Wages Price Index Q2 2026

The wage price index, measuring total hourly rates of pay excluding bonuses, increased by a seasonally adjusted 0.8% for the fifth consecutive quarter in Q2 2026, in line with market expectations.

The annual rate of wages growth was unchanged at 3.2%, as expected, after Q1 growth was revised down by 0.1ppts.

Private sector wages rose by 0.7% in Q2, with annual growth easing 0.1ppts to 3.1% YoY.

Public sector wages climbed 0.9% during the quarter. The annual growth rate was steady at 3.4% YoY.

Annual wage growth in the public sector outpaced growth in the private sector for the sixth quarter in a row.

%	QoQ	YoY
WPI Seasonally Adjusted	0.8	3.2
WPI Unadjusted	0.6	3.2
WPI Private Seasonally Adjusted	0.7	3.1
WPI Public Seasonally Adjusted	0.9	3.4

Industry Sectors (Unadjusted)

Workers in information and telecommunications recorded the biggest quarterly gain, at 1.2%, followed by public administration and safety, and mining, at 1.1%. Retail trade and 'other services' recorded the lowest growth, at 0.1% for the quarter, followed by finance and insurance services, at 0.2%.

In annual terms, healthcare and social assistance recorded the largest increase, at 3.8%, followed by public administration and safety, and utilities, at 3.6%. Professional, scientific and technical services recorded the smallest annual gain, at 2.5%, followed by administrative and support services, and finance and insurance, at 2.7%.

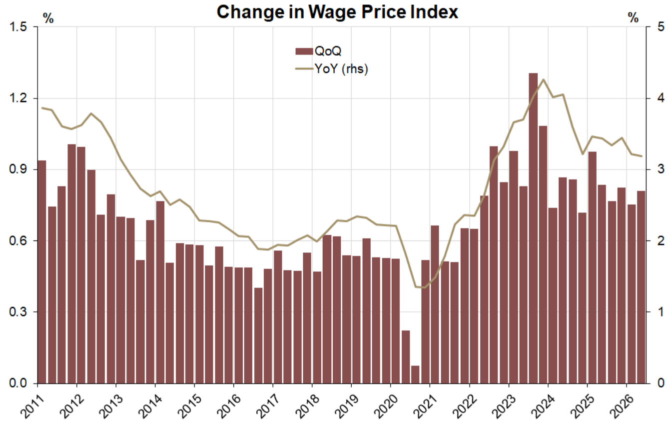
States (Unadjusted)

Quarterly wages growth was strongest in South Australia, which saw a 1.1% increase, boosted by a 2.8% rise in the public sector wage price index. New South Wales recorded the weakest quarterly growth.

South Australia also recorded the strongest annual growth rate among the states, at 3.6%, while Tasmania had the lowest, at 2.9%.

The wage price index for Western Australia rose 0.5% in the quarter, driven by a 0.5% increase in the private sector, while public sector wages rose 0.2%. Annual growth was slightly above the national average at 3.3%.

WPI (Unadjusted, %)	QoQ	YoY
Western Australia	0.5	3.3
New South Wales	0.4	3.1
Victoria	0.5	3.1
Queensland	0.6	3.4
South Australia	1.1	3.6
Tasmania	0.5	2.9
Australia	0.6	3.2



Comments

Wages growth remained steady in Q2 and continues to be boosted by public sector increases at both state and federal levels. Annual growth in the private sector wage price index fell to a four-year low.

Public sector wage growth contributed 32% of the rise in the quarterly index, the highest proportion since Q1 2025.

The 0.6% unadjusted increase in the wage price index for the quarter was almost equally split between enterprise bargaining agreements and individual arrangements.

Individual arrangements are the best indicator of labour bargaining power. The decline in their contribution to increases in the wage price index is consistent with indicators suggesting the labour market has become a little less tight, including the rise in the unemployment rate.

The percentage of jobs with increases of over 4.0% fell to 21%, the lowest level since Q2 2022.

The Fair Work annual wage review, which will lift the minimum wage by 4.75% from 1 July, and the extent to which this flows through to broader wage gains, will be a key focus for the RBA.

19 August 2026