



Vital Services ***Decent Pay***

The campaign to ensure government will fund the wage outcomes that may flow from the pay equity case

CAMPAIGN UPDATE **May 2011**

Campaign goal

SACOSS seeks the provision of new and full funding (for all contracts-for-services and grant funding) of any wage increases awarded by Fair Work Australia in the application for an Equal Remuneration Order for social and community service workers

Equal Pay Confirmed

In a historic decision on 16 May, Fair Work Australia recognised that the 20,000 community sector workers in South Australia deserve equal pay.

A decision on any dollar figure for a pay increase has been deferred, with FWA calling for further evidence from the parties on the extent to which wages in the SACS industry are lower than they would otherwise be because of gender considerations.

Funding is still the critical issue, and SACOSS has been calling on the state and federal governments, as the primary funders of these services, to step up to the plate and assume responsibility.

For a copy of the full decision visit
www.fwa.gov.au/sites/remuneration/decisions/2011fwafb2700.htm

Vital Services
Decent Pay

**SACOSS**
South Australian Council
of Social Service

Equal pay decision validates claim of underpaid community workers

SACOSS welcomes Fair Work Australia's (FWA) decision, announced 16 May, recognising that the 15-20,000 community workers in South Australia are not paid equally for the work they do.

FWA stated that, "for employees in the SACS [social and community services] industry there is not equal remuneration for men and women workers for work of equal or comparable value by comparison with workers in state and local government employment."

We congratulate Fair Work Australia for sending such a strong message on the value of this vital work. Base rates for a degree-educated community sector worker in South Australia begin at \$39,000. This is a long way from the \$53,820 publicised last week as the average Australian wage.

Social and community service workers provide vital support to South Australians in need. These range from community centres, women's, child, youth and family support services, to migrant and refugee services, community legal centres, health and mental health services, indigenous services, home and community care services....the list goes on.

We know the pay gap between community sector workers and those doing equal or comparable work is irrefutable. The tribunal has accepted this. And with 85% of the community sector workforce women, this constitutes a significant gender pay gap.

A decision on any dollar figure for a pay increase has been deferred, with the FWA calling for further evidence from the parties on the extent to which wages in the SACS industry are lower than they would otherwise be because of gender considerations. This evidence will be key in determining what kind of remedy FWA proposes to the problem of unequal pay for community sector workers.

Responsibility for this pay gap is widespread, and includes the many sources of funding that go to the community sector to deliver vital services on behalf of government. There's no doubt that funding will be the critical issue, and SACOSS has been calling on the state and federal governments, as the primary funders of these services, to step up to the plate and assume responsibility.

It is everyday South Australians who will suffer if the community sector is not properly funded to do its work—and the work is most often outsourced from government.

Philanthropic organisations and individual benefactors must also realise that funding from these sources will need to increase.

National Day of Action

It is imperative that we continue to work together to secure full government funding for the wage increases that we anticipate.

We must turn out in our thousands for the ASU's National Day of Action to ensure that federal, state and territory governments commit to funding the wage increases that are on the way.

Wednesday 8 June
12 noon

Adelaide Town Hall, King William Street

For more details about the Day of Action visit
www.asu-sant.asn.au/news

What you can do

Write to the Treasurer

The State Budget is imminent—Thursday 9 June.

It is essential that you write to the Treasurer **today** asking the state government to guarantee it will fund the outcomes of the pay equity case.

The Hon Jack Snelling MP
Treasurer of South Australia
GPO Box 2264
Adelaide SA 5001

Dear Treasurer

Some of the following ideas might help the Treasurer understand the need for government to guarantee adequate funding for any increases in wage costs:

1 The sustainability of the services provided by the majority of community organisations depends upon higher wages and the ability to attract an experienced, quality workforce.

Provide examples of your difficulties with worker attraction and retention.

You may wish to cite an example of:

- *Recruitment difficulties*
- *Low salaries*
- *Poor retention rates*
- *Challenges in staff development and promotion*

2 Higher wages can only be given through additional funding.

Community services tend to be labour intensive, which means that wage rises, like those arising from the Queensland pay equity case (17-34% increases), will have a profound effect on all community organisations' bottom lines. For an organisation with a \$2m a year turnover (assuming conservatively that 70% of its expenditure is wages), the extra cost of a 20% pay increase will be \$280,000 per year. For large organisations with a turnover of \$50m per year, the figure rises to \$7m per year.

It would be helpful to state your annual turnover and how much the extra cost of a 20% pay increase will be (assuming 70% expenditure on wages).

3 If government contracts-for-services and grant funding do not increase to cover the rapidly approaching wage increases, the impact on the services our organisations provide will be devastating. Many services will be cut, resulting in loss of support for the vulnerable and disadvantaged people who rely on them.

Provide an example of an important service your organisation provides which relies on maintaining current staffing levels. How many clients could be affected by a funding shortfall?

Please send SACOSS copies of any letters you send, or information about any meetings you arrange, as this helps with our overall campaign planning.

—send your information to jo@sacoss.org.au or heather@sacoss.org.au

What you can docontinued

Make a pledge of financial support for the campaign
With the support of its members, SACOSS is providing overall coordination of the campaign.

STOP PRESS: Assistant Treasurer Bill Shorten commits to funding

Assistant Treasurer Bill Shorten commenting on funding equal pay on ABC's Q&A program, 7 May 2011:

TONY JONES: Let's assume that the number is very big. Is the government prepared to delve into the budget somewhere and find a very large sum of money?

BILL SHORTEN: We will have to deal - we will have to deal with it, so the answer is yes.

View the program and read the transcript at
www.abc.net.au/tv/qanda/past-programs-by-date.htm

Campaign Contacts

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Thanks to ACCare, Anglicare SA, Australian Refugee Association, Bedford Industries, Camden Community Centre, Carers SA, Centacare Catholic Family Services, Centacare Catholic Family Services CDPP, Community Business Bureau, Community Centres SA, **Community Housing Council of SA**, Drug Arm Australasia, Health Consumers Alliance of SA, Hepatitis C Council of South Australia, Individual Supported Accommodation Service, Joyce van der Sman, Life Without Barriers SA, Lutheran Community Care, Mental Health Coalition of SA, Mental Illness Fellowship of South Australia, Multicultural Communities Council of SA, Network SA, Northern Suburbs Housing Co-operative, OARS Community Transitions, Parkinson's South Australia, Relationships Australia (SA), Safer Communities Australia, Shelter SA, SHine SA, Skill Teaching and Resources, Southern Junction Community Services, SPARK Resource Centre, St John's Youth Services, The Women's Housing Association, UnitingCare Wesley Adelaide, UnitingCare Wesley Bowden, UnitingCare Wesley Port Adelaide, **West Coast Youth Services**, Working Women's Centre SA, Youth Affairs Council of SA for their pledges of financial support for the campaign.

**Names in red have pledged since our last update!*