

# A JUST REWARD?

AUGUST 2017

## A COMPARISON OF PAID AND UNPAID CARE

**Most Australians will require care at some point in their lives. This may be temporary, following an accident or during an illness, or permanently, as a result of a chronic condition or acquired disability. As our population ages, the demand for care is only increasing.<sup>4</sup>**

People in need of care are often assisted by a paid care worker. Many also receive unpaid support from one or more family members or friends, known as carers.<sup>5</sup> Services and the media often confuse these two groups, calling both 'carers'. However, it is important to distinguish care workers (paid) from carers (unpaid family members and friends)\*.

Whether the person providing care is doing so under a contract of paid employment, or informally as a family member or friend, the tasks they perform are often very similar. However, the conditions in which these two groups are expected to care can differ greatly.

### HOURS OF CARE

Employee entitlements in the workplace are governed by the *Fair Work Act 2009*, the National Employment Standards (NES) and collective agreements known as Modern Awards. Care workers are generally covered by the Social, Community, Home Care and Disability Services (SCHADS) Industry Award. A full-time care worker can work

a maximum of 38 hours per week, and no more than 10 hours on one day. Exceeding these hours is usually accompanied by some form of compensation, such as overtime or time in lieu. Care workers are also entitled to a minimum half-hour lunch break and a paid 10 minute tea break for every four hours worked.

Carers, however, work much longer hours, with many on call 24 hours a day. Approximately one third of primary carers (the carers who provide the majority of care to a person) care for 40 hours or more per week.<sup>6</sup> Over half of the nearly 2,000 respondents to the Carers NSW 2016 Carer Survey spent 70 or more hours per week caring.<sup>7</sup> More than a third of primary carers keep caring for 10 years or more,<sup>8</sup> while aged care workers, for example, are employed in the industry for less than ten years on average.<sup>9</sup>

#### CARE WORKERS



**MAX. 10 HOURS  
PER DAY,  
38 HOURS/WK**

#### UNPAID CARERS



**ONE THIRD CARE  
FOR 40 HOURS  
OR MORE/WK**

\* The term 'carer' is also sometimes used to refer to foster carers and kinship carers. However, according to the *NSW Carers (Recognition) Act 2010* and *Commonwealth Carer Recognition Act 2010*, these groups should only be called 'carers' if the children under their care have a disability, health or mental health condition.

## REMUNERATION

Care workers covered by the SCHADS Award are paid above the minimum wage. On average, non-managerial full-time community and personal service workers earn \$2,738.40 a fortnight. While well above minimum wage, this is still low in relation to other occupations.<sup>10</sup>

Carers are by definition unpaid, however some are eligible for income support, in recognition of their reduced capacity to participate in paid employment. The main payments available to carers are the Carer Payment, a means tested pension for those providing 'constant care', and the Carer Allowance, a small supplementary payment added on to the Carer Payment, or available separately to carers who earn too much to be eligible for the Carer Payment.

At the time of writing, the fortnightly rate for the Carer Payment (not including supplements) is \$808.30.<sup>11</sup> The Carer Allowance is a fortnightly payment of \$123.50. Carers receiving both payments are also entitled to an annual \$600 Carer Supplement. The maximum a carer could receive from this combination of payments would be \$1,035 per fortnight.

## LEAVE

Under the NES any employee working on a part-time or full-time basis is entitled to four weeks paid annual leave and ten days of personal leave (to cover illness or caring responsibilities) per year, apportioned depending on the number of hours they work. Employees can also take two days paid compassionate leave if an immediate family member or household member experiences a life-threatening illness or injury or passes away, and two unpaid days of leave when an immediate family member requires support due to illness, injury or emergency. The SCHADS award entitles shift workers to an extra paid week of annual leave per year.

Carers have no comparable entitlements, other than a clause in the *Aged Care Act 1997* entitling carers to 63 days of residential respite per year. However, this is completely unenforceable, applies only to carers of people aged over 65, and is dependent on the availability of appropriate respite services, which are in short supply.<sup>12</sup> Although respite has proven benefits, current reforms in the disability, aged care and mental health systems are further reducing the amount and range of respite services available to carers.<sup>13</sup>

### CARE WORKERS



**\$1361.70/WK  
(NON-MANAGER,  
FULL TIME)**

### UNPAID CARERS



**MAX. \$517.50  
/ WEEK  
(IF ELIGIBLE FOR  
CARER PAYMENT)**

### CARE WORKERS



**FOUR WEEKS  
PAID LEAVE / YR  
(PRO-RATA)**

### UNPAID CARERS



**MAY ACCESS  
RESPITE SERVICES,  
IF AVAILABLE**

## SUMMARY

- Care workers are paid to provide care. A carer is a family member or friend who provides care to a person but does not get paid for it. It is important to distinguish these two groups, as they care under very different conditions.
- Care workers can work a maximum of ten hours per day, and 38 hours per week, while one in every three carers cares for 40 or more hours per week.

## INSURANCE

Many care workers sustain injuries as a result of the physical and psychological demands of their work. As a result, employers generally have preventative policies and procedures in place, such as training in manual handling, risk management practices and regular supervision. Workers experiencing a physical or psychological injury can claim worker's compensation to cover their medical expenses and lost income.

No such protections exist for carers, even though they have a higher than average rate of disability and psychological distress than non-carers, and often live with these impacts for many years due to lack of time for self-care and limited finances.<sup>14</sup> Government funded equipment, counselling and replacement care services, available through programs such as the National Disability Insurance Scheme (NDIS), Home Care Packages and the National Carer Counselling Program, may reduce the risk of injury for some carers, however, not all carers are able to access these programs.

### CARE WORKERS



**WORKER'S  
COMPENSATION,  
WHS POLICIES**

### UNPAID CARERS



**NO FINANCIAL  
SUPPORT IF  
INJURED, NO  
PROTECTIONS**

## SUPERANNUATION

All employers are required to pay the equivalent of 9.5 percent of an employee's income into superannuation, as savings for retirement. Community and personal service workers receive on average \$66 per week in super contributions, about \$40 less per week than average.<sup>15</sup>

Carers who reduce or leave their employment to care miss out on super contributions for their period outside the workforce, disadvantaging them in retirement. This disproportionately affects female carers.<sup>16</sup>

*"No award would approve of the type of workload and duration that carers/families have to provide to such vulnerable individuals as well as not be paid for it!"*

### CARE WORKERS



**SUPER ACCRUED  
WHILE WORKING**

### UNPAID CARERS



**NO SUPER  
ACCRUED WHILE  
CARING**

- Care workers earn around twice the maximum amount available to carers from income support.
- Care workers are entitled to four or five weeks paid annual leave, and ten days of personal leave, every year (pro rata). Carers have no guaranteed breaks.
- Care workers are protected from, and compensated for, workplace injuries, while carers are not.
- Care workers accrue superannuation to fund their retirement, while carers miss out on super for any time they spend out of the workforce.

## RECOMMENDATIONS

The NSW and Australian governments need to do more to recognise and support carers. Carers NSW recommends that governments:

- strengthen carer recognition legislation to give carers the enforceable right to assessment and support, as in the *Care Act 2014* (UK)
- increase awareness of the meaning of, and difference between, the terms 'care worker' and 'carer'
- improve access to replacement care and respite services that give carers a break
- introduce 'carer credits' to the superannuation system, as recommended by the Australian Human Rights Commission, and practiced in a number of European countries
- implement and adequately fund the Integrated Carer Support System being developed by the Department of Social Services
- introduce standard procedures to capture carer needs in support plans of people receiving support from the NDIS and Home Care Packages, so that adequate breaks, equipment, training and support are funded
- subsidise and promote health checks and interventions to improve carers' health and wellbeing

## SOURCES OF INFORMATION

- <sup>1</sup> Australian Bureau of Statistics (2016a) *Disability, Ageing and Carers, Summary of findings, 2015*, cat. no. 4430.0.
- <sup>2</sup> Deloitte Access Economics & Carers Australia (2015) *The economic value of informal care in Australia in 2015*.
- <sup>3</sup> Australian Institute of Health and Welfare (2015) *Australia's Welfare 2015*, series no. 12, cat. no. AUS 189.
- <sup>4</sup> Deloitte Access Economics (2015)
- <sup>5</sup> *Carer Recognition Act 2010* (Cwth); *Carers (Recognition) Act 2010* (NSW)
- <sup>6</sup> ABS (2016a)
- <sup>7</sup> Carers NSW (2016a) *Carers NSW 2016 Carer Survey: Main report*
- <sup>8</sup> ABS (2016a)
- <sup>9</sup> Radford (2013), *Two sides of the same coin? An investigation into factors influencing employees' intentions to stay and leave*, Griffith Business School
- <sup>10</sup> ABS (2016b) *Employee earnings and hours, Australia, May 2017*, cat. no. 6306.0.
- <sup>11</sup> Department of Human Services (2016) *Carer Payment*, [www.humanservices.gov.au](http://www.humanservices.gov.au), viewed 30 May 2017.
- <sup>12</sup> Carers NSW (2016b) *National survey of carers' respite needs: Final report*; Hamilton et al (2016) *Transitioning Australian Respite*, Social Policy Research Centre; Kemp et al *Carers: Doing it tough, doing it well*, Anglicare.
- <sup>13</sup> Ibid.
- <sup>14</sup> ABS (2016a); Cummins et al (2007) *The wellbeing of Australians: Carer health and wellbeing*, Deakin University.
- <sup>15</sup> ABS (2016c) *Household income and wealth, Australia, 2013-14*, cat. no. 6523.0.
- <sup>16</sup> Nepal et al (2008) *Lifetime health and economic consequences of caring*; Senate Economics References Committee (2016) *'A husband is not a retirement plan': Achieving economic security for women in retirement*.



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