



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.

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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 2009

Indicator	Result
Total number of persons employed – February 2009 – trend data	1,169,600
Growth in total employment – February 2008 to February 2009 – trend data	2.7%
Unemployment rate - February 2009 – trend data	3.6%
Youth unemployment rate – February 2009 – original data	10.5% ¹
Participation rate – February 2009 – trend data	68.9%
- males	76.5%
- females	61.1%
Wage Price Index – quarterly growth – December quarter 2008 - original data	1.8%
Wage Price Index – annual growth – December 2007 to December 2008 - original data	5.7%
Average Weekly Ordinary Time Earnings - November quarter 2008 - trend	\$1,315.70
Real wages growth – December 2007 to December 2008	4.13%
Number of state industrial agreements with wage outcomes registered - December quarter 2008	11
Average annualised wage increase per employee for agreements registered - December quarter 2008	5.4%
Gender Pay Gap - November quarter 2008 - trend	27.4%
Consumer Price Index growth - December quarter 2008	-0.3%
Industrial disputes - working days lost per thousand employees - December quarter 2008 - original	1.8

¹ Estimate is subject to sampling variability too high for most practical purposes.

Reduction in the ABS Labour Force Survey sample

In April 2008, the ABS announced that due to budget restraints, the sample size of the Labour Force survey would be reduced by 24 per cent from the July 2008 survey month onwards.

The Labour Force survey provides users with monthly estimates by each state and territory on unemployment, employment, participation rates and quarterly estimates of employment by industry.

The sample size reduction is designed to be easily increased if the ABS budget situation changes in the future, though the ABS application for a funding increase from the Federal Government, to be announced in May 2009, is not guaranteed.

The Labour Force survey regularly reviews their sample frame maintenance procedures after each five yearly Census to realign area and population changes into the design.

Household surveys are very expensive to run and the costs of recruitment and training in a tight labour market have meant that the Labour Force survey running costs have blown out considerably over the last few years. By reducing the sample size, the ABS will be able to reduce the number of interviewers collecting the data and decrease the amount of resources in processing, editing and compiling the estimates.

Impact on Western Australian Labour Force estimates

As a result of the sample size reduction, the ABS encourages clients to use trend estimates, rather than original or seasonally adjusted estimates as these series will experience increased volatility, and this volatility will be random.

The number of survey participants for Western Australia has reduced by 1,500 people from July 2008 (4,800 from 6,300 participants).

Prior to the sample size reduction, the sampling fraction for Western Australia was 1 in 246 persons counted. After the sample reduction this decreased to 1 in every 324 persons counted in Western Australia.

The Relative Standard Errors (RSE) for all estimates has increased by approximately 15 per cent. The increase in the size of RSE's has had a greater impact on smaller survey sub-populations, such as industry estimates for smaller states and regions.

Source: ABS Cat No. 6269.0 - Information Paper: Labour Force Survey Sample Design, Nov 2007 (Second edition).

Employment

Employment Growth

In February 2009, total employment in Western Australia fell to **1,169,600 persons** based on trend data - 657,100 men and 512,500 women. Total employment has been falling since November 2008 due to the decline in the number of employed men. The number of employed women continued to increase in February 2009 but the rate of increase is slowing.

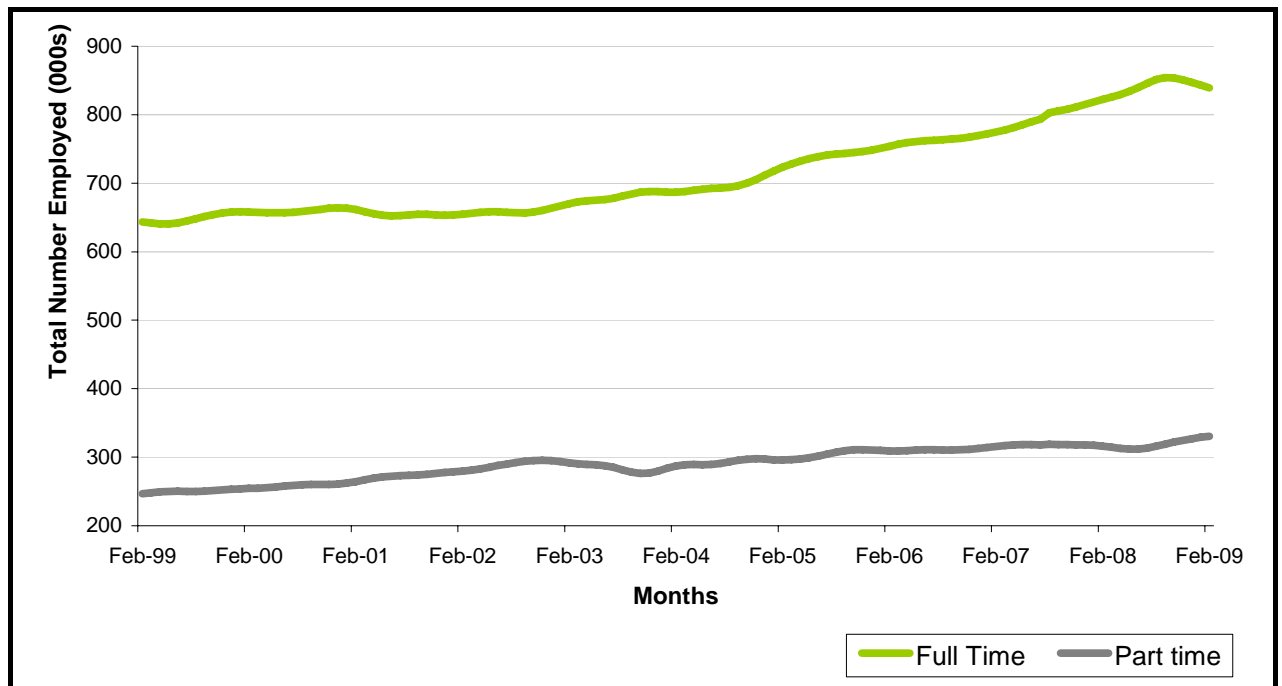
From February 2008 to February 2009, total employment in Western Australia rose by over 31,200 persons. This continues the trend of positive employment growth in Western Australia over the past ten years.

Of the total Western Australian workforce in February 2009, 839,100 persons were employed on a full-time basis - 567,500 full-time male and 271,600 full-time female employees.

On trend estimates, full-time employment peaked at 854,100 Western Australian employees in September 2008. Figure 1 below shows the slowing in full-time employment and the increase in part-time employment that occurred since 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.

Employment by Industry

Table 2 shows estimates of 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 six industries on the list: Retail Trade; Construction; Health Care and Social Assistance; Manufacturing; Education and Training; Public Administration and Safety.

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

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

Industry by ANZIC Division ²	Total employed February 2009 (rounded estimate)	Percentage of total workforce (%)
Retail Trade	146,400	12.59
Construction	122,300	10.51
Health Care & Social Assistance	115,100	9.89
Manufacturing	102,900	8.85
Education & Training	77,100	6.62
Public Administration & Safety	74,700	6.42
Professional, Scientific & Technical Services	66,400	5.70
Accommodation & Food Services	65,200	5.60
Transport, Postal & Warehousing	59,700	5.13
Mining	56,800	4.88
Agriculture, Forestry & Fishing	50,100	4.30
Other Services	45,900	3.94
Wholesale Trade	42,100	3.62
Administrative & Support Services	35,700	3.07
Finance & Insurance	26,100	2.24
Utilities	22,600	1.94
Rental, Hiring & Real Estate Services	21,000	1.80
Arts & Recreation	19,600	1.68
Information Media & Telecommunications	14,000	1.20
Total employed across all industries	1,163,445³	100.00

Source: ABS Cat. 6291.0.55.003.

² The ABS has adopted changes in the ANZIC divisions to reflect the innovation, development, and evolution in industry since the 1993 classifications.

³ Total does not add up due to rounding of estimates.

Unemployment

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

The unemployment rates for both Western Australia and Australia are starting to increase after a period of record low unemployment. In February 2009, Western Australia's unemployment rate increased to **3.6 per cent** from 3.4 per cent in January.

Since December 2008, there has been a statistically significant increase in the number of unemployed Western Australians.⁴ However, Western Australia continues to record the lowest unemployment rate of all the states. Nationally, the trend unemployment rate increased to 4.9 per cent for February 2009.

Table 3 • Unemployment rate • State comparison • trend data

State	February 2009 (%)	January 2009 (%)	December 2008 (%)
SA	5.7	5.6	5.5
NSW	5.6	5.5	5.4
Vic	5.1	4.9	4.8
Tas	4.6	4.5	4.4
Qld	4.4	4.3	4.1
WA	3.6	3.4	3.1
Aus	4.9	4.8	4.6

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 10.5 per cent in February 2009.

In contrast, the national youth unemployment rate reached 26.3 per cent in February 2009.

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	February 2009 (%)	January 2009 (%)	December 2008 (%)
Vic	33.8	25.0	19.2
NSW	30.1	33.5	25.9
SA	28.9	25.1	18.6 ⁵
Qld	25.5	19.5	13.3
Tas	20.4 ⁵	21.5 ⁵	28.0
WA	10.5⁵	9.4⁵	10.3⁵
Aus	26.3	23.3	18.2

Source: ABS Cat. 6202.0 Table 16.

⁴ This relies on trend estimates which will be updated over the next few months.

⁵ 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 February 2009, recording **68.9 per cent**.

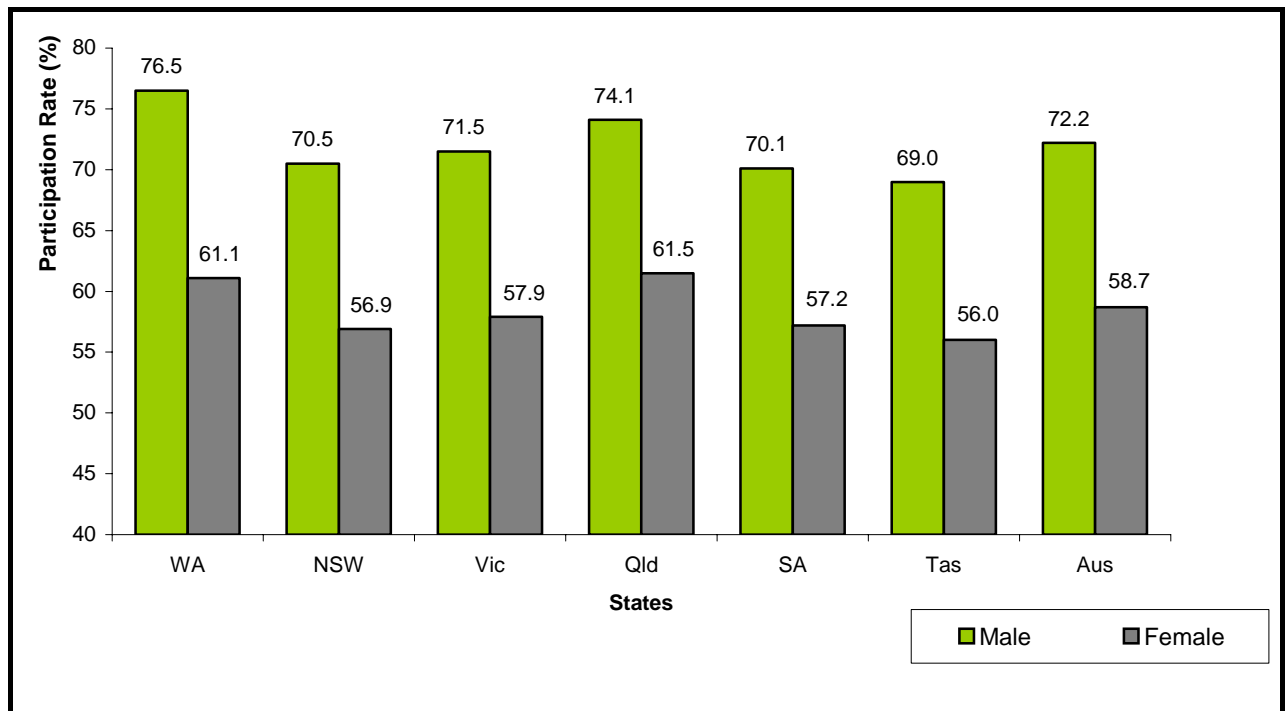
Fig 2 shows that Western Australia currently has the highest rate of male participation (76.5 per cent) and one of the highest rates of female labour force participation in Australia.

Table 5 • Participation rate • State comparison • trend

State	February 2009 (%)	January 2009 (%)	December 2008 (%)
WA	68.9	69.0	69.1
Qld	67.7	67.7	67.6
Vic	64.5	64.5	64.5
NSW	63.6	63.5	63.5
SA	63.5	63.5	63.6
Tas	62.3	62.3	62.3
Aus	65.4	65.3	65.3

Source: ABS Cat. 6202.0 Tables 1-9.

Fig 2 • Participation rate by sex • State comparison • February 2009 • 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) in Western Australia increased by **1.8 per cent** in the December quarter 2008. This is higher than the average WPI increase across Australia of 1.2 per cent in the December quarter. Private sector WPI continued increasing in the December quarter while public sector WPI jumped by 3.1 per cent in the quarter, well above the national average increase of 1.4 per cent.

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

	WA (%)	NSW (%)	Vic (%)	Qld (%)	SA (%)	Tas (%)	NT (%)	ACT (%)	Aust (%)
All Sectors	1.8	1.0	1.2	1.1	1.4	1.2	1.5	1.0	1.2
Private Sector	1.4	0.8	1.2	1.2	1.3	1.7	1.5	1.3	1.2
Public Sector	3.1	1.5	1.3	0.7	1.7	0.2	1.5	0.8	1.4

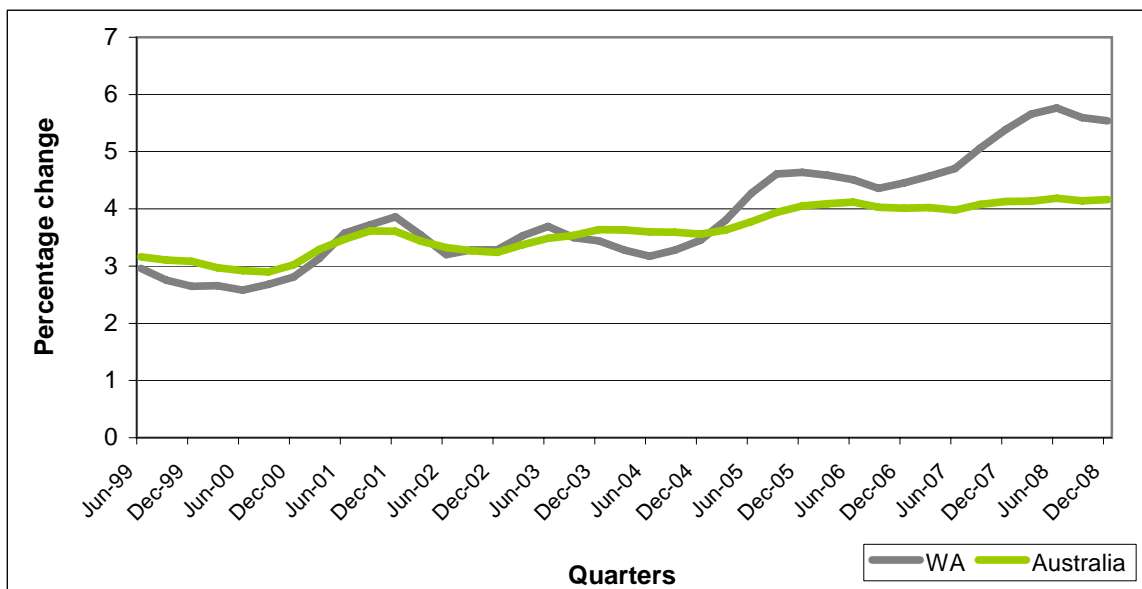
Source: ABS Cat. 6345.0 tables 2, 3 and 4.

THE ABS calculates the annual increase in Western Australia's WPI from the December quarter 2007 to the December quarter 2008 as **5.7 per cent**.

The **annual average change in WPI** is calculated to take into account the results from all quarters throughout the year. The annual average WPI in Western Australia grew by **5.54 per cent** in the December quarter, considerably higher than other jurisdictions across Australia and the national average of 4.16 per cent growth. Fig 3 shows Western Australian WPI growing faster than the Australian average since the March quarter 2005.

Western Australian WPI was driven by strong wages growth in the public and private sectors throughout 2008.

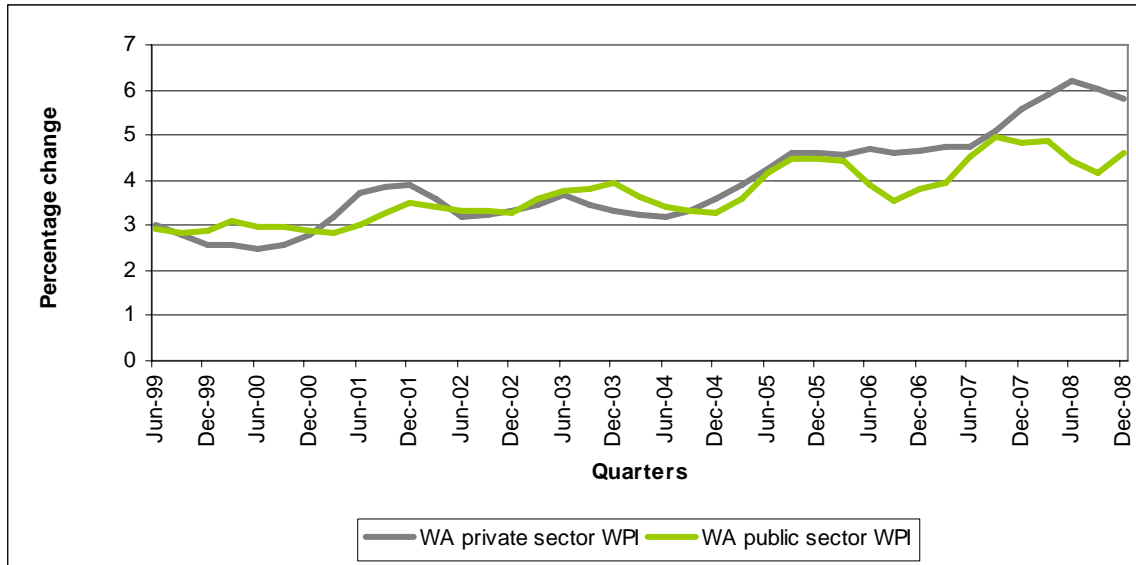
Fig 3 • Annual average WPI growth• Western Australia and Australia



Source: calculated from ABS Cat. 6345.0 spreadsheets.

Annual average growth in the Western Australian public and private sectors can be seen in Fig 4. While annual average WPI in both sectors has been experiencing strong growth of over 3 per cent since 2001, private sector WPI has grown substantially faster than public sector WPI over the past eighteen months.

Fig 4 • Annual average WPI growth • Western Australia • public sector and private sector



Source: calculated from ABS Cat. 6345.0 spreadsheets.

Average Weekly Ordinary Time Earnings

Average Weekly Ordinary Time Earnings (AWOTE) in Western Australia rose to **\$1,315.70** per week in the November quarter 2008. This represents a 1.6 per cent increase for the quarter and a 7.7 per cent increase over the year to November 2008. Nationally, AWOTE grew by 1.5 per cent for the quarter and 5.2 per cent over the year.

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

Table 7 • AWOTE • Interstate comparison • Quarterly and annual growth • trend data

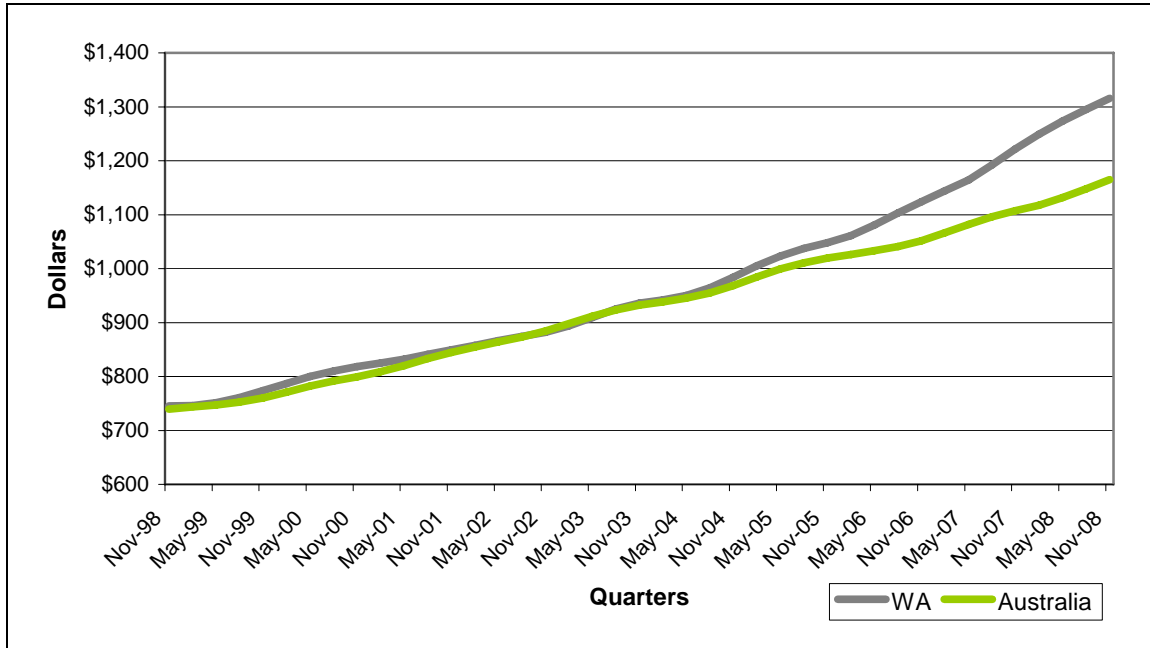
State	AWOTE – November quarter 2008	Quarterly growth (%)	Growth from November 2007 to November 2008 (%)
WA	\$1,315.70	1.6	7.7
NSW	\$1,173.10	1.1	2.6
Vic	\$1,138.40	1.2	5.3
Qld	\$1,115.60	2.1	7.7
SA	\$1,100.40	2.3	6.5
Tas	\$1,048.40	1.6	3.7
Aus	\$1,164.90	1.5	5.2

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

In Western Australia the AWOTE for males was **\$1,447.70**, which represented a quarterly increase of 1.7% and an annual increase of 8.2%. The AWOTE for females was **\$1,050.40**, an increase of 1.9% for the quarter and an annual increase of 7.9%.

Fig 5 shows the growth in Western Australian and Australian AWOTE over the past ten years. An increasing gap between Australian and Western Australian AWOTE can be seen as Western Australia AWOTE grows faster than the Australian average.

Fig 5 • AWOTE • Australia and Western Australia comparison • trend data



Source: ABS Cat. 6302.0 tables 1 and 11.

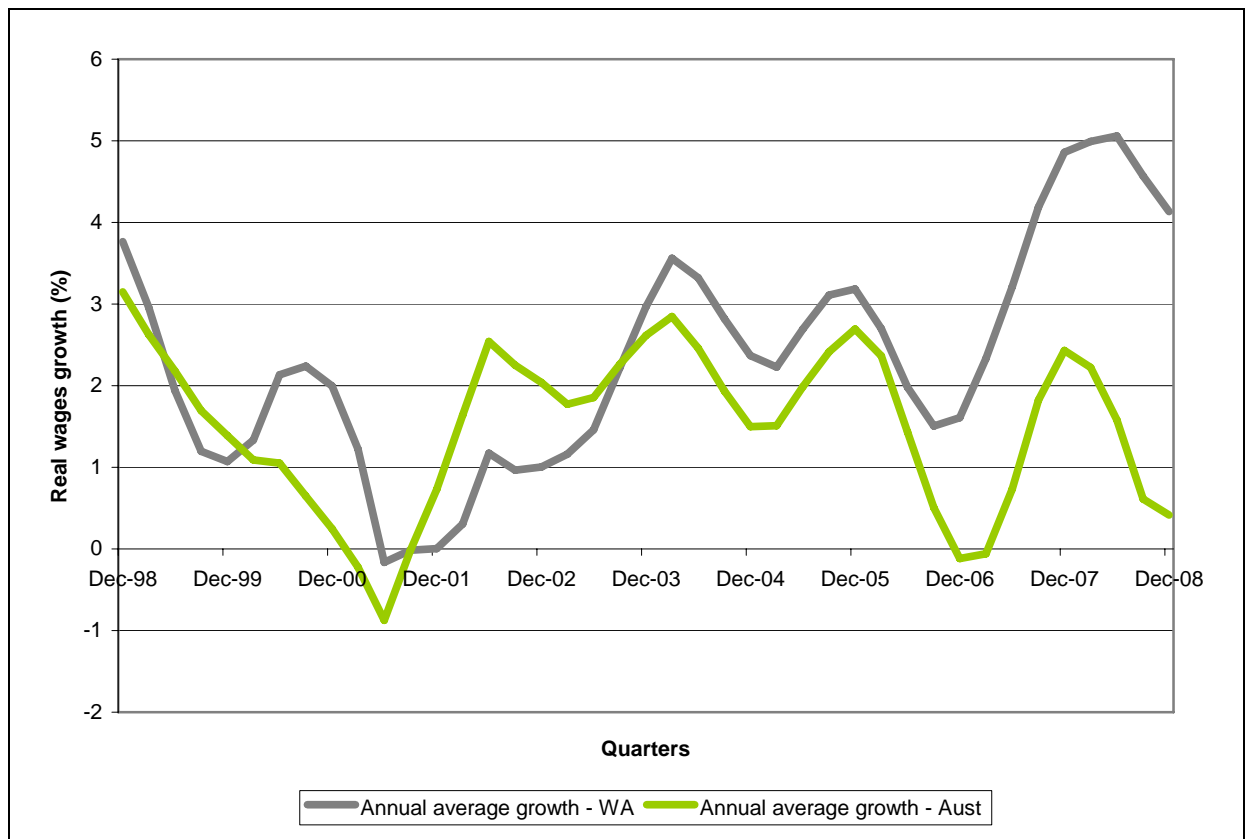
Real Wages

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 December quarter 2008 the annual average rate of real wages growth in Western Australia slowed from 4.57 per cent to **4.13 per cent**. During the same period, Australian real wages growth slowed from 0.61 per cent to 0.41 per cent in annual average terms.

Figure 6 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 6 • Average annual real wages growth • Western Australia and Australia



Source: ABS Cat. 6302.0, 6401.0.

Table 8 • Average annual real wages growth • Western Australia and Australia

Quarter	Western Australia (%)	Australia (%)
December 2008	4.13	0.41
September 2008	4.57	0.61
June 2008	5.06	1.58
March 2008	4.99	2.23

Source: ABS Cat. 6302.0, 6401.0.

Industrial Agreements

State Agreements

In the December quarter 2008 the Western Australian Industrial Relations Commission (WAIRC) registered a total of 12 industrial agreements, covering **30,981 employees**. This compares to a total of 15 industrial agreements registered in the September quarter 2008, covering a total of 29,349 employees.

Eleven agreements registered during the December quarter contained quantifiable wage outcomes, covering 30,965 employees – this consists of 225 private sector and 30,740 public sector employees. Almost 27,000 of these employees are covered by one agreement registered in December 2008: The School Education Act Employees' (Teachers and Administrators) General Agreement 2008.

The **average annualised wage increase (AAWI) per employee** for the December quarter 2008 was **5.4 per cent** (Table 9)

Seven industrial agreements registered in the December quarter 2008 related to public sector employment, one of these agreements contained no quantifiable wage outcomes.

The **AAWI per agreement was 5.7 per cent** – lower than the 6.3 per cent recorded in the September quarter 2008. This statistic is not reflected in Table 9. AAWI per employee 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.

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

Federal Agreements

2,300 federal collective agreements were processed nationally in the December quarter 2008, covering an estimated 247,000 employees.

The AAWI per employee for these agreements was 4.3 per cent, 0.2 percentage point higher than the previous quarter.

In the December quarter 2008 the following industries recorded the highest industry AAWI per employee outcomes: Construction (5.6 per cent); Electricity, Gas and Water Supply (4.7 per cent).

Table 9 • Industrial agreements registered with the WAIRC

Quarter	Total number of agreements registered	Number of agreements registered with wage outcomes	Number of employees covered by agreements with wage outcomes	AAWI per employee (%)
December 2008	12	11	30,965	5.4
September 2008	15	12	27,578	5.7
June 2008	11	9	612	4.5
March 2008	10	3	12,524	4.2

Sources: **State Data**- Commerce Labour Relations 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

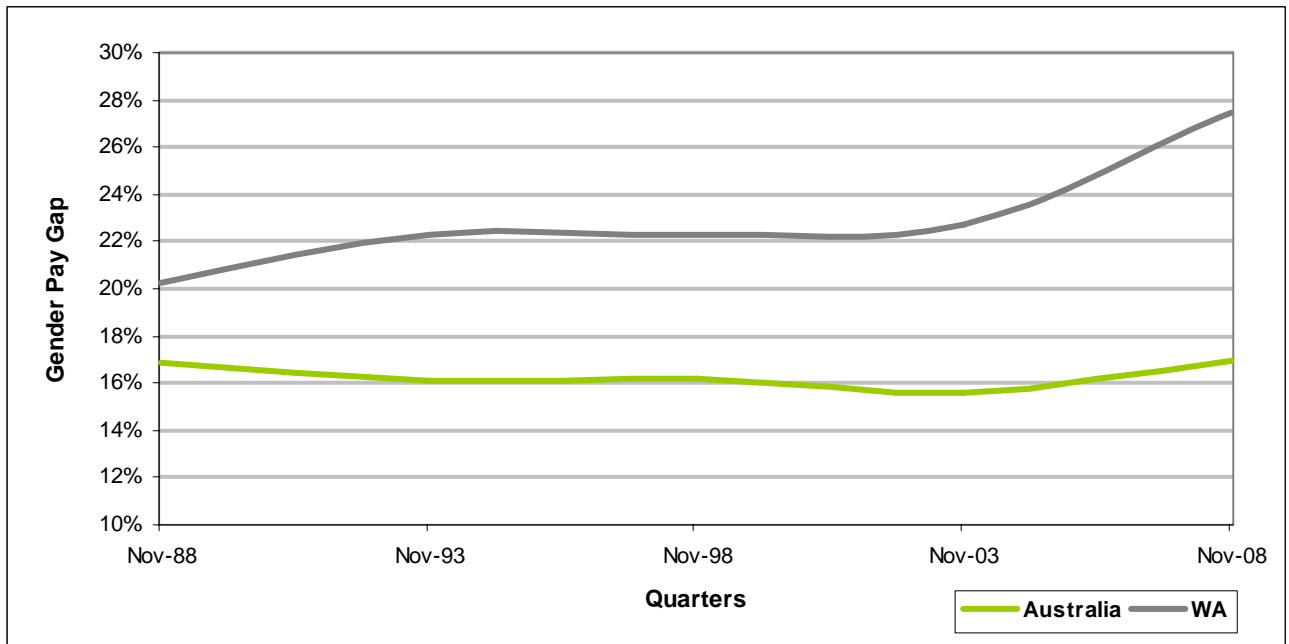
The gender pay gap (GPG) refers to the difference in average earnings of men and women and is a key measure of pay equity. The GPG is calculated using AWOTE trend data, which excludes part-time and casual employees and overtime payments. The calculation is based on female AWOTE / male AWOTE x 100.

Fig 7 reveals the dramatic increase in Western Australia's GPG compared to Australia's GPG over the past twenty years.

In November 2008, Western Australia recorded a gender pay gap of **27.4 per cent**. This means that on average for every dollar earned by a full-time male employee, full-time female employees earn 72.6 cents.

A comparison of Western Australia's GPG to other states can be seen in Table 10.

Fig 7 • Gender pay gap • Western Australia and Australia November 1998 to November 2008 • Trend data



Source: ABS Cat. 6302.0.

Table 10 • Gender pay gap • State comparison • Trend data

State	Gender pay gap November 2008 (%)	Quarterly change (%)	Annual change (%)
WA	27.4	-0.4	0.7
SA	15.0	-0.8	3.2
NSW	16.0	2.7	6.9
Qld	16.5	4.7	14.9
Vic	15.4	2.5	0.4
Tas	11.9	8.5	13.4
Aus	17.0	1.5	5.0

Source: ABS Cat. 6302.0.

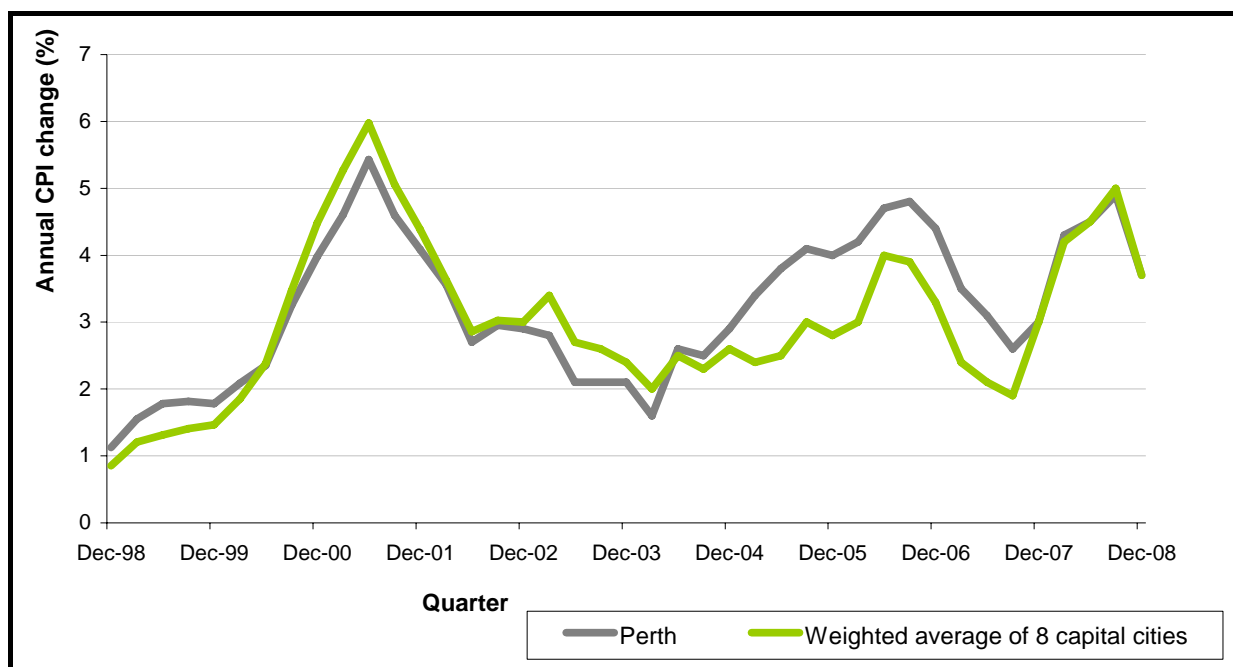
Inflation

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 the weighted average of the eight capital cities which recorded a 0.3 per cent decrease in CPI in the December quarter. This was the largest quarterly fall in Australian CPI growth since the September quarter 1997.

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 8 • CPI • Annual change • Perth and eight capital cities • per cent



Source: ABS Cat. 6401.0 page 9.

Table 11 • CPI • Australian capital cities • original

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

Source: ABS Cat. 6401.0 Table 2.

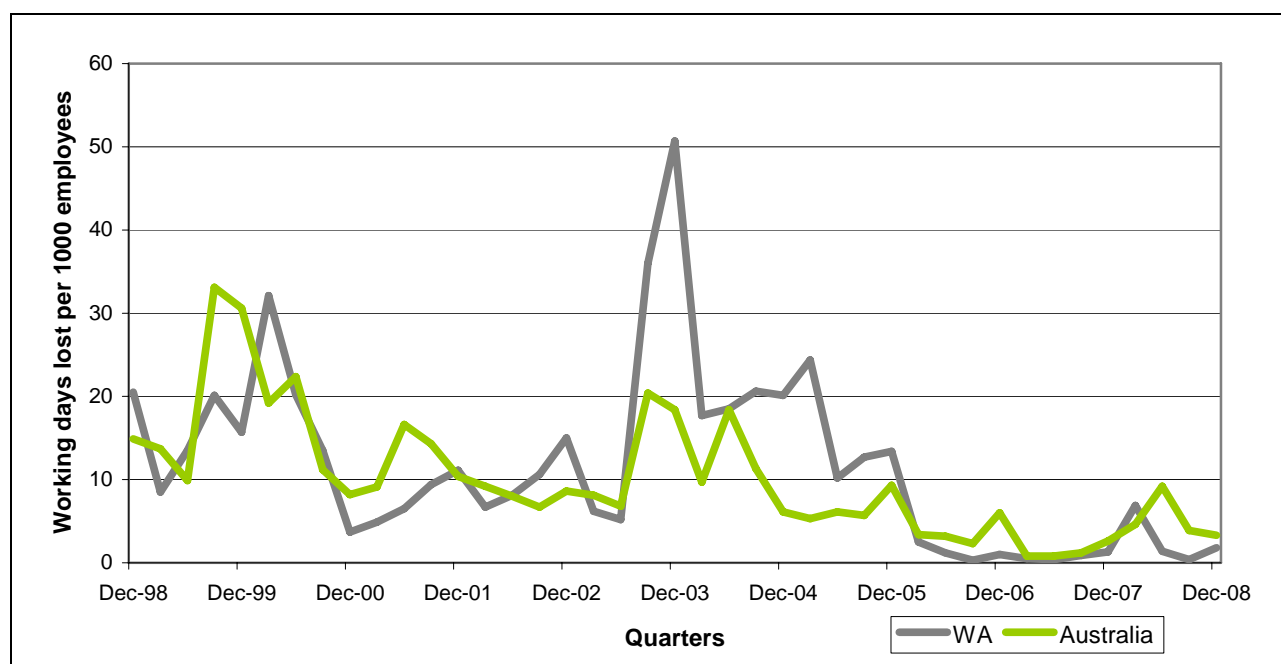
Industrial Disputes

The level of industrial disputation in Western Australia increased in the December quarter 2008 but remains low by national standards. The number of working days lost per thousand employees in Western Australia increased marginally to **1.8** in the December quarter 2008, up from the September quarter 2008 figure of 0.4.

Western Australia's disputation level remains below the national average of 3.3 days lost per thousand employees.

Western Australia accounted for only 1,800 of the reported 31,100 total days lost throughout Australia in the December quarter 2008.

Fig 9 • Working days lost per 1000 employees • Western Australia and Australia



Source: ABS Cat. 6321.0.55.001 table 3b.

Table 12 • Industrial disputes • State and territory comparison

State	Working days lost per 1000 employees	Total working days lost
NSW	5.6	16,700
Vic	2.8	6,600
WA	1.8	1,800
Qld	0.7	1,300
SA	NA ⁶	NA ⁶
NT	NA	NA ⁶
Tas	NA ⁶	NA ⁶
ACT	NA ⁶	NA ⁶
Aus	3.3	31,100

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

⁶ Not available for publication but included in totals.

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.

Statistically Significant

If a result is called **statistically significant** it is unlikely to have occurred by chance. A **statistically significant** difference simply means there is statistical evidence that there is a difference; it does not mean the difference is necessarily large, important, or significant. So if a result is "highly significant" then it is very probably true but it does not (necessarily) mean it is highly important.

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.