



media statement

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Fair Work Australia ruling another hit to cash strapped community service providers

Statement by CCI Manager of Industrial Relations, Marcia Kuhne.

Today's ruling by the Full Bench of Fair Work Australia (FWA) to increase wages in the community and disability services sectors by as much as 41 per cent is a blow to the industry.

FWA's decision to increase wages between 19 and 41 per cent will be a significant cost burden on Non-Government Organisations (NGOs), many of which can not afford such a hike as they operate on tight margins, with fixed incomes.

CCI supports workers being paid fairly and equitably, but it has to be affordable. While there remain many unanswered questions about what this ruling will mean for the sector, one thing is for sure, it will make it even harder for providers to maintain services at current levels.

While the Federal Government has recently announced one-off funding increases for the sector, there are concerns that this will only go part of the way to meet the ongoing higher wages.

This decision runs the risk of creating a precedent for a wages breakout in other similar industries. This concern was expressed in CCI's submission to Fair Work Australia.

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