The Australian Care Economy: A gender perspective

Summary of the forum hosted by economic Security4Women

Wednesday 27th March 2013 at the Australian Human Rights Commission

Level 3, 175 Pitt Street, Sydney NSW 2000

Key points from presentations

All presentations were based on a feminist critique of market economics; feminist economics place a value on unpaid work and acknowledge its contribution to economic and social productivity

Background: Scoping the Australian Care Economy: A Gender Equity Perspective. Prepared by Valerie Adams in 2010 and presented by Sally Jope for eS4W

Issues identified

Data issues

Researchers and policy makers need data to measure paid and unpaid care work; The Time Use Survey has been included into WoLFS with next one postponed until 2019. Need more regular measures to capture impact of policy changes.

Gender equity

Provision of care is gendered and reproduces gender inequality. Paid care pays less than many other occupations when controlled for education, experience, occupation and individual characteristics.

Informal carers

- Informal care is provided by family and or friends and is usually but not always free of charge.

- Most likely to be women either in part time work or not in paid workforce, many with caring responsibilities equivalent to full time job and many experiencing some form of financial difficulty.

- About half have no regular assistance with the care they provide and around one third would like an improvement in their caring role, including better financial support.

- There is a lack of affordable alternative care options for many carers.

- Sole parents are most disadvantaged in terms of well-being.

- Without more acceptable and affordable care options the future supply of informal care may fall short of demand.

- Better care services are required and these services need to be adequately funded so that the jobs can be adequately remunerated.
Longevity and an ageing population

Increasingly complex care needs and increasing demand poses a challenge to the adequate future supply of caring labour and or to the future participation of women in the workforce.

Welfare to Work

Participation requirements for people in receipt of Parenting Payment, Newstart and Disability Support Payment have impacts on carers; they must accept a job offer even if the work is insecure and not well paid. While Newstart payments are low, Austudy is less and offers neither incentive nor capacity for recipients or former carers, to engage in study to improve their employment prospects.

Young Carers

- Approx. 38 000 young carers under the age of 26 are providing unpaid care in their family home. Approx. 170 000 are under the age of 18 years.
- These young people are providing up to 30 hours of care a week which impacts on their ability to work or study. They are more likely to be caring for a parent; a mother; a sole parent.

Paid care

- Paid care services suffer from a ‘cost disease’: they are less likely to benefit from economies of scale and limits to increases in productivity.
- The quality of paid care is difficult to monitor or specify in contracts.
- Paid care tends to be undervalued in market terms wherever it is supplied.
- Adequate public funding is critical to ensure quality and quantity to meet demand and there are sound economic arguments for it.
- The provision of care has public good qualities with benefits that spill over to the wider community.
- The people who require care cannot exercise consumer rights in the same way as others.
- Residential aged care provides a good example of a marketised care service and of market failure.
- It is predominantly staffed by women on low pay; there is a high turnover of staff due to low wages and conditions resulting in the quality of care being compromised.

Exploitation

Carers are ‘prisoners of love’. They find it difficult to withhold care and it contributes to their economic vulnerability, especially for women. This reliance on family carers is explicit in current public policy.

Impact on women’s economic wellbeing

- Impacts on life-time earnings and retirement savings.
- Paid care services are characterised by a highly feminised workforce with high levels of casual and part-time employment.
- Unpaid care work interferes with women’s ability to participate in workforce; many women abandon careers or are limited in ability to seek and get promotions and to generally contribute to the family income.
Solutions

- Flexible care-friendly working arrangements: making the business case to employers of the value of retaining experienced and trained workers
- Carer credits for retirement income
- Available and affordable care services

1. Counting on Care Work in Australia: The economic value of the care economy and its relevance to women’s economic security. AECGroup Ltd

This is the first quantification of the Australian care sector, paid and unpaid. The care sector includes childcare, aged care; disability care; health care; education. For details of definition visit http://www.security4women.org.au/projects/the-australian-care-economy

Paid care

- Income earned by care sector workers was equivalent to 8.8 per cent of GDP
- 1.8 million EFT workers in care sector providing 20 per cent of all paid work
- Per capita $5,033

Unpaid care

- Imputed income earned/lost through unpaid care work equivalent to 51 per cent of GDP, $650 billion (2009-10)
- 21.4 billion hours of unpaid care work per annum (2009-10)
- Equivalent to 11.1 million EFT, 1.2 times the Australian full time equivalent work force.
- Per capita $29,120

Public investment in care

- Per capita $6,085

Limitations of research

Factors not captured in the research:

- Career progression and income opportunity costs
- Emotional labour and stress
- Financial stress
- Did not include income support payments i.e. Parenting Payment, Carers Benefit and Payment etc.
- Cultural diversity: in particular, omitted remote communities, Aboriginal and Torres Strait Islander communities

Issues

- Paid care workers earn 96c for every dollar earned by average Australian worker
• Paid female care workers earn 84c for every dollar earned by their male counterparts
• Unpaid female care workers spend two thirds more time providing care than men
• Forty two per cent of women not in labour force cite family reasons
• Compare public support for care sector with other sectors e.g. mining; automobile manufacturing

2. Unpaid Work, Unpaid Care, Unpaid Assistance and Volunteering: Caring activities of Indigenous men and women in regional and remote parts of Australia. Ms Mandy Yap and Dr Nicholas Biddle, Centre for Aboriginal Economic Policy Research

Little is known about the circumstances of Indigenous men and women undertaking unpaid care work; despite the fact that they are disproportionately over-represented. A large proportion of unpaid family carers are in regional and remote areas, are Indigenous, have their own health problems and are young.

Aspects particular to Indigenous people providing or receiving care:

• Fertility trends; Indigenous women and men are caring at a younger age than non-Indigenous population-have more
• Health conditions; approx. 30 per cent of Indigenous women with a disability are in lone parent households.
• Kinship, family structures; approx. 40 per cent of Indigenous women are in lone parent households
• Location
• Connection to country: people may rather suffer on country than move away for treatment

Implications:

• Words for care, disability and volunteer are culturally biased
• Disability rates are higher amongst Indigenous populations, resulting in higher demand for care.
• Unpaid care is a key barrier to participation in labour force.
• The need for informal care is more prevalent in regional and remote communities where there are fewer formal care services
• There are skill shortages in child care and social workers in these communities and Indigenous carers are a potential workforce

Gender implications:

• Different life course for Indigenous women who may have children at an earlier age and engage in education and employment at a later stage.
• Indigenous men have poorer health than women; less able to provide care, more likely to need care

**Options for reform**

- Legislation - Anti-discrimination and Carer Recognition which carries rights to assessment of needs
- Flexible work – extend the right to request flexible work arrangements and the right to appeal a refusal
- Leave arrangements – carers leave, leave for palliative care
- Income support - review hours restrictions and income test for Carer Payment
- Services - conditions of paid care workers and recognition of the needs of carers in disability services (NDIS) and Aged Care Reform Package, especially for services which enable employment of carers
- Workplace mechanisms – employers to consider possible mechanisms for flexible work arrangements
- Productivity Commission (or other independent body) inquiry on valuing unpaid care, through consideration of leave mechanisms, carer credits and care bonus in retirement incomes system; childcare (accessibility, affordability, suitability)
- Community Education – recognising the contributions of caregiving; unpaid caregiving is social productivity, along with economic productivity of market participation. Both to be valued as both are components of the care economy.

**Actions**

- To focus a national debate on the roles and responsibilities of carers, the vast contributions they make to community wellbeing, economy and society focusing on the achievable options for reform.
- To recognise that the Care Economy is comprised of both economic and social productivity and that caregiving is a relationship, so that disability policies, aged care policies and health care policies MUST be considered in close interconnection with carer policies.

4. Missing workers: Retaining mature age women workers to ensure future labour security. An ARC Discovery Project. Chief Investigators: A/Prof S Austen, Dr R Ong, Dr T Jefferson, Prof R Sharp and Prof G Lewin. Presented by Dr Valerie Adams

**Reasons for study**

- Projected rise in demand of 325 per cent for aged care workers between 2003 and 2031(Hugo 2007)
- Women comprise 90 per cent of aged care workforce
- Median age of workforce is 45+
- Little economic theory/analysis of labour supply of mature age women.
Findings

Many carers perceive that their contributions are not respected by members of their own families, friends and the broader community for a number of reasons.

- The 'dirty' nature of the work meant that it was strongly perceived as low status
- A belief that women 45 and over have few skills or competencies that are valuable in a market context
- The critical role of wages in providing a source of social recognition
- The specific importance of the communicative aspects of their work is not recognised when the time allocated to these tasks is too short.

Conclusions and future directions

- The intrinsic motivation for care work may be affected by ‘plain old disrespect’ or ‘misrecognition’
- There is a pressing need to challenge claims that care should not pay
- Publicise and encourage ‘best practices’ management, which should include the allocation of sufficient time to care
- Address the issues of low unionisation and inadequate public funding that also contribute to low wages for care workers.

Implications for improving retention in the aged care workforce

Any workforce strategy for the aged care sector must be tailored to the needs of women, who make up the overwhelming majority of the sector’s workforce

- The family and community roles performed by women, and the extent to which these are accommodated in employment arrangements, are likely to be important to the sector’s ability to both attract and retain a workforce in the future.
- The results (so far) confirm the importance of mature-age women in the aged care sector workforce:
  - Many aged care workers join the sector mid-life, suggesting that the sector may actually benefit from an ageing workforce
  - Mid-life women are more likely to have elder and disability support roles than roles relating to the care of their own children
  - Parental leave is potentially less important than carer’s leave in helping ease potential conflicts between their work and family roles.
- The results highlight that older workers have relatively high retention rates in the sector
  - Mid-life women comprise the bulk of the sector’s workforce, they are the key source of new recruits, and they offer the sector the highest chance of employment stability
  - Strategies for workforce training and development should logically be focused on this group.
- There is a relatively high rate of casual employment and a strong correlation between employment type and retention:
It is reasonable to assume that along with relatively low pay, the lack of job security and the lack of leave entitlements inherent in casual contracts will diminish the attractiveness of the sector and make staying in the sector a less appealing and feasible alternative.

Discussion: How to address the need for care without reinforcing gender inequity?

Recognise the value of care and invest in it to promote gender equity

- Already both parents engage in discussions about the opportunity cost associated with providing unpaid care to family. As the pay gap narrows, there will be less incentive for women to ‘normally’ be primary carers
- Support carers who wish to remain in workforce or who wish to study/train in anticipation of returning to the workforce
- Explore the potential to build on past informal caring responsibilities and link mature age women with the paid care sector.
- Explore CALD workforce issues in the care economy
- Make the business case for pay equity and permanence in paid care work; placing a value on the retention and building of skills; acknowledging the relational nature of care work.

Official recognition of unpaid care

- Carer’s recognition and income support; increase carers incomes to a decent standard of living
- Offer affordable and accessible training to mature aged carers who are looking to return to the workforce
- Improve paid care services to support unpaid carers
- Paid parental leave to be extended to other forms of unpaid care
- The provision of superannuation carer credits to be explored and implemented in next term of government
- Changes to provision of Aged Care Pension to recognise contribution of unpaid care work.

About economic Security4Women

economic Security4Women (eS4W) is an alliance of women’s organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.

The role of eS4W is to:

- bring together women’s organisations and individuals from across Australia to share information, identify barriers to women’s economic security and to identify solutions by prioritising the key issues for action to bring about change
- engage actively with the Australian Government on policy issues as part of a better more informed and representative dialogue between women and government.
As a National Women’s Alliance we take a lead in ensuring that the voices of as many women as possible are heard, especially those who in the past have found it difficult to engage in advocacy and decision making.

Contact us

P: 1300 918273  
M: 0408 977135  
E: coordinator@security4women.org.au  
W: www.security4women.org.au