



## ASU Submission

Select Committee on Work and Care

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## The ASU

The Australian Services Union ('ASU') is one of Australia's largest unions, representing approximately 135,000 members. ASU members work in a wide variety of industries and occupations in both the private and public sector. Relevantly, we represent more than 50,000 workers in the community and disability sector (including mental health and aged services).

More than half of all ASU members are women. Our members take on the unpaid burden of caring for their families and communities. They take extended periods of time out of the workforce to have and care for children. When our members return to work, they often return on a part-time or casual basis and often in lower paying jobs. Consequently, our members will earn significantly less than men over their lifetime.

## Valuing unpaid care work

It is important to ASU members that unpaid care is addressed as it is a driving factor of gender inequality in Australia, with approximately 70% of women providing some form of unpaid care.<sup>1</sup> Valuing unpaid care work requires a fundamental shift in not only the way we count work, but also how we pay for it.

Unpaid care underpins economic and social life, however all too often it is under-valued and unrecognised in policy as it is difficult to measure and is largely invisible.

Our members provide unpaid care to children, people with disability, people with illness or frailty as well as engaging in other forms of unpaid care such as domestic work (cooking and cleaning). These different caring responsibilities all require a unique policy response from government.

Unpaid care is commonly left out when government policy is set. It is essential that unpaid care work is recognised at the national policy level and for the government to develop and adopt a care lens across all public policy.

A recent report by the ACTU, *Delivering Respect for Women at Work* found \$111 billion can be generated every year by cutting gender inequality at work. It also found an additional 893,000 women would be in the workforce, if they were able to participate in the workforce with barriers including the unequal care burden on women, the undervaluation of work, and discrimination and harassment at work<sup>2</sup>.

Caring responsibilities are a key barrier to women's workforce participation.<sup>3</sup> Labour force participation is often seen as a 'choice' but the structural constraints on employment imposed by caring responsibilities must be considered. Caring should not impede participation in employment. A number of actions and solutions are detailed below.

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<sup>1</sup> ACTU, *Delivering Respect for Women at Work* [online] Accessed at: <https://www.actu.org.au/actu-media/media-releases/2022/investing-in-women-could-generate-111-billion-annually>

<sup>2</sup> ACTU, *Delivering Respect for Women at Work* [online] Accessed at: <https://www.actu.org.au/actu-media/media-releases/2022/investing-in-women-could-generate-111-billion-annually>

<sup>3</sup> ABS, *Barriers and Incentives to Labour Force Participation, August 2020* [online] Accessed at: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release>

## Unpaid care work and quality of employment

The quality of employment for our members is often related to caring responsibilities, with those who undertake unpaid care work more likely to be engaged in part-time, casual or in other forms of vulnerable paid employment, such as casual and contract work.

Research shows that working part-time includes a reduction in promotion opportunities with part-time roles not offering the same security and predictability as full-time roles. Part-time roles can also carry less responsibility which in turn can limit career options<sup>4</sup>.

Unpaid care work has also been linked to gender wage gaps with research indicating where women spend a large amount of time on unpaid care, the gender gap in hourly wages is also higher<sup>5</sup>. Higher gender wage gaps may encourage our members to do more unpaid work and create a disincentive for them to engage in paid work.

The cumulative loss of earnings our members experience usually becomes irreversible, regardless of subsequent paid employment<sup>6</sup>. Unpaid care must be recognised where a woman's care arrangements reduce her capacity and limit her remuneration expectations to participate in the paid workforce.

Initiatives to increase women's participation in the workforce must address women's unpaid care obligations. Solutions must ensure quality of employment opportunities which are secure, flexible and well-paid. Governments must also avoid policies that reinforce negative stereotypes about caring as women's work.

## Unpaid care and the superannuation gap

Government funded paid parental leave should be increased to 26 weeks. This is in line with the Productivity Commission who found:

*"There is compelling evidence of health and welfare benefits for ...the primary caregiver of around six months. There are also reasonable grounds to expect benefits from longer periods of exclusive parental care up to nine to 12 months."*<sup>7</sup>

Further, Senate Economics References Committee in their *Report A husband is not a retirement plan, Achieving economic security for women in retirement*<sup>7</sup> recommended:

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<sup>4</sup>WGEA, Unpaid care work and the labour market, Insight Paper [online] Accessed at: <https://www.wgea.gov.au/sites/default/files/documents/australian-unpaid-care-work-and-the-labour-market.pdf>

<sup>5</sup> OECD Development Centre Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes [online] Accessed at: [https://www.oecd.org/dev/development-gender/Unpaid\\_care\\_work.pdf](https://www.oecd.org/dev/development-gender/Unpaid_care_work.pdf)

<sup>6</sup> WGEA, Unpaid care work and the labour market, Insight Paper [online] Accessed at: <https://www.wgea.gov.au/sites/default/files/documents/australian-unpaid-care-work-and-the-labour-market.pdf>

<sup>7</sup> Productivity Commission's Final Inquiry Report Paid Parental Leave: Support for Parents with Newborn Children [online] Accessed at: <http://www.pc.gov.au/inquiries/completed/parental-support/report/parental-support.pdf>

*“The Commonwealth Paid Parental Leave Scheme continue to be improved over time to allow for 26 weeks paid parental leave through the combination of government and employer funding.”<sup>8</sup>*

The failure to ensure superannuation contributions are made during parental leave by both employers and the government remains a weakness of the current scheme with long-term negative consequences for our members retirement savings.

Government must reintroduce its previous commitment to pay superannuation on paid parental leave. 80% of Australia’s support this initiative as they recognise it will help close the gender super gap that currently exists that leaves many of our members worse off in retirement. It’s well-established that paying super on parental leave will help improve gender equity<sup>9</sup>.

## Increasing public and care services

Investment in public services (child care), in essential infrastructure (water, roads, electricity), and in social protection schemes are essential to valuing our members that provide care. Women tend to be more dependent on public services, which have the capacity to shift the unpaid care burden that falls disproportionately on their shoulders.

When public services are reduced to save money, the real costs of care remain, and are shouldered disproportionately by families, especially women. Government can relieve the burden of unpaid work by investing in appropriate infrastructure and public services.

Unpaid work can also be reduced by providing better access to child and elderly care. Child care costs, particularly for our members returning to work part-time, may serve as a disincentive to return to the workforce.

Policy should also be focused on increasing the hours offered at formal care, including child care and after school care as the number of people working non-standard/flexible hours is rising. Many of our members jobs require evening, overnight, or weekend hours, with unpredictable scheduling of shifts, and very little advance notice of roster changes. Employers may require overtime with little advance notice and many of our members have little to no control over their work. They are, essentially, expected to be on call.

Child care is a major weak point and source of stress and instability. Whilst In Home Care is a flexible form of child care which enables families that work non-standard hours to receive government support, only limited places are on offer at any one time and there is strict eligibility requirements on those who can access these services.

Government should investigate how increasing access to formal free care arrangements will assist workers, and women in particular, in balancing their own work and family life.

Whilst we explicitly support the Government’s cheaper child care policy announced during the election and due to start from July next year, we believe this should be fast-tracked as we know better access to affordable quality child care frees up women’s time for formal employment.

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<sup>8</sup> Australian Government Report ‘A husband is not a retirement plan’ Achieving economic security for women in retirement [online] Accessed at: [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Economic\\_security\\_for\\_women\\_in\\_retirement/Report](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Economic_security_for_women_in_retirement/Report)

<sup>9</sup> Women’s Agenda, 8 in 10 people want the government to pay super on parental leave [online] Accessed at: <https://womensagenda.com.au/latest/8-in-10-people-want-the-government-to-pay-super-on-parental-leave/>

## Valuing paid care work

The ASU recognises and values the effort that our members make in caring for their loved ones. Our members must be supported by well-funded, high quality, professional aged care, community and disability services, whose workers are valued through professional rates of pay.

We must set a high standard for the aged, community and disability workforce. These workers must deliver high quality services with respect for the human rights of aged, community and disability services consumers.

This requires a high level of skill and professionalism. Sadly, pay and working conditions for aged, community and disability sector employees does not reflect the professional nature of the work. This means the sector is rapidly losing skilled workers and struggling to attract new workers with the appropriate skills and qualifications.

If we do not address this crisis, the burden of care work will be shifted back to the unpaid care workforce. Simply put: why would anyone trust their life, or the lives of their loved ones, to an over-worked, under-paid and unskilled carer or support worker?

Importantly, measures directed to improve the conditions of paid carer workers are likely to have a direct impact on the unpaid care workforce. The majority of workers in these sectors are women who will have unpaid caring responsibilities at some point in their lives.

During the election campaign, the Government made a number of commitments that will support and improve the vital work of ASU members in aged, community and disability services. These commitments will improve the quality of employment for our members in this sector and will go some way in addressing the gender inequality that exists. Intervention in NDIS employment practices will make significant improvements to women's equality and unpaid caring responsibilities.

### **Make the NDIS the best it can be**

NDIS workers provide invaluable support to over 500,000 people living with a disability. A highly skilled, highly paid, qualified, professional and sustainable workforce is essential to delivering high quality services, choice and control to people with a disability. The NDIS workforce is growing rapidly, and must recruit hundreds of thousands of new disability support workers to keep up with demand.

But flaws in the system make it difficult to recruit and retain workers, who are predominately women. NDIA funding arrangements do not account for everything a provider needs to run a sustainable service; provide meaningful careers for NDIS workers; and offer fair pay and working conditions. Gaps in NDIS rules allow unscrupulous providers to undercut wages and conditions, forcing a race to the bottom.

Some employers wrongly classify disability support workers as 'home care workers' to pay them lower rates of pay. There is a difference of several dollars per hour between social and community services (SACS) employees and home care employees, with home care employees excluded from the benefits of the Equal Remuneration Order that the Fair Work Commission applied to the disability sector. Almost all NDIS support services are funded on the basis they'll be provided by a worker on the SACS rate of pay.

Choice and control for participants means that NDIS workers need to change their jobs more regularly or work for multiple providers. This means they lose accrued entitlements (like annual and long service leave) and are not prioritised for training and development.

The government must honour and implement as a matter of urgency it's election commitments to fix the NDIS through substantive and dramatic reforms through its proposed NDIS workforce plan including:

- All NDIS workers will be covered by the SCHADS Award & Equal Pay rates. This will ensure that all providers and all NDIS workers will operate on a sustainable and level playing field. Providers should compete by providing better services, not by undercutting wages and conditions to improve profitability.
- Fix NDIS pricing arrangements to provide for permanent and meaningful jobs. Current pricing assumes an NDIS worker will spend all their time working directly with clients, forcing employers to hire casual staff. Funding should build in time for administrative tasks, travel, support and supervision, and career and professional development. Funding arrangements should also recognise all award entitlements, including 10 days paid family and domestic violence leave.
- Support NDIS workers' career and professional development through a portable training entitlement. NDIS workers should be able to progressively accrue funding for career and professional development as they work in the NDIS. This funding would not be tied to an individual employer, but would be available to the individual to choose the training that's relevant to their work and career goals.
- Ensure workers do not lose their accrued entitlements as they move between employers. A portable entitlements scheme would give workers the freedom to move between NDIS employers, or to work multiple NDIS jobs, without the fear that they would go without pay while sick, caring for their children or taking a holiday. This would build on portable long service leave schemes that are being implemented in most states and territories.

### **Change the way we fund community services**

Community services receive Federal funding from many departments, primarily the Department of Social Services. Funding is provided in a chaotic way that disrupts continuity of support, secure work and quality services. Recent Government reforms have focused on short term funding and opening the sector to greater market forces.

Profit motives and cost reduction inevitably lead to the erosion of the quality services that are provided to people in need. In a bid to win tenders, organisations may underestimate the true cost of service provision. This will mean either lower quality services or cuts to the conditions and wages of workers in the sector. For-profit providers should be explicitly prohibited from providing such services.

The current short-term funding cycles mean that service providers have limited capacity to plan for innovative and localised community services and lead to insecure work arrangements for our members.

The government must honour and implement as a matter of urgency it's election commitments to restore respect to the community sector through substantive reform, including:

- Ending the culture of short term funding (by introducing minimum 6-year funding contracts)
- Ending the race to the bottom in wages and conditions by setting a price floor for all contracts. This price floor should be enough to cover minimum SCHADS Award conditions and Equal Pay Rates for the work being performed, as well as ensuring the work can be performed safely (adequate staffing, supervision, breaks for employees etc). This better funding model should

be coupled with a requirement on the employers to ensure fair and secure employment for staff.

- Ensuring that funding arrangements account for the annual Fair Work Commission award wage increase, increases to the superannuation guarantee, and costs associated with Award amendments.
- Increasing the number of permanent and full-time positions in the sector
- Cease funding to for-profit providers in community services like homelessness, domestic violence services
- Create a dedicated Fair Work Commission panel to lift wages and conditions in the community sector

Women require meaningful opportunities to shape their working and caring lives. The lack of genuine choice around working time arrangements that are often characterised by short, fluctuating hours, and precarious shifts make it difficult for women to access child care services and can have a negative impact on women's participation in the workforce.

Pay and working time arrangements are shaped too strongly in favour of employer's profitability, even though these employers are government funded entities providing social services. Low pay makes it difficult for families to make ends meet and often means women forgo paid work as the cost of child care is a disincentive.

The undervaluing of paid work in the care sector, such as community services and disability has been linked to the undervaluing of women's unpaid care work<sup>10</sup>. It is convenient for providers to depict this work as natural for women, as it is the type of care that most closely resembles unpaid caring work in the home. Care work both paid or unpaid is often viewed as low skilled despite being a mentally and physically exhausting and complex task. It is also viewed as natural for women to perform these roles and therefore not deserving of higher pay.

Government must close gender pay differences by making legislative changes so the Fair Work Commission can order pay increases for workers in low paid, female dominated industries without the need for a male comparator. This essential and skilled work must be properly valued by governments and employers.

Gender equity for women is improved when they have direct permanent employment, high paying jobs, good working conditions including training and development and career paths, along with portable and accrued entitlements.

## Unpaid extended carers leave

The Productivity Commission has been asked to examine the economic and social costs and benefits of providing an extended unpaid leave entitlement to informal carers of older Australians under the National Employment Standards.

We do not support greater reliance on informal (unpaid) care to (in the Productivity Commission's words) 'reduce the need for formal (paid) care'<sup>11</sup>. Increasing reliance on informal care will not solve

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<sup>10</sup> Policy Integration and Statistics Department, ILO, The unpaid care work - paid work connection [online] Accessed at: [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms\\_119142.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_119142.pdf)

<sup>11</sup> Productivity Commission, Carer leave Issues Paper, July 2022 [online] Accessed at: <https://www.pc.gov.au/inquiries/current/carers-leave/issues/carers-leave-issues.pdf>



the aged care and disability sector crisis in Australia, and could undermine efforts to increase quality, professionalism, and sustainability in these sectors as well as gender equality goals.

Creating an extended statutory entitlement to unpaid carers leave in the National Employment Standards distracts from policy measures that can genuinely make a difference. Creating greater expectations on unpaid carers will see more of our members taking time out of the paid care workforce to care for their parents or family members, increase gender inequality, and exacerbate the pay equity and retirement savings gaps. Extending unpaid carers leave would be counterproductive to the broader policy goal of gender equality.

## Conclusion

Unpaid work is a substantial part of Australia's economy that goes unmeasured and is shouldered disproportionately by our members. For women to achieve equality at both work and home the government must take a productive approach to integrate policy and political dialogue to address gender inequality.

Initiatives to increase women's participation in the workforce must address women's unpaid care obligations, and ensure quality of employment which is secure, flexible and well-paid. Government funded paid parental leave should be increased to 26 weeks with superannuation being paid.

Government can relieve the burden of unpaid work by investing in appropriate infrastructure and public services including access to free child care, which should be fast-tracked.

Investment in the aged, community and disability workforce that ensures secure direct permanent employment, training and professional development, fair pay and rewarding careers will go some way in addressing the gender inequality that exists.

The Productivity Commission must ensure our current reliance on informal (unpaid) care be exacerbated by extending the statutory entitlement to unpaid carers leave in the National Employment Standards.