



Butler hits aged-care 'stuff-up'

EXCLUSIVE

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THE Minister for Ageing, Mark Butler, has rebuked his department after it angered aged-care providers by sending letters to workers promoting the government's \$1.2 billion offer to lift wages in the sector.

Peak industry group Leading Age Services Australia said its members were incensed by the letter, which the department conceded was a "monumental stuff-up".

Mr Butler told *The Australian*:

"I have expressed my disappointment with the department for their administrative error and they have written (to aged-care providers) to apologise."

The department's letter came as unions have been recruiting on the back of government-funded pay-rise offers in childcare and aged care, telling workers to expect pay rises of up to \$10,571 a year under the government schemes as long as they follow a three-step plan that starts with joining the union.

The departmental letter, sent last week and addressed to "Dear aged care worker", outlined the government's \$1.2bn offer, which is available in the form of higher wages for employees in the sector

from July 1. The deal has been criticised as increasing the reach of unions because, to obtain the funds, employers have to strike enterprise bargaining agreements with workers.

The government argues EBAs are the only way to secure wage rises in a legally binding deal and that three-quarters of providers already operate under EBAs.

The department letter explained that there would be minimum annual wage increases for all aged-care employees of 2.75 per cent. Phased wage increases above the relevant award rates would be paid over the next four years. This included a 37 per cent increase over four years for

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registered nurses, 25 per cent for enrolled nurses and 10.5 per cent for community care workers and other aged care staff.

LASA chief executive Patrick Reid said his organisation had been dealing with a lot of anger over the letter.

He said one of the concerns LASA had about the pay deal was that funding only lasted until 2016 and there was no guarantee beyond that.

In a letter to members, LASA Victoria chief executive John Begg said the department had acknowledged it was a "monumental stuff-up". He advised his members to "send it back to where it came from".

"Whatever you choose, I can only reiterate that LASA suggests that you immediately withdraw all the material from your facility and manage your staff's

expectations as soon as possible," Mr Begg wrote.

The workforce compact has split the industry, although there is support for the overall aged care reform package.

Catholic Health Australia chief executive Martin Lavery said this week that 20 per cent of his members were unlikely to sign on to the wages deal and 20 per cent would not sign.

Jeannine Creely, who represents the South West Aged Care Alliance of five aged-care facilities in southwest Victoria, said she was concerned about the wages deal and warned there was "not enough detail to make a decision".

Mr Butler said many regional providers had fewer than 50 residents and these were exempt from the requirements, including EBAs, and would see the full wages supplement provided to their workers.