



Workplace Relations Inquiry
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Please find attached Carers Australia's submission to the Productivity Commission's Inquiry into the Workplace Relations Framework.

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, mental illness, chronic condition, terminal illness, drug or alcohol problem, or those who are frail aged.

With over half of Australia's 2.7 million carers employed either full-time or part-time, Carers Australia has a particular interest in advocating for a workplace relations framework that enables carers to combine work and care. Our submission focuses on the Terms of Reference which relate to 'the ability for employers to flexibly manage and engage with their employees'.

The submission highlights the importance of maintaining aspects of the current workplace relations framework which support the capacity of unpaid carers to undertake paid work while maintaining their caring role. We also outline the benefits to both businesses and the wider economy of family-friendly workplace provisions.

Yours sincerely

A handwritten signature in black ink that reads "Aresswell".

ARA CRESSWELL
Chief Executive Officer

13 March 2015



Carers Australia

**Submission to the Productivity Commission Inquiry into the
Workplace Relations Framework**

March 2015

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- 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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About Australia's unpaid family and friend carers

According to data from the latest (2012) Australian Bureau of Statistics Survey of Disability, Ageing and Carers:

- 42.3 per cent of all carers have their main source of personal income from wages or salary.
- 52.4 per cent of all carers are employed either part-time or full-time.
- The workforce participation rate of all carers between 15-64 years is 68.8 per cent, compared to 79.7 per cent for non-carers of the same age.
- Over 1.2 million employees in Australia have unpaid caring responsibilities.

As the above data illustrates, many Australians who provide unpaid care and support to a family member or friend with a disability, chronic condition, mental illness, drug or alcohol problem or to someone who is frail aged, perform this role while also engaging in employment. Workplace conditions which enable employees to balance an unpaid caring role with paid work are therefore important to over 1.2 million Australian employees.

Many primary carers¹ provide a significant level of care, with 39 per cent spending 40 or more hours a week caring for a family member or friend. The workforce participation rate of primary carers is therefore much lower at 52.6 per cent, compared to 68.8 per cent for all carers. Some 34 per cent of all primary carers have also been in the caring role for over 10 years, whereby they often find themselves with no up to date qualifications or references when they seek to re-enter the workforce. Many primary carers can therefore face difficulties getting back into employment when their caring role ceases or is reduced.

¹ According to the Australian Bureau of Statistics, a primary carer is a person aged 15 years and over who provides the most informal assistance with core activities (communication, mobility and self-care) to a person with a disability or to a person aged 65 years or over.

Which provisions are important to working carers?

Right to Request Flexible Working Arrangements

The *Fair Work Act 2009* provides some employees with a legal right to request flexible working arrangements. The extension of this right to employees who are carers (within the meaning of the *Carer Recognition Act 2010*) in 2013 was an important recognition that a greater range of caring roles and responsibilities should be given consideration within the workplace relations framework.

While many employers go above and beyond the minimum requirements in the *Fair Work Act* to provide their employees with a range of flexible working conditions, not all working carers are lucky enough to have understanding employers who make allowances for their caring responsibilities. It is therefore essential that the 'right to request' provision is maintained into the future, to provide unpaid carers with greater assurance that they can negotiate working arrangements that will meet their needs.

However, there are some limitations to the 'right to request' legislation that could be improved to further support the ability of employees to balance work and care. Currently, only employees who have worked with the same employer for at least 12 months on a full-time or part-time basis are eligible. (This includes long-term casual employees who would usually have been employed on a regular and systematic basis for at least 12 months).²

This provision restricts those who have been working for less than 12 months, and those who are looking to negotiate flexible conditions when they first enter a job. This can be particularly problematic for young people with caring responsibilities who face the dual barriers of trying to enter the workforce for the first time with limited experience, and also of trying to gain employment which will allow them to continue their caring role whilst working. Young people between 15 and 24 years who have an unpaid caring role are almost twice as likely to be unemployed than others without a caring role of the same age³. For many of these young carers, the ability to negotiate flexible working conditions when they first enter the workforce will be crucial to their ability to gain and maintain employment.

² *Fair Work Act 2009*, Section 65 (2)

³ Australian Bureau of Statistics 2012 Survey of Disability, Ageing and Carers

National Employment Standards

The minimum entitlements to paid carer's leave encompassed in the National Employment Standards (NES) also provide an important safety net for working carers.

The NES stipulate that all employees (except casuals) are entitled to 10 days of paid carer's leave each year for full-time employees (or pro rata of 10 days depending on the hours of work for part-time employees). Paid carer's leave can be taken "to provide care or support to a member of the employee's immediate family, or a member of the employee's household, who requires care or support" because of a "personal illness, or personal injury, affecting the member" or "an unexpected emergency affecting the member".⁴

The ability to use leave to undertake caring responsibilities can be a central factor in whether carers are able to juggle their unpaid caring role with paid employment or are forced to leave the workforce. While some employers offer even greater leave entitlements than are stipulated in the NES, it is important that the current minimum leave entitlements to paid carer's leave are not reduced in any way.

However, the limited description in the *Fair Work Act* of caring situations which qualify an employee for paid carer's leave to when there is an illness, injury or unexpected emergency, may be too restrictive for some working carers. Indeed this only encompasses a fairly small proportion of caring situations, as it doesn't take into account those caring responsibilities associated with caring for someone with a long-term or permanent disability or someone who is frail aged. For carers whose employers who may not fully appreciate the demands and nature of their caring role, this limited definition may be problematic when they try to access paid carer's leave.

⁴ *Fair Work Act 2009*, Section 97

Why should the workplace relations framework assist working carers?

Benefits to the economy

With advances in healthcare, the elderly, chronically ill and those with disabilities are now living longer at the same time as the working age population is decreasing in relative terms. Indeed as Australia's population continues to grow and change, the proportion of people aged 15 to 64 relative to those 65 years and over will continue to decline.⁵ The proportion of the population participating in the labour force is also expected to fall from 64.6 per cent in 2014-15 to 62.4 per cent in 2054-55⁶.

Measures which support the capacity of employees to combine paid work with an unpaid caring role are therefore key to addressing the dual pressures to both increase our labour and carer supply. Furthermore, with the estimated replacement cost of Australia's unpaid carers at some \$40.9 billion⁷, carers play a key role in underpinning the country's health, disability, aged care, mental health and palliative care systems.

In the context of current concerns about Australian Government expenditure on welfare support, it is also worth noting that workplace provisions which allow carers to combine unpaid care and employment can help to reduce carers' dependence on income support. About half of people receiving Carer Payment received some form of income support for more than 10 years, and around 42 per cent of those who stopped receiving Carer Payment in 2012-13 went on to another working age income support payment, the majority of which (61 per cent) was Newstart Allowance.⁸

Carers who are able to maintain a connection to the workforce whilst caring are therefore less likely to become reliant on income support for long periods of time, and can gain greater financial security for their own futures by building their superannuation savings.

Benefits to business

The Productivity Commission's Workplace Relations Framework Issues Paper 2 '*Safety Nets*' states that the Australian Chamber of Commerce and Industry (ACCI) has claimed that some family friendly

⁵ Australian Government 2015 *Intergenerational Report*, p.9

⁶ Australian Government 2015 *Intergenerational Report*, p.10

⁷ Access Economics 2010 *The Economic Value of Informal Care in 2010*

⁸ Reference Group on Welfare Reform 2014, '*Interim Report: A New System for Better Employment and Social Outcomes*', p.36

provisions in the NES are “problematic, and if nothing else, have uncertain impacts”⁹. The Issues Paper also highlights the concerns of the Australian Industry Group around the expansion of requests for flexibility of working arrangements beyond those associated with parental care.¹⁰

However, evidence shows that providing employees with flexible working and leave provisions can actually provide a benefit to the business bottom line. For example, in a 2012 survey of 223 UK employers, the majority considered that supporting carers in their workforce had either a major or some benefit in their ability to;

- Attract and retain staff
- Improve staff morale
- Improve staff engagement
- Reduce recruitment and training costs
- Produce cost savings
- Reduce sick leave and absenteeism
- Increase productivity and improve service delivery.¹¹

The 2013/14 Randstad World of Work research which gathers the perspectives of over 14,000 employers and professionals across the Asia Pacific region has also found that more than a third believe that the biggest benefit of adopting flexible work practices is improving employee engagement and satisfaction (this increases to over 40 per cent for Australian employers). A further 27 per cent of Australian employers identified the main benefit as the attraction and retention of top talent.¹²

Furthermore, with 40 per cent of all carers between the peak working ages of 45-64 years,¹³ businesses which fail to hold on to these experienced workers by providing adequate flexible working conditions will face a significant loss of investment in resources, time and knowledge.

⁹ Productivity Commission 2015 *Workplace Relations Framework: Issues Paper 2: Safety Nets*, p.10

¹⁰ Ibid.

¹¹ Carers UK and Employers for Carers Task and Finish Group 2013, *Employers ‘Business Benefits’ Survey*, p.1

¹² Randstad 2014, *World of Work Report: the talent strategy game-changer series*, pp.16-17

<http://www.randstad.cn/FileLoad/Attachment/20140224141137324.pdf>

¹³ Australian Bureau of Statistics, 2012 Survey of Disability, Ageing and Carers

Conclusion

Over 1.2 million Australian employees combine paid work with an unpaid caring role for a family member or friend with a disability, mental illness, chronic condition, terminal illness, drug or alcohol problem or someone who is frail aged. The capacity of these carers to juggle work and care is often dependent on their access to provisions contained in the *Fair Work Act 2009* and the National Employment Standards which provide them with the right to request flexible working conditions and access to paid carer's leave. While the Productivity Commission's inquiry into the Workplace Relations Framework provides an opportunity to improve these provisions to make them accessible to a greater number of unpaid carers, it is vital that they are not reduced or diminished in any way.