



Australian Government

Australian Government response to the
Senate Select Committee on Work and Care Reports:

Final Report (9 March 2023)

Interim Report (18 October 2022)

Table of Contents

Overview of the Inquiry	3
Overview of the Government Response.....	3
1 A Strategic and Integrated Approach	6
1.1 The Care and Support Economy	6
1.2 Data and reporting.....	8
2 Flexible and Supportive Workplaces.....	12
2.1 Workplace relations reforms	12
2.2 Leave entitlements and forms of work.....	15
2.3 Working hours.....	20
3 Early Childhood Education and Care.....	26
3.1 Australia’s ECEC system	26
3.2 Subsidised care for children.....	30
4 Targeted Support	34
4.1 Care workforce.....	34
4.2 Supported employment sector	40
4.3 Carers	41
4.4 People preparing for or seeking employment.....	50
4.5 Workers.....	54

Overview of the Inquiry

On 3 August 2022, the Senate established the Select Committee on Work and Care (the Committee) to inquire into and report on the impact that combining work and care responsibilities has on the wellbeing of workers, carers, and those they care for. The Committee held hearings across multiple locations across Australia and received a significant volume of submissions and tabled documents.

On 18 October 2022, the Committee tabled its Interim Report, containing 8 recommendations. On 9 March 2023, the Committee tabled its Final Report. The Final Report built on the Interim Report by considering a variety of issues within the work and care system. It put forward 33 recommendations *“for structural reform to early childhood education and care, respite care, support payments and workplace relations arrangements, including pay, leave, rostering, hours of work, flexibility and job security, amongst others”*.¹

The Committee noted that the recommendations *“are intended to support workers with caring responsibilities, and to promote more inclusive, flexible and responsive workplaces, by creating the conditions that allow people to better combine work and care”*.² Government, Coalition and Australian Greens senators made additional comments and recommendations. The Committee’s reports can be found at [www.aph.gov.au/Parliamentary_Business/Committees/Senate/Work and Care](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Work_and_Care).

Overview of the Government Response

The Australian Government would like to thank all those who assisted in the Committee’s Inquiry. We particularly acknowledge the carers and workers who shared their experiences and ideas for improving the wellbeing of workers, carers, and those they care for.

Throughout the Inquiry, the Committee received evidence and heard lived experiences about the challenges of combining work and care responsibilities. The Committee considered these impacts, as well as the interrelated challenges faced by women, culturally and linguistically diverse communities, First Nations peoples, people with disability, veterans, young people, and circumstances that can affect all Australians.

The Government welcomes the findings of the Committee. The Government’s vision is that all Australians receive high quality, person-centred care and support if they need it, delivered by workers with quality jobs, and that the systems and services that provide this care are productive and sustainable. The Government also acknowledges that fundamentally these issues are about gender equality and recognises the connections with the gender pay gap and the important contribution of unpaid care work to our community.

¹ Select Committee on Work and Care, *Final Report*, Senate Printing Unit, Parliament House, Canberra Australia, 2023, p 169.

² Select Committee on Work and Care, *Final Report*, pp 169–170.

The Government acknowledges the work and care challenges and impacts on certain cohorts. Women in Australia are more likely than men to work as carers. Women are more likely to use leave or access flexible work arrangements to provide unpaid care for children and other family members.

Health care and social assistance is the most common industry of employment for working age First Nations women. First Nations peoples' family obligations and kinship networks compound the extent of caring responsibilities. Government action, developed in consultation with community, must deliver for First Nations women.

The Committee's recommendations are a valuable and timely contribution to Australia's work and care policy discussion. While the recommendation's themes are consistent with Government policy, Government needs to consider implementation, with regard for the broader budgetary implications and legislative context. As part of this process, the Government has referred all relevant findings and recommendations to the Fair Work Commission for consideration as part of the Modern Awards Review 2023–24 requested by the Minister for Employment and Workplace Relations.

Underpinned by *Working for Women: A Strategy for Gender Equality*, key activities underway across government include:

- expanding the Government's Paid Parental Leave scheme
- committing to pay superannuation on government-funded paid parental leave
- implementing significant legislative reforms to the *Fair Work Act 2009*
- supporting the Fair Work Commission's Modern Awards Review 2023–24
- delivering the National Carer Strategy
- commissioning the Productivity Commission's inquiry into the early childhood education and care (ECEC) sector in Australia
- providing the Carer Inclusive Workplace Initiative, and
- evaluating carer support programs including the Carer Gateway.

The Government response describes these achievements in detail. It also captures other initiatives, policies and programs that are addressing the Committee's observations.

- The first chapter addresses the importance of an integrated and strategic approach to the challenges of work and care, including data and reporting.
- The second chapter addresses the need for flexible and supportive workplaces to help Australians to balance work and care responsibilities. It covers the recommendations about leave entitlements, forms of work and working hours.
- The third chapter addresses the specific challenges of ECEC and considers the recommendations about Australia's ECEC system.
- The fourth chapter addresses the need to support individuals including carers, workers, and those seeking employment, including relevant recommendations.

The Committee made 33 recommendations in its Final Report and Australian Greens Senators made 14 additional recommendations. The Committee also made 8 recommendations in its Interim Report.

The Government agrees in full, in part or in principle with 17 recommendations of the Final Report. The Government agrees with 4 recommendations of the Final Report in full (13, 14, 23 and 31), where actions have been taken or are in the process of being taken. The Government also agrees in principle with 4 recommendations (9, 10, 11, and 20) as the broader intent of these recommendations is being acted upon or being considered through work underway. The Government agrees in part with 9 recommendations (1, 2, 8, 12, 15, 16, 17, 25 and 26) where actions have been taken, or are in the process of being taken, to address part of the recommendation. The Government notes the remaining 16 recommendations and will further consider the issues as appropriate.

Table of Government Response to Individual Recommendations

Recommendation	Response	Page Number
1	Agreed in part	7
2	Agreed in part	9
3	Noted	28
4	Noted	29
5	Noted	29
6	Noted	31
7	Noted	32
8	Agreed in part	53
9	Agreed in principle	44
10	Agreed in principle	45
11	Agreed in principle	46
12	Agreed in part	47
13	Agreed	37
14	Agreed	40
15	Agreed in part	38
16	Agreed in part	55
17	Agreed in part	15
18	Noted	16
19	Noted	17
20	Agreed in principle	8
21	Noted	21
22	Noted	22
23	Agreed	23
24	Noted	10
25	Agreed in part	17
26	Agreed in part	18
27	Noted	24
28	Noted	25
29	Noted	32
30	Noted	48
31	Agreed	57
32	Noted	57
33	Noted	11

1 A Strategic and Integrated Approach

The Committee investigated the ways in which workers combine working with the care of family members or friends, such as children, people with disability, medical conditions, or mental illness, as well as those frail due to age. It noted that care is a collective social responsibility. It found that a whole of government response is required to meet Australia's work and care challenges.

The Committee found that care policies and the underpinning regulatory measures need to be reviewed and reformed holistically as a whole of government initiative. The Committee noted that there are multifaceted and interlinked issues for working carers, including the gendered nature of care, low wages, and insufficient conditions in the sector. The Committee also commented upon inadequacies within the ECEC system, the parental leave framework, the availability of flexible working arrangements, and the workplace relations framework.

The Government is already taking a comprehensive and integrated approach to addressing the challenges of work and care. *Working Future: The Australian Government's White Paper on Jobs and Opportunities (Working Future)* acknowledges the role of balancing work and care in supporting inclusion and employment opportunities.

1.1 The Care and Support Economy

In 2022, the Government established the Care and Support Economy Taskforce in the Department of the Prime Minister and Cabinet to address key shared challenges across the aged care, disability support, veterans' care and ECEC sectors. In the 2024-25 Budget, the Government established a Care and Support Economy Reform Unit in the Department of the Prime Minister and Cabinet to succeed the Taskforce. The Unit will focus on improving the alignment of policies, programs, and actions across aged care, disability support, veterans' care and ECEC, and tracking the implementation of reforms. Taking this holistic approach to improving the care and support economy in Australia will deliver quality care and support with quality jobs, while making sure the care and support economy is productive and sustainable into the future.

The Government has already acted to address care and support economy challenges, including:

- implementing *Working for Women: A Strategy for Gender Equality*
- implemented *Cheaper Child Care* – making ECEC more affordable for families by lifting Child Care Subsidy rates from July 2023
- strengthening pay equity through changes to the *Fair Work Act 2009*
- providing funding to support increases to award wages for many aged care workers
- modernising the Government's Paid Parental Leave scheme and expanding it by two additional weeks each year from July 2024 until it reaches 26 weeks from July 2026
- trialling an integrated commissioning approach across primary care, disability support, aged care, and veterans' care

- supporting Jobs and Skills Australia’s ECEC Capacity Study, and
- getting the National Disability Insurance Scheme for participants, their families, and carers.

These, along with the measures described throughout this response are addressing the gender pay gap and the challenges faced by people balancing work and care.

Recommendation 1

The committee recommends the Australian Government take a comprehensive and integrated approach to addressing the challenges of work and care in this country. The Australian Government should implement the recommendations in the committee’s interim and final reports to a range of systems, including workplace relations, early childhood education and care, paid leave, disability and aged care, as well as financial supports for carers. This reform package should ensure that Australians have a right to care, alongside their right to work, and our systems and laws should provide unequivocal support for this important role through a new work and care social contract fit for the 21st century.

The Government **agrees in part** to this recommendation.

The Government is taking a comprehensive approach to the issues of work and care across a range of systems and policy areas. The Government acknowledges the right to care as a shared responsibility across levels of government. The Government is addressing the issues at the intersection of work and care:

- First, the Government’s *Working for Women: A Strategy for Gender Equality*, launched on 7 March 2024, forms the centrepiece of the Government’s gender equality policy and identifies unpaid and paid care, and economic equality and security as priority areas.
- Second, the Government is developing a National Carer Strategy to deliver a whole-of-government framework to support Australia’s carers.
- Third, the Government’s Employment White Paper, *Working Future*, sets out its strategy for the labour market, recognising the role of balancing work and care in supporting inclusion and employment opportunities.
- Fourth, the Government has created a Care and Support Economy Reform Unit in the Department of the Prime Minister and Cabinet to improve the alignment of policies, programs, and actions across the care and support economy.
- Fifth, the Fair Work Commission is conducting a targeted review of modern awards following a request made by the Minister for Employment and Workplace Relations on 12 September 2023. This request followed the Government’s Jobs and Skills Summit commitment to consider where modern awards can be improved, and to consult on and research the impact of workplace relations settings on work and care.

Recommendation 20

The committee recommends the Department of the Prime Minister and Cabinet consider the operation of markets in the aged, disability and early childhood education and care sectors and the effectiveness of current models of provision (including profit and not-for-profit models) in delivering quality care and addressing provision in thin markets.

Australian Greens' Additional Recommendation 13

The Australian Greens recommend the Australian Government urgently review the provision of for-profit care in the aged, disability, and early childhood education and care sectors, including:

- *consideration of the quantum of public funds diverted from direct service provision to profit and its consequences for the quality of care;*
- *comparing the quality of care in for-profit and not-for-profit care; and*
- *examining the relationship between for-profit provision of care and the occurrence of 'care deserts' across Australia.*

The Government **agrees in principle** to this recommendation and **notes** the Australian Greens' additional recommendation.

Relevant Government departments are considering and trialing ways to improve access to services and service quality, particularly in thin markets.

To better understand these issues, the Government directed the Australian Competition and Consumer Commission to conduct an inquiry into the market for the supply of ECEC services. The National Disability Insurance Scheme Review and Aged Care Taskforce also considered thin market challenges in the National Disability Insurance Scheme and aged care respectively. The Department of Health and Aged Care is developing an Aged Care Market Strategy and undertaken consultations to inform this work.

The Government, through its Integrated Care and Commissioning Project, is trialing collaborative, place-based and innovative approaches to improve service availability across health, aged care, disability, and veterans' care sectors for people living in regional, rural and remote communities, and for First Nations peoples in targeted urban areas.

The Government notes that these markets should meet First Nations cultural needs, including services that support people to remain on Country.

1.2 Data and reporting

The Government notes the importance of adequate data to inform policymaking. Data sources that provide insights into the employment experience of carers and the intersection between caring and employment already exist and provide a platform to build from.

In 2020, Deloitte Access Economics analysis found the estimated cost to replace informal/unpaid care in Australia was \$77.9 billion per year.³ Taking time out of work or limiting work hours (often for caring responsibilities) can have a big impact on women’s labour force participation, pay and career progression. In 2022, KPMG analysis found factors related to unpaid care work interrupted workforce participation and that part-time employment contributes 33 per cent of the national gender pay gap.⁴ Published in 2023, the Government’s White Paper *Working Future* estimated that the replacement value of unpaid care work in 2020–21 was around \$165.1 billion.

On 7 March 2024, the Government released *Working for Women: A Strategy for Gender Equality* which outlines the Government’s vision for gender equality – an Australia where people are safe, treated with respect, have choices, and have access to resources and equal outcomes no matter their gender. This is an important mechanism to elevate and prioritise actions over the next 10 years to drive gender equality in Australia, including addressing challenges relating to unpaid and paid work and care. This Strategy’s reporting framework includes outcomes and indicators that will be used to measure change over its lifespan.

To support better information, in 2023 the Government made significant legislative reforms to the Workplace Gender Equality Agency’s reporting framework through the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023*. The Government also remade subordinate instruments, the *Workplace Gender Equality (Gender Equality Standards) Instrument 2023* and the *Workplace Gender Equality (Matters in relation to Gender Equality Indicators) Instrument 2023*. Following these changes, on 27 February 2024, the Workplace Gender Equality Agency published employer-level gender pay gaps for employers with 100 or more employees. Publishing employer gender pay gaps is a critical part of legislative action aimed at closing the gender pay gap.

Recommendation 2

The committee recommends the Australian Government include a statement in the employment white paper, providing an estimate of the annual financial contribution of unpaid care to the national economy. Further, the committee recommends that the Australian Government consider including a statement in the Budget papers providing an estimate of the annual financial contribution of unpaid care to the national economy. The committee also recommends that the wellbeing budget include specific analysis of the contribution of care to wellbeing, and include measurement of such care, its state and change over time.

The Government **agrees in part** to this recommendation.

In its White Paper, *Working Future*, the Government provided an estimate of the annual financial contribution of unpaid care to the national economy.

³ Deloitte Access Economics, *The value of informal care in 2020*, Carers Australia, 2020.

⁴ KPMG (2022) *She’s Price(d)less: The economics of the gender pay gap*, A report for Diversity Council Australia and WGEA, Australia, p 38.

While the Australian Bureau of Statistics has previously published estimates of the value of unpaid care, the Government appreciates that a more regular and timely measure is an important step to properly valuing the economic contribution of care work. As such, the Government has provided funding to the Australian Bureau of Statistics to produce regular statistics on the amount and value of unpaid care in Australia.

Recommendation 24

The committee recommends the mandatory annual reporting of companies with over 20 000 employees in Australia to the Fair Work Commission on workplace practices to ensure roster justice and flexible working arrangements.

The committee further recommends the mandatory collection of data by these companies of requests, including at store level, for roster changes and flexible working arrangements, and the percentage of changes to shifts that have been initiated by the employer within one week of the shift taking place. The data should:

- include a collection of all requests, including those deemed 'informal', and detail whether these requests were approved, approved with modification, or denied;
- provide information on the length of employment (up until the date of reporting) for that employee after their request was initially made; and
- be provided in full to the Workplace Gender Equality Agency and published on the respective company's website.

The Government **notes** this recommendation.

The Workplace Gender Equality Agency already requires employers with 100 or more employees to report on matters including the availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities.

The reforms made by the *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023* have strengthened reporting obligations in respect of this indicator and other gender equality indicators by requiring employers with 500 or more employees to put in place policies or strategies against all gender equality indicators. Such employers are now required to have policies or strategies to support flexible working arrangements and arrangements to support employees with family or caring responsibilities.

Rostering and flexible working arrangements are being considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. Discussion papers for both the work and care and job security streams of the Modern Awards Review 2023–24 identified recommendation 24 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission's Final Report is published.

Recommendation 33

The committee recommends the establishment of a new longitudinal data set in parallel to the Household Income and Labour Dynamics in Australia survey with a specific focus on workplaces and the experience of workers within them, including how they intersect with care activities.

The committee further recommends that additional research be funded to independently analyse and publicly report on the circumstances and experiences of carers in Australia.

Interim Report Recommendation 1

The committee recommends that, as a matter of priority, the Australian Government include new questions in the Census and/or new regular surveys of a representative group of workers to determine the extent, nature and effects of the interaction of work and care responsibilities across Australia. This data collection project should survey workers every five years with the aim of:

- *analysing the extent and nature of the interaction of work and care responsibilities across Australia, with consideration of particular subgroups including (but not limited to):*
 - *age;*
 - *gender;*
 - *type of care;*
 - *extent of workforce participation; and*
- *generating data to allow extensive analysis of the work and care system, and how it affects outcomes for working carers.*

The Government **notes** this recommendation and the Interim Report recommendation.

The cost and complexity of longitudinal data collection with a workplace level focus would be more challenging than a longitudinal study of households and people like the Household Income and Labour Dynamics in Australia study. This is one reason why there is not a nationally representative, longitudinal workplace level collection, similar to the Australian Workplace Industrial Relations Survey from the mid-90s, in Australia.

The Government notes that work could be commissioned to assess the extent to which existing data sources could be better leveraged or enhanced to meet key data requirements identified by the Committee (for example, integrating additional employer and employee data into other data collection activities). The Government will consider the most appropriate approach and avenue for progressing this work.

A Household, Income and Labour Dynamics Australia Women's Progress Report 2001–2022 has been commissioned to showcase developments in women's progress since the study first commenced in 2001. Due in late 2024, the Report is expected to analyse changes in women's health and wellbeing, attitudes to gender roles in home and family life and employment, labour market participation, income and career progression, housing and homelessness, caring and unpaid labour and how this is shared in households, and financial health and security.

2 Flexible and Supportive Workplaces

The Committee considered the experiences of both paid and unpaid carers and proposed the need for a new ‘work and care social contract’. This work and care social contract would enable equalised child care responsibilities for both men and women, promote job security, provide flexible jobs and transitions in and out of work, and ensure that workers remain above the poverty line when they cannot work and when in retirement.

The Government is committed to improving pay and conditions for all workers, including those in the care sector and those who have caring responsibilities. The workplace relations system should support Australians to manage work and care responsibilities. The Government has introduced significant legislative amendments to the *Fair Work Act 2009* (Fair Work Act) to reform the workplace relations system to achieve these objectives.

This chapter sets out the Government’s response to the Committee’s recommendations associated with leave entitlements, forms of work and working hours. It provides an overview of legislative reforms to the workplace relations framework since taking office.

2.1 Workplace relations reforms

The Government has implemented a significant program of legislative reforms to improve Australia’s workplace relations system. Many of these reforms are supporting employees to manage their work and care responsibilities more effectively, particularly through improved flexibility and more bargaining options. Employers and employees are being empowered to establish working relationships that are appropriate for both workplaces and families.

2.1.1 Paid Family and Domestic Violence Leave reforms

The *Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022* means victim/survivors do not need to choose between their safety or their pay. All national system employees, including casuals, are now entitled to 10 days of paid family and domestic violence leave each year, at their full rate of pay. This will extend to non-national system employees on 9 September 2024, 3 months after the International Labour Organization’s *Violence and Harassment at Work Convention, 2019* comes into force for Australia.

2.1.2 Secure Jobs, Better Pay reforms

The Government introduced key reforms to improve job security and wages through the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*, which delivered on the Government’s election commitments and outcomes from the 2022 Jobs and Skills Summit.

The Secure Jobs, Better Pay reforms improve job security and put gender equality at the centre of the workplace relations system, through amendments that:

- made gender equality and job security objects of the Fair Work Act
- help guide the way the Fair Work Commission considers equal remuneration cases and gender-based undervaluation in work value cases

- require the Fair Work Commission to consider the need to promote secure work and achieve gender equality in setting the terms of modern awards
- require the Fair Work Commission to consider the need to achieve gender equality in setting the national minimum wage and award wages
- establish Expert Panels in the Fair Work Commission so it has the knowledge and expertise to deal with pay equity and care and community sector matters
- strengthen the right to request flexible working arrangements
- reinvigorate the bargaining system, with a focus on opening it up to low-paid, female-dominated sectors
- prohibit pay secrecy clauses in employment contracts, and
- limit the use of fixed-term contracts.

2.1.3 Protecting Worker Entitlements reforms

The *Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023* made further reforms to enhance worker protections, promote gender equality, remove unnecessary administrative burden, and clarify aspects of the workplace relations system. It included amendments to the Fair Work Act to:

- clarify the rights of temporary migrant workers to pay and entitlements is not affected by their migration status
- insert an entitlement to superannuation in the National Employment Standards, and
- provide stronger access to unpaid parental leave and complement recent changes to the *Paid Parental Leave Act 2010*.

2.1.4 Closing Loopholes reforms

The Government also made further improvements to the workplace relations system through the *Fair Work Legislation Amendment (Closing Loopholes) Act 2023* and the *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024*. The Closing Loopholes reforms make amendments to the Fair Work Act to:

- address the misuse of casual employment arrangements and provide a clearer pathway to permanent work
- ensure labour hire workers are paid at least the same as directly engaged employees doing the same work
- criminalise wage theft by introducing criminal offences for intentional underpayment of employees' wages and certain entitlements
- provide stronger protections against discrimination, adverse action, and harassment
- extend the powers of the Fair Work Commission to inquire into and set minimum standards for 'employee-like' workers, and
- introduce an employee right to disconnect.

2.1.5 Modern Awards Review 2023–24

In addition to legislative reforms, the Government committed at the Jobs and Skills Summit to consider where improvements can be made to modern awards, and to conduct detailed consultation and research on the impact of workplace relations settings (such as rostering arrangements) on work and care. The Government provided \$0.8 million in the

2023–24 Budget to the Fair Work Commission and the Department of Employment and Workplace Relations to deliver on these important commitments.

On 12 September 2023, the Minister for Employment and Workplace Relations wrote to the President of the Fair Work Commission to recommend the Fair Work Commission undertake a targeted review of modern awards. The letter identified key priorities for such a review, including:

*a consultation and research process considering the impact of workplace relations settings (such as rostering arrangements) on work and care, including early education and care [...], having regard to relevant findings and recommendations of the Final Report of the Senate Select Committee on Work and Care.*⁵

The Fair Work Commission commenced the Modern Awards Review 2023–24 (Modern Awards Review) on 15 September 2023. It includes a work and care stream that is considering the impact of workplace relations settings on work and care, having regard to relevant findings and recommendations of the Committee. The job security stream is also having regard to certain findings of the Committee.

The consultation process for the work and care stream included a discussion paper on work and care, a literature review produced by the Western Sydney University, a data profile on workplace flexibilities, a survey of employers, submissions from interested parties, and hearings with key stakeholders. The discussion paper on work and care identified the Committee’s Final Report recommendations 15, 17, 18, 19, 21, 22, 23, 24, 25 and 27 (as well as Interim Report recommendations 4 and 5) as relevant to the stream.⁶

The Fair Work Commission will publish its findings in a report at the conclusion of the Modern Awards Review on, or around, 28 June 2024.

2.1.6 Resourcing the Fair Work Commission

Funding for the Modern Awards Review complements the \$20.2 million allocated in the 2022–23 October Budget to establish the Expert Panels for pay equity and the Care and Community Sector in the Fair Work Commission, assisted by a dedicated research unit. Taken together, the Government has provided the Fair Work Commission with the resources and expertise it needs to understand and address the low pay and conditions faced in female dominated workplaces such as many in the care and community sector.

⁵ The Minister’s letter is accessible on the Fair Work Commission’s website at www.fwc.gov.au/hearings-decisions/major-cases/modern-awards-review-2023-24.

⁶ The Fair Work Commission subsequently noted that given the Closing Loopholes reforms require the Fair Work Commission to vary all modern awards to include right to disconnect terms from 26 August 2024, the right to disconnect (Final Report recommendation 23 and Interim Report recommendation 4) would be considered through separate proceedings rather than through the Modern Awards Review.

2.2 Leave entitlements and forms of work

Five Committee recommendations relate to leave entitlement access or forms of work.

Minimum leave entitlements for employees are set in law through the National Employment Standards. An award, registered agreement or contract of employment can provide for other leave entitlements, but they cannot be less beneficial than the entitlement in the National Employment Standards. Employers can also provide terms and conditions of employment above the legislated minimum standard, including greater quantum and access to paid leave for employees.

Recommendation 17

The committee recommends that the definition of 'immediate family' in the *Fair Work Act 2009* be amended and broadened for the purposes of an employee accessing carer's leave. In addition to the current definition, the following persons should be classified as 'immediate family':

- any person who is a member of an employee's household, and has been for a continuous period of over 18 months;
- any of the employee's children (including adopted, step and ex-nuptial children);
- any of the employee's siblings (including a sibling of their spouse or de facto partner); and
- any other person significant to the employee to whom the employee provides regular care.

The Government **agrees in part** to this recommendation.

Family members captured by the first 3 bullet points of this recommendation are already able to access carer's leave under the Fair Work Act. Section 12 of the Fair Work Act defines immediate family as the spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the employee, or of the employee's spouse/de facto partner. Section 17 provides that this includes step relations and adoptive relations. Sections 97 and 102 of the Fair Work Act enable employees to use paid and unpaid personal/carer's leave to care for both immediate family and for a member of the employee's household.

With respect to the fourth bullet point – “any other persons significant to the employee to whom the employee provides regular care” – this form of relationship is not currently included in the Fair Work Act's carer's leave definitions. However, the workplace relations system enables employees and employers to agree to other arrangements tailored to the employee's caring responsibilities, including through enterprise bargaining. For instance, carers within the meaning of the *Carer Recognition Act 2021* are entitled to make requests for flexible working arrangements under s 65(1A) of the Fair Work Act.

This recommendation is being considered by the Fair Work Commission as part of the Modern Awards Review. The Commission's work and care stream discussion paper notes this recommendation and Question 15 of the paper asks:

Noting the Work and Care Final Report Recommendation 17, that the definition of immediate family should be expanded, are there any specific variations in modern awards that are necessary to ensure they continue to meet the modern awards objective?⁷

The Government will consider this aspect of the recommendation further in light of the outcomes of the Modern Awards Review, including any award variation proposals put forward by parties.

Recommendation 18

The committee recommends the Australian Government consider the adequacy of existing leave arrangements and investigate potential improvements in leave arrangements in the *Fair Work Act 2009*, including separate carer's leave and personal leave.

Australian Greens' Additional Recommendation 8

The Australian Greens recommend the Australian Government amend the National Employment Standards under Division 7 of the Fair Work Act 2009, to separate carer's leave and personal leave into unique leave entitlements.

These separate leave entitlements should:

- *provide 10 days of paid carer's leave and a further 10 days of paid personal leave; and*
- *be available on a pro-rata basis to all casual, part-time and permanent employees who have been engaged by an employer for at least six months.*

The Government **notes** this recommendation and the Australian Greens' additional recommendation.

These recommendations are being considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations.

The Fair Work Commission's work and care stream discussion paper notes this recommendation and Question 17 asks:

Noting Senate Committee Recommendation 18, to consider separating personal/carer's leave entitlement, are there any specific variations in modern awards that are necessary to ensure they continue to meet the modern awards objective?⁸

The Government will consider the outcomes of the Modern Awards Review, including findings relevant to the above recommendations.

⁷ Fair Work Commission, *Discussion Paper – Work and Care* (January 2024), p 139.

⁸ Fair Work Commission, *Discussion Paper – Work and Care* (January 2024), p 145.

Recommendation 19

The committee recommends the Australian Government request the Fair Work Commission to review access to and compensation for paid sick and annual leave for casual and part-time workers.

Australian Greens' Additional Recommendation 7

The Australian Greens recommend the Australian Government amend the National Employment Standards in the Fair Work Act 2009 to establish a right for all workers (including casual workers) who have worked for a period of six months, to pro-rata paid sick and holiday leave.

The Government **notes** this recommendation and the Australian Greens' additional recommendation.

Leave entitlements are being considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. Both the work and care and job security stream discussion papers identified recommendation 19 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission's Final Report is published.

The Government is committed to protecting and facilitating workers' access to entitlements as provided for under the Fair Work Act and other relevant legislation, including through legislative reform measures to prevent sham contracting and restore a fair, objective definitions of employment and casual work. Together, these will help ensure fewer workers miss out on leave entitlements due to misclassification.

Recommendation 25

The committee recommends the Australian Government respond to the recommendations of the Senate Select Committee on Job Security as a matter of priority. The committee reiterates those recommendations and calls on the Australian Government to:

- develop a new statutory definition of casual employment that reflects the true nature of the employment relationship and is restricted to work that is genuinely intermittent, seasonal or unpredictable; and
- restrict the use of low base hour contracts, which can be 'flexed up' without incurring any pay penalty for additional hours worked beyond contract, and ensure permanent part-time employees have access to regular, predictable patterns and hours of work. This could include implementing penalty rates for any hours worked over the contracted amount. For example, if an employee is contracted for 15 hours and their employer rosters them for more, they should be paid a penalty rate for hours worked beyond the contracted amount.

The committee further recommends that the Australian Government develop clearly delineated statutory definitions of part-time and full-time employment and that these definitions, as well as a definition of casual employment, be inserted into the *Fair Work Act 2009*. These definitions should accurately reflect modern employment relationships and address employers' use of widely accepted legal loopholes, which can

result in employment conditions that do not align with community expectations. In particular, the growing trend of part-time work to function as a form of casual employment without the benefit of casual loading.

The Government **agrees in part** to this recommendation.

The Government's Secure Jobs, Better Pay and Closing Loopholes reforms to the Fair Work Act partially address this recommendation.

This recommendation is being considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. Both the work and care and job security stream discussion papers identified recommendation 25 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission's Final Report is published.

Job Security Select Committee

The Government is progressing its formal response to the Senate Select Committee on Job Security's reports. The Government further notes that the Job Security Committee's findings and recommendations played a substantial role in the development of legislative reforms already undertaken in this term of Government.

Secure Jobs, Better Pay and Closing Loopholes

The Secure Jobs, Better Pay reforms added secure work and gender equality to the modern awards objective and the object of the Fair Work Act. The Fair Work Commission, as part of the Modern Awards Review, is considering how these changes to the purpose of the legislation bear upon the modern award system.

The Closing Loopholes reforms implemented the Government's commitment to legislating a fair, objective test to determine when a worker can be classified as casual, and the new definition will take effect from 26 August 2024. For employees who are effectively working like a permanent employee, they will have a clear and simple way to choose to change to permanent work. These reforms are in addition to other measures to address legal loopholes that undercut conditions of work, including a fair definition of employment and the establishment of the new framework for the Fair Work Commission to set minimum standards for employee-like workers and in the road transport industry.

Recommendation 26

The committee recommends that the principle of equal pay for equal work should be applied to gig workers, who currently do not have the same conditions and entitlements as other workers. Gig workers should have the same rights regarding predictability of work, liveable income, decent health and safety standards, and paid sick and holiday leave.

The committee further recommends the Australian Government remove incentives for gig platforms to avoid workplace regulations.

The Government **agrees in part** to this recommendation.

The Government is strongly committed to delivering minimum workplace standards to protect gig workers. The Government has legislated to empower the Fair Work Commission to set minimum standards for employee-like workers in the gig economy. This change closes the loophole that has left these workers without access to any minimum standards at all. These changes commence on 26 August 2024, or earlier by proclamation.

Australia has ratified the International Labour Organization's *Equal Remuneration Convention, 1951*, and is committed to the implementation of equal pay for equal work across all forms of work. In this respect, the Government's Secure Jobs, Better Pay reforms added gender equality as an express object of the Fair Work Act.

The employee-like framework is designed to ensure that employee-like workers receive fair minimum standards that reflect the unique nature of digital platform work. It will be a matter for the independent Fair Work Commission to determine which terms and conditions will be set as minimum standards, having regard to the applications before it and the requirements set out in legislation. This includes taking into account the objects of the Fair Work Act, which include the need to promote gender equality.

This approach closes the loophole which has enabled digital labour platforms to avoid workplace regulations. It creates a new framework which will ensure minimum standards are fit-for-purpose for workers, consumers and platforms. In addition, the Government has legislated to update the sham contracting provisions (and increase penalties) and insert an objective definition of employment, to prevent misclassification of workers designed to limit access to entitlements.

Employee-like workers will also be able to apply to the Fair Work Commission for dispute resolution if they consider they have been unfairly deactivated by a digital labour platform.

The Government is strongly committed to ensuring all workers, including those in the gig economy, have equal access to decent health and safety standards. The model Work Health and Safety laws, adopted in the Commonwealth jurisdiction, extends to work performed in non-standard work arrangements, as duties relate to 'persons conducting a business or undertaking' and 'workers' (rather than 'employers' and 'employees'). The national work health and safety policy body, Safe Work Australia, monitors the implementation and effectiveness of the model laws. This includes ensuring these duties are being applied effectively in practice across modern work arrangements, such as the gig economy.

2.3 Working hours

Five Committee recommendations relate to working hours, rostering, and the standard working week.

Under the National Employment Standards, an employer cannot request or require an employee to work more than 38 hours of work in a week, unless the additional hours are reasonable. In determining whether additional hours are reasonable or unreasonable, a number of factors must be taken into account, such as any risk to employee health and safety and the employee's personal circumstances, including family responsibilities. Employees also have the right to refuse to work any additional hours that are unreasonable.

2.3.1 Employee right to disconnect

The Closing Loopholes reforms included a new employee right to disconnect in the Fair Work Act which makes clear that employees are not required to monitor, read, or respond to employer or work-related contact out of hours, unless refusing to do so is unreasonable.

The right to disconnect is a high level right, with factors to help employers determine whether an employee's refusal to monitor, read or respond to contact is unreasonable. There are no obligations that limit employers or others from contacting or attempting to contact employees – just protections for employees who reasonably switch off. Employees' right to refuse employer or work-related contact (or attempted contact) out of hours will be a workplace right, so the general protections in the Fair Work Act will apply. The Fair Work Commission will be able to deal with disputes promptly, including by issuing stop orders.

The right to disconnect will apply to national system employees and employers, other than small business employers and their employees, from 26 August 2024. Modern awards will include a right to disconnect term from this date. For small business employers and employees, the right to disconnect will not commence until 26 August 2025, providing additional time for these employers and employees to make arrangements that suit their workplace.

2.3.2 Modern awards and enterprise agreements

Modern awards and enterprise agreements can include terms dealing with maximum weekly ordinary hours (which can be fewer than 38 ordinary hours per week), parameters around working additional hours such as payment of overtime, and necessary breaks between work applicable for overtime periods.

Modern awards and enterprise agreements must also include a term requiring the employer to consult employees about a change to their regular roster or ordinary hours of work. Employers must invite the employees to give their views about the impact of the change, including any impact in relation to their family or caring responsibilities.

2.3.3 Work health and safety

The Government recognises the potential impact excessive working hours or unreasonable expectations around presenteeism could have on the psychological health of workers. Improving the understanding and management of such psychosocial hazards in Australian workplaces is an ongoing priority for the Government.

On 1 April 2023, new Work Health and Safety Regulations on managing psychosocial hazards at work came into effect in the Commonwealth jurisdiction. To support implementation of the psychosocial regulations, a Code of Practice on managing psychosocial hazards in the workplace for the Commonwealth jurisdiction is being finalised. The Government has also committed \$2 million over 2 years, from 2023 to 2025, to fund the development and delivery of a ‘train-the-trainer’ program on workplace psychosocial hazards for Health and Safety Representatives in the Commonwealth jurisdiction. The training will improve Health and Safety Representatives’ psychosocial hazard literacy, and support implementation of regulations on managing psychosocial risks.

Recommendation 21

The committee recommends, alongside its Interim Report recommendations to ensure employees have predictable, stable rosters, the Australian Government supports a review by the Fair Work Commission of current industrial awards, to require employers to give advance notice of at least two weeks of rosters and roster changes (except in exceptional circumstances) and genuinely consider employee views about the impact of proposed roster changes and to accommodate the needs of the employee.

The committee further recommends the Australian Government support a review by the FWC into current industrial awards, to ensure employees have a ‘right to say no’ to extra hours with protection from negative consequences.

Interim Report Recommendation 5

The committee recommends that the Australian Government amend the Fair Work Act 2009 to provide improved rostering rights for employees, and in particular working carers, by:

- *ensuring employers implement rostering practices that are predictable, stable and focused on fixed shift scheduling (for example, fixed times and days); and*
- *amending section 145A of the Act to require employers genuinely consider employee views about the impact of proposed roster changes, and take the views of the employee, including working carers, into consideration when changing rosters and other work arrangements.*

The Government **notes** this recommendation and the Interim Report recommendation.

Rostering is being considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. In particular, Question 8 of the Fair Work Commission’s discussion paper on work and care asks:

*Noting the Work and Care Senate Committee Recommendation 21 that all employees should have at least 2 weeks’ notice of their roster except in exceptional circumstances, are there any specific variations to rostering provisions in modern awards that are necessary to ensure they continue to meet the modern awards objective?*⁹

The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission’s Final Report is published.

The Government’s Secure Jobs, Better Pay reforms introduced new secure work and gender equality elements to the modern awards objective, which are under consideration, including in relation to rostering arrangements as part of the Modern Awards Review.

Recommendation 22

The committee recommends the Australian Government write to the Fair Work Commission suggesting a review of the operation of the 38-hour working week set in the National Employment Standards, the extent and consequences of longer hours of work. The review should also consider stronger penalties for long hours and other possible ways to reduce them, including through the work, health and safety system which requires employers to ensure safe working hours as a part of providing a safe workplace.

The Government **notes** this recommendation.

Working hours and overtime, time off in lieu, and make-up time provisions are being broadly considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. The discussion paper on work and care identified recommendation 22 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission’s Final Report is published.

The Government also acknowledges that psychosocial hazards such as excessive job demands or low control can materialise in long working hours. These must be managed under work health and safety laws. Regulatory reform has recently taken place in the Commonwealth work health and safety jurisdiction and is underway in other states and territories to improve psychosocial risk management in workplaces.

⁹ Fair Work Commission, *Discussion Paper – Work and Care* (January 2024), p 104.

Recommendation 23

The committee recommends the Australian Government consider amending the *Fair Work Act 2009* to include an enforceable 'right to disconnect' under the National Employment Standards, giving all workers a right to disconnect once their contracted working hours have finished and restricting employers from communicating with workers outside of work hours, except in the event of an emergency or for welfare reasons.

The committee further recommends the Australian Government increase penalties for employers who commit wage theft through, for example, unpaid additional hours of work and consider changes to law that make these cases subject to criminal charges.

Interim Report Recommendation 3

The committee recommends that the Australian Government amend the Fair Work Act 2009, including section 65 of that Act, to:

- *make the right to request flexible work available to all workers and to remove the stigma attached to its use when confined to carers;*
- *replace the 'reasonable business grounds' provision at section 65(5) under which employers can refuse a flexible working arrangement, with refusal only on the grounds of 'unjustifiable hardship';*
- *introduce a positive duty on employers to reasonably accommodate flexible working arrangements;*
- *require consultation with workers about flexibility requests; and*
- *revise sections 738 and 739 of the Act to introduce a process of appeal to the Fair Work Commission, for decisions made by employers under section 65 refusing to allow flexible work arrangements on the grounds of unjustifiable hardship, or on 'reasonable business grounds'.*

Interim Report Recommendation 4

The committee recommends that the Department of Employment and Workplace Relations investigate legislative reforms to the Fair Work Act 2009 and any other associated workplace laws, to enact a 'right to disconnect' from work. This right should:

- *enable and support productive work from home and flexibility of work;*
- *protect the right of workers to disconnect from their job outside of contracted hours and to enforce this right with their employer;*
- *place a positive duty on employers to reasonably accommodate the right wherever possible; and*
- *allow employees to appeal to the Fair Work Commission where the right is not being enacted by employers.*

Australian Greens' Additional Recommendation 1

The Australian Greens recommend the Australian Government prioritise amendments to the Fair Work Act 2009 to include an enforceable 'right to disconnect' under the National Employment Standards

The Government **agrees** to this recommendation and **agrees in part** to the Interim Report recommendations and the Australian Greens' additional recommendation.

The Government supported a legislated a right to disconnect in the Fair Work Act through the Closing Loophole reforms. These reforms also criminalise wage theft by introducing criminal offences for intentional underpayment of employees' wages and certain entitlements and increase the civil penalties for wage underpayment in certain circumstances.

The new right to disconnect provisions within the Fair Work Act makes clear that employees are not required to monitor, read, or respond to employer or work-related contact out of hours, unless refusing to do so is unreasonable. These changes start on 26 August 2024 for non-small business employers and their employees, and on 26 August 2025 for small business employers and employees.

The Fair Work Commission is also required to insert a right to disconnect term into all modern awards and make written guidelines about how the right to disconnect will operate by 26 August 2024. To do so, the Fair Work Commission is undertaking consultation and engaging with interested parties. Parties can also negotiate rights to disconnect in their enterprise agreements to reflect the needs of workers and their workplaces and some workplaces already have a right to disconnect, or similar, in their agreement.

These build on the Secure Jobs, Better Pay reforms to strengthen the right to request flexible working arrangements by making it an enforceable right, which reflect the Government's agreement in part to Interim Report Recommendation 3. The Fair Work Commission can deal with disputes about requests for flexible working arrangements, including by arbitration.

Recommendation 27

The committee recommends the Australian Government request the Fair Work Commission undertake a review of standard working hours with a view to reducing the standard working week.

The Government **notes** this recommendation.

Working hours are being broadly considered by the Fair Work Commission as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. The discussion paper on work and care identified recommendation 27 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission's Final Report is published.

Recommendation 28

The committee recommends the Australian Government undertake a four-day week trial based on the 100:80:100 model whereby employees retain 100 per cent of the salary while reducing their hours to 80 per cent while maintaining 100 per cent productivity. The trial should be implemented in diverse sectors and geographical locations.

The Australian Government should partner with an Australian university throughout the trial to measure the impact of a four-day week on productivity, health and wellbeing, workplace cultural change, gender equality in the workplace as well as the impact on the distribution of unpaid care across genders.

The Government **notes** this recommendation.

The Government is committed to improving access to flexible work and to operating as a model employer. As an outcome of Australian Public Service enterprise bargaining, the Commonwealth published a forward-leaning common clause on Flexible Working Arrangements.

The common clause supports employees to request a range of flexibilities, such as compressed working arrangements, part-time arrangements, altering the hours in which work can be performed, and altering the location of work including work from home.

Requests are to be considered on their individual merits, with a bias to approval. The common clause recognises that flexibility applies to all roles, and different types of flexible working arrangements may be suitable for different types of roles or circumstances.

This entitlement is now in effect in Australian Public Service enterprise agreements and is progressively coming into effect in other Commonwealth enterprise agreements as they are voted up by employees and approved by the Fair Work Commission.

Claims for a four-day work week trial were not agreed in the recent round of APS-wide enterprise bargaining.

Workplace flexibility is being considered as part of the Modern Awards Review requested by the Minister for Employment and Workplace Relations. The discussion paper on work and care identified Recommendation 28 as a recommendation for consideration. The Government will consider the outcomes of the Modern Awards Review once the Fair Work Commission's Final Report is published.

3 Early Childhood Education and Care

The Committee identified ECEC as essential social infrastructure for carers to balance working with caring for children and noted the interactions with other themes including working hours, parental leave entitlements and impacts on First Nations peoples. The importance of quality ECEC in narrowing inequality, and intergenerational inequity was recognised by the Committee, as well as its impact on gender equality and wage equity. The Committee called for a reinvigorated ECEC system to provide universally accessible, child-focused, culturally appropriate care of high quality, and be supported by a properly paid and equipped workforce. The Committee found these changes would increase access to ECEC, further benefitting children, their carers and society.

The Government recognises the integral role that ECEC plays as the foundation for lifelong learning and development. Investment in the sector and its workforce leads to a range of benefits, including more equitable outcomes for children, increased social mobility, and higher women's workforce participation. The ECEC sector is highly feminised; over 92 per cent of the workforce are women. A highly skilled and professionally recognised workforce improves outcomes for children, while affordable care ensures the benefits of quality ECEC are available to families across Australia. As part of the 2024–25 Budget, the Government committed to providing funding towards a wage increase for the ECEC workforce.

The Government has implemented *Cheaper Child Care*, directed the Productivity Commission to undertake an inquiry into Australia's ECEC system, commissioned the Australian Competition and Consumer Commission inquiry into the ECEC market and developed the whole-of-Commonwealth Early Years Strategy. The Government also made a provision in the 2024–25 Budget to deliver on its commitment to provide funding towards a wage increase for ECEC workers, with details to be finalised following Fair Work Commission processes. The 2024–25 Budget also invested \$30 million over 2 years from 2024–25 in IT and payment services to deliver on this commitment. These initiatives, and other improvements to the sector help address the Committee's recommendations for the ECEC system.

3.1 Australia's ECEC system

Australia has a national system to assist families with the cost of ECEC, as well as national standards for ECEC services. In addition to implementing *Cheaper Child Care*, the Government has multiple initiatives underway to improve the ECEC system.

3.1.1 Productivity Commission Inquiry

The Government has tasked the Productivity Commission with undertaking a comprehensive inquiry into Australia's ECEC system to help chart a course for universal, affordable ECEC. The Productivity Commission released its draft report on 23 November 2023 and will provide its final report to the Government by 30 June 2024.

As part of the Government’s reform agenda, the Australian Competition and Consumer Commission was directed to hold an inquiry into ECEC prices. The Australian Competition and Consumer Commission released its final report on 29 January 2024. This will be considered alongside the Productivity Commission’s inquiry into ECEC.

3.1.2 Early Years Strategy and National Vision for ECEC

These inquiries are complemented by the whole-of-Commonwealth Early Years Strategy 2024–2034 (the Strategy). The Strategy:

- articulates how the Australian Government will prioritise and support child-centred policy development, and target investment in early years supports and services over the next 10 years, and
- seeks to support improved coordination between Commonwealth programs and funding impacting early childhood development.

In addition, National Cabinet tasked education and early years ministers with developing a National long-term vision for the ECEC sector to guide future reform. The draft National ECEC vision covers all forms of ECEC, including preschool and all forms of education and care. It recognises that:

- quality ECEC has learning and development benefits for children in the most formative period of their lives. This can be especially significant for children from vulnerable and disadvantaged communities; and
- an affordable and accessible ECEC system supports parents to work and study, especially women. This in turn supports the Australian economy to grow and prosper.

3.1.3 Community Child Care Fund

The Community Child Care Fund Open program helps services address barriers to ECEC participation. The Community Child Care Fund Establishing Child Care in Limited Supply Areas round was designed to establish new early childhood services in the most disadvantaged regional or remote communities, where there is a gap in the supply of approved services. In October 2023, the Government announced that 47 services, across 38 communities, would receive funding to establish new Centre Based Day Care services and Family Day Care premises in areas of limited supply. The Community Child Care Fund Limited Supply grant opportunity will provide a total of \$16 million over 2 years, in establishment and capital support funding to successful grant recipients. Further, funding of around \$84 million will be available for Community Child Care Fund Round Four from 1 July 2024 to 30 June 2026 to help support ECEC services address barriers to participation, particularly targeting disadvantaged and vulnerable families and communities, and services in regional, remote, and very remote areas.

3.1.4 National Agreement on Closing the Gap

The Government is also committed to embedding the Priority Reforms under the National Agreement on Closing the Gap (National Agreement), including Priority Reform Two (Building the Community-Controlled Sector) and through the Early Childhood Care and Development Policy Partnership under Priority Reform One (Formal Partnerships and Shared

Decision Making). Through the National Agreement, Government Parties have agreed to implement measures to increase the proportion of services delivered by First Nations organisations, particularly community-controlled organisations.

The Government is also investing in targeted initiatives to support First Nations children to participate in and access high-quality services. This includes continuing to expand the Connected Beginnings program to 50 sites nationally by 2025. Connected Beginnings aims to support First Nations children to be school ready through the integration of early childhood education, health and family support services support services and programs in each community. In addition, the Government is working to expand the Community Child Care Fund Restricted program, establishing new, high quality and mostly community controlled ECEC services in mainly remote and very remote areas to support First Nations children and families.

Recommendation 3

The committee recommends the National Cabinet develop a framework for and progress the implementation of a universal, quality, place-based and child-centred early childhood education and care (ECEC) system. The new ECEC framework should be developed within 12 months and:

- be supported by a clear policy framework which seeks to strengthen outcomes for children, their carers, childhood educators and childcare providers;
- be developed with active consideration of working carers, and especially women, to support better access to paid employment (including outside of core hours) while balancing work and care responsibilities; and/or set rosters that include caring responsibilities; and
- address ‘childcare deserts’ by providing ECEC facilities in rural, remote and some regional areas, and ensure culturally-appropriate, community managed and trauma-informed ECEC is made available where needed, especially in First Nations communities.

The committee further recommends that the Australian Government continue to regularly review ECEC systems for adequacy, and undertake appropriate changes, with a view to universal, early childhood education and care.

The Government **notes** this recommendation.

The Government implemented *Cheaper Child Care* and commissioned the Productivity Commission with conducting a comprehensive inquiry into Australia’s ECEC system. The Productivity Commission will make recommendations to support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children’s learning.

The Government has also launched the Early Years Strategy 2024–2034, which sets out the Government’s vision to best support Australia’s children and their families. Practical steps to achieve the vision in the Strategy will be outlined in 3 Action Plans to be released over the ten-year lifetime of the document. The first will be released later this year, along with an Outcomes Framework.

The Government is also committed to embedding the Priority Reforms under the National Agreement, including Priority Reform Two (Building the Community-controlled Sector) and Priority Reform One (Formal Partnerships and Shared Decision Making), through the Early Childhood Care and Development Policy Partnership.

Recommendation 4

The committee recommends that the Australian Government work through National Cabinet to develop a framework for a universal early childhood education and care (ECEC) system that is consistent across Australia. This framework should be implemented with a view to increase access to quality ECEC and lower its costs.

Interim Report Recommendation 7

The committee recommends that in the upcoming 2022–23 Budget, the Australian Government commits to long-term increases in funding to First Nations community-controlled Early Childhood Education and Care, with a particular focus on regional, remote and some urban areas.

Australian Greens' Additional Recommendation 2

The Australian Greens recommend the provision of free early childhood education and care to families.

The Government **notes** this recommendation, the Interim Report recommendation and the Australian Greens' additional recommendation.

The Government implemented *Cheaper Child Care* as well as commissioned the Productivity Commission with conducting a comprehensive inquiry into Australia's ECEC system to make recommendations to support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children's learning.

Recommendation 5

The committee recommends the Australian Government consider the provision of a further 100 publicly owned early childhood education and care centres (including centres operated by local government), in areas identified as 'childcare deserts' and/or as having unmet demand. The centres should provide holistic, culturally appropriate, and trauma-informed services to children.

The Government **notes** this recommendation.

The Government supports ECEC sector services through the Community Child Care Fund to further address barriers to participation in ECEC in disadvantaged, regional and remote communities. The Community Child Care Fund is funding approximately \$614 million over 4 years (2023–24 to 2026–27) and currently funds 900 services, including Connected Beginnings sites.

In August 2021, the Government announced an additional \$29.9 million over 4 years to establish new Community Child Care Fund (Restricted) services in mainly remote locations.

The funding is part of the Government's commitment to achieving the Closing the Gap targets. The Department of Education is working with First Nations peak bodies, communities and organisations to establish these new services. In 2023, the first 8 sites were announced.

The Productivity Commission inquiry into Australia's ECEC system will identify solutions to help chart a course to universal ECEC.

3.2 Subsidised care for children

The Child Care Subsidy is the primary way the Government helps families with ECEC fees. The Government introduced changes to the Child Care Subsidy from July 2023 that have reduced the cost of ECEC and made it easier for parents and working carers to participate in paid work. This is particularly the case for women, who are more likely than men to be the primary carer of children, and more likely to have the cost of ECEC factored against their earnings.

From July 2023, Child Care Subsidy rates lifted to 90 per cent for families with a combined annual income of \$80,000 or less and increase for eligible families with a combined annual income less than \$530,000. Supporting women to increase their participation, if they choose to, by reducing ECEC costs, will boost the economy and help close the gap between women's and men's long-term economic security.

3.2.1 Preschool Reform Agreement

Preschool in Australia is a shared responsibility between the Commonwealth and state and territory governments, with state and territory governments primarily responsible for delivery. The Government's current focus for preschool under the Preschool Reform Agreement is on children in the year before fulltime school ensuring all children are receiving the full benefit of at least one year of preschool participation (for 600 hours). To see the full benefits of a quality preschool program, children need to be attending for the full 600 hours – not just be enrolled. That is why the Preschool Reform Agreement seeks to drive improvements in preschool attendance in the year before fulltime school, particularly for disadvantaged and First Nations cohorts.

In relation to the Committee's use of the term 'subsidised care', the Preschool Reform Agreement does not directly provide for subsidised care for children attending a preschool program. The Government provides a contribution to states and territories based on the number of children in the year before fulltime school (\$1377.83 per child in 2023). States and territories can choose to pass this on to reduce fees for families or to improve preschool quality, in line with Preschool Reform Agreement funding follows the child requirements.

Most families who access a preschool program in an approved Centre Based Day Care setting are eligible for subsidised care through the Child Care Subsidy. The Government also provides significant funding support nationally for 3-year-olds in ECEC settings. In the 2023 December quarter, 66.6 per cent of all 3-year-olds in ECEC settings, around 200,000 children, were eligible for the Child Care Subsidy.

3.2.2 Inclusion Support Program

The Inclusion Support Program was reviewed in 2023, with a report released in November 2023. The report made 21 findings, identified 21 short and medium-term opportunities to strengthen the program and recommended 5 longer-term opportunities to embed inclusion in the sector. The review aimed to assess the efficiency and effectiveness of the current Inclusion Support Program delivery model across the ECEC sector and explore alternative policy settings. The review considered interactions with other programs, like the National Disability Insurance Scheme.

The review found that program resources are not being directed towards the activities which will have the greatest impact, such as workforce inclusion capability uplift. The current emphasis on providing Inclusion Development Fund subsidies for additional educators does not lead to increased capability, as these educators are used to supplement staffing ratios rather than embed inclusive practice.

The review has informed the Australian Competition and Consumer Commission price inquiry and will feed into the Productivity Commission inquiry into the ECEC system.

Recommendation 6

The committee recommends the Australian Government request the Productivity Commission to identify ways to extend the Preschool Reform Agreement (PRA) to both three- and four-year old children, to ensure that all children can access early childhood education and care in the two years prior to commencing school.

The committee further recommends that the hours of subsidised care provided for by the PRA be increased, to a minimum of 15 hours a week (600 hours a year) and a maximum of 30 hours a week (1200 hours a year), based on the needs of the child and their carers.

The Government **notes** this recommendation.

The new preschool outcomes measure under the Preschool Reform Agreement will enable measurement of, build domestic evidence for, and understand the 'value add' of the year before fulltime school. Subject to a successful trial and implementation, data and evidence will be available to inform future policy considerations and government investment, to maximise the outcomes for children in the year before fulltime school in the Australian context. Should governments agree to utilise this data the new preschool outcomes measure has the potential to assist all levels of government to identify the effectiveness of national and state and territory-led initiatives.

Future Government policy considerations, including any expansion of preschool funding or increases to dosage supported under the Preschool Reform Agreement, will be informed by the implementation of the Preschool Reform Agreement reform agenda, the outcomes of the Productivity Commission inquiry into Australia's ECEC system, the Australian Competition and Consumer Commission price inquiry, the Government's Early Years Strategy, and the National ECEC vision.

Recommendation 7

The committee recommends the Australian Government request the Productivity Commission to immediately review the Inclusion Support Program and consider appropriate action including, but not limited to the commitment of additional funding of the program, with a view to provide extra support to children who have additional needs to participate in ECEC. Indexation of funding should also be considered.

Australian Greens' Additional Recommendation 3

The Australian Greens recommend the Australian Government provide additional funding to the Inclusion Support Program (ISP) and implement revised guidelines for the ISP which:

- *remove the cap on additional educator hours, and instead align funded additional educator hours with the needs and enrolled hours of a child; and*
- *ensure that the annual funding allocation to the ISP is properly indexed and aligns with the wages of early childhood educators.*

The Government **notes** this recommendation and the Australian Greens' additional recommendation.

The Productivity Commission inquiry into Australia's ECEC system has been directed to options that improve access to quality ECEC and outcomes for children with additional needs.

An additional \$98.4 million was provided in the 2024–25 Federal Budget to the Inclusion Support Program. This funding will help meet expected demand for services to embed inclusion and support children with additional needs.

Recommendation 29

Noting that the Productivity Commission will consider and report findings on the abolition of the Child Care Subsidy activity test, the committee recommends the Australian Government consider amending the relevant social policy and family assistance laws to abolish activity tests.

Interim Report Recommendation 8

The committee recommends that the Australian Government amend the relevant Social Policy and Family Assistance Laws to ensure that First Nations people are not required to meet the requirements of the activity test in order to receive subsidised child care.

Australian Greens' Additional Recommendation 9

The Australian Greens recommend the Australian Government amend, as a matter of urgency, the relevant social policy and family assistance laws to abolish the activity test for eligibility for the Child Care Subsidy.

The Government **notes** this recommendation, the Interim Report recommendation and the Australian Greens' additional recommendation.

The Productivity Commission is undertaking a comprehensive inquiry into Australia's ECEC system. The Inquiry will make recommendations to support affordable, accessible and inclusive ECEC that reduces barriers to workforce participation and supports children's learning and development. The Inquiry will consider activity requirements in this context.

To support early childhood outcomes under the National Agreement on Closing the Gap, the Government has taken early action since July 2023, and is providing 36 subsidised hours per fortnight of ECEC base entitlement for First Nations children.

4 Targeted Support

The Committee noted that the experience of combining work and care changes across individuals, families, genders, abilities, and social groups. The Committee considered evidence addressing groups with unique work and care circumstances, including young people, First Nations communities, people with disability, and culturally and linguistically diverse communities. Concerns regarding the adequacy of wages, flexibility, and leave entitlements in the paid care sector were also examined by the Committee.

The Committee considered mechanisms for the Government to support Australians balancing work and care responsibilities. It acknowledged the Government has made significant improvements to encourage the workforce participation of women, including expanding the Government's Paid Parental Leave scheme, steps to enforce the right to request flexible working arrangements and child care support.

Many government policies and programs provide support for carers, workers, and those seeking employment. The Government is investing in policies and programs to provide support for these individuals. For example, in October 2023 the Government launched a Carer Inclusive Workplace Initiative, which aims to expand carer inclusivity in workplaces around Australia and enable businesses, in particular small businesses, to self-identify as committed to carer inclusivity without the time commitment and cost associated with a full accreditation process. This will help carers identify workplaces that understand the challenges carers may face in employment while balancing work and caring responsibilities and will accommodate flexibilities so that carers can maintain employment.

The Government has already started supporting Australians to combine their jobs with care for others. This chapter describes policies, programs, reviews, and targeted initiatives that support the care workforce, the supported employment sector, carers, people seeking employment and workers.

The development of a new National Carer Strategy will seek to gather further information through a national consultation process on issues facing unpaid carers, including workforce participation and flexibility.

4.1 Care workforce

The care workforce is female-dominated and low paid relative to other industries, partly reflecting the undervaluation of women's care by employers and institutions.

4.1.1 Care workforce pay and conditions

As described in the "Flexible and Supportive Workplaces" chapter, the Government has ensured through the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* that gender equality and job security are at the heart of the Fair Work Commission's decision-making. The Fair Work Commission is now properly equipped to help address pay and conditions in low-paid, feminised workforces like the care sector.

The Government has also provided funding to support increases to award wages for many aged care workers, as per the Fair Work Commission's interim decision of 21 February 2023. The 2023–24 Budget included \$11.3 billion over 4 years to fund the Fair Work Commission's interim 15 per cent pay rise for many aged care workers from 30 June 2023, delivering on the Government's election commitments.

In March 2024, the Fair Work Commission found that the work of aged care sector employees was historically undervalued because of assumptions based on gender. Based on this and other work value considerations, the Fair Work Commission awarded increases to minimum award wages of up to 28.5 per cent, inclusive of the interim increase awarded in 2023. The Fair Work Commission has not yet set a commencement date for these wage increases. Aged care nurses were not included in this decision, with a decision on increases to their award wages expected later in 2024. The Government has made provision in the 2024–25 Budget for these wage increases.

Furthermore, as part of the 2024–25 Budget, the Government provisioned funding to support increases to award wages for aged care workers and funding towards a wage increase for ECEC workers, with details to be finalised following Fair Work Commission processes.

Through the Modern Awards Review 2023–24, the Fair Work Commission has been undertaking research and consultation in relation to the provisions in care sector awards:

- The making awards easier to use stream is considering proposals on opportunities to make the 7 most commonly used awards easier to use, which includes the *Children's Services Award 2010* and the *Social, Community, Home Care and Disability Services Industry Award 2010*.
- The job security stream is considering the need to improve access to secure work across the economy for all awards, and its discussion paper included a comparative analysis of provisions in these 7 most commonly used awards.
- The work and care stream is considering work and care provisions for all awards, and its discussion paper analyses 25 modern awards including these 7 most commonly used awards as well as awards referred to in the Committee's Final Report (*Aged Care Award 2010, Health Professionals and Support Services Award 2020, Nurses Award 2020, Educational Services (Schools) General Staff Award 2020, Higher Education Industry - General Staff - Award 2020* and the *Local Government Industry Award 2020*).

The Fair Work Commission has also undertaken a research project into gender pay equity, which informed the Expert Panel consideration of issues arising in connection with the gender equality objectives of the *Fair Work Act 2009* in the Annual Wage Review 2023–24.

- Stage 1 of this research¹⁰ identified 13 modern awards used to set pay in 29 large, highly feminised occupations, including the *Aged Care Award 2010, Nurses Award 2020, Social, Community, Home Care and Disability Services Industry Award 2010, Children's Services Award 2010, Health Professionals and Support Services Award*

¹⁰ Cortis, N., Naidoo, Y., Wong, M. and Bradbury, B. (2023). Gender-based Occupational Segregation: A National Data Profile. Sydney: UNSW Social Policy Research Centre.

2020, Educational Services (Schools) General Staff Award 2020, Educational Services (Teachers) Award 2020, and the Aboriginal and Torres Strait Islander Health Workers and Practitioners and Aboriginal Community Controlled Health Award 2020.

- Stage 2 of this research examined the history of 12 of the 13 awards identified in Stage 1 to determine whether the Fair Work Commission (or its predecessors or, where relevant, State tribunals) had ever undertaken a comprehensive work value assessment of classifications within the awards and to identify any other indicia of historic gender-based undervaluation.

Following its Annual Wage Review 2023–24 decision, the Fair Work Commission has initiated proceedings on its own motion pursuant to section 157 of the *Fair Work Act 2009* concerning the following awards:

- *Children’s Services Award 2010*
- *Social, Community, Home Care and Disability Services Industry Award 2010*
- *Health Professionals and Support Services Award 2020*
- *Aboriginal and Torres Strait Islander Health Workers and Practitioners and Aboriginal Community Controlled Health Services Award 2020, and*
- *Pharmacy Industry Award 2020.*

The Fair Work Commission will determine if it needs to vary minimum wages in these modern awards for work value reasons, including to ensure that the consideration of work value is free of assumptions based on gender.

4.1.2 First Nations care workforce

The Government also recognises that a strong First Nations care workforce is key to ensuring cultural safety. Strategic Direction 3 of the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–2031 seeks to ensure First Nations people are employed in culturally safe and responsive workplace environments. In April 2023, National Cabinet also agreed to work together to progress a first tranche of reforms to grow the First Nations care and support workforce.

The National Medical Workforce Strategy 2021–2031 will guide long-term collaborative medical workforce planning across Australia. It identifies achievable, practical actions to build a sustainable, highly trained medical workforce. Cultural safety is a cross cutting theme of the National Medical Workforce Strategy and is seen as important for early implementation to grow the First Nations medical workforce and provide a safe environment for First Nations peoples to give and receive care. The National Medical Workforce Strategy includes actions to improve cultural safety and the capacity of the medical workforce to create and maintain culturally safe environments for First Nations doctors, patients, and other health professionals.

Better equipping First Nations organisations to implement care services is in line with the Government’s commitment to Priority Reform Two of the National Agreement on Closing the Gap. This is supported by existing policies including the Closing the Gap Implementation Plan. As identified in the National Agreement on Closing the Gap, the health sector was one of the initial sectors identified for strengthening. A Health Sector Strengthening Plan was

agreed-in-principle through the Joint Council on Closing the Gap in December 2021 and includes 4 streams: workforce; capital infrastructure; service provision; and governance.

Under Clause 55(b) of the National Agreement on Closing the Gap, the Commonwealth Government is working with the Coalition of Peaks to identify evidence-led approaches to applying a ‘meaningful proportion’ of funding to First Nations organisations.

The Government also recognises that First Nations registered training organisations play an important role in delivering culturally appropriate training, as well as lifting the participation of First Nations peoples in vocational education and training.

Recommendation 13

The committee recommends the Department of Health and Aged Care and the National Indigenous Australians Agency develop processes to ensure that:

- care services for First Nations people transition to First Nations community-controlled organisations; and
- culturally appropriate training in care service sectors is available to workers providing care to First Nations communities, especially in regional, remote and some urban areas.

The Government **agrees** to this recommendation.

The Government supports increasing the availability of capacity building programs to support the transition to community-controlled organisations, to ensure that demand can be adequately met for First Nations people to receive culturally safe, skilled and local care and support services, and that intersectional care needs are accounted for. This is complemented by the Government’s Integrated Care and Commissioning Project that is trialling collaborative, place-based and innovative approaches to improve service availability across health, aged care, disability, and veterans’ care sectors for people living in regional, rural and remote communities, and for First Nations peoples in targeted urban areas.

The Government has announced a new Remote Jobs and Economic Development Program as part of its commitment to replace the Community Development Program. Developed in partnership with First Nations people, it will support people in remote communities to move into employment by funding meaningful jobs that communities want and will give more flexibility to communities to identify local job needs and projects, including in the care services sector. The design of the program is being informed by consultations with remote communities and stakeholders to understand how to create flexibility in a national program that takes into account local conditions and how the program can create career pathways for local people to gain experience in a real job.

Through the Northern Territory Pathways to Community Control program, the Commonwealth Government has a longstanding commitment to working towards greater levels of Aboriginal community control in the delivery of primary health care in the Northern Territory.

For example, the Government currently funds transition activities for the transfer of Northern Territory Health clinics in Jabiru to Red Lily Health Board in West Arnhem and Kaltukatjara to Central Australian Aboriginal Congress in Central Australia.

The Government supports increasing the availability of culturally appropriate training in care service sectors to workers providing care to First Nations individuals and communities.

The Government is working with the states and territories to support First Nations students and apprentices, working closely with First Nations people, their communities and training providers to support skill development and career opportunities, including increasing the availability of culturally appropriate training through the new National Skills Agreement which commenced on 1 January 2024.

Recommendation 15

The committee recommends the Australian Government support workers and their representatives in the care sector to use the mechanisms available to them through the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* to achieve wage increases. This could include care sector workers and their representatives accessing the supported bargaining stream, initiating an application for an equal remuneration order, or a work value claim.

The committee further recommends the Australian Government support a priority application to the Fair Work Commission (FWC) through the newly established care and community sector expert panel, for award wage increases for all care sectors including early childhood education, disability care and aged care, and all sectors covered by the relevant early childcare, and Social, Community Home Care and Disability Services Industry (SCHADS) Awards.

In order to address pay equity and to stem the flow of workers out of the care sector, such a priority application should draw the FWC's attention to:

- the need to reconsider and appropriately reward classifications, wage structures, conditions and entitlements across all care sectors and awards, and under the SCHADS Award. This consideration should include appropriate relative pay across the care sector reflecting the nature of work and qualifications, skills and experience. It should also recognise the impact of gender on caring roles and the unique skills, variability and value of care work;
- the appropriateness of care sector employees receiving payments for work-related travel time, administrative responsibilities and engagement with essential training; and
- the appropriateness of a minimum shift call-in time across the care sector (for example, a four-hour minimum or another identified suitable minimum period).

The Australian Government should consider mechanisms to fund and implement, in accordance with historical practice, any wage increases and improved conditions agreed to by the FWC.

Interim Report Recommendation 2

The committee recommends that the Australian Government develop an analysis of care work classifications and wage structures to systematically address underpayments and lift wages in the care sector. Such an analysis should:

- *consider the variability and value of work across the care sector;*
- *establish the interrelationships across care types; and*
- *recognise the inherent value of care work.*

Australian Greens' Additional Recommendation 4

The Australian Greens recommend the Australian Government appropriately fund any pay increases and improved classifications and conditions for care workers decided by the Fair Work Commission.

The Government **agrees in part** to this recommendation and **notes** the Interim Report recommendation and Australian Greens' additional recommendation.

The Fair Work Commission is responsible for setting minimum wages and conditions at an industry and occupational level through modern awards. Parties with standing can apply to the Fair Work Commission to vary the terms of a modern award at any time.

Noting that different modern awards apply to different care workers, parties in the identified care sectors may apply to the Fair Work Commission for wage increases and improved conditions, or the Fair Work Commission could consider these awards on its own motion.

To support such applications, the Secure Jobs, Better Pay reforms established new requirements for Expert Panels in the Fair Work Commission to hear and decide pay equity claims and relevant award variation applications.

In future Fair Work Commission proceedings, or in the event of future proceedings, the Government will consider the appropriateness of mechanisms to fund and implement wage increases. For example, in the 2023–24 Budget, the Government provided \$11.3 billion over 4 years to fund the Fair Work Commission's interim 15 per cent pay rise for many aged care workers from 30 June 2023. Additionally, the Government has committed to providing funding towards a wage increase for ECEC workers, with details to be settled following Fair Work Commission processes.

Following its Annual Wage Review 2023–24 decision, the Fair Work Commission has initiated proceedings on its own motion to determine if it needs to vary minimum wages for work value reasons in a number of identified modern awards, including the *Social, Community, Home Care and Disability Services Industry Award 2010*.

4.2 Supported employment sector

The Government is committed to working with stakeholders to evolve the supported employment sector into modern, commercially viable social enterprises that better meet community expectations and provide greater choice and control in employment for people with disability.

Recommendation 14

The committee recommends the Australian Government undertake further work in relation to the supported employment sector, including Australian Disability Enterprises (ADEs), to ensure that they meet community expectations, and both improve and increase pathways for disabled people into open employment. This work should build on work already being progressed through the Disability Reform Ministerial Council.

Australian Greens' Additional Recommendation 14

The Australian Greens recommend the Department of Social Services develop and implement a plan to phase out Australian Disability Enterprises and increase pathways and supports for disabled people to gain and maintain positions in open employment.

The Government **agrees** to this recommendation and **notes** the Australian Greens' additional recommendation.

As part of the 2023–24 Budget, the Government is investing \$57 million over 4 years to:

- create ongoing employment opportunities for people with disability with high support needs
- assist the supported employment sector to evolve to better meet community expectations, and
- provide people with disability with high support needs, their families and carers with access to advocacy support and information to build their confidence and understanding about rights and options at work.

On 11 January 2024, the Government published the Commonwealth, State and Territory Supported Employment Plan to enact the guiding principles for the future of supported employment.

The first tranche of the committed funding is in alignment with the guiding principles and was announced on 23 April 2024. The announcement include:

- \$14.9 million to 32 organisations for the first round of the Structural Adjustment Fund
- \$9.8 million to deliver the Disability Employment Advocacy and Information Program, and
- \$1.4 million to deliver Disability Employment Expos.

The Department of Social Services consulted with key stakeholders including people with disability with high support needs, as well as supported employment providers, on the design of these budget measures to ensure supports are appropriately targeted.

The Government notes that the Final Report of the Royal Commission into Violence, Abuse, Neglect and Exploitation of Disability also made recommendations in relation to supported employment. All levels of government have committed to working together to provide an initial response to the Disability Royal Commission in mid-2024.

In the 2024–25 Budget, the Government also announced a new Specialised Disability Employment Program to replace the current Disability Employment Services Program from 1 July 2025. A key feature of the new program is expanding eligibility to people with disability with a work capacity of less than 8 hours per week in order to provide more diverse pathways into open employment for people with disability.

The new program will be complemented by establishing a Disability Employment Centre of Excellence, which will be an evidence-informed, best-practice hub that will provide resources, tools and training to help providers deliver quality employment services and supports to both participants with disability and employers. It will also play a key role in building the skills and capacity of providers of supported employment — including Australian Disability Enterprises.

4.3 Carers

The Government values the immense contribution carers make to the lives of the people they care for and the broader community and is committed to ensuring carers have access to practical, emotional and financial supports to assist them in their caring role.

The Government recognises that balancing care responsibilities within the context of employment can make it challenging for unpaid carers to participate in employment, education and when seeking social connections. The intersections of additional experiences of marginalisation and diversity, such as culturally and linguistically diverse and First Nations peoples, can compound these challenges. These issues will be further explored through the development of a new National Carer Strategy with the goal to provide comprehensive action plans to address these challenges.

4.3.1 Carer supports

The Government delivers a range of programs to support carers and their individual needs, particularly through Carer Gateway and providing financial assistance through payments and concessions. This is consistent with the Government's commitment to a strong a social security safety net.

Through Carer Gateway, the Government provides tailored support to carers to meet their individual needs and circumstances. This tailored support may include provision of assistance that directly contributes to supporting carers to continue in the workforce, their education, to undertake training courses, to enter/re-enter the workforce and/or upskill for employment opportunities. This support may include:

- access to planned respite for care recipient/s enabling carers to attend education/training sessions either in-person or online

- provision of equipment (for example purchasing a laptop and providing internet access), and
- funding for education/training courses.

The Department of Social Services has commissioned an evaluation of carer support programs, including Carer Gateway.

Pensions, including Carer Payment, are generally paid at the highest legislated rate of income support in the Australian social security system. Base pensions are indexed twice a year in March and September to the higher of the increase in the Consumer Price Index and the increase in the Pensioner and Beneficiary Living Cost Index. The Pensioner and Beneficiary Living Cost Index basket of goods and services is weighted to recognise that pensioners spend more of their income on essentials. Base pension rates are also benchmarked to Male Total Average Weekly Earnings. These arrangements ensure pension rates are responsive to pensioners' actual living cost increases and keep pace with community living standards as measured by wages.

The Government is committed to supporting young carers. Through Carers Australia, the Government funds the Young Carers Network, as well as the Young Carer Bursary Program that assists eligible carers aged 25 years and under to continue or return to study. On 26 April 2023, the Government announced additional funding of \$3 million a year for the Young Carer Bursary Program, increasing the number of bursaries offered from 1,000 to around 1,600 and bursary payments from \$3,000 to \$3,768 each year, in recognition of the increased cost of living and challenges faced in balancing study and caring responsibilities.

4.3.2 Mental health services and resources

The Government also currently funds a range of services and resources to assist young people experiencing mental ill health, including carers.

headspace is the Australian Government's primary national platform for provision of services to young people aged 12 to 25 experiencing, or at risk of, mild to moderate mental illness. headspace is a trusted model of care that is recognised by young people, their families, carers and communities for providing youth friendly mental health support. The Individual Placement and Support program is delivered in 50 headspace centres nationally to help young people, including young carers, achieve their education and employment goals.

To complement the Individual Placement and Support program the Government funds the Digital Work and Study Service. The Digital Work and Study Service is a unique integrated clinical and vocational work and study service providing support to young people with mental ill health, via a digital platform.

The Digital Work and Study Service complements the Individual Placement and Support program by reducing waitlists and providing priority access to young people in regional and remote locations and First Nations people. The Digital Work and Study Service also offers participants the opportunity to link with a volunteer mentor through partnerships with employers and industry both locally and nationally.

The Individual Placement and Support program and the Digital Work and Study Service are currently being evaluated. Evaluation findings will inform decisions on continued service delivery models, referral pathways, the community engagement model and inform how these programs could be integrated into future employment program reforms.

The Government also funds Primary Health Networks to plan and commission regionally appropriate mental health and suicide prevention services within a person-centred stepped care approach that matches services to local need. Each Primary Health Network is required to ensure services respond to a range of mental health needs, from early intervention for mild and moderate conditions to more severe forms of mental illness.

The Government is also investing in services to increase access to mental health care in the community for all Australians, including those with caring responsibilities and people from culturally and linguistically diverse backgrounds. This includes through enhancing the clinical capacity and reach of the national network of Medicare Mental Health Centres (formerly Head to Health), piloting the Individual Placement and Support program in 2 centres. Medicare Mental Health Centres provide a safe and welcoming place to access mental health information, services and supports delivered by multidisciplinary care teams, without needing a prior appointment. Medicare Mental Health Centre services are free, and you do not need a GP referral or Medicare card to access them.

The national Head to Health Phone Service provides additional support to access community based mental health services. The Head to Health Phone Service is operating nationally and anyone in Australia can call 1800 595 212 (between 8.30am and 5pm weekdays) and speak with a trained professional for advice, information, and referral into the most appropriate mental health support according to their needs. This may involve referral into a free or low-cost mental health service in the person's local area, depending on what best meets their individual circumstances. Anyone seeking language support can access the Translating and Interpreting Service (TIS National) by calling 131 450, advising the operator of their spoken language and asking the interpreter to call Head to Health on 1800 592 212. The national Head to Health website is also available and provides access to digital and low intensity mental health support offerings from trusted providers.

The Government has also announced \$7.5 million to establish and operate 2 independent national mental health lived experience peak bodies. One representing consumers and the other representing families, carers and kin. This is part of the Government's overall investment of \$8.5 million to support those with a lived or living experience of mental ill-health to shape the policies and programs affecting them.

The 2 new peak bodies are on track to be operational by mid-2024. Once established, these 2 independent national bodies will amplify the voices of consumers and carers to improve mental health and suicide prevention outcomes for all Australians.

This follows work led by the National Mental Health Commission to scope the establishment of lived experience peaks. It also enacts Action 22.4 of the Productivity Commission Inquiry into Mental Health to fund separate peak bodies to represent the views of both consumers and carers.

Recommendation 9

The committee recommends the Department of Health and Aged Care, in consultation with key stakeholder groups and allied health professionals, develop a mental health support program tailored to carers aged 25 years and under. The program should consider:

- the unique mental and physical health impacts of caring on young people;
- the intersection of mental health for young carers with their education, training and employment opportunities and outcomes; and
- how to raise awareness in educational settings of the burdens faced by young carers and how educators can support and direct young carers to appropriate support programs.

The Government **agrees in principle** to this recommendation.

The Government delivers a range of programs which support young carers and address mental health concerns.

Through Carer Gateway, a range of services support young carers and their individual needs, including counselling services, in person peer support groups, coaching and online skills courses. These services aim to improve carer wellbeing and increase capacity to support carers to participate socially and economically, as well as reinforce resilience through preventative support services.

Carers Australia, the peak body for carers in Australia, has established the Young Carers Network, which provides support, services and resources specifically for young carers. The Young Carer Network also allows young carers to connect with other young carers online.

Carers Australia also delivers the Young Carer Bursary Program, which assists eligible carers aged 25 years and younger to continue to study. On 26 April 2023, the Government announced additional funding of \$3 million a year for the Young Carer Bursary Program, increasing the number of bursaries offered from 1,000 to around 1,600 and bursary payments from \$3,000 to \$3,768 each year, in recognition of the increased cost of living and challenges faced in balancing study and caring responsibilities.

The development of a new National Carer Strategy will explore how to better support young carers to improve and maintain their health and wellbeing.

The Government also funds the National Workforce Centre for Child Mental Health known as Emerging Minds. In response to an increasing number of parents, carers and families accessing their resources and information, Emerging Minds has developed an online toolkit

for parents, carers and families designed for use at home and/or with the support of a GP or other healthcare worker. The resources include coverage across a broad range of mental health information, parenting, trauma-informed approaches to managing impacts of COVID-19 and community trauma events, in addition to guidance on understanding supports available from practitioners.

Supporting school-aged carers within education settings is critically important for both the building of their resilience skills and ensuring they are able to develop, achieve an education, and be positioned to progress their own future goals and wellbeing. The Government funds the national Mental Health in Education initiative, known as *Be You*, which provides evidence-based frameworks, professional learning, resources, and supports to increase mental health literacy and skills in workers and educators in early learning services and primary and secondary schools. This ensures they are able to support their students, in particular those cohorts with additional challenges potentially impacting their mental health and wellbeing.

Once established, the 2 independent national mental health lived experience peak bodies will also seek to amplify the specific perspectives of mental health consumers and carers to drive equitable reform in mental health.

The Individual Placement and Support program is delivered in 50 headspace centres and 2 Adult Mental Health centres to help people with mental illness, including young carers, find and keep a job of their choice. The Digital Work and Study Service, provides integrated clinical and vocational work and study service providing support to young people with mental ill health, via a digital platform.

The Individual Placement and Support program and the Digital Work and Study Service are currently being evaluated. Evaluation findings will inform decisions on continued service delivery models, referral pathways, the community engagement model and inform how these programs could be integrated into future employment program reforms.

Under the National Mental Health and Suicide Prevention Agreement, all governments committed to undertake an analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme. While carers are not the main target cohort of the unmet need analysis, it will include modelled estimates of psychosocial need among carers – including those aged 25 years and under – of people with mental illness. The findings of the analysis, together with the National Disability Insurance Scheme Review, will help to inform all governments’ considerations on future psychosocial support arrangements for people who are not supported through the National Disability Insurance Scheme.

Recommendation 10

The committee recommends the Australian Government review the accessibility, availability, and flexibility of respite care with a view to improving respite care options available to working carers and those they care for.

The Government **agrees in principle** with this recommendation.

Government funding for respite care predominantly sits in the aged care and disability sectors. Some state and territory government health departments also fund carer support and respite programs.

Currently, the My Aged Care assessment teams assess My Aged Care clients and make one or more recommendations for respite services. This may include emergency respite, Commonwealth Home Support planned respite, in-home respite (through a Home Care Package), Home Care Package recipients with additional Commonwealth Home Support respite, residential respite and/or non-funded services. Subsequently, the carers and/or respite providers can then plan and book the respite services for the carer and client.

Carer Gateway also supports carers to access appropriate respite options to support the needs of both the carer and the care recipient. Carer Gateway facilitates the booking and funds respite services on behalf of carers, however access to, and availability of, appropriate respite services is the responsibility of the broader disability and aged care service systems.

The evaluation of Government carer support programs, commissioned by the Department of Social Services, includes a review of the use of respite services by carers, as provided under Carer Gateway.

The Government also funds a range of dementia-specific respite initiatives and programs that support both the person living with dementia and their carer through the *Improving respite care for people living with dementia and their carers* program.

In addition, the Department of Health and Aged Care is currently reviewing respite services in the context of the broader aged care reforms, with a key focus on improving access and reducing the stigma attached to respite services.

Recommendation 11

The committee recommends the Australian Government develop and implement programs and initiatives for informal carers from migrant and CALD backgrounds to improve access to carer support services and family support.

The Government **agrees in principle** with this recommendation.

To assist carers in self-identifying, and to promote awareness of carer supports and services available, the Carer Gateway website has a range of information including factsheets that are translated in 29 languages as well as translated case studies, radio clips and posters. Carers can also access the Translating and Interpreting Service through the Carer Gateway.

Additionally, the Department of Social Services has developed a tailored Carer Gateway stakeholder kit for culturally and linguistically diverse carers, which was provided to culturally and linguistically diverse organisations, to help promote the Carer Gateway among their networks.

The Department of Social Services also engaged Embrace Society, a culturally and linguistically diverse specialist agency, as a campaign supplier to advise on and deliver

appropriate public relations activities for culturally and linguistically diverse audiences for the Carer Gateway communications campaign which ceases 30 June 2024.

The new National Carer Strategy will seek to ensure First Nations carers and culturally and linguistically diverse carers are self-identifying and how to improve engagement with these diverse groups.

The Government also funds a range of services and programs which support people of culturally and linguistically diverse backgrounds caring for a person with dementia through the Department of Health and Aged Care, including through counselling and carer support groups, dementia behaviour support, dementia-specific respite programs, and dementia education and training.

Recommendation 12

The committee recommends that the Department of Employment and Workplace Relations develop training materials for all staff in care roles about cultural competency and safety, discrimination and anti-racism and the delivery of trauma-informed care.

The Government **agrees in part** to this recommendation.

The Government has established a national network of 10 Jobs and Skills Councils to provide industry with a stronger, more strategic voice in ensuring Australia’s vocational education and training sector delivers stronger outcomes for learners and employers.

Jobs and Skills Councils identify skills and workforce needs for their sectors, map career pathways across education sectors, develop contemporary vocational education and training products, support collaboration between industry and training providers to improve training and assessment practice and act as a source of intelligence on issues affecting their industries. Jobs and Skills Councils may also create learning resources on behalf of their industries, as a key part of an industry-led training system.

HumanAbility is the Jobs and Skills Council for the aged care and disability, children’s education and care, health, human services, and sport and recreation sectors. It is responsible for the development of nationally recognised training package qualifications and skillsets that support workers in the care and support sector. This includes ensuring that national training products are responsive to current and emerging skill requirements. Training materials to support care workers are also developed by employers, peak bodies and unions.

The Australian Health Practitioner Regulation Agency has also developed the National Scheme’s Aboriginal and Torres Strait Islander Health and Cultural Safety Strategy 2020–2025. The aim of this strategy is to make cultural safety the norm for First Nations patients. It sets a clear direction and course of action for Australian Health Practitioner Regulation Agency, National Boards and Accreditation Authorities, who together regulate Australia’s 850,000 registered health practitioners.

The Dementia Training Program, funded through the Department of Health and Aged Care, develops and delivers dementia training for the aged care workers and other groups, with training including modules on culturally safe and trauma-informed care. The Department of Health and Aged Care also funds Partners in Culturally Appropriate Care to develop and deliver training for aged care providers to assist them in providing culturally appropriate care.

The *Equip Aged Care Learning Modules* funded through the Department of Health and Aged Care are available for aged care workers and anyone interested in aged care. The short online modules cover a range of topics including trauma informed care and cross-cultural awareness.

Recommendation 30

The committee recommends the Australian Government review the level of Carers Payment and Carers Allowance, acknowledging the significant social and economic contribution that carers make.

The committee also recommends that the Australian Government consider reversal of the current policy which transfers sole parents from Parenting Payment Single to JobSeeker Principal Carer payments when their youngest child turns eight years of age, and imposes mutual obligation activities on them when their youngest child turns six years of age.

The committee further recommends the Australian Government ensure all income security payments are regularly reviewed to ensure that they are adequate.

Australian Greens' Additional Recommendation 10

The Australian Greens recommend that the Department of Social Services review and increase the level of the Carers Payment and the Carers Allowance, restoring them to their relative level of previous years, acknowledging the significant economic contribution that carers make.

Australian Greens' Additional Recommendation 11

The Australian Greens recommend the Australian Government ensure all income security payments (including the Age Pension, Disability Support Pension and JobSeeker Payment) are regularly reviewed and increased to remain above the poverty line and immediately increase the rate of income support payments to at least \$88 a day.

Australian Greens' Additional Recommendation 12

The Australian Greens recommend the Australian Government ensure sole parents on income support payments can access the Parenting Payment Single until their youngest child turns sixteen years of age, and reverse the current policy which transfers sole parents from Parenting Payment Single to JobSeeker Principal Carer, when their youngest child turns eight years of age, and imposes mutual obligation activities on them when their youngest child turns six years of age.

The Government **notes** this recommendation and the Australian Greens' additional recommendations.

The Government recognises and acknowledges the significant contribution carers make. Carer Payment is an income support payment paid to individuals who, because of the demands of their caring role, are unable to participate in substantial paid employment.

Carer Payment is paid at the highest legislated rate in the social security system and provides a safety net to assist carers with the basic cost of living. It is not a wage to compensate carers for providing care, nor is it designed to cover the full cost of caring for someone with disability or severe medical conditions. It is indexed twice a year – in March and September – to keep pace with changes in the cost of living.

Carer Allowance is a supplementary payment for carers who provide daily care and attention to a person who requires substantial additional care. It can be paid in addition to Carer Payment and can assist towards some of the costs a carer might incur.

The Government has announced a range of measures in recent Budgets to provide additional financial assistance for income support recipients.

In the 2023–24 Budget, this included providing \$1.9 billion over 5 years from 2022–23 to extend the age of eligibility for Parenting Payment (Single) until a recipient's youngest child turns 14 (previously 8).

Expanding eligibility for Parenting Payment (Single) until the youngest child turns 14 ensures that principal caregivers receive higher levels of income support until their youngest child is old enough to require less ongoing supervision. By raising the age cut-off for the youngest dependent child from 8 to 14 years, an extra 86,000 single parents were receiving the higher rate of Parenting Payment (Single) as at 26 April 2024.

In the same Budget, the Government also provided \$4.9 billion over 5 years from 2022–23 to increase working age and student payments by \$40 per fortnight and reduce the qualifying age to 55 years (down from 60 years) for the higher rate of JobSeeker Payment for single recipients who have been on payment for 9 continuous months.

The Government also announced \$2.7 billion over 5 years from 2022–23 to provide additional support to renters, by increasing the maximum rates of Commonwealth Rent Assistance by 15 per cent.

The 2023–24 Budget income support changes came into effect from 20 September 2023, at the same time as legislated indexation of payments such as JobSeeker Payment, Commonwealth Rent Assistance and Parenting Payment. These measures are providing responsible and targeted assistance that is benefitting around 2 million recipients.

The 2024–25 Budget included an additional \$2 billion over 5 years in targeted and responsible support for income support recipients including:

- \$1.9 billion to increase the maximum rates of Commonwealth Rent Assistance by a further 10 per cent. This was the first back-to back increase in over 30 years.
- \$41.2 million to expand eligibility to the higher rate of JobSeeker Payment to single JobSeeker Payment recipients with a partial capacity to work of 0-14 hours per week, so that those with barriers to employment who have limited or no capacity to work due to their condition – but who do not qualify for Disability Support Pension – receive extra support.
- \$18.6 million to change the 25 hour per week rule for Carer Payment recipients to instead allow up to 100 hours work over a 4 week period and remove the restrictions on study, volunteering and travel for work.
- extending the two-year freeze on social security deeming rates for a further 12 months to 30 June 2025.

The Government has committed to consider the rates of income support payments at every Budget update. The Government has also established the Economic Inclusion Advisory Committee to provide advice ahead of every Federal Budget on economic inclusion, including policy settings, systems and structures, and the adequacy, effectiveness and sustainability of income support payments.

4.4 People preparing for or seeking employment

The Government recognises the value for individuals and the economy from entering or returning to the workforce. The gendered nature of work and care arrangements impact women’s engagement and progression in the labour force and have implications on women’s engagement with employment services. A well-designed employment services model plays an important role in improving outcomes of jobseekers, particularly women who face long-term disadvantage and complex barriers to workforce participation.

The 2023 Carer Wellbeing Survey shows that the number of employed carers of typical working age increased significantly in 2023, with 62.4 per cent of carers employed, 6.2 per cent unemployed and 31.3 per cent were not in the labour force. Of the carers that were employed, 36.3 per cent worked less than 20 hours per week, 28.4 per cent worked 30–34 hours per week, 35.4 per cent worked 35–44 hours per week, and only 7.5 per cent worked 45 or more hours. Some groups of carers were significantly more likely to report that their ability to engage in paid work was getting worse. This included carers aged 55 to 74, those caring more than 40 hours per week, continuous carers, primary carers, sole carers, those who care for someone who lives with them and carers of people with high to very high assistance needs.

In the 2024–25 Budget, the Government announced it would introduce changes to the participation limit for Carer Payment. Under the changes, Carer Payment recipients will be able to work 100 hours over a four-week period rather than the 25 hour per week current limit. This will provide greater flexibility for Carer Payment recipients to structure their work commitments around their caring role.

Additionally, travel time, education and volunteering activities will no longer be counted in the participation limit. The measure also introduces a six-month suspension period for recipients who work over the new flexible limit, meaning if their circumstances change, they won't need to reapply to access the Carer Payment. Recipients will also be able to use single Temporary Cessation of Care days to cover one-off or occasional instances of exceeding the participation limit.

4.4.1 New voluntary pre-employment service for parents

The House of Representatives Select Committee on Workforce Australia Employment Services was established on 2 August 2022 to inquire into matters related to Workforce Australia Employment Services. This House Select Committee specifically considered the role of ParentsNext in providing early intervention pre-employment services to parents and carers of young children as part of the employment services system. Its interim report on ParentsNext was tabled on 1 March 2023 and its report into Workforce Australia Employment Services was tabled on 30 November 2023. This recommended large scale reform to fundamentally rebuild the Commonwealth employment services system. The Government is carefully considering the House Select Committee's recommendations.

On 7 December 2023, the Government announced that it will introduce a new voluntary pre-employment service for parents from 1 November 2024, to replace ParentsNext. The design of the new service is informed by consultation feedback from parents and their real life experiences and a broad range of stakeholders. Where possible, the service design also considered Recommendation 8 of the Interim Report of the Committee on Workforce Australia Employment Services.

The new voluntary pre-employment service will be available to parents and carers who are facing disadvantage and who have young children under 6 years. A broader range of parents will be eligible for the service including those in receipt of certain income support payments, as well as some parents who do not receive a payment. The service will be flexible, will value parents' and carers' roles caring for their children, and it will support them to make their own choices about the support they need. The service will be high quality and delivered by suitably qualified staff and staff with lived experience, who will support parents to work towards their education and employment goals.

4.4.2 Pre-employment programs, employment services and incentives

There are also a current range of pre-employment programs, employment services and incentives to help Australians, including those who have paid or unpaid caring responsibilities, build their capability and find work. These services include Workforce Australia (the mainstream employment service), Disability Employment Services (a specialist service for people with disability, with the Government announcing that it will implement a new specialist disability employment program in the 2024–25 Budget to replace the existing program by 1 July 2025 to deliver high-quality personalised services) and Transition to Work (a specialist service for disadvantaged young people). In remote Australia, the Government has announced a new Remote Jobs and Economic Development Program as part of its commitment to replace the Community Development Program. The Government funds

tailored pre-employment projects which support participants to secure entry level employment through the Launch into Work program. The Local Jobs Program provides resources and funding at the local level to accelerate reskilling and upskilling of job seekers in areas that address community priorities.

The Launch into Work and Local Jobs programs enable the Government to trial project ideas that build the skills of job seekers for employment or help businesses to fill vacancies. These projects gather evidence on interventions that work and could be suitable for broader application. For example, an activity undertaken under the Local Jobs Local Recovery Fund, which included a pre-employment program tailored to working in the ECEC sector, served as the model for the Department of Education in developing further pilots for the sector in different locations.

In the 2024–25 Budget, as part of a Paid Employment Pathways Package, the Government invested \$54 million to trial 2 new work programs. The *Real Jobs, Real Wages* initiative is a tapered wage subsidy pilot, brokered by the Australian Public Service, with a focus to reward employers for ongoing and sustained employment outcomes. *WorkFoundations* will support social enterprises and businesses who can provide tailored paid job placements for jobseekers facing high barriers to employment.

In the October 2022–23 Budget the Government committed to a \$1 billion 12-month Skills Agreement, jointly funded with states and territories. This made available 180,000 Fee-Free TAFE and vocational education places in 2023, prioritising access to training for unpaid carers, people out of work or receiving income support, women facing economic insecurity, First Nations Australians, young people (aged 17 to 24), women undertaking study in non-traditional fields, people with disability and certain categories of visa holders.

The five-year National Skills Agreement that commenced on 1 January 2024 between the Commonwealth and state and territory governments will deliver significant investment in a national vocational education and training system that provides high quality, responsive and accessible education and training to boost productivity. A key principle is to ensure no Australians are left behind as the Australian economy transitions and adapts to structural change, including by providing opportunities for life-long learning and foundation skills development – particularly women, mature age Australians, those experiencing long-term unemployment, First Nations Australians, young people, people from culturally and linguistically diverse communities, people with disability, and regional and remote learners.

Recommendation 8

The committee recommends the Department of Employment and Workplace Relations and the Department of Education develop a large-scale, evidence-based, appropriately evaluated, holistic, non-compulsory training and work placement program, to assist informal carers returning to or seeking further engagement with paid employment, training or voluntary work. Recognition of the prior education, employment and experiences of informal carers should be incorporated into the program.

The committee further recommends that the compulsory elements of ParentsNext be abolished for people providing care.

The Government **agrees in part** to this recommendation.

The Government has already acted to make the ParentsNext program voluntary.

On 7 December 2023, the Government announced it will introduce a new voluntary pre-employment service for parents of young children. Until the new service is implemented, the Government announced that it will extend the operation of ParentsNext as a voluntary program until 31 October 2024.

The design of the new service is informed by consultation feedback from parents and their real-life experiences and a broad range of stakeholders. It is also informed by research and evaluation evidence, as well as recommendations from the House Select Committee, the Women's Economic Equality Taskforce, the Economic Inclusion Advisory Committee, and the Senate Select Committee on Work and Care.

The new service will be available nationally, commencing from 1 November 2024, for eligible parents and carers of young children. This includes parents and carers who receive an income support payment as well as some who do not.

The service will be client-centred and will focus on parents' and carers' strengths to support them to set and achieve education and employment goals. Services will collaborate with other local service providers to deliver locally engaged and place-based services. They will be able to support parents and carers to access other local services that they want and need.

A new Individual Fund will give parents and carers discretion, transparency and equity over purchases related to building skills and capability. It may be used to pay course fees, materials or equipment required for a course, including laptops for online study.

The Government funds Carers Queensland to deliver the Tristate Carer Vocational Outcomes Pilot Program (publicly known as Your Caring Way), across Queensland, South Australia and Tasmania to build carers' capacity to participate in social, vocational and economic opportunities. The program delivers face-to-face and online training, to help carers who are looking for work to gain vocational education qualifications. Specifically, the program provides end-to-end vocational coaching and support, designed to support carers throughout the duration of the program, during placement and the transition into employment. Funding for the program is currently due to cease in June 2025. Findings from the evaluation of Government carer support programs (including Your Caring Way) will inform any recommendations to the Government on the future of these programs.

4.5 Workers

Alongside legislative reforms to the workplace relations system, the Government is also taking steps to support eligible workers who have caring responsibilities through paid parental leave and improved superannuation entitlements.

4.5.1 Paid parental leave

The Government has expanded and improved the Paid Parental Leave scheme to support women's workforce participation and help more dads and partners take time off to be with their children.

Legislative amendments that came into effect on 1 July 2023 give more families access to the Government payment, give parents increased flexibility in how they take the leave and encourage parents to share care to promote gender equality.

Then, from July 2024, the Government is delivering the largest expansion to paid parental leave since it was introduced. From 1 July 2024, 2 more weeks of payment will be added each year until the overall length of the Paid Parental Leave scheme reaches 26 weeks by July 2026 (up from current 20 weeks). More than 180,000 families are expected to benefit from the expansion of the scheme each year.

The Government's reforms will also increase the number of weeks reserved for each parent on a 'use it or lose it' basis to 4 weeks in order to encourage greater sharing of care and household responsibilities. It will also provide more flexibility by increasing the amount of leave that parents can take at the same time, from 2 to 4 weeks.

These settings, which are based on advice from the Women's Economic Equality Taskforce, strike an important balance of increasing support to families, encouraging both parents to take leave, and providing flexibility in how they structure their care arrangements.

The Government Paid Parental Leave scheme is paid at the rate of the national minimum wage. The Government scheme is intended to complement employer-provided parental leave entitlements and extend the average length of time off work taken by parents after a birth or adoption. According to data reported by the Workplace Gender Equality Agency, in 2023, 63 per cent of employers offered some form of employer-funded paid parental leave.

4.5.2 Superannuation

The Government recognises the working-life earnings gap between men and women is the main driver of the gender gap in superannuation balances at retirement and has committed to reducing the superannuation gender savings gap.

The Government has announced that pending the passage of legislation, for babies born or adopted on or after 1 July 2025, eligible parents will receive an additional 12 per cent of paid parental leave as a contribution to their superannuation fund.

This will help to reduce the gendered gaps in superannuation balances at retirement and signals that caring for babies is valued. It will also help normalise parental leave as a workplace entitlement, like annual and sick leave.

Once the Paid Parental Leave scheme is fully expanded from 1 July 2026, the maximum amount a family would receive in superannuation contributions is up to around \$3,000 per birth. Modelling suggests that a median female earner's superannuation balance would be around \$4,250 higher at retirement.

Recommendation 16

In light of recent and forthcoming legislative amendments, the committee recommends the Australian Government consider mechanisms to fund and implement a pathway to reach international best practice of 52 weeks of paid parental leave. The government-funded leave should be paid at least at the minimum full-time wage, with consideration given to encouraging employers to top up payments to full wage replacement.

The committee also recommends the Australian Government consider further amendments to the *Paid Parental Leave Act 2010* to:

- include 'use it or lose it' provisions so that a proportion of the leave is taken by a co-parent;
- guarantee the full period of paid leave to sole parents; and
- ensure superannuation is paid in addition to paid parental leave payments.

Interim Report Recommendation 6

The committee recommends the Australian Government amend, as soon as is practicable, the Paid Parental Leave Act 2010 to legislate for a paid parental leave period of 26 weeks.

Australian Greens' Additional Recommendation 5

The Australian Greens recommend, as a priority, that the Australian Government amend the Paid Parental Leave Act 2010 to immediately increase government-funded paid parental leave to 26 weeks, then by four weeks every year from 2027 to 2032, and then a final increase of two weeks in 2033, in order to reach the international standard of 52 weeks of paid parental leave by 2033.

Australian Greens' Additional Recommendation 6

The Australian Greens recommend the Australian Government further amend the to the Paid Parental Leave Act 2010 to:

- *include 'use it or lose it' provisions to encourage co-parents to each take leave in accordance with best practice, and having regard to the recommendations of the Women's Economic Equality Taskforce;*
- *guarantee the full 52 weeks leave to sole parents;*
- *provide an additional two weeks leave, in addition to the 52 weeks, if the co-parent takes at least the minimum use it or lose it leave entitlement;*
- *ensure superannuation is paid in addition to the paid parental leave payment; and*
- *relax work and residency tests for eligibility for paid parental leave to ensure all parents have support to take leave. In particular, reforms should allow funded post graduate study to be counted as work for the purposes of satisfying the work test.*

The Government **agrees in part** to this recommendation and **notes** the Interim Report recommendation and the Australian Greens' additional recommendations.

Australia takes a hybrid approach to parental leave, where the Government payment is a minimum entitlement designed to complement employer-provided leave. To extend the length of time parents can take off after birth or adoption, they can receive the Government payment before, after, or at the same time as employer-paid leave.

Under the *Paid Parental Leave Amendment (More Support for Working Families) Act 2024*, the Paid Parental Leave scheme will progressively expand to 26 weeks by 2026. From 1 July 2024, 2 weeks of payment will be added each year to 2026, increasing the maximum entitlement by 6 weeks. This amendment will also progressively increase the number of 'use it or lose it' weeks reserved for each parent in a couple. From 1 July 2026, 4 weeks will be reserved for each parent in a couple, and couples can take up to 4 weeks of payment at the same time to encourage greater sharing of care giving responsibilities. If you are a single parent, you can still share your days with the other parent. If you choose not to, you can get the full number of days.

The Government has also committed to making superannuation guarantee equivalent payments on Government-funded paid parental leave from for parents of babies born on or after 1 July 2025.

Recommendation 31

The committee recommends the Australian Government amend, without delay, the *Fair Work Act 2009* to establish the right to superannuation as a National Employment Standard.

The Government **agrees** to this recommendation.

The *Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023* implemented the Government's election commitment to include a right to superannuation in the National Employment Standards.

Recommendation 32

The committee recommends the Australian Government consider the implementation of a care credit scheme informed by the reform options proposed in the 2013 Australian Human Rights Commission, *Investing in care: Recognising and valuing those who care* report. As part of its review the Australian Government should investigate possible mechanisms to address the superannuation gap between men and women, including consideration of paying care credits to superannuation for up to five years for parents who take leave and reduce hours of employment to care for others.

The Government **notes** this recommendation.

The Government recognises that the working-life earnings gap between men and women is the main driver of the gender gap in superannuation balances at retirement, rather than retirement income system settings. The Government is taking action to address the earnings gap.

The legislated increase in the Superannuation Guarantee to 12 per cent by 1 July 2025 will ensure women have more superannuation in retirement. In addition, the Government will make Superannuation Guarantee equivalent payments on Government-funded paid parental leave for babies born or adopted on or after 1 July 2025. This recognises the important contribution parents make to society, by reducing the impact career-breaks to care for young children have on superannuation balances.