

ECONOMICS FACT SHEETLabour turnover in 2018



8.1% of the Australian workforce changed employers or the business they ran in the year to February 2018, according to the Australian Bureau of Statistics (ABS)*.

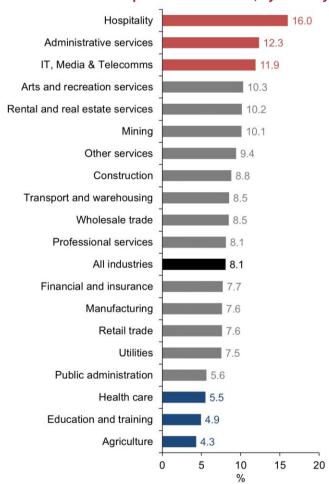
The ABS estimates that more than one million Australian workers changed employers or the business they ran in the year to February 2018. Although the absolute number of people changing jobs rose significantly in the year to February 2018, so too did the size of the entire workforce, and so the *proportion* of the workforce that changed jobs rose only slightly, to 8.1% in February 2018. This is still near the record low of 7.7% of the workforce that changed businesses in the previous 12 months in 2017. It is much lower than in the 1970's and 1980's when more than 15% of the workforce typically changed employer in each 12 month period (Chart 2). A separate survey by the Australian Institute of Management found that average resignation rates in organisations was 10.3% in 2016, down from 13.4% in 2012. This is higher than the ABS estimate of the proportion of the workforce that changed businesses in 2016 (8.0%) but has a slightly different data definition and methodology (e.g. for people changing jobs within businesses).

In the year to February 2018, a total of 1.88 million people ceased a job during the year. About two-thirds (1.24 million or 66%) left their job voluntarily and one third (640,000 or 34%) left their job involuntarily. The single most common reason for job separation was 'wanting to obtain better job conditions or wanting a change' (23.8%). Only 27,700 people left their most recent job to start their own business in the year to February 2018. At the same time, about 1.4 million people entered the Australian workforce for the first time in at least a year; this group were working in February 2018 but had not been in February 2017.

Across industries, hospitality workers were the most likely to change jobs in the year to February 2018, with 16.0% changing employer or business, followed by administrative services (12.3%) and IT, media and telecommunications (11.9%). Agricultural workers were the least likely to change employer or business in the past 12 months followed by workers in the education and health care industries (Chart 1).

Across occupations, labourers were the most likely to change jobs in the past 12 months followed by community and personal service workers. Managers were the least likely to change jobs in the past 12 months followed by professionals (Table 1).

Chart 1: Proportion of workforce that changed employer or business in the previous 12 months, by industry



aigroup.com.au/economics

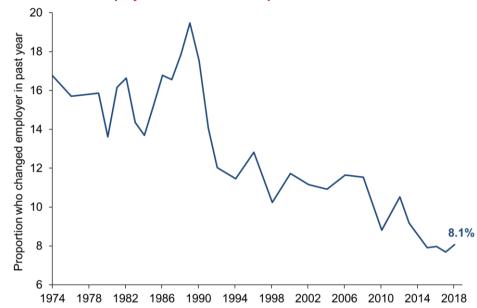
^{*} There are no national data on labour 'turnover rates' for Australia. Instead, 'duration of continuous employment in current business' is utilised in this factsheet as a proxy indicator.

Table 1: Changed job in the previous 12 months, by industry and occupation

	Workforce (Feb 2018)	Changed business in the past year	Proportion of workforce that changed business in the past year
Industry	'000s	'000s	%
Agriculture	308.8	13.4	4.3
Mining	193.1	19.6	10.1
Manufacturing	819.1	62.5	7.6
Utilities	144.7	10.9	7.5
Construction	1,046.3	92.3	8.8
Wholesale trade	314.4	26.6	8.5
Retail trade	1,109.8	84.6	7.6
Hospitality	695.8	111.3	16.0
Transport and warehousing	575.7	49.0	8.5
IT, Media & Telecomms	206.4	24.6	11.9
Financial and insurance	390.6	30.2	7.7
Rental and real estate services	188.1	19.1	10.2
Professional services	931.8	75.7	8.1
Administrative services	371.3	45.8	12.3
Public administration	646.7	36.5	5.6
Education and training	921.1	45.5	4.9
Health care	1,494.3	82.1	5.5
Arts and recreation services	238.0	24.5	10.3
Other services	438.3	41.3	9.4
All industries	12,454.4	1,004.8	8.1
Occupations			
Managers	1,394.2	74.5	5.3
Professionals	2,741.9	211.9	7.7
Technicians and trades workers	1,613.8	136.5	8.5
Community and personal service workers	1,110.3	106.4	9.6
Clerical and administrative workers	1,486.4	118.2	7.9
Sales workers	957.4	81.6	8.5
Machinery operators and drivers	708.3	63.9	9.0
Labourers	1,010.2	99.9	9.9

Sources: ABS, *Participation, Job Search and Mobility*, Feb 2018 (here); Australian Institute of Management, 2016 Staff Retention Report, 2016 (here).

Chart 2: Proportion of workforce that changed employer or business in the previous 12 months



Data information

The statistics used in this fact sheet were primarily sourced from the *Participation, Job Search and Mobility, Australia (PJSM) survey* conducted throughout Australia in February 2018 as a supplement to the Australian Bureau of Statistics (ABS) monthly Labour Force Survey (LFS). This survey informs on the following broad labour market issues: labour force participation potential; underemployment and marginal attachment; as well as job search experience and labour mobility.

These data illustrate the dynamic nature of the labour market and provides further insights into labour mobility – that is, the ability of workers to move between jobs – in Australia. The monthly labour force numbers are often interpreted in a static way, for example, in June 2018 the trend increase in employment of 27,000 people comprised of well over 300,000 people entering employment, and more than 300,000 leaving employment in the month.

Ai Group Economics and Research Team

Website: www.aigroup.com.au/policy-and-research/economics/ Email: economics@aigroup.com.au/