

Draft National Care and Support Economy Strategy

Submission to the Department of the
Prime Minister and Cabinet

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Summary

The Benevolent Society welcomes the draft National Strategy for the Care and Support Economy, the recognition of the importance of the people receiving services in this system, and the workers and organisations delivering them.

This submission is structured in line with the survey questions asked about the draft National Strategy and contains some additional observations. The Benevolent Society is happy to provide additional detail or information about our comments if that would be of assistance and would welcome the opportunity to host interested Ministers or officials at our services, to demonstrate how policy and strategy are reflected in service delivery.

Broadly, The Benevolent Society supports the draft Strategy, its goals and objectives. That said, the following additions would enhance the final Strategy:

- **Increase the focus on partnerships and collaboration with the NGO sector** – the central role the NGO sector plays in the care and support economy should be explicitly recognised in the final Strategy.

The considerable front line experience of the NGO sector needs to be incorporated into final Strategy and into the design of the Action Plans and subsequent government programs¹. With government no longer involved in service provision local management knowledge has been lost². The NGO sector can support and represent the voice of clients and participants, and communities, into policy, program design and evaluation processes. In addition, the NGO sector can bring alignment across our service delivery domains and innovation to services, programs and back office activities.

For these reasons, the NGO sector needs to be explicitly recognised in the final Strategy and the consultation process for the Action Plans and implementation.

The care and support economy is a complex ecosystem, and participants in the system have complementary roles to play in delivering outcomes. No single part of the system has the levers to solve all the problems by itself, and the final Strategy could be further enhanced by recognising the importance of partnerships and collaboration across governments, with the sector, with individuals receiving services, and communities. The Commonwealth Government does not hold all the levers for change, and there is an opportunity to invite collaboration and joint problem solving in the final Strategy.

- **Commit to clear actions to support First Nations controlled organisations and workforce** – this is detailed further in the Submission (p3).

¹ Shergold, P. (2016). Three Sectors, One Public Purpose. In J. R. BUTCHER & D. J. GILCHRIST (Eds.), *The Three Sector Solution: Delivering public policy in collaboration with not-for-profits and business* (pp. 23–32). ANU Press. <http://www.jstor.org/stable/j.ctt1rqc9kc.10>

² Considine, M (2022). *The Careless State: Reforming Australia's Social Services*, Melbourne University Press

- **Revisit the proposed timeframes to develop Action Plans** – taking real and tangible steps is a matter of urgency (p11).
- **Explicitly articulate how Commonwealth and State/Territory Governments will work together to achieve outcomes across the care and support economy** – the draft Strategy acknowledges that all governments have a role in facilitating outcomes, however the draft Strategy’s focus is very much on the levers available to the Commonwealth Government. Each Action Plan should incorporate actions by State and Territory Governments, so that truly national outcomes will be achieved.

The Benevolent Society - Who we are

The Benevolent Society has been operating since 1813. Our history reflects a passion for helping people live life, their way. We know that anyone in the community could, at some point in their lives, need support from us. We have rigorously campaigned and advocated to create real policy and legislative change for an Australia where all people can live their best lives.

We are unwavering in our conviction that even the most complex social issues can be solved. Our campaigning was integral to:

- Free legal aid
- Age pensions
- Specialist maternity care and the Royal Hospital for Women
- An end to child labour
- The Goodstart Early Learning syndicate
- Early social enterprise entrepreneurship through setting up Social Ventures Australia, and
- Australia’s first social benefit bond supporting The Benevolent Society’s Resilient Families Program.

The Benevolent Society is a multi-service provider, with services ranging across age groups and cohort types. We provide early childhood services, disability services, services to support older Australians to live well in the community, and services to support people in times of crisis.

As a result of this, The Benevolent Society has a deep and coherent understanding of how service silos interact with each other, the needs of our client groups and how the voice of clients can be best leveraged into broader conversations. We think about our service delivery in the context of the bigger picture – we understand that no one sector or organisation controls all the levers necessary to deliver choice, control and quality of life opportunities to the people who access human services or to deliver social change.

The Benevolent Society brings a system leadership mindset to all that we do. Complexity demands collaboration: we are better together. Our experience tells us that collaboration between organisations produces the best outcomes for vulnerable Australians, especially when collaborations are grounded in the resources and knowledge of local communities.

The Benevolent Society welcomes the draft Strategy and commends the Commonwealth Government on its intention and aspiration to deal with the important and complex issues which underpin a well functioning care and support economy.

The draft Strategy: Vision and Goals

The Benevolent Society supports the vision and goals outlined in the draft National Care and Support Economy Strategy 2023.

The draft Strategy: Objectives

The Benevolent Society largely supports the proposed Objectives.

First Nations outcomes need a specific Objective in the final Strategy.

Throughout the draft Strategy, the importance of outcomes for First Nations workforce and of First Nations controlled organisations is acknowledged. This is supported.

However, the final Strategy could be clearer about how these outcomes will be facilitated and supported, and how consultation with communities and organisations will take place. While facilitating outcomes for First Nations people, communities and organisations should be embedded into all Action Plans, the aspirations in the draft Strategy need to be reflected in a specific objective which can then be mapped into the proposed Action Plans. The new objective would best fit into Goal 1: Quality Care and Support.

It is noted that in the draft Strategy the First Nations focus is particularly linked to remote service delivery. It is recommended, however, that the final Strategy also reflects the need for First Nations controlled organisations be present and delivering services in urban and regional areas (38% of First Nations people live in Major cities; 44% live in Inner and outer regional areas; 17% live in Remote and very remote areas combined³).

There would be value in committing in the final Strategy that the Pricing and Market Design Action Plan will examine supporting Aboriginal controlled organisations, and will be developed in consultation with Aboriginal controlled organisations and their peaks. Many First Nations peak organisations lack adequate backbone funding, and to achieve a strong First Nations voice and actions in the Strategy's finalisation and implementation, a commitment to ongoing funding of peak First Nations organisations in the near future is needed.

Objective 1.6 Informal Carers

The contribution of informal carers is valued, and they are supported to sustain their caring roles.

The contribution of informal carers in the care and support economy is well recognised in the draft Strategy, as is the value in having informal carers being able to participate in (non caring) work. It is noted that the proposed Objective only looks to address the informal caring role, and could be expanded to also capture workforce participation.

³ <https://www.aihw.gov.au/reports/australias-health/profile-of-indigenous-australians>.

There would be value in identifying new actions to address both Objective 1.6 and formal workforce participation, and specifically articulating which Action Plan(s) will capture this.

The Innovation Action Plan (Horizon 2), for example, could consider how ageing supports could be developed and implemented from a partnership perspective between the participant, the informal carer and the formal carer. Productivity gains could be achieved if there is co-ordination across activities so that the right tasks and activities are undertaken by the right person, and the time of formal carers is focussed on tasks giving greatest value and not able to be completed by the participant or their informal carer.

Objective 3.1 Effective and Sustainable Investment

Government investment and expenditure in the care and support economy is effective and sustainable, with fair and reasonable consumer contributions where appropriate.

The Benevolent Society supports this Objective. Given the rising demand for services, understanding the effectiveness of what is funded and delivered is essential. The challenge is to ensure “effectiveness” is measured in the fullest sense. There can be an inclination to consider only the outcomes associated with a single program when measuring effectiveness. However, the care and support economy is an eco-system – not a program. When considering effectiveness, there can be social impacts and whole of government costs or benefits resulting from a person’s participation in a single program. These should be measured, and doing so will need to be supported by a sophisticated data agenda which will allow data linkages and cross program analysis to take place. This should not be limited to Commonwealth data sets, or Commonwealth government cost/benefits. This is discussed further below.

Objective 3.5 Data agenda

Opportunities in data and digital are harnessed to enable quality care and support, decent jobs and productive growth.

The Benevolent Society supports this Objective. The Government is encouraged to think boldly about the opportunities that data and digital technologies offer to the policy and programs delivered by the care and support economy. It is noted that the draft Strategy does not reference the Australian Data and Digital Strategy, currently under development, and there would be value in doing so.

The data agenda for the care and support economy can, and should, lever off the action in the Australian Data and Digital Strategy which will look to breaking down barriers and building greater partnerships between the public, private, research and community sectors to build collective expertise and to find new ways to leverage data for social and economic benefit (p14).

In particular, data sharing and linked data sets across Governments (Commonwealth, State and Territories) and service providers could deliver better designed programs and services and assist to measure outcomes and effectiveness across governments and service streams.

This will not be successful unless service providers have access to this data to support their service design and planning. To deliver this will need a data investment and management plan to be co-designed between governments and the sector, so that appropriate data infrastructure and assets are available and appropriate resourcing is provided to the sector to contribute quality and timely data⁴.

It is acknowledged that building linked data sets and increased access to data can lead to privacy concerns. However, these can be managed through consultation, careful design and privacy controls. Consideration of privacy issues will need to be built in to thinking about data and digital strategies.

What's working well in the care and support economy?

- **Recognition of the care and support economy** – recognition that there is a care and support economy operating in a complex environment and delivering a range of services and outcomes for people. The commitment by the Government and individual Ministers to ensuring that there are better outcomes for people receiving services and recognising the valuable role played by the workers delivering these services is significant, as is the development of a multi-pronged, multi-year strategy.
- **Remuneration for aged care workers** – the increase in remuneration for aged care workers is welcomed as a recognition of the important roles these workers perform. However, the work that remains is ensuring that care and support economy jobs are great careers with decent pay and conditions, and there is equity in pay rates for similar jobs.
- **Strength of the NGO sector** – while not emphasised in the draft National Care and Support Economy Strategy, Australia has a strong and experienced NGO sector. As a result of Commonwealth and State Governments outsourcing service delivery, there is now a large NGO sector who are the primary deliverers of services and who, as a result, understand the needs of service users, their families and the broader community. There is an opportunity to better leverage this knowledge into the final Strategy and the development of the Action Plans.
- **Collaboration** – there is a strong culture of collaboration across the NGO sector, both on the ground in a service delivery capacity and between organisations. Building on this strength going forward is fundamental to a well functioning and evolving care and support economy.
- **The commitment of workers** - many people find that working in the human services sector - the care and support economy - is the most fulfilling work they've ever had. They find an alignment with the values and purpose of employers like The Benevolent Society, and every day they make a meaningful difference in other people's lives.

The challenge is to ensure that people's commitment to their work is fairly compensated. As became apparent during Covid, it cannot be assumed that people will stay working in care and

⁴ Gilchrist, D. J. & Emery, T., (2020), Western Australia's Not-for-profit Landscape 2020: The Second Report on WA Charities, a report of the UWA Not-for-profits Research Team, Perth, Australia.

support roles based on values alone, and increased remuneration and attractive conditions are also essential.

Current challenges in the care and support economy

Workforce

The draft Strategy rightly focusses on career paths and opportunities (p40), and the focus on workforce as the first Action Plan developed under the final Strategy is supported.

Workforce is a choke point for all organisations in the care and support economy. This is a shared risk, and Governments and organisations have a role to play in ensuring that solutions are developed and implemented. Success will only be achieved through collaboration.

Provider experience in the care and support economy is that a significant proportion of staff are able to move between sectors, based on considerations such as wages and conditions, and program funding stability. At its worst this creates churn and transaction costs, with only short term benefits for specific parts of the care and support economy. At best, movement between employers and service systems is a helpful part of career opportunities for staff. Development of the Strategy provides an opportunity to align settings such as determination of work value, portable training, skills recognition and opportunities to increase the total size of the workforce rather than simply moving it between sectors.

Most of the services in the care and support economy are funded by government and the funding is based on Award-level pay rates. In the human services sector, the single biggest cost providers bear is the cost of their workforce. If a provider pays its workers more than the funding allows, the provider will not remain viable. This increases the challenge of attracting and retaining staff. The silo-ed Government approach to service funding has resulted in different remuneration levels for similar jobs – this can not continue. There must be equity in remuneration across similar job types.

Solutions require a multifaceted approach, and should not ignore that women make up the vast majority of the workforce. The draft National Care and Support Economy Strategy rightly flags that action needs to take place across a range of domains.

From The Benevolent Society's perspective, this means an approach that has different strategies for certificate and degree level workforces, and leadership. Each of these strategies will require careful consideration and nuance, to ensure that there is a level of specificity relevant to the type of workers required to deliver real outcomes.

It is noted that the draft Strategy does not capture the contribution made to the care and support economy by the volunteer sector. This group of people contribute significant unpaid and uncosted labour the operation, function and sustainability of the care and support economy.

Certificate level workforce

This is where the biggest numbers of employees are needed now and in future.

There is a challenge for organisations to make certificate level workforce positions into meaningful careers. This is particularly so when unemployment is low and the wages offered to workers in the care and support economy are also low. This workforce experiences significant work flexibility as required in a consumer directed care environment, which is attractive to some, but less so to others.

The Benevolent Society's home care workers are some of our longest standing employees and include a lot of people who are remaining in the labour market because they are committed to their clients and can use the flexibility of the industry to do other things in their lives. There is an opportunity to find ways to bring people into the workforce who are not working in the care and support economy workforce or not working at all, and are wanting the flexibility offered to this workforce. For example, programs could be developed and operated by the sector which paid participants and combined on the job training, mentoring and support to study for a Certificate III or IV.

Organisations have challenges recruiting people into the workforce, as well as retaining people. There are separate roles and responsibilities between Government and industry, when considering workforce issues. As noted above, Governments are responsible for remuneration. The commitment to increase the wages of aged care workers in the Commonwealth budget was a significant step forward. However, there is more to do in remunerating other parts of the care and support economy. The aged care workforce will require ongoing monitoring, to understand if increased remuneration does have the effect of attracting and retaining the workforce, and also if this results in increased workforce pressure in other parts of the care and support economy⁵. However, remuneration is not the only issue that needs to be solved.

The Priority Workforce Initiatives Action Plan could consider:

- Development of transition pathways for workers from other sectors to undertake formal or on-the-job training
- A national portable training regime for care and support economy workers as a measure to support high quality training and good quality services. This could also be a cost effective solution, given that considerable training costs are currently borne by individual organisations
- Incentives for workers in rural and remote locations where labour shortages are more acute
- Digital innovations and technology-assisted delivery modes to complement face to face service delivery, and
- Migration and visa reform to simplify entry for care and support economy workers, especially more experienced workers.

Degree level workforce

There is a challenge in creating a large enough pipeline of qualified staff, given that we are operating in an increasingly global market. The care and support economy loses many degree-qualified staff to other industries or overseas.

It seems sensible to assume an effective approach would combine an increase in domestic participants, supplemented by a strategic approach to migration. However, the degree level

⁵ For example, it is noted that there has been an interest in workers in disability being interested in moving to aged care <https://www.miragenews.com/disability-workforce-stable-but-more-challenges-1030011/>

workforce is not a homogenous group, and understanding how the combination of immigration and emigration impacts on future supply of this group, and the supply and demand equation across the various professional disciplines, would ensure targeted solutions are developed.

A strong domestic pipeline would include sufficient university places, student placements while at university, graduate programs and specialist training for more mature employees seeking to focus their practice. It would also include curating training pathways for certificate level staff who wish to become part of the degree level workforce but will need flexibility to be able to study while continuing to work.

There could also be an opportunity to make sure migration pathways are delivering at least as much international skill to Australia as we are supplying to overseas. Many of Australia's therapists are in their 20s and want to see the world and get overseas work experience. Equally Australia gets great value out of UK and Ireland's young professionals.

Given Australia's need for a range of skills and professions, there should be specific approaches to ensure that migration intake is nuanced and that the requirements for professionals in the care and support economy are not lost in the overall numbers required for other professional groups.

Through migration, there is also an opportunity to consider how mid-career professionals could be attracted to increase the care and support economy's capability to manage and to provide clinical and practice governance to early career professionals, especially in disability and aged care, where Royal Commissions have given rise to much higher quality and safeguarding standards.

Additionally, there needs to be consideration of payments and pricing for some services, and the impact this has on job satisfaction for the degree level workforce. Pricing structures can disincentivise workforce substitution. In some service provision settings, lower trained and skilled assistants could substitute for highly trained tertiary graduates. However, the utilisation rates that would be needed to underpin this model would be so high as to make it unsustainable. The result is that more costly, degree-qualified professionals do more of the work, costing more over time, reducing the availability of this scarce resource to others and reducing job satisfaction.

Leadership

Organisations in the care and support economy are operating in a complex environment – increasing complexity of presenting issues and more inter-relationships between presenting issues; increased regulation, financial accountability and funder scrutiny; a larger number of extreme events; and technological innovation contribute to complexity. These require increased professionalism, flexibility, responsiveness, and sophistication of NGOs.

The sections in the draft Strategy which talk about leadership in the sector could be strengthened to focus on leadership, in addition to management.

Excellent leadership is needed at all levels of not for profit organisations. Strong leadership will enable navigation through complexity, and it will help employee retention.

Current NGO leadership capability is relatively underdeveloped, considering the increasing role NGOs play in the delivery of a range of core public services, and this gives rise to multiple risks—

including serious risks to citizens, NGO service delivery organisations, funding bodies and governments. These risks, and the effects of the adverse consequences of capability deficits, are increasing over time.

There is a particular complexity in the interface between government and the NGO sector.

Non-government organisations recognise the need for improved leadership capability but are often not able to address this within their operational constraints and current funding arrangements. We need Governments' (Commonwealth, State and Territories) assistance to do this.

There is an opportunity to invest in human services leadership capability and excellence via a School for Civil Society. The development of a leadership school for civil society would build the capability of social service sector leaders to work collaboratively to develop innovative and cost effective business models that address social needs and meet contemporary workforce challenges.

Siloed governments and the impact on service delivery

The care and support economy provides services funded by the Australian and State and Territory Governments.

The approach taken in the draft Strategy could be strengthened to build in State and Territory Governments. In respect to human service delivery, this would allow consideration of place based solutions and other approaches which acknowledge that people often receive multiple services across Government and department portfolios. The best outcomes are achieved when the artificial boundaries created by Governments and programs are able to be addressed. The Pricing and Market Design Action Plan, the Innovation Action Plan and the Transparency Action Plan could all include actions to support this approach.

In addition, within each layer of government, providers may have contracts with a number of government departments, and within each of the departments there may be arrangements to deliver a variety of programs.

Navigating this complexity is time consuming and inefficient. Programs (even ones delivered for the same Department) have different compliance requirements. Uniform funding contracts (both as to wording and duration) would reduce contractual compliance and operational burdens on organisations and governments. These contracts should be co-produced with the sector.

Similarly, worker clearance requirements for care and support economy staff differ between governments and sectors. The development of a one-stop shop or streamlined worker clearance requirements would reduce cost and the burden of obtaining multiple clearances, and is an action that could be easily and quickly implemented.

Innovation

The draft National Care and Support Economy Strategy links productivity and innovation, and while there is value in this, they are also concepts which could be considered separately.

Innovation in the care and support economy could be better facilitated through:

- Funding - funding/pricing arrangements and the overlay with regulation could be structured to support innovative approaches to service delivery, noting these are often small at the start and may be able to be scaled when proven effective.
- Outcomes Fund – the Fund announced in the Commonwealth’s 2023 budget, which will focus on a payments by outcomes delivered, could be applied to additional program approaches. This links to the desire expressed in the Strategy to measure effectiveness, and provides a payment/program structure to do so.
- Data – data linkage, with appropriate privacy controls, and creating access across governments and for service providers could better inform innovative service and program design and delivery.
- Partnerships with the private sector - promoting and incentivising cross sectoral collaboration could improve synergies and make the care and support sector more sustainable.
- Leadership – investing in the development of NGO leadership. Strong leadership supports innovation and measured risk taking, which can lead to better service and productivity outcomes.

Sustainability

The sustainability of organisations in the care and support economy , in particular smaller providers in regional areas, needs to be better understood.

A significant number of smaller NGOs have ceased operation⁶, and a better understanding of why and how the gap in services created by their ceasing operation has been filled is necessary.

What actions are most important, what should be the priority action?

The proposed Action Plans are supported. As noted above, an additional Action Plan to support First Nations peak and organisation development, and to ensure good quality service delivery for all First Nations people is warranted.

It is noted that the Pricing and Market Design Action Plan will potentially have a significant impact on workforce issues, in particular remuneration. Unless the timing of this Action Plan (currently due to be completed by June 2026) is revisited, there is a risk that remuneration issues in the care and support economy will worsen and existing problems will be compounded.

Actions Plans will only be successfully implemented if they are co-produced with the sector, and with clients/participants.

It is noted Action Plans will need to find the right balance between issues which impact across the care and support economy and those which are relevant to only to specific sectors. A successful

⁶ Australian Charities and Not for Profit Commission, Australian Charities Report 8th Annual Edition

Action Plan will address both universal and specific issues. This reinforces the need for Action Plans to be developed through collaboration.