

Wages Price Index Q3 2025

The Wage Price Index, measuring total hourly rates of pay excluding bonuses, increased by a seasonally adjusted 0.8% in Q3 2025, in line with market expectations.

The annual rate of wages growth held steady at 3.4%, as expected.

The private sector wage price index rose by 0.7% in Q3, while public sector wages picked up by 0.9%. In annual terms, wages rose by 3.2% and 3.8%, respectively. This means that the YoY rise in public sector wages was the strongest since Q2 2024.

In original terms, wages rose by 1.3% QoQ and 3.4% YoY in Q3.

%	QoQ	YoY
WPI Seasonally Adjusted	0.8	3.4
WPI Unadjusted	1.3	3.4
WPI Private Seasonally Adjusted	0.7	3.2
WPI Public Seasonally Adjusted	0.9	3.8

Industry Sectors (Unadjusted)

Accommodation and food services (+2.1%) as well as retail trade (+1.9%) saw the strongest quarterly wage gains, but there were also quite solid increases in most industries. Mining as well as information media and telecommunications saw the weakest quarterly increases, of 0.8% each.

However, due to its large share in employment, it was health care and social assistance that contributed most to the quarterly gain in the wage price index (+0.2ppts).

In annual terms, the strongest gains of 4.3% were recorded for electricity, gas, water and waste services as well as public administration and safety. The weakest annual wage increases were in retail trade (+2.8%).

States (Unadjusted)

Western Australia saw the strongest wage gains of all states, both in quarterly (1.5%) and annual (4.0%) terms.

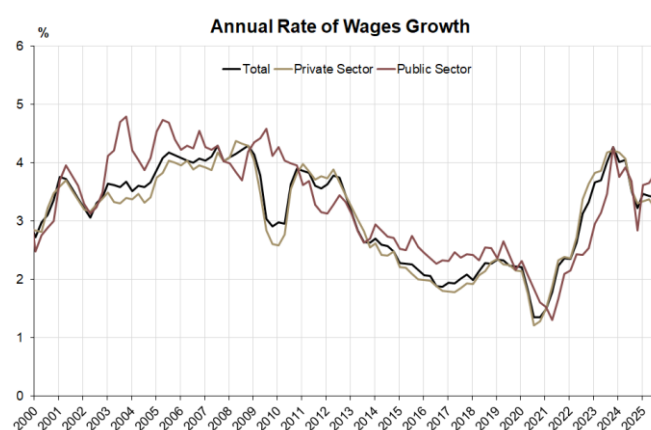
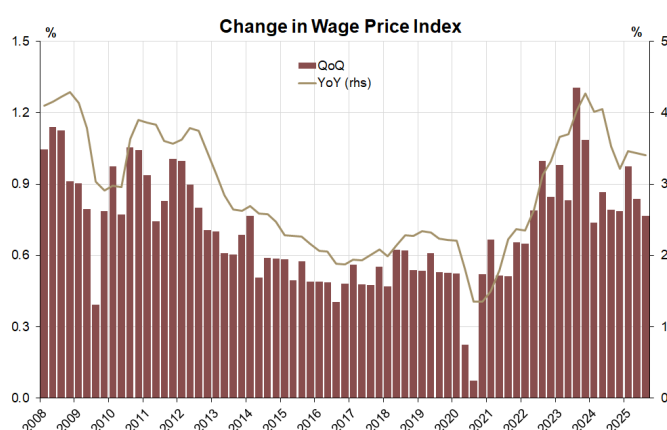
The solid gains in Western Australian wages were thanks to both the private and public sectors.

Quarterly private sector wage growth accelerated to a three-year high of 1.5%, though the annual wage growth ticked up by 0.1ppts to a still moderate 3.3%.

In the Western Australian public sector, wage growth re-accelerated to 1.9% QoQ and 6.8% YoY, making the annual public sector growth rate the highest on record.

In other states, wage growth ranged between 1.1% QoQ and 3.1% YoY in Tasmania and 1.4% QoQ and 3.4% YoY in Queensland.

WPI (Unadjusted, %)	QoQ	YoY
Western Australia	1.5	4.0
New South Wales	1.3	3.3
Victoria	1.3	3.3
Queensland	1.4	3.4
South Australia	1.3	3.3
Tasmania	1.1	3.1
Australia	1.3	3.4



Comments

Wages growth held steady both in quarterly and annual terms in Q3. However, this was due to acceleration in public sector wage growth, albeit not in all states.

According to the ABS, state governments have increased their contributions to public sector wage growth, adding around 80% to the quarterly gain in that sector.

Meanwhile, private sector wage growth slowed both in quarterly and annual terms in Q3.

The divergence between market and non-market sector wages was evident at the industry level as well. Market-based retail trade and hospitality led quarterly wage gains, due to the annual review of minimum and award wages by the Fair Work Commission.

At the same time, around one-quarter of the unadjusted wage quarterly growth came from health care and social assistance as well as public administration and safety. The latter, along with utilities, led annual wage growth.

In its latest projection, the RBA expects annual wages growth to remain at 3.4% until the end of 2025, before decelerating to 3.0% next year as labour market conditions ease further. Given this, today's wages report had no impact on the RBA's cash rate cut expectations.

19 November 2025