

## **Children with Disability Australia (CDA) – Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015 Inquiry**

### **Data regarding labour force participation of families of children with disability**

There is a lack of recent specific data regarding the labour force participation of families of children with disability.<sup>1</sup> However, available statistics indicate that labour force participation and employment is lower for this cohort than the broader working age population. This is consistent with the experiences reported to CDA by families regarding barriers to locating and maintaining employment.

The Australian Bureau of Statistics reports that in “2009, there were 96,000 primary carers whose main recipient of care was their own child aged 0 to 14 years.”<sup>2</sup> Of this cohort, 64% reported that the “main financial impact of their caring role was a decreased income or an increase in their expenses.”<sup>3</sup>

Further, data regarding the total population of ‘carers’ of people with disability, shows reduced labour force participation rates. In 2012, the labour force participation rate of working age primary carers (42%) and carers (63%) was lower than that for non-carers aged 15 years or more (69%).<sup>4</sup> It is important to note that these results are impacted by the higher percentage of older carers included in the cohort.

### **Data and research regarding experiences of poverty of families of children with disability**

There are also no recent statistics that examine poverty rates of families of children with disability. Major studies of poverty in Australia often include data for the total population of people with disability (who experience poverty at shamefully high rates), but not families of children with disability. An example of this is the Australian Council of Social Service’s *Poverty in Australia* report.<sup>5</sup> There are, however, a range of related indicators that suggest families of children with disability experience higher rates of socio-economic disadvantage and poverty.

As stated in CDA’s submission, the poverty rate of families with at least one person with disability (including parents with disability, children with disability or adults in the family) was 11.1 per cent in 2010 based on incomes, as opposed to 7.6 per cent for families without a person with disability.<sup>6</sup> This data did not take into account additional expenses for families with a person with disability.

Research from 2012 focused on families of children with intellectual disability found that 70% of families reported a loss of income or reduced hours of employment due to caring responsibilities for

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<sup>1</sup> Data is available from 2003 which states that “around 51% of couple families who had a child with a disability had both parents employed, compared with 61% of couple families where no child had a disability” - Australian Bureau of Statistics 2008, ‘Families with a young child with a disability,’ *Australian social trends 2008*, Commonwealth of Australia, Canberra, viewed 19 February 2016, <http://goo.gl/dOMU99>.

<sup>2</sup> Australian Bureau of Statistics 2012, ‘Children with a disability,’ *Australian social trends 2012*, Commonwealth of Australia, Canberra, viewed 19 February 2016, <http://goo.gl/9jo7AA>.

<sup>3</sup> Ibid.

<sup>4</sup> Australian Bureau of Statistics 2013, ‘Carers – Employment and income,’ *Disability, ageing and carers, Australia: Summary of findings, 2012*,

<sup>5</sup> Australian Council of Social Service 2014, *Poverty in Australia 2014*, Sydney.

<sup>6</sup> National Centre for Social and Economic Modelling 2013, *Poverty, social exclusion and disadvantage in Australia*, University of Canberra, Canberra, p. 22.

their children. It also found that even taking into account income support payments, families experienced considerable financial hardship.<sup>7</sup>

Children with disability are also more likely to live in sole parent households than children without disability (34% and 18% respectively).<sup>8</sup> This suggests that families of children with disability are more likely to be impacted by the proposed reduced rate for Family Tax Benefit Part B (FTB-B). Further, it is important to note that single parent families are more likely to experience poverty than couple families (33% and 11.7% respectively).<sup>9</sup>

While there is no specific data regarding experiences of poverty for families of children with disability, existing evidence suggests that this cohort are highly vulnerable to socio-economic disadvantage.

### **Exemptions for families of children with disability regarding the new payment structure for Family Tax Benefit Part B**

CDA's submission recommends that the Australian Parliament not pass the reduced standard rate for FTB-B payments for families with a youngest child aged 13 to 16, the removal of FTB-B for children aged 17 and 18 and the cessation of the FTB supplements. However, it also suggested that "in the event that the new rate structure for Family Tax Benefit Part B recipients contained within the Bill is implemented, CDA recommends extending the exemptions that apply to single parents over 60, grandparents and great-grandparents to include families of children with disability."

Regarding the latter option, there will need to be consideration regarding establishment of eligibility to the extension of this exemption. One option could involve granting the exemption to families who also receive the child carer allowance as this could occur on the basis of information that is already available.

Further detailed consideration needs to occur though as to how this exemption could be implemented. In the event that the above changes are introduced, it is imperative that thorough consultation with families and organisations occurs to ensure the payment system is able to meet the needs of children with disability and their families.

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<sup>7</sup> C Doran et al. 2012, 'How much does intellectual disability really cost? First estimates for Australia,' *Journal of intellectual and developmental disability*, Vol. 37, No. 1, p. 46.

<sup>8</sup> Australian Bureau of Statistics 2014, 'Family type,' *Young people with disability, 2012*, Commonwealth of Australia, Canberra, viewed 19 February 2016, <http://goo.gl/W3GehT>.

<sup>9</sup> Australian Council of Social Service 2014, *Poverty in Australia 2014*, p. 20.