

# Supporting Australia's future community services workforce

**VCOSS submission to the Senate Select  
Committee on the Future of Work and Workers**

February 2018



## About VCOSS

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups, and individuals interested in social policy. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

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VCOSS acknowledges the traditional owners of country and pays its respects to Elders past and present.

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# Introduction

The Victorian Council of Social Service (VCOSS) welcomes the opportunity to provide input to this inquiry on the Future of Work and Workers.

VCOSS is the peak body for social and community services in Victoria. VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups and individuals interested in social policy. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

The Victorian health care and social assistance industry (which includes most community services) employs about 412,000 people and is the state's largest industry by employment.<sup>1</sup> It has also experienced the fastest employment growth of any industry in Victoria; in the five years to 2015 jobs in this industry have increased by 56,200.<sup>2</sup> This growth is expected to continue with an additional 64,000 health care and social assistance jobs projected by 2020, an almost 16 per cent increase.<sup>3</sup> The community services workforce is expected to grow at similar, if not greater, rates. This is driven in part by population growth,<sup>4</sup> an aging population,<sup>5</sup> the National Disability Insurance Scheme (NDIS)<sup>6</sup> and recent family violence reforms.<sup>7</sup>

Supporting the growth of this sector is important not only from a social good perspective, as the industry supports people to overcome poverty and disadvantage, but also from an economic perspective. In Victoria for example, it is estimated that community sector charities contribute \$13 billion to the economy.<sup>8</sup> Less than half of the sector's revenue comes from government funding, with the balance from fundraising, donations and other revenue raising activities. Therefore the sector needs to be viewed as a contributor to economic prosperity, not as a drain on the "public purse".

In considering the profile of the community service workforce, it is highly feminized; remains lower paid than other occupations with similar skills sets; is characterised by high levels of casual and part-time work, and often short-term contracts with uncertainty of renewal; has a high staff turnover

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<sup>1</sup> Australian Bureau of Statistics, Labour Force, Australia. Detailed, Quarterly Cat. No. 6921.0.55.003, May 2017.

<sup>2</sup> Ibid.

<sup>3</sup> Australian Government Department of Employment, Labour Market Information Portal, <http://lmip.gov.au/>.

<sup>4</sup> Australian Bureau of Statistics, Australian Demographic Statistics, Cat. No 3101.0, June 2017

<http://www.abs.gov.au/ausstats/abs@.nsf/0/1CD2B1952AFC5E7ACA257298000F2E76?OpenDocument>.

<sup>5</sup> Australian Bureau of Statistics, Australian Demographic Statistics, Cat. No 3101.0, June 2017

<http://www.abs.gov.au/ausstats/abs@.nsf/0/1CD2B1952AFC5E7ACA257298000F2E76?OpenDocument>.

<sup>6</sup> Productivity Commission, PC news, August 2017, <https://www.pc.gov.au/news-media/pc-news/pc-news-august-2017/ndis-costs>.

<sup>7</sup> Victorian State Budget, 2017-2018, <https://www.budget.vic.gov.au/priority/family-violence>.

<sup>8</sup> VCOSS, Strengthening the State, 2015, <http://vcoss.org.au/documents/2015/05/Strengthening-the-State.pdf>.



and often requires people to change employers in order to build a long-term career path. The workforce is also ageing, with the average age for example of people employed in the disability and aged care sector 47 years old and 22% of workers in disability support are over 55 years.<sup>9</sup>

While the impact of technological advancements is going to affect the employment profile of many industries, with research by Oxford University suggesting that up to 47% of jobs will be automated in the next 20 years, roles in the healthcare and social assistance industry are amongst the least likely to be automated.<sup>10</sup>

Over the next 10 years, the profile of community services organisations, the workforce and the way services are planned, delivered and evaluated will change significantly. The drivers of these changes include consumers, carers and workers expectations of services and their interest in service design and collaborative delivery; a more competitive funding environment; heightened safety and performance issues; growing inequality; and technology developments that could enable and support greater information sharing and personalisation of services.

At the same time, broader trends in employment could impact the industry. This includes trends towards shorter hours and more insecure work, plus the growth of labour hire and digital platforms.<sup>11</sup>

Given the community services sector resilience to automation and that it is Australia's fastest growing industry, it is important that the future of work and workers is considered through this prism. Workforce growth needs to be actively promoted in a manner that supports the creation of good secure jobs, which will underpin the delivery of high quality, personalised services. This will require a review of the adequacy of Australia's current laws and policies, including industrial relations to ensure that they are fit for purpose in light of changing labour market conditions, and that they continue to provide a framework of basic rights and protections, irrespective of how or where we work.

Policy interventions will be required to not only support high workforce growth, but also ensure that the sector has the skills, qualities and capabilities to deliver high quality, person-centered services. This will require rewarding career opportunities, secure employment, good pay and conditions, and access to training and development. Organizations will need to be able to attract qualified, skilled staff in the locations where jobs are expanding, which will require careful metropolitan and regional workforce planning. Attention will need to be given to the entire employee lifecycle, with policies directed towards attraction, recruitment and retention, including professional development, career pathways and supporting staff wellbeing.

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<sup>9</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, page 320, <https://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs.pdf>.

<sup>10</sup> University of Oxford, 2013, The Future of Employment, Working Paper, <https://www.oxfordmartin.ox.ac.uk/downloads/academic/future-of-employment.pdf>.

<sup>11</sup> Future Social Service Institute, Community Services of the Future, an evidence review, January 2018.

# Recommendations

## *Recruitment and retention*

- Increase the term of funding and service agreements for government funding contracts for community services.
- Support higher rates of pay for community services workers, commensurate with skills through ensuring that pricing of services reflects the genuine cost of operations.
- Recognise the community sector as a large and growing employer and actively promote career options available.
- Build pathways to the industry through increased partnerships with the VET and university sectors.

## *Education and training*

- Work with industry to develop 'micro-competencies' in training.
- Urgently review Certificate III in Individual Support and Certificate IV in Disability.
- Develop new types of integrated 'community services' qualifications.
- Support community organizations to provide high quality work placements.
- Develop new innovative ways of attracting community service workers to regional and rural areas.
- Fund VET and university scholarships to meet the rapid spike in employment needed in the industry, particularly in rural and regional areas.

## *Industrial Relations*

- Ensure that Australia's industrial relations system provides a framework of minimum rights and protections for all workers, including consideration of extending rights to paid annual leave and personal / carers leave for casual employees.
- Consider the introduction of a national portable long service leave scheme, or industry specific community sector long service leave scheme.

# Current challenges and solutions to support a strong community services workforce

The community services workforce is currently facing a number of challenges around recruitment and retention and education and training.

## Recruitment and retention

Recruitment and retention of workers in the community services sector will be an important challenge for policy makers, given the significant growth predicted for the sector over coming years.

Currently there are no clear education and training pathways for school leavers into the community services industry or key transition points for existing workers wanting to make a career in the sector. Combined with low pay, it remains less attractive to prospective workers. Despite the improvements in pay as a result of the Equal Remuneration Order, pay is still less than similar services run by public services.

Many people employed in the community services industry are in insecure employment, either short-term contracts or on a casual basis. For example, in Victoria, 33,306 (22 per cent) community sector charity employees are in casual roles, while 49,254 were full time workers (33 per cent) and 68,090 (45 per cent) were part-time workers. Often coupled with underemployment, insecure work produces irregular and uncertain incomes. This creates significant health and wellbeing ramifications, as employment vulnerability can lead to housing insecurity and an inability to make life plans. It also acts as a disincentive for employers to invest in training.

Short-term employment contracts are driven by short-term government funding contracts. Sometimes these funding agreements are for one-year, often three or four years. Workers often start looking for new jobs at least six months before the end of the contract. This results in disrupted relationships with service users and loss of productivity. High turnover rates also creates added costs for employers in both recruitment and retraining.

The Productivity Commission Draft report on Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services has suggested that the default government contract length in the provision of family and community services should be seven years.<sup>12</sup> By providing longer funding agreements, this would allow organisations to provide greater certainty to

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<sup>12</sup> Productivity Commission, Draft report on Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services, page 20, <http://www.pc.gov.au/inquiries/completed/human-services/reforms/draft/human-services-reforms-draft.pdf>.

their workforce, with longer employment contracts and more permanent opportunities being created.

**Recommendation:**

- Increase the term of funding and service agreements for government funding contracts for community services.

There is concern amongst many community service organisations that funding for services by government is inadequate to retain skilled, qualified staff. Community mental health services for example have reported that as they transition to the NDIS, they have been unable to retain skilled and qualified staff because current service funding is too low to pay the wages previously provided. A recent report by UNSW's Social Policy Research Centre has found for example that disability support work has been underpriced in the NDIS, with prices not able to meet minimum Award conditions.<sup>13</sup> This report states that:

*Fairer pricing arrangements would recognise that providers require access to resources which enable them to attract, train and retain high quality staff, and to employ staff in decent jobs that provide adequate hours and earnings, safe workplaces, job security, and a reasonable work-life balance. Dedicated funding for training, and a loading to cover employment of support workers above entry level, would help to provide career pathways and aid in staff retention and workforce expansion.<sup>14</sup>*

Inadequate funding from pricing of services will result in the loss of specialist skills in the community services industry. Funding instability is also causing many skilled employees to leave, due to uncertain working conditions, possible changes to their conditions and caseloads and concern about how system changes will impact clients they work with.

In light of changes in funding models and service delivery, better support for employees, including networking within and across services is important. Some workers have reported concerns that individualised funding models can isolate workers, especially those who work casually in people's homes, and have limited contact with other workers.

**Recommendation:**

- Support higher rates of pay for community services workers, commensurate with skills through ensuring that pricing of services reflects the genuine cost of operations.

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<sup>13</sup> Natasha Cortis, Fiona Macdonald, Bob Davidson, Eleanor Bentham, Social Policy Research Centre (UNSW), Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs, July 2017.

<sup>14</sup> Ibid, page 54.



Working with vulnerable people is demanding and can be stressful and emotionally draining. Community service organisations report workers, particularly new entrants to the industry, often 'burn-out' and do not stay in the industry. Workers also complain that their work requires unpaid overtime on reporting and form filling, directing attention away from providing key services.

Attracting people from outside the industry is also difficult because little is known about the industry amongst the general public. In particular, attracting school leavers is challenging because few parents, teachers and school career advisors know much about the work of the industry, its growth and opportunities. For rural localities, attracting experienced, qualified workers is particularly difficult. Services located in these areas often recruit less experienced and qualified employees, which can lower the quality of service in some cases.

The lack of career paths in the industry has also led to a loss of workers to the public sector and other industries. While some front-line workers may be promoted to leadership positions, there are few opportunities for promotion and development in the industry. In some parts of the industry there are opportunities for workers to develop specialist skills and take up specialist roles but these are few and not widespread across the industry.

People with lived experience of using community services are often attracted to work in the industry, bringing passion, optimism, their experience of the service system and an ability to connect with clients. Lived experience and cultural and community knowledge should be appropriately valued by employers and education providers. Employing people with lived experience offers a significant opportunity to increase the community services industry workforce. This opportunity could be enhanced by allowing people to combine employment with training in entry-level jobs. This requires flexibility by employers and vocational education and training (VET) providers.

**Recommendation:**

- Recognise the community sector as a large and growing employer and actively promote career options available.
- Build pathways to the industry through increased partnerships with the VET and university sectors.

### **Education and training**

Despite recent reforms, the quality of some VET providers remains problematic, with some graduates not understanding the basics of the work. There remains a need for substantial improvements in the VET system, improving both pre-service and in-service training for community service workers.

Currently there is no coordinated approach to professional development and in-service training across the community services industry. Many organisations are training staff in isolation. As a result, duplication of training programs occurs. Economies of scale could be achieved by better sharing of training resources.

Even when training is available and relevant, the cost of professional development and in-service training is prohibitive. Government funding of services needs to include on-the-job training and professional development of staff.

At present, registered training organisations provide qualifications (e.g. certificates, diplomas) but often staff require short, focused training on particular aspects of community services, for example, trauma informed practice. One way to achieve this is to develop 'micro-competencies' in training where enrolment in a qualification is not necessary.

Additionally the national training system is slow to develop and accredit new courses that are increasingly needed in the new person-centered service environment. For example, the Certificate III in Individual Support and Certificate IV in Disability are widely viewed by VCOSS members as not being fit for purpose to support the aspirations of people with disability. However these courses can take years to review, potentially undermining the aspirations of the NDIS. These courses are not set for review until 2018-2019.

**Recommendation:**

- Work with industry to develop 'micro-competencies' in training.
- Urgently review Certificate III in Individual Support and Certificate IV in Disability.

Victorian community service organisations report that the increasing specialisation of education and training in pre-service industry training is also problematic.<sup>15</sup> Consideration should be given to introducing a broad, common qualification of 'community services' with a core set of competencies. This could then be augmented by various sets of electives to provide specialisation. Such a qualification would allow for greater movement of employees across the industry.

**Recommendation:**

- Develop new types of integrated 'community services' qualifications.

The sector's limited capacity to offer high quality work placements for students is also problematic. Work placements are beneficial in that they can encourage students to consider a career in the industry. However, student placements are resource and time intensive for organisations. VET providers report difficulty placing students in certificate courses in work placements. Many large organisations prefer university social work students.

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<sup>15</sup> Victorian Council of Social Service, Community Services Industry Plan, Draft Consultation Report, January 2018, page 36.

**Recommendation:**

- Support community organizations to provide high quality work placements.

Currently there is a shortage of high quality, skilled workers in rural and regional areas. To maintain and sustain the workforce outside large cities, greater emphasis is needed on local education and training facilities in rural and regional areas. Scholarship programs and grant programs should be considered that support regional and rural areas. For example, the development of cadetships that assist young people to study in Melbourne and upon graduation return to rural/regional areas with guaranteed employment offers direct career pathways.

**Recommendation:**

- Develop new innovative ways of attracting community service workers to regional and rural areas.
- Fund VET and university scholarships to meet the rapid spike in employment needed in the industry, particularly in rural and regional areas.

**Industrial Relations**

Australia's industrial relations laws have not kept pace with modern society and changing labour market conditions. Trends towards shorter hours and more insecure work, plus the growth of labour hire agencies and digital platforms means that for many workers, they are not afforded basic rights and protections such as access to annual leave, paid personal / carers leave, parental leave, public holidays and notification of termination and redundancy payments. Eligibility for long service leave also varies across states and territories.

It is important that Australia's current industrial relations laws continue to provide a framework of minimum rights and protections. In the community services sector, concerns have been raised that individualised funding models in the disability and aged care sector may result in increased casualization of the workforce and the 'uberisation' of care – with digital platforms connecting workers to clients. The delivery of high-quality personalised care however depends on the ability of workers to form ongoing relationships with their clients. This requires good workforce supervision and support, as well as proper professional development and training. The goals of the NDIS and aged care reform will be undermined if public policy, government funding and Australia's industrial relations framework fails to create an environment in which high-quality care can be delivered.

In reviewing the adequacy of Australia's industrial relations laws, this should involve consideration of expanding the National Employment Standards to create a set of inclusive minimum standards that covers all employees, including consideration of extending rights to paid annual leave and personal/sick leave for casual employees. Additionally, this could involve consideration of casual conversion – which provides the right of employees to automatically convert from casual employment to full/part time employment after 6 or 12 months.

**Recommendation:**

- Ensure that Australia's industrial relations system provides a framework of minimum rights and protections for all workers, including consideration of extending rights to paid annual leave and personal / carers leave for casual employees.

In addition, while most employees' entitlement to long service leave currently comes from laws in each state or territory, in light of changing labour conditions, consideration should be given to the introduction of a national portable long service leave scheme. This recognizes that the essential rationale for long service leave – promoting rest and recuperation after years of work – still exists despite workers now having multiple employers across their life.

Any extension of current employment entitlements for the community services industry would need to be adequately funded by government. If adopted, this would help workers renew their energies and prevent burn-out as well as help workers to better balance their work and family commitments. In the public service for example, long service leave is portable within state public services and across different levels of government, in recognition of the worth of a career in the public service.

Should a national portable long service leave scheme not be possible, an industry specific scheme in the community service sector could be considered. This would assist with the challenge of attracting and retaining workers in the community sector, by rewarding commitment to working in the sector and providing an additional incentive to remain in the sector, thereby supporting the high workforce growth that will be needed in the coming decade.

**Recommendation:**

- Consider the introduction of a national portable long service leave scheme, or industry specific community sector long service leave scheme.

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