

SUBMISSION

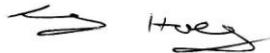
to

The Australian Industrial Relations Commission

In Response to:

the Exposure Draft Award Modernisation October 2009

Authorised on behalf of Community Employers WA by:



Chris Hall
Co Chair



Tony Pietropiccolo
Co Chair

Introduction

Community Employers WA (CEWA) is a registered Employer Organisation with the Industrial Relations Commission of Western Australia, and represents not-for-profit employers in the non-government sector of Western Australia. One of its key objectives is to increase government funding for the sector and improve wages and conditions for staff.

Current Situation

There are over 550 not for profit organisations associated with the Human Services Industry in Western Australiaⁱ.

The Human Services sector employs over 36,000 staff in Western Australiaⁱ.

The non-government community services sector in Western Australia is already under resourced and sector staff are significantly under paid. In 2006/07 average weekly earnings for community sector workers were 30% lower than the average full time equivalent weekly wages for the health and community services sector in Australiaⁱⁱ.

The average cost of employing staff in the community sector was \$53,000 per FTE; at the same time the average cost of employing staff in the Department for Child Protection was \$71,000 per FTE; a difference of \$18,000 or 35% higher^v.

The difference in base level salaries between public sector specified calling salaries compared to salaries for equivalent staff positions on the SACS Award in the community sector is up to 63% or \$28,752 higher^{vi}.

A first year graduate base grade social worker in the public service will earn \$12,450, or 32% more, than a first year graduate social worker in the community sector.

After reaching the top level in the public service, the same base grade social worker will receive \$28,752, or 59%, more than their equivalent in the community sector.

Women in WA are paid 26% less than men, and WA has the widest gender pay gap of any State. The national average gender pay gap (GPG) is 17% and WA has had a larger GPG than the national average since the late 1980s. The fact that the community services sector is large (the second-largest employer of women in WA), female-dominated (80.8% female) and lowly paid means that more equitable wages for the sector would have a significant effect on the gender pay gap in Western Australiaⁱⁱⁱ.

State Government funding for Human Services NFP NGOs in 2006/07 was \$547.4m, with the Community Services sector accounting for \$343.4m of this. An additional \$14.8m came from State Grants and \$245.3 came from corporate and individual donations. \$5m came from a fee for serviceⁱ.

65% of not-for-profits in Australia report an increase in demand for services as a result of the economic downturn, and 83 per cent expect an increase in demand for services in the next financial year (2009-2010)^{iv}.

Sources:

- i The Human Services Industry in Western Australia: Scoping the Sector, Social Policy Unit, Dept of Premier and Cabinet, July 2008
- ii Survey of 13 non government not for profit agencies in Western Australia for the year ended June 2007 compared to June 2007 Australian Bureau of Statistics information
- iii "Close the Gender Pay Gap: Value Community Services" Research Paper, The Western Australian Council of Social Service, March 2009
- iv Report to Department of Families, Housing, Community Services and Indigenous Affairs, The Centre for Corporate Public Affairs, June 2009
- v 2008/09 Forward Estimates, Department of Child Protection
- vi Comparison of Public Service and SACs Awards, October 2009

Comment

Salaries in the not for profit community service sector are not fair and just.

Failure to address the sector salaries would mean the viability of community services would be comprised, possibly leading to a reduction in services provided to the community by the non government, not-for-profit sector.

However, redressing the salary inequity is only possible with an increase in government funding to support salary increases. Raising pay levels alone is not sufficient, if introduced without the support of additional government funding. This would be disastrous for the sector – the level and quality of services would be affected and the number of staff would need to be reduced to meet current organisational budget and funding restrictions.

Another major concern is the timeframe for changes for not-for-profits.

Currently transitional arrangements apply from 1 January 2010. However, even with provisions to 1 July 2010, the deadline is unrealistic for many not-for-profits. Any increased wage rates, or modified classification structures, should take effect after 1 July 2010.

Recommendations

It is therefore recommended that:

- 1. Salaries and wages in the non government, not for profit community services sector in Australia are reviewed consequent upon government funding to the sector being urgently increased by 30% to allow organisations to pay salaries that are fair and just.**
- 2. The AIRC phase in any increased wage rates or modified classification structures, such that they take effect after 1 July 2010.**