

## **Eva Cox on the Equal Pay case.**

The first major government support for an equal pay case was action by the Whitlam Government in December 1972. The decision to re-open the equal pay case at the then Arbitration Commissions and send Mary Gaudron to argue for equal pay for work of equal value started unwinding formal unequal pay for men and women.

This was entrenched in the 1908 Higgins decision that the basic wage should support a man and his family decently. This may have been a major social reform, but it was also sexist as it entrenched differential pay rates. Women were not assumed to need to support others.

The interesting question nearly 40 years after the original move to equal pay is why we still don't have it.

There were further decisions in 1974 and on that clarified that women have to be paid the same as men for the same work or even work of equal value but currently there is still about an 18 per cent gap between the average hourly rates of male and female workers. Some industries show average gender wage difference of 30 per cent plus.

Some bosses have argued the main difference was because women worked at less skilled jobs, for fewer years and in different industries but feminists have argued for years that much of the difference is because skills that are associated with women are undervalued vis-à-vis equivalently qualified male types of skills. Why, I often ask, is a base level child care worker paid less than a car park attendant?

There have been a variety of cases and some slow changes but essentially the gap has not closed at all in over 30 years and in fact has recently widened.

The decision this week by Fair Work Australia to recognise the gender-factor in the current case is the first national decision on equal pay in the past 30 years. Some State cases have achieved changes but now most awards are Federal and it is important to win in that jurisdiction. The current case covers run by the Australian Services Union covers some 200,000 workers, mainly in the not-for-profit community services sector.

The decision yesterday is only partial, insofar as it recognises that there is obvious gender-based discrimination in the pay rates of the sector but does not yet seek the pay changes needed to adjust this. FWA goes through the various submissions and asks for more information before it decides what increases it should be legislating for and where these will sit in the wage fixing process. The decision will come after an August 2011 meeting and more submissions from interested parties.

This sector has over 80 per cent female workers, well above the 40 per cent in the general workforce, and is usually low paid. It is largely government-funded but workers earn much less than government workers who deliver similar services. One could ask whether some of governments' enthusiasm for contracting services they once ran comes from their desire to pay less for delivery!

The sector contains some major charities that have built up big corporate services delivery systems on government contracts and many much smaller community controlled services. The estimates are that around 25 per cent of their funding is Federal and much more than that is State-based. Any rise in wages, even if phased in over five years as is intended, will push up wages costs and raise needs for higher public subsidies.

There are few, if any, agencies that will be able to maintain current services levels if they have to find the

money to pay extra wages. Therefore, the actions of the funders will be crucial in how this change will work. Unless governments are prepared to raise the funding levels to cover the extra wages costs of higher awards, the sector is in serious trouble. Demand for such services is rising and some budget initiatives will depend on them, but, without extra funding, cutting services or exploiting workers are the only options. Turnover is already high so this tension would make it worse.

Most governments made appropriate noises and agreed that equal pay was something they supported but not necessarily financially. The NSW government changed the former Government's somewhat weak but positive commitment to wider objections. There are mutterings about agencies increasing productivity but most are already stretched. Big employers like ACCI are opposing the changes as there are possibilities of this type of award change in other similar areas. The Fair Work bench is very aware of the financial constraints and mention them, if somewhat cautiously.

Women's groups and unions are very solidly behind this initiative because we see it as un-jamming the long-term sexist barriers that create much of the gender gap. Using the financial situation as an excuse to delay the changes is not on. There is other less valid spending that could be cut to fund this, for example, the Federal government could stop the 3 per cent rise in superannuation and save \$8 billion per annum.

So we hope to see new pay rates agreed before the 2012 anniversary of that first decision. It's more than time!

The ABC *The Drum*, 17 May 2011. *Eva Cox is a writer, feminist, sociologist, social commentator and activist.*