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## Collective agreements deliver pay rises ahead of inflation

ABS wages data released today underlines the need for workers to join together if they want pay rises that keep up with inflation, as collective agreements deliver by far better pay outcomes.

Data for the December quarter shows that annual wages growth has remained steady at 3.4%.

With annual inflation at 3.8%, average workers' incomes have dipped below cost-of-living expenses, such as higher rents, which grew by 4% last year on top of steep rises over the last five years.

However, workers on collective agreements continue to get ahead, with wage growth averaging 4.1%. Individual contract pay rises of just 3% dragged average wage growth down.

Wage rises for aged care workers, which came into effect in October, were also reflected in the figures, due to a hard-fought union campaign to win work value pay increase. Early childhood education and care workers also got a pay increase in early December as part of their union campaign to lift pay in the sector.

### Quotes attributable to ACTU Secretary, Sally McManus:

“Workers on union-negotiated agreements continue to be the winners, with a huge gulf now between their average pay rises and those on individual contracts. This difference is now 1.1% or \$1,130 a year for a full-time worker on average earnings.

“Growing union membership and the Albanese Government IR reforms, which revived collective bargaining, are helping these workers get ahead. Collective bargaining is the best way to ensure you keep ahead of the cost of living. Any worker can negotiate a collective agreement if they band together with their colleagues.

“There is a huge power imbalance with any one-on-one negotiation with an employer, so the fact that pay rises for individual contracts are so poor is not a surprise. However, it has a real effect on the 38.5% of Australian workers who are on such contracts. Those workers are now going backwards and will be considering what to cut back on.

“Australian unions are also campaigning for fairer access to housing, through the scaling back of the capital gain tax discount from 50% to 25% and limiting negative gearing concessions to one investment property.”

**ENDS**

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