

Increasing the care workforce through VET



A program to support vulnerable jobseekers into healthcare and social services traineeships in regional areas, through a targeted increase in traineeship wage subsidies.

Introduction

Marathon Health is a not-for-profit, registered charity providing Primary Healthcare support to isolated and vulnerable people in regional areas.

Healthcare disparities between metro and regional communities, especially First Nations communities, are well documented. People living in regional areas can expect shorter lives, higher levels of disease and injury, and poorer access to and use of health services. This is being exacerbated by workforce shortages in the healthcare and social services sectors, which are disproportionately higher in regional areas.

The opportunity exists to build on the early success of programs that support vulnerable jobseekers into sustainable healthcare and social services careers in regional areas, by encouraging employers to take on trainees through a targeted increase in wage subsidies. This submission proposes that increased traineeship wage subsidies are available ONLY where:

- The trainee is in a regional area MMM3-7
- The qualification being undertaken is on the National Priority List supporting roles in the healthcare and social services sector
- The employer can demonstrate that they have the infrastructure in place to support high traineeship completion rates (80% or higher)
- The employer can demonstrate that there are sustainable roles available within the trainee's community (post traineeship employment rates of 80% or higher).

The issue through our eyes

The Healthcare and Social Services sector is, by far, Australia's largest and fastest-growing industry, employing more than 2.1 million people. Employment in the sector is projected to grow by 533,089 (or 25%) over the next ten years to May 2033, making up nearly 17% of all total employment.¹

Based on the current sector skills profile, around 30% of this growth will need to come from the VET sector.² Jobs and Skills Australia points to qualifications with shorter training gaps (e.g. Cert III) as a potential solution to help address some of these skills shortages in the short term.³

There are a range of barriers and disconnects – both individual and systemic - that stop students from starting and completing vocational courses and going on to gain meaningful and sustainable work in the healthcare and social assistance sector in regional areas (MMM3-7).

One of these barriers is the level of wage subsidy available to support vulnerable jobseekers (e.g. women, First Nations people, older jobseekers or people returning to work after ill health) into these traineeships.

These vulnerable jobseekers require significant support to keep them engaged in work and study across the life of their traineeship, and current wage subsidy levels provide no incentive for employers to invest the time and resources required to achieve a successful outcome.

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This submission proposes a solution that has been proven to address these barriers in a regional pilot program (*Appendix 1*) supporting 25 First Nations healthcare and social services trainees – and we are calling on the Australian Government for targeted investment to expand this program.

What we are calling for

We are calling for the Australian Government to offer increased traineeship wage subsidies to employers supporting vulnerable jobseekers in regional areas (MMM3-7) to complete healthcare and social services qualifications on the National Priority List.

These higher wage subsidies should be available where employers can demonstrate the ability to support high rates of trainee completion (80% or higher) and where there is a demonstrated demand for the skills.

These qualifications, identified on the National Priority List, include:

- Certificate IV in Aboriginal and/or Torres Strait Islander Primary Health Care
- Certificate III in Individual Support
- Certificate III or IV in Community Services
- Certificate IV in Mental Health
- Certificate IV in Mental Health Peer Work
- Certificate III and IV in Allied Health Assistance (subject to addition to the list in the future)

This would involve an uplift for the target cohort from the current traineeship wage subsidy level of up to \$6,000 for a 12-month traineeship (Cert III) or up to \$9,000 for an 18-month traineeship (Cert IV).⁴

The benefits of this approach

There are four main benefits of the proposed approach:

1. Addressing regional healthcare and social service workforce shortages by:
 - a. Increasing the number of people in regional areas with the skills and training needed to perform healthcare and social services roles, with shorter time lags in the training process (12-18 months) and higher completion rates (80%+)
 - b. Reducing suitability gaps and increasing post-training employment levels, by ensuring that people complete their training with employability skills and pathways, not just a qualification
2. Creating better access to healthcare and social services for rural communities to increase health equity, including for First Nations people.
3. Supporting vulnerable jobseekers in regional areas into a sustainable healthcare and social services career pathways
4. Creating cost savings for the income support system within a three year period..

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The table below shows that investing in higher wage subsidies (70%) for vulnerable jobseekers reduces their reliance on income support and creates savings within three years:

Cohort	Current income support per fortnight (base level)	Total cost of a 70% traineeship wage subsidy for 12 months (Cert III) *	Total cost of a 70% traineeship wage for 18 months (Cert IV) **	Total annual income support	Income support savings after 3 years ***	Income support savings after 5 years ***
Jobseekers including First Nations jobseekers	\$749.20	\$ 32,200 (46x70%)	\$ 48,300	\$19,479	\$58,248	\$97,395
Older job seekers	\$802.50	\$32,200	\$48,300	\$20,865	\$62,595	\$104,325
Carers	\$1,002.50	\$32,200	\$48,300	\$26,065	\$78,195	\$130,325
Parents (single)	\$970.20	\$32,200	\$48,300	\$25,225	\$78,675	\$126,126
People who could return to work from ill health (including mental ill health)	\$1002.50	\$32,200	\$48,300	\$26,065	\$78,195	\$130,325

*Based on \$46,000 (approx. minimum wage or \$882.80 per week)

**Based on a \$46,000 (approx. minimum wage or \$882.80 per week for 18 months no CPI adjustment)

***Based on the trainee in employment and no longer receiving a benefit – base rate no CPI adjustment

Rationale for key aspects of the proposal

Regional focus

Workforce shortages are exacerbated for regional areas, leading to poorer health and wellbeing outcomes across every measure, especially for First Nations communities. This program is designed to rapidly increase the number of VET-trained allied health workers available in the regions by incentivising traineeships.

Allied health professions reduce in prevalence per 100,000 population with geographic remoteness, with lowest numbers in either MM5 or MM7 locations.⁵

Targeting vulnerable jobseekers currently in receipt of income support

Australia's tight labour markets means that targeting people who are already in the workforce to transition to the healthcare and social assistance sector, will just exacerbate workforce shortages for other businesses and industries, especially in small towns.

For example, across the Far West Orana region the current unemployment rate is 1.3% with 7,000 people currently unemployed.⁶

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A review of income support recipients in communities in Western NSW shows that there are enough income support recipients across target cohorts to fulfil the aims of the trial outlined below.⁷ For example:

Local Government Area	Jobseeker payments	Carer payments	Parenting payments (single)	Total
Bogan	90	25	60	175
Bourke	285	55	105	445
Brewarrina	180	35	70	285
Coonamble	300	100	155	555
Walgett	665	225	225	1,115
Total				2,575

Basing wage subsidies on the national minimum wage rather than traineeship levels

The proposal is based on the current national minimum wage of \$880.20 per week.⁸ Early evaluation findings of the Aboriginal Wellness Workers program (*Appendix 1*) have indicated that earning a living wage is a significant incentive for the trainees to commence and to be kept engaged to completion. The proposal aims to attract trainees from vulnerable job seeking cohorts across the life stages; school leavers, parents, carers, people returning to work after ill health, and older Australians.

The current traineeship minimum wage levels for many healthcare and social assistance roles are not much more than the levels of income support, providing little incentive to enter full-time work and study.

Offering a 70% wage subsidy vs current and previous wage subsidy levels

This proposal targets vulnerable jobseekers in regional Australia and supports them to rapidly gain the skills and experience for a meaningful and sustainable career in the healthcare and social assistance sector. Based on our experience, these jobseekers require a lot of support to keep them engaged in work and study across the life of their traineeship and much of their work time is taken up with efforts to complete their study and learn the skills required to sustain employment and maintain a healthy work/life balance.

We are proposing higher wage subsidies to help overcome host employers' reluctance to hire vulnerable jobseekers by compensating them for real or perceived lower levels of productivity, both increasing the traineeship opportunities for disadvantaged job seekers, and lowering their reliance on income support over time.⁹

Links to the National Skills Agreement

This proposal delivers directly against the National Skills Agreement initial priorities by:

- Supporting gender equality and Closing the Gap by encouraging vulnerable jobseekers into meaningful and sustainable employment
- Sustaining essential care services in regional Australia by boosting the workforce available to support these services

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It will also contribute to achieving all the Agreement's population-level outcomes:

- **Productivity:** productivity growth is improved by a better skilled workforce well matched to labour demand
- **Labour supply:** industries, including in critical and emerging areas, can access and develop the skilled workforce they need
- **Wellbeing and inclusion:** all Australians, including priority groups, are able to build the skills needed for well-paid, secure work aligned to their interests and
- **Resilience:** all Australians, including priority groups, have the skills that allow them to adapt in their work and life, now and in the future.¹⁰

Links to other national strategies, agreements and frameworks

The National Care and Support Economy Strategy 2023

This proposal helps to deliver the Government's vision for a sustainable and productive care economy that delivers quality care and support with decent jobs, by increasing the numbers of qualified workers in the sector, with employability skills and community connections to support a meaningful career.¹¹

National Mental Health Workforce Strategy 2022-2032

The proposal supports several of the priority areas outlined in the mental health workforce strategy, including:

- Addressing critical shortages in the mental health workforce
- Mobilising the broader social and emotional wellbeing and health workforce
- Developing and delivering recruitment and career pathways to attract a suitably skilled and diverse workforce
- Strengthening the capability and core competencies of the workforce to recognise and respond to community need, particularly in regional Australia where the need is so great.¹²

There are a number of projects in the pipeline that would be supported by the approach, including the upcoming National Allied Health Workforce Strategy and the NDIS Workforce Strategy.

This proposal also supports a range of jurisdictional healthcare and support service strategies, through the increase in VET-trained workforce in regional Australia.

Proposed trial site

We are proposing a trial of the *enhanced healthcare and social assistance traineeship program* in the Far West Orana region of NSW, which will deliver 300 trainees in regional communities over three years at a cost of \$9,660,000 (based on the table above).

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Current case study – a regional health traineeships in action

A current pilot program in Western NSW is proving just how effective traineeships are at increasing the healthcare and social assistance workforce in small communities.

The Aboriginal Wellness Worker program is supporting 25 First Nations people aged 18-60 from ten small communities, to complete their Certificate IV in Mental Health or Certificate III in Aboriginal and/or Torres Strait Islander Primary Care, while gaining vital employability skills and connections that will ensure they walk into a sustainable job in their local community at the end of their traineeship.

The Mental Health cohort are almost complete and are on track for a completion rate of around 80%. Most of their host employers have expressed a strong interest in keeping them on and our employment or further study KPI is 90%.

For more information about the Aboriginal Wellness Worker program, please see *Appendix 1*.

References

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3. <https://www.jobsandskills.gov.au/publications/towards-national-jobs-and-skills-roadmap>
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11. <https://www.health.gov.au/resources/collections/national-mental-health-workforce-strategy-2022-2032>

More information

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Appendix 1: Aboriginal Workforce Development Initiative

Program snapshot

The Aboriginal Workforce Development Initiative has been developed by Marathon Health to increase the number of First Nations health and wellbeing workers in communities across Western NSW. With funding from Western NSW Primary Health Network and the Department of Regional NSW, the program supports First Nations people to complete an accredited certificate qualification and gain relevant work experience in health that will lead to sustainable employment in a priority skills area in communities across the region.



Creation of culturally-safe health workforce for Western NSW

- 27 First Nations people are currently taking part in the program
- Completing Cert III or Cert IV in a priority skills area over 12 months
- On completion, supported to ongoing employment within their community – either with Marathon Health in the Youth Outreach Program mental health service or with other local service providers



Accredited qualification and relevant work experience in health

- All learners are employed by Marathon Health and receive above award salaries and benefits under our Enterprise Agreement
- Learners are hosted in their local community by a local employer so they can gain relevant work experience
- Learners are completing either Certificate IV in Mental Health or Certificate III in Aboriginal and/or Torres Strait Islander Primary Health Care
- Training is being delivered in Dubbo by the Aboriginal Health and Medical Research Council (AH&MRC) RTO
- Additional tailored training by Marathon Health's Training Officer, based on the needs of the trainee, host employer and the community
- Transport and accommodation provided for block release so no barriers



Mentoring and support

- Mentoring from dedicated Education Support Officer and community leaders
- Individualised career planning and development
- Trainee Peer Network has created a supportive environment for the trainees and enables them to complete their qualifications

Program outcomes to date

Our Aboriginal Workforce Development Initiative currently hosts 27 learners across 10 communities - aged between 18 and 60 from a variety of backgrounds and skill sets.



High engagement

90% of learners are on track to complete their qualification as planned



Wraparound supports

Intensive, individualised support and peer support approach is fundamental to learners navigating the challenges of daily life while studying



Community-centred approach

11 organisations across 10 communities are hosting the learners
Five hosts already planning to employ their learners full-time on completion

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Program snapshot

The learner experience

The current cohort of 27 learners includes First Nations people aged between 18 and 60 from a variety of backgrounds and skill sets. They are based across 10 communities: Coonamble, Gulargambone, Warren, Condobolin, Collarenebri, Dubbo, Bourke, Lightning Ridge, Walgett, and Nyngan. Host employers include Aboriginal Medical Services, mainstream medical services, high schools, community hubs, PCYC and the Royal Flying Doctors Service.

Younger learners are helping the older ones with tips on use technology and the older learners are sharing their life and work experience – together, the group members are supporting each other to stay on track.



Learner feedback so far:

“I have two beautiful kids currently in school that motivate me to do the best I can. My life experience has led to a desire to improve the living, health, education and employment opportunities for my mob and my community.” – **Tara, Lightning Ridge**

“I love engaging with community and building relationships. I'm interested in mental health as I have had my own journey. This program is locally needed and I want to help and learn as much as I can. Having an Aboriginal face in my community will break down those barriers to help mob.” – **Janice, Collarenebri**

“I grew up in Warren since I was 10 years old and I'm a proud Aboriginal Woman and have seen the struggles this community has when it comes to helping youth with mental health issues. I applied for this role to make a difference in my community and to help support youth struggling with mental health to let them know it's okay to seek help.” – **Shaana, Warren**



Nikki (pictured) is the mother of four and works at Ochre Health at Coonamble. She was keen to return to the workforce and undertake training after taking time out to raise her children.

“I have personal experience with mental health within my family and have seen how having no information or knowledge effects the situation. Being a mother myself to two teenage sons, it really opens up your eyes on what is out there for them when they grow older. This is giving me a chance to try and change our future for our mob and communities.” – **Nikki, Coonamble**