



ASU Submission Fair Work Commission Expert Panel

Annual Wage Review 2023-2024

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Date: 28 March 2024

The ASU

The Australian Services Union (ASU) is one of Australia's largest unions representing the interests of approximately 135,000 workers across the country in a diversity of industries including local government, energy, water, public transport, airlines, shipping, travel, ports, social and community services, information technology and the private sector clerical and administrative sector.

ACTU Wage Claim

The ASU supports the Australian Council of Trade Union's (ACTU) claim for a 5% increase on all awards effective from 1 July 2024. We note as the ACTU does that the increase would especially benefit women and part time workers, as 3 in 5 award workers are women and 2 in 3 are part time. The claim also reflects the growing productivity of Australia's workers and the continued impacts of the rising cost of living. It would set a clear standard for pay outcomes in both collective and individual negotiations.

In addition to this, the impacts of gender-based pay inequity are evident in industries within the ASU's area of award coverage, namely, the *Social, Community, Home Care and Disability Services Industry Award (SCHADS)*, the *Airline Operations - Ground Staff Award* and the *Legal Services Award*.

Notably, the care economy is the largest and fastest growing employment sector in the country¹. Community services are the pulse of the economy not only in terms of terms of workers employed within that industry but also in terms of workers from other industries who rely on the services provided by that industry. Real wage growth that addresses the historical undervaluing of "women's work" is therefore vital for continued overall productivity. An exodus of community sector workers due to low wages would have an enormous economic and social impact.

We have included statements from workers in these industries that demonstrate the importance of the ACTU claim. These members are a heavily award-reliant group of relatively low-paid workers. The Expert Panel's decision in the Annual Wage Case will have a direct impact on their rates of pay. Most of these workers will only receive the pay increase that is set by the Expert Panel.

ASU members continue to experience the cumulative effect of a cost of living crisis - wages have not kept pace with inflation for some time and further ground needs to be made up. Workers report that the impact on their life is profound – from skipping meals to forgoing medical care to not being able to afford any leisure activities for themselves or their children. Indeed, the level of economic and psychological distress in these statements is palpable.

"I am using Afterpay to buy groceries - never have I been so poor".

¹ Australian Bureau of Statistics, Labour Force, Australia, Detailed, (February 2023); National Skills Commission, Employment Projections, (2021)

ASU Survey

Between January and March 2024 the Australian Services Union surveyed 1,356 members across the industries we cover. We asked them to tell us how the rising cost of living is affecting them and what a real wage rise would mean to them.

Snapshot of respondents

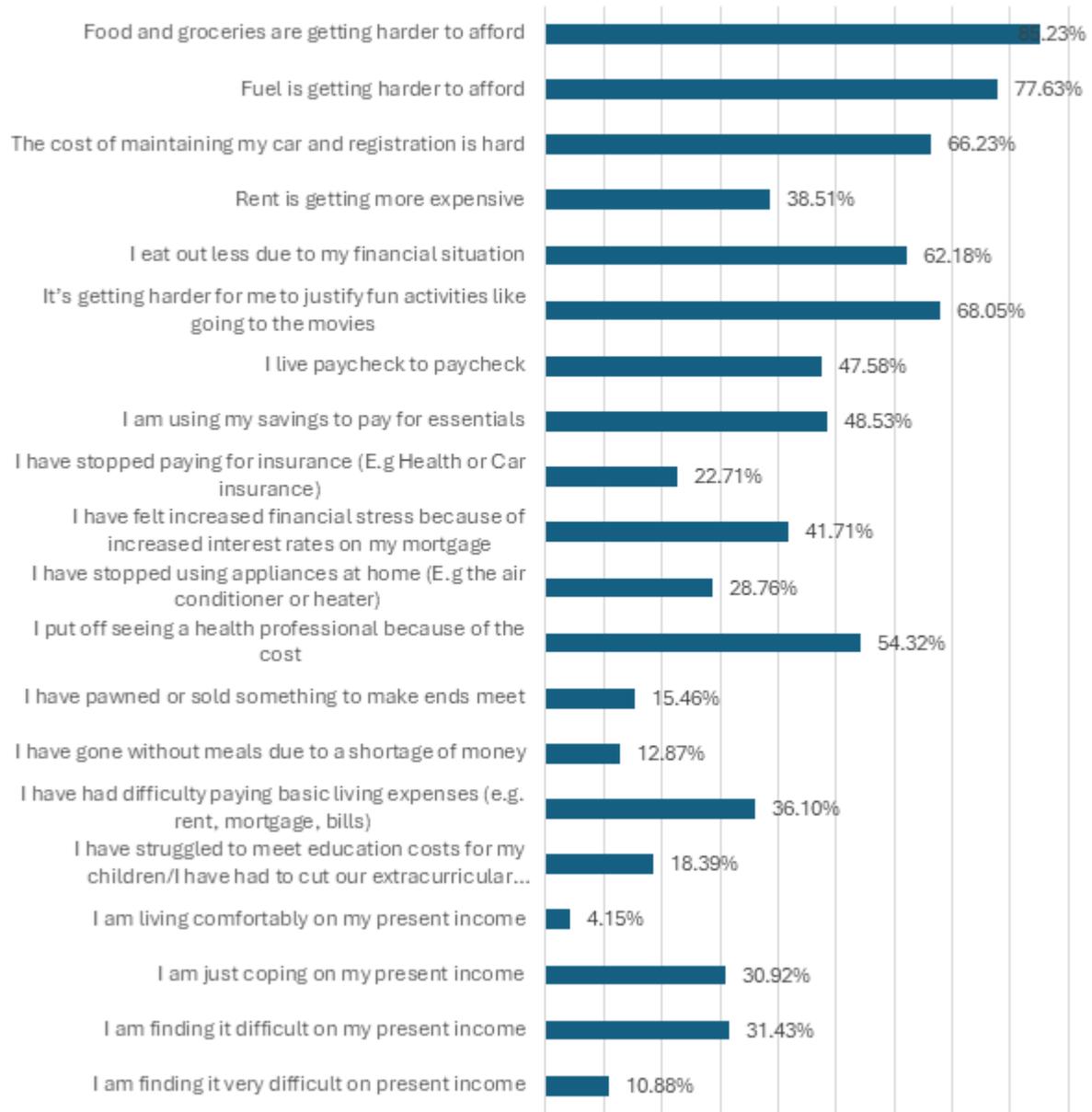
- 72% of respondents were female, 25% male and 3% preferred to self-describe
- 27% work in social and community services, 27% for an NGO/not-for-profit and 26% in the disability sector
- 50% work in permanent full-time employment and 39% work part-time
- 50% are covered by Award entitlements and 31% are under an enterprise agreement

Wage growth

- Only 4% said they are living comfortably on their current wage
- 85% said food and groceries are getting harder to afford, 54% put off seeing a health professional because of the cost and 13% went without meals due to a shortage of money
- 68% say it's getting harder to justify leisure activities like going to the movies
- 28% are likely to change industries or sectors in the next 12 months for better pay (Social and community services: 26%, Disability: 29%, Non-profit/NGO: 27%, Admin: 31%)

“Over 75% of my fortnightly income goes towards household bills/expenses, HECS repayments and mortgage. The vast remainder goes towards fuel, so I often miss out on any leisure activities, or wait until my next pay in order to cover bills that pop up out of the blue (mobile, car insurance, etc). It puts a great deal of stress on me. I am constantly thinking about how long this can continue before I consider drastic actions like getting rid of my car or changing jobs for the sake of better pay”

Over the last 12 months, have any of the following statements applied to you?



"I have three children, one is special needs and we have had to stop speech therapy because it costs too much. My children have stopped after school sports because we can't afford the fees and I'm not eligible for any government assistance because I work. I have medical problems and I can't afford to pay for doctors or take time off work to attend specialist appointments."

The impacts of low wage growth and high cost of living

The negative health impacts of low wages and poverty – both physical and psychological – are well documented and there is a considerable body of research behind this proposition. Data released by the Australian Institute of Health and Welfare in 2022 found:

Socioeconomic factors are key determinants of health. Having access to material and social resources and being able to participate in society are important for maintaining good health. Generally, people in lower socioeconomic groups are at greater risk of poor health, have higher rates of illness, disability and death, and live shorter lives than people from higher socioeconomic groups.²

This was reflected emphatically in ASU survey responses, demonstrating high levels of strain in terms of physical and psychological health:

“It is impacting my mental and physical health, as well as social connections which are lacking due to ability to drive somewhere or do things (eg going out for activities)”

“I had to stop some of my kids extracurricular sports due to not being able to afford it. My family and I are limited to what we can afford food-wise so we live off of sausages mainly”

“I don't really go out anymore at all as it's too expensive and would impede on any ability I have to save a small portion of my income. On weeks when I have bills to pay I look around the house to see if I can sell things. It is essentially impossible to find a bulk billed doctor so I only go if I absolutely need to and I have had to stop seeing a psychologist as it's too expensive even with the Medicare rebate”

“The increase in interest rates, groceries and petrol has significantly impacted my family financially. I am having to pick up extra shifts at work to cover general living expenses. It means I spend less time with my husband and children and it has taken a toll on my health and my mental health to the point I had to go on anxiety medication because I was so stressed about money. My husband does not have capacity to pick up overtime and I feel like all the financial pressure is up to me to work as much as I can so we can keep a roof over our heads and food on the table”. My animals have missed check-ups at the vet because we simply could not afford it. I honestly feel like I am worse off financially now than when I was when I first left home as a teenager”

² Australian Institute of Health and Welfare, Health across socioeconomic groups
<https://www.aihw.gov.au/reports/australias-health/health-across-socioeconomic-groups>

Gender equity

The ASU supports the ACTU submission in regard to gender equity and we refer the Expert Panel to this for a more detailed explanation of the claim.

S284(1)(aa) of the Fair Work Act requires the Commission, in setting a safety net of fair minimum wages, to take account of:

... the need to achieve gender equality, including by ensuring equal remuneration for work of equal or comparable value, eliminating gender-based undervaluation of work and addressing gender pay gaps.

There is a historical and systemic undervaluing of the work performed in female dominated industries and the skills, value and complexity of that work is not met with commensurate wages. The impacts of gender-based pay inequity are pronounced in awards within the ASU's area of coverage with a high proportion of women in the workforce, namely, the *Social, Community, Home Care and Disability Services Industry Award (SCHADS)*, the *Airline Operations - Ground Staff Award* and the *Legal Services Award*.

Our contention, simply put, is that the rates in these awards were not properly set and we seek the Expert's Panel intervention to correct this.

We also draw the Expert Panel's attention to the *Stage 1 Aged care industry work value case* and the principles expressed in that decision in relation to the undervaluing of work predominantly performed by women. Notably, the Commission accepted that:

... the aged care workforce is predominantly female and the expert evidence is that, as a general proposition, work in feminised industries including care work has historically been undervalued and the reason for that undervaluation is likely to be gender-based. We also accept the logic of the proposition in the expert evidence that gender-based undervaluation of work is a driver of the gender pay gap and if all work was properly valued there would likely be a reduction in the gender pay gap.

"The pay increases we have received over the last year have not made a visible impact for us at all and have barely kept up with the increases in cost of living. On an individual level, this is deeply upsetting as I have committed a significant portion of my time completing multiple tertiary qualifications through university in order to upskill myself and in the hopes of receiving remuneration that is in line with the level of service I am providing to the community I work. I have worked in other [workplaces] in the past, where the minimum wage for entry-level positions that required no educational or professional background were significantly higher than that of positions within the social and community service field, where workers are required to be both qualified and have extensive experience working in complex community settings"