

# Labour Force July 2025

## Employment and Hours Worked

Employment rose a seasonally adjusted 24.5k in July, broadly in line with market expectations of a 25.0k gain. This followed a 1.0k uptick in June (revised down from 2.0k).

The annual rate of employment growth declined by 0.2ppts to 1.8%, the slowest since February.

The rise in employment was driven by a 60.5k bounce in full-time jobs, partly offset by a 35.9k decline in part-time employment.

Aggregate hours worked rose by 0.3%, to be up 2.1% through the year, the same as in June.

Australia (Seasonally Adjusted)	Jul ('000)	Jun ('000)	YoY (%)
Total	24.5	1.0	1.8
Full Time	60.5	-36.6	1.9
Part Time	-35.9	37.6	1.8
Aggregate Hours Worked (%)	0.3	-0.9	2.1
Participation Rate (%)	67.0	67.0	-
Unemployment Rate (%)	4.2	4.3	-

## Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate ebbed by 0.1ppts to 4.2%, as expected, thanks to a 10.2k decline in unemployment. The participation rate held steady at the downwardly revised June level of 67.0%.

The underemployment rate also declined by 0.1ppts, coming back to an equal two-year low of 5.9%. The underutilisation rate, which combines unemployment and underemployment, fell by 0.2ppts to 10.1%.

## The States

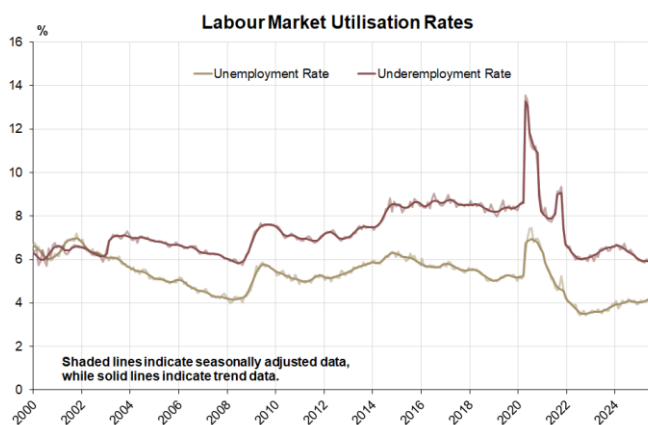
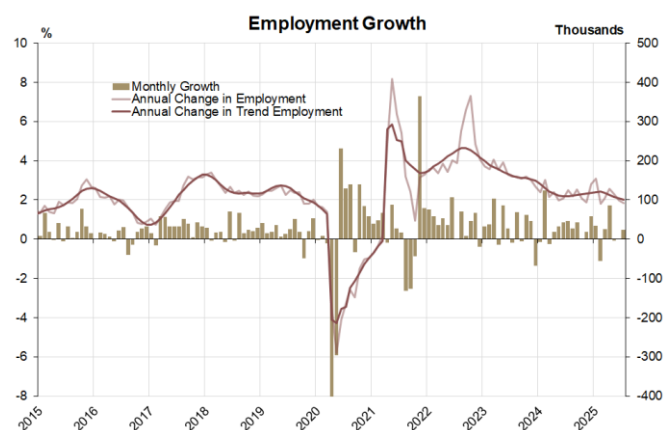
Labour market indicators were mixed across the states in July.

Employment rose in all states except for Victoria and Queensland. The strongest gain was registered in New South Wales, which followed two months of solid declines.

Unemployment rates declined in New South Wales and South Australia, but increased slightly in the rest of the mainland states.

In Western Australia, employment rose by 2.8k in July, to be up by 2.0% through the year. The Western Australian unemployment rate ticked up by 0.1ppts to 4.2%, which is in line with the national average. Western Australia continues to boast the highest participation rate and employment-to-population ratio of all states, of 69.1% and 66.2%, respectively.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	2.8	2.0	4.2
New South Wales	33.8	1.0	4.0
Victoria	-4.2	1.5	4.6
Queensland	-6.0	3.0	4.2
South Australia	2.7	3.8	4.3
Tasmania	1.1	2.6	3.8



## Comment

The July labour force survey brought the anticipated rebound in employment and a slight decline in the unemployment rate. This followed two months of disappointing results, which were partly due to the ongoing issues with seasonal adjustment at this time of the year and volatility in the survey rotation group.

Looking through these month-to-month fluctuations, trend employment rose by 24.6k in July and 143.5k year to date, which compares to 189.1k over the first seven months of 2024. The trend unemployment rate remained at 4.2% and has averaged at 4.1% so far this year, slightly above the 4.0% in the first seven months of the previous year. This shows that labour market conditions, while still solid, are gradually easing. A separate set of data showed that [wages growth](#) held steady in Q2, but it has slowed from the previous year.

In its August Statement on Monetary Policy, the RBA kept its unemployment rate forecasts unchanged at a steady 4.3% across the projection horizon, but revised its 2025 employment growth forecasts slightly upwards, to 1.6% from 1.4% envisaged in May.

The July labour force survey had very little impact on the market, with the next RBA cut still expected in November.

**14 August 2025**