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Expanding Employment Pathways for Pacific Islanders in the Australian and New Zealand Aged Care Sectors







**Expanding Employment
Pathways for Pacific Islanders in the
Australian and New Zealand Aged Care
Sectors**



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**Expanding Employment
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Executive Summary



1. Executive Summary

1.1 Background and Objectives

The aged and community care sectors in Australia and New Zealand are widely expected to expand rapidly over the coming decades. The forces that have led to ageing in Australia and New Zealand – lower probability of death at all ages and, to a lesser extent, the weakening of the social and economic drivers for large families – are common among many countries in the region. In these two countries, however, they are taking hold at such a rate, that they are likely to move into an entirely unfamiliar demographic environment.

Existing aged care services will not be able to deliver the quantity and quality of services needed over the coming decades, without the workforce required to do so. In Australia, in 2016 there were over 366,000 paid employees working in aged care. By 2050, it is estimated there will need to be between 830,000 to 1.3 million employees to support over 3 million people in aged care. In New Zealand, the figures are similar with workforce demand in the aged care sector expected to expand by 50 to 75 percent over the next 15 years alone. The characteristics of aged care workers are common across both Australia and New Zealand: they are overwhelmingly female; older than the average worker; and increasingly foreign-born.

A 2016 Senate Inquiry into the ‘Future of Australia’s Aged Care Sector Workforce’ highlighted the importance of immigration in meeting future workforce needs. Immigration provides a potential supply of workers to address the projected shortfalls in the Australian and New Zealand labor supply. Aged care providers face acute difficulties in both the retention of existing domestic workers and the recruitment of new ones. As a result, migrants already form an important part of the Australian and New Zealand aged care workforce. In Australia, migrants account for approximately 40 percent of the existing workforce in residential aged care, whilst in New Zealand this figure stands at 31 percent. These shares are likely to expand as demographic pressures intensify.

Australia and New Zealand’s nearest neighbors, the Pacific Island Countries (PICs), face a vastly different demographic challenge. The overall population of the PICs is expected to grow by some 50 percent over the next twenty years. As infant mortality rates decline across the region, whilst fertility rates remain relatively high, many face a “youth bulge”. Achieving a demographic dividend from this bulge will require these youth to be put into productive employment. Structural constraints to growth mean that this is often not possible in domestic labor markets, where the number of labor force entrants vastly exceeds the number of jobs available. As such, matching this excess supply of workers with acute labor shortages in Australia and New Zealand has the potential to provide economic and social benefits to sending and receiving countries alike.

The case for filling labor shortages in the Australian and New Zealand aged care sectors has been strengthening in recent years. In 2015, the International Labor Organization (ILO) commissioned a study to better understand how employers in Australia and New Zealand recruit migrant workers for the aged and community care sector. Moreover, the Australian Department of Foreign Affairs and Trade (DFAT) has been attempting to raise this issue with policy makers – after it found that only 3% of graduates of the Australia Pacific Technical College (APTC) was successful in migrating into on-shore employment, while during the 2016 Pacific Islands Labor Sending (PAILS) Countries Forum, the aged care sector was also specifically highlighted as one with high potential for the Pacific Island countries. Furthermore, a joint 2016 World Bank-Australian National University Report on Labor mobility proposed a specific program for Pacific in-home caregivers, and lastly, the Australian Commonwealth announced in September 2017 the inclusion of the aged care sector in its new Pacific Labour Scheme.

The main objectives of this study are to:

- Better understand the labour requirements of aged care sector providers
- Determine the steps required for Pacific Island countries to supply the relevant set of skills
- Conceptualize a model – and critique existing, or announced, models – which would help facilitate the movement of aged care workers from the Pacific to Australia and New Zealand (whether through a new program or existing migration pathways).

1.2 Scope

This report will follow a specific scope, determined to best answer the main objectives set out above. It will:

- Examine the labour needs and labour supply gaps faced by aged care providers and their preferences/attitudes about bringing in appropriately skilled temporary foreign labour to fill in domestic labour gaps with full consideration of, among other things, both financial as well as skill certification issues
- Review current immigration rules and regulations pertaining to foreign workers in the aged care sector, the way such workers are sourced currently, and constraints imposed by immigration regulations that limit the supply of foreign workers to the aged care industry
- Review various models for temporary migration in the care sector in operation around the world and determine what lessons these hold for Australia, New Zealand and the PICs
- Model the wages, costs, and savings potential of Pacific islanders employed in the aged care sector for Pacific Islanders employed in the sector for periods of up to 1-2 years at a time

- Discuss the challenges involved in finding an appropriate model for regulating the conditions of Pacific Islanders working in the sector
- Outline a proposed model for the region that includes recommendations on needed changes in immigration regulation.

Furthermore, the following definitions will be used throughout the remainder of the report.

- **Aged Care** - The scope of the study includes an examination of the aged care sectors in both Australia and New Zealand, and the employment opportunities both currently and in the future. Occupations in scope include Australia New Zealand Standard Classification of Occupations (ANZSCO) Skill level 3, 4 and 5 and therefore nursing roles which require a diploma or degree (e.g. Registered Nurse positions) are out of scope. Moreover, the care sector across Australia and New Zealand is quite diverse, with care options existing in resident homes, retirement village living, home and community care, residential aged care and acute hospital care. Although both community and residential care could be viable employment options for PICs, more focus has been given to residential opportunities based on suitability for placements to succeed, pastoral care options, direct supervision and training opportunities.
- **Pacific Island citizens (PICs)** - This is a broad term generally referring to all citizens coming from the islands located in the Pacific Ocean. Although often ambiguous as to which parts of Polynesia, Melanesia and Micronesia are actually included in the definition, for the purposes of this study the following countries and nationalities are meant when referring to the Pacific Islands¹:

Table 1.1: Overview of Pacific Island Nations

Polynesia	Melanesia	Micronesia
Tokelau	Solomon Islands	Federated States of Micronesia
French Polynesia	Fiji	Nauru
Niue	New Caledonia	Guam
Tonga	Vanuatu	Northern Mariana Islands
American Samoa	Papua New Guinea	Kiribati
Samoa		Palau
Cook Islands		Marshall Islands
Tuvalu		
Pitcairn Islands		
Wallis and Futuna		

¹ With a combined population of approximately 11.2 million people.

1.3 Key Observations

Some of the standout observations found when conducting this study were:

- Aged care (both residential and community-based) is one of Australia's and New Zealand's fastest growing and most dynamic sectors, which is reforming itself to become fit for purpose to deal with the care needs of aging populations, qualified staff shortages and a reimagined regulatory and financial environment.
- Staff shortages are found predominantly in resident nurses and carer roles, where more skilled workers are required.
- Direct recruitment from overseas is very limited in both Australia and New Zealand, and those skilled migrant workers that do find themselves in the sector are often over-qualified and working in lower skilled care roles such as Personal Care Assistant (PCA) or Health Care Assistant (HCA).
- Despite the predominance of foreign born workers in the aged care sector, most are in Australia or New Zealand already and are not directly recruited from overseas. Recruiting directly overseas is often cumbersome for Australian or New Zealand employers. Regulations and processes around visa pathways are not always clear to employers, HR departments in small- to midsized employers do not have the capacity to spend the required time on getting all paperwork processed (e.g. Approved Employer Application, Deed of Agreement, Position Adverts, Recruitment Plans, Monitoring requirements) while large employers have indicated that requirements placed on them to directly recruit from overseas were excessive. Furthermore, engaging with migration agents or other intermediaries can be costly and alternatives to direct overseas recruitment exist (e.g. spouses of sponsored foreign employees, international students). In Australia a change to this situation can be expected once the Pacific Labour Scheme (PLS) comes into effect in July 2018, and the associated Pacific Labour Facility (PLF), which should streamline the direct overseas recruitment process.
- Both Australia's and New Zealand's migration programs are in the process of major overhauls, which will create new opportunities for labour mobility, while also closing some established pathways.
- The Pacific Labour Facility will be working hand in glove with the manager of the third stage of the Australia Pacific Technical Coalition (a newly branded version of the Australia Pacific Technical College). A tender process for this has been completed. Stage 3 of the APTC will be more focused on producing a "more skilled, inclusive and productive workforce which enhances Pacific prosperity, while ensuring that the skills and attributes available to employers from TVET systems align with labour market requirements".

- Larger scale labour mobility of qualified staff from the Pacific Island region into Australia and New Zealand, specifically for employment in lower skilled direct care or non-direct care roles has the potential to generate substantial remittances, and therefore economic and social development within the sending countries.
- It will be important to match employment opportunities – i.e. in rural and remote regions in Australia, or bigger cities such as Auckland and Christchurch in New Zealand – with established Pacific Islander communities in those areas, to create the potential for successful pastoral care and cultural connect for migrant workers, and thus increase the likelihood of successful integration into communities.

1.4 Developing Agenda

Based on the research conducted several issues can be highlighted for discussion and subsequent action:

- This study took place during a time of significant development within both Australia’s and New Zealand’s migration programs. Over the next few years we can expect an increased focus on the Pacific, with new institutions being created to foster development and cooperation within the region. It would therefore be prudent to revisit this research within 12 to 24 months, and include any lessons learned from the Pacific Labour Scheme and Stage 3 of the APTC.
- Further research could be done around the macro fiscal implications of labour mobility, to highlight its national and not just sectoral importance. Some estimates exist of the productivity losses from ageing which could be brought in, as well as the fiscal costs of ageing – both in Australia where the nonprofit sector is the majority, but also in New Zealand where despite the for-profit prevalence in the sector, significant government resources have been pumped in to shore up wages. Another angle to this could be found in modelling the tax contributions to both Australia and New Zealand from Pacific migrant workers.
- Further research could also be conducted in both the onshore (i.e. Australian and New Zealand) training programs which qualify workers for roles in aged care, and the off-shore (i.e. Pacific) TVET opportunities. Many larger employers in Australia have noted that because of the wide range in quality of TVET and RTO institutions they either put staff through in-house programs, or align themselves with preferred partners. This could be especially relevant as we enter Stage 3 of the APTC, which has labour mobility and fitness-for-purpose to overseas employer needs as some of its core desired outcomes.
- There is an opportunity to further expand on the long term development opportunities in the Pacific. While not in scope for this study, more work could be done around mapping the impact of boosting skills accumulation and quality, and exploring the long term potential of deeper partnerships in healthcare (e.g. creating a niche medical tourism sector). This should then tie in to the various initiatives underway aimed at developing the region (e.g. Pacific Labour Facility, APTC Stage 3, Pacific RISE, Pacific Possible, PACER Plus and Pacific Connect).

Project Approach, Definitions and Limitations



2. Project Approach, Definitions and Limitations

2.1 Approach

The approach for this study was structured covering a number of key components.

1. Desktop research, literature scan and market sounding

Research was conducted into the aged care sector needs in Australia and New Zealand, which included a review of workforce characteristics and shortages, qualifications in Australia, New Zealand and the Pacific and available migration pathways and visa options. Secondary data was sourced from various sources, of which an overview is presented in the Appendices.

2. Consultation with external stakeholders and validation

The results of these findings were then validated through teleconference or face-to-face consultations with residential aged care providers, peak bodies, labour hire organisations, relevant government agencies and other stakeholders. Refer to the Appendices for a list of consultations.

3. Formulate recommendations and draft report

All of the above findings were collated into this report, which includes key considerations and a strategy for subsequent next steps.



2.2 Key Definitions

Table 2.1: Overview of terms and definitions used

Terms Used	Definition
Consumer Directed Care (CDC)	CDC is a way of delivering services that allows consumers to have greater control over their own lives by allowing them to make choices about the types of care they access and the delivery of those services, including who will deliver the services and when. Under a CDC approach, consumers are encouraged to identify goals, which could include independence, wellness and re-ablement.
Commonwealth Home Support Programme	This program provides entry-level support services designed to help frail older people stay in their homes. It was introduced on July 1, 2015 and consolidates four former programs: Commonwealth Home and Community Care (HACC); the National Respite for Carers Program (NRCP); Day Therapy Centers (DTC); and Assistance with Care and Housing for the Aged (ACHA).
For-profit	A for-profit organization is one which operates primarily for the financial profit or gain of its owners, members or shareholders. For-profit organisations include private incorporated bodies that are registered by the ASIC or publically listed companies that are listed on the Australian Stock Exchange.
Living Longer Living Better (LLLB)	LLLB is the name given to the Australian Government's Aged Care Reform announced in April 2012 in response to the Productivity Commission's Report – Caring for Older Australians.
My Aged Care	The main entry point to the Australian aged care system. My Aged Care aims to make it easier for older people, their families and carers to access information on ageing and aged care, have their needs assessed and be supported to find access services.
Not-for-Profit	A not-for-profit organization is one which does not distribute operating surpluses for the profit or gain of its individual owners or members; whether these gains would have been direct or indirect. This applies both while the organization is operating and when it winds up. The Australian Tax Office accepts and organization as not-for-profit where its constituent or governing documents prevent it from distributing profits or assets for the benefit of particular people.
Service Provider	The organization that is providing an aged care service and who receives a payment either from the government, another funder or the care recipient or carer to provide care. Service providers in receipt of government funding must be approved or meet certification or standards before being funded.
Personal Care Assistant (PCA)	As a personal carer provides personal care to a resident in an aged care facility or in their own home. This includes getting the resident out of bed, toileting, showering, and dressing. Other aspects to the job include providing social support to the resident, giving them emotional support when needed, taking them for a walk outside and even helping them with daily activities like, bingo and outings. Employees in this position will hold a certificate III in Aged Care. This term can be interchangeable and also called; Personal Care Worker, Nursing Support.
Enrolled Nurse (EN)	The Australian Nursing and Midwifery Council defines the enrolled nurse as, an associate to the registered nurse who demonstrates competence in the provision of patient-centered care as specified by the registering authority's license to practice, educational preparation and context of care. Employees in this position will hold the minimum of a certificate IV in nursing.

Terms Used	Definition
Endorsed Enrolled Nurse (EEN)	Endorsed Enrolled Nurses (EEN) have completed further medication endorsement to their training. EEN's, who are authorized, may administer Schedule 2, 3, 4 and 8 medications via all routes, except intravenous, epidural, inter-ventricular and intrathecal. Any medication, which requires checking prior to administration, must be checked with a Registered Nurse or Midwife.
Registered Nurse (RN)	A person registered to practice nursing in Australia. The registered nurse demonstrates competence in the provision of nursing care as specified by registration requirements, National Board standards and codes, educational preparation, relevant legislation and context of care.
Residential Aged Care	Residential aged care provides accommodation and care to people who can no longer live independently due to health reasons, but who do not require acute hospital care. It consists of low care, high care and facilities can be dementia focus.
CS&HISC	Community Services and Health Industry Skills Council (CS&HISC) provides the direction for workforce development for Australia's Community Services and Health industry. They ensure that industry information they gather is shared with governments and government agencies, employers, unions, trainers, workers and potential workers so that decisions affecting our industries support the development and growth of our workforce and reflect client needs.
LASA	Leading Age Services Australia (LASA) is the national peak body representing all age service providers. LASA are the only industry peak body acting on behalf of private sector and not-for-profit providers delivering retirement living, home care and residential aged care services.
ACSA	Aged and Community Services Australia Inc (ASA) is the national peak body in Australia representing over 1,100 church and charitable and community based organisations providing accommodation and care services to over 700,000 older people, people with a disability and their carers.
NACWCS	The National Aged Care Workforce Census and Survey (NACWCS) is conducted every 4 years. The research is commissioned by the Australian Government Department of Health and undertaken by the National Institute of Labour Studies (NILS) research team at Flinders University. The most recent census was conducted in 2016.
NACA	The National Aged Care Alliance (NACA) is a representative body of peak national organisations in aged care, including consumer groups, providers, unions and health professionals, working together to determine a more positive future for aged care in Australia.

2.3 Limitations of this Report

- For both Australia and New Zealand, getting quantitative insights into non-direct care employment opportunities specifically in the aged care sector is challenging due to the lack of data available at a regional or national level. As such, insights were therefore collected through a stakeholder consultation process with selected employers in the industry, as well as through broader employment projections data.

Aged Care in Australia



3. Aged Care in Australia

The Australian population is ageing, and therefore the aged care industry in Australia needs to grow significantly in the coming years.

The aged care industry provides a range of services to 1.3 million older Australians, enabling access to appropriate levels of care as required². As Australia undergoes a significant economic transition from the capital-intensive mining sector to more labour-intensive service sectors, the aged care sector is set to play an increasingly important role in jobs and growth³. Currently, the aged care sector is one of Australia's largest, most diverse and fastest growing service industries, directly employing more than 366,000 paid employees in both community and residential care. In addition, there are a further 68,000 volunteers in the workforce⁴. In 2014-15, this represented around 238,000 full-time equivalent jobs, which include a diverse range of roles from nurses and care workers to management and administrative staff⁵.

Today, the aged care sector generates annual revenues totalling around AU\$21.5 billion, making a significant contribution to the Australian economy of almost 1 percent of Gross Domestic Product⁶. This is expected to almost double to 1.7 percent by 2055. Total Australian government expenditure on aged care has also increased significantly, from AU\$15.2 billion in 2014-15 to AU\$16.2 billion in 2015-16. This is expected to continue to grow to AU\$20.8 billion by 2019-20⁷.

The largest portion of funding in 2015-16 was provided for residential care at AU\$11.4 billion (70.3%). This Government funding contributes significantly when compared to consumer expenditure on aged care, which was AU\$4.7 billion in 2015-16⁸. Figure 1 below outlines the breakdown of total budgeted Government aged care expenditure (AU\$18.6 billion) for 2017-18 by service type.

² Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

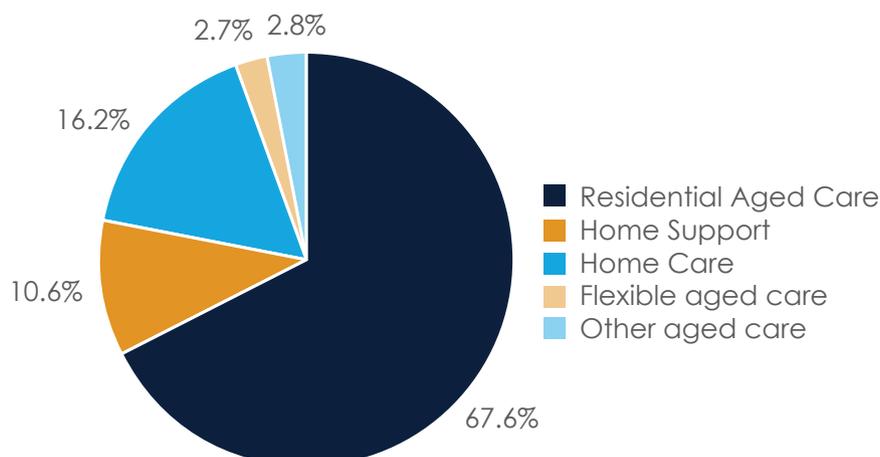
³ Aged Care Guild. Australia's Aged Care Sector: economic contributions and future directions June 2016.

⁴ Ibid.

⁵ Aged Care Guild. Australia's Aged Care Sector: economic contributions and future directions June 2016.

^{6,7,8} Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

Figure 3.1 Australian Government total budgeted aged care expenditure (2017-18) by service type



Stability of both funding and policy is a key consideration to enable the industry to grow in a sustainable environment. The growing demand for aged care requires significant investment in the sector, particularly in residential sector which is highly capital intensive. Providers operating in rural and remote areas face extra challenges in their financial operations, and generally have higher cost pressures and lower financial results.

To meet this growth in aged care services, according to government projections, there is a need for an additional 75,000 residential aged care places and a further 85,000 home care packages over the 10 years from 2013 to 2023⁹.

By 2050, over 3.5 million Australians are expected to use aged care services each year¹⁰. This projected increase of those living in care and within the community will require new aged care workers and a number of new and expanded facilities to handle residential volumes. To accommodate this growth, the Productivity Commission has estimated that by 2050 the aged care workforce will need to grow to somewhere between 830,000 to 1.3 million employees.

Finally, there have also been a range of major policy reforms in the aged care sector with a view to improving the sustainability of aged care services and increasing consumer control and choice¹¹.

⁹ Aged Care Financing Authority (2013) Inaugural report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

¹⁰ Productivity Commission (2011) Caring for Older Australians Volume 1. Commonwealth of Australia.

¹¹ Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

- 2012 - 2014 – Initial aged care reform. The Productivity Commission’s Inquiry into Aged Care (2011) sparked the implementation of the Living Longer, Living Better (LLLB) policy in 2012. The LLLB legislation came into effect on 1 July 2014 and introduced significant changes in aged care. These changes were largely in response to Australia’s ageing population and the resulting challenges facing the current aged care system. One of the key changes was the shift in focus to improve support and care needs for the aged in their own home through the delivery of individualised flexible home care packages. These now include a variety of services from shopping, gardening and hygiene needs. Importantly, the Aged Care Financing Authority (ACFA) and My Aged Care Website were established under these reforms. Today, My Aged Care is responsible for assessing a person’s eligibility for Commonwealth funded aged care services.
- 2014 - 2016 – Financing reforms. These removed the distinction between high and low care in residential care. These reforms also saw the commencement of Consumer Directed Care (CDC), which brought about changes for budgets for new home care packages and changes to means testing for residential care.
- 2015 - 2017 – Consumer choice. The above policy reforms have also moved the aged care sector towards a more sustainable, consumer-driven and market-based system. A large factor behind these Consumer Directed Care reforms is to provide consumers of aged care services with greater control over the types of care they access, when and by who.



3.1 Overview of supply trends

Type of aged care services

The spectrum of aged care services is broad ranging from support packages for the aged to remain in their own home through to caring for those who can no longer live independently in residential settings. Currently, the aged care system is undergoing reform to ensure that more efficient support for older people is available to live in their homes and communities for as long as possible. This not only enables people to remain informed about their care, but also remains financially sustainable for taxpayers and service providers¹². However, currently residential care service providers still occupy the largest share of the market. Below is a diagram which illustrates the range of aged care services available from support in the home to acute hospital nursing care.

Figure 3.2 Breakdown of aged care service types in Australia

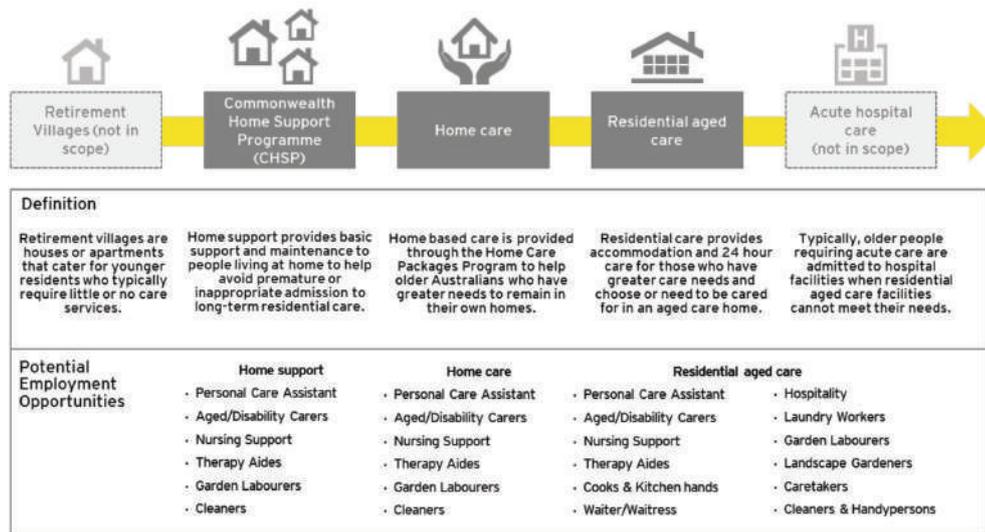


Figure 3.3 Number of providers providing one, two or three types of services

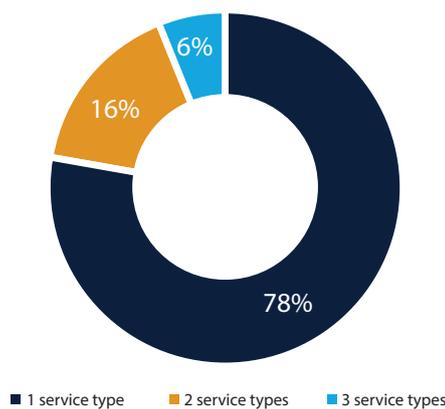
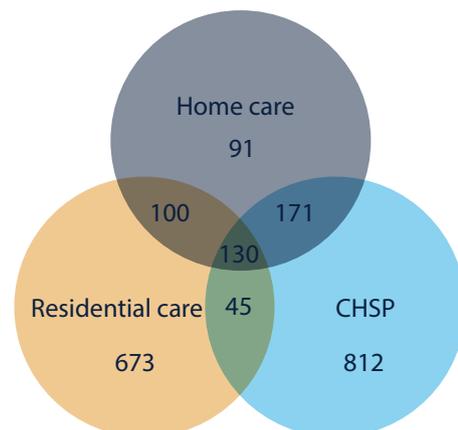


Figure 3.4 Number of providers by service type, 2015-16



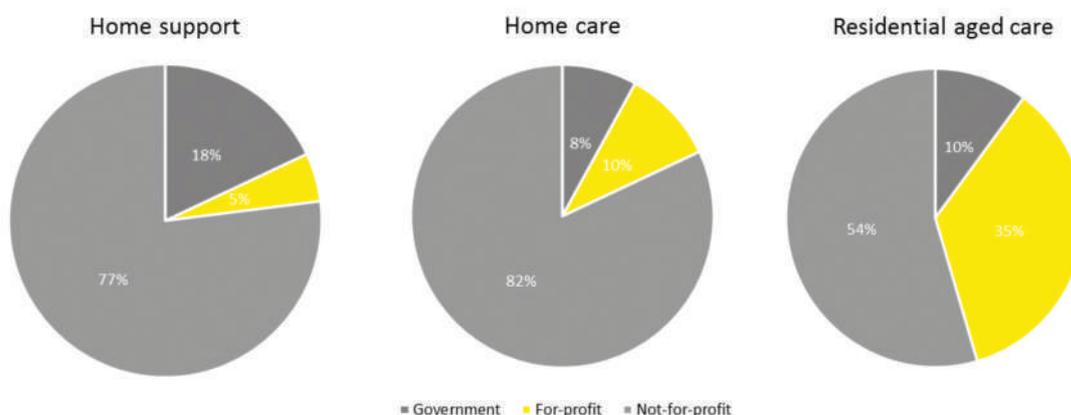
¹² Ibid.

Currently, there are over 2,000 aged care service providers in Australia supplying the three types of care noted in Figure 2 above. While the majority of aged care providers operate only one type of aged care service, some of the larger operators manage two or all three types of care.

Ownership of aged care services

All three types of aged care services are supplied by a combination of for-profit, not-for-profit and government service providers. While the majority of service providers are not-for-profit charitable providers, much of the growth in the aged care sector has been due to an increase in for-profit providers in recent years. In particular, residential aged care has seen the largest growth in places supplied by for-profit providers to meet the growing demand on the aged care sector. An overview of the aged care industry ownership structure for each service type is illustrated in Figure 5 below.

Figure 3.5 Ownership of aged care sector by type (2015-16)



3.1.1 Home Support (CHSP)

As of July 1 2015, the Commonwealth Home Support Programme (CHSP) has been implemented. This combined the previous Commonwealth Home and Community Care (HACC) Program, the National Respite for Carers Program, Day Therapy Centres and Assistance with Care and Housing for the Aged¹³. In 2015-16, there were over 1,160 CHSP providers (plus 526 HACC providers in Victoria and Western Australia). Home support is designed to provide short-term home support services to help older Australians adapt to functional loss, make functional gain after a loss or avoid preventable injuries¹⁴. Areas where home support may be required include: nursing, allied health and therapy services, home medications, home maintenance, meals, other food services, transport, domestic assistance, personal care and social support (group and individual).

¹³ Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing
¹⁴ Ibid.

3.1.2 Home Care

In 2015-16, there were 496 home care providers, 2,099 services and 78,956 places. There are four levels of consumer-directed coordinate care packages of services to meet a person's specific care needs. These packages are designed for those who have greater care needs in order to remain living at home instead of entering into residential aged care. The four packages are categorised into four levels, level 1 being for people with basic care needs through to level 4 supporting people with high care needs.

- Personal services – help with showering, bathing, dressing and mobility
- Support services – help with washing and ironing, house cleaning, gardening basic home maintenance, home modifications related to care needs, transport to help with shopping, doctor visits and attending social activities
- Clinical care – Nursing and other health support including physiotherapy, diet, hearing and vision services
- Care coordination and case management.

3.1.3 Residential Aged Care

The residential aged care sector is a sub sector of the aged care industry and provides accommodation and care to people who can no longer or chose not to live independently (either at home or in retirement village accommodation) primarily due to health and social reasons. Services provided in residential care include:

- Day-to-day services – meals, cleaning, laundry
- Personal care – assistance with dressing, grooming, toileting
- 24-hour nursing care - nursing assessment, pain management, wound care, catheter care.

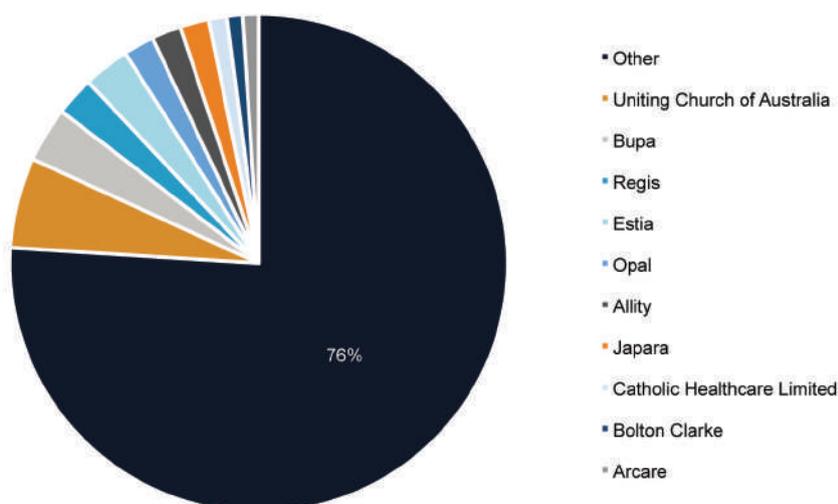
Residential care is provided either on a permanent or respite basis, with the majority of places occupied by permanent residents who have security of tenure. However, the number of people accessing residential respite care is increasing faster than those accessing permanent residential care¹⁵. Moreover, people who access residential care tend to be older than those in home support and care. This highlights the increasing needs demands for more substantial care as people age. Above all, as seen in Figure 4 above, it is still the largest service type in the provision of aged care, when compared to Home Support and Home Care. As such, a large focus on the future sustainability of aged care centres around both how to support the growing demands for residential care, along with how to transition more older Australians through home support and care for longer to reduce demand.

¹⁵ Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.



In 2015-16, there were 949 residential aged care providers, who operated 2,669 services offering 195,825 places. This compares with 972 providers operating 192,370 places in 2014-15. This highlights how the sector is continuing to consolidate (with a number of mergers and acquisitions), as the number of residential places is increasing while the number of providers is decreasing¹⁶. Slightly more than half of these (52 percent) residential facilities are large, offering more than 60 places. Of this, 19 providers operate more than 20 homes, however account 53,782 or 27 percent of operational places. Figure 6 below outlines the top 10 residential aged care providers (by places), which operate 24 percent of total residential places¹⁷. The remaining 76 percent of places are provided by over 900 smaller providers.

Figure 3.6 Top 10 residential aged care providers in 2016 (by number of places)



Distribution of residential aged care services

As seen in Figure 7 below, the geographic distribution of aged care services is largely in metropolitan areas¹⁸. For residential care in particular, the provision of aged care services can be costly, and for-profit providers sometimes regard regional or remote areas to be too costly for them to operate profitably¹⁹. However, trends do show that in recent years more providers who previously only provided services in metropolitan areas are expanding into regional areas²⁰.

¹⁶ Ibid.

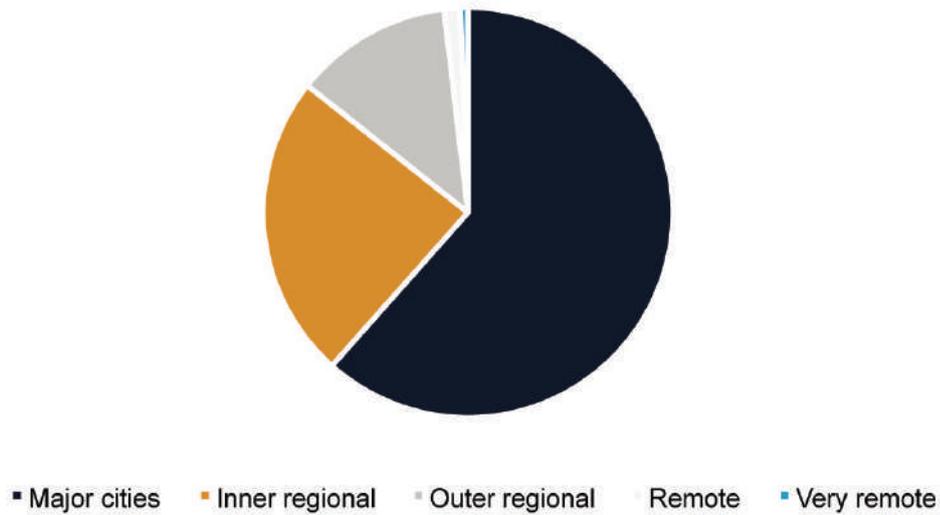
¹⁷ Department of Health. Ageing and Aged Care. 2016 Aged Care Service List.

¹⁸ Department of Health. Ageing and Aged Care. 2016 Aged Care Service List.

¹⁹ Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

²⁰ Aged Care Financing Authority (2017) Fifth annual report of the funding and financing of the aged care sector, Canberra: Australian Government Department of Health and Ageing.

Figure 3.7 Distribution of residential aged care places 2015-16



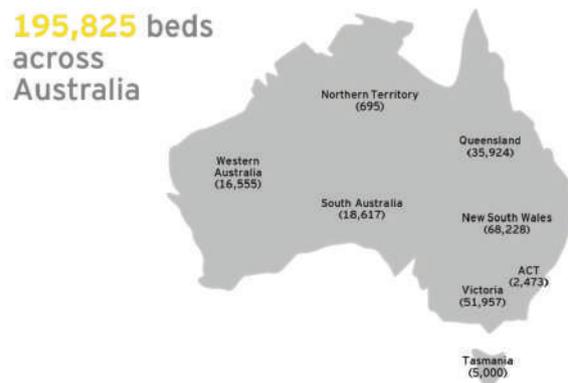
Geographic distribution is also based by the relative population of each State and Territory. Figures 8 and 9 below outline the number of residential facilities and beds in each State and Territory respectively.

Figure 3.8 Distribution of residential facilities across Australia



Source: Aged Care Services List 2016. Department of Health.

Figure 3.9 Distribution of beds across Australia



Source: Aged Care Services List 2016. Department of Health.

Figure 3.10 Bupa facility network 2016

Bupa Facility Network: As at 30 June 2016

7,139 beds
70 facilities



Source: Aged Care Services List 2016, Department of Health.

Figure 3.11 Regis facility network 2016

Regis Facility Network: As at June 2016

5,754 beds
56 facilities



Source: Aged Care Services List 2016, Department of Health.

Figure 3.12 Estia facility network 2016

Estia Facility Network: As at 30 June 2016

5,058 beds
61 facilities



Source: Aged Care Services List 2016, Department of Health.

Labour mobility considerations

As identified above, aged care service delivery occurs in three settings – home support, home care and residential facilities. By contrast to the residential setting, the home setting provides a less structured framework for training and support which may create a number of associated problems and increased isolation for workers. Workers go into homes on their own, so there is less day-to-day support available in home care situations compared to a residential setting. Moreover, care delivery in the residential setting is more team-based, structured and therefore appropriate supervision is more readily available which promotes confident and well supported workers.

As such, while the Government and the aged care sector is placing increased importance on Home Care and Home Support as financially sustainable solutions to meeting the growing demand, it is recognised that Residential Aged Care can be more suitable for direct entry of overseas migrant workers into the Australian aged care workforce. This was confirmed throughout the stakeholder consultation process, where employers indicated that residential settings can act as a stepping stone to home care and home support for new arrivals to Australia.

3.2 Employment in the sector

According to the National Aged Care Workforce Census and Survey (NACWCS), the aged care sector employs over 350,000 staff, Projections for the future workforce requirements are around 980,000 workers.

The aged care workforce can be viewed in a number of ways²¹:

- PAYG/non-PAYG
- Direct care/non-direct care
- Employed/volunteer
- Residential/Home care and home support.

Direct care

The PAYG workforce consists of more than 240,000 workers who are employed in direct care roles in the aged care sector (as of 2016). Of these, 153,854 work in residential facilities, and 86,463 in home care and support outlets²². Of these 240,000 direct care workers, Figures 13 and 14 below outline the occupational breakdown of the residential workforce and home care and home support workforce respectively.

Figure 3.13 Occupational breakdown for residential care workforce (2016)

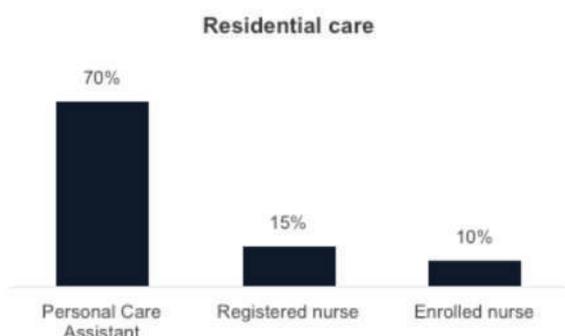
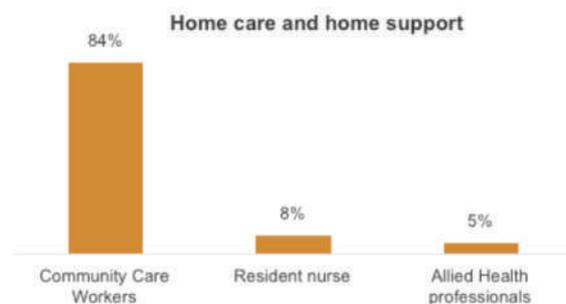
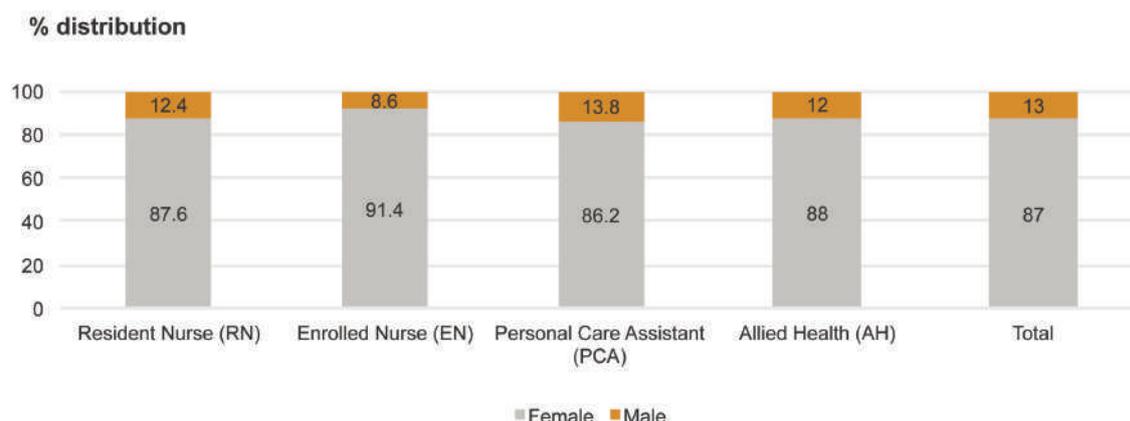


Figure 3.14 Occupational breakdown for home care and home support workforce (2016)



²¹ Commonwealth Department of Health and Aging – Aged Care Workforce, 2016 –Final Report
²² Ibid.

Figure 3.15 Gender distribution of the residential aged care workforce (2016)



The NACWCS²³ also identified a range of further statistics in regards to the direct care residential care, home care and home support workforce:

- The median age for residential direct care workers is 46 years while for home care and home support workers it is 52 years.
- 32 per cent and 23 per cent of residential direct workers and home care and support direct workers respectively were born overseas.
- More than 85% have some form of post-secondary qualification, which is above national average. There has been a substantial increase in the proportion of Personal Care Assistants and Community Care Workers with Certificate IV qualifications.
- With a specific focus on residential aged care, almost two-thirds of direct care workers were located in major cities, with a further third in regional areas.

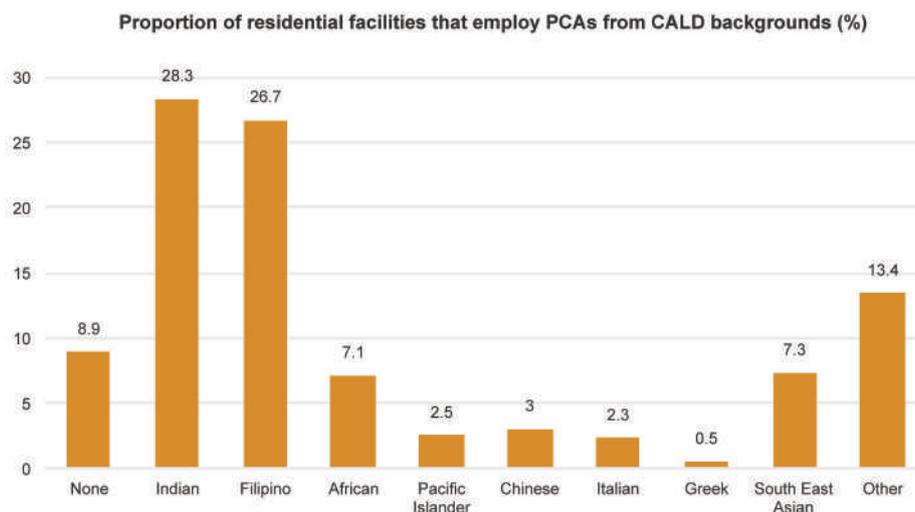
Overall, the direct care aged care workforce is older than the national average, predominantly female, generally in good health and has high levels of post-school education and training. Findings show that the workforce is relatively stable, and there has also been a considerable shift away from casual or contract employment arrangements since 2012.

Overseas workers

In regards to overseas workers, the 2016 NACWCS found that 32 percent of the Australian residential aged care direct care workforce was born overseas, and 40 percent of recent hires were migrant workers. However, of this 32 percent, only 2.5 percent of the residential aged care workforce are Pacific Islanders. While the number of overseas workers in the aged care sector is growing, to meet the demand employers have often tended to favour other solutions such as having the existing workforce work longer hours, turning to employment agencies, employing staff on short-term contracts or increasing wages, salaries and conditions. Figure 16 below outlines the breakdown of CALD PCAs in residential aged care facilities.

²³ Ibid.

Figure 3.16 Proportion of residential facilities that employ PCAs from CALD backgrounds (2016)



Importantly, the survey also found that considerable benefits of hiring PCAs from CALD backgrounds have been widely recognised by aged care providers. However, there is no doubt that the management of a multicultural workforce also presents challenges for employers. For example, about one third (32 per cent) of residential aged care facility managers stated that they had at least one difficulty in language communication working with PCAs from CALD backgrounds.

Views of Australian residential aged care providers

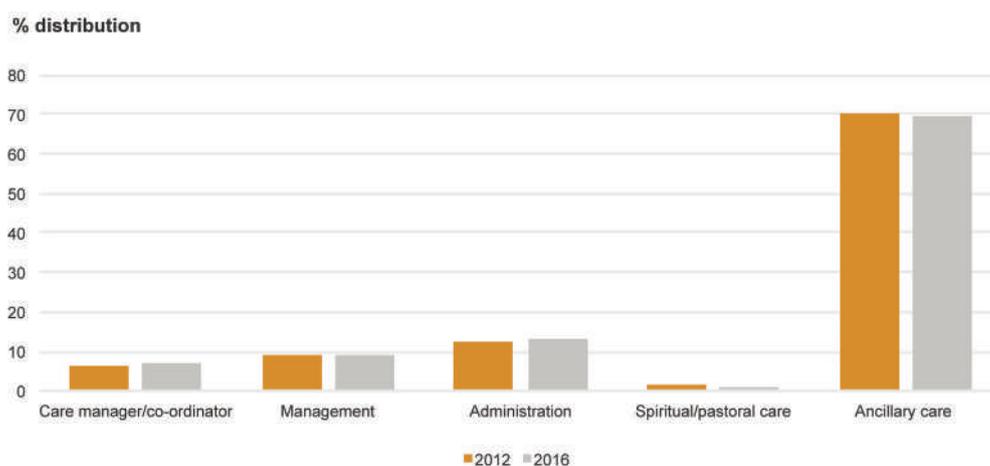
Consultations with Australian residential care providers found largely positive sentiments towards overseas workers, particularly in PCA roles. Providers noted that overall no significant discrepancies exist in skills, and that overseas workers display a lovely demeanour of care and are extremely committed to their work. However, common challenges include difficulties around English language communication, longer periods of leave back to their home countries, and family or visa issues. One provider also noted that if overseas staff are being sponsored or nominated, they often choose to stay a bit longer out of loyalty.

Moreover, various providers pointed to the fact that while labour shortages for PCAs and non-direct care roles may not be the primary issue, the main concern is around the quality and fitness of those applying for open positions. This reflects the sentiments that a key consideration for providers is around the cultural fit, not just the hard qualifications and skills.

Non-direct care

A proportion of the aged care workforce is also employed in non-direct care positions. The 2016 NACWCS found that around one third of all PAYG employees across both residential aged care, home care and home support are non-direct care staff²⁴. In particular, since 2012 the proportion of non-direct care staff working in residential aged care has increased by 8 per cent, meanwhile the breakdown for home care and home support has remained largely unchanged. Within residential aged care, the majority (69 per cent) of non-direct care workers are found in ancillary roles such as cleaners, cooks, handypersons, gardeners and property maintenance. This breakdown of non-direct care roles is outlined in Figure 17 below.

Figure 3.17 Non-direct care employees in the residential aged care workforce, by occupation: 2012 and 2016 (%)



²⁴ Department of Health (2016) The Aged Care Workforce, 2016 report.

3.3 Demand-side in Australia: Current & future sector needs

The demand for aged care services in Australia has reached unprecedented levels. By 2019-20, the demand for aged care will continue to grow to become an AU\$21.1 billion service industry, driven primarily by:

- Increasing proportion of the population entering the aged 65 and older category (the older (65+) population, make-up of the total population will increase from 13.8 per cent in 2011 to 18.7 percent or 5.7 million in 2031²⁵)
- Steep increase in life expectancy among Australians in the last century due to breakthroughs in healthcare and improved accessibility. On average, Australians aged 65 in 2012 could expect to live to ages 84 for men and 87 for women.

The growing demand is usually a combination of the two points above, with figures showing that the aged care sector has grown significantly by 34 per cent over a five year period. This rise in demand is putting a strain on the existing aged healthcare sector workforce. Moreover, as the aged care sector grows and the services provided are continually changing, the range of skillsets required by the workforce are also shifting. In particular, there is increasing demand for a more highly skilled workforce. Significant supply is required to meet projected demand where approximately 195,000 places in 2015²⁶ need to increase to 260,000 by 2022²⁷ to meet the demand with ageing Australians.

With the projected demand and current strains, an adequately, skilled and well-qualified workforce is therefore fundamental to the delivery of quality aged care in both residential and community care. However, attracting staff into this sector remains a challenge with wide problems including; high turnover, high training costs, lack of career development, frequent workplace injuries, poor working environments and high physically intensive work. Ultimately, a sustainable aged care system requires the supply of aged care to effectively meet the demand for services. Yet currently, the sustainability is in significant jeopardy as demand continues to grow and must not only look to supply and demand, but also consider affordability as well as quality of care provided for long-term sustainability.

²⁵ University of Adelaide - Appendix Q for Aged Care Financing Authority Second Annual Report 2014

²⁶ Commonwealth Department of Social Services, Aged Care Services List (dss.gov.au) - Updated 30 June 2015

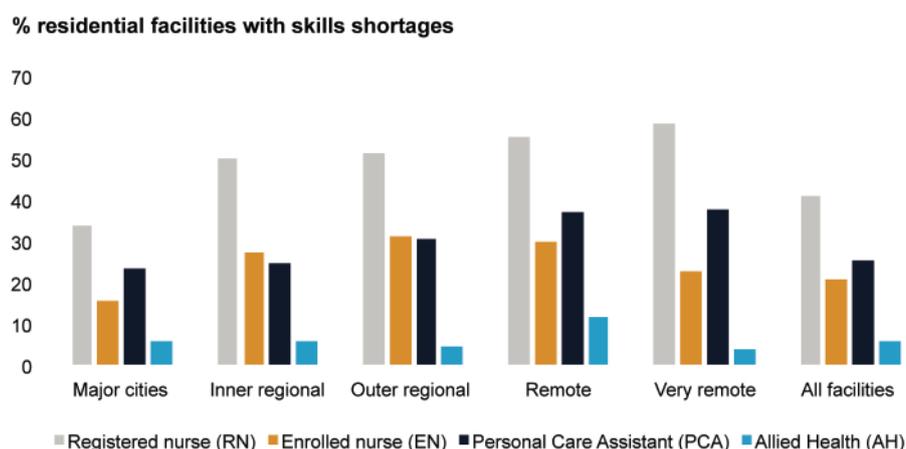
²⁷ 2012-13 Report on the Operation of the Aged Care Act 1997", Australian Government - Department of Social Services

3.3.1 Labour shortages

While the incidences of skills shortages has declined considerably since 2012, almost two thirds of residential aged care facilities with direct care staff (63 percent) reported skill shortages, most commonly Resident Nurses (41 percent)²⁸. On average, fewer skill shortages have been reported in home support and home care compared with the residential sector, with 49 percent of services noting skills shortages²⁹.

Moreover, findings show that rural/remote vacancies are especially hard to fill for RNs in residential facilities, where the average vacancy for a registered nurse is 15 weeks in rural/remote areas, compared to 7 weeks for all facilities³⁰. Vacancies were most commonly reported for Personal Care Assistant (PCA) and Resident Nurse (RN) positions, with an average of 3.3 PCA and 1.8 RN vacancies³¹. Figure 18 below outlines the geographic skill shortages of the residential aged care workforce in 2016 in more detail.

Figure 3.18 Skills shortages of residential aged care workforce (2016)



²⁸ National Institute of Labour Studies, The Aged Care Workforce, 2016.

²⁹ Deloitte Access Economics. Australia's Aged Care Sector: economic contributions and future directions June 2016.

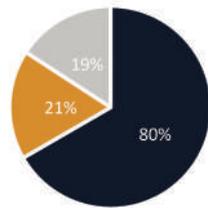
³⁰ Department of Health (2016) The Aged Care Workforce, 2016 report.

³¹ Ibid.

Figures 19 and 20 below respectively outline the most common reasons for the skill shortages given by residential facilities, and how the residential facilities primarily responded to skill shortages.

Figure 3.19 Common reasons for skills shortages outlined by residential providers

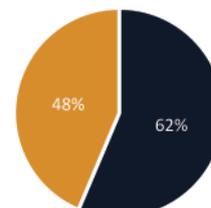
Reasons for skills shortages



- Lack of suitable applications
- Slow recruitment processes
- Specialist knowledge required

Figure 3.20 Residential providers' primary responses to skill shortages

Response to skills shortages



- Existing staff work longer hours
- Making greater use of agency staff

Views from Australian residential aged care providers

Consultations with providers of residential aged care services reflect the findings outlined above. Many commented on the challenge that as older Australians are entering residential care at later stages with more chronic health conditions, there is increasing demand for a more highly skilled aged care workforce, particularly for Registered Nurses, and rather a range of providers noted that there is less of a demand for Personal Care Assistant positions. In fact, some providers noted that a key part of their longer-term recruitment options involves looking at upskilling care staff internally, especially for providers who find they have relatively high numbers of existing care staff. This is seen as a viable solution to addressing the skills shortages for Residential Nurses, and would involve developing training pathways within the organisation from Personal Care Assistant roles to Enrolled or Registered Nurse roles.

Moreover, conversations confirmed that labour shortages are more prevalent outside major cities, and vacancies are especially hard to fill in remote and very remote areas. However, residential providers that operate in regional and remote areas often noted that there are internal opportunities to move around facilities, as they recognise that people may not want to work in remote areas for long periods of time. In many instances, these roles are advertised internally first, to ensure existing staff have the opportunity to apply and move for other positions, or even work across two different sites. Providers are finding that staff take these opportunities as they need, and that they only ask people to move specifically on the rare occasion to help fill labour shortages if absolutely necessary. As one remote provider noted, they pitch the rural/remote vacancies as a great opportunity to work with Indigenous clientele, and ensure they offer benefits such as salary sacrificing, accommodation and travel costs covered, and adequate leave. Relocation packages such as these could be a crucial tool to ensure appropriate skill needs are met. However, they noted that they generally would not use this option for low or semi-skilled workers.

3.3.2 Employment opportunities

The aged care sector is facing significant demand and increasing competition for skilled workers. To support this, both the government and education providers will play a crucial role in developing a well-trained workforce that is adaptable to meet the needs of the growing number of older Australians³².

Firstly, the government will remain the key funder and regulator of the aged care sector. As such, it has the responsibility and ability to ensure a sustainable policy environment and facilitate the growth of this service industry. A key element to this is developing policy that supports education, employment and immigration to supply a sustainable, skilled workforce.

Secondly, University and vocational education providers in both Australian and across Pacific Island Countries can help to shape course offerings that are relevant to the growing number of skills required in the aged care sector. A key element behind this will be in creating partnerships between multiple industry, vocational and higher education organisations.

Following from the data and trends outlined above, there are several opportunities to fill workforce shortages within the Australian residential aged care sector with qualified and experienced Pacific Island migrant workers. However, currently the more frequent recruitment strategies for PCAs include internet job advertisements (34 percent) and a combination of internet and newspaper advertisements (23 percent)³³.

Direct care

Within direct care roles in residential aged care – outside the aforementioned opportunities in Registered Nursing and Enrolled Nursing positions (which were highlighted as key areas of skills shortages) – the main opportunity for migrant workers is in the Personal Care Assistant role. This is a Skill level 4 position that can be categorised both as;

- Nursing Support and Personal Care Workers
- Aged and Disabled Carers³⁴.

Figures 21 and 22 below outline the projected employment growth that will be required from 2017 to 2022 in both Nursing Support and Personal Care Workers and Aged and Disabled Carers.

³² Aged Care Sector Committee (2016) The Aged Care Roadmap.

³³ Department of Health (2016) The Aged Care Workforce, 2016 report.

³⁴ The terms “Nursing Support and Personal Care Worker” and “Aged and Disabled Carer” are commonly used interchangeably. The profession(s) are identified in official the Department of Jobs and Small Business projections by ANZSCO codes 4231 and 4233.

Figure 3.21 Nurse Support & Personal Care Worker: Projected Employment Growth

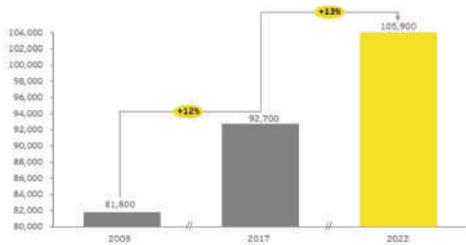
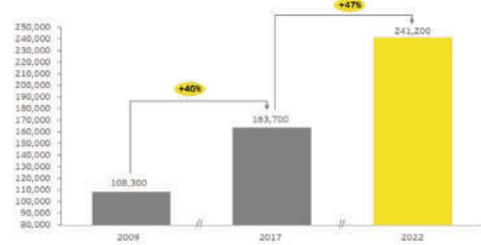
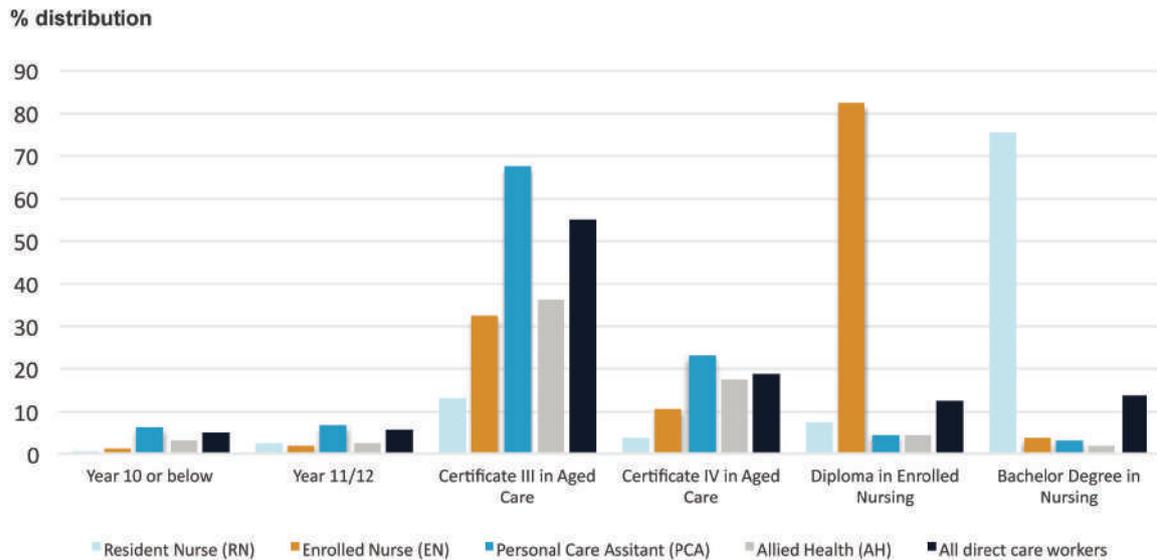


Figure 3.22 Aged & Disabled Carers: Projected Employment Growth



Even though these two roles are graded as Skill level 4, data shows the current residential aged care workforce in Australia is quite diverse in terms of educational attainment and is not necessarily made up solely of Certificate III qualified individuals. Some may be performing in the PCA role as they complete their RN training, others are school leavers with no qualifications who have been out of work so the government has supported them back into work, and some are performing the role as a lifestyle choice to fit in with family and children. Figure 23 below outlines the most common range of qualifications completed by the residential aged care workforce (by occupation) in 2016.

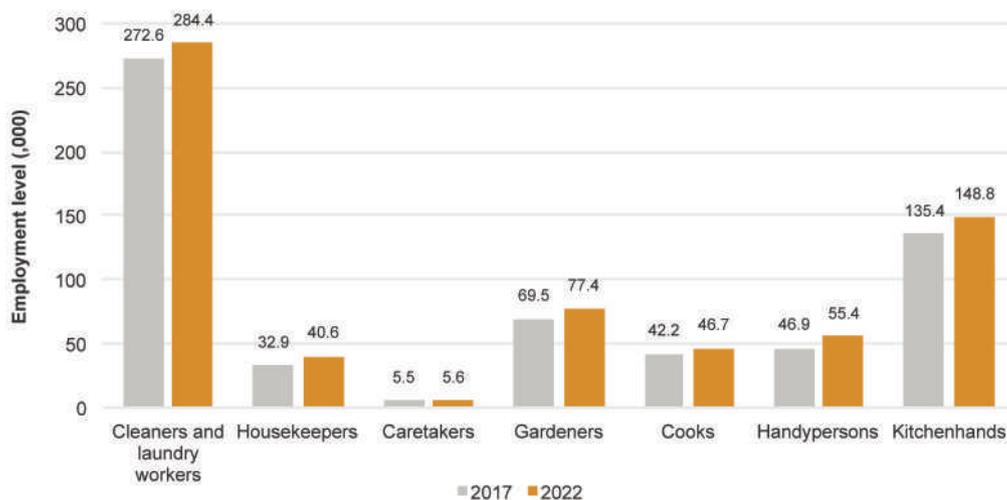
Figure 3.23 Qualifications completed by the residential aged care workforce by occupation (2016)



Non-direct care

In regards to non-direct care roles for the aged care sector, labour force trend data suggests that non-direct care ancillary roles such as kitchenhands, cooks, cleaners and laundry workers, handypersons and gardeners could be occupations well suited to be filled by qualified and suitable Pacific Island migrant workers. Figure 24 below outlines a selection of these roles and their relative employment outlook from 2017 to 2022. It must be noted that these figures are calculated based on data from the the Department of Jobs and Small Business Projections database, and are cut around broader employment trends as a whole, rather than specifically for the aged care sector.

Figure 3.24 Employment projections for selected non-direct care roles (2017-2022)



While there is a clear level across these non-direct care roles, conversations with residential aged care providers highlighted that ancillary positions are often well-filled, with many candidates willing to take up these positions in rural and remote areas too.

Views from Australia residential aged care providers

Overall, the majority of Australian residential aged care providers consulted noted that they employ a significant number of overseas direct and non-direct care workers. However, very few of these are from the Pacific Islands, with the majority coming from India, Nepal and the Philippines. Most providers were unsure why this was the case, but noted it is likely due to scale of populations in these countries. In addition, they noted that the majority of overseas workers apply through existing recruitment advertisements, very rarely through direct recruitment strategies into these countries. As such, for many overseas recruits, they have previously worked in Australia and meet the required visa and health care registration requirements.

In regards to recruitment directly from training facilities, many providers have chosen to identify their preferred training facilities from which to recruit Certificate III graduates or students. This makes the process very selective, and could be a barrier to entry for overseas migrant workers from Pacific training colleges. Some providers, such as Mercy Health, have even established their own training facilities to provide a pipeline of staff.

When hiring overseas nursing staff, one of the biggest challenges is needing to provide business sponsorships, and also ensuring that basic requirements are met. For example, to work as a health practitioner in Australia, employees must be registered with an Australian Health Practitioner Regulation Agency (AHPRA) qualification, and are like to need to apply for a visa issued by the Australian Department of Immigration and Border Protection. In addition, residential providers noted that prospective employees must have a good understanding of Australia's care needs and an appropriate demeanour of care.

Aged Care in New Zealand



4. Aged Care in New Zealand

Similar to Australia's aged care sector, New Zealand's elderly care space is growing rapidly reflecting the various needs and services required by New Zealand's population throughout their later years. In that respect the spectrum of services mirrors the one in Australia, provided in Figure 2, and includes options for the aged to remain in their own home as well as caring for those who can no longer live independently. Long-term residential care is arranged in the Government's two Social Security (Long-term Residential Care) Amendment Acts (2004 and 2006) and provides long-term care options in either a rest home, continuing care (hospital), dementia care or specialized hospital care (psychogeriatric care).



4.1 Overview of demand and supply trends

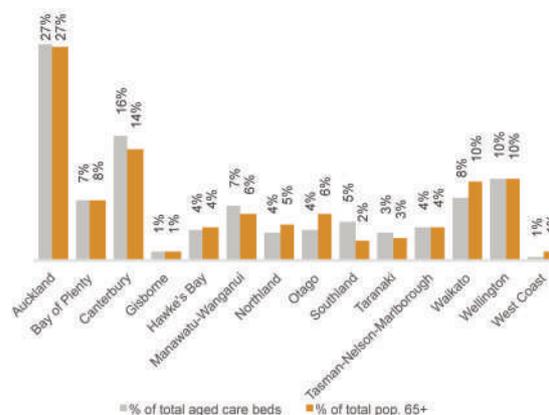
4.1.1 Rest home aged care

New Zealand has the second highest proportion of people living in residential aged care facilities of all OECD countries³⁵. As of August 2017, there were 674 registered rest home facilities³⁶ operating across New Zealand providing a combined total of 39,425 rest home beds. Figure 25 presents the regional distribution of registered aged care beds in New Zealand³⁷. This distribution of aged care beds is well aligned with the regional populations of people aged 65 and over (Figure 26).

Figure 4.1 Total residential aged care beds per region



Figure 4.2 Percentage of NZ's total aged care beds compared to regional populations over 65 years



Over the last two decades New Zealand's rest home sector has transitioned from predominantly localized private providers and not-for-profit organisations to mostly (68 percent) large, often multinational, for-profit providers. This is a significant contrast from Australia where not-for-profit providers still operate most facilities, as discussed earlier³⁸.

The top 10 largest aged care rest home providers in New Zealand own almost half (48 percent) of all registered aged care facilities in New Zealand. An overview of this industry ownership structure is illustrated in Figure 27 below.

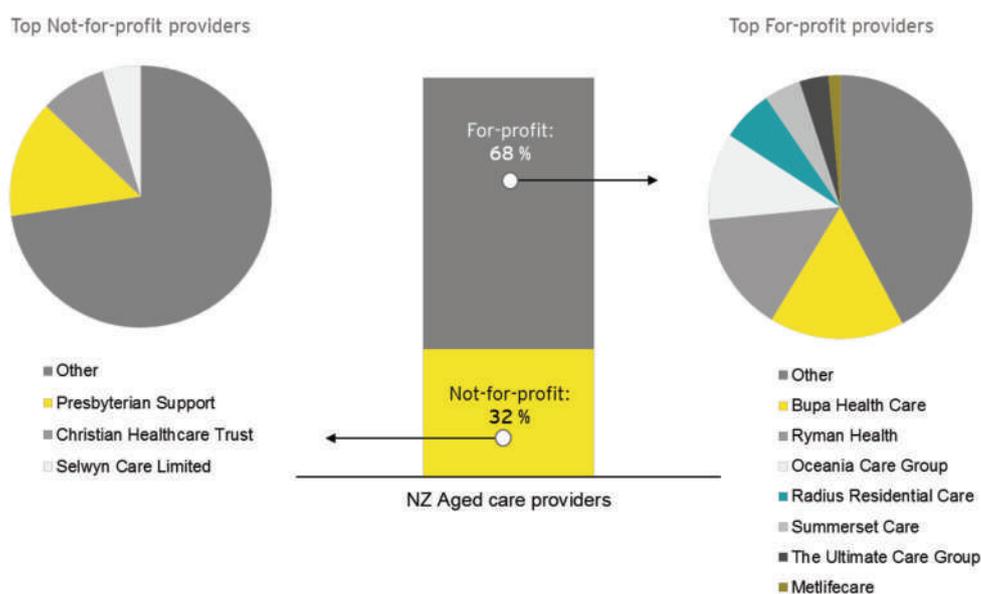
³⁵ Aged care report (2010)

³⁶ Rest homes and residential aged care facilities are used interchangeably between the Australian and New Zealand contexts

³⁷ NZ Ministry of Health (2017)

³⁸ Thornton review (2010)

Figure 4.3 NZ rest home industry providers



4.1.2 Home and community care

Home based aged care services can include assistance with showering, dressing, grooming as well as domestic assistance including cleaning, cooking, and laundry or shopping. These services provide older people with greater independence, allowing them to live in their homes for longer. In New Zealand, these services are often subsidized by regional District Health Boards (DHBs) and have been found to be effective in reducing the overall cost of aged-care support³⁹. According to 2010 statistics from the Ministry of Health, around 75,000 people receive home support at some time each year with approximately 15,000 coming on and 15,000 going off home support each year⁴⁰. Data from the OECD indicates that in 2015, 11.8 percent of New Zealanders over the age of 65 and 32.7 percent aged over 80 years received this type of long-term home based support services⁴¹.

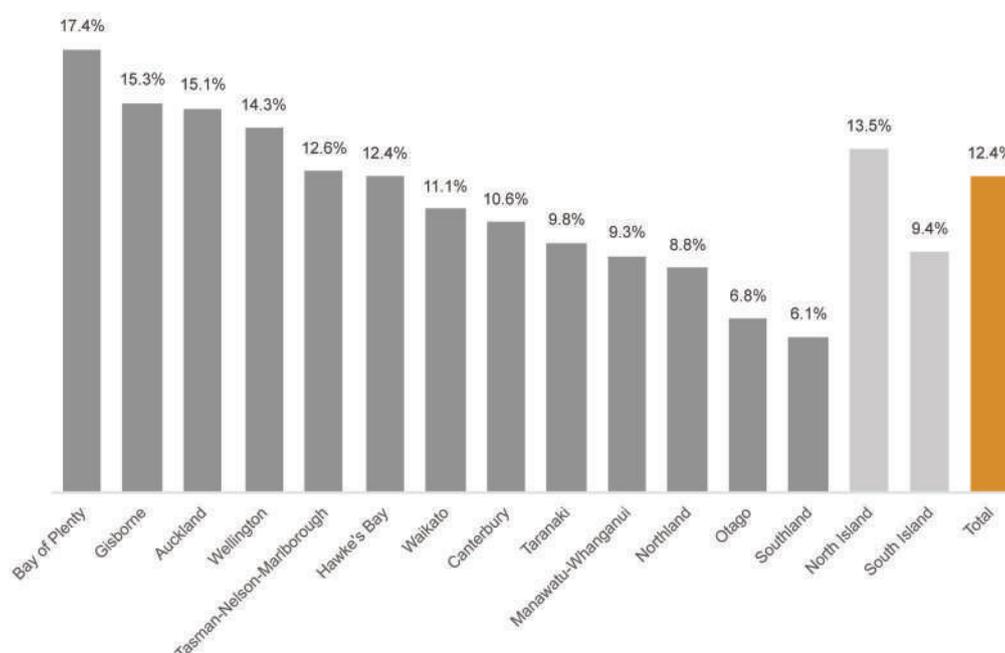


³⁹ Grant Thornton Review New Zealand (2010, p.84)
⁴⁰ Aged-care report (2010 p. 26).
⁴¹ OECD (2015)

4.1.3 Retirement Village living

There are approximately 383 retirement villages operating across New Zealand, accommodating a combined total of 36,618 residents across 28,168 units. In 2016, 12.4 percent of all New Zealanders over the age of 75 lived in retirement villages. As Figure 28 shows, the Bay of Plenty is the most popular region for retirement village living in New Zealand with 17.4 percent of all those 75 and over residing in retirement villages. These rates are expected to increase in most regions as a strong housing market (which makes retirement village living comparatively more affordable), and increased variety of retirement village product offerings and a decline in alternative accommodation options (such as a decline in older people living with their children) drive demand for retirement villages⁴². Approximately 37 percent of rest homes are co-located with retirement villages⁴³.

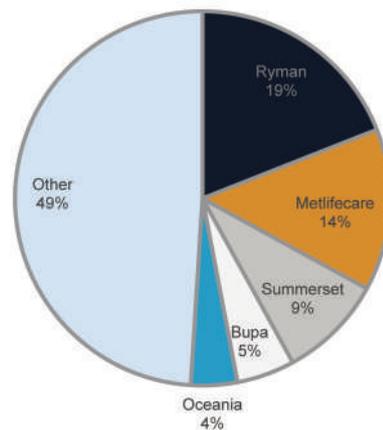
Figure 4.4 75+ year olds living in retirement villages



Similar to New Zealand's rest homes facilities, over half (51 percent) of NZ's retirement villages are owned by the top five (for-profit) operators as shown in Figure 29. In line with New Zealand's population distribution, Auckland has the highest proportion of total retirement village units at 32 percent. This is followed by Wellington and Christchurch both at 12 percent and the Bay of Plenty at 11 percent⁴⁴.

⁴² NZRVD 2016
⁴³ Aged care report (2010)
⁴⁴ NZRVD 2016

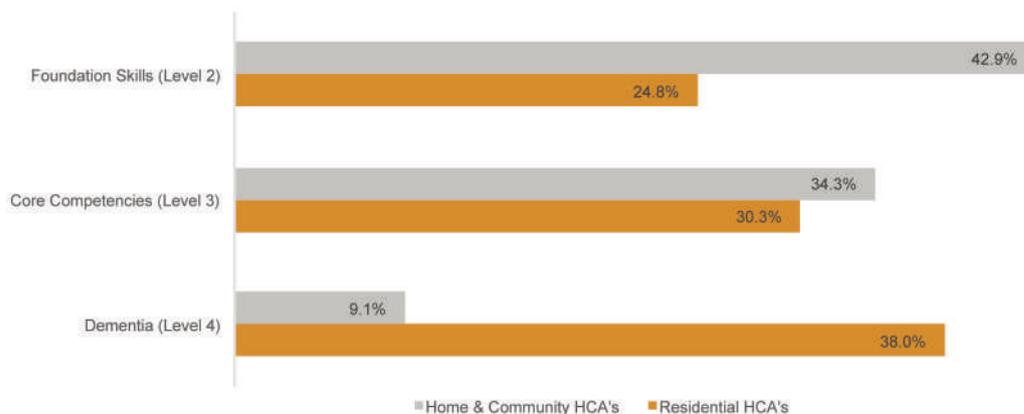
Figure 4.5 NZ Retirement village ownership



4.2 Employment in the sector

The New Zealand aged care sector is predominantly made up of women aged 45 and above, many of whom work on a part-time basis. There are over 33,000 caregivers and nurses currently working in the residential aged care space, but there is still a well noted shortage of skilled workers in the sector across New Zealand, specifically for registered nurses⁴⁵. As a result, the majority of workers in aged care in New Zealand are Health care Assistants (HCAs) which is an unregulated workforce with no regulatory professional body, no minimum training or qualifications needed to work in a rest home, except for staff working in dementia care. Consequently the HCA workforce looks quite diverse when looking at educational attainment and qualifications as shown in Figure 30 below.

Figure 4.6 National aged care qualifications of Health Care Assistants (HCAs) in New Zealand⁴⁶

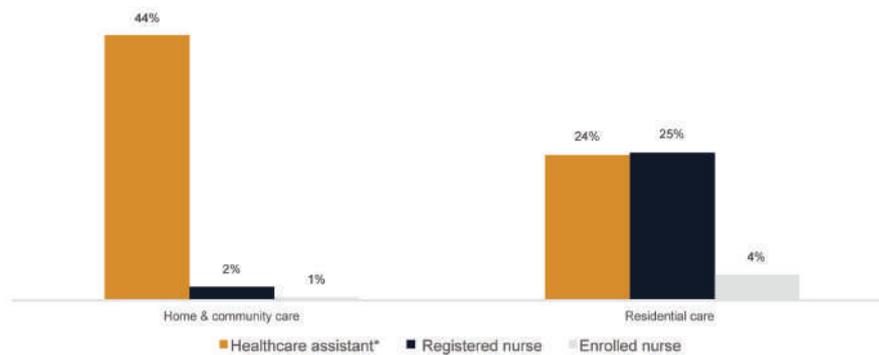


⁴⁵ Registered Nurse (Aged Care) is listed on Immigration New Zealand’s immediate skill shortage list.
⁴⁶ NZ Aged Care Workforce Survey (2016)

As a guidance, the voluntary “Minimum Indicators for Safe Aged-care and Dementia-care for New Zealand Consumers” produced by the Ministry of Health recommends that “for rest home level care, 1.7 hours of caregiver time and 0.3 hours of registered nurse time per resident per day. Dementia patients should have two hours of caregiver and 0.5 hours of registered nurse time, and hospital level residents should have 2.4 hours of caregiver and one hour of registered nurse time, with a nurse to be on duty 24/7”.

Recent studies suggest that many aged care providers in New Zealand are unable to meet these guidelines for the recommended number HCA and registered nurse hours per resident. The proportion of nurses to HCAs is visualized in Figure 31, which shows that increasingly HCAs are the ones interacting with residents on a daily basis, particularly in Home & community care situations.

Figure 4.7 Proportion of Health care assistants (HCAs) to nurses in working in aged care in New Zealand

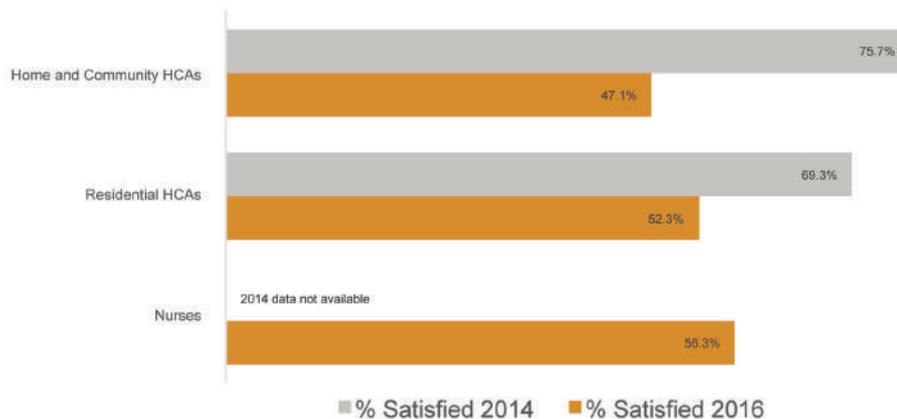


The worker shortages within New Zealand’s aged care sector is putting increased stress and pressure on the current aged care workforce. This is directly observable in the increase of stress and fatigue related work place injuries and illnesses for New Zealand aged care workers over the last few years⁴⁷. Also notable is the decrease in overall job satisfaction within the sector. As illustrated in Figure 32 below, only around half of New Zealand aged care workers, across all occupations, were satisfied with their jobs in 2016, a significant reduction from only two years prior.



⁴⁷ 2016 NZ Aged Care Workforce Survey

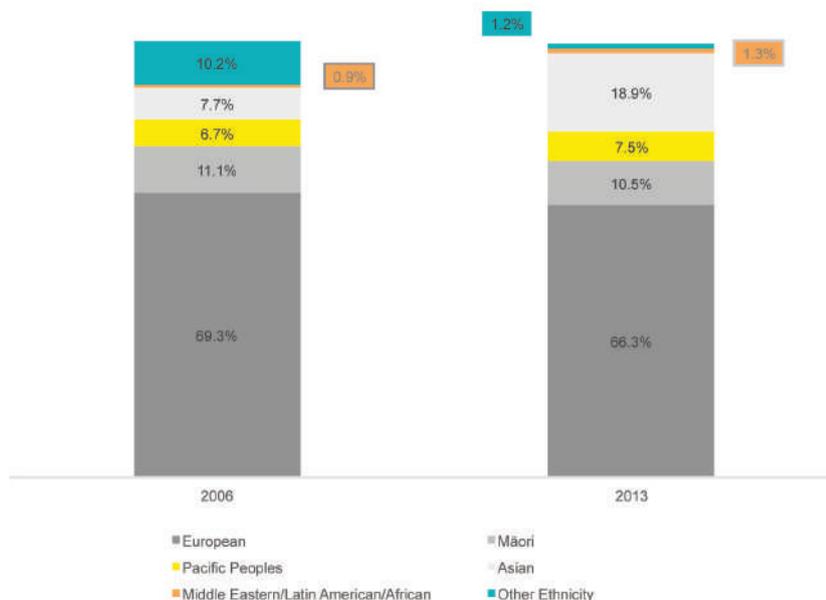
Figure 4.8 New Zealand aged care workers overall job satisfaction



The low earnings potential for New Zealand health care workers is a key reason often blamed for the worker shortages within the aged care industry. In response, new legislation has recently been introduced as a NZ\$2 billion government settlement to boost the wages of around 55,000 health care workers. The Care and Support Workers (Pay Equity) Settlement Act (2017), specifies new minimum hourly wage rates payable by employers to care and support workers. The act also requires employers to provide support for care and support workers to attain qualifications.

Another response to New Zealand’s aged care worker shortages is a greater emphasis on immigrants to fill these shortages. This is confirmed by the fact that registered aged care nurse appears on Immigration New Zealand’s immediate skill shortage list. Figure 33 below depicts the changes in ethnic make-up of New Zealand’s aged care workforce between 2006 and 2013, with the most significant shift from those who identify with Asian ethnicity. Similar to Australia, our research interviews confirmed that the Asian population working in the New Zealand’s aged care sector are predominantly from the Philippines and India.

Figure 4.9 Ethnic make-up of New Zealand’s aged care workforce



Views from New Zealand aged care providers

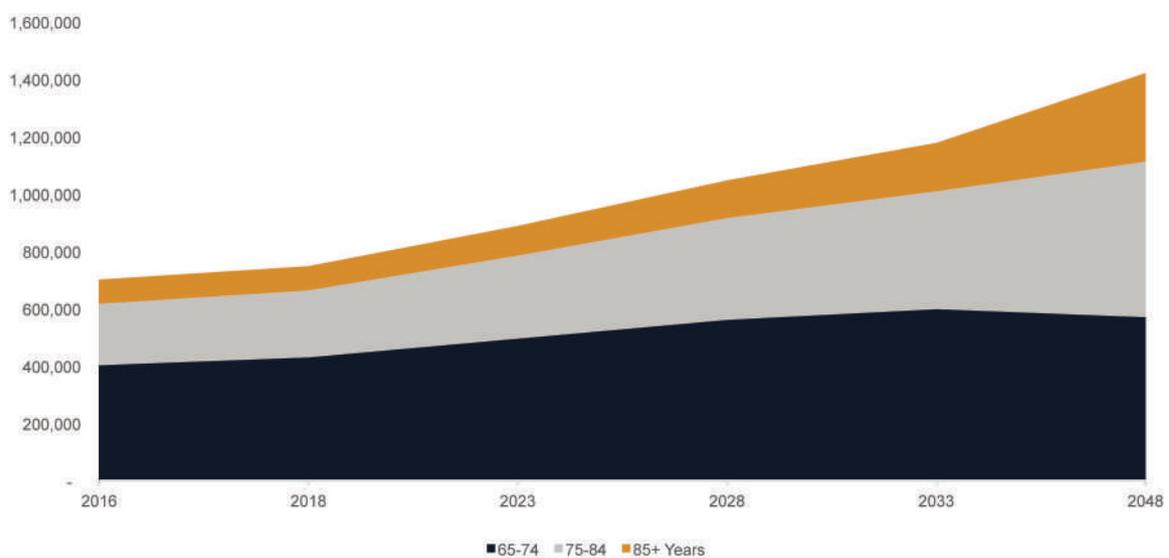
Similarly to Australia, providers have noted that the majority of overseas workers come from the Philippines and India, usually filling Level 4 HCA or RN roles. While there do seem to be more Pacific Islanders working in New Zealand, particularly from Fiji, some providers have noted that these numbers have declined in recent years.

Moreover, providers have noted that it seems a significant number of migrant HCA workers in New Zealand come from nursing backgrounds. As such, overseas workers tend to be over qualified, as Registered Nurses often taken jobs as HCAs. They noted that while they are Registered Nurses in their own countries, they have not taken additional courses to be qualified in New Zealand. Interestingly, providers are finding that it is more so the overseas workers seek to progress from an HCA to a nursing role once in New Zealand.

4.3 Demand-side in New Zealand: Current & future sector needs

The reason that so much focus is being placed on developing, rewarding and expanding New Zealand’s aged care workforce is because, similarly to many other countries, New Zealand’s population is significantly aging. Statistics New Zealand’s population forecast indicates that from 2016 to 2048 the number of New Zealanders aged 75 and older will increase by 190 percent to over half a million people. As shown in Figure 34 below, the greatest population increase by age group will be people aged 85 and over, with this age group expected to grow by 280 percent from 2016 to 2048. To meet this demand New Zealand will require a significant increase in the number of both aged care workers and facilities.

Figure 4.10 New Zealand population forecast for age groups 65 and over



The majority of New Zealand’s aged population with care needs, are going to be in New Zealand’s key cities of Auckland, Wellington and Christchurch. Auckland, which is currently home to a quarter of New Zealand’s population, will have the greatest demand for aged care services with an expected 106 percent increase in people aged 65 over by 2033. Wellington and Christchurch follow with an expected 96 percent and 76 percent increase in people aged over 65 by 2033 respectively.

Views from NZ aged care providers

Interestingly, unlike in Australia, providers noted that there is more demand for staff in the major cities of Christchurch and Auckland, rather than the rural areas due to the sheer demand in these cities. There was also sentiments that rural areas have high staff retention and lower turnover rates than the big cities, which find it extremely difficult to recruit New Zealanders into caregiving roles. Comments were also made around the greater difficulties to recruit in Auckland due to greater visa challenges when compared to the South Island.

- ▶ “Auckland is also a challenge to recruit in because of pure numbers of people there.”
- ▶ “Certainly in Christchurch and Auckland Aged care providers struggle to recruit New Zealanders into caregiving roles.”
- ▶ “When it comes to Auckland that is where our greatest demand is for HCAs and construction workers as we have quite a few villages in Auckland. It is difficult to get immigration visas for people who are based in Auckland. I think immigration is trying to work on something to push people out of Auckland, which is understandable.”
- ▶ “South Island it is a lot easier to process Visa’s. But there is more demand from people to go to Auckland – people want to be in Auckland. We have 5 villages in Auckland and 7 in Christchurch, but our biggest village is located in Auckland.”
- ▶ “Location is particularly a factor- the smaller rural facility in particular seem to have a lower turn-over of staff and so there are many people who have been employed in aged care for a long time in those settings. And some of that is to do with the fact that there are fewer job options available in general in rural settings. But if somebody does leave in these smaller rural areas the rest homes do struggle to find employees as easily as the more urban areas.”
- ▶ “Christchurch is our most challenging area to recruit for and has, I would say quite a large migrant workforce. “

4.3.1 Labour shortages

Given all of the above, employment projections for New Zealand’s aged care sector are expected to expand. This is confirmed by the views of New Zealand’s aged care providers who report experiencing significant growth rates and are continuously challenged in recruiting enough staff to meet their requirements. As previously stated, the occupations where aged care providers are experiencing staffing shortages are most markedly for Personal Care Assistants and Registered Nurses.

Views from NZ aged care providers:

- ▶ We are growing so much and will keep growing. So finding the right staff for our company has always been a challenge, and we know it is going to get worse in the future.”
- ▶ “Care givers are always hard to get, particularly in regards to the numbers of caregivers that we require”.
- ▶ “There is also a concern around resisted nurses, again it is quite hard to get registered nurses into aged residential care.
- ▶ “The biggest challenge we have at the moment as a company is retaining our registered nurses because they are better paid in the District Health Boards and overseas. “

Aside from the growing demand for aged care services, the aged care providers interviewed identified various other factors contributing to the employment shortages experienced. Most notably, this includes the historical low pay and the difficult and demanding nature of the work itself. A commonly held view among New Zealand aged care providers was that many New Zealanders were typically not interested in aged care work and that there is a need for more migrant workers to fill the growing demand for aged care staff.

Views from NZ aged care providers:

- ▶ “There are just not enough New Zealanders available, particularly for caregiving”
- ▶ “A lot of New Zealanders don’t want to be caregivers, and historically it hasn’t paid very well. But, if we do get a greater increase in New Zealanders wanting roles [due to the recent pay equity settlement] we are still growing so much that we need will still need to recruit from overseas to fill that demand.”
- ▶ “There is not enough New Zealanders to look after the aging population, so we definitely need to be able to balance out our workforce with migrant workers.”
- ▶ “We have been working with Work & Income around this, but there is a lot of evidence to suggest that kiwis are not interested in that role, which is why there is quite a high migrant population working in care giving – they seem to be more suited to the role of caregiving.”

4.3.2 Employment opportunities

The growing demand for aged care services in New Zealand presents many employment opportunities. As an incentive to increase staff attraction and retention, many New Zealand aged care providers offer their employees career progression opportunities such as staff training and certification programs. For example, one New Zealand aged care provider stated: “We do like to keep and progress our staff rather than hiring above so we are offering opportunities to our staff to help them further their training and progress in their careers”. These in-house training incentives are often delivered in partnership with Career Force, a New Zealand workforce education consultant.

There are also number of employment opportunities for indirect employment. For example, one of the larger private New Zealand providers reported a significant shortage of available construction workers as they work to expand and develop their facilities. However, comparatively employment opportunities for indirect employment are not as great as direct employment opportunities as many aged care providers report that they contract out services such as gardening and cooking to third party specialist organisations.

When employing immigrant workers into their organisations, New Zealand aged care providers generally report that they employ people who are already in New Zealand on temporary work visas rather than recruiting from overseas. Jobs for vacant positions are typically listed online on job vacancy websites sites. Another typical forms of recruitment for immigrant workers into aged care is through word from family or friends who have already immigrated to New Zealand and are working in the sector.

Auckland, New Zealand's largest city, offers the greatest number of Aged care employment opportunities. This is due to the size of Auckland's populations driving up demand for aged care services. However with a higher cost of living in Auckland than other parts of the country, it can be challenging for aged care workers looking to settle there. There are also greater work visa incentives for immigrant workers to migrate outside of Auckland to Cities such as Christchurch, which also has a high demand for aged care staff.

Views from New Zealand aged care providers

Providers also noted that there are a number of training and career pathways for all aged care workers, which could make it attractive for overseas workers and support retention.

- ▶ For unqualified HCA, we cover cost of enrolment and training in enhanced assistance services
- ▶ Employee training and certification is contracted through "Career force"
- ▶ We do like to keep and progress our staff rather than hiring above. So we are offering opportunities to our staff to help them further their training and progress in their careers
- ▶ We support our staff in obtaining higher level qualifications. E.g. fund training and time off
- ▶ "Generally we take people on with level 2 and level 3 qualifications but we do employ people with no qualifications also and get them trained up from the start. But it generally depends on the area we are recruiting for as well as there are some areas in the country that are hard to recruit for as well and we want to make sure that we have the right amount of staff for our residents but get people that are suitable as well."

Labour mobility in Australia and New Zealand



5. Labour mobility in Australia and New Zealand

5.1 Overview and background in Australia

Current Australian immigration regulations provide limited visa pathways for workers in the aged care industry due to the skill level of the occupations. Access to Australia's skilled, including employment related, visa programs is controlled through occupation lists. These lists are drawn from the Australian and New Zealand Standard Classification of Occupations (ANZSCO) which classifies occupations according to skill level. The majority of aged care occupations of interest are lower skilled, see Appendix C, and are not listed for standard Australian visa programs.

In April 2017, a significant reform package to strengthen the integrity and quality of Australia's temporary and permanent employer sponsored skilled migration programs commenced. The goals of the reform program will be fulfilled in March 2018 after several rounds of legislative changes. Temporary Skills Shortage (TSS) Visa will be replaced by a new Temporary Skill Shortage (TSS) visa in March 2018. These reforms tighten access to employment and skilled visa pathways including through:

- ▶ Removal of a large number of occupations from the skilled occupations lists
- ▶ A Medium and Long-term Strategic Skills List (MLTSSL) of occupations in which applicants may be granted a four year temporary visa and be eligible to apply for permanent residence either independently or with employer sponsorship
- ▶ A Short-term Skilled Occupation List (STSOL) of occupations in which applicants may be granted a two year temporary visa with one possible renewal onshore only and no pathway to permanent residence
- ▶ The placement of caveats on selected occupations which set minimum thresholds such as salary, years of experience and size of a sponsoring employer's business.

The MLTSSL and STSOL are under ongoing review in response to continuing analysis of labour market needs adding complexity and uncertainty to the visa programs founded on the lists:

- ▶ The STSOL will be amended in December (or January) and July each year
- ▶ The MLTSSL will be amended in July each year.

While opportunities to access work and residence visas (General Skilled Migration, etc.) are not legally closed to PICs, in practice the legislative and policy frameworks under which these programs operate effectively exclude all but the small minority.

The Australian government's focus especially through the latter half of the twentieth century to the current time has been on specific industries, occupations and skill-sets. Pacific Island nations are predominantly rural, with education and training necessarily (historically at least) focused on regional needs and incompatible with the more diverse and urban skill level needs in Australia.

Difficulties have consistently arisen with the skill level of the roles and associated political sensitivities relating to migration programs at this lower skill level. Equally, the target demographic within the Pacific Island nations would not necessarily have the required qualifications or employment experience to meet the minimum requirement for the positions.

In recognition of the specific needs of both the aged care sector and the Pacific Island countries, a number of initiatives are already in place to meet these needs. These initiatives include Labour Agreements negotiated between the Department of Immigration and Border Protection and aged care providers to facilitate employment visas for lower skilled roles. Labour Agreements provide flexibility around immigration rules such as the skill level of an occupation where a genuine need for labour can be established. The first Labour Agreement in the aged care sector was negotiated in 2014. In response to the 2017 to 2018 reform package referred to above, Labour Agreement application rates have increased.

Specific visa programs have also been implemented to provide increased opportunities for labour mobility from the Pacific Islanders:

- ▶ Seasonal Worker Programme
- ▶ Pacific Microstates – Northern Australia Worker Pilot Program (“Microstates Worker Pilot”)
- ▶ Pacific Labour Scheme

The Pacific Labour Scheme, announced at the Pacific Islands Forum Leaders' Meeting on 8 September 2017, will be operational from July 2018. With an initial intake of up to 2000 workers, the scheme will be the first labour mobility program to specifically target the aged care sector in addition to other sectors.

The Microstates Worker Pilot has not targeted the aged care sector to date, but the possibility exists for that program to be utilized for the sector until the Pacific Labour Scheme is operational in July 2018.

The Seasonal Worker Programme has been in place since 2012. Participating countries include Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu. The program focuses on the agriculture and accommodation industries unable to fill lower skilled positions from within the local labour market. This has provided some 17,000⁴⁸ participants with invaluable on-the-job learning and homeward remittances.

⁴⁸ <http://dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx>

However, the Seasonal Worker Programme has historically been narrow in focus and there have been significant representations made by other sectors for their inclusion, including from the dairy, meat processing, tourism and fishing industries – as well as the aged care sector. The Pacific Labour Scheme has been developed to meet the needs of the aged care sector in addition to other sectors.

Initial analysis of immigration trends in Australia suggest that uptake of employment migration pathways by citizens of Pacific Island countries is suboptimal, given our location, cultural connections and foreign policy objectives. This limited uptake suggests that there may be barriers to citizens of Pacific Island countries accessing existing skilled and employment migration pathways.

Currently Australia has a small population of Pacific Island born people relative to Australia's overall population (which is discussed and mapped in a later chapter), consequential upon the historically limited opportunities for Pacific Islanders to migrate from their home countries. The Family migration category (rather than skilled or humanitarian categories) accounts for most Pacific Islander permanent migration to Australia, as is discussed later. Moreover, Fiji is the main source of migrants from the Pacific to Australia with approximately 900 approvals of permanent visas for Fijians each year since 2014-2015, followed by Papua New Guinea with 300 approvals, and Tonga with roughly 100 approvals each year.



5.2 Existing migration pathways to Australia for Pacific Island citizens

PICs who are also New Zealand citizens and hold a New Zealand passport may live and work in Australia indefinitely on a Special Category (subclass 444) visa.

Standard general skilled migration pathways and employer sponsored temporary and permanent visa pathways may be accessed by PICs with recognized qualifications and skills in certain higher skilled occupations related to the aged care sector which are listed for Australian visa purposes:

Table 5.1: Visa options for higher skills occupations

Occupation	ANZSCO Code	Skill Level	Occupation List at July 2017	Visa option
Registered Nurse	254412	Skill level 1	Medium and Long-term Strategic Skills List	4 years with pathway to employer sponsored permanent residence subclass 187 or 187 visa General skilled migration program for permanent residence, subclasses 189 and 190
Cooks	351411	Skill level 3	Short-term Skilled Occupation List	2 years with one 2 year renewal
Gardeners	362211	Skill level 3	Short-term Skilled Occupation List	2 years with one 2 year renewal
Landscape Gardeners	362213	Skill level 3	Short-term Skilled Occupation List	Short-term TSS visa - 2 years with one 2 year renewal

Other aged care sector occupations listed in the table below are not currently listed for Australian immigration purposes. Accessible primary visa options for Pacific Islanders to undertake work in these occupations (excluding the Seasonal Worker Programme) are:

- ▶ Temporary Skill Shortage visa under a Labour Agreement (with the possibility of permanent residence)
- ▶ Subclass 403 Temporary Work (International Relations) visa under the Micro-states Worker Pilot until July 2018
- ▶ Subclass 403 Temporary Work (International Relations) visa under the Pacific Labour Scheme from July 2018.

Table 5.2: Occupations in scope currently not listed for immigration purposes

Occupation	ANZSCO code	Skill level
Aged or Disability Carer	423111	Skill level 4
Nursing Support Worker	423312	Skill level 4
Personal Care Assistant	423313	Skill level 4
Therapy Aide	423314	Skill level 4
Waiter/Waitress	431511	Skill level 4
Hospitality Worker	431999	Skill level 5
Cleaner	811211	Skill level 5
Garden Labourer	841411	Skill level 5
Caretaker	899111	Skill level 5
Kitchen hand	851311	Skill level 5
Handyperson	899311	Skill level 5
Laundry Workers	811511	Skill level 5

5.2.1 Labour Agreements

Labour Agreements enable employers in any sector to sponsor overseas workers where it is demonstrated that there is a skill shortage that cannot be met in the Australian labour market and standard temporary or permanent migration arrangements are not an appropriate option. These agreements can provide concessions to standard requirements such as skill level of occupations, salary thresholds and English language ability of overseas workers.

Labour Agreements provide access to temporary residence. Access to permanent residence is only considered in limited circumstances where supported by a strong business case.

These agreements are negotiated with the Department of Immigration and Border Protection. The typical negotiation timeframe is four to six months. When approved, agreements are generally in effect for up to three years and allow an agreed number of skilled overseas workers per year in agreed occupations. Before the conclusion of the first year, this “ceiling” number must be renegotiated for year 2 and again for year 3 of the agreement.

Strict terms and conditions are applied to Labour Agreements and compliance with these terms and conditions must be demonstrated during annual ceiling renegotiations. Formal stakeholder consultation, including with relevant unions and peak bodies, must also be conducted during initial negotiations and again during ceiling renegotiations.

The Department of Immigration and Border Protection publishes a list of all current Labour Agreements⁴⁹ and three types of Labour Agreements are relevant to the aged care sector:

- ▶ **Industry Labour Agreement:** suitable where there is evidence of ongoing labour shortages in an industry. An Industry Labour Agreement provides fixed terms and conditions specific to an industry sector agreed to by the Minister for Immigration and Border Protection in consultation with key industry stakeholders. When an industry Labour Agreement is in place, no further concessions can be considered, other than the concessions written into the industry agreement. Industries with Labour Agreements include:
 - ▶ On hire
 - ▶ Fishing
 - ▶ Meat and Pork
 - ▶ Snow Sports
 - ▶ Restaurants (Fine Dining)

- ▶ **Company-specific Labour Agreement:** A company specific labour agreement is developed directly with an employer where a genuine skills or labour shortage for an occupation exists which is not already provided for in an industry Labour Agreement, or other agreement. The terms and conditions of a company-specific agreement are considered on a case-by-case basis.

Company specific Labour Agreements have been negotiated by a number of aged care providers. The first of these was negotiated in August 2014 by Fronditha Care enabling sponsorship of 20 vocationally trained Greek speaking Personal Care Workers on subclass 457 visas for each year of the agreement. Under the agreement visa applicants must hold a Certificate III in Aged Care and score at least 5.0 in each of the four test components in an International English Language Testing System (IELTS) test⁵⁰ - that is, equivalent to Vocational English which is a relatively high standard of English.

Baptistcare in Western Australia also has a Labour Agreement allowing sponsorship of overseas workers as Personal Carers, Disability Support Workers and Community Aged Care Support Workers. Permanent residency is also available under this agreement⁵¹.

⁴⁹ <http://www.border.gov.au/WorkinginAustralia/Pages/list-of-all-labour-agreements.aspx>
⁵⁰ http://frondithacare.org.au/wp-content/uploads/2013/07/LA-BROCHURE_PRINT-READY.pdf
⁵¹ <https://careers.baptistcare.com.au/blog/baptistcares-labour-agreement/>

- ▶ Designated Area Migration Agreement (DAMA): A state, territory or region may negotiate a framework agreement in response to their unique economic and labour market conditions. Under the DAMA framework, employers in areas experiencing skills and labour shortages can sponsor skilled and semi-skilled overseas workers. Employers must demonstrate that they recruit Australians as a first priority and prioritize initiatives and strategies to facilitate the recruitment and retention of Australian workers.

The Northern Territory has a DAMA under which approximately 60 businesses, including Anglicare N.T. Ltd, have a Labour Agreement. Occupations specified in the Northern Territory DAMA relevant to the aged sector include:

- ▶ Aged Carer
- ▶ Cook
- ▶ Gardner and Landscape Gardener
- ▶ Nursing Support Worker/Nursing Assistant
- ▶ Personal Care Assistant
- ▶ Residential Care Worker
- ▶ Therapy Aide⁵².

5.2.2 Microstates Worker Pilot and Pacific Labour Scheme

These arrangements have been developed through inter-governmental cooperation between Pacific Island countries and Australia as well as interdepartmental cooperation involving three Australian Commonwealth Departments: Foreign Affairs and Trade; Immigration and Border Protection; and, Employment. The schemes facilitate labour mobility from the Pacific and include specific visa arrangements (the subclass 403 visa) as a key component. The Microstates Worker Pilot will be grandfathered in July 2018 when the Pacific Labour Scheme commences.

The Microstates Worker Pilot was limited to northern Australia to support development of that region and a relatively small number of PICs. Aged care employers in northern Australia may seek access to workers under the Pilot until July 2018.

The Pacific Labour Scheme builds on the Pilot by:

- ▶ Increasing the number of visas granted from 250 to 2000 per annum' to 'Increasing the number of visas available from 250 to 2000 per annum (the cap may be lifted in the future)
- ▶ Expanding the target industry sectors
- ▶ Expanding the geographic area to "regional and rural" Australia (yet to be defined, but will exclude major cities and metropolitan areas).

⁵² <https://business.nt.gov.au/business/migration-information-for-business/northern-territory-designated-area-migration-agreement>

Australian visa options for Pacific Island citizen workers in aged care sector 2017

		Pacific Labour Scheme	Temporary Skill Shortages Visa
		Subclass 403 – Temporary Work (International Relations) – Pacific Labour Scheme Stream	
		Commencing July 2018	
Purpose		<p>Work in low and semi-skilled occupations in rural and regional Australia for up to three years.</p> <p>The Scheme will commence with an annual intake of 2000 and a focus on Kiribati, Nauru and Tuvalu. Access will be extended to other Pacific Island countries over the course of 2018 based on need and impact. Visa applicants to be aged between 21 and 45 years.</p> <p>Focus on sectors with projected employment growth in Australia and which match Pacific island skill sets:</p> <ul style="list-style-type: none"> ▶ hospitality and tourism ▶ aged care, disability care ▶ non-seasonal agriculture, forestry and fishing industries 	<p>Work in Australia for Labour Agreement holding employer in agreed nominated position.</p> <p>Aged care providers may negotiate:</p> <ul style="list-style-type: none"> ▶ company specific agreements on a business by business or site by site basis; or ▶ an agreement under the Northern Territory DAMA; or ▶ an industry agreement through peak bodies*. <p>*Whilst an industry agreement is in place, new company specific Labour Agreements may not be negotiated.</p>
Period of stay		<p>Initial visa up to 3 years determined by offer of employment. May apply to extend for 3rd year determined by offer of employment with same employer.</p>	Up to 4 years
Australian employer role		<p>DFAT approval to enter Scheme demonstrating</p> <ul style="list-style-type: none"> ▶ good standing ▶ adequate human resources capacity to manage complexities ▶ genuine need via labour market testing including job active provider in employer’s locality <p>DIBP temporary activity sponsorship approval</p> <p>Pacific Labour Facility connects employers with workers</p> <p>Employment offer</p>	<p>Labour Agreement sponsorship approval from DIBP Employment offer</p>
Minimum requirements	Skill	<p>it will focus on low and semi-skilled occupations, i.e. Australian and New Zealand Standard Classification of Occupations levels 3-5, requiring Australian Qualifications Framework Certificate Levels 1-4 or relevant work experience</p>	AQF III + 3 years relevant experience or lower level if negotiated in labour agreement
	English	<p>There is no English requirement to apply for a visa, but there is as part of the selection process (PLF) plus any other language requirements under the licencing and registration (if applicable);”</p>	IELTS 5 or lower level if negotiated in Labour Agreement

Relevant visa conditions		<ul style="list-style-type: none"> ▶ Primary visa holder can only work for sponsor in approved occupation ▶ Exclusion period on further Australian visa application. Exact period to be determined. not intended to be a pathway to Australian citizenship. Circular labour mobility intended to repatriate skills 	<ul style="list-style-type: none"> ▶ Primary visa holder can only work for sponsor in approved occupation ▶ Maintain health insurance ▶ Minimum salary to qualify is \$53,900 (Temporary Skilled Migration Income Threshold - TSMIT) or lower level if negotiated in labour agreement – 90% of TSMIT has been negotiated in various existing agreements.
Advantages and benefits	Pacific islanders	<ul style="list-style-type: none"> ▶ Lower eligibility thresholds ▶ Secure employment ▶ DFAT-vetted employers (minimising exploitation) ▶ Extensive pastoral care through Pacific Labour Facility providing support from pre-departure briefing, on assignment and reintegration on return including financial education regarding savings 	<ul style="list-style-type: none"> ▶ Possible pathway to permanent residence and citizenship if negotiated ▶ Secure, full-time employment ▶ Higher remittance capability ▶ Ability for employer to sponsor family members ▶ Not limited to working in specific geographical area of Australia
	Government and international stakeholders	<ul style="list-style-type: none"> ▶ Control over cohort and conditions of program through Scheme ▶ Possible within current legal and policy framework ▶ Aligned with aid and development objectives 	<ul style="list-style-type: none"> ▶ Partnership with industry, delivering sustainable aid and development benefit
	Employers	<ul style="list-style-type: none"> ▶ Access to offshore labour in semi-skilled occupations not otherwise available ▶ Reduce reliance on transient workforce in rural and regional areas ▶ Reduce costs of recruitment 	<ul style="list-style-type: none"> ▶ Not restricted to conditions of MOU ▶ Longer term retention of staff and return on investment, e.g. training ▶ Higher level of employee commitment due to visa conditions and prospect of employer-sponsored permanent residence ▶ Not limited to employers in specific geographical area of Australia
Disadvantages and challenges	Pacific Islanders	<ul style="list-style-type: none"> ▶ Can only work for the approved sponsoring employer ▶ High cost (VAC, travel, health insurance, etc.) ▶ Further visa applications prevented during exclusion period ▶ Family members cannot accompany on subclass 403 visa 	<ul style="list-style-type: none"> ▶ Extended absence from home country ▶ Primary visa holder can only work in the approved occupation and only for the approved sponsor

	Government and international stakeholders	<ul style="list-style-type: none"> ▶ Risk of worker exploitation⁵³ ▶ Politically sensitive 	<ul style="list-style-type: none"> ▶ Brain drain issue – home country resistance ▶ No control over program – potential reputational issues ▶ Potentially a move away from policies intended to support particular geographical areas of Australia
	Employers	<ul style="list-style-type: none"> ▶ Only available in “rural and regional areas” to be strictly defined will exclude Sydney, Melbourne, Perth, Brisbane, Canberra ▶ Labour market testing ▶ Formal application to join Scheme ▶ Formal sponsorship process and strict sponsorship obligations ▶ Data sharing between government agencies 	<ul style="list-style-type: none"> ▶ Difficulty negotiating labour agreement approval with DIBP (occupations list, skill level, TSMIT, English, labour market testing) ▶ Numbers of visa applicants re-negotiated annually ▶ Strict sponsorship compliance and reporting obligations ▶ Administration costs

5.2.3 Other potential temporary visa pathways

For international students who are sponsored by the Department of Foreign Affairs and Trade or Department of Defense to study a full-time course of any type in Australia, the Subclass 500 visa is available. Students will have limited work rights, and thus this visa category is not a primary recommendation for employment purposes.

Historically there has been little access to this visa category from PICs, with the exception of citizens of Fiji and Papua New Guinea.

5.2.4 Permanent visa pathways

Access to standard permanent residence pathways is available to PICs with recognized qualifications and skills in certain higher skilled occupations as explained earlier.

Existing labour mobility visa programs for PICs in lower skilled occupations are not intended to provide a pathway to permanent residence. The understanding gained from communications with the Department of Foreign Affairs and Trade is that the development goals of the Pacific Labour Scheme are intended to be achieved by the reintegration of workers in their home country once they have completed their two or three year work placement. Reintegration services will be implemented to assist them invest the skills, experience and financial resources gained in Australia in their home country to improve economic circumstances such as through establishment of a businesses and education of children.

Immigration control measures such as “exclusion periods” which limit the ability of temporary visa holders to lodge further Australian visa applications are implemented to obstruct pathways to permanent residence.

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Nevertheless, two permanent visa options are briefly summarized below.

Subclass 186 visa– Employer Nomination Scheme- Labour Agreement

The Employer Nomination Scheme is a permanent employer-sponsored visa category, affording indefinite residence in Australia and options for Australian citizenship.

Given the skill level of the occupations a Labour Agreement would be required. The terms under which a permanent visa can be granted under a Labour Agreement must be negotiated separately.

Subclass 187 visa – Regional Sponsored Migration Scheme

Similar in structure to the subclass 186 visa, the subclass 187 visa is for positions located in regional designated areas of Australia and provides greater flexibility on criteria such as skills testing. However, as this visa programme is limited to occupations in Skill Levels 1 to 3 its utility to the aged care sector is limited.

Though an indefinite period of stay is granted, cancellation of the visa is possible within the first two years if employment is not commenced or maintained.



5.3 Comparison with other developing nations

Citizens of other developing nations may access standard visa pathways. No specific labour mobility programs, such as the Seasonal Worker Programme or the Pacific Labour Scheme, are currently in place for other developing nations.

Australia's growing student visa program (subclass 500 visa in streams other than the Foreign Affairs or Defense Sector Student stream) is a common first step on a migration pathway for individuals from developing nations with sufficient financial resources to cover the costs of tuition and relocation.

Student visa holders and their immediate family members may generally work for a maximum 20 hours per week. Student visa holders with sufficient skills and qualifications may seek long term temporary residence and then permanent residence through employer sponsored and skilled independent visa pathways.

Data on temporary and permanent migration to Australia from the comparable immigration source countries of India, Nepal, Indonesia and The Philippines for the last three financial years (see tables below) reflects the growing educational and skill levels of those developing nations as well as the larger size of the populations of those countries.

Table 5.3: Temporary visas granted for comparable countries

Financial Year	Citizenship Country	Crew and Transit	Other temporary	Student	Temporary Resident (Other)	Temporary Resident (Skilled)	Visitor	Working Holiday Maker
2014-15	India	44,039	98	29,573	12,806	25,244	175,343	-
	Indonesia	12,285	122	9,178	4,342	718	86,086	288
	Nepal	257	6	8,987	2,400	1,663	8,621	-
	Philippines	135,983	72	5,991	4,386	5,084	52,819	-
2015-16	India	49,265	106	29,591	16,091	22,959	189,221	-
	Indonesia	12,250	115	8,810	4,589	716	89,403	776
	Nepal	383	21	10,655	3,602	1,385	10,908	-
	Philippines	148,674	80	5,568	5,414	4,832	67,624	-
2016-17	India	53,643	100	34,490	21,257	21,575	220,952	-
	Indonesia	12,608	132	9,323	3,746	723	111,187	1,051
	Nepal	179	16	18,507	4,283	1,410	14,328	-
	Philippines	151,434	73	5,160	5,298	5,373	86,432	-

Table 5.4: Permanent visas granted for comparable countries

Financial Year	Citizenship Country	Partner	Child	Parent	Employer Sponsored	General Skilled Migration	Distinguished Talent	Business Innovation and Investment
2014-15	India	5,233	407	621	8,260	20,290	< 5	48
	Indonesia	943	75	100	435	495	< 5	18
	Nepal	624	35	22	1,164	2,285	0	0
	Philippines	3,191	447	56	4,640	3,478	< 5	< 5
2015-16	India	5,503	374	692	10,495	22,981	< 5	61
	Indonesia	890	74	91	434	487	< 5	30
	Nepal	562	35	20	1,682	2,783	< 5	0
	Philippines	3,354	446	56	4,181	3,806	< 5	38
2016 - 17 (to 31 May 2017)	India	4,918	396	519	9,015	22,126	< 5	49
	Indonesia	877	54	103	328	313	< 5	22
	Nepal	622	17	26	1,453	1,970	0	0
	Philippines	3,174	452	35	4,186	3,641	0	13



5.4 Factors affecting access to migration pathways

The tables below present an overview of the temporary and permanent visa applications submitted from various Pacific Island Countries, and the actual visa grants that have resulted from those.

Table 5.5: Comparison between applications and grants for various temporary visa categories

Financial Year	Citizenship Country	Crew and Transit		Other temporary		Student		Temporary Resident (Other)		Temporary Resident (Skilled)		Visitor	
		App	Grants	App	Grants	App	Grants	App	Grants	App	Grants	App	Grants
2016-17 (to 31 May 2017)	American Samoa	< 5	0	0	0	< 5	< 5	< 5	< 5	0	0	7	6
	Cook Islands	0	0	0	0	< 5	< 5	0	0	0	0	0	0
	Fiji	604	577	195	168	505	492	1,692	1,262	247	230	22,587	19,848
	French Polynesia	< 5	< 5	< 5	< 5	< 5	< 5	0	0	0	0	6	5
	Guam	0	0	0	0	0	0	0	0	0	0	< 5	< 5
	Kiribati	606	606	7	7	75	73	172	172	< 5	7	834	815
	Marshall Islands	8	8	0	0	7	7	19	18	0	0	50	49
	Micronesia	19	19	0	0	19	18	< 5	< 5	0	0	64	56
	Nauru	137	134	24	18	44	41	9	7	5	0	1,433	1,405
	New Caledonia	0	0	< 5	< 5	22	18	< 5	< 5	< 5	0	< 5	0
	Palau	< 5	< 5	0	0	20	19	0	0	0	0	33	31
	Papua New Guinea	684	650	151	133	1,332	1,194	580	506	136	112	16,137	14,191
	Pitcairn	< 5	< 5	0	0	0	0	0	0	0	0	0	0
	Samoa	101	91	11	9	82	75	581	498	5	< 5	4,507	3,974
	Solomon Islands	304	289	44	29	162	145	148	136	7	12	2,874	2,353
	Tonga	101	95	57	37	181	154	2,988	2,887	16	16	6,215	4,605
Tuvalu	35	37	0	0	44	30	24	23	< 5	< 5	156	148	
Vanuatu	938	910	48	40	56	53	2,207	2,200	8	10	1,438	1,375	



Table 5.6: Comparison between applications and grants for various permanent visa categories

Financial Year	Citizenship Country	Partner		Child		Parent		Employer Sponsored		General Skilled Migration		Distinguished Talent		Business Innovation and Investment	
		App	Grants	App	Grants	App	Grants	App	Grants	App	Grants	App	Grants	App	Grants
2016-17 (to 31 May 2017)	Fiji	377	389	40	31	80	58	213	103	163	93	0	5	<5	9
	Nauru	0	<5	<5	<5	0	0	0	<5	0	<5	0	0	0	0
	New Caledonia	<5	<5	0	0	0	0	5	0	<5	0	0	0	0	0
	Papua New Guinea	123	100	49	43	5	0	127	103	12	0	7	0	<5	9
	Samoa	34	18	7	<5	<5	<5	0	<5	<5	<5	<5	0	0	0
	Solomon Islands	22	25	<5	<5	<5	0	11	16	11	<5	0	0	7	0
	Tonga	107	107	29	8	19	<5	<5	13	0	7	0	0	<5	0
	Tuvalu	<5	<5	0	0	0	0	0	0	0	0	0	0	0	0
	Vanuatu	8	10	6	<5	0	<5	5	0	0	<5	0	0	0	0

Above numbers are provided up to 31 May 2017 and should be seen as current. Further analysis into available data from 2015-2016 and 2016-2017 point to several factors existing that affect access to the available migration pathways into Australia. These are presented below.

Table 5.7: Factors influencing successful migration outcomes to Australia

Factor	Comment
Limited visa pathways	<ul style="list-style-type: none">• Temporary visa options are limited• Subclass 403 visas under the Microstates Worker Pilot / Pacific Labour Scheme are restricted by quotas and geographic location of employer as well as to a small number of PICs• Access to permanent residence is further restricted to Labour Agreements only
Prohibitive cost	<ul style="list-style-type: none">• Visa application charges for a subclass 403 visa are AUD280• Additional application costs include health insurance, medical examinations, English tests• Further costs for travel, accommodation etc must be met

5.5 Future direction of Australia's migration program

Following a ministerial announcement in July 2017, the Department of Immigration and Border Protection has embarked upon a program of major reform to modernize and simplify Australia's visa system. Key policy proposals put forward in the Department of Immigration's Policy Consultation Paper – Visa Simplification: Transforming Australia's Visa System during the early stages of consultation in 2017 include:

- ▶ Significantly reducing the number of visa categories from 99 to around 10
- ▶ Extending the pathway to permanent residence through a new provisional residence stage in all permanent migration categories.

A reduction in the number of visa categories will be achieved by rationalizing the large number of activity-specific temporary and permanent visas. It is anticipated that an International Relations visa category and employer sponsored temporary work visa will both be retained and submissions in support of this position have been made during consultations to date. It is also considered that visa programs will continue to facilitate access to the Australian workforce for PICs with the controls and support mechanisms of existing programs.

The longer term future of a discrete employer sponsored permanent visa category is less certain. Taking into account an employer nomination and an offer of employment are considered pertinent factors in determining eligibility for a broader skilled visa category.

The implementation of a qualifying period of provisional residence before permanent residence may be granted is likely to have little impact on PICs considering temporary visa options for short-term employment in Australia.

This transformation of Australia's visa system is expected to be carried out over the next five years with incremental changes being introduced as the reforms proceed.

5.6 Overview and background in New Zealand

Some of the most extensive changes to immigration policy in New Zealand have been announced in during July and August 2017. As of 28 August 2017, significant changes have been made to the Essential Skills visa policy (temporary) and the Skilled Migrant Category (residence). The changes to the Essential Skills instructions are likely to impact pathways for lower skilled migrants from PICs to the aged care sector.

Many aged care providers are showing concerns that they are going to lose staff under these new Visa requirements, including staff who have been working with them for many years.

Views from NZ aged care providers:

- ▶ “There are just not enough New Zealanders available, particularly for caregiving. So they have to look to the migrant community. And this is a real pain because it costs a lot of money and time for employees and employers to keep having to re-new these visas. Especially when they are proving that that there aren’t enough Kiwi’s around.”
- ▶ “It is very difficult to get a residency application through when they are a car-giver. It is very difficult for them and it is very stressful as well, because they go through the process of renewing their visas and if there is a back log then they might have to go on an interim Visa, then they can’t work, they can’t make any money, it is very difficult for them to work/ live like that.”
- ▶ “We will lose people under the [updated] Visa conditions if they don’t meet the threshold”
- ▶ “Retention of overseas staff is going to be difficult due to visa requirements and the difficulty in renewing visas”
- ▶ “We do employ a lot of caregivers from overseas and we find that they are really great staff members, so we want to be able to keep doing that. But we also find it very difficult to get them through immigration sometimes.”

The underlying policy objective of the Essential skills visa policy is to fill temporary gaps in the labour market while protecting employment opportunities for New Zealanders. The objectives of the review conducted over the last year to support the recently announced changes were to:

- ▶ Contribute to better alignment between immigration, welfare and education settings
- ▶ Incentivize employers to employ and train domestic workers before recruiting migrant labour
- ▶ Allow employers to use lower-skilled migrants where there is a genuine need
- ▶ Maintain the integrity of temporary migration by ensuring the settings do not encourage lower-skilled and lower-paid temporary migrants to become well settled
- ▶ Make it easier for firms to recruit higher-skilled and higher-paid migrant workers and for those migrants to remain as long as is necessary or appropriate.

The objectives are now reflected in the recently announced changes to the Essential skills policy. Those changes are the:

- ▶ Introduction of remuneration bands to determine skill level
- ▶ Introduction of a maximum of three years duration for lower skilled visa holders, after which there will be a one-year stand down period
- ▶ Restriction of the ability of lower-skilled visa holders to bring their family with them to New Zealand.

The remuneration bands and skill levels are discussed in more depth below.



5.7 Existing visa options to New Zealand for Pacific Island citizens

There are limited pathways for PIC to migrate to New Zealand in order to work in the aged care sector. While Registered Nurses (254412) appear on the Immediate Skills Shortage list none of the other occupations noted in Appendix C are included on any skill shortage lists in New Zealand⁵⁴. This means the only available temporary entry visa route is under the Essential Skills visa instructions. Occupations that are skill level 1 – 3 may use the Essential skills instructions, Talent Visa (Accredited Employer route) and Talent Visa (Long Term Skill Shortage list), assuming the applicant meets the requisite requirements including health and character.

5.7.1 Temporary pathways

The table below highlights current, possible temporary visa options for various positions and skill levels.

Table 5.8: Visa options available for various occupations in scope

Occupation	ANZSCO Code	Skill Level	Skills Shortage lists August 2017	Visa option
Registered Nurse	254412	Skill level 1	Immediate Skills Shortage list (as at 27 February 2017)	Essential Skills – ISSL (no labour market test); Talent Visa (Accredited Employer) (no labour market test)
Cooks	351411	Skill level 3	Not on shortage lists	Essential Skills – Labour Market Test
Gardeners	362211	Skill level 3	Not on shortage lists	Essential Skills – Labour Market Test
Landscape Gardeners	362213	Skill level 3	Not on shortage lists	Essential Skills – Labour Market Test
Aged or Disability Carer	423111	Skill level 4	Not on shortage lists	Essential Skills – Labour Market Test
Nursing Support Worker	423312	Skill level 4	Not on shortage lists	Essential Skills – Labour Market Test
Personal Care Assistant	423313	Skill level 4	Not on shortage lists	Essential Skills – Labour Market Test
Therapy Aide	423314	Skill level 4	Not on shortage lists	Essential Skills – Labour Market Test
Waiter / Waitress	431511	Skill level 4	Not on shortage lists	Essential Skills – Labour Market Test
Hospitality Worker	431999	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Cleaner	811211	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Garden Labourer	841411	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Caretaker	899111	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Kitchen hand	851311	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Handyperson	899311	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test
Laundry Workers	811511	Skill level 5	Not on shortage lists	Essential Skills – Labour Market Test

⁵⁴ <https://business.nt.gov.au/business/migration-information-for-business/northern-territory-designated-area-migration-agreement>

5.7.1.1 Essential Skills

The Essential Skills visa policy facilitates the entry of migrants required on a temporary basis to fill shortages in the New Zealand labour market. Employers must support an application by way of a “labour market test” and demonstrate that there are no suitably qualified New Zealanders available to fill the position.

Under the Essential Skills instructions there are three ways to meet the labour market test. The first is if the position is included on any one of the three skills shortage lists (Immediate Skills Shortage List, Long Term Skills Shortage List or Canterbury Skills Shortage List). If it is, then the labour market test is satisfied. The employer is not required to provide any evidence with the application via the employer supplementary form.

If the position is not on a skills shortage list the employer must meet the labour market test by providing evidence of their attempts to recruit suitably qualified New Zealanders to fill the role. For ANZSCO levels 4 and 5, the employer must also engage with Work and Income.

Finally, an employer can also apply for an Approval in Principle (AIP) before they look to recruit offshore. This means the labour market test is conducted before the employer recruits and before a migrant is offered employment. If an AIP is granted it means that INZ is satisfied that the labour market test has been met and no further information is required when the visa application is lodged.

The recent changes to the Essential Skills instructions mean that work visa applicants are now classified under the policy as either higher, mid or lower skilled based on their remuneration and ANZSCO level. Remuneration levels have been set using the average median income levels in New Zealand as a starting point. The hourly rates are anticipated to be reset each year to account for annual changes in median income. Please see the table below which demonstrates the application of the remuneration bands and ANZSCO level in determining skill level as of 28 August 2017.

Table 5.9: Remuneration bands applicable across ANZSCO levels

	ANZSCO 1-3	ANZSCO 4-5
\$35.25+ per hour (\$73,299+)	HIGH	HIGH
\$19.97 - \$35.24 per hour (\$41,538 - \$73,299)	MID	LOW*
Less than \$19.97 per hour (less than \$41,538)	LOW	LOW*

Skill level now determines the duration and conditions of on an Essential Skills work visa. Lower skilled Essential Skills visa holders will only be issued with a one year visa for up to three years in a row after which there will be a minimum one year stand down period. The stand down period must be spent outside of New Zealand before the migrant can be granted another lower-skilled Essential Skills visa. Further, lower skilled Essential skills visa holders will no longer be able to support their partners and dependents with visa applications. Partners and dependants must apply for visas in their own right⁵⁵. These changes do not apply to mid or higher skilled visa holders.

The restrictions which apply to lower skilled Essential skills visa holders do not apply to mid or higher skilled applicants. The table⁵⁶ below provides data on the number of PIC migrants who have entered New Zealand under the Essential Skills visa policy to undertake work in the aged care sector over the past 3 years.

Table 5.10: Essential Skills Work Visas issued to PIC* migrants

Occupation	Year 2014/15	Year 2015/15	Year 2016/17
Cooks (351411)	15	24	21
Gardeners (362211)	0	1	2
Landscape Gardeners (362213)	2	1	1
Aged or Disability Carer (423111)	161	166	90
Nursing Support Worker (423312)	25	27	13
Personal Care Assistant (423313)	52	45	29
Therapy Aide (423314)	0	0	0
Waiter / Waitress (431511)	5	7	6
Hospitality Worker (431999)	10	6	6
Cleaner (811211)	5	17	4
Garden Labourer (841411)	0	1	0
Caretaker (899111)	1	2	1
Kitchen hand (851311)	3	11	5
Handyperson (899311)	1	2	1
Laundry Workers (811511)	1	3	4
Total	281	313	183

* The above data is for all migrants from PICs, including: American Samoa, FS Micronesia, Fiji, French Polynesia, Kiribati, Marshall Islands, Nauru, New Caledonia, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.

** Those who travel from Guam use US passports. Those from Tokalau, Cook Islands and Niue travel on New Zealand passports. Therefore, there is no data available for these migrants.

⁵⁵ Note that this limitation only applies to the first Essential skills visa applied for after 28 August 2017 and will not take into account time previously spent in New Zealand on an Essential skills visa.

⁵⁶ Data is publically available and has been found here. <https://www.immigration.govt.nz/about-us/research-and-statistics/statistics - W3 - Work Applications approved by Occupation>.

5.7.1.2 Work to Residence Visa (Talent Visa and Long Term Skill Shortages List)

Under the Work to Residence instructions a migrant who is offered a position with an Accredited Employer, where the offer is a permanent agreement with a salary over \$55,000, will be granted a 30 month work visa which allows them to apply for residence at the end of 24 months.

An employer can become accredited by applying to Immigration New Zealand and demonstrating that they have a need to recruit for skilled positions offshore in their core area of business. They must also demonstrate that they are a good employer with a sound financial positions, strong human resource policies and a record of compliance with New Zealand immigration and employment law.

Talent Visas may also be issued to migrants whose occupation appears on the Long Term Skills Shortage List and who meet the relevant requirements. They are granted the same 30 month work visa with a pathway to residence.

Skilled Migrants in the aged care sector may be able to utilise the Work to Residence instructions if they meet the relevant requirements.

As discussed above, the primary temporary pathway for migrants from Pacific countries is an Essential Skills work visa. The primary residence pathway is under the Pacific Access Category (PAC). Both pathways require a job offer in order for the applicant to be eligible for the grant of a visa.

5.7.2 Residence pathways

5.7.2.1 Pacific Access Category (residence)

The PAC allows up to 250 citizens of Fiji, 250 citizens of Tonga, 75 citizens of Tuvalu, and 75 citizens of Kiribati to be granted residence class visas in New Zealand each year. The total number of individuals approved under each category includes principal applicants, their partners and dependent children. A job offer is required in order to gain entry under this pathway.

Table 5.11: PAC residence approvals⁵⁷

Country of origin	Year 2014/15	Year 2015/15	Year 2016/17
Fiji	3	115	109
Kiribati	43	57	36
Tonga	120	129	112
Tuvalu	38	49	51
Total	205*	354**	308

* includes 1 from Bangladesh

** includes 1 from India, 2 from Malaysia and 1 from US

⁵⁷ <https://www.immigration.govt.nz/about-us/research-and-statistics/statistics> - RI - Resident decisions by financial year.

There is a separate specific quota of 1,100 for citizens of Samoa to reflect the unique relationship between the two countries. Citizens must register for an annual ballot and once selected are required to produce a permanent offer of employment and meet minimal English language requirements⁵⁸.

Table 5.12: Residence approvals from Samoa⁵⁹

Country of origin	Year 2014/15	Year 2015/15	Year 2016/17
Samoa	231	204	219

No limit exists on the number of applicants that may apply for residence under the Pitcairn scheme. The only requirements are that they meet health and character standards and have an offer of employment which is genuine and ongoing.

Table 5.13: Number of residence approvals from Pitcairn⁶⁰

Country of origin	Year 2014/15	Year 2015/15	Year 2016/17
Pitcairn	0	0	0

5.7.2.2 Partnership pathway

The Partnership category is also a pathway for PIC. This policy affords the partner of a primary visa applicant to apply for a work visa without a job offer. Once granted, the work visa holder may work in any occupation and for any employer in New Zealand. This is referred to as an “open work visa.” A labour market test is not required for the visa to be issued. The applicant must simply establish that they are in a genuine and stable relationships with the primary applicant.

Unfortunately the data captured by INZ does not allow us to identify which occupation open work visa holders are employed in, but the table below notes the number of open work visas issued last year to PIC.

⁵⁸ English competency is determined via an interview with an immigration officer in order to determine whether the applicant can read English, understand and respond to questions in English as well as maintain a conversation about themselves, their family and their background in English.

⁵⁹ <https://www.immigration.govt.nz/about-us/research-and-statistics/statistics-RI-Resident-decisions-by-financial-year>.

⁶⁰ Ibid.

Table 5.14: Partnership visas approved for PIC⁶¹

Country of origin	Year 2014/15	Year 2015/15	Year 2016/17
Fiji	521	556	508
Kiribati	10	12	6
New Caledonia	0	0	0
Papua New Guinea	2	2	2
Samoa	55	39	31
Solomon Islands	3	3	2
Tonga	91	89	86
Tuvalu	2	3	2
Vanuatu	5	2	0
Total	689	706	637



⁶¹ [https://www.immigration.govt.nz/about-us/research-and-statistics/statistics - W3 - Decided by financial year. \(Partners of work visa holders only. Partnership work visas based on a relationship with a citizen or resident have not been included but data is available.\)](https://www.immigration.govt.nz/about-us/research-and-statistics/statistics - W3 - Decided by financial year. (Partners of work visa holders only. Partnership work visas based on a relationship with a citizen or resident have not been included but data is available.))

5.8 Comparison with other developing nations

Like Australia, citizens of other developing nations may access standard visa pathways. There are also several visa policies which are specific to a number of developing nations.

The working holiday scheme allows migrants to enter New Zealand for either 6 to 12 months (country specific) and generally allows the holder to work for the entire period of time. The holder can only work for 3 months for any one employer. Citizens from the following developing nations (as defined by the UNDP) may apply for Working Holiday visas in New Zealand:

- ▶ Argentina
- ▶ Brazil
- ▶ China
- ▶ Croatia
- ▶ Korea
- ▶ Malaysia
- ▶ Mexico
- ▶ Peru
- ▶ Philippines
- ▶ Thailand
- ▶ Turkey
- ▶ Vietnam.

Citizens from the following developing nations may apply for visas under specific categories if they meet the relevant policy requirements:

Table 5.15: Developing nations – specific policies

Policy	Requirements/Types of work
Thai Chefs	Thailand National Skills Standard Thai Cooking Certificate and relevant experience
China Skilled Workers Instructions	Prescribed list of skilled occupations, and some Chinese traditional occupations
Philippines Nurses	Qualification assess as equivalent to NZ Bachelor of Nursing
Philippines Farm Managers	Hold relevant experience and qualifications
Philippines Engineering Professionals	Engineering professionals registered with a relevant international body
Vietnam Special Work Instructions	Vietnamese chefs, and engineering registered with a relevant international body
Indonesia Special Work Instructions	Chefs, Halal butchers and Bahasa teachers
Republic of Korea Special Work Instructions	Prescribed list of skilled occupations, and some Korean traditional occupations

Additionally, the Recognised Seasonal Employer (RSE) scheme came into effect in April 2007 and supports migrant workers in the horticulture and viticulture sector. There is a limit on the number of RSE places that can be filled each year. Unless an employer can show they have pre-established relationships with workers from other countries, they may only recruit workers under RSE policy from the following eligible Pacific Countries: Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

Migrants employed under the scheme may stay in New Zealand for up to seven months during any 11-month period. Exceptions to this are workers from Tuvalu and Kiribati, who can stay for nine months because of the distance from New Zealand and the cost of travel.

Table 5.16: The following table⁶² provides data on RSE arrivals by nationality:

Country of origin	Year 2014/15	Year 2015/15	Year 2016/17
Fiji	30	92	355
India	27	35	35
Indonesia	313	321	323
Kiribati	136	162	189
Malaysia	333	335	321
Nauru	20	20	17
Papua New Guinea	96	68	121
Philippines	67	67	66
Samoa	1238	1454	1690
Solomon Islands	511	590	593
Taiwan	20	20	20
Thailand	627	637	634
Tonga	1563	1687	1822
Tuvalu	70	64	80
Vanuatu	3435	3726	4171
Vietnam	-	-	-
Total	8483	9278	10437

Thirdly, the student visa pathway is also a common migration pathway for migrants from developing countries. However, the recent crackdown on fraud in the student sector via student agents, particularly from the Indian market has seen a significant drop in the number of migrants from this market. Most student visa holders can work for up to 20 hours a week if they are enrolled in full time study.

⁶² <https://www.immigration.govt.nz/about-us/research-and-statistics/statistics - RSE - Recognized Seasonal Employer Scheme arrivals>.

5.9 Factors affecting access to existing pathways

There are several factors which currently impact access to possible immigration pathways for citizens of Pacific Island countries. They include government commitment and agreement to providing access, immigration policy settings and potentially the costs associated with migrating.

5.9.1 Government Agreement

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus) concluded negotiations on 20 April 2017 with regard to enhancing labour mobility schemes between Australia and New Zealand and Pacific Island Countries.

New Zealand has committed to enhancing the RSE scheme (which supports labour mobility of migrant workers in the horticulture and viticulture sector) to create further opportunities for PICs. New Zealand is also trialling a labour mobility scheme for Pacific workers through a Canterbury Reconstruction Pilot. There are no current discussions on including opportunities in the aged care sector in New Zealand within the labour mobility schemes contemplated by the countries participating in the PACER Plus arrangement. Thus there is no current government commitment or intention to use the PACER Plus agreement to create further opportunities in the aged care sector.

5.9.2 Immigration Policy Settings

The current existing pathways for PICs into the aged care sector in New Zealand are through the following policies:

- ▶ Essentials Skills visa policy
- ▶ Pacific Access Category
- ▶ Partnership Category.

None of these policies create specific pathways for migrants to enter the aged care sector. The recent changes to the Essential Skills work visa policy make it more difficult for employers in the aged care sector to recruit and retain migrant staff because of the newly announced visa conditions which apply to lower skilled workers⁶³. Most aged care sector workers (as identified in Appendix C) will be classified as “lower skilled.” The new visa condition for lower skilled visa holders are as follows:

⁶³ Remuneration less than \$35.25 per hour or ANSZCO level 4 or 5.

One year visa duration:	Lower skilled visa holders will only be issued visas for up to one year at a time, to a maximum of three years. A new visa application must be lodged every 12 months and a labour market test must be met during each application. The annual re-lodgement and assessment of the applicant provides the migrant and employer with very little certainty, increased financial burden and on-going labour market tests to satisfy.
Stand down period:	After a third lower skilled visa is issued under the Essential Skills visa policy a stand down period of one year is required (applicant must remain offshore).
No partners or dependents:	Primary applicants who hold a lower skilled Essential skills work visa can no longer support dependents or spouse. Given the majority of workers in this sector are female and over the age of 45 the inability to bring family to New Zealand may deter many from migrating.

The New Zealand Aged Care Association’s (NZACA) submission⁶⁴ on the changes to the Essential Skills policy sets out their concerns with regard to the proposed (and now enacted) changes to the Essential Skills work visa policy, specifically those impacts related to the creation of a “lower skilled” category. Many of their concerns are captured in “Annex Three: Detailed summary of submissions by sector” in the relevant Cabinet Paper⁶⁵. Some of the impacts identified by the sector include:

- ▶ Increased cost on employer – through increased recruitment and training costs and a reduction in productivity due to turn over
- ▶ Three years may not be long enough for someone to upskill to a mid or higher-skilled role
- ▶ Stand down period may be too long and disruptive to the sector
- ▶ Partners on open work visas are a perceived important source of labour in the sector
- ▶ Workers who have families are generally more mature, reliable and productive
- ▶ Lower-skilled workers will be unable to afford International student fees for their dependent children
- ▶ Workers are less likely to integrate well if they do not come with their families.

⁶⁴ New Zealand Aged Care Association, Submission to the ministry of Business, Innovation & Employment on the Suite of proposed changes to the Essential Skills visa (19 May 2017)

⁶⁵ Ministry of Business, Innovation & Employment - Cabinet Paper (July 2017) “Report back on the consultation on proposed changes to Essential Skills visa policy”, p. 30.

5.9.3 Cost of Migration

Finally, based on our review of the number of PIC who utilise the PAC it is possible that the cost of migrating to New Zealand may be too high and create a barrier.

Table 5.17: As the table⁶⁶ notes below, the quotas under the Pacific Access Category are not fully utilised.

Country of origin	PAC Annual Quota	Actual approvals FY2014/15	Actual approvals FY2015/16	Actual approvals FY2016/17
Fiji	250	3	115	109
Kiribati	75	43	57	36
Tonga	250	120	129	112
Tuvalu	75	38	49	51
Total		204	350	308

It is possible that the registration fee and lodgement fees for residence under the PAC are a barrier for some migrants. A job offer is required in order to be granted residence but the same is true under the Essential Skills visa policy thus the same potential barrier exists under both the temporary and residence pathways. Given the maximum quotas have not been met in the past three years it is possible that something about the application process, including the fee, prevents the full quota from being reached.

Table 5.18:

Country of origin	First ballot registration while in New Zealand (NZD)	Residence application in New Zealand (NZD)	First ballot registration while in home country (NZD)	Residence application in home country (NZD)
Fiji	\$75	\$1123	\$78	\$1100
Kiribati	\$75	\$1123	\$79	\$1100
Tonga	\$75	\$1116	\$77	\$1095
Tuvalu	\$75	\$1123	\$78	\$1100

⁶⁶ These numbers are all approved entrants under the scheme; they include both the principal applicant and their supported family members.

5.10 Recommendations and proposed future direction

5.10.1 Recommendations - New Zealand

Given the significant changes to the Essential Skills visa policy announced this year and the anticipated Phase Two work to be undertaken by MBIE with the aged sector we recommend the following:

- ▶ Industry participation and engagement with MBIE on specific sector focused solutions based on data and desired outcomes for the sector and PIC
- ▶ Industry involvement in the PACER Plus arrangement to explore whether a labour mobility trial should be undertaken in the aged care sector
- ▶ Further research into what the barriers exist for migrants using the PAC residence program given the quotes are not met on an annual basis.

5.10.2 Recommendations - Australia

The following will expand access to the labour market for PICs in the aged care sector in the near future:

- ▶ Active engagement by the aged care sector industry and aged care providers with the Microstates Worker Pilot until July 2018 and the Pacific Labour Scheme, including the Pacific Labour Facility, thereafter
- ▶ Expansion of the Pacific Labour Scheme by removing annual caps and expanding the scheme to other Pacific island countries
- ▶ Inter-governmental agency and industry co-operation
- ▶ Inter-departmental committee to establish and monitor the program
- ▶ Labour Agreements:
- ▶ LASA and member organisations to consider negotiating an aged care industry Labour Agreement to enable sponsorship of workers by employers in non-regional and rural areas
- ▶ Aged care providers may also pursue company specific Labour Agreements

5.10.3 Future Directions

The experience of other labour receiving countries with comparable demographics will inform the development of the most appropriate labour mobility model for the aged care sector for Australia and New Zealand.

Table 5.19:

Work permit and visa options available to overseas workers in lower skilled occupations in the aged care sector

Country	Are standard work permit/ visa options available?	Do any special immigration programmes cater to lower skilled occupations in the aged care sector?	Do any special immigration programmes cater to the development needs of neighbouring countries?	Are there any permanent immigration options lower skilled occupations in the aged care sector?
Australia	<p>No</p> <p>Access to the TSS Visa programme and employer nominated permanent residence is limited by skilled occupation lists and minimum salary thresholds.</p>	<p>Yes</p> <p>Labour Agreement - employers or peak bodies may negotiate a Labour Agreement with federal government where a labour shortage in a lower skilled occupation is clearly demonstrated.</p> <p>Negotiations are rigorous and agreements are tightly regulated.</p> <p>From July 2018 the Pacific Labour Scheme will enable aged care facilities in rural and regional areas to employ personal carers for up to three years.</p>	<p>Yes</p> <p>Seasonal Worker Programme - workers from Pacific island countries for seasonal work in agriculture sector, and accommodation and tourism sectors in selected areas of Australia.</p> <p>Pacific Labour Scheme from July 2018 – work for up to three years in rural and regional areas in hospitality and tourism, aged care, disability care and non-seasonal agriculture, forestry and fishing industries.</p> <p>Pacific Microstates – Northern Australia Worker Pilot Programme to be replaced by Pacific Labour Scheme.</p>	<p>Yes, restricted</p> <p>Labour Agreements may be negotiated for permanent residence.</p>
Canada	<p>Yes</p> <p>Since November 2014 (when the Live-in Caregiver Program was closed) all work permit and visa options available to foreign nationals generally also apply to those seeking to work in Canada as caregivers for elderly people.</p> <p>Requirements include labour market testing, caps on the number of positions, compliance with workplace laws, market wage rates. Employers must pay round trip travel costs and provide or ensure suitable and affordable housing⁷².</p>	<p>Yes</p> <p>In November 2014, Canada established the “Caring for People with High Medical Needs” as a pathway to permanent residence for qualified workers, including those in lower skilled occupations caring for elderly people.</p>	<p>No</p> <p>Canada’s Immigration and Refugee Protection Act sets out the government’s objectives in establishing immigration programs. Canadian immigration programs are established to pursue Canada’s interests (including economic and trade, social, health, security, and international justice), and to respect its international obligations, and not for the development needs of other countries.</p> <p>That said, under the “Seasonal Agricultural Workers Program”, Canada does have agreements in place with Mexico and countries in the Caribbean to recruit and select foreign nationals to work in the agriculture sector.</p>	<p>Yes</p> <p>Under the “Caring for People with High Medical Needs” pathway, foreign nationals who gain 2 years of full-time work experience in Canada in specific lower skilled occupations (specifically, nurse aides, orderlies, patient service associates, and home support workers) may apply for permanent residence. Each calendar year, Canada allocates 2,750 visas for permanent residence under this program.</p>

⁷² <https://www.canada.ca/en/employment-social-development/services/foreign-workers/median-wage/low/requirements.html>

New Zealand	Yes	No	Yes	Yes
	Essential Skills work visa is available	No arrangements targeted at sector. However, Pacific Access Residence category may be utilised.	The Recognised Seasonal Employer (RSE) scheme and Pacific Access Residence category.	Pacific Access Residence category
United Kingdom	No	No	No	No
	<p>Access to Tier 2 categories is limited by minimum salary thresholds and skilled occupations lists. Regulated Qualifications (RQF) Framework Level 6, e.g. managers and professionals are listed. Lower skilled RQF Level 3 occupations such as Nursing auxiliaries and assistants are not listed.</p> <p>Several categories most of which have counterparts in Australia's visa system allow any work including: Family members of work permit holders; Tier 5 Youth Mobility Scheme visa for citizens of countries with a reciprocal agreement only.</p>		European Economic Area workers are able to travel to the UK and work (but this may change with Brexit outcomes).	

Finally, any path forward will necessarily involve the participation of the PICs, the work of the Pacific Immigration Director Conference, the Australian and New Zealand governments and the aged care sector.

The current focus at the New Zealand government level is to increase labour mobility throughout the Pacific region in order to fill short term labour gaps (e.g. RSE scheme) and to provide opportunities and well paid work for PICs. Thus, the focus at the New Zealand government and policy setting level is on a labour mobility programme which is temporary in nature. This focus benefits from the recent Essential Skills policy changes.

Australia's immigration programme is heading in a similar direction with the introduction of the TSS visa from March 2018 and the probable new category of provisional permanent residence. Visa options for workers in lower skilled occupations in the aged care sector are limited and primarily short-term. The Pacific Labour Scheme is intended to promote development in the Pacific through circular migration with three years maximum employment followed by an "exclusion period".

However, the aged care sector is looking for longer term labour solutions. Thus, while the New Zealand RSE scheme is a good example of a programme which supports the needs of the horticulture and viticulture sector and PICs in a mutually beneficial manner, the same concept is unlikely to meet the labour demands in the aged care sector given the work is neither seasonal nor temporary in nature. Australia's Pacific Labour Scheme will address the needs of the sector. However, only a limited number of providers in the sector operating outside the major metropolitan areas may access the scheme which is further limited by restricting PICs to a temporary stay in Australia of two years with the option to extend for one further year.

The aged care sector is looking for labour solutions that provide continuity of care across the entire sector. The sector requires a source of labour that is supported by policies which allow visa holders to remain for longer periods of time, supported by their family and with access to training and upskilling. An immigration solution that creates pathways for PIC into the aged sector must then involve the resolution of the conflict between the short term labour mobility focus of the Australian and New Zealand governments and the longer term continuity needs of the aged care sector.

5.10.3.1 Labour Agreement framework

Australia's Labour Agreement framework provides a viable tested model for tailored solutions to specific labour market challenges including challenges experienced across an industry sector. While the framework has historically applied to the Australian subclass 457 visa (and now applies to the TSS visa) it can be applied to other visa programmes including the subclass 403 visa. The concept may also be transferrable to the New Zealand migration programme.

Benefits of expanding a Labour Agreement framework to both the aged care sector more broadly and the targeted Pacific labour mobility programmes include:

- ▶ Rigorous negotiation processes to satisfy concerns of government and industry stakeholders and ensure public confidence
- ▶ Specification of an agreed visa arrangement
- ▶ Transparency
- ▶ Leverage long history of interdepartmental cooperation and experience
- ▶ No limitation on issues the terms and conditions of an agreement may address
- ▶ Agreements typically include terms and conditions to ensure no adverse impact on local labour market and local training opportunities
- ▶ Terms and conditions may also be agreed upon to ensure development goals are met including skills transfer to home country
- ▶ Terms and conditions could shift some responsibilities that impact access to Australia and New Zealand by PICs to the industry and employers which benefit from labour mobility such as:

- ▶ shifting or sharing responsibility for travel costs, consistent with the Canadian model and elements of existing visa programmes and employer obligations in Australia and New Zealand
- ▶ shifting or sharing responsibility for housing consistent with the Canadian model and consistent and elements of existing visa programmes and employer obligations in Australia and New Zealand
- ▶ shifting or sharing responsibility for achieving development goals currently borne by PICs such as remittances to home country
- ▶ Mature framework of interdepartmental regulation and monitoring of compliance with immigration and workplace laws to protect vulnerable workers
- ▶ Sanctions for non-compliance may be incorporated into terms and conditions
- ▶ May provide a well-managed pathway to permanent residence avoiding problems associated with a temporary worker scheme
- ▶ Retention after grant of permanent residence may be encouraged through discretionary provisions for visa cancellation for a specified number of years.

5.10.3.2 The Canadian model

Canada’s “Caring for People with High Medical Needs” pathway provides a more flexible option for aged care workers sponsored by individual employers. The pathway broadly resembles standard employer sponsored programmes in Australia and New Zealand. However, the Canadian model is not consistent with the current directions of migration policy in Australia or New Zealand explained above.

Canada’s “Caring for People with High Medical Needs” pathway has been in operation for nearly three years since November 2014. The outcomes of this pathway should be examined in detail to assess its appropriateness for Australia and New Zealand. Particular attention should be paid to employer compliance and the welfare outcomes for vulnerable temporary workers. As workers may seek permanent residence after two years under this pathway, a sufficient number of workers may now have gained permanent residence with some ability thereby to determine retention rates in the sector in addition to other settlement outcomes.

As the Canadian model includes many of the controls necessary (labour market testing, market salary rates, worker welfare, employer responsibilities) for successful implementation outside Canada it may be able to be appropriated for an effective labour programme for the aged care sector in Australia and New Zealand in the longer term.



Diasporas of Pacific Islanders



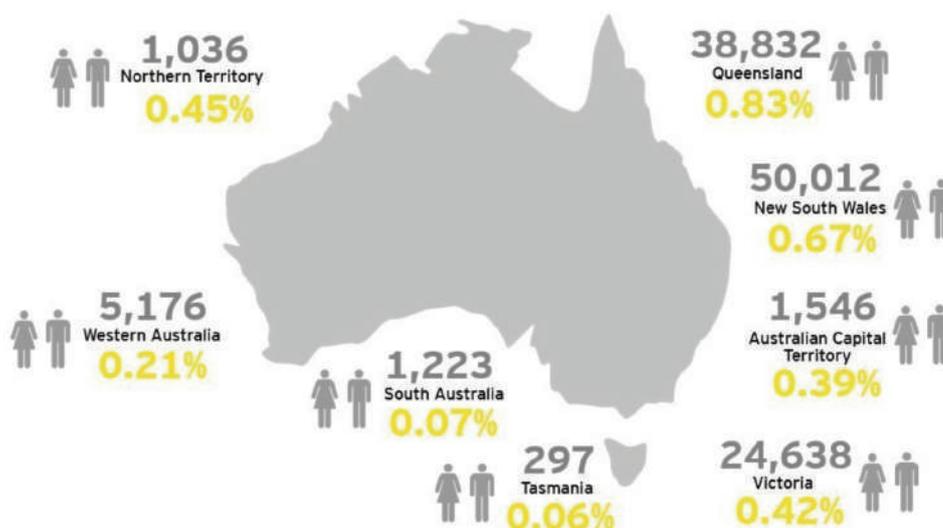
6. Diasporas of Pacific Islanders

For the successful migration and settlement of Pacific Islanders, many commentators note, it is desirable for a social support structure to exist within the community. Understanding the historical migration patterns of Pacific Islanders to Australia and New Zealand is consequently critical in establishing where future migrants may settle to feel most comfortable.

6.1 Australian communities

The 2016 Australian census data indicates Pacific Islanders are predominately located on the continent's East coast. Queensland has the highest proportion of Pacific Islanders, with 0.83 percent of the State's population identifying themselves to be of Pacific Islander Ancestry⁷³, followed closely by New South Wales with 0.67 percent. This is illustrated in Figure 35 below.

Figure 6.1 Distribution of Pacific Islanders: Numbers per 1st Response Ancestry and as % of Total Population



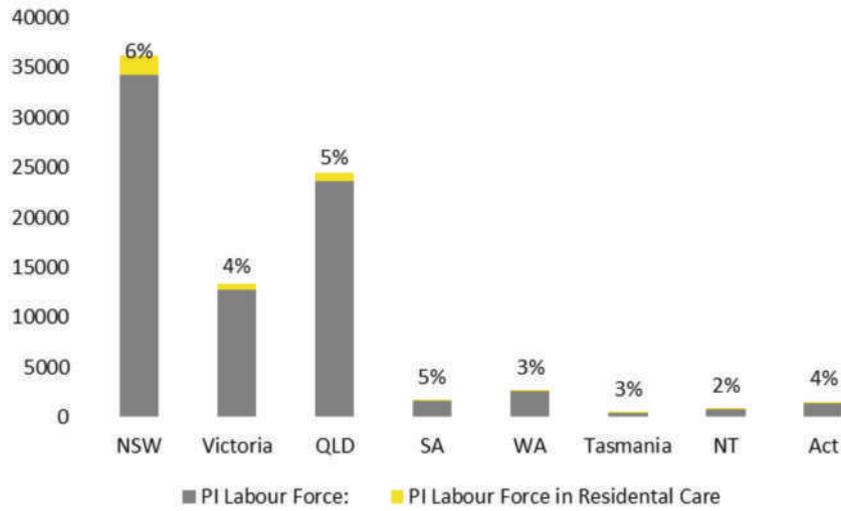
Australia is an important migration destination for some PICs. Based on the countries in the scope of this report there are 123,174 Pacific Islanders in Australia. Of these, 90 percent are from Polynesia, 1 percent from Micronesia and 9 percent from Melanesia. Since 2011, there has been an increase in the percentage from Melanesia; from 1 percent to 9 percent in 2016 (ABS, 2011).

⁷³ For defining population within the ABS, Ancestry has been used as the definitive metric as it's a better indicator to assess overall stock of ethnic Pacific Islanders in Australia over place of birth. This is because place of birth excludes the New Zealand migration pathway to Australia and includes people born in Pacific Island countries who do not identify as Pacific Islanders.

The higher proportion of Pacific Islanders already present in the Eastern states increases the opportunities for new migrants to connect with existing Pacific Islander communities, and allows for targeted employment and training programs to be more efficient, if that's where new migrants are able to settle.

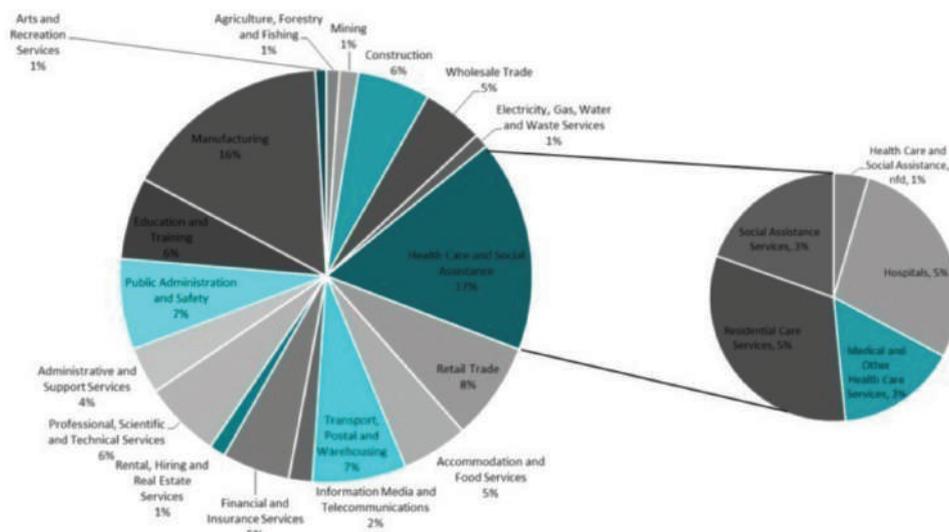
In 2011, there were roughly 81,222 Pacific Islanders (by birth) working across Australia, of which 5 percent were working in Residential Care Services. As seen in Figure 36, New South Wales and Queensland had the highest proportions in residential care.

Figure 6.2 Proportion of the Pacific Islander Labour Force working in Residential Care



The remaining Pacific Islander labour force works in a variety of industries. As seen in Figure 37, 'Manufacturing', and 'Health Care and Social Assistance', have the largest proportion of the labour force. Residential Care services is reflected in 'Health Care and Social Assistance', and it can be asserted that residential care is one of the largest employers of Australians born in the Pacific Islands.

Figure 6.3 Pacific Islander workforce across industries (ABS, 2011)



6.1.1 Pacific Islanders in Queensland

In this capacity, examining where in Queensland the distribution of Pacific Islanders is highest, will give a sense of potential support for workers who have been relocated to support the aged care sector. This idea illustrated in Figure 38 which reflects a heat map of the Pacific Islander population in Queensland.

Figure 6.4 Across Queensland



Figure 6.5 Brisbane and Surrounds

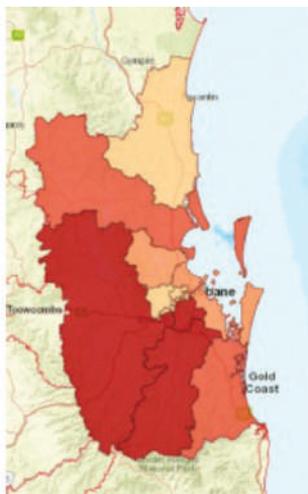
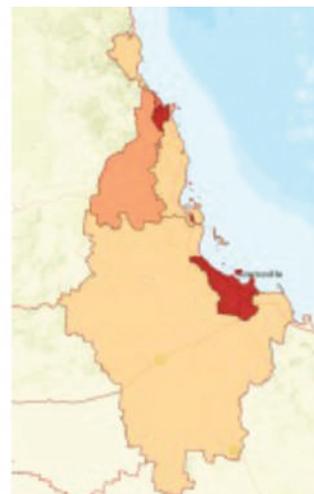


Figure 6.6 Cairns and Townsville



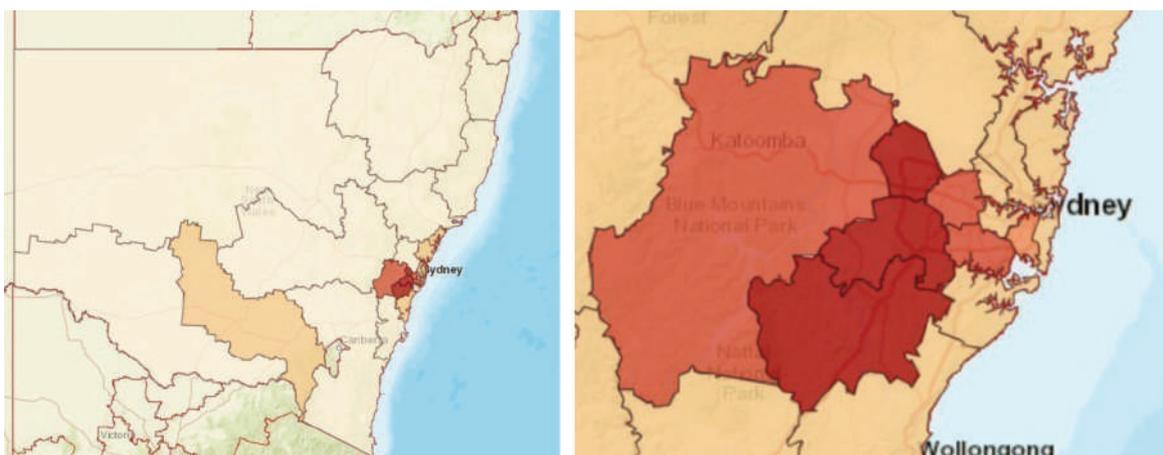
In Northern Queensland, the highest concentration is around Cairns and Townsville, with a combined population of 4,154 (see Figure 40). In Southern Queensland, the highest concentration is around the Brisbane area, in particular around Brisbane South, Ipswich and Logan – Beaudesert (see Figure 39); with a total population of 19,306 Pacific Islanders.

A few towns or cities that stand out with relatively sizeable Pacific Islander communities are thus North & South Cairns, Innisfail, Townsville, Mackay and Rockhampton above the Tropic of Capricorn, and Brisbane and surrounds, below that line. Consequently, these would be favourable places for Pacific Islanders to work as existing support is already in place.

6.1.2 Pacific Islanders in New South Wales

Similar to Queensland, New South Wales has pockets of concentrated Pacific Island population in the Western suburbs of Sydney and in the Blue Mountains; as shown in Figure 41. The total population of this region reaching 38,634.

Figure 6.7 Distribution of Pacific Islanders across New South Wales



Outside of the urban area of Sydney, the Riverina Area of NSW, has 1,021 Pacific Islanders. As seen in Figure 41, this population is centred around the regional centre of Griffith. For a Pacific Islander community to be located in a specific regional area is evidence of a successful adjustment to Australian culture, as well as providing evidence of growth. The Pacific Islander population of Griffith was 570 in 2011, and in 2016 grew to 782. In 2016, Pacific Islanders made up 4 percent of the local Griffith population; almost six times the proportion of Pacific Islanders across the entirety of New South Wales. Choosing towns or cities that have an existing Pacific Islander population, ensures support for new migrants. In turn enabling a smooth transition to Australian society.

6.2 New Zealand communities

Pacific peoples represent New Zealand's fourth-largest ethnic group behind European, Maori and Asian ethnic groups. Since 2016, New Zealand's Pacific Island population has grown both in number and proportion of population. In 2013 Pacific Islanders comprised 7.4 percent (295,941 people) of New Zealand's total population⁷⁴.

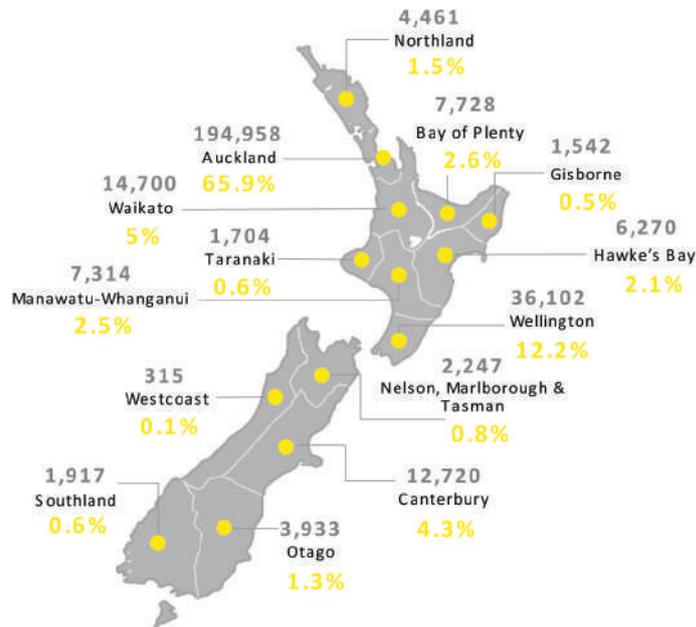
This growth trend is set to continue with population forecasts predicting an average annual increase in New Zealand's Pacific Island population of 1.7 percent over the next two decades. By 2038, it is expected that the number of Pacific Islanders living in New Zealand will reach over half a million, making up 11 percent of New Zealand total population. While almost two-thirds (62.3 percent) of NZ's Pacific Islander population are New Zealand born, this significant and increasing population base provides a well-established community and social support network for future Pacific Islander migrants to New Zealand.

However, as Figure 42 shows, New Zealand's Pacific Islander community is predominantly centralized around Auckland. The Auckland region is home to two-thirds (65 percent or 194,958 people) of New Zealand's total Pacific Islander population, a stark contrast to the 7.1 percent (21,135) of people in the South Island who identify with at least one Pacific ethnicity.

⁷⁴ 2013 NZ Census

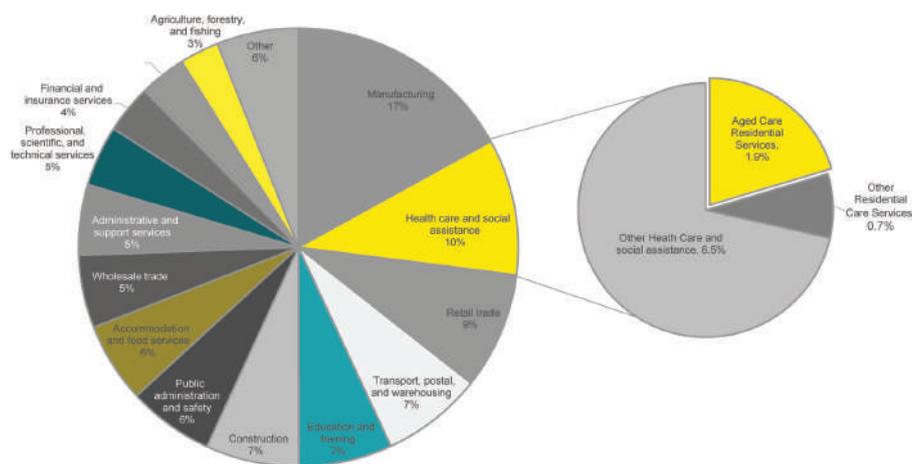
These historical migration patterns of Pacific Islanders to New Zealand presents a challenge for future Pacific migrants to New Zealand's South Island, as they may find it difficult adjusting with limited opportunities to connect with existing Pacific Islander communities.

Figure 6.8 Distribution of New Zealand's Pacific Island population



In terms of the Pacific Islander workforce in New Zealand, it is found that this group made up 5 percent of New Zealand's total workforce in 2013, with the health care and social assistance industry being the second largest employer of Pacific Islanders (10 percent) in New Zealand, and Pacific Islanders making up 7.5 percent of New Zealand's Residential Aged Care Services sector.

Figure 6.9 New Zealand's Pacific Island workforce across Industries



While there has been a 15 percent increase in the amount of workers in this sector between 2006 and 2013 the proportion of Pacific Islanders working within the sector has remained fairly static at around 7 percent.

Supply-side: Vocational training in the Pacific



7. Supply-side: Vocational training in the Pacific

7.1 Overview of training institutions

Throughout the Pacific Islands, vocational training is given through a variety of colleges, universities and institutions, across a large number of subjects, courses and programs, towards a large number of qualifications and degrees.

This study is focused on suitable graduates from a range of Pacific Island Education Institutions. These include (but are not limited to) the Australian Pacific Technical College (APTC), IEA College of TAFE, Fiji National University (FNU), and the University of the South Pacific (USP):

- The IAE College of TAFE, offers over 25 programs (some of which can be Australia accredited), led by over 22 staff, for over 1,000 students, across various levels of certification and diplomas. IAE has four campuses at Ela Beach in Port Moresby, the National Capital District, Coronation TAFE in Lae, Morobe Province, Kimbe TAFE in Kimbe, West New Britain Province and at the Mt Hagen TAFE Campus in Mt. Hagen, Western Highlands Province.
- The APTC prides itself on its Australian standards of qualifications, working closely with industry representatives from across the Pacific to ensure their training programs are relevant to the market demand. Funded by the DFAT and managed by TAFE Queensland⁷⁵, the APTC has campuses across 5 locations – Fiji, PNG, Samoa, Vanuatu and Solomon Islands. With qualifications available across 19 industries, it is the premier institution for providing graduates of an Australian approved standard.

Table 7.1: Graduate cohorts op the Australian Pacific Technical College

Course	Total Graduates	Average per Annum	Total migrations reported
Certificate III in Commercial Cookery	899	90	
Certificate III in Hospitality	1435	159	
Certificate III in Home and Community Care/Certificate III in Aged Care or Certificate III in Individual Support (Ageing, Home and Community)	217	36	2*
Grand Total	2551		2

* Concerns two Samoan graduates migrating to New Zealand and the US.

⁷⁵ TAFE Queensland managed Stages 1 and 2 of the APTC. There is currently a competitive tender process to determine which organization will manage Stage 3 of the APTC – which will commence in July 2018. See more at <http://dfat.gov.au/about-us/business-opportunities/tenders/Pages/investment-concept-for-planned-aptc-stage-3.aspx>

- Formally established in 2010, FNU amalgamated several institutions (including the Fiji Institute of Technology and the School of Medicine), to encompass 5 colleges and the National Training and Productivity Centre. In relation to aged care, the College of Business, Hospitality and Tourism Studies, College of Humanities and Education, as well as the College of Medicine, Nursing and Health Sciences provide the most relevant qualifications (see section 6.3). With campuses at 33 locations, running 30 courses and over 1500 members of staff, there are over 20,000 students per annum.
- Established in 1968, the USP is jointly owned by the governments of 12 member countries: Cook Islands, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Samoa. With 14 campuses, including those in the member countries, and over 1500 members of staff, the College of Business, Tourism & Hospitality provides qualifications relevant to aged care.

While FNU and USP provide certification that has not been formally identified as passing Australian standards, these courses can be seen as valuable in establishing qualification and experience of applicants, but it is for the discretion of the Australian Department of Immigration and Border Protection, or Immigration New Zealand, to determine whether these certifications qualify individuals to work within aged care in Australia or New Zealand.

Other tertiary educations in the Pacific Islands include the Tonga Institute of Higher Education, the Áhopanilolo Technical Institute, the Vanuatu Institute of Technology, the Tarawa Technical Institute, as well as further TAFE-delivered Vocational education and Training (TVET) providers across multiple nations of the Pacific Islands. However, these institutions do not provide qualifications relating to aged care.



7.2 Review of qualifications

While only the APTC and the IAE College of TAFE offer Australian accredited courses (at an additional cost to students), graduates from FNU and USP may enter Australia or New Zealand for roles that don't require certification. Their qualification from the Pacific Islands is to be taken into account as relevant experience at the discretion of the Australian Department of Border Protection and Immigration or Immigration New Zealand.

Table 7.2: Overview of available graduate cohorts for the occupations in scope

Occupation	Program	Institution
Aged or Disability Carer	Bachelor of Nursing	FNU: College of Medicine, Nursing and Health Sciences at the Tamavua campus
Nursing Support Worker	Certificate III in Individual Support (Ageing, Home and Community)	APTC in Fiji
Personal Care Assistant (PCA)		
Therapy Aide		
Cook	Certificate III or IV in Commercial Cookery	APTC in Fiji, PNG, Vanuatu and Samoa
		USP: College of Business, Tourism & Hospitality Programmes: Pacific TAFE
		IEA College of TAFE in Vanuatu
Waiter/Waitress Hospitality Worker Cleaner Laundry Workers Kitchen hand	Certificate III or Certificate IV in Cookery	FNU: College of Business, Hospitality and Tourism Studies, at the Nadi and Nasese campuses
	Certificate III in Hospitality (Food and Beverage)	APTC in Fiji, PNG and Vanuatu
	Certificate III in Hospitality (Multi-skill small accommodation)	APTC in Samoa and Solomon Islands
	Certificate IV in Hospitality Operations (events, food, & beverage, and front office)	USP: College of Business, Tourism & Hospitality Programmes: Pacific TAFE in Vanuatu
	Certificate III and IV in Hospitality	IEA College of TAFE in Papua New Guinea
	Certificate II in Kitchen Operations	IEA College of TAFE at Coronation and Ela Beach
	Certificate III or Certificate IV in Restaurant Services	FNU: College of Business, Hospitality and Tourism Studies at the Nadi and Nasese campuses
	Certificate III and IV in Housekeeping and Accommodation Operations	FNU: College of Business, Hospitality and Tourism Studies
Gardeners Landscape Gardeners Garden Labourer Caretaker Handyperson	Qualification and experience applicable to the role, to be determined by the Australian Department of Border Protection and Immigration and Immigration New Zealand on a case-by-case basis (see Section 5).	

As seen in the table above there are graduates for the identified positions in aged care in Australia and New Zealand. As previously identified, the position with the most potential for employment is the PCA or HCA role. Within New Zealand and Australia, there are no minimum or mandatory training or qualifications needed to work in a rest home. However, the qualifications of the Pacific Islanders give them eligibility and experience in applying for those roles.

7.3 Skill gaps of Pacific Island graduates

Desktop research into both the course content and course delivery at a selection of Australian and New Zealand colleges, as well as the courses in the Pacific Islands found minimal skills gaps in Pacific Islander graduates. In some aspects the requirements are of a higher standard.

Within Australia, Certificate III in Individual Support, is the common qualification for aged care and disability. Through this course, students complete core units before deciding to specialise in ageing, home and community or disability care. This Certificate III, is followed by a Certificate IV in Ageing Support. Across these courses, students must now complete a minimum of 120-hour workplace requirement. Competencies are now assessed within this workplace, or within a simulated one, providing all graduates with relevant and recognised experience when entering the industry.

In New Zealand, students become qualified through a Certificate in Health and Wellbeing (Level 3, 4 or 5). Fulltime across a 6 month period, or part-time equivalent, this qualification is transferable across the health and wellbeing sector, as well as covering field experience.

Comparing Australian and New Zealand qualifications in aged care to those provided in the Pacific Islands; the APTC Certificate III in Individual Support, is completed over a 6 month time period with a minimum of 150 practical hours, the FNU Bachelor of Nursing is over 3 years, and the FNU Certificate III in Aged Care, is completed over 1 year fulltime, student having been accepted into the course based upon their 'maturity, work experience, or prior learning' as well as fluency in English.

Although not a skills gap, there is concern towards the qualifications, as to the nature of how elderly are cared for when there are minimal to no residential care facilities in the Pacific Islands. Graduates often gain experience through a simulator classroom with electronic beds and hoists. This may be valuable, but it isn't the real setting where there may be a number of other factors which need to be considered during the care of a resident.

In determining appropriate applicants, applied skills, particularly social skills, are crucial in successful migration into the Australian or New Zealand working environment. Social skills/attributes such as patience, a caring nature, common sense, good communication skills, respect and the ability to work in a team, are highly relevant to the aged care industry. An applicant who exemplifies these skills would be considered for a role in aged care, regardless of the potential inadequate formal qualifications.

Note the above analysis is limited, as input from the Pacific Island educational institutions was unable to be obtained. Information was instead collected through an online search, rather than direct stakeholder engagement. Future studies and research may extend their understanding of the courses provided in the Pacific Islands with greater and more successful stakeholder engagement.

7.4 Cultural differences and fit

As discussed earlier, both in Australia and New Zealand, a high proportion of aged care facilities and providers already employ workers from different ethnic or cultural backgrounds. Sector commentators provide a variety of reasons for this, ranging from the need to fill vacancies through overseas recruitment to a cultural or linguistic fit with the particular community being served. Historically, migrant workers into the sector tended to come predominantly from countries where English was the primary language, but more recently a shift is noticeable towards more diverse backgrounds, including those whose native language is one other than English (LOTE).

Although the sector seems to have quite a culturally and linguistically diverse workforce, overseas recruitment has not been identified as a central response to the problem of skill shortages for Health Care Assistant and Personal Care Worker roles in aged care. The 2016 Aged Care Workforce Report for Australia, found skill shortages are being addressed by existing workforce working longer hours or greater use of agency staff. Conversely, the 2016 New Zealand Aged Care Workforce Survey established that there is a shortage of workers in aged care, which is being addressed by the increased utilization of immigrants.

Overseas workers, whose first language is not English, give a variety of reasons as to why they would choose to work in the Australian or New Zealand aged care sector:

- Getting previous experience as health or care professionals (including broader care occupations such as teaching) recognized and accredited in Australia or New Zealand by studying towards Australian or New Zealand qualifications, and working as lower skilled Personal Care Worker or Health Care Assistant
- Workers in the interim [due to visa restrictions]
- Transferring into a new profession coming from different occupational areas, and using aged care as an entry-level job that is readily available and will provide workers with training and exposure to the Australian or New Zealand workforce
- Pragmatic reasons related to getting a steady income and employment.

The high percentage of Pacific Islanders already working in residential care services across Australia and New Zealand would indicate cultural differences are yet to prevent employment or create conflict within the workplace. The Pacific Islands encompass a huge variety of cultural groups and nationalities from the areas in scope; Polynesia, Micronesia and Melanesia, and commentators suggest that Pacific Islanders lead a very social lifestyle with a strong community-focus. Ancient customs and traditions based on principles that promote honorable lifestyles remain embedded in modern Pacific Islander culture. Consequently there should be little to no concern relating to the hiring of individuals from the Pacific Islands. Historically, their employment in aged care has not been considered an issue, and their culture exemplifies individuals whom would be highly suited to the role and to the responsibilities of an aged care worker.

Mutual Benefits to Employment



8. Mutual Benefits to Employment

8.1 Employer costing

When recruiting directly from overseas, costs to employers typically increase compared to domestic recruitment. Not only are there challenging cultural adjustments and effort required to become accustomed to a new society with different values, social rules and norms, it is also often very costly. This may include relocation costs, travel expenses, accommodation, service fees, insurance, health care and visa requirements.

In both Australia and New Zealand, most skilled occupations are covered by a form of business sponsorship, whereby some of the costs are absorbed by employers. As such, this supports a smoother transition for skilled employees that increases loyalty and staff retention. However, for lower skilled or semi-skilled workers (i.e. Skill levels 3 to 5), employers tend to be more hesitant to invest time and effort into their relocation to Australia or New Zealand, unless significant pressure or scarcity exists warranting such investments.

In Australia, while labour shortages exist against the backdrop of growing demand in the aged care sector, studies show that only 2 per cent of providers have turned to direct overseas recruitment in response⁷⁶. However, this is not to say that there are no migrant workers in the sector. The residential aged care sector reflects the ethnic diversity of Australia, with many cultures and linguistic background employed. However, as our consultations with providers confirmed, many find their way into Australia through other pathways and end up in the aged care sector later. Employers favour these workers, as they do not require the added administrative burden involved with direct recruitment from overseas.

There are a range of associated costs to employing an overseas worker, posing the question of who should fund these additional costs. A breakdown of some of these costs in both New Zealand and Australia include:

- ▶ Flights
- ▶ Accommodation support (3 months)
- ▶ Police record check
- ▶ Visa
- ▶ English language test (IELTS, TOEFL)
- ▶ Medical check-ups
- ▶ HR and administration costs
- ▶ Orientation and on boarding
- ▶ Certificate IV qualification in aged care
- ▶ Medication Assistance Qualifications
- ▶ Health insurance.

⁷⁶ Literature review of the Study of Recruitment and Employment of Migrants in Aged and Community Care with a particular focus on migrants from the Pacific, Richard Curtain (June 2015)

To analyse these costs in more detail, further analysis has been undertaken to understand the impact of these costs in different geographic regions. Figures 44 and 45 below provide a more detailed overview of the ‘upstart costs’ as identified above for a Certificate III qualified Pacific Island migrant worker in Australia and New Zealand respectively. These costs are separated into 4 categories:

- E1** – Costs to employer (includes orientation, HR & admin, upskilling to Certificate IV)
- E2** – Costs to employee (includes health insurance)
- D1** – Negotiable immigration costs (includes flights, accommodation support, and police record check). Note – these may be paid by employer or employee.
- D2** – Non-negotiable immigration costs (includes Visa, IELTS test and medical check-up). Note these may be paid by employer or employee.

To ensure conservative estimates have been made, these figures have been calculated with a 30% upper bound sensitivity. As such, the actual upstart cost figures may be lower depending on market circumstances.

Figure 8.1 Upstart costs in Australia for a Certificate III qualified Pacific Island migrant worker

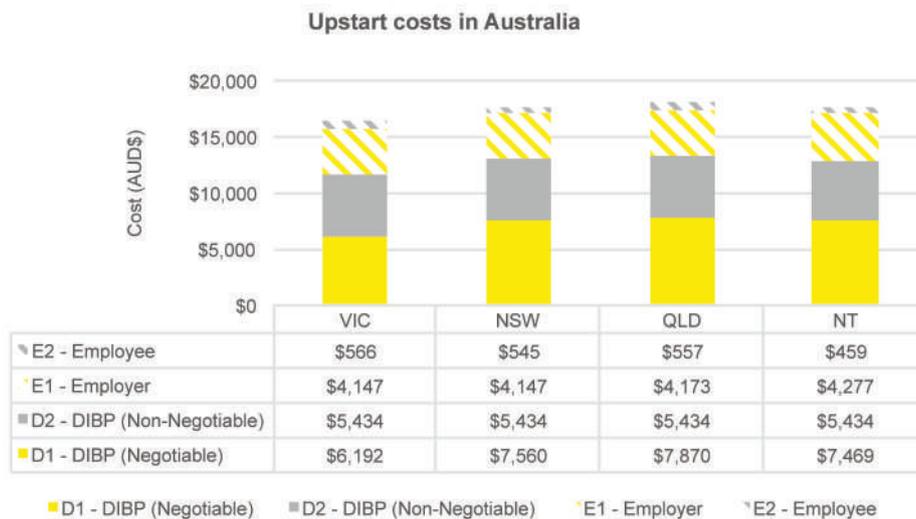
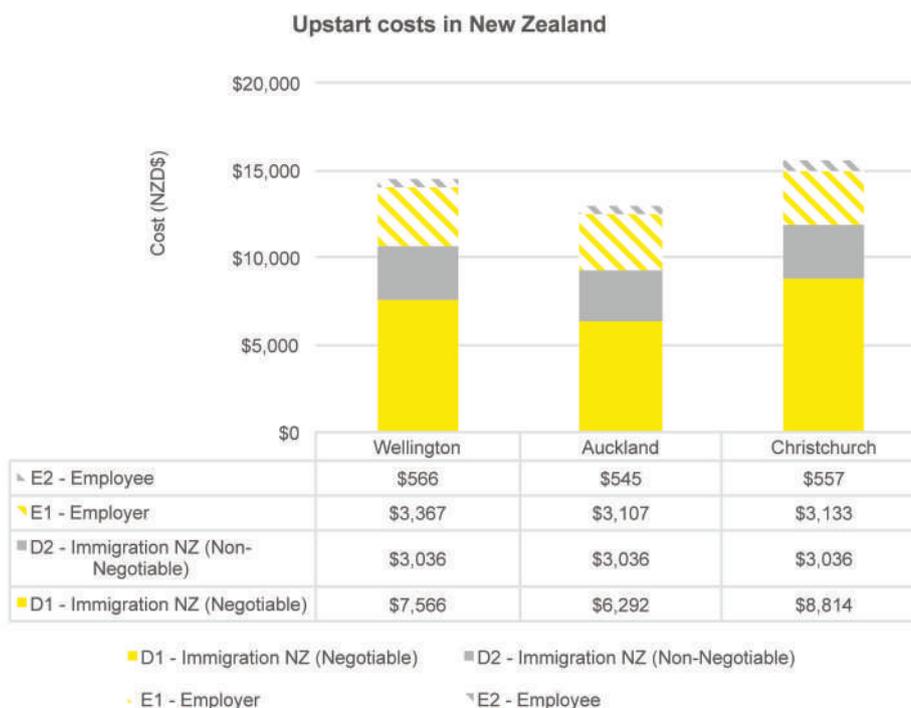


Figure 8.2 Upstart costs in New Zealand for a Certificate III qualified Pacific Island migrant worker



As can be seen from Figures 44 and 45 above, upstart costs can be sizeable in both Australia and New Zealand for employers and employees. Costs in New Zealand appear slightly less expensive, largely due to lower visa costs. However, it is important to remember that costs will be largely determined by individual circumstances and the type of visa ultimately awarded. As visa requirements, and requirements of the aged care sectors, continue to change in Australia and New Zealand, it is recommended that all parties involved clarify expectations as to who pays for which part.

Views from Australian aged care providers

Almost all Australian providers noted that they do not recruit directly from overseas, but rather through Australian agencies or their internal recruitment marketing process. Some providers noted they had limited experience supporting migrants entering the aged care workforce on visas, and noted that many had already been working in Australia prior to their organization. Most of the providers interviewed were interested in the idea of supporting more Pacific Island workers into the workforce if the level of qualifications were adequate, candidates displayed a good demeanor of care and commitment and largely if the process was clear and straightforward for their recruitment teams.

Views from New Zealand aged care providers

When recruiting from overseas, New Zealand providers noted that they generally employ people who are already in New Zealand on temporary work visas rather than recruiting directly from overseas.

- ▶ “We don’t use a recruitment company when it comes to caregivers, we do get a lot of interest when we list on TradeMe and our website, so we usually take that approach”.
- ▶ “We do have an immigration advisor that we use sometimes to help us get a few people in when we need to but we don’t use recruitment companies at the moment.”
- ▶ “We use recruitment companies when it comes to getting migrant working in for construction”.
- ▶ “Already here on visitor visas”
- ▶ “Most of the time people come over on a visitor visa.”
- ▶ “To go through the recruitment process from overseas it is generally an essential skills visa that they come over on. And we help with the visa application process.”

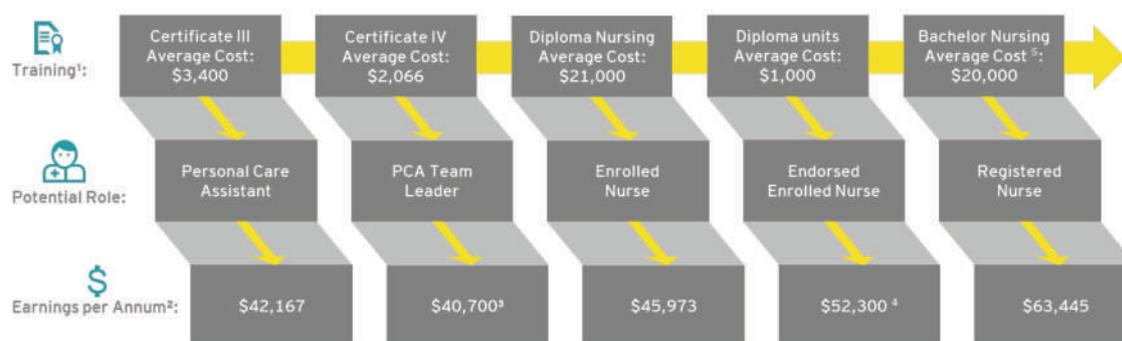


8.2 Earning potential and career progression in Australia

Direct care

Pacific Islanders qualified through a Certificate III program in aged care, and coming over to Australia for employment in the sector can find themselves at the starting point of a pathway. The Nursing Support and Personal Care Workers (PCA) role is the beginning of a career as a care worker. This is visualised in Figure 46 below.

Figure 8.3 Earning potential and career progression for a full time Personal Care Assistant in Australia (in AUD\$)



This career as a care worker develops through experience and formal upskilling and training. From Certificate III entry level, a staff member can work to become a Registered Nurse with a Bachelor Degree. This progression would support the ongoing demand and labour shortages in the aged care sector throughout Australia for qualified and experienced RN's. Important considerations include the increasing training costs to pursue this pathway.

Projecting the gains

To understand the potential gains for Pacific Islanders working in direct care PCA roles in Australia over the next 25-30 years, conservative analysis has been undertaken using the following data throughout this report:

- i) Projected increase in size of the PCA aged care workforce between 2017 and 2022;
- ii) Percentage of Pacific Island workers in PCA roles;
- iii) Average earnings of PCA roles.

Based on this data, the table below outlines the projected gains for Pacific Islander PCA workers from 2017 to 2022.

Table 8.1: Projected gains for Pacific Islander PCA workers from 2017 to 2022.

Expected increase in size of PCA aged care workforce between 2017 and 2022	13,200 employees
% Pacific Islanders working in PCA roles	2.5%
Earning potential of PCA roles	AUD\$42,167
Potential gains (2017-2022)	AUD\$13,915,100

While the aged care sector is expected to grow exponentially until 2050 and the earning potential of PCA workers is likely to increase with inflation, using this conservative 5 year estimate of AUD\$13.9 million worth of gains, the projected gains for Pacific Islanders working in PCA roles in residential aged care from 2017 to 2050 are in the ball park of AUD\$85 million. Alongside conservative estimates of the growth of the PCA aged care workforce, this figure also does not take into consideration potential opportunities for Pacific Islanders in other direct care roles such as Registered Nurses, or in non-direct care ancillary positions.

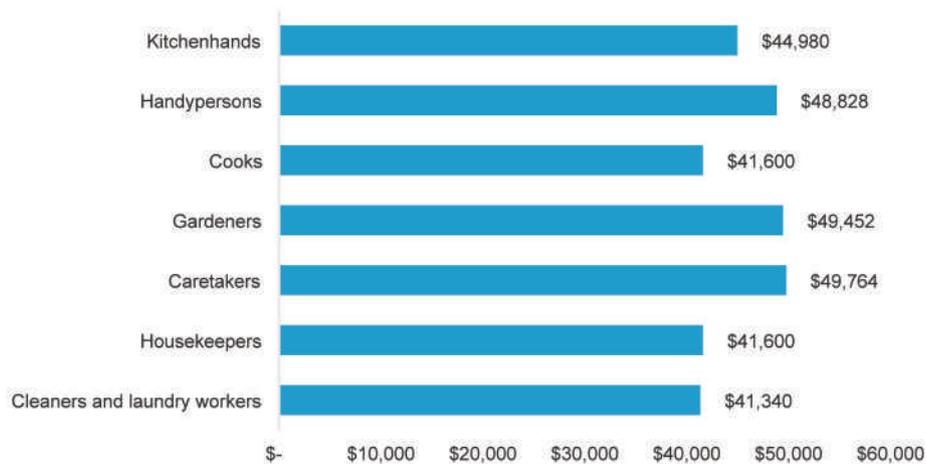
Views of Australian residential aged care providers

Some residential aged care providers have noted that a key part of their longer-term recruitment options involves looking at upskilling care staff internally, especially for providers who find they have relatively high numbers of existing care staff. This is seen as a viable solution to addressing the skills shortages for Residential Nurses, and would involve developing training pathways within the organisation from Personal Care Assistant roles to Enrolled or Registered Nurse roles. However, providers noted that for residential aged care facilities in outer regional and remote areas that are generally smaller in size, they do not have training facilities of high standard with the capacity to upskill their staff.

Non-direct care

For non-direct ancillary care roles (i.e. kitchenhands, cooks, laundry workers and handy persons), earning potential and career progression are significantly different. Employees working in these roles are generally lower skilled, however their skills are more easily transferable across different sectors. The aged care sector is thus in competition with many other sectors for these workers. Figure 47 below outlines the earnings potential for a range of these roles.

Figure 8.4 Earning potential for non-direct care roles



Views of Australian residential aged care providers

Conversations with residential aged care providers found that there is a stable number of candidates for non-direct care roles, and that focus is given to seeking workers for these roles that have demonstrated passion and commitment for working in the aged care sector. Unlike direct care roles, earning potential in the sector is not always competitive with the broader economy. For example, labour shortages in the aged care sector were noted as a result of competition with the mining and acute care sectors. In many regions, such as Gladstone, Mackay and Emerald, the mining industry pay more than double or even triple the wages aged care providers are able to pay for non-direct care employees.



8.3 Earning potential and career progression in New Zealand

The New Zealand Qualifications Authority (“NZQA”) offers a range of different qualification levels and types for workers to develop their careers within the aged care industry. The table below provides an overview of qualifications by level, where: Levels 1-4 are certificates; level 5-6 diploma’s; and level 7 a university or polytechnic bachelor’s degree.

While there are no qualification pre-requisites for Health Care Assistants in New Zealand (except for those working in dementia care) employers generally require that individuals keen to enter the workforce complete a NZQA level 2 or 3 certification in health and wellbeing after starting employment.

Table 8.2: NZQA National qualifications in aged care

Level 1	▶	NZ Certificate in Health & Wellbeing: ▶ Foundation skills (level 2)
Level 2	▶	New Zealand Certificate in Health and Wellbeing: ▶ Support work(Level 3) ▶ Core competencies (level 3) ▶ Residential (Level 3)
Level 3	▶	New Zealand Certificate in Health and Wellbeing: ▶ Advanced Support (Level 4) ▶ Senior Support (level 4) ▶ Dementia Support (level 4)
Level 4	▶	New Zealand Diploma in Health and Wellbeing: ▶ Applied Practice (Level 5) ▶ Diploma in enrolled Nursing
Level 5	▶	Advanced diploma in enrolled nursing
Level 6	▶	Bachelor of Nursing

The potential earnings for aged care workers can vary from business to business. According to the New Zealand Ministry of Business, Innovation and Employment, health care workers employed by district health boards earn an annual average wage of approximately NZD\$35,000 for those new to the occupation, and NZD\$39,000-NZD\$40,000 for those with 2-3 years of experience.

A 2016 aged care workforce survey found that the majority (73.5 percent) of residential aged care health care assistants in New Zealand earned between NZD\$15.25 and NZD\$16.99 (the New Zealand minimum wage at the time of the survey was NZD\$15.25). For a full time employee working 40 hours a week, this equates to annual income of between NZD\$31,000 and NZD\$35,000. However, the survey also indicated that many currently working within this sector are likely to be working part time and therefore earning less.

The new minimum hourly wages for New Zealand care workers, as legislated under the Care and Support Workers Settlement Act 2017 are based on worker levels of qualifications and experience as shown in the table below. Based on these legislative updates, Figure 48 illustrates the earnings potential and career progression for a full time (40 hours per week) aged health care assistant in New Zealand⁷⁷.

Table 8.3: Minimum wages under the NZ Care and Support Workers (Pay Equity) Settlement Act (2017) in NZD\$

Worker's level of qualification	1 July 2017 to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2021	1 July 2021 to 30 June 2022
No relevant qualification	\$19.00	\$19.80	\$20.50	\$21.50
Level 2 qualification	\$20.00	\$21.00	\$21.50	\$23.00
Level 3 qualification	\$21.00	\$22.50	\$23.00	\$25.00
Level 4 qualification	\$23.50	\$24.50	\$25.50	\$27.00

Figure 8.5 Earning potential and career progression for a full time HCA under The Care and Support Workers Pay Equity Settlement Act (2017) in NZD\$



Projecting the gains

Similarly to Australia, to understand the potential gains for Pacific Islanders working in aged care in New Zealand over the next 10-15 years, conservative analysis has been undertaken using the following data throughout this report:

- i) Projected increase in size of the New Zealand aged care workforce between 2017 and 2025⁷⁸
- ii) Percentage of Pacific Island workers in NZ aged care workforce
- iii) Average earnings of HCA roles.

⁷⁷ As based on wage rates for the year ended 30 June 2019 under The Care and Support Workers (Pay Equity) Settlement Act (2017).

⁷⁸ Limited quantitative data is available therefore conservative growth in HCA roles of 5% is taken, calculated on a base of 68% of 33,000 positions in 2017 (see Section 4.2 and Figure 31)

Based on this data, the table below outlines the projected gains for Pacific Islander workers in NZ aged care:

Table 8.4: Projected gains for Pacific Islander HCA workers from 2017 to 2025.

Expected increase in size of NZ HCA workforce	1122
% Pacific Islanders working in HCA roles	7.5%
Earning potential of HCA roles	NZD\$43,680
Potential gains (2017-2025)	NZD\$3,675,672

While the sector is expected to grow, similarly to Australia, until 2050 and the earning potential of HCA workers is likely to increase with inflation, using this conservative 8 year outlook of NZD\$3.68 million worth of gains, the projected gains for Pacific Islanders working in HCA roles in aged care from 2017 to 2050 are in the ball park of NZD\$15 million.



8.4 Costs and remittances

One of the frequently stated policy objectives of the Australian and New Zealand governments is for Pacific Islander migrant workers to be able to send remittances back home to support their families and communities⁷⁹. Remittances can be seen as an extension of aid to the Pacific Islands, and form a significant amount of the capital flows to these nations⁸⁰. Remittances from Pacific Islander workers is significant, and this type of income sometimes exceeds earnings from any other domestic sectors in some smaller Pacific Island nations⁸¹. In particular, remittances play an important role especially when migration is from small island states such as Tuvalu and Marshall Islands. For these nations in particular, remittances have the potential to stimulate further economic growth in the region.

It is recommended that employers discuss the options available for sending money back home with workers, the costs involved, and the most effective way to do so. For example, workers should be shown how to access SendMoneyPacific, which was created through the joint Australian and New Zealand Governments' led initiative 'Reducing the Cost of Remittances to the Pacific'. Currently, the Australian Government is already working with service providers across all industries to enhance financial and remittances literacy⁸².



⁷⁹ G20 National Remittances Plans – National Remittance Plan 2015 Australia
⁸⁰ Menzies Research Centre (2017) Oceans of Opportunity: How labour mobility can help Australia and its neighbours. Menzies Research Centre.
⁸¹ Population Movement in the Pacific: A Perspective on Future Prospects (2012)
⁸² G20 National Remittance Plan 2015 Australia.

8.5 Available Government benefits and support

The nature and purpose of the various visa categories across Australia and New Zealand are designed to provide access to skills and labour for Australian businesses, while also providing Pacific Island workers with the opportunity to develop skills and earning potential in an employment market far greater than those in many Pacific Island nations⁸³. As such, various welfare arrangements are available in both countries to support this.

Australia

For Pacific Islanders who have an eligible visa and living in Australia, they are able to access a range of payments and services to support them. These include the following.

HealthCare

People who live in Australia and meet the requirements are eligible to apply for a Medicare card⁸⁴. Although workers would need to be income tested, those who are on a low income may also be eligible for a low income health care. This gives them access to:

- Cheaper prescription medicines under the Pharmaceuticals Benefit Scheme
- Bulk billed doctor visits
- A bigger refund for medical costs when the Medicare Safety Net is reached
- Concessions offered by private companies and local, state and territory government such as:
 - Energy and electricity bills
 - Public transport fare
 - Property and water rates
 - Motor vehicle registration.

Families with children

Although families are not the primary candidates for the pilot (visas for the Pacific Islanders are meant for single females/males), if a family does settle long term in Australia on a visa, other eligible payments would include:

- Family Tax Benefit
- Child Care Rebate
- Child Care Benefit.

New Zealand

For Pacific Islanders living and working in New Zealand with an eligible Visa, they are also able to access a range of payments and services to support them. These include the following.

⁸³ Mengies Research Centre (2017) Oceans of Opportunity: How labour mobility can help Australia and its neighbours. Mengies Research Centre.

⁸⁴ Medicare Low Income Health Care Card <https://www.humanservices.gov.au/individuals/services/centrelink/low-income-health-care-card#group-125>

HealthCare

Migrants in New Zealand who are on a valid work visa have access to the same publicly-funded medical treatment as Kiwis. Both New Zealand residents and work visa holders benefit from a public health system that is free or heavily subsidized by the Government.

Additional Government support

In addition to payments and services, New Zealand Immigration also recognizes that new migrant workers may need additional support from their employers, especially at the onset of their new roles. As such, they have created a range of guides to help migrant workers and employers transition into and understand the New Zealand workforce and workplace culture including⁸⁵:

- Worktalk – designed to help improve communication between New Zealand employers or managers and new migrant employees from other cultures
 - Employer toolkit: Pacific migrants – a set of 12 cards for employers with practical advice for helping Pacific migrants settle into the workforce
- The workplace settlement model – a simple tool that illustrates how different parts of a migrant employee’s new life will fit together
- Aged Care (Are you employing migrant workers in Aged Care?) – contains information around some of the differences and insights that will help settle new migrant workers into workplaces and maximize their contribution



⁸⁵ <https://www.immigration.govt.nz/employ-migrants/settle-migrant-staff/resources-for-you>

9. Conclusion

This research ties in with a broader work program which looks into the development potential of labour mobility solutions in the Pacific. Various aspects around this topic have been considered, from productivity and profitability gains for employers, to comparisons between different groups of migrant workers (e.g. Working Holiday Makers and seasonal workers) and social and development impacts of remittance flows and skills development.

The findings of this research indicate that demographic trends in both Australia and New Zealand are causing sectoral changes in aged care which require more skilled workers to match growing demand. Changing political realities in, at the moment, Australia are catching up with this and the introduction of the Pacific Labour Scheme (PLS) will seek to match employment projections with Pacific skills sets through a new circular migration program.

Employers are indicating their broad support for such a Scheme and its underlying premise, as they are faced with increasing strains on their current workforce. Any pool of skilled, able and qualified workers is generally welcomed, provided the terms and conditions of employment not deviate too much from their domestic colleagues.

The potential of a successful temporary migration scheme will depend in large part on the fit of migrant workers in their new communities. One way of making people feel welcome in a new country is by tying into diaspora communities. For Pacific Islanders these are found throughout Australia and New Zealand, and mapping those with employment opportunities can result in a large possibility of successful migration and job readiness.

Further consideration should be, and will be, given on the education of Pacific Islanders to make them work ready for Australian and New Zealand jobs. New impetus will be given here by the 3rd stage of the APTC, coming online in July 2018, which will focus more on building up broader TVET capacity across the Pacific. The potential for migration outcomes is part and parcel of this approach.



10. Appendices

Appendix A: Overview of Consultations

Aged Care Financing Authority. (2015). Third report on the Funding and Financing of the Aged Care Sector. Canberra: Aged Care Financing Authority.

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Appendix B: Overview of Eligible Occupations

The following is a list of organisations that were contacted for interviews during the research and analysis phase of this study.

#	Organisation	Type of organisation
1.	Australian organisations	
1.1.	Estia	Aged Care provider
1.2.	Opal	Aged Care provider
1.3.	Allity	Aged Care provider
1.4.	Japara (Aged Care Services Australia Group)	Aged Care provider
1.5.	Baptist Care	Aged Care provider
1.6.	BlueCross Community Care	Aged Care provider
1.7.	Aegis Aged Care	Aged Care provider
1.8.	McKenzie Aged Care Group	Aged Care provider
1.9.	Mercy Health and Aged Care	Aged Care provider
1.10.	Amana Living	Aged Care provider
1.11.	Resthaven	Aged Care provider
1.12.	West Wimmera Health Service	Aged Care provider
1.13.	Australian Regional and Remote Community Services Limited (ARRCS)	Aged Care provider
1.14.	Australia-Pacific Technical College (APTC)	Education provider
1.15.	Fiji National University	Education provider
1.16.	IEA College of TAFE	Education provider
1.17.	University of the South Pacific	Education provider
1.18.	Department of Foreign Affairs and Trade	Government
1.19.	Department of Immigration and Border Protection	Government
2.	New Zealand organisations	
2.1.	Bupa Health Care	Aged Care provider
2.2.	Ryman Health Care	Aged Care provider
2.3.	Oceania Healthcare	Aged Care provider
2.4.	The Ultimate Care Group	Aged Care provider
2.5.	Metlifecare	Aged Care provider
2.6.	Radius Care	Aged Care provider
2.7.	Christian Healthcare Trust	Aged Care provider
2.8.	Selwyn Care Limited	Aged Care provider
2.9.	Summerset	Aged Care provider
2.10.	New Zealand Aged Care Association	Industry body
2.11.	Immigration New Zealand	Government



References

Occupation	ANZSCO Code	Skill Level
Cooks	351411	Skill level 3
Gardeners	362211	Skill level 3
Landscape Gardeners	362213	Skill level 3
Aged or Disability Carer	423111	Skill level 4
Nursing Support Worker	423312	Skill level 4
Personal Care Assistant	423313	Skill level 4
Therapy Aide	423314	Skill level 4
Waiter/Waitress	431511	Skill level 4
Hospitality Worker	431999	Skill level 5
Cleaner	811211	Skill level 5
Garden Labourer	841411	Skill level 5
Caretaker	899111	Skill level 5
Kitchen hand	851311	Skill level 5
Handyperson	899311	Skill level 5
Laundry Workers	811511	Skill level 5

SKILL LEVEL 3

Occupations at Skill Level 3 have a level of skill commensurate with:
AQF Certificate IV or
AQF Certificate III including at least two years of on-the-job training

SKILL LEVEL 4

Occupations at Skill Level 4 have a level of skill commensurate with:
AQF Certificate II or
AQD Certificate III

SKILL LEVEL 5

Occupations at Skill Level 5 have a level of skill commensurate with:
AQF Certificate I or
Compulsory secondary education









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