

October 18, 2010

Media Release

\$40.9 billion - annual replacement value of informal care

Carers Australia reported today that the replacement cost of the care provided by Australia's 2.9 million carers is a staggering \$40.9 billion, amounting to 3.2% of GDP and 60% of other formal health care. Unpaid family carers represent a precious economic resource in an age of growing health and aged care workforce shortage.

The research report released today at the launch of Carers Week 2010 was commissioned by Carers Australia, and undertaken by Access Economics. "It is exceptional Australian research reinforcing the significant and valuable contribution carers make to their families, society and to the community," said Carers Australia CEO Joan Hughes.

The research found that in 2010, unpaid family carers provided an estimated 1.32 billion hours of care to people with a disability, mental illness or disorder, chronic condition, terminal illness, or who are frail.

Productivity losses associated with the provision of this unpaid family care are borne mainly by the carers whose wage income is reduced. The wider community is also affected through reduced personal income tax collection and the payment of income support to carers. Efficiency losses from these transfers are estimated to cost \$1.76 billion.

The report reinforced that young carers can be a group at high risk of long term disadvantage as a result of missed education opportunities. The '25 hour rule' which limits recipients of Carer Payment to a maximum of 25 hours per week study, work and travel compounds the many difficulties faced by young carers. Young carers make an enormous sacrifice, giving up what can be millions of dollars of lifetime earnings in order to provide the care that their parents need.

"Without some serious government initiatives and funding of carer services, it will be challenging to address the emerging care shortfalls projected for the coming decade, as demand for care increasingly outstrips supply," said Ms Hughes.

This new data confirms that it makes sound economic sense for government to acknowledge and support unpaid family carers now and into the future, as the replacement cost of their informal care is immense and the loss of income to the carer and to the wider community is considerable."

For media enquiries contact Rosemary Spry, Carers Australia, (02) 6122 9911 or 0429 996 258. Lynne Pezzullo, Director, Access Economics (02) 6175 2000 or 0416 132 437.