

PRIME MINISTER

MINISTER FOR WORKPLACE RELATIONS

GILLARD GOVERNMENT TO DELIVER HISTORIC PAY RISE FOR SOCIAL AND COMMUNITY WORKERS

Prime Minister Julia Gillard today announced the Government was prepared to provide over \$2 billion to deliver an historic pay rise to 150,000 of Australia's lowest paid workers in the social and community services sector - the vast majority of them women.

This is an important step on the road to closing the long-standing pay gap between men and women and delivering fairness to the workplace.

Workers in this sector have been underpaid for too long because their work was viewed as women's work. They work in incredibly challenging jobs, including:

- Working with people with disabilities
- Counselling families in crisis
- Running homeless shelters
- Working with victims of domestic violence or sexual assault.

They deserve to be properly rewarded for their work.

The Government will put a joint submission on equal pay with the Australian Services Union to the independent umpire, Fair Work Australia. To back up its commitment the Government is prepared to provide over \$2 billion to fund its share of any wage increases awarded.

The Government expects major providers and other unions will join us in the submission.

If the submission is accepted, these workers would for the first time be given a fair day's pay for a fair day's work.

Of the 150,000 workers in the sector, 120,000 are women. Fair Work Australia has already found that their work is undervalued because of gender considerations.

If FWA agrees to the Government's proposal on the extent of this undervaluation, this will deliver very significant pay rises. The Government also encourages state

and territory governments to commit to funding their share of the cost of closing the gender pay gap.

In 2011, it is unacceptable that women earn on average one fifth less than men full-time – the equivalent of working nearly seven weeks a year for free.

The historic case currently before Fair Work Australia was only made possible because Labor removed the barriers to pay equity claims in the federal jurisdiction. Previously, an applicant had to prove discrimination, and the legal test only allowed comparison between “equal work” rather than the new broader test of “equal or comparable work”.

As a result, no equal remuneration case has to date succeeded under federal workplace relations law.

With Fair Work Australia’s approval, the increases would be phased-in over six years, starting on 1 December next year.

The phased introduction recognises the complex funding arrangements in the sector, which involve local, state and territory governments, not for profit organisations, commercial providers and the Commonwealth.

This will allow community sector organisations delivering Commonwealth-funded programs to pay the new rates, without reducing services to the community. The Government will also increase funding under Commonwealth-State agreements that cover social and community sector employees.

Every day the community sector delivers vital services to hundreds of thousands of vulnerable Australians. We want to make sure the community sector is strong and productive into the future.

Through the Community Sector Wages Group the Government has been working with all parties to examine the potential implications of a pay increase, taking into account the need to ensure a sustainable and effective social and community services sector.

The Government will now work with the sector to identify opportunities for reform, from both Government and service providers, to strengthen and improve service delivery, and reduce red tape for the sector.

The Government is committed to the consultation process announced by the Minister for Workplace Relations and which will be undertaken by Mr Arch Bevis to resolve issues relating to certain employees and employers in Queensland covered by an order made by the Queensland Industrial Relations Commission in 2009. The Government expects this process to conclude by 30 November 2011.

Improving women's earning capacity and expanding their choice of jobs will not only aid women's own economic security, but will lift our country's productivity.

Consistent with the Government's record of strict fiscal discipline, any expenditure will be offset and will be reflected in the Mid-Year Economic and Fiscal Outlook (MYEFO).

The Government will continue to work with industry and union leaders to close the pay gap.

SYDNEY
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