



REPORT SUMMARY

DUTY OF CARE: HOW TO FIX THE AGED CARE WORKER SHORTAGE

2025

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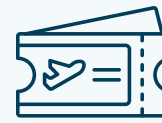
400,000
additional workers
needed in aged care by 2050

1 in 6 personal
care workers
are on temporary visas
Aged care relies on migrant workers

Australia's aged care industry needs:



**Sustainable
domestic pipeline
of workers**



**Migration of
international
workers**

We can't meet demand via one path alone

2.5 million people over 65 will
need care
by 2050
Up from 1.5 million now

Aged & disability carers projected to be
**Australia's highest
growing occupation**
over the next decade

Aged Care Industry Labour Agreements (ACILA)

Less than 4%
of temporary migrants
in occupations covered
by ACILA are employed
on a labour agreement
ACILA isn't increasing workers

It can take
up to **12**
months
to negotiate
ACILA access

Essential skills visa



Proposed removal of
labour market testing



Proposed
cost reduction



Fast-tracks
access



Supports worker
changing employer



Consistent process
across Australia



Increases aged care
worker numbers

We're suggesting a more streamlined process

RECOMMENDATIONS

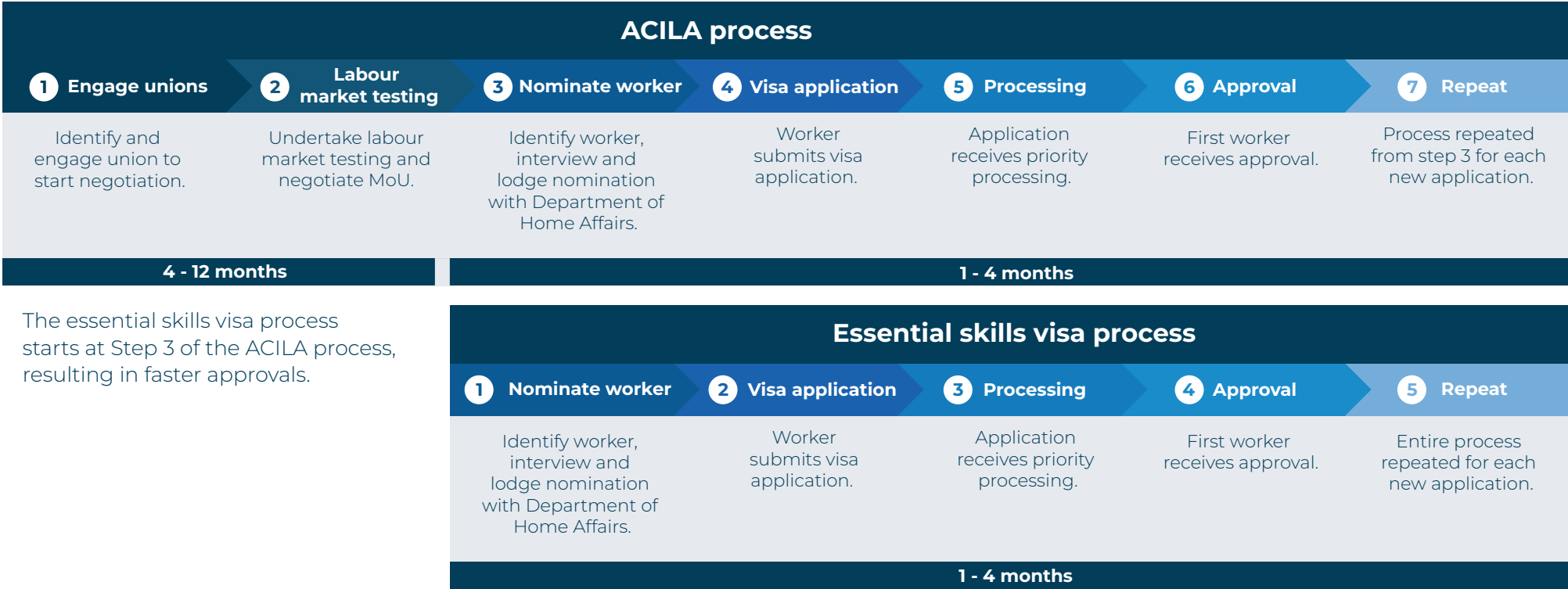
1. The Federal Government should introduce an essential skills visa for aged care occupations below the wage thresholds in recognition of the ongoing shortage and anticipated growth in demand for workers. The visa would provide a pathway for the same occupations as the aged care industry labour agreement.
2. Labour market testing should be abolished for the three occupations covered by the agreement, as they face critical shortage. It can be replaced by regular evaluation of the visa's effectiveness every three to five years.
3. The Government should consider waiving or reducing the Skilling Australia Fund levy for employers sponsoring a worker on an essential skills visa. It should also only be payable once per migrant in cases where the worker moves from one sponsored visa to another, such as from temporary to permanent sponsorship visa.
4. The Government should consider making employers' sponsorship costs payable pro-rata, rather than upfront. This could be in the form of a loading paid to the Government in addition to employees' regular pay for the duration of the sponsorship.
5. The Federal Government, either through the Australian Institute of Health and Welfare, the Australian Bureau of Statistics or the Department of Health and Ageing, should provide nationally consistent annual data on the aged care workforce, to better support workforce planning.

AN ESSENTIAL SKILLS VISA IS A MORE STREAMLINED APPROACH

Our proposed essential skills visa would target the same occupations as the ACILA but would enable all aged care providers to offer sponsored visas in both residential and in-home care without having to go through the negotiations required under the labour agreement (Figure 3). This would save substantial time and resourcing upfront – in some cases a year or more – and resourcing required to negotiate an MoU under the ACILA. It would be a direct and streamlined process across the industry, rather than by individual negotiation.

If implemented well, including a reduction in the cost of sponsoring workers, this visa would help to address the sector’s acute worker shortages by increasing the number of migrants who come to Australia to work in aged care. Workers already sponsored under the ACILA could transfer to the new visa. It would also allow greater mobility for workers, as any aged care provider could sponsor their visa.

Figure 3: Comparing application processes



BOX 2: HOW AN ESSENTIAL SKILLS VISA COULD WORK

Under our proposal, an essential skills visa would be available for occupations below the wage thresholds for other skilled visa categories (currently \$76,515), with pathways to permanent residency, where there is a severe and ongoing shortage of workers.

An independent national body such as Jobs and Skills Australia, which already maintains a list of occupations in shortage, could determine which occupations qualified for the visa. Aged care must be the priority, and the visa should start with the same occupations as the ACILA.

The application process would involve the following steps:

- 1** A provider registers its intent to apply for essential skills visas to fill vacancies for specified occupations. This notifies the Federal Government of a provider's intention to sponsor migrant workers on the visa and triggers Federal Government oversight and compliance procedures to prevent exploitation and misuse, including informing and educating workers about their rights.
- 2** Once registered, employers can nominate workers for sponsorship under the visa. This would be restricted to specified occupations, in this case personal care workers in residential and home-care settings.
- 3** The nomination process draws from eligible migrants who have registered their interest in sponsorship and demonstrated relevant experience, appropriate qualifications and English proficiency, assessed through an accredited assessment body.
- 4** Applicants would need a job offer from an Australian employer, with pay and conditions at least equivalent to local workers.
- 5** After the visa has been issued the relevant union should be notified of the migrant's employment to ensure employers provide equal pay and conditions to Australians and migrant workers.
- 6** Processing is fast-tracked, recognising the immediate need to fill these occupations.
- 7** Minimum four-year initial visa term, with commitment to renew for a further four years, or pathway to permanent residency.
- 8** Workers should not be location-restricted. They should be free to change employer or location of employment within their designated caring sector.

CONCLUSIONS

The solution to the aged care workforce challenge is multifaceted.

Providers and the Government should continue efforts to build a sustainable pipeline of Australian aged care workers as a priority, ensuring that pay and conditions are appropriate to attract new workers while also retaining the existing workforce.

CEDA has previously made recommendations to improve domestic training, retention and technology to increase the size of the workforce²⁴. But this alone is not enough.

Where shortages persist, our migration system should be able to respond rapidly.

Despite the good intentions behind its creation, the aged care industry labour agreement has not been effective at bringing new workers into Australia. It has helped providers retain existing migrant staff by offering them a new visa sponsorship pathway, and this is a positive outcome. But there are other ways to retain staff, including better career progression, training, pay and conditions and flexible working arrangements.

An essential skills visa should be introduced, along with an online system to match prospective workers overseas with Australian employers, to help ensure its success.

Rigorous evaluation should be undertaken to ensure the visa pathways are meeting their objectives and that migrants, Australian workers and providers are all benefiting.

Acknowledgements

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- UnitingCare
- UnitingNSW.ACT
- UnitingSA

About CEDA

CEDA – the Committee for Economic Development of Australia – is an independent, member-based public policy think tank. Our membership base spans all sectors and every state and territory.

Our purpose is to achieve sustainable, long-term prosperity for all Australians.

For more than 60 years, CEDA has influenced Australia's public policy debate and been a catalyst for change on economic and social issues.

Led by Chair Christine Bartlett and Chief Executive Melinda Cilento, CEDA carries on the legacy of renowned economist Sir Douglas Copland, who founded CEDA in 1960.

Our work is guided by our Progress 2050 vision, which supports our purpose.

What we do

- We welcome members who want to engage in informed debate and explore innovative policy solutions.
- We host events that bring together thought leaders, experts and stakeholders to foster dialogue and develop solutions.
- We produce rigorous research by engaging with government, business, academia and the broader community to address long-term challenges and deliver better outcomes for Australia.



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