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'Disgraceful' pay rise for Indigenous public service arm

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The federal government's only majority Indigenous public service agency has been offered half the pay rise available across the rest of the Commonwealth bureaucracy. Workers at Aboriginal Hostels Limited, which is two-thirds Indigenous-staffed, have been offered a pay rise of just 1 per cent a year, while other public service outfits have been offered 2 per cent a year.

If accepted, the proposal would see the agency, already the public service's lowest-paying employer, fall further behind.

The Community and Public Sector Union says the "low-ball" offer makes a mockery of the government's "closing the gap" rhetoric.

But the agency says the offer - 2.5 per cent upfront, with another 0.5 per cent to be paid in July 2017 - is the best it can afford without having to compromise services.

It says it is unreasonable to compare its wage proposal with the "closing the gap" campaign.

Most of the offers on the table in the Australian Public Service's long-running bargaining saga offer an average of 2 per cent a year.

The agency, which, at 67 per cent, has the highest percentage of Indigenous staff in the Australian Public Service, provides accommodation at 47 sites around the country for Indigenous Australians from rural and remote communities.

During the past financial year, it provided more than 500,000 nights' accommodation to Indigenous Australians, including students finishing high school, patients receiving renal dialysis, mothers accessing pre- or postnatal care, and job seekers.

CPSU deputy secretary Beth Vincent-Pietsch reacted angrily on Tuesday to what she called a low-ball offer.

"Aboriginal Hostels Limited provides a critical link in providing Aboriginal and Torres Strait Islander people with access to services that most Australians take for granted," the union official said.

"These workers are not well paid to begin with, despite the fact they work extremely hard to provide healthy food and a clean and safe environment, and many are on call 24 hours a day.

"So it's absolutely disgraceful that they are being offered a pay rise of just 1per cent a year.

"This is the worst pay offer on the table anywhere in the Commonwealth public sector, and in fact, it's half what's being offered - and categorically rejected - by the vast majority of people working in the public sector.

"Aboriginal Hostels has been starved of adequate funding and now the government appears to expect these workers to make up the shortfall out of their own pockets."

But in a statement issued on Tuesday afternoon, AHL said it had been forced to choose between making a wage offer comparable to those of other agencies and departments, or cutting its frontline services.

"AHL's wage offer is affordable," the agency said in a statement. "AHL has carefully considered its financial position over the next three years and this offer represents the highest offer AHL can afford without compromising services at our hostels and to our clients.

"Any pay offer must be funded from savings within the organisation without a decrease in services to our clients or job losses. AHL is committed to ensuring that any offer does not affect the delivery of frontline services."