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Unemployment climbs as more join the job market

The Hunter's unemployment rate climbed from 4.2 to 4.8 per cent in March, as a wave of new jobseekers flooded the market in the face of rising cost-of-living pressures.

The latest [Australian Bureau of Statistics Labour Force](#) data shows the regional unemployment rate increased from 4.3 per cent in February to 4.8 per cent in March in the Lake Macquarie-Newcastle statistical area, and from 4.0 per cent to 4.8 across the rest of the Hunter Valley. This compares with figures of 4.5 per cent nationally and 4.6 per cent in NSW.

Significantly, the increase in unemployment was not driven by job losses, with employment across the region growing by nearly 1,000 jobs between February and March.

Rather, the rise can be attributed to an increased pool of jobseekers, with more than 5,400 additional people entering the labour market.

Business Hunter CEO Bob Hawes said the increased participation rate captured both people taking up work and those registered as actively seeking employment.

"This is a participation-led increase in unemployment rather than a weakening in the jobs market," Mr Hawes said.

"The increased participation rate indicates more people are confident enough to re-enter the labour market, which is a positive sign for the region's longer-term workforce capacity.

"We can also surmise that increasing cost pressures, in part influenced by the fuel crisis, might have motivated some people to get back into the jobs market and look for work."

Youth labour market conditions showed a similar pattern. The youth unemployment rate increased from 9.8 to 11.5 per cent in the Hunter Valley and from 10.1 to 11.0 per cent in Lake Macquarie–Newcastle between February and March, with a corresponding increase in participation rate. However, there was also a decline of around 900 jobs across the region among people aged 15 to 24.

Despite higher unemployment rates, demand for labour remains strong. Job advertisements rose again through February and March, with the Jobs and Skills Australia Internet Vacancy Index showing advertised positions increasing from 4,626 in February to 5,252 in March.

"This continued rise in job ads is a clear signal that businesses are still looking for workers and that many vacancies remain difficult to fill, even with more people entering the workforce," Mr Hawes said.

The data reflects conditions at the early stages of recent global economic volatility, which began in late February. At that point, businesses across the region did not appear to be shedding labour despite heightened uncertainty, supply chain pressures and ongoing cost increases.

“How businesses respond as these pressures continue will be something to watch closely in the April labour force figures,” Mr Hawes said.

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