



Submission to the Productivity Commission's 5 pillars of productivity inquiries



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Introduction

Carers are people who provide unpaid care and support to family members and friends who live with disability, mental illness, a chronic condition, terminal illness, an alcohol or substance issue or who are frail aged.

About Carers Australia and our submission

Carers Australia is the national peak body representing over 3 million Australians. Our vision is an Australia that values and supports all carers, where all carers have the same rights, choices, and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment, and education.

Carers Australia welcomes the opportunity to provide a submission to the Productivity Commission's (the Commission's) inquiry on the five pillars of productivity. Our submission focuses on the 2 interim reports - *Building a skilled and adaptable workforce* and *Delivering quality care more efficiently*.

The invaluable contribution of our 3 million informal carers

Informal carers make an invaluable contribution to the care and lives of the people they care for, and to the community more generally. Family and friends are the main source of care for both older Australians and people with a disability. In 2022:

- 72% of older Australians (people over the age of 65) received assistance from family and friends and 58% from a formal care provider
- 48% of people under the age of 65 with disability received assistance from family and friends and 34% from a formal care provider.¹

The contribution of Australia's 3 million informal carers was estimated to be \$78 billion in annual replacement care costs in 2020.² Today that equates to \$110 billion or 98% of the Australian Government's health spend for 2024-25.³

Informal carers are clearly critical to the sustainability of our taxpayer-subsidised health and care systems. They also help people receiving care navigate the health and care systems and to receive care in their preferred settings for longer. And as the Commission noted, 'care provided by family members and friends is often associated with continuity of care and trusting relationships between caregivers and recipients, which are important facets of quality'⁴.

But despite the invaluable contribution of informal carers, they are often overlooked⁵, including in conversations and policy debates about the care economy and productivity. As a paper by the World Bank Group noted, 'there is relatively scarce recognition of the tradeoffs and risks faced by providers of informal care. ... —the well-

¹ [Disability, Ageing and Carers, Australia: Summary of Findings, 2022 | Australian Bureau of Statistics](#)

² [The value of informal care in 2020 | Deloitte Australia](#).

³ [Health – Parliament of Australia](#)

⁴ [A case for an extended unpaid carer leave entitlement?](#), p. 3.

⁵ The National Carer Strategy spoke to improving awareness of carers, including 'identifying key legislation and policy areas for review and addressing unintended policy consequences that may impact carers or further constrain their choices', p. 32, [National Carer Final Strategy](#)

being of caregivers—has been largely overlooked in the economics literature and in policy discussions on the relative effectiveness of various eldercare ... models'.⁶

When looking at the issue of how to deliver quality care more efficiently, it is important that governments take a whole of care system perspective. This includes considering the full costs and benefits of care (and who benefits and who bears the costs) and how the different components interrelate. Not looking at the big picture (including the impacts of caring on carers wellbeing, their workforce participation and productivity) risks governments implementing poor policies.

Unlocking the productivity potential of informal carers

While informal carers choose to care, and caring can be rewarding, the choice to care is often a constrained choice – that is, it is made of necessity (for example, because formal care is not available, wait times for health and care services are long, care is of poor quality) or because of a sense of responsibility or emotional attachment.⁷ Primary carers, when asked the reasons for taking on their caring role, said – a sense of family responsibility (65%), emotional obligation (47%), ability to provide better care than anyone else (46%), no other family or friends available (27%), and they had no other choice (24%).⁸

Caring can also have an impact on carers (and these impacts can affect productivity with implications for the economy).

- Caring can negatively affect carers' health and wellbeing. The 2024 Carer Wellbeing Survey found carers to be less than half as likely to have good health than other Australians (17% compared to 45%) and twice as likely to report high or very high levels of psychological distress. Ill-health and poor wellbeing can reduce carers' participation in work and make them less productive. It can also affect the quality of their care and their ability to continue providing informal care (which in turn can lead to increased costs to health, care and welfare systems)
- Caring can affect carers workforce participation, and the type of work they undertake. In 2024, only 22% of informal carers said caring had not impacted their employment.⁹ For example, carers may opt for lower-skilled and lower-paid jobs to fit into their caring schedules and/or to allow for more flexibility. When carers work at lower skill levels than they are capable of or could have performed if they had better health and wellbeing, this is a loss of human potential and productivity. Caring is also more common later in life when workers are most skilled and experienced.
- If carers have long periods away from the workforce and lose skills, they can be less productive when they return to work or are unable to return to work at all.

These points highlight the importance of supporting carers to continue to care, to make their choice to care a less constrained choice, and to help them use their capabilities.

⁶ The World Bank Group, *Why should we care about care? The role of informal childcare and eldercare in aging societies*, p. 9.

⁷ Productivity Commission (2023) [A case for an extended unpaid carer leave entitlement?](#)

⁸ [Disability, Ageing and Carers, Australia: Summary of Findings, 2022 | Australian Bureau of Statistics.](#)

⁹ Carers NSW, 2024 National Carers Survey, Caring for others & yourself. [Final-CWS-2024-Report-compressed.pdf](#)

Key to supporting carers juggle care and work, and making caring less of a constrained choice, is the availability of formal care. But there are long wait times for both assessments and supports. Over 80,000 people are waiting for home care packages at their approved level.¹⁰

“Such lengthy process of applying for an ACAT assessment, long wait times for an aged care package and then the incredibly complex process of finding a care provider that meets your needs and has a fee structure you can afford ...”

“A straight answer would be appreciated. Timely responses - it took 18 months to be granted funding for level 3 My Aged Care despite being told my husband was entitled to it. Not received an answer about level 4 funding. Taken 12 months so far!”

Carer responses from the 2023 National Carer Wellbeing Survey.

Respite and other carer-focused wellbeing activities can provide carers with breaks and time to give their own health attention. It can help carers combine work and care (and potentially delay the person they are caring for requiring residential care), work more efficiently and do more high-value tasks (with flow-on benefits for productivity). The 2024 Carer Wellbeing Survey found carers wellbeing increased with access to respite care. But carers struggle to access timely and flexible respite and to find suitable respite options. 45% of carers responding to the Survey said they have difficulty finding high quality respite services and 44% said they had difficulty affording respite services.

The Office of the Inspector-General of Aged Care 2025 Progress Report reported little progress on addressing respite issues over the last 4 years following the Royal Commission. The report also noted that despite increased funding for respite care it had ‘not markedly increased access to, or the quality of, respite care’¹¹. The Office heard that providers often insist on minimum stays of 4 weeks, that respite continues to be used as a ‘try before you buy’ means of entering residential care, emergency respite is difficult to secure, and respite in-home is very limited. The Inspector-General has called for the Australian Government to commit to reforms to drive the availability and quality of respite.

Carers Australia supports more investment in in-home and residential respite care and reforms to improve the suitability, availability and quality of respite care. The incentives providers face under current arrangements to provide flexible and accessible respite care services that aligns with the needs of people needing support should be looked at closely. Investments that enable informal carers to undertake their caring role more effectively (including because they have had a break) and participate in the workforce will help deliver a more sustainable and efficient care economy and improve productivity.

¹⁰ As at December 2024. UARC- Australia’s Aged Care Sector – Mid Year Report 2024-25.

¹¹ [2025 Progress Report from the Inspector-General of Aged Care | Inspector-General of Aged Care](#), p. 25.

Building a skilled and adaptable workforce

The importance of foundational skills and capabilities for productivity growth

The Commission's Inquiry interim report, *Building a skilled and adaptable workforce*, speaks to the importance of foundational skills for adaptability and improving productivity and employability. Carers Australia agrees with the Commission on the importance of foundational skills and building Australia's human capital for productivity growth. In this context, young carers warrant special attention because the evidence shows that they are at risk of falling behind their peers in reading and numeracy and leaving school without strong foundational skills.

"Sometimes I feel like I am constantly two steps behind everyone else my age. I wish that I were able to have the same opportunities as everyone else my age." - Anonymous young carer, National Carer Strategy, p. 41

"The caring role I have has a big impact on my studies and education. I have missed out on a lot of school due to having to participate in appointments but also stressing about my parents while I am at school which gives no space in my brain to learn. At school I get fidgety due to worrying about what's happening at home: is everything okay, is anyone dead, has anyone killed themselves? I have no focus, but I try really hard." - Anonymous young carer.

Research based on data from the Longitudinal Study of Australian Children found substantial differences in cognitive outcomes among young male carers at age 14-15 years compared to their peers.¹² Young male carers who spent at least 5 hours each week caring were around 1.5 years behind their peers in reading and 1.4 years behind their peers in numeracy.¹³

Carers Australia recommends addressing young carers educational disadvantage¹⁴ as a priority. With evidence of caring affecting young peoples' educational trajectories and life chances (young carers are also at risk of long-term welfare dependency)¹⁵ there is a case for specially targeted initiatives to ensure they reach their full potential. Young carers should not be disadvantaged because they take on a caring role. Targeted initiatives could help change the education and employment trajectory of young carers, address inequities and deliver benefits to the economy. As the AIFS report said, 'further assistance throughout the school years for those who are likely to have caring

¹² Warren, D., & Edwards, B. (2025). Young carers: Impacts of caring on children's learning and wellbeing. Melbourne: Australian Institute of Family Studies, [Young carers: Impacts of caring on children's learning and wellbeing. LSAC Annual Statistical Report 2016](#)

¹³ The study controlled for a range of factors, including early ability levels and aspects of the home environment.

¹⁴ The AIFS report also found that compared to their peers, adolescents who care for a household member at least 5 hours per week were more likely to live in a jobless household from a young age, have significantly lower levels of household income throughout their childhood, and experience financial hardship.

¹⁵ Young carers receiving income support are a priority group for policy makers. Price Waterhouse Coopers Baseline Valuation report (2016) to inform the Australian Priority Investment Approach to Welfare identified young carers aged 24 and under receiving carers' payments as vulnerable to the risk of long-term welfare dependency. Estimates suggest that over 60% of young carers will be receiving income support in 10 years and 48% in 20 years. [Valuation Report, 30 June 2016 Valuation](#)

responsibilities for family members is likely to reap dividends for the future of these young people and also wider society'¹⁶.

Access to the best resources to improve school student outcomes

Carers Australia supports the Commission's recommendation for the Australian Government investing in a single, national platform that houses a bank of high-quality, curriculum-aligned lesson planning materials for teachers. Improving the quality of teaching and efficiency of providing education is fundamental to improving capabilities, student outcomes and productivity. If a national platform can provide teachers with easier access to the best available information and evidence-based tools this could mean they spend less of their valuable time sourcing materials and planning lessons and more time assisting students with their learning needs. Easier access to materials can also mean teachers are more effective (students perform better) and their workloads are reduced (which could help retain good teachers and be good for teachers' wellbeing).

The national platform should house a bank of learning resources focused on supporting young carers to achieve their full potential. Teachers need to be made more aware of the challenges faced by young carers and to have access to evidence-based practices to assist young carers who are falling behind their peers. Young carers should have the opportunity to be tomorrow's productive workers and to have the foundational skills that mean they can upskill or reskill later in life.

Carers Australia also supports a national approach to advanced educational technology (and learning from early adopters), particularly given the potential of such technologies to support students, such as young carers, who are falling behind their peers.

Building skills and qualifications for a more productive workforce

When taking on a caring role, informal carers can be required to learn new information about the condition of the person they are caring for, and to acquire new skills and knowledge so they can provide quality care. This can include, for example, training in wound care, medication management and manual handling. The skills and knowledge carers gain while caring are valuable and could be transferable to the workforce. Better recognition of the knowledge and skills gained while caring could help carers participate in or re-enter the workforce after the end of their caring activities and make it easier for them to build their skills over time.

A 2014 Community Services and Health Industry Skills Council report, *Improving Recognition of Carers' Skills Literature Review*, found that the competencies developed in providing unpaid care ticked nearly all the boxes in the aged care, disability and community services sectors.¹⁷

While not all carers will want to take on a paid support worker role after undertaking unpaid care, some will, and this could be a way for some carers to re-enter the workforce. The 2024 National Carer Survey found that almost 1 in 4 (23%) carers who

¹⁶ [Young carers: Impacts of caring on children's learning and wellbeing](#), p.7

¹⁷ <https://studylib.net/doc/7046664/improving-recognition-of-carers--skills-literature-review>

were working or looking for work had previously worked in paid care work and 24% were open to doing paid care work.¹⁸

Courses customised to the needs of time-poor and mobility-constrained carers could be a way to help carers build their skills while caring and to find work after they have ceased caring or when their caring role allows them to combine work and care.

Fit-for-purpose occupational entry regulations

Occupational entry regulations (OERs), like all regulations, should be fit-for-purpose. If the minimum conditions for entry into occupations are excessive (that is, they go beyond what is needed to safeguard consumers and workers) they can reduce workforce mobility and result in higher prices and less choice for consumers. They can also stifle innovation and make the economy less productive. Carers Australia supports reducing overly restrictive and inconsistent OERs, as well as improved and regular review of OERs.

That said, in the context of aged care, concerns raised with Carers Australia are more around staff not being sufficiently skilled or trained, including in the context of staff having the skills to adequately care for people living with dementia. The Aged Care Royal Commission also found that ‘aged care workers often lack sufficient skills and training to cater for the needs of older people receiving aged care services. Inadequate staffing levels, skill mix, and training are principal causes of substandard care in the current system’.¹⁹ It called for mandatory training to develop a workforce capable of supporting people with dementia and people receiving palliative care.

The Office of the Inspector-General of Aged Care’s 2025 Progress Report²⁰ on the Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety called for a greater focus on workforce quality and progress on implementing mandatory training, minimum qualifications for personal care workers and worker registration.

Carers Australia supports improved education and training in dementia care for the workforce and for family and friends carers of people with dementia.

Delivering quality care more efficiently

With an ageing population, rising chronic disease and the care economy growing faster than other parts of the economy, it is important to be looking for ways to deliver quality care more efficiently. Reforming our care systems is key to making them more sustainable and getting the best value for our care spending. However, as the Commission acknowledges, measuring output in the care economy is difficult and the delivery of higher quality care services may not show up as improvements in productivity. The focus should not just be on productivity but also on wellbeing, what people value about care, and quality of life.

¹⁸ Carers NSW (2025) 2024 National Carer Survey, Unpublished data

¹⁹ [Aged Care Royal Commission Final Report: Summary](#), p. 76.

²⁰ [2025 progress report on the implementation of the recommendations of the Royal Commission into Aged Care Quality and Safety](#)

Reform of safety and quality regulations for a more cohesive care economy

Better alignment of safety and quality regulations across care sectors and jurisdictions could reduce the regulatory burden on providers and workers, improve efficiency and improve outcomes for care recipients (with more person-centred care and smoother transitions of care). It could also make service navigation easier for care recipients and carers.

Carers Australia consistently hears from carers that services need to be easier to navigate. Navigating different care systems can make it difficult for carers to understand the terms, standards and quality of care they can expect. Different assessments across care systems can also mean retelling the same details and delays accessing supports. As one carer put it, “I feel like an octopus having to navigate multiple different organisations or people within the same organisation”.²¹

Carers responding to the 2024 National Carer Survey also reported service navigation as one of the most challenging and stressful parts of carers caring role. Many carers also reported that the challenges of navigating and coordinating information and services across different service systems significantly impacts their mental health.

Codes of Conduct, quality carer indicators and requirements and employee registration are some elements which could be common across the sectors. Better alignment of safety and quality regulations could also help providers of Carer Gateway services navigate supports for the diverse range of carers they support.

While Carers Australia supports aligning safety and quality regulations to improve efficiency, care outcomes and service navigation, it also recommends the Australian Government revisits the rationales and objectives of the different regulations and considers the specific risks, service context and user requirements in the different care sectors.

A national framework to support government investment in prevention

Carers Australia commends the Commission for its focus on prevention. Investing in prevention and early intervention is key to people living healthier, longer and more productive lives. Spending on prevention can also help future health and aged care budgets, reduce the need for informal carers (with workforce participation effects) and improve people’s quality of life. But as the Commission points out, the value of investing more in prevention is not the issue - there is clear evidence that preventative initiatives are good value for money - rather it is overcoming the barriers (including short-termism, the influence of vested interests and poor coordination of effort) to increasing government investment in effective programs that deliver long-term benefits.

In light of the barriers to investment in prevention programs, and the need for a more sustained commitment to prevention, Carers Australia supports enhanced leadership, a more coordinated (national) evidence-driven approach to investment in prevention and independent assessment of the effectiveness and efficiency of prevention initiatives. We support the Commission’s proposed development of a national framework to guide government investment in prevention.

²¹Anonymous carer, National Carer Strategy, p. 24

Carers Australia also supports increased investment in prevention. While it is difficult to determine the 'right' spend on prevention, the *National Preventive Health Strategy 2021-2030* calls for 5% of total health expenditure to be dedicated to preventative health by 2030.²² This would align with the OECD average health spend on preventative health.²³

Incentives and price signals can also play an important role in encouraging prevention and keeping older people independent.

Carers Australia wants to stress the importance of governments ensuring that system designs and funding arrangements do not disincentivise prevention and early intervention and reinforce a focus on treating illness. Long wait times for home modifications and assistive technology, for example, could shift the focus from prevention to illness, and result in higher health and aged care costs (hospital visits that could have been avoided and premature entry into residential aged care) and poorer quality lives for people requiring care and carers.

Carers Australia looks forward to continuing to engage with the Commission on the key issues of unlocking the productivity potential of informal carers and finding ways to deliver quality care more efficiently.

²² [National Preventive Health Strategy 2021-2030](#), p. 9

²³ Australia currently lags behind the OECD average in terms of health expenditure on preventative care – spending 3% in 2022 compared to the OECD average of 5% (OECD Data Explorer, Health Statistics).

About Carers Australia

Carers Australia is the national peak body representing the diversity of the 3 million Australians who provide unpaid care and support to family members and friends with a disability, chronic condition, mental illness or disorder, drug or alcohol problem, terminal illness, or who are frail aged.

In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network and are an established infrastructure that represents the views of carers at the national level.

Our vision is an Australia that values and supports all carers, where all carers have the same rights, choices, and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment, and education.

Our carers are diverse and include those who:

- have their own care needs
- are in multiple care relationships
- have employment and/or education commitments
- are under 25 years (young carers)
- are 65 years and over
- identify as Aboriginal and/or Torres Strait Islander
- are from culturally and linguistically diverse backgrounds (CALD)
- identify as Lesbian, Gay, Bisexual, Trans and gender diverse, Intersex, Queer, Questioning and Asexual (LGBTIQ+)
- live in rural and remote Australia,
- are former carers (no longer in a caring role), and
- have a disability.

Acknowledgment of country

Carers Australia acknowledges Aboriginal and/or Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to Elders past, present and emerging.



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