

**“SCOPING THE AUSTRALIAN CARE ECONOMY  
– A GENDER EQUITY PERSPECTIVE”**

**Introduction**

**economic Security4Women (eS4W) has undertaken research to scope the care economy in Australia, and has endorsed the recommendations made in the Australian Care Economy Report<sup>1</sup>.**

**eS4W would like to:**

- **recommend the Productivity Commission facilitate identifying the economic value on unpaid care;**
- **draw your attention specifically to the recommendations listed in this submission; and**
- **recommend that when considering carers provision be made for their access to accredited training, equitable wages and decent work.**

**Background**

Thank you for the opportunity to make this brief late submission to the Inquiry into Caring for Older Australians. If you need further information please contact our Executive Director as per the Cover Sheet details.

eS4W is one of the six National Women’s Alliances funded by the Australian Government through the Office for Women, Department of Families, Community Services and Indigenous Affairs.

eS4W believes that lifelong economic well being is a high priority for Australian women – it empowers women to make choices and live independently. It enriches all aspects of women’s lives including their education, health, employment, personal, safety and financial security over their life time.

eS4W engages with Australian women to identify the issues they face and establish those of primary importance. The outcomes from our consultations contribute to national policy reform relevant to the lifelong economic well being for women.

economic Security 4 Women (eS4W) commissioned a report into the Australian Care Economy from a gender equity perspective<sup>1</sup> This report was funded by FaHCSIA through the Office for Women, and launched on the 9<sup>th</sup> of November in Canberra by Senator Claire Moore on behalf of the Minister for the Status of Women, The Hon. Kate Ellis MP. The information contained in this report is intended as a first step towards mapping the scope and importance of the care economy and identifying issues that need to be addressed. The full report is attached. The report can also be viewed at our website [www.security4women.org.au](http://www.security4women.org.au)

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<sup>1</sup> Adams, V. 2010, *Scoping the Australia care economy. A gender equity perspective*. eS4W [www.security4women.org.au](http://www.security4women.org.au)

**This report addresses the Productivity Commission’s issues around:**

- *examining the future workforce requirements of the aged care sector,*
- *assessing the fiscal implications of any change in aged care roles and responsibilities,*
- *looks at reduced access to carers and family support due to changes in social and economic circumstances, and*
- *the need to secure a significant expansion in the aged care workforce at a time of ‘age induced’ tightening of the labour market and wage differentials with other comparable sectors. are financially sustainable for Government and individuals with appropriate levels of private contributions, with transparent financing for services, that reflect the cost of care and provide sufficient revenue to meet quality standards, provide an appropriately skilled and adequately remunerated workforce, and earn a return that will attract the investment, including capital investment, needed to meet future demand. This should take into consideration the separate costs associated with residential services, which include but are not limited to the costs of accommodation and direct care, and services delivered in community settings.*

**The objectives of the initial report were to scope the Australian care economy by:**

- Examining how the care economy may be defined
- Identifying the issues relevant to paid and unpaid care
- Collating a list of public policies which provide government support to the care economy
- Identifying the impact of the care economy on women’s economic wellbeing
- Researching recent statistics on the Australian care economy, and
- Identifying gaps in the literature and areas for further research.

**Key messages of the report:**

- The Care Economy is a relatively new but highly significant concept with increasing importance for the Australian economy and the economic wellbeing of citizens, especially women.
- The Care Economy encompasses both macroeconomics and microeconomics. Macroeconomics encompasses the performance and decision-making of an entire economy: regional, state, national or global. Microeconomics views economic activity at an individual level, e.g. from the perspective of households or firms. Both are relevant to an economic assessment of the care economy.

- The provision of care has public good qualities with the benefits of providing care, both paid and unpaid, “spilling over” to the wider community. As people who require care cannot exercise consumer rights in the way that well people can, the public goods aspect and impaired consumer sovereignty signal an important role for government policy and public funding to support both paid and unpaid care.
- The demand for care increases during an economic downturn and the substantial role of public support in the care sector makes it particularly vulnerable to budget cuts.
- Care work, both paid and unpaid, affects women’s economic wellbeing. Paid care services are characterised by a highly feminised workforce with high levels of casual and part-time employment. Informal caring impacts negatively on women’s lifetime earnings.
- Because women have to balance their workforce participation with their caring responsibilities, a lack of workplace flexibility is instrumental in keeping the existing gendered division of labour in place.
- The combination of an ageing population and increased longevity poses a challenge to the adequate future supply of caring labour. There will be an increasing number of care recipients with complex care needs. Rather than juggle the competing demands of paid work and care, many carers tend to reduce their paid working hours or exit the workforce.
- There has been no comprehensive mapping of the Australian Care Economy as a whole. This mapping is a matter of urgency, especially as different statistical data measure and report on different aspects and the literature is also fragmented around different aspects of the care economy.

This initial research was commissioned by economic *Security4Women* and undertaken by Dr Valerie Adams in recognition of the importance of the care economy.

The care economy encompasses a broad range of activities and services which are provided in various combinations of paid or unpaid work. Caring activities usually involve close personal or emotional interaction. Often care provided within families is unpaid, such as parents caring for young children. Some care involves informal market work such as a family member providing child care for a relative with the terms of payment agreed informally between the two family members. Other forms of care involve paid employment such as nurses and child care workers and may be market substitutes for services women once provided in the home. As the majority of care is provided by women there is an interface between paid and unpaid care work and a tension in the allocation of time between unpaid care in the home and paid work in the market.

The relational nature of caring work prevents it from being subject to the usual economies of scale when supplied in a market.

Although there is a vast literature on different aspects of the care economy, to date there has been no comprehensive mapping of the care economy as a whole. Much of non-market work involves unpaid caring provided in the home and through the work of volunteers in community services provided by not-for-profit organisations. Also, a

large and growing part of the paid economy is care work. The care economy plays a significant role in the development of social assets, social capital, human capital and social reproduction. If the supply of caring labour is inadequate in either quantity or quality, then the economy could be expected to not operate as well. The conceptualisation of the care economy is a way to make women's activities visible which is needed to develop policies that improve their economic well-being.

### **Data issues**

A search of the statistical sources relevant to the Australian care economy reveals that different statistical data measure and report on different aspects of the care economy. Time Use Surveys (TUS) conducted by the Australian Bureau of Statistics (ABS) are the most important source of data on unpaid caring work in the home. Other ABS surveys provide complimentary data. Also useful is the Household, Income and Labour Dynamics in Australia (HILDA) Survey conducted by the Melbourne Institute. The Australian Institute of Health and Welfare (AIHW) provides annual statistics on government funded aged care services. Some of the data sources identified are specific surveys conducted for a particular purpose. An annotated bibliography of the statistical sources identified in this study is provided as Appendix 1. This section is focused on the issues identified in the available data.

The most comprehensive study found was the case study of Massachusetts (Box 3.1a) which used US Census and Time Use data to measure both paid and unpaid care work including care support work. This study makes the value of care work visible by calculating the percentage of the labour force involved in paid care work and the value this generated in terms of Gross Domestic Product (GDP); the number of hours spent in paid work as an equivalent of full-time workers; a monetary value for the unpaid care work supplied, the extent to which women supply paid and unpaid care; and the amount of local and state government spending on the care sector. No such study has yet been undertaken in Australia.

### **Recommendations of the Report**

While drawing your attention to the full report and all recommendations contained therein, eS4W believes the following recommendations are especially relevant to Caring for Older Australians public enquiry. We would particularly like to highlight Recommendations 1, 2, 3 and 16.

**Recommendation 1** (see pp. 9 & 10) That *Security4Women* commission a study using a similar methodology to the *Counting on Care Work* study in Massachusetts using data from, for example, the 2006 Census of Population and Housing and the 2006 Time Use Survey. This study will require estimates to be calculated (or updated) of the economic value of both paid and unpaid 'care work' in Australia.

**Recommendation 2** (see p. 12)

That the Australian Bureau of Statistics undertake regular Time Use Surveys in the same year as the Census of Population and Housing to inform decisions regarding support for unpaid care work.

**Recommendation 3** (see pp. 12 & 13)

That the Australian Bureau of Statistics regularly produces satellite accounts in line with the international System of National Accounts so that estimates of the value of unpaid care services are available for comparison with the value of Gross Domestic Product.

**Recommendation 11** (see p. 35)

That *Security4Women* in conjunction with *Fair Work Australia* and other relevant bodies advocate for improved wages and working conditions for direct care staff employed in the community services industry.

**Recommendation 12** (see p. 37)

That *Security4Women* in conjunction with *Fair Work Australia* and other relevant bodies advocate for increased wages, further training and better working conditions for nurses and carers employed in residential aged care.

**Recommendation 15** (see p. 72)

That *Security4Women* in conjunction with *Fair Work Australia* and other relevant bodies advocate for flexible working conditions, in particular access to leave when required and flex-time, time off in lieu and the ability to change starting and finishing times throughout the Australian workforce to enable employees to undertake both child care and care for disabled or elderly adults.

**Recommendation 16** (see pp. 76 – 79)

That *Security4Women* in conjunction with the *Office for Women* and other relevant organisations commission further research investigating the care economy, especially from a gender equity perspective, to address the paucity of data identified and so to better inform decision making.