media release

ACTU
australian council of trade unions

Thursday, August 28, 2025

Unions welcome penalty rates protection for Australian workers

The ACTU welcomes the Senate's passage of the Albanese Government's Bill to protect penalty and overtime rates for Australian workers.

The new provisions will safeguard penalty and overtime rates as part of changes to the Fair Work Act.

The passage of the Bill means that large employer lobby groups can no longer seek to win so-called "exemption rate" clauses in modern awards, which pay employees a higher base rate of pay, but scrap their penalty and overtime rates, leaving them worse off overall.

The legislation follows recent attempts by big employer lobby groups to erode workers' overtime and penalty rates in the retail, administration, banking and finance sectors through applications to the Fair Work Commission.

Prior to the new legal protections, clerical workers stood to lose up to $7,000 a year in entitlements and individual retail workers were at risk of being $5,000 a year out of pocket, if employer group attempts were successful.

Millions of workers who work irregular hours will benefit from the new protections, including those who rely directly on modern awards for their pay and conditions, as well as those with collective agreements and employment contracts underpinned by such awards.

Quotes attributable to ACTU Secretary, Sally McManus:

"Penalty rates are an essential part of working Australians' take-home pay.

"They compensate people for working unsociable hours and giving up time away from family and loved ones.

"Protecting penalty rates also protects the weekend. The minute employers can pay people the same no matter the day they work, Australians can kiss goodbye the weekend.

"Unions welcome the Albanese Government delivering on this election promise. Without these laws, workers in retail, admin, banking, and finance would stand to lose thousands of dollars a year under proposals by big employer lobby groups.

"Workers' pay will no longer be at risk from employers engaging in a race to the bottom to strip away basic protections needed to maintain the services we all rely on."

ENDS

Media Contact: Cameron Warasta (0447) 159 467