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BUSINESS HUNTER

24 August 2026

Hunter labour market resilient as workforce growth continues

The Hunter's labour market remains resilient despite a modest increase in unemployment during July, with strong workforce participation, continued employment growth over the past year and rising demand for professional workers highlighting the underlying strength of the regional economy.

Business Hunter CEO Bob Hawes said the latest Australian Bureau of Statistics (ABS) Labour Force data showed the region's unemployment rate increased from 3.9 per cent in June to 4.3 per cent in July, with the rate rising from 4.0 per cent to 4.5 per cent in the Hunter Valley and from 3.9 per cent to 4.2 per cent in Newcastle and Lake Macquarie. Nationally unemployment was 4.5 per cent, with the NSW figure at 4.2 per cent.

"While the headline unemployment rate for the region increased in July, the broader story is one of a labour market that continues to hold up well in the face of ongoing economic uncertainty," Mr Hawes said.

"The number of employed people across the Hunter fell by just 200, while the number of people looking for work increased by around 1,400. This reflects more people entering the labour force rather than a significant deterioration in employment conditions."

The ABS figures show the Hunter's working-age population now exceeds 600,000 people, with 373,300 residents employed across the region.

Over the 12 months to July 2026, the Hunter's working-age population grew by 7,100 people, while employment increased by 5,600 jobs.

"Almost 79 per cent of the increase in our working-age population was absorbed into employment during the past year, which is a strong outcome and demonstrates the capacity of the regional economy to continue creating jobs," Mr Hawes said.

Mr Hawes said the Hunter remained one of Australia's most dynamic regional economies and continued to attract people looking for career opportunities and a good work/life balance.

The region's Internet Vacancy Index (IVI) job advertisements increased by 3.7 per cent between June and July, outperforming national growth of 2.7 per cent.

Professional occupations accounted for 29.2 per cent of all vacancies across Newcastle and the Hunter, the largest share of any occupational group. Since July 2021, professional roles have recorded the strongest growth in vacancy share, increasing by 3.5 percentage points.

Mr Hawes said the buoyant market for professionals aligned closely with recent findings from LinkedIn's Cities on the Rise report, which ranked Greater Newcastle among Australia's fastest-growing destinations for jobs and professional talent.

However, he noted the labour market picture varied significantly across industries.

"We know the employment market is not one-size-fits-all. Some employers remain desperate to attract and retain skilled workers, while others are reporting softer demand and fewer responses to job advertisements," Mr Hawes said,

Business Hunter warned that housing affordability was becoming an increasingly significant economic and workforce issue for the region, with newly released research from the housing and welfare coalition Everybody's Home highlighting growing affordability pressures for essential workers and middle-income earners.

The research report *Priced Out* reveals that a Hunter worker earning the median national income will spend more than half of their pay on rent.

"Housing affordability and workforce participation are deeply connected," Mr Hawes said.

"When key workers, professionals and middle-income households struggle to find affordable housing, it becomes harder for employers to attract and retain the people they need.

"The Hunter has been successful in creating jobs and attracting talent, but we must ensure housing supply keeps pace with economic growth and population growth."

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