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**THE HON NICOLA ROXON MP  
MINISTER FOR HEALTH AND AGEING**

The Hon John Murphy MP  
Chair  
Standing Committee on Petitions  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Mr ~~Murphy~~

Thank you for your letter of 27 May 2011 regarding a petition submitted for the consideration of the Standing Committee on Petitions about nursing home care and bed funding.

I note that the petition was presented by the Member for Petrie, Mrs Yvette D'Ath MP, on 26 May 2011. Under Standing Order 209 (b), as the Minister responsible for the administration of the matter raised in the petition, I am responding within 90 days of its presentation.

The Australian Government is committed to ensuring that older people receive high quality care and an appropriately skilled and motivated workforce is a key part of this. It recognises that aged care workers provide an invaluable service in the care of older people and will be an integral part of meeting the challenges of responding to the care needs of an ageing population. The Government recognises that a sustainable aged care sector is essential to this commitment. That is why it has budgeted more than \$54.2 billion to support the aged care needs of older Australians over the next four years from 2011-12.

Good faith collective bargaining at the enterprise level is at the heart of the Government's new workplace relations system. These workplace reforms have delivered a framework that provides greater opportunities for all workers, including aged care workers, to negotiate enterprise agreements that improve wages and conditions as well as workplace productivity and flexibility. Employees such as aged care workers who have previously had limited access to multi-employer bargaining will be able to benefit from the Government's low-paid bargaining stream which encourages a cooperative approach to workplace relations.

While the Government has an overarching role as funder of programs and services, aged care providers are responsible together with their staff to negotiate wages and conditions. The pay rates for workers are often negotiated through collective agreements and can vary from employer to employer, just as they do for nurses working in hospitals.

Under the *Aged Care Act 1997*, aged care providers are responsible for ensuring that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. The number of staff that is appropriate for a given number of aged care recipients will vary across aged care homes and change according to the mix of residents' needs in that home. The required ratio of staff to residents and the required skills sets of staff are influenced by factors such as the nature of the care and service needs of residents, the nature of the buildings, the way the work is organised and the extent to which some services are conducted in-house or are outsourced.

The Government recognises that there are challenges facing the aged care sector and that reform is essential to build a more sustainable system that older Australians can rely on, providing high quality, affordable care into the future.

The Prime Minister, the Hon Julia Gillard MP, has identified continued reform of the aged care system as a second term priority for the Government. This is why the Government has asked the Productivity Commission to examine all aspects of Australia's aged care system, and to develop detailed options to ensure it can meet the challenges facing it in coming decades. The release of the Draft Productivity Commission Report *Caring For Older Australians* provided an opportunity for the community to provide the Commission with feedback on its analysis and Draft recommendations. Many organisations and individuals took advantage of this opportunity to make their views on the various proposals known. Many of the submissions are from individuals drawing the Commission's attention to their experiences of Australia's aged care system.

I trust that the above information is of assistance.

Yours sincerely

**NICOLA ROXON**

7 JUL 2011