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## Region outperforms the state unemployment rate

The region's peak industry body **Business Hunter** believes the latest Australian Bureau of Statistics (ABS) unemployment data highlights a robust regional economy, with the Hunter outperforming the state's unemployment rate.

Based on the labour force data released by the ABS, the December 2022 monthly unemployment rate in Newcastle and Lake Macquarie dropped to 2.8 percent from 3 percent in November 2022, and in the Hunter Valley dropped to 2.7 percent from 4.6, whilst the NSW state rate is sitting higher at 3.0 per cent.

Business Hunter CEO, Bob Hawes said whilst there was volatility in the monthly figures, we now had a situation where the monthly unemployment rates for both the Hunter Valley and the Lake Macquarie / Newcastle regions were tracking at less than 3 percent.

"This is unheard of in recent times. These figures continue to show a bright picture for people in our region seeking work and no signs of a change in the difficulties businesses are having seeking to attract workers from the ranks of the unemployed," said Mr Hawes.

Youth unemployment rates are also stabilising at around 7.5 percent, which has more than halved in compared with pre-covid figures across the region.

"This is a far cry from the double-digit high teens numbers we witnessed through early Covid and prior to 2020 and is particularly strong given the December youth figures will reflect growth in the numbers of youth seeking employment as a consequence of the start of the drift of school, TAFE and University students into the workforce."

Mr Hawes said that from an economic point of view, the latest figures paint a strong picture of health, suggesting there will be some resilience in the regional economy should the impacts of high inflation and the recent rises in interest rates take a stronger hold.

"It really is a situation where the pay-packet impact across the region is relatively strong which we hope will build resilience for households and businesses if things do get tighter quickly."

"Businesses are still looking for people and it is clear people who are looking for work are finding opportunities, be that in part-time or full-time roles," said Mr Hawes.

The workforce participation rate in Newcastle and Lake Macquarie has remained above 70 per cent and the Hunter Valley figure has also recovered to its pre-Covid rate of around 64 percent.

Since December 2019 (or the eve of Covid) 32,700 jobs have been created in the region, a growth of 9 percent at a time when the ABS estimated the workforce population (people 15 years and over) grew by 36,000 or 6.7 percent.

The latest National Skills Commission Internet Job Vacancy Index for October 2022 was showing employers were trying to fill around 7,000 jobs, which Mr Hawes said partially explained why there had been growth in the workforce and the number of people employed.

“We foresee the trend of continuing underlying strength in the employment market into early 2023 as cost-of-living pressures and rising interest rates will mean households will be keen to maximise their income potential and maintain their income relativity by staying in work,” said Mr Hawes.

“There are no signs of demand from industry to employ people dropping off just yet either, although we do believe there will be some softening in some sectors as household spending backs off in early 2023 and interest rate increases continue to bite both the household and business sectors.

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