

FAIR WORK AUSTRALIA

Statement of the Liquor, Hospitality and Miscellaneous Union ("LHMU")

In relation to matter no. B2010/2957

LHMU application for a low-paid authorisation

WITNESS STATEMENT OF MATTHEW GARDINER

I, **Matthew Gardiner, Northern Territory Branch Secretary** of Liquor Hospitality and Miscellaneous Union, 38 Woods Street Darwin Northern Territory state as follows:

1. I am the Branch Secretary of the Northern Territory Branch of the Liquor, Hospitality and Miscellaneous Union. I have held this position for 3 years. Prior to this I was the Lead Organiser for the Branch for approximately 8 months. In these capacities I am familiar with the industrial instruments that cover members working in Aged Care.
2. The LHMU Northern Territory Branch is the union which represents the Aged Care Services sector– carers/support workers.
3. The services provided by our members affected by this application are carers/support workers whose responsibility is to provide a care and support service to their clients. A large majority of the aged care services employers in the Northern Territory are non government organisations.

Aged Care Services Sector Enterprise Agreement coverage

4. My Branch has actively sought to obtain enterprise agreements for members in Aged Care Services Sectors. Below is a list of enterprise agreements that cover members of my Branch employed in the Aged Care Services Sector. The remaining employers and employees are award reliant.

Frontier Services

5. The Frontier Services Enterprise Agreement 2009 – 2011 Agreement ID: AE873912 is the current industrial instrument in the Northern Territory for Frontier Services(trading name). The employer name is the Uniting Church in Australia. This Agreement covers the following aged care facilities within the Northern Territory and several facilities in Western Australia.

Terrace Gardens
Old Timers Aged Cared
Fred McKay Day Therapy
Flynn Lode Community Care
Rocky Ride

Pulkapulka Kari
Tracy Aged Care
Juninga Centre
Ngamang Bawoona
Numbala Nunga
Marlgu Village
Respite Mutitjulu
Respite Options for Senior Territorians - Darwin
Respite Options for Senior Territorians - Palmerston
Respite Options for Senior Territorians - Central
Respite Options for Senior Territorians - Employed
Carers
Respite Mutitjulu

6. This is the second Enterprise Agreement Frontier Services has incorporated within the workplace, replacing the previous Agreement Frontier Services Collective Agreement 2008 Agreement ID: AC318856. Prior to this Agreement Frontier Services was reliant on award wages.
7. Both Agreements have involved the participation and negotiations with the LHMU NT Branch.
8. Frontier Services is the largest Aged Care Service provider within the Northern Territory
9. The previous Agreement, Frontier Services Collective Agreement 2008 was a one year agreement due to the uncertainty of funding from both Territory and Federal governments. It was difficult to bargain during these negotiations as the restricted funding arrangements restricted a substantial percentage wage increase. The wage increase was approximately 3% for the year of the Agreement. Due to the restrictions of the funding the negotiations were drawn out over a long period of time causing confusion and frustration for members.
10. In terms of the 2009- 2011 agreement negotiations, a longer term agreement was able to be negotiated due to the funding provided by the Territory and Federal governments. A 15% increase over the life of the Agreement was negotiated. The negotiations remained difficult and the employees also remain low paid.
11. Frontier Services is now the highest paid Aged Care Service Provider within the Northern Territory for a non government organisation although these rates are lower than comparable workers in other LHMU industries.

Masonic Homes Incorporated

12. The Masonic Homes Care and Support Staff Union Collective Agreement 2008 – 2010 Agreement ID: AC312575 is the current industrial instrument in the Northern Territory for Masonic Homes. This Agreement covers the personal carers, home support workers, therapy assistants and other support roles that deliver care service to residents and clients of Masonic Homes within the Northern Territory and South Australia.
13. Prior to this Agreement Masonic Homes was reliant on award wages.
14. As this was the first Agreement with Masonic Homes bargaining continued over an extended period with the final outcome of 12% wage increase over the life of the Agreement. The negotiations were difficult. The wages are lower than comparable workers in other LHMU industries.

Calvary Silver Circle

15. The Calvary Home Care Services Support Workers Enterprise Agreement ID: AE873692 is the current industrial instrument in the Northern Territory for Calvary Silver Circle(trading name).The employer name is Calvary Home Care Services Ltd. This Agreement covers support workers that deliver care service to residents and clients of Calvary Silver Circle within the Northern Territory.
16. Prior to this Agreement Calvary Silver Circle was reliant on award wages.
17. As this was the first Agreement with Calvary Silver Circle, it was difficult to bargain during these negotiations as the funding arrangements restricted a substantial percentage wage increase. The final outcome was that the rates will only be adjusted as determined by Fair Work Australia through its Minimum Wage Panel decisions. Due to the restrictions of funding and the difficulties in bargaining it was agreed that employees would have an annual increment progression based on performance and the overnight care will be adjusted to four times the personal care rate over the period of the agreement.

Bargaining in the Aged Care Services Sector

18. Bargaining has been difficult to achieve in the Aged Care Services sector. I believe that the reasons for this include the following factors:
 - (i) There is a significant number of relatively small enterprises or organisations in this sector although there are some larger organisations where we do have agreements.
 - (ii) The small organisations do not have the people and other resources to engage in bargaining and are often run by volunteers unfamiliar with industrial relations processes
 - (iii) Union density is relatively small in many smaller organisation's in the sector
 - (iv) Funding in this sector is largely dependent on Government funding – Territory and Federal
 - (v) There is limited capacity to bargain as organisations do not have access to funding sources to pay increased wages
 - (vi) Government funding is often tied to award rates of pay and government funding agencies will not pay additional wages arising from bargaining
 - (vii) There are a considerable number of fixed term contract and casual staff in the sector.
19. As a result of these factors, employees in most parts of the Aged Care Services sector are award wage reliant. Their wages and salaries are below standards applicable in other areas which have aged care service areas such as the Shires. The wage increases were we have bargained are below other LHMU industries.

Matthew Gardiner

Date: 16 June 2010