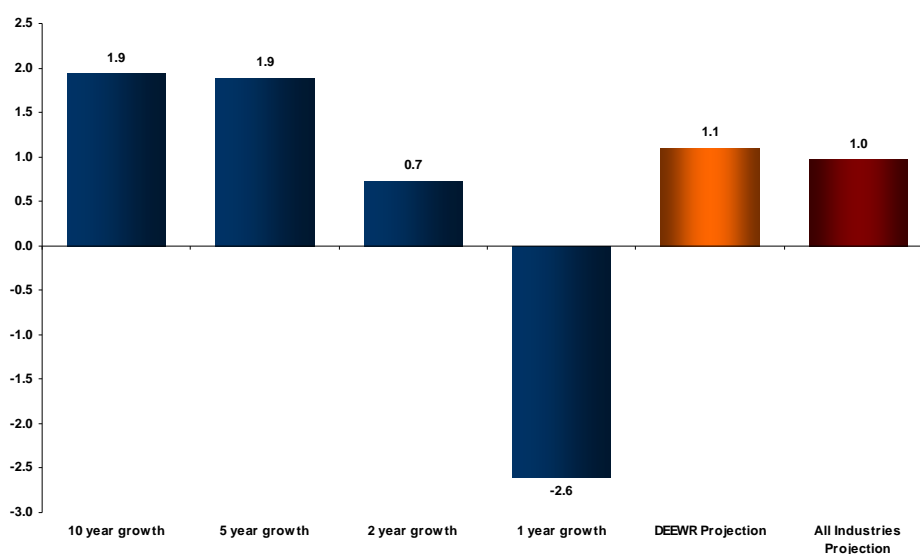
Employment Prospects

The Department of Education, Employment and Workplace Relations (DEEWR) prepares annual updates of employment projections for industries for the next five years. These are based in part on the Monash model developed by the Centre of Policy Studies at Monash University, but also take into account recent employment trends and prospective industry developments. It should be noted that a certain degree of risk is attached to these employment projections, especially for sectors within the broader Retail Trade industry.

Being a very competitive industry, Retail Trade adapts to new technologies to become more efficient, reduce costs and ultimately increase sales, including through new products. The emergence of e-businesses is just one example of how technology has increased competition. Australia's ageing population will also have an impact on the industry, albeit more through consumers than workers. As consumer tastes and preferences change, so too must the industry.

In the five years to 2013-14, employment in the Retail Trade industry is expected to grow at an average rate of 1.1 per cent per annum, which equates to around 67 600 new jobs (see Figure 4). This compares with an average annual growth rate of 1.0 per cent across all industries over the same period.

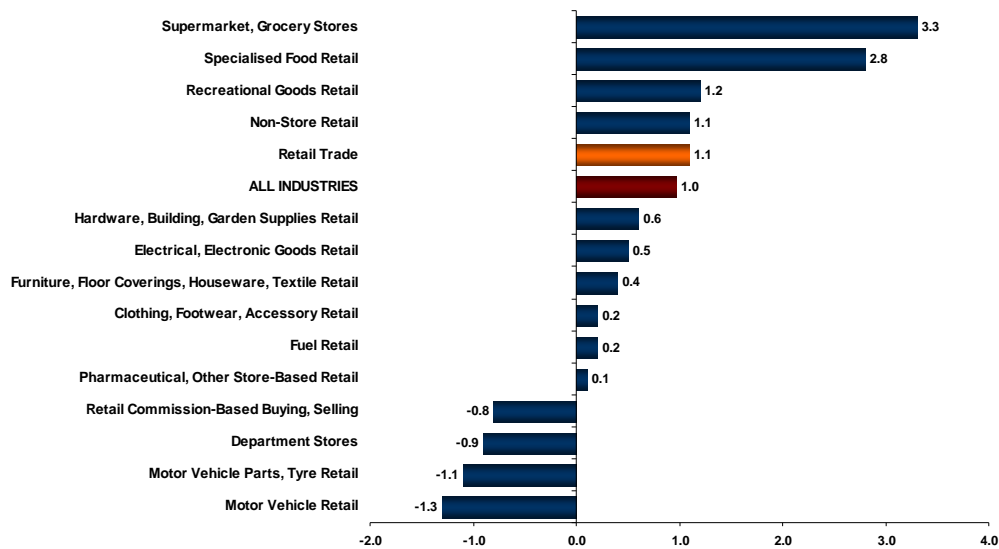
Figure 4: Recent and Projected Employment Growth (% pa) - to February 2009 (past) and 5 years to 2013-2014 (projected)



Source: ABS Labour Force Survey (DEEWR trend data); DEEWR projections

Supermarket and Grocery Stores are expected to have the strongest annual employment growth of 3.3 per cent per annum in the five years to 2013-14 (see Figure 5), followed by Specialised Food Retail (2.8 per cent per annum). Negative employment growth is projected for Motor Vehicle Retail (down by 1.3 per cent per annum), Motor Vehicle Parts and Tyre Retail (1.1 per cent), Department Stores (0.9 per cent) and Commission-Based Retail (Buying and Selling, 0.8 per cent).

Figure 5: Retail Trade Sectors - Projected Employment Growth (% pa) to 2013-2014

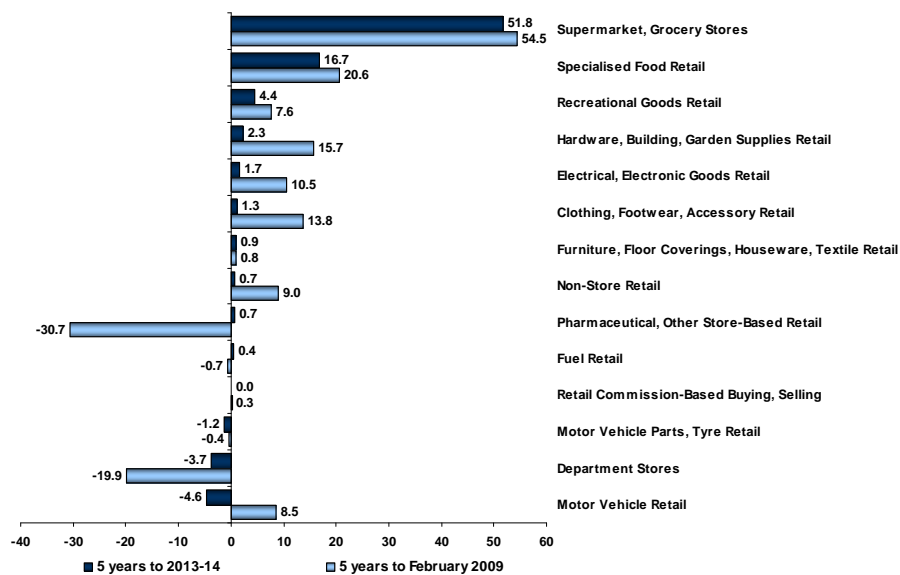


Source: DEEWR projections

Recent and projected growth figures vary across the 14 Retail Trade sectors (see Figure 6). In the five years to February 2009, Supermarket and Grocery Stores have gained by far the highest number of jobs (up by 54 500). This was followed by Specialised Food Retail (20 600) and Recreational Goods Retail (7600). Negative employment growth figures were high in Pharmaceutical and Other Store-Based Retail (down by 30 700) and Department Stores (19 900).

Looking ahead, in the five years to 2013-14, 11 of the 14 Retail Trade sectors are expected to experience employment growth. The main contributors to future growth in the industry are projected to be Supermarket and Grocery Stores (up by 51 800) and Specialised Food Retail (up by 16 700). Declines in employment growth are projected for Motor Vehicle Retail (down by 4600), Department Stores (3700) and Motor Vehicle Parts and Tyre Retail (1200).

Figure 6: Retail Trade Sectors - Recent and Future Employment Growth ('000) - 5 years to February 2009 (past) and to 2013-14 (projected)

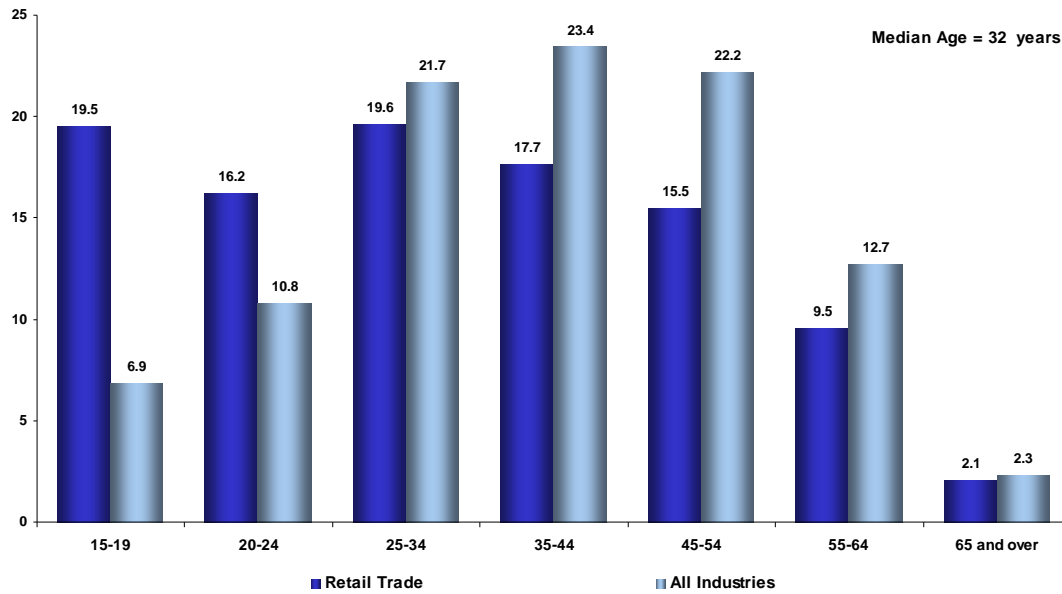


Source: ABS Labour Force Survey (DEEWR trend data); DEEWR projections

Workforce Ageing

In comparison to all industries, Retail Trade has a workforce which is skewed towards younger workers, with 73.0 per cent of the workforce aged less than 44 years, and a relatively low 27.1 per cent aged 45 years and older (see Figure 7). This reflects a high proportion of youth employment, with many working part-time while in full-time education. This industry, typically requiring fewer skills, is ideal for inexperienced younger workers and accessible to a wide range of labour force entrants.

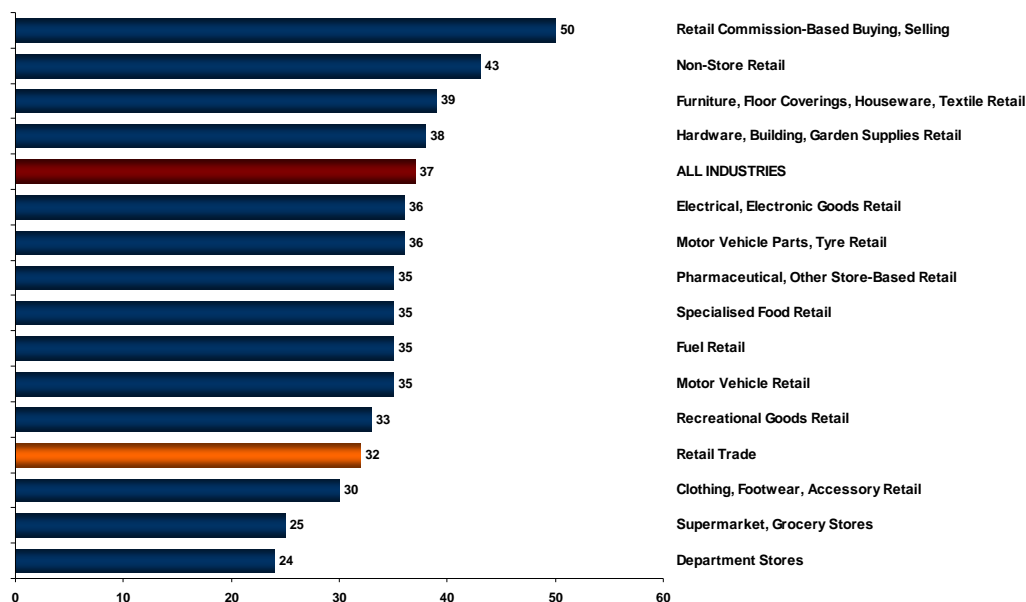
Figure 7: Employed by Age compared with All Industries (% share of employment) - 2008



Source: ABS Labour Force Survey

In 2008, the median age for Retail Trade was 32 years and only four industry sectors in Retail Trade had a median age above that of all industries (37 years). Commission-Based Retail (Buying and Selling) had a median age of 50 years, followed by Non-Store Retail (43 years), Furniture, Floor Coverings, Houseware and Textile Retail (39 years) and Hardware, Building and Garden Supplies Retail (38 years). Department Stores had the lowest median age of 24 years, followed by Supermarket and Grocery Stores (25 years) and Clothing, Footwear and Accessory Retail (30 years).

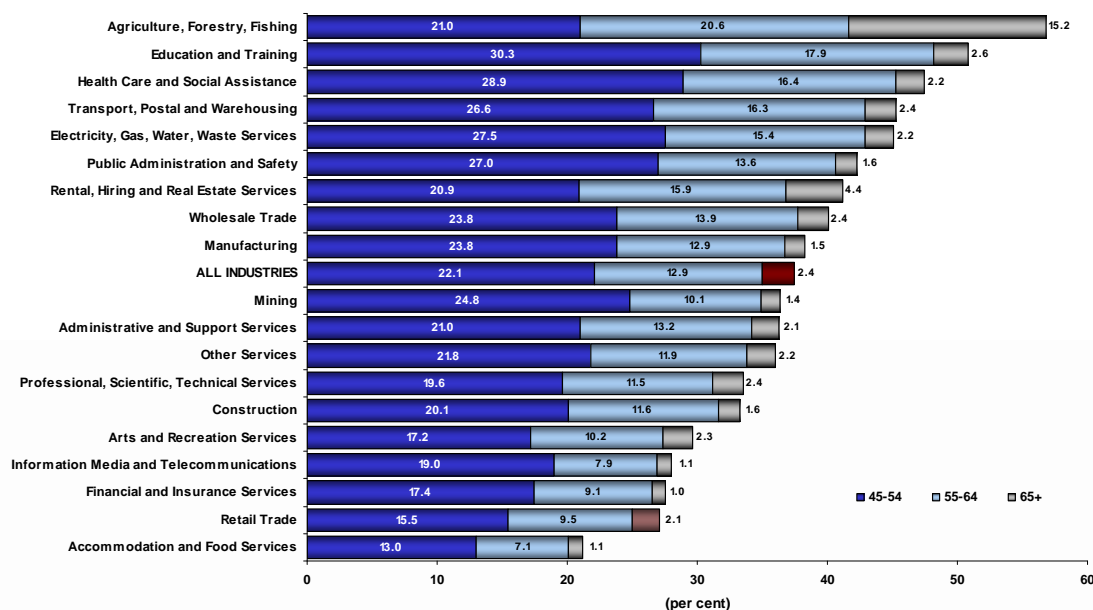
Figure 8: Retail Trade Sectors, Median Age - years 2008



Source: ABS Labour Force Survey

Of the 19 Australian and New Zealand Industrial Classification 2006 (ANZSIC 2006) industries, Retail Trade has the second lowest percentage of workers aged 45 years and over. Only 2.1 per cent of the industry workforce is aged 65 years and over, compared with 2.4 per cent for all industries. The industry also has the second lowest share of workers aged 45 to 54 years (15.5 per cent) and the fourth lowest share of workers aged 55 to 64 years (9.5 per cent).

Figure 9: Mature Age workers (45+ years) % share of employment – 2008

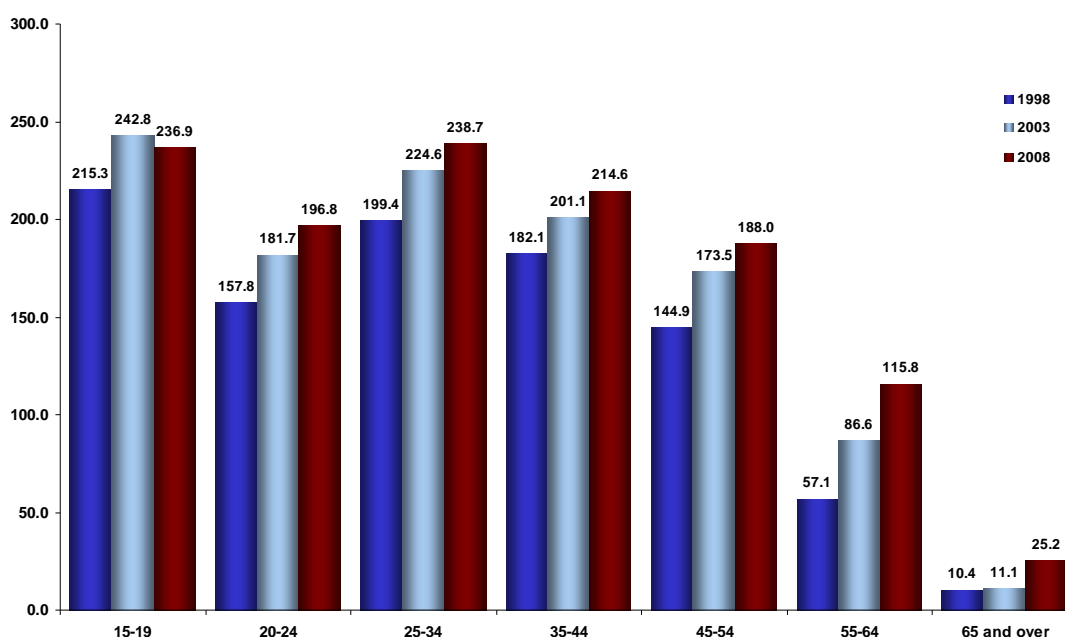


Source: ABS Labour Force Survey

Figure 10 shows employment by age group for three calendar years: 1998, 2003 and 2008. This provides a guide to changes in the employment mix by age group in the industry. As the Australian workforce experiences an increase in the median age of the population, it is important that there is a supply of prime age and mature age workers entering the workforce.

Figure 10 shows that, over time, the Retail Trade industry is employing more workers in all age groups. Growth has been strongest in the 55 to 64 years category, with an increase of 58 700 workers over the past 10 years. This age group also held the highest percentage growth rate (102.8 per cent) over the same time period, although it should be noted that in 1998 workers in this age group had a low share of total employment in the industry. Most importantly, over the past 10 years, employment in the 20 to 24 years category has increased by 24.7 per cent (or 39 000) and by 10.0 per cent (or 21 600 workers) for those aged 15 to 19 years.

Figure 10: Employment by Age ('000) - 1998, 2003 and 2008

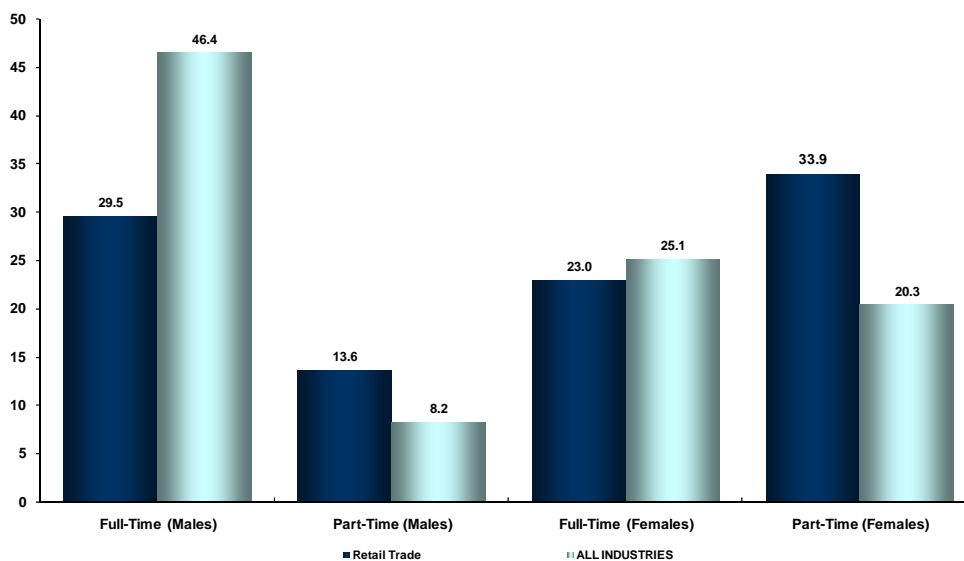


Source: ABS Labour Force Survey

Employment by Gender and Full-time/Part-time

Employment in the Retail industry is dominated by female workers: 56.9 per cent of the Retail workforce is female compared with 45.4 per cent for all industries (see Figure 11). It is important to highlight that there is a large share of female part-time employees (33.9 per cent), and a slightly lower share of male full-time workers in the industry (29.5 per cent). This can be attributed to the nature of the industry. Male dominated areas of the Retail industry tend to be less flexible with respect to working hours (for example Motor Vehicle Services), while many women require the flexibility of working part-time while raising children or when closer to the end of their working careers (for example in Clothing, Footwear and Accessory Retail and Department Stores).

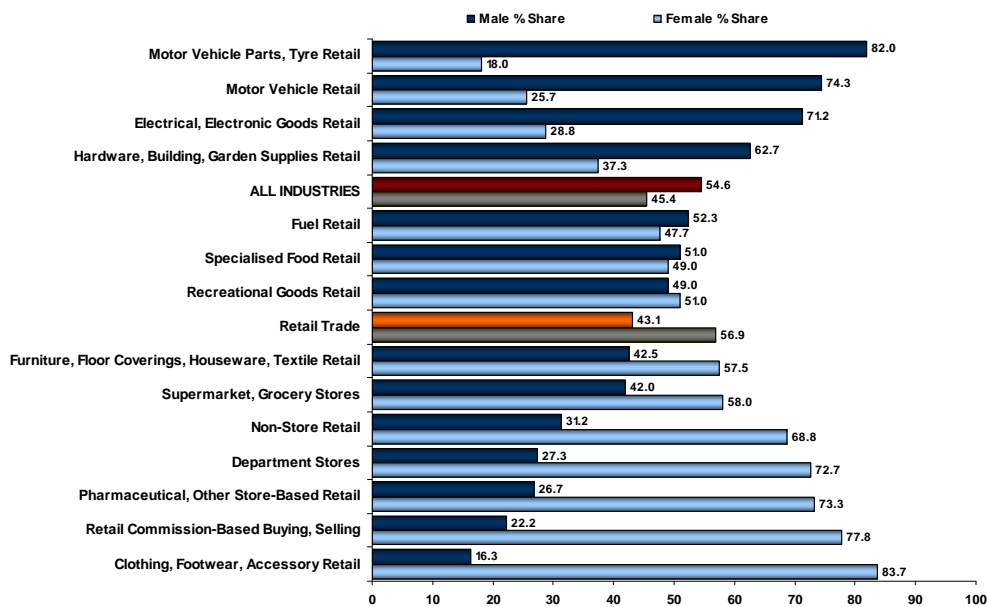
Figure 11: Employment by Gender and Full Time/Part Time (% share) - Year to February 2009



Source: ABS Labour Force Survey

Traditionally, Retail Trade is an industry which has been associated with female workers. This perception is highlighted by Figure 12 where female workers account for the majority share of employment in eight of the industry's 14 sectors, most notably in Clothing, Footwear and Accessory Retail (83.7 per cent), Commission-Based Retail (Buying and Selling) (77.8 per cent), Pharmaceutical and Other Store-Based Retail (73.3 per cent) and Department Stores (72.7 per cent). Motor Vehicle Parts and Tyre Retail employed the highest proportion of males (82.0 per cent), followed by Motor Vehicle Retail (74.3 per cent) and Electrical and Electronic Goods Retail (71.2 per cent).

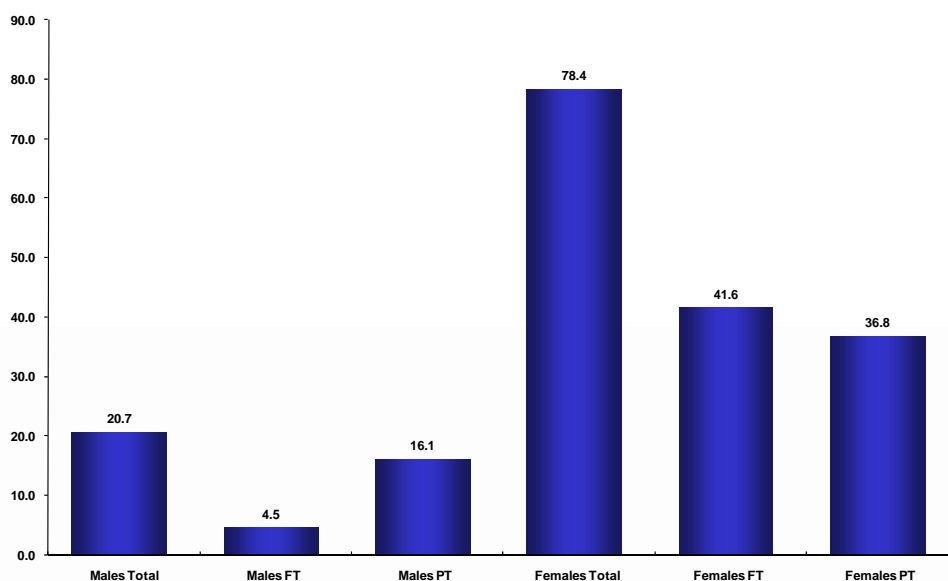
Figure 12: Retail Sectors - Employment by Gender (% share) - year to February 2009



Source: ABS Labour Force Survey

Growth in total female employment in Retail has been much stronger over the five years to February 2009 than male employment (78 400 compared with 20 700). There has been particularly marked growth in female full-time employment of (41 600).

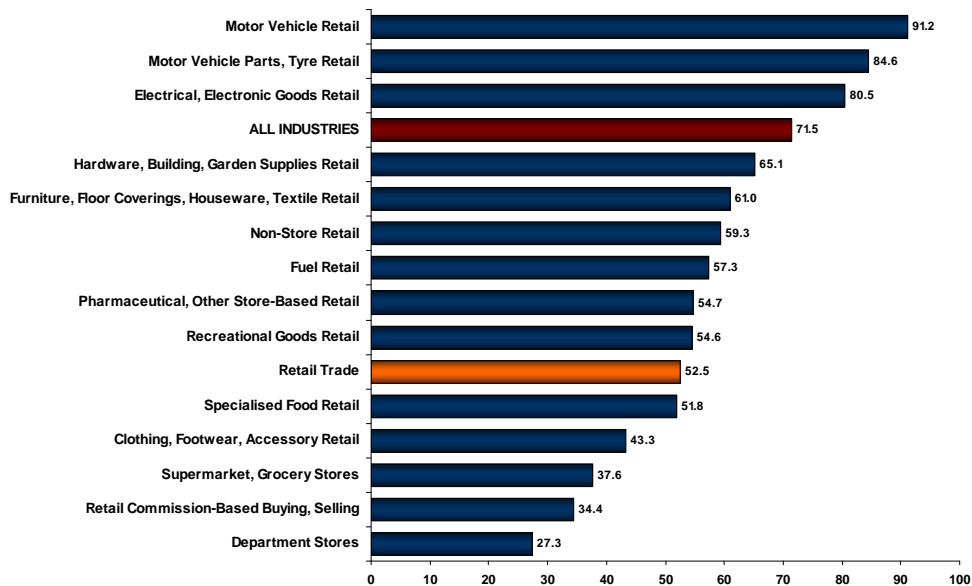
Figure 13: Employment Growth by Gender (5 years) Full-Time/Part-Time ('000s) Year to February 2009



Source: ABS Labour Force Survey

The majority of the Retail industry sectors have a lower full-time employment share than all industries (71.5 per cent, see Figure 14). The highest full-time employment shares can be found in Motor Vehicle Retail (91.2 per cent), followed by Motor Vehicle Parts and Tyre Retail (84.6 per cent) and Electrical and Electronic Goods Retail (80.5 per cent). Department Stores (27.3 per cent), Commission-Based Retail (Buying and Selling) (34.4 per cent), Supermarket and Grocery Stores (37.6 per cent) and Clothing, Footwear and Accessory Retail (43.3 per cent) have the lowest shares of full-time employment.

Figure 14: Per cent share working full-time - year to February 2009

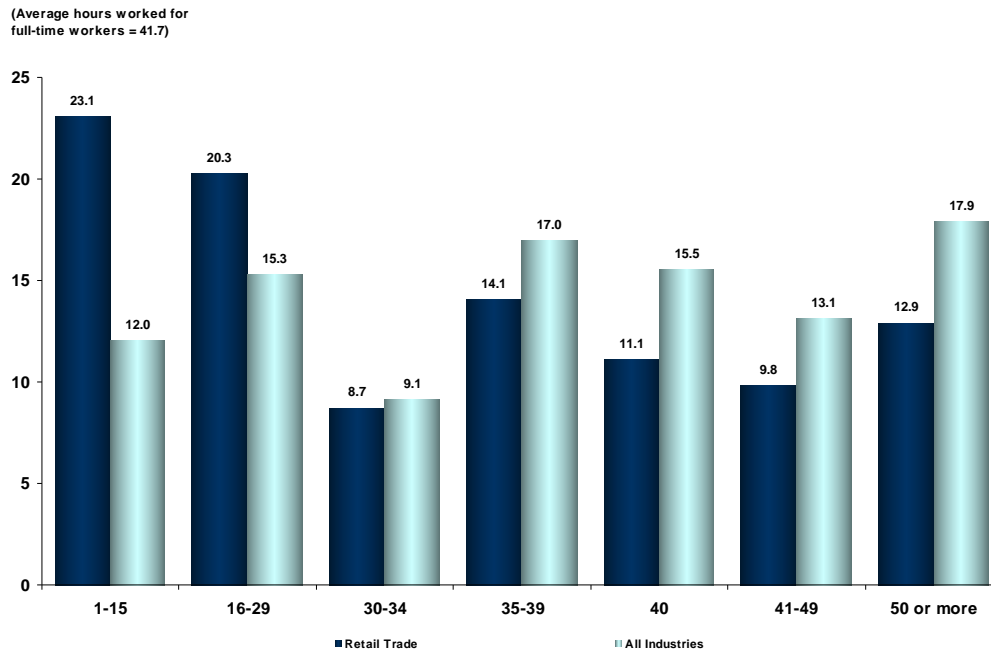


Source: ABS Labour Force Survey

Hours Worked

The Retail Trade industry has a slightly higher overall average of weekly hours for full-time workers (41.7 hours) in comparison with all industries (41.3 hours). The highest shares of workers in Retail Trade however, were recorded in the 1 to 15 hours and 16 to 29 hours categories (23.1 per cent and 20.3 per cent respectively). Those working 30 hours or more were below the shares for all industries, especially those working in the 50 hours or more (12.9 per cent compared to 17.9 per cent for all industries).

Figure 15: Hours of Work (% share) - Year to February 2009



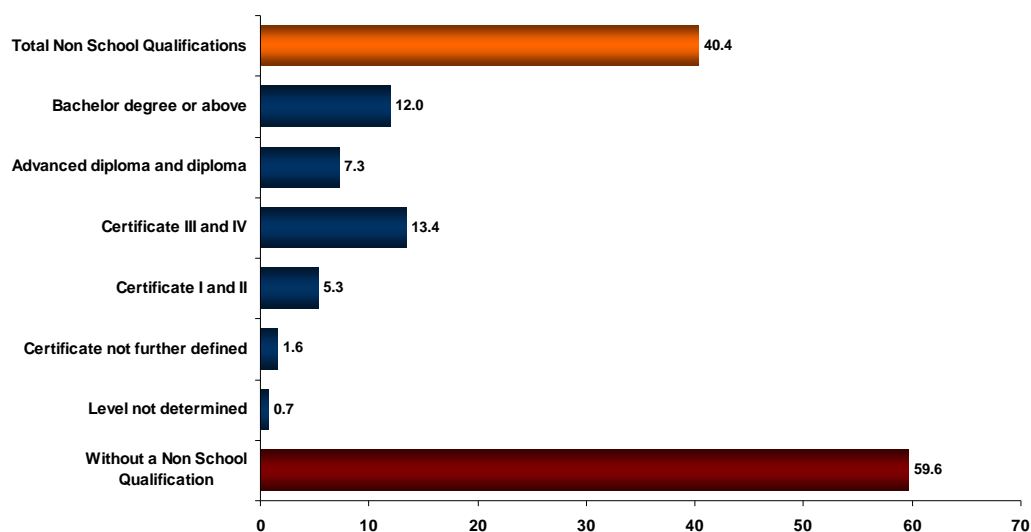
Source: ABS Labour Force Survey

Employment Characteristics

Educational Profile

Due to its large size and long-term employment growth, the Retail Trade industry has provided job opportunities for large numbers of low skilled workers in the past. In May 2008, there were 59.6 per cent of workers employed in the industry without a non-school qualification (see Figure 16), compared with 39.8 per cent for all industries. Of the 40.4 per cent of Retail Trade workers who held non-school qualifications, 13.4 per cent had a Certificate III or IV, followed by workers who had attained a Bachelor Degree or above (12.0 per cent). Only 5.3 per cent of the Retail Trade workforce held a Certificate I or II.

Figure 16: Educational Attainment (% share of employment) - May 2008

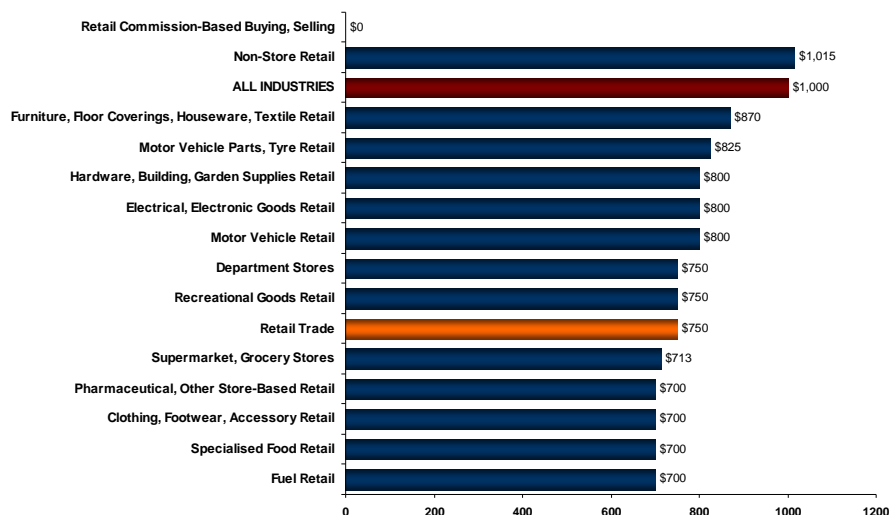


Source: ABS Education and Work, Cat. no. 6227.0

Median Weekly Earnings

Median weekly full-time earnings in Retail Trade in 2008 (\$750) were lower than earnings for all industries (\$1000) as shown in Figure 17. The Retail sector with the highest median weekly full-time earnings was Non-Store Retail (\$1015), followed by Furniture, Floor Coverings, Houseware and Textile Retail (\$870) and Motor Vehicle Parts and Tyre Retail (\$825). Fuel Retail; Specialised Food Retail; Clothing, Footwear and Accessory Retail; and Pharmaceutical and Other Store-Based Retail had the lowest median weekly full-time earnings of \$700. The low earnings in Retail Trade can be attributed in part to the relatively young age and low skill of workers within the industry.

Figure 17: Retail Trade Sectors, Median weekly earning (full-time and before tax) – August 2008

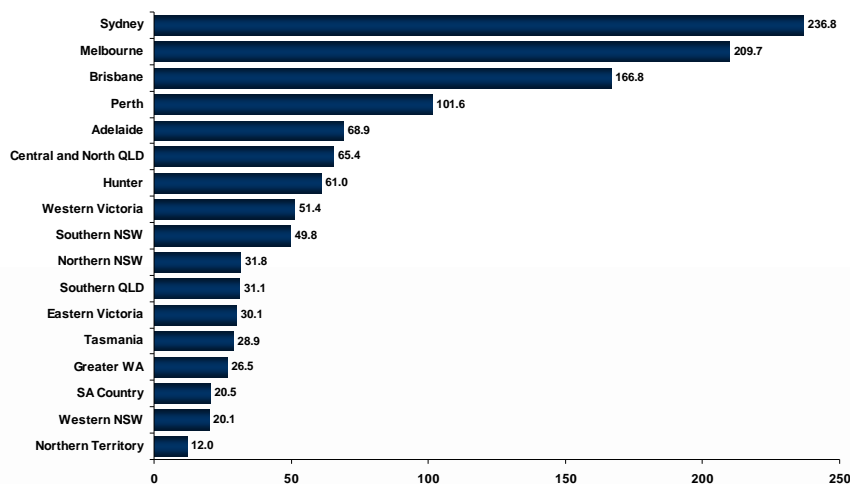


Source: ABS Employee Earnings, Benefits and Trade Union Membership, Cat. no. 6310.0

Main Employing Regions

Employment in the Retail Trade industry generally reflects the population in the larger cities, with Sydney employing most workers in the industry (236 800), followed by Melbourne (209 700), Brisbane (166 800) and Perth (101 600), as shown in Figure 18. Rural regions have a lower number of Retail Trade industry workers, such as the Northern Territory (12 000) and Western New South Wales (20 100).

Figure 18: Main Employing Regions ('000) - February 2009

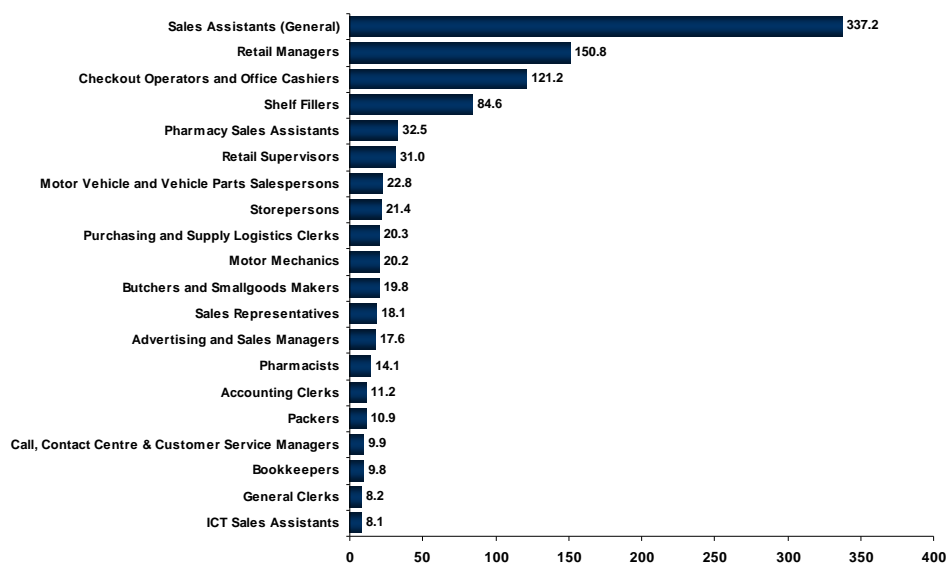


Source: ABS Labour Force Survey

Main Employing Occupations

It is useful for job seeking and career advice, to identify key occupations within an industry. Occupations are generally spread across a variety of industries and may not normally be associated with particular industries. The Retail Trade industry is relatively labour intensive, and the largest occupations in the year 2008 were Sales Assistants (337 200 - see Figure 19), Retail Managers (150 800), Checkout Operators and Office Cashiers (121 200) and Shelf Fillers (84 600). The number of employees working in support roles was relatively low. For example, there were 11 200 Accounting Clerks, 9900 Call, Contact Centre and Customer Service Managers, 9800 Bookkeepers and 8200 General Clerks.

Figure 19: Top 20 Employing Occupations ('000) in 2008



Source: ABS Labour Force Survey

Further information on occupations is available on the Job Outlook website (www.joboutlook.gov.au)

For further information on the Retail Trade industry (or other industries), visit the SkillsInfo website at skillsinfo.gov.au. SkillsInfo provides a range of skills related information for industries and regions. The website offers a broad range of information on employment, careers, education and training and skills issues – including workforce ageing, skills in demand, labour force data, ICT and employability skills, as well as quick links to skills information. Data are sourced mainly from the ABS Labour Force Survey.

SkillsInfo also brings together a large collection of links to external industry and skills related websites.

