



Families, Community Services and Indigenous Affairs Legislation Amendment (Child Disability Assistance) Bill 2007

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Families, Community Services and Indigenous Affairs Legislation Amendment (Child Disability Assistance) Bill 2007

Date introduced: 16 August 2007

House: House of Representatives

Portfolio: Families, Community Services and Indigenous Affairs

Commencement: 1 October 2007 for the bulk of the bill. See the table at item 2 for the few exceptions.

Links: The [relevant links](#) to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

To introduce a payment called Child Disability Assistance.

Background

Assistance to people caring for children with disabilities has been provided by the Commonwealth since the introduction of the Handicapped Child's Allowance in 1974. The current version of this payment is the Carer Allowance (CA). A chronology setting out the history of this type of assistance is available on the Library website at: <http://www.aph.gov.au/library/pubs/online/aged2.htm#handicappedchilds>

In the 2004 Budget the Government provided for a lump sum additional payment of \$600 for the carers of each child for whom CA was paid on Budget night. Since then this form of assistance has been provided in every Commonwealth Budget including the most recent 2007 Budget. The new Child Disability Assistance payment proposed in this Bill converts this practise into a regular feature of carer assistance.

This new payment was announced as part of a package of measures to assist people with disabilities, their families and carers on 28 June 2007.¹

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1. Prime Minister, *Commonwealth Disability Assistance*, media release, 28 June 2007. Full text at: http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=PRESSREL&Criteria=CITATION_ID:K4IN6%3B, accessed on 27 August 2007.

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Children and Carer Allowance

In June 2006, CA was paid to 106,622 carers who cared for 125,593 children with disabilities. The children cared have:

a functional impairment compared to the appropriate development milestone for a child of the same age without a disability and/or special care needs.²

They may have a physical, intellectual or psychiatric disability or a medical condition that reduces the level of their functional ability compared to the level appropriate to their age in the areas of:

- communication,
- feeding,
- self-care,
- social and community skills, and
- mobility.

Certain disabilities automatically qualify a carer to receive CA. Other children are assessed under a Child Disability Assessment Tool (CDAT) to determine eligibility for their carer.

Costs of caring

People caring for children with disabilities often face considerable extra expense in their efforts to manage and treat the conditions their children live with. Medical expenses alone can greatly exceed those usually faced for most children. Early intervention therapies, respite care, appropriate educational placements and physical aids can often place families in situations where the optimal provision for their child is beyond their resources.

Assistance in the form of cash through CA and the proposed Child Disability Assistance can assist the parents of a child with a disability in their role as the effective case manager for their child. Other forms of assistance provided by the Commonwealth can also assist them in this role. The Medical Expenses Tax Rebate, the Medicare Safety Net, and the medicare rebates for allied health professionals treating children with chronic conditions all provide help with medical expenses. The Medical Expenses Tax Rebate can also help with the costs of certain private early intervention programs. The Child Care Inclusion and

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2. Section 1.1.C.144 of the Guide to the Social Security Law on the FACSIA website at: http://www.facs.gov.au/guides_acts/ssg/ssguide-1/ssguide-1.1/ssguide-1.1.c/ssguide-1.1.c.144.html. The following section is summarised from this source. Further detail on eligibility and recognised disabilities can be found at this site.

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Professional Support Program can assist with the provision of workable child care during the pre-school and primary school years.³

However all this assistance often goes only a small way towards reducing the costs faced by parents struggling to provide for the needs of their children with disabilities. Research into the costs of caring undertaken in 2006 suggest that:

One-third of people providing primary care for elderly or disabled people live in households whose income places them in the poorest fifth of households in Australia. Carers are, on average, \$5,600 worse off each year than people with no care responsibilities. Carers also pay a high price in terms of restricted job opportunities and reduced income – the labour force participation rate for primary carers is only 39 per cent.⁴

Other measures for carers of children with disabilities

The Child Disability Assistance proposed in this Bill was not the only measure aimed at carers for children with disabilities announced in the 2007.

Carer Adjustment Payment (CAP)

A Carer Adjustment Payment (CAP) was also announced. It would be an interim payment of \$10,000 to assist families caring for a child aged 0-6 years who has been recently diagnosed with a serious disability or has contracted a severe illness. It would assist with care during the initial adjustment period.⁵ The CAP is only to be available during a two year period while a review of the eligibility criteria for Carer Payment is conducted. This

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3. For more detail on the medical expenses rebate see:
<http://www.ato.gov.au/individuals/content.asp?doc=/content/19181.htm&pc=001/002/005/012/006&mnu=925&mfp=001/002&st=&cy=1> for Medicare rebates for allied professionals see:
http://www.medicareaustralia.gov.au/resources/incentives_allowances/ma_1262_public_fact_sheet_medicare_allied_health_and_dental_care_initiative.pdf for Child care Inclusion Support Program see: <http://www.facs.gov.au/internet/facsinternet.nsf/childcare/services-ips.htm> accessed on 27 August 2007.
 4. 'Who Cares? The Cost of Caring in Australia 2002 to 2005', *AMP.NATSEM Income and Wealth Report* Issue 13 May 2006, p.2. Full text at:
<http://www.amp.com.au/group/3column/0,2449,CH32743%255FSI3,00.html> accessed on 27 August 2007.
 5. Mal Brough, *Financial support for carers of young children in exceptional circumstances, media release*, 8 May 2007. For the full text see:
http://www.facs.gov.au/internet/Minister3.nsf/content/budget07_financial_support_carers.htm accessed on 27 August 2007.

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review would examine ‘its effectiveness in providing a safety net for carers of children with a severe disability or medical condition’⁶.

Inclusion Support Subsidy

Additional funding was also provided for 3000 extra children to receive the Inclusion Support Subsidy that is used to assist child care services provide care for children with ongoing high support needs, mainly children with disabilities.⁷

Financial implications

The financial impact of this measure is expected to be \$567 million over four years⁸. The actual impact will depend on the number of carers eligible for the payment, because any carer eligible for Carer Allowance for a child will be eligible for the new payment.

Main provisions

Item 2 inserts **new part 2.19AA** into the *Social Security Act 1991*. It provides for payment of Child Disability Assistance to carers who received an instalment of Carer Allowance for an eligible care receiver that covered a period including 1 July of each year.

Item 3 specifies that the first instalment to qualify a carer for payment will be the one that includes 1 July 2007. However, the payment will be delayed until October 2007 when the provisions of the bill commence⁹.

Items 9-13 provide for Child Disability Assistance to be included amongst the payments subject to the income management regime to be introduced by the *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007*. This is the legislation introduced to provide for quarantining of certain welfare payments as part of a response to the issue of child abuse in the Northern Territory. See [Bills Digest](#) no. 27 of 2007-08 for more detail.

6. *ibid.*

7. Mal Brough, *Families reap the benefits of a \$2.1 billion child care investment, media release*, 8 May 2007. For more detail on the Inclusion Support Subsidy see: <http://www.facs.gov.au/internet/facsinternet.nsf/childcare/services-ips.htm> accessed on 27 August 2007.

8. See: *Explanatory Memorandum*.

9. See: *Explanatory Memorandum*, p. 5.

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Part 2 provides for Child Disability Assistance to be excluded from the definition of separate net income and taxable income under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

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