

Labour Force March 2026

Employment and Hours Worked

Australian employment growth slowed to 17.9k in March (exp. 20.0k), following a 49.7k increase in February (revised from 48.9k).

Annual employment growth was steady at 1.8%.

Growth in March was driven by full-time jobs, while part-time employment fell.

Aggregate hours worked picked up by 0.5% after a 0.2% fall in February.

Annual growth in hours worked rose to a ten-month high of 2.5% from 1.6% in February.

Australia (Seasonally Adjusted)	Mar ('000)	Feb ('000)	YoY (%)
Total	17.9	49.7	1.8
Full Time	52.5	-27.7	1.9
Part Time	-34.6	77.3	1.5
Aggregate Hours Worked (%)	0.5	-0.2	2.5
Participation Rate (%)	66.8	66.9	-
Unemployment Rate (%)	4.3	4.3	-

Unemployment, Underutilisation and Participation

The unemployment rate was steady at 4.3% as, despite the slowdown, the increase in employment slightly exceeded labour force growth, which slowed markedly after a big increase in February.

As a result, the slower labour force growth saw the participation rate decline 0.1ppts to 66.8%.

The underemployment rate – people who are working less hours than they'd like – remained low at 5.9%. The underutilisation rate – which combines the unemployed and underemployed – increased 0.1ppts to a four-month high of 10.2%. However, this is also very low and suggests the labour market remained tight in March.

The States

Employment growth was again mixed across the states, with strong rises in Western Australia, New South Wales and Queensland offset by declines elsewhere, with most of the weakness being in Victoria.

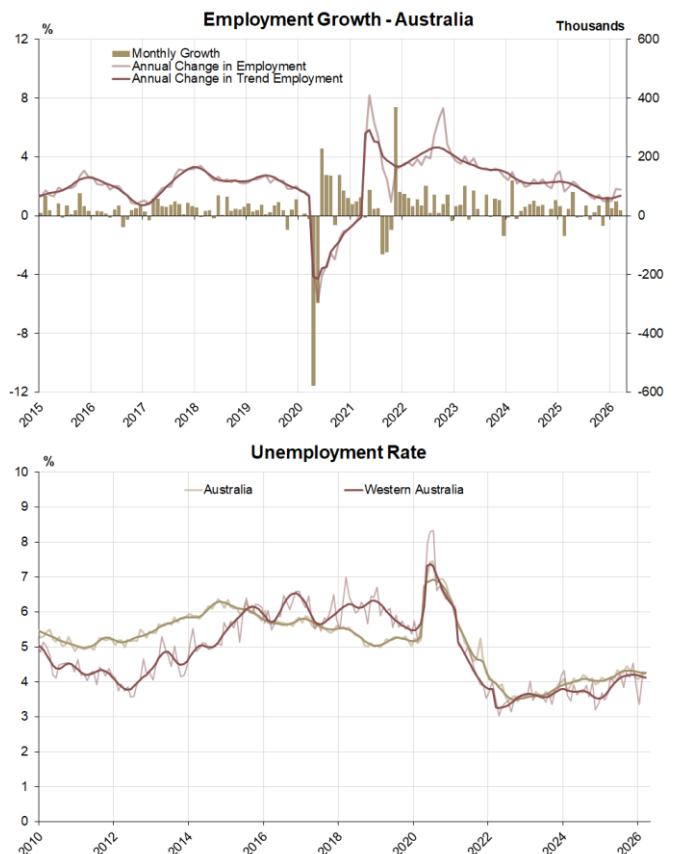
Queensland boasts the lowest unemployment rate among the states and Victoria the highest.

The Western Australian unemployment rate was steady at 4.2%, which is slightly below the national average.

Western Australia continues to maintain the highest labour force participation rate of the states with 68.8%, well ahead of Victoria which has the next highest with 67.0%.

Western Australia's employment to population ratio of 65.9% is also the highest of the states and well above the national average of 64.0%.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	8.5	1.9	4.2
New South Wales	28.3	2.2	4.3
Victoria	-26.9	0.7	4.8
Queensland	19.6	2.3	3.7
South Australia	-0.1	2.6	4.0
Tasmania	-1.1	-0.6	4.6



Comment

The Australian labour market remained healthy in March, with monthly trend employment growth – which looks through the monthly volatility – rising to 30.8k, the highest level since October 2024.

The trend unemployment rate has been steady at 4.3% for some months after climbing in the first half of 2025.

The improvement in the employment numbers in recent months is in line with rising labour demand, evident in the various job vacancy reports.

However, while the March labour market data continued the positive trend of recent months, even if a little softer, the report is in some ways old news. The data largely relates to employment status in the first half of March and doesn't fully capture the impact of the Middle East war on confidence or the back-to-back RBA cash rate hikes in February and March.

Our base case is that the RBA will raise the cash rate by a further 25 basis points in May to combat the surge in inflation driven by higher fuel prices and other spillovers. However, the outlook for monetary policy beyond May will likely be determined by the evolution of labour market conditions as well as inflation.

The RBA has acknowledged that it is likely to have to balance its price stability and full employment objectives when deciding on policy going forward.

16 April 2026