

## **Remuneration in Aged Care**

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### **Competitive Wage and the Productivity Commission**

What is a competitive wage in relation to the level of worker in aged care? Is it competitive to the disability sector, mental health or child care sector or like sectors, or is it a “comparative” wage between public and private sectors state by state?

In my experience, the problem for the workers in the sectors mentioned above is that in part, the payment of their wages relies on Government funding and there is an inability by the employer to charge what they want for the fees to the clients. However, the employees in the state or local government services in acute care, disability, mental health, child care and aged care are able to access higher wages and better conditions due to “top up” funding from the public purse. This is in part why the wages are less than say a Zoo Keeper in some situations in aged care. Then there is the issue of “comparative” wages; that being a comparison between the government services and private services and in particular in this case, between state Government aged care facilities and private facilities.

So, if the employees in the private aged care services are to get “competitive” wages as compared to government services, then so should all the other employees in the other services that provide some type of care for people. In fact, are employees in aged care so poorly paid if you compare their wages to other private sector caring services? If so, how can any government afford to simply fund the increases necessary to meet the pay and conditions in non government funded services? Where does the economy get the funds to pay for this if it was in fact to happen?

Are employees working in aged care so much better trained, are they so much more competent, are they more dedicated than staff in other caring services? I think not. However, is it really feasible to pay them all whatever they or others think they are all worth simply by asking for Government funding?

I would ask that there be an examination of what the cost of funding the wages and terms and conditions of staff in government services is, inclusive of the state government aged care services, especially in Victoria. Additionally, the fact that staff in private aged care not for profit services have access to salary packaging at a higher level than their public sector counterparts is relevant as is the fact that the same employees working in “for profit” services cannot access this at all.

In my view and experience, the issue is not simply the wages paid, but the other benefits in place in Enterprise Agreements as well as in custom and practice. If the private sector were to be forced to introduce these and the government was then going to be asked to fund the cost, the hidden cost over whelming.

So, what on earth does “competitive wage” really mean for aged care workers?

### **Other Issues**

#### Skills and Training:

The major issue facing aged care is that there are actually too many part time employees and not enough staff working the number of hours required to provide continuity of care or to be accountable in the various places they work. Because there is so many part time staff in each aged care facility, the number of “bodies” required to fill the shifts has grown and in many cases this has meant the rosters are extremely hard to manage. As there are so many part time employees, the industry needs so many more of them and this in turn has resulted in a lower of the standard of competency in a general sense.

The ability to recruit Registered Division 1 nurses is more difficult as the staff they need to supervise are often not as competent as they should be and there is a lack of a team as the rosters are not fixed and/or permanent. The registered nurse also often work only two or three shifts a week or fortnight, or only on weekends, and do not know the other staff or how competent they actually are. Not all the registered nurses working in aged care are competent either, and do not upgrade their knowledge and skills as required. Often they work only night shifts, have done for years and refuse to work any other shifts so that they can access training and supervision.

Over time, aged care has become the suppository for the otherwise unemployed, students who are training in IT or similar non related fields, those who are too old to work in demanding manual labor jobs any longer, and those who are referred to as “white goods” employees. Probably 80% of staff who work in aged care do so because they chose to and enjoy the work, but the rest do not. As an industrial relations consultant of 30 years standing in aged care, I have seen the change as the need for employees has grown. In fact, as the needs of the residents have changed to requiring more personal care, the caring seems to have diminished. It was different 30 years ago when staff could spend time reading to residents and taking them on outings.

Once non- signing of medication charts whether if be a failure to sign that the medication has been given, or a failure to actually administer the medication was seen as extremely serious and a seen as a reason for termination of employment. Now, if all who those who failed in this way were dismissed we would be terminating half of the work force. Ask the people who are trying to manage these facilities.

The Registered Training Organizations only survive based on the number of people who “pass” the training and get their qualification. There are too many of these who come from no background in aged care and who after three months or less “training” are deemed competent to be given a Certificate in aged care. I have been informed that there is now an 8 hour course available. No matter what they are paid, they will not be competent, but are performing the most personal tasks for old people who are dependent on them.

There is no onus on the RTOs to assess those they recruit to train as to whether they have any empathy for the aged or any real idea of what aged care is all about.

There are many employees who are in receipt of some type of Government benefit and/or health care card and they simply will not work additional shifts no matter what they are paid. In fact, the more they get paid per hour, the less hours they will work.

Paying the staff more money while all this is unresolved will not fix aged care or make the facilities a better place to work or attract staff to work in them.

### **Cart Before the Horse**

Please do not put the horse before the cart and agree to any increase in wages before the government puts the funding into legislation, or to any set competitive wage. Over time, the industry in various instances has agreed to certain claims on the basis that the funding will be there and it then is not there. Please do not set about setting a “competitive” wage without the funding being guaranteed or a source of the extra money being put into legislation, or without truly understanding what a competitive wage is. Get the means to pay resolved before the end result is agreed to. This will only be used by the unions as a tool to force employers to agree to higher costs via Enterprise Agreements or more likely through modern award pay increases, in part claiming “Well, the industry has agreed that X is a Competitive wage...so pay it”. The clear danger is that “the industry” indicates agreement on a competitive wage and rather than go through enterprise agreements, the unions simply apply to Fair Work Australia for an increase in the modern award rates. On the basis that “the industry” has agreed with the wage, FWA will no doubt be persuaded to agree to the unions’ applications. As no employer can pay less than the modern award rate, this will be the end of the issue. No enterprise agreement, nothing in return, an unaffordable and unfunded result.

The old test of comparative wage justice being a comparison with the Metal Industry Award is surely no longer relevant. The Metals Industry is not relevant and is not the industry it once was, and seems to bear as much relevance to aged care as the Mining Industry. These industries were and are able act so as to raise prices to pay for provision of payments to their workers, aged care is not.

It may seem like a good idea to some to talk about establishing some type of competitive wage for aged care workers, but in my view it is one that will be unlikely to be funded by any government, especially with the flood costs and the off sets for the carbon tax to deal with. So, if it is not funded and/ or the mechanism for the funding in blood, why would representatives of the service providers agree to the concept in the first place.

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