



Government of Western Australia
Department of Commerce
Labour Relations Division

The Western Australian Labour Market Bulletin

A collection of Western Australian labour market statistics in comparison with jurisdictions across Australia.

Compiled from the following ABS Catalogues:

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Overview

The media commonly reports on seasonally adjusted labour market statistics. The Australian Bureau of Statistics (ABS) has indicated that seasonally adjusted data is susceptible to irregular variations. The ABS has encouraged stakeholders to use trend figures. Labour Relations now uses trend data where possible in economic reports.

Table 1 • Summary of key Western Australian results for the most recent quarter in 2008

Indicator	Result
Total number of persons employed – December 2008 – trend data	1,174,800
Growth in total employment – December 2007 to December 2008 – trend data	4.2%
Unemployment rate - December 2008 – trend data	2.7%
Youth unemployment rate – December 2008 – original data	10.3%
Participation rate – December 2008 – trend data	69.1%
- males	77.4%
- females	60.7%
Wage Price Index – quarterly growth – September quarter 2008 - original data	1.3%
Wage Price Index – annual growth – September 2007 to September 2008 - original data	5.1%
Average Weekly Ordinary Time Earnings - August quarter 2008 - trend	\$1,292.60
Real wages growth – September 2007 to September 2008	4.57%
Number of State industrial agreements with wage outcomes registered - September quarter 2008	12
Average annualised wage increase per employee for agreements registered - September quarter 2008	5.7%
Gender Pay Gap - August quarter 2008 - trend	27.8%
Consumer Price Index growth - December quarter 2008	-0.3%
Industrial disputes - working days lost per thousand employees - September quarter 2008 - original	0.4

Employment

Employment Growth

By the end of the month of December 2008, total employment in Western Australia had grown to **1,174,800 persons** based on trend data - 661,900 men and 512,900 women.

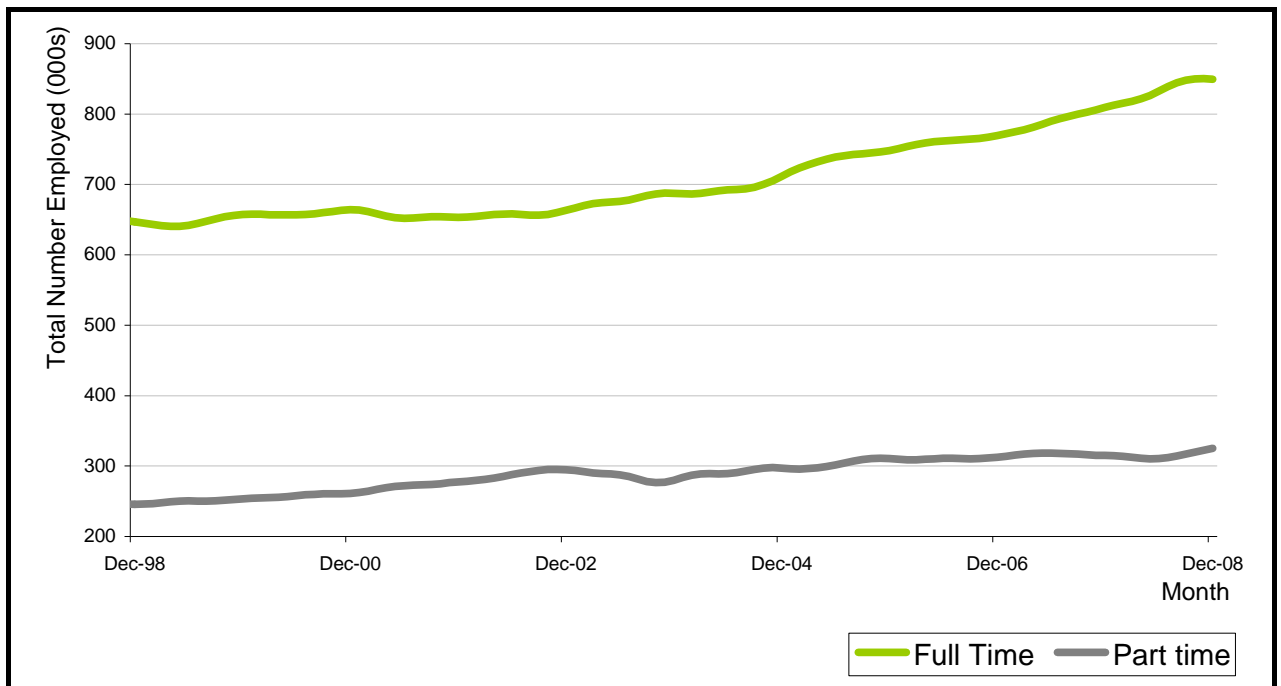
From December 2007 to December 2008, total employment in Western Australia rose by 50,300 persons. This continues the trend of positive employment growth in Western Australia over the past ten years.

Of the total Western Australian workforce in December 2008, 849,600 persons were employed on a full time basis - 577,600 full time male and 272,000 full time female employees.

On trend estimates, full time employment peaked at 850,400 Western Australian employees in November 2008. Figure 1 below shows the slowing in full time employment and the increase in part time employment that occurred in December 2008.

Data released over the next few months will reveal if Western Australia is experiencing a trend away from full time employment and towards part time employment.

Fig 1 • Employment growth by type • Western Australia • trend



Source: ABS Cat. 6202.0 and Cat 6202.0.55.001 December 2008

Employment by Industry

Table 2 shows how many people were employed in each industry in Western Australia during the previous quarter.

Almost 55 per cent of the Western Australian workforce is employed by the top five industries on the list: Retail trade, Property and business services, Construction, Health and community services and Manufacturing.

The percentage of the workforce employed by each industry has not changed significantly over the past year.

Table 2 • Number of employed persons by industry in Western Australia • original data

Industry by ANZIC Division	Total employed November 2008	Percentage of total workforce (%)
Retail trade	173,479	14.94
Property and business services	126,112	10.86
Construction	121,722	10.49
Health and community services	115,417	9.94
Manufacturing	95,708	8.24
Education	74,642	6.43
Mining	71,702	6.18
Transport and storage	54,355	4.68
Agriculture, forestry and fishing	52,993	4.57
Accommodation, cafes and restaurants	50,586	4.36
Wholesale trade	47,083	4.06
Government administration and defence	46,638	4.02
Personal and other services	43,470	3.74
Finance and insurance	29,431	2.54
Cultural and recreational services	24,707	2.13
Communication services	16,518	1.42
Electricity, gas and water supply	16,243	1.40
Total employed across all industries	1,160,808¹	100.0¹

Source: ABS Cat. 6291.0.55.003 Released 18 Dec 2008

¹ Numbers do not add up exactly to the totals due to rounding

Unemployment

The unemployment rate (the percentage of the labour force that is unemployed) is the main measure of unutilised labour.

The trend data unemployment rate in Western Australia remained low by historical standards in the past quarter – **2.7 per cent** in October through to December 2008.

Western Australia continues to record the lowest unemployment rate of all the States.

Nationally, the trend unemployment rate remained firm at 4.4 per cent for December 2008.

Table 3 • Unemployment rate • state comparison • trend data

State	December 2008 (%)	November 2008 (%)	October 2008 (%)
SA	5.4	5.4	5.3
NSW	5.2	5.1	5.1
Vic	4.5	4.4	4.4
Tas	4.3	4.2	4.1
Qld	3.8	3.8	3.7
WA	2.7	2.7	2.7
Aus	4.4	4.4	4.3

Source: ABS Cat. 6202.0 Tables 1-9

Youth Unemployment

The youth unemployment rate measures the proportion of 15-19 year olds in the labour force looking for full time work in any given month.

Western Australia continued to record relatively low youth unemployment of between 9 and 10 per cent throughout the December quarter 2008.

In contrast, the national youth unemployment rate reached 18.2 per cent at the end of the December 2008 quarter.

Data from smaller populations, such as young people in Western Australia or Tasmania, can be unreliable and caution should be exercised when using these estimates.

Table 4 • Youth unemployment rate • state comparison • original data

State	December 2008 (%)	November 2008 (%)	October 2008 (%)
SA	18.6 ²	23.2	25.7
NSW	25.9	21.0	20.4
Tas	28.0	21.5 ²	20.5 ²
Vic	19.2	17.8 ²	17.7
WA	10.3²	9.8²	9.0²
Qld	13.3	12.1	12.9
Aus	18.2	16.0	16.5

Source: ABS Cat. 6202.0 Table 16

² Estimate is subject to sampling variability too high for most practical purposes.

Participation Rate

The participation rate measures the proportion of the civilian population aged 15 and over participating in the labour force.

Western Australia maintained a relatively high level of labour force participation throughout the month of December 2008, recording a firm **69.1 per cent**.

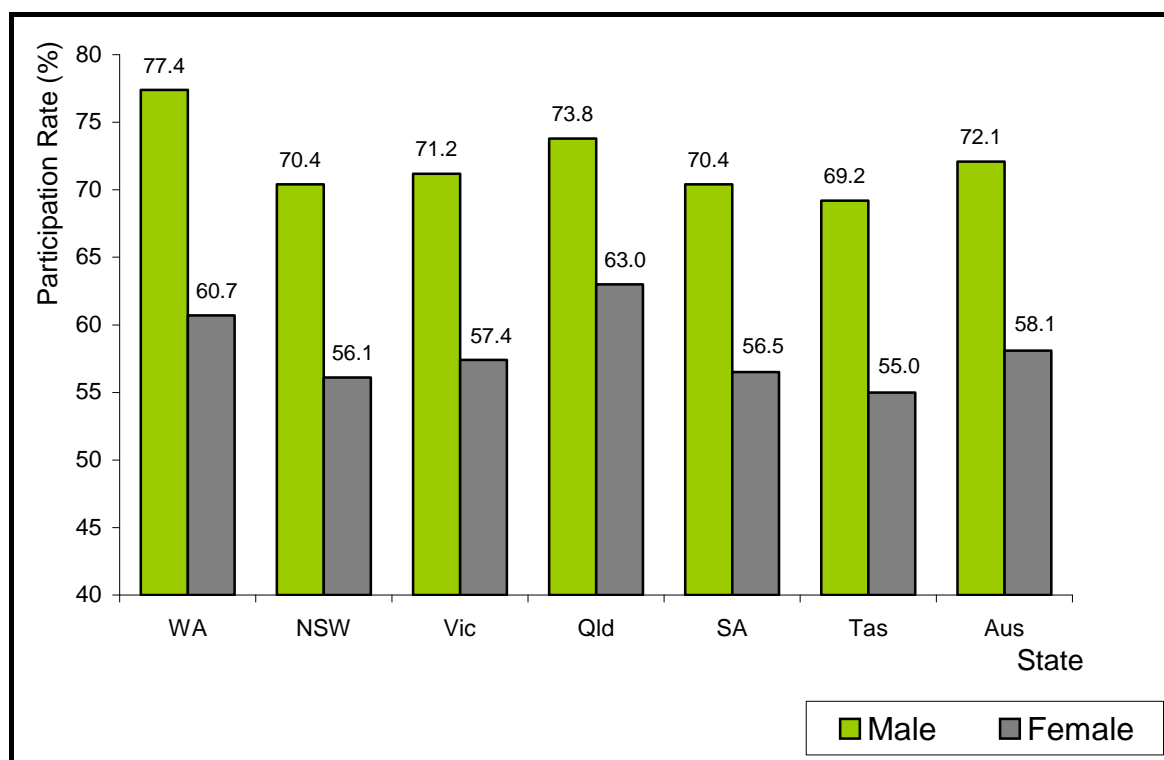
Fig 2 shows that Western Australia currently has the highest rate of male participation (77.4 per cent) and one of the highest rates of female labour force participation in Australia.

Table 5 • Participation rate • state comparison • trend

State	December 2008 (%)	November 2008 (%)	October 2008 (%)
WA	69.1	69.1	69.1
Qld	67.4	67.4	67.4
Vic	64.2	64.2	64.3
NSW	63.1	63.2	63.2
SA	63.3	63.4	63.4
Tas	61.9	62.1	62.2
Aus	65.0	65.1	65.1

Source: ABS Cat. 6202.0 Tables 1-9

Fig 2 • Participation rate by sex • state comparison • December 2008 • trend



Source: ABS Cat. 6202.0 Tables 1-9

Wages

Wage Price Index

The Wage Price Index (WPI) measures total hourly rates of pay excluding bonuses.

The WPI for all sectors (public and private) remained at **1.3 per cent** in Western Australia in the September quarter 2008. This is marginally higher than the 1.2 per cent WPI increase recorded for Australia. Private sector WPI decreased marginally to 1.5 per cent in Western Australia, equal only to the private sector increase in the Australian Capital Territory.

Table 6 • Quarterly WPI Growth • change from previous quarter • comparison by sector • original data • September 2008

	WA (%)	NSW (%)	Vic (%)	Qld (%)	SA (%)	Tas (%)	NT (%)	ACT (%)	Aust (%)
All Sectors	1.3	1.1	1.1	1.5	1.1	1.4	0.8	1.3	1.2
Private Sector	1.5	1.2	0.8	1.3	1.1	1.4	1.0	1.5	1.1
Public Sector	1.1	0.8	1.9	2.1	0.9	1.5	0.5	1.3	1.3

Source: ABS Cat. 6345.0 tables 2, 3 and 4

The increases in WPI over the previous year can be seen in Table 7. For Western Australia, the WPI remained at **5.1 per cent**, considerably higher than jurisdictions across Australia.

Strong wages growth in the Western Australian private sector over the past year drove the WPI to 5.4 per cent, well above the WPI recorded in other jurisdictions.

The public sector WPI for Western Australia did not grow as strongly as the private sector in 2008 but still recorded growth above the national public sector average.

Table 7 • Annual WPI Growth • change from corresponding quarter of previous year • comparison by sector • original data • September 2008

	WA (%)	NSW (%)	Vic (%)	Qld (%)	SA (%)	Tas (%)	NT (%)	ACT (%)	Aust (%)
All Sectors	5.1	3.7	4.2	4.2	3.9	4.0	4.3	3.8	4.1
Private Sector	5.4	4.0	4.1	4.2	3.7	3.9	4.8	3.4	4.3
Public Sector	4.0	2.6	4.3	4.1	4.5	4.2	3.6	3.8	3.6

Source: ABS Cat. 6345.0 tables 2, 3 and 4

Average Weekly Ordinary Time Earnings

Average Weekly Ordinary Time Earnings (AWOTE) in Western Australia rose to **\$1,292.60** per week in the August quarter 2008. This represents a 1.5 per cent increase for the quarter and an 8.5 per cent increase over the year to August 2008. Nationally, AWOTE grew by 1.2 per cent for the quarter and 4.5 per cent over the year.

In Western Australia the AWOTE for males was \$1,420.30, which represented a quarterly increase of 1.7% and an annual increase of 8.9%. The AWOTE for females was \$1,025.90, an increase of 1.5% for the quarter and an annual increase of 7.5%.

Western Australia continues to record the highest average earnings across all Australian states.

Table 8 • AWOTE • Interstate comparison • Quarterly and annual growth • trend data

State	AWOTE – August quarter 2008	Quarterly growth (%)	Growth from August 2007 to August 2008 (%)
WA	\$1,292.60	1.5	8.5
NSW	\$1,152.50	0.3	1.3
Vic	\$1,126.60	1.7	5.0
Qld	\$1,092.10	2.0	6.6
SA	\$1,067.60	1.3	4.3
Tas	\$1,023.20	0.5	1.5
Aus	\$1,145.10	1.2	4.5

Source: ABS Cat. 6302.0 tables 11, 14 and 17, 18

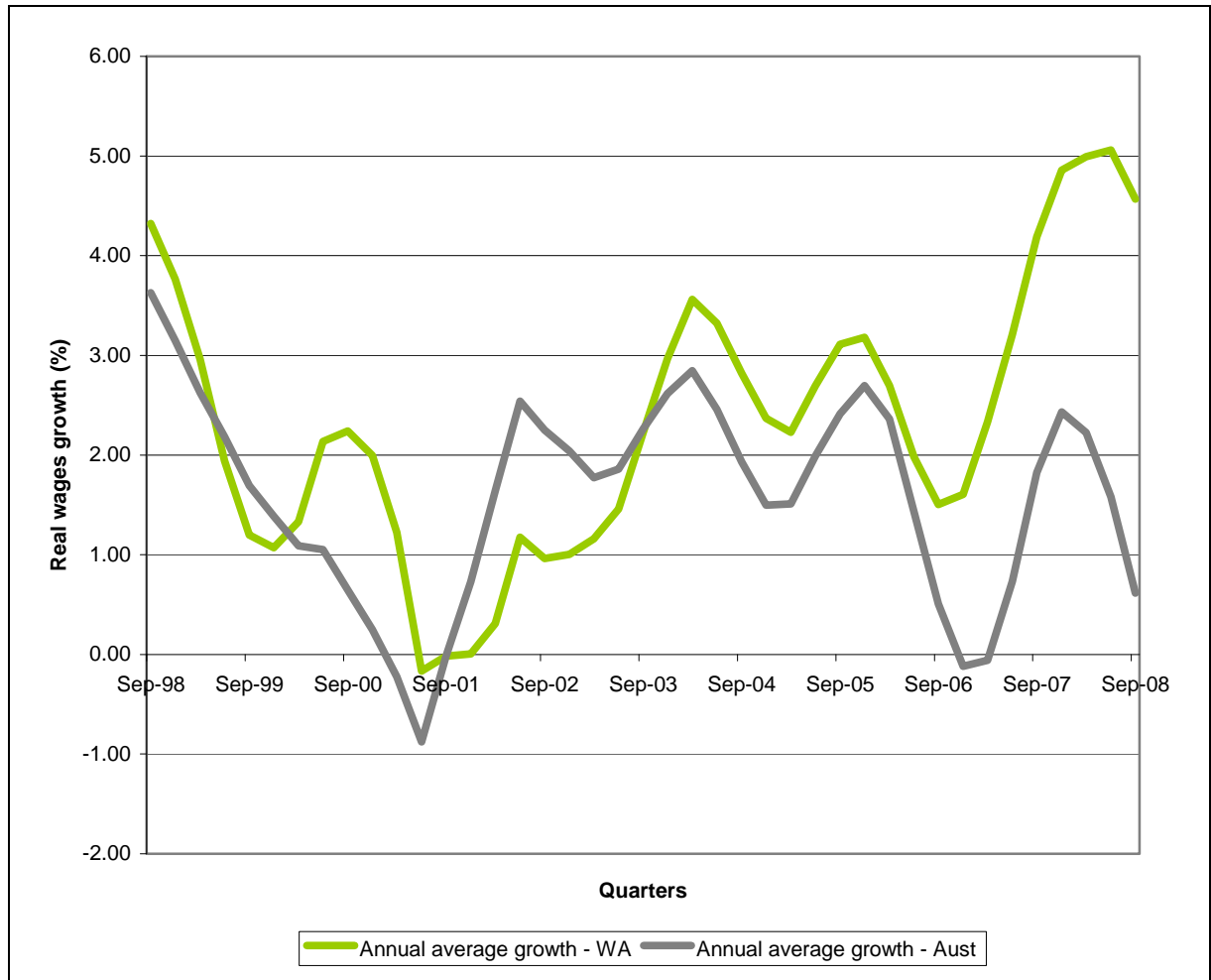
Real Wages

Real wages growth compares AWOTE trend estimates with the Consumer Price Index (CPI) to determine the growth or decline of wages in real terms.

In the September quarter 2008 the annual average rate of real wages growth in WA slowed from 5.06 per cent to **4.57 per cent**. During the same period, Australian real wages growth slowed from 1.58 per cent to 0.61 per cent in annual average terms.

Figure 3 below shows Western Australia's real wages growing faster than the national rate in recent years reaching a peak annual average growth rate of 5.06 per cent in June 2008.

Fig 3 • Average annual real wages growth • Western Australia and Australia



Source: ABS Cat. 6302.0, 6401.0

Table 9 • Average annual real wages growth • Western Australia and Australia

Quarter	Western Australia (%)	Australia (%)
September 2008	4.57	0.61
June 2008	5.06	1.58
March 2008	4.99	2.23
December 2007	4.86	2.43

Source: ABS Cat. 6302.0, 6401.0

Industrial Agreements

State Agreements

In the September quarter 2008 the Western Australian Industrial Relations Commission (WAIRC) registered a total of 15 industrial agreements, covering 29,349 employees. This compares to a total of seven industrial agreements registered in the June quarter 2008, covering a total of 15,512 employees.

Twelve agreements registered during this period contained quantifiable wage outcomes, covering 27,578 employees – this consists of 450 private sector and 27,128 public sector employees.

The average annualised wage increase (AAWI) **per employee** for the September quarter 2008 was 5.7 per cent – an increase of 1.2 percentage points from the June quarter 2008.

The AAWI **per agreement** was 6.3 per cent – considerably higher than the 4.6 per cent recorded in the June quarter 2008. This statistic is not reflected in Table 10.

AAWI **per employee** (Table 10) is considered a better measure of wage outcomes from collective agreements, as it is weighted to take account of the number of employees covered by each agreement.

Thirteen industrial agreements registered in the September quarter 2008 related to public sector employment, three of these agreements contained no quantifiable wage outcomes.

Quarterly wage outcomes can be volatile. Collective agreements covering a large number of employees can distort the overall AAWI **per employee** figure.

The annual AAWI **per employee** for the year to September 2008 was **4.9%**; 0.6 percentage points above the 2007 annual figure of 4.3%.

Federal Agreements

2,244 federal collective agreements were processed nationally in the September quarter 2008, covering an estimated **193,100** employees.

The AAWI per employee for these agreements was **4.1 per cent**, 0.1 percentage point higher than the previous quarter.

In the September quarter 2008 the following industries recorded the highest industry AAWI per employee outcomes: Finance and Insurance (5.9 per cent) and Electricity, Gas and Water Supply (4.8 per cent).

Table 10 • Industrial agreements registered with the WAIRC

Quarter	Number of agreements registered with wage outcomes	Number of employees covered	AAWI per employee (%)
September 2008	12	27,578	5.7
June 2008	9	612	4.5
March 2008	3	12,524	4.2
December 2007	10	6016	4.1

Sources: State Data- Labour Relations DOC Database. Contact Ross Davenport on 9222 7716. Data from WAIRC

Federal Data- Department of Education, Employment and Workplace Relations publication "Trends in Federal Enterprise Bargaining".

Gender Pay Gap

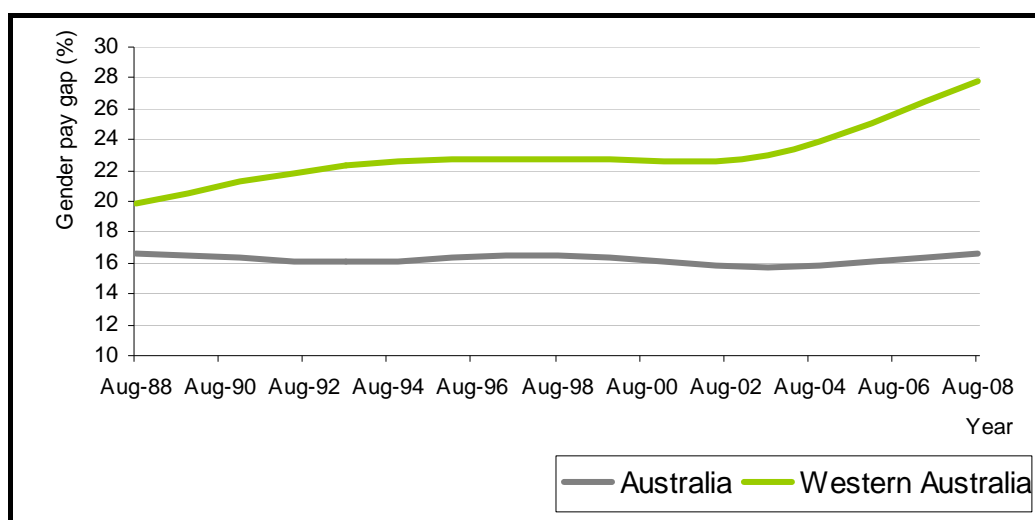
The gender pay gap (GPG) refers to the difference in average earnings of men and women and is a key measure of pay equity. The GPG is calculated using AWOTE trend data, which excludes part time and casual employees and overtime payments.

Fig 4 reveals the dramatic increase in Western Australia's GPG compared to Australia's GPG over the past twenty years.

In August 2008, Western Australia recorded a gender pay gap of **27.8 per cent**. This means that on average for every dollar earned by a full time male employee, full time female employees earn 72.2 cents.

A comparison of Western Australia's GPG to other states can be seen in Table 11.

Fig 4 • Gender pay gap • Western Australia and Australia August 1998 to August 2008 • Trend data



Source: ABS Cat. 6302.0

Table 11 • Gender pay gap • state comparison • Trend data

State	Gender pay gap May 2008 (%)	Quarterly change (%)	Annual change (%)
WA	27.8	0.5	3.7
SA	14.9	-1.3	9.9
NSW	15.3	0.7	0.0
Qld	15.7	5.2	4.8
Vic	15.1	1.9	-4.9
Tas	10.2	0.5	-3.5
Aus	16.7	1.5	2.5

Source: ABS Cat. 6302.0

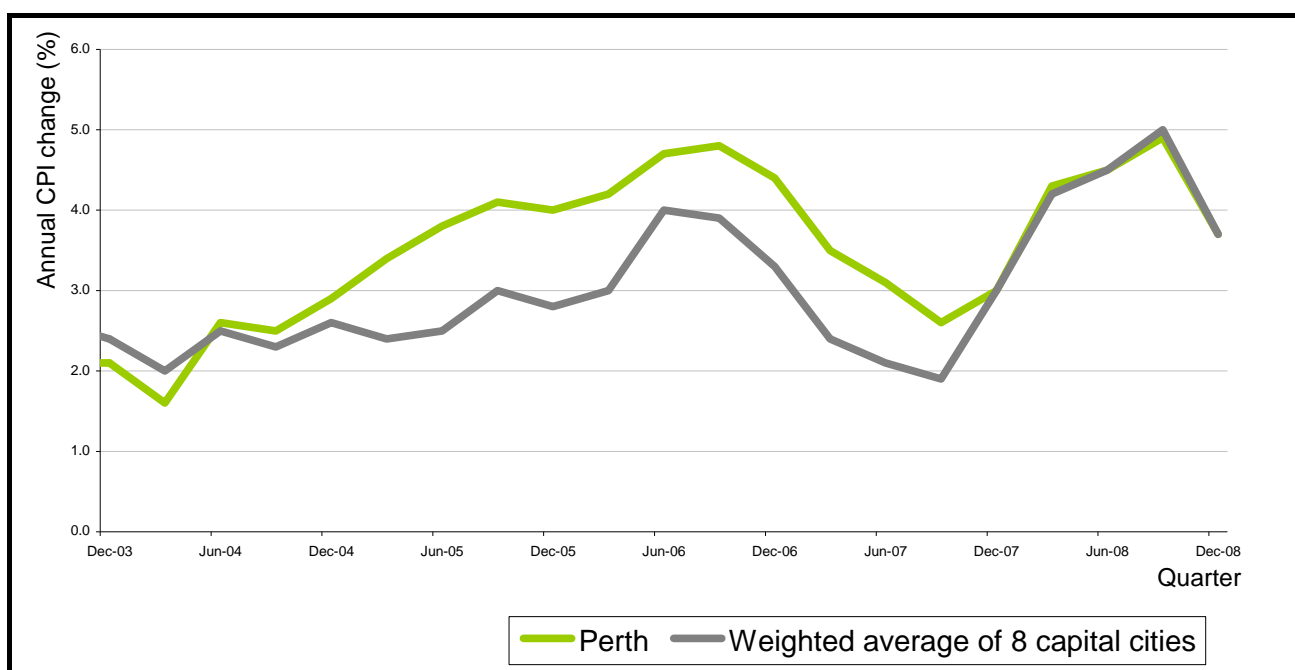
Inflation

The quarterly Consumer Price Index (CPI) for Perth **fell by 0.3 per cent** in the December quarter 2008. This contrasts with the 1.0 per cent CPI increase recorded in the September quarter 2008. This is the first negative growth recorded since the March 1999 quarter.

All capital cities recorded negative growth in the CPI in the December quarter. This was reflected in the national figure with the weighted average of the eight capital cities recording - 0.3 per cent CPI growth in the December quarter.

The annual CPI for Perth for the year to December 2008 was 3.7 per cent – significantly down from the 4.9 per cent recorded in the year to September 2008. The corresponding rate across the eight capital cities was 3.7 per cent – considerably lower than the 5.0 per cent recorded in the year to September 2008.

Fig 5 • CPI • Annual change • Perth and 8 capital cities • per cent



Source: ABS Cat. 6401.0 page 9

Table 12 • CPI • Australian capital cities • original

Location	Dec quarter 2008 (%)	Dec 2007 – Dec 2008 (%)
Sydney	0.2	3.8
Melbourne	-0.5	3.2
Brisbane	-0.2	4.3
Adelaide	-0.3	3.8
Perth	-0.3	3.7
Hobart	-0.2	3.3
Darwin	-0.4	3.7
Canberra	-0.4	3.7
Average of eight capitals	-0.3	3.7

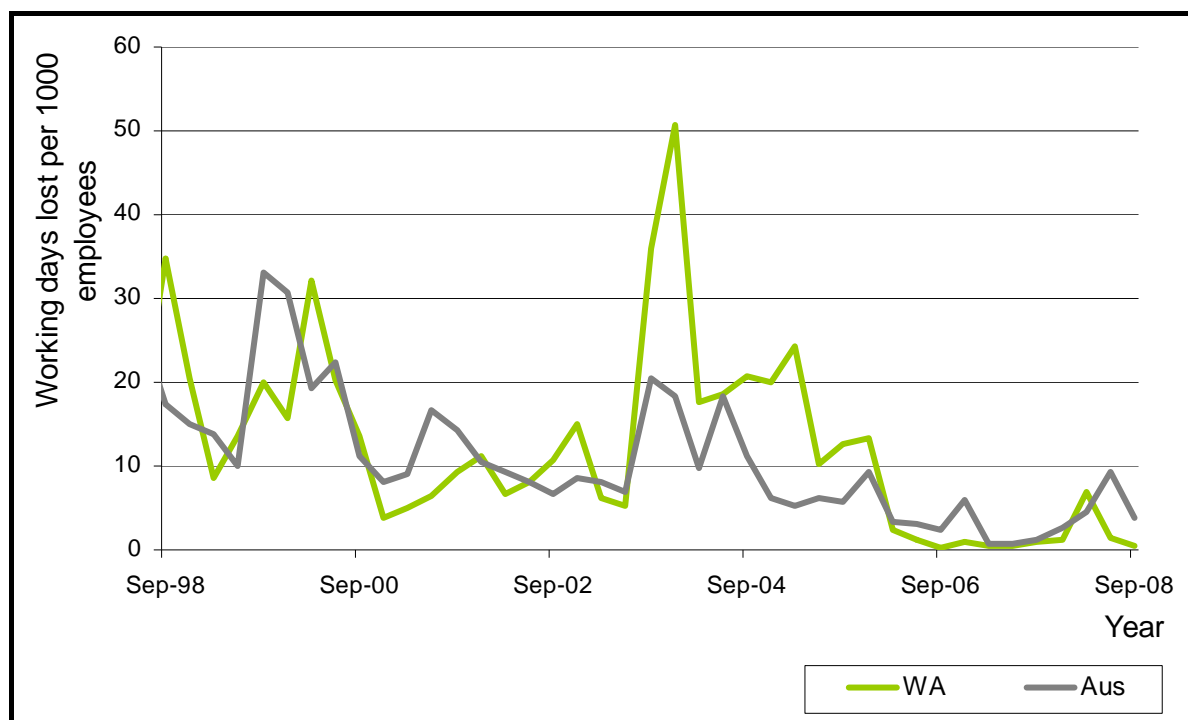
Source: ABS Cat. 6401.0 page 9

Industrial Disputes

The level of industrial disputation in Western Australia decreased in the September quarter 2008 and remains low by national standards. The number of working days lost per thousand employees in Western Australia dropped to **0.4** in the September quarter 2008, down from the June quarter 2008 figure of 1.4.

Western Australia accounted for only 400 of the reported 36,200 total days lost throughout Australia in the September quarter 2008.

Fig 6 • Working days lost per 1000 employees • Western Australia and Australia



Source: ABS Cat. 6321.0.55.001 tables 3a and b

Table 13 • Industrial disputes • state and territory comparison

State	Working days lost per 1000 employees	Total working days lost
SA	6.3	4,300
NSW	5.0	14,700
Vic	4.4	10,200
NT	4.2	400
Qld	3.1	6,000
Tas	1.0	200
WA	0.4	400
ACT	0.0	0
Aus	3.9	36,200

Source: ABS Cat. 6321.0.55.001 tables 3a and b.

Glossary

Average Weekly Earnings (AWE)

Average weekly earnings statistics represent average gross (before tax) earnings of employees and do not relate to average award rates or to the earnings of the 'average person'.

Estimates of average weekly earnings are derived by dividing estimates of weekly total earnings by estimates of number of employees. Changes in the averages may be affected not only by changes in the level of earnings of employees but also by changes in the overall composition of the wage and salary earner segment of the labour force.

There are several aspects which can contribute to compositional changes, including variations in the:

- proportions of full-time, part-time, casual and junior employees;
- occupational distribution within and across industries;
- distribution of employment between industries; and
- proportion of male and female employees.

Such effects may apply differently within different states and territories, and over time.

Average Weekly Ordinary Time Earnings (AWOTE)

Weekly ordinary time earnings refers to one week's earnings of employees for the reference period attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions (e.g. superannuation, board and lodging) have been made.

Included are piecework payments and one week's portion of regular production and task bonuses and commissions. Excluded are overtime payments and payments not related to the reference period (e.g. bonus payments for earlier periods of work).

Consumer Price Index (CPI)

The CPI measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This 'basket' covers a wide range of goods and services, arranged in the following eleven groups:

- Food
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Household contents and services
- Health
- Transportation
- Communication
- Recreation
- Education
- Financial and insurance services

The capital city indexes measure price movements over time in each city individually. They do not measure differences in retail price levels between cities.

Employment

Employed persons are defined as all persons 15 years of age and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
 - were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week; or
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
 - away from work as a standard work or shift arrangement; or
 - on strike or locked out; or
 - on workers' compensation and expected to be returning to their job; or
 - were employers or own-account workers, who had a job, business or farm, but were not at work.

Gender Pay Gap

The Gender Pay Gap refers to the difference in average earnings of men and women and is calculated using full time adult ordinary time earnings figures (AWOTE).

Industrial Agreements

Formalised collective agreements made under the *Industrial Relations Act 1979 (WA)* and registered by the Western Australian Industrial Relations Commission.

Industrial disputes

An industrial dispute (ID) is defined as "a state of disagreement over an issue or group of issues between an employer and its employees, which results in employees ceasing work. Industrial disputes comprise strikes, which are a withdrawal from work by a group of employees; and lockouts, which are a refusal by an employer or group of employers to permit some or all of their employees to work".

Industrial disputes are included within the scope of the ID collection if the work stoppages amount to ten or more working days lost. Ten working days lost is equivalent to the amount of ordinary time which would have been worked, for example, during a stoppage of work by ten employees for one day, or, by 40 workers attending a 2 hour stop work meeting (assuming they worked an 8 hour day). Disputes which involve the equivalent of less than 10 working days lost are excluded.

Labour Force

For any group, persons who were employed or unemployed, as defined. The labour force generally consists of the civilian population over 15 who either fit the definition of employed or unemployed.

Participation rate

The participation rate is the percentage of the population in the labour force.

Seasonally adjusted

Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be more clearly recognised. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular month. This means that month-to-month movements of the seasonally adjusted estimates may not be reliable indicators of trend behaviour.

Unemployment

Unemployed persons are defined as all persons 15 years of age and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or
- were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.

The unemployment rate for any group is defined as the number of unemployed people expressed as a percentage of the labour force (employed plus unemployed).

Wage Price Index (WPI)

A measurement of changes in the price of wage costs. Both the Australian Bureau of Statistics and the Western Australian Department of Treasury and Finance prefer the WPI to other measures of wage growth.

Ordinary time hourly rates of pay, excluding bonuses, form the WPI. The WPI measures quarterly changes in ordinary time hourly wage and salary rates. Changes in rates of pay reflected in these indexes (i.e. pure price changes) arise from a range of sources including award variations, changes in pay scales, enterprise and workplace agreements, minimum wage setting, individual contracts and informal arrangements.

The WPI is not affected by changes in:

- penalty payments for overtime, shifts, weekends and public holidays (which fluctuate depending on the number of hours paid at penalty rates);
- allowances (which fluctuate according to how much work is performed under special work conditions e.g. height, dirt, heat allowances); or
- bonus payments (which may, or may not, relate to an individual's work performance). These payments are specifically excluded when calculating ordinary time hourly wage and salary rates.