

TASKFORCE ON CARE COSTS
18th October 2006
Embargoed until 18th October 2006

Sharing the care costs: It makes good financial sense for Australia

(18 October Sydney, Australia) – A report to be released today by The Taskforce on Care Costs (TOCC) has found that 75% of Australians with caring responsibilities want the cost of care shared by Government. The report called: *Where to now?* will be launched by the Chair of the Taskforce on Care Costs (TOCC), Juliet Bourke, together with the CEO of Westpac, David Morgan and CEO of Carers Australia, Joan Hughes simultaneously in Canberra and Sydney.

“The numbers are truly compelling. There are 5 million Australians with caring responsibilities in the workforce and nearly 2 million of these are feeling the pinch of the high cost of care. That’s a serious risk to business and the economy and we need a solution now”, says Taskforce Chair, Juliet Bourke.

“For the next 40 years, arguably the biggest economic challenge for business will be the workforce participation rate. In fact, TOCC research shows 1.25 million Australians with caring responsibilities are at risk of leaving the workforce as a result of the high costs of care. Westpac is committed to providing our employees with the flexibility they need to make real choices. Westpac commends the Taskforce for focusing attention on this challenge and pursuing solutions”, says David Morgan, CEO of Westpac.

The report provides a range of practical solutions to address this crisis. TOCC’s primary recommendation is that the Government reimburse 50% of an employee’s out of pocket care costs (for the elderly, children and people with a disability) up to a max of \$10,000 pa per household. Economic modeling was conducted by the Melbourne Institute which found that more than half the cost of the reimbursement would be immediately returned to Government due to increased workforce participation and reduced Government payments.

“A 50% reimbursement makes good economic sense and it’s what employees want. This is not about welfare, this is about an equal sharing of the financial burden of care costs and an investment in our economic prosperity”, says Bourke.

The Taskforce economic modelling in relation to the provision of a 50% care costs reimbursement for childcare would cost the government \$719 million per annum and return to the Government \$392 million per annum in additional revenue. This leaves an immediate shortfall of \$327 million per annum which the Taskforce argues would be extinguished over time through the secondary benefits of increased workforce participation.

Other solutions include extending the current Child Care Tax Rebate (CCTR) to elder and disability care. TOCC found that 93% of Australians with caring responsibilities would embrace this reform.

“This report highlights an important social need and contains well researched, constructive recommendations for addressing it. I hope the government will find it a valuable tool to assist in addressing the issue of funding for care costs” says Hazel Nicholls, CEO Swiss Re Life & Health Australia Ltd.

TOCC's second recommendation is that the Government provide a range of mechanisms to administer the care costs reimbursement – either by an over-the-counter payment of via Fringe Benefits Tax. The report shows that Australians with caring responsibilities want choice as to how a care costs reimbursement is paid.

“ANZ supports the efforts of the Taskforce on Care Costs to build opportunities for carers to increase their participation in the workforce. Most of our employees are carers. 52% of ANZ's employees have childcare responsibilities, 15% care for an elderly person and 6% care for a person with a disability” says ANZ CEO John McFarlane.

“It's great that finally an organisation such as TOCC is looking at this problem. Carers Australia stands behind them and urges business, the community and especially Government to do the same” says Joan Hughes, CEO of Carers Australia.

“With the hearts and minds of strong, dynamic, companies supporting equity and choice for carers, we are optimistic and excited about the positive change in care costs and choice for Australians in the future” says Sheila Ghosh, co founder of WeeWunz.

The report will be received by the Hon Santo Santoro, Minister for Ageing, on behalf of the Federal Government.

"I welcome the contribution that organisations like TOCC are making to the debate around care and its impact on workforce participation, and I am pleased to receive the report. We will analyse its findings and consider the recommendations", says Minister Santoro.

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About the Taskforce:

The Taskforce on Care Costs is supported by over 40 high profile organisations that includes AAMI, ANZ, the Australian Stock Exchange, Australian Women Lawyers, the Bar Council of NSW, Bendigo Bank, Bennelong Media, Blake Dawson Waldron Lawyers, BlueScope Steel, Carers Australia, the Equal Employment Opportunity Network of Australasia, Ernst & Young, Freehills, Gillard Consulting Lawyers, Hewitt, HSBC, Hudson, the Human Rights and Equal Opportunity Commission, IAG, ING, Jones Lang LaSalle, KPMG, the Law Society of NSW, Mallesons Stephen Jaques, McDonalds (Australia), National Australia Bank, the NSW Equal Employment Opportunity Practitioners' Association, Orijen, Parker & Partners, Qantas, Reuters, Rialto Consulting, Swiss Reinsurance, Telstra, WeeWunz, Westpac Banking Corporation, Women in Finance, the Women Lawyers Association of NSW and the WorkLife Association.

The aim of TOCC is to investigate the financial cost of care and how it impacts workforce participation, and to promote reforms within a policy framework of financial sustainability, equity and choice.

Journalists are invited to the launch between 10:30 – 12:00 on Wednesday 18th October, 2006 at: Level 23, Westpac Place, 275 Kent St, Sydney

For more information or to arrange an interview please call Sean Brogan at Bennelong Media on 0407 436 709.