



Department of Consumer
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Labour Relations Division

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FOREWORD

Western Australia's labour market continued to display robust credentials in the June 2007 quarter, most notably with low unemployment, strong employment growth and negligible levels of industrial disputation.

Sustained labour demand across most industries ensured that unemployment remains low by historical standards, whilst Western Australia's youth unemployment is the lowest of all States - at just 10.4% in June 2007. Meanwhile, Western Australia's labour force participation rate continued to rise steadily.

Recent wages growth in Western Australia is most likely attributable to the current tight labour market conditions. The State's Wage Price Index¹ (WPI) rose by 1.7% in the June quarter 2007 – slightly higher than the previous quarter. Average weekly ordinary time earnings (AWOTE) in WA rose by 2.1% in the May quarter 2007 - up from 1.1% in the February quarter 2007.

Inflation in Perth continues to track slightly above the national average. The Perth CPI rose by 1.4% in the June quarter 2007, up from 0.2% in the March quarter. Nationally, the CPI increased by 1.2% in the June quarter. Annual growth in WA's CPI eased slightly from 3.5% to 3.1% in the 12 months to June 2007. Annual growth across the eight capital cities also declined from 2.4% to 2.1%.

The number of working days lost per thousand employees in WA declined slightly from 0.5 to 0.4 in the June quarter 2007, and below the national figure of 0.8 days lost per thousand employees. Most States and Territories recorded low levels of industrial disputation during this period. WA accounted for only 400 of the 7,100 total days lost to industrial action throughout Australia in the June quarter.

The WA Industrial Relations Commission (WAIRC) registered a total of 27 enterprise bargaining agreements (EBAs) in the June quarter 2007. These paid an average annualised wage increase (AAWI) per employee of 3.5%. Most of the agreements registered were in the private education sector.

Summary of key WA results for the June quarter 2007

AWOTE	2.1%
WPI	1.7%
CPI (Perth)	1.4%
Unemployment rate (average for quarter)	3.3%
Industrial Disputes (days lost per thousand employees)	0.4
No. of EBAs registered	27
AAWI per employee for EBAs registered	3.5%

¹ Total hourly rates of pay excluding bonuses.

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1. WAGES

1.1 Full Time Average Weekly Ordinary Time Earnings

Average Weekly Ordinary Time Earnings (AWOTE) in Western Australia rose to \$1,168.30 per week in the May quarter 2007. WA AWOTE grew by 2.1% during the quarter and 9.0% over the year to May 2007. Nationally, AWOTE grew by 1.7% during the quarter and 4.6% over the year.

Western Australia had the highest average earnings amongst the States in the May quarter 2007. In contrast, Tasmanian workers continue to earn less on average than the other States, recording AWOTE of \$1,007.30 per week during the same period.

Chart 1 - WA AWOTE - Seasonally adjusted (%)

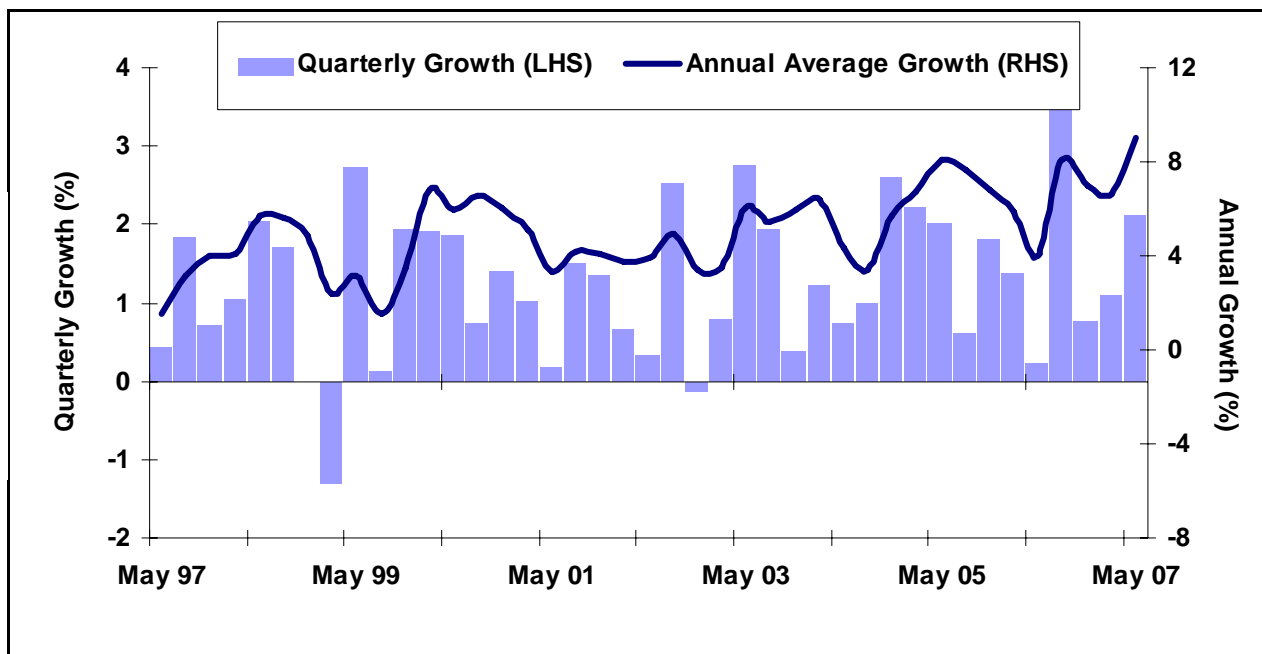


Table 1 - AWOTE by State and Territories (seasonally adjusted)

	May Qtr 2007	Quarterly growth	Annual growth
WA	\$1168.30	2.1%	9.0%
NSW	\$1128.50	1.1%	4.6%
VIC	\$1074.40	2.5%	3.6%
QLD	\$1018.00	0.6%	4.5%
SA	\$1015.60	1.8%	3.2%
TAS	\$1007.30	2.0%	6.6%
NT	\$1039.90	- 0.4%	0.4%
ACT	\$1288.80	1.1%	6.4%
AUS	\$1091.20	1.7%	4.6%

Source: ABS Cat. 6302.0

1.2 Labour Price Index

In WA the WPI increased by 1.7% in the June quarter 2007, up from the increase recorded for the March quarter 2007 of 1.1%. Nationally the WPI increased by 0.8%, down from the 1.1% movement recorded for the March quarter 2007.

Table 2 – WPI – June Qtr 2007 - % change from previous Quarter – Original Data

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT	AUS
All	1.7	0.7	0.7	0.9	0.6	0.7	1.1	0.7	0.8
Private	1.6	0.9	0.8	0.9	0.8	0.6	1.9	0.7	0.9
Public	1.9	0.4	0.5	0.7	0.3	0.9	0.1	0.8	0.6

Source: ABS Cat. 6345.0

The annual WPI growth in WA increased by 5.1% in the 12 months to June 2007, up 0.3 percentage points from the annual increase recorded in the March quarter 2007. In the 12 months to June 2007, WA's WPI increased by 5.0% in the private sector and by 5.4% in the public sector.

Western Australia recorded the highest annual WPI growth (5.1%) in the year to June 2007. Victoria recorded the lowest annual growth (3.6%).

Table 3 – WPI - June Qtr 2007 - % change from corresponding quarter of previous Year – Original Data

Sector	WA	NSW	VIC	QLD	SA	TAS	NT	ACT	AUS
All	5.1	3.8	3.6	4.5	4.2	4.5	4.1	4.2	4.0
Private	5.0	3.7	3.5	4.6	4.2	4.5	4.8	4.4	3.9
Public	5.4	4.2	3.7	4.3	4.3	4.4	3.4	4.2	4.2

Source: ABS Cat. 6345.0

The LPI is one of the price indexes produced by the ABS, which also includes the *Consumer Price Index*. The complete LPI report includes movements in both wage and non-wage labour costs. Movement in the non-wage components of the index including annual and public holiday leave, superannuation, payroll tax and workers' compensation are released annually in the September quarter publication. The other quarterly publications only report on movement in the wages component of the LPI – which is also known as the Wage Price Index (or WPI). In the Labour Market Bulletin the WPI refers to total hourly rates of pay excluding bonuses.

The WPI is generally considered a more reliable indicator of wage trends than AWOTE.

1.3 Real Wages

In the June quarter 2007 the annual average rate of real wages growth in WA increased from 2.00% to 3.59%. During the same period Australian real wages growth also increased, from -0.12% to 0.63% in annual average terms.

Western Australia has now recorded 24 consecutive quarters of positive real wages growth.

Chart 2 – WA Real Wages Growth – Annual Average (%)

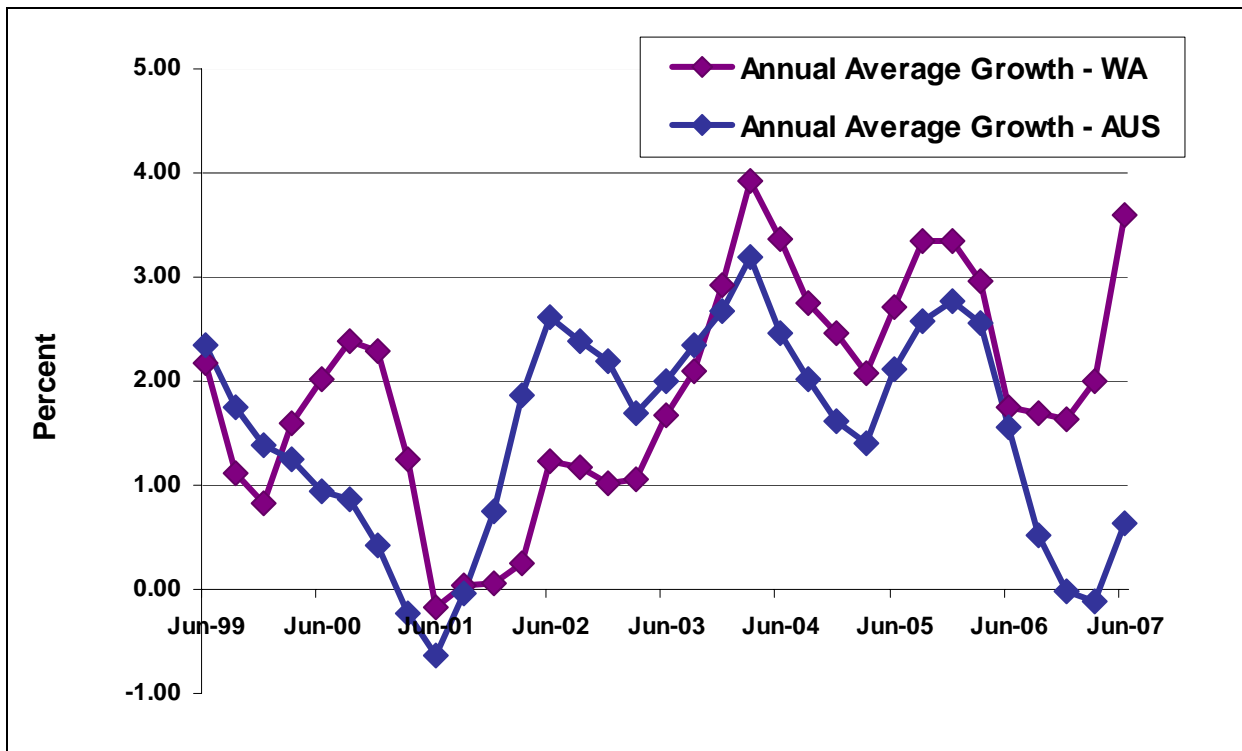


Table 4 – Real Wages Growth – WA v AUS – Annual Average %

	<i>WA</i>	<i>AUS</i>
<i>Jun Qtr 2007</i>	3.59	0.63
<i>Mar Qtr 2007</i>	2.00	-0.12
<i>Dec Qtr 2006</i>	1.64	-0.02
<i>Sep Qtr 2006</i>	1.68	0.54

Source: ABS Cat. 6302.0, 6401.0

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

2. INFLATION

The inflation rate for Perth was 1.4% for the June quarter 2007, up from the March quarter 2007 rate of 0.2%. The Consumer Price Index (CPI) increased in all capital cities for the June quarter 2007.

The annual inflation rate for Perth for the year to June 2007 was 3.1%, down from 3.5% recorded in the year to March 2007. The annual inflation rate across the eight capital cities was 2.1% in the year to June 2007, down from 2.4% in the year to March 2007.

Chart 3 - Changes in Consumer Price Index – Perth (%)

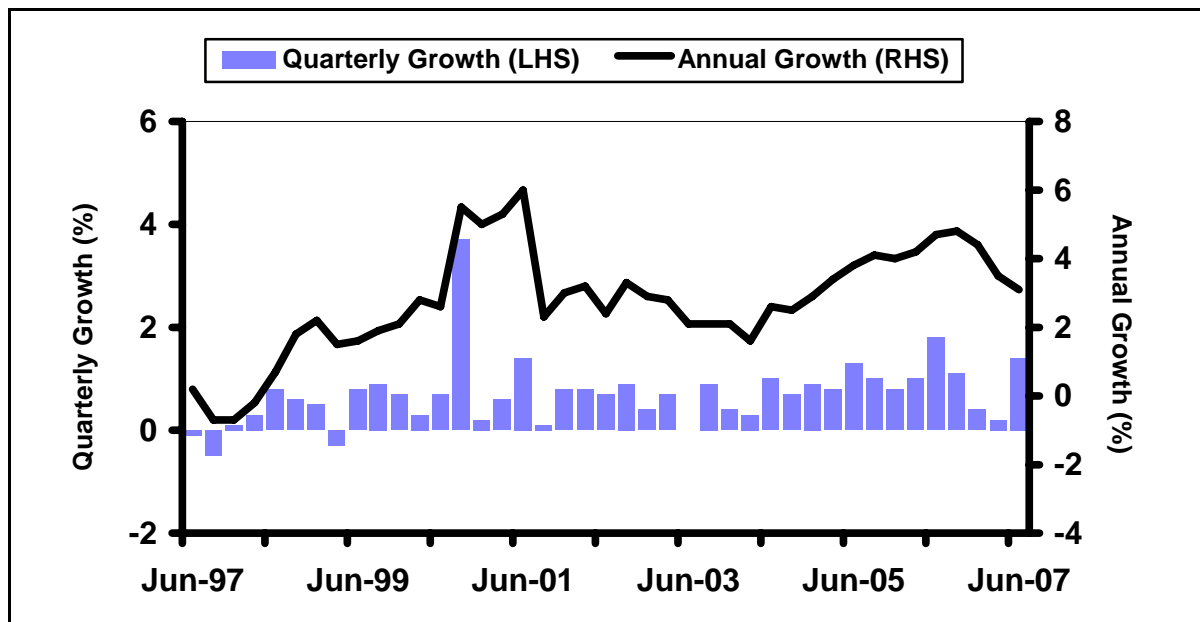


Table 5 – Consumer Price Index – June Quarter 2007 (%)

	<i>Quarterly growth</i>	<i>Annual growth</i>
Perth	1.4	3.1
Sydney	1.2	1.7
Melbourne	1.2	2.0
Brisbane	1.4	2.6
Adelaide	1.2	1.7
Hobart	1.3	2.2
Darwin	1.4	3.7
Canberra	1.3	2.0
8 Capitals	1.2	2.1

Source: ABS Cat. 6401.0

3. EMPLOYMENT

3.1 Employment Growth

By the end of the June quarter 2007 total employment in Western Australia had grown to 1,105,700 persons on a seasonally adjusted basis. Of the total workforce 778,200 persons (or 71.3%) were employed on a full-time basis, while 327,500 persons (or 28.7%) were employed on a part-time basis.

Full-time employment in Western Australia rose by 4.1% in the year to June 2007, while part-time employment rose by 1.6%.

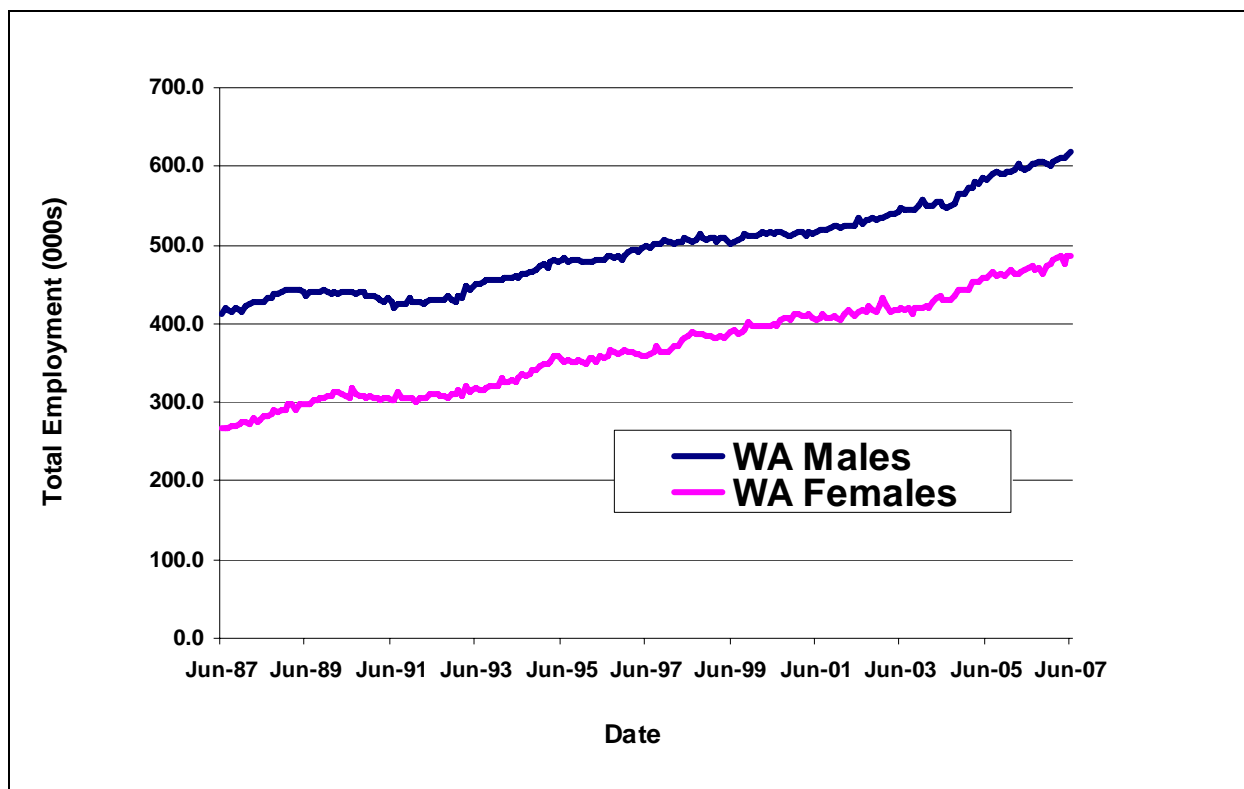
In June 2007 there were 619,300 employed males in Western Australia - an increase of 19,800 (or 3.3%) from a year earlier. At the same time there were 486,400 employed females in Western Australia - an increase of 16,100 (or 3.4%) from a year earlier.

Table 6 – WA Employment Growth - by Sex (Seasonally adjusted)

	<i>Mar-2006</i>	<i>Mar-2007</i>	<i>% Increase</i>
<i>WA Males</i>	599,500	619,300	3.3
<i>WA Females</i>	470,300	486,400	3.4
<i>Total</i>	1,069,800	1,105,700	3.4

Source: ABS Cat. 6202.0

Chart 4 – WA Employment Growth – by Sex – 1987-2007



3.2 Unemployment

In the June quarter 2007 the seasonally adjusted unemployment rate in Western Australia stood at 2.8% in April, 3.3% in May and 3.7% in June, and was the second lowest of the States.

Nationally, the seasonally adjusted unemployment rate was 4.2% in April, May and June.

Table 7 - Unemployment Rate by State (Seasonally adjusted - %)

	<i>April-2007</i>	<i>May-2007</i>	<i>June-2007</i>
WA	2.8	3.3	3.7
NSW	5.0	4.9	4.7
VIC	4.7	4.7	4.7
QLD	3.4	3.4	3.5
SA	5.2	4.7	4.8
TAS	5.2	4.3	5.3
AUS	4.2	4.2	4.2

Source: ABS Cat. 6202.0

3.3 Youth Unemployment

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

In the June quarter 2007 Western Australia maintained a youth unemployment rate substantially below the other States, recording figures of 8.8% in April, 8.2% in May and 10.4% in June.

Nationally, the youth unemployment rate was 16.8%, 18.3% and 17.8% respectively during the same period.

Table 8 - Youth Unemployment Rate by State (%) *

	<i>April-2007</i>	<i>May-2007</i>	<i>June-2007</i>
WA	8.8	8.2	10.4
NSW	19.6	26.5	25.1
VIC	18.7	18.5	17.6
QLD	13.6	12.6	13.0
SA	25.1	25.3	24.6
TAS	26.6	19.6	20.9
AUS	16.8	18.3	17.8

Source: ABS Cat. 6202.0

* Youth unemployment figures are derived from original data and are therefore subject to considerable variation from month to month.

3.4 Participation Rate

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

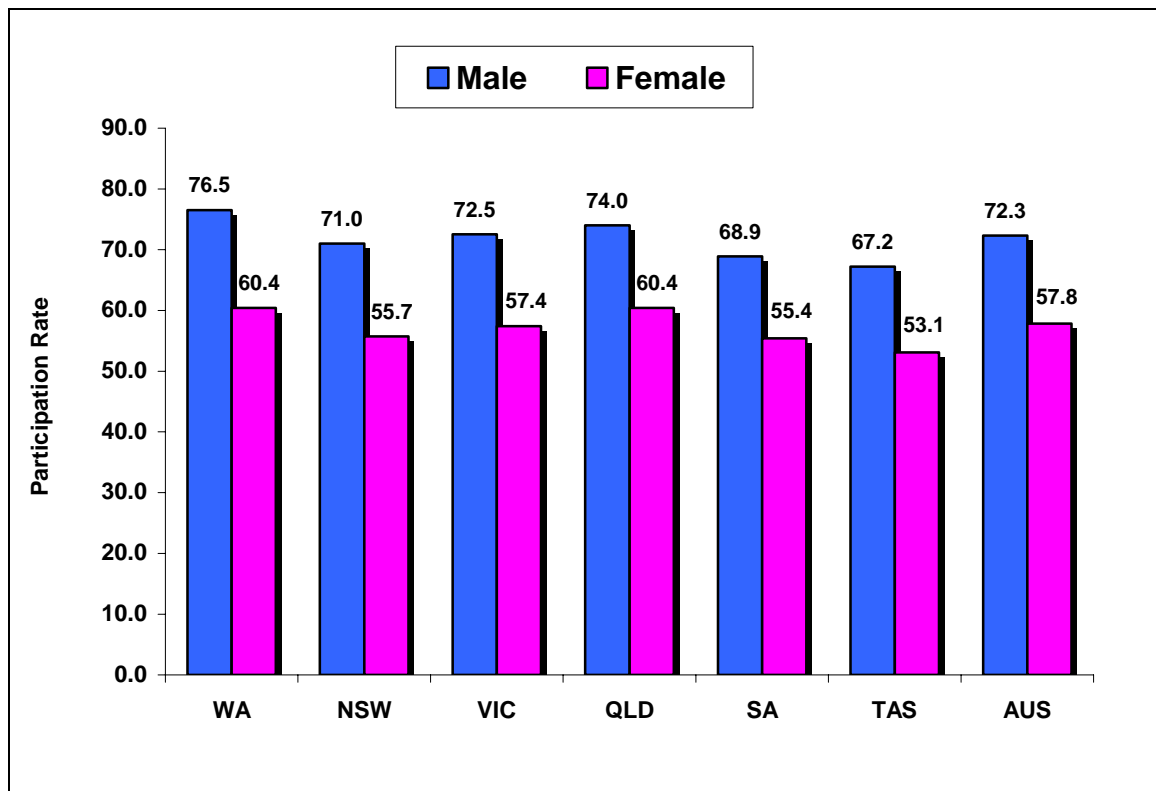
In the June quarter 2007 Western Australia maintained a high level of labour force participation, recording rates of 66.9% in April, 67.9% in May and 68.4% in June.

Table 9 - Participation Rate by State (seasonally adjusted - %)

	<i>April-2007</i>	<i>May-2007</i>	<i>June-2007</i>
WA	66.9	67.9	68.4
NSW	63.0	63.3	63.2
VIC	65.1	65.0	64.8
QLD	67.3	67.1	67.1
SA	62.0	62.1	62.0
TAS	60.2	60.0	60.0
AUS	64.9	65.0	64.9

Source: ABS Cat. 6202.0

Chart 5 – Male/Female Participation Rates by State – Seasonally Adjusted – Month of June 2007 (%)



4. INDUSTRIAL DISPUTES

The level of industrial disputation in Western Australia eased in the June quarter 2007, and remains very low by historical standards. The number of working days lost per thousand employees in Western Australia eased to 0.4 in the June quarter 2007, down from the March quarter figure of 0.5.

Chart 6 - Working days lost per 1000 employees - 1997 to 2007

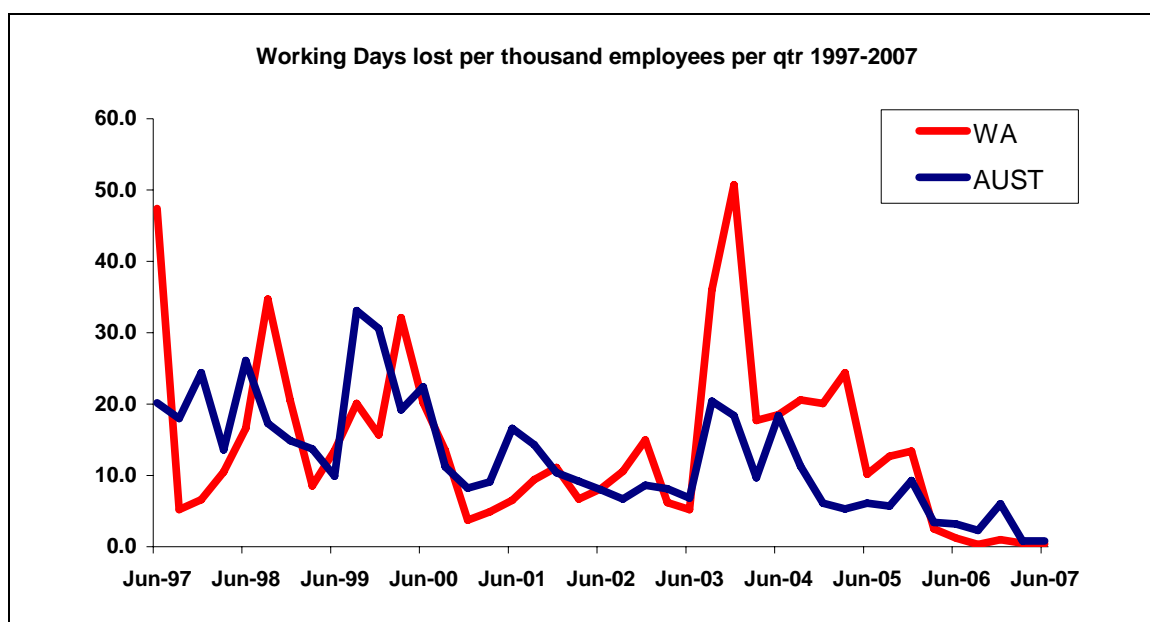


Table 10 – Industrial Disputes – June Quarter 2007

	<i>Days lost per 1000 employees</i>	<i>Total working days lost²</i>
WA	0.4	400
NSW	0.6	1,700
VIC	1.2	2,800
QLD	0.8	1,600
SA	1.0	600
TAS	0	0
NT	0	0
ACT	0	0
AUS	0.8	7,100

Source: ABS Cat. 6321.0.55.001

The Australian Bureau of Statistics publishes quarterly figures on industrial disputation. The key indicator *working days lost per thousand employees* is averaged over the quarter and figures for total working days lost are aggregated for each quarter.

² Rounded to the nearest one hundred.

5. AGREEMENT MAKING

5.1 Enterprise Bargaining Agreements

In the June quarter 2007 the WAIRC registered a total of twenty-seven EBAs, covering 13,502 employees. This compares to a total of eighteen EBAs registered in the March quarter 2007, covering a total of 7,574 employees.

Sixteen of the agreements registered in the June quarter 2007 were in the private school sector, and the remaining eleven were public sector agreements.

Twenty-three of the agreements registered in the June quarter 2007 contained quantifiable wage outcomes. The average annualised wage increase (AAWI) **per employee** for the June quarter 2007 was 3.5%. This is the same rate recorded for the March quarter 2007.

The AAWI **per agreement** was 3.6% and is the same rate recorded in the March quarter.

Table 11 – EBAs Registered with the WAIRC

	<i>No. of Agreements Registered</i>	<i>No. of Employees Covered</i>	<i>AAWI Per Employee</i>
<i>Jun Qtr 2007</i>	27	13,502	3.5%
<i>Mar Qtr 2007</i>	18	7,574	3.5%
<i>Dec Qtr 2006</i>	6	17,251	4.3%
<i>Sep Qtr 2006</i>	15	35,788	4.3%

Source: Labour Relations DOCEP Database

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.

NEWS AT HAND

Daylight saving 2007 - 2008

Daylight saving will begin at 2am Western Standard Time on Sunday 28 October 2007, and end at 2am Western Standard Time (3am summer time) on Sunday 30 March 2008.

Employers need to consider arrangements for the payment of wages for employees affected by changes to their hours of work as a result of daylight saving.

Employees most likely to be impacted are those who work shifts at change over to and from daylight saving – these workers will include health and aged care, cleaning, security, hotels, metals manufacturing, clothing workers, road workers and any other businesses that operate 24/7. These employees will generally work one hour less at the time of introduction, and one hour more at cessation of daylight saving.

In the absence of specific provisions relating to daylight saving, the parties to awards and agreements may wish to adopt industry standards or develop their own procedures to deal fairly with employees. Employers and employees also need to check the relevant award or agreement to see if there are provisions relating to daylight saving.

Whatever arrangements are put in place, it is important for employers to communicate with their employees so that they know what will happen on the changeover dates.

For more information contact Wageline on **1300 655 266**.

Unfair dismissal could affect 250,000 workers

As a consequence of Work Choices, more than one in four Western Australian employees have no recourse if unfairly dismissed.

In September 2007 the Fair Employment Advocate Helen Creed released a discussion paper highlighting the impact of changes in Federal unfair dismissal laws on Western Australian workers.

Ms Creed claimed:

“This is not a case of employees being vulnerable or naïve. The fact is an employer of a constitutional corporation with less than 100 employees can dismiss staff without explanation, and those employees can’t do a thing about it.”

Ms Creed said some of the situations described by people who have contacted the Fair Employment Advocate were truly shocking - like the case of 17 year old Hannah Burrowes who was sacked by text message for no reason and without explanation.

The discussion paper is designed to stimulate debate about the core values Western Australians expect in a workplace relations system.

To obtain a copy of the discussion paper visit www.fairemployment.wa.gov.au or contact (08) 9222 7703.



Photo: Helen Creed and Hannah Burrowes address the media at the launch of the Unfair Dismissal paper.