

Wage Price Index (ABS Cat No 6345.0)

Latest quarter: December quarter 2017

Release date: 21 February 2018

Next release date: 16 May 2018

The Wage Price Index is considered a more meaningful measure of underlying wages growth than average weekly earnings, as it abstracts from structural changes in the labour market (such as the full-time/part-time split and industry shares) to focus on changes in wage rates for specific positions within each selected enterprise.

However, WPI growth rates have tended to display considerable inertia over the business cycle, as some wage growth in specific industries is the result of positions being reclassified, which is one of the factors that is abstracted in constructing the WPI.

Recent performance

The ABS estimated that Tasmanian WPI increased by 0.2 per cent in the December quarter 2017 from the previous quarter, in original terms. This compares to the national increase of 0.5 per cent in the same period.

In the year to the December quarter 2017, the Tasmanian WPI was estimated to have increased by 2.2 per cent compared to the previous year, which is 0.2 of a percentage point greater than the estimated WPI growth nationally over that period (Table 1).

Annual growth in Tasmanian wage rates was lower than the national growth rate from early 2012 to early 2015 (Chart 1). However, since recording equal to national growth in the year to the June quarter 2015, Tasmanian year-average WPI growth has remained slightly higher than nationally.

In the December quarter 2017, Tasmanian private sector wages increased by 0.2 per cent and public sector wages also increased by 0.2 per cent. Nationally, private sector wages increased by 0.4 per cent, while public sector wages increased by 0.6 per cent in the December quarter 2017.

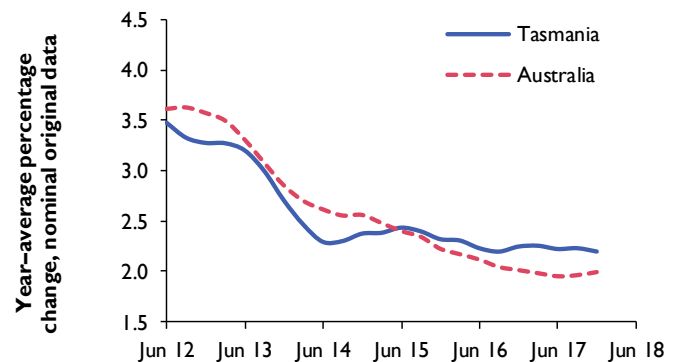
Year-average wage growth in both sectors has been lower in Tasmania in recent years than in mid-2012 (Chart 2). In recent quarters, wage growth in the private sector in Tasmania had been higher than that in the public sector, although the growth rates have converged in the most recent quarter.

Table 1: Total hourly rates of pay excluding bonuses, December quarter 2017 nominal original data

Nominal original data	Index value 2008-09 = 100	Quarterly % change	Year-average % change
NSW	127.2	0.3	2.1
Vic	128.2	0.6	2.2
Qld	127.7	0.6	2.0
SA	128.1	0.5	2.0
WA	128.1	0.3	1.4
Tas	127.9	0.2	2.2
NT	128.0	0.2	1.7
ACT	126.1	0.5	1.9
Aus	127.7	0.5	2.0

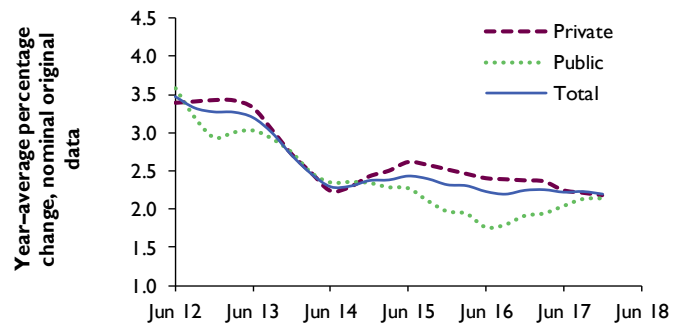
SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLE 2B

Chart 1: Growth in total hourly rates of pay excluding bonuses, Tasmania and Australia, nominal original data



SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLE 2B

Chart 2: Growth in total hourly rates of pay excluding bonuses, Tasmanian public and private sectors, nominal original data



SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLES 3B, 4B

Wage Price Index (ABS Cat No 6345.0)

Latest quarter: December quarter 2017

Table 2: Wage Price Index, Tasmania and Australia, nominal original data

Nominal original data Index: 2008-09 = 100	Tasmania				Australia			
	Dec 16	Jun 17	Sep 17	Dec 17	Dec 16	Jun 17	Sep 17	Dec 17
Total	125.1	126.0	127.6	127.9	125.1	126.1	127.1	127.7
Quarterly (% change)	0.2	0.2	1.3	0.2	0.4	0.4	0.8	0.5
Year-average (% change)	2.2	2.2	2.2	2.2	2.0	2.0	2.0	2.0
Total ordinary time	125.1	125.9	127.6	127.9	125.1	126.1	127.1	127.7
Quarterly (% change)	0.2	0.2	1.4	0.2	0.4	0.4	0.8	0.5
Year-average (% change)	2.2	2.2	2.2	2.2	2.0	2.0	2.0	2.0
Total private sector	125.4	126.0	127.9	128.2	124.5	125.4	126.4	126.9
Quarterly (% change)	0.2	0.2	1.5	0.2	0.3	0.4	0.8	0.4
Year-average (% change)	2.4	2.2	2.2	2.2	1.9	1.8	1.8	1.9
Total public sector	124.4	125.6	126.9	127.2	127.2	128.5	129.5	130.3
Quarterly (% change)	0.3	0.2	1.0	0.2	0.6	0.4	0.8	0.6
Year-average (% change)	1.9	2.0	2.1	2.1	2.3	2.4	2.4	2.4

SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLES 2B, 3B, 4B, 8B

This Data Release is not to be reproduced or altered without the permission of the Economic Analysis Unit.

Contact Details
Economic Analysis Unit
Economic.Analysis@treasury.tas.gov.au

