



Understanding regional data: Unemployment rate

The unemployment rate is a key measure of how the local economy is tracking. It helps you compare places and see how your region is doing against the state and national picture.

This factsheet explains where to find unemployment data and how to read it. It also shows the trade-off between how up-to-date the data are, how reliable they are, and how detailed the geography is.

What it tells you: the share of people in the labour force who don't have a job but are actively looking for work (or waiting to start a job).

What it doesn't tell you: it does not include people who aren't looking for work (they are 'not in the labour force'), and it doesn't show whether people have enough hours (see underemployment/underutilisation).

How to interpret a change: a falling rate usually means the labour market is strengthening; a rising rate can mean job losses or more people starting to look for work—so check employment and the participation rate as well.



Investigating regional unemployment rate

The unemployment rate is a simple way to track how the local labour market is going. It shows the share of people in the labour force who don't have a job, are ready to start work, and have recently tried to find one.

Calculate it:

Unemployment Rate = Number of Unemployed/Labour Force * 100

where

Labour Force = Number of Employed + Number of Unemployed

If 1,000 people are in the labour force and 50 are unemployed, the unemployment rate is 5%

Note that employment, unemployment and labour force include persons aged 15 years and over in ABS statistics.

Unemployed versus Not in the labour force

The labour force is the group of people who are either working or actively looking for work. If someone does not have a job, they are not automatically counted as 'unemployed'. According to [Labour Statistics: Concepts, Sources and Methods](#), a person is counted as unemployed if they are:

- Not currently employed;
- Actively looking for work; or
- Waiting to start a new job.

In other words, if a person is not working and not taking steps to find a job, they are counted as 'not in the labour force', not 'unemployed'. For example, someone who is retired may not be working but may also not want a job right now—so they are not included in the unemployment rate.



Comparing unemployment rates

To understand a region's labour market, compare its unemployment rate with other regions and with the state and/or national rate. Because it is a percentage, the unemployment rate makes comparisons easier even when places have different population sizes. When comparing, try to use figures from the same time period and the same data source.

Change in the unemployment rate

Knowing when the unemployment rate changes—and why—helps you understand what is happening in the local labour market. People often look at:

- the change in the unemployment rate between any two time periods of interest; and
- year-on-year change.

If the unemployment rate falls and stays down over time, it usually means the local labour market is strengthening because more people are finding jobs. To put the change in context, compare your region with the state and national rates (or with similar regions) over the same period. This helps you see whether the pattern is local, or part of broader economic conditions. The unemployment rate can also rise even when more people get jobs. This can happen when even more people start looking for work (for example, students graduating or people returning to the workforce), which increases the labour force faster than employment growth. In these cases, checking the participation rate alongside employment helps explain what is driving the change.

Using the unemployment rate along with other indicators

The unemployment rate is only one part of the story. To understand what is happening in your region, it helps to look at it alongside:

The **participation rate**, which expresses the labour force as a percentage of the working-age population.

Underemployment, which is a measure of those who are employed but would prefer, and are available for, more hours of work. This includes part-time workers who would prefer more hours and full-time workers who worked part-time hours in the reference week for economic reasons.

The **underutilisation rate**, which is calculated by adding the unemployment rate and the underemployment rate. This reflects the proportion of people in the labour force who either aren't working as much as they like, or don't have a job at all.

Other types of unemployment¹ (not exhaustive)

Cyclical unemployment relates to changes in economic activity over the business cycle. An increase in cyclical unemployment can suggest that the economy is operating below its potential.

Structural unemployment occurs when there is a mismatch between the jobs on offer and the roles that jobseekers are pursuing. Individuals may seek employment in sectors that are shrinking, or they may lack the necessary qualifications or skills required for positions that are currently available.

Seasonal unemployment occurs due to seasonal patterns that affect jobs. The Australian Bureau of Statistics (ABS) publish seasonally adjusted data to address this by removing seasonal patterns in the data. Seasonally adjusted estimates are available at the national level and for states and territories.



Summary of data sources and characteristics

Three commonly used sources of unemployment data are:

- [ABS Labour force statistics \(LFS\)](#);
- [Small Area Labour Markets \(SALM\) – Jobs and skills](#); and
- [ABS Census of Population and Housing](#).

Each dataset has different strengths. For example, SALM gives more geographic detail, while the LFS lets you break unemployment down by age, sex and how long people have been looking for work. Census data provides very detailed geographic and demographic information, but it is only updated every five years.

¹ [Unemployment: Its Measurement and Types | Explainer | Education | RBA](#)



Using ABS Labour Force data

ABS Labour Force estimates are based on the place of usual residence, so respondents may be employed in a different region to where they live. This is particularly relevant for regions around capital cities, with workers often travelling across regional boundaries to central business districts, or in mining regions that have a high proportion of fly-in/fly-out workers.

ABS produces monthly modelled regional estimates as part of the Labour Force publication. Modelled estimates provide unemployment by Statistical Area 4 scale. This is accompanied by advice on using regional labour statistics.

Trend, seasonally adjusted and original unemployment data

Seasonal adjustment attempts to measure and remove the effects of regular fluctuations in employment over time that occur in jobs such as fruit-picking, or holiday-related employment.² Seasonally adjusted figures are provided in the LFS at the national level and for states and territories only.

Seasonally adjusted estimates can be smoothed to reduce the impact of irregular or non-seasonal influences. Smoothed seasonally adjusted series are called **trend estimates**. The ABS advises that trend estimates provide a guide to the underlying direction of the data and are more suitable than either the seasonally adjusted or original estimates for most business decisions and policy advice.³ Further, the ABS also recommends caution when using trend estimates over the COVID-19 period, as the large month-to-month changes have made it difficult to separate short-term fluctuations from longer-term patterns in the unemployment rate.⁴

Data at the SA4 level are only available in **original terms**, with no trend or seasonal adjustments applied but the modelled estimates should be used.

Table 1: Commonly used sources of unemployment data

Data characteristic:	Data source: Labour Force Survey	Data source: Census	Data source: SALM
Role	Provides Australia's official unemployment rate	Measures the people in Australia on census night and their characteristics, including labour force status	Provides small area unemployment at regular intervals
Spatial detail	Statistical Area 4 (SA4) and above	Statistical Area 2 (SA2) and above, Local Government Areas (LGA), and Remoteness Areas, etc	SA2s, LGAs
Location of work	Place of usual residence	Place of usual residence and place of work	Place of usual residence
Frequency	Monthly (original (SA4 only), seasonally adjusted, trend)	Every five years	Quarterly (smoothed over 4 quarters)
Timeliness	Released month after reference period	Released just over a year after reference period	Released quarterly
Reference period	Monthly	The week before the census in August	Mar, Jun, Sep and Dec
Time series	Yes – year to January 2012 onwards	Yes, but only every 5 years therefore not always useful in comparing over time	Yes – smoothed estimates from December 2010 onwards. The time series is shorter for some regions

² [Unemployment: Its Measurement and Types | Explainer | Education | RBA](#)

³ [Labour Force, Australia methodology, March 2024 | Australian Bureau of Statistics \(abs.gov.au\)](#)

⁴ [Labour Force, Australia methodology, March 2024 | Australian Bureau of Statistics \(abs.gov.au\)](#)



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Presentation tips

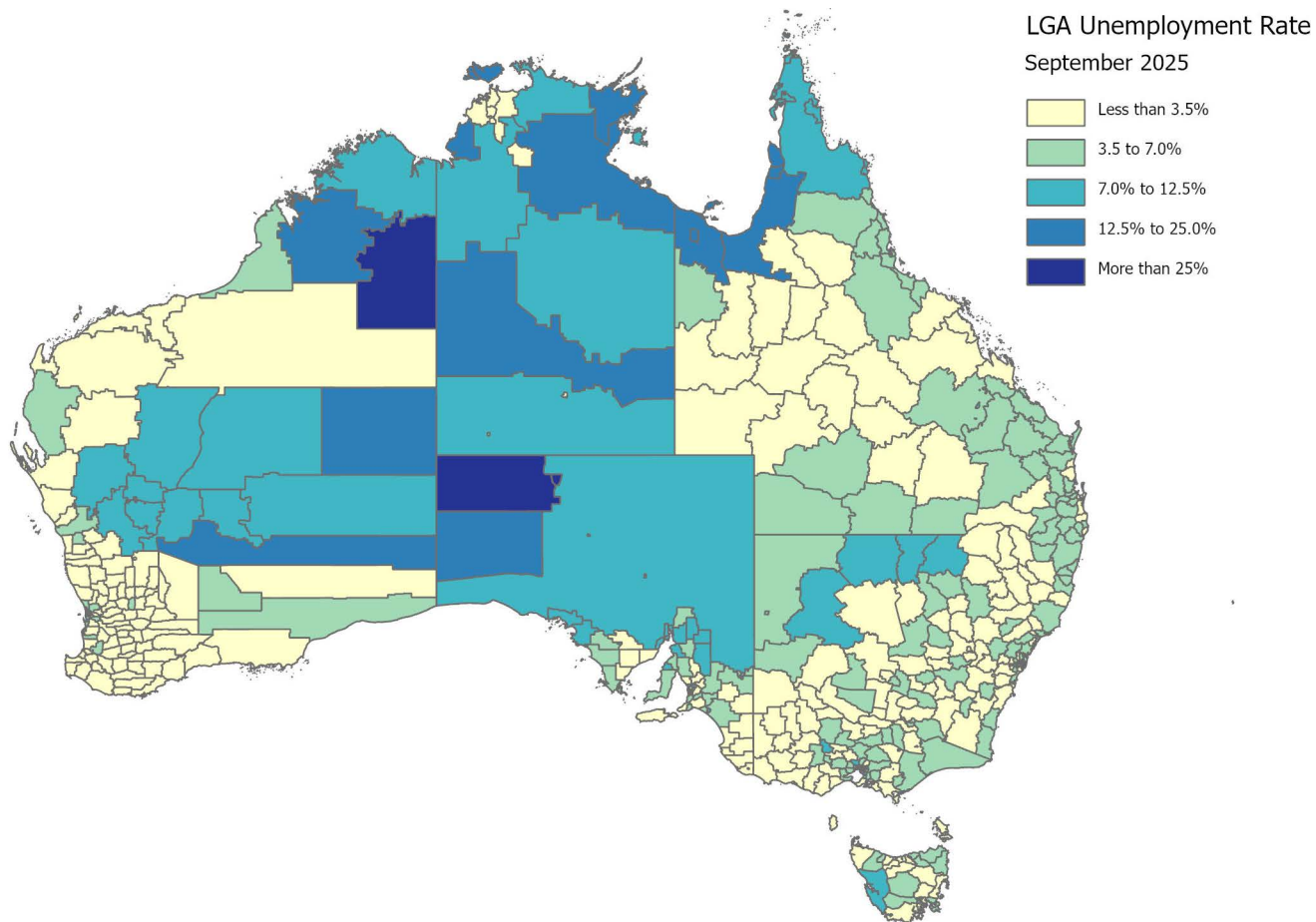
How you present unemployment data affects how easy it is for readers to understand it. Three helpful approaches are maps, comparison charts and summary tables.



Presentation tip 1: Map of unemployment rate

Maps are useful when you want a quick snapshot across many places. For example, Map 1 shows unemployment rates for Local Government Areas in September 2025. Keep in mind that maps can be harder to read for very small areas, and grouping data into categories can hide detail. Maps work best for comparing places at a point in time, rather than tracking changes over long periods.

Map 1: Local Government Area unemployment rates in September 2025



Presentation tip 2: Comparing unemployment rates across regions and time

Line graphs effectively display data trends over time. The chart below highlights unemployment rates across capital cities, regional Australia, and nationally, revealing patterns and the effect of COVID.

Line graphs also help you see whether a change is short-lived or part of a longer trend. Small ups and downs can be due to normal variation or seasonal patterns, while longer-lasting movements are more likely to reflect real changes in the labour market.

Figure 1: LFS Unemployment rates



Source: [Labour Force, Australia, Detailed, December 2025](#) | Australian Bureau of Statistics



Presentation tip 3: Compare with other indicators

To get a fuller picture, compare the unemployment rate with other indicators such as jobs growth and participation. Tables like this can be harder to read at a glance, so keep your time period and data source clear. The table below compares combined capital cities with regional Australia.

Table 2 shows the unemployment rate alongside employment growth and the participation rate for regional Australia, capital cities and Australia overall. From December 2024 to December 2025, unemployment rose slightly: Regional Australia increased from 3.5% to 3.6%, capital cities from 3.9% to 4.0%, and Australia from 3.8% to 3.9%. However, over the same period, employment increased (Regional Australia added 22,591 jobs and capital cities added 145,250 jobs).

Table 2: Unemployment rates compared with other indicators

Region	Unemployment rate (%)		Growth in employed persons		Participation rate (%)
Date	Dec 2024	Dec 2025	2025	2025	Dec 2025
Data Source	LFS	LFS	LFS #	LFS %	LFS
Regional Australia	3.5	3.6	22,591	0.5	63.4
Capital cities	3.9	4.0	145,250	1.4	68.9
Australia	3.8	3.9	167,841	1.1	67.1

Source: [Labour Force, Australia, Detailed, December 2025 | Australian Bureau of Statistics](#)