



**United Voice Submission to the Senate Standing
Committees on Community Affairs on:**

Aged Care Living Longer Living Better Bill 2013

Australian Aged Care Quality Agency Bill 2013

Australian Aged Care Quality Agency (Transitional Provisions)
Bill 2013

Aged Care (Bond Security) Amendment Bill 2013

Aged Care (Bond Security) Levy Amendment Bill 2011

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About United Voice

United Voice is a union of 120,000 workers organising to win better jobs, stronger communities, a fairer society and a sustainable future. The majority of United Voice members are women, and many are employed on a casual or part-time basis.

United Voice represents the majority of direct care and support workers employed in the residential and community aged care industry in Western Australia, South Australia, Queensland, the Australian Capital Territory and the Northern Territory as well as community care workers in New South Wales. Whilst coverage and titles may change slightly state by state United Voice members work as Enrolled Nurses, Community Carers, Personal Carers, Nursing Assistants and support staff, including Cleaners, Gardeners, Cooks and Maintenance workers.

Living Longer Living Better reforms

United Voice, the Aged Care Union, welcomes this opportunity to participate in the Senate Committee on Community Affairs Inquiry into the aged care sector, specifically the bills related to the *Living Longer Living Better* reforms:

Aged Care Living Longer Living Better Bill 2013
Australian Aged Care Quality Agency Bill 2013
Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013
Aged Care (Bond Security) Amendment Bill 2013
Aged Care (Bond Security) Levy Amendment Bill 2011

This important Senate inquiry comes at the end of three years of intensive sector consultation and reform. The process started with the Productivity Commission inquiry into aged care. Following the Productivity Commission inquiry, consultation with industry stakeholders has continued through the announcement of and subsequent consultation and implementation of the Living Longer Living Better package. During this process, the aged care sector has worked hard to find a path to reform that represents a maximum level of consensus wherever possible. The National Aged Care Alliance (NACA) was a particularly important consensus-making mechanism, bringing together peak national organisations in aged care including consumer groups, providers, unions, and medical professionals. The consensus formed through NACA has been the cornerstone of the Living Longer Living Better package.

Throughout this consultation process, United Voice members have spoken countless times about the importance of improving wages and conditions in the sector. The effect of low pay in the aged care sector is well-documented in our work. The two key issues of low pay are high staff turn-over, and the difficulties that providers experience in recruiting and retaining staff. Listed in Appendix 1 are the most recent submissions and research that have been undertaken by United Voice. We invite the Committee to read those submissions as part of this submission.

United Voice members in aged care live the experience of poor pay and conditions every day. The labour market disadvantage they suffer has been well-documented. In addition, the reform process has consistently outlined the challenges the sector faces in attracting and retaining staff as the aged care sector rapidly expands.

United Voice members tell of the motivations that keep them committed to the aged care sector, despite the difficulties of living on low pay:

"What keeps me in aged care is the residents I work with. I have a personal relationship with each and every resident. This means I know off by heart their care plans including mobility, behaviours, ACFI information and bowel actions. More than that, I care for each and every resident". Phil, Personal Carer

"The government needs to take responsibility for the state of our industry but also the people who work in Aged Care because people are leaving the industry because they cannot afford to stay. I have seen many people leave the industry to stack shelves in the local IGA as it provides better pay". Renee, Personal Carer

"It makes me so mad when I learn about other industries where employees have a Certificate III and are getting paid at least \$10 more than me – and they don't have to care for people who are elderly and frail! It should be fairer". Terence, Personal Carer

Through the consultative mechanisms in NACA, it was agreed that comprehensive reform was needed in aged care. However reform would not be successful without recognising the need for better wages and conditions of employment for workers in the aged care sector. NACA's "Blueprint for Aged Care Reform" as it relates to the workforce states:

- That "Too many aged care workers are leaving the industry because their work is undervalued and underpaid".
- That reform is needed to "Cut wasted resources on staff turnover (up to 40% of the workforce each year) and build a workforce able to meet the increasing challenges of providing high quality care and support to older people.

Whilst NACA advocated a wages bridging supplement, the Supplement provides a first step in addressing aged care workers being underpaid and undervalued. Specifically the Supplement in providing a mechanism that clearly links funding to a wages outcome begins the process of lifting wages to better recognise the important work that personal and community care workers, and support workers perform in the aged care sector. Through this workforce specific reform, Government and industry both invest in aged care sector workers, thereby improving the wages and conditions for the workforce.

The Supplement provides extra funding for salary increases and requires agreement between the employees and employers on wages and other conditions of employment including workloads, workplace health and safety, and education and training. The requirements of the Supplement are descriptive (not prescriptive) recognizing the importance of employers and employees negotiating an enterprise agreement that takes into consideration the local circumstances to achieving good outcomes to improve the aged care workforce. The Supplement does not prescribe a wage rate or mandate the wording of clauses in enterprise agreements.

United Voice supports the inclusion of additional funding into enterprise agreements as a simple, efficient and transparent way of ensuring that the Supplement is used to raise aged care workers' wages, under the reform package. United Voice reminds the Committee of previous Government's initiatives to improve wages and conditions for aged care workers, so aged care providers could offer improved wages. These initiatives included \$211 million over 4 years in 2002 and a further \$877.8 million in 2004. This additional funding was not expressly tied to an industrial instrument. NACA agreed that any funding specific to wages and conditions be tied to an enterprise agreement, so that this funding can flow to the workforce through an enforceable industrial mechanism, there is funding transparency, and a clear expectation for what is required to receive funding.

The Supplement through the bargaining processes in the Fair Work Act recognizes the importance of ensuring that the parties at the local level have regard to the specific circumstances of each site. Through the bargaining process the government and employers share the costs of improving the aged care sector workforce.

Whilst the Supplement does not lift wages to the professional wages level as outlined in United Voice's previous submissions, we recognise that this is an important first step in lifting the wages of aged care workers.

United Voice also refers to the Joint Unions Statement, in Appendix 2. United Voice affirms the sentiments expressed in the Statement.

United Voice is available to appear at the hearings in relation to the five Aged Care Bills. Further, United Voice looks forward to working with the Committee to ensure that the *Living Longer Living Better* reforms are passed. Our members look forward to the Supplement funding being able to flow to their workplaces, as it will make a material difference to their lives.

Appendix 1 – United Voice Submissions

United Voice [previously LHMU] (2010) Caring for Older Australians LHMU Initial Submission, Australian Productivity Commission Inquiry, July

http://www.pc.gov.au/_data/assets/pdf_file/0005/101795/sub335.pdf

United Voice (2011) *Working in Aged Care – A lifetime of Labour Market Disadvantage*, <https://join.unitedvoice.org.au/files/Working%20in%20Aged%20Care.pdf/view>

United Voice (2011) Caring for Older Australians United Voice Follow-Up Submission, Australian Productivity Commission Inquiry, April

http://www.pc.gov.au/_data/assets/pdf_file/0011/108992/subdr0845.pdf

United Voice (2011) Fair Share for Aged Care: United Voice 2012 Federal Budget Submission

<http://www.unitedvoice.org.au/documents/2012-aged-care-budget-submission>

Appendix 2 – Joint Unions' Statement



Joint statement by the Australian Nursing Federation, Health Services Union and United Voice regarding the Aged Care Workforce Supplement.

- The unions note that the Productivity Commission has recognized that the provision of quality care for older people depends on the aged care sector attracting and retaining sufficient numbers of dedicated, educated and well paid workers.
- The unions note the Living Longer, Living Better Aged Care Reform Package, in part, seeks to assist aged care providers attract and retain adequate numbers of suitably qualified employees and we support the government's decision to make available increased funding to providers to assist them to compete in the labour market.
- The unions endorse the precondition that aged care employers establish or amend enterprise agreements with their workforce to access the supplementary funding.
- Further, the unions strongly support the inclusion of additional funding into enterprise agreements as the most simple, efficient and transparent way of ensuring that the additional funds are acquitted as envisaged under the reform package
- The unions note the Aged Care Reform Package has almost universal support and this is partly due to the long history of productive engagement and consultation with all industry stakeholders. We note the unions represent the interests of the aged care workforce and call on the government to ensure that the ongoing implementation of the reform package is done in a co-operative and consultative manner.