

Care and Support Economy Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

By email: care@supporteconomytaskforce@pmc.gov.au

26 June 2023

Dear Taskforce Members,

Catholic Social Services Australia (CSSA) advocates for the Catholic Church's social service ministry and is the peak body for Catholic social service providers, including CatholicCares and Centacares in dioceses across the nation and providers such as Mackillop Family Services, Marist 180, and Jesuit Social Services.

Our members work to support a cohesive, inclusive, and just society where everyone has the opportunity to thrive, flourish and develop their full potential. CSSA's work is underpinned by Catholic Social Teachings principles: solidarity, the preferential option for the poor and vulnerable, the rights of workers, the dignity of work, and protection and care for the environment.

Thank you for the opportunity to provide feedback on the *Draft National Care and Support Economy Strategy 2023*. CSSA members provide a wide range of services across the social services sector, including within the scope of this Strategy, early childhood education and care, community aged care, and disability support.

Please see the CSSA feedback document attached. Please contact the principal author, CSSA Government Relations and Policy Officer Ron Johnson, (ron.johnson@cssa.org.au) if you require any clarification or further information.

Yours sincerely,

Monique Earsman
Executive Director
Catholic Social Services Australia

Catholic Social Services Australia (CSSA)

Feedback on the Draft National Care and Support Economy Strategy 2023

CSSA feedback is as follows:

We suggest the following amendments (additional words marked in red) to the Strategy document Vision, Goal 1 and related Objectives-

Vision:

"The Government's vision is for an **efficient and** sustainable ~~and productive~~ care and support economy that delivers **excellent quality** care and support with **safe and** decent jobs."¹

Goal 1: **Excellent quality** care and support

- 1.1 People have access to the care and support they need **to live well**.
- 1.2 The workforce has the right skills and training to deliver **excellent quality** care and support.
- 1.3 Workforce supply meets **community** demand.
- 1.4 Services are **physically**, culturally and psychologically safe for all people.
- 1.5 People are easily able to navigate systems, assess service quality and access **appropriate** care and support.
- 1.6 The contribution of informal carers is valued, and they are supported **to take a safe and sustainable approach** to ~~sustain~~ their caring roles.

CSSA comment on "How will we get there?"

Objectives 1.1 & 1.4

- a) CSSA would be grateful to be provided with more detail about the Government trials of integrated commissioning where providers are funded to deliver cross-sectoral services in "thin markets", and the outcomes of these trials.
- b) CSSA notes that Objective 1.4 is not directly addressed in this section and so it is not clear if there is a plan for reform to achieve this goal.
- c) We ask that the Taskforce consider the impact of the design of funding arrangements upon the ability of service providers to ensure that these goals are adequately met. For example, there is a concern that funding arrangements often do not adequately cover necessary costs, including for staff professional development. CSSA supports the recommendations for improved funding for community services, as recently put forward by ACOSS.²

¹ Note: CSSA submits that 'Productivity' is a term more suited to measuring the output of goods in primary and secondary industries. The care and support economy is part of the tertiary industry sector which provides services for the community. In this sector, it is logically more appropriate to aim to improve 'efficiency' and 'effectiveness'.

² Cortis, N. and Blaxland, M. (2023) *At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey*. Sydney: ACOSS



- d) In the case of the NDIS and community aged care services, CSSA is concerned that funding arrangements afford a relative competitive advantage to sole traders or independent contractors who usually have lower overhead costs compared with larger organisations. This is compounded by the fact that these sole traders are often unregistered and therefore not adequately accountable to the NDIS. A recent study by the Australia Institute's Centre for Future Work identified some of the concerning reasons for this competitive advantage-

In Australia's markets for publicly-funded aged care and disability support services, digital care platforms compete directly with other service providers for individuals' custom. Platforms benefit by avoiding legal regulation and reducing labour costs, minimising capital investment, avoiding costs of supervising the work, avoiding worker collective action, and shifting the risks of fluctuations in demand to workers.³

- e) The funding and registration arrangements in the care and support economy need to be carefully reviewed by the Government, as they make it much more likely that deficiencies will arise in the quality of services that are available for people in need of care and support.

Objectives 1.2 & 1.3

- a) CSSA would be grateful for an opportunity to provide feedback on the draft *Priority Workforce Initiatives Action Plan* when it becomes available.
- b) CSSA acknowledges the great value of the Australian Government commitment to fund fee-free TAFE places and extra university places to address skill shortages, including in the care and support economy. Although the Strategy would be more useful if it included data to demonstrate the extent to which these initiatives are expected to ease the projected workforce shortages.
- c) CSSA notes the statement that: "Consideration of migrant pathways for lower-skilled workers will form part of the solution in the short term. This will be complemented by actions to make jobs in care and support more attractive as part of a longer-term approach to workforce shortages".

The detail of what is proposed here is not clear, both in terms of possible numbers of migrants that could be engaged and the anticipated timeframes for making care and support jobs suitably attractive for Australian citizens.

The Strategy document points out that "over-reliance on migrants in lower skill and lower-paid roles risks embedding low wages across the care and support economy" (p.21). There is also a danger that funding shortfalls or profit motives could further embed low pay and poor conditions and lead to the exploitation of both migrant and domestic workers. As a safeguard against these potential

³ Macdonald, F. (2023). *Unacceptable Risks: The Dangers of Gig Models of Care and Support Work*. Canberra: Centre for Future Work at the Australia Institute.



problems, the Strategy needs a detailed medium-term plan, including timeframes, for sufficiently improving real wages and conditions.

There is also a need for the Strategy to clarify the skills development and training that migrant workers would be required to undertake.

Objectives 1.5 & 3.5

CSSA submits that the objectives to better deploy digital and data technology are laudable. However, we agree that it is very important to proceed cautiously to ensure that no person accessing care and support is “digitally excluded” nor otherwise inadvertently disadvantaged because of information technology reforms. The concerns identified by the Australia Institute regarding how current digital platforms negatively impact care and support work and outcomes also warrant careful review.⁴

Objective 1.6

- a) The Carer Inclusive Workplace Initiative appears to be an excellent policy initiative. Likewise, the planned Carer Gateway service to support informal carers is very welcome. However, considering the special nature and particularly high level of difficulties experienced by First Nations people providing care and support, CSSA submits that both programmes need to be reviewed to ensure that a major emphasis is placed upon assisting such First Nations people.
- b) As above, CSSA has suggested some changes to the wording of objective 1.6 to clarify that appropriate support for informal carers may, for example, entail greater access to formal care arrangements or structured respite.
- c) Considering the devastating extent of workplace injuries and illnesses arising in the care and support economy, as outlined in the Strategy document, CSSA submits that it would be important and useful for the Government to also examine the extent of injuries being sustained by informal carers, and to explore possible risk assessment and prevention measures that can be undertaken.

CSSA suggests the following amendments to the Strategy document Goal 2 and related Objectives-

Goal 2: Safe and decent jobs

- 2.1 Pay and conditions reflect the value of care and support work **and are sufficient to enable workers to enjoy a standard of living, including adequate housing, in keeping with human dignity.**
- 2.2 Work is organised and jobs are designed in a way that promotes good job quality, **reasonable workloads,** and worker satisfaction.

⁴ *Ibid.*, Pp. 13-20.



- 2.3 Jobs are professionalised and there are pathways **and support** for skilling and career progression.
- 2.4 Workplaces are safe and healthy, and psychological and physical risks, **especially relating to workloads and manual handling**, are eliminated or, if this is not possible, minimised.
- 2.5 Improved leadership, management capability **and financial transparency** across the care and support economy.
- 2.6 Workplaces are inclusive of diverse cultures, genders, ages and abilities and are culturally safe **and respectful** for all workers, including First Nations workers.
- 2.7 **Employers must demonstrate respect for the freedom of all care and support economy workers to join a labour union and their right to be represented by that union, including through collective bargaining.**

CSSA comment on "How will we get there?"

Objectives 2.1 & 2.5

- a) The Secure Jobs, Better Pay amendments to the Fair Work Act open several avenues to improve pay and conditions in the care and support economy. However, outcomes arising from reforms such as the supported bargaining stream are at risk of being limited or undermined by the obvious limitations upon the capacity of employers to afford to meet the costs of better pay and conditions that may arise.

It is apparent that the current Government arrangements for indexation do not adequately cover increases to wages, superannuation, insurance and other costs.⁵

CSSA recommends that all funding methods used by the Australian Government in the care and support economy be reviewed to ensure that indexation arrangements are fully transparent and fully cover increases to all labour and other costs.

- b) The Strategy document emphasises the importance of increasing "productivity to drive real wages growth." Yet, considering the identified problems with excessive workload, worker "burnout" and high rates of work-related injuries and illnesses, extreme caution is necessary to ensure that any initiatives aimed at efficiency improve rather than exacerbate these problems.
- c) CSSA submits that a major Government investment to focus upon improving workforce health and safety in the care and support economy, with a particular emphasis upon reducing excessive workloads and improved approaches to manual handling, could deliver significant cost-saving efficiencies through

⁵ Cortis, N. and Blaxland, M. (2023) *Op. Cit.*, Pp. 25-37.



reducing time lost due to illness and injury and the costs of labour turnover and workers compensation premiums.⁶

- d) One of the fundamental and extreme difficulties faced by low-paid workers in Australia, including most of those engaged in the care and support economy, is being able to access affordable and suitable housing within reasonable proximity to their workplace. The Strategy document fails to acknowledge or address the major impact that housing unaffordability and the regional variability in housing costs, have upon the identified problems in the care and support economy labour market. CSSA submits that the Strategy needs to be amended to take account of these major issues.

The Strategy also needs to consider and analytically anticipate the extent to which the National Housing and Homelessness Plan⁷ may be able to assist with ameliorating some of the identified problems in the care and support economy labour market. CSSA submits that Government land use, taxation and housing policies need to be developed that are specifically tailored to assist in ensuring that:

- (i) Care and support economy workers can afford to live to a standard in keeping with human dignity⁸; and
- (ii) Local communities with an identified shortage of care and support economy workers can attract the labour that is needed.

In this context, some recent initiatives in housing policy development, whilst not necessarily endorsed by CSSA, are worthy of review.⁹

- e) It is not clear from the Strategy document how Objective 2.5 is planned to be achieved. For example, does the Government intend to allocate additional funds, develop specific programmes or reform regulations to ensure that leadership and management capability across the care and support economy is improved?

Objectives 2.2, 2.4, 2.5 & 2.6

Moving to provide improvements in the area of workplace safety and support will require the investment of additional Government funding, particularly given the nature of the sector and the current factors creating high risks of psychological injuries. However, as mentioned above, improved prevention of injury and illness could reasonably be expected to deliver significant efficiencies and savings if an earnest and innovative reform programme were undertaken.

⁶ See: Macdonald (2023) *Op. Cit.*, Pp.37-8

⁷ See: <https://www.dss.gov.au/housing-support-programs-services-housing/national-housing-and-homelessness-plan>

⁸ See: <https://justiceandpeace.org.au/catholic-social-teaching-and-housing-and-homelessness/>

⁹ See: a) <https://www.abc.net.au/news/2023-05-02/restrictions-granny-flat-rentals-housing-crisis-south-australia/102280478>

b) <https://www.sheppnews.com.au/national/council-wheels-out-tiny-homes-to-tackle-housing-crisis/>

c) <https://crawford.anu.edu.au/news-events/news/19750/housing-affordability-after-pandemic-boom>

d) <https://www.afr.com/policy/economy/how-to-turn-stamp-duty-into-a-land-tax-overnight-20230613-p5dg2h>



Objective 2.2

- a) CSSA is concerned that to a significant extent, the 'casualisation' of the care and support economy workforce is caused by the nature of funding models. That is, 'fee-for-service' funding with very thin margins can drive employers towards casual employment for staff.

For example, in circumstances when people receiving care and support cancel or postpone a booking, as often occurs, casual employment can prevent additional labour costs.

CSSA encourages the Government to review all the funding models used, including the associated rates of funding, within the care and support economy to make sure that they are best suited to encouraging and supporting the Government's objective for secure jobs.

- b) CSSA members have reported that, especially in circumstances where NDIS or community aged care clients require 24-hour care, further reform of the relevant Modern Award or the making of enterprise agreements, to facilitate the introduction of more flexible hours of work arrangements would assist in finding better ways to reconcile the needs of clients with the objectives of attracting and retaining good workers and ensuring job security.
- c) CSSA supports the Government's commitment to preference direct employment in aged care and encourages the Government to examine the advantages of extending this commitment to other parts of the care and support economy.

Objective 2.3

Developing training pathways and improving the level of qualifications and skills within the care and support economy workforce is welcomed. However, CSSA submits that additional Government funding and margins will be required in order to be able to fund this.

Proposed Objective 2.7

The Strategy document acknowledges some of the disadvantages and harmful environments faced by workers in the care and support economy, and the extra difficulties in unionising workers in this sector. Care and support economy workers are clearly amongst the most vulnerable workers in Australian society.

The right of workers to join a union is a fundamental part of Catholic Social Teaching, Australian culture and industrial law. CSSA submits that this needs to be promoted as an important part of the Strategy.

CSSA suggests the following amendments to the Strategy document Goal 3 and related Objectives-



Goal 3: Efficient ~~Productive~~ and sustainable

- 3.1 Government investment and expenditure in the care and support economy is effective and sustainable, **underpinned by a fair and progressive public revenue system, and with full indexation to cover rising costs, including wage increases.** ~~with fair and reasonable consumer contributions where appropriate~~
- 3.2 Regulation is simplified and made more efficient to comply with, **whilst facilitating improvements to** ~~without compromising~~ quality and safeguards.
- 3.3 Funding models support market sustainability, **improved** job quality for workers, and **improved** quality of care and support, including **through enhanced** ~~consumer~~ choice and control for the people accessing care and support services¹⁰
- 3.4 **Successful** innovation is shared, adopted and adapted across the care and support sectors
- 3.5 Opportunities in data and digital are harnessed to enable **improved** quality of care and support, **better** ~~decent~~ jobs and improved efficiency ~~productivity~~ ~~growth~~

CSSA comment on "How will we get there?"

Objective 3.3

- a) Notwithstanding the many benefits that have come with the introduction of the NDIS and the enhanced choice arrangements, CSSA members report that funding models such as that used in the NDIS have commodified services in the care and support economy in ways detrimental to the genuine empowerment of recipients and the quality of jobs.

CSSA members have expressed concern that the move to a 'market-based' approach has introduced an appreciable shift in culture towards a tendency for the focus of the important work undertaken to become unduly concerned with money, to the detriment of the need to be uncompromisingly devoted to serving the needs of the people receiving the care and support.

This concern is addressed in a recent publication by Professor Mark Considine, Professor of Political Science at the University of Melbourne. He writes:

What is also important to notice in the current era is that this duty to deliver a strong supply of appropriate services, which is so critical, is now given over to the market. If demand does not create supply, the model fails. Profit seeking is obviously the driver for these service markets. But this can sit awkwardly with, and sometimes in contradiction to, the ideals of long-term support and increased independence. Put bluntly, there is no obligation for a supplier of services in a market to engage in innovation, especially in cases with the more demanding needs for support. Suppliers can choose to provide the best to some and much

¹⁰ See: Hugh McLaughlin, What's in a Name: 'Client', 'Patient', 'Customer', 'Consumer', 'Expert by Experience', 'Service User'—What's Next?, *The British Journal of Social Work*, Volume 39, Issue 6, September 2009, Pages 1101–1117, <https://doi.org/10.1093/bjsw/bcm155>

less to others, or they may not bother to innovate at all if profits are strong and price signals are weak.”¹¹

CSSA recommends that the Strategy needs to be amended to facilitate a thorough examination of the risks to the quality of care, support and jobs that may arise due to a market-based approach and the involvement of ‘for-profit’ providers in the care and support economy.

Objectives 3.4 & 3.5

Whilst CSSA supports in principle the goal of extending successful innovation across the care and support sectors, we note that it is crucial to distinguish between a negative cost-cutting approach to improving ‘productivity’ as opposed to a positive, transparent approach to improving ‘efficiency and effectiveness’ which includes probity safeguards and demonstrably improves the quality of care for people receiving care and support and the quality of the jobs for care and support workers.¹²

Objective 3.2

The simplification and improved efficiency of regulation is a worthy goal. However, as noted above (p.2), the lack of regulation applying to unregistered providers operating within the NDIS raises concerns about quality of care outcomes. Broad-based government regulation is necessary to ensure adequate “voice” and empowerment for persons receiving care and support.¹³

Objective 3.1

As a general first principle, CSSA supports the provision of a very high standard of services for all people in need in the Australian care and support economy, fully funded through public revenue. This preferred approach is only sustainable if it is underpinned by a fair, efficient and highly progressive system of public revenue collection.

Bearing in mind the current political circumstances and funding shortfalls, CSSA acknowledges that there may be a place, for example in the residential aged care sector, for wealthy individuals to make reasonable contributions towards the costs of their care.

CSSA acknowledges that the Government needs to review the sustainability of public expenditure in the care and support economy. However, a crucial part of such a process must be to firstly address the need to reform Australia’s system of taxation to make it as fair and progressive as possible and secondly to undertake a thorough risk analysis of the involvement of for-profit service providers in the care and support economy.

¹¹ Considine, M. (2022) *The Careless State: Reforming Australia’s Social Services*, Melbourne University Press, Melbourne, P. 139.

¹² *Ibid*, P.132

¹³ *Ibid*, Pp.203-11

