

Workforce forecasting and planning

Sunshine Coast and Moreton Bay Regions
South East Queensland
Australia

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Sunshine Coast - Caboolture region

- ▶ One of 21 Priority Employment Areas - regions with significant labour market and socioeconomic disadvantage



Australian labour market projections



- ▶ Average age will increase creating 'demographic gap'
- ▶ Limiting workforce growth
- ▶ Bulk of skilled migrants aged 20-40 act as counter balance

Assumptions:

- ▶ Net international migration almost 60% of population increase to 2032
- ▶ Migration policy contentious
- ▶ If lower international migration - ageing of workforce more significant



Australian skills requirements

- ▶ Skill requirements increasing resulting in ‘widening of gap’
- ▶ Skills shortage in some sectors
 - ▶ Increased 457 visas
 - ▶ Cost overruns on resources projects
 - ▶ Trend expected to continue
- ▶ Reluctance to move permanently
 - ▶ FIFO / DIDO
 - ▶ Long Distance Commuters (LDCs)



Projections of labour demand - methodology

- ▶ Regionally, employment forecasts driven by demographic projections & historical trends
- ▶ All expected demand for labour
 - ▶ Including resources sector and transformational projects
- ▶ Estimate comprised of:
 - ▶ ‘Normal (base case) growth’
 - ▶ ‘Additional’ labour demand, ie regional transformational projects.



Sunshine Coast



Sunshine Coast

- ▶ Priority Employment Area
- ▶ New opportunities & demand for local labour and skills
 - ▶ ‘Transformational’ infrastructure projects
 - ▶ Resource sector projects - FIFO / DIDO
 - ▶ Long Distance Commuters (LDCs)
- ▶ Investment & employment growth across a range of industries - Sea / Tree Changers



Sunshine Coast

Population 317,000 (approx.)

Workforce 155,000 (approx.)

Unemployment rate 6.1%

Participation rate 61.2%

Largest employing industries

- Health care and social assistance
- Construction
- Retail trade
- Accommodation and food services
- Education and training

Fastest growing industries

- Mining
 - Electricity, gas, water and waste services
 - Health care and social assistance
-



Sunshine Coast labour market

- ▶ Part-time employment - 35% (Sept 2012)
- ▶ Higher proportion over 40 vs rest of Qld / Australia
- ▶ Low proportion of employed are in their 20s and 30s
- ▶ Participation rate fell from 66% (2010) to 61.5% (2013)
- ▶ Higher unemployment rate
 - ▶ Youth unemployment 14.5% (15-24yr olds)



Sunshine Coast: Employment by industry

- ▶ Top three

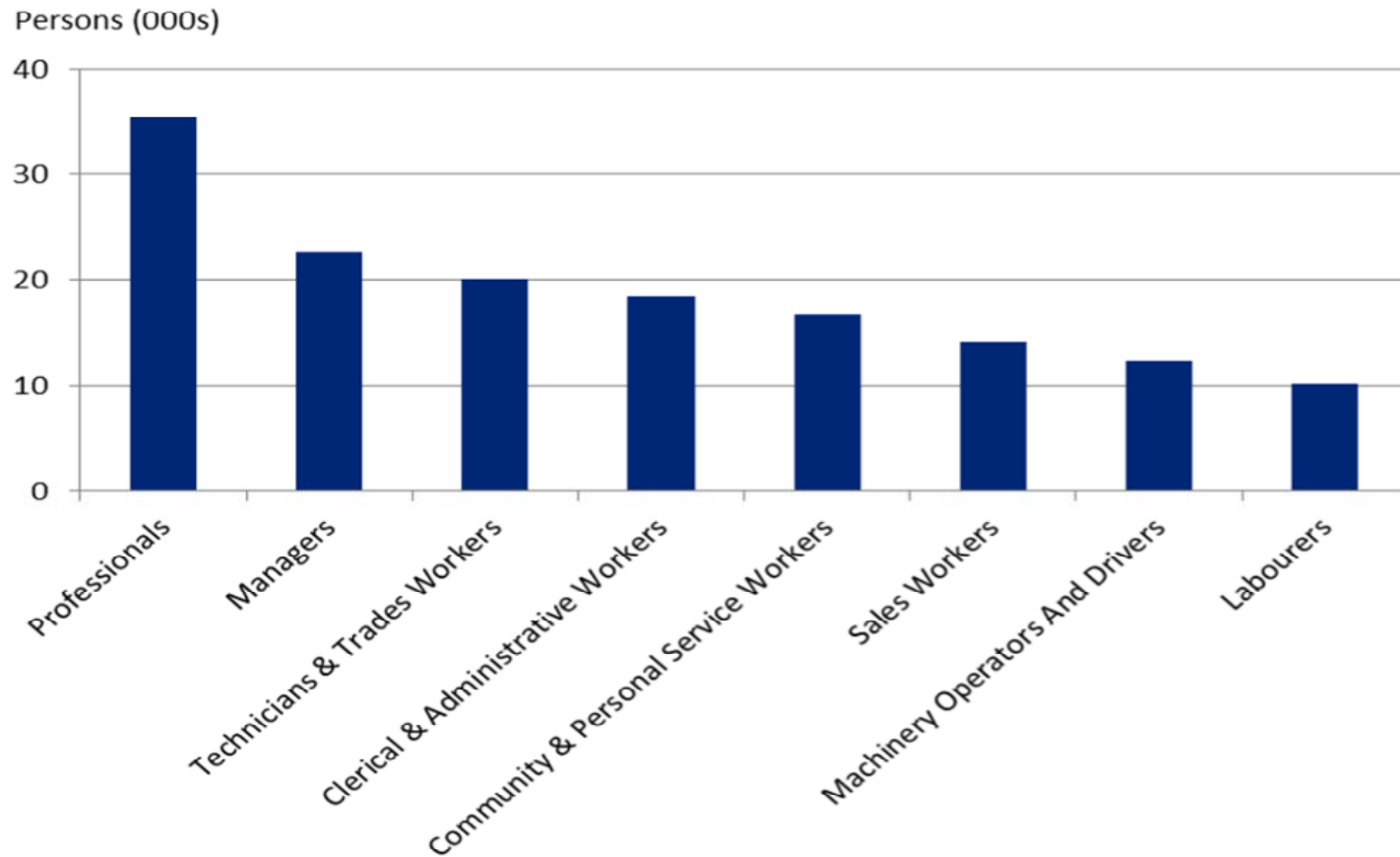
- ▶ Health care & social assistance (14%) ↑ 90% from 2001 to 2011
- ▶ Construction (13%)
- ▶ Retail trade (12%)

- ▶ Agriculture employment ↓ 30.5% over past 5 years

- ▶ Tourism - significant economic driver but volatile & cyclical
 - ▶ Est. 16,450 people employed in tourism sector (11%)



Sunshine Coast: Employment by occupation



▶ Source: Deloitte Access Economics, 2013

Local business perspectives on resource sector opportunities

- ▶ Survey Aug-Oct 2012
- ▶ 175 respondents supplying or intending to supply to the resources sector
- ▶ Almost 80% of those businesses require employees to travel to supply goods & services
- ▶ Brisbane to Mackay most popular
- ▶ Moderate threat to business of direct loss of skilled personnel or reduction in local labour supply



Projections of labour demand

- ▶ Sunshine Coast population projections developed to 2032
- ▶ Total employment expected to increase annually by av 2.3%
 - ▶ 150,000 in 2011-12 → 250,000 in 2031-32
- ▶ Employment growth expected to soften gradually
 - ▶ Consistent with assumption of slowing economic growth amid population ageing and maturing industrial structure

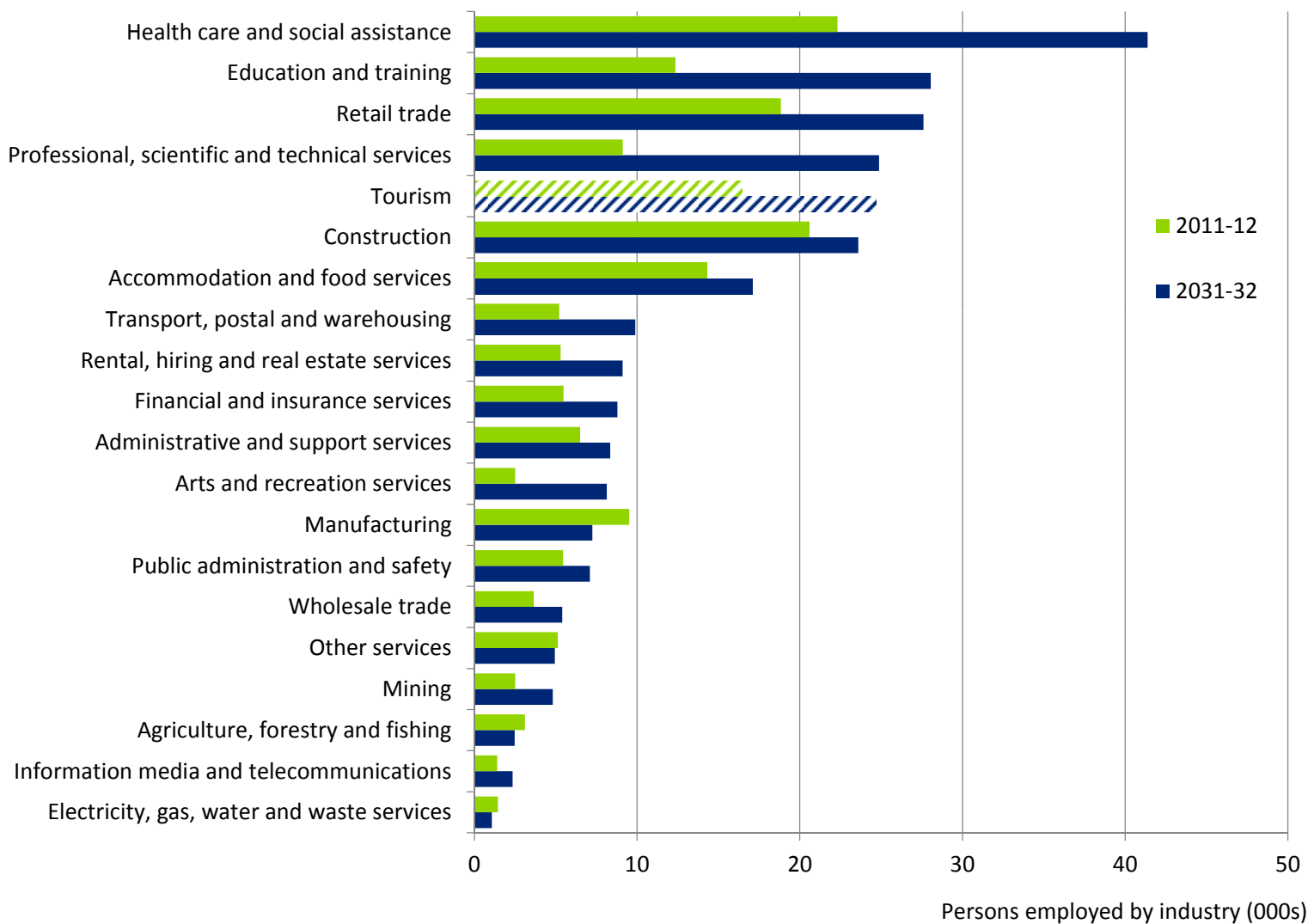


Projections of labour demand (industry level)

- ▶ Tourism to increase by 50% over two decades
- ▶ Health care & social assistance - 17% (by 2031)
- ▶ Education & training, retail trade & professional services surpass construction
- ▶ Slower growth - labourers, sales workers, technicians & trades workers



Sunshine Coast future industries



Source: Deloitte Access Economics, 2013

Sunshine Coast future occupations



Source: Deloitte Access Economics, 2013

Regional transformation projects

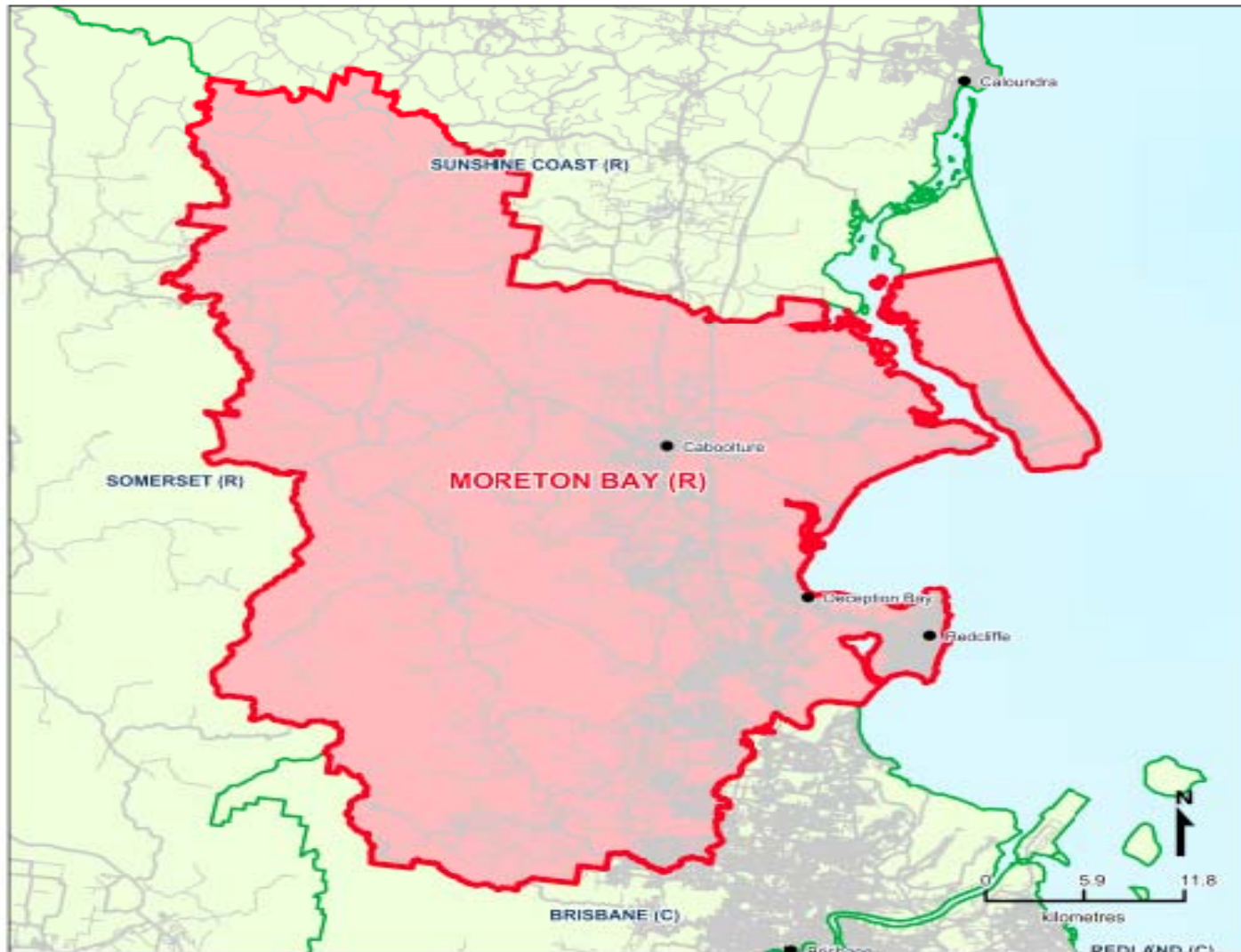
- ▶ Sunshine Coast University Hospital
- ▶ Sunshine Coast Private Hospital
- ▶ Sunshine Coast University expansion
- ▶ Sunshine Coast Airport expansion
- ▶ Maroochydore Principal Activity Centre development

- ▶ Est 50% of labour demand arising from transformational projects was 'additional' to base case estimates

- ▶ 3,000 additional workers in 2019-20
 - ▶ Almost 4,000 in 2031-32 - 1.5% % increase above base



Moreton Bay



Moreton Bay

Population	400,000 (approx.)
Workforce	189,000 (approx.)
Unemployment rate	5.2%
Participation rate	63.1%
Largest employing industries	<ul style="list-style-type: none">• Health care and social assistance• Construction• Manufacturing• Retail trade• Public administration and safety
Fastest growing industries	<ul style="list-style-type: none">• Mining• Electricity, gas, water and waste services• Health care and social assistance• Construction• Professional, scientific and technical services



Moreton Bay labour market

- ▶ Population to grow to 500,000+ by 2031
- ▶ 108,000 new jobs
- ▶ Part-time employment - 29% (Sept 2012)
- ▶ Higher proportion in 40s & under-representation in 20s
- ▶ Low proportion of those employed in 20s and 30s
- ▶ Youth unemployment is an issue
- ▶ Slightly older working-age population than national average

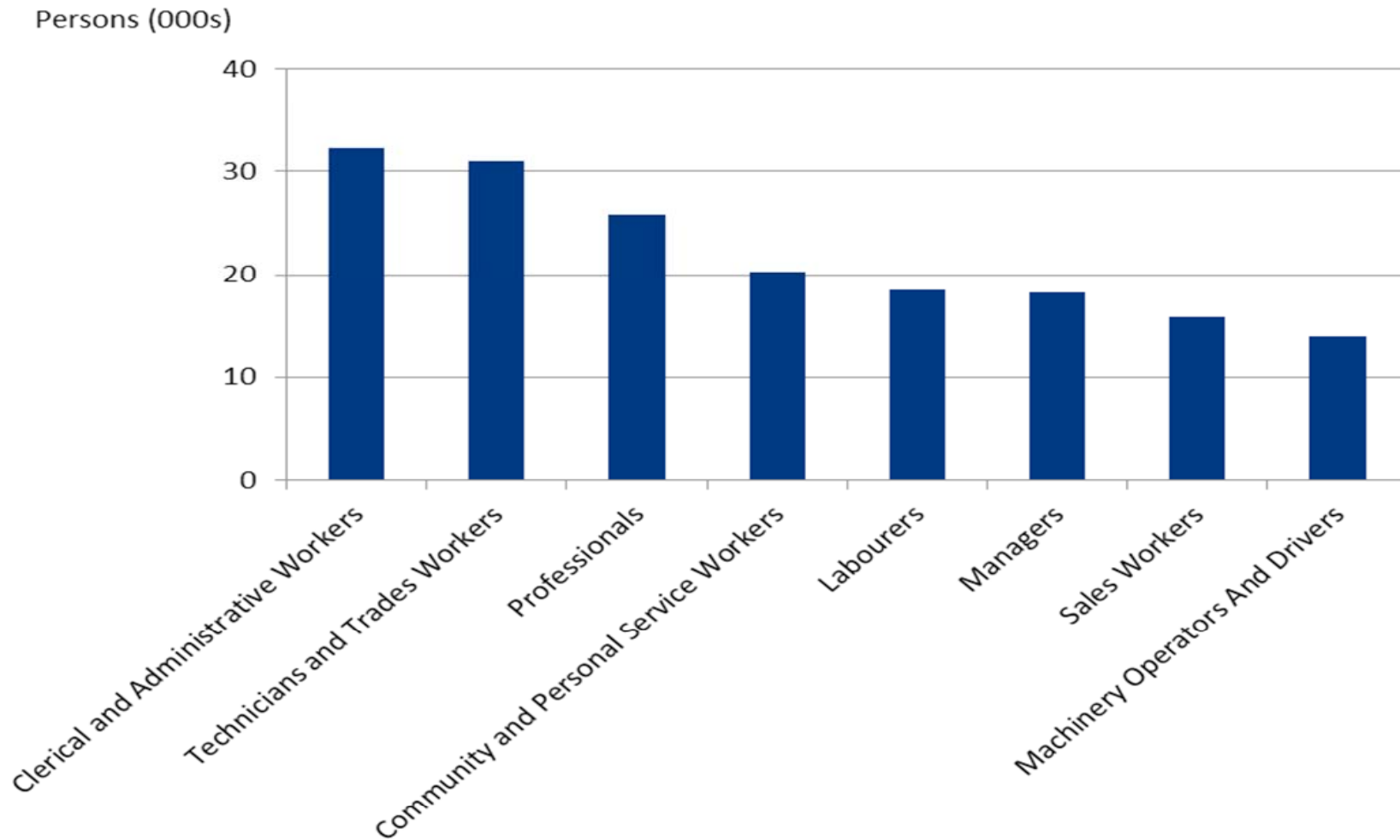


Moreton Bay: Employment by industry

- ▶ Workforce dependent on secondary industries
 - ▶ Transport, postal & warehousing
 - ▶ Construction (10.9%)
 - ▶ Manufacturing (9% but declining)
 - ▶ Utilities & waste
- ▶ Growth industries
 - ▶ Health care and social assistance (11.2%)
 - ▶ Mining – relatively small proportion of workforce
- ▶ Decline in manufacturing but remains a significant employer



Moreton Bay: Employment by occupation



Source: Deloitte Access Economics, 2013

Moreton Bay: Employment by occupation

- ▶ High growth in professionals
 - ▶ Slower growth rates in machinery operators & drivers
- ▶ Strong demand for professionals
 - ▶ 80,000 (30% of workforce) in 2031-32
- ▶ Managers, community, personal service workers expected to grow faster than overall labour demand
- ▶ Registered nurses forecast to rise from 2.3% (2011-12) to 3.4% (2031-32)

Projections of labour demand

- ▶ Total employment expected to increase annually by av 2.3%
 - ▶ 189,000 in 2013 → 275,000 in 2031-32
- ▶ Supported by continued migration to the region
- ▶ Moreton Bay expected to account for almost 7.9% of Qld employment, up from 7.5% in 2011-12
- ▶ Employment growth expected to soften gradually

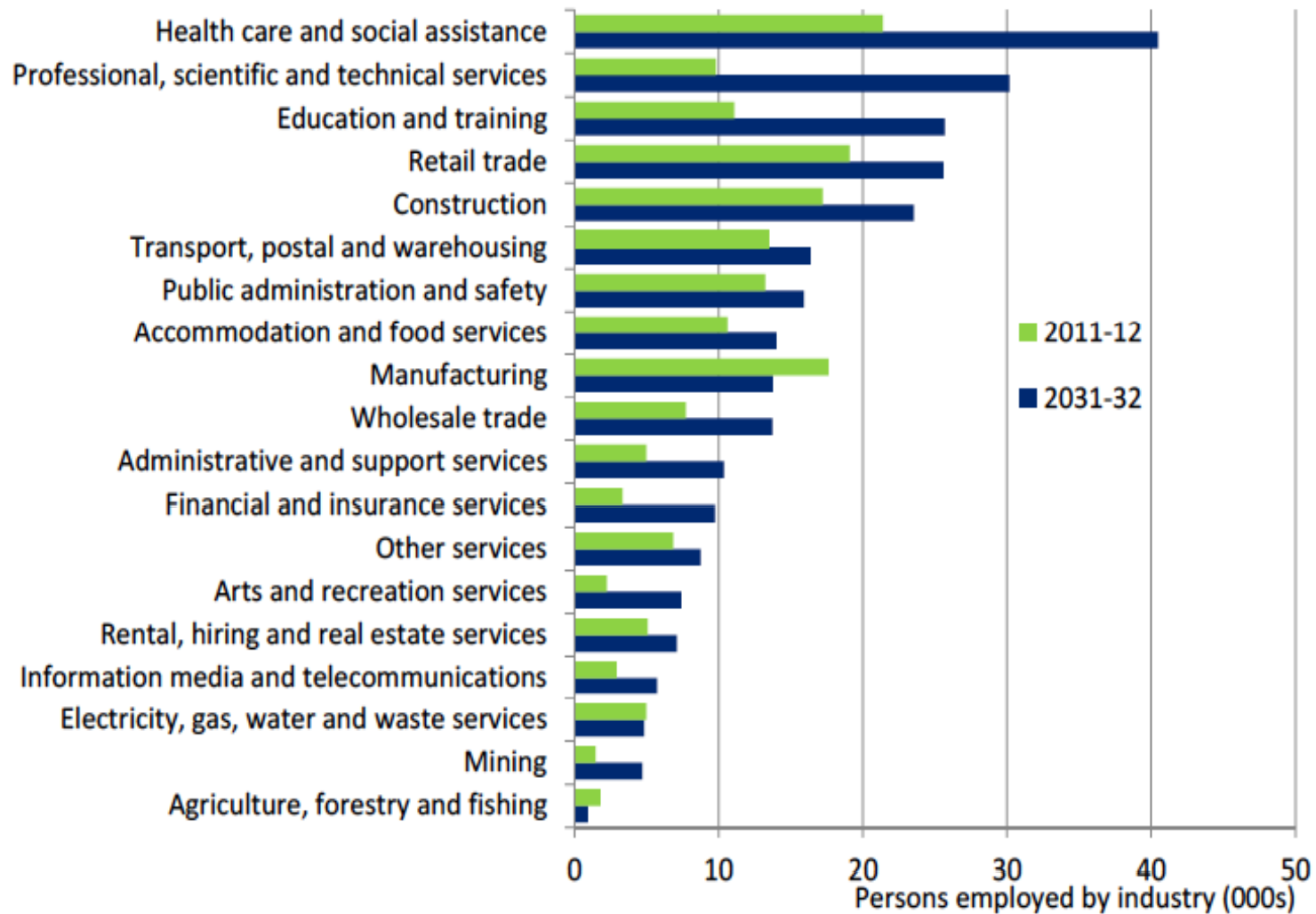


Projections of labour demand (industry level)

- ▶ Projected growth in arts & recreation, mining, professional services, financial services, education sectors
- ▶ Agriculture, manufacturing & utilities sectors forecast to contract
- ▶ Health care & retail trade expected to increase dominance
- ▶ Increase in employment in service sectors expected to support growth in white collar jobs over time

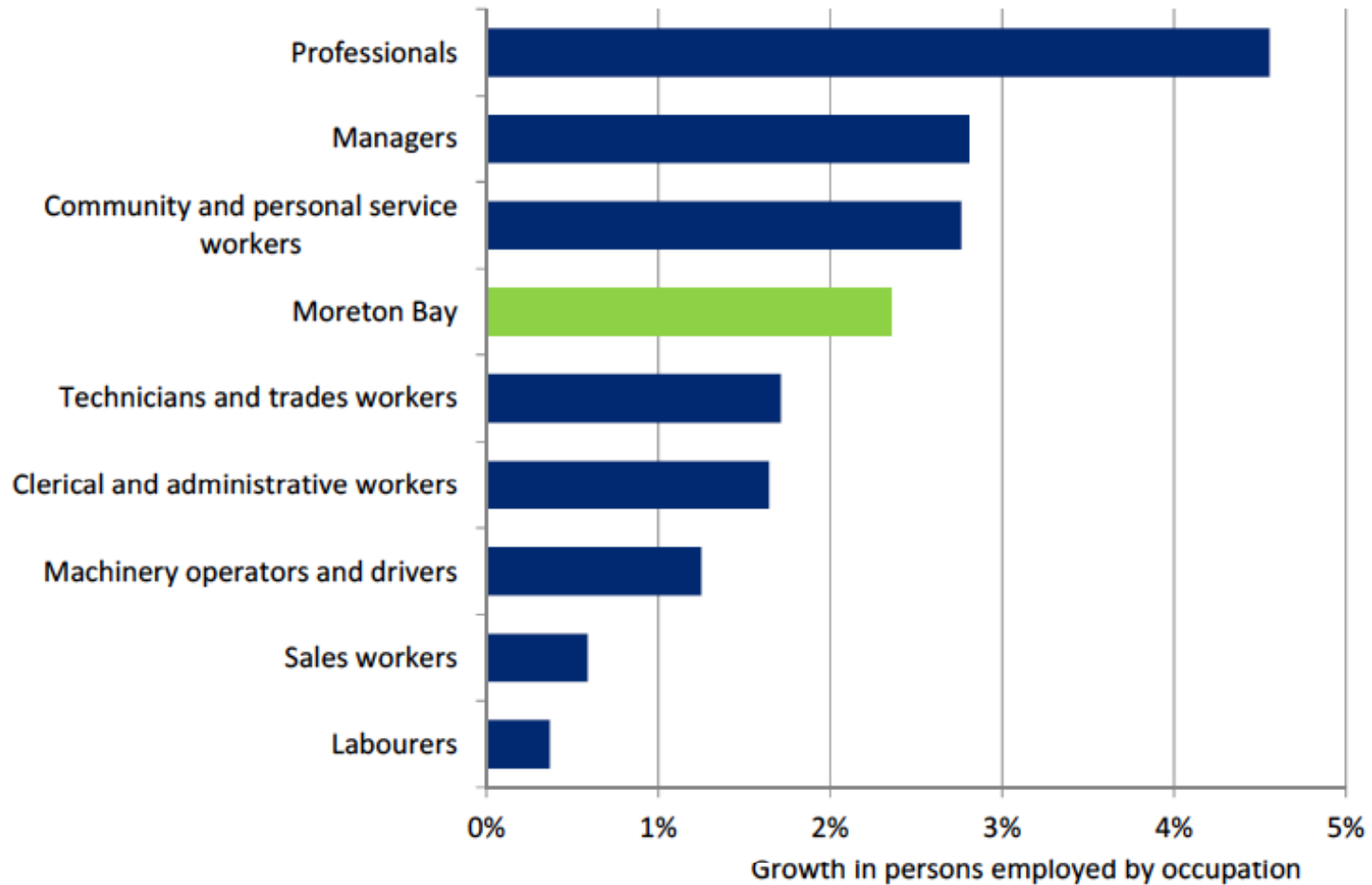


Moreton Bay: future industries



Source: Australian Bureau of Statistics, Deloitte Access Economics

Moreton Bay: future occupations



Source: Australian Bureau of Statistics, Deloitte Access Economics

Regional transformation projects

- ▶ Moreton Bay Rail Link
- ▶ Corso Project at North Lakes
- ▶ North East business park

- ▶ Est 50% of labour demand arising from transformational projects was 'additional' to base case estimates

- ▶ Generate demand for labour by almost 4,150 workers (2031-32)
 - ▶ Increase of around 1.5% compared to baseline



Key conclusions – both regions

- ▶ Rising labour supply challenge with older working-age population
- ▶ Strongest labour demand in areas with high skill requirements
- ▶ Reliance on continued population inflows to support workforce growth
- ▶ Address fundamentals that influence regions' attractiveness



Key conclusions – both regions

- ▶ Transformational projects take regional investment to higher level
- ▶ Potential for employment growth from resources sector
- ▶ Review change readiness for key industries to adapt to new technologies
- ▶ Support local businesses to harness new technologies & techniques to enhance competitiveness



Implications – both regions

- ▶ Opportunity and lead-time to educate & skill up local labour supply
- ▶ Opportunity to address unemployment
 - ▶ Particularly youth unemployment
 - ▶ Promote a wider range of career paths
- ▶ Key sources of labour supply
 - ▶ School leavers, TAFE & university students
 - ▶ Unemployed jobseekers
 - ▶ Continued inflow of residents to the regions



Thank you

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