

CEDA media release

Australia's aged care crisis escalates - staff shortage doubles

Under embargo until Tuesday 28 June 2022

Australia's aged care crisis is worse than expected with the sector facing a shortfall of around 35,000 direct aged care workers this year alone, according to a new report by the Committee for Economic Development of Australia (CEDA).

The report, *Duty of care: Aged care sector in crisis*, finds the annual staff shortage has doubled in less than a year – escalating from 17,000 to 35,000 due to a combination of challenging pandemic driven circumstances and a lack of action by governments.

"If workforce shortages at this level continue, we will not have enough workers to meet the basic standards of care recommended by the Royal Commission," says CEDA Senior Economist Cassandra Winzar.

"Miniscule levels of migration and increased levels of attrition in the sector, estimated to be around 65,000 workers a year, have exacerbated existing shortages.

"The aged care workforce was already under significant pressure with staff shortages, low pay, poor working conditions and increased negative attention through the Royal Commission.

"Over the past year, COVID-19 has amplified these pressures.

"Aged care has been at the centre of many COVID-19 outbreaks, resulting in even more difficult working conditions and staff themselves becoming sick.

"For a workforce that was already burnt out prior to COVID-19, this has been the breaking point for many. During a time where unemployment is low, many have chosen to leave the sector."

The new Albanese government has made commitments towards increasing the quality of aged care through including 24/7 registered nurses in residential aged care and longer mandated care time.

"Yet these commitments will be difficult to achieve without a turnaround in the workforce numbers," says Ms Winzar.

"Importantly, meeting the goal of an extra 35,000 workers will only get Australian aged care to basic levels of care.

"Providing care levels at international best practice standard would require a further increase in the workforce.

“Filling this shortfall will not be achieved without determined and consistent effort which must start now.”

The report updates the workforce projections of CEDA’s *Duty of Care* report released in August 2021 with the latest information and industry consultation. *Duty of Care* made 18 recommendations to help stem the tide of workers leaving and to attract more staff to the sector.

Duty of Care: Aged care sector in crisis advocates that priority must be given to actions that will boost the workforce in the short term, while continuing to improve long-term outcomes. This includes that:

- Unions, employers and the Federal Government should collaborate to increase award wages in the sector through the Fair Work Commission’s work value case;
- Personal-care workers should be recruited directly by adding them to the temporary or permanent skilled-migration lists, or by introducing a new ‘essential skills’ visa; and
- Industry and governments should develop low-cost retraining options for those returning to the industry to boost skills and attract workers.

CEDA Senior Economist Cassandra Winzar is available for further comment and interviews.

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CEDA’s purpose is to improve the lives of Australians by enabling a dynamic economy and vibrant society. Through independent research and frank debate, we influence policy and collaborate to disrupt for good.

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.