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The Social and Community Services Sector in NSW: Structure, Workforce and Pay Equity Issues

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Table of contents

1. Executive summary
2. Introduction

Note on definitions, data and sources

- 3 Key features of the social and community services (SACS) sector: services and organisation
4. The nature of SACS work
5. Structure and development of the SACS workforce
6. Work value and pay equity issues
7. Conclusion

1. Executive Summary

This report provides information on the social and community services (SACS) sector and its workforce, in the context of the 2009 Heads of Agreement between the Australian Services Union (ASU) and the Australian Government regarding the future industrial regulation of workers in the SACS sector, including resolution of pay equity and work values issues.

Key features of the social and community services (SACS) sector

The social and community services industry operates at the front-line of social policy, helping disadvantaged people enhance their relationships and wellbeing, build and access community resources, and participate in social life.

- Most SACS services are funded by a mix of federal and state government agencies and delivered by non-profit organisations (NPOs, also called NGOs or non-government organisations).
- The NPO share of funding expended for social purposes is growing (Productivity Commission, 2010: 300). This reflects increased use of purchaser-provider relationships by governments to expand social service provision.
- The contracting model affects the internal operations of NGO providers, including the nature and design of work within them, and their operating environments.
- SACS organisations are relatively small: in 2000, average income per organisation was \$1.15 million, and average employment was 31 persons, compared with other community service industries such as nursing homes (\$4.00 million; 107 employees) (authors' calculations from ABS, 2001: 29).

The nature of SACS work

The focus in the report is on workers in direct service or 'care' roles in the SACS sector. Care work involves face-to-face service that helps recipients meet their daily physical, psychological, emotional and developmental needs (Standing, 2001) and develops their human capabilities (England et al., 2002: 455).

- A majority of employees are employed in direct service or care roles in the SACS sector, and around half of organisational budgets are taken up in labour costs.
- The care orientation of the work and the contracting environment lead to a distinctive set of job demands for care workers in SACS organisations.
 - Care workers are required to exercise complex relational and communication skills, attuned to the context of work with disadvantaged people. Workers need to understand the life contexts of individual clients and to be able to build constructive relationships that enable both individual and service goals to be achieved.
 - Staff frequently work in multidisciplinary cross-agency teams; need command of a breadth of intervention techniques directed toward achieving individual and

population level change; and need to ensure their responses have a firm and demonstrable evidence base.

- The skills demanded of many SACS workers have increased with changes to policy on the organisation and orientation of services.
 - Frontline work is generally less routinised than before because policies promoting deinstitutionalisation mean that workers help clients define and pursue their personal goals, and support them to achieve these in community settings. This requires careful judgment and negotiation.
 - Contracting out has generated new roles and new skill demands for SACS care workers, including the proliferation of ‘case management’ approaches to service delivery, and the need for new business skills to deal effectively with new managerial and accountability demands.
- SACS workers are increasingly required to assess and manage risks that clients may be exposed to, to prevent adverse events or harm, in a context of uncertainty. Given the potential for grave social, medical and legal consequences, risk assessment brings with it high levels of responsibility.
- SACS workers can themselves be placed at risk in the course of their work. They often work with difficult and/or distressed clients in highly charged situations, including in private homes. These issues can be particularly acute in rural areas.
- Industry leaders consider the required skill set is best developed through a combination of training, practice and supervision.

Structure, characteristics and development of the SACS workforce

Census data show that there has been strong growth in employment of care workers in SACS industries over the last decade or so, with strong growth predicted into the future.

- The number of care workers in SACS industries increased by 66.2 per cent between 1996 and 2006, compared to 26.3 per cent growth in nursing homes, 23.2 per cent in child care and 19.2 per cent in the economy overall.
- The proportion of workers in care occupations in the SACS sector rose from 49 to 60 per cent between 1996 and 2006. It is not clear whether this means that SACS providers are devoting more labour resources to direct service provision or whether it means care workers have less administrative, technical and other support than before.
- The SACS sector is female dominated, and this has been stable over time. In 2006, 80.0 per cent of SACS care workers were female, compared to 79.1 in 1996 and 81.0 in 2001.
- Care workers in the SACS sector are older relative to the labour force overall, and ageing faster.
 - Among SACS care workers 50.3 per cent are 45 and over, compared to 37.9 per cent of the labour force overall. In 1996, 35.8 per cent of SACS care workers were 45 and over.

- SACS care workers are older on average than people employed in the same caring occupations, but working in other industries (primarily health and education).
- An increasing proportion of care workers in community service industries have formal qualifications. Among care workers in all community service industries (includes SACS) 64.6 per cent had a post-school qualification in 2006, compared with 53.0 per cent in 2001. A slightly higher proportion of SACS care workers have qualifications.
- Among intermediate service level care workers in the SACS sector, 10.0 per cent have qualifications that exceed those required by their occupational category, as do 21.8 per cent of associate professional care workers, suggesting that functional underemployment exists.
- Among the female majority of care workers in the SACS sector, 59 per cent worked less than 35 hours per week. The minority of males were more likely to work full-time, with 61.8 per cent working at least 35 hours per week. This seems to be a characteristic of care occupations rather than of the SACS sector – non-care SACS workers had a rate of part-time work much closer to the all-industry average.
- Where SACS workers are the main breadwinner in the family, family incomes tend to be modest. Only in family households with incomes over \$1,400 per week were a majority of SACS workers secondary earners.
- Both males and females care workers at each level of post-school qualification have lower earnings than those whose main job is in a non-caring occupation in the SACS sector

Work value and pay equity issues.

Low pay undermines SACS workers' status and living standards, presents disincentives to work in the sector, and undermines the capacity of government and non-government agencies to provide services that meet people's needs. The following factors explain pay inequity problems in the sector.

- Jobs involving interacting with other people are generally paid lower wages than comparable jobs, especially where caring or nurturing activities are performed.
- The pervasive cultural association between care work and women's traditional roles undermines the recognition of the skills of care work.
- SACS service users typically have limited capacity to pay, yet government funding for many such services can be electorally unpopular, and workers may be reluctant to claim higher wages because they fear service users will suffer.
- Partial funding of services by governments can undermine organisations' ability to recognise and reward care work.
- SACS industries were late to unionise, and award structures have developed slowly. They are yet to catch up in most jurisdictions.

Recent developments in the industrial sphere offer to help rectify the undervaluation of community services work. The Queensland pay equity decision of 2009 is a case in point.

Conclusion

The information presented in this report suggests several areas for reform and action to improve the capacity of the SACS sector to provide high quality services to the community.

- Award restructuring to improve career paths for direct service or care workers in the SACS sector, in line with the existing and increasing skill demands.
- Remuneration appropriate to the level of skill demanded, including remedy for gender pay inequity.
- Appropriate training with clear and well-supported pathways to enable existing members of the large and growing lower-skilled sections of the workforce to progress into improved jobs with better pay.
- Growth of government funding to meet the real costs of providing high quality social and community services with equitable remuneration to direct service workers.

2. Introduction

This report has been prepared to provide information on the social and community services (SACS) sector and its workforce. The context for the commissioning of the report is the historical Heads of Agreement between the Australian Services Union (ASU) and the Australian Government on 30 October 2009 regarding the future industrial regulation of workers in the SACS sector. The Heads of Agreement includes agreement by the Commonwealth to support a pay equity/work value claim by the ASU to the Australian Industrial Relations Commission.

The report aims to provide an overview of the nature of the community services sector in general, and the SACS sector in particular, including an account of the impact of government policy and other factors on the development of the sector and work within it. The focus in the report is on workers in direct service or 'care' roles in the SACS sector. The nature of their work, and changes to it as the sector and its funding and administration evolve are examined in some detail. The report also explores the characteristics of the care workforce, using original analysis data of data from the Census of Population and Housing 2006. These data give a clear picture of structure and change in the SACS workforce, in the context of change in the labour force overall. The report concludes with a discussion of pay equity and work valuation issues in the sector arising from the distinctive nature of SACS work and its organisation.

Note on definitions, data and sources

This section deals with some potentially confusing issues of terminology arising from historical and technical usages, with the issue of the availability and consistency of data on the SACS workforce, and with the sources used in this report.

In this report, in line with the industry classification used by the Bureau of Statistics in its publications *Community Services, Australia* (see ABS 2001), the term ‘community services’ refers to the broad collection of services that takes in childcare and residential aged care along with the more targeted welfare services for disadvantaged individuals and social groups. In the report, these more targeted services are referred to as ‘social and community services’ or the SACS sector, in line with usage in the field, including the term used in the name of key industrial awards in the sector. In its recent report, the Productivity Commission described this sector as providing ‘relief of poverty, social disadvantage, social distress and hardship; the provision of emergency relief or support; and the advancement of disadvantaged groups’ (2010: xv). See Figure 1 for a diagram that shows how SACS industries fit into community service industries. Every effort is made in this report to use these terms consistently, and to match or map to them to the (sometimes unwilling) categories used to organise various data sources as tightly as possible.

Consistent data on the workforce, organisation and operation of the community services industry in general, and on the subset known as the social and community or ‘SACS’ sector in particular, is not easy to come by. One key reason for this is that data are produced for a range of purposes, use different definitions of ‘community services’, and are collected using a variety of methods.¹ This means that building a definitive account of the situation of the social and community service workers – on whom this pay equity case pivots – is not possible. This report presents the best evidence available to the authors.

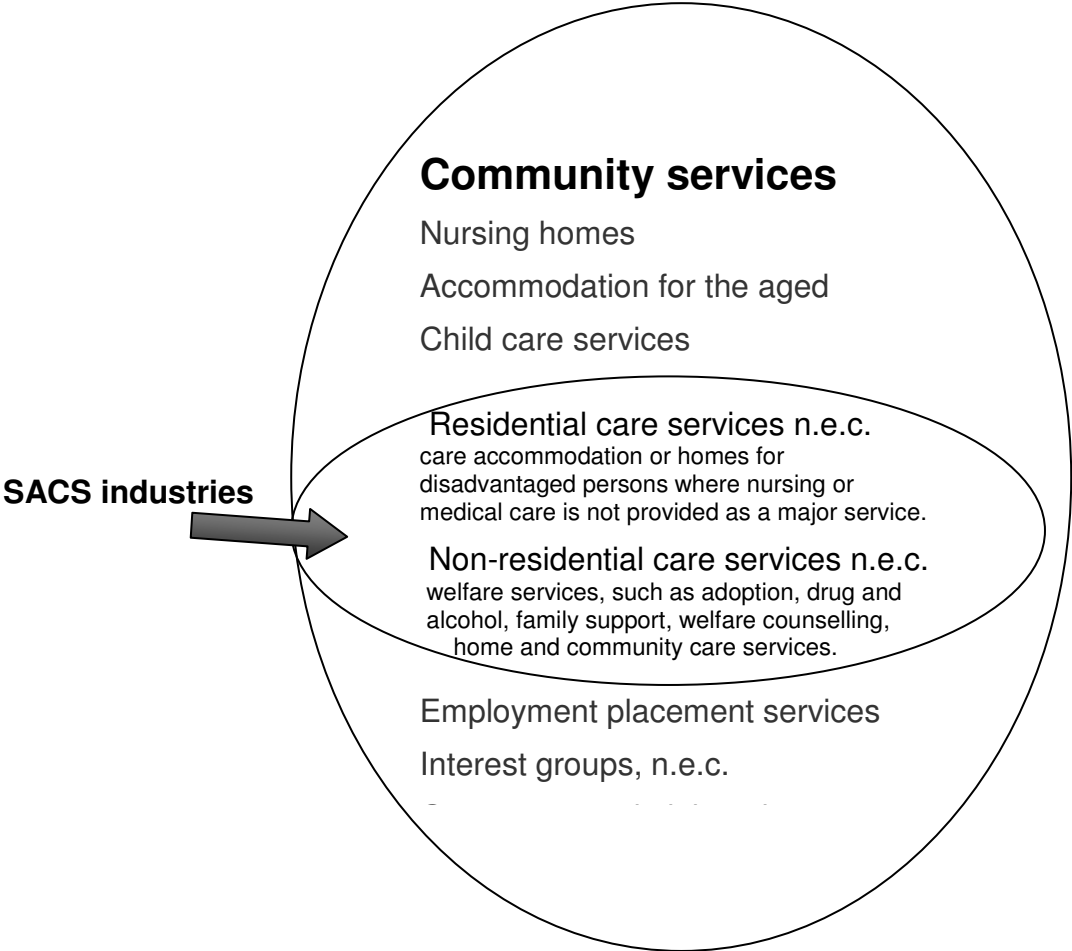
The Australian Bureau of Statistics produces a range of publications that include some data about the community services workforce. Principal among these official statistics are the aforementioned publication, *Community Services, Australia* (ABS 2001, based on data for 1999-2000), a supplement to the Australian National Accounts called the *Non-profit Institutions Satellite Account* (ABS 2009),² and various labour force and employment related publications. Useful data on other dimensions of the community service industry is drawn from these sources in this report. However, in these publications, data on the size and

¹ See Meagher and Healy (2006, pp. 15-19) for a more detailed discussion of some of the issues and sources; see also SCRGSP (2010: F1-2).

² Published in 2002 and 2009 for the fiscal years 1999-2000 and 2006-07 respectively.

composition of the community services and SACS workforces is not detailed enough to shed light on issues relevant to this case.

Figure 1: Defining the social and community services sector*



*Based on the industries included in the ABS publications *Community Services, Australia* (ABS, 2001) and used in Meagher and Healy (2005, 2006). To capture the involvement of the public sector in some areas of community service provision, we also include care workers who are employed in Government administration in analysis of the care workforce.

One exception among official statistics is the Census of Population and Housing. Census data is the only source classified to a fine-grained level of detail about occupation and industry of employment (4 and 6-digit). This detailed classification of data allows a much more specific section of the labour force, such as SACS workers, to be identified, and their characteristics explored. Accordingly, data from the Census is used in this report to provide information about some key dimensions and developments in the community services and SACS workforces since 1996. Nevertheless, Census data also comes with its own shortcomings; most notably under-counting of the size of the community services workforce, because data on respondents' main job only is collected (Healy and Richardson 2003).

The SACS industries are defined as shown in Figure 1. As the Figure shows, two industry classifications have been identified as encompassing the SACS industries: residential care services, n.e.c. and non-residential care services, n.e.c. The focus of this report is on direct service workers, that is, in occupations involving performing SACS work with members of the community. Accordingly, the SACS care workforce is defined as those employed SACS industries in the following direct service or ‘caring’ occupations in the SACS industries:³

Professional occupations	Registered nurses (<i>including mental health and disability nurses</i>) Therapists (<i>including occupational therapists, speech pathologists, physiotherapists and other health professionals</i>) Pre-primary school teachers Social workers Welfare and community workers Counsellors Psychologists
Associate professional occupations	Enrolled nurses Welfare associate professionals
Intermediate service worker occupations	Education aides Children's care workers Special care workers Personal care and nursing assistants

These occupations fall into three broad skill groups: professional (university level qualifications normally required), associate professional (vocational qualifications normally required), and intermediate service worker (no qualifications required, or basic vocational qualifications required).

In recent years, several studies of the non-profit sector and of specific sections of the community services workforce have become available. Key among these are the NILS studies of the aged care workforce (Richardson and Martin, 2004; Martin and King, 2008), the Productivity Commission’s report titled *Contribution of the Non-profit Sector* (2010), and the report by the Social Policy Research Centre titled *Labour Dynamics and the Non-Government Community Services Workforce in NSW* (Cortis et al. 2009). Where relevant, some of these sources are also used in this report.

³ These occupations were chosen from the health and social occupations listed in the Australian Standard Classification of Occupations (ASCO). This classification is used to code (classify) the Census of Population and Housing.

3. Key features of the social and community services (SACS) sector: services and organisation

The social and community services industry is relatively new, having expanded, formalised and consolidated since the 1970s (albeit with employment regulation lagging) (Briggs et al., 2007). These services operate at the front-line of social policy, helping people enhance their relationships and wellbeing, build and access community resources, and participate in social life. Typically, these services work with people experiencing adversity. The Productivity Commission (2010: xv) defines them as ‘the subset of human services that involve a range of services that provide: relief of poverty, social disadvantage, social distress and hardship; the provision of emergency relief or support; and the advancement of disadvantaged groups’. Examples include child welfare services; youth services; care and support for people with disabilities; support for new migrants; and social housing and homelessness services.

The SACS industry is a complex mixed economy

The community services industry is complex and diverse. It involves a mix of various levels of government, and non-profit and for-profit agencies ranging in size from individual providers to large corporate entities and national charities. The ABS estimated that at the end of June 2000,⁴ there were 9,287 organisations nationally in community services (broadly defined; see *Note on definitions, data and sources* above) (ABS, 2001: 5). Of these, 5,938 (63.9 percent) were non-profit, 2,800 (30.1 percent) were for-profit and 548 (5.9 percent) were government organisations, with NSW having a slightly higher proportion of for-profits than Australia as a whole.

However, the distribution of non-profit and for-profit organisations is not uniform across the industries that make up community services. In those industries offering services to a broad social spectrum of citizens, such as nursing homes and child care, for-profit organisations are more common. By contrast, the SACS sector is dominated by non-profit organisations. The same ABS study estimates the number of organisations operating in the SACS sector to be 3,296. Of these, relatively few operate for-profit (around 5 per cent; see Table 1), with the vast bulk of the remainder being non-profit organisations (2001: 7).

In Australia, the role of government in directly providing community services; in funding and regulating service provision by non-government agencies; and in developing, administering and evaluating policy and programs differs across service types and among the states and territories (SCRGSP, 2010: F.4). Most services in the SACS industry are funded by a mix of

⁴ More recent data should be available with the release of the ABS Community Services Survey 2008-09, scheduled for 24 June 2010.

federal and state government agencies and delivered by non-government organisations. Supported accommodation for people who are homeless or at risk of homelessness for example is funded nationally and by the states, and delivered primarily by the non-government sector. Child welfare, meanwhile, is funded and provided by the states and territories, with non-government agencies providing the bulk of preventative services and out-of-home care alongside more forensic statutory child protection services provided by state governments (SCGRSP, 2010: F.4).

Table 1: Community Service Organisations, Australia and NSW, June 2000

	Australia				NSW	
	All community services		SACS industries*		All community services	
	No.	%	No.	%	No.	%
Non-profit	5,938	63.9	3,119	94.6	1,952	61.9
For Profit	2,800	30.1	177	5.4	1,029	32.6
Government	548	5.9	(n.a.)		176	5.6
Total	9,287	100.0	3,296**		3,156	100.0

Source: ABS (2001: 7, 21).

* Includes Residential care services n.e.c, and Non-residential care services, n.e.c. See Figure 1.

** Excluding government; thus percentages in the next column slightly overestimate private sector involvement.

Non-profit agencies play key roles as service providers and employers

A distinguishing feature of the SACS sector, as we have seen, is that non-profit agencies are key players. Indeed, more than half (53 per cent) of all the non-profit organisations operating in community services industries, broadly defined, are operating in the SACS sector, providing various residential and non-residential care services (authors' calculation from ABS, 2001: 7). The non-profits operating in the SACS sector have diverse histories and auspices. Many organisations have voluntary, religious or community activist roots, giving them distinctive ethos and traditions. The roles played by and within these organisations are multiple: they are service providers; advocates for service users; partners with government agencies; and employers. Further, in the context of community services overall, many organisations in the SACS sector are relatively small, when measured in terms of average annual income and employment per organisation. In the SACS sector in 2000, average income per organisation was \$1.15 million, and average employment was 31 persons,

compared with nursing homes (\$4.00 million; 107 employees) and accommodation for the aged (\$2.26 million; 61 employees) (authors' calculations from ABS, 2001: 29).⁵

The most up-to-date information available suggests that non-profit organisations have become increasingly important in the delivery of community services in Australia, and that their share of funding expended for social purposes is growing (Productivity Commission, 2010: 300). Between 1995-1996 and 1999-2000,⁶ spending on direct provision of community services grew by 28 per cent nationally. Spending by not-for-profit organisations increased faster than spending by for-profits (47 per cent compared with 16 per cent), while spending by government organisations increased more modestly (6 per cent) (ABS, 2001: 8). This reflects increased use of purchaser-provider relationships by governments, who have been expanding community service provision both by subsidising private sector providers (both for-profit and non-profit) through quasi-voucher systems in areas such as childcare and by contracting out social and community service activities. One widely accepted argument underpinning this approach to community service provision is that non-profits are best placed to work with vulnerable citizens and address social disadvantage (Billis and Glennerster, 1998). Governments also report finding it a cost-effective approach, because separating funding from provision enables public expenditure to operate as a contribution to – rather than full funding of – the total cost of service provision (Productivity Commission, 2010: 303). Thus, non-profit organisations and their donors and clients must make up the remainder.

This public administration environment shapes the operations and viability of non-profits in community services. Since the 1990s, competing for contracts to provide services on behalf of government has become the norm for community service providers, with government funders determining the service outputs and outcomes to be independently delivered, often in the form of short term projects (Productivity Commission, 2010: 297). As a consequence, service providers are often funded from a number of sources and so must negotiate the different regulatory requirements this involves. Single organisations typically have multiple sources of funding, with high dependence on public sources. Among non-profit organisations providing social services on a non-market basis,⁷ which include the majority of SACS providers, along with some child care, some aged care and some other services, 56 per cent of total income

⁵ Only child care services had a lower level of average income per organisation, at \$297,000 and lower employment at 11 persons. One reason for the low average income in child care is that these figures predate the wave of mergers and acquisitions in the child care industry during the last decade. Another reason could be that services such as out-of-school-hours care are typically small.

⁶ As noted above, more recent data should be available with the release of the ABS Community Services Survey 2008-09, scheduled for 24 June 2010.

⁷ This ABS publication uses the term 'social services', which corresponds closely to the classification 'community services' broadly defined – see 'Note on definitions, data and sources' in the early part of this report. Provision of services on a 'non-market' basis means services are not sold to consumers.

came from government sources in 2006-07 (ABS, 2009, table 8). A survey among SACS organisations found that around three quarters of service providers' funding came from government (ACOSS, 2009).

These two trends in the SACS sector – growing reliance on public funds, and delivery of these funds through contracting mechanisms – mean that government policies and programs shape the financial and operational context within which non-government agencies work, and the constraints within which the SACS workforce is managed. Many NGOs have expressed dissatisfaction about contracting arrangements, on the basis that contracting can compromise their independence and advocacy roles and divert resources from service provision, and that competition between providers for funds can undermine collaboration and place pressure on staffing budgets (Productivity Commission, 2010: chapter 12; Cortis et al., 2009; Evesson et al., 2010; McDonald, 2002; Rix, 2005). In a practical sense, the contracting environment does have significant administrative implications for organisations providing government-subsidised services: it can be time consuming, costly and frustrating, especially for small organisations. Research on non-profits in Queensland has found that they spend an average of 143.6 hours annually on completing government paperwork, with grant submissions and acquittals accounting for just over 50 percent of this time (Ryan et al., 2008: 10). To put this in perspective, this figure equates to approximately four weeks full time work for one person. It is not surprising, then, that non-profit organisations express concern that resources may be being diverted away from their work with clients and that more stringent contract management regimens may not be improving services and outcomes for those clients (Productivity Commission, 2010: chapter 12).

4. The nature of SACS work

Community service work has specific characteristics. Although community services industries also employ staff in managerial, administrative and other service capacities and in the trades (see Appendix Table 1), it is the orientation of the sector toward delivering care that gives the sector, and its workforce, a distinctive flavour. In each of the major community service industry sub-divisions – the aged care, child care and SACS sectors – at least three fifths of the workforce is employed in direct, service or ‘care work’-related occupations. This means they involve face-to-face service that helps recipients to meet their daily physical, psychological, emotional and developmental needs (Standing, 2001) and to develop their human capabilities (England et al., 2002: 455). Care work-related occupations include (but are not limited to) professionals such as nurses and social workers (for which a bachelor degree or higher is required); associate professionals such as welfare workers (requiring a diploma or higher); and intermediate service workers such as child care workers and personal care and nursing assistants (for which Certificate level qualifications are deemed appropriate) (Meagher and Healy, 2006).

Because services are primarily oriented toward delivering care, community services are labour intensive. The workforce is the ‘principle means of service delivery’ and as such, ‘community service quality is linked to the resources, skills, and dispositions workers bring to their interactions with service users’ (Meagher and Healy, 2005: 29). For employers and funders, the critical role of care workers in service delivery in community services means that labour costs are significant, comprising around half the costs SACS organisations must meet to operate (calculated from ABS, 2009: table 11). For staff, the provision of care is an opportunity to help members of the community meet their needs and achieve their goals. Yet while work involving care is potentially satisfying, it is also complex and challenging, and pay levels are perceived both by workers and industry leaders as inadequate compensation for the skills and responsibility required (Cortis et al., 2009).

Given the goals of work in social and community service organisations, care workers are required to exercise complex relational, communication and other skills. Often described as ‘soft’ skills, these include active listening and reflection, use and interpretation of body language, and techniques of assessment, problem solving, negotiation, conflict resolution and empowerment (Commissioner Fisher, 2009:26). Further, in SACS occupations, these communication skills are not generic. Rather, they need to be finely attuned to the context of work with disadvantaged people, a skill set which industry leaders consider best developed through a combination of training, practice and supervision (Cortis et al., 2009: 68).

To provide a meaningful and effective service, workers need to understand the life contexts of individual clients and the social and economic factors that shape these, and need the knowledge and judgment to build constructive relationships that enable both individual and service goals to be achieved. Working with clients, SACS workers pursue these goals in often complex institutional environments. Accordingly, capacity to understand and navigate the policy framework and institutional contexts in which they practice – including the scope and limits of other services – is another set of complex knowledge and skills SACS workers require. As well as understanding clients’ and their own rights and duties, SACS workers need to understand and apply organisational protocols and legislative requirements, sometimes involving work with involuntary clients. Workers also need to be adept at negotiating ethical dilemmas – including when the goals of social policies or the interests of organisations do not match those of the clients that workers see a duty to serve (Thornton and Marston, 2009).

Several features of the institutional context of SACS work, and of the kinds of social problems SACS organisations are engaged in alleviating – and changes in both – have important implications for the nature of work undertaken by SACS employees. **First**, community services attempt to address and prevent seemingly intractable social problems like Indigenous disadvantage or the neglect of children and the elderly, where there is a high degree of uncertainty and complexity, and where standardised, single agency solutions have had limited impact. In seeking to address these so-called ‘wicked problems’, reflection, deliberation and multi-agency collaboration offer the most promising ways forward, rather than any standard response (APSC, 2007; Head, 2008). This means that at the street level, community service work involves a more sophisticated orientation to problem solving. Staff frequently work in multidisciplinary cross-agency teams; need command of a breadth of intervention techniques directed toward achieving individual and population level change; and need to ensure their responses have a firm and demonstrable evidence base. Workers are required to understand circumstances which come about through complex causal pathways, and need advanced communication and problem solving skills to negotiate with diverse stakeholders with diverse goals and definitions of problems. Meanwhile, funding agencies and the community at large reportedly have higher expectations that outcomes can be achieved, while community service agencies report that client groups present with more complex needs (ACOSS, 2009: 37; Evesson et al., 2010).

Second, in recent years, the skills demanded of many SACS workers have increased with changes to policy on the organisation and orientation of services. Policies promoting deinstitutionalisation mean that workers help clients define and pursue their personal goals, and support them to achieve these in community settings, and as such, frontline work is generally less routinised and requires careful judgment and negotiation. In addition, growth of

service provision via contracting out (as discussed in Section 2 above) has generated new roles and new skill demands. The rise of community care and contracting out, in the context of more focus on client autonomy and self-determination in service provision models, has led to the proliferation of ‘case management’ approaches to service delivery.

Two recent studies provide information that assists understanding of how change in the framing ideas and the organisation of social and community service work is reshaping the skill set required. A study of case management and case managers in NSW cites the requirements that the contracting Department of Health and Ageing considers necessary for case managers delivering major community aged care programs, which fall into the SACS sector. These requirements include ‘affinity with the target group’, capacity to ‘deal with people who have complex care needs to ensure an effective ongoing relationship’, awareness of and sensitivity to ‘people from special needs groups’, and understanding and awareness of ‘the financial operations of the service’ (DOHA 2007: 20, cited in Simpson-Young and Fine, 2010: 14-5). The Department continues:

‘Case managers therefore, require a variety of well-developed skills and attributes, including:

- communication skills;
- negotiation and networking skills on an interpersonal and inter-agency level;
- ability to work with care recipients who are highly dependent or have multiple needs;
- ability to work with family members in situations which may involve conflict, anxiety or stress;
- ability to set priorities and meet deadlines;
- staff management skills;
- financial and business management skills; and
- appreciation of the particular needs of care recipients from special needs groups, such as Aboriginal and Torres Strait Islander people or people from culturally and linguistically diverse backgrounds.’ (2007: 20)

The span of skills required, from interpersonal to business management, is vast and demonstrates the complexity of work. Business skills include the capacity to plan services, prepare tenders, cost services, and ensure accountability of staff and services at the organisational level. The ethical demands of case management work are also high, encompassing managing power relations with clients and staff in addition to financial probity.

A second study of the disability workforce (Eveesson et al., 2010) highlights how medical advances and increased life expectancy for people with disabilities mean service users have more complex physical needs, while improved diagnosis and general awareness have

contributed to increasing co-morbidity. At the same time, change toward more client-centred and rights-based practice in community contexts is presenting a challenge. These changes in the orientation and quality of support offered in disability services demand more advanced interpersonal skills, relating to working in teams, negotiating relationships with workers, family members and other services, and require appropriate training and commensurate rewards.

Third, risk assessment has become a key part of much SACS work in the new organisational environment. Many SACS workers are required to assess and manage various risks that clients may be exposed to, with a focus on prevention of adverse events or harm, and in a context of uncertainty. Examples include the risk that a relationship will turn violent or a child will be abused or neglected, or the risk a person who is elderly may need to be institutionalised. Given the potential for grave social, medical and legal consequences, risk assessment demands judgment and brings with it high levels of responsibility.

Fourth, SACS work can also itself be dangerous: many SACS workers are *themselves* placed at risk in the course of their work. In disability, community mental health, domestic violence, child welfare, and drug and alcohol services, SACS workers can find themselves working with difficult and/or distressed clients in highly charged situations, including in private homes. Research has found that these issues can be particularly acute in rural areas (Green et al. 2003). These circumstances can increase the risk of client-initiated violence against SACS workers. These conditions can create a complex and hazardous occupational health and safety environment in which risk can be hard to predict and evaluate.

Overall, care work in the SACS sector is demanding, and the skill set required is expanding. It is also important to recognise that the increased managerial and accountability demands associated with contracting out and delivering services on behalf of governments is likely to have affected the roles and responsibilities of non-care workers in the SACS sector in ways similar to the impact on care workers.

5. Structure, characteristics and development of the SACS workforce

This section presents data on what can be known, with reasonable certainty from available data about the structure, characteristics and development of the SACS workforce. The primary source of data is the Census of Population and Housing, supplemented with other sources as relevant and available.⁸ A detailed account of how the SACS workforce has been defined for the purposes of this report is set out in the *Note on data, definitions and sources* above. Briefly, the primary focus is on those workers in direct service or care occupations (nursing, social work, welfare work, counselling, personal care assistance) employed in SACS industries (residential care services, n.e.c., and non-residential care services, n.e.c.). Comparisons with the broader community services sector (which includes child care and residential aged care among others) and with the Australian workforce in general are made where relevant.

Size and growth prospects in SACS industries

Census data show that there has been strong growth in employment of care workers in community services in general and SACS industries in particular over the last decade or so. Table 2 presents the number of people in Australia reporting that their main job is in a caring occupations in the main community service industries: SACS, residential aged care (combining nursing homes and accommodation for the aged), and child care. The table shows that, at 66.2 per cent between 1996 and 2006, the rate of growth in employment of care workers in the SACS industries was more than twice as much as the rate of growth in employment of care workers in nursing homes (26.3 per cent) and child care (23.2 per cent), and more than three times as much as employment in the economy overall (19.2 per cent). A high level of growth is expected to continue well into the future: a recent report by the Department of Education, Employment and Workplace Relations (no date: 7) predicts that ‘Other social assistance services’ (which constitutes the majority of the SACS sector)⁹ will grow faster than any other part of the broader health and social assistance services industries, and nearly four times faster than employment overall between 2009-10 and 2013-14.

⁸ See *Note on definitions, data and sources* earlier in this report for discussion of the strengths and weaknesses of Census data.

⁹ In the new industry classification used by the ABS since 2006, this classification effectively replaces ‘non-residential care services, n.e.c.’. We have used the older classification in this report to enable comparison of the Census data from 1996 and 2001 with the most recent data from 2006.

Table 2: Care workers in the SACS and community service industries,* Australia, 1996-2006, persons reporting on their main job

	SACS industries	Residential aged care	Child care	All industries (all occupations)
1996	42,193	65,252	49,029	7,636,319
2001	61,103	55,972	48,929	8,298,602
2006	70,128	82,424	60,407	9,104,187
<i>change 1996-2006</i>	<i>66.2</i>	<i>26.3</i>	<i>23.2</i>	<i>19.2</i>

Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

*Includes only caring occupations; see Chart 1 below for information on non-care workers.

Occupational structure of the care workforce in the SACS sector

This section considers the occupational structure of the care workforce in two dimensions: the ratio of care workers to non-care workers, and the distribution within the care workforce between occupations with different skill levels. The category ‘non-care workers’ is effectively a residual, and includes all those Australians who reported that their main job was in a SACS industry in an occupation *other* than the care occupations listed in the *Note on data, definitions and sources* above. These are the managers, accountants, tradespeople, researchers, office workers, cleaners and others who provide the administrative, management and technical functions in SACS organisations. Professionals such as lawyers, who may work directly with clients in some organisations would also be included among non-care workers.

Table 3: Change in the occupational structure of SACS industries, Australia, 1999-2006

	1996	2001	2006
Professionals	39.8	32.7	32.0
Associate professionals	15.7	15.4	15.4
Intermediate service workers	44.5	51.8	52.7
Total care workers n=	42,193	61,103	70,126
Care workers as % of all workers	48.7	61.4	59.8

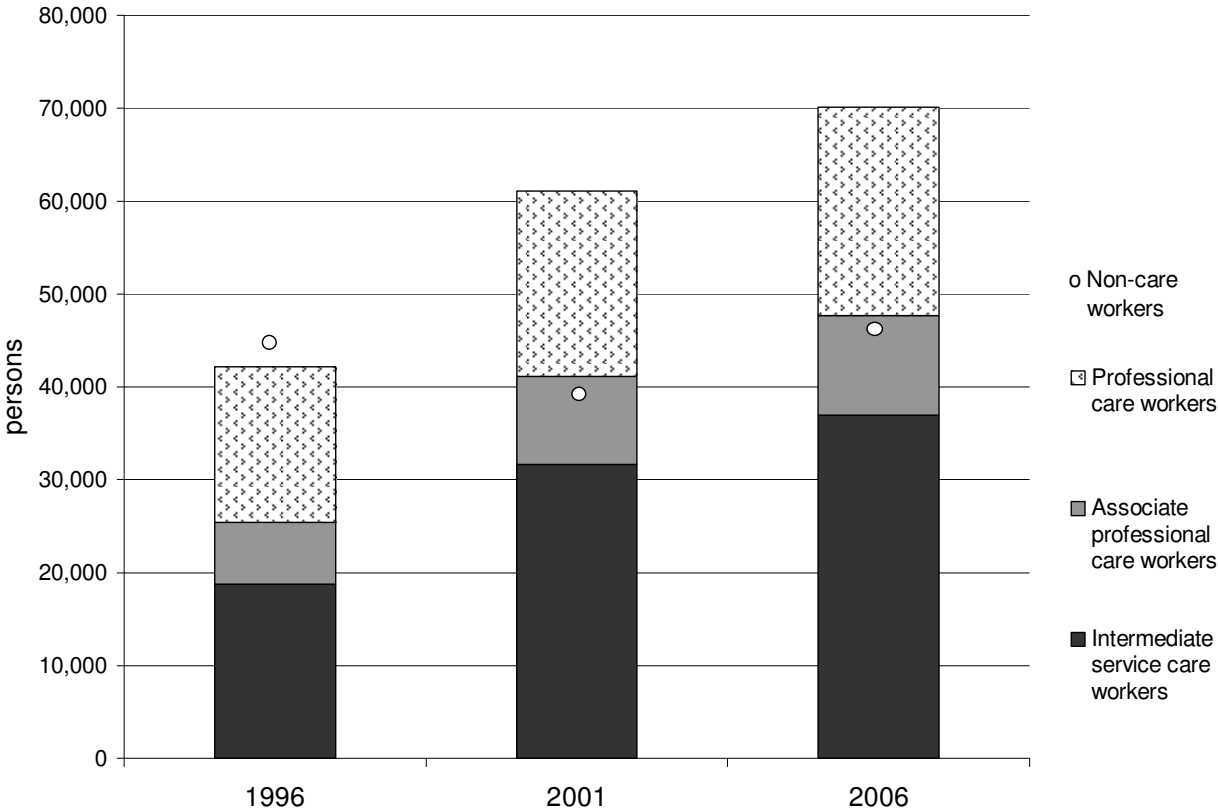
Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

Table 3 and Chart 1 show change in the size and distribution of workers between care work and non-care work in SACS industries over the decade to 1996. It is clear from the chart that most employment growth has been among caring occupations. The number of care workers in the SACS sector was approximately 42,000 in 1996, rising to around 70,000 in 2006. Meanwhile, the number of non-care workers was around 44,000 in 1996, rising to 47,000 in 2006. Thus, the relative size of the care and non-care workforces has changed. In 1996, workers in caring occupations were 49 per cent of all people reporting that their main job was in the SACS sector; this had increased to 60 per cent in 2006. As Meagher and Healy (2006: 32) point out, further research is needed to establish whether this development means that

organizations in the SACS sector are properly devoting more of their labour resources to direct service provision (because the proportion of care workers increased), or whether care workers are working with less administrative, technical and other support than they used to (because the proportion of workers employed in non-care occupations fell).

Table 3 shows that within the care workforce in the SACS sector, growth of intermediate service worker level occupations was faster than professional and associate professional occupations across the decade, although most of the increase in the proportion of intermediate service care workers occurred between 1996 and 2001.

Chart 1: Change in the occupational structure of SACS industries, Australia, 1999-2006¹⁰



Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

¹⁰ See Appendix Table 1 for the complete data set from which the chart and table in this section have been drawn.

Demographic characteristics of the care workforce

The most striking characteristic of the care workforce in community service industries is its gender profile. Fully 88.1 per cent of all those recording a primary job in a caring occupation in a community service industry were female in 2006, compared to 46.1 per cent in the workforce overall. As Table 4 shows, change over the preceding decade was minimal – 89.6 per cent were female in 1996, and 88.4 per cent in 2001. In the SACS industries, the proportion of females is slightly lower than in the community service industries in aggregate, because childcare and residential aged care are very strongly female dominated.¹¹ In 2006, 80.0 per cent of care workers in SACS industries were female, compared to 79.1 in 1996 and 81.0 in 2001. Another point worth noting from Table 4 is that men are slightly over-represented among associate professional occupations.

Table 4: Care workers in community service industries, Australia, per cent female, 1996-2001.

	1996	2001	2006
SACS industries	79.1	81.0	80.0
All community service industries	89.6	88.4	88.1
Professional occupations*	88.4	87.4	86.6
Associate professionals*	77.7	75.0	73.0
Intermediate service workers*	92.5	91.4	90.7
All occupations in all industries			46.1

Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

* These data are for care workers in all community service industries combined.

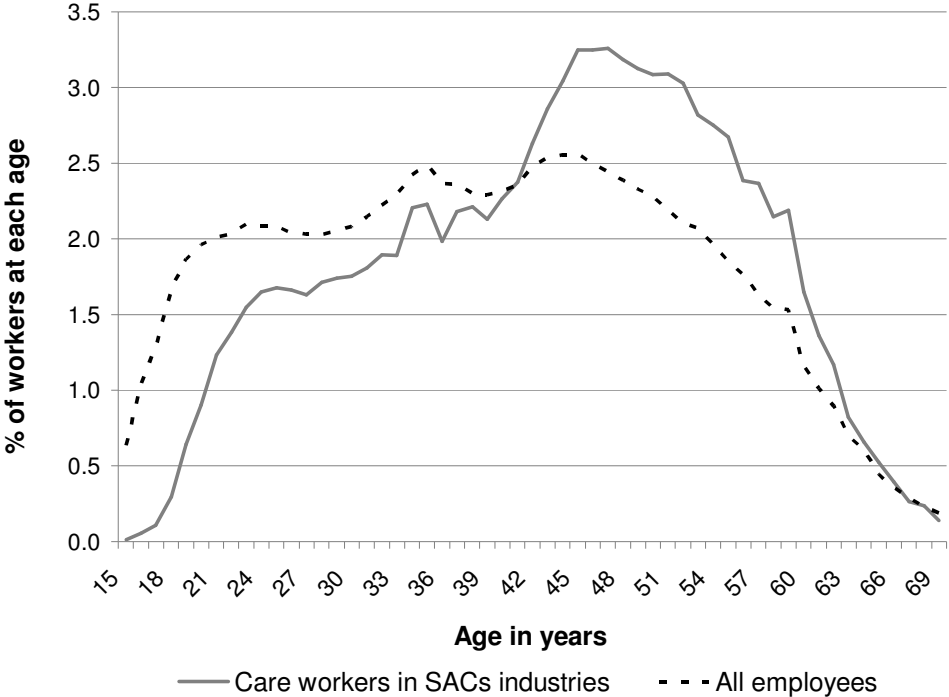
Another striking characteristic of the care workforce in SACS industries is that it is relatively old compared to the Australian workforce overall – as Chart 2 shows.

Table 5 puts the age structure of the care workforce in the SACS sector into comparative perspective. Two notable points can be observed in this table. First is one that reinforces the clear picture in Chart 2: the relatively high age of SACS workers, just over half of whom are 45 and over (50.3 per cent, column 1), compared to less than two-fifths of the labour force overall (37.9 per cent, column 4). Second is that workers in caring occupations in SACS industries (column 1) and in community service industries more generally (column 2) are older on average than people employed in the same caring occupations, but working in other industries (primarily health and education; column 3). Given that a higher proportion of the employment of care workers in health and education is in the public sector, differentials in

¹¹ Childcare and residential aged care have 96.5 and 91.5 per cent female care workforces respectively.

pay and conditions between the public and private (including non-profit) sectors may play a role here in attracting and retaining younger workers.

Chart 2: Age structure of the care workforce in SACS industries compared with labour force age structure overall, Australia, 2006



Source: Census of Population and Housing, 2006, custom table.

Table 6 puts the age structure of the care workforce in the SACS sector into historical perspective, and the trend is stark: this workforce is ageing significantly. In 1996, nearly two thirds of care workers reporting their main job as employment in the SACS sector were under 45; ten years later, just under half did.

The Australian workforce overall is ageing too – between 2001 and 2006, the proportion of the total labour force who were 45 years or older increased from 34.1 to 37.9 per cent. However, the SACS workforce appears to be ageing at a considerably faster rate than the workforce overall. The proportion of care workers in SACS industries who are 45 years or older increased by 6.4 per cent between 2001 and 2006, compared to an increase of 3.8 per cent in the workforce overall.

Table 5: Age of the care workforce in SACS industries in comparative perspective, Australia, 2006, per cent

	(1)	(2)	(3)	(4)
	Care workers in SACS sector	Care workers in all community service industries (incl. SACS)	Care workers in other industries	All employees
Age group				
15-24 years	7.8	13.5	10.6	16.7
25-34 years	18.0	18.3	18.9	21.4
35-44 years	23.9	22.6	25.3	24.0
45-54 years	30.8	28.4	29.5	22.8
55-64 years	17.4	15.5	14.2	12.7
65 and over	2.0	1.7	1.5	2.4
<i>Under 45</i>	<i>49.7</i>	<i>54.4</i>	<i>54.7</i>	<i>62.1</i>
<i>45 and over</i>	<i>50.3</i>	<i>45.6</i>	<i>45.3</i>	<i>37.9</i>

Source: Census of Population and Housing, 2006, custom table.

The rapid ageing of the SACS workforce poses challenges for the future. Despite strong growth in the community services workforce in general, and the SACS workforce in particular, recruitment and retention problems have been identified in previous studies (Cortis et al., 2009; Evesson et al., 2010). These problems need to be resolved if the crucial support and capacity building services that the SACS industry provides are to be sustained into the future.

Table 6: Age of the care workforce in SACS industries, Australia, 1996, 2001 and 2006, per cent

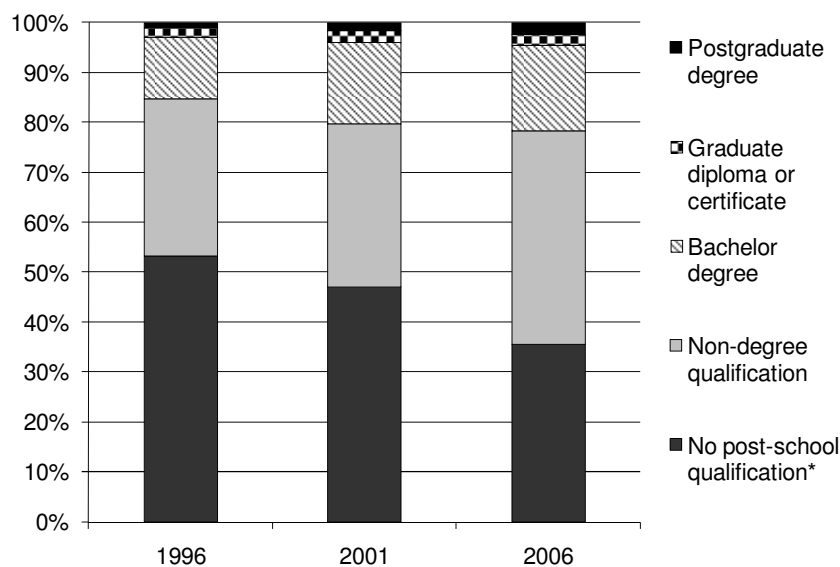
	1996	2001	2006
15-24 years	10.5	8.1	7.8
25-34 years	23.6	20.0	18.0
35-44 years	30.1	27.9	23.9
45-54 years	26.4	30.6	30.8
55-64 years	8.6	12.1	17.4
65 and over	0.8	1.2	2.0
<i>Under 45</i>	<i>64.2</i>	<i>56.1</i>	<i>49.7</i>
<i>45 and over</i>	<i>35.8</i>	<i>43.9</i>	<i>50.3</i>

Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

Qualifications of the care workforce in community service industries

As discussed in Section 3 above, work in community services can demand significant and wide-ranging skills. Evidence from the Census shows that an increasing proportion of care workers in community service industries have qualifications, such that the skill base of work in the industry is being formalised. Chart 3 shows that in 2006, nearly two thirds of all care workers had a post-school qualification (64.6 per cent), compared with just over half (53.0 per cent) in 2001. Much of the growth is in non-degree qualifications. Over the decade from 1996 to 2006, the proportion of care workers in a community service industry with a bachelor degree or higher rose from 15.3 to 21.6 percent, while the proportion with a non-degree qualification rose from 31.5 to 42.9 per cent.

Chart 3: Qualifications of care workers in community service industries, Australia, 1996-2006

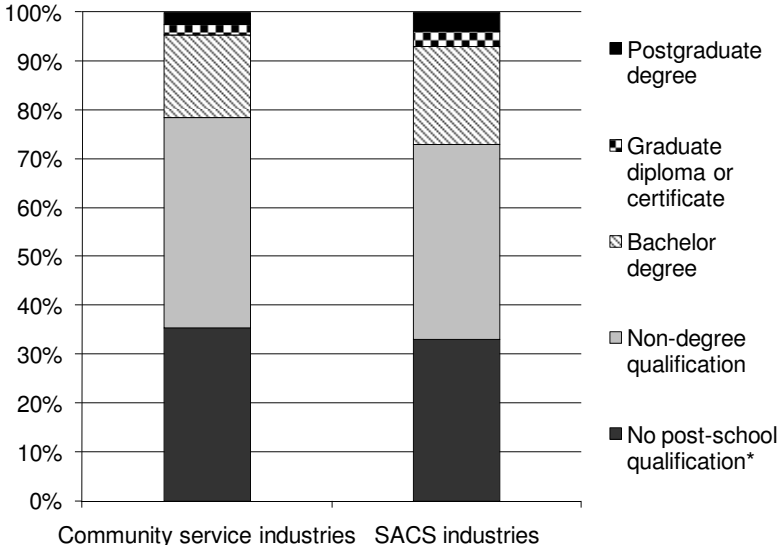


Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

* Includes those who did not state their qualifications or did not describe them adequately.

Focussing in on care workers in SACS industries, Chart 4 shows that this subset of the community services workforce has slightly higher rates of post-school qualifications than the care workforce in community services more broadly. While 21.6 per cent of care workers in the community services workforce had a Bachelor degree or higher in 2006, 27.0 per cent of care workers in SACS industries held this level of qualification. The corresponding rates for non-degree qualifications are 42.9 for the broader community service industries, compared to 39.9 for SACS industries.

Chart 4: Qualifications of care workers in community service industries and SACS industries, Australia, 2006

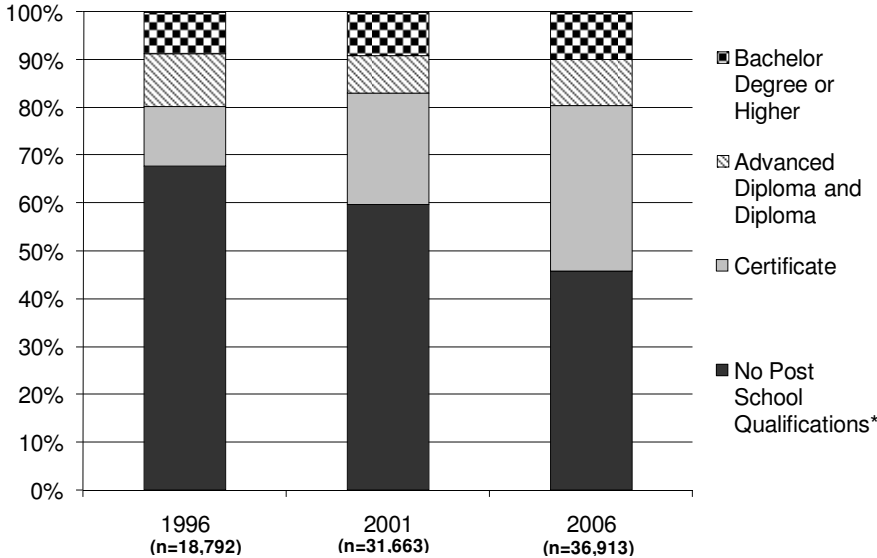


Source: Census of Population and Housing, 2006, custom table.

* Includes those who did not state their qualifications or did not describe them adequately.

We saw above that in the rapidly growing SACS industry, the proportion of intermediate service workers was increasing. The training profile of this section of the workforce is changing rapidly. As Chart 5 shows, the proportion of intermediate service care workers without qualifications has fallen from 68 per cent in 1996 to 46 per cent in 2006.

Chart 5: Qualifications of intermediate service care workers in SACS industries, Australia, 1996-2006



Source: Census of Population and Housing, 2006, custom table.

* Includes those who did not state their qualifications or did not describe them adequately.

It is noteworthy that the proportion of workers in these ostensibly low skilled jobs with a Bachelor degree or higher has increased slightly over the decade from 8.7 per cent in 1996 to 10.0 per cent in 2001. Among associate professional care workers in the SACS sector 21.8 per

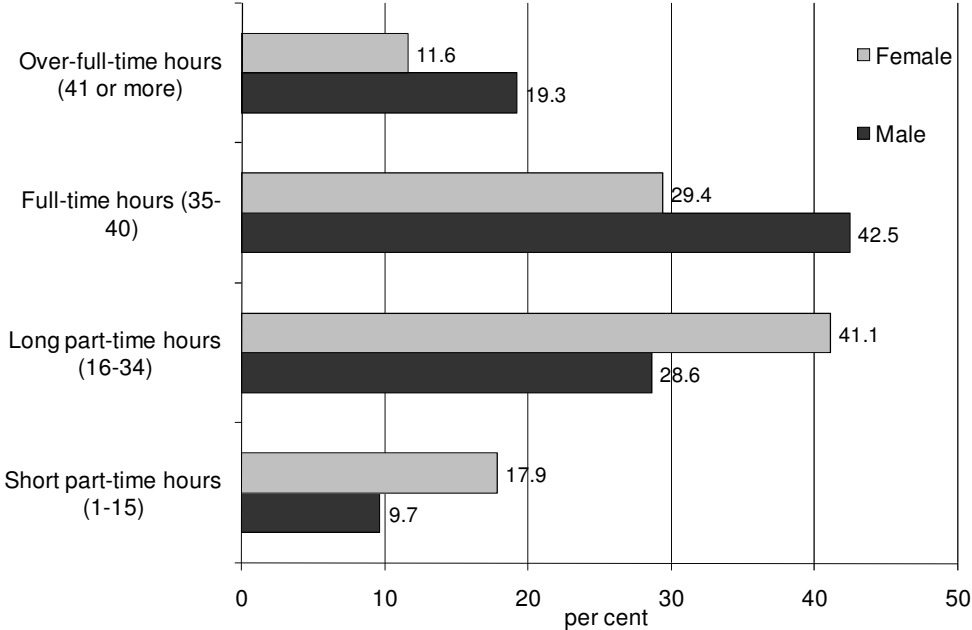
cent have qualifications at Bachelor degree level or higher in 2006. Intermediate service and associate professional level occupations do not normally require university-level qualifications. Accordingly, it is reasonable to infer that there is some functional underemployment of care workers in the SACS sector among about one in ten intermediate service level care workers, and among around one in five associate professional care workers.

Hours of work and family economies of care workers in SACS industries

This section provides a brief overview of what can be learned from Census data about the hours of work and the economic status of care workers in SACS industries. This contributes to understanding the standard of living of care workers.

Chart 6 shows the hours of work reported by those whose main job was in a caring occupation in a SACS industry the week before the Census in 2006. The data confirm that part-time work is a very significant feature of employment in the SACS industries, particularly for the female majority of this workforce. Of those women who reported their working hours to the Census, 59 per cent worked less than 35 hours per week. Among the minority of male care workers in SACS industries, full-time work was more the norm, with 61.8 per cent reporting that they worked at least 35 hours in the previous week.

Chart 6: Hours of work of care workers in SACS industries, sex, Australia, 2006*



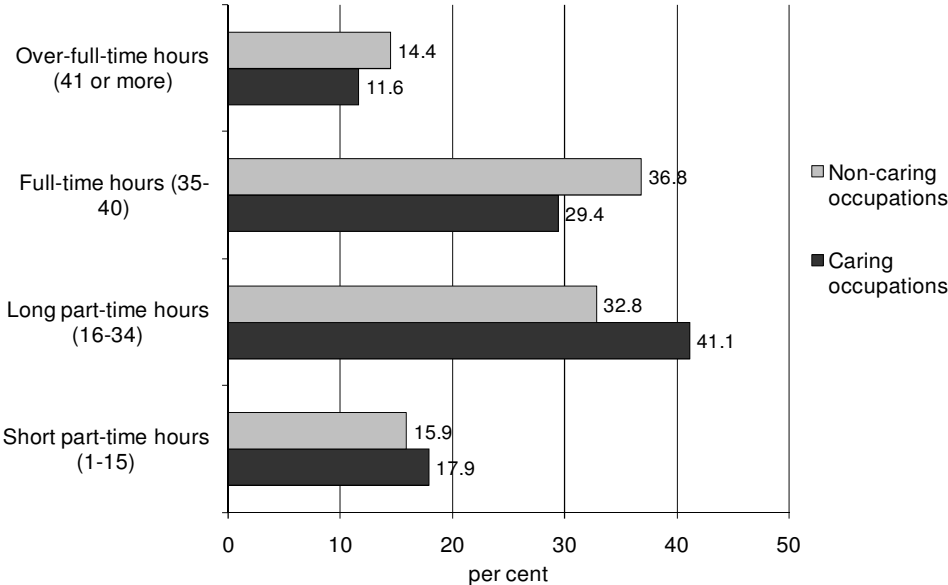
Source: Census of Population and Housing, 2006, custom tables.

* Excludes those stated that they worked 0 hours, or who did not state their work hours.

Charts 7 and 8 give some further insight into patterns of working hours for care workers in SACS industries. Focussing on the majority female section of the SACS workforce, Chart 7 shows that care workers are more likely than employees in other occupations in the SACS sector to work part-time. Among females in caring occupations, as we noted above, 59 per

cent work part-time. Among females in non-caring occupations (the remainder in the SACS industry), the rate of part-time work is 48.7 per cent, much closer to the rate of part-time work among women in the labour force overall, as recorded in the Census (47.2 per cent).

Chart 7: Working hours of female care workers and non-care workers in SACS industries, Australia, 2006



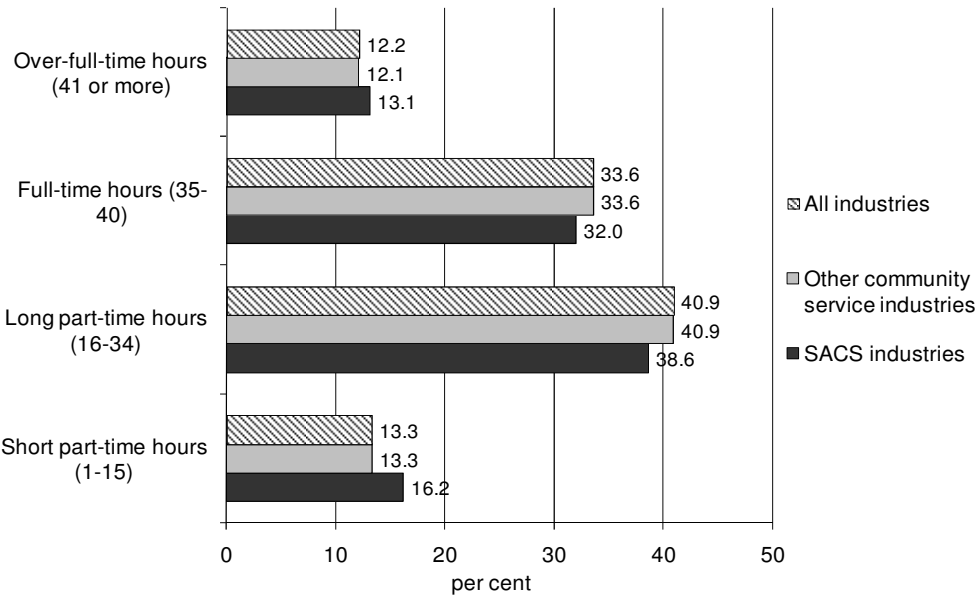
Source: Census of Population and Housing, 2006, custom tables.

* Excludes those stated that they worked 0 hours, or who did not state their work hours.

Evidence from the Census suggests that employment in caring occupations in general is associated with higher rates of part-time work. This is supported by data presented in Chart 8, which shows the distribution of working hours among three groups of care workers (male and female combined): those employed in SACS industries, those employed in the remainder of community service industries, and those employed in industries other than community services. Chart 8 shows that a majority of all care workers are employed part-time: 54.8 per cent in SACS industries, and 54.3 per cent in the remainder of community service industries, and in other industries (such as health and education). One observable difference is that SACS workers are slightly more likely more likely to work short, rather than long, part-time hours, and to work long rather than normal full-time hours.

We have seen that part-time work predominates in caring occupations in the SACS sector. Does this mean that the income of these workers is ‘pin money’ in their household economies, and suggest that pay issues are not particularly important to SACS workers? Evidence does not support this idea. Chart 9 presents data on the family economies of those care workers in the SACS sector who live in family households (more than 75 per cent). (It is likely that those who live in non-family households rely all the more on their income from employment than do those in family households.)

Chart 8: Hours of work of care workers in SACS industries, other community service industries and all industries, Australia, 2006

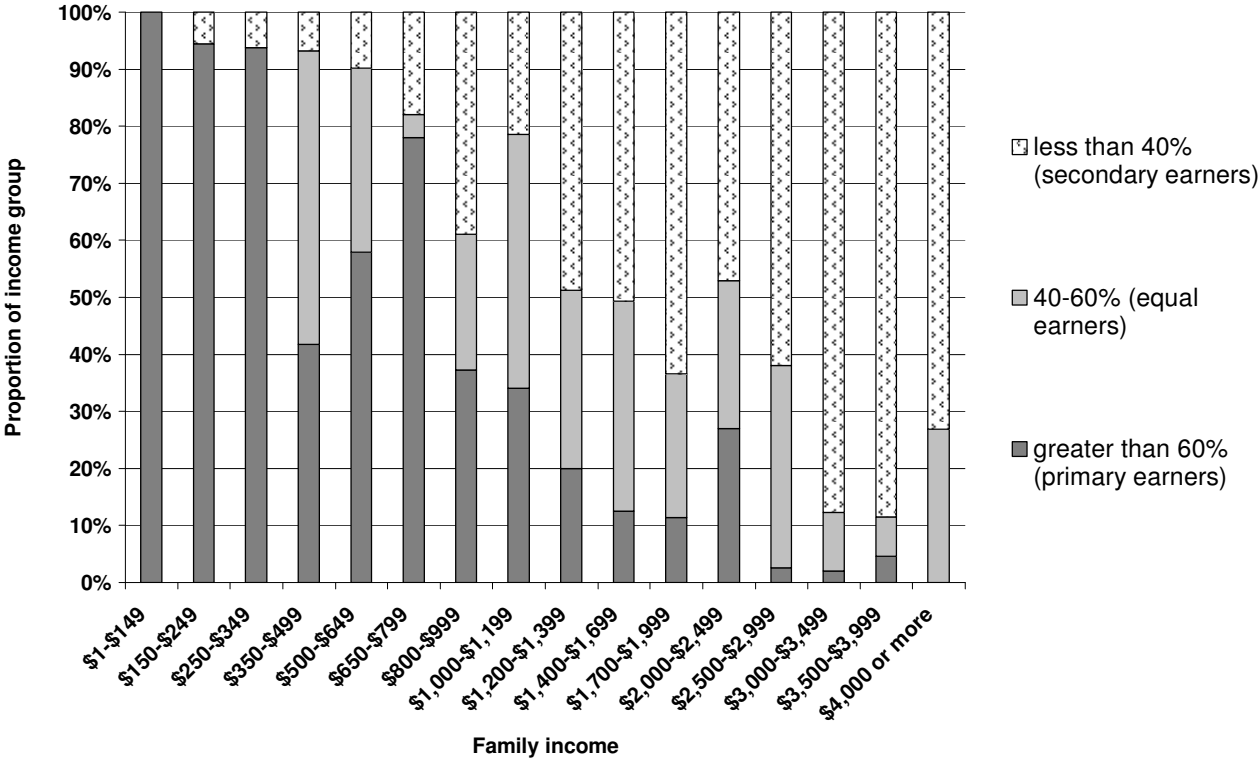


Source: Census of Population and Housing, 2006, custom tables.

* Excludes those stated that they worked 0 hours, or who did not state their work hours.

Where the care workers’ individual incomes were calculated to be less than 40 per cent of family income, these workers are defined as secondary earners. Where their individual incomes are more than 60 per cent of family income, the workers are defined as primary earners. The data show that the lower family income, the larger tends to be the proportion of SACS workers who are primary earners. Only in family households with incomes over \$1400 per week were a majority of SACS workers secondary earners. In the 55 per cent of households with family incomes below this level, a majority of SACS workers were either primary earners or shared breadwinning (had individual incomes of between 40 and 60 per cent of family income). This suggests that where SACS workers are the main breadwinner in the family, family incomes tend to be modest.

Chart 9: Distribution of primary and secondary earners by weekly family income, SACS industries, Australia, 2006¹²



Source: Census of Population and Housing, 2006, custom table.

¹² Following the method used in Meagher and Healy (2006: 70-73), the data from which this chart was produced were calculated as follows. First, the midpoint of the ranges specified for individual and family income were taken. Individuals were then categorized according to whether their individual income was 0-39 per cent of family income, 40-60 per cent, and 61 per cent of family income, and so on. Only cases with income values greater than zero were included. Persons living in non-family households are automatically excluded. This is a somewhat rough measure, which makes do with the format of data (income groups only) available from the Census.

Pay inequities in SACS industries – what does the Census show?

In the final part of this section, evidence about pay inequities between care and non-care workers within the SACS sector, and between care workers in the SACS sector and in other industries will be considered. Evidence on the public-private pay gap will also be presented.

First, qualifications are linked to earnings as a measure of pay equity between care and non-care occupations, using a proxy measure of earnings derived from Census data, in the form of average income per hour worked.¹³ The Census does not collect hourly earnings data. However, a figure has been calculated by dividing reported annual earnings by 52, and by dividing this quotient by the hours of work respondents reported working in their main job in the week before the Census. This is undoubtedly a somewhat rough measure, perhaps particularly for part time workers, because their hours may be more prone to week to week fluctuations. However, it provides some kind of guide to the *direction*, if not the *magnitude* of earnings relativities between workers with different qualifications in different industries, or in different occupational groups in the public and private sectors.

Table 7 enables some assessment of the relative returns to different levels of qualifications in care and non-care occupations within the SACS sector. The table shows that for both males and females, and at each level of qualification, those working in non-care occupations in the SACS sector have higher earnings than those whose main job is in a caring occupation. The only group for whom this ‘care penalty’ does not seem to apply is those who do not have post-school qualifications (approximately one third of care workers in SACS industries). Interestingly, there does not seem to be a systematic gender wage gap among care workers in the SACS industries, but there does seem to be a gender gap in non-care occupations. This suggests that men suffer a similar wage penalty to women when they work in heavily female dominated occupations.

¹³ This is not a precise measure of earnings, since income measures in the Census include income from all sources, including from employment in jobs other than the main job, and from government benefits, investment income and so on. Further, we are not able to give standard errors. However, there is no reason to believe that SACS workers or community service workers differ in their pattern of receipt of government benefits from other workers with comparable qualifications and occupations in other parts of the workforce. Thus, the comparison between groups of workers should be robust insofar as it reveals the gradient of, rather than absolute differences in, earnings.

Table 7: Average income per hour worked by qualification level, SACS industries, Australia, 2006, dollars

	Care occupations	Non-care occupations	Care penalty (premium)
Male			
Postgraduate Degree	30.54	35.89	5.35
Graduate Dipl. and Graduate Cert.	32.31	33.67	1.36
Bachelor Degree	25.43	32.37	6.94
Advanced Dipl. and Dipl.	22.82	29.25	6.43
Certificate	22.21	23.46	1.25
No qualifications	21.09	19.85	-1.24
Total	23.34	25.07	1.73
Female			
Postgraduate Degree	31.75	34.24	2.49
Graduate Dipl. and Graduate Cert.	29.36	31.72	2.36
Bachelor Degree	26.44	29.07	2.63
Advanced Dipl. and Dipl.	24.47	25.18	0.71
Certificate	21.86	22.13	0.27
No qualifications	21.99	21.48	-0.51
Total	23.82	24.33	0.51
Gender gap (male minus female)			
Postgraduate Degree	-1.21	1.65	
Graduate Dipl. and Graduate Cert.	2.95	1.95	
Bachelor Degree	-1.01	3.30	
Advanced Dipl. and Dipl.	-1.65	4.07	
Certificate	0.35	1.33	
No qualifications	-0.90	-1.63	
Total	-0.48	0.74	

Source: Census of Population and Housing, 2006, custom table

Table 8 uses the same measure to compare earnings relativities between the private and public sectors for care and non-care occupations in the SACS sector, in other community services and in other industries. In the SACS industries, private sector organisations are almost all non-profits, as we discussed in Section 2, and there are few government providers. In other community services, the picture is more mixed, with higher proportions of for-profit organisations. The table shows that with the exception of male care workers in industries other than community services (primarily health and education), there is a considerable ‘public sector premium’ on earnings. Although evident, the public sector premium does not seem to be large for female care workers in SACS industries, the direction of the measure (lower for private sector) is consistent with other kinds of evidence, such as award comparisons.

Table 8: Average income per hour worked by sector of employment and occupational group, selected industries, Australia, 2006, dollars

			Commonwealth, State and Local Government	Private sector	<i>Public sector premium (penalty)</i>
SACS	<i>Care occs</i>	Male	27.41	23.04	4.37
		Female	24.42	23.82	0.60
	<i>Non-care occs</i>	Male	29.27	25.11	4.16
		Female	29.57	24.22	5.35
Other community services	<i>Care occs</i>	Male	26.66	20.95	5.71
		Female	25.09	19.22	5.87
	<i>Non-care occs</i>	Male	29.25	26.28	2.97
		Female	27.25	21.98	5.27
Other industries	<i>Care occs</i>	Male	26.44	26.89	-0.45
		Female	26.45	25.74	0.71
	<i>Non-care occs</i>	Male	31.85	24.40	7.45
		Female	28.45	23.43	5.02

Source: Census of Population and Housing, 2006, custom table

6. Work value and pay equity issues

This section examines how some of the characteristics of community services and the community services workforce have affected the valuation of SACS work. Consistent with other reports (Productivity Commission, 2010: 265; Commissioner Fisher, 2009), the Census data presented in Section 5 showed that social and community services are female dominated, and that the workforce is ageing. These data also showed that greater proportions of workers in SACS industries have Bachelor degree level qualifications than across community services, and that there are high rates of part-time work, especially for women, and especially among care workers. Section 5 also demonstrated that earnings for care workers in SACS industries tend to be lower than earnings for non-care workers, and lower in the private sector than in the public sector. Data also show that where SACS workers are the primary breadwinner, family incomes tend to be modest.

Low pay undermines SACS workers' status and living standards, presents disincentives to work in the sector, and undermines the capacity of government and non-government agencies to provide services that meet people's needs. Low pay has been associated with a series of challenges facing community services, including high turnover, shortages of qualified staff, and high vacancy rates, especially in non-metropolitan areas (ACOSS, 2009; van Acker, 2009; Cortis et al., 2009; Evesson et al., 2010; Productivity Commission, 2010). Survey and focus group data confirms non-profit community service workers in NSW consider low pay a disadvantage of their jobs, and that the prospect of public sector pay, conditions, job security, career paths and development opportunities present powerful incentives to leave non-profits (Cortis et al., 2009).

Wage penalties for paid care work

Drawing attention to the nature of the work they involve, researchers in economics and sociology have explored why female-dominated industries such as health and community services have workforces that are relatively poorly paid. As discussed in Section 4, it is the orientation toward delivering care that gives social and community services work its distinctive character. However, this kind of work attracts a wage penalty. Research shows that jobs involving interacting with other people (which tend to be female-dominated) are generally paid lower wages than comparable jobs, especially where caring or nurturing activities are performed (England et al., 2002; Budig and Misra, 2008; Kilbourne et al., 1994). Studying the United States, England and colleagues (2002) found that 'nurturing'¹⁴ work (defined broadly to include all those who work with people to develop or maintain their

¹⁴ The authors use a distinction between two kinds of social skills exercised at work: those related to the exercise of authority, and those related to the exercise of nurturance. They found that supervisory social skills are rewarded and nurturance skills penalised.

capabilities, such as doctors, nurses and teachers as well as community service workers) attracts lower hourly pay than would otherwise be received, based on qualifications and other job characteristics (including skill demands, educational requirements, and sex composition).¹⁵ Their empirical study found a significant wage penalty for performing nurturing work. While this affects both men and women, occupational segregation means there are disproportionate numbers of women performing care work and, as such, lower pay for caring jobs contributes to gender pay inequity (England et al., 2002).

In their study of the effect of care work on earnings in twelve countries,¹⁶ Budig and Misra (2008) also define care occupations broadly, and find that care employment frequently (but not always entails wage penalties¹⁷. They find that these penalties cannot be explained by gender segregation nor by differences in worker attributes such as age, education and experience. They show that while both sexes are economically disadvantaged for performing care work, wage penalties tend to be larger for women than men, and larger among professionals, full time workers, those working in educational and domestic (rather than medical) occupations, and those in the private sector. Indeed, because of pay policies, skill demands and legal and public scrutiny, working in the public sector generally helps protect care workers against undervaluation (Budig and Misra, 2008).

Explaining wage penalties for care

Explanations of wage penalties for work involving nurturing and care focus on:

- the association between care and women's traditional roles, especially the role of social expectations that care work should be performed out of altruism or duty, not for money;
- arguments about worker preference and motivation;
- and arguments about care recipients' economic dependence, which compounds the economic and political challenges of paying well for care (England et al., 2002; England, 2005).

Here we consider these arguments in the context of Australian community services, adding two distinctively local explanations for undervaluation: government funding arrangements for

¹⁵ England and colleagues (2002) apply a broad definition of nurturing occupations, including high status medical professionals and education workers as well as social workers, child care workers and others. Note also that the study was conducted using a sample of workers aged under 36 in the United States.

¹⁶ The twelve countries are a mix of Nordic, Continental, Post-socialist, Liberal and Developing economies: Finland, Sweden, The Netherlands, Germany, Belgium, France, Russia, Hungary, US, Canada, Mexico, Taiwan. Australia is not included in the study.

¹⁷ Medical occupations other than physicians, a category largely dominated by nurses, were found to be an exception.

community services; and the historical exclusion of community service work from Australia's industrial relations system.

Community services work as women's work

One set of reasons occupations involving care are undervalued arises from the pervasive cultural association between the care and support activities performed in community services and the traditional roles of women. Kilbourne and colleagues (1994) show some occupations are paid less than others with equivalent job content simply because they contain mostly women or involve skills associated with women. Because community services provide care and protection and because the workforce is female dominated, community service work is often thought about as an extension of women's traditional roles and dispositions, involving personal, emotional contact. As these female roles are devalued culturally, the skills associated with them are similarly devalued or rendered invisible. Instead of being recognised as skills that some have or have learnt, they are assumed to be natural. Because they are associated with, or replace care tasks that might have previously be offered, unpaid, within religious or voluntary organisations, on the basis of love, altruism, duty or personal pleasure rather than money, these skills are consequently valued and paid less than skills associated with men (England et al., 2002; Folbre and Nelson, 2000; Kilbourne et al., 1994; Nelson, 1999). Reinforcing this form of undervaluation is the contention that care work should not be better paid because higher pay might attract workers with less altruistic motivations, crowding out the genuine motivations that are critical to service quality. Nelson (1999) provides a convincing refutation of this logic.

A wide range of nurturing social skills continues to be central to work in the SACS sector, as we documented in Section 4. These skills of care work continue to be undervalued across the economy and society as deserving reward commensurate with comparable skills in other kinds of work. Yet as we also documented in Section 4, the skill set demanded in SACS work are expanding to encompass new demands, including the capacity to understand and navigate the increasingly complex policy and legislative context, assess risk, plan and cost services, and ensure accountability.

Worker motivation

A further set of explanations for the undervaluation of community services work focuses on worker motivations. Here the argument is that certain types of work may be paid less because workers choose to trade off pay and conditions in order to perform work they derive personal satisfaction from (such as the satisfaction of helping others); or to work in environments that suit their personal values (such as in an organisation committed to social justice). The idea that workers are motivated by non-pecuniary factors arises in part because much community services work has evolved from voluntarism, and because a role for volunteers remains in

some areas of service provision. As such, there has been tension historically around community service work as a vocation on the one hand, or as an industry requiring industrial regulation and fair wages on the other (Briggs et al., 2007; Commissioner Fisher, 2009).

Arguments justifying lower pay for women on the basis of worker preference and motivation are not convincing, because they are one-sided. As England and colleagues (2002) point out, the argument that workers' altruistic motivations and care work's intrinsic rewards (such as satisfaction from helping people) offset wages could be applied to any job, on the basis that all occupations and industries self-select workers who derive some fulfilment from that field of work. However, these arguments are used to justify lower wages in women's job, not in male dominated occupations. A male engineer who is good at mathematics and enjoys problem-solving is not expected to take low pay because he has this aptitude and likes these aspects of his job. In addition, and as Healy (2009: 10) points out, the idea that community service workers are free to exercise their personal preferences and work towards their own goals overlooks the fact that community services are increasingly funded by governments to provide specific services. Under these conditions, the workforce is required to deliver specific outcomes and demonstrate accountability, rather than pursue and satisfy workers' own aspirations.

Service recipients

The status of service recipients – specifically their limited purchasing power and sometimes stigmatised social status – offers another explanation for the susceptibility of SACS work to undervaluation. Although some social and community service organisations may be in a position to charge user fees, these agencies generally work with people who have low economic resources, are experiencing hardship and/or are vulnerable because of age, disability or social exclusion. These client groups are unable to cover the full costs of services themselves.¹⁸ Indeed, recipients require services most at those times in their lives they are least able to earn money, live and work independently, or purchase services on their own behalf (England et al., 2002: 456). With limited capacity to pay, social and community services need to be subsidised or purchased by a third party, yet government funding for many such services can be electorally unpopular. Because they are often delivered to marginalised social groups, social and community services do not necessarily engender the same levels of public and political concern about service availability and quality as do services used more universally, such as health, education or childcare (Briggs et al., 2007). Thus, funding these services adequately is often lower among governments' competing priorities.

¹⁸ These arguments also apply to more universal services such as childcare.

Funding arrangements

Government funding arrangements for community services in Australia have been a further factor constraining wages growth. As discussed in Section 3, non-profit agencies are contracted by government agencies to deliver services and implement social policy objectives, and many (especially small) organisations, have limited capacity to raise funds from other sources. As noted in Section 3, contracting arrangements have been criticised for having inherent weaknesses including eroding the independence of non-government organisations, undermining collaboration, and for shifting risk outside government, with high compliance costs (Productivity Commission, 2010: Appendix J). Although using non-government agencies to implement government policy raises expectations that pay should be equivalent to comparable public sector positions (Commissioner Fisher, 2009: 7-8), contracting arrangements can also undervalue community services work.

Competing for scarce project funding places pressure on costs, especially staffing costs, as labour is the main input and item of expenditure for community service providers. Under pressure to contain spending, government funding may not be sufficient to enable employing organisations to properly reward workers, even within the scope of current award and agreement conditions, and workers are placed in weak positions to advocate for higher pay in the context of the job insecurity that comes with short-term project-based funding (Cortis et al., 2009). Positions may be funded at the lowest level of the award only (what we might call ‘underclassification’, which is a form of functional underemployment as discussed in Section 5), and/or on a short term basis, and funding may not cover career progression or award wage increases. Underpayment may also result where funding agreements do not fully cover the hours worked, for example the time workers must spend on administrative, training or networking activities, may not allow for paid overtime, or where it does not recognise worker productivity (for example where workers see more clients than funding models calculate but are not paid for the extra work) (van Acker, 2009). Indeed, especially where there are funding shortfalls, dedicated workers tend to compensate by providing unpaid or underpaid work, especially to ensure service continuity and minimise the impact on service users (Commissioner Fisher, 2009). These employment practices compound the impact of cultural undervaluation of the work: award structures and rates themselves do not reflect the complexity and level of skill exercised by workers (undervaluation), on top of which these structures and rates can themselves be ‘discounted’ (functional underemployment and underpayment). These problems can be resolved by improving award structures and rates, and by improving government funding to allow organisations to use the full range of classifications and rates to reward SACS workers adequately.

Industrial factors

In Australia, industrial factors have also been key contributors to the undervaluation of community service work. Social and community services were late to unionise, contributing to the slow development of an award structure. Briggs and colleagues (2007) outline the struggle for award coverage from the mid 1970s to the making of the first SACS award in NSW in 1991. Played out at state and federal levels, the struggle hinged on a High Court ruling establishing that a set of Commonwealth non-government services did in fact constitute an industry, bringing them into industrial relations jurisdiction and allowing for award regulation (Briggs et al., 2007).

This was a slow process, encountering a series of challenges. Workers were widely dispersed across a large number of small organisations with insecure funding, presenting a practical barrier to organising. Further, resistance to award coverage came from some community service workers themselves who were concerned that improving worker conditions could divert scarce resources from service delivery. Indeed, SACS workers work with profoundly disadvantaged and distressed people, which can lead workers to underrate their own workplace disadvantage or to place low priority on improving it (Briggs et al., 2007). Further, the union movement was unwilling to recognise community service work as a legitimate domain for activism, and the industrial relations system applied wage-setting criteria that did not recognise the value of the caring dimensions of community service work. It subsequently took 15 to 20 years to overcome these challenges and achieve ‘a patchwork of relatively threadbare state awards’ in the 1990s (Briggs et al., 2007: 504). Although there have been changes to awards since, development has continued to lag in many jurisdictions, including in New South Wales.

Recent developments in the industrial sphere offer to help rectify the undervaluation of community services work. Recognising undervaluation on the basis of gender and barriers to enterprise bargaining, the Queensland Industrial Relations Commission awarded community service workers pay increases of between 18 and 37 percent from 2009 to 2011 (Commissioner Fisher, 2009). A distinguishing feature was the cooperative, collaborative approach to this process of award development. Key union and employer parties produced an ‘Agreed Statement of Facts’ acknowledging that undervaluation exists, that community sector work is care work, that government funding models and industry features contribute to undervaluation, that changes in the value of the work have not been recognised in award rates, and that undervaluation raises public interest concerns (Commissioner Fisher, 2009: 3).

Conclusion

The information presented in this report suggests several areas for reform and action to improve the capacity of the SACS sector to provide high quality services to the community.

- *Award restructuring to improve career paths for direct service or care workers in the SACS sector, in line with the existing and increasing skill demands.*

Evidence shows that despite the growing skill demands of care work in the SACS sector, employment growth is concentrated in low skill occupations. Further, evidence suggests that young people are not being drawn into or sustained in work in the SACS sector. Improved career paths would foster skill development and contribute to remedies for recruitment and retention problems in the sector.

- *Remuneration appropriate to the level of skill demanded, including remedy for gender pay inequity.*

Previous studies have shown that care work is significantly undervalued and underpaid for a variety of reasons, and that low pay is perceived as a problem among non-government community service workers.

- *Appropriate training with clear and well-supported pathways to enable existing members of the large and growing lower-skilled sections of the workforce to progress into improved jobs with better pay.*

Improving the skills and career opportunities of the existing workforce, as well as attracting new, suitably qualified workers into the SACS sector is important. However, given that a substantial minority (around one third) of SACS care workers have no post-school qualifications, increases in training demands need to be appropriately supported, including adequate study time for workers pursuing job-related qualifications.

- *Growth of government funding to meet the real costs of providing high quality social and community services with equitable remuneration to direct service workers.*

In recent decades, social service policy at both state and federal levels of government has increasingly favoured contracting out and other funding systems under which non-government organisations deliver government-funded services. However, governments do not fully fund services and organisations in the SACS sector are particularly challenged in this context because they offer services to social groups least able to contribute to the cost of services themselves. Funding models that more realistically meet the full cost of service provision would enable organisations to offer high quality services, delivered by equitably remunerated care workers.

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Appendix Table 1: Occupations in SACS industries, 1996-2006

	1996			2001			2006		
	RCS +	NRCS	= SACS*	RCS +	NRCS	= SACS	RCS +	NRCS	= SACS
Registered Nurses	1,449	1,110	2,559	729	2,615	3,344	592	2,233	2,825
Therapists	340	648	988	154	781	935	185	1,238	1,423
Pre-Primary School Teachers	6	80	86	3	10	13	0	49	49
Social Workers	348	1,775	2,123	376	2,170	2,546	401	2,791	3,192
Welfare and Community Workers	1,927	6,160	8,087	1,686	6,905	8,591	1,330	7,833	9,163
Councillors	150	2,161	2,311	148	3,393	3,541	148	4,074	4,222
Psychologists	64	576	640	70	971	1,041	101	1,445	1,546
Enrolled Nurses	417	300	717	139	293	432	116	275	391
Welfare Associate Professionals	3,051	2,839	5,890	3,846	5,151	8,997	2,959	7,434	10,393
Education Aides	59	242	301	34	121	155	15	229	244
Children's Care Workers	491	1,395	1,886	388	655	1,043	208	1,045	1,253
Special Care Nurses	7,295	7,105	14,400	5,396	20,287	25,683	3,546	28,374	31,920
Personal Care and Nursing Assistants	1,376	829	2,205	719	4,063	4,782	468	3,037	3,505
Total caring occupations	16,973	25,220	42,193	13,688	47,415	61,103	10,069	60,057	70,126
Managers and Administrators	692	3,274	3,966	669	3,568	4,237	740	5,113	5,853
Professionals (remainder)	1,117	5,747	6,864	791	5,198	5,989	791	6,555	7,346
Associate Professionals (remainder)	940	3,311	4,251	885	4,244	5,129	864	5,853	6,717
Tradespersons and Related Workers	674	1,509	2,183	310	946	1,256	214	1,298	1,512
Advanced Clerical and Service Workers	375	2,029	2,404	218	1,558	1,776	200	1,517	1,717
Intermediate Clerical, Sales and Service Workers (remainder)	1,033	5,760	6,793	1,175	7,518	8,693	1,092	8,455	9,547
Intermediate Production and Transport Workers	217	1,600	1,817	106	1,070	1,176	104	1,419	1,523
Elementary Clerical, Sales and Service Workers	372	2,609	2,981	366	2,384	2,750	251	2,682	2,933
Labourers and Related Workers	1,605	9,951	11,556	692	5,923	6,615	912	8,014	8,926
Not Stated or Inadequately Described	249	1,454	1,703	114	727	841	99	1,035	1,134
Total Occupations	24,247	62,464	86,711	19,014	80,551	99,565	15,336	101,998	117,334

Source: Census of Population and Housing, 1996, 2001, 2006, custom tables.

* Residential care services n.e.c and non-residential care services n.e.c. combine to form the SACS industries.