

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2012-2013, 30 & 31 May and 1 June 2012

**Question:** E12-089

**OUTCOME 4:** Aged Care and Population Ageing

**Topic:** Aged Care Workforce

**Type of Question:** Written Question on Notice

**Number of pages:** 1

**Senator:** Senator Siewert

**Question:**

- a) What increase in productivity, and thus resources freed up for increased wages, is expected from the aged care reforms?
- b) If no productivity gain is expected, how does the Department expect employers to fund wage increases?

**Answer:**

- a) The Aged Care Workforce Compact (the Compact) will address issues such as the attraction, retention, remuneration, education, training and career development of workers. The Compact will include a commitment to enterprise bargaining as the mechanism for delivering improved wages, working conditions and productivity in the sector. The additional funding which will be available for providers that are signatories to the Compact, together with savings to providers as a result of improved productivity, is expected to offset the cost of negotiated wage increases. Aged care providers will realise productivity gains and improvements in quality of care through reduced turnover and the attraction of more qualified staff to the sector. The exact productivity gains for providers will depend on the outcomes of enterprise bargaining.
- b) Not applicable, see answer to question a).