



Department of Consumer  
and Employment Protection  
Government of Western Australia

Labour Relations Division

# **Western Australian Labour Market Bulletin**

**Issue 20**  
**September Quarter 2007**

## FOREWORD

Western Australia's resilient labour market continued to lead the nation in the September 2007 quarter - most notably through sustained low unemployment and comparably high participation rates.

Strong labour demand across most industries contributed to Western Australia's low unemployment rate, while youth unemployment dipped below 10% in July 2007. Meanwhile, Western Australia's labour force participation rate remained steady at 68.8% throughout the September quarter.

Western Australia's tight labour market has contributed to moderate wages growth – the State's Wage Price Index<sup>1</sup> (WPI) rose by 1.8% in the September quarter 2007. The 2006-2007 Labour Price Index was also released, with WA recording a 4.7% growth over the financial year.

Average Weekly Ordinary Time Earnings (AWOTE) in WA rose by 1.2% in the August quarter 2007 - down from 2.1% in the previous quarter.

Inflation in Perth continued to track above the national average during the reporting period. The Perth CPI rose by 0.6% in the September quarter 2007, down from the 1.4% recorded in the June quarter. The annual inflation rate for Perth for the year to September 2007 was 2.6%, compared with the national rate of 1.9%

The number of working days lost per thousand employees in WA increased from 0.4 to 0.9 in the September quarter 2007 but remained below the national figure of 1.2 days lost per thousand employees. Most States and Territories recorded low levels of industrial disputation during this period. WA accounted for only 900 of the 11,300 total days lost to industrial action throughout Australia between July and September 2007.

The WA Industrial Relations Commission (WAIRC) registered a total of 19 enterprise bargaining agreements (EBAs) in the September quarter 2007. These paid an average annualised wage increase (AAWI) per employee of 4.1%. Most of the agreements registered were in public sector.

### Summary of key WA results for the September quarter 2007

AWOTE (August quarter 2007)	1.2%
WPI	1.8%
LPI (2006-2007 financial year)	4.7%
CPI (Perth)	0.6%
Unemployment rate (average for quarter)	3.3%
Industrial Disputes (days lost per thousand employees)	0.9
No. of EBAs registered	19
AAWI per employee for EBAs registered	4.1%

<sup>1</sup> 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 \$1,184.70 per week in the August quarter 2007. WA AWOTE grew by 1.2% during the quarter and 5.7% over the year to August 2007. Nationally, AWOTE grew by 1.0% during the quarter and 4.9% over the year.

Western Australia had the highest average earnings amongst the States in the August quarter 2007. In contrast, Tasmanian workers continue to earn less on average than the other States, recording AWOTE of \$1,000.20 per week during the same period.

Chart 1 - WA AWOTE - Seasonally adjusted (%)

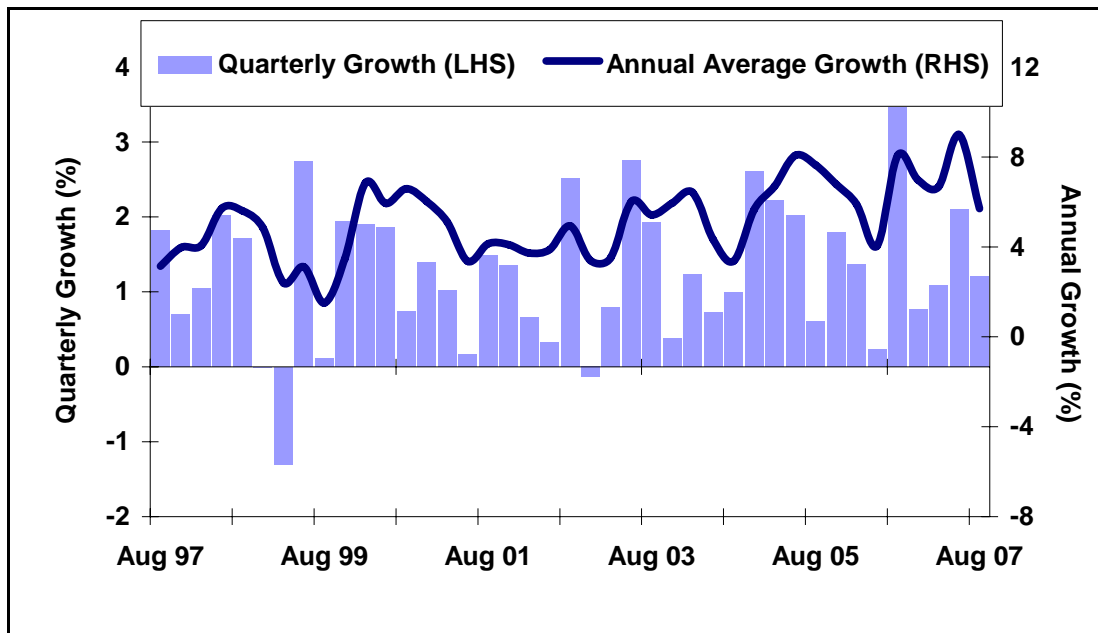


Table 1 - AWOTE by State and Territories (seasonally adjusted)

	August Qtr 2007	Quarterly growth	Annual growth
WA	\$1184.70	1.2%	5.7%
NSW	\$1140.10	0.9%	4.6%
VIC	\$1092.90	1.6%	5.7%
QLD	\$1033.20	1.2%	4.1%
SA	\$1028.40	1.2%	3.9%
TAS	\$1000.20	- 0.6%	6.7%
NT	\$1058.40	1.6%	2.3%
ACT	\$1279.80	- 0.6%	2.5%
AUS	\$1102.40	1.0%	4.9%

Source: ABS Cat. 6302.0

## 1.2 Labour Price Index

**NB - This edition of the Bulletin contains figures for the Wage Price Index (WPI) in the September quarter 2007, as well as the full Labour Price Index (LPI) for the 2006/2007 financial year.**

In WA the WPI increased by 1.8% in the September quarter 2007, up marginally from the 1.7% increase recorded for the June quarter 2007. Nationally the WPI increased by 1.3%, up from the 0.8% movement recorded in the previous quarter.

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

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT	AUS
<b>All</b>	<b>1.8</b>	1.3	1.0	1.2	1.8	1.1	0.8	1.5	<b>1.3</b>
<b>Private</b>	<b>2.2</b>	1.1	1.1	0.9	2.0	1.1	1.0	1.2	<b>1.2</b>
<b>Public</b>	<b>0.7</b>	2.0	0.6	2.3	0.9	1.2	0.5	1.6	<b>1.6</b>

Source: ABS Cat. 6345.0

The annual WPI growth in WA increased by 5.7% in the 12 months to September 2007, up 0.6 percentage points from the annual increase recorded in the June quarter 2007. In the 12 months to September 2007, WA's WPI increased by 6.0% in the private sector and by 5.2% in the public sector.

Western Australia recorded the highest annual WPI growth (5.7%) in the year to September 2007. The Northern Territory recorded the lowest annual growth (3.6%).

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

Sector	WA	NSW	VIC	QLD	SA	TAS	NT	ACT	AUS
<b>All</b>	<b>5.7</b>	3.9	3.7	4.5	4.8	4.1	3.6	4.2	<b>4.2</b>
<b>Private</b>	<b>6.0</b>	3.8	3.7	4.2	5.0	4.0	5.2	4.3	<b>4.2</b>
<b>Public</b>	<b>5.2</b>	4.1	3.7	5.4	4.1	4.5	1.7	4.2	<b>4.4</b>

Source: ABS Cat. 6345.0

Western Australia recorded an overall LPI increase of 4.7% in the 2006/2007 financial year, above the average national increase of 3.8%.

**Table 4 - LPI (Excluding Bonuses) – % change from previous financial year**

	WA	NSW	Vic	Qld	SA	Tas	NT	ACT	AUST
<b>All Sectors</b>	4.7	3.5	3.4	4.2	4.1	4.0	3.6	4.0	3.8
<b>Private Sector</b>	4.8	3.4	3.2	4.1	3.8	3.8	3.5	3.5	3.6
<b>Public Sector</b>	4.4	4.1	3.8	4.4	4.4	4.5	3.9	4.3	4.1

Western Australia's LPI result was largely driven by increases in wages. Changes in annual and public holiday expenditure and superannuation expenditure are closely linked to wages movements. Expenditure on payroll tax and workers' compensation typically fluctuate more from year to year and State to State, depending on government regulation and general economic conditions.

Table 5 – LPI Component Indices – % change from previous financial year

	<b>WA</b>	<b>NSW</b>	<b>Vic</b>	<b>Qld</b>	<b>SA</b>	<b>Tas</b>	<b>NT</b>	<b>ACT</b>	<b>AUST</b>
<b>Wages<sup>2</sup></b>	4.7	3.8	3.6	4.5	3.9	4.3	3.9	4.1	4.0
<b>Annual and public holiday leave</b>	5.3	3.8	3.8	4.5	4.1	4.3	3.8	4.1	4.0
<b>Superannuation</b>	5.1	3.9	3.7	4.6	4.1	4.2	4.0	4.2	4.2
<b>Pay roll tax</b>	5.7	4.1	1.2	3.5	4.5	4.8	2.7	4.1	3.5
<b>Workers Comp</b>	-3.6	-7.7	-2.3	-8.6	5.4	-3.5	-8.5	-0.6	-4.8

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.**

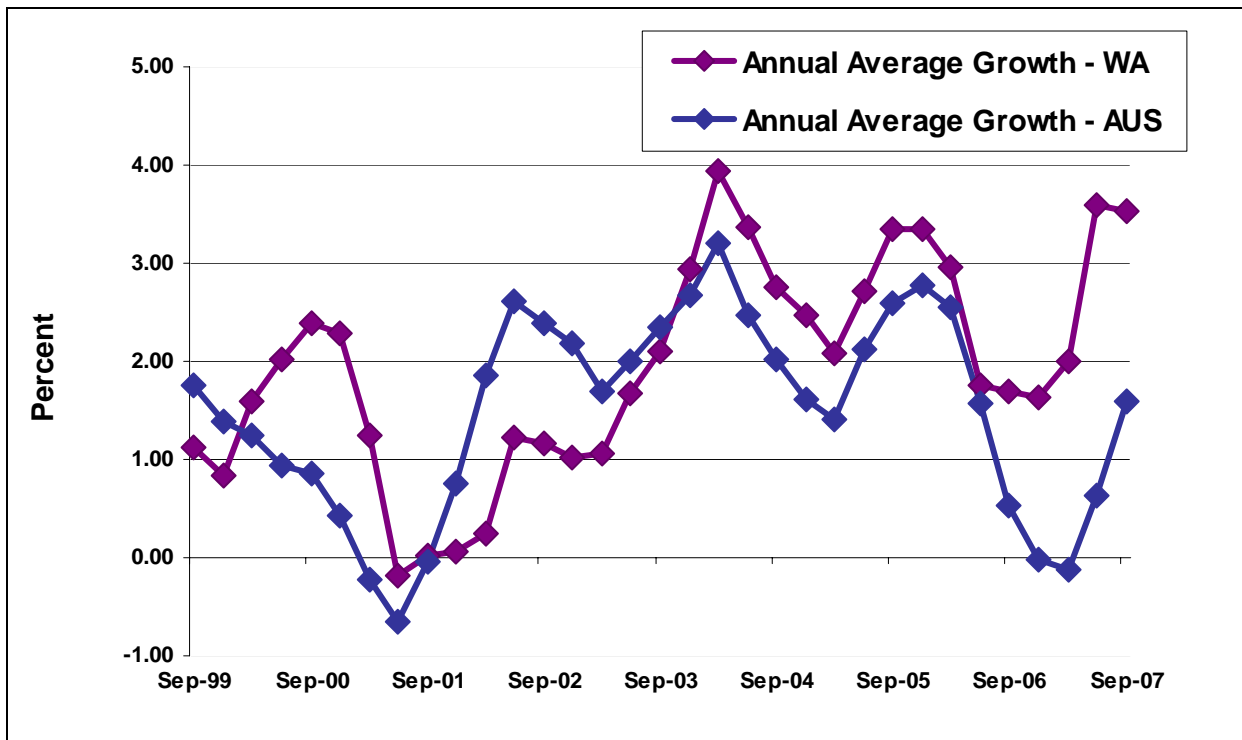
<sup>2</sup> Refers to total hourly rates of pay excluding bonuses.

### 1.3 Real Wages

In the September quarter 2007, the annual average rate of real wages growth in WA decreased marginally from 3.59% to 3.57%. During the same period, Australian real wages growth increased from 0.63% to 1.63% in annual average terms.

Western Australia has now recorded 25 consecutive quarters of positive real wages growth.

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



**Table 5 – Real Wages Growth – WA v AUS – Annual Average %**

	<b>WA</b>	<b>AUS</b>
<b>Sept Qtr 2007</b>	<b>3.57</b>	<b>1.63</b>
<b>Jun Qtr 2007</b>	<b>3.59</b>	<b>0.63</b>
<b>Mar Qtr 2007</b>	<b>2.00</b>	<b>-0.12</b>
<b>Dec Qtr 2006</b>	<b>1.64</b>	<b>-0.02</b>

Source: ABS Cat. 6302.0, 6401.0

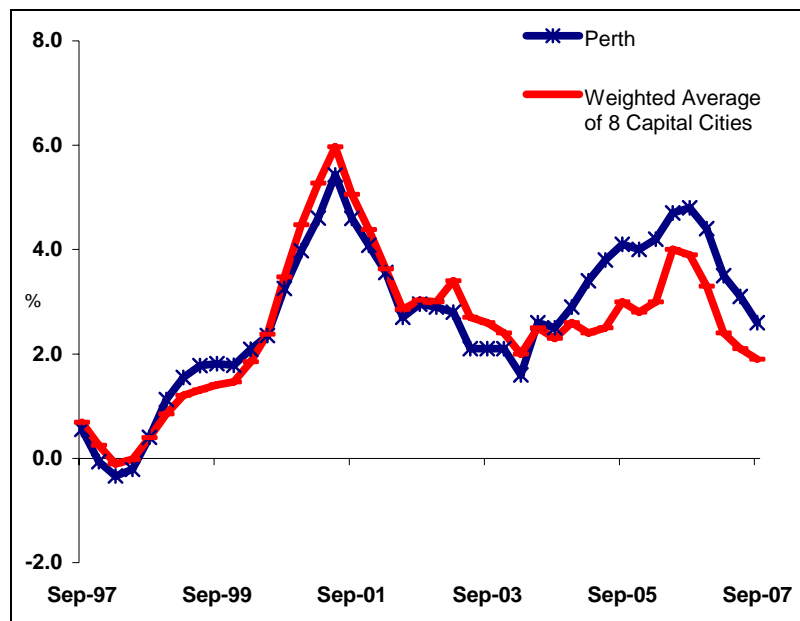
Real wages growth compares AWOTE figures with the Consumer Price Index (CPI) to determine the growth or decline of wages in real terms.

## 2. INFLATION

The inflation rate for Perth was 0.6% for the September quarter 2007, down from the June quarter 2007 rate of 1.4%. The Consumer Price Index (CPI) increased in all capital cities for the September quarter 2007.

The annual inflation rate for Perth for the year to September 2007 was 2.6%, down from 3.1% recorded in the year to June 2007. The annual inflation rate across the eight capital cities was 1.9% in the year to September 2007, down from 2.1% in the year to June 2007.

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



**Table 6 – Consumer Price Index – September Quarter 2007 (%)**

	<i>Quarterly growth</i>	<i>Annual growth</i>
<b>Perth</b>	<b>0.6</b>	<b>2.6</b>
<b>Sydney</b>	<b>0.4</b>	<b>1.3</b>
<b>Melbourne</b>	<b>0.8</b>	<b>2.1</b>
<b>Brisbane</b>	<b>0.9</b>	<b>2.7</b>
<b>Adelaide</b>	<b>0.7</b>	<b>1.4</b>
<b>Hobart</b>	<b>0.3</b>	<b>1.8</b>
<b>Darwin</b>	<b>1.2</b>	<b>3.2</b>
<b>Canberra</b>	<b>0.8</b>	<b>2.1</b>
<b>8 Capitals</b>	<b>0.7</b>	<b>1.9</b>

Source: ABS Cat. 6401.0

## 3. EMPLOYMENT

### 3.1 Employment Growth

By the end of the September quarter 2007 total employment in Western Australia had grown to 1,118,900 persons on a seasonally adjusted basis. Of the total workforce 798,500 persons (or 71.4%) were employed on a full time basis, while 320,400 persons (or 28.6%) were employed on a part time basis.

Full time employment in Western Australia rose by 4.2% in the year to September 2007, while part time employment rose by 1.8%.

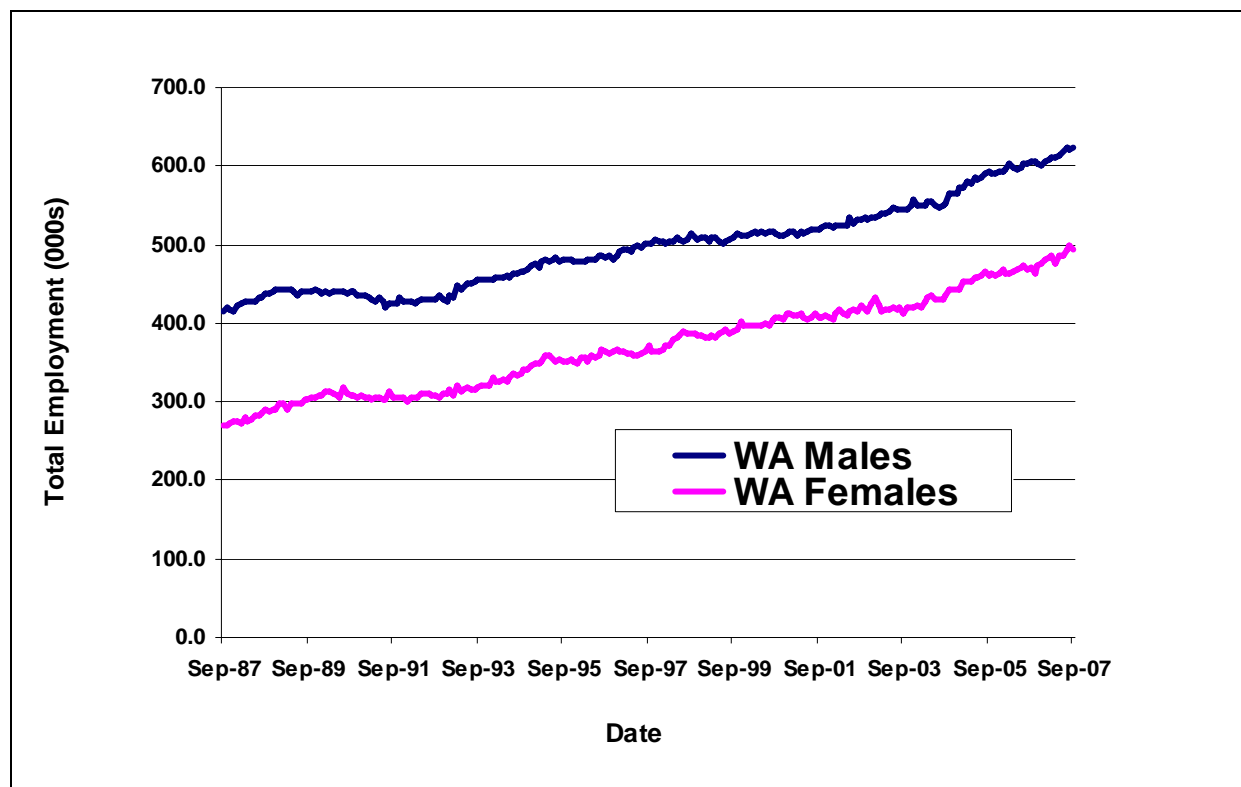
In September 2007 there were 624,100 employed males in Western Australia - an increase of 15,700 (or 2.6%) from a year earlier. At the same time there were 494,800 employed females in Western Australia - an increase of 21,900 (or 4.6%) from a year earlier.

**Table 7 – WA Employment Growth - by Sex (seasonally adjusted)**

	<i>Sept-2006</i>	<i>Sept-2007</i>	<i>% Increase</i>
<i>WA Males</i>	<b>608,400</b>	<b>624,100</b>	<b>2.6</b>
<i>WA Females</i>	<b>472,900</b>	<b>494,800</b>	<b>4.6</b>
<i>Total</i>	<b>1,081,300</b>	<b>1,118,900</b>	<b>3.5</b>

Source: ABS Cat. 6202.0

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



### 3.2 Unemployment

In the September quarter 2007 the seasonally adjusted unemployment rate in Western Australia stood at 3.3% in July, 3.2% in August and 3.5% in September. This was the lowest of all States.

Nationally, the seasonally adjusted unemployment rate was 4.3% in both July and August, and 4.2% in September.

**Table 8 - Unemployment Rate by State (Seasonally adjusted - %)**

	<i>July-2007</i>	<i>August-2007</i>	<i>September-2007</i>
<b>WA</b>	<b>3.3</b>	<b>3.2</b>	<b>3.5</b>
<b>NSW</b>	<b>4.4</b>	<b>4.7</b>	<b>4.2</b>
<b>VIC</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>
<b>QLD</b>	<b>3.7</b>	<b>3.6</b>	<b>3.7</b>
<b>SA</b>	<b>5.0</b>	<b>4.7</b>	<b>4.7</b>
<b>TAS</b>	<b>4.9</b>	<b>5.3</b>	<b>4.9</b>
<b>AUS</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>

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 any given month.

In the September quarter 2007 Western Australia maintained a comparably low youth unemployment rate - recording figures of 7.9% in July, 12.6% in August and 10.5% in September.

Nationally, the youth unemployment rate was 15.7%, 17.0% and 16.6% respectively during the same period.

**Table 9 - Youth Unemployment Rate by State (%) \***

	<i>July-2007</i>	<i>August-2007</i>	<i>September-2007</i>
<b>WA</b>	<b>7.9</b>	<b>12.6</b>	<b>10.5</b>
<b>NSW</b>	<b>24.7</b>	<b>21.6</b>	<b>19.3</b>
<b>VIC</b>	<b>16.2</b>	<b>19.9</b>	<b>18.6</b>
<b>QLD</b>	<b>9.4</b>	<b>11.9</b>	<b>13.2</b>
<b>SA</b>	<b>17.2</b>	<b>20.1</b>	<b>23.3</b>
<b>TAS</b>	<b>28.1</b>	<b>17.2</b>	<b>25.6</b>
<b>AUS</b>	<b>15.7</b>	<b>17.0</b>	<b>16.6</b>

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.

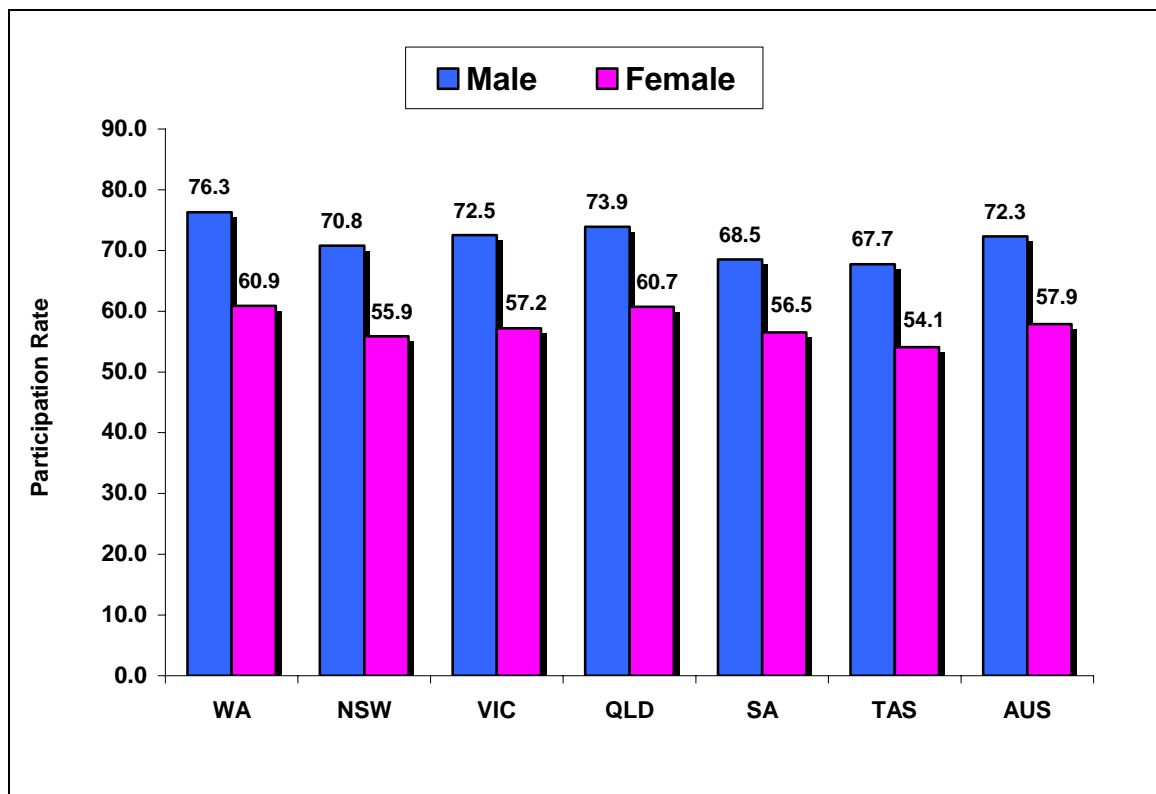
In the September quarter 2007 Western Australia maintained a high level of labour force participation, recording a rate of 68.8% in July, August and September.

**Table 10 - Participation Rate by State (seasonally adjusted - %)**

	<i>July-2007</i>	<i>August-2007</i>	<i>September-2007</i>
<b>WA</b>	<b>68.8</b>	<b>68.8</b>	<b>68.8</b>
<b>NSW</b>	<b>63.1</b>	<b>63.1</b>	<b>63.2</b>
<b>VIC</b>	<b>64.8</b>	<b>65.1</b>	<b>64.7</b>
<b>QLD</b>	<b>66.9</b>	<b>67.0</b>	<b>67.2</b>
<b>SA</b>	<b>61.9</b>	<b>62.6</b>	<b>62.4</b>
<b>TAS</b>	<b>60.4</b>	<b>60.6</b>	<b>60.7</b>
<b>AUS</b>	<b>65.0</b>	<b>65.1</b>	<b>65.0</b>

Source: ABS Cat. 6202.0

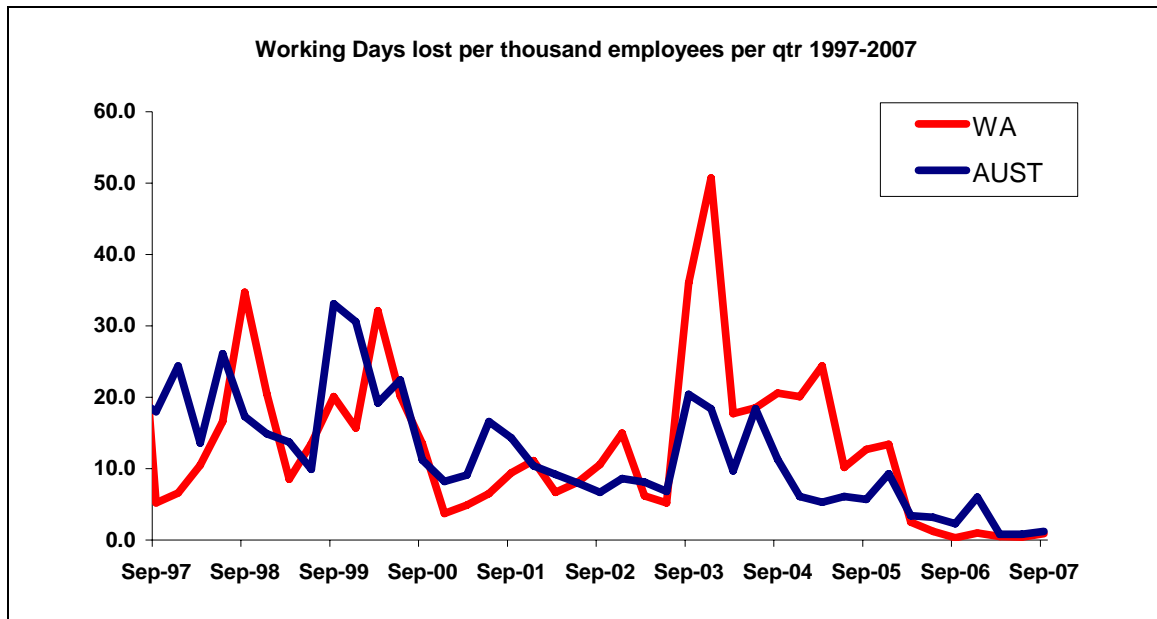
**Chart 5 – Male/Female Participation Rates by State – Seasonally Adjusted – Month of September 2007 (%)**



## 4. INDUSTRIAL DISPUTES

The level of industrial disputation in Western Australia increased in the September quarter 2007 - but remained low by historical standards. The number of working days lost per thousand employees in Western Australia rose to 0.9 in the September quarter 2007, up from the June quarter figure of 0.4.

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



**Table 11 – Industrial Disputes – September Quarter 2007**

	<i>Days lost per 1000 employees</i>	<i>Total working days lost</i> <sup>3</sup>
<b>WA</b>	<b>0.9</b>	<b>900</b>
<b>NSW</b>	<b>1.2</b>	<b>3,600</b>
<b>VIC</b>	<b>2.8</b>	<b>6,400</b>
<b>QLD</b>	<b>0.2</b>	<b>300</b>
<b>SA</b>	<b>0.2</b>	<b>100</b>
<b>TAS</b>	<b>0.1</b>	<b>0</b>
<b>NT</b>	<b>0</b>	<b>0</b>
<b>ACT</b>	<b>0</b>	<b>0</b>
<b>AUS</b>	<b>1.2</b>	<b>11,300</b>

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.

<sup>3</sup> Rounded to the nearest one hundred.

## 5. AGREEMENT MAKING

### 5.1 Enterprise Bargaining Agreements

In the September quarter 2007 the WAIRC registered a total of 19 EBAs, covering 4,230 employees. This compares to a total of 27 EBAs registered in the June quarter 2007, covering a total of 13,502 employees.

18 agreements registered in the September quarter 2007 related to public sector employment.

16 agreements registered in the September quarter 2007 contained quantifiable wage outcomes. The average annualised wage increase (AAWI) **per employee** for the September quarter 2007 was 4.1%. This is higher than the rate recorded for the June quarter (3.5%).

The AAWI **per agreement** was 3.9% - moderately higher than the 3.6% recorded in the June quarter.

**Table 12 – EBAs Registered with the WAIRC**

	<i>No. of Agreements Registered</i>	<i>No. of Employees Covered</i>	<i>AAWI Per Employee</i>
<i>Sep Qtr 2007</i>	19	4,230	4.1%
<i>Jun Qtr 2007</i>	27	13,502	3.5%
<i>Mar Qtr 2006</i>	18	7,574	3.5%
<i>Dec Qtr 2006</i>	6	17,251	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



*Dedicated newsletter explores work life balance in WA*

In today's working environment there is a growing acceptance of the need to provide support and flexibility for employees to balance their work and lifestyle commitments.

Work life balance initiatives offer demonstrable benefits for employers in attracting and retaining valued employees, and are a valuable tool for enabling more employees to effectively participate in paid employment. Such initiatives are all the more important in a tight labour market with skills shortages and low unemployment.

Tipping the Scales is an online newsletter focussed on current work life balance trends and initiatives in Australia, with a particular focus on WA. As well as exploring contemporary issues confronting employers and employees, it is intended that future editions will profile examples of effective (and not so effective) work life balance experiences.

As part of this process DOCEP is keen to hear about work practices currently being used to help people balance their work and lifestyle demands.

If your organisation offers flexible working arrangements or work life balance initiatives, why not drop us a line and share your story. Positive and negative experiences are welcome, and company details can remain anonymous if requested.

For further information or to contribute to this publication please contact:

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The first edition of Tipping the Scales can be viewed [here](#).

**2008 public holiday reminder**

The following days will be observed as public holidays in 2008.

<b><i>Public Holiday</i></b>	<b><i>Date</i></b>
<b>New Year's Day</b>	<b>Tuesday 1 January</b>
<b>Australia Day</b>	<b>Monday 28 January</b>
<b>Labour Day</b>	<b>Monday 3 March</b>
<b>Good Friday</b>	<b>Friday 21 March</b>
<b>Easter Monday</b>	<b>Monday 24 March</b>
<b>Anzac Day</b>	<b>Friday 25 April</b>
<b>Foundation Day</b>	<b>Monday 2 June</b>
<b>Queen's Birthday <sup>#</sup></b>	<b>Monday 29 September</b>
<b>Christmas Day</b>	<b>Thursday 25 December</b>
<b>Boxing Day</b>	<b>Friday 26 December</b>

<sup>#</sup> Non-metropolitan local authorities may celebrate the Queen's Birthday Public Holiday on an alternative date.