

AGED CARE WORKFORCE STRATEGY FRAMEWORK

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INTRODUCTION

While there may be general agreement that Australia will require an appropriately-sized and appropriately-skilled aged care workforce, it is less clear that there is a consensus as to what this means, how it will be achieved and where responsibilities rest.

Aged care provider peak bodies, Aged & Community Services Australia, Leading Age Services Australia, the Aged Care Guild, UnitingCare Australia, and Catholic Health Australia have developed this Framework for an aged care workforce strategy to support an appropriate response.

We have undertaken this step to progress the workforce domain of the Aged Care Sector Committee's (ACSC) Aged Care Roadmap:¹

“A well-led, well-trained workforce that is adept at adjusting care to meet the needs of older Australians”

The aged care sector will be considered a desirable and rewarding place to work, with providers attracting and maintaining a well-led, flexible and responsive workforce ... Networks and partnerships between the aged care and other industries (education, research and employment) will boost supply, and the needs of care industries (aged care, health, disability and child care) will be considered in the development of government policies and programmes.

The Government also committed to supporting industry develop its own workforce strategy and this Framework provides the basis for its development.²

The age of the Australia population and the aged services industry has expanded significantly in recent years, and is projected to continue to grow rapidly³ in coming years.

To provide care for the rapidly growing ageing population, the 2016 annual report of the Aged Care Financing Authority (ACFA): *The Funding and Financing of the Aged Care Industry*⁴ states that, based on the Government's current provision targets, the number of residential aged care beds in the next decade will need to increase by about 76,000. In the previous decade this increase was only about 35,000.⁵ This will obviously impact on the number of workers required to provide care and services to residents. The number of workers required is also impacted by the number of aged care places to be released under the provision ratio, complemented by the projected increase in the population aged 85 years and over, and, growth under the Commonwealth Home Support Programme (CHSP).

For this growth to support effective provision of care to older Australians, a number of considerations need to be addressed; not all of these considerations are being effectively addressed at present. Fundamentally, aged care providers require an environment that provides funding certainty and confidence in their ongoing viability to invest in service expansion and staff recruitment and development.

The aged care workforce of the future will not only need more workers than today, but also the skill needs of these workers are likely to differ from the current skill mix. This reflects changes in the needs and expectations of older Australians, increasing reliance on assistive technology, and practice changes including the drive towards in-home care and reablement models. Finally, these workers will need to be in the right places to provide care and support services.

Standing in response to these challenges are three policy domains – management of workforce supply, management of workforce demand, and enhancement of workforce productivity. There are multiple avenues to address the workforce challenges through these domains; many, if not most, of these avenues will require effective cooperation between governments, education and training bodies and employers.

¹ <https://agedcare.health.gov.au/aged-care-reform/aged-care-roadmap>

² <http://sussanley.com/speech-to-the-national-aged-care-alliance/>

³ Productivity Commission, Trends in aged care services: <http://www.pc.gov.au/research/supporting/aged-care-trends>

⁴ <https://agedcare.health.gov.au/2016-report-on-the-funding-and-financing-of-the-aged-care-industry>

⁵ Fourth report on the Funding and Financing of the Aged Care Sector, July 2016, pp. xxxi & pp 167.

This Framework has been developed as the basis for a workforce strategy that can be effectively implemented to support Australia’s ongoing need for a skilled, flexible aged services workforce. To this end, the paper is divided into three sections:

1. Context – the current workforce, and projections of future demand for workers;
2. Policy levers to influence the aged care workforce; and
3. Next steps

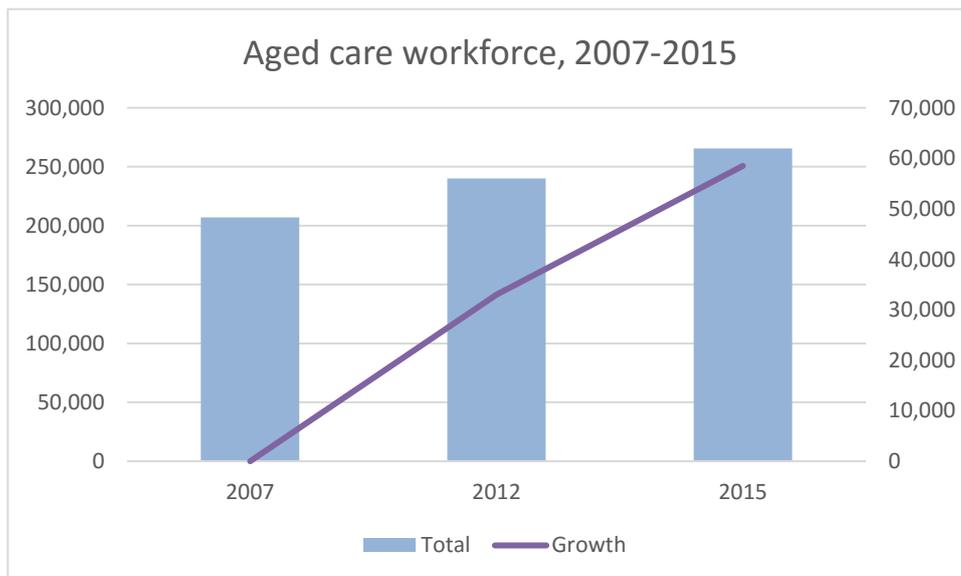
The ACSC’s Aged Care Roadmap highlighted the short term need to clarify the roles of government and providers on workforce matters, to enable a strong shared understanding of the workforce needs of the future and who is responsible for meeting them.

The aged care provider peaks propose this framework as a first step towards establishing the basis for a working relationship between all stakeholders for the development of an industry-led workforce strategy.

CONTEXT – THE AGED CARE WORKFORCE TODAY

A number of salient features of today’s aged care workforce are apparent:

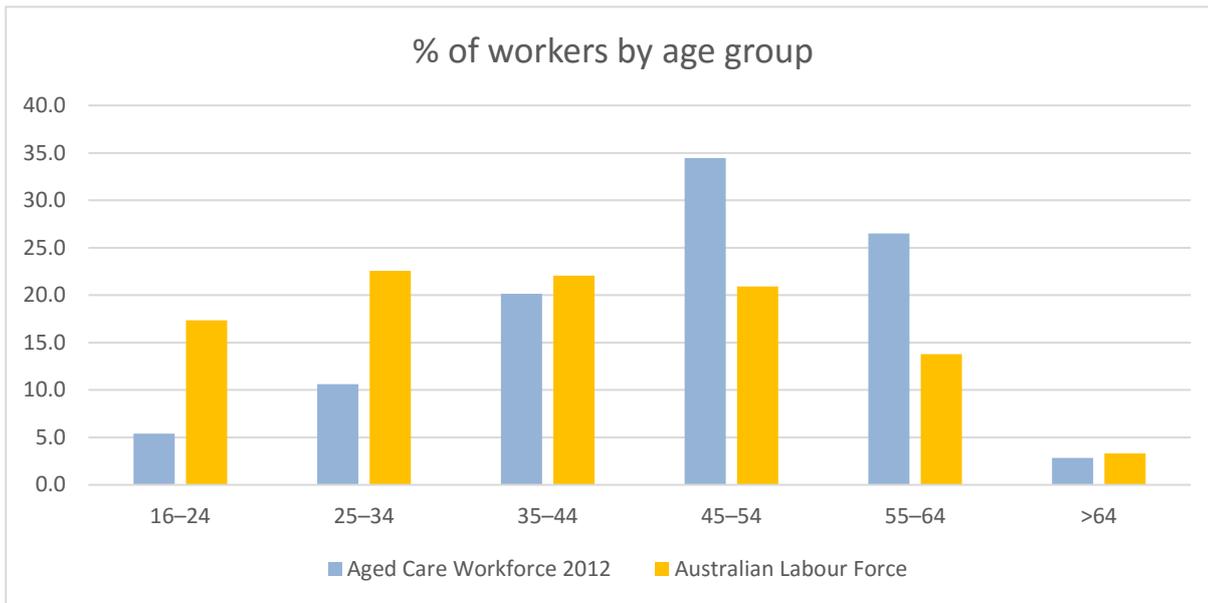
- The workforce is increasing in number. Between 2007 and 2012, the direct care workforce grew by 33,000 workers,⁶ based on growth in Commonwealth-funded aged care places from 2012-15, the workforce is estimated to have grown by another 25,000 workers by 2015.⁷ This represents an estimated growth of over 58,000 workers in eight years.



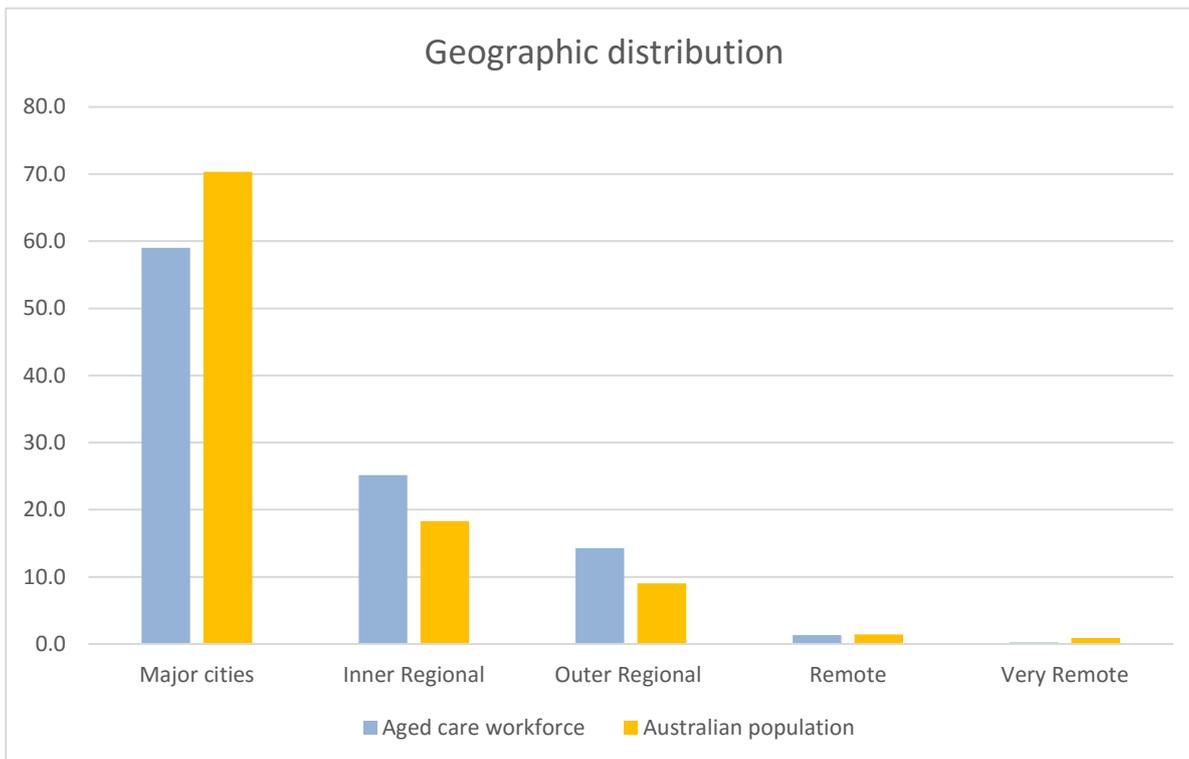
⁶ King, D., Mavromaras, K., He, B., Healy, J., Macaitis, K., Moskos, M., Wei, Z. (2013). ‘The aged care workforce 2012 final report’. Canberra: DoHA.

⁷ ACSA calculations. There is currently another National Aged Care Workforce Census and Survey underway.

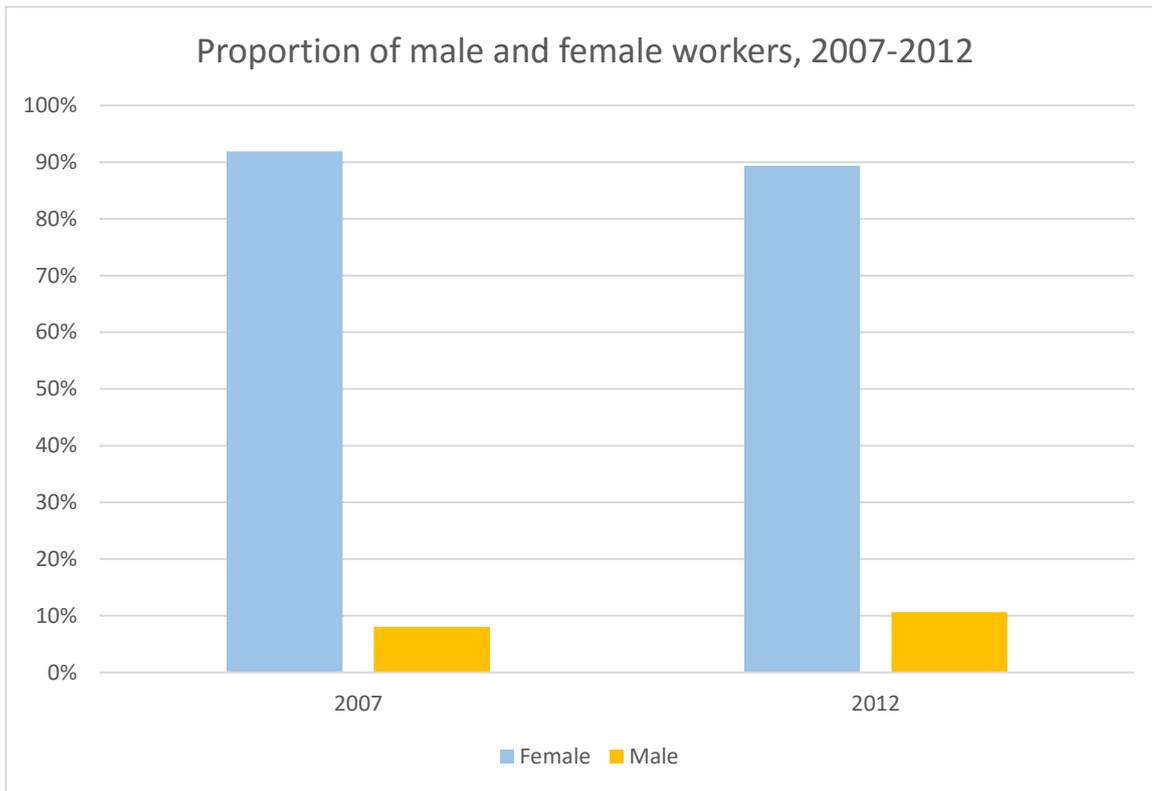
- The aged care workforce is older than the broader Australian workforce.



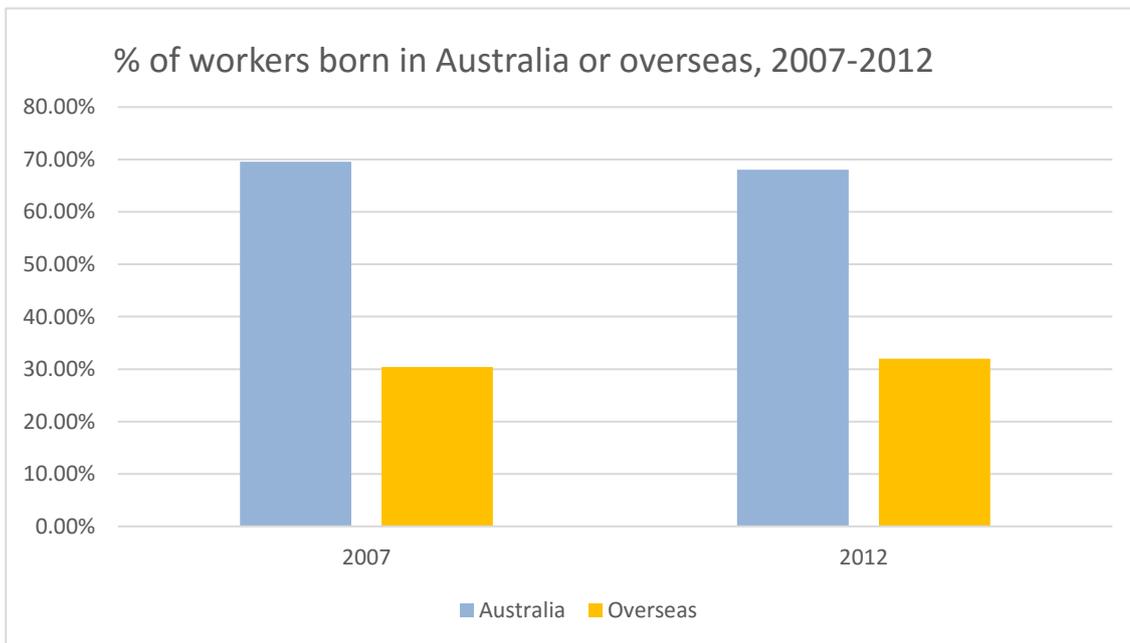
- The workforce is less concentrated in major metropolitan areas than the general Australian population.



- The workforce is largely female.

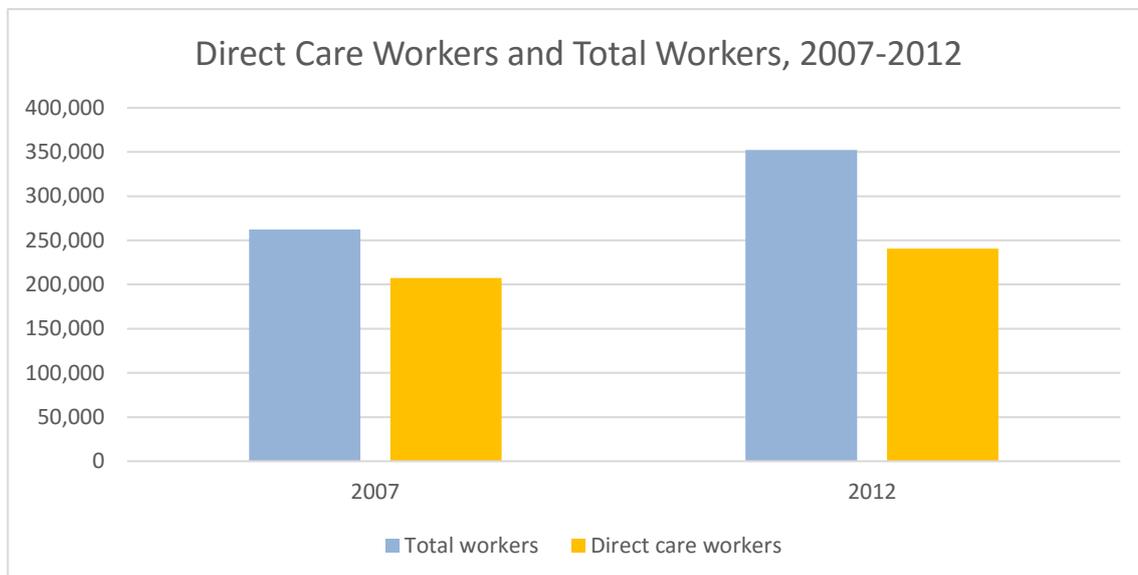


- The workforce is highly qualified (88% of workers hold post-secondary qualifications).
- The aged care workforce includes a significant and growing proportion of people born outside of Australia (32% in 2012).



As well as direct care workers, aged care employs a broad range of other skilled workers. These include maintenance workers (trades workers, gardeners), hotel staff (laundry workers; kitchen workers; cleaners) as well as management and administration staff. All of these occupations make essential contributions to the aged care sector's ability to provide services for aged care consumers.

In 2012, staff not involved in direct care provision totalled 111,700 (31% of PAYG employees).

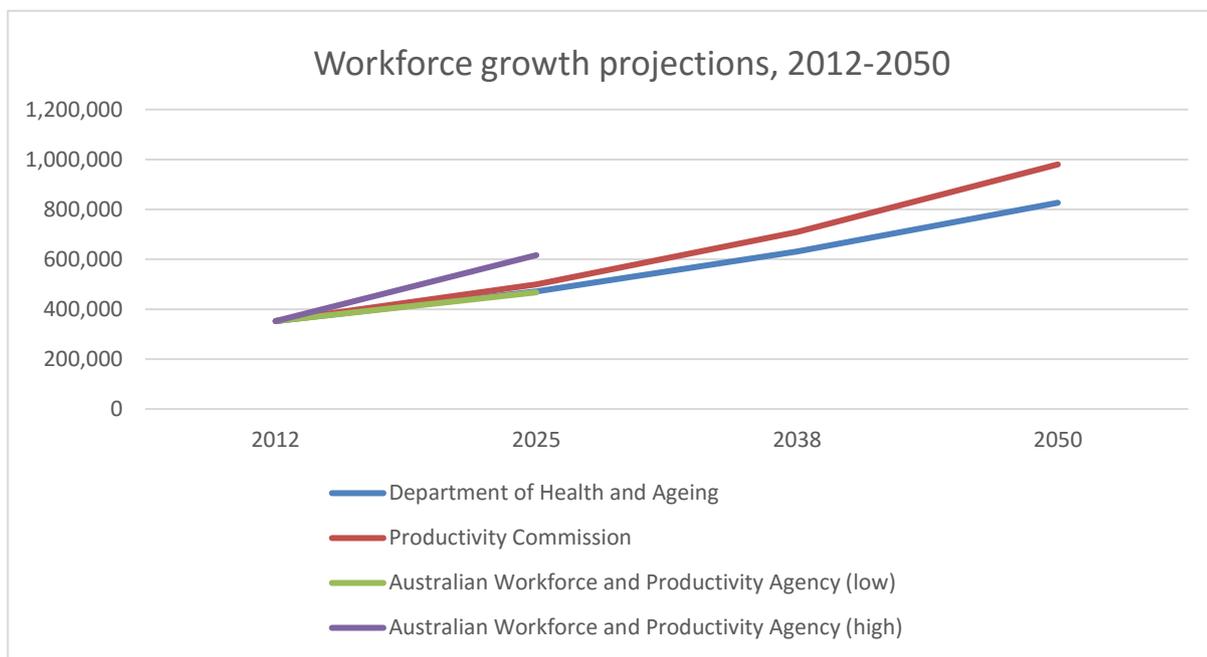


CONTEXT – THE AGED CARE WORKFORCE OF THE FUTURE

There is general agreement that the future aged care workforce will require a significant increase in worker numbers. Some projections are outlined below.

Table 1 - Projections of Aged Care Workforce Demand

Author	Projected workforce demand	End date	Annual growth rate
Department of Health and Ageing (2010) ⁸	827,100	2050	2.27%
Productivity Commission (2010) ⁹	980,000	2050	2.73%
Australian Workforce and Productivity Agency ¹⁰		2025	2.2%-4.4%



Based on the projections for service growth to 2023, it can be estimated that an additional 30,000 workers will be required between 2015 and 2023.¹¹

However, likely future demand for workers will not be a simple replication of work patterns today. Key factors impacting on future workforce demand include:

- new models of care
 - multi-disciplinary care; and
 - shared services (between providers, with other sectors, with families and volunteers)
- changes in workforce scope of practice

⁸ Australian Government Department of Health and Ageing. (2010): 'Submission to the Productivity Commission inquiry into Caring for Older Australians'. Canberra: DoHA.

⁹ Productivity Commission (2011). *Caring for Older Australians Inquiry Final Report*. Canberra: Productivity Commission.

¹⁰ Australian Workforce and Productivity Agency. (2013): 'Industry snapshot 2013: Health care and social assistance'. Canberra: AWPA.

¹¹ ACSA calculations from ABS (2013), DoHA (2010), PC (2010).

- changes in industry structure (possible consolidation, emergence of niche players and service aggregators);
- ageing of workers;
- increasing acuity of consumers' care needs;
- increased consumer expectations of choice and control;
- use of technology as a complement for workers; and
- the impact of the Roadmap's proposal to uncap the supply of aged care services.

Given these likely changes across the sector, any strategy will need to consider how to provide workers with the flexibility and resilience to apply their skills in changing circumstances, and means to promote ongoing training and skill improvements.

A number of factors are impacting on current and potential workforce supply also: the proportion of Australia's population in the workforce will be affected by the ageing of the population, while existing volunteers in the aged services sector may seek to reduce their commitments and may move to being consumers of care; meanwhile, many informal carers are facing multiple demands on their time from their own paid work, and may be living away from care recipients (especially in rural or regional areas).

It is also important to note that similar changes will occur concurrently in other community and health service areas, which draw on the same pool of potential workers. While, for policy purposes, sectors may be considered discrete, there will be a range of benefits from effective workforce strategies that maximise the ease of movement of workers across sectors.

POLICY LEVERS

Overall, policy options available to influence the aged care sector's need for workers fall into three inter-related categories:

1. **Policies to increase workforce supply;**
2. **Policies to reduce workforce demand; and**
3. **Policies to increase productivity of workers.**

These levers are not wholly under the control of government or of industry; a successful strategy will require both to work together.

Discussion of each lever will consider known facts, likely factors, and complicating challenges, to provide a foundation for more detailed investigation.

The definitions used in this paper are:

Workforce supply: The number of individuals with appropriate skills and qualifications who are willing and able to work in aged services.

Location is a key element in workforce supply – it is possible to have an over-supply of workers in some areas concurrent with an under-supply in other areas.

Policy levers responding to supply considerations, therefore, address the factors influencing the number of actual or potential workers willing to provide aged services in defined areas (whether national, state, or regional).

Workforce demand: The number of workers that are required by the aged services sector to meet staffing needs (whether directly, as contractors, or through other means). Staffing needs will follow demand for services (volume and acuity), as well as legal and contractual requirements for quality of care. It should be noted that this definition reflects effective demand at prevailing wage rates, etc. and therefore can be influenced through substitution of technology (for example).

This paper does not directly address the issues facing the voluntary workforce in the aged services sector or informal carers. The voluntary workforce is considered only in its impact on the demand for paid workers in the sector.

As with workforce supply, demand has a locational element; achieving an effective match between demand and supply requires consideration of local factors as well as aggregate numbers.

Policy levers responding to demand considerations, therefore, address those factors that influence the number of people needed to provide services.

Productivity: The ability of workers to meet the care needs of consumers. An increase in productivity will lead to a reduction in the number of workers required to meet a given level of demand. This is not a simple matter of efficiency in delivery of services, but also relates to issues such as the matching of individual workers' skills sets to consumer needs and use of technology to complement care.

Policy levers responding to productivity considerations, therefore, address those factors affecting worker's ability to respond to consumers' needs.

POLICY LEVER 1 – WORKFORCE SUPPLY

Given the projected mismatch between workforce supply and demand, an obvious response is to increase supply. Some key considerations are outlined below.

1. Known factors

- An increase in the number of workers is required in the aged care sector, driven mainly by the ageing of the population but also deliberate policies to shift the location of care from health facilities into community based and residential aged care.
- The current workforce is ageing.
- Workforce supply must be geographically matched to consumer demand.
- Workers undertake training and education through the VET or higher education system supplemented by in-house training by able employers.
- Demand for workers in disability and health services is also increasing.

2. Challenges

- Meeting the need for increased skills in consumer service and complex care needs – matching training modes to future demand.
- Ensuring aged care is an attractive industry for workers noting:
 - the pay differential between aged care and competing industries (especially health) reduces the willingness of workers, especially nurses, to join the industry;
 - aged care has a very high proportion of part-time workers; maintaining the ability of aged care to offer flexible work options, including increased hours, will increase the attractiveness of the sector;
 - future consumers' expectations of more personalised and responsive service will impact work arrangements and staff cultures; and
 - the consumer-driven market may drive less predictable patterns of demand by consumers.
- Modern Award structures may not be sufficiently flexible to keep pace with shifts in work practices or modes, and the transition to a services industry (rather than consumers being passive recipients of services).

3. Opportunities

- To use reforms in service delivery to increase wages in the sector.
- Employment structures that promote flexibility – providing both work/life balance and security of hours.
- New approaches to training/education, including industry-based training – increasing the pool of potential workers, enhancing individual's job satisfaction and creating more structured career pathways for those in the sector.
- Increased use of migrant workers – review of visa conditions/Temporary Skilled Migration Income Threshold.
- Incentives to encourage geographic dispersal – may include wage subsidies, immigration assistance or more effective distance learning arrangements.
- Promotion of the aged care sector an attractive and viable career option.
- Improved opportunities for older workers to remain engaged with aged care workforce – through flexible work practices, opportunities for mentoring younger workers.
- Opportunities for younger workers/students to engage with aged care during training – this could consist of student placements, provide mentoring and support in early career, improve image and understanding of aged care.

4. Accountabilities

- Government's role in supporting supply of workforce through immigration, skills recognition, university courses and care worker training.
- Employer responsibilities in creating and fostering attractive and satisfying work environments.

POLICY LEVER 2 – WORKFORCE DEMAND

Policies to influence workforce demand could be considered under two streams – reducing the required workforce for a given level of activity by improving productivity, or reducing the expected level of activity. This section will consider options to reduce the expected level of activity.

1. *Known factors*

- Ability to pay should not be used to determine access to aged care. This community expectation is reflected in the current reform process – the system is based on the need to provide access to appropriate care, while ensuring those who can afford to contribute to the cost of their care do so.
- Consumers in aged care have some capacity to respond to pricing signals – consumers have demonstrated some level of reluctance to move from services with no daily fee (such as the Commonwealth Home Support Program) to services that charge a daily fee (such as Home Care Packages)
- Opportunities exist for service providers to substitute away from labour towards technology

2. *Challenges*

- Managing demand for aged care workers (both in total numbers and skills profiles) without impacting on efforts to increase supply.
- Establishing a sustainable funding model that enables effective management of demand and investment in tools to enable efficient staff utilisation.
- Working through sector reforms with employee organisations and existing workers so that they do not feel demoralised or devalued when efforts are focused on reducing demand in some areas of service, including in response to consumer preferences.

3. *Opportunities*

- Incentives to introduce or develop new technology (including robotics – for “back-of-house” operations such as hotel services in the short term).
- Preventive and re-ablement models that manage demand for higher level care services.
- Consumer demand for bundled services will create opportunities for services to tailor training to meet local demand and for staff in working to their full scope of practice (discussed in the following section).
- Collaborative models that share staff with business partners – for example, regional co-operatives or Multi-Purpose Services.

POLICY LEVER 3 – WORKFORCE PRODUCTIVITY

Productivity, in this context, is the amount of output that can be produced for a given level of input – or the amount of labour time required for specific consumer outcomes. Increasing labour productivity, therefore, will increase the outcomes that can be achieved with existing or fewer numbers of workers.

1. *Known factors*

- Workers in the aged care sector often do not work to their full potential scope of practice.
- The aged care sector has a relatively low capital/labour ratio.
- Care models across the health and wellness sector are changing.
- Funding will follow a market-based policy regime, with increasingly visible consumer demand likely to create opportunities and incentives for new models of care provision.

2. *Challenges*

- Aged care has often been approached from a hospital paradigm (i.e. a medical model) rather than a service industry paradigm – this can lead to inappropriate regulation and to opportunities for innovation not being identified.
- Deployment of new technologies in the aged care sector will require additional investment; the appropriate mix of public and private funding will need to be determined.
- The aged care workforce often operates under relatively restrictive practices, which may restrict workers from working to their full scope of practice.
- Both the workforce and the consumers of aged care may display some inherent conservatism and be uncomfortable with productivity-enhancing changes.
- Any productivity agenda will need to be developed in consultation with workers and their representatives.

3. *Opportunities*

- Creating opportunities for aged care workers to work to an enriched scope of practice (potentially increasing the attractiveness of aged care as a career).
- Exploring different models of care, such as wellness and preventive health approaches to reduce future demands for high-intensity care.
- Larger aged care providers and peak bodies can drive improved training models by developing closer links with training organisations or developing RTO partnerships.
- New models of care provision, more closely aligned to consumer preferences, create opportunities to develop new services and enhance efficiency.
- The reform process has created scope for new models of work beyond traditional employment relationships – for example, the use of online marketplaces to allow direct contracting between consumers and workers (what might be termed the Uber model) could support increased productivity.
- Shifting regulation and funding models from an input focus (numbers of beds) to an output focus (specifying consumer outcomes) will promote innovation and reward efficiency and quality service provision.
- Incentives to test, trial and promote the use of labour-complementing technologies will allow individual workers to assist more consumers.

CONCLUSION – NEXT STEPS

The ACSC Aged Care Roadmap has outlined the need for government and aged care providers to work collaboratively, and with other community services sectors, in order to address the workforce challenges.

This paper has laid out a framework for policy responses to aged care workforce issues, and has discussed a number of possible initiatives to address the balance between supply of and demand for workers, including through increased productivity of workers.

In order to develop an effective strategy incorporating these elements, employers must work closely with government. Additional stakeholder groups, including workers and consumers, will need to be engaged to ensure that the strategy has support and is aligned to consumer need. However, the key responses are under control of government and employers and need to be put in place concurrently with other sectoral reforms.

This paper proposes the establishment of an industry led taskforce to develop a workforce strategy. While this taskforce would be industry-led, we consider that it requires the support of government, through a commitment on the part of agencies to collaborate and participate in consultations with other stakeholder groups.

This taskforce would consider: the outcomes of the review¹² of the effectiveness of workforce strategies in aged care services; strategies for the education, recruitment, retention and funding of aged care workers, to be undertaken as part of the legislated review of the *Aged Care (Living Longer Living Better) Act 2013*; and, opportunities to expand industry workforce development and to share examples of best practice and those areas in which there are obstacles that need to be addressed outside the industry. The taskforce can explore options in each of the three domains (supply; demand; productivity) that are supported by stakeholders, and can provide a blueprint for policy and other changes to meet future challenges.

Development of such a blueprint, in the context of broader reforms that give certainty to the sector and the community about the ongoing viability and sustainability of quality aged care services will allow the industry to take steps to address future aged care workforce requirements. Only with such a long-term vision can a strategy be both effective and sustainable.

¹² https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/06_2016/12._stocktake_and_analysis_of_commonwealth-funded_aged_care_workforce_activities_report.pdf