

## **FAST FACTS: EQUAL PAY CAMPAIGN**

### **What is the equal remuneration case?**

In March 2010, unions representing social and community sector and disability workers lodged an application for an equal remuneration order with Fair Work Australia.

The application aims to increase the pay of workers covered by the Social, Community, Home Care and Disability Industry Award (formerly SACS award). It was brought by the Australian Services Union, Health Services Union, Australian Workers Union, Liquor, Hospitality and Miscellaneous Union and Australian Education Union; and is based on a similar case run successfully in Queensland in 2009.

### **Equal to what?**

The Fair Work Act 2009 introduced changes that enhanced the ability of Fair Work Australia to make orders that provide for pay equity between male and female employees. The Act now refers to a right to equal pay for work of *comparable* value as well as *equal* value. This reflects the approach already taken in many states and territories.

In this case, it refers to the difference in pay for similar work, such as the wages of social workers in not-for-profit community organisations compared with those in government agencies; as well as comparable work undertaken in community organisations as compared with other industries and sectors.

### **How many people are employed in this sector?**

In 2006 there were approximately 268,400 people employed (220,800 full time equivalent) in community services industries in Australia, representing 2.6% of all employed persons across all industries.<sup>1</sup> This translates to 1,403 full time equivalent community service workers per 100,000 people in Australia.

The number of people employed in community services industries increased by 16% between 2001 and 2006. This compares with a 12% increase across all industries. Employees in community services were predominantly female (87%).

### **How much are community sector workers currently paid?**

The award rates of pay for social service and community sector workers are very low. As there are very few enterprise agreements in the social services and community sector, many organisations pay at or only slightly above award wages.

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<sup>1</sup> Australian Institute of Health and Welfare, 2007: Australia's Welfare 2007. Canberra, AIHW



### **Pay rate comparisons**

A social worker working around 38 hours per week earns roughly \$800 per week in the community sector compared with over \$1000 in government or for-profit sectors.<sup>2</sup>

A child care worker working just over 38 hours per week earns \$646 per week in the community sector but could take home as much as \$30 more per week working elsewhere.

### **What makes this case different to other wage claims?**

This landmark case is vital for the sustainability of social service organisations. For many years ACOSS has reported the increasing challenges of attracting and retaining staff in the not-for-profit community sector. Many prospective employees are dissuaded from accepting employment due to the low salary rates of the *Social, Community, Home Care and Disability Services Award 2010* (SCHCADS) (formerly SACS). Even for dedicated workers already in the sector, the growing pressure to work longer hours to meet the needs of increasing numbers of clients is becoming untenable.

The effectiveness and sustainability of social services is being increasingly undermined by the sectors' dwindling capacity to attract and retain staff. Decent wages are crucial to ensuring that these vital services continue.

### **How will services pay increased wages?**

Social services in Australia are already seriously under-funded. The Productivity Commission has found that government contracts routinely cover only 70% of the cost of services provided by not-for-profit social services.<sup>3</sup> In ACOSS' annual survey we found that one in 16 people were turned away by services that could not meet their needs. Of people turned away, the greatest proportion were seeking youth and youth welfare services (44%), and financial and material support (35%).

Community sector workers deserve decent, market-based wages. Yet not-for-profit community organisations that are already struggling to meet increasing numbers of clients simply cannot fund wage increases on their own. That's why it is vital that State, Territory and the Commonwealth governments commit to fully funding any wage rises out of new funds provided to organisations for this purpose.

Additionally, there are many organisations providing crucial services without government funding. Philanthropic organisations and private funders must keep in step with these changes by recognising that fair and decent wages are essential for the sustainability of the services they enable through financial and other support.

ACOSS will continue to advocate for full funding of any wage decision in this case. You can support our campaign by signing onto a sector-wide statement – go to [www.acoss.org.au](http://www.acoss.org.au).

<sup>2</sup> Australian Institute of Health and Welfare, 2007: Australia's Welfare 2007. Canberra, AIHW

<sup>3</sup> Productivity Commission, *Report into the contribution of the not-for-profit sector*, January 2010.