

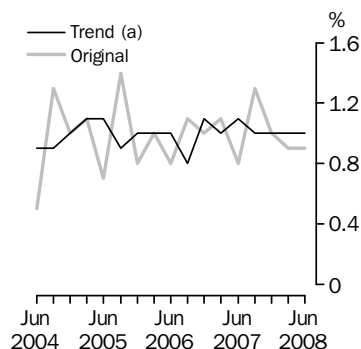
# LABOUR PRICE INDEX

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) WED 13 AUG 2008

## WPI-Quarterly changes

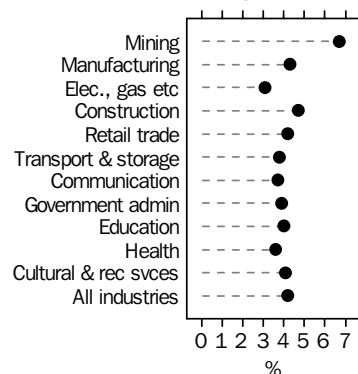
Total hourly rates of pay excluding bonuses



(a) See Explanatory Notes paragraphs 45-46

## WPI-Annual change: original

Total hourly rates of pay excluding bonuses  
For selected industries, Jun Qtr 2008



## INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or David Taylor on Perth (08) 9360 5151.

## KEY FIGURES

	Mar Qtr 2008 to Jun Qtr 2008 % change	Jun Qtr 2007 to Jun Qtr 2008 % change
<b>Wage Price Index (WPI)</b>		
<b>Total hourly rates of pay excluding bonuses</b>		
<b>Trend(a)</b>		
Australia	1.0	4.1
<b>Sector</b>		
Private	1.1	4.3
Public	0.9	3.8
<b>Original</b>		
Australia	0.9	4.2
<b>Sector</b>		
Private	1.0	4.3
Public	0.5	3.8

(a) See Explanatory Notes paragraphs 45-46

## KEY POINTS

### TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES

#### QUARTERLY CHANGE (MAR QTR 2008 TO JUN QTR 2008)

- The index for all employee jobs in Australia increased by 1.0%, in trend terms.
- The increases in indexes (in original terms) at the industry level ranged from 0.1% for Communication services to 2.5% for Mining, compared with 0.9% for all industries.

#### ANNUAL CHANGE (JUN QTR 2007 TO JUN QTR 2008)

- The increase in the trend index through the year to June 2008 for all employee jobs in Australia was 4.1%.
- Increases in the original indexes through the year to June 2008 at the industry level ranged from 2.2% for Accommodation, cafes and restaurants to 6.7% for Mining, compared with 4.2% for all industries.

## NOTES

### FORTHCOMING ISSUES

ISSUE (Quarter)	RELEASE DATE
September 2008	12 November 2008
December 2008	18 February 2009
March 2009	13 May 2009
June 2009	12 August 2009

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### CHANGES IN THIS ISSUE

The trend series has been reinstated in this issue following its suspension in the September quarter 2006 edition of the *Labour Price Index, Australia*. Trend estimates are normally subject to revision as extra quarters are included in the series analysed. From the June quarter 2008 edition of this publication, seasonally adjusted estimates will be derived using autoregressive integrated moving average (ARIMA) modelling in place of the concurrent seasonal analysis methodology previously used. Adoption of ARIMA modelling will reduce the extent of revisions to the seasonally adjusted and trend estimates. For more information on the details of ARIMA modelling, see feature article: 'Use of ARIMA modelling to reduce revisions' in the October 2004 issue of *Australian Economic Indicators* (cat. no. 1350.0).

Seasonally adjusted and trend estimates can be found in Table 1 of this publication for recent quarters. Estimates for the period from September quarter 1997 to date can be found on the ABS website in Time Series Spreadsheets Table 1.

### CHANGES IN FUTURE ISSUES

The wage price indexes for occupation groups will be discontinued after the release of the September quarter 2008 figures. This data appears in Tables 7 and 8 of this publication and in electronic Tables 7a and 7b on the ABS website. Users of this data who are interested in discussing what other wage price index data are available, can contact David Taylor on (08) 9360 5151 or email [labour.price.index@abs.gov.au](mailto:labour.price.index@abs.gov.au).

### ABS DATA AVAILABLE ON REQUEST

Original indexes are compiled for various combinations of state/territory, sector, broad industry group and broad occupation group. Seasonally adjusted and trend indexes are compiled only for total hourly rates of pay excluding bonuses for each of the private sector, public sector and all sectors. Indexes not included in this publication may be made available on request by telephoning David Taylor on Perth (08) 9360 5151.

### FURTHER INFORMATION

More detailed information on the Labour Price Index (LPI) is available in *Labour Price Index: Concepts, Sources and Methods, Australia* (cat. no. 6351.0.55.001).

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### ABBREVIATIONS

ABS Australian Bureau of Statistics  
LPI labour price index  
WPI wage price index

Brian Pink  
Australian Statistician

# CONTENTS

	<i>page</i>
Notes .....	2
Commentary .....	5

## TABLES OF WAGE PRICE INDEXES

### INDEXES OF TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES

<b>1</b> Sector: Original, seasonally adjusted and trend .....	6
<b>2</b> Australia, states and territories, all sectors: Original .....	7
<b>3</b> Australia, states and territories, private sector: Original .....	8
<b>4</b> Australia, states and territories, public sector: Original .....	9
<b>5</b> Sector by industry, index numbers: Original .....	10
<b>6</b> Sector by industry, percentage changes: Original .....	11
<b>7</b> Sector by occupation, index numbers: Original .....	12
<b>8</b> Sector by occupation, percentage changes: Original .....	13

### INDEXES OF HOURLY RATES OF PAY INCLUDING BONUSES

<b>9</b> Sector: Original .....	14
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### INDEXES OF ORDINARY TIME HOURLY RATES OF PAY EXCLUDING BONUSES

<b>10</b> Australia, states and territories: Original .....	15
<b>11</b> Sector by industry, index numbers: Original .....	16
<b>12</b> Sector by industry, percentage changes: Original .....	17

## ADDITIONAL INFORMATION

Explanatory Notes .....	18
Appendix 1: Distribution of expenditure on wages and salaries .....	25
Appendix 2: Summary of non-wage and labour price indexes .....	26
Glossary .....	27



## COMMENTARY

### SECTOR - TREND ESTIMATES

The All sectors quarterly change is 1.0% with the through the year change being 4.1%. Increases in the Private Sector have been greater than the Public sector for each of the most recent four quarters. The through the year change for the Private sector is now 4.3% compared to the Public sector increase of 3.8%.

### STATE

In original terms, the quarterly changes ranged from 0.6% recorded by both South Australia and the Australian Capital Territory, to 1.7% in the Northern Territory. Western Australia recorded the largest change through the year (5.6%) and Tasmania the lowest (3.7%).

### INDUSTRY

In original terms, Mining recorded the highest quarterly and through the year changes of any industry (2.5% and 6.7% respectively). These movements are the highest recorded by Mining since the start of the survey.

The lowest quarterly rate of change was recorded by Communication services (0.1%), with Accommodation, cafes and restaurants recording the lowest through the year change (2.2%).

### NATIONAL MINIMUM WAGE INCREASES

The Australian Fair Pay Commission (AFPC) has had responsibility for setting National Minimum Wages since early 2006. The first AFPC decision had a date of effect of 1 December 2006 which flowed through to the wage price index of March quarter 2007. The second AFPC decision, with a date of effect of 1 October 2007, mostly impacted the December quarter 2007 wage price index.

The third AFPC decision takes effect on 1 October 2008, and unless implemented early by employers, is not expected to flow through to the wage price index until the December quarter 2008.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Sector

Period	ORIGINAL			SEASONALLY ADJUSTED (a)			TREND (b)		
	Private	Public	All Sectors	Private	Public	All Sectors	Private	Public	All Sectors
INDEX NUMBERS (c)									
<b>2005</b>									
June	105.0	105.7	105.1	105.2	106.1	105.4	105.2	106.1	105.4
September	106.3	107.4	106.6	106.2	107.3	106.5	106.2	107.2	106.4
December	107.3	108.3	107.5	107.2	108.3	107.5	107.2	108.3	107.5
<b>2006</b>									
March	108.3	109.6	108.6	108.3	109.4	108.6	108.3	109.5	108.6
June	109.2	110.4	109.5	109.4	110.7	109.7	109.4	110.7	109.7
September	110.3	111.9	110.7	110.2	111.8	110.6	110.2	111.9	110.6
December	111.3	113.2	111.8	111.3	113.1	111.8	111.3	113.0	111.8
<b>2007</b>									
March	112.5	114.3	113.0	112.5	114.2	112.9	112.5	114.2	112.9
June	113.5	115.0	113.9	113.6	115.4	114.1	113.6	115.4	114.1
September	114.9	116.8	115.4	114.8	116.6	115.2	114.8	116.6	115.2
December	116.1	117.8	116.5	116.1	117.7	116.5	116.0	117.7	116.4
<b>2008</b>									
March	117.2	118.8	117.6	117.2	118.7	117.5	117.2	118.7	117.6
June	118.4	119.4	118.7	118.5	119.8	118.9	118.5	119.8	118.8
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2006</b>									
June	4.0	4.4	4.2	4.0	4.3	4.1	4.0	4.3	4.1
September	3.8	4.2	3.8	3.8	4.2	3.8	3.8	4.4	3.9
December	3.7	4.5	4.0	3.8	4.4	4.0	3.8	4.3	4.0
<b>2007</b>									
March	3.9	4.3	4.1	3.9	4.4	4.0	3.9	4.3	4.0
June	3.9	4.2	4.0	3.8	4.2	4.0	3.8	4.2	4.0
September	4.2	4.4	4.2	4.2	4.3	4.2	4.2	4.2	4.2
December	4.3	4.1	4.2	4.3	4.1	4.2	4.2	4.2	4.1
<b>2008</b>									
March	4.2	3.9	4.1	4.2	3.9	4.1	4.2	3.9	4.2
June	4.3	3.8	4.2	4.3	3.8	4.2	4.3	3.8	4.1
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2006</b>									
June	0.8	0.7	0.8	1.0	1.2	1.0	1.0	1.1	1.0
September	1.0	1.4	1.1	0.7	1.0	0.8	0.7	1.1	0.8
December	0.9	1.2	1.0	1.0	1.2	1.1	1.0	1.0	1.1
<b>2007</b>									
March	1.1	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.0
June	0.9	0.6	0.8	1.0	1.1	1.1	1.0	1.1	1.1
September	1.2	1.6	1.3	1.1	1.0	1.0	1.1	1.0	1.0
December	1.0	0.9	1.0	1.1	0.9	1.1	1.0	0.9	1.0
<b>2008</b>									
March	0.9	0.8	0.9	0.9	0.8	0.9	1.0	0.8	1.0
June	1.0	0.5	0.9	1.1	0.9	1.2	1.1	0.9	1.0

(a) See Explanatory Notes paragraphs 37–44, 49.

(c) Reference base of each index: 2003–04 = 100.0.

(b) See Explanatory Notes paragraphs 45–46, 49.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, All Sectors: **Original**

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2004-05</b>	103.6	103.9	103.8	103.5	104.3	104.1	103.7	104.3	<b>103.8</b>
<b>2005-06</b>	107.8	107.9	108.4	107.4	109.0	108.4	108.2	108.6	<b>108.1</b>
<b>2006-07</b>	111.9	111.8	113.3	111.6	114.1	113.1	112.4	113.1	<b>112.4</b>
<b>2007-08</b>	116.2	116.1	118.1	116.9	120.7	117.5	116.8	117.7	<b>117.1</b>
<b>2005</b>									
June	105.0	105.3	105.0	104.6	105.8	105.6	105.4	105.7	<b>105.1</b>
September	106.5	106.5	106.6	105.9	107.5	107.1	106.6	107.2	<b>106.6</b>
December	107.2	107.4	107.9	107.1	108.3	107.8	107.9	108.1	<b>107.5</b>
<b>2006</b>									
March	108.4	108.4	109.1	107.9	109.3	109.0	108.7	109.2	<b>108.6</b>
June	109.2	109.3	110.0	108.5	110.7	109.8	109.6	109.9	<b>109.5</b>
September	110.5	110.2	111.4	109.8	112.1	111.4	111.0	111.5	<b>110.7</b>
December	111.3	111.2	112.8	111.1	113.3	112.3	111.7	112.5	<b>111.8</b>
<b>2007</b>									
March	112.5	112.4	114.0	112.4	114.5	113.9	112.9	113.7	<b>113.0</b>
June	113.3	113.2	115.0	113.1	116.4	114.7	114.1	114.5	<b>113.9</b>
September	114.8	114.3	116.4	115.1	118.5	116.0	115.0	116.2	<b>115.4</b>
December	115.6	115.5	117.7	116.5	120.0	117.0	116.1	117.4	<b>116.5</b>
<b>2008</b>									
March	116.7	116.6	118.7	117.6	121.2	118.0	117.0	118.3	<b>117.6</b>
June	117.7	117.8	119.5	118.3	122.9	118.9	119.0	119.0	<b>118.7</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2005-06</b>	4.1	3.8	4.4	3.8	4.5	4.1	4.3	4.1	<b>4.1</b>
<b>2006-07</b>	3.8	3.6	4.5	3.9	4.7	4.3	3.9	4.1	<b>4.0</b>
<b>2007-08</b>	3.8	3.8	4.2	4.7	5.8	3.9	3.9	4.1	<b>4.2</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2006</b>									
June	4.0	3.8	4.8	3.7	4.6	4.0	4.0	4.0	<b>4.2</b>
September	3.8	3.5	4.5	3.7	4.3	4.0	4.1	4.0	<b>3.8</b>
December	3.8	3.5	4.5	3.7	4.6	4.2	3.5	4.1	<b>4.0</b>
<b>2007</b>									
March	3.8	3.7	4.5	4.2	4.8	4.5	3.9	4.1	<b>4.1</b>
June	3.8	3.6	4.5	4.2	5.1	4.5	4.1	4.2	<b>4.0</b>
September	3.9	3.7	4.5	4.8	5.7	4.1	3.6	4.2	<b>4.2</b>
December	3.9	3.9	4.3	4.9	5.9	4.2	3.9	4.4	<b>4.2</b>
<b>2008</b>									
March	3.7	3.7	4.1	4.6	5.9	3.6	3.6	4.0	<b>4.1</b>
June	3.9	4.1	3.9	4.6	5.6	3.7	4.3	3.9	<b>4.2</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2006</b>									
June	0.7	0.8	0.8	0.6	1.3	0.7	0.8	0.6	<b>0.8</b>
September	1.2	0.8	1.3	1.2	1.3	1.5	1.3	1.5	<b>1.1</b>
December	0.7	0.9	1.3	1.2	1.1	0.8	0.6	0.9	<b>1.0</b>
<b>2007</b>									
March	1.1	1.1	1.1	1.2	1.1	1.4	1.1	1.1	<b>1.1</b>
June	0.7	0.7	0.9	0.6	1.7	0.7	1.1	0.7	<b>0.8</b>
September	1.3	1.0	1.2	1.8	1.8	1.1	0.8	1.5	<b>1.3</b>
December	0.7	1.0	1.1	1.2	1.3	0.9	1.0	1.0	<b>1.0</b>
<b>2008</b>									
March	1.0	1.0	0.8	0.9	1.0	0.9	0.8	0.8	<b>0.9</b>
June	0.9	1.0	0.7	0.6	1.4	0.8	1.7	0.6	<b>0.9</b>

(a) Reference base of each index: 2003-04 = 100.0.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Private Sector: **Original**

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2004-05</b>	103.4	103.8	103.7	103.3	104.3	103.8	103.8	103.4	<b>103.7</b>
<b>2005-06</b>	107.2	107.9	108.4	106.9	109.2	107.9	107.9	107.3	<b>107.8</b>
<b>2006-07</b>	111.1	111.6	113.2	110.9	114.3	112.3	112.0	111.4	<b>111.9</b>
<b>2007-08</b>	115.3	116.1	117.7	116.2	121.4	116.5	117.7	115.8	<b>116.7</b>
<b>2005</b>									
June	104.7	105.2	104.9	104.3	105.6	105.1	105.3	104.4	<b>105.0</b>
September	105.9	106.5	106.4	105.7	107.6	106.7	106.4	106.2	<b>106.3</b>
December	106.6	107.4	108.1	106.5	108.5	107.6	107.4	107.0	<b>107.3</b>
<b>2006</b>									
March	107.7	108.3	109.1	107.3	109.5	108.2	108.4	107.8	<b>108.3</b>
June	108.6	109.3	109.8	107.9	111.0	108.9	109.3	108.2	<b>109.2</b>
September	109.6	110.2	111.2	109.2	112.5	110.6	110.0	109.6	<b>110.3</b>
December	110.5	111.0	112.7	110.4	113.4	111.7	111.0	110.7	<b>111.3</b>
<b>2007</b>									
March	111.6	112.2	113.9	111.5	114.8	113.1	112.4	112.2	<b>112.5</b>
June	112.6	113.1	114.9	112.4	116.6	113.8	114.5	113.0	<b>113.5</b>
September	113.8	114.3	115.9	114.7	119.2	115.0	115.7	114.3	<b>114.9</b>
December	114.7	115.5	117.3	115.8	120.7	116.4	117.0	115.6	<b>116.1</b>
<b>2008</b>									
March	115.7	116.7	118.4	116.8	121.9	116.8	118.1	116.4	<b>117.2</b>
June	117.0	118.0	119.3	117.6	123.8	117.9	120.0	116.8	<b>118.4</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2005-06</b>	3.7	3.9	4.5	3.5	4.7	3.9	3.9	3.8	<b>4.0</b>
<b>2006-07</b>	3.6	3.4	4.4	3.7	4.7	4.1	3.8	3.8	<b>3.8</b>
<b>2007-08</b>	3.8	4.0	4.0	4.8	6.2	3.7	5.1	3.9	<b>4.3</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2006</b>									
June	3.7	3.9	4.7	3.5	5.1	3.6	3.8	3.6	<b>4.0</b>
September	3.5	3.5	4.5	3.3	4.6	3.7	3.4	3.2	<b>3.8</b>
December	3.7	3.4	4.3	3.7	4.5	3.8	3.4	3.5	<b>3.7</b>
<b>2007</b>									
March	3.6	3.6	4.4	3.9	4.8	4.5	3.7	4.1	<b>3.9</b>
June	3.7	3.5	4.6	4.2	5.0	4.5	4.8	4.4	<b>3.9</b>
September	3.8	3.7	4.2	5.0	6.0	4.0	5.2	4.3	<b>4.2</b>
December	3.8	4.1	4.1	4.9	6.4	4.2	5.4	4.4	<b>4.3</b>
<b>2008</b>									
March	3.7	4.0	4.0	4.8	6.2	3.3	5.1	3.7	<b>4.2</b>
June	3.9	4.3	3.8	4.6	6.2	3.6	4.8	3.4	<b>4.3</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2006</b>									
June	0.8	0.9	0.6	0.6	1.4	0.6	0.8	0.4	<b>0.8</b>
September	0.9	0.8	1.3	1.2	1.4	1.6	0.6	1.3	<b>1.0</b>
December	0.8	0.7	1.3	1.1	0.8	1.0	0.9	1.0	<b>0.9</b>
<b>2007</b>									
March	1.0	1.1	1.1	1.0	1.2	1.3	1.3	1.4	<b>1.1</b>
June	0.9	0.8	0.9	0.8	1.6	0.6	1.9	0.7	<b>0.9</b>
September	1.1	1.1	0.9	2.0	2.2	1.1	1.0	1.2	<b>1.2</b>
December	0.8	1.0	1.2	1.0	1.3	1.2	1.1	1.1	<b>1.0</b>
<b>2008</b>									
March	0.9	1.0	0.9	0.9	1.0	0.3	0.9	0.7	<b>0.9</b>
June	1.1	1.1	0.8	0.7	1.6	0.9	1.6	0.3	<b>1.0</b>

(a) Reference base of each index: 2003-04 = 100.0.



# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Public Sector: **Original**

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2004-05</b>	104.3	104.3	104.4	104.2	104.2	104.8	103.5	104.9	<b>104.3</b>
<b>2005-06</b>	109.7	108.0	108.6	108.9	108.2	109.7	108.6	109.3	<b>108.9</b>
<b>2006-07</b>	114.5	112.2	113.6	113.7	113.1	114.7	112.9	114.0	<b>113.6</b>
<b>2007-08</b>	119.0	115.7	119.1	118.8	118.1	119.4	115.5	118.8	<b>118.2</b>
<b>2005</b>									
June	105.8	105.6	105.2	105.5	106.2	106.6	105.4	106.4	<b>105.7</b>
September	108.5	106.2	107.2	106.3	107.1	107.9	106.7	107.7	<b>107.4</b>
December	109.0	107.6	107.6	109.1	107.6	108.4	108.6	108.7	<b>108.3</b>
<b>2006</b>									
March	110.5	108.7	109.3	109.8	108.5	110.6	109.1	110.0	<b>109.6</b>
June	110.9	109.5	110.4	110.5	109.6	111.7	109.8	110.7	<b>110.4</b>
September	113.3	110.2	111.8	111.6	110.6	112.9	112.2	112.6	<b>111.9</b>
December	113.9	112.1	113.1	113.1	112.8	113.5	112.6	113.5	<b>113.2</b>
<b>2007</b>									
March	115.1	113.0	114.4	114.9	113.4	115.6	113.4	114.5	<b>114.3</b>
June	115.6	113.6	115.2	115.2	115.5	116.6	113.5	115.4	<b>115.0</b>
September	117.9	114.3	117.8	116.2	116.3	118.0	114.1	117.3	<b>116.8</b>
December	118.4	115.4	118.8	118.7	117.7	118.3	114.8	118.3	<b>117.8</b>
<b>2008</b>									
March	119.8	116.1	119.5	120.0	118.7	120.3	115.4	119.3	<b>118.8</b>
June	120.0	117.0	120.1	120.3	119.7	121.1	117.6	120.2	<b>119.4</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2005-06</b>	5.2	3.5	4.0	4.5	3.8	4.7	4.9	4.2	<b>4.4</b>
<b>2006-07</b>	4.4	3.9	4.6	4.4	4.5	4.6	4.0	4.3	<b>4.3</b>
<b>2007-08</b>	3.9	3.1	4.8	4.5	4.4	4.1	2.3	4.2	<b>4.0</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2006</b>									
June	4.8	3.7	4.9	4.7	3.2	4.8	4.2	4.0	<b>4.4</b>
September	4.4	3.8	4.3	5.0	3.3	4.6	5.2	4.5	<b>4.2</b>
December	4.5	4.2	5.1	3.7	4.8	4.7	3.7	4.4	<b>4.5</b>
<b>2007</b>									
March	4.2	4.0	4.7	4.6	4.5	4.5	3.9	4.1	<b>4.3</b>
June	4.2	3.7	4.3	4.3	5.4	4.4	3.4	4.2	<b>4.2</b>
September	4.1	3.7	5.4	4.1	5.2	4.5	1.7	4.2	<b>4.4</b>
December	4.0	2.9	5.0	5.0	4.3	4.2	2.0	4.2	<b>4.1</b>
<b>2008</b>									
March	4.1	2.7	4.5	4.4	4.7	4.1	1.8	4.2	<b>3.9</b>
June	3.8	3.0	4.3	4.4	3.6	3.9	3.6	4.2	<b>3.8</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2006</b>									
June	0.4	0.7	1.0	0.6	1.0	1.0	0.6	0.6	<b>0.7</b>
September	2.2	0.6	1.3	1.0	0.9	1.1	2.2	1.7	<b>1.4</b>
December	0.5	1.7	1.2	1.3	2.0	0.5	0.4	0.8	<b>1.2</b>
<b>2007</b>									
March	1.1	0.8	1.1	1.6	0.5	1.9	0.7	0.9	<b>1.0</b>
June	0.4	0.5	0.7	0.3	1.9	0.9	0.1	0.8	<b>0.6</b>
September	2.0	0.6	2.3	0.9	0.7	1.2	0.5	1.6	<b>1.6</b>
December	0.4	1.0	0.8	2.2	1.2	0.3	0.6	0.9	<b>0.9</b>
<b>2008</b>									
March	1.2	0.6	0.6	1.1	0.8	1.7	0.5	0.8	<b>0.8</b>
June	0.2	0.8	0.5	0.3	0.8	0.7	1.9	0.8	<b>0.5</b>

(a) Reference base of each index: 2003-04 = 100.0.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Sector by Industry—Index numbers(a): **Original**

Industry	FINANCIAL YEAR				QUARTER				
	2004-05	2005-06	2006-07	2007-08	Jun Qtr 2007	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
PRIVATE									
Mining	104.0	109.3	115.9	122.6	118.4	119.9	121.0	123.2	126.2
Manufacturing	103.7	107.7	111.7	116.6	113.6	115.0	115.8	117.0	118.5
Electricity, gas and water supply	104.7	109.5	114.8	119.4	116.2	117.6	119.3	120.0	120.8
Construction	105.2	110.5	115.7	121.0	117.6	119.2	120.4	121.2	123.1
Wholesale trade	103.3	107.1	111.3	115.3	112.4	113.5	114.6	115.4	117.5
Retail trade	103.3	107.2	110.3	115.0	111.7	112.7	115.1	115.8	116.4
Accommodation, cafes and restaurants	102.8	106.1	108.9	112.0	110.2	110.9	112.1	112.4	112.7
Transport and storage	103.0	106.7	110.8	115.5	112.5	113.8	114.8	116.3	117.2
Communication services	102.6	105.9	110.4	113.8	110.6	112.4	114.0	114.4	114.5
Finance and insurance	104.0	108.3	112.7	117.0	114.8	115.5	116.5	117.2	118.8
Property and business services	103.1	106.9	111.4	116.6	112.6	115.0	115.9	117.1	118.5
Education	104.9	109.4	113.6	118.6	115.7	116.5	117.1	120.0	120.9
Health and community services	104.1	109.0	113.5	117.8	115.2	116.1	117.6	118.5	119.1
Cultural and recreational services	103.4	107.8	111.8	116.6	113.0	115.3	116.0	117.2	117.7
Personal and other services	102.5	105.7	110.0	113.7	111.5	112.2	113.1	114.7	114.9
<i>All industries</i>	<i>103.7</i>	<i>107.8</i>	<i>111.9</i>	<i>116.7</i>	<i>113.5</i>	<i>114.9</i>	<i>116.1</i>	<i>117.2</i>	<i>118.4</i>
PUBLIC									
Government administration and defence	104.3	108.9	113.4	118.2	114.8	116.7	118.0	118.9	119.3
Education	105.4	110.1	114.8	119.2	116.6	117.6	118.4	119.9	121.0
Health and community services	103.1	107.7	113.1	117.4	113.9	116.4	117.1	117.7	118.3
Cultural and recreational services	103.7	108.2	112.4	117.2	113.4	116.4	117.2	117.5	117.5
Personal and other services	104.8	109.5	113.9	118.1	115.1	117.0	117.3	118.8	119.3
<i>All industries(b)</i>	<i>104.3</i>	<i>108.9</i>	<i>113.6</i>	<i>118.2</i>	<i>115.0</i>	<i>116.8</i>	<i>117.8</i>	<i>118.8</i>	<i>119.4</i>
ALL SECTORS									
Mining	104.0	109.2	115.9	122.6	118.3	119.9	121.0	123.1	126.2
Manufacturing	103.7	107.7	111.7	116.6	113.6	115.0	115.8	116.9	118.5
Electricity, gas and water supply	104.3	110.1	115.6	120.3	117.8	119.0	119.8	120.8	121.5
Construction	105.1	110.3	115.5	120.8	117.4	119.0	120.2	121.1	122.9
Wholesale trade	103.3	107.2	111.3	115.3	112.4	113.5	114.6	115.4	117.6
Retail trade	103.3	107.2	110.3	115.0	111.7	112.7	115.1	115.8	116.4
Accommodation, cafes and restaurants	102.8	106.2	109.0	112.1	110.3	111.0	112.1	112.4	112.7
Transport and storage	103.0	107.3	111.6	116.1	113.3	114.5	115.5	116.9	117.6
Communication services	103.4	106.8	110.5	114.4	111.1	112.5	114.8	115.1	115.2
Finance and insurance	104.0	108.3	112.6	117.1	114.7	115.6	116.6	117.4	118.9
Property and business services	103.1	106.9	111.4	116.7	112.5	115.0	116.0	117.2	118.6
Government administration and defence	104.3	108.9	113.4	118.2	114.8	116.7	118.0	118.9	119.3
Education	105.3	109.9	114.4	119.1	116.3	117.3	118.0	119.9	121.0
Health and community services	103.6	108.4	113.3	117.6	114.6	116.3	117.4	118.1	118.7
Cultural and recreational services	103.5	107.9	112.0	116.7	113.1	115.6	116.3	117.2	117.7
Personal and other services	103.7	107.6	112.0	116.0	113.4	114.7	115.3	116.8	117.2
<b>All industries</b>	<b>103.8</b>	<b>108.1</b>	<b>112.4</b>	<b>117.1</b>	<b>113.9</b>	<b>115.4</b>	<b>116.5</b>	<b>117.6</b>	<b>118.7</b>

(a) Reference base of each index: 2003-04 = 100.0.

(b) Includes those industries not separately listed.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Sector by Industry—Percentage changes: **Original**

Industry	FROM PREVIOUS FINANCIAL YEAR			FROM CORRESPONDING QUARTER OF PREVIOUS YEAR			FROM PREVIOUS QUARTER			
	2005-06	2006-07	2007-08	Jun Qtr 2006	Jun Qtr 2007	Jun Qtr 2008	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
<b>PRIVATE</b>										
Mining	5.1	6.0	5.8	5.9	5.7	6.6	1.3	0.9	1.8	2.4
Manufacturing	3.9	3.7	4.4	3.8	4.2	4.3	1.2	0.7	1.0	1.3
Electricity, gas and water supply	4.6	4.8	4.0	5.2	4.4	4.0	1.2	1.4	0.6	0.7
Construction	5.0	4.7	4.6	5.5	4.3	4.7	1.4	1.0	0.7	1.6
Wholesale trade	3.7	3.9	3.6	3.8	3.6	4.5	1.0	1.0	0.7	1.8
Retail trade	3.8	2.9	4.3	3.4	3.2	4.2	0.9	2.1	0.6	0.5
Accommodation, cafes and restaurants	3.2	2.6	2.8	3.3	3.1	2.3	0.6	1.1	0.3	0.3
Transport and storage	3.6	3.8	4.2	3.8	4.3	4.2	1.2	0.9	1.3	0.8
Communication services	3.2	4.2	3.1	3.3	3.8	3.5	1.6	1.4	0.4	0.1
Finance and insurance	4.1	4.1	3.8	3.9	4.4	3.5	0.6	0.9	0.6	1.4
Property and business services	3.7	4.2	4.7	4.0	4.0	5.2	2.1	0.8	1.0	1.2
Education	4.3	3.8	4.4	3.8	4.2	4.5	0.7	0.5	2.5	0.8
Health and community services	4.7	4.1	3.8	4.8	4.2	3.4	0.8	1.3	0.8	0.5
Cultural and recreational services	4.3	3.7	4.3	3.2	4.1	4.2	2.0	0.6	1.0	0.4
Personal and other services	3.1	4.1	3.4	3.4	4.2	3.0	0.6	0.8	1.4	0.2
<i>All industries</i>	4.0	3.8	4.3	4.0	3.9	4.3	1.2	1.0	0.9	1.0
<b>PUBLIC</b>										
Government administration and defence	4.4	4.1	4.2	4.0	4.4	3.9	1.7	1.1	0.8	0.3
Education	4.5	4.3	3.8	4.8	3.9	3.8	0.9	0.7	1.3	0.9
Health and community services	4.5	5.0	3.8	4.0	4.9	3.9	2.2	0.6	0.5	0.5
Cultural and recreational services	4.3	3.9	4.3	3.4	4.3	3.6	2.6	0.7	0.3	0.0
Personal and other services	4.5	4.0	3.7	4.2	4.3	3.6	1.7	0.3	1.3	0.4
<i>All industries(a)</i>	4.4	4.3	4.0	4.4	4.2	3.8	1.6	0.9	0.8	0.5
<b>ALL SECTORS</b>										
Mining	5.0	6.1	5.8	5.9	5.6	6.7	1.4	0.9	1.7	2.5
Manufacturing	3.9	3.7	4.4	3.8	4.2	4.3	1.2	0.7	0.9	1.4
Electricity, gas and water supply	5.6	5.0	4.1	6.9	4.2	3.1	1.0	0.7	0.8	0.6
Construction	4.9	4.7	4.6	5.5	4.3	4.7	1.4	1.0	0.7	1.5
Wholesale trade	3.8	3.8	3.6	3.7	3.6	4.6	1.0	1.0	0.7	1.9
Retail trade	3.8	2.9	4.3	3.4	3.2	4.2	0.9	2.1	0.6	0.5
Accommodation, cafes and restaurants	3.3	2.6	2.8	3.3	3.1	2.2	0.6	1.0	0.3	0.3
Transport and storage	4.2	4.0	4.0	4.7	4.1	3.8	1.1	0.9	1.2	0.6
Communication services	3.3	3.5	3.5	3.4	3.3	3.7	1.3	2.0	0.3	0.1
Finance and insurance	4.1	4.0	4.0	3.9	4.3	3.7	0.8	0.9	0.7	1.3
Property and business services	3.7	4.2	4.8	4.0	3.9	5.4	2.2	0.9	1.0	1.2
Government administration and defence	4.4	4.1	4.2	4.0	4.4	3.9	1.7	1.1	0.8	0.3
Education	4.4	4.1	4.1	4.4	4.0	4.0	0.9	0.6	1.6	0.9
Health and community services	4.6	4.5	3.8	4.5	4.5	3.6	1.5	0.9	0.6	0.5
Cultural and recreational services	4.3	3.8	4.2	3.3	4.1	4.1	2.2	0.6	0.8	0.4
Personal and other services	3.8	4.1	3.6	3.7	4.3	3.4	1.1	0.5	1.3	0.3
<b>All industries</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>	<b>4.0</b>	<b>4.2</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>

(a) Includes those industries not separately listed.

WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES,  
Sector by Occupation—Index numbers(a)(b): **Original**

Occupation	FINANCIAL YEAR				QUARTER				
	2004-05	2005-06	2006-07	2007-08	Jun Qtr 2007	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
<b>PRIVATE</b>									
Managers and administrators	103.5	107.2	111.5	116.3	113.3	114.4	115.7	116.6	118.4
Professionals	103.7	108.2	112.8	118.1	114.3	116.0	117.0	118.7	120.8
Associate professionals	103.3	107.3	111.6	116.5	113.2	114.7	116.1	117.2	118.0
Tradespersons and related workers	104.0	108.7	112.9	117.7	114.7	115.8	117.0	118.2	119.7
Advanced clerical and service workers	103.3	107.2	111.5	116.1	113.1	114.8	115.6	116.4	117.5
Intermediate clerical, sales and service workers	103.5	107.3	111.1	115.2	112.6	113.8	114.9	115.7	116.4
Intermediate production and transport workers	103.9	108.5	112.7	116.8	114.3	115.4	116.2	117.2	118.4
Elementary clerical, sales and service workers	103.3	106.7	109.8	114.3	111.0	112.4	114.3	115.0	115.3
Labourers and related workers	103.9	107.8	111.6	115.8	113.2	114.5	115.5	116.1	117.1
<i>All occupations</i>	<i>103.7</i>	<i>107.8</i>	<i>111.9</i>	<i>116.7</i>	<i>113.5</i>	<i>114.9</i>	<i>116.1</i>	<i>117.2</i>	<i>118.4</i>
<b>PUBLIC</b>									
Managers and administrators	105.0	110.2	115.2	120.3	117.2	118.6	119.7	121.2	121.7
Professionals	104.4	109.0	113.9	118.3	115.3	117.0	117.7	118.8	119.7
Associate professionals	104.5	109.1	113.4	117.8	114.7	116.5	117.3	118.6	118.9
Tradespersons and related workers	104.4	109.6	114.7	120.1	116.9	118.5	119.7	120.8	121.3
Advanced clerical and service workers	104.2	108.5	112.9	117.4	114.1	115.9	117.5	118.0	118.3
Intermediate clerical, sales and service workers	103.8	108.1	112.5	117.0	113.6	115.5	116.9	117.6	118.0
Intermediate production and transport workers	104.0	109.1	113.4	117.8	114.9	115.9	117.6	118.7	119.0
Elementary clerical, sales and service workers	103.8	108.3	112.2	116.4	113.1	114.2	116.9	117.2	117.4
Labourers and related workers	103.9	108.1	112.5	117.4	113.6	115.2	117.7	118.3	118.5
<i>All occupations</i>	<i>104.3</i>	<i>108.9</i>	<i>113.6</i>	<i>118.2</i>	<i>115.0</i>	<i>116.8</i>	<i>117.8</i>	<i>118.8</i>	<i>119.4</i>
<b>ALL SECTORS</b>									
Managers and administrators	103.8	107.9	112.4	117.2	114.2	115.4	116.6	117.7	119.2
Professionals	104.0	108.6	113.3	118.2	114.8	116.4	117.3	118.8	120.4
Associate professionals	103.6	107.8	112.1	116.9	113.6	115.2	116.4	117.6	118.3
Tradespersons and related workers	104.0	108.8	113.1	118.0	114.9	116.1	117.3	118.5	119.9
Advanced clerical and service workers	103.4	107.4	111.7	116.3	113.2	115.0	115.9	116.7	117.6
Intermediate clerical, sales and service workers	103.6	107.5	111.5	115.7	112.8	114.2	115.4	116.2	116.8
Intermediate production and transport workers	103.9	108.5	112.8	116.9	114.4	115.4	116.3	117.4	118.5
Elementary clerical, sales and service workers	103.4	106.9	110.1	114.6	111.3	112.7	114.7	115.3	115.6
Labourers and related workers	103.8	107.8	111.6	115.9	113.2	114.5	115.7	116.3	117.2
<b>All occupations</b>	<b>103.8</b>	<b>108.1</b>	<b>112.4</b>	<b>117.1</b>	<b>113.9</b>	<b>115.4</b>	<b>116.5</b>	<b>117.6</b>	<b>118.7</b>

(a) Reference base of each index: 2003-04 = 100.0

(b) Wage price indexes for occupation groups will be discontinued after the release of the September quarter 2008 figures.

# WAGE PRICE INDEX: TOTAL HOURLY RATES OF PAY EXCLUDING BONUSES, Sector by Occupation—Percentage changes(a): **Original**

Occupation	FROM PREVIOUS FINANCIAL YEAR			FROM CORRESPONDING QUARTER OF PREVIOUS YEAR			FROM PREVIOUS QUARTER			
	2005-06	2006-07	2007-08	Jun Qtr 2006	Jun Qtr 2007	Jun Qtr 2008	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
PRIVATE										
Managers and administrators	3.6	4.0	4.3	3.5	4.3	4.5	1.0	1.1	0.8	1.5
Professionals	4.3	4.3	4.7	4.4	4.2	5.7	1.5	0.9	1.5	1.8
Associate professionals	3.9	4.0	4.4	3.7	4.2	4.2	1.3	1.2	0.9	0.7
Tradespersons and related workers	4.5	3.9	4.3	4.5	3.9	4.4	1.0	1.0	1.0	1.3
Advanced clerical and service workers	3.8	4.0	4.1	3.7	4.3	3.9	1.5	0.7	0.7	0.9
Intermediate clerical, sales and service workers	3.7	3.5	3.7	3.7	3.8	3.4	1.1	1.0	0.7	0.6
Intermediate production and transport workers	4.4	3.9	3.6	4.7	3.8	3.6	1.0	0.7	0.9	1.0
Elementary clerical, sales and service workers	3.3	2.9	4.1	3.2	3.3	3.9	1.3	1.7	0.6	0.3
Labourers and related workers	3.8	3.5	3.8	3.8	3.8	3.4	1.1	0.9	0.5	0.9
<i>All occupations</i>	4.0	3.8	4.3	4.0	3.9	4.3	1.2	1.0	0.9	1.0
PUBLIC										
Managers and administrators	5.0	4.5	4.4	4.4	4.9	3.8	1.2	0.9	1.3	0.4
Professionals	4.4	4.5	3.9	4.4	4.3	3.8	1.5	0.6	0.9	0.8
Associate professionals	4.4	3.9	3.9	4.2	4.2	3.7	1.6	0.7	1.1	0.3
Tradespersons and related workers	5.0	4.7	4.7	5.8	4.4	3.8	1.4	1.0	0.9	0.4
Advanced clerical and service workers	4.1	4.1	4.0	3.9	4.1	3.7	1.6	1.4	0.4	0.3
Intermediate clerical, sales and service workers	4.1	4.1	4.0	4.0	3.9	3.9	1.7	1.2	0.6	0.3
Intermediate production and transport workers	4.9	3.9	3.9	5.4	3.3	3.6	0.9	1.5	0.9	0.3
Elementary clerical, sales and service workers	4.3	3.6	3.7	4.8	2.9	3.8	1.0	2.4	0.3	0.2
Labourers and related workers	4.0	4.1	4.4	4.2	3.7	4.3	1.4	2.2	0.5	0.2
<i>All occupations</i>	4.4	4.3	4.0	4.4	4.2	3.8	1.6	0.9	0.8	0.5
ALL SECTORS										
Managers and administrators	3.9	4.2	4.3	3.7	4.5	4.4	1.1	1.0	0.9	1.3
Professionals	4.4	4.3	4.3	4.5	4.3	4.9	1.4	0.8	1.3	1.3
Associate professionals	4.1	4.0	4.3	3.8	4.2	4.1	1.4	1.0	1.0	0.6
Tradespersons and related workers	4.6	4.0	4.3	4.7	3.9	4.4	1.0	1.0	1.0	1.2
Advanced clerical and service workers	3.9	4.0	4.1	3.8	4.2	3.9	1.6	0.8	0.7	0.8
Intermediate clerical, sales and service workers	3.8	3.7	3.8	3.8	3.8	3.5	1.2	1.1	0.7	0.5
Intermediate production and transport workers	4.4	4.0	3.6	4.8	3.8	3.6	0.9	0.8	0.9	0.9
Elementary clerical, sales and service workers	3.4	3.0	4.1	3.5	3.2	3.9	1.3	1.8	0.5	0.3
Labourers and related workers	3.9	3.5	3.9	3.9	3.8	3.5	1.1	1.0	0.5	0.8
<b>All occupations</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>	<b>4.0</b>	<b>4.2</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>

(a) Wage price indexes for occupation groups will be discontinued after the release of the September quarter 2008 figures.

Period	ORDINARY TIME HOURLY RATES			TOTAL HOURLY RATES		
	Private	Public	All Sectors	Private	Public	All Sectors
INDEX NUMBERS (a)(b)						
<b>2004–05</b>	103.7	104.3	103.9	103.7	104.3	103.8
<b>2005–06</b>	107.8	108.8	108.1	107.8	108.9	108.1
<b>2006–07</b>	112.0	113.5	112.4	112.0	113.5	112.4
<b>2007–08</b>	117.1	118.1	117.4	117.1	118.1	117.4
<b>2005</b>						
June	105.3	105.7	105.4	105.2	105.7	105.3
September	106.4	107.4	106.7	106.4	107.4	106.6
December	107.1	108.2	107.4	107.1	108.2	107.4
<b>2006</b>						
March	108.4	109.5	108.7	108.4	109.5	108.7
June	109.4	110.2	109.6	109.4	110.3	109.6
September	110.6	111.8	110.9	110.6	111.8	110.9
December	111.5	113.0	111.9	111.5	113.1	111.9
<b>2007</b>						
March	112.3	114.2	112.8	112.3	114.2	112.8
June	113.5	114.9	113.9	113.5	114.9	113.9
September	115.2	116.6	115.6	115.2	116.6	115.6
December	116.6	117.7	116.9	116.6	117.7	116.9
<b>2008</b>						
March	117.8	118.8	118.1	117.8	118.8	118.1
June	118.9	119.4	119.0	118.9	119.4	119.0
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)						
<b>2005–06</b>	4.0	4.3	4.0	4.0	4.4	4.1
<b>2006–07</b>	3.9	4.3	4.0	3.9	4.2	4.0
<b>2007–08</b>	4.6	4.1	4.4	4.6	4.1	4.4
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)						
<b>2006</b>						
June	3.9	4.3	4.0	4.0	4.4	4.1
September	3.9	4.1	3.9	3.9	4.1	4.0
December	4.1	4.4	4.2	4.1	4.5	4.2
<b>2007</b>						
March	3.6	4.3	3.8	3.6	4.3	3.8
June	3.7	4.3	3.9	3.7	4.2	3.9
September	4.2	4.3	4.2	4.2	4.3	4.2
December	4.6	4.2	4.5	4.6	4.1	4.5
<b>2008</b>						
March	4.9	4.0	4.7	4.9	4.0	4.7
June	4.8	3.9	4.5	4.8	3.9	4.5
CHANGE FROM PREVIOUS QUARTER (%)						
<b>2006</b>						
June	0.9	0.6	0.8	0.9	0.7	0.8
September	1.1	1.5	1.2	1.1	1.4	1.2
December	0.8	1.1	0.9	0.8	1.2	0.9
<b>2007</b>						
March	0.7	1.1	0.8	0.7	1.0	0.8
June	1.1	0.6	1.0	1.1	0.6	1.0
September	1.5	1.5	1.5	1.5	1.5	1.5
December	1.2	0.9	1.1	1.2	0.9	1.1
<b>2008</b>						
March	1.0	0.9	1.0	1.0	0.9	1.0
June	0.9	0.5	0.8	0.9	0.5	0.8

(a) Reference base of each index: 2003–04 = 100.0.

(b) A methodological change to the pricing of bonuses and commissions was implemented in March quarter 2006. See paragraph 15 of the Explanatory Notes.

Period	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
INDEX NUMBERS (a)									
<b>2004-05</b>	103.5	103.9	103.9	103.5	104.2	104.1	103.7	104.3	<b>103.8</b>
<b>2005-06</b>	107.7	107.8	108.4	107.4	108.9	108.4	108.2	108.6	<b>108.0</b>
<b>2006-07</b>	111.8	111.7	113.2	111.6	114.1	113.1	112.5	113.1	<b>112.3</b>
<b>2007-08</b>	116.1	116.0	118.0	117.0	120.6	117.5	116.8	117.7	<b>117.0</b>
<b>2005</b>									
June	104.9	105.3	105.0	104.6	105.7	105.6	105.3	105.7	<b>105.1</b>
September	106.4	106.4	106.7	105.9	107.5	107.1	106.5	107.1	<b>106.6</b>
December	107.1	107.3	107.9	107.1	108.3	107.8	107.9	108.1	<b>107.5</b>
<b>2006</b>									
March	108.3	108.3	109.1	107.9	109.2	109.0	108.7	109.2	<b>108.5</b>
June	109.1	109.2	109.9	108.5	110.6	109.8	109.5	109.8	<b>109.4</b>
September	110.4	110.1	111.3	109.8	112.1	111.4	111.0	111.5	<b>110.7</b>
December	111.2	111.2	112.7	111.1	113.3	112.3	111.8	112.5	<b>111.7</b>
<b>2007</b>									
March	112.4	112.3	113.9	112.3	114.5	113.9	112.9	113.7	<b>112.9</b>
June	113.2	113.1	114.9	113.1	116.3	114.7	114.2	114.5	<b>113.8</b>
September	114.6	114.2	116.3	115.2	118.5	116.0	115.0	116.2	<b>115.3</b>
December	115.5	115.5	117.6	116.6	120.0	117.0	116.1	117.4	<b>116.4</b>
<b>2008</b>									
March	116.6	116.6	118.6	117.7	121.2	118.0	117.0	118.3	<b>117.5</b>
June	117.7	117.8	119.4	118.4	122.8	118.9	119.0	119.0	<b>118.6</b>
CHANGE FROM PREVIOUS FINANCIAL YEAR (%)									
<b>2005-06</b>	4.1	3.8	4.3	3.8	4.5	4.1	4.3	4.1	<b>4.0</b>
<b>2006-07</b>	3.8	3.6	4.4	3.9	4.8	4.3	4.0	4.1	<b>4.0</b>
<b>2007-08</b>	3.8	3.8	4.2	4.8	5.7	3.9	3.8	4.1	<b>4.2</b>
CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
<b>2006</b>									
June	4.0	3.7	4.7	3.7	4.6	4.0	4.0	3.9	<b>4.1</b>
September	3.8	3.5	4.3	3.7	4.3	4.0	4.2	4.1	<b>3.8</b>
December	3.8	3.6	4.4	3.7	4.6	4.2	3.6	4.1	<b>3.9</b>
<b>2007</b>									
March	3.8	3.7	4.4	4.1	4.9	4.5	3.9	4.1	<b>4.1</b>
June	3.8	3.6	4.5	4.2	5.2	4.5	4.3	4.3	<b>4.0</b>
September	3.8	3.7	4.5	4.9	5.7	4.1	3.6	4.2	<b>4.2</b>
December	3.9	3.9	4.3	5.0	5.9	4.2	3.8	4.4	<b>4.2</b>
<b>2008</b>									
March	3.7	3.8	4.1	4.8	5.9	3.6	3.6	4.0	<b>4.1</b>
June	4.0	4.2	3.9	4.7	5.6	3.7	4.2	3.9	<b>4.2</b>
CHANGE FROM PREVIOUS QUARTER (%)									
<b>2006</b>									
June	0.7	0.8	0.7	0.6	1.3	0.7	0.7	0.5	<b>0.8</b>
September	1.2	0.8	1.3	1.2	1.4	1.5	1.4	1.5	<b>1.2</b>
December	0.7	1.0	1.3	1.2	1.1	0.8	0.7	0.9	<b>0.9</b>
<b>2007</b>									
March	1.1	1.0	1.1	1.1	1.1	1.4	1.0	1.1	<b>1.1</b>
June	0.7	0.7	0.9	0.7	1.6	0.7	1.2	0.7	<b>0.8</b>
September	1.2	1.0	1.2	1.9	1.9	1.1	0.7	1.5	<b>1.3</b>
December	0.8	1.1	1.1	1.2	1.3	0.9	1.0	1.0	<b>1.0</b>
<b>2008</b>									
March	1.0	1.0	0.9	0.9	1.0	0.9	0.8	0.8	<b>0.9</b>
June	0.9	1.0	0.7	0.6	1.3	0.8	1.7	0.6	<b>0.9</b>

(a) Reference base of each index: 2003-04 = 100.0.

Industry	FINANCIAL YEAR				QUARTER				
	2004-05	2005-06	2006-07	2007-08	Jun Qtr 2007	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
<b>PRIVATE</b>									
Mining	104.0	109.2	115.9	122.5	118.3	119.8	120.9	123.2	126.2
Manufacturing	103.6	107.6	111.6	116.5	113.5	114.9	115.7	116.8	118.4
Electricity, gas and water supply	104.7	109.5	114.7	119.4	116.2	117.6	119.2	120.0	120.8
Construction	105.1	110.2	115.4	120.8	117.4	118.9	120.2	121.1	122.9
Wholesale trade	103.3	107.2	111.3	115.3	112.4	113.5	114.6	115.4	117.6
Retail trade	103.3	107.2	110.2	115.0	111.6	112.7	115.1	115.9	116.4
Accommodation, cafes and restaurants	102.8	106.1	108.9	112.0	110.2	110.9	112.1	112.4	112.7
Transport and storage	102.9	106.6	110.6	115.3	112.2	113.6	114.6	116.1	117.0
Communication services	102.6	106.0	110.4	113.8	110.6	112.4	114.0	114.4	114.5
Finance and insurance	104.0	108.3	112.6	117.0	114.7	115.5	116.5	117.2	118.7
Property and business services	103.1	106.9	111.4	116.7	112.5	115.0	115.9	117.2	118.6
Education	105.0	109.4	113.6	118.7	115.7	116.6	117.2	120.1	121.0
Health and community services	104.0	109.0	113.4	117.8	115.1	116.1	117.6	118.4	119.1
Cultural and recreational services	103.4	107.8	111.7	116.5	112.9	115.3	116.0	117.1	117.7
Personal and other services	102.5	105.7	110.0	113.7	111.5	112.2	113.1	114.7	114.9
<b>All industries</b>	<b>103.6</b>	<b>107.7</b>	<b>111.8</b>	<b>116.6</b>	<b>113.4</b>	<b>114.8</b>	<b>116.0</b>	<b>117.1</b>	<b>118.3</b>
<b>PUBLIC</b>									
Government administration and defence	104.3	108.8	113.3	118.2	114.7	116.6	117.9	118.9	119.3
Education	105.5	110.1	114.8	119.3	116.6	117.6	118.5	119.9	121.0
Health and community services	103.1	107.7	113.1	117.3	113.9	116.4	117.0	117.6	118.3
Cultural and recreational services	103.7	108.2	112.4	117.1	113.4	116.3	117.1	117.4	117.5
Personal and other services	104.8	109.5	113.9	118.2	115.1	117.0	117.3	118.9	119.4
<b>All industries(b)</b>	<b>104.3</b>	<b>108.9</b>	<b>113.6</b>	<b>118.2</b>	<b>115.0</b>	<b>116.7</b>	<b>117.7</b>	<b>118.8</b>	<b>119.4</b>
<b>ALL SECTORS</b>									
Mining	104.1	109.2	115.9	122.5	118.3	119.8	120.9	123.1	126.1
Manufacturing	103.6	107.6	111.5	116.4	113.4	114.8	115.6	116.8	118.4
Electricity, gas and water supply	104.3	110.0	115.5	120.2	117.6	118.9	119.7	120.7	121.4
Construction	105.0	110.1	115.2	120.6	117.2	118.8	120.0	120.9	122.7
Wholesale trade	103.3	107.2	111.3	115.3	112.4	113.6	114.6	115.4	117.6
Retail trade	103.3	107.2	110.2	115.0	111.6	112.6	115.0	115.8	116.4
Accommodation, cafes and restaurants	102.8	106.2	109.0	112.1	110.3	111.0	112.1	112.4	112.7
Transport and storage	103.0	107.3	111.4	116.0	113.1	114.3	115.3	116.7	117.5
Communication services	103.4	106.8	110.5	114.4	111.1	112.6	114.8	115.1	115.2
Finance and insurance	104.0	108.3	112.6	117.1	114.7	115.6	116.6	117.4	118.9
Property and business services	103.1	106.9	111.4	116.7	112.5	115.0	116.0	117.2	118.6
Government administration and defence	104.3	108.8	113.3	118.2	114.7	116.6	117.9	118.9	119.3
Education	105.3	109.9	114.4	119.1	116.3	117.3	118.0	119.9	121.0
Health and community services	103.6	108.4	113.3	117.6	114.6	116.2	117.4	118.1	118.7
Cultural and recreational services	103.5	107.9	111.9	116.7	113.1	115.6	116.3	117.2	117.7
Personal and other services	103.7	107.6	112.0	116.0	113.4	114.7	115.3	116.8	117.2
<b>All industries</b>	<b>103.8</b>	<b>108.0</b>	<b>112.3</b>	<b>117.0</b>	<b>113.8</b>	<b>115.3</b>	<b>116.4</b>	<b>117.5</b>	<b>118.6</b>

(a) Reference base of each index: 2003-04 = 100.0.

(b) Includes those industries not separately listed.



# WAGE PRICE INDEX: ORDINARY TIME HOURLY RATES OF PAY EXCLUDING BONUSES, Sector by Industry—Percentage changes: **Original**

Industry	FROM PREVIOUS FINANCIAL YEAR			FROM CORRESPONDING QUARTER OF PREVIOUS YEAR			FROM PREVIOUS QUARTER			
	2005-06	2006-07	2007-08	Jun Qtr 2006	Jun Qtr 2007	Jun Qtr 2008	Sep Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Jun Qtr 2008
PRIVATE										
Mining	5.0	6.1	5.7	5.8	5.7	6.7	1.3	0.9	1.9	2.4
Manufacturing	3.9	3.7	4.4	3.6	4.3	4.3	1.2	0.7	1.0	1.4
Electricity, gas and water supply	4.6	4.7	4.1	5.2	4.4	4.0	1.2	1.4	0.7	0.7
Construction	4.9	4.7	4.7	5.5	4.3	4.7	1.3	1.1	0.7	1.5
Wholesale trade	3.8	3.8	3.6	3.7	3.6	4.6	1.0	1.0	0.7	1.9
Retail trade	3.8	2.8	4.4	3.4	3.1	4.3	1.0	2.1	0.7	0.4
Accommodation, cafes and restaurants	3.2	2.6	2.8	3.3	3.1	2.3	0.6	1.1	0.3	0.3
Transport and storage	3.6	3.8	4.2	3.8	4.2	4.3	1.2	0.9	1.3	0.8
Communication services	3.3	4.2	3.1	3.4	3.8	3.5	1.6	1.4	0.4	0.1
Finance and insurance	4.1	4.0	3.9	3.9	4.3	3.5	0.7	0.9	0.6	1.3
Property and business services	3.7	4.2	4.8	4.0	3.9	5.4	2.2	0.8	1.1	1.2
Education	4.2	3.8	4.5	3.7	4.2	4.6	0.8	0.5	2.5	0.7
Health and community services	4.8	4.0	3.9	4.9	4.1	3.5	0.9	1.3	0.7	0.6
Cultural and recreational services	4.3	3.6	4.3	3.3	4.0	4.3	2.1	0.6	0.9	0.5
Personal and other services	3.1	4.1	3.4	3.3	4.3	3.0	0.6	0.8	1.4	0.2
<i>All industries</i>	4.0	3.8	4.3	4.0	3.9	4.3	1.2	1.0	0.9	1.0
PUBLIC										
Government administration and defence	4.3	4.1	4.3	3.9	4.4	4.0	1.7	1.1	0.8	0.3
Education	4.4	4.3	3.9	4.7	3.9	3.8	0.9	0.8	1.2	0.9
Health and community services	4.5	5.0	3.7	4.0	4.9	3.9	2.2	0.5	0.5	0.6
Cultural and recreational services	4.3	3.9	4.2	3.4	4.3	3.6	2.6	0.7	0.3	0.1
Personal and other services	4.5	4.0	3.8	4.2	4.3	3.7	1.7	0.3	1.4	0.4
<i>All industries(a)</i>	4.4	4.3	4.0	4.4	4.3	3.8	1.5	0.9	0.9	0.5
ALL SECTORS										
Mining	4.9	6.1	5.7	5.7	5.7	6.6	1.3	0.9	1.8	2.4
Manufacturing	3.9	3.6	4.4	3.6	4.2	4.4	1.2	0.7	1.0	1.4
Electricity, gas and water supply	5.5	5.0	4.1	6.8	4.2	3.2	1.1	0.7	0.8	0.6
Construction	4.9	4.6	4.7	5.4	4.3	4.7	1.4	1.0	0.8	1.5
Wholesale trade	3.8	3.8	3.6	3.7	3.6	4.6	1.1	0.9	0.7	1.9
Retail trade	3.8	2.8	4.4	3.3	3.2	4.3	0.9	2.1	0.7	0.5
Accommodation, cafes and restaurants	3.3	2.6	2.8	3.3	3.1	2.2	0.6	1.0	0.3	0.3
Transport and storage	4.2	3.8	4.1	4.6	4.0	3.9	1.1	0.9	1.2	0.7
Communication services	3.3	3.5	3.5	3.4	3.3	3.7	1.4	2.0	0.3	0.1
Finance and insurance	4.1	4.0	4.0	3.9	4.3	3.7	0.8	0.9	0.7	1.3
Property and business services	3.7	4.2	4.8	4.0	3.9	5.4	2.2	0.9	1.0	1.2
Government administration and defence	4.3	4.1	4.3	3.9	4.4	4.0	1.7	1.1	0.8	0.3
Education	4.4	4.1	4.1	4.4	4.0	4.0	0.9	0.6	1.6	0.9
Health and community services	4.6	4.5	3.8	4.5	4.5	3.6	1.4	1.0	0.6	0.5
Cultural and recreational services	4.3	3.7	4.3	3.3	4.1	4.1	2.2	0.6	0.8	0.4
Personal and other services	3.8	4.1	3.6	3.8	4.3	3.4	1.1	0.5	1.3	0.3
<b>All industries</b>	<b>4.0</b>	<b>4.0</b>	<b>4.2</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>

(a) Includes those industries not separately listed.

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication contains indexes measuring changes in the price of labour in the Australian labour market.

**2** The methodology used to construct the wage, non-wage and labour price indexes (LPI) is similar to that used for other price indexes such as the Consumer Price Index. In the LPI, index numbers are compiled using information collected from a representative sample of employee jobs within a sample of employing organisations. Individual indexes are compiled for various combinations of state/territory, sector (private/public) and broad industry group. Wage price indexes for broad occupation groups are currently produced but will be discontinued with the last data in the series relating to the September quarter 2008. For more detailed information on the methodology used in the construction of the LPI, refer to *Labour Price Index: Concepts, Sources and Methods* (cat. no. 6351.0.55.001).

### PUBLISHED INDEXES

**3** Four wage price indexes are constructed and published quarterly. These indexes were first compiled for the September quarter 1997, and cover:

- ordinary time hourly rates of pay excluding bonuses index
- ordinary time hourly rates of pay including bonuses index
- total hourly rates of pay excluding bonuses index
- total hourly rates of pay including bonuses index.

In these indexes the term 'bonuses' refers to bonuses and commissions.

**4** Four non-wage price indexes are constructed. These are financial year indexes and were first compiled for the 2001–02 financial year. The non-wage indexes cover:

- annual and public holiday leave
- superannuation
- payroll tax
- workers' compensation.

**5** From the individual wage and non-wage components a labour price index can be constructed. Two versions of the labour price index are produced and, like the non-wage price indexes, they are financial year indexes (first compiled for 2001–02):

- labour price index excluding bonuses
- labour price index including bonuses.

**6** The full set is updated annually in the September quarter LPI publication. In all other quarters a summary table is published as an appendix to the publication.

### DESIGN OF THE INDEXES

#### BROAD DESCRIPTION

**7** The wage, non-wage and labour price indexes measure changes over time in the price of labour unaffected by changes in the quality or quantity of work performed. A range of procedures have been developed to identify and measure quality and quantity changes and ensure that only pure price changes are reflected in the indexes.

**8** Price-determining characteristics of the jobs are detailed in fixed pricing specifications and any changes in labour payments due to changes in the pricing specifications do not contribute to index movements. The following are examples of changes in price-determining characteristics which are not reflected in index movements:

- changes in the nature of work performed (e.g. different tasks or responsibilities)
- changes in the quantity of work performed (e.g. the number of hours worked)
- changes in the characteristics of the job occupant (e.g. age, apprenticeship year, successful completion of training or a qualification, grade or level, experience, length of service, etc.)
- changes in the location where the work is performed.

**9** Changes in the price of labour resulting from changes in the composition of the labour market are also excluded from index movements. To achieve this, price movements for each segment of the labour market (defined by state/territory, sector,

## EXPLANATORY NOTES *continued*

### BROAD DESCRIPTION *continued*

industry and occupation) are combined using expenditure weights that remain constant between successive weighting base periods.

### WAGE PRICE INDEXES

**10** The *ordinary time hourly rates of pay indexes* that *exclude bonuses* measure 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.

**11** These indexes are not affected by changes in:

- penalty payments for overtime, shifts, weekends and public holidays (which fluctuate depending on the number of hours paid at penalty rates)
- allowances (which fluctuate according to how much work is performed under special work conditions e.g. height, dirt, heat allowances)
- bonus payments (which may, or may not, relate to an individual's work performance).

These payments are specifically excluded when calculating ordinary time hourly wage and salary rates.

**12** The effect of rolling ordinary time penalty payments and allowances into ordinary time hourly rates is excluded from these indexes. However, when overtime penalty payments are rolled into ordinary time hourly rates, the ordinary time indexes will increase accordingly.

**13** The *total hourly rates of pay indexes* that *exclude* bonuses are based on a weighted combination of ordinary time hourly wage and salary rates (described in paragraphs 10 and 11) and overtime hourly rates. As a result, the total hourly indexes reflect changes in both the ordinary time and overtime hourly rates. However, the effect of changes in the amount of overtime paid at each overtime rate is not shown in these indexes.

**14** Only those indexes that *exclude* bonuses and commissions are pure price indexes because bonus and commission payments can reflect changes in the quality of work performed. No attempt is made to remove this quality element from the indexes that include bonuses and commissions.

**15** A review of the treatment of bonuses and commissions resulted in methodological changes in the March quarter 2006. Details of these changes and the likely impact on the indexes that include bonuses and commissions can be found in each of the 2006 editions of this publication.

### NON-WAGE PRICE INDEXES

**16** The *annual and public holiday leave index* is calculated using both ordinary time hourly wage and salary rates, and the amount of annual and public holiday leave offered by employers. Pure price changes in either of these variables will reflect in the index. The index specifically prices leave *entitlements* and therefore will not show changes due to fluctuations in the actual amount of leave taken by job occupants.

**17** The *superannuation index* is calculated using ordinary time hourly wage and salary rates, and the rate of superannuation that is paid by employers. Pure price changes in either of these variables will be reflected in the index. Superannuation payments equal to and above the legislated minimum specified in the *Superannuation Guarantee Act 1992* are included in the index. Amounts that are salary sacrificed to superannuation are included in the wage price indexes and not the superannuation index.

**18** The *payroll tax and workers' compensation indexes* are calculated differently to the other wage and non-wage indexes. As these costs are both levied at the employer level, the indexes are calculated using total payroll information rather than rates of pay data. The separate indexes are derived by applying either payroll tax rates/thresholds or workers' compensation premium rates to the total payroll data. The indexes reflect pure

## EXPLANATORY NOTES *continued*

### NON-WAGE PRICE INDEXES

*continued*

price changes in total payroll and either changes in the payroll tax rates/thresholds or workers' compensation premium rates.

**19** Data quality concerns exist in relation to the workers' compensation premium rates for the ACT private sector. Until these concerns are resolved, these data will be imputed based on industry averages across Australia. Workers' compensation index numbers for the ACT private sector will not be published separately.

### LABOUR PRICE INDEXES

**20** Two labour price indexes (one including bonuses and one excluding them) are constructed from the individual wage and non-wage components. As with the wage price indexes, only the labour price index that excludes bonuses is a pure price index because bonuses tend to reflect, at least partly, changes in the quality of work performed.

### SCOPE AND COVERAGE

**21** The target population of employers for the LPI is all employing organisations in Australia (private and public sectors) except:

- enterprises primarily engaged in agriculture, forestry or fishing
- private households employing staff
- foreign embassies, consulates, etc.

**22** All employee jobs in the target population of employers are in scope of the LPI, except the following:

- Australian permanent defence force jobs
- non-salaried directors
- proprietors/partners of unincorporated businesses
- persons paid by commission only
- working proprietors/owner managers of Pty Ltd companies
- employees on workers' compensation who are not paid through the payroll
- 'non-maintainable' jobs (i.e. jobs that are expected to be occupied for less than six months of a year)
- jobs for which wages and salaries are not determined by the Australian labour market (e.g. most employees of Community Development Employment Programs, or jobs where the remuneration is set in a foreign country).

**23** As such, full-time, part-time, permanent, casual, managerial and non-managerial jobs are in scope of the LPI. Costs incurred by employers for work undertaken by self-employed persons such as consultants and subcontractors are out-of-scope of the LPI, as they do not relate to employee jobs.

### DATA COLLECTION

**24** Information for the wage price indexes is collected each quarter by mail questionnaires from a sample survey of approximately 4,800 private and public sector employers selected from the ABS Business Register. The survey reference date is the last pay period ending on or before the third Friday of the middle month of the quarter, except for bonuses which are collected in respect to those paid during the three month period ending on the third Friday of the middle month of the quarter. In the first quarter they participate in the survey, each employer selects a sample of jobs from their workplace(s) using sampling instructions provided by the ABS, and provides information for these jobs, including detailed pricing specifications. In subsequent quarters they are asked to provide details of payments made to the current occupants of these same jobs. It is essential that the same jobs are priced in successive quarters, whether the individual job occupants are the same or not. Approximately 20,000 matched jobs are priced each quarter from the selected employers.

**25** The sampling method retains the highest possible common sample of employers over time, and retains the same sampled jobs within those employers where possible. However, it is also necessary to ensure the LPI continues to be relevant and representative over time. For these reasons, the employer sample is refreshed annually (for the December quarter) in a way that ensures a high proportion of common

## EXPLANATORY NOTES *continued*

### DATA COLLECTION *continued*

selections while allowing new employers to be represented in the sample. Refreshing the sample also allows the ABS to control the length of time that small businesses are included in the sample.

**26** Between each annual refresh of the employer sample, a small number of employee jobs will be lost from the survey sample because of the closure of some businesses. In addition, some jobs in continuing businesses will be replaced in the sample because of restructuring and other job changes.

**27** Annual leave and superannuation information is collected from the same job sample as that used to construct the wage price indexes. However, data are only collected annually as part of the June quarter LPI survey. Changes in the job sample due to factors such as the annual refreshing of the employer sample, together with the requirement of pricing the same jobs in successive years, reduces the number of matched jobs used to calculate the annual and public holiday leave index and the superannuation index compared with the matched jobs underlying the wage price indexes.

**28** Information from administrative and other ABS data sources is used to construct the payroll tax and workers' compensation indexes, as well as the public holiday component of the annual and public holiday leave index.

### WEIGHTING

**29** In the LPI, as with other price indexes, expenditure weights are used to combine elementary aggregates into broader level indexes. These weights are derived from independent estimates of labour costs for each elementary aggregate. The estimates are sourced from the Major Labour Costs Survey, the Employee Earnings and Hours Survey and the Census of Population and Housing. The weights are updated for the December quarter each year to take account of changing employer expenditure patterns for labour among each segment of the labour market (elementary aggregates). They reflect changes in the distribution of the number of employee jobs among occupations, industries, states/territories and sectors, as well as changes in labour cost relativities. Appendix 1 shows the distribution of employers' expenditure on wages and salaries, as of December quarter 2007.

**30** To facilitate comparison of index numbers over time, the published indexes are not re-referenced (i.e. reset to 100.0) each time this re-weighting occurs. Instead, the series based on the old expenditure weights and that based on the new weights are linked via an arithmetic calculation, which is referred to as chaining. This provides a continuous series from the commencement of the index, while incorporating the updated expenditure weights.

### INTERPRETATION OF INDEX NUMBERS

**31** Index numbers in this publication measure changes in the price of labour between the commencement of the series and a later period. Index number levels cannot be compared across states/territories as they do not provide comparative information on the relative levels of labour costs. Similarly, index number levels cannot be compared across sectors, industries, or occupations. The usefulness of index numbers stems from the fact that index numbers for any two periods can be used to directly calculate the change or movement in the price of labour between the two periods. These *movements* can be compared across states/territories, sectors, industries, or occupations.

### PERCENTAGE CHANGE AND ROUNDING

**32** The published index numbers have been rounded to one decimal place, and the percentage changes (also rounded to one decimal place) are calculated from the rounded index numbers. In some cases, this can result in the percentage change for the total level of a group of indexes being outside the range of the percentage changes for the component level indexes. Seasonally adjusted and trend quarterly estimates are calculated from unrounded original indexes and then rounded to one decimal place.

## EXPLANATORY NOTES *continued*

### INDEX MOVEMENTS

**33** Movements in indexes from one period to another can be expressed either as changes in index points or as percentage changes. In this publication, percentage changes are calculated to illustrate three different kinds of movements in indexes:

- movements between consecutive quarters
- movements between corresponding quarters of consecutive years (i.e. changes 'through the year')
- movements between consecutive financial years.

**34** The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

*Total hourly rates of pay excluding bonuses*, All Sectors, Australia

	Index numbers, trend (see table 1)
June quarter 2008	118.8
less June quarter 2007	114.1
Change in index points	4.7
Percentage change	$4.7/114.1 \times 100 = 4.1\%$

### FINANCIAL YEAR INDEXES

**35** Index numbers for financial years are calculated as simple (arithmetic) averages of the four quarterly index numbers for the financial year. As the wage price indexes were first produced for the September quarter 1997, the first financial year index number that can be calculated is for 1997–98. Consequently, the first percentage change between financial years that can be calculated is between 1997–98 and 1998–99. The following example illustrates the method of calculating the financial year index number for 2007–08:

*Total hourly rates of pay excluding bonuses*, Australia

	Index numbers (see table 2)
September quarter 2007	115.4
plus December quarter 2007	116.5
plus March quarter 2008	117.6
plus June quarter 2008	118.7
Financial year 2007–08	$468.2/4 = 117.1$

**36** Percentage changes between the index numbers for any two financial years can be calculated using the method outlined in paragraph 34 above.

### SEASONALLY ADJUSTED INDEXES

**37** Seasonally adjusted estimates are derived by estimating and removing systematic calendar related effects from the original series. In most economic data these calendar related effects are a combination of the classical seasonal influences (e.g. the effect of the weather, social traditions or administrative practices) plus other kinds of calendar related variation, such as trading day, Easter or the proximity of significant days in the year (e.g. Christmas). In the seasonal adjustment process, both seasonal and other calendar related factors evolve over time to reflect changes in activity patterns. The seasonally adjusted estimates still reflect the sampling and non-sampling errors to which the original estimates are subject.

**38** The *total hourly rates of pay excluding bonuses index* is the only index of the LPI that is seasonally adjusted. Institutional effects largely drive the seasonality of this index. Important factors in determining this seasonality are the timing of effect of Australian workplace agreements and certified agreements, the length of these agreements, and the timing of significant wage hearings that impact on rates of pay. A significant institutional change in wage setting arrangements can affect the relative level (or trend) and seasonality of the index.

**39** Prior to 2006, the Australian Industrial Relations Commission (AIRC) handed down annual Safety Net Review (SNR) decisions which set federal full-time minimum award rates. Since the commencement of the WPI, the SNR contributed to the relative level of the wage price index. Most of its impact on the wage price index was in the September

## EXPLANATORY NOTES *continued*

### SEASONALLY ADJUSTED INDEXES *continued*

and December quarters each year. This impact contributed to the level of seasonality for those quarters. As a result of industrial relations changes associated with WorkChoices, the AIRC ceased its annual SNR decisions and the setting of federal minimum wage rates has become the responsibility of the Australian Fair Pay Commission (AFPC). There was therefore no SNR decision in 2006.

**40** The AFPC's first decision was handed down on 26 October 2006 with a date of effect of 1 December 2006. The impact on the wage price index of the first AFPC ruling was mainly in the March quarter of 2007. This has resulted in changes in the size and timing of wage increases reported. These changes have impacted on the seasonality of the wage price index.

**41** To account for this, the ABS has applied both a trend and a seasonal break in compiling the seasonally adjusted estimates for the September quarter 2006.

**42** It will take some time before the seasonality of the new wage setting mechanisms can be determined. Seasonally adjusted estimates may be revised more than is usual as additional observations become available.

### CONCURRENT SEASONAL ANALYSIS

**43** The LPI uses a concurrent seasonal adjustment methodology to derive the adjustment factors. This method uses the original time series available at each reference period to estimate seasonal factors for the current and previous quarters. Concurrent seasonal adjustment is technically superior to the more traditional method of reanalysing seasonal patterns once each year because it uses all available data to fine tune the estimates of the seasonal component each quarter. With concurrent analysis, the seasonally adjusted series are subject to revision each quarter as the estimates of the seasonal factors are improved. In most instances, the only noticeable revisions will be to the combined adjustment factors for the previous quarter and for the same quarter in the preceding year as the reference quarter (i.e. if the latest quarter is  $Q_t$  then the most significant revisions will be to  $Q_{t-1}$  and  $Q_{t-4}$ ).

### ARIMA MODELLING

**44** More recently, the ABS has implemented improved methods of producing seasonally adjusted estimates, focused on the application of Autoregressive Integrated Moving Averages (ARIMA) modelling techniques. ARIMA modelling is a technique that can be used to extend original estimates beyond the end of a time series. The extended values are temporary, intermediate values, that are used internally to improve seasonal adjustment. They do not affect the original estimates and are discarded at the end of the seasonal adjustment process. The use of ARIMA modelling generally results in a reduction in revisions to the seasonally adjusted estimates when subsequent data becomes available. ARIMA modelling in the LPI was introduced in June quarter 2008. For more information on the details of ARIMA modelling see the feature article 'Use of ARIMA modelling to reduce revisions' in the October 2004 issue of *Australian Economic Indicators* (cat. no. 1350.0).

### TREND ESTIMATES

**45** Trend is a measure of the underlying direction of a series. The ABS trend estimates for the wage price index are derived by applying a 7-term Henderson-weighted moving average to all quarters of the respective seasonally adjusted indexes except the first three and last three quarters. Trend estimates are created for these quarters by applying surrogates of the 7-term Henderson weighted moving average to the seasonally adjusted indexes, tailored to each time series. In general, trend estimates give a better indication of underlying behaviour than the seasonally adjusted estimates. Please refer to the ABS Information Paper, *A Guide to Interpreting Time Series - Monitoring Trends* (cat. no. 1349.0).

**46** The ABS has undertaken an assessment of the SNR contribution to the relative level (or trend) of the wage price index. Over the life of the wage price index, the SNR has had a cumulative contribution to the level of the index. This cumulative contribution

## EXPLANATORY NOTES *continued*

TREND ESTIMATES <i>continued</i>	terminated after June 2006. As a result, there has been a break in the WPI trend series. Updated trend estimates were not produced in the September quarter 2006 to March quarter 2008 editions of the Labour Price Index, Australia due to insufficient data, however the series has now been reinstated.
REFERENCE BASE PERIOD	<p><b>47</b> The reference base period of an index series is that period for which the value of the index is set to 100.0. It is most commonly a year but can also be a different length of time, ranging from two or three years down to a single quarter. It often coincides with the weighting base for the series, but this is not essential. The September quarter 1997 was used as the original reference base for the wage price indexes as it was the first quarter for which data was available.</p> <p><b>48</b> With the introduction of the non-wage price indexes, all indexes are presented on a reference base of 2003–04.</p>
REVISIONS TO INDEXES	<p><b>49</b> Original index numbers will be released as final figures at the time they are first published. Revisions will only occur in exceptional circumstances. Trend and seasonally adjusted indexes for some quarters will be revised as extra quarters are included in the series analysed for seasonal influences (see paragraphs 37 to 46).</p>
RELATED PUBLICATIONS	<p><b>50</b> Users may also wish to refer to the following publications which are available free on the ABS website &lt;<a href="http://www.abs.gov.au">http://www.abs.gov.au</a>&gt;:</p> <p><i>Labour Price Index: Concepts, Sources and Methods</i>, cat. no. 6351.0.55.001</p> <p><i>Consumer Price Index, Australia</i>, cat. no. 6401.0</p> <p><i>House Price Indexes, Eight Capital Cities</i>, cat. no. 6416.0</p> <p><i>International Trade Price Indexes, Australia</i>, cat. no. 6457.0</p> <p><i>Producer Price Indexes, Australia</i>, cat. no. 6427.0</p> <p><i>Australian Consumer Price Index: Concepts, Sources and Methods</i>, cat. no. 6461.0</p> <p><i>Producer and International Trade Price Indexes: Concepts, Sources and Methods</i>, cat no. 6429.0</p> <p><i>Australian Labour Market Statistics</i>, cat. no. 6105.0</p> <p><b>51</b> Current publications and other products released by the ABS are listed in the <i>Catalogue of Publications and Products</i> (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site. The ABS also publishes <i>Future releases</i> on the web site which details products to be released in the week ahead.</p>
ABS DATA AVAILABLE ON REQUEST	<p><b>52</b> As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to David Taylor on Perth (08) 9360 5151 or the National Information and Referral Service on 1300 135 070.</p>



# APPENDIX 1 DISTRIBUTION OF EXPENDITURE ON WAGES

AS UPDATED DECEMBER  
QUARTER 2007

## **A1** DISTRIBUTION OF EMPLOYERS' TOTAL EXPENDITURE ON WAGES AND SALARIES (a)(b)

	Private	Public	Total
	%	%	%
<b>Australia by sector</b>			
<b>Australia</b>	<b>75.3</b>	<b>24.7</b>	<b>100.0</b>
<b>Sector by State/Territory</b>			
New South Wales	35.8	34.8	35.6
Victoria	27.0	19.0	25.0
Queensland	16.6	19.7	17.3
South Australia	7.0	6.8	6.9
Western Australia	9.9	8.8	9.7
Tasmania	1.6	2.4	1.8
Northern Territory	0.8	1.9	1.1
Australian Capital Territory	1.3	6.6	2.6
<b>Australia</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sector by broad industry group(c)</b>			
Mining	3.2	(d)	2.4
Manufacturing	20.5	(d)	15.5
Electricity, gas and water supply	1.0	(d)	1.5
Construction	6.1	(d)	5.0
Wholesale trade	7.8	(d)	5.9
Retail trade	11.5	(d)	8.7
Accommodation, cafes and restaurants	3.8	(d)	3.0
Transport and storage	5.4	(d)	5.0
Communication services	3.3	(d)	2.9
Finance and insurance	7.4	(d)	5.9
Property and business services	14.1	(d)	11.5
Government administration and defence	. .	27.2	6.8
Education	3.7	25.9	9.2
Health and community services	8.3	20.2	11.4
Cultural and recreational services	1.9	2.3	1.9
Personal and other services	2.1	6.8	3.3
<b>All industries</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sector by broad occupation group(e)</b>			
Managers and administrators	13.2	12.1	13.0
Professionals	19.8	42.6	25.4
Associate professionals	12.9	15.3	13.5
Tradespersons and related workers	13.1	4.4	10.9
Advanced clerical, sales and service workers	3.6	2.1	3.2
Intermediate clerical, sales and service workers	14.5	14.3	14.4
Intermediate production and transport workers	10.0	3.3	8.4
Elementary clerical, sales and service workers	6.3	3.5	5.6
Labourers and related workers	6.6	2.3	5.6
<b>All occupations</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

. . not applicable

(a) See paragraphs 29–30 of the Explanatory Notes.

(b) Components may not sum to 100.0 due to rounding.

(c) Classified according to the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993* (cat. no. 1292.0).

(d) For the public sector, these industries are combined and included in the 'All Industries' total.

(e) Classified according to the *Australian Standard Classification of Occupations (ASCO), Second Edition* (cat. no. 1220.0).

## APPENDIX 2 SUMMARY OF NON-WAGE AND LABOUR PRICE INDEXES

NON-WAGE AND LABOUR  
PRICE INDEXES

### **A2** NON-WAGE AND LABOUR PRICE INDEXES(a), Sector

	INDEX NUMBERS(b)				CHANGE FROM PREVIOUS FINANCIAL YEAR(%)		
	2003-04	2004-05	2005-06	2006-07	2004-05	2005-06	2006-07
ANNUAL AND PUBLIC HOLIDAY LEAVE							
Private	100.0	104.7	108.9	113.3	4.7	4.0	4.0
Public	100.0	105.3	109.9	114.6	5.3	4.4	4.3
All sectors	100.0	104.9	109.2	113.6	4.9	4.1	4.0
SUPERANNUATION							
Private	100.0	103.9	108.2	112.5	3.9	4.1	4.0
Public	100.0	104.5	109.2	113.9	4.5	4.5	4.3
All sectors	100.0	104.0	108.4	112.9	4.0	4.2	4.2
PAYROLL TAX							
Private	100.0	103.6	107.9	111.6	3.6	4.2	3.4
Public	100.0	104.4	108.9	112.9	4.4	4.3	3.7
All sectors	100.0	103.8	108.1	111.9	3.8	4.1	3.5
WORKERS' COMPENSATION							
Private	100.0	100.4	101.3	95.8	0.4	0.9	-5.4
Public	100.0	103.5	106.1	103.7	3.5	2.5	-2.3
All sectors	100.0	101.0	102.3	97.4	1.0	1.3	-4.8
LABOUR PRICE INDEX EXCLUDING BONUSES							
Private	100.0	103.6	107.7	111.6	3.6	4.0	3.6
Public	100.0	104.4	109.0	113.5	4.4	4.4	4.1
All sectors	100.0	103.8	108.0	112.1	3.8	4.0	3.8

(a) Refer to paragraphs 3-6 of Explanatory Notes for a description of the indexes.

(b) Reference base of each index: 2003-04 = 100.0.

## GLOSSARY

<b>Annual and public holiday leave index</b>	Measures changes in the price of annual and public holiday leave (see Explanatory Notes paragraph 16).
<b>Bonuses</b>	Payments made to a job occupant that are in addition to regular wages and salaries and which generally relate to the job occupant's, or the organisation's, performance. In the LPI, the term 'bonuses' refers to bonuses and commissions.
<b>Elementary aggregates</b>	The finest aggregations of jobs, in terms of state/territory, sector, industry group and occupation group, for which expenditure weights are available.
<b>Employee job</b>	A job for which the occupant receives remuneration in wages, salary, payment in kind, or piece rates.
<b>Employer</b>	Organisation with one or more employees.
<b>Expenditure weights</b>	A measure of the relative importance of each elementary aggregate, based on employers' total expenditure on the LPI component being considered (e.g. wages and salaries, superannuation, etc.). Expenditure weights are used to combine elementary aggregate indexes into broader level indexes.
<b>Index number</b>	Measures the ratio of the price of labour between the commencement of the index series and a later period.
<b>Industry</b>	Classified according to the <i>Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993</i> (cat. no. 1292.0).
<b>Labour price index</b>	Measures changes in the price of labour. Includes wages and salaries, overtime, bonuses (only in the labour price including bonuses index), annual and public holiday leave, superannuation, payroll tax and workers' compensation (see Explanatory Notes paragraph 20).
<b>Occupation</b>	Classified according to the <i>Australian Standard Classification of Occupations (ASCO), Second Edition</i> (cat. no. 1220.0).
<b>Ordinary time hourly rates of pay index</b>	Measures quarterly change in ordinary time hourly rates of pay (see Explanatory Notes paragraphs 10 and 11).
<b>Ordinary time hours</b>	Award, standard or agreed hours of work paid for at the ordinary rate.
<b>Overtime hours</b>	The number of hours paid for in excess of ordinary time hours.
<b>Payroll tax index</b>	Measures changes in the price of payroll tax (see Explanatory Notes paragraph 18).
<b>Reference base period</b>	The period for which an index series is given the value of 100.0. The current reference base for the LPI is the 2003–04 financial year.
<b>Reference date</b>	The reference date for this survey is the last pay period ending on or before the third Friday of the middle month of the quarter, except for bonuses which are collected in respect to those paid during the three month period ending on the third Friday of the middle month of the quarter.
<b>Sector</b>	Public sector comprises local government authorities and all government departments and agencies created by, or reporting to, the Commonwealth, or state/territory parliaments. The private sector comprises all organisations not classified as public sector.
<b>Seasonal adjustment</b>	Process of removing systematic calendar related effects from the original series (see Explanatory Notes paragraphs 37–44, 49).
<b>Superannuation index</b>	Measures changes in the price of superannuation (see Explanatory Notes paragraph 17).
<b>Total hourly rates of pay index</b>	Measures quarterly change in combined ordinary time and overtime hourly rates of pay (see Explanatory Notes paragraph 13).
<b>Trend</b>	A measure of the underlying direction of a series (see Explanatory Notes paragraphs 45–46, 49).

## **GLOSSARY** *continued*

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<b>Wage price index</b>	Measures changes in the price of wages.
<b>Weighting base</b>	The period to which the expenditure weights relate.
<b>Workers' compensation index</b>	Measures changes in the price of workers' compensation (see Explanatory Notes paragraph 18).







## FOR MORE INFORMATION . . .

*INTERNET*      **www.abs.gov.au**    the ABS website is the best place for data from our publications and information about the ABS.

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