

CEDA media release

Australia's dire shortage of aged-care workers requires immediate action

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Australia is facing a shortage of at least 110,000 direct aged-care workers within the next decade unless urgent action is taken to boost the workforce, a new report by CEDA has found.

The report, *Duty of care: Meeting the aged care workforce challenge*, finds the shortage will balloon to more than 400,000 workers by 2050 unless we take dramatic action now.

CEDA Chief Economist Jarrod Ball says Australia has failed to prepare for this challenge, despite multiple inquiries and our demographic destiny being well understood for decades now.

"We will need at least 17,000 more direct aged-care workers each year in the next decade just to meet basic standards of care," Mr Ball said.

"These projections are based on conservative assumptions, and the situation may prove to be even more dire than this."

Direct-care workers include personal-care assistants, nurses and allied-health staff.

Australians deserve to age with dignity, but this will remain in jeopardy without adequate workforce planning and urgent action.

By 2031, nearly 20 per cent of the population is expected to be aged over 65, up from around 16 per cent now, so demand for care will only keep growing.

"This requires a massive commitment from the Federal Government, the kind we haven't seen to date," Mr Ball said.

"We have not come anywhere near the growth in workers we need to meet demand. The Federal Government must commit to increasing funding for the sector to meet the workforce challenge."

Australia's aged-care system is understaffed, leading to care that is below world standards, as highlighted by the aged-care royal commission.

"Investing in workers to provide better care for more people must be a national priority - the shortage of workers lies at the heart of the problems in the sector," Mr Ball said.

Australia spends around the OECD average on aged care, but well below the average of countries known for high-quality care such as the Netherlands, Scandinavian countries and Japan.

If we do not build the workforce, the system will be unable to provide the services Australians deserve and expect, and more people will be unable to access it, no matter the amount of reform or funding.

This will leave older Australians in the lurch and place an untenable caring burden on families and communities, while exerting unsustainable pressure on the health system.

CEDA has made 18 recommendations based on extensive consultation with aged-care providers, training organisations, unions and academics. These include:

- Much better wages and working conditions in line with comparable sectors, including better rostering and pay rising with increases in responsibility.
- Getting more people into training, improving training courses and outcomes and investing in ongoing professional development.
- New dedicated migration paths to attract high-quality, motivated migrant workers to the sector, given the size of the worker shortage.
- Investment in new technology that reduces administrative and physical burdens on staff, freeing them up for more face-to-face care.
- Better knowledge sharing within the industry – given the diversity of the sector, providers must share what works.

Implementing CEDA's recommendations would put the sector on a path to growing and equipping the workforce more rapidly to meet the increasing demands on our aged-care system.

The report's author, WA-based Senior Economist Cassandra Winzar, says addressing working conditions is the first step to boosting attraction and retention in the industry, which is central to fixing this challenge.

"The Federal Government has committed to raising the minimum daily staff time per resident to 200 minutes," Ms Winzar said.

"While this is an improvement, it will only get us to the bare minimum of acceptable care by global standards. That is how far behind we are compared with other countries.

"Aged-care workers are already under considerable pressure. If change does not occur now, worker shortages will worsen even as the demand for care keeps growing."

Read the full report [here](#).

Jarrod Ball is available for further comment and interviews.

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CEDA has more than 620 members from a broad cross-section of industry, government, community and academia. Our members span every state and territory.

CEDA was founded in 1960 by leading economist Sir Douglas Copland. His legacy of applying economic analysis to practical problems to aid the development of Australia continues to drive our work today.