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Department of Prime Minister and Cabinet
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Draft National Care and Support Economy Strategy 2023

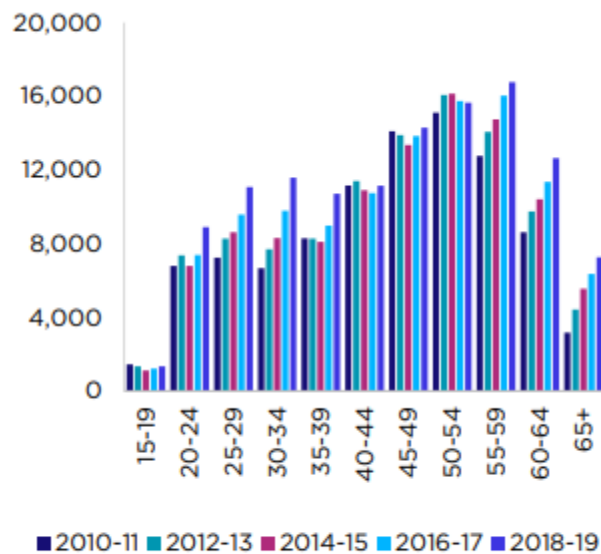
National Seniors Australia (NSA) welcomes the opportunity to make a submission to the Draft National Care and Support Economy Strategy 2023. As the peak consumer body representing older people, NSA has a key stake in developing a strong care and support economy.

Older people rely heavily on the services provided through the care and support economy, most notably via aged care services and programs. They expect and deserve a system of care delivering high quality, and to be able to receive these services when and where they need them. Increasingly, older people will also form a growing segment of NDIS clients. Most NDIS clients are likely to choose to remain within that system rather than transfer into the aged care system as they age, given the lower levels of support offered to people with disability in the latter.

Formal aged care exists to address the care needs of people who have no access informal care either because these informal care and support networks do not exist or because those who might provide informal care (most notably family) are unable to perform these tasks due to workforce participation or because the demands of care are too high. In this regard, formal aged care benefits both current and future generations by filling gaps in informal care, supporting economic participation and protecting the human rights of all citizens, whatever age or stage of life, to health care and support.

Older people also play a critical role in the broader care and support economy both as workers and as unpaid carers. A high proportion of workers in the aged care (and disability care) sector are mature aged, many of whom are women. Almost one-third (28%) of residential care workers are aged 50 or over. In home care the proportion aged 50 and over is between 40 – 45%, depending on job role¹. This is supported by evidence collected by the National Skills Commission which shows a predominance of older people working as aged and disabled carers (Figure 1).

¹ <https://www.health.gov.au/sites/default/files/documents/2021/10/2020-aged-care-workforce-census.pdf>



Source: NSC analysis of longitudinal linked tax data sourced via MADIP.

Figure 1: Aged and disabled carers (all industries), by age, female, 2010-11 to 2018-19²

Similarly, older people (predominantly women) deliver a significant amount of informal care to older people, out of love or duty³. In many instances this replaces the need for formal care or is delivered in combination with formal care.

Older people also provide significant informal unpaid care to younger people (e.g., grandparenting), helping to raise the next generation. This often allows parents to engage in the workforce (as our own [research](#) shows) or provide safety and nurture to children when their own parents cannot provide it.

Given the importance of care to older people, we support the need for a National Care and Support Economy Strategy 2023 and, in principle, the vision and objectives outlined in the strategy.

We support the first goal of **quality care and support**, which must underpin any actions emerging from the strategy.

² <https://www.nationalskillscommission.gov.au/sites/default/files/2022-10/Care%20Workforce%20Labour%20Market%20Study.pdf>

³ <https://nationalseniors.com.au/uploads/NSA-ResearchReport-Whocares.pdf>

For too long, the care of older people through the aged care sector has been substandard. The quality of care must be dramatically improved, as recommended by the Royal Commission into Aged Care Quality and Safety. The system must be simple to navigate and accessible to those who need it, where they need it, and this will rightly require a focus on developing a larger and more highly skilled workforce. It will also crucially require adequate support, training and respite for informal carers who complement and take pressure off the formal sector.

We support **decent jobs** as a prerequisite of quality care for those receiving formal care.

However, to attract and retain quality care staff, we don't just need better pay and conditions, career progression, safe and inclusive workplaces and improved leadership but we must also address issues associated with the transition into, between and out of care work. This includes supporting training for those entering care work, creating consistency between care sub-sectors and incentivizing people to enter or stay attached to the care workforce.

On this latter point, NSA has been advocating for changes to income test rules for government payments (e.g., Aged Pension, Disability Support Pension, JobSeeker etc) to remove disincentives to work or work more. We should be use payment rules as a means to encourage, not discourage, workforce participation.

Similarly, there is a need to provide equivalence in the pay and conditions across the care and support economy. For example, if the pay and conditions offered in one part of the care and support economy, this could cause workers to shift from one part of the economy to another.

In terms of the third goal of a **productive and sustainable** care and support sector, we believe this could be enhanced. Goal three could be improved by replacing the word "productive" with the words "efficient" and "transparent" to encapsulate the importance of these principles in the design and regulation of care and support services. While productivity is important, it is more critical to focus on efficiency and transparency, to ensure public trust in the care economy is improved.

Given the considerable amounts of public funds (and user contributions) disbursed across the care and support economy (\$60bn in 2021-22 rising to \$110bn in 2026-27), it is paramount there is an obligation to demonstrate efficiency and transparency in the use of these funds. Requests to elicit further funding, either via higher taxes or from user changes, shouldn't be accepted unless there is sufficient efficiency and transparency baked into the system, and, more importantly, improvements in the quality. Taxpayers, and older people and their families, will not support additional taxes or user contributions unless safe and quality care is delivered in tandem with transparency and efficiency.

Focusing on efficiency also raises an important question about the intersection between informal and formal care and between income from work and income from government payments.

For example, it may be more efficient to provide greater support to informal carers to relieve the growing demand for formal care from an ageing population. It also might be more efficient to remove financial disincentives to workforce participation built into “welfare” payments, such as the Age Pension. As NSA has long argued, there is a need to review government payment income test rules, which we believe act as a disincentive to workforce participation. The key will be undertaking comprehensive independent economic analysis to ascertain the costs and benefits of different approaches and being willing to trial different approaches.

It is important to acknowledge that productivity growth in sectors like aged care, which are heavily labour intensive, will only partially fix the growing workforce crisis. Ultimately, it will be people who hold someone’s hand, help them to eat, or take them to the bathroom, and these activities are unlikely to be partially, let alone fully replaced by technology. What these workers need are technologies to help them to be more efficient in carrying out care activities in a safe and caring manner.

One glaring omission in the strategy is acknowledgement of dementia as a critical factor in the delivery of care services to older people. There is not one single reference to dementia within the strategy, despite other factors being noted. Given the critical impact of dementia in the aged care setting, this is disappointing. The issue of dementia relates specifically to the following objectives in the strategy: 1.1, 1.2, 1.4, 1.6, 2.4, 2.6, 3.3 and 3.4.

In conclusion, we thank you for the opportunity to contribute to this consultation.

Yours sincerely



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