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The Hon Jan Burnswoods  
Chair, Standing Committee on Social Issues  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

SOCIAL ISSUES COMMITTEE

10 JUL 2006

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Dear Ms Burnswoods

Thank you for the opportunity to address the Standing Committee on Social Issues at the Upper House Inquiry into the Impact of Commonwealth Work Choices Legislation on 19 June 2006.

I would like to acknowledge the receipt of correspondence from Ms Katherine Fleming, Principal Council Officer, dated 22 June 2006, providing me with a copy of the uncorrected transcript of the evidence I presented on the day. A copy of the corrected transcript is attached for your information and action; clarification of a factual error is discussed below.

In her letter, Ms Fleming attached an additional question from the Committee seeking information on longitudinal studies the government has put in place to monitor the effects of the Work Choices legislation. In 2005, the Office of Industrial Relations commissioned the New South Wales Workplace Industrial Relations Survey (NSW WIRS) of 800 workplaces which were stratified by industry and size. The survey was undertaken by the then Australian Centre for Industrial Relations Research and Training. The survey results enable the central issues of an employee's working life to be charted and linked to a range of workplace characteristics. This data will enable the Office of Industrial Relations to chart the effects of the new federal industrial legislation by benchmarking the differences in New South Wales workplaces before and after the implementation of Work Choices.

I would also like to take this opportunity to provide the Committee with additional information resulting from questions raised at the Inquiry.

On the first day of hearings the Hon Kayee Griffin sought information which could demonstrate the increasing incidence of people caring for their ageing parents. Ms Griffin also asked if information was available on the consequences of the predicted retirement of the ageing population on future carers in the workforce.

Although Ms Griffin has not formally requested this information on notice, I am pleased to supply you with an overview of the information and discourse currently available on the issue of managing paid employment and caring for an aged or frail parent.

Although much has been written on the relationship between employment status and caring responsibilities, there is little statistical information about the difficulties of combining paid work with caring for an aged or frail parent. Consequently, it is difficult to arrive at a precise figure of the number of people in New South Wales who are combining paid employment with caring for an aged or frail parent. There is however, a consensus that workers will be increasingly faced with caring responsibilities for ageing family members as the population of both the frail aged and the workforce continues to age.

As with most member nations of the Organisation for Economic Co-operation and Development, Australia's ageing population in the first half of this century will result in significant changes to all aspects of social and economic life. It is likely that attempting to balance the competing responsibilities of paid work and caring will become a common problem affecting the majority of families in the future. Care for the elderly is likely to join child care as a major issue for the community, particularly in light of women's increasing participation in the workforce, delayed family formation and the fact that the majority of carers are women.

The results of the Australian Bureau of Statistics (ABS) *Managing Care and Work Survey 2005* show that of the 2.4 million carers in New South Wales, half (1.2 million people) were employees balancing dual responsibilities of work and care. Of the 2.4 million carers in New South Wales, 16.5 per cent provided ongoing care to someone over the age of 65. The published survey results however, do not provide a breakdown of the employment status of these carers or of the relationship between the carer and the recipient of care.

These findings are supported by similar study results. A study conducted by the National Centre for Social and Economic Modelling (NATSEM) and AMP, *The Cost of Caring In Australia 2002 to 2005*, illustrates that one in every eight Australians (2.6 million people) provide some form of care to children, the elderly or disabled people. Further, data from the Household, Income and Labour Dynamics in Australia Survey (HILDA) indicate that between 40 to 60 per cent of carers combine full time or part-time paid employment with their caring responsibilities.

The increasing need for informal aged care will be exacerbated as government policies continue to promote de-institutionalised aged care in the community. According to the NATSEM study, in 2003 almost 4 million Australians needed ongoing assistance because of a disability, a long term condition or advanced age. The majority of these people, 70 per cent, were living at home rather than in assisted accommodation.

The NATSEM study also found that 90 per cent of primary carers aged 65 or younger caring for a frail parent were women. In addition, one third of primary carers are in households whose equivalent incomes place them in the poorest one-fifth of households nationally. This is compounded by the fact that under the current tax system many mothers returning to work after the birth of child lose between 60 to 80 cents in every additional dollar they earn because of tax and lost benefits.

According to NATSEM, the number of older Australians aged 65 or over is expected to grow by approximately 150 per cent and the number of older Australians aged 85 or over is expected to grow by 200 per cent. The immediate and long term consequence of the predicted retirement of the ageing workforce on future carers in the workforce will be a decrease in the number of both carers and workers and a disproportional increase in the number of people requiring care. NATSEM predicts that the ratio of the number of people most likely to provide care and the number of people most likely to need care will

fall from the current level of 2.5 to less than one over the next 50 years. There are currently however, no available projections on the proportion of workers who are likely to provide care to children, the elderly or the disabled as the ageing population retires. This has implications for the degree to which governments can manage workforce planning objectives.

The Office of Industrial Relations will closely monitor any statistical developments and the contemporary literature on the issue of combining paid work with caring for an aged or frail parent and how this interacts with both the ageing population and current policy initiatives.

I would also like to clarify some responses which I gave to the Inquiry about the impact of the Work Choices Act on the award system, detailed on page 5 of the uncorrected transcript.

The *Workplace Relations Act 1996* reduced federal awards to 20 allowable matters. The Work Choices Act has further reduced these allowable matters to 16. The matters which are no longer allowable under the Work Choices Act include jury duty, notice of termination, superannuation and long service leave. Although the federal government has claimed that these matters are protected through state and federal legislation, this is only the case for some workers and often the entitlements provided for in such legislation are less favourable than the entitlements provided for in awards.

In addition, awards no longer act as the benchmark for agreement making. Prior to the commencement of the Work Choices Act, collective and individual agreements, including Australian Workplace Agreements, were compared against the relevant award to ensure that they were of no-disadvantage to a worker. This 'no disadvantage' test has been removed under the Work Choices Act and agreements now only need to comply with five bare minima, the Australian Fair Pay and Conditions Standard. As a consequence the protections afforded to workers by the awards system are being eroded by the Work Choices Act.

If you would like further information on the references cited in this letter or any other matter raised on these issues, please contact Catherine Quealey, Manager, Women's Equity Bureau on telephone 9020 4643 or at [Catherine.Quealey@oir.commerce.nsw.gov.au](mailto:Catherine.Quealey@oir.commerce.nsw.gov.au).

Yours sincerely

*Pat Manser*

Pat Manser  
**Deputy Director-General**

*4 July 2006*