

# Labour Force April 2026

## Employment and Hours Worked

Seasonally adjusted employment saw a surprising 18.6k decline in April, while market participants were expecting a moderate 15.0k gain.

This followed an upwardly revised increase in employment in March (+23.3k against the initially estimated +17.9k).

The annual rate of employment growth halved to 0.9%, which is the lowest since October 2021.

The decline in seasonally adjusted employment in April was due to both full- and part-time jobs, which retreated by 10.7k and 7.9k, respectively.

Meanwhile, aggregate hours worked continued to climb, with a 0.8% MoM and 3.5% YoY gain.

Australia (Seasonally Adjusted)	Apr ('000)	Mar ('000)	YoY (%)
Total	-18.6	23.3	0.9
Full Time	-10.7	63.4	1.2
Part Time	-7.9	-40.0	0.3
Aggregate Hours Worked (%)	0.8	0.5	3.5
Participation Rate (%)	66.7	66.8	-
Unemployment Rate (%)	4.5	4.3	-

## Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate rose by 0.2ppts to 4.5% in April, which is the highest since November 2021.

This reflected a 33.0k surge in unemployment, partly offset by lower workforce participation, with the participation rate coming back to its January level of 66.7%.

At the same time, the underemployment rate ebbed by 0.1ppts to 5.8%, which is the lowest level in 2026 so far. The underutilisation rate, which combines unemployment and underemployment, ticked up by 0.1ppts to a five-month high of 10.3%.

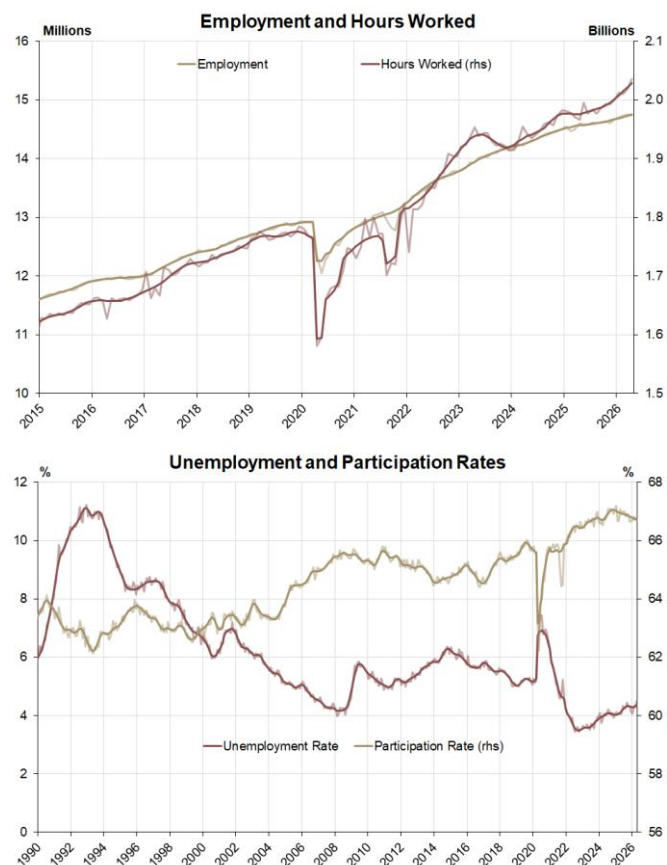
### The States

Employment fell in most states in April, but the bulk of the decline was recorded in New South Wales (-43.9k). Western Australia was one of two states that saw a gain in employment, of 13.0k. The other one was Victoria, which saw a marginal 4.1k increase.

In addition, Western Australia registered the lowest unemployment rate of all the states (4.1%), while Tasmania saw the highest jobless rate of 5.0%.

The Western Australian participation rate, at 69.2%, remained the highest among the states, as did the employment-to-population ratio (66.3% against the 63.7% for the entire country).

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	13.0	4.1	4.1
New South Wales	-43.9	4.5	4.5
Victoria	4.1	4.8	4.8
Queensland	-5.6	4.2	4.2
South Australia	-6.0	4.2	4.2
Tasmania	-2.6	5.0	5.0



## Comment

The headline figures of the April labour force survey brought a nasty surprise, but it is too early to judge whether this undermines the bigger picture of strong labour market conditions.

The labour force survey data is very volatile month-to-month. The April labour force survey was carried out during the Easter period, which could have impacted the results to some extent.

Looking through these volatilities, trend employment rose by a healthy 22.1k in April, while the trend unemployment rate was unchanged at 4.3%.

The data could have also been impacted by the revision of the series going back to February.

Moreover, the April labour force survey was the first to be carried out using an altered methodology, with a new platform and questionnaire. While the ABS assures that the methodological changes should not affect the results and data quality, some challenges cannot be completely ruled out.

That said, the April jobs data triggered a knee-jerk scaling back of cash rate hike expectations, with a 25bps increase no longer fully priced in for 2026. We continue to see a risk of another hike, but the RBA will be weighing the data and events carefully before tightening the monetary policy further.

**21 May 2026**