

Senate Community Affairs References Committee Future of Australia's Aged Care Sector Workforce

Presentation by Mark Sewell 5th March 2017

1. Thank the Committee for the opportunity
2. Intro self and roles including:
 1. Warrigal CEO
 2. ACSA Director
 3. Illawarra Regional Chair
 4. Founding Chair of ACIWAG
 5. Member of UOW Enablis research taskforce re new innovative technologies that can be manufactured in Australia for OPAlso..
 6. IBC Regional Council (across other regional business sectors)
3. Examining workforces over 25 years - first as an HR director for disability services then aged care for the last 15 years. I am a service provider and a representative of the broader non-profit service provider and employer groups but also an advocate for the consumer and a client advocate in this situation esp where I am aware older people with miss out on the services they need if the workforce issues aren't resolved. The issues need to be addressed in a way that OP would want for the industry to have a future at all.
4. The ageing of the pop is the best known fact in public policy in Australia today. But the implications are not understood. There are many factors to respond to pop ageing such as technology, tax reform, the built form, esp urban spaces, health service models, and more. But workforce is the biggest one of all.
5. It's a ppl business. Ppl supporting ppl and with the working age shrinking as a % of the pop that is ageing, its clear there's a problem. There big competition between the human service sectors. We cant all use the same methods and models, simply not enough.
6. Age care funding is very constrained. Recent 7% cut and no increases for the next 2 years. There's not a big fund like the NDIS to throw at this. More diverse and efficient solutions are needed.
7. It's a very serious issue now. Issues have built up. It's now a national scale challenge and getting worse quickly. Every site we operate, and every aged care provider I speak to says it's the issue they lose most sleep over. There are many challenges but workforce is the main one. In 2012 –
 1. 62% of RACFs were short RNs,
 2. 33% were short ENS and surprisingly
 3. 48% were short carers!Its much worse now.
8. If you can't attract and retain the right staff in the right locations the services cant be operated. Eg Goulburn Location: demand for services strong, supply of staff very

weak. Repeated all over Australia esp in coastal and rural communities, regional locations.

9. Some megatrends that are working against each other:

1. Population ageing and growing demand for services
2. Controlled and restrained revenues from Govt and customers
3. Reducing proportional supply of workers

10. When these trends collide a significant crisis will emerge.

11. Other trends:

1. The ageing of the workforce and the need to delay the current workforces need to retire (60% in next 15 yrs)
2. The escalating acuity of older people entering residential aged care after being prevented from entering till they are rated high/high/high on the ACFI scale
3. The need for significant investment in equipment and technology and building design solutions to enable staff to be safer and more efficient
4. Customer expectations to have services come to them in their own homes by skilled people, working alone, on a one-to-one basis, who have high levels of EQ and customer service and problem solving skills, at all times of the day and night and weekend. The generalisation of baby boomers is very unhelpful but it is true that more than ever they have higher incomes and higher expectations of material comfort, choice and control.
5. They also have lower levels of racism, sexism and belief in clinical solutions to solve their issues. They want happiness as well as health and have their own ideas as to who is best to deliver it.

12. 2011 Productivity Commission 6 yrs ago recommended or predicted increasing diversity and deregulation. A customer centred system needing radical reform. Has it happened, is it happening? Well, the trends are there, they are unstoppable.

13. So a different workforce is needed:

1. Diff skills – not just personal care (more holistic case work)
2. Diff qualification pathways – not just nursing (Physio OT Sports Sci etc) Most research is on RNs ENs and AINS. This is 68% of the workforce. We almost know nothing about the allied health, admin, maintenance, food, laundry and cleaning staff. It's a hidden blindspot in most of our discussions on this sector's very diverse workforce.
3. Diff attributes – not just technical/institutional (Customer service face to face skills)
4. Diff backgrounds – (Gender, CALD, ATSI, LGBTI lifestyles, etc) By 2020 30% of Aus pop will be from CALD. 50% a 1st or 2nd gen migrant. New issue for aged care. Old Aussie Anglo ideas wont apply much longer.
5. Diff locations – young ppl are urban and gravitate to cities, but 30% of pop reside outside cities OP don't want to move, in fact they do the opp and move outside the city. The urban city based notions and policies and funding rates foistered on the age care system don't apply to them.

14. So what are the enablers for this new workforce?

1. Flexible industrial instruments. Unions must understand.eg min hrs, entry level rates, diff tasks at diff times, eg meds, water jugs,

2. Merged classifications and duties to reflect customer needs eg hospitality staff / care staff / activity staff etc. (can be good for a meaningful diverse and enjoyable role but the industrial barriers are a challenge)
 3. Innovation eg Dutch examples – Humanitas and DeHogewyk. Students board in and helping out, family members helping out and being compensated with allowances, etc
15. Demarcation and institutionalisation no longer apply. I have been on many study tours overseas and in Australia and we are now talking about a cross between hotels, motels, cruise ships, hospitals, health retreats, spas, boarding houses and b&bs. These services offer personal life coaching and individualised treatments, injury recovery, rehabilitation, dementia care, palliative care, daily recreational activity, significant community purpose, all your food and fun over the last, hopefully many, years of your life.
16. We need a workforce to deliver on these expectations by:
1. older people, (no longer a stereotyped baby boomer)
 2. their families (usually the alpha daughter)
 3. their friends (usually racked with fear about having to also move in)
 4. their communities (who often turn their back but sometimes become engaged)
 5. the govt standards agency (who requires individual plans and continuous imp), and ..
 6. the public (who fear the worst based on adverse media reports and demand the govt implement more regulation and control).
17. Its happening similarly in every western nation and the workforce solutions are varied. Often the main workforce supply is a hospitality style entry level migrant workforce, certainly in UK and USA and western Europe. We don't have that, our immigration numbers are modest and our entry level salaries are higher than theres. We need to change that or find other solutions.
18. To make it work in Aus most providers strategic plans include:
1. Larger integrated places to create economies of scale for customers and staff
 2. Investments in innovative technology to save labour on certain tasks (robotics, automated equipment, monitoring sensors, mobile computing and communications, etc) Driverless cars and mobility scooters will change everything for OP but until then a lot of simpler solutions are being trialled).
 3. Contracted management expertise re revenue, quality standards, IR negotiations, recruitment and marketing, building design, etc
 4. Labour hire agents, immigration agents, close services occasionally, extend the role of volunteers, etc
19. There are some signs of response to these trends: Roles are changing:
1. Nurse practitioners in aged care, centralised nursing advice and GP level advice inside the org.
 2. Generic Quals in Cert 3 and Cert 4 now have integrated courses and quals for disability, child and aged care.
 3. Websites and online rosters where teams can select each other or clients can choose the staff to work with/for them.
20. These things are not easy or possible in rural and regional locations. 30% of providers are not viable, most of those are in regional centres.

21. Remuneration is noted in all surveys and reports as a prevalent problem and a chronic barrier to competing in the labour market.
 1. It is true that aged care staff earn approx. \$4.5k pa less than their FT health care and \$2.2k less than their disability services peers and only a little more than their child care colleagues.
 2. It's not an easy issue to address as the hospital sectors and disability sectors are funded at much higher levels than aged care services so the capacity to pay is built into the system.
 3. The structural causes of this are sometimes claimed to be endemic ageism in Australian society with the aged care sector bearing the brunt of our fears that fears and phobias about getting old.
 4. Its not likely to be addressed soon with the federal govt making it clear it isn't going to be doing a 'real cost of care study' anytime soon. That would clarify how many hours of a market tested staff members time it takes to meet all the aged care standards and customer expectations in Australian aged care. The gap between that and the current funding levels is assumed to be a significant investment.
 5. What we do know is that providers are paying staff more and more without the corresponding increase in govt subsidies. With wages scheduled to increase by 2% each year for the next 3 and funding cuts of 7% and a freeze on annual subsidies for the next two years there wont be salary increases anytime soon.
 6. The NFP part of the sector is agreeable to receiving govt grants and targeted funding tied to corresponding wages growth such as the \$1.2b compact promised but withdrawn by recent Govts that would have led to guaranteed wages growth.
22. Interagency collaboration.
 1. It is clear the only way to solve the workforce problems are with Interagency solutions. That is the perspective I bring.
 2. eg ACIWAG with its various players has been quite successful:
 - i. Members – providers (ACSA), govt (DPC), regional planners (RDA), trg decision makers (DI-STs), trg provider (TAFE) and whole community serv sector (IF).
 - ii. Regional outcomes have been great; job expos, innovation sandpits, website, video for careers advisors, care careers, positive image and language, Y@H trainee placements, etc
 3. ACIWAG has further work to do:
 - i. Disability alliance integration – regional and NDS
 - ii. NSW YES strategy
 - iii. Will be targetting Refugees, women returning to work, redundant workers from downsized industries, etc
 4. Illawarra needs 1000 staff in the next 12 months.
 - i. 500 turn over
 - ii. 180 Marco Polo
 - iii. 150 Warrigal Care
 - iv. 120 Bluehaven
 5. and ACST an outstanding example.
23. Collaboration needs to be
 1. NFP and FP providers
 2. Voc trg sector pathways are critical to attract (help ppl choose)
 3. Unions
 4. Academics / research instituties eg SBRC, Informatics, DTSC, etc

5. Volunteers / carers / families (don't ignore these groups and their powerful interest in solving this dilemma)
 6. Fed State and Local Govt (eg Warrigal Shell Cove - \$17m)
 7. Other industries / business communities
 - i. Note: (the value of this sector is \$47.9b to the economy, mostly from NFP res aged care)
 - ii. School halls nat infrastructure program – not one ongoing job. Aged care beds = jobs for life. Esp for parts of emp sector with low participation rates eg women, OP, ATSI, refugees, etc.
 - iii. Housing affordability affected eg Shell Cove 150 jobs and 200 houses freed up - if supply is the issue).
24. The stats for OP are clear. There is no client group more predictable than this one. Everyone needing support in the future is already born and we get a 70 year lead time to plan after a person is born. The longevity is trending well so we know that there will be a doubling of OP over 65 by 2055. That's 38 years away – I'll be 95 like my dad is this year. Nothing like seeing your own future very clearly.
25. The stats for staff are not clear. It's a prediction. We know...
1. In 2012 240k in aged care (35KRN)
 2. 83% female (48% all industries)
 3. 46 mean age (38 for all industries)
 4. 50% have a cert 3 or 4
 5. 18% have a degree (31% all workforce)
 6. 13% are studying
 7. Median hours are 26.9hrs/wk. 60% PT.
26. We assume the current mix will be needed in very big numbers in the future. An additional 800k staff by 2050 to support me at 95, but
27. Predicted workforce – the size may need to be significantly revised with different to predictions to the Productivity Commissions report of 2012. I agree with the Committee for Economic Development of Australia who note that the predicted impact of technology is very underrated when it comes to the aged care sector. I agree that smart lifters, self drive carts, automated equipment, monitoring sensors and other voice activated technologies such as robotics and self drive cars will have a big impact if it can be harnessed. Many of these things are being trialled like falls sensors, light sensors, stove sensors, fridge door sensors, toilet sensors, etc. These simple things are already being trialled due to clever cheap wifi and mobile signal enabled technologies now available. These can dramatically change the way staff are needed.
28. Alzheimers Aust note that we have a rapidly growing pop of ppl with dementia and their 2015 National Framework has 6 comprehensive recommendations for the workforce are on the assumption dementia will be the most prevalent disease impact on OP in the future. Dementia researchers hope not and a cure may be just around the corner.
29. Govt investment needs to be efficient and targeted. There are some clever initiatives that would make a big difference. I am aware of many PF providers in the capital cities who are lobbying hard for initiatives that maintain their profit margins. Public money is tight sustain a viable and diverse sector across all of Australia.

30. Drawing to a close I'd like to respectfully make 9 recommendations to the committee, I suggest;

1. **Continue national scale data collection and research.** The 2012 workforce survey is now 5 years old and needs to be updated every 4 years to plot the trends and highlight emerging issues with facts not guess work. More cross sector data would be useful to see the interface impacts between disability and aged care. There are many commonalities.
2. **Support with regular funding grants some technology innovations that explore new SDMs and workforce solutions.** This is so that Australia can adopt these more quickly than the sector can afford. I believe NFP regional providers linked to universities and colleges are some of the most innovative thinkers in the sector but they lack the capital to directly invest in R&D with assistance. UoW and its various Health Research Institutes is highly recommended to you.
3. **Avoid prescriptive rules, rates and ratios.** These seem like quick fixes and solid assurances for people with concerns about under pay and under staffing but they create other unintended consequences. What works in the city doesn't always work in the country and every OP is not the same needing a formulaic staffing solution. Let good providers do what they do well without the additional cumbersome expensive regulatory controls that would need to be created if these solutions were to gain traction
4. **Improve the direct funding to providers who agree to use the funding to pay salary rate increases for their staff** This could be further tied and targeted to recruiting workers from low workforce participation groups such as LTunemployed, RTW (mos and OP), CALD, ATSI etc
5. **Target the aged care sector for**
 - i. **Education subsidies** (both vocational and academic) at the cert 2,3,4, diploma and degree levels,
 - ii. expand the **qualification recognition program** with other national OS jurisdictions and
 - iii. allow more **entry work visas** for citizens of other countries into jobs in this sector esp for regional areas.
6. **Fund coordination programs for Volunteers and Informal Carers.** This seems odd as a workforce initiative but these roles are incredibly efficient and add enormous value to a stretched workforce focussed on the principle priority care needs of OP. 100 of these around regional Australia would stem the crisis for several years.
7. Rural and regional areas are especially vulnerable so I recommend 100 **secretariat posns be funded to enable regional aged care workforce collaborations** (like the Illawarra's ACIWAG). RDA could be used to host these to ensure good outcomes.
8. **Local property planning concessions** for providers who need to develop new aged care places into larger buildings in better locations. These are the efficient, modern, safe and comfortable places that attract OP to live and workers to work with much better viability and sustainability due to their economies of scale. Many providers are trying but are stymied by frustrated

local govt planning hurdles where councils don't even know there is an aged care accommodation and workforce crisis emerging.

9. **A public education advertising campaign** promoting the sector as a wonderful career for people who want secure, diverse, interesting and purposeful employment. Maybe it could be called 'Beyond maccas' that's where most young people automatically go to work and start their careers. What an difference it is to join the aged care sector and work with wonderful older people, people we should honour and thank everyday.

31. In conclusion:

1. Workforce issues are not intractable and I have seen solutions work and start to spread but need govt & industry & other stakeholders to agree on some solutions to work together.
2. Aged care is not a niche industry or addressing a minority group. We are not all women, or CALD, or from ATSI backgrounds, or socially disadvantaged or live in rural and remote areas, but hopefully we will all get old and will probably need some assistance from some good people (possibly our family, maybe our friends, volunteers or even paid staff) as we get older. It affects us all.
3. There is good will now and I feel positive that this is the time when collaboration and targeted support will make a difference. This committee's role is an important part of that and I wish the committee well in its important contribution to this issue.