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The status of the aged care workforce - 2016

Get a group of stakeholders in a room to discuss the future of aged care and the conversation will turn quickly to workforce issues, and then to the need for an aged care workforce strategy.

Of concern will be the four-fold increase in the aged care workforce that the Productivity Commission estimated will be required by 2050, how Australia will train such a large increase in the workforce, and how to ensure that the sector will be able to compete successfully in the labour market for quality staff.

The recently released report, [The Aged Care Workforce 2016](#), provides useful data on workforce trends in the sector to help inform a response to the workforce issues facing the sector.

The 2016 report was prepared by the National Institute of Labour Studies. The Institute also prepared the three previous workforce reports – 2003, 2007 and 2012. It is based on a census of aged care providers and a structured sample survey of aged care employees that the Institute conducted in the second half of 2016.

Sector participation in the census and survey disappoints

Participation in the workforce census is a requirement for aged care providers receiving funding from the Commonwealth.

The *Accountability Principles 2014* require approved providers of residential care and home care packages to return a completed workforce census. The *Commonwealth Home Support Manual 2015* places a similar requirement on all CHSP grant recipients. A legal requirement to participate in the workforce census has been in place from the outset for residential providers, but participation by home care and home support providers had been voluntary prior to the 2016 census.

Disappointingly, valid responses were received from only 76 per cent of residential care providers and from even fewer home care and home support providers (42 per cent). The residential care response was a significant reduction on the 2012 response (96 per cent) when receipt of the since discontinued Conditional Adjustment Payment was conditional

on participation. The home care and home support response in 2016 was a marginal improvement on the 2012 voluntary response rate (33 per cent).

As a result, the NILS researchers have had to extrapolate the responses received to make them relevant to the entire aged care workforce.

Despite the inherent risks of extrapolation based on returns from providers who self-selected, the workforce census and employee survey are still the best information available about trends in the aged care workforce.

What does the 2016 census and survey reveal?

The following draws together ten major trends and 'take-aways' from the report.

1. The home care and home support workforce has declined

Surprisingly, the 2016 report found a significant reduction in the full time equivalent (FTE) direct care workforce in **home care and home support** since 2012, from 54,537 in 2012 to 44,087 in 2016 (-19%). The NILS researchers suggest that this decline indicates that the sector is undergoing structural change, which is reflected in the way labour is used. One would be forgiven for taking this extrapolated finding with a grain of salt given that the number of operational home care packages increased by 30% over that period. Moreover, over much of this period, home support funding was growing at 6 per cent real per annum.

On the other hand, direct care FTE employees in **residential care** over that period grew by 3 per cent (from 94,823 to 97,920), in line with the 4 per cent growth in the number of operational residential places.

The total head count of employees in the aged care sector in 2016 was an estimated 366,000, of whom about 240,000 were direct care employees. The overwhelming majority (about 76 per cent) of direct care employees are permanent part-time.

2. The gradual decline in the number of RNs in residential care evident before 2012 has not continued

The number of RNs (FTE) in **residential care** increased by 625 (4.5 per cent) since 2012 to 14,564, reversing the previous trend which saw a decline from 16,265 in 2003. However, their share of total direct care staff has remained at 15 per cent (21 per cent in 2003).

The number of nurse practitioners (FTE) has also increased, from 190 in 2012 to 293 in 2016.

However, residential care continues to rely increasingly on Personal Care Attendants (PCAs), with PCAs increasing as a proportion of direct care employees from 68 per cent in 2012 to 72 per cent in 2016 (57 per cent in 2003).

In home care and home support:

- The estimated RN FTE count as a proportion of total direct care employees has declined from 14 per cent in 2007 (6,079 FTE) to 11 per cent in 2016 (4,651 FTE).
- Allied health employees increased from 6 per cent to 8 per cent (3,540 FTE), with allied health professional employees growing faster than allied health assistants.
- Community Care Workers (CCWs), whose composition of the direct care workforce remained relatively stable at 78 per cent, provide the bulk of the direct care in home care and home support.

3. The skill level of the residential aged care workforce continues to improve gradually

The increasing reliance on PCAs in **residential care** is matched by a gradual improvement in the qualifications held.

- The proportion of PCAs with a Certificate IV in Aged Care has steadily increased from 8 per cent in 2003 to 23 per cent in 2016.
- The proportion of PCAs with a Certificate III in Aged Care in 2016 was 67 per cent, the same proportion as in 2012.
- The proportion of aged care homes with more than three quarters of PCAs holding a Certificate III has increased from 62 per cent in 2012 to 66 per cent in 2016 (47 per cent in 2007).

However, the majority of RNs (71 per cent), Care Leaders (79 per cent) and Care Managers (63 per cent) do not have specialised qualifications in ageing and aged care such as gerontology, palliative care and psychogeriatrics. This is largely unchanged since 2012.

In home care and home support:

- Direct care workers with post-secondary school qualifications in 2016 has increased to 88 percent, almost the same as in residential care (90 per cent).
- However, the proportion holding certificate level qualifications is lower than in residential care, with 51 per cent and 12 per cent of CCW's holding a Certificate III and Certificate IV in Aged Care, compared with 67 per cent and 23 per cent respectively for PCAs.
- As expected, more CCWs hold a Certificate III in Home Care (27 per cent) compared with PCAs (3 per cent).

A majority of direct care workers in **residential care** had participated in continuous professional development (58 per cent) and on-the-job training (80 per cent) in the past 12 months, with mandatory training being the most common form. These figures differ little from those reported in 2012.

There has not been an improvement in the proportion of **home care and home support** direct care employees participating in continuous professional development (48 per cent) and on-the-job training (75 per cent).

While most PCAs and CCWs were overall positive about the quality of their training, concerns were raised regarding the inadequate length of courses and placements, the use of online training methods and gaps in course content.

4. The aged care workforce is relatively stable

In residential care in 2016:

- 42 per cent of direct care employees had worked in the sector more than nine years, and approximately 25 per cent had worked in the sector more than 14 years;
- 54 per cent of direct care employees had worked in their current job more than four years and 26 per cent more than ten years;
- ten per cent were actively seeking new employment;
- 82 per cent expected to be with the current employer in 12 months; and
- the most common reason for leaving the previous job related to personal circumstances, such as moving house, fulfilling care responsibilities and wanting a job closer to home (45 per cent). Other reasons included seeking work that is more challenging or to get the shift or hours desired.

A similar picture applies in **home care and home support**:

- a majority of RNs and ENs (64 per cent and 71 percent respectively) had been working in home care and support for more than nine years. The lower proportion of CCWs who have worked in aged care more than nine years (39 per cent) partly reflects their older starting age (25 per cent were over 50 years when they started in aged care).
- nine per cent of direct care employees were actively seeking alternative employment;
- 81 per cent expected to be with their current employer in 12 months; and
- 33 per cent cited personal reasons for leaving their previous job, and just over 40 per cent named higher pay, getting preferred hours and more challenging work.

Employees, similar to 2012, reported relatively high levels of job satisfaction. The lowest satisfaction level recorded related to pay.

5. Aged care is still not a career of first choice

A large proportion of new direct care hires in **residential care and home care and support** have held jobs in other sectors prior to aged care. Aged care is the first occupation for very few direct care employees – about nine per cent in residential care and six per cent in home care and home support.

Apart from nursing, where a large number have come from the acute or other community care settings, there is no clear pathway into aged care for the other occupations. PCAs come from a very wide variety of previous occupations including sales, hospitality, cleaning, clerical work, managerial and or other professional (non-nurse), to name a few. A similar situation applies for CCWs in home care and home support.

At this stage at least, disability is rarely the previous employment sector for direct care employees for both residential care (about two per cent) and home care and home support (between two and six per cent, depending on the occupation).

6. Providers are still reporting skill shortages; however, there is some evidence of under-utilisation

Two-thirds of **residential facilities** with direct care employees reported skill shortages in at least one direct care occupation, with RNs being the most common. Skill shortages are most common in remote and very remote areas.

In **home care and home support**, 49 per cent of services with direct care staff reported skill shortages, with shortages of CCWs being the most common.

In both **residential care and home care and support**, most reported no suitable applicants as the cause of the skill shortages, with 'suitable' defined as skill level, qualifications, experience and values.

Notwithstanding the above, the survey found that many existing employees would like to work more hours and many hold more than one job.

- 30 per cent of direct care employees would prefer to work more hours.
- The equivalent figure in home care and support is 40 per cent.
- The preference for longer hours relates mainly to PCAs and CCWs.
- Nine per cent of direct care employees in residential care and home care and home support had more than one job.
- Almost half had another job in aged care, while the rest had jobs in other sectors.
- Multiple job holding is more common in aged care than for the Australian

workforce (five per cent).

Taken together, these figures suggest that there is a degree of under-utilisation of the available labour force, though it would be wrong to suggest that this applies universally. Under-utilisation was also evident in the 2012 report.

Turning to vacancies:

- In **residential care**, 26 per cent took less than one week to fill, and 76 per cent were filled within four weeks.
- The median vacancy duration was 2 weeks for PCAs and 3.5 weeks for RNs.
- In **home care and home support**, 71 per cent of vacancies were filled within four weeks.

Time taken to fill vacancies is an indicator of the tightness of the labour market. The above average vacancy duration figures are not considered indicative of a tight labour market. That said, as noted above, there are important regional variations such as in remote and very remote areas regarding certain occupations, and there are concerns about the suitability of many potential employees.

7. Home care and support makes greater use of Australian born direct care employees than residential care

There has been a slight decline in the proportion of direct care employees in **residential care** born overseas, from 35 per cent in 2012 to 32 per cent in 2016. On the other hand, the proportion of overseas born new hire employees has been increasing, from 34 per cent in 2007 to 40 per cent in 2016, suggesting a higher turnover rate for overseas born employees.

This pattern is not repeated in **home care and home support**. The share of overseas born new direct care hires has declined marginally to 21 per cent, as has the proportion of overseas born direct care employees (from 27 per cent in 2007 to 23 per cent in 2016).

Overall, **home care and home support** makes greater use of direct care employees born in Australia (77 per cent) than residential care (68 per cent). If this reflects the requirements of the different work environments, it may have implications for the expansion of home care and home support, especially the significant expansion of home care packages.

Aboriginal and Torres Strait Islander people account for about 1–2 per cent of the aged care workforce, similar to 2012.

8. There has been a further shift away from casual and agency employees

The 2016 report has revealed a further shift away from casual/contract employment for direct care employees in both **residential care and home care and home support**.

- The proportion employed under these arrangements in **residential care** has fallen from 19 per cent in 2012 to ten per cent in 2016, a trend that was evident since 2007.
- In **home care and home support**, the proportion of casual/contract staff has fallen from 27 per cent in 2012 to 14 per cent in 2016, mainly due to an increase in permanent part-time employment for CCWs (from 63 per cent in 2012 to 79 per cent in 2016).

Seventy-eight per cent of the residential direct care workforce is permanent part-time. The equivalent figure in home care and support is 75 per cent.

The growing percentage of permanent employees in aged care, where continuity of staff is important for consumers, is another indicator that the current labour market is not excessively tight.

9. There has been an increase in the proportion of younger employees in residential care

Reports since 2003 had indicated that the **residential care** workforce was ageing.

The 2016 report indicates that this trend has changed, with the median age of direct care staff having declined from 48 in 2012 to 46. The main driver of this change is the age of new hires, with the proportion of new hires under 34 increasing from 29 per cent in 2003 to 46 per cent in 2016. It remains to be seen if this trend is sustained.

The trend in **home care and home support** is rather different. The median age of direct care employees in home care and support increased from 50 in 2012 to 52 in 2016, and the proportion of new hires under 34 (24 per cent) has changed little since 2007 (22 per cent).

10. Volunteers continue to make a large contribution, especially in home care and home support

Approximately 23,500 volunteers worked in **residential care** in 2016, providing about 115,000 hours of assistance with social and planned group activities and companionship (an increase of 13 per cent over 2012). Not-for-profit residential services were more likely to use volunteers (91 per cent) than for-profits, though for-profit use of volunteers was also high (69 per cent). Average hours of volunteering in 2016 per volunteer was about five hours, about the same as in 2012.

The incidence of volunteering in **home care and home support**, which is dominated by not-for-profit services, is greater than in residential care. About 44,900 volunteers provide assistance in home care and home support, mainly for social/group activities and transport. On average, each service had 29 volunteers with each volunteer working 4.6 hours per fortnight.

So what conclusions might be drawn from this data?

The 2016 report concluded that the current aged care workforce is stable, committed and increasingly well and relevantly qualified. Employees report relatively high job satisfaction levels and a large majority wish to stay working in the sector. The retention and attraction statistics suggest that the sector overall has been competing reasonably well in the labour market.

The data and survey responses also highlight some problem areas. There are continuing skill shortages in remote and very remote areas. There are concerns about the standard of certificate level qualifications and gaps in training regarding dementia care, palliative care and mental health. There is also a view among existing employees that aged care is considered an unattractive industry by potential employees due to perceptions that aged care is a low status job which offers poor pay and few career pathways.

But what does this mean for an aged care workforce strategy?

Aged Care Update has suggested [previously](#) that the role of government in relation to the aged care workforce in many respects is the same as for other sectors of the economy i.e. pulling economy-wide levers and funding and regulating higher education and the VET system.

Employers operating within a financially viable sector are in turn responsible for

determining the attractiveness of their workplaces and the reputation and standing of their sector in the community. They are also responsible for engaging with universities and training organisations to ensure that training curricula and qualifications are meeting emerging requirements.

What distinguishes aged care, however, is that government regulations and pricing policies directly impact the financial viability of the sector, and therefore the capacity of employers to compete in the labour market and to create attractive workplaces.

It is no coincidence therefore that the relatively benign workforce situation revealed in the 2016 report coincides with a period of improving financial performance in the sector (assisted in some regions by the end of the mining 'boom'). Improved financial performance resulted from the real increase in care prices following the redirection of the workforce supplement, and significant annual real increases in per resident per day funding under ACFI.

A starting point therefore for any strategy has to be securing the financial viability and sustainability of aged care services. An immediate focus must be to take into account the impact of the reduction in real per capita growth in funding under ACFI that the government is pursuing, as well as the review of alternative funding models which may see the replacement of ACFI. What transpires here will have the biggest impact on securing the workforce needed to deliver quality care and support.

The strategy also has to prioritise funding arrangements and training incentives that support services in the bush. It also needs to develop effective consultative arrangements with the education and training sectors to ensure that entry level qualifications and staff development opportunities are responding to emerging needs, changing technology and new models of care.

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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