

Wages Price Index Q4 2025

The wage price index, which measures total hourly rates of pay excluding bonuses, increased a seasonally adjusted 0.8% in Q4 2025, in line with market expectations.

The annual rate of wages growth accelerated slightly in Q4, to 3.4% from the downwardly revised 3.3% in the previous quarter.

Private sector wages increased by 0.8%, to be up by 3.4% YoY.

Public sector wages also picked up by 0.8%, taking the annual wages growth rate to 4.0%, the highest since mid-2024.

%	QoQ	YoY
WPI Seasonally Adjusted	0.8	3.4
WPI Unadjusted	0.7	3.4
WPI Private Seasonally Adjusted	0.8	3.4
WPI Public Seasonally Adjusted	0.8	4.0

Industry Sectors (Unadjusted)

The strongest contribution to wages growth in Q4 came from health care and social assistance, adding 0.2 percentage points alone thanks to a 1.1% gain.

Information media and communication, which is a relatively small sector, saw the strongest quarterly increase in wages of 1.2%, but this had hardly any impact on the wages growth rate.

The quarterly smallest wage gains were recorded in accommodation and food services, as well as administrative and support services (+0.3% in both cases).

States (Unadjusted)

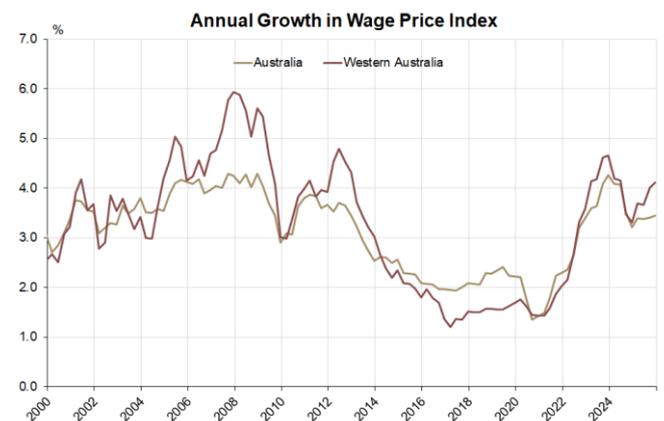
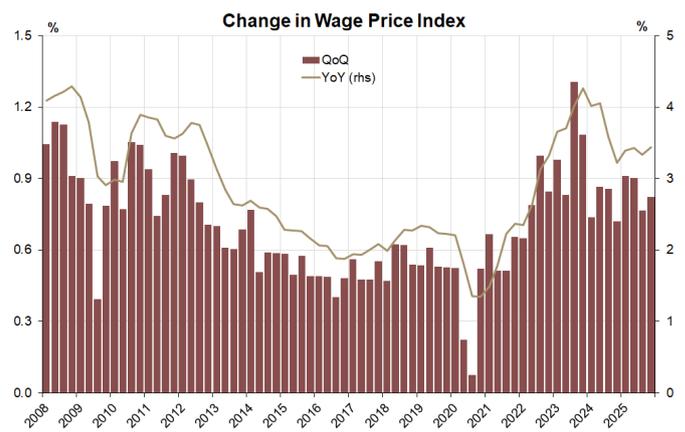
The strongest quarterly wages gain, at 1.0%, was recorded in New South Wales, while Western Australia continued to see the strongest annual increase (+4.1%).

Victoria and Queensland registered the smallest quarterly wage increases, at 0.6% each, with Victoria also seeing the smallest annual gain of 3.2%.

The Western Australian wage price index picked up by 0.8% in Q4, with a 0.7% gain in the private sector and a 1.1% increase in the public sector.

The 4.1% annual wage gain resulted from a 3.5% increase in the private sector and a 7.0% pick-up in the public sector, the highest ever recorded by any state in the history of the wage price index time series (since Q3 1998).

WPI (Unadjusted, %)	QoQ	YoY
Western Australia	0.8	4.1
New South Wales	1.0	3.7
Victoria	0.6	3.2
Queensland	0.6	3.3
South Australia	0.8	3.5
Tasmania	0.7	3.4
Australia	0.7	3.4



Comments

Australian wages continue to rise at a steady and moderate pace of 3.4%. In the final quarter of 2025, this was not enough to offset the annual rise in [consumer prices](#) of 3.6%, meaning that real wages growth has turned negative.

The wage price index does not account for changes in hours worked, employment conditions and shifts in employment composition.

Given the rise in hours worked and employment throughout Q4, growth in compensation of employees could have been slightly stronger than implied by the wage price index alone.

In its most recent Statement on Monetary Policy issued earlier in February, the RBA was also concerned about a rise in labour costs implied from measures broader than the wage price index, especially as they continued to assess that labour market conditions are 'a bit' tight.

In the February Statement on Monetary Policy, the RBA forecast a gradual slowdown in the annual rate of wages growth throughout the projection horizon. Real wages growth, as defined by the wage price index, is expected to remain negative until the end of 2026.

The next important piece of information on the Australian labour market will be the employment report scheduled for release tomorrow.

18 February 2026