Australia: Labor government delays pay rise for aged care workers

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Australian aged care workers will wait another 18 months for a 15 percent increase in minimum award rates, after the federal Labor government urged the Fair Work Commission (FWC) to “phase in” the pay rise.

The move further exposes as a fraud the election promise of the Albanese government to “fix the crisis in aged care” and “get wages moving.” The wage increase, ordered by the FWC in November, will be split into two parts, with 10 percent to be paid from July 1, 2023—more than 13 months after Labor took office—and the remaining 5 percent from July 1, 2024.

With the official annual inflation rate already at 7.3 percent, this will not keep pace with the rising cost of living, let alone make up for years of stagnant and declining real wages.

The Labor government has pledged to fund the wage increase, meaning it will not affect the profits of the private providers that dominate the sector.

The increase would apply to nurses, assistants in nursing (AINs), personal care workers and home care workers, but does not include lifestyle carers, who organise activities and events for residents, administrative staff or food service staff.

Aged care workers are among the most poorly paid workers in the country, earning an average of around $24 per hour. A 15 percent pay increase, endorsed by the health unions following the FWC order, would only bring wages up to around $28 per hour. Even a 25 percent rise, which had initially been put forward by the Health Services Union (HSU), but was rejected by the FWC, would only increase pay for aged care workers to around $30 per hour.

Following Labor’s submission to delay the pay rise, the HSU called on its membership to merely email the government with plaintive appeals to “stick to the promise it made to aged care workers by immediately passing on the interim wage increases awarded by the Fair Work Commission.”

Aged Care Minister Anika Wells said the increase could not be applied immediately because the government needed to ensure that it was being fiscally “responsible.” This is in line with the broader austerity agenda of the Albanese government, which declared in its first week in office that it had discovered a budget “black hole” that would necessitate social spending cuts and intensified exploitation of workers to drive up productivity.

The federal government’s October budget revealed deepening cuts to aged care in real terms, providing a sub-inflationary funding increase of 5 percent. In addition, the budget revealed Labor plans to cut $2.4 billion from public hospital funding over four years.

The poverty-level wages and dire conditions in aged care are the product of decades of funding cuts and privatisation in the sector, under Labor and Liberal-National governments. This slashing of pay, resources and care has been enforced by the union apparatus through regressive enterprise bargaining agreements and the suppression of industrial action.

In addition to cuts to public health and services, the widespread privatisation of aged care services has been carried out under Labor and Liberal-National governments alike, with over 90 percent of aged care facilities now privately owned. Any funding for the aged care industry therefore serves primarily to increase the profits of aged care providers, whose interest is to minimise costs by slashing services.

The increasing privatisation of the sector also means elderly people and their families are forced to pay vast fees for aged care, in stark contrast with the meagre pay and dire conditions confronting workers.

Union leaders continue to promote illusions that the Labor government will resolve the crisis in aged care. This included the hailing of two aged care bills, passed in July, which deliver changes to the skill mix of direct care staff in aged care.

The Australian Nursing and Midwifery Federation's (ANMF) federal secretary, Annie Butler, declared that these marked "the first real step towards actually fixing the aged care sector," and said "We look forward to working collaboratively with the Government and the new Parliament to ensure effective implementation of these reforms."

The legislation mandates that a registered nurse (RN) be on duty for every shift at aged care facilities from July next year. But with no mandated nurse-to-patient ratios, a single RN could be left in charge of hundreds of residents.

From October 2023, aged care facilities will have to provide a minimum of 200 "care minutes" per resident per day, including 40 minutes by RNs. The remaining 160 minutes of required care can be provided by lower-paid personal care workers (PCWs), rather than RNs or enrolled nurses (ENs).

This is an overall increase of just 12 minutes per day, and 4 minutes by RNs, on average figures reported to a Royal Commission in 2019. It falls short of the 215 minutes per day recommended by that inquiry. Federal funding of aged care will be increased by just $30 to $225 per resident per day to finance this measure.

The new legislation is already being used by aged care providers as a cover for cost-cutting measures. In Tasmania, aged care provider Southern Cross Care, which runs nine facilities across the state, has responded to the legislation by moving to make 50 ENs redundant across the state, replacing them with less qualified and lower-paid personal care workers, working under the supervision of an RN. There are reports that the same cuts are taking place at Southern Cross Care facilities in South Australia.

The response of the ANMF to the developments at Southern Cross Care has been to appeal to the federal government to intervene, and to the membership to merely "send an email to the CEO of Southern Cross Care Tasmania to let her know that we will not accept the cuts to enrolled nurses…"

The cuts to jobs and wages take place under conditions of an already widespread staffing crisis in aged care, exacerbated by the ongoing impact of the COVID-19 pandemic. As of December 22, there were 915 active outbreaks in aged care facilities, with 4,536 residents and 2,052 staff infected.

The death toll has also climbed rapidly. There have been at least 4,448 COVID deaths in aged care since the pandemic began. Almost half of these deaths have occurred since the Labor government took office on May 21. This includes more than 100 people in residential aged care who died in the week leading up to Christmas.

The endless waves of infection and death in aged care, and in the community more broadly, is the result of deliberate "let it rip" policies imposed by state, territory and federal governments, Labor and Liberal-National alike, with the full support of the trade unions. The federal Labor government bears chief responsibility. As infection and death tolls have soared since the May election, almost every public health measure has been abandoned, in line with the demands of big business.

The struggle for decent wages and conditions for aged care workers, and improved care for residents, is inseparable from a fight against the homicidal policies ensuring the ongoing devastation of the sector.

This struggle cannot be waged through appeals to the same governments responsible for both the immediate crisis of COVID-19 and the chronic underfunding of the aged care sector. Nor can it be advanced within the framework of the union bureaucracies, which have backed the removal of public health measures and enforced government attacks over decades.

New organisations of struggle are needed—rank-and-file committees, independent of the union leadership—to reach out to workers throughout aged care and health and take forward a united fight against the assault on wages and working conditions.

The appalling state of aged care, and the pandemic, are products of the capitalist system, in which the needs of ordinary people are subordinated to the interests of the financial and corporate elite. Above all, what is required is a fight for a socialist perspective, aimed at placing the entire health and care sector, along with major businesses and big banks, under public ownership and democratic workers' control, so that the economy can be reorganised to meet social need, not private profit.