

Information note—WPI growth and unemployment rates by state

This note provides information on growth in the Wage Price Index (WPI) and unemployment rate by state.

Table 1 compares data on WPI growth and unemployment rates by state, showing the most recent data, as well as the five-year average. Across four states, the latest annual WPI growth is above its five-year average, while across the same four states the unemployment rate is below its five-year average.

Over the year to the December quarter 2018, the three states with the highest wage growth were Victoria (2.7 per cent), Tasmania (2.6 per cent) and New South Wales (2.4 per cent). These growth rates are marginally above their five-year average. The lowest unemployment rates in March 2019 were recorded in New South Wales (4.3 per cent) and Victoria (4.6 per cent), almost 1 percentage point below their five-year average, having fallen by 0.6 percentage points and 0.7 percentage points, respectively, over the year. However, the unemployment rate increased by 0.6 percentage points in Tasmania over the same period.

Wages growth is higher than the five-year average in New South Wales, Victoria and Queensland, where the unemployment rate is lower than the five-year average.

Wage growth was lowest in Western Australia (1.6 per cent) where the unemployment rate is relatively high in comparison with other states and slightly above its five-year average. Although slightly lower than its recent peak of 6.3 per cent, the unemployment rate in Western Australia has been above 6 per cent since December 2017.

Table 1: Unemployment rate and growth in the WPI, by state

	Latest			5-year average	
	WPI (%)	Unemployment rate (%)	Change in UE rate over year (ppt)	WPI (%)	Unemployment rate (%)
NSW	2.4	4.3	-0.6	2.2	5.2
Victoria	2.7	4.6	-0.7	2.4	5.8
Queensland	2.3	5.9	-0.3	2.2	6.2
SA	2.3	5.9	0.1	2.3	6.5
WA	1.6	6.1	-0.1	1.7	5.9
Tasmania	2.6	6.5	0.6	2.4	6.3
Australia	2.3	5.0	-0.5	2.2	5.7

Note: The unemployment rate is for March 2019; WPI is for the December quarter 2018. WPI data are in original terms, while unemployment data are expressed in trend terms.

Source: ABS, *Wage Price Index, Australia, Dec 2018*, Catalogue No. 6345.0; ABS, *Labour Force, Australia, Mar 2019*, Catalogue No. 6202.0.