



Minister announces aged care pay increases for staff

Federal Minister for Mental Health and Ageing, Mark Butler yesterday announced the Workforce Compact agreement (the Compact). The Compact is part of the Federal Government's *Living Longer. Living Better* 10-year plan to tackle critical shortages in the aged care workforce by improving the capacity to attract and retain staff to the aged care sector via higher wages, improved career structures, enhanced training and education opportunities and better work practices.

Minister Butler detailed that the \$1.2 billion of funding for the Compact will begin to flow from 1 July 2013, in the form of a 'Workforce Supplement' (the Supplement) that will go directly towards aged care staff pay rises.

The Supplement will only be available to eligible aged care providers who meet the terms and conditions of the Workforce Compact. These conditions include:

- Aged care providers whose employees are paid under State and Territory Government awards or public sector enterprise agreements will not be eligible for the Supplement unless the enterprise agreement is amended to be consistent with the terms and conditions of the Compact.
- Residential aged care providers with 50 or more operational places must put in place an enterprise agreement with the terms and conditions of the Compact.
- Residential aged care providers with fewer than 50 operational places, HACC providers, and providers of the National Respite for Carers program and Day Therapy Centre program will need to certify that they meet the terms and conditions of the Compact, including that they have written to all employees advising that they have applied for the Supplement.
- Aged care providers must complete the Department of Health and Ageing's regular Aged Care Workforce Census and Survey.

In order to access the Workforce Supplement, aged care providers must:

- Ensure that annual increases in wages are a minimum of 2.75 per cent per annum, or the Fair Work Commission annual minimum wage increase, whichever is higher; and
- Maintain a margin over the relevant Award rates of all employees of at least:

	2013-14	2014-15	2015-16	2016-17
Personal and community care workers and other aged care staff	1.5%	3.00%	3.00%	3.00%
Enrolled nurses	2.50%	5.50%	8.50%	8.50%
Registered nurses	4.00%	8.00%	12.60%	12.60%

The Workforce Supplement must be paid, in full, to staff as a wage increase. This means staff will receive a government-subsidised wage increase of 3.5 per cent over four years provided that the employer also meets the minimum pay increase of 2.75 per cent per year over four years.

In addition to the wage requirements, there are other minimum commitments for aged care providers to meet in order to access the Supplement, which are intended to improve the capacity of the aged care sector to attract and retain employees. This is summarised in the table below:



Area	Minimum commitment
Enhancing training and education opportunities	<ul style="list-style-type: none">• Access to training and education• Professional development• Representation leave
Improved career structures Improved career development and workforce planning	<ul style="list-style-type: none">• Review of part-time hours• Conversion of casual employees to permanent employees• Workload management• Workplace health and safety• Disciplinary matters

The release of the Compact has been met with mixed reactions from peak bodies, trade unions and aged care providers. The VHA is concerned that the Compact will place further strain on an already financially stretched sector and invites members to provide any comments or feedback on the Compact.

For further information and to provide any feedback, please contact:

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