

January 2012



ACTU's Independent Inquiry into Insecure Work in Australia

Submission of the Health and Community
Services Union

Introduction

Health and Community Services Union [HACSU] is the Victorian Number 2 Branch of the Health Services Union in Victoria. All views articulated in this submission are those of the branch and do not represent the views of the broader Health Services Union beyond the Victorian Number 2 Branch.

HACSU represents the industrial and professional interests of the mental health and disability services workforce in Victoria. The Union has a long history of productive involvement and participation in policy development, service improvement and reform within the Victorian Mental Health and Disability industries.

We welcome the ACTUs inquiry into insecure work which we believe to be timely.

Insecure work is a lived reality for our member's in both the mental health and disability sectors.

In mental health insecure work manifests mainly as workers being employed casually either through a staff bank or via an agency, or, more rarely time limited contract. The use of casual workers can be dependent on a person's profession and to an extent where a person lives: broadly speaking there is a shortage of trained mental health nurses across the state and this is felt most acutely in rural and regional Victoria. Generally, casuals are used to cover emergency leave to support recruitment delays due to workforce shortages.

However, this is not so within the disability sector which relies far more heavily on casuals and the increased casualisation of the workforce has been occurring for a number of years. This sector also relies very heavily on the use of time limited contracts and we have seen permanent full time positions becoming a thing of the past.

In the disability sector insecure work is a feature of government funded services, the CSO and the private sectors that, broadly speaking, manifests most greatly in the latter two sectors. Casual staff are either employed via an agency or are employed by the service provider on a casual basis.

HACSU is concerned that the National Disability Insurance Scheme will result in an exacerbation of the current over-use of casual employment and it is on this subject that our submission will focus.

The National Disability Insurance Scheme [NDIS]

The current system of disability service provision is fundamentally flawed. The National Disability Insurance Scheme is being proposed as the means by which the ongoing inequality of service provision within the disability sector can be addressed. Factors such as the nature of disability a person lives with, its cause and / or where that person lives play into the nature and quality of the service a person receives, if they receive one at all.

It is agreed by all parties that such a flawed system needs to change.

Whilst we have in principle support for the NDIS we are concerned there will be serious ramifications for the disability workforce, working families and people with disabilities that will arise as a result of the proposed system. We believe these are not well understood.

Underpinning our concern is the proposed change to funding that the Productivity Commission has detailed in the report *'Disability Care and Support'*. This document clearly articulates the intention to change the method by which funding is distributed, proposing that current block funding be replaced with the individualised funding model where a person, or their family, will receive an individually tailored support package

Disability Workforce

Made up predominantly of women, 85% in Victoria, the disability workforce already has an over reliance on casual and time limited staff, we believe this will be exacerbated by the funding changes proposed by the Productivity Commission. The worst case scenario is the casualisation and wholesale de-skilling of what is currently a complex and diverse workforce; this will in turn have significant implications for people with a disability who require support in their day to day lives. We are concerned that fallout from this change will be felt most greatly by those people who are most marginalised within society: those people who are unable to advocate for themselves and do not have people to advocate for them.

We believe the outcomes arising from the proposed funding change are not well understood within the broader community.

Disability work is often not an industry of choice. This is evidenced by the current ongoing workforce attraction and retention problems the industry currently faces within Victoria. Care work is not seen as part of the productive economy nor is disability work considered a prestigious profession; in many instances it is not considered a profession, for these reasons disability workers cannot leverage higher pay and more secure jobs.

The industry has a gendered workforce made up predominantly of women. It is characterised by comparatively poor wages, un-family friendly working arrangements, predominately part-time work, high levels of casualisation and time limited employment, flat career structures and poor career development opportunities. These factors are felt most acutely in the CSO and private sectors.

The broader context in which the disability industry operates creates further challenges to attracting workers. The current workforce is aging with many workers in Victoria only a decade from retirement age. The changing nature of families into the future will see more single parent families with more women entering the workforce. As a result there will be fewer women in the home environment able to provide care and support to a relation with a disability. And the aging population will see an increased demand for skilled workers within the community sector. There have been suggestions that generational change will result in different attitudinal expectations of how people with a disability receive support. The implication being that into the future people may no longer be satisfied receiving this from unpaid relatives / carers. Together these factors will increase the demand for paid workers, whilst at the same time the competition for such workers within the community sector will increase.

It is within this context that the NDIS will be operating.

Funding models

Whilst we support the option for people with a disability to have better access to services and, where appropriate, be in control of their own funding and undertake all requirements associated with self managed funds, this option is clearly not appropriate for all people with a disability.

For service providers the individualised funding model is inherently precarious, this is a risk that is hidden in the current debate about the NDIS. There can be no guarantee of future funding and HACSU is seriously concerned that the sole use of the individualised funding model will result in service instability which will disallow disability workers to be employed in an ongoing capacity. For this reason we believe there is merit in the block funding approach being maintained under NDIS. Block funding enables consistency in service provision and increases the capacity of services to future plan, including provision of staff training.

We currently see an overreliance on the use of casuals in in-home support and community support services, which predominantly receive their funding via individualised funding. Such service providers transfer the risk associated with funding that cannot be not guaranteed

[inherent to individualised funding] to workers because they are not prepared to provide ongoing or time limited employment¹.

Whilst the 'consumer choice model' is, in principle, an outcome that would benefit all parties we are currently witnessing the service implications that arise in Victoria. Some disability service providers, especially day placements are only able to employ staff on a casual or time limited basis because their funding base is not guaranteed into the future. Increasingly these service providers, through attrition are no longer employing staff permanently, instead filling what have been permanent positions with casuals.

We believe this change in the nature of employment will result in the casual or time limited employment model becoming the norm under the NDIS and that permanent employment for Disability Support Workers will be a thing of the past. It is inevitable that the lack of stability in service provision arising out of the NDIS will have serious ramifications for the workforce, which will result in the current workforce challenges experienced within the CSO sector and private sector in Victoria being amplified nationwide.

In Victoria the CSO and private sector is characterised by competition between services for funding. Such competition drives down costs, the greatest of which is wages. As a result agencies are unable to provide staff with adequate training and professional development, or a career pathway. The lack of guaranteed funding results in a predominantly part-time workforce of highly casualised or time-limited contract staff. All these factors have resulted in the significant and ongoing recruitment and retention issues that the disability sector currently faces.

There is a significant disparity in wage rates between the government and community sectors. In 2010 workers working in supported accommodation with a Certificate IV qualification working for government funded services earned a base rate of \$20.08 an hour, within the non-government sector the equivalent worker would be earning \$15.91 per hour. Broadly speaking the Industry Skills Council identifies the gap between the two sectors as being on average between 25% and 30%.²

The high levels of casualisation seen in the community sector is not mirrored within government run services. In June 2011 70.7% of the total disability workforce was employed in an ongoing capacity, 29% on time limited contracts or as casuals. 34.5% were employed full time, 46.7 % part time and 18.8% as casuals.

Inevitably there is a risk that an increase in insecure work arising from the NDIS will have a negative impact on the quality and predictability of service delivery to people with a disability.

Market forces are not a common good

The argument to maintain block funding was presented during the hearings by a number of service providers, however, the Commission rejected the argument that funding uncertainty will arise from the cessation of block funding. HACSU contests this rejection.

Whilst there is a clear demand from service users for a diverse system that is able to respond to a persons needs quickly and effectively, it is important to understand that individualised funding may well undermine the viability of services; this could result in the reduction of options for service users.

¹ 'An Examination of Workforce Capacity Issues in the Disability Service Workforce: Increasing Workforce Capacity', Industry Skills Council, June 2010, p60 [Draft / not released]

² 'An Examination of Workforce Capacity Issues in the Disability Service Workforce: Increasing Workforce Capacity', Industry Skills Council, June 2010, p60 [Draft / not released]

We believe there is a very real danger that leaving market forces to decide which service succeeds or fails will destabilise the workforce and HACSU cautions against allowing market forces to determine such outcomes.

Workforce: the current state of play.

Workforce is key to any service delivery; if there is no workforce there is no service. The disability industry is no different. Delivery of quality disability services is contingent upon an ongoing supply of trained, professional disability workers. But within the disability industry this is not guaranteed.

Whilst there is agreement in many quarters that significant workforce challenges face the industry there is no agreement on how these challenges can be met and there is no short term, quick fix to developing and repairing workforce problems. What is needed is a long-term workforce strategy. Given it is projected that within 10 years demand for service will outstrip supply in Victoria there is significant pressure to agree on and implement a long-term workforce strategy.

The workforce challenges the Victorian disability sector faces do not stop at the state border: this is a national issue. These projected workforce shortfalls pose a significant risk to the future of the disability sector that will be magnified under the NDIS.

Diverse and highly skilled working in complex environments

The Disability workforce comprising Disability Support Workers is a diverse and complex workforce. In many instances disability work requires high level of skills and significant training. The assumption that only the most basic attendant care work is provided by the disability workforce is incorrect. Disability support workers work with a vast range of people with an array of disabilities and daily challenges. These roles range from attendant care work performed by staff who assist a person with spinal cord injuries, who is able to advocate for themselves and manage their own funding, with their personal care in their own home, to staff working with some of the most marginalised and significantly disadvantaged members of our society. For example: tertiary educated highly trained and skilled staff working in secure units with repeat sex offenders with an intellectual disability or with someone with behaviours of concern who requires 2:1 staffing at all times due to the complex nature of their disability and the range of challenges that they face in their daily life.

It is important that the reality of current workforce complexity and diversity is clearly understood. The potential 'dumbing down' of the future workforce under NDIS, and the risk this poses to both the workforce and also to people with a disability we believe is great and alarmingly, is being overlooked in the current debate around the NDIS.

Training

Training and skills development impact on quality outcomes for services users, work culture, staff development and retention. Both on and off-the-job training are of fundamental importance within the disability industry. The capacity of workers to access training is contingent on a number of factors, one of which is adequate funding both to pay for the training but also to back fill staff. The actual employment relationship has significant bearing on staff's capacity to access training. Time limited and casual work are considered 'atypical' forms of employment which create significant barriers to employee's accessing employer supported training. Access to training for casuals poses the greatest challenge. In 2008 The Industry Skills Council [ISC] found 'almost half of all casual workers in the [health and community services] industries did not complete training of any kind.'³

³ 'Environment Scan 2008', Community Services and Health Industry Skills Council, Version 2, April 2008, p30.

Currently in Victoria the individualised funding model sees people with disabilities purchasing their care via CSOs or from the private sector, essentially privatising service provision. The costings for this funding model do not include funding for ongoing staff training and this has a significant impact on CSOs who acknowledge they struggle to provide staff training and cite this training gap as a factor in their current recruitment and retention challenges.

The training gap that exists in the disability industry has serious implications for the future workforce. It suggests any attempt to re-professionalise the industry by training the current and future workforce, if left to the CSO and private sectors, will fail. Whilst there is little research into the impact the individualised funding model has had on workforce training, research from the US shows that this funding model has resulted in an increase in the number of personal care attendants working in the industry who have no formal training or skill in providing support to people with a disability.

The training issues seen in the CSO sector are thrown into stark relief when comparison is made with the government funded sector in which at least 63% have at least Certificate IV in disability, or equivalent, as a minimum qualification.

Conclusion.

The implications of the proposed change in funding under the NDIS are significant. It will impact on the job security of thousands of workers causing many who are currently permanently employed to be forced into casual work with no career path or capacity to be permanently employed into the future. It also threatens to undermine worker's skill development, not only because it is unclear how training will be funded, provided and overseen, but because the very nature of casual work is not conducive to employees receiving training. And we know, by implication, casual workers face financial uncertainty and are not able to access financial loans, disallowing them access to the housing market.

Given the predominance of women in the caring industry, the proposed funding changes are, by implication, gendered. Whilst we accept that this is an unforeseen consequence of the changes we believe the true impact of the NDIS must be better understood and remedial action taken to ensure that this move does not affect 10,000's of women and families across Australia by forcing people into casual work with no guaranteed training, career path or minimum hours of work and no capacity to provide a stable home environment to their families. This will force people who may otherwise have chosen disability work as their career path into other career options. We do not believe this will be of benefit to people with a disability or the disability workforce as a whole.

Case study:

A woman who lives in a state other than Victoria manages her own funding. She lives alone, with no family and is paraplegic employed a family member of one of her carers as her care worker. The first shift the carer worked alone, it appeared to the woman that they were on drugs or heavily medicated the worker was paid cash for this shift.

Later the carer returned to the woman's house demanding money and over a period of time the carer is alleged to have stolen over \$1000 and a number of goods.

Because the woman was unable to source another carer she needed to keep this woman in her employment. Over this time she received a number of abusive phone calls. She lives alone and due to the level of her disabilities is acutely aware of her vulnerability. Because the carer knew of her circumstances, the woman did not involve the police with this matter.