

# Media Release

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## Aged care sector left out in the cold

VMCH CEO Sonya Smart has expressed her disappointment at the neglect of the aged care sector in the Federal Budget.

Ms Smart said VMCH, a not-for-profit organisation which delivers residential aged care, retirement living and home care services, was not impressed with the allocation of funds to an already suffering sector. Following the massive impact of COVID-19 on aged care organisations over the past few years, she'd hoped relief was in sight.

"Constraint on the supply of overseas workers, shortages of RAT kits, PPE costs, and extreme burn-out among overworked staff... These additional costs have contributed further to the deterioration in the average operating result for residential aged care services, with 56 per cent of aged care homes now operating at a loss," Ms Smart said.

**"Our aged care workers have worked themselves to the point of exhaustion these past few years battling COVID and keeping our residents safe. We had hoped for a boost in their wages not only as a show of respect and acknowledgement for their hard work, but because they so truly deserve it. Wage growth will be impacted by inflation and may in fact see aged care workers wage go backwards."**

The aged care royal commission, which handed down its report last year, warned of a critical shortage of workers, and that current staff are under-recognised, underpaid and under-skilled.

Ms Smart said a \$49.5 million aged care training package did simply did not go close enough to addressing critical workforce issues.

**"We need a human services workforce strategy, not money thrown at training which does not assist in better conditions, better career paths, better employers and a well-coordinated migration strategy to ensure that the health sector as a whole has a workforce for now and the future. Currently we are all using short-term measures, bonuses and short-term salary increases to keep our workforces stable," she said.**

"We echo Catholic Health Australia's sentiments that the Budget has failed in its opportunity to deliver real reform to ensure a sufficient and qualified workforce to care for older Australians."

The budget did deliver some small positives, Ms Smart said, including the \$20.1 million investment to support the transition from the Aged Care Funding Instrument (ACFI) to the new Australian National Aged Care Classification (AN-ACC) funding model. "It's pleasing to finally receive the level of funding per day per resident so that the sector can finally develop budgets for the new financial year."

But the omission of any real boost to wages, or structure to support the workforce, was extremely disappointing, Ms Smart said.

"We join CHA's call that whoever is in Government, once the Fair Work Commission gives its decision on minimum award rates for aged care workers, must commit to fully fund the wage increases.

“How are we expected to attract and retain staff to deliver such vital care - supporting the most vulnerable members of our community - without a decent wage? Along with our workers, let’s show our older residents - who’ve worked hard their entire lives - that their care is worth investing in, and respected.”

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