



## **Statistical report—Annual Wage Review 2019–20**

Version 4 – 19 March 2020

All Australian Bureau of Statistics (ABS) data in this Report are seasonally adjusted, unless otherwise noted.

All data expressed in \$ units are in nominal terms, unless otherwise noted.

All gross domestic product (GDP) and gross value added (GVA) measures used in this Report are expressed in real terms from chain volume estimates, unless otherwise noted.

This version is updated for:

<p>Australian Bureau of Statistics (ABS), <i>Labour Account Australia, Quarterly Experimental Estimates, December 2019</i>, Catalogue No. 6150.0.55.003:</p> <ul style="list-style-type: none"> <li>• Chart 6.7; Chart 6.8.</li> </ul>
<p>ABS, <i>Labour Force, Australia, Feb 2020</i>, Catalogue No. 6202.0:</p> <ul style="list-style-type: none"> <li>• Overview; Table 2.2; Table 6.1; Chart 6.1; Chart 6.3; Table 6.2; Chart 6.5; Chart 6.6.</li> </ul>
<p>ABS, <i>Retail Trade, Australia, Jan 2020</i>, Catalogue No. 8501.0.55.008:</p> <ul style="list-style-type: none"> <li>• Chart 3.6.</li> </ul>
<p>ABS, <i>Retail Trade, Australia, Preliminary, February 2020</i>, Catalogue No. 8501.0.55.008:</p> <ul style="list-style-type: none"> <li>• Chart 3.6.</li> </ul>
<p>OECD (2020), <i>Quarterly GDP (indicator)</i>:</p> <ul style="list-style-type: none"> <li>• Chart 1.3.</li> </ul>
<p>Department of Employment, Skills, Small and Family Business' Leading Indicator of Employment, <i>Monthly Leading Indicator of Employment, March 2020</i>:</p> <ul style="list-style-type: none"> <li>• Chart 14.1.</li> </ul>
<p>Minutes of the Monetary Policy Meetings of the Reserve Bank Board and Statement on Monetary Policy:</p> <ul style="list-style-type: none"> <li>• Chapter 16</li> </ul>

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## List of abbreviations

ABS	Australian Bureau of Statistics
AAWI	Average annualised wage increase
ANZSCO	Australian and New Zealand Standard Classification of Occupations
AWE	Average Weekly Earnings
AWOTE	Average Weekly Ordinary Time Earnings
C1(b)	Professional Engineer, Professional Scientist Level 4, <i>Metal, Engineering and Associated Industries Award 1998</i>
C4	Engineering Association Level I, <i>Metal, Engineering and Associated Industries Award 1998</i> (and from 1 January 2010 the <i>Manufacturing and Associated Industries and Occupations Award 2010</i> )
C10	Engineering Tradesperson Level I, <i>Metal, Engineering and Associated Industries Award 1998</i> (and from 1 January 2010 the <i>Manufacturing and Associated Industries and Occupations Award 2010</i> )
C14	Engineering/Production Employee Level 1, <i>Metal, Engineering and Associated Industries Award 1998</i> (and from 1 January 2010 the <i>Manufacturing and Associated Industries and Occupations Award 2010</i> )
COE	Characteristics of Employment
CPI	Consumer Price Index
EEH	Employee Earnings and Hours
EHDI	Equivalised household disposable income
FMW	Federal Minimum Wage
FOB	Free on board
FT	Full time
FWCFB	Fair Work Commission Full Bench
GDP	Gross domestic product
GVA	Gross value added
IMF	International Monetary Fund

L4	Level 4 Professional, <i>Professional Employees Award 2010</i>
LCI	Living Cost Index
n/a	Not available
NMW	National minimum wage
NSA	Newstart Allowance
OECD	Organisation for Economic Co-operation and Development
PT	Part time
PL	Poverty line
PPP	Purchasing Power Parity
ppt	Percentage point
pw	Per week
RBA	Reserve Bank of Australia
RNNDI	Real net national disposable income
UK	United Kingdom
US	United States
WAD	Workplace Agreements Database
WPI	Wage Price Index



## Overview

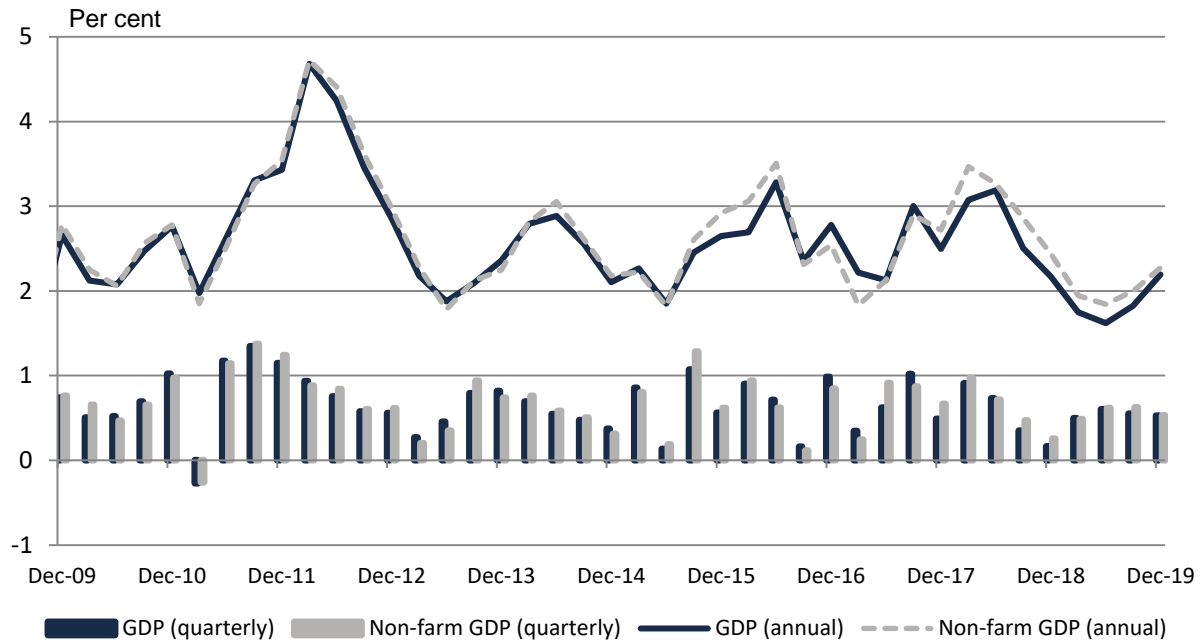
Indicator	Measure	Latest	5-year average
			Dec qtr 2019
GDP	Annual % change	2.2	2.5
RNNDI	Annual % change	2.7	2.7
GDP per capita	Annual % change	0.7	0.9
RNNDI per capita	Annual % change	1.2	1.1
Labour productivity	Annual % change	0.4	0.3
Labour productivity (market sector)	Annual % change	0.2	0.8
Real unit labour costs	Annual % change	0.9	-0.7
Household saving ratio	Proportion	3.6	4.8
Profits	Annual % change	2.3	7.9
Non-mining profits	Annual % change	0.8	4.5
Profits share	%	28.9	26.8
Wages share	%	52.5	53.1
AAWI	%	2.7 <sup>^^</sup>	2.9 <sup>^^</sup>
AWOTE	Annual % change	3.3 <sup>^</sup>	2.3 <sup>^</sup>
<b>2018–19</b>			
Non-mining investment (market sector) <sup>#</sup>	Annual % change	1.5	5.6
<b>Dec qtr 2019</b>			
CPI	Annual % change	1.8	1.7
Underlying inflation	Annual % change	1.3	1.7
LCI employee	Annual % change	1.0	1.4
WPI	Annual % change	2.2	2.1
<b>Feb 2020</b>			
Employment <sup>*</sup>	Annual % change	1.9	2.2
Full-time employment <sup>*</sup>	Annual % change	1.5	2.0
Part-time employment <sup>*</sup>	Annual % change	2.7	2.8
Hours worked <sup>*</sup>	Annual % change	0.8	1.8
Unemployment rate <sup>*</sup>	%	5.1	5.5
Underemployment rate <sup>*</sup>	%	8.6	8.5
Participation rate <sup>**</sup>	%	65.6	65.0
Participation rate (age-adjusted) <sup>**</sup>	%	66.6	65.6
Employment to population ratio <sup>**</sup>	%	61.8	61.1
Employment to population ratio (age-adjusted) <sup>**</sup>	%	62.7	61.6
Youth unemployment rate <sup>*</sup>	%	12.0	12.3

Note: <sup>#</sup>Calculated as percentage change in non-mining (market) gross fixed capital formation. <sup>\*</sup>Data are in trend terms. <sup>\*\*</sup>The age-adjusted participation rate and employment to population ratio are calculated using 10-year age groups, with the proportion of the population for January 2020 and held fixed at January 2015. The 5-year averages are calculated based on the data in Chart 6.2. Data are in original terms. <sup>^</sup> November 2019. <sup>^^</sup> September quarter 2019.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0; ABS, *Australian System of National Accounts, 2018–19*, Catalogue No. 5204.0; ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Business Indicators, Australia, Dec 2019*, Catalogue No. 5676.0; ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0; ABS, *Labour Force, Australia, Detailed – Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001; ABS, *Selected Living Cost Indexes, Australia, Dec 2019*, Catalogue No. 6467.0; ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0; Attorney-General's Department, *Trends in Federal Enterprise Bargaining*, September quarter 2019, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>.

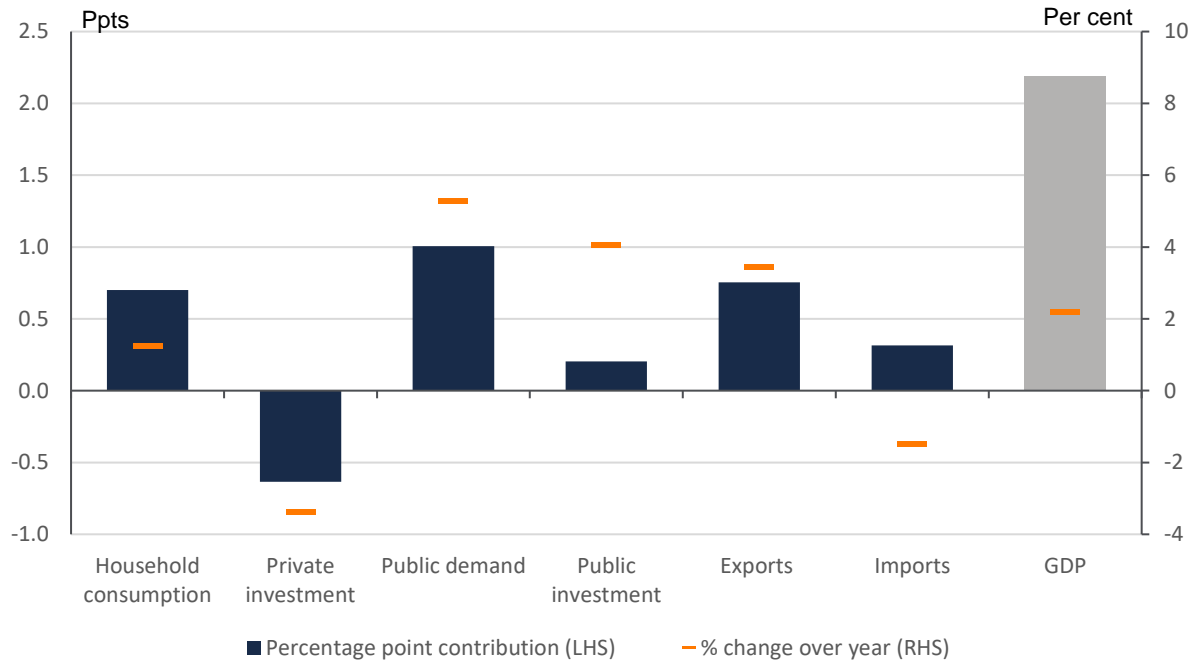
# 1 Economic growth

**Chart 1.1: Economic growth, annual and quarterly growth rates**



Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

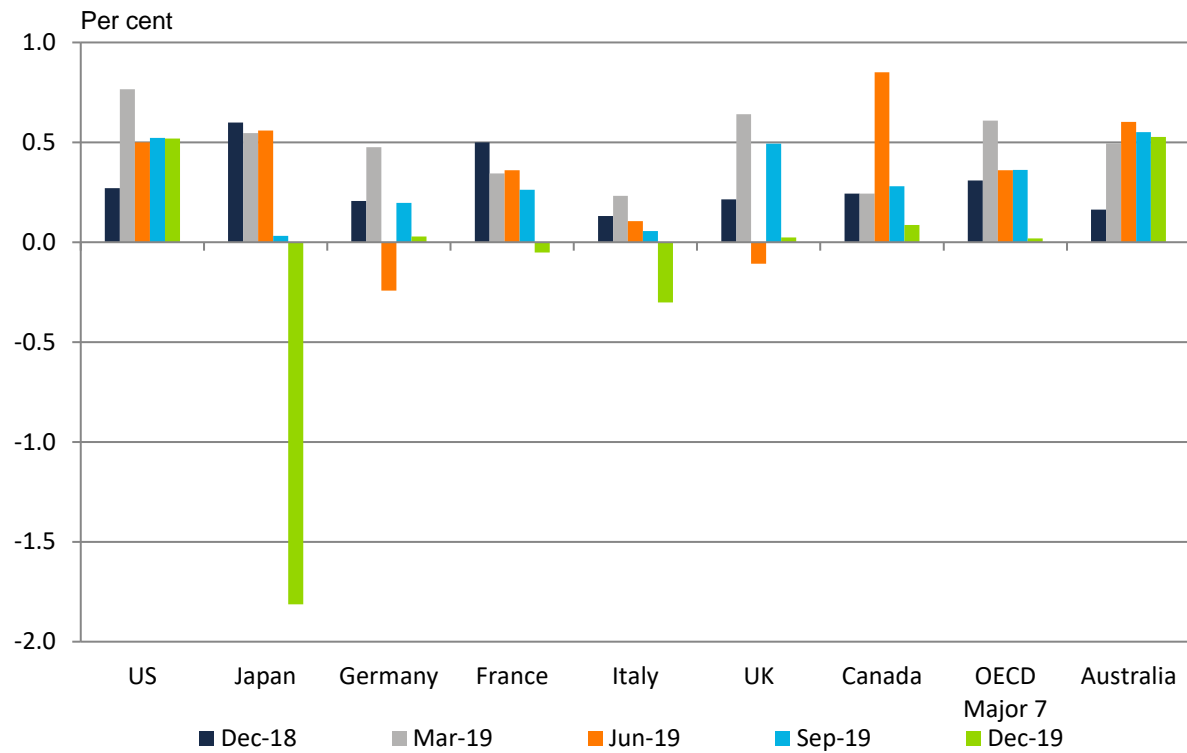
**Chart 1.2: Components of GDP growth over the year to the December quarter 2019**



Note: Household consumption refers to 'Household final consumption expenditure', Investment refers to 'Gross fixed capital formation', and Public demand refers to 'General government final consumption expenditure'. Contributions may not add to total GDP growth due to rounding.

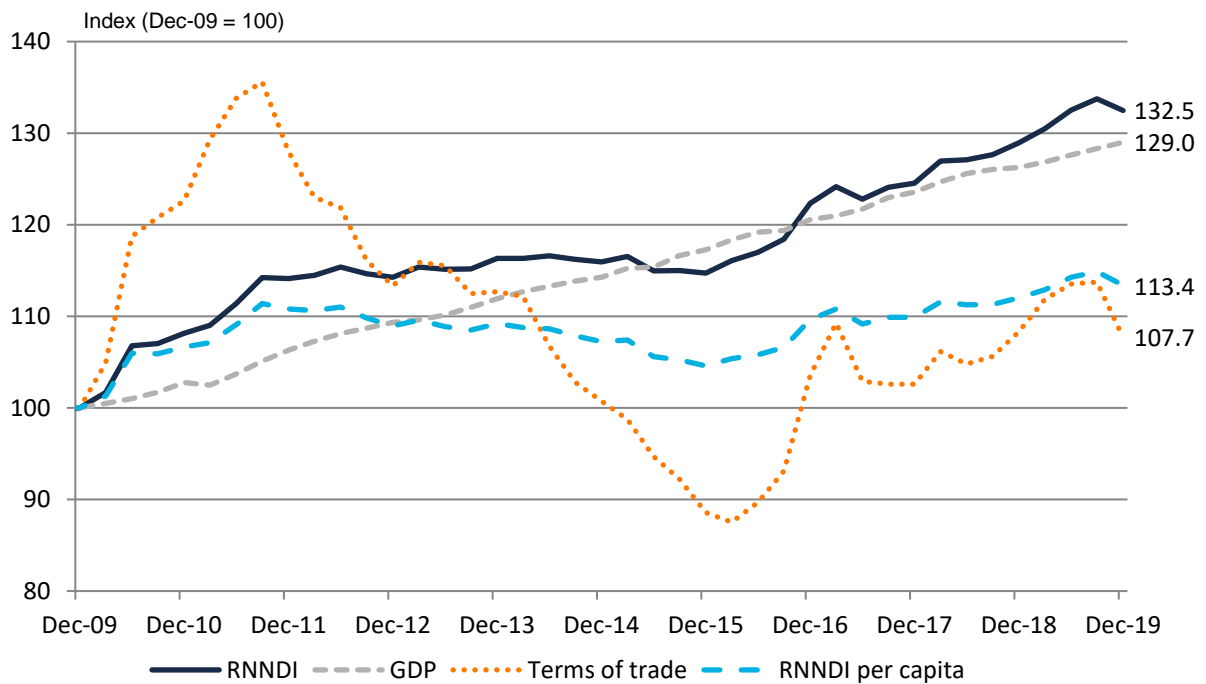
Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Chart 1.3: International comparisons of quarterly GDP growth rates**



Source: OECD (2020), *Quarterly GDP (indicator)*, <<http://data.oecd.org/gdp/quarterly-gdp.htm>>.

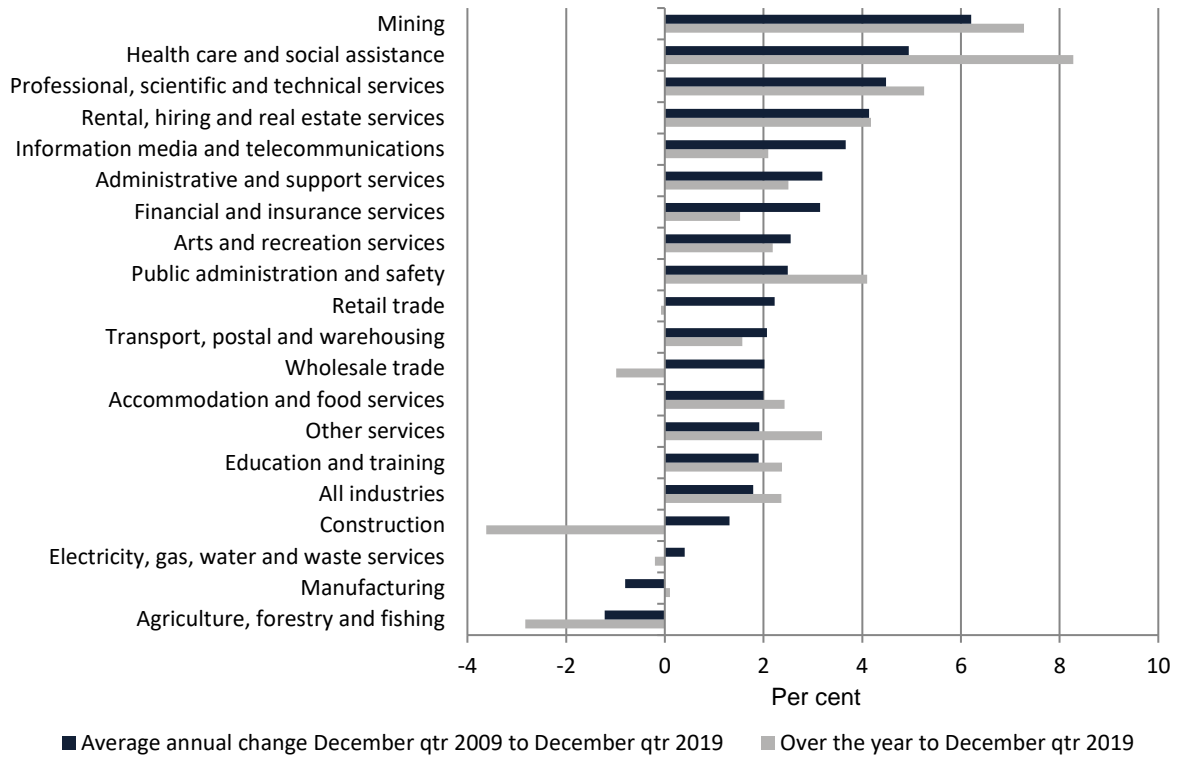
**Chart 1.4: Real net national disposable income, real GDP and the terms of trade, index**



Note: Real net national disposable income (RNNDI) takes into account the impact of changes in prices of exports relative to imports, the real impact of income flows between Australia and the rest of the world, and the consumption of fixed capital. Income flows between Australia and the rest of the world are fairly smooth over time and changes tend to have little impact on short-term movements in RNNDI. The consumption of fixed capital tends to stall growth in RNNDI but, for the most part, the impact on short-term movement is small. See ABS, *Real net national disposable income - a new national accounts measure*, Feature article in ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2001*, Catalogue No. 5206.0.

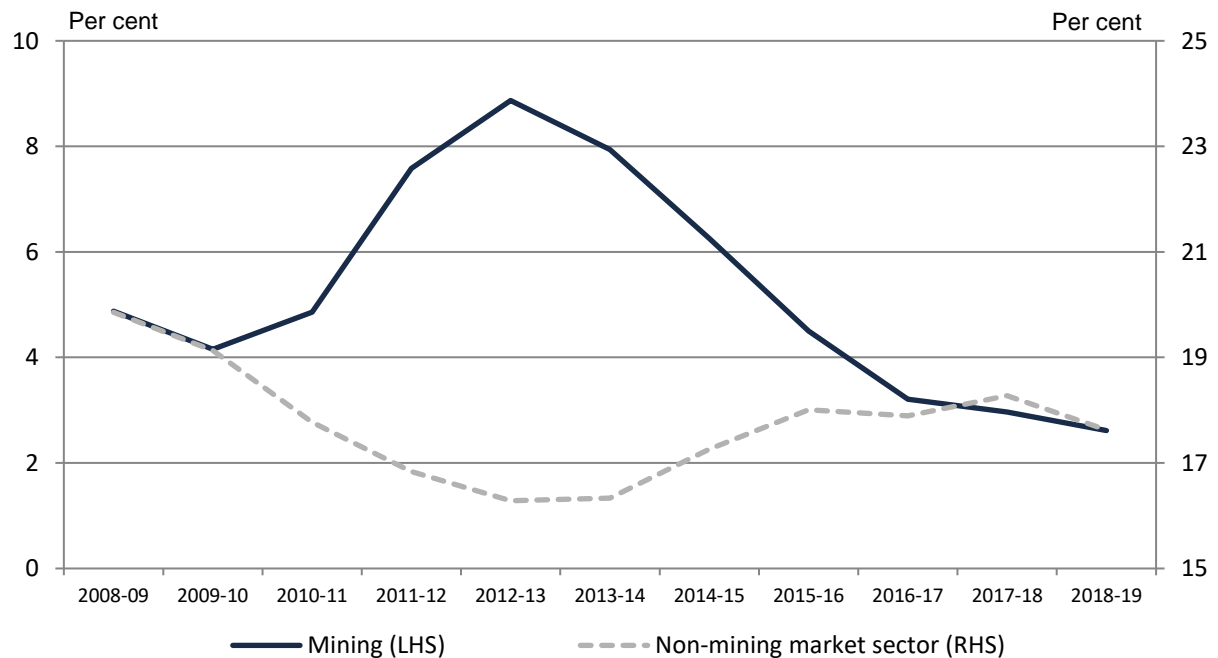
Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Chart 1.5: Gross value added by industry, average annual growth over decade and growth over year to December quarter 2019**



Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Chart 1.6: Gross fixed capital formation share of GDP**

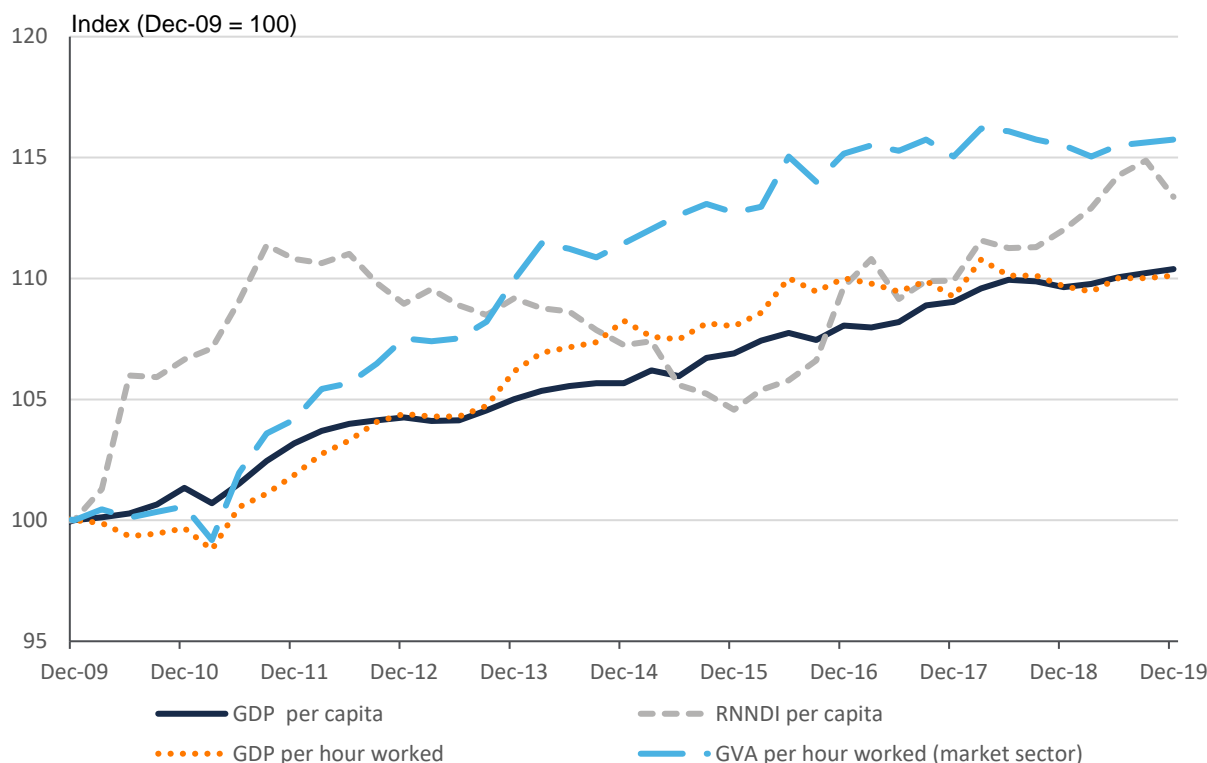


Note: All data are expressed in nominal and annual terms. Non-mining market sector excludes Education and training, Public administration and safety, Health care and social assistance and Mining, but includes ownership of dwellings.

Source: ABS, *Australian System of National Accounts, 2018–19*, Catalogue No. 5204.0.

## 2 Productivity

**Chart 2.1: Measures of productivity, indexes—Dec-09 = 100**



Note: Labour productivity is measured as real GDP per hour worked. Gross value added measures the value of output at basic prices minus the value of intermediate consumption at purchasers' prices. The market sector includes all industries except for Public administration and safety, Education and training and Health care and social assistance.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Table 2.1: Measures of productivity, growth rate over the year**

Quarter	GDP per capita (% change)	RNNDI per capita (% change)	GDP per hour worked (% change)	GVA per hour worked— market sector (% change)
Dec-09	0.8	−4.3	3.3	3.2
Dec-10	1.3	6.7	−0.3	0.6
Dec-11	1.8	3.9	2.2	3.6
Dec-12	1.0	−1.7	2.5	3.2
Dec-13	0.7	0.2	1.7	2.3
Dec-14	0.6	−1.8	2.0	1.4
Dec-15	1.2	−2.5	−0.2	1.1
Dec-16	1.1	4.9	1.8	2.2
Dec-17	0.9	0.2	−0.7	−0.1
Dec-18	0.6	1.9	0.4	0.4
Dec-19	0.7	1.2	0.4	0.2

Note: The percentage change is calculated in relation to the corresponding quarter of the previous year.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

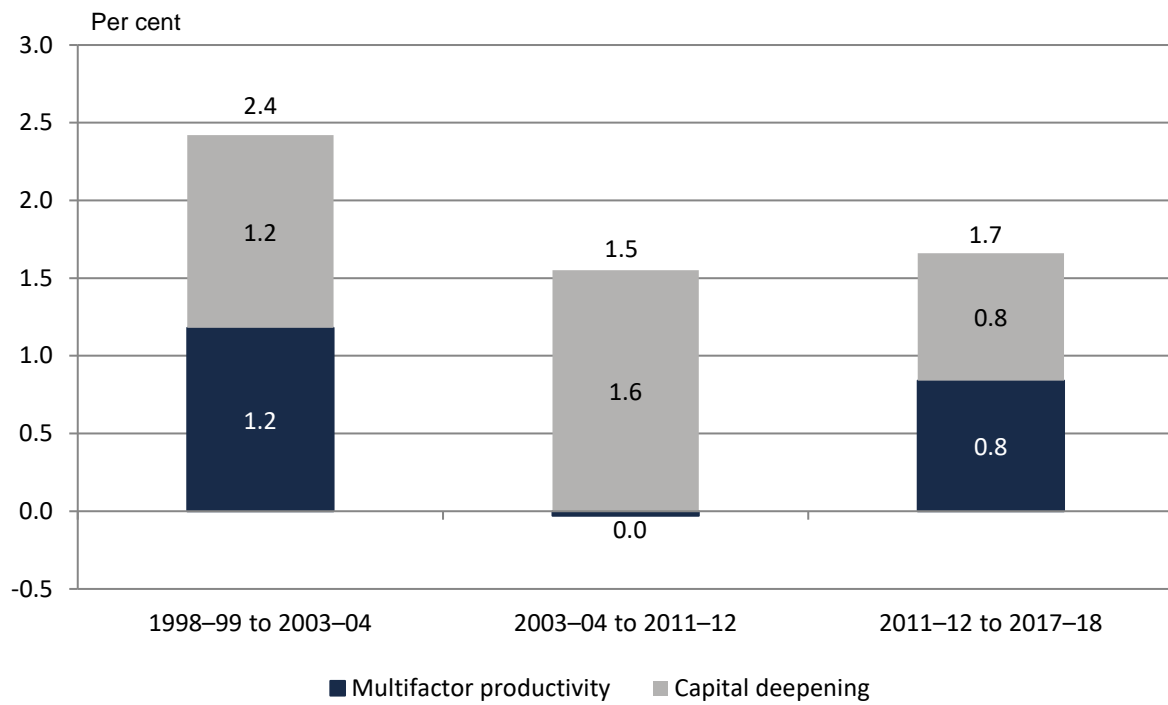
**Table 2.2: Productivity growth and its components, growth rate over the year**

Quarter	National Accounts						Labour Force
	Total			Market Sector			Hours worked
	GDP (% change)	Hours worked (% change)	GDP/hour worked (% change)	GVA (% change)	Hours worked (% change)	GVA/hour worked (% change)	(% change)
Dec-09	2.7	−0.6	3.3	1.6	−1.6	3.2	0.1
Dec-10	2.8	3.0	−0.3	2.8	2.2	0.6	3.2
Dec-11	3.4	1.2	2.2	4.0	0.4	3.6	0.6
Dec-12	2.9	0.4	2.5	3.7	0.5	3.2	0.8
Dec-13	2.4	0.5	1.7	2.3	0.0	2.3	0.4
Dec-14	2.1	0.2	2.0	2.2	0.8	1.4	0.9
Dec-15	2.6	2.8	−0.2	2.6	1.5	1.1	2.3
Dec-16	2.8	1.0	1.8	2.4	0.3	2.2	0.8
Dec-17	2.5	3.1	−0.7	2.9	3.0	−0.1	3.1
Dec-18	2.2	1.8	0.4	1.3	0.9	0.4	2.1
Dec-19	2.2	1.8	0.4	1.8	1.5	0.2	1.5

Note: The percentage changes are calculated in relation to the corresponding quarter of the previous year. Hours worked data from the Labour Force are expressed in trend terms. The percentage changes are calculated in relation to the corresponding month of the previous year.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0; ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

**Chart 2.2: Productivity cycles, annualised growth in the market sector**



Note: Multifactor productivity is measured as output per combined unit of labour and capital. Capital deepening is the component of labour productivity growth which is due to the increase in the amount of capital that each unit of labour has to work with. Labour productivity is represented by the numbers above the bars and is the sum of multifactor productivity and capital deepening. Due to rounding, the sum of multifactor productivity and capital deepening may not equal labour productivity.

Source: ABS, *Estimates of Industry Multifactor Productivity, 2018-19*, Catalogue No. 5260.0.55.002.

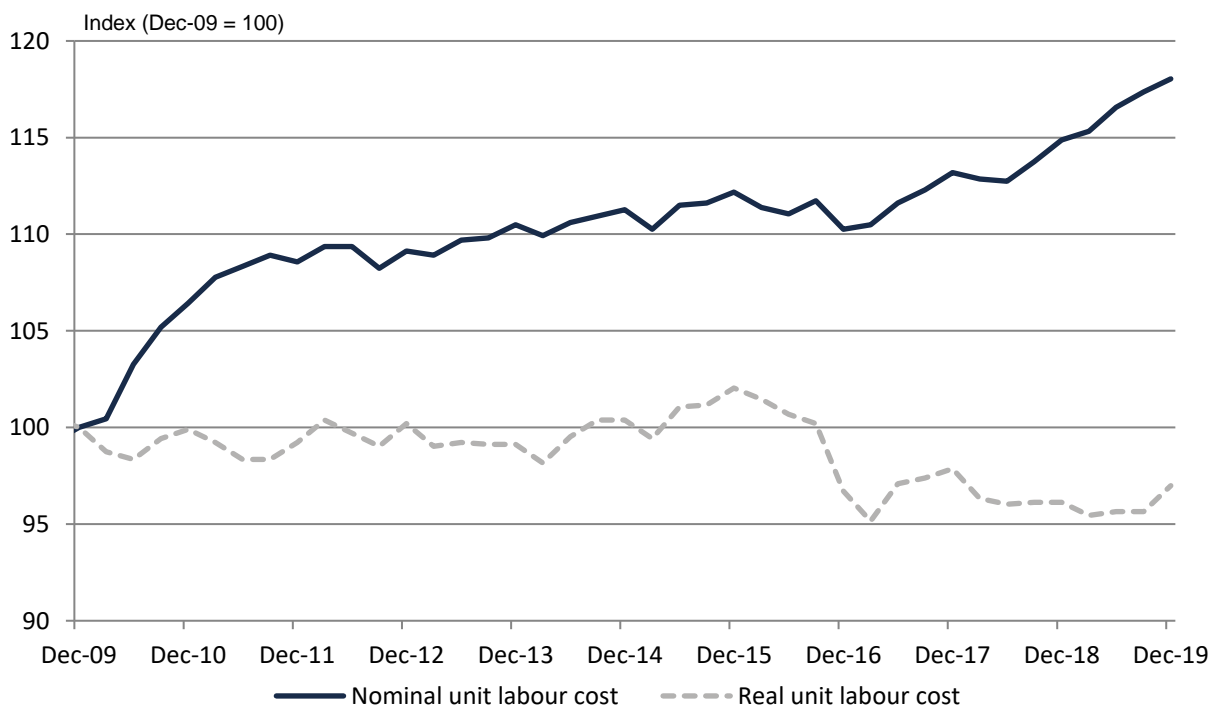


**Table 2.3: Average annual change in labour and multifactor productivity by industry**

	2008–09 to 2018–19		2013–14 to 2018–19	
	Labour productivity (% change)	Multifactor productivity (% change)	Labour productivity (% change)	Multifactor productivity (% change)
Agriculture, forestry and fishing	0.3	–0.4	–2.4	–2.0
Mining	2.5	–0.3	7.1	3.5
Manufacturing	0.5	0.2	–0.5	–0.2
Electricity, gas, water and waste services	–0.9	–1.6	0.8	–0.2
Construction	0.0	–0.8	–3.5	–3.7
Wholesale trade	3.1	2.3	3.3	2.5
Retail trade	2.3	1.5	1.6	1.1
Accommodation and food services	–0.1	0.1	–0.2	0.1
Transport, postal and warehousing	1.1	0.1	–0.4	–0.7
Information, media and telecommunications	4.3	1.9	3.9	2.4
Financial and insurance services	2.1	1.9	2.4	2.2
Rental, hiring and real estate services	2.6	1.3	2.4	1.1
Professional, scientific and technical services	1.2	1.0	0.6	0.5
Administrative and support services	0.6	0.6	1.5	1.6
Arts and recreation services	0.9	0.0	–0.9	–0.9
Other services	1.1	0.2	2.0	1.2
<b>Market sector industries</b>	<b>1.7</b>	<b>0.7</b>	<b>0.9</b>	<b>0.6</b>

Note: Data are expressed in original terms. The market sector includes all industries except for Public administration and safety, Education and training and Health care and social assistance.

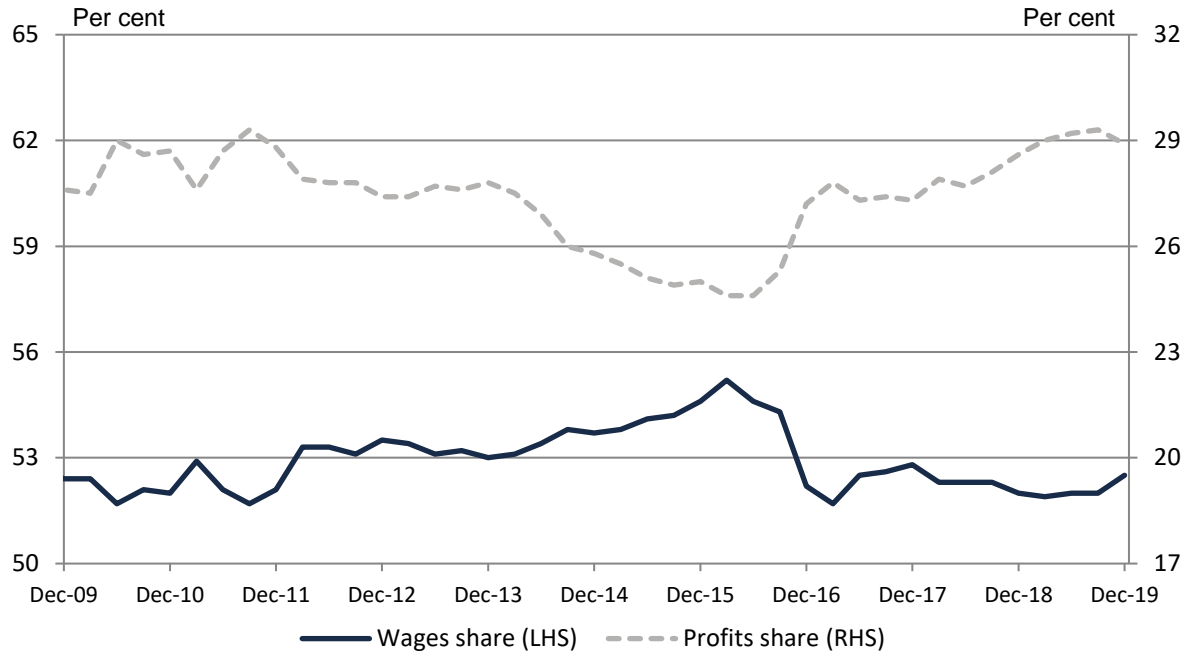
Source: ABS, *Estimates of Industry Multifactor Productivity, 2018–19*, Catalogue No. 5260.0.55.002.

**Chart 2.3: Unit labour costs, index**


Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

### 3 Business competitiveness and viability

**Chart 3.1: Profits and wages shares of total factor income**



Note: Profits share represents the returns to capital in the process of production, and is expressed as total corporation gross operating surplus as a proportion of total factor income. Wages share represents the returns to labour in the process of production, and is expressed as total compensation of employees as a proportion of total factor income.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Table 3.1: Profits and wages shares of total factor income, year on year growth rates**

Quarter	Wages share of total factor income (%)	Total compensation of employees (% change)	Profits share of total factor income (%)	Total corporation gross operating surplus (% change)	Gross mixed income (%)	Gross mixed income (% change)
Dec-09	52.4	2.3	27.6	-2.8	9.4	3.5
Dec-10	52.0	9.4	28.7	14.7	9.1	7.0
Dec-11	52.1	6.7	28.8	7.0	8.9	3.9
Dec-12	53.5	4.3	27.4	-3.6	8.6	-2.0
Dec-13	53.0	3.4	27.8	5.9	8.6	5.0
Dec-14	53.7	2.9	25.8	-5.6	9.7	14.1
Dec-15	54.6	3.1	25.0	-2.0	9.4	-1.4
Dec-16	52.2	2.1	27.2	16.3	9.9	12.9
Dec-17	52.8	5.0	27.3	4.2	9.4	-1.4
Dec-18	52.0	4.1	28.6	10.8	9.0	0.3
Dec-19	52.5	5.1	28.9	5.0	8.4	-3.0

Note: Wages share is the compensation of employees expressed as a proportion of total factor income. Compensation of employees is defined as the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee. Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax).

Profits share represents the returns to capital in the process of production, and is expressed as total corporation gross operating surplus as a proportion of total factor income. Gross operating surplus is defined as the operating surplus accruing to all enterprises, except unincorporated enterprises, from their operations in Australia. It is the excess of gross output over the sum of intermediate consumption, compensation of employees, and taxes less subsidies on production and imports. It is calculated before deduction of consumption of fixed capital, dividends, interest, royalties and land rent, and direct taxes payable, but after deducting the inventory valuation adjustment. Gross operating surplus is also calculated for general government and is equal to general government's consumption of fixed capital.

Gross mixed income is defined as the surplus or deficit accruing from production by unincorporated enterprises. It includes elements of both compensation of employees (returns on labour inputs) and operating surplus (returns on capital inputs).

The percentage change is calculated in relation to the corresponding quarter in the previous year.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0.

**Table 3.2: Wages share of total factor income, mining and non-mining industries**

	Mining		Non-mining	
	(%)	(% change)	(%)	(% change)
Jun-09	16.2	−2.3	55.8	−1.1
Jun-10	20.4	4.2	55.2	−0.6
Jun-11	17.3	−3.1	56.2	1.1
Jun-12	21.0	3.8	56.0	−0.3
Jun-13	25.7	4.7	55.8	−0.2
Jun-14	23.2	−2.5	56.2	0.4
Jun-15	28.1	4.9	55.8	−0.3
Jun-16	29.6	1.5	56.3	0.5
Jun-17	19.7	−10.0	55.7	−0.7
Jun-18	18.1	−1.6	55.9	0.3
Jun-19	15.7	−2.4	56.4	0.4

Note: Wages share is the compensation of employees expressed as a proportion of total factor income.

Source: ABS, *Australian System of National Accounts, 2018–19*, Catalogue No. 5204.0.

**Table 3.3: Company gross operating profits, mining and non-mining industries, growth rates**

	Mining (%)	Non-mining (%)	Total (%)
Dec-09	−42.6	10.5	−10.1
Dec-10	62.6	1.2	16.5
Dec-11	4.4	1.2	2.3
Dec-12	−27.1	3.4	−7.4
Dec-13	37.0	1.3	11.2
Dec-14	−20.5	1.2	−6.2
Dec-15	−16.3	2.3	−3.1
Dec-16	77.5	10.7	27.5
Dec-17	1.7	6.1	4.6
Dec-18	25.6	3.0	10.7
Dec-19	4.7	0.8	2.3
<b>5 years to Dec-19*</b>	14.7	4.5	7.9
<b>10 years to Dec-19*</b>	10.4	3.1	5.3

Note: \*Annualised growth rates.

Source: ABS, *Business Indicators, Australia, Dec 2019*, Catalogue No. 5676.0.

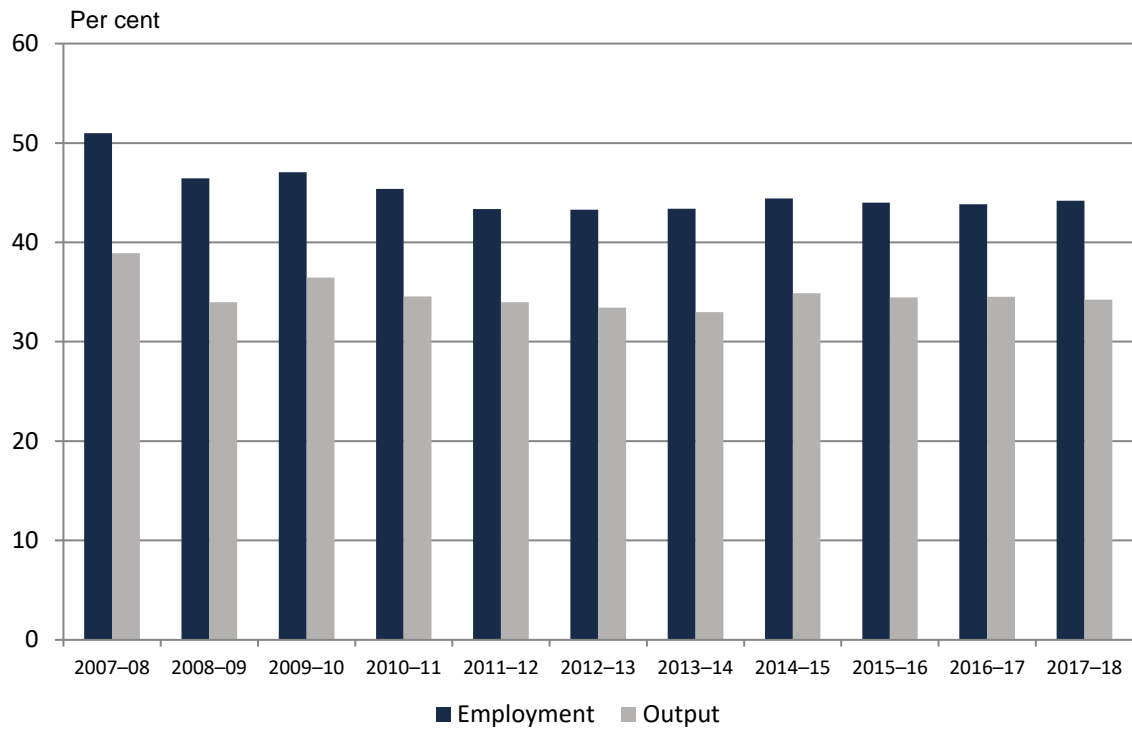
**Table 3.4: Profit margins, small and all businesses**

	Average over the 5 years to 2017–18		2017–18	
	Small (%)	All (%)	Small (%)	All (%)
Agriculture, forestry and fishing	21.0	17.9	20.3	17.3
Mining	–11.5	14.8	–1.1	23.6
Manufacturing	9.7	6.3	8.4	7.6
Electricity, gas, water and waste services	12.1	12.6	9.1	13.6
Construction	12.6	9.6	12.7	9.6
Wholesale trade	3.9	3.4	4.6	4.2
Retail trade	6.1	4.5	7.4	4.2
Accommodation and food services	7.9	7.7	6.3	7.7
Transport, postal and warehousing	17.1	10.4	13.1	10.0
Information media and telecommunications	12.2	10.3	12.8	7.8
Rental, hiring and real estate services	57.4	51.3	73.1	65.8
Professional, scientific and technical services	21.0	23.0	21.5	24.2
Administrative and support services	16.7	8.4	14.3	7.8
Public administration and safety (private)	12.5	6.9	12.8	7.1
Education and training (private)	22.7	16.7	18.5	14.2
Health care and social assistance (private)	37.8	26.0	37.1	24.2
Arts and recreation services	20.1	13.8	22.2	14.7
Other services	18.0	14.2	20.0	14.8
<b>Total selected industries</b>	<b>17.0</b>	<b>11.5</b>	<b>18.6</b>	<b>13.1</b>

Note: Profit margins are operating profits before tax divided by sales and service income. Small businesses employ less than 20 people (including non-employing businesses). Total selected industries excludes Financial and insurance services.

Source: ABS, *Australian Industry, 2017–18*, Catalogue No. 8155.0.

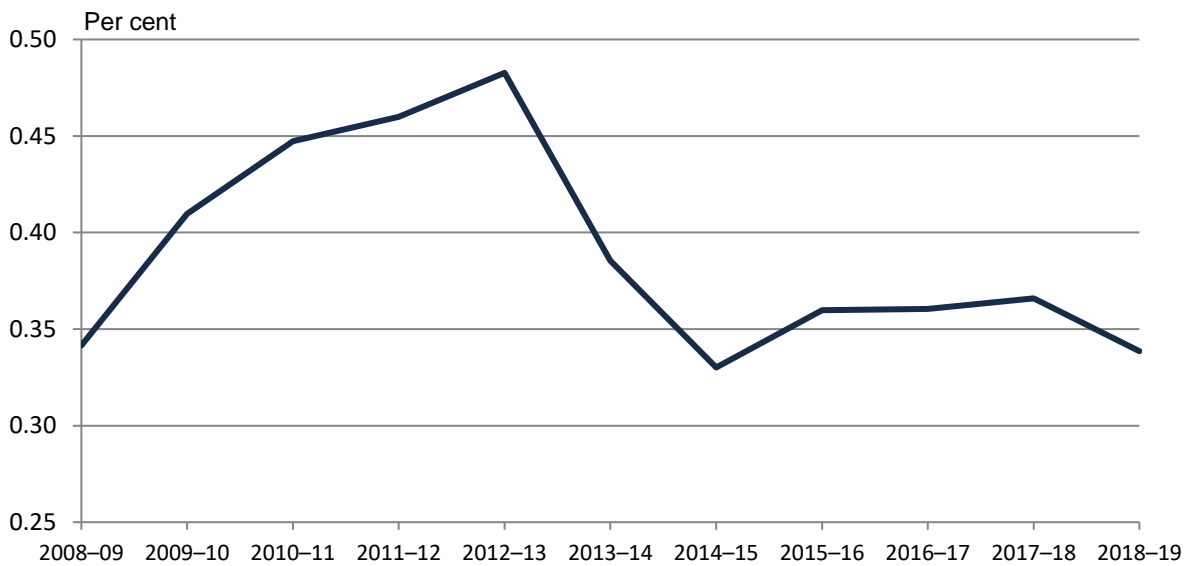
**Chart 3.2: Small business share of private sector output and employment**



Note: Small businesses are those that employ less than 20 employees (including non-emplying businesses).

Source: ABS, *Australian Industry, 2017–18*, Catalogue No. 8155.0.

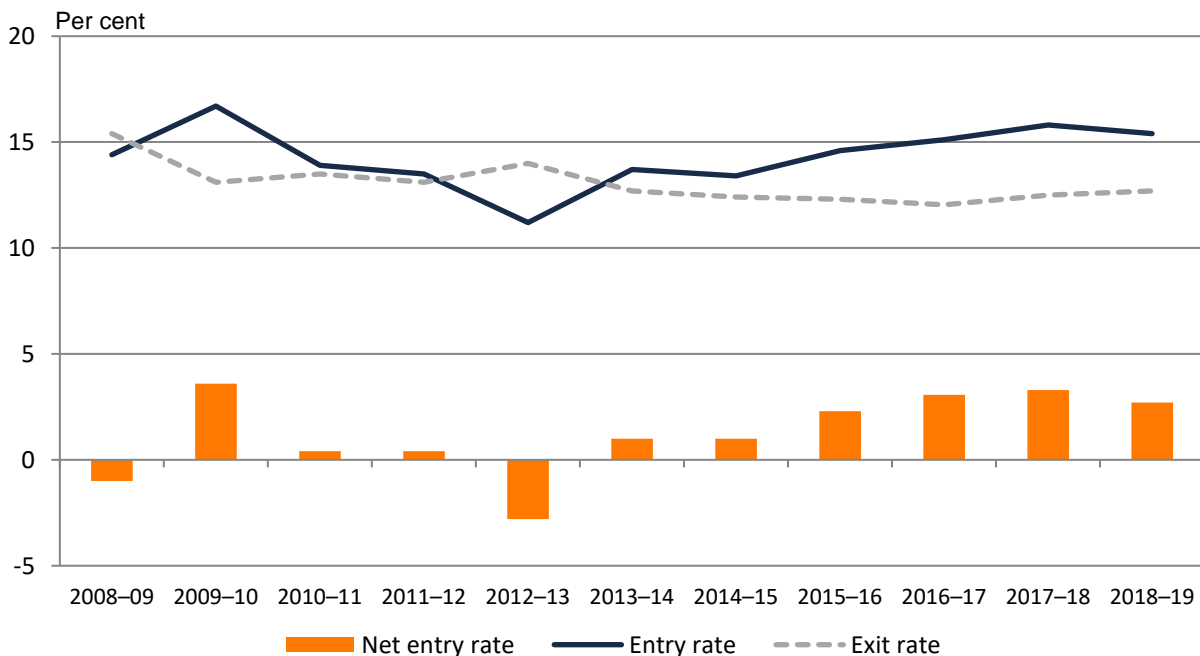
**Chart 3.3: Business bankruptcy rates**



Note: The bankruptcy rate is the number of business-related bankruptcies divided by the number of owner managers of an unincorporated enterprise. The business bankruptcy rate is adopted from Bickerdyke I, Lattimore R, and Madge A (2000), *Business Failure and Change: An Australian Perspective*, Productivity Commission Staff Research Paper, Ausinfo, Canberra. Data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001; Australian Financial Security Authority, *Provisional business and non-business personal insolvency time series*, Bankrupts entering a business related bankruptcy (under Parts IV and XI of the *Bankruptcy Act 1966*), September quarter 2019, <<https://www.afsa.gov.au/statistics/time-series-0>>.

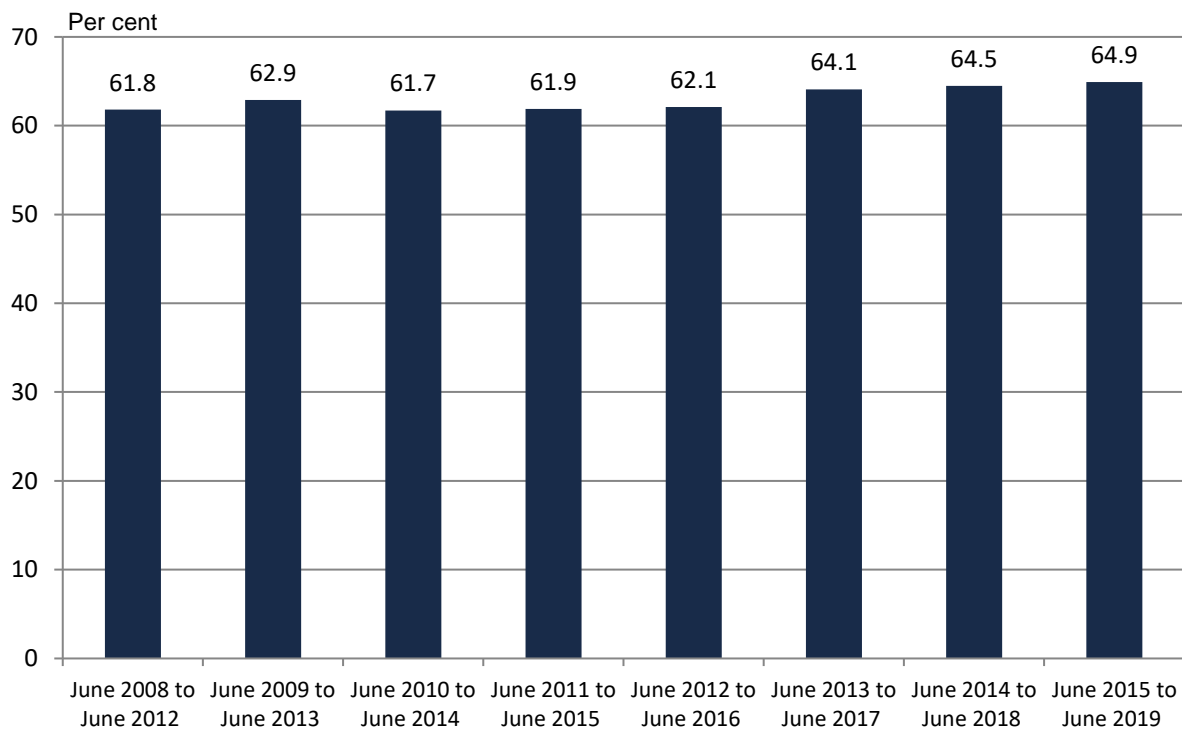
**Chart 3.4: Business entry, exit and net entry rates**



Note: Entry rates are business entries in the financial year as a proportion of total businesses operating at the start of the financial year. Exit rates are total business exits in the financial year as a proportion of total businesses operating at the start of the financial year. Net entry rates are the difference between the entry and exit rates and represent the percentage growth in the number of businesses over the respective financial year.

Source: ABS, *Counts of Australian Businesses, Including Entries and Exits*, various, Catalogue No. 8165.0.

**Chart 3.5: Business survival rates**



Note: A surviving business is defined as a business which was actively trading in the first period and continued to be trading in the second period.

Source: ABS, *Counts of Australian Businesses, Including Entries and Exits*, various, Catalogue No. 8165.0.



**Table 3.5: Business entry and exit rates by industry**

	2015–16			2018–19		
	Proportion of businesses at June 2015	Entry rate	Exit rate	Proportion of businesses at June 2019	Entry rate	Exit rate
	(%)	(%)	(%)	(%)	(%)	(%)
Agriculture, forestry and fishing	8.5	7.0	8.5	7.3	6.9	7.8
Mining	0.4	10.3	12.8	0.3	12.0	11.4
Manufacturing	4.0	11.2	11.2	3.6	12.0	10.9
Electricity, gas, water and waste services	0.3	16.0	12.7	0.3	17.7	12.6
Construction	16.4	17.4	13.8	16.6	16.5	14.1
Wholesale trade	3.7	13.6	12.2	3.4	13.9	12.4
Retail trade	6.3	13.0	13.8	5.6	14.8	13.7
Accommodation and food services	4.1	19.3	16.0	4.0	17.5	16.7
Transport, postal and warehousing	6.1	18.9	14.4	8.0	27.2	19.5
Information media and telecommunications	0.9	17.6	15.3	1.0	19.5	14.8
Financial and insurance services	8.6	14.3	9.4	8.9	11.9	9.5
Rental, hiring and real estate services	11.3	11.5	9.4	10.9	11.0	9.2
Professional, scientific and technical services	12.3	15.8	13.3	12.4	16.6	13.1
Administrative and support services	3.8	18.6	15.3	4.1	21.7	16.1
Public administration and safety	0.3	16.6	16.5	0.3	19.0	16.6
Education and training	1.3	17.4	13.5	1.4	19.0	13.9
Health care and social assistance	5.6	13.0	8.4	6.0	13.4	8.7
Arts and recreation services	1.2	15.5	14.0	1.3	17.3	13.3
Other services	4.2	15.3	12.8	4.3	16.9	12.9
<b>All industries</b>	<b>100.0</b>	<b>14.6</b>	<b>12.3</b>	<b>100.0</b>	<b>15.4</b>	<b>12.7</b>

Note: Entry rates are business entries in the financial year as a proportion of total businesses operating at the start of the financial year. Exit rates are total business exits in the financial year as a proportion of total businesses operating at the start of the financial year. Only data for those businesses that were able to be classified to an industry division are presented. Of all businesses that were actively trading as at June 2015 and June 2019, 0.7 per cent and 0.3 per cent, respectively, were not classified to an industry.

Source: ABS, *Counts of Australian Businesses, Including Entries and Exits, June 2015 to June 2019*, Catalogue No. 8165.0.

**Chart 3.6: Monthly retail turnover growth, current prices**

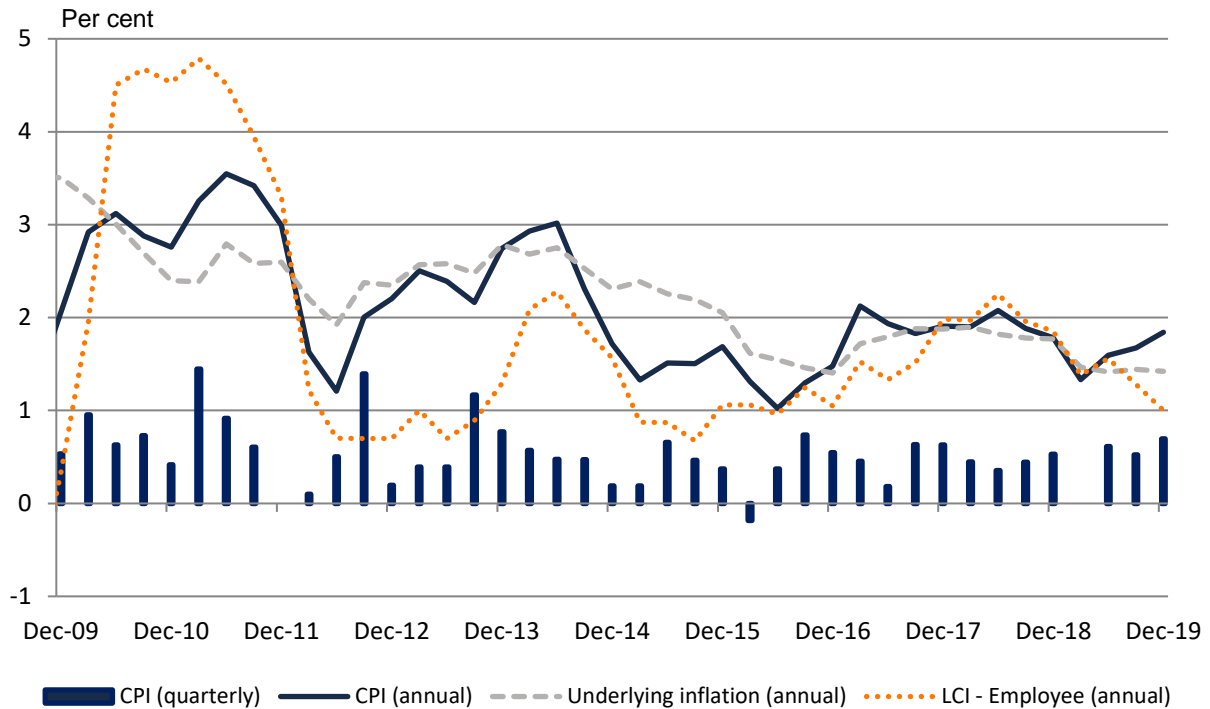


Note: Data presented for February 2020 are preliminary and subject to revision.

Source: ABS, *Retail Trade, Australia, Jan 2020*, Catalogue No. 8501.0.55.008; ABS, *Retail Trade, Australia, Preliminary, February 2020*, Catalogue No. 8501.0.55.008.

## 4 Inflation

**Chart 4.1: Measures of inflation—Consumer Price Index, underlying inflation and Living Cost Index for employee households, growth rates**



Note: Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). The Living Cost Index (LCI) for employee households measures the change in the price of a 'basket' of goods and services which is based on the expenditure of employee households whose principal source of income comes from wages and/or salaries. CPI and LCI data are expressed in original terms.

Underlying inflation is calculated as the average of the trimmed mean and weighted median. The trimmed mean is calculated by ordering the CPI expenditure class components by their price change in the quarter and taking the expenditure weighted average of the middle 70 per cent of these price changes. The weighted median is the price change of the component in the middle of this ordering.

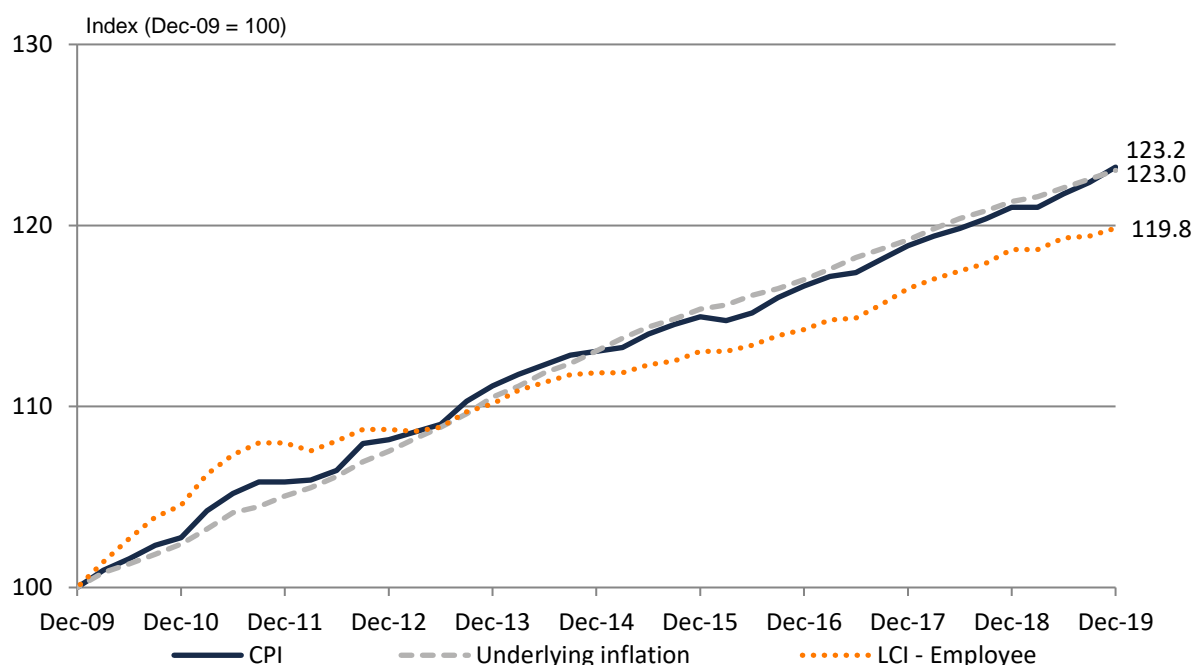
Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Selected Living Cost Indexes, Australia, Dec 2019*, Catalogue No. 6467.0.

**Table 4.1: Consumer Price Index, underlying inflation, Living Cost Index for employee households, index and growth rate over the year**

Quarter	Consumer Price Index (Index)	Consumer Price Index (% change)	Underlying inflation (Index)	Underlying inflation (% change)	Employee LCI (Index)	Employee LCI (% change)
Dec-09	100.0		100.0		100.0	
Dec-10	102.8	2.8	102.4	2.4	104.5	4.5
Dec-11	105.8	3.0	105.1	2.6	108.0	3.3
Dec-12	108.2	2.2	107.5	2.3	108.7	0.7
Dec-13	111.1	2.7	110.5	2.8	110.1	1.3
Dec-14	113.0	1.7	113.1	2.3	111.9	1.6
Dec-15	115.0	1.7	115.4	2.1	113.1	1.1
Dec-16	116.6	1.5	117.0	1.4	114.2	1.0
Dec-17	118.9	1.9	119.2	1.9	116.5	2.0
Dec-18	121.0	1.8	121.3	1.8	118.7	1.9
Dec-19	123.2	1.8	123.0	1.4	119.8	1.0

Note: CPI and the LCI data are expressed in original terms. The percentage change is calculated in relation to the corresponding quarter in the previous year. Underlying inflation is the average of the trimmed mean and weighted median.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Selected Living Cost Indexes, Australia, Dec 2019*, Catalogue No. 6467.0.

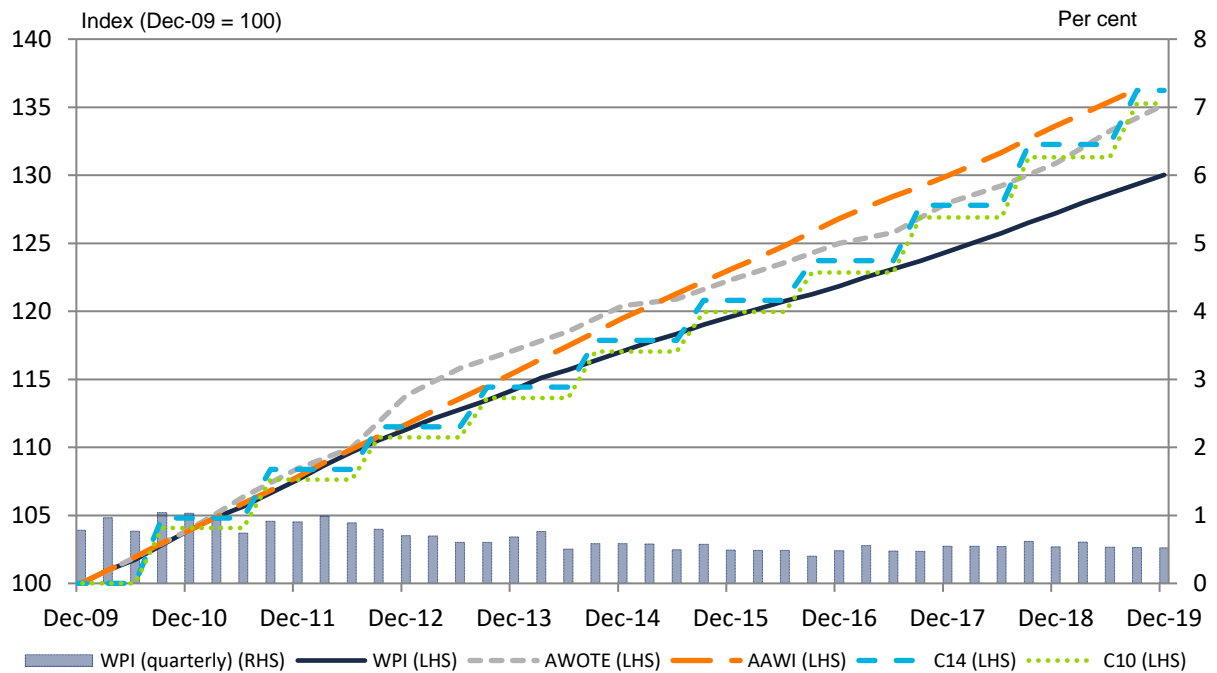
**Chart 4.2: Consumer Price Index, underlying inflation and Living Cost Index for employee households, cumulative growth rates**


Note: CPI and the LCI data are expressed in original terms. Underlying inflation is the average of the trimmed mean and weighted median.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Selected Living Cost Indexes, Australia, Dec 2019*, Catalogue No. 6467.0.

## 5 Wages

**Chart 5.1: Measures of nominal wages growth, quarterly and cumulative growth rates, index**



Note: The Wage Price Index (WPI) is an index for total hourly rates of pay excluding bonuses that is unaffected by changes in the quality or quantity of work performed. Average weekly ordinary time earnings (AWOTE) is calculated by dividing estimates of weekly ordinary time earnings by estimates of the number of employees. Ordinary time earnings refer to earnings attributable to award, standard or agreed hours of work. It is calculated before taxation and other deductions such as superannuation. It also excludes payments which are not related to the reference period such as overtime, leave loading and redundancy payments. AWOTE estimates refer to full-time adult employees, where an adult is defined as those who are 21 years or over as well as employees who, although under 21 years of age, are paid at the full adult rate for their occupation. AWOTE data are published half-yearly in May and November and a quarterly series has been derived. AWOTE data are expressed in original terms. Average annualised wage increase (AAWI) measures the average percentage increase in the base rates of pay across federal enterprise agreements approved in each quarter. It does not take into account payments such as allowances, bonuses and increases linked to productivity. The AAWI index is calculated by first deriving a quarterly rate. The C14 and the C10 are minimum award rates set under the *Manufacturing and Associated Industries and Occupations Award 2010*.

Source: ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0; Attorney-General's Department, *Trends in Federal Enterprise Bargaining*, September quarter 2019, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>; *Manufacturing and Associated Industries and Occupations Award 2010*.

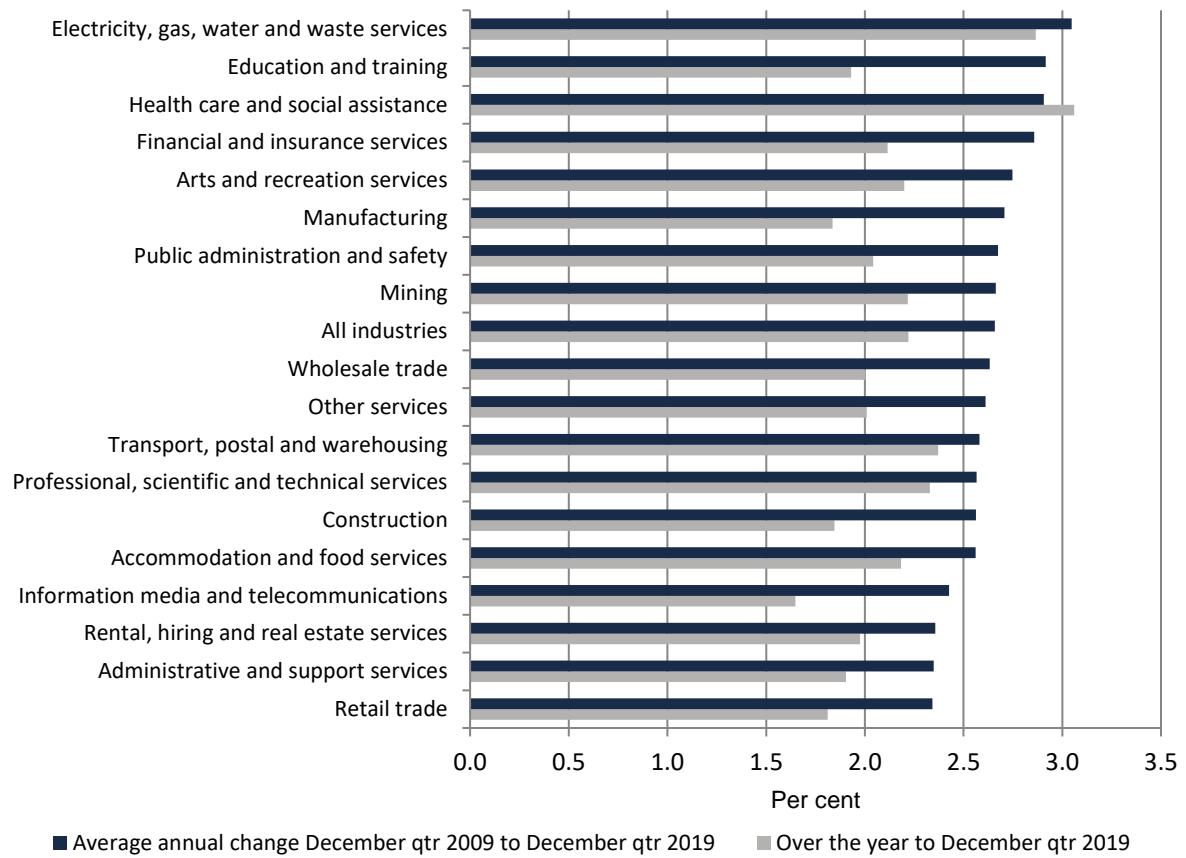
**Table 5.1: Measures of nominal wages growth, growth rate over the year**

<b>Year ended (Quarter)</b>	<b>WPI (% change)</b>	<b>AWOTE (% change)</b>	<b>C14 (% change)</b>	<b>C10 (% change)</b>	<b>AAWI (% change)</b>
Dec-09	2.9	5.9	0.0	0.0	3.8
Dec-10	3.9	3.9	4.8	4.1	3.6
Dec-11	3.6	4.3	3.4	3.4	3.7
Dec-12	3.4	5.0	2.9	2.9	3.2
Dec-13	2.6	2.9	2.6	2.6	3.4
Dec-14	2.5	2.8	3.0	3.0	3.4
Dec-15	2.2	1.6	2.5	2.5	3.0
Dec-16	1.9	2.2	2.4	2.4	3.1
Dec-17	2.1	2.4	3.3	3.3	2.5
Dec-18	2.3	2.3	3.5	3.5	2.8
Dec-19	2.2	3.3	3.0	3.0	n/a

Note: See Chart 5.1 for information on each measure of nominal wages growth. n/a = not available.

Source: ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0; Attorney-General's Department, *Trends in Federal Enterprise Bargaining*, September quarter 2019, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>; *Manufacturing and Associated Industries and Occupations Award 2010*.

**Chart 5.2: Wage Price Index by industry, average annual growth over decade and growth over year to December quarter 2019**



Note: Data are expressed in original terms.

Source: ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0.

**Table 5.2: Average hourly total cash earnings for full-time non-managerial employees paid at the adult rate, by industry and method of setting pay, May 2018**

	Award only (\$)	Collective agreement (\$)	Individual arrangement (\$)	Ratio of average hourly earnings in Award only to Collective agreement (%)	Ratio of average hourly earnings in Award only to Individual arrangement (%)
Mining	27.40	57.90	64.20	0.47	0.43
Manufacturing	26.10	37.10	38.60	0.70	0.68
Electricity, gas, water and waste services	28.20	51.00	49.60	0.55	0.57
Construction	29.00	51.50	41.50	0.56	0.70
Wholesale trade	24.30	32.90	39.80	0.74	0.61
Retail trade	26.30	27.40	34.60	0.96	0.76
Accommodation and food services	26.50	27.90	31.40	0.95	0.84
Transport, postal and warehousing	30.10	42.50	36.00	0.71	0.84
Information media and telecommunications	28.00	48.80	50.80	0.57	0.55
Finance and insurance services	34.30	44.50	53.80	0.77	0.64
Rental, hiring and real estate services	27.90	38.20	37.80	0.73	0.74
Professional, scientific and technical services	32.60	45.50	48.70	0.72	0.67
Administrative and support services	29.70	41.20	43.40	0.72	0.68
Public administration and safety	47.30	45.40	43.80	1.04	1.08
Education and training	31.60	49.70	40.40	0.64	0.78
Health care and social assistance	40.80	48.10	38.00	0.85	1.07
Arts and recreation services	27.10	39.00	40.80	0.69	0.66
Other services	31.80	37.90	34.50	0.84	0.92
<b>All industries</b>	<b>32.60</b>	<b>44.90</b>	<b>42.70</b>	<b>0.73</b>	<b>0.76</b>

Source: ABS, *Employees Earnings and Hours, Australia, May 2018*, Catalogue No. 6306.0.



## 6 Labour market

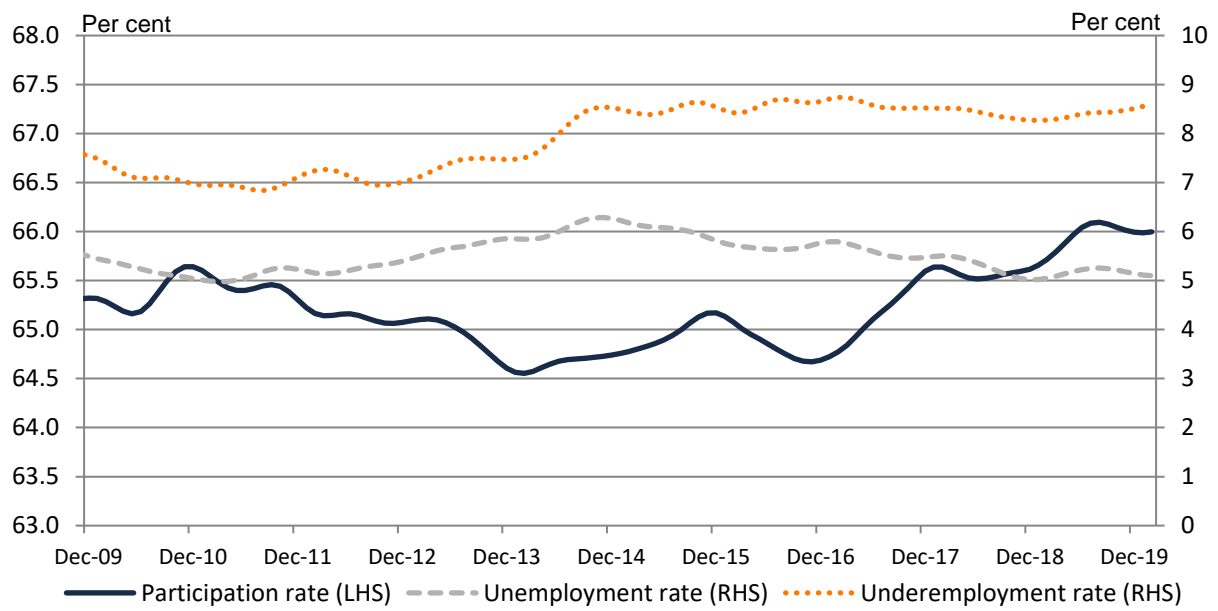
**Table 6.1: Employment, monthly hours worked and unemployment**

Year ended (Month)	Employed persons ('000s)	Monthly hours worked ('000s)	Unemployed persons ('000s)	Unemployment rate (%)	Employed persons (% change)	Monthly hours worked (% change)	Unemployed persons (% change)	Unemployment rate (ppt change)
Dec-09	10 884.3	1 527 635.6	632.8	5.5				
Dec-10	11 159.1	1 577 015.1	592.4	5.0	2.5	3.2	-6.4	-0.5
Dec-11	11 262.5	1 586 740.5	621.3	5.2	0.9	0.6	4.9	0.2
Dec-12	11 407.9	1 598 731.0	650.5	5.4	1.3	0.8	4.7	0.2
Dec-13	11 455.4	1 605 555.6	712.4	5.9	0.4	0.4	9.5	0.5
Dec-14	11 599.4	1 619 287.0	775.5	6.3	1.3	0.9	8.9	0.4
Dec-15	11 906.7	1 656 170.7	735.3	5.8	2.6	2.3	-5.2	-0.5
Dec-16	12 025.2	1 669 513.2	736.2	5.8	1.0	0.8	0.1	0.0
Dec-17	12 435.8	1 721 387.7	720.2	5.5	3.4	3.1	-2.2	-0.3
Dec-18	12 715.2	1 758 127.7	671.9	5.0	2.2	2.1	-6.7	-0.5
Dec-19	12 969.4	1 780 475.2	703.1	5.1	2.0	1.3	4.6	0.1
Feb-20	13 010.2	1 779 311.1	698.9	5.1	1.9	0.8	3.0	0.0

Note: The unemployment rate is the number of unemployed persons expressed as a percentage of the labour force. All measures are calculated for persons aged 15 years and over. The percentage change and percentage point (ppt) change are calculated in relation to the corresponding month in the previous year. All data are expressed in trend terms.

Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

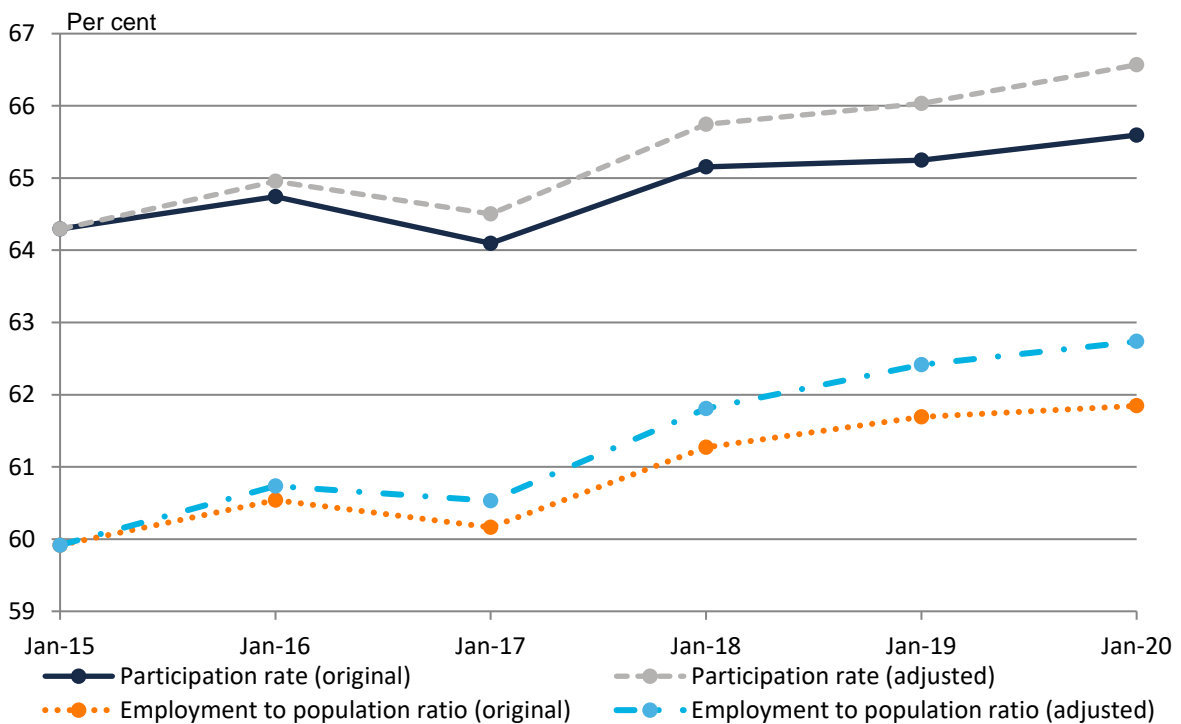
Chart 6.1: Unemployment, underemployment and participation rates



Note: Data are expressed in trend terms.

Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0

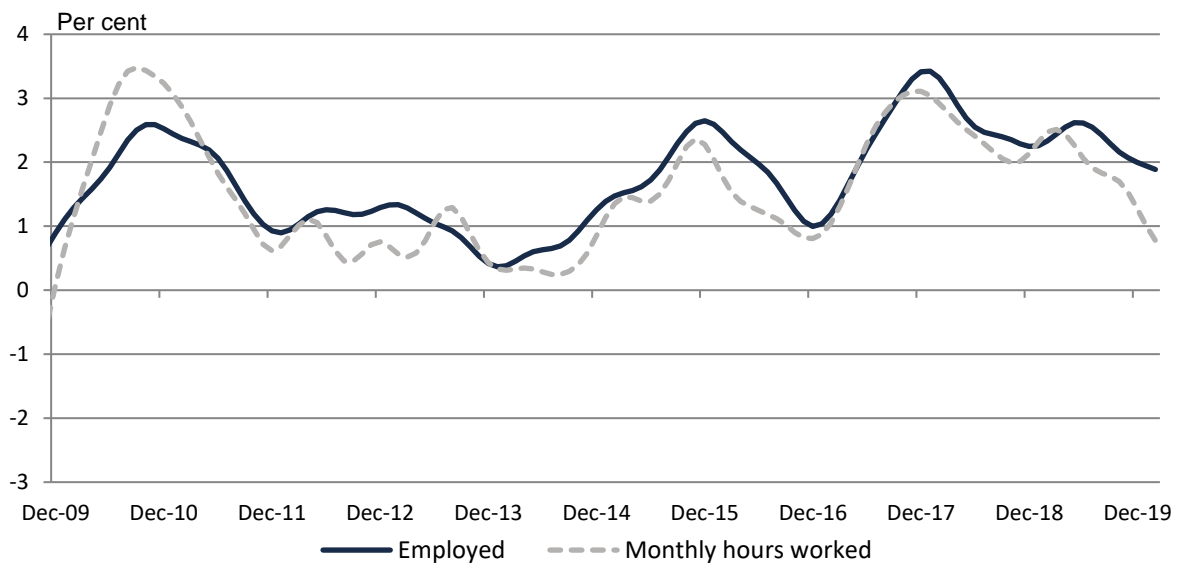
Chart 6.2: Age-adjusted participation rate and age-adjusted employment to population ratio



Note: Data are expressed in original terms with only the December figure of each year shown. The age-adjusted participation rate is calculated using 10-year age groups, with the proportion of the population held fixed at January 2015 levels.

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.

**Chart 6.3: Employed persons and monthly hours worked, growth rate over the year**



Note: Data are expressed in trend terms.

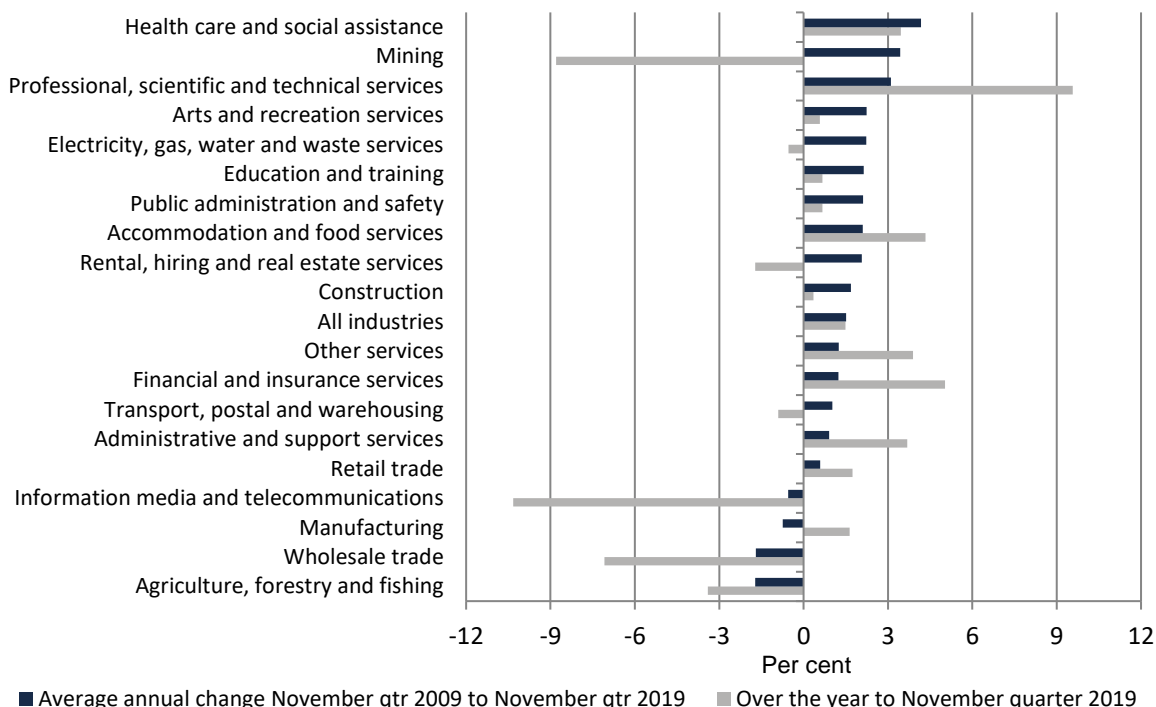
Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

**Table 6.2: Average monthly hours worked, by full-time/part-time status, change over the year**

Month	Average monthly hours worked (full-time)	Change in average monthly hours worked (full-time)	Average monthly hours worked (part-time)	Change in average monthly hours worked (part-time)
Dec-09	170.6	0.2	70.0	0.3
Dec-10	171.0	0.4	70.7	0.7
Dec-11	170.8	-0.2	70.2	-0.5
Dec-12	169.5	-1.2	70.5	0.3
Dec-13	170.4	0.9	71.7	1.1
Dec-14	169.6	-0.8	72.1	0.5
Dec-15	169.2	-0.5	72.6	0.4
Dec-16	169.6	0.4	73.2	0.6
Dec-17	168.5	-1.0	73.0	-0.1
Dec-18	167.7	-0.8	74.1	1.1
Dec-19	166.5	-1.2	74.3	0.3
Feb-20	165.8	-2.0	74.3	0.3

Note: The change in average hours is calculated in relation to the corresponding month in the previous year. All data are expressed in trend terms.

Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

**Chart 6.4: Change in hours worked by industry, average annual growth over decade and growth over year to November quarter 2019**


Note: All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003

Table 6.3: Employment by industry for selected periods

	Employed persons ('000s)					Average annual growth rates (%)	Annual percentage changes (%)		
	Nov-09	Nov-16	Nov-17	Nov-18	Nov-19	Nov-09 to Nov-19	Nov-17	Nov-18	Nov-19
Agriculture, forestry and fishing	344.8	297.0	325.1	331.0	318.8	-0.8	9.5	1.8	-3.7
Mining	168.5	223.1	220.1	252.8	249.8	4.0	-1.4	14.9	-1.2
Manufacturing	988.4	913.5	896.4	916.7	912.5	-0.8	-1.9	2.3	-0.5
Electricity, gas, water and waste services	127.9	133.7	143.6	147.2	157.1	2.1	7.4	2.5	6.7
Construction	975.7	1073.7	1173.8	1163.7	1190.5	2.0	9.3	-0.9	2.3
Wholesale trade	420.1	368.0	366.9	378.0	392.3	-0.7	-0.3	3.0	3.8
Retail trade	1178.6	1235.7	1295.7	1277.0	1265.9	0.7	4.9	-1.4	-0.9
Accommodation and food services	741.8	858.1	893.1	902.5	926.8	2.3	4.1	1.0	2.7
Transport, postal and warehousing	563.8	612.0	641.1	649.7	655.2	1.5	4.8	1.3	0.8
Information media and telecommunications	212.1	214.0	219.5	221.7	211.3	0.0	2.6	1.0	-4.7
Financial and insurance services	401.2	436.8	424.4	447.4	458.9	1.4	-2.8	5.4	2.6
Rental, hiring and real estate services	185.4	216.4	213.4	217.1	219.7	1.7	-1.4	1.7	1.2
Professional, scientific and technical services	827.0	1023.7	1020.0	1091.3	1161.6	3.5	-0.4	7.0	6.4
Administrative and support services	365.4	435.6	407.6	411.8	451.7	2.1	-6.4	1.0	9.7
Public administration and safety	677.6	776.4	742.2	846.2	832.5	2.1	-4.4	14.0	-1.6
Education and training	824.0	971.2	1021.3	1019.5	1081.2	2.8	5.2	-0.2	6.1
Health care and social assistance	1185.2	1548.4	1669.5	1677.9	1758.5	4.0	7.8	0.5	4.8
Arts and recreation services	199.0	214.6	249.3	247.7	253.5	2.4	16.2	-0.6	2.3
Other services	442.8	481.5	495.5	498.2	504.3	1.3	2.9	0.6	1.2
<b>All industries</b>	<b>10 829.5</b>	<b>12 022.5</b>	<b>12 419.5</b>	<b>12 698.5</b>	<b>12 986.1</b>	<b>1.8</b>	<b>3.3</b>	<b>2.2</b>	<b>2.3</b>

Note: All data are expressed in trend terms.

Source: ABS, *Labour Force, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003.

**Table 6.4: Employment by occupation, '000s**

	Nov-09	Nov-10	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Nov-19
Managers	1444.3	1426.8	1462.3	1417.3	1481.5	1514.0	1542.4	1569.7	1556.6	1590.7	1546.5
Professionals	2327.2	2365.9	2402.2	2531.0	2518.8	2620.9	2751.0	2812.7	2934.0	3012.6	3201.9
Technicians and trades workers	1560.5	1640.6	1656.5	1662.4	1671.1	1700.7	1738.2	1692.1	1788.0	1788.7	1813.1
Community and personal service workers	1023.0	1063.3	1078.6	1099.4	1148.3	1147.6	1244.2	1260.8	1349.5	1359.0	1409.9
Clerical and administrative workers	1622.5	1652.3	1693.3	1669.4	1642.5	1620.0	1659.5	1644.8	1653.2	1803.2	1802.2
Sales workers	1025.2	1108.7	1036.4	1073.5	1093.3	1104.8	1153.1	1125.1	1169.9	1116.7	1110.5
Machinery operators and drivers	670.3	711.2	784.6	778.2	776.5	757.7	725.6	775.9	798.6	839.2	854.3
Labourers	1156.2	1175.6	1125.5	1147.1	1114.0	1116.1	1121.3	1172.9	1203.8	1230.4	1258.1

Note: All data are expressed in original terms.

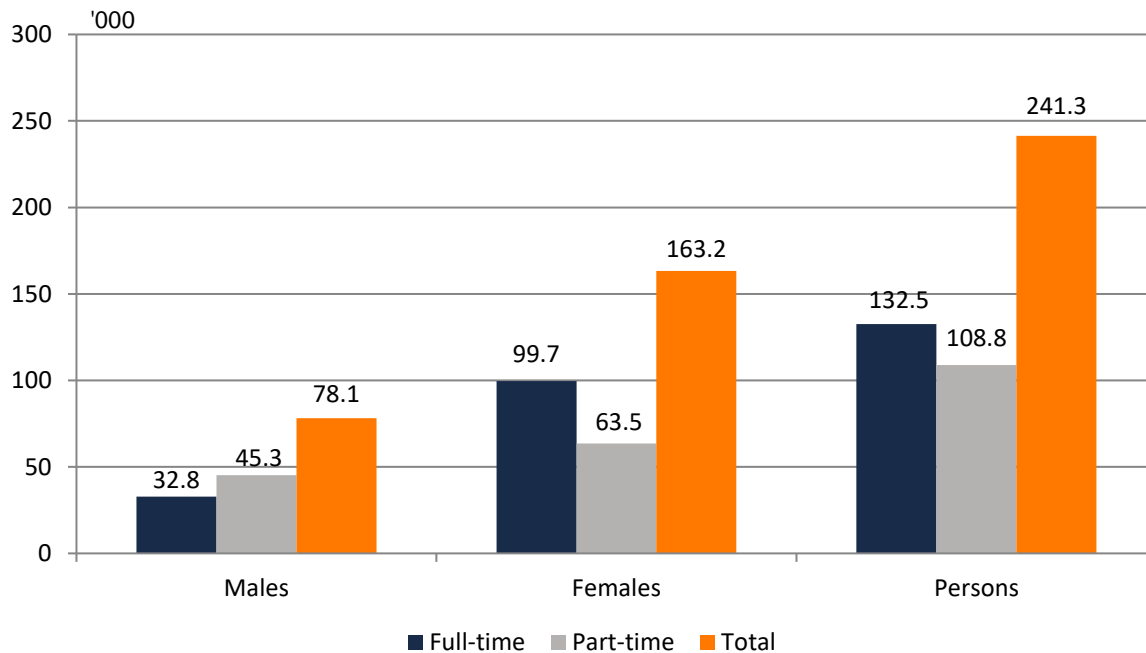
Source: ABS, *Labour Force, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003.

**Table 6.5: Employment by occupation, annual percentage changes**

	Nov-10	Nov-11	Nov-12	Nov-13	Nov-14	Nov-15	Nov-16	Nov-17	Nov-18	Nov-19
Managers	-1.2	2.5	-3.1	4.5	2.2	1.9	1.8	-0.8	2.2	-2.8
Professionals	1.7	1.5	5.4	-0.5	4.1	5.0	2.2	4.3	2.7	6.3
Technicians and trades workers	5.1	1.0	0.4	0.5	1.8	2.2	-2.6	5.7	0.0	1.4
Community and personal service workers	3.9	1.4	1.9	4.4	-0.1	8.4	1.3	7.0	0.7	3.7
Clerical and administrative workers	1.8	2.5	-1.4	-1.6	-1.4	2.4	-0.9	0.5	9.1	-0.1
Sales workers	8.1	-6.5	3.6	1.8	1.1	4.4	-2.4	4.0	-4.6	-0.6
Machinery operators and drivers	6.1	10.3	-0.8	-0.2	-2.4	-4.2	6.9	2.9	5.1	1.8
Labourers	1.7	-4.3	1.9	-2.9	0.2	0.5	4.6	2.6	2.2	2.3

Note: The annual percentage change is calculated in relation to the corresponding quarter in the previous year. All data are expressed in original terms.

Source: ABS, *Labour Force, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003.

**Chart 6.5: Change in full-time, part-time and total employment by gender, February 2019 to February 2020**


Note: All data are expressed in trend terms.

Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

**Table 6.6: Employment to population ratio, total and by full-time/part-time status, persons 20–64 years**

Month	Full-time	Change over year (ppts)	Part-time	Change over year (ppts)	Total	Change over year (ppts)
Dec-09	55.6		19.7		75.3	
Dec-10	56.6	1.0	19.8	0.1	76.4	1.1
Dec-11	56.4	-0.2	19.3	-0.5	75.7	-0.7
Dec-12	56.1	-0.3	19.5	0.2	75.6	0.0
Dec-13	54.9	-1.2	20.0	0.4	74.8	-0.8
Dec-14	55.2	0.3	20.0	0.0	75.2	0.3
Dec-15	55.7	0.5	20.3	0.3	76.0	0.8
Dec-16	55.0	-0.6	20.9	0.6	75.9	-0.1
Dec-17	56.0	1.0	21.2	0.2	77.2	1.3
Dec-18	56.2	0.2	21.3	0.1	77.5	0.3
Dec-19	56.5	0.3	21.5	0.2	78.0	0.5
Jan-20	55.8	0.3	20.8	0.2	76.6	0.5

Note: The employment to population ratio is the number of employed persons expressed as a percentage of the civilian population. Change over year (ppts) calculates the percentage point change from the corresponding month in the previous year. All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.

**Table 6.7: Employment to population ratio for males, total and by full-time/part-time status, 20–64 years**

Month	Full-time	Change over year (ppts)	Part-time	Change over year (ppts)	Total	Change over year (ppts)
Dec-09	71.9		10.4		82.3	
Dec-10	73.3	1.4	10.5	0.1	83.8	1.5
Dec-11	72.7	-0.6	9.9	-0.6	82.6	-1.2
Dec-12	72.5	-0.2	10.1	0.2	82.6	0.0
Dec-13	70.8	-1.7	10.5	0.4	81.3	-1.3
Dec-14	71.2	0.4	10.4	-0.1	81.6	0.3
Dec-15	71.3	0.0	10.9	0.5	82.2	0.5
Dec-16	70.4	-0.9	11.5	0.6	81.8	-0.4
Dec-17	71.0	0.7	11.6	0.1	82.6	0.8
Dec-18	70.8	-0.2	12.0	0.4	82.8	0.2
Dec-19	70.5	-0.4	12.4	0.4	82.9	0.1
Jan-20	69.8	-0.4	11.9	0.6	81.8	0.2

Note: The employment to population ratio is the number of employed persons expressed as a percentage of the civilian population. Change over year (ppts) calculates the percentage point change from the corresponding month in the previous year. All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.

**Table 6.8: Employment to population ratio for females, total and by full-time/part-time status, 20–64 years**

Month	Full-time	Change over year (ppts)	Part-time	Change over year (ppts)	Total	Change over year (ppts)
Dec-09	39.3		29.0		68.3	
Dec-10	40.0	0.7	29.0	0.0	69.0	0.7
Dec-11	40.1	0.1	28.6	-0.3	68.8	-0.2
Dec-12	39.9	-0.3	28.9	0.2	68.7	-0.1
Dec-13	39.2	-0.7	29.3	0.4	68.5	-0.3
Dec-14	39.4	0.2	29.5	0.2	68.8	0.4
Dec-15	40.3	1.0	29.6	0.2	69.9	1.1
Dec-16	40.0	-0.4	30.2	0.6	70.2	0.2
Dec-17	41.4	1.4	30.5	0.3	71.9	1.7
Dec-18	41.9	0.5	30.4	-0.1	72.3	0.4
Dec-19	42.9	1.0	30.4	0.0	73.3	1.0
Jan-20	42.1	1.0	29.5	-0.2	71.6	0.8

Note: The employment to population ratio is the number of employed persons expressed as a percentage of the civilian population. Change over year (ppts) calculates the percentage point change from the corresponding month in the previous year. All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.



**Table 6.9: Participation rate by gender, 20–64 years**

Month	Participation rate - male	Participation rate - male (ppt change)	Participation rate - female	Participation rate - female (ppt change)	Participation rate - total	Participation rate - total (ppt change)
Dec-09	86.1		71.5		78.8	
Dec-10	86.9	0.8	72.0	0.5	79.4	0.7
Dec-11	85.9	-1.0	72.0	0.0	78.9	-0.5
Dec-12	86.4	0.5	72.0	0.0	79.1	0.2
Dec-13	85.8	-0.6	71.9	0.0	78.8	-0.3
Dec-14	85.8	0.0	72.5	0.6	79.1	0.3
Dec-15	86.2	0.4	73.6	1.1	79.8	0.7
Dec-16	86.0	-0.2	73.7	0.1	79.8	0.0
Dec-17	86.7	0.7	75.3	1.5	80.9	1.1
Dec-18	86.4	-0.3	75.3	0.1	80.8	-0.1
Dec-19	86.6	0.2	76.2	0.9	81.4	0.6
Jan-20	86.0	0.4	75.3	1.0	80.6	0.7

Note: The participation rate is the number of persons in the labour force expressed as a percentage of the civilian population. The percentage point change is calculated in relation to the corresponding month in the previous year. All data are expressed in original terms.

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.

**Table 6.10: Long-term unemployment**

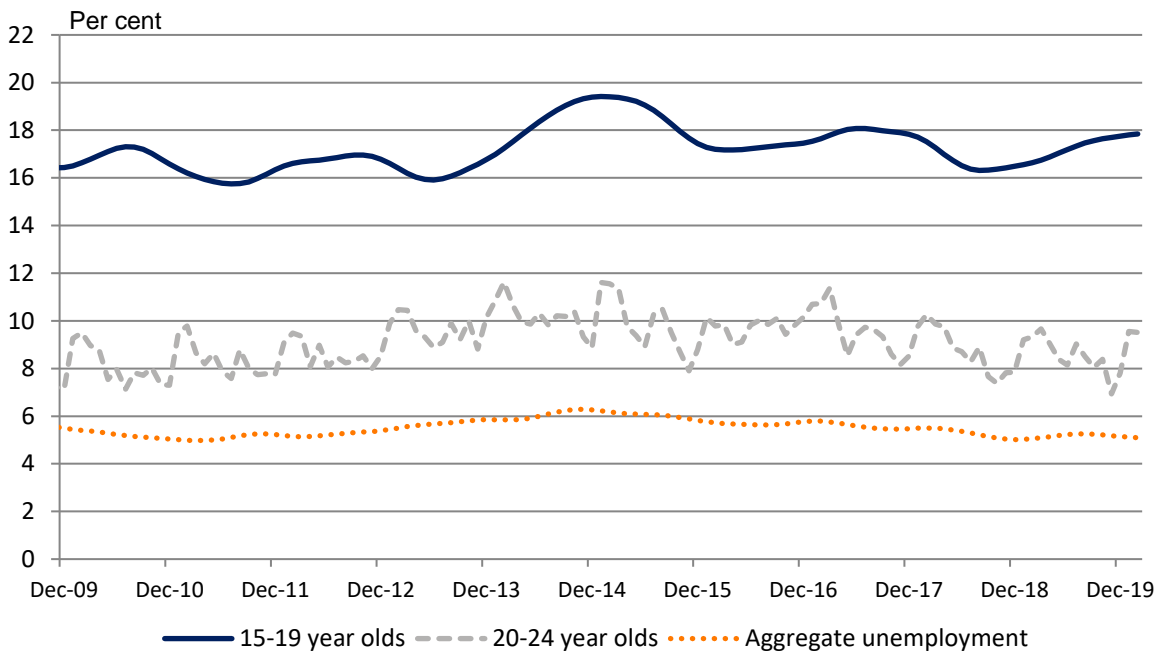
Month	Long-term unemployed (’000s)	Change over year (%)	Long-term unemployment ratio (%)
Dec-09	107.0	44.3	16.9
Dec-10	113.2	5.8	19.1
Dec-11	115.0	1.6	18.5
Dec-12	118.4	3.0	18.2
Dec-13	147.3	24.4	20.7
Dec-14	176.2	19.7	22.7
Dec-15	168.9	-4.2	23.0
Dec-16	173.8	2.9	23.6
Dec-17	170.7	-1.7	23.7
Dec-18	162.7	-4.7	24.1
Dec-19	176.4	8.4	24.9
Jan-20	177.5	9.9	25.0

Note: Data are trend estimates. The long-term unemployed refers to the number of persons unemployed for 52 weeks or more. The long-term unemployment ratio refers to the number of long-term unemployed persons expressed as a percentage of the total unemployed population. The percentage change is calculated in relation to the corresponding month in the previous year.

For information on the reasons for long-term unemployment, see Table 15 in the ABS catalogue [Participation, Job Search and Mobility](#).

Source: ABS, *Labour Force, Australia, Detailed—Electronic Delivery, Jan 2020*, Catalogue No. 6291.0.55.001.

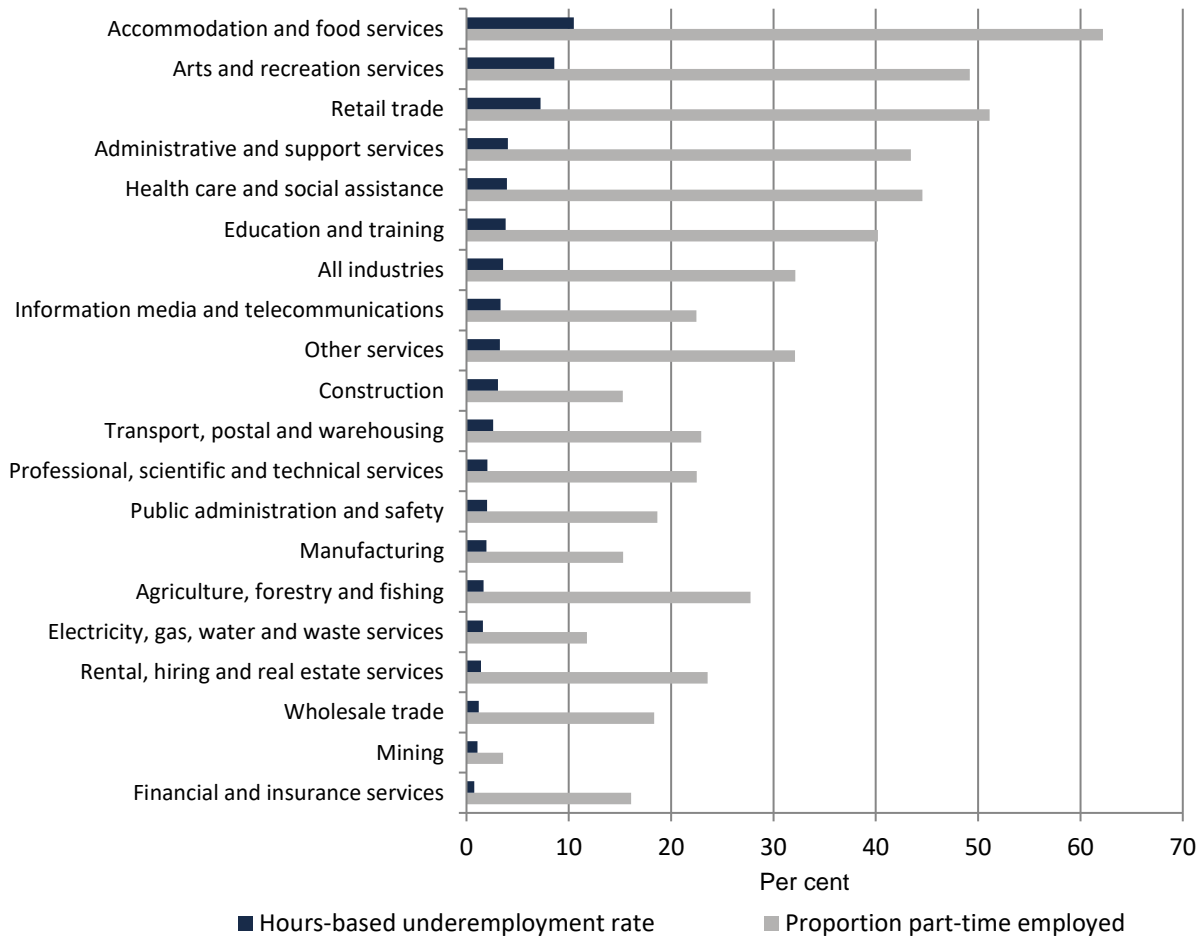
**Chart 6.6: Unemployment rates for 15–19 year olds and 20–24 year olds**



Note: Aggregate unemployment and unemployment rate for 15–19 year olds are expressed in trend terms. Unemployment rate for 20–24 year olds is expressed in original terms.

Source: ABS, *Labour Force, Australia, Feb 2020*, Catalogue No. 6202.0.

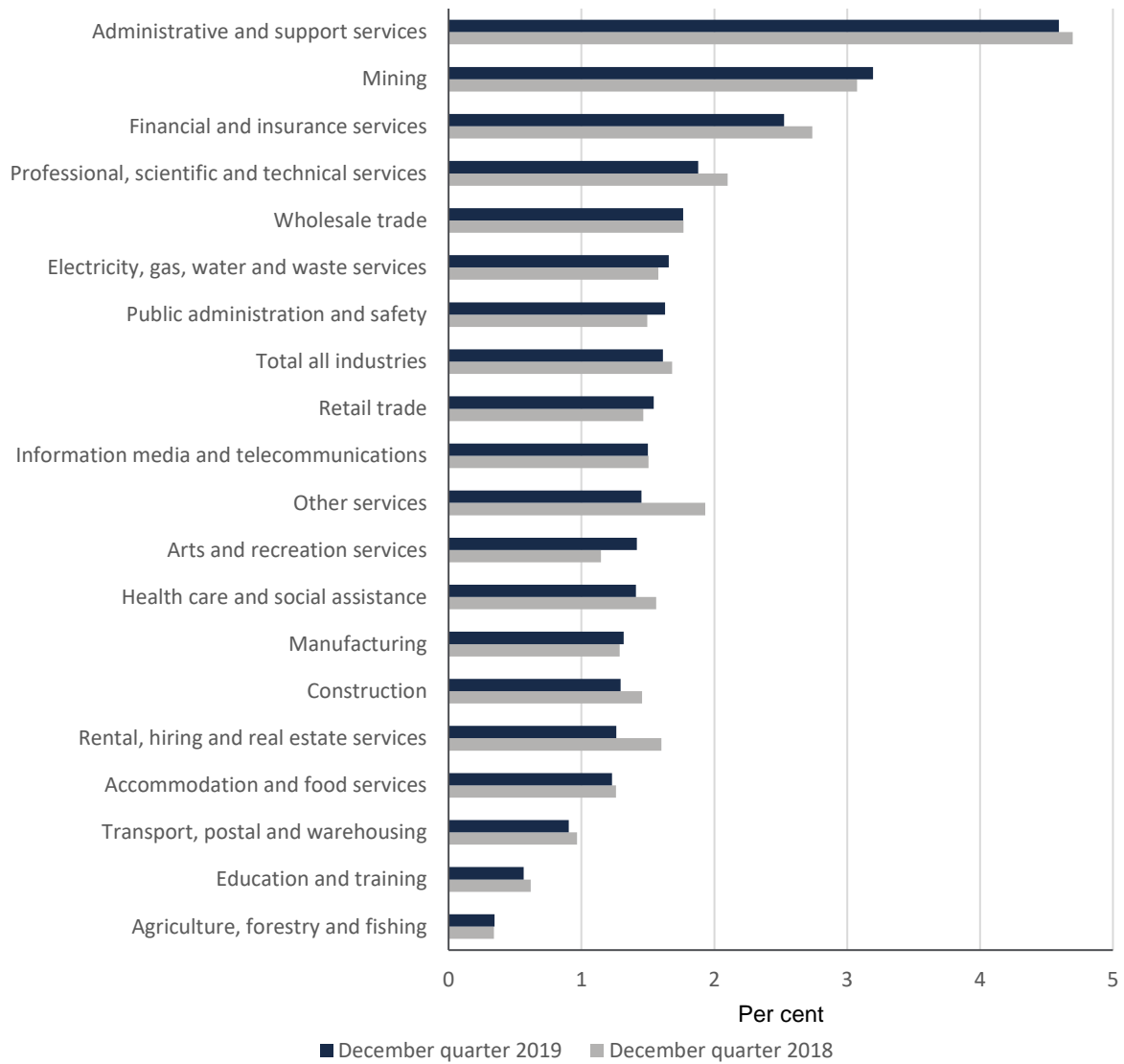
**Chart 6.7: Hours-based underemployment rate and proportion employed part time, by industry, 2018–19**



Note: The hours-based underemployment rate is calculated as the number of additional hours sought by underemployed persons expressed as a percentage of the total available hours of labour supply. The total available hours of labour supply are defined as the number of hours actually worked in all jobs plus the number of hours sought by the underemployed persons. Hours sought by unemployed persons are not included. Hours sought but not worked is taken from the Labour Force Survey. Proportion of those employed part-time by industry is calculated at the May quarter 2019.

Source: ABS, *Labour Account Australia, Quarterly Experimental Estimates, December 2019*, Catalogue No. 6150.0.55.003; ABS, *Labour Force, Australia, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003.

**Chart 6.8: Proportion of vacant jobs (job vacancy rate), December quarter 2019 and 2018**

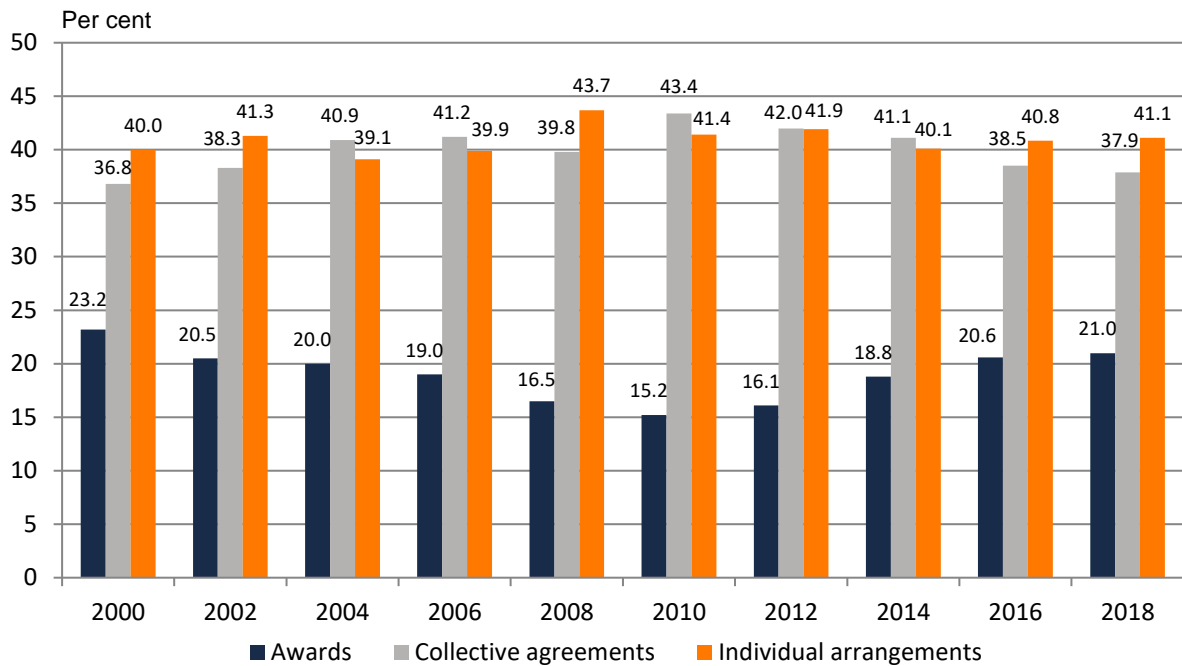


Note: The proportion of vacant jobs is defined as the number of ‘unfilled jobs’ as a proportion of the number of ‘total jobs’.

Source: ABS, *Labour Account Australia, Quarterly Experimental Estimates, December 2019*, Catalogue No. 6150.0.55.003.

## 7 Award reliance

**Chart 7.1: Method of setting pay**



Note: Awards refers to the proportion of employees in an industry that are paid exactly the award rate and are not paid more than that rate of pay. As defined by the ABS, individual arrangements include registered or unregistered individual agreements and owner managers of incorporated businesses. Estimates of the proportion of employees on awards and collective agreements in 2016 have been revised on the basis of the 2018 conceptual treatment of these methods of payment. Owner managers of incorporated businesses comprised the following proportion of all employees: 2000 = n/a; 2002 = n/a; 2004 = 5.4%; 2006 = 5.1%; 2008 = 5.0%; 2010 = 4.1%; 2012 = 3.3%; 2014 = 3.4%; 2016 = 3.6%; 2018 = 3.8%.

Source: ABS, 'A Guide to Understanding Employee Earnings and Hours Statistics', Feature Article, in *Employee Earnings and Hours, Australia, May 2018*, Catalogue No. 6306.0; ABS, *Employee Earnings and Hours, Australia*, various, Catalogue No. 6306.0.

**Table 7.1: Award reliance by industry, per cent**

	2010	2012	2014	2016*	2018*
<b>All industries</b>	<b>15.2</b>	<b>16.1</b>	<b>18.8</b>	<b>22.4</b>	<b>22.5</b>
Mining	1.9	0.6	0.8	0.1	0.9
Manufacturing	14.6	11.3	15.7	17.7	20.8
Electricity, gas, water and waste services	3.1	4.3	6.9	6.5	4.1
Construction	10.0	10.6	13.7	19.7	16.6
Wholesale trade	10.9	8.1	11.9	16.8	16.1
Retail trade	22.3	25.6	28.5	34.5	30.1
Accommodation and food services	45.2	44.8	42.8	42.7	44.9
Transport, postal and warehousing	8.0	7.3	10.9	11.9	12.7
Information media and telecommunications	5.7	5.7	5.2	5.5	7.1
Financial and insurance services	2.1	4.7	5.0	3.6	5.2
Rental, hiring and real estate services	22.8	20.9	22.1	27.2	29.4
Professional, scientific and technical services	4.2	6.0	9.9	9.3	8.0
Administrative and support services	31.4	29.0	37.3	42.0	41.3
Public administration and safety	1.9	6.9	12.8	15.2	10.9
Education and training	5.1	6.8	5.1	8.5	10.0
Health care and social assistance	17.1	19.0	22.3	27.8	31.7
Arts and recreation services	15.1	19.7	22.0	26.2	22.5
Other services	27.2	24.6	25.1	34.3	38.1

Note: \* Only presented for non-managerial employees in 2016 and 2018 as data for all employees by method of setting pay and industry are not available. Estimates of the proportion of employees on awards and collective agreements in 2016 have been revised on the basis of the 2018 conceptual treatment of these methods of payment.

Award reliance refers to the proportion of employees in an industry that are paid exactly the award rate and are not paid more than that rate of pay.

Source: ABS, 'A Guide to Understanding Employee Earnings and Hours Statistics', Feature Article, in *Employee Earnings and Hours, Australia, May 2018*, Catalogue No. 6306.0; ABS, *Employee Earnings and Hours, Australia*, various, Catalogue No. 6306.0.

**Table 7.2: Economic indicators by award-reliant industries**

	Accommodation and food services	Administrative and support services	Other services	Health care and social assistance	Retail trade	All industries
Percentage of non-managerial employees reliant on award wages, May 2018 <sup>a</sup>	44.9	41.3	38.1	31.7	30.1	<b>22.5</b>
Gross value added: percentage growth over the year to December quarter 2019	2.4	2.5	3.2	8.3	-0.1	<b>2.4</b>
Company gross operating profits: percentage growth over the year to December quarter 2019 <sup>b</sup>	2.4	15.6	-5.0	n/a	7.2	<b>2.3</b>
Business entry rate, over year to June 2019	17.5	21.7	16.9	13.4	14.8	<b>15.4</b>
Business exit rate, over year to June 2019	16.7	16.1	12.9	8.7	13.7	<b>12.7</b>
Wage Price Index: percentage growth over the year to December quarter 2019 <sup>a</sup>	2.2	1.9	2.0	3.1	1.8	<b>2.2</b>
Percentage annual wage growth under new collective agreements September quarter 2019	2.5	2.2	2.6	2.7	2.8	<b>2.7</b>
Employment: percentage increase over the year to November quarter 2019	2.7	9.7	1.2	4.8	-0.9	<b>2.3</b>
Hours worked: percentage increase over the year to November quarter 2019	4.3	3.7	3.9	3.5	1.7	<b>1.5</b>

Note: (a) All industries excludes Agriculture, forestry and fishing; (b) All industries excludes Education and training, Health care and social assistance and some subdivisions of Finance and insurance services. n/a = not available.

The award-reliant industries selected are the five industries with the highest proportion of employees reliant on award rates of pay according to the Employee Earnings and Hours 2018 survey. The WPI and actual hours worked data are expressed in original terms. Employment data are expressed in trend terms.

Entry rates are business entries in the financial year as a proportion of total businesses operating at the start of the financial year. Exit rates are total business exits in the financial year as a proportion of total businesses operating at the start of the financial year.

Source: ABS, *Australian National Accounts: National Income, Expenditure and Product, Dec 2019*, Catalogue No. 5206.0; ABS, *Business Indicators, Australia, Dec 2019*, Catalogue No. 5676.0; ABS, *Counts of Australian Businesses, including Entries and Exits, Jun 2015 to Jun 2019*, Catalogue No. 8165.0; ABS, *Employee Earnings and Hours, Australia, May 2018*, Catalogue No. 6306.0; ABS, *Labour Force, Australia, Detailed, Quarterly, Nov 2019*, Catalogue No. 6291.0.55.003; ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0; Attorney-General's Department, *Trends in Federal Enterprise Bargaining, September quarter 2019*, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>.

## 8 Relative living standards

**Table 8.1: The C14 rate relative to median weekly earnings of full-time employees**

Month	C14	Median earnings of full-time employees in main job	Ratio of C14 to median earnings in main job
	(\$)	(\$)	(%)
Aug-09	543.78	1000	54.4
Aug-10	569.90	1050	54.3
Aug-11	589.30	1100	53.6
Aug-12	606.40	1150	52.7
Aug-13	622.20	1153	54.0
Aug-14	640.90	1208	53.1
Aug-15	656.90	1233	53.3
Aug-16	672.70	1250	53.8
Aug-17	694.90	1284	54.1
Aug-18	719.20	1343	53.6
Aug-19	740.80	1380	53.7

Note: Median earnings refers to the level of earnings that divides the distribution into two groups of equal size, one having earnings above and the other below that amount. The median is less affected by outliers and skewed data than the mean. The median earnings data reflects revised estimates as result from a rebenchmarking of estimates.

Source: ABS, *Characteristics of Employment, Australia*, various, Catalogue No. 6333.0; *Metal, Engineering and Associated Industries Award 1998; Manufacturing and Associated Industries and Occupations Award 2010*.

**Table 8.2: Two-thirds of median weekly earnings**

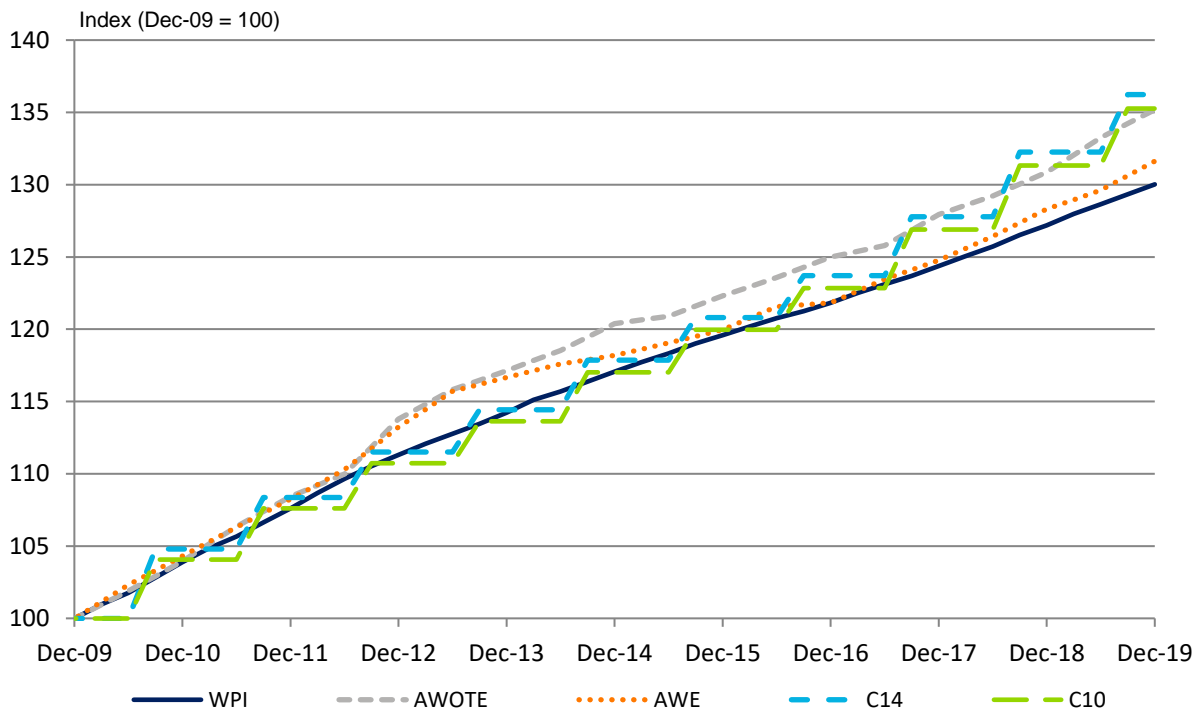
Year	COE	EEH
	(\$)	(\$)
2009	666.67	n/a
2010	700.00	743.33
2011	733.33	n/a
2012	766.67	808.00
2013	768.67	n/a
2014	805.33	879.33
2015	822.00	n/a
2016	833.33	917.33
2017	856.15	n/a
2018	895.33	973.33
2019	920.00	n/a

Note: Data for both measures of median weekly earnings include amounts salary sacrificed. Weekly earnings from the COE are earnings in the main job for full-time employees and are for August of each year. Weekly earnings from the EEH are weekly total cash earnings for full-time non-managerial adult employees. The figures are for May of each year. n/a = not available.

Source: ABS, *Characteristics of Employment, Australia*, various, Catalogue No. 6333.0; ABS, *Employee Earnings and Hours, Australia*, various, Catalogue No. 6306.0.

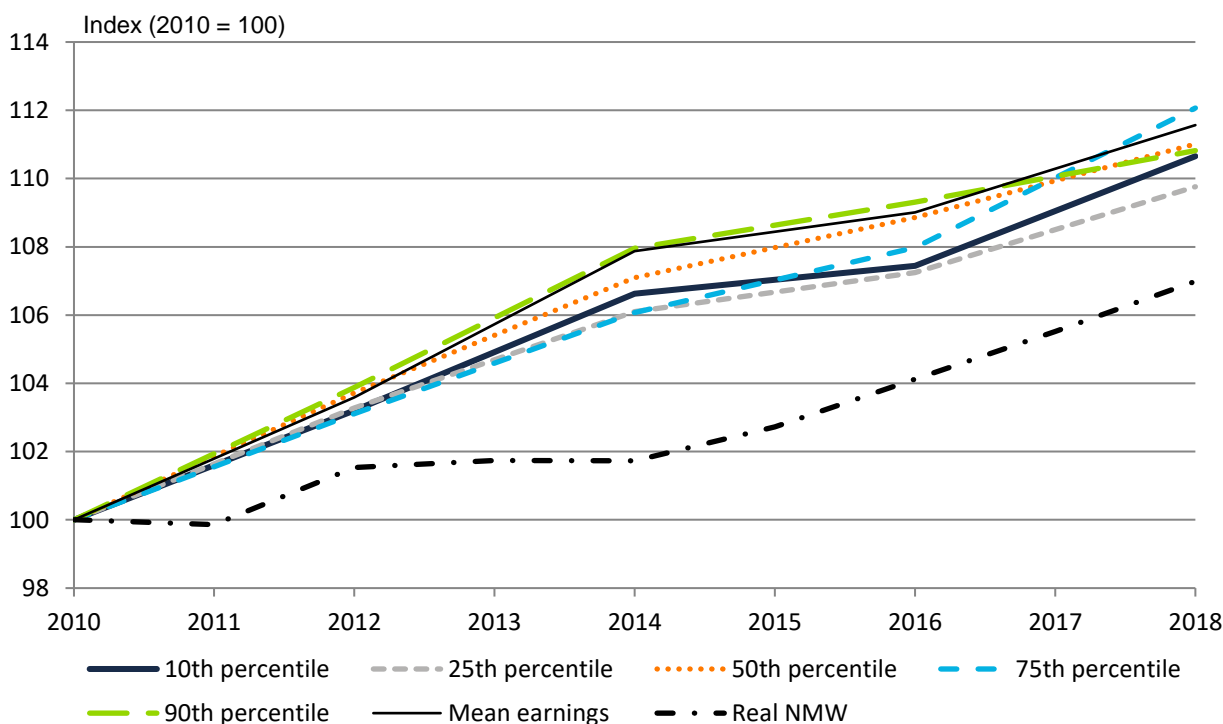


**Chart 8.1: Growth in C14, C10, AWOTE, AWE and WPI, index**



Note: This chart reflects available data for the period December quarter 2009 to December quarter 2019. See Chart 5.1 for information on the WPI and AWOTE. Average weekly earnings (AWE) is the gross (before tax) earnings of employees (excluding salary sacrifice). AWOTE and AWE are published half-yearly for May and November, hence, a quarterly series has been derived. AWOTE and AWE data are expressed in original terms. The C14 and the C10 are minimum award rates set under the *Manufacturing and Associated Industries and Occupations Award 2010*.

Source: ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Wage Price Index, Australia, Dec 2019*, Catalogue No. 6345.0; *Manufacturing and Associated Industries and Occupations Award 2010*.

**Chart 8.2: Real weekly total earnings (full-time adult non-managerial employees) by percentile and the real NMW, index**


Note: Earnings data for 2014, 2016 and 2018 are based on full-time non-managerial employees paid at the adult rate.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Employee Earnings and Hours, Australia, various*, Catalogue No. 6306.0; *Manufacturing and Associated Industries and Occupations Award 2010*.

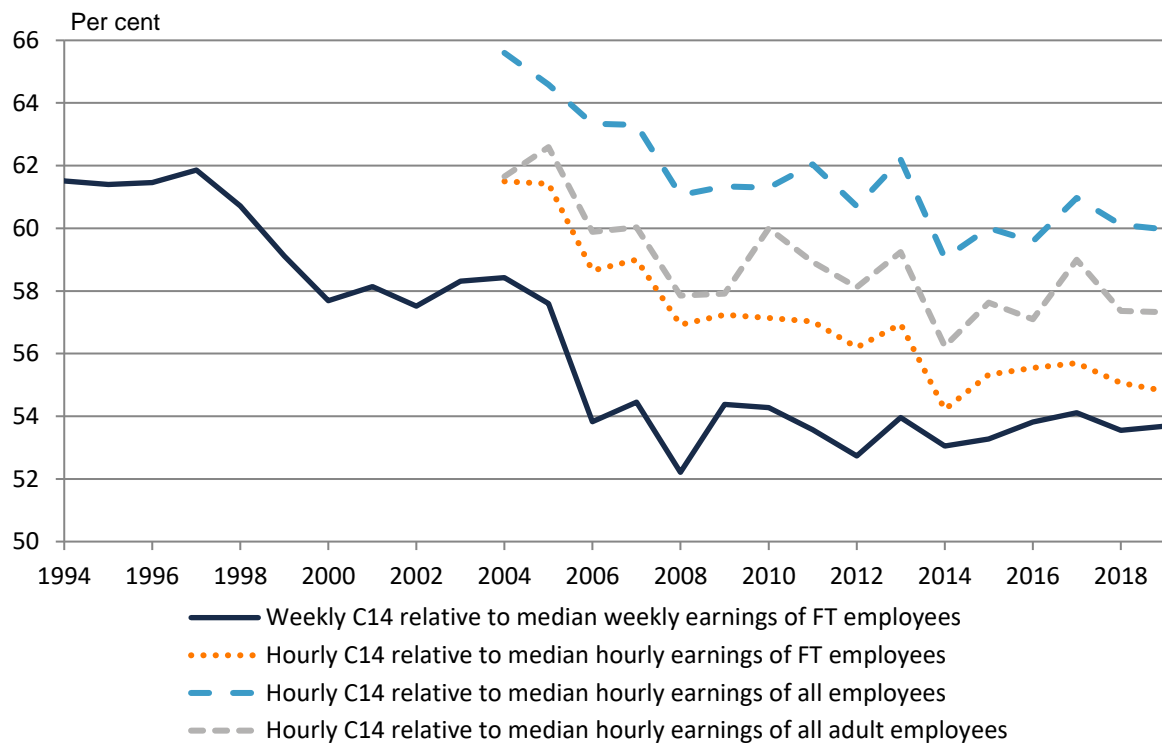
**Table 8.3: Ratio of selected percentiles to the mean and median of real weekly total earnings (full-time adult non-managerial employees)**

	2008	2010	2012	2014	2016	2018
<b>Ratio of selected percentiles to mean real earnings</b>						
10 <sup>th</sup> percentile	0.57	0.56	0.56	0.56	0.55	0.56
25 <sup>th</sup> percentile	0.68	0.68	0.68	0.67	0.67	0.67
50 <sup>th</sup> percentile	0.89	0.88	0.88	0.87	0.88	0.88
75 <sup>th</sup> percentile	1.19	1.20	1.19	1.18	1.18	1.20
90 <sup>th</sup> percentile	1.56	1.57	1.57	1.57	1.57	1.56
<b>Ratio of selected percentiles to median real earnings</b>						
10 <sup>th</sup> percentile	0.64	0.64	0.63	0.63	0.63	0.64
25 <sup>th</sup> percentile	0.77	0.77	0.77	0.77	0.76	0.76

Note: Earnings data for 2014, 2016 and 2018 are based on full-time non-managerial employees paid at the adult rate. Median earnings refer to the level of earnings that divides the distribution into two groups of equal size, one having earnings above and the other below that amount. The median is less affected by outliers and skewed data than the mean.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; ABS, *Employee Earnings and Hours, Australia, various*, Catalogue No. 6306.0.

**Chart 8.3: C14 rate relative to median earnings of employees in main job**



Note: Median earnings are measured in August of each year. Following the amendments to the *Workplace Relations Act 1996* (Cth) taking effect in 2006, the Federal Minimum Wage (FMW) was set at \$12.75 per hour, equivalent to \$484.50 per week. Earnings are for employees including owner managers of incorporated enterprises.

Median earnings from 2004 onwards are taken from the COE survey, with median hourly earnings of adult employees sourced from unpublished COE data. The median earnings data reflect revised estimates as a result of rebenchmarking.

Source: ABS, *Characteristics of Employment, Australia*, various, Catalogue No. 6333.0; ABS, *Employee Earnings, Benefits and Trade Union Membership, Australia*, various, Catalogue No. 6310.0; ABS, *Weekly Earnings of Employees (Distribution), Australia*, various, Catalogue No. 6310.0; *Metal, Engineering and Associated Industries Award 1998*; *Manufacturing and Associated Industries and Occupations Award 2010*.

**Table 8.4: Nominal disposable income of selected NMW-reliant households**

Household type	Disposable income July 2019	Change		
		July 2018 to July 2019	July 2018 to July 2019	July 2014 to July 2019
	(\$pw)	(\$pw)	(%)	(%)
Single adult	663.00	15.45	2.4	14.0
Single parent working FT, 1 child	928.62	20.35	2.2	10.5
Single parent working PT, 1 child	621.21	15.28	2.5	8.5
Single parent working FT, 2 children	1036.42	22.31	2.2	8.8
Single parent working PT, 2 children	729.01	17.24	2.4	6.5
Single-earner couple (with NSA)	837.03	11.13	1.3	8.8
Single-earner couple	676.42	14.48	2.2	12.7
Single-earner couple, 1 child (with NSA)	1029.92	14.51	1.4	7.3
Single-earner couple, 1 child	928.62	20.35	2.2	10.5
Single-earner couple, 2 children (with NSA)	1140.44	18.30	1.6	6.4
Single-earner couple, 2 children	1036.42	22.31	2.2	8.8
Dual-earner couple	1033.40	26.25	2.6	14.6
Dual-earner couple, 1 child	1220.26	26.03	2.2	10.5
Dual-earner couple, 2 children	1328.06	27.99	2.2	8.9
<b>CPI</b>			<b>1.6</b>	<b>8.4</b>

Note: The percentage change in the CPI over July 2018 to July 2019 and July 2014 to July 2019 were calculated with reference to the June quarter. CPI data are expressed in original terms.

Assumptions: Single-earner households earn 100 per cent of the weekly NMW. Single parents working part time (PT) are earning 50 per cent of the weekly NMW rate, those working full time (FT) earn 100 per cent of the NMW. Dual-earner households comprise one partner earning 100 per cent of the NMW, the other earns 50 per cent of this rate. Applicable minimum wage rates (equivalent to the C14 rate) per week are: \$640.90 in July 2014; \$719.20 in July 2018 and \$740.80 in July 2019.

Tax/transfer parameters as at July each year. Disposable income includes all available income transfers, unless otherwise specified. Children are aged 8–12 years and attending primary school. Households paying sufficient rent to receive maximum Rent Assistance where applicable. Single-earner couples are modelled in two scenarios: 1) the non-earning partner is in the labour force and receiving proportional rates of Newstart Allowance (NSA) and 2) the non-earning partner is not in the labour force and therefore not in receipt of NSA. Single-parent households and secondary earners in dual-earner households are not seeking further work and not in receipt of income support.

Households with children receive the fixed value of the Schoolkids Bonus in 2013–2016. Disposable incomes for households with children for 2013 to 2016 reflect the average weekly rate of Schoolkids Bonus instalments in the given year. In 2013 the Schoolkids Bonus accounted for a weekly average of \$7.88 per child in the disposable income for all households with children modelled (excepting dual earner households earning AWOTE as they were not eligible for this transfer). The Schoolkids Bonus was not payable from 2017. Tax/transfer parameters in 2018 are updated for the Medicare levy thresholds legislated by the *Treasury Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Act 2019*.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; Fair Work Commission modelling.

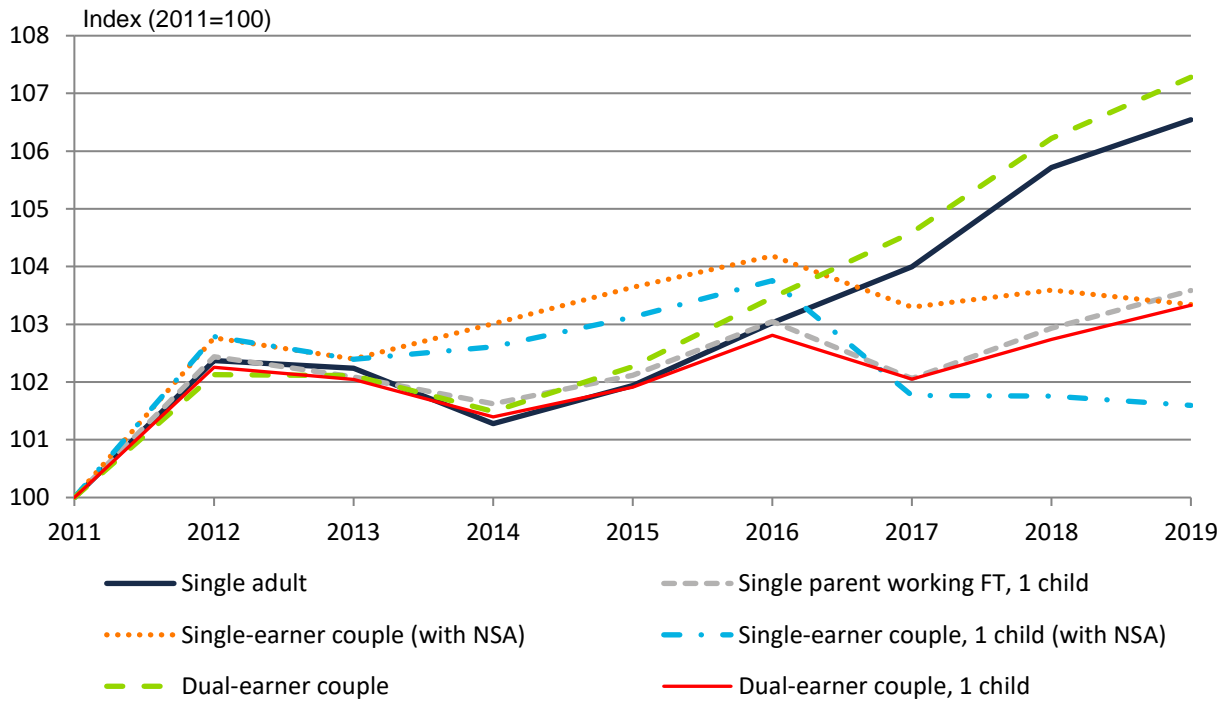
**Table 8.5: Modelling the 2019 NMW increase, wage increase retained and components of change in disposable income of selected NMW-reliant households, July 2019**

Household type	Change in disposable income (\$ pw)	Components of change			NMW increase retained (%)
		Wage increase (\$)	Taxes (\$)	Transfers (\$)	
Single adult	15.44	21.60	-6.16	0.00	71.5
Single parent working FT, 1 child	15.88	21.60	-5.72	0.00	73.5
Single parent working PT, 1 child	10.80	10.80	0.00	0.00	100.0
Single parent working FT, 2 children	15.88	21.60	-5.72	0.00	73.5
Single parent working PT, 2 children	10.80	10.80	0.00	0.00	100.0
Single-earner couple (with NSA)	1.79	21.60	-6.85	-12.96	8.3
Single-earner couple	14.48	21.60	-7.12	0.00	67.0
Single-earner couple, 1 child (with NSA)	2.50	21.60	-6.85	-12.26	11.6
Single-earner couple, 1 child	15.88	21.60	-5.72	0.00	73.5
Single-earner couple, 2 children (with NSA)	3.62	21.60	-5.72	-12.26	16.8
Single-earner couple, 2 children	15.88	21.60	-5.72	0.00	73.5
Dual-earner couple	26.24	32.40	-6.16	0.00	81.0
Dual-earner couple, 1 child	17.63	32.40	-6.16	-8.62	54.4
Dual-earner couple, 2 children	17.63	32.40	-6.16	-8.62	54.4

Note: Tax/transfer parameters as at July 2019. The NMW increase retained is calculated as the change in disposable income as a proportion of the wage increase. Other assumptions as per Table 8.4.

Source: Fair Work Commission modelling.

**Chart 8.4: Growth in real weekly household disposable income for selected NMW-reliant households, index**



Note: Tax/transfer parameters and NMW rate as at July of each year. Other assumptions as per Table 8.4. Between July 2013 and July 2014, the income-free threshold for NSA increased.

Real weekly household disposable income is adjusted with reference to the June quarter CPI.

Source: ABS, *Consumer Price Index, Australia*, Dec 2019, Catalogue No. 6401.0; Fair Work Commission modelling.

**Table 8.6: Ratio of disposable income of selected households earning various wage rates to a 60 per cent median income poverty line**

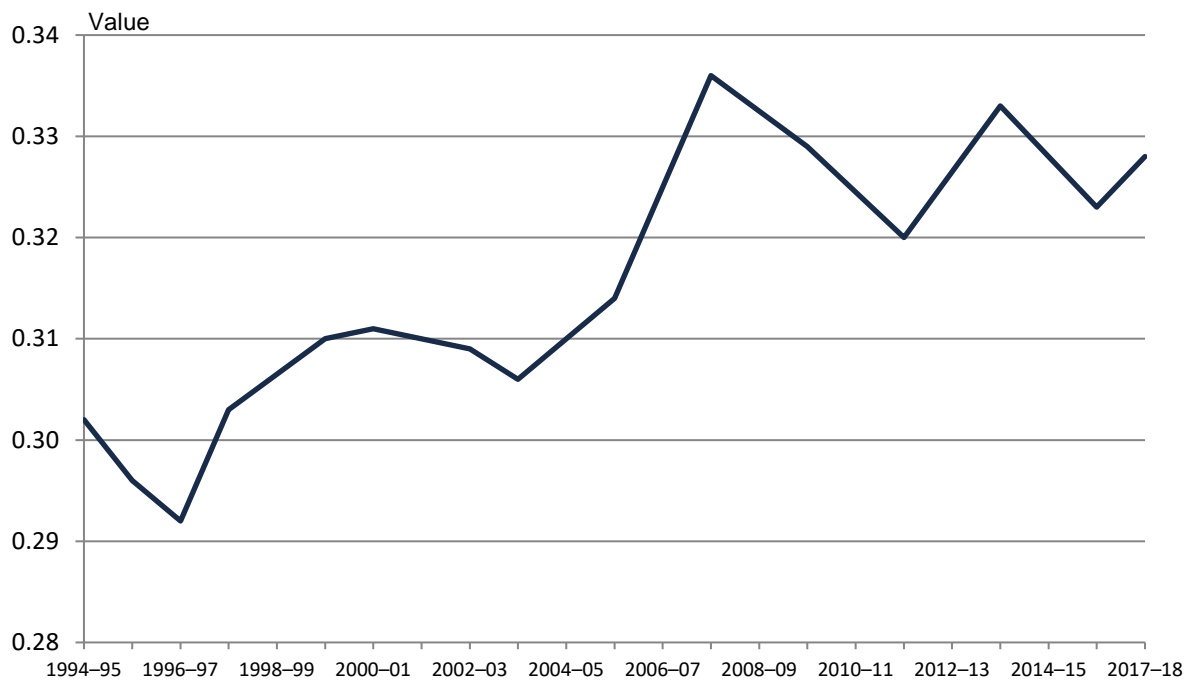
	September 2014					September 2018					September 2019				
	60% median income PL (\$ pw)	Disposable income as a ratio of 60% median income PL				60% median income PL (\$ pw)	Disposable income as a ratio of 60% median income PL				60% median income PL (\$ pw)	Disposable income as a ratio of 60% median income PL			
		C14	C10	C4	AWOTE		C14	C10	C4	AWOTE		C14	C10	C4	AWOTE
Single adult	511.75	1.14	1.29	1.48	2.21	539.14	1.20	1.36	1.57	2.29	559.57	1.18	1.34	1.55	2.27
Single parent working FT, 1 child	665.28	1.26	1.38	1.51	1.92	700.89	1.30	1.41	1.56	1.93	727.45	1.28	1.39	1.54	1.90
Single parent working PT, 1 child	665.28	0.86	0.93	1.03	1.38	700.89	0.87	0.95	1.05	1.38	727.45	0.85	0.94	1.03	1.36
Single parent working FT, 2 children	818.80	1.16	1.26	1.37	1.70	862.63	1.18	1.28	1.40	1.67	895.32	1.16	1.26	1.37	1.65
Single parent working PT, 2 children	818.80	0.84	0.89	0.97	1.26	862.63	0.83	0.89	0.97	1.25	895.32	0.81	0.88	0.96	1.23
Single-earner couple (with NSA)	767.63	1.01	1.03	1.03	1.47	808.72	1.03	1.04	1.05	1.53	839.36	1.00	1.01	1.03	1.51
Single-earner couple	767.63	0.78	0.88	0.98	1.47	808.72	0.82	0.91	1.05	1.53	839.36	0.81	0.90	1.03	1.51
Single-earner couple, 1 child (with NSA)	921.15	1.05	1.07	1.09	1.39	970.46	1.05	1.06	1.13	1.39	1007.23	1.03	1.04	1.11	1.38
Single-earner couple, 1 child	921.15	0.91	1.00	1.09	1.39	970.46	0.94	1.02	1.13	1.39	1007.23	0.92	1.00	1.11	1.38
Single-earner couple, 2 children (with NSA)	1074.68	1.00	1.02	1.04	1.29	1132.20	0.99	1.01	1.06	1.28	1175.11	0.97	0.99	1.04	1.26
Single-earner couple, 2 children	1074.68	0.89	0.96	1.04	1.29	1132.20	0.90	0.97	1.06	1.28	1175.11	0.88	0.96	1.04	1.26
Dual-earner couple	767.63	1.17	1.35	1.55	2.32	808.72	1.25	1.42	1.64	2.40	839.36	1.23	1.40	1.62	2.38
Dual-earner couple, 1 child	921.15	1.20	1.30	1.41	1.94	970.46	1.23	1.33	1.46	2.00	1007.23	1.21	1.31	1.42	1.98
Dual-earner couple, 2 children	1074.68	1.14	1.22	1.31	1.69	1132.20	1.15	1.23	1.35	1.72	1175.11	1.13	1.21	1.30	1.70

Note: Poverty lines are based on estimates of median equivalised household disposable income in 2013–14 for September 2014 and 2017–18 for September 2018 and September 2019, and adjusted for movements in household disposable income per head as calculated by the Melbourne Institute of Applied Economic and Social Research, and adjusted for household composition using the modified OECD equivalence scale. The C14, C10 and C4 are minimum award rates set under the *Manufacturing and Associated Industries and Occupations Award 2010*. AWOTE data are expressed in original terms.

Assumptions: Tax-transfer parameters as at September 2014, September 2018 and September 2019. Wage rates for 2014: C14 = \$640.90 pw, C10 = \$746.20 pw, C4 = \$896.40 and AWOTE of full-time adult employees = \$1477.00 pw. Wage rates for 2018: C14 = \$719.20 pw, C10 = \$837.40 pw, C4 = \$1005.90 pw, AWOTE of full-time adult employees = \$1605.50. Wage rates for 2019: C14 = \$740.80 pw, C10 = \$862.50 pw, C4 = \$1036.10 pw and AWOTE of full-time adult employees = \$1658.40. Other assumptions as per Table 8.4.

Source: ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Household Income and Income Distribution, Australia, 2013–14*, Catalogue No. 6623.0; ABS, *Household Income and Wealth, Australia, 2017–18*, Catalogue No. 6523.0; Fair Work Commission modelling; *Manufacturing and Associated Industries and Occupations Award 2010*; Melbourne Institute of Applied Economic and Social Research, *Poverty Lines: Australia*, September quarter 2019.



**Chart 8.5: Gini coefficient of equivalised household disposable income**


Note: Estimates presented for 2007–08 onwards are not directly comparable with estimates for previous cycles due to improvements made to measuring income introduced in the 2007–08 cycle. Estimates for 2003–04 and 2005–06 have been recompiled to reflect those improvements; however, not all components introduced in 2007–08 were available for earlier cycles.

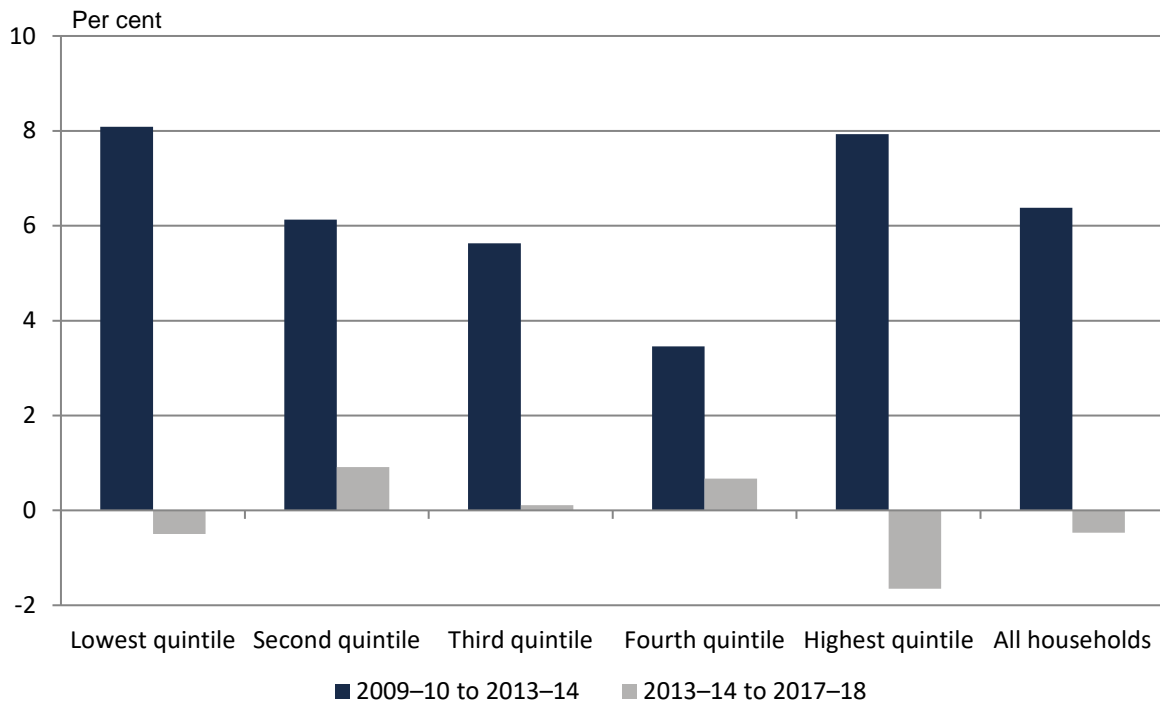
Source: ABS, *Household Income and Wealth, Australia, 2017–18*, Catalogue No. 6523.0.

**Table 8.7: Growth in real weekly equivalised household disposable income, by selected percentiles**

	2009–10 to 2013–14 (% change)	2013–14 to 2017–18 (% change)
10 <sup>th</sup> percentile	9.6	0.7
50 <sup>th</sup> percentile (median)	6.7	–0.4
90 <sup>th</sup> percentile	5.2	–1.6

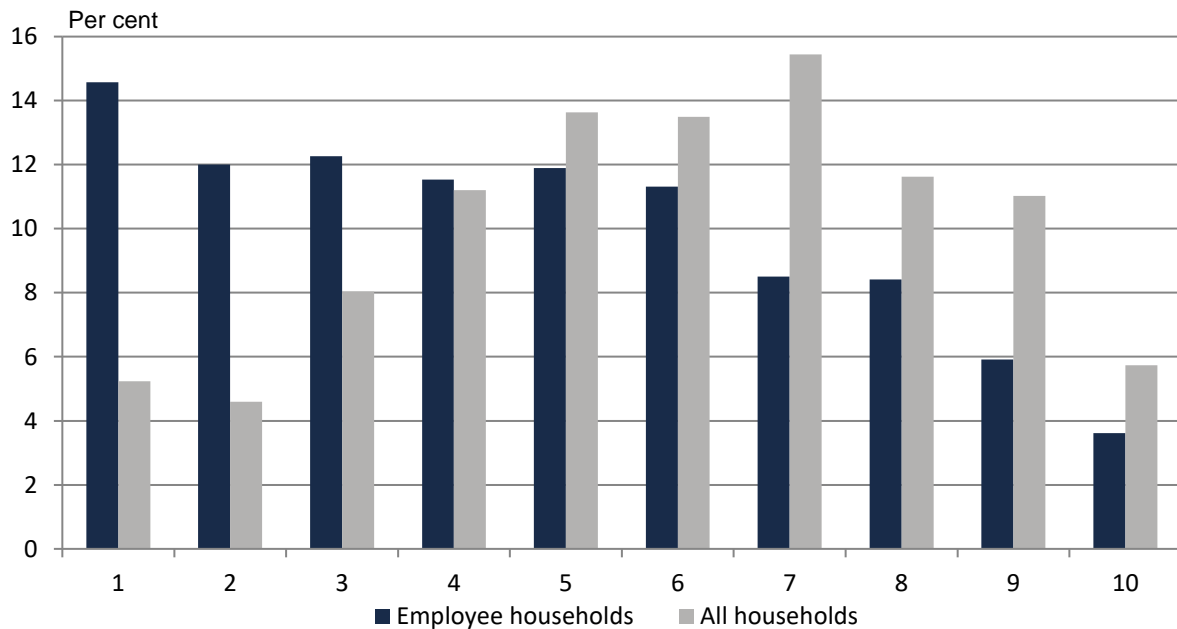
Source: ABS, *Household Income and Wealth, Australia, 2017–18*, Catalogue No. 6523.0.

**Chart 8.6: Growth in real weekly equivalised household disposable income, by quintile**



Source: ABS, *Household Income and Wealth, Australia, 2017–18*, Catalogue No. 6523.0.

**Chart 8.7: Distribution of low-paid employees across equivalised household disposable income for employee and all households, 2015–16**

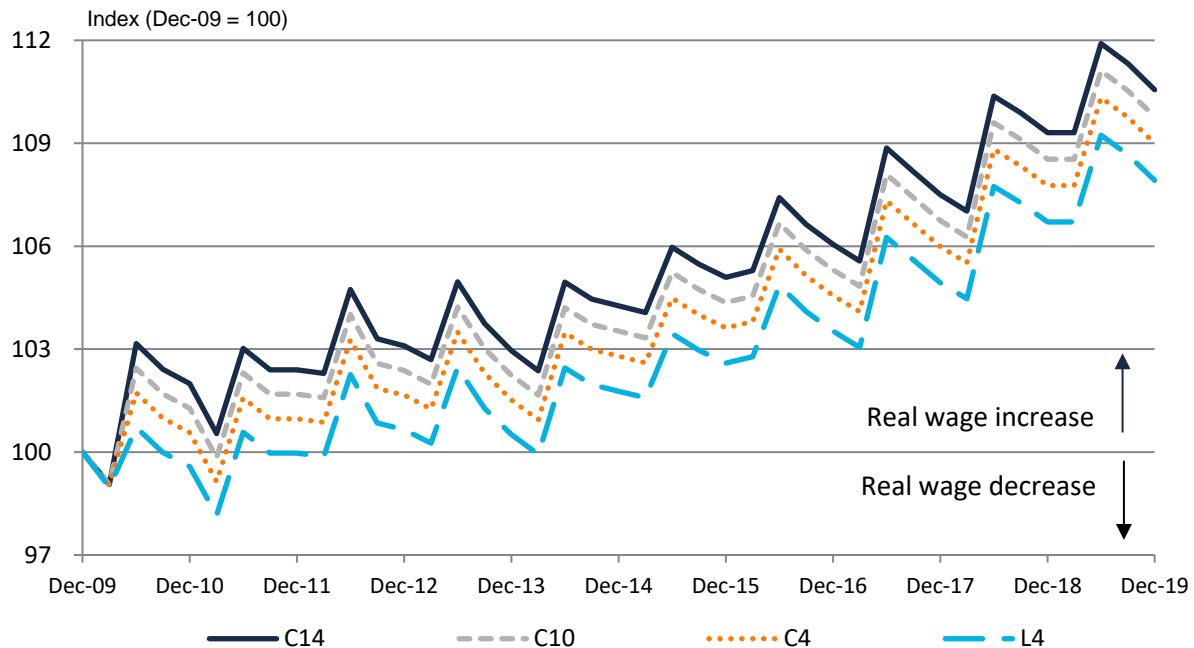


Note: Low-paid employees refer to all employees whose hourly earnings are below two-thirds of median hourly earnings of full-time adult employees (i.e., those aged 21 years and over). Hourly earnings are calculated as current weekly cash employee income from main job (including salary sacrifice) divided by usual hours worked per week in main job. Usual hours worked in main job are top-coded at 60 hours per week. No allowance for casual loading has been made as casual employees cannot be identified. Employee households are those whose principal source of income is from salary and wages.

Source: ABS, *Microdata: Household Expenditure, Income and Housing, 2015–16*, Detailed Microdata, DataLab, Catalogue No. 6540.0.

## 9 Real wages and the cost of living

**Chart 9.1: Real value of selected minimum wage rates, index**



Note: Minimum rates C14, C10 and C4 are those in the *Manufacturing and Associated Industries and Occupations Award 2010* and the L4 rate from the *Professional Employees Award 2010*. For the purpose of the analysis, the L4 rate was calculated by dividing the annual salary for the L4 classification by 365 and multiplying by 7 to get a weekly rate. The L4 rate was the C1(b) rate up until the December quarter 2009.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; *Manufacturing and Associated Industries and Occupations Award 2010*; *Professional Employees Award 2010*.

**Table 9.1: Real national minimum wage and percentage change, December quarter 2019 dollars**

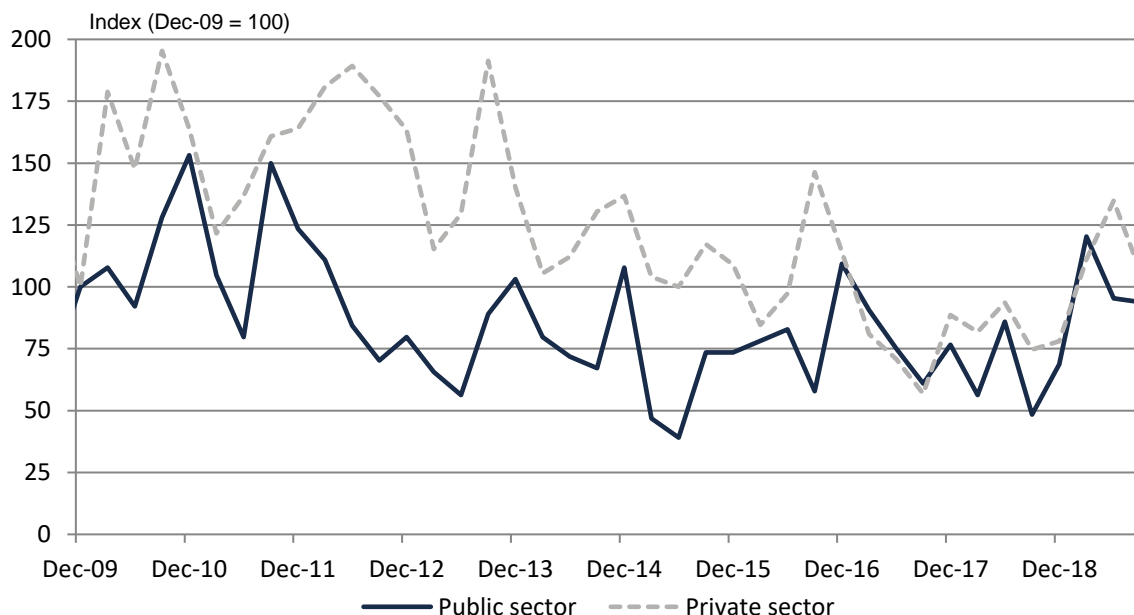
Year	Real national minimum wage	Change
	(\$)	(%)
Dec-09	670.07	-2.0
Dec-10	683.41	2.0
Dec-11	686.14	0.4
Dec-12	690.82	0.7
Dec-13	689.88	-0.1
Dec-14	698.62	1.3
Dec-15	704.17	0.8
Dec-16	710.62	0.9
Dec-17	720.32	1.4
Dec-18	732.44	1.7
Dec-19	740.80	1.1
<b>Change over decade</b>	<b>70.73</b>	<b>10.6</b>

Note: Real minimum wage calculated from C14 (NMW) and CPI (original data) from the December quarter of each year.

Source: ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0; Australian Fair Pay Commission/Fair Work Australia/FWC decisions.

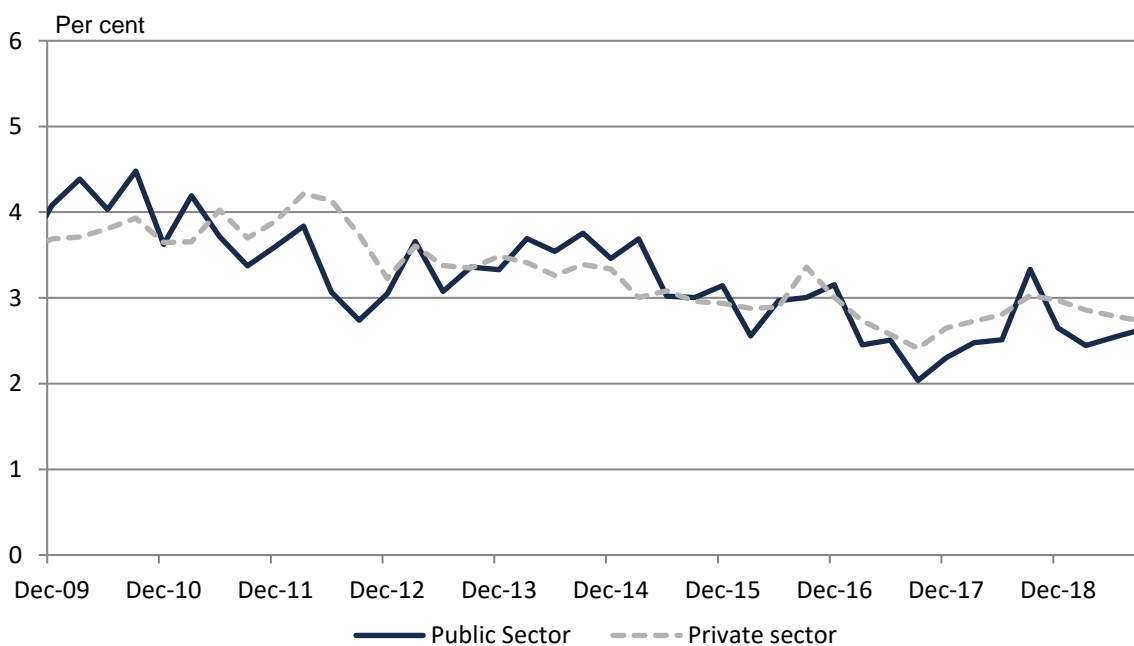
## 10 Enterprise bargaining

**Chart 10.1: Number of agreements approved in the quarter by sector, index**



Source: Attorney-General's Department, *Trends in Federal Enterprise Bargaining*, September quarter 2019, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>.

**Chart 10.2: AAWI for agreements approved in the quarter by sector**



Source: Attorney-General's Department, *Trends in Federal Enterprise Bargaining*, September quarter 2019, <<https://www.ag.gov.au/industrial-relations/enterprise-agreements-data/Pages/trends-in-federal-enterprise-bargaining.aspx>>.

## 11 Equal remuneration

**Table 11.1: Estimates of the gender pay gap**

<b>Measure</b>	<b>Male earnings (\$)</b>	<b>Female earnings (\$)</b>	<b>Gender pay gap (%)</b>
AWOTE ( <i>Nov 2019</i> )	1750.80	1508.00	13.9
EEH adult hourly ordinary time cash earnings ( <i>May 2018</i> )*	42.07	35.66	15.2

Note: AWOTE refer to full-time adult employees. The gender pay gap is calculated as the difference between female's and male's earnings, expressed as a percentage of male's earnings.

\* Earnings are deflated by a casual loading of 25 per cent.

Source: ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0; ABS, *Microdata: Employee Earnings and Hours, Australia, May 2018*, Catalogue No. 6306.0.55.001.

## 12 Indicators of financial stress

**Table 12.1: Financial stress experienced by all employee households**

<b>Financial stress indicators</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Unable to raise \$3000 in a week for something important	5.1	5.0	4.7	4.5	5.0
Could not pay electricity, gas or telephone bills on time	8.1	8.0	7.3	7.3	7.3
Could not pay the mortgage or rent on time	3.5	3.4	3.4	2.9	3.9
Pawned or sold something	1.9	2.3	2.3	2.1	2.5
Went without meals	1.7	1.7	1.5	1.7	2.0
Could not afford to heat home	1.3	1.6	1.2	1.6	1.6
Sought assistance from welfare/community organisation	1.1	1.0	0.9	1.1	1.1
Sought financial help from friends or family	8.0	7.3	6.7	6.1	7.2
Any stress	15.8	15.8	14.5	13.4	14.7
Low stress (1–2)	12.0	12.4	11.0	9.9	10.6
Moderate stress (3–4)	3.1	2.4	2.8	2.6	3.0
High stress (5 or more incidences of financial stress)	0.8	1.0	0.8	0.9	1.0
Observations	4794	4765	4993	5014	4996

Note: Employee households are those households whose main source of income is from wages or salary. Both partners in a couple family household, the lone parent in a lone parent household and the lone person of a lone person household must report financial stress for that particular household to be considered as such. Observations from multi-family households, other related family households and group households are excluded.

Source: *Household, Income and Labour Dynamics in Australia Survey, Waves 14–18.*

**Table 12.2: Financial stress experienced by low-paid employee households**

<b>Financial stress indicators</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Unable to raise \$3000 in a week for something important	13.7	11.9	11.3	12.3	12.6
Could not pay electricity, gas or telephone bills on time	13.9	14.4	13.6	14.2	15.0
Could not pay the mortgage or rent on time	8.3	8.0	6.5	5.5	7.5
Pawned or sold something	4.3	4.4	5.2	4.3	4.9
Went without meals	5.1	4.2	3.1	2.7	3.8
Could not afford to heat home	2.6	4.2	2.9	3.3	3.6
Sought assistance from welfare/community organisation	3.4	2.8	2.3	2.8	3.6
Sought financial help from friends or family	16.7	15.8	13.5	11.2	13.4
Any stress	31.3	30.9	28.4	27.0	28.2
Low stress (1–2)	21.3	22.4	19.5	19.1	17.7
Moderate stress (3–4)	7.9	5.8	6.8	6.1	7.9
High stress (5 or more incidences of financial stress)	2.0	2.8	2.0	1.8	2.6
Observations	913	896	963	1014	1000

Note: Employee households are those households whose main source of income is from wages or salary. Both partners in a couple family household, the lone parent in a lone parent household and the lone person of a lone person household must report financial stress for that particular household to be considered as such. Observations from multi-family households, other related family households and group households are excluded. Low-paid employee households are defined as those households in the bottom quintile of equivalised disposable household income for employee households. Disposable household income is equivalised using the 'modified OECD' method where each person in the household is given a score (1 for the first adult, 0.5 for subsequent adults and 0.3 for each child under the age of 15) and the income is divided by the sum of these scores.

Source: *Household, Income and Labour Dynamics in Australia Survey, Waves 14–18.*

## 13 Budget standards

**Table 13.1: Updated budget standards estimates, low-paid single person (per week)**

Budget category	Budget priced at latter half of 2013		Budget updated using CPI June 2016			Budget updated using CPI December 2019		
	\$	Index <sup>^</sup>	\$	Index <sup>^</sup>	% change from 2013	\$	Index	% change from 2016
Food	60.19	101.1	61.80	103.8	2.7	65.73	110.4	6.4
Clothing and Footwear	11.05	100.2	10.81	98.0	-2.2	10.53	95.5	-2.6
Household goods and services	77.11	101.9	79.23	104.7	2.7	79.15	104.6	-0.1
Transport	81.59	103.1	77.71	98.2	-4.8	85.90	108.6	10.6
Health	6.40	109.5	7.33	125.5	14.6	8.07	138.0	10.0
Personal Care	14.99	104.4	15.59	108.6	4.0	16.68	116.2	7.0
Recreation	28.49	101.1	29.04	103.1	2.0	30.50	108.3	5.0
Education	0.00	108.8	0.00	124.6	14.5	0.00	136.1	9.2
<b>Budget standards</b>	<b>279.82</b>	<b>-</b>	<b>281.51</b>	<b>-</b>	<b>0.6</b>	<b>296.56</b>		<b>5.3</b>
Weekly rental costs*	nd	-	315.80	110.2	-	322.10	112.4	2.0
<b>Grossed-up budget standards</b>	<b>nd</b>	<b>-</b>	<b>597.31</b>	<b>-</b>	<b>-</b>	<b>618.67</b>		<b>3.6</b>

Note: Data for December quarter 2019 are updated based on indexes from June quarter 2016. <sup>^</sup>Based on CPI indexes at Table B.2 in Saunders P & Bedford M (2017). \*March quarter 2016 rent figures used in Saunders & Bedford (2017: 87). The index figure for the December quarter 2019 is inflated from the March quarter 2016. nd = not derived.

Source: Saunders P & Bedford M (2017), *New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians*, SPRC Report 11/17, Social Policy Research Centre, UNSW Sydney, Table 5.7; ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0.



## 14 Forecasts

**Table 14.1: 2019–20 Mid-year economic and fiscal outlook, international GDP growth forecasts**

	2018 (outcomes)	2019 (forecasts)	2020 (forecasts)	2021 (forecasts)
World	3.6	3	3¼	3½
Major trading partners	4.1	3½	3¾	4

Note: World growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners are calculated using export trade weights.

Source: Australian Government, *Mid-Year Economic and Fiscal Outlook 2019–20*, Canberra, p. 14.

**Table 14.2: IMF real GDP growth projections**

	2018	2019 (estimates)	2020 (projections)	2021 (projections)
Australia	2.7	1.7*	2.3	–
Advanced economies	2.2	1.7	1.6	1.6
World	3.6	2.9	3.3	3.4

Note: Year-on-year percentage changes shown. World and domestic economy growth rates are calculated using GDP weights based on PPP. \* Remains a projection.

Source: IMF (2020), *World Economic Outlook Update*, January,

<<https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020>>; IMF (2019), *World Economic*

*Outlook*, October, <<https://www.imf.org/en/Publications/WEO/Issues/2019/10/01/world-economic-outlook-october-2019>>.

**Table 14.3: 2019–20 Mid-year economic and fiscal outlook, domestic economy forecasts<sup>(a)</sup>**

	Outcomes <sup>(b)</sup>	Forecasts	
	2018–19	2019–20	2020–21
<b>Real gross domestic product</b>	<b>2.0</b>	<b>2¼</b>	<b>2¾</b>
Household consumption	2.0	1¾	2½
Dwelling investment	0.0	–9	–3½
Total business investment <sup>(c)</sup>	–1.0	1½	6
Mining investment	–9.5	1	12
Non-mining investment	1.6	2	4½
Private final demand <sup>(c)</sup>	1.0	¾	2¾
Public final demand <sup>(c)</sup>	4.1	4¾	3¼
Change in inventories <sup>(d)</sup>	–0.1	0	0
Gross national expenditure	1.6	1¾	2¾
Exports of goods and services	3.9	2½	2½
Imports of goods and services	0.2	½	3
Net exports <sup>(d)</sup>	0.8	½	0
Nominal gross domestic product	5.3	3¼	2¼
Prices and wages			
Consumer price index <sup>(e)</sup>	1.6	2	2¼
Wage price index <sup>(f)</sup>	2.3	2½	2½
GDP deflator	3.2	¾	–¼
Labour market			
Participation rate <sup>(g)</sup>	66.0	66	66
Employment <sup>(f)</sup>	2.5	1¾	1¾
Unemployment rate <sup>(g)</sup>	5.2	5¼	5¼
Balance of payments			
Terms of trade <sup>(h)</sup>	5.6	–4	–8¾
Current account balance (per cent of GDP)	–0.6	–¾	–3¼

Note: The forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade weighted index of around 59 and a \$US exchange rate of around 68 US cents. Interest rates are assumed to move broadly in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$64 per barrel. Population growth is assumed to average around 1.7 per cent per year over the forecast period.

(a) Percentage change on preceding year unless otherwise indicated.

(b) Calculated using original data unless otherwise indicated.

(c) Excluding second-hand asset sales from the public sector to the private sector.

(d) Percentage point contribution to growth in GDP.

(e) Through-the-year growth rate to the June quarter.

(f) Seasonally adjusted, through-the-year growth rate to the June quarter.

(g) Seasonally adjusted rate for the June quarter.

(h) The forecasts are underpinned by price assumptions for key commodities: Iron ore spot price assumed to decline towards US\$55/tonne free-on-board (FOB) by the end of the June quarter 2020; metallurgical coal spot price remaining at US\$134/tonne FOB; and thermal coal spot price remaining at US\$64/tonne FOB.

Source: Australian Government, *Mid-Year Economic and Fiscal Outlook 2019-20*, Canberra, p. 18.

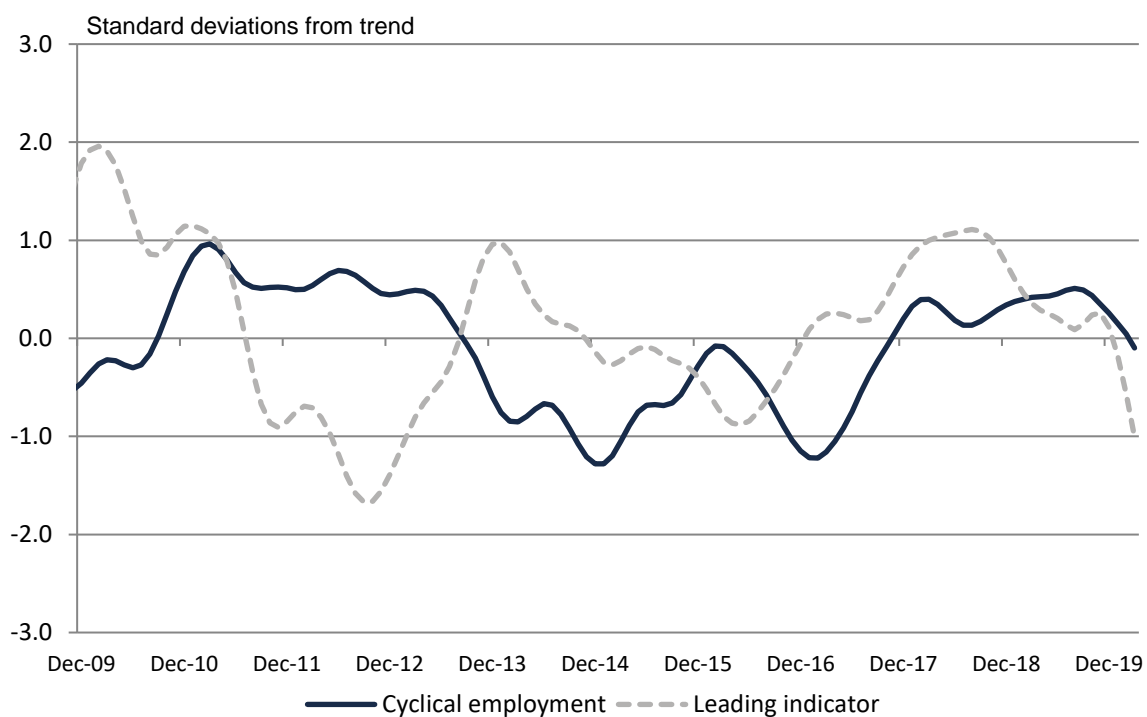
**Table 14.4: RBA economy forecasts, growth rates**

	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22
Gross domestic product	2	2	2¾	3	3	3
Unemployment rate*	5.2	5¼	5	5	4¾	4¾
Consumer price index	1.8	1¾	1¾	1¾	2	2
Trimmed mean inflation	1.6	1¾	1¾	1¾	2	2

Note: Percentage changes are for the year-ended. \*Average rate in the quarter. Technical assumptions include A\$ at US\$0.67, Trade Weighted Index at 58, Brent crude oil price at US\$54 per barrel. Shaded regions are historical data.

Source: RBA (2020), *Statement on Monetary Policy*, February, p. 72.

**Chart 14.1: Department of Employment, Skills, Small and Family Business' Leading Indicator of Employment, monthly leading indicator of employment**



Source: Department of Employment, Skills, Small and Family Business, *Monthly Leading Indicator of Employment – March 2020*, <<http://employment.gov.au/department-employment-s-leading-indicator-employment-latest-release>>.

## 15 Costs of child care services

In its statement of 1 November 2013 in relation to the research program for the Annual Wage Review 2013–14, the Expert Panel noted that:

The Statistical Report will also refer to data on costs of child care services by providing a link to the relevant chapter in the 'Report on Government Services' produced by the Productivity Commission. [2013 FWCFB 8514, Attachment A, p. 3]

A link to Chapter 3, *Early childhood education and care*, from the latest Report on Government Services 2020 is provided here: <https://www.pc.gov.au/research/ongoing/report-on-government-services/2020/child-care-education-and-training/early-childhood-education-and-care>.

## 16 Minutes of the Monetary Policy Meetings of the Reserve Bank Board and Statement on Monetary Policy

Minutes of June 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-06-04.html>

Minutes of July 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-07-02.html>

Minutes of August 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-08-06.html>

Minutes of September 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-09-03.html>

Minutes of October 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-10-01.html>

Minutes of November 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-11-05.html>

Minutes of December 2019 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2019/2019-12-03.html>

Minutes of February 2020 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2020/2020-02-04.html>

Minutes of March 2020 Monetary Policy Meeting

<https://www.rba.gov.au/monetary-policy/rba-board-minutes/2020/2020-03-03.html>

Statement on Monetary Policy—August 2019

<https://www.rba.gov.au/publications/smp/2019/aug/>

Statement on Monetary Policy—November 2019

<https://www.rba.gov.au/publications/smp/2019/nov/>

Statement on Monetary Policy—February 2020

<https://www.rba.gov.au/publications/smp/2020/feb/>

## 17 Business surveys

In the Annual Wage Review 2015–16 Decision, the Expert Panel noted that:

Official statistics on the situation of small business come with a substantial time lag. We accept that in these circumstances, the information provided by business surveys is useful. In particular, we note the assessment by the Australian Government and the RBA that information from the main business surveys (by ACCI, NAB and Sensis) have proved to be quite reliable predictors of output and employment growth. [2016 FWCFB 3500 at para. 298]

A link to each business survey referenced above is provided below:

### **NAB Quarterly Business Survey–December 2019**

<https://business.nab.com.au/wp-content/uploads/2020/02/NAB-Quarterly-Business-Survey-December-Quarter-2019.pdf>

### **Australian Chamber-Westpac Survey of Industrial Trends–December 2019**

<https://www.australianchamber.com.au/wp-content/uploads/2019/12/AusChamberWestpacSurvey2019Q4.pdf>

### **Sensis Business Index–November 2019**

<https://irp-cdn.multiscreensite.com/535ef142/files/uploaded/November%202019%20SBI%20Report.pdf>

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- ABS, *Australian System of National Accounts, 2018–19*, Catalogue No. 5204.0.
- ABS, *Average Weekly Earnings, Australia, Nov 2019*, Catalogue No. 6302.0.
- ABS, *Business Indicators, Australia, Dec 2019*, Catalogue No. 5676.0.
- ABS, *Characteristics of Employment, Australia, August 2019*, Catalogue No. 6333.0.
- ABS, *Consumer Price Index, Australia, Dec 2019*, Catalogue No. 6401.0.
- ABS, *Counts of Australian Businesses, Including Entries and Exits*, various, Catalogue No. 8165.0.
- ABS, *Employee Earnings and Hours, Australia*, various, Catalogue No. 6306.0.
- ABS, *Employee Earnings, Benefits and Trade Union Membership, Australia*, various, Catalogue No. 6310.0.
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[2013] FWCFB 8514, Attachment A, p. 3.