



4 March 2022

Associate to the Honourable President Ross
Fair Work Commission
chambers.ross.j@fwc.gov.au

Dear Associate to the Honourable President Ross,

AM2020/99 - Application to vary the Aged Care Award 2010

AM2021/65 – Application to vary the Social, Community, Home Care and Disability Services Industry Award 2010

Uniting NSW.ACT writes in relation to the above applications by the Health Services Union (HSU).

About Uniting NSW.ACT

Uniting NSW.ACT (**Uniting**) is the not-for-profit service and advocacy arm of the Uniting Church in NSW and the ACT. Since its beginnings, the Uniting Church has been committed to social justice and addressing contemporary social issues as an integral part of its life and mission.

Last year we provided services that supported over 100,000 people at all stages of their lives, including the aged, vulnerable children, young people and families, early learning, and people with disability.

We are the largest provider of aged care services in NSW and the ACT, last year caring for 7,200 people in our 60 residential aged care facilities, 9,600 receiving home and community care and almost 3,000 in our independent living units.

Our aged care facilities are located across the State and the ACT, with residential aged care and/or home care services from the far North Coast, down to Eden, and as far west as Broken Hill.

Our aged care employees are covered by the above awards and the Uniting Aged Care Enterprise Agreement (NSW) 2017 (**the Enterprise Agreement**).

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Our workforce profile is as follows:

	Residential	Home & Community	Independent Living
Number of employees	4873	1074	59
FT/PT/casual	12%/72%/14%	24%/68%/4%	71%/19%/0%

The composition of our aged care staff is approximately 82% female, 3.5% Aboriginal, and 25% from culturally and linguistically diverse backgrounds.

Remuneration and work value

Uniting is one of the strongest payers in the sector with our Enterprise Agreement rates sitting well above the Award across most aged care categories. For example, experienced Residential Care registered nurses at Uniting are paid +40% over the Award and Care Workers circa +10%. With the current funding envelope, Uniting is not able to increase wages any further and experiences difficulty maintaining these rates.

In Home & Community services, the differential is smaller and sits circa +5%, noting that wage rates across the Home & Community sector typically vary less across providers.

Based on our extensive experience as a provider of a broad range of community services, Uniting believes that aged care workers are not paid commensurate with the value of the work they perform. The inherent under-valuing of caring roles and roles undertaken by female workers no doubt contribute to the pervasive acceptance by many key stakeholders of lower wages in the sector.

We have seen the value and complexity of aged care work increase significantly over time. This is due to a range of factors including:

- increased standards of care (driven in part by community expectations, understanding of best practice and regulation),
- increased focus on cultural, identity, social and linguistic needs,
- increased regulatory requirements generally including reporting,
- new technologies,
- new models of care,
- people living longer with more complex health needs, such as dementia and greater need for the administration of prescribed medicines,
- growth of home care service provision where workers are inherently required to work independently within people’s homes and the community, and
- most recently, COVID-19.

For example, the Aged Care Quality and Safety Standards require Uniting’s workers to have greater levels of technical and social support competencies relevant to respective roles. The increasing regulatory requirements have also asked aged care workers to bear more risk, something that must be recognised in the work value.

This increase in work value is reflected across all aged care roles, most obviously in direct care roles but also in indirect care roles such as cleaning, food services, administrative roles and maintenance.

Uniting believes aged care workers should be awarded a significant wage increase based on this change in work value, subject to it being fully funded by the Commonwealth Government.

In FY21 the average daily revenue per person in residential aged care at Uniting was \$283. This needs to cover:

- Care generally including:
 - Carers for supervision and daily supports
 - Daily care supplies such as incontinence products
 - Pastoral care
 - Lifestyle costs such as activities, entertainment, lounge areas
- Clinical care including:
 - RNs
 - Allied health workers
 - Some medical supplies such as nutritional supplements
- Catering
- Cleaning
- Laundry
- Property maintenance
- Administration and management tasks such as rosters, family liaison, supervision etc.
- Wage and related workforce costs such as superannuation, training, workers comp etc.
- Linen
- Equipment
- Utilities (electricity, gas, rates, rubbish removal etc.)

This shows the extent of the underfunding of this sector and the ageism implicit in the decision that led to the underfunding. By comparison, the Australian Tax Office's reasonable daily travel allowance is between \$295 (Adelaide) and \$336 (Sydney) for accommodation, meals and incidentals alone. A person in 24/7 care in a hospital medical ward would be funded at least \$800 per day and a person living in supported disability systems would be funded at least \$500 per day.

Our concerns about an unfunded wage increase extend to the sector more broadly where any level of unfunded pay increases will threaten the financial viability of many aged care providers. We fully support the funding being governed by appropriate transparency measures.

The Royal Commission into Aged Care Quality and Safety and COVID-19 have shone a public spotlight on aged care and the remarkable job that aged care workers do to provide compassionate, individualised care in an underfunded sector.

As a community we must ensure that we appropriately value aged care to be able to deliver the level of dignity and quality of care that older Australians expect and deserve. The Uniting Church in Australia Synod of NSW & ACT at its 39th meeting in 2021 has prioritised this issue, passing a resolution that the Synod:

- *Recognises the ageism implicit in the aged care system, which is also reflecting in the undervaluing of aged care workers.*
- *Believes Australia's aged care system should be:*
 - *sustainably funded, ensuring that everyone has access to adequate care and services; and*
 - *provide access to aged care resources based on need (not rationing); and*
 - *pay its workers fairly and equitably.*

- *Affirms Uniting and Wesley Mission's commitment to continued policy development and advocacy to government to further these outcomes.*

Career paths

Uniting supports changes in classification structures to better reflect increments in work value and increase career paths for aged care workers. This would allow Uniting to better reward frontline leadership and specialisation. Together with fair wages, Uniting believes this is essential to making the sector a valued and attractive place to work. As with wage increases, this would need to be accompanied by Government funding to fully cover these increased costs.

Uniting has taken steps to already move away from the Award classifications in our residential care homes where we have implemented the household model. Our approach and how it differs from the Award is outlined in the table at Attachment 1.

The Award has Residential Care Service Coordinators Grade 4, Level 1 and 2, and Aged Care Employees Levels 1-7. Instead at Uniting services with the household model we have a range of roles as follows: Homemaker, Care Service Employee, Team Leader, Leisure and Wellness Coordinator, Recreation and Activities Officer, ACFI Coordinator, Chef, Care Coach, Workplace Coach, Care Service Employee, Cleaner, Café/wellness Worker, Careworker (Hotel Services), Chef, Home Support Officer and Administration Officer. This approach allows for better specialisation and clarity of role in the home-like setting, as well as improved career paths.

Recruitment and retention

On 1 March 2021, the Royal Commission into Aged Care Quality and Safety final report concluded that there are currently not enough workers in the industry to be able to provide 'high quality, person-centred care'. It suggested that by 2050 an estimated 130,000 additional workers will be needed to meet demand. This is consistent with outcomes reported in the *A Matter of Care* report published by The Aged Care Workforce Strategy Taskforce in 2018 (Prof John Pollaers).

A huge shortage of aged care workers is consistent with Uniting's experience.

In addition to Uniting managing its Residential & Community operations with a stretched workforce, the workforce is also fatigued by two years of COVID-19. This reality, overlaid on an organically growing aged care sector already under significant pressure pre-COVID-19, has magnified critical challenges in candidate supply. Consequently, these workforce challenges are impacting Uniting's capacity to optimally deliver existing care services and are limiting the services growth needed to support an ageing population.

The suspension of immigration & new visas etc due to COVID-19 has impacted the net size of the available workforce in Australia generally and therefore candidate options for aged care.

Uniting is also experiencing a spike in employee turnover in Residential and Home & Community care. While the drivers for this are not too dissimilar to history (wage rates, overwork, burnout etc), it does appear to directly correlate with the cumulative effects of COVID-19 (pressure & fatigue) and the difficult personal nature of aged care work generally.

In relation to the increasingly complex compliance/regulatory aged care environment, this has made the recruitment process for Uniting and candidates more complex with up to seven different compliance steps now required of new candidates – spanning Police Checks, NDIS checks, first aid requirements, vaccinations etc. While Uniting recognises the necessity of good compliance, it is important to note that this is just another area that has added to operating costs for aged care employers and added barriers for candidates to employment.

Uniting is responding to the critical shortages of candidates in aged care by focusing its people resourcing efforts in the following areas:

- Maintaining wage rates at highest levels possible within parameters of current funding levels
- Introducing sign-on bonuses for targeted roles
- Investing in more effective workforce management systems to better utilise and engage our workforce
- Better connecting our HR and WHS functions to ensure a holistic approach to culture, wellbeing, and engagement which along with pay is a key factor in enhancing retention
- Investing in exit data collection to better understand and respond to drivers for exit
- Investing in more internal recruitment resources, including deploying new candidate management technology & systems
- Actively investing in the development of new aged care candidate channels. This involves traditional channels such as SEEK, Referrals & Traineeship Programs etc but now includes new initiatives such as pursuing a Uniting Labour Agreement for skilled & unskilled workers with the Dept Home Affairs and participating in the Pacific Labour Scheme that involves recruiting aged care workers from the Pacific Islands into regional aged care settings.
- Increasing investment in programs to support/facilitate the certification of aged care workers.

Even with the above measures and our positive competitive position given our higher than Award wage rates, Uniting is still having to manage critical candidate shortages across most aged care employment categories. These challenges are magnified in regional aged care services.

This is directly due to low wage rates which impacts the ability for us to attract workers from other sectors and retain those already in the sector. Less skilled and emotionally challenging work is either equally or better remunerated so people are reluctant to work in the aged care sector. The relativities between award rates have clearly fallen out of alignment, or have failed to value appropriately, the high skills and emotional resilience and compassion involved in caring.

An example is the disparity of wage rates between disability workers and age care. These two sectors compete for talent from the same/similar 'candidate pool'. The average reported hourly rate for a Disability Care Worker is circa \$33-\$35/hr – translating to approx. +\$10/hr above comparable aged care worker rates, impacting on candidate supply in aged care.

Site inspection(s)

Uniting would be pleased to welcome the Fair Work Commission and the parties to this application to one (or more) of our aged care services for a site inspection or on-site hearing to see first-hand the nature of the work in a range of settings, particularly the household model of care.

Uniting would be pleased to provide further supporting information, or discuss aspects of this submission. This can be arranged through Mr Dom Schuster, Government Relations, on 0466 714 899 or dschuster@uniting.org.

Yours sincerely



Tracey Burton
Executive Director - Uniting NSW.ACT

Attachment 1

Aged Care Award 2010	Uniting Aged Care EA (NSW)		Household Model
	Position/Classification	Position Titles	
Deputy Director of Nursing 250 - 350 Beds	Deputy Service Manager 250 - 350 Beds		Deputy Service Manager 250 - 350 Beds
Deputy Director of Nursing 200 - 250 Beds	Deputy Service Manager 200 - 250 Beds		Deputy Service Manager 200 - 250 Beds
Deputy Director of Nursing 150 - 200 Beds	Deputy Service Manager 150 - 200 Beds		Deputy Service Manager 150 - 200 Beds
Deputy Director of Nursing 100 - 150 Beds	Deputy Service Manager 100 - 150 Beds		Deputy Service Manager 100 - 150 Beds
Deputy Director of Nursing 75 - 100 Beds	Deputy Service Manager 75 - 100 Beds		Deputy Service Manager 75 - 100 Beds
Deputy Director of Nursing 20 - 75 Beds	Deputy Service Manager 20 - 75 Beds		Deputy Service Manager 20 - 75 Beds
Deputy Director of Nursing Less than 20 Beds	Deputy Service Manager Less than 20 Beds		Deputy Service Manager Less than 20 Beds
Registered Nurse Year 1	Registered Nurse Year 1		Registered Nurse Year 1
Registered Nurse Year 2	Registered Nurse Year 2		Registered Nurse Year 2
Registered Nurse Year 3	Registered Nurse Year 3		Registered Nurse Year 3
Registered Nurse Year 4	Registered Nurse Year 4		Registered Nurse Year 4
Registered Nurse Year 5 & Thereafter	Registered Nurse Year 5 & Thereafter		Registered Nurse Year 5 & Thereafter
Assistant In Nursing (without quals), AIN (qualified), AIN Team Leader, AIN Care Team Coordinator L 1 & 2	Assistant In Nursing Year 1 Assistant In Nursing Year 2 Assistant In Nursing Year 3 Assistant In Nursing Year 4		Assistant In Nursing Year 1 Assistant In Nursing Year 2 Assistant In Nursing Year 3 Assistant In Nursing Year 4
Clinical Nurse Consultant	Clinical Nurse Consultant		N/A
Clinical Nurse Educator	Clinical Nurse Educator		N/A
Clinical Nurse Specialist	Clinical Nurse Specialist		N/A
Endorsed Enrolled Nurse	Endorsed Enrolled Nurse		Endorsed Enrolled Nurse
Enrolled Nurse	Enrolled Nurse		Enrolled Nurse
Health Professional Level 1	Health Professional Level 1	Physiothe rapist,	N/A
Health Professional Level 2	Health Professional Level 2	Occupatio nal Therapist, Mental Health Specialist	N/A
Health Professional Level 3	Health Professional Level 3		N/A

Aged Care Award 2010	Uniting Aged Care EA (NSW)		Household Model
	Position/Classification	Position Titles	
Residential Care Service Coordinator, Grade 4, Level 1 Residential Care Service Coordinator, Grade 4, Level 2	Residential Care Service Coordinator, Grade 4, Level 1 Residential Care Service Coordinator, Grade 4, Level 2, Year 1 Residential Care Service Coordinator, Grade 4, Level 2, Year 2 Residential Care Service Coordinator, Grade 4, Level 3 & Thereafter		Homemaker, Care Service Employee, Team Leader, Leisure & Wellness Coordinator, Recreation & Activities Officer, ACFI Coordinator, Chef, Care Coach, Workplace Coach
Aged Care Employee Level 1 - 3 Aged Care Employee Level 4 Aged Care Employee Level 5 Aged Care Employee Level 6 Aged Care Employee Level 7	Care Service Employee New Entrant Care Service Employee (with qual) Grade 1 Care Service Employee (with qual) Grade 2 Care Service Employee (with qual) Grade 3	Care Service Employee, Cleaner, Café/Wellness Worker, Careworker (Hotel Services), Cook	Care Service Employee, Cleaner, Café/Wellness Worker, Careworker (Hotel Services), Cook
Aged Care Employee Level 1 - 3 Aged Care Employee Level 4 Aged Care Employee Level 5 Aged Care Employee Level 6 Aged Care Employee Level 7	Home Support Officer, Administration Officer		Home Support Officer, Administration Officer