

Submission No. 770

(Inq into better support for carers)

28/6/08

AOC 1517108

To: The Secretary of the House Standing Committee on Family, Community, Housing and Youth
Inquiry into Better Support for Carers

This submission relates to the means testing of carer's income by Centrelink.

My name is Phil and I am 54 years old. My wife Anne has been on a Disability Support Pension since 1999 and I have been receiving a Carers Payment from Centrelink since 2001.

Since becoming my wife's carer I have worked part time in a variety of positions to supplement the Centrelink benefits; firstly as a casual sessional marker for Monash University, then, because of the irregularity of income, as a taxi driver for one day a week. Last year I went back to university and qualified as a secondary school teacher and am currently employed 3 days a week at a local High School.

My submission addresses the punitive means tests applied to carer's income by Centrelink. The Newstart Allowance is means tested quite harshly as a means of encouraging individuals receiving the payment to look for, and accept, employment. However, the circumstances of carers and people with a disability or chronic medical condition is markedly different to an unemployed individual able to work full time. For the carer, there is no possibility of being able to work full time and any work undertaken to supplement the household income places enormous additional burdens on the carer and, because the carer is out at work, the person they are caring for. Under these circumstances the punitive means testing of carer income by Centrelink, as a means of encouraging employment, is an absurdity.

For example, in our situation Centrelink means testing cuts in on my wife's and my income at just over \$100 per fortnight each, even though she is not, and cannot be, employed. The net effect of this is that after Centrelink means testing and income tax I work for about \$100-\$120 per day, in a very demanding and stressful job, alongside colleagues earning \$200+ per day for doing the same work, and who do not have to catch up with all the caring duties that accumulate while at work.

The physical, emotional and psychological stress is enormous as a carer. Going out to work to try and maintain a reasonable standard of living and provide for your caree's needs compounds all the problems associated with caring. The whole situation is exacerbated by the demoralising and unjust effect of loosing half your income because of misguided punitive means testing. The low threshold at which the means testing cuts in means that the carer has to spend more time out at work, away from the caring role, to make up for the income withheld by Centrelink. The health and wellbeing of both the person being cared for and the carer suffer because the application of the means test withheld vital income required to pay the mortgage, electricity, phone, rates and buy food, and paying for these essentials necessitated the carer working longer hours. In our situation the rising cost of living and a spiralling mortgage has forced me to work longer hours because Centrelink withholds so much, which has seriously impacted my wife's health. I am my wife's carer because she needs me there. When I go out to work her health and wellbeing are directly and adversely affected. The Centrelink means test forces me out to work for longer and dramatically increases the negative health effects on my wife and myself.

I am not suggesting the Government increase its payments to carers, although additional income would alleviate the necessity for me to work away from home so much and raise household incomes for carers and their families above the poverty line (the caring role is hard enough without the extra strain of working outside the home and the caring role). What I am Suggesting is that the income threshold before Centrelink means testing starts be raised from its current level to \$200-\$250 per fortnight for both carers and carees. This modest increase would encourage more carers to participate in the workforce where possible; would improve carers and their family's economic position; go some way to making the extra physical, emotional and psychological costs of being a carer, who by necessity takes on the extra burden of working, more worthwhile; and minimise the time a carer is forced to spend away from the home and the caring role in order to provide for the basic necessities.

Yours sincerely,

Phil