COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Reference: Family Assistance, Social Security and Veterans' Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006

TUESDAY, 14 MARCH 2006

CANBERRA

BY AUTHORITY OF THE SENATE

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Tuesday, 14 March 2006

Members: Senator Humphries *(Chair)*, Senator Moore *(Deputy Chair)*, Senators Adams, Barnett and Polley

Participating members: Senators Abetz, Allison, Bartlett, Mark Bishop, Boswell, Bob Brown, Carol Brown, George Campbell, Carr, Chapman, Colbeck, Coonan, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fielding, Forshaw, Heffernan, Hogg, Hurley, Joyce, Lightfoot, Ludwig, Lundy, McEwen, McGauran, McLucas, Milne, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Robert Ray, Siewert, Stephens, Stott Despoja, Watson, Webber and Wong

Senators in attendance: Senators Adams, Bartlett, Humphries, McLucas, Moore, Polley and Siewert

Terms of reference for the inquiry:

Family Assistance, Social Security and Veterans' Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006

WITNESSES

Committee met at 10.05 am

HUGHES, Ms Joan Anne, Acting Chief Executive Officer, Carers Australia

SHEEN, Ms Colleen Maree, Senior Policy Adviser, Carers Australia

CHAIR—I declare open this public hearing of the Senate Community Affairs Legislation Committee. Today we commence our inquiry into the Family Assistance, Social Security and Veterans' Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006. I would like to thank the witnesses who have made themselves available for today's hearing at fairly short notice. Thank you very much.

I welcome our first witnesses, from Carers Australia. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers to take evidence in public, but if you consider your evidence to be of a confidential nature we are quite prepared to consider taking evidence in camera. We have your submission, which is numbered 7. Thank you very much for producing that—again, at fairly short notice. We have read the submission and we are happy to ask you questions about it. But before we do, would you like to make an opening statement about that submission?

Ms Hughes—Yes, I would. Thank you for the invitation to outline the view of Carers Australia on the Family Assistance, Social Security and Veterans Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006, which is being considered by the legislation committee this morning. Carers Australia comments relate specifically to schedule 6, and that is the backdating of the carer allowance provisions. Even though we have had a short time to prepare a submission to you, which you all have a copy of, we have a more detailed submission here that I am happy to leave the committee.

As many of you know, Carers Australia is the national peak organisation dedicated to improving the lives of carers, and we are talking about family carers here. Our members are the eight state and territory carer associations which directly provide services to family carers in their homes and in their communities. Carers Australia believes that caring is a personal, social and public responsibility shared by individuals, families, business and community organisations, public institutions but all levels of government. I am not sure whether you know the statistic, but there are approximately 2.6 million family carers in Australia, according to the 2003 ABS disability, ageing and carers survey. As you are aware, these are family people who provide support to children or adults who have a disability, a mental illness, a chronic condition or who are frail aged. They can be parents, partners, brothers, sisters, friends or children—in some cases, even neighbours.

Carers provide unpaid and often substantial support and care to those whom they look after. The report, *The economic value of informal care*, by Access Economics in 2005 estimated that over one in eight Australians provided $1.2 billion worth of care in 2005 to family members who have a disability, a chronic condition, mental illness or who were frail aged. The value of replacing this care with formal services in the home would be at least $30.5 billion annually. Carers were identified just recently at being at a particular risk of low wellbeing in the 2005 Australian Unity Wellbeing Index. The risk was heightened in the case of reduced income. Carers often experience income inequality because they have had to give up work in order to care, or reduce their hours of work. In the same ABS survey of 2003, carers were overrepresented in the lower household income groups. Access Economics estimated that the conservative opportunity cost by carers of care hours is worth $4.9 billion annually.

As you are aware, the carer allowance is an income supplement available to people who provide daily care and attention at home to a family member or friend because of disability or severe medical condition. The carer allowance is not taxable or income or asset tested. It can be paid in addition to social security income support payment. To be eligible for a carer allowance, a person must be providing care and daily attention to a person with a disability or severe medical condition who is either aged 16 years or over and whose disability or severe medical condition is permanent or for an extended period. It is assessed under the adult disability assessment tool. The other criteria are a dependent child aged under 16 years whose disability appears on a list of disabilities or conditions, which result in an automatic qualification, or who has a substantial functional impairment which has caused the child to function below the standard for his or her age level. Again, this is assessed through the child disability assessment tool.

Currently where a person claims carer allowance for a child under 16, the payment can be backdated for up to 52 weeks. Where a person claims the same allowance for an adult payment, it can be backdated for up to 26 weeks if the disability is due to acute onset or an illness. I do not know whether senators are aware that the carer allowance was introduced on 1 July 1999 when we had the old DNCB—the domiciliary nursing care benefit—and it was combined with the child disability allowance to form the carer allowance. The carer allowance has separate adult and child streams because of the different assessment tools. The concern for Carers Australia is that the proposed amendments in the bill seem to standardise the backdating provisions of the carer allowance to a maximum period of up to 12 weeks effective from 1 July of this year.

The proposed amendments mean that the amount of back pay a carer is entitled to is significantly reduced. Carers of children will be the most affected. For a carer of a child this could be a reduction of up to $1,894 a year or the equivalent of 40 weeks of carer allowance. For the family carer of an adult, this reduction would be around $662.90 or the equivalent of 14 weeks of the carer allowance. There are approximately 340,000 carers who are currently in receipt of the carer allowance. That is a 2004-05 figure. There are 2.6 million family carers in Australia and this surely suggests to you that the number of carers who are unaware of their entitlements is huge.

Our understanding is that the bill’s explanatory memorandum states:

> ... assessment methods are based on functional ability or care needs. As a result, qualification can generally be established quickly, which removes the need for long backdating periods.’

I want to share a couple of stories with you. Identifying as a carer is not an automatic process. When a person takes on the role of looking after a family member, it is often in very serious circumstances. Therefore, there is a low likelihood of carers identifying what entitlements and services might be available to them. If they are aware of the carer allowance, they may not even think that the allowance is income or asset tested and they may not even think that they could go to Centrelink and start the process. The situation is compounded by the strict eligibility criteria that often makes these payments difficult for carers to obtain. Evidence indicates that once a carer decides to apply for a carer allowance, an appointment with a specialist who will sign the carer's application can take up to 12 weeks, and longer in some cases. Carers advise that although GPs can sign the application form, it is usually the treating specialist who signs their application. GPs are often reluctant to sign the application as they do not know enough about the care required and the impact of caring on the carer and the rest of the family.

We surveyed some of our member organisations in the states and territories and I would like to share with you two responses that came through to us yesterday—very recent case studies. A disability service visited a family recently whose second child has a rare disability which causes sight problems, hearing problems, heart abnormalities, developmental delay and serious renal problems. He had some surgical procedures soon after birth. He is now 18 months old and he has a sibling who is three years old.

The final diagnosis was made only recently, after numerous tests and visits to doctors and specialist clinics—all very costly to the family. The child, of course, requires multiple therapy services, dietician services and numerous medical appointments. There will be need for a lot of equipment and allied health services in the future.

His mother has received some counselling but has limited family support in the broader context. She has some home cleaning, for which she pays market rates, and is receiving five hours a fortnight of respite to do the general things, like shopping. As the child was only diagnosed recently, the mother has just received the carer allowance and it has been backdated for the current 52-week period. This is really the only extra assistance that this family has had since the birth of their child. His mother, at least, felt that a small sum of money, which could be used for some of the additional expenses, was really warranted and, of course, welcomed. The family is well aware that they will be facing numerous expenses for the rest of their lives.

The majority of these families who have a child with a disability find it extremely difficult to return to paid work full-time—or even part-time. The bureaucratic delays in having a child diagnosed, particularly with a rare syndrome, can take a considerable period of time. When they are already facing a lifetime of care, support and additional expenses, it is totally unnecessary to further penalise these families in very stressful situations by reducing further a small amount of income that does not even cover the costs involved in caring. Some of our carers are very angry to realise that the small amount of money that has been paid in the past—and, they were hoping, would be paid in the future—and which allows some of those small amounts of services to be purchased, is to be reduced, when governments actually have surpluses in budgets.

A further disadvantage for a carer could occur if a review of their carer allowance application is required. A lengthy review process can continue past 12 weeks—the proposed backdating period. Let me share another story with you, of a carer born in 1927. She is now 79 and has just been approved for carer allowance, following a successful appeal to Centrelink after she was rejected as ineligible.

She has a son who is 45 years of age. He is the youngest of five children and was diagnosed as having an intellectual disability at the age of three. He also has vision and coordination problems. He is employed in a disability organisation, in business services, and lives at home with his mother. She has some additional funding to assist a care worker who helps with independent living training for her son, recreation, community access and some respite. She has applied for carer allowance on a number of occasions over the last few years and has been rejected as ineligible each time.

With fading health herself—remember, she is 79—and with financial pressures due to living on an age pension, and her son being on the disability pension, she approached my organisation, Carers Association of Western Australia Inc., after being rejected again. Carers Western Australia advised her to appeal and contacted Centrelink on her behalf and with her permission, and Centrelink has been very helpful and sympathetic.

As is so often the case, the reason for rejection was twofold. The medical report for the carer allowance application, which had been done by a new doctor in the practice who did not know the history of her son, understated the care situation. Secondly, the carer herself was so familiar and accepting of her son's disability—and since she had spent a lifetime building his abilities—that she, too, completely understated the amount of care and supervision she provides. It is called being a mum. An independent advocate assisted her with the appeal and she now receives the carer allowance. The backdating of the carer allowance has assisted this particular family situation by alleviating some of their financial pressures.

In conclusion, Carers Australia strongly believes that there is no sound rationale for the proposed amendments in the bill, which are estimated to reduce expenditure by over $100 million over four years. They are not related to eligibility, financial hardship or the amount of care that the carer provides. The amount of care that carers provide our community with is really at the foundation of our health and community care systems.

Carers Australia believes the amendments are contrary to the Australian government initiatives in the 2004-05 and 2005-06 budgets to assist Australian carers in their role. These included the carer bonus, additional funding provided for respite care and eligibility for the carer allowance for a carer who does not reside in the same residence as the person they care for. Those initiatives are very welcomed by Carers Australia and carers across the nation, but not at the expense of other things.

Carers Australia believes that the proposed changes to the backdating measures for carer allowance recipients will further disadvantage and marginalise our family carers. We recommend to the Australian government three things: firstly, make no change to the backdating measures for recipients of the carer allowance; secondly, streamline access to carer allowance for carers, especially those who are under increased stress; and, thirdly, invest in quality resources and strategies to ensure that carers are advised of the financial assistance available to them in the earliest stages of their caring role.

CHAIR—The Department of Family and Community Services has argued that the nature of other entitlements or allowances from that department and Centrelink are generally not available for backdating. Generally, one cannot obtain payments on a backdated basis that one has not previously claimed. Can you think of a reason why carer payments should be separate or different from those other sorts of entitlements that a person might obtain through Centrelink?

Ms Hughes—It is a very different system. The allowances and payments available to family carers are really supposedly income support. As you are all aware, so many of the family carers have to give up work to care. The situations for them are very different from people in unemployment situations. These people are actually providing labour, love and care to their family members. That is saving all of us, as I said, billions of dollars.

I think there is a case to allow some flexibility with the backdating. Many people see themselves as husbands, wives, sons, daughters or partners and they do not identify with the term ‘carer’. That is one issue. Then they are so busy doing the caring that they do not know that there are things available to them, whether they are Centrelink payments, respite services or home help and so on. It takes a long time for people to then say: ‘I can’t do this any longer. I’m really struggling. My private life is going to become, in a sense, public.’ It takes a long time psychologically for many of the family carers that we represent to actually put their hands up for help.

These are not people who want to, in a sense, abuse the system. I just know that. I have been working in this field for 15 years. I know that all of the family carers that I speak to every day are not people who want to rip off the system. They are people who are really struggling to make ends meet. As I said, they are people who are now in the lowest income group within our country. So I think that is fairly compelling evidence as to why there could be some special arrangements made for family carers.

Senator McLUCAS—Was Carers Australia consulted by the government in the lead-up to the budget or the lead-up to the introduction of this legislation?

Ms Hughes—Not in an in-depth way. There were many things on the table and we were very pleased that the carer allowance criteria around coresidency were dropped. But we did not go into any communications with government about pay-off for one thing against the other—not at all. We put out a media release just after the budget welcoming the carer bonus to a point. But we also stated very clearly in that press statement that we were very concerned with the changes to the backdating arrangements.

Senator McLUCAS—When you say that everything was on the table, was this on the table as part of the pre-budget discussions?

Ms Hughes—Not as far as I am aware, but, as you know, I am acting in this job—I am usually CEO of Carers NSW. I could check that and come back to the committee.

Senator McLUCAS—Thank you. You have explained quite clearly why people do not know that the carer allowance is there. One of your recommendations is that we invest in quality resources and strategies to ensure that carers know that this payment exists. What could the government do to improve understanding of that payment?

Ms Hughes—The trouble with government campaigns is that they are not usually ongoing. You could invest a large amount of so-called savings in an awareness raising campaign about family carer issues. Our evidence shows us that the best way that carers find out that they can come to carer associations for assistance is through a letter from Centrelink. They open those up very quickly. Our promotions usually have a fairly good pick-up rate, with carers contacting support services. Another way is through the radio, because many carers often listen to radio at night.

Any media or awareness campaign really has to be ongoing. As I am with you today, many people are becoming family carers because of a child born with a disability, a family member becoming very ill or a mum being diagnosed with dementia. You have to keep those campaigns rolling if they are truly going to be effective. If they are run by governments, many carers are quite cynical and often do not even respond. They sometimes think that it is not coming from a messenger they can trust. Some sort of ongoing campaign is really important, but it can chew up a lot of dollars as well. You would have to look at the effectiveness of such expenditure in other campaigns. The government has done a huge amount of campaigning with the Carelink services. I do not know whether you know what they do. They are now in all the regions across Australia and they provide community service information to members of the public, family carers, older people and so on. The federal government invested a huge amount of money to promote that service, but the take-up rate is not huge.

Senator McLUCAS—That is right. Do you have any evidence of how people in care situations find out about the carer allowance? Is it through their GP or someone telling them over the back fence? A lot of those people are not in contact with Centrelink.

Ms Hughes—Usually people find out through informal systems. For many carers who are very isolated because of their caring responsibilities and who do not connect with any other system, the GP is pivotal. Carers who are involved in, say, a carer support group or who get a small amount of respite may pick up that they could be eligible for other entitlements. The carer associations across the nation give out numerous packs that are funded by the Australian government Department of Health and Ageing, and FaCSIA now have a special kit for family carers.

There is a proliferation of information, but people have to come to a determination themselves that they are willing to put their hand up and seek support. It would require a very, I would think, trusted and intensive campaign for people to admit that they might need some assistance. We have to look at a whole range of different strategies to get the word out. Everybody knows we should be doing more work with GPs. How you clinch that is the million dollar question.

Senator McLUCAS—We could ask the department that later.

Ms Hughes—When we run a promotion of the 1800-number for information about carer services through very popular radio stations it usually has a good pick-up rate. But it has to be ongoing, as I said, because the numbers are increasing and they will continue to increase, as we know, with the ageing of our population. With more medical practices now, like early discharge from hospital, more and more people are going to be cared for in the home and the community. Governments across all spheres have done and are taking it seriously, but, when you see something like this happening, you have to wonder whether governments are truly acknowledging the labour and effort that family carers put into not only caring for their families but keeping our society functioning in the ways that we want it to.

Senator McLUCAS—On the first case study you described, Ms Hughes, I think the pivotal reason that that person did not get a carer allowance for such a long time was that the diagnosis took so long. I understood that the tool can assess care need as opposed to a medical condition, which is different from carer payment (child). Why in that circumstance, if the care need was so evident, could that person not have submitted an application, even though the name of the disability was not yet known?

Ms Hughes—I would think in that particular situation it was something to do with the advice that the medical profession has not got about what the eligibility criteria are—for example, the new eligibility criteria that are proposed for the carer allowance. As we all know, the medical fraternity are bombarded with changes to policy and legislation constantly. So it is hard to get them up to speed on understanding what some proposed new rules would be.

We have given you only two case studies. I know that National Welfare Rights Network have some case studies as well. We always say that they are a very small number but they indicate a larger problem. Many carers who speak to me on a daily basis often come only when there is an emergency or when they cannot cope any more. So I know that around that one person probably is another 100 or 200 family carers who are in similar situations. We know from the figures that we have been able to get from the ABS that the number is large and it will continue to grow. The ABS will be asking in the new census a question around family care responsibilities. That will give us even stronger data. But, as we are gathering this data, government policy is not keeping up with what is needed for these people.

Senator ADAMS—Thank you, Ms Hughes, for your submission. It was very interesting, especially the case studies. I have a rural background and I would like to ask you a question regarding people living in rural areas. Could you give us an example of a case study? Do you work with the Divisions of General Practice? That would be one area that I would think would be very important as far as the carers went?

Ms Hughes—I have only just started to do some work and I would not say that that work is national yet. I know that, since being in this job, we have had communications with the Divisions of General Practice. They are the appropriate organisation to partner with regarding a whole range of things for carers. As you would know, in rural areas the problem is more difficult to manage because many family carers have to travel long distances for medical attention. Often people will do that only in a crisis or at the beginning of the diagnosis of an illness or disability and then, once things are sorted out, it is usually back to the family and the broader family to look after that person.

In rural areas the distances are huge, and we are getting more disabilities that are rare and not easily diagnosed. Many family carers and mums and dads sometimes have to go through really tragic times to even get a diagnosis. While they are doing that, they are not thinking about what sorts of supports and systems they could be eligible for or that could be put in place for them. In some country areas, there are long waiting lists for practical supports for family carers, like home care services and so on. I am just talking broadly. I cannot give you an exact case of a family carer—though I know that one of the case studies I gave you today is from a rural area.

Senator ADAMS—Ms Sheen, with your background in the National Rural Health Alliance, can you give us any information on that?

Ms Sheen—And the Divisions of General Practice. I have only been working with Carers Australia since last Wednesday, so I have very limited knowledge at the moment of some of the programs that our member associations in states and territories have in place, but I know from speaking with the CEO of the Carers Association of WA that they are working with some of the Western Australian Divisions of General Practice. So I would be quite happy to source those and send some information to you about the programs that the members are doing with the divisions. I know that especially in Queensland and Victoria some of the associations also have what I suppose are called regional centres—Joan knows more about this than I do—and I know that they are in contact with rural and regional areas. Some of their support workers have training in and knowledge of providing assistance and services for carers of people in rural areas.

Senator SIEWERT—I would like to ask you about the comment from the department saying that this is about standardising payments, that it will reduce confusion for customers because there are different backdating periods and that it will remove inequities. I would quite like to hear your opinion about that.

Ms Hughes—That goes to what I said before: you cannot compare families who are on the carer allowance and carer payments with other Centrelink recipients. It is a very different scenario with what they are doing compared to people who in a sense have disabilities or those people who are in other supported systems. We are talking about the people who are providing the labour and the care here, and I think we have to get that straight. I have to say to you that I would even question some of the savings that the government have put forward, because our understanding is that there is only an increase of around 14 per cent in the number of people who get the carer allowance yearly. That equates to around 47,000 people. None of those people are the ones whom we would be talking about today. I do not quite know how they have come up with the savings. That is one problem. I would never want to question that, because I think that if there is that saving there then we would like to see it go back into some form of carer support. But, given that, as I said to Senator McLucas, we are talking about a different group of people here who are Centrelink recipients, and I do not think it is good policy to put all Centrelink recipients in the one basket with the same sorts of guidelines. I think in this particular case it is inhumane to do that.

Senator SIEWERT—The way I read their comments on standardising, I read about the 52 weeks—

Ms Hughes—Twenty-six.

Senator SIEWERT—and the 26 weeks and the confusion—and it is also my understanding of what you have just said and from reading the submissions—and I thought that, if people are still not finding out about this, they do not need to worry about the confusion; they need to worry about finding out about it in the first place. Would that be an accurate understanding of the current system?

Ms Hughes—Absolutely.

Senator MOORE—Ms Hughes, I want to take a little bit more time on the issue of promotion and information sharing. One of the other submissions said that, from their point of view, Centrelink does not have a culture of encouraging people to make applications. That jumped off the page for me. I know that your organisation has a long-term relationship with various government departments in working together on these processes, but I am still at a loss to an extent about the fact that these payments have been around a long time under various terms and there is an awareness of them in some parts, but the ongoing message out of all the submissions is that there is an expectation that people have not made claims because they did not know about the payment. That is in all the submissions we received. I am trying to work out the relationship with Centrelink, as the payment agency that has always been the payment agency. There is nothing new there. You said in your opening statement that people did respond to Centrelink letters. I am still trying to get a bit more of an understanding about why, then, we have these extraordinary numbers of people who just do not seem to know how to put a claim in.

Ms Hughes—There are two issues there. I said that our family carers respond to letters from Centrelink. They are people who are in the system.

Senator MOORE—They are already in the system.

Ms Hughes—Yes, so let us put that aside. What I said to you before also is that you have to understand that we are talking about the private lives of people. People will not put up their hand for assistance for all sorts of reasons, because they see it as a family responsibility. If you look at all the ABS statistics on why people care, you see that the top four are to do with: ‘It’s my responsibility to do this, the alternative care is too costly, the alternative care is not of a high quality and it is an obligation.’ All of these reasons are very well substantiated now in the ABS 2003 Survey of Disability, Ageing and Carers. You have to create policies within that context. It is not rocket science, but it is really why people do not put their hand up—they still see it as their responsibility. It is what they have been brought up to believe; it is part of their value base. It is not until they struggle or things fall apart that they will come and seek assistance.

Many carers who contact the carer associations are usually at the end of their tether. But things will change as the baby boomers age, because they have had more opportunities. They understand the notion of choice more and that things can get into the public arena and be well supported. I think we will see different care systems in our community and we will not be ready to respond to them. In summary, it is very much to do with that conflict that many carers have—what is private and what is public.

Senator MOORE—And the role of the department in being proactive as opposed to being responsive.

Ms Hughes—Yes.

Senator MOORE—It is about weighing up that balance.

CHAIR—Thank you very much, Ms Hughes and Ms Sheen, for your evidence today and for your submission as well.

Ms Hughes—Thank you.

[10.42 am]

RAPER, Mr Michael William, President, National Welfare Rights Network

THOMAS, Mr Gerard, Policy and Media Officer, Welfare Rights Centre, Sydney

Evidence was taken via teleconference—

CHAIR—Welcome. I think you have had information provided to you on parliamentary privilege and the protection of witnesses and evidence. As you know, we prefer to take evidence in public, but if you have something which is of a confidential nature we will consider taking it in camera. We have a submission from the National Welfare Rights Network. Thank you very much. Would you like to make an opening statement before we ask you questions?

Mr Raper—Can I say at the outset that I appreciate the opportunity to address this Senate committee inquiry by phone. I was unable to make it in person. I hope my comments can assist further with the Senate's inquiry. Whilst our submission deals with schedule 6 of the bill only, we are aware that there are other schedules in the bill. Perhaps it is worth noting that in every respect bar one—that is, schedule 4—we support those moves as being helpful and beneficial. We have a slight problem with schedule 4. It simply goes to the general issue—the same as with family tax benefit debts being taken out of income tax returns. It should not absolve Centrelink from the obligation of advising people that there is a debt and giving people the right to appeal against the debt rather than simply assuming that, because Centrelink believes there is a debt, it is a debt. The risk with taking it out of the tax return is that it avoids the whole right to appeal process.

However, that aside, we do support the other measures in this bill; therefore, we address our comments to schedule 6. Can I say at the outset that, as you and other senators would know, we have not always agreed with the government on its social security provisions, its amendments and the cuts and reforms that it has made. However, the government does have a fairly good, progressive and beneficial track record in relation to carers. This proposal, it seems to us, is a standout in that it goes against that track record. It is out of character with the way the government has tended to treat carers and carer issues to date. I think the carers association mentioned some of that track record. I would add to it: aside from the bonuses for carer payment and carer allowance, we acknowledge the increase in respite care places, the carer payment being indexed to 25 per cent of male total average weekly earnings and the extended coresidency criteria. Even the carer pension being renamed 'carer payment' was very significant for carers, and the establishment by Centrelink of a carers' reference group. All of those things show a good track record. So it is a pity that this measure, it seems to us, goes contrary to that—it flies in the face of that. I will come to the reasons why we are concerned about that.

Our submission on schedule 6 is a technical submission analysing the legislation and looking at the past and the reasons why carer allowance is different. It is not just a technical analysis based on an analysis of law; it is based on our experiences with our many clients over the years. We think there are reasons why carer allowance is different and should be treated differently—and I think this goes to your question, Senator Humphries, that you put to the carers association: is it in any way different? Our submission tries to address the point that carer allowance is in fact different. We point out in section 3 of our submission that there is a range of backdating provisions—you can see there is a range of backdating provisions according to our annexure and analysis there. What we have is horses for courses: different provisions for different payments.

But, even in that context, carer allowance has been a standout different payment and it has had different backdating provisions. We suggest that that was good policy, not just an anomaly, and that that good policy should be retained rather than abandoned. The reasons why we believe carer allowance is different and should remain different are set out in section 4 and are grounded in the actual payment itself. It is not a primary income support payment, where you might expect people to put in a claim quickly and their eligibility is tested; it is a supplementary payment. It has a low profile in the community. It is very hard to increase that profile. I might come back to that issue, because I know you have questioned people about what can be done to increase the profile or advertise it. But there are problems. It simply cannot be solved simply like that.

It is low profile, and it is the last thing that people are thinking about when they face the circumstances of a child born with severe disabilities or a partner who has a stroke. This is not where they are at, and I think carers have made that very clear. The case study in our submission—where it took some three years to come to grips with it—and also the submission of the AAFCD, the Australian Association for Families of Children with Disabilities, make that point very clearly. People are in denial. They take a long time to come to grips with the issue. I know that FaCSIA has a different view about this and I would also like to come to that in a moment. The nature of the carer payment, the carer allowance, is grounded in the fact that it can take up to 12 months—in fact, well beyond that, as the case studies show—for a family to actually obtain a diagnosis. I know that FaCSIA says you do not need a diagnosis, but we will come to that. I draw your attention to the case study of Bruce Young-Smith and the AAFCD submission that I have mentioned, where the case studies are real.

There is another reason why this payment is very different: it is a non-means tested payment. That means it appeals to and is applicable to a group that does not commonly see themselves in the Centrelink group, does not necessarily think they would have a right to claim or eligibility to claim. They are not thinking in those terms, they are not necessarily low-income people—not all, but a lot. It is a different payment, and people would not be expecting that they might have an entitlement.

We list some other reasons there as well as to why we think that the payment itself is different and warrants back payment for up to 12 months. Indeed, many of the submissions and case studies indicate that the period can in fact be a lot longer for people to come to the position, as the carers association has said, where they can accept the reality of their circumstances, to come out of denial, to find out that there may be a payment available. Sorry, we seem to be cutting out. Am I still being heard?

CHAIR—We can still hear you, loud and clear.

Mr Raper—We believe that the payment is different, the back payment is sound, it had great reasons and it should remain. It is good policy; it is not an anomaly. I want to go to the

FaCSIA submission—I am looking at the second page of the schedule 6 comments in that submission—where it explains that the current legislation gives you an additional 11 weeks after you have notified them of the intent. So you get those first two weeks and a further 11 weeks, making a total of 13 weeks. It says:

> The medical report also does not have to be lodged with the claim for the claim to be granted from the 'intent to claim' date.

The first point being made here is you already have 13 weeks if you can argue or point out that the reason for the delay was due to the medical condition or adverse effects the condition was having on somebody you were caring for. I want to point out that this is not the reality of way it works. As my 16-year-old daughter would say, 'As if!'—as if it works that way. It does not. That is Alice in Wonderland. It is FaCSIA giving us the theory, but in fact people do not even know that they can lodge an intention to claim, let alone then get a letter back from Centrelink within that period advising them in writing that they have a further period of time in which to lodge a claim and that they can get their medical reports in some time later—that does not have to be lodged.

I put it to you: in our experience, the reality within Centrelink is that most people in Centrelink would not accept those claims without the medical evidence. Be it right or wrong, without that medical evidence they will not accept the claim. We pointed out in our submission that there is not a culture within Centrelink of encouraging people to claim and to test their entitlements. That is our experience day in and day out. There is not that culture. People are not encouraged to claim and to test whether or not they may have some right, some eligibility. Certainly a claim in these circumstances without medical evidence would not, I suspect, be accepted. The person at the counter would argue: 'My superior would not allow this. It can't be done. I'm sorry, where's the evidence? This could lead to death if you put in a claim without the medical evidence,' et cetera. Unfortunately, I think that is the reality.

But, more importantly, people do not even know that they have to first get in and indicate to Centrelink if there is an intention to claim, let alone being able to build that in the 11 weeks. As carers pointed out, as other submissions point out, people are not aware, they do not think it is up to them, they are in denial, they do not even know about the entitlement and they certainly do not go to Centrelink, even within that first fortnight, to get the remaining 11 weeks.

Finally, I want to go to the submission of AAFCD—the Australian Association for Families of Children with Disabilities. You will notice that at the back of our submission that we have received a number of unsolicited letters of support for our position and our concerns about the provisions of this bill, and those organisations are listed. Some of them have also put in submissions.

Our submission certainly tries to give legal, technical and policy explanations, but I hope you have had a chance to read Helen Johnson's submission, which gives a very personal side to this. She speaks of the physical, mental and emotional challenges of supporting the child 24 hours a day, seven days a week and 52 weeks a year and how she went into absolute shock about the circumstances and took a very long time to come to grips with the reality.

CHAIR—I am sorry, Mr Raper, we are having a bit of difficulty hearing you clearly—you are just dropping out a bit as you are speaking, although we can hear most of what you are saying. Perhaps you need to come a bit closer to your speaker phone.

Mr Raper—Thank you. There is a little echo from our end and a slight technical problem. We recently invested in the fancy speaker phone on the conference phone on the desk in front of me, so I hope it is passable at least for you.

On the point I was making, I am sure the committee is aware of those submissions and can take account of the personal reality—the lived, real experiences of people—to add to the analysis that we have put forward.

The very first point of our submission looks at the numbers, but we are unable to obtain numbers of new claims per annum and the average number of weeks that care allowance claims are backdated. I notice that the FaCSIA submission states that there are 42,000 carer allowance claims per annum. I also notice that, in its submission, ACOSS has worked backwards from the estimated savings to calculate that at an average of six months backdating provisions—so it could be different based on what the average actually is—and notes that that would mean some 29,000 families would be affected by these provisions if the government is going to make that money. I know that the carers association queried the savings, and I find them pretty extraordinary, but they would only be achieved by something like those 29,000 families. To us that seems to be an extraordinarily high number of families to not benefit from these beneficial and well-intended backdating provisions, which we hope your committee will see as valuable, desirable and a worthwhile exception to the general backdating provisions that ought to be retained rather than removed for the sake of neatness or a few savings.

Senator McLUCAS—Mr Raper, can you explain whether or how the National Welfare Rights Network was consulted by the government, either in the lead-up to the budget or prior to this legislation being introduced?

Mr Raper—I think that will be a short answer, because to the best of my knowledge and recollection we have not been consulted. We normally try to initiate discussions with government through Centrelink, the policy departments and the ministers prior to the budget every year to put forward our proposals. To the best of my knowledge, this one has not been run by us. We found it in the budget last year and were surprised.

Senator McLUCAS—Given your experience in working with people who receive carer allowance child, what do people do with the backdated lump sum?

Mr Raper—It is a good question, and thankfully I can rely on some of the case studies—the one in our submission and the ones that have been referred to by Helen Johnson of the Association for Families of Children with Disabilities. It seems that they accumulate a number of costs during the process of diagnosis and coming to grips with the condition. There are a lot of extra costs, such as physical additions—in the case of our case study, nappies for starters. So there are a lot of those physical costs. There are also the transport, medical and pharmaceutical costs. Generally, as I understand it, they have built up a fair bit of debt or made a lot of outlay. These payments are often used to meet some of that, to overcome some of that debt and, in some cases, to make certain modifications that they need for the future as they face up to perhaps a long-term disability or illness that is going to have additional costs on an ongoing basis.

Senator McLUCAS—Regarding the question of diagnosis or assessment of care need, the department’s submission says that an actual diagnosis of the disability or ailment, particularly of a child, is not required and that simply an assessment of the care need is sufficient to put in an application for a carer allowance. What is your comment on that?

Mr Raper—On the face of it that might seem persuasive, and it may be technically correct—and I do not doubt FaCSIA’s position there; I know that to be true—but, as I said, it is not the reality; it is the theory. The practice is that people do not know so they cannot lodge the intention to claim in the first place and that most people are coming to grips with getting the diagnosis, sometimes waiting lengthy periods of time to get it, and believe that you cannot submit anything to Centrelink unless you have some evidence of what the actual problem is.

We point out in our submission, based on evidence supplied to us from the process of the last week or two with the psychologist who works with children with autism spectrum disorders, that there are long waiting periods. It is not an easy thing to know what is wrong with a child; it takes a long time and you gradually come to realise that there is a problem—it emerges over a period of time. That is the sort of reality that we face: people have been facing the medical situation, the realities and even some their dashed hopes and dreams for a long period of time and bearing the costs before they realise that the government, through Centrelink, may be able to support them in some way. That is the reality. And they have not even gone near Centrelink to lodge a claim or an intention to claim or even realised that they could. So when FaCSIA says, ‘You don’t need a medical diagnosis,’ that is not what people think or understand; it is not the reality of life. Mostly, they find out a lot later, when they have their diagnosis and are settling down. Then they hear about this and they go back. They have met all the costs, they have done the right thing for so long and they have been in the past able to backdate that claim, and that has been of some small but very valuable assistance to them, and we would hate to see that go.

Senator McLUCAS—I also asked this question of Carers Australia: what would your advice to government be about how to increase understanding of the fact that the carer allowance exists? How do we make people aware of it?

Mr Raper—We have given that some thought because we are always dealing with people who come to us and do not know about their Centrelink entitlements. It happens. However, the problem is that, even though you might run a campaign and put out the material, as the carers association have said—it might be like the round of advertisements that say, ‘Support the system that supports you’—unless you are tuned in and ready for the message, then often the message goes straight over the top of your head. I think that is the problem. As I pointed out, these are people who in many cases do not normally think of themselves as having Centrelink entitlements, because it is non-means tested and the disability of their child, partner or family member is something that is new in their lives and that they are coming to grips with.

Even with the best of publicity, it is not going to hit the right people at the right time. It will be a broadcast message that may be tuned into at the right time but, unless it is there ubiquitously for everybody and tuned into at just the right time, I fear that the best efforts will fail because of the nature of the payment in the ways that we have described. As much as I would like to be better help and suggest ways that it could be advertised more constantly and more regularly not just through television and radio but through child-care centres, hospitals and the like, it is still literature, it is background material, that will not necessarily register with people until they are down the track, already a year into this, over the grieving and getting used to what they might be able to do.

Mr Thomas—It is also our view that no amount of money spent on an education or publicity campaign would substitute for the current backdating provisions. The beneficial provisions that are there are not going to put Huggies on a child with cerebral palsy. The cost of nappies is one example of how that money was used. We are constantly talking with Centrelink about the need to improve information in the community, but let us not kid ourselves that that should be a substitute for winding back the beneficial provisions for carers, who are, as care groups have made clear today, an enormous benefit to the community and to the loved ones that they care for.

Senator McLUCAS—Thank you both.

Senator MOORE—I have one follow-up question about the statement we have heard from a number of people that the people who may be eligible for this payment would otherwise not have any dealings with the government. Mr Raper, what evidence do you have of that? I am genuinely struggling with the issue about information sharing. It seems to me that a lot of the people who may be eligible for the carer payment for children are eligible now for various family payments. On the other hand, a number of people who may be eligible for the carer payment for adults would also be interacting with the system at different times. I wonder why the information process is so fragmented.

Mr Raper—The basic answer to that question is the way the payment is structured—it being a non-means tested payment. Family tax benefit is means tested. Certainly it is becoming increasingly generous, and more people have the opportunity to benefit from family tax benefit. Family tax benefit B is not means tested on the income of the non-caring partner. But, nevertheless, neither one of those is the same. Even a lot of people who might be entitled to family tax benefit B because it is not means tested do not claim it. One of the reasons why this payment is different is that it is not means tested. It is very different to almost every other social security payment. Therefore, people who may have sufficient means are not normally inclined to think that they would have an entitlement through Centrelink. The second reason, as we have indicated, is that they are in denial. It takes a long time before people realise that they may have an entitlement.

Senator BARTLETT—Could you give me your view on the rationale behind the 26- and 52-week waiting periods, when this was first introduced? The department’s statement now is that the rationale was that it could take some time for the child’s disability to be diagnosed. When was this introduced? Was that rationale used at the time?

Mr Raper—I do not have any reason to differ from or doubt the comments made by FaCSIA in its submission about the origins. They accord with my memory. I would rely on FaCSIA rather than me, though, even though I was around at the time. But it seems entirely consistent with our understanding that it was a conscious decision when CDA, the child disability allowance, morphed out of its predecessor, the domiciliary nursing care benefit, that the nature of the payment warranted having a back payment because it could take quite a while, as we have indicated, for a disability to be diagnosed.

I think that is consistent too with the view that it is not just because the nature of some of the conditions means it takes a while to understand or find out about or that there may be some delays in getting a diagnosis; it also embraces the reasoning that we have been giving about people taking time to come to grips with the situation, even if they do have a diagnosis, or being in denial and facing up to it in ways that the Carers Association has said and then making a claim with Centrelink. So I think all of that is consistent with my understanding of why it was introduced and why it should remain.

Senator BARTLETT—As I understand it from the department, the 26-week backdating period is only for care receivers whose care needs were attributed to an acute onset, such as an accident or a heart attack. I gather that is still going to be the case for adults, even for the 12-week backdating period that is proposed. I am struggling to understand why acute onset makes a difference to whether or not you can backdate a claim.

Mr Raper—I have struggled a little with that too. I am not going to be able to enlighten you very much. If there is any inconsistency, perhaps it should be that that 26-week period should also be 52. There may be something about an adult—but I have not been able to divine what it is—that would warrant that only being 26. It seems to me the same rationale, the same arguments, apply. It is the same situation when an adult takes on the responsibility of caring for a husband or wife who has had a stroke. That would certainly qualify. But that too could take a considerable amount of time to get over or get used to—the paralysis that goes with that, that they are paralysed on one side and cannot talk or communicate, the changes to the house and the rehabilitation regime that goes on every day and every week. It would seem to be that all of that would justify a 52-week period as well. But we are here to defend the status quo, I guess, not to try and push it out a bit further.

Senator BARTLETT—Finally, I know your submission does not touch on these schedules of the bill but do you have any comment on the changes dealing with the indexing estimates for family tax benefit? I think it is in schedule 2.

Mr Raper—I made comments at the outset to the effect that we supported the other schedules except for schedule 4, where I made some qualifying remarks. But with the others we generally felt that we did not have problems with them.

CHAIR—Thank you very much, Mr Raper and Mr Thomas, for your evidence today.

Mr Raper—Thanks for the opportunity.

[11.14 am]

SIMPSON, Mr Michael, General Manager, Policy and Advocacy, Vision Australia

Evidence was taken via teleconference—

CHAIR—Welcome. I think that information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee prefers evidence to be taken in public but if there is anything you feel is of a confidential nature we can take evidence in camera. We also have your submission, submission No. 4. We appreciate that that was prepared in fairly short order so we thank you for the effort that has gone into that. We have some questions to ask you about the submission, but would you like to make a statement before we do so?

Mr Simpson—Yes, just a brief statement to clarify the submission and also Vision Australia's position. Vision Australia is a relatively new organisation but it is an organisation which has grown out of a merger of some quite established organisations including the Royal Blind Society of New South Wales, the Royal Victorian Institute for the Blind and Vision Australia Foundation. Through those organisations we work with many people who are blind or who have low vision. Some of them lose sight later in life as part of the ageing process; others, like myself, lose sight to accident or injury. I have been blind for just over 30 years now, having lost sight through two separate accidents: the right eye when I was nine years old with an arrow playing cowboys and Indians; the left eye as a result of a shooting accident when I was 18 years old and had a .22 rifle bullet shot into that eye. We also work with children who are either born or diagnosed relatively early as being blind or having low vision, and it is particularly that group of individuals and their families that we are seriously concerned about with the changes to the backdating provisions of the carers allowance.

At any stage we are working with around 600 children and their families. Those children are sometimes born without sight and diagnosed extremely early, but others are only diagnosed during their infant or adolescent years as a result of degenerative conditions or conditions that result in sudden, total or partial sight loss. In those circumstances, the parents of children are really concerned about dealing with the immediacy of the impact of that diagnosis on not only the child affected but particularly other children or siblings in the family and the impact that it has on a family. Because of that, they very rarely think in the first instance, 'Well, there must be an allowance or something we can access from government, so let's go and see what is available.' That is not the first thing on their minds. It can take some time to deal with the immediacy of the diagnosis and getting things back into order for a family, so we are really concerned that, given that some time can pass, when they do become aware of the supports that can be provided, some months have gone past and they will not be able to backdate as far as was previously available.

The key issue for us is that we often are not the first point of contact for children or their families when they are first diagnosed. Generally it is contact with ophthalmologists, optometrists or other medical practitioners, and it is only some time down the track that organisations like Vision Australia are brought into the picture. It is often at that point that we inform clients and their families that there are allowances available and that, again, can be some months after the initial diagnosis. So we are particularly concerned about the impact that it might have on children and their families.

We also see the results of disability when it is diagnosed in families. Sometimes it can lead to real financial and emotional stress within families. We know that in many families, even if there are two working partners, to make sure that the child with disability is going to get support often one partner or another might leave work fully or partially to make sure that their child is receiving care. That means that they are not going to have the same level of income coming into the family, and they have actually got more outgoings because of the cost of meeting the needs of the disability. We feel that it is really important that the backdating provisions are as generous as possible to make sure that that support is available. That is all I wanted to add to our submission.

CHAIR—Thank you very much indeed. I have just a couple of questions. You said that you work with about 600 children with vision impairment. I assume there is a large number who would be diagnosed legally blind in Australia. Do you know what that number would be?

Mr Simpson—I do not have a definite figure, but it would not be significantly higher. Most people who are blind or vision impaired actually lose sight later in life. For example, 70 per cent of the people that our organisation works with—and we are by far the largest organisation in Australia—are over the age of 65 and generally have lost sight later in life rather than earlier in life. In the figures that I have seen from Centrelink, for example, there are only about 30,000 on either the disability support pension (blind) or the age pension (blind), of which about 8,000 I think are of working age. Then you have those under working age. I would imagine that it would only be 1,000 or 2,000.

CHAIR—You mentioned the case of older people who become blind and, for example, lose their drivers licence or lose their employment. Is it your experience that when such people approach Centrelink for some kind of pension or allowance they are generally advised about the entitlements of carers for the carer allowance as well?

Mr Simpson—That is not our experience. Generally our experience is that people are informed about benefits that they might obtain, but not necessarily for carers. Interestingly, in our experience the take-up of carers benefits by partners or carers of people who are blind or vision impaired is extremely low. Interestingly, in the blindness and low-vision sector the terminology of ‘carer’ does not seem to have struck a positive chord with people who are blind or have low vision, as it might have in some other sectors of disability. Generally people who are blind or have low vision do not think of people who are working closely with them as carers.

Senator McLUCAS—You said that people take some time from the point of becoming blind or having low vision to actually making contact with Vision Australia. In your experience, how many people, when they finally make contact with your organisation, even know about carer allowance or have access to carer allowance?

Mr Simpson—Very few, Senator, because mostly the information is around either the disability support pension (blind) or the age pension (blind), not necessarily around what other supports might be available—for example, mobility allowance or carer allowance or even rental assistance, or things like that. It is mostly the direct benefit to the individual who is blind or vision impaired, which is the disability support pension or the age pension.

Senator McLUCAS—So most people who do make contact with you will have had some relationship with Centrelink because they are on DSP or age pension.

Mr Simpson—Yes, I would say most, but not all. There are still a significant number that we have referred to us who have not even thought of Centrelink benefits.

Senator McLUCAS—It would seem to me pretty evident that if there has been a discussion between Centrelink and a person who is legally blind and they have the DSP (blind), surely Centrelink should simply say: ‘And who is your carer? Do you have a carer?’ There should be a screen on the computer that says that one.

Mr Simpson—There is possibly an amount of information that could be given, but in my experience it is not generally the case. I know that through Centrelink advisory bodies such as the Centrelink Disability Customer Reference Group and the Centrelink Older Persons Reference Group there have been recommendations around how Centrelink might communicate better with people with disability. The problem has been that even though information might be provided to people, unless it is meaningful to them at that time, it is of no value. It is only when you want the information or you are searching for information that you start to think about it. So a person’s immediate thoughts might be around, ‘How can I access the disability support pension?’ or an age pension. They don’t necessarily think that there may be other benefits such as a carer allowance or carer payment.

Senator McLUCAS—Thanks for that, Mr Simpson. You make the point in your submission, and it is agreed with by the department, that the group that are most affected are parents of children. How then do we communicate with this group of people to tell them about the availability of the carer allowance?

Mr Simpson—It is important to try to build links with the medical professions that are coming into contact with these people because they are usually the first point. As I mentioned earlier, often organisations like Vision Australia, which are about rehabilitation and skill development and so forth, do not come into the picture for some time, until all medical avenues or surgery have taken place. So it is the ophthalmologists, the optometrists, the orthoptists—all of the medical professions—that come into contact with these people. So it would be better if at that point referrals to a range of organisations, including Centrelink and Vision Australia and other services, could be made.

Senator McLUCAS—I think the other witnesses today concur with that recommendation. Thank you very much.

CHAIR—Thank you very much, Mr Simpson, for your time and your evidence today, and for the submission which Vision Australia has provided to us. We greatly appreciate that, and we appreciate you waiting on the line to speak to us today.

Mr Simpson—Thank you, Senator, and thank you for the opportunity to appear before the committee today.

[11.39 am]

BARSON, Mr Roger Andrew, Acting Group Manager, Social Policy, Department of Families, Community Services and Indigenous Affairs

CROKE, Ms Leesa Maree, Acting Branch Manager, Child Care, Department of Families, Community Services and Indigenous Affairs

FOSTER, Ms Alanna, Acting Branch Manager, Family Payments, Department of Families, Community Services and Indigenous Affairs

LINDENMAYER, Ms Diana Louisa, Section Manager, Carer Policy Section, Department of Families, Community Services and Indigenous Affairs

PETTINGILL, Mr Darryl, Acting Section Manager, International Policy, International Branch, Department of Families, Community Services and Indigenous Affairs

CHAIR—Welcome, and thank you for being here today and waiting for us. We appreciate receiving the submission, which is before us at the moment, on this bill. I remind you that the evidence given to the committee is protected by parliamentary privilege and, as departmental officers, you will not be required to answer questions on the advice you have given in the formulation of policy or to express a personal opinion on matters of policy. In a moment, I will invite you to make an opening presentation if you wish. I indicate that in the course of the hearing today there has been no comment in any of the other submissions on any aspects of this bill other than schedule 6. In a moment, after you have made your opening presentation, I will ask senators whether they have any questions about parts of the bill other than schedule 6. If they do not then you are free to send away the officers who are involved with those other areas of the bill and not detain them any longer. I now invite you to make an opening statement if you wish.

Mr Barson—I did not intend to make a long opening statement except, as the committee already realises, to indicate the areas covered by the bill that we think are of major interest: the changes to family tax benefit arrangements, carer allowance arrangements and child-care benefit. We have officers here who are able to answer any of the more technical questions that the committee may have. We are, of course, open to explain any aspect of the policies as they will operate and as they are intended to be implemented. We are in the committee’s hands.

CHAIR—Thank you very much for that. Are there any questions of these officers concerning any aspect of the bill other than schedule 6? We will have those questions first so we can send off the officers who are associated with those areas.

Senator POLLEY—My questions relate to child care. Does the department currently have any measures on demand for child care at a regional level?

Ms Croke—No, it does not.

Senator POLLEY—How will the department know where there is insufficient and excess demand if you do not know that level in regional Australia?

Ms Croke—I should qualify that. We do not collect information about demand. In the past and what we would continue to do with this amendment to have child-care places reallocated is to work closely with the child-care peak bodies for outside school hours care and family day care and to continue essentially the voluntary relinquishment process that has been going on since 2001 for those two particular care types. We work through our state and territory office network with family day care schemes and with outside school hours services to identify where they think they have unused places that have been consistently unused. We work in a very collegiate way and manage to determine if they have surplus places that could be brought back into a national pool and then be essentially reallocated to other service types—outside school hours care or family day care primarily—where they have demonstrated to us that they need extra places.

Senator POLLEY—Isn't it possible, though, that some providers might deem that it is not commercially viable rather than there not being a demand for a service? How does the department deal with that and make sure that there are a sufficient number of places available?

Ms Croke—We would certainly negotiate with the services and we would not cut back services to the point where it is on the line. We build in a buffer, and that is what we have currently done in the arrangement that we have been using over the last five years. We have built in a buffer. For instance, if a service said, 'We've got a hundred places,' and we together identify that, potentially, 20 have been consistently unused then we would build in a buffer. We may not necessarily take all 20, but we may look at 15. So they still have a margin there for where, potentially, new families want care.

Senator POLLEY—What consideration have you given in the new legislation, Welfare to Work, in ensuring that the demand will be met in the future?

Ms Croke—Through the Welfare to Work budget measure we have new outside school hours care places that have been identified, and also new family day care places. Even though there are potentially unused places out there, we also have new places that are coming online from 1 July this year. It is really a case of trying to better utilise the existing child-care places, in concert with the new places that are coming in.

Senator POLLEY—How will the department be sure that they are giving those places to the providers in the area where there is an excess demand?

Ms Croke—We have a national planning process, and we advertised for service providers to identify where they need extra places. I think that was done on or around 28 February for the outside school hours places that are coming online on 1 July. We advertised nationally for services to fulfil an application process and to identify where they had demand. From that process, services are allocated places.

Senator POLLEY—What assessment is done for providing after-hours care and ensuring that the appropriate level of staffing is always there in centres?

Ms Croke—Child-staff ratios are a state and territory licensing and regulation issue. Where outside school hours care services are licensed, it falls to the state or territory to regulate them.

Senator POLLEY—How will the department attempt to prioritise the allocation of places by assessing the level of unmet demand in these areas and in regional Australia?

Ms Croke—As I said, we have the national planning process. We have planning advisory committees, which include state and territory government representatives and representatives from the child-care peak bodies. They are at a jurisdictional level, so every state and territory has a planning and advisory committee. Those committees identify and provide advice to the minister about where the areas of highest demand are. There is also the application process. Through the application process services can identify where there is demand.

Senator POLLEY—In some areas in my home state a crisis is developing whereby there are too many providers in the market, so the commercial viability of some centres—whether it is for full day care or after school care—is being threatened. What assessment does the department make and want responsibility does it take in that assessment process?

Ms Croke—There is not a limit on the number of long day care places, so essentially it is a commercial decision that providers make when they go into an area. However, for family day care and outside school hours care those places are capped and we do have that process of identifying additional demand. If there were two services and they were both identifying that they had not actually asked for more outside school hours care places or, for instance, a family day care scheme then those places would not go to that provider. However, for long day care or centre based care, there is no cap on the number of long day care places.

Senator POLLEY—So it is purely commercial?

Ms Croke—Yes.

Senator POLLEY—Do you know how many places are currently not being utilised, by state and territory?

Ms Croke—We would have to go back and investigate that more fully. We do have some sense of the numbers, and there is a process that the department has recently gone through to capture that information. I should be able to provide that to you; I do not have it here, though.

Senator POLLEY—If you could provide that it would be appreciated. How many places are voluntarily returned by the providers on an annual basis?

Ms Croke—Do you mean how many have been returned in the past?

Senator POLLEY—Yes.

Ms Croke—For outside school hours care, a total of 21,057 places were relinquished between January 2002 and January 2006. For family day care, a total of 3,966 places were relinquished between June 2001 and January 2006.

Senator POLLEY—Would you be able to come back to the committee with a breakdown state by state as to where they are from?

Ms Croke—I do have that information here. For outside school hours care, because there are different types of care—before school, after school and vacation care—do you want the total or do you want the breakdown across the three?

Senator POLLEY—The breakdown, if you could.

Senator MOORE—Do you have that in a form that could be photocopied and circulated? It would be much easier than reading it out and trying to memorise it. Do you have that in a database?

Ms Croke—Yes.

CHAIR—Thank you for providing that.

Senator MOORE—Ms Croke, we have a situation now where since early 2000 people have been encouraged to voluntarily hand in places and then the department reallocates according to the planning process. With this legislation, will that voluntary process continue or will it all be involuntary from now on?

Ms Croke—Primarily it will be voluntary. That is the avenue that we will pursue. That is what we have been talking about with the peak bodies.

Senator MOORE—We will be maintaining that process?

Ms Croke—Absolutely.

Senator MOORE—But this particular schedule now allows for some involuntary changes?

Ms Croke—Yes. If, for instance, the licensing of an outside school hours care service changed so that the number of places that that service could actually have reduced—because of building issues or child-staff ratios—and the number of child-care benefit places was higher than that, then they would be the types of places that we would be able to relinquish. We would still want to do it on a voluntary basis, but if we had to do it we could relinquish those places on an involuntary basis. But primarily, where places have been consistently identified as being unused, that is definitely the voluntary process.

Senator MOORE—What is the definition of ‘consistently’?

Ms Croke—That is what we are working on with the peak child-care bodies. We are looking at a period of between six and 12 months. We are working with the peak child-care bodies in trying to work out the best method of obtaining that information. There are some existing data requests that we ask of child-care services that should be able to provide us with a pretty good indication. At that point, we will use our state and territory office networks to then go and negotiate on a case by case basis with services.

Senator MOORE—What kind of data do you have at the moment on where places have been consistently unused for a period of six to 12 months? You would have that data already, wouldn’t you?

Ms Croke—We have some of that data, but it is not consistently kept across all service types. For family day care, we have a better understanding of the places that are utilised. For outside school hours care, we are working on getting some better data.

Senator MOORE—Is part of this proposed change to make that database methodology consistent?

Ms Croke—Yes.

Senator MOORE—It is interesting that this proposal has been publicised using the term ‘places that have been consistently unused’. I am having some difficulty in my own mind working out exactly what that means. The definition has not been finalised?

Ms Croke—No, it is actually being worked through. We are working with the sector to come up with an agreed definition.

Senator MOORE—When are the changes going to kick in?

Ms Croke—As soon as the legislation is passed we will work with the service providers and determine a time frame. We imagine that we would have to communicate with services to let them know there is now an authority for this aspect of the legislation and to build in a time frame with those services. I do not expect it to kick in within six months. That is the time we would need to work on a program, a communications strategy and the data collection source that we will be using.

Senator MOORE—As I understand it, in the current planning process you call upon centres, particularly for outside school hours care, to submit their need to the department on an annual basis. Is that right?

Ms Croke—If we have new places available then that is when they demonstrate that they have extra demand.

Senator MOORE—So you publicise that everywhere and it is up to the provider to apply if they want more?

Ms Croke—Yes.

Senator MOORE—So the current proposal is that the legislation will be put before the parliament and, if the legislation is agreed, the guidelines and the definition of how it is going to work will be determined at that stage. Is the starting date for the new secretarial discretion known?

Ms Croke—No. That is what we are working on with the child-care providers—

Senator MOORE—So it is not in the legislation? I read the schedule but I am trying to see it in terms of the current program that the whole industry works with.

Ms Croke—That will continue. We will still be working on voluntary—

Senator MOORE—On the voluntary nature?

Ms Croke—Yes.

Senator MOORE—But this one comes over the top?

Ms Croke—We will be finetuning it and having a consistent data collection method and requiring services to let us know what places they have available.

Senator MOORE—Do you have data that we can have a look at on that current process and how many places there are? You said that long day care is better regulated now than the out of school—

Ms Croke—No, long day care—

Senator MOORE—In you evidence you said that family day care has better data about unused places.

Ms Croke—Yes.

Senator MOORE—Can we get that data from the last two years?

Ms Croke—We should be able to get that.

Senator MOORE—It would be useful to have it in terms of the places that have been unused for over 12 months.

Ms Croke—By state?

Senator MOORE—By state would be good—because the way this is done is at the state level, is it not?

Ms Croke—Yes.

Senator MOORE—And that is where the advisory bodies kick in and get involved in the planning process?

Ms Croke—Yes.

Senator MOORE—That would be useful.

Senator POLLEY—I have one more question. Do you have state by state any figures that demonstrate where the demand is not being met for family day care?

Ms Croke—Probably the planning advisory committees would give us some indication of where demand is not being met through the application process where family day care services identify that they need more places.

Senator POLLEY—I would appreciate it, and I am sure the other committee members would also appreciate it, if you could provide that information to us.

Mr Barson—We will see what we can provide.

Senator McLUCAS—How do you intend to capture the data about unused places? What methodology are you using?

Ms Croke—We already have processes where family day care providers have to tell us about the utilisation of places for the department to be able to pay their operational subsidy. I cannot remember the new name of that particular element of funding. That is the data source that we would be using, and we would be trying to replicate that for outside school hours care. We already have existing data collection methods, so we are not asking services to provide us with anything different in family day care. We already have information that could tell us about the utilisation of child-care places.

Senator McLUCAS—Have you been receiving that data for quite some time?

Ms Croke—For as long as there has been the operational subsidy, which has been since the beginning. So, yes, for a long time.

Senator McLUCAS—What consultation did you have with the sector prior to bringing in this measure?

Ms Croke—This particular feature has been on the table for a number of years and it was timely that it be brought forward now—more because of other issues that were of a high priority in terms of legislative amendments. We have been speaking to the National Family Day Care Council, outside school hours care, in-home care and family day care. We have spoken to all those peaks and they have commented on a draft communique that we intend to send to service providers.

Senator McLUCAS—If an involuntary revocation is activated, what right of appeal does a provider have?

Ms Croke—They have the right to appeal and to put a case forward that they believe that all or at least some of the places should be retained by that service. So there is an appeal process.

Senator McLUCAS—Who is that through?

Ms Croke—Can I get back to you on that one? I will just have a look through my papers.

Senator McLUCAS—Thank you.

Senator MOORE—Your submission says that there is an appeal process—but there is the question as to where it goes. You also say in your submission that the peaks are supportive of the measure and that they have acknowledged that it is merely formalising an existing practice and would not generally affect services with regard to places or funding. Was that feedback directly on this issue or was it through the general consultation process?

Ms Croke—No, on this particular issue.

Senator MOORE—So that is in writing. The peak bodies have put that back.

Ms Croke—One of the peaks wrote back to us. The others were all telephone calls, but they have been supportive.

Senator SIEWERT—I just want to clarify a question that Senator Polley asked. I do not think I quite understood the process—I am thinking specifically of regional centres and maybe outer metropolitan areas where there are not service providers currently—but how do you assess demand?

Ms Croke—If there is a need for a particular type of care.

Senator SIEWERT—Yes.

Ms Croke—It is difficult because if we do not have an application for new places or for a new service to be set up then it is something that we do not regularly capture information on.

Senator SIEWERT—When you combine that with the new welfare to work stuff which is particularly going to be in regional centres—

Ms Croke—For Welfare to Work, we will be trying to match the information from the Department of Employment and Workplace Relations more closely with our child-care information.

Senator SIEWERT—So for that section of the community you think you are going to be able to pick it up that way.

Ms Croke—Yes. For the places that we are about to roll out in outside school hours care and family day care, we will have a far better understanding of where there is expected demand.

Senator SIEWERT—For those people who are not included in that cohort, you do not really have a process outside the profit sector saying how we want to set up—is that right?

Ms Croke—For long day care, no. We do not collect information on demand and the best source of information for demand for family day care and outside school hours care is through our planning and advisory committee process.

Senator SIEWERT—The sectors are engaged in that advisory service.

Ms Croke—Yes. The representatives of those state and territory governments and representatives of child-care services are involved in those state based planning advisory committees.

Senator SIEWERT—My other question relates to those centres that give up places: what happens to them if in a year's time they go, 'Oops, we miscalculated'? Do they go back through the process everyone else goes through or is there a shortcut?

Ms Croke—We are wanting—and this is what we are working on with the child-care peaks—a faster way of being able to reallocate places out of the national pool so that they are not having to wait essentially for a round of new places to come out. We will be working with those peaks to try and streamline a process so that if there is a national pool sitting there it is essentially on tap. There would have to be some application process, but we are wanting that to be—

Senator SIEWERT—That would be including the guidelines that Senator Moore was talking about earlier.

Ms Croke—Yes.

Senator MOORE—As you would expect, through the Senate estimates process, I follow these figures. I am trying to work out exactly under this process, which is bringing another level of regulation into the process, if there is anything that says in the legislation or the guidelines that the places must be reallocated. You have the pool. You have a number of places that have not been utilised. Now it is voluntary and it goes back in, but under this process it is being tightened up and more regulation is being put in. Is there anything that says those places have to be reallocated and a time frame under which they would be reallocated?

Ms Croke—No, there is nothing that specifies a time frame. Services identifying that they need more places would be the trigger for those places to go back out.

Senator MOORE—Right, so that degree of regulation has not gone up at the same time. The way I am looking at it from outside is that we have had this voluntary process since the 2001 process which acknowledges that sometimes there are unused places, like the aged care industry where you have beds that can be moved around—an analogy I used before, though I am probably the only one who sees the comparison. In the child-care process we have the places, so I am trying to find the trigger to ensure it happens. We have excess capacity that has been identified. This particular provision of the legislation is stronger in ensuring that excess capacity will be identified. How do you trace it through and how is it reallocated?

Ms Croke—That is what we are developing: how do we have a more streamlined process so that those places that have come back into a pool can be reallocated to areas where there is extra demand? A service may only need two or three extra places, so how do we get those places back out there quickly, rather than having to go through the application-driven process when we advertise nationally?

Senator MOORE—Is there anything at the moment that spells that out?

Ms Croke—No. That is what we are working on with our peaks. Can I answer your question, Senator McLucas. The appeal is to the secretary. If the provider is not satisfied then they can go to the Administrative Appeals Tribunal.

Senator McLUCAS—Thank you.

CHAIR—Are there any further questions on any aspects of the bill other than schedule 6?

Senator MOORE—The increase to family tax benefit A.

CHAIR—Do we have the person who is expert in that at the table?

Mr Barson—Between us I think we will manage it.

CHAIR—Excellent.

Senator MOORE—I hope I can manage the question. I am trying to understand how this is going to work. There is to be a one-off increase in the FTB part A income-free area bit. At the moment, it is operating with an allowable amount that people can have before the taper cuts in. There is going to be an injection of one increase to that which is higher than CPI, and then it rolls into CPI again. Is that right?

Mr Barson—Correct.

Senator MOORE—How was that amount calculated? What was the stimulant to this one-off increase? Was a model used to determine that percentage and was it linked to anything?

Mr Barson—There is no model as such. This particular decision that it was a good idea to increase the income-free area was driven in part by the Welfare to Work discussions. I guess we are continually looking at the appropriateness of the level of a whole series of payments. Family tax benefit A was positioned at a certain point. There are always views expressed that payments are not adequate for various reasons. I would hesitate before calling it an abitrary amount because it is not that cut and dried, but there is no model that led to this particular level of increase. It was an increase which was an estimate of what an appropriate level of increase would be, taking into account the movements in incomes generally, the circumstances of families and in the end a figure was set.

Senator MOORE—Is that leap to $37,500 from $34,310 linked to other changes in incomes or costs?

Mr Barson—Not to end up defining the particular amount. Arriving at a particular amount of, say, $37,500 as against $37,400, in the end was a decision which was taken on the balance of circumstances. There was no scientific mechanism.

Senator MOORE—Is that the only change? Instead of the straight CPI increase, which we would have expected, the only change in this schedule is to hoick up the level of the base.

Mr Barson—Yes, it is a one-off increase, as you said—and welcomed.

Senator MOORE—Yes.

CHAIR—Are there further questions on areas other than schedule 6?

Senator MOORE—With respect to the Portability in Medical Treatment Overseas Program—

Mr Barson—Senator, we expected no questions at all on that one.

Senator MOORE—What is the stimulant for that? This is quite a specialised change—for medical purposes and so on. Can you tell me where that came from? It appears as a change, and I would like a little bit of information. The submission does not give the specialised background to this portability component.

Mr Barson—Certainly, Senator. There are a continued series of approaches made to ministers, government and the department about the circumstances in which payments should continue. There are varying views on that, of course. We have had arrangements for a while where some payments are continued in appropriate circumstances. We have been looking at this one for a while. There are clearly Australian citizens, permanent residents, who do travel overseas to receive medical treatments. Some of those medical treatments take a considerable amount of time. We became aware that the arrangements in the legislation were not completely supportive of those treatments. The intention is that, where a person has very valid reasons for being overseas for a prolonged period of time, the payment should continue. I will let Mr Pettingill cover any detail questions.

Mr Pettingill—The medical treatment overseas program is administered by the Department of Health and Ageing. It does seem inconsistent that people on occasion need to go overseas in these unfortunate circumstances to get treatment that is not available in Australia. This measure would remove any contradiction between two government programs in providing assistance on the one hand to enable them to get the treatment that they need and removing any assistance they might be getting through social security payments on the other hand.

Senator MOORE—Until now was there secretarial discretion on this one? In your submission you say there have only been 11 qualified patients whose treatment exceeded 13 weeks of which the department is aware. Until now, was there an element of secretarial discretion for people who were able to get portability for the first bit but then the treatment was extended? Could they receive payment until now?

Mr Pettingill—No. That would probably need to be covered with an act of grace payment if such a situation arose. We know that in the last six years there have only been seven cases that needed more than 13 weeks of consecutive treatment, and another four cases were able to return—they needed long-term treatment but they were able to return. The average period of absence for these cases is usually one or two months.

Mr Barson—There is a complexity there, Senator. There is a secretarial discretion where a new circumstance occurs while the person is overseas and they are unable to return. That is the discretion that you may be thinking of. These, however, are circumstances where people knew that the treatment they were going to undertake would take this period of time, so that particular discretion could not be applied.

Senator MOORE—The tweak that you have put in now under schedule 7 will enable this to be looked at case by case. Is that right?

Mr Barson—Correct. As Mr Pettingill said, these are circumstances where our colleagues in the department of health are supporting the medical treatment of a person. It would be incongruous for us to have a different rule around the payments those people are receiving. You could regard this as removing an unintended anomaly from the system.

Senator MOORE—The whole area of portability is of interest.

Mr Barson—One does need to keep a constraint on the portability. There are a whole range of circumstances where people would wish to continue payments overseas. The government has a very clear set of policies about when that is appropriate.

Senator MOORE—Thank you.

CHAIR—We will move now to schedule 6. Thank you to the other officers in the other areas who have been here for those questions. I want to ask a quick question. What is the total cost of the whole package of this legislation and is the $107 million, in respect of schedule 6, the only saving that the bill makes?

Mr Barson—We will find that savings figure for you.

CHAIR—You can take it on notice.

Mr Barson—No, if you are talking about the backdating change, the reductions in outlays come directly from that change. There are no other parts of that.

CHAIR—So there are no other reductions in outlays—okay.

Senator McLUCAS—I want to get an understanding of how you came up with that $107 million. Can we start from taws and work through so we can get to that figure, please? What is the basis?

Mr Barson—It is fairly difficult, as you appreciate, to come up with that estimate of the backdating provisions in part because as the backdating has worked so far the majority of people have simply indicated on the relevant forms that the condition did exist for that previous period. Their doctors have said that condition existed and therefore payment has been made. There are currently 95,000 new grants for carer allowance that are made each year. Of those, about 44 per cent currently receive some amount of backdating.

Senator McLUCAS—I want to be clear on what that means. What is the difference between a new grant and an application?

Mr Barson—These are ones that the application has been considered and a decision has been taken that carer allowance should be paid. It is a successful claim, if you like.

Senator McLUCAS—I thought your submission said 42,000?

Ms Lindenmayer—That is the number of people who may be affected by the backdating. Not everyone who makes a claim receives backdating.

Senator McLUCAS—I am sorry. Ninety-five thousand apply and are successful.

Ms Lindenmayer—Ninety-five thousand is the number of customers who have applied and have been successful in their application.

Senator McLUCAS—Annually.

Senator MOORE—Is that some kind of average figure.

Ms Lindenmayer—It is an estimate. It is an average over a period of time.

Mr Barson—It is in recent years.

Senator McLUCAS—So 95,000 grants are made per annum.

Senator MOORE—On average.

Ms Lindenmayer—Around 95,000 new grants are made each year.

Mr Barson—When we get asked how many successful new claims, how many new grants of payment are made, it is a figure of 95,000.

Senator ADAMS—Of that 95,000, what is the split of adult and child?

Mr Barson—Would you like that for current numbers or for annual new grants.

Senator ADAMS—Whatever you have averaged this 95,000 on.

Senator MOORE—What do you have there, Mr Barson?

Mr Barson—In terms of current numbers, as at June 2005, there were 233,332 customers receiving carer allowance adult and 102,535 customers receiving carer allowance child. So there are twice as many people receiving carer allowance adult as there are carer allowance child.

Senator McLUCAS—Can we come back to the 95,000 new grants? Of those new grants, what is the split on carer allowance child and carer allowance adult?

Ms Lindenmayer—The majority is for carer allowance adult, around 72,000 and around 23,000 are for carer allowance child.

Senator McLUCAS—Out of those 23,000 carer allowance child, what proportion of those people will be affected by the measure? What savings will you get out of the measure for that group?

Mr Barson—Of carer allowance child, most carer allowance child recipients are backdated the full 52 weeks.

Senator McLUCAS—Most being what figure?

Mr Barson—Most claims.

Senator McLUCAS—Ninety per cent?

Ms Lindenmayer—It is a high proportion. Centrelink do not actually collect the data on backdating so for this measure we have had to make some assumptions. We have used fortnightly payment data and a range of other data that we had available as well.

Mr Barson—Do we have an estimate of the percentage?

Ms Lindenmayer—We have estimated that around 72 per cent of CA child new claims and 36 per cent of CA adult new claims are backdated.

Senator McLUCAS—In estimates last year I thought you indicated 90 per cent.

Mr Barson—I would have to go back and look at the estimates. If that figure was given we—

Ms Lindenmayer—We would have to check. We have assumed an average over the total population. It is in the 80 per cent range.

Senator McLUCAS—So the assumption is 72 per cent carer allowance child and 36 per cent carer allowance adult.

Ms Lindenmayer—Yes.

Mr Barson—The difference may be the period of backdating. We will check that when we get back to the office.

Senator McLUCAS—Okay. Working now into the dollars, what is the saving of 72 per cent of 23,000 times the carer allowance? What is the figure that is saved annually?

Mr Barson—The total saving—the total reduction in outlay—is $34,658,292.

Ms Lindenmayer—These are estimates.

Mr Barson—Of that, carer allowance child represents $23,969,000 and carer allowance adult $10,688,000. Of course, as the point has been made, these are our current estimates of the reduction in outlays that will result from these payments. They are not targets. They are not fixed figures. The outlays that are actually expended of course depend on the number of claims and the number of successful claims.

Senator McLUCAS—I am not going to do the sum now, but if I were to multiply 72 per cent of 23,000 by the actual rate of carer allowance at the moment I would end up with that figure. Is that right?

Ms Lindenmayer—Broadly, yes.

Mr Barson—Yes. What we have done is taken the new number of claims for adult and the best information on the percentage that is currently backdated. Similarly, with new claims for child we have taken the percentage that is currently backdated, recognising that not everyone gets full backdating; that is, some of it may be backdated but not by the full 52 weeks—

Senator McLUCAS—Fifty-two or 26 weeks.

Mr Barson—which may be a difference in the figures. We have said therefore that there are 42,750 customers. We have taken the 2005 carer allowance rate multiplied by CPI to arrive at the figure of $94-odd. We have looked at what would have been received without this measure, what people will receive after this measure and the savings that will be achieved. There are several potential variations, but one of course is that customers may or may not claim the full 12 weeks backdating. So we have made an assumption that it will go from the percentage that are currently getting backdated—that there will be the same percentage in the 12 weeks. I guess I am stressing that it is an estimate. But, yes, if you take those figures and multiply them out, that is our anticipated savings from this measure.

Senator McLUCAS—What is the average current backdating for carer allowance child and carer allowance adult?

Mr Barson—I do not think we have that figure. What we have looked at in this is the percentage that are backdated. As I said, most of the backdating for those folks on carer allowance child—the 72 per cent figure that we used—was for the full 52 weeks. There will be some who were backdated for a lesser period, but that is a very small group.

Senator McLUCAS—So, for the 72 per cent, you are working on the basis of a full 12 months backdating?

Mr Barson—We are working on that basis.

Ms Lindenmayer—It varies between adults and children, because adults experience acute onset as well, so if there is a date of, say, heart-attack or stroke, they probably will not get most of the 26 weeks. For children, we believe that most are backdated for perhaps the full 52 weeks.

Senator McLUCAS—Going to carer payment adult—

Mr Barson—Carer allowance adult.

Senator McLUCAS—Sorry; carer allowance adult. What is the average backdate?

Mr Barson—We have looked here at the average that are backdated, and we have used an assumption that the average backdating is 80 per cent of the allowable period.

Ms Lindenmayer—So it is higher for children and lower for adults, and we have used 80 per cent as a guide.

Senator McLUCAS—Is that an all-over 80 per cent?

Mr Barson—Correct.

Ms Lindenmayer—Between both adult—

Senator McLUCAS—So how did you break that up between adult and child?

Ms Lindenmayer—I do not have the break-up.

Mr Barson—We can provide that to you.

Senator McLUCAS—Okay, thank you. What is the average savings measure per applicant, using the modelling that you have used?

Ms Lindenmayer—I have not broken it up per customer.

Mr Barson—Again, if we can provide that to you, it will be a more accurate figure than we can provide right now.

Senator McLUCAS—Thank you.

Mr Barson—Bearing in mind that that would be an average figure, of course. It does not actually work that way.

Senator McLUCAS—Certainly. It is the basic assumptions that I am trying to get to.

Mr Barson—Sure.

Senator McLUCAS—Under the current regime, people do not have to show to you that they have provided care over that period; it is rather the indication that the person receiving the care had a need for care?

Ms Lindenmayer—That is right. In the carer questionnaire for adults, there is a question that asks: do you provide care and attention on a daily basis? There is also a date when they started from. So there is an assumption there that they have been providing the full care needs for that period of time.

Member of the committee interjecting—

Ms Lindenmayer—With child, they have to be a dependent child. In most cases it is a parent. The assumption is that the parent would be providing care.

Senator McLUCAS—What sort of analysis has the department done, then, of why, in the case of carer allowance child, people are almost universally receiving 12 months backdating?

Mr Barson—One of the factors there is that the basis for the decision so far has been one of asking: did the condition that requires care exist that period ago? One of the difficulties for us in doing any of the analysis is that it is very difficult to go back and determine whether or not the level of care of that is evidently being providing now—both by the parent’s evidence and by the evidence of the treating doctor—was being provided X period ago. It is very difficult to go back and assess the circumstances that existed at that time.

With this one we have not done a great analysis of that but simply recognised that many claims for payments are made for many different reasons in many different circumstances. There are payments which allow some degree of backdating. Fifty-two weeks was regarded as an excessively long period of backdating in the current system. It was felt that a shortened period of backdating would be appropriate, and a figure of 12 weeks was settled on. There has not been to my knowledge an analysis of: did these conditions actually exist and/or was the care actually being provided? It is simply bringing the claim process and the granting of a payment closer to the provable existence of the circumstances, if you like. So I think the answer to your question is, no, we have not sought to analyse how long these conditions have existed or how long care has been provided; it is a decision about the appropriate period of backdating where conditions do exist.

Senator McLUCAS—But by paying, for example, 90 per cent of carer allowance child, you obviously believe that the condition has existed and the care has been applied.

Mr Barson—That is correct.

Senator McLUCAS—So you have not analysed why it ‘took so long’ for the person to make the application?

Mr Barson—One of the assumptions in this process is that people with a shorter claim period will claim during that shorter period. I think we have to see the experience of the claims that are being made to know whether or not that is verifiable.

Senator McLUCAS—I am sorry; that is not the question I asked, Mr Barson, but we will go to that in a minute. Why do you think it takes 12 months for people claiming carer allowance child to do it?

Mr Barson—I do not know. When people claim—whatever the time it takes them to make their claim and go through the claim process—they advise Centrelink that the condition has existed and that care has been provided for the prior 52 weeks. It is not so much a case of trying to explain why a claim has not been made earlier, because that has not been part of the requirements. A claim has been made and a 52-week backdating period has been sought and granted. I should point out that when we talk about a 12-week claim period one has to understand how that claim process works. These days, people give initial advice to Centrelink that they intend to make a claim and then there is a process of actually making the claim and verifying the need, the eligibility and the granting of that claim. That can take longer. It is the backdating that is 12 weeks; it is not a limit on the claim.

Senator McLUCAS—I will get to the intent to claim issue in a moment. Have you done any analysis of the type of claimant who backdates, in the case of carer allowance child to 52 weeks or carer allowance adult to 26 weeks, by geographical location or by their English speaking ability or anything?

Ms Lindenmayer—No.

Mr Barson—No. We have not been able to identify any key factors like that that are leading to variations. This is an across-the-board issue.

Senator McLUCAS—You would have read all the other submissions that quite clearly say that there are very clear reasons why people do not apply: they do not know about it, they are in such a traumatic circumstance that it is not part of the agenda they are dealing with or the nature of the condition is such that it builds over time and there is a point of denial, especially from a parent, and they do not want to be basically signing off on the fact that their child has a disability and probably will have it for the rest of their lives. What do you say to the submissions from Carers Australia, for example, and the National Welfare Rights Network that give an understanding and an explanation of why this exists?

Mr Barson—What some of the submissions have highlighted, which we need to deal with, is a confusion about the nature of carer allowance. For example, I have seen a number of statements, both in these submissions and elsewhere, from people who say that it takes an awfully long time to go through the medical process to get a clear diagnosis and to get a clear prognosis of how long the condition is going to exist et cetera, and they say they are not able to make a claim until those things have been settled. That is a misunderstanding of the claims process. Carer allowance child is paid for the care being provided, regardless of diagnosis and regardless of prognosis. It is a payment that is being made for the care being provided.

If people are feeling that they cannot make a claim, for example, until they have been to a number of specialists and have a clear picture then that is not necessary. That care is being provided. The level of support and assistance to the child is being provided. It is going to be clear in evidence and supported by the treating doctor. That is all that is necessary for that claim. That is something that has come out of the submissions that we have taken note of. We will be discussing with Centrelink, the agency that delivers the service for us, how we can ensure that families do have that understanding. We think we have done a lot of work in that area. We are continuing to do work on advising people of that. It seems that we need to do some more.

Senator McLUCAS—We put that question to witnesses here this morning and the point was made, I think by Mr Raper from the National Welfare Rights Network, that that may be the case but it is not the reality. I think they were almost his words. Whilst that may be the case, it is an assessment of the care need rather than the medical condition. People do not acknowledge that and do not respond to that.

Mr Barson—I am acknowledging that. I think that one of the messages out of the submissions is that we need to do more in that area.

Senator McLUCAS—How would you do that?

Mr Barson—As I said, we will have to consult with Centrelink about how we get that message out more clearly. It may be a series of issues. We have tried to stress that in our publications but, as I said, if the message is still not getting through then we need to be even clearer and more overt in our messages.

Senator McLUCAS—I think the most consistent message from all the other submissions is that people simply are not aware of the carer allowance. The other issues also dissuade people from becoming engaged. What do you intend to do to make people aware of the carer allowance?

Ms Lindenmayer—I think there has been a growing awareness of the carer allowance. We can see that in the number of customers and the growth we have had in recent years. From memory, we started in July 1999 with around 150,000 customers. Today we have 340,000. So there has been substantial growth in recent years in carer allowance recipients.

Senator McLUCAS—Carers Australia actually said that there is a very low take-up of the carer allowance if you look at the actual number of people who are providing family care, according to ABS data, compared to recipients of the carer allowance.

Mr Barson—There are some differences, of course, between the ABS data on the people providing care and care at a level that would qualify somebody for carer allowance. We also try to work very closely with organisations like Carers Australia. Both through the consultation and through the funding assistance we provide them with, we ask for their assistance in ensuring that carers are aware. Similarly, with the other organisations it is important that people are aware that these payments are available to them. I would not sit here and say that we are perfectly comfortable that everyone knows, because that evidently is not correct. We have to continue working with Centrelink and with the various organisations that are working directly with carers to get that message out.

Senator McLUCAS—The chap from Vision Australia this morning said that it takes quite some time from the event occurring, such as a person going blind, till they finally link up with Vision Australia, because the time is spent going through the medical process. He said it is months and years till there is finally a connection with Vision Australia. I did not ask Carers Australia the question, but my assumption would be that that is the case with them as well—that you focus on what is happening within your family for that period and then finally you get to link up with an organisation that will assist you. It would be more than 12 weeks, I would suggest, before they got to Vision Australia or Carers Australia or whatever the organisation was.

Mr Barson—If I can use the example of adults, that may be so. With adults, all the way through the permissible backdating has been limited to the occurrence of the event.

Ms Lindenmayer—And only if it is an acute event. So for an adult with a progressive illness, if the carer applies for carer allowance, it is only paid from the date of the intent to apply.

Senator McLUCAS—Yes, for something like multiple sclerosis.

Mr Barson—Again, we need to continue to do what we can to work with those organisations. There is no constraint or lack of desire on behalf of government for people to have access to the correct payments and to their entitlements. That is what the payment is there for and we want anybody who is eligible for it to apply for it. We clearly need to continue to work on that.

Senator McLUCAS—Do you have a strategy, then, that you intend to progress?

Mr Barson—This has come up as part of the submissions, as I said. We have a continual process of discussion with Centrelink—and this is not a buck-passing comment when I say this—which are the deliverers of these services for us. They are the people who have contact with a wide range of people, whether it is through existing payments, through family payments or other means. They have a wealth of advisory material. We need to make sure that the messages that are going out there are as clear and consistent as they can be, and we will continue to work on that.

Senator McLUCAS—Do you have the cost of the information strategy that you are currently using to make people aware of carer allowance?

Mr Barson—We have a continued promotional materials et cetera budget. I could get back to you with the amount of money that we spend on those activities if you wish.

Senator McLUCAS—Is it possible to disaggregate it down to carer allowance?

Mr Barson—We will do what we can.

Senator McLUCAS—Thank you. The chap from Vision Australia this morning also said that most people who come to Vision Australia are recipients of either the age pension or the DSP. I found it intriguing that most of their carers were not recipients of carer allowance. What do you say to that?

Mr Barson—That is what I said before: Centrelink already has contact with a huge part of the Australian population through existing payments. One of the things that we will be talking about is the interlinkage between these because clearly, where a person is claiming disability support pension and has a very severe disability, it is logical to ask the question, ‘Who is providing the care and support for this person and is that person in receipt of carer allowance or carer payment?’ We did some work a little while ago trying to look at the linkages between disability support pension claimants and carers who were claiming carer allowance or carer payment for the care of that particular person. There is some work that we need to continue to do with those linkages from a statistical point of view so that we can identify the size of the issue, but we have to continue to work closely with Centrelink to ensure that, when somebody is making a claim because of a severe disability or a severe illness, those questions are being asked.

Senator McLUCAS—They are currently not—is that what you are saying?

Mr Barson—No, I think they are being asked. But what is evident out of this and from the evidence the committee has received is that, if gaps are being shown up, we need to deal with those gaps. If people are not being asked, we need to discuss with Centrelink why that is not happening and what would be necessary to ensure that it does happen.

Senator McLUCAS—But that work has not proceeded yet?

Mr Barson—There is a continuing process of finetuning—again, working with those other agencies—the promotional material et cetera. There are some particular issues that are coming up out of this process that will cause us to pay particular attention to that. So it is a continuing process, but the submissions that are being made are of concern and there are gaps there that we clearly need to act on, and we will.

Senator McLUCAS—Given this measure is meant to start on 1 July—

Mr Barson—Sorry, I was talking more generally. The backdating measure is one thing. The continued need to ensure that people who are eligible to claim carer allowance do so is something that concerns us more as a general issue, not specifically relating to this. What is coming to me out of these is not so much the backdating issue as the concerns that people are not aware of payments, and they should be aware.

Senator McLUCAS—Currently, though, if you are not aware of the payment, it potentially does not affect you that much.

Mr Barson—It affects adults.

Senator McLUCAS—As of 1 July it will certainly affect you after 12 weeks.

Senator MOORE—More so.

Senator McLUCAS—Much more so.

Mr Barson—And that makes the need to do this even more important.

Senator McLUCAS—What surety does the committee have that that work will happen between now and 1 July?

Ms Lindenmayer—With the backdating, there were some measures that we were going to put in place around publicity and publications. There is a magazine that Centrelink will produce. It used to be called *Disability and Carer Connections* and it used to be sent to all DSP carer allowance and carer payment customers. That has not been sent out since the machinery of government changes because DSP moved to DEWR.

Senator MOORE—That is right.

Ms Lindenmayer—We are looking at a new magazine that will go out to carers. It will focus on carer issues. It will be a newsletter, I think. Obviously, we need to advise the medical professionals. I think ‘FaCS Friday’ is a regular newsletter they have.

Senator McLUCAS—Sorry, what was it called?

Ms Lindenmayer—I think it is called ‘FaCS Friday’. It is a weekly newsletter that goes out to medical practitioners. We would be looking to put something in there. We would be looking to put information about the changes to backdating in all of the publications and internet websites that we have.

Senator McLUCAS—Have you tested the effectiveness of that suite of measures? How effective do you think they are going to be?

Mr Barson—One can really only test them after we have done them and determined whether or not they are having that impact. One of the difficulties always, of course, is getting to that smaller group of people who do not currently have any connection with Centrelink. We can work on identifying somebody on DSP and the carer implications of that. It is more difficult to deal with somebody who is perhaps a carer of an older person on the age pension where there is no obvious link between the age pension and care, for example. That is the more difficult group, in our view, when it comes to getting that information out to people. There may be no knowledge at all that the aged pensioner is in need of and receiving care. At least with the DSP link we have a chance of more clearly identifying those people. But, then again, the impact here is mostly around carer allowance (child). That is the group that concerns us the most in terms of making sure that anyone who has contact with Centrelink is assisted in their access to carer allowance.

Senator McLUCAS—What is the cost of the magazine that is going to be sent out to carers?

Ms Lindenmayer—It will be a newsletter probably more than a magazine. It is my understanding that it will be smaller than *Disability and Carer Connections*. I believe that is being sent out by Centrelink probably in April or May.

Senator McLUCAS—And it will be sent to carer allowance and carer payment recipients?

Ms Lindenmayer—Yes, it will be.

Senator McLUCAS—They already know about carer allowance. I am just wondering why that measure is being used to inform people.

Ms Lindenmayer—They may be caring for an adult. There are carers who care for multiple people as well, so it is informing them of the changes.

Senator McLUCAS—They are current recipients. The point we are making is that people do not know about carer allowance. How is the department going to increase understanding of the availability of this payment?

Ms Lindenmayer—One of the peaks this morning also mentioned that often carers find out about the availability of the allowance from other people who are currently receiving the payment as well. So I think there is a group there that perhaps we will capture through the newsletter.

Mr Barson—There is no campaign or specific publicity linked with this particular measure, which is about changes to backdating, which is intended to deal with the broader issue of knowledge of the payment. We could provide the committee with information on what has been done around making people aware of these payments, but I do not think it is adequate, because the point that is being made by the senator and others is that, despite those efforts, people may not be aware. That is something that we need look at, but I do not have a specific campaign at this stage. It is also something where we value the assistance of all the organisations and people that are already working closely with carers, be they home and community care organisations, medical practitioners, therapists or nurses. All of the people that have contact with carers—‘rely’ is probably too strong a word—

Senator MOORE—I do not think so.

Mr Barson—We need those folk to help pass the message to the people they are in contact with. Simply putting an advertisement in a newspaper is not the solution to making contact with potential claimants.

Senator McLUCAS—I think that point was made by people this morning.

Mr Barson—The non-government organisations play a very important role here. We already work very closely with a number of them and have even, to the extent that we could, provided funding to those organisations to help us get those messages out.

Senator McLUCAS—You are saying that there is a need to get other entities like HACC and the medical profession to help. My question is: what is FaCSIA doing to achieve that outcome?

Mr Barson—My initial answer would have been that we believed there was a very high understanding. But the committee is being told that people are not even getting to those organisations until later in the piece. It is very difficult to know how to get to people and families that have not made contact. Our—I guess it is a saving grace issue—first point of contact here, which we are increasing through the faxes to general practitioners, is general practitioners and medical professionals in general. We need to make sure that they are aware of these payments for when they come in contact with these families. That is part of the broader set of measures that we are taking around alerting medical practitioners et cetera. That is something we can continue to do, but we do not have a separate specific campaign on the carer allowance any more than we have one on the carer payment or any of our other payments.

Senator McLUCAS—Even though there are changes.

Mr Barson—There are general awareness issues and a reliance on the non-government sector, medical practitioners and Centrelink, who have contact with these people. We will continue to try and make that better, but we do not have a separate campaign for this measure.

Senator ADAMS—I have a question on the general practitioners, the Divisions of General Practice—I am coming from a rural perspective as well—and the Rural Doctors Association. There seems to be some breakdown in communication as far as consultation goes. I could give you a number of case studies from rural areas of people who have been completely unaware that there is any help for them. I just wonder why. The divisions are funded by the Department of Health and Ageing. You have vehicles there, and with the carer groups there is a terrific network. I cannot believe, listening to the witnesses today, that the consultation has not been there. I am not, from a government point of view, happy about this at all.

Mr Barson—It is a dilemma for us as well because there is an awful amount of material that is available. Again, we are concerned that everyone who has an eligibility for these payments is able to claim it. Somehow, as is evident from the comments that have been made to the committee, people are concerned that it is still not happening well enough.

Senator ADAMS—We have had evidence that it is certainly not happening.

Senator McLUCAS—As a result of the amendment, if a person comes to the department and says, ‘I didn’t know about carer allowance and I’ve been caring for my child with this condition for 14 months,’ is there any discretion in the legislation for the payment to that applicant to be backdated further than the 12 weeks that is proposed?

Mr Barson—No, they do not come to the department; they would go to Centrelink. The claims process starts, as it does for all payments, with an intent of lodgment to claim. That is the time at which claims start. Various payments, including these, have backdating provisions. This backdating provision would allow for backdating of the payment if the condition existed up to 12 weeks before the time the claim started, but there is no discretion to set another start date for that payment.

Senator McLUCAS—It was put to us this morning that the philosophical basis for the much larger backdating for care allowance (child)—and (adult), for that matter—was that it was in recognition of the traumatic episode that person was going through. Would you agree with that as the original background to why the backdating period was seemingly so generous?

Mr Barson—I think it is a mixed position. The care allowance itself is a payment which was put in place and absorbed within the child disability allowance and the domiciliary nursing care benefit. Domiciliary nursing care benefit in fact did not have a backdating period; child disability allowance did have a backdating period. In putting those payments together at the time, a decision was taken to have a differential arrangement between backdating for adults and backdating for children. The decision at the time was to maintain the child disability allowance backdating provision of 52 weeks.

But there are important differences between the requirements at that time for claiming child disability allowance and the current arrangements for carer allowance—not the least being that the child disability allowance at the time required a far clearer picture of diagnosis and prognosis, if you like. It does not apply for care allowance. I would describe it as a historical fact where, in absorbing those two payments, those backdating periods—which roughly could be equated with adults for domiciliary nursing care benefit and children—were picked up but the nature of the payments is different. So it is the nature of the payments being different and the lack of the requirement for the exhaustive diagnosis and prognosis issues to go on that have led to a decision that a 12-week backdating period is appropriate for both payments.

Senator McLUCAS—But we heard very strong evidence today—

Mr Barson—There are obviously different views.

Senator McLUCAS—that people are of the view that a diagnosis is required.

Mr Barson—Yes.

Senator McLUCAS—Do your discussions with the medical profession about the changes include that information?

Mr Barson—I actually find that difficult in one sense, in that any treating doctor that has been through the process of completing the claim form would surely be aware that it does not require a diagnosis. Where there is sometimes a confusion is with the fast-tracking process, which you are well aware of from previous discussions that we have had about the list of recognised disabilities. Where there is a recognised disability, there is a fast-tracking process for that person to not go through the whole claim process. This is where—

Senator McLUCAS—I thought that was for carer payment, though, Mr Barson.

Mr Barson—No, care allowance. So there are issues there. Certainly I have had a medical practitioner say to me, ‘This condition is not on the list of recognised disabilities; therefore, the person is not eligible.’ That is not correct: the list of recognised disabilities is a fast-tracking mechanism. Maybe some of the confusion comes from there, but the information that is provided is pretty clear that it is an assessment of the care that is being provided at the time, regardless of diagnosis.

Senator McLUCAS—When did the form change?

Ms Lindenmayer—With the introduction of carer allowance between 1998 and 1999.

Senator McLUCAS—I thought they were one and the same form.

ACTING CHAIR—Mr Barson, the evidence you have given is all true from the department's perspective. But my understanding and that of people who are working in Centrelink—and this is one of the problems that we have with the machinery of government changes; our previous experience was always having you and Centrelink often giving evidence together, so you had the policy background and the implementation group together—is that the key element of proof that is accepted for people claiming this payment is a statement from a medical person. If you look at the form, you will see that one thing that people are encouraged to present when they are claiming is a statement from the medical people telling them about the condition that the child or the adult has. It is a key component of the claim.

Whilst I see the point, and I am sure that people understand theoretically the point that we are looking at—that is, the degree of care that is needed—certainly my understanding in the wider community is that there is a linkage between the condition and the care. When people are seeking the payment, they are seeking the information from the practitioner to say that 'so and so has this condition and this condition requires this degree of care'. I know this all comes back to a much wider discussion. But the common acceptance of people who find out about the payment and who are seeking to claim the payment is that they must have a doctor who will say that their person—whoever it is—'has this condition and that this condition requires this degree of care'. There is still that absolutely essential link between the medical evidence and the care. Certainly, my understanding from talking with people who work in the department is that is what they tell the client: 'See your doctor, get your doctor to say how much care this person needs.' It is an academic point but it is real.

Mr Barson—It is a real issue; I accept the point. I was alluding to that in part in saying that, in seeking to allow a fast-tracking system, it may in fact have further confused this issue.

ACTING CHAIR—I think it has. The best possible purposes—

Mr Barson—When you open the form, the first thing you see is 'diagnosis'. That is not the intent of the payment. But I take your point.

ACTING CHAIR—I do not think you could accept that you can have a claim stating that your person requires this care unless you have medical evidence to say that the condition they have would, under normal circumstances, require the care. I do not think you can separate them.

Mr Barson—Clearly, medical evidence that this person has functional disabilities—functional impairment, if you like—is a necessary part of the process. That should not be taken as a need for a diagnosis of why the person is unable to walk, but simply as a fact that the person cannot walk. But I take the point.

ACTING CHAIR—A number of people on this committee have also been on the committee looking at mental health. We have received significant evidence in the area of mental health that the whole claim process actively works against people with mental health conditions in trying to establish the care requirements of someone with them. This whole area of care is of great interest and, I think, sadly, there is a lack of knowledge in the wider area. I think the change in this legislation has served to highlight it more than anything else.

Mr Barson—We are also aware of the mental health issues and we are continuing to grapple with those.

ACTING CHAIR—They are huge.

Senator McLUCAS—I wonder whether there is some way that you could identify the number of forms that are signed by a medical specialist, as opposed to a general practitioner.

Mr Barson—We can ask. We do not see the forms themselves. Centrelink collect some information on the forms. I do not think that is part of the information they would collect, but we will ask and, if that information is available, we will provide it.

Senator McLUCAS—Thank you. Certain points were made this morning by one witness. Firstly, that many applicants believe that they require their specialist to sign the application and, secondly, many GPs do not feel competent—and I think it goes to the question of diagnosis—to diagnose the ailment or the disability that the individual has. Could you ask Centrelink about that?

Mr Barson—We will ask Centrelink and we will provide what we can.

Senator McLUCAS—We want someone to go through every form and identify—

Mr Barson—I think I know the answer we would both get.

Senator McLUCAS—If you did a sample of, say, 300—

Mr Barson—We will do our best for you.

Senator McLUCAS—looked through them and said, ‘Okay, 50 per cent were signed by a specialist,’ I think that would give us an indication, one way or the other, of whether or not it is the view of the applicant that the specialist has to sign. I would like to talk about intent to claim, in terms of the backdating provisions. Let us talk through a pretend case study. Someone finds out they potentially could be a recipient of carer allowance, and let us use a child for the purposes of this. They put in an intent to claim.

Mr Barson—They make contact with Centrelink, most commonly—it may be by telephone or face to face—and they indicate their intention.

Senator McLUCAS—So the intent to claim is not a form—

Mr Barson—No.

Senator McLUCAS—It is a telephone call.

Mr Barson—It is simply the first contact in which Centrelink officers are told, one way or the other, that there is a likely claim to be made here.

Senator McLUCAS—How does that affect the backdating provisions?

Mr Barson—That starts the clock, if you like, for most payments, including this one. Assuming the claim is then submitted, followed through and granted, the permitted backdating period is from that date, the starting date of the claim.

Senator McLUCAS—From the date of the intent to claim.

Mr Barson—From the time the person contacts Centrelink and says: ‘I have a disabled child. I am providing care. What payments are available to me?’ That is the time from which the backdating is taken. There is also, just for your information, an additional provision which allows extra time for the claim process to be completed. This is not a backdating issue. It is for information. It is not a case of: ‘You must put in the claim now. If you cannot put in the claim now, the clock stops.’ There is an 11-week period, in appropriate circumstances, where the person can continue to collect that information. The backdating period still starts from that intention to claim.

ACTING CHAIR—How do those two periods of 11 weeks work together? Could that be a maximum of 22 weeks?

Mr Barson—No, the backdating is still from the time of claim.

ACTING CHAIR—From the intent to claim?

Mr Barson—The intent to claim is the start of the claim process.

ACTING CHAIR—The backdating is from the initial contact, once it is noted that someone is interested in this process.

Mr Barson—It does not require the submission of a fully completed form, for example.

ACTING CHAIR—But it does require a formal acknowledgement between the claimant and the department that they are on record.

Mr Barson—Correct. What I understand happens at the Centrelink end is that a client record is created, and so the person is then an incipient client.

ACTING CHAIR—That is the date, no longer the date of claim.

Mr Barson—Correct. So it is no longer a case of having to complete the process, provide a fully documented claim form with evidence and provide that to Centrelink. In normal circumstances, there is a two-week period in which it is expected that intention to claim would become a claim. But, as I said, there is a period of 11 weeks, which can also flow onto that, for the claim to be completed. So even with the intention to claim it is not a case of: ‘Well, you have indicated your intention but you have to finish it by now.’ There is an initial two-week period and then the possibility of a further 11 weeks for the claim to be fully documented and to become an approvable claim.

ACTING CHAIR—How long has that process been in place?

Mr Barson—Since the 1990s—that is what I have here.

ACTING CHAIR—So the intent to claim process has been in place since the nineties.

Mr Barson—I remember the intent to claim process coming in in the late nineties.

Ms Lindenmayer—It is the Social Security (Administration) Act—

Mr Barson—Of 1999. I do not know when that took effect.

Senator McLUCAS—What proportion of people do not claim in either that two-week period or 11-week period?

Mr Barson—I do not know. We can find out for you.

Senator McLUCAS—For carer allowance.

Mr Barson—That figure would be obtainable.

Senator McLUCAS—That might be informative in terms of the number of people who seek to get, for example, a medical specialist to fill the form in.

Mr Barson—Similarly, if for some reason the claim is not accepted and the person appeals that, the start of the clock would still be the initial contact and so the backdating period still applies from the date of initial contact.

Senator McLUCAS—So the backdating period applies from then and then all that period between that and the final resolution of the matter.

Mr Barson—Correct, including any appeal processes.

Senator McLUCAS—So that could take a year.

Mr Barson—I would hope not.

Senator McLUCAS—It could, in my experience. You made the point—I think Senator Moore raised the point—about 'once it is noted'. Are you aware of concerns in relation to when information is provided to Centrelink on behalf of a potential customer that there will be a point of contention about 'whether or not I did tell you that I was going to apply for a carer allowance'? It will come down to whether or not the Centrelink officer actually wrote that down in the record. What happens in those points of contention?

Mr Barson—That is, as I understand it, something that may be taken up through appeal, and the start date would be set from the time the appeal mechanism decides was the appropriate start date. I would have to check further on that but that is my understanding of that particular circumstance where there is perhaps a decision that says, 'This is a valid claim and it applies from now, with X period of backdating.' If the customer believes that that start date should have been different, that is part of the appropriate appeals process.

Senator McLUCAS—Are you aware of the level of alleged inaccuracy of record taking by Centrelink personnel? It is a point of issue in many of the issues that come across my desk: 'I told them and they didn't write it down.'

Mr Barson—Not wishing to dispute that at all, because I am sure that that is true in some circumstances, there are always two sides. The point, I guess, of the separate appeals process is to ensure that where there is a dispute about any fact or decision that has been made there is a mechanism for determining what the fair point is. If the contact is made by telephone, there are receipt numbers just as there are in any sort of transactional arrangement. I guess the circumstances that you are alluding to is where there is a dispute about what was said during the conversation and about whether the person clearly indicated an intention to claim or whether they were inquiring about something else.

Senator McLUCAS—That is right—family tax benefit B.

Mr Barson—All I can offer you there, appreciating that it is a delivery mechanism, is the appropriate appeal mechanisms to try and adjudicate in those situations.

ACTING CHAIR—We will follow that up with Centrelink. It has become clear through this morning's evidence that there are a couple of things we need to follow up specifically with Centrelink. One of the things that comes to my mind is the use of the teleservice centre process and, also with this interaction, whether Centrelink has any process of follow-up with the client: 'You contacted us on 5 December'—some kind of stimulant to that process. We will follow that up with Centrelink.

Mr Barson—I am sure they do, but I would appreciate you following that up to get a first-hand response.

ACTING CHAIR—Mr Raper gave evidence this morning from Welfare Rights saying that the intent to claim process was widely unknown by the community and caused considerable confusion. We will follow up the process of the intent to claim because it makes a difference in terms of people's claim dates.

Mr Barson—Of course. Sometimes we despair of how you make people aware of things.

Senator McLUCAS—I have one more issue. I think earlier, Mr Barson, you said that you were working on the assumption that people will claim within the 12 weeks. On what basis did you say that?

Mr Barson—I think this was in the context of a discussion about why people do not claim et cetera. One of the factors may be that there is a considerable period of time for children, at least, in which a claim can be lodged. Noting all the evidence that has been given around the circumstances of families, and not derogating from that at all, there is under current arrangements no need for a person to provide a claim within a period of time. With the setting of the 12-week period, we assume that this will result in people acting. Once they are aware of the ability to claim the payment and once they are aware of circumstances et cetera, they will claim in a shorter period of time. We have not discounted the estimates for this, because it is a possible behavioural change which is not yet known. We believe that people who do not have any other reason not to claim will in fact lodge that claim during an appropriate period and get the 12 weeks backdating.

Senator McLUCAS—That is on the basis that they know it exists.

Mr Barson—I am ever optimistic, Senator.

Senator McLUCAS—I do not know on what basis you say there is no need for someone to claim. These people are not a particularly wealthy group of people. We heard that from Carers Australia this morning.

Ms Lindenmayer—It is a non-means tested payment

Mr Barson—It happens across all levels of society, Senator.

Senator McLUCAS—I agree, but I know this group of people is not particularly wealthy.

Senator ADAMS—What consultation is being done with the carer groups to see what impact the reduction in both the child and adult carer allowances will have?

Ms Lindenmayer—There have not been any particular consultations but we do meet regularly with Carers Australia and Welfare Rights as well. To the best of my knowledge the backdating measure was not raised as a major issue.

Mr Barson—I can remember back to the budget announcements and briefing sessions et cetera that happened on this. Certainly, organisations such as Carers Australia and others raised concerns, as they would, about the reduction in the backdating period. The consultation in that context has been to explain the intent of the measure and to explain the rules that would apply around it. There have not been, to my knowledge, any concerns or extensive dialogue about that. But there clearly have been concerns expressed that the backdating period is being applied. That is not something you easily consult on. It is something where we are in the position of explaining the government's policy.

Senator ADAMS—Coming from a rural perspective again, what currently is the break-up between metro and rural clients under the carer allowances, especially child. I can place that on notice because you probably do not have that information here.

Mr Barson—We are happy to provide that.

Senator ADAMS—I think that is terribly important because, as you are probably aware, we have a lot of overseas trained doctors working in rural areas. It is great to have them, so this is not a slur against them, but they really do not understand a lot of these issues. It is very difficult. As I have said, I have had a number of cases come to me about this specific thing, and they are completely unaware that there is any allowance. They have been trying to get appointments to see specialists in Perth—I am from Western Australia—and it is even more difficult from some of the really remote areas with the amount of money that is spent to get into Perth. They have no idea that they can get an allowance for a child that they have to care for and which is going to be a lifelong issue for them. These people are desperate. It is getting to the stage that communities are actually raising funds to help parents with the expenses of going time and time again and trying to get specialist appointments, which is not easy. There really needs to be a lot more done. I feel there are vehicles out there for the department. I know that you are not in the advertising game, but there are so many people unaware of this. With the shortened period for both the adult and child, I find that very difficult.

Mr Barson—We should be able to apply the filter of isolated, rural or remote et cetera to those figures. We can provide those to you on notice. I take your point about the lack of familiarity of some parts of the medical profession. I think the earlier discussion covered some of the same issues. But I hear what you are saying.

Senator McLUCAS—Mr Barson, you are saying that we can get some data on the location of the applicant and how long their current backdating is?

Mr Barson—We would have to get that data from Centrelink. I guess I am being cautious on the detail because Centrelink obviously collects and stores some information. In terms of responding to the question on the locations of the carers, that is a relatively easy filter for Centrelink to run over the database. Periods of backdating—

Ms Lindenmayer—They do not—

Mr Barson—they do not record as such, but we will discuss that with them and see what we can extract from the system, through Centrelink, to assist you on that question. I am just reluctant to make a commitment to do something that we might turn out not to be able to do. I understand what you are looking for.

Senator McLUCAS—It is the same issue that, I think, Senator Adams is looking at.

Mr Barson—I am aware that running the database through the filter of postcode and location is a little easier to do, so I can make that commitment. For you, Senator McLucas, we will do what we can to address that need.

Senator McLUCAS—Thank you.

ACTING CHAIR—Mr Barson, I think that has exhausted our questions. I have a number of questions but I think they are all for Centrelink. I note that Ms Lindenmayer began her information earlier by saying that Centrelink did not keep a range of figures and that your department had to then go back and do some estimating based on fortnightly payments. We are going to put some questions on notice to Centrelink this afternoon so we are going to follow up on that.

Mr Barson—Understandably, there are limitations to what information is collected as part of a claim process, the focus, of course, at the time being on whether or not the claim is a valid claim.

ACTING CHAIR—That is right.

Mr Barson—So I would not wish to appear to be knocking my colleagues. There are only limited amounts of information that are provided, and sometimes it occurs to people some time after that process has been established that it would be nice to know—or desirable or necessary to know—this, and sometimes that is not possible to provide without a systems change.

ACTING CHAIR—Can I just clarify something. In evidence to Senator Adams you said, about the intent of this particular change, that when you were consulting with different carers groups in the community earlier you were clear that they knew what the intent of the budget change was. Can I just clarify this point from your submission. In referring to schedule 6, you say, ‘The measure will rationalise and reduce the backdating period.’ Is that the sentence that says what the intent of this particular provision is?

Mr Barson—In that context, yes.

ACTING CHAIR—So if anyone were to ask, ‘Why was this introduced?’ the department’s position would be—

Mr Barson—Of course it would be one of rationalising—

ACTING CHAIR—‘The measure will rationalise and reduce the backdating period.’ So that was the point that the department was making with the various agencies.

Mr Barson—Correct. Some of the issues we were discussing were the impacts of it and what people thought of that, but—

ACTING CHAIR—Sure. But the intent of that?

Mr Barson—the stated government intention is as per the documents.

ACTING CHAIR—I would also like to clarify whether, when the department was consulting, it was consulting on the range of changes to the carers process; it was not just on this one?

Mr Barson—I would make it clear that that was after the budget announcement and that starts in the context of the budget briefings to organisations. Various carer bodies contact the department very soon after those budget announcements and seek to have discussions about what this measure means, and we always engage in those.

ACTING CHAIR—But, in terms of the way it was presented, there was a whole range of changes to the carer payments and this was but one.

Mr Barson—I think in this particular budget—

Ms Lindenmayer—There was a bonus payment—

Mr Barson—Yes, there was some good news as well as the other news.

ACTING CHAIR—Yes, that is what I mean—that there was a package going out: there was a bonus payment, there were a couple of other minor things and there was this one.

Mr Barson—Yes; although, if I think back, not only to the immediate time of the budget but to conversations afterwards, this measure was certainly one that various carer organisations were well aware of, in the sense of being aware of it and able to express their views on whether they thought it was a good idea or not. It was after the budget.

Senator SIEWERT—Yes, that is the point.

Mr Barson—It was after the budget.

Senator SIEWERT—It was after the budget and mixed up with a whole lot of changes, so it is hardly surprising that one slipped through to the keeper.

Mr Barson—I recall a number of organisations who were very much aware of this particular measure and made their views very clear at the time—in the short period after budget. But if you are asking in a broader sense, then yes, it was part of a bigger package of measures, and some readers may or may not have noticed it within that package of measures. I can say it was certainly noticed by the organisations that I, for example, had contact with in the very short period after the budget.

Senator McLUCAS—The point that a lot of organisations put to us this morning is that prior to the budget there was discussion and consultation about the question of another one-off payment and an increase in respite services but not about the changed backdating provisions, so the goodies were discussed and the sting was not. That is the message I took from the discussion this morning.

ACTING CHAIR—I know you cannot comment on that, Mr Barson.

Mr Barson—I gather that was not a question.

Senator McLUCAS—That is what I am taking away.

ACTING CHAIR—Mr Barson, I believe that you are going to provide us with some information. My understanding is that we are expected to report on this bill on 24 March, so if possible we would appreciate responses as quickly as possible.

Mr Barson—I understand the urgency. We will get back to the committee very quickly, rather than waiting until the last minute, with a clearer indication of the things that we can provide and the things that we expect we are unable to provide, noting that we will, of course, have to consult with other agencies as to how they can assist in this.

Senator McLUCAS—I did not ask this at the very beginning when you said there were 95,000 new grants made per annum. How many applications are received for both carer allowance (adult) and carer allowance (child)?

Mr Barson—There are 180,000 applications for carer allowance each year, and 53 per cent are granted—that is the 95,000 figure. I have that figure in front of me; that is not my mathematics.

Senator McLUCAS—How many of the 180,000 applications are for carer allowance (adult) and how many are for carer allowance (child)?

Mr Barson—If you would allow, we will give you that answer out of session.

Senator McLUCAS—Thank you.

ACTING CHAIR—On that same point, when you gave your figures earlier, my rough calculations indicated that about a third were new grants. It seems to be a very high number that about a third of the total over the last 12 months were new, using the figures that you gave us, which were estimates. I would like some idea as to whether that is accurate.

Mr Barson—There is a turnover within the payment.

ACTING CHAIR—Of about third; that seems high.

Mr Barson—With those collective figures, would it help if we gave you some kind of table for both carer allowance (adult) and carer allowance (child) with the number of claims and the number of grants?

ACTING CHAIR—That would be lovely.

Mr Barson—But, yes, you are correct. There is a turnover, if you like.

ACTING CHAIR—It seems to be a remarkably high turnover.

Mr Barson—Otherwise the numbers would be growing by 100,000 each year.

Senator McLUCAS—What is the average length of time that someone is a recipient?

Mr Barson—Thank you for asking that. We will give you that figure as well.

ACTING CHAIR—I think we had best call this to an end or we will keep getting—

Mr Barson—You will think of more questions.

ACTING CHAIR—Thank you very much for your time.

Mr Barson—You are welcome.

ACTING CHAIR—We appreciate all the people who came to give us evidence this morning.

Committee adjourned at 1.28 pm