



Australian Council of Trade Unions

MEDIA RELEASE

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Pay push for social & community workers: ACTU backs major new test case

Tens of thousands of low paid social and community services workers could receive pay rises of more than \$100 a week as a result of a landmark pay equity test case to be launched by unions tomorrow.

The case will be the centrepiece of a new push by Australian unions to reduce discrimination against women workers by lifting wages and creating better career opportunities across the workforce, but especially in the traditionally female-dominated 'caring professions'.

The case will be run by the Australian Services Union with the backing of the ACTU and aims to secure pay rises for workers in the female dominated non-government social and community services sector.

It aims to flow on to the rest of the nation an historic decision in Queensland this year, which resulted in wage increases of between 18% and 37% for workers in the sector.

The case will be a major test of the equal pay objectives of the Rudd Government's new Fair Work IR laws, with unions seeking pay parity with workers who do similar work to employees in the non-government sector.

Almost 90 per cent of the sector's 300,000-strong workforce is female and most are paid less than \$20 an hour.

These are people who keep our communities together by providing accommodation and support for people with disabilities, crisis accommodation, counselling, home care, as well as family day care for children.

"For far too long, the work of women in the social and community services sector has been undervalued," said ACTU President Sharan Burrow.

"These people do difficult, complex work that is essential to our community. It is time we abandoned the view that the work of caring for each other is somehow less important just because it is mainly women who do it.

"Equal pay for work of equal value must be an over-riding principle in the modern workforce.

"It is scandalous that workers in the non-government sector currently earn up to 30% less than those doing similar jobs in the public sector.

"The poor pay and lack of recognition for their work means the community sector has chronic problems attracting and retaining skilled, experienced and qualified staff to deliver these important services.

"Burn-out rates and staff turnover are high, and the work is emotionally wearing.

"These workers are committed to their jobs because of a passion for helping people, but that does not mean that they should be underpaid for the important work they do. They have the same bills and financial pressures as everyone else.

"Unions are confident that the pay case and new award would lead to a revitalisation of the community services sector.

"Improving pay and conditions would help attract and retain the best staff — improving the quality of care for the most vulnerable in our community. It would also help deliver efficiency gains and achieve better outcomes for disadvantaged Australians, promoting greater social inclusion."

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Further information

Box 10.5 Pay gaps between NFP and government positions

It was frequently noted that in the community services sector, gross wage rates were significantly lower in NFPs compared to government agencies and, as a consequence, many staff were moving to government positions.

- In Victoria, due to limited funding, NFPs could only offer wages \$10 000 to \$15 000 below comparable government organisations (Precision Consultancy 2007).
- In 2008 there was an estimated wage disparity of up to \$20 000 between public and community sector workers in the ACT (ACTCOSS 2008).
- Community services workers in WA were found to be paid up to \$22 000 less than similar positions in the public sector in 2007. Only around a third of organisations offered 'salary packaging' to compensate for this wage gap (WAAMH et al. 2008).
- Family Relationship Services Australia estimates:
... that the average difference in salary between staff employed in direct service delivery in the community sector and those performing similar work in the public sector is between \$15,000 and \$30,000 per annum for each full time equivalent position. (sub. 132, p. 9)
- Around 90 per cent of SA workers agreed with the statement 'Sector Award rates are 10-25 per cent less than Government Awards' (Carson, Maher and King 2007).
- The Australian Council of Social Services estimated:
... a gap of between 20-30% for similar roles in community as opposed to government sectors. This gap widens to as much as 40–50% for senior policy experts and managers. (sub. 118, p. 32)

These wage gaps do not take into account FBT concessions available to some NFPs. However, it should be noted that FBT concessions are not universal. Some workplaces do not offer 'salary packages' and some employees do not take up the offer.

Sources: ACOSS, sub. 118; ACTCOSS (2008); Carson, Maher and King (2007); FRSA, sub. 132; Precision Consultancy (2007); WAAMH et al. (2008).

Source: *The Not for Profit Workforce, Draft Report, Productivity Commission, 2009*