

## Response to the Senate Standing Committees on Community Affairs (Legislation Committee): Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023

July 2023

### Introduction

Overall, Carers Australia welcomes the Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023 which will amend the *Social Security Act 1991* to implement several cost-of-living support measures provided for in the 2023-24 Budget.<sup>1</sup>

The reality is that carers are disproportionately worse off financially than people who 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. This disadvantage has been experienced more acutely through the cost-of-living crisis and following on from the pandemic.

Carers Australia is conscious that terminology can have negative connotations for many people and acknowledge that not everyone's experience is properly captured by terms. We are supportive of efforts to influence respectful and inclusive language about those within at-risk groups such as older people, people living with disability or individuals experiencing or at risk of poverty; however, inclusivity must also extend to language related to carers and caring. As such we choose to respectfully use terms in this response, recognising the diversity of carers, care relationships and those receiving care.

### Carer recognition

It is our role as Carers Australia to provide information from a carer lens, and that is our necessary focus as we raise the following issues for the Committee to consider for each Schedule in the Bill. Under no circumstances is it our intent to imply that any of the eligible payments under the proposed amendments should not be provided with the amendments.

Rather, we aim to show the Committee ongoing issues underpinned by a lack of carer recognition and inconsistent language or reasoning across social security policy decisions. This follows on from our repeated calls for a broad review of economic and financial support for carers, to underpin a coherent and flexible approach to address the barriers and long-term impacts and reduce instances of poverty as they maintain and thrive in their caring roles.

Carers Australia uses the term 'carer' used by the Department of Social Services led [Carer Gateway](#) to provide support services, and as defined by the Commonwealth [Carer Recognition Act 2010](#):

*"(1) For the purpose of this Act a carer is an individual who provides personal care, support and assistance to another individual who needs it because that other individual:*

*(a) has a disability; or*

*(b) has a medical condition (including a terminal or chronic illness); or*

*(c) has a mental illness; or*

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<sup>1</sup> The Parliament of the Commonwealth of Australia, House of Representatives, 'Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023 Explanatory Memorandum' [[accessed online](#)]

*(d) is frail and aged....*

*...(3) To avoid doubt, an individual is not a carer merely because he or she:*

*(a) is the spouse, de facto partner, parent, child or other relative of an individual,  
or is the guardian of an individual; or*

*(b) lives with an individual who requires care.”*

The term carer 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, and we highlight that nothing in any other legislation should in any way limit or narrow the scope of the *Carer Recognition Act (2010)*<sup>2</sup>.

**We raise to the Committee that the Australian Government Social Security Guide has different definitions of carer and inconsistent and confusing terminology which impacts on individuals understanding of what supports are available to them, as well as if they can then be ‘defined’ as a carer to access other supports or not.**

Per the current Guide<sup>3</sup>:

*“A carer (care provider) is a person who is providing a substantial level of care to a caree. Note: This term is used when referring to care situations rather than CP [Carer Payment].” Ref: 1.1C15*

*“For the purposes of CP [Carer Payment] and CA [Carer Allowance], a carer is a person who provides constant care (CP), or care and attention on a daily basis (CA), for a child or an adult with a disability or severe medical condition.” Ref: 1.1C.40*

Caring is also distinct from parenting, and we raise confusion caused by the term ‘principal carer’ within social security regulations<sup>4</sup>:

*“A person is a principal carer of a child if:*

- the child is a dependent child of the person, AND*
- the child has not turned 16.”*

To further exacerbate the issue of carer recognition, the terms ‘principal parent carers’ for JobSeeker mutual obligation purposes (3.11.8) and ‘primary carer’ for Paid Parental Leave (2.2.5) are also used, where ‘primary carer’ is used by the AIHW and ABS for data collection purposes specific to carers of people under the *Carer Recognition Act*.

These issues subsequently impact on data collection across portfolios for when a person identifies as a ‘carer’ which has broad implications for appropriate policy responses and support pathways in addition to payment eligibility. There is also often an incorrect assumption that ‘all carers receive the Carer Payment’ or if you do not receive the Carer Payment, you can’t be a carer or don’t provide ‘enough’ or ‘substantial’ care.

**Further, there must be an increased awareness that recipients of any social security payment may also be a carer.**

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<sup>2</sup> Australian Government, Department of Social Services ‘Carer Recognition Act 2010 Guidelines: A guide for Australian Public Service Agencies for the implementation of the Carer Recognition Act 2010’ April 2016 [[accessed online](#)]

<sup>3</sup> Australian Government, Department of Social Services ‘Social Security Guide’ version 1.308 released 3 July 2023 [[accessed online](#)].

<sup>4</sup> Ibid



Data provided to Carers Australia by the Australian Government from September 2022 gives some indication of the broader range of social security payments that carers rely on, based on people who receive the Carer Allowance<sup>5</sup>. This includes:

- 95,295 people on the Age Pension
- 23,470 people on the Disability Support Pension
- 12,715 people on JobSeeker
- 11,655 people on the Parenting Payment (single), and
- 85 people on the Youth Allowance.

We provide this response also noting announcement of the [Inquiry into the recognition of unpaid carers](#) by the House of Representatives Standing Committee on Social Policy and Legal Affairs on 14 June 2023. As highlighted in our [media release](#), Carers Australia are pleased to see that the Inquiry's Terms of Reference are broader than simply a definition of 'who is a carer', and includes developments in the policy landscape at a Commonwealth level since introduction of the *Carer Recognition Act* in 2010, which we believe includes broad social security policy.

### Response to Schedules within the Bill

**Schedule 1:** Expand qualification for parenting payment (single) to single principal carers whose youngest child is aged under 14 years.

**We support this amendment, noting many people who rely on the Parenting Payment (Single) have children with disabilities or chronic illnesses but do not meet the full eligibility requirements for the Carer Payment.**

As of September 2022, 11,655 people on the Parenting Payment (Single) were also receiving the Carer Allowance (data provided by DSS) however we believe that there may be many more that are not captured appropriately in data collection or eligibility criteria.

We highlight that there are different needs for single parents who are caring for a child (differentiating this from parenting), and they may not be aware of broader supports for their caring role. Conversely, many carers in receipt of the Carer Payment may also be a single parent but not receiving targeted support for this through other means.

We are unclear if this data is captured or can be provided through Services Australia, however we do know that 49% of those on the Carer Payment were 'not partnered' in March 2023<sup>6</sup>, and that 14.7% of Carer Payment recipients was for care of an individual under 16 years. In addition, 27.5% of those who received the Carer Allowance was also for care of a person under 16.

The Bill will allow eligible parents who have already transferred to a different payment, such as Jobseeker payment and experienced a rate reduction, to requalify for Parenting Payment (single) on 20 September 2023. The Memorandum states the changes are due to the difference in the respective basic rate between the Parenting Payment (Single) and the JobSeeker Payment which a recipient 'generally remain qualified for' after a child turns eight until they are 14 years of age.

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<sup>5</sup> Carer Allowance is a supplementary payment for people who provide daily care and attention to a person with a disability or medical condition, or an adult who is frail aged. Source: Service Australia [online](#)

<sup>6</sup> Australian Government, Department of Social Services, 'DSS Benefit and Payment Recipient Demographics – March 2023 Quarter' accessed from Data.gov.au [online](#).

**We support an increase in the age of the child to 16 years for Parenting Payment (single) eligibility.**

Carers Australia do not see a clear reason why 16 years cannot be reinstated, given this was the case prior to 2006 amendments<sup>7</sup>, and that other payments for those caring for children do not stop at age 14. This includes the Carer Payment for a child being cared for, which does not change to and 'adult' until 16 years (or 18 years if the child has a terminal illness)<sup>8</sup>. We also note that the current cut-off point for income under JobSeeker as a single 'principal carer' is also for dependents to 16 years of age, which causes further confusion.

We draw to the Committees attention that this change also provides benefit related to the difference in the income-free area, from \$150 per fortnight under JobSeeker to \$214.60 per fortnight on 3 July 2023 (plus \$24.60 for each additional child) before the payment rate reduces by 40 cents for each dollar earned. This equates to an income limit of \$2,634.35 per fortnight rather than \$2,053.25 if on JobSeeker as a single 'principal carer' (parent). This information is not included in the Bill's Explanatory Memorandum, and we recommend in future that all impacts of any amendments are fully outlined for transparency and to assist in responses from interested parties, where income-free thresholds are a significant issue.

We note that the Carer Payment for single carers has an income-free area of \$204 per fortnight before payment reduces by 50 cents for each dollar earned, to an income limit of \$2,332 per fortnight (3 July 2023).

**Schedule 2: Increase the rates of certain working age and student payments, including jobseeker payment, youth allowance, parenting payment (partnered), Austudy payment and disability support pension (youth), by \$40 per fortnight.**

In the first instance we support an increase to the payments listed as one immediate step towards reducing poverty, inequality, and boosting employment opportunities. However, **there is no clear reasoning why the measure does not extend to the Carer Payment** despite the increase being in 'recognition of the challenges that many income support payment recipients face'.

At March 2023<sup>9</sup> there were 304,500 people were receiving the Carer Payment as their main income, where they cannot engage in work, education, or volunteering for more than 25 hours per week, including travel time and breaks, before the payment is impacted.

We understand the measure is targeted to working age and student income support payments, and that a working age payment is intended to:

*"assist people who are temporarily unable to support themselves through work or who have a limited capacity to work due to disability or caring responsibilities<sup>10</sup>."*

We highlight that the Carer Payment is defined as:

*"an income support payment for people who are unable to support themselves through substantial paid employment due to the demands of their caring role<sup>11</sup>."*

<sup>7</sup> Parliament of Australia, Parliamentary Library, 2023-24 Budget Reviews 'Expanding eligibility for Parenting Payment Single and ending ParentsNext' [\[accessed online\]](#).

<sup>8</sup> Australian Government, Services Australia, 'Transfer Carer Payment or Carer Allowance from child to adult' webpage, last updated 5 Sept 2022 [\[accessed online\]](#)

<sup>9</sup> Op.Cit (6). DSS Benefit and Payment Recipient Demographics – March 2023 Quarter

<sup>10</sup> Australian Government, Department of Social Services, 'Working Age Payments' webpage updated 20/3/20 [\[accessed online\]](#).

<sup>11</sup> Op.Cit (3) Social Security Guide.

Seventy nine percent of those on the Carer Payment are aged between 21 – 64 years or of ‘working age’.

On seeking clarification from the Australian Government, Carers Australia were informed that the exclusion of ‘pensions’ (including Carer Payment) in this measure is in part because the Carer Payment is paid at a higher rate than ‘other payments’.

While we do acknowledge that Carer Payment has a higher basic rate<sup>12</sup> than several other social security payments, those within the measure are not at all similar.

**The issue is inconsistency in language, a lack of recognition of the caring role across the life course and the specific financial issues this implies, and to policy being based on payment amount and which ‘label’ a person can fit into or qualify for rather than clearer identification of circumstances.**

We draw attention to ongoing confusion caused by terminology used for social security payment types, in particular ‘pension’ and ‘income support payment’ which has a considerable impact on recipients and communication of government policy. This Bill includes the Disability Support *Pension* (youth) which is in fact an income support payment per the Government’s Social Security Guide, as is the Parenting Payment and Carer Payment as outlined above. There is thus no reason for Carer Payment exclusion from this perspective.

We highlight the differences in maximum payment rates for the payments included in the measure, as further evidence of why the Carer Payment being a different rate is not sound justification of exclusion, to assist in informing future policy decisions, or at the very least clear and accurate communication:

- Disability Support Pension (single) younger than 21 and assessed as independent is \$707.60.
- Parenting Payment (partnered) is \$631.20 which is the same as JobSeeker (partnered).
- JobSeeker (single) no children is \$693.10 or \$745.20 with a dependent child.
- JobSeeker (single) ‘principal carer granted exemption’ is \$949.30.
- Austudy (single) with children is \$720.40 or if in a couple with children \$612.60.
- Austudy with no children single or in a couple is \$562.80.
- Youth Allowance which ranges from \$332.90 to \$949.30 dependent on circumstances, and if a person under 21 is studying or seeking employment.

The increase to Youth Allowance, Austudy and ABSTUDY will be particularly welcomed by eligible young carers, where we highlight that most young carers have not studied beyond high school and, on average, **young carers are expected to be on income support for 43 years over their lifetime if nothing changes.**<sup>13</sup> We draw the Committees attention to the more than 235,000 ‘young carers’ aged under 25 years, where the majority will be students or seeking employment, and that only 2,045 are in receipt of a Carer Payment at March 2023.

**Schedule 3: Expand eligibility for the higher rate of jobseeker payment to recipients aged 55 years and over who have been on the payment for 9 or more continuous months.**

Carers Australia are supportive of the extended eligibility to the higher rate of jobseeker payment (increase of \$92.10 per fortnight).

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<sup>12</sup> The Carer Payment at 3 July 2023 has a maximum basic rate of \$971.50 for a single person or \$732.20 partnered per fortnight.

<sup>13</sup> Australian Government, Department of Social Services, ‘Try, Test and Learn Fund: Data-driven job opportunities for young carers’, (updated 2021)[[accessed online](#)]

We highlight that the Memorandum does not clearly outline that the Bill actually states: *“been receiving one, or a combination, of social security pension or social security benefit or service pension or income support supplement for a continuous period of at least 9 months”*. We believe this is an important distinction to make when the purpose of the Memorandum is to assist members of Parliament, officials and the public to understand the objectives and detailed operation of the clauses of a Bill.

**We do not understand why a higher rate of JobSeeker can’t also apply to single people under 55 years** if they have also been in receipt of a combination of social security payments for more than 9 months, which we assume includes the Carer Payment. In September 2022 we know that 12,715 people on JobSeeker were also receiving the Carer Allowance, and many more JobSeeker payment recipients may also be carers but unaware of supports available.

As we have raised, carers are not necessarily in receipt of a Carer Payment for various reasons and may also transfer between several payment types over the course of their care relationship dependent on circumstances including changing eligibility requirements for either themselves and/or related to the person being cared for, or their ability to also maintain employment.

**We draw to the Committees attention that those in receipt of the Carer Payment often remain dependent on income support for a very long time, even after their caring role has diminished or ceased and this in part reflects the time they have spent out of the workforce:**

- A 2017 valuation undertaken for the Department of Social Services found that around two thirds of those on Carer Payment projected to exit the payment over the next 10 years were expected to move to another income support payment, and a substantial proportion of these would move onto a working age payment like JobSeeker.<sup>14</sup>
- In 2018, 23% of primary carers had spent between 5 and 9 years and 29% between 10 and 25 years on income support<sup>15</sup>
- At March 2023, only 12.7% (38,860) of Carer Payment recipients had been on the payment for under 1 year, where 25.7% had been on the payment for 2- 5 years, 25.2% for 5 – 10 years and 24.2% more than 10 years.
- At March 2023 the average duration on JobSeeker was 101 weeks, compared to 344 weeks on Carer Payment.

The Memorandum provides that over the past ten years, the proportion of mature-aged Australians on JobSeeker Payment has significantly increased, and that this cohort can face higher barriers to employment, including age discrimination and poor health. The same can be said for the proportion of mature-aged recipients on the Carer Payment, where those aged 55-59 represent the highest percentage by aged group at 27.8%<sup>16</sup>, and we also know that carers face significant barriers to employment due to a lack of carer-inclusivity, discriminatory practices, and poor health.

A 2012 report by the Australian Law Reform Commission<sup>17</sup> stated the correlation between informal care, mature age and gender, where the likelihood of a person providing care to someone else increases with

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<sup>14</sup> Australian Government Department of Social Services, ‘Australian Priority Investment Approach to Welfare - 2017 Valuation Report’, pages 102-3, [[accessed online](#)]

<sup>15</sup> Australian Bureau of Statistics (ABS,) 2018 Survey of Disability, Ageing and Carers, 23% of primary carers had spent between 5 and 9 years and 29% between 10 and 25 years on income support, Carers Tables, 36.3 [[accessed online](#)]

<sup>16</sup> Op.Cit (6) DSS Benefit and Payment Recipient Demographics – March 2023 Quarter

<sup>17</sup> Australian Government, Australian Law Reform Commission ‘Grey Areas - Age Barriers To Work In Commonwealth Laws’ Discussion Paper 78, Chapter 5 Social Security, 5.88 Carer Payment [[accessed online](#)].



age, peaking for women between the ages of 55 years and 64 years, and that this is reflected in the demographics of Carer Payment recipients. This report noted that in December 2011 there were 195,183 Carer Payment recipients and of these 69% were aged 45 years and older, 57% were aged 45–64 and 11% were aged over 65, and recipients were predominantly women at 69%.

This is even more evident today showing the need for different policy responses, with data at 31 March 2023<sup>18</sup> showing that of the 304,500 Carer Payment recipients and of these 70.6% were aged 45 years or older, 50.6% aged 45–64 years and 20% over 65 years, and still women are predominately the recipients (71%).

We also highlight that the Carer Payment has a strong history in being a gendered payment, where it originated from the Wife's Allowance (1943–1972) and then the Wife Pension from 1973, which only ceased for new recipients in 2015<sup>19</sup>. As the Wife Pension, the payment was a non-activity tested income support payment paid to female partners of Age Pension or Disability Support Pension recipients.

*Schedule 4: A New Tax System (Family Assistance) Act 1999, Social Security Act 1991 and Veterans' Entitlements Act 1986 to increase the maximum rates of Commonwealth rent assistance by 15 per cent.*

**We support the increase of 15% to Rent Assistance and note this is available to people on the Carer Payment.** The increase in rental assistance will be welcome by people on the Carer Payment in private rental accommodation, numbering 79,485 in March 2023 (with 76% of these eligible for the maximum rate)<sup>20</sup>.

However, more needs to be done to meet the costs of rapidly rising rents or other cost of living pressures, which are compounded for carers by the additional costs associated with providing care and out-of-pocket medical expenses. We also add that often carers who live with the person(s) they care for require households that attract a higher rent due to needing larger rooms or bathrooms, single story dwellings or other requirements, due to the accessibility needs of the person receiving care and/or themselves.

## Conclusion

**Overall, we recommend that the Bill is endorsed for passage.**

The Memorandum provides an impact analysis for Schedule 1 only, where 'The other measures in the Bill do not require an impact analysis as they are unlikely to have more than minor regulatory impact.' We disagree with this statement given the requirements of the updated Australian Government Guide to Policy Impact Analysis.<sup>21</sup>

While we acknowledge that the Statement of Compatibility with Human Rights within the Memorandum relates to human rights and freedoms recognised or declared in the international instruments of the *Human Rights (Parliamentary Scrutiny) Act 2011* we do highlight that it is not consistent with the requirements of public sector agencies within the *Carer Recognition Act (2010)*, including:

- to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia's Carers (Part 3 s7(1))

<sup>18</sup> Op.Cit (6) DSS Benefit and Payment Recipient Demographics – March 2023 Quarter

<sup>19</sup> Evaluate, 'Caring Costs Us: The economic impact on lifetime income and retirement savings of informal carers. A report for Carers Australia' March 2022 [[accessed online](#)]

<sup>20</sup> Op.Cit (6) DSS Benefit and Payment Recipient Demographics – March 2023 Quarter

<sup>21</sup> Australian Government, Department of Prime Minister and Cabinet 'Australian Government Guide to Policy Impact Analysis' March 2023 [[accessed online](#)]



- to take all practicable measures to ensure that it, and all its employees and agents, take action to reflect the principles of the Statement for Australia's Carers in developing, implementing, providing or evaluating care supports<sup>22</sup> (Part 3 s8(1))

**We urge the Committee to support a call for a broad review of economic and financial support for carers, to underpin a coherent and flexible approach to address the barriers and long-term impacts and reduce instances of poverty as they maintain and thrive in their caring roles.**

This would be consistent with Recommendation 30 of the Select Committee on Work and Care<sup>23</sup> which includes *"The committee recommends the Australian Government review the level of Carers Payment and Carers Allowance, acknowledging the significant social and economic contribution that carers make"*, noting this another component of this recommendation is already addressed in this Bill – *"that the Australian Government consider reversal of the current policy which transfers sole parents from Parenting Payment Single to JobSeeker Principal Carer payments when their youngest child turns eight years of age, and imposes mutual obligation activities on them when their youngest child turns six years of age"*.

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<sup>22</sup> "Care supports are defined as any policies, programmes or services that are directed to carers or the persons for whom they care. This refers to any policy, programme or service that targets carers as a priority group within Australia, or targets the people for whom they care. For instance, care supports include policies, programmes or services that are directly associated with carers, or with care recipients who have a high likelihood of requiring the support of a carer. Care supports also include policies, programmes and services that are directed to individuals who have a disability, a medical condition, a mental illness or are frail aged, and who may require the personal care, support or assistance provided by a carer." Source: Carer Recognition Act Guidelines

<sup>23</sup> Parliament of Australia, Senate Select Committee on Work and Care Final Report (March 2023) [[accessed online](#)]





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### **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
- Who 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.