ACADEMY OF THE SOCIAL SCIENCES IN AUSTRALIA

POLICY ROUNDTABLE

DEVELOPMENTS IN WORK AND WELLBEING FOR CONTEMPORARY AUSTRALIA

23 MARCH 2023

CANBERRA

ACADEMY OF THE SOCIAL SCIENCES IN AUSTRALIA

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In March 2023 the Academy of the Social Sciences in Australia convened a policy roundtable to bring together a diverse range of senior officials with some of Australia's leading social scientists for an in-depth discussion on *developments in work and wellbeing for contemporary Australia*.

The full day event, held in Canberra, comprised three sessions: wellbeing frameworks, the care and support economy and the non-financial benefits of work.

The multidisciplinary discussion brought diverse perspectives, experiences and potential future directions to the table. This document summarises the key insights that emerged from the day.

SESSION 1: WELLBEING FRAMEWORKS

The session was chaired by Dr Dennis Trewin and included presentations from Professor Fiona Stanley and Professor Arthur Grimes.

For many decades Australia was at the forefront of international efforts to improve measurement of wellbeing and invested significantly in this work, starting with the Measures of Australia's Progress (MAP) report, released over 20 years ago.

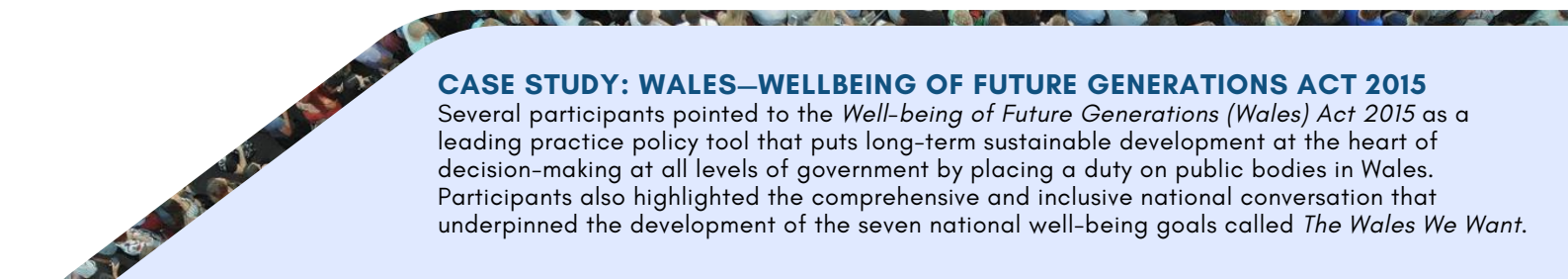
The MAP report was one of the primary influences on the OECD's global project *Measuring the Progress of Societies*. At the same time there has been burgeoning interest in wellbeing measurement and policy internationally with countries such as France, Wales, United Arab Emirates and New Zealand all implementing diverse approaches over the past decade, with varying results.

Roundtable participants discussed several characteristics of successful wellbeing policy, which included transparency, accountability, community engagement, a small meaningful set of indicators and a long-term approach underpinned by bi-partisan support. Three main themes emerged from the discussion:

A successful framework will improve wellbeing, not just measure it

Measurement is only one step in the process of improving wellbeing. Participants discussed a number of structural considerations to underpin the policy framework, including the importance of a long-term commitment to wellbeing—and accountability for wellbeing goals and decision-making—at all levels of government and across departments and key institutions. Several applicable mechanisms were canvassed including an independent statutory officer, such as the Future Generations Commissioner in Wales.

Academic participants also reflected on the potential role of the ABS in the collection and publication of wellbeing data, which would increase the likelihood of the policy continuing across changes in government.



CASE STUDY: WALES—WELLBEING OF FUTURE GENERATIONS ACT 2015

Several participants pointed to the *Well-being of Future Generations (Wales) Act 2015* as a leading practice policy tool that puts long-term sustainable development at the heart of decision-making at all levels of government by placing a duty on public bodies in Wales. Participants also highlighted the comprehensive and inclusive national conversation that underpinned the development of the seven national well-being goals called *The Wales We Want*.

Ultimately, community support for wellbeing policy will be instrumental for long-term success and will also build trust in government. Participants highlighted the importance of young people in the conversation to ensure the wellbeing goals reflect their aspirations for the future.

> **The whole idea is to improve wellbeing—not just measure it.**
>
> Professor Fiona Stanley

Both collective and individual contexts are important in selecting and presenting indicators

International approaches to wellbeing indicators vary from single measures of subjective wellbeing to multi-dimensional dashboards consisting of over 100 indicators. Participants discussed the benefits and challenges associated with both approaches and confirmed that a small set of meaningful indicators will likely deliver best results. While overarching Australian values are difficult to define, there are some clear fundamentals for example, intergenerational upward mobility, the wellbeing of our children and reduced inequality.

Leading practice approaches prioritise inclusive perspectives on how people in diverse circumstances experience wellbeing, recognising that indicators can be conceptualised and prioritised differently by different people and communities. The best indicators are those that allow existing or new data to be sufficiently disaggregated to reflect significant socio-economic and geographical variations.

A key opportunity for decision makers lies in an expanded analysis of distribution and of place-based variation. The Women's Budget Statement is one example of how this thinking can be applied in practice.

Annual reporting will require a significant shift in our national data infrastructure

Australia has well-established longitudinal data sets, such as the *Household, Income and Labour Dynamics in Australia* survey, *Australian Early Development Census*, *Growing Up in Australia*, the *Longitudinal Study of Indigenous Children* and certain ABS data sets related to social and economic outcomes, the Census and household expenditure. However, they are all currently collected at different time intervals, from quarterly to five-yearly which presents a major challenge for constructing and reporting a set of useful wellbeing indicators.

Participants highlighted the restructure of the *Time Use Survey* several years ago, to deliver annual data within a multi-year approach, as a potential model that could be adopted more broadly across the social survey program to support more frequent wellbeing reporting.

SESSION 2: CARE AND SUPPORT ECONOMY

The session was chaired by Professor Marian Baird and included presentations from Dr Leonora Risse, Professor Emerita Sara Charlesworth and Professor Emerita Gabrielle Meagher.

Participants considered the current state of the care and support economy, emphasising it is a system at breaking point which is the result of not just market failure, but broader social and government failures.

Australia has a rich history and wealth of multidisciplinary research on the care sector. The challenge is translating this research into policy frameworks and practices to rebuild a system of quality care and decent work. Three main themes emerged from the discussion:

CASE STUDY: NEW CARE DELIVERY MODELS—ALLIANCE CONTRACTING IN NZ

Participants pointed to international models or promising policy including the alliance contracting model from New Zealand. Under this model, service providers work collaboratively, rather than in competition, to improve patient outcomes and reduce healthcare costs. The alliance model has been shown to improve communication, reduce duplication of services, and increase the efficiency and effectiveness of service delivery. More examples of promising policy can be found at: www.decentworkgoodcare.com/project-outputs/

Expenditure on care is best viewed as an investment, not a cost

Academic research identifies potential ways to innovate our conventional economic systems to value the foundational importance of the care sector as enabler of workforce participation, human capital development and efficient skill allocation across the economy (see Mazzucato, 2019 and Waring, 1999 and 2018).

Measuring the value of care services involves appraising a human interaction where benefits flow beyond the point of delivery and participants discussed the importance of recognising positive externalities. For example, a child's access to high quality early childhood education and care leads to better health outcomes, labour market earnings, and financial and personal independence later in life.

When spillovers create economic benefits, expenditure on care can be conceptualised as an investment with fiscal returns, through lifting GDP and income and consumption tax revenue, as opposed to a one-directional outlay (see Dixon, 2020). Properly recognising the full value of care also requires taking a longer-term horizon and treating the provision of care as a long-term investment.

Given the rising importance of the care sector to the economy, continuing to under-value that sector has implications for potentially under-estimating our national measurement of aggregate productivity.

Decent work is the foundation for high-quality care

A consistent theme across care workforce research is the correlation between care quality and job quality. Participants discussed Australia's care workforce which is typically low-paid and often employed in conditions and organisational arrangements that do not reflect the benchmarks of decent work.

These conditions perpetuate gender and economic inequalities, creating a poverty trap for many women with low superannuation accumulation, short and fragmented rosters, aspects of unpaid work and limited access to career advancement that recognises their experience and skills.

A common misconception in current policy thinking is that there is a 'pool' of care sector workers with generic and cross-cutting skills. Participants discussed the substantial variation between each system and its workforce including how care work is organised on different funding levels and models, workforce demographics and employment arrangements and awards. This should be reflected in policy frameworks.

> **The provision of care is essentially a human interaction. It can't be materially and systematically quantified like goods on a factory production line. This is what makes it so challenging to measure and places it at risk of under-valuation.**
>
> Dr Leonora Risse

Participants noted the recent ruling to increase wages in the aged care sector by the Fair Work Commission which accepted the workforce has been historically undervalued. While renumeration increases are important, they do not sufficiently address the issue of working conditions, notably hours of work. Both wages and working conditions need to be considered in care sector reforms.

Presenters highlighted several international examples of better practice, including in the UK and NZ where time driving between clients is paid and British Columbia which has revised awards to recognise most care sector jobs as ongoing positions on public sector wages.

Excellent market stewardship puts service users and public benefit at the centre of system design

Since the 1980s, governments have responded to increasing demand for social services by creating publicly subsidised markets. This approach has resulted in the expansion of for-profit service provision but has failed to deliver high quality, equitably distributed and efficient services.

The presenters outlined six interdependent levers that market stewards can deploy to attract social maximisers over profit maximisers, and which require less detailed compliance oversight, while also driving up trust among providers, the community and service users:

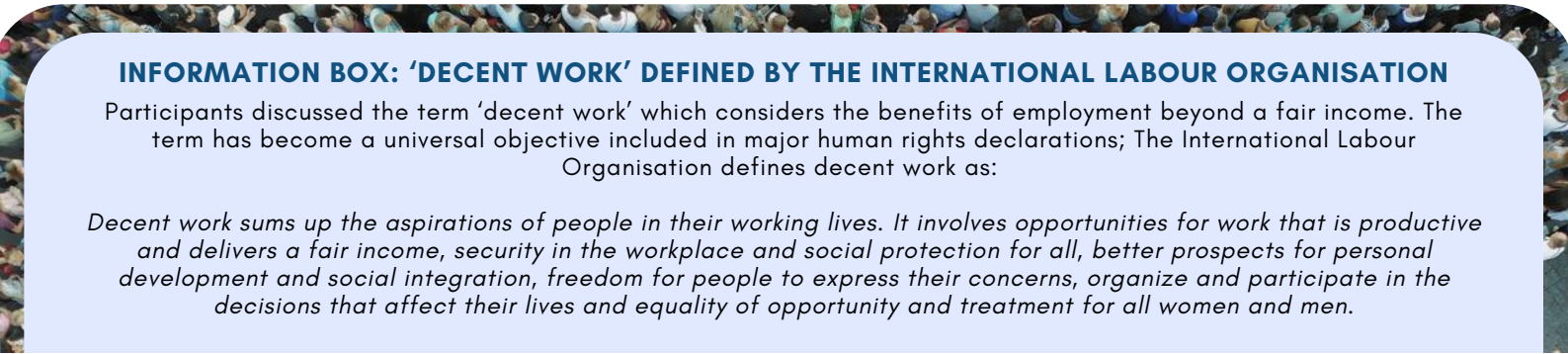
1. **Optimise the entry of high-quality providers.** It is easier to control market access than to manage poor provider performance. The solution is not to ban or expel for-profit providers. In addition to regulatory reforms, one strategy governments can use to intervene in the organisational composition of the market is to operate a strong public provider in each care and support sector.
2. **Empower service users' voice.** The paradigm of user empowerment in Australia's care markets has been choice of provider, with the option of exit if a service user is not satisfied. Instead of choice, people need a voice in the system that is heard by organisations and responded to by care givers.
3. **Use funding models that encourage high quality, efficiency and collaboration.** Excellent stewards consider the full range of funding methods, including block grants, and work assiduously to remove incentives for gaming and cost-shifting that drive inefficiency, complexity and poor-quality care.
4. **Promote maximum transparency.** Treating providers' business methods as private commercial property is in direct conflict with the goals of publicly funded systems aimed at delivering services under social license to vulnerable groups. Provider discretion needs to be transparent and subject to review to deter opportunistic behaviour and share quality and efficiency innovations.
5. **Ensure staffing arrangements enable high-quality care.** Because the staff are the primary means of service delivery, shaping staffing arrangements is a major instrument of market stewardship. There is a significant body of evidence about the kinds of working conditions and staffing arrangements that drive high quality care.
6. **'Right-sizes' and integrates care systems.** The appropriate scale of organisation and governance for much of the care economy is local or regional, with a clear public sector presence. Collaboration with research and training institutions at the local and regional level can also drive practice innovation and workforce development.

SESSION 3: THE NON-FINANCIAL BENEFITS OF WORK

The final session of the day was chaired by David Kalisch and included a presentation by Professor Matthew Gray and discussion led by Professor Roger Wilkins.

Employment is central to the human experience and vital to individual health and wellbeing. Presenters considered several significant changes in the labour market over the past 50 years as essential context in which to frame this discussion, including changes in standard, actual and household employment hours and opposing gender trends in labour market participation rates.

They also noted the academic literature on this topic centres on the effects of unemployment on subjective wellbeing and mental health (cautioning that unemployment is not the converse of employment) and the relationship between work design and employee outcomes. Two key themes emerged from the discussion:



INFORMATION BOX: 'DECENT WORK' DEFINED BY THE INTERNATIONAL LABOUR ORGANISATION

Participants discussed the term 'decent work' which considers the benefits of employment beyond a fair income. The term has become a universal objective included in major human rights declarations; The International Labour Organisation defines decent work as:

Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Work can have both positive and negative effects on health and wellbeing

Compared to individuals who are involuntarily unemployed, work can deliver social, psychological and health benefits beyond the value of income alone.

High quality work affects multiple non-financial outcomes including safety, physical health, mental health, life satisfaction and cognitive functioning with effects spilling over to children's outcomes and partner wellbeing. However, the benefits are not distributed equally and depend on personal factors. Survey data shows for example that non-financial benefits accrue more to those in good health and with fewer caring responsibilities. The presenter outlined several relevant case studies including the Community Development Program (see Gray et al, 2014) and the impact of COVID on formal volunteering (see Biddle and Gray, 2022).

Equally, poor quality work can be detrimental to health and wellbeing. Work design resulting in low control, unpredictable shifts, job insecurity, long work hours and the potential for physical injury, harassment and emotional pressures are significant negative factors affecting the lives of working Australians. Participants referenced Safework data which confirms that compensation claims from mental health injuries at work represent the fastest growing category of claims and one of the costliest forms of workplace injury in terms of time lost and compensation. Health care and social support industries have the highest proportion of claims in this category.

> **What's really important is 'decent work' and the attributes of the job.**
>
> Professor Roger Wilkins

The presenter noted individuals and households make constant trade-offs between employment and non-work time, as well as between financial and non-financial benefits; often aimed at maximising both income and time. In this context regulatory settings governing schemes such as paid parental leave can make an enormous difference in individuals' employment decisions.

Decent, well-designed work and labour market matching is critical

Decent work is a key determinant of whether or not the potential health and wellbeing benefits of work accrue. Participants recognised that policy plays a vital role in ensuring work is designed to enhance wellbeing, not compromise it. This should extend to considering how systems such as aged care are funded and how digital technologies impact on employee wellbeing.

Effective matching between employer and employee is also important. Mechanisms such as long-service leave or fringe-benefit arrangements that tie employees to employers can be counterproductive. Participants recognised there is social good in a certain level of job mobility and unemployment, which indicates employees are leaving 'bad bosses.' It was recognised the calibre of management is critical to reducing 'bad bosses' and Australia is overdue a substantive review of management practices.

For young people, who are increasingly represented in precarious employment, a key benefit of decent work is that it provides the ability to plan their life. Despite the emergence of new areas of work, the career aspirations of young people throughout the OECD have changed very little in recent decades. Most young people expect to work within just one of 10 popular fields by the age of 30. This suggests a profound lack of matching current career education to pathways into new and emerging fields of work, such as the digital economy.

Find out more at www.socialsciences.org.au or email andrea.verdich@socialsciences.org.au.

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