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PARTICIPATION RATE MASKS WORKFORCE ISSUES

The region's peak business group, **Business Hunter**, observes that workforce participation rates continue to lag behind the national average, according to the latest Australian Bureau of Statistics (ABS) monthly workforce statistics.

The participation rate measures the percentage of working-age people who are employed or are actively seeking work. The region's overall participation rate stands at 63.3 percent, a slight improvement on last month's rate of 62.7 percent, but still well below the national rate of 67.1 percent.

Achieving a participation rate of 67.1 percent would see another 37,000 people across the region join the ranks of employment.

Business Hunter CEO, Bob Hawes said the low participation rate was masking other characteristics in the jobs market.

"If the region was running more closely to our historical rates or the national figure, both the total employment as well as unemployment would be higher," said Mr Hawes.

"While the participation rate in the Hunter Valley improved, it remains below 60 percent. We believe this is reflective of constraints caused by mis matches in the market in terms of skills and experience, as well as travel and housing that is presently limiting the unrestricted movement of people across the region to pursue work. This is causing job seekers to temporarily withdraw from the market."

Mr Hawes said this highlighted the interconnectedness of policy platforms across the region.

"Employing staff is not as simple as matching skills to roles. People need to be able to travel to work, access available and affordable housing, secure daycare and the list goes on. These issues will be high on our list of advocacy priorities as we engage with governments in the leadup to the next federal election," he said.

For the month of July, the monthly unemployment rate in Newcastle and Lake Macquarie rose sharply to 3.2 percent, up from 2.4 percent in June, whilst the rate in the Hunter Valley fell to 4.1 percent, from 4.5 percent in June.

Despite the fall in unemployment in the Hunter Valley, the overall unemployment rate for the region rose from 3.3 percent to 3.6 percent. This continues to track below the rate recorded for NSW, which rose to 4 per cent, and Australia, which rose to 4.2 percent.

Despite the softening of the overall unemployment rate, total employment rose by 3,100 jobs. This was due to growth in part time roles, which increased by 5,100, while full time roles shrank by 2,000.

“The data reveals the regional labour market is softening yet remains relatively tight compared to NSW and Australia more broadly,” said Mr Hawes.

The pool of unemployed people across the region grew slightly from 12,300 in June to 13,700 in July. Mr Hawes said, “the pool of unemployed remained well below the figures prior to early 2020 and is reflective of the change in the participation rate noted earlier.”

The latest Jobs and Skills Australia Internet Vacancy Index for the Hunter region for July 2024 fell slightly to 5,530 positions, compared with the 5,580 roles on offer in June. Once again, the slight fall in the region compares favourably to the much greater falls in job ads experienced more broadly at the state level.

“The figures reflect a multi speed economy across the region. We know that some sectors are not as bullish as others and clearly those that are doing well are still looking to employ more people. There is anecdotal evidence that the trend will continue,” Mr Hawes said.

Unemployment in the region’s youth market (15 to 24 year olds) continued to display record low figures moving from 5.2 percent in June to 5.5 percent in July. The change meant there was a drop of 1,700 jobs in the youth market following a softening of the employment rate in Newcastle and Lake Macquarie, which moved from 2.4 percent in June to 4.4 percent in July, still well below historical averages for this cohort.

“The continued strength in employment in the youth market is a standout in the local employment market. The pool of unemployed in this group of around 4,000 is still well below figures of more than 7,000 in 2020 despite significant population growth since then.”

For interviews please contact Bob Hawes: 0418 496 745