HSU NATIONAL

Health Services Union

MAKING TRAINEESHIPS WORK FOR THE CARE AND SUPPORT ECONOMY

SUBMISSION:

Australian Apprenticeship Incentive Scheme Review

May 2024

About the HSU

The Health Services Union (HSU) is one of Australia's fastest growing unions with over 100,000 members working in the health and community services sector across the country.

Our members work in aged care, disability services, community health, mental health, alcohol and other drugs services, private practices and hospitals. Members are health professionals, paramedics, scientists, disability support workers, aged care workers, nurses, technicians, doctors, medical librarians, clerical and administrative staff, managers and other support staff.

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The Health Services Union represents workers across over 50 health, care and support and community services occupations listed as in national shortage. We welcome the opportunity to provide feedback on the terms of reference of the Review of the Australian Apprenticeship Incentive Program and shine a spotlight on the missed opportunities of traineeships in the care and support economy.

Apprenticeship incentives only cover up to 10% of the wage costs of a traineeship. Combined with the effects of aged care and NDIS funding models, leave the backfilling, supervision, training, mentorship, and other costs of a traineeship unfunded. This has prevented many aged care and NDIS providers from offering quality traineeships, except for when government subsidies are provided. Meanwhile, the other care and support traineeships that do operate without additional support often pay exploitative trainee wages.

These factors have culminated in exceptionally low traineeship commencement and completion rates.

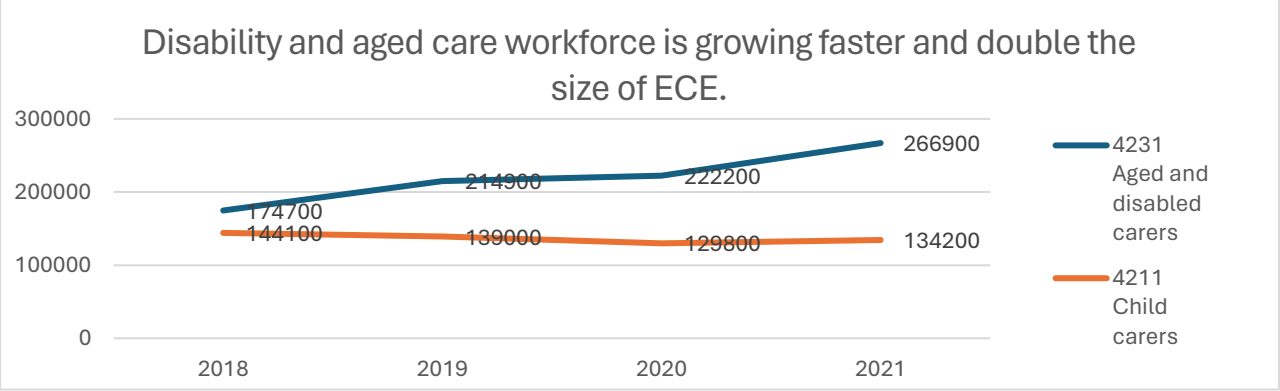
We implore the Review to explore targeted funding to facilitate full-pay care and support traineeships. Similar support already exists for New Energy Apprenticeships. New, targeted incentives would reflect the government's focus on the care and support economy. They would help address the workforce shortages and support the professionalisation of the workforce.

Incentives do not cover the funding gaps in the care and support economy

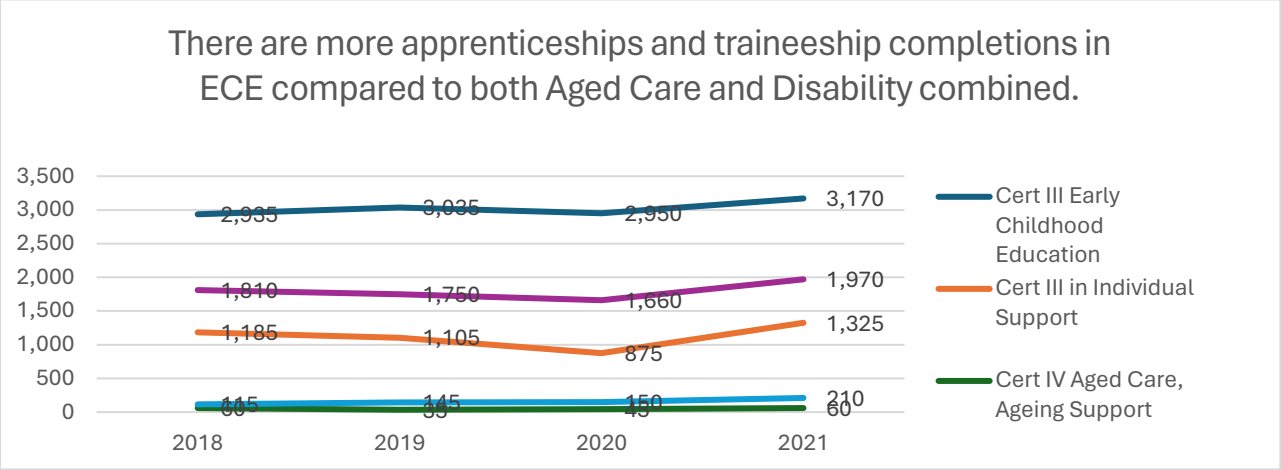
Term of Reference: *consider the effectiveness and efficiency of the Incentive System, against the objectives of encouraging take-up and completion of apprenticeships and traineeships, and examine the complementary role of services, support and high-quality training provision.*

The care and support economy faces some of Australia's largest workforce shortages. An ageing population is and a greater awareness of disability is increasing demand for aged care and disability supports. Exponentially growing demand for these services requires an influx of new workers for supply to deliver them.

Our members want to pursue practical, hands-on learning, but they cannot afford to trade off their take home pay. We know that "earn-and-learn" practices strengthen the linking between training and industry practice, increase training quality and "produce very high-quality workers".[1] Aged care and disability traineeships are, however, "rare in Australia",[2]: completion rates lag behind the national average, and even within the care and support economy, aged care and disability are at a disadvantage compared to others like Early Childhood:[3]



[1] Kate Kennedy and others, 'An Evidence-Based Discussion Paper on VET Disability Education Delivery', *Discussion Paper*, 2020, p. 7.
[2] Kennedy and others, p. 7.
[3] National Centre for Vocational Education Research, 'DataBuilder', 2023 <https://www.ncver.edu.au/research-and-statistics/data/databuilder> [accessed 2 August 2023].



The particularly low completion rates might reflect these industries' structural issues with staffing level, supervision, positive worker support and reflective practice. But a focus on completions also misses a major part of the picture: apprenticeship uptake and offering. For example, although Certificate III in Individual Support has the most course enrolments in the country, Certificate IV Disability is the 8th most popular course; they rank as only the 13th and 47th in apprenticeship and traineeship commencements.[4]

Our observation is that apprenticeship incentives have had limited effect in these sectors as incentives do not cover additional costs incurred in providing traineeships in consumer-directed care systems.

Take the priority wage, for instance, which covers 10% of an apprentice's wage for the first 24 months and 5% for the final 12 months of the apprenticeship. This does not go far to cover additional costs left unfilled by Aged Care and NDIS funding, which quickly eclipses any financial incentives.

We keep hearing that traineeships are not worth the costs. As a result, prospective workers are miss out:

Providers cannot afford backfilling costs.

Trainees require supervision from a well-qualified worker. That often means taking a worker off the roster to coach the trainee. These backfilling costs are additional and borne by the employer.

In other industries, employers might enjoy greater flexibility and funding. But Australia's disability and aged care are "consumer-directed care" systems: instead of being "block-funded", funding for providers is held in the hands of a client, and costed only for the delivery of supports from an individual worker to a client.[5]

This means providers can only invest in workforce development by taking from another person's individual plan. In the case of backfilling rosters, a provider would need to charge a consumer for a worker who is not delivering them services, which is either unfeasible or prohibited.

Providers cannot afford supervision costs.

Alternatively, instead of taking a support worker off the roster to work as a trainer, a provider could ask a supervisor to train the trainee. However, supervision levels are already stretched across aged care and the NDIS.

The NDIS only funds one supervisor for 15 workers.[6] Low funding levels are making supervision increasingly mobile, with few opportunities for workers' practice to be observed face-to-face. What is worse, the 1:15 span of control is intended for workers with Certificate IV who can work independently. Trainees, by contrast, need

[4] National Centre for Vocational Education Research.
[5] Fiona Macdonald and Sara Charlesworth, 'Cash for Care under the NDIS: Shaping Care Workers' Working Conditions?', *Journal of Industrial Relations*, 58.5 (2016), pp. 627–46, doi:10.1177/0022185615623083.
[6] NDIA, *Disability Support Worker Cost Model Assumptions and Methodology 2021-22* (National Disability Insurance Agency, 2021).

constant supervision. If even qualified workers are denied adequate supervision, we cannot reasonably assume that trainees can access that supervision either.

Funding for residential aged care, provided under IHACPA, tends to fund the wage component of aged care delivery rather than necessary supervision. Funded residential care minutes must, at minimum, be delivered by personal care workers classified at direct care Level 2 of the Aged Care Award. In home care settings, supervision is even less readily available.[7]

Across both sectors, workforce shortages are so dire that many supervisors are working "hybrid roles", juggling workers supervision, while delivering direct care to clients to ensure rosters are filled. These workforce conditions are neither suited to traineeships or apprenticeships nor will they be resolved overnight.

Providers cannot afford to pay trainees to attend classroom training.

We already hear from members across the sector that their employer will not pay them to attend training because funding is too low. For every hour of disability support delivered, we estimate that only around $2 is put towards a worker's training.[8] This is hardly enough to cover a provider's ongoing training obligations to already qualified workers – so why would it be enough to train up unqualified workers? Much more than a 10% wage subsidy is required to bridge these gaps in training funding so that providers invest in earn-and-learn initiatives.

Providers cannot afford to "train the trainer".

Prospective trainers in a workplace might also require additional training to supervise a trainee. This would require those workers to also be paid time release to complete this training. But again, these workforce development costs are not factored into aged care and or NDIS funding models.

There is already a shortage of on-job training and placements.

There is a vast shortage of in-person placements for practical units in the aged care and disability training products. Providers lack the capacity to offer practical, embedded training opportunities, both due to restrictively "lean" staffing levels and the practical issues involved in students being continuously rotated out of a client's home.

In the care and support economy, on-job training (and funding for it) is not a given. HSU members have seen a "cheapening out" of training across the sector: more and more online training and "simulated learning" with varying degrees of quality. To grow the supply of traineeships in aged care and disability, work is required to grow practical learning and on-job training opportunities where it is not already available,

The drivers of quality care and support traineeships are not funded either.

Term of Reference: consider the effectiveness and efficiency of the Incentive System, against the objectives of encouraging take-up and completion of apprenticeships and traineeships, and examine the complementary role of services, support and high-quality training provision

High-quality training provision and complementary support is critical to increasing completion rates, and the HSU can recall several examples of effective programs nearing 100% completion rates. The common thread across all these pilots is that they are accompanied by tailored support for the trainee that ensures the traineeship pathway is right for them and intercepts any issues at work (additional to AASNs)

[7] Department of Health and Aged Care, *Care Minutes and 24/7 Registered Nurse Responsibility Guide* (Australian Government, 2024), p. 17.
[8] HSU, *SUBMISSION: 2023-24 NDIS Annual Price Review - Pricing That Ensures the NDIS, and Its Workforce, Is Here to Stay* (Health Services Union, 2024).

Assessment centres increase completion rates, but aren't funded

We often find that there is low public literacy about the routine tasks involved and the intricacies of aged care and disability support work. Many prospective workers (through no fault of their own) might not have met a person with a complex disability or may have a fixed notion about what ageing looks like.

Assessment centres can actively increase completion rates: they help program coordinators identify the best client match to support the worker's skill development, identify additional support to make the traineeship work, and guard against the risk of trainees commencing the program and quickly dropping out after the first shift. For example, RMIT's Skills in Employment Project (SKiP) funded assessment centres at which clients could meet prospective trainees. Clients could build familiarity with the worker and discuss their preferences and needs.

The project was subsidised by the state government funding. This again highlights the inadequacy of existing wage subsidies and care and support funding.

Ongoing, independent mentors improves trainee outcomes but aren't funded

Mentoring makes a major difference in traineeship outcomes, particularly when it is independent from the workplace. The care and support economy is a particularly difficult place to work, which is why workforce attrition rates are so high. Workers report low levels of supervision, constantly changing rosters, and minimal positive training support. They fear that if they speak up about issues at work, they might lose work or face disciplinary action.[9] Consequently, when things go wrong, workers don't speak up – they simply leave the sector. The same happens when trainees have no one they can talk to – they drop out.

Independent mentorship provided through a traineeship program gives workers a trusted person to talk to when things go wrong. Mentoring systems enable help workers seek feedback and build confidence, particularly if they speak English as a second language, have learning difficulties, or have faced long periods of unemployment. Mentoring systems recognise that barriers to traineeship completion are often individualised and intersectional.

Uniting Agewell's involvement in WomenCAN's *The Placement Circle* project is a successful example: a research-informed pilot pairs up women in training with qualified workers who support them through buddy shifts to complete a Certificate III in Individual Support over a year,[10] as well as with ongoing mentor support. WomenCAN combines training and mentoring to account for the intersectional barriers many women in VET and face and provides tailored support to women with experience of hardship and to complete a qualification.[11]

WomenCAN is a charity and funded by donations. As many training and industry organisations comment, mentorship is resource-intensive, and philanthropic support can be volatile. Without government support to fund mentorship, it is difficult to make quality traineeship programs scalable.

Low trainee pay rates, and no minimum qualifications, leads to low traineeship uptake.

Term of Reference: *Consider how cost of living pressures are impacting apprenticeship and traineeship take-up and completion in the current economic context, taking into account incentives and support from the Commonwealth, States and Territories*

Some VET-qualified roles in the health, care and support sector, like paramedicine, nursing, dental therapy and Aboriginal and Torres Strait Islander Health Practice, require AHPRA registration and a certificate or diploma.

[9] Natasha Cortis and others, *Reasonable, Necessary and Valued: Pricing Disability Services for Quality Support and Decent Jobs* (Social Policy Research Centre, UNSW, 2017).
[10] Carter Digital, 'Welcoming Trainees', *Uniting Age Well* <https://www.unitingagewell.org/news-and-media/news/welcoming-trainees> [accessed 9 February 2024].
[11] Dr Lisa Hodge and others, *THE PLACEMENT CIRCLE - INTERIM EVALUATION* (Victoria University, 2019).

Many care and support roles involve intense skill but do not yet require a qualification to practice. The Royal Commission into Aged Care Quality and Safety called for a Certificate III requirement for personal care workers, which is still being consulted on. The Government is yet to introduce a worker registration scheme in the NDIS.

These sectors are also crying out for more workers and facing significant workforce shortages. Out of desperation, many providers are doing away with qualification requirements.

Instead of taking up a traineeship and attaining a certificate while earning a trainee wage, aged care and disability workers can earn a higher wage without having a qualification at all. Faced with the choice between lower or higher pay in a cost-of-living crisis, many workers are choosing the latter.

Apprenticeship schemes have largely been aimed at male-dominated blue-collar occupations, involving manual work with clear qualification requirements. Care and support work involves interpersonal work, has been historically undervalued, and is only beginning to start a process of professionalisation.

Until care and support workers are required to hold a minimum qualification, comparatively low trainee wages will be a barrier to uptake. Apprenticeship incentives must account for this context.

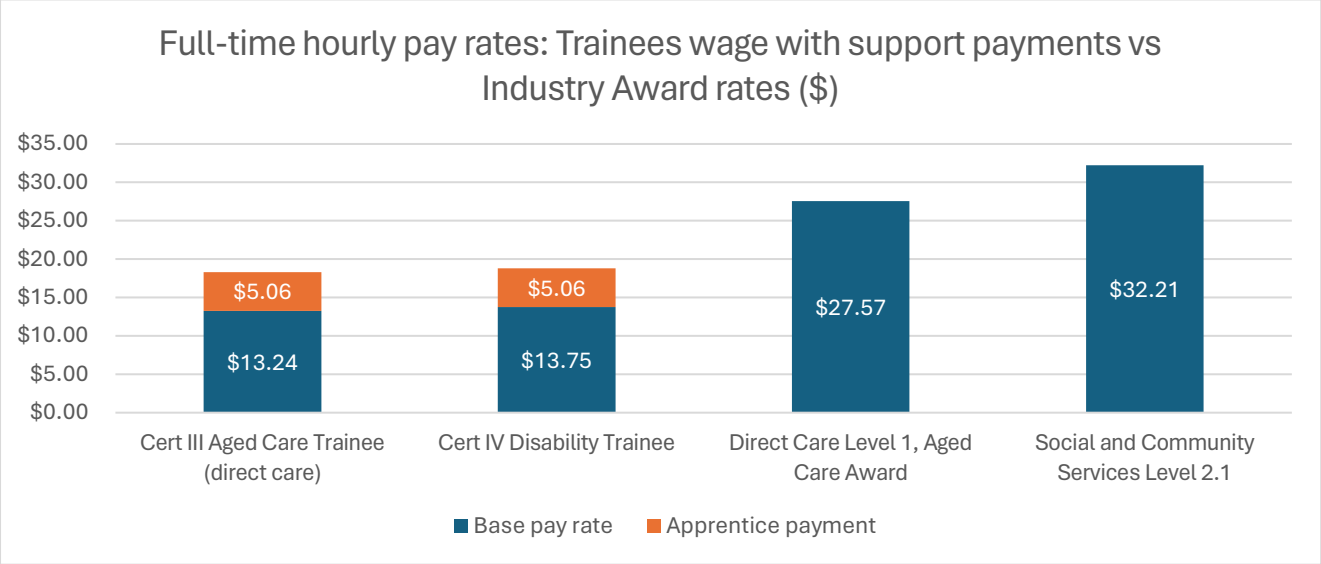
Full-pay traineeships are especially needed in the care and support economy.

We recommend that a stream of funding is created in the apprenticeship incentive scheme that provides for full-pay traineeships in the care and support sector. This will ensure that low-paid care and support workers are left no worse off for pursuing and completing foundational training.

There is no reason that earn-and-learn models should result in workers being paid below the relevant Award rates, this is why there are unqualified pay rates. The SKiP program is a great example of full-pay care, and support traineeships. The program engages trainees at level 2.1 of the SCHADS Award. The entry point for Certificate IV qualified support workers in disability support work is SCHADS SACS level 2.2. Once a trainee completes the traineeship, they come out with both a Certificate and a pay rise.

The SKiP program, however, has been supported by Victorian government funding. Full-pay traineeships are not necessarily the dominant model in the care and support economy. Members often mention issues around “sham traineeships”, where trainees are employed to fill gaps in rosters at rates below the industry award and provided substandard training in order to fulfill contractual requirements. Creating a dedicated funding stream requiring payment of full Award wages would help stamp out these issues.

We acknowledge that incentives already exist for apprenticeships in priority sectors, such as the Australian Apprentice Training Support Payment, which provides $5,000 for full-time apprentices in 4 6-monthly instalments. But these payments, combined with trainee wages, still fall short of full pay rates. Assuming 988 working hours over a 6-month period, a $5,000 payment only works out to be an extra $5.06 an hour:



Note: rates calculated as of 14/5/2024. Trainee rates are for school leavers outside of Queensland who have completed Year 12 and left school. Aged Care Award rates do not reflect decisions in Stage 3 of the Aged Care Work Value Case.

Low-paid workers are struggling to get by, week by week. But the payments are only made every six months. We would recommend, if kept in their current form, that incentive payments are made every fortnight.

Lifting trainee pay will have limited effect without addressing the viability of care and support apprenticeships.

Further wage support for trainees in the care and support sector will make a considerable difference to low-paid workers in training. But unless providers supply traineeships, workers will not benefit from increased pay or allowances. A holistic approach is necessary that ensures trainees are supported to completion, and ensures traineeships are available in the first place.

The solution: a Care and Support Priority Stream of the Incentive System

Terms of reference: take a holistic view of the apprenticeship system, including non-financial supports provided through the Australian Apprenticeship Support Network and by States and Territories and factors relating to workplace conditions, culture and the role employers play in the quality of apprenticeships and traineeships. The Review will also identify any systemic impediments to the effective operation of the Incentive System, including barriers to completions.

Explore alignment between the Incentive System and priorities in the 2023 Employment White Paper and the Government's broader economic objectives, including the promotion of lifelong learning; opportunities, levers and initiatives beyond the Incentive System to encourage employers to take on more apprentices and encourage them to provide people who are underrepresented and lack opportunities, with more experience in the workplace at both pre-apprentice or apprentice/trainee level, particularly in areas of high and emerging skills needs.

In this submission, we have highlighted the gaps in funding that limit the supply and uptake of care and support traineeships.

The Employment White Paper lists "planning for our future workforce" as a government priority policy area and highlights the "net zero transformation" and "growing care and support economy" as areas of focus. [12] Recognising the need for a skilled, renewable energy workforce, the Federal Government announced the New Energy Apprenticeships Program, providing more expansive support than other apprenticeship incentives:

- Up to $10,000 for apprentices, and access to an industry mentor.
- Up to $15,000 for employers.

The HSU believes the Federal Government should provide similar funding to prioritise care and support traineeships: targeted funding to fill the gaps in wrap-around support left by consumer-directed care systems.

We acknowledge that overhauling the funding mechanisms for aged care and disability services goes well beyond the review's brief. But given that these funding systems are unlikely to change significantly—at least, not for a long period of time—traineeship incentives need to adapt to this sector's particularities.

The announcement of the New Energy Apprenticeships Program demonstrates a clear precedent for targeted traineeship funding in priority sectors. A dedicated funding stream is necessary to implement the Government's objectives in the care and support economy. This could address the "structural impediments" mentioned in the Terms of Reference to effective traineeships in the care and support sectors, and the infrastructure is already there to make this happen.

To ensure funds are used for the student, the Review might consider setting up different "pools" of funding that eligible providers can access—such as for a trainee's full wage, mentoring, assessment, and onboarding, and on-job supervision and rostering costs.

This stream can be linked to the phased roll-out of a Certificate III requirement for personal care workers, and the implementation of a disability worker registration scheme by 2028 in line with the Aged Care and Disability Royal Commissions.[13]

It has been suggested before that the Government could use its power as the funder of the NDIS and aged care to require providers to host traineeships. While we appreciate the ambition of this proposal, we would note that only this year is the Government considering exercising oversight of all NDIS providers, and a new regulatory model in the Aged Care Act is already before parliament.

The HSU believes that all taxpayer-funded supports should be proactively regulated. However, this is not yet the reality for the NDIS and parts of aged care. The timeline for regulatory reform does not appear to align well with the urgent need to uplift traineeships in the care and support economy.

Timelines aside, asking sector regulators to introduce a blunt requirement to host traineeships without the necessary funding is impractical. Providers are slow to take up traineeships not because they do not need workers but because they do not have the funds.

The alternative: risking a qualification "cliff"

If action is not taken soon to address the barriers to traineeships, qualification requirements might be phased into sectors like aged care and disability services without supportive pathways for workers to meet those requirements.

[12] Department of Prime Minister and Cabinet, *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, 2023, p. xi <https://treasury.gov.au/sites/default/files/2023-09/p2023-447996-working-future.pdf> [accessed 26 September 2023].
[13] Royal Commission into Aged Care Quality and Safety, *Final Report: Care, Dignity and Respect* (Commonwealth of Australia); Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, *Final Report - Volume 10, Disability Services* (2023), p. 10.

Some workers without prior training or workforce experience would have fewer options to obtain worker registration. Some workers might need to give up paid hours at work to attend TAFE in order to stay in the sector, others might decide staying in the sector is not worth it.

Traineeships have the potential to smoothen the transition from a partly-qualified workforce to a fully-qualified workforce. But unless that bridge can be built with adequate funding, we are concerned many workers could be left behind, or at a disadvantage.

Conclusion

An apprenticeship incentive program that supports uptake workers to "earn and learn" is advantageous, and the HSU supports incentives for apprenticeships based on workforce shortages. There are, however, unique funding issues in the care and support sector that have prevented many trainees from starting or completing a traineeship. Targeted funding is needed to make full-pay traineeships available for all care and support workers. We look forward to working with the Review in addressing these issues.