

19 December 2022

The Hon. Anthony Albanese, MP  
Prime Minister of Australia  
Parliament House  
CANBERRA ACT 2600  
E: parliament@pm.gov.au

Dear Prime Minister,

I am writing with respect to the Government's submission to the Fair Work Commission made on 16 December 2022.

As you are aware the Royal Commission into Aged Care Quality and Safety commenced on 8 October 2018. Throughout the Royal Commission a range of evidence clearly identified significant issues that have contributed to the aged care workforce crisis.

Lack of resourcing, lack of funding, lack of staffing and wages that are significantly inferior were fundamentally identified as major contributors to the aged care crisis.

These issues were sadly exemplified throughout the Covid pandemic and the resulting high mortality rate. As you are aware the aged care sector had the highest mortality rate throughout the pandemic.

One could only wonder how high the mortality rate would have been without the commitment of the aged care workforce. A workforce that is predominately female, and retires with an average superannuation balance of \$18,000.

The recent Government submission to the Fair Work Commission of a 10% increase on the 1 July 2023 followed by a 5% increase on 1 July 2024 will not retain the aged care workforce, let alone attract workers to the industry.

The aged care workforce has been leaving for some time and I now understand that some aged care facilities are not exercising their licenses due to difficulty in attracting and maintaining staff. This in turn puts more pressure on an already stressed public health system.



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As you may recall, the HSU included in its submission to the Fair Work Commission and the Aged Care Royal Commission economic modelling conducted by Impact Economics. This modelling identified that a .65% increase in the Medicare levy would not only address a 25% wage increase, but it would also deliver an extra 59,000 positions and an extra 90 minutes of direct care to residential aged care recipients.

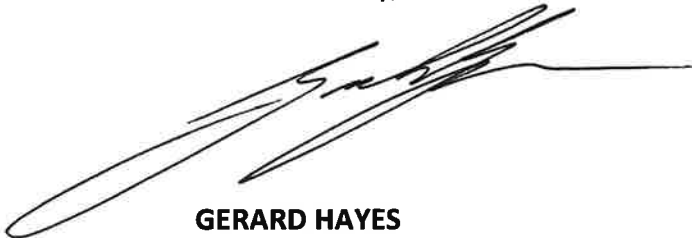
Whilst I appreciate that the Government may not be enthusiastic about increasing the Medicare levy, I struggle to understand how the tax cuts for higher earners can be maintained while the largely female workforce in aged care works their way into poverty.

Alternatively, recent media reports have identified an estimated \$8 billion dollars in potential Medicare roorts. I understand that Minister Butler has engaged Deloitte to review these claims, however surely this is an opportunity to establish a Royal Commission into how and where the health dollar is being expended and if there is roorting, profiteering, or anti-competitive behaviour?

Any of the above-mentioned initiatives would go some way to addressing the issue of aged care attraction and retention by way of a 25% wage increase immediately.

If the Government's submission goes forward, it my firm belief that the aged care crisis will become a catastrophe as the ageing population expands in the coming years.

Yours faithfully,



**GERARD HAYES**  
**HSU National President**  
**HSU Secretary NSW/ACT/QLD**

*Copies:*

- The Hon. Mark Butler, MP, Minister for Health and Aged Care
- Chief of Staff to the Prime Minister, Mr Tim Gartrell
- Chief of Staff to Minister for Health and Aged Care, Mr Nick Martin
- Health Services Union National Secretary, Mr Lloyd Williams.