

Labour Force March 2025

Employment and Hours Worked

Employment rose a seasonally adjusted 32.2k in March, against the 40.0k gain expected by market participants. The annual rate of employment growth accelerated by 0.3ppts to 2.2%.

The March gain in employment was driven by both full- and part-time jobs, which rose by 15.0k and 17.2k, respectively.

Aggregate hours worked declined by 0.3%, as a 0.5% fall in hours worked in full-time jobs more than offset a 0.7% gain in part-time working hours.

Australia (Seasonally Adjusted)	Mar ('000)	Feb ('000)	YoY (%)
Total	32.2	-57.5	2.2
Full Time	15.0	-43.8	1.6
Part Time	17.2	-13.6	3.3
Aggregate Hours Worked (%)	-0.3	-0.4	0.7
Participation Rate (%)	66.8	66.7	-
Unemployment Rate (%)	4.1	4.0	-

Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate picked up to 4.1% from a downwardly revised 4.0% in the previous month.

The underemployment rate was unchanged at a two-year low of 5.9%. The underemployment rate, which combines unemployment and underemployment, was also unchanged at 9.9%.

The participation rate, which had seen a significant decline in the previous month, ticked up by 0.1ppts to 66.8%, but remains somewhat off its record high of 67.2% reached just in January.

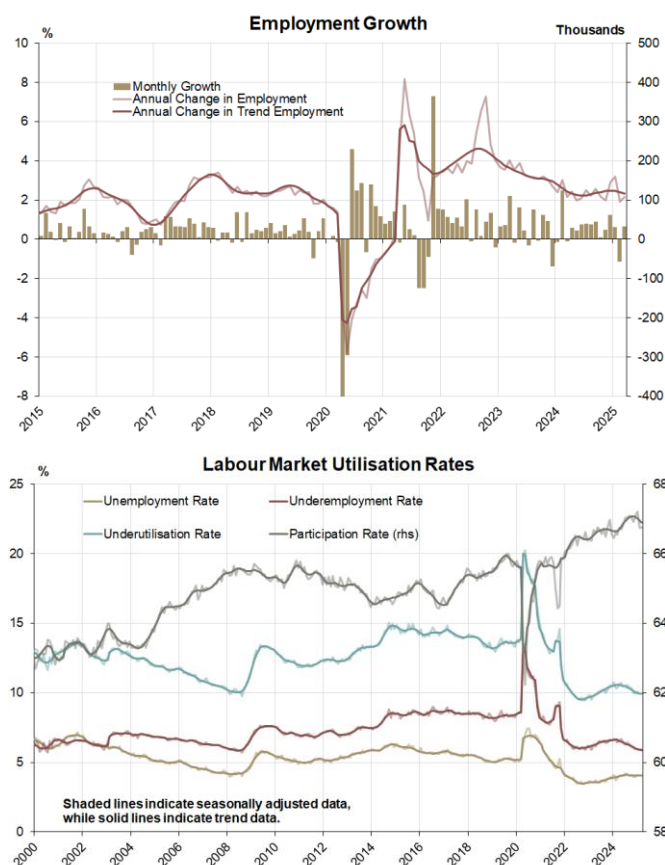
The States

Seasonally adjusted employment rose in most states in March, with Victoria seeing the strongest gain. Trend employment growth remained positive in all states.

Unemployment rates declined in Victoria and Queensland, and increased in all other states, but were little changed in trend terms.

Western Australian employment ebbed by 0.3k in March, after being the only state to see job gains in February. Annual rate of employment growth remains at a healthy 2.5%. Despite a 0.1ppts uptick in March, the unemployment rate of 3.6% is by far the lowest of all the states. The participation rate and employment-to-population ratio at 68.9% and 66.5% respectively, remain the highest of the states.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	-0.3	2.5	3.6
New South Wales	12.2	1.7	4.2
Victoria	21.3	2.3	4.4
Queensland	10.6	2.6	3.9
South Australia	5.1	2.9	4.0
Tasmania	3.6	0.0	3.9



Comment

The March labour force survey results were largely as expected. Employment picked up following a drop in February caused by more people retiring than usual. The unemployment rate remains low at 4.1%.

Looking through the temporary volatility, employment growth is slowing in trend terms, while the unemployment rate has stabilised at 4.0%. The underemployment rate appears to have troughed, as trend growth in hours worked has stagnated. The trend participation rate has eased from record highs.

In its February projection, the RBA expected that the unemployment rate will peak at just 4.2% in this cycle, while the most recent Bloomberg survey from late March pencilled in a rise to a still-low 4.4% next year, though some survey participants saw a rise to as high as 5.2%.

Given the evolving US-China trade war, economic outlook has become more uncertain, but it is not yet clear how these tensions will impact Australia.

The direction and scale of the impact on Australia will depend on the presence and design of the Chinese stimulus, and the redirection of the trade flows between China and the US. Regardless of the above, Australia enters the global trade tensions on solid footing, including strong labour market conditions.

17 April 2025