



Submission to Fair Work Commission

Gender-based undervaluation – priority awards review

Response to Discussion Paper (dated 6 May 2025) Social,
Community, Home Care and Disability Services
Industry Award 2010

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Contact

Scott Drummond
Head of Policy and Practice
sdrummond@vaada.org.au

Acknowledgement of Country

VAADA acknowledges the Traditional Owners of the land on which our work is undertaken. Our office stands on the country of the Wurundjeri people of the Kulin Nation. We pay our respects to all Elders past and present and acknowledge their continuing and ongoing connection to land, waters and sky.



About VAADA

The Victorian Alcohol & Drug Association (VAADA) is a member-based peak body and health promotion charity representing organisations and individuals involved in prevention, treatment, rehabilitation, harm reduction or research related to alcohol or drugs. VAADA aims to support and promote strategies that prevent and reduce the harms associated with alcohol and other drug (AOD) use across the Victorian community. Our vision is a Victorian community in which AOD-related harms are reduced and well-being is promoted to support people to reach their potential. VAADA seeks to achieve this through:

- Engaging in policy development
- Advocating for systemic change
- Representing issues our members identify
- Providing leadership on priority issues
- Creating a space for collaboration within the AOD sector
- Keeping our members and stakeholders informed about issues relevant to the sector
- Supporting evidence-based practice that maintains the dignity of those who use alcohol and other drugs and related services

VAADA acknowledges and celebrates people and their families and supporters who have a lived and living experience of alcohol, medication and other drug use. We value your courage, wisdom and experience, and recognise the important contribution that you make to the AOD sector in Victoria.

1. Background

The Victorian Alcohol & Drug Association (VAADA) is a member-based peak body representing organisations that support people with alcohol and other drug (AOD) needs in Victoria. We work to prevent and reduce AOD-related harms in the Victorian community by ensuring that those experiencing such harms—and the organisations that support them—are well represented in policy design, program development, and public discussion.

The Victorian AOD sector comprises over 3,500 staff employed in a wide range of organisations and roles, many under the Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS). Our work includes:

- Intake and assessment
- Outreach
- Youth work
- Residential treatment
- Withdrawal services
- Harm reduction services
- Peer led services
- Aboriginal services
- Services for diverse populations
- Family and supporter services
- Policy and advocacy.

This work is undertaken by both large and small service providers, including state-wide providers and place-based organisations. The [2023 VAADA Workforce Survey](#), highlights that the majority of workers in the AOD sector identify as women (66%), while a significant proportion (85%) report lived or living experience with alcohol or other drugs. This includes 40% with personal experience and 45% with a family member or partner affected. This data highlights the relevance of our sector to the discussions and decisions concerning gender-based undervaluation.

2. Fair Work Commission Review

On 7 June 2024, the Fair Work Commission (FWC) commenced a review of classification structures and minimum wage rates across five modern awards, including the SCHADS Award, to address potential gender-based undervaluation.

On 16 April 2025, the Expert Panel issued a provisional decision. It found that employees covered under Schedules B and C—social and community services, crisis accommodation, and home care/disability support—have been subject to gender-based undervaluation. The decision also acknowledged significant structural issues, particularly the complexity and ambiguity of the current classification schedules, which contribute to employee misclassification.

The Panel proposed a simplified, unified classification structure based on the “Caring Skills” benchmark rate from the Aged Care Award. Additionally, the Panel recommended that the existing Equal Remuneration Order (ERO) be revoked upon implementation of the new structure.

On 6 May 2025, the FWC released a discussion paper outlining the decision and presenting key questions and transition methodologies for stakeholder consideration.

VAADA has not yet had the opportunity to consult its members—including AOD staff and services—on the implications of the proposed changes. Sections such as 4.2 (Additional Matters for Consideration) require careful examination in consultation with the sector. Accordingly, this submission focuses on the Panel’s Decision, Key Principles and Translation Methodologies outlined in the discussion paper.

3. The Decision

VAADA welcomes the Expert Panel’s finding that minimum wage rates for social and community service employees have been subject to gender-based undervaluation and supports the conclusion that work value justifies changes to minimum wage rates.

We further note the Panel’s observation that current classification structures in Schedules B and C are unclear, making it difficult to classify and pay employees appropriately. This aligns with our sector’s concerns.

We agree in principle with the intent to simplify the Award and rectify gender-based undervaluation however, the proposal to replace five distinct schedules with one unified structure—anchored to the Caring Skills benchmark from aged care—may not fully capture the diversity of roles within the AOD sector. Risks include potential downgrading of classifications, misalignment of roles, and administrative complexity (addressed below).

4. Key Principles

The Discussion paper sets out guiding principles for parties to consider. This includes that:

- the classification structure should be defined in terms which make compliance a straightforward matter.
- the classification structure should be based on the 'Caring Skills' benchmark rate
- the classification structure should appropriately recognise the acquisition of qualifications at each level and allow for the recognition of equivalent experience and training through lived experience
- Annual pay increments should not be retained in the new structure.

Further, no employee should have their pay reduced by translation from the current structure to any new structure.

Ensuring that compliance for organisations is straightforward and that the implementation burden is minimised is important. AOD services often have limited HR capacity given the cost challenges of delivering services to people with complex needs, (see [2025 Mental Health Presentations in the AOD Sector: Highlighting the challenges and working towards solutions](#)) and the specialist knowledge that is required to implement industrial changes. For this reason, any new Award structure needs to be applied without a cost burden to services. This would need to be funded. While outside the remit of the FWC, it is important to note that AOD services remain underfunded, with demand for services significantly outstripping supply (see [Victorian Budget will not reduce wait times for AOD treatment](#) and [Treatment Delayed is Treatment Denied](#)).

The blanket application of the Caring Skills benchmark does not adequately recognise that AOD roles are vastly different from aged care. As highlighted above in the diversity of work settings in the AOD sector, AOD staff undertake an extraordinary range of roles – many of them working with complex clients presenting with multiple morbidities. Borrowing an award from a very different industry such as aged care will not be suitable.

Recognising and allowing for equivalent experience and training through lived experience is supported (see the proposed Level 6 classification - "Professional Employee") and may provide a long-overdue pathway for peer workers and those with lived experience to progress professionally, including through experience rather than formal qualifications. In a similar way, appropriately recognising cultural knowledge and expertise in any new classification structure should also be considered.

5. Translation Methodologies

The discussion paper outlines three translation arrangements for moving employees into a new structure. Further it notes that under any arrangement, where an employee would translate to a classification in the new structure with a rate of pay that is lower than their current rate of pay, the employee would retain their current rate of pay. No employee would have their current rate of pay reduced. While VAADA supports this in principle, the options presented in the discussion paper are problematic, as outlined below.

- **Option 1 – Translation based on Closest Wage Rate Alignment:** Under Option 1, there are 24 pay points captured under 8 levels. At nine of these pay points, the proposed changes result in a net loss of pay under the new structure, necessitating implementation of the principle that these employees retain their current rate of pay. This outcome is likely to be administratively messy and doesn't attend to the overall point of the exercise – to re-value work undertaken by social and community service staff. Further to this, and to emphasise the point, an additional 9 proposed pay points under Option 1 are at or less than 1% better off.
- **Option 2 – Translation Based on Descriptors:** Under Option 2, the percentage change from the current weekly rates to the new weekly rates vary widely across different pay points, from -9.2% to + 24.9%. While the percentage variations appear to advantage lower pay points, the variations are not consistent. This creates circumstances where some pay points pay the same as the pay point immediately below (See Level 2, Pay point 1 and 2). This raises questions of parity across the levels.
- **Option 3 – Parallel Structures:** This option involves a grandparenting arrangement where existing Schedule B and Schedule C employees would continue to be classified in accordance with the current structure, and employees who commence employment on or after a specified date would be classified in accordance with the new structure. This option runs the risk of creating division or inequity between 'old' employees and new employees and may entrench inequities by creating a two-tiered system which is unfair and unmanageable for employers, exacerbating recruitment and retention issues.

While we acknowledge the challenges of coming up with a suitable option are inherently difficult, the proposed three options require additional consideration and consultation with AOD sector services and staff. This will ensure not only are their insights captured and reflected in future structures but that the new approach is fit for purpose. Further, we support a delay in implementing the provisional structure for Schedules B to enable time to build a classification system that is more nuanced to the

diverse needs of the community sector and that provides pay and career progression from the current ERO rates across all levels of Schedule B.

The proposal to revoke the ERO raises concerns. While we support transitioning to a new system that inherently addresses gender-based undervaluation, removing the ERO without adequate safeguards risks disadvantaging workers and AOD services funded by the Commonwealth Government, where the Drug and Alcohol Treatment Services Maintenance Measure (DATSM) continues to be applied annually as a grant of \$17m nationally. DATSM is often the difference in services being able to operate so removing the ERO would have major implications for the AOD services provided to Australians.

5. Other Considerations

We remain concerned about the absence of guaranteed, sustainable funding to support wage increases.

Without consideration of a sustainable way to fund wage cost increases, such as increasing core service funding, restructuring the SCHADS Award risks entrenching service insecurity and cuts to service provision will need to be made in order to cover this measure.

We urge the Commission and relevant governments to ensure any pay equity reforms are matched by sustainable, long-term funding. Related to this, given that many AOD services in Victoria receive state-based funding, the Victorian Government must be actively involved and supportive of any structural reforms.

6. Conclusion

VAADA supports the Expert Panel's finding that social and community service employees, including AOD workers, have been subject to gender-based undervaluation. We also support reform of the SCHADS Award's classification structure. However, reform must be pursued carefully, in close consultation with the sector, and in a way that enables sector representative organisations and on-the-ground services to fully consider the implications—including where parallel enterprise bargaining processes may be underway at the jurisdictional level.

Implementation advice must also be clear, practical, and accessible, recognising that small non-government AOD services do not have the resources to employ specialist human resource professionals. In addition, non-government AOD organisations are funded through a complex mix of Commonwealth, State, and Territory sources, and any

wage increases must be implemented in a sustainable and ongoing way to ensure that increased costs and changes do not result in reduced service capacity.

No staff should be worse off or experience a reduction in pay as a result of these changes. In keeping with the spirit of the review, workers should benefit from a genuine and equitable uplift in recognition and remuneration. To achieve this, guaranteed and sustainable funding for the AOD sector must be prioritised to support future wage increases without compromising service delivery.