

# **SUBMISSION TO THE TRAINING AND SKILLS COMMISSION**

To support the development of a 5 year  
Skills and Workforce Development Plan  
for  
South Australia

SA Health & Community Services Skills Board, January  
2009

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# 1. Executive Summary

## 1.1 Introduction

This Submission has been developed by the SA Health & Community Skills Board (SAHCSSB) with a Reference Group of key stakeholders and technical and project support from the Department of Further Education, Employment, Science and Technology (DFEEST), in response to the request for the development of an Industry Workforce Action Plan (IWAP).

Its purpose is to inform decision makers and key influencers about workforce development issues, barriers and opportunities that should be considered when determining resource allocation, program development and strategic action to support the future evolution of these industries and the broader economy.

The report provides

- A snapshot of the health, community services and correctional services industries in South Australia, their contribution to the state and key elements of the context in which they operate
- An overview of the workforce development challenges the industries currently face
- An indication of some priority areas for action, including complex matters impacting on the ability of the industries, and particularly the non-government sector, to respond effectively to the challenges
- A wide range of possible strategies to support the continuation of a skilled, effective and sustainable workforce for the industries.

The Submission does not constitute either a strategic workforce plan for the industries or a detailed action plan, but it does provide a foundation for further work, and in particular will be used by the Board as the basis for its planning with industry partners and the development of its own business plan for 2009. As the first such document for the industries, it will be refined and improved over time, to reflect changing needs, increased engagement with industry, and new understanding of workforce development across the industries.

## 1.2 Overview of the Industries

The health, community services and correctional services industries make a critical contribution to the social and economic fabric of the state. They provide essential services to individuals from before birth until end of life, and underpin the economy through the delivery of services that support the health and wellbeing of all industries' workforces. In addition, the services provided are fundamental to developing social cohesion and social inclusion in the state.

At June 2007 health and community services contribution to Gross State Product was estimated at \$4,729 million, or 7.2%.

The industries are characterised by considerable diversity; including, for example, services as varied as immunisation programs, child care, ambulance services, mental health services, aged care services, supported accommodation services and offenders rehabilitation services.

Features of the industries include:

- Heavy reliance on government funding, with funding coming from all levels of government
- Services delivered directly by government as well as by a variety of private for profit and not for profit providers. The mix of providers differs between sectors.
- Government involvement in the industries extends to regulatory and licensing arrangements, particularly in health, aged care and child care
- There is a high level of public interest in many of these services, with increasing expectations of community participation in planning and decision making about services
- Significant interface and interconnections between sectors, as responding to the needs of an individual, family or community often requires the involvement of services based in more than one sector. Fragmentation and lack of connection between services and across industry sectors creates difficulties for the community and for service providers alike, and activity in one sector impacts on others.

It is important for the industries to be considered together because of the complex interconnections and interdependencies across the continuum of care and across the industry sectors.

Growth in the industries has been significant and it is anticipated that this will continue to be the case. Nationally, the health and community services industries have been identified as requiring the fastest rate of workforce growth over the next five years, with an anticipated growth rate of 3% per year<sup>1</sup>.

### **1.3 Drivers for Change**

The industries have experienced considerable change over the last decade. Many of the significant drivers for change will continue to have an impact over the next five years, including:

- An ageing population, with increasing demand for health services
- Increases in chronic diseases
- Greater provision of health and care services in community and home settings
- Technological innovation, particularly in health
- Increased community and patient / client expectations of service, including for coordination, flexibility, and individualised responses
- Increased complexity of need (eg behaviour management, mental health, alcohol and other drugs)
- Continuing need for action to address the disadvantage experienced by Aboriginal and Torres Strait Islander Australians
- Difficulties sustaining services in rural areas
- Workforce pressures, including shortages in health and aged care and difficulties with recruitment of skilled staff across a number of other sectors, such as child care
- Increasing entry level requirements for occupations in response to the need for higher level skills.

Both national and state government policy impacts significantly on the industries. Nationally, the Council of Australian Governments (CoAG) human capital reform agenda is developing a number of change programs which impact on the industries,

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<sup>1</sup> Community Services and Health Industry Skills Council, *Environmental Scan 2008, v2*, (Strawberry Hills, NSW : Community Services and Health Industry Skills Council, 2008), p5

including in health, ageing, early childhood development and Indigenous reform. Within South Australia it is worth noting that these industries are key influencers or agents for the realisation of 25 of the 98 targets within South Australia's Strategic Plan.

#### *Impact of Global Financial Crisis*

The global financial crisis will have a significant impact on the industries in 2009 and beyond. A recent discussion paper by Access Economics suggests that there will be significant increased demand in the short term for employment services, housing, financial and general counselling, and emergency relief. Those seeking assistance are also likely to have different and more complex needs<sup>2</sup>.

This is a particularly challenging context for health and community services organisations because the increased demand will occur at a time when many sectors, including residential aged care, housing, homelessness services, and family relationship services are already unable to meet existing demand<sup>3</sup>.

Organisations reliant on investment income to fund programs have also been affected by the changed investment climate, placing further pressures on service delivery, with potential impacting on employment (eg through reduction of hours of casual workers) over time.

Given the reliance of the industries on government funding, government responses to the crisis will have a significant impact on the industries' capacity to respond effectively to individual and community need. To sustain those most affected by the crisis and to support the recovery and long term productivity of the economy it will be important for policy responses to the crisis to include investment in both community services and in skills development.<sup>4</sup>

**Action is required** by all levels of government to invest in human services and in the development of human capital both to sustain those most impacted by the crisis and to support the recovery and long term productivity of the economy.

## 1.4 Workforce Profile

Analysis of Australian Bureau of Statistics (ABS) data suggests that:

- Health and community services employ 98,500 people in South Australia, or 12.6% of the state's workforce, making them collectively the second largest employing industry<sup>5</sup>.
- The gender distribution of people employed in health and community services is heavily weighted towards females (78.6% and 80.4% respectively), while in correctional services it is weighted towards males (71%)<sup>6</sup>
- The industries have an older age profile than the all industries average<sup>7</sup>

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<sup>2</sup> Access Economics, *The Impact of the Global Financial Crisis on Social Services in Australia*, An issues paper prepared for Anglicare Australia, Catholic Social Services Australia, The Salvation Army and UnitingCare Australia, (2008) <http://www.anglicare.asn.au/documents/081126-FINALDiscussionPaper-ImpactofGlobalEconomicCrisisonSocialServicesinAustralia.pdf>, (accessed 19 December 2008)

<sup>3</sup> Access Economics. See also Professor Ed Carson, Christine Maher and Peter King, *Careers at The Coal-Face? Community Services in South Australia: Workforce Development* (Adelaide: University of South Australia, 2007)

<sup>4</sup> Toni Wren, *Keeping Skills During Hard Times*, Dusseldorp Skills Forum and Job Futures (2008), <http://www.dsf.org.au/papers/210.htm>, (accessed 19 December 2008); See also Access Economics

<sup>5</sup> Australian Bureau of Statistics, *Catalogue 6291.0.55.003 – Labour Force, Australia, Detailed, Quarterly, 4 quarter average to August 2008*, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Nov%202008?OpenDocument>

<sup>6</sup> Australian Bureau of Statistics, *2006 Census of Housing and Population*

<sup>7</sup> Australian Bureau of Statistics, *2006 Census of Housing and Population*

- The industries have a more highly qualified workforce than the all industries average, with over 40% of the health workforce having a bachelor degree or higher, reflecting the importance of clinically-trained professionals in the health workforce. Approximately 40% of the community services workforce, 35% of the correctional services workforce<sup>8</sup> and 25% of the health workforce have no post-school qualifications, compared with the all-industries average of approximately 60%<sup>9</sup>
- There are high levels of part-time work (48% compared with all industries average of 31%) and significant levels of casual work (26% compared with 29% all industries average)<sup>10</sup>
- In addition to the paid workforce, the industries have a large supplementary workforce, made up of volunteers and of informal carers providing ongoing care or assistance to someone who is frail or has a disability or chronic disease.

## 1.5 Workforce Development Challenges

In the context of industry growth and a diminishing supply of labour in the state in the long-term, there is considerable concern in the industries about securing an adequate supply of skilled workers for the future. As these industries are highly labour intensive, there are also significant cost-pressures in relation to labour.

Given the context outlined previously there are both shared issues and priorities and those that are specific to industries or sectors. For example, a recent Productivity Commission report into aged care services suggests that the aged care workforce, which is older than the general health and community services workforce, will face stronger competition than at present from the acute care sector, particularly for the nursing workforce, in part because of lower pay levels in the aged care sector.<sup>11</sup>

### 1.5.1 Workforce Planning

Key contextual factors impacting on workforce planning for each industry follow.

#### *Health*

Predicted skills shortages of health professionals, particularly nurses, medical professionals and some allied health professionals are well documented globally, nationally and locally. An indication of the seriousness of the workforce challenges facing the health industry nationally, and the necessity of addressing these, is the decision by COAG to quarantine 50,000 training places in the Productivity Places Program (PPP) for health nationally.

Within South Australia, as an indication of the challenge, SA Health estimates that, if trends continued unabated, by 2025 there would be 30% fewer registered nurses in the workforce, and that over the next 15 years 40% of the health system workforce could retire<sup>12</sup>. There are particular challenges to sustaining health services in rural areas.

<sup>8</sup> These figures are drawn from 2006 Census data. The Department for Correctional Services advises that, as the single largest employer in the relevant ANZSIC sub-division, the reported ABS figure of 35% with no post-school qualifications is inconsistent with the Department's data

<sup>9</sup> Australian Bureau of Statistics, *2006 Census of Housing and Population*

<sup>10</sup> Australian Bureau of Statistics, *2006 Census of Housing and Population*

<sup>11</sup> Productivity Commission, *Trends in Aged Care Services: some implications*, (Canberra: Productivity Commission, 2008)

<sup>12</sup> Department of Health, *Towards a South Australian Health Workforce Plan*, (Adelaide, Department of Health, 2007), p5

In addition to a smaller pool of young people from which to attract replacement workers, another factor impacting on the ability of the system to replace and expand the workforce is the considerable length of time that some health professionals require in training and in supervised clinical practice<sup>13</sup>.

SA Health is undertaking comprehensive service and workforce planning and developing a wide range of strategies to respond, including examining ways of introducing broader more flexible job roles in order to use available skills as effectively as possible.

To this point the SA Health and Community Services Skills Board has not engaged with the private health sector to ascertain their particular needs.

#### *Community Services – Non-Government Organisations*

Consultations undertaken by the Skills Board suggested that the ability of many agencies in the non-government community services sector to engage effectively in workforce planning and development and to develop a sustainable workforce for the future is severely restricted by aspects of the context in which they operate including:

- Short-term funding contracts and timeframes for notification of funding intentions
- Lack of consistency in indexation increases
- Lack of coordination and consistency between different levels of government, different departments and different programs in relation to funding and to accountability and reporting requirements
- Funding generally insufficient to fund workforce development initiatives.

Some of these factors may also impact on pay and employment conditions for staff employed in the sector, leading to such challenges for attraction and retention as:

- Lack of job security
- Lack of access to conditions such as long service leave and paid maternity leave
- Low wages and lack of mechanisms for ongoing wage improvements
- Limited opportunities for training and development.

These challenges for non-government organisations are exacerbated by the movement of employees into other industries and sectors, by lack of an agreed occupational classification system<sup>14</sup> in the sector, and, in some instances, by funding not having kept pace with either costs or service demand<sup>15</sup>.

Using different approaches, research both within South Australia<sup>16</sup> and nationally<sup>17</sup> suggests that structural or industry development challenges, such as those outlined above, create difficulties to effectively addressing workforce development challenges within the non-government community services sector. Research undertaken by the Workplace Research Centre at the University of Sydney for the Community Services

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<sup>13</sup> Department of Health

<sup>14</sup> Professor Ed Carson, Christine Maher and Peter King, *Careers at The Coal-Face? Community Services in South Australia: Workforce Development* (Adelaide: University of South Australia, 2007)

<sup>15</sup> South Australian Centre for Economic Studies, *SA Government Funding to the Community Services Sector: Case Studies*, a report prepared for the South Australian Council of Social Service Inc, 2007. Also see South Australian Centre for Economic Studies, *Input Cost Index for NGO Services Providers*, a report prepared for the South Australian Council of Social Service Inc, 2006 and South Australian Centre for Economic Studies, *SA Government Funding to the Community Services Sector*, a report prepared for the South Australian Council of Social Service Inc, 2006

<sup>16</sup> Professor Ed Carson, Christine Maher and Peter King,

<sup>17</sup> Community Services and Health Industry Skills Council

and Health Industry Skills Council concluded that the potential for 'skills recession' exists across much of the community services industry<sup>18</sup>.

**Action is required** to address factors outlined above that impact on the capacity of the industries, particularly the non-government sector, to meet workforce development challenges

Other important issues impacting on workforce planning in the non-government community services sector include:

- The need to re-examine the Australian Bureau of Statistics' standard classifications for the community services sector to better reflect the on-the-ground industry reality
- The need in some sectors to undertake further work to identify data required, and to link data sources
- The lack of a coordinated approach to workforce planning within some sub-sectors, and the need to consider such matters as identifying lead agencies, identifying resources to support workforce planning
- The need to strengthen relationships between industry and educational sectors to improve the approach to workforce preparation and supply
- The need to provide greater support to organisations, particularly smaller organisations, with their own workforce planning, through promotion of available tools and the use of consultancy and coaching.

#### *Community Services – Public Sector*

As a major provider, as well as funder, of community services in the state, the Department of Families and Communities has made significant progress over the last few years in relation to workforce planning and development for its own workforce. The Department has identified future skills required in its various Divisions, developed job families and career pathways linked to training throughout the Department, implemented a variety of strategies designed to move towards being an 'employer of choice' - and is already experiencing some of the benefits of this approach.

#### *Correctional Services*

The Department for Correctional Services has identified a number of areas of shortage, many of which while not involving large numbers of staff, are critical to the Department's capacity to operate effectively particularly in regard to offender management and rehabilitation. These include psychologists, social workers and tradespeople engaged as industry trainers. The Department is in the final stages of preparing its first comprehensive workforce plan.

Government policy changes emphasising community safety, and the proposed development of new prisons, both impact on skills required. For example, there is a need for existing staff to strengthen or develop skills in new areas, including in responding to victim awareness and in case management and in the future operating within a 'state of the art' prison using contemporary technology.

Privately run prisons face similar challenges.

In addition, there a number of non-government community based organisations providing rehabilitation and support to offenders. These organisations belong to the wider non-government services sector and face similar challenges. These include

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<sup>18</sup> Community Services and Health Industry Skills Council

recruiting and retaining staff in a context where government services are able to offer more attractive pay and conditions.

#### *Early Childhood Services*

The Department of Education and Children's Services (DECS) is the major provider of preschool services and the sponsor of the Family Day Care Program in South Australia, as well as being responsible for the regulation of childcare services.

However, the COAG Early Childhood Reform Agenda will have a significant impact on service provision and quality assurance. As part of these reforms a national early childhood development workforce strategy is being developed which will initially encompass the early childhood education and care workforce. South Australia is actively contributing to the development of this strategy.

#### *1.5.2 Workforce Participation*

The industries regard the attraction of a more diverse workforce as being of long-term importance, both to maintain a sustainable workforce and to ensure that the workforce is representative of the communities served. The industries are well placed to increase workforce participation of those underrepresented or disadvantaged in the labour force, including:

- Aboriginal and Torres Strait Islander peoples
- People with a disability
- People from culturally and linguistically diverse backgrounds
- Women
- Young people.

Programs to support participation need to be designed with both the particular needs of target groups in mind, and with the awareness of the limited capacity of the industries to absorb additional costs. They also need to provide holistic support, including case management, mentoring and, where relevant, support for language, literacy, numeracy and ICT skill development.

There is a need to increase health and community services vocational education and training (VET) in schools programs, and to build the understanding of career advisors in a range of settings of the range of health and community services occupations and pathways.

#### *1.5.3 Increasing Workforce Skills*

There is strong demand for increasing skills across all sectors of the industries.

There is a need for:

- Skills recognition and training for the many workers with no post-school qualifications
- Strengthening skills of workers with qualifications, both those with VET qualifications seeking enhanced skills or career development and professionally-qualified staff requiring practical competencies to support their work
- Providing opportunities to the supplementary workforce of volunteers and informal carers to develop further skills and have these recognised formally in accredited qualifications.

Access to funding for training is an important component of a broader workforce development agenda for volunteers and informal carers as eligibility for many funding programs is limited to paid employees. However, the expansion of training opportunities for volunteers and informal carers needs to be in addition to that for paid staff, not replace it.

#### 1.5.4 *Career and Training Pathways*

Establishing consistent career pathways, aligned with training, across the industries and sub-sectors within them is regarded as critical to attracting a wider range of people into the workforce and to retaining and developing a workforce of sufficient size and skill for the future.

The development of such pathways across the industries encompasses a number of challenges including:

- Articulation of qualifications across the VET and higher education sectors
- Ensuring that difficulties arising from differences in approach between the sectors are not impediments to either success for students or the quality of outcomes for industry
- Professional and regulatory bodies play an important role in the development and support of pathway arrangements in many sectors of the industries.

The development of an agreed occupational classification structure in community services would provide an important foundation for establishing consistent career pathways.

#### 1.5.5 *Attraction Strategies*

There is strong support within the industries for the view that:

- More needs to be done to promote the industries, sectors and occupations within them
- There is a need to provide better information to potential employees about the variety of occupations and roles within the industries
- Remuneration levels for some groups of workers, and consideration of relative value, is also important
- Migration is unlikely to be a realistic long term strategy to impact on shortages of skilled workers, given increasing international competition and differences in remuneration across the OECD for some health and community services professional groups.<sup>19</sup>

#### 1.5.6 *Retention Strategies*

Within the industries there are many organisations that have very high levels of staff retention; however, there are sectors and organisations for which retention poses greater difficulties. Strategies regarded as of importance at the organisational level include:

- Strengthening good human resources and organisational development practice across the industries, including through improving leadership and people management skills, introducing recognition strategies, or strengthening flexible working arrangements
- Providing greater development opportunities for existing workers
- Redesigning work roles, particularly with the needs of older workers in mind.

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<sup>19</sup> Productivity Commission

### 1.5.7 Interface with Education & Training Sectors

Consultations undertaken by the Skills Board provided examples of industry and training provider partnerships that were making a difference to workforce development challenges, but also indicated significant levels of concern within industry about:

- Lack of job-readiness of graduates from both VET and higher education programs
- Variable quality of outcomes, particularly from the VET system
- Lack of responsiveness of training providers to industry needs
- Articulation between VET and higher education
- Costs of education and training.

The issues of variable quality have the potential to undermine the integrity of the training system and need resolution.

There is also a need to provide greater assistance to industry to develop the knowledge and understanding of the education and training systems that can form a foundation for genuine partnerships for workforce development.

The emphasis in the state *Skills Strategy*<sup>20</sup> on an industry-led, demand-driven and flexible VET system to better meet the needs of employers and individuals may assist with these challenges. However, it will be important that strategies designed to reform the system be implemented effectively in order to achieve desired benefits.

Credit transfer between VET and higher education remains an issue. The recent *Review of Australian Higher Education: Final Report*<sup>21</sup> (the Bradley report) recognised that there has been limited success to date in strengthening linkages between VET and the higher education sector. Its conclusion that a more coherent approach is needed is welcome.

**Action is required** to address industry concerns listed above

### 1.5.8 Investment in Workforce Development

Across the industries, greater investment in workforce development is essential to ensure that South Australians have access to services that support their health, well being, safety and participation.

While workforce development is clearly a shared responsibility of industry, government and the individual, there is a strong argument for increasing the allocation of training funds to the health, community services and correctional services industries on the basis of:

- Anticipated levels of growth within the industries
- The age profile of the workforce
- Limited capacity of the industries to leverage other funding given their reliance on government funding
- Historical lack of training availability in some sectors
- Impact of the provision and quality of this industry's services on all other industries' workforces.

<sup>20</sup> *A Skills Strategy for South Australia's Future*, Department of Further Education, Employment, Science & Technology, 2008

<sup>21</sup> Professor Denise Bradley, Peter Noonan, Helen Nugent, Bill Scales, *Review of Australian Higher Education: Final Report*, (Canberra: Department of Education, Employment and Workplace Relations, 2008)

**Action is required** to increase the proportion of public training funds allocated to health, community services and correctional services.