



# Submission to the Senate Community Affairs Reference Committee Inquiry into the Future of Australia's aged care sector workforce

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*Our society must make it right and possible for old people not to fear the young or be deserted by them, for the test of a civilization is the way that it cares for its helpless members.*

*Pearl S. Buck (1892-1973), My Several Worlds [1954].*

## Introduction

This submission is made on behalf of Yass Valley Aged Care Ltd (ABN 32 150 316 895).

We commend the Senate for seeking to shed light onto the future challenges of developing and maintaining an effective aged care workforce, particularly in regional Australia and at a time when a series of Intergenerational Reports have consistently highlighted the challenges that will arise for the Australian workforce from the overall ageing of the population.

Put in simple terms, The Intergenerational Reports forecast that the proportion of individuals needing care will grow faster than the workforce that is available to support them. This is, of course, not a problem unique to our nation, and possible solutions ranging from more targeted immigration to the broader use of robotics are being introduced overseas. But no single solution will fit every circumstance. Regional Australia is, in many ways, a difficult place to do business. We have wonderful lifestyles but pay for them through isolation, lack of diversity and additional cost pressures. Through this submission, we aim to make you aware of the specific challenges and pressures affecting small, not-for-profit aged care providers in regional Australia in our consideration of how best to structure, recruit and retain our future workforce.





## Who we are

Yass Valley Aged Care Ltd is a small, community-owned aged care provider in the regional NSW town of Yass and registered as a charity with the ACNC. We operate two aged care homes (Warmington Lodge and Horton House) from the same location. We currently hold licences for 65 aged care beds and employ some 95 staff.

Warmington Lodge is intended for residents that require lower levels of care but that choose residential care to meet social or other specific needs. Horton House, on the other hand, focuses on residents that, for reasons of either physical or mental capacity, require high levels of care or are in need of end-of-life care.

Site constraints and an intentional focus on the provision of high quality and personal attention to our residents mean that our staffing levels are significantly higher than is the case in many other aged care facilities.

## Current composition of our workforce – typical of regional Aged Care facilities

The 2012 Aged Care Workforce Census and Survey (2012 AWCS) is the most recent snapshot of the relevant workforce. Overall, it found the workforce growing steadily, with the number of staff working in direct care roles within the residential aged care sector growing from 133,314 in 2007, to 147,086 in 2012 (approx. 9.4 percent) but at a slower rate than the workforce at large (9.8 percent).<sup>1</sup>

We consider our workforce, like the facility itself, to be representative of both the strengths and challenges that face any community organisation providing aged care services in regional Australia.

Overwhelmingly, our staff members are local inhabitants that are looking for stable employment with a respected employer that demonstrates sufficient flexibility to allow for the different needs that workers have at different stages of their career. For us, this means providing both part-time and casual work opportunities, flexible rostering arrangements, and job-enrichment through training, further education and mentoring. While sometimes onerous from a management perspective, we see this approach as being the only viable one to develop and sustain a loyal and effective workforce into the future.





In terms of composition, our workforce is overwhelmingly female and culturally homogeneous. A breakdown of both age brackets and length of service are included in the figures below.

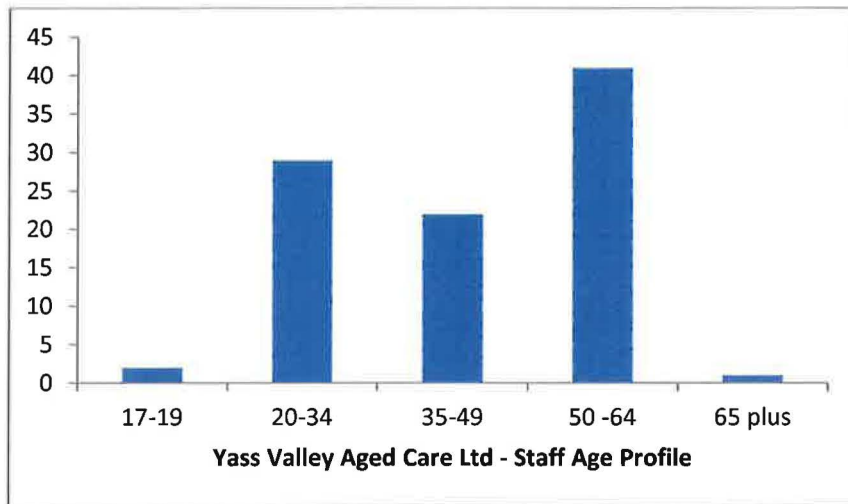


Fig 1 – Yass Valley Aged Care Ltd – Staff Age Profile

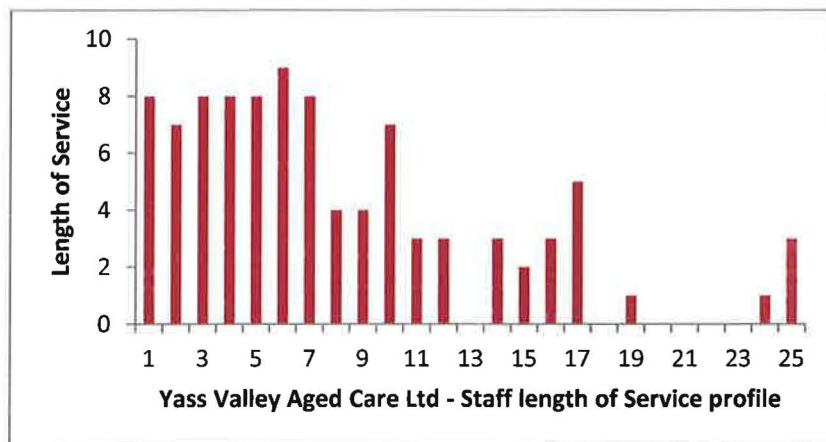


Fig 2 – Yass Valley Aged Care Ltd – Staff length of Service Profile

Of particular concern to us is the proportion of staff members in the 50-64 age bracket. We expect that they will remain as part of our staff until their retirement, but before then, they will expect increasingly flexible working arrangements (i.e. part-time work, or only being available for specific shifts). As an organisation, we consider that maintaining an effective workforce as this cohort transitions to retirement to be among our most serious strategic risks.







## Current challenges in attracting and retaining aged care workers

For a small, regional aged care provider, the difficulty in attracting and retaining staff, particularly younger staff members, is increasing with every passing year. The reasons for this are manifold, but mostly are due to the following factors:

- **Pay.** The ever increasing pay gap between aged care and acute care, particularly for nursing staff, makes it difficult to recruit younger staff members. This pay gap is not unsubstantial. As noted by the Australian Nursing and Midwifery Association (ANMF), it grew from an average of \$84 per week in 2002 to over \$168 per week in 2011. While current figures are more difficult to come by, anecdotal evidence suggests that the pay gap has continued to increase.
- **Competition from acute care providers.** In the case of nursing staff, acute care can provide a more diverse career path with more opportunities for specialization and earning capacity.
- **Competition from metropolitan providers.** Living and working in regional communities are, generally, lifestyle choices. Regional providers such as us, depend on staff members who were raised in our community, or who have made a choice to live here. It is rare that staff move to regional communities specifically to take up employment opportunities. The exception is for senior managerial staff. To attract such staff we must, and do, pay premium salaries and may provide other incentives such as housing support and the like.

## Future Workforce

The early decades of this century have shown themselves to be times of effervescent change in the ways we relate to one another, work with one another, and look after one another. The reasons are many but are headed by technological change, cultural change, and financial change.

In assessing the likely composition and pressures on our future workforce we consider the following to be salient.



## Changing regional demographics

Australians remain a very mobile people, but less so as we grow older. This means that older Australians may become isolated in their regional communities as their family moves to metropolitan areas, to other regions or even overseas for work or lifestyle reasons. These pressures will also affect our future workforce as the younger cohorts move to seek work; as some return to the region for lifestyle reasons; or as some choose to age in place. Such changes will affect how facilities such as ours recruit and retain our future workforce. For example by:

- Developing more formal linkages with local secondary schools to encourage older students to work part-time at our facility and maybe consider a career in aged care;
- Leveraging from Commonwealth programs (e.g. Aged Care Workforce Fund) and our organic resources to support staff members starting their career in seeking relevant qualifications (CERT III and CERT IV, as well as scholarships for Diploma and Degree-level education);
- Supporting mid-career staff to maintain professional currency and the broadening of their qualifications base; and
- Working with late-career staff to maintain work practices that suit their needs and physical capabilities.

## Competition from other Health sectors and NDIS

Policy developments such as the introduction of the National Disability Insurance Scheme (NDIS) pose difficulties for the aged care sector by increasing competition for potential workers, particularly those able to support clients in their own home. Similarly, growing salaries in the acute care sector will remain significant factors in trained staff choosing to work in acute care rather than aged care.

We understand that there are many factors driving this wage disparity, but would highlight the funding source: State governments for acute care, and Commonwealth government for aged care, as being at the heart of the problem.

## Broader societal changes

From a demographic perspective, we are now entering the period when Baby Boomers, that generation that was born between 1948 and 1960, will increasingly be requiring aged care. This generation is better educated, more digitally savvy and demands better services, more accountability and better quality of life in health and accommodation services than those who came



before them.<sup>ii</sup> The implications for workforce development in the aged care industry are substantial both in terms of the range of services and activities that the client base will expect, but also in terms of health support, accountability and transparency of operations.

## Technological Change

The pace of technological change, both for consumers and for health services will have significant impacts for future workforce needs in terms of numeracy and literacy, as well as technological understanding. Such pressures are evident today as we consider refurbishment or expansion of our facilities, and have to consider the infrastructure to support online services, high technology health support and the expectation for online access and presence by our next generation of residents.

### Health technology

Two trends are already visible in terms of future impact of health technology. First, the growth in remote health support through video and remote sensing interaction with specialists will likely increase the need for capable staff that can act as the local representative of such specialists. Second, the adoption of health-related wearable technology will also require care staff members that are comfortable around the use and support of complex technology.

The implications for our future workforce are clear. They will need to be technologically savvy, flexible, have excellent numeracy and literacy, and be able to interact with both residents and external health support in ways that are currently unimaginable.

### Robotics in Aged Care

Robotics is quickly entering the aged care industry for two reasons. First, as assistants to lift and move residents, assisting direct care staff with the physical side of their work. Secondly, to engage with residents through entertainment, playing games, doing exercise and connecting them with other staff. This is a particular area of promise for residents with dementia that have been found to have very little face-to-face time with care staff (research shows between 2 and 28 minutes in a 24-hour period).<sup>iii</sup>







Once again, the implications for our future workforce are of greater need for technological capacity, flexibility, numeracy and literacy. This will be particularly challenging for regional aged care providers with older, more insular workforces.

The wider application of high technology, including robotics, also has significant organisational implications for small not-for-profit operators. Such technology is invariably capital-intensive and requires significant up-front costs. We consider that the introduction of technology-intensive systems could best be funded if considered as capital improvements and funded under capital funding programs provided by the Federal government.

### **Implications for workforce education and training.**

The rapid pace of change, particularly technological change, will require ongoing broader and better training and education of the workforce, particularly to support residents that are themselves better educated and technologically savvy, and also to make use of increased use of robotics, telepresence, wearables and other emerging technologies. We should note that management and executive staff (including Boards of Governance) will be similarly challenged by the introduction of high-technology, and will require education and support to enable appropriate investment decisions to ensure the ongoing viability of their operations.

As such services become more widespread they are likely to be used by prospective residents and their families as part of the selection process for aged care options. Providers that do not cater for the expectations of such residents may quickly become unviable.

### **The role of the Federal Government in Aged Care**

The aged care industry is largely dependent on Federal government policy through its regulatory and funding responsibilities, but is also affected by State-level issues such the availability of adequate training subsidies under Vocational Education and Training (VET).

Despite its crucial role, the Federal government is but one of the key stakeholders, along with the aged care providers themselves, the residents and their families, and the broader community itself. Any framework developed to address the development of a future aged care workforce strategy should be developed in partnership among all the above players, and include appropriate representation from regional Australia.



## **The Aged Care Workforce Fund**

We find it problematic that recent changes to federal workforce programs included funding cuts to the Aged Care Workforce Fund. As a small, regionally-based provider we depend on such funding streams to enable the education of local young people into relevant professions, through such avenues as nursing scholarships and the like.

We believe that considerable value would derive to the Commonwealth and to sector stakeholders from the development of a broad framework to support more long-term assessment of aged care workforce programs and funding streams. The development of such a framework would, at the very least, mitigate funding cuts driven by short-term considerations and a focus on current year fiscal pressures.

## **Immigration Policy**

The Federal government currently supports the employment of foreign workers through a number of specific visa categories, such as the Temporary Work (Skilled) visa (subclass 457), and of more relevance to employers in regional and remote Australia, the Skilled-Regional (Provisional) visa (subclass 489). This latter visa class enables skilled workers and their families to live, work and study in specified regional areas in Australia for four years. It then provides a path to permanent residency through the Skilled Regional visa (subclass 887).

For aged care providers in regional and remote Australia, this visa program enables the sourcing of skilled staff that might not be able to be recruited through normal means. Issues of concern, however, are the impact of cultural isolation on the workers and their families, and the level of English proficiency particularly for staff in direct care roles. Our limited experience with this program was that workers left the region as soon as able to move to areas where their culture was more widely represented.

## **The challenges of creating a culturally-competent workforce to cater for the care needs of diverse groups within the Australian community**

One of the challenges of working with a largely-static workforce is the dearth of organic cultural renewal. This is particularly so in a small, regionally-based organisation. Conservative values held by long-term staff are usually resistant to any top-down cultural change program and normally require generational change to enable the creation of a true culturally competent workforce.







Such change is even more difficult in the absence of members from diverse groupings among residents of the facility.

Anecdotal evidence is that members of such diverse groups self-select themselves out of mainstream facilities, and choose those that explicitly cater for their needs. For example, potential residents from non-English speaking backgrounds may lose their ability to speak English as a result of dementia and thus choose residential care in facilities where staff members speak their native tongue, sometimes quite far from their families.

The consequence for regional Australia is that aged care facilities are unlikely to reach the 'critical mass' of residents and staff from specific diverse groups to make them attractive. This makes both the provider and the potential resident poorer. The former because they miss out on potential residents that could enrich the cultural mix of the facility, and the potential resident that is forced to seek accommodation distant from their family to meet their cultural, social or language needs.

### **The particular challenges for the aged care workforce in regional towns and remote communities**

As noted earlier, the latest survey of the workforce (2012 ACWS) found that providers in regional and remote Australia faced considerable challenges to both recruit and retain an effective workforce. It found that aged care providers in such areas found it difficult to recruit and retain staff because of:

- Low pay in comparison with alternative employers in regional Australia such as government agencies, mining, tourism, or even seasonal work;
- Social isolation and the lack of amenities (medical services, entertainment, education and transport)
- Professional isolation from relevant peer groups;
- Lack of mentoring opportunities.
- Aged care providers in regional and remote Australia also faced additional financial or organisational challenges, such as:
- Needing to maintain higher staffing levels as buffers to understaffing, due to expected delays in finding and recruiting additional staff;



- Needing to offer premium wages to attract scarce staff, particular senior or managerial staff.
- Needing to pay relocation costs and/or subsidise housing;
- Increased use of agency staff due to inability to attract permanent staff. Such staff often costing 30- 40 percent above award wages.
- Constrained availability of clinical support to meet the increasing proportion of residents with high-care needs, with attendant compliance difficulties.

Finally, it is worth noting that recent moves towards a client-centered care has particular difficulties in a regional context due to the scarcity of providers, the costs associated with travel to support clients in a regional and remote context, and the social isolation of both workers and clients within a regional or remote context.

## Conclusion and Recommendations

Aged care is a demanding industry, where we look after the most vulnerable members of our community in their final years. It requires many things from its workforce, but chiefly empathy, tolerance, patience and good humour. In return, the workforce is paid less than in comparable occupations, is subject to stringent compliance and accreditation regimes and suffers the stresses of watching their clients wither and die in their care. It behooves us all to ensure that those who choose to make their careers in this challenging industry are trained, educated and paid appropriately.

As the level of government with portfolio responsibility for aged care, the Federal Government should seek to work closer with other stakeholders to ensure that both the aged care workforce and the aged care providers themselves remain sustainable into the future. To that end, we make the following recommendations.



## Recommendations

On the basis of the above, we recommend that:

1. An appropriate body, such as the Aged Care Sector Committee be tasked to develop a broad framework to address the long-term assessment of aged care workforce programs and funding stream. This should include adequate representation from regional, rural and remote Australia.
2. Adequate funding be provided to enable pay rates and conditions of aged care nursing staff to be equivalent to representative acute care nursing staff.
3. Increased coordination between aged home care services, NDIS and similar programs to minimise competition for scarce staff, particularly in regional, rural and remote Australia.
4. an appropriate body, such as the Aged Care Sector Committee be tasked to investigate the near and long term challenges for the aged care sector arising from the introduction of high technology and robotics into the residential care sector, and to develop funding approaches that would enable the not-for-profit operators to take advantage of such innovation.
5. The Aged Care Workforce Fund be supported and expanded to enable not-for profit operators in regional, rural and remote Australia to better support the appropriate training and ongoing education of their staff.
6. Temporary work visa programs that focus on regional, rural and remote Australia be further enhanced to enable suitable care for the vulnerable aged in those areas.

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<sup>i</sup> King D., Mavromaras K., *et.al* 'The aged care workforce 2012 final report'. DOHA, Canberra. Broader workforce figures from 'Australia labour force series' Jan '07 and Jan'12, Australian Bureau of Statistics.

<sup>ii</sup> Defining old age: Baby Boomers to rewrite the books" The Conversation, 5June 2012  
<https://theconversation.com/defining-old-age-baby-boomers-to-rewrite-the-books-7350>

Accessed 10 Jan 2016

<sup>iii</sup> Keast K., "Robots set to assist nurses in aged care" Health Times 26 Nov 14.  
<http://healthtimes.com.au/hub/dementia/64/news/kk1/robots-set-to-assist-nurses-in-aged-care/337/>  
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