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**Submission to the Productivity Commission Inquiry into Carer Leave
From: The Women, Work and Policy Research Group**

<https://www.sydney.edu.au/business/our-research/research-groups/women-work-policy-research-group.html>

Productivity Commission
Locked Bag 2, Collins St
East Melbourne Vic 8003

Dear Committee,

We write to you as Director and Deputy Director of the Women, Work and Policy Research Group at the University of Sydney Business School.

Established in 2006, the goal of the Women and Work Research Group is to build equitable workplaces and sustainable careers for women. Through our research we aim to expand our knowledge and research expertise on women and work in Australia and the Asia-Pacific region. Ongoing public and political debates about family leave, industrial relations, access to childcare, declining birth rates and low levels of female representation on company boards, highlight the need for quality research in this field.

Please find below our responses to the Committee's questions.

How often does the decision to become a carer necessitate changed work arrangements or leaving the workforce?

The provision of care is a strong driver of temporary or permanent labour market exit. In the 2020 National Carer Survey, a national survey of carers of a person with a disability, chronic illness, or older relative run by Carers NSW, 27.5 per cent of respondents reported quitting their job in order to meet their care responsibilities.¹ In the ABS Survey of Retirement and Retirement Intentions (2020), 1 in 10 people aged 45+ who had retired said that they had done so to provide unpaid care for a person with a disability, chronic illness, or ageing relative.² To our knowledge there is little data modelling the potential impact of paid and unpaid leave on carers' propensity to leave the labour market, with the exception of Ikeda (2017) who found that long carer leaves have a positive impact on job continuation until the period of care exceeds three years, beyond which flexible work becomes more important in job continuation.³ However, carers report that access to carer leave can reduce their work/care conflict,⁴ and work/care conflict is associated with labour market withdrawal,⁵ so there is a larger body of research that supports an indirect relationship between carer leaves and remaining in paid work.

How many older Australians receive informal care and formal in-home care? What formal services would be difficult for some older Australians to access without informal support? To what extent do informal carers support older Australians who are in residential aged care?

As most older people have a preference for ageing in place, informal care of ageing parents living in the community is prevalent. In 2015, the ABS reported that 420,700 carers provided care for an ageing relative in the community.⁶ Informal carers play an essential role in underpinning the healthy functioning of the home care system. They play a very large role in navigating systems and managing and monitoring care, and research suggests that older people without access to informal carers can experience greater difficulty in accessing aged care in the community.⁷ They also fill gaps in the formal care system, including providing care while older people are waiting for a home care package, providing support that is not available in an older person's home care package, and providing additional kinds of support such as around the

¹ Carers NSW (2020) For the report, see: https://www.carersnsw.org.au/uploads/main/Files/5.About-us/Our-research/Summary_Report_HighRes.pdf

² Australian Bureau of Statistics (2020). Retirement and Retirement Intentions, Australia. Accessed 31 August 2022, at <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/2018-19>

³ Ikeda, S (2017) 'Supporting working carers' job continuation in Japan: Prolonged care at home in the most aged society', *International Journal of Care and Caring*, 1(1), 63-82.

⁴ Scott, E (2018) 'Mother-ready jobs: employment that works for mothers of children with disabilities', *Journal of Family Issues*, 39(9), 2659-84

⁵ Constantin, A; Hamilton, M; Zettina, N; Baird, M; Dinale, D; Gulesserian, L; Williams, A; (2022) Looking Beyond Hours of Care: The Effects of Care Strain on Work Withdrawal Among Australian Workers, *International Journal of Care and Caring*.

⁶ Royal Commission into Aged Care Quality and Safety. *Carers of Older Australians*. Background Paper 6. July 2019, p.1.

⁷ Xie, Y; Hamilton, M; Peisah, C; Anstey, K; Sinclair, C (under review) "Navigating community-based aged care services by older people and their informal carers from the consumer perspective: A Scoping Review", please contact submission authors for further detail.

clock monitoring, emotional support and company, emergency support and so on.⁸ Informal carers also provide care for older relatives living in residential aged care. The care responsibilities change, but do not cease, when an older relative enters a residential aged care facility. This includes things like, supporting them to transition into their new living arrangement, visiting during emergencies or to manage challenges with staff, being involved during health emergencies, communication and advocacy, and more.⁹ All of these care responsibilities have an impact on informal carers' paid work, and some aspects of their caring responsibilities can involve temporary periods of intensive support and care that are extremely difficult to combine with paid work and for which longer periods of leave would be particularly helpful, such as rehabilitation support for an older relative to transition back home after a stay in hospital, or supporting an older relative at the end of life.

Are different groups of informal carers (for example, women, young people, older carers, etc) more or less likely to be affected?

Women are more likely to be caring for an ageing relative, or a person with a disability or chronic illness, than men. They are also 2.5 times more likely to be *primary* carers than men, or provide the most intensive care.¹⁰ Older people are more likely than younger people to be caring for a person with a disability, chronic illness, or older relative, and the older a person becomes, the more likely they are to take on these care responsibilities until the age of 65 when it begins to plateau.¹¹ Women and people aged 45+, therefore, are more likely to be combining paid work with the unpaid care of person with a disability, chronic illness, or older relative, and more likely to experience interruptions to their paid work as a result.

In what circumstances are the current paid or unpaid leave provisions inadequate? Do the eligibility requirements for the paid and unpaid leave entitlements allow them to be used by informal carers of older Australians? If not, why? Are there barriers that limit informal carers of older people from using the entitlements?

The current leave arrangements have some limitations that create barriers to access. The paid leave provisions are currently too short in duration. They provide only 10 days per annum and combine personal and carer leave. People with care responsibilities are more likely than those without care responsibilities to work part time.¹² Consequently, carers of an older person (or a person with a disability or chronic illness) are likely to have their 10 days per annum reduced on a pro rata basis, so that the actual days of paid leave they have access to per year is less than 10. In addition, a considerable proportion of carers provide care for more than one person. For example, many carers combine the provision of support for an ageing relative, family member with a disability or chronic illness, with the care of dependent children or grandchildren.¹³ Consequently, the amount of paid leave is inadequate to meet their care responsibilities.

⁸ Royal Commission into Aged Care Quality and Safety, op. cit., p.3.

⁹ Fetherstonhaugh, D., Rayner, J.-A., Solly, K. and McAuliffe, L. (2021), 'You become their advocate': The experiences of family carers as advocates for older people with dementia living in residential aged care. *Journal of Clinical Nursing*, 30: 676-686

¹⁰ ABS (2018). Disability, Ageing and Carers, Australia: Summary of Findings. (abs.gov.au)

¹¹ ABS SDAC 2015 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings, 2015 (abs.gov.au)

¹² AHRC (2013) Investing in Care, Vol 1, Australian Human Rights Commission

¹³ Carers NSW (2020), op. cit., p.18.

Carers are also more likely than non-carers to themselves be living with a disability and chronic illness,¹⁴ which means that they have 10 days or fewer of paid carer/sick leave per annum to support them to manage both their care responsibilities and their own personal health needs. Carers have reported to us in our research that they use up all of their personal leave on their care responsibilities and have none left to use when they are unwell. Poor health of carers is also a driver of labour market exit,¹⁵ so the lack of leave to appropriately manage their own health needs is likely to be contributing to the labour market withdrawal of carers.

In addition, sometimes carers experience periods in which their care responsibilities are more intensive, and they are unable to be accommodated in the combined periods of paid personal and unpaid carer leave. For example, during periods of intensive treatment when an older relative needs constant support, when an older relative is receiving palliative care at the end of life, during key housing transitions, or after a serious injury.

We seek your views on whether there are costs and benefits of leaving formal employment to provide informal care that carers don't take into consideration. To what extent and how do carers consider the following factors when deciding whether to provide informal care: their ability to return to work; their future income, including retirement income; the health and wellbeing of the care recipient; their own health and wellbeing; the cost of alternative care arrangements; any other important matters

Unpublished research for the NSW Government by Hamilton et al (2020)¹⁶ suggests that carers make trade offs about the costs and benefits associated with care provision. The primary factor driving decisions for most carers in our research is the capacity to meet the needs of the family member for whom they provide care, and other family members. Consequently, carers traded off their employment goals and needs, their incomes and retirement incomes, and their health. In our research, carers tended to prioritise their family/care responsibilities, followed by their financial needs, followed by their career goals and preferences, with their health and wellbeing often receiving the least amount of attention. This does not mean that the carers are not taking these things into consideration, but rather because of their care responsibilities, combined with the limitations in the formal care services available and the lack of employment that meets their needs, they are forced to make trade-offs. Hence for many, it is not a 'decision' to provide informal care, it is a family obligation made within a series of constraints. Better access to leave would support them with more options, such as taking a break from work, and this has the potential to reduce the speed with which they are forced to make work-related trade-offs, such as reducing hours, finding a new job that is more flexible and closer to home (often not commensurate with their skills and experience), or leaving the labour market altogether.

We seek your views on how we ought to assess the redistributive effects of the proposed entitlement to unpaid carers' leave and other policies that might support carers.

The benefits are likely to include, but are not limited to:

Benefits for carers, through reducing work/care conflict, improving attachment to the labour market through job protection, improvements to health and wellbeing through reduced work/care conflict and ability to provide adequate care for their relative, and (if paid), improvements to financial security and retirement incomes.

¹⁴ ABS (2018). Disability, Ageing and Carers, Australia: Summary of Findings. (abs.gov.au)

¹⁵ Carers NSW (2020), op. cit., p.33.

¹⁶ Please contact authors of submission for further detail.

Benefits for care recipients, through additional support from family (often desired during periods of intensive care needs), increased likelihood of remaining living in the community rather than a residential aged care facility or rehabilitation facility (in the case of older people) and a hospice or hospital (in the case of people at the end of life), more time for carers to navigate service systems is likely to result in better formal services.

Benefits to employers. Research suggests that businesses that provide paid sick leave have lower turnover rates, recruitment costs and absenteeism, and higher productivity than firms that do not offer these benefits. The same principles apply to carer leave. Without access to leave, employees balancing work and care can exhibit greater absenteeism and presenteeism (or being present at work but not fully functioning), which cost employers.¹⁷ Access to carer leave is likely to increase retention and reduce absenteeism and presenteeism.

Benefits to the economy, including more carers remaining attached to work in the longer term, paying taxes and not experiencing the serious challenges associated with finding a new job after a period of care, reducing their likely need to require extended support through the income support system. There are also likely benefits in the reduction in expenditure on formal care costs if older people, people with disability or chronic illness, and people at the end of life are able to receive the care they need in the community rather than in institutional settings.

Costs may include, but are not limited to:

For carers, if unpaid, longer leaves may contribute to further financial hardship and lower retirement incomes. If the leaves are unpaid and are mostly taken by women, this may increase the gender gap in lifetime earnings and retirement incomes. Note that unpaid leaves should not be seen as an alternative to formal care. Continued improvements to formal care systems are essential. If not also accompanied by improvements in formal care services, long periods of unpaid carer leave with inadequate support from formal services could increase carer burnout.

We seek your views on how an entitlement to extended unpaid carer leave ought to be designed. Who should be eligible and why? What criteria should an employee need to meet and why? For example, tenure, relationship to the care recipient, and/or the nature of care required. Should access to the proposed entitlement be once-off or occur more often? How long should an entitlement to unpaid leave to care for an older person be? How should the entitlement be provided (for example in single block or in multiple) and why?

Eligibility: Any extension to the carer leave provisions should be available to **all** carers, not just carers of an older person. All carers experience similar barriers in the use of carers leave. Carers of a person with a disability or chronic illness, and carers of a person at the end of life should also have access. For example, a person with a disability or chronic illness may require a period of intensive support from a carer after an accident or injury, or a person with a mental illness can experience episodic periods of high support needs. The current system does not enable the leave required to provide that support. For carers of a person at the end of life, limited carer leave adds to the burden that they carry during an already difficult time. Some drop out of work or take leave without pay, causing long-term financial hardship or making it difficult to re-enter the workforce once their loved one dies. Others are forced to work more than they wish through their loved one's end of life. Being unable to meet their expectations

¹⁷ Hamilton, M and Broom, A (2021) 'They died surrounded by family and friends (who could get leave from work if they needed)', Croakey, 22 March 2021

and desires for fostering a ‘good death’ causes emotional hardship, likely resulting in more complex grief post death.¹⁸

The Productivity Commission should consider methods of making new leave arrangements available to casual staff – regardless of whether it is paid or unpaid. Large numbers of carers are in casual work because of the flexibility it can provide,¹⁹ and any new carer leave provision should not exclude this group of carers.

Duration: Internationally, longer carer leaves provide job protection for a period of 3-6 months, and most are available annually or recurrently, with only one country (we believe) with a maximum lifetime period.²⁰ In two cases (France and Austria), the initial period is for three months with a possible extension of three months.²¹ Several countries provide up to 12 months and several (i.e., Spain and Italy) provide two or more years.²²

Paid/unpaid: We strongly recommend that the Commission does not limit its consideration to that of *unpaid* leave. In our view, increasing the current duration of **both** paid and unpaid carer leave in the NES is likely to achieve the best outcomes for carers. Carers are already much more likely than non-carers to experience financial hardship and to have low retirement savings,²³ and unpaid leave is likely to exacerbate these unequal financial outcomes. As women are more likely than men to have care responsibilities, it is women who are likely to be affected the most by the reduction in income and retirement income associated with taking extended unpaid leave. International research²⁴ also suggests that unpaid leaves have lower take up rates than paid leaves as carers must continue to work during periods of intensive care provision out of financial necessity, placing additional pressure on their health and wellbeing and the sustainability of the care relationship.

Internationally, many countries have longer carer leaves and almost all that do combine these with a shorter leave period with different conditions. In most countries, a shorter period (up to 30 days) of paid leave is combined with a longer period of unpaid leave. In most cases (with several exceptions i.e., Belgium and Austria, which provide 55 per cent wage replacement) extended leaves are unpaid but those on leave are eligible to apply for an income support style carer assistance payment for the duration of the leave.²⁵ In Germany, they use a different model whereby employees may reduce their working hours to provide care for a period of up to two

¹⁸ Hamilton, M and Broom, A (2021) ‘They died surrounded by family and friends (who could get leave from work if they needed)’, Croakey, 22 March 2021

¹⁹ Deloitte Access Economics (2020) *The value of informal care in 2020*. Carers Australia, p. 25.

²⁰ ICF and Cambridge Econometrics (2017) Study on the costs and benefits of possible EU measures on to facilitate work-life balance for parents and care givers (Final Report). Brussels, Belgium: European Commission, Director General for Justice and Consumers

²¹ Baird, M; Hamilton, M; Dinale, D; Gulesserian, L; Heron, A (forthcoming) ‘Broadening our conception of leave: Leave to care for self and others over the life course’ Chapter 25 in Ivana Dobrotić, Sonja Blum, Alison Koslowski (eds) Edward Elgar Research Handbook on Leave Policy

²² Bettio, F & Verashchagina, A (2012) Long-term care for elderly. Provisions and providers in 33 European countries. Luxembourg City, Luxembourg: European Commission.

²³ AHRC (2013) Investing in Care, Vol 2, Australian Human Rights Commission

²⁴ Rogero-García, J. & García-Sainz, C. (2016) ‘Caregiver Leave-Taking in Spain: Rate, Motivations, and Barriers’, *Journal of Aging & Social Policy*, 28(2): 98-112

²⁵ Baird, M; Hamilton, M; Dinale, D; Gulesserian, L; Heron, A (forthcoming) ‘Broadening our conception of leave: Leave to care for self and others over the life course’ Chapter 25 in Ivana Dobrotić, Sonja Blum, Alison Koslowski (eds) Edward Elgar Research Handbook on Leave Policy

years. This is unpaid but half of their foregone earnings are advanced to them as an interest free loan to be paid back as an ongoing salary reduction.²⁶

In Australia, new leave arrangements would need to be adequately integrated with the income support system. Particularly if the leave is unpaid, we urge the Productivity Commission to explore international models of providing assistance payments to carers during periods of unpaid leave to mitigate financial hardship. There are currently a number of barriers in the income support system for carers that would prohibit them from receiving Carer Payment while on unpaid leave to provide care:

- The carer and their partner must meet an income and assets test, which means that if one member of a couple took unpaid leave, they would only be able to draw on Carer Payment if their partner was on a low income and if they had low household assets. Currently a couple may only earn \$336.00 per fortnight before the taper rate begins to reduce the value of the fortnightly payment. The care recipient must also meet an income and assets test, which means that a carer who takes unpaid leave to care for a relative with income/assets that exceed the limits will not be entitled to Carer Payment during the leave period.
- Recipients of Carer Payment may only work up to 25 hours per week including travel time, which may place limitations on carers' capacity to receive Carer Payment if they are using unpaid leave flexibly to combine part time work and part time unpaid leave.
- Carer Allowance is less restricted, with no assets test and a much higher household income limit and no restrictions on participation in paid work. However, the payment is very low - \$136.50 per fortnight, about one seventh of Carer Payment and is not designed for income replacement but rather meeting the additional costs associated with care.
- Recipients of Carer Payment (and Carer Allowance), and the person for whom they care, must both be 'residents' (i.e., citizens, permanent residents, or protected Special Category visa holders). They must both also be in Australia. This means that carers who are temporary residents, or who are citizens/permanent residents themselves but caring for someone who is not, would be entitled to unpaid leave in the NES but not entitled to Carer Payment while on leave. With 1 in 4 Australian residents²⁷ born overseas, many will have care responsibilities for relatives that are living in Australia on temporary visas or living abroad. Extended leaves will be particularly useful for groups with care recipients abroad,²⁸ yet Carer Payment will not be accessible to them.

Flexibility: We recommend that the Productivity Commission consider flexibility in the use of any new leave provision. In most international cases there is some flexibility in the use of

²⁶ Maetens A, Beernaert K, Deliens L, Aubry R, Radbruch L, and Cohen J (2017) 'Policy Measures to Support Palliative Care at Home: A Cross-Country Case Comparison in Three European Countries,' *Journal of Pain and Symptom Management*, 54(4), 523-529.

²⁷ Hamilton, M; Kintominas, A; Brennan, D (2018) The Temporary Sponsored Parent Visa, Migrant Grandparents and Transnational Family Life, Markets Migration and Care Project Policy Brief No. 2, October 2018.

²⁸ Hamilton, M; Kintominas, A; Brennan, D (2018) The Temporary Sponsored Parent Visa, Migrant Grandparents and Transnational Family Life, Markets Migration and Care Project Policy Brief No. 2, October 2018

the leave, for example, most countries allow it to be taken full or part time and several allow the leave to be shared by multiple caregivers or taken concurrently.²⁹ We know from international evidence on parental leaves that where leaves can be taken flexibly, men are more likely to use them, which is a useful consideration given the issues associated with creating an unpaid leave provision that is mostly used by women.³⁰ We also recommend that Commission consider ‘keeping in touch provisions like those available in the current Parental Leave Pay Scheme, so as to maintain the employee’s connection to their employer and to keep the employer informed of any changes in the employee’s care needs.

What types of alternative support measures are most needed by informal carers?

There are many supports that mitigate the impact of providing care on carers work, education, incomes, and health and wellbeing, including: carer support services (i.e., counselling, coaching); formal care services such as disability, mental health and aged care, replacement (or respite) care, and navigation support; flexible workplace arrangements; income support and support with accumulating adequate retirement incomes; appropriate training and job search support; and others. For a detailed discussion of these options, see the Australian Human Rights Commission Reports Investing in Care Volumes 1 and 2.³¹

We are happy to discuss any material in this document in more detail if useful.

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²⁹ Baird, M; Hamilton, M; Dinale, D; Gulesserian, L; Heron, A (forthcoming) ‘Broadening our conception of leave: Leave to care for self and others over the life course’ Chapter 25 in Ivana Dobrotić, Sonja Blum, Alison Koslowski (eds) Edward Elgar Research Handbook on Leave Policy.

³⁰ Baird, M; Hamilton, M; Constantin, A (2021) Gender equality and paid parental leave in Australia – A decade of giant leaps or baby steps?, *Journal of Industrial Relations*.

³¹ Australian Human Rights Commission (2013) Investing in care: Recognising and valuing those who care, Volume 1 Research Report, Australian Human Rights Commission, Sydney. Available at: http://humanrights.gov.au/pdf/sex_discrim/publications/UnpaidCaringVolume1_2013.pdf
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