Wages Price Index Q3 2026

The wage price index, measuring total hourly rates of pay excluding bonuses, increased a seasonally adjusted 1.1% in Q3 2026.

This was slightly more than the 1.0% expected by market participants, but followed a downwardly revised gain of 0.7% in the previous quarter (originally +0.8%).

It was also the strongest increase since Q4 2023, reflecting the 4.75% annual wage review increase by the Fair Work Commission. The unadjusted increase was even stronger (1.7%, the most in three years).

The annual rate of wages growth accelerated to a two-year high of 3.5%.

The private sector wage price index increased by 1.0% in Q3, which is the strongest rise in three years.

Public sector wages picked up by 1.3%, the most since late 2023, with the main driver being pay rises for state government front-line workers covered by enterprise agreements.

%	QoQ	YoY
WPI Seasonally Adjusted	1.1	3.5
WPI Unadjusted	1.7	3.5
WPI Private Seasonally Adjusted	1.0	3.4
WPI Public Seasonally Adjusted	1.3	3.9

Industry Sectors (Unadjusted)

The strongest increase in wages was recorded for accommodation and food services (+3.4%), which was most affected by the minimum and award wage hike decision of the Fair Work Commission.

Health care and social assistance saw the second strongest gain of 2.6%, reflecting the wage hikes for state front-line workers. Due to its large share of the wage price index, this particular category was responsible for around a quarter of the unadjusted gain in the wage price index in Q3.

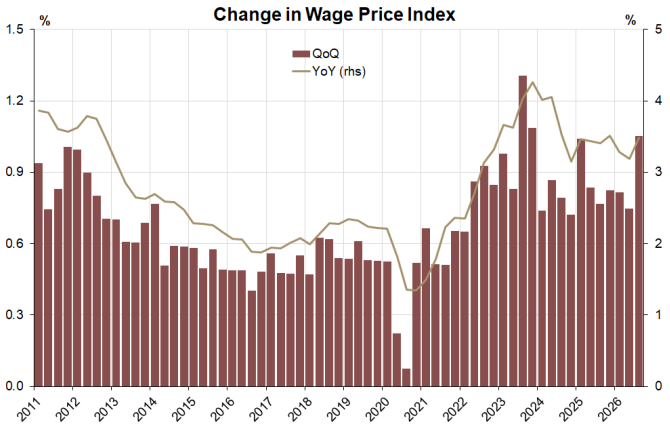
States (Unadjusted)

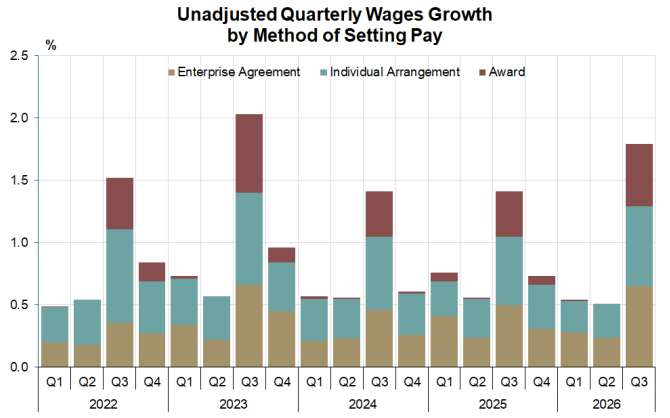
Quarterly wages growth was the strongest in Western Australia (+2.0%), while South Australia saw the strongest annual gain of 4.3%.

The strong quarterly gain in Western Australian wages was caused by acceleration in both private and public sector wage growth, to 2.1% and 1.7%, respectively.

Annual rate of Western Australian private sector wages growth accelerated to a two-year high of 3.7%, while annual public sector wages growth eased to 3.8%.

WPI (Unadjusted, %)	QoQ	YoY
Western Australia	2.0	3.7
New South Wales	1.7	3.5
Victoria	1.5	3.3
Queensland	1.7	3.6
South Australia	1.9	4.3
Tasmania	1.8	3.6
Australia	1.7	3.5





Comments

The outsized increase in the wage price index last quarter was to be expected, given the significant minimum and award wage hikes by the Fair Work Commission. However, the rise slightly exceeded the already reasonable expectations, which is an additional impulse for inflation in the economy.

That said, wage pressures in the economy were surprisingly moderate in this cycle given the strength in the labour market. Annual growth in the SEEK advertised salary index has remained around or even below 4% since late 2024, which compares to above 5% during the previous spike in inflation in 2022-23. The most recent figures, for October 2026, point to a 4.1% annual gain.

With conditions cooling, both in the labour market and broader economy, wage pressures should remain contained. A report released by SEEK this morning showed a 3.8% decline in job ads in October, with the series trending steadily down since 2022. The labour market report for October, scheduled for release tomorrow, will be an important piece of information about wage growth outlook.

The Q3 wage price index report did not lead to any change in cash rate expectations, with another rate hike only around 25% priced in for early 2027.

18 November 2026