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Staff at Indigenous agency left to fend for themselves on pay

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Staff at Indigenous agency left to fend for themselves on pay By Noel Towell Chief Public Service Reporter Public servants at the federal government's only majority-Aboriginal agency will get no help from the Indigenous Affairs Minister after being offered just half the pay rise available to bureaucrats in majority-white departments.

Aboriginal Hostels Limited has offered its 486 workers, 70 per cent of whom are Aborigine or Torres Strait Islanders, pay rises worth just 1 per cent a year while most Australian Public Service workers have been offered 2 per cent as part of the bitter pay dispute in the wider federal bureaucracy.

The federal opposition says the low pay offer is a "terrible indictment" of the Turnbull government and its rhetoric on "closing the gap".

The AHL workers, most of whom staff overnight hostel accommodation for Indigenous people in regional and remote Australia, are the worst-paid workforce in the public service and have not had a pay rise in almost three years.

But their bosses insist the offer - 2.5 per cent up front, and another 0.5 per cent to be paid in July 2017 - is the best it can afford without having to compromise services.

The agency says it is unreasonable to compare its wage proposal, dubbed a "disgrace" by the main public sector union, with the closing the gap campaign.

AHL had its general operating budget slashed by \$340,000, or nearly 1 per cent, in 2014-2015, despite providing 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 jobseekers, and serving them more than 1.5 million meals.

Public servants at the Department of the Prime Minister and Cabinet, to which AHL is attached and which has responsibility for Indigenous affairs, rejected a wage offer of 5.5 per cent over three years in a ballot in February. The rejection means PM&C has still not resolved its own big wage gap, of up to \$19,000 a year, between "core department" public servants and the Indigenous affairs specialists drafted in under the Abbott government.

But Indigenous Affairs Minister Nigel Scullion said the pay offer was a matter between AHL's workforce and its board.

"Although the AHL is required to work within the broader government bargaining policy, the details of its pay offer are entirely a matter for the AHL board," Mr Scullion said through a spokesman.

Labor's Indigenous affairs spokesman Shayne Neumann said the pay position indicated the Coalition had a long way to go if it wanted to close the gap.

"The 1 per cent a year pay rise offered to staff of AHL shows the Turnbull government still has a long way to go if it is serious about addressing the pay gap between Aboriginal and Torres Strait Islander peoples, and non- Indigenous Australians," Mr Neumann said.

"I think it is a terrible indictment on the Turnbull government that we now have a situation where Aboriginal Hostels must choose between paying their staff fairly, or cutting the vital services they offer to their clients."