



australian
nursing federation

Federal Budget Submission

2012-2013



Aged Care
can't wait

Background on the ANF

The Australian Nursing Federation (ANF) is the national union for nurses, midwives and assistants in nursing with Branches in each state and territory of Australia. The ANF is the largest professional nursing organisation in Australia. The ANF's core business is the industrial and professional representation of its members.

The ANF has over 214,000 members and they are employed in a wide range of enterprises in urban, rural and remote locations in the public, private and aged care sectors, including nursing homes, hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, offshore territories and industries.

The ANF participates in the development of policy in nursing and midwifery, nursing and midwifery regulation, health, community services, veterans' affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.

The ANF's budget funding proposal for Budget 2012 includes nursing and midwifery in primary healthcare, public health (in city and rural and remote settings) and the aged care industry.

The ANF has prepared a series of funding proposals considered essential to addressing long-term reform of the Australian health system.

Nurses, midwives and assistants in nursing are the backbone of service provision in health and aged care particularly given current government priorities: preventative health, ageing in place and quality of life for all Australians.

These recommendations are submitted for the consideration of federal government in the context of the federal budget. The ANF is available for further discussion if required.



Lee Thomas
Federal Secretary



Yvonne Chaperon
Assistant Federal Secretary

Aged Care



The ANF has for many years been lobbying for significant reform in the aged care sector and since 2009 have been campaigning formally with members through the national campaign, *Because We Care - Quality Care for Older Australians*.

The campaign objectives include:

- closing the wages gap in aged care for all care staff;
- introducing minimum mandated staffing levels and skills mix in residential care;
- establishing a transparent and accountable financing system; and
- licensing of assistants in nursing.

In successive federal budget submissions ANF has consistently raised these campaign objectives in terms of budget outcomes with little impact.

In 2011 the federal government released the final report for the Productivity Commission - *Caring for Older Australian's inquiry*. The final report recommended the following:

Workforce

Recommendation 14.1

The Australian Aged Care Commission, when assessing and recommending scheduled care prices, should take into account the need to pay fair and competitive wages to nursing and other care staff delivering approved aged care services and the appropriate mix of skills and staffing levels for the delivery of these services.

Chapter 14 - The Formal Aged Care Workforce

Key points

- Aged care services are labour intensive, particularly direct care services. As such, access to a sufficient and appropriately trained labour supply is essential to ensure that quality and safe care can be delivered when and where required.
- The demand for aged care workers is expected to significantly increase over the next 40 years as a result of the increasing number of older Australians requiring care and support and a decline in the relative availability of informal carers.
- The supply of workers is problematic, the formal aged care system currently faces difficulties in attracting and retaining workers. These difficulties are expected to intensify due to increasing competition for workers as the overall labour market tightens in response to population ageing.
- A comprehensive aged care workforce strategy needs to be independently developed to identify and address ongoing and future workforce issues.

- Workforce strategies should include:
 - paying fair and competitive wages, improving access to education and training, developing well articulated career paths and better management, extending scopes of practice, and reducing regulatory burdens.¹

Registered nurses and allied health professionals will also be in grater demand. As is the case for personal care workers, the key to attracting and retaining these workers will also be to offer fair and competitive remuneration and satisfying working conditions. Competition from other employers, such as hospitals and specialised health services, will intensify as demand for these services also grows.²

Remuneration

The relatively low remuneration of aged care workers is consistently raised as a key issues in attracting and retaining workers. There are a number of factors that have kept wages relatively low, including:

- inadequate price setting and indexation of care subsidies
- poor bargaining positions of a highly feminised, part time workforce which has had a limited success in raising wages significantly above the relevant industry awards.³

To fix the staffing shortage, we need to close the wages gap.

- To attract nurses to the aged care sector, we need to close the wages gap between aged care and hospitals. Nurses in the aged care sector are currently paid between \$168 and \$300 on average less per week than nurses in hospitals.
- A shortage of staff increases pressure on existing staff, which leads to an increase in turnover and poor retention rates.
- Closing the wages gap is key to improving recruitment and retention of nursing staff.

Previous attempts by the aged care sector and government to close the wages gap haven't worked: in fact the wages gap has doubled over the last ten years.

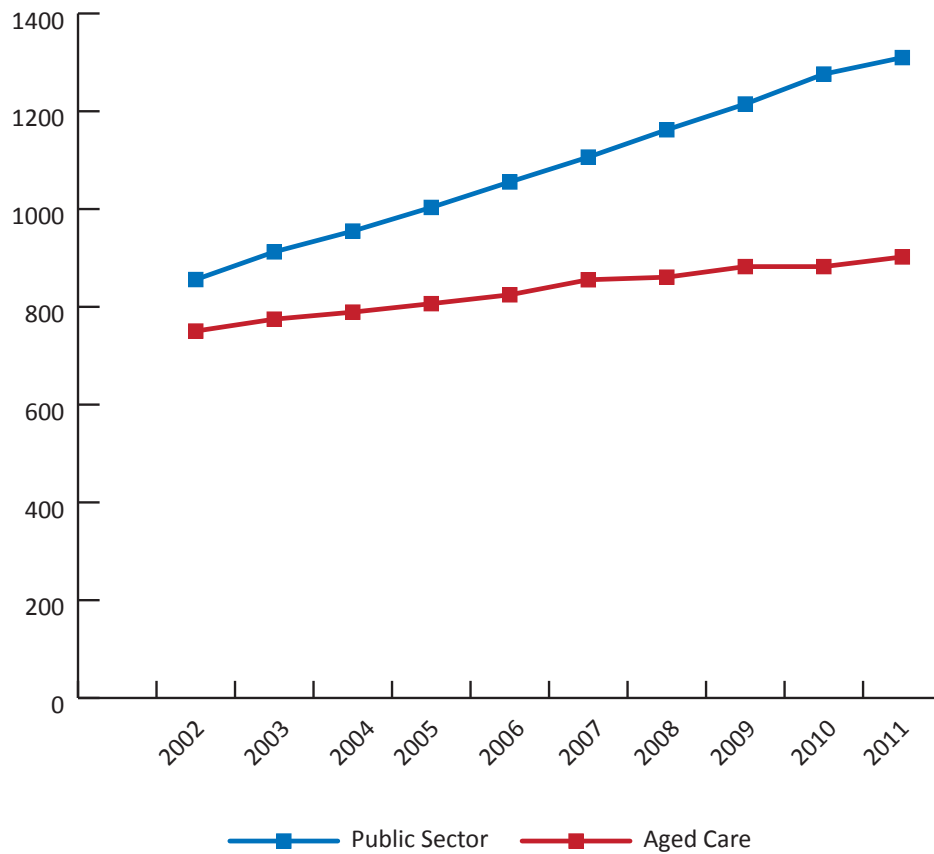
- Over the past decade, governments, employers and unions have attempted to close the wages gap between hospitals and aged care through enterprise bargaining and one-off injections of additional funding to providers.
- These efforts have been unsuccessful; in fact the wages gap has doubled from \$84 in 2002 to upward of \$168 per week on average today.
- To close the wages gap, additional funding needs to be delivered transparently, must be enforceable and effective.

¹ Caring for Older Australians Productivity Commission Inquiry Report, Volume 2, No. 53, 28 June 2011, page 347. The Formal Aged Care Workforce.

² Caring for Older Australians Productivity Commission Inquiry Report, Volume 2, No. 53, 28 June 2011, page 355. The Formal Aged Care Workforce.

³ Caring for Older Australians Productivity Commission Inquiry Report, Volume 2, No. 53, 28 June 2011, page 359. The Formal Aged Care Workforce.

National Wage Disparity 2002-2011 between Public Sector Nurses and Aged Care Nurses



Enterprise bargaining has reached its limit: additional funding is needed to deliver competitive wages to aged care.

- Enterprise bargaining between aged care providers, unions and nursing and care staff dominates the sector. Currently, more than 80 per cent of aged care providers have an enterprise agreement in place with their nursing staff. While the award provides an important safety net, aged care providers have had to try and match public sector wages rates to attract staff. Significant gains have been made through bargaining; a nurse in aged care working under an enterprise agreement earns more than \$200 a week more on average than a nurse on the award.
- Bargaining has also delivered important workplace efficiencies and productivity gains.

We can close the wages gap now through a National Framework agreement between government, aged care providers and nursing staff.

Budget proposal

Why A National Framework Agreement Would Solve The Nursing Crisis In Aged Care

1. A National Framework agreement providing additional funding to close the wages gap and implemented through enterprise bargaining is the best mechanism to deliver competitive wages in aged care. The National Framework agreement allows employers and employees to collectively bargain, with an agreement from the Federal Government to top up the wage differential in each state and territory.
2. This mechanism remedies the failures of the past, by making sure additional funding goes to wages and delivering competitive wages quickly and with minimal disruption.
3. This complements the Productivity Commission's proposed reforms, by providing a mechanism to deliver competitive wages and putting the aged care sector on firm foundations ahead of reform.
4. A national framework agreement allows the ANF to continue to bargaining with the aged care industry (currently we have agreements with over 80% of employers), and allow workplace flexibilities and productivity issues to be a central part of negotiations at the workplace, between management and employees.
5. Employers would be able to compete for nurses with the public sector, as the wage difference of up to \$300 per week would not be an issue for nurses when making a decision about working in the crucial aged care system. Nurses would no longer be financially disadvantaged by choosing a rewarding career in aged care nursing. Vulnerable older Australians will benefit from the increased number of qualified nurses who choose a career in aged care.

Closing the wages gap requires immediate action and the provision of additional tied funding; it also requires an efficient and effective mechanism to avoid repeating the mistakes of the past where additional funding was provided to the aged care industry to close the wages gap, but did not close the gap.

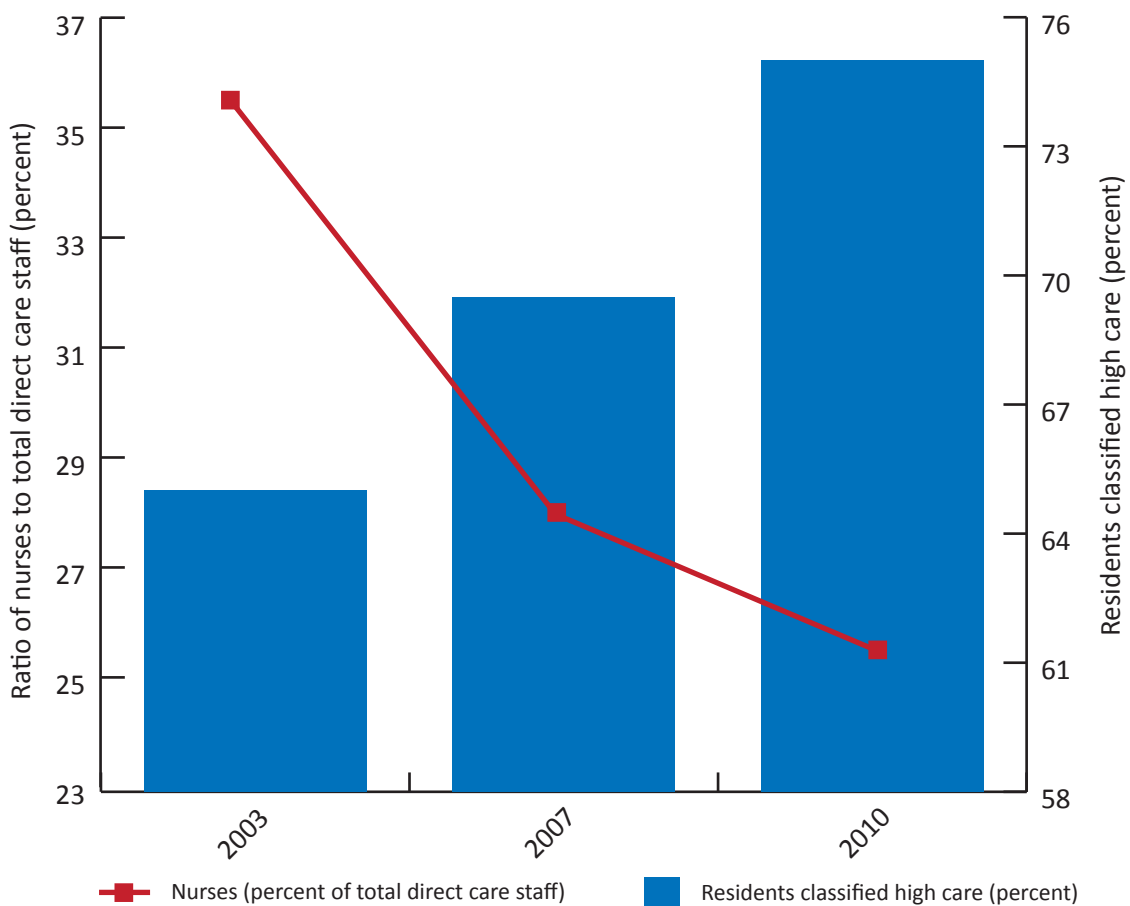
We need the Australian Government to fix the shortage of nursing staff in aged care by closing the wages gap between aged and hospital care.

Budget cost

- investment of \$494 million announced in the 2012 Federal Budget with funding to commence from 1 June 2013.
- From 1 June 2013 employers and the ANF undertaken collective bargaining agreements which include local workplace and productivity issues, and topped up with Government funding to the amount of the wages difference in each state and territory (the difference between the state or territory aged care award rates and the public hospital rates in that state or territory) is provided.
- The bargaining process would continue over the next four years (as such there would be a staggered approach to closing the wages gap) over the four-year budget estimates.

- The ANF currently has collective agreements with over 80% of aged care employers. This process to close the wages gap with a commencement date of 1 June 2013 would allow for the hundreds of agreements to expire, and then be re-negotiated under the terms of the National Framework Agreement to close the wages gap.
- Additional investment to maintain competitive wages would require additional funding of \$97.9 million per annum indexed commencing from 1 June 2014 (but staggered implementation as not all employers agreements expire on 1 June 2013).

Falling Ratio of Nurses and Rising Ratio of Residents Classified High Care



Clinical placements and graduate nurse programs

Budget proposal

Fully funded clinical placements so every nursing student receives a fully supported clinical experience.

Principles

Fully funded graduate nurse programs in every area of the health sector. Every nurse that graduates from university (and TAFE sector for enrolled nurses) should be afforded and guaranteed a full first year experience. This is a priority to ensure the next generation of nurses and midwives are retained in the sector after leaving university and TAFE.

Australia is currently experiencing a nursing shortage, yet nursing graduates cannot find full time employment due to state budget constraints (Queensland and NSW).

Budget cost

\$15,000 per graduate.



Enrolled nurse education funding

Budget proposal

In addition to the current Aged Care Education and Training Incentive Program which is specifically for enrolled nurses and assistants in nursing working in aged care. The Federal Government fund training places, regardless of which area of health they work for:

- enrolled nurses to transition from a Certificate IV to Diploma; and
- assistants in nursing, especially those currently undertaking further training from a Certificate III to Certificate IV or Diploma.

Principles

The federal government currently funds up to \$5,000 for each enrolled nurse and assistant in nursing undertaking eligible Certificate courses to support aged care workers enhance their careers.

Budget cost

Up to \$5,000 per enrolled nurse and assistant in nursing to undertake further study and training. Funding be made available for an additional 200 enrolled nurses and assistants in nursing to undertake further education to Diploma level.

