



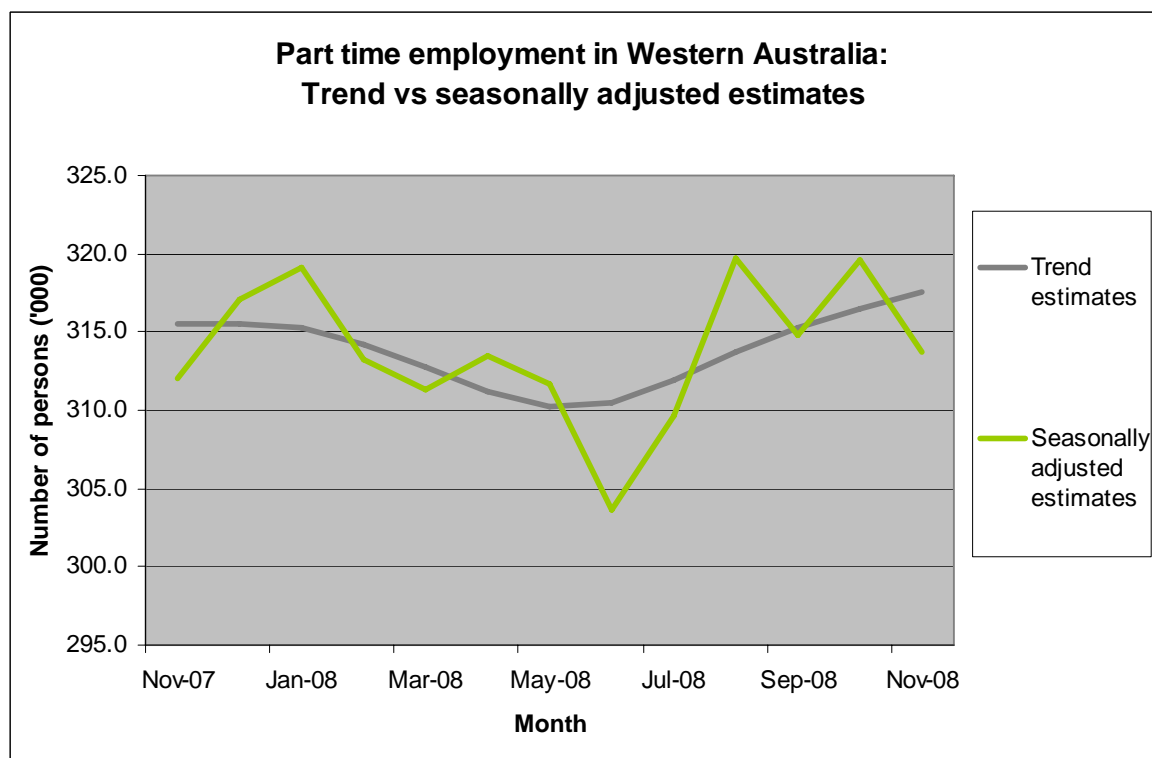
The Western Australian Labour Market Bulletin Christmas Edition 2008

Employment

Total employment in Western Australia continued to grow steadily in November 2008, reaching 1,171,723 persons. This consists of 661,253 males and 510,469 females in employmentⁱ.

Since the release of these employment figures by the Australian Bureau of Statistics (ABS) on 11 December 2008, a number of media reports have drawn attention to the apparent fall in the number of people in part time workⁱⁱ. Media reports often rely on the seasonally adjusted estimates. When dealing with a small population like Western Australia it is important to be aware of the volatility that can appear in seasonally adjusted estimates.

The following graph of part time employment numbers in Western Australia demonstrates the volatility of seasonally adjusted estimates compared to trend estimates. In November 2008 trend estimates indicate an increase in part time employment (of 1,000 people), while seasonally adjusted estimates show a significant decrease in the number of part time employees (5,800 people).



In line with advice from the ABS, the Department of Consumer and Employment Protection generally reports on trend data.

Employment

The proportion of people employed by each industry changed marginally in the September quarter. The same five industries continue to employ more than 50 per cent of the Western Australian workforce: Retail; Property and Business Services; Construction; Health and Community Services; and Manufacturingⁱⁱⁱ.

Unemployment remained very low in Western Australia with 2.6 per cent recorded in November 2008. This compares favourably with the national unemployment rate (4.3 per cent and all other states^{iv}).

Western Australia's **participation rate** remained above the national average and above all other states. Western Australia's participation rate remained constant at 69.0 per cent in November 2008, compared to the 65.1 per cent recorded nationally^v.

Wages

In the September quarter 2008 Western Australia continued to record strong wages growth relative to national outcomes. The **Wage Price Index (WPI)** for all sectors in Western Australia was 1.3 per cent for the quarter and 5.1 per cent in the year to September 2008. By comparison, the national WPI was 1.2 per cent for the quarter and 4.1 per cent for the year to September 2008.

Western Australian **Average Weekly Ordinary Time Earnings (AWOTE)** remained above the national figure in the September quarter 2008. AWOTE reached \$1,292.60 in Western Australia and \$1,145.10 when averaged across Australia^{vi}.

Western Australia's large gap between male and female full time earnings showed no signs of abating, with a **gender pay gap (GPG)** of 27.8 per cent recorded in the September quarter 2008. Western Australia continues to have the largest GPG of all states, and remains well above the national GPG of 16.7 per cent^{vii}.

The September quarter 2008 saw a number of long running bargaining processes end, particularly in the public sector. Overall, 15 state **industrial agreements** covering 27,629 employees were registered during the quarter, resulting in an average annualised wage increase of 5.7 per cent per employee^{viii}.

Industrial Disputes

The level of industrial disputation in Western Australia declined in the September quarter 2008. Just 0.4 days per 1000 employees were lost in the recent quarter, down from 1.4 days per 1000 employees in the June quarter 2008^{ix}.

Glossary

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.

Employment

Employed persons are defined as all persons 15 years of age and over who worked for one hour or more for pay, profit, commission or payment in kind. The definition also includes those working in a family business and those on some form of leave from 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.

Industrial Agreements

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

Industrial Disputes

Industrial disputes are counted 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

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.

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 or
- were waiting to start a new job within four weeks.

The unemployment rate is the number of unemployed people expressed as a percentage of the labour force.

Wage Price Index (WPI)

A measurement of changes in the price of wage costs. 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.

ⁱ Australia Bureau of Statistics (ABS). Cat no 6202.0.55.001 Labour Force, Spreadsheets, Nov 2008. Table 08 Trend data.

ⁱⁱ The Australian Financial Review 13/12/2008 p6 "Part-timers fare worst as jobs disappear". And The West Australian 12/12/2008 p4 "Unemployment rate at year-high 4.4pc but full time work grows".

ⁱⁱⁱ ABS Cat no. 6291.0.55.003 Labour Force, Detailed, Quarterly, Aug 2008. Table 05 Original data.

^{iv} ABS Cat no 6202.0.55.001 Labour Force, Spreadsheets. Nov 2008. Table 08 Trend data

^v Ibid.

^{vi} ABS Cat no 6302.0 Average Weekly Earnings, August 2008. Tables 1 & 11. Trend data.

^{vii} Based on Ibid.

^{viii} Labour Relations Database.

^{ix} ABS Cat no 6321.0.55.001 Industrial Disputes, Australia, Sep 2008 Table 3b.