

Priority 3: Mobilising the workforce

Older people prefer to stay at home, with a mix of informal (family) and formal (paid) support. Recognising this preference should be a priority.

It's not just about increasing the number of home care packages, it's also about having an adequate supply of workers to meet demand.

That is why National Seniors Australia is recommending a national mature age traineeship program to attract quality mature age home care workers.

There is an urgent need for frontline workers in both the health and aged care sectors as a result of the pandemic.

That is why National Seniors Australia is advocating for changes to the income tests for both pensioners and workers aged 60+ in health and aged care to help meet workforce needs.

Key Recommendations

5. Provide 2,000 mature age home care traineeships per year to help meet demand
6. Change Age Pension and JobKeeper income tests for health and aged care workers aged 60+.



RECOMMENDATION 5

Provide 2,000 mature age home care traineeships per year to help meet demand

Overview

- Create a targeted home care traineeship program for mature workers aged 50+ to meet the cost of training.
- The program would be based on the successful South Australian pilot traineeship scheme, which links older workers with a home care provider.^{vii}

Benefits

- Meets the growing shortfall for home care workers.
- Encourages people to work in home care.
- Provides greater income and superannuation for older people, particularly women.
- Provides care recipients with access to mature and sympathetic workers – as is their preference.

Why the program is needed

- Evidence from the existing pilot (run by provider My Care Solution) shows home care recipients and home care providers prefer mature aged workers.

“At My Care Solution, more than 85 per cent of our workforce is aged 45 or older. They are committed, reliable, eager to learn, and most importantly, they are compatible with our elderly clients.”

Mark McBriarty, My Care Solution

- Demand for care workers is growing rapidly – CEDA estimates a shortfall of 400,000 workers by 2050.^{viii}
- Mature aged workers are in demand in home care – The average worker age in community care is 50.^{ix}
- Mature aged workers are not being adequately serviced by existing training programs – The existing Restart program is a failure with limited take-up of its \$10,000 subsidies.
- There’s a large number of older people who are not counted in the unemployment figures but want to work – According to the ABS in 2018-19, there were 233,000 people aged 50 - 69 who were not unemployed but want to work either full or part time (they are not in the labour force, not retired and not currently employed).
- The ratio of workers to retirees is declining – The old age dependency ratio (of working-age people to those over 65) is projected to fall from 4:1 in 2019-20 to 2.7:1 in 2060-61.

Budget Implications

- The cost of the South Australian pilot was \$10,000 per trainee for training, uniforms, police clearances, tech support and non-accredited training i.e. orientation – This could be met by redirecting funds from the existing *Restart* program (funded at \$108.8m in 2017-18).
 - 2,000 traineeships would cost \$20 million per year or \$80 million over the forward estimates for 8,000 new home care workers.

RECOMMENDATION 6

Change Age Pension and JobKeeper income tests for health and aged care workers aged 60+

Overview

- This policy encourages people aged 60+ to work more hours in health and aged care by:
 - exempting employment income from the Age Pension income test for low-wealth pensioners.
 - increasing the income test income free area for JobSeeker recipients aged 60+.
- Eligibility would be granted to pension recipients with limited savings under the assets test.

Benefits

- Addresses critical workforce shortages by encouraging older Australians to remain in the workforce and/or work more hours.
- Raises the income of low-wealth pensioners, especially women.
- Boosts superannuation balances for low-wealth retirees, particularly women.
- Improves health and wellbeing through ongoing workforce engagement.
- Cuts red tape, removing the need for regular reporting to Centrelink.

Why the policy is needed

- Worker shortages are acute in most areas of the economy, but particularly in health and aged care – CEDA estimates a shortfall of 400,000 aged care workers by 2050 and it has been estimated there will be a shortage of between 40,000 and 85,000 nurses by 2025.^{xi}
- Current means testing policies discourage pensioners from working – only 2.9% of Australian pensioners work compared to 24.8% in New Zealand.^{xii}
- Superannuation balances decline after the age of 60 undermining savings and income – Access to superannuation is used to pay off debt, mostly associated with the family home and corresponds with retirement and labour market exit.^{xiii}

Budget Implications

- Restricting the exemption (Age Pension) or threshold increase (JobSeeker) to those with limited assets will ensure only those most in need will benefit.