



Australian Government



Jobs and Skills Australia

# Regional Labour Market Indicator (RLMI)

Methodology Paper – March 2026



# Contents

<b>RLMI's Purpose</b> .....	<b>2</b>
<b>Overview of the RLMI</b> .....	<b>3</b>
Composite indicator .....	3
Regions .....	3
Factor selection and weighting.....	4
Assigning a labour market rating.....	7
Attachments .....	8
Attachment A – Input factors included in the RLMI.....	9
Attachment B – Pearson correlation matrix for March 2026 .....	16
Attachment C – History of RLMI Factors and Weighting .....	17

# RLMI's Purpose

Understanding trends associated with regional labour market performance will assist in ensuring Australia has the necessary pre-requisites to build a better-skilled and more adaptable workforce to position the Australian labour market for the future.

Central to this effort is to measure labour market performance across regions. Doing so, however, is a complex task. For instance, while the unemployment rate is a useful measure of labour market tightness, it is only one of a number of measures of labour market performance and identifying common trends across separate measures can be challenging.

To overcome these challenges, the Regional Labour Market Indicator (RLMI) combines key measures of labour supply, labour demand, and the interaction between the supply and demand, into a single, easy-to-interpret, summary measure. In doing so, the RLMI provides an analytical framework for assessing regional labour market performance.

Regions are grouped into distinct categories of relative 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 employers can attract, develop and retain sufficient suitable labour to meet current skills needs, and where employment opportunities are broadly accessible and secure, help drive a more productive economy that is central to building a prosperous and inclusive society. By contrast, a poor labour market is characterised by weak employment outcomes, where employers face persistent challenges in attracting or retaining suitably skilled workers, and where job opportunities are limited, less secure or unevenly accessible, constraining productivity and undermining broader economic inclusion.

Importantly, the RLMI's purpose aligns closely with the Australian Government's approach to consider a broader range of measure of labour market, including of labour market utilisation, to measure progress towards sustained and inclusive full employment, as outlined in *Working Future: The Australian Government's White paper on Jobs and Opportunities*<sup>1</sup>.

---

<sup>1</sup> The Treasury, [\*Working Future: The Australian Government's White Paper on Jobs and Opportunities\*](#), 2023

# Overview of the RLMI

The RLMI combines key measures of labour supply and demand, including factors that capture how these interact, into a single, easy-to-interpret summary measure.

Regions are grouped into distinct categories of relative 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 employers can attract, develop and retain sufficient suitable labour to meet current skills needs, and where employment opportunities are broadly accessible and secure, help drive a more productive economy that is central to building a prosperous and inclusive society.

This approach to assessing regional labour market performance has been designed with flexibility in mind, allowing the underlying set of factors and associated weightings to be adapted or expanded where appropriate to support more targeted analytical or policy specific applications.

## Composite indicator

The RLMI is constructed as a composite indicator to assess regional labour market performance. A range of possible approaches were considered, including a composite indicator, principal component analysis, stepwise regression and cluster analysis. After investigating the costs and benefits of the approaches, a composite indicator was chosen as the most appropriate method for rating a region's current labour market performance.

A composite indicator is created when individual factors are compiled into a single index to measure multi-dimensional concepts which cannot be captured by a single indicator. They are particularly useful when the dependant variable is not easily quantified, such as in this case where reliable ratings of relative labour market performance across regions are not readily available.

Another important consideration in choosing a composite indicator was concern raised that using a principal component analysis or stepwise regression model may be susceptible to minimising the importance of relevant factors.

The development of the composite indicator approach was informed by a panel of technical experts, who provided technical advice around building a model, taking into consideration the appropriateness of a model to deliver an accurate, reliable and timely assessment of a region's current labour market performance.

## Regions

'Regions' can be defined in many ways. Structured and well-defined regions are essential for data analysis (particularly for comparative analysis). The RLMI produces ratings at the Statistical Area 4 (SA4) level of the Australian Statistical Geography Standard (ASGS). Importantly, SA4s cover the whole of Australia, reflect the location of people and communities and broadly reflect labour markets and the functional areas of capital cities. There is a variety of regional data available at the SA4 level, which makes it a commonly used spatial unit for regional analysis.

That said, it is important to bear in mind there are some limitations when using the SA4 boundaries. For instance, SA4s are not perfectly self-contained labour markets, with people often living and working in different SA4s, with research by the Reserve Bank of Australia (RBA) estimating that around 27% of people work in a different SA4 than they live in<sup>2</sup>. This is more common in capital city areas, where people commute between neighbouring SA4s, as well as in border communities, as SA4s do not cross state and territory borders (they sit under the state/territory structure within the ASGS). For this reason, labour market ratings may not strictly reflect labour market conditions in the region, but rather conditions for people living in the region.

### **Northern Australia and Remote Australia**

In addition to SA4-level ratings, an RLMI rating has also been produced for Northern Australia and Remote Australia.

- Northern Australia comprises the following SA4 regions: Cairns (Qld), Central Queensland, Mackay – Isaac – Whitsunday (Qld), Queensland – Outback, Townsville (Qld), Western Australia – Outback (North), Darwin, and the Northern Territory – Outback.
- Remote Australia comprises the following SA4 regions: Far West and Orana (NSW), Queensland – Outback, South Australia – Outback, Western Australia – Outback (North and South), Tasmania – West and North West, and the Northern Territory – Outback.

For Northern Australia, this addition acknowledges that labour markets, workforce challenges and mobility patterns in Northern Australia span State and Territory boundaries, making it essential to view the region as an integrated labour market. This approach improves the consistency and quality of evidence available for Northern Australia, helping guide more effective, evidence-based planning and decision-making across the region.

For Remote Australia, this addition recognises that some labour markets are geographically isolated, with shared structural challenges across regions. These may include limited job opportunities, lower levels of educational attainment, difficulties attracting and retaining workers, and more limited access to services and infrastructure. Viewing Remote Australia as a single integrated labour market may help to improve the consistency and interpretability of the evidence, supporting a clearer understanding of labour market conditions across these areas.

### **Factor selection and weighting**

The 11 input factors currently included in the RLMI are listed below (see [Attachment A](#) for a more detailed overview of the factors). The factors can be grouped into broader measures of labour supply, demand, with several measures capturing dynamics at the intersection of these dimensions.

---

<sup>2</sup> Bishop & Greenland, 'Is the Phillips Curve Still a Curve? Evidence from the Regions', *Research Discussion paper 2021-09*.

Factor	Description	Factor Type	Availability	Geography	Weight
Employment rate (15-64 years)	The number of employed persons as a proportion of the working age (15-64 years) population (%)	Supply	Monthly	SA4	20%
Unemployment rate	The number of unemployed persons as a proportion of the total labour force (%)	Supply	Monthly	SA4	15%
JobSeeker income support rate	Proportion of the working age (15-64 years) population on JobSeeker Income Support*	Supply	Monthly	SA4	5%
JobSeeker income support for 2 or more years rate	Proportion of the working age (15-64 years) population on JobSeeker Income Support for 2 or more years	Supply (structural)	Monthly	SA4	15%
Underemployment rate	The number of underemployed persons as a proportion of the labour force (%)	Supply	Monthly	GCCSA	5%
Job vacancy rate	The number of new job vacancies as a proportion of the labour force (%)	Demand	Quarterly	SA4/GCCSA <sup>2</sup>	15%
Job matching efficiency rate	The efficiency with which available jobseekers and vacancies result in successful hires (%)	Intersection	Quarterly	SA4	15%
Vacancy fill rate	The percentage of vacancies that have been filled (%)	Intersection	Monthly	GCCSA	5%
5-year annual average growth rate of productivity	5-year annual average productivity growth rate (%) where productivity is defined as Local Industry GRP (GRP at factor cost) per employed person on an industry adjusted basis.	Intersection (structural)	Quarterly <sup>3</sup>	GCCSA	~2% <sup>4</sup>
Annual median income growth rate	The percentage change in median total income over the past year (%)	Intersection	Yearly <sup>3</sup>	SA4	~2% <sup>4</sup>
Skill underutilisation rate	Proportion of employed persons working at a lower skill level than the skill level associated with their highest level of qualification (%)	Intersection	5-yearly <sup>3</sup>	SA4	~2% <sup>4</sup>

<sup>1</sup>JobSeeker income support' is a combination of the JobSeeker payment and Youth Allowance (other) payment

<sup>2</sup>Measured at the Greater Capital City Statistical Area (GCCSA) for Major Cities (Sydney, Melbourne, Brisbane, Adelaide, Perth). Measured at the Statistical Area 4 (SA4) level for all other regions.

<sup>3</sup>Note, the data is released with a substantial delay (typically 1–2 years after collection), which limits its usefulness for assessing current labour market conditions.

<sup>4</sup>The 5-year annual average growth rate of productivity, the annual median income growth rate, and the skill underutilisation rate have a combined weight of 5%.

When considering factor selection and weighting, a number of broader considerations are taken into account:

- **Business sense:** The inclusion of the factor aligns with the needs of the composite indicator.
- **Quality:** The data are considered accurate and reliable, with particular consideration given to data volatility, sampling variability as measured by relative standard errors and revisions.
- **Frequency:** The data can be provided regularly for robust and timely analysis.
- **Accessibility:** The data underpinning each factor is accessible.
- **Comprehension:** The factor can be easily interpreted by stakeholders.
- **Uniqueness:** The factor measures something that cannot be captured by other factors already included in the composite indicator.
- **Longevity:** There is a low likelihood of the data being ceased in the near future and there is sufficient historical data to support analysis and testing.

To ensure the input factors capture distinct dimensions of labour market performance, Pearson correlation coefficients have been used to assess the degree of association between factors. This helps identify potential overlap between factors and reduces the risk of multicollinearity, which can distort the relative contribution of individual factors within a composite indicator (see [Attachment B](#) for the Pearson correlation matrix for March 2026).

### **Summary of RLMI Models (2022 – present)**

Since its establishment in 2022, the RLMI has undergone a series of refinements to strengthen its conceptual clarity, data foundations, and overall interpretability. These updates have reflected both the availability of new data and an evolving understanding of how best to measure relative regional labour market performance using a composite indicator approach (see [Attachment C](#) for a history of RLMI Factors and Weighting).

The development of the RLMI can be summarised as follows:

1. **Interim RLMI (2022 – internal use only):** The RLMI was developed as a composite indicator to provide a systematic, transparent, and replicable assessment of relative regional labour market performance. The initial model incorporated a broad set of factors, reflecting a wide range of labour market outcomes and contextual characteristics.
  - **External Review (2023):** The RLMI underwent an independent expert review to assess its conceptual design, factor selection, and alignment with its intended purpose. The review affirmed the composite indicator approach, while identifying areas of conceptual inconsistency and limited clarity of purpose. It recommended stronger alignment between factor selection, weighting, and the objective of the measure, and highlighted areas for development, including strengthening the representation of labour demand and incorporating factors capturing income and productivity.
2. **RLMI 1.0 (2024 – published on JSA website):** In response to the review, the RLMI was reframed as a measure of current labour market performance, narrowing its scope to outcomes-based factors and improving conceptual clarity and interpretability. The RLMI was published for the first time and increasingly applied across a range of analytical and

policy contexts, establishing it as a consistent summary measure of regional labour market conditions.

- 3. RLMI 2.0 and 2.1 (2025 to present – improved model following significant data developments):** The RLMI was expanded to incorporate new factors, supported by substantial data development and modelling, capturing labour demand (job vacancy rate) and its interaction with labour supply (including matching efficiency, income, and productivity), enabling a more comprehensive assessment of regional labour market performance.

The RLMI will continue to be reviewed and refined over time as new data sources become available and methodologies are improved, ensuring it remains a robust, transparent, and adaptable framework for monitoring regional labour market performance.

### Assigning a labour market rating

The regions are ranked by their index score and then grouped into the following 5 categories of labour market performance, relative to the national average: 'strong'; 'above average'; 'average'; 'below average'; and 'poor'. The weighted index scores have a mean of zero. The higher a region's weighted index score, the stronger a region's labour market, relative to the other regions. The current boundaries for the 5 categories are listed below.

*Strong:  $\geq 0.84$  standard deviations from the mean*

*Above average:  $< 0.84$  standard deviations from the mean and  
 $\geq 0.25$  standard deviations from the mean*

*Average:  $< 0.25$  standard deviations from the mean and  
 $\geq -0.25$  standard deviations from the mean*

*Below average:  $< -0.25$  standard deviations from the mean and  
 $\geq -0.84$  standard deviations from the mean*

*Poor:  $< -0.84$  standard deviations from the mean*

These boundaries are designed to have an approximately equal distribution of regions within each category of relative labour market performance. For instance, a region rated as 'strong' may be considered one of the top 15-20% of regions when considering its current labour market performance, relative to the national average.

- It is worth noting, however, that the distribution of regions within each rating category will vary over time given that each region is assessed relative to the national average. For instance, in a case where there is a small number of very poorly performing labour markets it could result in a higher proportion of regions rated as 'above average'.

A review of the RLMI ratings is conducted to ensure the ratings are consistent and plausible, given that data at the regional level are subject to statistical variability. Some ratings may be manually adjusted to reflect this review.

## **Attachments:**

[Attachment A](#): Input factors included in the RLMI

[Attachment B](#): Pearson correlation matrix for March 2026

[Attachment C](#): History of RLMI Factors and Weighting

## Attachment A – Input factors included in the RLMI

Factor	Description	Rationale	Availability	Geography	Source	Weight
Employment rate (15-64 years)	The number of employed persons as a proportion of the working age (15-64 years) population (%)	<ul style="list-style-type: none"> <li>The employment rate measures the extent to which available<sup>3</sup> labour (people available to work) is being used. Importantly, the employment rate is unaffected by voluntary changes in labour force participation and is therefore a key measure of current labour market performance.</li> <li>The employment rate is measured as a proportion of the working age population to ensure it is less impacted by differences in age demographic structures. It is, however, important to note that since some people do continue to work past the age of 64, this measure does not capture the full scope of employment.</li> <li>This factor is assigned the highest weighting, reflecting its monthly availability, quality (data are considered accurate and reliable), and its usefulness as a broad measure of the availability of employment opportunities within a region.</li> </ul>	Monthly	SA4	<b>ABS</b> Labour Force, Australia, Detailed, table MRM2 – Modelled estimates of labour force status, by SA4, Age and Sex, 3-month average of original estimates.	20%
Unemployment rate	The number of unemployed persons as a proportion of the total labour force (%)	<ul style="list-style-type: none"> <li>The unemployment rate measures the availability of unused labour that is willing and available for work and is a key headline measure of labour market performance.</li> <li>This factor is assigned a high weighting, reflecting its importance as a timely and widely understood measure of labour market performance. It is weighted slightly below the Employment Rate (15-64 years) due to its overlap with the JobSeeker</li> </ul>	Monthly	SA4	<b>ABS</b> , Labour Force, Australia, Detailed, table MRM1 - Modelled estimates of labour force status, by SA4, 3-month average of original estimates.	15%

<sup>3</sup> It is important to note that some individual's personal circumstances may prevent them from participating in the labour market despite being considered a part of the 'working age population'.

Factor	Description	Rationale	Availability	Geography	Source	Weight
		income support rate, which is used as an input into the ABS modelled unemployment series.				
JobSeeker income support rate	Proportion of the working age (15-64 years) population on JobSeeker income support <sup>4</sup> (%)	<ul style="list-style-type: none"> <li>The proportion of the working age population on JobSeeker income support measures the availability of jobseekers looking for work and is a key measure of labour market performance, particularly when used in combination with the unemployment rate.</li> <li>The JobSeeker income support payment is designed to provide financial assistance to support those looking for work, including those who may be working part-time. It is also worth noting, however, that the payment is designed to provide financial assistance to those who are sick or injured and cannot work for short periods of time.</li> <li>This factor is assigned a low weighting due as it shares a significant conceptual overlap with the unemployment rate, noting that the ABS uses administrative income support data as an input into the modelled unemployment series. Additionally, this factor is also assigned a low weighting due to its high correlation with the JobSeeker income support for <b>2 or more years</b> rate.</li> </ul>	Monthly	SA4	<b>Services Australia</b> Administrative data, and working age population estimates from <b>ABS</b> Labour Force, Australia, Detailed, table MRM2 – Modelled estimates of labour force status, by SA4, Age and Sex, monthly original data.	5%
JobSeeker income support for <b>2 or more years</b> rate	Proportion of the working age (15-64 years) population on JobSeeker income support <sup>5</sup> for 2 or more years (%)	<ul style="list-style-type: none"> <li>The proportion of the working age population on JobSeeker income support for <b>2 or more years</b> measures the shape of people with prolonged difficulty securing stable and sufficient employment, providing a key measure of persistent spare capacity.</li> <li>After such a prolonged period on income support, many jobseekers are likely to face barriers to</li> </ul>	Monthly	SA4	<b>Services Australia</b> Administrative data, and working age population estimates from <b>ABS</b> Labour Force, Australia, Detailed, table MRM2 –	15%

<sup>4</sup> JobSeeker income support' is a combination of the JobSeeker payment and Youth Allowance (other) payment

<sup>5</sup> JobSeeker income support' is a combination of the JobSeeker payment and Youth Allowance (other) payment

Factor	Description	Rationale	Availability	Geography	Source	Weight
		<p>employment or may require re-skilling, highlighting deeper constraints on a region's labour market capacity.</p> <ul style="list-style-type: none"> <li>This factor is assigned a high weighting as it provides a distinct measure of structural labour supply and longer-term disadvantage. It is weighted slightly below the Employment Rate (15-64 years) due to its high correlation with the JobSeeker income support rate.</li> </ul>			Modelled estimates of labour force status, by SA4, Age and Sex, monthly original data.	
Underemployment rate	The number of underemployed persons as a proportion of the labour force (%)	<ul style="list-style-type: none"> <li>The underemployment rate measures the extent to which employed people want, and are available, to work more hours, providing a broader indication of spare labour capacity than unemployment alone.</li> <li>The underemployment rate has a low weighting as it is measured at the GCCSA level (given the data quality issues with this factor at the SA4 level).</li> </ul>	Monthly	GCCSA	<b>ABS</b> Labour Force, Australia, DataLab, 12-month averages of original estimates	5%
Job vacancy rate	The number of new job vacancies as a proportion of the labour force (%)	<ul style="list-style-type: none"> <li>The job vacancy rate measures the number of new employment opportunities expressed as a percentage of the labour force and is a key measure of how readily available job opportunities are.</li> <li>This factor is assigned a high weighting, reflecting its unique role within the RLMI as the primary measure of labour demand.</li> <li>Despite its importance, the job vacancy rate requires careful interpretation. A high vacancy rate may reflect strong demand and many opportunities, but it can equally signal recruitment difficulties and unmet labour demand. Additionally, a high vacancy rate may simply reflect the region's industry mix,</li> </ul>	Quarterly	SA4GCCSA <sup>6</sup>	<b>JSA</b> <a href="#">Total New Vacancies</a> , and labour force estimates are from <b>ABS</b> Labour Force, Australia, Detailed, table MRM2 – Modelled estimates of labour force status, by SA4, Age and Sex, monthly original data.	15%

<sup>6</sup> Measured at the Greater Capital City Statistical Area (GCCSA) for Major Cities (Sydney, Melbourne, Brisbane, Adelaide, Perth). Measured at the Statistical Area 4 (SA4) level for all other regions.

Factor	Description	Rationale	Availability	Geography	Source	Weight
		<p>particularly where high-turnover sectors are prominent, rather than underlying labour-market performance.</p> <ul style="list-style-type: none"> <li>In addition, vacancy data for the major cities is only available at the GCCSA level, rather than SA4. This lack of SA4-level granularity for these regions constrains the consistency of measurement across all areas and is taken into account in the overall weighting.</li> </ul>				
Job matching efficiency rate	The efficiency with which available jobseekers and vacancies result in successful hires (%)	<ul style="list-style-type: none"> <li>Job matching efficiency measures how effectively jobseekers and vacancies are translated into new hires, providing a key signal of the intersection of labour supply and demand.</li> <li>Higher rates are considered 'more efficient' and 'best practice' (based on stochastic frontier analysis).</li> <li>This factor provides a unique measure of how effectively labour supply and demand are translated into employment outcomes. It is an important measure of labour market performance as the efficiency of the matching process may influence the availability of employment opportunities.</li> <li>It receives a slightly smaller weighting than the Employment Rate (15-64 years) due to the lag between the latest available data and the current period.</li> </ul>	Quarterly	SA4	<b>JSA</b> estimates of <a href="#">matching efficiency</a> , by SA4 and Major Cities, four-quarter average of original data.	15%
Vacancy fill rate	The percentage of vacancies that have been filled (%)	<ul style="list-style-type: none"> <li>The vacancy fill rate 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.</li> </ul>	Monthly	GCCSA	<b>JSA</b> Survey of Employers who have Recently Advertised, 12-month averages of original estimates	5%

Factor	Description	Rationale	Availability	Geography	Source	Weight
		<ul style="list-style-type: none"> <li>Despite its uniqueness, the vacancy fill rate has a lower weighting as it is measured at the GCCSA level (given the data quality issues with this factor at the SA4 level).</li> </ul>				
5-year annual average growth rate of productivity	<p>5-year annual average productivity growth rate (%) where productivity is defined as Local Industry GRP (GRP at factor cost) per employed person on an industry adjusted basis.</p> <p>Local GRP measures the value of economic activity accruing to the local area after taxes and dividends paid outside the region are removed.</p>	<ul style="list-style-type: none"> <li>The 5-year annual average growth rate of productivity provides a measure of longer-term changes in the efficiency with which labour is used, capturing underlying improvements in how labour supply and demand are combined within a region. Productivity is measured as local industry Gross Regional Product (GRP) per employed person on an industry-adjusted basis, ensuring comparability across regions with different industry structures.</li> <li>The use of a 5-year average reduces short-term volatility and cyclical effects, making this a more stable measure of structural labour market performance, but less responsive to current labour market conditions.</li> <li>This factor is assigned the lowest weighting, reflecting its slower-moving, structural nature and lower frequency relative to other measures. Notwithstanding this, it provides important interpretive value within the regional labour market performance framework, offering insight into the efficiency with which labour supply and demand are combined over the longer term.</li> </ul>	Quarterly <sup>7</sup>	GCCSA	National Institute of Economic and Industry Research (NIEIR), Regional Productivity dataset, adjusted for industry differences, 2024, quarterly release (GCCSA)	~2% <sup>8</sup>
Annual median income growth rate	The percentage change in median employee income over the past	<ul style="list-style-type: none"> <li>Annual median income growth reflects changes in the earnings of employees and is a useful measure of how labour market conditions are evolving. Higher income growth is generally associated with</li> </ul>	Yearly <sup>6</sup>	SA4	<b>ABS</b> Personal income in Australia	~2% <sup>8</sup>

<sup>7</sup> Note, the data is released with a substantial delay (typically 1–2 years after collection), which limits its usefulness for assessing current labour market conditions.

<sup>8</sup> The 5-year annual average growth rate of productivity, the annual median income growth rate, and the skill underutilisation rate have a combined weight of 5%.

Factor	Description	Rationale	Availability	Geography	Source	Weight
	<p>year (%).</p> <p>Employee income is defined as an employee's total remuneration, whether monetary or in kind, received as a return to labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing (where valued over a certain threshold), and termination payments.</p>	<p>stronger demand for labour, while softening income growth may point to slack in the labour market or weaker labour demand.</p> <ul style="list-style-type: none"> <li>Income growth is an important measure as it responds not only to the strength of employer demand for workers, but also to the degree of spare labour capacity, underutilisation, and the availability of workers with appropriate skills.</li> <li>Although important, income growth receives the lowest weighting as the data are only available with a significant lag and income outcomes adjust slowly in practice, meaning they may not immediately reflect short-term changes in labour demand, supply or utilisation.</li> <li>Additionally, and unlike pure wage measures such as the Wage Price Index, median employee income reflects compositional effects, including changes in hours worked, job transitions, and shifts in the mix of workers and jobs. While this broadens its interpretive value, it also means movements may reflect both wage and non-wage dynamics.</li> <li>Notwithstanding these limitations, annual median income growth provides important interpretive value within the regional labour market performance framework, offering a broad signal of labour market adjustment through its sensitivity to changes in hours worked, job transitions and the composition of employment.</li> </ul>				

Factor	Description	Rationale	Availability	Geography	Source	Weight
Skill underutilisation rate	Proportion of employed persons working at a lower skill level than the skill level associated with their highest level of qualification (%)	<ul style="list-style-type: none"> <li>Skill underutilisation measures the proportion of employed persons working at a lower skill level than the skill level associated with their highest level of qualification, providing insight into how effectively workers' skills are being used and the degree of mismatch between workers and available jobs.</li> <li>Despite its uniqueness, the skill underutilisation rate receives the lowest weighting as data are only available every 5 years. Notwithstanding this, it provides important interpretive value within the regional labour market performance framework, offering insight into the alignment between workforce skills and job requirements.</li> </ul>	5-yearly <sup>9</sup>	SA4	<b>ABS</b> Census Population and Housing	~2% <sup>10</sup>

<sup>9</sup> Note, the data is released with a substantial delay (typically 1–2 years after collection), which limits its usefulness for assessing current labour market conditions.

<sup>10</sup> The 5-year annual average growth rate of productivity, the annual median income growth rate, and the skill underutilisation rate have a combined weight of 5%.

## Attachment B – Pearson correlation matrix for March 2026

	Employment Rate (15-64 years)	JobSeeker income support rate	Unemployment rate	Job vacancy ratio	Job matching efficiency rate	Vacancy fill rate	Annual median income growth rate	Underemployment rate	JobSeeker income support for 2 or more years rate	Skill underutilisation rate	5-year annual average growth rate of productivity
Employment Rate (15-64 years)											
JobSeeker income support rate	-0.6										
Unemployment rate	-0.7	0.5									
Job vacancy ratio	-0.2	0.5	0.2								
Job matching efficiency rate	0.4	-0.7	-0.2	-0.7							
Vacancy fill rate	-0.1	-0.1	-0.1	-0.1	0.0						
Annual median income growth rate	-0.2	-0.2	0.1	-0.3	0.4	0.1					
Underemployment rate	-0.2	0.0	0.1	0.0	-0.2	0.4	0.0				
JobSeeker income support for 2 or more years rate	-0.6	0.9	0.4	0.6	-0.7	0.0	-0.2	0.2			
Skill underutilisation rate	0.0	-0.4	0.2	-0.3	0.4	0.1	0.2	-0.2	-0.5		
5-year annual average growth rate of productivity	-0.2	0.5	0.0	0.4	-0.5	0.1	-0.1	0.2	0.6	-0.6	

## Attachment C – History of RLMI Factors and Weighting

Factor	Interim RLMI 2022 (internal use only)	RLMI 1.0 2024 (published on JSA Website)	RLMI 2.0 2025	RLMI 2.1 2026 (current)
	Weight (%)	Weight (%)	Weight (%)	Weight (%)
1. Employment rate (15-64 years) (%)	9.5%	47.1%	20%	20%
2. Average employment rate (15-64 years) over the last 5 years (%)	9.5%	-	-	-
3. Unemployment rate (%)	9.5%	11.8%	5%	15%
4. Average unemployment rate over the last 5 years (%)	9.5%	-	-	-
5. Participation rate (%)	9.5%	-	-	-
6. Average Participation rate over the last 5 years (%)	9.5%	-	-	-
7. JobSeeker Income Support Rate (%)	9.5%	35.3%	15%	5%
8. Proportion of the working age (15-64 years) population with a Certificate III or above (%)	9.5%	-	-	-
9. Proportion of SA1s that are Disadvantaged (%) <sup>11</sup>	9.5%	-	-	-
10. Proportion of SA1s that are Advantaged (%) <sup>1</sup>	9.5%	-	-	-
11. Remoteness Index <sup>12</sup> (%)	2.4%	-	-	-
12. Prop. of population aged 65 years and over	2.4%	-	-	-
13. Underemployment rate (%)	-	2.9%	4%	5%
14. Vacancy fill rate (%)	-	2.9%	4%	5%
15. JobSeeker income support for 2 or more years rate (%)	-	-	20%	15%
16. Job matching efficiency rate (%)	-	-	20%	20%
17. Job vacancy rate (%)	-	-	10%	10%
18. Annual median income growth rate (%)	-	-	1%	~2%
19. Skill underutilisation rate (%)	-	-	1%	~2%
20. Productivity rate (%)	-	-	-	~2%

<sup>11</sup> Using the ABS Index of Relative Socio-Economic Advantage and Disadvantage.

<sup>12</sup> An ABS product that ranks regions into 5 classes on the basis of relative access to services.