RLMI Results – March 2025

Key Findings

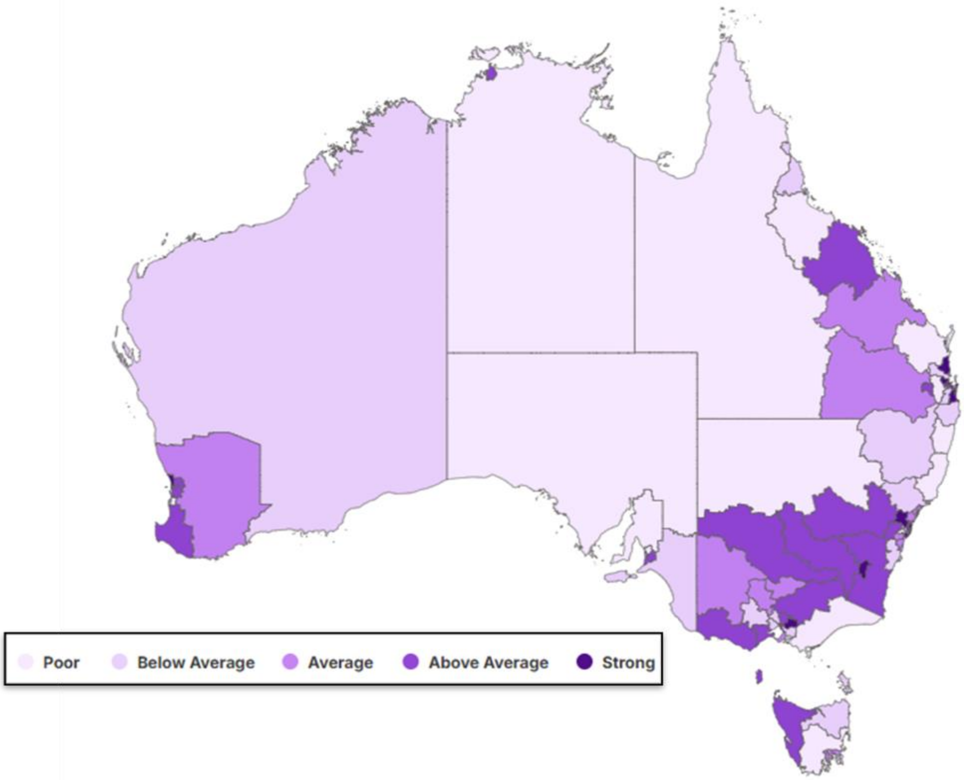
Labour market challenges are more pronounced in many regional and remote areas as they are more likely to experience weaker labour market conditions than their major city counterparts. With that said, the March 2025 Regional Labour Market Indicator (RLMI) results help to highlight many regions have benefited from recent strong labour market conditions, although persistent disparity exists between the stronger and poorer-performing regions.

Labour market challenges are more pronounced in many regional areas

The March 2025 RLMI results confirm that regional and remote areas are more likely to experience weaker labour market conditions than their major city counterparts, highlighting the additional challenges faced in many regional areas by both employers and jobseekers (see Chart 1, below).

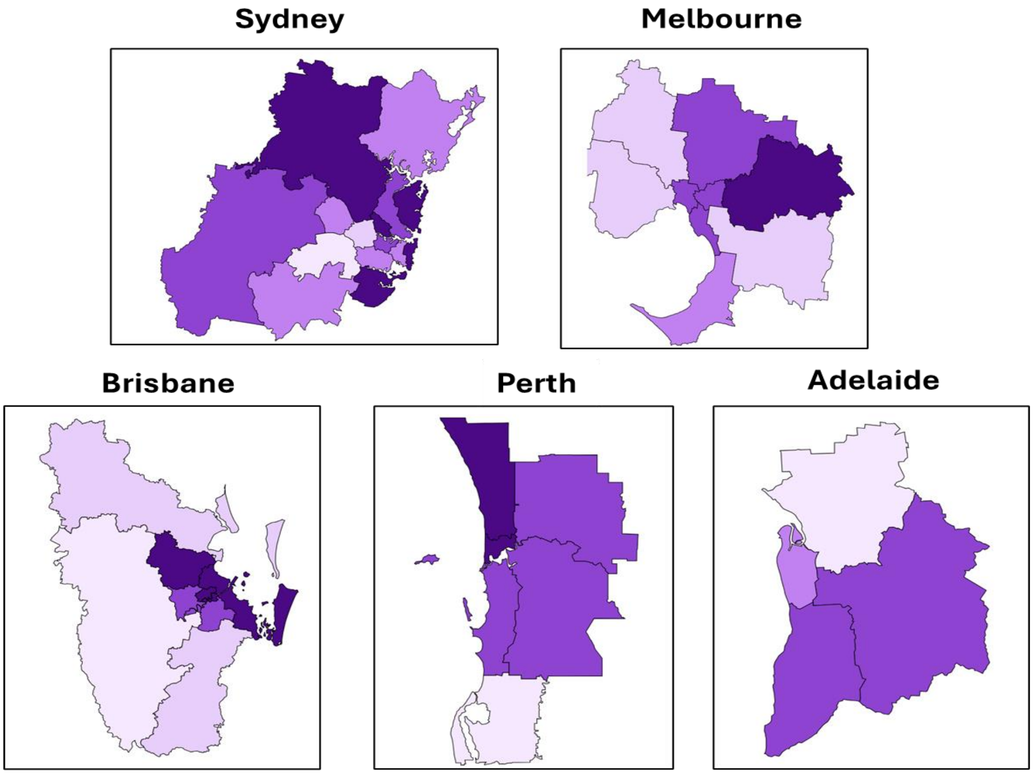
- Around half of the SA4's (15 out of 29) located in regional areas were rated either 'below average' or 'poor' in March 2025, while all four (or 100%) remote areas were rated either 'below average' or 'poor'.
- Almost two-thirds of the SA4's (27 out of 44) located in major city areas were rated either 'strong' or 'above average' in March 2025.

Chart 1: RLMI ratings of relative labour market performance, March 2025



Source: JSA, *Regional Labour Market Indicator (RLMI)*, March 2025

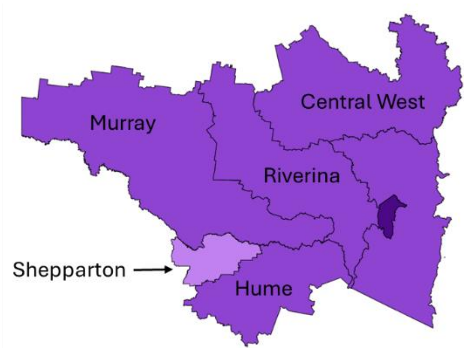
Chart 2: RLMI ratings of relative labour market performance, by selected Capital Cities, March 2025



Recent trends in regional labour market performance

Although labour market challenges are typically more pronounced in many regional and remote areas, the latest RLMI results help to highlight cluster of regions that are currently displaying considerable labour market strength in parts of regional Australia including the Southern Murray-Darling Basin (an area often known as a key part of Australia's Food Bowl) and the Surf Coast region of Victoria.

Southern Murray-Darling Basin



Surf Coast of Victoria

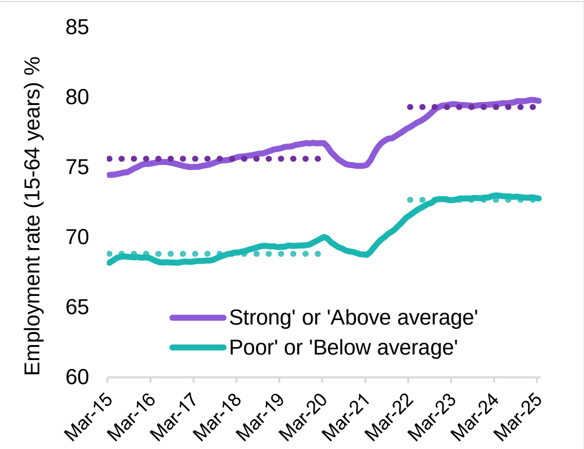
Many regions have benefited from recent strong conditions, although persistent disparity remains

The recent strength in the Australian labour market has enabled more opportunities for people to find work, including for those regions where labour market challenges are more pronounced.

- For instance, the working age employment rate for regions rated 'poor' or 'below average' has increased considerably in recent years and remains well above the long-term average recorded prior to the onset of COVID-19 (see Chart 3, below).
    - 79 SA4's (or 91%) recorded an employment rate of more than 70% in March 2025, well above the 54 SA4's (or 62%) recorded a decade ago.
- Similarly, the unemployment rate for regions rated 'poor' or 'below average' has fallen sharply in recent years and remains well below the long-term average recorded prior to the onset of COVID-19 (see Chart 4, below).
    - 72 SA4's (or 83%) recorded an unemployment rate of less than 5% in March 2025, well above the 13 (or 15%) recorded a decade ago.

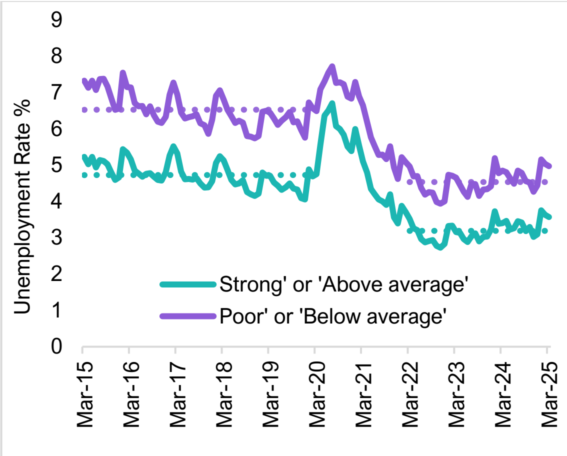
While these findings show how conditions for many regions have improved in recent years, relative to their historical performance, they also highlight the persistent disparity that exists between the stronger and poorer-performing regions.

Chart 3: Employment rate by RLMI rating, 10 years to March 2025



Source: ABS, Labour Force, Detailed, March 2025, 12-month averages of original estimates.

Chart 4: Unemployment rate by RLMI rating, 10 years to March 2025



Source: ABS, Labour Force, Detailed, March 2025, modelled estimates.

In focus: Western Australia

The Western Australian labour market has been particularly strong over the last few years, supported by a high performing domestic economy, stronger than expected population growth and high demand for workers, which have kept the labour market tight.

Western Australia has been rated Australia's top performing economy for 3 quarters in a row by CommSec in their *State of the State* reports, with the commodities and tourism-heavy state continuing to outperform the rest of the nation.

- Western Australia ranked first on five economic indicators including retail spending, unemployment, population growth, housing finance and dwelling approvals.

The latest RLMI result also highlight the strength of the labour market in Western Australian. Of the 9 SA4s in Western Australia, 6 were rated 'above average' or 'strong' in March 2025. This was an increase from 4 regions one year ago and just 3 regions 5 years ago. A high employment rate and low unemployment rate have driven the improvement in labour market conditions in the state.

- Despite the overall improvement at the state level, the SA4 of Mandurah, in Greater Perth, has a long history of poor labour market outcomes, with the region experiencing a persistently high relative rate of unemployment that is exacerbated by limited employment opportunities and a mismatch between potential workers and available work. Improving labour market outcomes in a region that has persistent and ongoing disadvantage, like Mandurah, will require a focused and nuanced approach to addressing structural sources of underutilisation.

Labour Market Rating by SA4, March 2025

Statistical Area Level 4 (SA4)	Remoteness	Mar-24	Mar-25	Direction
Central Coast	Major City	Average	Average	Stable
Sydney - Baulkham Hills and Hawkesbury	Major City	Strong	Strong	Stable
Sydney - Blacktown	Major City	Average	Average	Stable
Sydney - City and Inner South	Major City	Above average	Average	Declined
Sydney - Eastern Suburbs	Major City	Strong	Strong	Stable
Sydney - Inner South West	Major City	Average	Average	Stable
Sydney - Inner West	Major City	Strong	Above average	Declined
Sydney - North Sydney and Hornsby	Major City	Strong	Above average	Declined
Sydney - Northern Beaches	Major City	Strong	Strong	Stable
Sydney - Outer South West	Major City	Average	Average	Stable
Sydney - Outer West and Blue Mountains	Major City	Strong	Above average	Declined
Sydney - Parramatta	Major City	Below average	Below average	Stable
Sydney - Ryde	Major City	Above average	Strong	Improved
Sydney - South West	Major City	Poor	Poor	Stable
Sydney - Sutherland	Major City	Strong	Strong	Stable
Capital Region	Regional	Above average	Above average	Stable
New South Wales - Central West	Regional	Above average	Above average	Stable
Coffs Harbour - Grafton	Regional	Poor	Poor	Stable
Far West and Orana	Regional	Poor	Poor	Stable
Hunter Valley exc Newcastle	Regional	Average	Below average	Declined
Illawarra	Cities of Regional Australia	Average	Average	Stable
Mid North Coast	Regional	Poor	Poor	Stable
Murray	Regional	Above average	Above average	Stable
New England and North West	Regional	Average	Below average	Declined
Newcastle and Lake Macquarie	Cities of Regional Australia	Above average	Average	Declined
Richmond - Tweed	Regional	Average	Below average	Declined
Riverina	Regional	Below average	Above average	Improved
Southern Highlands and Shoalhaven	Regional	Below average	Below average	Stable
Melbourne - Inner	Major City	Above average	Above average	Stable
Melbourne - Inner East	Major City	Above average	Above average	Stable
Melbourne - Inner South	Major City	Strong	Above average	Declined
Melbourne - North East	Major City	Average	Above average	Improved
Melbourne - North West	Major City	Below average	Below average	Stable
Melbourne - Outer East	Major City	Strong	Strong	Stable
Melbourne - South East	Major City	Below average	Below average	Stable
Melbourne - West	Major City	Below average	Below average	Stable
Mornington Peninsula	Major City	Average	Average	Stable
Ballarat	Regional	Poor	Below average	Improved
Bendigo	Regional	Average	Average	Stable
Geelong	Cities of Regional Australia	Strong	Above average	Declined
Hume	Regional	Above average	Above average	Stable
Latrobe - Gippsland	Regional	Below average	Poor	Declined
Victoria - North West	Regional	Average	Average	Stable
Shepparton	Regional	Above average	Average	Declined
Warrnambool and South West	Regional	Above average	Above average	Stable

Statistical Area Level 4 (SA4)	Remoteness	Mar-24	Mar-25	Direction
Brisbane - East	Major City	Above average	Strong	Improved
Brisbane - North	Major City	Above average	Strong	Improved
Brisbane - South	Major City	Above average	Above average	Stable
Brisbane - West	Major City	Strong	Above average	Declined
Brisbane Inner City	Major City	Strong	Strong	Stable
Ipswich	Major City	Poor	Poor	Stable
Logan - Beaudesert	Major City	Poor	Below average	Improved
Moreton Bay - North	Major City	Poor	Below average	Improved
Moreton Bay - South	Major City	Above average	Strong	Improved
Cairns	Cities of Regional Australia	Below average	Below average	Stable
Darling Downs - Maranoa	Regional	Average	Average	Stable
Central Queensland	Regional	Below average	Average	Improved
Gold Coast	Cities of Regional Australia	Above average	Strong	Improved
Mackay - Isaac - Whitsunday	Regional	Above average	Above average	Stable
Queensland - Outback	Remote	Poor	Poor	Stable
Sunshine Coast	Cities of Regional Australia	Above average	Strong	Improved
Toowoomba	Cities of Regional Australia	Below average	Above average	Improved
Townsville	Cities of Regional Australia	Average	Poor	Declined
Wide Bay	Regional	Poor	Poor	Stable
Adelaide - Central and Hills	Major City	Strong	Above average	Declined
Adelaide - North	Major City	Poor	Poor	Stable
Adelaide - South	Major City	Above average	Above average	Stable
Adelaide - West	Major City	Average	Average	Stable
Barossa - Yorke - Mid North	Regional	Poor	Poor	Stable
South Australia - Outback	Remote	Poor	Poor	Stable
South Australia - South East	Regional	Average	Below average	Declined
Mandurah	Major City	Below average	Poor	Declined
Perth - Inner	Major City	Strong	Strong	Stable
Perth - North East	Major City	Above average	Above average	Stable
Perth - North West	Major City	Strong	Strong	Stable
Perth - South East	Major City	Average	Above average	Improved
Perth - South West	Major City	Above average	Above average	Stable
Bunbury	Regional	Above average	Above average	Stable
Western Australia - Outback (North and South)	Remote	Below average	Below average	Stable
Western Australia - Wheat Belt	Regional	Average	Average	Stable
Hobart	Cities of Regional Australia	Average	Average	Stable
Launceston and North East	Regional	Below average	Below average	Stable
Tasmania - South East	Regional	Poor	Poor	Stable
Tasmania - West and North West	Regional	Below average	Poor	Declined
Darwin	Cities of Regional Australia	Above average	Above average	Stable
Northern Territory - Outback	Remote	Poor	Poor	Stable
Australian Capital Territory	Major City	Strong	Strong	Stable

Source: JSA, *Regional Labour Market Indicator (RLMI)*, March 2025

RLMI Explanatory Notes

Overview

The Regional Labour Market Indicator (RLMI) combines key indicators of spare labour market capacity, from both an employee and employer perspective, into a single, and easy to interpret, summary measure.

Regions are grouped into distinct categories of overall labour market performance, ranging from ‘poor’ to ‘strong’, which provides an accurate and reliable view of labour market performance, relative to the national average.

A strong labour market, that is characterised by a high rate of employment, where employment opportunities are extended to all who want them, is central to a strong economy and prosperous and inclusive society.

Factors used to assess labour market performance

The **working age (15-64 years) employment rate** is one of the most commonly used indicators for understanding conditions in the labour market and is a key measure of performance. It provides an insight into the extent to which available labour (some individual’s personal circumstances may prevent them from participating in the labour market) is being used and is unaffected by voluntary changes in labour force participation.

Along with the employment rate, the **unemployment rate** is one of the most commonly used indicators for understanding conditions in the labour market and is a key measure of spare capacity. It provides insights into the availability of unused labour that is willing and available for work.

The **JobSeeker income support rate** is a reliable measure of spare capacity in the labour market and is an important complement to other measures of spare capacity. It is a combination of the JobSeeker payment and Youth Allowance (other) payment, measured as a proportion of the working age population. These payments are designed to provide financial assistance to support those looking for working, including those who may be working part-time.

The **underemployment rate**[1] takes a broad view of underutilisation by measuring the share of the labour force that is employed, but not fully utilised in terms of the amount of work people would like. It is an important complement to the unemployment rate in assessing how much spare capacity could be called upon in adapting to labour market strength and weakness.

The **vacancy fill rate**[2] is a key measure of unmet demand for labour. A low fill rate indicates that the demand for labour is not matched by the supply of labour from workers. This may be due to a lack of suitable applicants or high search costs that reduce labour market matching efficiency. Poorer-performing regions experience more difficulty filling vacant positions, despite having a higher availability of unused labour willing and available to work.

Methodology

Please refer to the RLMI Methodology Paper for more information on the RLMI, including its purpose and factor selection.

[1] Measured at the Greater Capital City Statistical Area (GCCSA) level due to data quality issues with this factor at the SA4 level.

Referencing this report

Data in this release should be referenced as: Jobs and Skills Australia, RLMI, March 2025

Contact us

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