



HUNTER RESEARCH
FOUNDATION

FUTURE OF JOBS
IN THE **HUNTER**

THE FUTURE OF HUNTER JOBS

Dr Brent Jenkins, CEO



HUNTER RESEARCH
FOUNDATION

CELEBRATING 60 YEARS 1956 - 2016



**Keolis
Downer**

WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

PRESENTATION OUTLINE



- Context
 - Australia is transitioning the post-mining investment boom in a difficult global situation
 - The Hunter is following suit, more or less successfully
 - Key to success in the future will be knowledge-based industries
- The Future of Jobs in the Hunter
 - Methodology
 - 6 core sectors
 - Challenges and opportunities
 - Key enablers



THE AUSTRALIAN ECONOMY IS OUTGROWING OTHER GLOBAL ECONOMIES AND CREATING JOBS

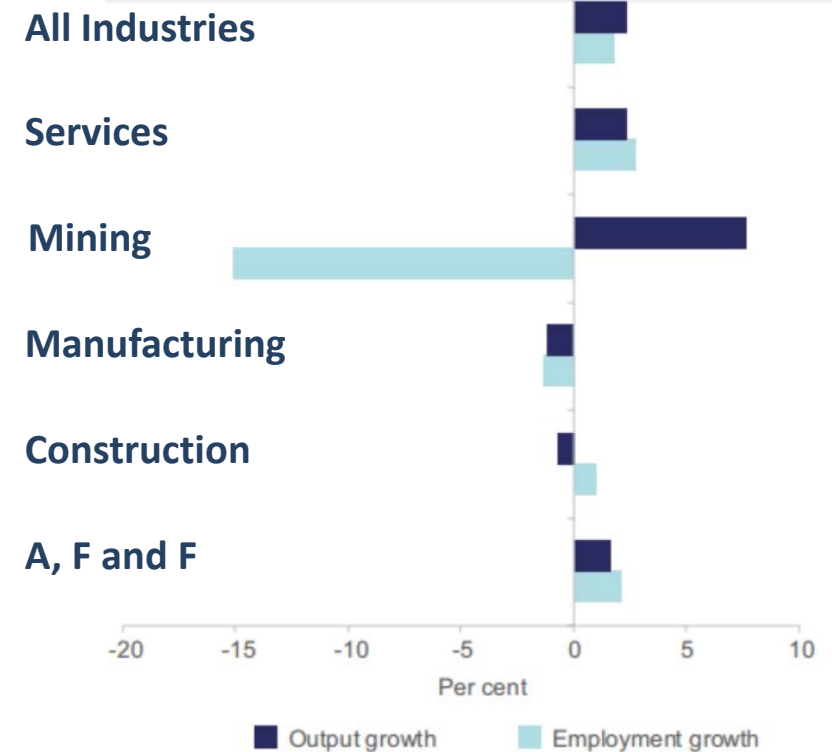


Est. Global GDP Growth Rates %

Area	2016 Projection
USA	2.2
Euro Area	1.6
Japan	0.3
UK	1.7
China	6.6
India	7.4
Canada	1.4
South Africa	0.1
Australia	2.5

Source: IMF

Australian Growth in Output and Employment by Industry 2014-15



Source: ABS

THE CHANGES IN EMPLOYMENT MIX HAVE BEEN PRONOUNCED HUNTER



Hunter Industry Shares of Employment

Sector	2004-05 %	2014-15 %	Includes
Social Services	23.5	26.4	Public Administration, Health Care, Education and Training
Distribution Services	22.6	17.9	Retail and Wholesale Trade, ITC, Transport
Business Services	12.2	11.1	Rental, Hiring & Real Estate Services. Professional, Scientific & Technical Administrative & Support Services Financial & Insurance Services
Personal Services	14.4	15.9	Accommodation & Food Services, Arts & Recreation Services, Other Services
Manufacturing	10.4	9.3	
Construction	10.5	9.4	
Agriculture Forestry and Fishing	1.8	3.1	
Mining	3.3	5.7	
Utilities	1.3	1.7	



FURTHER CHANGES WILL CONTINUE TO DISRUPT OUR NOTION OF EMPLOYMENT DISRUPTION



65 per cent of primary school aged children in America will end up in jobs that haven't been invented yet.

47 per cent of jobs in the US will be computerised within one or two decades.

More than **five million of Australia's jobs could disappear within the next 15 years** as technology revolutionises our working lives

Job loss rate could be much higher in rural and regional areas as technology makes labour-intensive work redundant.

Australia's Future Workforce? CEDA 2015

WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

PHASE 1: METHODOLOGY



HRF has examined **6 key sectors** of the Hunter economy and looked at future job growth prospects:

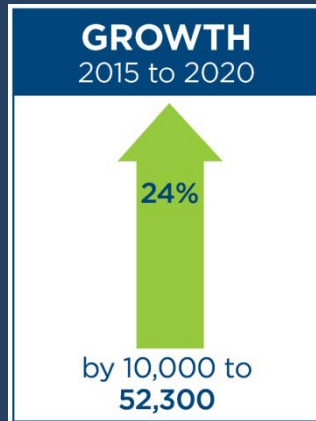
- **Health Care, Business Services, Education and Training, Hospitality, Retail and Construction**

Projections to 2020 by Dept. of Employment based on Dec 2015 MYEFO and continued long term structural shift towards services

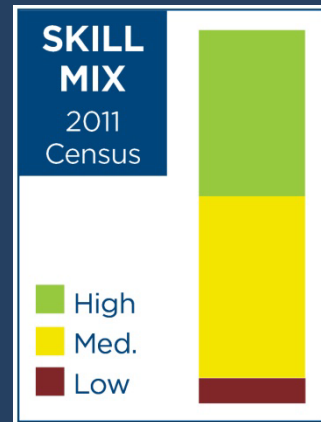
Also looked at growth drivers, enablers and key strategies to “stick” these jobs in the Hunter Region

Research supported by  **Keolis
Downer**

WHAT IS THE FUTURE OF JOBS IN THE HUNTER? HEALTH CARE



Jobs Ratio:
Full-time: Part-time
1.1:1



Average Wage:
\$72k pa

Growth Drivers:

- NDIS
- Ageing population (15% growth)
- Increased childcare, in-home care
- Medical research (UoN, HMRI)
- NBN rollout and eHealth

Opportunities:

- Export of health services

Challenges:

- Sector funding
- Logistics of providing in-home care to aged-care clients

WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

EDUCATION AND TRAINING



**Current
Employment**
21,600

Jobs Ratio:
Full-time: Part-time
1.3 : 1

Average Wage:
\$87k pa

GROWTH 2015 to 2020



by 3,800 to
25,400

SKILL MIX

2011
Census

■ High
■ Med.
■ Low



Growth Drivers:

- Increased numbers of school-aged children
- International students (lower AUD)
- On-line offerings

Opportunities:

- Export of education and training services

Challenges:

- Increased global competition (MOOCS)
- Reduced investment in training from Hunter companies
- Sector funding



WHAT IS THE FUTURE OF JOBS IN THE HUNTER? HOSPITALITY



GROWTH
2015 to 2020



by 3,800 to
30,500

SKILL MIX
2011
Census

■ High
■ Med.
■ Low



Growth Drivers:

- Lower AUD
- Global tensions
- Ageing population (Grey Nomads)

Opportunities:

- Improved marketing
- Investment in new attractions
- Direct international flights to Williamtown

Challenges:

- Disruptive models e.g. Airbnb
- “Teasing” tourists out of Sydney = better transport infrastructure
- Hunter “identity”



WHAT IS THE FUTURE OF JOBS IN THE HUNTER? BUSINESS SERVICES



GROWTH 2015 to 2020



by 4,300 to
35,400

Jobs Ratio:
Full-time: Part-time
2.2 : 1

Average Wage:
\$120k pa

SKILL MIX

2011
Census

■ High
■ Med.
■ Low



Growth Drivers:

- Economic growth
- Infrastructure investment
- Start-ups and new industry creation

Opportunities:

- Improved marketing of regional capabilities
- New business and government investment
- Export of business services

Challenges:

- Slow roll-out of NBN
- Brain drain to Sydney
- Digitisation of services
- Lower regional economic growth



WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

RETAIL

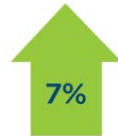


Jobs Ratio:
Full-time: Part-time
0.7 : 1

Average Wage:
\$45k pa

GROWTH

2015 to 2020



by 2,100 to
32,600

SKILL MIX

2011
Census

■ High
■ Med.
■ Low



Growth Drivers:

- Population growth
- Sustained low interest rates
- Home improvement and other sub-sectors

Opportunities:

- Local products – bespoke manufacturing (e.g. Renew Newcastle)
- Inner city revitalisation

Challenges:

- Disruptive online sales models
- Lack of new high profile draw-cards e.g. IKEA, Costco etc.



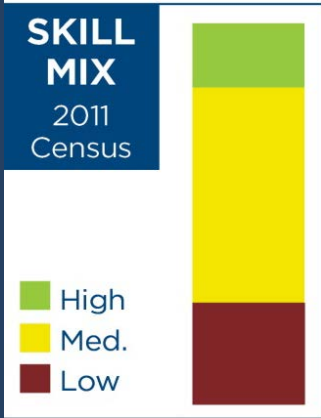
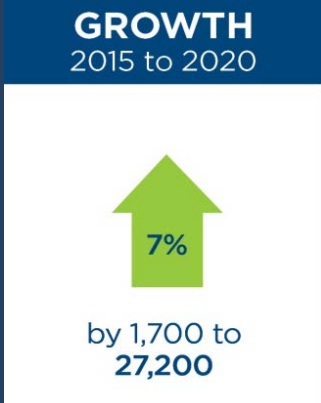
WHAT IS THE FUTURE OF JOBS IN THE HUNTER? CONSTRUCTION



Current Employment
25,500

Jobs Ratio:
Full-time: Part-time
5.1 : 1

Average Wage:
\$87k pa



Growth Drivers:
Continued low interest rates
Residential construction

Opportunities:
Strategic development of new land – “Hunter City”
Continued city revitalisation

Challenges:
Cyclical nature of industry – skills retention
Lack of heavy and civil engineering projects

WHAT IS THE FUTURE OF JOBS IN THE HUNTER? SUMMARY



**25,700 NEW JOBS ARE AVAILABLE
TO THE HUNTER BY 2020**

1,700	Construction
2,100	Retail
4,300	Business Services
3,800	Hospitality
3,800	Education and Training
10,000	Health Care

**HOWEVER THE NET ECONOMIC
IMPACT WILL DEPEND ON :**

**Projected 5,000 job losses in other
mostly high value industries sectors
(e.g. mining & manufacturing)**

**The full-time to part-time ratio of
these new jobs will fall**

**The net salary impact of the trend
towards low and high skills at the
expense of middle skill ranks**

**Unknown impact of continued
technology led disruption**

WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

SUMMARY



IN ORDER TO ATTRACT THESE NEW JOBS THE HUNTER REGION MUST BECOME A “MAGNET”* FOR NEW OPPORTUNITIES

MAGNET CITIES:

1. Have strong leadership
2. Attract young wealth creators
3. Undergo constant physical renewal
4. Cultivate new ideas
5. Have a definable city identity
6. Connected to other cities
7. Are fundraisers

Attract and retain a higher skills base in the region – especially young people

Attract new investment

Promote innovation & international competitiveness to enhance the current modest export focus of the region’s businesses

Efficiently connect people with jobs and businesses to new markets

WHAT IS THE FUTURE OF JOBS IN THE HUNTER?

NEXT STEPS



The Hunter needs a **strong regional growth** plan backed by a **coherent leadership group** (government, industry and the community) that will:

- Provide necessary transport modes and technology infrastructure
- Improve links between business and education providers to encourage innovation and commercialisation, and ensure they
- Support future skills development and work-ready graduates, who are equipped to capture employment opportunities
- Enable innovation, new service-delivery models, and openness to risk investors

→ Further detailed research is required to underpin a “FACT-BASED” plan:
e.g. comprehensive transport planning, cost-benefit of key tourism infrastructure,
detailed sector competitive analysis



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Delivering insights that move the
Hunter forward

Thank you