



Brotherhood  
of St Laurence

Working for an Australia free of poverty

# Submission to the Senate Select Committee on Work and Care

September 2022

## **1 The Brotherhood of St. Laurence and the intersections between work and care**

The Brotherhood of St. Laurence (BSL) is a social justice organisation working alongside people experiencing disadvantage to prevent and alleviate poverty across Australia. Our mission is to pursue lasting change and to create a more compassionate and just society where everyone can thrive. Our approach is informed directly by people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work.

In our efforts to prevent and alleviate poverty, BSL has engaged in extensive work at the intersections of paid work and unpaid care, with a particular focus on women's economic security over the life course. Our submission will primarily refer to the work and care experiences of parents; however there are some commonalities with the experiences of other types of carers.

## **2 Responses to the Terms of Reference**

In the limited time available, BSL has focused on Terms of Reference (d), (e), (f) and (g). We would welcome the opportunity to elaborate on our views and provide further information on this complex topic, including more specific recommendations, at a public hearing.

### **Key recommendations**

People with unpaid care responsibilities are not adequately supported to enter the workforce or to balance work and care. Our submission proposes solutions that government can implement to ensure systems better support the combination of work and care and improve wellbeing for carers and those they care for:

- Remove the Child Care Subsidy activity test and provide free access to child care for low-income families to address a key barrier to combining work and care.
- Ensure the social security system recognises the value of unpaid care work and reduces barriers to entering the workforce by providing adequate payment rates and removing punitive compliance requirements.

- Reduce disincentives in the social security system such as high taper rates and low income free areas to support parents to improve the balance between work and care and increase their economic security.
- Replace ParentsNext with a voluntary, enabling, community-based prevocational program that assists parents with young children to strengthen their prospects for work and economic security, while recognising the importance of parental care in the early years.
- Create and facilitate inclusive, secure and sustainable jobs that are flexible enough to accommodate unpaid care responsibilities, so parents and carers don't have to forgo decent work to provide care or risk their wellbeing in precarious jobs. This includes improving wages and conditions in the formal care sector (child care, disability and aged care) and ensuring funding and indexation arrangements for community sector organisations delivering care services reflect the true costs of service delivery, including decent wages.
- Reduce the gendered nature of care through policies that encourage the equitable distribution of care between women and men, such as new models of Paid Parental Leave.

BSL also endorses the submission prepared by the Melbourne Disability Institute (MDI), which draws on the experience of carers of people with disability as part of the [Tier 2 tipping point](#) study. The MDI submission highlights the impact of the shortfall in NDIS Tier 2 supports on carers' earning capacity, household costs and unpaid care work.

### **TOR (d) the adequacy of current work and care supports, systems, legislation and other relevant policies across Australian workplaces and society**

Many people in our society have responsibility for providing care for children and adults, including the elderly and those with disability; among them, women make up the vast majority of primary carers. This impacts their access to decent paid work and increases reliance on systems such as social security and social infrastructure such as child care. However, many of these systems are inadequate, and significant reforms are needed to support parents and carers to engage in decent work, provide quality care and balance these competing roles.

In the lead-up to the 2022 federal election, the Work + Family Policy Roundtable ([2022](#)), a network of 31 academics from 18 institutions, proposed 'a set of research-informed policy benchmarks against which election proposals for improving work, care and family outcomes in Australia can be assessed'. These were organised under five themes that influence household decision making about work and care: decent work, high quality care infrastructure and a sustainable care workforce, gender pay equality, safe and respectful workplaces, and institutional support for decent work and decent care (p. 3). We strongly encourage the Committee to refer to the benchmarks recommended by the Roundtable.

### **Child care and early learning**

One of the biggest barriers to workforce participation and economic security for parents, especially mothers, is inadequate access to affordable, quality child care. The Mitchell Institute ([2022](#)) found that 36.5% of children aged 0–4 live in a 'child care desert', with low-income families and families in regional areas disproportionately unable to access care.

The hours that child care is available also tend to be inflexible, restricting the types of jobs and hours parents are able to take on. A qualitative study conducted with women living in Western Sydney found that women often ‘trade down’, taking on jobs based on the care they can access rather than their capabilities (Cooper & Hill 2022).

The high cost of care means that, for many women, taking time out of the workforce or reducing work hours is not a choice. While the federal government’s child care-related election commitments will reduce the costs of child care by lifting the rebate and thereby improve access to work, it is unclear to what extent workforce participation for women will increase. The current Child Care Subsidy activity test adds significant complexity to the system and increases costs by limiting the number of subsidised hours families receive. For parents in or moving to casual employment, the test creates uncertainty and risks generating overpayment debts if their work hours are reduced (Impact Economics and Policy 2022).

### **Social security**

The intersections between employment, social security and care policy often act to limit choices and create ‘poverty traps’ for people experiencing disadvantage. Social security reform is urgently needed to improve wellbeing and economic security and remove barriers to paid work for parents and carers.

Care responsibilities and limited access to decent work leave many parents, particularly single mothers, reliant on the social safety net. Inadequate working-age payment rates have left almost a third of single parent families living in poverty, while almost one quarter reported skipping meals, limiting heater use or relying on charities to get by (Phillips & Narayanan 2021, p.10).

For low-income single mothers in our *Trampolines, not traps* study, working more hours was not a ready solution to the need for more income. Consistent extra hours were not necessarily available, and an increase in earnings meant losing income support and associated concessions while incurring additional costs such as transport and child care.

Sole parents are also the household type most likely to be affected by high effective marginal tax rates (EMTRs) (Ingles & Plunkett 2016); and for couple families, Parenting Payment and Family Tax Benefit create high EMTRs on second income earners. This has led to families facing EMTRs of 80% compared to the statutory top marginal tax rate of 47%, creating an inbuilt barrier to work, particularly for women.

Government policies and programs aiming to support parents to re-enter the workforce often fail to recognise and address structural barriers such as inaccessible childcare, care responsibilities and lack of available work that is secure, fairly paid and flexible enough to accommodate care. ParentsNext is a notable example that creates additional barriers and even harm through compliance obligations that can result in suspended payments. This compulsory and punitive program must be replaced by a voluntary program, with more effective education, employment and job readiness supports that reflect the realities of caring for young children.

## **Recommendations for government**

- Remove the Child Care Subsidy activity test.
- Provide free child care for low-income families and invest in government-run child care centres in 'child care deserts'.
- Increase working-age payment rates to an adequate level to lift people above the poverty line, improve wellbeing and remove barriers to combining work and care.
- Increase the income-free area for working-age payments and address high effective marginal tax rates for social security recipients by adjusting taper rates which can act as a barrier to taking on more work.
- Replace ParentsNext with a voluntary, enabling, community-based prevocational program that assists parents with young children to strengthen their prospects for work and economic security, while recognising the importance of parental care in the early years.
- Establish an independent Social Security Commission to review and set the structure, rates and associated conditions of social security payments.

## **TOR (e) consideration of the impact on work and care of different hours and conditions of work, job security, work flexibility and related workplace arrangements**

### **Insecure work**

Insecure work, with its uncertain hours and incomes, can make it hard to balance work and care, budget effectively and access formal child care ([Bowman & Wickramasinghe 2020](#)). For casual workers, having no paid leave leaves parents with reduced income when ill or caring for a sick child. In response to this, the Victorian Government has recently committed to piloting a [Victorian Sick Pay Guarantee](#) which provides sick or carer's pay to compensate workers without leave entitlements.

### **Formal care work**

The fact that women do the majority of care, combined with the cultural norm that caring is 'women's work', renders care work less visible and considered a less 'productive' contribution to society. This devaluing of women's work and skills is evident in the low pay and insecure work that characterise female-dominated industries, including formal systems of care such as child care, disability support and aged care.

The transfer of care from the home to formal systems, while seemingly offering more opportunities for carers to engage in the labour market, creates its own challenges at the intersection of work and care. When these systems fail to provide decent work, low pay and insecure working conditions adversely impact the wellbeing of formal carers, informal carers and those being cared for.

For example, the gig economy and individualised funding systems, such as the National Disability Insurance Scheme (NDIS), can create markets in which self-employed contractors take on high

levels of risk. International research has found that market-based individualised systems tend to create poor quality, insecure jobs and offer limited skill development (Macdonald 2020). Some jobs, such as those facilitated by digital platforms, appeal to women with care responsibilities because of their flexibility, but do not provide decent income and conditions (Williams et al. 2021). As part of the *Support Online* project, BSL has interviewed support workers, people with disability, and their carers to understand the implications of digital platforms for the disability sector. Early findings show that support workers engaged through digital platforms felt they had inadequate support from the online platforms for their care work if something went wrong.

As a growing number of jobs in the care economy are defined by precarity and insecurity, an important focus for government should be the creation and facilitation of decent work, which we define as quality employment that is sustainable, offers a living wage, and does not increase social inequality or exclusion, or conflict with family life. Funding and indexation arrangements for community sector organisations delivering essential care services need to reflect the true costs of service delivery and enable these organisations to fund long-overdue wage increases.

### **Recommendations for government**

- Create and facilitate inclusive, secure and sustainable jobs that are flexible enough to accommodate unpaid care responsibilities.
- Investigate options for providing personal leave to all casual workers, building on the Victorian Government's efforts.
- Improve the wages and conditions of employment in formal systems of care. The recent focus of the Fair Work Commission on pay equity issues in the care sector is a welcome first step.
- Ensure funding and indexation arrangements for community sector organisations delivering care services reflect the true costs of service delivery, including decent wages.
- Work with employers and the community sector to design and test new models of secure employment that provide flexibility to manage care responsibilities.

### **TOR (f) the impact and lessons arising from the COVID-19 crisis for Australia's system of work and care**

The COVID-19 crisis exacerbated underlying inequalities at work and at home and has been described as a women's pandemic because of its unequal social and economic impacts. Women shouldered a greater burden of unpaid care work resulting from school closures and experienced conflict between work and family responsibilities, especially when working from home (Bowman, Mupanemunda & Wickramasinghe 2021). This has led to high levels of burnout (Deloitte 2022).

In response, a University of Sydney study conducted focus groups with working women of Western Sydney to understand what they want from work and working conditions post-pandemic. Women with school-age children almost unanimously concurred that the flexibility offered by working from home was valuable and worked well for them after schools reopened (Cooper & Hill 2022). It should be noted however, that efforts to provide flexibility for women must be complemented by efforts to promote gender equity in the provision of care.

Financial, personal and work-related pressures imposed on people employed in care sectors during the COVID-19 crisis have led to high levels of burnout. These extreme pressures have put the future viability of those sectors at risk and improvements to working conditions will be necessary to support their sustainability (Mills & Finnis 2020).

Another key lesson from the COVID-19 pandemic is that the provision of higher levels of social security and the absence of mutual obligations improved the wellbeing and productivity of people combining, or seeking to combine, work and care (Klein, Cook, Maury & Bowey 2021).

COVID-19 highlighted existing inequalities for balancing work and care, with other solutions discussed in other sections of this submission.

<b>TOR (g) consideration of gendered, regional and socio-economic differences in experience and in potential responses including for First Nations working carers, and potential workers</b>
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As previously mentioned, unpaid care work is unevenly distributed, with women carrying the bulk of domestic and caring responsibilities, regardless of who the main earner in the household is. In couples with dependent children, women spend 20.9 hours per week more than men providing unpaid child care (Wilkins et al. 2021), and women are more likely than men to be a primary carer of a person with disability (6.1% compared with 2.5%).

The uneven distribution of care is a significant barrier to women's economic security over the life course, with implications for their wellbeing and the wellbeing of those they care for. Devaluation of women's work and skills, combined with time out of the workforce to raise children or care for family members and the gender pay gap, see women retiring with less savings and 24% less super than men on average. For this reason, a focus on equitable distribution of care is equally as important as providing adequate support to carers. Paid parental leave is one area in which the government can influence shifts in the division of care.

### **Recommendations for government**

- Design policies that encourage the equitable distribution of care between women and men, such as new models of Paid Parental Leave.

For further information or to discuss this submission, please contact:

<p><b>Prof. Shelley Mallett</b> Director, Social Policy and Research Centre Professorial Fellow, Social Policy, University of Melbourne Email: <a href="mailto:Smallett@bsl.org.au">Smallett@bsl.org.au</a> M: 0438 022 985</p>	<p><b>Dr Dina Bowman</b> Principal Research Fellow, Work and Economic Security Email: <a href="mailto:DBowman@bsl.org.au">DBowman@bsl.org.au</a> M: 0418 310 551</p>
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Brotherhood of St. Laurence  
67 Brunswick Street  
Fitzroy Vic. 3065

ABN 24 603 467 024  
ARBN 100 042 822

Ph. (03) 9483 1183  
[www.bsl.org.au](http://www.bsl.org.au)