



# Work, Care & Family Policies



Election Benchmarks 2016

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# Work, Care & Family Policies

Election Benchmarks 2016



The Roundtable is a network of 34 academics from 16 universities and research institutions with expertise on work and family policy:

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Further information about the Roundtable is available on the website at: <http://www.workandfamilypolicyroundtable.org/>

## Work, Care and Family Policies in Australia

**A**USTRALIA is moving backwards on work and family issues. Supports for workers with caring responsibilities are being stymied by governments focused on balanced budgets rather than balanced lives. This is at a time of increased global attention on gender, inequality and care. At the G20 meeting in Brisbane in 2014, Australia signed on to a global compact to reduce the gender gap in workplace participation by 25% by 2025. But who will care for the kids, the frail aged, the ill and people with a disability? In order to increase women's workforce participation and build a fair Australia, governments must invest in a basic universal system of social care that supports all workers with caring responsibilities. Those providing unpaid care must also be recognised and supported appropriately.

In the 2015 federal Budget, radical cuts to Australia's first universal paid parental leave scheme were tabled. These cuts were retained in the 2016 Budget. Scaling back the existing scheme will leave many new mothers with less paid time at home with their baby, contradicting research evidence and World Health Organisation recommendations (Baird & Constantine 2016). Plans in the 2015 Budget to restructure and enhance Early Childhood Education and Care (ECEC) funding by \$3.5 billion over five years have also been deferred for a year (to 2018) in the latest federal Budget. However complex implementation rules, tightening of the work activity test, reduction in the days children from disadvantaged households can access subsidised ECEC, and changes to funding rules for Aboriginal services raise serious doubts about the equity and efficacy of this reform package (Brennan & Adamson 2015).

Managing work and care in Australia has been seen, increasingly, as a private matter that individual households need to sort out for themselves. But research evidence on the total (paid and unpaid) working time of Australian women and men, and the associated time-stress, demonstrates this is unsustainable (Craig 2016). Building the care infrastructure that can meet the needs of 21st century Australia has become an urgent task that requires serious resourcing. Our workforce is increasingly feminised and aging, with the formal retirement age set to increase to 70 by 2035. Workplaces will need to change to manage the needs of an older workforce. An ageing population also means more workers will have responsibility for aged relatives and friends –

especially as the aged care system increasingly relies on unpaid 'informal' care. More diverse and flexible workplaces will be required to meet the needs of a diverse workforce. At the same time, the paid care workforce is expected to grow to meet Australian's demand for affordable and high quality childcare, aged care and disability care services. These must be decent jobs that provide workers with the adequate wages and conditions essential for the delivery of high quality care infrastructure.

**The erratic policy environment and ongoing absence of a predictable, affordable system of social care compromise the well-being of Australian households and our economy.** Global institutions are beginning to recognise the value of public investment in key social sectors and their contribution to productivity and long-term economic and social prosperity. The OECD's 2016 Going for Growth report urged Australia to increase government spending on high quality early childhood education and care in order to meet the Prime Minister's national productivity and innovation agenda. The IMF (2016) advocates using public debt to finance investment in key productive inputs such as education. We need to develop a tax system that can raise the revenue required to deliver an adequate care infrastructure — and this system must be equitable and fair.

Work and family issues were key areas of electoral interest in the last four national elections. As the 2016 election approaches Australia faces ongoing demographic and workplace changes and an ever increasing number of workers who have care responsibilities. Recent cuts and changes to key policies do not reflect the research evidence about how to build a national system of social care infrastructure that is attuned to the needs of Australian households and the economy. We need to do much better if we are to ensure a good society where work and care can be combined with positive benefits for all. In the long run, economic productivity is dependent upon social reproduction before all else, making the successful combination of work and care an ongoing national economic, as well as social, goal. Work, care and family policies remain a priority for Australians. It is time we got this right.

#### 4 Work, Care & Family Policies

##### Election Benchmarks 2016

In the context of the 2016 election, the *Work+Family Policy Roundtable* proposes a set of Benchmarks against which election proposals for improving work, care and family outcomes in Australia can be assessed. These Benchmarks arise from our research expertise and discussion at workshops held in March 2014 & November 2015. The Benchmarks are in keeping with the Roundtable's goals of contributing to the development of good policy, producing clear policy guidelines and evaluating policy proposals.

The Roundtable believes work, care and family policy proposals should be guided by sound policy principles which:

- Recognise that good management of the work-life interface is a key characteristic of good labour law and social policy;
- Adopt a life-cycle approach to facilitating effective work-family interaction;
- Support both women and men to be paid workers and to share unpaid work and care;
- Facilitate employee voice and influence over work arrangements;
- Ensure sustainable workplaces and workers (eg: through 'do-able', quality jobs and appropriate staffing levels);
- Ensure gender equality, including pay equity;
- Protect the well-being of children, people with disability and frail older people who require care;
- Ensure predictable hours, earnings and job security;
- Promote social justice and the fair distribution of social risk;
- Treat individuals fairly, regardless of their household circumstances;
- Ensure flexible working rights are available in practice, not just in policy, to all workers through effective regulation, education and enforcement;
- Recognise and support the ongoing need for income support where earning capacities are limited by care responsibilities or other social contributions;
- Adopt policy and action based on rigorous, independent evidence; and
- Recognise the particular cultural and social needs of groups who have been excluded and discriminated against, such as Indigenous peoples and newly arrived migrants and refugees, who may require diverse responses to participate effectively.

# Positive policies for better work, care and family outcomes

**T**HE *Work + Family Policy Roundtable* is a network of researchers with expertise on work, care and family policy. Its goal is to propose, comment upon, collect and disseminate research to inform evidence-based public policy in Australia.

The Roundtable held its first meeting in 2004 and since then has actively participated in public debate about work, care and family policy in Australia providing research-based submissions to relevant public inquiries, disseminating current research through publications for public commentary and through the media.

These Benchmarks were informed by two research workshops: *The Future of Early Childhood Education and Care in Australia*, held 25th March, 2014 & *Work & Family Policy in Australia: A review*, 6th November 2015.

In the context of the 2016 election, the Roundtable has identified eight policy areas that are of particular importance. These policy areas reflect the key contemporary issues facing Australians as they attempt to combine work, care and family.

- 1. An accessible, affordable, quality early childhood education and care system for all children**
- 2. Improved paid parental leave**
- 3. Job Security, flexibility and working time**
- 4. Gender pay equity**
- 5. Workforce participation and the tax/transfer system**
- 6. Superannuation and retirement savings**
- 7. Work and care for an aging Australia**
- 8. Institutional support and leadership for work and care**

## 1.

# Accessible, Affordable, Quality Childcare for All

**S**HORTLY after its election in 2013, the Coalition Government requested the Productivity Commission to inquire into childcare and early childhood learning and to report on options for improving the ‘accessibility, flexibility and affordability of childcare for families with diverse circumstances’. The Inquiry’s terms of reference specified that any recommended options were to be ‘within current parameters’. The Commission released its final report in February 2015 and the Government responded with a ‘Jobs for Families Child Care Package’ in the 2015 Budget.

The new system was scheduled to come into effect in mid-2017 but has now been deferred for a year. Its key reform is to streamline the current Child Care Benefit (CCB) and Child Care Rebate (CCR) into a single Child Care Subsidy (CCS) and to introduce an hourly benchmark rate for each form of care. Low-income families who meet a work activity test (or who are exempt from it) will be eligible for a public subsidy equal to 85% of the benchmark fee. High-income families will receive a much lower level of subsidy. The new CCS is expected to benefit most families earning up to \$170,000 if they have secure and predictable employment. A two-year Nanny Pilot program has been included in the package in response to calls for a more flexible childcare sector. Nannies are not required to hold any type of Early Childhood Education and Care (ECEC) qualification.

The proposed childcare package is based on a work activity test for parents to access subsidies. Under current arrangements, all children are eligible for up to 24 hours/week of subsidised childcare. The new CCS introduces a complex three-tiered activity test where parents can access increased hours of subsidised care in line with increased employment, study or volunteering. While on paper the activity test is low (8 hours per fortnight), it will penalise children whose parents are not in the workforce or who work only occasionally. These are the children who have the most to gain from quality childcare (Moore 2014). A set of ‘safety net’ measures is intended to assist children living in low-income families, but families living in disadvantaged circumstances often experience such measures as further barriers to participation in ECEC (Skattebol et al 2014).

The proposed childcare package does not address the needs of the childcare workforce. Decent wages for educators and teachers are vital for the development and sustainability of a high quality early childhood education and care sector. The low wages that are endemic in the sector must rise to attract and retain a skilled workforce.

## We recommend

- 1. An ECEC system that puts children’s needs at the centre of policy design and allocates more resources to this key area of education and care;**
- 2. A minimum of two days per week of subsidised high quality ECEC for all children, regardless of their parents’ workforce participation;**
- 3. All educators working for an approved service provider to be required to hold a minimum Certificate III qualification, including educators providing In Home Care and providing care under the Nanny Pilot;**
- 4. Improving pay and conditions for all ECEC staff, including moving towards pay parity for early childhood teachers compared with their peers in primary education; and**
- 5. A more seamless and ‘joined up’ transition between Paid Parental Leave and ECEC.**



## 2. Improved Paid Parental Leave

**I**N 2011 Australia's first paid parental scheme commenced. The objectives of the scheme are to provide financial support to primary carers (mainly mothers) of newborn and newly adopted children, allowing them to take time off work to care for their child; to enhance the health and development of mothers and children; to encourage women to continue to participate in the workforce; and to promote gender equality. The national scheme provides 18 weeks of Parental Leave Pay (PLP) at the national minimum wage. The design of the scheme acknowledges the role employers can play in supplementing the government scheme through employer top ups which can either pay up to replacement wages and/or extend the length of paid leave for new parents, usually at replacement wage levels.

Independent evaluation found that the scheme enables mothers to delay their return to work in the six months after the birth of a child (Martin et al 2015). It also showed mothers had increased their job security with an increase in their probability of returning to work before the child's first birthday. Improvements in mothers' health and breastfeeding duration are also reported. These positive effects are most marked among lower income mothers.

Since 2013 there have been multiple challenges to the scheme: first the Abbott government's generous alternative proposal; then, in 2015, eligibility for the existing scheme was to be reduced. The proposed cuts were not passed by the Parliament – however, they remain in the 2016 Budget as government policy. These would reduce the amount of pay many new mothers would receive and thus potentially also reduce the amount of time they can have out of the workforce to care for their baby.

The policy challenge is how best to ensure *the continuation and improvement* of the current scheme. This includes increasing the participation of men in the longer term care of young children. Dad and Partner Pay (DaPP) of 2 weeks at the national minimum wage was made available from 1 January 2013 on a 'use it or lose it' basis. Evaluation of the DaPP scheme found that just 36% of fathers took DaPP, with another one quarter of those surveyed unaware of the scheme (Martin et al 2015: 123). It is time to encourage more men to participate actively in early fathering by raising the payment level (shown to encourage paternity leave uptake), by raising awareness and by extending the leave period.

There is strong international evidence in support of increasing the period of PLP and the rate of payment in relation to the recipient's regular rate of pay. Other forms of leave, such as personal/carers leave and annual leave are paid at replacement earnings. Many OECD countries provide more than 18 weeks PLP.

There is also a need to address the mismatch in eligibility for unpaid parental leave under the National Employment Standards (NES) and eligibility for the PLP. Recent evidence suggests that 5% of mothers (and 12% of single mothers) eligible for the PLP were not eligible for statutory unpaid parental leave under the NES, on the basis of their work history (Martin et al 2012). For these women, the PLP provides vital financial support, but under the NES they have no right to return to their pre-leave job. In addition, the 'right to return to work' guarantee in the NES must be better enforced. Pregnant women's right to be free of discrimination, which currently affects many women (AHRC 2014), should also be better enforced.

The failure to ensure superannuation contributions are made during paid parental leave remains a weakness in the current scheme, with long-term negative consequences for women's retirement savings. In addition to the persistent gender pay gap, the absence of superannuation during parental leave embeds lower lifetime earnings and retirement income for women.

## We recommend

1. Extending the PLP/DaPP to 26 weeks in the near term, and eventually 52 weeks of shared/paid parental leave, and raising the payment level from the minimum wage;
2. Designating up to 12 weeks of the 52 weeks PLP as DaPP on a 'use it or lose it' basis;
3. Ensuring that PLP and DaPP include superannuation contributions;
4. Encouraging employers to top-up the Australian Government funded PLP, including DaPP, to full replacement earnings, consistent with payment rates applying to other forms of paid leave such as annual and personal leave;
5. Removing the mismatch in eligibility in the NES to allow employees who have not been employed with the same organisation for more than 12 months to have access to unpaid leave for the purposes of receiving PLP and/or DaPP and to ensure job protection for them; and
6. More effective enforcement of the 'return to work' guarantee in the NES and pregnancy discrimination protections.

## 3. Working Time, Job Security & Flexibility

**I**NCLUSIVE workplace regulation, widely understood and properly enforced, is critical to supporting worker-carers. Since the 2013 election there has been little progress towards this end. Many worker-carers, mainly women, undertake part-time or casual work as a strategy to reconcile work and care: 46% of female employees work part-time and 53% of all employees working part-time are employed on a casual basis (ABS 2013). These jobs do not have the same security and predictability as full-time employment for which many women pay a high price: job insecurity, low life-time workforce participation and income, including in retirement (Pocock & Charlesworth 2015; Austen et al 2014; Chalmers 2013).

Restructuring of employment regulation to ensure recognition, support and decent working conditions for working-carers — no matter who their employer or what their employment status — is a critical long-term goal. In the interim, existing regulation in the National Employment Standards (NES) and modern awards needs to be made more inclusive and effective, providing the working-time and income predictability required by all worker-carers — particularly the low paid. This could be achieved by:

**Strengthening the NES and modern award protections for casual and part-time employees.** Under the NES casual employees have no right to paid annual or carers/personal leave, which are vital to supporting the labour force participation of worker-carers. At the same time many part-time permanent workers do not enjoy the same protections as full-time workers. Award provisions in some feminised industries currently allow for some 'casual-like' flexibility in the number and scheduling of part-time hours, which undermines part-time workers' status and rights (Heron & Charlesworth 2012). This suggests that Australia may not be meeting its obligations under the ILO Part Time Work Convention (No. 175).

**Strengthening the NES on maximum hours of work.** The NES provides for a 38-hour- maximum work-week with additional 'reasonable' overtime. Family responsibilities must be taken into account in deciding whether overtime is reasonable for a particular employee. However this NES right is poorly understood and poorly enforced, with many men working well beyond this weekly maximum (ABS 2016). Long

working hours are linked to gender gaps in pay and seniority, with narrow gaps in countries which have a clear maximum working week (Landivar 2015; Cha & Weedon 2014). A clear, regulated and enforced maximum work week is essential to ensure worker-carers can participate fairly in the workforce and that men can practically share the caring load.

**Strengthening the existing NES right to request flexibility at work.** The right to request (RTR) flexible working arrangements in the NES allows some workers to request changes to their working arrangements. However, recent research shows that many workers do not access these rights due to lack of awareness of them or because they are unavailable in a particular workplace. This 'right' is also legally unenforceable, in contrast to other countries such as the UK, the Netherlands and Germany. As currently drafted, it is an ineffective flexibility measure for Australian workers (Skinner & Pocock 2014; Cooper & Baird 2015).

**Strengthening, awareness raising and enforcement of existing pregnancy and parental leave NES rights.** Many parents returning from parental leave have no option but to request to work less than full-time with inadequate redress if an employer refuses their request. Findings from the Australian Human Rights Commission have highlighted the significant extent of discrimination against women workers whilst pregnant and on their return to work after parental leave (AHRC 2014), suggesting that legal protections against pregnancy and related discrimination are unknown or ignored by many employers, and that they are poorly enforced.

**Adequate compensation for working unsocial hours.** While many Australian workers are employed at unsocial times such as weekends, nights and outside 8-6pm, this is not the dominant pattern (Skinner & Pocock 2014). Common social time — critical to family life, community events, sport, cultural activities — remains important to most Australians. Existing evidence suggests that working at unsocial hours, particularly on Sundays, is associated with worse work-life interference, including for worker-carers (Charlesworth & Macdonald 2015a). Any reductions to penalty rates will have uneven effects in the Australian labour market, especially for lower paid workers, many of whom are women and most of whom have low workplace power, reflected in low rates of unionisation.

## We recommend

1. **Making the NES more inclusive by extending paid annual leave and carers/personal leave to casual employees on a pro-rata basis;**
2. **Increasing job security for working carers by introducing a right for casual workers to move to an ongoing contract after a certain period of employment;**
3. **Providing a separate allocation of carers leave to all employees, providing for paid domestic violence leave and for dedicated paid palliative care leave;**
4. **Establishing firm working time minima in the NES and all modern awards, including restricting maximum weekly hours of work to 38 hours except by mutual agreement, a minimum engagement of 4 hours for casual and part-time workers, and for part-time workers, requiring written agreement to a regular pattern of hours as well as written agreement to, and adequate notice of, changes to hours;**
5. **Enhancing the operation and uptake of the NES right to request flexible work by:**
  - **Widening coverage to all employees regardless of caring responsibilities**
  - **Removing the 12-month service requirement for eligibility**
  - **Ensuring that employers are obligated to reasonably accommodate requests for flexible work by providing a right to appeal refusals as applies to other NES rights, and robust enforcement mechanisms**
  - **Developing and disseminating detailed guidance material on the NES right to request and initiating a Fair Work Ombudsman campaign to raise awareness of this right**
6. **Current penalty rate premia in all modern awards be retained; and**
7. **Protecting workers against discrimination on the basis of their part-time status in line with Australia's international obligations under ILO Convention 175.**

## 4. Gender Pay Equity

**T**HE gender wage gap (GWG) for full-time ordinary earnings is entrenched in Australia. In November 1995, the GWG was 17.5% and 21 years later, in November 2015, it was 17.3% (equal to \$277.70 per week). The GWG is wider for full-time total earnings (21%) and wider again for average total earnings of full-time and part-time employees (33.5%) (ABS, Cat. No. 6302.0). The persistence of this gap over a twenty-year period in Australia stands in contrast to the trajectory of narrowing gender wage gaps in other developed countries (Charlesworth & Macdonald 2015b).

The national GWG masks differences between states and industries. The widest gaps are in financial and insurance services, rental, hiring and real estate services, and health care and social assistance. Women in the private sector experience a larger GWG relative to women in the public sector: 21% as opposed to 12% (WGEA 2016a). There is also evidence of gender inequity in the remuneration of female graduates. In 2015 this gap stood at 3.3% (WGEA, 2016b) suggesting the gender earnings gap cannot be simply equated to women choosing to have children.

Factors contributing to the gap include the undervaluation of feminised work and skills, differences in the types of jobs held by men and women and the method of setting pay for those jobs, and structures and workplace practices which restrict the employment prospects of workers with family responsibilities. Only a small and declining proportion of the earnings differences between women and men can be explained by differences in education and work experience or other productivity related characteristics (Layton, Smith & Stewart 2013).

The current regulation of equal remuneration in Australia is, at best, uncertain. A significant element of the Fair Work Commission's approach to equal remuneration, as evident in the 2012 Equal Remuneration Case which awarded significant pay increase to a majority of workers in the community services industry, have recently been rejected by the Fair Work Commission ([2015] FWCFB 8200). In this most recent decision, the Commission narrowed the scope for future equal remuneration applications and reintroduced the requirement for feminised work to be assessed against male benchmarks. The Commission's 2015 decision did determine that applicants do not need to identify what proportion of the wage gap is

attributable to gender. However this standard is only applicable when applicants can demonstrate that the objective of equal remuneration is not met by reference to male comparators.

A further setback for pay equity was evident in the Australian government's decision to enact extremely weak minimum standards against which employers report under the *Workplace Gender Equality Act 2012*. Only employers with more than 500 employees are now required to report against these weak standards.

### We recommend

- 1. The Australian Government establish equal remuneration as an objective of the *Fair Work Act 2009*;**
- 2. The Australian Government amend the equal remuneration provisions of the *Fair Work Act 2009* so that the Fair Work Commission can hear applications that address gender-based undervaluation. Any demonstrated undervaluation can be remedied by ensuring that the value of the work is properly set;**
- 3. New minimum standards be introduced as part of the *Workplace Gender Equality Act 2012* with all reporting organisations required to meet these standards; and**
- 4. That the effective application of the objective of equal remuneration in the *Fair Work Act 2009* be explicitly monitored through the modern award review process and that systemic inequalities be addressed, including differences between male-dominated and female-dominated awards in areas such as the definition of ordinary hours and the payment of penalty rates.**

## 5. Taxes, Transfers & Workforce Participation

**A** STRONG, fair fiscal state is critical to the standard of living and well-being enjoyed by Australians. It underpins the delivery of key public services and financial transfers that promote social equity and redistribute the burden associated with childcare, eldercare and disability care. It helps to ensure high quality outcomes in the provisioning of fundamental community needs and social investments such as education and health. It can also influence the gender division of labour as tax policy and income support, through government transfers, shape individual and household choices about who works and who cares, how much and when. At the moment, Australia's tax/transfer system includes disincentives to improved gender equality.

In the 1980s, personal income tax rates were progressive, many family payments were universal, and our system ranked well in terms of gender equity and female labour supply incentives. Since then, progressivity of the tax rate scale has decreased and the unit of taxation for families has shifted from the individual to a "quasi-joint" system whereby family payments are targeted on the basis of assessed joint-income. As a result, many partnered mothers or 'second earners' face effective marginal tax rates on increased paid work that are well above the top rate on personal income (Apps 2015). This is largely on account of the way in which our tax and transfer system interacts to increase the tax rate and withdraw family benefits as family income increases.

Progressive taxes on individual income need to be strengthened to reduce disincentives to women's labour force participation and provide a fair and equitable tax base that can support our high standard of living with fewer burdens and negative impacts on gender equity (Apps 2015). The corporate income tax regime also has an important role to play. A sustainable tax system is essential for the development and maintenance of a basic system of social care Australia so urgently requires.

## We recommend

1. **A tax system that is progressive and generates enough revenue to ensure the funding of high-quality public services and adequate transfer payments without the need for excessive means-testing;**
2. **A tax mix that continues to prioritise progressive income taxes, with individuals as the unit of taxation, and that reduces taxation measures that unfairly advantage high income earners such as superannuation and negative gearing tax concessions; and**
3. **Universal entitlement to key transfers such as the Age Pension and Parental Leave Pay and payment levels for these that are pegged to a fair and decent budget standard.**

## 6. Superannuation & Retirement Savings

**W**OMEN approach their senior years with more care responsibilities (for grandchildren, partners and parents) than do men, and fewer assets (such as superannuation, housing, and other savings). They are more dependent upon the aged pension than men, and they are especially vulnerable to housing stress, particularly if they are single.

Although retirement policy is a lively area of policy debate in Australia, there is little focus on the particular challenges facing working carers. Unfortunately, it remains the case that for many women, the legacy of a lifetime of care (often combined with paid work) is an old age of money worries and poverty.

Recent policy changes have made a bad situation worse, including the failure to provide superannuation contributions as part of the government-funded Parental Leave Payment, and the decision to slow increases in the superannuation guarantee (which will remain at 9.5% until 2021). While none of these would eliminate the gap in women's superannuation balances, together they would mitigate some of its effects that cement women's and carer's disadvantage. Australia is moving in the wrong direction.

What is more, viewing the aged pension as a 'welfare' payment for those who cannot enjoy a self-funded retirement and the 'choices and control' that it brings (Rose 2015), creates a second-rate welfare track for many women and working carers who will depend upon it. This is unfair given the structural realities of Australia's work and care system which consigns most women and carers to low incomes.

A lively superannuation policy debate in Australia suggests growing support for reduced tax breaks on superannuation contributions that disproportionately advantage higher income earners and men. For example, the top 10% of Australian earners receive 38% of super tax concessions, more than the combined benefit to the bottom 70% (Rose 2015). Reducing superannuation tax concessions could help fund a livable age pension for those who have given decades to work and care with no prospect of self-funding their retirement. It would also help fund other measures that would address the retirement gender and care gap, such as superannuation while on parental leave, and increase low income superannuation top-ups.

Many more women than men have no superannuation, and women's average balances remain at just over half of men's. There is no easy solution to this gap in the superannuation pipeline given its origins in the persistent gender pay gap, women's fewer years in paid employment and their high levels of part-time work. Small top-ups for low income workers, mostly women, will not make much difference.

Measures such as adopting the Henry Tax Review recommendation of a zero per cent superannuation taxation rate for those earning below the tax-free threshold and increasing the Superannuation Guarantee from 9% to 12% would increase superannuation balances. However, they will not address the scale of gender inequity in superannuation.

### We recommend

1. **Maintaining a livable aged pension as a cornerstone of Australia's retirement system, at a level that allows those eligible to live with dignity in their old age (for example by continuing to index to increases in average earnings);**
2. **Significantly reducing the tax benefits of superannuation that favour higher income earners and therefore men, more than women;**
3. **Implementing the Henry Tax Review recommendations on taxation of superannuation contributions;**
4. **Implementing 2016 W+FPR Benchmarks' recommendations related to income replacement and superannuation payments for paid parental leave, gender pay equity, and taxation and transfers;**
5. **Removing the \$450 per month minimum earning requirement for payment of employer superannuation contributions; and**
6. **Increasing top-ups to superannuation for low-income earners.**

## 7. Work & Care for an Aging Australia

**T**HE aging of the Australian population creates new economic and policy challenges: and Australia is falling behind. The Global Age Watch Index, which grades countries by how well their older populations are faring, currently ranks Australia at 17 out of 96 countries, a drop of three index points since 2013, and behind most comparable countries in Western Europe, North America and Australasia. Our most significant weakness is in the area of income security where we rank lowest in our region due to a high old age poverty rate (33.4%) and a pension income coverage (83%) below the regional average (HelpAge 2015: 22). A volatile policy environment has created uncertainty for older Australians with regard to income security, aged care services and the workplace. Movement of policy responsibility from the Department of Health and Ageing to the Department of Social Services and back again to the Department of Health has added further confusion and impeded the rational development of good policy. Doubts have also emerged over the impact of the 2013 *Living Longer, Living Better* reform package. It has been a tumultuous time for the aged whether they work, care, or are cared for.

For the elderly who require care, and those who provide this care, the policy environment has become increasingly complex. The shift toward consumer-directed care and care provision located within the home has been undertaken without adequate consideration of the effect such changes will have on clients or workers, including the quality of care and the quality of jobs. Quality indicators for home care have not taken account of client preferences for continuity and consistency in care; nor do they assess the extent to which workers are subjected to poor working conditions, including short and irregular hours, limited management and expectation they cover their own travel expenses. The narrow focus on a particular section of the aged care workforce (PAYG, direct care) has also limited the scope of policy development in aged care. There is an urgent need to include unpaid carers, volunteers, agency workers, self-employed carers, the indirect care workforce (assistive technologies, 'alert' call centres) as well as managers, administrators and regulators into the policy framework. Aged care delivery requires a sophisticated approach to the development of integrated service delivery models.

Older Australians are working longer. The age at which workers can access the age pension is set to rise — to 65.5 in July 2017 and up to 67 in July 2023. If current government proposals are accepted, the pension age will be 70 by 2035 for both men and women. Inadequate superannuation balances for many will mean more Australians will be working for longer out of necessity. Improved health services and life expectancy makes a longer working life a choice for others. Workplace arrangements must be reconfigured to manage this change. This includes measures to target age discrimination, retraining opportunities for older workers and flexible work practices for those who wish to continue to work in flexible ways. An effective right to flexible work is also required to facilitate older workers who provide informal care to their elderly relatives and friends. Informal care for the frail aged and people with disability is a feature of current care policy settings and must be recognised and accommodated by workplaces.

### We recommend

- 1. Evaluation of the impact of consumer-directed care on both models of home care and work conditions for aged care workers;**
- 2. Introduction of aged care benchmarks that link the quality of care to the quality of work; and**
- 3. Implementation of an older workers' strategy. This will include the flexible work changes recommended elsewhere in the 2016 W+FPR Benchmarks' as well as respite care for informal carers.**

## 8.

## Institutional Support and Leadership for Work & Care

**P**UBLIC investment in a robust care infrastructure is essential for the development of a rational and equitable work and care regime in Australia. It is also essential to the future living standards of Australians, economic productivity and social inclusion. This requires a whole of government approach.

Better work, family and care outcomes in Australia rely on positive workplace leadership and culture as well as policy leadership by government. Many workers who are not content with their current work arrangements do not make use of their right to request flexibility at work because their jobs are insecure, they believe their supervisors will view such requests negatively, or there is no history of flexible work in their workplace (Skinner, Cathcart & Pocock 2016). Important workplace culture and leadership issues, such as sexual harassment and discrimination against pregnant workers, working carers, older employees, and those affected by domestic violence are significant in a workforce that is increasingly female, responsible for the care of others, and aging. Leadership and cultural change is also essential for improved uptake of the Dad and Partner Pay component of the Parental Leave Pay scheme. Too many new fathers report their workplaces are not supportive of their use of parental leave and they fear it will undermine career advancement (AHRC 2014).

To support a rational research-informed approach to the development of good work, family and care policy in Australia we need up-to-date data. The importance of good data for policy design, development and evaluation cannot be overestimated. Good research, thorough cost-benefit analyses, continuous evaluation, piloting and an ongoing program of policy development are critical to cost-effective change that supports Australian households to work and care well.

## We recommend

1. **Establishing Federal and State Departments of Work, Life and Community, responsible for the overarching design and implementation of an equitable Australian work, care and family regime;**
2. **Ensuring the Australian Government undertakes systematic research and evaluation about work, care and family policy challenges facing Australia. This includes the provision of adequate funding to maintain existing surveys and data sets and research capacity to investigate changes at work and in Australian households; and**
3. **Immediate reinstatement of Australia's Time Use Survey.**



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