



**Carers Australia Submission:**

**Social Services Legislation Amendment  
(Welfare Reform) Bill 2017**

**July 2017**

**AN AUSTRALIA THAT VALUES AND SUPPORTS ALL CARERS**

## **ABOUT CARERS AUSTRALIA**

Carers Australia is the national peak body representing the diversity of Australians who provide unpaid care and support to family members and friends with a:

- disability
- chronic condition
- mental illness or disorder
- drug or alcohol problem
- terminal illness
- or who are frail aged

Carers Australia believes all carers, regardless of their cultural and linguistic differences, age, disability, religion, socioeconomic status, gender identification and geographical location should have the same rights, choices and opportunities as other Australians.

They should be able to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

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## INTRODUCTION

Carers Australia welcomes the opportunity to provide a submission to the Senate Community Affairs Committee Inquiry on the Social Services Legislation Amendment (Welfare Reform) Bill 2017.

Carers Australia wishes to comment on two provisions of the Bill:

1. automatic qualification for carer payment, and
2. intent to claim provisions.

## AUTOMATIC QUALIFICATION FOR CARER PAYMENT

In considering this Bill, Carers Australia welcomes amendments to enable recipients of Wife Pension who are also receiving Carer Allowance, to automatically qualify for Carer Payment.

## INTENT TO CLAIM PROVISIONS

The other measure in the Bill that will affect carers is the removal of intent to claim provisions, including the requirement that documentation must be submitted at the time of making a claim for income support. This proposal raises strong concerns for carers.

The rationale for removing the intent to claim provisions is to:

- encourage claimants to take responsibility for providing information and documentation quickly, and
- recognise that lodging applications online makes the process quicker and simpler, reducing the time needed between identifying an entitlement to a payment and lodging a claim.<sup>1</sup>

## TAKING RESPONSIBILITY

While it is reasonable to expect people to complete their claims and provide all the necessary information as quickly as possible, the current legislation does allow payments to be backdated in very limited circumstances. This flexibility is still needed and should remain to give applicants time to gather and supply “all material necessary for their claim and to be assessed that is within their control”<sup>2</sup>.

The overall changes in the life circumstances of new carers can include obstacles to lodging a claim online immediately after establishing their entitlement with Centrelink. For example, they may be moving house, possibly to another state, to care for an elderly parent diagnosed with dementia or another degenerative disease; or they may be the partner or parent of someone who has suddenly acquired a serious disability or illness or who has been diagnosed with a terminal illness.

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<sup>1</sup> House of Representatives Bills, Social Services Legislation Amendment (Welfare Reform) Bill 2017, Second Reading Speech, Thursday 22 June 2017, p 7427

<sup>2</sup>bid, p 7427

In these cases, collecting documentation for their own claims may need to be juggled with many other administrative and logistical tasks, including leaving paid work, and arranging services, equipment and Centrelink payments for the person with care needs.

Importantly, too, it can be many weeks from the time a person lodges a claim for payment to when that payment is approved and received. Claims for Carer Payment generally take up to 49 days to process, with a significant proportion taking longer.<sup>3</sup> During this time, a carer can accrue debts that could be able to be paid from the backdated funds, and those debts can be exacerbated by extra interest, penalties and other factors while waiting for payments. Carers would be likely to face additional hardship if payments are only backdated to the date that the application has been lodged, rather than the date that the entitlement was established.

## **EFFICIENCY OF ONLINE APPLICATIONS**

Technological developments and system improvements have made it much quicker to lodge applications than in the past. With continuing improvements, backdating is likely to become unnecessary and could be obsolete without any need for legislative change. Currently, however, the application process can be complex, with the requirement for many documents, including to establish identity, place of residence, financial situation and medical evidence.

While some documentation to support a claim (such as from bank accounts) may be readily available online, there will be documentation that is not so easily accessed. For example, a carer who has moved to provide care may have lost, left behind or may still need to unpack necessary identity documents (such as a birth certificate), and lost documents may take time to replace.

The complexity of Carer Payment applications is evidenced by the need for lengthy processing times by DHS before a Carer Payment can be approved. The Key Performance Indicator is 49 days for processing for at least 80 per cent of applications, and that KPI was only met during one quarter of last financial year.<sup>4</sup>

## **RECOMMENDATION**

People should generally be able to lodge claims online quickly and easily, with less need for backdating. However, changing the legislation to withdraw the capacity for backdating will remove any flexibility for decision makers and it also fails to recognise that, even with the most intuitive, quick and simple online system, there will be circumstances where it will be reasonable to backdate payments to the date an applicant established their entitlement. This capacity should remain.

**Carers Australia recommends making no change to intent to claim provisions for social services payments, including Carer Payment.**

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<sup>3</sup> Senate Community Affairs Legislation Committee, Additional Estimates – 2 March 2017, Answer to Question on Notice, Department of Human Services, Question reference number 40, Attachment A [https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&cad=rja&uact=8&ved=0ahUKEwiD5e202ZbVAhWKi5QKHVjsD\\_UQFgg6MAM&url=http%3A%2F%2Fwww.aph.gov.au%2F~%2Fmedia%2FCommittees%2Fclac\\_cte%2Festimates%2Fsup\\_1617%2FDHS%2FAnswers%2F030\\_Attachment\\_A.pdf&usq=AFQjCNGH-nrubSmpzryK8guJldlOpRRBLQ](https://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&cad=rja&uact=8&ved=0ahUKEwiD5e202ZbVAhWKi5QKHVjsD_UQFgg6MAM&url=http%3A%2F%2Fwww.aph.gov.au%2F~%2Fmedia%2FCommittees%2Fclac_cte%2Festimates%2Fsup_1617%2FDHS%2FAnswers%2F030_Attachment_A.pdf&usq=AFQjCNGH-nrubSmpzryK8guJldlOpRRBLQ)

<sup>4</sup> Ibid