



## GOVERNMENTS MUST COMMIT TO FULLY FUNDING COMMUNITY SECTOR WAGE RISES

On 30 June, the Commonwealth Government is due to make its final submission to Fair Work Australia in the ASU's application for an equal remuneration order for community sector workers.

It is vital that the Commonwealth Government commits to fully funding the outcome of the case, ensuring wage rises in line with the Queensland decision in 2009. This has the potential to impact significantly on FWA's decision because - unlike the Queensland Industrial Relations Commission - FWA is bound to consider the impact on the economy and employment in their deliberations. If they are persuaded that the Commonwealth will not fund (or fund fully) their decision, that may reduce the scope of any decision FWA makes.

The Queensland, South Australian, West Australian and Victorian governments have already committed funding for higher community sector wages following this case. We need commitments from the Commonwealth and all remaining Australian governments to fully fund decent wages for community sector workers.

**Employers must be heard supporting the case for decent wages and the campaign for funding of those wages.** ACOSS has prepared materials to assist you in contacting MPs to seek their support for commitments to fully fund the outcome of the equal remuneration order before Fair Work Australia.

- First, **write to your Federal MP** outlining why the case before Fair Work Australia is so important. Template letters are available from the [ACOSS website](#).
- Once you have written, follow up your letter with phone calls to MP's electorate and Parliamentary offices, using the talking points below.

### ***Talking Points for conversations with local MPs and their staff in electorate and Parliamentary offices***

- Explain what your service is/does and where it is located in the MPs electorate.
- State how long you have been in that electorate.
- Indicate how many clients you see in a week/month/year.
- Explain how many clients you have to turn away, or provide with limited services, because you do not have the resources to meet their needs fully?
- Talk about how many staff you employ.
- Describe any challenges you have in attracting and retaining staff. For example:
  - What is your annual staff turn-over?
  - How many positions do you have unfilled?
  - Have you reduced your number of staff because of inadequate funding?
- Confirm how important it is that the equal pay case before FWA addresses the pay disparity in this sector – **but that it will only be effective** as long as governments and all who support the sector commit to increasing funding for higher wages.



## **FAST FACTS: CAMPAIGN FOR FUNDING EQUAL PAY FOR COMMUNITY SECTOR WORKERS**

### **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. 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.

#### *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.

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. In the 2010 *Australian Community Sector Survey*, ACOSS found that 71% of respondent agencies indicated that low salaries made attracting and retaining staff more difficult. This finding reflected a steady growth over 5 years in the number of organisations facing this challenge. 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. The ACOSS *Community Sector Survey* 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.

### What else can I do to support equal pay for community sector workers?

ACOSS will continue to advocate for full funding of any wage decision in this case. There are many things you can do to help.

- **Write to your Federal MP and state/territory MPs** calling for Government commitments to fully fund community sector wages in line with the Queensland decision, following the FWA decision. [See ACOSS for template letters.](#)
- **Follow up your letter with phone calls** to the MPs electorate and Parliamentary offices. [See ACOSS talking points.](#)
- **Sign your organisation up to the Joint Statement of support for community sector equal pay**  
Join over 400 organisations across the country and sign [this statement](#) to show your support for the equal remuneration case and the campaign for funding of wage rises. To sign up, email your organisation's name, location and logo for inclusion in campaign materials to: [SectorDevelopment@acoss.org.au](mailto:SectorDevelopment@acoss.org.au).