



Senate Select Committee into the Abbott Government's Commission of Audit
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senators

Please find attached Carers Australia's submission to the Commission of Audit.

Since we made this submission, the Review of Social Welfare has been announced. The Review will have an initial focus on the Disability Support Pension and Newstart.

Carers Australia is uncertain about the relationship between this Review to the ambit of the Commission of Audit. Various statements made to the media by the Minister for Social Services and his spokespeople suggest that the Review process will take place over a number of months and that the purpose of the Review is not to chase savings. However, in the absence of any publicly available terms of reference, identification of public consultation processes and the timelines for the Review, it seems entirely possible that initial findings of the Review will feed into the Commission of Audit's recommendations and into the next Federal Budget.

This Review will have a major impact on the carers of people with a disability, not only because of its potential direct impact on those they care for, but also because they will need to shoulder an additional financial burden, over and above that they already carry, if the person/people they are caring for cannot access the Disability Support Pension. It is important to note that primary carers are amongst the most economically disadvantaged in our society. According to the Australian Bureau of Statistics' 2012 Survey of Disability, Ageing and Carers (SDAC), just under half of Australia's 770,000 primary carers are caring for someone with a disability. About two thirds (65%) of primary carers resided in a household with equivalised gross household income in the lowest two quintiles, compared with 36% of non-carers. About 55% of primary carers were on some form of income support (including Newstart). It is clear that many carers' means are stretched to the limit.

Carers Australia shares the Australian Council of Social Services' (ACOSS) position on the Review. We support a comprehensive review of the income support system to simplify the system, improve payment adequacy and support transitioning from income support

into paid employment. However any reform must be accompanied by increased support to assist people to find paid work (both people with a disability and their carers).The Review process must be undertaken with due care and consideration and be open and transparent. It will take time and effort to meet these criteria. We do not believe it appropriate for any short-term findings of the Review - which have not been subjected to a process of open public consultation - to be taken up by the more sweeping deliberations of the Commission of Audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Cresswell', written in a cursive style.

ARA CRESSWELL
Chief Executive Officer

31 January 2014

Attachment

Carers Australia Submission to the Commission of Audit

November 2013

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.

For information contact: Ms Ara Cresswell,
Chief Executive Officer,
Carers Australia

Unit 1 16 Napier Close
DEAKIN ACT 2600
Telephone: 02 6122 9900
Facsimile: 02 6122 9999
Email: acresswell@carersaustralia.com.au

Website: www.carersaustralia.com

Key areas of interest regarding the Commission's Review:

Commission Principles

- Government should do for people what they cannot do, or cannot do efficiently, for themselves . (Relates to all issues and recommendations in this submission).

Terms of reference

- *Identify areas or programs where Commonwealth involvement is inappropriate, no longer needed, or blurs lines of accountability.* (Relates to Issue and Recommendation 1)
- *Improve the overall efficiency and effectiveness with which government services and policy advice are delivered.* (Relates to Issue and Recommendation 2).

Background on family and friend carers

The social and economic significance of family and friend carers

- Carers are an integral part of Australia's health system and are the foundation of our aged, disability and community care system. Access Economics estimated in 2010 that carers provided 1.32 billion hours of unpaid care each year and estimated that it would cost \$40.9 billion to the Australian economy to replace their care with formal care services.

How many family and friend carers are there?

- According to the latest 2012 Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers (SDAC), there are 2.7 million family and friend carers over the age of 15 in Australia (or 11.9% of the population).
- 770,000 of Australia's carers are primary carers (those who provide the majority of informal assistance with the activities of daily living to a person with disability with one or more of the core activities of mobility, self-care and communication).
- Of these primary carers, 51% provided care to a person over the age of 65 (many of whom had a profound/severe core activity limitation). Forty nine percent provided care to someone under the age of 65.

Hours of care provided

- On average, about 40% of primary carers provide 40 or more hours per week of unpaid care.

Why many carers need income support and other government assistance

The negative impacts of caring have been documented in the Australian Unity Wellbeing Index Survey, commissioned by Carers Australia and conducted by Deakin University in 2007. The survey revealed that:

- Carers have the lowest collective wellbeing of any population group investigated up to that point by the researchers.
 - Carers have an average stress rating that is classified as moderate depression.
 - Carers are more likely to experience chronic pain than is normal.
 - Carers are highly likely to be carrying an injury.
- According to 2012 SDAC data, primary carers were significantly more likely to have a disability themselves - around one third of primary carers having a disability (37%), compared with 16% of people who were not in a caring role.
 - Carers are also very socially isolated. In 2012 only 47% of carers who provided care for 40 hours per week or more reported participation in at least one cultural or physical activity, away from home.
 - **Carers are financially challenged**
 - In 2012, almost two thirds (65%) of primary carers resided in a household with equivalised gross household income in the lowest two quintiles, compared with 36% of non-carers. The median gross personal income per week for a primary carer was \$400, and for a non-carer was \$600.
 - 55% of primary carers are on a Government pension or allowance. Fifty four per cent of primary carers have difficulty meeting everyday costs as a result of a caring role.

Forms of support needed

The combined negative impacts of caring listed above illustrate that carers frequently need funded supports in order to sustain the caring role. At the national level these supports are provided through a range of government programs under the Department of Social Services (formerly by the Department of Health and Ageing and Department of Families, Housing, Community Services and Indigenous Affairs). These include information

and referral services, counselling and respite programs for carers of people with a physical impairment or mental health condition and carers of the aged . Income support for carers and allowances which assist with the cost of care are administered by the Department of Human Services.

Issues and Recommendations

Issue 1: The National Disability Insurance Scheme (NDIS) will not duplicate carer supports or remove the need for carers of people with a disability or chronic health problem under the age of 65 to have their own Government funded supports in place.

- National Disability Insurance Scheme(NDIS) Individual Support Packages are for the person with a disability to achieve their aspirations, not their carer. These aspirations won't necessarily involve replacing their unpaid carer with paid care and, in the majority of cases, unpaid carers will continue to provide the support they do now – albeit with greater confidence that the person they care for will have a better quality of life, and that some aspects of their care (for example, improved equipment and home modifications) will make things easier.
- The National Disability Insurance Scheme will not cover everyone with a disability. It will not cover all people with chronic illnesses, drug and alcohol problems, any disabilities which are not considered permanent (but which may still require substantial contributions from carers over long periods of time) or anyone over the age of 65 unless they were participants of NDIS before they reached that age. In this context it is notable that NDIS packaged support is expected to cover 460,000 people when fully rolled out. The 2012 Survey of Disability, Ageing and Carers (SDAC) estimated that 4.2 million Australians, or 18.5% of the population, had a disability restricting everyday activities and of these 1.4 million had a severe or profound core activity limitation.
- Under these circumstances there remains a pressing need to maintain funding to carer specific support programs which will need to be accessed both by carers of recipients of NDIS packages (which improves their quality of life but do not remove the need for their carers) and carers of people with disabilities and chronic medical and/or mental health conditions who are not covered by the NDIS. These supports include information, referral, counselling, training, respite and home help.

Recommendation 1:

That it is understood that the NDIS does not duplicate necessary supports made available through current carer support programs and that the funding of those programs will need to be maintained and increased in line with the growth of the unpaid carer population.

Issue 2: Carers Australia supports the direction of many of the *Living Longer, Living Better* reforms as they relate to carers and is of the view that these reforms are likely to improve the overall efficiency and effectiveness of the delivery of services to the ageing population.

- As noted in the Productivity Commission's 2011 inquiry into *Caring for Older Australians* and its recent report on *An Ageing Population: Planning for the Future*, the growth rate of the oldest segments of the population is accelerating, bringing with it serious impacts on the affordability of aged care. It is clearly in the interests of the economy for people to age at home for as long as possible rather than transferring into expensive residential care. Their capacity to do so will depend on providing adequate supports to sustain the role of family and friend carers.
- The previous Government's *Living Longer, Living Better* package adopted many of the recommendations of the Productivity Commission's 2011 inquiry into *Caring for Older Australians*. (However, in the view of Carers Australia the overly-short implementation deadlines threatened to undermine proper planning and ran the risk of causing counter-productive disruption to older people and their carers and families.)
- Among the *Living Longer, Living Better* reforms which Carers Australia believes will assist carers to continue to provide support for the frail aged are the following:
 - The increase in numbers of home care packages (organised into four levels of required support) offered on a Consumer Directed Care basis;
 - The integration of a range of fragmented, restrictive home support programs (HACC, NRCP, DTC and ACHA) into a single Commonwealth Home Support Program and subsequent growth of this funding stream. This includes integrated, adequately funded respite options which will allow carers to access respite or rest periods in the form they need and at the time they need them.
- Under the *Living Longer, Living Better* reforms new Carer Support Centres were to be established under the auspices and funding of the Health and Ageing portfolio. These centres would replace existing Commonwealth Respite and Carelink Centres (CRCCs). While Carers Australia supports the establishment of better designed and better funded Carer Support Centres, it is important for reasons of efficacy and of economies of scope and scale that these new centres support all carers regardless of the age of the person they are caring for. It is also important that there should not be a rush to establish such centres until the interfaces between carer supports across the full range of Government programs have been carefully thought through. Planning for the new Carer Support Centres requires adequate opportunity for proper public consultation and ensuring that the sector has time to adjust to the new program structure.

Recommendation 2:

- That the Commission notes that Carers Australia believes that many features of the previous government's *Living Longer, Living Better* package of reforms would increase the efficiency and effectiveness of the delivery of services to the aged and their carers and would assist people to age at home for as long as is possible. These include the expansion of Home Care Packages, an integrated Home Support Program and more flexible respite options. Current and projected financial investment directed to changing the balance between supported community care and high cost residential care should not be decreased.
- Implementation deadlines of the former government's aged care reform agenda should be revisited to ensure proper planning and effective implementation of each reform.

Issue 3: The capacity of many carers to sustain their caring role depends on the adequacy of the Carer Payment, Carer Allowance and Carer Supplement

- As noted under the Background to this submission, a great many carers (55% of primary carers) rely on Government income support and a contribution to the extra costs of care in order to sustain their caring role.
- A number of these carers might be able to transition from income support to employment if sufficient job training and suitable employment placement assistance, flexible working conditions and better accessible formal or paid carer support was available. However, these options aren't available to many and those on income support (or in low paid, casual or part-time jobs) struggle to survive.
- We note that the Coalition committed to maintaining Carer Payment, Carers Allowance and the Carer Supplement in its 2013 Election Policy for Disability and Carers.

Recommendation 3:

No reduction to the value of Carer Payment, Carer Allowance and Carer Supplement.