

Response to the Australian Government Senate Select Committee on Cost of Living Inquiry

12 May 2023

Introduction

Carers Australia welcomes the opportunity to respond to the Senate Select Committee on the Cost of Living (the Committee). While the effects of this crisis are felt throughout the nation, we wish to draw the Committee's attention to the specific cost of living pressures faced by Australia's carers¹, who account for more than 12.5% of the population.² We request that this submission is considered as an addition to other research and submissions discussing the experience of the wider population and other vulnerable or at-risk groups – carers may also be experiencing these issues when you consider the diversity of carers, caring relationships and the people receiving care.

Carers are an economically vulnerable group whose contribution of unpaid care can come at the cost of their employment, income, long term financial security, physical health and mental wellbeing. This disadvantage has been experienced more acutely through the cost of living crisis, and following on from the pandemic, where 72% of carers have had an increase in intensity in their caring responsibilities due to COVID-19, and almost half (49.6%) reporting that this is long-term³.

It is also important to highlight the benefits this unpaid care has on the Australian economy, where modelling conducted by Deloitte Access Economics estimated that carers provided a total of nearly 2.2 billion hours of care in 2020, before COVID, with a replacement cost of formal paid care (disability sector and aged care alone) of \$77 billion.⁴

The reality is that carers are also often in at-risk and/or economically vulnerable groups themselves as individuals, in addition to inclusion by the nature of the caring role, as we draw attention to the following:

- In 2018⁵ more than one-third of primary carers lived with disability themselves, and more than half (54.8%) of those providing care to a spouse or partner were aged 65 years and over.
- There were 235,000 'young carers' aged 12-25 years in 2018 providing care.
- A high proportion of carers live with chronic conditions, and often report poor health, where in 2022 only 17.1% of carers responding to the Carers Wellbeing Survey (CWS) reported that their health is very good or excellent, compared with 47.9% of Australian adults.

¹ Carers Australia uses the term 'carer' as defined by the Commonwealth [Carer Recognition Act 2010](#) (the Act), where it should not be used broadly and without context to describe a paid care worker, volunteer, foster carer or a family member or friend who is not a carer. The terms 'informal carer', 'unpaid carer' or 'family and friend carer' are also often used by organisations, government and the community to describe a carer. Carers Australia may use these terms to assist in providing context and to differentiate between other types of care.

² Australian Bureau of Statistics (ABS), Survey of Disability, Ageing and Carers, (2018), [\[accessed online\]](#)

³ The 2022 Carer Wellbeing Survey - a collaboration between Carers Australia and University of Canberra, and funded by the Australian Department of Social Services [\[accessed online\]](#)

⁴ Deloitte Access Economics, The Value of Informal Care in 2020, (2021), [\[accessed online\]](#)

⁵ *Op.Cit* (2)

- More than half of Australian carers have experienced at least one significant financial stress event in 2021-22, such as being unable to pay bills on time, going without meals, or having to ask for financial assistance, compared to under a third of Australian adults⁶.
- On average, the superannuation balance at age 67 of a person who becomes a primary carer is reduced by about \$17,700 for *every year* that they are a primary carer. Similarly, their lifetime earnings are reduced by \$39,600 for every year that they are a primary carer⁷.
- In 2018 carers were less likely to be employed (66.6%) than non-carers (77.4%), which represents a largely underused portion of the population who are adversely affected when attempting to gain or sustain employment due to ongoing challenges with access, inclusivity and equality in employment because of their concurrent caring role.
- Further, primary carers – i.e., the carer who provides the most assistance to a person for one or more of the core activities of mobility, self-care and communication, are disproportionately affected, where only 55.5% of primary carers of working age were employed in 2018, creating another level of disadvantage.
- If carers are unable to continue their caring role at the same or increased intensity, due to their own health or wellbeing decreasing, the need to reduce caring to maintain or increase employment to cover costs or a range of other reasons, the health, aged care and disability care systems which are already stretched and struggling with workforce constraints, and in a tight fiscal environment, will have to provide more.
- The propensity to care is decreasing for many reasons, including changes in intergenerational attitudes and the economic and financial impact caring can have, with the demand for informal carers in Australia to grow by 23% to 2030, however the supply is anticipated to rise by only 16%⁸.

We urge the Committee to consider the facts and evidence throughout this response and acknowledge carers as an at-risk group, with any reporting or measures that discuss the cost of living for at-risk groups to explicitly include carers.

Carers are first and foremost disproportionately worse off financially than people that do not have a caring role for a variety of reasons given the complex interplay of social determinants, individual circumstance and the realities of caring. Systemic recognition of the valuable social and economic contribution carers make is a fundamental step in combating the ongoing barriers they face in achieving greater economic wellbeing and sustainability, a right they are entitled to as outlined in the Commonwealth *Carer Recognition Act 2010*⁹.

“I don't want my children to have to learn these things. I wish their lives could be easier. I'm struggling with time management for appointments, finances for medications and fuel, not to mention food, forget about decent clothing or any activity costing money.”

- participant in the 2022 Carer Wellbeing Survey

⁶ *Op.Cit* (3)

⁷ Evaluate (2022), *Caring Costs Us: The economic impact on lifetime income and retirement savings of informal carers*. A report for Carers Australia, [[accessed online](#)].

⁸ *Op.Cit* (4)

⁹ *Op.Cit* (1)

Carers Australia's submission builds on previous responses to government processes and has been informed by consultation with our members - the state and territory peak advocacy organisation for carers, which collectively form the National Carer Network. We focus on the first four terms of reference and how they relate to the experiences of carers and those they care for:

- a. the cost of living pressures facing Australians;
- b. the Government's fiscal policy response to the cost of living;
- c. ways to ease cost of living pressures through the tax and transfer system;
- d. measures to ease the cost of living through the provision of Government services

Without Government prioritisation of carers needs, Carers Australia remains concerned that even more will experience financial stress and be unable to access to basics of living for the people they care for or themselves.

"As an older person not being able to plan retirement, travel or work has been diminished. In fact looking for work to make ends meet so I can keep the family home and put food on the table."

- participant in the 2022 Carer Wellbeing Survey

A note on the 2023-24 Federal Budget

Carers Australia welcomes the Australian Government's cost-of-living relief measures announced on 9 May 2023 including the \$3 billion in electricity relief to support households, which includes those who receive the Carer Payment or Carer Allowance, and the \$2.7 billion over five years for Rent Assistance to increase and \$3.5 billion bulk billing incentive at general practices, which will both extend to Carer Payment recipients.

However we are disappointed of the confirmation from government that the \$40 per fortnight increase to the rate of JobSeeker "and other eligible income support payments" does not extend to the Carer Payment despite the increase is 'in recognition of the challenges that many income support payment recipients face'. We understand the measure is targeted to working age and student income support payments and have been informed that 'pensions' (including Carer Payment) are not included in this measure, in part because the Carer Payment is paid at a higher rate and carers are not expected to work.

Our submission provides an overview of the rate of carer payments through Services Australia, and issues associated with these under our response to Terms of Reference b (The Government's fiscal policy response to the cost of living), however we wish to draw attention to:

- the Australia Government [Social Security Guide](#) (v1.307) which defines Carer Payment as (our emphasis) "*a fortnightly income support payment for people who are unable to support themselves through substantial paid employment due to the demands of their caring role.*" and
- Services Australia¹⁰ who state that if you are on a Carer Payment (our emphasis) "*We may still pay you if you spend up to 25 hours a week away from caring.... Keep in mind, any income you get*

¹⁰ Australian Government, Services Australia 'Time off to work, study or train if you get Carer payment' webpage, last updated 28 November 2022 [[accessed online](#)]

from a job can reduce the amount we pay you. If you have a job you may be able to get Working Credit. It lets you keep more of your income support payment and benefits if you're working."

We argue that the Carer Payment is an income support payment per the governments own definition, and that 'unable to support themselves through substantial paid employment' is not an expectation to not work. Carers Australia will be raising this with government over the coming months, including to the Economic Inclusion Advisory Committee and newly funded Evaluation Unit within Treasury, with the remit to examine policies and programs across government.

The Government aims to build a 'stronger foundation' with the 2023-24 Budget, however, Australia's 2.65 million carers must be included in the development of this foundation across sectors for the foundation to succeed. Carers Australia has repeatedly called for a broad review of economic and financial support for carers, including the purpose, intent and adequacy of the Carer Payment and Carer Allowance. **The Interim Economic Inclusion Advisory Committee's recently noted the need to reconsider the level of the Carer Payment and we urge the Committee to add weight to prioritise this work.**

"It's relentless. I don't fit the mould. My husband is long term disability with multiple surgeries and rehab however doctor won't classify him as 'disabled', so he isn't eligible for NDIA nor am I eligible for carer payments. I am the sole income earner and it's financially straining. I also financially support my mum and care for her. Support is limited. We had to relocate, sell our home due to financial hardship. We moved to a regional area for housing affordability however now have challenges in accessing healthcare for my husband and son who require specialist care."

- participant in the 2022 Carer Wellbeing Survey

Response to the Terms of Reference

a. The cost-of-living pressures facing Australians

Carers as a financially disadvantaged group

Despite the unique nature of the caring experience and the wide array of responsibilities it may entail, one consistency is that they are disproportionately worse off financially than non-carers. This is especially the case for primary carers, those who provide the most amount of care. The differences between non-carers and secondary carers (those who share in the provision of care for a family member or friend) are less stark. The latest Australian Bureau of Statistics Survey of Disability, Ageing and Carers (SDAC), found that primary carers were nearly twice as likely to be in the lowest income quintile than non-carers (14.5% compared to 8.3%) and half as likely to be in the highest income quintile (9.4% of carers compared to 18.1% of non-carers). They were also twice as likely to rely on the income support system than non-carers.¹¹ For many carers and the people they care for, this reliance is not a choice.

The barriers carers face in achieving greater economic wellbeing and sustainability are frequently the result of attitudinal and environmental barriers that are enforced by both society and government.¹²

¹¹ *Op.cit*(1)

¹² United Nations, Convention on the Rights of People with Disabilities (UNCROD, [\[accessed online\]](#)).

Carers Australia has advocated tirelessly, highlighting the poor employment outcomes carers face¹³ as a result of insecure or precarious employment¹⁴, insufficient access to flexibility, or lack of adequate substitute care¹⁵. These barriers are in addition to their increased likelihood of facing housing insecurity or having to rely on Government pension or allowance, compared to non-carers.

“Been made to take a reduction in pay and role, to enable me to work from home to care for my child who has a chronic illness. Lack of understanding from employer. It feels like Centrelink makes things so difficult that you will give up. Even calling them can be overwhelmingly challenging, sometimes it can take hours just to get on the hold pattern. When a Carer is trying to hold down work, this is just unfair.”

- participant in the 2022 Carer Wellbeing Survey

The 2022 Carer Wellbeing Survey found that, in the 12 months to March/April 2022, 54.4% of carers experienced at least one significant financial stress event, such as being unable to pay bills on time, going without meals, or having to ask for financial assistance, compared to 32.2% of Australian adults.¹⁶

One sub-set of carers that face additional challenges are young carers, who are at risk of poor education outcomes which can impact future employment and income sustainability. In 2016 the Department of Social Services commissioned a report from Price Waterhouse Coopers (PWC) including an evaluation of future job prospects for young carers. The study projected that, on average, current young carers were expected to be on income support for 43 years over their lifetime.¹⁷ In September 2022, 7,031 young carers between the ages of 16 and 24 were themselves relying on the Carer Payment for basic income support.¹⁸ This cohort is in some ways being set up to stay low income learners throughout their lives, leaving extremely susceptible to minor fluctuations in the cost of living.

As highlighted in our recent response to the [Select Senate Community Affairs Inquiry into the Extent and Nature of Poverty in Australia](#), this susceptibility leaves many carers at risk of poverty. **Financial insecurity is an ongoing problem for carers and without targeted support the current cost of living pressures will be detrimental.**

“Financially it’s been a drain on our household as I cannot work to contribute as much to our household. I don’t get paid to care for my daughter but do not have funds to pay someone else to do everything I have to. I’m stressed that I am not building super for my own retirement and future security.”

- participant in the 2022 Carer Wellbeing Survey

Cost of living pressures facing Australian carers

In addition to the cost of living pressures associated with the price increases for goods and services regularly accessed by majority of Australians including petrol, food, utilities, and housing (both rental costs and mortgage repayment costs), carers encounter additional pressures.

¹³ *Op.cit*(1)

¹⁴ Carers Australia, Response to Australian Government Senate Select Committee on Job Security, 2021, [\[accessed online\]](#)

¹⁵ Carers Australia, Submission to Australian Government Department of Treasury Employment Whitepaper, (2022), [\[accessed online\]](#)

¹⁶ CWS 2023

¹⁷ Price Waterhouse Coopers, *Try, Test and Learn Fund: Data-driven job opportunities for young carers*, (updated 2021), [\[accessed online\]](#)

¹⁸ Australian Government, Department of Social Services (DSS), Payment Demographic Data, (September 2022), [\[accessed online\]](#)

As a result of the responsibilities of the caring role, many carers face additional costs in accessing goods and services that are basic necessities for the person they care for or themselves. A 2021 study found that the average cost of disability in the long-run is higher and it is 63% of the adult-equivalent disposable income.¹⁹ Despite this, results of the study show that with the same level of income, the living standard is lower in households with people with a disability compared to households without.²⁰ Demonstrative of how lack of inclusive and accessible infrastructure, services, and goods directly impacts the cost of living for people with disability and their families.

In many cases this increase in cost is passed on to the carer. The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability recently released a report that estimates the economic cost of this maltreatment. Findings in this report estimate that the financial burden²¹ associated with the lack of inclusive housing and communities falls predominantly on informal carers.²² These costs include maltreatment as a result of people living in inaccessible housing, barriers to accessing transport and increased risk of homelessness and or need access to specialist homelessness services.

In addition to this financial burden, the 2020 National Carer Survey found that a key contributing factor to carer financial distress is expenditure on the costs of care. Almost two thirds of carers reported contributing financially to the costs of medicine for the person they cared for, with half contributing to their transport costs. Just over one in five (22.2%) carers did not incur any additional costs relating to their caring role.²³

It is reasonable to forecast that these contributions have only increased in the face of inflation. A report examining data collected from the Australian Community Sector Survey, which surveys community service organisations across Australia, found that 63 per cent of respondents said cost of living pressures had affected the people or communities that they support. Consequentially these services, which include homelessness, mental health, and family-violence organisations, are facing unprecedented demand with only 3 per cent of respondents reporting they can always meet demand.²⁴

“I am watching my financial security slip away from me the longer I care and I know it will make me vulnerable as I age. The longer I am out of work the more I am left behind and housing security is of particular concern.”

- participant in the 2022 Carer Wellbeing Survey

b. The Government’s fiscal policy response to the cost of living

When considering changes to the Government’s fiscal policy, specifically those aimed at impacting carers or vulnerable groups, it is essential that the **proposed measures complement the existing income support system and/or acknowledge that Carer Payment is an income support payment.**

¹⁹ Vu, B., Khanam, R., Rahman, M. et al. *The costs of disability in Australia: a hybrid panel-data examination*, (2020), [\[accessed online\]](#)

²⁰ *Ibid.*

²¹ Cost that can be directly attributed to maltreatment of people with disability using available evidence.

²² Taylor Fry, The CIE. *Research Report - The economic cost of violence, abuse, neglect and exploitation of people with disability*, (2022), [\[accessed online\]](#)

²³ Carers NSW, 2020 National Carer Survey, (2020), [\[accessed online\]](#)

²⁴ Australia Council of Social Services, *Helping people in need during a cost-of-living crisis: Findings from the Australian Community Sector Survey*, (2022) [\[accessed online\]](#)

Access to, or obtainment of cost-of-living relief measures should be considered as an addition to income support payments and not impact an individual's eligibility or rate of payment. We also reiterate the importance of recognising carers as an at-risk group, who are in detrimental need of the financial assistance.

Recipients of the Carer Payment were grossly neglected from accessing the Australian Government Coronavirus Supplement which was introduced in March 2020. The supplement, which effectively doubled payment amounts for a range of social security payments (including JobSeeker, Youth Allowance and the Parenting Payment), excluded individuals receiving the Carer Payment, Disability Support Pension and the Age Pension. Ongoing exclusion from similar measures will be detrimental to Australia's 2.65 million carers and reconfirms our concerns with the recent budget measures.

These one-off payments to individuals who receive income support do not address the needs of carers who are not eligible for these payments. According to the 2018 SDAC 30.4% of primary carers were in receipt of a Government pension or allowance compared to 14.3% of non-primary carers and 9.2% of non-carers.²⁵ Adequate recognition of carers as an at-risk group means acknowledging the vast amount of carers who are struggling outside of the income support system.

Carers Australia encourages the Committee to examine cost of living pressures across the board. As outlined earlier, carers – an already vulnerable group, face both the pressures being experienced across Australia and those associated with care-specific expenditure such as transport costs, medication, health services, support services and housing. One-off relief payments will not improve the affordability of these goods and services. **Long- and short-term measures must be introduced in order to ensure the sustainability of a carer's economic wellbeing.**

I dislike that the [caring] role is not appreciated by society, I am isolated, I have been impacted financially as I am not able to work as much as I need to as a sole parent but I cannot survive with three children on the Carer Payment. I feel forgotten by society and very isolated and lonely, severe financial hardship, high risk of homelessness when my mum passes".

- participant in the 2022 Carer Wellbeing Survey

Long-term measures may include efforts addressed at improving housing accessibility and availability nationally, reducing barriers to employment, prioritising inclusion the workplace through both accessibility and flexibility, and increasing the availability and accessibility of health and support services. Many of these issues will be addressed later.

Carers Australia also highlights several measures that would assist these efforts in our [2023-24 Federal Budget Submission](#). These include developing and delivering a whole-of-government National Carers Strategy and conducting a review of the economic and financial security for carers widely. We also support the current inquiry and reforms occurring in relation to Housing and Homelessness, Work and Care, Mental Health, Disability and Aged Care. It is critical that the findings and consequent measures adopted work together in supporting carers across portfolios.

Recommendation: Ensure any proposed fiscal policy measures complement the existing income support system, and the Carer Payment is clarified as an income support payment, while not being penalised. This

²⁵*Op.cit* (1)

can be done by including other at-risk or low-income groups in relief payments and ensuring that these payments do not impact the eligibility or rate of payment for those receiving income support.

Recommendation: Ensure carers – both those receiving income support and those not – as recognised an at-risk group in any reporting or recommendations related to cost-of-living.

“The workload, the lack of opportunity to earn an income, the unfair taxation system if I was to earn an income, the constant problems caused by Centrelink, audits by Centrelink, cutting pension by Centrelink, identity problems from Centrelink, multiple forms that have to be put in by Centrelink, the need for medicals to prove my daughter still has down syndrome from Centrelink. The three accidental cancellations of my pension by Centrelink, the problems when my wife died, and the Centrelink said they would make sure the supports were transferred to me and never did. NDIS disaster, all of my daughters’ services now levy charges on us for her care, the pension hasn’t gone up and they cancelled the \$3000 travel assistance we used to get. So basically, all cost have risen and we have been on less money.”

- participant in the 2022 Carer Wellbeing Survey

c. Ways to ease cost of living pressures through the tax and transfer system;

As highlighted earlier, the 2018 SDAC found that carers were twice as likely to rely on the income support system than non-carers. Findings show that at the time of surveying 30.4% of primary carers were in receipt of a government pension or allowance compared to 14.3% of non-primary carers and 9.2% of non-carers²⁶. The income supports that carers who cannot combine substantial work and care predominantly rely upon is the Carer Payment income support payment. In September 2022, 302,444 carers relied on the Carer Payment as their main income, which is below the minimum wage of \$812.60 per week or \$1,625.20 per fortnight²⁷. However, this number does not encompass all carers rely on income support.

Data on the number of people receiving the Carer Allowance²⁸ across different social security payments was supplied to Carers Australia by the Department of Social Services for September 2022. This data gives some indication of the broader range of social security payments which carers rely on. These include:

- 276,195 of those on the Carer Payment
- 95,295 of those on the Age Pension
- 23,470 on the Disability Support Pension
- 12,715 on JobSeeker
- 11,655 on the Parenting Payment (Single)
- 2,365 on the Parenting Payment (Partnered)
- 85 on the Youth Allowance

The Carer Payment is currently \$971.50 a fortnight at the single (basic) rate and \$732.30 partnered (basic rate). However, carers cannot engage in work, education, or volunteering for more than 25 hours per week, including travel time. The smaller Carer Allowance (currently \$144.80 a fortnight) is income tested but not

²⁶Op.cit (1)

²⁷ From 1 July 2022, the national minimum wage is \$21.38 per hour or \$812.60 per 38 hour week (before tax) per the [Fair Work Onbudsman](#).

²⁸ The Carer Allowance is a supplementary payment for people who provide daily care and attention to a person with a disability or medical condition.

asset tested. These payments may seem generous compared to JobSeeker, which currently ranges from \$668.40 a fortnight for a single person to \$718.50 for a single person with dependent children (plus add-ons for select circumstance). As with the Age Pension and the Disability Support Pension, the rate for the Carer Payment is just under \$600 per fortnight less than the minimum wage which is currently \$812.80 per week or \$1625 per fortnight.²⁹ **It is inconceivable that people that can meet the essential living costs with such limited income and restricted opportunity to engage with the labour market.**

“Centrelink have an unrealistic expectations about what it entails to be a carer. I am on a carers payment, my son falls into the highest tier of care required and yet we lose 50c to the \$1 for every dollar over \$320 my partner earns in a fortnight. Which means that because I want to care for my son and not have government paid carers come in and do it my pay from Centrelink goes from \$729/fortnight down to \$210 because my partner works full time.”

- participant in the 2022 Carer Wellbeing Survey

In September 2022 the Government undertook one of the largest indexation increases in more than 30 years³⁰ yet this 4.0% increase does not match the non-discretionary inflation rate.³¹ Even more so, the increase does not even come near the increase of petrol prices, which in December 2022 remained 13.2% higher compared to 12 months prior. A key role performed by many carers is transporting the people they care for to numerous medical and therapy appointments, which can present particular challenges for carers in regional areas, and this means keeping their cars on the road. In 2015 Carers Australia reached out to carers to ask what they spent the Carer Allowance on. Transport was identified among the top four items – including registration, car insurance, third party insurance, maintenance and repairs, petrol, and parking fees. These costs are not optional and the disconnect between payment amounts and the cost of living is forcing carers to forgo necessary purchases including accessing support services for themselves. A sacrifice that is detrimental to their wellbeing.

“Often covering costs of first aid, upgrading aids, e.g. walker, right band aids patches for elderly can be \$5 each to avoid skin tears etc. Dad can't believe the cost of things and still wants his pocket money so I pay for a lot of extras so he does not get upset. He eats his main meal, morning /afternoon tea at my place and I am working casual and only able to keep \$180 for the fortnight which equals two shifts, pay 50 cents in the dollar back from my carer's payment for any other hours. Seems unfair when I am trying to boost income to pay for all dad's extras. I work 3am -7am a few days a week on call so time doesn't interfere with dad's day but I am often tired in the early afternoon but have to push through till dad is settled at his home for the evening.”

- participant in the 2022 Carer Wellbeing Survey

²⁹ Fair Work Ombudsman, Minimum Wages, (2023), [\[accessed online\]](#)

³⁰ Department of Social Services, 4.7 million Australians to receive Government payment increases, (5 September 2022), [\[accessed online\]](#)

³¹ Klapdor, M. Parliament of Australia, High inflation and pension indexation, (September 2022), [\[accessed online\]](#)

The 2022 Carer Wellbeing Survey found that 64.2% of respondents cited difficulty affording services as a barrier to accessing support.³² Furthermore, having access to support was associated with significantly higher wellbeing. Amongst those providing care to people with high assistance needs, those who had access to respite care, peer support, and financial support within the last 12 months were significantly more likely to have healthy levels of wellbeing.³³ For carers reliant on income support it is essential that the payment rate not only aligns with the cost of living but also that it enables this group to access support services and additional costs as a result of their role.

A recent economic policy analysis from the Australian National University (ANU) Centre for Social Research and Methods has also addressed the need to increase social security payments through changes to elements of taxation. They found that:

“The groups at most risk of deep poverty and financial stress are identified as persons receiving JobSeeker payments and working age pensions, defined in this paper as including Disability Support Pension, Parenting Payments (Single) and Carer Payments. Other groups also linked to poverty and financial stress are renters, single parents and young persons.”³⁴

Mindful of the reluctance of governments over time to significantly increase the draw down from the Budget to increase welfare payments, combined with resistance to funding increases through significant changes to the tax system, they posit three comparatively modest changes to the tax system (ranked at low, medium and high) to increase the base rates of these payments.

The options involve relatively small changes to personal income tax thresholds, changes to capital gains tax and changes to superannuation taxation which would shift the current relatively flat rate to a more progressive one. The authors note that the proposed changes would benefit those in most financial need and be paid for by those able to accommodate a modest additional contribution.³⁵ In terms of the impact of these reduced tax benefits on households, they note that:

“With Australia’s tightly means tested welfare system, most of the increase in welfare will be a transfer to lower income households. Since most personal income tax is paid by high income households and most superannuation tax is paid by high income/wealth households, the additional (although modest) tax burden would be felt by high income and wealth households.”³⁶

Carers Australia categorically believes that the current income support payment rates are not fulfilling the purpose of Australia’s income support system as they are not providing a ‘a minimum adequate level of income’³⁷ as they do not meet minimum wage, let alone living wage. This inadequacy is denying individuals

³² Carers Australia, 2022 Carer Wellbeing Survey, (2022), [\[accessed online\]](#)

³³ *Ibid.*

³⁴ Associate Professors Ben Phillips and Richard Webster, ANU Centre for Social Research and Methods, *A Fairer Tax and Welfare System for Australia*, April 2022, p.2 [\[accessed online\]](#)

³⁵ *Ibid.*

³⁶ *Ibid.* p.14

³⁷ Australian Government Department of Treasury, *Australia’s Future Tax System – Report to the Treasurer*, (2009), [\[accessed online\]](#)

who are reliant on income support access their right to an adequate standard of living, a right that is the core responsibility of government to ensure.³⁸

“Caring prevents me from working (I have previously had a professional job) and I live with my daughter alone (just the two of us in our household). As I cannot work, we have had some money stressors and the carer payment doesn't reflect the level of input I am giving in my caring role. I support myself, my daughter and my house bills etc on one carer payment. This is not enough. The government should increase the carer payment. As my daughter is about to turn 18, I will soon be supporting an adult who cannot participate in society on one carer payment.”

- participant in the 2022 Carer Wellbeing Survey

Carers Australia recommends the following in regard to the tax and transfer system:

Recommendation: A major independent review of the adequacy of the base rate for all social security income support including JobSeeker, the pensions, Single Parent Payment and Youth Allowance.

Recommendation: The Work Bonus Scheme be extended to people on working age pensions under retirement age whose capacity to increase workforce participation is just as relevant as it is for older people. Currently this Scheme allows people over the age of 65 on the Age Pension, the Disability Support Pension and the Carer Payment, to earn an extra \$300 per fortnight over the current income free area before the taper rate of 50 cents in the dollar begins to impact on their pension payment.

d. Measures to ease the cost of living through the provision of Government services

There are many ways in which carers interact with Government services both directly and indirectly. Carers Australia considers their two be four key service areas which should be of high priority when targeting cost of living pressures, they include:

Social housing

For carers who don't own their homes and instead rented the 2018 SDAC identified they were more likely to rent from a state or territory housing authority in comparison to non-carers. Carers Australia supports the calls of other organisations in the community services sector for governments to take expedited action to increase the supply of social housing. We note that any action taken must meaningfully address the needs for both carers and the people they care more. This includes ensuring that social housing is both available, appropriate and accessible for occupants that may have a disability or require specific accommodations within their homes.

“I am watching my financial security slip away from me the longer I care and I know it will make me vulnerable as I age. The longer I am out of work the more I am left behind and housing security is of particular concern.”

- participant in the 2022 Carer Wellbeing Survey

³⁸ United Nations, International Covenant on Economic, Social and Cultural Rights [1976] ATS 5, [\[accessed online\]](#)

Health Services

Numerous surveys and studies over time have revealed that carers, especially primary carers, have significantly poorer health outcomes than non-carers. The results from SDAC 2018 showed that over one-third (37.4%) of primary carers had disability, at twice the rate of non-carers (15.3%).³⁹

The 2021 and 2022 Carer Wellbeing Surveys highlighted the poor health of carers, only 17.1% of respondents reported having very good or excellent health, 33.1% good health, and 48.6% having only fair or poor health. In the 2022 survey, there was a decline in general health for some groups of carers, including those aged between 25 and 44, with more than a 10% increase in those reporting poor/fair health. Similarly, the proportion of Aboriginal and Torres Strait Islander carers reporting poor/fair health increased by more than 10%.⁴⁰

A 2022 report by the Grattan Institute⁴¹ identified that in 2020-21, about 400,000 Australians missed or delayed seeing a GP at least once during the year because of cost and 500,000 missed or delayed a specialist appointment, noting that it can be very hard to find a bulk-billing specialist. They also identified that only about 56% of allied health services are bulk billed. The report made several costed recommendations covering specialists, diagnostic imaging and radiotherapy services, pharmaceuticals, allied health provision and GP services. Whilst we are unable to evaluate the full impact and feasibility of these options, we believe these should be given serious consideration by the Government.

Being a carer makes me sad because I miss just being a parent and am finding it difficult to change the assumptions and expectations I had about both of our lives. The caring role can be very draining and at times exhausting. I find it very difficult to navigate the Health system to get the outcomes she needs to help manage her condition. The impact on my own mental health and ability to be productive at work has been significant, and it is challenging for me to adjust to a new normal where my wellbeing and my daughter's wellbeing can change at short notice.

"I have found caring so much harder in the last two years, not only due to COVID and moving to a new area, also my own health needs have increased some what, also my daughter's needs increased as we are both getting older."

- participant in the 2022 Carer Wellbeing Survey

Education and Training

As highlighted earlier young carers face additional barriers to achieving economic wellbeing and sustainability, one of the key reasons for this is due to the impact caring has on their education outcomes. According to Department of Social Services commission research, 60% of young carers had not studied beyond high school.⁴² For young carers cost of living pressures are not new and without proper intervention they are not being provided with equal opportunity in life.

In recognition of the financial challenges faced by young carers, the national Government introduced a Young Carer Bursary, which is administered by Carers Australia. The program offers 1000 bursaries of \$3000 each

³⁹ *Op.cit*(1)

⁴⁰ *Op.cit* (23)

⁴¹ Grattan Institute, *Not so universal: How to reduce out-of-pocket healthcare payments*, 2022, [\[accessed online\]](#)

⁴² *Op.cit* (9)

year to assist with education needs and resources. It helps to cover education related expensive such as school-based laptops/iPads, mobile phone costs, and school fees.

"I do not have much time for me, my studies. I am doing year 11 and trying to manage the time caring for mum, doing housework and chores and school work and my course I do not get much time left."

- participant in the 2022 Carer Wellbeing Survey

There are also some other support services that assist young carers with financial support and improved career outcomes. For example, Carers Western Australia has introduced holistic services to address barriers faced by young carers when it comes to achieving their vocational aspirations. This program includes financial supports for school-based equipment alongside individualised support and mentoring for career planning, application assistance and looking for employment opportunities.

These programs have a fundamental role in supporting the lives young carers build for themselves outside of their caring role. It is integral that these programs are not just continued but are given sufficient resourcing to accommodate more of Australia's young carers.

"As a young adult my carer responsibilities restrict my capacity to study, participate in my community and have companionship. I do most of the chores around my house and conduct my brother's schoolwork while my mom works, I am often tired and depleted by days end."

- participant in the 2022 Carer Wellbeing Survey

Community Services

The importance of respite has been highlighted in the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, the 2020 Productivity Commission Inquiry into Mental Health, and the 2021 Royal Commission into Aged Care Quality and Safety. The findings from these processes consistently note the cessation of funding for previous programs such as Mental Health Carer Respite Services, difficulty accessing respite (particularly community-based cottage respite) through the Carer Gateway, issues with aged care respite pathways (both community and residential) or palliative care-specific respite options, and very limited access to carer respite via the NDIS.

Equitable access and early referral to respite care, both planned and emergency, and across residential and community settings, overnight and day options, is critical to ensure sustainability of care relationships, and the health and wellbeing of carers.

In many cases, lack of access to respite care can be the difference between maintaining the caring role or having no alternative but to seek other more costly government-subsidised care and accommodation options, cease or reduce employment, or risk further strain on carer and wider family relationships. The 2022 Carer Wellbeing Survey revealed that only 27.7% had used respite care services, and of these carers, a high percentage reported 'poor access' to all types of respite provided in community settings, 80.6% for in-home overnight respite, 73.9% for overnight respite out of home, 65.7% for day respite out of home and 61.8% for in-home day respite.

Immediate action must be taken to not only improve access and availability of community services including respite, but also in exploring how long-term systematic change can prevent this from occurring again.

Without this the onus will be on the health, aged care, and disability care systems to provide more. The accessibility and sustainability of these systems is integral to alleviating cost of living pressures for most Australians, and they are already stretched and struggling with workforce constraints.

“Fairly constant and unexpected demands on our time make planning for any kind of substantial break or respite quite challenging. We are painfully aware that we are getting older, my wife is 65, I’m 69. We are quite concerned about how the boys will manage after we die.”

- participant in the 2022 Carer Wellbeing Survey

Carers Australia recommends the following in regards to Government services:

Recommendation: Carers Australia supports recommendations of others in the community sector for governments to take meaningful and expedited action to increase the supply of social housing, including suitable social housing which meets the needs of both the carer and those they care for.

Recommendation: Increase resourcing availability for programs targeted at assisting young carers. Including, a substantial increase to the number of young carers who have access to the Young Carer Bursary.

Recommendation: That respite is acknowledged as a priority when expanding or assessing the resourcing available to support community services, across health, mental health, aged care and disability services outside of the NDIS.

Recommendation: That the Government explore options to improve accessibility to health services that include improving access to and affordability of general and specialised healthcare.

“[Caring] gives me a reason to live. Person 1 and I have been homeless since last year but we have been able to make it through because we have each other. Person 1 has been caring for my physical needs due to her mental illness being stable enough to do so. Person 2 with all her illnesses has been doing my laundry during time of homelessness. Although I am still caring for the both of them to the best of my ability. Being able to care for them both beforehand and now I am needing help they are happy and able to help me, which to me means that I must have been doing something right.”

- participant in the 2022 Carer Wellbeing Survey

About Carers Australia

Carers Australia is the national peak body representing the diversity of the 2.65 million 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.

In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network and are an established infrastructure that represent the views of carers at the national level.

Our vision is an Australia that values and supports all carers, where all carers should have the same rights, choices, and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment, and education.

This includes carers:

- Who have their own care needs
- Who are in multiple care relationships
- Who have employment and/or education commitments
- Aged under 25 years (young carers)
- Aged over 65 years, including 'grandparent carers'
- From culturally and linguistically diverse backgrounds
- Who identify as Aboriginal and Torres Strait Islander
- Who identify as lesbian, gay, bisexual, transgender, intersex (LGBTI+)
- Who are living in rural and remote Australia, and
- That are no longer in a caring role (former carers).

Carers Australia acknowledges Aboriginal and/or Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to Elders past, present and emerging. As an inclusive organisation we celebrate people of all backgrounds, genders, sexualities, cultures, bodies, and abilities.

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