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MEDIA RELEASE

Federal Government must act on equal pay for community sector workers

The Western Australian Council of Social Service is calling on the Federal Government to commit to extending funding that allows for the equal remuneration of community sector workers, ahead of Equal Pay Day on Friday.

Supplementary funding has been provided by the Commonwealth since 2012 to address the undervaluing of the highly-feminised community service workforce, but is due to end this year.

“Australia has been relying on the support of community service sector workers to respond to the ongoing impacts of COVID-19,” said Louise Giolitto, Chief Executive Officer.

“Those workers now face significant risk to their livelihoods and the hard fought-for gains of the equal pay case being lost.

“The community sector workforce is 80 per cent women, and their work is absolutely essential – they deliver services, including domestic violence, emergency relief, mental health and homelessness services, which have been crucial during the pandemic, and in helping people to rebuild their lives.

“Along with health workers, the community service sector workers have been on the frontline and are the unsung and unseen heroes of this pandemic, going about their work under challenging circumstances, to ensure that people in our communities have access to essential community services.

“But the Federal Government has yet to commit to renewing funding that ensures staff in the community service sector are fairly paid.

“More broadly, we know that some of the most significant impacts of COVID-19 have been on women. With Western Australia’s gender pay gap the highest in the country, at 22.7 per cent, compared to the national average of 14 per cent, we cannot afford to let equal pay for this sector slide.

“If the Federal Government doesn’t commit to funding the sector, then we are going to see a lot of people struggling even further, with service providers being forced to either cut programs, services, or staff – which will leave communities without support, and in the middle of a pandemic. It would make the Gender Pay Gap even worse.

“We cannot go backwards. In the lead up to Equal Pay Day on August 28, we’re calling on the Federal Government to commit to fair funding for equal pay in the community services sector,” Louise concluded.

Ends.

Background

In 2012 the Fair Work Commission made a landmark decision that addresses the gendered undervaluation of work performed in much of the community services sector. As a result, wages increased by up to 45% over 8 years, and most governments across Australia, including the Federal Government, provided additional funding to ensure that community sector organisations could address the gender based inequality in wages paid to workers in our sector, and maintain essential services to communities.

Since 2012, the Federal Government has delivered additional funding (in the form of ERO supplementation payments) to certain organisations whose grants program commenced prior to 2012, to meet the higher wage costs that they have incurred as a result of the 2012 Equal Remuneration Order (the pay equity decision). Organisations whose grants program commenced since 2012 have had the costs of meeting the ERO factored into their grant, or were expected to tender prices that reflected the increases they would be facing in wages costs relating to the ERO.

The solution to this problem is simple – the Commonwealth must ensure that the base rate of grants where ERO supplementation currently applies permanently increase so as to incorporate the current rate of ERO supplementation.

Media contact

Laurene Coller, Communications Officer, laurene@wacoss.org.au, 0419 316 557