

TITLE: Why we should care about carers

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Imagine if health and community sector workers wore high-vis vests; our streets, our shopping centres and even our airports would be full of them.

We might even begin to think of them as the engine of job creation. But they don't wear such things and we don't think such things and the result is a political environment based on a fundamental misunderstanding of our economy.

According to the latest census there are 176,562 people working in mining, 902,831 in manufacturing and 1,167,636 in healthcare and social assistance.

All up, 12 per cent of the workforce is employed in caring for other Australians, compared to 2 per cent employed in extractive industries. Put simply, more than one in 10 employed people work in the health and community sector.

I know, I know – I'm ignoring the indirect job creation from mining. We hear much in Australia about the "upstream" and "downstream" jobs associated with some industries, but the truth is that increased investment in any industry creates indirect jobs. In fact, according to the ABS, investment in community services creates more jobs than investment in any other industry.

For every million dollars invested in community services, an average of 21.2 jobs is created, while the same amount invested in mining or agriculture would create 4.7 or 11.1 jobs, respectively.

There is a simple explanation for this pattern: helping people is very labour-intensive. And just as miners spend their salaries in local shops, so, too, do aged-care workers and nurses.

The recent bipartisan support for the national disability insurance scheme, DisabilityCare, and the associated increase in personal income tax rates will see a significant investment of public money in the most labour-intensive industry in Australia. The result will be a large increase in employment.

The benefits of this new job creation will flow to all sectors of the economy, as skilled labour that is currently locked in the provision of informal care for friends and family will be freed up to pursue work in the market sector, if they want it.

Just as the provision of high quality and affordable childcare allows parents who wish to undertake paid work with the opportunity to do so, DisabilityCare will also allow more carers who want paid work to search for it.

The provision of high-quality care to those who need it is not just equitable – it is efficient from both the microeconomic and macroeconomic point of view.

At the micro scale, the provision of daily respite for carers can strengthen rather than weaken family bonds. At a macro level, the impending expansion of the care economy will free up many skilled workers from their current role of informal and unpaid care and allow them to return to the jobs for which they were trained.

Australian public debate is full of business people talking about the need to increase productivity and the size of the labour force, but the vast majority of their argument relates to the need to change industrial relations laws or reduce taxes.

But just as our picture of who employs most Australians is distorted by who we see on the street and on our TVs, so, too, is the debate about what policies are required.

The fact is, talking about care is a macroeconomic issue. The size of the informal care workforce is a major constraint on productivity growth and the size of the labour force.

While the immediate beneficiaries of better public support for carers is likely to be the (largely female) army of family members now doing most of the work, the long-term beneficiaries will be the industries that need the skills those voluntary carers possess.

The formal sector of the Australian economy relies on an army of professional and voluntary carers. They may not be as visible as those who work in other industries, but there is no doubt that investing in those who care will deliver an economic as well as a social dividend.

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