



Labour price growth forecasts

Prepared for the Australian Energy Regulator

30 July 2025



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30 July 2025

Dear Toby

Report on labour price growth forecasts

I enclose Deloitte Access Economics' report on labour price growth for the electricity, gas, water and waste services (utilities) industry to 2030-31 for Australia, Victoria, South Australia, the Northern Territory and the Australian Capital Territory. This follows Report 2 – covering Australia, New South Wales, Queensland and South Australia to 2029-30 – which was finalised in March 2025.

This report has been prepared based on the forecasts that underpin the June 2025 quarter Deloitte Access Economics *Business Outlook* publication that relies on the March 2025 quarter Australian Bureau of Statistics National Accounts (released in June 2025), the March 2025 quarter Consumer Price Index (released in April 2025), and the March 2025 quarter Wage Price Index (released in May 2025).

Yours sincerely

A black rectangular box redacting the signature of Cathryn Lee.

Cathryn Lee
Partner
Deloitte Access Economics Pty Ltd

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Executive summary

The Australian economy

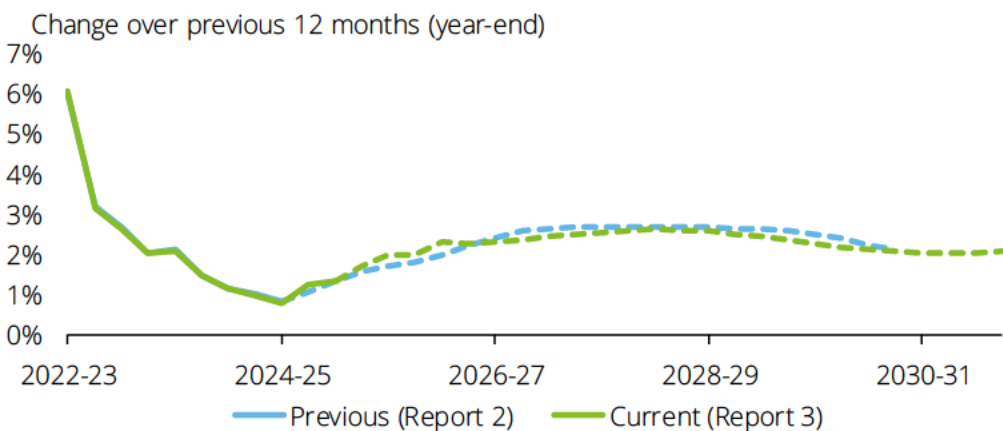
Growth in the Australian economy remained subdued in 2024-25 as high interest rates and inflation weighed on household budgets and raised input costs for businesses. Public sector spending has been a key source of support, accounting for nearly half of Australia’s economic growth since the pandemic.

Weak private sector momentum helped ease inflationary pressures, with both headline and underlying inflation falling into the Reserve Bank’s 2-3% target band in early 2025. The Reserve Bank cut rates twice in early 2025, bringing the cash rate to 3.85%, where it has remained through July. Deloitte Access Economics anticipates further monetary easing, with 50 basis points of cuts expected over the remainder of 2025 and another 50 basis points in 2026.

Although the global environment remains uncertain, domestic conditions are expected to drive a gradual improvement in economic growth. Rising real wages, falling inflation, lower interest rates, strong public spending, and a resilient labour market are expected to support a recovery in household consumption – the main driver of growth in the near term. Over the medium term, a rebound in dwelling investment and structural tailwinds in technology, data infrastructure, and clean energy are expected to support private sector investment.

Compared to Report 2, Deloitte Access Economics has revised near-term growth forecasts slightly higher to reflect easing inflation and earlier-than-expected rate cuts. However, the longer-term outlook has been downgraded due to softer population growth and overseas migration.

Chart i: Real GDP growth



Note: Dashed lines indicate forecasts
Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

The Australian labour market

Australia’s labour market is showing clearer signs of loosening, with the unemployment rate rising to 4.3% in June – the highest since November 2021. This follows several months of stability in headline unemployment, though broader indicators of capacity such as the underemployment rate have long pointed to a gradual easing.

Despite these signs, the labour market remains relatively resilient by historical standards. Employment is still high, supported by strong outcomes in non-market sectors like health, education and public administration. However, market sector employment has been more subdued.

Conditions are expected to continue softening gradually through late 2025 and into 2026. Market sector employment is forecast to lift as private sector activity recovers, while non-market employment growth moderates. The unemployment rate is projected to rise gradually to around 4.5% by mid-2026 – consistent with a labour market that is easing but still supportive of economic activity.

All industry wage growth

Annual wage growth accelerated in the March quarter of 2025, driven by one-off increases to award wages in the aged care and childcare industries, and the implementation of several large state public sector agreements.

Compared to Report 2, the outlook for 2025-26 and beyond remains broadly unchanged, consistent with a similar view on underlying labour market conditions. Over the longer term, an expected lift in labour productivity and the effect of the ageing population on lower workforce participation are anticipated to support stronger real wage growth.

Chart ii: Employment growth, Australia

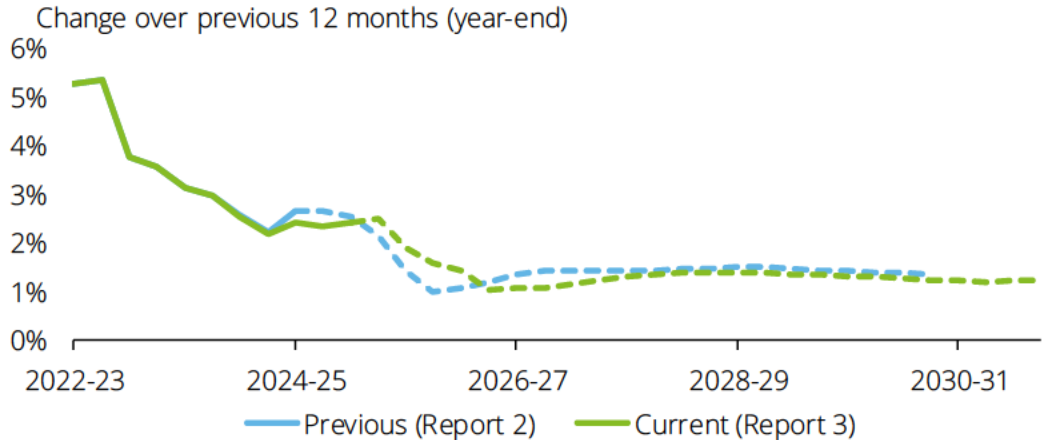
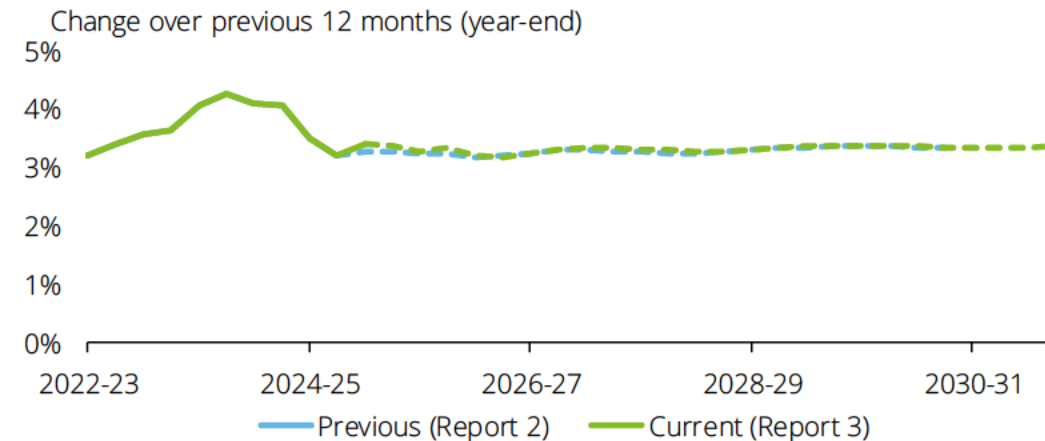


Chart iii: Nominal all industry WPI growth, Australia



Note: Forecasts for employment growth were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text of the report.

Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

Australian utilities industry output and employment

Utilities industry output is projected to grow at a slightly slower rate than the broader Australian economy over the forecast period. Electricity demand in the National Electricity Market is expected to increase, though the pace will be tempered by improvements in energy efficiency, continued uptake of rooftop solar systems, and greater use of household battery storage and other consumer energy technologies.

Over the past two decades, the utilities industry's share of national output has decreased, while its share of total employment has increased, partly reflecting a decline in labour productivity. Future employment growth is projected to be driven by the renewables and clean energy sub-industry.

Australian utilities industry wage growth

Nominal utilities industry wage growth was 4.4% in the year to March 2025, the highest annual growth of any industry. This outperformance reflects continued strength in recent Enterprise Bargaining Agreement (EBA) outcomes across most jurisdictions.

In the near term, nominal and real utilities industry wage growth is expected to decelerate in line with gradually easing labour market conditions. Overall, both nominal and real utilities industry wages are forecast to grow broadly in line with all industry wages over the forecast period.

Compared to Report 2, stronger-than-expected EBA outcomes in early 2025 have led to an upward revision to nominal wage growth estimates for 2024-25. However, the outlook beyond 2025-26 remains broadly unchanged.

Chart iv: Utilities industry share of national output and employment

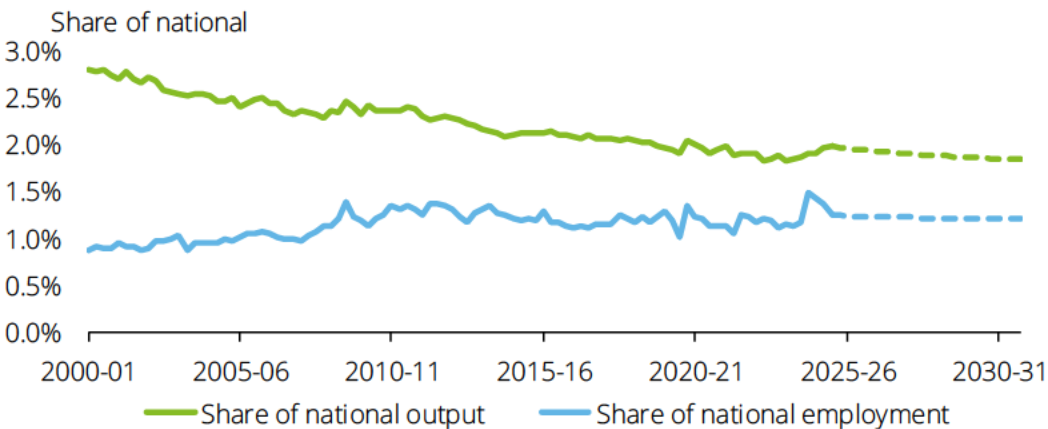
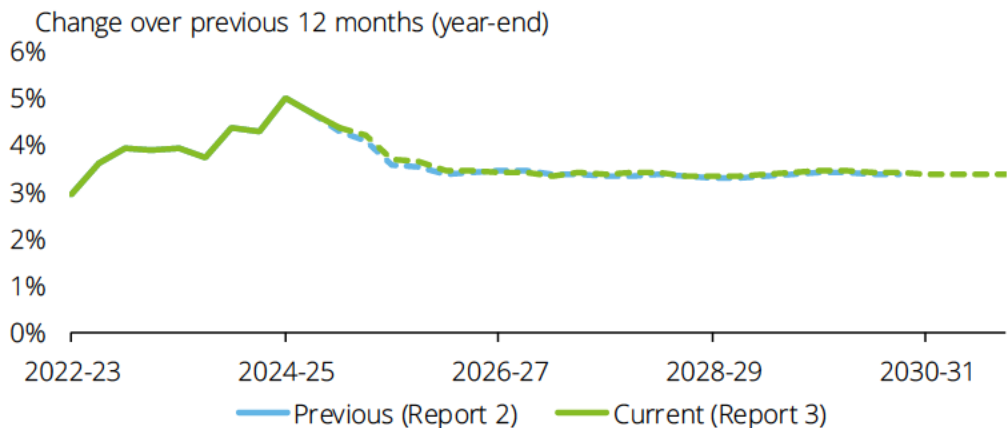


Chart v: Nominal utilities industry WPI growth, Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

Victoria

Victorian utilities wage growth has accelerated over the past year, reflecting stronger EBA outcomes. Growth is expected to moderate in 2025-26 as labour market conditions ease.

Over the medium term, demand for utilities workers will be boosted by major investments in energy infrastructure and strong activity in industries such as construction, which draw from a similar pool of skilled labour. Nominal and real wage growth are expected to broadly align with national trends, reflecting Victoria's significant share of national utilities employment.

South Australia

Wages in the South Australian utilities industry increased by 4.8% in the year to the March quarter of 2025, marking the highest growth rate experienced in the past decade.

Softening labour market conditions are expected to contribute to a modest deceleration in utilities industry WPI growth over the short term.

Nominal wage growth is expected to broadly align with the national utilities industry over the forecast period. However, real wage growth in 2025-26 and 2026-27 is expected to be lower than previously forecast, reflecting upward revisions to inflation.

Chart vi: Growth in nominal utilities WPI, Victoria

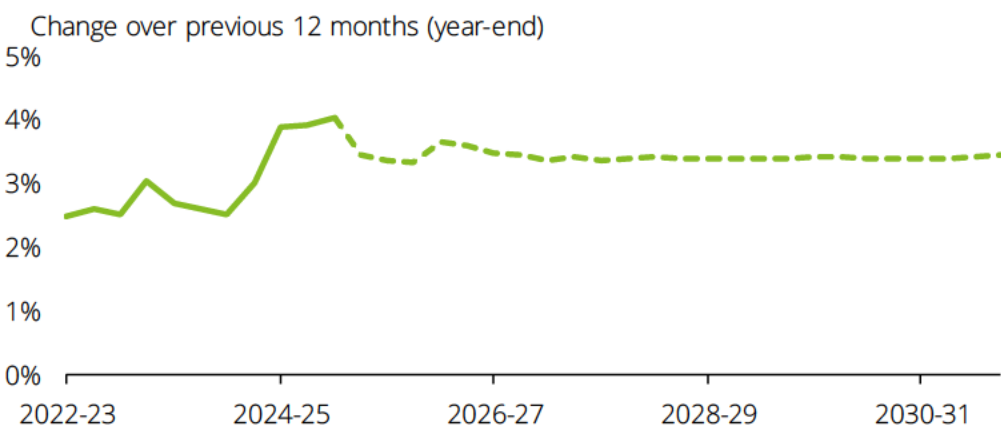
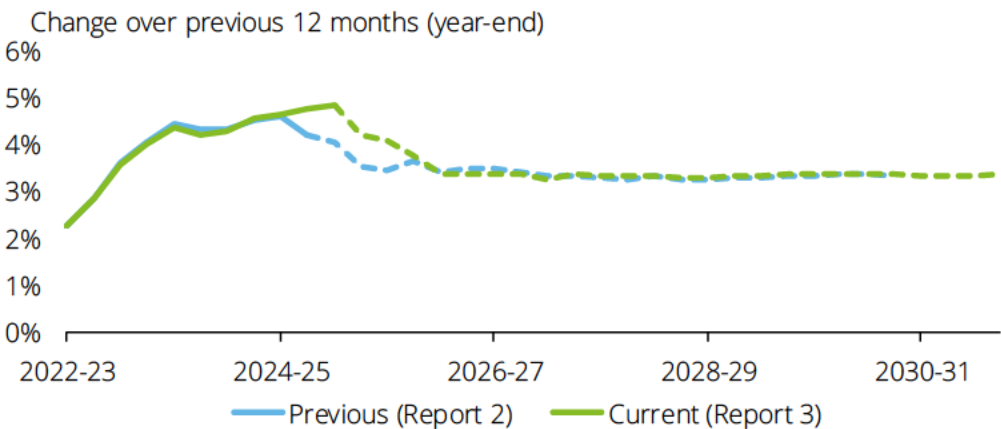


Chart vii: Growth in nominal utilities WPI, South Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

Northern Territory

Utilities wage growth in the Northern Territory has slowed, reflecting a broader easing in private sector wages. However, this moderation is expected to be gradual, with recent EBA outcomes remaining relatively strong.

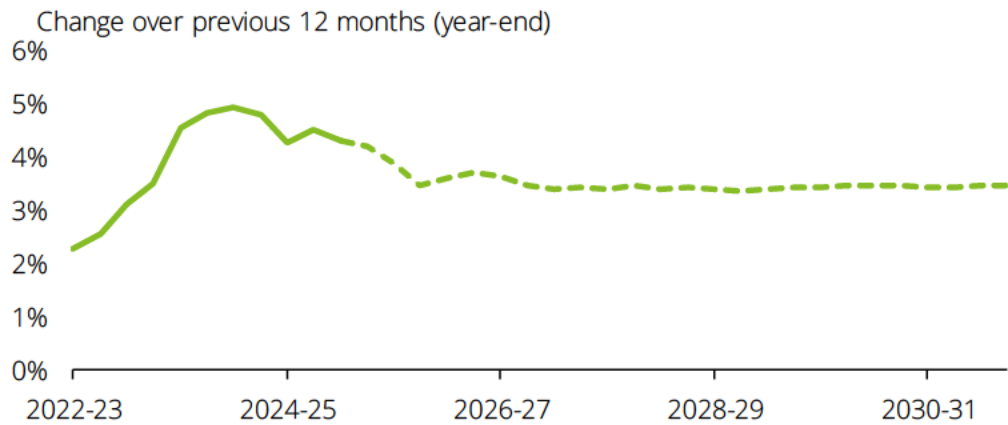
Employment in the utilities industry in the Northern Territory is expected to grow at a slightly faster rate than the national average, supporting labour demand and nominal utilities industry wage growth over the medium and long run.

Australian Capital Territory

Utilities wage growth in the Australian Capital Territory has slowed in recent quarters, falling to 2.6% in the year to March 2025. This contrasts with accelerating national growth.

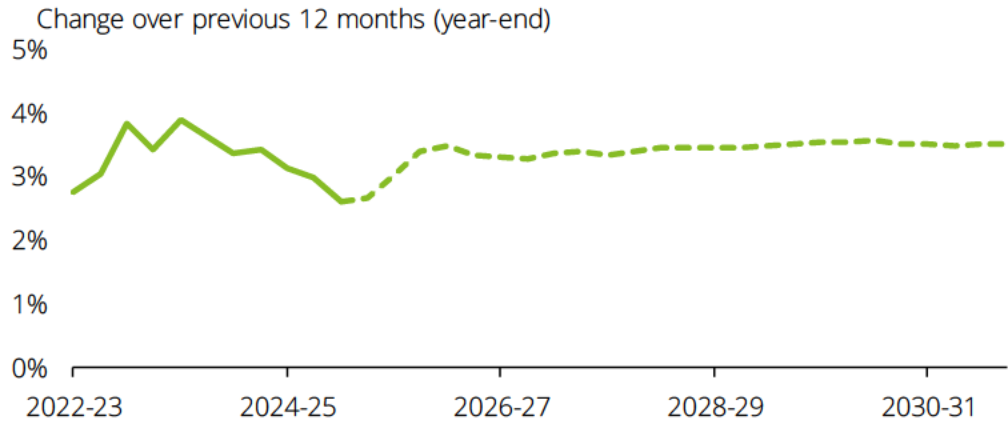
A modest rebound is expected in the short term, with recent EBAs pointing to stronger wage outcomes. Real wages are expected to remain subdued in the near term but lift from 2027-28 as inflation stabilises. Over the medium term, utilities wage growth is expected to converge with the national average, in line with historical trends.

Chart viii: Growth in nominal utilities WPI, Northern Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Chart ix: Growth in nominal utilities WPI, Australian Capital Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

Table i: Summary of wage forecasts, year-average % growth

	History 2023-24	Forecast 2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
All industry WPI – nominal								
Australia	4.1%	3.4%	3.2%	3.3%	3.3%	3.4%	3.4%	3.3%
Victoria	3.6%	3.3%	3.2%	3.3%	3.3%	3.4%	3.4%	3.4%
South Australia	3.9%	3.3%	3.2%	3.3%	3.2%	3.3%	3.3%	3.3%
Northern Territory	4.1%	3.4%	3.4%	3.4%	3.3%	3.4%	3.4%	3.4%
Australian Capital Territory	3.9%	3.6%	3.3%	3.5%	3.3%	3.4%	3.4%	3.4%
All industry WPI – real								
Australia	-0.1%	0.9%	0.3%	0.5%	0.8%	0.9%	1.1%	1.0%
Victoria	-0.4%	0.7%	0.4%	0.6%	0.9%	1.1%	1.0%	1.0%
South Australia	-0.9%	0.7%	0.2%	0.3%	0.6%	0.7%	0.9%	0.9%
Northern Territory	0.5%	1.5%	0.8%	0.7%	0.8%	0.9%	0.9%	1.0%
Australian Capital Territory	0.2%	1.3%	0.5%	0.6%	0.8%	0.9%	1.1%	1.0%
Utilities WPI – nominal								
Australia	4.1%	4.6%	3.6%	3.4%	3.4%	3.4%	3.4%	3.4%
Victoria	2.7%	3.8%	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%
South Australia	4.4%	4.6%	3.6%	3.3%	3.3%	3.3%	3.4%	3.4%
Northern Territory	4.8%	4.3%	3.7%	3.5%	3.4%	3.4%	3.5%	3.5%
Australian Capital Territory	3.6%	2.8%	3.3%	3.3%	3.4%	3.5%	3.5%	3.5%
Utilities WPI – real								
Australia	-0.1%	2.1%	0.6%	0.6%	0.8%	0.9%	1.1%	1.1%
Victoria	-1.3%	1.2%	0.7%	0.7%	0.9%	1.1%	1.1%	1.0%
South Australia	-0.5%	2.0%	0.6%	0.4%	0.7%	0.7%	1.0%	1.0%
Northern Territory	1.1%	2.5%	1.1%	0.8%	0.9%	0.9%	1.0%	1.1%
Australian Capital Territory	-0.1%	0.6%	0.5%	0.5%	0.8%	1.0%	1.3%	1.2%

Source: Australian Bureau of Statistics, Deloitte Access Economics

Executive summary

Table ii: Summary of key macroeconomic indicators, year-average % growth (unless noted)

	History 2023-24	Forecast 2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
All industry real output								
Australia	1.4%	1.3%	2.1%	2.4%	2.6%	2.5%	2.1%	2.1%
Victoria	1.5%	0.9%	2.4%	2.4%	2.6%	2.5%	2.1%	2.0%
South Australia	1.2%	1.0%	1.3%	1.8%	2.3%	2.1%	1.7%	1.6%
Northern Territory	4.6%	-4.1%	5.1%	4.4%	2.6%	2.3%	2.1%	2.0%
Australian Capital Territory	4.0%	4.6%	2.0%	2.6%	2.5%	2.2%	1.9%	1.8%
Total employment								
Australia	2.7%	2.4%	1.5%	1.1%	1.4%	1.4%	1.3%	1.2%
Victoria	3.3%	2.9%	1.5%	1.1%	1.4%	1.4%	1.4%	1.3%
South Australia	1.8%	0.1%	1.0%	0.9%	1.3%	1.3%	1.2%	1.1%
Northern Territory	1.3%	-0.3%	-0.2%	1.9%	0.9%	0.7%	0.7%	0.8%
Australian Capital Territory	1.6%	2.0%	0.7%	0.9%	1.2%	1.3%	1.1%	1.0%
Unemployment rate (average rate)								
Australia	3.9%	4.1%	4.4%	4.5%	4.5%	4.5%	4.5%	4.6%
Victoria	4.0%	4.3%	4.6%	4.7%	4.6%	4.6%	4.7%	4.7%
South Australia	3.7%	4.1%	4.6%	4.7%	4.6%	4.5%	4.4%	4.4%
Northern Territory	4.6%	4.2%	4.6%	4.6%	4.8%	4.9%	4.9%	5.0%
Australian Capital Territory	3.7%	3.5%	4.5%	4.6%	4.6%	4.6%	4.7%	4.7%
Consumer Price Index inflation								
Australia	4.2%	2.5%	2.9%	2.7%	2.5%	2.4%	2.3%	2.3%
Victoria	4.0%	2.6%	2.8%	2.7%	2.5%	2.3%	2.3%	2.4%
South Australia	4.9%	2.5%	3.0%	2.9%	2.7%	2.6%	2.4%	2.4%
Northern Territory	3.6%	1.8%	2.5%	2.6%	2.5%	2.4%	2.4%	2.3%
Australian Capital Territory	3.6%	2.3%	2.8%	2.8%	2.6%	2.4%	2.3%	2.3%
All industry labour productivity								
Australia	-1.3%	-1.1%	0.6%	1.2%	1.2%	1.1%	0.9%	0.8%
Victoria	-1.7%	-1.9%	0.9%	1.4%	1.1%	1.0%	0.7%	0.7%
South Australia	-0.6%	0.9%	0.3%	0.9%	1.0%	0.8%	0.6%	0.5%
Northern Territory	3.3%	-3.9%	5.3%	2.5%	1.7%	1.6%	1.4%	1.2%
Australian Capital Territory	2.4%	2.6%	1.2%	1.6%	1.2%	0.9%	0.8%	0.7%

Source: Australian Bureau of Statistics, Deloitte Access Economics
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Introduction



Introduction

Background and purpose of engagement

The Australian Energy Regulator (AER) regulates electricity networks and gas pipelines in all jurisdictions in Australia except Western Australia. The AER's regulation of energy networks promotes efficient investment in, and efficient operation and use of, energy services for the interests of consumers.

The AER is required to conduct a review of regulatory proposals provided by various companies in accordance with its responsibilities under the National Electricity Rules (NER) and National Gas Rules (NGR). The AER makes revenue determinations for electricity Network Service Providers (NSPs) and access arrangement decisions for gas NSPs. As part of this role, the AER considers forecast operating and capital expenditure, of which expected labour price growth is an important element.

The AER commissioned Deloitte Access Economics to provide forecasts for wage price growth for the electricity, gas, water and waste services (utilities) industry to 2030-31 for Australia, Victoria, South Australia, Northern Territory and the Australian Capital Territory.

Data used in the report

The Australian Bureau of Statistics (ABS) publishes the Wage Price Index (WPI) nationally and for all state and territory jurisdictions. However, the WPI is not released for each industry by state. This is due to small sample sizes and reasons of confidentiality. Historical WPI data for the utilities industry was published for New South Wales, Victoria and Queensland in the latest ABS release. Historical WPI data for the utilities industry in other jurisdictions has been estimated for this report.

This report has been prepared based on the forecasts that underpin the June 2025 quarter *Business Outlook* publication that relies on the March 2025 quarter ABS National Accounts, the March 2025 quarter ABS Consumer Price Index (CPI) and the March 2025 quarter ABS WPI release.

Definitions

In this Report the short term refers to the forecast period ranging from 1 to 2 years (2025-26 and 2026-27), the medium term refers to the period from 3 to 4 years (2027-28 and 2028-29), and the long term refers to the period beyond 4 years (2029-30 and 2030-31).

Structure of the report

The remainder of this report is structured as follows:

Chapter 1: Australia

- Chapter 1 discusses the outlook for national utilities industry wage growth. This chapter steps through the outlook for the Australian economy and labour market, before examining key trends in utilities industry output and employment, as well as growth in wages across the wider Australian economy.

Chapter 2: Victoria

Chapter 3: South Australia

Chapter 4: Northern Territory

Chapter 5: Australian Capital Territory

- Chapters 2-5 analyse the outlook for utilities industry wage growth in Victoria, South Australia, the Northern Territory and the Australian Capital Territory respectively. These chapters step through the outlook for the state economy and labour market, growth in all industry wages, as well as utilities industry wages.

Appendices outlining the modelling methodology; the scope and coverage of data sources, as well as the effect of changes to the superannuation guarantee are included in Report 1. Report 1 are available on the [AER's website](#).

The Australian economy (1/2)

Growth in the Australian economy remained subdued in 2024-25. A prolonged period of high interest rates and inflation placed household budgets under strain and raised input costs for businesses. Public sector spending has been a critical source of support as private sector momentum weakened, with almost half of Australia's economic growth since the pandemic driven by general government consumption.

Weak private sector economic activity has helped bring aggregate demand and supply into balance, easing inflationary pressures. Both headline and underlying inflation (measured by the trimmed mean) fell into the Reserve Bank of Australia (RBA) target band of 2-3% in early 2025.

Increasingly confident that inflation is under control, the RBA has shifted its focus from containing inflation to supporting economic growth. The RBA cut rates twice in early 2025, bringing the cash rate to 3.85%. The RBA has held rates steady since then, including at its July meeting. Deloitte Access Economics anticipates a further 50 basis points of rate reductions over the remainder of the 2025 calendar year, followed by an additional 50 basis points in 2026.

Although the global economic and geopolitical environment is highly uncertain, there are reasons to be confident that the pace of Australian economic growth will strengthen through 2025-26. Recent international developments appear to have had only a modest impact on domestic activity to date, and both consumer and business sentiment measures remain relatively resilient. Domestic conditions are likely to drive growth, with the combination of lower inflation, declining interest rates, rising real wages, strong government spending and a robust labour market expected to support a gradual improvement in economic conditions.

Chart 1.1: Components of GDP growth, average annual growth 2024-25 to 2030-31

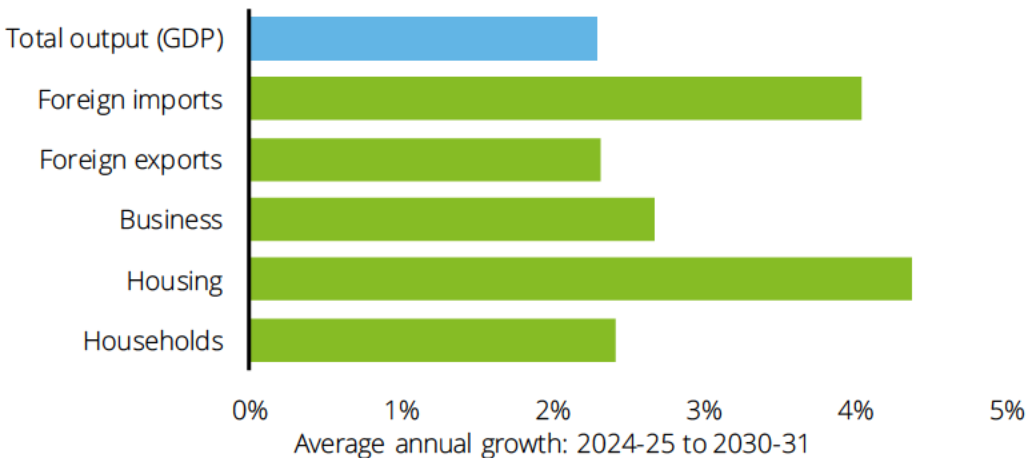
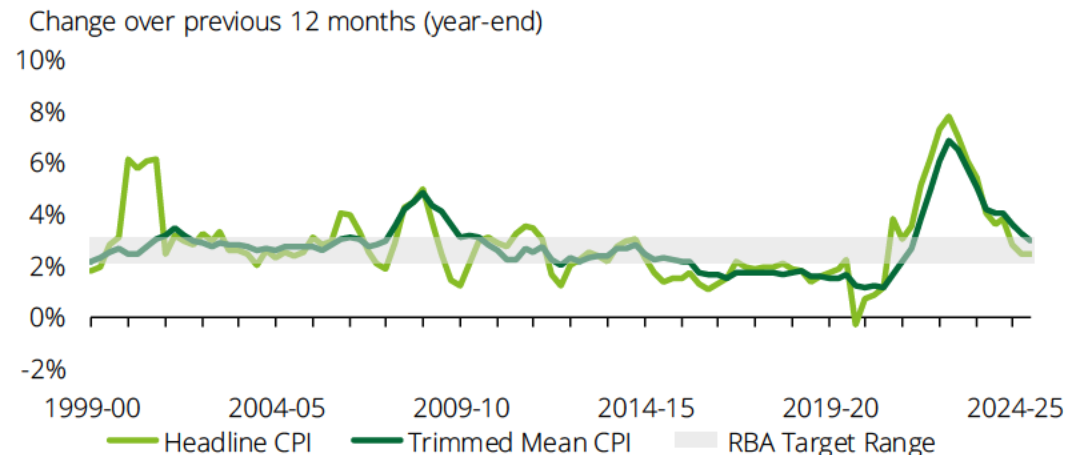


Chart 1.2: Historical CPI inflation, Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

The Australian economy (2/2)

The key driver of the near-term rebound is expected to be household consumption, as lower inflation and interest rates lift disposable income. Over the medium term, dwelling investment is forecast to increase as capacity constraints ease, construction industry profitability improves, and the backlog of projects is worked through. Recent reforms to planning regulations and zoning across several jurisdictions are also expected to support developer activity.

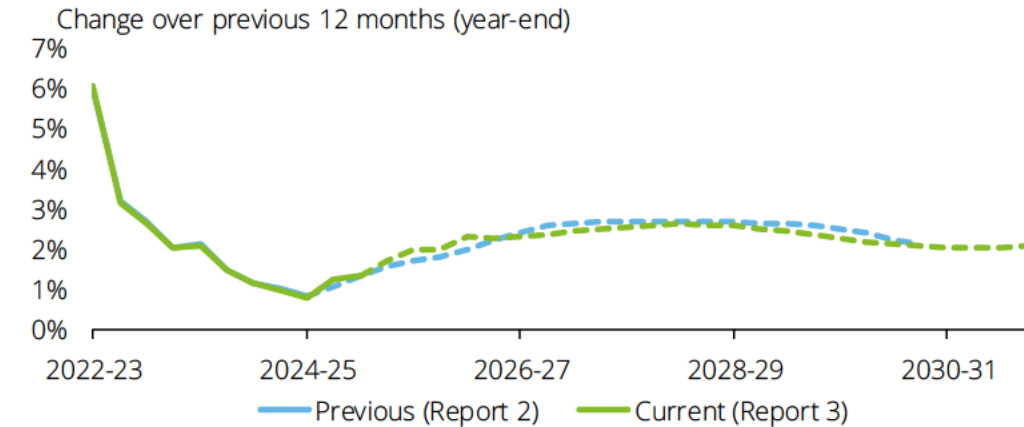
The escalation of global trade tensions has increased economic policy uncertainty and weighed on the business investment outlook. Heightened uncertainty raises the perceived risks of investment, leading some firms to delay or defer capital spending. Nonetheless, over the medium term, investment is expected to be supported by structural trends including advances in technology (such as artificial intelligence), the transition to net zero emissions, lower interest rates, and continued population growth.

Overall, growth in the Australian economy is forecast to accelerate in 2025-26 as rising household incomes support consumer spending and public sector demand remains elevated. This is expected to offset weaker net exports, as tariffs and global economic softness weigh on trade activity. The recovery in dwelling investment will then add to the pace of economic growth in 2026-27 and 2027-28.

Growth in labour productivity across the forecast period is expected to be underpinned by the increasing adoption of digital technologies, improvements in technology and greater participation in the expanding knowledge economy (e.g. through reduced barriers to education and a trend towards lifelong learning), as well as the targeted use of Australia's migration program.

Compared to Report 2, Deloitte Access Economics' near-term growth forecasts have been revised marginally higher to reflect the easing in price pressures and the earlier-than-expected shift in monetary policy. However, the longer-term outlook has been revised downwards, primarily due to expectations of slower overseas migration and population growth.

Chart 1.3: Real GDP growth



Note: Dashed lines indicate forecasts. Report 2 included forecasts only up to and including 2029-30.
Source: Australian Bureau of Statistics, Deloitte Access Economics

The Australian labour market

Australia's labour market is showing clearer signs of loosening, with the unemployment rate rising to 4.3% in June 2025 – the highest since November 2021. This follows several months of stability in headline unemployment, though broader indicators of capacity such as the underemployment rate have pointed to a gradual cooling for some time. Employment growth was modest in June, with just 2,000 jobs added, while the participation rate edged slightly higher.

Despite these signs, the labour market remains relatively resilient by historical standards. Total employment is still high, supported by continued strength in non-market sectors such as health care, education and public administration. However, growth in market sector employment has been more subdued, and youth unemployment has risen in recent months.

Leading indicators such as job advertisements remain elevated, but job mobility has slowed and the job-finding rate has declined – both suggesting that the labour market is less dynamic than headline figures imply.

Looking ahead, labour market conditions are expected to soften gradually over the remainder of 2025 and into early 2026. Market sector employment is forecast to lift in line with a recovery in private sector activity, while non-market employment growth moderates. The unemployment rate is projected to rise to around 4.5% by mid-2026 – consistent with a labour market that is easing, but still supportive of overall economic activity.

Over the longer term, slower growth in the working-age population is expected to weigh on both employment growth and participation rates.

Chart 1.4: Employment growth, Australia

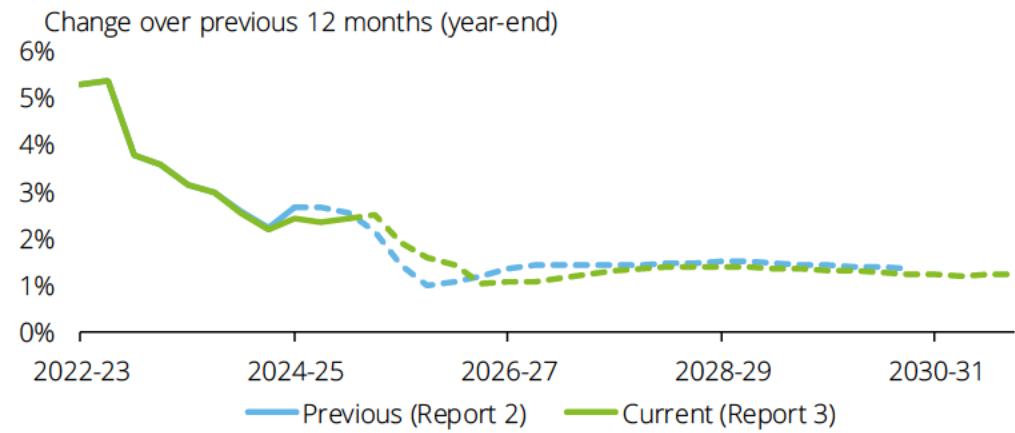
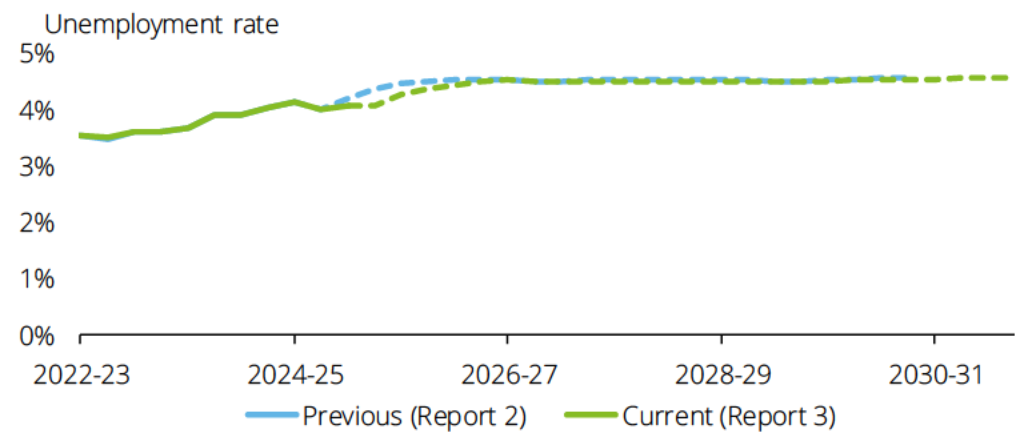


Chart 1.5: Unemployment rate, Australia



Note: Forecasts for employment growth and the unemployment rate were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text throughout the report.
Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian all industry wages

Annual wage growth accelerated in the March quarter of 2025. This reflected one-off increases to award wages in the childcare and aged care industries, alongside the commencement of several large state public sector barraging agreements. Nearly two fifths of public sector jobs recorded a wage change in the quarter, helping lift annual public sector wage growth from 2.9% in December 2024 to 3.6% in March 2025.

By contrast, wage growth for jobs on individual agreements – which tend to be more responsive to underlying labour market conditions – has continued to slow. Private sector wage growth, adjusted for these administrative effects, held steady at 3.3% in the year to the March quarter of 2025, the weakest pace since mid-2022.

In the near term, nominal wage growth is expected to ease only slightly, as labour market conditions gradually moderate. The scheduled increase in the Superannuation Guarantee rate to 12% on 1 July 2025 is expected to place mild downward pressure on measured WPI growth in 2025-26.

Compared to Report 2, Deloitte Access Economics’ estimate for wage growth in 2024-25 has been revised higher to reflect stronger-than-expected outcomes in early 2025, particularly those driven by large public sector and award wage decisions. The outlook from 2025-26 remains broadly unchanged, consistent with a similar view on underlying labour market conditions.

Over the longer term, real wage growth is expected to strengthen, supported by a gradual lift in labour productivity. Productivity gains are forecast to be driven by increased adoption of digital technologies and ongoing innovation. Structural factors such as reforms to workplace regulation – including the proposed ban on non-compete clauses for workers earning under \$175,000 from 2027 – are also expected to contribute to higher productivity over time. Together, these factors should underpin stronger real wage outcomes across the forecast period.

Chart 1.6: Nominal all industry WPI growth, Australia

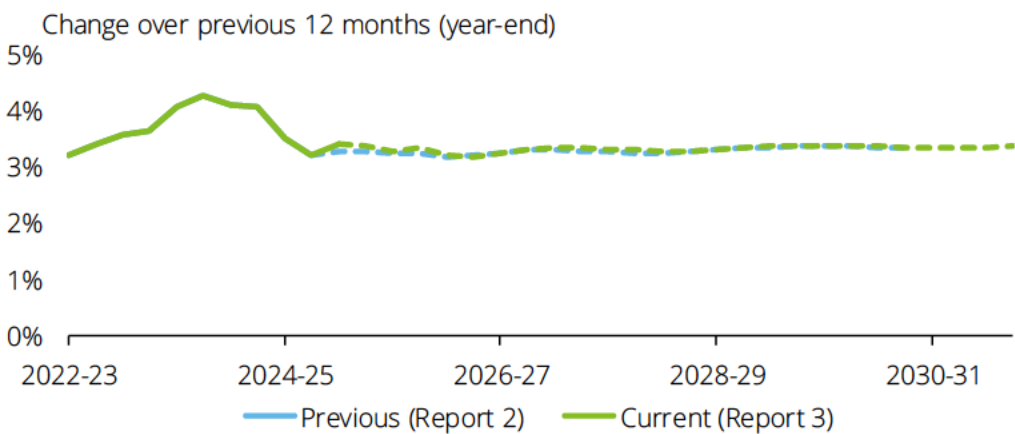
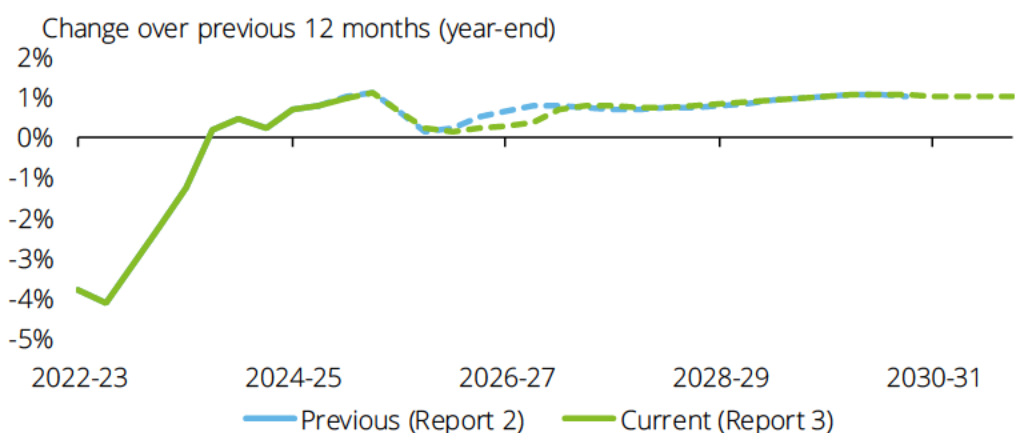


Chart 1.7: Real all industry WPI growth, Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian utilities industry output and employment

Utilities industry output

Output in the utilities industry is expected to increase by 6.6% in 2024-25 – making it the second-fastest growing industry over the year. This is largely due to abnormal weather conditions across much of the country, which added to electricity demand.

Electricity demand in the National Electricity Market is expected to grow, though the pace will be tempered by improvements in energy efficiency, the continued uptake of rooftop solar systems, and greater use of household battery storage and other consumer energy technologies. At the same time, demand will be supported by the electrification of gas appliances, growth in electric vehicle uptake, and the expansion of energy-intensive industries such as data centres and hydrogen production.

According to AEMO’s 2024 Electricity Statement of Opportunities, these opposing forces are expected to result in continued growth in electricity demand over coming years, though at a more moderate pace than in the past. As a result, utilities industry output is projected to expand over the medium and long term, albeit more slowly than the broader Australian economy.

Utilities industry employment

While the utilities industry’s share of national output has declined over time, its share of total employment has increased – reflecting a decline in labour productivity. Looking forward, productivity in the industry is forecast to improve, but is expected to continue lagging the broader economy. As a result, employment in the utilities industry is projected to grow more quickly than output.

According to Jobs and Skills Australia, the clean energy workforce is expected to expand steadily out to 2050 to support the transition to net zero. This includes strong employment growth in renewable energy generation sub-industries such as wind, solar, and hydroelectricity. These gains may be partially offset by job losses in emissions-intensive sectors, such as coal-fired power generation.

Chart 1.8: Utilities industry output, Australia

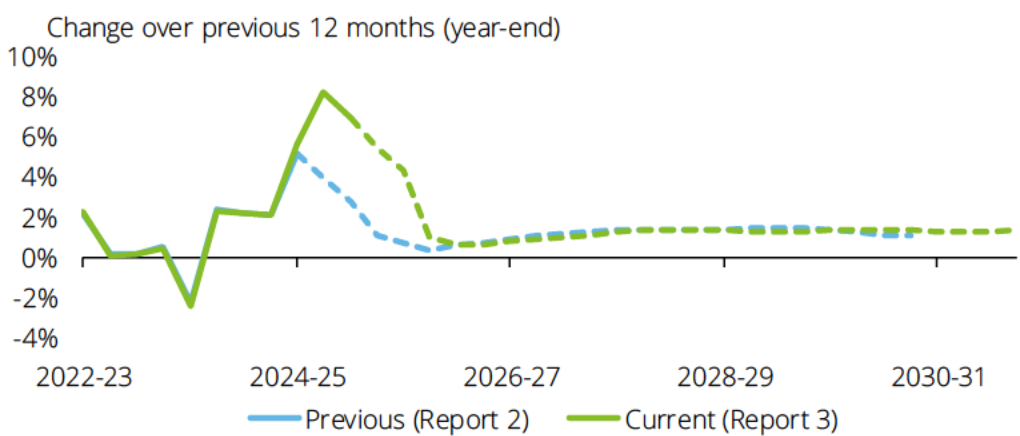
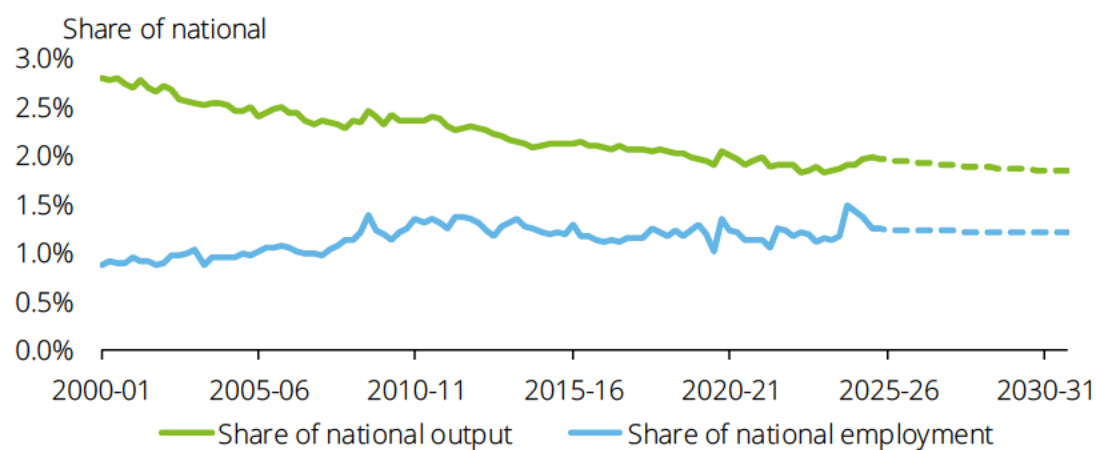


Chart 1.9: Utilities industry share of national output and employment



Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian utilities industry wages (1/2)

Utilities industry WPI

Wage growth in the utilities industry reached 4.4% in the year to March 2025, the highest annual growth of any industry. This reflects strong output growth and solid Enterprise Bargaining Agreement (EBA) outcomes across most jurisdictions.

Wage growth is expected to ease gradually over the near term as labour market conditions soften. Over the forecast period, both nominal and real utilities wages are projected to track broadly in line with all-industry averages, consistent with pre-pandemic trends.

Nominal wage growth in 2024-25 is higher than forecast in Report 2, reflecting stronger-than-expected outcomes in early 2025. However, real wage growth remains in line with Report 2, due to a slightly higher inflation outcome.

In 2026-27, real utilities industry wage growth is anticipated to be slightly lower than previously forecast, due to a temporary increase in headline inflation following the scheduled end of the Federal Government’s energy bill relief. Nominal and real wage growth forecasts remain similar to Report 2 over the remainder of the outlook.

Chart 1.10: Nominal utilities industry WPI growth, Australia

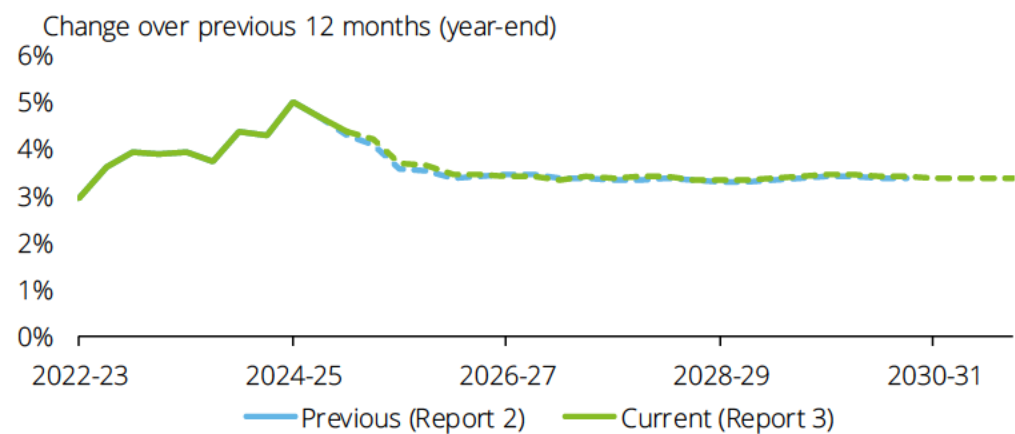
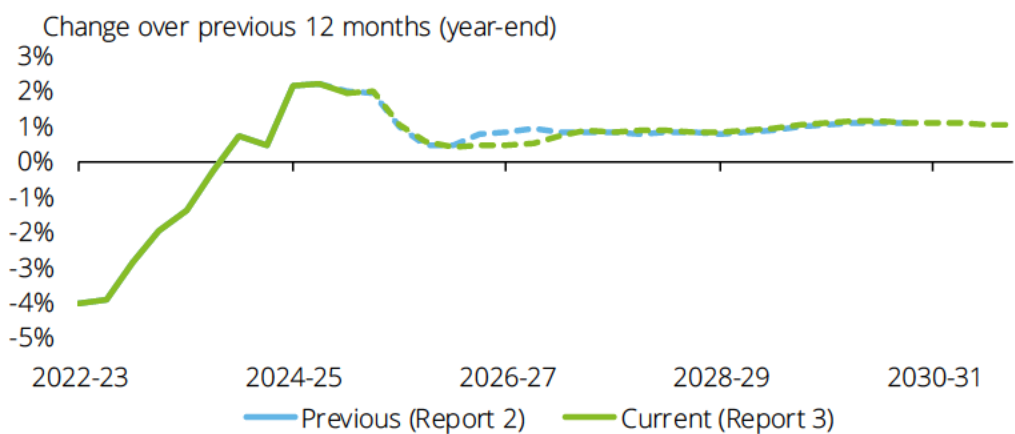


Chart 1.11: Real utilities industry WPI growth, Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian utilities industry wages (2/2)

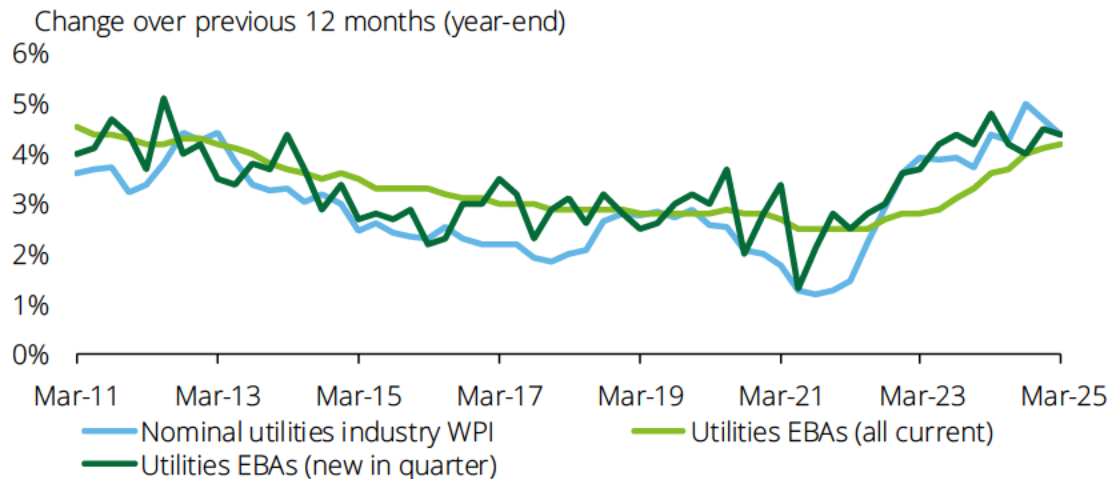
Other wage growth measures

Data on EBA wage growth is available from the Department of Employment and Workplace Relations for a subset (approximately 50%) of all workers covered by these agreements. This dataset includes only federally registered EBAs that are currently active. It excludes agreements where wage increases cannot be quantified (e.g. where wages are linked to future Fair Work Commission (FWC) decisions or CPI outcomes), and does not capture lapsed agreements that remain in force until renegotiated or rescinded by the FWC.

The utilities industry has the third-highest share of employees on EBAs of any industry, indicating that these agreements play an important role in shaping wage outcomes in the industry. In the March quarter of 2025, the average annualised wage increase (AAWI) for current EBAs in the utilities industry reached 4.2% - the highest since late 2011 and above the economy-wide average. However, the AAWI for newly approved EBAs has begun to decline from a peak of 4.8% in March 2024.

While EBA trends are considered when developing the WPI forecasts in this report, they are not used as a direct input. This reflects several limitations: EBA data includes non-wage elements such as superannuation; it captures only a partial sample of all EBA-covered workers; and the typical EBA term is shorter than the forecast horizon of this report. Additionally, changes in workforce composition within EBAs can influence the AAWI but are not reflected in the WPI.

Chart 1.12: Measures of utilities industry wage growth, Australia



Source: Department of Employment and Workplace Relations, Australian Bureau of Statistics, Deloitte Access Economics

2. Victoria

The Victorian economy

Victoria’s economy is gaining some momentum, supported by a steady recovery in household spending, recovering dwelling investment and elevated government spending.

Household spending grew for the third consecutive quarter in early 2025, with discretionary categories such as recreation and culture boosted by major events. Victoria’s population growth continues to outpace the national average, lifting aggregate demand even as per capita gains remain modest.

While the public sector supported growth during the pandemic recovery, its role is now expected to moderate. Fiscal restraint has become a central pillar of the Victorian Government’s strategy, with total operating expenditure forecast to grow by just 2.6% annually over the forward estimates – around half the pace of the past four years. A key focus is tighter control of the public sector wage bill, including anticipated workforce reductions of 5-6% (or around 2,000 to 3,000 roles) and efforts to contain wage growth in upcoming health and education industry negotiations. Further details are expected in the Silver Review, which is currently with the Victorian Government for consideration.

Looking ahead, Victoria’s economic outlook will depend increasingly on private sector momentum. While household consumption is recovering, business investment remains subdued and may take longer to rebound.

Chart 2.1: Components of real GSP growth, Victoria, average annual growth 2024-25 to 2030-31

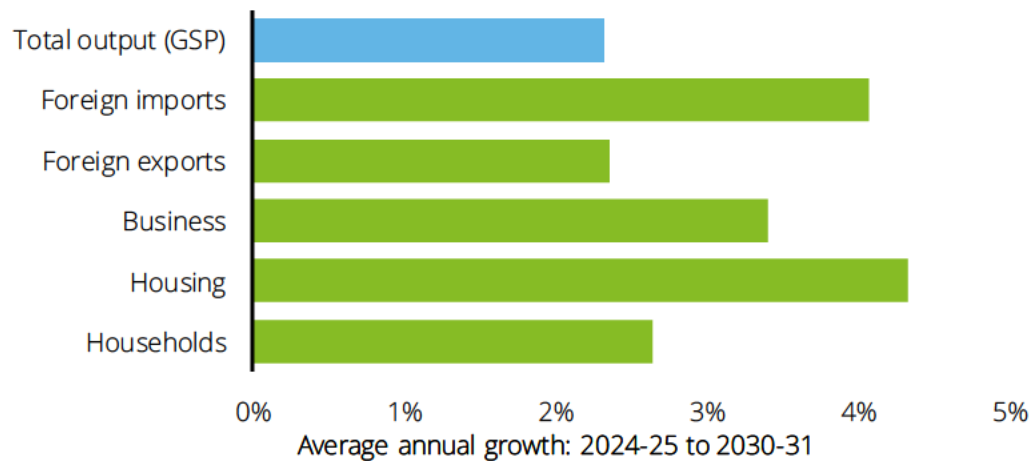
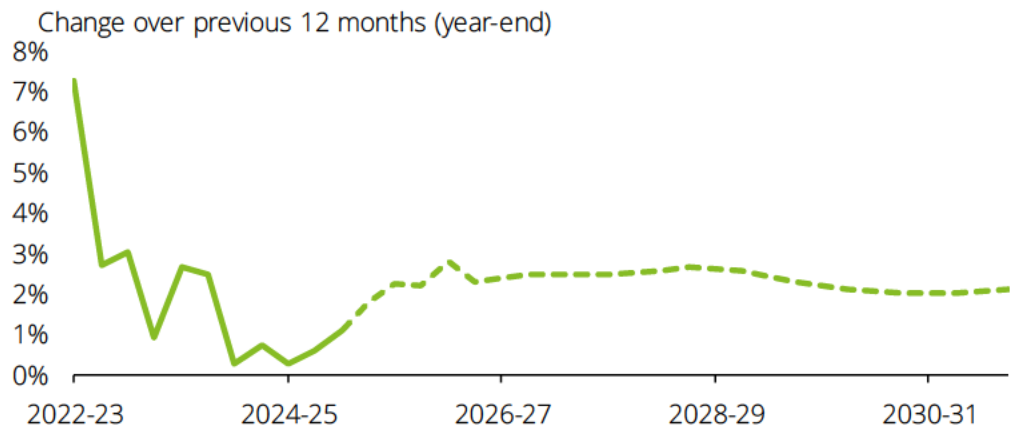


Chart 2.2: Growth in real economic output, Victoria



Source: Australian Bureau of Statistics, Deloitte Access Economics

The Victorian labour market

Despite subdued economic growth in 2024-25, Victoria's labour market remains resilient. The state's unemployment rate was 4.6% in mid-2025, slightly above the national average, but still well below Victoria's 20-year pre-pandemic average of 5.5%. The participation rate remains close to record highs, indicating continued strength in labour supply.

However, Victoria has the second-highest underemployment rate in the country, which may indicate that there is more spare capacity in the state's labour market than implied by the unemployment rate.

Leading indicators of labour demand, such as job advertisements and vacancies, have continued to soften over the past year. This points to a gradual easing in hiring conditions as labour demand and supply become more balanced.

Employment growth is expected to slow through 2025-26. The unemployment rate is forecast to rise modestly but remain below its long-term average.

Over the long term, the Victorian labour market is expected to remain well supported by population growth and continued demand in industries like health, education and construction. However, slower growth in the working-age population and shifting workforce dynamics may weigh modestly on participation and employment growth later in the forecast period.

Chart 2.3: Employment growth, Victoria

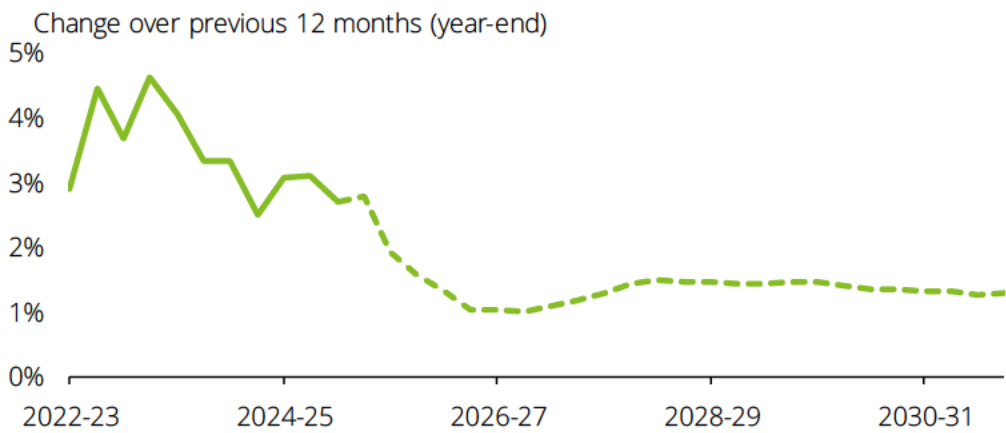
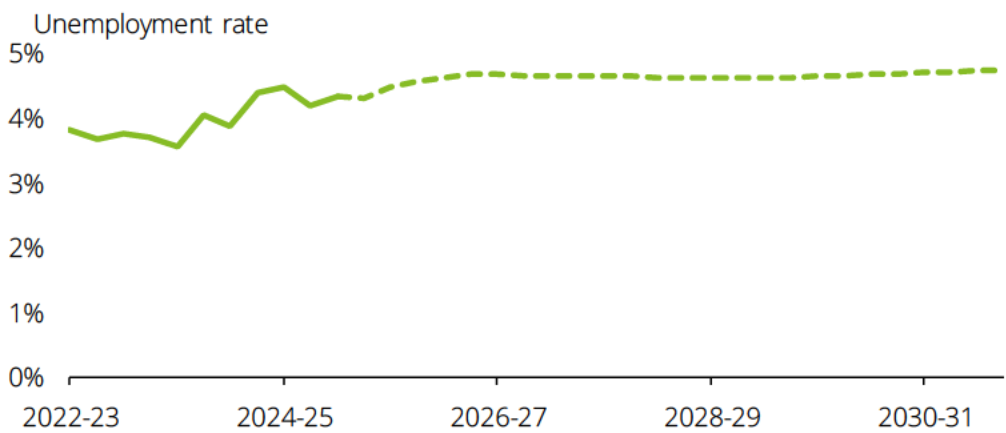


Chart 2.4: Unemployment rate, Victoria



Note: Forecasts for employment growth and the unemployment rate were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text throughout the report.
Source: Australian Bureau of Statistics, Deloitte Access Economics

Victorian all industry wages

Historically, wages in Victoria have grown broadly in line with national averages, reflecting the state’s position as Australia’s second-largest labour market.

Over the past year, Victorian wage growth has softened slightly, easing from 3.6% in the year to March 2024 to 3.3% in the year to March 2025. This reflects slower private sector wage growth, which declined from 3.9% to 3.4% over the same period. In contrast, public sector wage growth picked up from 2.5% to 3.0%, driven by the commencement of new state enterprise agreements.

Looking ahead, nominal wage growth in Victoria is expected to ease modestly in 2025-26 as labour market conditions gradually soften. A recovery in private sector activity is forecast to support wage growth over the medium term, alongside gains in labour productivity.

Despite slower nominal growth in 2024-25, real wages are expected to rise as inflation moderates. A temporary lift in inflation in 2025-26 following the expiry of Federal Government energy rebates is expected to dampen real wage growth in the short term. However, over the longer term, real wage gains are anticipated to strengthen, underpinned by an acceleration in productivity growth.

Across the forecast period, both nominal and real wages in Victoria are projected to grow at a pace broadly in line with the national average, reflecting similar trends in productivity and labour market dynamics.

Chart 2.5: Nominal all industry WPI growth, Victoria

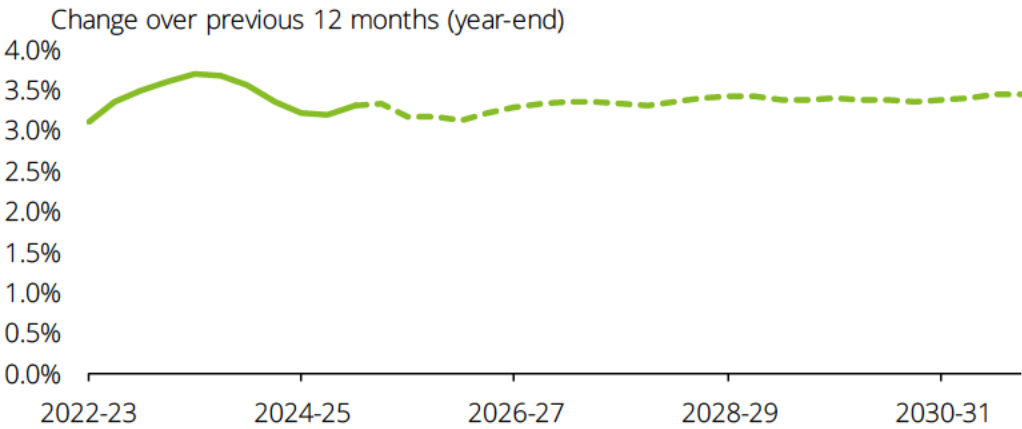
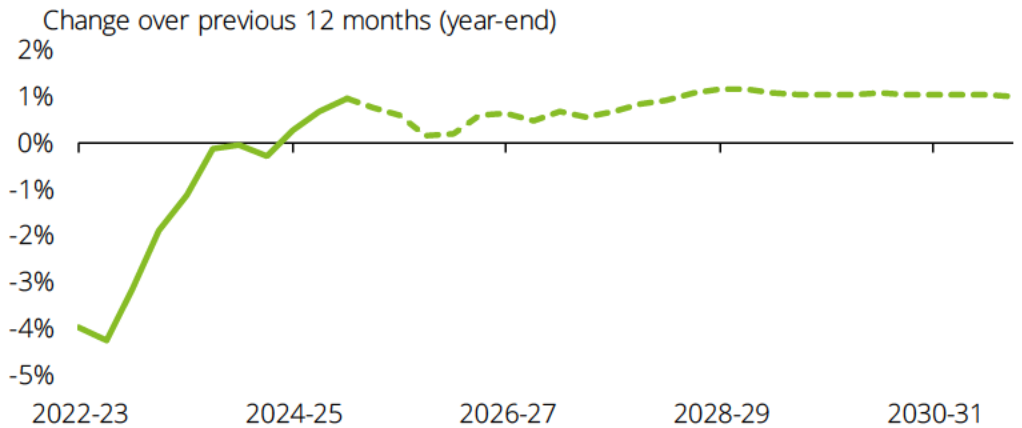


Chart 2.6: Real all industry WPI growth, Victoria



Source: Australian Bureau of Statistics, Deloitte Access Economics

Victorian utilities industry wages (1/2)

Victoria utilities industry WPI

Nominal wage growth in Victoria’s utilities industry has trailed the national average since early 2023, reflecting stronger enterprise bargaining outcomes in other states. However, growth has accelerated over the past year as improved EBA outcomes in Victoria have narrowed the gap.

Nominal wage growth is expected to peak at around 3.8% in 2024-25, before easing in 2025-26 in line with a broader softening in labour market conditions. Over the medium to longer term, increased investment within the utilities industry is expected to lift demand for skilled workers. At the same time, greater activity in industries such as construction, which draw on a similar pool of workers, will add further pressure to labour demand, providing ongoing support for wage growth.

Real wage growth in the industry is estimated to have risen sharply in 2024-25, driven by higher nominal wage growth and easing inflation. This is expected to partially reverse in 2025-26 due to slower nominal wage growth and a temporary rise in inflation linked to the expiry of energy bill relief.

Beyond the near term, both nominal and real utilities wage growth in Victoria are forecast to align closely with national trends, reflecting the state’s significant share of national industry activity.

Chart 2.7: Nominal utilities industry WPI growth, Victoria

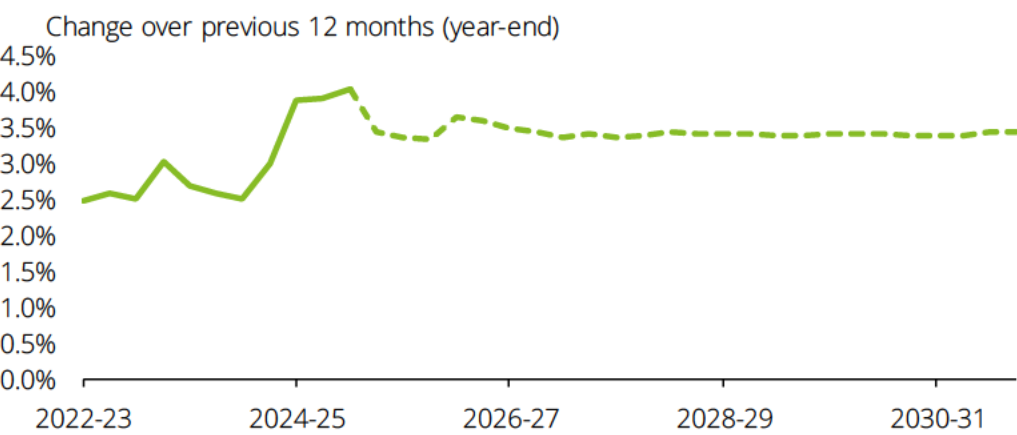
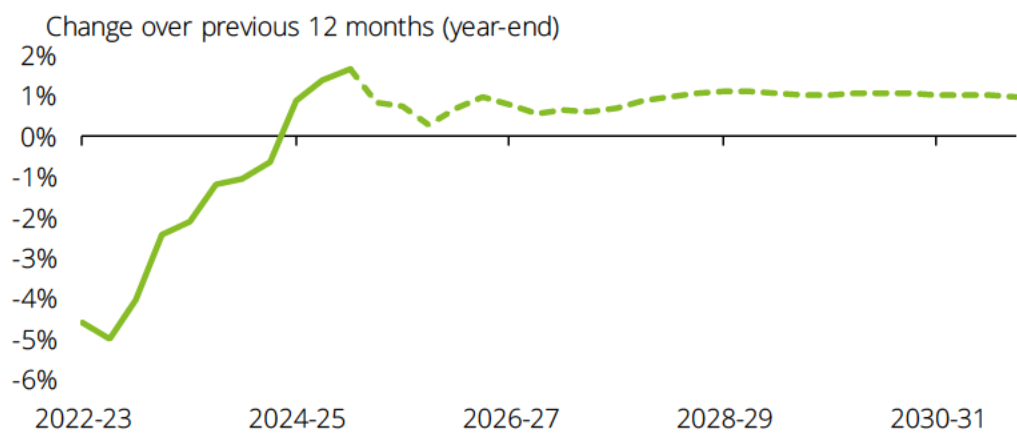


Chart 2.8: Real utilities industry WPI growth, Victoria



Source: Australian Bureau of Statistics, Deloitte Access Economics.

Victorian utilities industry wages (2/2)

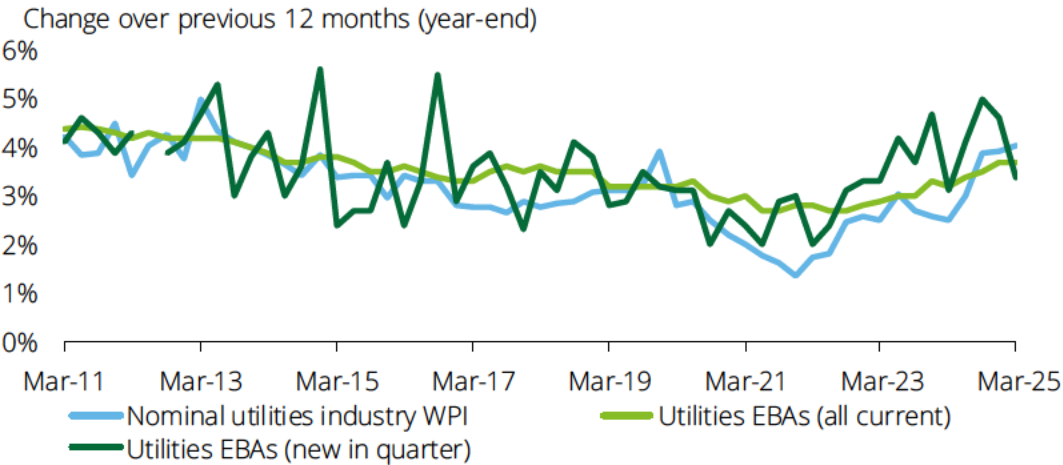
Other wage growth measures

According to the ABS, 48% of Victorian utilities industry employees are covered by EBAs, above the 38% share across all industries in the state. In the March quarter of 2025, the AAWI for current utilities industry EBA was 3.7%, below the national utilities industry average.

Victoria has the highest number of current agreements of any other state or territory, at 104 agreements covering 9,600 employees. Five new utilities agreements were lodged in the March quarter, covering 600 employees, with an AAWI of 3.4%. This is below the AAWI across all industries in Victoria as well as the AAWI for the Australian utilities industry.

While quarterly movements can be volatile, for much of the past five years, new agreements have recorded faster wage growth than the broader stock of existing EBAs. This has contributed to upward pressure on wages in the utilities industry. However, this trend was not observed in the latest data from early 2025.

Chart 2.9: Measures of utilities industry wage growth, Victoria



Source: Department of Employment and Workplace Relations, Australian Bureau of Statistics, Deloitte Access Economics

3. South Australia



The South Australian economy

The South Australian economy lost momentum through much of 2024-25, weighed down by subdued household spending, weak business conditions and softer population growth.

However, momentum began to turn in early 2025. Household consumption recorded the fastest growth of any jurisdiction in the March quarter, driven by increased spending on essentials such as electricity and stronger discretionary spending. Lower interest rates and cost of living relief are both expected to support household budgets and spending through 2025-26.

A strong pipeline of engineering construction projects, particularly in the transport and utilities industries, is expected to support continued growth over the year ahead. Dwelling investment has also been a relative strength, underpinned by an extended period of strong growth in dwelling prices. This momentum is expected to continue over the medium term, driving an increase in building approvals and commencements.

Exports have been a weak spot, with agricultural output hampered by adverse weather and commodity price declines. Tariffs and related uncertainty are expected to remain headwinds in the near term.

While economic growth is forecast to lift in 2025-26, it is expected to remain below the national average over the medium term. Softer population growth is forecast to weigh on both labour supply and demand, limiting South Australia's economic potential. In the longer term, improving productivity will be key to sustaining growth in a slower population growth environment.

Chart 3.1: Components of real GSP growth, South Australia, average annual growth 2024-25 to 2030-31

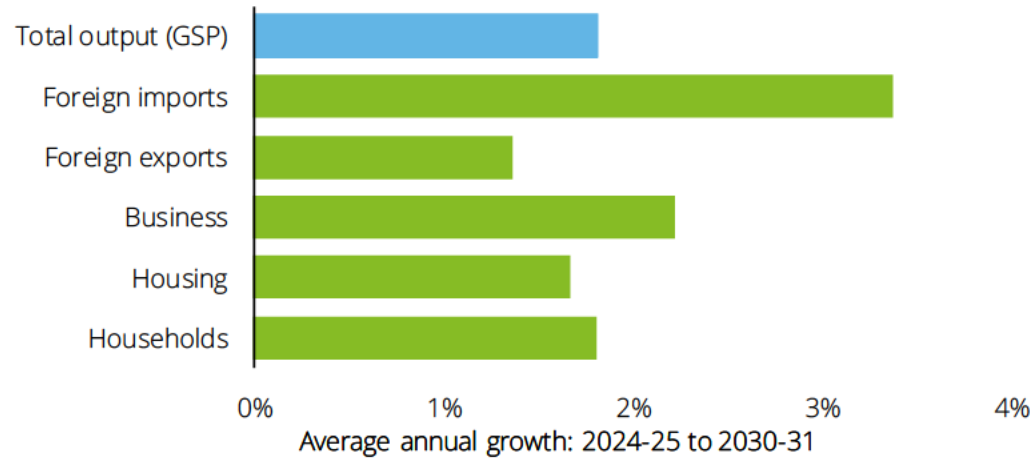
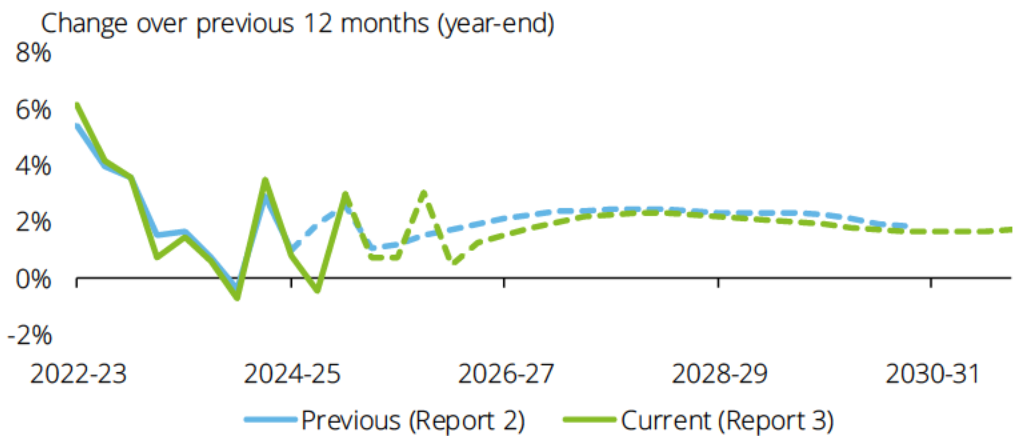


Chart 3.2: Growth in real economic output, South Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

The South Australian labour market

The South Australian labour market remains relatively robust, with an unemployment rate of 4.4% in June 2025 – slightly above the national average. However, other indicators suggest that labour market conditions are not as tight as the headline figure implies. South Australia has a lower participation rate than the national average, reflecting long-standing structural trends, including the state's older population profile.

Employment growth is estimated at just 0.1% in 2024-25, well below the national pace of 2.4%, largely due to slower population growth. Over the forecast period, employment growth in South Australia is expected to remain modest, as public sector hiring softens and private sector gains remain subdued.

Employment growth is forecast to remain slower than the national average across the medium to longer term, consistent with South Australia's demographic profile.

Compared to Report 2, employment growth has been revised lower across most of the forecast horizon due to weaker population growth, while the unemployment rate profile is broadly unchanged.

Chart 3.3: Employment growth, South Australia

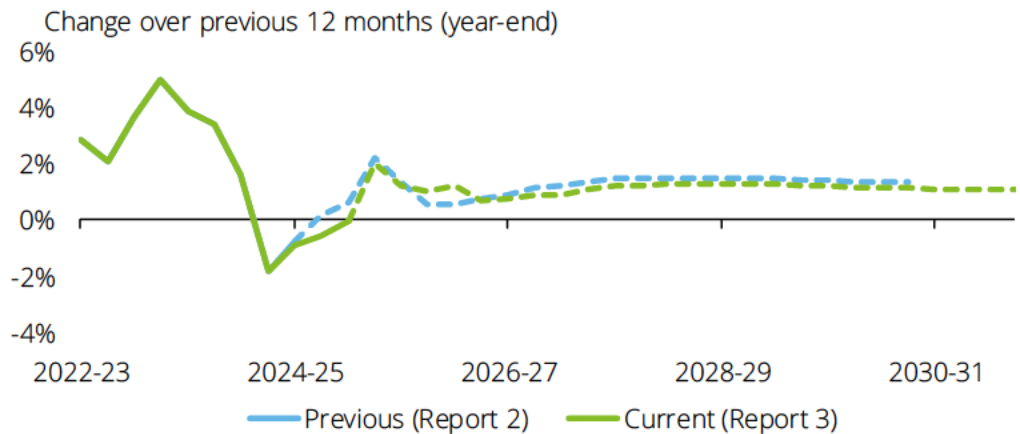
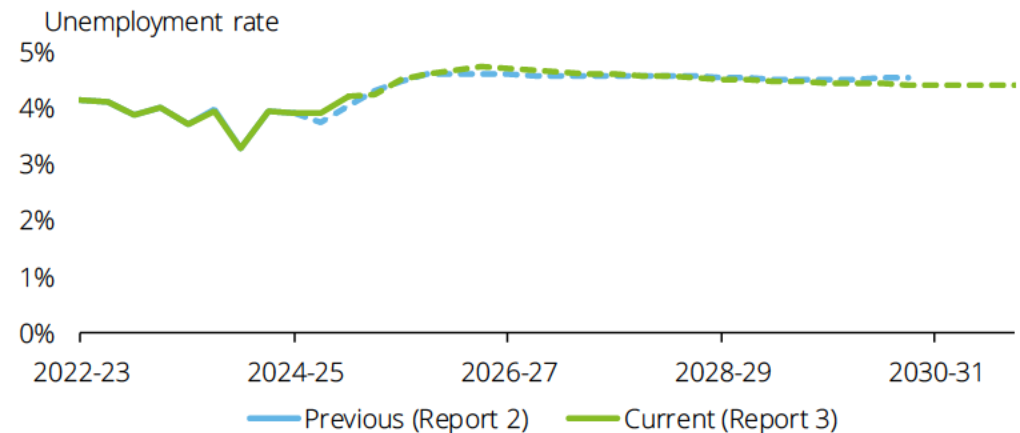


Chart 3.4: Unemployment rate, South Australia



Note: Forecasts for employment growth and the unemployment rate were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text throughout the report.
Source: Australian Bureau of Statistics, Deloitte Access Economics

South Australian all industry wages

Wage growth in South Australia has gradually moderated since reaching a peak of 4.3% in December quarter 2023, with a slight uptick observed in the March quarter of 2025 due to one-off administered wage increases for the aged care industry.

The private sector has been the main contributor to wage growth in the state over the past year. Private sector wage growth was 3.6% in the year to March 2025 (compared to 3.3% for the Australian private sector) while the public sector lagged at 3.3% (compared to 3.6% for the Australian public sector).

In the near term, wage growth is forecast to slow only marginally. Weaker population growth is expected to constrain the supply of workers, meaning a degree of tightness is anticipated to remain in the labour market that will, all else equal, place upward pressure on wages.

Real all industry wage growth is expected to have accelerated in 2024-25 as weak inflation offset weaker nominal wage growth. Inflation is also expected to be slightly higher in South Australia compared to Report 2, contributing to slower growth in real all industry wages through to 2027-28.

Over the longer term, labour productivity in South Australia is forecast to grow at a slightly slower pace than the national average. This reflects the state's higher reliance on industries with historically lower productivity growth and a smaller capital stock per worker. As a result, slower productivity growth is expected to weigh on wage growth in South Australia, contributing to a modest divergence from national wage growth over time.

Nominal and real wage growth rates are anticipated to closely align with the medium to long run forecast profile in Report 2.

Chart 3.5: Nominal all industry WPI growth, South Australia

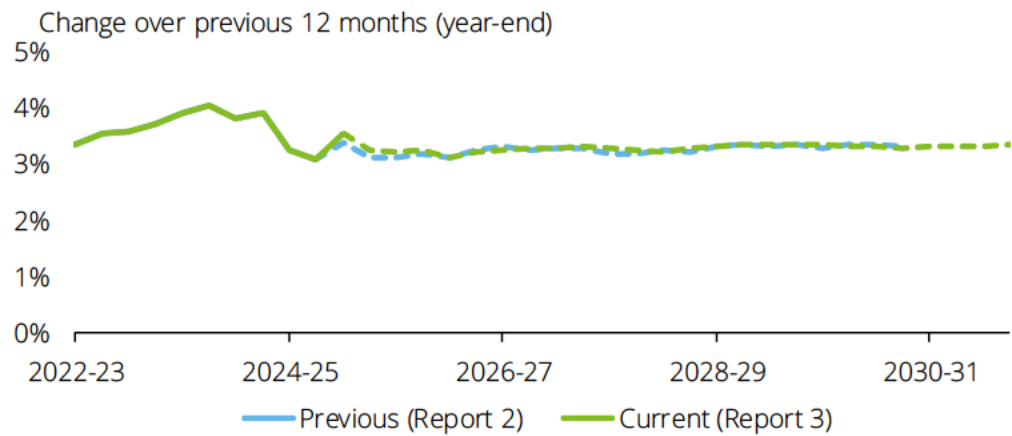
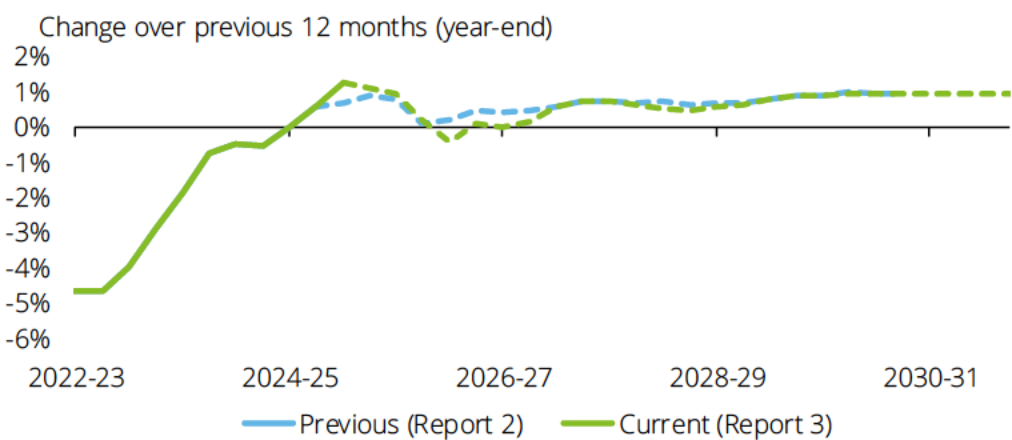


Chart 3.6: Real all industry WPI growth, South Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

South Australian utilities industry wages (1/2)

South Australian utilities industry WPI

Wages in South Australia’s utilities industry are estimated to have increased by 4.8% in the year to the March quarter of 2025, the fastest pace in over a decade.

Softening labour market conditions are expected to contribute to a deceleration in utilities industry WPI growth over the short term. However, the forecast slowdown is likely to be relatively modest, with near-term gains supported by the strength of recent EBA outcomes.

Over the medium and longer term, nominal utilities WPI in South Australia is forecast to grow broadly in line with national trends. Real wage growth is expected to be slightly lower than nationally in 2025-26 and 2026-27, reflecting marginally higher inflation.

Nominal wage growth in 2024-25 has been revised up relative to Report 2 due to updated historical data. These revisions stem from changes to ABS employment data, which are an input to Deloitte Access Economics’ estimates of the South Australian utilities WPI (as the ABS does not publish state-level utilities WPI for South Australia).

The changes to the outlook for nominal WPI growth have flowed through to real WPI growth. From 2027-28 onwards there is only a marginal difference in nominal WPI growth compared to Report 2. The lower real utilities industry WPI growth in 2025-26 and 2026-27 is due to higher forecast inflation compared to Report 2.

Chart 3.7: Nominal utilities industry WPI growth, South Australia

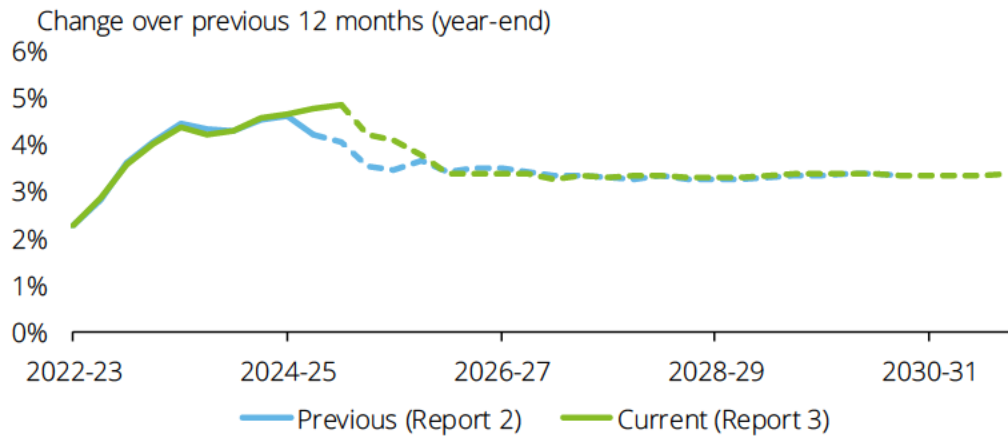
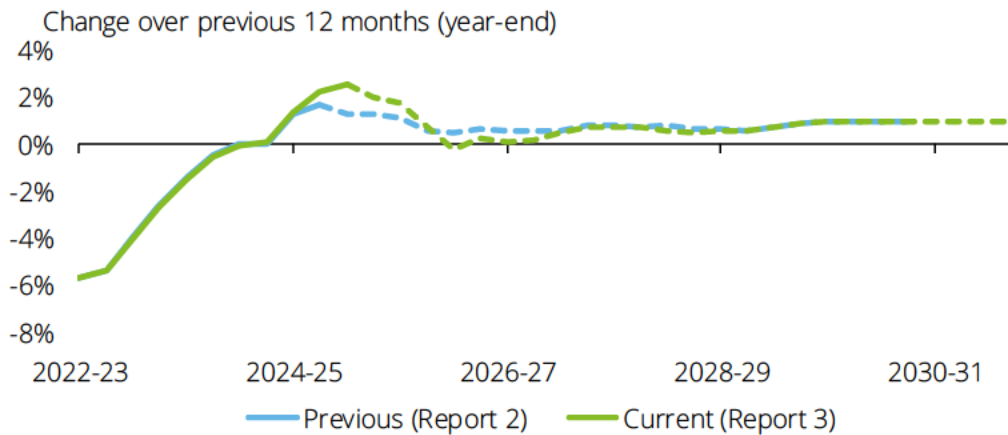


Chart 3.8: Real utilities industry WPI growth, South Australia



Source: Australian Bureau of Statistics, Deloitte Access Economics

South Australian utilities industry wages (2/2)

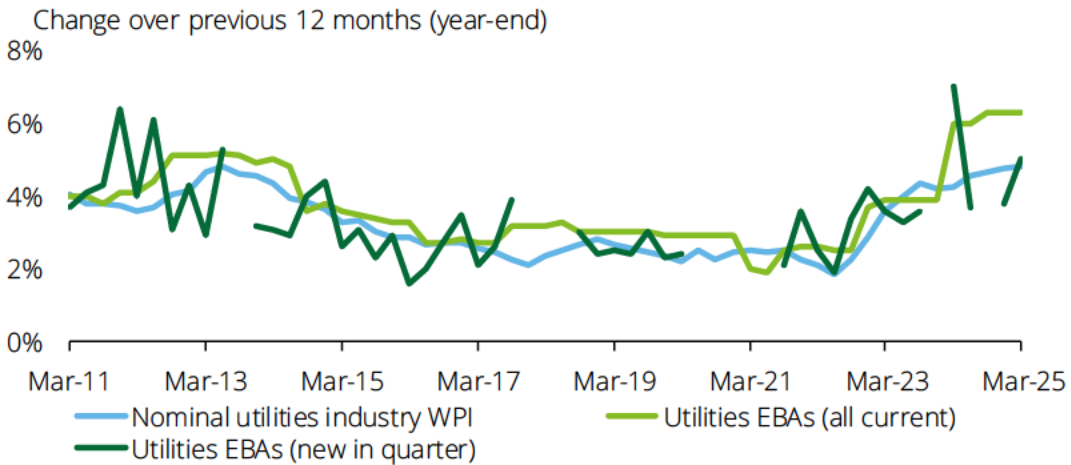
Other wage growth measures

According to the ABS, a total of 73% of utilities industry employees are covered by EBAs in South Australia, above the 40% share across all industries in the state.

There are currently 26 EBAs within the South Australian utilities industry, covering 3,700 employees. The AAWI of current utilities industry EBAs in the state remained at 6.3% in the March quarter of 2025, the highest of all states and territories. This is higher than the AAWI across all industries in South Australia as well as growth estimates in utilities industry WPI in South Australia.

One new agreement was lodged in the March quarter of 2025, with the AAWI being 5.0%. This is the second consecutive quarter in which the AAWI in new EBAs has been below the wage increase across all current EBAs. This suggests that enterprise agreements may be placing less upward pressure on wages in the utilities industry going forward.

Chart 3.9: Measures of utilities industry wage growth, South Australia



Note: Line breaks indicate no data published for the respective quarter.
Source: Department of Employment and Workplace Relations, Australian Bureau of Statistics, Deloitte Access Economics.

4. Northern Territory



The Northern Territory economy

The Northern Territory economy remains highly exposed to large-scale resource projects, with the mining and gas industries playing a central role in economic performance. Economic activity is expected to contract in 2024-25, reflecting a temporary decline in gas exports due to unplanned maintenance at the Ichthys facility and weak dwelling investment. However, these headwinds have been partially offset by elevated public investment and construction activity at the Barossa gas project.

Growth is forecast to rebound in 2025-26 as the Barossa project transitions from construction to production, driving a surge in exports. While this shift will reduce business investment, the export uplift is expected to more than compensate.

Household consumption has been strong over the past year and is expected to return to steady growth in the coming year, supported by real income gains and lower interest rates. Dwelling investment is also forecast to recover from 2025-26, driven by falling borrowing costs, improved affordability, and targeted government support.

The Northern Territory's economic growth is projected to modestly outpace the national average over the medium and longer term, underpinned by rapid export growth. This is expected to offset the effect of slower rates of population growth.

Chart 4.1: Components of real GSP growth, Northern Territory, average annual growth 2024-25 to 2030-31

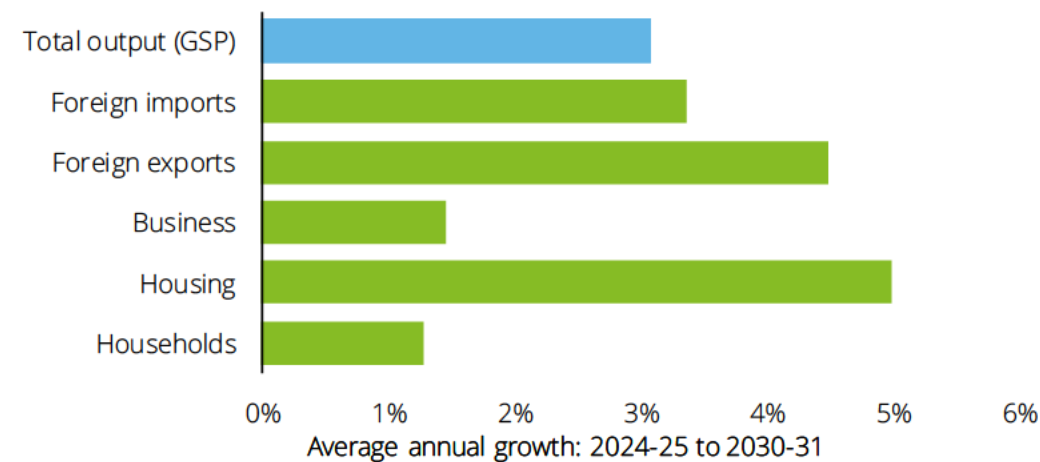
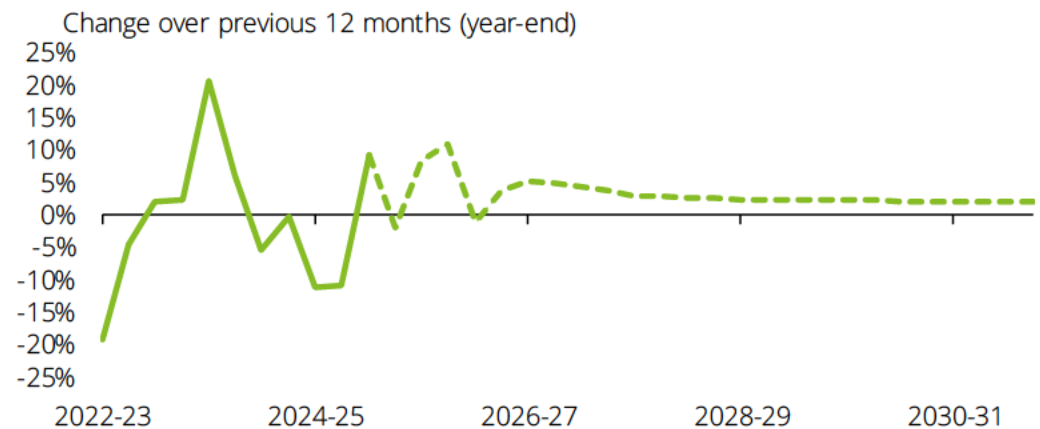


Chart 4.2: Growth in real economic output, Northern Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

The Northern Territory labour market

The Northern Territory's labour market remains relatively tight. The unemployment rate was 3.9% in June 2025, below the national average and broadly stable over the past year. Other indicators show continued strength, with the Territory recording the highest participation rate and lowest underemployment rate in the country. These outcomes reflect the Territory's young population and industry composition, particularly the prevalence of full-time roles in industries such as mining.

However, employment growth has lagged the national pace over the past year and is expected to remain subdued in the near term, as major projects such as Barossa wind down and reduce labour demand. As a result, the unemployment rate is forecast to rise to 4.7% by mid-2026.

Employment growth is forecast to recover from 2026-27 as new projects commence and the territory economy continues to expand. Over the longer term, however, workforce expansion is expected to remain slower than the national average, reflecting weaker population growth and a narrower industry base.

Chart 4.3: Employment growth, Northern Territory

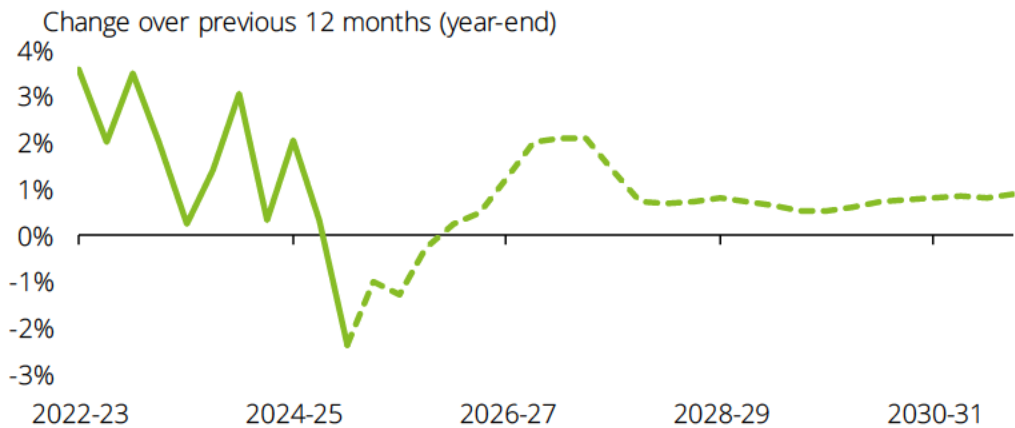
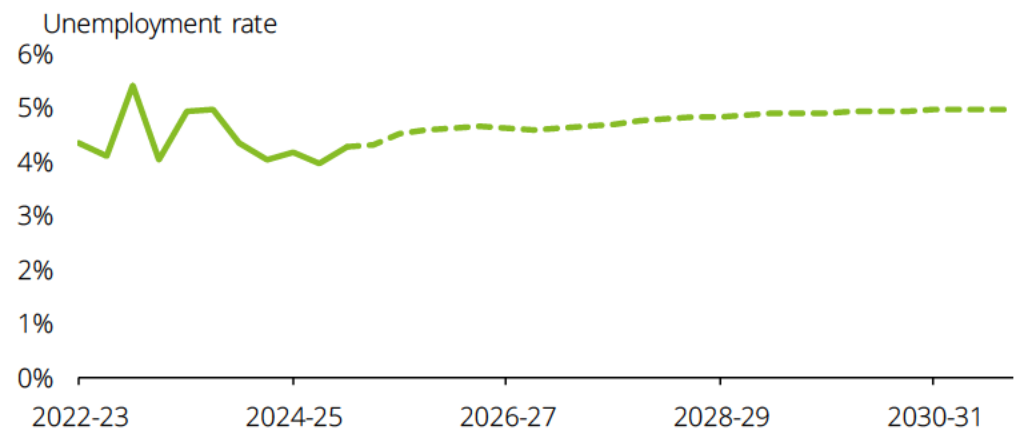


Chart 4.4: Unemployment rate, Northern Territory



Note: Forecasts for employment growth and the unemployment rate were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text throughout the report.
Source: Australian Bureau of Statistics, Deloitte Access Economics

Northern Territory all industry wages

Although the Northern Territory is Australia’s smallest labour market, its wage trends have broadly mirrored national patterns. All industry WPI growth peaked at 4.3% in the year to December 2023 before easing to 3.3% in March 2025, driven mainly by a slowdown in private sector wage growth. Public sector wages also moderated but to a lesser extent.

Wage growth is expected to remain resilient in the near term, supported by steady economic activity and continued competition for labour. Unlike average earnings, WPI growth is not expected to be significantly affected by the transition of the Barossa project from construction to production, given that the WPI excludes compositional changes in hours or roles.

Over the medium and long term, nominal wage growth in the Territory is forecast to align closely with the national average. This reflects national wage pressures flowing through to Territory businesses competing for skilled workers in a tight labour market.

Real wage growth is expected to temporarily ease in 2025-26 as inflation ticks up but is forecast to remain above the national average through to 2027-28. This reflects relatively lower inflation in the initial years of the forecast period and stronger labour productivity growth in the Northern Territory over much of the forecast horizon.

Chart 4.5: Nominal all industry WPI growth, Northern Territory

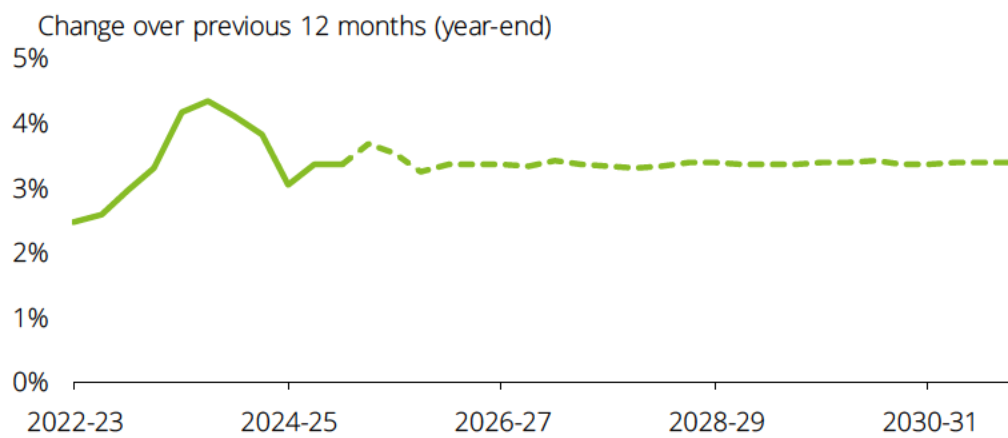
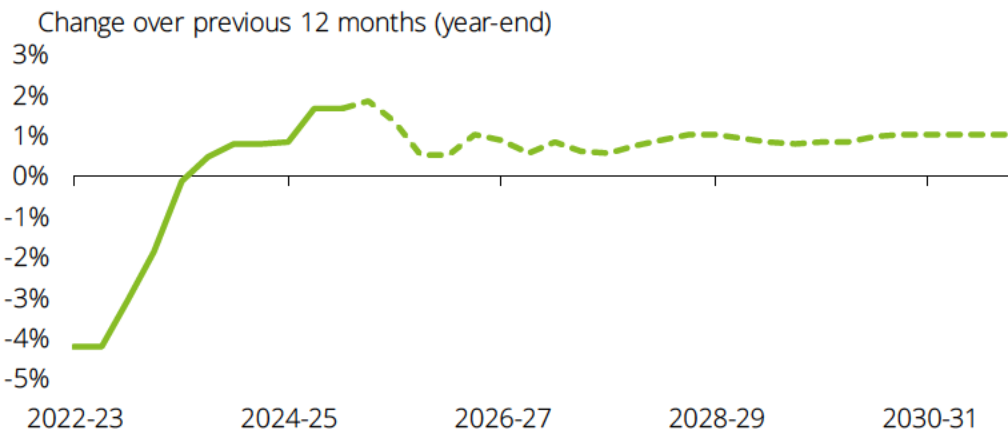


Chart 4.6: Real all industry WPI growth, Northern Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Northern Territory utilities industry wages (1/2)

Northern Territory utilities industry WPI

Utilities wages in the Northern Territory rose by an estimated 4.3% in the year to March 2025, easing from a peak of 4.9% the year prior. This moderation mirrors broader private sector wage trends in the territory.

While Northern Territory wage growth peaked earlier than in other jurisdictions, the slowdown is expected to be more gradual, supported by strong recent EBA outcomes. Over the medium to longer term, utilities employment is projected to grow slightly faster than the national average, partly due to the strength of the Northern Territory's mining sector, which draws from a similar pool of workers as the utilities industry.

Real wage growth is forecast to outperform the national average in the near term, driven by lower expected inflation, before easing as both nominal wages and inflation return to trend.

Chart 4.7: Nominal utilities industry WPI growth, Northern Territory

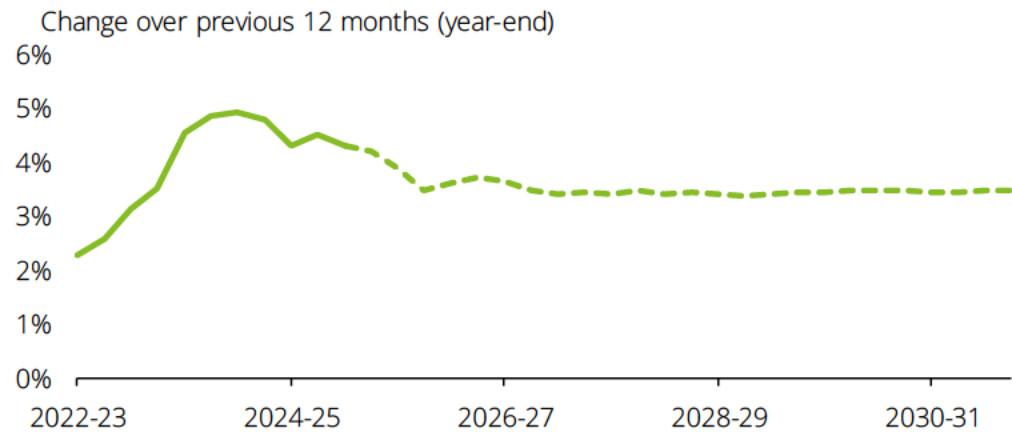
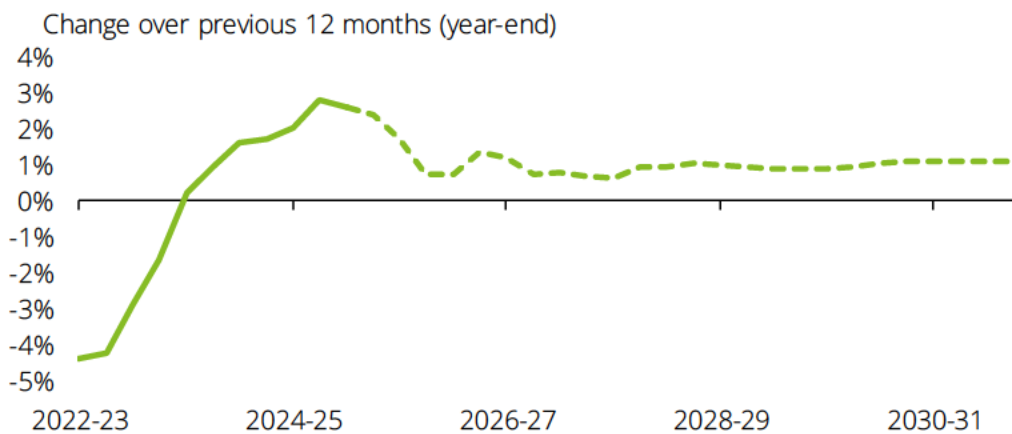


Chart 4.8: Real utilities industry WPI growth, Northern Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Northern Territory utilities industry wages (2/2)

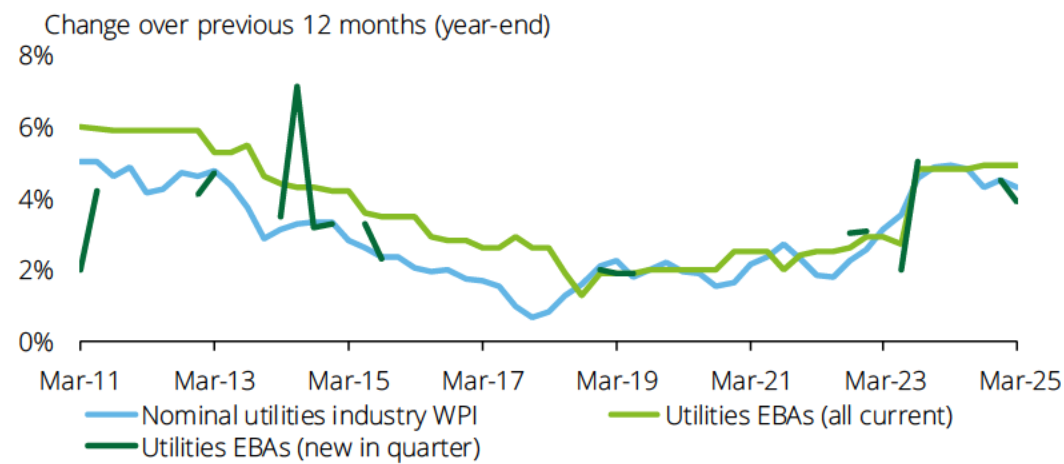
Other wage growth measures

There are currently six active EBAs in the Northern Territory utilities industry, covering around 900 employees. The average annual wage increase (AAWI) across these agreements is 4.9%, above the national utilities industry average of 4.2%.

However, two new EBAs lodged in the March quarter of 2025 had a lower AAWI of 3.9%, pointing to a potential softening in wage outcomes.

Upcoming EBA renegotiations, including Jacana Energy's agreement expiring in late 2025, will be a key watchpoint for future wage growth, particularly if relatively tight labour market conditions persist.

Chart 4.9: Measures of utilities industry wage growth, Northern Territory



Note: Line breaks indicate no data published for the respective quarter.
Source: Department of Employment and Workplace Relations, Australian Bureau of Statistics, Deloitte Access Economics.

The Australian Capital Territory economy

The Australian Capital Territory (ACT) economy remained resilient in 2024-25, supported by strong public sector demand and a robust labour market. While some private sector indicators softened earlier in the year, particularly discretionary household spending, this weakness is expected to be temporary. The ACT's high concentration of public sector employment, combined with low unemployment and strong real wage growth, provides a solid foundation for household consumption to recover. This will be supported by further interest rate cuts, personal income tax relief, and local cost-of-living measures such as energy rebates and support for apprentices and trainees.

Looking ahead, economic growth is expected to become more broad-based, with private demand gradually strengthening and public sector activity settling into a more sustainable trajectory. Population growth is projected to remain among the fastest in the country, supporting employment and housing demand.

Dwelling investment is also set to be a key contributor to growth over the medium term. The ACT Government's commitment to boosting housing supply – including enabling 30,000 new homes by 2030 and releasing government land – will help unlock capacity in the construction industry and ease pressure on housing availability.

Inflation in the ACT is moderating faster than the national average, driven by easing goods price pressures and stable services inflation. As a result, real incomes are expected to rise steadily, underpinning the anticipated growth in household consumption and private investment.

Chart 5.1: Components of real GSP growth, Australian Capital Territory, average annual growth 2024-25 to 2030-31

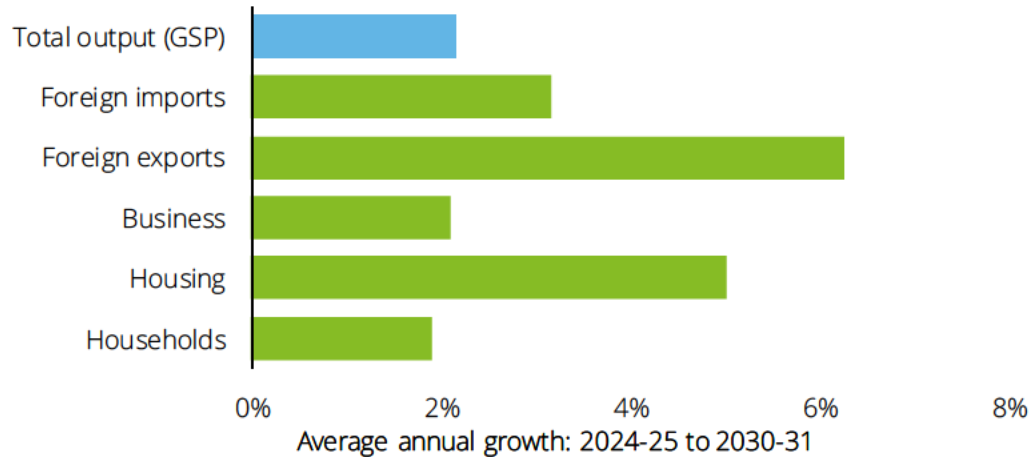
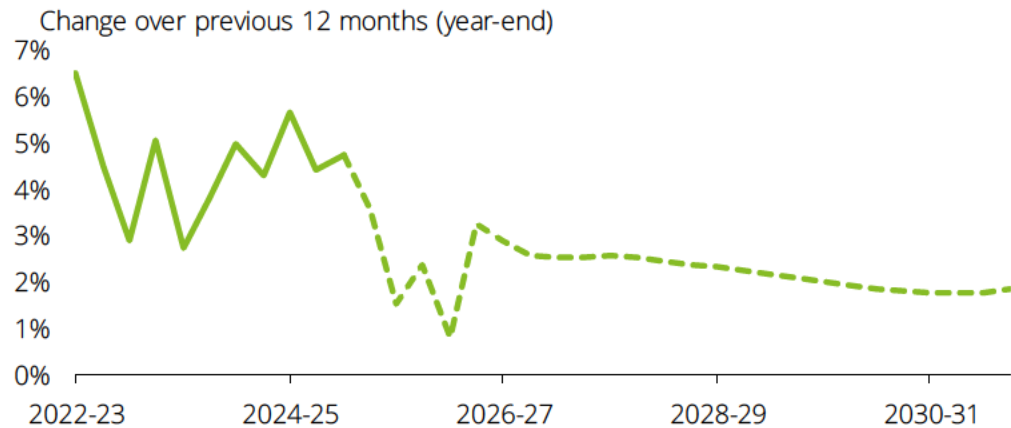


Chart 5.2: Growth in real economic output, Australian Capital Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

The Australian Capital Territory labour market

The ACT labour market remains tight by historical standards. The unemployment rate fell to 3.6% in June 2025, below the national rate. Other measures, including the participation rate and the employment-to-population ratio, also remain above national averages. This reflects strong recent employment growth in industries such as health care, social assistance, and professional services.

However, early signs of softening have emerged. The underemployment rate has risen through 2025 and is now above the national average, while both the participation rate and employment-to-population ratio have edged down slightly. Job vacancies have also eased from recent highs, though they remain elevated in historical terms.

Labour demand is expected to remain steady in the near term, with employment growth moderating as public sector activity stabilises and the economy shifts toward more private sector-led growth. The unemployment rate is forecast to rise modestly, settling just above 4.5% in 2025-26.

From 2026-27, lower interest rates, improving real wages, and population growth are expected to support a rebound in employment. Over the medium term, employment growth in the ACT is forecast to broadly track the national average.

Chart 5.3: Employment growth, Australian Capital Territory

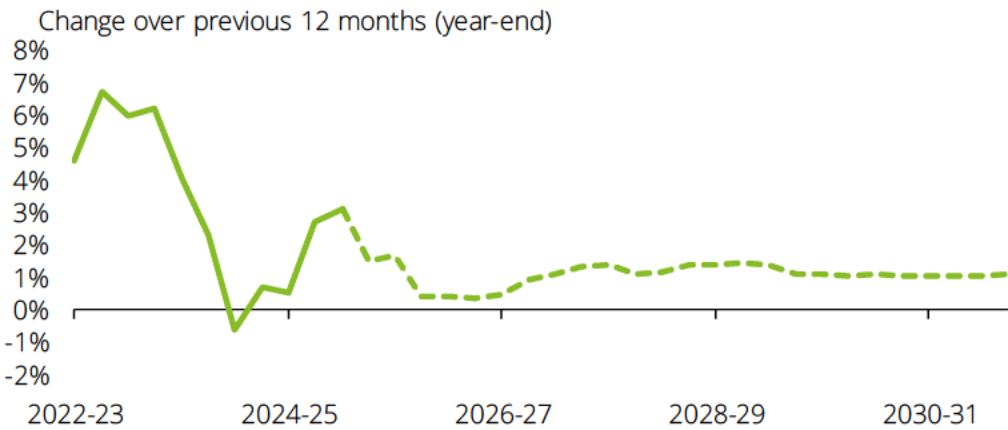
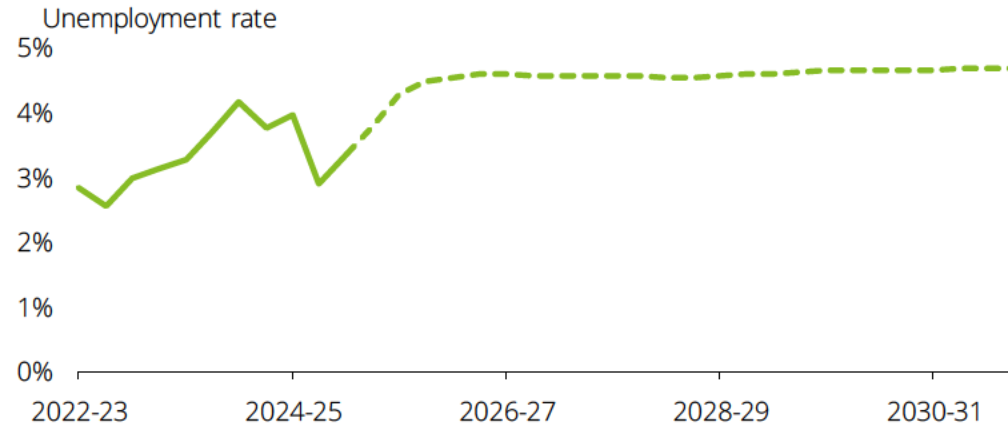


Chart 5.4: Unemployment rate, Australian Capital Territory



Note: Forecasts for employment growth and the unemployment rate were finalised prior to the release of Labour Force data for June 2025 that is referenced in the text throughout the report.

Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian Capital Territory all industry wages

Wage growth in the ACT has remained elevated in recent quarters, reflecting both the territory's industry mix and its high concentration of public sector workers. While the ACT accounts for less than 2% of the national population, it is home to almost 40% of federal public servants. Recent enterprise bargaining outcomes for this workforce have played a significant role in supporting wage growth in the territory.

All industry WPI in the ACT grew by 3.9% in the year to March 2025, easing from its 2023 peak but remaining above the national average. Public sector WPI rose by 4.8% over the year, compared to 3.6% nationally. In contrast, private sector wage growth was softer, at 3.1%, below the national private sector rate.

Looking ahead, ACT wage growth is forecast to ease in the near term as growth in public sector demand moderates. However, as private sector conditions improve from 2026-27, broader wage growth is expected to stabilise. Over the medium term, ACT nominal and real wage growth is forecast to move broadly in line with national trends, supported by firm public sector wage outcomes and improving private sector momentum.

Chart 5.5: Nominal all industry WPI growth, Australian Capital Territory

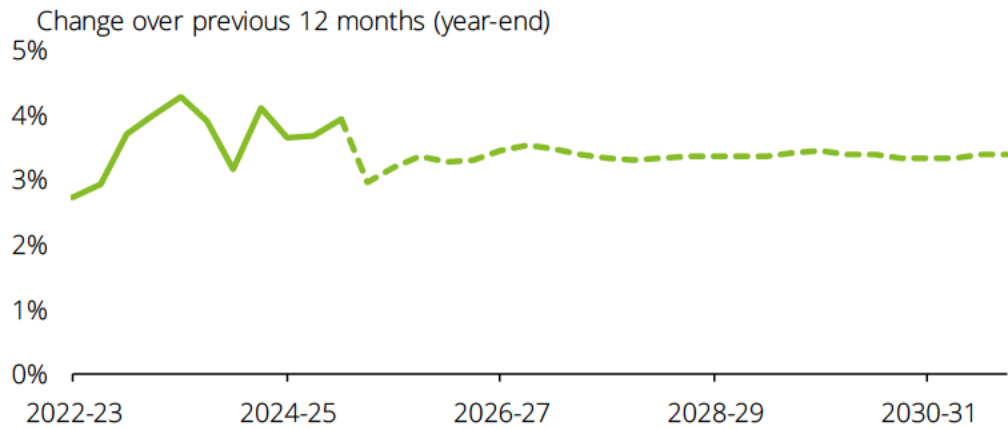
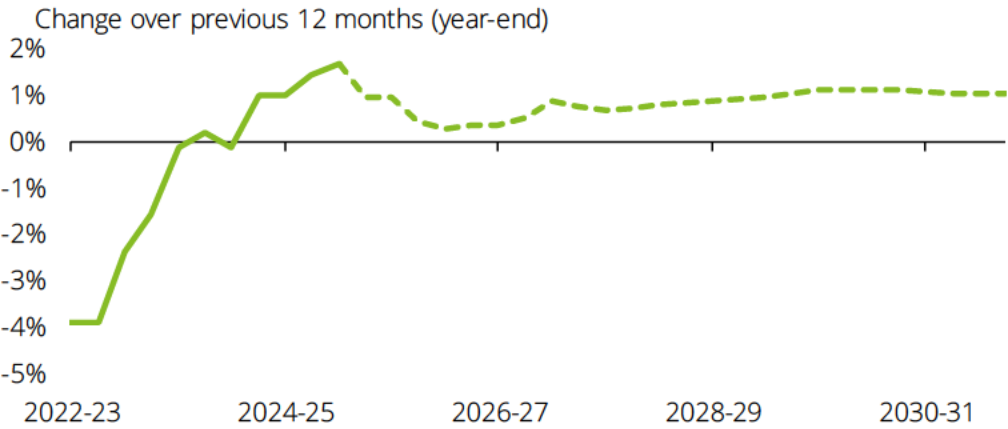


Chart 5.6: Real all industry WPI growth, Australian Capital Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian Capital Territory utilities industry wages (1/2)

Australian Capital Territory utilities industry WPI

Wage growth in the ACT utilities industry is estimated to have slowed in recent quarters, falling to 2.6% in the year to March 2025 from a peak of 3.9% in September 2023. This deceleration contrasts with the national utilities industry, where wage growth has accelerated.

That said, a modest rebound is expected in the short term. The AAWI for new utilities EBAs rose to 3.5% in late 2024 (the latest available data), up from 1.6% earlier in the year, pointing to a pickup in wage pressures in the industry.

Real wage growth is expected to remain subdued through 2025-26 and 2026-27, as inflation largely offsets nominal gains. Stronger growth in real wages is expected from 2027-28 as inflation stabilises and productivity growth lifts.

Over the medium and longer term, ACT utilities industry WPI growth is expected to converge with the national average, in line with historical trends and a similar outlook for demand.

Chart 5.7: Nominal utilities industry WPI growth, Australian Capital Territory

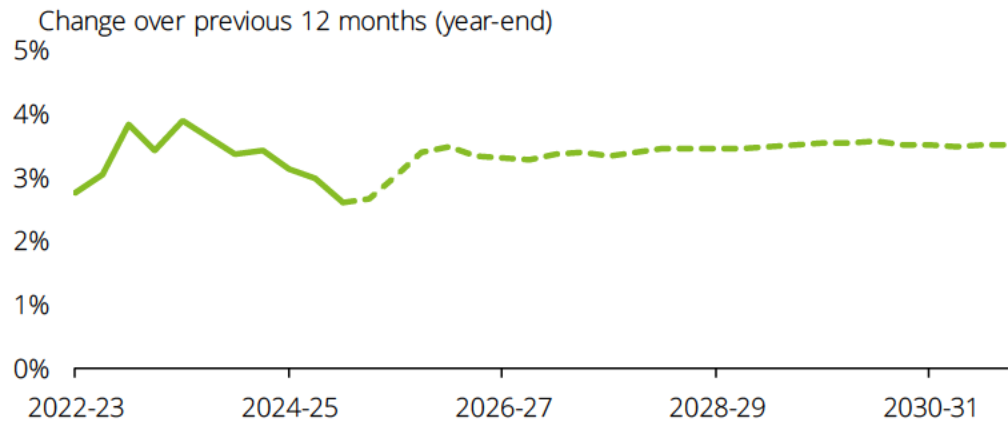
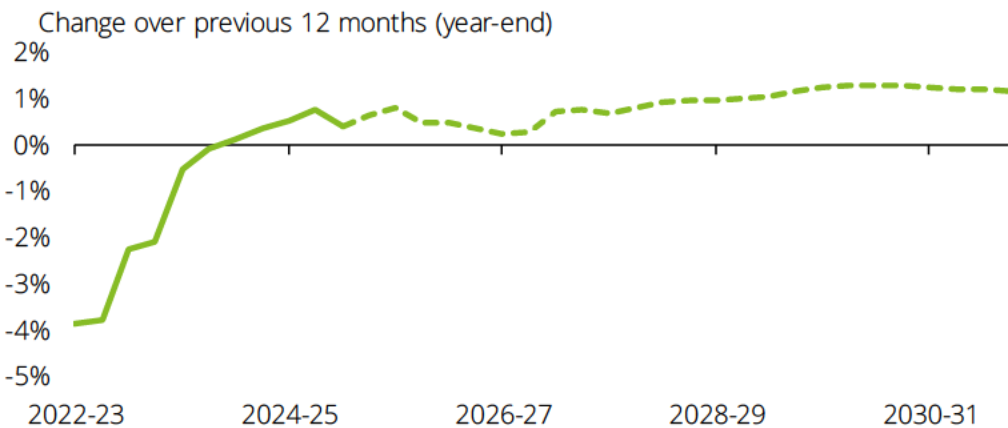


Chart 5.8: Real utilities industry WPI growth, Australian Capital Territory



Source: Australian Bureau of Statistics, Deloitte Access Economics

Australian Capital Territory utilities industry wages (2/2)

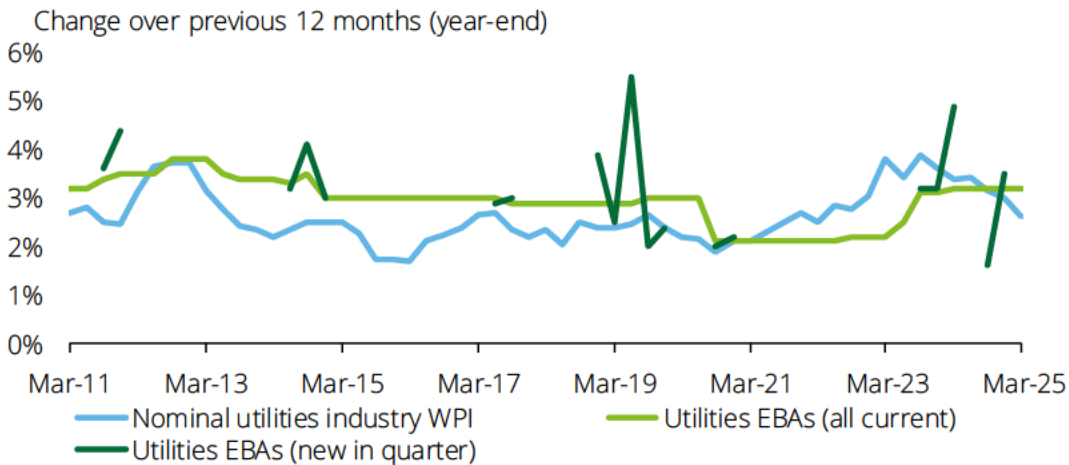
Other wage growth measures

Enterprise agreements are a key driver of wages in the ACT utilities industry, where EBA coverage is high – around 87% of employees, well above the 51% share across all industries in the territory.

As of March 2025, there are eight active EBAs in the industry, covering approximately 1,200 employees. The AAWI for these agreements was 3.2%, below the national utilities industry average of 4.2%, and lower than the ACT all industry average.

No new utilities EBAs were lodged in the March quarter of 2025.

Chart 5.9: Measures of utilities industry wage growth, Australian Capital Territory



Note: Line breaks indicate no data published for the respective quarter.
Source: Department of Employment and Workplace Relations, Australian Bureau of Statistics, Deloitte Access Economics.

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