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Perspectives on an aged care workforce strategy

Many in the aged care sector have highlighted the need for a workforce development strategy to ensure the availability of the large skilled workforce to care for the increasing number of older Australians as the ageing of our population gathers pace.

But what should be included in a workforce strategy?

In the first instance, a strategic approach to workforce development should be based on a shared understanding of the respective roles of government, employers and employees.

The shared understanding should encompass whether there are any particular characteristics of the aged care industry compared with other sectors of the economy which influences these roles, and a recognition that the aged care workforce does not exist in isolation from the rest of the workforce.

Government

At a general level, government influences the overall workforce through its management of the economy, including through annual budgets and by setting policies in areas such as industry, taxation, industrial relations, social security, retirement incomes, child care and infrastructure spending. These, along with exogenous international economic factors, influence the tightness of the labour market from time to time as the economy goes through its cycles. These policies can also create incentives and disincentives for people to enter or remain in the workforce, including as people age.

Government can also influence workforce supply through immigration policies. Migrant skills can be used to help smooth peaks and troughs in demand that have not been able to be responded to by the Australian education and training system, including the qualifications framework. Therefore, migration policies and visa policies in relation to skills in demand have to be part of a workforce strategy.

However, government's primary direct mechanism for ensuring a supply of skilled workers and professionals is through its funding for higher education and the vocational, education and training (VET) system and students, and the regulation of universities and the VET system.

This role can extend beyond policies relating to the volume of higher education and training places to include the quality, consistency and appropriateness of qualifications to meet emerging needs of the economy. For example, in an aged care context where the bulk of staff pass through the VET system, it includes regulatory arrangements to ensure effective engagement by training organisations with employers and unions to ensure that qualifications and training packages reflect skills and competencies that support best practice care and scopes of practice. Government is also responsible for ensuring that there are appropriate quality assurance arrangements in place, as it does for aged care services.

Government support for higher education and vocational training generally is not sector specific, but instead tends to be organised around particular occupations and skill sets, many of which can be applied in a variety of sectors. The aged care sector is a case in point where a range of its skills requirements are generally not unique to the sector, but can also be deployed in a variety of community service and health settings. Therefore, where graduates choose to apply their qualifications is not something that the government normally can or should influence in a flexible and demand-driven system.

But there are special circumstances in aged care and in the sectors with which aged care mainly competes for skilled staff (health, disability and community services sectors). That is, the services provided by public and private entities operating in these sectors are substantially funded and regulated by government (federal and state/territory) and the workforce requirements of all these sectors are on a growth trajectory as a result of a combination of government policies and demographic change.

Taken together, the above characteristics will increase competition between these sectors for skilled staff, both in terms of attracting enrolments in entry-level education and training in a demand-driven system and subsequently in attracting graduates to their sector and retaining their services.

In this increasingly competitive environment, the portability of skills poses challenges for governments because, depending on funding, pricing and regulatory policies applied to each of the sectors, and the tightness of the labour market from time to time, these policies may result in some sectors being better placed to compete for staff than others. As a consequence, the workforce requirements of aged care cannot be considered in isolation in a workforce strategy, or by government, universities and training organisations.

In particular, because governments are the primary funders of aged care services and the main sectors with which aged care providers compete in the labour market, the prices set by government have a significant influence on employers' capacity to compete in the labour

market. The adequacy of prices also directly impacts provider revenues and viability which, in turn, is a key factor that influences the quality of services and the attractiveness of workplaces, and hence the overall reputation and standing of the sector in the community.

Governments also have a role to play by setting policies in relation to individual contributions towards the cost of their entry-level and post-graduate qualifications. It is important that these are equitable across sectors, occupations and individuals. An aged care workforce strategy therefore has to consider the appropriateness and applicability of the current student contribution arrangements.

Employers

Aged care employers, acting as a group as well as individually, also shoulder much of the responsibility for securing a quality workforce. However, as noted above, a pre-condition is that revenues are sufficient to sustain viable high quality services.

Individual employers, operating within the industrial relations framework set by government and the funding envelope determined by the government, are responsible for setting the remuneration levels and terms and conditions of employment required to be competitive in the labour market. This includes terms and conditions that may be required to attract and retain staff in the light of local conditions, eg career opportunities and compensating for perceived negative life style consequences of remoteness.

As a group, employers also carry a heavy responsibility in helping to keep the training providers up-to-date with the evolution of skill needs in the sector so that qualifications and competencies reflect future sector needs as they evolve. This includes influencing scopes of practice, noting that scopes of practice are determined by an individual's education, training and competence.

Employers also have a large part to play in influencing the choices of graduates and new recruits and in retaining them by determining the attractiveness of workplaces and the reputation of aged care as a sector. This is particularly the case if the employer is to attract individuals with the personal qualities, as well as the qualifications, that are needed to foster a caring culture in the workplace.

The importance of good people management and leadership has been confirmed by researchers over the years. Remuneration is important, especially if disparities are material, but it is mostly other factors which determine the attractiveness of the workplace. These other factors include job satisfaction, a positive workplace environment, supportive co-workers, a sense of career, perceived organisational and supervisor support and the connection and relationship that employees develop over a time with their employer (job embeddedness). These are factors that employers in any sector of the economy must pay close attention to in providing their services. Many employers consider that a positive workforce culture is central to achieving and maintaining a competitive advantage.

Post entry-level training

Securing a skilled workforce goes beyond entry-level education and training.

As is the case in many professions and occupations, the best practice 'frontier' for aged care is being regularly extended, including in relation to dementia care, end of life care and in terms of the impact of technological change in a digital world. Hence a workforce strategy needs to have regard to post entry-level training for existing staff as the knowledge 'frontier' expands.

But who is responsible for post-entry level training?

In the case of larger aged care providers, the bulk of the post-entry level training for existing staff is undertaken through in-house training programs or sourced by providers from commercially available training products. Employers have a key role in arranging opportunities for their staff to maintain the currency of their skill sets.

Government from time-to-time also provides incentives for sector specific training and workforce development, generally of a post-entry level nature. In this regard, the Australian Government funds a range of aged care specific development programs through its Aged Care Workforce Development Program and through the VET system.

The effectiveness of Government incentives paid to individuals for training and development under the Aged Care Workforce Development Program can be problematic if they are not carefully targeted. While they can serve to increase the overall supply of particular skill sets, there is no certainty that the recipient of the training will remain in the sector that has been targeted. This is particularly the case if there are negative perceptions in the community about the reputation of the sector, including pay rates.

Scarce resources may be more effective if directed to paying reasonable prices to allow the sector to be competitive in the labour market, or directly compensating employers for the cost of back-filling for staff attending professional development courses or developing their own in-house training programs. A benefit of this approach is that it enables an employer to fashion an employment package and workplace culture which is more likely to engender staff retention and foster 'job embeddedness' by creating a more supportive working environment. Of course, the requirement to compensate for these training costs would be questionable in a profitable industry.

Other options include measures directly targeted at attraction and retention in certain targeted circumstances, such as staff housing for key personnel, meeting relocation costs or subsidising the costs of visiting medical and allied health professionals for services in rural and remote areas. Precedents for this sort of targeted assistance in 'thin' markets abound in the health sector.

Interface issues

A workforce strategy needs to recognise that workforce considerations in aged care extend beyond competition for direct employees.

Quality aged care also depends on timely access to specialist clinical inputs when required, such as palliative care and mental health expertise, allied health and GPs. In this regard, the effectiveness of the interface arrangements between aged care and health care providers is fundamental to supporting older people.

A characteristic of the skills at the interface of the aged care and health systems is that they are mostly provided through separate funding and budget holding arrangements which can pose challenges for coordination at the local level. One measure of the success of workforce strategies therefore is their effectiveness in facilitating such collaboration.

Informal carers

An aged care workforce strategy also needs to take into account the role of informal carers, mainly family but also volunteers. Informal carers provide the majority of direct care for older Australians and often play a key role in the co-ordination of formal care services, especially in the expanding home care sector.

The Productivity Commission has identified that social and demographic trends suggest that there is likely to be fewer informal carers relative to the growing older population. These trends include lower marriage rates and the rising incidence of single person households, smaller family sizes and the increasing age of first-time mothers, older people being encouraged to remain in the workforce longer and higher participation rates of women in the workforce, offset to a degree by the number of partners living longer.

A workforce strategy will therefore need to include measures that support informal carers in undertaking their caring role, a point that has been widely acknowledged. The ways that informal carers can be supported include assistance with obtaining better information about the aged care system and assistance with navigating the system; ensuring informal carers have the skills to perform their caring role; access to timely and appropriate respite services; flexible workplaces that support informal carers; and income support and financial assistance.

Summing up

The role of government in relation to the aged care workforce in many respects is the same as for other sectors of the economy. That is, pulling its economy-wide levers and funding and regulating higher education and the VET system.

In aged care, however, government is also the primary funder and regulator and therefore directly influences the viability of employers through its regulation of prices and revenues.

Government is also the primary funder and regulator of the sectors with which aged care mostly competes in the labour market (health, community services and disability). How government performs its funding and regulatory role therefore directly influences the aged care sector's capacity to compete in the labour market and to create attractive workplaces.

Hence, a pre-condition for an effective aged care workforce strategy is market-based prices for aged care services that will sustain a viable industry and competitiveness in the labour market.

Assuming a financially viable aged care sector, aged care providers are then, either individually or as a sector, responsible for determining the attractiveness of their workplaces and the reputation and standing of the sector in the community. This is a workforce challenge that applies to employers in all sectors of the economy.

Providers also have a vital role to play in engaging with training organisations and other relevant stakeholders to ensure that training qualifications are meeting emerging needs, including scopes of practice to support best practice and more effective models of care.

A challenge for aged care providers is to decide whether to address their workforce responsibilities collectively or as individual providers, noting that there are providers who see the staff management practices and models that they have developed as key to their competitive advantage. If there is a disposition for collective action, the challenge then becomes for employers to identify the areas for collective action so that appropriate strategies may be developed and pursued.

Disclosure Statement: The author of this Update, Nick Mersiades, is a member of the Aged Care Financing Authority. The opinions in this Update should not be read as being an expression of the views of the Aged Care Financing Authority.

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