

Justice Hatcher, President
Fair Work Commission
Level 11, Terrace Tower
80 William Street
East Sydney NSW 2011
Australia

1 November 2023

Dear President Hatcher,

UnitingCare Australia is the national body for the Uniting Church's community service network and is an agency of the Assembly of the Uniting Church in Australia. The UnitingCare Aged Care Network is collectively the largest not-for-profit provider of aged care in Australia, with over 9 per cent of residential, home care and CHSP, employing over 30,000 aged care workers across its services.

UnitingCare Australia writes this submission in relation to the *wage adjustment issues* being considered in the Aged Care Work Value Case – Stage 3.

UnitingCare Australia strongly welcomed the decision of the Fair Work Commission to provide an interim increase of 15 per cent to direct care workers, head chefs/cooks and recreational activities officers/lifestyle officers. UnitingCare Australia has a longstanding position of supporting a 25 per cent pay increase for all aged care workers, as has been sought in the previous Stages of this Work Value Case. A number of the organisations within the UnitingCare Aged Care Network have made individual submissions or provided case studies in this regard.

Indirect care workers

UnitingCare Australia submits that not providing a commensurate interim increase to indirect care workers has resulted in a range of unintended outcomes through the inequity this has created in the aged care workforce. The groups of employees who fall within what has been categorised as the “indirect care” workforce are highly valued members of our teams but have felt devalued and minimised by the decision to not provide them with a wage increase.

The increasingly high community and regulatory expectations on the aged care workforce apply not just to direct care employees but to the aged care workforce as a whole, and rightly so. The aged care workforce needs to be considered holistically. Aged care providers rely on all workers operating as a team to deliver high quality care and support to older

Australians. The distinction between direct and indirect care is a false one in the aged care context. The practical reality of aged care work means that indirect care workers regularly interact with residents and their families, and they can be called on to assist with direct care and to provide emotional and social support. The increasing complexity of aged care work due to increased acuity, declining function, frailty and dementia means that indirect care work is much more challenging than for similar workers in other industries. Indirect care employees are being required to undertake training in, and expected by their employers to demonstrate competency in, responding to residents with dementia and associated behaviours, those requiring palliative care, and those with complex health needs. Similarly, indirect care staff are obliged to be able to identify and respond appropriately to incidents falling under the Serious Incident Reporting Scheme and adhere to obligations under the Code of Conduct for Aged Care. These increasing expectations are reasonable, but so too is a recognition of the increased work value of this cohort of the workforce.

The different value currently assigned to direct versus indirect care is having a direct impact on the recruitment and retention of this essential workforce, as well as impacting negatively on employee engagement and team morale. While aged care providers remain hopeful the pay increase for direct care workers will address some of the recruitment and retention issues for this component of the workforce, these same providers can share many instances of indirect care workers deciding to resign due to being excluded from the pay increase. In addition, the interim increase has led to perverse outcomes where some existing indirect care staff are applying to become personal care workers in order to access the 15 per cent wage rise, exacerbating the already serious gaps in the essential indirect care workforce.

Aged care providers see every day the essential work these indirect care workers do in providing care and support to older Australians under conditions that similar workers in other industries would not have to contend with – laundry workers diligently adjusting to the individual preferences of each resident; cleaners providing emotional and social support to isolated residents, administration workers responding to behaviours displayed by a resident with dementia that may have become distressed, catering employees facilitating individual resident needs and choices, gardeners actively involving residents in their work. The level of skill required by indirect care workers to manage the risks and

responsibilities associated with working in an aged care setting have increased, alongside that required by the direct care workforce, particularly in regard to communication (including cross-cultural communication), emotional intelligence skills, and dealing with new regulation and technology. UnitingCare Australia submits that there is a strong work value case for increasing wages for indirect care workers.

Direct Care Workers

UnitingCare Australia also agrees that Covid-19 and chronic understaffing are continuing to impact on the direct care workforce. While aged care providers have seen some positive impacts of the interim increase on recruitment and retention, it remains the case that providers continue to struggle to recruit enough direct care staff to meet operational needs and new regulatory requirements, particularly the care minutes requirements. It is our view that workforce shortages are likely to remain a persistent challenge for this sector, particularly as a result of the ageing population and subsequent significant increased demand and reducing workforce supply.

Conclusion

For the reasons outlined above, UnitingCare Australia strongly supports the unions' claims for a further 10 per cent wage increase for direct care workers and a 25 per cent wage increase for indirect care workers, noting that this is only possible if these are fully funded by the Commonwealth Government. We commend the Government's commitment to fully fund a pay rise for aged care workers, including this final Stage 3 which must include all oncosts.

Aged care providers are deeply committed to ensuring the quality and safety of aged care services being delivered. This cannot be achieved without adequate funding of the sector and appropriate remuneration of the entire aged care workforce.

Warm regards,

A handwritten signature in black ink, appearing to read "Claerwen".

Claerwen Little, National Director