

THE BETHANIE GROUP INC— FINANCIAL VIABILITY

Grievance

MS L.L. BAKER (Maylands) [9.26 am]: I have a grievance for the Minister for Housing and Works relating to the financial viability of one of Western Australia's aged-care providers. I would like the minister to confirm that the Bethanie Group Inc is a financially viable company and that it proved its financial viability to the state government recently when it was awarded a certificate that allows it to become a growth provider for social housing in the state.

The Bethanie Group owns 55 retirement villages, residential nursing homes, community care services and Bethesda Hospital in Claremont. The Bethanie Group is one of the largest care providers in Western Australia and a large employer receiving \$28.5 million in commonwealth funding for 2008-09.

Last year the Bethanie Group benchmarked its 120 salaried management positions, which resulted in significant salary increases to management personnel and, in fact, won an equal opportunity for women in the workplace award. I am, however, a bit confused because in response to an article in *The Sunday Times* on the treatment of the group's lowest-paid workers—the carers—the chief executive officer said that the group's money was tight and that without increased government funding the business will struggle to meet labour and other costs. Currently, Bethanie is telling its lowest-paid employees—the aged-care workers, who are mainly women—that it cannot afford to increase their wages. They have refused to increase wages for these lowly paid women who are working for the aged.

In negotiations for a new enterprise bargaining agreement that have been taking place over the past nine months, when employees have rejected offers that have been put to them management has stalled negotiations or even offered less at the next meeting. Recently, the offer was as little as commonwealth own purpose outlays. If that is zero per cent this year, the wage increase will be zero. I do not think any member of this house would think that was an acceptable way to go.

Aged-care workers do some of the hardest yet the most valuable work in our community, minister. I call on the providers and the state government that funds them to take a greater role in ensuring that they receive decent pay and conditions for what they do. Bethanie needs to stop misleading employees, the public and the government about its current financial situation. I doubt very much that the government would have given it a certification if it was not in a secure position and did not have a secure outlet. Will the minister please confirm Bethanie's financial viability?

MR T.R. BUSWELL (Vasse — Minister for Housing and Works) [9.30 am]: I would firstly like to say to the member for Maylands that if she had wanted me to comment on the specific issue of the employees of Bethanie aged-care facilities and their dispute with their employers—I gather some are in the gallery today —

Ms L.L. Baker: They are.

Mr T.R. BUSWELL: — the member should have let us know what she specifically wanted to talk about. I always try to be open in answering grievances, as I think they are an important part of the parliamentary process. The opposition Whip informed me yesterday that the member wanted to discuss the issue of salaries paid to aged-care workers in Western Australia, which I am happy to discuss with her. There was no indication made that the member wanted to speak about the specifics of the Bethanie Group. As a result, I have no information about the Bethanie Group and I cannot provide any. The member has been in this place for a while, and I would have thought that she understood how grievances work. Grievances are not an opportunity for members to try to sneak up and ambush people; they are an opportunity to legitimately and openly discuss issues. I am very happy to discuss issues around Bethanie, but I cannot because the member did not give me any notice. I am disappointed for the people who have come along today that the member chose to conduct herself in that manner.

Ms L.L. Baker: Minister, I was giving an example of low-paid workers.

Mr T.R. BUSWELL: But the member talked only about Bethanie employees. I would have been happy to attempt to provide more information if I had known.

Ms L.L. Baker: I thank the minister.

Mr T.R. BUSWELL: Grievances are an open forum, and I received a grievance previously from the member for Joondalup, as well as a couple of others. I find it quite bizarre that the member gave me an indication that she was going to talk about one thing, but she went on to raise a different issue.

The member is right; the Bethanie Group has been certified as a Government Regional Officers' Housing provider. I attended a ceremony in Bunbury at a Bethanie residential facility in Eaton—the specific name of the

facility escapes me—and we had a great morning there; in fact, a number of residents from Busselton have moved across to Eaton.

The Bethanie Group emerged out of Church of Christ homes, and in my previous employment as a—whatever it is the former Premier likes to call me—bus driver from Busselton, I dealt with Church of Christ homes because we used to take people from retirement villages on holiday. It was great fun. I am not sure about the state funding for Bethanie as it relates to the provision of GROH housing, which effectively is social housing for seniors and residential aged care, which is what the member asked me about.

Ms L.L. Baker: We are interested in its financial viability.

Mr T.R. BUSWELL: Of course it would have met the Department of Housing's financial criteria. One of the big requirements of building a viable community housing sector is that we ensure that the providers are financially viable.

I have no knowledge of the specific relationship and the negotiations between Bethanie and its employees in aged-care facilities. If I had known the member was going to raise it, I could have obtained the information, but I probably would have said that it is really a matter for Bethanie and its employees to work through. My community in Busselton has a community aged-care provider called Capecare. I have been working for years with Capecare to try to help it pay its staff more, as the member is aware. Again, I am not going to comment on the specifics of Bethanie but, as the member is aware, the funding for those agencies is largely determined by commonwealth. It provides the recurrent funding and, indeed, a large chunk of the capital funding. I do not think the wages paid to carers in any way reflects their social value. In fact, some of the staff at the aged-care facility in Busselton—Capecare—looked after my grandfather during the last years of his life. We could not ask for better people to provide aged people with a fantastic quality of life. Those workers do not just turn up to work and contribute their labour; they turn up and contribute themselves. What they do is to be admired and applauded. They deal with some very, very difficult situations, such as people with dementia and people with incontinence and a range of other issues that a lot of us just do not want to know about. These people turn up to work and earn very low wages and they deal with the problems. If the member has any ideas about how the state can get involved to lobby the commonwealth to pay these people better wages—because as the member knows, a large part of their salaries is embedded in the recurrent funding streams provided by the commonwealth—she can let me know. That recurrent funding stream does not increase. I will give the member an example. From 2006-07 to 2007-08 the commonwealth funding stream for high-care residents went up by one per cent; the recurrent funding went from \$45 200 a resident to \$45 476 a resident.

I am sorry to go on about Busselton, but in that community we have been trying to find a way to raise a pool of funds—almost an endowment fund—from which the aged-care provider can access the interest to supplement the wages of its workers. I accept the member's point, but I cannot comment specifically on Bethanie. It is a significant issue, as are issues of salaries paid to the community sector right across Western Australia. I recently met with the Western Australian Council of Social Service, which is now making a very positive contribution to social policy development in Western Australia. We had a fantastic meeting. The member may be interested to know that the state government pays approximately half a million dollars into the community sector in Western Australia. WACOSS estimates that it needs another \$150 million to reach salary parity in and around the community sector. Unfortunately, that will not address this particular issue, but it is indicative of the issue.

WACOSS has been very active in the economic audit process. I think some people would be surprised at some of the areas the economic audit touches on, such as the way in which the community sector accesses funding from the government. It is a very inefficient system. Organisations may have 80 grant streams that they have to apply for, administer and report on. It is too costly. For every one of those grant streams there is probably a person in government somewhere being paid to do the job. We need to be more efficient there.

Mr E.S. Ripper: That will be interesting!

Mr T.R. BUSWELL: Yes, it is a really interesting reform. Dr Peter Shergold, AC is involved in it, and it is a very, very interesting area of reform in which the government is engaged with WACOSS in undertaking. Unfortunately, those sorts of reforms will not address the issues that the member raised, but if the member has any ideas of how we as a state can partner with people like the employees at Bethanie to get better outcomes from the commonwealth in particular, I am very happy to do that.