

Labour Force April 2025

Employment and Hours Worked

Employment saw a strong 89.0k increase in April, significantly more than the 22.5k expected by market participants. The March gain was revised slightly upwards to 36.4k (originally 32.2k). The annual rate of employment growth picked up 0.5ppts to 2.7%.

The rise in employment was again driven by both full- and part-time jobs. Full-time employment gained 59.5k, while part-time employment rose by 29.5k.

Aggregate hours worked were steady in April and up 1.1% over the year.

Australia (Seasonally Adjusted)	Apr ('000)	Mar ('000)	YoY (%)
Total	89.0	36.4	2.7
Full Time	59.5	12.2	2.6
Part Time	29.5	24.2	3.0
Aggregate Hours Worked (%)	0.0	-0.3	1.1
Participation Rate (%)	67.1	66.8	-
Unemployment Rate (%)	4.1	4.1	-

Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate was unchanged at 4.1%, in line with expectations. The participation rate increased 0.3ppts to 67.1%, which is just a notch lower than the record high of 67.2% in January.

The underemployment rate ticked up 0.1ppts to 6% but was 0.5ppts lower than the previous year. The underemployment rate, which combines unemployment and underemployment, rose 0.2ppts to a three-month high of 10.1%.

The States

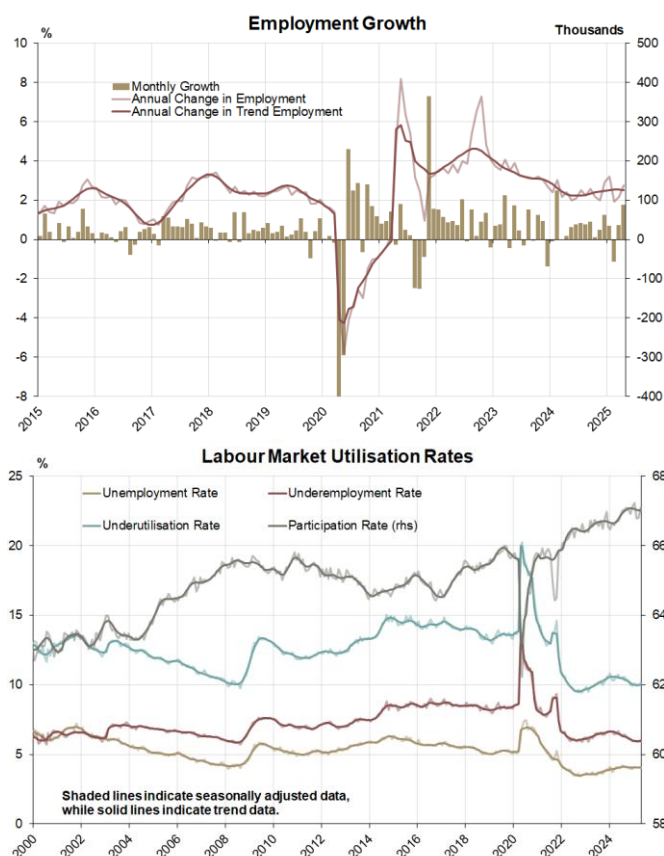
Labour market indicators were mixed across the states in April.

Employment rose in New South Wales, Victoria, and Queensland but declined in the other states.

Unemployment rates decreased in New South Wales, Victoria, and Tasmania. The South Australian unemployment rate was steady, while the other states saw increases.

Western Australian employment ebbed by 2.8k, but was up 3.3% through the year, which is the fastest growth of all the states. The Western Australian unemployment rate, which can be volatile on a monthly basis, rose by 0.5ppts to 4.2% in seasonally adjusted terms, but was 3.8% in trend terms, the lowest level of all mainland states. The seasonally adjusted participation rate rose 0.1ppts to 69.0%, remaining the highest of all states.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	-2.8	3.3	4.2
New South Wales	28.7	2.8	3.9
Victoria	32.6	3.1	4.2
Queensland	26.6	2.3	4.2
South Australia	-4.3	2.4	3.9
Tasmania	-0.9	-0.3	3.8



Comment

Headline labour market figures were again strong in April, with employment rising the most since February 2024 and the unemployment rate remaining low at 4.1%.

Looking through the month-to-month volatilities, trend employment growth of 26.3k and the trend unemployment rate of 4.1% suggest the underlying labour market pulse remains solid.

While the underemployment rate picked up slightly, it remains significantly below the levels from a year ago, suggesting the labour market remains tight.

The internet job vacancy index, also released today, was another reminder of the tight labour market. With vacancies rising 4.5% in April and the unemployed per job vacancy ratio below three, well below the five-year average of over four leading into the pandemic.

Although a 25bps interest rate cut from the RBA next week is still almost fully priced in by the market, the strong labour force report has seen a further scaling back in RBA cash rate cut expectations for this year. A cash rate of 3.35% is currently being priced in for December, up from 3.29% yesterday and 2.89% a month ago. We continue to expect the RBA to cut the cash rate by 25bps next week, despite today's strong employment numbers and the upside surprise to [wages growth](#) yesterday.

15 May 2025