

9 December 2024

Hunter worker shortage third worst in the state

The Hunter has ranked third highest in the state for businesses in skills shortage, according to a new report.

Business NSW's [State of Skills 2024](#) report reveals 81% of Hunter businesses are facing workforce shortages, following Riverina Murray (88%) and Western Sydney (86%).

The survey drew feedback from a diverse group of employers across the state's eleven regions. It revealed 77% of NSW employers are facing significant skills shortages, down from 93% in 2022 but still above 51% in 2019 (pre-pandemic).

The report sheds light on workforce challenges Business Hunter has long been highlighting.

Business Hunter CEO, Bob Hawes said the report was reflective of the struggles employers in the Hunter region are currently experiencing in attracting and retaining staff.

"For some time, unemployment in the Hunter has been lower than the state average. As such, the workforce issues highlighted in this statewide report are not only reflective of our region but, in many cases, even more acute for certain employers."

Statewide, more than a quarter of employers (28%) reported that they had made five or more attempts to recruit for a given role in the past 12 months.

Factors underlying difficulty in recruitment include difficulty in keeping pace with salary expectations, staff turnover, a lack of interest in available roles and location-based challenges. About half of all employers surveyed indicated they struggled to keep pace with wage or salary expectations (47% of all employers, and 52% of those in shortage).

Mr Hawes said finding workers, particularly the right workers, remained incredibly challenging for the region's businesses.

"Businesses are expending considerable effort to hire and retain staff," he said.

"If we compare these findings to current Hunter labour market data, we can see why employers, and job seekers for that matter, are becoming frustrated. Based on Jobs and Skills Australia data, around 30% of the jobs on offer across the Hunter are calling for degree qualifications, yet of the cohort of people looking for employment, just 7.1% have this qualification. There's going to be a lot of wheel spinning when these sorts of gaps exist."

These shortages manifest in a range of impacts for business. Key findings include:

- 75% of businesses in shortage reported an increase in the workload being carried by existing staff, with many business owners having to 'get back on the tools' to keep the business running.
- 39% of employers anticipated significant negative impacts for their business if skill shortages continue.
- Eight in 10 businesses have had to boost pay or offer better conditions over the past year to stay competitive in the battle for skilled workers.
- 23% of employers in shortage indicated they lacked the additional capacity needed to supervise and train staff – a finding that has serious implications for sustaining a skilled economy and providing for future skilled workforce needs.

Reflecting on these insights, Mr Hawes warned of further pain to come as the region looked to maintain its existing base and also bring new industries to bear.

"The skills shortages highlighted in this report are not just numbers, they represent a real and growing barrier to the ability of regions like ours to evolve and thrive in a changing economy. If these gaps are not addressed, our efforts to diversify into new industries, such as renewable energy, technology, and advanced manufacturing could be significantly hindered," he said.

The Report has identified a number of actions that would help address the shortcomings:

- enhance TAFE NSW as the standard for quality vocational education and training - alongside improving RTOs and universities - with strategic investments in facilities and priority fields
- collaborate with SMEs to create VET programs that meet industry needs and involve employers in training and development.
- expand childcare funding to create more places for parents, supporting workforce participation and early childhood development
- ensure access to vocational education in regional NSW, with incentives for local, innovative solutions via a Regional Skills Fund
- speed up visa processing and prioritise regional skilled visas to meet urgent sector needs, particularly in energy and agriculture; and
- That the Federal Government double the current Work Bonus program limit for the age pension to allow senior and retired workers greater flexibility making an invaluable contribution to the labour force.
- The Federal Government should investigate the introduction of Fringe Benefits Tax concessions for employer-provided housing in areas of acute skills shortage.

Media enquiries: Bob Hawes 0418 496 745