Anglicare Australia
in every Community

Submission on the Draft National Care and Support Economy Strategy 2023

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of $2.28 billion, a workforce of over 21,000 staff and 7,000 volunteers, the Network delivers across more than 50 service areas in the Australian community. Our services are delivered to over 503,000 people and reach close to a million Australians in total. In all, Anglicare services reach over 1 in every 26 Australians.

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

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Introduction

Anglicare Australia thanks the Department of the Prime Minister and Cabinet for the opportunity to respond to the Draft National Care and Support Economy Strategy 2023 (the Draft Strategy). We commend the Government for undertaking this work, and for their timely consideration of the long-term vision for Australia's care and support system. It is complementary to the important reforms taking place across the social service system, including in aged care quality and safety, affordability of early childhood care and support services, and access to the National Disability Insurance Scheme.

Anglicare Australia makes this submission on behalf of our members, and the older Australians, Australians with disabilities, and children who use their services. The Anglicare Australia Network consists of social and health care organisations that are linked to the Anglican Church in Australia, that share a belief in the value and the potential of every person, and the principles of justice, hope and compassion. Collectively our services provide care services to more than 67,000 elderly Australians, 3,000 Australians with disability and 1,200 children, and employ more than 12,000 staff.

We note that the short timeframes around this consultation have limited our ability to provide the kind of thoughtful, considered and consulted upon response that this conversation deserves. The reshaping of the care and support economy envisioned in the Draft Strategy is not a short-term project, so we are somewhat confused that adequate time for conversation with the community and the community services industry has not been made available by the Department of Prime Minister and Cabinet and the Care and Support Economy Taskforce. We hope that there will be many future opportunities to continue this conversation.

Anglicare Australia takes as its starting point for the provision of care a commitment to providing the essential support, and the opportunity to flourish, for all members of our society. Any delivery system for this support must focus on those broad outcomes. The care system we envisage sits within a society that is fair, inclusive and compassionate towards people of all ages and backgrounds. It prioritises the needs and perspectives of those most marginalised, traumatised and vulnerable; in turn producing a better society for all Australians.

Australia is facing growing inequity across a number of domains; the gap between the richest and poorest Australians is growing, the depth of poverty people experience is deepening, and a secure home is permanently out of reach for a growing number of people. Health and wellbeing outcomes are unequal across the community and are worst for people who live in poverty. Our focus on the delivery of care and support must start from an understanding and a commitment to address these inequities.

One of the factors driving growing inequities is the commitment of subsequent governments to market approaches to community services. So, while we welcome many of the goals and objectives proposed in the Draft Strategy, we question the underlying presumptions of market efficiency and productivity within it.

Scope of Draft Strategy

Anglicare Australia is somewhat puzzled by the decision to include only aged care, disability support, veterans care and early childhood education and care within the scope of the Draft Strategy.

As recognised in the paper, these sectors provide vital social infrastructure and have similarities with each other, including experiencing significant growth in demand, low wages for workers, similar worker demographics and the role of informal family care. But these similarities are not confined to the four sectors in scope; they are common across the entire care and support economy. For example, homelessness services and emergency relief providers all report growing demand, wages across the community services industry have been historically undervalued, and the role of family carers in providing psychosocial mental health care is of similar importance to carers of people with physical disabilities.

There are strong links between health and mental health services, aged and disability care and palliative care services. In contrast, the early childhood education and care sector is arguably more aligned to the broader education system than to the aged and disability care sectors.

Reforms to address the challenges facing the sectors in scope will inevitably impact others. For example, improved wages and conditions that attract personal care workers to the aged and disability care sector can draw workers away from roles in family violence or housing support, leaving those organisations with shortages. Decisions about who is eligible for NDIS packages inevitably mean some people will miss out and turn to other community services for the support they need.

It makes little sense to set a vision for these four parts of the sector that does not extend to the broader care and support economy. If the main similarity is the role of the Commonwealth Government in regulating and funding these four parts of the care economy, that should be clearly stated as the justification for the Strategy.

Goal One: Quality Care and Support

Include affordability and equity in objectives

In general we support the proposed objectives under goal one, but would include additional objectives related to affordability, to ensure that cost is no barrier to low-income people getting the support they need.

There are significant challenges to affordability across the care sector, which can hinder individuals and families from accessing the care they require. For example, research from the Early Learning Regional Monitor highlights the significant impact of high costs on families, with 88 percent of families in regional Australia limiting or not sending their children to early childhood education and care due to affordability concerns.[i] Additionally, 73 percent of parents in regional areas expressed that more affordable access to quality childcare would greatly benefit their families.[ii] These findings underscore the need to incorporate concrete measures in the Draft Strategy to address affordability issues, such as transparent pricing structures, and equitable funding mechanisms.

We would also add an explicit objective in relation to equity. There is a need to ensure the system supports the care needs of different people, including people on low-incomes and those with more complex care needs, including histories of homelessness, mental ill-health or alcohol and drug use. A failure to adequately consider equity in system design and funding can result in disincentives for providers to accept more complex clients, and "cherry-picking" of easier cases.

Accessibility is also hampered by the rationing of care, forcing people to languish on waiting lists for the support they need. For example, more than two thirds of early childhood education and care services surveyed by the Australian Childcare Alliance are being forced to cap enrolments as they simply don't have enough staff to meet the legal ratio requirements of educators to children.[iii] Similarly, despite welcome recent investment, staff shortages meant that people who are deemed medium priority for home care packages are still waiting up to nine months for a Level 2, 3 or 4 package.[iv]

Recognise high quality care is also about relationships

The care system we envisage includes service users as genuine partners in their own care, rather than just recipients or consumers of a service or products. Service users know best their own needs, wants and priorities.

Providers must be encouraged to build cultures where staff are rewarded and celebrated for building caring and respectful relationships with the people they serve. Too often the system privileges financial rather than human returns for care providers. Profit margins and competition can encourage organisations to deliver services at the lowest price, and consequentially aim for the most straight-forward customers. We have no doubt that the aged care system can drive staff members and providers towards viewing people's care needs in terms of the funding they attract rather than their capabilities as a person.

There is often little time to provide the kinds of relational and personalised care that people seek. A number of Anglicare members have had to pull out from offering disability services because the scheme precludes them from pursuing the social development and reablement that can transform people's lives.

High quality care will look different for different people, and different parts of the care sector. For example, in residential aged care services the focus is often on the provision of clinical health care. Although this is part of their role, they are not hospitals. They provide homes and communities for people in the later years of their life. Principles of wellness and reablement are key to successful ageing, but too little has been done towards embedding them in the aged care system.

The care sector must value emotional, spiritual and wellbeing needs of people and work to ensure they can live as full a life as possible.

Goal Two: Decent Jobs

The only way to deliver high quality care is with a strong workforce. Yet Australia's care and support workforce is increasingly under pressure. More than 100,000 aged, disability and mental health care workers will be needed within the next decade as the sector tries to meet the growing demand for care[v], and unpaid care continues to decline.[vi] People are also leaving the care sector at a rapid rate. For example, in a survey of 4,000 early childhood educators, 73 percent of respondents expressed their intention to leave the sector within three years due to excessive workload, stress, low pay and status, lack of professional development and career progression. It also found that 82 percent of respondents "always" or "often" felt rushed when performing key caring tasks in the past month.[vii]

Address low wages in the care sector

As noted in the Draft Strategy, care and support work has historically been undervalued, and this is evident in low rates of pay across the sector. Research from Everybody's Home and Anglicare Australia has shown that wages for care workers haven't kept up with living costs, with workers across the care sector being priced out of their own communities. Based on full-time award wages (minimum rates) and average asking rents, an aged care worker in a single household would be forced to spend around two thirds of their income to keep up with rents, putting them in severe renting stress.[viii] A childcare worker in a single household would only have 32 percent of their income left after paying rent.

This helps explain why so many workers are leaving the care sector. This has been further exacerbated by the very low levels of unemployment which provides incentives for staff to reconsider their careers in the care industry. Insecure work and burnout also contribute to the attrition rate, estimated to be between 17-25 percent in the NDIS[ix], up to 30 percent in early childhood education and care[x], and as high as 37.6 percent in residential aged care.[xi] Without action many more will follow, worsening the workforce crisis.

Anglicare Australia appreciates the recognition of these well-documented issues in the Draft Strategy and warmly welcomes the Government's commitment to funding a pay rise for aged care workers in direct care roles. The establishment of the Fair Work Commission Expert Panels for Pay Equity and the Care and Community Sector is also a positive step towards improving pay and conditions in low paid, feminised workforces.

Early childhood educators who have not benefited from the Fair Work Commission Equal Pay decision for the community sector workforce or the Work Value Case for aged care workers. Increases are needed across the care sector to avoid a situation where workers move from one part of the sector to another, leaving workforce shortages elsewhere.

Recognise security of work is essential to a high quality workforce

Adequate wages alone aren't enough. We welcome the Government's understanding and commitment to the idea that workers need secure jobs with consistent and predictable incomes. Many community service employers employ workers on a casual basis or on short-term contracts because they lack the funding certainty necessary to employ people permanently. Only 15 percent of disability services and 38 percent of aged care services have at least one five-year funding contract.[xii]

Twelve-month contracts, short-term extensions or "pilot funding" all lead to short-term employment contracts. They make it harder to attract skilled staff, and to keep them when more secure opportunities are available in other industries. In turn this means disruptions for people using services and broken connections with the people with whom they have built trusted relationships.

Six years ago, the Productivity Commission recommended lifting the default service contract length for family and community services to seven years but little progress has been made.[xiii]

The focus on productivity may put safe workplaces at risk

The Draft Strategy has a welcome focus on the right of workers to a safe and healthy workplace. It elaborates on strategies to reduce workers stress, burnout, exposure to physical hazards, racism and sexual harassment. One area missing in the Draft Strategy is recognition of the often-traumatic nature of the work undertaken in the care sector, including for workers supporting families dealing with family violence, sexual assault or child abuse. Aged and palliative care workers are often supporting people at the end of their lives, and are dealing with death, loss and grief on a daily basis.

The people drawn to work in the community sector are often those with strong sense of empathy and compassion.

> "We walk alongside the clients. We listen to those stories. We invest emotionally. We are human, so it has to have an impact."[xiv]

Vicarious trauma and compassion fatigue is a consequence of working with trauma survivors. But peer relationships, time between clients for reflection and self-care, organisational relationships and boundary setting are all strategies to help manage and minimise it.[xv]

We are concerned that the Draft Strategy's focus on increasing productivity may discourage these kinds of practices for individual employees and organisations. It could also lead employees to work excessive hours or skip their breaks, sacrificing their own health and job fulfillment. This focus on productivity is at best short-term and short-sighted, fuelling turnover. We will comment further in the next section on the problems with productivity, efficiency and profit driving system reform.

Goal Three: Productive and Sustainable

Anglicare Australia's most significant concern with the Draft Strategy is the policy goal on page 43 for a care and support economy that has functioning markets, sustainable funding and generates productivity goals.

The Draft Strategy does not define productivity, but we note that in the context of efficiencies and competition it almost always includes an element of cost. The Anglicare Australia Network sees the introduction of the profit motive into the care economy as a step that results too often in people's needs being pitted against shareholder dividends.

Provide long-term sustainable funding

We are supportive of the inclusion of sustainability. Sustainability is one of the enablers of a system that can deliver high quality of care. A functioning system needs a pricing model that reflects the full cost of providing high quality care that keep up with rising costs over time. If this is not in place, quality of care is compromised and consumer choice curtailed. People with more complex needs will miss out on care, and their providers will fail or close their doors.

The national conversation about long-term sustainability is one that Anglicare Australia welcomes and strongly believes should be led by government. We will provide more detailed input to the Aged Care Taskforce reviewing funding arrangements. In general, we support separating out universal access to a high quality and legislated standard of care from other aspects of the aged care system that could perhaps be competitive, like additional services in residential care. People who can pay more (including because they have a large asset base) for services like aged care should do so.

We also note the lack of consistency and transparency of indexation as a barrier to sustainable funding of the care sector. Organisations don't know what indexation they will receive, when to expect it, and how to cover the gap between it and the real cost of delivering services. Rates of indexation can vary wildly across different care services and rarely or never meet the actual increases. If organisations are not provided with details of the indexation rate to be applied in a timely way, they are unable to plan their budgets for the coming financial year or provide staff with certainty about their employment. For example, the 1.7 percent indexation applied to aged care funding in 2022-23 was woefully inadequate and put quality service delivery at risk.[xvi] A fair formula would account the currently high rate of inflation increases to the minimum wage, as well as the superannuation guarantee increase.[xvii] The formula should be made public, and the rate of indexation published in the Budget Papers.

Don't assume that the market underlies a functioning care system

We question the underlying assumption in the Draft Strategy that a market is the best way to deliver a functioning care system. We know the market is unable to deliver for everyone. The Productivity Commission has identified that participants most at risk of being poorly serviced by the NDIS market are those who need it most; people living in rural or remote areas, people with complex or highly specialised needs, people from culturally and linguistically diverse backgrounds, Aboriginal people, or people with an immediate or crisis need.[xviii] The same forces will continue to influence the market in aged care places.

The Aged Care Royal Commission rightly identified that relational care is the foundation of high-quality care and provides the best quality of life outcomes for older Australians in aged care.[xix] The same is undoubtedly true in disability services and other parts of the care economy. We agree with the observation that the marketisation of care and the transactional nature of much of "consumer-directed care" can be a major barrier to relational care.[xx]

Competition can have the effect of discouraging collaboration across the care sector. In many cases, competitive tendering processes they have undermined the kind of inter-agency and cross-community collaboration and partnerships that can best make a positive collective impact.

Encouraging people to see themselves solely as 'consumers' can drive a focus on price rather than quality. Too much focus on competition can also channel providers' attention and funding into marketing, brand management and advertising, rather than the experiences or needs of older people. It can exacerbate conflicts regarding the ability of experts to give the best advice, as a transactional focus can lead to assumptions that recommendations that cost more are driven by a profit motive, not care for the person.

A marketised system assumes everyone has the capacity to engage with the system. For many clients of Anglicare Australia services, this is simply not the case. For many people, the complexity of navigating and negotiating their way to quality services can be an overwhelming burden. Evidence from home care is that the market works much better for people with good English language skills, cognition, affluence and community than it does for people with fewer of these resources.

St Bart's in Perth is an Anglicare Australia Network member. It provides aged care for older people who are homeless or have alcohol and other drug issues. Anglicare SA and the Brotherhood of St Laurence in Melbourne operate similar specialist services. People who are a part of these services certainly can have agency and build meaningful connections with staff and each other. But it makes little sense to cast them as autonomous consumers.

The market expects people to move services if they are unhappy with their existing provider, creating choice and competition. But people who are marginalised or vulnerable, or people living in areas with few services available, are unlikely to move providers very often. Especially for residential aged care services, where changing providers means leaving a person's home, or early childhood education care where a parent would be moving their child from a centre where they have established relationships with their educators. It is unrealistic to suggest this will happen often.

One of the more profound consequences of the market approach to care services seems to be, in effect, devaluing or eroding the basis of how paid work is valued. With the majority of care sector provider funding being spent on wages, lowering wages and conditions is the most obvious and impactful wage that efficiencies and savings can be achieved. Driving down the cost of supply and competing on price as well as quality guarantees that either the least affluent and resilient consumers will miss out, as suggested above, or ensuring the workers they rely on need to perform a role of invented care and compassion whilst relying on insecure low paid work.

Rethink the emphasis on productivity in care and support services

We are alarmed by the emphasis throughout the Draft Strategy on the need to generate productivity gains. The Strategy contains no definition or explanation of what type of gains it seeks, how they should be generated, and why they have been prioritised over other goals, like outcomes for service users.

We are not against the adoption of materials, products, services and ideas developed in a business environment, that would improve efficiency or reduce administrative burden. HR systems, evaluation and quality assurance tools, ICT in general, transport, facility design and construction, the provision of consumables can all be improved through innovation and competition.

However, care services themselves are inherently relational. Placing a disproportionate focus on productivity risks undervaluing the fundamental aspects of care that are rooted in human connection and individualised attention. In the context of under-resourced and understaffed aged care services, for instance, staff may face challenges in allocating sufficient time within their schedules to establish meaningful connections with residents. This lack of attention and connection can contribute to the loneliness experienced by many elderly residents.

Relational care must be embedded at the heart of the care system. Our members' experience in delivering spiritual care as part of our aged care services strengthens this view. Quality of care within a rights-based framework must therefore be prioritised above notions of efficiency that can critically undermine the over-arching goals of care.

Upholding principles of human dignity and well-being should instead be the bedrock of any strategy aimed at improving the care and support sector. By acknowledging and prioritising these relational aspects, such as attention, empathy, and companionship, we ensure that individuals receive quality care.

Conclusion

Anglicare Australia thanks the Department of the Prime Minister and Cabinet for the opportunity to make this submission. We hope this conversation will be broadened to recognise the entire care and support economy, as it is complex and interconnected. Changes and reforms in one part of the sector will inevitably impact the service users, workers and services in other parts of the sector.

The assumptions about the importance of markets and productivity risk undermining the many positive objectives contained in the Draft Strategy. The care economy is about more than profit and competition, it is about people and their holistic wellbeing needs. The market will never be able to deliver for many of the people that access our services, because of geographic disadvantage, complexity of need or capability and desire to exercise choice and control.

We welcome the conversation about equity and funding in the care sector as a critical and timely one. Anglicare Australia will continue to work closely with Government as we develop our shared vision for the care economy and the Australian community.

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[vii] The Sydney Morning Herald (2023) How do we prevent early educator burnout?
[viii] Everybody's Home (2023) Priced Out: An Index of Affordable Rentals for Australia's Essential Workers.
[ix] Department of the Prime Minister and Cabinet (2022) NDIS workforce retention.
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[xii] ACOSS (2023) Australian Community Sector Survey 2023.
[xiii] Productivity Commission (2017) Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services.
[xiv] Australian Alliance for Social Enterprise for Centacare Catholic Family Services (2019) Understanding vicarious trauma.
[xv] Ibid.
[xvi] Inside Ageing (2022) Aged care subsidy indexation figure announced as 1.7 percent.
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[xviii] Productivity Commission, (2017) NDIS Costs: Productivity Commission Position Paper.
[xix] Royal Commission into Aged Care Quality and Safety (2021) Final Report.
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