

# Business expectations

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# Great Expectations

- Aged care sector - private sector business but also reliant on DHB funding, subject to charging restrictions...
- Mixed model
- Uncertainty

# Some big issues

- \$\$
- Industrial relations
- Skills
- Costs
- Compliance

# Sustainable funding

- Environment:
  - Health needs going up
  - Cap on charges

# Mecas & mucas

Multi-employer collective agreements:

Multi-union collective agreements:

- Work against enterprise-level bargaining
- Increase wage costs beyond the control of the firm
- Increase the risk of sector-wide strikes

# ER proposals

- “More rights for casuals”
- Unions want quotas
- Temps to take grievances against temp agency *and* client company

# KiwiSaver

- Proposed: Unlawful for employers to pay KS staff & non-KS staff differently
- = employer has to pay whatever the employee wants to save
- = hard to reward with performance pay
- = uncertainty in wage bargaining

# Skills

- Shortage of caregivers
- Training currently at NQF levels 2-3
- As in other industries, higher skill levels needed
- Need ITO specific to aged care sector?

# Other costs

- Electricity
- Petrol
- Interest costs
- Staples: bread, milk, cheese etc
- Compliance costs

# Why are electricity costs so high?

- Inadequate investment in generation
- 10-year ban on new thermal ban
- ETS will increase energy costs more

# Emissions trading scheme

- ‘Price on carbon’
- OK if:
  - everyone else doing it too
  - competitiveness problems sorted
  - efficiency measured, not just emissions
  - cost impacts restrain

# Compliance

- Since 1999, more than 2,000 (gross) new laws, regulations
- Not much cost benefit analysis
- Compliance:
  - = \$2,400 per employee per year in SMEs
  - = \$780 in large firms (>50 staff)

# What are we doing about it?

- HealthCare Providers – lobby & direct action
- Business NZ
  - Pre-election advocacy
  - Who we're talking to & why
  - 'Beyond the lobby'