

# MEDIA RELEASE

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# BUSINESS HUNTER

## SHRINKING WORKFORCE A CONCERN FOR THE REGION

The latest the Australian Bureau of Statistics (ABS) monthly workforce data, reveals that despite strong regional population growth since 2020, the regions workforce remains 'stuck in a groove' and continues to struggle to meet demand under a sagging workforce participation rate according to the region's peak business group, **Business Hunter**.

The ABS noted for the month of August 2024, the regions unemployment rate rose to 4.1 percent, up from 3.6 percent in July. The unemployment rate recorded in the Hunter Valley jumped from 4.1 percent in July to 5.2 percent in August and in Newcastle and Lake Macquarie, the rate drifted from 3.3 percent to 3.4 percent in the same period. The overall rate for the Hunter region is in line with the figure recorded for NSW.

There were 11,200 jobs lost in the region across the month but only 1,400 job seekers added to the pool of unemployed as people continued to opt out of the workforce as measured by the ABS.

The workforce participation rate dropped from 62.7 percent in July to just 61 percent in August compared to 66.5 percent in February 2020 (pre-Covid). This is still well below the current national rate of around 67 percent. The participation rate measures the percentage of working-age people who are employed or are actively seeking work.

"These numbers continue to stagger us when you consider the estimate of population growth of people aged 15 years and over since February 2020 has been 42,100 and the Jobs and Skills Australia Internet Vacancy index for the region in August was stable with 5,500 jobs on offer" said Business Hunter CEO, Bob Hawes.

"We're growing our population, and there are jobs out there, but growth in the overall workforce is static at best."

"If the region were tracking closer to our historical workforce participation rate, I suspect the job vacancy numbers would be less and the unemployment rate a lot higher," Mr Hawes said.

"We are aware the monthly statistics can be volatile because of sampling methods however it has been a consistent concern of ours that we have a section of the population demotivated from looking for work and businesses frustrated in that they can't attract the right talent from the small pool of people actively looking for work," Mr Hawes added.

"Based on the ABS data, the regions workforce as measured by the total number of people in work or looking for work, was 362,000 in February 2020. This fell to 357,600 in August 2024, a drop of around 4,400. I'm at a loss to explain why today's workforce number isn't significantly greater and clearly there is demand for this to be the case," Mr Hawes said.

Based on the ABS employment data, professions and sectors that have lost workers (full and part time) in the region include:

- **Information and Media Technology** in Newcastle and Lake Macquarie dropping from an average of 4,100 in the four quarters leading up to February 2020, to an average of 800 in four quarters to August 2024.

- **Administrative and Support Services** across the region dropping from an average of 10,800 in the four quarters leading up to February 2020 to an average of 8,000 in the four quarters to August 2024.
- **Construction** jobs in Newcastle and Lake Macquarie dropping from an average of 22,000 in the four quarters leading up to February 2020 to an average of 18,100 in the four quarters to August 2024.
- **Mining** jobs show a decline from an average of 16,100 in the four quarters leading up to February 2020, dropping to an average of 14,100 in the four quarters to August 2024.
- **Agriculture, Forestry & Fishing** jobs in the Hunter Valley were resilient at the start of the pandemic but had a notable drop in the last 2 years, down to an average of 1,400 for the 4 quarters to August 2024, from 2,900 in February 2020 or the recent peak of 4,600 in February 2021.

Growth has occurred in the following sectors and professions.

- **Accommodation and Food Services** across the region has grown from an average of 25,900 in the four quarters leading up to February 2020 to an average of 32,400 in the four quarters to August 2024.
- **Education and Training** across the region has grown from an average of 25,600 in the four quarters leading up to February 2020 to an average of 31,400 in the four quarters to August 2024.
- **Health Care and Social Assistance** across the region has grown from an average of 59,600 in the four quarters leading up to February 2020 to an average of 67,600 in the four quarters to August 2024.
- **Manufacturing** across the region has grown from an average of 20,800 in the four quarters leading up to February 2020 to an average of 23,100 in the four quarters to August 2024.
- Recovery in **Retail** across the region has growing from an average of 30,700 in the four quarters leading up to February 2020 to an average of 36,600 in the four quarters to August 2024

“We know on the demand side there are some issues around matching people to job requirements. We recently observed that based on the 2021 census, around 27 percent of the region’s population have bachelor degree or advanced diploma qualifications yet over 40 percent of the Internet Vacancy jobs on offer state those qualifications in the eligibility criteria.”

“We’re behind the eight ball at a time when there is limited scope for people to move into or across the region because of the housing crisis and a time lag for people to upgrade to a higher skill base, which obviously takes time.”

“On the supply side, people progressing through education courses and training programs will have noted institutions have changed their offerings considerably in response to demands for flexibility and pulses from new sectors. Fee free TAFE positions, micro skilling and blended work and training programs have made things easier.”

“The apprenticeship take up and completion rates have softened at a time when there are demands for this to be growing. We suspect this is partly in response to the repealing of the generous fee subsidy arrangements on offer through the pandemic. There is certainly an argument levels of greater support should be re-examined and re-introduced. There is a long list of trades the nation needs to have in place to match future growth ambitions in industries like renewable energy, Defence, and construction,” Mr Hawes noted.

**For interviews, please contact Bob Hawes: 0418 496 745**