

13 March 2006

Secretary
Senate Community Affairs Committee
Parliament House
Canberra ACT 2600

Dear sir/madam,

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

ACOSS appreciates the opportunity to make a submission on this Bill, and wishes to register its concern about one of the measures contained in this Bill, the proposed new arrangements for back-dating of claims of Carer Allowance.

Carer Allowance is designed as a supplementary payment for people who provide care in the home for:

- a child with a disability or severe medical condition who requires additional attention and care; or
- an adult with a disability or severe medical condition or who is frail and aged who requires additional care and attention.

Conditions in respect of which Carer Allowance is paid include dementia, epilepsy, paraplegia, cystic fibrosis, cancer, heart conditions and frailty such as in the case of aged parents. There are approximately 230,000 recipients.

Currently, Carer Allowees caring for a child with a disability may be back paid for up to 52 weeks if they can establish eligibility over this period. Carers of an adult with disabilities can obtain back payment for up to 26 weeks where the disability or illness had a sudden onset. Carer Allowance is paid at the rate of \$47 per week. Organisations representing carers and people with disabilities advise us that this generally meets only a very small proportion of the actual costs of care, especially in cases where the carer has to withdraw from paid employment.

The current back-dating provisions can be justified on the grounds that many carers of people with disabilities, especially children, are not aware of Carer Allowance. Since this payment is not income tested, many families outside the income support system are potentially eligible.

Generally speaking, they will only become aware of the payment if they have regular contact with specialist disability agencies who have a good knowledge of Centrelink payments. As well, it may take a period of time before the Carer realises that the requirement for care and additional attention will be ongoing. This realisation could rely on lengthy medical diagnoses. There may also be delays in claiming because of the carer's intense involvement in cases where a child is born with a disability, has an accident or illness leading to a disability or where there is a sudden onset of serious illness for an adult. This involvement with the care receiver, as well as possible associated trauma for the carer, could mean he or she is unable to lodge a claim.

The costings for this measure - a saving of around \$35 million per year - suggest that a substantial number of Carer Allowance recipients would be disadvantaged. The rate of payment is \$47 per week. If the average period for which back payment would be denied is 6 months, the average income loss would be \$1,230 and approximately 29,000 families would be adversely affected each year.

We therefore support the submissions of others in the welfare and disability sectors that these provisions of the Bill should be reconsidered, and either not passed or substantially amended.

We do not seek to appear before the Committee or make further submissions, as others are in a better position to provide more detailed analysis of the likely effect of the proposed changes.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'A Johnson', written in black ink.

Andrew Johnson
Director