

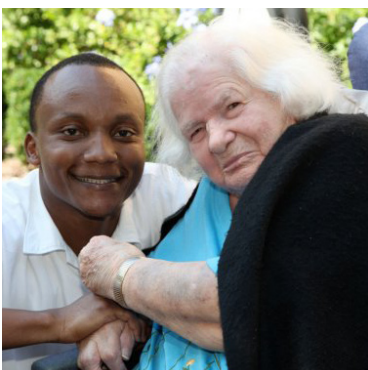
Australian Nursing Federation Budget submission

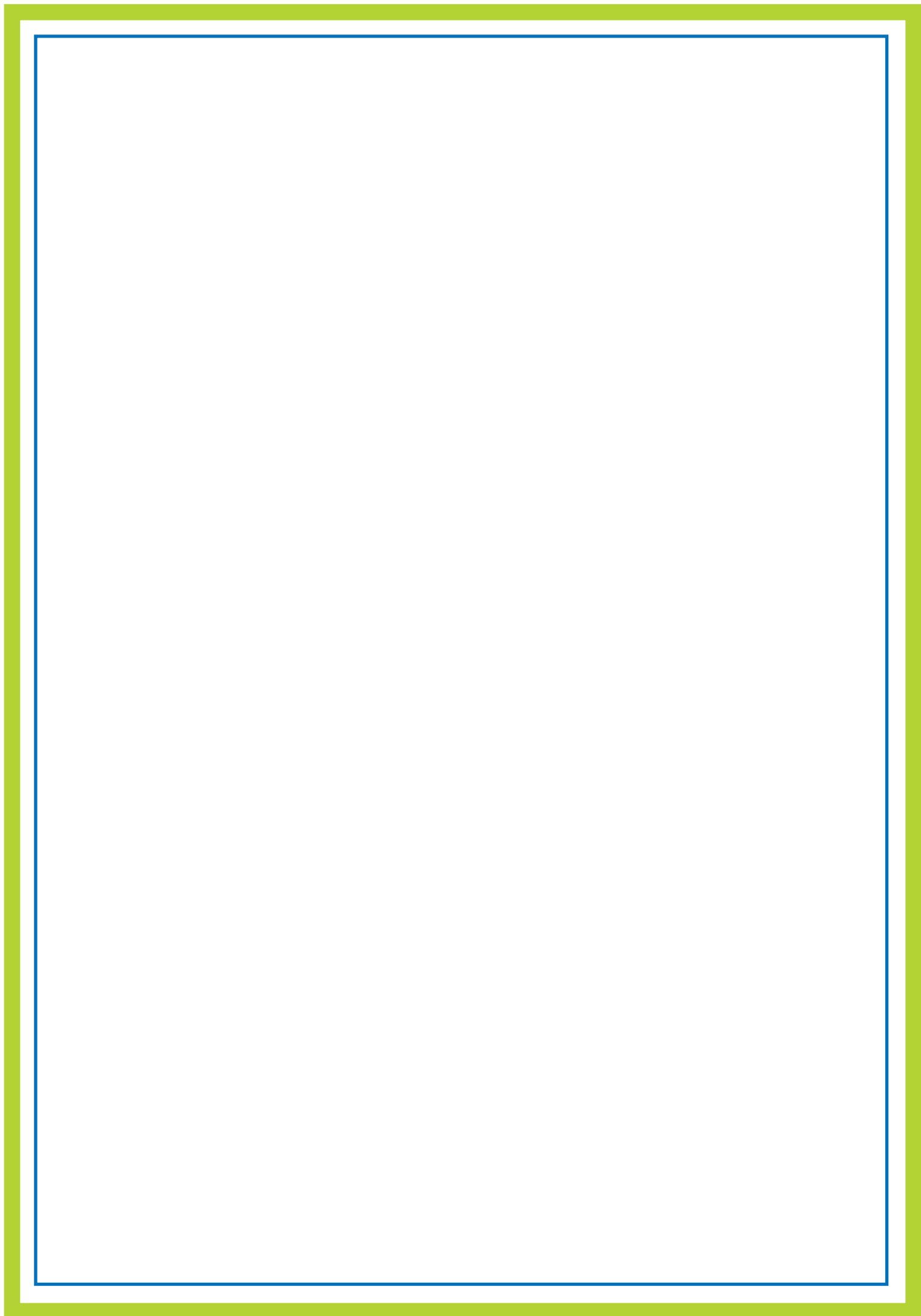
2010-2011



because
we care

Quality care for older Australians



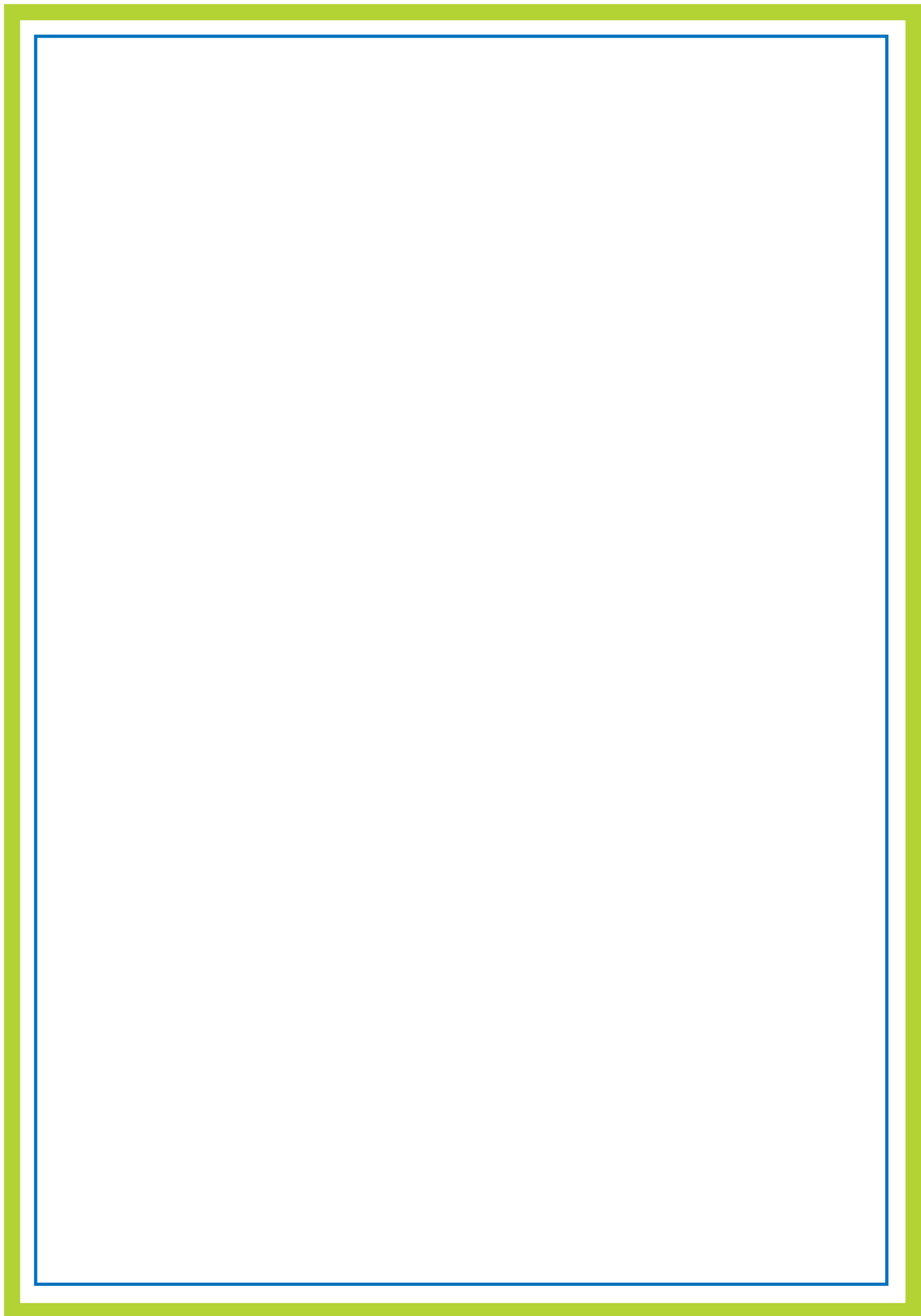


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Attachments

1. Balancing risk and safety for our community - unlicensed workers in the health and aged care systems. Australian Nursing Federation. 2009.
2. Community attitudes to aged care and aged care nurses. Research report prepared for the Australian Nursing Federation. Auspoll. 2009.
3. Nurses in residential aged care. Report for the Australian Nursing Federation. Access Economics Pty Ltd. 2009.



Background on the ANF

The Australian Nursing Federation (ANF) is the national union for nurses and midwives and assistants in nursing with Branches in each state and territory in Australia. The ANF is also the largest professional nursing organisation in Australia. The ANF's core business is the industrial and professional representation of nurses and midwives in Australia.

The ANF's 170,000 members are employed in a wide range of enterprises in urban, rural and remote locations in the public, private and aged care sectors, including nursing homes, hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, offshore territories and industries.

The ANF participates in the development of policy in nursing and midwifery, nursing and midwifery regulation, health, community services, veterans' affairs, education, training, occupational health and safety, industrial relations, immigration and law reform.

The ANF's only budget funding proposal for Budget 2010 is for the aged care industry. The ANF believes the state of the aged care industry nationally is of such concern, particularly with the ageing of the Australian population and the shortage of nurses in this sector, that it must be a priority for the community and the federal government.

The ANF has prepared a series of funding proposals we consider essential to address long term reform of the Australian aged care industry.


Nurses, midwives and assistants in nursing are the backbone of service provision in health and aged care particularly given current government priorities: preventative health, ageing in place and quality of life for all Australians.

Long term reform in the aged care sector will not succeed without the provision of a robust, highly educated and skilled nursing workforce, transparency and accountability of funding, additional funding for wages and attractive career paths.

These recommendations are put forward for the consideration of government in the context of the federal budget. The ANF is available for further discussion if required.



Gerardine (Ged) Kearney
Federal Secretary



Lee Thomas
Assistant Federal Secretary

Introduction

Because We Care. Three simple words that sum up the dedication of aged care nurses and care staff across Australia.

The aged care system in Australia must strive to ensure we have world class nursing homes, providing the best care for our elderly residents when needed.

In early 2009 the Australian Nursing Federation, incorporating the state and territory Branches (including the NSW Nurses Association and the Queensland Nurses Union) decided that something must be done about aged care in Australia. Together we launched the *Because We Care* Campaign, working with community, residents, providers, relatives and our 170,000 members to send a strong message to our parliamentarians that aged care matters.

Because We Care is one of the most significant campaigns undertaken by an Australian union.

Our aim is simple - to ensure aged care nurses and care staff have the resources necessary to deliver the best possible care and that vulnerable older Australians have access to quality care, whenever and wherever they need it.

When I addressed the National Press Club on September 16, I endeavoured to inform viewers, the audience and the media about a typical day in the life of an aged care nurse. The long hours, the concerns about workload, the constant pressure for more resources and the family community that is created in nursing homes.

It is also important that we remember the residents who rely on all of us to ensure they are well cared for and that their tax dollars are spent wisely. Their families trust us to make sure their loved ones are cared for when they have to make the most difficult of all decisions - to move their parent, brother or sister, aunt or uncle, friend or partner into a nursing home.

The number of residents is projected to grow 56 percent by 2020 - with more than 250,000 Australians needing nursing care. The greatest area of growth will be among residents aged 95 or over who will need the highest level of care we can give them. The high-care proportion of nursing care is going triple in the next 25 years to keep up with demand.

The aged care system's needs are big and complex. It is the challenge for our generation to face up to our responsibilities because we are a caring, compassionate and egalitarian society. We must ensure that older Australians are treated with the dignity, respect and care they have earned.

Because We Care



Gerardine (Ged) Kearney

Federal Secretary

Australian Nursing Federation



Why aged care matters

Story from Lucille McKenna and Margaret Cheyne-Macpherson

Margaret's our priority, she's why we work in aged care. And the relationships we build with the family members is so important to them, and to us. In a sense, they become part of our family as well, and they trust the nurses who look after their loved ones. Trust is very important in aged care.

Catherine Cheyne-Macpherson says it was a tough decision to move her mother, Margaret, to a nursing home.

"But the nurses at the home are fantastic and I know she's being well care for. She's very happy".

"When we were thinking about putting my mother in care we realised quality aged care is not about bricks and mortar. Most important is the ratio of qualified nursing staff to residents. My mother and the other residents are frail and have complex health needs. Having enough qualified nurses is essential," said Catherine.

My name is Lucille McKenna and I am a Director of Nursing at Margaret's nursing home. I have been working as a nurse in aged care for 40 years and I am passionate about aged care as well. As Catherine said above, aged care is not about the bricks and mortar.

I love my job, but it is getting tougher to get qualified nurses to work in aged care because they are often overworked and paid less. Also, some services are trying to cut back on qualified nurses, and this is a real problem.

And when budgets get tighter, it is the nursing hours that are cut back, and we often have to do the same amount of work in shorter shifts, day and night. At the end of the shift, I still have the day's paperwork to fill in.

A nursing home is a community of people, and when we get a new resident, we feel like we get a new family ourselves. With each new resident we spend a lot of time with their families making them comfortable about their decision. You see the pain on their faces - this is not an easy decision for them.

The community's need for aged care is only going to increase, and many of the nurses like myself are close to retirement. It is so important we keep nurses in aged care, and recruit many more to this very important and specialised sector of nursing. Without nurses, older people will not receive the care they deserve.

I strongly urge you to make the necessary changes in Budget 2010 to ensure that we can deliver affordable, high quality aged care for all Australians.

Because We Care



Lucille McKenna
DoN in Aged Care



Residential aged care in Australia

The aged care sector is one of the largest growing service industries in Australia with some 2,800 plus accredited nursing homes. The sector cares for in excess of 160,000 residents annually.

More than 70 per cent of residents require high care for a myriad of complex medical disorders including dementia.

To care for those elderly frail people there is a skilled dedicated army of workers in 2007, 23,103 registered and enrolled nurses and over 50,000 assistants in nursing, most of whom have at least a minimum level of educational preparation.

Those dedicated staff work long hours and get less money than those doing equivalent work in other sectors. Workforce statistics show the sector is hemorrhaging qualified staff and having difficulty in retaining personal carers. We must reverse the exodus of staff from residential aged care or by 2020 the expected 1.6 million Australians aged over 65 who will require some form of assistance or care will be left wanting.

This budget proposal goes to the crux of fixing the workforce crisis by addressing three crucial indicators - recruitment, retention and retraining.

A skilled robust aged care workforce is one vital factor in preparing our nation for the juggernaut that is our ageing population.



1 The right number and mix of staff to deliver quality care

One of the major reasons it is difficult to retain nurses and other workers in the sector is because of unreasonable workloads. It is for that reason we must provide the right number and mix of staff with the right qualifications.

There has been a substantial decline in the number of registered and enrolled nurses in the aged care sector. In 2003, there were 27,210 (FTE) registered and enrolled nurses in aged care, but by 2007, that number had dropped to 23,103 (FTE). This is a decline of over 4,100 (FTE) - a decrease of 23 per cent in registered nurses and 11 per cent in enrolled nurses.

Quality care for our vulnerable older Australians will only be delivered when there is the right mix of nurses and carers in nursing homes, delivering the right care when it is needed.

Budget Proposal

The introduction of minimum nursing staffing levels per number of residents in nursing homes.

Morning Shift

One registered or enrolled nurse for every seven residents (with additional personal care attendants).

Afternoon Shift

One registered or enrolled nurse for every eight residents (with additional personal care attendants).

Night Shift

One registered or enrolled nurse for every fifteen residents (with additional personal care attendants).

Budget Costs

To reach these staffing levels there must be an extra 30,504 nurses in the aged care sector. Based on the employment of 7,626 additional nurses each year over four years, the cost in Budget 2010 will be \$376,724,400.

Phasing in the Minimum Staffing Levels

The ANF acknowledges these staffing levels cannot be achieved immediately given the shortage of nurses in the aged care system. We propose the following timetable for introduction:

Announcement of staffing levels: Budget 2010 and the establishment of a tripartite oversight committee (union, employers and industry) to work with the Minister and Department of Health and Ageing to assist with this introduction.

May 2011 – Nursing Homes must meet morning shift minimum staffing level.

May 2012 – Nursing Homes must meet afternoon shift minimum staffing level.

May 2013 – Nursing Homes must meet night shift minimum staffing level.

Special exemptions and additional assistance should be made available for facilities that have genuinely attempted to reach minimum staffing level (rural and remote communities).

The ANF has already submitted an alternative proposal to establish a skills mix minimum staffing tool, that can be based on ACFI. This could be considered as an option other than ratios. Access economics in the attached report has recommend this proposal.

2 Fixing the wages gap

Registered and enrolled nurses and assistants in nursing earn up to \$300 a week less than their counterparts in the public health system, this is the case in most states and territories of Australia. Therefore it is imperative, in providing high quality care outcomes for the frail aged, that nurses in aged care be remunerated on an equal basis with public hospital nurses.

Budget Proposal

Implement the following principles to address the wages gap.

Principles

- 1. That supplementary funding be provided to ensure capacity to pay nursing and care staff at the public sector benchmark level.*
- 2. That accountability mechanisms are sufficient to prevent the diversion of funding away from meeting the principle of payment at the public sector benchmark level.*
- 3. That accountability mechanisms are sufficient to ensure that staffing and skills mix levels in aged care facilities are maintained at a minimum standard that is not compromised by payment of public sector benchmark wages.*
- 4. That access to the salary supplementary funding requires the employer to enter into an enterprise collective agreement which establishes and maintains public sector benchmark wages and which commits the parties to achieving best practice in accreditation and quality of care outcomes.*
- 5. That an equitable modern safety net award apply consistently across all sections of the nursing workforce.*

Budget Costs

To close the wages gap it would cost \$470 million. To maintain the wages gap we estimate a further \$70 million per annum totalling \$750 million over four years. See appendix one for state and territory specific breakdowns.

3 Retrain

Currently 35 per cent of workers in aged care do not have any formal training. All staff in aged care must have access to a well structured career path as a vital factor in retention, job satisfaction and delivery of quality care.

Budget Proposal

Implement minimum levels of qualification for all staff.

All assistants in nursing and care workers should be required to undertake a Certificate III as a minimum level of qualification. Providers should be given a period of two years in which to ensure all unqualified care staff are enrolled in Certificate III or above.

4 Transparent and accountable funding

The ANF asserts that care and accommodation costs be separated ensuring that care subsidies are quarantined for nursing and spent on staffing levels and skills mix.

At the moment, the federal government funds nursing homes but does not place requirements on nursing home owners to show how much is spent on direct care including nurses' wages.

Budget Proposal

Reform the funding mechanism, separating care subsidies from accommodation funding with mandatory acquittal of all care cost including wages.

Currently there is no requirement for nursing home providers to acquit for federal government funds, so it is impossible to ascertain how much is actually spent on direct nursing care, including wages.

The ANF therefore supports separating care funding from accommodation funding, with a requirement that all care subsidies are indeed spent on direct care and are properly accounted for.

5 Licensing

The federal government has recently introduced a national registration system for all licensed workers in health, commencing from 1 July 2010. This national registration system, does not include care staff in aged care facilities, many with Certificate III, who are required to undertake a range of nursing functions in nursing homes.

All care staff providing direct care should be licensed to ensure protection of the public and maintenance of standards across Australia. A national licensing system for care staff would ensure consistency of qualifications and practice, and afford protection to the carer and importantly, the aged care resident.

Therefore we propose a range of options to achieve this outcome. Please see attached publication *Balancing risk and safety for our community - unlicensed workers in the health and aged care systems*.

Budget Proposal

The introduction of a formal licensing system for all care staff working in aged care. To be employed in aged care, a person must establish their credentials such as basic qualifications (Certificate III) and no prior serious criminal convictions. The introduction of an aged care code of conduct should also be introduced for all care staff including the newly licensed workers.

6 Benchmarking the cost of care

The ANF supports recommendation four from the Senate Standing Committee on Finance and Public Administration, report into *Residential and Community Aged Care in Australia*¹.

Recommendation 4

- 3.24 The committee recommends that the Department of Health and Ageing in association with the suggested taskforce and in consultation with all aged care stakeholders including clients undertake analysis to establish benchmark of care costs.

Budget Proposal

Implementation of an established benchmark of care cost.

¹ Commonwealth of Australia. 2009. *Residential and Community Aged Care in Australia*. The Senate Standing Committee on Finance and Public Administration: Canberra.

Other information in support of our claims

Polling - Auspoll²

In early September 2009, the ANF engaged Auspoll to conduct comprehensive polling across the country to illustrate what Australians think about aged care and what needs to be done to fix it.

The poll showed there is significant support in the community for the government to prioritise aged care and direct resources to this sector.

Aged Care is Important

Ninety two per cent of Australians indicated that aged care was an important issue to them.

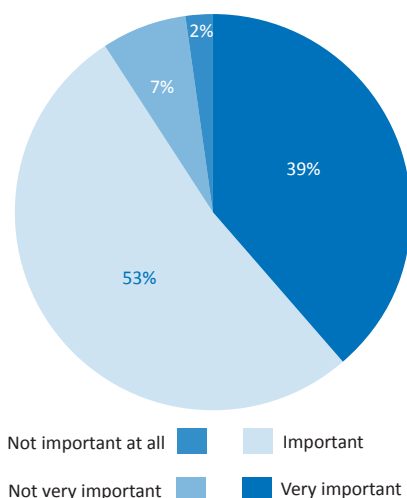
Seventy per cent believe that nurses are 'good' or 'excellent'.

Nine out of ten Australians were concerned that the number of nurses in aged care is falling.

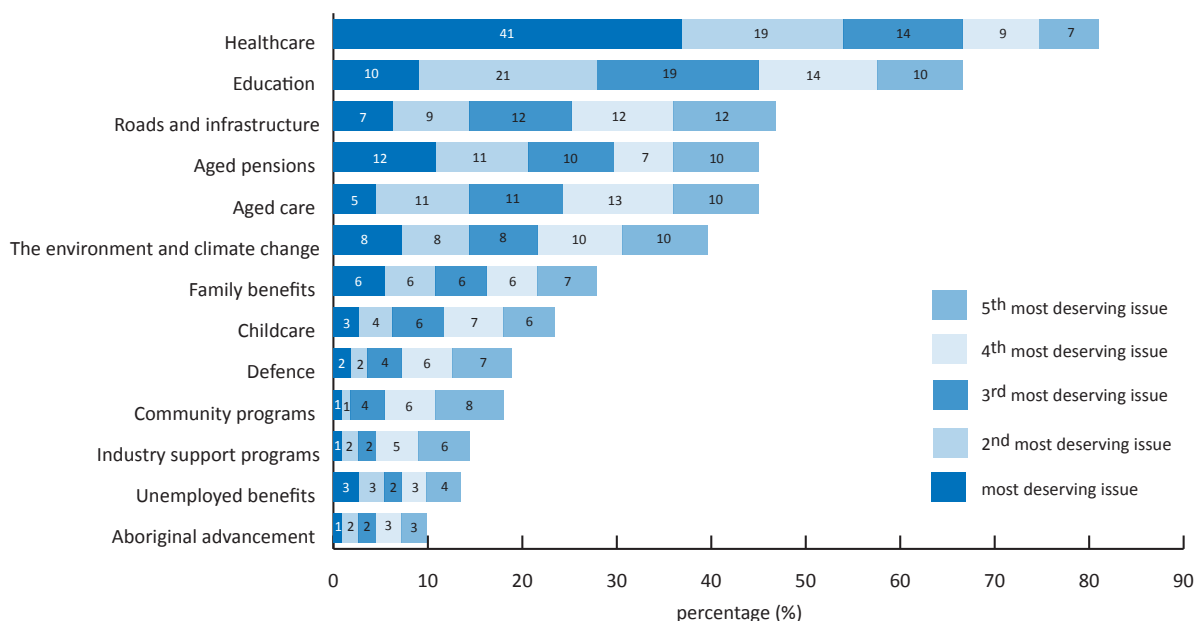
Only 16 per cent rated the quality of aged care as 'good' or 'excellent' whilst 33 per cent believe that it is 'poor' ... with 51 per cent stating that it was 'fair'.

Nine out of ten Australians - 93 per cent, stated that the Government should improve the pay and conditions for aged care staff.

How important is the issue of aged care in particular?



In the upcoming 2010 federal budget the government will decide where taxpayers' money is spent. Which of the following areas do you think are the most deserving of increased funding?



² Auspoll. 2009. *Community attitudes to aged care and aged care nurses*. Research report prepared for the Australian Nursing Federation.

Access Economics Report

The ANF has commissioned a report from Access Economics (attached) entitled *Nurses in residential Aged Care*³ which deals with the future of aged care funding. The conclusions of this report relevant to this submission are outlined below.

It is important that everyone, including older people living in residential aged care facilities, be given the opportunity to achieve their maximum health potential. This report has highlighted a number of issues within the current residential aged care nursing workforce that has reduced the opportunity of residents to achieve this goal.

Closing the wages gap

Aged care nurses are likely to be paid at least 10 per cent less than their peers in the acute care sector for performing similar or equivalent work⁴. Data from the ANF indicate that the wage gap may be as high as 12-13 per cent in 2009 across Australia, when comparing the aged care enterprise bargaining agreement (EBA) with EBAs in public sector nursing as a whole. (There is a further gap between residential aged care nurses on EBAs and those on the Award.)

Wages and conditions must improve to attract nurses into the sector. Productivity improvements can help to fill the wages gap, realised through better technology and restructuring activities e.g. more sophisticated monitoring and scheduling systems which can also allow staff to spend more time with residents and increase the quality of care provided. Since there is evidence to show that more nurses in the skill mix lead to better health outcomes, the intensity of nursing care requirement could be linked to the ACFI scale and this may assist in achieving adequate provisioning for wages.

Better education and training

Enabling career development through continual education and training is an absolute prerequisite to ensuring the skills mix responds to changing care needs.

With patient needs evolving to more high and chronic type care, training and education must be flexible to accommodate these demands. More specialised training, such as the Dementia Care Essentials program, should also be offered if appropriate care is to be delivered.

It is also important to continually train enrolled nurses and personal carers given their importance in the residential aged care workforce. Focus should be given to adapting education and nursing skill mix to meet future health needs.

Provisions to increase the number of undergraduate nursing places should be adequate to meet future demand, should emphasise aged care specific places and should encourage graduates to enter the aged care sector.

Improving staff retention - the workplace environment

Addressing excessive workloads, unnecessary documentation and a lack of education and training opportunities should help improve staff retention.

There is also concern regarding the availability of suitable workers in rural and remote communities and the handling of care needs associated with culturally and linguistically diverse residents.

³ Access Economics Pty Ltd. 2009. *Nurses in residential aged care*. Report for the Australian Nursing Federation.

⁴ Productivity Commission. 2008. *Trends in aged care services: some implications*. Commission Research Paper.

Aged care facilities that establish a positive workplace culture can increase job satisfaction and improve the attractiveness of working in an aged care setting. This can be achieved by:

- creating a positive work environment in which staff feel valued and are able to make a full contribution;
- encouraging professional development through flexibility in rostering hours, time off to study and financial assistance to cover incurred costs;
- promoting workplace safety and cultural sensitivity; and
- encouraging a better work/life balance.

Promoting optimal levels of nursing care

The strong links between improved skills, quality of care and resident satisfaction indicates the current decline in the proportion of registered nurses within residential aged care facilities should be reversed.

Directly linking funding with the provision of nursing care, as well as implementing requirements for registered nurse numbers based on the level of care required within a facility, would improve both the quality and quantity of care provided.

If mandated nurse ratios are to be avoided, then an alternative is directly linking funding with the provision of nursing care, as well as implementing requirements for registered nurse numbers based on the level of care required within a facility (through the ACFI).

ALP Platform

The ALP Platform endorsed at the National Conference in 2009 at Darling Harbour in Sydney is consistent with this budget submission, as below:

Securing quality aged care through a quality workforce

82 Labor recognises the difficult working conditions and pressures faced by the aged care workforce.

Labor recognises there is a critical workforce shortage in the residential and community aged care sector. Labor will support the establishment of career structures and pay scales for aged care workers that address wage disparity, ensure adequate training, improve training opportunities and attract and retain quality aged care staff.

83 Through the provision of Productivity Program Places and Recognition of Prior Learning programs, Labor will assist aged care workers to obtain Certificate III vocational aged care qualifications with the aim that Certificate III becomes a mandatory minimum qualification.

84 Labor will encourage nurses back into the workforce with new funding for aged care providers to assist with the cost of re-training and re-skilling.

85 Labor strongly supports the vital work performed by nurses in the aged care. Labor will introduce reforms to give nurses access to Medicare and the PBS which better recognise their skills and experience will provide greater access for older Australians.

Labor in government will introduce minimum staffing levels in residential aged care facilities. Labor recognises that there has been a high level of staff turnover in the aged care sector and is committed to industry policies that lead to competitive wages and improve basic entitlements.

- 87 Labor recognises and understands that there is a critical workforce shortage in aged care, particularly in mining boom states and remote and rural areas who struggle to compete for qualified staff.
- 88 Labor recognises that there is a high level of staff turnover in the aged care sector and is committed to providing competitive wages and improve basic entitlements to ensure aged care staff are retained for the long term.
- 89 Labor will ensure that a portion of Commonwealth funding to aged care providers will be specifically allocated to improving wages and conditions of workers in the sector and that this funding will be monitored and regulated accordingly by the Commonwealth.
- 90 Labor supports open industrial agreements between aged care institutions and aged care workers, in achieving greater workplace efficiency and long term sustainability of the sector. Furthermore, Commonwealth funding agreements will reflect this.

Appendix One

Estimates of the cost of addressing current wage differentials for nursing staff employed in residential aged care as at January 2009

State		Public Sector	Private Aged Care	Difference	\$ x EFT	\$ x 52
NSW	3,850 EFT RN	1,280.70	1,137.34	\$143.36	\$551,936.00	\$28,700,672.00
	2,865 EFT EN	857.40	777.86	\$79.54	\$227,882.10	\$11,849,869.20
	14,690 EFT AIN/PC	697.50	652.08	\$45.42	\$667,219.80	\$34,695,429.60
VIC	3,463 EFT RN	1,163.60	1,068.85	\$94.75	\$328,119.25	\$17,062,201.00
	2,577 EFT EN	815.60	758.99	\$56.61	\$145,883.97	\$7,585,966.44
	13,212 EFT AIN/PC	699.30	689.36	\$9.94	\$131,327.28	\$6,829,018.56
QLD	2,107 EFT RN	1,236.05	1,037.58	\$198.47	\$418,176.29	\$21,745,167.08
	1,568 EFT EN	863.60	798.42	\$65.18	\$102,202.24	\$5,314,516.48
	8,038 EFT AIN/PC	823.80	693.21	\$130.59	\$1,049,682.42	\$54,583,485.84
SA	1,199 EFT RN	1,202.15	999.78	\$202.37	\$242,641.63	\$12,617,364.76
	892 EFT EN	818.45	729.22	\$89.23	\$79,593.16	\$4,138,844.32
	4,573 EFT AIN/PC	740.20	650.18	\$90.02	\$411,661.46	\$21,406,395.92
WA	969 EFT ERN	1,197.00	1,022.27	\$174.73	\$169,313.37	\$8,804,295.24
	721 EFT EN	861.42	768.19	\$93.23	\$67,218.83	\$3,495,379.16
	3,696 EFT AIN/PC	740.20	678.22	\$61.98	\$229,078.08	\$11,912,060.16
TAS	363 EFT RN	1,189.84	1,116.45	\$73.39	\$26,640.57	\$1,385,309.64
	270 EFT EN	906.54	809.85	\$96.69	\$26,106.30	\$1,357,527.60
	1,386 EFT AIN/PC	740.20	678.22	\$61.98	\$85,904.28	\$4,467,022.56
NT	48 EFT RN	1,214.20	1,072.65	\$141.55	\$6,794.40	\$353,308.80
	36 EFT EN	898.37	748.60	\$149.77	\$5,391.72	\$280,369.44
	185 EFT AIN/PC	740.20	678.22	\$61.98	\$11,466.30	\$596,247.60
ACT	109 EFT RN	1,235.64	1,126.60	\$109.04	\$11,885.36	\$618,038.72
	81 EFT EN	869.98	754.41	\$115.57	\$9,361.17	\$486,780.84
	416 EFT AIN/PC	740.20	678.22	\$61.98	\$25,783.68	\$1,340,751.36
TOTAL						\$261,626,022.32
Total plus Award/Agreement Benefits						\$340,113,829.02
Total plus Award/Agreement Benefits plus staff on costs to close gap as at January 2009						\$408,136,594.82

Further annual adjustment assuming 4% increase in the public sector and 2% increase in private aged care (for subsequent year 2010)

TOTAL annual adjustment	\$58,344,482.77
TOTAL plus Award/Agreement benefits	\$75,847,827.60
TOTAL plus Award/Agreement benefits plus staff on costs	\$91,017,393.12