



ACOSS Submission | July 2009

Australian
Council of
Social Service

Submission to House standing committee on employment and workplace relations

Inquiry into pay equity and associated issues related to increasing female participation in the workforce

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The Australian Council of Social Service makes the following submission to the Inquiry in regard to the social, health and community sectors across Australia Inquiry in regard to the social, health and community sectors across Australia.¹

The Australian Council of Social Service (ACOSS) is the peak council of the community services and welfare sector. ACOSS is the national voice for people affected by poverty and inequality. Through its network, ACOSS links community and welfare services in every corner of Australia by bringing together eight State and Territory Councils of Social Service which represent thousands of front-line community agencies and 57 national member organisations including:

- national peak organisations of consumers and service providers
- national religious and secular welfare agencies
- low income consumer groups

ACOSS's vision is a fair, inclusive and sustainable Australia where all individuals and communities have the resources they need to participate in and benefit from social and economic life. The aims of ACOSS are to reduce poverty and inequality by developing and promoting socially, economically and environmentally responsible public policy and action by government, community and business while supporting non-government organisations which provide assistance to vulnerable Australians.

ACOSS is concerned that federal legislation and federal awards relevant to the community services sector may have a detrimental effect on pay equity for women workers and an increasing impact over time in states/territories which have achieved positive award decisions recently. More than 80% of workers in the community services sector are women (ABS Labour Force, Australia, Detailed, Quarterly; Employed Persons by Industry Subdivision and Sex; May 2009).

The vast majority of the sector operates on a not-for-profit basis and is highly reliant on government funding for its operation.

¹ This submission was prepared on behalf of ACOSS by the Queensland Council of Social Service, with input from our employment policy advisers.

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These workers are more reliant on award wages because the organisations they work for are funded by Government and are reliant on current government funding levels to set wage rates. Historically, there has been little capacity for workers in this industry (who are predominantly women) to engage in collective bargaining. In the majority, the wages for the work they perform are derived from minimum rates awards.

The community services sector comprises a variety of types of services. These include:

Aged care	Housing services
Child care	Individual and family relationship counselling and support
Child welfare	Legal services
Community information and referral	Advocacy services
Community development	Disability services, including supported accommodation for people with disability
Community care	
Employment services	
Health services	

The community services and welfare sector exists in every region across Australia. It is a growing industry.

The community services and welfare sector workforce is predominantly female, with more than 80% of the workforce comprising women (ABS Labour Force, Australia, Detailed, Quarterly; May 2009).

Workers in the community services workforce are more likely to be employed on a part time or casual basis with 20% casual and 56% part time (ABS Australian Social Trends 2005).

Workers in the community services sector are more likely to have a post school qualification than other workers but have lower weekly income (ABS Australian Social Trends 2004). Almost 75% of workers earn less than \$41,599 per annum. For example, the average weekly wage of direct care workers in Queensland is around \$400 per week (QCOSS Queensland Community Sector Mapping Report, May 2006), and it is expected that this would be reflected across the country.

In 2007-08 staff turnover ranged from 17% in large organisations (more than \$5,000,000) to 31% in small organisations (less than \$1,000,000). Among employer respondents to the ACOSS survey cited below 64% indicated that they had experienced difficulty in attracting suitably qualified employees to their organisation. Respondents to the ACOSS survey (62%) named workforce issues as one of three most important issues faced by their service, with a significant proportion of respondents expressing concern about wage levels and attracting and retaining appropriate staff (ACOSS Australian Community Sector Survey 2009).

These problems are exacerbated by the ever widening gap between community sector workers and their colleagues employed by state government and/or local authorities who are doing equivalent work. This latter group of workers receive far higher levels of remuneration. This disparity has occurred because of enterprise bargaining and the ability of government bodies to afford wage increases.

There is limited capacity for collective bargaining to occur in the sector, and very few instances of over award payments being made to employees. The vast majority of workers receive minimum award rates of pay, and a relatively small minority of workers joining and participating in their union. The traditionally low unionisation rates are partly a reflection of the gender composition of the sector and the nature of the work performed, and limit the capacity of workers in our sector to remedy pay inequity through collective bargaining.

Increased levels of funding are needed to raise wages in this sector to reduce the social and financial expense of turnover. High staff turnover rates in the sector lead to a loss of knowledge and skills and higher workloads due to unfilled vacancies. These factors adversely affect the quality of the services provided.

On 6 May 2009 the Queensland Industrial Relations Commission (QIRC) made a landmark decision for a new award, the Queensland Community Services and Crisis Assistance Award - State 2008, which includes strong pay equity principles. The QIRC decision recognises the value of the work that sector contributes to the community and could be the national benchmark. The decision of the QIRC is attached for your information.

The federal system includes no detailed pay equity principles, as is the case in the Queensland system. A significant proportion of the organisations in the sector are trading corporations and therefore subject to the federal system. As a consequence, workers working in organisations covered by the federal system will be paid rates of pay which do not recognise the inherent inequity that has existed in rates of pay for workers in the community sector for many years. The QIRC decision recognised that this inequity was a result of the historical undervaluation of the work performed because of the high proportion of women working in the sector.

Conclusion

We submit that addressing pay inequities for women in Australia should be a priority to ensure that the pay gap does not continue to widen. We further submit that the recommendations outlined in this submission should be considered and adopted by the Inquiry. In particular, the recent decision of the QIRC in relation to the Queensland Community Services and Crisis Assistance Award – State 2008 should be considered by the Inquiry as the national benchmark to ensure the work done by the community services sector is properly reflected in improved wages and conditions, and to facilitate similar progress in other states and territories.

Recommendations

To ensure that the gender gap does not continue to widen as a result of the federal industrial system a range of options needs to be considered. These are grouped below.

Legislative and regulatory change

1. The Fair Work Act 2008 should be amended to provide for a pay equity principle similar to that provided for under the Queensland Industrial Relations Act 1999.

2. In undertaking the award modernisation process that will affect the community services sector, the Government and Fair Work Australia should take into account the Queensland Industrial Relations Commission (QIRC) decision in the matter of the Community Services and Crisis Assistance Award - State 2008, referred to above. Award rates in the modernised award should reflect the rates provided for in the Queensland Community Services and Crisis Assistance Award – State 2008, which resolved a number of the pay equity issues faced by workers and organisations in the sector in Queensland until recently.

Research

3. The Government should consider developing a longitudinal study, tracking wages and conditions of work in the community services and welfare sector to maintain a consistent approach in achieving pay equity. The study should compare wages in the community sector (which is predominantly female) with wages in comparable sectors which have a higher proportion of men (for example, government services).

4. A Pay Equity Unit could be established within Fair Work Australia that would have responsibility for educating and coordinating pay equity issues across government, the community sector and the private sector.

Administrative

5. Funding for community services should recognise the actual costs of providing quality services, especially adequate wages to attract and retain skilled staff in keeping with pay equity principles, and increases in wages achieved through industrial awards and collective bargaining.