

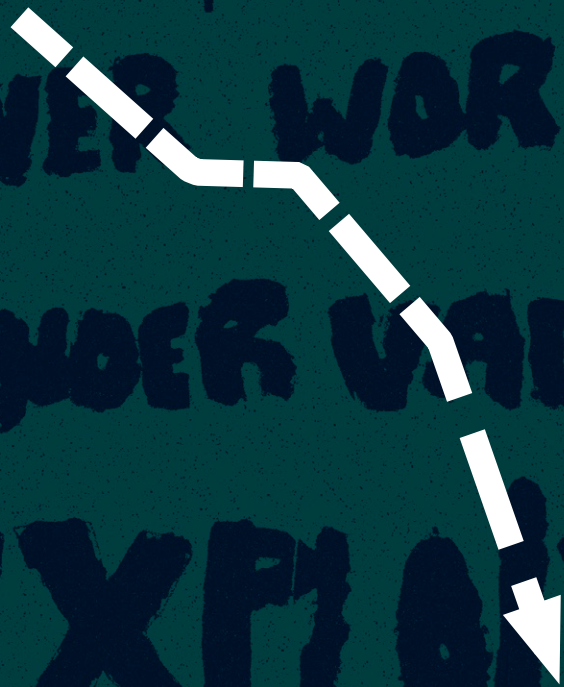


DELIVERING

EQUITY **FOR**
WOMEN
AT WORK

Jobs Summit Series – August 2022 – Paper 4

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**AUSTRALIA
DROPPED
IN THE GLOBAL
GENDER GAP
INDEX FROM
15 IN 2006
TO 43 IN 2022**

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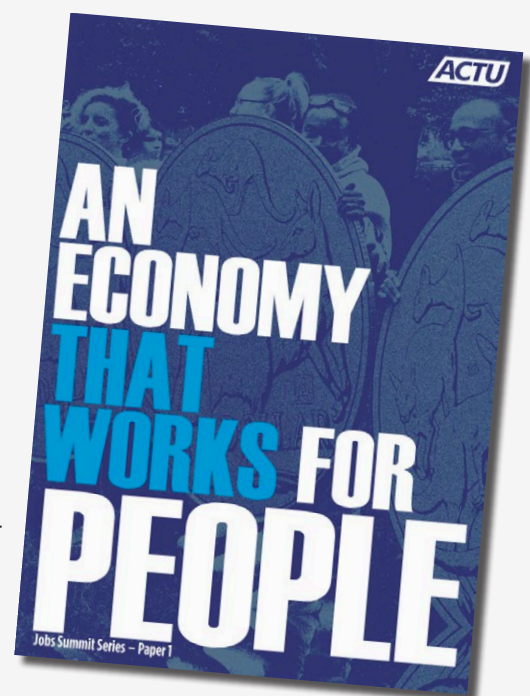
ABOUT THE JOBS SUMMIT SERIES

Everyone deserves the chance to work in a secure job with decent pay. While Australia has emerged from lockdowns in better shape than most, our wages are not keeping up with the sky rocketing cost of living, and insecure work is rife. Climate change, strains in the care economy, and the automation of work, are all also profoundly impacting upon the world of work.

The Jobs Summit in early September is the chance to chart a course towards full and secure employment for all. The Jobs Summit series – a series of papers released by the Australian Council of Trade Unions (ACTU) in the lead up – aims to provoke debate and build common ground on what that course could be.

Read more at www.australianunions.org.au/job-summit.

Authorised by Sally McManus, ACTU, 365 Queens St, Melbourne.



JS04 - August 2022

EXECUTIVE SUMMARY

If you are a woman working today, chances are that you will earn less than a man, have less job security and retire with less income.

You are also more likely to be doing more unpaid care and putting your career on hold to balance family and work. Most of the tremendous strain on family lives from real wages cuts and juggling the “work-life collision”, is likely to fall on your shoulders. But the story gets far worse: you are also far more likely to be subject to sexual harassment, assault and violence and treated less favourably because of your gender.

The last two and a half years of the pandemic have only supercharged every single one of these trends.

The upcoming Jobs and Skills Summit and the White Paper must address this profound inequality. It is not just a question of justice or respect, it is also an economic one.

Another 893,000 women would be in the workforce if they were able to participate in work at the same rate as men. If we could achieve just half that number then women would earn an extra \$26 billion each year. Similarly, men earn \$472 more each week than women. If that pay gap was cut by half, women would take home an additional \$85 billion. Together that would be a \$111 billion boost to women’s economic security and our national income.¹

Viewed this way, we don’t have a skills shortage. We have a shortage of action to support women to win well paid and rewarding jobs and careers. There may be no greater measure to boost national productivity and economic growth than delivering respect for women at work.

This report maps out the many challenges to realise this, from the gender pay gap, barriers to women at work, improving safety and respect for women, the crisis in the care economy and scourge of insecure work and low pay facing women.

It touches on how former Coalition Governments largely ignored these issues and welcomes the positive early progress of the new Albanese Government and commitments made.

Yet the barriers facing women are high, wide and complicated. Many are deeply entrenched in our economy, society and our culture. Solutions therefore need to match the scale of these structural problems. This paper puts forward a range of ideas to make progress, but it isn’t a complete set of solutions.

We are calling on the Federal Government to:

CLOSE THE GENDER PAY GAP BY:

1. Implementing existing commitments to:
 - » Making gender equity an object of the Fair Work Act,
 - » Requiring the Fair Work Commission to proactively tackle gender inequity across all of its functions, including stronger Equal Remuneration Order provisions which do not require a male comparator,
 - » Establishing expert Pay Equity and Care and Community panels within the Fair Work Commission,
 - » Promote pay transparency by requiring large companies to publicly report on their gender pay gaps across all staff including senior managers,
 - » Outlawing pay secrecy clauses, and
 - » Agreeing to fund the outcome of the work value case for aged care workers.
2. Take further action by:
 - » Requiring all organisations with more than 20 employees to report to WGEA on their gender pay gap, including all levels of government and labour hire companies.
 - » Expanding the reporting to include meaningful targets, all staff, forms of remuneration and all indicators of diversity.
 - » Publishing all company pay gaps to better drive improvements and accountability.
 - » Providing better resources for WGEA to perform its functions effectively.
 - » Encouraging state and territory governments to publicly report on their gender pay gaps.
 - » Updating Commonwealth Procurement guidelines to require organisations seeking to tender for government work to demonstrate they have taken tangible steps across their organisation to achieve gender equality.
 - » Implementing measures and report on progress in achieving gender equality across the public sector.
 - » Requiring superannuation to be paid on parental leave.

¹ ACTU calculations from ABS Labour Force, July 2022 and ABS Average Weekly Earnings, May 2022.

We are calling on the Federal Government to:

INCREASE WOMEN'S WORKFORCE PARTICIPATION BY:

3. Increase Commonwealth Paid Parental Leave by:
 - » Initially expanding it to 26 weeks, phasing it up to 52 weeks by 2030, with incentives for shared parenting.
 - » Replacing the categories of "primary" and "secondary" carer, with a common category of "parent" under a single, shared entitlement.
 - » Pay it at the greater of a replacement wage or the full time national minimum wage.
 - » Pay super on it.
 - » Ensure workers can access Parental Leave entitlements, and they are not discriminated against when seeking to return to work.
4. Providing free and universal quality early childhood education and care, delivered by highly skilled, properly paid and securely employed educators, including by bringing forward the start date of improved childcare subsidies from 1 July 2023 to 1 January 2023.
5. Guaranteed and enforceable access to secure family friendly working arrangements in the National Employment Standards.
6. Establishing or improving dedicated programs for women to transition into STEM professions and traditionally male-dominated industries and occupations.

PROVIDE SECURE JOBS AND FAIR PAY FOR WOMEN BY:

7. Implementing its commitments to change the law to stop employers turning secure jobs into insecure ones. This includes introducing a proper definition of casual employment, placing limits on the use of fixed term contracts, and ensuring labour hire workers get at least the same pay as directly employed workers.
8. Fixing the bargaining system to ensure that it is simple, fair and acceptable to all. Including multi-employer or sector bargaining so women and sectors in the care economy can be included in genuine bargaining processes that can deliver fair outcomes on wages and conditions.
9. Implementing better rights for workers to secure, stable and meaningful rosters
10. Ensuring that minimum and award wages provide at least a living wage.

IMPROVE WOMEN'S SAFETY AT WORK AND IN THEIR LIVES BY:

11. Promptly implementing its commitments to all 55 recommendations of the Respect@Work report, and the introduction of ten days of paid family and domestic violence leave for all employees into the National Employment Standards.
12. Running education and awareness raising programs in partnership with union and employer organisations to ensure the effective implementation of these changes.
13. Adequately fund community organisations to address family and domestic violence and support victims.
14. Funding programs to address gendered violence in all workplaces which apply adult education principles.

MAKE THE CARE ECONOMY A GREAT PLACE TO WORK BY:

15. Launching a National Care Compact. The Compact would deliver these six principles across the care economy:
 - i. Secure work and fair pay for the workforce
 - ii. Rewarding careers, with increased investment in skills and support
 - iii. Investment in enough staff to be able to provide quality care.
 - iv. Safe workplaces including appropriate PPE, testing, training and paid pandemic leave.
 - v. Accessible and affordable care for users, including free and universal ECEC.
 - vi. Ensure operators are delivering on these principles by improving standards, transparency and reporting, overseen by properly resourced public regulators.

1. THE GENDER PAY GAP

Progress in reducing Australia's gender pay gap remains painfully slow, and often stalls. Australia's official gender pay gap, which compares full time ordinary earnings between men and women, is stuck at 14.1%, which equals \$264.30 less per week for a woman, improving by just 0.1% from a year earlier.² But when you include all of the money that men and women actually earn, including overtime and bonuses, and hours worked, the true gender pay gap is about 30% or \$472 each week.

While this gap has narrowed over time, it is stalling, and we aren't keeping up with the rest of the world. Australia's ranking in World Economic Forum's Gender Gap ranking has plummeted from 15th in 2006 down to 43rd this year.³

There are three broad and overlapping reasons why women get paid less than men.

- » Firstly, there is the historic undervaluation of work done in female-dominated industries and occupations.
- » Secondly, women face barriers to secure, quality and flexible work, particularly due to a lack of support for caring responsibilities. Expensive childcare, poor funded paid parental leave, unequal parenting for children, and no effective right to request family friendly work arrangements all contribute to this barrier.
- » Thirdly, gender discrimination continues to play the biggest role, especially in treating women less favourably when it comes to hiring, access to training, and pay and promotion decisions.

Underpinning all of these drivers in a profound lack of respect for women, that has long been deeply embedded in the world of work and of care.

As women progress through their careers, the gender pay gap also turns into an even more extreme retirement income gap. Women, on average, retire with superannuation balances 47% lower than men.⁴ Shamefully, 40% of older single women live in poverty in retirement⁵ and women over 55 are the fastest growing group of people experiencing homelessness.⁶

The Morrison Government made this situation worse. Its initial response to the financial impact of the COVID pandemic was to force those with the least financial security to raid their super and jeopardise their retirement just to get by. As of February 2021, women were forced to make over 2 million applications for the early release of their retirement savings. In total, Australians seeking to cushion the financial blow of the pandemic withdrew \$37.8 billion of their super.⁷

Given the complex causes of the pay gap, solutions to it also need to be broad. Unfortunately workplace laws aimed at directly addressing the historical undervaluation of work in female-dominated sectors have largely failed. There has only been one successful case under Australia federal Equal Remuneration Order provisions in the Fair Work Act (and its predecessors) since 1993. The requirement in the provisions to identify a male "comparator group" has been a large barrier to successful claims.

Employers preventing staff from discussing their pay is another driver of the pay gap. Pay secrecy clauses in employment contracts are a deliberate attempt to give employers the upper hand in pay negotiations and to hide pay discrimination against women. In the case of the Commonwealth Bank, the Finance Sector Union (FSU) showed that its internal gender pay gap was a staggering \$500 million per annum, in part due to pay secrecy clauses.

² ABS Average Weekly Earnings, May 2022

³ WEF Global Gender Gap Report 2022 https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

⁴ David Hetherington and Warwick Smith, Not so Super, for Women: Superannuation and Women's Retirement Outcomes (Melbourne: Per Capita and the Australian Services Union, 2017), at p 6

⁵ <https://www.womeninsuper.com.au/content/the-facts-about-women-and-super/gjumzs>

⁶ <https://www.sbs.com.au/news/insight/article/400-000-women-over-45-are-at-risk-of-homelessness-in-australia/hiaghq5n5>

⁷ <https://www.smh.com.au/politics/federal/a-perfect-storm-up-to-70-000-women-may-have-been-coerced-into-withdrawing-super-20220217-p59xac.html>

Finally, the Workplace Gender Equality Agency (WGEA) is tasked with, among other things, overseeing company reporting on their gender pay gaps. However only a limited number of companies are required to report, such reporting lacks the detail to drive change and WGEA itself lacks the resources to perform its functions effectively.

The New Albanese Government has made significant commitments to tackle the Gender Pay Gap which we welcome. They include:

- » Making gender equity an object of the Fair Work Act
- » Requiring the Fair Work Commission to proactively tackle gender inequity across all of its functions, including stronger Equal Remuneration Order provisions which do not require a male comparator,
- » Establishing expert Pay Equity and Care and Community panels within the Fair Work Commission,
- » Promote pay transparency by requiring large companies to publicly report on their gender pay gaps across all staff including senior managers,
- » Outlawing pay secrecy clauses, and
- » Agreeing to fund the outcome of the work value case for aged care workers.

To further tackle closing the gender pay gap, we call on the Federal Government to:

- » Require all organisations with more than 20 employees to report to WGEA on their gender pay gap, including all levels of government and labour hire companies.
- » Expand the reporting to include meaningful targets, all staff, forms of remuneration and all indicators of diversity.
- » Publish all company pay gaps to better drive improvements and accountability.
- » Provide better resources for WGEA to perform its functions effectively.
- » Encourage state and territory governments to publicly report on their gender pay gaps.
- » Update Commonwealth Procurement guidelines to require organisations seeking to tender for government work to demonstrate they have taken tangible steps across their organisation to achieve gender equality.
- » Implement measures and report on progress in achieving gender equality across the public sector.
- » Require superannuation to be paid on parental leave.

Nearly all other recommendations in this report would also make a contribution to closing the gender pay gap.

“WHEN YOU INCLUDE ALL OF THE MONEY THAT MEN AND WOMEN ACTUALLY EARN, INCLUDING OVERTIME AND BONUSES, AND HOURS WORKED, THE TRUE GENDER PAY GAP IS ABOUT 30% OR \$472 EACH WEEK.”

2. INCREASING WOMEN'S WORKFORCE PARTICIPATION

Despite Australia having the lowest unemployment rate in half a century, with many businesses complaining about labour shortages, tremendous barriers remain for women who want to work, or to work more hours. In a recent ABS survey, over 1.8 million people reported wanting to work but were unable to for various reasons.⁹

A key barrier is caring responsibilities: over 166,000 workers reported that caring for children or other caring responsibilities were preventing them from working. Of them, nearly 70% or 116,000 were women. It is a key reason why women's participation in the workforce (62.2%) continues to lag well behind men on 70.8%.⁹

Even then, these numbers don't include women already at work, but prevented from working more hours because of caring responsibilities. It is no surprise then that women are far more likely to work on a part time basis than men. In fact, after the age of 35, women are more than twice as likely to work part time than men.¹⁰ They are also more likely to want more hours of work: 7.3% of women report being underemployed compared to 4.8% of men. And even where women work full time, they are still doing 40 per cent more unpaid work than men.¹¹

The three key barriers facing women are unequal caring responsibilities, the inaccessibility and high cost of paid care, and inflexible working arrangements that punish carers. The pandemic has supercharged these barriers. Women took on even more unpaid caring work during the pandemic as schools and childcare centres shut down.¹²

Women's unpaid care work is largely unrecognised and unsupported in our workplaces and across the economy more broadly. This is especially reflected in our poor policy support for carers. A "primary carer" of a newborn in Australia - nearly always a woman¹³ - is confronted with the second worst paid parental leave scheme in the developed world - 18 weeks at the national minimum wage.¹⁴

Australia is also ranked 27th on the amount of PPL provided to fathers, providing just two weeks leave paid at minimum wage.¹⁵

Men account for only 6.5% of all primary carer's leave taken in Australia, with the vast majority of PPL undertaken by women.¹⁶

The impact of this is that mothers end up doing the lion's share of parenting for a newborn both in terms of the initial leave taken, and then by taking on part time work to balance care and work responsibilities. While men rarely take more than a couple of weeks to look after a newborn and return to full time work, women's careers are often put on hold. It is at this point that the participation and pay gaps between women and men starts to widen the most.

The cost of early childhood care and education often exacerbates the pressures on a young mother not to re-enter the labour force. As a share of family income, the costs of early childhood education and care (ECEC) in Australia are among the highest in the developed world.¹⁷ Out of pocket ECEC costs have jumped by 14.7% since the last Federal election in 2019, leaving families struggling to manage the cost of living.¹⁸ An average working couple loses almost two thirds of their income to either higher taxes or lower benefits if they access ECEC for their child. Australia ranks in the bottom half of OECD countries in terms of public funding of ECEC.

To re-enter the world of work, or to take on the hours that best suit them, workers also need working arrangements that can best complement their caring responsibilities. As highlighted in the SDA's Who Cares? report, unless this becomes a right, rostering arrangements will not change even though employers could accommodate such changes.¹⁹

The current right to request flexible working arrangements can easily be rejected by employers with no right of appeal by an employee.²⁰

⁸ ABS Potential Workers Survey February 2022

⁹ ABS Labour Force, July 2022

¹⁰ Australian Government Ibid. Page 5

¹¹ Australian Government Ibid. Page 5

¹² Benefits and wages - Net childcare costs - OECD Data, <https://data.oecd.org/benwage/net-childcare-costs.htm>

¹³ 88% of "primary carers" are women according to WGEA (2021).

¹⁴ UNICEF ranks Australia 40th of 41 comparable EU and OECD countries on PPL provided to mothers.

¹⁵ Family-Friendly-Policies-Research_UNICEF_2019.pdf (unicef-irc.org), https://www.unicef-irc.org/publications/pdf/Family-Friendly-Policies-Research_UNICEF_%202019.pdf

¹⁶ Towards gender balanced parental leave | WGEA, <https://www.wgea.gov.au/publications/towards-gender-balanced-parental-leave>

¹⁷ <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

¹⁸ <https://thrivebyfive.org.au/news/the-parenthood-new-cpi-data-reveals-childcare-costs-soar-by-6-5-in-past-year-and-helps-drive-cost-of-living-for-parents/>

¹⁹ Cortis, N., Blaxland, M., and Charlesworth, S. (2021). Challenges of work, family and care for Australia's retail, online retail, warehousing and fast food workers. Sydney: Social Policy Research Centre, UNSW Sydney

²⁰ Even where unions have secured strong rights to request flexible working, through enterprise bargaining, significant negative attitudes to family friendly work practices remain.

Women also face significant barriers breaking into male-dominated occupations, that typically pay better than female-dominated ones. In science, technology, engineering or maths (STEM) professions, women only make up 13% of that workforce and earn 19% less than their male counterparts.²¹ Even worse, a survey conducted by Professionals Australia found that 1 in 3 women in STEM professions intended to leave in the next three years because of a lack of career advancement, the desire for better pay and conditions and a better work/life balance.²² When it came to action, the top things that survey participants said that government and industry should do included addressing equal pay, getting access to high-quality affordable childcare and addressing gender discrimination at work.²³

In male dominated industries and occupations, sexual harassment of women, and a lack of support for them is also rife. A recent report by the Electrical Trades Union (ETU), *Nowhere to go*, highlights the substandard or non-existent toilet facilities for women on worksites in traditionally male-dominated sectors around the country, exposing them, to a range of hazards, including greater risks of harassment and violence at work.²⁴ The WA Parliament also recently handed down a report on similar findings of appalling levels of sexual harassment in the mining industry.²⁵

Aside from giving women economic security and respect, overcoming these barriers to women's workforce participation would deliver a huge boost to our national prosperity. Another 893,000 women would be in the workforce if they were able to participate in work at the same rate as men. If we could achieve just half that number then women would earn an extra \$26 billion each year. Similarly, men earn \$472 more each week than women. If that pay gap was cut by half, women would take home an additional \$85 billion. Together that would be an \$111 billion boost to women's economic security and our national income.

To support increasing women's workforce participation the Federal Government should:

- » Increase Commonwealth Paid Parental Leave by:
 - Initially expanding it to 26 weeks, phasing it up to 52 weeks by 2030, with incentives for shared parenting.
 - Replacing the categories of "primary" and "secondary" carer, with a common category of "parent" under a single, shared entitlement.
 - Pay it at the greater of a replacement wage or the full time national minimum wage.
 - Pay super on it.
 - Ensure workers can access Parental Leave entitlements, and they are not discriminated against when seeking to return to work.
- » Providing free, and universal quality early childhood education and care, delivered by highly skilled, properly paid and securely employed educators, including by bringing forward the start date of improved childcare subsidies from 1 July 2023 to 1 January 2023.
- » Guaranteed and enforceable access to secure family friendly working arrangements in the National Employment Standards.
- » Establishing or improving dedicated programs for women to transition into STEM professions and traditionally male-dominated industries and occupations.

“AS A SHARE OF FAMILY INCOME, THE COSTS OF EARLY CHILDHOOD EDUCATION AND CARE (ECEC) IN AUSTRALIA ARE AMONG THE HIGHEST IN THE DEVELOPED WORLD.”

²¹ Australian Government (17 August 2022), *Jobs and Skills Summit Issues paper*, page 11.

²² Professionals Australia (2021) *Women in STEM Report* Page 3

²³ Ibid.

²⁴ ETU (August 2021), *Nowhere to go*, <https://www.etunational.asn.au/nowhere-to-go/>

²⁵ WA Parliament, Community Development and Justice Standing Committee (June 2022) *Enough is Enough, Sexual Harassment against women in the FIFO Mining Industry*,

3. INSECURE WORK AND LOW PAY

Gender equity can never be achieved in this country without addressing the crisis of insecure work and low wages.

The ACTU estimates that 4.15 million, or 1 in 3 workers in Australia are in a form of insecure work²⁶ and the majority of them are women. Nearly 7 in 10 (68%) part time jobs in Australia are held by women, and most of those jobs tend to be casual – with no guarantee of hours or even a job next week. 53% of casual employees are women.

Workers in insecure work face far higher health and safety risks, have poorer health, are more likely to be the victim of wage theft, have higher levels of stress, feelings of powerlessness and lower levels of control in their lives. They are also more likely to be trapped in work that pays poorly. ACTU research also showed that casuals workers earn at least \$350 a week less than permanent employees despite supposedly receiving a 25% loading for not getting paid leave entitlements or job security.²⁷

Women lost jobs and hours during the initial stages of the COVID pandemic at far higher levels than men because they were more likely to be in insecure work, and because the Morrison Government deliberately excluded casual workers with less than 12 months of service from Job Keeper.²⁸

Highly feminised sectors and smaller businesses which predominantly employ women are less likely to be covered by an enterprise agreement and therefore lack the capacity to negotiate improved pay and conditions.

Further, women in sectors such as community services and education are stuck on rolling fixed term contracts for years on end, while others in aged care, retail and hospitality are trapped in insecure part-time jobs with very little control over their hours of work.

Finally, women are far more likely to be reliant on an Award to set their pay than men, particularly in the care economy, retail and accommodation and food services.²⁹ The National Minimum Wage and key Award wages are also losing touch with what is commonly regarded as Australia's poverty line: 60% of median earnings.

To provide secure jobs and fair pay for women the Federal Government should:

- » Implement its commitments to change the law to stop employers turning secure jobs into insecure ones. This includes introducing a proper definition of casual employment, placing limits on the use of fixed term contracts, and ensuring labour hire workers get at least the same pay as directly employed workers.
- » Fix the bargaining system to ensure that it is simple, fair and acceptable to all. Including multi employer or sector bargaining so women and sectors in the care economy can be included in genuine bargaining processes that can deliver fair outcomes on wages and conditions.
- » Implement better rights for workers to secure, stable and meaningful rosters
- » Ensure that minimum and award wages provide at least a living wage.

²⁶ ACTU, (April 2022) Missing in Action on Secure Work: <https://www.australianunions.org.au/campaigns/morrison-missing/>

²⁷ ABS Characteristics of Employment, August 2021

²⁸ WGEA, Gendered impacts of COVID-19, May 2020, https://www.wgea.gov.au/sites/default/files/documents/Gendered%20impacts%20of%20COVID19_0.pdf

²⁹ 61% of award-reliant workers are women.

4. WOMEN'S SAFETY AT WORK AND AT HOME

Violence and harassment against women, especially at work is at crisis levels in this country. Nearly two thirds of women (64%) who responded to the ACTU's Sexual Harassment in Australian Workplaces survey said they'd experienced sexual harassment at a current or former workplace.³¹

The scale of sexual harassment at work was not helped by nearly a decade of Coalition Government that effectively turned a blind eye to abuse.

The shameful events at Parliament House that led to the March4Justice Rallies united Australian women around a set of clear and urgent demands for reform to keep women safe at work. Those demands were contained in the ground-breaking Respect@Work report by Kate Jenkins, the Sex Discrimination Commissioner. It found that "Australia now lags behind other countries in preventing and responding to sexual harassment", and its legal system was "no longer fit for purpose". It concluded with 55 recommendations for action which unions support.³¹ Encouragingly the new Government has committed to implementing all recommendations in full. Critical new legal rights include placing positive duties on employers to take steps to prevent sexual harassment, and a new and easy complaints mechanism within the Fair Work Act.

Sexual, family and domestic violence.

The crisis of harassment at work is unfortunately mirrored by the crisis of sexual, family and domestic violence. A staggering 2.2 million Australians have experienced violence from a partner since the age of 15 and 1.2 million Australians have experienced violence from another family member.³² The statistics are even more alarming for women – 1 in 4 women have experienced violence from a partner since the age of 15 and on average one woman a week is killed by her current or former partner.³³ 23% of women aged 18 years and over have experienced sexual assault in their lifetime.³⁴ Family and domestic violence is estimated to cost the national economy \$20 billion per annum or around 1% of GDP.³⁵ 4% of women who experienced sexual assault in the last 10 years the most recent incident occurred at work.³⁶

On average a woman is killed each week by a partner, ex-partner or family member in Australia. Hundreds of thousands report facing violence at home – figures that have surged during the pandemic, as many women were trapped further into abusive relationships.

The true picture is likely to be even worse.

10 days paid family and domestic violence leave is crucial to keep women safe. It can also assist with closing the gender pay gap and promoting gender equity, because it maintains the economic security women need to leave and recover from violent relationships. One in four women cite financial barriers as the reason they are unable to leave abusive relations.³⁷ And without access to paid leave, women face an 'increased risk of financial instability and homelessness.'³⁸

In response, unions have campaigned for and won paid domestic violence leave for about 1.2 million Australian in over 6,000 workplace agreements across the country.³⁹ The ACTU then recently won its Fair Work Commission case to introduce ten days of paid family and domestic violence leave into Awards, covering an additional 2.7 million workers. Now the new Government has introduced a Bill extending this right to all employees, including casuals, into the National Employment Standards (NES) of the Fair Work Act. These are historic achievements that will save lives. We urge the Parliament to pass the Bill.

We welcome the Government's commitment to, and prompt implementation of:

- » All 55 recommendations of the Respect@Work report, and
- » The introduction of ten days of paid family and domestic violence leave for all employees into the National Employment Standards.

We further call for:

- » Education and awareness raising programs run in partnership with union and employer organisations to ensure the effective implementation of these changes;
- » Adequate funding for community organisations to address family and domestic violence and support victims.
- » Programs to address gendered violence in all workplaces which apply adult education principles.

³⁰ <https://www.australianunions.org.au/campaign/sexual-harassment-in-australian-workplaces-survey-results/>

³¹ Australian Human Rights Commission, Respect@Work: Sexual Harassment National Inquiry Report (2020) <https://humanrights.gov.au/our-work/sex-discrimination/publications/respectwork-sexual-harassment-national-inquiry-report-2020>

³² <https://www.aihw.gov.au/reports/domestic-violence/family-domestic-and-sexual-violence#common>

³³ <https://www.ourwatch.org.au/quick-facts/>

³⁴ Sexual Violence - Victimization | Australian Bureau of Statistics (abs.gov.au), <https://www.abs.gov.au/articles/sexual-violence-victimisation>

³⁵ <https://www.fwc.gov.au/documents/sites/family-domestic-violence-leave/submissions/am202155-sub-ws-js-actu-300721.pdf>

³⁶ Sexual Violence - Victimization | Australian Bureau of Statistics (abs.gov.au), <https://www.abs.gov.au/articles/sexual-violence-victimisation>

³⁷ ABS (2020), Partner Violence - In Focus: Crime and Justice Statistics, <https://www.abs.gov.au/statistics/people/crime-and-justice/focus-crime-and-justice-statistics/partner-violence-january-2020>

³⁸ <https://www.fwc.gov.au/documents/sites/family-domestic-violence-leave/correspondence/am202155-report-wad-data-031121.pdf> p.7

³⁹ <https://www.fwc.gov.au/documents/sites/family-domestic-violence-leave/correspondence/am202155-report-literature-review-031121.pdf> p.10/17

5. THE CARE ECONOMY

The care economy⁴¹ - aged care, early childhood education, disability care, health, and a wide range of social and community services – will be the greatest drivers of jobs of the future. It has more than doubled in size over the past 20 years, and now employs more than 2 million people.⁴²

It is projected to keep growing: In the next five years, 30% of all jobs created, or over 300,000 jobs are expected to be created in health and social assistance sectors.⁴² The Royal Commission into Aged Care estimated that the sector would need more than 130,000 additional workers by 2050, a 70% increase on current levels.

Yet no other area of our labour force sees workers leave it in such great numbers. Underpaid, overworked, working in unsafe conditions, and with little investment in skills and careers, women in the care economy – and it is nearly always women⁴³ – are being pushed to breaking point. And that was before the Covid-19 pandemic supercharged these pressures.

Nearly one in three disability workers want to leave the sector, according to a joint national union survey earlier this year, despite there being a shortage of an estimated 85,000 staff.⁴⁴ In early childhood education and care, 35%-40% are currently leaving the sector each year.⁴⁵ A National Survey by the United Workers Union (UWU) in 2021 of nearly 4,000 early childhood educators found that 3 in 4 say they want to leave in the next three years.⁴⁶ In aged care, a recent CEDA report found that 65,000 workers are leaving the sector each year.⁴⁷ Overall, the Government is projected a shortfall of 286,000 care workers by 2050. Even that seems optimistic on current trends.

Aside from these numbers, the cost of each worker leaving the sector is tremendous. They take with them years of experience, skill and most importantly, relationships with those who they care for, and colleagues they support. So many have left behind a job they loved but for the factors that pushed them to leave. As a nation, the crisis in care, holds us all back, socially, ethically and economically.⁴⁸

The five problems pushing care workers to breaking point.

Care workers are being pushed to breaking point and the reasons are painfully obvious and well documented.

Firstly, low pay is endemic. Workers in aged care can be paid just \$2.19 more than the minimum wage. In early childhood education and care, it isn't much higher. The result is financial stress: a staggering 85% of

early childhood educators say that it would be difficult for them to find \$400 in an emergency.⁴⁹ Across all occupations, "community and personal service" workers earn nearly \$500 less on each week, than the average worker (\$907 vs \$1394).⁷

Secondly, too many workers lack job security and especially certainly of hours. In Aged Care, workers complain about being placed on minimum hours part time contracts that allow the employer to, effectively treated them like casual workers. This plays havoc with their lives, from balancing the family budget, to juggling hours of care. It has forced many of them to work multiple jobs, just to get enough hours to get by.

In ECEC, UWU's report "Spitting off cash – Where does all the money go in Australia's early learning sector?" Found that 20% of revenue through Australia's 8,300 long day centres - \$1.7 billion per year – is collected by five large companies, three of which are based offshore. Parents may be surprised to learn that their local early learning centre is controlled by Swiss bankers or an American private equity behemoth. In addition, the report found that hundreds of millions of dollars are distributed annually to shareholders and CEO salaries can top \$1 million. Our system should put children before profit.

In aged care, research by the Centre for International Corporate Tax Accountability & Research (CICTAR) suggests that some aged care providers may be using public aged care funding to buy property, expand their businesses, and provide a windfall to shareholders instead of ensuring quality care and decent working conditions.⁵⁰ The current ability to use aged care funding for purposes other than providing care, including dividends, property purchases and overseas investments is unacceptable.

Thirdly, too many workplaces lack staff. This is driven by a lack of investment, but is also now being exacerbated by pandemic-related absences and workers leaving the sector more generally. Many parts of the care economy lack rules require minimum staffing levels, particularly in aged care. But even in areas where there are minimum staffing requirements, as in ECEC, 65% of workers in the sector say that their centre is understaffed.⁵¹

⁴⁰ Workers broadly grouped into the "Care Economy" also do a lot more than care e.g. from those educating pre-school kids to delivering health care.

⁴¹ Australian Government, Jobs and Skills Issue Paper

⁴² <https://www.dese.gov.au/workforce/national-workforce-strategy/where-do-we-need-be-2027>

⁴³ 9 in 10 workers in aged care are female.

⁴⁴ ANMF (25 February 2022), "One third of disability workers plan to leave the sector", https://www.anmfsa.org.au/Web/News/2022/One_third_of_disability_workers_plan_to_leave_the_sector.aspx

⁴⁵ United Workers Union (2021) ECEC Workforce Crisis Report

⁴⁶ The Conversation (21 June 2022), "Greatest transformation of early education in a generation? Well that depends on qualified supported and thriving staff", <https://theconversation.com/greatest-transformation-of-early-education-in-a-generation-well-that-depends-on-qualified-supported-and-thriving-staff-185210>

⁴⁷ <https://cedakenticomedia.blob.core.windows.net/cedamediacontainer/kentico/media/attachments/duty-of-care-aged-care-sector-in-crisis.pdf>

⁴⁸ Countries that spend more on social spending have produced greater equality, cleaner governments and even longer life. Investments in universal education, especially pre-school education are also a tremendous boost to human productivity. See Peter Lindert, (2021) Making Social Spending Work, Cambridge University Press, Page 13 and 18

⁴⁹ ABS Average Weekly Earnings, May 2022

⁵⁰ Centre for International Corporate Tax Accountability & Research (CICTAR), Is Federal Aged Care Funding Siphoned Away?, March 2022, available at: <https://cictar.org/careless/>

⁵¹ UWU (2021) p.6

Fourthly, staff complain about receiving little support to build their careers, especially investments in developing their skills or further professional development.

Finally, workplace health and safety has been pushed to breaking point by the pandemic. The union survey of disability workers quoted earlier found a lack of access to PPE, and to testing were rife. Nearly 1 in 5 workers in disability care had contracted Covid in November 2021 alone.

The effects of this crisis are felt broadly. Women are the beating heart of the care economy. The undervaluation of their work weakens their economic power, including the persistence of the gender pay gap. Over one third of women are employed in health care and social assistance and education and training sectors. The crisis in paid care also exacerbates the pressure of “unpaid” care, which again falls predominantly to women – particularly when the cost of accessing paid care is simply too high.⁵²Care workers are also denied the time and resources to deliver the quality care they are capable of. It is the most vulnerable, particularly the elderly, youngest and those with disability, who suffer as a result. As a nation, the crisis in care, holds us all back, socially, ethically and economically.

Why is care in crisis?

There are four drivers of the crisis in care.

- » Firstly, women’s work continues to be undervalued, and our laws to deliver them equal pay are not fit for purpose, as discussed above.
- » Secondly, many parts of the care economy have been privatised over the past two decades, or moved onto commercial-style arrangements. This has driven a race to the bottom on conditions for staff and those they care for in many cases, and a profound lack of transparency around how money in the sector is used.
- » Thirdly, care has been underfunded. According to the OECD we only spend 16.7% of GDP on public social spending compared to the average of 20% for developed countries. The Royal Commission into Aged Care found that the sector was underfunded by about \$10 billion each year.

For Aged care we only invest 1.2% of our GDP compared to the OECD average of 2.5%. Again, for early childhood care and education, we invest 0.55% of GDP against the OECD average of 0.83%.⁵³

- » Fourthly and finally, the workers in these sectors have to operate within an outdated industrial relations system that makes it almost impossible for them to organise and bargain to address the five problems of pay, job insecurity, inadequate staffing, and under investments in safety and skills.

Signs of Progress

Turning around the causes of the crisis in the care economy will take time, resources and a wide range of policy and legal changes. Encouragingly the Albanese Government’s commitments has made early in-roads into tackling this crisis.

In aged care it has committed to funding the outcome of the work value case for aged care workers being run by the HSU, ANMF and UWU. It has also committed to regulating for minimum times for staff for residents, and the requirement to have a registered nurse on site at all times.

In the NDIS, it is supporting the development of a skilled professional workforce through reform the price-setting and regulatory agencies, the NDIA and the NDIS Commission. We welcome recent regulatory action, including the NDIA’s improved pricing structure and the NDIS Commission’s action against fraudulent practices in the NDIS.

In community and social services, the Albanese Government has committed to significant reform of funding contracts that will ensure the sustainability of social services. It has committed to long term, secure and sustainable funding for social and community services tied to obligations on funding recipients to be good industrial actors. This will allow services to provide employees with training, pay and conditions of employment appropriate to their status as essential frontline professionals.

These are positive steps but the challenges remain significant.

A NATIONAL CARE COMPACT?

To meet the scale of the challenges confronting care, the ACTU is calling for a National Care Compact.

Delivering the Compact would also require significant reforms and investments in skills and industrial relations, other areas the Jobs and Skills Summit is addressing. The White Paper coming out of the Jobs Summit should consider and provide a plan for funding and rolling out the National Care Compact.

The Compact would deliver these six principles across the care economy:

1. Secure work and fair pay for the workforce.
2. The skills and support for staff to have rewarding careers.
3. Investment in enough staff to be able to provide quality care.
4. Safe workplaces including appropriate PPE, testing, training and paid pandemic leave.
5. Accessible and affordable care for users, including free and universal ECEC.
6. Ensure operators are delivering on these principles by improving standards, transparency and reporting, overseen by properly resourced public regulators.

⁵² Australian Government (17 August 2022), Jobs and Skills Summit, Issues Paper, p.5

⁵³ Matt Grudnoff, The Economic Benefits of High Quality Universal Early Child Education, Australia Institute, March 2022.



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