

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Budget Estimates 2013-2014**

**Outcome 1 - Early Childhood, Working Age and Indigenous Participation**

**DEEWR Question No. EW0204\_14**

**Senator Xenophon asked on 5 June 2013, Hansard page 45**

**Question**

**Early Years Quality Fund - pay equity and competitive neutrality**

Senator XENOPHON: Has this scheme been referred to or considered by Fair Work Australia? Ms Taylor: No. As part of the budget measure a Pay Equity Unit will be established in Fair Work Australia. I am not sure if we covered that last night. Ms Paul: We covered it a bit. Basically the announcement also covered the establishment of a Pay Equity Unit inside the Fair Work Commission. Senator XENOPHON: So the implications of this will be considered down the track by Fair Work Australia? Ms Paul: It is not so much that. There are two parts to the one announcement. The Pay Equity Unit inside the Fair Work Commission will have a broader remit than simply the childcare sector. It will certainly undertake research and data collection to inform matters related to pay equity and inform the modern award reviews et cetera but not necessarily on this particular fund. Senator XENOPHON: If, for arguments sake, 40 per cent of the sector gets a pay rise and the other 60 per cent does not, will those who did not get the pay rise be able to go to Fair Work Australia and say, 'We missed out. There is a pay equity issue here and, therefore, that is part of our case to get the pay rise'? Ms Paul: Pay equity is generally accepted to be about gender equity. The Social and Community Services workers case is the first case that is being dealt with against pay equity. It is quite a big thing for the Fair Work commission to do. So my short answer would be no, it is probably not the case. Senator XENOPHON: Could you take that on notice. Ms Paul: I am happy to do that. The other thing I would say is that you have got to keep the context in mind. This is \$300 million going into a sector where the wages bill would be much bigger than that. It is a very feminised sector that is recognised to be underpaid. So it might even make the sector more attractive for workers, which would be a good thing. The reason it is not covering 100 per cent is that it is targeting cert III and above. Senator XENOPHON: If only 40 per cent of the workers in this sector will get the pay rise, how will it impact on the government's competitive neutrality requirements? Ms Paul: I do not think there is an impact, but I will have to take it on notice.

**Answer**

The competitive neutrality policy is applied to government business activities rather than grants programs such as the Early Years Quality Fund.