

23 December 2022

Region's labour force expands in Christmas lead up

The region's peak industry body **Business Hunter** notes the latest regional employment data for November 2022, released yesterday by the Australian Bureau of Statistics, shows the labour market in the Hunter region has grown significantly.

Business Hunter CEO Bob Hawes said the market was showing a strong response to the call by businesses for workers to fill jobs.

"The workforce participation rate in Newcastle and Lake Macquarie has hit an all-time high, topping out at 70.8 percent, however this is still sagging in the Hunter Valley, which is curious given the deafening cries from employers seeking out additional workers right across the region in just about every section of business," said Mr Hawes.

Mr Hawes said the region's workforce had grown by more than 35,000, compared with pre-pandemic levels.

"What is remarkable is the growth in the total number of people employed, which has jumped from around 338,000 in March 2020 to 373,200 in November, showing nine percent growth in full time and 12 percent growth in part time jobs across the period," Mr Hawes added.

"The monthly figures across the region continue to show volatility however they remain in the lower range compared to historical data and lower than the levels experienced pre-covid."

Whilst the NSW monthly unemployment rate eased to 3.6 per cent in November, the rate for Newcastle and Lake Macquarie dropped to 3 percent from 3.6 percent in October and the Hunter Valley jumped up to 4.6 percent compared to 2.6 percent October.

Since March 2020 the workforce population in the Hunter Valley has increased by 16,700 people, compared with 14,800 in Newcastle and Lake Macquarie, however the take up of employment in the Hunter Valley grew by just 4,900, compared with 29,500 in Newcastle and Lake Macquarie.

Mr Hawes said it would be interesting to dig into the data to see what was behind the trend.

"The take up of employment in Newcastle and Lake Mac is almost six times higher than the Hunter Valley, despite the Valley experiencing higher population growth. You could draw a lot of different conclusions from this and it would be interesting to see if it was a movement arising from housing and rental cost increases on the east coast, recovery of key east coast sectors badly impacted by

covid such as accommodation and food, or other movements resulting from job and housing opportunities and challenges across the region,” Bob Hawes.

The pool of unemployed people across the region remained at around 14,000 at a time when the National Skills Commission Internet Job Vacancy Index is showing employers are trying to fill around 7,000 jobs, which is in part an explanation as to why there has been growth in the workforce and the number of people employed.

“We will also see in the November figures, the start of the drift of school, TAFE and University students into the workforce to fill a range of full and part time positions that typically open up at this time of year,” said Mr Hawes.

“There was a surprising jump in Youth unemployment (15 – 24 yr old) in the Hunter Valley, increasing from 4.2 percent in October to 9.4 per cent in November, which in part would be explained by the increase in supply flowing from the end of the academic year. However, in Newcastle and Lake Macquarie, the figure remains very low at 4.4 per cent showing young people are having success in being placed in employment quickly.

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

“There are no signs of business and industry demand for workers dropping off just yet, 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. “

Media: Bob Hawes 0418 496 745