

# Australian election: Labor's posturing on penalty rates covers up real record on jobs, wages

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24 April 2025

Prime Minister Anthony Albanese declared on Saturday that a re-elected Labor government would introduce legislation to prevent any future attempt by big business to remove weekend, public holiday and after-hours penalty rates from industrial awards.

The proclamation, timed to coincide with the Easter four-day weekend, was aimed at bolstering the Albanese government's fraudulent claim to have improved the wages and conditions of workers during its first term in office. In reality, the Labor government has presided over the worst fall in working-class living standards in decades, while also carrying out multiple attacks on the basic democratic rights of workers.

The announcement came after major retailers, banks and other businesses sought to abolish penalty rates in the awards, which are set by the Fair Work Commission (FWC) and lay out minimum pay and conditions for each job classification in a given industry.

While not all workers are employed under awards, changes to these minimum standards would have a broader impact across the working class. Enterprise bargaining agreements cannot legally be approved by the industrial court if, at the time of signing, they would leave any employee worse off than the relevant award.

Labor's proposed change would not protect workers from the elimination or slashing of penalty rates. It would simply require businesses wanting to attack those entitlements to engage in enterprise bargaining, which in most cases involves at least one union.

This kind of wheeling and dealing behind the scenes to trade off workers' hard-won conditions for nominal pay increases is a central aim of the enterprise bargaining system, which was set up by the Hawke-Keating Labor government in collaboration with the Australian Council of Trade Unions (ACTU).

Labor's announcement was predictably hailed by union officials. Workers have been bombarded online with advertisements urging them to thank Labor and the unions for the penalty rates they were earning over the Easter long weekend instead of spending time with their family and friends.

The Australian Council of Trade Unions (ACTU) issued a

press release that spells out the cynical electoral motivations behind Labor's penalty rate promise. According to polling commissioned by the peak union body ahead of the announcement, "44 percent of Australians say they are more likely to vote for a political party with a policy to legislate to protect penalty rates, compared to 10 percent who say they'd be less likely to."

The ACTU provided examples of the financial impact on various workers, stating that a retail worker "on a typical roster cycle over Easter would lose \$353.21, an aged care worker \$632.52 and a paramedic \$742.56 if penalty rates were removed from their take-home pay."

These figures illustrate the enormous financial pressure on employees to work whatever unsociable and extended hours that the bosses demand. Amid an ongoing cost-of-living crisis, many workers have become dependent on penalty rates and overtime just to get by.

Almost 40 percent of workers—more than 4.5 million—regularly work on weekends, and almost one-third usually work extra hours or overtime, according to the Australian Bureau of Statistics (ABS).

Albanese claimed the penalty rates announcement set "a precedent for the Labor Party defending the rights of working people to have decent wages and conditions. That's something we've been doing since 1891... we have supported working people earning more."

But what is the real record of Labor and the unions, under Albanese or in decades gone by?

The Wage Price Index increased by 10.62 percent between the March quarter of 2022 and the December quarter last year—the most recent figures published by the ABS. Over the same period, the Consumer Price Index rose by 12.51 percent, while median advertised rents soared 41.3 percent for apartments and 26.21 percent for houses.

The Albanese government and its state Labor counterparts have spearheaded this attack on real wages. Since the March quarter of 2022, public sector wages have increased by an average of just 9.33 percent. This is a direct result of punitive wage caps imposed on health workers, educators and other

public sector workers with the vital aid of the unions, which have shut down numerous mass strikes and pushed through sell-out deals.

According to market research firm Roy Morgan, 1.83 million Australians, or 11.5 percent of the workforce, are now unemployed, compared with 8.1 percent in May 2022. A further 1.63 million are under-employed, meaning a total of 21.7 percent of workers have no work or not enough work.

At the same time, the phenomenon of workers needing to hold down two or more jobs to make ends meet has become more common than ever before. In December 2024, 6.7 percent of Australian workers—more than 1 million—reported having multiple jobs, up from 5.8 percent in December 2019.

Young people are most likely to have multiple jobs, with 9 percent of those aged 20–24 and 8.3 percent of 15–19-year-olds reporting this. Women are also disproportionately represented, with 7.6 percent holding more than one job.

Almost 200,000 healthcare and social-assistance workers hold multiple jobs, with close to 100,000 each in administrative and support services, education and training, accommodation and food services and retail.

For men, this is most common in construction, where 68,300 hold multiple jobs. This is a vast understatement, however, due to the prevalence in the industry of sole traders—individuals who are forced to operate as small businesses—to save big-business developers and contractors the cost of providing secure jobs and basic entitlements.

As well as presiding over the increasingly dire conditions faced by workers, the Albanese Labor government has introduced sweeping “reforms” to industrial relations law. Like the penalty rates announcement, these have been championed by the union bureaucracy as victories for the working class.

In fact, as the Socialist Equality Party has explained, these changes have been aimed at increasing the powers of the Fair Work Commission (FWC) to shut down disputes and impose management demands for wage cuts and attacks on conditions.

The starkest example of the Albanese Labor government’s hostility to the working class was last year’s imposition of administration on the construction division of the Construction, Forestry and Maritime Employees Union (CFMEU). This placed building workers under quasi-dictatorial state control, in a move aimed at shutting down the wage struggles of a historically militant section of workers.

Labor and the union bureaucrats now claiming credit for the introduction of penalty rates is not just a fraud; it is a deliberate attempt to cover over the historical reality.

Penalty rates, like the eight-hour day and all other industrial rights, were not bestowed upon workers out of the good nature of the ruling class. They were fought for and won through the class struggle, not just in Australia, but globally.

Sunday penalty rates, for example, were won by Australian workers in 1919, when strike activity in the country was at its highest-ever level, encouraged by the immense political

impetus given to workers internationally by the Russian Revolution in 1917.

Under these conditions, and in a period when the economy was highly regulated within a national framework, the unions were able to extract limited concessions for workers. But the vast expansion of globalised production, particularly in the 1980s, led to the transformation of the unions into corporatised representatives of “Australian capitalism,” tasked with imposing sweeping cuts to wages and conditions to make local industry “internationally competitive.”

The same punitive class-war measures imposed by Thatcher in Britain and Reagan in the US were implemented in Australia by the Hawke-Keating Labor government, with the full collaboration of the ACTU.

Since that time, the unions have kept industrial action to historically low levels, suppressing workers’ opposition to attacks on their working and living conditions. Aiding this, successive Labor governments have tightened draconian anti-strike laws and increased the powers of the industrial courts to shut down disputes and impose wage cuts, most significantly with the union-backed Rudd-Gillard government’s introduction of the Fair Work Act and the FWC in 2008.

This is the real history that Labor and the unions are trying to cover over in this election campaign. Above all, what they are determined to conceal is that the only way workers can fight for decent wages and conditions is through the class struggle.

To fight back, workers need to build new organisations, rank-and-file committees, completely independent of the union bureaucracy and Labor, and controlled by workers themselves. Through such committees, workers can link up their struggles across workplaces and industries, across Australia and globally, and prepare an industrial and political fight against the offensive on jobs, wages and working conditions.

Above all, what workers are up against is the capitalist system itself, in which all social needs are subordinated to corporate profits. To fight back, the working class needs its own mass socialist party, independent from and opposed to all of the capitalist parties. That is what the Socialist Equality Party is fighting to build.

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