

Duty of care:

Aged-care sector running on empty



Workforce shortages in the aged-care sector are driving low occupancy rates and many facilities are unable to operate at full capacity.



In March 2023 the average occupancy rate across all residential aged care places was **86%**



Regional areas are the most affected, with some residential facilities operating at a capacity of just **50%**

At least 18 aged care homes have closed or are due to close in 2023 – at least half of which have directly noted staff shortages as the reason for closing.



Job vacancies in health care and social services remain the highest of any industry – showing the widespread demand for workers.



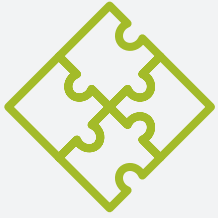
The lack of capacity in aged care facilities is adding pressure to hospitals. In NSW from Dec 2021 to Jun 2022 the number of regional patients awaiting discharge to an aged-care facility nearly tripled.



Industry data shows that agency costs per bed day have more than doubled since 2022 – to **\$17.04** per bed day in March 2023 from **\$7.18** per bed day in March 2022.



Data from the Department of Health and Aged care shows that **53%** of all aged care facilities are operating at a loss.



RECOMMENDATIONS

To meet the **aged-care challenge** we must take steps to **boost the workforce** in the **short term**, while continuing to **improve longer-term workforce outcomes**.

CEDA's first **Duty of Care** report set out a comprehensive list of **recommendations** to address **worker shortages**. We should **prioritise** the following measures.



1

ESSENTIAL SKILLS VISA FOR PERSONAL-CARE WORKERS

Recruit personal-care workers directly by introducing a new “essential skills visa” to allow workers to migrate with long-term residency opportunities. This visa would only be for areas of critical need such as aged care, childcare, disability and healthcare.

2

USER-PAYS SYSTEM WITH INCOME OR ASSET THRESHOLDS

Introduce a user-pays system for aged-care clients who meet certain income or asset thresholds, to help ensure the long-term viability of the sector.

3

ADDRESS NATIONWIDE HOUSING SHORTAGES

Additionally, we must address the nationwide housing shortage to allow essential workers to live near their workplace. We must prioritise key worker housing in regional areas under the national Housing Accord and look at options for rental assistance such as the National Rental Affordability Scheme.