



australian
nursing federation

AGED CARE WORKFORCE SUPPLEMENT GUIDELINES

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The Australian Nursing Federation (ANF) welcomes the opportunity to make this short submission to the Department of Health and Ageing on the draft Aged Care Workforce Supplement Guidelines.

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

The ANF represents over 225,000 registered nurses, midwives and assistants in nursing nationally. 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, and off-shore territories and industries.

Subject to the following comments the ANF supports the draft guidelines as an appropriate administrative instrument reflecting government policy of matters relating to the application of the Aged Care Workforce Supplement.

A. The requirement to have an enterprise agreement

The Workforce Supplement Guidelines should make clear that a provider must enter into an enterprise agreement to be eligible for the workforce supplement and we provide the following comments in support of our view that the draft Guidelines fall short of this.

- a. Part B (p5) states '*An approved provider of residential care is eligible to receive the Aged Care Workforce Supplement in respect of a care recipient if subsidy is payable and the approved provider meets the eligibility requirements described at 3 below in these Guidelines.*'
- b. Section 3 of Part B (pp5-6) outlines the 'Eligibility Criteria' to receive the Supplement. In summary, they are that the provider has provided written advice to its staff that it intends to apply for the Supplement. This *advice* must state that the provider (with over 50 care places) '*will negotiate an enterprise agreement with its employees that meets the minimum wage requirements described at 3.1 below*' and also must include '*information regarding how the approved provider intends to implement other workforce commitments as described at 3.2 below*'. The provider must also give an undertaking that it will participate in the Census and Survey.

These are the only criteria listed to receive the Supplement. There is no mention in the Guidelines (except maybe a minor mention on p24) that the provider must have an enterprise agreement (if the provider has over 50 places), let alone that the agreement must contain the wages and conditions specified.

In our view there is a large difference between requiring an employer to have an enterprise agreement (with specified content) and writing a letter to staff that it will 'negotiate an EA'.

While we acknowledge that a reasonable period of time must be available to providers and their employees to settle on the terms of an enterprise agreement, we strongly suggest this be within 3 months of the provider receiving the Workforce Supplement funding.

B. Employees to be covered by an enterprise agreement

While we readily accept it is difficult to accurately define all employees intended to be covered by an agreement, the draft Guidelines are deficient. We submit that all references to employees should refer the reader to the definition at page 39 of the Guidelines.

C. Workforce Supplement Eligibility Commencement Date

Pages 10 & 15 of the draft provide information on the commencement dates for the payment of the Workforce Supplement should a provider meet the eligibility requirements.

The Guidelines are unclear in relation to applications received between 1 July 2013 and 31 December 2013. It is the understanding of the ANF that applications received during this period (where it was agreed between the provider and the employers by way of an enterprise agreement that the Workforce Supplement would be payable from 1 July 2013), retrospective funding would be available. If this is so the draft Guidelines are unclear.

D. Fair Work Commission Annual Wage Increase

We request that where the employer provides an average of at least 3.25% per annum or greater over the length of the agreement that they will be deemed to have complied with the supplement criteria that they provide *'a minimum of 2.75% per annum or the Fair Work minimum annual wage increase whichever is the greater (p.17)*. This is important to provide certainty for employers.

The aim of the supplement was to ‘boost’ wages for nurses and aged care workers. The current requirement to include in the agreement reference to the FWC annual wage adjustments was to protect those at or near the modern award wage rates and to ensure that they do not fall further behind.

However, many employers already provide wage increases that are usually more than the FWC increases and have rates well above the margins (3%, 8.5% and 12.6%) above the relevant modern awards. Provided an employer is providing increases well above the 2.75% and at levels unlikely to be passed by FWC, then they should be deemed to comply.

Should the Department accept these views we suggest Note 2 on page 6 be amended to read as follows:

Provided that:

- (a) where there is agreement between the employer and the bargaining representatives; and
- (b) the employer commits to providing wage increases substantially in excess of the minimum 2.75% (but no less than 3.25% per annum on average) then the Secretary will deem that the employer has met the requirement that the employer funded wage increase be a “minimum of 2.75% per annum or the Fair Work minimum annual wage increase whichever is the greater.

E. A minimum payment of 1%

The draft Guidelines provide that the *‘Aged Care Workforce Supplement must be passed onto aged care staff as wage increases, delivering a minimum wage increase of 1 per cent for all aged care staff each year to 2015-16 and 0.5% in 2016-17.’* In our view this makes the supplement unworkable and will significantly affect the uptake.

This requirement is contrary to our understanding of the agreement (to the extent there was agreement) between employers and unions in the Compact working party (SWAG).

In our view it was broadly agreed and accepted by the Minister that for the sake of simplicity employees would receive a 1% increase, not that this was the *minimum*. This view was also, in part based on the agreed costings of the Compact ie 70% of revenue was base subsidy and 70% of expenditure went to wages.

To require the parties to negotiate an agreement over a 3 to 4 year period where the ACFI and wages bill will fluctuate will be too difficult.

We note and agree that the Workforce Supplement must be passed on to staff as an increase to their minimum wage entitlements and not as an allowance , loading or other form of payment as has been suggest by some providers

F. Networks

It is commonplace that unions and employers negotiate to secure a single agreement across multiple facilities owned by the same provider or related corporate entities.

We submit that the Guidelines should make clear that in this circumstance the Workforce Supplement would apply to all those covered by the terms of the agreement as would apply in a single enterprise.

G. Minimum Wage Examples

The ANF suggests that the examples of the minimum wage increases that are to apply to Malina and Hayley (pp. 20 & 21) be amended as set out below to make them more readily understood.

Please note that in the 'Hayley' example the commencement rate has been reduced from \$74,360 to \$62,600 to better reflect the current wage levels paid to senior registered nurses covered by enterprise agreements in the residential aged care sector.

We note that should DOHA accept our suggested changes consequent amendments to the related text will be required:

Example: Malina

	2012-13	2013-14	2014-15	2015-16	2016-17
Employee's base wage as at 1 July 12 (Refer Scenario 1 p.19)	\$34,413				
Award wage rate (annualised)	\$29,420	\$30,156	\$30,985	\$31,759	\$32,712
Minimum Award wage + relevant margin above award		\$30,608	\$31,914	\$32,712	\$33,694
Fair Work Commission annual wage increase		(2.5%)	(2.75%)	(2.5%)	(3.0%)
Employee's base wage without current year's supplement		\$35,359	\$36,695	\$38,081	\$39,616
Base wage payable to be eligible for supplement		\$35,359	\$36,695	\$38,081	\$39,616
Wage supplement		\$354	\$367	\$381	\$198
Employee's base wage with supplement		\$35,713	\$37,062	\$38,462	\$39,814
Total wage increase per year as %		3.78%	3.78%	3.78%	3.52%

Example: Hayley

	2012-13	2013-14	2014-15	2015-16	2016-17
Employee's base wage as at 1 July 12 (Refer Scenario 2 p.20)	\$62,600				
Award wage rate (annualised)	\$48,079	\$49,281	\$50,636	\$51,902	\$53,459
Minimum Award wage + relevant margin above award		\$51,252	\$54,687	\$58,442	\$60,195
Fair Work Commission annual wage increase		(2.5%)	(2.75%)	(2.5%)	(3.0%)
Employee's base wage without current year's supplement		\$65,104 (\$62,600 + 4%)	\$68,385 (\$65,755 + 4%)	\$71,832 (\$69,069 + 4%)	\$75,452 (\$72,550 + 4%)
Base wage payable to be eligible for supplement		\$65,104	\$68,385	\$71,832	\$75,452
Wage supplement		\$651	\$684	\$718	\$377
Employee's base wage with supplement		\$65,755	\$69,069	\$72,550	\$75,829
Total wage increase per year as %		5.04%	5.04%	5.04%	4.5%