August 2026

BCEC LABOUR MARKET UPDATE

Bankwest Curtin Economics Centre

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

- National unemployment rate up from 4.5 per cent to 4.6 per cent, highest rate in almost five years.
- Solid employment growth keeps pressure on Reserve Bank to lift rates, despite the rise in the unemployment rate.
- Volatility in estimates for Western Australia continues with a large rebound in jobs.

WA labour market hits a purple patch

On face value, the latest figures suggest WA's job market hit a purple patch in August, in what many in that State will be hoping is a positive omen. Employment surged by an estimated 0.7 per cent. People flocked into the labour market to push the participation rate up 0.4 points to 68.4 per cent compared to 67.1 per cent nationally, and well clear even of second placed VIC (67.8%).

Before WA starts painting the labour market purple, a more sober assessment is that the WA figures hit a patch of statistical volatility. August's result partly reverses what we described as a 'suspiciously large' 1.4 per cent plunge in employment in July and a full one-percentage point fall in the participation rate. Oscillations over the past five months saw the employment estimates jump by 0.8 per cent in April, fall 0.9 per cent in May, rebound 1.0 per cent in June, slump 1.4 per cent in July, and now bounce back. The participation rate has swung up and down in sync, leaving the unemployment rate estimates more stable. If nothing else, WA has shown it knows how to come back from behind.

Estimates for male and female employment followed similar swings, so it's difficult to know what's behind the volatility. Despite the jump in employment, the unemployment rate actually crept up from 4.4 per cent to 4.5 per cent due to the rise in participation.

For now, NSW has taken WA's mantle as the state with the tightest labour market, with the highest annual rate of employment growth to August (+2.4%) and lowest unemployment rate of the states (4.3%). Previous MLMU's noted an acceleration in job creation in the ACT in the first half of this year. That seems to have subsided since June, although the ACT remains the jurisdiction with the lowest unemployment rate, at just 4.0 per cent.

More troubling are developments in the Tasmanian labour market. The number of jobs fell by an estimated 1.0 per cent in August, to be down 2.4 per cent over 12 months. The unemployment rate stands at 5.0 per cent. The island's labour force has been shrinking, with a participation rate of 60.3 per cent. Recently released population data to the end of March 2026 show Tasmania to be the state with the lowest annual rate of population growth rate at 0.6 per cent, partly due to negative net interstate migration as Tasmanians leave for the mainland.

Rise in unemployment rate unlikely to save mortgage holders

August's labour force figures take on added significance as the last piece of key economic data released before the Reserve Bank of Australia (RBA) make their call on interest rates on Tuesday 29th of September.

In that light, the increase in the unemployment rate from 4.5 per cent in July to 4.6 per cent in August will be the main talking point. On balance, our assessment is that the August figures serve to underscore the resilience of the Australian labour market rather than point to any weakening.

The last time the unemployment rate was 4.6 per cent was November 2021. At that time the rate was steadily falling as the labour market recovered from the impacts of COVID-19, which saw the unemployment rate peak at 7.4 per cent in the middle of 2020.

That will provide a glimmer of hope that the RBA will opt to keep rates on hold. However, employment grew by a solid 39,500 positions, a sufficiently strong rate of growth - if sustained - to have the unemployment rate trending back down. It didn't fall on this occasion because of a 0.2 percentage point rise in the participation rate which contributed to 67,700 additional persons entering the labour force in August.

Now sitting at 70.1 per cent, the participation rate is just shy of it's all-time high of 70.2 per cent, meaning it's unlikely to continue rising if employers continue hiring at the rate they have been over recent months. Other indicators for August point to sustained strength in labour demand, with vacancies up for the third month in a row, average hours worked increasing, and the proportion of workers who are underemployed falling.

All in all, the latest data point to a tightening labour market and growing wage pressures. We expect the increase in the unemployment rate in August won't distract the RBA Board from that underlying picture. Employment growth is already running substantially stronger than implied by the forecasts contained in the RBA's August Statement on Monetary Policy.

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Labour market fundamentals

Key takeaways

- Employment rises by 39,500 workers, driven by VIC and WA.
- Growth driven by 45,800 additional part-time workers, vs 6,300 fewer full-time workers.
- Participation rate up 0.3 points for men, 0.1 points for women.

After last month's employment decline, employment grew by 39,500 workers in August, driven by a partial recovery in employment for WA (+12,500 workers) and growth in VIC (+16,100 workers, see Table 1). TAS was the only state to report an overall fall in employment, with a net decrease of 2,900 employed persons. Employment growth was driven by part-time workers, with a net national increase of 45,800 workers, with strong growth in NSW (+44,000 workers) and VIC (+27,400 workers). A heavy decline in full-time employment of 41,500 workers in NSW contributed to a net national decline of 6,300 full-time workers.

At the national level, declines in full-time employment were driven by men with a 0.2 per cent drop, driven by a 0.6 per cent decline in employment in NSW and a 1.4 per cent fall in VIC (see Figure 1). Women saw a 2.3 per cent decline in full-time employment in NSW, offset by full-time employment growth in VIC (+1.1%) and WA (+2.8%). Part-time employment grew for both men (+2.0%) and women (+0.5%). Swings in men's part-time employment can be more volatile than other measures, but it still saw strong growth in NSW (+3.7%) and VIC (+5.9%). Women also saw strong part-time employment growth in NSW (+3.1%), making up for slow growth or outright declines in other states and territories, including a 2.0 per cent decline in part-time employment in WA.

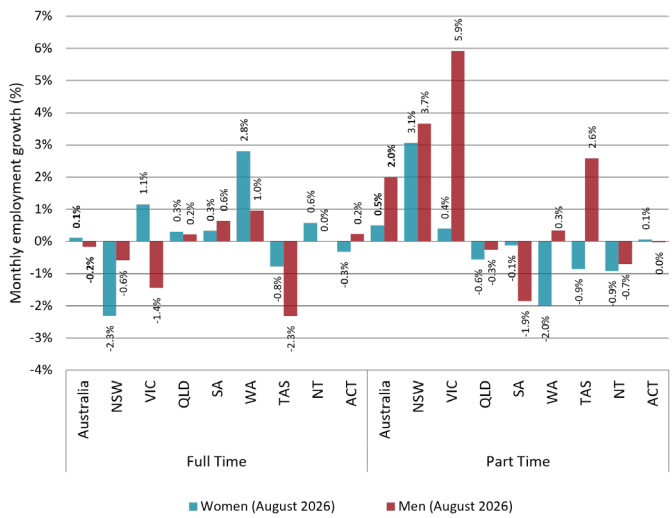
The labour force participation rate rose by 0.2 points nationally to 67.1 per cent, recovering from last month's decline. Growth in participation was driven by a 0.3 point rise in men's participation, with women also seeing an increase by 0.1 points (see Figure 2). At the state level, growth for women was driven by VIC, with a 0.4 point rise in women's participation rate. SA also saw a moderate 0.2 point increase. WA led the growth in men's participation (+0.9 pts), followed by SA (+0.5 pts). Male participation dropped sharply in TAS (-0.9 pts to 62.8%).

Table 1: Employment changes – states and territories

	Employed Persons ('000)	Change from:				Change from July 2026 ('000)		Change (%) from August 2025	
	August 2026	July 2026 ('000)	Rank	August 2025	Rank	Full-Time	Part-time	Full-Time	Part-time
Australia	**14,836.6**	**+39.5**	---	**▲+1.6%**	---	**-6.3**	**+45.8**	**▲ +1.3%**	**▲ +2.3%**
NSW	4,557.0	+2.5	3	▲+2.4%	1	-41.5	+44.0	▲ +1.8%	▲ +3.8%
VIC	3,831.7	+16.1	1	▲+0.7%	7	-11.3	+27.4	▼ -0.1%	▲ +2.4%
QLD	3,048.3	+0.8	5	▲+1.9%	3	+5.2	-4.4	▲ +1.7%	▲ +2.6%
SA	989.8	+1.0	4	▲+0.8%	6	+3.4	-2.4	▲ +1.8%	▼ -1.0%
WA	1,682.6	+12.5	2	▲+2.3%	2	+19.1	-6.6	▲ +3.2%	▲ +0.4%
TAS	281.1	-2.9	8	▼-2.4%	8	-3.1	+0.2	▼ -4.8%	▲ +2.0%
NT	147.6	+0.0	6	▲+1.5%	4	+0.3	-0.3	▲ +1.3%	▲ +2.6%
ACT	277.0	-0.0	7	▲+1.1%	5	-0.0	+0.0	▲ +2.0%	▼ -1.6%

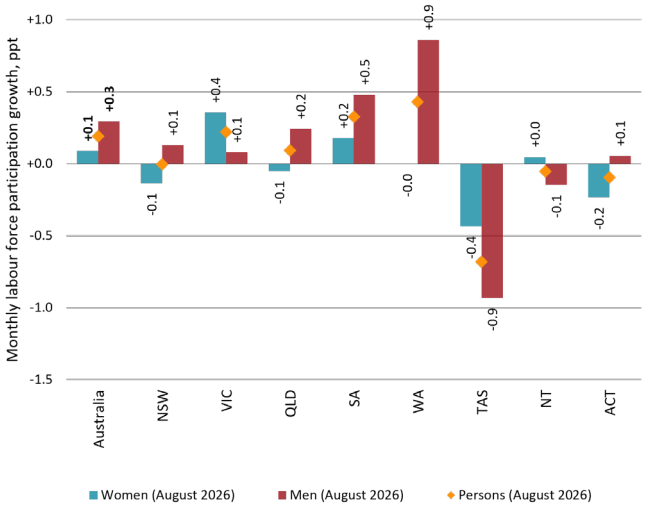
Notes: Seasonally adjusted values are used for states, and trend values for territories.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

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 July 2026 to August 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 July 2026 to August 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

- The unemployment rate rose by 0.2 points to 4.6 per cent nationally.
- Unemployment rate up 0.3 points for men, flat for women.
- Underemployment down 0.1 points for women and 0.2 points for men.

The national unemployment rate increased from 4.5 per cent to 4.6 per cent in August (see Table 2) as the number of people entering the labour market, primarily due to rising participation, substantially outnumbered new jobs created. The RBA will be hoping the added labour supply will prevent the growth in employment from putting upward pressure on wage growth relative to productivity. The unemployment rate rose in every state save for a sub-0.1 point decline in TAS.

Men were the primary drivers of growing unemployment rates over August, with a 0.3 point increase in their unemployment rate at the national level, up to 4.8 per cent (see Figure 3). Women saw no notable net change in their unemployment rate at the national level, with declining unemployment in WA (-0.4ppt) counterbalanced by increases in NSW (+0.1ppt), QLD (+0.1ppt), TAS (+0.1ppt), and SA (+0.3ppt). Growth in men's unemployment was driven by increases in QLD (+0.4ppt), VIC (+0.2ppt), SA (+0.7ppt), and WA (+0.5ppt).

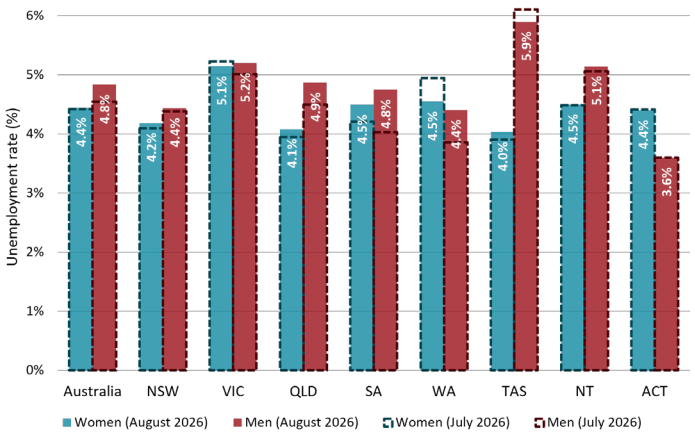
Underemployment once again saw a mild decline over August 2026, falling by 0.1 points for women (to 7.7%) and 0.2 points for men (to 5.4%, see Figure 4). Declines in underemployment for women were driven by falls in VIC (-0.5ppt) and QLD (-0.4ppt), whereas for men it was driven by falls in QLD (-0.9ppt) and SA (-0.6ppt).

Table 2: Unemployment changes: states and territories

	Unemployment Rate		Change (ppt) from:		Unemployed ('000)	Change ('000) from:	
	August 2026	Rank	July 2026	August 2025	August 2026	July 2026	August 2025
Australia	**4.6%**	--	**▲ +0.2**	**+0.4**	**722.9**	**▲ +28.2**	**+80.0**
NSW	4.3%	2	▲ +0.1	+0.2	205.5	▲ +3.6	+12.1
VIC	5.2%	8	▲ +0.1	+0.9	209.0	▲ +3.3	+37.6
QLD	4.5%	4	▲ +0.3	+0.2	143.3	▲ +8.6	+8.9
SA	4.6%	5	▲ +0.5	-0.1	48.0	▲ +5.5	-0.5
WA	4.5%	3	▲ +0.1	+0.7	78.8	▲ +2.4	+14.1
TAS	5.0%	7	▼ -0.0	+1.7	14.8	▼ -0.3	+4.8
NT	4.8%	6	▲ +0.0	+0.6	7.5	▲ +0.1	+1.0
ACT	4.0%	1	▼ -0.0	-0.1	11.5	▼ -0.0	-0.0

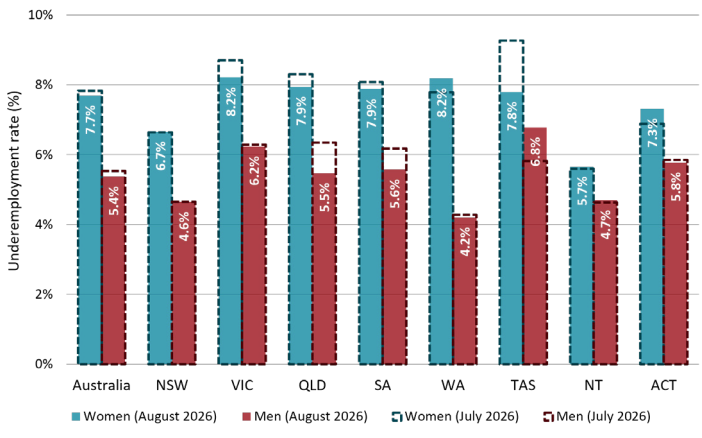
Notes: Seasonally adjusted values are used for states, and trend values for territories. State and territory numbers of unemployed people do not sum to the figures for Australia due to ABS seasonal adjustment methods.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0

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

- The national Internet Vacancy Index increased by 0.3 per cent in August.
- Vacancies down 0.3 per cent for professionals, 0.2 per cent for administrative workers.
- Average hours worked per worker rises 0.4 per cent nationally.

The Internet Vacancy Index rose by 0.3 per cent nationally over August, a mild increase from the previous month (see Figure 5). Most states saw moderate growth in the vacancy rate index, with VIC recording the highest increase with a rise of 1.0 per cent, followed by a 0.8 per cent increase in QLD. SA was the only state to decline, with a drop of 0.5 per cent over the month.

Following last month's 9.7 per cent jump in vacancies for labourers advertised online, the occupation saw further moderate growth in internet vacancies this month, with an increase of 0.7 per cent, driven by growth in NSW (+2.5%), QLD (+2.6%), and SA (+0.3%). Machinery operators and drivers also saw strong growth in internet vacancies, with a 1.9 per cent increase over August, driven by increases in VIC (6.0%) and WA (5.5%). In terms of declines, professionals saw internet vacancies fall by 0.3 per cent nationally, followed by a 0.2 per cent fall in internet vacancies for clerical and administrative workers.

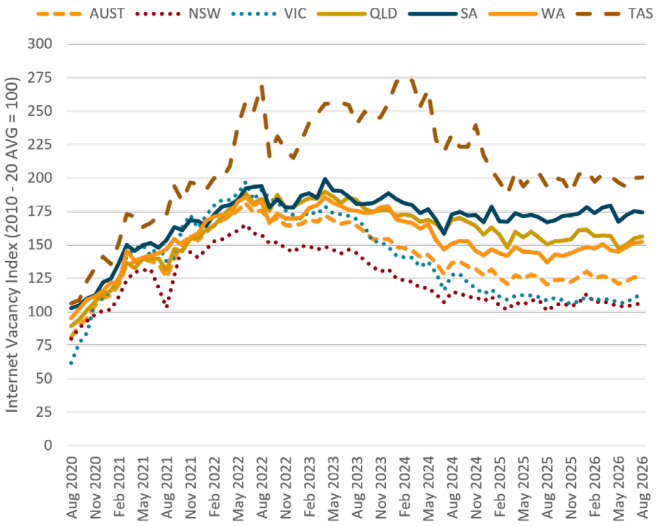
Despite employment growth being largely driven by part-time workers, the average hours worked per worker rose 0.4 per cent between July and August, to an average of 135.4 hours per worker over the month. The average hours worked grew by 1.5 per cent in SA, followed by a 1.1 per cent increase in QLD. WA saw a 1.0 per cent rise, remaining the state with the highest average hours at 142.2 hours per worker. VIC recorded a 0.4 per cent decline in average hours worked, as did TAS and the NT, followed by a 0.2 per cent fall in average hours worked in the ACT.

Table 3: Changes in internet vacancies by occupation and state, July 2026 to August 2026

Major Occupation Group	Australia	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Managers	+0.9%	+1.2%	+0.1%	-0.2%	-2.3%	+3.8%	-7.7%	+11.8%	+6.5%
Professionals	-0.3%	-0.9%	+2.0%	-0.7%	-1.4%	+0.6%	-1.4%	+5.1%	-3.2%
Technicians And Trade Workers	+1.2%	-0.1%	+1.1%	+1.8%	-0.0%	+0.9%	+0.6%	+2.7%	-0.6%
Community And Personal Service Workers	+0.3%	+0.1%	+1.0%	+0.5%	+3.5%	-2.2%	+10.1%	-0.2%	-2.7%
Clerical And Administrative Workers	-0.2%	+1.0%	-1.7%	-0.6%	-4.8%	-2.7%	-4.5%	+3.9%	+0.2%
Sales Workers	+1.4%	+2.4%	-0.4%	+0.4%	-2.4%	-0.4%	+0.6%	-1.6%	+1.8%
Machinery Operators And Drivers	+1.9%	+0.9%	+6.0%	+0.0%	-3.3%	+5.5%	+6.1%	-3.1%	+10.0%
Labourers	+0.7%	+2.5%	-0.9%	+2.6%	+0.3%	-1.9%	+3.4%	-8.6%	-5.4%
Total	**+0.3%**	**+0.2%**	**+1.0%**	**+0.8%**	**-0.5%**	**+0.5%**	**+0.2%**	**+2.4%**	**-0.2%**

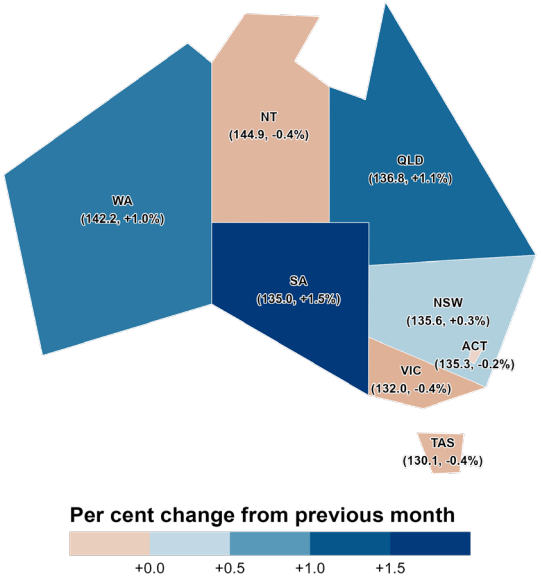
Notes: Seasonally adjusted values are used.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Government, Jobs and Skills Australia.

Figure 5: Internet Vacancy Index, by State: August 2020 to August 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



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Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No 6202.0.

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Focus on workforce

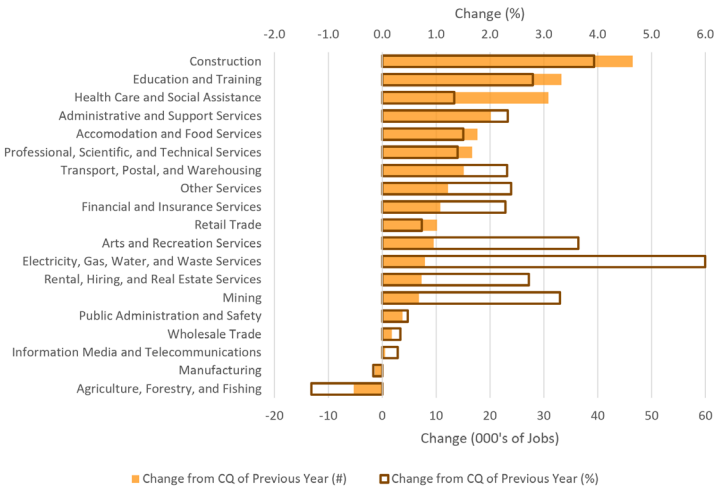
Key takeaways

- Electricity, gas, water and waste services continue to be the fastest growing industry in terms of employment, up 6.0 per cent over the year.
- Population growth remains steady in most states and territories, growing 1.4 per cent nationally over the year to the end of March 2026.

When looking at per-industry employment growth from June 2025 to June 2026, the construction industry saw the largest headcount increase nationally, with roughly 46,500 additional jobs over the time period. With housing supply continuing to face labour-driven constraints, this is a welcome increase and, hopefully, should translate to faster dwelling construction. In per-cent terms, the electricity, gas, water and waste services industry continued to be the fastest growing industry in Australia over the period from June 2025 to June 2026, with a 6.0 per cent increase in employment, as the green energy transition continues to pick up the pace nationally. Rationalisation in manufacturing continued, shedding 1,400 jobs (-0.2%) over the year.

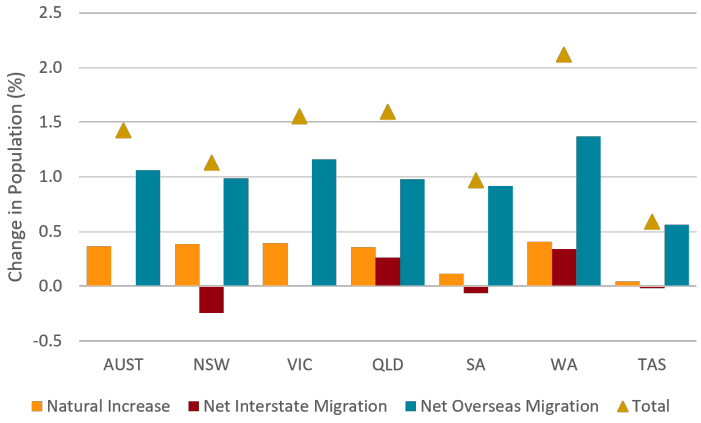
The national population grew by 1.4 per cent between March of 2025 and 2026, of which 1.1 points were driven by overseas migration and 0.4 points by natural population increases. At the state level, QLD and WA were notable net-recipients of interstate migration, with both attributing 0.3 points of their respective 1.6 per cent and 2.1 per cent net population increases to migration from other states and territories. WA had the highest overall population increase of the states, thanks to both the above, as well as 1.4 points worth of net overseas migration, the most out of the states. With immigration reforms looming on the horizon, it remains to be seen whether overseas migration into WA remains a strong driver of its population growth for much longer.

Figure 7: Employment growth by industry, June 2025 to June 2026



Notes: Seasonally adjusted values are used.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Author's calculations using data from Australian Bureau of Statistics Cat No. 6202.0 Table 1, and Labour Account Summary Table

Figure 8: Components of population growth by state, March 2025 to March 2026



Source: BANKWEST CURTIN ECONOMICS CENTRE | Australian Bureau of Statistics Cat No. 3101.0, Tables 2 and 4.

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