



**Carers Queensland Inc.**

**Submission to the  
Senate Community Affairs Committee  
inquiry into extent of income inequality**

**August 2014**

**Submission Title:** Senate Community Affairs Committee inquiry into extent of income inequality  
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**Author:** Sarah Walbank, Policy and Research Officer  
**Approved by:** Debra Cottrell, Chief Executive Officer  
Carers Queensland Inc.  
15 Abbott Street  
Camp Hill 4152 Queensland  
Phone: (07) 3900 8100  
Website: [www.carersqld.asn.au](http://www.carersqld.asn.au)  
ABN: 20 061 257 725  
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## **CARERS QUEENSLAND INC.**

Family carers provide unpaid care and support to family members and friends who have a disability, mental illness, chronic medical condition, terminal illness or are frail aged.

The activity and impact of providing care is best understood in terms of its context; as a relationship between two or more individuals, rooted in family, friendship or community. Caring is a role rarely chosen by most, nor does it discriminate. Children and young people, people of working age and older people, people with a disability, people who identify as culturally and linguistically diverse, indigenous Australians and those living in rural and remote Queensland provide care to a family member or friends on a daily basis. For some caring is a short term commitment whilst for others, it is a role that literally lasts a lifetime.

Carers Queensland Inc. is the peak body representing the diverse concerns, needs and interests of carers in Queensland. Carers Queensland believes that all carers regardless of their age, disability, gender identification, sexuality, religion, socioeconomic status, geographical location or their cultural and linguistic differences should have the same rights, choices and opportunities and be able to enjoy optimum health, social and economic wellbeing and participate in family and community life, employment and education like other citizens of the State. Carers Queensland's mission is to improve the quality of life of all carers throughout Queensland.

We believe we are in a unique position to advocate on behalf of the 484,400<sup>1</sup> carers living in Queensland. We aspire to provide an independent platform from which to advance the issues and concerns of carers and believe our knowledge and expertise in carer issues means that we are able to provide the Government with relevant and trusted information that will ensure that the needs of carers will be recognised, respected and acted upon. Our ambition is to ensure that carers are recognised and included as active partners in the development of government health and social policy, legislation and service delivery practices.

This submission reflects the concerns of Queensland's carers, those citizens who provide unpaid care and support to vulnerable family members and friends. This submission has been informed by consultation with Queensland's carers and Australian and international research.

## INTRODUCTION

Whilst Carers Queensland fully appreciates the imperative for a productive population and sustainable national economic growth, it cannot endorse policies that deepen the financial and social exclusion or harm the health and wellbeing of vulnerable citizens in our society, those who because of disability or life-limiting illnesses are unable to work and their carers.

Carers Queensland contends that the gross inequality in income in Australia today is acutely experienced in the private world of family, caring and unpaid work; roles primarily undertaken by women, the main providers of care and support and that carers, particularly those providing intensive and/or care over a prolonged period, are the collateral casualties of state and federal policies that have failed to meet the community care needs of people with disability, those with life-limiting illnesses and the frail elderly. These policy failures have compelled carers, particularly women, to forego self-supporting employment in order to provide necessary care and support to vulnerable family members and friends.

*I have gone from an independent professional person to a virtually unemployable one. I cannot access funding to help my change career as I already hold a degree (but cannot find part-time work in that field). It is contradictory that women are supposed to be independent and looking after their own financial future, but once in a relationship suddenly become "dependant" on their partner where Centrelink is concerned.*

## CARERS AND INCOME INEQUALITY

The time demands of caring mean that many carers have no option other than to either leave the workforce and assume a full time caring role or accept temporary, part time or lower skilled positions; jobs that can be 'worked around' their caring responsibilities. This is borne out in research which clearly demonstrates that whilst women account for 45% of taxpayers they earn only 37% of the income.<sup>2</sup> As such women are disproportionately represented in the lower income percentiles and disproportionately under-represented in the upper income percentiles. It is not surprising then that carers (who are primarily women) at the aggregate level, have a higher rate of poverty and those carers caring for two years or more are more likely to be in persistent poverty<sup>3</sup> and disadvantage resulting in entrenched poverty and welfare dependency.<sup>4 5</sup>

This fact is clearly demonstrated in the latest Survey of Disability, Ageing and Carers data which indicates that 65% of primary carers reside in households with an equivalised gross household income in the lowest two quintiles compared with 36% of non-carers and that the median gross personal income per week for a primary carer is \$400.00 and for a non-carer \$600.<sup>6</sup> It is little wonder that in households where the main income earner is in receipt of the Carer Payment 24% of recipients live below the poverty line.<sup>7</sup>

Whilst some carers have capacity to maintain both meaningful employment and their caring responsibilities, others do not and are reliant on casual, part time or lower skilled or lower paid work. Such jobs are often characterised by poor wages and benefits, asocial or excessively flexible hours, low job tenure, absence of training and few prospects of promotion, further marginalising carers/women in the labour market.<sup>8</sup> Such marginal employment does not afford either the necessary income for individuals to support themselves, now or in their own older age, enable them to pay for their future care needs or subsidise a tertiary education for their own children. Carers in this scenario accumulate significantly less superannuation, ensuring that the income inequalities experienced during their working years are magnified in their retirement.<sup>9</sup>

Those living below the poverty line in Australia today have insufficient income to meet the cost of the most basic of necessities. In a recent survey conducted by Carers Queensland<sup>10</sup> 23.3% of respondents indicated they had difficulty paying their water bill on time. Of the same group of survey respondents, 57% indicated that any reduction in Centrelink payments would push them below the poverty line and 64.5% indicated that their income would not cover their financial commitments.

For some carers, any reduction in income threatens their ability to provide care and support to their care recipient. Carers Queensland is fearful that the tightening of income support measures will result in a rise in the number of carers who consider alternative care arrangements including relinquishment to State care.

*How could our relationship continue? We would not be able to survive meeting basic needs. Person cared for would need to be placed in a home and our relationship dissolved.*

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*We struggle to run the household now. My daughter has severe physical impairment, if we can't afford to live independently at home she will be forced to reside in a public hospital which will be a greater cost to community.*

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In order to manage financially many carers incur expensive debts, which ultimately entraps them in a vicious cycle of debt dependency. Research conducted by Carers Queensland indicates that 85% of carer struggle to 'make ends meet' on a regular basis and some are reliant on payday and the fringe lenders at least once or twice a year to get by whilst a smaller cohort use them more than three times in a year.<sup>11</sup> The dependency on small, short term loans is evidenced by the 160% rise in demand over three years on the No Interest Loans Scheme operated by Carers Queensland.

Low income affects life-long outcomes from a very early age and in a multiplicity of ways, and in some cases perpetuating income inequality inter-generationally.<sup>12</sup> Parental income, for example, is an important determinant of whether a child leaves school at 16 years. Research has shown that children from poorer backgrounds are much less likely to experience learning-rich home life where learning is encouraged.<sup>13</sup> Education is critical for an individual's well-being and longer-term economic success, including their ability to fund their retirement years.<sup>14</sup>

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*We are on a tight budget already; with my husband only having \$40 left out of his pension after paying the bills and we have to cater for a 10 year old boy in our care.*

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Poverty, particularly persistent poverty and financial disadvantage has a major psychological impact, leading in many cases to shame, perceived worthlessness and hopelessness and ultimately chronically impaired health and well-being.<sup>15</sup>

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*Our house renovation began before my partner was diagnosed with the terminal illness. Financially we are depleted, so we have not been able to progress [the renovation] at all. It is a struggle and everyday living is difficult. I do not have a kitchen, I cook like its camping. The house is very cold and difficult to keep clean. I am constantly cleaning. We are looking to go back into debt to finish it so we can sell it and downscale. It has a very negative affect upon my partner's wellbeing (and hence it also puts strain in our relationship) and it impacts in a negative way upon the care I am able to provide (i.e. partners special meals). This winter we had rats in our kitchen! I am suffering anxiety... it is humiliating.*

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These harsh realities will only be exacerbated if the proposed central reforms of the McClure Review of Social Welfare are adopted. Carers Queensland believes the policy objectives of the McClure Review and its incumbent strategies, that is increasing employment stimulated by a reduction in income support measures and justified as assisting people to get jobs, serve only to punish those who do not fit the leaner, economic model<sup>16</sup> and will increase the gap between the *have's* and the *have not's*, entrenching persistent income inequality in Australia.<sup>17</sup>

These policies represent a growing tension between business and civic cultures, the result of which is the simultaneous strengthening of the existing stratification of our society and the stigmatisation of welfare recipients as 'unproductive dependent citizens'<sup>18</sup> and an increase in the income inequality experienced by many, including carers.

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*It is hard enough for people to make ends meet now, and any less will mean many people will be going without much needed healthy food and medication required. Much more stress on families and possibly more suicides.*

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## RECOMMENDATIONS

The polarisation of the business and civic cultures of the past decade or more has underpinned the growing tension between economic efficiency and growth and social welfare and is counterproductive. Singularly, both positions are incomplete; social justice is essential to achieving economic growth and prosperity.<sup>19 20</sup>

As such Carers Queensland supports the introduction of public and social policies underpinned by inclusive growth and a switch from the current punitive welfare model to a social investment model to address the inequality gaps.

Carers Queensland respectfully makes the following recommendations:

1. creating greater equality of opportunity through increased financial support and supporting educational policy for young carers to maintain school attendance and for young adult carers to pursue either a vocational or tertiary education.
2. maintain income support payments at a level that ensures no one person in Australia has to live in poverty.
3. maintain the indexation of the Carer Payment to the Male Total Average Weekly Earnings or the Pensioner Beneficiary Living Cost Index, whichever is the higher.
4. maintain the Pensioner Educational Supplement for carers in receipt of the Carer Payment who are preparing to return to the labour market or maintain their employment by upgrading their skills and competencies.
5. superannuation tax concession law reform to provide greater equity of 'tax breaks' for lower income earners (and therefore more women) instead of favouring the wealthiest retirees and the higher income earners.
6. remove the disincentive for people in receipt of a pension looking for work by ensuring they are not arbitrarily moved onto unemployment benefit.
7. strengthen the 'right to request flexible working arrangements' legislation, affording greater opportunity for carers to pursue and/or maintain employment.

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