



Carers Australia
2014/15 Federal Budget
What it means for carers

Introduction

This document provides an overview of how the major 2014/15 Federal Budget changes may impact on carers.

Information about any changes to government payments is an indication only, based on the information available at the time of writing.

For further information and advice on how any changes to payments may affect you, please visit the [Department of Human Services](#) website or call Centrelink on

- Carers **132 717**
- People with disability **132 717**
- Newstart Allowance **132 850**
- Youth Allowance **132 490**
- Jobs, Education and Training **136 150**

Carer Payment

What's changed?

As of 1 September 2017, the Carer Payment will be indexed to the Consumer Price Index (CPI). Currently, it is indexed in line with Male Total Average Weekly Earnings (MTAWE) or the Pensioner and Beneficiary Living Cost Index – whichever is highest.

What does this mean?

Indexation is the method used to increase government payments and pensions over-time. The new arrangement outlined in the 2014/15 Federal Budget - the Consumer Price Index- has historically been a less generous formula than the current indexing arrangement.

The difference between these two indexing arrangements is demonstrated in the current gap between the Newstart Allowance and other pensions – currently a \$166 a week difference for singles.

We don't know what the CPI will be in 2017 – and so can't state exactly what the fortnightly amount of Carer Payment will be in three years' time. However, based on historical changes we can estimate that indexing the Carer Payment to CPI (instead of the current arrangement) will reduce it by around \$80 a week in a decade's time.

How will it affect me?

While the change in indexation will not cut the amount of Carer Payment given to recipients now, it means the real value of the payment will not increase over time as much as it would have under the current indexing arrangements.

NB: These changes also apply to the Disability Support Pension and the Age Pension (from 1 September 2017) and to the Parenting Payment Single (from 1 July 2014).

Pensioner Education Supplement – cessation

What's changed?

From 01 January 2015 the Pensioner Education Supplement will no longer be available.

What does this mean?

The Pensioner Education Supplement helps students with the ongoing costs of full-time or part-time study in a secondary or tertiary course. Those previously eligible for the Supplement included people receiving Carer Payment, the Disability Support Pension, Newstart Allowance (as a single principal carer) and others.

How will it affect me?

From 01 January 2015, existing Pensioner Education Supplement recipients will have their payments stopped.

Disability Support Pension – eligibility review

What's changed?

From 1 July 2014, the eligibility of current Disability Support Pension (DSP) recipients who are aged under 35 years and who started receiving DSP between 1 January 2008 and 31 December 2011 will be reviewed.

What does this mean?

Under this measure, DSP recipients will have a comprehensive review of their qualification for DSP, involving a review of the functional impact of their impairment and an assessment of their capacity to work.

DSP recipients will also be assessed as to whether they have evidence of having actively participated in a Program of Support*. Depending on their circumstances, if they have not participated in a Program of Support they would be required to do so. DSP payment would then depend on their participation in a Program of Support.

*At the time of writing we were unable to access any detailed information on exactly what is included as a 'Program of Support'.

How will it affect me?

The reviews will be carried out over 18 months from 1 July 2014. The Department of Human Services (Centrelink) will contact recipients who are affected by this measure. Recipients will be asked to provide current medical evidence and may need to attend a Job Capacity Assessment scheduled by the department.

You will not have to undergo an eligibility review if you are over 35 years of age, or started receiving DSP before 1 January 2008. If you have already been assessed as having a work capacity of less than eight hours a week you will also be exempt.

Disability Support Pension- compulsory participation requirements

What's changed?

From 1 July 2014, Disability Support Pension (DSP) recipients who are aged under 35 years - and who have been assessed as having the capacity to work eight or more hours a week - will be required to participate in activities that will help them find and keep a job.

What does this mean?

If you are on DSP and under 35 years, and have been assessed as having the capacity to work eight or more hours a week, you will be required to have a 'participation plan' and to undertake certain compulsory activities that *may* include

- Work for the Dole
- work experience
- education or training
- job search
- connection with a Disability Employment Service or Job Services Australia

How will it affect me?

Recipients of DSP who are under the age of 35 are already required to have a participation plan and to attend regular interviews with the department. These changes will increase the amount of activities that are in the participation plan and make them compulsory. The new requirements will commence at the DSP recipient's next DSP participation interview.

These changes will not affect you if you are over 35 years of age, or have been assessed as having a work capacity of less than eight hours per week.

Disability Support Pension – reduced portability

What's changed?

From 01 January 2015, Disability Support Pension (DSP) recipients who travel overseas can only continue to receive their payments for a maximum of four weeks overseas in any 52 week period.

Currently, DSP recipients can continue to receive their payment while they are overseas for up to six weeks, on multiple occasions in any one year.

What does this mean?

DSP recipients will have their payment cancelled if they are overseas for longer than four weeks and will need to reclaim and have their medical condition(s) and work capacity reassessed against current impairment tables.

Newstart Allowance and Youth Allowance (Other) – new requirements

What's changed?

From 01 January 2015, there will be a new waiting period before new applicants (aged 18-30 years) are able to receive either Newstart Allowance (NSA) or Youth Allowance (Other)*.

*Youth Allowance (Other) differs in that it is for young people looking for work, not those who are studying full-time.

What does this mean?

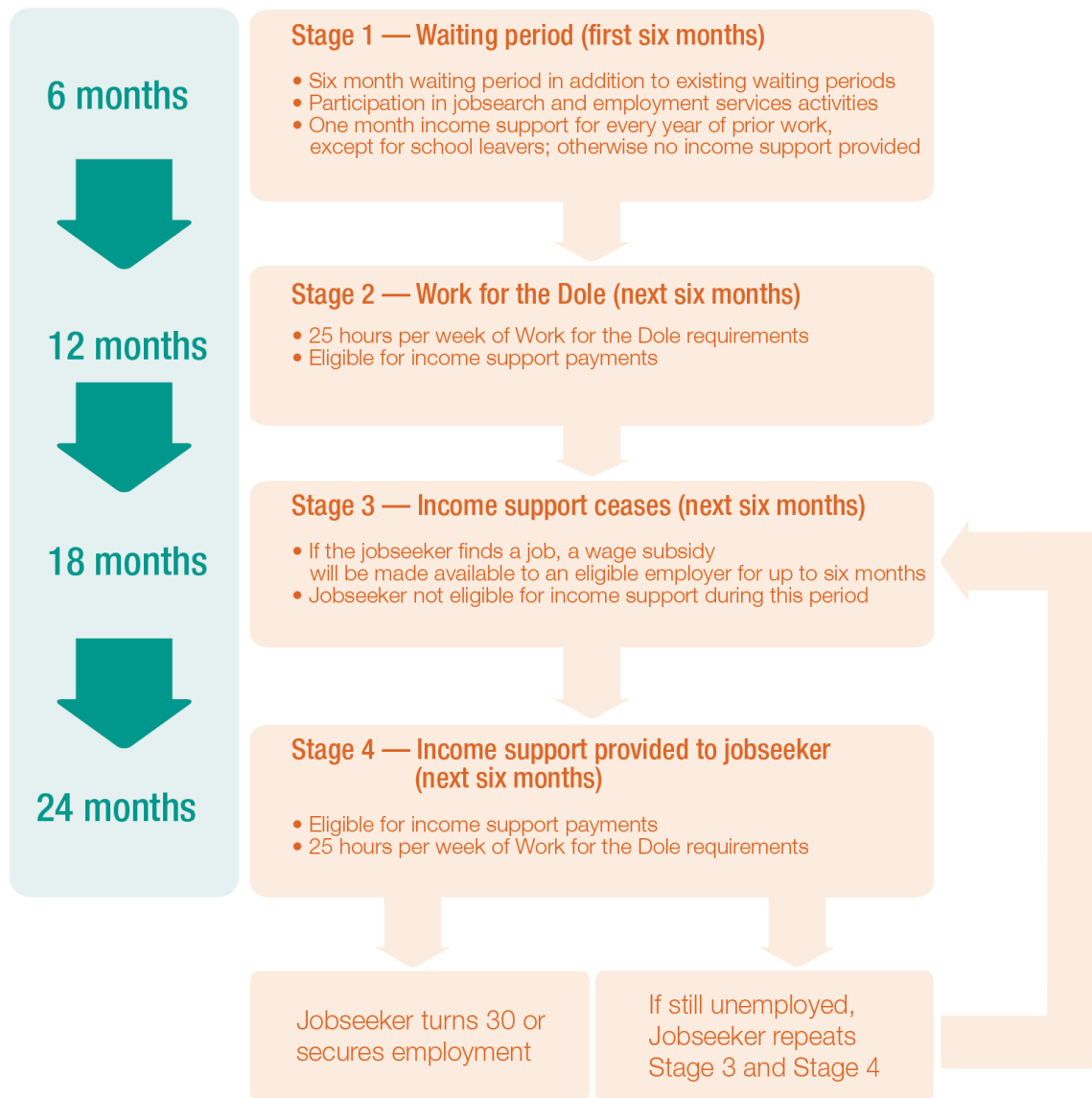
The new maximum waiting period is six months, the minimum is one month. The waiting period can be reduced by one month for each year the young person has been in full-time paid employment. Proof of part-time and casual employment will also reduce the waiting period.

After the waiting period, income support will be available for an initial six months – but only if the recipient participates in Work for the Dole for at least 25 hours per week. For the following six months, the job seeker won't receive income support, but will still have access to employment services during this time. After this period, the job seeker will again be eligible for six months of income support if they haven't found employment.

Job seekers will need to repeat these steps if they are unable to find work. See chart below from the Department of Social Services;

At any time while unemployed, the jobseeker may choose to undertake further study on a more permanent and regular basis and test their eligibility for a student income support payment such as Youth Allowance (Student) or AUSTUDY.

Requiring young people to be earning, learning or participating in Work for the Dole



Source: Budget 2014-15 - Social Services, 13 May 2014 <http://www.dss.gov.au/about-the-department/publications-articles/corporate-publications/budget-and-additional-estimates-statements/2014-15-budget>

How will this affect me?

From 01 January 2015, all existing recipients of Newstart Allowance and Youth Allowance (Other) who are under 30 years of age will also complete a period of Work for the Dole and then transition to the same arrangements.

As a new applicant, the Department of Human Services will advise you on how the changes affect you. If you are already receiving one of the payments you will also be advised when it will impact you.

Exemptions from the under 30s waiting period: The following groups will not be affected by these changes;

- Those who are over 30 years of age, or who are receiving Student payments.
- Job seekers who have a work capacity of less than 30 hours per week.
- Principal carers of a child or parents with 35 per cent or more care of a child.
- Part-time apprentices
- Disability Employment Service clients.
- Stream 3 or 4 jobseekers under employment services.
- Those receiving Newstart Allowance or Youth Allowance(Other) who are the single parent of a Family Tax Benefit child will also be exempt.

Patient Contributions to GP, pathology and diagnostic imaging services

What's changed?

From 01 July 2015, patients can expect to pay \$7 towards to cost of a standard GP consultation and for out-of-hospital pathology and imaging services. For those with a concession card or who have a child under 16 years, you will need to pay \$7 for the first 10 services you receive each calendar year.

What does this mean?

Currently, when patients visit a bulk-billing GP service there is no out-of-pocket expense. When visiting a General Practitioner who doesn't waive the fee, patients receive a refund from Medicare of \$37.70 towards the cost of a standard consultation. The changes will mean new contributions for previously bulk-billed services, and a reduction of \$5 in the in the Medicare refund.

How will this affect me?

For a concession card holder: Currently, a concession card holder who visits a bulk-billing doctor 15 times a year would have no out-of-pocket expenses. From 1 July 2015, they will be expected to pay \$7 for each visit, for a maximum of 10 visits or \$70.

For a general patient: Currently, a general patient who visits a GP may be charged \$70 for this service. They would receive a \$37.70 refund from Medicare, leaving an out-of-pocket expense of

\$32.30. From 01 July 2015, this patient would receive a smaller refund from Medicare (\$32.70 – which is \$5 less than currently). Their out-of-pocket costs will be \$37.30.

For a family with 2 children: Currently, a family with 2 children who visit a bulk-billing doctor multiple times for each child would have no out-of-pocket expenses. From 1 July 2015, if child 1 visits the doctor 12 times they will pay \$7 for each of the first 10 visits (or \$70). If child 2 visits the doctor 4 times, they will pay a further \$28 for these visits. The family's out-of-pocket expenses would be \$98.

Increased co-payments for pharmaceuticals

What's changed?

From 01 January 2015 patients will pay more for pharmaceutical items (medicines) that are listed on the Pharmaceutical Benefits Scheme (PBS). Under the PBS the Government subsidises medicines for many medical conditions.

What does this mean?

Currently, patients pay a PBS co-payment of \$36.90 when they purchase pharmaceutical items. Concession card holders pay \$6.00 per item. From 2015, this payment will increase to \$42.70 per item, or \$6.90 for concession card holders.

How will this affect me?

Under current arrangements, in 2015 a pensioner who purchased 80 medicines a year which are listed on the PBS would pay \$366 in total. This includes \$6.10 for 60 PBS medicines, before reaching the safety net, and then receiving the last 20 PBS medicines for free.

Under the new arrangements, from 01 January 2015 the same person will pay \$427.80. This includes \$6.90 for 62 medicines, before reaching the safety net, and then receiving the last 18 PBS medicines for free. Their expenses will be \$61.80 more in 2015.

The changes don't affect the price of medicines that are currently below the general co-payment. For example, if a medicine currently costs \$20.00, a non-concession card holder would still pay \$20.00 rather than the \$42.70 co-payment.

Aged Care: Commonwealth Home Support Programme – reduced rate of real funding growth

What's changed?

From 01 July 2018, the Government will reduce the rate of real growth in the *Commonwealth Home Support Programme** (CHSP) from six per cent annually to 3.5 per cent annually.

* The Commonwealth Home Support Programme will be introduced from 01 July 2015. The programme combines several aged care programs into one including; the Commonwealth Home and

Community Care Program (HACC); the National Respite for Carers program; the Day Therapy Centres programme; and the Assistance with Care and Housing for the Aged program.

What does this mean?

This change will reduce the funding available for the Commonwealth Home Support Program from July 2018.

How will this affect me?

Major changes to the Aged Care system are still underway and it is still too early to know how the amalgamation of several aged-care programmes into the CHSP will directly affect service users.

However, while the Government has said the reduction in the real growth of the CHSP is to “broadly align” growth of the programme with “annual growth in the population aged 65 years and over” we are unsure on what basis this calculation has been made. The Council of the Ageing (COTA) have pointed out that “the Government is wrong to link this to the growth in the 65 plus population as most users of community aged care are in their mid-70s or over, whose numbers are increasing at a faster rate”.

Indexation of fuel excise

What’s changed?

From 1 August 2014, the Government is reintroducing the twice-yearly indexation (by the Consumer Price Index) of excise and excise-equivalent customs duty for all fuels (except aviation fuel).

What does this mean?

The fuel excise is a tax imposed on the sale of fuel. By indexing the fuel tax, the Government is ensuring that the amount of the tax will continue to increase over-time.

How will this affect me?

There are a variety of estimates available on what the cost to the user will be.

- According to Choice magazine, “the unfreezing of the fuel excise levy will lead to an increase in petrol prices twice a year, adding about two cents a litre to the cost of petrol in August”.

- The Daily Telegraph reported that it would equate to an extra 5 cents a litre to bowser prices over four years.

The Government has stated that the revenue raised from this increased tax will be spent on road infrastructure projects.