



Australian Government: Productivity Commission Inquiry into the social and economic benefits of improving mental health

April 2019

Caring Fairly (a coalition)

Mental Health Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT
2601

And by online submission

Introduction

Caring Fairly is an Australian campaigning coalition led by specialist community organisations and peak bodies that support and advocate for carers' rights. Established in 2018, Caring Fairly is made up of over 25 organisations, spanning all states and territories of Australia. We welcome the opportunity to contribute to the essential work of the Productivity Commission.

This submission has been authored by Mind Australia Limited with input from Carers Australia. This submission has been endorsed by:

- Mind Australia Limited
- Carers Australia
- Mental Health Carers Australia
- HelpingMinds
- Brain Injury Association of Tasmania
- Carers Queensland
- Mental Health Carers Tasmania
- Eating Disorders Queensland
- SANE
- Carers New South Wales
- Carers Victoria
- Arafmi Limited
- Mental Illness Fellowship of Australia Inc (MIFA)
- Community Mental Health Australia

all of whom are members of the Caring Fairly coalition.

Organisational Profiles

Mind Australia Limited (Mind) is one of Australia's largest community-managed mental health providers, operating in multiple states. It has been supporting people dealing with the

day-to-day impacts of complex mental illness, as well as their families, friends and carers since 1977.

Carers Australia is the national peak body representing Australia's unpaid carers, advocating on their behalf to influence policies and services at a national level. It works collaboratively with partners and its member organisations, the Network of state and territory Carers Associations.

Mental Health Carers Australia is the only national advocacy group solely concerned with the well-being and promotion of mental health carer needs. It advocates at a national level to improve government policy and service provider practice.

HelpingMinds is based in Western Australia and the Northern Territory. It supports people, families, friends and carers that are experiencing mental health challenges.

The Brain Injury Association of Tasmania (BIAT) provides a public voice for all Tasmanians living with or impacted by brain injury. It works to promote awareness and understanding of the impact of acquired brain injury (ABI) to families, communities, and service providers through training, education and resources, and advocates to address systemic issues which impact on people living with or affected by brain injury.

Carers Queensland. For almost 30 years, Carers Queensland has been working to advocate for equal rights, opportunities, and enhanced outcomes for caring families. It is a registered training organisation and provides accredited training to carers who wish to re-enter the workforce or undertake further education.

Mental Health Carers Tasmania (MHCTas) is a statewide leader in the provision of mental health carer support and systemic advocacy. It aims to improve the quality of life for the one in five Tasmanian families, friends, carers and people living with mental health issues and mental illness.

Eating Disorders Queensland is a community based non-profit charity promoting positive body image and prevention of eating issues.

SANE Australia is a national charity which supports the wellbeing of Australians affected by complex mental health issues. It does this through support, research and advocacy.

Carers New South Wales is the peak non-government organisation for carers in New South Wales. It is focused on all carers and is committed to working closely with government, businesses, the community and carers themselves to improve the recognition, support, inclusion, and wellbeing of all carers living in NSW.

Carers Victoria is the statewide voice for carers in Victoria, who provide unpaid care and support to family members and friends who have a disability, mental illness, chronic condition, terminal illness or who is an older person with care needs. As a not for profit organisation, it works closely with government and other support organisations to improve the lives of caring families and friends throughout Victoria.

Arafmi Limited is a not for profit community organisation that has been providing quality services to the Queensland community for over 40 years. Its vision is to enhance the wellbeing of people with mental illness, their families, carers and volunteers.

Mental Illness Fellowship of Australia Inc (MIFA) is a federation of not-for-profit mental health organisations who each year deliver specialist services to over 20,000 people with mental illness and their friends and families. It works closely with people to assist their journeys to recover mental health, physical health, social connectedness and equal opportunities in all aspects of life.

Community Mental Health Australia (CMHA) is a coalition of the eight state and territory peak community mental health organisations. Through them CMHA has a direct link and provides a unified voice for approximately 800 community-based, non-government organisations who work with mental health consumers and carers across the nation. The organisations represented through CMHA are:

- Mental Health Coalition of South Australia
- Mental Health Community Coalition of the ACT
- Mental Health Coordinating Council NSW
- Mental Health Council of Tasmania
- Northern Territory Mental Health Coalition
- Mental Health Victoria
- Queensland Alliance for Mental Health
- Western Australian Association for Mental Health

Several of the organisations who have endorsed this submission have already either made, or intend to make, independent submissions to the Productivity Commission. These will cover, in some cases, a broader or separate range of issues for consideration.

Whilst inevitably there may be some areas of overlap between the contents of this submission and that of *Caring Fairly's* member organisations, we see value in making a joint submission for these reasons:

- Collectively, we have extensive expertise and a significant body of research and unique policy ideas, on issues relating to mental health carers that are of direct relevance to the Productivity Commission's proposed areas of inquiry, as set out in the Issues Paper;
- As a coalition, we have an organisational membership representing all states and territories. As such, we have a unique breadth of experience that is informed by the lived experience of mental health carers from across Australia.
- We have developed evidence based and pragmatic policies that we believe can:
 - be rapidly implemented, and at scale;
 - improve workforce participation rates and workplace conditions for mental health carers;
 - improve the long-term economic security of all mental health carers.

This submission is focused on those issues, and we have tried to structure our comments around the specific questions and issues raised by the Commission in its Issues Paper.

General comments and background

Caring Fairly strongly supports the establishment of the Commission's Inquiry into the social and economic benefits of improving mental health, and we are grateful for this opportunity to comment on the Issues Paper.

Whilst *Caring Fairly* is a campaign focused on improving and realising the economic, social, and cultural rights of all unpaid carers in Australia, a significant focus of our work to date has related to (and draws from an evidence base that relates to) mental health carers. Indeed, we have made a significant investment in applied academic research focused on the economic value, and labour market experiences of mental health carers. These reports are:

Diminic S, Hielscher E, Lee YY, Harris M, Schess J, Kealton J & Whiteford H. *The economic value of informal mental health caring in Australia*: technical report. Brisbane: The University of Queensland; 2016

Diminic S, Hielscher E, Harris M. *Understanding factors associated with Australian mental health carers' employment*: technical report. Brisbane: The University of Queensland; 2018.

The first of these reports was cited by the Commission in its Issues Paper, and both reports are attached to this submission.

Specific comments

1.) The economic costs of lower workforce participation for mental health carers

The Commission notes that there are economic costs associated with "*reduced incomes and living standards caused by lower economic participation and contribution among people with mental ill-health and their carers*".¹ Aligned to this, the Commission asks the question, "*what changes should be made to how informal carers are supported (other than financially) to carry out their role? What would be some of the benefits and costs, including in terms of the mental health, participation and productivity of informal carers and the people they care for?*"²

There are at least 240,000 mental health carers in Australia, comprising at least 54,000 primary carers. Mental health carers provide an estimated 208 million hours of informal care per year. The total annual replacement cost for all informal mental health carers was \$14.3 billion, as at 2015.³

Intensive caring responsibilities can make it extremely difficult for carers to work full-time, or sometimes at all.⁴ However, those carers who wish to, and are able to work (whether full-

¹ Australian Government, Productivity Commission, *The Social and Economic Benefits of Improving Mental Health*, Issues Paper, January 2019

² Ibid. pp17

³ Diminic S, Hielscher E, Lee YY, Harris M, Schess J, Kealton J & Whiteford H. *The economic value of informal mental health caring in Australia*: technical report. Brisbane: The University of Queensland; 2016

⁴ Bittman M, Hill T, Thomson C. The impact of caring on informal carers' employment, income and earnings: a longitudinal approach. *Australian Journal of Social Issues*. Vol 42 No 2. Winter 2007.

time or part-time) should be supported by government to do so, and government policies should facilitate employment for those carers.

This issue is already recognised by the Australian Government as a key policy aspiration. The Government's *Fifth National Mental Health and Suicide Prevention Plan (2017)* recognised the centrality of this need (indeed, mental health carers' participation in employment is codified as a central indicator for the Plan's implementation and success).

As at 2015, 42.3% of working age mental health carers were not employed (compared to 24% for working age non-carers).⁵ For more than half of mental health carers, caring had a negative impact on their working hours (26.4% have stopped working altogether to care, and a further 25.8% have reduced their working hours).

In addition, many mental health carers report significant anxiety and poor health associated with caring, in turn negatively impacting work performance.⁶ The economic impacts of presenteeism (being less than fully productive because unwell at work) have previously been explored by the Productivity Commission, and include reduced labour productivity.⁷

Over half (57.1%) of mental health carers who are not employed either left employment to commence caring, or report that they want to work while caring⁸. This group has an identifiable need for focused help in balancing work with their caring responsibilities, and the available data indicates a similar need for all unpaid carers.

The OECD has identified unpaid carers as a 'cohort' in Australian society who may benefit from "*targeted labour market activation policy interventions*".⁹ This is supported by *Caring Fairly's* data, which reveals that many carers would like to work but are unable to find or retain a job flexible enough to allow them to continue caring, or lack support to return to paid work after a long break.¹⁰ It is also supported by Department of Social Services (DSS) data indicating that receiving a Carer Payment is associated with transferring to another form of income support when caring ends.¹¹

A coordinated Australian Government policy framework is needed to guide workplace reforms, create incentives, and address the specific needs of carers in accessing equal employment opportunities. Unpaid carers who would like to enter or re-engage in the labour market (when, for example, their caring role changes, diminishes, or ends), need tailored employment support services.

⁵ Diminic S, Hielscher E, Lee YY, Harris M, Schess J, Kealton J & Whiteford H. The economic value of informal mental health caring in Australia: technical report. Brisbane. The University of Queensland; 2016.

⁶ Edwards B, Higgins D J, Gray M, Zmijewski N, Kingston M. The nature and impact of caring for family members with a disability in Australia. Research report no. 16. Australian institute of Family Studies; 2008

⁷ Productivity Commission 2017, *Why a Better Health System Matters*, Shifting the Dial: 5 year Productivity Review, Supporting Paper No. 4, Canberra. In this report, the Productivity Commission noted that this evidence is partial and draws principally on data from the United States, and cites Econtech 2007; Goetzel et al. 2004; Medibank Private 2011; Schultz and Edington 2007.

⁸ Diminic S, Hielscher E, Harris M. Understanding factors associated with Australian mental health carers' employment: technical report. Brisbane: The University of Queensland; 2018

⁹ Organisation for Economic Co-operation and Development (OECD), *Connecting people with jobs: key issues for raising labour market participation in Australia*, OECD Publishing, Paris, pp. 43

¹⁰ Ibid.

¹¹ Ganley R. Carer payment recipients and workforce participation. Department of Families, Housing, Community Services and Indigenous Affairs. Canberra. 2009

Caring Fairly recommends that the Productivity Commission examine the viability of the following policy ideas:

- A National Framework for Carer Inclusive Workplaces.

The development of this Framework should include the Department of Social Services, the Department of Jobs and Small Businesses, the National Mental Health Commission and the Department of Health, in consultation relevant stakeholder bodies.

While the framework should be inclusive of all carers wishing or needing to combine work and care, it should include a focus on the workplace needs and experiences of mental health carers and other carers contending with episodic caring responsibilities. This investment should draw specific guidance and direction from the Work and Care Initiative spearheaded by Carers Australia¹² and other Australian initiatives¹³ as well as new and emerging international initiatives from both government and civil society.¹⁴

- Investment in initiatives to grow the rate of volunteering as an avenue for social and economic participation for mental health carers.

The Reference Group on Welfare Reform to the Minister for Social Services (2015) previously recommended this approach, in particular for jobseekers, carers and people with a partial capacity to work.

2.) The efficacy of the Australian Government's Carers and Work Program

The Commission asks, *"to what extent has the workforce participation of carers increased due to the Australian Government's Carers and Work Program?"*¹⁵

The Department of Social Services' Carers and Work Program was a trial program to provide "intensive support to carers of people with mental illness to address non-vocational barriers to carers achieving workforce participation".⁸ In 2018 there were only four services nationally (two in Victoria, and one each in Queensland and New South Wales). The small reach of the program is a significant limitation to analysing its systemic impact.

¹² See 'Work & Care: The Necessary Investment', Carers Australia, key information and documents accessible at: <http://www.carersaustralia.com.au/work-and-care/>

¹³ The National Carers + Employers initiative has been established by Carers New South Wales, with funding from the Department of Social Services and the NSW Department of Community Services. The initiative aims to showcase and recognise excellence in carer friendly workplace practices which is vetted via a formal accreditation process. This robust accreditation program provides employers with a clear and defined pathway to becoming carer friendly which organisations undertake through a stepped approach, enabling recognition of current carer friendly practice and encouraging progress towards best practice. The accreditation process was launched in March 2019 and is available to employers nationally, with the support of the National Network of Carer Associations. See carersandemployers.org.au for further information.

¹⁴ For an example of a multi-departmental government initiative, see the UK Government's June 2018 'Carers Action Plan 2018-2020', accessible at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/713781/carers-action-plan-2018-2020.pdf ; from the UK also, see *Employers for Carers*, led by Carers UK, accessible at <https://www.employersforcarers.org/>

¹⁵ Australian Government, Productivity Commission, *The Social and Economic Benefits of Improving Mental Health*, Issues Paper, January 2019, pp.27

The *Carers and Work* program is to be discontinued with the introduction of the Integrated Carer Support Services program (ICSS).

Caring Fairly recommends that the Productivity Commission examine the viability of the following policy idea:

- **Invest in, improve, and expand formal government support services available to carers wishing to work.**

A strategy, together with investment, should be given for a national program to improve workforce participation by unpaid carers.

A new workforce participation program could be achieved (at least in part) through reforming, extending, and promoting tailored supports to unpaid carers through the government's existing *Jobactive* program. As the recent Senate Inquiry into *Jobactive* recommended, Government should “*examine the merits of providing career counselling and support services for ... people who are entering the paid workforce for the first time or returning after caring for a child or family member*”.¹⁶ A pool of *Jobactive* providers should be identified and trained (in partnership with specialist organisations providing support to carers) to respond to the specific workplace needs of unpaid carers. This should include a focus on the specific workplace needs of mental health carers, and carers with other types of episodic caring responsibilities, recognising some of the specific features that these ‘categories’ of caring share¹⁷.

3.) Income support arrangements for mental health carers

The Commission notes that “*informal carers of people with a mental illness may have their earning capacity reduced as a result of their carer responsibilities*”, and asks if the “*disability support pension, carer payment and carer allowance providing income support to those people with a mental illness, and their carers, who most need support?*”

The Carer Payment is a critical income support payment for Australia's unpaid carers. However, the criteria for qualification for Carer Payment restricts opportunities for carers to participate in paid work and education, by inflexibly restricting a carer's participation in work or education to 25 hours, including travel time (the '25 hour rule'). The '25 hour rule' is not prescribed by legislation. Rather it provided for by Department of Social Services' policy directions in the *Guide to Social Security*.

The '25 hour rule' can disadvantage carers seeking to engage in paid employment or education. It creates particular difficulties when carers need to transition in and out of work

¹⁶ Australian Government, Senate, Education and Employment References Committee, *Jobactive: Failing those it is intended to serve*, February 2019, Recommendation 9, para. 5.93

¹⁷ The Brain Injury Association of Tasmania, part of the Caring Fairly coalition, draws attention to the specific burden on carers of caring for people with dual diagnosis/co-morbidity, particularly brain injury and mental illness. A brain injury is a known risk factor for developing a mental illness, with one report indicating 42% of people as having a dual diagnosis (*Van Reekum, R., Bolago, I., Finlayson, M.A.J. (1996). Psychiatric disorders after traumatic brain injury. Brain Injury, 10, 319-328*). Conversely, a mental health disorder can increase risks associated with a brain injury, including social isolation, family breakdown, unemployment, aggression and risk of exploitation. (*Brain Injury Australia. (2007). Complexities of co-morbidity (acquired brain injury and mental illness) and the intersection between the health and community systems*).

as the need for care intensifies or reduces. It can be especially problematic for mental health carers, and other carers, where care is unpredictable and episodic.

The rule creates particular challenges for young carers participating in primary, secondary or tertiary education when they could undertake part-time work to help support their families. It creates challenges for anyone undertaking education or training for any reason, including to enable them to return to work. It can create a disincentive for carers in education or training to engage with further study or employment, forcing them to make important life choices based on arbitrary factors such as the number of course contact hours or location of the institution. Alternatively, they can feel pressured to conceal study or employment from Centrelink to circumvent the rules.¹⁸

Caring Fairly recommends that the Productivity Commission examine the viability of following policy idea:

- Commit to reviewing the flexibility of the '25 hour rule'.

As part of the review, government should examine whether reporting 25 hours or more of work and travel to Centrelink results in immediate cancellation of Carer Payment¹⁹ and whether more flexible approaches to measuring the hours of care provided could be taken (for example, by considering approaches to supporting carers with episodic or unpredictable caring responsibilities). This should include exploring the possibilities for unpaid carers to 'bank' paid working hours, and/or report, offset and aggregate paid working hours over a longer period than a fortnight.

4.) Superannuation disadvantage for mental health carers

The current system of retirement incomes and savings, comprises the means tested Age Pension and superannuation accumulated from income subject to the super guarantee.

We have shown that carers provide a great economic benefit to society, both in direct savings to the economy of replacement and in the social capital they provide. However, they do so at great personal and economic sacrifice. Many give up employment, including opportunities for careers, to care for the people they love. They can rely on government payments for many years, so that they are unable to buy their own homes or save for retirement. This places them in precarious financial positions as they age.²⁰

This system should be reviewed and reformed to make retirement incomes and savings more equitable, particularly for unpaid carers, many of whom retire in poverty, or are unable to retire.

Caring Fairly recommends that the Productivity Commission:

1. Act on the motion, passed by the Senate on 12 November 2018, to

¹⁸ See: Submission by Behavioural Insights Team Australia into Try, Test and Learn Fund, December 2016, accessible at: https://engage.dss.gov.au/ttl_fund_dec16-submissions/sub-id-4881-carer-payment-25-hour-rule-behavioural-insights-team-australia/

¹⁹ Carers Australia, 2019-20 Federal Budget Submission, January 2019, pp.8

²⁰ Australian Human Rights Commission. 2013. Investing in care: Recognising and valuing those who care. Volume 1 Research Report, Australian Human Rights Commission. Sydney.

- (i) “model the costs and benefits of providing the superannuation guarantee to carers on the Carer Payment or other carer-related benefits, including the Commonwealth Paid Parental Leave Scheme, and
- (ii) seriously consider providing the superannuation guarantee to carers on the Carer Payment or other benefit they are paid as a result of their caring responsibilities.”²¹

5.) Enhancing and promoting carer inclusion in Australian workplaces.

The Commission asks, “*What are some practical ways that workplaces could be more flexible for carers of people with a mental illness? What examples are there of best practice and innovation by employers?*”²²

Australia would benefit from laws, policies, and workplace practices that will keep unpaid carers in the workplace wherever possible. Many Australian workplaces lack formal policies and practices to support carers. Supporting carers to access or retain work could yield significant economic gains for businesses, as well as improving individual economic and social outcomes.²³

There is a range of views on the complexity and scale of the workplace changes needed to respond to Australia’s changing demographics. There are assumed costs to businesses and to the wider economy. International studies increasingly demonstrate that employers who have policies in place to support carers see improved service delivery, cost savings and increased productivity.²⁴

Mental health carers face particularly acute challenges in the workplace. Employed mental health carers often take extended leave (13.8% have taken at least 3 months, and 28.9% have taken some time off).²⁵

The right to request flexible working arrangements is codified in law, but can be refused by employers on the basis of ‘reasonable business grounds’. This principle was recently affirmed by the Fair Work Commission.²⁶ Flexible working arrangements are critical to supporting carers in the workplace, but are not enough on their own.

Employers and businesses gain significant quantifiable benefits when they design and implement carer friendly workplaces. These benefits include retaining skills and experience, higher returns on training investment, and improved productivity and performance

²¹ Senate Official Hansard, No. 13, 2018, 12 November 2018

²² Australian Government, Productivity Commission, The Social and Economic Benefits of Improving Mental Health, Issues Paper, January 2019, pp. 30

²³ Australian Human Rights Commission. 2013. Investing in care: recognising and valuing those who care, Volume 1. Australian Human Rights Commission. Sydney.

²⁴ Carers UK for Employers for Carers/Department of Health Task and Finish Group (2013) Business Benefits of Supporting Working Carers <http://www.employersforcarers.org/resources/research/item/809-employers-business-benefits-survey>. See also: HM Government and Carers UK, ‘Supporting Working Carers’: The Benefits to Families, Business and the Economy

²⁵ Diminic S, Hielscher E, Harris M. Understanding factors associated with Australian mental health carers’ employment: technical report. Brisbane: The University of Queensland; 2018

²⁶ Fair Work Commission, 4 yearly review of modern awards — Family Friendly Working Arrangements, AM2015/2, Summary of Decision 26 March 2018

outcomes, by increasing employee resilience, improving health outcomes, and reducing presenteeism and absenteeism.²⁷

To address this issue, Caring Fairly recommends that the Productivity Commission examine the suitability of following policy idea:

- Businesses, unions and representative business bodies should be invited to engage with the Department of Social Services, the Department of Jobs and Small Businesses, the National Mental Health Commission and the Department of Health in the design of a *National Framework for Carer Inclusive Workplaces* (as outlined earlier).

These bodies can contribute to the Framework by contributing to workplace policies that recognise and accommodate episodic illness, acute illness, the unpredictable nature of support, and the time required by some carers to be 'on standby'.²⁸

As part of this Framework:

- existing initiatives to address mental health stigma in the workplace should be extended to recognise and include the impact on employees who are caring for someone with a mental illness
- employers should directly provide information and commit to offering or providing links to support services for carers within their workforce
- employers should be encouraged to adopt a policy for examining job redesign possibilities where caring responsibilities emerge suddenly, and encouraged to offer flexible hours, home working, and leave arrangements that reflect specific demands of caring on their employees
- employers should be encouraged to undertake job redesign to accommodate carers who have intensive caring commitments that extend beyond 3 months, and/or require more than 20 hours of care per week.

Enclosures:

Diminic S, Hielscher E, Lee YY, Harris M, Schess J, Kealton J & Whiteford H. The economic value of informal mental health caring in Australia: technical report. Brisbane: The University of Queensland; 2016

Diminic S, Hielscher E, Harris M. Understanding factors associated with Australian mental health carers' employment: technical report. Brisbane: The University of Queensland; 2018.

²⁷ Carers Australia, Work & Care: The Necessary Investment. 2014. Report No. 2 Work & Care Initiative. Canberra

²⁸ Primary mental health carers report spending large amounts of time 'on standby' so that they are available to the recipient of care in a crisis; this is estimated to be for an additional 59 hours per week.

For further information:

caringfairly.org.au

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