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respect
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**Submission to the
Productivity Commission
on Aged Care Employment**

April 2022

www.anglicare.asn.au

About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of over \$1.94 billion, a workforce of over 11,000 staff and 6,000 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 474,00 people and reach close to 1.37 million Australians in total. In all, Anglicare services reach over 1 in every 19 Australians.

As part of its mission the Anglicare Australia Network “partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice.” Our first strategic goal charges us with reaching this by influencing “social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.”

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Introduction

Anglicare Australia welcomes the opportunity to provide input to the Productivity Commission's inquiry into the indirect employment of labour hire, independent contracts and digital platform workers in the aged care sector.

Anglicare Australia makes this submission on behalf of our members, and the older Australians who use their services. The Anglicare Australia Network consists of social and health service organisations that are linked to the Anglican Church in Australia, that share a belief in the value and the potential of every person, and the principles of justice, hope and compassion. Collectively our services provide community-based and residential aged care services to more than 68,000 elderly Australians, employing 9,700 staff and deeply valuing the contribution of approximately 3,000 volunteers.

Everyone deserves quality care as they get older. Aged care is about supporting older Australians, keeping them healthy, and keeping them safe. A skilled and caring workforce is vital for a safe, sustainable, and high-quality aged care system.

Services are best able to meet their responsibility for and commitment to high quality care through the direct employment of workers. Direct employment means greater oversight and control of training of staff, they can make sure workers are familiar with their policies and procedures and clients, and it's easier to manage incidents and respond to complaints.

In comparison, digital platform workers operate with little oversight and no requirement to have the right training or skills, potentially risking their own safety, and the safety of the older people they care for. Anglicare Australia is concerned digital platforms cannot maintain quality and safeguards.

The aged care sector is facing a crisis at a scale we haven't seen before. More than 110,000 care workers will be needed within the next decade as the sector tries to meet the growing demand for care.¹ Staff are leaving the sector for careers with better pay and more security. In some circumstances, providers have no choice but to rely on labour hire or agency workers. Covid has brought its own chaos with workers sick or caught needing to isolate in unpredictable ways as government requirements change. Anglicare Australia Network members report that they are now heavily dependant on agency staff to fill rosters. Several agencies reported that their average number of overtime hours and agency staff is at unprecedented levels.

Services will naturally prefer the direct employment of personal carers and nurses where they can. The best way to reduce the reliance on agency and labour hire staff is to improve wages and conditions for aged care workers, attracting more workers into the sector.

Indirect work driven by poor pay and conditions

The Workforce Census estimated that agency and subcontract workers account for only one percent of the nursing and personal care workforce. We agree with the suggestion made in the Issues Paper that this may be an underreporting, and a result of a poor response rate to the Census. Providers tell us they are more reliant on agency staff now than they were before the pandemic, with more staff furloughed or required to isolate.

Aged care providers turn to agency staff or independent contractors when they are unable to fill shifts with their permanent staff. A major reason for this is the low number of staff working in the aged care sector.

Research by Anglicare Australia for the Australian Aged Care Collaboration recently found that aged care workers are being priced out of their own communities. Based on average earnings and expenses, an aged care worker in a single household would have \$96.07 of income each week after expenses. An aged care worker in a single-parent household with one child would have \$9.68 of income each week after expenses.ⁱⁱ This helps explain why so many workers are leaving the sector. Without action many more will follow, worsening the workforce crisis.

The Royal Commission into Aged Care Quality and Safety recognised the importance of workers to the system. It called for higher wages, better qualifications, and more time for workers to spend with older people. All of their reforms were based on a workforce with the values, experience and training to deliver quality care. However, when the Government responded to the Royal Commission, it did not take the right actions to support the workforce. The system is now facing major workforce shortages.

Restricting agency workers risks leaving care inadequate

The issues paper considers restricting the use of indirect employment in aged care. Anglicare Australia does not support a regulatory or legislative restriction of this kind in the short term.

Restricting the use of agency workers or independent contractors is a potentially blunt instrument. Aged care facilities remain heavily reliant on agency staff to cover vacant shifts and provide the level of care older Australians deserve. There is no readily available source of replacement workers that could be directly employed by aged care providers.

Providers, especially in regional areas, already struggle to find suitable candidates to fill job vacancies, with many being readvertised multiple times. Without the option of agency staff, services may be forced to make difficult decisions about reducing care minutes, limiting recreational activities or even closing beds. Staff may be forced to take on duties they are poorly suited for, impacting the quality of the experience for older people in their services.

Services will naturally preference the direct employment of personal carers and nurses where they can. With adequate, secure funding, and an available pool of workers to recruit, services will be far

less reliant on agency workers or contractors.

A better option than regulating the use of indirect employment is boosting pay and conditions for aged care workers, to address the workforce crisis currently facing the sector. There may always be a need for small numbers of well training agency personnel to cover illness and emergency situations but this more fundamental action would limit agency usage to these instances.

Recommendation

Anglicare Australia recommends boosting the direct employment of staff by increasing the wages of aged care workers and investing in a workforce partnership fund for providers to spend on increasing wages, training and workforce retention costs.

The risks of digital platform work in the aged care sector

In both the disability and community care sectors, it is increasingly common for people to engage care workers directly through digital platforms. For NDIS participants in particular, on-demand work provides a level of choice about how and by whom people are supported, that is frankly unprecedented.

There are risks to this approach. There is an extensive quality and safeguarding framework that applies to workers in approved age care providers. This framework will be strengthened by the Aged Care Worker Registration Scheme when it becomes operational. There are comparatively few limits and checks on workers engaged through digital platforms. Workers are able to provide care without formal qualifications. This leaves vulnerable older people at risk of neglect, harm or abuse. Digital platforms are also not approved providers, so not subject to the oversight of the Aged Care Quality and Safety Commission.

In general, digital platforms are not the employer of the care workers, acting only as a facilitator between the workers on the platform and those who engage them. It is not always clear who bears responsibility for the risks associated with the work; the older person, the digital platform workers or the approved provider holding the funds. Workers may not fully comprehend the risks and liabilities that can rest with them, or the differences between this type of work and more traditional employment models.

Digital platform Mable notes in its documentation that “it does not play any role in selecting workers for particular jobs and does not supervise care workers in the performance of jobs.” There is a real risk that workers engaged through platforms are not adequately trained or skilled to provide the standard of care older people should be able to expect.

This is particularly problematic in home care. Home care services operate in private spaces, with single workers entering people’s homes and assisting with daily living tasks. Home care workers perform personal and intimate work, and manual handling is often required. There are no requirements for correct manual handling techniques, or other qualifications. Nor are there any opportunities for digital platform workers to receive professional supervision or debriefing, receive support from a supervisor or colleague, undergo additional training or professional development, or make a complaint about health or safety concerns.

Anglicare Australia Network members reported concerns where they hold home care package funds as the approved provider, but the older person is self-managing their package and has engaged a digital platform worker. The legal liability of the provider remains unclear and they be ultimately responsible if something goes wrong. This may result in less choice for older people, with some providers indicating they may opt out of packages where the older person chooses to self-manage.

Recommendation

Anglicare Australia recommends introducing safety standards and requirements for digital platforms to provide workers with adequate training on health and safety risks.

Employment laws need updating

Australia's industrial relations laws have not kept pace with changing technology and labour market conditions.

Digital platform work has many attractions; it can be flexible and work around people's other commitments, make use of a person's specific skill set, and be empowering for those who have had negative experiences in the traditional labour force. However, digital platform work also has a long-term cost. Gig workers do not have the same protections as other employees, such as mandatory breaks, leave entitlements or occupational health and safety protections.

Despite a \$25 minimum, Mable platform workers end up with only about \$22.5 after platform fees are deducted.ⁱⁱⁱ If an overnight or flat rate is used, the \$25 an hour minimum applies only to active time. This means that passive shifts, for example when people are asleep or resting, are unpaid.^{iv} This means that independent support workers who should be salaried may be underpaid, compounding their financial stress.

Digital platform workers also miss out on a number of protections and benefits that employees usually enjoy. Apart from the lack of job security, digital platform workers generally do not have paid leave, which can force them to keep working even when it poses a risk to their personal health and safety. For example, the inquiry into the 2020 COVID-19 outbreak in North-West Tasmania revealed that staff working across multiple sites to meet their financial needs contributed to the spread of the virus.^v

Most digital platform workers have minimal superannuation contributions and lower insurance coverage. Superannuation is a source of financial security and wellbeing for many people in retirement and later life. Digital platform work may mean people accrue lower superannuation balances, putting them at risk of poverty as they age. The Actuaries Institute found that working in the gig economy for five to ten years may leave workers with between \$48,000 to \$92,000 less savings than those earning a minimum wage.^{vi}

Recommendation

Anglicare Australia recommends the introduction of legislation that protects the rights of platform workers without disrupting their livelihood, and extends the Superannuation Guarantee.

Conclusion

Anglicare Australia thanks the Productivity Commission for the opportunity to make this submission. Aged care is facing a workforce crisis and immediate action is needed. The reliance on agency and labour hire staff is a symptom of the broader workforce conditions. The best way to reduce the reliance on indirect workers is to improve wages and conditions for aged care workers, attracting more people into the sector.

We would welcome the opportunity to further discuss these recommendations with the Commissioners, or to provide further information from the Anglicare Australia Network.

ⁱ Committee for Economic Development (2021) [Duty of care: Meeting the aged care workforce challenge](#).

ⁱⁱ Australian Aged Care Collaboration (2022) [Priced out: Aged care wages and living costs](#).

ⁱⁱⁱ Mable (2022) [Terms of use](#).

^{iv} Ibid.

^v Australian Unions (2021) [As indirect employment rises, working conditions are eroded](#).

^{vi} Actuaries Institute (2020) [Boom time for gig economy but workers face long-term disadvantage](#).