



# Report on the projected future workforce needs of the ACT Community Services Industry

Workforce Data and Community Needs Assessment – Attachment C

April 2019

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Prepared by Insight Consulting Australia

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# CONTENTS

BACKGROUND .....	3
APPROACH.....	6
OVERVIEW .....	7
KEY REPORT FINDINGS.....	8
FACTORS AFFECTING SERVICE DEMAND .....	9
<b>ANTICIPATED POPULATION CHANGES</b> .....	9
<b>ANTICIPATED AGE PROFILE</b> .....	9
<b>INCREASED NEED FOR ASSISTANCE WITH CORE ACTIVITIES</b> .....	10
<b>INCREASED NUMBER OF CARERS</b> .....	12
<b>INCREASED NEED FOR NDIS SERVICES</b> .....	12
<b>INCREASED DEMAND FOR AGED CARE HOME SUPPORT</b> .....	14
<b>INCREASED DEMAND FOR RESIDENTIAL AGED CARE</b> .....	16
<b>INCREASED NUMBER OF OLDER PEOPLE WHO DO NOT SPEAK ENGLISH WELL</b> .....	17
<b>EXPANSION OF ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION</b> .....	18
<b>EMPLOYMENT GROWTH ACROSS THE ECONOMY</b> .....	21
<b>VARIABLE UNEMPLOYMENT RATE AND NUMBER OF WELFARE PAYMENTS</b> .....	22
<b>CONTINUED RATES OF DISADVANTAGE</b> .....	24
<b>INCREASED AGE DEPENDENCY RATIO</b> .....	25
<b>INCREASED DEMAND FOR EARLY CHILDHOOD EDUCATION AND CARE</b> .....	25
<b>DECREASED VOCATIONAL EDUCATION AND TRAINING ATTAINMENT</b> .....	25
<b>INCREASED NUMBER OF UNIVERSITY STUDENTS</b> .....	26
BROADER TRENDS AFFECTING WORKFORCE SUPPLY .....	26
<b>REDUCTION OF LOW SKILLED JOB OPPORTUNITIES</b> .....	26
<b>INCREASED NUMBER OF PEOPLE WITH PRACTICAL CARING EXPERIENCE</b> .....	27
<b>UNKNOWN TRENDS IN VOLUNTEERING</b> .....	27
<b>LARGE NUMBER OF POTENTIAL YOUNG WORKERS AVAILABLE</b> .....	29
<b>HIGHER RATES OF YEAR 12 ATTAINMENT</b> .....	29
INDUSTRY & SUB-SECTOR SPECIFIC ISSUES AFFECTING WORKFORCE SUPPLY.....	30
<b>INDUSTRY GROWTH OVER TIME</b> .....	30
<b>DECREASING MEDIAN AGE OF INDUSTRY WORKERS</b> .....	30
<b>NO RETIREMENT BOOM EXPECTED</b> .....	31
<b>EMPLOYMENT TENURE</b> .....	33
<b>UNCERTAINTY REGARDING THE ADEQUACY OF VET GRADUATE NUMBERS TO MEET DEMAND</b> .....	34
<b>IMPEDIMENTS TO PROFESSIONAL DEVELOPMENT</b> .....	36
<b>RECRUITMENT, RETENTION, CHURN AND ATTRITION DATA</b> .....	37
<b>CAREER MAPPING / PROMOTION OF INDUSTRY AS INDUSTRY OF CHOICE</b> .....	37

## EXECUTIVE SUMMARY

Population projections for the ACT show that all age groups are expected to grow between 2019 and 2026.

The older age cohort 75-84 years of age will increase the most rapidly of all age groups, with those aged 85 years and older having the second highest growth rate. The surge in the proportion of older people is largely a reflection of the 'Baby Boomer' generation (those born from 1946 to 1964) moving through the life course, with increased life expectancy.

The correlation between age and disability means that the need for assistance with core activities will continue to grow exponentially to 2026, and even beyond to 2046. This will lead to a growth in demand for support services but also lead to an increase in unpaid carers, particularly among disadvantaged groups.

The growth in the number of older persons, and resultant increase in the need for assistance with core activities will likely lead to a workforce increase of:

- NDIS – 50 per cent between 2016 and 2026
- Transition Care – 38 per cent between 2018 and 2026
- Home Care Services – 37 per cent between 2018 and 2026
- Commonwealth Home Support Program – 36 per cent between 2018 and 2026
- Aged Care Residential – 31 per cent between 2019 and 2026.

An ageing population will also increase the intensity and complexity of care required.

Early childhood services, currently the largest sub-sector in the Industry will continue to grow as the number of children increases, at an expected rate of around 12 per cent between 2018 and 2026.

There will be a continued need for services to support the vulnerable in the community and promote community development. While there are renewed efforts underway to provide early intervention and support, particularly in the early years, there will also be a continued need for crisis support, and action to reduce or prevent complex problems throughout the life course.

A range of services, such as general community development programs, housing and homelessness services, family support, emergency relief, crisis assistance and youth services, do not receive demand-driven funding. There is a risk that they will remain at current resourcing and staffing levels despite any increases in the level or complexity of need.

There are a number of factors influencing the future supply of workers to the Industry. Across the ACT economy there will be a growing number of young people and young adults entering the workforce, increased Year 12 attainment rate (with corresponding increase in literacy and numeracy) and a higher proportion of persons undertaking university study. Due to the increased number of persons providing unpaid care there will be a larger number of people available with practical caring experience. There will also be a decrease in the availability of low skilled jobs in the broader ACT economy which will increase the attractiveness of those jobs within the Industry that do not require a high level of qualifications. These factors present an opportunity for the Industry to draw a larger number of both highly qualified and less qualified people to relevant positions in the workforce. The Industry will increasingly need to adopt a values-based recruitment strategy to ensure that new recruits have the necessary soft skills and compatible attitudes (e.g. empathy and care, commitment to social justice) to provide the highest level of care to clients.

Despite a common perception that there will be a large retirement surge, many 'Baby Boomer' workers have already left the workforce and there is no expected impact on workforce numbers. A significant amount of work in the sector is being completed by volunteers, and there are opportunities to draw these workers into the paid workforce, as well as drawing a more diverse set of workers, such as Aboriginal and Torres Strait Islander people.

There are a number of challenges to recruiting and retaining Industry workers including the absence of clear career pathways, low pay relative to other industries, insufficient professional development and support, and insecure employment tenure. It appears that rates of casual work in the Industry are equivalent to those in the wider economy. While there is no available data to track casual work trends across the Industry over time, there is a common perception that Industry tenure is becoming more precarious, and this has implications for continuity of care and support for clients.

There are serious impediments to the adequate supply of workers as less people are undertaking vocational education and training (VET), and predicted job growth within the Industry is focused on those roles that often require a VET qualification.

There are a number of data gaps that prevent more detailed workforce supply analysis. Industry wide data is required on current turnover rates, levels of under-employment, casualisation, the pinpointing of positions that are most difficult to recruit and retain, and retirement and exit intentions. These data gaps could be addressed through an Industry wide data snapshot.

## BACKGROUND

In 2016, the Joint Community Government Reference Group (JCGRG) released the ACT Community Services Industry Strategy 2016-2026. The Strategy acknowledges that community services have a strong foundation within the ACT, make a significant contribution to the ACT economy and have a central role in developing the well-being and healthy functioning of the community.

The Strategy notes that although community services in the ACT are well-established, they are undergoing a period of significant change, with new models of service delivery, new ways of doing business, and a stronger focus on achieving social and economic outcomes.

The Workforce Plan is the first of three 3-year plans the Joint Community Governance Reference Group has agreed should be developed to implement the Industry Strategy.

Insight Consulting Australia has been engaged to deliver the following initiatives from the Workforce Plan:

1. An ACT Community Needs Assessment
2. A report on the current characteristics of the ACT Community Services Industry workforce
3. A report that projects future workforce needs (*this report*)
4. A methodology or tool to support the sector to undertake regular snapshots of the workforce.

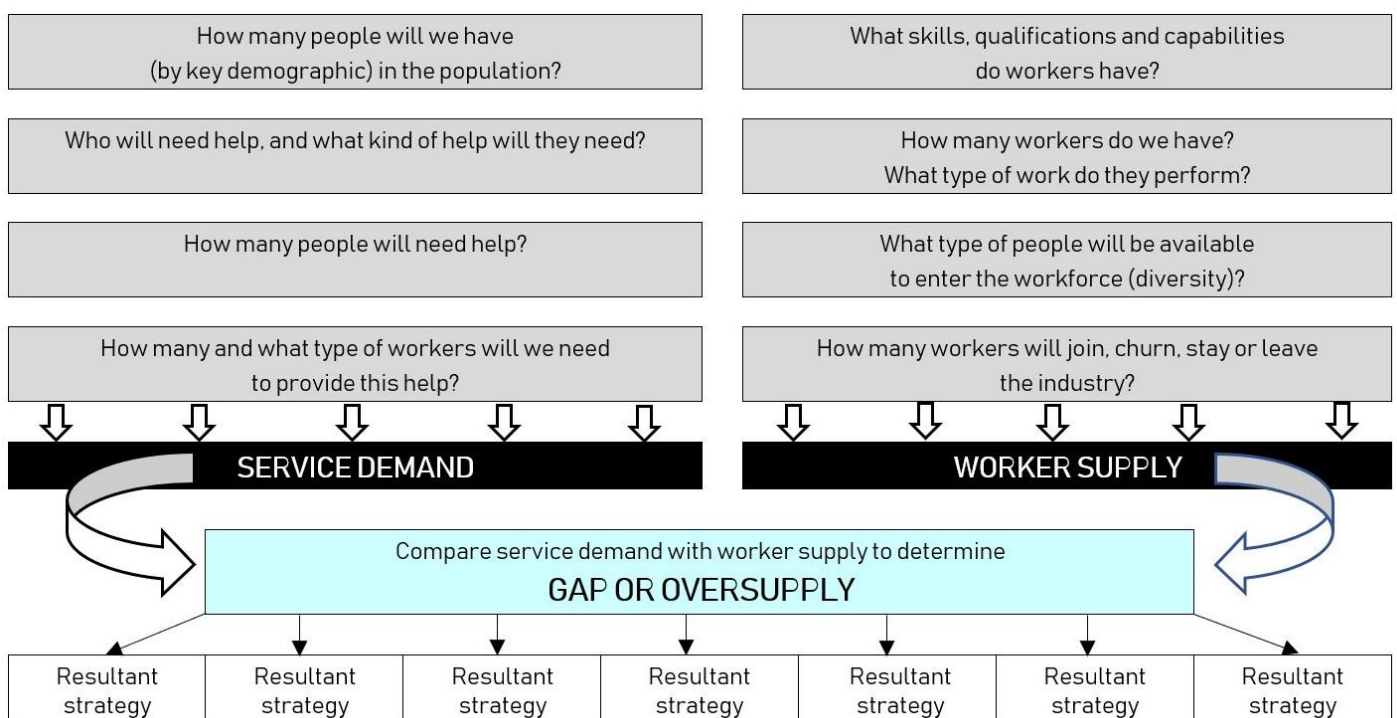
Insight has also been engaged to deliver a Career Mapping project.

## APPROACH

The objective of the four Workforce initiatives is to gather and analyse data, and produce reports to identify and describe the current ACT community services industry workforce, and project growth, diversity, skill and knowledge needs into the future to meet the needs of the ACT community.

The four initiative reports can be read as stand-alone reports, but they are complementary and it is useful to note the connections between them. For example, this report highlights a number of data gaps while the snapshot report provides a methodology for how this data could be collected in the future. Any potential strategies flagged in this and the other data reports are brought together in the overview report, along with the results of consultations and literature review.

The project team has conducted an extensive range of one on one interviews (See Appendix 1 for details), conducted a horizon scan of industry and sub-sector reports, and reviewed available data sources. The following diagrammatic shows the key lines of investigation that were followed.



## OVERVIEW

This report considers and articulates a number of trajectories about the anticipated ACT demographic future, based on past and current data trends. When considered alongside the information from the Community Needs Assessment, a picture of likely future **service demand** in the ACT emerges.

The underpinning foundation of the assumptions are the ACT official population projections (provided by the Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate). These projections state the anticipated population of a future year (2026) based on the current ACT population, with the addition of expected births, subtraction of expected deaths, and with consideration of expected net migration (interstate and overseas).

The scenarios are not a prediction, and any changes in the assumptions (such as a higher than expected birth rate or a lower than expected death rate) will alter the population structure of the ACT, and the resultant expected outcomes we have outlined. Population growth will be affected by a broad range of influences such as broader economic changes, government policy, changing societal values, and technological advances (including medical advances). It is impossible to predict these future changes with certainty or the degree to which they will change population growth.

What we can outline is a **likely future** if assumptions about demographic trends hold true.

This report also considers future **workforce supply** including skills, knowledge, expected shortages and gaps; and strategies to address these. Trajectories have been formed with reference to past and current data trends including demographic changes, ACT economic and employment growth, educational attainment, and industry trends such as median age. Attempts have been made to examine trends at a sub-sector level, using ANZSIC and ANZSCO classifications for this purpose.<sup>1</sup> For some variables, such as originating industries of new recruits, length of service or long-term career intentions, there is a dearth of information available. This makes it difficult to examine workforce supply in detail. Through the proposed Industry snapshot tool (see separate report), we propose a method for collecting this and other information to better inform future workforce planning.

In this report we have outlined the **likely challenges facing the Industry** and identify potential strategies that will secure a high quality workforce that is ready and available to meet the needs of the community.

An infographic of key report findings is presented on the next page.

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<sup>1</sup> The ANZSCO (Australian and New Zealand Standard Classification of Occupations) is used as a basis of analysis by government authorities such as the Australian Bureau of Statistics, and the Department of Jobs and Small Business. Labour market data is only available through the use of these definitions and the ANZSIC (Australia and New Zealand Industrial Classification). To avoid confusion with unpaid Carers we have used the term *Aged and Disabled Workers* to refer to the ANZSCO Code 4231 group of *Aged and Disabled Carers*. We have also used the term *Early Childhood Educators* to refer to the ANZSCO Code 2411 group of *Child Carers*. Please note this group are distinct from Early Childhood (Pre-primary School Teachers): ANZSCO Code 2411.

# FUTURE WORKFORCE: KEY FINDINGS

## FACTORS DECREASING SERVICE DEMAND

- Existing and renewed early intervention and prevention efforts



## SERVICE DEMAND

## FACTORS DECREASING WORKER SUPPLY

- Lower proportion of people undertaking vocational education and training (VET)
- Insecure employment tenure for workers
- Insufficient professional development opportunities and support
- Low pay rates relative to other industries
- Absence of clear career pathways



## WORKER SUPPLY



## FACTORS INCREASING SERVICE DEMAND

- Growing population - all age groups
- Higher number of children 0-12 years
- Higher proportion of older persons
- Higher rates of disability / complex needs
- Higher number of unpaid carers
- Higher number of older persons not able to speak English well or at all
- Continuing disadvantage
- Government policy changes increasing funding for disability and aged care service



## FACTORS INCREASING WORKER SUPPLY

- Increased Year 12 attainment rates (with corresponding increase in literacy & numeracy)
- Higher proportion of persons undertaking university study
- Increased proportion of people with practical caring experience
- Growing proportion of young people and young adults
- Decreasing median age of workers
- Decrease in availability of low skilled jobs in the broader ACT economy



## UNKNOWN FUTURE CHANGES AFFECTING DEMAND AND SUPPLY

- Volunteer levels
- Unemployment levels
- Changing societal values
- Impact of technology
- Risk that non-demand funded services will remain at current resource and staffing levels

## INDUSTRY (INCLUDING DISAGGREGATED SUB-SECTOR) DATA GAPS

- Turnover rates between positions and sub-sectors
  - Under-employment rates
  - Casualisation and contract work trends
- Knowledge of which positions are most difficult to recruit and retain
  - Retirement and exit intentions



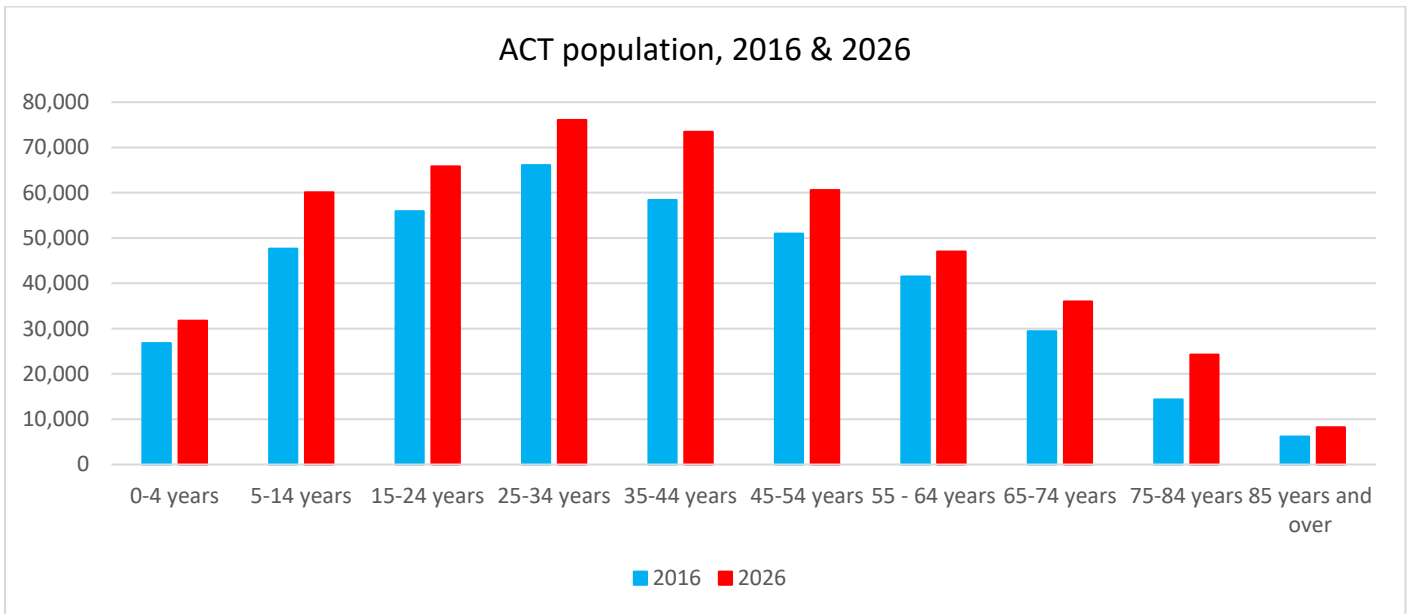
# FACTORS AFFECTING SERVICE DEMAND

## ANTICIPATED POPULATION CHANGES

The assumptions underpinning the latest ACT Population Projections<sup>2</sup> include an expected fertility rate of 1.75 births per female, life expectancy at birth of 81.1 years for males and 85.2 years for females (rising by 0.13 years per annum), interstate net migration based on a 10 year average, and overseas net migration based on the ACT's share of national migration as foreshadowed in the 2019-2019 Federal Budget papers. ACT Population Projections are updated every two years to reflect changes in these variables.

## ANTICIPATED AGE PROFILE

The most recent ACT Population Projections show that across the ACT the number of persons in each age group will increase by 2026, with young adults (25-34 years of age) continuing to make up the highest proportion of the population.



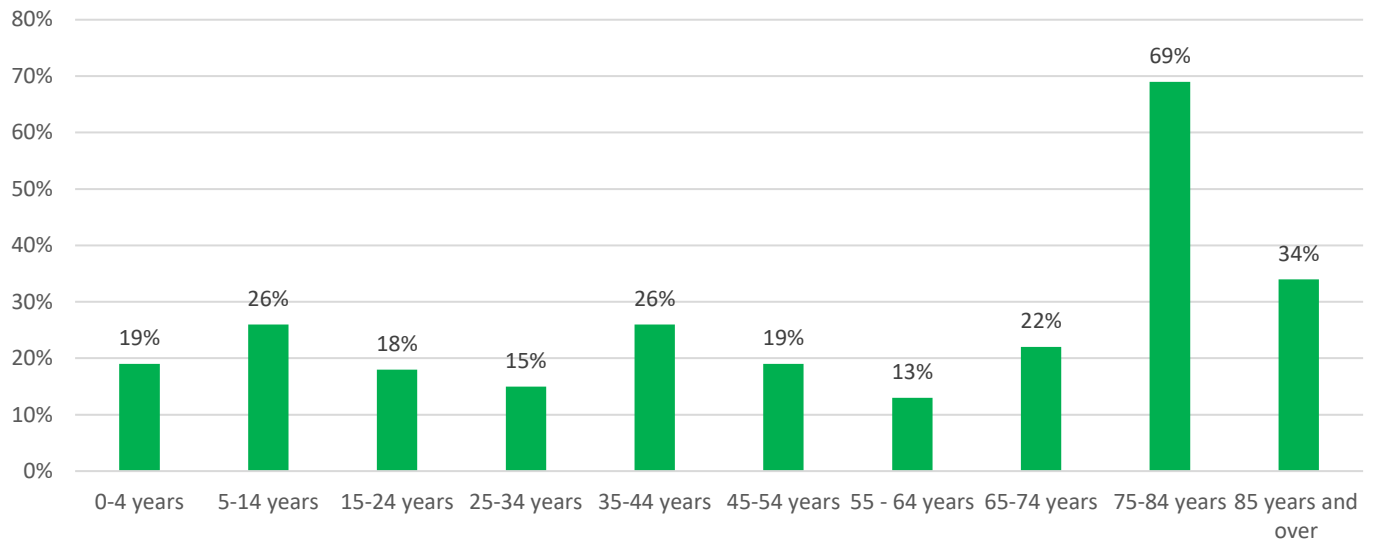
While the total number of people in each age group will increase, the number of persons aged 75-84 years will increase the most rapidly of all age groups, growing by 69 per cent between 2016 and 2026. The second highest growth rate (34 per cent) will be among those aged 85 years and older.

The ACT has a lower proportion of older persons aged 65 years than Australia as a whole (13 per cent of the ACT population in 2016 compared to 16 per cent nationally)<sup>3</sup>, however the ageing of the ACT population will still have important and far reaching impacts on the Territory.

<sup>2</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

<sup>3</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

Projected ten year population growth rate, by age group, ACT, 2016-2026

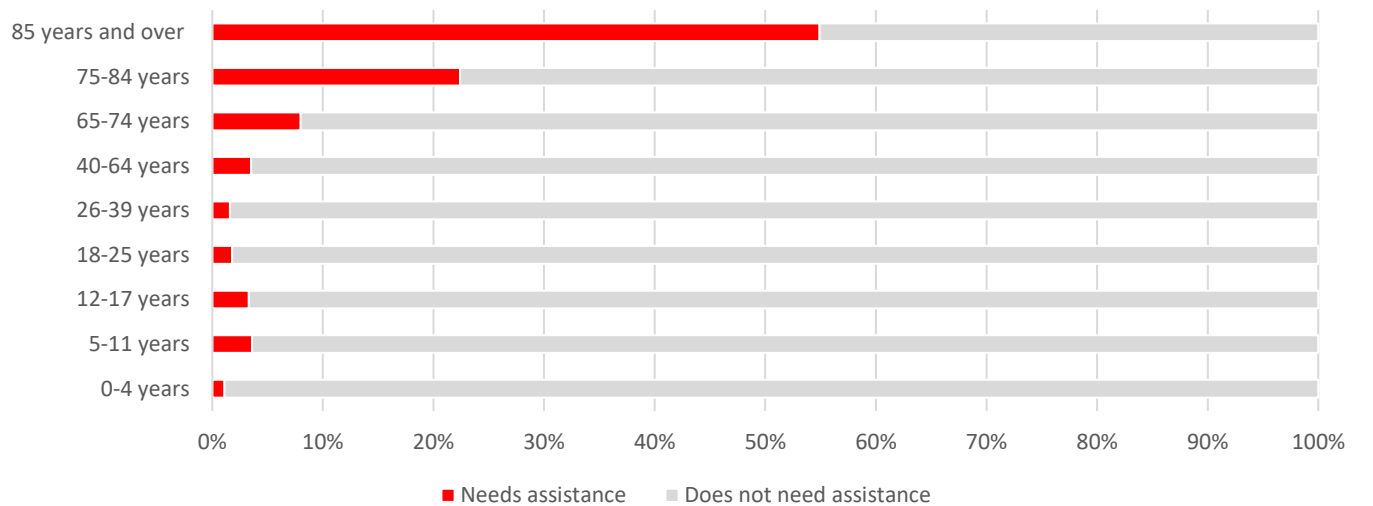


The surge in the proportion of older people (both at an ACT and national level) will largely reflect the movement of the “Baby Boomer” generation (those born from 1946 to 1964) through the life course.

### INCREASED NEED FOR ASSISTANCE WITH CORE ACTIVITIES

As the following graph<sup>4</sup> demonstrates, there is a high correlation between disability and age, and a strong increase in the proportion of the population who are older will lead to an increased number of persons who need assistance with their core activities.

Proportion of persons needing assistance with core activities, ACT, 2016

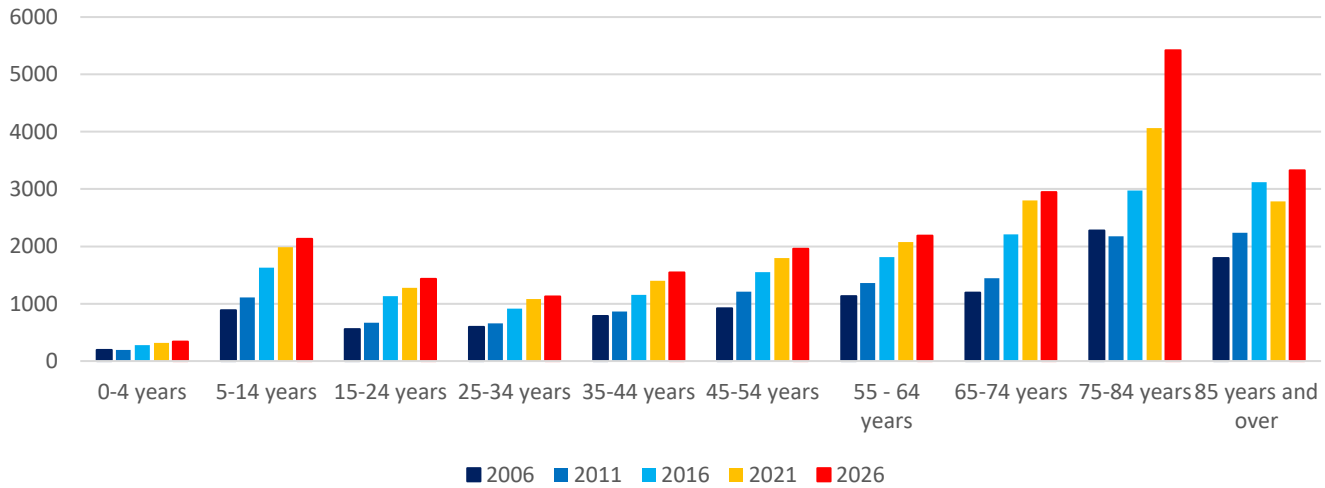


To calculate an anticipated number of persons who need assistance with core activities in 2026, the age specific results from the 2016 Census were applied to the anticipated number of persons in each age group in 2021 and 2026.<sup>5</sup> The number represents those that need assistance from others, which could be provided by family or friends, from a formal service or a combination of these.

<sup>4</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>5</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

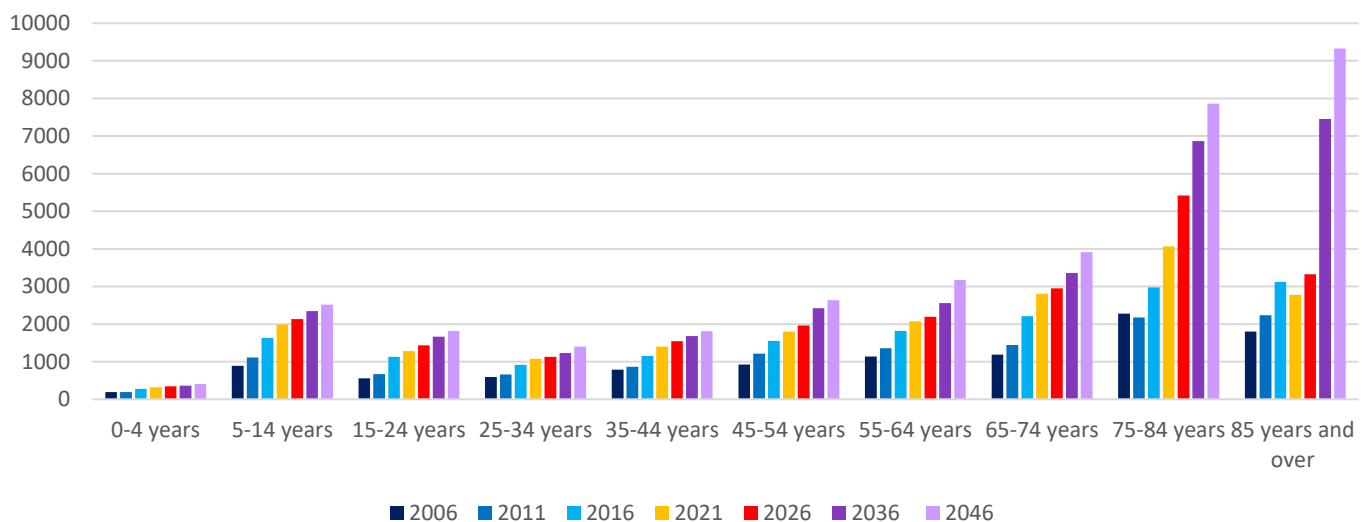
Number of people needing assistance with core activities, by age group, ACT, 2006, 2011, 2016, 2021, 2026



The chart shows that between 2016 and 2021 there will be an anticipated 15 per cent growth in the number of people who will require assistance with core activities, and an anticipated 30 per cent increase between 2016 and 2026.

This effect is not short term. The “Baby Boomer” generation will be between 62 to 80 years of age in 2026, 72-90 years of age in 2036 and 82-100 years of age in 2046. The chart below<sup>6</sup> shows the application of the age specific rates for need for assistance with core activities to the projected population of 2036 and 2046 (light purple and dark purple vertical chart bars). This shows that the need for assistance with core activities will continue to grow exponentially. The impact of the “Baby Boomer” bubble will be felt over the next three decades, with resulting increases in service demand such as aged care and disability care over the period.

Continuing increase of people needing assistance with core activities, ACT, 2006-2046



<sup>6</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

It is important to note that aside from the normal fluctuating factors influencing population projections (births, deaths, migration), medical advances could simultaneously increase and decrease the rates of some types of disability, for example: heart disease survival rates are improving which is leading to an improved rate of life expectancy and a resultant increase in the number of persons with dementia (as dementia is most closely correlated with advanced age). Technological advances such as real time health care monitoring, and artificial intelligence could also improve life expectancy and/or quality of life and reduce the need for assistance from others.

## INCREASED NUMBER OF CARERS

The proportion of the population who provide unpaid assistance to others due to disability, long term health care or old age has been increasing in recent years (from 10.6% of the population in 2006 to 11.3% in 2011, and 12.3% in 2016)<sup>7</sup>. A strong increase in the number of people who will require assistance with core activities will lead to a corresponding strong increase in the number of carers providing unpaid assistance. If the anticipated growth in the number of persons requiring assistance is 30 per cent between 2016 and 2026 (as stated earlier) then it would be reasonable to expect that the rate of persons providing unpaid assistance would increase by the same rate, this would mean an increase from 12.3 per cent of the ACT population<sup>8</sup> providing unpaid care to 16 per cent in 2026.

In the ACT in 2016, there were 2.2 carers providing unpaid assistance at least once per fortnight for every 1 person who needed assistance.<sup>9</sup>

Some population groups, such as Aboriginal and Torres Strait Islander people, have higher rates of disability (6.8% for ACT Aboriginal and Torres Strait Islander people compared to 4.4% non-Indigenous) and higher rates of caring (14.7% ACT Aboriginal and Torres Strait Islander people and 12.3% non-Indigenous).<sup>10</sup> In these groups, the increase in caring responsibilities will be felt even more highly. For example, if the anticipated 30 per cent increase in the need for assistance occurred in the Aboriginal and Torres Strait Islander community, this would result in an increase from 14.7% (2016 rate) to 19.1% (potential 2026 rate) of Aboriginal and Torres Strait Islander people providing unpaid care.

One area of impact of the increased rate of unpaid care will be labour force participation rates. Those that provide unpaid care are less likely to work full time (38 per cent of carers compared to 47 per cent of non-carers) and more likely to not be in the labour force (35 per cent of carers compared to 28 per cent for non-carers). Providing unpaid care may be a significant factor in the over-representation of Aboriginal and Torres Strait Islander people among those not in the labour force. In 2016, 22 per cent of Aboriginal and Torres Strait Islander young people aged 20-24 years who were not in the labour force provided unpaid care, compared to just 5 per cent of their non-Indigenous counterparts not in the labour force.<sup>11</sup> So, unexpectedly, an increase in the older population will have an impact on younger people's labour force participation rates, and their long term employment success. This will have higher impacts on the segment of the population from a low socio-economic background, as this group is more likely to experience disease, illness, disability and premature death.

## INCREASED NEED FOR NDIS SERVICES

The National Disability Insurance Scheme (NDIS) rolled out in the ACT on 1 July 2014. The Scheme provides support to eligible people with permanent and significant intellectual, physical, sensory, cognitive and psychosocial disability.

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<sup>7</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>8</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>9</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>10</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>11</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

The introduction of the NDIS tied government procurement processes to individual consumers rather than service providers. These reforms provide opportunities for consumers to exercise greater control in selecting their service provider and the type of service they receive.

In the ACT as at 31 December 2018, there were 7,077 NDIS participants with an approved plan, of which 4,263 received a plan for the first time. There are also an additional cohort of potential clients that have been offered an interim package but had not yet accepted the offer.<sup>12</sup>

Many stakeholders report that their capacity to plan for emerging needs and a future workforce are being undermined by the pace, nature and uncertainty of reform efforts. In some cases, this has directly affected organisations' viability and survival.

The most recent *State of the Disability Sector Report 2018* found that, nationally, 63% of responding organisations found it difficult to recruit disability support workers (up from 42% in 2017); and over 70% said that recruiting allied health workers (e.g. psychologists, physiotherapists, speech therapists, occupational therapists) was extremely or moderately difficult.

Low rates of pay and insecure employment arrangements (such as lack of guaranteed hours) make it more difficult for organisations to recruit and retain staff, particularly allied health professionals. Many organisations however are reporting an improved capacity to retain staff.

Utilising data from Workforce Wizard, the July 2018 *National Disability Services' Australian Disability Workforce Report* shows that nationally:

- Almost half (48%) of disability support workers are employed on a permanent basis, while 46 per cent were casual, the remainder were employed for a fixed term.
- The permanent component of the disability support workforce grew 3.8 per cent during the 2017/2018 financial year, while the casual component grew 26.8 per cent during the same time period.
- The turnover rate for the permanent disability support workforce was 5.2 per cent per quarter, while the rate for the casual workforce was 8.5 per cent.
- 79 per cent of permanent workers worked part time, as at March 2018. The average number of hours worked was 22 hours per week.
- One in five recruits had a disability related qualification (Certificate III and above)
- A lack of suitable or qualified candidates was a factor in 43 per cent of unfilled vacancies
- For allied health professionals, casual employment is uncommon.

In 2016, the National Disability Insurance Agency estimated that the ACT required an additional 1,000-1,500 workers to meet demand under the full implementation of the NDIS.

There is likely to be increased competition for Aged and Disabled Workers in the future, as both NDIS providers and Aged Care Residential services employ significant numbers of these workers and both sub-sectors will experience a high growth in the number of these positions over time.

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<sup>12</sup> Act Statistics as at 31 December 2018. <https://www.ndis.gov.au/understanding/ndis-rollout/australian-capital-territory>

## INCREASED DEMAND FOR AGED CARE HOME SUPPORT

### TRANSITION CARE

Transition Care provides support to older people who are recovering from a hospital stay. The program assists people to regain their independence and avoid premature permanent entry into aged care residential services. Support (such as physiotherapy, podiatry, access to a social worker, nursing support or personal care) can be provided at home or at a live-in setting such as a temporary aged care residential placement. Transition Care is provided on a short-term basis to allow sufficient time for older people and their carers to make longer term care arrangements.

The 2017/2018 ACT age specific usage rates for Transition Care services are shown below:<sup>13</sup>

Transition Care usage levels 1-4, Number per 1,000 persons, ACT	
65-69 years	0.9 per 1,000
70-74 years	2.3 per 1,000
75-79 years	6.3 per 1,000
80-84 years	9.1 per 1,000
85-89 years	13.1 per 1,000
90+ years	20.7 per 1,000

Based on these 2017/2018 ACT age specific usage rates, the number of Transition Care service users is expected to increase by 47 per cent from 2016 to 2026 (or 38 per cent between 2018-2026).

Anticipated number of Transition Care service users			
	2016	2018	2026
65-69 years	16	16	18
70-74 years	28	33	38
75-79 years	54	59	93
80-84 years	53	58	86
85-89 years	50	51	67
90+ years	49	49	65
<b>Total</b>	250	266	367

### COMMONWEALTH HOME SUPPORT PROGRAMME

The Commonwealth Home Support Programme aims to help older people to live as independently as possible, in their own homes. Lower-level support is provided such as personal care, nursing care, help with household tasks, social support, home modification, transport, food services and allied health support services.

The 2017/2018 ACT age specific usage rates for Commonwealth Home Support Programme are shown below:<sup>14</sup>

Commonwealth Home Support Programme usage levels 1-4, Number per 1,000 persons, ACT	
65-69 years	75.7 per 1,000
70-74 years	142.6 per 1,000
75-79 years	264.3 per 1,000
80-84 years	411.0 per 1,000

<sup>13</sup> Table 14A.2 Report on Government Services 2019. Aged Care Services. Productivity Commission

<sup>14</sup> Table 14A.2 Report on Government Services 2019. Aged Care Services. Productivity Commission

85-89 years	501.0 per 1,000
90+ years	483.5 per 1,000

Based on these 2017/2018 ACT age specific usage rates, the number of Commonwealth Home Support Programme service users is expected to increase by 46 per cent from 2016 to 2026 (or 36 per cent between 2018-2026).

<b>Anticipated number of Commonwealth Home Support Programme service users</b>			
	<b>2016</b>	<b>2018</b>	<b>2026</b>
65-69 years	1,309	1,316	1,476
70-74 years	1,735	2,035	2,352
75-79 years	2,252	2,455	3,910
80-84 years	2,399	2,608	3,901
85-89 years	1,905	1,952	2,561
90+ years	1,138	1,155	1,515
<b>Total</b>	<b>10,738</b>	<b>11,521</b>	<b>15,715</b>

## HOME CARE

Home Care services provide many similar types of support as the Commonwealth Home Support Programme, but to clients with more complex or intensive needs. There are four levels of home care packages for different levels of care needs.

The 2017/2018 ACT age specific usage rates<sup>15</sup> for Home Care services are shown below:<sup>16</sup>

<b>Home Care usage levels 1-4, Number per 1,000 persons, ACT</b>	
65-69 years	4.3 per 1,000
70-74 years	14.2 per 1,000
75-79 years	28.6 per 1,000
80-84 years	66.8 per 1,000
85-89 years	99.1 per 1,000
90+ years	154.4 per 1,000

Based on these 2017/2018 ACT age specific usage rates, the number of Home Care service users is expected to increase by 46 per cent from 2016 to 2026 (or 37 per cent between 2018-2026).

<b>Anticipated number of Home Care service users</b>			
	<b>2016</b>	<b>2018</b>	<b>2026</b>
65-69 years	74	75	84
70-74 years	173	203	234
75-79 years	244	266	423
80-84 years	390	424	634
85-89 years	377	386	507
90+ years	363	369	484
<b>Total</b>	<b>1,621</b>	<b>1,723</b>	<b>2,366</b>

<sup>15</sup> The ACT population projections provide figures for 85 years and older as a single group. Estimates of the proportion of persons aged 85-89 years and those 90 years and older have been made based on the proportion at the time of the 2016 Census

<sup>16</sup> Table 14A.2 Report on Government Services 2019. Aged Care Services. Productivity Commission

## INCREASED DEMAND FOR RESIDENTIAL AGED CARE

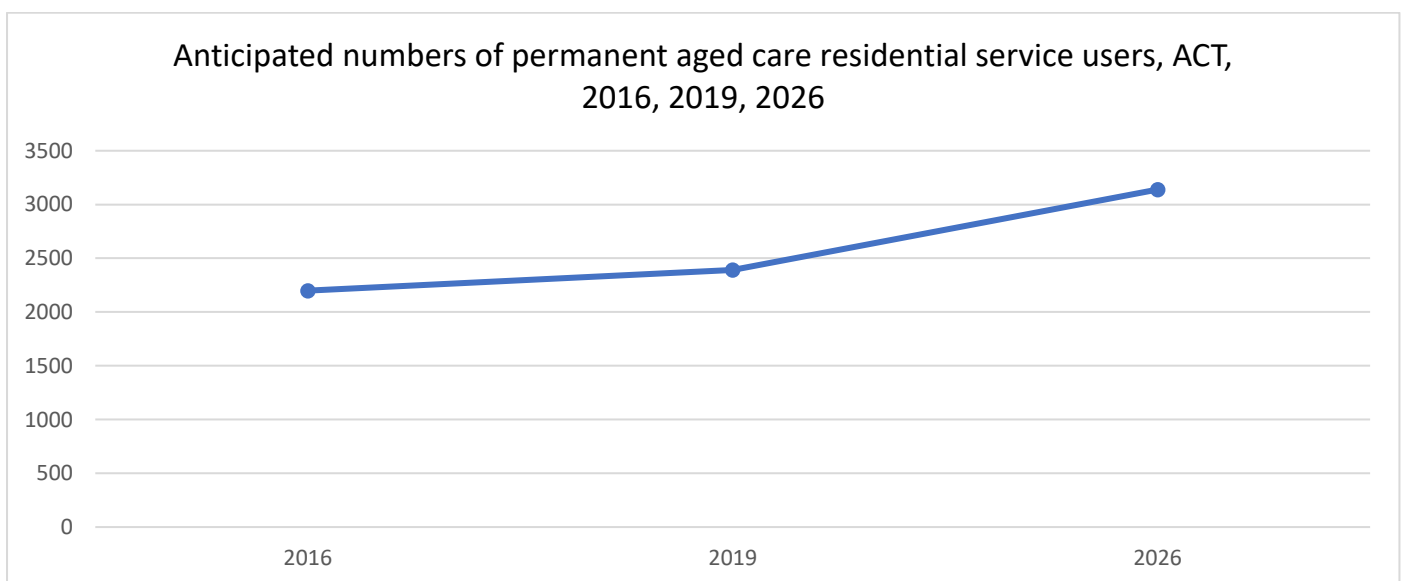
While the great majority of older persons who need assistance will receive home-based care and support, there will also be increases in the number of older people requiring residential care.

The 2018 ACT age specific usage rates for permanent aged care residential services are shown below:<sup>17</sup>

65 – 69 years	5.1 per 1,000 people
70 – 74 years	9.7 per 1,000 people
75 – 79 years	28.0 per 1,000 people
80 – 84 years	68.1 per 1,000 people
85+ years	220.6 per 1,000 people

Based on these 2018 ACT age specific usage rates, the number of permanent aged care residential service users is expected to increase by 43 per cent from 2016 to 2026 (or 31 per cent between 2019-2026).

Anticipated numbers of permanent aged care residential service users			
	2016	2019	2026
65 – 69 years	88	89	99
70 – 74 years	118	146	160
75 – 79 years	239	275	414
80 – 84 years	398	453	646
85+ years	1,357	1,427	1,819
<b>Total</b>	<b>2,199</b>	<b>2,390</b>	<b>3,139</b>



As a point of difference to previous generations, extensive home-based care and support is allowing older people to remain in their home for longer, and many older people are delaying their entry into residential care until they are much older and their needs have become greater and/or more complex, including increased rates of dementia. The increased complexity of care highlights the imperative of qualified and supported staff.<sup>18</sup>

<sup>17</sup> Table 13A.3. Report on Government Services 2018. Aged Care Services. Productivity Commission

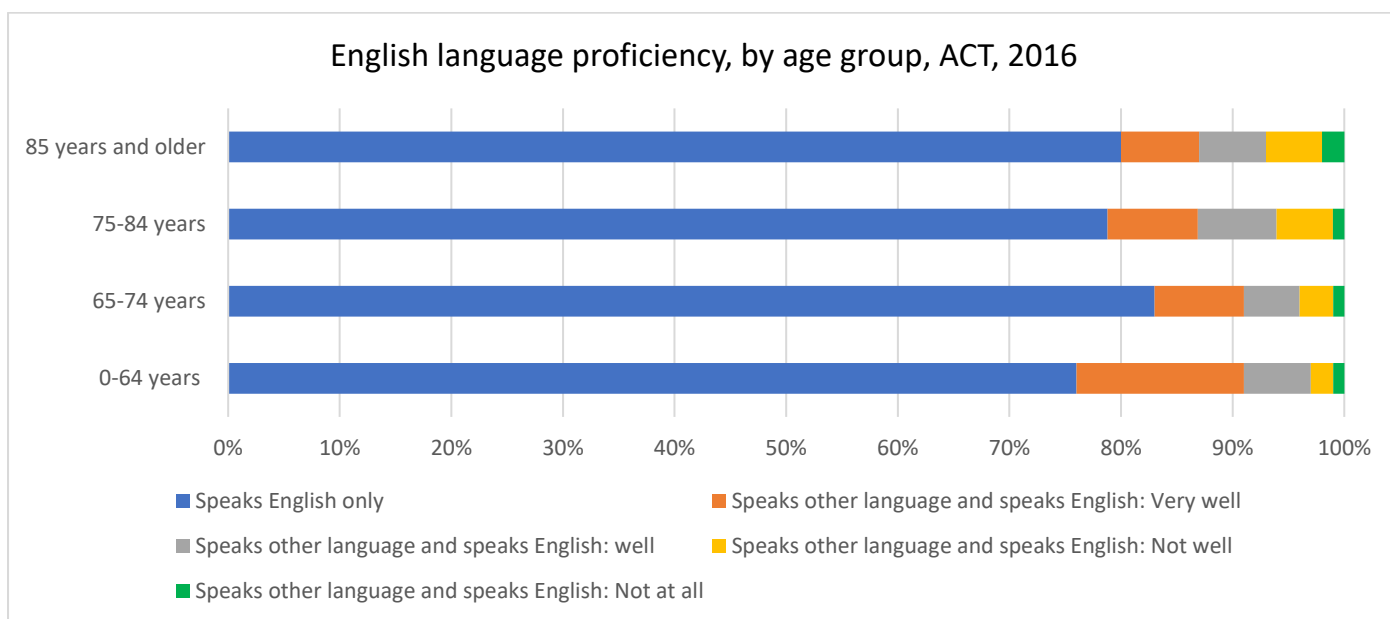
<sup>18</sup> Inquiry into the Quality of Care in Residential Aged Care Facilities in Australia Submission from Dementia Australia February 2018



The proportion of staff who are qualified nurses has been falling over recent years. In 2006, 20 per cent of persons in the Aged Care Residential sub-sector were qualified nurses (Registered Nurses, Enrolled Nurses, or Nurse Managers). By 2016, only 14 per cent of employees were qualified nurses.<sup>19</sup> During the same time period, Aged and Disabled Workers increased from 22 per cent to 30 per cent of all employees in the sub-sector.<sup>20</sup> Aged and Disabled Workers are increasingly taking on duties previously completed by qualified nursing staff, but without the necessary clinical knowledge or training.<sup>21</sup>

### INCREASED NUMBER OF OLDER PEOPLE WHO DO NOT SPEAK ENGLISH WELL

There is a correlation between advanced age and increased lack of English proficiency. In 2016, 3 per cent of the ACT population spoke another language at home and spoke English not well or not at all. This increased to 4 per cent for those aged 65-74, to 6 per cent for those aged 75-84 years, and 7 per cent for those aged 85 years and older.<sup>22</sup>



There will be an increased number of older people requiring assistance who lack English proficiency. This will place increased challenges on the coordination and supply of aged and disability care services.

Within the Community Services Industry as a whole in 2016, a total of 35 per cent of workers spoke a language other than English at home. The ability to speak another language was highest for workers from the Aged Care Residential sub-sector, followed by the Child Care sub-sector.<sup>23</sup>

<sup>19</sup> Findings based on use of TableBuilder data, Australian Bureau of Statistics

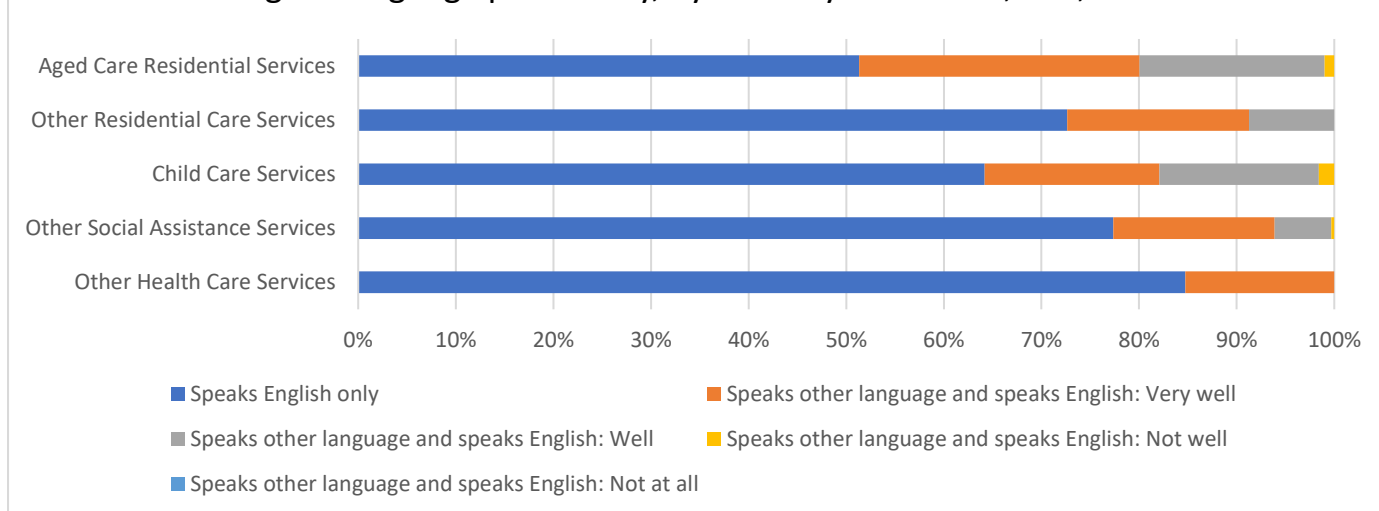
<sup>20</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>21</sup> Isherwood, L (et al), Adelaide University (2018) Attraction, Retention and utilisation of the Aged Care Workforce: Working paper prepared for the Aged Care Workforce Strategy Taskforce.

<sup>22</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>23</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

## English language proficiency, by Industry sub-sector, ACT, 2016



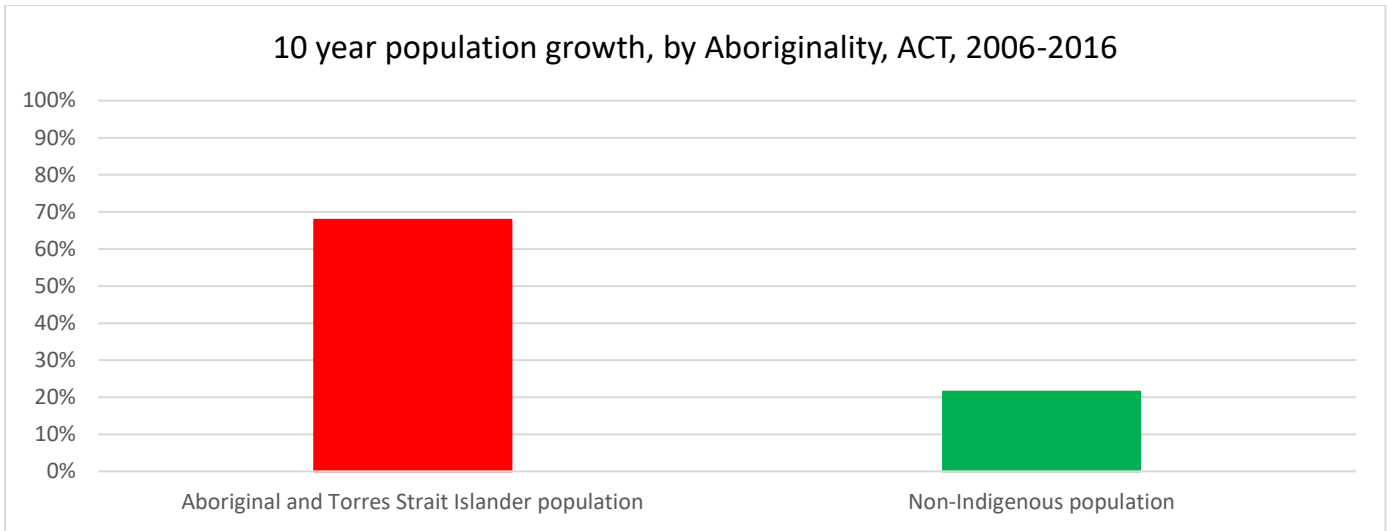
Although there is a high proportion of Industry staff who speak a language other than English at home, particularly among the Aged Care sub-sector, this does not mean that there will be a match between the language of clients and workers. In high care environments, it would be reasonable to expect that clients who do not speak English well or at all will, for most of the time, be cared for by staff who do not speak the same primary language. This will pose difficulties in areas such as accurately communicating needs, symptoms and medical procedures, and is likely to cause confusion, frustration and a sense of isolation for clients. It also means that carers and medical staff may not receive the information they need, to the extent that they need to allow them to provide the best possible care.

### EXPANSION OF ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION

The Aboriginal and Torres Strait Islander population is expanding at a faster rate than the non-Indigenous population due to factors such as higher fertility rates, lower maternal age in childbearing, and the expansionary impact of exogamy (ACT having the highest rate in Australia). Increased willingness to identify Indigenous status to government agencies, and improved government enumeration practices are also contributing to higher recorded numbers in the community.

Between 2006 and 2016, the estimated number of Aboriginal and Torres Strait Islander people increased by 67.9 per cent over the ten-year period. The non-Indigenous population increased by only 21.5 per cent during the same time period.<sup>24</sup>

<sup>24</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data



The Aboriginal and Torres Strait Islander share of the ACT population grew from 1.3 per cent in 2006 to 1.8 per cent in 2016.<sup>25</sup> If this trend continues, the number of Aboriginal and Torres Strait Islander people in 2026 would be 10,927 persons. The Aboriginal and Torres Strait Islander share of the ACT population would increase to 2.4 per cent.

While the Aboriginal and Torres Strait Islander population make up a small proportion of the ACT population, they are currently over-represented in key client groups such as young mothers, early school leavers, job seekers, and disability support clients. The concentration of the Aboriginal and Torres Strait Islander population in the younger age groupings means that there are increased imperatives for improving education, employment, and healthy lifestyles for this group and improved outcomes will have a significant impact at the broader population level.

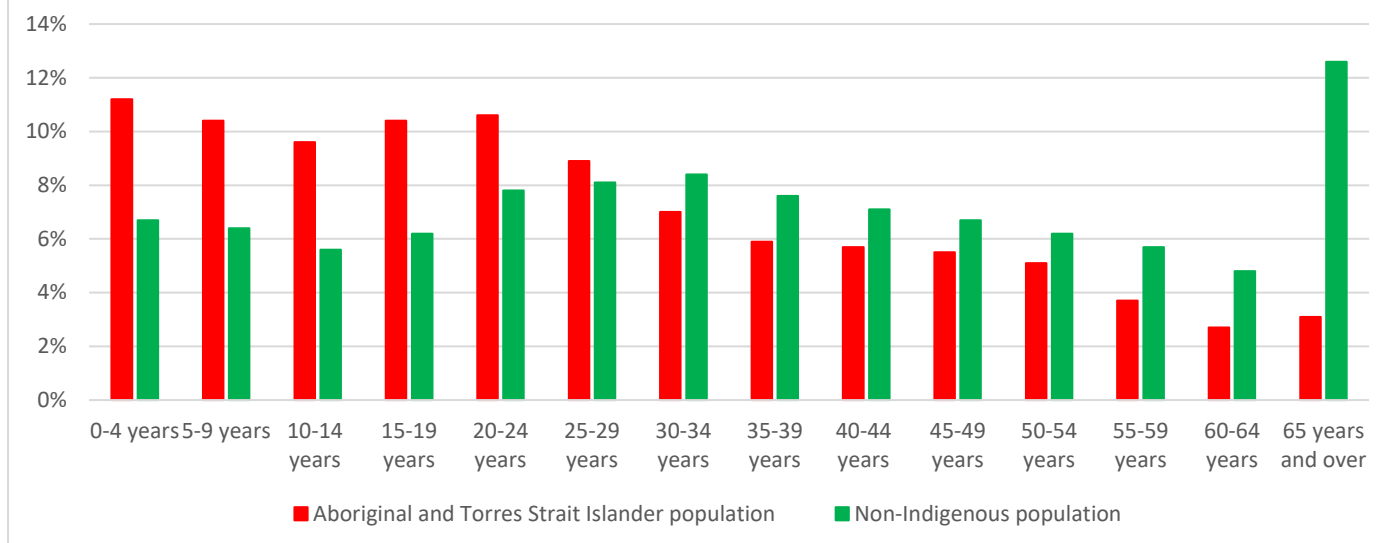
The current Aboriginal and Torres Strait Islander population of the ACT has a much younger profile than the non-Indigenous population, with a higher proportion of children, young people and young adults and a lower proportion of people in middle age and older age groups. The median age of people in the ACT in 2016 was 23 years of age for Aboriginal and Torres Strait Islander people, and 35 years of age for non-Indigenous people.<sup>26</sup>

The chart below compares the age profile of the two populations at the time of the 2016 Census.

<sup>25</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>26</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

### Proportion of population in each age grouping, by Indigenous status, ACT, 2016



The Indigenous proportion of the ACT population varies by age grouping, with some younger age groupings already exceeding the projected population figure (see chart below).

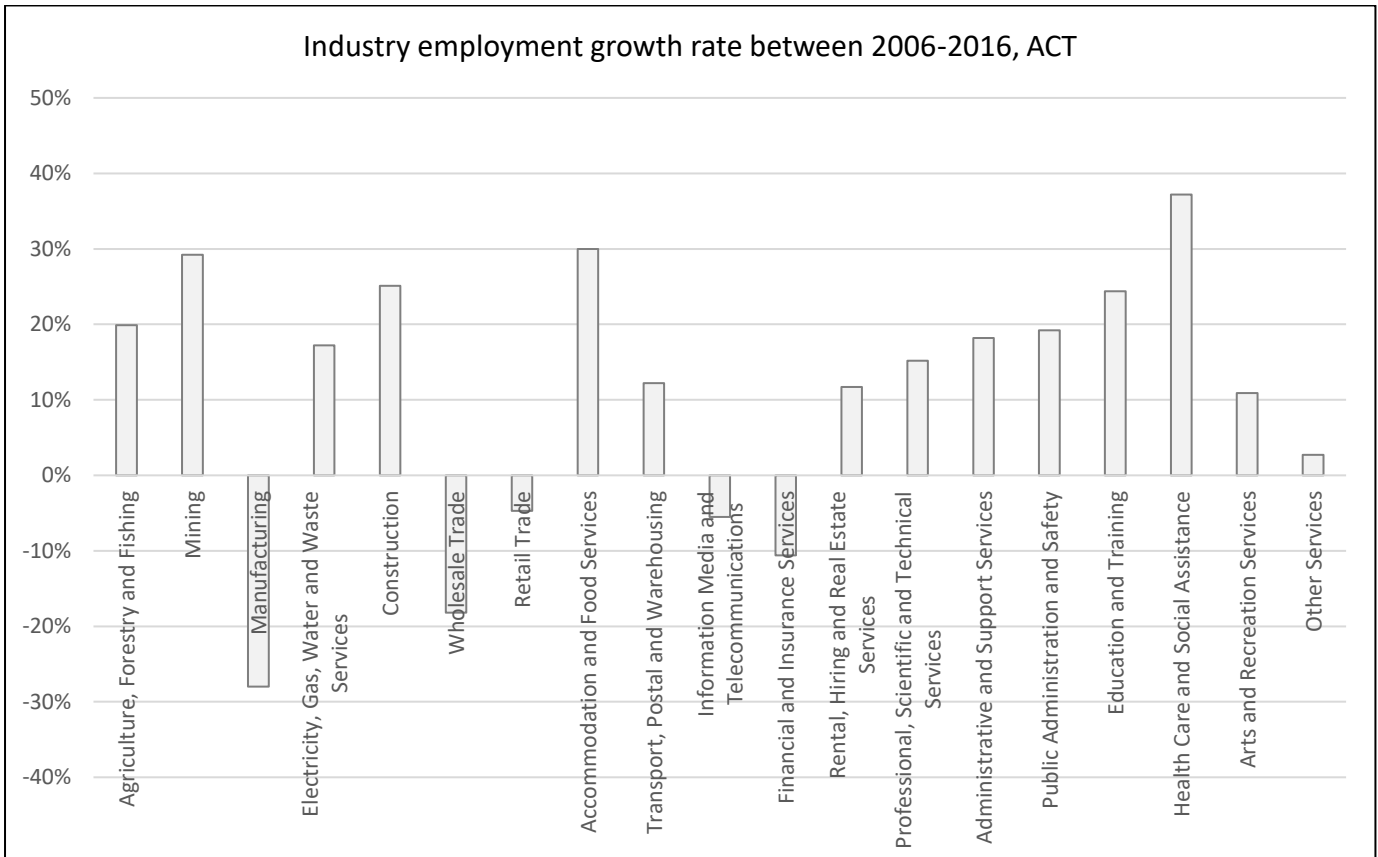
0-4 years	2.8%
5-9 years	2.8%
10-14 years	2.9%
15-19 years	2.9%
20-24 years	2.3%
25-29 years	1.9%
30-34 years	1.4%
35-39 years	1.3%
40-44 years	1.4%
45-49 years	1.4%
50-54 years	1.4%
55-59 years	1.1%
60-64 years	1.0%
65 years and older	0.4%
<b>Total</b>	<b>1.8%</b>

At the time of the 2016 Census, Aboriginal and Torres Strait Islander in the ACT made up 2.8 per cent of the 0-4 years age group and just 0.4% of the older age group of those aged 65 years and over.<sup>27</sup> As the Indigenous proportion of the population continues to expand in the future, young Aboriginal and Torres Strait Islanders will make up an increasing proportion of the ACT population.

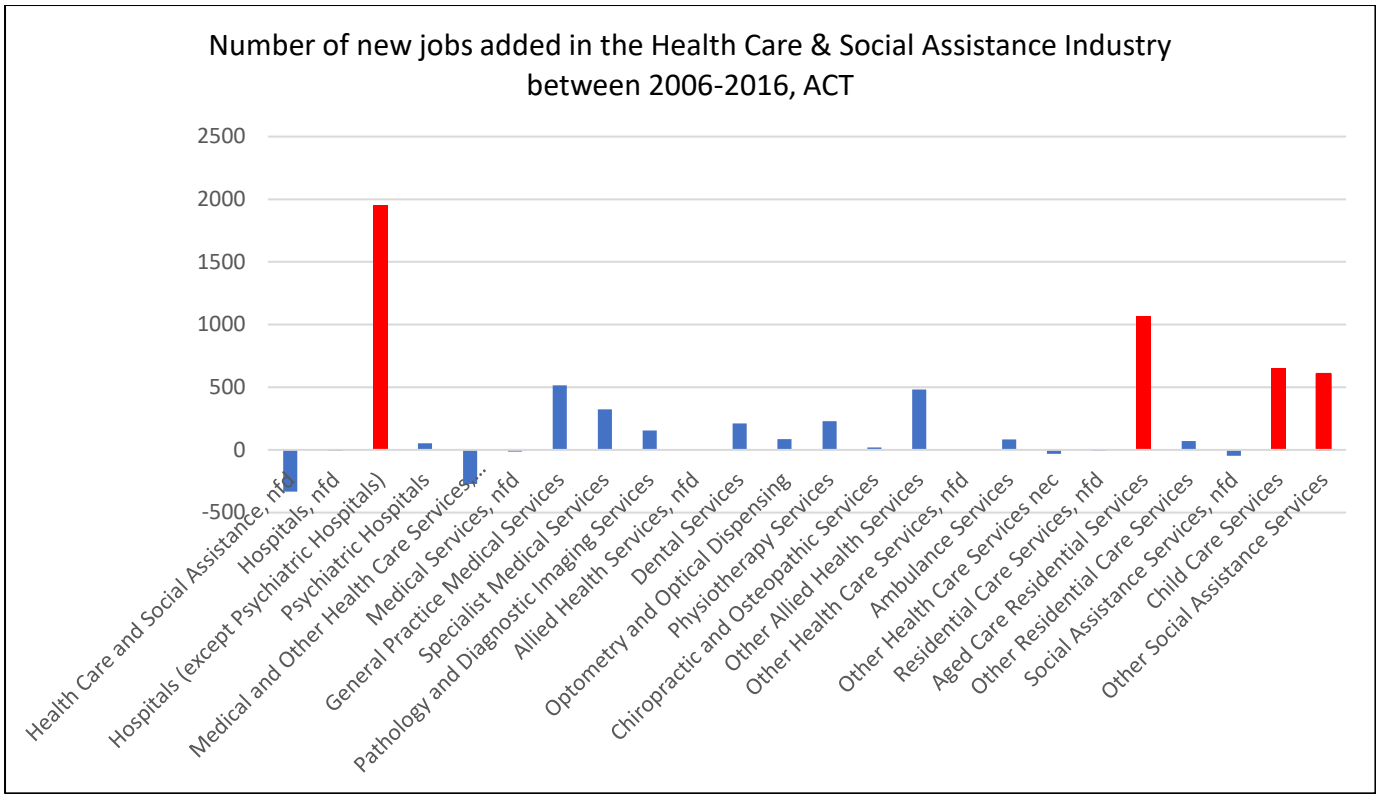
<sup>27</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

## EMPLOYMENT GROWTH ACROSS THE ECONOMY

Australian Bureau of Statistics data shows that when the Community Services Industry is merged together with the Health Care Industry (together known as Division Q ‘Health Care and Social Assistance’), it forms the second largest industry of employment. This group experienced the highest growth rate amongst all industries in the ACT between the 10 year period 2006-2016.



It is important to note that while the overall data grouping is increasing, different sub-sectors within the Industry are experiencing disparate growth and decline rates.



The sub-sectors gaining the largest number of new jobs between 2006-2016 were:

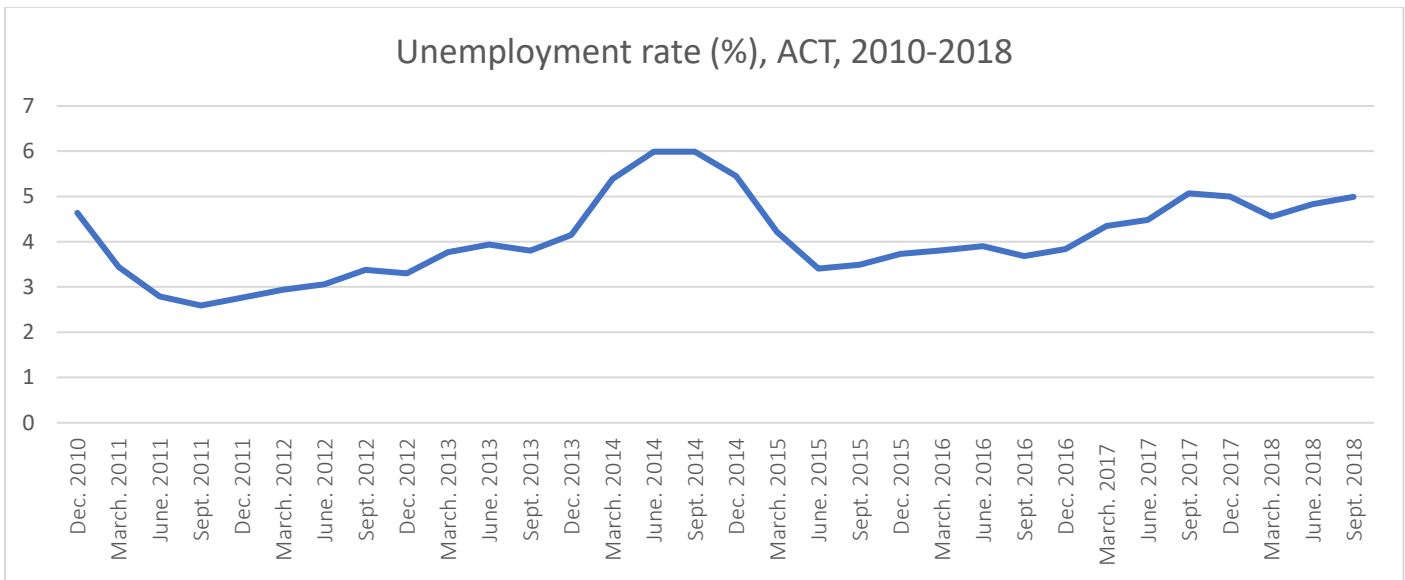
- Hospitals (excluding Psychiatric Hospitals)-1,953 new jobs (growth rate of 42% over 10 years)
- Aged care residential services – 1,064 new jobs (growth rate of 86% over 10 years)
- Child Care Services – 647 new jobs (growth rate of 30% over 10 years).

It is clear that not all parts of the Industry are expanding, and it is those sub-sectors which are demand driven (Aged Care Residential Services and Child Care Services) that receive demand driven funding that are growing at the fastest rate.

### VARIABLE UNEMPLOYMENT RATE AND NUMBER OF WELFARE PAYMENTS

The ACT has the lowest unemployment rate of any jurisdiction in Australia. Trends over the eight year period December 2010 to September 2018 are shown below:<sup>28</sup>

<sup>28</sup> Australian Bureau of Statistics, Labour force survey catalogue number 6202.0, and Department of Employment, Small Area Labour Markets, June 2017. Compiled and presented in economy.id



Unemployment levels are also affected by labour force participation rates. People can be out of the labour force for a range of reasons such as ill health or disability, to take up opportunities such as formal study, volunteer work, caring for children, or providing support to a family member who is ill or has a disability. There are also numbers of ‘discouraged job-seekers’ who have given up looking for work entirely. This group of people may need additional support to transition back into the labour force.

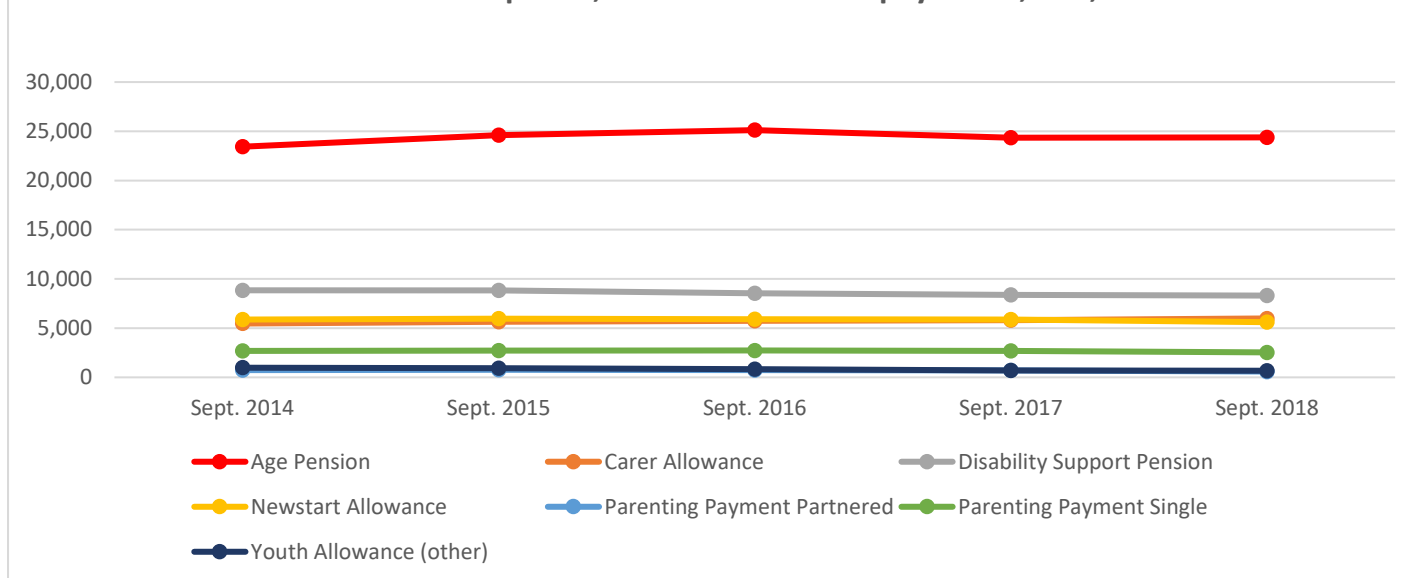
During times of low unemployment, attraction and retention can become more difficult for the Industry, while periods of high unemployment are likely to result in higher rates of poverty and disadvantage for clients and resultant increased service demand.

The number of Centrelink payment recipients has remained fairly stable over the past five years, with the number of recipients dropping for some payments (Disability Support Pension, Newstart Allowance, Parenting Payment – Partnered and Single and Youth Allowance) over time.<sup>29</sup>

Number of welfare recipients, various Centrelink payments, ACT, 2014-2018					
	Sept 2014	Sept 2015	Sept 2016	Sept 2017	Sept 2018
Age Pension	23,433	24,592	25,117	24,342	24,369
Carer Allowance	5,466	5,650	5,758	5,811	5,983
Disability Support Pension	8,844	8,825	8,552	8,368	8,306
Newstart Allowance	5,884	5,958	5,900	5,886	5,605
Parenting Payment Partnered	736	766	737	717	586
Parenting Payment Single	2,690	2,716	2,731	2,683	2,537
Youth Allowance (other)	978	944	835	695	671
<b>Total</b>	<b>48,031</b>	<b>49,451</b>	<b>49,630</b>	<b>48,502</b>	<b>48,057</b>

<sup>29</sup> Department of Social Services – data.gov.au

**Number of welfare recipients, various Centrelink payments, ACT, 2014-2018**



Government policy, such as increases to eligibility ages, impairment tests, asset tests, and activity tests have a significant impact on the number of people able to access Centrelink welfare payments. The number of payments issued in the community, on its own, may not be a true reflection of community need or disadvantage.

### CONTINUED RATES OF DISADVANTAGE

The ACT has higher than national average rates of advantage and lower than average rates of disadvantage. For example, in the ACT in 2016, 29 per cent of the population had a median gross weekly personal income of \$649 or less compared to 43 per cent of the Australian population.<sup>30</sup> This means that in the ACT there is a larger gap between average incomes and the very poor, and those living in poverty are more likely to feel stigmatised.

Services continue to report that there are a range of vulnerable people in the community who experience poverty, discrimination and other forms of disadvantage on a daily basis. Very vulnerable people are likely to experience multiple disadvantage which can become entrenched and passed on to future generations.

There will be a continued need for services to support the vulnerable in the community. While there are renewed efforts underway to provide early intervention and support, particularly in the early years, there will also be a continued need for crisis support, and action to reduce or prevent complex problems throughout the life course.

A range of services, such as general community development programs, housing and homelessness services, family support, emergency relief, crisis assistance and youth services, do not receive demand-driven funding. There is a risk that they will remain at current resourcing and staffing levels despite any increases in the level or complexity of need.

Further information about community needs in the territory is outlined in the ACT Community Needs Assessment (see separate report).

<sup>30</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data



## INCREASED AGE DEPENDENCY RATIO

An age dependency ratio compares the number of dependents (those aged younger than 15 years plus those aged older than 64 years) with the working age population (people aged 15-64 years). The ACT dependency ratio has been increasing in recent years, from 35 dependents per 100 people in 2006, to 46 per 100 in 2016,<sup>31</sup> to a projected 50 per 100 in 2026.<sup>32</sup> This indicates a likely decrease in total workforce supply relative to the number of people reliant on some level of support from others.

As the age dependency ratio increases, there is a risk that governments may implement policy changes that limit access to welfare payments and services, in order to reduce rising costs, e.g. increasing the eligibility age for the Age Pension or Youth Allowance to restrict the number of payments issued. Although the ACT has a lower age dependency rate than Australia as a whole (46 per 100 compared to 52 per 100 in 2016),<sup>33</sup> ACT residents will share the impact of any Australian government decisions that limit payments or services in order to balance national accounts.

## INCREASED DEMAND FOR EARLY CHILDHOOD EDUCATION AND CARE

Early Childhood Education and Care usage rates may be affected by a range of factors such as the proportion of women re-entering the workforce, changing government policy changes and subsidies at a territory or national level affecting Early Childhood Education and Care services, as well as its sister industry Preschool services.

Based on the 2018 ACT service usage rates applied to the projected 2026 population,<sup>34</sup> the number of children 0-12 years accessing Child Care Benefit (CCB) approved services is expected to increase by an overall rate of 12 per cent between 2018 and 2026. A breakdown of the growth rate by program is shown below:<sup>35</sup>

Children aged 0-12 years attending Australian Government CCB approved child care services	Actual number of 2018 service users	Estimated number of 2026 service users	Difference in numbers between 2018 and 2026	Anticipated growth rate between 2018 and 2026
Long day care	16,783	18,545	1,762	10.5%
Family day care	1,465	1,619	154	1.1%
Occasional care	121	134	13	10.1%
In home care	7	8	1	---
Vacation care	6,107	6,931	824	13.5%
Out of School Hours Care	11,791	13,382	1,591	13.5%

The ACT Government has announced plans to offer 15 hours per week of free preschool to children aged three years of age. The potential impact of this initiative on levels of demand for other child care services is unknown.

## DECREASED VOCATIONAL EDUCATION AND TRAINING ATTAINMENT

Across the ACT and Australia, participation in post school study rates are improving, however the overall improvement is a reflection of increased participation in higher education and a decrease in vocational education and training (VET).

<sup>31</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>32</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

<sup>33</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>34</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

<sup>35</sup> Table 3A.16. 2019 Report on Government Service Provision, Australian Government Department of Education and Training (unpublished), CCMS.

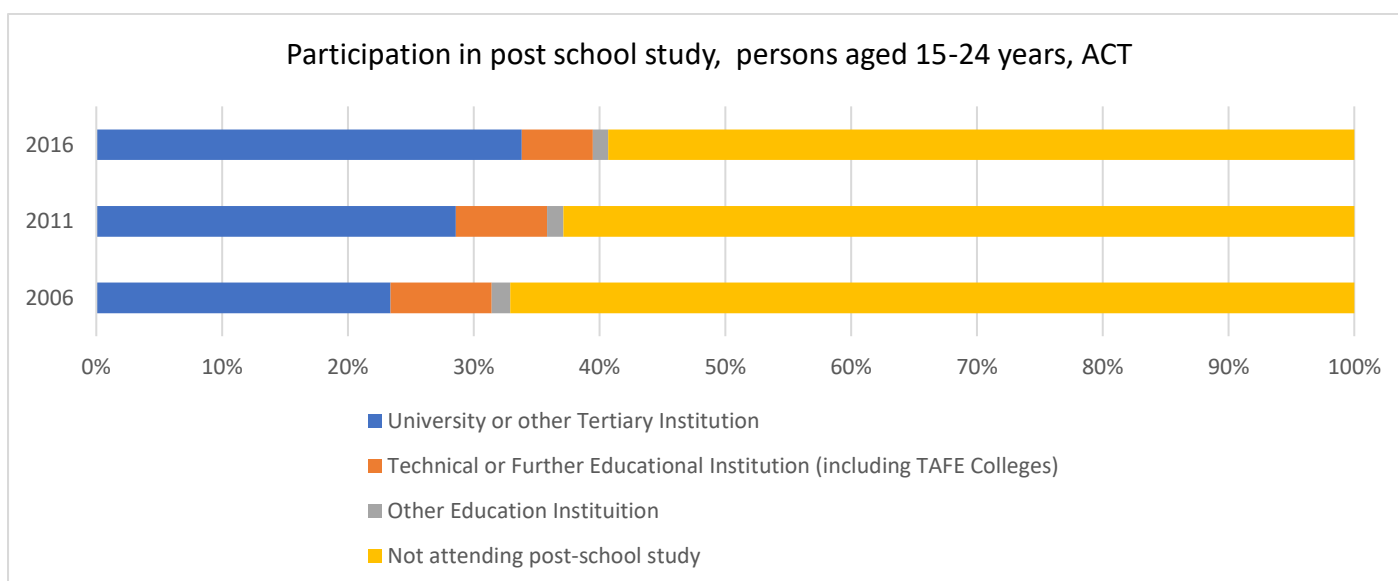
The recent decrease in ACT VET program completion is shown below:<sup>36</sup>

Number of VET program completers, ACT		
2015	2016	2017
18,000	15,400	12,100

While higher rates of participation are generally more desirable, there are a number of key occupations within the Industry that are reliant on VET qualifications including Early Childhood Education and Care workers, Aged and Disabled Workers and Nursing Support Workers.

## INCREASED NUMBER OF UNIVERSITY STUDENTS

The ACT has a higher proportion of the population who have attained a Bachelor Degree or higher qualification, than Australia as a whole (41 per cent of the total ACT population compared to just 26 per cent of the Australian population in 2016).<sup>37</sup> University study in the ACT is increasing over time, as shown below for young adults aged 15-24 years of age:



Higher university qualification rates will enable more people to enter a broader range of job roles in the Industry. Increased implementation of high-fidelity evidence based programs in the Industry would be likely to increase demand for tertiary qualifications, as has occurred in other jurisdictions.

## BROADER TRENDS AFFECTING WORKFORCE SUPPLY

### REDUCTION OF LOW SKILLED JOB OPPORTUNITIES

Over the past decade there has been a strong growth in the number of managerial and professional jobs and a reduction in low skilled work available within the broader ACT and national economy.

The Department of Jobs and Small Business projections show that, nationally, the highest job growth and overall greatest number of employees required between May 2018 and May 2023 will be for those positions with an indicative skill level of Bachelor Degree or higher qualification.

<sup>36</sup> Table 1. NCVET. Australian vocational education and training statistics. Total VET students and courses 2017

<sup>37</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

Projected employment growth, Australian economy, May 2018 – May 2023		
Indicative Skill Level	Number of new jobs	Growth rate
Skill Level 1 (Bachelor Degree or higher qualification)	400,600	10.0%
Skill Level 2 (Advanced Diploma or Diploma)	78,400	5.8%
Skill Level 3 (Certificate IV or III including at least 2 years on-the-job training)	67,300	3.8%
Skill Level 4 (Certificate II or III)	256,900	7.9%
Skill Level 5 (Certificate I or secondary education)	82,900	3.9%

Those already in the workforce with a low level of educational attainment will be competing for an ever-diminishing number of unskilled roles (i.e. roles assessed at ANZSCO Skill Level 4 or 5). There is a danger that well-educated employees in the Community Services Industry may believe there are greater job opportunities outside the Industry while some unskilled workers who lack a genuine commitment to client wellbeing take on roles such as Aged and Disabled Care simply because there are few other low skilled jobs available.

The ACT has a much lower unemployment rate than Australia as a whole (4.7% v's 6.9%) and a higher labour force participation rate (71% v's 65%). The Community Services Industry also faces strong competition for workers from the Commonwealth and ACT Public Service. These factors place additional pressure on the industry during a time of growth.

One opportunity to attract new workers to the Industry is to extend the availability of traineeships. This strategy provides opportunities for low skilled workers to secure a role with a long term career path (and financial future), it also ensures that these workers receive the training and experience required to develop industry ready skills and knowledge. This strategy is already being used to some extent by Early Childhood Education and Care services, and by services seeking Aged and Disabled Workers. Although traineeships have been traditionally targeted at young people, they can also be an attractive option for persons new to the workforce or those seeking to re-enter the workforce (e.g. long term unemployed; newly arrived migrants or refugees; parents of young children).

## INCREASED NUMBER OF PEOPLE WITH PRACTICAL CARING EXPERIENCE

As stated earlier, a strong increase in the number of people who will require assistance with core activities will lead to a corresponding strong increase in the number of carers, with an expected increase from 12.3 per cent of the population providing unpaid care to 16 per cent in 2026. This may lead to an increased number of people seeking employment in Aged or Disability care.

A working paper<sup>38</sup> prepared for the Aged Care Workforce Strategy Taskforce examined qualitative interviews from the 2016 *National Aged Care Workforce Census*. It found that many paid care workers had personal experience of caring for an elderly relative and this experience had led them to seek employment in the sub-sector.

## UNKNOWN TRENDS IN VOLUNTEERING

A significant amount of work in the sector is being completed by volunteers, but the data on volunteer participation is limited. The characteristics and contribution of this workforce need to be better captured and monitored.

<sup>38</sup> *Attraction, Retention and Utilisation of the Aged Care Workforce. Working paper prepared for the Aged Care Workforce Strategy. Isherwood et al, University of Adelaide. 2018*

In 2014, 12 per cent of all volunteer hours undertaken in the ACT were for the benefit of welfare/community services, with a breakdown in contributions shown below:<sup>39</sup>

1 to 10 hours annual hours	11 to 49 annual hours	50 hours or more annually
9,600 people	5,000 people	8,000 people

Altogether, a total of 1.3 million hours were contributed during 2014. If the same number of hours were contributed in 2018 and an hourly rate reflecting the national median hourly earning (\$31.30)<sup>40</sup> was applied, the immediate value of the contribution would be an annual figure \$40.7 million.

An analysis of the Australian Charities and Not-for-profits Commission (ACNC) *Annual Information Statements* of 441 community service related charities in the ACT showed that over a twelve month period, 22,064 volunteers (including Board members) worked at least 1 hour for the charities.<sup>41</sup>

The ACNC reports that almost half of all Australian registered charities operate entirely with a volunteer base with no paid staff, while almost 20 per cent of community sector organisations participating in an ACTCOSS study reported having no paid staff.

The 2016 *State of Volunteering in Australia* details the national trends, demographics, challenges and successes of the volunteering sector in Australia. However, the report does not make ACT jurisdictional data available or distinctly examine the characteristics of those who volunteer in the Community Services Industry, as distinct from those volunteering in education, health, or sport. The report presents valuable insights, but it is unclear about the degree to which these insights apply to volunteers in the ACT Community Services Industry, and therefore the report cannot be used to monitor ACT Community Service Industry trends. Some monitoring of overall numbers may be possible however through studies completed by ACTCOSS and the ACNC.

The *ACT Volunteering Statement – Action Plan 2018-2021*, identifies initiatives and activities that will support individuals to volunteer, increase awareness of volunteering opportunities, and provide volunteer involving organisations with access to resources to facilitate effective, safe and sustainable volunteer involvement.

As the number of retirees increases and as the number of university students increases, there will be more opportunities to boost volunteer numbers in the sector, for appropriate areas of work. There are also opportunities for organisations to invest in volunteers and create pathways from volunteer work into ongoing employment opportunities (not necessarily within their own organisation). This strategy relies on a values-based recruitment approach, ensuring that ex-volunteers/new workers have a clear understanding of the type of work required in the industry, demonstrated empathy and communication skills, and a clear commitment to social justice. It could be suggested that those with lived experience or prior volunteer experience will have a higher rate of retention in the sector for those reasons.

The 2016 ACTCOSS *State of the Community Service Sector* revealed that 59 per cent of responding organisations agreed or strongly agreed that their organisation engaged volunteers with lived experience of disadvantage, or experience as service users.

<sup>39</sup> Table 24.1. *General Social Survey 2014*, Australian Bureau of Statistics

<sup>40</sup> Cat. 6333.0 - *Characteristics of Employment, Australia, August 2018*. Australian Bureau of Statistics

<sup>41</sup> Note: the basis of reporting was organisations rather than volunteers, so volunteers who served at more than one charity would have been counted more than once.

## LARGE NUMBER OF POTENTIAL YOUNG WORKERS AVAILABLE

Young adults (25-34 years of age) continue to make up the highest proportion of the ACT population now and in the foreseeable future. The ACT has a higher proportion of young adults than Australia as a whole.

Between 2016-2026 the proportion and number of young people and young adults will increase as shown below:<sup>42</sup>

Number of young people and young adults, 2016 and 2026, ACT				
	2016 actual	2026 projected	Increased number of persons	Age group growth rate
15-19 years	24,501	30,584	6,083	25%
20-24 years	31,428	35,234	3,806	12%
25-29 years	32,485	37,474	4,989	15%
30-34 years	33,632	38,614	4,982	15%

The availability of a potential young workforce provides a rich opportunity for the Industry. Those who enter the workforce at a young age can naturally expect to remain in the Industry for an extended period of time compared to older workers, even if their careers within the Industry entail movement between positions and sub-sectors.

There is also a secondary workforce that could be captured: young students who are studying for an entirely different career trajectory, but for whom short term involvement (3-5 years) provides financial support during their study, personal fulfilment or a basis for demonstrating key attributes (such as empathy, customer service skills etc) to help them secure other professional careers outside the industry at a later date.

## HIGHER RATES OF YEAR 12 ATTAINMENT

The ACT has a higher proportion of the population who have attained a Year 12 or equivalent qualification, than Australia as a whole (75 per cent of the total ACT population compared to 57 per cent of the Australian population in 2016).<sup>43</sup>

Between 2012 and 2017, the apparent Year 7 to Year 12 retention rate for the total school student population in the ACT increased from 91 per cent to 95 per cent.<sup>44</sup> Consequently, more young adults are now entering the labour market with a Year 12 qualification, enabling greater opportunities for entering a wider range of job roles in the Industry and increased opportunities to participate in post-secondary education options such as university.

Rates for Aboriginal and Torres Strait Islander students increased from 59 per cent to 95 per cent during the same period,<sup>45</sup> and this provides new opportunities for boosting the proportion of Aboriginal and Torres Strait Islander workers in the Industry. In 2016, Aboriginal and Torres Strait Islander workers comprised just 1.7 per cent of all Industry workers.

In 2011/2012, the ACT had the highest rates of both literacy and numeracy amongst all States and Territories. 67 per cent of all Territorians held adequate or better English literacy (compared to 44 per cent of Australians) while 59 per cent held adequate or better numeracy skills.<sup>46</sup>

<sup>42</sup> ACT Population Projections: 2018 to 2058. Macroeconomic Branch of the ACT Chief Minister, Treasury and Economic Development Directorate

<sup>43</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>44</sup> Australian Bureau of Statistics (2017) Cat: 4221.0, Schools Australia

<sup>45</sup> Australian Bureau of Statistics (2017) Cat: 4221.0, Schools Australia

<sup>46</sup> Cat. 4228.0. Programme for the International Assessment of Adult Competencies, Australia, 2011-12. Australian Bureau of Statistics

English literacy and numeracy are becoming increasingly important due to the growth of highly skilled positions in the economy, and the reduction of low skilled jobs. These skills are also important in almost all roles in the Community Services Industry, and tasks such as report writing, budget monitoring and planning, understanding policy and procedure manuals, tender writing, updating client files, documenting and evaluating program outcomes are gaining increased emphasis. Higher rates of Year 12 attainment will lead to increased literacy and numeracy skills in the population, and therefore a wider net of people that can be drawn into the Industry.

## INDUSTRY & SUB-SECTOR SPECIFIC ISSUES AFFECTING WORKFORCE SUPPLY

### INDUSTRY GROWTH OVER TIME

Between 2006-2016, the Community Services Industry increased from 5,605 to 7,953 people (42 per cent growth).

- The Aged Care Residential Services sub-sector increased from 1,235 to 2,299 persons (86 per cent growth)
- The Other Residential Care sub-sector increased from 199 to 270 persons (36 per cent growth)
- The Child Care Services sub-sector increased from 2,127 to 2,774 persons (30 per cent growth)
- The Other Social Assistance sub-sector increased from 1,879 to 2,485 persons (32 per cent growth)
- The Other Health Care sub-sector decreased from 162 persons to 130 persons (20 per cent decline).<sup>47</sup>

Some occupations operate across several different sub-sectors of the Industry, and any subsequent growth in demand in one sub-sector may lead to a shortfall that affects other sub-sectors that rely on the same sources and types of staff.

In addition, some occupations are also engaged in other industries such as Education, Hospitality, and most notably the Health Industry. In 2016, the ACT Community Services Industry employed only 9 per cent of all Registered Nurses within the ACT (327 of 3,271); 85 per cent of Aged and Disabled Workers (1,591 of 1,865); 56 per cent of Nursing Support and Personal Care Workers (545 of 963); 8 per cent of Nurse Managers (20 of 239); and 10 per cent of Enrolled and Mothercraft Nurses (38 of 350).<sup>48</sup> Again, significant expansion in the number of these roles or shortfalls in external industries will affect the ability of the Community Services Industry to recruit and retain suitable staff.

Some occupations such as administration staff, finance and business professionals are utilised across all industries within the ACT and may be impacted by ACT wide surpluses and shortfalls.

The occupations (of all those requiring a Certificate III level qualification or higher) with the highest national projected employment growth to May 2023 are Aged and Disabled Workers, Registered Nurses, and Early Childhood Educators.<sup>49</sup>

### DECREASING MEDIAN AGE OF INDUSTRY WORKERS

Between 2006 and 2016, all sub-sectors experienced a decrease in median age with the overall median age of the Industry decreasing by four years from 41 to 37 years of age. The sub-sector experiencing the largest decrease was the Aged Care Residential Services sub-sector which dropped from a median age of 46 years to 39 years (7 year decrease). A recent report suggests that nationally, new recruits to the sub-sector are from a younger age cohort, thus lowering overall median age.<sup>50</sup>

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<sup>47</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

<sup>48</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing (2016)*, TableBuilder. Findings based on use of ABS TableBuilder data

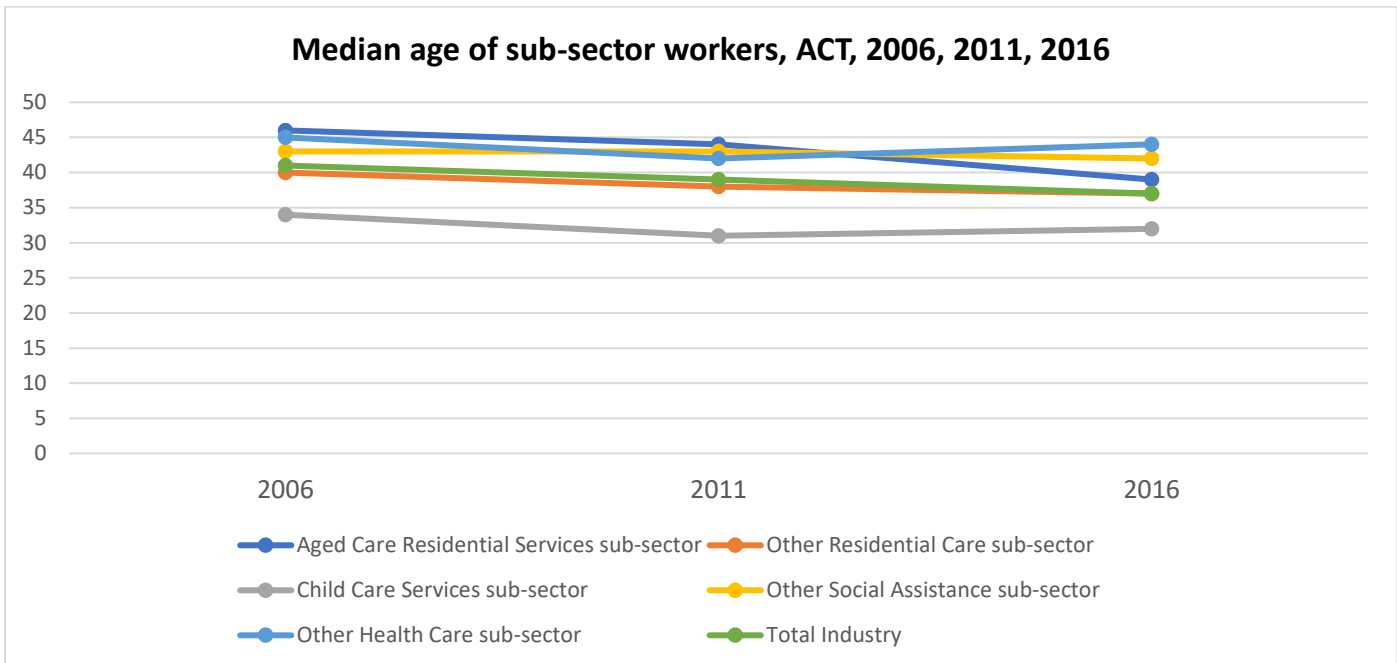
<sup>49</sup> Job opportunities in the future. Department of Jobs and Small Business

<sup>50</sup> Isherwood, L (et al), Adelaide University (2018) *Attraction, Retention and utilisation of the Aged Care Workforce: Working paper prepared for the Aged Care Workforce Strategy Taskforce.*

Median age, by Community Services Industry sub-sector, ACT <sup>51</sup>				
	2006	2011	2016	Decrease in median age between 2006 and 2016
Aged Care Residential Services sub-sector	46	44	39	7 years
Other Residential Care sub-sector	40	38	37	3 years
Child Care Services sub-sector	34	31	32	2 years
Other Social Assistance sub-sector	43	43	42	1 year
Other Health Care sub-sector	45	42	44	1 year
Total Community Services Industry	41	39	<b>37</b>	<b>4 years</b>

Total all workers in ACT economy	39	38	<b>38</b>	<b>1 year</b>
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The median age of all workers in the ACT economy dropped by 1 year between 2006 and 2016, dropping from a median of 39 to 38 years of age.<sup>52</sup>

The Child Care Services sub-sector had the lowest median age of all Industry sub-sectors, at 32 years of age.<sup>53</sup>

## NO RETIREMENT BOOM EXPECTED

Much of the public discussion around the “Baby Boomer” generation has focused on fears about an expected mass industry exodus due to retirement, with an anticipated large loss of industry skills and knowledge.

There is no official retirement age in Australia, but there are restrictions in place related to access to financial resources. For superannuation, access to funds is based on year of birth, ranging from 55-60 years of age. Access to the Age Pension is restricted to those aged 65 years of age or older, with the eligibility age increasing over time until it reaches 67 years of age by 1 July 2023.

<sup>51</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>52</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>53</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

Fears regarding a future mass retirement exodus from the Industry, and across the ACT economy as a whole are unfounded. In 2019, the “Baby Boomer” generation are already aged between 55 years and 73 years of age, with half of the cohort having already reached their notional retirement age (65 years).

In 2006, the proportion of Industry workers aged 55-64 years (that is those who could have been reasonably expected to retire by 2016) represented 15 per cent of all Industry workers. In 2016, the proportion aged 55-64 years who could be reasonably expected to retire by 2026 was 14 per cent.<sup>54</sup> In other words, the proportion of the Industry workforce expected to retire by 2026 is not higher than the previous ten years.

The decrease of the median age in the Aged Care Residential sub-sector has also decreased that sub-sector’s proportion of expected retirees. While, the Other Health Care sub-sector had the highest expected proportion at 18 per cent, it has a relatively small number of workers (approx. 23) to replace over a ten year period. The industry with the largest number of workers to replace due to expected retiree exits is the Other Social Assistance sub-sector, with approximately 401 workers expected to retire between 2016-2016.<sup>55</sup>

Proportion of workforce expected to retire within a ten year period, by Community Services Industry sub-sector, ACT			
Sub-sector	Proportion of workers aged between 55-64 years of age, 2006	Proportion of workers aged between 55-64 years of age, 2016	Number of workers aged between 55-64 years, 2016
Aged Care Residential Services sub-sector	21%	15%	353
Other Residential Care sub-sector	11%	9%	23
Child Care Services sub-sector	8%	10%	278
Other Social Assistance sub-sector	18%	16%	401
Other Health Care sub-sector	13%	18%	23
Total Community Services Industry	<b>15%</b>	<b>14%</b>	1,078

Total all workers in ACT economy	12%	12%
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The proportion of the workforce who are expectant retirees is equivalent to the growth rate in the number of young people and young adults set to enter the workforce at a broader ACT population level. If the Industry is able to secure a fair share of young workers, it can off-set the number of people who are expected to retire.

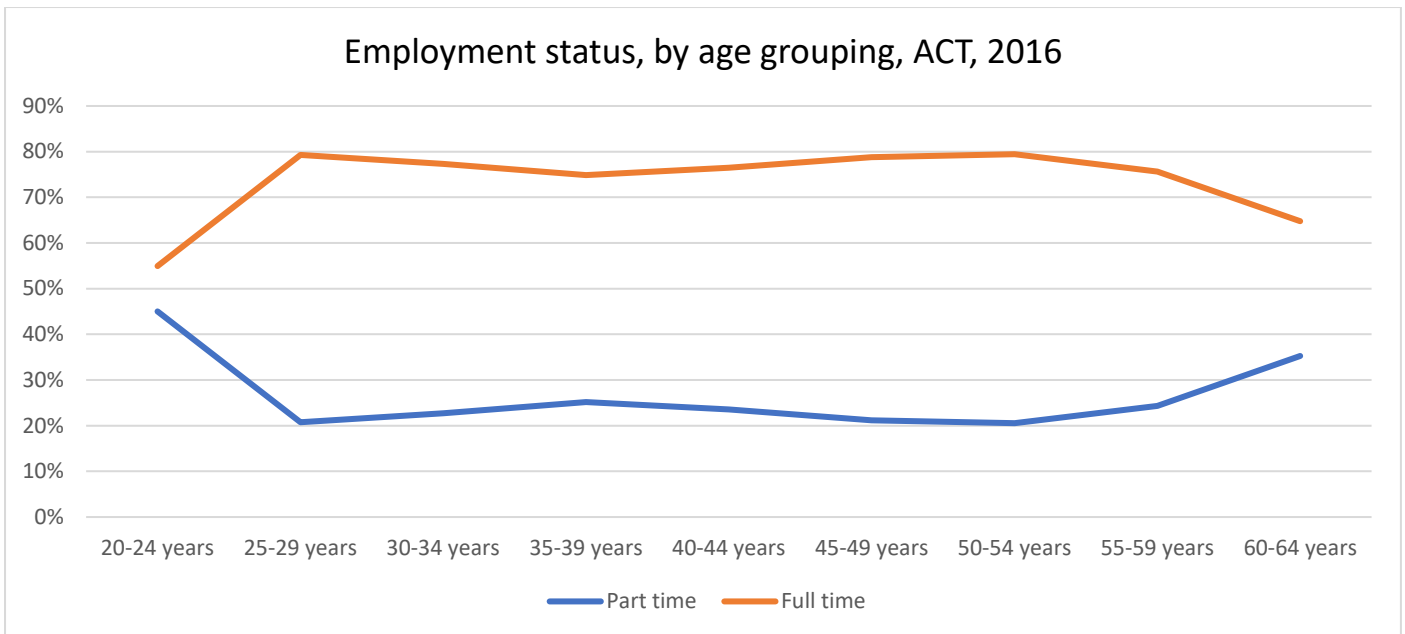
The Industry might also seek to attract older workers from external Industries. Across the ACT economy in 2016, the proportion of employees 50-54 years of age working full time was 79 per cent, the rate dropped to 76 per cent for employees 55 to 59 years of age, and dropped further to 65 per cent for employees 60 to 64 years of age.<sup>56</sup> Some older workers may prefer to transition into retirement by gradually decreasing their hours of employment. If this is not possible in their present position, they may be attracted to the Community Services Industry which has a greater emphasis on part time hours and workplace flexibility.

<sup>54</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>55</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

<sup>56</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data





Another potential source of workforce for the Community Services Industry are discouraged job seekers who are no longer in the labour force. Persons aged 55 and older represent more than half of all discouraged job seekers with many reporting their main reason for not actively looking for work as ‘considered too old by employers’.<sup>57</sup>

## EMPLOYMENT TENURE

Security of employment tenure can have a significant impact on attraction and retention rates. There is a common perception in the Industry that tenure is becoming more precarious.

In August 2018, 25 per cent of all Australian employees were not entitled to paid leave (a proxy measure for casual employment).<sup>58</sup> The 2016 ACTCOSS *State of the Community Service Sector* revealed that 25 per cent of employees from the responding organisations were employed casually. It appears that rates of casual work in the Industry are equivalent to that in the wider economy. There is no available data to track casual work trends across the Industry over time.

The casualisation of the workforce has implications for continuity of care and support for clients. It also impacts on the ability of services to:

- work in an integrated way across the service system, or even as part of a multi-disciplinary team with a program
- participate in key reform processes such as the increasing move towards support rather than crisis responses.

In 2016, slightly more than half of all employees in the Industry were employed on a full time basis (52%). This rate was lower than the overall rate for all workers in the ACT economy (72%).

<sup>57</sup> Cat 6220.0 Persons Not in the Labour force, Australia, September 2013, Australian Bureau of Statistics

<sup>58</sup> Cat. 6333.0. Characteristics of Employment, Australia, August 2018, Australian Bureau of Statistics

The proportion of Industry employees employed full time increased for all sub-sectors between 2006-2016.

Proportion of workers by full time and part time status, by Community Services Industry sub-sector, ACT						
Sub-sector	FULL TIME			PART TIME		
	2006	2016	Change	2006	2016	Change
Aged Care Residential Services	42%	48%	Increase 6 percentage points	58%	52%	Drop 6 percentage points
Other Residential Care Services	55%	65%	Increase 10 percentage points	45%	35%	Drop 10 percentage points
Child Care Services	48%	52%	Increase 4 percentage points	52%	48%	Drop 4 percentage points
Social Assistance Services	50%	53%	Increase 3 percentage points	50%	47%	Drop 3 percentage points
Other Health Care Services	57%	69%	Increase 12 percentage points	43%	31%	Drop 12 percentage points

There is no available data to assess the extent to which part time Industry workers were under-employed and desired more hours of employment. For this reason, we cannot make a judgement about whether the prevalence of part time work is a positive or negative result. A portion of workers prefer part time work as it allows them to better maintain a healthy work/life balance and fulfil study, family or caring commitments.

The 2016 ACTCOSS *State of the Community Service Sector* revealed that only 21 per cent of responding organisations agreed or strongly agreed that they know enough in advance whether funding would be renewed. Funding insecurity can lead workers to pre-emptively resign from their positions to secure more stable employment.

### UNCERTAINTY REGARDING THE ADEQUACY OF VET GRADUATE NUMBERS TO MEET DEMAND

As mentioned previously, there are a number of key occupations within the Industry that are reliant on VET qualifications including Early Childhood Educators, Aged and Disabled Workers and Nursing Support Workers. These three occupations account for 55 per cent of all workers in the sector.<sup>59</sup> The number of these workers in 2016 is shown below:

Occupation	Health Care Services	Aged Care Residential Services	Other Residential Services	Child Care Services	Social Assistance Services	Total Industry workers
Early Childhood Educators (ANZSCO Code 4211)	-	-	-	2,184	42	2,226
Aged and Disabled Workers (ANZSCO Code 4231)	-	691	95	30	775	1,591
Nursing Support and Personal Care Workers (ANZSCO Code 4233)	-	514	-	-	31	545

<sup>59</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

The following table<sup>60</sup> estimates the average number of commencing VET students who will achieve employment in the Community Services Industry. The first column shows the 2017 number of ACT commencements in relevant courses within the Community Services (CHC) training package. The number includes Australian Apprentice/User Choice (UC) and Skilled Capital (SC) commencements. A drop out rate has not been included in calculations. Of those who complete their study program, a portion will enrol in further study, while a portion gain employment after training. The proportion of persons who become employed within Division Q is then shown. In the final right hand column, an estimate of new Industry workers is shown, derived from the application of these rates.

	Number of ACT students 2017	Proportion enrolled in further study after training (national rate)	Proportion employed after training (national rate)	Proportion of employed after training working in Division Q – Health Care and Social Assistance (national rate)	Estimated number of new Industry workers
Certificate III in Community Services	57	41.5%	51.7%	23.5%	7
Certificate III in Early Childhood Education and Care	491	33.5%	74.5%	74.2%	271
Certificate III in Individual Support	350	23.6%	76.6%	70.3%	188
Certificate IV in Youth Work	38	47.9%	70.8%	30.4%	8
Certificate IV in Community Services	53	46.0%	60.4%	32.9%	11
Certificate IV in Ageing Support	123	23.4%	80.7%	79.6%	79
Certificate IV in Disability	76	20.2%	89.4%	52.3%	36
Certificate IV in Alcohol and Other Drugs	5	46.4%	74.1%	38.7%	1
Certificate IV in Mental Health	27	35.7%	79.7%	64.3%	14
Diploma of Early Childhood Education and Care	363	16.4%	81.8%	72.3%	215
Diploma of Community Services	182	32.7%	79.0%	44.8%	64
Advanced Diploma of Community Sector Management	10	28.2%	93.4%	48.0%	4

It is not possible to tell the extent to which these numbers respond to the need for workers because sub-sector turnover rates are unknown, however many of these courses are on the ACT Skill Needs List, which indicates that there are inadequate numbers of graduates to meet supply.

The above calculations estimate that 271 workers with a Certificate III qualification and 215 with a Diploma qualification eligible for entry to the Child Care sub-sector. Unlike other sub-sectors, the Child Care sub-sector has a high proportion of employees currently engaged in formal study.

In 2016 in the ACT, 11 per cent of workers (304 persons) were enrolled in a Technical or Further Education Institution (including TAFE) and a further 15 per cent of workers (415 persons) were enrolled at University or other Tertiary Institution.<sup>61</sup>

<sup>60</sup> ACT statistics from Skills Canberra. National statistics are derived from the National Student Outcomes Survey, National Centre for Vocational Education Research

<sup>61</sup> Australian Bureau of Statistics 2016, Census of Population and Housing (2016), TableBuilder. Findings based on use of ABS TableBuilder data

Another point of difference is that many workers undertake study while employed, rather than prior to starting work in the Industry, in contrast to the normal Industry pattern of study preceding employment.

The *National Quality Framework for Early Childhood Education and Care* stipulates that 50 per cent of educators in a centre must have, or be working towards, the attainment of an approved diploma level qualification. Remaining staff must have, or be working towards an approved Certificate III qualification.

It is not clear which proportion of students are already employed in the industry prior to commencing study, and the number of years an average worker is taking to complete their qualification.

Skills Canberra holds responsibility for identifying those qualifications that are in critical demand / short supply within the ACT. In 2019, they prioritised two relevant childcare qualifications on the ACT Skill Needs List:

CHC30113	Certificate III in Early Childhood Education and Care	Early Childhood Educator
CHC50113	Diploma of Early Childhood Education and Care	Early Childhood Educator

It appears that the number of students studying for careers as an Aged and Disabled Worker or Nursing Support and Personal Care Workers will be inadequate to meet future demand as three related courses have been placed on the ACT Skill Needs List 2019 as shown below:

CHC33015	Certificate III in Individual Support	Personal Care Assistant
CH43015	Certificate IV in Ageing Support	Aged or Disabled Worker
CHC43115	Certificate IV in Disability	Disabilities Services Officer

It should be noted that there is no formal stipulation for Aged and Disabled Workers to have a formal qualification, and many workers do not have such qualifications. Some employers, however, have an organisational policy that restricts employment to those that hold formal qualifications.

Other Industry specific courses placed on the ACT Skill Needs List 2019 are:

CHC32015	Certificate III in Community Services	Welfare Support Worker
CHC40313	Certificate IV in Child, Youth and Family Intervention	Family Support Worker
CHC40413	Certificate IV in Youth Work	Youth Worker
CHC42015	Certificate IV in Community Services	Community Worker
CHC42115	Certificate IV in Community Development	Community Worker
CHC43215	Certificate IV in Alcohol and Other Drugs	Community Worker
CHC43315	Certificate IV in Mental Health	Aged or Disabled Worker
CHC43515	Certificate IV in Mental Health Peer Work	Disabilities Services Officer
CHC50413	Diploma of Youth Work	Youth Worker
CHC52015	Diploma of Community Services	Welfare Support Worker
CHC53215	Diploma of Alcohol and Other Drugs	Drug and Alcohol Counsellor
CHC53315	Diploma of Mental Health	Disabilities Services Officer
CHC62015	Advanced Diploma of Community Sector Management	Welfare Centre Manager

For many occupations that require a Certificate III or IV qualification, there is not a long lead in time from the commencement of study to graduation and potential employment (6-12 months).

## IMPEDIMENTS TO PROFESSIONAL DEVELOPMENT

The ACTCOSS *State of the Community Service* revealed that few organisations reported having resources to cover any kind of staff development ‘all the time’. More than half had resources ‘all of the time’ or ‘most of the time’ for professional or clinical supervision, or for training courses and conferences. Only a minority said they had resources to support staff to acquire university or vocational education and training (VET) qualifications ‘all’ or ‘most’ of the

time. 38 per cent said their organisations had budgets for this ‘none of the time’. 1 in 3 organisations reported that they had no resources to ever provide backfill staff to cover staff training.

More professional development opportunities are needed so that workers can contribute to the best of their abilities, while experiencing a sense of purpose, growth and fulfilment in their working careers. Professional development is also necessary for succession planning, and to allow staff to develop skills not only for their present careers, but their future careers in the industry as well.

## RECRUITMENT, RETENTION, CHURN AND ATTRITION DATA

The ACT Long Service leave Authority *Industry Workforce Analysis – Community Sector* presents some valuable data about employee’s length of service in their current workplace and within the Industry, the proportion of employees changing jobs, and information about the destinations of those leaving the sector.

The most recent *State of the Disability Sector Report 2018* provides a detailed occupational analysis on the difficulties in recruiting and retaining staff within disability services. The ACTCOSS *State of the Community Service Sector* report also investigated perceptions surround difficulties attracting and retaining staff (including perceived contributing factors), but did not disaggregate this by occupation.

Industry wide data on recruitment, retention, churn (movement between positions and sub-sectors) and attrition is needed to would better inform future workforce planning across the ACT Community Services Industry as a whole.

## CAREER MAPPING / PROMOTION OF INDUSTRY AS INDUSTRY OF CHOICE

The availability of clear pathways through sub-sectors and the Industry as a whole is needed to attract new workers, and enable current workers to map out and achieve career progression without leaving the Industry.

Further discussion on this point is contained in the separate Career Mapping report.

## CONCLUSION

This paper has sought to anticipate service demand growth between 2019 and 2026. It is clear that those areas of the Industry that are expected to grow at the fastest rate are aged care services, disability support, followed by child care. There will be a continued need for services to support the vulnerable in the community and promote community development, and there is a risk that these services will remain at current resourcing and staffing levels despite any increases in the level or complexity of need.

A growing number of young workers with higher levels of literacy, numeracy and qualifications will be available, while there will be opportunities to draw on the increased number of people with practical caring experience, people with lived experience of disadvantage, and volunteers. The workforce of 2026 should also better reflect the diversity of people in the broader ACT community, including more Aboriginal and Torres Strait Islander people.

Challenges to recruiting and retaining Industry workers include the absence of clear career pathways, low pay relative to other industries, insufficient professional development and support, and insecure employment tenure. There are serious impediments to the adequate supply of workers as less people are undertaking vocational education and training (VET), and predicted job growth within the Industry is focused on those roles that often require a VET qualification.

There are a number of data gaps that prevent more detailed workforce supply analysis. Industry wide data is required on current turnover rates, levels of under-employment, casualisation, the pinpointing of positions that are most difficult to recruit and retain, and retirement and exit intentions. These data gaps could be addressed through an Industry wide data snapshot.

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