Employees of
Helping Hand
Aged Care Facilities
In South Australia

Submission to the
Australian Fair Pay Commission 2008

Lodged by
LHMU SA Branch
March 2008
On behalf of
LHMU members employed by Helping Hand in South Australia
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. SUMMARY OUTLINE</td>
<td>1</td>
</tr>
<tr>
<td>2. ABOUT HELPING HAND</td>
<td>2</td>
</tr>
<tr>
<td>3. WAGE INCREASE SUPPORTED</td>
<td>2</td>
</tr>
<tr>
<td>4. OPERATIVE DATE AND FURTHER REVIEWS</td>
<td>3</td>
</tr>
<tr>
<td>5. COLLECTIVE BARGAINING AND RELIANCE ON AFPC OUTCOMES</td>
<td>4</td>
</tr>
<tr>
<td>6. COMMUNITY SERVICES SECTOR</td>
<td>4</td>
</tr>
<tr>
<td>7. WORKFORCE PROFILE</td>
<td>5</td>
</tr>
<tr>
<td>8. NEEDS OF THE LOW PAID</td>
<td>5</td>
</tr>
<tr>
<td>9. EFFECT OF PRICE RISES ON LOWER INCOME HOUSEHOLDS</td>
<td>6</td>
</tr>
<tr>
<td>10. KEY WAGE AND PRICE MOVEMENT FIGURES</td>
<td>6</td>
</tr>
<tr>
<td>11. EFFECT OF PREVIOUS WAGE INCREASES</td>
<td>8</td>
</tr>
<tr>
<td>12. EMPLOYEE MEETINGS AND PHONE SURVEYS</td>
<td>8</td>
</tr>
<tr>
<td>13. CONCLUSION</td>
<td>10</td>
</tr>
<tr>
<td>14. APPENDIX ‘A’ – Member Comments made at meetings and in phone surveys</td>
<td>11</td>
</tr>
<tr>
<td>15. APPENDIX ‘B’ – Extracts from Careers at the Coal Face?</td>
<td>19</td>
</tr>
<tr>
<td>Community Services in South Australia: Workforce Development report</td>
<td></td>
</tr>
<tr>
<td>16. APPENDIX ‘C’ - ECONOMIC INFORMATION</td>
<td>22</td>
</tr>
</tbody>
</table>
17. APPENDIX 'D' - Helping Hand Employees Have Needs
Associated With The Costs Of Living - The True Effect of "CPI"

.................................................................25
PREAMBLE

This submission is lodged by Liquor Hospitality and Miscellaneous Union South Australia ("LHMU") on behalf of our members employed at Helping Hand Aged Care Facilities in South Australia.

LHMU members employed at Helping Hand Aged Care Facilities in South Australia have endorsed the publication of this submission. LHMU members quoted throughout this submission have authorised the publication of their quotes.

1. SUMMARY OUTLINE

LHMU members employed at Helping Hand Aged Care facilities in SA, support an increase to their minimum wage rates of 5%, operative from 9 July 2008.

LHMU members believe this increase should apply up until March 2009, with a further wage review thereafter.

We believe the relevant broader economic indicators support an increase of this level.

We believe the level of increase will provide a modest "catch up" and is not excessive.

We believe that we fall broadly in to the category of "low paid" and the Australian Fair Pay Commission ("AFPC") should have particular regard to our need to keep pace with the cost of living.

We have been unable to reach a Collective Agreement with our employer at this stage.

We are currently reliant on AFPC determinations to lift our minimum wage level this year.

There were no adverse effects of the December 2006 or October 2007 AFPC wage increases on our facility.

In 2007 we proposed an increase of 3.8% or $22.00 to our employer. Our employer did not agree to provide the increase and preferred to let the AFPC determine what wage increase should be paid to Helping Hand employees. Consequently, we made a submission to the AFPC that our wages be increased by 3.8% or $22.00, whichever is greater. AFPC determined to increase our gross weekly wages by $10.25. (0.27¢ per hour).

As we are falling further behind other employees we believe a wage adjustment of 5% is in order.
As part of the community services sector, particularly the Aged Care section, we are conscious of the need to attract and maintain staff.
2. ABOUT HELPING HAND

Helping Hand Aged Care is a not for profit Uniting Church affiliated organisation.

There are eight major residential sites with approximately 900 residents. More than 7,000 clients receive home help. Total staff inclusive of full-time, part-time and casuals are in excess of 1,300.

This submission is made on behalf of LHMU members who are comprised mostly of personal carers and domestic staff.

3. WAGE INCREASE SUPPORTED

LHMU members support an increase of 5% for all classifications of employees.

Currently we are paid according to an AFPC Scale derived from the Health Services Employees Award (“NAPSA”).

Our current wage scale is set out below:

<table>
<thead>
<tr>
<th>Characteristics Level 1 (CL-1)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment – Pt 1</td>
<td>$561.62</td>
</tr>
<tr>
<td>Increment – Pt 2</td>
<td>$574.22</td>
</tr>
<tr>
<td>Increment – pt 3</td>
<td>$585.62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics Level 2 (CL-2)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment – Pt 1</td>
<td>$587.72</td>
</tr>
<tr>
<td>Increment – Pt 2</td>
<td>$592.92</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics Level 3 (CL-3)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment – Pt 1</td>
<td>$597.12</td>
</tr>
<tr>
<td>Increment – Pt 2</td>
<td>$603.62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics Level 4 (CL-4)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment – Pt 1</td>
<td>$615.62</td>
</tr>
<tr>
<td>Increment – Pt 2</td>
<td>$626.22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics Level 5 (CL-5)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment – Pt 1</td>
<td>$636.62</td>
</tr>
<tr>
<td>Increment – Pt 2</td>
<td>$657.52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristics Level 6 (CL-6)</th>
<th>Gross Weekly Full-Time Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increment Pt 1</td>
<td>$668.62</td>
</tr>
<tr>
<td>Increment Pt 2</td>
<td>$685.62</td>
</tr>
</tbody>
</table>

If an increase of 5% was granted, our weekly wage rates will be as below:
We believe this increase is fair and sustainable.

4. OPERATIVE DATE AND FURTHER REVIEWS

We believe the increase should apply from 9 July 2008, which is the traditional date applied to annual wage adjustments to the Health Services Employees Award.

Prior to 2006, usual wage adjustments applied from 9 July.

These annual wage adjustments were additional to "work value" wage adjustments, or changes in job classification. The annual adjustments were to help us keep up with cost of living increases.

During 2007, the AFPC awarded a $10.25 per week ($0.27 per hour) increase from the first pay period on or after 1 October 2007.

Our preference is for a 2008 increase to return to the July timing of years prior to 2006.

LHMU members believe the new rates should apply up to March 2009, whereafter, a further review should occur. Further reviews will be necessary to determine fair comparisons with other wage movements.

Helping Hand employees, like other employees in the Community Services Aged Care Sector are falling behind employees in other industries as far as wages are concerned. Helping Hand employees are now starting to fall behind other aged care employees who have concluded collective agreements with their employers.
5. COLLECTIVE BARGAINING AND RELIANCE ON AFPC OUTCOMES

Granting of a 5% wage increase will not be a disincentive to collective bargaining.

LHMU members have made it known to Helping Hand that we wish to conclude a Union Collective Agreement with our employer.

Our motivation extends beyond a desire for wage maintenance and certainty, as collective agreements are not just about wages. Our desire is to maintain and protect all of our existing award conditions, in a collective agreement, so we are not only concerned about wages.

Wages are not our only incentive to enter into a collective agreement.

At this stage, our employer, Helping Hand will not negotiate a collective agreement. In May 2006 Helping Hand corresponded to our Union, LHMU and stated that "any discussion regarding a collective workplace agreement is premature."

In August 2006, Helping Hand wrote to all of its employees and stated: "state based salary rises are now being reviewed by the federal system through the Fair Pay Commission."

In January 2008 our Union wrote again to Helping Hand advising of our desire to negotiate a Collective Agreement. We still do not have a Collective Agreement.

6. COMMUNITY SERVICES SECTOR

Helping Hand is an Aged Care provider and part of the broader community services sector.

The broader community services sector has some commonly identifiable labour market features.

The propensity to conclude industrial bargains is limited. Personal care workers and domestic staff have not traditionally bargained over conditions and wages.

The sector has relied upon commonly determined award wages, and has not been subject to wage competition in attracting and retaining staff.


The report concluded:

"Our three-pronged survey of the aged care facilities and workforce has provided a great deal of new, robust information about the sector and its direct care workers. From this we can draw some quite strong conclusions about the nature of the workforce and the ease or difficulty of recruiting and retaining a suitable set of workers."

P.56
“The major discontent of the staff is with their pay. Should the issue of pay get to the point where it is a real impediment to the recruitment and retention of adequately qualified staff, then there is a straight-forward remedy. It may be costly to pay staff more, and there would be debate about who should pay. But it is not difficult to implement and it can be done quickly.”

A report produced in February 2007 addressed some of the key labour market issues facing Community Services in South Australia.

The report is entitled Careers at the Coal-Face? Community Services in South Australia: Workforce Development. [University of SA & SACOSS - February 2007]

We have included extracts from this report at Appendix 'B' to this submission.

The report found that the Community Services Sector experience difficulties in attracting and maintaining staff and generally features low wages.

The general issues affecting community services, such as summarised above, apply in the broader Aged Care sector.

There are difficulties in attracting and retaining staff and there are predicted staff shortages.

Sustainable across the board minimum wage adjustments will be necessary to maintain employees, and to allow any prospect for new employees to have the incentive to enter the sector. Wherever possible, increases should apply across the sector, so as to limit wage competition, between service providers. Smaller not for profit agencies will not be able to compete for labour if larger for profit centres offer to pay higher wages.

During 2007 a number of Aged Care facilities in South Australia concluded Collective Agreements. The average wage increase was 3.8% per annum. Our wages are falling behind these facilities.

7. WORKFORCE PROFILE

Other aspects of significance within our sector, is the high proportion of female, part time and casual staff. As the AFPC noted in its 2006 wage review, we are more likely to fall within the group generally classified as “low paid”.

Our gross current wage rates as set out above, in this submission, are all well below $700.00 per week. Most of us would gross less than $600.00 for a 38 hour week. Our common take home per week average wage is approximately $350.00 per week.

8. NEEDS OF THE LOW PAID

The previous AFPC decisions considered the need to provide a safety net for low paid employees, and considered various definitions of what might constitute “low paid”.

While the AFPC did not seek to define “low paid” in previous reviews it used a range of minimum wage rates up to $700.00 per week as the indicative low paid range. (e.g. 2006 Wage Setting Decision Page 63).
All LHMU members employed by Helping Hand and covered by the relevant AFPC scale earn less than $700.00 per week gross.

Note: the gross weekly figures in the relevant pay scales do not reflect the earnings of Aged Care employees generally because of the prevalence of part-time employment in the industry.

The Helping Hand Workforce is similar to the broader Aged Care sector, in that we have many part-time employees.

9. EFFECT OF PRICE RISES ON LOWER INCOME HOUSEHOLDS

It is insufficient to simply consider Consumer Price Index (CPI) increases as illustrating the effect of price rises on our household budgets.

The fact is, we spend more of our wages on necessities, and the cost of those items have been increasing at a higher rate than the averaged out CPI figure.

For example, we spend a high proportion of our wages on Housing, Fuel, Transport, Food and Clothing.

10. KEY WAGE AND PRICE MOVEMENT FIGURES

An increase of 5% is not an excessive increase, at best it just basically keeps us where we are, so we do not fall even further behind other workers, and helps us catch up a bit with rising prices.

Key wage and price movements for comparison are set out below:

Inflation

The Annual nationwide inflation rate from December 2006 to December 2007 is 3.0%.

Key increases in the September quarter were in housing costs (rents up 1.6%, purchases up 1% and food up 0.5%).

Key increases in the December quarter were petrol up 7.3% and housing costs (rents 1.6%, purchases 1.3%).

The Adelaide Annual CPI increase from December 2006 to December 2007 was 2.7%. (ABS 6401.0 CPI December 07).

The Reserve Bank of Australia quarterly statistical release (23/01/08) estimated weighted median CPI December 2006 - December 2007 was 3.8%.

The trimmed mean was 3.4%.

Reserve Bank of Australia measures are based on seasonally adjusted quarterly price changes.
Wages

The Wage Price Index (WPI) for the annual period from December 2006 to December 2007 has increased by 4.2% Australia wide. (6345.0 Labour Price Index Dec. 07)

Average Weekly Earnings (AWE)

All employees AWE increased by 4.3% from August 2006 to August 2007. (4.5% seasonally adjusted). In the period from November 2006 to November 2007 AWE increased by 3.8%.

In the 12 months to August 2007 all Health and Community Services employees AWE increased by 3.1%.

In the period from November 2006 to November 2007 Health and Community Services all employees AWE increased by 3.8%.

Average Weekly Ordinary Time Earnings (AWOTE)

AWOTE nationally increased by 5.0% from August 2006 to August 2007. (4.9% seasonally adjusted). In the period from November 2006 to November 2007 AWOTE increased nationally by 4.9% (4.7% seasonally adjusted).

In the period from November 2006 to November 2007 Health & Community Services Employees AWOTE increased by 4.5%.

In South Australia AWOTE increased by 3.6%, in the year ending August 2007 and all employees AWE increased by 2.8%. In SA during the period from November 2006 and November 2007 AWOTE increased by 5.2% and AWE increased by 4.2%. (ABS Average Weekly Earnings 6302 - November 2006 and 2007).

Average Compensation per Employee (AENA)

AENA increased by 6.0% from December 2005 to December 2007. (Australian National Accounts 5204.0 - December 2006).

Workplace Agreements

The Average Annual Wage Increase (AAWI) per employee covered by collective workplace agreements lodged in the period September 2006 to September 2007 was 4.0%.

In the Health and Community Services sector AAWI per employee is a similar average. Current agreements AAWI are 3.8%.

The Average Annual Wage Increase (AAWI) per currently operating Collective Agreement is 3.7%.
(ADAM report 52, August 2007)
Average Earnings

In May 2006, the average weekly total cash earnings was $852.30 for all employees including $1,020.30 for men and $677.80 for women.

Average weekly total cash earnings for all part time employees was $410.80.

Average weekly total cash earnings for full time non-managerial adult employees who had their pay set by an award was only $767.30.

(ABS 6306.0 Employee Earnings and Hours, Australia, May 2006).

In November 2007 Average Weekly Earnings (AWE) for all employees was $880.30.

(AWE Cat 6302.0 November 2007).

11. EFFECT OF PREVIOUS WAGE INCREASES

We believe there were no adverse effects on employment levels or the financial viability of Helping Hand in SA as a result of the previous 2006 and 2007 AFPC increase.

Helping Hand provided a 3% increase in August 2006 prior to the 2006 AFPC increase, as we would have been subject to a wage freeze in the absence of a directly relevant State Wage Case decision in 2006.

The 3% increase was subsequently absorbed into the AFPC December 2006 increase, which later topped up our wages. We subsequently received the October 2007 adjustment of 0.27¢ per hour. We are now paid in accordance with the AFPC Minimum Pay Scale.

The cumulative effect of the 3% August increase and the subsequent 2006 and 2007 AFPC increases has not adversely affected employment levels at our facilities, and Helping Hand has demonstrated that it can afford to pay those increases.

We believe that a further increase of 5% will be within Helping Hand’s capacity to pay and will not adversely affect our operations. Other smaller aged care facilities in South Australia are already paying wages similar to that sought by this submission.

12. EMPLOYEE MEETINGS AND PHONE SURVEYS

LHMU members employed by Helping Hand met and discussed this submission and the current AFPC review during early 2008. Members have also been contacted by phone surveys.

Some of their key comments and issues raised by members at these meetings and in phone surveys have been summarised below:

Members at Helping Hand are saying that 85%-95% of their wages are taken up by Mortgage repayments, petrol, food, utility bills and clothing.

They have little or no money left at the end of the fortnight.

Other selected individual comments and issues articulated by LHMU members at meetings are set out below:
Typical comments from Helping Hand employees when comparing their wages to the cost of living are:

"Cost of living goes up quicker than wages" (Annette)

"Don't really benefit from pay rises cause of rise in cost of living" (Melanie)

"Petrol, rent, food, bills; by the time you pay that there is not a lot left" (Daphne)

"It's terrible, everything goes up" (Eileen)

"You can't survive on it. You have to get supplemented by Centrelink or family members to live on what you make" (Josie)

"They don't. We don't save anything" (Heather)

"They don't, that's why I do agency work as well" (Connie)

Typical comments from Helping Hand employees regarding the AFPC 2007 wage setting decision are:

"The 27¢ does not help to help living at all" (Magda)

"It was just hopeless, it didn't affect my wages at all" (Ms M)

"I thought it wasn't enough to cover the cost of living" (Ms R)

"This increase did nothing, it's not enough at all to make ends meet" (Tanya)

"Wasn't much. Everything else is going up" (Cathy)

"We need all we can get. We need an incentive to stay in the industry as the work is too hard and the pay is too low" (Aileen)

"27¢ is nothing. Need $3.00 per hour more" (Roma)

"Really didn’t achieve much, we still live from week to week" (Michael)

Typical comments from Helping Hand employees regarding why they believe they should receive a 5% increase are:

"We work hard for our wages. Everyone else gets a pay rise. The cost of living is too high for my wage" (Alexandra)

"Because we are low paid" (Yolanda)

"To help keep up with the grocery bills" (Jenny)

"Because the cost of living is going up. They should be giving us a rise to match that" (Roma)

"Inflation, in one word. The cost of living" (Dianne)
Further details and reports about the Employee meetings, and phone surveys are set out in Appendix ‘A’ to this submission.

13. CONCLUSION

LHMMU members employed at Helping Hand facilities in South Australia submit that the AFPC should determine a minimum wage increase of 5%.

The increase should operate from 9 July 2008 with a further review from March 2009.

Granting of the increase will not impact upon bargaining at our workplace because our employer is not prepared at this stage to negotiate an agreement and has advised us that wage increases will be as determined by the AFPC.

5% is a moderate increase which is not out of step with a range of different wage movement measures.

Such an increase will assist us to keep up with employees in other sectors, including those who conclude agreements with their employers.

An increase will also help us keep up with rising prices; including increases in necessities which rise at a faster rate than the CPI "basket of goods".

Helping Hand did not experience any negative effects from the 2006 and 2007 Wage increases, and in our opinion is able to afford the increase we seek.

Our key problems are:

- There is no money left over from wages for anything other than day to day living expenses.
- We struggle to meet housing costs.
- Our wages are not keeping up with rising prices.
- We find it virtually impossible to save.

This submission is made by Helping Hand employees in South Australia, with the assistance of our union, the LHMMU.
LHMU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

14. APPENDIX ‘A’ – Member Comments made at meetings and in phone surveys

LHMU members attended meetings and participated in phone surveys in early 2008.

LHMU members commented when discussing how much money they had left from their wage after paying bills like housing, food, transport, utilities etc.

Helping Hand employees’ views about how their wages compared with the cost of living are summarised below:

“They really don’t. There’s a lot of girls doing overtime. If anyone has children depending on them you have to take up extra shifts to survive” (Ms M)

“Wages don’t meet the increases” (Lyn)

“The 27¢ does not help to help living at all” (Magda)

“It’s not enough. I pay everything and there is nothing left at the end of the day” (Ms U)

“They don’t compare at all. Nothing goes down but all goes up” (Ms R)

“I don’t think they compare at all, you just get by” (Barbara)

“I am not coping at all with what we have, nor is my family” (Berny)

“Cost of living goes up quicker than wages” (Annette)

“Wages only keep us above water just enough to get through” (Margaret)

“Low. We discuss it at lunch. All we want to do is survive” (Cathy)

“Don’t really benefit from pay rises cause of rise in cost of living” (Melanie)

“Nowhere near, I don’t see any part of my pay at all” (Sheree)

“A few more dollars would be good” (Antonietta)

“Your wage stays the same but everything else is going up” (Ms A)

“Petrol, rent, food, bills; by the time you pay that there is not a lot left” (Daphne)

“Grocery bills are going up” (Jenny)

“Expect that they are probably less and not keeping pace with the cost of living” (Barry)

“Abysmal, especially with petrol” (Heather)

“We always seem to be playing catch up” (Derek)

“Everyone struggles” (Ms S)
"It's terrible, everything goes up" (Eileen)

"Not good. We have to use our own car and petrol and our allowances for this have not gone up" (Vicki)

"Nothing compared to what has gone up lately" (Roma)

"Not good, I'm not a big spender but it's very hard to keep up with everyday living" (Diane)

"It doesn't even come close" (Georgina)

"Doesn't go anywhere, it's getting harder and harder" (Monica)

"They don't - especially with the interest rates going up recently" (Pauline)

"I'm struggling. As a single mum it's really hard" (Debra)

"Not very well" (Joanne)

"Finding it very hard actually, I'm struggling" (Ms B)

"Everything goes up and wages don't" (Dianne)

"They don't. I have to survive with a two income family" (Sandra)

"Peanuts. I'm finding it very difficult, particularly with a mortgage" (Luisa)

"They don't compare at all. Terrible wages" (Christine)

"Everything is going up but wages aren't" (Joy/ena)

"They don't go up but the cost of living does" (Kym)

"Makes it harder" (Jennifer)

"They don't keep up. Nowhere near keeping up with anything" (Christine)

"You can't survive on it. You have to get supplemented by Centrelink or family members to live on what you make" (Josie)

"It's very low because everything is going up" (Mary)

"They don't. We don't save anything" (Heather)

"They don't, that's why I do agency work as well" (Connie)

"Not up to it. Not by a long shot" (Helen)
Helping Hand employees' views about the AFPC 2007 wage setting decision are summarised below:

"It was just hopeless, it didn't affect my wages at all" (Ms M)

"It's not enough" (Ms S)

"It's not very much" (Alexandra)

"It's not a lot" (Ms D)

"For the work we do it's not really enough" (Jane)

"It wasn't much" (Lyn)

"This was not fair, not enough" (Shona)

"Very small" (Helen)

"Not enough" (Ms U)

"I thought it wasn't enough to cover the cost of living" (Ms R)

"A bit pathetic when you think about what work is done" (Barbara)

"This increase did nothing, it's not enough at all to make ends meet" (Tanya)

"Ripped off" (Kathryn)

"Not fair" (Racheal)

"Pretty pathetic. Very poor" (Diane)

"Doesn't seem to be a lot" (Kirstin)

"Doesn't seem very much, should be a lot more" (Annette)

"Ridiculous - it's very low pay for a hard job" (Yolanda)

"It's a bit scabby" (Diane)

"Wasn't much. Everything else is going up" (Cathy)

"Should have been more" (Melanie)

"It's not enough for the type of work we do that's for sure" (Kym)

"Absolutely appalling" (Leon)

"It's nowhere near enough in regard to general living" (Maryanne)
"It's pretty lousy" (Antonietta)

"You can't even buy a lolly for that, it should have been a dollar or two" (Ms A)

"That it's not really very much at all" (Deb)

"Not much of an increase really" (Barry)

"Hardly enough, is it. Just not enough" (Kathleen)

"We need all we can get. We need an incentive to stay in the industry as the work is too hard and the pay is too low" (Aileen)

"We are undervalued. Minimal increase for the effort made" (Ms S)

"Not enough of course" (Vicki)

"27¢ is nothing. Need $3.00 per hour more" (Roma)

"Everything has gone up a lot more than that" (Carol)

"They might as well not even have bothered. It just gets gobbled up with inflation" (Sharon)

"Really didn't achieve much, we still live from week to week" (Michael)

"Doesn't change my life in any way. (Didn't make it easier)" (Joanne)

"You don't even know you've got it" (Raylene)

"Pretty poor" (Joanne)

"Not enough wage rises" (Ms B)

"Doesn't seem to be fair across the board" (Dianne)

"Not much is it?" (Sandra)

"Peanuts compared to what other people get" (Luisa)

"Not a good increase. It was not even worth talking about. It is an insult to people in our industry" (Jennifer)

"They should review wages more frequently. I could earn more picking grapes than at Helping Hand" (Christine)

"Didn't even notice it. Very small" (Patricia)

"It still puts us behind everyone else" (Joylena)

"Pathetic" (Jennifer)
“It’s pathetic”

“Because we work damn hard”

“We deserve more because it’s such a heavy load. You have to pay for all your own training”

“It’s very low pay if you’ve got a family. Because it’s just not enough. It’s a very demanding job with not monetary much less verbal rewards for what you do”

“It should be more than that”

“Pretty poor”

“It’s not enough”

“Not enough”

(Christine)

(Nicole)

(Roslyn)

(Josie)

(Mary)

(Heather)

(Connie)

(Helen)
Other comments from Helping Hand employees expressing why they believe they should receive a 5% increase are summarised below:

“To cover cost of living and live comfortably. We have to account for everything we don’t have extra money” (Ms M)

“Because everything has gone up, if things go down we don’t need it, we just need the money for living!” (Ms M)

“Bring us up to everyone else. Everything is going up, so should our wages. We all have to eat” (Ms S)

“We work hard for our wages. Everyone else gets a pay rise. The cost of living is too high for my wage” (Alexandra)

“Because we don’t get paid enough for what we do” (Rebecca)

“Because the cost of living is astronomical these days” (Ms J)

“Because work is getting heavier and heavier. It’s becoming more stressful and time consuming” (Ms D)

“To keep up with cost of living and it’s hard work” (Ms D)

“Because we work extremely hard” (Angela)

“Because we work hard and it would bring us into line with other places” (Deb)

“Because I believe I do a very good job of looking after aged people and it’s very challenging work” (Jane)

“To give more incentive to stay on. To help meet costs in day to day living” (Lyn)

“5% will help with our cost of living” (Shona)

“So I can have a better life. So we can be happier in work” (Ms R)

“So we have the same standard of living as others” (Barbara)

“To keep up with cost of living” (Berny)

“We have the hardest job in the place. Maybe Helping Hand Management should live on my pay for the fortnight” (Heather)

“This is a hard job. We have to have our certificate and if we do anything wrong it may mean a life. That’s why we should be paid more” (Kathryn)

“To bring us in line with other workers. Not being paid for what we are doing anyway” (Margaret)

“Because we work really hard” (Ms G)
LHMU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

"Just help a bit more" (Margaret)

"Because we are low paid" (Yolanda)

"Because of the increase in living costs" (Diane)

"Job is demanding" (Cathy)

"Because the workload isn't appreciated and a pay increase would show their acknowledgement" (Melanie)

"To cover the living costs these days" (Sharee)

"Because the job is demanding, low paid, stressful and this needs to be recognised financially!" (Leon)

"To keep up with interest rates and cost of living" (Antonietta)

"Because we work really hard and deserve it" (Debby)

"To help keep up with the grocery bills" (Jenny)

"I would say to bring us into line with the other aged care workers" (Barry)

"Because it is fairly hard work and align us with other sectors" (Kathleen)

"We work hard, a lot of family members wouldn't want to do the work we do for their loved ones" (Ms S)

"Long hours we work. I am on call to fill in. Not enough allowance for petrol; no allowance for car" (Vicki)

"Because the cost of living is going up. They should be giving us a rise to match that" (Roma)

"Inflation is going up, mortgage is going up, everything is going up. What wage do they get? Let them live on what we live on. The wage doesn't stretch if you have kids" (Ursula)

"To survive" (Joanne)

"We need it. It's fairly reasonable for the work we do" (Ms B)

"Inflation, in one word. The cost of living" (Dianne)

"To compensate for the price of living" (Maria)

"We work very hard and are always understaffed. We should at least get CPI increases" (Luisa)

"Because we deserve it. We work hard and they keep asking for more and more of us" (Michael)

"I don't see why we are paid less than everyone else. It's pretty unfair considering the work we do" (Jennifer)
LHMU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

"To keep pace with the cost of living. To create equity across the industry" (Robert)

"Because we are worth it. We are the backbone of their business. Without us Helping Hand has nothing" (Christine)

"We work really hard. It's constant hard work" (Patricia)

"So we can start getting paid closer to what we deserve" (Jennifer)

"Basically because the cost of living is so high and also the responsibility of what we do" (Christine)

"To help us pay the bills" (Mary)

"It's physically and emotionally draining. Because we work jolly hard for our money and it's not an easy job to do" (Heather)
15. APPENDIX ‘B’ – Extracts from Careers at the Coal Face? Community Services in South Australia: Workforce Development report

Appendix ‘B’ includes extracts from the report. The complete report is publicly available.

Careers At The Coal-Face?
Community Services In South Australia:
Workforce Development

A joint project by the University of South Australia Social Policy Research Group and SACOSS
Condensed Report
To The Human Services Research Initiatives Program

Professor Ed Carson
Christine Maher
Peter King
February 2007

"ABS data indicate that in the late 1990s the community services sector overall grew by some 15%, with the number of government organisations in the sector remaining almost static (1.5% increase) while the not-for-profit (10%) and especially the for-profit organisations (32%) have grown very strongly (ABS 2006). Although there was dramatic growth in the number of for-profit agencies, at more than twice the rate for not-for-profit agencies, the not-for-profit sector organisations are on average getting bigger while on average the for-profit sector organisations are getting smaller. Total employment in the sector grew nationally by 12.4% between 1995-96 and 1999-2000 (from one quarter of a million persons in 1995-96 to 282,000 persons in 1999-2000 – a rise of 31,000). All of this growth was accounted for by the not-for-profit sector employment, which rose by 37,000 persons. Offsetting this was a decline in total employment in the for-profit sector of 6,000 jobs." – Pg 1

"An increasing number of researchers in Australia (Owen et al, 2001) (Spall & Zetlin, 2004) (Buchanan & Considine 2002) (Healy 2004) (Meagher & Healy 2003) (Wagner & Spence, 2003) have identified a range of serious challenges as a result of such changes in the community services, including:
• increased responsibilities (for organisations and their workers), with less funding
• a shift in the nature of funding
• competition for scarce resources
• a shortage of volunteers
• predominantly female employees constrained by heavy workloads, long hours, and high vulnerability to burnout due to low pay,
• workers’ talents and achievements not being well rewarded “ – Pg 4

In general key informants agreed that the industrial relations tools available to them to attract and reward a high quality workforce had some limitations due to the fragmented nature of the sector and its limited resource base. For example, one of the strategies available to counteract the disadvantage of the low wage structures in the sector is salary sacrificing.
Salary sacrifice is limited, however, to organisations which can maintain or achieve PBI status, so interviewees reported that this advantage is principally limited to the larger and longer-established organisations among the not-for-profits in the sector."

"Implications of Caring Work Being Undervalued
As with the findings in the literature (Meagher & Healy 2003), there was strong general agreement among survey respondents that the work of caring is seen to be both complex and demanding (81%) and also undervalued (91%) and that the demands of high case loads, long waiting lists and the complexity of client needs were contributing to workforce burnout and staff turnover (93%). The strong conviction that the work of caring is undervalued is reinforced by the widespread observation (97% agreement) that wages and working conditions in the sector are lower than comparable private and public sector employment and, in particular, that employment in the sector is predominantly insecure due to short-term and casual employment contracts (91%).

The consistent theme reiterated by the key informants and in focus groups is well encapsulated by the survey respondents who wrote about the causes of workforce stress and burnout:

"... expectation that organisations will 'do more with less'...increased pressure on staff... exacerbated by the increasingly high and complex needs of clients ... There isn't a lot to motivate (you) if you don't have a strong personal commitment to working in this sector."

The impact of this issue was reinforced by the fact that only a low proportion of respondents reported that they found it easy to attract qualified and experienced applicants for job vacancies. There was an indication that a majority of agencies often had to fill vacancies with candidates who were less qualified or experienced than ideal. Yet training uptake across the sector has been highly variable, in part attributed to a lack of coordination of Industry Training needs."

"The need to address the implications of an ageing workforce was identified as a concern of both key informants and survey respondents, with 96% of respondents agreeing that there is a need to develop strategies to retain the skills of mature workers as well as attract young people and recent graduates to the sector. (More on both of these points in the next section.) Yet the sense of frustration in the face of challenges to developing a workforce for the future is well expressed by the following quote from a survey respondent: "everyone who ever wanted to work in aged care is already doing it."

"Low wages were also identified as a deterrent, with Award wages consistently reported to be 10–25% less than Government Award rates for similar positions, a factor which disadvantages the community services sector in competing with better paid Government agencies for prospective workers, and this is exacerbated when combined with low rates of employment security in the sector."
“One of the critical elements cited by the majority of respondents as contributing to the widespread difficulty of attracting qualified and experienced people to available positions was the relatively low level of pay, and insecure employment conditions prevailing in the sector. This is borne out by the large majority (79%) of respondents reporting that new staff, once in the job, considered that the salary and conditions were not well matched to the demands of the job.

A majority (81%) agreed that it is difficult to attract young people to work in the sector, and 89% observed that recent graduate entrants are more attracted to better paid government positions. A majority of agencies (75%) held the view that larger corporate organisations can recruit to higher standards because they can offer better career paths for their workers. This perception of relative attractiveness is counteracted, however, by the fact that even the larger multi-site agencies reported concerns about competing with government agencies for suitable staff, and they reported difficulties in recruiting suitable trained staff as often as did smaller agencies.”

“Our respondents observed that attracting workers to the sector was exacerbated by low pay rates and limited funding resources that make it difficult for workers and the employing agencies to arrange training to upgrade skills for the current workforce. The level of resources available for training, and workforce development more generally, was a major concern for agencies of all sizes across the sector.”
Wages

In Australia there are several measures of wages growth that can, at times, present different signals of wage trends. These differences occur because the series are designed to measure different concepts.

The four most commonly used measures are:

- **Average Weekly Earnings (AWE)** of non-farm wage and salary earners, from the ABS survey of the same name (Cat No. 6302.0), published for both all employees, and also full-time adult employees.

  For the year to November 2007:

  - Full time adult ordinary time earnings (AWOTE) and adult total earnings (AWE) increased by 4.9% and 3.8% respectively.
  - All employees’ total earnings seasonally adjusted increased by 3.8%. \( \text{AWE} = \$880.30 \).

- Average Weekly Ordinary Time Earnings (AWOTE), which is derived from the same AWE survey but includes only ordinary time earnings of adults working full-time (for the year to November 2007 AWOTE increased by 4.9%. \( \text{(4.7% seasonally adjusted)} \).

- Average Compensation per Non-Farm Employee - published as part of the ABS’s Quarterly National Accounts (Cat. No. 5206.0) September 2007 - also referred to as Average Earnings on a National Accounts basis (AENA) (For the year to September 2007 the AENA grew by 6%); and

- The Wage Price Index (WPI), which forms part of the expanded Labour Price Index (LPI) Survey (Cat No. 6345.0) (the WPI increased by 4.2% seasonally adjusted for the year to December 2007).

The WPI (excluding bonuses) increased by 4.2% over the same period.

In South Australia WPI increased by 4.9%. Overall the Health and Community Services WPI nationally increased by 4.5%.

\*Labour Price Index, Australia, ABS-Category 6345.0, 20/02/08.*

South Australia has the second largest WPI increase at 4.9%

The first three series are all measures of the wage bill, designed to measure the average level of wages or labour costs per employee. As these are measures of labour costs per employee, their movements will reflect both movements in wage rates and compositional change of the labour force.

Compositional changes in the labour force which may affect wage bill measures include:

- changes in the relative share of full-time and part-time workers; and
LHIIIU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

- increases in the number of high paid full-time jobs and low paid part-time jobs.

The AENA differs from the other two wage bill measures as it incorporates the major non-wage costs superannuation, redundancy payments and workers compensation payments. Thus an increase in any one of these will result in an increase in the AENA even though wage payments remain the same.

The WPI is designed to measure changes in wage movements rather than levels and unlike the AENA it does not incorporate non-wage costs. The WPI is constructed measuring the cost of purchasing the same quality and quantity of labour input. It is analogous in its construction to that of the CPI. Hence, the WPI is less subject to compositional change and therefore less volatile than the other measures of wage movements.

As the WPI is not affected by compositional change, it is the best measure to assess the economic impact of wage changes to the employer. The WPI is the RBA’s preferred measure of wages growth.

Agreements

Data on the national wage trends in enterprise bargaining is available from two main sources:

- The Trends in Enterprise Bargaining, series which is published quarterly by the Department of Employment and Workplace Relations (DEWR); and

- The Agreements Database and Monitor Report (ADAM), published quarterly by ACIRRT.

One of the main differences between the two series is that Trends in Enterprise Bargaining reports the Average Annualised Wage Increase (AAWI) 'per employee', while the ACIRRT ADAM report measures AAWI increases 'per agreement'.

The September 2007 issue of Trends in Enterprise Bargaining reported that the Average Annual Wage Increase per employee for those agreements lodged in the September quarter 2007 was 3.9%.

Over the four quarters to September 2007 the AAWI for agreements lodged in each quarter has averaged 3.9%.

In Health and Community Services, AAWI is 3.8% for the previous 12 months and AAWI for agreements lodged in previous successive quarters are set out below:

<table>
<thead>
<tr>
<th>Health and Community Services AAWI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 07</td>
</tr>
<tr>
<td>4%</td>
</tr>
</tbody>
</table>

Table 2: Average Annualised Wage Increase per Agreement
AAWI in all currently operating Health and Community Services Agreements over previous quarters is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Sept 07</th>
<th>June 07</th>
<th>Mar 07</th>
<th>Dec 06</th>
<th>Sept 06</th>
<th>June 06</th>
<th>Mar 06</th>
<th>Dec 05</th>
<th>Sept 05</th>
<th>June 05</th>
<th>Mar 05</th>
<th>Dec 04</th>
<th>Sept 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAWI</td>
<td>3.8%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

As mentioned above ACIRRT’s ADAM report differs to the DEWR measure of wages growth in agreements in that it measures Average Annual Wage Increase (AAWI) ‘per agreement’.

The AAWI for agreements registered in the December 2007 quarter was 4%.

Across all industries the average annual wage increase 'per agreement' for currently operating agreements is 3.7%.

The AAWI for currently operating Agreements in the Health and Community Services sector is also 3.7% per agreement.

(ADAM report 52, August 2007).
17. **APPENDIX ‘D’ - Helping Hand Employees Have Needs Associated With The Costs Of Living - The True Effect of “CPI”**

Fairness is also about maintenance of the real value of wages. In this submission we refer to the ABS Household Expenditure Survey to provide an indicator of the living standards of low income wage and salary households, and to cost of living increases as measured by the Consumer Price Index (CPI).

Indicators of Australian standards of living are provided by the Australian Bureau of Statistics publication ‘Household Expenditure Survey’ (HES).


The 2003-04 HES was a subsample of the households comprising the 2003-04 Survey of Income and Housing. The 2003-04 HES collected information on the expenditure, income and other characteristics of a sample of 6,957 households resident in private dwellings throughout Australia.

One of the stated uses of the HES is to conduct standard of living studies:

Levels and composition of household expenditure are used to indicate standard of living. For example, households which spend more per person, or spend proportionately less on ‘necessities’, can be considered to have higher standards of living than other households.

Results from the HES can be presented according to principal source of household income. Unpublished data from the survey to provide an indicator of the standards of living of the population ‘Households whose principal source of household income is wages and salaries’. The data was provided for quintile groups which represent 20% groupings of the estimated population when households are ranked in ascending order according to each household’s total gross weekly income.

Household Characteristics for Households whose principal source of household income is wages and salaries are detailed in the table below:

| Household Characteristics by gross household income quintile of households where principal source of income is wages and salaries |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Upper boundary of income quintile | Quintile 1 | Quintile 2 | Quintile 3 | Quintile 4 | Quintile 5 | Total |
| Mean gross household income per week | $643 | $10000 | $1310 | $1717 | $2782 | $1490 |
| Source of income (% of total) | | | | | | |
| Employee income | 89.9 | 87.8 | 90.7 | 93 | 92.8 | 91.5 |
| Average number of employed persons in household | 1.2 | 1.4 | 1.8 | 2.1 | 2.5 | 1.8 |
| Average age of reference person | 41 | 41 | 41 | 41 | 44 | 42 |
LHMU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

<table>
<thead>
<tr>
<th>Family composition of household (% of households)</th>
<th>Quintile 1</th>
<th>Quintile 2</th>
<th>Quintile 3</th>
<th>Quintile 4</th>
<th>Quintile 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>One family households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Couple family with dependent children</td>
<td>19.6</td>
<td>32.0</td>
<td>43.1</td>
<td>47.1</td>
<td>44.8</td>
<td>37.3</td>
</tr>
<tr>
<td>One parent family with dependent children</td>
<td>5.9</td>
<td>8.3</td>
<td>6.5</td>
<td>2.2</td>
<td>1.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Couple only</td>
<td>18.7</td>
<td>19.9</td>
<td>23.3</td>
<td>26.9</td>
<td>21.6</td>
<td>22.1</td>
</tr>
<tr>
<td>Other one family households</td>
<td>7.1</td>
<td>14.0</td>
<td>11.3</td>
<td>12.5</td>
<td>21.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Multiple family households</td>
<td>-</td>
<td>0.1</td>
<td>1.2</td>
<td>1.4</td>
<td>4.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Non-family households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lone person</td>
<td>46.2</td>
<td>21.9</td>
<td>9.9</td>
<td>5.6</td>
<td>2.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Group households</td>
<td>2.5</td>
<td>3.9</td>
<td>4.8</td>
<td>4.3</td>
<td>4.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Tenure &amp; Landlord type</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner without a mortgage</td>
<td>21.8</td>
<td>22.2</td>
<td>18.7</td>
<td>20.0</td>
<td>23.4</td>
<td>21.2</td>
</tr>
<tr>
<td>Owner with a mortgage</td>
<td>33.6</td>
<td>43.3</td>
<td>52.9</td>
<td>57.8</td>
<td>60.1</td>
<td>49.5</td>
</tr>
<tr>
<td>Renter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State/Terr. housing authority</td>
<td>4.7</td>
<td>1.2</td>
<td>0.8</td>
<td>-</td>
<td>0.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Private landlord</td>
<td>34.9</td>
<td>30.2</td>
<td>22.1</td>
<td>20.4</td>
<td>13.1</td>
<td>24.2</td>
</tr>
<tr>
<td>Other landlord</td>
<td>1.6</td>
<td>1.6</td>
<td>1.7</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Total Renters</td>
<td>41.3</td>
<td>33.0</td>
<td>24.8</td>
<td>21.8</td>
<td>14.8</td>
<td>27.1</td>
</tr>
<tr>
<td>Other tenure type</td>
<td>3.3</td>
<td>1.6</td>
<td>3.8</td>
<td>0.4</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Average number in household</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent children</td>
<td>0.4</td>
<td>0.8</td>
<td>1.0</td>
<td>1.0</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Persons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18 years</td>
<td>0.4</td>
<td>0.7</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>18-64 years</td>
<td>1.5</td>
<td>1.8</td>
<td>2.0</td>
<td>2.2</td>
<td>2.7</td>
<td>2.0</td>
</tr>
<tr>
<td>65 years and over</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>2.0</td>
<td>2.6</td>
<td>3.0</td>
<td>3.2</td>
<td>3.5</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Source: Unpublished data ABS Household Expenditure Survey 2003-04

The lowest quintile households in the population of households whose principal source of household income is wages and salaries are the central concern in this submission.

It is sometimes argued that the first quintile households do not represent award workers, however Anthony O'Donnell, a research fellow at the Centre for Employment and Labour Relations at Melbourne University's Law School, states:

The Government and employer groups sometimes suggest that low wages are not a problem because many low-wage workers are "secondary earners" – that is women and young people – living in reasonably prosperous multi-earner households. Most low-wage workers do not, in fact, fall into this category.

O’Donnell A. Should Australia's Safety Net be made from Earnings or Welfare, The Age newspaper, 19 January 2006

For 2003-04 the first quintile comprises households with income up to $850.00 per week. The average household income in this quintile is $643.00, 89.9% of which is sourced from wages and salaries. The number of employed persons is, on average, 1.2 persons, 46.2% of the households being Lone Person.
Note that the average number of dependent children in the first quintile households is only 0.4, the same as the number of persons under 18 years of age.

Data

From the 2003-04 HES on the Detailed Expenditure Items for Households whose principal source of household income is wages and salaries is set out below.

Broad expenditure groups by gross household income quintile of households
Where principal source of income is wages and salaries

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Quintile</th>
<th>Quintile</th>
<th>Quintile</th>
<th>Quintile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Upper boundary of income quintile ($)</td>
<td>850</td>
<td>1150</td>
<td>1490</td>
<td>1993</td>
<td></td>
</tr>
<tr>
<td>Mean gross household income per week ($)</td>
<td>643</td>
<td>1000</td>
<td>1310</td>
<td>1717</td>
<td>2782</td>
</tr>
<tr>
<td>Broad expenditure group</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current housing costs (selected dwelling)</td>
<td>137.63</td>
<td>156.92</td>
<td>165.57</td>
<td>199.43</td>
<td>238.46</td>
</tr>
<tr>
<td>Domestic fuel &amp; power</td>
<td>19.96</td>
<td>23.44</td>
<td>24.71</td>
<td>27.74</td>
<td>33.67</td>
</tr>
<tr>
<td>Food &amp; non-alcoholic beverages</td>
<td>109.60</td>
<td>144.07</td>
<td>175.45</td>
<td>202.76</td>
<td>268.10</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>17.85</td>
<td>22.96</td>
<td>27.46</td>
<td>32.19</td>
<td>48.25</td>
</tr>
<tr>
<td>Clothing &amp; footwear</td>
<td>21.10</td>
<td>31.60</td>
<td>49.55</td>
<td>49.50</td>
<td>74.67</td>
</tr>
<tr>
<td>Household furnishings and equipment</td>
<td>39.11</td>
<td>49.43</td>
<td>60.68</td>
<td>66.68</td>
<td>91.24</td>
</tr>
<tr>
<td>Household services and operation</td>
<td>41.33</td>
<td>53.89</td>
<td>59.92</td>
<td>74.65</td>
<td>86.21</td>
</tr>
<tr>
<td>Medical care and health expenses</td>
<td>28.83</td>
<td>40.74</td>
<td>45.18</td>
<td>58.22</td>
<td>82.14</td>
</tr>
<tr>
<td>Transport</td>
<td>100.63</td>
<td>148.16</td>
<td>184.96</td>
<td>179.94</td>
<td>256.50</td>
</tr>
<tr>
<td>Recreation</td>
<td>71.48</td>
<td>105.02</td>
<td>132.50</td>
<td>167.31</td>
<td>237.41</td>
</tr>
<tr>
<td>Personal care</td>
<td>10.22</td>
<td>16.72</td>
<td>20.68</td>
<td>25.32</td>
<td>33.88</td>
</tr>
<tr>
<td>Miscellaneous goods and services</td>
<td>54.92</td>
<td>76.08</td>
<td>96.79</td>
<td>137.15</td>
<td>154.76</td>
</tr>
<tr>
<td>Total goods and services expenditure</td>
<td>664.44</td>
<td>881.87</td>
<td>1057.73</td>
<td>1233.97</td>
<td>1620.27</td>
</tr>
</tbody>
</table>

Source: Unpublished data ABS Household Expenditure Survey 2003-04

Defining necessities as housing, utilities, food, clothing and transport the unpublished data obtained from the ABS indicates the following percentages of total goods and services expenditure expended on necessities:

Expenditure on necessities: first quintile households – proportion of total goods and services expenditure

<table>
<thead>
<tr>
<th>First Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
</tr>
<tr>
<td>Fuel/power</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Clothing</td>
</tr>
<tr>
<td>Transport</td>
</tr>
<tr>
<td>% on necessities</td>
</tr>
</tbody>
</table>

Source: Unpublished data ABS Household Expenditure Survey 2003-04
LHMU Members Employed at Helping Hand Aged Care Facilities in South Australia
Submission to the Australian Fair Pay Commission

The table shows that expenditure of low paid, low income households is generally focussed on necessities.

Cost of Living Considerations

We have also identified in the following table the key areas of expenditure for the first quintile households.

The table below sorts the expenditure of the first quintile households in a descending order of proportionate value

<table>
<thead>
<tr>
<th>Broad expenditure groups: first quintile households – proportion of total goods and services expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>First quintile expenditure</td>
</tr>
<tr>
<td>Current housing costs [selected dwelling]</td>
</tr>
<tr>
<td>Food and non-alcoholic beverages</td>
</tr>
<tr>
<td>Transport</td>
</tr>
<tr>
<td>Recreation</td>
</tr>
<tr>
<td>Miscellaneous goods and services</td>
</tr>
<tr>
<td>Household services and operation</td>
</tr>
<tr>
<td>Household furnishings and equipment</td>
</tr>
<tr>
<td>Medical care and health expenses</td>
</tr>
<tr>
<td>Clothing and footwear</td>
</tr>
<tr>
<td>Domestic fuel and power</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
</tr>
<tr>
<td>Tobacco products</td>
</tr>
<tr>
<td>Personal care</td>
</tr>
</tbody>
</table>

Source: Unpublished data ABS Household Expenditure Survey 2003-04

The CPI measures changes in the price of a 'basket of goods and services'. The composition of the 'basket' for the 15th and current Series of the CPI is based on the pattern of household expenditure of the CPI population, information on which was obtained from the ABS 2003-04 Household Expenditure Survey (HES).

ABS Guide to the Consumer Price Index, 15th Series, 6440.0, October 2005

The total basket is divided into 11 major groups, each representing a specific set of commodities:

- Food
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Household contents and services
- Health
- Transportation
- Communication
- Recreation
- Education
- Financial and insurance services.
Research shows that the CPI figures, under estimates the effect if price rises on lower income households. Lower income households spend more on necessities.

The price of necessities has been increasing at a higher rate than other goods included in the basket of goods.

This shows that Helping Hand employees, like other employees in similar income brackets, feel the inflation effects, much higher than the headline inflation figures suggest.