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Signs worker demand may be softening

According to the region's peak industry body, **Business Hunter**, the latest ABS Labour Force data reveals the Hunter's employment remains steady, despite a steep drop in online job advertisements.

The number of job ads as measured by the National Skills Commission Internet Vacancy Index dropped sharply across December '22 and January '23 to 6,037 positions in January, following a peak of 7,180 in October 2022.

Mr Hawes said the disappearance of more than 1100 online job advertisements could have been prompted by several factors.

"The fall may be reflective of business giving up the recruitment talk across the holiday period, or sheer frustration with the lack of candidates coming forward to apply. We've detected a nuance in the market, with employers now prepared to seek out skilled workers, rather than any warm body," said Mr Hawes.

"It may also be a sign that we are starting to see some of the ripple effects of rising interest rates coming to bear. We'll have some new data to release on this front next week, with early indications suggesting there may indeed be a softening in demand for workers. It will be interesting to see if it rebounds in February or if businesses continue to ease their efforts in recruiting. We'll be watching this closely," said Mr Hawes.

Whilst the monthly employment figures continue to show significant volatility, they offer a useful pulse check, with unemployment rates across Newcastle and Lake Macquarie increasing from 2.8% in December to 3.1% in January and jumping from 2.7% to 5.5% in the Hunter Valley.

"It seems there was a sudden drop in the number of both full and part time employment in the Hunter Valley across January at a time when we normally see steadiness in part time employment, particularly across seasonal industries like agriculture and wine production," said Mr Hawes.

The monthly figures reveal the pool of unemployed people grew by 5,000 people in January to 15,700, with a big drop in the number of full time employed falling by 12,300, whilst part time employment grew by nearly 2,000 positions.

The change was also reflected in softening participation rates, falling below 70% to 69.8% in Newcastle and Lake Macquarie in January, and from 63.9% in December to 62.5% in the Hunter Valley.

“Youth unemployment (15–24 year-olds) also grew across the region, which is not unusual for January, as the ranks of those looking for jobs out of school and tertiary education hit the job market,” said Mr Hawes.

The monthly figures show there are 4,400 youth looking for work, still well below the 9,400 in the market pre-covid, in March 2020.

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