



## Indirect Employment in Aged Care

Productivity Commission



Submission from BallyCara Limited

To: Aged care employment study  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601, Australia  
**Submitted via** [Aged Care Employment Site](#)

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## Introductory Letter

29 April 2022

To the Productivity Commission,

**RE: Indirect Employment in Aged Care**

Thank you for the opportunity to input into the Commission's work on this important issue.

BallyCara is a charitable organisation providing services throughout South-East Queensland and Melbourne (Victoria) with a passion and focus on inspiring an active, healthy and happy life across generations and communities. BallyCara provides wellness and home care services to enable people to live fulfilling lives and stay connected with their community as well as a range of accommodation services from retirement living to varying levels of residential aged care.

BallyCara has submitted feedback regarding a selection of the information requests throughout the paper. The content of this submission was created in consultation with members of the BallyCara staff, including members of the Executive and management teams, and frontline staff members.

BallyCara regularly indirectly employs staff through brokerage and labour hire agencies. Indirectly employed workers are utilised in our residential care facilities and our in-home services.

### **Position Statement**

Aged care must be delivered in line with the choices and rights of consumers, and with optimal quality and continuity. BallyCara maintains that direct employment puts providers in the best position to ensure this occurs. A directly employed workforce is best placed to ensure consistent, continuing service delivery, compliant with best-practice and regulatory requirements. Directly employed workers best ensure an effective, trusting care relationship can form between a provider and consumer.

However, BallyCara acknowledges the important role agency staff and independent contractors play in filling gaps in the direct care workforce, particularly with ongoing chronic staff shortages and the COVID-19 pandemic.

Yours faithfully,

**Lachlan Green** on behalf of BallyCara Ltd.

Policy and Project Officer

## Extent of Indirect Employment

*Addresses Information Request - Page 18.*

While we acknowledge direct employment of workers is optimal, BallyCara indirectly employs workers across our residential care and in-home care service areas. Agency workforce is employed to fill shifts due to staff absenteeism, and some services (particularly in the home) are contracted to independent contractors or labour hire organisations.

At this stage, BallyCara does not utilise any digital platforms for labour hire.

For home care, frontline service coordinators and rostering staff have anecdotally noted the use of indirectly employed workforce is widespread. We have certain clinical care services that are regularly brokered (i.e., nursing contractors for six-weekly catheter care services) due to staff unavailability or unfeasibility of a permanent staffing position.

It is the opinion of several members of the BallyCara team that the use of agency workers, independent contractors and platform workers will increase in the future. Staff expressed that, without corrective action at a policy level, ongoing chronic staff shortages across the sector will maintain high reliance on agency and contractors to complete services. One member of the executive team stated,

If we are unable to attract and retain a nursing or support workforce then [indirect employment will continue to increase] - particularly where aged care cannot compete on a “pay rate” basis compared to other health disciplines like NDIS and Queensland and Victoria Public Health.

The Australian Government appears to be encouraging the Home Care sector to move further toward indirect employment through their forthcoming Support at Home Program, which reportedly will allow sole subsidiaries to trade as registered providers, mirroring the NDIS.

In Residential Care, approximately 5% of total staffing cost is expended on agency use. Similar cost analysis has not been conducted for our home care services.

## Impacts of Indirect Employment on People Using Our Services

*Addresses Information Requests – Pages 21 and 28.*

BallyCara’s primary concern with an indirectly employed workforce is the potential ramifications for those who receive our services. Some of this concern arises from inconsistency associated with indirect employment.

High quality aged care services hinge on service delivery that respects individual choice and preferences. This is covered by *Aged Care Quality Standard One – Dignity and Choice* and is a central tenet of human rights-based, relational care. Delivery of services from directly employed workers best enables consistent, continual service delivery aligned with preferences. It is our experience that a consistent, permanent workforce is the best way to ensure consumers have their preferences and choices remembered, thus making it more likely services are delivered in line with them.

Direct employment gives BallyCara the means to best ensure delivered services respect the human rights of those receiving services. Quality assurance is covered further below.

Reliance on labour hire agencies for services can lead to inconsistent staff delivering services. Agencies assure organisations that their staff deliver objectively satisfactory clinical or personal care services, subjective satisfaction in line with preferences is harder to ensure. While BallyCara endeavours to document consumer preferences in as much detail as possible, and encourages our frontline staff to do so, it is known that the delivery of high-quality services regularly relies on the knowledge and wisdom gained through the development of a care relationship.

Staffing inconsistency and unfamiliarity can erode trust between a consumer and their provider. An optimal provider-consumer relationship relies on the trust developed between consistent frontline staff and that consumer. Without this trust, lines of effective communication can break down and consumer satisfaction is likely to decrease.

BallyCara's internal surveying and quality reviewing has shown consumers highly prefer consistent staff in the delivery of their services. When faced with staff inconsistency, consumers have expressed feelings of fatigue at having to rebuild relationships from square one.

This is not to say that inconsistency is guaranteed by indirect employment. A consumer could feasibly contract an individual worker, either directly or through a digital platform, to deliver services. The ability for consumers of residential care to do this, however, seems limited.

## Assurance and Compliance

*Addresses Information Request – Pages 21.*

A service provider with a directly employed workforce is in the best position to ensure the quality of services, suitability of workers, and ongoing compliance.

Workers in the aged care sector are working with a highly vulnerable population, and as such are bound by tight regulation. While there remains discussion over whether further increases to staffing regulation would benefit the sector, there is a significant case that reducing, or allowing the subversion of, current regulation could negatively impact on service quality. Regulation requires staff police checks, and necessary licensing and registration where required.

It is BallyCara's policy that all staff delivering personal care services require a Certificate III or greater. BallyCara's People and Culture Team and annual learning calendar ensure regulatory requirements remain met and skills remain best practice. The quality of services being delivered is regularly assured by internal quality reviewing and surveying by BallyCara's Service Excellence Team. Internal learning and review ensure directly employed workers are living up to the organisation's values and standards. These elements, made possible by our culture and structure as an established service provider, ensure the skills and compliance of directly employed workers meet and exceed the minimum of the Aged Care Quality Standards.

It is the responsibility of agencies and contractors to ensure staff WHS compliance, privacy and confidentiality, insurances, and suitable staff training and competencies

Providers undertake due diligence to ensure contracted workers/organisations are up to date with all of these requirements. The provider retains responsibility for ensuring the quality and continuity

of care (including any follow-ups and case management resulting from a contractor/agency visit). Responsibility for the ongoing wellbeing of the consumer lies with their case managing coordinator.

If a worker is independently contracted by a consumer, it would be up to the consumer to ensure that worker is suitably qualified, insured, has police check clearance, and can evidence vaccinations to adhere with regulatory requirements.

An additional advantage of directly employed workers of a service provider is the increased effectiveness of case management. There is high value in case management relationships, especially in regular informal conversation. Consumers value the ability to discuss the quality and acceptability of their services with service coordinators and are appreciative when constructive conversations can be effectively actioned. Reliance on indirectly employed workers (particularly through agencies) can impact on the feasibility and promptness of actioning feedback (impacting on a provider's ability to meet and exceed *Aged Care Quality Standard Six – Feedback and Complaints*).

It is clear through the above compliance and assurance requirements that there is a substantial difference in the impact of indirectly employed workers on residential and home care services. It is far easier to maintain oversight of care quality and compliance, and continuity of care, in a residential environment where there are numerous other frontline staff and supervisors (including registered nursing and management staff) present on-site. This makes ensuring the quality and continuity of services in the home

## Financial Considerations

*Addresses Information Requests – Pages 21 and 29.*

Financial aspects also lead to BallyCara favouring directly employed workforce over those employed indirectly.

On averages, agency staff are more expensive for BallyCara per care hour. Organisational costs are also increased by the management and administration required to separately manage indirect workforce from the employed workforce. However, it is acknowledged that this additional cost does provide the organisation the ability to flex the workforce as required where our casual pool is insufficient.

BallyCara endeavours to ensure no cost fluctuations are passed on to consumers.

Maintaining a suitably sized workforce is challenging in the current landscape of the sector. Funding frameworks, particularly the Aged Care and Nursing Awards, require review. Low remuneration has led to direct employment in aged care becoming uncompetitive, particularly against wages in the disability and public sectors. BallyCara maintains that wage increases must be mirrored by an increase in subsidisation to avoid the cost being endured by consumers.

## Technological Considerations

*Addresses Information Request – Page 28.*

BallyCara values innovation and technological advancement. Digital platforms are clearly shifting the care and support landscape. BallyCara's Systems Support Analyst, who internally leads our digital engagement and development initiatives, stated,

Technology plays the role of an enabler in supporting and providing opportunities for work in the sector. Technology platforms offer a disruptor of the aged care sector providing new ways of tackling workforce shortage challenges.

Although, questions persist over the medium to long-term effects of digital workforce platforms. Drawn by the appeal of higher hourly rates, digital platform workers are not necessarily protected by the likes of sick leave and WorkCover. Concerns have been noted for the impacts of digital indirect employment on retirement income, as the guarantee of superannuation contributions may be lacking. Digital platforms may be acting as a disruptor, but they are also leaving a seemingly unlevel playing field.

Beyond digital platforms for employment of workers, technology is empowering directly employed workers to deliver high quality aged care,

Technology can be used to improve the quality of care. For example: health and lifestyle applications can support exercise habits, diet tracking, physical activeness, sleep monitoring, and so on. Digitising health data gives providers access to report and analyse valuable health and wellbeing related data. Wearable consumer technologies, such as smart watches, provide the client with their update health information, draw insights on daily health habits and provides real-time health data to the GPs, Nurses, and Allied Health.

Technology is also playing important roles in supporting people living with dementia, and those living independently in their homes.

## Potential Impacts of Indirect Employment Restrictions

*Addresses Information Request – Page 29.*

BallyCara agrees with Royal Commission recommendation 87 (as noted in Section 1 of the Issues paper) that direct employment should be preferred by providers. However, in the current aged care landscape, restrictions on the use of indirect workforce may impact on organisations' abilities to provide services.

We are still in the midst of the COVID-19 pandemic, which is exacerbating chronic staff shortages. As noted in 'Financial Considerations', it is currently difficult to maintain a suitable pool of directly employed workers (especially casuals). Short-notice agency staff are heavily relied upon to fill shifts resulting from staff absences.

In the current environment, restricting indirect employment would likely impact on our ability to fill shifts and complete scheduled services. Decreasing service hours would decrease our cost base but reduce our income by a greater margin, resulting in net loss.