

# Labour Force November 2024

## Employment and Hours Worked

Seasonally adjusted employment rose 35.6k in November, somewhat more than the 25.0k expected by market participants. This followed a downwardly revised gain of 12.1k October (revised from 15.9k).

The annual rate of employment growth slowed 0.1ppts to 2.4% in November.

The solid rise in employment in November was driven by a 52.6k increase in full-time jobs, while part-time employment declined 17.0k.

Aggregate hours worked were unchanged in November and were up 2.1% through the year.

Australia (Seasonally Adjusted)	Nov ('000)	Oct ('000)	YoY (%)
Total	35.6	12.1	2.4
Full Time	52.6	9.0	2.3
Part Time	-17.0	3.2	2.4
Aggregate Hours Worked (%)	0.0	0.1	2.1
Participation Rate (%)	67.0	67.1	-
Unemployment Rate (%)	3.9	4.1	-

## Unemployment, Underutilisation and Participation

The seasonally adjusted unemployment rate unexpectedly declined 0.2ppts to 3.9%, while the market consensus had pencilled in a 0.1ppts uptick to 4.2%.

The decline in the unemployment rate resulted from a 27.0k fall in the number of unemployed, while the labour force increased just 8.6k.

The ongoing rise in the working age population meant that the participation rate ebbed 0.1ppts but remained high at 67.0%.

The underemployment rate declined by another 0.1ppts to 6.1%, which is the lowest since April 2023. The underutilisation rate, which combines unemployment and underemployment, dropped to 10.0%, the lowest since September 2023.

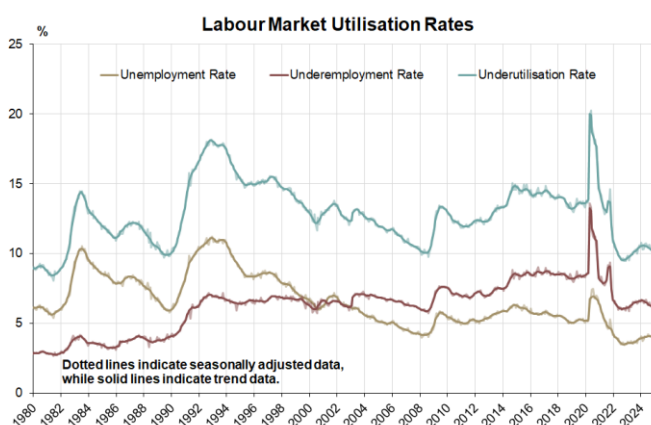
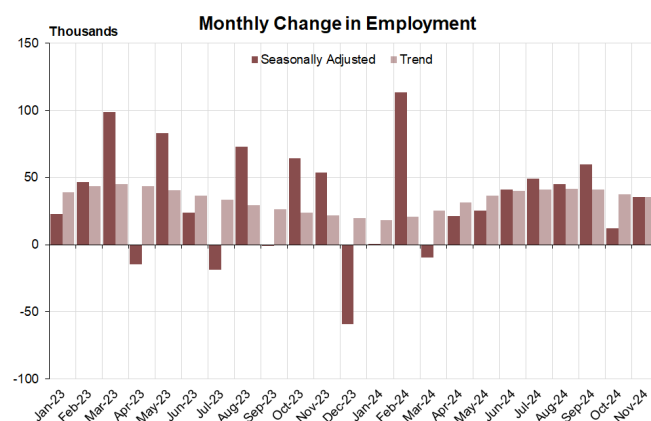
## The States

Employment picked up in all states, except for Queensland and South Australia. Queensland was also the only state to see an uptick in the unemployment rate.

In Western Australia, employment rose by 15.3k, the most since May 2024. At 0.9% in percentage terms, this was the largest gain of all the states.

The Western Australian unemployment rate dropped 0.8ppts to 3.3%, which is by far the lowest level of all the states. The participation rate and employment-to-population ratio, of 68.8% and 66.5%, respectively, remained the highest of the states.

States (Seasonally Adjusted)	MoM ('000)	YoY (%)	Unemployment Rate (%)
Western Australia	15.3	3.2	3.3
New South Wales	38.1	1.1	3.9
Victoria	10.9	3.5	4.2
Queensland	-7.0	3.7	3.9
South Australia	-6.8	-0.4	3.9
Tasmania	1.3	-1.8	3.9



## Comment

Following the softer employment growth in October, November again saw a solid labour market report.

The rise in seasonally adjusted employment in November was broadly in line with monthly trend growth of 35.5k. At the same time, annual employment growth of 2.8% is well ahead of the 20-year average of 2.1%, highlighting the strength of the current expansion, though it is important to bear in mind that a huge part of this increase comes from the non-market sector.

The trend unemployment rate has also turned slightly south, to be back at 4.0%, down from 4.1% in the June-September period. Other measures of labour force underutilisation are also on a decline, with the trend underemployment at 6.2%, down 0.4ppts from the recent peak of 6.6% at the turn of 2023 and 2024.

The solid December labour market report triggered a decline in cash rate cut expectations, with the first cut again fully priced in for May 2025 at the time of writing. The probability of a cut in February declined to below 50%, from 67% before the release. This comes just two days after the RBA softened its tone on the inflation outlook, triggering an intensification of rate cut expectations. We continue to view that a cash rate cut is more likely in Q2 than in Q1 2025.

**12 December 2024**