

Wage Price Index

Latest quarter: December quarter 2020

Release date: 24 February 2021

Next release date: 19 May 2021

The ABS has noted that JobKeeper and payroll tax changes are outside of the collection scope of the Wage Price Index.

The WPI 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 0.4 per cent in the December quarter 2020 from the previous quarter, in original terms. This was similar to the national increase over that period of 0.5 per cent.

In the year to the December quarter 2020, the Tasmanian WPI was estimated to have increased by 2.0 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).

Since mid-2015, year-average growth in Tasmanian wage rates has remained higher than the national growth rate (Chart 1).

In the December quarter 2020, Tasmanian private sector wages increased by 0.4 per cent and public sector wages increased by 0.1 per cent. Nationally, private wages increased by 0.5 per cent and public sector wages increased by 0.3 per cent in the December quarter 2020.

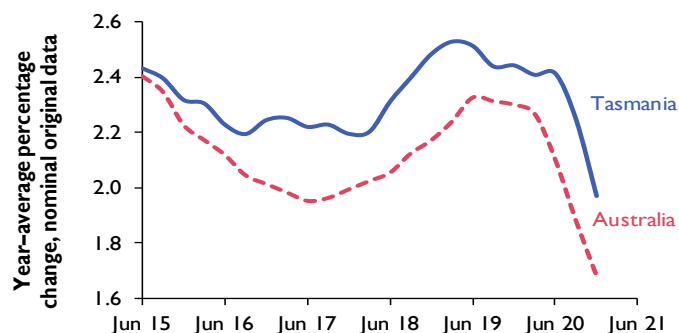
Following a protracted period where it exceeded public sector wage growth in Tasmania, year-average private sector wage growth in Tasmania has fallen since September 2019, while public sector wages have generally risen over that period (Chart 2). The strong increase in Tasmania's public sector WPI since the June quarter 2020 most likely reflects the approval of the most recent state wage agreement, which occurred in February 2020.

Table 1: Total hourly rates of pay excluding bonuses, December quarter 2020 nominal original data

| Nominal original data | Index value 2008-09 = 100 | Quarterly % change | Annual % change | Year-average % change |
|-----------------------|------------------------------|--------------------|-----------------|-----------------------|
| NSW | 134.9 | 0.4 | 1.4 | 1.6 |
| Vic | 136.8 | 0.7 | 1.3 | 1.7 |
| Qld | 135.1 | 0.4 | 1.6 | 1.7 |
| SA | 136.0 | 0.2 | 1.4 | 2.0 |
| WA | 134.2 | 0.4 | 1.4 | 1.6 |
| Tas | 136.6 | 0.4 | 1.5 | 2.0 |
| NT | 136.2 | 0.7 | 1.6 | 2.0 |
| ACT | 133.5 | 0.2 | 1.4 | 1.8 |
| Aus | 135.4 | 0.5 | 1.4 | 1.7 |

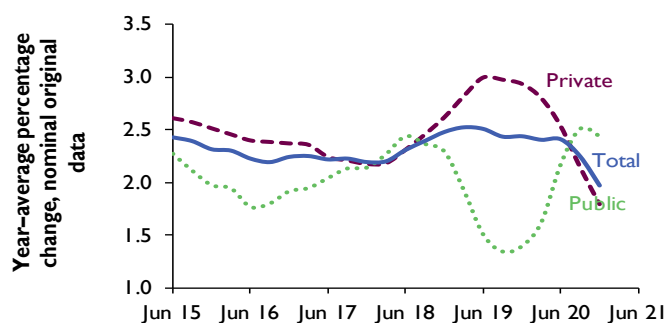
SOURCE: WAGE PRICE INDEX, ABS CAT NO 6345.0: TABLE 2B

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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Latest quarter: December quarter 2020

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

| Nominal original data Index: 2008-09 = 100 | Tasmania | | | | Australia | | | |
|---|----------|--------|--------|--------|-----------|--------|--------|--------|
| | Dec 19 | Jun 20 | Sep 20 | Dec 20 | Dec 19 | Jun 20 | Sep 20 | Dec 20 |
| Total | 134.6 | 135.4 | 136.1 | 136.6 | 133.5 | 134.1 | 134.7 | 135.4 |
| Quarterly (% change) | 0.5 | 0.3 | 0.5 | 0.4 | 0.5 | 0.0 | 0.4 | 0.5 |
| Annual (% change) | 2.6 | 2.4 | 1.6 | 1.5 | 2.2 | 1.7 | 1.4 | 1.4 |
| Year-average (% change) | 2.4 | 2.4 | 2.2 | 2.0 | 2.3 | 2.1 | 1.9 | 1.7 |
| Total ordinary time | 134.5 | 135.4 | 136.1 | 136.5 | 133.5 | 134.1 | 134.7 | 135.3 |
| Quarterly (% change) | 0.5 | 0.4 | 0.5 | 0.3 | 0.5 | 0.0 | 0.4 | 0.4 |
| Annual (% change) | 2.6 | 2.5 | 1.7 | 1.5 | 2.2 | 1.7 | 1.4 | 1.3 |
| Year-average (% change) | 2.4 | 2.4 | 2.3 | 2.0 | 2.3 | 2.1 | 1.9 | 1.7 |
| Total private sector | 135.5 | 136.0 | 136.7 | 137.3 | 132.6 | 133.0 | 133.7 | 134.4 |
| Quarterly (% change) | 0.3 | -0.1 | 0.5 | 0.4 | 0.5 | -0.1 | 0.5 | 0.5 |
| Annual (% change) | 2.7 | 2.1 | 1.2 | 1.3 | 2.2 | 1.7 | 1.3 | 1.4 |
| Year-average (% change) | 2.9 | 2.5 | 2.1 | 1.8 | 2.2 | 2.0 | 1.8 | 1.6 |
| Total public sector | 132.5 | 134.2 | 134.9 | 135.0 | 136.6 | 137.9 | 138.4 | 138.8 |
| Quarterly (% change) | 0.9 | 1.2 | 0.5 | 0.1 | 0.4 | 0.4 | 0.4 | 0.3 |
| Annual (% change) | 2.2 | 3.2 | 2.7 | 1.9 | 2.2 | 2.1 | 1.8 | 1.6 |
| Year-average (% change) | 1.4 | 2.2 | 2.5 | 2.4 | 2.5 | 2.3 | 2.1 | 2.0 |

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

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