

# Australia community workers awarded delayed “equal pay” rise

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The trade union movement has hailed as “historic” a decision last week by the Labor government’s Fair Work Australia (FWA) tribunal to award community workers pay rises of 19-41 percent, even though the increases will be staggered over nearly nine years.

The FWA judges’ ruling, by a majority of 4 to 1, affects 150,000 social and community sector (SACS) workers, who have been grossly underpaid for decades. Employed by charities and other not-for-profit organisations, more than 80 percent of them are women.

It has taken more than two years for the FWA judges to rule on the “equal pay” case, which the Australian Services Union (ASU) commenced in 2009 as a means of heading off demands for higher wages. Last May, the tribunal held that the predominantly female character of the workforce contributed to their low wages, but called for further submissions on the scale of any increase and how it would be funded.

After backroom negotiations, the ASU and the Gillard government asked the tribunal to phase in the rises over six years, but the tribunal extended the delay even further, setting an end date of December 1, 2020. The judges gave as their pretext “the potential effects of the equal remuneration order on employment and service provision, and on state finances.” As a result, SACS workers will receive annual increases of only 2.5 to 5 percent, on top of any other wage rises they are granted.

SACS workers will remain severely underpaid. A first-year “Level 2” worker with a graduate diploma currently earns only \$36,900. A first-year graduate with

a four-year university degree is eligible for a “Level 4” position, requiring them to supervise other carers, but earns just over \$45,000. By December 1, 2020, these figures will rise to \$45,000 and \$58,000 respectively.

SACS organisations depend on the federal and state governments for an estimated 70 percent of their funding, but governments are not obliged to finance the wage rise. Organisations that cannot afford the wage rise will be forced to make cuts to staff numbers and other operating expenses. This will place even greater strains on community workers, already overburdened by a poorly funded mental health, disability and welfare system.

Victorian Liberal Premier Ted Baillieu said the pay rises would cost his state roughly \$1 billion, but committed just one-fifth of that amount. He told the *Australian Financial Review*: “The bottom line is the choice for state governments, and private sector bodies, to either fund this or cut services.”

New South Wales Liberal Premier Barry O’Farrell refused to nominate any additional amount. In its FWA submission last year, the NSW government warned that additional funding would be offset by “cutting expenditure on existing government services, foregoing recurrent or capital expenditure directed at enhancing service delivery, or increasing taxation revenue.”

In other words, whatever is given to SACS workers with one hand will be taken back by the other, through the slashing of jobs and social services.

Prime Minister Julia Gillard promised \$2 billion to fund the decision—less than \$250 million per year—but

gave no timetable for delivering on the commitment. Under conditions of deepening global economic crisis, such pledges are worthless. Her government has already undertaken to keep cutting public spending to achieve a budget surplus, axing thousands of public sector jobs in the process, and backed corporate restructurings designed to lower wages and conditions to internationally “competitive” levels.

Nonetheless, the ASU sought to sow illusions in the Gillard government and its Fair Work legislation. ASU assistant national secretary Linda White stated: “The recent commitment of the Labor government to provide the necessary funds for these pay increases was key to the success of this case.” She claimed: “This decision for community workers and for women everywhere shows the Fair Work Act is delivering fair outcomes for hard working Australians.”

Nothing could be further from the truth. The FWA laws and tribunal are being used by the Labor government and the trade unions to enforce an assault on jobs and conditions. The government has utilised provocative lockouts by employers at Qantas, POAG stevedoring and various factories to shut down workers’ industrial action, with the assistance of the unions, effectively giving the companies everything they wanted. As for the FWA’s attitude to female workers, that was made clear in its decision to halt all industrial action by Victorian nurses last year.

Assorted pseudo-left groups claiming to be socialist have supported these betrayals by the union leadership, and this has continued in response to the SACS ruling. The Socialist Alliance newspaper *Green Left Weekly* this week joined the ASU leadership in proclaiming an “historic decision” and praising the Labor government.

Despite the limited and delayed character of the pay rises, the FWA ruling has been the subject of a vitriolic campaign by the financial and corporate elite. Even a minimal pay rise for one section of workers is incompatible with the austerity measures being demanding.

The Australian Chamber of Commerce and Industry declared it was a “disturbing outcome that must be

quarantined,” while Australian Industry Group chief executive Heather Ridout said it created “huge risks for Australia’s workplace relations system.” Business chiefs are concerned that other severely underpaid predominantly female workforces, such as child care and aged care workers, will demand similar or greater pay rises.

A column in the *Australian* complained: “Much larger groups of female-intensive workers may, all of them caring, decide they want a similar deal. Nurses, teachers, childcare workers, shop assistants (they can care)—big pay rises would be just the ticket.”

The media’s hysterical response was reflected in its headlines. The *Australian* (“Unions expand pay push,” “Warning of flow-on wage claims”), the *Business Spectator* (“Fair Work’s mammoth IR misstep”) and the *Australian Financial Review* (“Bargaining at risk in other sectors”) were the most scathing.

It remains far from clear that the pay rises will ever materialise. A legal challenge has been mooted already, based on the dissenting judge’s warning of the “precedent [the decision] creates for many other industries.” The *Australian Financial Review* alluded to a possible “application to the Federal Court to challenge the validity of the FWA majority decision on the basis that the majority had radically misapplied the law.”



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