

# Australian unions hail “equal pay” ruling for community workers

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Australia’s trade unions are promoting illusions in an interim finding by the Labor government’s Fair Work Australia tribunal on an equal pay claim for women workers in social and community services (SACS). The unions claim the ruling paves the way for a vast improvement in pay and conditions for SACS employees.

Fair Work Australia (FWA) found on May 16 that gender was an “important influence in creating the gap between pay in the SACS industry and pay in comparable state and local government employment.” It remains to be seen what, if any, pay rises will be awarded because the tribunal postponed a final decision on the case until August, pending submissions from the unions, employer groups, and state and federal governments.

Explaining its refusal to grant any specific pay increase, the tribunal noted that unless governments increased their funding of SACS services, there would be “potential negative effects on employment and service provision.” FWA stressed that the Gillard government and most of the state governments had insisted that the decision take into account “limits to governments’ ability to fund increased labour costs in this industry without placing pressure on expenditure in other areas.”

Nevertheless, Lisa Darmanin, assistant secretary of the Australian Services Union (ASU), which took the case to the tribunal, declared: “The ASU congratulates FWA on their courageous decision, which for the first time in 30 years accepts the principle of gender based underpayment of wages. This decision will not only lead to improved pay for our members in the SACS industry, but opens the door for other women who have suffered gender based pay discrimination.”

Australian Council of Trade Unions (ACTU)

president Ged Kearney claimed that the ruling was a “milestone in seeking wage justice for women in all lines of work across Australia.” About 200,000 SACS workers, more than 87 percent of whom are women, help care for the homeless, disabled, and youth, and work in many other programs, including women’s refuges, legal aid centres and family counselling services. Many are employed by non-profit organisations, which depend upon state and federal government funding for 70 percent of their revenue.

Gender discrimination in wage rates was formally abolished in the 1972 Equal Pay Case, but 2008 data shows that female workers are paid 11.9 percent less than their male counterparts, as a national average across all non-managerial industries. Female SACS workers receive on average 16.9 percent less than male co-workers.

The ASU claims that SACS workers could receive a more-than-30-percent wage rise by pressuring Prime Minister Gillard’s government to respond to the FWA decision. Yet a major factor in producing the present state of the increasingly privatised SACS sector has been the systematic neglect and underfunding of social services and basic infrastructure over the past three decades by successive Liberal and Labor governments.

The Gillard government has been tasked by the big business interests it represents with ensuring the international competitiveness of Australian capitalism by tearing up wages and conditions in key sections of the working class. With respect to women and low-income workers, one of the central aspects of the Labor government’s May 10 budget was to dragoon welfare recipients into the workforce, including young mothers, in order to expand the pool of exploitable labour and drive down wages.

The Gillard government’s submission to the FWA

last December insisted that federal funding would depend upon Labor's "fiscal strategy"—i.e., eliminating the \$50 billion budget deficit by 2012-13. Any additional funding for higher wages, it added, would likely "come at the expense of other government-funded services."

State governments have also declared that any nominal pay rise will have to be funded through job cuts and reduced services. The recently elected New South Wales Liberal government has claimed that the potential cost to its budget would be almost \$1 billion over five years. A nominal wage rise of more than 2.5 percent a year would need to be "consistent with the government's wages policy", with "productivity improvements sought to cover the additional increases," it said.

The only state government to allocate any funds for SACS wage rises is the Victorian Liberal administration of Premier Ted Baillieu. It has estimated the cost of an 18 to 37 percent pay rise at between \$700 million and \$1.7 billion over four years, but set aside only \$200 million for any increases.

Any rise ordered by the FWA tribunal would require already overstretched charity and community organisations to cover the difference themselves through cost-cutting. This would inevitably involve many workers losing their jobs or having to accept reduced hours.

The ASU and ACTU modelled the federal case on an earlier ruling in Queensland, where in 2009, the state's Industrial Relations Council (IRC) ordered an 18 to 37 percent wage rise for SACS workers over three years. While the ASU declared the Queensland case to be a "historic" victory, the pay rise is yet to materialise. Following the IRC ruling, the state Labor government of Premier Anna Bligh committed just \$414 million in additional funding. As a result, the Queensland Council of Social Services last year explained: "Funding is still significantly short of the amount needed to implement the decision equitably across [staff]."

Business groups have condemned the FWA's decision. Calls have been issued for Labor to scrap the discrimination clause of the Fair Work Act under which the ASU's case is being pursued. A major concern is that other industries which employ a predominantly female workforce—including retail and hospitality—may be subject to similar pay claims. Australian Chamber of

Commerce chief executive Peter Anderson claimed that the FWA decision could be "precedent-setting" for "wage leap-frogging."

The ASU is promoting rallies to be held on June 8, to "send a clear message to government and to employers—we will accept nothing less than the same rates of pay as those who do the same job as us in the public sector." The real purpose is to contain mounting disaffection among social and community services workers by promoting illusions in the FWA and its ruling.

The fight for equal pay is bound up with the struggle for a vast expansion of public spending for vital welfare services as well as decent wages for all workers. This requires a political struggle against the big business policies of the Gillard government and its trade union accomplices, which insist that social spending must be subordinate to the austerity demands of the financial markets. Such a struggle involves a turn to other public sector workers as part of the fight for a workers' government and socialist policies to meet the needs of ordinary people.



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