



## Response to The Australian Government Treasury: Employment White Paper Terms of Reference

30 November 2022

### Introduction

Carers Australia welcomes the development of the Employment White Paper (White Paper) by the Treasury and the opportunity to respond to the Terms of Reference. Carers Australia and our members, the National Carer Network<sup>1</sup>, the peak carer organisations in each state and territory - have been advocating for more than 30 years to improve living standards and create greater opportunities for carers<sup>2</sup>.

More than one in ten Australians are carers who provide unpaid care and support to family members and friends with a disability, chronic health conditions, mental illness or disorder, drug or alcohol problem, terminal illness, or who are frail and aged<sup>3</sup>. An evaluation of the “value of informal care” undertaken by Deloitte Access Economics estimated that the total cost of replacing this care with government funded services in 2020 would have been \$77 billion, which is equal to nearly 2.2 billion hours of care<sup>4</sup>.

**For many carers these hours of care and associated impacts are a large factor in not participating in the labour force as much as they would like, in professions they would prefer or are qualified for, or at all.**

In 2018 carers were less likely to be employed (66.6%) than non-carers (77.4%), which represents a largely underused portion of the population who are adversely affected when attempting to gain or sustain employment due to ongoing challenges with access, inclusivity and equality in employment because of their concurrent caring role. Further, primary carers – ie, the carer who provides the most assistance to a person for one or more of the core activities of mobility, self-care and communication, are disproportionately affected, where only 55.5% of primary carers of working age were employed in 2018, creating another level of disadvantage.

The 2022 Carer Wellbeing Survey<sup>5</sup> revealed that of those carers who were working or who wanted to be in paid work, 44.8% were doing less paid work than desired, compared to only 23.1% of Australians more generally. 70.8% of these carers who reported less paid work than desired also reported poor wellbeing.

Carers continue to play an undervalued instrumental role in the ‘care economy’, and the impact of COVID-19 on the health, disability and aged care systems has been an unfortunate yet needed glimpse into their

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<sup>1</sup> In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network as an established infrastructure that represent the views of carers at the national level.

<sup>2</sup> Carers Australia uses the term ‘carer’ as defined by the Commonwealth [Carer Recognition Act 2010](#) (the Act). The terms ‘informal carer’, ‘unpaid carer’ or ‘family and friend carer’ are also often used by organisations, government and the community to describe a carer. Carers Australia may use these terms to assist in providing context and to differentiate between other types of care.

<sup>3</sup> Australian Bureau of Statistics’ (ABS) ‘2018 Survey of Disability, Ageing and Carers’ (SDAC), [\[accessed online\]](#)

<sup>4</sup> Deloitte Access Economics, ‘The value of informal care in 2020’, [\[accessed online\]](#)

<sup>5</sup> Carers Australia and University of Canberra (2022), Caring for Others and Yourself: 2022 Carer Wellbeing Survey, [\[accessed online\]](#). The Carer Wellbeing Survey is a collaboration between Carers Australia and University of Canberra, funded by the Australian Department of Social Services

role. The pandemic further reduced carers' access to replacement care and services in order to maintain employment.

In 2021, 72% of carers had an increase in intensity in their caring responsibilities due to COVID-19, with almost half (49.6%) reporting that this has become long-term<sup>6</sup>. The mounting pressure the pandemic put on the health, disability and aged care systems led existing carers to spend more hours providing caring responsibilities, and more people becoming carers due to reduced access to alternative support services because of lockdowns and workforce issues within the care economy.

This has only become exacerbated by the ongoing workforce shortages that are continuing, and as indicated in Carers Australia's 2022 Carer Wellbeing survey, dealing with these pressures is coming at the cost of a carers' mental health and wellbeing.<sup>7</sup> We encourage Treasury to consider the impacts of long-COVID and/or repeated COVID-19 infections on the care economy and ability of carers to participate in employment, through our [submission to the Inquiry into long COVID and repeated COVID infections](#).

We have tirelessly advocated for the recognition of carers, the challenges they face participating in employment and the intrinsic role they have in the sustainability of the care economy and broader labour market. Carers Australia has engaged heavily with the various recent consultations focused on supporting full and meaningful employment and equality of carers, and recommends Treasury also refer to our responses to the:

- [Senate Select Committee on Work and Care](#)
- [Productivity Commission's Inquiry into Carer's Leave](#), and the
- [Senate Select Committee on Job Security](#).

As such, **our recommendations centre around the need for three key pillars to be met in order to effectively support Australians with unpaid care responsibilities to meaningfully participate in the paid workforce:**

1. **Adequate substitute care**
2. **More flexible and inclusive workplaces**
3. **Improved interface with the income support system**

**It is important to note that the necessity of each of these pillars individually, however none are sufficient in themselves, in the absence of the other two pillars.**

Last, before our response to the Terms of Reference, we emphasise that the term 'carer' should not be used broadly and without context to describe a paid care worker, or a family member or friend who is not, in fact, a carer, as defined by the *Carer Recognition Act 2010* (Commonwealth)<sup>8</sup>. Carers Australia strongly believes there is already enough unhelpful linguistic confusion between unpaid 'informal' carers and paid care workers, particularly within aged care, disability support and childcare. We request careful consideration of how the term 'care economy' is used and when referring to paid care workers within the final White Paper and any further documentation as a result of the Jobs and Skills Summit, to avoid as far as possible adding another layer of complexity and impinging on the recognition of unpaid carers.

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<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> Australian Government, Carer Recognition Act 2010, No.123,2010 [[accessed online](#)]

We also request this in the context of the development of a new National Carers Strategy, which was a pre-election commitment by the Albanese government within their first term<sup>9</sup>, noting the previous strategy lapsed in 2014. This strategy must span multiple portfolio areas, and have a clear implementation plan that addresses carers' rights and needs, together with and separately from the people they care for - including secure employment, income and housing.

## Response to relevant questions posed in the Terms of Reference

### 2. The future of work and labour market implications of structural change, with a focus on:

#### 2.1 Building a sustainable formal care economy in the context of an ageing population and other drivers of demand for care services.

##### **Unpaid care must be seen as a core element of the 'care economy' in any response.**

As highlighted earlier, the cost of replacing Australia's 2.65 million carers with paid care represented a total cost of \$77.9 billion, calculated on the basis of 2.2 billion hours of unpaid care provided in 2020, at a cost of \$36.12 an hour covering wages and loadings. Primary carers, those caring for more than 35.5 hours a week on average, contributed 1.7 billion hours of care.<sup>10</sup>

However, as explored later in this submission, carers' contribution to taking pressure off the health, disability, mental health and aged care sectors can come at very high personal cost in terms of their mental, emotional and physical wellbeing, their ability to engage in education, training and employment, their ability to meet the costs of living and their retirement savings.

We also note that paid substitute care through the care economy can, in turn, improve the prospects for carers, including the ability to participate in the workforce, build economic security, and expand their social connections through that participation.

For example, a 2020 national survey explored the relationship of carer inclusion and support in the aged care and disability sectors. It found that just under 50% of participants caring for an older person said that aged care services had enabled them to stay in work, and just under 40% of carers of people with disability under the age of 65 also responded in this way.<sup>11</sup> However, the 2022 Carer Wellbeing Survey found that only one in three carers (30.1%) reported that NDIS supports had enabled them to stay in, or return to work due to the care and support provided to the care recipient.<sup>12</sup>

The COVID crisis of the last couple of years is illustrative of what happens when carers have much reduced access to replacement care. The 2022 Carer Wellbeing Survey indicated that more than 70% of respondents reduced their own social interactions to protect the people they care for and had increased caring responsibilities, with more than 60% having reduced access to formal support services.<sup>13</sup> Most carers probably imagined that this would be a relatively short-term predicament which would ease when the COVID wave/s passed, only to be confronted with the reality that continuing workforce shortages were not just a by-product of COVID but symptomatic of entrenched problems relating to over-work for poor

<sup>9</sup> Carers Australia, 'Who Cares for Carers in the 2022 Federal Election? Responses to the Election Survey' [[accessed online](#)]

<sup>10</sup> *Op.Cit(4)*

<sup>11</sup> Carers NSW (2020), 2020 National Carer Survey: Summary report [[accessed online](#)]

<sup>12</sup> *Op.Cit(5)*

<sup>13</sup> *Ibid*

wages, lack of training opportunities, and poor career prospects within the care economy as highlighted through various reviews and reports.

**A national crisis in the care economy arising from workforce shortages is very bad news for existing and future carers, those they care for, the government and the care sector as a whole.**

The National Skill Commission 'Care Workforce Labour Market Study' final report<sup>14</sup> released in 2021 was the first 'whole of sector' examination of the care and support workforce and had the sobering statement that by 2049-50 the total demand for the care and support workforce will be around double that seen today. Further, the workforce demand is expected to exceed workforce supply, with the workforce gap continuing to grow, where it is approximately 211,430 full-time equivalent (FTE) positions by 2049-50.

This report also provided a pictorial depiction of the size of the 'informal unpaid' care population with the 'formal paid' care and support workforce (figure 1), which again emphasises that cares must be seen as a core element of the 'care economy' and any response.

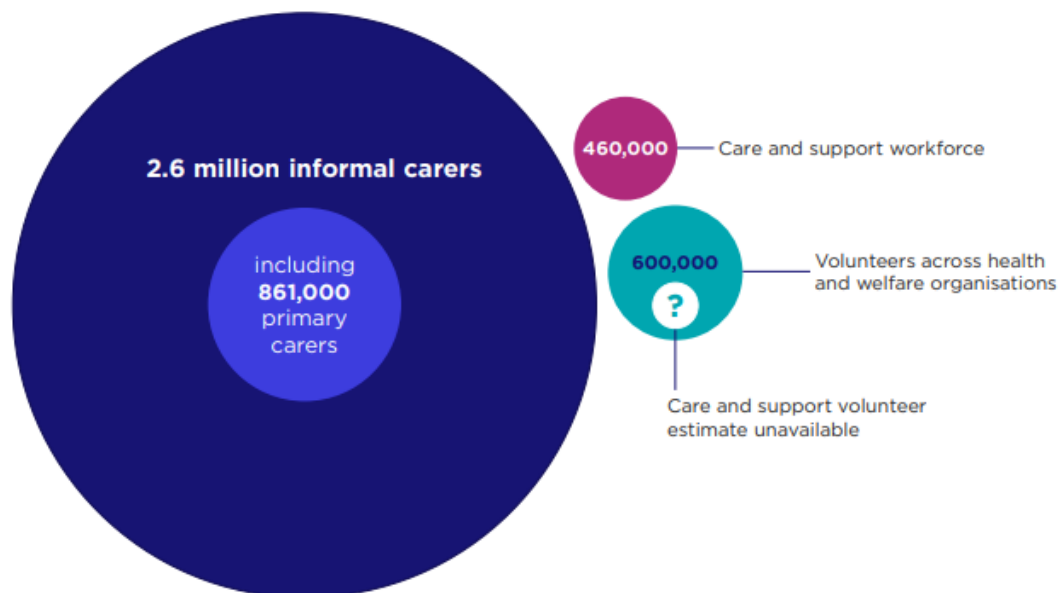


Figure 1: Relative size of the informal care and support 'workforce' (Source: figure 43 - Care Workforce Labour Market Study')

Strategies to address these shortages have been canvassed through multiple reports, submissions, position statements from sector representatives and government announcements. These include a concentrated effort to prioritise and expedite visas for skilled care workers and professionals, better wages, training, working conditions, improved opportunities for well supported student placements, and supplementing the traditional care work with digital capabilities where that is possible.

However, all these initiatives will require a considerable amount of time and investment before we see results. In the meantime, there must not be complacency about the capacity of unpaid carers, now and in the immediate future. It should not be assumed that the community will 'step up' or that other family

<sup>14</sup> National Skills Commission, 'Care Workforce Labour Market Study Final Report' (2021) [[accessed online](#)]

members or friends will step-in because ‘it’s what family should do’ - the demands of the caring role often go beyond what would normally be expected of these relationships.

**If carers are unable to continue their caring role at the same or increased intensity (as has been required during COVID), the health, aged care and disability care systems which are already stretched and struggling with workforce constraints, and in a tight fiscal environment, will have to provide more.**

In its 2020 report on the replacement cost of informal care, Deloitte Access Economics used Australian Bureau of Statistics (ABS) data and developed a “carer ratio” which identified a stagnation in the propensity to care compared to the need for care over time – and this was before COVID (Figure 2).<sup>15</sup>

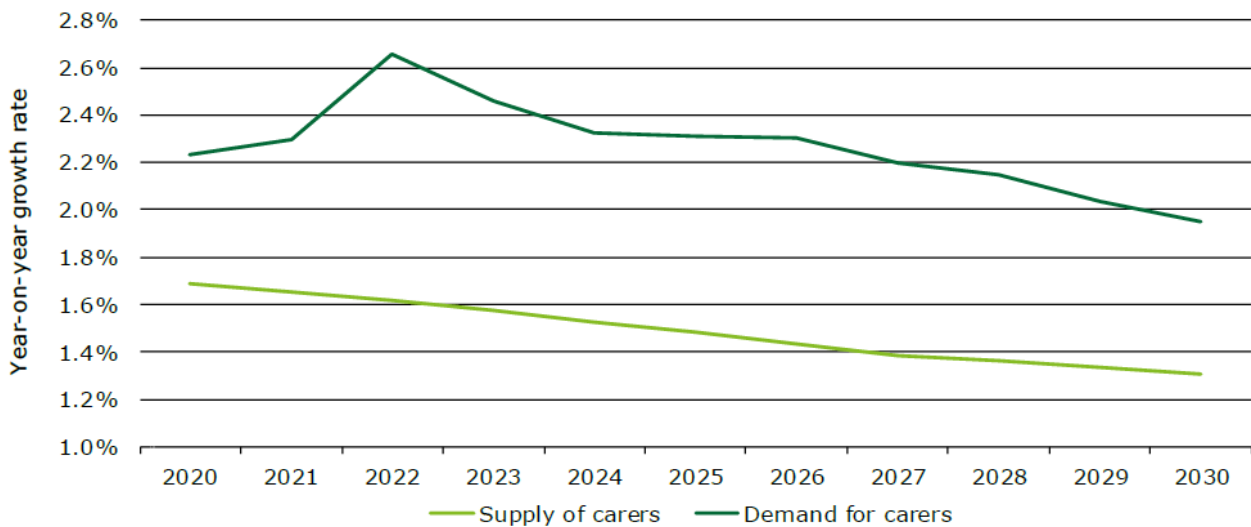


Figure 2: Growth rates in the demand and supply of informal carers (Source: Chart 4.2 ‘The value of informal care in 2020’)

Among other things, they attributed intergenerational changes to this phenomenon including current demographic trends in disproportionate population ageing, changes to Australia’s societal structure such as smaller family sizes, higher divorce rates, rising childlessness and the increase of single-person households, women having children later in life, resulting in a conflict between raising families and caring for parents, and the changing average age of entry to residential aged care facilities.

For those carers who do take on more intense caring responsibilities, or commence caring, they will need improved supports for themselves to keep going and engage in the workforce, better leave provisions and flexible working arrangements, or improved income and broader financial supports if the availability of substitute care and other services are impacted by serious workforce shortages.

It is to be hoped that the outcomes of this consultation, combined with the recommendations from the Jobs and Skills Summit, other initiatives and better supports for informal carers, will help to avert the worst consequences of shortages on current and future carers, the ‘care economy’, government funding and most importantly, on the person receiving care.

<sup>15</sup> Op.Cit(3)

#### 4. Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce.

There exists a variety of reasons and pressures that lead to a person's decision to provide care and these pressures are applicable to both men and women. However, women are more likely to experience both consecutive and concurrent caring responsibilities, with many having to interrupt employment to care for children, parents, partners, or grandparents. Thus, **female carers face a disproportionate barrier to maintaining workforce participation.**

The 2018 Survey of Disability, Aging and Carers (SDAC) provides evidence that females are more likely to be carers, with 12.3% of Australia's female population undertaking a caring role in some capacity compared to 9.3% of all males.<sup>16</sup> What is evident is that more women are faced with the financial consequences of caring by the fact that more women take on these responsibilities. This is in addition to the recognised Australian gender pay gap of 14.1%<sup>17</sup>, highlighting the necessity in addressing the broader pay equity issues in Australia.

While this paper is focused on employment, we must draw to Treasury's attention that the current income support system for carers is also a factor in gender equity as it relates to financial security. In the context of more carers being female, Carers Australia commissioned economic modelling exploring the financial impact of informal caring<sup>18</sup> indicated that 73.9% of Carer Allowance recipients are female and that income support through the Carer Payment is less than 30% of average weekly earnings. Furthermore, a quarter of people who become primary carers will face a real reduction in lifetime earnings of more than \$497,500 and a real reduction in their superannuation balance at age 67 of more than \$216,000.

While emphasis is on supporting carers to enter into, or maintain meaningful employment, the reality is that for those where this is not possible for many reasons, income support must also be properly equipped to provide recipients with an appropriate standard of living, instead of forcing them into poverty.

Carers Australia recognises that many women already face disadvantage due to taking on a disproportionate amount of domestic working and other caregiving needs, as has been recognised through changes to paid parental leave and return to work programs following the addition of a child to the family. It is evident that female carers face additional disadvantage when interacting with the labour market.

We also note the concern that encouraging women to take on caring duties may unintentionally widen equal opportunities for women and further impact on financial security later in life, especially with superannuation. However, Carers Australia believes that an inclusive workforce providing adequate support and encouraging equal opportunities would provide far reaching impacts, while providing carers who are women to make more informed and supported choices about balancing their caring responsibilities with employment.

Research conducted in 2019 exploring 'Gender Equity Insights' explores the overwhelming amount of evidence supporting the use of supportive work environments and a 'top down' approach for organisational policies promoting gender equity<sup>19</sup>. As noted previously, Carers Australia recommends

<sup>16</sup> Australian Bureau of Statistics (ABS), Survey of Disability, Aging and Carers (SDAC) 2018, [\[accessed online\]](#)

<sup>17</sup> Workforce Gender Equality Agency, Gender Pay Gap 2022, [\[accessed online\]](#)

<sup>18</sup> A Report for Carers Australia, Caring Costs Us (2022), [\[accessed online\]](#)

<sup>19</sup> Workplace Gender Equality Agency, Gender Equity Insights 2019, [\[accessed online\]](#)



adequate substitute care, more flexible and carer-inclusive workplaces, and improved interface with the income support system to improve participation in the workforce needs to be addressed to remove systemic barriers for women carers, indeed all carers, as canvassed in previous submissions listed in the introduction.

The flow-on effect is also making the 'care economy' more attractive to carers as paid employment if it is more carer-inclusive, noting in Australia women make up more than three quarters of the paid care economy<sup>20</sup>.

## 5. Labour force participation, labour supply and improving employment opportunities:

### 5.1 Reducing barriers and disincentives to work, including the role of childcare and aged and disability care, social security settings and employment services.

We draw attention to the outcomes of the House of Representatives Family, Community, Housing and Youth Committee report released in 2009, following the Inquiry into better support for carers<sup>21</sup>. This report titled *Who Cares ...?* had a 37-page chapter dedicated to education and employment<sup>22</sup> issues 13 years ago highlighting most of what is contained in this submission. As an example, the report noted that:

- A significant proportion of carers selected a role at work which is below their skill level because it gave them the flexibility they needed to balance their work and caring responsibilities.
- Carers emphasised the importance of having the choice to combine caring with participation in employment, and evidence emphasised the potential benefits of participation.
- Many carers who left employment to care indicated they had done so because alternative care was not available or too expensive, or because they were unable to change their working arrangements.
- The evidence clearly indicated that access to alternative, suitable and affordable care was essential to provide carers with a genuine choice in relation to combining caring with participation in paid employment and/or education.
- For the Australian Government to consider options to assist working carers with the costs associated with alternative care for the care receiver, including sharing more equitably between families and government as is the case with the Child Care Rebate.
- The introduction of initiatives to advance workplace flexibility needed to be complemented by others which assisted carers to find suitable employment opportunities, noting there were two recommendations (42 and 43) for the Minister for Education, Employment and Workplace Relations to ensure that employment service providers consider the specific needs of carers seeking suitable employment, and encouraged and supported employers to provide employment opportunities for carers.

**The current government now has an opportunity to review previous work, and ensure sustainable action is embedded within reforms for carers related to employment and economic security.**

<sup>20</sup> Senator the Hon Katy Gallagher, Speech to the G20 Ministerial Conference on Womens Empowerment, 'The care economy post COVID-19: the missing opportunity in the labour market', 25 August 2022 [[accessed online](#)]

<sup>21</sup> Parliament of Australia, House of Representatives Standing Committee on Family, Community, Housing and Youth, 'Who cares...?: Report on the Inquiry into better support for carers' (2009) [[accessed online](#)]

<sup>22</sup> *Ibid*, 'Chapter 7 Employment and Education' [[accessed online](#)]

Further examples of work include the Australian Human Rights Commission National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability in 2016, which found that employment discrimination and barriers were experienced by carers.<sup>23</sup> This Inquiry heard of many experiences where people felt they had been discriminated against or had received unfair treatment from an employer due to their responsibility as a carer, with many referring to denial of flexible working arrangements to accommodate for caring responsibilities.

The technical report prepared for the Productivity Commissions Inquiry into ‘the role of improving mental health to support economic participation and enhancing productivity and economic growth’, titled ‘Understanding factors associated with Australian mental health carers’ employment<sup>24</sup>’ states in the opening paragraph:

*“Unpaid carers in Australia are simultaneously underrepresented in the formal workforce, and an unrecognised part of the health care workforce.”*

This report goes on to provide a detailed exploration of the disadvantage faced by mental health carers in accessing employment, and an examination of the specific barriers many have to workforce participation. While specific to carers of people living with mental ill-health, many of the barriers are similar, and the proposals relevant to carers broadly. However, it is an important factor to consider that there will likely to be an increase in need and/or intensity of carers within mental health, given the ongoing and yet unknown long term mental health impacts on Australians as a result of COVID-19, as well as recurrent natural disasters.

Ultimately Carers Australia argues that at some point, every person in Australia will either know a carer, be a carer, or require a carer. **As identified throughout this submission, in order to effectively address the challenges to and within employment faced by carers, it is necessary that they are recognised as an at-risk group and proactive measures are taken to facilitate employers’ responsiveness to carers needs, and to the value of carers as employees.**

#### Balancing caring and paid work

In 2019 the Victorian Equal Opportunity and Human Rights Commission surveyed and interviewed Victorian workers aged 18+ years, who are parents, carers and/or have a disability, to better understand the impact the COVID-19 pandemic has on approaches to flexible work. The Commission’s research identified several key strategies including to embed flexible work as part of a business-as-usual approach, invest in strategies to transform societal attitudes towards unpaid caring and parenting, to adequately ascribe value to the ‘second shift’ many workers perform outside of their formal working hours, and to strengthen enforcement of the *Equal Opportunity Act* to better protect parents and carers from discrimination.

It is worth noting that even though carers are indicating their need for flexible working arrangements that does not necessarily equate to them having this need met by employers. The 2022 Carers Wellbeing Survey revealed that 22.8% of carers did not have flexibility of work hours, while 46.4% had somewhat flexible

<sup>23</sup> Australian Human Rights Commission, ‘Willing to Work: National Inquiry in Employment Discrimination Against Older Australians and Australians with Disability’ (2015), [[accessed online](#)]

<sup>24</sup> Mind Australia, ‘Understanding factors associated with Australian mental health carers’ employment’, Technical Report prepared by the University of Queensland (2018) [[accessed online](#)].



hours, and 30.9% very flexible hours.<sup>25</sup> 42.5% reported their supervisor was very understanding of their caring obligations, however, only 48.1% reported they had spoken to their supervisor and could discuss their carer role at any time with them if they needed to. Importantly, the likelihood of feeling confident to have regular discussions with supervisors about being a carer increased with age, with 67.3% of carers aged 65-74 who worked reporting they could discuss their carer role with their supervisor any time they needed to, compared with 16.7% of young carers aged 15-24.

While it is appreciated that some employment or business types result in the need to be at a specific physical location, and that for some carers it may be inappropriate for them to complete their work tasks at home due to the nature of their caring role, the Carers Tasmania 2022 COVID Impact Survey<sup>26</sup> revealed that 75.78% of carers had not had the option or ability to work from home. Further, the Carers Victoria COVID-19 survey<sup>27</sup> shows that 8% of carers resigned or retired early from their job in order to accommodate their caring during the pandemic, 16% had to reduce their hours or take additional leave, and 5% accepted another role with greater flexibility.

According to the 2020 National Carer Survey<sup>28</sup>, less than a third (29%) of respondents reported that caring had not impacted their career. The most common impact, identified by 27.5% of respondents, was having to quit paid work to care. The second most common impact (27.4%) was needing to reduce working hours, followed by a lapse in necessary skills/ qualifications needed to maintain employment due to time out of the workforce (figure 3).

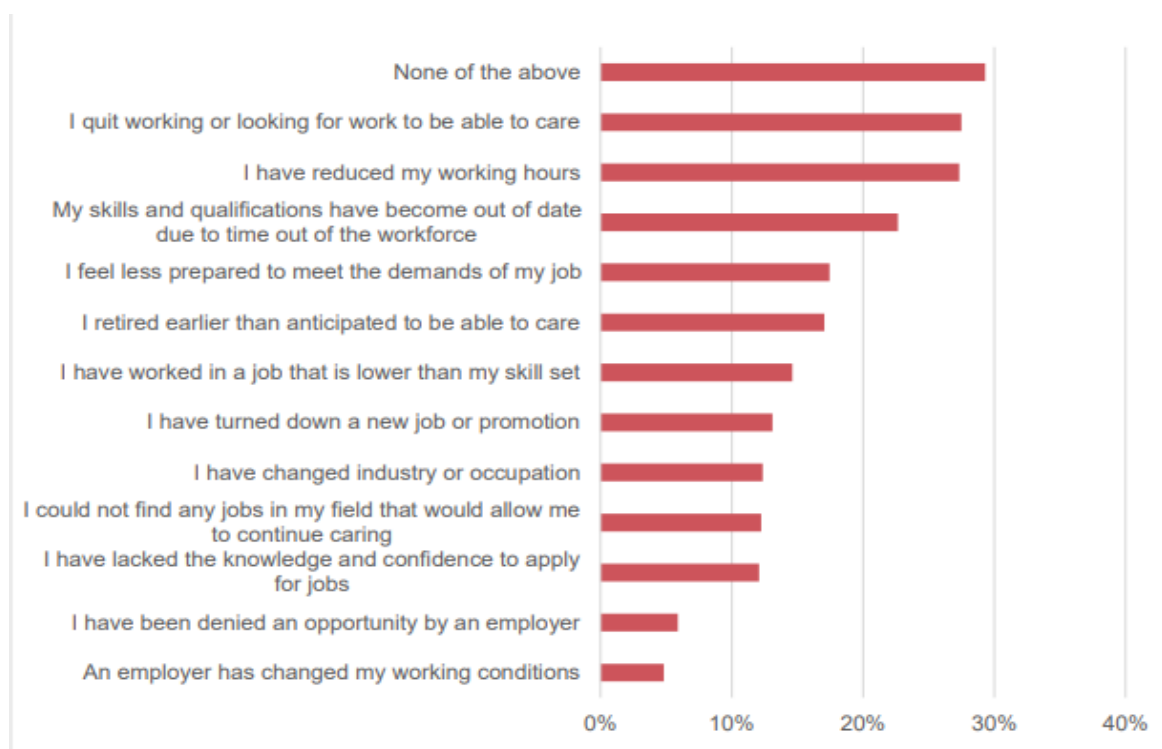


Figure 3: Career impacts of caring responsibilities. (Source: figure 14 '2022 National Carer Survey')

<sup>25</sup> Op.Cit(5)

<sup>26</sup> Carers Tasmania, COVID Impact Survey 2022 Results' [accessed online]

<sup>27</sup> Carers Victoria, 'Overview of findings from the Victorian COVID-19 carer survey' (2022) [accessed online]

<sup>28</sup> Carers NSW, 2020 National Carer Survey, [accessed online]

Additionally, many carers noted that they require access to flexible work arrangements in order to balance care responsibilities, with a typical carer only able to work 27.8 hours per week. Carers use of flexible work arrangements is show figure 4 from this survey, noting that the number of carers working from home may have been impacted by COVID-19 restriction in place at the time of data collection.



Figure 4: Use of flexible work arrangements (Source: figure 13 '2022 National Carer Survey')

Several members of the National Carers Network are currently involved in various efforts to improve employment opportunities for carers. These include:

- Carers Employment Support Grant<sup>29</sup> - Victorian Government funded employment support programs intends to give more Victorian carers an opportunity to access tailored employment support to help them achieve their employment aspirations.
- Carers + Employers<sup>30</sup> – This Carers NSW program identifies the best practice standards for supporting staff with caring responsibilities. Organisations that meet these standards can be recognised as an 'Accredited Carer Employer', enabling them to embed innovative strategies across their organisation.

For carers who have had to leave employment due to caring responsibilities, programs supporting their return to paid work are essential in providing carers with a sense of self-worth and self-confidence when re-joining the workforce. Examples of such programs are Carers WA's Be Job Ready Program<sup>31</sup> and Carers Queensland's Your Caring Way Program, that provides supports for carers wanting to pursue their own goals, like training, education, volunteering, or employment.<sup>32</sup>

Additional methods of combatting stigma and enable more inclusive work attitudes include increasing leave entitlements (both long and short-term leave). Carers Australia's research into leave entitlements among 14 OECD countries with similar economies, similar carer population profiles and similar incentives for providing carers leave, found that the majority of these countries had more generous leave entitlements than is the case in Australia, partly inspired by concerns about people dropping out of the

<sup>29</sup> Victorian Government (2021), Carers Employment Support Grants 2021-22, [\[accessed online\]](#)

<sup>30</sup> Carers NSW (2022), Carers + Employers, [\[accessed online\]](#)

<sup>31</sup> Carers WA (2022), Carers- Be Job Ready!, [\[accessed online\]](#)

<sup>32</sup> Carers Queensland (2022), Your Caring Way, [\[accessed online\]](#)

workforce to provide care<sup>33</sup>. None of these countries combined sick leave and carers leave into a single entitlement (Personal Leave) as is the case in Australia.

At this time, Carers Australia raises that while we welcome the current Productivity Commission Inquiry into Carers Leave, we have advocated since its announcement that it must be for *all* carers. The scope of the Inquiry is to examine the economic and social impacts of providing a statutory leave entitlement to extended unpaid carers who provide informal care to older people who are frail and living at home, while offering employment protection on return to work. This Inquiry is a real opportunity to examine one of the barriers for carers to continue to participate in paid work and should do more than simply ‘consider’ carers of people of all ages who fall within the definition of the Carer Recognition Act 2010, including carers of people living with disability or mental ill health.

### Caring and the income support system

Many carers are further disincentivised to work due to restrictions faced by those receiving the Carer Payment. It has been noted by Carers Australia in previous submissions that the impact of what is known as the “25-hour rule” not only makes it hard for carers to supplement the Carer Payment, but also to retain engagement in the workforce over time.<sup>34</sup>

The added complication of this financial uncertainty is detrimental to the wellbeing of carers. Recent data indicates that carers we’re 1.7 times more likely to experience significant financial stress compared to other Australians.<sup>35</sup> Further, modelling in the 2017 Valuation Report for the Australian Priority Investment Approach to Welfare, found around two thirds of people on the 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, eg Job Seeker, demonstrating the impact that an insufficient or restrictive income support system can have on encouraging employment for carers<sup>36</sup>.

For some, caring roles may be short-term or can end - and while the external pressures placed on them may end, extended periods out of the workforce can be a major barrier to re-entry and they no longer qualify for the Carer Payment. This drastically influences the outcomes of re-entry into the workforce or, in some circumstances, may disincentivise people entirely. While Carers Australia recognises the need for process in determining an individual’s fulfilment of continuous care for Carer Payment eligibility, we believe it is essential that the 25-hour per week rule be reviewed to incentivise and maximise workforce participation. A simple solution to begin with is making it ‘100 hours per month’, to allow for more planning for rosters, and seasonal work, as well as going some way to accommodate the sometimes-episodic nature of care and trying to organize suitable replacement care.

It was also identified by the 2015 Productivity Commission inquiry into superannuation policy for post-retirement that involuntary or premature retirement due to caring responsibilities or poor health is common, with data suggesting that around 28% of men and 25% of women aged 60-64 retire for these reasons.<sup>37</sup> There is a well recognised financial and wellbeing impact of early involuntary retirement and as

<sup>33</sup> These countries were: the United Kingdom, Ireland, Canada, France, Germany, Austria, Switzerland, the Netherlands, Italy, Spain, Sweden, Denmark, Norway and Japan

<sup>34</sup> Carers Australia (2022), Response to the Australian Government Senate Select Community Affairs Inquiry on Work and Care, [\[accessed online\]](#)

<sup>35</sup> *Op.Cit*(5)

<sup>36</sup> Australian Department of Social Services, Australian Priority Investment Approach to Welfare - 2017 Valuation Report, [\[accessed online\]](#)

<sup>37</sup> Productivity Commission (2015), Superannuation Policy for Post-Retirement, [\[accessed online\]](#)

identified earlier, current demographic trends in disproportionate population ageing highlights the potential impact continued early retirement could have on tax revenue and increased dependency on social security payments.

#### Inconsistent availability of accessible early childhood settings

Out-of-pocket childcare costs are commonly regarded as one of the foremost financial disincentives for parents, particularly women, returning to work.<sup>38</sup> This becomes an increasingly pertinent issue to parents and families that require not only an available early childhood facility but an accessible one as well.

While there are Commonwealth and State Government funds to provide support to children with disability and/or kindergarten educators, requirements to embed universal design principles in all elements of the design and delivery of early childhood infrastructure are lacking.

The consequences for parents and families who are unable to access inclusive early childhood services close to home is significant. Some parents are likely to delay their return to work or can only work reduced hours to accommodate their child's early childhood education needs. Government's role to ensure early childhood settings are designed to meet universal needs is crucial and must be done in an equitable way.

#### **5.2 Improving labour market outcomes for those who face challenges in employment, including First Nations people, those who live in rural and remote areas, younger and older Australians, people with disability, and those who may experience discrimination.**

As identified, Australian carers face discrimination in employment and in many ways are disincentivised for joining the workforce entirely. One of the most at-risk cohorts of carers who currently or will face challenges in employment are young carers.

There are approximately 235,000 'young carers' aged 11-25 years in Australia<sup>39</sup> who are at risk of disengagement or who have disengaged from school or education opportunities due to caring responsibilities. Many young carers report<sup>40</sup> a lack of sleep, ongoing stress and mental health issues which affects their motivation or ability to get up in the morning or go to school, and that their care responsibilities restrict their ability to achieve their potential, socialise with friends, participate in extra-curricular activities, and build a sense of belonging.

Carers Australia believes that in enabling the labour market to meet the aforementioned pillars; adequate substitute care, flexibility and inclusion, and an improved interface with the income support system, we are taking positive steps in improving future employment outcomes for young carers.

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<sup>38</sup> Australian Government (2022), Jobs + Skills Summit – Issues Paper, [\[accessed online\]](#)

<sup>39</sup> *Op.Cit*(18)

<sup>40</sup> Moore T et al (2019). 'No space in my brain to learn: Young carers and their engagement with education: an analysis of applications to the Carers Australia bursary program 2017-2018'. University of South Australia for Carers Australia [\[accessed online\]](#)

### For information contact:

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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
- Who 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.