

## DRAFT NATIONAL CARE AND SUPPORT ECONOMY STRATEGY 2023

### HESTA Submission – June 2023

HESTA welcomes the opportunity to respond to the Care and Support Economy Taskforce’s consultation on the draft National Strategy for the Care and Support Economy.

HESTA is a profit-to-member industry super fund investing around \$72 billion on behalf of more than 1 million members who work primarily in the health and community services sector, including aged care, community services, disability, early childhood education and care, hospitals, and primary health care.

HESTA’s interest in making a brief submission is in strong support of the policy goal of secure, safe jobs with decent wages, conditions and opportunities for career development – all important factors that contribute to retirement outcomes for our members.

Around 80% of our members are women, and a majority are represented in the care economy. They are less likely to be able to save outside their super and are more likely to have lower account balances when they retire compared to their male counterparts, with a gender super gap of up to 35%<sup>1</sup>.

The development of a National Strategy for the Care and Support Economy presents an important opportunity to engage with the issues facing Care Economy workers. It must consider drivers which negatively impact the retirement outcomes of our members, such as pay and conditions, terms of employment, and health and safety measures. Meeting the goal of decent jobs should lead to a secure retirement, and the strategy must consider addressing these drivers through a gender lens.

For example, WGEA data published in February 2023 shows the gender pay gap in the Health Care and Social Assistance sectors has *increased* from around 14% in 2021 to 21.1% as of November 2022<sup>2</sup>. The gender superannuation gap is even higher, with women retiring with up to 35% less super than their male counterparts<sup>3</sup>. Further risks arise in the sector with the increase in work-related injuries, as those working in the community and personal service sector experience the highest rates of work-related injuries<sup>4</sup>.

Australia’s superannuation system is one of the best in the world, but gaps remain because of system settings which overwhelmingly disadvantage women, workers on lower-incomes and those in casual, part-time or insecure work. These drivers impact many HESTA members given

---

<sup>1</sup> KPMG (2021). [The Gender Superannuation Gap](#).

<sup>2</sup> WGEA (2023). [Gender pay gap data](#). The 2023 data is for November 2022 published in February 2023, and is compared to data in [WGEA Scorecard 2022: the state of gender equality in Australia](#), which has data for 2021.

<sup>3</sup> KPMG (2021). [The Gender Superannuation Gap](#).

<sup>4</sup> ABS (2023). [Work-related injuries](#).

around 80% of our members are female, and female dominated sectors are disproportionately affected by casualised and precarious work<sup>5</sup>.

It is important that the proposed National Strategy consider how certain job quality factors impact retirement, including pay and conditions, terms of employment, and health and safety measures.

We have included below links to HESTA submissions to two recent consultations: a) '*Employee-like forms of Work* Consultation Paper (Submission A) and b) '*National Strategy to Achieve Gender Equality* (Submission B). Our submissions to these consultations engage with key themes raised in the draft National Strategy for the Care and Support Economy, particularly with **Goal 2: Decent jobs** and the importance of work-related drivers to retirement outcomes.

The following recommendations in these submissions interact with **Goal 2: Decent jobs** of the draft National Care and Support Economy Strategy 2023:

### **Recommendations (submission A)**

1. That proposed legislation in relation to 'employee-like' forms of employment include the superannuation guarantee as a minimum standard available to workers
2. That the Government pursue additional reforms to superannuation legislation to expressly provide gig workers an entitlement to the payment of the superannuation guarantee
3. That the ATO enhance its superannuation guarantee compliance activities for gig workers in 'employee-like' forms of employment, including in the Care Economy

### **Recommendations (Submission B)**

1. Consider broadening data captured by traditional macroeconomic indicators, like Gross Domestic Product (GDP), to take into account the value of unpaid care work to the economy

### **Link to submissions**

- A. ['Employee-like' forms of Work Consultation Paper](#)
- B. [National Strategy to Achieve Gender Equality](#)

---

<sup>5</sup> Australia Institute (2020). 2020 Year-End Labour Market Review: Insecure Work and the Covid-19 Pandemic. [\*Briefing Paper\*](#).