



AGED & COMMUNITY SERVICES TASMANIA

A peak industry association for Tasmania's aged and community care service providers

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The Secretary
Standing Committee on Employment and Workplace Relations
House of Representatives
PO Box 6021
Parliament House
Level 4, 30 Alfred St
CANBERRA ACT 2600

ACST Submission – pay equity and associated issues related to increasing female participation in the workforce

Aged and Community Services is the major peak body representing residential care, community care and retirement villages in Tasmania. Over 90 per cent of residential care providers in Tasmania are members of ACST and we have a growing number of community care organisations. Our members are predominantly not for profit, private, church, charity, government and/or community based organisations.

We will focus on the structural arrangements in the negotiation of wages that may impact disproportionately on women.

Currently the aged care sector is under considerable financial stress and is struggling to meet the real cost of care. Current inadequate indexation sees 40% of residential care providers nationally operating at a loss (2005/06 financial year). Our view is that this percentage is higher in Tasmania. Currently the Government provides recurrent funding increases of approximately 2 per cent per annum (Commonwealth Own Purpose Outlays - COPO) and an additional interim increase of 1.75% (under review and maybe withdrawn after 08/09 financial year). Many expenditure items are increasing at levels well beyond this and subsequently our facilities are facing real viability issues. Community care package do not receive the annual additional interim increase of 1.75% therefore their annual funding increases are woefully inadequate in meeting the rising cost of care.

This situation has an enormous impact on to our ability to offer competitive wages in a tight labour market. It also results in our female dominated workforce not receiving the level of remuneration that their work deserves. We have an ageing workforce and it is essential we attract and retain staff in the current environment. We believe our sector can offer flexible employment conditions, rewarding work, career paths and development opportunities however we are restricted by the inability to offer wages that reflect the real value of the work performed. We believe we are one of a number of care sectors that depend on a mostly female workforce that is undervalued and underpaid relative to other industries.

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Unlike normal business we are unable to pass on rises in costs to consumers. Our charges are regulated and fixed for a twelve month period and limited to the application of the COPO index. This unfortunately results in a requirement to contain costs as any additional costs beyond subsidy increases affect the care and quality of life components of our services and can impact on regulatory and accreditation requirements. This means the wages of our workforce are capped by Government policy and wage inequity across sectors is institutionalised.

The aged care sector is one of the largest employers in Tasmania and organisations are distributed across the state. The sector has a mix of small, medium to large size organisations that are located in both metropolitan and rural communities across the state. These facilities are intimately connected to their communities not only through the services they provide but through the involvement of community members on their boards and in other day to day activities (including fundraising). These often smaller facilities in rural settings are leading community stakeholders and often the largest employer. The viability of these organisations is unquestionably connected to the health of the community both in a social and economic sense. Our organisations have the ability to offer employment and increase female participation in the workforce in these communities however funding to the sector needs to provide us with the ability to attract and retain these workers.

Tasmanian sooner than any other state will see exits from the workforce outstrip entries. Researchers have indicated this could occur as early as 2009. A recent labour market project undertaken by our organisation found that people marginally attached to the labour market, particularly women who have been caring for children or relatives are attracted to our sector. In our state there are approximately 24,000 people defined as marginally attached to the labour market and these are a key target for our sector in responding to the exists/entries dilemma outlined. We need funding that allows us to compete and offer opportunity to those women attracted to our sector.

The care professions in aged care and also child care, dominated by a female workforce need to have their value properly reflected in funding and subsequently their wages. The Federal Government through its funding policies (such as the use of COPO in aged care) contributes to wage discrimination against women. There needs to be some acceptance that our society may have achieved pay equity within sectors but has failed to address the structural inequity in wages across sectors. The Federal Government has the ability to take responsibility for their policies that encourage this inequity. This needs to start with the provision of appropriate funding for the care sectors so they can provide opportunities for women to enter the sector; offer real career paths; and afford appropriate wages.

Yours sincerely



Darren Mathewson
Chief Executive Officer