



Ms De-Anne Kelly, MP
Chair
Standing Committee on Employment and Workplace Relations
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms Kelly

Employment: Increasing participation in paid work

Thank you for your invitation to contribute to the above Committee inquiry into employment.

I am pleased to provide you with the following submission from Carers Australia. If you have any questions please do not hesitate to call either myself or Julie Austin at this office.

Yours sincerely

IRENE GIBBONS
Chief Executive Officer

26 August 2003



Submission to the
House of Representatives
Standing Committee on Employment and
Workplace Relations

Inquiry into Employment: Increasing participation in paid work

August 2003

Terms of Reference

To inquire into and report on employment issues in both rural/regional and urban/outer suburban areas, with particular reference to:

- measures that can be implemented to increase the level of participation in paid work in Australia; and
- how a balance of assistance, incentives and obligations can increase participation, for income support recipients.

Introduction - Who we are

Carers Australia (CA) is the national peak body representing the 2.3 million carers in Australia, including a conservative estimate of 450,000 primary carers. These carers, who are usually family members, provide unpaid care at home for children or adults who have a disability, mental illness, chronic condition or who are frail aged.

Our mission is to be the national voice of carers. Our vision is for an Australia which accepts its responsibilities for caring.

The members of CA are each of the eight state and territory Carers Associations, who have representatives on our Board.

CA represents the needs and interests of carers at the national level through:

- contributing to the Federal Government's policies and programs that impact on carers
- advocating for carers' needs and interests in the public arena
- networking and forming strategic alliances with other organisations to achieve positive outcomes for carers
- promoting information sharing and coordinating and facilitating joint work between the state and territory Carers Associations and other organisations on matters of national significance.

We base our policies and evaluate others on the following six principles:

- caring is a personal, social and public responsibility shared by individuals, families, business, community organisations, public institutions and all levels of government
- carers are recognised and valued for their important contribution to the wellbeing of the Australian community and the people whom they support and for their unique expertise and skills in the caring role.
- carers are also recognised as individuals with their own needs within and beyond the caring situation.
- carers are entitled to the same rights, choices and opportunities as other Australians in order to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment and education.
- carers are included in decision making that relates to their care situation and impacts on their lives. Carers have a voice in legislation, policy and program development, service implementation and evaluation across all sectors.
- carers are able to access a wide range of information and resources, informal support and responsive, affordable services to complement caring. They are entitled to carer friendly policies and practices in other areas of their lives.

Employment and financial security are important issues for carers, who do not usually have much choice in taking on a caring role. Many carers try and juggle work and caring but, equally for many other carers, government income support is the only option if they are to fulfil their caring responsibilities. Either way, the work done by carers means they participate both socially and economically in the community. Informal, unpaid care for adults alone is worth an estimated \$18.3 billion to the Australian economy each year. Without it, alternative care would have to be found and funded.

Carers Australia believes that most carers of workforce age prefer to balance work and caring so that they can be financially independent and get the benefits of working. While caring can be rewarding, it is unpaid work that often imposes substantial personal and financial costs to the carer, but is done primarily because of their particular relationship to the person being supported with its related expectations, responsibilities and obligations. Family and community values and expectations also influence the caring role.

The facts on carers and employment

In 1998, at the time of the Australian Bureau of Statistics' most recent survey of carers and people with a disability, there were 2.3 million carers in Australia of whom more than 75 per cent were of workforce age.

- Fifty nine per cent of all carers combined their caring role with full or part-time work. The majority were employed full time (63 per cent), which represented 13 per cent of all people employed full time.
- A further 7.3 per cent of all carers indicated they were looking for work
- Among the 33 per cent of all carers who were not working, the most commonly perceived barrier to employment was lack of alternative or suitable care arrangements.
- There were 158,200 primary carers in paid employment, but only 48 per cent were employed full-time. This compared with a full-time employment rate of 66 per cent for non- primary carers and 72 per cent for those not in a caring role. Obviously the availability for work is reduced by the amount of care needed.
- For primary carers*, 22 per cent indicated they had reduced their working hours and 24 per cent needed time off each week to perform their caring duties.
- The same 1998 survey found that a relatively high proportion of primary carers were reliant on government income support due to their labour force restrictions.

*The Australian Bureau of Statistics' definition of a primary carer is a person of any age who provides the most informal assistance, in terms of help or supervision, to a person with one or more disabilities. The assistance has to be ongoing, or likely to be ongoing, for at least six months and be provided for one or more of the core activities of self care, mobility or communication.

- Almost half (49 per cent) of all primary carers of workforce age were then dependent on the government for income support (171,200 people), compared to 20 per cent who were not providing care.
- The latest published figures from the Department of Family and Community Services indicate there were 67,260 carers in 2001-02 receiving the Carer Payment. As well, 271,483 people were receiving Carer Allowance. We do not have any data on what the main source of income for these people is, but it could be from paid employment, welfare payments other than and including the Carer Payment, or support from elsewhere.

The next ABS survey will be completed this year, and give us more up-to-date data on carers participation.

The characteristics of caring and limitations on employment

While every caring situation is different, the key issues which cause difficulties in relation to workforce participation for carers are:

- Long term caring responsibilities (more than seven to ten years)
- Largely sole responsibility for care
- The severity of the disability or illness and the intensity of care demands eg severe and profound activity restrictions, or challenging behaviours needing constant care and supervision.
- The lack of appropriate alternative care.

In addition, the characteristics or nature of employment opportunities and workplace factors have an impact on the workforce participation of carers. These include:

- The casualisation of part time work and poor suitability of 'peak' work times for carers.
- Mis-match between the job skills of carers and available work opportunities
- Workplace flexibility and attitudes, that is there are few carer friendly workplaces.

Carers who are most likely to experience disadvantage relative to their peers at similar lifecycle stages and who may be unable to participate in the workforce even part time include those with long term caring responsibilities who are:

- Sole parents with highly dependant offspring-usually with intellectual, physical disabilities or psychiatric disabilities or ADHD. Offspring may be children or adults.
- Single offspring carers who leave the workforce to care for a parent, for example with dementia
- Partner carers of people of workforce age who have severe or profound disabilities (MS, Parkinsons, Acquired Brain Injury)

- Sole carers of people with compensable conditions (physical disabilities or ABI) who require constant supervision.
- Sole and sequential carers for family members over long periods.

In addition, many carers in the groups below are unable to maintain job skills and are of a mature ages and thus disadvantaged from workforce re-entry when caring ceases.

- Partnered offspring carers who leave the workforce to care for an elderly parent(s) for extended periods. While their partner has an income the carer commonly loses personal income, superannuation provisions and expectations for their own retirement.
- Young carers caring for a parent or grandparent who experience an inappropriate level of responsibility as children and may be disadvantaged in education and transition to employment
- Carers with multiple caring responsibilities in relation to people with severe and profound disabilities, usually offspring, parents, other relatives or a combination of these.
- Carers in rural areas where employment availability and options for alternative care may be limited.
- Carers from CALD and Indigenous backgrounds who find it difficult to access services.
- Sole carers of people with high intensity care needs which take the form of repeat episodes over a long period including mental illnesses, some cancers, cystic fibrosis.
- Carers in poor physical or emotional health (at times a consequence of heavy care responsibilities).

The issues to be addressed

Whether or not carers of workforce age are working, looking for work, or receiving their main source of income from the Government, welfare reform, workplace opportunity and flexibility is critical in helping them manage the competing demands of caring and paid employment and maintaining their own wellbeing.

For those carers in the workforce or who are seeking paid work, flexibility and strong support systems are essential. Alternatively, carers of workforce age who are not in paid work or who have resigned from paid work, have made a big personal financial sacrifice to care for someone in need. In doing so they are contributing to the wellbeing of the person in need of care, their families and the community as well as providing a cost saving to the government through not having to provide alternative care and services. Given the contribution that carers make and their personal sacrifices, the issue of mutual obligation and participation should not be questioned.

Carers are usually under added pressure from their caring responsibilities and should not be placed under even more pressure in having to meet some other form of mutual obligation and associated compliance.

Carers Australia believes, as a community, we must encourage and support carers to combine work and caring where possible. However, whenever the demands of working and caring are too much for individuals to manage, then the social security system must provide income support for those in need. At the moment only a relatively small proportion of carers receive Carer Payment as it has very strict eligibility criteria concerning the amount of care given, the condition of the person in need of care, and the means test. Therefore carers must have either paid work, another private source of household income or rely on a different type of social security payment (as indicated by the statistics described earlier).

So while much of the recent debate on workforce participation has been about encouraging people to move from welfare dependency to the paid workforce, for many carers the issue is the converse - that is the majority of all carers are in the paid workforce or would like to be. **The issue for them is being able to maintain a paid position and balance their caring responsibilities.** Carers Australia encourages the Government and employers to support carers through providing alternative caring support services and through flexible work practices and policies.

A recent British study[†] indicated carers and potential carers may be unwilling to give up paid work to take up caring responsibilities and prefer to seek a balance between work and caring responsibilities. For employers to retain quality employees and maintain the morale of employees with caring responsibilities, they must offer **employment options** such as flexi-time, staggered hours, time-off in lieu, compressed working hours, shift swapping, self rostering, annualised hours, job sharing, part time work, carers leave, and working from home.

Such **workforce flexibility** offers benefits to employers because they attract and retain quality staff; to employees because they have more control over their time, can balance the demands placed on them and retain the advantages of workforce participation; and to those in need of care because the wellbeing of their carer is enhanced. This is subject to adequate and reliable alternative care being available for the people in need of care so that those carers wishing to continue to work or return to work can manage their situation.

In addition, consideration needs to be given to how the **social security system** can be tailored to support carers and keep them in the workforce. For example, carers may have to work for financial reasons but a crisis point is reached in the caring situation and the carer is forced to give up their paid work and rely on social

[†]Mooney Ann and Statham June with Simon Antonia, *The pivot generation: Informal care and work after 50*, Joseph Rowntree Foundation, 2002, (www.jrf.org.uk)

security. Alternatively, the carer could continue to work and the person in need of support would have to be placed in residential care, if available, at greater cost to everyone. Under the current rules the Carer Payment is withdrawn if carers work or study for more than 20 hours per week. This obviously limits the options of carers wanting to work and restricts their workforce participation.

Similarly, when carers have been out of the workforce for some time, they may face barriers to obtaining meaningful work as their skills are no longer current. Again the 20 hour limit puts restrictions on carers' ability work and fulfil their caring role. This makes it difficult to participate in education and employment and not be dependent on government benefits.

For **young carers**, who are aged 26 and under and comprise a particularly vulnerable group, the 20 hour per week limit is a strong deterrent in undertaking training or work. ABS statistics indicate that approximately 60 per cent of young primary carers between 15-25 years are unemployed or not in the workforce and only 4 per cent are in school or training. They are often found in sole parent families and it appears they often provide care because they are the only ones available to fulfil this role at home and often have little choice. For these people work and training options are limited which impedes their prospects for advancement. The 20 hour restriction is short sighted for young people who potentially have their careers ahead of them.

The social security system needs to be designed to cater for such situations to allow workforce participation and provide a supplementary level of income support. This would enable carers to continue to be economically productive, maintain their own wellbeing and save their families and the Government the costs of residential care or full social security income payments. Such positive support would help many carers in marginal situations. This needs careful consideration as the numbers of people concerned and the impact can be expected to increase as the population ages.

As highlighted earlier, notwithstanding the need for greater workforce flexibility described above, the main disincentive to carers taking up work is the lack of **alternative care** for the person needing care. This type of care can take many forms such as care-at-home, after school care or day care, but needs to be available for carers during their working hours, at an affordable cost, be reliable and readily accessible in terms of proximity, and offer the sort of care that is needed. Therefore policy changes concerning employment and social security should also be linked to community care policy to ensure all the areas work together to achieve the same aims. A strong system of community care is integral to the sustainability of informal care. Carers have a dual role as both providers of informal care and consumers of services that support them in their caring role. Carers Australia has continually stressed the importance of a strong community care system that gives carers ready access to high quality, affordable services. The current review of community care being undertaken by Minister Andrews is a major opportunity for the Government to address this need.

Recommendations

Carers Australia makes the following recommendations to promote the long-term sustainability of informal caring within the community care sector and the individual wellbeing of carers.

Workforce opportunities

- A. That the eligibility criteria for the Transition to Work program be amended to twelve months to accommodate carers who have been out of the workforce for less than two years and bring it into line with the Intensive Assistance Program.
- B. That the Transition to Work program be extended to accommodate the re-entry of skilled people who have been out of the workforce for some time.
- C. That adequate alternative care be available for carers wishing to return to work or education who still have caring responsibilities. Carers Australia is urging the Government to address this through the current Community Care Review being conducted by the Minister for Ageing, the Honourable Kevin Andrews.
- D. That the Government work with all other employers to develop, promote and implement carer friendly employment policies that are mutually beneficial to the employee and employer.

Welfare reform, income support and financial security

- E. That the high costs of care to the carer be recognised and the existing Carer Allowance be doubled to \$87.70 per week. The Carer Allowance is acknowledgment of the extra costs of caring, but it does not reflect the true costs of care incurred by the carer or the household. These costs can be highly variable and very high in some instances where extra medications, continence products, travel to medical appointments, electricity and equipment costs have to be met.
- F. That eligibility for the Carer Allowance be revised so that the co-residency requirement is modified to ensure:
- people receiving the Carer Payment automatically receive the Carer Allowance
 - people who provide 20 hours or more care a week through direct contact with the person requiring support, in addition to travelling time, are eligible.
- G. That where children and young people have primary care responsibilities in their families, adequate financial support measures be made available to them to allow them to balance their caring role while enhancing their employment prospects. The current 20 hour restriction should be removed to encourage young people to combine study or paid work with their caring responsibilities.