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Inquiry into Intergenerational Welfare Dependence

Carers NSW welcomes the opportunity to respond to the Select Committee inquiry into Intergenerational Welfare Dependence. While Carers NSW does not have any specific data on the intergenerational transmission of welfare dependence, this submission will address systemic factors that contribute to economic disadvantage and welfare dependence for some carers.

Carers NSW is the peak non-government organisation for carers in New South Wales (NSW). A carer is any individual who provides care and support to a family member or friend who has a disability, mental illness, drug and/or alcohol dependency, chronic condition, terminal illness or who is frail. Our vision is an Australia that values and supports all carers, and our goals are to:

- Be a leading carer organisation in which carers have confidence
- Actively promote carer recognition and support
- Actively support carers to navigate a changing service landscape that will be characterised by ongoing policy reform
- Promote connected community experiences and opportunities for carers that are inclusive of diverse carer groups
- Lead and advocate for carer-specific and carer-inclusive policy making, research and service delivery
- Continue to be a quality-driven, responsive and carer-focused organisation.

Across Australia there are 2.7 million carers who provide unpaid care and support to a family member or friend. Carers are more likely to live in low income householdsⁱ compared to non-carers (34% and 24% respectively). Working age carers (15-64 years) are also more likely to receive government payments or allowances as their main source of income compared to non-carers of the same age (26% and 11% respectively).ⁱ

Caring from a young age in particular can increase socioeconomic disadvantage, with 52% of all young carers (aged 25 years and under) living in low income households.ⁱⁱ Research has also shown that young carers are more likely to live in lone parent households compared to their non-caring counterparts, reducing the overall household income.ⁱⁱⁱ Limited finances can impact on a young carer's ability to participate in employment, education and social activities with long-term financial consequences. For example, the actuarial analysis conducted by

ⁱ Low income households are defined as households within the lowest two quintiles of equivalised household income.

PricewaterhouseCoopers as part of the Priority Investment Approach to Welfare identified young carers as a group at high-risk of long-term welfare dependency.^{iv}

While initiatives like the Try, Test and Learn fund are trialling new ways to reduce long-term socioeconomic disadvantage through early intervention, there are also other strategies which carers could benefit from. For example, many working carers reduce their hours, limit career progression or exit the workforce altogether due to the challenges of balancing work and care. The Australian Human Rights Commission has identified that there needs to be cultural change within Australian workplaces to enable working carers achieve this balance.^v In addition, legislation should be enhanced to strengthen protections for carers at work, particularly in regards to making requests for flexible working arrangements.^{vi}

Finally, working carers often tell us that they struggle to access adequate replacement care in order to enable them to work. Even in needs-based support systems like the National Disability Insurance Scheme (NDIS), gaps in formal services can prevent carers from maintaining or returning to work. The Carers NSW 2018 Carer Survey, for example, found that more than half of carers of NDIS participants who responded disagreed that the NDIS had enabled them to stay in or go back to paid work.

Carers NSW is also concerned that the structure of the Carer Payment adds to the socioeconomic disadvantage that some carers experience. Across Australia 270,000 individuals receive the Carer Payment^{vii}. In order to qualify, carers must meet income and assets tests. In addition, those in receipt of the Carer Payment cannot work, study, train or volunteer for more than 25 hours a week (including travel time) without compromising their payment. This rule severely restricts a carer's ability to retrain or work without comprising their financial security.^{viii} Carers NSW recommends that the '25 hour rule' be removed from the Carer Payment to support carers who wish to remain in or re-enter the workforce.

Thank you for accepting our submission. For further information regarding this submission, please contact Freya Saich, Policy and Development Officer

Yours sincerely

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CEO
Carers NSW

ⁱ Australian Bureau of Statistics (2016), *Disability, Ageing and Carers, Australia: Summary of findings, 2015*, Carer tables, Canberra.

ⁱⁱ Ibid.

ⁱⁱⁱ Cass, B., Brennan, D., Thomson, C., Hill, T., Purcal, C., Hamilton, M., and Adamson, E. (2011) *Young carers: Social policy impacts of the caring responsibilities of children and young adults*, Report prepared for ARC Linkage Partners, Sydney.

^{iv} PricewaterhouseCoopers (2016) *Valuation Report 30 June 2015 Baseline Valuation*, Final Report, Department of Social Services.

^v Australian Human Rights Commission (2016), *Willing to work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, Australian Human Rights Commission: Sydney.

^{vi} Skinner, N., Pocock, B. (2014), *The Persistent Challenge: Living, Working and Caring in Australia in 2014. The Australian Work and Life Index 2014*, Centre for Work and Life, University of South Australia: Adelaide.

^{vii} Department of Social Services (2018) *DSS Demographics March 2018*, Australian Government, available online at: <https://data.gov.au/dataset/dss-payment-demographic-data>, viewed 30 August 2018

^{viii} Ibid.