

14 October 2016

Senator Rachel Siewert  
Chair  
Senate Standing Committee on Community Affairs  
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Parliament House  
Canberra ACT 2600  
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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 45<sup>th</sup> 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.<sup>1</sup> As such, Guild members are ideally positioned and actively seeking to drive the sectors rapid expansion and so will employ a growing proportion of the sectors 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.<sup>2</sup> 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

<sup>1</sup> Department of Health, 2015 Aged Care Approvals Round, <<https://agedcare.health.gov.au/aged-care-funding/aged-care-approvals-round-acar/2015-aged-care-approvals-round>>, accessed 7 September 2016.

<sup>2</sup> Deloitte Access Economics, *Australia's aged care sector: economic contribution and future directions*, <[www.agedcareguild.com.au/Publications](http://www.agedcareguild.com.au/Publications)>, June 2016.





