

Submission by the Australian Nursing and Midwifery Federation

Productivity Commission - Unpaid Carers Leave

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Australian
Nursing &
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Federation



Australian Nursing and Midwifery Federation / Productivity Commission - Indirect employment in aged care

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Introduction

1. The Australian Nursing and Midwifery Federation (ANMF) is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 310,000 nurses, midwives and care-workers across the country.
2. Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each and every one of these settings, fulfil their professional goals and achieve a healthy work/life balance.
3. Our strong and growing membership and integrated role as both a trade union and professional organisation provides us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.
4. Through our work with members, we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.
5. The ANMF thanks the Productivity Commission for the opportunity to provide feedback on the issues paper concerning a provision of extended unpaid carers leave under the National Employment Standards (NES).
6. The ANMF acknowledges the important role informal caregivers play in the provision of care and wellbeing of older Australians. Providing care for a loved one or a friend can be incredibly rewarding and the value of caring for others cannot be understated.
7. The current NES entitlement to paid and unpaid carer's leave is inappropriately narrow in scope and inadequate in quantum. The entitlement is not broad enough to capture employees who provide ongoing care to older people and affords little flexibility in the way in which it can be used. Furthermore, carers leave entitlements under the NES do not



capture those providing ongoing care to loved ones with disabilities or chronic illnesses.

8. The ANMF supports reform to the NES to better support informal carers of older people, people with a disability or a chronic illness. However, we are of a view that an increased emphasis and reliance on unpaid care arrangements through mechanisms like extended unpaid carers leave will have negative consequences for formal and informal caregivers as well as care recipients.
9. Our concerns relate to the following;
 - (a) **Informal Care and Gendered Outcomes** - Women will be overrepresented when it comes to accessing this type of leave and providing unpaid care. As a consequence, women will experience a reduction in future income, retirement income, workforce participation and opportunities for career progression. These outcomes are counterproductive to the objective of gender equality.
 - (b) **Work Value** – Facilitation of unpaid care arrangements, underwritten by an assumption that there is substitutability between formal and informal care, does little to challenge the persistent undervaluation of professional, care-based industries like nursing
 - (c) **Formal Care Supports** - The sustainability of informal care arrangements are severely limited, without access to appropriate, complementary formal supports and a workforce that delivers those services. An increased emphasis on informal care arrangements in the context of older Australians, undermines the importance and prioritisation that should be given to investment in the aged care workforce and aged care system more broadly.
 - (d) **Workplace Flexibility** – Unpaid carers leave does not solve the issue faced by many informal caregivers who wish to remain in the workforce, but do not have access to robust industrial safeguards that would deliver flexible working arrangements.



Informal Care and Gendered Outcomes

10. In 2020, according to the National Health Work Dataset (published by the Australian Government Department of Health), there was a total of 384,776 nurses and midwives in the workforce, of which 88.4% were women.¹ The ANMF's membership base is consequently overwhelmingly composed of women, likely to feel the impacts of any policy or legislative reform that has gendered consequences or outcomes.
11. As outlined in the PC Issues Paper to this inquiry, the social and familial burden of informal care continues to fall to women. In the context of caring for older people, 70% of primary informal carers are women.²
12. The harm caused to women by assuming unpaid care responsibilities is well-documented. Women who take time out of the workforce to provide unpaid care, have their workforce participation interrupted and consequently experience reduced earning capacity, career prospects, leave accruals, and superannuation contributions, directly impacting on financial security and retirement outcomes.³
13. Improving women's workforce participation and employment conditions should be a core economic imperative for governments with recent figures suggesting that if women's workforce participation matched men, GDP would increase by 8.7 per cent or \$353 billion by 2050.⁴
14. The ANMF is concerned that creating a right to extended unpaid carers leave will exacerbate inequalities in pay and retirement income for Australian women, which is

¹ <http://data.hwa.gov.au/> * This number includes those employed; those on extended leave; those employed outside the profession and looking for work in nursing or midwifery and those not employed and looking for work in nursing or midwifery.

² Australian Bureau of Statistics: *Survey of Disability, Ageing and Carers*, 2018.

³ Workplace Gender Equality Agency: *Unpaid Care Work and the Labour Market*, 2016 [australian-unpaid-care-work-and-the-labour-market.pdf \(wgea.gov.au\)](https://www.wgea.gov.au/publications/unpaid-care-work-and-the-labour-market)

⁴ Equity Economics: *Back of the Pack; How Australia's Parenting Policies are failing Women and Our Economy*, 2021 [EE_Parenting_SPREADS_WEB.pdf \(squarespace.com\)](https://www.equityeconomics.com.au/wp-content/uploads/2021/04/EE_Parenting_SPREADS_WEB.pdf)



counterproductive to achieving gender equality and the economic advantages that would follow.

Retirement Outcomes for Women

15. The current superannuation system in Australia, which is tied to paid work, creates significant inequalities in retirement outcomes for those providing unpaid care, predominantly women.
16. In the years approaching retirement age, the gender superannuation gap can be anywhere between 22 per cent and 35 per cent.⁵ The median superannuation balance for men aged 60-64 years is \$204,107, whereas for women in the same age group it is \$146,900, a gap of 28 per cent. For the pre-retirement years of 55-59, the gender gap is 33 per cent and in the peak earning years of 45-49 the gender gap is 35 per cent.⁶
17. Extended periods of unpaid leave to provide care play a significant role in generating the gender superannuation gap. For example, presently, an employer does not have to pay superannuation when an employee is on statutory unpaid leave such as unpaid parental leave. The government paid parental leave scheme also does not attract the superannuation guarantee and there is no legislative requirement for employers to pay superannuation on paid parental leave entitlements they may offer workers.⁷
18. The impact of periods of unpaid leave on superannuation contributions and earning capacity are compounded for caregivers by higher rates of part-time employment. Primary carers, with the exception of young people aged between 15 and 24, have higher rates of part-time employment in comparison to the average Australian.⁸ Research shows that

⁵ KPMG: *The Gender Superannuation Gap: Addressing the Options*, 2021. [The Gender Superannuation gap: Addressing the options \(assets.kpmg\)](#)

⁶ Ibid.

⁷ Workplace Gender Equality Agency: *Unpaid Care Work and the Labour Market*, 2016 [australian-unpaid-care-work-and-the-labour-market.pdf \(wgea.gov.au\)](#)

⁸ Deloitte Access Economics: *The Value of Informal Care in 2020*, 2020 [deloitte-au-dae-value-of-informal-care-310820.pdf](#)



working part-time includes a reduction in promotion opportunities, with data from 2014-15 showing, that only 6.3% of management positions were part-time.⁹

19. The ANMF recommends that any statutory entitlement to paid or unpaid carers leave should attract the payment of superannuation contributions for the duration of the leave. Furthermore, if the Government is serious about looking at the glaring superannuation gender gap, a higher rate of superannuation contributions should be considered for part-time workers to mitigate against inequalities in retirement outcomes.

Earning Capacity

20. In addition to the obvious disruption to receiving regular income, extended periods of unpaid leave have an ongoing impact on earning capacity for those who take time out of the workforce due to carer responsibilities.
21. An analysis of the 2009 Household Income and Labour Dynamics Australia (HILDA) data showed Australian women returning to work after 12 months statutory unpaid parental leave were subject to an average 7% wage penalty (known as the 'motherhood penalty'), increasing to 12% over the subsequent year. This reflects a reduction in wage growth over time, with the greatest impact being felt when care responsibilities are most intensive. Earnings were also shown to reduce further with each additional period of extended leave or increase in carer responsibilities demonstrating the lasting impact of care responsibilities on women's paid workforce participation and lifetime earnings.¹⁰
22. It stands to reason that extended statutory unpaid carers leave, if constructed in a similar way to extended statutory unpaid parental leave, would subject carers (mainly women) to the same reduction in earning capacity over the course of their careers.
23. Interestingly, a study contrasting the Australian parental leave experience with a Swedish

⁹ Workplace Gender Equality Agency: *Unpaid Care Work and the Labour Market*, 2016 [australian-unpaid-care-work-and-the-labour-market.pdf \(wgea.gov.au\)](https://www.wgea.gov.au/publications/unpaid-care-work-and-the-labour-market)

¹⁰ Baker, D. (2011). *Maternity leave and reduced future earning capacity*. *Family Matters: Australian Institute of Family Studies*, No. 89.



study that showed that a system which actively encouraged and required a fathers' use of parental leave had a directly positive impact on their partners' earnings. With each month the father stayed on leave, his partner received a 6.7% growth in earnings. The positive effect on maternal earnings was greater than situations in which a mother elected to take a similar reduction in their own leave entitlements to return to work.¹¹

24. A number of countries have designed entitlements to parental leave to specifically target gender inequality and workforce participation, recognising the long-term social and economic consequences associated with women shouldering care responsibilities.¹² The design elements of these entitlements have prompted better earning capacity and workforce participation for women.¹³ They include –

- (a) Separate, commensurate entitlements to paid leave for both parents, with a component that cannot be transferred or shared.
- (b) Paid leave at a percentage of the workers ordinary income, which encourages uptake amongst men who may be earning more than their partner.
- (c) Flexibility in the manner in which the leave can be used. For example in Sweden, leave can be accessed in a non-continuous pattern up until the child is 8 years old and workers can return to work part-time and receive paid leave on the days they care for their child.¹⁴

25. The ANMF would encourage the Productivity Commission to examine the design of leave entitlements to provide care across other jurisdictions, to assess how access to leave can be structured in such a way so as to limit and avoid gendered outcomes for women's earning capacity.

¹¹ Johansson, E.A. (2010). *The effect of own and spousal parental leave on earnings*, IFAU Working Paper 2010:4. IFAU – Institute for Labour Market Policy Evaluation, Swedish Ministry of Employment. Uppsala, Sweden. <http://www.ifau.se/en/Research/Publications/Working-papers/2010/The-effect-of-own-and-spousal-parental-leave-on-earnings>

¹² KPMG: *Enhancing Work-Life Balance: A Better System of Paid Parental Leave*, 2021. [Enhancing work-life balance \(assets.kpmg\)](#)

¹³ Equity Economics: *Back of the Pack; How Australia's Parenting Policies are failing Women and Our Economy*, 2021. [EE Parenting SPREADS WEB.pdf \(squarespace.com\)](#)

¹⁴ Ibid.



Unpaid Carers Leave: Contributing to the undervaluation of care-based work

26. It is well established that care-based industries, that feature highly feminised workforces, are historically and comparatively undervalued.
27. In our submissions to the Royal Commission, the ANMF highlighted the issue of systemic undervaluation of care-based work in the context of aged care. The failure of aged care providers and successive governments to properly recognise the value of work performed in the context of aged care has led to a situation in which there are not enough workers to provide high quality, person-centred care.
28. In our submissions, the ANMF stressed that a viable workforce in aged care that is equipped to provide safe and quality care, both now and into the future, is only possible when the issue of undervaluation of work is addressed. Ensuring that a career in aged care is attractive and rewarding for workers will improve the quality and safety of care for aged care recipients by attracting and retaining people with the right attitudes, qualifications, and skills.
29. The Royal Commission agreed with our submissions, finding that the quality of care and the quality of jobs in aged care are inextricably linked and made recommendations aimed at addressing the systemic undervaluation of work performed in the sector.¹⁵ The Commission recommended that unions bring a work value case before the Fair Work Commission (FWC) to see minimum wages and conditions improved across the sector.¹⁶
30. The ANMF, HSU and UWW have since initiated a work value case for aged care workers that is currently before the FWC. In their submission to the FWC, the Commonwealth Government expressed their support for a wage increase for aged care workers on the basis the work performed had been historically undervalued.

¹⁵ Royal Commission into Aged Care Quality and Safety: Executive Summary (2021, p. 124).

¹⁶ Royal Commission into Aged Care Quality and Safety: Recommendation 85 (2021).



“The Commonwealth agrees with the Applicants that the undervaluation of caring work in the aged care sector has, in part, been driven by gender-based assumptions about the work value of that work. The Commonwealth submits that increasing aged care minimum wages is a critical and necessary step to address the gender undervaluation within Australia, going some way towards appropriately recognising the highly skilled and technical work which workers in the aged care sector perform.”¹⁷

31. The ANMF is concerned that an increased emphasis and reliance upon informal care through the provision of extended unpaid carers leave is counterproductive to the objective of addressing the undervaluation of care-based, feminised workforces. The inference that formal care and informal care are easily interchangeable sends a message about the value of the work performed by our members and others in care-based professions.

Informal Care: A substitute for Formal Care?

32. The ANMF would caution against an increased reliance on informal care as a core stratagem to address the crisis facing aged care on the basis that there is substitutability between formal and informal care in the provision of all types of aged care.
33. Major deficiencies in the delivery of home care packages for older people have highlighted the implications of an increased reliance on informal care without adequate complementary formal care arrangements and supports, particularly in the context of care recipients with changing or moderate to high intensity care requirements.
34. In 2018–19, the waiting times between being assessed as eligible for a Home Care Package to being assigned a package ranged from seven months for a Level 1 package to 34 months for a Level 4 package. As at 30 June 2020, 102,081 older people were waiting

¹⁷ Fair Work Commission Matter AM2020/99; AM2021/63; AM2021/65 *Work Value Case – Aged Care Industry* Submission of the Commonwealth 2022, at paragraph 198. [Submission \(fwc.gov.au\)](https://www.fwc.gov.au)



for a package at their approved level. When older Australians finally do get access to care at home, they may be receiving less care than they actually now need, or they may not have access to specific services they require. Without access to formal home care services that meet their assessed needs, to complement or replace informal care where appropriate, people face risks of declining function, preventable hospitalisation, premature entry to residential aged care, and even death in some circumstances. In addition to the decline in health indicators of those requiring care, was a notable burnout amongst informal caregivers, who were expected to provide care over and above that which they felt able to deliver.¹⁸

35. The issue of burnout fatigue experienced by informal carers is exacerbated by a lack of quality respite care under the current aged care system. Respite care enhances the sustainability of informal care arrangements. Carers gain the opportunity to manage their own wellbeing and engage in workforce participation, whilst care recipients are given greater opportunities for rehabilitation, reablement or medication review under the supervision of skilled health professionals.
36. The Royal Commission identified the many problems with accessing respite care, including carers not knowing where to go for support, difficulty navigating between My Aged Care and the Carer Gateway, a lack of respite services generally, and a lack of access to services of the right type and duration.¹⁹
37. In a survey of ANMF members, prepared in response to this inquiry, members with carer responsibilities cited a lack of formal supports as a major contributor to carer fatigue. When asked what would be of most use to informal caregivers, members cited increased access to formal supports such as respite care as key to addressing issues of burnout.

“Most help to me would be being able to access respite care and support. I work near full time hours as the sole income earner, I study full-time, have kids and I'm a full-time carer

¹⁸ Royal Commission into Aged Care Quality and Safety: Final Report Vol.2 at 2.2.2 p62-62. [Aged Care Royal Commission Final Report: Care, Dignity and Respect Volume 2](#)

¹⁹ Ibid.



for my husband. I am running on empty.”

“It's more about the availability of services. I needed practical support. Even though mum was approved services there were no services available in her area, so I had to pay for private help. This lack of support meant mum has had to go into care earlier than I wanted due to me burning out and not being able to do it all.”

38. An increased focus on informal care arrangements distracts from the important actions and improvements that are urgently necessary to address the systemic issues with Australia's aged care sector. These actions include the introduction of mandated minimum safe staffing levels, care minutes, transparency around aged care funding, and an investment in the aged care workforce. Without minimum numbers of the right kind of staff, that care cannot be delivered effectively or appropriately.
39. The sustainability and success of informal care arrangements, whether that be through the use of extended unpaid carers leave or otherwise, is limited without the provision of accessible, timely and appropriate formal supports for both care recipients and carers. At this present time, those supports are not readily available. The ANMF is of a view that investment in formal supports is essential and should be prioritised over steps to increase reliance upon informal care arrangements.



Workplace Flexibility

40. The ANMF asserts that industrial reform, to support carers, should prioritise addressing inadequate protections afforded by the right to request flexible work provisions under the NES as opposed to an introduction of extended unpaid carers leave.
41. The right to request flexible working arrangements under the NES is manifestly inadequate at delivering workplace flexibility for workers. The provision is largely targeted at procedural matters without any access to recourse in the event a worker wishes to challenge the validity of a refusal to grant a request. The FWC is restricted to only hearing disputes pertaining to the refusal of flexible working arrangements where workers are covered by enterprise agreements or employment contracts that confer power to the arbitrate the issue.
42. ANMF members with carer responsibilities, surveyed in response to this inquiry, were asked about workplace flexibility in the context of their care responsibilities.
43. Of those surveyed 60.64% of respondents indicated they would benefit from flexible working arrangements in managing their care responsibilities. Comparatively, only 18.09% of respondents indicated they would benefit from access to extended unpaid leave to provide care.
44. Respondents were asked what barriers would prevent them accessing extended unpaid leave to assist with carer responsibilities. 91.4% of respondents indicated that a lack of regular income support would be a barrier to accessing such an entitlement. Other impediments included financial implications for retirement incomes (50.54%), negative impacts on career progression (32.26%) and mental health concerns that may result from being a full-time unpaid carer (32.26%).

"I need financial assistance for when I can't work due to my carer role. Often I'll work a 10 hour shift then I am in the caring role as soon as I am off of work (palliative care



RN)... It impacts my ability to survive when I'm taking unpaid leave. An allocated amount or set number of paid carer leave hours would assist employees to set up appointments without it impacting career, wage. Carers put their role of a carer first before the needs of themselves, this means that the annual leave and days off end up being time spent providing care rather than rest or family holidays. If I knew that I could have two days off a month as a carer to schedule and attend appointments for my family member I would feel more financially secure, and in return my annual leave time will be spent as I choose. This may support work life balance and career efficiency and prolong workplace stability."

45. Despite a clear desire amongst caregivers for flexible working arrangements, respondents commented that workplace flexibility was difficult to obtain. Many respondents indicated that they were denied flexible working arrangements and were instead forced to reduce their hours of work, accept casual work or cease employment entirely.

"Well it's either I work or I don't. I had to choose casual work to be able to get enough time to fly interstate to provide care, but I am torn with staying and going home to earn more money for living."

46. Other respondents cited examples of utilising personal and annual leave to facilitate care responsibilities they may otherwise have managed through the use of flexible working arrangements.

"I nursed my father through his terminal illness. My carers leave came out of my sick leave balance. It was 9 months from his diagnosis to his death. After his death I had used every bit of leave I had - when I needed to recover from this period I had no leave."

"I was obliged to use sick and annual leave to care for very elderly mum when pandemic commenced... After several months leave I was asked to return to clinic work or retire early... Mum continued to decline and passed away in March this year. I



nursed her at home without family support (interstate & overseas). Minimal palliative care was available at short notice for her last months.”

47. A legislatively enshrined right to request flexible working arrangements, with the ability to contest a refusal to accommodate such requests should be a priority for industrial reform to assist informal caregivers who wish to balance their care responsibilities with the fundamental right to work and maintain an income.



Summary

1. The ANMF supports reforms that aim to better support informal carers. However, an increased emphasis and reliance on unpaid care arrangements through mechanisms like extended unpaid carers leave will have negative consequences for both formal and informal caregivers and care recipients.
48. An increased reliance on informal care as a substitute for formal care perpetuates the persistent undervaluation of care based work and serves as a distraction to the more pressing issue of investing in the aged care workforce and system more broadly. The sustainability and success of informal care arrangements, whether that be through the use of extended unpaid carers leave or otherwise, is limited without the provision of accessible, timely and appropriate formal supports for both care recipients and carers. The ANMF is of a view that investment in formal supports is essential and should be prioritised over steps to increase reliance upon informal care arrangements.
49. Furthermore, encouraging extended periods of unpaid care have serious implications for addressing gender equality. Women will be overrepresented when it comes to accessing this type of leave and will experience a reduction in future income, retirement income, workforce participation and opportunities for career progression, widening the gender pay gap.
50. Industrial reform to support carers is welcome, but should mitigate against the social and economic costs of reduced workforce participation amongst carers, who are predominantly women. The ANMF submits the following reforms would be preferable to the introduction on extended unpaid carers leave;
 - (a) Extending the application of paid and unpaid carers leave under the NES to cover informal carers to older people, those with a disability and those with chronic illnesses. The leave should be able to be accessed in a flexible manner to allow caregivers the option of taking half/part-days to facilitate care responsibilities.



- (b) An increase in the quantum of paid carers leave under the NES to 20 days per year.
- (c) An increase in the quantum of unpaid carers leave that is supplemented by a paid carer's leave scheme with a right to return to work at the conclusion of the leave period. Income support offered under the scheme should be determined by reference to a workers ordinary rate of pay, encourage sharing of care-related entitlements and offer flexibility in how it can be utilised.
- (d) Legislative obligations on employers to pay superannuation contributions during periods of paid and unpaid carers leave
- (e) A positive obligation on employers to accept requests from carers for flexible working arrangements, along with an ability for workers to contest the grounds for any refusal to accommodate.
- (f) A reduction of maximum weekly ordinary hours under the NES from 38 hours to 32 to enable all employees a better opportunity to balance work with care responsibilities;
- (g) Significant investment and improvements to the accessibility of formal care supports such as home care support packages and respite care.
- (h) An investment in the aged care workforce to address the undervaluation of care-based work and the current skills shortage jeopardising the delivery of formal aged care services that support informal caregivers.