



**Comments on the EXPOSURE DRAFT FOR EMPLOYMENT  
SERVICES 2015-2020 PURCHASING ARRANGEMENTS**

**Carers Australia**

Carers Australia is the national peak body representing the diversity of Australians who provide unpaid care and support to family members and friends with a

- disability
- chronic condition
- mental illness or disorder
- drug or alcohol problem
- terminal illness
- or who are frail aged.

Carers Australia believes all carers, regardless of their cultural and linguistic differences, age, disability, religion, socioeconomic status, gender identification and geographical location should have the same rights, choices and opportunities as other Australians.

They should be able to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

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## Comments on the Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements

Carers Australia welcomes the opportunity to comment on the Exposure Draft. While this submission is particularly focused on carers on income support and carers seeking employment (often because their caring responsibilities have diminished or ceased), we also provide commentary on the more general features of the proposed design of the Employment Services programme.

We do note that a number of improvements are proposed to the provision of employment support for Job Seekers in the draft document. These include the requirements for Employment Providers to:

- Make sure that Job Seekers are equipped to meet the needs of employers
- Provide appropriate post placement support to employers and Job Seekers so the Job Seekers stay in employment
- Meet targets for increasing job outcomes for Indigenous Job Seekers
- Work collaboratively with other organisations which play a role in moving Job Seekers into work including other Providers, local community and health services, state, territory and local government.

However, a major disappointment is the very scant attention paid to the circumstances of family and friend carers of people with a disability, a chronic illness, mental illness or those who are frail aged and the ways in which the provisions in the Exposure Draft will impact on them. This is surprising in the context of the strong support for carers by leaders on all sides of politics, their acknowledgment of the special challenges faced by many carers, their acknowledgement of the economic contribution made by carers, and an increasingly strong focus on supporting carers to both sustain their caring role and improve their capacity for community participation.

Nor does there appear to be any awareness of the *Carers Recognition Act 2010*, which imposes a number of obligations with respect to carers on both Commonwealth public agencies and their contractors.

We acknowledge that there are a small number of references to family and friend carers. For example:

“All services for Job Seekers should be delivered within a framework that recognises other factors relevant to the individual, for example, caring responsibilities, disability, age, and cultural and linguistic diversity.”<sup>1</sup>

Unfortunately, this sentiment as it impacts on carers does not appear to be reflected elsewhere in the document, except with respect to Principal Carer Parents of dependent children under 16 years of age.

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<sup>1</sup>Australian Government - Department of Employment, *Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements*, July 2014. p18

The only other reference is one which confines voluntary Job Seekers on Carer Payment to the lowest level of job placement support.

The matters raised in Section 2 of this response reflect both Carers Australia's general concerns and carer-specific concerns about proposals raised in the Exposure Draft. Section 1 below highlights some basic facts about carers which will help put the comments in Section 2 into perspective.

## RECOMMENDATIONS

1. Exemption from the 26 week waiting period for Newstart Allowance should apply to those transitioning from the Carer Payment onto Newstart Allowance, and those with significant caring responsibilities for someone with a disability, mental illness, chronic condition, terminal illness, or those who are frail aged.
2. Reductions in the waiting period for Newstart Allowance should consider other forms of work activity such as an unpaid caring role of the type undertaken by family and friend carers, not just previous paid employment.
3. The requirement for Job Seekers to apply for 40 jobs per month should be reconsidered.
4. Job search requirements should take reasonable account of any ongoing caring responsibilities of Job Seekers.
5. Carers Australia cautions against measures which may see Job Seekers harshly penalised for non-compliance that is not wilful. Any decisions to remove income support should be made with full consideration of a Job Seeker's circumstances, including caring responsibilities.
6. Considerations which must be taken into account for carers undertaking Work for the Dole include:
  - That the hours of work and place of work can accommodate their caring responsibilities.
  - Employment Providers must make allowances for carers who may need to leave a Work for the Dole placement unexpectedly in order to deal with a caring emergency. Such occurrences should not attract a non-compliance penalty.
7. The Job Seeker Classification Instrument should be amended to give proper weighting to caring responsibilities other than caring for a child up to 15 years of age.
8. Employment Providers should be aware of their obligations to carers under the *Carer Recognition Act 2010*
9. Carers Australia is of the view that carer aware training should be provided to all Employment Providers and that Providers also communicate this awareness to the employers they deal with.

## SECTION 1: SOME BACKGROUND FACTS ABOUT FAMILY AND FRIEND CARERS

### The number of carers

There are approximately 2.7 million family and friend carers in Australia who provide care to someone with a disability, mental illness, chronic condition, terminal illness, or who are frail aged. Of these, 770,000 are primary carers – those who provide the most informal assistance to a person with core activity limitations of mobility, self-care and communication. Just over 2 million carers are aged between 15 and 65, including approximately 580,000 primary carers.<sup>2</sup>

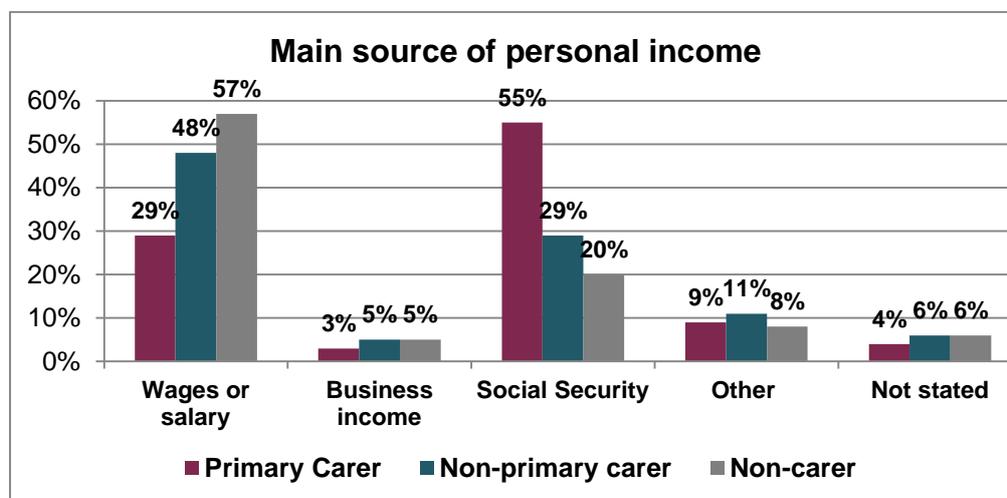
### The Economic Value of Carers

In 2010, Access Economics valued the overall replacement cost of informal care to be \$40.9 billion per annum.<sup>3</sup>

### The Employment and Welfare Status of Carers

Many carers, and particularly primary carers, are economically disadvantaged, noting the significantly higher proportion of carers, relative to non-carers, whose main income is from social security payments...

**Figure 1:**



Source: Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers*, Australia, 2012

As the chart above illustrates, only 29% of primary carers derive their main source of personal income from earning wages or salaries and 55% are in receipt of a pension (Carer Payment, Aged Pension or Disability Support Pension) or allowance (such as Newstart, Youth Allowance or Single Parent Payment). In March 2014 there were 239,729 people receiving Carer Payment.<sup>4</sup> We are not

<sup>2</sup> Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers* (SDAC), Australia, 2012

<sup>3</sup> Access Economics, *The Economic Value of Informal Care in 2010*, 12 October 2010

<sup>4</sup> <http://data.gov.au/>

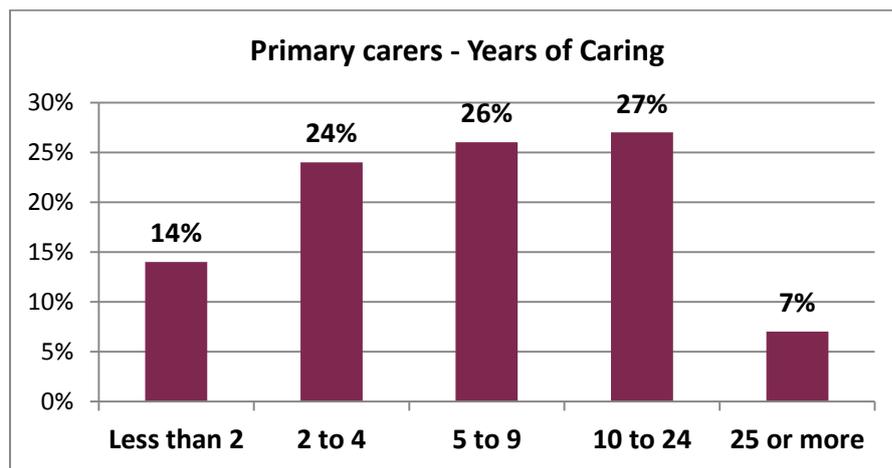
able to disaggregate those carers who are on other pensions or allowances, but in 2009 it was estimated that there were about 18,000 carers on Newstart.<sup>5</sup>

*The different forms of income support used by carers is an important point to asborb – especially in the context of this Employment Services draft document. Not all carers on income support are on the Carer Payment (recipients of which aren't subject to participation requirements under the Exposure Draft.*

There are a number of reasons why carers may be on Newstart (or Youth Allowance) rather than the Carer Payment. A large number may not be aware of their entitlements as carers and may not seek the Carer Payment or Carer Allowance. In addition, eligibility for the Carer Payment is very stringent and not all carers meet the threshold, even though they provide substantial amounts of care which are often required at particular times in the working day and working week.

Those primary carers (especially those with the most time intensive care commitments) spend many years caring. This has obvious implications for the difficulty of those on long-term income support in finding employment when their caring role has ceased or diminished.

**Figure 2**



Source: Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers*, Australia, 2012

<sup>5</sup> Household, Income and Labour Dynamics in Australia (HILDA) Survey, 2009

## Section 2: ISSUES WITH THE EXPOSURE DRAFT FOR EMPLOYMENT SERVICES

### Waiting period for Newstart, Youth Allowance (Other) or Special Benefit

“From 1 January 2015 (subject to the passage of legislation) all new job ready Job Seekers aged under 30 years of age claiming Newstart Allowance, Youth Allowance (Other) or Special Benefit will need to wait up to six months for income support while they participate in Employment Services and demonstrate they are undertaking appropriate job search activities. The maximum initial waiting period is reduced by one month for each year the Job Seeker has been in full-time employment, up to a maximum of five months. Part-time and casual employment will be pro-rated.”<sup>6</sup>

#### General comment

The relationship between removing Job Seekers’ access to income support and improving the likelihood that they will transition into work is highly debatable. In fact, for those who have no support networks to fall back on, it will further entrench them in poverty. Individuals whose basic needs are not being met are unlikely to be in a position to become work-ready.

Removing access to Newstart for 26 weeks a year (and potentially more if other waiting periods or compliance penalties are added) seems to rely on an assumption that all that young job seekers need is the threat of no income to motivate them to find employment of any kind. Carers Australia's view is that this assumption is misplaced when jobs are becoming less easy to find and it ignores the structural factors that produce and contribute to the unemployment rate. Recent research attributes the increase in the unemployment rate in Australia almost entirely to slower economic growth since 2008. This development has had the biggest impact on young job seekers transitioning into the workforce.<sup>7</sup>

#### Impact on family and friend carers

We note that, while those who are the Principal Carer Parent of a child under 16 years of age will be exempt from the waiting period, such an exemption does not apply to Job Seekers under 30 who have a significant caring responsibility for someone with a disability, chronic condition, mental illness or someone who is frail aged. We can see no reason to differentiate between these carers and the Principal Carer Parent of a child.

In addition, the conditions for reducing the initial maximum waiting period will disadvantage those young carers who have been unable to participate in the workforce due to their caring role.<sup>8</sup> This, in

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<sup>6</sup> Australian Government - Department of Employment, *Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements*, July 2014, p. 9

<sup>7</sup> Borland, J 2014, “Unemployment is hitting youth hard: this is what we should do?”, *The Conversation*

<sup>8</sup> According to the Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers (SDAC) 2012*, there are 305,000 young carers between the ages of 15 and 24, with 23,200 of these being primary carers.

effect, values one kind of work activity (paid work) over other types of work which make a contribution to the economy. In this context we note that unpaid caring contributes to the economy some \$40.9 billion per annum.<sup>9</sup>

### **Recommendations:**

- Exemption from the 26 week waiting period for Newstart Allowance should apply to those transitioning from the Carer Payment onto Newstart Allowance, and those with significant caring responsibilities for someone with a disability, mental illness, chronic condition, terminal illness, alcohol or other drug issue or those who are frail aged.
- Reductions in the waiting period for Newstart Allowance should consider other forms of work activity such as an unpaid caring role of the type undertaken by family and friend carers, not just previous paid employment.

### **Job Seeker Compliance**

#### **1. Job Applications**

“Job Seekers who are subject to the Stronger Participation Incentives for Job Seekers under 30 measures (subject to legislation) will need to meet Mutual Obligation requirements while in a six month payment waiting period. They will generally be required to look for 40 jobs per month, accept any offers of suitable work and attend a monthly appointment with their Employment Provider.”<sup>10</sup>

#### General comment

The requirement to apply for 40 jobs per month is highly impractical where there is a lack of suitable jobs available and quite counter-productive for employers who will have to deal with large numbers of applications. Like the many comments already made on this proposal, Carers Australia sees little value in forcing job seekers and employers to implement this proposed impractical requirement. Employers have pointed to the unacceptable burden on their recruitment processes, while others have pointed out the futility and punitive nature of the requirement for Job Seekers (especially in the current poor employment market) and time taken away from more effective ways to actually find work.

#### Impact on family and friend carers

Certainly anyone with caring responsibilities of any significance who is in receipt of Newstart Allowance would find it particularly difficult to meet the time requirements.

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<sup>9</sup> Access Economics, *The Economic Value of Informal Care in 2010*, 12 October 2010

<sup>10</sup> Australian Government - Department of Employment, *Exposure Draft for Employment Services 2015-2020 Purchasing Arrangements*, July 2014, p. 39

### **Recommendations:**

- The requirement for Job Seekers to apply for 40 jobs per month should be reconsidered.
- Job search requirements should take reasonable account of any ongoing caring responsibilities of Job Seekers.

### **2. Other penalties imposed for failure to attend interviews or employment related failures**

Concerns here relate to:

- The immediate suspension of income support payments for Job Seeker's non-attendance at appointments with Employment Providers<sup>11</sup>
- The fact that Employment Providers will determine whether a job seeker had a 'reasonable excuse' for non-attendance. Many Providers will not have the knowledge and expertise to assess the complex nature and impact of episodic mental illness and psychosocial disability on the ability of Job Seekers to consistently meet participation requirements.
- The fact that the 'eight-week non-payment penalty' can be applied by the Employment Provider without the Job Seeker undergoing a Comprehensive Compliance Assessment if the Job Seeker has been deemed as refusing a job offer or failing to commence work. Before applying such a significant and harsh penalty on a Job Seeker, all efforts should be made to ensure that non-compliance is indeed 'wilful' and not due to other factors outside the Job Seekers control.<sup>12</sup>
- The fact that the provider will determine whether or not the Job Seeker's payment preclusion period should be extended in the case of the Job Seeker refusing or voluntarily leaving a job.<sup>13</sup>

### Impact on family and friend carers

There are many reasons why people are unable to meet interview dates, arrive and leave work within specified hours, or need an unexpected leave of absence.

These reasons often relate to people with episodic illnesses (such as those associated with psychosocial disability), and to carers who may be unable to leave the person/people they care for at any given time.

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<sup>11</sup> Ibid. p.40

<sup>12</sup> Ibid. p.42

<sup>13</sup> Ibid. p. 39

It seems very strange that, in an environment where government is exhorting employers to be flexible in relation to the employment conditions of people with a disability and carers, the government's own Employment Services would fail to embrace those same flexibility needs to Job Seekers such as those in the categories identified above.

In this context it is notable that the right of carers to seek flexible working conditions was acknowledged in the *Fair Work Amendment Act* of 2012.

#### **Recommendations:**

- Carers Australia cautions against measures which may see Job Seekers harshly penalised for non-compliance that is not wilful. Any decisions to remove income support should be made with full consideration of a Job Seeker's circumstances, caring responsibilities.

### **3. Work for the Dole**

"Work for the Dole is the primary component of the Government's Mutual Obligation requirements in which eligible Job Seekers participate in work-like activities in return for receiving income support. The Programme is being phased in over 12 months in 18 selected areas across Australia from 1 July 2014 ahead of its national implementation from 1 July 2015."<sup>14</sup>

#### General comments

One of the few detailed empirical studies on the effects of the Work for the Dole program on young unemployed people in Australia found that work for the dole is "associated with a large and significant adverse effect on the likelihood of exiting unemployment payments."<sup>15</sup>

Carers Australia also has concerns about the vulnerability of jobseekers undertaking work for the dole schemes as they may be more susceptible to exploitation by employers, poor working conditions and mistreatment, since they are not in a position to walk away from the job without losing their income support eligibility.

#### Impact on Family and Friend Carers

If Job Seekers with caring responsibilities are forced to undertake Work for the Dole activities, the health and wellbeing of the person they care for may be jeopardised - as may the sustainability of informal family care. In this context we note that eligibility for the Carer Payment is very stringent and not all carers meet the constant care threshold, even though they provide substantial amounts of care which are often required at particular times in the working day and working week. Therefore, there are many carers in receipt of income

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<sup>14</sup> Ibid. p.11

<sup>15</sup> Borland, J & Tseng, YP 2011, 'Does 'Work for the Dole' work: An Australian perspective on work experience programs', *Applied Economics*, Vol.43, p.4364

support other than the Carer Payment. As noted above, in 2009 it was estimated that there were about 18,000 people with caring responsibilities who were on Newstart Allowance.<sup>16</sup>

The Exposure Draft states that Employment Providers will be responsible for placing Job Seekers into 'suitable' Work for the Dole places and for monitoring their compliance. It is therefore essential that Providers understand the nature of the caring role, and the impact it will have on the ability of Job Seekers who have a caring role to undertake different participation requirements.

### **Recommendations:**

Considerations which must be taken into account for carers undertaking Work for the Dole include:

- That the hours of work and place of work can accommodate their caring responsibilities.
- Employment Providers must make allowances for carers who may need to leave a Work for the Dole placement unexpectedly in order to deal with a caring emergency. Such occurrences should not attract a non-compliance penalty.

## **Job Seeker Assessment**

### General Comment

The Job Seeker's Service Stream determines how much support a Job Seeker will get (in terms of job training and placement assistance and for how long that assistance is provided). Eligibility for a particular stream is in turn determined by the Job Seeker Classification Instrument (JSCI) and, where needed, the Employment Services Assessment (ESaT). In future the JSCI may also determine whether the Job Seeker has access to any income support (subject to Federal Budget measures being passed by Parliament). The ability of the JSCI to accurately capture all factors (including caring responsibilities) which impact on the ability of a Job Seeker to gain and maintain employment is therefore more crucial than ever.

### Impact on Carers

The current Job Seeker Classification Instrument (JSCI) does not currently specifically seek to assess and weight the impact of caring for an adult with a disability, mental illness, chronic condition, terminal illness, an alcohol or other drug issue or someone who is frail aged.

This can put carers – and particularly long-term carers – at a disadvantage in comparison to the amount of support provided to other vulnerable groups seeking to enter the job market. Indeed, in recognition of this fact, the Senate Committee of inquiry into *The adequacy of the allowance payment system for jobseekers and others, the appropriateness of the allowance payment system as a support into work and the impact of the changing nature of the labour market* recommended that

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<sup>16</sup> This estimate is based on unit record data from the *Household Income and Labour Dynamics in Australia* (HILDA) 2009 study.

“the government develop targeted and tailored programs for former carers as they move to Newstart Allowance or another payment once their caring responsibilities end”.<sup>17</sup>

Typically when carers cease their caring role – either because the person they are caring for has died or where alternative care arrangements are made – they can find themselves in extraordinarily difficult circumstances. Carers receiving a Carers Payment have a 14 week period to adjust to grief and loss, a substantial reduction in income support and the daunting prospect of planning for and adjusting to a completely new way of life – often after an extended period of caring. The fact of their previous caring role can also leave the carer without an employment record, referees and adequate, up-to-date skills which would enable them to re-enter the mainstream workforce.

**Case Study:**

“I was a carer for 17½ years. That began in 1991. My mother suffered a stroke and was in a wheelchair, paralysed on the right side, and could not speak. I worked full time in the power industry as a tradesman in the Latrobe Valley in Victoria for five years after my mum had a stroke. My father was very ill with a heart condition and he passed away in 1995. I worked for another year, with some assistance to look after my mum in our family home. She was rated as a full nursing care person. My sister suffered a stroke so I left work in 1996 and went on the carer payment full time. I cared for mum until she passed away in January 2009.”

“When mum passed away I had the three months bereavement time and went to Centrelink. In my first contact with them after that I had to tell I was a carer; they just thought I was a Newstart person.”

“It is like you fall through the cracks and you do not fit any existing category after being a carer and on the carer payment so you are not recognised as being a carer and you are just a Newstart person that was a carer.”

Evidence of Mr Terry Stroud quoted in the report of the 2012 Education, Employment and Workplace Relations Senate Inquiry into *Adequacy of the Allowance Payment System for Jobseekers and Others*.

Many ex-carers find themselves in the same situation as Mr Stroud. As Figure 3 above illustrates, over 57% of primary carers surveyed by the Australian Bureau of Statistics in 2011 had been caring for between 5 and 25 years or more. Sixty three percent of those caring between 5 and 25 years or more identified as caring for 40+ hours per week. While it is difficult to break down these categories by age or nature of disability, just under half of Australia’s 770,000 primary carers are below the age of 65.<sup>18</sup>

<sup>17</sup> Report of the Senate Inquiry into the *Adequacy of the Allowance Payment System for Jobseekers and Others*, August 2012, Recommendation 4.68

<sup>18</sup> Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers (SDAC)*, Australia, 2012

## Recommendation:

- The Job Seeker Classification Instrument should be amended to give proper weighting to caring responsibilities other than caring for a child up to 15 years of age.

## Legislation covering the obligations of public service agencies and providers to carers

In addition to changes to JSCI assessments and stream allocations canvassed above, providers must be made aware of their obligations to carers under the *Carer Recognition Act 2010*.

The Act establishes a set a principles which acknowledge the economic contribution of carers and delineates the ways in which carers<sup>19</sup> should be treated. Important among these principles in the job services environment are the following:

- “6) Carers should be treated with dignity and respect.
- 8) The relationship between carers and the persons for whom they care should be recognised and respected.
- 9) Carers should be supported to achieve greater economic wellbeing and sustainability and, where appropriate, should have opportunities to participate in employment and education.
- 10) Support for carers should be timely, responsive, appropriate and accessible.”<sup>20</sup>

Additional obligations are placed on public service agencies generally:

“Part 3—Obligations of public service agencies and associated providers

### 7 Obligations of all public service agencies

- (1) Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia’s Carers.
- (2) Each public service agency’s internal human resources policies, so far as they may significantly affect an employee’s caring role, are to be developed having due regard to the Statement for Australia’s Carers.”<sup>21</sup>

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<sup>19</sup> The definition of a carer under the Carer Recognition Act 2010 is: “For the purpose of this Act, a **carer** is an individual who provides personal care, support and assistance to another individual who needs it because that other individual:

- (a) has a disability; or
- (b) has a medical condition (including a terminal or chronic illness); or
- (c) has a mental illness; or
- (d) is frail and aged.

<sup>20</sup> **Carer Recognition Act 2010**, Schedule 1—The Statement for Australia’s Carers

<sup>21</sup> *Ibid.* Part 3, Section 7

Obligations are also placed on associated providers.

“9 Obligations of associated providers

Each associated provider is to take all practicable measures to ensure that:

- (a) its officers, employees and agents have an awareness and understanding of the Statement for Australia’s Carers; and
- (b) it, and its officers, employees and agents, take action to reflect the principles of the Statement in developing, implementing, providing or evaluating care supports.”<sup>22</sup>

Given the very great amount of discretion in relation to all aspects of the Employment Services program in the Exposure Draft, it of key importance that Providers are aware of: the role of carers; the special difficulties many may face in complying to general participation and compliance requirements; and the need to provide assistance which complements rather than conflicts with their caring role.

**Recommendations:**

- Employment Providers should be also aware of their obligations to carers under the *Carer Recognition Act 2010*.
- Carers Australia is of the view that carer aware training should be provided to all Employment Providers and that Providers also communicate this awareness to the employers they deal with.

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<sup>22</sup> Ibid, Part 3 Section 9