



Response to the Senate Select Committee on Job Security

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About Carers Australia

Carers Australia is the national peak body representing the diversity of the 2.65 million 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.

In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network and are an established infrastructure that represent the views of carers at the national level.

Our vision is an Australia that values and supports all carers, where all carers should have the same rights, choices and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

This includes carers:

- Who have their own care needs
- Who are in multiple care relationships
- Who have employment and/or education commitments
- Aged under 25 years (young carers)
- Aged over 65 years, including 'grandparent carers'
- From culturally and linguistically diverse backgrounds
- Who identify as Aboriginal and Torres Strait Islander
- Who identify as lesbian, gay, bisexual, transgender, intersex (LGBTI+)
- Who are living in rural and remote Australia, and
- That are no longer in a caring role (former carers).

Carers Australia acknowledges Aboriginal and/or Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to Elders past, present and emerging. As an inclusive organisation we celebrate people of all backgrounds, genders, sexualities, cultures, bodies and abilities.

Introduction

Carers Australia welcomes the opportunity to make a submission to the Select Committee on Job Security (the Committee). This submission has been informed by the National Carer Network and considers the impact of insecure or precarious employment and related economic issues on carers, and the impact of a person's caring status on employment opportunities and flow-on individual and economic consequences.

This submission responds to following Terms of Reference in particular:

- a. the extent and nature of insecure or precarious employment in Australia;
- b. the risks of insecure or precarious work exposed or exacerbated by the COVID-19 crisis;
- c. the aspirations of Australians including income and housing security, and dignity in retirement;
- d. any related matters.

Carers are an integral part of Australia's health, aged care, disability and social services systems, where a Deloitte Access Economics report estimated that the replacement cost of informal care in 2020 was \$77.9 billion.¹ Ultimately, removing barriers and supporting Australia's 2.65 million carers to participate in flexible and appropriate paid work is pivotal to enabling their social, community and economic participation, and greater outcomes for community and government as they maintain and thrive in their caring role.

Issues to highlight in response to the Terms of Reference

The issues highlighted come from the wealth of experience that Carers Australia and the National Carer Network have gained as the peak for carers across Australia for over 30 years.

Carer recognition

The meaning of carers under the *Carer Recognition Act* (Cwth) 2010² (the Act) is "people who provide unpaid personal care, support and assistance to family members and friends or other individuals who have a disability, mental illness, chronic condition (including a terminal or chronic illness), or who are frail and aged".³

Of the 2.65 million carers in Australia more than 860,000 are primary carers⁴, and around one in 11 carers (235,300 people) are Young Carers under the age of 25.⁵ The right for carers to participate in economic, social and community life is recognised under the, which states that all carers should have the same rights, choices and opportunities as other Australians, and should be acknowledged as individuals with their own needs within and beyond the caring role.

Further the 'Statement for Australia's Carers' within the Act includes 10 principles that set out how carers should be treated and considered, policy, program and service delivery settings, including principle 9:

"Carers should be supported to achieve greater economic wellbeing and sustainability and, where appropriate, should have opportunities to participate in employment and education".

¹ Deloitte Access Economics, The Value of Informal Care in Australia, May 2020

² *Carer Recognition Act* (Cwth) 2010 [accessed online]

³ *Carers Recognition Act* (Cwth) 2010, Section 5 [accessed online]

⁴ "Primary carers" are those who provide the most assistance with one or more of the core activities of mobility, self-care or communication. Source: The Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers (SDAC) [accessed online]

⁵ ABS 2018 Survey of Disability, Ageing and Carers [accessed online]

It is also important to highlight that the last National Carers Strategy lapsed in 2014. The Commonwealth government must show national leadership on carer issues through development of a new National Carer Strategy that encompasses strategic direction and responsibilities across different levels of governments and portfolios, health and non-health. This should outline how to address carers' rights and needs, together with and separately from the people they care for, including right to secure employment, income and housing security.

The extent and nature of insecure or precarious carer employment in Australia

The extent to which carers in Australia have poor employment outcomes is clear⁶, especially with respect to primary carers where in 2018 among carers of working age (15-64 years), primary carers were less likely to be in the labour force (58.8%) than other carers (76.6%) or non-carers (81.5%).

Employment status varies with the hours of care provided, noting that one third of primary carers spends on average 40 hours or more caring every week, and the gender of the carer:

- Less than one-third (28.6%) of primary carers providing more than 40 hours of care a week were employed,
 - In comparison over half (52.8%) of those caring for less than 20 hours of week were employed.
 - Only 28% of carers are in full-time employment and 27% are in part time employment.
- Female carers were considerably more likely to be in unpaid employment than their male counterparts.
 - 71.8% of male carers were employed, compared with 63.2% of female carers,
 - Women represented seven in every ten primary carers (71.8%).

Income levels and income security - the impact of caring on long-term employment prospects

Carers can experience a range of emotional, financial, physical and psychological stressors linked to their caring role, which can impact their ability to participate in the paid workforce as well as having other economic and financial consequences. Only 56.1% of carers have the main source of income as wages or salary. Primary carers are also more likely to live in households with a lower equivalised gross household income, with 50.2% in a household in the lowest two quintiles, twice that of non-carers (25.6%).

In addition, primary carers are more likely to receive a government pension or allowance (38.4%) than other carers (17.2%) and non-carers (9.2%), with a government pension or allowance the main source of income for nearly a quarter (24.1%) of carers generally. Department of Social Services statistics for December 2020 identified that 297,453 people were dependent on the Carer Payment for income support, with the average length of time on that payment 10.7 years.⁷ Further, one in four carers receiving the Carer Payment were experiencing financial distress⁸. It is not surprising then that carers generally remain dependent on income support for a very long time after their caring role has diminished or ceased.

⁶ ABS 2018 Survey of Disability, Ageing and Carers [accessed online]

⁷ See Department of Social Services Payment Demographic Data, DSS Demographics – December 2020 at <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details?q=carer%20Payment>

⁸ Carers NSW 2020 National Carer Survey [accessed online]. Note: A household is considered to be in financial distress if it experiences four or more defined indicators of financial stress within a 12-month period

According to the 2017 Valuation Report for the Australian Priority Investment Approach to Welfare, around two thirds of those on Carer Payment who were projected to exit over the next 10 years were expected to move on to another income support payment, a substantial proportion moving to a working age payment.⁹

What this data doesn't reflect is the particular risk to carers of income insecurity resulting from uneven coverage of paid and unpaid carers leave in different industries and different roles, particularly insecure and precarious employment, and the sometimes unexpected or unpredictable nature of caring. The pattern of care may not be constant or predictable (for example, carers of people with mental illness, psychosocial disability or other episodic illnesses or disability), or carers may face a sudden and unpredicted transition into a caring role. For some, such as parents of young children with severe or profound disability, this caring role may be lifelong.

What also distinguishes carers from many other groups who face job insecurity is the amount of time they can spend out of the workforce, where just under a quarter of primary carers in 2018 had been caring for between 5 and 9, 29% for between 10 and 24 years and 8% caring for 25 years or more¹⁰. Carers who have contributed the most hours and years of care are least likely to be in a position to transition with any ease to the job market when their full-time caring role changes, as they often have a severely attenuated and interrupted work history and no current referees. In many cases their previous qualifications no longer meet current standards or expectations, for example soft skills such as basic IT literacy may have changed dramatically.

The projected prospects for young carers, even though most will have spent a shorter time providing care, are also poor as more than 60% of young carers have not studied beyond high school, and on average current young carers were expected to be on income support in 43 years over their lifetime.¹¹

Carer-inclusive workplaces

Explicit carer-inclusive workplace practices must be a component of mentally healthy workplaces - the reality is that if a significant number of carers are not able to combine work and care, they will have to abandon one of these roles. If it is employment there will be a very substantial rise in the cost of social welfare. If it is care, there will be a decrease in the propensity to care and a significant rise in the cost of paid supports.

While the hours spent caring can affect carers' ability to participate in the labour force, a lack of employer flexibility, stigma or lack of awareness regarding the caring role are also barriers to employment. Many carers give up their employment, especially when they are first confronted with a caring role or if it intensifies. What carers and their employers need to consider are adjustments to their working conditions which may include working from home, job sharing, requesting lower-level work to accommodate caring, flexible working hours and /or days.

While in some cases the nature of employment is such that it cannot accommodate flexibility, if COVID-19 has demonstrated anything it is that there are many more options open to employers and employees than observing traditional working hours in the workplace, and it is clear that more flexible working arrangements are likely to be the wave of the future.

⁹ DSS, *Australian Priority Investment Approach to Welfare - 2017 Valuation Report*, pages 102-3 [accessed online]

¹⁰ ABS 2018 Survey of Disability, Ageing and Carers [accessed online]

¹¹ DSS, Try, Test and Learn Fund: Data Driven Job Opportunities for Young Carers https://www.dss.gov.au/sites/default/files/documents/02_2021/data-driven-job-opportunities-young-carers.pdf

The risks of insecure or precarious work exposed or exacerbated by COVID-19

As is the case for all carers, caring can at the best of times be a rewarding yet demanding and socially isolating experience, where carers have among the lowest levels of wellbeing of any group of Australians¹², even before the impact of COVID-19. Carers, who are already a fundamental and essential part of the health, aged care and disability systems – both in providing care and contributing to the long-term sustainability of those systems – played an even more vital role during the worst parts of the pandemic in Australia. As has been widely acknowledged, COVID-19 put additional pressure on formal care services for the aged, for people with disability as well as general and specialist health services, some of which were already strained. Some of these care and support services were not available, or their delivery was severely impacted. This added to the number of unpaid care hours carers were already doing, and contributed to costs.

Those carers that were employed at the start of the pandemic were similarly affected as other workers – whether in industries that were shut down or were sent to work from home. Many carers experienced reduced employment and income, especially young carers and women in lower paid, casualised sectors. In addition, some carers faced the additional challenge or situation of choosing and needing to voluntarily reduce their economic and social participation and enter into more restricted isolation practices due to the vulnerability of the person they care for to COVID-19.

For carers, a key issue brought into sharp relief during the pandemic is the need for adequate paid and unpaid carers' leave. This is particularly an issue for carers in insecure or precarious roles, just as annual leave and other entitlements are for all workers employed in these roles. As the Work + Family Policy Roundtable has observed: "Inadequate investment in care services and supports, uneven coverage of paid leave for workers in casual and precarious employment, and low wages for the essential workers who keep our communities functioning, weaken our economy".¹³

Recommendations / Concluding observations

Reducing all barriers to secure employment for carers comes with major challenges however, there are a number of initiatives which can be taken to improve job security.

1. Restrictions on engagement in employment attached to the Carer Payment

The impact of what is known as the "25-hour rule" can not only make it hard for carers to supplement the Carer Payment, but also to retain engagement in the workforce over time. The qualification rules for accessing and continuing to access the Carer Payment are:

*"Paid employment or unpaid voluntary work does not impact on the carer's qualification for CP, UNLESS the cessation of care in order to undertake the paid employment or voluntary work (including the carer's travel time and meal breaks) exceeds 25 hours per week. However, any income they are paid may affect the rate of payment. The absence from care is calculated from the start of the care cessation until the carer returns to the caring role. The calculation considers the time the carer is absent from providing care, therefore travel time and meal breaks are included."*¹⁴

¹² Deloitte Access Economics (2020). 'The value of informal care in 2020' Commissioned by Carers Australia [accessed online]

¹³ Work + Family Policy Roundtable, "Work+Care in a Gender Inclusive Recovery: A Bold Policy Agenda for a New Social Contract", p. 1. https://www.workandfamilypolicyroundtable.org/wp-content/uploads/2020/12/Work-Family-Policy-Roundtable_FINAL-Statement_Dec-11.pdf [accessed 17 December 2020]

¹⁴ Social Security Guide, Version 1.278, February 2021, 3.6.4.70 [accessed online]

As we have highlighted, long periods out of the workforce is a major barrier to re-entry when the caring role diminishes or ends, noting a person also no longer qualifies for the Carer Payment. While Carers Australia accept that there must be a process to determine whether carers are fulfilling the requirement for continuous care for Carer Payment eligibility, the rigidity of the 25-hour per week rule needs review to maximise work opportunities, for example, increasing flexibility by changing the rule to 100-hours per month.

RECOMMENDATION

- Review of the Carer Payment eligibility requirements with the view to increase opportunities for combining work and care.

2. Improved replacement care services

It stands to reason that more replacement care offered through such services as the National Disability Insurance Scheme (NDIS), aged care system and other sources of paid support, the more likely it is that carers will have to opportunity to engage in or increase their employment opportunities. This however has not been the case. It is also essential to highlight that investment in and increasing access to appropriate community-based respite care is a critical gap in Australia, and until properly addressed, this will continue to mean in many cases the difference between a carer being able to remain within the workforce.

An expectation of the NDIS was that, although it was certainly never intended to replace all the care provided by family and friends, it would significantly improve carers' chances of engaging in employment. Despite this being included within the Productivity Commission's 2011 *Inquiry into Disability and Care Support* report, which was the foundation for the establishment of the NDIS,¹⁵ barriers to employment from the need to provide substantial amounts of care remain. This is compounded by interpretation of 'reasonable and necessary supports' under the NDIS, which takes into account the support provided by families in assessment of care plans, however does not take adequate account of the legitimate needs and aspirations of these carers.

This is evident in the December 2020 NDIS Quarterly Report¹⁶, where selected key baseline indicators for families/carers of NDIS participants identify that the percentage of those who say they (and their partner) are able to work as much as they want varies from 44% to 56%, depending on the age of the person they are caring for. Of those unable to work as much as they want, the percentage who say the situation of their child or other family member with disability is a barrier to working more is between 86% and 90% noting these indicators have not varied significantly over time.

For carers of the aged, the of rationing of Home Care Packages has meant that carers frequently have to step in to provide the support needed, sometimes at the expense of their own employment. Against this background, we note recommendations of the Royal Commission into Aged Care Quality and Safety to clear home care waitlists by the of the end of 2021, reduce to 30 days wait time thereafter, and uncap home care by 2024.¹⁷

RECOMMENDATIONS:

- 'Reasonable and necessary support' determinations within the NDIS should take into account the impact of caring on family functioning including the capacity of family carers to engage in employment.

¹⁵ Productivity Commission *Inquiry into Disability and Care Support*, Volume 2, 201, Section 20.6, [accessed online]

¹⁶ NDIS Report to disability ministers for Q2 of Y8 Appendices, p.105 at <https://www.ndis.gov.au/about-us/publications/quarterly-reports>

¹⁷ Royal Commission into Aged Care Quality and Safety, *Final Report*, List of Recommendations, Recommendation 34 [accessed online]

- Recommendations of the Royal Commission into Aged Care Quality and Safety with respect to recognition and support for carers be implemented, as well as the recommendations relating to the uncapping and significantly improved delivery of Home Care Packages.¹⁸

3. Employment regulation with respect to Carers Leave

In the course of its proceedings, the Royal Commission into Aged Care Quality and Safety commissioned a *Review of International System for Long-term Care of Older People*¹⁹ which revealed that while Australia scored well in several areas of aged care, it is far from outstanding with respect to carers' leave entitlements. Carers Australia highlight that many European countries offer conditions of leave similar to parental leave provisions available, if not beyond. In Australia currently, informal carers have an entitlement, along with other employees, to ask for flexible leave, but no right to receive it.

As a result of changes to the *Fair Work Act 2009* (Cwth) in 2012, after 12 months with an employer, employees are entitled to two weeks paid Personal Leave (prorated for part-timers) which can be used for caring purposes unless they are casuals,²⁰ however this leave is also expected to cover their own sick leave. Note the Royal Commission into Aged Care Quality and Safety has recommended that by 30 September 2022, the Australian Government should examine the potential impact of amending the National Employment Standards under Part 2-2 of the *Fair Work Act 2009* (Cwth) to provide for an additional entitlement to unpaid carers' leave, with the results of this investigation made public by 31 December 2022.²¹

RECOMMENDATION

- Recommendation 43 of the Royal Commission into Aged Care Quality and Safety be supported by government, noting this recommendation does not apply to only carers of the aged but to all carers within the definition incorporated into the *Carers Recognition Act 2010*.

4. Carer inclusive workplaces

In addition to being receptive to flexible arrangements to accommodate carers, it is also important that employers make it known to all their staff, including managers and co-workers, that they are a 'carer friendly' workplace which has advantages to everyone. Retaining a connection to employment can constitute respite from caring, less social isolation and the maintenance of a more robust sense of self. For employers the retention of experienced staff and the value of a loyal workers who appreciate the support they receive is beneficial, as are the recruitment and retraining cost savings, and the benefits of workforce diversity has become a prominent theme in management and business literature.

RECOMMENDATION

- Investment is made to assist businesses and organisations to improve how they support carers in the workforce in-line with the principles of the *Carers Recognition Act 2010*, including the delivery of a carer inclusive workplace accreditation scheme.

[End of Submission]

¹⁸ Royal Commission into Aged Care Quality and Safety, *Final Report*, List of Recommendations, Recommendations 1, 32, 39, 41, 42, 43 [accessed online]

¹⁹ Royal Commission into Aged Care Quality and Safety, Research Paper No.2, *Review of International Systems of Long Term Care for Older People* prepared by Flinders University [accessed online]

²⁰ *Fair Work Act 2009*, s 12 and s97 [accessed online]

²¹ Royal Commission into Aged Care Quality and Safety, *Final Report*, List of Recommendations, Recommendation 43 [accessed online]