Labour Force June 2026

Employment and Hours Worked

Seasonally adjusted employment surged by 76.3k in June, the most since April 2025 and significantly more than the 15.0k pencilled in by consensus. This supersized gain followed an upwardly revised increase of 44.0k in May and a 38.6k decline in April.

The annual rate of employment growth re-accelerated to 1.7%, a level last seen three months earlier.

The surge in employment was driven by both full- and part-time jobs, though the latter accounted for most of the increase.

Aggregate hours worked ticked up by only 0.2% in June, after falling by 1.1% in May, while the annual rate of growth accelerated to a still-moderate 1.8%.

Australia (Seasonally Adjusted)	Jun ('000)	May ('000)	YoY (%)
Total	76.3	44.0	1.7
Full Time	29.3	7.2	1.4
Part Time	47.0	36.8	2.5
Aggregate Hours Worked (%)	0.2	-1.1	1.8
Participation Rate (%)	67.0	66.7	-
Unemployment Rate (%)	4.4	4.4	-

Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate was steady at 4.4%, in line with expectations. The participation rate rose to 67.0%, a level not seen in around a year and just 0.2ppts below the record high of 67.2%.

The underemployment rate increased to a nearly two-year high of 6.5%. The underutilisation rate, which combines unemployment and underemployment, reached 10.9%, the highest level since late 2021.

The States

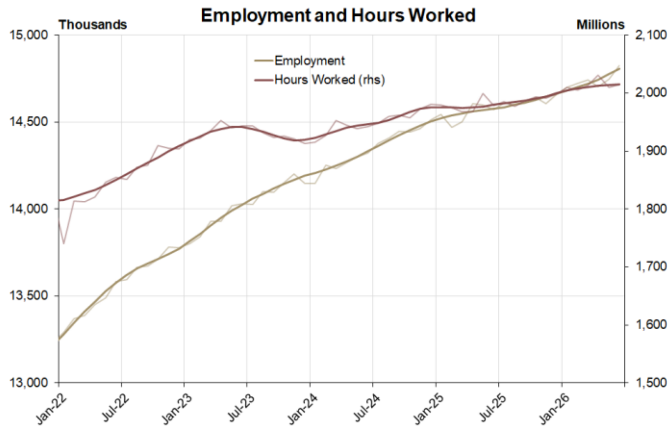
Employment rose in all states in June except Queensland, while the annual rate of employment growth remained positive in all mainland states.

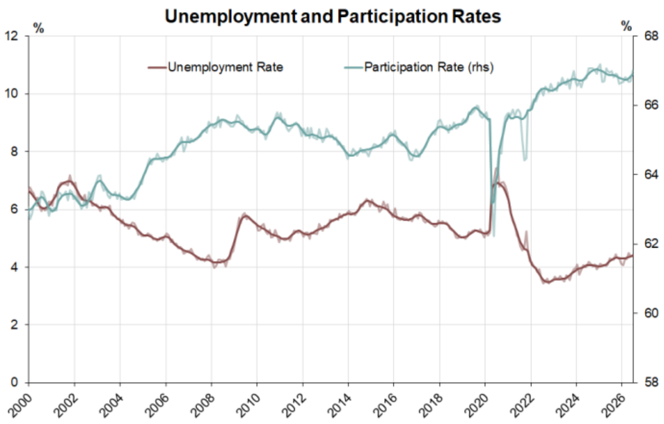
Developments in the unemployment rate were mixed, with declines in New South Wales and Western Australia, and increases in other states.

Western Australian employment rose by 17.2k, the most so far this year, to reach a new record high of 1,694k. The unemployment rate dropped by 0.3ppts to 4.2%, which is somewhat below the national level. The underemployment rate, at 5.9% in June, was the lowest of all states.

Western Australia remains the state with the highest labour market engagement. The participation rate and employment-to-population ratio, at 69.1% and 66.2%, respectively, are by far the highest among all states.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	17.2	2.7	4.2
New South Wales	41.9	2.5	4.0
Victoria	14.6	1.0	5.1
Queensland	-3.7	1.4	4.3
South Australia	2.0	1.3	4.3
Tasmania	3.3	-0.9	4.9





Comment

The surge in employment in June came as a surprise. However, it was partly driven by an unusually large number of people waiting to take on a job starting in June rather than May.

The June gain was also matched by an increase in labour supply, evidenced by a higher participation rate, and a steady unemployment rate.

At the same time, the underemployment rate picked up, but remained quite low.

Looking through month-to-month volatility, trend employment still saw a strong 32.3k gain, the largest since mid-2023, while the unemployment rate remained at 4.4% for the third straight month. The trend underemployment rate picked up to 6.3%, a nearly two-year high, but still quite moderate by historical standards.

The surge in employment in June added fuel to the revival in cash rate hike expectations, which had already been underway due to a bounce in global oil prices amid developments in the Middle East. At the time of writing, a 25bps cash rate hike is fully priced in for this year, compared with a 75% probability of such a move yesterday and roughly 60% a week ago. Our baseline scenario is still for no more rate hikes this year, but the risk of monetary policy tightening has increased.

23 July 2026