



RESERVE BANK OF AUSTRALIA

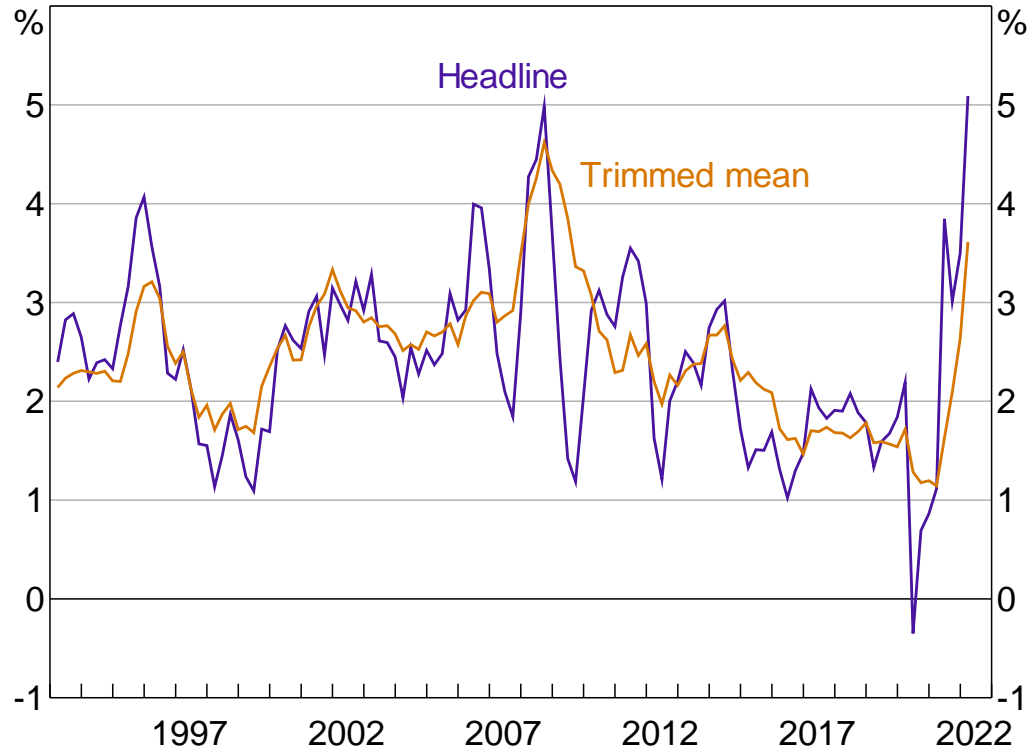
# Inflation, Wages and the Labour Market

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Education

# Consumer Price Inflation\*

Year-ended

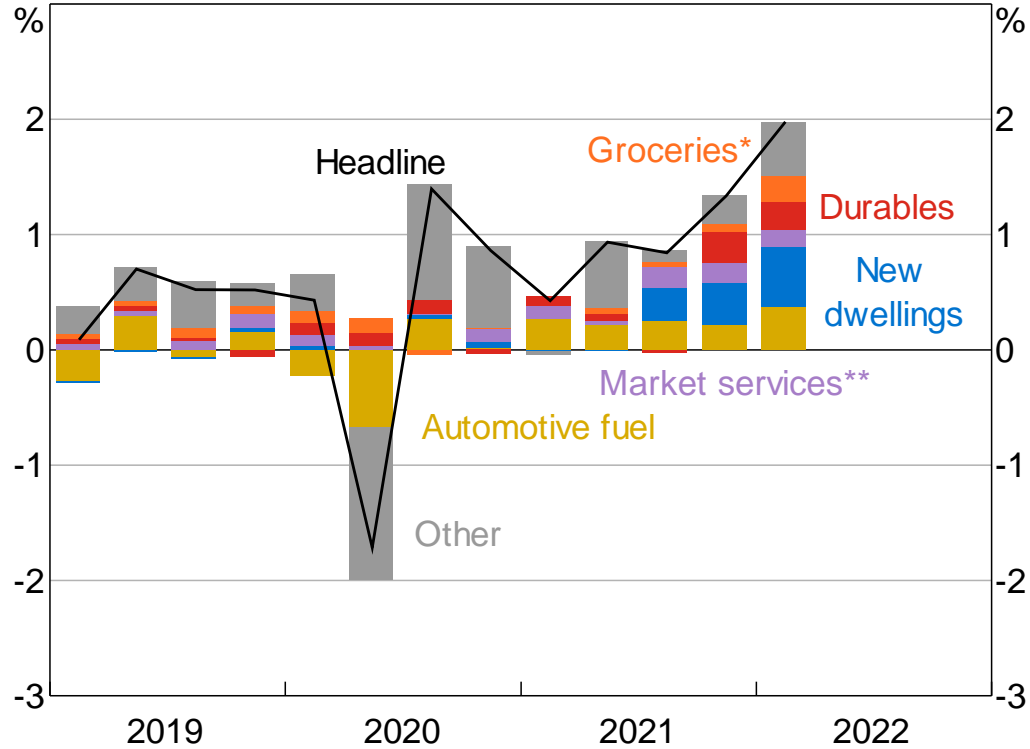


\* Excludes interest charges prior to the September quarter of 1998; adjusted for the tax changes of 1999–2000.

Sources: ABS; RBA

# Quarterly CPI Inflation

Seasonally adjusted, with contributions

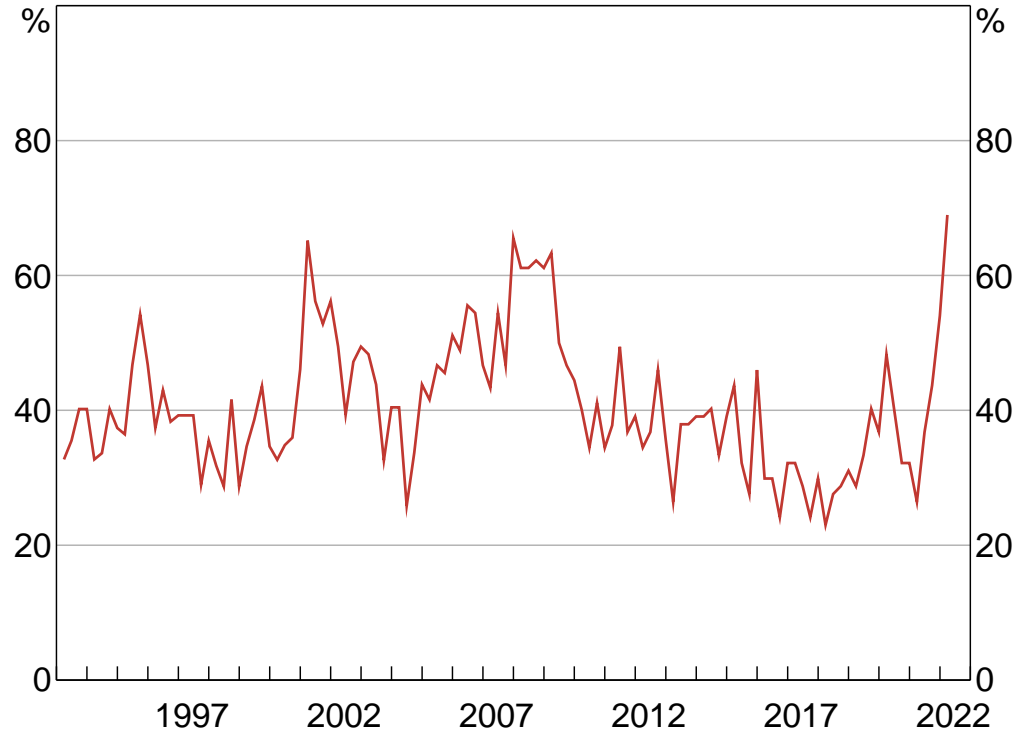


\* Excludes fruit and vegetables.

\*\* Excludes domestic travel and telecommunications.

Sources: ABS; RBA

## Share of CPI Items Rising by More than 3 Per Cent\*

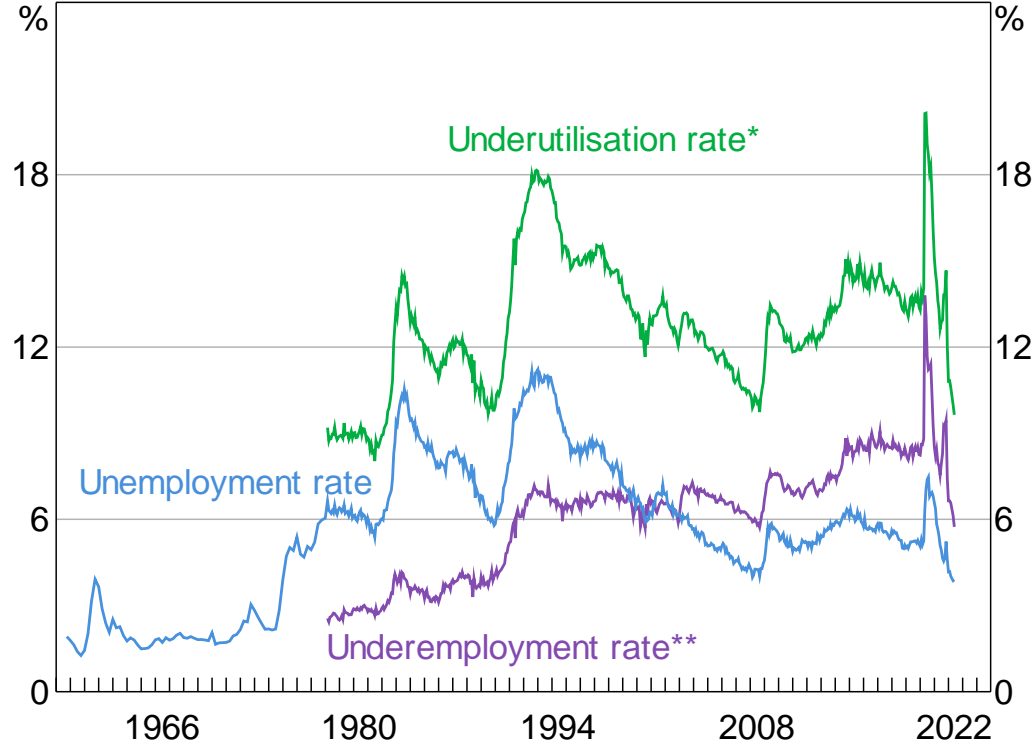


\* Proportion of CPI items by number with annualised quarterly growth more than 3 per cent; based on seasonally adjusted data; adjusted for the tax changes of 1999–2000.

Sources: ABS; RBA

# Labour Underutilisation

Per cent of labour force

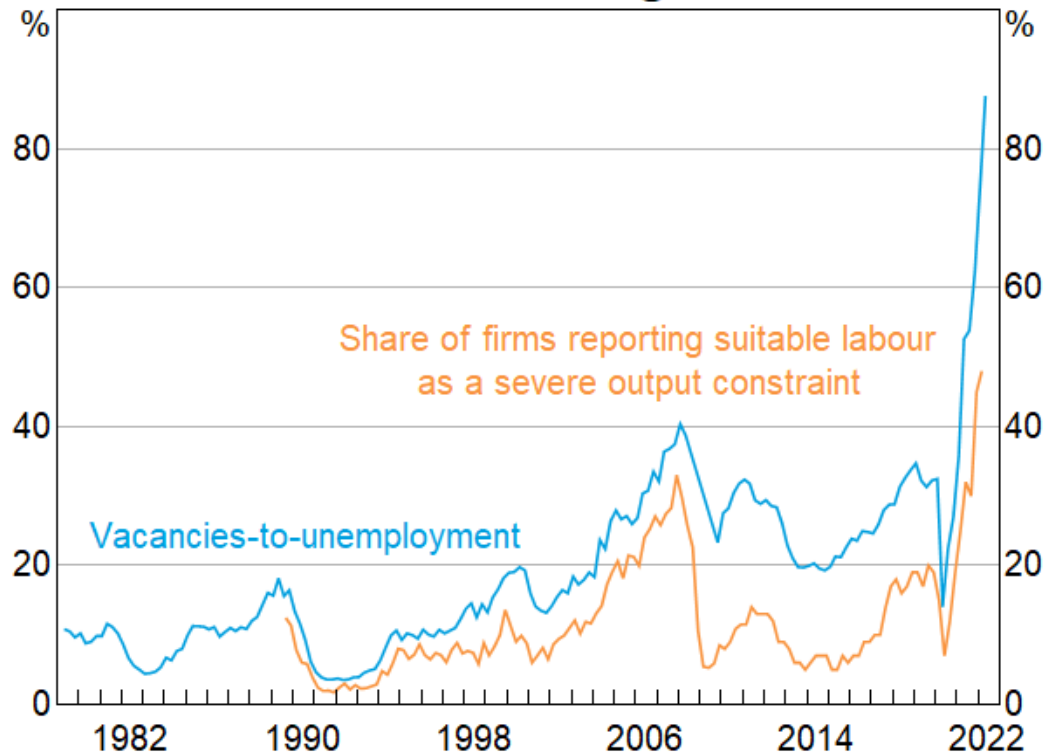


\* Sum of the unemployment and underemployment rates

\*\* Employed persons who would like and are available to work additional hours

Source: ABS

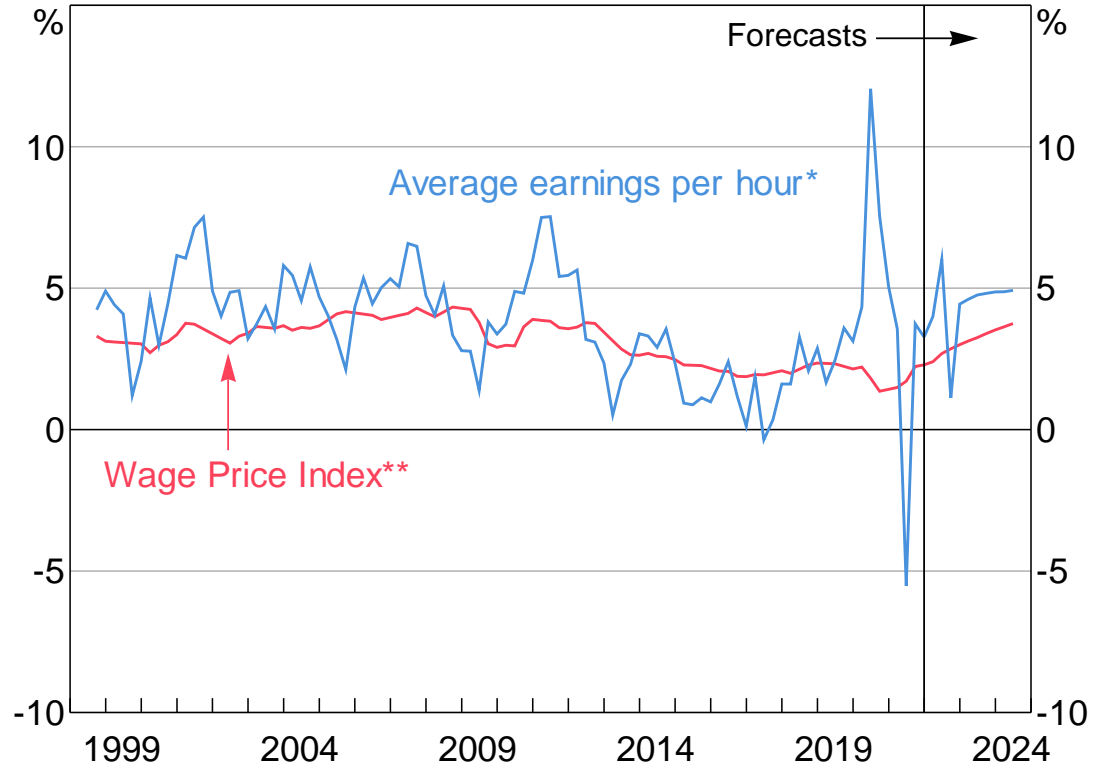
# Labour Market Tightness



Sources: ABS; NAB

# Wages and Earnings Growth

Year-ended



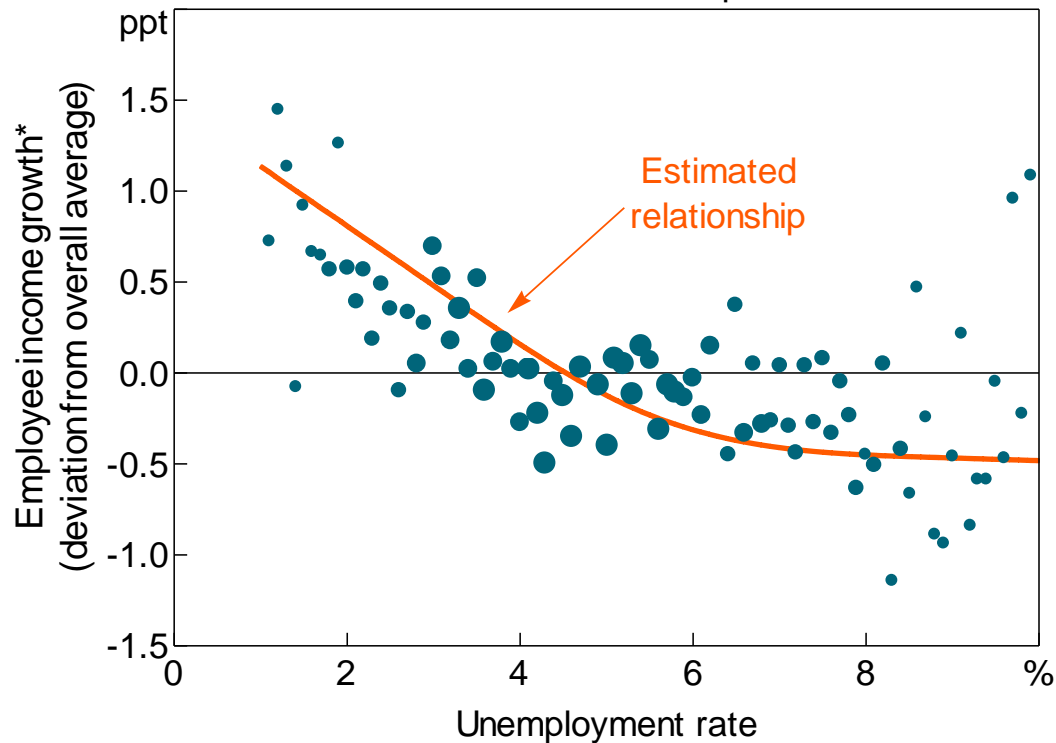
\* Non-farm; includes social contributions.

\*\* Excluding bonuses and commissions.

Sources: ABS; RBA

# Employee Income Growth and Unemployment

Based on 289 local labour markets for the period 1998/99–2017/18

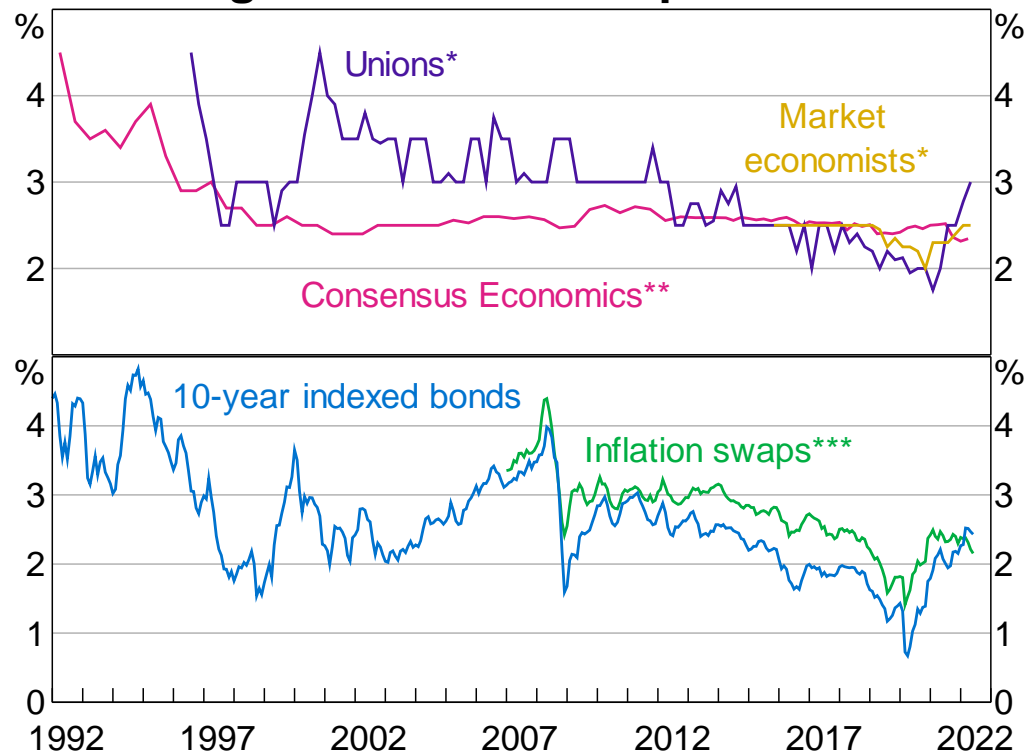


\* Average of all labour markets with a particular unemployment rate (to the nearest 0.1 ppt) in a given year; the size of each dot is proportional to the number of region-year observations at each level of unemployment

Sources: ABS; National Skills Commission; RBA



# Long-term Inflation Expectations



\* Average over the next 5–10 years.

\*\* Average over 6–10 years in the future.

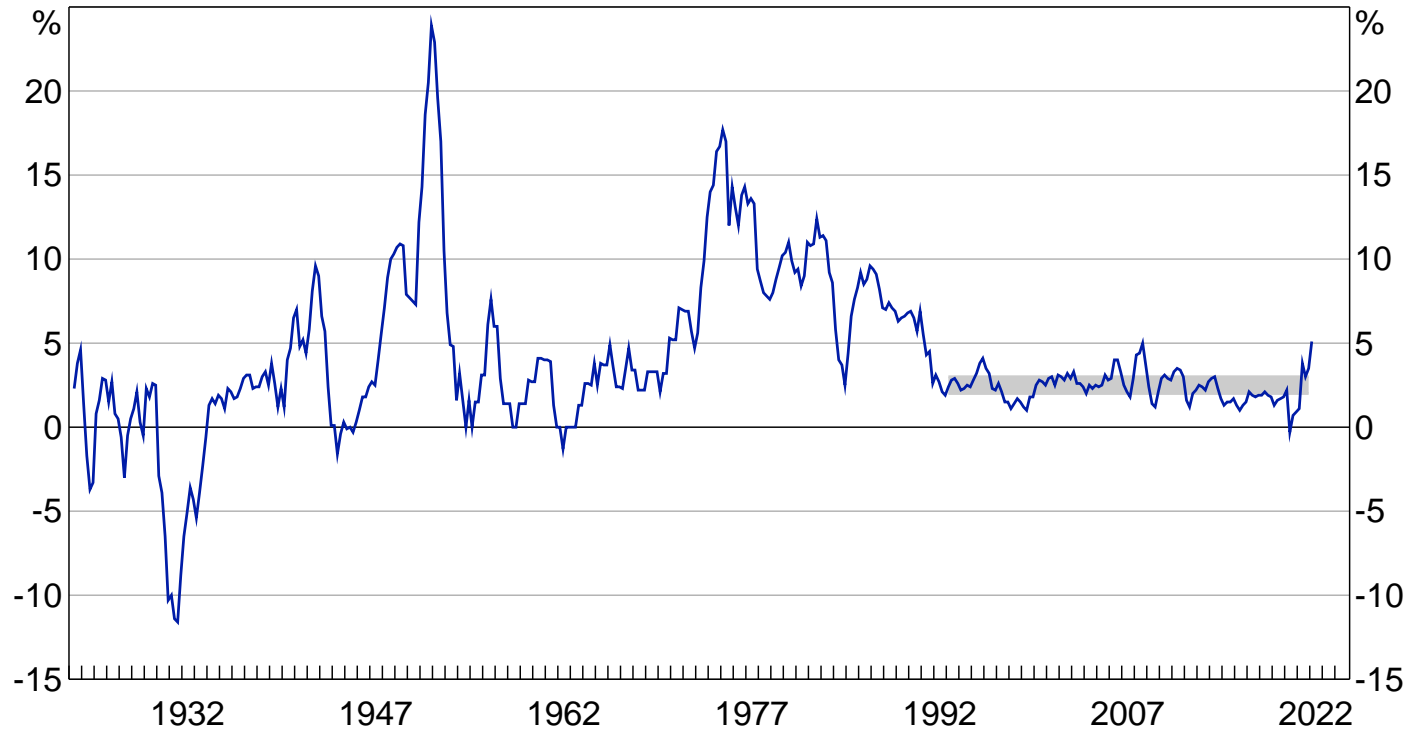
\*\*\* 5-years to 10-years forward.

Sources: Australian Council of Trade Unions; Bloomberg; Consensus Economics; RBA; Workplace Research Centre; Yieldbroker



# Consumer Price Inflation\*

Year-ended

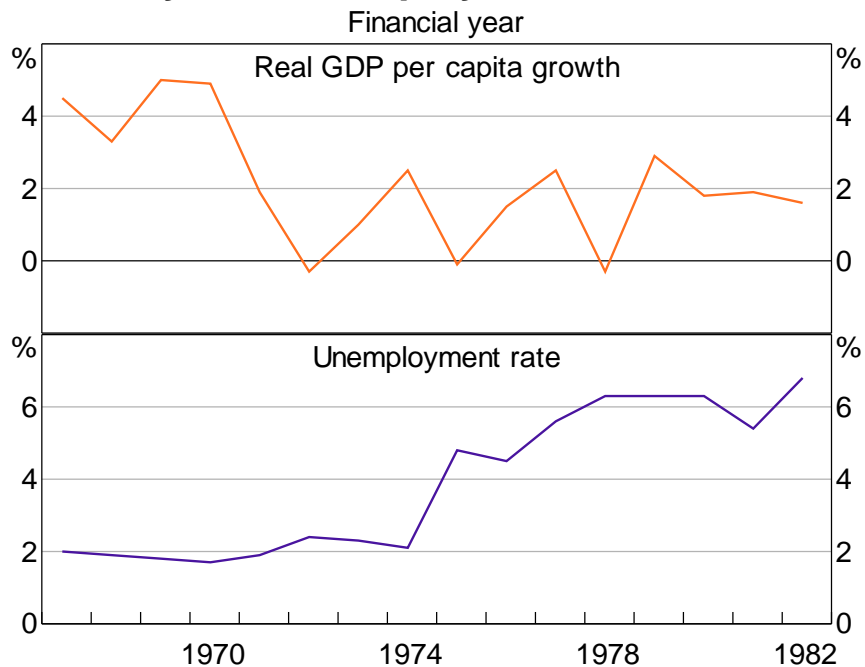


\* Excludes interest charges prior to September quarter 1998 and adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

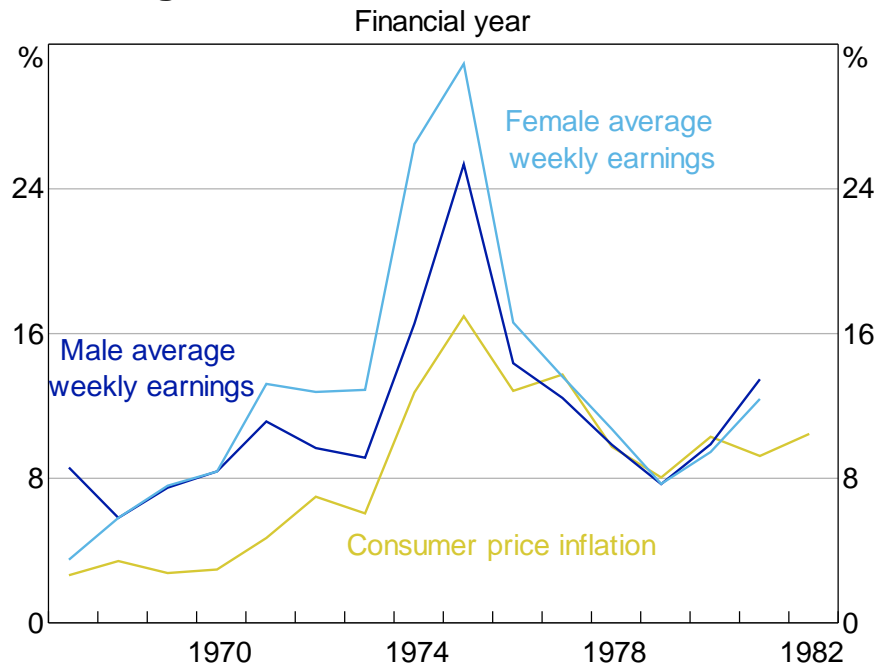


## Activity and Unemployment in the 1970s



Sources: ABS; Butlin Dixon and Lloyd (2014); RBA

## Earnings Growth and Inflation in the 1970s



Sources: ABS; RBA; Vamplew (1987)