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Workers remain scarce despite unemployment uptick

The region's unemployment rate took a hit in January, according to the latest Labour Force statistics from the Australian Bureau of Statistics (ABS)

Business Hunter, the Hunter's peak business group, observes that unemployment jumped from 2.6 percent in December 2024 to 3.8 percent in January 2025, driven by a decline of 5,100 full time jobs. This was partially offset by a rise of 2,600 part time roles, resulting in a net loss of 2,400 jobs across the month.

Business Hunter CEO, Bob Hawes said the softening in the monthly figures was anticipated as part of the region's annual fluctuations.

"The change follows a similar pattern to 12 months ago when the region's employment rate grew from 2.9 percent to 4.1 percent across the same period. It's reflective of seasonal factors and the fact that relatively few jobs were lost this time still speaks to the tightness of the overall employment market across the region," said Mr Hawes.

The ABS statistics also show that total job growth across the region over the 12 months since January 2024 was a relatively modest 3,600 positions. However, this included a gain of 8,600 full-time roles, partially offset by a decline of 5,000 part-time positions.

"This highlights the employment demands of the business sector and is a reversal of the shrinkage in overall employment we witnessed from 2023 to 2024. Businesses continue to list workforce factors as a constraint and the 12 month growth in full time roles reflects market demands and strong conditions," Mr Hawes said.

The overall monthly unemployment rate recorded in the Hunter region of 3.8 percent compared with 4 percent across NSW. The rate in Newcastle and Lake Macquarie jumped from 1.9 percent in December to 3.7 percent in January whilst in the Hunter Valley, it eased from 3.8 percent to 4 percent over the same period.

Youth unemployment (15 to 24 year olds) continues to defy gravity and the overall rate in the region tightened from 4.7 percent in December to 4.2 percent in January 2025 suggested our best and brightest amongst our youth would be having little trouble in finding work.

“In 2023 to 2024, the youth unemployment rate sagged but this year we have seen a reversal of that trend and we’re also seeing far higher participation rates in the youth sector of around 76 percent, compared with 63 percent in the overall market.” Mr Hawes noted.

The number of job ads based on the Jobs and Skills Australia Internet Vacancy Index for January also fell from 4,770 in December, to 4,618 in January, a fall of 3.2 percent compared with the slight rise of 4 percent nationally.

The overall number of job ads in the Hunter continues at elevated levels when compared with historical monthly averages. Across 2024, the average number of monthly job ads in the Hunter was 5,582 or 64 percent higher than the monthly average across 2019 (3,397). Over the same period, the estimated workforce population (aged 15 and over) grew by 9.9% or 53,200 persons and total employment has grown by 31,500 roles since January 2019.

“The ongoing trend of a tight labour market means businesses seeking additional capacity continue to experience difficulties in finding new staff and this is reflected in our quarterly Business Conditional Survey outcomes. Similarly, people looking for work will have continued to experience a fertile market if they have the skills and experience businesses are looking for.”

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