

ALERT

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FWA ruling on equal pay

The fight for gender equality in the workforce saw a further development through a landmark ruling handed down by Fair Work Australia (**FWA**) on Monday. The full bench found that around 200,000 social and community services (**SACS**) employees are receiving less pay than public sector workers performing similar duties, and the disparity is partly gender driven. The bench found that employees in the SACS industry are predominantly women and are generally remunerated at a level below that of employees of state and local governments who perform similar work. They highlighted that the Fair Work Act's equal remuneration provisions were broader than those under the previous legislation, because they encompass the concept of work 'of comparable value' and not simply 'of equal value'.

FWA said the next step was to identify 'the extent to which gender has inhibited wages growth in the SACS industry and to mould a remedy which addresses the situation'. They felt it was too early to issue a statement of equal remuneration principles, and urged the parties to agree on a remedy before hearings resumed in August. The bench stated that they wanted to give the parties in the case the chance to make submissions on the matter in order to identify the extent to which wages are lower in the SACS industry due to gender factors, and to explain 'how the amount should be calculated'.

This ruling follows on from the recent government statements concerning the proposed Workplace Gender Equality Act and Workplace Gender Equality Agency (**WGEA**), which will replace the existing legislation and the Equal Opportunity for Women Agency. The new Act will require all employers of over 100 employees to report annually from 2013 on the actual figures of gender composition in their organisations and on their boards, as well as on employment conditions and flexible work hours for women and men. These reforms focus on 'tangible outcomes' of gender equality in the workforce and penalise non-complying organisations by prohibiting them from tendering for federal government contracts.

The government seems to be emphasising their heightened commitment to achieving gender equality in the workforce. Employers should assess their organisational practices to ensure their treatment of both genders is fair, equal and in line with the government's policies.

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