



# Vital Services

## ***Decent Pay***

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

Resource kit for community sector organisations

*Vital Services, Decent Pay: Resource Kit for community sector organisations*  
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1 Snapshot

## How you can help

3 Writing to Members of Parliament

5 Meeting with Members of Parliament

## Useful resources

7 More information about the campaign

9 Q&A: how to respond to objections

13 Briefing: Funding Vital Services (handout for MP visits)

15 Contact list for MPs

17 Checklist for advocacy activities

19 Useful links

# Contents

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Page 7, Australia Post for Our Community <[www.ourcommunity.com.au](http://www.ourcommunity.com.au)>

# Vital Services, Decent Pay



## The campaign to increase government funding of wages in the community sector

The community sector faces an unprecedented challenge in 2011: paying for the wage increases we can anticipate will flow from the equal remuneration case before Fair Work Australia. It is imperative to convince both state and federal governments to support the community sector by making funds available to meet the likely increases.

This is a campaign by the sector, for the sector. We need as many community organisations as possible to join us – across the state as well as nationwide.

The campaign is essential for three reasons

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.

2

Higher wages can only be given through additional funding – the equal remuneration case is only the first step in this strategy for workforce development.

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.

To safeguard your organisation's future:

- Write to Members of Parliament today
- Organise meetings with MPs as soon as you can

*Use this resource kit to get all the information you need.*

For further assistance, contact the SA Council of Social Service –  
[sacoss@sacoss.org.au](mailto:sacoss@sacoss.org.au) or 8305 4222

# Snapshot



# Tips for writing letters to Members of Parliament



**As an organisation with a core interest in the outcomes of the equal remuneration case, you can have a lot of impact through the act of writing a letter to your local political representative.**

*To help us keep the campaign organised, PLEASE send to SACOSS copies of any letters you send to your MP.*

If you are not sure who to send your letter to, feel free to contact SACOSS and we can assist.

We have devised a list of priority contacts so we can help you identify which MP might be most appropriate for your letter.

## **The most effective communications with your local Member or relevant Minister should:**

1

Be as short and to the point as possible.

2

State the problem clearly (best to address just one problem at a time).

3

Be as direct and concrete as you can – it is facts, concrete examples, details about your organisation and the problem you are dealing with that will help them understand the problem and the solution.

4

End the letter with something like: 'I look forward to hearing back from you soon' – it is important to make it clear that you expect them to respond. Ideally, you would also request a meeting to discuss the issues in more detail.

# How you can help

### **Some of the following ideas might help your local Member or relevant Minister 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 65% of its expenditure is wages), the extra cost of a 20% pay increase will be \$260,000 per year. For large organisations with a turnover of \$50m per year, the figure rises to \$6.5m per year.*

- It would be helpful to state your annual turnover and how much the extra cost of a 20% pay increase will be.

**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.

## Meeting with Members of Parliament



***Once you have written letter/s to your MP, it would be helpful to follow up with a visit.***

- Telephone each MP and seek appointments to meet and discuss the campaign for funding.
- Before your meeting you may wish to review the documents in the *Useful Resources* section of this kit, particularly “More information about the campaign” and “Q&A: how to respond to objections”.
- It is worthwhile taking a one page summary of your key arguments to hand out at the meeting. Page 13 of this kit, ‘Briefing: Funding Vital Services’, has been created for this purpose (the page itself is unnumbered).
- At the meeting, your objective is to secure commitment from the MP to support the need for increased funding of wages —

“We call on state and federal governments to commit to provide new and full funding—for all contracts-for-services and grant funding—of any increases awarded by Fair Work Australia, in the application for an Equal Remuneration Order for social and community service workers.”

It is important to follow up your meeting with a letter seeking confirmation that the MP has taken the support action promised.

See the Checklist at the end of this kit for other recommended actions following your meeting/s.





## More information about the 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 the 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.

There is compelling evidence that the work performed is undervalued for gender-based reasons. These include that employees in community services are predominantly female (87%), are employed in small workplaces that are difficult to unionise, and are engaged in work that is care work and so tends to be undervalued. Furthermore, funding models undervalue the work, and changes in work value have not been recognised. This is the basis of the equal remuneration claim.

This case will include examination of 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 service industries increased by 16% between 2001 and 2006. This compares with a 12% increase across all industries.

# Useful resources

### *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.

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

This landmark case is vital for the sustainability of social service organisations. For many years the Australian Council of Social Service (ACOSS) and SACOSS have been reporting 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 (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 sector's 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. In the *ACOSS Community Sector Survey 2010* it was 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 the federal, state, and territory 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.

Finally, the current wage gap between community sector jobs paid at award rates and comparable jobs in other industries paid higher rates under collective agreements grows with each passing year. Unless wage and funding policies change, the problem of undervaluation and uncompetitive wages will simply get worse.

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[www.acoss.org.au/equalpay/funding\\_campaign\\_resources\\_kit](http://www.acoss.org.au/equalpay/funding_campaign_resources_kit)

SACOSS will continue to advocate for full funding of any wage decision in this case.



## **Q & A : How to respond to objections**

You may find that there are some common objections to increasing funding for wages of community sector organisations. These might be raised when you meet with local Members of Parliament, public servants or other representatives of government, when you speak to private funders, get attention in the media, or in discussion with other individuals and organisations during this campaign.

Here are examples of objections that might be raised, and some answers you can give.

### **1** *The government can't afford to pay higher wages.*

The government has to afford it. If the sector is unable to recruit and retain employees then services will fail. Government cannot afford for services to fail.

### **2** *People work in the not-for-profit sector because they care. Isn't that enough?*

It is generally the case that community sector workers have made an active choice to work in the community or not-for-profit sector. This can be for a range of reasons including the ability to make a demonstrable difference. This does not mean that employees should be penalised for their choice. Once, working in the community sector meant a lower income than workers might have received elsewhere. Now, many community workers face wages that are so low they don't even cover the basic costs of housing, utilities and groceries.

Community organisations in regional and remote areas are particularly badly effected by inadequate pay, simply because they operate in response to the needs of their communities. Those needs are often heightened by the city focus of many governments. Just because governments do not operate in a regionalised manner, services and workers should not have to make up the shortfall simply so that they can respond appropriately and effectively to their communities' needs.

**Q & A**

### **3** *If workers don't like it, they can go somewhere else.*

The reality is that people are going elsewhere. This is causing a crisis for the sector and is leading to a future in jeopardy. Organisations are being faced with a real problem about how to get people to work for them to provide services, and then how to keep them.

Employees in many areas are finding that they cannot afford to keep working for the wages that are currently being paid. Our task is not to send good employees away but to provide an environment where they want to stay.

It is also the case that for many workers in regional and rural areas the job they have is the only one of its type in that area. Leaving may often mean social, familial and community dislocation. This type of worker should not be penalised for working in an area that otherwise has few services. Nor should they have to leave their communities vulnerable in order to access a living wage.

### **4** *If the right people want to work for you, they will.*

That may be the case. People will work for us if they can. It helps if the workplace is an attractive one. The ASU *Building Social Inclusion Report 2007* found that 52% of workers could not commit to staying in the community sector beyond the next five years, and the higher level of pay offered elsewhere was the single biggest reason for this inability to commit. In the same report, 77% of managers nominated low wages as the main barrier to attracting and retaining staff. This, coupled with high turnover of staff, means that services are increasingly under pressure.

### **5** *You must be doing something wrong if you are unable to recruit and retain suitable employees.*

That is not the case. Many organisations put a lot of effort into their recruitment processes but find that the low wages available actively prevent suitably qualified people from applying. In the *ACOSS Community Sector Survey 2010*, 71% percent of respondent agencies indicated that low salaries made it more difficult to recruit suitably qualified applicants.

As well as the wage component, there are other incentives to work in government rather than the community sector—such as the availability of portable long service leave.

### **6** *Why don't you offer more money?*

We would if we could. We do not accept that the current wages we pay reflect the worth of the work performed in the current employment climate. The community sector comprises non-profit organisations that rely on government funding for their core functions. Because we deal with vulnerable and disadvantaged communities and individuals we are unable to charge a fee for our services in many cases.

Communities are overstretched in how much they already give. We are providing services which hold our communities together; we should be resourced properly to enable this to happen. This is the role of government.

### **7** *Why don't you offer better conditions?*

We do our best. Management committees and boards in the sector are voluntary, and often have limited resources to properly investigate the ways in which we could improve conditions. The Pay Equity Inquiry conducted by the Queensland Industrial Relations Commission in 2007 found that enterprise bargaining in the community sector was very low because there is a lack of capacity to engage in the process or to offer above award conditions.

### 8 *Why don't you use volunteers?*

We often do use volunteers in this sector. Indeed the sector relies heavily on volunteers for its existence. The reality is that there is also a need for paid workers to provide particular skills in a regular way.

### 9 *Volunteers don't get paid at all.*

That is correct. They do make a significant contribution to the ability of organisations to sustain themselves and continue in the community. However, volunteers should not be expected to carry the entire load of service organisation, delivery and development.

Additionally, some communities are so stretched that volunteers may be unable to address the full range of need.

### 10 *Why not make your clients pay for their service?*

This is a sector that works with people and communities who are experiencing disadvantage. Most people who use our services do so because of this disadvantage and would be unable to pay for the assistance they receive. It is unreasonable to think that clients/service users/communities would be able to make such a payment.

### 11 *Shouldn't any increase in funding go directly to clients?*

We want the best services for clients and communities, and our organisations are focused on providing the most we can afford. The reality is that wages are a large component of our funding as we are a labour intensive sector. Because we want the best for our clients, we need to be able to attract people to the sector and be able to keep them. Employees need to be able to afford to work here, otherwise we will not be able to sustain our services.

### 12 *Public sector workers are more highly skilled*

This is untrue. A comparison of classification levels in community sector and public sector awards shows a high degree of similarity in terms of responsibility, delegation, and authority. It may be the case that with less ability for sector workers to access the infrastructure available to public sector workers, in many instances the skill levels are actually higher in the community sector. Workers in the community sector are more likely to hold a post-school or tertiary qualification than in most other industries.

It is the pay level that is low, not the skill level.

Additionally, one of the major difficulties in retaining workers is that they are actively recruited to the public sector because of their skills. Not only does this prove the value and skills of community sector workers, it also shows why inadequate wages are threatening the viability of community sector organisations.



# Briefing: Funding Vital Services

## *An Award Rate Increase*

- In an equal remuneration application currently before Fair Work Australia, workers in the community sector are being considered for an increase to award rates of pay.
- 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.
- It is based on a similar case run successfully in Queensland in 2009.

## *Vital Services = Decent Pay*

- The Productivity Commission (2010) has recognised that there is particularly poor pay in the community sector, recommending that funding for community services should include market-based wages.
- Most services are already struggling to attract workers. Low salaries are a significant barrier to the community sector's capacity to attract and retain staff.
- Demand for services already outstrips supply. Low retention rates and challenges in staff development and promotion are a contributing factor as they result in organisational stress and, subsequently, impact on supply.

## *Making Funds Available*

- The community sector faces an unprecedented challenge in 2011: paying for the wage increase we can anticipate will flow from the equal remuneration case before Fair Work Australia.
- It is imperative for both state and federal governments to support the community sector by making funds available to meet the likely increases.
- 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.

“We call on state and federal governments to commit to provide new and full funding—for all contracts-for-services and grant funding—of any increases awarded by Fair Work Australia, in the application for an Equal Remuneration Order for social and community service workers.”

For more information, contact the South Australian Council of Social Service —  
sacoss@sacoss.org.au or 8305 4222





## Contact Lists for MPs

*Get in touch with SACOSS for suggestions about who to contact.*

*We have devised a list of priority contacts so we can help you identify which MPs might be most appropriate.*

*sacoss@sacoss.org.au*

*08 8305 4222*

***Complete lists of addresses and email contacts can be found as follows:***

**South Australia**

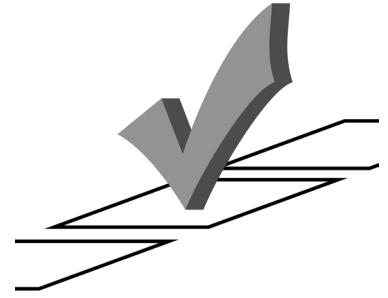
[www.parliament.sa.gov.au/Members/HouseofAssembly/Pages/ContactDetails.aspx](http://www.parliament.sa.gov.au/Members/HouseofAssembly/Pages/ContactDetails.aspx)

**Commonwealth**

[www.aph.gov.au/house/members/memlist.pdf](http://www.aph.gov.au/house/members/memlist.pdf)

# Contact





## Checklist for Advocacy Activities

✓	Action Taken	Date completed
<input type="checkbox"/>	Letter/s sent to Member/s of Parliament.	
<input type="checkbox"/>	Copies of sent letter/s forwarded to SACOSS.	
<input type="checkbox"/>	Meeting requested with Member/s of Parliament.	
<input type="checkbox"/>	Meeting confirmed with Member/s of Parliament.	
<input type="checkbox"/>	Meeting held with Member/s of Parliament.	
<input type="checkbox"/>	Commitment given by MP/s to support the need for increased funding of wages.	
<input type="checkbox"/>	Follow up letter seeking confirmation that MP/s has taken the support action promised.	
<input type="checkbox"/>	Follow up phone call to ensure the MP/s received the letter seeking confirmation that they have taken the promised support action.	
<input type="checkbox"/>	Follow up letter seeking information about the response received from government by MP/s.	
<input type="checkbox"/>	Phone call seeking meeting to follow up on that response.	
<input type="checkbox"/>	Information about the commitment forwarded to SACOSS, including: which MP/s, what response made, when, and any additional information.	

### Contact Us

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## Useful Links



### *SACOSS*

*[www.sacoss.org.au](http://www.sacoss.org.au)*

### *ACOSS Campaign*

*[www.acoss.org.au/equalpay](http://www.acoss.org.au/equalpay)*

### *Australian Services Union Campaign*

*[www.payup.org.au](http://www.payup.org.au)*

### *Fair Work Australia*

*[www.fwa.gov.au/index.cfm?pagename=remuneration&page=introduction](http://www.fwa.gov.au/index.cfm?pagename=remuneration&page=introduction)*

# Useful Links