



“ Show me the money! ”

Anonymously exchange and compare local salary data at
huntersalaries.com.au and centralcoastsalaries.com.au

2012 - 2013 Hunter & Central Coast Salary Snapshot

Forsythes Recruitment has received 2500 survey responses from Newcastle, the Hunter, Central Coast and Sydney. All figures quoted are base salaries, excluding superannuation, motor vehicles and bonuses.

What is the Snapshot?

We summarise the collected data as part of our ongoing annual salary survey.

Launched in 2009, and now with more than 10,000 responses, the survey allows people from the Newcastle, Central Coast, Hunter and Sydney regions to anonymously exchange and compare salary information.

Evolving trends are extracted from the live data and feedback suggests it is a report our clients look forward to reading.

For more detailed information on specific employment categories or regions, visit huntersalaries.com.au or centralcoastsalaries.com.au. The survey, responses and statistics are live, easily accessible and provided as a complimentary service to the local business community.

Please contribute! More data helps us paint a more accurate picture.

Overview

Fundamental shifts are occurring in the jobs market. The unemployment rate is rising and more employees are taking on contract and temporary roles. Businesses are confronted with retaining existing talent, attracting new talent and redefining their workforce structure for an unpredictable economic future. Salaries remain a key factor.

The upcoming federal election sees both major parties wanting to stimulate and protect employment with job creation a central platform. This includes legislation to give local businesses more opportunities to win work, the creation of industry innovation precincts, and new funding for Australian start-ups.

The Australian Bureau of Statistics' National Wage Price Index, a measure of annual changes in wages and salaries, will be close to 3% for the 2012-2013 financial year when it is reported later this month. A 3% WPI is low compared to the majority of ABS data recorded since 1997. It mirrors the national unemployment figures reported last month, the highest since the global financial crisis in September 2009.

These figures are consistent with survey responses out of Sydney this past 12 months, but at odds with the buoyant average increases reported in our local regions as illustrated in the table below.

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But the Hunter's headline figures, including the reported total employment growth of 4.0%, mask weaknesses. As suggested by the Hunter Valley Research Foundation (June Quarter 2013), the rate of employment growth has stalled in recent months, and falling participation has kept the unemployment rate artificially low in this region.

The first four months of the 2012-2013 financial year were the last months of the mining boom. Most annual salaries were locked in which is reflected in this survey snapshot. The experience of the latter half of that financial year is likely to be reflected in 2013-2014 average salaries, many of which would have been budgeted to commence in the past six weeks. These averages will be assessed and reported in December this year.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 - 2013	1.6% increase	4.0% increase	3.4% increase	0.7% decrease
2011 - 2012	1.7% decrease	3.5% decrease	4.2% decrease	2.0% decrease
2010 - 2011	0.8% decrease	2.0% decrease	1.8% decrease	3.0% increase
2009 - 2010	No Change	5.0% increase	2.0% increase	3.0% increase

Annual change in average salaries (all categories) per region

Survey responses this year again highlight different job categories influencing regional figures. The table below illustrates the change in average salaries per job category across Newcastle, Hunter and Central Coast regions.

Accounting	Admin	Customer Service	Engineering	Executive	HR	IT	Trades	Sales
No Change	2.0%	4.2%	3.4%	1.1%	0.5%	2.4%	3.0%	4.3%

Annual change in average salaries (Newcastle, Hunter and Central Coast) per category

Employee Confidence

Survey respondents are asked to nominate what increase in salary it would take for them to leave their current employment. Below is a table of the average responses, taking into consideration those who would leave for LESS money.

2009	2010	2011	2012	2013
25% increase	18% increase	16% increase	18% increase	22% increase

Average salary increase required to change jobs

The survey over the last five years illustrates an increased openness to change jobs from 2009 to 2011 reflecting the improving economy over that period. Since that time, confidence has softened and in the past 12 months the average pay rise sought to justify a change in jobs has crept further to 22% – a more conservative attitude than last year and approaching the 25% recorded during the GFC.

Interestingly, executive and trade categories bucked this trend over the past 12 months with administration, customer service and accounting categories the biggest contributors to this year's conservative approach to changing jobs.

Sales & Marketing

A good year for sales salaries in our local regions, probably the result of timing, particularly in relation to positions associated with the mining industry. At the peak of the boom, significant base salaries were being offered in the Hunter Valley and further inland, which lifted surrounding regions including Newcastle and to a lesser extent Central Coast. New salaries being offered in the past six months have dropped and this should be reflected in the survey statistics reported later this calendar year.

My Career reports the average sales salary in NSW as \$82,500, which is consistent with our figures reported below. While the average salary reported for this category will likely decrease over the next 12 months, we expect the rate of employment for sales people to increase post federal election.

Marketing professionals account for only a small portion of the salary figures reflected in the table below but the number of people employed in this profession locally is increasing. Specialised digital marketing skills are in demand and local employers are successfully attracting experienced candidates from capital cities offering heightened lifestyle benefits but lower salaries. If employers can provide the creative tools and strategic challenges that marketing people crave then a less urban environment is often just a bonus. Remuneration is less important within reason.

In an online world, the line between marketing and IT can become blurred and those candidates with skills in both areas will continue to be valuable.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+4.4% (\$72,800)	+ 5.0% (\$84,500)	+ 5.4% (\$75,700)	- 2.0% (\$84,100)
2011 – 2012	No change	5.5% increase	1.0% decrease	1.0% decrease
2010 – 2011	4.0% decrease	1.4% decrease	1.0% increase	3.7% increase
2009 - 2010	4.4% increase	2.0% increase	6.1% increase	1.0% decrease

Annual change in sales salaries per region (average salary shown in brackets)

Administration, Secretarial and Office Support

It has been a consistent story for administration and clerical professionals in this region over the past four years. Average salaries have increased in line with WPI, albeit to varying levels between regions.

These consistent rises are not the result of traditional supply and demand.

A third of small businesses cite low profit margins as the major barrier to better performance. Businesses are addressing margins through more creative corporate structures that better leverage the technical skills of support staff. The responsibilities of these staff are evolving, wages are keeping pace, and this is good news for people in this area of employment.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 - 2013	+ 5.3% (\$49,200)	+ 4.4% (\$54,200)	+ 4.2% (\$50,600)	+ 1.0% (\$54,800)
2011 - 2012	3.6% increase	5.6% increase	No Change	1.0% increase
2010 - 2011	5.7% increase	6.0% increase	2.1% increase	3.7% increase
2009 - 2010	4.8% increase	6.3% increase	2.1% increase	No Change

Annual change in average administration salaries per region (average salary shown in brackets)

Trade and Labour

The impact of a regressing coal commodity price began trickling thru the upper Hunter Valley in July 2012, shortly followed by Newcastle and to a lesser extent Central Coast earlier this calendar year.

“Sharpen your pencil” was the message from coal miners to suppliers in the first instance. More recently, deep structural change has occurred and long-standing business partnerships have been severed demonstrating the beginning of mining austerity and, consequently, the end of the boom.

Operationally, it’s business as usual for coal producers with production levels stable to increasing. But significant cost cutting measures have been applied in non-essential spending areas. Outsourced duties and practices, particularly plant and infrastructure maintenance, have been internalised and/or somewhat halted. This having a detrimental impact on downstream industry workers, with best guess estimates indicating greater than 1000 workers having been displaced in recent months.

While the trade and labour workforce has experienced considerable erosion, wages under the “protection” of previously negotiated enterprise agreements remain generally strong. Self-employed contractors and workers without the advantages of contracted arrangements have experienced a wage reduction and this will likely become evident in our survey results later this year.

The Central Coast, with a greater exposure to manufacturing and distribution, has shown steady and sustainable growth this past 12 months with the weakening dollar improving the competitiveness of locally manufactured products. Semi-skilled labourers, with an average salary of \$40k-\$43k, are a significant portion of the workforce in this employment category on the Central Coast. The mining downturn has had less of an impact in this region. But it has nonetheless removed a range of trade positions, increasing the availability of tradespeople and in turn eroding their ability to negotiate higher wages.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+2.6% (\$60,400)	+4.0% (\$77,000)	+4.7% (\$74,100)	NC (\$68,400)
2011 – 2012	3.3% decrease	2.0% increase	1.0% increase	1.9% increase
2010 – 2011	4.1% decrease	No change	No change	4.8% increase
2009 - 2010	No Change	5.4% increase	4.9% increase	5.0% increase

Annual change in trade & labour salaries per region (average salary shown in brackets)

Contact Centre and Customer Service

There has been little joy for Central Coast employees in this category over the previous three years, but the past 12 months has seen a slight increase for the region. Elsewhere the results are mixed. The reassessment in some sectors of international contact centre strategies is a sign of things to come for the Central Coast and other regions.

Much has been written about retail in recent years and these jobs are included in this category of statistics. The My Career website reports an average salary of \$50,185 for this employment category in NSW for 2012-2013. Among other sub-categories, including team leaders and supervisors, the My Career statistics are split into contact centre (averaging \$47,969) and customer service (averaging \$48,040). These two job categories account for the majority of survey entries in the Newcastle, Hunter and Central Coast regions.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+1.0% (\$47,100)	- 4.0% (\$48,500)	+ 3.4% (\$49,100)	+ 5.3% (\$56,400)
2011 – 2012	1.3% decrease	5.2% decrease	7.0% increase	1.6% decrease
2010 – 2011	2.0% decrease	2.0% increase	No Change	3.6% increase
2009 - 2010	4.4% decrease	3.1% increase	2.5% increase	1.3% increase

Annual change in service/contact centre salaries per region (average salary shown in brackets)

HR, Safety and Training

This category has proven to be more consistent across regions and less erratic over time than most surveyed in the past four years.

While the percentages in the table below are positive for the past 12 months, there has been minimal change to salaries in this category through the 2012-2013 financial year.

Across Newcastle, the Hunter and Central Coast, full-time HR and recruitment positions have been decreasing since January as organisations make redundancies and restructure. However, there is still reasonable demand for shorter-term contracts for WH&S specialists and ER/IR managers in addressing these organisational changes.

Cultural alignment and employee development are significant opportunities for businesses who want to improve productivity in a restructured work environment. This is good news for HR, training and recruitment managers with expertise in strategic organisational development.

The increasing availability of reliable data and robust analytics is enabling internal and external recruiters to speak the same language as their counterparts in finance, IT, sales and marketing. Social media is becoming more and more relevant in talent planning, pooling and employer branding and employers who prioritise this through their HR departments will have the advantage. This is positive for the ongoing development and perceived value of people in this employment category.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+1.0% (\$70,100)	+1.0% (\$81,100)	+ 3.1% (\$76,100)	- 2.8% (\$88,700)
2011 – 2012	3.5% decrease	3.6% decrease	1.6% decrease	2.6% decrease
2010 – 2011	3.0% increase	3.0% decrease	1.7% increase	1.0% increase
2009 - 2010	3.0% increase	2.9% increase	2.4% increase	3.0% increase

Annual change in HR/safety/recruitment salaries per region (average salary shown in brackets)

IT & Telco

The turnaround in the technology industry employment market is under way and industry analysts expect the sector to continue to strengthen. There is demand for IT roles to support business transformation and outsourcing initiatives. However, employers are waiting for the "perfect" candidate rather than employing people they need to train.

This recruiting behavior is not unique to this employment category but as the IT sector moves quickly the advice to employers is to find and secure intelligent people now rather than wait.

Social media and cloud computing have continued to mature this past 12 months and local business leaders are being more selective in how they engage these tools. This is creating opportunities for niche providers, many of whom are relocating to the Newcastle, Hunter and Central Coast regions.

Cloud computing, big data and telecommunications will dominate the IT industry this year with mobile broadband representing the main revenue stream opportunity for telcos. A vision for greater innovation in our local regions is clear and it will be interesting to see this manifest in remuneration trends over the next 12 months.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 - 2013	NC (\$70,400)	+3.5% (\$83,700)	-1.3% (\$72,100)	+1.1% (\$92,200)
2011 - 2012	4.4% decrease	3.0% decrease	3.8% decrease	1.4% increase
2010 - 2011	1.7% increase	1.3% increase	2.8% increase	1.1% increase
2009 - 2010	No Change	6.3% increase	1.4% increase	1.0% increase

Annual change in IT & Telco salaries per region (average salary shown in brackets)

Finance & Accounting

The change in salaries for accounting professionals varied across the four regions this past 12 months. Sydney and the Central Coast saw average salary decreases of 1.1 and 5.3 per cent respectively. This extends the previous year's downward trend in these regions.

Permanent accounting opportunities on the Central Coast were scarce this past 12 months. The limited activity mostly centred on low to mid-tier positions, often for fixed-term contracts, special projects or to cover extended leave.

In Newcastle and the Hunter Valley the average accounting salary increased by 5.6% and 5.1% respectively. As outlined in the Overview, this is more than likely a consequence of timing, and particularly off the back of some lower averages in preceding years.

Average accounting salaries in Newcastle and the Hunter were about \$75,000 in the past 12 months. Central Coast salaries were closer to \$70,000, and Sydney's about \$80,000. The average for NSW in 2012-2013 was \$77,900 according to the My Career website.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 - 2013	- 5.3% (\$69,000)	+ 5.1% (\$76,500)	+ 5.6% (\$74,200)	- 1.1% (\$80,460)
2011 - 2012	5.5% decrease	3.2% decrease	2.5% decrease	2.6% decrease
2010 - 2011	No Change	4.3% decrease	3.0% decrease	6.4% increase
2009 - 2010	1.8% increase	2.0% decrease	No Change	5.8% increase

Annual change in average accounting salaries per region (average salary shown in brackets)

Engineering and Technical

Engineering and technical disciplines have been the hardest hit this past 12 months in the Newcastle and Hunter Valley regions. The price for thermal coal and increased operating costs for miners have had significant impact on downstream industries.

This is yet to be reflected in the average annual salary for this category, particularly in the Hunter Valley where our survey reports a 4.5% increase on last year to \$116,600. This is a healthy figure compared to the \$107,300 reported by My Career as the state average for the past 12 months.

Central Coast and Sydney have for the past four years reported a conservative but sustainable average salary compared to the more mining-exposed regions. The geographical salary discrepancy associated with the mining industry should diminish over the next 12 months with Newcastle and the Hunter Valley averages expected to fall.

Outside of mining, the civil, structural and environmental disciplines will benefit from continued interest rate cuts and a relatively large number of projects on the horizon particularly for the Newcastle and Central Coast regions.

The construction industry fared well this past 12 months with dwelling approvals, a leading indicator of construction, following the state trend to higher levels in Newcastle and further west. But it will take time for this to translate into a sustained upturn for this employment category which for the last 12 months has been patchy across our local regions.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+1.0% (\$87,000)	+4.5% (\$116,600)	+3.0% (\$93,400)	+3.4% (\$90,200)
2011 – 2012	4.1% increase	4.7% increase	1.8% decrease	1.0% increase
2010 – 2011	1.6% increase	2.0% decrease	2.0% decrease	2.7% increase
2009 - 2010	No change	2.1% increase	No Change	1.0% increase

Annual change in engineering/technical salaries per region (average salary shown in brackets)

Executive

Remuneration is as disparate as the job titles under the “executive” umbrella.

There is an assumed difference between regional and capital-city pay scales. But executive salaries are particularly influenced by industry and company size, and these characteristics further differentiate Sydney’s large employers from local companies.

Notwithstanding the modest upward trend found in our local survey, the media is reporting downward pressure on salaries for executives. Forecast growth in this category is set to slow nationally this financial year with the unemployment figure for Australian executives tipped to be double the national unemployment rate of 5.7 per cent.

It’s not the strongest or most intelligent executive who will survive the current economic downturn, but those most adaptable to change and this will be particularly important in our local regions.

The anecdotal data on My Career and Seek websites report average executive salaries from \$90,000 to \$350,000 in NSW (average \$180,000) across a wide range of industry sectors. The highest executive salary increases reported regionally for the past 12 months were in IT, construction, utilities and mining industries.

	Central Coast	Hunter Valley	Newcastle	Sydney
2012 – 2013	+2.5% (\$125,200)	+2.8% (\$164,500)	+1.4% (\$144,700)	- 4.0% (\$184,900)
2011 – 2012	5.0% increase	6.5% decrease	4.0% decrease	6.0% decrease
2010 – 2011	5.0% decrease	5.2% increase	4.9% increase	3.4% increase
2009 - 2010	3.1% increase	3.7% increase	2.0% increase	3.5% increase

Annual change in executive salaries per region (average salary shown in brackets)

Outlook

There are many factors likely to drive change in salaries over the next 12 months and beyond. But the exchange rate, the carbon tax and the federal election will have a significant impact.

In general, business decision-making and recruitment is at a standstill awaiting a new national government. Nowhere is this more evident than the mining sector, which is in transition from investment phase to production phase. Job losses in engineering and trades may be offset by an increase in actual mineworker jobs. But locally, the proposed fly-in fly-out villages for mine operations could negate any positive employment outcomes.

Another federal election issue impacting on employment is the National Broadband Network. Its rollout may result in some of our local regions transforming to a “Silicon Valley” style of workforce. Younger people and start-ups in the Newcastle-Lower Hunter area could tap into this culture and provide online services rather than seek more traditional employment.

The 2013 NSW budget put Newcastle at its centre for the first time in living memory. The privatisation of the Port of Newcastle could earn as much as \$1 billion for infrastructure projects. Certainly \$340 million is earmarked to revitalise the Newcastle central business district and replace the heavy rail line with light rail between Wickham and the city centre. The resulting increased demand for construction and trade jobs during this project will be welcome.

Port Newcastle is the world's largest coal-exporting terminal and Australia's third-largest port by total throughput in mass tonnes. Its sale and the resultant light rail will bring new residential developments, retail precincts and increased interest in the university campus. The 99-year-lease will create the opportunity for private investment in the future development and diversification of the port in its industries and services.

The port has always been the lifeblood of the Hunter and the proceeds from its privatisation may just be the stimulus the region needs.

Other sectors that provide optimism for growth are the University of Newcastle, research and health. The state budget confirmed \$585 million would be spent on setting up the National Disability Insurance Scheme. Based in Charlestown, the NDIS will be the trial site for the entire country.

On the Central Coast, Chinese investment and the Macquarie Generation and Delta power stations sell-off will impact the region. Macquarie Generation is the state's largest electricity generator, contributing 29% of NSW's power into the national electricity market and the black coal-fired Bayswater and Liddell plants are considered the most lucrative of the state's generators.

There is momentum building on the Central Coast. Local councils and business groups have articulated a clearer vision for the region in recent months which has gone some way to addressing the void left by Hunter mining. What the Central Coast contributes to our regional economy over the next few years will be more significant than many may anticipate.

But generally, as reported in the Hunter Valley Research Foundation's June Quarter 2013 summary, the outlook over the next 12 months will be challenging in our local regions. "The decline in the currency and the prospect of persistent low interest rates will assist housing, retail, accommodation, manufacturing, tertiary education and a range of sectors across the Region. However, this gradual medium-term improvement will run against the stark short-term consolidation of large-scale resource-based activity".

Buckle up!