media release

ACTU
australian council of trade unions

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Collective agreements delivering better pay rises

ABS wages data released today underlines the need for workers to bargain together to get pay rises that keep up with the current cost-of-living pressures.

Workers covered by collective agreements continue to get better pay outcomes than those on individual contacts, according to the latest ABS wages data.

Data for the September quarter shows that annual wages growth remains steady at 3.5%, tracking behind the current annual inflation rate of 4.3%.

Workers on collective agreements are securing higher wage increases, with wage growth averaging 4.0%, broadly in line with price pressures.

Workers who have their pay set by individual arrangements with their employer secured pay rises of just 3.1%, dragging down average wage growth.

Among those securing higher wages, are frontline workers covered by collective agreements, including nurses, midwives and police.

The Annual Wage Review increase of 4.75% from 1 June 2026, that unions won, is another key driver of wages growth for nearly three million lower paid workers around the country.

Quotes attributable to ACTU Secretary, Melissa Donnelly:

“Working Australians are struggling with even some of the most basic expenses and are trying to find more ways to cut back; some workers have told us that they are cashing in their annual leave to cover every-day bills.

“But if you’re on a union negotiated pay deal, as part of a collective agreement, you’re better off. Workers in this group are just managing to stay ahead of price pressures, compared to those who are forced to rely on individual contracts. For a worker on average annual earnings, this amounts to an extra $740 this year based on today's figures.

“Growing union membership and the Albanese Government’s IR reforms, which revived collective bargaining, are working to help workers keep up with cost-of-living pressures.

“Workers can negotiate a collective agreement by banding together with others in their workplace or sector, backed by support from the relevant union.

“The power imbalance between an individual worker trying to negotiate directly with their employer means it is no surprise that pay outcomes for those on individual contracts are so poor, compared to those covered by collective agreements.

“Australian workers on individual contracts have less protection from global inflationary pressures and high supermarket, housing and energy prices that are impacting the entire community.”

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