



**A•S•U**  
Australian Services Union

**ASU Submission**

**Productivity Commission**

**Contribution of the Not for Profit  
Sector**

**DRAFT REPORT**

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## **Summary of ASU recommendations**

### **Chapter 10 Workforce issues:**

- When determining market wages the government should look at the public sector equivalent wage rate or to the private sector jobs outside the sector that require the equivalent responsibility and qualifications.
- The ASU recommends establishing a new body with government and industry representatives including trade unions to undertake workforce planning for the sector.
- The ASU recommends the inclusion of portable long service leave as an essential strategy for tackling the workforce crisis. Such a scheme should be legislated, compulsory, broad based and with funds held and administered by an industry-based body independent of employers.

### **Chapter 12 Government funding:**

- The ASU recommends that the government establishes an industry-based and independent tripartite accreditation board with responsibilities including enforcement of minimum standards and rating of service performance above the minimum standard according to a series of industry informed legislated standards.
- The ASU recommends that government funding should be only available to accredited services.
- The ASU supports periods of accreditation (and associated contract periods) of 5 years.

## Introduction

1. The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 120,000 employees.
2. The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare, information technology workers and transport workers.
3. Today, the ASU's members work in a wide variety of industries and occupations and especially in the following industries and occupations:
  - Local government (both blue and white collar employment)
  - Social and community services, including employment services
  - Transport, including passenger air and rail transport, road, rail and air freight transport
  - Clerical and administrative employees in commerce and industry generally
  - Call centres
  - Electricity generation, transmission and distribution
  - Water industry
  - Higher education (Queensland and South Australia)
4. The ASU has members in every State and Territory of Australia, as well as in most regional centres as well.
5. The ASU is the largest union of workers in the social and community services (SACS) sector.
6. The ASU covers workers in what is commonly termed the "non-government social and community services industry". The term non-government can be misleading as most organisations or services receive funding from the government; however, workers are not employed by the government. Funding sources are also not confined to the government with additional funds coming from philanthropic

sources. Workers are generally employed by community based management committees, boards or collectives.

7. These employers administer government funds and oversee the management of an organisation or service.
8. Members of the ASU work in services such as: youth refuges, women's refuges, family support services, disability services, community legal centres, employment and training services, employment services, aboriginal organisations, community or neighbourhood centres, family day care centres, community transport services, home and community care services, environmental organisations, aged pensioners and superannuants associating community sector peak bodies, migrant or ethnic services and aid agencies.
9. Large employers in the SACS industry include the Catholic Church (including St Vincent de Paul), Anglicare, The Smith Family, Mission Australia, Uniting Church, Relationships Australia, Max Employment Services, Amnesty International, Oxfam, ACF and Greenpeace.
10. ASU members in the SACS industry work for both not for profit and for profit providers, so we have a unique perspective of the operation of both models of service provision in this sector. That said, the majority of employers are not for profit organisations.
11. As the principal union for clerical and administrative employees in Australia the reach of the ASU into the not for profit sector is even wider when other employer not for profit organisations are considered. ASU members work in unions, clubs, sporting organisations, associations etc. as well.

## Response to Workforce Issues (Ch 10)

12. The Draft Report's appraisal of the current workforce issues in the Social and Community Services sector is an accurate picture of the difficult conditions which workers experience. The ASU supports the sentiment of the two draft recommendations proposed in chapter 10 that is Draft Recommendations 10.2 & 10.3 and has further suggestions on the detail.

### Draft Recommendation 10.2

In order to ensure that not-for-profits can sustain their workforces, Australian governments purchasing community services need to based funding on relevant market wages for equivalent positions. Costings need to take into account the skill sets required to perform the purchased services and be indexed appropriately to market wage growth within that industry sector.

13. In relation to Draft Recommendation 10.2 the ASU recommends that the Commission spells out clearly the market wages that are to be benchmarked against.

14. **The ASU strongly recommends that when determining market wages the government look at the public sector equivalent or to private sector work requiring the same responsibility and qualifications.**

### Draft Recommendation 10.3

The Australian Government, through the Community Services and Health Industry Skills Council, should undertake workforce planning for the community services sector having regard to the current and future workforce challenges arising from growing demand and increasing supply constraints.

15. The Community Services and Health Industry Skills Council ("CSHISC") is not a body that is equipped to do ongoing workforce planning. The CSHISC experience is with VET qualifications. The vast majority of SACS workers have and need a University qualification. A recent UNSW study showed that 60% of workers surveyed in NSW had a bachelor degree or higher.<sup>1</sup> The Skills Council is not fully equipped to plan for the demands of the future SACS workforce which will inevitably have tertiary degrees.

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<sup>1</sup> UNSW Social Policy Research Centre 'Labour dynamics and the non- government community services workforce' (May 2009)

16. The ASU believes that workforce planning should be undertaken by a tripartite body whose whole focus is planning. Interaction with the CSHISC will be important to plan training needs but not workforce needs in general.
17. **The ASU recommends establishing a new body with government and industry representatives including industry trade unions to undertake workforce planning for the sector.**

### ***Portable Long Service Leave Scheme***

18. The ASU is pleased to provide further comment on the possible introduction of a portable long service leave scheme. We strongly support the introduction of such a scheme.

### **The advantages of a portable long service leave scheme**

19. As the draft report acknowledges the not-for-profit sector is beset by chronic workforce issues that has resulted in staff dissatisfaction and high turnover. One way of reducing this turnover and incentivising employees to stay in the sector is to establish a Portable Long Service Scheme. There are many reasons people are leaving the sector, but one of the key reasons is wages are much higher in the public service for comparable work. Comparable public sector employees can move to different positions within the state/territory or Commonwealth public sector and retain the continuity of employment that contributes to long service leave. A Portable Long Service Scheme is one way of making the Social and Community Services sector more attractive and competitive with other sectors.
20. The draft report cites opposition to the scheme from employer groups. The basis of their arguments has proved unjustified by independent research commissioned the Department of Human Services, Victoria.<sup>2</sup>

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<sup>2</sup> David Quinn- Watson, Bendzulla Actuarial 'Feasibility study into a Portable Long Service Leave Scheme for the Community Services Sector in Victoria', (29 September 2007)

21. The first cited claim is that such a scheme will increase direct costs to employers. This is not true for all employers, particularly over the longer term. The entitlements that would be provided under the scheme have already been provided for in current funding arrangements. Employers should already be setting aside funds for Long Service Leave, and where the right to those funds does not accrue because the employee leaves their employment, an employer can redirect the money to other purposes. The only 'cost' to employers would be those unused workers entitlements foregone; it will not add to the essential ongoing costs of the employer.
22. An issue may arise whereby any levy imposed by a scheme ends up being at a higher rate than that which the employer currently sets aside for Long Service Leave. Actuarial studies show that over time levies imposed on employers reduce as the scheme becomes self-funding, thereby removing any discrepancy that might exist.
23. The second claim is that such a scheme encourages workers to change employers more frequently. This is already a feature of the sector, and it is due to the workforce issues identified in the report. The advantage of a Portable Long Service Leave scheme is that where a worker decides to change jobs they might choose to stay within the SACs sector rather than leaving for better wages and conditions in the public or private sector. The major advantage to the not-for-profit sector as a whole of implementing such a scheme is that the sector retains important skills that experienced workers build up throughout their careers rather than losing these skills to another sector.
24. There are many advantages for employers in having employees with a wide range of experiences. It means employees are exposed to a range of clients, have networks and contacts for referring clients and have a knowledge of how organisations tackle different social problems which enables the sharing of skills and best practice across the sector. It is a reality of the sector that some organisations deal with particularly challenging social issues which takes an emotional toll on workers. The ability to move around the sector (and not lose workers entitlements) can give workers a much needed change of scenery, preventing burn out and preventing workers leaving the sector permanently.

25. The availability of Long Service Leave is about fairness. In other industries workers are provided with a career path, training opportunities and remuneration incentives that make it comparatively easy to stay at the one organisation for a long period of time. These opportunities are not generally available to SACS workers. As the draft report attests, there are limited opportunities for career progression within the one organisation or investment in workers to develop their skills. Workers therefore have to look to change organisations, or move outside the sector to gain new opportunities and advance their career. This is in part a feature of the sector being made up of small organisations. It is not a traditional industry where a worker can work her/his way up within one large organisation and have access to a diversity of opportunities. Even with adequate workforce planning many career paths will involve changing organisations within the sector.
26. SACS workers are no less committed to their employer or job than workers in other industries. It is just that the conditions in this sector make it very difficult to stay in the one position for an extended period enough to accrue Long Service Leave. It seems only fair that when workers are giving the same length of service to the industry, rather than a specific organisation that they should receive Portable Long Service Leave entitlements. It is these workers who truly deserve the respect and recognition of long service as they are the people caring for our communities most vulnerable in often very difficult working conditions. It is only fair that their commitment is recognised as it is for workers in other industries.

### **Features of a successful portable long service leave scheme.**

27. The ASU supports the approach that the Victorian and ACT governments are currently considering for the establishment of a Portable Long Service Leave scheme. The ASU has been a long standing advocate for a scheme that is compulsory, legislated, self funding and with contributions held in a centralised pool. These are the basic requirements of a successful scheme and have been proposed in the Victorian model and the ACT model currently before the ACT parliament
28. The essential features of a Portable Long Service Leave scheme that the ASU supports includes:

(a) Full compulsory statutory scheme:

This approach was favoured by the Victorian feasibility study as it maximised portability for workers and reduced operational costs by spreading the burden across a larger number of employers.<sup>3</sup>

(b) Central pool of funds:

Entitlements should be paid into a central independent pool which is administered by a government statutory authority or public company. The Victorian report suggests this might reduce costs for employers as the pooled entitlements put into the scheme will attract a higher rate of return than those set aside on each employer's books or in a separate bank account.<sup>4</sup>

(c) Broad based scheme:

The greater the number of participants in the scheme the more effective it is for providing options of portability and spreading the operational costs over a larger number of employees, reducing their individual contributions. A broad based scheme would include all non government, not-for-profit and for-profit employers delivering Social and Community Services .

29. The Victorian report also canvasses a number of schemes operating in the cleaning and building industry in Australia with varying sizes. The smallest is the ACT cleaning contract scheme which in 2005/2006 had 76 employers and 1,999 employees participating. The largest is the Victorian Building and Construction industry which in the same year had 15,326 employers and 148,985 workers participating.<sup>5</sup> This shows that the scheme is sustainable at any size. A broad based national Social and Community Sector scheme would be three to four times larger than the Victorian Building and Construction industry scheme.
30. The Victorian report estimates that the likely administration costs for a scheme of over 20,000 workers would be \$25 per worker. (This individual cost would reduce even further as numbers increased over 20,000 participants).

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<sup>3</sup> David Quinn- Watson, Bendzulla Actuarial *'Feasibility study into a Portable Long Service Leave Scheme for the Community Services Sector in Victoria'*, (29 September 2007) pp36-38.

<sup>4</sup> *Ibid* p37.

<sup>5</sup> *Ibid* p20.

31. **The ASU recommends the inclusion of portable long service leave as an essential strategy for tackling the workforce crisis. Such a scheme should be legislated, compulsory, broad based and with funds held and administered by an industry- based body independent of employers.**

## **Response to funding model (Ch 12)**

32. The ASU commends the draft report for its very accurate reflections of the current problems created by competitive tendering or the 'purchase- provider' funding model. The wide spread dissatisfaction documented by the submissions of not-for-profits is echoed by our members who feel undervalued and are underpaid as a direct result of the current funding arrangements. We agree the system needs to be fixed, however many of the solutions outlined are a backward step and will exacerbate the problems identified.
33. The ASU believes that competitive tendering is irredeemable and merely limiting its application will not solve the problems identified in the report. Even more concerning is the slated introduction of an Individualised funding model in some markets which we believe will exacerbate the problems facing the sector, creating downward pressures on wages and conditions, and service quality.
34. As part of our '*A National Plan to address the workforce crisis in the Social, Community and Disability Services Industry 2009*' which was included in our first submission, the ASU envisaged a funding model based on the accreditation of organisations. Accreditation secures quality and accountability for consumers and ensures downward competitive pressures do not undermine the wages and conditions of SACS workers. An accreditation process provides an important safeguard for workers and quality assurance for the government and community when determining where to allocated funding.
35. The Commission indicates that it did not look at funding arrangements for schools, hospitals or universities during its study. This is a shame as the ASU views that other funding models such as the 'basket of goods' approach used in funding independent schools would be useful assessing applicability to NGOs in community services delivery.

## ***Accreditation***

36. The ASU renews it calls for a national system of accreditation and staff certification via an independent body with industry representatives. Experience tells us that industry led regulation improves quality and reduces regulatory burden giving more time for organisations to focus on their clients. It is an essential part of any strategy to tackle the workforce crisis in the sector.
37. We recommend establishing a tripartite board with responsibility for:
- Standards and mechanisms for the accreditation of service.
  - Codes of conduct for employers and employees.
  - Standards and mechanisms for the certification of staff. The establishment of standards for certification of staff shall be via formal certification of the courses of study that provide access to the profession.
38. Accreditation of staff and services forms the foundation of any successful funding model. Accreditation can replace the burdensome tendering process as government has ongoing access to an independent source verifying an organisation's capacity to perform a service. It allows government and consumers to compare like organisations and assess appropriate funding distribution on the basis of the actual cost to deliver a *quality* service, rather than the current model which requires assessment on the basis of cost delivering a bare essentials service.
39. The UK introduced an accreditation scheme for social services in 2000. The Care Quality Commission registers all health and social care providers and assesses them against a number of legislated quality standards. They also have responsibility for monitoring, inspection and enforcement of those quality standards. Another body, the General Social Care board registers all social workers and students.
40. The legislated quality standards that the Commission assesses are; environment, quality of management, lifestyle, staffing and more. Of particular interest to the ASU are the standards for staffing.

41. Some of the standards required for staffing in Care homes for adults in the UK scheme are as follows:

- Staff need to develop a relationship with the clients.
- There should be sufficient numbers and skill levels.
- Records should show low rates of turnover and sick leave and low use of agency staff.
- The home should have a training and development plan, dedicated training budget and designated person with responsibility for training and development programme.

The full list is in **Attachment A**

42. The results of the Commission's determinations for each centre are accessible to the public. The Care Quality Commission website allows consumers to view the quality rating for each registered service provider. This allows consumers to make an informed choice based on real information for which service provider they or their dependent will use. A screen shot of the search function and its results is on the following pages and shows the breadth of information available to consumers:

#### 43. Search:



### Search the directory of care homes and care services

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Find independent reports and quality ratings on **all** your local care homes, home care and other registered services, plus address and contact details, to help you make the right choice.

- Read more about the directory.
- Find out more about quality ratings

Please choose from the following options and click 'Search'

#### 1 Type of service

About types of services

- Domiciliary care (home care)
- Nurses agencies (private nursing for hospital or home care)
- Adult placement schemes
- Care homes

Choose the main type of care that you need:

- Old age only
- Dementia (EMI)
- Physical disability
- Sensory impairment
- Learning disability
- With Nursing
- Mental health
- Alcohol dependency
- Drug dependency
- No medical intervention (e.g. religious reasons)

#### 2 Quality rating (optional)

About quality ratings

- 3 stars - excellent
- 2 stars - good
- 1 star - adequate
- 0 star - poor
- Not yet rated
- Suspended rating

Quality ratings tell you what quality of care a service provides. They do not relate to price.

#### 3 Location of services

- Region

North East

- Local authority area
- Postcode (in full)

#### 4 More search options (optional)

- Name of establishment (if known)
- Provider type
- Capacity (only for care homes)

Search

44. **Results:**



## Search Results

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You searched for:

Service Type: **Care homes**

Care Type: **Physical disability**

Region: **North East**

Search again | Sort by: Name: A-Z

Showing **1 - 10** of **237** « Previous **1** 2 3 Next page

★★★ Excellent

### **1 & 2 Dalby View**

1 & 2 Dalby View, Coulby Newham, Middlesbrough, TS8 0TW

Tel: 01642596664 - total capacity **8** places

Care home only ( physical disability )

Provider type: Voluntary/Charity

Not Yet Rated

### **1 Lanark Close**

Elm Tree Farm, Stockton-on-Tees, TS19 0UY

Tel: 01642 527841 - total capacity **16** places

Care home only ( learning disability + physical disability )

Provider type: Local Authority

★★ Good

### **14 Coronation Road**

14 Coronation Road, Sunnyside, Gateshead, Tyne and Wear, NE16 5NR

Tel: 01914886521 - total capacity **2** places

The UK provides a good framework but is limited to health and social services. The ASU believes there is need for accreditation of the wider social and community services sector not just those related to health services.

45. **The ASU recommends that the government establishes an industry-based and independent tripartite accreditation board with responsibilities including enforcement of minimum standards and rating of service performance above the minimum standard according to a series of industry informed legislated standards.**

### **Accreditation and the draft regulatory regime**

46. The regulatory regime outlined in the draft report is focussed on harmonising fundraising arrangements and taxation status and is not concerned with service quality. It would not be appropriate for accreditation to sit under the same regulatory structure, if accreditation is to be relevant and successful it needs to be industry led.

### **Accreditation and government funding**

47. Accreditation should form the basis of any funding model. This is particularly important within a market based model of funding, as accreditation can ensure minimum standards of quality are met (that are undermined if left entirely to market forces) and gives consumers information so they can make informed choices based on quality.
48. In order to receive government funding a service should have undergone a quality evaluation and be accredited. This guarantees they have the ability to provide a service to the standards the community expects. It also reduces the adverse effects of competitive tendering where services under bid to secure contracts. Under an accreditation system services will need to tender on the basis of how much it costs to produce a quality service, otherwise they risk losing accreditation and a reputable rating.

Draft Recommendation 11.2

For new or significantly changed services or activities, Australian governments should undertake an independent costing exercise to determine their full cost. This costing should take all relevant costs into account in assessing the minimum cost for effective provision of the specified quality of service or activity. This would not preclude the scope for government to set the fixed fee for service or user contribution.

49. The ASU supports the draft recommendation 11.2 on independent costing and agrees that this would go some way to stopping this practice of underbidding. It would also ensure that governments provide funding to the full cost of service provision, not partial cost as is currently the open practice in some programs. However we note that the recommendation of costing is limited to new services, when it should be for all services submitting tenders. However even independent costing cannot assess all the relevant factors that government should consider when allocating funding. The accreditation approach as recommended by the ASU takes in factors other than cost. It evaluates factors such as staff retention and the corresponding benefits to quality of care as clients are supported by familiar faces that are aware of their particular traits and needs. Those quality indicators cannot be fully reflected in an independent costing, those are the factors which affect consumer welfare and satisfaction and they should be a key factor in what matters to government.
50. **The ASU recommends that government funding should be only available to accredited services.**

### ***Proposed funding models***

51. The ASU has a number of observations about the proposed funding models and Draft Recommendation 12.1 and we address our concerns about competitive tendering, the 'individualised funding' model and the short term nature of contracts.

Draft Recommendation 12.1

*Australian governments should ensure that they choose the model of engagement with not-for-profits that best suits the characteristics and circumstances of the service being delivered. In choosing between alternative models of engagement, governments should consider: the nature of the outcomes sought, the characteristics of clients, and the nature of the market. In particular:*

*- there should be no presumption that the purchaser-provider model will always be the most appropriate model where governments are seeking the delivery of a clearly defined outcome and markets are genuinely contestable the purchaser-provider model should remain the preferred approach*

*- where truly competitive markets develop and clients face real choice in the services available to them, governments should consider moving to client-directed service delivery models. This transition should be conditional upon there being appropriate safeguards in place to protect and empower vulnerable clients (or their carers) in exercising choice and ensure an acceptable minimum level of service quality and provision.*

## **The continuation of competitive tendering**

52. Just limiting the application of competitive tendering will not solve the problems that are endemic in the approach. While the problems may be tempered by lengthening contracts and addressing workforce issues in other ways, the root cause of these issues facing the sector is the funding model that pits organisation against organisation in a competition for which can provide the service for the lowest price for government. The model has no regard for how much a community values the service or its value to service users. It is not an approach that promotes co-operation, or adequate funding of services. We commented on this issue extensively in our original submission. Competitive tendering must end.

## **Client directed 'individualised funding' model**

53. The ASU holds serious concerns about the proposal that individualised funding should be introduced to administer government funding in some sections of the not-for-profit sector. This funding approach has been applied in the education and child care sectors and has resulted in a significant deterioration in service quality and workforce conditions. Safeguards cannot fully prevent the downward pressure that an individualised funding market creates on service quality, wages and conditions including increased use of casuals and independent contractors, or compensate for the information disadvantage that consumers have as compared to government. Individualised funding has the potential to increase choice to those people who have the means to supplement the voucher and less choice and worse service for those who cannot.

54. Ultimately consumer choice in these markets is a mirage. Market pressures drive a demand for the lowest common denominator meaning that quality service providers are driven out of the market resulting in a reduced diversity of choices for consumers. Individualised funding models result in the loss of diversity, social innovation, quality care and ultimately any real choice for consumers.
55. If consumer empowerment is the objective this can be better achieved through establishing an accreditation model that feeds the views of consumers into its service appraisals and provides information on quality standards to prospective consumers (similar to what is available on the UK registration websites). Consumer can then choose which service they use based on real information. Services with high usage rates, or waiting lists should then be prioritized for government funding. This will create market signals based on quality rather than lowest cost and give consumers a constructive voice in what services receive government funding.

**Example: The impact of 'individualised funding' on the childcare industry.**

56. One need only look at what the individualised funding system has done to childcare in Australia to see the devastating effects that such a system has had on the childcare workforce and on consumers.
57. The government introduced the individualised funding model, the 'Childcare Benefit', to the child care market in July 2000. This replaced a model of direct operational grants that were administered to private, public and not-for-profit childcare providers. This scheme led to the proliferation of for-profit childcare providers as operators attracted by profit rather than the public interest entered the market.
58. The model reduced government oversight and regulation of the industry as the government abandoned its regulatory responsibilities and put their faith in the individual consumer who through making a 'choice' would create market signals that would both regulate and distribute funds effectively for the sector.
59. Unsurprisingly consumers failed to live up to the standard of the perfect decision maker who can evaluate quality levels, educational value, staffing levels and expertise against cost, location and other relevant factors. Understandably they

made decisions on brand, location, cost or they made no decision at all and just secured a place wherever one became available because the market had failed so badly to ensure the adequate supply of places. The market signals sent to service providers were that quality could be sacrificed as long as cost was low and places available.

60. The most recent census of child care service found that 40% of child care workers had no formal qualifications.<sup>6</sup> The 2008 UNICEF report card on child care systems in OECD countries ranked our system third last (after Mexico). We achieved only two of the eight benchmarks, failing to achieve quality indicators such as appropriate staff – child ratios, appropriate funding levels as a proportion of GDP or child poverty levels.<sup>7</sup>
61. Another key indicator of quality is the wages paid to carers. ABC Learning which sprung up after the introduction of the individualized funding system pays low rates to its carers. The award prescribes the entry level rate for unqualified or untrained child care workers is \$497.60 per week. For context the 2009 national minimum wage is 543.78 per week. ABC Learning is just one example there are many more.
62. The individualised funding model in child care has had a devastating effect on the child care industry and resulted in the proliferation of low quality care services where staff are underpaid and often unqualified. Consumers have not been able to exercise choice because quality services were driven out of the market by the market pressure for low cost services. It is not a funding model that should be imported to any other service sector where quality is a desired outcome.

## **The short term nature of government service agreements and contracts**

Draft Recommendation 12.5

The length of service agreements and contracts should reflect the length of the period required to achieve agreed outcomes rather than having arbitrary or standard contracts periods.

Extended life service agreements or contracts should set out clearly established:

- Processes for periodically reviewing progress toward achieving a programs objectives.

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<sup>6</sup> Department of Family and Community Services '2006 Census of Child Care services' Commonwealth of Australia

<sup>7</sup> UNICEF Innocenti Research Centre 'The child care transition, A league table of early childhood education and care in economically advanced countries', (2009) The United Nations Childrens Fund

- Conditions under which a service might be opened up to new service providers or a provider's involvement is scaled back or terminated.

63. The ASU strongly supports longer contract periods. As the report acknowledges the current situation of short term contracts creates instability and insecurity in funding and creates a myriad of workforce issues. Organisations have little incentive to invest in training and skill development or create career paths and opportunities for their staff as they may not have a contract within three years. Short term contracts ensure organisations have a short term vision to the detriment of the workers who are committed to the sector for the long term.
64. **The ASU supports periods of accreditation (and associated contract periods) of 5 years.**

### **Considering the wider benefits service providers offer**

Draft Recommendation 12.3:

Australian governments should ensure that whatever model of engagement is used to underpin the delivery of services it is consistent with the overarching principle of obtaining best value for money for the community. In determining value for money governments should explicitly recognize any spillover (or wider) benefits that providers may be able to generate. An evidence based approach should be used to assess the nature, extent and relevance of these types of benefits on a case- by-case basis.

65. The ASU supports the consideration of the wider benefits a service offers. This is a better approach than the current measure of lowest cost regardless of quality.
66. As part of this process the cost of removing funding should also be considered. When funding is allocated to new services in many cases another organisation loses its funding. This means service users need to establish relationships with new organisations and staff. It also means workers lose their jobs.
67. Many of these staff are employed by the new provider, however this sometimes takes place at a lower salary rate (if the competitor won at a lower price) and in all cases means staff lose their continuity of service and entitlements. This was the

experience of many ASU members who work in the Job Services Australia system where tenders were allocated to new organisations.<sup>8</sup>

68. The government must consider the cost as well as the benefits of changing a tender provider, many unnecessary redundancies are paid all for the sake of what in some cases amounts to a mere change in management as skilled workers are re-employed by the new provider.

### **Funding levels**

69. Changing the way the sector is funded does not address the central cause of the problems facing the sector, the level of funding. This is the critical cause of the workforce problems that are crippling the sector, not enough money is provided to organisations to run the service they are expected to provide. The recommendations that would require the government to be explicit about whether it is partially or fully funding the service are positive but no matter whether it is labeled full or partial funding, experience tells us, it has never been enough to fairly remunerate the workforce or provide adequate service levels demanded by communities. This issue is outside the terms of reference of the draft report, but needs to be kept in the forefront of our minds throughout the debate on the future of the not-for-profit sector. Better strategies on to whom and how funds are distributed are important, but only address part of the picture. If the sector is going to both meet unmet need and keep the current workers who feel undervalued and underpaid, as well as recruit and train new workers to cope with the anticipated increase in demand serious funding increases are unavoidable.

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<sup>8</sup> ASU submission, 18<sup>th</sup> June 2009 (original submission to this review).

## Bibliography

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UNSW Social Policy Research Centre '*Labour dynamics and the non- government community services workforce*' (May 2009)

## **Attachment A**

Staffing excerpt from Department of Health, UK *'Care homes for Adults 18 – 65, National Minimum Standards Care Homes Regulations February 2003, (2003)*

# 7

## Staffing

### INTRODUCTION TO STANDARDS 31 TO 36

Section 7 sets out standards for the provision and maintenance of a staff team with the qualities, qualifications, training and support required to meet the stated purpose of the home and the assessed needs of the people who live in it.

Probably the most important factor for younger adults living in care homes is the staff who work there. Service users who participated in the consultation workshops stressed the importance of staff who are accessible and approachable good listeners and communicators reliable and honest interested and motivated and competent to carry out the tasks required of them. Continuity and stability of staff support were a concern for many service users.

Many service users expressed frustration and anger about staff who do not listen to them or understand their needs regarding, for example, their disability, culture, communication problems or specialist programme. Service users stressed the importance of receiving support from staff who know, for example, their likes and dislikes, their preferred communication method or moving and transferring techniques, and how to use their disability equipment. Service users have a right to be supported by staff who respect them and their possessions, and their lifestyle choices and preferences, as detailed in the Service User Plan.

For care home managers, a quality workforce requires attention to issues of recruitment, training and development, skill mix and numbers, and supervision and support. The NMS require managers to ensure that staff understand the purpose of the home and the key values that underpin the standards. These standards require that staff have clear job descriptions linked to meeting service users assessed needs and individual goals. Emphasis will be placed on developing staff training to meet Sector Skills Council workforce targets, and on supporting staff to gain qualifications meeting TOPSS specifications. These standards do not set detailed specifications for staffing levels and skill mixes. However the home should be able clearly to demonstrate that staff members individually, and the staff team as a whole, can meet service users individual assessed needs and fulfil the stated purpose of the home. The Department of Health will be issuing guidance regarding registered nursing and care staff.

See also:

Residential Forum (1988), Training for Social Care

G Bailey (2000), Managers as Trainers

Leonard Cheshire and SCA (2000), Social Care Practice Handbook.

## Roles

### OUTCOME

Service users benefit from clarity of staff roles and responsibilities.

### STANDARD 31

- 31.1 The registered manager ensures that staff have clearly defined job descriptions and understand their own and others roles and responsibilities.
- 31.2 Staff know and support the main aims and values of the home, understand and implement the homes policies and procedures, and know how their work, and that of other staff (including key workers), promotes the main aims of the home.
- 31.3 Staff job descriptions are linked to achieving service users individual goals as set out in the Service User Plan.
- 31.4 Staff get to know and develop a relationship with the service users they support, and are able to meet individual needs with particular attention to gender, age, cultural background and personal interests.
- 31.5 Staff are familiar with and comply with standards of conduct and practice set by the General Social Care Council (GSCC) nursing staff and all allied health professionals comply with the standards of conduct and practice established by their regulatory bodies.
- 31.6 Staff are aware of their own knowledge and skill limitations and know when it is appropriate to involve someone else with more specific expertise.
- 31.7 The contribution of volunteers supplements and does not replace paid staff roles volunteers do not undertake tasks which are the responsibility of paid staff.

## Qualities and Qualifications

### OUTCOME

Service users are supported by competent and qualified staff.

### STANDARD 32

- 32.1 Staff have the competencies and qualities required to meet service users needs and achieve Sector Skills Council workforce strategy targets within the required timescales.
- 32.2 Staff respect service users and have attitudes and characteristics that are important to them. They are:
  - i. accessible to, approachable by, and comfortable with service users
  - ii. good listeners and communicators
  - iii. reliable and honest and
  - iv. interested, motivated and committed.
- 32.3 Staff have the skills and experience necessary for the tasks they are expected to do, including:
  - i. knowledge of the disabilities and specific conditions of service users
  - ii. specialist skills to meet service users individual needs, including skills in communication and in dealing with anticipated behaviours
  - iii. understanding of physical and verbal aggression and self-harm as a way of communicating needs, preferences and frustrations
  - iv. understanding of the cultural and religious heritage of each service user
  - v. techniques for rehabilitation including treatment and recovery programmes, the promotion of mobility, continence and self care, and outreach programmes to re-establish community living
  - vi. appreciation of, and ability to balance, the particular and fluctuating needs of individuals and the needs of all service users and
  - vii. professional relationships with e.g. GPs, social workers, nurses, psychiatrists, therapists and staff working in other care homes and community and specialist agencies.
- 32.4 Trainees (including all staff under 18) are registered on a Sector Skills Council standard training programme, work only under the direct supervision of qualified staff and do not undertake intimate personal care tasks.
- 32.5 Care staff hold a care NVQ 2 or 3 (or a nursing qualification if providing nursing care) are working to obtain one by an agreed date or the registered manager can demonstrate that through past work experience staff meet that standard.
- 32.6 50 of care staff (including agency staff) in the home achieve a care NVQ 2 by 2005 .

## Staff Team

### OUTCOME

Service users are supported by an effective staff team.

### STANDARD 33

- 33.1 The home has an effective staff team, with sufficient numbers and complementary skills to support service users assessed needs at all times.
- 33.2 The numbers and skill mix of staff on duty (including domestic staff), day or night, ensure the following activities are carried out effectively and efficiently to meet the individual and collective needs of service users:
  - i. uninterrupted work with individuals
  - ii. administration, organisation and communication
  - iii. day to day running of the home and
  - iv. management of emergencies.
- 33.3 The ratios of care staff to service users must be determined according to the assessed needs of residents, and a system operated for calculating staff numbers required, in accordance with guidance recommended by the Department of Health.
- 33.4 Records show low rates of turnover and sick leave, and low use of agency bank staff where used, there is a core team of agency bank staff who know the service users and understand the home's way of working.
- 33.5 Where indicated, specialist services are secured from relevant professions to support the assessed needs of service users (including physio- and occupational therapists in homes providing intermediate care rehabilitation and trained nurses in homes providing nursing care).
- 33.6 The staff team reflects the cultural gender composition of service users.
- 33.7 Trainees (including all staff under 18) make up less than 20% of the total care hours and there is no more than one trainee on duty at any time.
- 33.8 Regular staff meetings take place (minimum six per year) and are recorded and actioned.
- 33.9 There are staff on duty at all times who can communicate with service users in their first language including sign and have skills in other communication methods relevant to service users needs (eg block alphabet, braille, finger spelling, Makaton, total communication, manual deafblind language, moon, personal symbols).
- 33.10 Staff providing intimate personal care for service users are at least age 18 staff left in charge of the home are at least age 21.
- 33.11 Staffing levels are regularly reviewed to reflect service users changing needs.

## Recruitment

### OUTCOME

Service users are supported and protected by the home's recruitment policy and practices.

### STANDARD 34

- 34.1 The registered person operates a thorough recruitment procedure based on equal opportunities and ensuring the protection of service users.
- 34.2 Two written references are obtained before making an appointment and any gaps in the employment record explored.
- 34.3 New staff are confirmed in post only following completion of a satisfactory police check, satisfactory check of the Protection of Children and Vulnerable Adults and UKCC registers.
- 34.4 Service users are actively supported to be involved in staff selection, and are supported through the processes of joining and departure of staff.
- 34.5 Staff are employed in accordance with, and are given copies of, the codes of conduct and practice set by the GSCC.
- 34.6 All staff receive statements of terms and conditions.
- 34.7 All staff appointments are subject to a minimum three-month probationary period and service users are involved in their review.
- 34.8 The recruitment and selection of volunteers is thorough and includes police and POVA POCA checks.

## Training and Development

### OUTCOME

Service users' individual and joint needs are met by appropriately trained staff.

### STANDARD 35

- 35.1 The registered person ensures that there is a staff training and development programme which meets Sector Skills Council workforce training targets and ensures staff fulfil the aims of the home and meet the changing needs of service users.
- 35.2 The home has a training and development plan, dedicated training budget, and designated person with responsibility for the training and development programme.

- 35.3 All staff receive structured induction training (within six weeks of appointment) and foundation training (within six months of appointment) to Sector Skills Council specification (including training on the principles of care, safe working practices, the organisation and worker role, the experiences and particular needs of the service user group, and the influences and particular requirements of the service setting).
- 35.4 All staff receive equal opportunities training, including disability equality training provided by disabled trainers and race equality and anti-racism training.
- 35.5 Each staff member has an individual training and development assessment and profile by 2004, and at least five paid training and development days (pro rata) per year.
- 35.6 A training needs assessment is carried out for the staff team as a whole, and an impact assessment of all staff development is undertaken to identify the benefits for service users and to inform future planning.
- 35.7 Training and development are linked to the homes service aims and to service users needs and individual Plans and service users are involved in determining staff training needs and plans.
- 35.8 Staff working in learning disability services use Learning Disability Award Framework-accredited training to provide underpinning knowledge for progress towards achieving R NVQs.

## Supervision and Support

### OUTCOME

Service users benefit from well supported and supervised staff.

### STANDARD 36

- 36.1 Staff receive the support and supervision they need to carry out their obs.
- 36.2 There are established arrangements for managers to brief staff, and for managers to receive direct feedback from staff.
- 36.3 Staff who supervise colleagues are trained, and are supported supervised by senior staff.
- 36.4 Staff have regular, recorded supervision meetings at least six times a year with their senior manager in addition to regular contact on day to day practice (fortnightly where there is no regular contact pro-rata for part-time staff), covering:
- i. translation of the homes philosophy and aims into work with individuals
  - ii. monitoring of work with individual service users
  - iii. support and professional guidance and
  - iv. identification of training and development needs.

- 36.5 Staff have access to specialist supervision as indicated by service users assessed needs.
- 36.6 Staff have an annual appraisal with their line manager to review performance against job description and agree career development plans.
- 36.7 Staff have copies of the homes written grievance and disciplinary procedures.
- 36.8 Procedures are in place for dealing with physical aggression towards staff (see also Standard 23 – Protection ).