April 2026

BCEC LABOUR MARKET UPDATE

Bankwest Curtin Economics Centre

Providing monthly updates and expert insights and analysis around key labour market indicators.

- Unemployment rate rises from 4.3 per cent to 4.5 per cent in April.
- Employment down by 18,600, with women bearing the brunt of job losses.
- The rise in unemployment may buy some time on another interest rate rise, but the upcoming inflation figure for April will be the critical factor.

On recession watch

Figures from the April Labour Force Survey mark the first release of a major economic indicator likely to be substantially impacted by the US-Iran conflict and associated disruption to global oil markets. Employment fell by 18,600 persons for the month and the national unemployment rate increased from 4.3 per cent to 4.5 per cent, the highest rate in four and a half years.

To the extent that weakening in the labour market reflects the fall-out from the conflict and the jump in oil prices it was relatively modest, although the worst might yet to be seen. The softer figures in April could be anything from a bit of statistical volatility in the data and business-as-usual to the start of a crash.

The labour market deterioration was limited to women, who saw falling full- and part-time employment, a slight drop in participation, and an increase in the unemployment rate from 4.0 per cent to 4.4 per cent. There was a modest increase in employment for men and no change in their unemployment rate (4.6%).

Since the previous month's figures we've had a 0.25 basis point rise in interest rates and a Federal Budget handed down – both equally as well-received by the public. They have come with updates on the Reserve Bank (RBA) and Treasury outlooks for the economy. Perhaps most alarmingly, the RBA's Statement on Monetary Policy contained a downward revision to projected real economic growth to the end of 2026, from 1.8 per cent in the February statement to 1.3 per cent in the May statement. However, projected employment growth for that same period was revised up from 1.3 per cent to 1.4 per cent.

Lower output from higher employment does not bode well for labour productivity – and growth in labour productivity is one thing we desperately need to curb inflation.

The latest RBA projections are for the inflation rate to hit 4.8 per cent for the upcoming June quarter with an unemployment rate of 4.2 per cent. Treasury projections contained in the recent budget papers are slightly more pessimistic, putting inflation at 5.0 per cent and the unemployment rate at 4.25 per cent for the June quarter.

April's unemployment rate of 4.5 per cent, with the trend estimate sitting at 4.3 per cent, suggest the labour market may be even weaker still. However, that's unlikely to be enough evidence of a downturn for the RBA to change course on monetary policy. If there was a predisposition amongst Board members to holding off on another rate rise to give more time for the consecutive February, March, and May hikes to take effect, the April labour force figures may just buy a bit of extra breathing space.

The upcoming inflation figure for April will have more bearing. There won't be another update on the labour market before the RBA Board meet again in mid-June. The spike in fuel prices paid by consumers predictably contributed to an increase in the CPI to 4.6 per cent for March but won't have impacted on the key 'underlying' measures of inflation that remove volatile items. However, we're likely to see those underlying measures also pick up in the April data as rising fuel costs flow through to prices of a broader range of goods and services.

More capital gains (in jobs)

The Australian Bureau of Statistics announced they will be making changes to how outputs from the Labour Force Survey are released, meaning changes to some regular features of the Monthly Labour Market Updates, including the frequency of reporting trends in employment by industry.

One immediate change has been the discontinuation of seasonally adjusted labour force figures for the ACT and NT. From this issue onwards we will use trend figures for the two territories for the major labour market aggregates but continue to focus on seasonally adjusted estimates for the six states and nationally.

The March MLMU noted some suspiciously large monthly movements in the seasonally adjusted figures for the ACT: employment up 1.3 per cent, the labour force by 2.1 per cent, along with a jump in the unemployment rate from 3.5 to 4.2 per cent. With that series now discontinued, we can't check whether that was just monthly volatility. However, the April trend estimates show employment in the ACT growing at an annualised rate of 4.2 per cent – more than twice the trend rate of jobs growth nationally.

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Labour market fundamentals

Key takeaways

- Employment drops by 18,600 persons.
- Full-time employment down by 10,700 workers, part-time down by 7,900.
- Participation rate down 0.1 points for women.

April broke from a trend observed across several previous months, with a decline in both full-time and part-time employment in the same period. The number of employed persons nationwide fell by 18,600, driven by a 10,700 decline in full-time employment and a 7,900 decline in part-time employment. Both net declines were driven by drops in NSW, which saw 25,300 fewer full-time workers and 18,600 fewer part-time workers. Outside NSW, states reported (marginal) increases in full-time employment, with the most notable being an increase of 13,300 workers in VIC. Meanwhile, part-time work declined further across other states, except in WA, where it increased by 10,500.

Women saw sharp declines in both full- and part-time work nationally, reporting a 0.5 per cent drop in full-time positions and a 0.4 per cent drop in part-time positions. As noted earlier, NSW was the primary driver of both declines, with women seeing a 1.0 per cent drop in full-time employment there, alongside a 2.1 per cent drop in part-time employment. However, women saw a harsher 1.3 per cent decline in full-time employment in WA - though in terms of net employment numbers this was made up for by a 3 per cent increase in part-time employment for women in the state. Men, meanwhile, saw marginal increases in both part-time and full-time employment in most states... save for a 10.6 per cent decline in part-time employment in TAS, which is likely just statistical noise from a small sample size.

Alongside a reduction in employment, women also saw a 0.1 point drop in their participation rate in April, whereas men saw no change. Falling participation rates for women were driven primarily by drops in NSW (-0.7ppt), VIC (-0.5ppt), and SA (-0.7ppt). Men reported significant declines in participation in NSW (-0.5ppt) and TAS (-1.1ppt), though, again, the latter may just be statistical noise.

Table 1: Employment changes – states and territories

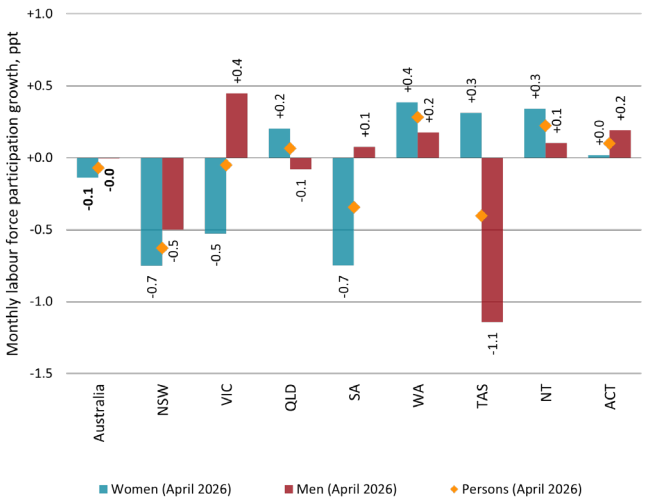
	Employed Persons ('000)	Change from:				Change from March 2026 ('000)		Change (%) from April 2025	
	April 2026	March 2026 ('000)	Rank	April 2025 (%)	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	**14,737.4**	**-18.6**	---	**▲ +0.9%**	---	**-10.7**	**-7.9**	**▲ +1.2%**	**▲ +0.3%**
NSW	4,535.2	-43.9	8	▲ +0.5%	6	-25.3	-18.6	▲ +1.3%	▼ -1.2%
VIC	3,787.8	+4.1	2	▲ +0.0%	7	+13.3	-9.2	▲ +0.4%	▼ -0.7%
QLD	3,028.8	-5.6	6	▲ +0.9%	5	-0.1	-5.6	▲ +1.0%	▲ +0.9%
SA	987.6	-6.0	7	▲ +2.2%	2	+0.8	-6.8	▲ +2.7%	▲ +1.1%
WA	1,693.5	+13.0	1	▲ +3.2%	1	+2.5	+10.5	▲ +2.5%	▲ +4.8%
TAS	277.2	-2.6	5	▼ -1.3%	8	+0.1	-2.8	▼ -0.6%	▼ -2.4%
NT	147.2	+0.7	4	▲ +2.0%	3	+0.2	+0.5	▲ +0.1%	▲ +9.1%
ACT	278.1	+0.9	3	▲ +1.3%	4	+0.4	+0.5	▲ +1.8%	▼ -0.2%

Notes: Seasonally adjusted values are used for states, and trend values for territories.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

Figure 1: Employment growth by state and gender

Notes: Seasonally adjusted values are used for states, and trend values for territories. Figures show the change from March 2026 to April 2026. Estimates for male part-time employment are generally more volatile due to smaller sample sizes.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

Figure 2: Monthly change in labour force participation



Notes: Seasonally adjusted values are used for states, and trend values for territories. Figures show the change from March 2026 to April 2026.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

The BCEC Monthly Labour Market Update is based on estimates from the ABS monthly labour force survey. These estimates are subject to sampling variability.

Unemployment and underemployment

Key takeaways

- Unemployment rate rose 0.2 points to 4.5 per cent.
- Unemployment rate up by 0.4 points for women, no change for men.
- Underemployment falls by 0.1 points for women, 0.2 points for men.

Women's employment suffered heavier losses than men. The increase in the national unemployment rate was driven by a 0.4 point increase in women's unemployment rate to 4.4 per cent, whereas the rate for men remained at 4.6 per cent. In fact, women saw an increase in their unemployment rates in every state, the most noteworthy being a 1.0 point jump in QLD, followed by increases of 0.4 points in NSW and 0.3 points in VIC. Men reported a mild 0.4 point decline in their unemployment rate in WA, which was offset by a 0.5 point increase in TAS... again, perhaps due to statistical noise.

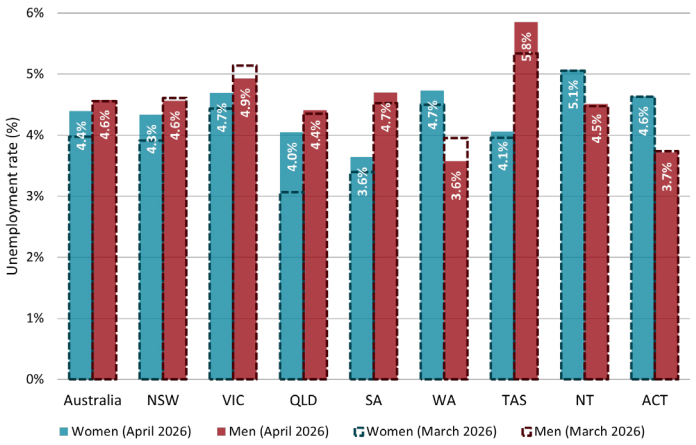
The underemployment ratio was one area that didn't see a significant setback for women this month, falling by 0.1 points for women and 0.2 points for men. Declines in reported underemployment among women were observed in all states except VIC, where it rose by 0.5 points. Men saw a similar story, though rather than VIC, they reported a marginal 0.1 point increase in underemployment in WA. The fall in the underemployment rate for women may be partly a result of the larger decline in part-time jobs for women, given part-time workers are more likely to be seeking additional hours.

Table 2: Unemployment changes: states and territories

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
	April 2026	Rank	March 2026	April 2025	April 2026	March 2026	April 2025
Australia	**4.5%**	--	▲ **+0.2**	**+0.4**	**692.5**	▲ **+33.0**	**+75.7**
NSW	4.5%	5	▲ +0.2	+0.6	211.5	▲ +7.0	+32.3
VIC	4.8%	7	▲ +0.0	+0.6	191.7	▲ +0.9	+24.5
QLD	4.2%	4	▲ +0.5	+0.0	133.9	▲ +16.3	+2.3
SA	4.2%	3	▲ +0.2	+0.3	43.2	▲ +2.0	+4.3
WA	4.1%	1	▼ -0.1	+0.0	72.7	▼ -1.1	+2.9
TAS	5.0%	8	▲ +0.3	+1.3	14.5	▲ +0.8	+3.8
NT	4.8%	6	▲ +0.0	+0.7	7.4	▲ +0.1	+1.3
ACT	4.2%	2	▼ -0.0	+0.7	12.1	▲ +0.0	+2.2

Notes: Seasonally adjusted values are used for states, and trend values for territories. State and territory numbers of unemployed people do not sum to the figures for Australia due to ABS seasonal adjustment methods.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 3: Unemployment rate by state and gender



Notes: Seasonally adjusted values are used for states, and trend values for territories.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Figure 4: Underemployment ratio by gender: states and territories

Notes: Seasonally adjusted values are used for states, and trend values for territories.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

Strength of the labour market

Key takeaways

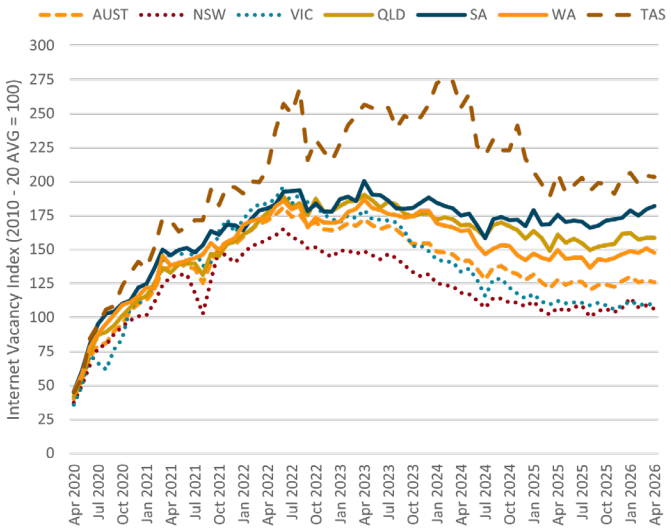
- Advertised vacancies and hours worked are more readily adjustable than staff numbers, thereby offering a forward indicator of a labour demand shock.
- The national Internet Vacancy Index fell by 0.9 per cent in April.
- In contrast, average hours worked per worker rose by 0.9 per cent.

The fall-out from the US-Iran war and skyrocketing oil prices will spill over into both the direct costs of materials for many common goods, such as silicon and plastic, and the costs of transporting those goods. Whilst many key labour market aggregates respond to such shocks with a lag, advertised job vacancies and the number of hours worked can serve as an early indicator for changes in the labour demand, owing to the fact that businesses are able to more easily adjust these numbers without incurring the often substantial costs associated with adjusting staffing levels.

Tying into that, online job vacancies fell by a modest 0.9 per cent nationally in April, driven by a 2.5 per cent drop in NSW and a 2.1 per cent drop in WA. WA is uniquely exposed to the oil crisis due to the mining industry's reliance on diesel, so this drop in estimated labour demand may have been partially a consequence of skyrocketing diesel costs. However, the NT, which is also a mining-heavy state, saw an increase in vacancies this month of 2.8 per cent which included a large jump (37.3%) in advertised vacancies for machinery operators and drivers! It seems more time will be required for the full impact of the oil crisis on the mining industry to emerge in the data.

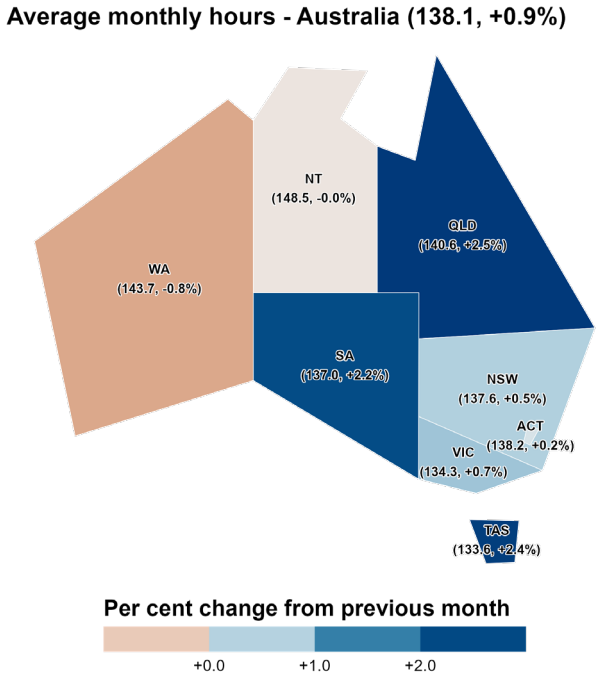
In contrast to falling internet vacancies, average hours worked per worker rose by 0.9 per cent over April, to 138.1 hours a month. Average hours worked rose in every state except WA, where it declined by 0.8 per cent. This may be a result of – or reflected in – a large increase in part-time employment in WA, while the rest of the country saw a larger fall in part-time employment. However, WA still has the highest average hours worked per worker across Australia, at 143.7 hours per worker over the month. This could indicate that mining employers are cutting hours to save on fuel costs, particularly as the NT was relatively stagnant in terms of changes in hours worked, at least compared to other states.

Figure 5: Internet Vacancy Index, by State: April 2020 to April 2026



Notes: Seasonally adjusted values are used. ACT and NT figures are not shown.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government, Jobs and Skills Australia.

Figure 6: Average monthly hours worked: states and territories



Notes: Seasonally adjusted values are used.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

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Focus on wages

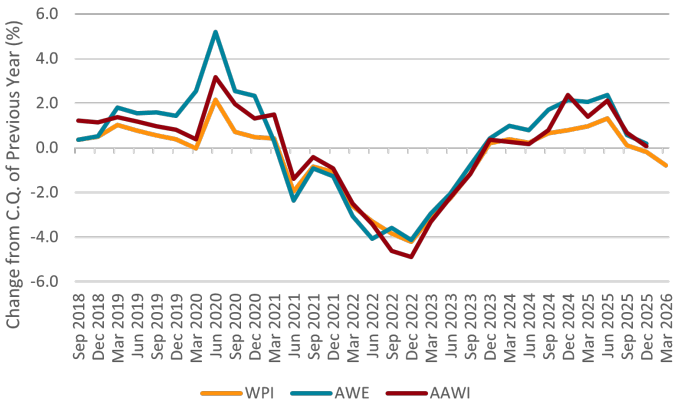
Key takeaways

- Based on the wage price index (WPI) real wages dipped by 0.8 per cent in the year to the March quarter in the wake of rising inflation.
- Annual CPI growth exceeds WPI growth in every state by a net 1.0 points or more.

The recent release of the wage price index (WPI) for the March quarter provides an update on movements in real wages. After almost two years in positive territory, real wages fell by 0.2 per cent in the year to the December quarter 2025, and a steeper fall of 0.8 per cent to the March quarter 2026 as inflation picked up. Further erosion of real wages can be anticipated as the effects of rising fuel prices continue to flow through into the CPI. Average Annualised Wage Increases (AAWI) negotiated in enterprise agreements also moderated in the December quarter to 3.7 per cent, with those wage rises for the coming year unlikely keep pace with prices, given expectations that annual inflation will be running close to 5 per cent by the middle of the year.

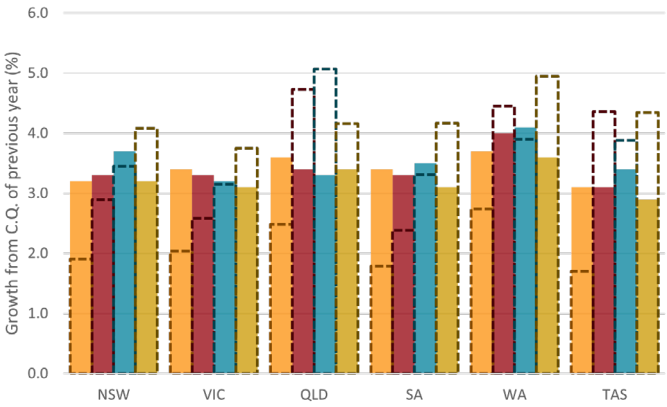
CPI growth exceeded WPI growth in all states and territories in Australia by a net 0.9 points or more during the first quarter of 2026. Nominal WPI growth fell slightly from the previous quarter in all states save QLD. Inflation was most dramatic in WA, where it increased by 4.9 per cent from the corresponding quarter of 2025, much higher than growth in the WPI (+3.6%) and equating to a 1.3 per cent erosion in real wages. TAS was not far behind, recording an inflation rate of 4.3 per cent compared to WPI growth of just 2.9 per cent. The Australian Government faces the unenviable task of trying to find a way to help Australians deal with cost-of-living pressures without further adding to aggregate demand and prices.

Figure 7: Annual real wage growth by AAWI, WPI, and ordinary-time AWE, Sep 2018 to March 2026



Notes: Seasonally adjusted values are used. Adjusted for inflation.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No. 6401 Table 5, Cat No. 6302 Table 1, Cat No. 6345 Table 2b and 26b, Department of Employment and Workplace Relations Historical Trends Data.

Figure 8: Annual WPI and CPI growth by state, Q2 2025 to Q1 2026



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No. 6401 Table 5, Cat No. 6345 Table 26b

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