

Australia: Labor government opposes pay increase for community services workers

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The Labor government of Prime Minister Julia Gillard has intervened into an equal pay case to be heard this month by the full bench of the Fair Work Australia (FWA) tribunal to oppose any significant pay increase for low-paid Social and Community Services (SACS) workers.

The equal pay application was lodged by the Australian Services Union (ASU) in March this year. More than 153,000 female SACS workers are employed by government-subsidised private providers and charity organisations to deliver basic services to some of the most disadvantaged members of society. They work in programs for the homeless, disabled and youth, as well as women's refuges, legal aid centres and family counselling services.

The government's submission to the FWA tribunal on November 18 insisted that any pay increases for female SACS workers should take into account: "The government's fiscal strategy—which is aimed at ensuring fiscal sustainability and to return the budget to surplus—which will influence the government's ability to support the sector in meeting additional wage claims."

The submission contained a blunt threat to cut services if the pay claim were granted. "If any additional government funding is provided," it stated, "this would likely come at the expense of other government-funded services." In other words, the case will be determined, not by the pressing needs of SACS workers and those who rely on their services, but Labor's commitment to the financial markets to eliminate the debt produced by the multi-billion bailouts of big business and the underwriting of the banks when the global financial crisis first erupted in 2008.

As the submission illustrates, Labor's pledge to

return to "budget surplus" means massive cuts to public spending and the slashing of health, education and key social programs, including funds for social and community services provision.

Not surprisingly, Labor's submission received the immediate support of key sections of the corporate and media establishment. An editorial on November 24 in the *Australian* newspaper declared, "Ms Gillard is right to adopt a fiscally responsible line on the case taken to Fair Work Australia".

Rupert Murdoch's newspaper pointed to wider concerns in ruling circles: "Employer bodies such as the Australian Industry Group have warned it [a pay increase for SACS workers] could be used as a precedent for pay rises in other female-dominated sectors. A wages' breakout on spurious gender grounds is not what Australia needs as it tries to combat the inflationary impact of a tight labour market in a booming resources sector."

The editorial ended by demanding: "Ms Gillard must hold the line on fiscal rectitude and inflation discipline."

Labor's intervention against the SACS workers is sharp indication of just what its austerity program will mean for millions of ordinary working people—including those who depend on social services and those employed to provide them.

The average rate of pay for a female SACS worker is \$22.60 an hour, compared to \$27.20 for men. Both levels are woefully low, but the government has categorically ruled out providing the extra \$4 billion needed to bring female wages up to the male equivalent. At the same time, the "fiscal strategy" reinforced by the government's FWA submission will apply to any attempt by male SACS workers to improve their pay situation.

Moreover, the highly-exploitative conditions for workers across the social and community services are set to worsen as funding cuts are implemented and providers start imposing cost-cutting measures. Low pay and poor working conditions are already major contributing factors in high staff turnovers. This, in turn, leads to staff shortages and increased workloads, which create serious stress levels and “burn out” or exhaustion for those who are left.

An ASU survey of over 2,000 workers in 2008 found that 52 percent were not committed to staying in the industry beyond five years and that 40 percent planned to leave for better pay elsewhere. Moreover, 17 percent of managers said they expected a more than 50 percent staff turnover in the following two years and 43 percent predicted a turnover of 20-49 percent.

Around half of social and community workers are part-time, nearly double the workforce average. An Australian Council of Social Services survey in 2007 revealed that 79 percent of community sector organisations in Victoria had increased their reliance on volunteers and unpaid work from staff over the year. A 2008 study by the Victorian Council of Social Services found that under-funding was a major issue and contributed to an “unhealthy working environment”.

These conditions did not drop from the sky. Over the past ten years, Labor and Liberal governments alike have outsourced social and community services to private operators, destroying thousands of better-paying public sector jobs and creating a low-paid workforce across the entire community service sector.

Unions covering workers in this sector have mounted no genuine campaigns to oppose outsourcing or to seriously improve wages and conditions in the increasingly privatised sector. Since early last year, the ASU has claimed that Labor’s Fair Work Act would provide the best means for improving pay through an equal pay case in the tribunal.

Labor’s measures brought SACS workers under a single federal award rather than separate state awards and the legislation made reference to equal pay for work of comparable value.

The new provisions, like previous court rulings, recognise the “principle” of equal pay. That does not mean, however, that the tribunal is compelled to grant equal pay as the government’s submission makes clear. The “principle” is subordinated to other considerations,

flowing from the requirements of big business.

In October 2009, Julia Gillard, then workplace relations minister in the Rudd government, signed a Heads-of-Agreement with the ASU, stating that the government would “support the development of an appropriate equal remuneration principle for the federal jurisdiction”.

The ASU immediately heralded the agreement—nothing more than an empty gesture by Labor amid increasingly adverse poll results ahead of federal elections in 2010—as a significant step forward in the push for equal pay.

Now fearing a backlash among its members, the union has criticised the Gillard government for going “weak on support for equal pay”. But in the fight for decent pay and conditions, SACS workers should be warned—the ASU also places Labor’s budgetary concerns above the interests of its community service members.

After acknowledging that pay rises for SACS workers would have “significant budgetary impacts” for the state, territory and federal governments, the union agreed that any increases should be phased in over at least four and half years.



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