



Tasmanian Council of Social Service Inc.

Submission to The Employment White Paper

November 2022



**INTEGRITY
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About TasCOSS

The Tasmanian Council of Social Service (TasCOSS) vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to low-income Tasmanians living in vulnerable and disadvantaged circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage and promote the adoption of effective solutions to address these issues.

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Introduction

TasCOSS welcomes the opportunity to make a submission to Treasury – the Employment White Paper.

Our vision is for a connected community services industry that supports all Tasmanians to live a good life and enriches our state’s social, cultural, and economic wellbeing.

Through the Tasmanian Workforce Coordination Project which brings the four sectors of aged care, disability, education and care and social services together, we are taking a whole of industry response to address the workforce crisis in the Tasmanian community services industry. Our aim is to ensure the industry has the necessary workforce for the delivery of services that achieve positive client outcomes.¹

As such, this submission highlights the future of work and the implications of structural change in the community services industry including job security, fair pay and conditions, as well as pay equity and equal opportunity for women. These issues are addressed through the following sections of our submission:

1. Wage parity
2. Funding agreement timeframes
3. Appropriate indexation
4. Government code assessment
5. Value of community services

We also endorse the Jobs Summit report 2022 by Australian Council of Social Service (ACOSS) and echo their calls for structural and policy reform at the federal level, for the benefit of the entire community services industry workforce.

¹ Workforce Coordination Project, <https://tascoss.org.au/projects/industry-plan/workforce-coordination/>.

Background

In Tasmania, more people work in Health Care and Social Assistance than any other industry, just like the rest of Australia. The community services industry workforce is integral to the high functioning of local communities with 16.4% of Tasmania's workforce employed in Health Care and Social Assistance.

Most employees are women aged 40 years and over² who, through the pandemic, have continued and increased their workload to support Tasmanians in need. They have demonstrated high occupational resilience even as the demand for a stronger community services industry workforce has become apparent.³ As one frontline staff member noted: *"Because it's a caring profession people do care so they take on more than they can manage and end up carrying excessive workloads because there are not enough people to do it."*⁴

Tasmania has its own set of socio-economic issues and opportunities. The population is small and dispersed across the regions, which means we require dependable infrastructure and services around the state. Tasmanian people are older than the national average, with a median age of 42 years compared to 38 years nationally.⁵

Tasmania has a greater proportion of people aged 55 years and over and a smaller amount of people between 20 to 44 years.⁶ This impacts our rates of employment in profound ways, as we have a rapidly ageing (and retiring) workforce.

There are more people requiring community services with less agile and able workers to provide that care. What is happening at a national level is happening in Tasmania in an acute way.

Tasmanian people are also impacted by higher levels of disability, lower literacy and numeracy skills, lower education levels and greater youth unemployment than on mainland Australia. Tasmania also has higher rates of obesity and chronic disease.⁷ And the projections are that, as the population grows and ages, the demand on community services will also grow.⁸

During the last five years, over 11 000 jobs were added to Health Care and Social Assistance in Tasmania.⁹ Looking ahead, we anticipate at least 4,000 more community service workers will be needed by 2024 to keep our population healthy, safe and functional.¹⁰

² "Industry Profile: Tasmania," *National Skills Commission*, accessed November 17, 2022, <https://labourmarketinsights.gov.au/media/0sdehn2u/industry-profile-tasmania-nov-2022.pdf>.

³ "The Shape of Australia's Post Covid-19 Workforce," *National Skills Commission* December 07, 2020, https://www.nationalskillscommission.gov.au/sites/default/files/2021-12/NSC%20Shape%20of%20Australias%20post%20COVID-19%20workforce_1.pdf, 33.

⁴ Interview with Community Services Worker, November 10, 2022.

⁵ Australian Bureau of Statistics, "Snapshot of Tasmania," *ABS*, 2021, <https://www.abs.gov.au/articles/snapshot-tas-2021>.

⁶ Australian Bureau of Statistics. "Regional population by age and sex." *ABS*, 2021, <https://www.abs.gov.au/statistics/people/population/regional-population-age-and-sex/latest-release>.

⁷ Department of Health, "Drivers of Tasmania's Future Population Health Needs," June 2022, https://www.health.tas.gov.au/sites/default/files/2022-06/Drivers%20of%20Tasmania%27s%20Future%20Population%20Health%20Needs_0.pdf, 8-14.

⁸ TasCOSS, "A Community Services Industry Built for Tasmania's Future: Community Services Industry Plan 2021-2031," accessed November 19, 2022, https://issuu.com/tascoss7/docs/community_services_industry_plan_2021-2031_final_.

⁹ "Tasmania Industry Sector of Employment," *Informed Decisions*.

¹⁰ TasCOSS, "A Community Services Industry Built for Tasmania's Future."

There are also more immediate workforce challenges. Due to a combination of factors including increased community need for services, partly driven by cost-of-living pressures and inadequate indexation from both the state and Commonwealth Governments, many community service organisations are unable to deliver services to everyone who needs them.

The issue is particularly acute in regional areas. Unless addressed strategically, these circumstances will increasingly cause personal pain, social instability and result in reduced quality of life and early loss of life in Tasmania.

With fewer people able to fully participate in Tasmania's social and economic life, the state's economic potential will also be negatively impacted.

Therefore, *building a sustainable care economy in the context of an ageing population* is fundamental for Tasmania's success. The following proposed policy changes would have an immediate and long-term positive impact for the community services industry and Tasmania.

Wage parity

Average weekly earnings identified for the Health Care and Social Assistance workforce are below the national average and reflect the gender pay gap, where most workers in this industry are female. It also speaks to the social value placed upon community services as compared to other industries. Human service work is complex work, and we face a workforce crisis due to this undervaluing attitude.

Aged care, disability, education and care and social services are essential to the economy and society, but lack of action from successive governments has not demonstrated this social value as wages and conditions have not improved.

While we acknowledge and appreciate the recent pay increase of 15% for aged care workers, we also stress this is long overdue. Wages should increase to 25% as soon as possible for all aged care staff (including administration and support) to ensure these essential services are no longer devalued and can attract and retain talented workers.

Wages for the disability and education and care workforce should likewise immediately be raised to reflect their essential contribution and help close the gender pay gap. Doing so will ensure the community services workforce receives proper remuneration.

We echo ACOSS's position in the Jobs Summit Report 2022 which states that lifting the minimum wage will allow people to achieve a decent standard of living and promoting pay equity for women will recognise the value of their skills, experience, and qualifications.

Funding agreement timeframes

Short term funding for service delivery at both the federal and state level has made job uncertainty a chronic issue of employment, particularly for social services.

This has a negative psychological impact on the community services industry workforce, who face job insecurity that begins after Christmas each year, as project funding is terminated or renegotiated by the end of financial year. One social services employee in Tasmania, who has renegotiated their grant-based position each year for the previous 10 years, was succinct in addressing the issue: *“We want permanent positions as opposed to grant based positions. Write the jobs into the government budget.”*¹¹

Along with the psychological impact on workers, there are other harmful impacts from short term funding cycles. Contractualism does not promote sustainability, instead it limits service delivery, increases the burden of administration and promotes role instability.¹²

The result is a lack of capacity building within the workforce as organisations scour for funding and subsequently talent moves on. This is also noted as an area for immediate action in the Jobs and Skills Summit Outcomes, to ensure a better trained and skilled care workforce.¹³

Productivity in the community services industry would also improve with five-year funding agreements so the workforce could focus on reflection, planning and strategic (rather than reactive) development over time.¹⁴

What currently happens is paucity management, where organisations stretch their resources, including staff, to breaking point in short-term service delivery with little guarantee of continuity.¹⁵ Limiting the use of short-term contracts in community services will ensure that the outcomes of improved productivity and workforce development, named in the Jobs and Skills Summit, are achievable for the care sectors.

We also echo the ACOSS assessment in the Jobs Summit Report 2022 that states, “Too many care workers are underpaid, over-stretched, under-valued and lack security of employment or sufficient paid hours and security of employment in their main job. These factors contribute to high staff turnover and undermine service standards.”¹⁶

These wage and funding problems have been an issue in community services for many years and is a key reason we face a staffing crisis which is predicted to continue over the next decade.

¹¹ Interview with Community Services Worker, November 09, 2022.

¹² E. Carson and L. Kerr, “Contractualism, Workforce-Development and Sustainability in the Community-Services Sector in Australia,” *Third Sector Review* 16/1 (2010), 69-70.

¹³ The Australian Government, “Jobs and Skills Summit Outcomes 1-2 September,” accessed November 19, 2022, <https://treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Documents.pdf>, 2.

¹⁴ N. Cortis, K. Jose, L. Denny, R. Eccleston and S. Hyslop, *The State of Tasmania’s Community Service Industry, 2019*. (Sydney: Social Policy Research Centre, UNSW and Institute for the Study of Social Change, University of Tasmania, 2019), 57.

¹⁵ E. Carson and L. Kerr, “Contractualism,” 70.

¹⁶ ACOSS, “Restoring Full Employment: Policies for the Jobs and Skills Summit,” accessed November 19, 2022, https://www.acoss.org.au/wp-content/uploads/2022/08/ACOSS_Restoring-full-employment_Policies-for-the-Jobs-and-Skills-Summit_2022.pdf, 56.

Appropriate indexation

Historically inadequate indexation of funding agreements means the income of community service organisations has not kept pace with the increased costs of delivering services.¹⁷

As a result, organisations are making tough decisions between cutting services or reducing staff and/or staff hours or employing people at levels lower than is required for the position to save wage costs. Stress, chronic demoralisation and burn out has been the result and has seen many people leave the industry.¹⁸

There is an urgent need to reform the approach to indexation to ensure the real cost drivers experienced by the industry are considered, including the full range of wage and other costs (which are not adequately captured by the Wage Price Index or Consumer Price Index).

We urge state, territory and the Commonwealth Government to work with the community services industry to develop a consistent and adequate method of indexation to ensure the financial sustainability of the workforce.

Government code assessment

One of the longer-term strategies to build capacity in our industry would be to undertake a review of the current ANZSCO occupational profiles as they are no longer fit for purpose, with several roles in community services not detailed in the codes.

Doing so would increase public understanding of the value of our industry's work as well as providing accurate baseline data to make informed decisions about priority occupations, necessary levels of skills, and future training and development needs. It would also reflect the increasing specialisations needed to respond to changing social conditions, potentially leading to greater remuneration.

Currently, there is little incentive for specialised professional development especially in aged care. This is again a pay parity issue that needs reviewing to inform and encourage sector specific career progression.

We also advocate for the one employment category of Health Care and Social Assistance to be separated into two categories by the Australian Bureau of Statistics.

There are two reasons for this request. Firstly, more accurate workforce data is needed to plan for a workforce that can meet demand. The blurring of the categories of health care and social assistance makes it very difficult to gain a clear picture of where workforce gaps are in social assistance.

Secondly, a change to these role categorisations would reflect contemporary understanding of the nature of caring work, which increasingly operates within a social model of wellbeing rather than a biomedical model of individual illness and cure. While there is crossover of allied health staff from hospitals to community services, aged care, disability, education and care and social services no longer belong neatly within the medical model of service.

¹⁷ ACOSS, *Australian Community Sector Survey 2022* [Australian Community Sector Survey 2022 – ACOSS](#)

¹⁸ RESET 2020 National Impact+ Need Research Study 2020, "Snapshot of the Research Phase 2," *The XFactor Collective*, accessed November 20, 2022, <https://xfactorcollective.com/research/research-phase-2>.

The value of community services

In monetary terms, Health Care and Social Assistance contributes about 14% to the Tasmanian economy.¹⁹

Despite perceptions this industry is a drain to the economy, well over two billion dollars flows annually to local neighbourhoods and industries as a direct result of the community services workforce.

The value proposition of our industry, in terms of engaged and meaningful work, building strong communities and making an outsized fiscal contribution, has not been fully articulated in the public sphere. Well-funded investment in positive campaigns to highlight the benefits of community services work will enhance talent recruitment and boost morale among the current workforce.

This is an immediate action that would have a direct impact on the staffing crisis. Publicity and promotion of what we do well can also build cultural change so that aged care, disability, education and care and social services are valued as essential services for social wellbeing and their ability to ensure all people can enjoy a good life in Tasmania.

¹⁹ Department of Treasury and Finance, “State Accounts: 2020-21,” accessed November 12, 2022, <https://www.treasury.tas.gov.au/Documents/State-Accounts.pdf>, 2.

Conclusion

A new coherence has emerged in Australia since 2020, where the value of community services work is understood differently.

Our industry's response has been one of stepping up to meet the challenge of the last three years, however there is still a long way to go before policy settings reflect the emerging understanding of the nature and value of the community services industry and the challenges it faces.

Adopting the proposals discussed in this submission will support the community services workforce in the short to medium term by demonstrating their contribution is valued in both social and monetary terms and will contribute to longer term sustainability of the industry and its people, by providing benefits that make their working lives easier and equitable.

Our aim is for a highly respected and well-resourced community services industry with employees who are paid fairly, treated with dignity by government and the broader community and who are not overburdened by their participation in this work.

Recommendations:

- Increase wages for the aged care, disability, education and care, and social services to close the gender pay gap.
- Eliminate short term funding models and increase funding agreements to five-year periods in social services to build workforce stability.
- Change indexation rates for community services funding to reflect actual wage and other costs to ensure the long-term financial sustainability of the industry.
- Review ANZSCO occupational profiles to ensure they better reflect the distinct profiles of community service occupations.
- Separate the category of Health Care and Social Assistance into two data sets to allow for accurate data collection and emergent knowledge about community services industry.
- Promote the range of economic and social benefits of community services work to the wider public for the purpose of recruitment and to strengthen social value.