

Wage Price Index (ABS Cat No 6345.0)

Latest quarter: September quarter 2018

Release date: 14 November 2018

Next release date: 20 February 2019

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 1.4 per cent in the September quarter 2018 from the previous quarter, in original terms. This compares to the national increase of 1.0 per cent in the same period.

In the year to the September quarter 2018, the Tasmanian WPI was estimated to have increased by 2.4 per cent compared to the previous year, which is 0.3 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 mid-2013 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 September quarter 2018, Tasmanian private sector wages increased by 1.9 per cent and public sector wages increased by 0.5 per cent. Nationally, private sector wages increased by 1.0 per cent, while public sector wages increased by 0.9 per cent in the September quarter 2018.

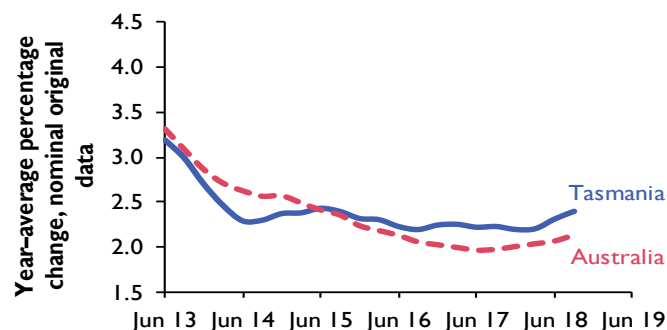
Year-average wage growth in both sectors has been lower in Tasmania in recent years than in mid-2013 (Chart 2). From mid-2015, wage growth in the private sector in Tasmania has been higher than in the public sector, apart from the March and June quarters 2018.

Table 1: Total hourly rates of pay excluding bonuses, September quarter 2018 nominal original data

Nominal original data	Index value 2008-09 = 100	Quarterly % change	Year-average % change
NSW	129.8	1.2	2.2
Vic	130.6	0.8	2.4
Qld	129.9	1.0	2.2
SA	130.3	0.9	2.1
WA	129.7	0.6	1.5
Tas	130.9	1.4	2.4
NT	130.0	0.7	1.4
ACT	128.2	0.8	2.0
Aus	130.0	1.0	2.1

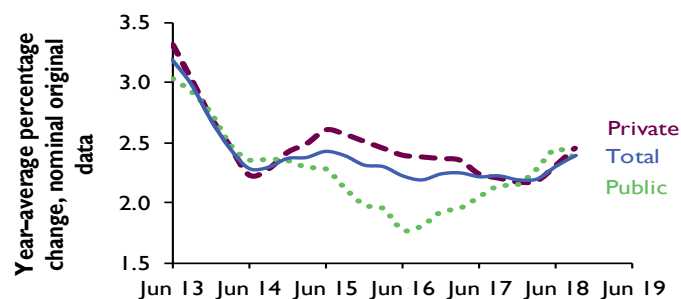
SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLE 2B

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

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

Nominal original data Index: 2008-09 = 100	Tasmania				Australia			
	Sep 17	Mar 18	Jun 18	Sep 18	Sep 17	Mar 18	Jun 18	Sep 18
Total	127.6	128.7	129.1	130.9	127.1	128.2	128.7	130.0
Quarterly (% change)	1.3	0.6	0.3	1.4	0.8	0.4	0.4	1.0
Year-average (% change)	2.2	2.2	2.3	2.4	2.0	2.0	2.1	2.1
Total ordinary time	127.6	128.7	129.1	130.8	127.1	128.2	128.7	130.0
Quarterly (% change)	1.4	0.6	0.3	1.3	0.8	0.4	0.4	1.0
Year-average (% change)	2.2	2.2	2.4	2.4	2.0	2.0	2.1	2.1
Total private sector	127.9	128.7	129.1	131.5	126.4	127.4	127.9	129.2
Quarterly (% change)	1.5	0.4	0.3	1.9	0.8	0.4	0.4	1.0
Year-average (% change)	2.2	2.2	2.3	2.5	1.8	1.9	1.9	2.0
Total public sector	126.9	128.6	128.9	129.5	129.5	131.0	131.5	132.7
Quarterly (% change)	1.0	1.1	0.2	0.5	0.8	0.5	0.4	0.9
Year-average (% change)	2.1	2.3	2.4	2.4	2.4	2.4	2.4	2.4

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

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