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Submission #2 to Productivity  
Commission Inquiry into Carer Leave  
Providing Feedback on the Position  
Paper – *A case for an extended unpaid  
carer leave entitlement?*

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## Arafmi Ltd Submission #2 to Productivity Commission Inquiry into Carer Leave Providing feedback on the Position Paper - *A case for an extended unpaid carer leave entitlement?*

25 March 2023

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Arafmi Ltd thanks the Productivity Commission for its work in the inquiry on carer leave, and for the invitation to provide feedback on its position paper - *A case for an extended unpaid carer leave entitlement?*

Arafmi Ltd<sup>1</sup> was founded in Brisbane in 1976. We are a not-for-profit organisation providing support to people who have a mental illness, their families and informal carers. As a key carer organisation in Queensland, we have direct contact with carers across the state, actively identify carers needs, and provide systemic advocacy across all levels of government.

## Arafmi Ltd participation in the Carer Leave Inquiry

Arafmi Ltd took the opportunity to comment on the *Carer Leave Issues Paper* in August 2022. Our submission provided an introduction to Arafmi Ltd, and highlighted the economic and social benefits of providing an extended unpaid leave entitlement to informal carers of older and other Australians, in particular for carers of people with mental health needs.<sup>2</sup>

This submission does not revisit that material, because we believe the position paper shows that the conversation has moved on significantly since then. We are pleased to see many of our perspectives and recommendations reflected in the position paper. We feel heard. Thank you.

We also participated in the Commission's consultation Roundtable on 13 December 2022 - as part of the Commission's dialogue with representatives from government agencies, industry groups, consumer and community groups, and academics and researchers.

This submission focuses on providing feedback requested in the recent position paper:

1. Feedback on draft findings
2. Feedback on draft recommendations
3. Feedback on information requests.

Arafmi Ltd is grateful for the depth and breadth of understanding, and the solution-focused and progressive consideration that the Productivity Commission has brought to its deliberations on carer leave. We also appreciate the careful documentation, which we believe will stand the test of time - informing national conversation on these important matters of public policy over coming years. If picked up by government, Australian carers would be much better off for the implementation of the findings and recommendations outlined in the position paper.

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<sup>1</sup> There are other organisations in other states who also use the name 'Arafmi' in various ways. It originally stood for Association of Relatives and Friends of the Mentally Ill.

<sup>2</sup> Dowling, G. and Clelland, I. 2022. *Arafmi Ltd Submission to Productivity Commission Inquiry into Carer Leave*. Arafmi Ltd, Brisbane.

# Executive summary

## 1. Draft findings

Part 1 of this submission provides our feedback, and the rationale for it, on each of the seven findings in the position paper. In summary:

1. We support an entitlement to extended unpaid leave for *all carers*, designed to maximise the net benefits to the community, including benefits to employers. We believe there is compelling evidence of significant net benefit to both the community and economy, from any initiative to close Australia's imminent 'carer gap'. We need the Australian government, and all stakeholders including employers, to provide prudent stewardship for the sustainability of informal caring as a crucial component of Australia's aged, disability and health care systems.
2. We support the last three elements of the provisional model. We are disappointed with the first two elements, which do not respond adequately to the episodic nature of caring responsibilities. We recommend three amendments to the provisional model (see section 3.1).
3. We agree that in social policy terms extended unpaid leave may not be the highest priority. But for carers the highest priority is whatever they have access to, that they can make work for themselves and their families.
4. We strongly endorse making any entitlement available to all carers.
5. We support the finding that formal care and respite care services for aged (and we would add other) care recipients play a key role in supporting carers, and that reforms to increase access to, and reduce waiting times for these services is essential.
6. We strongly support the finding that "Working flexibly is highly valued by carers and is a key factor in enabling them to manage their work and caring commitments."
7. We support evaluation of how flexible working arrangements are working for carers, but we are opposed to any delay in introducing an entitlement to extended unpaid carer leave. We see the growing 'carer gap' as immediate and urgent. Every measure to address it is important to Australia's social and economic future, and to the carers we represent.

## 2. Draft recommendations

Part 2 provides our feedback on the draft recommendations.

- We support Recommendation 1. The Australian Government should ensure all carers have tailored information about flexible working arrangements and how to request them.
- We support Recommendation 2. The Australian Government should amend eligibility restrictions in the National Employment Standards so that they better reflect the diverse caring relationships of Australian families, friends and communities.



### **3. Information requests**

Part 3 provides our feedback on the information requests, beginning with the provisional model.

#### **3.1 Information request 1 - We recommend three amendments to the provisional model**

- Amendment 1: Access to another period of leave 3 months after the last use - rather than 12.
- Amendment 2: Waiver to notice period required before leave in exceptional circumstances.
- Amendment 3: Taking carer leave as a reduction in working hours over an extended period, rather than as an absence from work.

#### **3.2 Other matters raised by the Commission in information request 1**

- There are significant benefits for carers and employers of taking carer leave as a reduction in hours.
- The duration of leave that carers are most likely to want to access, will be different in different circumstances.
- The capacity to take carer leave as a reduction in working hours is the key design feature that could avoid potential negative effects and deliver the most benefit to the most carers.

#### **3.3 Information request 2**

- Upcoming changes to the flexible working arrangements will make it easier for carers to balance their work and care commitments and has the potential to make a big difference for carers. The key question is how easy it is to access.
- Additional ways to support informal carers are canvassed thoroughly in the Final Report of the Senate Select Committee on Work and Care, with its ambition to rewrite the future of work and care in Australia. That is the kind of reform carers need. It includes many big ambitions, that Arafmi supports, which would make a real difference for Australian carers.

### **1. Feedback on the draft findings**

Part 1 of this submission provides our feedback, and the rationale for it, on each of the seven draft findings that the Commission has arrived at through the Carer Leave Inquiry to date, including the Commission's rationale for each finding as outlined in the position paper.

#### **Finding 1. An entitlement to extended unpaid leave for carers should be designed to maximise the net benefits to the community**

**We support an entitlement to extended unpaid leave for all carers, designed to maximise the net benefits to the community, including benefits to employers.**



We believe there is compelling evidence of significant net benefit to both the community and economy, from any initiative to close Australia's imminent 'carer gap'. We need the Australian government, and all stakeholders including employers to provide prudent stewardship for the sustainability of informal caring as a crucial component of Australia's aged, disability and health care systems.

We affirm these benefits to the Australian community, acknowledged in the position paper:

- The replacement value of all informal care provided to people requiring assistance due to age or disability in Australia is \$78 billion each year.
- The importance of informal carers to the sustainability of the aged, disability and health care systems is widely acknowledged.
- There is a growing 'carer gap' - the demand for informal care is forecast to increase by 23% by 2030 while the supply of informal carers is set to increase by just 16%.<sup>3</sup>

We believe there is a compelling case for the government to invest to meet the costs of caring, given the value of informal caring to those systems and the Australian economy.

On the other hand, we see no compelling evidence, in the position paper, of costs that would prevent or constrain the introduction of an entitlement to extended unpaid carer leave. We believe employer representatives have overstated costs and undesirable consequences in their representations to the inquiry, without presenting compelling evidence for their assertions - and this has had undue influence on the balance of costs and benefits in designing the provisional model.

We note the position paper identifies disruption to business, need to recruit a replacement worker, and uncertainty about the capabilities and productivity of any new workers as costs to employers associated with carer leave. It says "these costs could be material" in businesses that rely on highly skilled staff. We believe this is an example of the position paper overstating costs and understating benefits for businesses. Any business relying on specialised staff, as Arafmi does, needs robust and agile succession planning for those key roles. Staff 'stepping up' to cover a period of extended carer leave, is an opportunity to up-skill less skilled and experienced employees and give them opportunities that may keep them in the business longer. This may be further enhanced if the carer leave is taken as a reduction in working hours, rather than as an absence from work.

Reflecting on our own experience as an employer with a workforce of 100+ FTE, Arafmi Ltd does all we can to accommodate of the needs of carers in our workforce, because we see many desirable consequences and benefits to our productivity, including:

- Resilient and resourceful staff, who because of their experience as carers are adept at effectively and efficiently meeting competing demands.
- Long term retention of skilled and experienced staff.
- Culture of loyalty.
- Solution-focused co-creation of a working environment that meets our organisational vision, mission and values.

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<sup>3</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement? - Position Paper*. Australian Government, Canberra, pp13-14.



- Good will that enhances mentoring of less experienced staff 'stepping up' or 'stepping in' to take on additional responsibilities.
- The value of this ongoing process for succession planning and reducing 'single point vulnerability' in our workforce.

Griffith University research shows that carers learn many skills in their caring roles that make them valuable employees - including resilience, dedication, good organisational and time management skills, budgeting skills, problem solving skills, communication skills, appreciation of diversity, mature outlook, emotional intelligence and empathy.<sup>4</sup>

We stand with many other similar employers who are also backing a progressive design for a new entitlement to extended unpaid carers leave.

## **Finding 2. A provisional model of extended unpaid carer leave, aligned to existing standards**

### **Arafmi Ltd supports three elements of the provisional model.**

- Available to employees with at least 12 months of continuous service.
- Applied to businesses of all sizes and to regular casual workers.
- Evidence requirements in line with other National Employment Standards.

### **We are disappointed in two elements of the provisional model.**

- Access to another period only after 12 months.
- Notice period of four weeks.

The position paper says this provisional model would only be taken up by a limited number of carers - between 7,000 and 17, 000 employees each year, or 3-7 per cent of working age carers of older people.

<sup>5</sup> We believe a far greater number of carers would benefit from extended unpaid carer leave if the provisional model were modified in three ways, detailed in section 3.1 of this submission.

### **But we support its inclusion in the National Employment Standards, even as it stands. We believe:**

- It would make a huge difference to thousands of Australian carers (at least 7,000) year in year out, for the foreseeable future.
- The number of carers who would use it is simple - as many as can make it work for them. And they would use it in a resourceful and recurring way, as many times as they can.
- Its most significant benefit will be to raise awareness of carers, as part of a mega-trend /paradigm shift that is occurring in Australian workplaces, about the nature of work-life balance, wellbeing and the future of work.<sup>6</sup>

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<sup>4</sup> Hutchings, K., Harris, N., McMillan, S., Radford, K., Slattery, M., Spencer, N., and Wheeler, A. 2021. *Young Carers Research Final Report*. Griffith University, Brisbane, p47.

<sup>5</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement? - Position Paper*. Australian Government, Canberra, p1.

<sup>6</sup> PwC, 2021. *Return On Action Report 2021: The rising responsibility of business*. Atlassian, Sydney.



- Its real value for the majority of carers will be to the extent that it helps promote this change in the conversation between working carers and their employers, enabling a bit more of the kinds of informal workplace flexibility that reduce the stress and fatigue carers experience in juggling work and care.

### Finding 3. Extended unpaid leave is not the highest priority

**Arafmi Ltd agrees that in social policy terms extended unpaid leave may not be the highest priority.**

We strongly endorse the Commission's findings that:

*"Many informal carers who are working would not want to take extended unpaid leave. Most carers ... want more workplace flexibility, not an extended absence from the workplace."*

*"Extended unpaid leave will always be unsuitable or inaccessible for many carers. This is because of the impact on household income and the episodic nature of some caring roles ... Flexible working arrangements, agreed between working carers and their employers, can be a better solution - they have clear advantages for both working carers and for employers."*<sup>7</sup>

**But for individual carers the highest priority is whatever they have access to that they can make work for them and their families.** And extended unpaid carer leave will make a significant difference for many thousands of carers, year in year out, for the foreseeable future - as a significant part of their toolkit of options for managing their roles and responsibilities in both work and care.

### Finding 4. The case for an entitlement is similar for all carers

**Arafmi Ltd strongly endorses the finding that any entitlement to extended unpaid carer leave, should be available to all carers.** We strongly endorse the Commission's conclusion that:

*"The case to introduce an entitlement to extended unpaid leave for carers of people with disability or illness is similar to the case for creating such an entitlement for carers of older people. Because of this, if there was a decision to amend the NES to include an entitlement to extended unpaid carer leave, then for reasons of equity and administrative simplicity, it would be reasonable to make it available to all carers."*<sup>8</sup>

We would add that it is not just reasonable, it is imperative.

### Finding 5. Informal carers need timely and high-quality supports

**Arafmi Ltd supports the finding that formal care and respite services for aged care recipients play a key role in supporting carers, and that reform to increase access to, and reduce waiting times for, these services is essential.**

We are pleased the position paper affirms the reflections of our colleagues at Carers Australia and Carers NSW:

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<sup>7</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p1.

<sup>8</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p50.





“... the support measures needed most by both employed carers and carers not in the workforce is affordable, substitute care of sufficient quality and quantity to enable carers to choose how they spend their time away from caring.” - Carers Australia

“Access to timely adequate and appropriate formal care services, including services and supports that provide replacement care while a carer is participating in employment, is a key component of supporting carers to maintain employment and continue caring.” - Carers NSW<sup>9</sup>

We endorse the Commission’s conclusion that “Formal care helps to make caring sustainable ... but it is not always accessible when required.”<sup>10</sup>

## **Finding 6. Working carers need access to flexible working arrangements**

**Arafmi Ltd strongly supports the finding that “Working flexibly is highly valued by carers and is a key factor in enabling them to manage their work and caring commitments.”<sup>11</sup>**

Arafmi believes changes under the Fair Work Act in June 2023 will make it easier for carers to negotiate working arrangements with their employers and have the potential to make a significant difference in balancing work and care commitments across the whole of the Australian workforce.

But we disagree with the assertion in the position paper that these changes “have the potential to reduce the need for an unpaid carer leave entitlement.” If these changes to flexible working arrangements work well for carers, they will reduce the number of carers requesting extended unpaid carer leave - but this does not reduce the need for an entitlement to extended unpaid leave. They are two very different entitlements. There are thousands of carers who would get the most benefit from extended unpaid carer leave - because it would meet their needs most effectively, for a complete or partial ‘season’ of focusing on their caring responsibilities, in a way that is resolved and gives them peace of mind for the duration of their leave.

Yes, working carers need access to flexible working arrangements. The key question for working carers will be - how easy or difficult will it be for carers to access them? Arafmi Ltd strongly supports Recommendation 1 because we believe providing all carers with tailored information about how to request flexible working arrangements will help to ‘kick-start’ the uptake. We provide more detailed feedback on this in section 2 of this submission, on the next page.

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<sup>9</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p53.

<sup>10</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, pp53-54.

<sup>11</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, pp53-54.



## **Finding 7. Evaluation of the effect of legislative reforms to flexible working arrangements**

**Arafmi Ltd supports evaluation of how flexible working arrangements are working for carers, but we are opposed to any delay in introducing an entitlement to extended unpaid carer leave.**

We see the growing ‘carer gap’ emerging before our eyes, in 2023. It is urgent. Every measure to address it is important to Australia’s social and economic future, and to the carers we represent. For those carers it is not about whether flexible working arrangements is better than extended unpaid carer leave - it is about whatever they have access to that they can make work for themselves and their families. And if they have options, so much the better.

### **2. Feedback on draft recommendations**

Part 2 of this submission describes Arafmi Ltd’s support for the two recommendations, and our advice on effective ways to implement them.

#### **Recommendation 1 - Providing carers with information about how to request flexible work**

Arafmi Ltd strongly supports Recommendation 1. The Australian Government should ensure that all carers (including carers of older people) are provided with tailored information about flexible working arrangements and how to request them.

We like the proposal in the position paper of fact sheets designed to help carers talk to their employer about flexible work - provided to carers at key points in time, such as when they contact the Carer Gateway. Arafmi Ltd and other carer organisations nationwide, including Carers Australia and Mental Health Carers Australia who have participated in this inquiry, would also be keen to be involved in distribution of this information.

We would advise that tailored information not focus on the identity of ‘carer’. A significant body of recent research identifies that “hidden carers - people who do not identify as carers or who are not recognised as carers by service providers - often do not know that carer support services exist or how to access them.”<sup>12</sup> We believe tailoring of this information should focus on the ‘behaviour of caring’ rather than the ‘role of carer’. It could, for example, be addressed to ‘Australian workers who are providing care for someone who needs their ongoing support.’

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<sup>12</sup> Productivity Commission, 2020. *Mental Health, Report no. 95*. Canberra, p875.  
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We note that the position paper goes on to say “Employer organisations and unions - whose members would benefit from more widespread understanding of employment law - may also have a role to play.”<sup>13</sup> We would go further and propose that the government agency responsible for the information campaign, negotiate a three-way partnership to provide advice on the design and content of the information, and its distribution to reach carers: 1. employer organisations, 2. unions, and 3. civil society or social service organisations like Carers Australia, Mental Health Carers Australia, and the Australian Council of Social Service. We are imagining a carer taking the information sheet to their employer to initiate their request and would hope that the involvement and endorsement of these organisations would ensure information is communicated effectively by sources trusted by each of the parties.

We would also recommend the Fair Work Ombudsman review its *Flexible working arrangements Best Practice Guide*; add information, ‘practical tips’ and ‘case studies’ specifically related to carers; and promote this valuable resource through the same channels identified above.<sup>14</sup> Hot-links to this and related resources should be included in the fact sheet, making it an effective and efficient portal to more detailed information.

## **Recommendation 2 - Reviewing definitions of care relationship in the NES**

The current definition of ‘carer’ in the National Employment Standards is problematic for many of the carers supported by Arafmi Ltd. We strongly support the recommendation to amend eligibility restrictions in the National Employment Standards so that they better reflect the diverse caring relationships of Australian families, friends and communities, and reduce the extent to which carers are excluded from accessing key workplace supports. We support the broadest possible definition, because we believe that will future-proof it given the rapidly changing nature of identity and social relations, which are on trend to accelerate and diversify through the twenty-first century.<sup>15</sup>

We note that the position paper recognises that

“... a broader definition of caring relationships is already used in parts of the NES. The right to request flexible working arrangements includes carers as defined by the Carer Recognition Act” - which “defines carers by the support, care and assistance they provide to another individual. It explicitly states that the relationship between the carer and care recipient does not make someone a carer.”<sup>16</sup>

We support consistent use of the Carer Recognition Act definition whenever the NES refers to carers.

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<sup>13</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p60.

<sup>14</sup> Fair Work Ombudsman, 2021. *Flexible working arrangements Best Practice Guide*. Australian Government.

<sup>15</sup> Families Australia, 2019. *The future of work and family*. Families Australia, Canberra.

<sup>16</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, pp61-62.



### **3. Feedback on Information requests**

Part 3 of this submission provides Arafmi Ltd's feedback on the two information requests.

#### **3.1 Feedback on provisional model**

The Commission has put forward a provisional model for an entitlement to extended unpaid carer leave, and asked for feedback on its features, costs and benefits.

We support three elements of the provisional model:

- available to employees with at least 12 months of continuous service
- applied to businesses of all sizes and to regular casual workers
- evidence requirements in line with other National Employment Standards.

We are disappointed in the two main elements of the provisional model:

- access to another period only after 12 months
- notice period of 4 weeks.

Arafmi Ltd recommends three changes to the provisional model:

- 3 months between recurrent leave periods
- maintaining 4 weeks notice before leave as the norm, but also waiving this requirement in exceptional circumstances
- including a provision for taking carer leave as a reduction in working hours over an extended period, rather than as an absence from work.

The rationale for and benefits of these amendments are explored below.

#### **Proposed amendment 1: Access to another period of leave - 3 months after the last use**

We are disappointed with the provisional design that specifies access to another period of leave is not available again until 12 months after the last use.

As a systems advocate for carers, we say this does not respond to the often episodic nature of caring responsibilities. As an employer, we say this does not engender the kind of employee loyalty and genuine long-term workplace attachment that we want to characterise our workforce culture.



We are not aware of any other entitlement or provision of the NES that has such a restriction. We note the assertion in the position paper that “12 months between leave periods promotes workplace attachment”<sup>17</sup> - and we wonder what the evidence or rationale for this assertion is? Elsewhere in the position paper, workforce attachment is said to be a benefit that comes from the entitlement - particularly for women and some carers of younger people.<sup>18</sup>

We believe that 12 months between leave periods promotes short term workplace ‘attendance’ rather than long term workplace ‘attachment’.

**Arafmi Ltd recommends changing the provisional model to provide for eligibility for another period of extended unpaid carer leave 3 months after the employee returns from their previous leave period.**

In our experience as an employer with a workforce of 100+ FTE, we believe this would enhance workforce attachment, by:

- Building a culture of loyalty to our organisation and business.
- Encouraging genuine longer-term attachment.
- Preventing damage to genuine attachment caused by employees living with torn loyalties and conflicting responsibilities. We see that having to show up for work when they really don’t have the capacity to be there, has a ‘fraying’ effect on employee attachment.
- Safeguarding the retention of some of our most experienced and skilled employees.
- Demonstrating to less experienced employees that there are pathways for gaining skills and experience through ‘stepping in’ and ‘stepping up’ - including ‘windows of opportunity’ in the foreseeable future. In our experience, an employee who has enjoyed an experience of ‘stepping up’ might look for work with another employer, if they know that it will be at least 12 months before they get their next opportunity with us.

We are not clear from the position paper what “access to ‘another’ period of leave 12 months after the last use” means in practice. Does it mean ‘one other period’ or ‘a next period’? We are assuming that the intention is for a recurrent entitlement, refreshed 12 months after each use. If it isn’t, then it should be.

**Proposed amendment 2: Waiver to notice period in exceptional circumstances**

We note that the provisional model provides for 4 weeks’ notice before leave is taken, and 4 weeks before return “unless a shorter period is agreed by the employer”.<sup>19</sup>

The position paper rationale is that 4 weeks’ notice before leave “Reduces cost to employers by giving them time to plan before leave while allowing for the sudden onset of care needs.”<sup>20</sup> We cannot see how this rationale can stand up to any kind of scrutiny. On what planet could a 4-week delay be seen as an adequate response to “the sudden onset of care needs”?

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<sup>17</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p35.

<sup>18</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, pp25, 27, 48.

<sup>19</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p35.

<sup>20</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement?* - Position Paper, p35.



This is particularly significant for the mental health carers that Arafmi Ltd supports. We have experienced many instances where employees have had to stay home unexpectedly, or leave work mid-shift, to respond to an imminent immediate risk of self-harm or suicide by the person they are caring for. In these cases their absence is sudden and indefinite.

**Arafmi Ltd recommends maintaining four weeks' notice before leave as the norm, but also waiving or relaxing this requirement in exceptional circumstances.**

Circumstances of the person being cared for that warrant waiver to notice period may include:

- Imminent risk of suicide or serious self-harm.
- Imminent serious threat to life or health.
- Medical or psychiatric emergency or hospitalisation.
- Imminent or immediate eviction or homelessness.
- Victim of serious crime e.g. rape, assault, threat of violence.
- Serious psycho-social trauma or crisis.

We understand that these are circumstances which may be covered by personal leave. But many working carers we support have personal leave balances that are maxed out in perpetuity, because of the constancy of their caring responsibilities.

### **Proposed amendment 3: Taking carer leave as a reduction in working hours, rather than as an absence from work**

**Arafmi Ltd strongly supports an entitlement to take carer leave as a reduction in working hours, as an alternative to an absence from work.** This would be of great benefit to a much larger number of carers, and could avoid potential negative effects on carers and employers. We believe it would be a game changer for Australian carers.

We appreciate the examples from Belgium and Germany in the position paper, but they seem to introduce unnecessary complexities. We would prefer a model in which employee and employer negotiate the level of reduction, according to the circumstances of both the workplace and the carer. This would enable greatest flexibility in using the opportunity for succession planning and/or upskilling less experienced employees.

### **3.2 Feedback on other questions in information request 1**

The Commission also included other matters in this information request.



## Costs and benefits of taking carer leave as a reduction in working hours

**We strongly support an entitlement to take carer leave as a reduction in working hours, as an alternative to an absence from work.** The scale, reach and impact of potential benefits may well make this the most significant outcome from this enquiry, if it is adopted.

Benefits for carers include:

- Accessibility to many more carers, who simply need to maintain a basic level of income regardless of other stressors in their lives.
- Preventing total loss of carer income, and the stressors that introduces for individuals, households and families.
- Retaining capacity for ongoing professional development and career progression.
- Benefiting from work as a place of respite from their caring responsibilities.
- Ongoing connection with colleagues and workplace supports to draw on when needed, helping to prevent the risks of drifting into isolation.

Benefits for employers might include:

- Retention of skill and experience in the workforce.
- Capacity to cover absence through 'stepping up' or 'stepping in' rather than recruitment.
- Experience and upskilling of less experienced staff.
- Succession planning, workforce agility and mentoring opportunities.

Potential costs are mostly born by the carer and may include:

- Wear and tear on carers of continually having to carry two competing sets of responsibilities.
- Carer and employee fatigue when either or both responsibilities are particularly demanding.
- Burnout, which often creeps up insidiously and strikes suddenly.
- Exposing the workplace to greater need for vigilance and agility, in circumstances where the needs of the carer and caree fluctuate.

## Durations of leave carers are most likely to want to access, in different circumstances

The durations of leave carers are most likely to want to access will depend on their circumstances. These will vary enormously, but based on our experience we can identify some common patterns.

The position paper recognises the episodic nature of care, described unequivocally by many participants in the carer leave inquiry. The sudden onset and uncertainty of many episodes of care means most carers are most likely to want to access leave of the minimum duration that they can see meeting their current needs, in the episode of care they are in. Often their access of that leave will follow absence/s on paid personal leave, then on unpaid short-term personal leave negotiated with their employer to enable them to respond to an immediate need.

Some carers will want to take three-six months unpaid carer leave as a circuit breaker - when things are getting beyond their current capacity, or there is a particular short-term need - for example, to relocate short term or to help stabilise a situation of particular vulnerability.



Sometimes, carers will be able to see further ahead, and plan and negotiate their absence on carer leave well ahead of time. In these circumstances they are more likely to want six or twelve months leave. Some will want three-six months leave, when the reason is also planned and has a limited duration - for example, recovery from surgery.

We believe that many carers wanting twelve months leave will be in an ongoing care situation, that is of unknown duration but realistically is likely to extend beyond twelve months. But few of these carers would want to commit to a longer period of leave. For these carers, the capacity to take three consecutive leave periods of twelve months (12+12+12) would be ideal.

### **Design features that would avoid potential negative effects**

The capacity to take carer leave as a reduction in working hours, rather than as an absence from work, is the single most significant new design feature to avoid potential negative effects identified in the position paper. It would be a game changer for carers.

### **3.3 Feedback on Information request 2**

The Commission is seeking further information on flexible working arrangements and any other ways to support informal carers, beyond those discussed in this position paper.

### **Feedback on effects of upcoming changes to the flexible working arrangements**

Arafmi Ltd strongly supports the finding that “Working flexibly is highly valued by carers and is a key factor in enabling them to manage their work and caring commitments.”<sup>21</sup> Arafmi believes changes under the Fair Work Act due to commence in June 2023 will make it easier for carers to negotiate working arrangements with their employers that will help them balance their work and care responsibilities and commitments.

The biggest long-term benefit for carers is as a next step in an ongoing process of growing workplace awareness of the needs of carers. Its real value for the majority of carers will be in the extent to which it helps to change the conversation between working carers and their employers, making carer needs a normal part of the everyday workplace. We want to promote the understanding that almost all Australians are carers at some time in our lives, rather than being an exceptional occurrence for a few, and that workplace flexibility is good for both productivity and wellbeing.<sup>22</sup>

### **Feedback on additional ways to support informal carers**

It is quite surreal to be reviewing the Productivity Commission’s position paper on carer leave and the final report of the Senate Select Committee on Work and Care at the same time. There is quite a contrast between the two documents. Arafmi Ltd is more at home with the senate committee report, and its ambition to rewrite the future of work and care in Australia. They say that international

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<sup>21</sup> Productivity Commission, 2023. *A case for an extended unpaid carer leave entitlement? - Position Paper*, pp53-54.

<sup>22</sup> PwC, 2021. *Return On Action Report 2021: The rising responsibility of business*. Atlassian, Sydney.





standards have moved forward and Australia is now an outlier - an international laggard when it comes to key working conditions of significance to working carers.

“It is time for a new right to care, alongside the right to work. In a world that increasingly relies upon the paid work of its citizens who are also carers, it is time for a new social contract around work and care - appropriate to the 21st century. That contract should have at least ten characteristics:

1. ensure that workers with caring responsibilities do not suffer large lifetime losses in pay
2. provide paid leave (sick, parental, holiday, carers) to care for others
3. ensure that job insecurity is not the price paid for being a working carer
4. provide flexible jobs that enable care
5. provide critical support at the arrival of children through a strong interlocking system of universal, quality early childhood education and care (ECEC); and
6. a pathway to reach a year of paid parental leave (PPL) at minimum wage for new parents, a portion of it shared
7. ensure poverty in retirement is not the reward for a lifetime of work and care
8. provide liveable income support, above the poverty line, for carers when they cannot work
9. facilitate transitions into and out of work over the course of people's lives
10. enable both men and women to care, ensuring that gendered patterns of hours (men long, women short) do not entrench gender inequality and make it hard for men to care while loading up women with unpaid labour.

The architecture of this new 'contract of care' is reflected in the recommendations of this report, based on the evidence put before it.”<sup>23</sup>

That is the kind of reform carers need. It includes many big ambitions that Arafmi supports, which would make a real difference for Australian carers.

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<sup>23</sup> Senate Select Committee on Work and Care, 2023. *Final Report*. Commonwealth of Australia, Canberra, pxxiv.  
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## Notes and references

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- <sup>i</sup> There are other organisations in other states who used the name 'Arafmi' in various ways.
- <sup>ii</sup> Mind Australia 2016, *A practical guide for working with carers of people with a mental illness*, Mind Australia, Helping Minds, Private Mental Health Consumer Carer Network (Australia), Mental Health Carers Arafmi Australia and Mental Health Australia, p4.
- <sup>iii</sup> Dominic, S, Heilscher, E, Lee, Y Y, Harris, M, Schess, J, Kealto, J and Whiteford, H. 2017, *The economic value of informal mental health caring in Australia: summary report*, The University of Queensland, Brisbane, pp4, 12.
- <sup>iv</sup> Diminic S, Hielscher E, Lee YY, Harris M, Schess J, Kealton J and Whiteford H. 2016, *The economic value of informal mental health caring in Australia: technical report*, The University of Queensland, Brisbane, p68.
- <sup>v</sup> Dominic, S, Heilscher, E, Lee, Y, Harris, M, Schess, J, Kealto, J and Whiteford, H. 2017, *The economic value of informal mental health caring in Australia: summary report*, The University of Queensland, Brisbane, p5.
- <sup>vi</sup> Mind Australia 2016, *A practical guide for working with carers of people with a mental illness*, Mind Australia, Helping Minds, Private Mental Health Consumer Carer Network (Australia), Mental Health Carers Arafmi Australia and Mental Health Australia.
- <sup>vii</sup> Mind Australia 2016. *A practical guide for working with carers of people with a mental illness*, Mind Australia, Helping Minds, Private Mental Health Consumer Carer Network (Australia), Mental Health Carers Arafmi Australia and Mental Health Australia, p8.
- <sup>viii</sup> Mind Australia 2016. *A practical guide for working with carers of people with a mental illness*. Mind Australia, Helping Minds, Private Mental Health Consumer Carer Network (Australia), Mental Health Carers Arafmi Australia and Mental Health Australia, p10.
- <sup>ix</sup> Productivity Commission 2020, *Mental Health - Report no. 95*, Canberra, p49.
- <sup>x</sup> Mental Health Carers Australia 2020, *Survey on the impacts of Covid-19 on families and carers of NDIS participants with psychosocial disability*, Mental Health Carers Australia, Sydney.
- <sup>xi</sup> Mind Australia 2016, *A practical guide for working with carers of people with a mental illness*, Mind Australia, Helping Minds, Private Mental Health Consumer Carer Network (Australia), Mental Health Carers Arafmi Australia and Mental Health Australia.
- <sup>xii</sup> Deloitte Access Economics, 2020, *The value of informal care in 2020*, Carers Australia, Canberra.
- <sup>xiii</sup> Dowling, G. and Clelland, I. 2022, *Arafmi Ltd Submission to Productivity Commission Inquiry into Carers Leave*, Arafmi Ltd, Brisbane.
- <sup>xiv</sup> Productivity Commission 2020, *Mental Health - Report no. 95*, Canberra, p81.