

Clerical workers could lose \$7,000 in penalty rates as employer attack spreads

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Australian Unions are today warning that employer attacks on penalty rates have spread beyond the retail sector to target workers in administration, banking and finance.

Key employer lobby groups have made submissions to the Fair Work Commission to remove penalty rates and other award protections in exchange for a one-off pay increase.

Analysis by the Australian Services Union shows these proposals would cost individual clerical workers up to \$12,000 per year in wage cuts.

If upheld, workers' break times, shift breaks, hours of work, overtime payments, and penalty rates would also be scrapped. A receptionist on \$67,000, doing six hours of overtime a week, would stand to lose \$300 a week, or close to \$16,000 a year under this proposal. A senior administrative worker, who worked Tuesday to Saturday each week, would lose \$7,000 each year.

While the Clerical and Admin Award directly sets the pay and conditions of 70,000 workers, the employers' bid, led by the Australian Industry Group, would undermine the pay and conditions of about 720,000 clerical workers nationwide.

Employers have filed similar applications to strip away penalty rates for workers covered by the Banking, Finance and Insurance Award. Workers in these sectors typically receive hundreds of dollars each week in penalty rates to help them get by.

The latest attacks on penalty rates comes as the Australian Retailers Association, with the support of some of Australia's largest retailers, including Coles, Woolworths, Bunnings, 7-Eleven, Kmart and Mecca are seeking to cut penalty rates for an estimated 200,000 retail workers.

If the application is upheld, individual retail workers stand to lose \$5,000 a year in wages earned through penalty rates, allowances and overtime, or more than \$1 billion in total.

The Retailers Association wants penalty rates, overtime and other entitlements removed for permanent workers, in exchange for a one-off pay rise to buy out award protections. The retail award covers 350,000 workers and indirectly sets the pay and conditions for another 690,000 workers.

Overall, more than one million Australians face wage cuts if penalty rates are removed from retail, finance and admin awards.

Employment and Workplace Relations Minister, Murray Watt has intervened in the case in support of retail workers, to stop the abolition of penalty rates.

Opposition Leader, Peter Dutton, has yet to intervene in either case and has not ruled out allowing cuts to penalty rates.

Comments attributable to ACTU Secretary, Sally McManus:

"Australian workers need to earn penalty rates to stay ahead of the price pressures we've all experienced. People deserve to be paid fairly for staying back or working anti-social hours at night and weekends.

“Penalty rates help workers in retail, admin, and finance – most of whom are women – to earn enough income to support themselves and their families.

“During the last Coalition government, Peter Dutton voted against protecting penalty rates eight times, after the Fair Work Commission cut penalty rates in similar circumstances in 2017.

“If re-elected, businesses would pile on, in a race to the bottom to junk penalty rates just as quickly as they could line up at Michaelia Cash’s door under a Dutton government.”

Comments attributable to ASU Secretary, Emeline Gaske:

“The AIG’s proposed changes to the Clerks Award are an outrageous attack on the take home pay of office workers across Australia. The changes will see the abolition of overtime pay, penalty rates on public holidays, annual leave loading, rosters, paid breaks and a whole range of other hard-won allowances. It’s a full-scale attack on the rights of one million hard working people.

“Every office worker in the country should be concerned about this - big business is planning to cut penalty rates and overtime for admin workers, the backbone of Australian business. Workers having their penalty rates stripped and being forced to do unpaid overtime would be devastating to take-home pay during a cost-of-living crisis and set a dangerous precedent for every other award in the country.

“We’ve seen this playbook before, cut wages and conditions bit by bit until there’s nothing left. The ASU will fight tooth and nail to stop it. Workers can’t afford to go backwards.”

Comments attributable to FSU Assistant Secretary, Nicole McPherson:

“If big businesses get their way to vary the Banking, Finance and Industry (BFI) Award to include an ‘exemption rate’ clause, this will allow employers to pay an annualised salary (a flat rate) to replace penalty rates, overtime, allowances and annual leave loading.

“The kicker is that this annualised salary would have 50 hours built into our normal working week. This means we could be expected to work an additional 12 hours per week. Make no mistake – we would be far worse off under this proposal.

“Finance workers are already doing it tough and struggling with the cost of living. Big business doesn’t care and would not be proposing this change unless they thought it would result in bigger profits for themselves.”

Comments attributable to SDA President, Michael Donovan:

“The retailers’ assault on long established working conditions puts at risk the quality of working lives for the million-plus hard-working retail employees whose working conditions are underpinned by the retail award and now potentially that of millions more Australian workers in other industries.

“This week and over the long weekend public holidays many retail workers will be working hard in extremely busy stores while the rest of the community is taking time off.

“It is absolutely shocking and unacceptable that big business groups want to cut their wages and remove the conditions that recognise their hard work on late nights, weekends and public holidays.”

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