



COVID-19 income support and other Government measures – Carers Australia policy response

Carers Australia position

Carers Australia recommends that the Government extend the payment of the Coronavirus Supplement to recipients of Carer Payment.

Summary of social security measures

As part of the response to COVID-19, the Government is implementing new income support measures. These measures are mainly targeted to people who are unemployed, or who become unemployed because of factors associated with COVID-19. These measures include:

- A \$550 per fortnight Coronavirus Supplement will be paid for six months to new and existing recipients of:
 - JobSeeker Payment (which replaced Newstart Allowance and some other payments)
 - Parenting Payment
 - Youth Allowance for jobseekers
 - Youth Allowance for students
 - Austudy and ABSTUDY for students
 - Farm Household Allowance
 - Special Benefit.
- The Coronavirus Supplement has not been extended to carers receiving the Carer Payment or Carer Allowance or to recipients of Disability Support Pension and Age Pension.
- A one-off Crisis Payment, which is equal to one week's JobSeeker Payment or Youth Allowance for jobseekers, is available for current recipients who are isolated at home due to COVID-19 and are in severe hardship.
- A \$750 lump sum Economic Support Payment will be paid on 31 March 2020, to recipients of any income support payment, including pensions and allowances or who have a Pensioner Concession Card, Commonwealth Seniors Health Card or Veteran Gold Card.¹

¹ <https://www.servicesaustralia.gov.au/individuals/news/more-financial-support-coronavirus-affected-job-seekers-and-students>

- A second \$750 lump sum Economic Support Payment will be paid in July 2020, to income support recipients who are not eligible for the Coronavirus Supplement.²

Student payments were not included in the Coronavirus Supplement legislation, as the Government initially only intended the payment to be made to people looking for work and people who lose their job or income because of the pandemic. The Government has since indicated that the supplement would be paid to students, so that they would not have an incentive to stop studying and apply for the JobSeeker Payment instead.³

Case Study: Job loss

Pieter cares for his mother who is 85 years old and has had cancer treatment, affecting her immune system. Pieter had reduced his work commitments at a pharmacy to 20 hours per week when his mother came to live with him and has been receiving Carer Payment and related entitlements since then.

Due to his mother's poor health and medical appointments he does not have any paid sick leave available, but his employer has agreed to give Pieter unpaid leave so that he can self-isolate with his mother.

This unexpected loss of income means that Pieter will struggle to meet his financial commitments and increasing costs of food and household items.

Why carers will be paid the Economic Support Payment but not the Coronavirus Supplement

The Economic Support Payment was announced as an economic stimulus measure. It was made widely available to all income support recipients, and extended to those not receiving income support, including people only receiving allowances such as Family Tax Benefit and Carers Allowance. Distributing money widely through the social security system was a way to get money to a significant proportion of the population quickly, with most recipients in low or middle income categories, who would be likely to spend the Payment rather than save it.

The Government's rationale for the Coronavirus Supplement is different. The Supplement acknowledges that the low rate of Jobseeker Payment and other working age payments is very low and that people who lose their jobs or are stood down due to the effects of COVID-19 on the economy will not be able to meet existing financial commitments with the Jobseeker Payment alone. It also acknowledges that people currently receiving the Jobseeker Payment face longer periods of

² https://treasury.gov.au/sites/default/files/2020-03/Fact_sheet-Payments_to_support_households.pdf

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https://www.apph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/March/New_coronavirus_supplement

unemployment. However, the Supplement does not apply to people receiving Carer Payment and other pensions.

The lower rate of Jobseeker Payment and other working age payments is often justified by the Government on the basis that they are short term payments and people are expected to find employment in the longer term. The social distancing and self-isolation measures associated with COVID-19 mean that:

- many jobseekers will not be able to find jobs readily
- many people will become unemployed suddenly and not be able to immediately adjust to their straitened circumstances
- the unemployment rate will increase significantly (with some economists estimating it will double) and will take a long time to return to normal.

However, in making its decision, it seems to Carers Australia that the Government did not consider that many carers on the Carer Payment, who may work for up to 25 hours per week, also have casual or part time jobs, or are parents of children in similar circumstances to parents receiving Parenting Payment. Many Carer Payment recipients would also qualify for a working age payment for which the Supplement is payable.

Why carers should be paid the Coronavirus Supplement

Carers Australia considers that there is a strong case to extend the Coronavirus Supplement to recipients of Carers Payment. Reasons include providing for:

- carers who are paid Carer Payment and who were employed for up to 25 hours per week, and have either lost their jobs, or have had to give up their jobs because the person they care for is in a vulnerable category
- parent carers of children with disability, including sole parents, whose circumstances are similar to recipients of Parenting Payment (these parent carers may also have a similar incentive to those on student payments to transfer to another payment)
- carers who face additional costs of care because:
 - the person with care needs has lost access to services, replacement care or respite care due to their need to limit contact with others (for example, because they are in a vulnerable category), or services are no longer available or diverted (for example, respite care in residential aged care facilities)
 - other family members, relatives and friends who have previously provided support and secondary care are no longer able to, for example when they are in self-isolation, borders are closed, or they are caring for others who are sick or in vulnerable categories.

Many of the carers facing additional costs of caring are unable to leave the person they care for at home by themselves or, particularly in the case of children and those in vulnerable categories, are unable to take them out to undertake essential activities such as grocery shopping. In these cases, they may not be able to go out themselves because of the risk to the person with care needs. In other cases, carers who usually rely on public transport are likely to face increased transport costs.

Case Study: Sole parent

Paula is the parent carer of three children diagnosed with Autism Spectrum Disorder and Attention Deficit Hyperactivity Disorder.

Everyday tasks like grocery shopping are not compatible with social distancing measures. Paula is torn between taking her children to the shops and asking her parents – who both have chronic medical issues – to look after them.

Further, she spends all of her Carer Payment, Carer Allowance and other supplements each fortnight on rent, utilities, groceries, medications and other bills. Rising costs of meat, vegetables, fruit and many household products mean that she can no longer afford all of the basics.

Carers who are unable to do their own shopping and undertake other essential activities can face extra costs of delivery and/or sourcing more expensive products. Further, the costs of essential items, particularly fresh food, transport and medical supplies, has increased significantly due to higher demand.

Recommendation

Carers Australia recommends that the Government extend the payment of the Coronavirus Supplement to recipients of Carer Payment. This can be achieved through a legislative instrument tabled by the Minister of Social Services, who has been given wide discretionary powers, together with an appropriation, by Parliament to extend social security measures.