

ACTCOSS Community Sector Viability Project
Finding Solutions

Paper 3

**Workforce Development:
Issues and Options**

A discussion paper
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About ACTCOSS

ACTCOSS acknowledges that Canberra has been built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage traditional owners have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a professional, cohesive and effective community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is funded by the ACT Government.

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Introduction

The ACT community sector faces a challenging future. We are under increasing pressure to deliver more services at a higher quality despite limited financial resources, skills and labour shortages, ageing infrastructure, and a noticeable drift by government back to data-driven cost management, increasing regulatory clauses in funding agreements, and sensitivity to external criticism.

It is now nearly 5 years since ACTCOSS, in collaboration with community sector peak bodies, produced the publication *“Community Sector Viability: An Issues Paper”* in 2003. In that document, ACTCOSS outlined the problems community sector organisations faced in maintaining their viability. In looking back at those issues, many remain familiar, while new concerns have also become more pressing in the intervening years.

It is important to acknowledge that some advances have been made since then. In particular, the commitment by the ACT Government to indexation of community sector funding by reference to general rises in wages and prices has helped many community organisations avoid collapse. In addition, the ACT Government has made commitments in its revised edition of *“The Social Compact”*, and the *“Community Sector Funding Policy”*. At the time of writing, the ACT Government has commenced consultations on setting pricing principles for community services. There have also been a range of capacity building and sector development initiatives that have sought to strengthen the capabilities of community organisations.

Yet if the goal of these initiatives was to secure the long-term sustainability for community organisations in the ACT, there is still some way to go. While ACTCOSS and other community sector peak organisations have continued to raise these issues with government for many years, progress in addressing them is slow and tangible solutions are not abundant. In an election year, and with a healthy budget surplus, there is some prospect that the ACT Government will make some spending commitments to improving community sector viability in its May 2008 Budget. Looking beyond the electoral cycle, however, it has become increasingly clear to ACTCOSS that the community sector needs to develop a strategic direction for its own development in the long term.

The ACTCOSS Community Sector Viability Project aims to begin this process as comprehensively as we can with our limited resources.

The Community Sector Viability Project – *Finding Solutions*

The ACTCOSS community sector viability project aims to explore options for securing the long term viability of the community sector in the ACT. Discussion of issues and options is a first step towards developing a strategic direction for the future of the sector. The focus of the project is on finding solutions to key issues of concern to the sector.

Community Sector Viability is a phrase used to describe the ability of community organisations to attract and utilise resources in a sustainable way, ensuring that they have the capacity to deliver services in a cohesive, effective and efficient manner over the long term. This project seeks to find and develop possible solutions that will help community sector organisations achieve this goal, and ultimately ensure that vulnerable people in Canberra get the services and support they require to reach their potential and participate in the life of the community.

Issues Papers

A series of short issues papers will be produced on different aspects of community sector viability to promote discussion and dialogue among community sector organisations in the ACT. We are interested in looking at a variety of solutions, for the short- and long-term, that can be implemented individually by organisations, collectively by the community sector, or collaboratively with government.

- ***Shared services: Issues and Options*** is the first in this series. It looks at the idea of combining certain functions from a number of organisations in order to build the economies of scale that could reduce the cost or improve the quality of some functions of community organisation.
- ***Funding: Issues and Options*** is the second paper in the series. This paper discusses pricing principles, full cost recovery, contracts and funding agreements, partnerships and philanthropy.
- ***Workforce and skills development: Issues and Options*** is the third in the series. It discusses issues of staff recruitment, retention, training, management, wages and conditions. The paper canvasses agency level as well as sector wide options for addressing these issues.

ACTCOSS Community Sector Viability Project – Issues paper 3

There are a number of other priority issues that have been raised previously including quality, structure and governance and infrastructure and information technology. However due to resource constraints ACTCOSS is unable to address these issues at this time.

This paper sets out some definitions, issues and options for the future. We hope to get a range of input and feedback on this paper.

Consultation process

Community sector workshops are proposed as follows:

Financial Viability	20 May 2008 9.30 - 12.30
Workforce Development	3 June 2008 9.30 – 12.30

Individual consultations will be held during May.

Issues papers will be circulated for written and verbal feedback. Written feedback can be emailed to suzanne.lawson@actcoss.org.au Or phone Suzanne with comments on 6202 7277 (Mondays and Tuesdays).

Deadline for feedback is 9 June 2008.

What is Workforce Development?

Workforce issues are consistently raised as the most pressing concerns affecting the viability of the community sector. Workforce development involves managing the size and composition of the workforce and includes attracting, retaining and skilling that workforce. Workforce development refers to both individual and organisational goals.

In the community sector, organisational level action and sector wide strategies are needed to address the workforce development issues of:

- Wages and Conditions
- Recruitment and Retention
- Career paths and progression
- Training and skills development
- Management and strategic planning
- Promoting the sector

Issues

Workforce issues have been raised for some time now and are well documented. At a national level the profile of the community sector workforce compared with other sectors has been characterised as follows:

- Relatively low pay;
- High proportion of part time positions and casualisation of the workforce;
- Ageing workforce;
- Predominance of women;
- Growing skills shortage; and
- Increasing demand for community services.¹

As noted in the introduction the indexation of wages by the ACT government is a positive step towards addressing wage disparity however, there is still a considerable gap between public and community sector salaries and conditions.

This is particularly important in the ACT which has a high proportion of public sector positions. There are a number of features of the ACT labour market that affect workforce development. For example the interim report of the ACT skills commission notes the increasing challenges facing the community sector in attracting and retaining skilled staff in a tight labour market.² Anecdotally, positions remain unfilled for some time and the ACT public sector is also having difficulty in attracting and retaining staff³. The high cost of buying or renting a house in the ACT is a further disincentive to lower paid work.

Wages and Conditions

Lower wages

Community service workers are employed in government and non government organisations. However, there is an estimated wage disparity between public and community sector workers of up to \$20 000 pa. In addition, leave entitlements, access to resources and job security in the community sector are less than those available in the public sector.⁴

Poorer conditions

There are two conditions in particular that affect retention of experienced staff in the community sector. These are portability of Long Service Leave and superannuation benefits⁵. Anecdotal evidence suggests that older skilled

¹ ASU (2007)

² ACT Skills Commission interim report 2007

³ ACTCOSS (2007) *Investing in our Social Capital*

⁴ Report of the Community Sector Taskforce 2006

⁵ ACTCOSS 2007 Submission to the ACT Budget 2007-08

workers in the sector are attracted to government positions by the prospect of better superannuation benefits arising from higher salary levels.

Recruitment and retention

Skills shortage

In addition to the wages and conditions issues noted above there are a number of trends that will have an adverse effect on workforce turnover:

- The ageing of the labour force will see retirement of skilled workers in the sector; at the same time that the ageing population will lead to increases in the need for community services.
- ACT community sector organisations have one of the highest staff turnover rates of any industry (24% in 2006) at a time when the community services sector nationally experienced a 17.8% rate of growth in 2006.⁶

These trends have contributed to a skills shortage in the community sector⁷.

Employment security

Workforce stability and employment security is adversely affected by short term funding. Short term project funding means that organisations can only offer employment on short term contracts – this contributes to staff turnover as contract workers take up offers of more secure work. A number of reports have noted a trend to increasing casualisation of work in the sector.⁸

Part time work and staff turnover

In addition the prevalence of part time work in the sector has an impact on turnover - part time workers have a much higher job separation rate than full time workers. With its high reliance on part-time workers the community sector is vulnerable to high turnover rates.⁹

Career paths and entry points

In terms of recruitment and attracting new workers to the sector, pay and conditions are one factor. Another factor is the lack of clear entry points and career paths. The South Australian *Careers at the Coalface* report¹⁰ argues that the sector needs to: make entry points clear and accessible to potential workers; to create recruitment pools; to have structured training and career pathways across the sector. Competing industries are able to offer this – the community sector needs to address this issue head on. The sector needs to communicate a clear and coherent framework on: how to enter the sector,

⁶ *ibid*

⁷ Carson et al 2007, ASU 2007, ACTCOSS 2007, ACT Government 2007

⁸ ASU 2007; CSTF 2006

⁹ *Ibid* p105

¹⁰ Carson et al (2007)

opportunities for career advancement, how experienced is assessed, and recruitment needs between organisations.

In the ACT the community sector plays an important role in providing diverse entry level employment opportunities for people who do not have the level of formal qualifications required for some public sector positions.¹¹ However, training and retaining a skilled workforce is an ongoing challenge for the sector.

Training and skills development

There are two main issues – training existing staff to meet new requirements and appropriate training and skills development for new staff to work in the sector.

Skills / training mismatch

The impact of successive reforms in government policy and service delivery has resulted in the need for new sets of skills. Some of the changes include: new models for service delivery eg individualised case management, complexity of client issues; integrated service delivery; and deinstitutionalisation. Traditional training models do not necessarily equip staff with the skills required in this new environment.

An increasing number of skills are required to effectively manage change in community organisations as a result of financial, funding, staffing and policy developments eg tender and submission writing, risk management, compliance, quality assurance and outputs and financial management.¹²

Access to training

Whilst it is recognised that training and professional development is important in this context there are concerns that community sector workers do not have access to appropriate training. The reasons for this include:

- lack of resources to meet the cost of training and to backfill positions when staff are away at training;
- lack of knowledge about what is available particularly in terms of employment assistance;
- inappropriate content of some training which is targeted at public or private sectors and not necessarily NFP;
- incentives that privilege new employees or long term training at the expense of short term courses and existing employees.¹³

Training needs

The Community Sector Taskforce (CSTF) report recommends that an analysis of training needs be undertaken. The needs analysis should: review existing

¹¹ Community Sector Taskforce 2006

¹² ASU (2007) p38

¹³ ACTCOSS 2007 Investing in our social capital

training programs available to the sector; identify gaps and barriers to access; and options for improving training available to the sector¹⁴. This recommendation continues to be important in addressing the skills shortage in the sector.

Management and workforce planning

The profile of the workforce, turnover rates and funding arrangements, make workforce planning particularly difficult. Without the ability to attract new staff, offer appropriate training and retain skilled staff the sector faces a skills shortage. With an ageing workforce across the country the loss of skilled workers combined with the projected increased demand for community services and increasing complexity of client needs the viability of the community sector workforce is precarious.

Workplace culture, diversity and flexibility

There are some actions that can and have been taken by organisations to address these issues. For example organisations can develop HR strategies and workplace cultures that are supportive, team based and where mutual support and experience across roles is encouraged. Open communication, staff are heard and valued and recognised in order to maintain moral and motivation and develop a commitment to the organisation. A commitment to workforce diversity is important to attracting a range of workers to the sector. Flexible family friendly policies and meaningful work are also important features of working in the sector.

However, the nature of these issues is such that actions taken by individual organisations will not be sufficient to ensure the long term viability of the sector. Therefore, a number of reports recommend a sector wide approach to workforce development.

Promoting and valuing the sector

The combination of low wages and poorer conditions suggest that the work of the community sector is undervalued¹⁵. The perceptions of complex demanding work for low wages that leads to stress and burnout of workers is hardly conducive to attracting new staff to a vocation in the community sector. In order to address these perceptions the unique values and contribution that the sector makes as well as the vocational opportunities available must be articulated across the community. For example the QCOSS 'Future of the Sector' project has a key strategy of developing a collective statement on the value of the community sector and raising the profile of the sector through a communication strategy promoting those values and vision across the community.¹⁶

¹⁴ Community sector taskforce (2006) p56

¹⁵ Carson et al 2007

¹⁶ QCOSS 2007 www.qcoss.org.au

Options

For some time now the sector has highlighted the importance of parity in wages and conditions to ensuring the viability of the community services workforce. The options discussed here are not suggested as alternatives to wage parity; but should be considered in conjunction with parity issues.

This section outlines options that either address particular elements of workplace development and/or propose a strategic sector wide approach to address a range of workforce development issues.

Wages and Conditions

1. Funding

The ASU argues for:

- funding to address low pay levels and career development that reflects long term workforce costs in particular improved pay and resources for on the job training and career development

2. Core Pricing Principles

The CSTF recommends that core pricing principles be progressed to take into account the full costs of providing a service and to identify the differences in pay and conditions between the community sector and comparable government positions

3. Portable Long Service Leave

The CSTF also recommends that the ACT government work with the sector to implement a mandatory portable long service leave scheme

4. Multiple Business Agreement

The ACT Community Sector Multiple Business Agreement is a sector wide agreement that aims to raise the baseline in wages and conditions. Multiple Business Agreements provide an opportunity for offering additional / above award conditions.

Recruitment and Retention

5. Improving conditions to retain workers

ASU priorities include:

- Measures to retain older and experienced workers such as leave provisions and portable LSL and career support for workers nearing retirement
- Addressing stability of work, pay levels and career development options to recruit and retain new workers to the sector
- Specific recruitment and development strategies to increase the cultural diversity of the workforce in particular to attract Indigenous workers
- Strengthen family friendly provisions in particular resources to provide flexibility within organisations for parenting responsibilities

The CSTF recommends that future funding priorities consider options for addressing the recruitment and retention problems in the sector.

Organisations can offer flexible workplace conditions and additional benefits for relatively small costs. Examples include:

- Paid maternity leave provisions
- Above award wages as a means of attracting and retaining staff.
- Access to sick leave casual staff.
- Retention bonus
- Encouraging staff to access career development opportunities.

6. Recruitment programs

There are a number of options that could be explored for recruitment and skills development. These are based on programs operating in other sectors. The options require different organisational arrangements eg either sector wide or sub sector level. Some programs are already used by the sector. The options are summarised below. Further discussion within the context of needs and feasibility is required.

- **Centralised advertising and recruitment** arrangements could be strengthened to save costs and to promote sector identity
- **Careers fairs** and school visits to promote and attract young people to the sector
- **Graduate entry program** – graduate entry programs usually involve placements and structured on the job training with a number of organisations or sections within larger organisations. The placement locations are designed to provide a range of work based experiences. The programs operate for a period of time eg 12 months with placements offered a position within the sector at the completion of that period.
Issues – resource intensive; doesn't address staff shortages in the short term; potentially disruptive in small organisations; requires appropriate training program to be established.
- **Traineeships and group training arrangements** – there are a range of training programs with state/commonwealth incentives that could be accessed through co-ordinated action by the sector.
Issues – needs time and resources to identify possibilities for joint action.
- **Student placements** – work experience for fixed period by students trained in community services field.
Issues – staff supervision and training required; access to low cost resource

Training and skills development

7. Strategy to address skills shortage

The ASU priorities are:

- Strategic action to address national and state based workforce skills shortages
- Provision of training to enable workers to address complexity of client needs
- Increase resources to respond to training needs
- Update the community services training package¹⁷ to allow recognition of skills and movement between roles.

8. Training needs analysis

- Resources for training, traineeships and professional development to provide career paths and diverse employment options in the ACT
- Undertake a training needs analysis for the sector including review of existing programs available, identification of gaps in provision and barriers to accessing training; and options for improving training available to the sector.¹⁸

Career paths and progression

The *Careers at the Coalface* report recommends a strategic approach to addressing the issue of career paths. The report argues that other sectors have an advantage over the community service sector in that they address this issue on a sector wide basis.

9. Sub sector strategies for career advancement

Agency level strategies have some limited impact and agencies have to varying degrees adopted practices to address workforce issues. These are constrained by resources and conditions as outlined above. The SA report however concludes that it is sector wide strategies that are required to address workforce development problems. This can be at two levels firstly sub sector strategies to address the particular issues eg child care, aged care and disability service specific priorities.

10. Sector wide training and career pathways

The second level is sector wide – making entry points clear, accessible to potential workers, to create recruitment pools; that have structured training and career pathways across the sector. Competing industries are able to offer this – the community sector needs to address this issue head on. The sector needs to communicate a clear and coherent framework on: how to enter the sector, opportunities for career advancement, how experienced is assessed, recruitment needs between organisations. The report recommends the development of an integrated classification system or employment

¹⁷ Currently under review

¹⁸ Community Sector Taskforce Report 2006

framework for jobs across the whole sector matched by a qualifications framework.¹⁹ This needs to be communicated within and outside the sector as a career path in community services. An integrated framework could also assist in developing appropriate and well regarded training programs.

Management and strategic planning

11. Research on workforce issues

Research into the impacts of part time work, casualisation, industrial relations changes on the community sector workforce.²⁰

12. Workforce Profile

Data on composition and wages profile of the community services workforce is needed for strategic workforce planning, future employment growth and reducing disparity in wages and conditions.²¹

Promoting and valuing the sector

Careers at the coalface report recommends a sector wide response addressing – wages and working conditions; training; and marketing the industry as an attractive employment option.²² The report argues for a whole of sector approach that includes: common classification system, coherent employment frameworks and appropriate and well regarded training programs.

13. Sector wide workforce development program

The recruitment options outlined above could be incorporated into a sector wide workforce development program. Options for recruitment pool; staff sharing; exchange and staff placements, secondments; group training arrangements could be considered under the program. A marketing and communications plan for the workforce development program would raise the profile of the sector and promote community services as a vocation.

14. Recognising good practice

The sector comprises many skilled workers. Supporting and recognising innovative practice promotes awareness of the value and contribution of the sector and also shares information and skills. Options include:

- Examples of good practice could be promoted through existing newsletters/publications a number of times during the year.
- An annual awards ceremony could be held in conjunction with existing events such as conferences. Sponsorship could be sought for prizes.

¹⁹ Carson et al 2007 See University of SA and SACOSS report (2007) *Careers at the Coal-Face? Community Services in South Australia: Workforce Development* pp 165-6

²⁰ ASU 2007

²¹ ACTCOSS 2007

²² Carson et al 2007 pp 165-6

Table 3.1 – Summary of issues and options

Issue	Options
Wages and Conditions	
Lower wages Poorer conditions	<ol style="list-style-type: none"> 1. Increase funding to address low pay levels 2. Core Pricing Principles to take account of full costs of providing services 3. Implement a mandatory portable Long Service Leave scheme 4. Multiple business agreement to raise baseline conditions
Recruitment and retention	
Skills shortage Employment security Part time work and staff turnover Career paths and entry points	<ol style="list-style-type: none"> 5. Improve conditions to retain workers 6. Recruitment programs <ul style="list-style-type: none"> • Graduate entry program • Traineeships and group training arrangements • Student placements • Centralised advertising and recruitment arrangements • Schools visits and career fairs to attract young people to the sector 7. Career paths and progression • Sub sector strategies for career advancement • Sector wide training and career pathways
Training and skills development	
Skills / training mismatch Access to training Training needs and gaps	<ol style="list-style-type: none"> 7. Strategy to address skills shortage 8. Resources for professional development 9. Training needs analysis
Management and workforce planning	
Challenges: turnover, ageing, casualisation Workplace culture, diversity and flexibility	<ol style="list-style-type: none"> 10. Research on workforce issues 11. Workforce Profile to provide data on composition and wages profile of sector
Promoting and valuing the sector	
Sector is undervalued Recognising good practice	<ol style="list-style-type: none"> 12. Sector wide workforce development program 13. Publications to include regular segment on practice examples 14. Annual awards ceremony in conjunction with existing events

Discussion

The issues identified under workforce development are interrelated. Recruitment and retention are linked to wages and conditions. Attracting new recruits is linked to entry points and career paths. Conditions and career paths are linked to progression. There are a range of actions that can be taken. Some actions can be taken by individual agencies, adopting flexible workplace arrangements, additional conditions and fostering career development. Other actions need to be addressed at a sub sector or sector wide level. Examples include centralised advertising and recruitment and promotion of career opportunities and of the sector. Finally training and skills development and wage disparity needs to be addressed by the sector and government working together.

The training and professional development needs of the workforce as well as the broader trends of skills shortages and an ageing labour force, will require joint action by government and the community sector in order to address the broad range of workforce development issues. Implementing the recommendations from the CSTF report on workforce development is an important step towards addressing issues in the ACT context.

In terms of training needs and skills shortages the ACT Skills Commission work provides an opportunity for addressing the particular needs of the community sector. If the sector is interested in pursuing a strategic direction for workforce development, there may be opportunities to build on the work begun by the ACT government.

Questions

The issues paper will be discussed at a number of community sector forums to canvass options and priorities of ACT community organisations. The following questions are a starting point for this discussion:

1. Level of interest

Whether the sector considers the issue of workforce development is worth pursuing and if so what are the potential benefits to organisations?

2. Scope

If there is interest what are the priorities for organisations? What practice examples already exist?

3. How

What are the preferred options for future work and what resources are needed to advance this issue? Who should be involved? What role should peaks play?

Next Steps

Feedback from the community sector will be incorporated into a final report. The report will include priority issues and options discussed by the sector at workshops and provided through comments on the issues papers.

ACTCOSS will circulate the report to community organisations, government, peaks and the Joint Community Government Reference Group. Follow up action will be dependent on the level of interest and resources available to address priority actions identified through this project.

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