



# Economic Update April 2025

April 2025





# Acknowledgement of Country

**KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.**

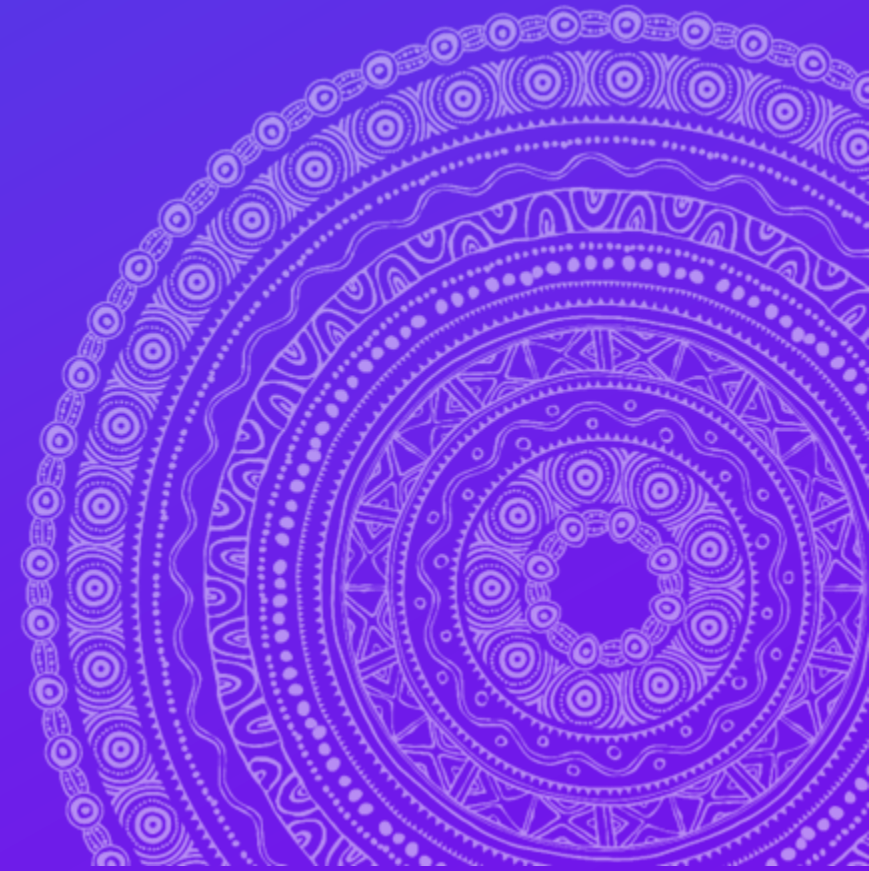
At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

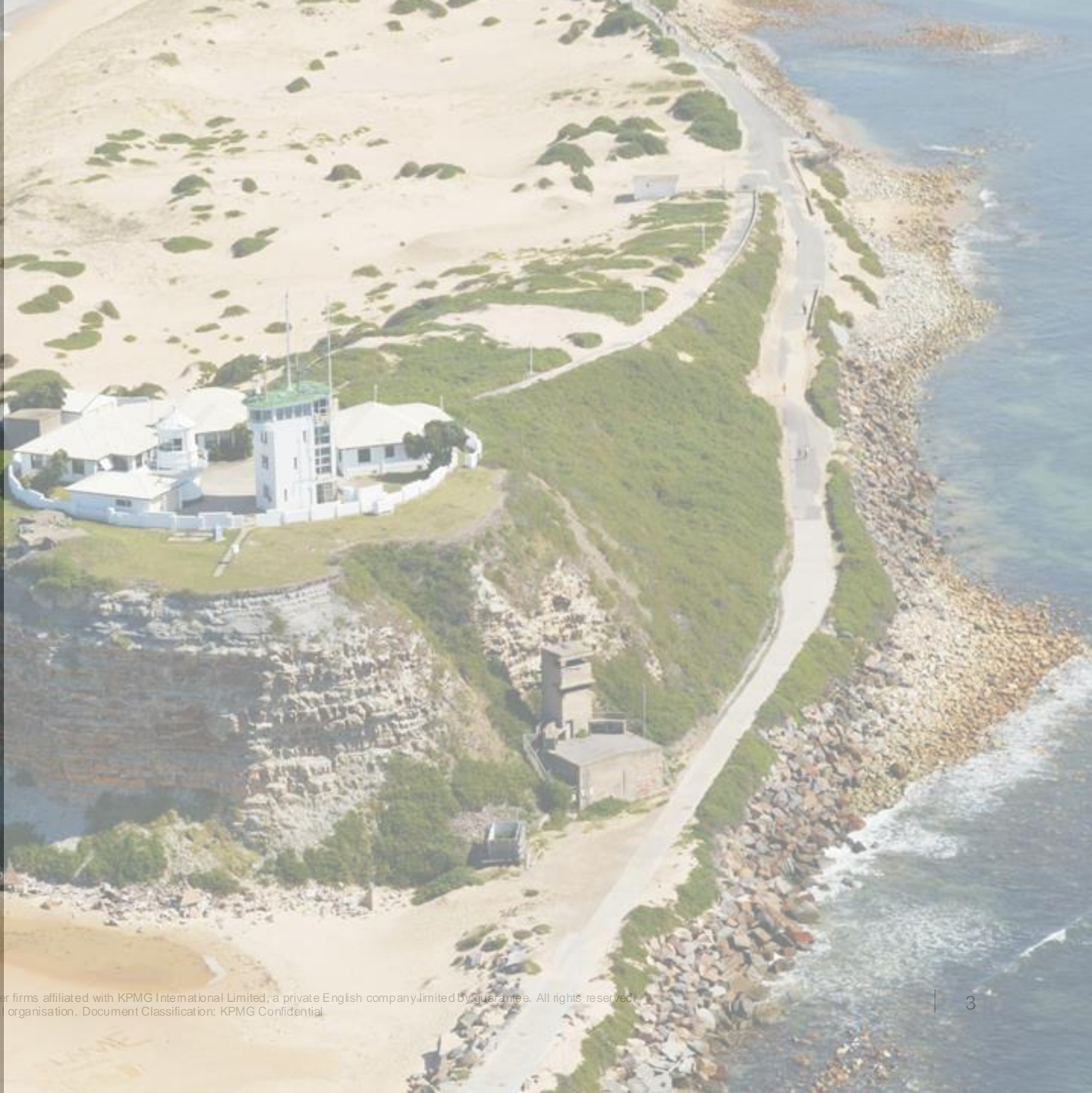
[kpmg.com/au/rap](https://kpmg.com/au/rap)

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# Agenda

- 01 Population & Labour Trends 05
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**01**

# **Population & Labour Trends**

# Summary on data used

- Each quarter KPMG presents to the Strategy and Innovation Committee to provide insight to inform discussions and priorities.
- The data we use typically comes from the Australian Bureau of Statistics (ABS) for its accuracy and validity.
- To view data at a Newcastle LGA level we use what is known as Statistical Level 3 (SA3) data and this is our first preference when it is available. This data is not updated as frequently by the ABS as some other data sets.
- The table on the right-hand side provides a snapshot of the most recent SA3 data.
- There were today's data releases in February 2025, covering all 2024 and broken down to a Hunter level (but not a Newcastle LGA level). We have used this data for today's presentation.

**Table 1: Newcastle LGA summary from SA3 data set**

Description	Data Year	Region	Australia
Estimated resident population (no.)	2023	185 058	26 648 878
Working age population (aged 15-64 years) (%)	2023	66.9	64.9
Estimated resident Aboriginal and Torres Strait Islander population (no.)	2021	9 684	983 709
Speakers of an Aboriginal or Torres Strait Islander language who identify as Aboriginal and/or Torres Strait Islander (%)	2021	1.7	10
Persons born overseas (no.)	2021	26 017	7 029 262
Children enrolled in a preschool or preschool program (no.)	2023	2 388	337 305
Median price of established house transfers (\$)	2023	870 000	730 000
Median total income (excl. Government pensions and allowances) (\$)	2020	55 157	52 338
Total number of businesses	2023	15 838	2 589 873
Number of jobs	2021	148 096	20 797 175
Median weekly household rental payment (\$)	2021	400	375
Median monthly household mortgage payment (\$)	2021	1 962	1 863

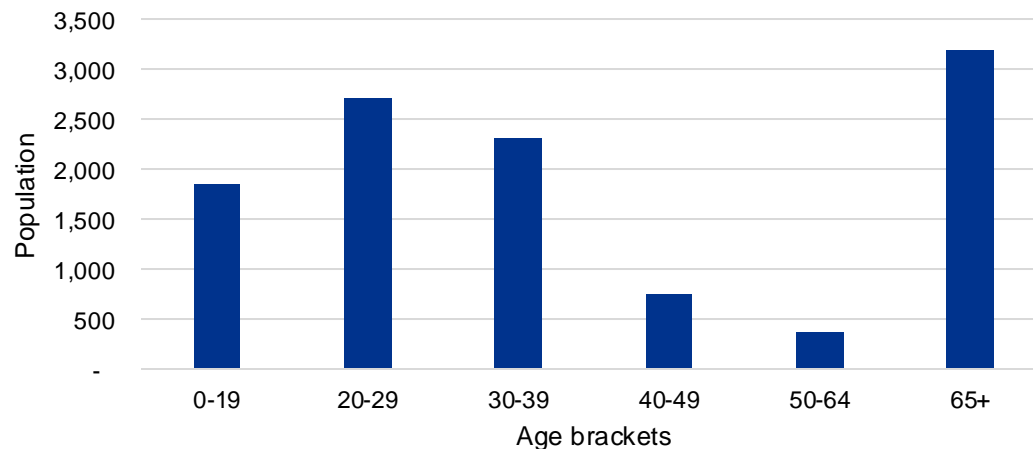
# Population Trends

**Table 2: Summary metrics of the Hunter**

	2020	2021	2022	2023	2024
Employment Growth	-1.1%	-0.4%	2.8%	7.5%	-1.8%
Population Growth	1.2%	1.2%	3.0%	1.6%	0.8%
Population Aged 20-64 Growth	0.0%	0.7%	0.8%	3.6%	1.6%
Dwelling Approvals	4,738	5,774	5,021	5,054	4,537

Source: Australian Bureau of Statistics and KPMG Australia

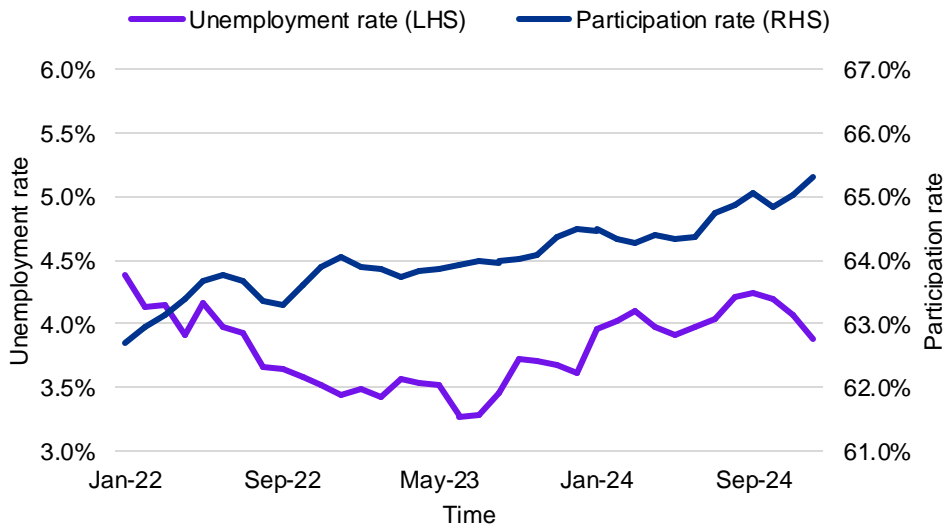
**Figure 1: Population growth by age group in 2024**



- The Hunters population has been growing steadily. The peak growth rate in 2022 represents the end of COVID and the move of people to regions.
- There has been tapering to more standard levels the past two years. It will be interesting to see if the push from Government and Corporate to ‘back to the office’ drives a move back to cities.
- Dwelling approvals dropped by approximately 10% in 2024 and this seems to be a downward trend. This is challenging for the region given the known housing squeeze and the population growth is still adding more than 50,000 people to the Hunter on a 0.8% population growth year.
- From an economic perspective, pleasingly the region has strong growth in the 20 – 39 category. This is the age the contributes most to the local economy.
- The strong growth in the over 65 age group is likely driven by factors such as the quality of health care and relative affordability of the Hunter.

# Regional unemployment and workplace participation

Figure 2: Unemployment and participation rate 2022 - 2024



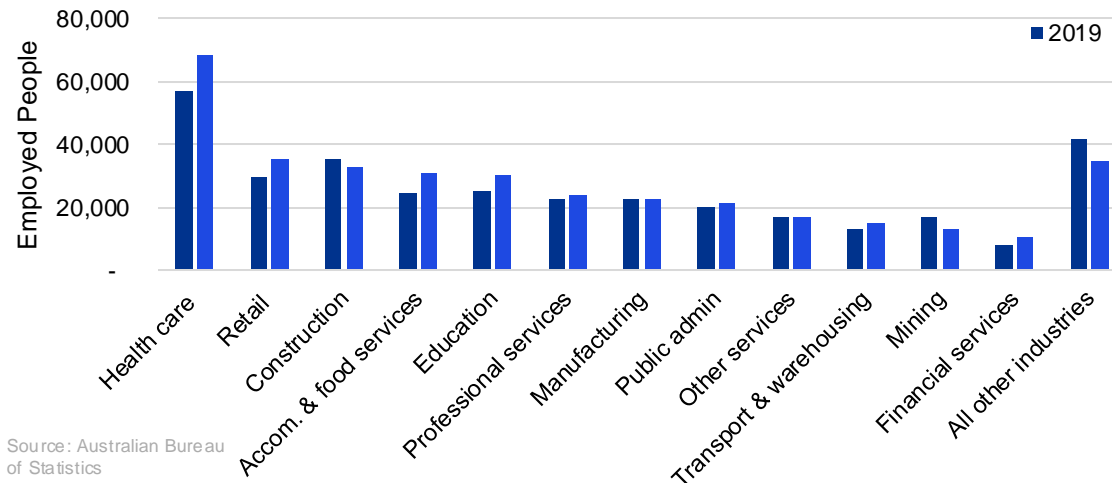
Source: Australian Bureau of Statistics

- The Hunter’s workforce participation rate has shown an upward trajectory over the past three years. It is interesting to reflect on how this corresponds with significant increases in rent and interest rates.
- The unemployment rate is still low, with a rate of 3.7% in August 2024. The Hunter unemployment rate is below NSW averages, with even lower unemployment rates in Newcastle and Lake Macquarie.
- Over the year to February 2025, online job advertisements decreased by 15.0% (or 36,900). Vacancy numbers, though, are at high levels historically.
- Over the last 12 months, job advertisements have decreased in regional areas (down by 13.4%); however, a slightly larger decrease was recorded for capital cities (down by 14.5%).

# Hunter Industry Employment Structure

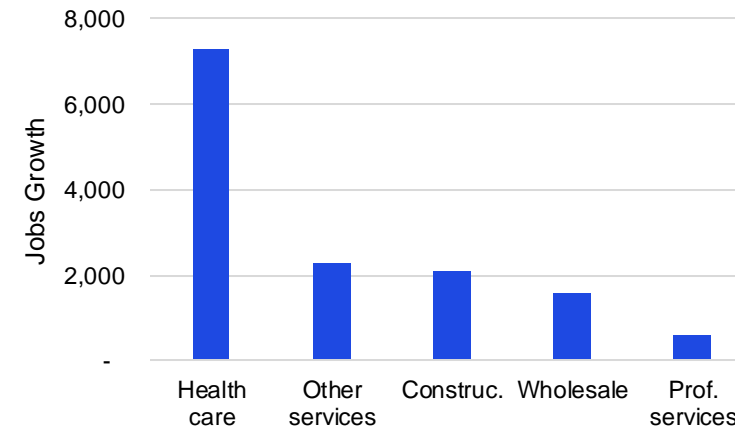
Across the Hunter, labour moves freely between LGAs for work. Therefore, it tends to give a more fulsome picture looking at the region rather than just the LGA.

Figure 3: Hunter Industry Employment Structure 2019 - 2024



Source: Australian Bureau of Statistics

Figure 4: Top Industries for Growth in 2024



Source: KPMG Australia

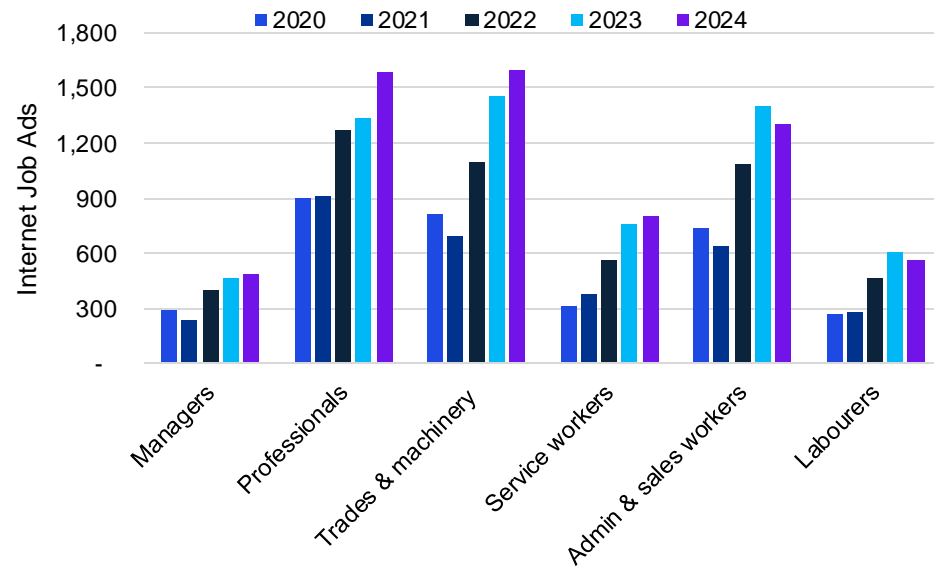
- Healthcare dominates the growth of employment in the region and is expected to continue with developments at John Hunter Hospital plus an aging population and large proportion of the population with a disability.
- In June 2024, the HNE Health District had the highest number of NDIS participants in NSW of over 32,000. This accounts for approximately 17% of the States total NDIS participants and ~ 5% Nationally.
- In terms of % growth, accommodation and food services was the fastest growing industry.
- Construction tells an interesting story. While there has been overall decline in the number of construction roles in the region it is still a leading industry for jobs growth. This likely reflects the discrete nature of construction projects. Jobs start and then end, and new jobs start again.
- Professional services includes a significant increase in financial services (and some consulting services), with the white-collar cluster increasing. Could this also be contributing to the accommodation and food services growth?
- Wholesale trade, while growing, will be interesting to watch given geopolitics.





# Lead indicator for future employment

Figure 5: Internet job vacancies



- Job vacancies are a useful lead indicator for employment and economic conditions. They tell you if businesses are continuing to hire because they see a need for people in their business.
- The years 2020 and 2021 are the COVID years and characterised by social distancing and lock downs so not a true baseline of data for expansion.
- Over the year to February 2025, online job advertisements decreased by 15.0% (or 36,900). Vacancy numbers, though, are at high levels historically.
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**02**

# **Federal Budget & Impacts for CN**

# The current context – National changes and their impacts on our region



**Navigating Change:** With the 2025 Federal Budget announced and a Federal Election on May 3, government priorities and funding allocations are shifting.



**Regional Impact:** Policy changes will directly affect infrastructure, jobs, energy transition, and business support in Newcastle and the Hunter.



**Strategic Planning:** Understanding these updates enables us to advocate for funding, adjust economic strategies, and support local industries, and skills building in response to national shifts.

**25 March 2025**

2025-26 Australian  
Federal Budget  
presented

**28 March 2025**

Election announced

**3 May 2025**

Election day

**27 March 2025**

Coalition budget  
reply

**22 April 2025**

Early voting  
commences

# Budget Highlights – Impacts on City of Newcastle

## Construction & Electrical workforce

- Eligible apprentices in housing construction occupations will receive up to \$10,000 in financial incentives.
- National occupational licensing for electrical trades to allow electricians to move to where they're needed most.
- These initiatives will help ease skill shortages in the region and support energy initiatives.

## Defence

- Accelerating \$1 billion in defence spending and \$183.8 million in grants.
- Reinforced the importance of the Williamstown missile manufacturing facility.

## Clean Energy & Green Metals

- \$2 billion to support green aluminium production and \$2 billion expansion of the Clean Energy Finance Corporation.
- This could benefit current and future clean energy projects and create jobs in green manufacturing.

## Housing affordability

- \$4.5 billion for states, territories and local government to address local infrastructure backlogs and meet housing targets.
- The focus on housing targets could ease the supply issues facing the region, which has seen housing demand outstrip supply.

## Health

- Increase the Medicare levy low-income thresholds by 4.7 per cent for singles, families, and seniors and pensioners from 1 July 2024.
- Increasing access to bulk billing and emergency care clinics.
- Increase the primary care workforce through more GP placements plus scholarships for midwifery and nursing.
- All are important due to the socio-economic profile of the region and relatively large health burden

## Education investment

- The Government will reduce all student debts by 20 per cent and provide extra financial support for disadvantaged students.
- 100,000 fee free TAFE placements each year from 1 Jan 2027.
- This would help bridge educational gaps, particularly in regional and low-income areas within the Hunter.

## Child and aged care wage increase

- \$2.6 billion for further pay rises for aged care nurses and \$3.6 billion to support a wage increase for the early childhood education and care workforce.
- With a higher than national average of childcare and aged care workers in the region, this could help bolster the local economy and provide more workforce participation for parents.

# Coalition Budget Reply– Impacts on City of Newcastle

## Energy and resource policy

- Reduce power prices through an increase in gas production in financial incentives. This includes reserving up to 20% of east coast gas for local use and lifting the moratoriums on gas exploration in Victoria and New South Wales.
- Moving to long duration power through Nuclear power. This includes a site at Muswellbrook
- Extending the duration for Coal Fired Power Plants. This may impact Bayswater power station.
- Scrapping the \$20 billion Rewiring the Nation Fund which is underway in the Hunter.
- With power a critical part of the Hunter Economy all of these policy decisions will impact the region.

## Fiscal Policy

- They will make the 30K instant asset tax write off ongoing, which will be positive for small businesses in popular industries in the Hunter such as hospitality, manufacturing, health.
- A temporary halving of the fuel excise to provide cost-of-living relief. The distances many people drive regularly in the Hunter means this would have a direct impact.
- Saving \$14 billion through cutting production tax credits for green hydrogen. This would likely impact the Port of Newcastle's Hydrogen precinct.
- Cutting the \$10 billion Housing Australia Future Fund, and saving \$7 billion through a reduction in public service jobs.

## Population and Infrastructure

- Coalition sees a strong link between population growth and housing accessibility which is why these points are treated together
- They will introduce a Lower Immigration and More Homes for Australians Bill.
- The legislation also aims to address housing affordability by investing \$5 billion in essential infrastructure (sewer, water) to get stalled housing projects up and going, which they anticipate will create 500,000 new homes.
- This legislation proposes a 25% reduction in Australia's permanent migration intake, arguing that this measure will alleviate pressure on housing demand and infrastructure.
- Ban foreign investors and temporary residents from purchasing existing Australian homes for a period of two years; and impose stricter caps on foreign students renting.
- Given the relatively low foreign population (both perm and student) it is unclear how this would impact housing in the Hunter

A person in a black wetsuit is smiling and holding a light blue surfboard with purple and grey stripes. They are standing on a sandy beach with waves in the background. The sun is low on the horizon, creating a warm, golden glow. The text 'KPIVAG' is overlaid in a large, white, bold, sans-serif font. The letters 'K', 'P', and 'V' are partially enclosed by white rectangular outlines.

**KPIVAG**