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Aged care pay deals cut after Abbott Government tears up compact

Aged care workers are having promised pay rises reduced or withdrawn after the Abbott Government said it would tear up Labor's workforce compact guaranteeing higher wages in the sector, the ACTU revealed today.

The Government must now make clear whether it will follow through with \$1.2 billion in funding to lift chronically low pay in the sector and how it will enforce allocating the money to wages, said ACTU President Ged Kearney.

At least 4,000 aged care workers in Victoria have so far been directly affected by the change of government, with their employers withdrawing pay offers based on funds from the Commonwealth Aged Care Supplement introduced by the previous government.

One major employer with 3,600 workers, has cut its pay offer by 2.75% in the wake of the change of government and uncertainty over future funding. Another with 800 workers, has withdrawn the full 3.5% to have been funded by the supplement.

"These aged care workers are seeing an immediate cut to their future earnings with the change of government," said Ms Kearney.

"Most employers are trying to do the right thing, but they aren't confident any funding will be forthcoming from the government to pay the additional pay rises guaranteed by the supplement.

"We are facing chronic shortages in the sector and low pay is a major factor.
"The supplement guaranteed that funding delivered by government flowed straight into workers' pockets.

"We are now seeing poorer pay outcomes for aged care workers who are among our lowest-paid but most important workers.

"The millions of Australians who will rely on aged care now and in the future will suffer from lack of workers in the sector."

Contact: Jackie Woods 0414 241 483