14 October 2016

Senator Rachel Siewert  
Chair  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
E: community.affairs.sen@aph.gov.au

Dear Senator Siewert

Inquiry into the Future of Australia's Aged Care Sector Workforce

The Aged Care Guild (“The Guild”) was pleased to learn that the Committee has resolved to continue with this Inquiry in the 45th Parliament. Our membership has since discussed some related matters and is keen to reengage with the work of the Committee. This short supplementary submission expands on our initial contribution to the Inquiry, with a view to further inform the Committee from an employers’ perspective.

The Aged Care Guild

Since earlier this year, the Guild has grown its footprint in the residential aged care sector. Together, our membership now has over 37,000 operational beds (circa. 20% of the industry) and employs around 39,000 staff across 409 facilities Australia wide. With a further 27 facilities currently under construction, our members continue to be the largest builders or acquirers of beds in the industry. Indicative of this, the Government recently allocated funding for 3,170 of 10,940 (28.98%) residential places to Guild members in the most recent Aged Care Approvals Round.1 As such, Guild members are ideally positioned and actively seeking to drive the sector’s rapid expansion and so will employ a growing proportion of the sector’s workforce.

Economic contribution of the aged care sector

The Committee may also be interested to learn that the Guild recently commissioned Deloitte Access Economics to undertake an economic contribution study of the entire aged care sector, entitled Australia’s aged care sector: economic contribution and future directions, which I have enclosed for your reference. Deloitte Access Economics found that in 2014-15, the sector’s total economic contribution to Australia was $17.6 billion, equal to approximately 1.1% of gross domestic product, 277,500 full-time equivalent jobs and 2.8% of the labour force.2 The aged care sector is clearly a significant contributor to the Australian economy and to society more broadly.

Australian Government responsibility

The Guild considers the Commonwealth Government to be ultimately responsible for the current and future residential aged care workforce. Residential aged care is predominantly federally funded and regulated and will increasingly compete for staff with the home care, National Disability Insurance Scheme, public hospital and acute care sectors. The Government cannot continue to underfund the sector and assume

---


that residential aged care providers will be able to sustainably compete for staff on an equal footing with these sectors. The Guild is of the view that the Government should show leadership and not defer thinking and drive concerning workforce issues to the sector, as the Minister has previously indicated.\(^3\) The Government should support the development of a workforce strategy to ensure that the sector is well prepared and capable of meeting its future workforce needs. Within this context, it should not solely be left to providers or the sector to act alone.

**Portable long service leave**

In May 2016 the ACT Legislative Assembly passed the Long Service Leave (Portable Schemes) Amendment Act 2016, which has given effect to introducing portable long service leave to the aged care sector in the ACT.\(^4\) The Guild has been strongly opposed to this measure, which is of concern as it:

- directly impacts ACT-based aged care providers, doubling long service leave expenses, which may have implications for wages growth and future business decisions;
- is poor public policy, with no evidence base or compelling rationale, other than rewarding service to a broader sector, not an employer;
- has been introduced contrary to the findings of an Australian Senate Committee Inquiry, which pointed to the need for ‘more detailed economic analysis and broad engagement with stakeholders’. The ACT Government chose not to take heed of the findings of this report, despite indicating an intention to do so;\(^5\)
- was seemingly politically motivated, due to pressure applied by unions and employee groups, with no meaningful consultation with employer groups; and
- misinterprets the aged care sector as ‘insecure work’ and demonstrates a poor understanding of the workforce in general.

The Guild is concerned with this instance of a state/territory government increasing the cost base of the sector, which is funded and regulated by the Commonwealth. The sector is already typified by significant staffing costs, with a legislative framework that restricts providers from recovering the significant costs borne by additional red tape. The Committee might reflect on the flow on effects of this decision and/or if a more targeted response—or further examination of the perceived gap that this policy fulfils—may have been more suitable and constructive in attracting and retaining residential aged care employees.

**Recognition of overseas qualifications**

The Guild asks that, within the context of this Inquiry, the Committee investigate what the Commonwealth currently does, and might do in the future, to recognise overseas qualifications and learning. As noted in our previous submission, the profile of the workforce is such that a significant proportion of the residential aged care workforce is made up of recent migrants. In canvassing this issue with Guild members, the example of registered nurses from overseas being employed in Australia as less qualified personal care workers, due to non-recognition of their qualifications, was noted.

**Assistance to migrants transitioning to the workforce**

The Guild notes that initial submissions to the Inquiry raised concerns about the English language proficiency of recent migrant staff in the sector, highlighting the difficulties that this brought to their integrating smoothly into the workforce and communicating complex care matters. The Guild asks that the Committee consider the availability and accessibility of English language and numerical literacy courses or bridging programs and investigate what assistance is currently available. Guild members have identified this issue as a significant and ongoing challenge.

---


Assistant to migrants might also be provided through reconsideration of visa resetting arrangements. One Guild provider noted that a recent migrant employed as a registered nurse could not, for instance, be promoted to a supervisory role as this would be considered a ‘breach’ of visa conditions, as they would have effectively changed jobs. Their residency requirements would also be reset, after the appropriate paperwork was processed. Arguably this red tape measure is not the intent of visa/residency measures and might be looked at within the broader context of this Inquiry.

**Benefits obtainable through a form of registration or accreditation**

As per our initial submission, the Guild asks that the Committee consider the applicability of a form of registration or accreditation for aged care workers, as separate from registered and enrolled nurses, allied health workers and other medical practitioners. The following aspects would be beneficial:

- as a safeguard to provide an increased capacity to regulate people out of the sector, if and as required;
- traceability of employees across organisations. The nature of the sector is that some people are employed across more than one organisation;
- efficiencies for human resources, and avoidance of duplication in areas such as compulsory training, police checks etc.; and
- improve accountability of staff and professionalisation of the sector.

The Committee might also contrast aged care workers with the allied health and child care industries. The Guild is of the view that, while a Code of Conduct has its benefits, it does not provide the benefits detailed above and warrants the Committees attention. The Guild considers it important that such a measure have no wage or cost implications.

**Suitable staff who are attracted to the sector**

Ultimately, the Guild recognises that the aged care sector will need to attract suitable staff, ideally those who seek to progress a career in the sector. As identified during the course of the Inquiry, this will be a significant challenge, which should be addressed jointly by government and the sector.

Thank you for your consideration. Again, please do not hesitate to contact the Guild if we may be of any further assistance.

Kind regards

Cameron O’Reilly  
Chief Executive Officer

Encl.  *Australia’s aged care sector: economic contribution and future directions*