The Future of Hunter Professional Services

Current state of play, opportunities, and threats

May 6 2015

HUNTER RESEARCH FOUNDATION

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EXECUTIVE SUMMARY

This report provides an overview of the professional services industry in the Hunter, details the key trends impacting the industry, and summarises the key messages from the 16 April 2015 Research Ambassador meeting at the HRF. It also identifies the key themes that will be explored in more depth with individual Hunter professional services businesses in subsequent stages of the project.

In the *Future of Professional Services* research project, the Hunter Research Foundation (HRF) will look at the dynamics, opportunities and constraints for boosting the value of professional services in the Hunter. The focus will be identifying enabling strategies that can be applied to companies based in the Region that will support stronger growth in these industries and ensure they remain globally competitive.

Within the Hunter, the services industry is an increasing percentage of employment and value added; currently, services employ around three-out-of-four people, and contribute 58 per cent of the Region's economic value. Going forward, the Hunter's economic performance will be even more tied to the performance of its services industries. If the Region is to replicate the strong growth in living standards experienced during the mining investment boom of the 2000s, this growth will likely need to come from the services industries. The challenge is to identify ways to improve the value added by services, for example by growing the importance of high value-add services, such as Professional Services.

The Hunter professional services industry employs around one-in-eleven workers, down from its highs of 2010-11, the recent decline likely reflects the dual impact of greater competition between professional services organisations and the mining industry's downturn, This has overshadowed the longer-run shift in demand towards services. For the Hunter's professional services industry to continue growing, it will need to reduce its reliance on the mining industry, and diversify its customer base by becoming more globally-focused.

HRF’s roundtable with its Professional Services *Research Ambassadors* (on 16 April 2015) identified some of the key issues faced by the industry, such as:

1. The importance of collaboration by professional services organisations in taking advantage of opportunities within and outside the Region
2. The impact of advances in technology and taking advantage of its opportunities – such as cost-effective outsourcing of low-value work and the opening up of new consumer markets – and dealing with its challenges, such as the threat from foreign competition and the need to invest in understanding how to make best use of ICT platforms and technologies (such as cloud computing)
3. The challenge in attracting and retaining talent in the Region.

In addition, HRF’s *Manufacturing our Future* project – which ran during 2014 – shed light on other issues relevant to professional services organisations. These include:

1. The need for strategic planning, with suitable separation of ownership and control to ensure appropriate strategic business decisions are made
2. The potential need for culture change within businesses in order to deal with the challenges (and opportunities) of disruptive innovation, rapid technological change, and an increasingly globalized economy.

Compared with other services industries – such as tourism and education – professional services are not particularly exposed to international trade, with most firms neither exporting nor facing a high degree of import competition. Going forward, the tradability of the professional services industry is likely to increase at a faster rate than past experience, due to the recently signed free-trade agreements (FTAs) between Australia and its major Asian trading partners: China, Japan, and South Korea. These FTAs are aimed at reducing the cost of providing services across international borders and are likely to have a larger impact on less trade-exposed services industries, like professional services, as trade barriers for other services are already relatively low.

In addition to FTAs, an ageing population in the Hunter and the rest of Australia, and similar demographic shifts in Australia’s major trading partners, also present opportunities for professional services. Increased life expectancy raises demand for financial services to help people plan and manage their incomes and wealth during potentially longer retirement periods. Increased life expectancy also raises demand for health and aged care services, with a flow-on increase in demand for professional services to provide advice to heath and aged care facilities.

In broad terms, some of the enabling strategies needed for a ’think global, act local’ mindset are:

1. Investing in skills, education and training: the Region lags the State and the nation in secondary- and tertiary-level qualification rates, a gap that needs to be closed if the Region’s businesses are to remain globally competitive

2. Strengthening domestic and international professional networks: to be globally competitive, Hunter businesses will have to be willing to look for globally-connected suppliers, contractors and customers. Currently, Hunter businesses’ customer bases remain largely regionally-focused

3. Investing in information and communication technology (ICT): today, an online presence is the norm, not the exception. Yet, HRF research reveals that the Hunter lags the State and the nation in terms of investment in, and adoption of, ICT. Businesses will not remain globally competitive if they do not have a webpage or do not provide non-local customers the opportunity to make online payments for products

4. Welcome immigration: immigration can mitigate the challenges of population ageing, and facilitate cultural change within organisations. Yet immigration in the Hunter lags the rest of Australia. To enable fresh thinking and new ideas, whilst keeping financial overheads low and remaining price competitive, Hunter professional services businesses could, for example, employ international students. This also gives businesses the opportunity to build overseas networks, drawing on the overseas students’ connections with their home countries.

In terms of the future direction of this project, the next step is for the project’s Research Ambassadors to provide feedback and comment on:

- The threats, challenges, and opportunities for the Hunter’s professional services industry identified in this report

- The identity of 18 professional services businesses to participate in 45-60 minute in-depth interviews, with a senior HRF researcher. It is expected that the Research Ambassador organisations will be among the 18 businesses
- The identity of regional umbrella groups or organisations involved in improving professional services in the Hunter

1. REGIONAL CONTEXT

The services industry in Australia and other developed nations represents an increasing percentage of employment and value added. Within the Hunter, services employed around three-out-of-four people, and contributed 58 per cent of the Region's economic value, over the year to June 2012 (Table 1).

Table 1: Industries in the Hunter; year to June 2012

Industry	Share of:	
	Employment	**Value-add**
Agriculture, Forestry and Fishing	1.6%	1.7%
Mining	5.2%	22.4%
Manufacturing	10.1%	11.7%
Construction	8.7%	6.0%
Services	74.4%	58.2%
Of which:		
- Retail & Wholesale Trade	*13.7%*	*11.4%*
- Accommodation & Food Services	*8.1%*	*2.7%*
- Health Care and Social Assistance	*12.2%*	*7.7%*
- Professional Services(i)	*10.0%*	*13.4%*
- Public and Private Administration	*9.5%*	*7.4%*
- Construction	*8.7%*	*6.0%*
- Utilities and Transport	*6.7%*	*8.7%*
- Education and Training	*6.3%*	*5.7%*
- Other Services (ii)	*7.8%*	*4.0%*

Notes: (i) Sum of: Finance & Insurance; Rental, HR & real-estate; and Professional, Scientific & Technical
(ii) Includes ICT services, arts and recreation, and other services industries not elsewhere classified

Source: Deloitte Access Economics (2013); Hunter Research Foundation

Over the year to June 2012, mining and manufacturing industries together comprised a small share of employment (15 per cent), but a large share of economic value (34 per cent), due to the capital-intensive nature of these industries. The value-add per employee was lower across all the services industries, due to their relatively higher labour-intensity. Assuming this differential persists going forward, a transition in employment from the industrial industries (mining and manufacturing) to services is likely to lead to lower overall regional wealth.

A transition in the Hunter's employment from the industrial industries to services industries is already occurring in the Hunter due to the end of the mining investment boom. This transition will continue even after mining investment reaches its new trough due to the existence of key global trends faced by the Hunter Region (discussed below).

These trends mean that the Hunter's future economic performance will increasingly be tied to the performance of its services industries. If the Region is to replicate the strong growth in living standards experienced during the mining investment boom of the 2000s, this growth will increasingly need to come from the services industries. The challenge therefore is to identify ways to improve the value added by services, either through:

- growth of existing high value-add industries (e.g. Professional Services) and/or
- increasing the value-add of relatively lower industries (e.g. Health and Education)

In the *Future of Professional Services* research project, the HRF will look at the dynamics, opportunities and constraints for boosting the value of professional services in the Hunter. The focus will be identifying enabling strategies that can be applied to companies based in the Region that will support stronger growth in these industries and ensure they remain globally competitive.

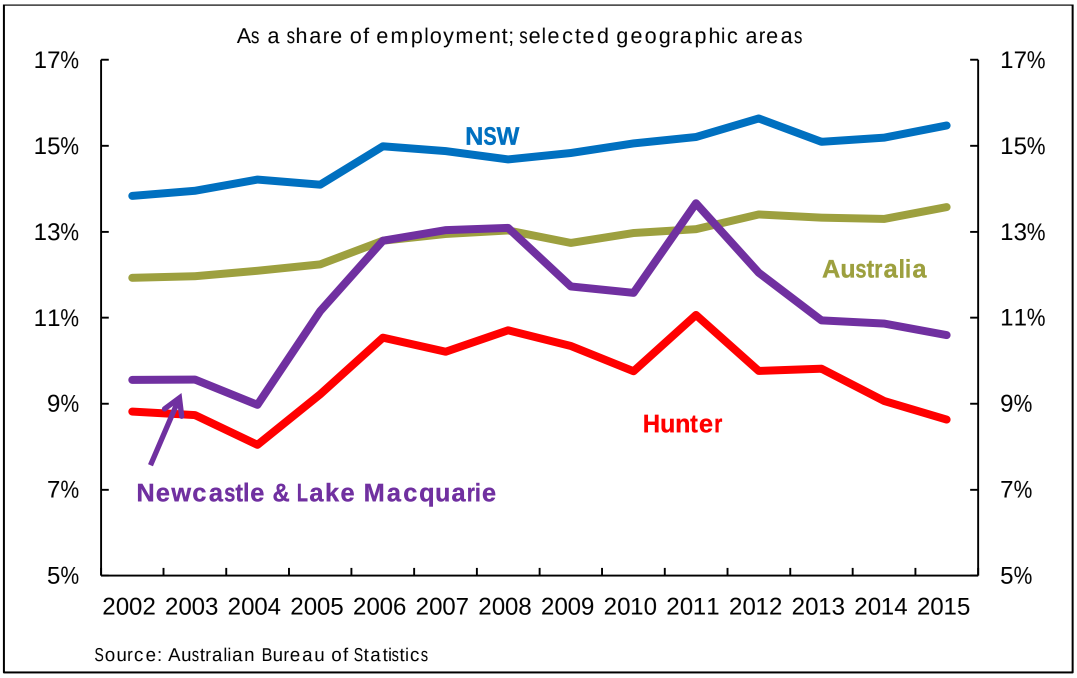
2. OVERVIEW OF THE PROFESSIONAL SERVICES INDUSTRY

The definition of the professional services industry for the purposes of this project includes the following industries (see the Appendix for more details):

- Financial and insurance businesses
- Rental, HR and real-estate services
- Professional, scientific and technical

The professional services industry has been a growing employer across the Hunter, NSW, and Australia. Today, professional services industries employ around one-in-eleven Hunter workers, compared to one-in-six for the State and one-in-seven for the Nation (Figure 1). Within the Hunter, professional services' share of employment is larger in the Newcastle-Lake Macquarie area (one-in-ten people) than in the rest of the Hunter.

Figure 1: Professional services industry



Between 2004 and 2011, professional services' share of employment in the Hunter rose from 9 per cent to 11 per cent, as more workers were needed to service the mining investment boom. The rising employment share was even more pronounced in the

Newcastle-Lake Macquarie area, where it rose from 9 per cent to 13 per cent. Since then, professional services' share of employment has fallen within the Hunter; in contrast, the employment share has either risen slightly (Australia) or remained unchanged (NSW) elsewhere.

These divergences between the Hunter- vs NSW- and Australian-based employment shares have reflected the relatively greater reliance of Hunter-based professional services on the mining industry. The Hunter professional services industry's reliance on the mining industry has overshadowed the longer-run shift in consumer demand across Australia and most of the developed world away from goods, in favour of more services.

This longer-term shift reflects a combination of population ageing, as well as technological advances and greater global competition in goods-based industries. As services are less internationally tradable than goods – and have a relatively higher labour intensity – the higher demand for services has led to a greater proportion of people employed in locally-based services industries.

For the Hunter's professional services industry to continue growing, it will need to reduce its reliance on the mining industry and diversify its customer base. Becoming more globally-focused – by connecting to national and global networks – would be key in enabling Hunter professional services to remain profitable and globally competitive.

2.1 Hunter-based professional services businesses

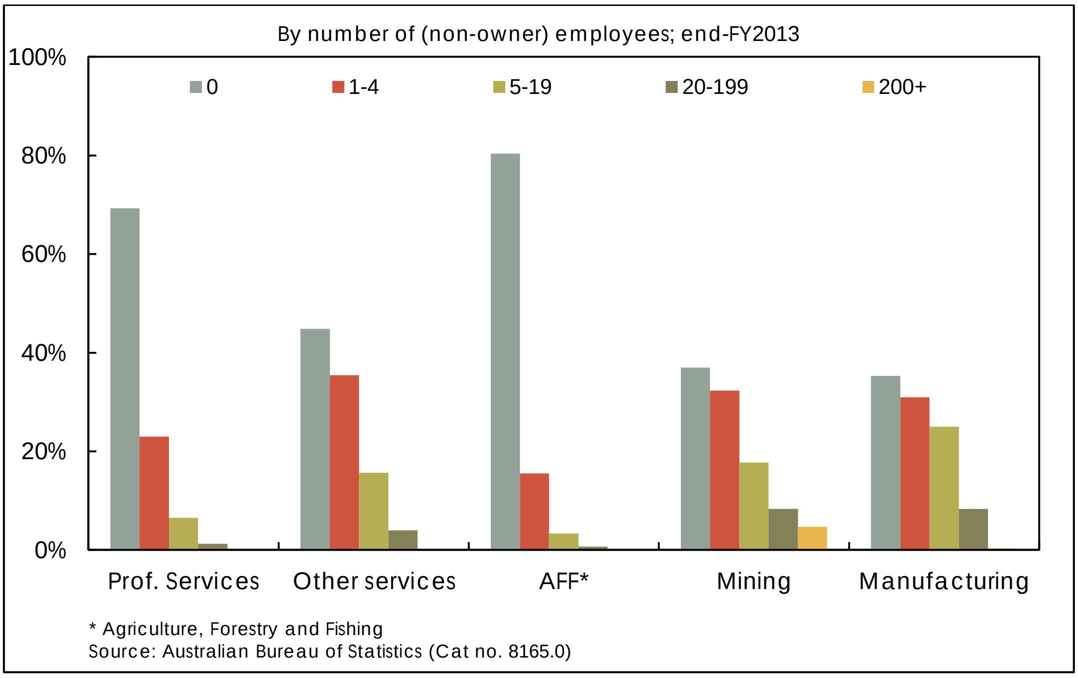
The Hunter is largely composed of small-to-medium sized enterprises (SMEs) – employing between 1 and 200 people – across both the services and goods-producing industries. In terms of the number of employees, the professional services industry is smaller than the overall services industry. Around 70 per cent of the 12,309 professional services businesses are sole proprietors (having zero employees), with the average business having less than 5 staff and only 1 per cent (158) employing more than 20 staff (Figure 2).[1]

In contrast, only 45 per cent of other services-based businesses are sole traders; across all other services, the average business has around 12 staff. The size distribution of Hunter mining and manufacturing businesses is even more disperse; the average miner

[1] These percentages relate to 2013-year data. As the size distributions of businesses – either by employee number or by annual turnover – are fairly stable from year to year, the size distributions today is likely to be very similar to what occurred in 2013.

and manufacturer employs 31 staff and 23 staff, respectively. 5 per cent of mining firms have at least 200 staff.

Figure 2: Proportion of Hunter businesses

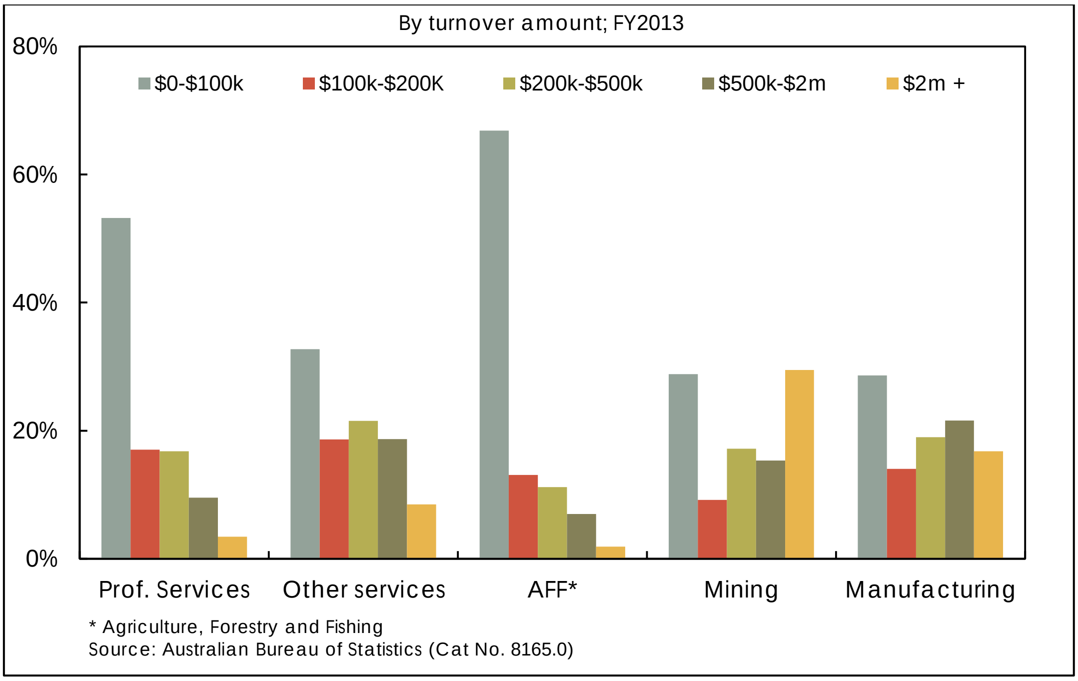


For the professional services industry to capitalise on the opportunities available outside the Hunter Region – as well as ward off threats from foreign and domestic rivals – having a minimum efficient scale will be critical. Achieving economies of scale enables firms to remain price competitive. To achieve the scale needed to remain globally competitive, collaboration between firms – both intra- and inter-industry collaboration – will be crucial.

Collaboration can take several forms including through mergers and acquisitions, as well as by forming and/or joining professional networks. Collaboration can be both vertical – both upstream and downstream – and horizontal (i.e. intra-industry collaboration). Collaboration will allow synergies to be realized via knowledge and resource sharing.

Another measure of business size is the amount of annual turnover. On this measure, professional services firms in the Hunter are smaller than other industries, though the difference is not as large as that based on the number of employees. For example, the average professional services firm had a turnover of around $0.3m over the 2012/13 financial year (FY2013), compared to $0.5m for the average “other services” business (Figure 3).

Figure 3: Proportion of Hunter businesses



Consistent with the prior figure, professional services businesses are significantly smaller in size than miners and manufacturers. 3 per cent of professional services businesses had turnover of at least $2 million over FY2013, compared to 44 and 39 per cent of miners and manufacturers, respectively.

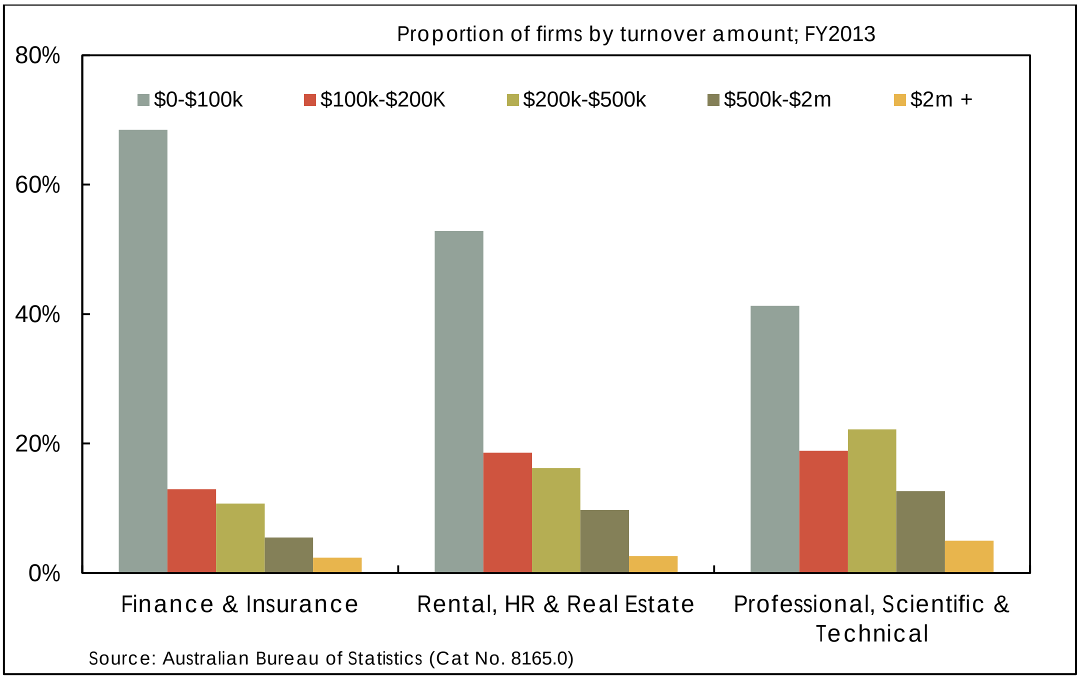
2.2 Composition of the professional services sub-industry

As noted above, the professional services industry includes three sectors or sub-industries, which are separately analysed below. As at June 2013, there was a fairly even split between the three sub-industries in terms of the number of existing Hunter businesses[2]:

- Finance and insurance firms comprise 29 per cent (3,625 in number) of the professional services industry.
- Rental, HR and real estate businesses make up 34 per cent (a total of 4,170)
- Professional, scientific and technical businesses comprise the remaining 37 per cent (4,505 businesses)

In terms of the size of individual businesses, the smallest businesses are typically finance & insurance businesses, while the largest ones are typically professional, scientific & technical businesses (Figure 4).

Figure 4: Hunter professional services industry



[2] It is possible that the mix has changed

Around two-out-of-three finance & insurance firms had turnover of less than $0.1m over FY2013, and only 2 per cent had turnover in excess of $2m. In contrast, two-out-of-five professional, scientific & technical businesses had turnover of less than $0.1m, while 5 per cent had turnover in excess of $2m, over FY2013.

The above analysis reveals finance and insurance businesses to be smaller than businesses in the other sub-industries. This implies that scale-building strategies – such as collaboration between businesses – may be relatively more important for finance and insurance businesses, to the extent that economies of scale exist for the professional services industry and its sub-industries.

3. TRENDS IMPACTING THE HUNTER PROFESSIONAL SERVICES INDUSTRY

Going forward, there are five key trends that will affect the competitiveness of professional services in the Hunter:

- Falling trade barriers - historically, international trade barriers around the world have been higher in services than in goods-producing industries, protecting local industries. This is unlikely to be the case in future, as the recent China-Australia FTA demonstrates. Reducing trade barriers provides export opportunities for Hunter firms, but also raises the threat of foreign competition.

- Technological development – advances in internet connectivity and speed has meant that services are increasingly being provided by producers outside customers' domiciles. Examples include virtual personal assistants who deliver various administration tasks across the globe, and remote health-care services. Technological advances simultaneously enlarge the pool of potential customers of, and rivals to, Hunter services firms.

- Population ageing – both domestically and globally – which has raised, and will continue to raise, the demand for services, while simultaneously reducing the potential relative size of service industries' workforces.

- A greater emphasis on cost efficiencies and value-for-money by public and private procurers of services. For example, consulting services for government-owned entities has increasingly become a competitive, tender-based, process

- The challenge of attracting and retaining talent in the Region

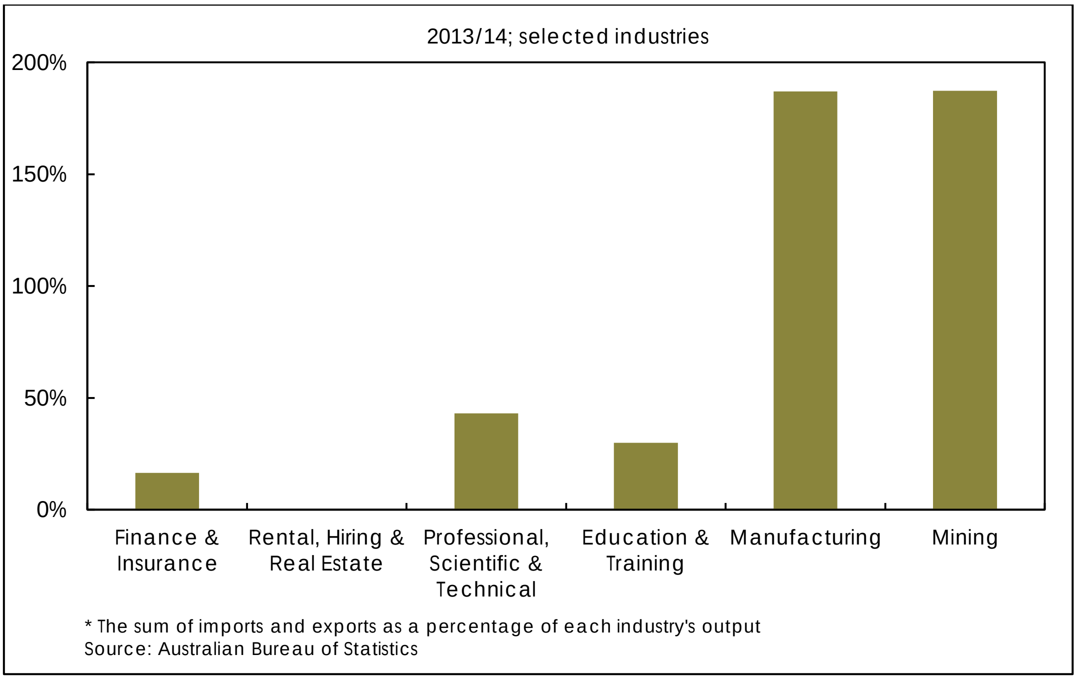
We briefly discuss two of these trends – falling trade barriers; and population ageing – and their impact on their likely impact on professional services.

3.1 Falling trade barriers and greater global competition

Compared with other services industries – such as tourism and education – professional services are not particularly exposed to international trade, with most firms neither exporting nor facing a high degree of import competition. However, some professional services sub-industries are more exposed to international trade than others; around 20 per cent of the professional, scientific & technical industry's output is internationally traded, compared to virtually zero for the rental, hiring & real estate sub-industry (Figure 5). In contrast, 30 per cent of the education & training industry's output is internationally traded.

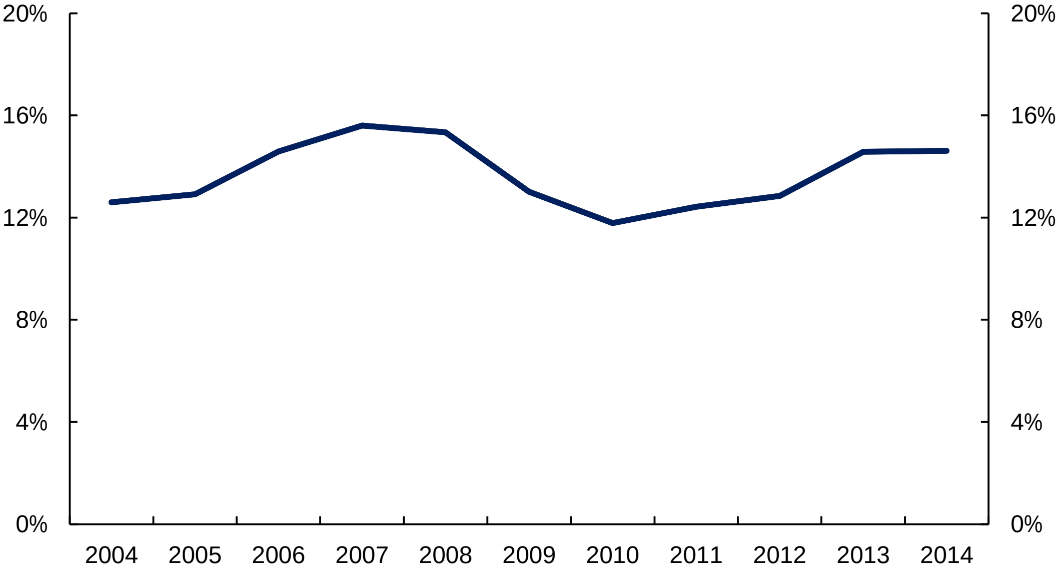
In general, the degree of tradability in services-based industries is small compared to goods-producing industries. The manufacturing industry and the mining industry are the most trade-exposed of all industries, with exports and imports representing around 190 per cent of output in each industry.

Figure 5: International tradabaility of Australian industries*



While the tradability of professional services' output is low relative to other industries, it has risen since the lows experienced during the Global Financial Crisis (GFC) of the late 2000s (Figure 6). This increase has been driven by the recovery in the finance and insurance industry, whose tradability more than halved during the GFC.

Figure 6: Tradability of the Australian professional services' industry*



* Measured as the sum of imports and exports as a percentage of each industry's output
Source: Australian Bureau of Statistics

Going forward, the tradability of the professional services industry is likely to increase at a faster rate than suggested by past experience, due to the recently signed free-trade agreements (FTAs) between Australia and its major Asian trading partners: China, Japan, and South Korea. These FTAs are aimed at reducing the cost of providing services across international borders and provide both export opportunities and import threats for Hunter and other Australian businesses.

In general, trade barriers are higher for services industries than goods-producing industries, as implied by Figure 5. Within services, trade barriers are relatively low for industries like tourism, retail and wholesale trade, and education, compared to professional services.

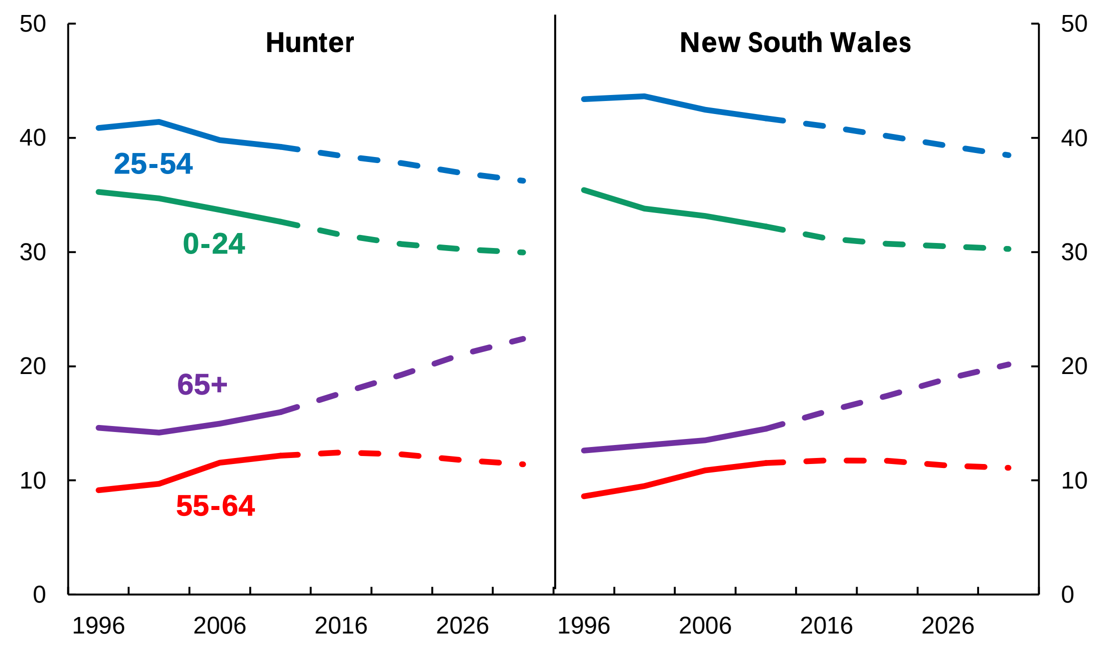
Hence, FTAs are likely to have a larger impact on less trade-exposed services industries, like professional services, as trade barriers for other services are already relatively low.

3.2 Population ageing at home and abroad

Consistent with the experience of other advanced economies, Australia's population is ageing – the age of the average Australian is rising – with a growing proportion of people aged 65 and above (Figure 7). This ongoing trend, which is expected to strengthen over the next few decades, reflects:

- high fertility rates during and after World War II – the mothers of "baby boomers"
- declining fertility rates over the past four to five decades, and
- rising life expectancy and longevity, especially amongst older people.

Figure 7: Population by age group (%)



Sources: ABS Census of Population and Housing; NSW Dept of Planning and Investment

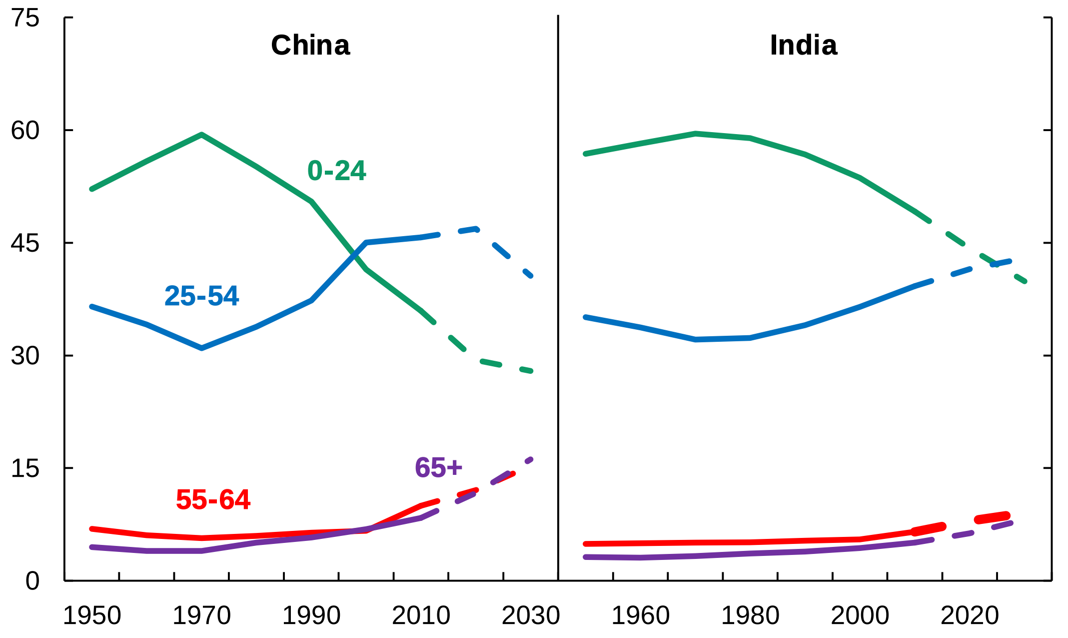
In addition to the export opportunities provided by FTAs, demographic shifts in the Hunter and the rest of Australia also present opportunities for professional services. An ageing population benefits professional services in the following ways:

- Increased life expectancy raises demand for financial services to help people plan for and manage their incomes and wealth over potentially longer retirement periods. Services include superannuation products, insurance policies, and taxation planning. These products can also be used to hedge against longevity risk – the risk that people may live for longer than they expect. As taxation planning has various legal implications, there is also an increase in demand for legal services (part of the Professional, Scientific & Technical industry).

- By raising demand for health and aged care services, there may be a flow-on demand for professional services to provide advice to heath and aged care facilities. This flow-on impact is likely to be enhanced by a continued emphasis on cost efficiencies and value-for-money by both public and private providers of health and aged care services.

These demographic shifts are also occurring – for similar reasons – in Australia's major trading partners, such as the United States, China, Japan, South Korea and, to a lesser extent, India. Over the next few decades, India's population is expected to age, but at a slower rate than its Asian neighbours (Figure 8).

Figure 8: Population shares in Asia (%)



Source: United Nations *World Population Prospects - 2012 Revision*

For example, in 2030, the average Chinese resident is expected to be around 52 years old, 7 years older than the average Indian. The lower average age in India reflects its higher share of working-age people (25-54 years old), and relatively lower share of people over 55. As India will have more people of working-age, this "demographic dividend" is expected to raise India's living standards and increase its demand for professional (and other) services.

4. KEY MESSAGES FROM HRF'S RESEARCH AMBASSADOR MEETING

On 16 April 2015, HRF hosted a roundtable of *Research Ambassadors* to identify some of the issues faced by the industry. These issues will be addressed with Research Ambassadors and other professional services businesses during the second stage of project. The key issues from the meeting were:

1. The importance of **collaboration** – both within and across each of the three professional sub-industries – in taking advantage of opportunities within and outside the Region, identified in Section 3. Key questions raised were:
   a. To what extent do individual professional services businesses collaborate with each other?
   b. To what extent do individual firms lack scale compared to national and global rivals? How important are economies of scale in becoming more globally competitive?
   c. How can collaboration be improved? In particular, how can intra-industry barriers to sharing knowledge and information be overcome, whilst still maintaining individual firms' competitive advantages over its rivals?

2. The impact of **advances in information and communications technology** (ICT) and dealing with its challenges and opportunities. Key messages raised were:
   a. ICT advances enable outsourcing of relatively low-value work, with advisory and other higher-value work retained locally.
   b. ICT opens up global consumer markets to the Hunter – but also creates threats from foreign competition.
   c. Opportunities for professional services businesses to **collaborate with ICT startups** in the Hunter as a cost-effective way for professional services to become more innovative and ICT savvy.

3. The challenge in **attracting and retaining talent** in the Region. Lifestyle has often been cited as the key attraction to living in the Hunter. This needs to be buttressed by professional development-based reasons for people to stay, or move to, the Hunter.

In addition, HRF's *Manufacturing our Future p*roject shed light on some issues that will be important to the *Future of Professional Services* project. These are:

1. The importance of **strategic planning** at Board level, with suitable separation of ownership and control to ensure strategic decisions by businesses are made by the most qualified people – who may or may not be the owners. This is an important issue in the context of the Hunter given the preponderance of sole proprietors and small businesses.

2. Related to the previous point, the potential need for **culture change** in individual organisations in order to deal with the challenges (and opportunities) of disruptive innovation, rapid technological change, and an increasingly globalized economy. Dealing with these forces requires managers to be:
    a. Globally-focused (the need to "think global and act local")
    b. Have a greater tolerance for uncertainty and risk
    c. Engaged in continuous learning about their business model, their customers, and their rivals' strategies and performance.

5. POTENTIAL ENABLING STRATEGIES: A FIRST LOOK

At the 16 April Research Ambassador meeting, all participants agreed that tomorrow's economy will be knowledge based, where ideas, creativity and computer automation dominate. Industries in the Hunter – and Australia – need to compete on the generation of ideas and knowledge, rather than on manual work (for which Australia's high labour costs places it at a disadvantage to developing countries in Asia and elsewhere).

The enabling strategies needed to shift towards a 'think global, act local' mindset are likely to include:

- **Investment in skills, education and training**

HRF research[3] shows that the Region lags the State and the nation in secondary- and tertiary-level qualification rates, a gap that must be closed if the Region is to successfully compete with other parts of Australia and the world. Employers have to be willing to invest in their employees' educational development

- **Strengthening of professional networks**

The Region's shared sense of identity is one of its strongest qualities. However, by itself, it is not necessarily a successful business strategy. To be globally competitive, businesses have to look for globally-connected suppliers and customers. Yet HRF research[4] shows that Hunter businesses remain largely regionally-focused in terms of their customer base.

- **Invest in information and communication technology (ICT)**

Today's digitalised economy means an online presence is the norm, not the exception. Yet, HRF research[5] reveals that the Hunter lags the State and the nation in terms of ICT adoption and ICT investment. Hunter businesses will struggle to remain globally

[3] Hickson and Rai (2015) discuss whether the Hunter is an economic "microcosm" of Australia, comparing the Hunter against NSW and the Nation on a range of economic indicators.
[4] See page 3 of HRF (2014).
[5] See http://www.hrf.com.au/uploads/Digital_Economy_Infographics_July2014.pdf for findings as at July 2014. For earlier years, see

competitive if they do not have a webpage or do not allow non-local customers the opportunity to make online payments for products.

For example, cloud computing offers potential benefits to businesses of all sizes. These benefits may especially benefit SMEs, due to the sharp decline in the cost of cloud computing services. Cloud solutions allow SMEs access to IT resources and systems previously affordable only to larger firms.

- **Welcome immigration**

Immigration can mitigate the challenges of our ageing population and also facilitate cultural change within organisations. Skilled migrants bring skills and important workplace attributes such as drive and a desire for a better life. According to the ABS (2011), around one-in-ten people in the Hunter are foreign-born, a population share which has risen over the past decade, but remains well below the Australia-wide share (one-in-four).

Hunter professional services businesses can employ international students as a way of:

- Engendering cultural change and injecting fresh ideas and perspectives into their organisations.
- Building overseas networks, drawing on the overseas students' connections with their country to enable organisations to tap into foreign markets.
- Keeping financial overheads low and remaining price competitive – important given the lack of demand in the Hunter and across Australia – by employing relatively low-cost resources.

6. NEXT STEPS FOR THE PROJECT

Having identified some of the key opportunities, challenges, and threats faced by the professional services industry, the next step is to engage with the project's Research Ambassadors for their feedback and comment on this document. In particular, the following are required of the Research Ambassadors:

- **Confirming the threats, challenges, and opportunities identified by the project**

In particular, are there other opportunities, challenges or threats that have not been considered above, but are relevant to the future performance of the professional services industry? There may be specific challenges faced in a regional context – in addition to the difficulty attracting and retaining talented staff – that may not exist for capital-city based professional services.

- **Provide the identity of businesses for one-on-one interviews**

In order to obtain a deeper understanding of the opportunities and challenging facing the professional services industry, we propose to conduct **45-60 minute in-depth interviews**. This will be done with six businesses within each of the three subindustries, giving a total of **18 businesses interviewed**. The Research Ambassador organisations will be a part of these 18 businesses.

In each sub-industry, the businesses chosen should be **representative of the overall population**, in terms of business size (see Figure 2 and Figure 3).

The professional services industry appears more diffuse than the mining and manufacturing industries, which have well-established industry groups and member bodies. Without the assistance of Research Ambassadors, it would be difficult for HRF to obtain relevant industry contacts that are needed to facilitate the in-depth analysis of the second stage of the project.

In order to choose our sample of businesses, the Research Ambassadors can provide the following to HRF:

- The identity of regional umbrella groups or organisations involved in improving professional services.
    - For example, the existence (or otherwise) of Hunter offshoot(s) of the Australian Services Roundtable
- In the absence of an industry body, a representative sample of businesses from each of the three sub-industries .

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8. APPENDIX

A.1 Definitions of the three professional services sub-industries

For each of the three professional services sub-industries, we use the Australian Bureau of Statistics (ABS) definitions. The below discussion is based on Commonwealth Government (2015).

A.1.1 Finance & insurance services

This industry includes businesses that:

- are involved in financial transactions such as buying, selling, creating or changing ownership of financial assets
- take deposits, issue securities, provide insurance and superannuation products, or regulate financial activities.

Typical businesses include banks and credit unions, superannuation providers, insurance companies, investment advisors, stockbrokers and wealth management firms.

A.1.2 Rental, HR & real estate services

This industry consists of businesses involved in the rental and purchase of residential, commercial, and other property; and businesses providing renting and hiring services for:

- motor vehicles
- transport equipment
- farm animal & bloodstock
- video and other electronic media
- heavy machinery
- scaffolding, and
- intangible assets (e.g. patents and trademarks)

A.1.3 Professional, scientific and technical services

This industry includes the following businesses:

- scientists
- accountants
- advertising and marketing specialists
- lawyers and solicitors
- veterinarians
- management and other consultants
- photographers
- architects
- engineers, and
- computer system designers