Care Economy

Phase One Consultation: National Strategy to Achieve Gender Equality

# Introduction

Gender equality is at the heart of the Australian Government’s vision for a better future, and the Government is committed to restoring Australia’s leadership on gender equality.

The Government will develop a National Strategy to Achieve Gender Equality (the Strategy) to drive this ambition.

## What will the Strategy do?

The Strategy will guide whole of community action to help make Australia one of the best countries in the world for equality between women and men. It is an important mechanism to elevate and prioritise actions that will achieve gender equality.

The Strategy will complement other efforts across the Government to achieve gender equality, including:

* the [*National Plan to End Violence against Women and Children 2022–32*](https://www.dss.gov.au/women-programs-services-reducing-violence/the-national-plan-to-end-violence-against-women-and-children-2022-2032) (National Plan)
* the Government’s response to the Australian Human Rights Commission’s [Respect@Work Report](https://humanrights.gov.au/our-work/sex-discrimination/publications/respectwork-sexual-harassment-national-inquiry-report-2020)
* the[*National Women’s Health Strategy 2020–2030*](https://www.health.gov.au/resources/publications/national-womens-health-strategy-2020-2030)

It will also support the work of similar state and territory plans.

## How will the Strategy be developed?

The Government will deliver the Strategy by mid-2023.

The Office for Women will develop the strategy in consultation with women and girls around Australia, with a focus on ensuring that diverse voices are heard and included.

The Australian Government has also established the Women’s Economic Equality Taskforce (the Taskforce) to provide independent advice to Government, ensuring women are at the centre of policy and decision-making. The Taskforce will be a leading contributor to the Strategy, and as part of this will engage broadly with the Australian community to elevate and honour the voices of women in the Strategy.

The six [National Women’s Alliances](https://www.pmc.gov.au/office-women/grants-and-funding/national-womens-alliances) will also play a key role in informing the development of the Strategy.

# Consultation

We will talk to women and girls around Australia to ensure their diverse voices are heard and included. Consultations will reach people with lived experience of gender inequality, living with disability, First Nations people, people who are LGBTQIA+, migrant and refugee people, those living in regional and remote areas and people from all backgrounds and classes.

The consultation will be undertaken in **two stages.**

Starting in November, the Office for Women will lead targeted national consultations to inform the early development of the Strategy. These will take place across Australia and include discussions with a range of stakeholders, including gender experts, academics, economists, women’s alliances, the community sector, unions and business.

Early next year (2023), broader community consultations will provide an opportunity for people to share their views of how we achieve gender equality in Australia and how this should be reflected in the strategy.

The Strategy will also draw from a comprehensive evidence base, and reflect public commentary, recent consultations and submissions to government. It will draw from contemporary research and reports, including those prepared for the [Jobs and Skills Summit and resulting Employment White Paper](https://treasury.gov.au/employment-whitepaper/jobs-summit)

Further information on consultation will be provided on the Office for Women’s [webpage](https://www.pmc.gov.au/office-women/national-strategy-achieve-gender-equality) as consultation approaches are developed.

For further information, express interest in being included in consultation, or provide information, contact: OFWengagement@pmc.gov.au

# Current situation

(Note: The research and evidence outlined in this paper are not intended to be comprehensive, instead they are used to facilitate discussion.)

* The formal care economy in Australia comprises of a number of sectors that provide care to people of various ages and abilities, such as aged, disability, veterans, and early childhood education and care.
* These workforces are female-dominated, low paid relative to other industries, and have high rates of casual and part-time work, while also facing increasing demand and significant workforce shortages. Many care sectors also have high representation of people from culturally and linguistically diverse backgrounds in their workforces.

## Gender segregation

* 79% of employees in the health care and social assistance industry and 64% of employees in the education and training industry are women. This segregation is particularly pronounced in certain workforces: around 91% of the early childhood education and care workforce,[[1]](#footnote-2) 86% of the residential aged care workforce,[[2]](#footnote-3) and 70% of workers in the disability sector are women.[[3]](#footnote-4)
* Results from the OECD Programme of International Student Assessment (PISA) show that 15 year‑old girls are, on average, 16 times more likely than 15 year-old boys to report that they want to work as preschool teachers or childcare providers in their future career. On average across the OECD, only 0.2% of boys say they expect to work in early childhood education and care at age 30, compared to 3.2% of girls.[[4]](#footnote-5)

## Pay rates

* Female-dominated industries often have lower average wages than male dominated industries, regardless of educational attainment:[[5]](#footnote-6)
* Workers in female dominated industries with a bachelor degree or above earn 30% less per hour than workers in male dominated industries with a bachelor degree or above.
* Workers in female dominated industries with a Certificate III/IV earn 36% less per hour than a worker in a male dominated industry with a Certificate III/IV.
* Workers in female dominated industries with no post school qualification earn 19% less per hour than workers in male dominated industries with no post school qualification.
* For example, people who work full-time in residential aged care services earn an average of $1,483 a week, compared to an average across all Australian industries of $1,801.[[6]](#footnote-7)
* In May 2022, the gender pay gap in the Health care and social assistance industry was 22.2%; above the national average of 14.1%. The gender pay gap in the Education and training industry was 10.9%.
* Similar to non-professional frontline care workers, migrant care workers are paid poorly and are significantly more likely to work more than one job compared to Australian workers. Moreover migrants from non-English speaking backgrounds in the aged care workforce are also more likely to work as a casual and be underemployed [[7]](#footnote-8)

## Workforce characteristics

* Women are over-represented in casual work across the Australian workforce (24.2% of employed women are working as casuals compared to 20.9% of men) and workers in female dominated industries are more likely to be in casual or insecure work, or working more than one job.
* In the care and support workforce, 45% of workers are employed part-time compared to 31.7% for the broader Australian workforce, and 28% of workers are employed on a casual basis compared to 19% for the broader Australian workforce.
* For example, the *2020 Aged Care Workforce Census* reported that of the current direct care workforce in residential care, 6% are employed in permanent full-time positions, 71% are permanent part-time (down from 78% in 2016), 19% are casuals or fixed-term contractors (almost double the 2016 figure of 10%), and 4% are agency staff or sub-contractors. Many aged care workers want to work more hours and are concerned about the irregularity and unpredictability of their hours.[[8]](#footnote-9)
* Relative to their share in the Australian workforce, migrant workers are disproportionately concentrated in non-professional care occupations, including child carers, personal care assistants, and aged and disability carers.[[9]](#footnote-10) According to the 2022 National Care and Support Workforce Strategy, which covers aged care, disability support and veterans care workforces, 40% of workers are born overseas.[[10]](#footnote-11)
* There is also a need to ensure greater First Nations representation in the care and support workforce to ensure access to culturally safe services. In 2018–19, around 2.2% (just over 8,000) of the care and support workforce in Australia identified as Aboriginal and Torres Strait Islander.[[11]](#footnote-12)

## Increasing demand and workforce shortages

* The care sector makes up a growing share of the Australian economy. The National Skills Commission (NSC) *Care Workforce Labour Market Study* found that over recent years, growth in the care and support workforce has been three times faster than total employment across the Australian economy.[[12]](#footnote-13)
* The NSC forecasts a workforce gap of 211,430 full-time equivalent care and support positions by 2049-50, with workforce shortages concentrated in lower skill level care and support occupations. The NSC notes this forecast was made in 2021, and the current macro-economic backdrop of a much tighter than expected labour market means that the forecast gaps would be both larger than anticipated and would emerge more quickly than noted in the study.[[13]](#footnote-14)

# Drivers of gender inequality

Our research and stakeholder feedback to date suggests, but are not limited to, the following drivers of gender inequality in the care economy:

* Occupational and industrial gender segregation contributes around 24% of the gender pay gap in Australia.[[14]](#footnote-15) As noted above, female-dominated sectors in Australia tend to be lower paid. This is particularly the case in industries where workforce roles are gendered and characterised by what is traditionally perceived as ‘women’s work’ – such as in the care economy.
* Social norms and cultural assumptions around women as being responsible for unpaid care work results in workforce skills described as creative, nurturing, facilitating or caring being invisible or undervalued. This is despite the critical role of care for individual and societal wellbeing, the requisite emotional intelligence and labour, and the increasing complexity and skills needed to deliver high-quality care.
* Care sectors also often depend on women’s passion and dedication to the work, rather than the conditions and compensation they receive.[[15]](#footnote-16)
* Workers in female-dominated industries, such as the care economy, are also more likely to be in casual or insecure work, or working more than one job. This raises issues around sufficient and predictable hours and job security, and how this impacts quality of life with regards to the ability to balance work and family and care responsibilities, connections with community and individual wellbeing.
* Growing pressure and demand on the care economy, including during the pandemic, mean care sectors are facing significant workforce shortages and challenges in attracting and retaining workers. As a result of staff shortages, workers may feel more stressed and pressured in their work and may not be able to provide the individualised care to meet the social and emotional needs of care recipients. This has impacts not only on the quality of care, but the quality of employment and life for workers.[[16]](#footnote-17)
* On 5 November 2022, the Fair Work Commission (FWC) proposed a 15% interim increase in the minimum wages of the direct care classifications in the Aged Care and SCHADS Awards and for nurses working in aged care covered by the Nurses Award, but did not make any orders to implement such an increase at this stage. The FWC accepted that the valuation of work is influenced by social expectations and gendered assumptions about the role of women as workers.
* To achieve gender equality in Australia, we need to uplift pay and conditions in the care economy –to appropriately recognise and pay women for this critical and skilled work; address cultural gender divisions around traditionally ‘women’s work’ and achieve greater gender balance across the sectors; and ensure we have a strong and resilient formal care economy to support women’s workforce participation.

# Discussion

We ask that you contribute your views on:

1. What are the drivers of gender inequitable outcomes for workers in the care economy compared to other Australian industries?
2. What are the barriers to achieve greater gender equitable outcomes in the care economy?
3. What are some concrete policy options that should be considered as part of the Strategy to improve gender equitable outcomes in the care economy?
	1. What are the issues in recruiting and retaining staff in the care workforce? How do these workforce challenges affect the delivery of care?
	2. Are existing workforce pathways sufficient for delivering a sustainable care workforce?
	3. Could proposals to increase remuneration for care workers have spill over impacts on other dimensions of gender equality? (e.g. increasing the costs of accessing childcare or other services)
4. What will success look like and how can that be measured?

We are mindful of the need to ensure the rich variety of lived experiences of members of the Australian community are captured during this consultation process. This includes hearing from those who:

* are living with disability;
* are First Nations people;
* are people who are part of the LGBTQIA+ community;
* are migrants and refugees;
* are people of colour;
* are living in regional and remote areas;
* are of different ages and life stages, education levels, migration status, and/or socio-economic background;
* have experience of trauma; as well as
* all other factors that may impact people’s experience of gender equality or inequality.
1. Department of Education (2016) [*2016 National Early Childhood Education and Care Workforce Census Report*](https://www.education.gov.au/child-care-package/resources/2016-national-early-childhood-education-and-care-workforce-census-report), p. vii and p 16. [↑](#footnote-ref-2)
2. Department of Health (2020) [*2020 Aged Care Workforce Census*](https://www.health.gov.au/resources/publications/2020-aged-care-workforce-census) (2020), p 15. [↑](#footnote-ref-3)
3. National Disability Services (2020) [*NDS Workforce Census Key Findings*](https://www.nds.org.au/images/news/NDS-Workforce-Census-Key-Findings_FINAL.pdf), June 2020, p 6. [↑](#footnote-ref-4)
4. OECD (2019)[*Good practice for good jobs in early childhood education and care*](https://www.oecd.org/education/good-practice-for-good-jobs-in-early-childhood-education-and-care-64562be6-en.htm)*,* OECD Publishing, Paris, p 28. [↑](#footnote-ref-5)
5. CEW (Chief Executive Women) (2022) *Addressing Australia's critical skill shortages: Unlocking women's economic participation,* Sydney. [↑](#footnote-ref-6)
6. Full-time non-managerial employees paid at the adult rate, average weekly total cash earnings. [*ABS, Employee Earnings and Hours, Australia, May 2021*](https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/employee-earnings-and-hours-australia/latest-release#data-download). [↑](#footnote-ref-7)
7. Overgaard C, Withers M and McDermott J (2022) “[What do we know about the experiences of migrant care workers in Australia? A scoping study](https://onlinelibrary.wiley.com/doi/epdf/10.1002/ajs4.207)”, *Australian Journal of Social Issues,* pp 663-686. [↑](#footnote-ref-8)
8. Australian Parliament House (APH) (2021), [*Second interim report: insecurity in publicly-funded jobs*](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024764/toc_pdf/Secondinterimreportinsecurityinpublicly-fundedjobs.pdf;fileType=application%2Fpdf), Senate Select Committee on Job Security, October 2021, p 19 & 47-48. [↑](#footnote-ref-9)
9. Overgaard C, Withers M and McDermott, J (2022) “[What do we know about the experiences of migrant care workers in Australia? A scoping study](https://onlinelibrary.wiley.com/doi/epdf/10.1002/ajs4.207)”, *Australian Journal of Social Issues,* pp 663-686. [↑](#footnote-ref-10)
10. Department of Employment and Workplace Relations (2022) [*National Care and Support Workforce Strategy*](https://www.dewr.gov.au/workforce/resources/national-care-and-support-workforce-strategy#:~:text=The%20National%20Care%20and%20Support,disability%20support%20and%20veterans%27%20care.&text=We%20aim%20to%20provide%20documents%20in%20an%20accessible%20format.), p 12 and 21. [↑](#footnote-ref-11)
11. Charlesworth S and Isherwood, L (2020) “[Migrant aged-care workers in Australia: do they have poorer-quality jobs than their locally born counterparts?](https://www.cambridge.org/core/journals/ageing-and-society/article/abs/migrant-agedcare-workers-in-australia-do-they-have-poorerquality-jobs-than-their-locally-born-counterparts/5C4471D130D4A2E5A72507DA81ABA6C7)”*, Ageing & Society*, pp 1-21. [↑](#footnote-ref-12)
12. NSC (2022), [*National Skills Commission Care Workforce update - August 2022*](https://www.nationalskillscommission.gov.au/sites/default/files/2022-10/Care%20Workforce%20Labour%20Market%20Study%20-%20August%202022%20Update.pdf), accessed 8 November 2022. [↑](#footnote-ref-13)
13. Ibid. [↑](#footnote-ref-14)
14. KPMG (2022) [*She's Price(d)less*](https://assets.kpmg/content/dam/kpmg/au/pdf/2022/kpmg-shes-priced-less-2022.pdf)*,* accessed on 8 November 2022. [↑](#footnote-ref-15)
15. APH (2021), [*Second interim report: insecurity in publicly-funded jobs*](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024764/toc_pdf/Secondinterimreportinsecurityinpublicly-fundedjobs.pdf;fileType=application%2Fpdf), Senate Select Committee on Job Security, October 2021, p 52. [↑](#footnote-ref-16)
16. Royal Commission into Aged Care Quality and Safety (2021) [*Royal Commission into Aged Care Quality and Safety Final Report - Care, Dignity and Respect: Volume 4A*](https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-4a_0.pdf), accessed 10 November 2022. [↑](#footnote-ref-17)