



ASU Submission

Fair Work Commission Expert Panel

Annual Wage Review 2022-2023

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The ASU

The Australian Services Union ('**ASU**') is one of Australia's largest unions, representing approximately 135,000 members. ASU members work in a wide variety of industries and occupations in both the private, public and community sectors.

ACTU Wage Claim

The ASU supports the Australian Council of Trade Union's ('**ACTU**') claim for 7% increase on all awards effective from 1 July 2023.

The ACTU claim reflects the growing productivity of Australia's workers and the rapidly rising cost of living. It would set a clear standard for pay outcomes in both collective and individual negotiations. The ASU's members are experiencing a cost of living crisis, wages are falling far behind the rate of inflation.

We have prepared case studies from the community sector and private sector clerical workers that demonstrate the importance of the ACTU claim.

These members are 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.

***If mortgage repayment keep going up,
I will likely default***

Private Sector Professional Administrative Workers

There are approximately 1.7 million private sector administrative workers in Australia.¹ 73% are women. Professional administrative workers are covered by the *Clerks – Private Sector Award 2020* ('**Private Sector Award**') as well as the *Contract Call Centres Award 2020*.

Our members in the private sector are feeling squeezed by rising cost of living and stagnant wages. Members need support to be able to plan for their future and families. This has a direct impact on the mental and physical well-being, their families and their ability to participate in society.

Private Sector Case Study 1

David is a 53-year-old who works as a Customer Service Officer for one of the world's largest providers of public services to Government.

David commenced work as a contractor and was only offered secure full time permanent employment after 18 months. He earns \$24.76 per hour.

David works a 38 hour week on a roster that changes regularly. At this point in time, there is no predictability around what days and times he will be working, however David is hopeful that his employer will offer a predictable roster in the future.

David works unpaid overtime each week, especially in the morning as he is expected to be set-up and ready for his start time. 'If I have to start at 8:30 in the morning, I will come in 15 minutes earlier to set up phones, log onto the computer and programs, etc. You always have to be here 15 minutes before

¹ Labour Force, Australia, Detailed (6291.0.55.001 - EQ08 - Employed persons by Occupation unit group of main job (ANZSCO), Sex, State and Territory, August 1986 onwards).

start time, otherwise if you actually arrive at your starting time you either get docked or told off by management’.

David lives with his partner and 11 year old boy and the cost of living is impacting him and his family. ‘Everything has gone up and it is a lot harder to go out or you can’t buy anything extra, for example for my partner or little boy. Unless you are really sick, you don’t go and see the doctor. We have had to go to the dentist a lot for my boy and the costs are incredibly expensive so this really affects us’.

‘The price of electricity, gas and just food in general have all increased. Governments can say whatever they want, but it is very unsustainable. It is a struggle, and you need to budget your life around how much you earn. You don’t do anything special like going on a holiday, especially interstate travel’.

David believes “a pay rise at the moment would actually make life easier just to live everyday life. It would allow our family to just be a little bit more comfortable within our skin. A pay rise won’t get rid of everything, but it would definitely allow us to live a little bit easier. It would allow families to manage to juggle something extra, i.e. reduce debt, be able to pay bills, or go out every 3 months’.

From an industry point of view David feels wages are not comparable. For example, many employees at his work have been on low wages for a very long time. When compared to Services Australia for the same type of work, their workers are paid a lot more (approx. \$13 per hour more). David believes Modern Award wages should be comparable to public service agreements to ensure all workers are paid the same rates of pay.

Many ASU members in full-time employment live on incomes well below the 60% of the full-time median weekly earnings for full time adults benchmark for a living wage. These members often do identical work to higher paid, agreement-covered employees in the public sector.

Had to skip my pets going to the vet for an annual check up

Private Sector Case Study 2

Rajwinder is 46 and has five family members he supports. His wife has a heart condition and is only able to work a few hours each week and Raj’s father lives with him and is dependent on his income. Raj also has an 8-year-old son who has ADHD and also suffered burn injuries when he was younger. His son still requires ongoing medical appointments and surgeries for his burns. ‘These treatments cost a lot of money, hence why I work 7 days a week. I can’t afford private health cover because of the low wage I am on, so we are waiting a long time for the surgeries he needs’.

Raj works as a Customer Service Officer for one of the world’s largest providers of public services to Government. He earns \$23.52 per hour and is contracted to work 38 hours each week. He has secured a predictable roster by providing a medical certificate to his employer for sleep apnoea and hypertension.

Due to his low wage and difficulty meeting cost of living expenses Raj opts to work paid overtime 7 days a week. ‘I work between 50-60 hours per week as I need the money and even on overtime rates of approximately \$29 an hour, it’s still not enough. I know there are around 40+ people at my work who are nominating to work overtime just to try and make ends meet. I know people that are working 2 or 3 jobs and literally don’t sleep at all’.

Raj is trying to complete a Certificate 4 in disability support through a TAFE provider, however he has been unable to attend any classes since last year because it clashes with his 9am to 5pm working roster, particularly as he works overtime each day.

Raj and his family don't go out at all as they are unable to afford it. A pay increase above the rate of inflation would mean he does not need to work Saturday and maybe even Sundays. 'It would mean spending time with my family and helping out my kid.

At the moment I am unable to take him to swimming lessons as I am working so my father takes him instead. If I earned more money I could take him to his swimming lessons and not feel like I am missing out'.

'I just want a wage that I can have a work life balance so I don't have to work 10 hours every day but because I have to pay my mortgage and support my family working 60 hours a week is really not enough still. A pay rise would be nice as I don't like to rely on others'.

'My money will go back into the economy and this will help us out enormously. It's not like I am not trying, I don't know what more I can do. If I had a 7% increase in wages I would be a bit more happier, I would be able to spend time with my family, my health would be better, and I would be able to go out for walks and my work life balance would be better'.

ASU Survey of administrative and office workers

Between January and March 2023 the Australian Services Union surveyed 767 members who work as professional administrative and office workers. 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.

Demographics of respondents

59% of respondents were aged 18-44 with 41% aged 45+.

62% were female, 34% male and 2% preferred to self-describe.

65% work in permanent full-time employment and 23% work part-time. 11% work as fixed term or casual employees. Women are more likely to work part-time than men (29% vs 11%).

Wage Growth

The average weekly wage our members earned per week (after tax) was \$1089.55. This is around 72% of the median weekly earnings for full time adults (\$1,516)².

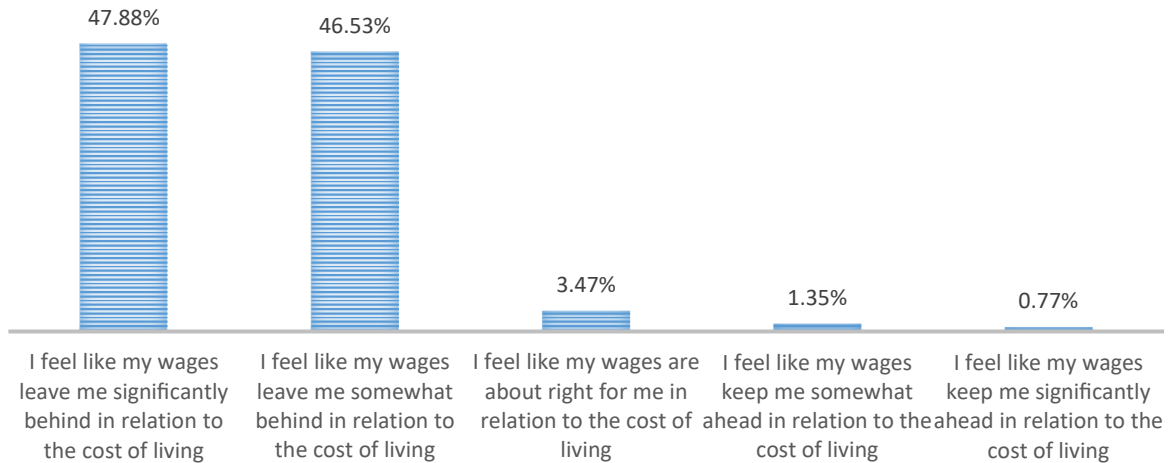
94% of our members feel that their wages leave them significantly or somewhat behind in relation to the cost of living.

I have struggled to afford my medications

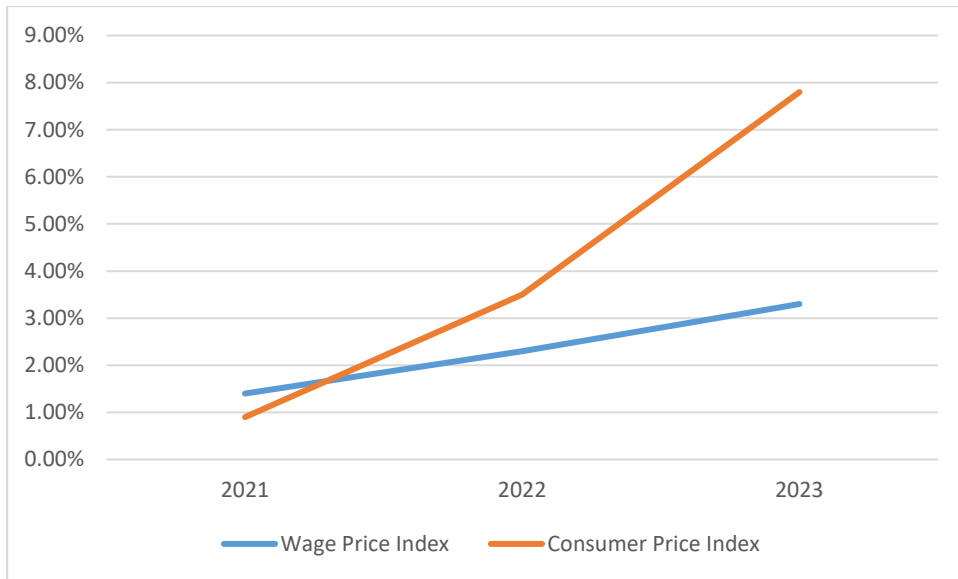
I use credit to buy basics often

² ABS, Average Weekly Earnings, Australia <https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/nov-2022>

Which of the following best applies to you in relation to your wages and cost of living over the last two years?



Nearly 100% of our members agreed that the cost of living has grown more quickly than wages have grown over the last 3 years, reflecting the marked disparity between price inflation and wage growth.

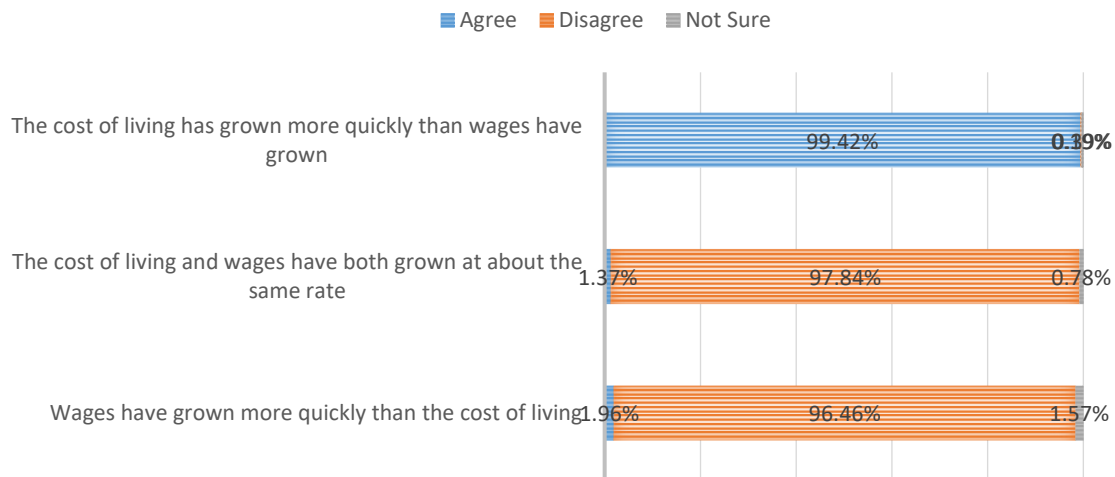


**Based on ABS Price indexes and inflation for December in 2021, 2022 & 2023*

There's been nights I've been feeding weetbix to my daughter as groceries are hard to afford

Putting off retiring due to cost of living

Thinking about the overall situation in Australia over the last three years, do you agree or disagree with the following statements?



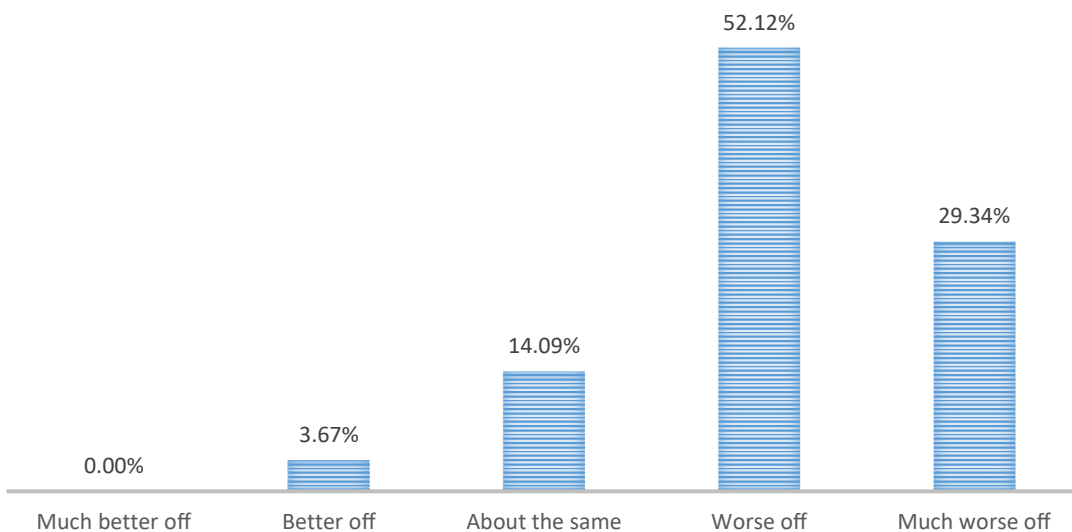
Only 53% of our members have seen their wages increase in the last year, with 39% not receiving an increase at all.

I have had to delay surgery arrangements because I can't afford it

Members are feeling financially worse off compared to a year ago

81% of our members feel worse off or much worse off financially.

In the last year, do you feel financially:

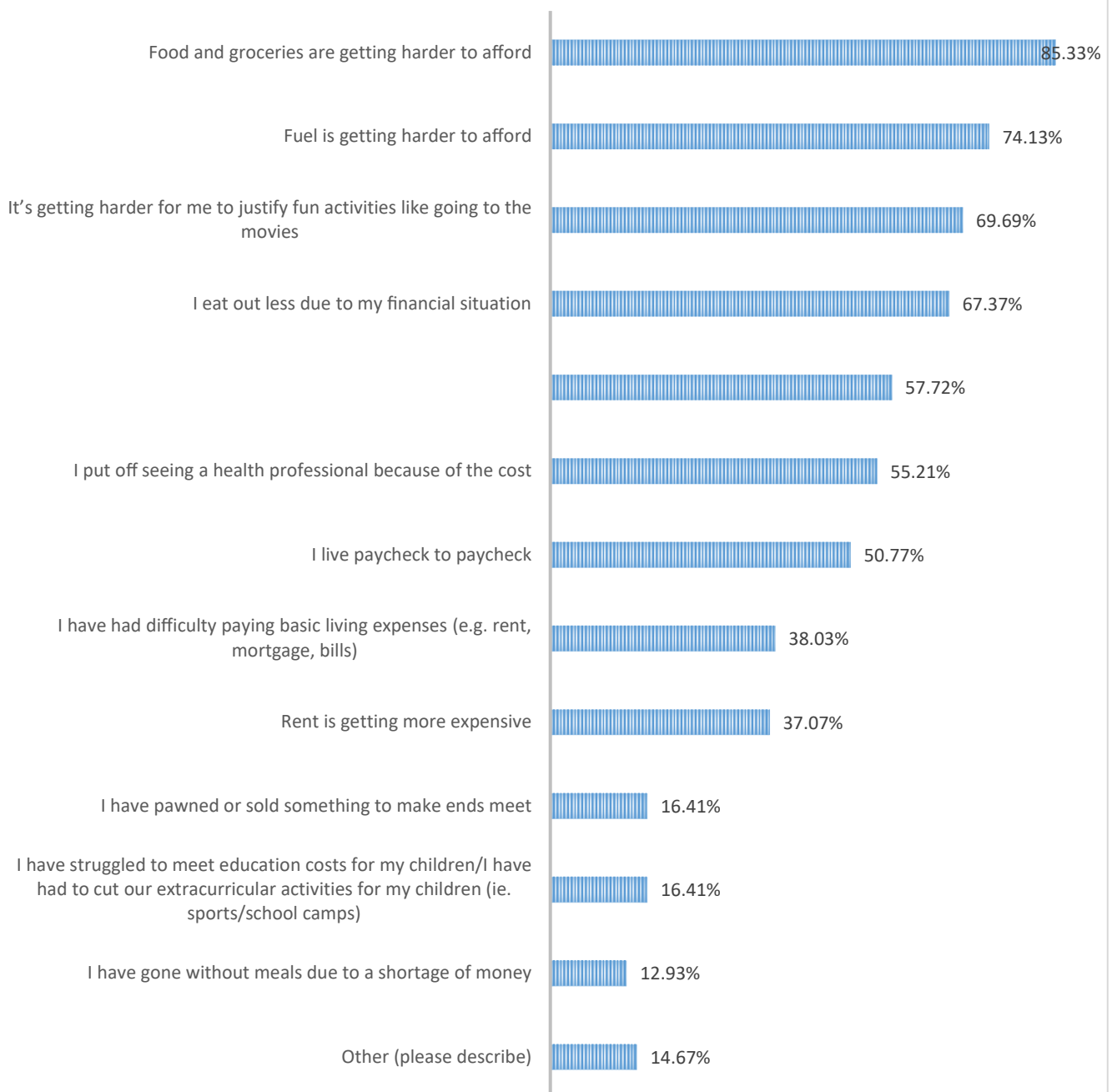


The most significant issues for survey respondents were:

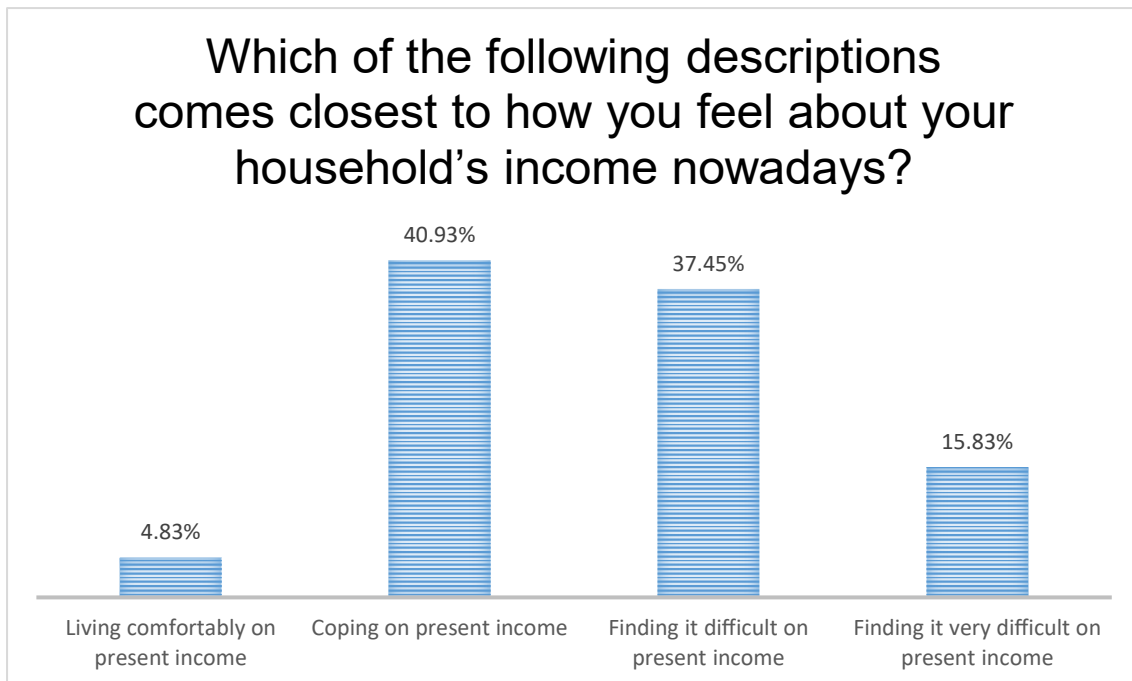
- Food and groceries are getting harder to afford
- Fuel is getting harder to afford
- It's getting harder for me to justify fun activities like going to the movies
- I eat out less due to my financial situation
- The cost of maintaining my car and registration is hard

I constantly have to pay "late fees" on my bills

Over the last 12 months, have any of the following statements applied to you? (Please select all that apply)



53% are finding it difficult or very difficult to live on their current income.



Every dollar is going to groceries, bills etc. no entertainment or 'treats'

Community and Disability Services Sector

There are approximately 270,000 workers employed in the community and disability services sector.³ Roughly 73% are women.

Community and disability services sector workers are covered by the *Social, Community, Home Care and Disability Services Industry Award 2010* ('**SCHDS Award**'). Minimum pay rates for community and disability sector employees are set by the 2012 Social and Community Services Equal Remuneration Order.

Almost all community and disability sector are paid the ERO rates of pay because most government funding is tied directly to those minimum pay rates. In effect, the Expert Panel decides the value of this work.

Community Services

Community services workers are highly skilled professionals with extensive education and training. They provide essential services to our most vulnerable community members. Unusually, many of those professional workers are also completely award reliant.

³ Source: Labour Force, Australia, Detailed (6291.0.55.001 - EQ08 - Employed persons by Occupation unit group of main job (ANZSCO), Sex, State and Territory, August 1986 onwards).

C&DS Case Study 1

Belinda is 38 years old and works as a Youth Engagement Officer for a Youth Services provider. She is employed full-time and currently rents by herself.

Belinda is employed under the SCHADS Award at Level 5.3 and is supplementing this income by working a second position in hospitality in an attempt to 'get a little bit ahead, rather than just being stationary'.

Belinda constantly feels like she does not have enough money to meet the costs of living. 'I normally play soccer but questioned whether I could afford to pay the \$500 registration fee as I might need that money later on (for when I need to move). In the end I didn't register for soccer this year due to the cost as well as working my second job which makes it impossible to attend training sessions'.

'I always have an overarching sense I need to sacrifice, even though I know comparably I earn a more than others yet for example, I only buy 1 coffee a week at work. It's always in the back of my mind and I have to second guess and usually just don't spend money on fun times or big-ticket items. Everything needs to be on sale. I even question whether I should go to the GP as I know I will be \$40 out of pocket and I wonder whether I can seek some support in a different way. It feels unbelievable yet you have to start weighing up every decision about spending'.

A pay rise from the Fair Work Commission would give Belinda some breathing room. 'You live in survival mode. There is no joy in planning for your future, as you are so uncertain about costs that might arise, especially rent. The stressors of today are so big you just concentrate on day-to-day living and you don't even think about next year, let alone future planning'.

A pay rise would allow Belinda to give back to her community. 'I would love to make more donations or volunteer my time to contribute to my community but when you are struggling you feel like you're just treading water, you can't really think of anybody else. You become more selfish.'

Belinda has always had the luxury to be able to travel, however she is now considering how she will be able to afford a holiday as she is not making enough each week to save for a holiday. She is worried her mental health and well-being may suffer as going on a holiday helps her to re-group from her demanding job as a Youth Engagement Officer.

The rental building Belinda currently rents at is earmarked for development next year which means she will need to find a new place to rent. 'I am worried about how much rent I might have to pay and I know it is likely I will have to look for a flat mate again. I would prefer to live alone for a change as it can be stressful to find the right fit with someone else while also finding a suitable place to live, but I mostly likely won't have a choice due to the current rental crisis'.

'Any wage increase will go some way to even out the playing field'.

Our members in the community sector are overworked and underpaid. They deserve a pay increase that maintains the real value of the Equal Remuneration Order.

Disability Services

Most disability services are funded by the National Disability Insurance Scheme ('**NDIS**'). The NDIS regulates prices for disability services by setting a price cap based on an 'efficient price'. This efficient price is directly tied to the equal remuneration order wage rates and the SCHADS Award. If the SCHADS Award rates of pay are increased, then so will the NDIS hourly pricing for disability. In effect, the decision about the value of this work is in the hands of the Expert Panel

Many disability support workers are single parents. They make do for their children on low wages and irregular hours.

C&DS Case Study 2

Leanne is a 59 year old disability support worker, employed on a permanent part time basis for 30 hours per week by a medium sized disability provider in southwestern Sydney for around eight years.

She works as a 'Day Program Coordinator' for people with physical, mobility, intellectual and mental health disabilities. She works as a permanent, full-time worker on a 12-month contract. Her contract is for an eight-hour day without lunch, five days per week. There is no overtime available, and her employer refuses to employ staff on public holidays, so no penalty rate work is available to her.

Leanne also works on a casual basis when there is work available on weekends as a disability support worker to help supplement her income. However, she has needed to reduce her working time after suffering significant injuries after being physically assaulted at work.

She has Certificate IV in Disability and Mental Health and is paid \$34 per hour in her full-time position.

Leanne has a sixteen-year-old son with significant disability, who must attend a special school.

There are some additional costs associated with her son's care, including medications, physical aids, special school fees and uniforms, and other similar costs.

Leanne has her own car, which she has owned since 2009.

Leanne's mortgage is 50% of her weekly income. She has a very small superannuation balance and only contributes the minimum required. She has no savings, although she puts money aside in a very disciplined way from each pay so that she can pay her utility bills, pay for food and medication etcetera.

She does not buy meat and it is usual for her to go without meals to ensure that her son eats properly. She does not buy fresh fruit or vegetables, relying upon cheaper frozen food. However, she does buy her son fresh fruit when she can.

She never buys new clothes for herself but ensures that her son always looks properly dressed.

Leanne often cannot pay utility bills on time, and delays payment to allow her to pay for food.

She says that she has cancelled all activities with her extended family, including birthday and Christmas presents. The only presents she buys are small presents for her son on his birthday.

When she can, she provides a treat for her son, buying him 'drive through at the Hungry Jacks – but just for him – not for me. I can't afford more than one meal.'

She has a fixed term mortgage rate that will expire at the end of this year and believes that her mortgage will likely double at that time.

Although Leanne says that she sometimes works seven days per week, and does get tired, she loves her job. She works at every opportunity to provide for herself and her son.

Her biggest regret is giving up time with her son so that she can go out to work, but this is the only way that she can make sure that she can provide for him.

She would like to do more training in specialist skills to help her provide a better-quality service in her work. However, the fees are prohibitive, and she cannot afford to take time off work to do training.

Leanne says that she cannot see herself ever getting ahead, or ever retiring.

She says: 'I work hard, pay my taxes, and do the best I can. I know that others are worse off, so I feel guilty complaining, but I just can't see my life ever improving.'

A pay rise would allow Leanne to save for school fees for her son, pay her bills on time. She also thinks that it might allow her to put some money aside in case of emergencies.

'Getting a pay rise would also mean that there is some recognition for the work we do. I just don't think that people see how hard it is to do the work we do, or how much you need to know to do this work properly.'

Many disability support workers leave the sector due to the low wages they earn.

C&DS Case Study 3

Marcie is 27 years old. She works as a disability support worker.

Marcie supports herself and her four-year-old daughter and bought her own home, 12 months ago. She has a fixed term mortgage until December 2023. She currently pays more than 50% of her weekly pay on her mortgage.

When her fixed term mortgage expires in December, resulting in an increased mortgage interest rate, her mortgage will double.

In order to pay her mortgage and other bills, Marcie has invited her father to live with her. Her father is a person with disability whose only income is his disability support pension.

Marcie relies upon her father to care for her daughter when she is working. This allows her to work every weekend and public holiday, in addition to her contracted hours. Marcie says that it is only when she is able to work weekend and public holiday shifts that she can earn sufficient to pay her mortgage and other bills.

Marcie says that she would do 'absolutely anything' to keep her home, so that she can provide a stable home life for her daughter.

She says that she needs to work around 50 hours per week in order to pay her mortgage and other bills.

Marcie was employed as a disability support worker for approximately three years in a residential setting for a medium sized provider in the Hunter Valley.

She was paid \$33 per hour and was contracted for 72 hours per fortnight, although she often worked 50 – 70 hours each week with overtime.

Marcie was employed to work with people with a disability who have suffered extreme trauma and violence. Marcie's clients needed high intensity disability support to live fulfilling lives while managing their challenging, violent or unsafe behaviours. These behaviours can present quickly and unexpectedly, so Marcie and her colleagues were trained in advanced methods of de-escalating violent situations. This is highly skilled work.

Marcie has no formal qualifications but would like to complete specialist qualifications if she had the time and money to do so.

'I absolutely loved my job. It was really stressful, and I got extremely tired. Sometimes I just burnt out. I had to take a break before I went back.'

Marcie worked as much overtime as she could so that she could pay her bills. Her employer had trouble recruiting and retaining staff.

Marcie says that she is extremely careful with her money, but it is very hard to make ends meet and overtime is not always reliable. She rarely buys anything for herself and does not go out or take holidays. She 'ration' her fuel and only drives her care when necessary.

Her daughter recently broke her arm, requiring hospital follow up at a hospital that is an hour's drive away. Marcie says that this has been very difficult and expensive for her because of the cost of fuel.

If she is sick or has a tooth ache, she puts up with it, but can't pay for a dentist or medical appointments or prescriptions for herself.

As well as her small car and mortgage, her biggest expense is childcare for her daughter. 'Even with the subsidy childcare costs me a fortune. My dad is wonderful and helps, but I still have to pay for childcare and it's very hard to get a place, especially with the hours I work being so unreliable.'

'I always feel guilty and think that my daughter will hate me because I'm never there and I have to get her up so early for me to go to work.'

'I've had to cancel her dance and swimming classes because I can't afford them anymore.'

'We rarely eat meat. I buy fresh fruit and vegetables when I can but mainly we have pasta and frozen meals because they are cheaper.'

'I have no qualifications, so I can't get a better paying job. I enrolled in a counselling diploma, but I couldn't get to the classes because of the hours I work. Because I got behind and didn't finish the course in the allocated time, I now have a bill to pay for the fees and they sent around debt collectors for a bill I just can't pay.'

She says that she nothing to look forward to in her life, spending every waking moment looking after others and worrying about paying her bills.

'How can people live like this?'

In an effort to increase her income, Marcie left her employer, where she was earning approximately \$1200 per week before tax, including overtime.

She started to work as a youth worker in an out-of-home care setting so that she could work 24- and 48-hour shifts. This allowed her to earn approximately \$1600 per week before tax. However, her employer would not pay overtime rates and the level of violence directed towards Marcie and her colleagues was so high that she decided to leave after six months.

Marcie is now returning to her career as a disability support worker and has asked her employer to provide permanent weekend and public holiday shifts, as this is the only way that she can pay her mortgage and other bills.

Disability support workers are typically only provided with short hour contracts, with additional hours being unreliable. Marcie is therefore also seeking additional casual employment to supplement her primary employment.

Marcie says that a pay rise would make a huge difference to her, particularly now with rapidly rising fuel and other costs. She is prepared to continue to work very long hours but hopes for a pay rise that will be sufficient to allow her to keep her home and pay her other bills.

Members often work for regional and rural disability service providers. They often have to travel long distances to seek professional medical assistance for themselves and their families.

C&DS Case Study 4

Natalie is 53 years old. She has worked as a disability support worker for fifteen (15) years and for around six (6) years in her current position in a transition-to-work program with a medium sized disability provider in Far Western NSW.

Natalie's two children aged 21 and 18 years have disabilities, and her husband is in receipt of workers compensation after a serious workplace injury.

Natalie has completed her Certificate IV in Disability in addition to her extensive lived experience.

She is employed on a permanent part time basis, working up to ten (10) hours per day, six days per week. She is paid \$33 per hour and would like to do additional hours but there is no opportunity for overtime with her employer and given her remote location, there are limited opportunities for work with other providers.

She works as a casual with another organisation on late shifts and weekends whenever this is possible in order to be paid penalty rates.

Natalie's employer closes the service over Christmas for 2 weeks and on public holidays, which means that she has no income at these times.

Natalie states that the major cause of problems between the workers who are employed at her place of work is the competition for additional hours of work as everyone has trouble living on the wage that they are paid.

Natalie and her husband have a mortgage on a modest home. She often has to ask for extensions on her bills, including her council rates and recently approached her bank, asking for a reduced mortgage rate, as she could not afford to pay the most recent of the increases in mortgage rates.

She says that she is a very disciplined budgeter and puts money aside for bills.

She has a car, but often walks to save on fuel.

Natalie has started working at local markets on weekends, selling candles and clothing to try to help the family budget.

She spends as little as possible on very basic foods. 'When the food is gone, it's gone.' 'Sometimes someone eats too much, and the others get cranky, because then it's gone. But there is nothing I can do about it. We rarely if ever eat meat and I don't often buy fresh fruit or vegetables. We mainly eat pasta and frozen meals. I look for food with expired dates because it is cheaper.'

Natalie says that it has been very difficult to pay for the medicines and doctors' appointments that her husband and children need.

'I have a lump that has been worrying me but couldn't afford to pay the doctor for a referral. My children need to see the doctor or have medications, so I just have to wait.'

'Going to the local GP means \$100 per person, per visit. All we have is telehealth and there are no bulk billing GP's in the area.'

'Because we couldn't afford treatment for my daughter, she ended up in a mental health facility for six weeks and hasn't been able to work since. We've had to sell her motor bike to try and pay off some of the bills.'

My son needs to see a specialist, but that means an overnight trip of 500kms. I'll have to use all my sick leave and annual leave so I can go with him. We can't afford to stay in a hotel, so we'll stay with relatives, but this will be a long way out of town, where the doctor's appointment will be.'

'Because I have to use my leave for things like this, I never have any leave at the end of the year. I am working all the time, with no break – ever. This is a very stressful and exhausting job and you really do need a break sometimes.'

'We try to not miss out on the medications that we need, but sometimes I have to borrow money to pay for those.'

'I never thought that I would get to this age and still have no money and have to live like this, worrying about every cent and every bill that comes in.'

'We don't buy clothes or go out or do anything. I don't go to the hairdresser. My husband colours my hair. But it's still very hard to pay all the bills – especially with the rising cost of petrol and other things that have gone up recently'.

'I know the Union is trying to get us a pay rise. It might sound like a very small pay rise to some people, but it would make an enormous difference to me and to my family.'

Our members in disability perform an essential service. They deserve a pay increase that reflects the value of their work to our society.

Conclusion

We hope that these case studies assist the expert panel to understand the real world impacts of their decisions. Ultimately, behind the statistics and economic analysis are real working men and women. The present circumstances call for a fair and reasonable pay increase that accounts for their value to our society and the rising cost of living. Any calls by business to delay a pay increase or not award a pay increase at all should be rejected.