Boost pay to fix workforce shortages in aged care

The federal government must lift pay and improve housing affordability to fix the critical workforce shortage in aged care, according to Catholic Health Australia.

Last year the Albanese Government fully funded the Fair Work Commission's interim 15 per cent minimum wage rise for direct care workers, head chefs and lifestyle officers, assisting the sector to attract and retain desperately needed staff.

However, while a welcome intervention, this has not been nearly enough to fix workforce shortages.

CHA, which represents more than 350 residential aged care providers, is calling on the government to support and fund the case being heard at the FWC to address historical low pay with a 25 per cent pay increase and grant the full increase to the 100,000 non-clinical staff who have so far received nothing.

"Aged care services are still finding it extremely difficult to attract and retain staff. If anything, the problem has got worse," said CHA CEO Jason Kara.

"Right now we have 60,000 care and nursing vacancies and this is projected to hit 110,000 in six years' time. If the government does nothing, more services will be forced to close because they can't get qualified staff at currently funded rates.

"Non-clinical staff such as kitchen hands, gardeners, and administrators, who are absolutely critical to providing quality care for residents, will leave the industry in droves if they are again overlooked for the pay rise they deserve.

"With most aged care services operating at a loss, and demand increasing as our population ages, the government must support and fund this essential investment in skilled aged care staff."

In its pre-budget submission, CHA is also urging the government to subsidise aged care nurses' rents by allowing them to pay more of their rent from their pre-tax income.

Currently nurses working in the not-for-profit and charity sector can package $15,900 of their salary for living expenses, while nurses in public hospitals can package $9,010. But the average yearly rent for a unit is $36,000 in Sydney and $27,000 in Melbourne.

"Many aged care workers cannot afford to live anywhere near work, meaning they are subjected to strenuous days and lengthy commutes which are catching up with them," said Mr Kara.

"The lack of affordable housing near metro aged care services is a serious barrier to retention and recruitment and poses a major challenge when services are already short staffed.

"Subsidising aged care workers' rents is a sensible step to show they are valued, improve their job satisfaction and help services retain staff."

CHA is also urging the government to expand user contributions for aged care to make the system fairer and sustainable.

"With most aged care services running at a loss and demand only increasing, we must ask those who can afford it to make a more substantial contribution to their care, while maintaining a safety net for those who need support," said Mr Kara.

CHA is also calling on the Commonwealth to:

- Restore national leadership to care workforce planning through the re-establishment of Health Workforce Australia
- Create a national 'Health & Care Worker Passport' to centralise and align compliance checks for hospital, aged, and disability care workers
- Create an aged care innovation fund or other mechanism to support investment in new models of care
- Support sector capital renewal to ensure older Australians have access to safe, comfortable facilities

Catholic Health Australia is Australia's largest non-government grouping of health and aged care services, accounting for approximately 15 per cent of hospital-based healthcare in Australia. Our members also provide around 25 percent of private hospital care, five per cent of public hospital care, 12 per cent of aged care facilities, and 20 per cent of home care and support for the elderly.