

20 December 2024

'Tis the Season for Staff Shortages

The region's peak business group, **Business Hunter** observes that the unemployment rate across the Hunter dropped to 2.8 percent in November, more than a full percentage point lower than the NSW rate, according to the latest Australian Bureau of Statistics (ABS) monthly employment data.

The unemployment rate recorded in the Hunter Valley fell from 4.8 percent in October to 3.4 percent in November and in Newcastle and Lake Macquarie, the rate eased to 2.5 percent from 2.4 percent over the same period.

Among the youth cohort (15 to 24 year olds), the monthly unemployment rate fell further to 3.1 percent in November, suggesting tight market predictions were being realised.

Employment growth was driven by an increase in the number of part-time roles, consistent with trends at this time of year. Overall, the employment market grew by around 1,000 positions.

Business Hunter CEO, Bob Hawes said these trends, indicating protracted tightness in the market, could mean businesses seeking additional capacity over the holiday period may be finding it tough to secure the workers they need.

"The low unemployment figures over the last few months, particularly in the youth cohort, provide an unusually small cushion leading into the peak holiday period. In previous years, an influx of younger people entering the job market at this time of the year has inflated the unemployment rate. This was not the case this year, and we suspect some businesses will be having trouble filling their part time and casual positions compared to previous years," Mr Hawes said.

Mr Hawes observed that the relatively healthy employment picture was encouraging for household incomes moving towards Christmas, and hoped it would turn into support for local traders and businesses across the board for shopping and holiday trading.

"It is going to be a tight Christmas and holiday period, recognising the situation some households are in, but there are glimmers of light in the region from the feedback we

receive about employment and how well some, not all, businesses are doing,” he said.

The number of job ads for the month based on the Jobs and Skills Australia Internet Vacancy Index fell by 4.7 percent in November compared with a decline of 1.9 percent nationally.

“Despite the small fall, there are still over 5,500 jobs on offer which shows there is still a strong appetite from business to employ people despite being on the cusp of the holiday period.”

The overall employment market figures continue to be bolstered by a soft participation rate across the region, which continued to fall in the Hunter Valley, offset by an improvement in Newcastle and Lake Macquarie.

ABS data reveals that the region's workforce is falling short by over 20,000 people, a gap that would close if the participation rate aligned with national figures or the region's historical averages.

Mr Hawes said identifying and addressing the constraints for people to enter the workforce will be a key priority for Business Hunter in 2025.

“We suspect there are a number of frustrations, including a mismatch between employers and job seekers, appropriate public transport options, and housing availability and affordability. We’re calling for a deep dive into this ecosystem next year,” said Mr Hawes.

Media enquiries: Bob Hawes 0418 496 745