

Jobs + Skills Summit

Submission to the Employment White Paper Consultation

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Issues Paper Theme: Maximising opportunities in the industries of the future

How do we navigate workforce shortages in the care economy while supporting our frontline workers?

Care workforce shortage impairs the quality of care

Over the last decade, the rapidly expanding sectors that make up the ‘care economy’ have continually failed to attract sufficient workers, and to retain them, once employed. While unemployment is currently low in Australia, this problem is not new but appears to be structural – that is, an embedded aspect of the sector. The result is that services and facilities are chronically under-staffed; and far too much money and time is spent on continuously recruiting, hiring, and inducting people, to the detriment of the quality of care and advancement of care practices.

The person-centred, relational care that is the ideal in disability and aged care is systematically undermined by the constant flow of new people in and out of facilities and jobs, as well as the large proportion employed casually and via labour-hire agencies. When staff are sick, or shifts can’t be filled many vulnerable older people and people with a disability risk missing out on essential services altogether – for example, help to get out of bed and dressed in the morning.

In disability, the peak industry body’s *2021 State of the Sector* survey reported 70% of providers had problems recruiting disability support workers, and 44% reported difficulties retaining them.¹ Nearly half (47%) of front-line workers were employed as casuals or on contract, with average working hours of 21 per week and a turnover rate of 26% per annum.² The Government’s *NDIS Workforce Plan* estimated that the ‘NDIS will lose around 213,000 workers to churn by 2024...in addition to the 83,000 new workers needed to meet growth in demand.’³

In aged care, the Productivity Commission in 2011 calculated that Australia would need more than 760,000 direct aged-care workers by 2050.

¹ National Disability Services (NDS) 2021, *State of the Disability Sector Report 2021*, Canberra: NDS, p. 42.

² National Disability Services (NDS) 2021, *NDS Workforce Census Key Findings December 2021*, Canberra: NDS.

³ Commonwealth of Australia (Department of Social Services), 2021, *NDIS National Workforce Plan: 2021–2025*, Canberra, p. 10.



But there were just 240,000 aged-care workers in 2016, and this number grew by less than 8% to 2020. CEDA describes the aged workforce growth rate as 'glacial.' They estimate there will be a shortfall of 110,000 workers by 2030⁴. Given the old average age of aged care workers (50 years for community aged care staff), more intense workforce shortages are likely as the older generation retires.

A workforce crisis mandating government intervention

The Issues Paper invites suggestions about 'navigating' workforce shortages. Most aged care and disability providers, and most care users, do this continually. However, it seems apparent that these collective efforts at navigation are not getting to the heart of the problem. We argue that the care sector's workforce shortages represent a workforce *crisis* and that sustained, multi-pronged intervention by the government is needed. A crisis is a predicament in which major decisions need to be made. Previous governments have not shown any inclination to make major decisions about the care workforce, and the expensive programs it has funded (such as Boosting the Local Care Workforce) have little to show in terms of results. This needs to change.

Although disability and aged care each have their own complex histories, two factors are common to both:

- i. The undervaluing of aged and disability care workers. This is intertwined with the feminisation of this workforce.⁵ (The 'care penalty' is a term used to describe the low pay people suffer because of working in these sectors (Hodgkinson et al, 2017, p. 95)).⁶
- ii. The limitations of the economically rational service models that have been introduced to disability and (subsequently) aged care.

An individualised scheme such as the NDIS is based on short care shifts spread over a week with large amounts of travel between participants. It generates a built-in tendency to fragment working hours, resulting in the high level of casual work and low average weekly hours of work we see today. In addition, there has been repeated evidence since the introduction of the NDIS that the cost model used sets payment benchmarks too low.

⁴ Committee for Economic Development of Australia (CEDA), 2021, *Duty of care: Meeting the Aged care Workforce Challenge*, Melbourne: CEDA, p. 14-16.

⁵ Personal care work is one of the most gendered forms of paid work in contemporary Australia. 70% of disability workers and 90% of aged care workers are women.

⁶ Hodgkin, S, Warburton, J, Savy, P, and Moore, M, 2017, 'Workforce Crisis in Residential Aged Care: Insights from Rural, Older Workers' in *Australian Journal of Public Administration*, vol. 76, no. 1, pp. 93-105.



The Australian NDIS is based on ‘ambitious’ assumptions about the percentage of ‘client-facing time’ staff are expected to undertake, and the very small time allocated to what might be called rest, repair and development time such as rest breaks, required administrative tasks, peer support, professional development and community engagement. Its 95% client-facing time expectation is considered to be one of the highest rates in the world.⁷ Furthermore, NDIS prices are based on low award classifications, and under-estimate average penalties and allowances. Employers are of course ‘free’ to pay more, or employ people at higher classifications, but in a managed marketplace, can’t afford to do so.

These observations are not new. The Parliamentary Joint Standing Committee on the NDIS reported in 2019 that under the NDIS, working conditions had ‘dramatically deteriorated, making it an unattractive and uncompetitive sector to work in’ and said that it was:

‘deeply concerned that the loss of skilled and experienced workers is potentially compromising the quality of care and supports offered to participants.’⁸

Australian governments currently spend nearly \$50 billion annually on aged care and disability, with most of this going to workers. But instead of the money going to a well-supported, highly professional, stable workforce it goes to an army of low paid staff working in a fragmented manner across several services, often frustrated that they can’t actually provide the high quality, relational care people need and want.

Aged care work can be similar, as this angry worker pointed out recently in a community newsletter comments page:

‘The wages are far too low to attract a quality workforce and retain them. Client expectations around times and having the same worker every shift are impossible to provide. Clients complain bitterly over these inconveniences but won’t compromise or negotiate...Everyone wants a ‘nurse’ for \$20 an hour! Not paying kilometres between shifts can make the work non-viable in many cases...’⁹

⁷ See Cortis, Natasha, Macdonald, Fiona, Davidson, Bob and Bentham, Eleanor (2018) ‘Underpricing care: a case study of Australia’s National Disability Insurance Scheme’, *International Journal of Care and Caring*, 2(4), pp 587–93 where these arguments are well-summarised.

⁸ Parliament of Australia, 2019, *Joint Standing Committee on the NDIS, Progress Report*, Canberra, p. 58.

⁹ Community Care Review website, ‘Home-care providers unable to take new clients because of staff shortages’ viewed 30.6.2022 at <https://communitycarereview.com.au/2021/11/24/home-care-providers-unable-to-take-new-clients-because-of-staff-shortages/>



Our point here is that the government's model for funding and managing the sector has made the historic undervaluation of female-dominated work worse. The under-valuing of aged and disability care's intensity, emotional labour, health and safety risks, and challenging working conditions is exacerbated by the new systems within which much of this work now takes place.

Returning to how workforce crisis can be negotiated, we argue that it can only be negotiated by addressing the underlying issues that are causing it. As Baines et al¹⁰ point out, currently the Australian Government has the unfortunate task of balancing three contradictory roles:

- Defender of the human rights of people with disabilities
- Defender of minimum employment standards
- Key driver of precarity and market processes which largely subsume the first two roles (p. 878).

This is unsustainable.

What needs to be done

All stakeholders urgently need the workforce crisis in the care sector to be resolved. The severe and persistent workforce shortages are harming the people who need care, making things more difficult for providers, and causing expensive government programs to be ineffective. Yet they also adversely affect workers: because of the inherent constraints on pay in these industries, workforce shortages are not leading to higher wages.

What is needed is a joint and united approach, where all parties work together and commit to testing and trialling new approaches. If there was a genuine process of this type, where people agreed on a vision and were then prepared to put 'sacred cows' on the table to achieve it, the crisis could be solved over time.

Our recommendation is that:

1. The government establishes a 'Workforce Compact' quadripartite process involving care users, care employers, union representatives and government
2. This body be given the task of increasing the quality of front-line care jobs in order to ensure a high quality of care for service users WHILE making the sector more attractive and rewarding to workers, new and existing.
3. The process be given a relatively short time to formulate results (say, 6 months) but then a quadripartite council oversees implementation.
4. The government commits to implementing the changes proposed.

¹⁰ Baines, D. Kent, P. Kent S, 2019 "'Off my own back'": Precarity on the Front Lines of care work', *Work Employment, Society* vol. 33, no. 5, p 877 – 887.



This 'Workforce Compact' group should also be asked to:

- develop a small number of key success indicators that are simple and measurable
- devise a strategy that leads to significant improvement over a three-year period
- include in the strategy care system funding rules and payments; enhancing workforce learning and development; stimulating new ways of working;¹¹ boosting the employment of care users using direct employment, peer work and lived experience models; encouraging innovative models of service provision including those that work effectively in rural and remote areas, and with diverse client groups.

In disability, numerous reports have documented the situation – only to be met by anodyne policy responses and ineffective programs outsourced to large accounting firms with no experience in the sector.

¹¹ It is notable that in many European countries, alternative business and workforce models exist simultaneously with individualised, marketised schemes. Typically, these involve a simplified management structure based on empowered, sometimes self-managing, teams. There are many individual examples of similar innovations in Australia, including consumer and worker cooperatives. However, the tight constraints of the NDIS costs model and the lack of encouragement or innovation incubation by the Australian government has limited the spread.



Issues Paper Theme: Lifting participation and reducing barriers to employment

Addressing barriers to employment for people with disability needs to be a key focus of policy review. Of working-age adults (15-64 years) in Australia only 47.8% of people with disability were in any employment compared to 80.3% without – a gap of 33.5%¹², whereas other countries, such as Sweden (gap = 1%), France (2%), Finland (3%) and Italy (5%) have notably lower employment gaps¹³. Recognition of the value of a diverse workforce is a key driver of employment for marginalised groups and there are international examples that can inform policy and practice in Australia to increase the comparatively poor employment outcomes for people with disability¹⁴.

Is there a win-win possibility? Could people with a disability be encouraged and enabled to join the disability workforce?

We have focused on the disability sector workforce as an area that is experiencing significant workforce shortages that are projected to increase in coming years¹⁵ with an additional 83,000 workers required by 2024. The juxtaposition of the lack of a disability workforce with the low rates of disability employment points to an obvious conclusion that this group of underemployed and unemployed people would be a significant asset to the disability sector.

Disability support services have a significant shortage of workers. The NDIS has added substantially to the already existing shortage. As outlined above the sector experiences too many casuals, increasing numbers of agency staff and inadequate training which results in clients who do not know their support workers, disability services with high staff turnover, poor uptake and outcomes of training and impacts on service quality.

¹² Australian Bureau of Statistics. (2019). Disability, Ageing and Carers, Australia: Summary of Findings. Retrieved from <https://www.abs.gov.au/statistics/health/disability/disability-ageing-andcarers-australia-summary-findings/latest-release#methodology>

¹³ Geiger, B. B., Van Der Wel, K. A., & Tøge, A. G. (2017). Success and failure in narrowing the disability employment gap: comparing levels and trends across Europe 2002–2014. *BMC Public Health* 17(1), 1-7.

¹⁴ World Employment and Social Outlook: Trends 2018 International Labour Office – Geneva: ILO, 2018. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_615594.pdf

¹⁵ National Disability Services. (2021). NDS Workforce Census Key Findings. Retrieved from https://www.nds.org.au/images/news/2021-June-NDS_Workforce_Census_Key_Findings.pdf



Employment of people with disability targeting areas of workforce shortage is a key shift in employment policy that has the potential to transform the employment rates of people with disability.

Research suggests that people with disability are a more stable workforce, are retained for longer and demonstrate significant benefits for the workplaces in which they are engaged^{16,17,18}. Employees with disability consistently demonstrated punctuality, loyalty and high attendance rates leading to improved customer experience and a competitive advantage for the business.

There is recognition of the specific experience, knowledge and skill sets that people with disability bring to the disability sector, due to their insights and perspectives as people with lived experience. There are also intrinsic advantages for a disability organisation to promote employment of people with disability as part of their workforce. Having employees with disability in visible and varied roles demonstrates an inclusive and authentic organisational culture that is apparent to all community members who frequent the service or engage in any way with the organisation, as well as promoting socially valued roles and experiences for their employees with disability.

Employment of people with disability in disability services in a variety of roles can also address the fundamental ableism in our community by promoting and recognising the value of people with disability to your workplace and workforce¹⁹. Adopting a stance of *disability gain*, rather than a negative attitude to the accommodations that may be required by people with disability is an important policy and attitudinal shift that is required to enable the inclusion of people with disability in employment. There is minimal cost to accommodations required by people with disability, despite concerns expressed by employers and managers¹⁷ which is far outweighed by the benefits of insider expertise, knowledge, skills and lived experience that is brought to a workplace that is specifically targeting disability supports and services.

¹⁶ Australian Human Rights Commission. (2021). IncludeAbility: The economic and business benefits of employing people with disability. Retrieved from <https://includeability.gov.au/resourcesemployers/economic-and-business-benefits-employing-people-disability>

¹⁷ Australian Safety and Compensation Council. (2007). Are people with disability at risk at work: A review of the evidence. https://www.safeworkaustralia.gov.au/system/files/documents/1702/arepeoplewithdisabilityriskatwork_review_2007_rtf.doc

¹⁸ Lindsay, S., Cagliostro, E., Albarico, M., Mortaji, N., & Karon, L. (2018). A systematic review of the benefits of hiring people with disabilities. *Journal of Occupational Rehabilitation*, 28(4), 634-655

¹⁹ Australian Chamber of Commerce and Industry. (2014). Employ Outside the Box: The Business Case for Employing People with Disability Retrieved from https://www.australianchamber.com.au/wp-content/uploads/2018/01/eotb_-_disability.pdf

Examples of roles that could be joined by people with disability

Disability employment services should be encouraged to place clients in disability support services.

It is likely that the lived experience of people with a disability who work in a disability support service would assist in their capacity to provide caring, quality service, and assist in providing relational and responsive services. People with disability working in disability support services may provide positive role-modelling for their peers and encourage others to seek employment. Including people with disability in their workforce will better reflect a service provider's community and support the growth of their client base.

Direct support roles in Supported Independent Living services (SILs) and centre-based support services could be filled by people with a wide range of disabilities, including intellectual and psycho-social disabilities. Once trained, job turnover is likely to be lower than for other workers.

People with disabilities are a diverse group and will include individuals who may want to work less than full time, which may be an advantage with some types of service, e.g., assistance with meals in SIL services.

Another specific role would be the night staff in a SIL service, where a staff member sleeping at the service is required. Such staff needs to respond to client needs during the night, calling on other assistance as needed.

Shift work may offer the flexibility needed to some workers with disability who would not want to work long hours. The flexibility of work arrangement may also fit better a model where support workers and accessibility assistants are hired by the employee with a disability to support themselves in their job (through NDIS funding or Job Access scheme).

Administrative roles could be accessible roles in many peak organisations and service providers. These roles would likely provide more stability than shift-based roles for people looking for longer work hours. Administrative officers are often the first contact for clients of service providers. Having people with disability performing these roles would promote socially valued roles in a visible way in disability organisations.

Advocacy and mentoring services are already provided by people with a disability in some disability support services, as paid positions within these organisations. Supporting the skill development of people with lived experience of disability as experts in this area through mentoring and advocacy is an area of industry development that could be led by people with disability.



Government agencies involved in the disability sector, including NDIA, need to lead the way in employing more people with disability. These agencies would greatly benefit from the lived expertise of people with disability, working at the heart of the policymaking and implementing systems. Hiring people with disability in externally facing roles may facilitate communication with the disability community and the wider community. For example, if more NDIS planners were themselves people with disability, they would bring their personal insight to the planning process, bring diverse voices into the culture of NDIS planning internally, improve communication with NDIS participants and contribute to better outcomes for the participants.

Could people with a disability also work in aged care?

Many of the arguments made above could also apply in aged care: assistance with meals and daytime activities in residential aged care would seem to be open to this form of employment for people with a disability.

Career Progression for people with disability

An important aspect to consider to build up a sustainable workforce and retain employees in the care sector is career advancement opportunities. Companies and organisations need to build up within their workforce the capacity to move motivated employees to higher-level positions. People with disability should not be restrained to low-skill jobs if they have the capacity to be upskilled and should be supported in their career development. Research has shown that when a person with a disability gets appointed in a role, their capacity to contribute to the business increase exponentially while training in the job²⁰. Employees who could see a career pathway within their organisation are less likely to leave the organisation, once fully trained in a job. This is a challenge for the disability sector. To support opportunities in higher-skilled jobs, a company needs access to capital (through equity or borrowed money); NGOs and non-for-profits organisation, forming most of the disability industry sector, have limited access to capital.

Barriers to implementing this approach

Outdated rules around access to the Disability Support Pension (DSP) is a potential barrier to employment of people with disability. The current expectation that you lose eligibility for the DSP if you work in open employment for more than 2 years ([working-while-youre-getting-disability-support-pension](#)) is a significant barrier to people with disability engaging in employment and or moving from supported employment positions.

²⁰ Australian Human Rights Commission. (2021). IncludeAbility: The economic and business benefits of employing people with disability. Retrieved from <https://includeability.gov.au/resourcesemployers/economic-and-business-benefits-employing-people-disability>



This policy is fundamentally ableist in the assumption that you no longer have a disability if you have been able to work for two years, implying that people with disability would not have the capacity to do this. The process of reapplying for the disability support pension is onerous and for many people with a disability (admittedly, not all), particularly those with intellectual disability, their impairments and health conditions do not go away. The recognition of their disability as a life-long condition could be established and confirmed as part of the initial application for the DSP, placing them in a designated category that maintains eligibility for the DSP regardless of how long they are in employment, and only applying the pausing or reduction of the DSP when they are in work.

It would be important for people currently receiving Disability Support Pension not to be over-penalised for earning additional income. Limits on income before tapering applies, and tapering rates, would need to provide adequate incentive: the recent increase in the allowance for age pensioners should be extended to DSP, and tapering lowered to 25 cents in the dollar rather than 50. The costs of these adjustments would be offset by a more stable labour force.

We are also aware that many people with disability experience long periods of unemployment between jobs and access to the safety net of the DSP is an essential component of engaging in employment. Many costs for people with disability are higher and the disadvantage of the lower Job Seeker payment is a significant disincentive from engaging in the open employment sector. A more informed and enlightened approach to DSP eligibility is required to address this anomaly.

Conclusion

We propose that a policy framework is developed that recognises and promotes the employment of people with lived experience of disability as a desirable and valuable potential workforce to address the shortages in the disability sector. Policy levers within the NDIS and public service can be mobilised to encourage targets for employment of people with disability as part of engagement as an NDIS provider or as a government agency. Trials of programs that train and support organisations to shift their thinking around employment of people with disability in their specific context should be enhanced (e.g. [CID's More Than Just a Job program](#)) and development of training qualifications in advocacy and mentoring should be provided.

The recognition of this valuable workforce requires a shift in the policy settings and attitudes of policymakers, organisations and the disability sector that is overdue.