



**Regulation Impact Statement
for the Childcare Assistance Package**

Submission by Carers Australia

July 2015

Carers Australia is the national peak body representing the diversity of Australians who provide unpaid care and support to family members and friends with a:

- disability
- chronic condition
- mental illness or disorder
- drug or alcohol problem
- terminal illness
- or who are frail aged.

Carers Australia believes all carers, regardless of their cultural and linguistic differences, age, disability, religion, socioeconomic status, gender identification and geographical location should have the same rights, choices and opportunities as other Australians.

They should be able to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

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Introduction

The focus of this submission is on the impact of the Child Care Assistance Package on family and friend carers providing substantial care to one or more people with a disability, chronic condition, terminal illness, mental illness or who are frail aged. Caring families who will have a need for child care include:

- Families who have a child with a disability (and/or other children with no disability).
- Families who care for an adult with a disability, mental illness, chronic condition, terminal illness, or who are frail aged who also have a child/children without a disability.

We are surprised that the RIS has little specific focus on the family and friend carers we represent. Carers Australia is concerned that the needs of caring families aren't being taken into consideration, and that the barriers they face to access affordable child care won't be addressed. However, Carers Australia notes that the proposed Inclusion Support Programme under the Child Care Safety Net should make it easier for children with additional needs (such as those with a disability) to access suitable child care services.

As there is a lack of clarity in the RIS around how each of the proposed arrangements would impact on the circumstances of carers, we have not commented on the different options. Rather we have focused on explaining our confusion in the hope that carers' circumstances will be given further consideration and illumination in relation to both their activity requirements and the levels of subsidy they should be entitled to.

What we know about family and friend carers

- In 2012 there were around 2.7 million carers in Australia, approximately 770,000 of which were primary carers (those who provide the most substantial amount of care to one or more people with a disability, mental illness, chronic condition, terminal illness, or who are frail aged).¹
- 277,600 co-resident carers were caring for someone with disability under the age of 15. Forty-three per cent of these were primary carers. Of these primary carers, just under 110,000 were the parents of a child with disability.²

¹ Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers 2012

² Australian Bureau of Statistics (ABS), Caring in the Community, Australia, 2012

- Families with a child with a disability are likely to be larger than those with a child without a disability (2.3 children on average compared to 1.8 for couple families, and 2.1 compared to 1.6 for one-parent families).³
- A higher proportion of one-parent families have a child with a disability (19 per cent) compared with couple families (11 per cent).⁴
- Carers are more likely to live in households with lower than average gross incomes, with carers over-represented in the lower weekly income quintiles and under-represented in the higher income quintiles.⁵
- In 2012, 58 per cent of primary carers and 38 per cent of non-primary carers were not in the labour force.⁶
- In 2012, 56 per cent of female primary carers and 53 per cent of male primary carers were on a government pension or allowance.⁷
- Primary carers are more likely to be separated or divorced (13.6 per cent) compared to non-carers (9.7 per cent).⁸ Forty-two per cent of Carer Payment recipients aren't partnered.⁹
- In March 2015, there were 252,036 recipients of Carer Payment and 598,031 recipients of Carer Allowance.¹⁰
- Over 21 per cent of people on Newstart Allowance have been assessed as having a partial capacity to work.¹¹ For some of these recipients, this will be due to caring responsibilities. In 2012-13, around 42 per cent of those who stopped receiving Carer Payment went on to another working age income support payment. The most common working age payment was Newstart Allowance (61 per cent).¹²
- About 40 per cent of primary carers identify that their caring role has impacted on their physical and emotional wellbeing.¹³

³ Australian Bureau of Statistics (ABS), 4102.0 - Australian Social Trends, 2008

⁴ Ibid.

⁵ Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers 2012

⁶ Ibid

⁷ Ibid

⁸ Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers 2012, using ABS TableBuilder

⁹ As at March 2015, www.data.gov.au

¹⁰ www.data.gov.au

¹¹ As at March 2015 www.data.gov.au

¹² Commonwealth of Australia 2014, 'A New System for Better Employment and Social Outcomes: Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services', p.36

¹³ Australian Bureau of Statistics (ABS), Caring in the Community, Australia, 2012

Taking all this information together:

- Families of a child with a disability will in many cases have at least one stay-at-home carer.
- Such families are also likely to have other children who need to access to childcare – not only for developmental purposes, but because the carer is simply not in a position to sustain the daily care of one or more children with disability and other children.
- The same situation will face carers of an adult with a disability, mental illness, chronic condition or who is frail aged who also take care of their own children. In other words, it is unreasonable to expect them to take on extra activity requirements outside of their caring responsibilities. Many carers are likely to need a substantial amount of child care for their children without disability.
- The level of socio-economic disadvantage suggests the many will require a high level of subsidisation in order to access adequate child care.

How do the options presented in the Regulation Impact Statement take into account the needs of these families?

1. They are not covered off by the activity requirement exemptions

Carers are not specifically included in the list of exemptions which preclude activity requirements and attract 72 hours of childcare subsidy per fortnight. That is, they will not necessarily fall into the categories of:

- Having a child at risk of serious abuse or neglect
- They are not themselves disabled or their partner is not disabled
- They or their partner is not the grandparent or great grandparent of the child
- Their partner is not living overseas
- They or their partner is not in prison or otherwise lawfully detained.

They could perhaps qualify under the exceptional circumstances category.

2. It's unclear how carers on income support are treated

On pages 49-50 of the RIS there is a table which identifies recognised activities which can substitute for participation in work, education or training. One section covers recipients of Carer Payment or Carer Allowance.

Activity	No change (Option 1.1)	Option 1.2	Option 1.3	Option 1.4
Caring for an adult or another child with disability and in receipt of Carer Payment or Carer Allowance	✓	✓ Linked to activity Definition change: Carers must be caring for an adult or <u>another</u> child	✓ Linked to activity Definition change: Carers must be caring for an adult or <u>another</u> child	✓ Linked to activity Definition change: Carers must be caring for an adult or <u>another</u> child

It is unclear to us what “carers must be caring for an adult or another child” actually means. Is the inference that carers must be caring for an adult or a child with a disability, as well as a child or children without a disability?

Secondly, we do not understand what “linked to activity” means in the context of these carers.

Does it mean linked to the provision of care or does it mean linked to the activity requirements of Carer Payment and Carer Allowance?

If it means linked to the activity requirements of Carer Payment and Carer Allowance with respect to work, education and training, neither of these payments have such participation requirements attached to them. Indeed, in the case of Carer Payment, there is an activity limitation requirement on work, volunteering, studying and training aimed at ensuring that a sufficient amount of care is provided:

“You can participate in work, including volunteer work, study or training for up to 25 hours a week including the time taken to travel and still be eligible for Carer Payment, as long as you continue to personally provide constant care.”¹⁴

If, on the other hand, the provision of informal care is regarded as a ‘recognised activity’, then we would assume that the level of subsidised hours per fortnight would be commensurate with the amount of care provided by a carer on a Carer Payment or Carer Allowance.

With eligibility for Carer Payment linked to providing constant care on a daily basis for a 'significant period' during each day, it would be expected that many (if not most) Carer Payment recipients would receive the highest level of subsidy available under the proposed 3 Step approach on page 48 of the RIS – i.e. more than 48 hours of activity per fortnight attracting up to 100 hours of subsidy.

¹⁴ Australian Government Department of human Services
<http://www.humanservices.gov.au/customer/enablers/centrelink/carers-payment/income-and-assets>

The requirements to receive Carer Payment are:

“The care may be active, supervisory or monitoring. To provide care on a daily basis for a significant period, a carer should reasonably be expected to provide at least the equivalent of a normal working day in personal care, as the policy intent of providing [Carer Payment] is to recognise that the carer is not able to undertake substantial employment because of their caring responsibilities. This includes circumstances where the carer or care receiver are absent from the care situation for part of the day, but the intensity of the care required and provided during the remainder of any 24 hour period is such that it roughly equates to a normal working day.”¹⁵

While the requirements for Carer Allowance are slightly different (see below), recipients of this payment should still receive a level of subsidised child-care which is proportionate to the level of care they provide.

The requirements for Carer Allowance are¹⁶:

- The person with a disability must receive 'care and attention' on a daily basis because of the disability.
- Care and attention must be provided in a private home that is the residence of the carer and the care recipient.
- A carer who does not live in the same private home as an adult care receiver may qualify if the care relates to the care receiver's bodily functions or to sustaining the care receiver's life and is provided on a daily basis, for a total of at least 20 hours a week.
- The carer of child must provide AT LEAST 14 hours per week of additional care and attention in order to meet the definition of 'requiring substantially more care and attention' than a child of the same age without a disability'.

There appears to be no clear delineation of the minimum hours of care to be provided to a co-resident adult (other than the stipulation that it must be daily care). However, the adult being cared for must achieve a qualifying score as determined by the Adult Disability Assessment Determination (ADAT) which determines the intensity of the level of disability or illness.

¹⁵ Australian Government, Guide to Social Security Law, Version 1.213 2015, Carer Payment (CP) – Description, <http://guides.dss.gov.au/guide-social-security-law/1/1/c/310>

¹⁶ Australian Government, Guide to Social Security Law, Version 1.213 2015, 1.2.5.50 Carer Allowance (CA) – Description, <http://guides.dss.gov.au/guide-social-security-law/1/2/5/50>

It's also important to recognise that there are many carers who aren't on either Carer Payment or Carer Allowance but who receive other payments such as Newstart Allowance (NSA). Those who have caring responsibilities while on NSA may have reduced activity requirements. Determinations about the level of subsidised child care they receive should therefore take into account not just their activity requirements but also the level of care they provide.

3. Carers who don't receive income support are not recognised in the RIS

The RIS doesn't recognise families who have unpaid caring responsibilities but who aren't on an income support payment. While the table on pages 49-50 lists a range of 'recognised activities' such as looking for work, training, or working in a family business, unpaid caring is not listed.

There are many carers who aren't eligible for either Carer Payment or Carer Allowance but:

- who still provide a significant level of care and support for another individual;
- who will find it difficult to shoulder the task of caring for one or more people with a disability, chronic condition, terminal illness, mental illness or who are frail aged without adequate access to care arrangements for their children without disability; and
- whose disposable income is insufficient to adequately cover the costs of child care.

Such families should still be entitled to receive subsidised child care which is commensurate with the intensity and level of care they provide on a fortnightly basis.

Carers Australia recommends that:

- Considerably more thought and clarity be given to the subsidised child care entitlements available to carers of someone with a disability, mental illness, chronic condition, terminal illness or who are frail aged who have children in need of child care.
- Caring responsibilities should be considered as a 'recognised activity' equivalent to the activity requirements relating to work, education and training and should attract a commensurate level of subsidised hours of child care, regardless of whether the carer is on an income support payment.