

25 August 2022

Commissioner Catherine de Fontenay and
Commissioner Martin Stokie
Productivity Commission
Via email: carersleave@pc.gov.au

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Dear Commissioners,

Anglicare Australia welcomes the opportunity to provide brief feedback to the Productivity Commission's inquiry into carer's leave.

A decent, secure income is crucial to people's wellbeing. Income provides stability and helps people plan for their lives. It is the anchor that allows people to look after themselves and to make decisions for their future, like securing a place to live.

Informal carers are one of the most vulnerable and disadvantaged groups in Australia. Taking care of a loved one or a friend can be extremely rewarding and fulfilling, but it can also negatively impact an informal carer's health, wellbeing, and financial security. For example, carers are 2.5 times more likely to experience low wellbeing, twice as likely to experience poor health, three times more likely to regularly experience loneliness and have poorer financial wellbeing compared to the general population.ⁱ

Being a carer can present challenges to maintaining participation in the labour force. For people aged 15-64, only 58.8 percent of primary carers were in the labour force, compared to 81.5 percent for non-carers.ⁱⁱ This means they are also much more likely to be in receipt of government pensions or allowances, which are set at a level below the poverty line.

Current arrangements fail to adequately support informal carers. We appreciate the spotlight the Productivity Commission is shining on the value and contribution they make to our society.

Anglicare Australia is of the view that a legislated right to return to work will be helpful. But having enough money to live on while carrying out caring responsibilities is far more important.

The Issues Paper notes the gendered dynamic in unpaid caring. Women shoulder most of the responsibility for unpaid care work. Encouraging more women to take unpaid leave to care for loved ones may have an unintended impact of widening the gender pay gap, as they miss opportunities for career advancement and salary increases available to male counterparts. Extended unpaid leave can also reduce women's superannuation balances, leaving them at risk of poverty as they age.

To address these and other issues, we suggest the Productivity Commission explore the option of a permanent, basic and universal income for all Australians.

In 2020, the JobSeeker payment was lifted above the poverty line, and JobKeeper gave stability to people in insecure work. People were able to afford fresh food, fill their prescriptions and pay their bills on time. This effectively gave Australians access to a form of basic income for the first time.

A permanent basic income would lock in these benefits for all Australians, including carers. Anglicare Australia's *Valuing Every Contribution* research examined support for a permanent basic income. Not only did we find strong support for the idea, but there was little evidence that it would reduce the incentive to work.ⁱⁱⁱ Additionally, the survey found that almost one in four respondents (22 percent) hoped to dedicate more time to caring for friends and family.^{iv} This is an important finding, as the need for informal care labour is projected to surge by 23 percent in the coming decade as population ages.^v At the same time, rising living costs means that the pool of carers is likely to shrink as fewer people can afford to devote time to this essential work. Carers lose \$15.2 billion in forgone earnings each year, highlighting the importance of secure incomes to support informal care.^{vi}

Introducing a permanent basic income would also benefit carers who do not qualify for Carer's Payment, such as carers of individuals who do not score high enough on the *Adult Disability Assessment Determination 2018* or carers of people who have an illness or disability of shorter duration or fluctuating nature.^{vii}

Anglicare Australia looks forward to working with the Productivity Commission towards a fairer and more just Australia. If the Commissioners would like to discuss anything raised in this submission, please do not hesitate to contact us on anglicare@anglicare.asn.au.

Yours sincerely,

Kasy Chambers
Executive Director

ⁱ Carers Australia (2021) [Caring for Others and Yourself: The 2021 Carer Wellbeing Survey](#).

ⁱⁱ Evaluate and Carers Australia (2022) [Caring Costs Us: The economic impact on lifetime income and retirement savings of informal carers](#).

ⁱⁱⁱ Anglicare Australia (2021) [Valuing Every Contribution](#).

^{iv} Ibid.

^v Deloitte Access Economics (2020) [The value of informal care in 2020](#).

^{vi} Ibid.

^{vii} Services Australia (2021) [Rules for the person 16 or older getting care](#).

