



Australian Government

Department of Families, Housing,
Community Services and Indigenous Affairs

Submission to the Senate Community Affairs Inquiry into Planning Options and Services for People Ageing with a Disability

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Senate Community Affairs Inquiry into Planning Options and Services for People Ageing with a Disability

1 Introduction

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) welcomes the opportunity to provide a submission to the Senate Community Affairs Inquiry into Planning Options and Services for People Ageing with a Disability.

1.1 Structure of Submission

This submission notes the Inquiry Terms of Reference seeks details on:

“Access to planning options and services for people with a disability to ensure their continued quality of life as they and their carers age, and to identify any inadequacies in the choice and funding of planning options currently available to people ageing with a disability and their carers.”

The submission addresses those aspects of the Terms of Reference which are relevant to FaHCSIA’s portfolio responsibilities. This submission provides contextual information about FaHCSIA’s current departmental involvement and activities that support the planning options and services available for people ageing with disability and their carers.

1.2 Role of FaHCSIA

FaHCSIA’s purpose is to improve the lives of Australians by creating opportunities for economic and social participation by individuals, families and communities.

FaHCSIA is the Australian Government's main source of advice on social policy and manages about one fifth of the federal budget. The Department works in partnership with other government and non-government organisations to deliver a diverse range of programs and services designed to support and improve the lives of Australians.

FaHCSIA programs target individuals with varying and diverse needs, across a range of areas including: People with Disability, Carers, Seniors, Child Support, Communities, Families and Children, Gambling and Drugs, Housing and Homelessness, Indigenous People, Mental Health, Volunteers, and Women.

1.3 Recent activities targeted to assist people with disability and carers

The Australian Government has embarked on a significant reform agenda for improving the support for people with disability, their families and carers. This portfolio has worked with other Commonwealth agencies and State and Territory governments and the community to promote significant initiatives, including:

- a *National Mental Health and Disability Employment Strategy*;
- a new Commonwealth State and Territory *National Disability Agreement*;
- ratification of the *United Nations Convention on the Rights of Persons with Disabilities* (the Convention) in 2008, that in 2009 Australia acceded to the *Optional Protocol of the Convention*;
- work toward a *National Disability Strategy*, and a *National Carer Recognition Framework*;
- a *National Dialogue on Universal Housing*;

- expanding access to respite services and income support for families caring for children and young people with disability;
- progress to harmonise disability parking permit schemes across Australia;
- a *National Companion Card Scheme*; and
- the Government has asked the Productivity Commission to undertake a feasibility study into a *National Disability Long-term Care and Support Scheme*.

The Government also commissioned the *Pension Review*, led by the Secretary of FaHCSIA, Dr Jeff Harmer. The Review examined measures to strengthen the financial security of seniors, carers, and people with disability who are receiving pensions.

The Harmer Pension Review Report was presented to Government in February 2009 and its findings assisted the Government in developing the *Secure and Sustainable Pension Reform* package announced in the 2009-10 Budget. The Secure and Sustainable Pension Reforms, have resulted in 3.3 million age pensioners, disability support pensioners, carers, wife pensioners and veteran income support recipients benefiting from increases in their pensions.

2 Population ageing

Australians with disability are a diverse group of people. They include people who were born with disability and those who acquire disability during their life through accident, ageing or illness. The ageing of the Australian population and associated increase in longevity, are leading to increasing numbers of people with disability with a severe or profound core activity limitation. Additionally carers are recognised as having a role that may arise for them at any age and, for some, will represent a long term commitment to caring.

Recent projections from the Australian Institute of Health and Welfare suggest that the number of people with severe or profound core activity limitation is estimated to be currently around 1.5 million and is projected to increase to almost 2.3 million by 2030.¹ Within this projection those aged 0-64 will rise from some 752,000 to 854,000, and those aged 65 and over will rise from some 705,000 to some 1,456,000.² Of the current year estimate of some 752,000 persons aged 0-64 with a severe or profound core activity limitation, some 584,000 will be aged 15 to 64.³

According to the 2010 Intergenerational Report *Australia to 2050: future challenges*, between now and 2050:

- the number of people aged 65 to 84 years will more than double; and
- the number of people aged 85 and over will more than quadruple.

By 2050, nearly one-quarter of Australia's population will be aged 65 and over, compared with 13 per cent today. This means that there will be only 2.7 people of working age for every person aged 65 and over, compared with 5 people today.⁴

1 Australia's Welfare 2009, AIHW, 17 November 2009, Key Points HTML - <http://www.aihw.gov.au/publications/aus/aw09/aw09-sum.html>

2 Australia's Welfare 2009, AIHW, 17 November 2009, Table A4.2: Trends and projections in the number of people with disability, 1981-2030.

3 Disability in Australia: Trends in prevalence, education, employment and community living. AIWH bulletin No 61, 28 Aug 2008, Table A4.

4 Australia to 2050: Future Challenges, Launch of the 2010 Intergenerational Report, Wayne Swan Speech of 1 Feb 2010 National Press Club: <http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=speeches/2010/001.htm&pageID=005&min=wms&Year=&DocType=1>

3 FaHCSIA's payments and programs

3.1 Disability, carer and mental health care

The following table provides a summary of FaHCSIA's administered expenditure for income support and services for people with disability, carers, and also for Targeted Community Care (Community Mental Health).

Program	2008-09 actual expenses \$'000 (as at Portfolio Additional Estimates Statements 2009-10)	2009-10 Estimated expenses \$'000 (as at Portfolio Additional Estimates Statements 2009-10)
Disability Support Pension	10,918,088	11,639,993
Payments to carers of older people, children and people with disability	4,290,648	3,980,927
Services and support for people with disability	275,667	313,907
Services and support for Carers	10,476	14,396
Targeted Community Care (Mental Health Care)	143,602	142,378

3.2 Disability Support Pension

Disability Support Pension (DSP) is an income support payment made to people with permanent physical, intellectual or psychiatric impairment who are unable to work for at least 15 hours per week at or above the relevant minimum wage, or be re-skilled for any work, for more than two years because of their disability. DSP claimants must be aged 16 or over but under the qualifying age for Age Pension (currently 65 years for men and 64½ years for women) at date of claim lodgement. The qualifying age for Age Pension for both men and women will increase gradually to 67 over the period 2017 to 2023.

3.3 Payments to carers of older people, children and people with disability

Payments and allowances are available to financially assist eligible carers of people with disability, a severe medical condition or who are frail aged. FaHCSIA has responsibility for Australia's income support payments and allowances for carers – Carer Payment, Carer Allowance, Child Disability Assistance Payment and Carer Supplement. The Department of Veterans Affairs is responsible for income support payments made to carers of veterans, war widows and widowers. Details of the FaHCSIA payments and allowances are as follows.

Carer Payment

Carer Payment is an income support payment for people who, because of their caring responsibilities, are unable to support themselves through substantial paid employment. It is paid at the same rate as the Age Pension.

Carer Allowance

Carer Allowance is an income supplement available to people who provide daily care and attention in a private home to a person who has a disability or severe medical condition or who is frail aged. It is not income or assets tested and can be paid in addition to an income support payment.

Carer Supplement

An annual \$600 Carer Supplement is paid to recipients of Carer Allowance for each person being cared for. An additional annual \$600 Carer Supplement is also paid to recipients of Carer Payment who are receiving a payment of Carer Payment and/or Carer Allowance on 1 July each year, starting from 1 July 2010.

Child Disability Assistance Payment

The Child Disability Assistance Payment is a \$1,000 annual payment made for a child with disability under 16 years who attracts a payment of Carer Allowance for their carer on 1 July each year. The payment can be used to assist families purchase support, aids, therapies, or respite that they require for their child with disability.

3.4 FaHCSIA funded activities and programs

The following activities and programs are directly funded by FaHCSIA, all of which feed into the achievement of outcomes under the National Disability Agreement and the National Disability Strategy (as detailed in Section 4).

3.4.1 Services and support for people with disability

Services consist of social support and community-based care for people with disability, their carers and their families, to promote independence, self reliance and participation in the community. This is achieved through providing supported employment services, improving access to information and advocacy (including through peak bodies), and assistance with access to practical services.

Activities include the National Disability Advocacy Program, Helping Children with Autism package, the National Mental Health and Disability Employment Strategy, Australian Disability Enterprises, the Disability Support Pension – better and fairer assessments 2009-10 Budget measure, the National Auslan Interpreter booking service, National Information and Captioning Services, Postal Concessions for the Blind, Print Disability Services, the National Companion Card Scheme, the Australian Disability Parking Scheme, and Outside School Hours Care for Teenagers with Disability.

3.4.2 Services and support for carers

Services and support to carers includes providing peer support, respite and information services for carers to help them balance their care responsibilities with social participation and, in the case of young carers, completion of their education. The eligibility criteria for these services do not contain a residency requirement.

3.4.3 Targeted Community Care (Community Mental Health)

Mental Health is one of Australia's national health priority areas, being one of the more prevalent conditions affecting the Australian population. The *2007 National Survey of Mental Health and Wellbeing* conducted by the Australian Bureau of Statistics found that an estimated 3.2 million Australians (20 per cent of the population aged between 16 and 85) had a mental disorder in the 12 months prior to the survey⁵. The *Burden of Disease and Injury in Australia Report* indicates that mental disorders constitute the leading cause of disease burden in Australia, accounting for an estimated 24 per cent of the total years lost due to disability⁶.

The Government recognises that mental health is a major public issue for Australia that requires a whole of government, whole of community response. The Department was recently involved

⁵ Australian Bureau of Statistics (2007) *National Survey of Mental Health and Wellbeing* Canberra, ABS

⁶ Australian Institute of Health and Welfare (AIHW) (2007) *The Burden of Disease and Injury in Australia 2003* Canberra, AIHW

in the whole-of-government development of the *Fourth National Mental Health Plan 2009-2014*⁷ (The Plan), and is committed to working with state and territory governments and relevant Commonwealth agencies to implement the Plan.

Through its Targeted Community Care Program, FaHCSIA delivers three community mental health initiatives, implemented as part of the Council of Australian Governments (COAG) *National Action Plan on Mental Health 2006-2011*⁸ that have relevance to this inquiry. These initiatives are as follows:

- **Personal Helpers and Mentors (PHaMs)** - \$284.8 million over 5 years for services to create opportunities for recovery for people with severe mental illness by helping them to overcome social isolation and increase their connections to their community;
- **Mental Health Respite** - \$224.7 million over 5 years, for carers of a person with a severe mental illness/psychiatric disability and carers of a person with intellectual disability; and
- **Mental Health Community Based Projects** - \$45.2 million over 5 years, to assist families, carers, children and young people affected by mental illness.

The initiatives adopt an inclusive approach to support recovery for people with mental illness, their carers and families. They recognise that a strong, supportive family environment is also integral to an individual's recovery and also that carers and families have complex needs of their own associated with their caring and support role. Responses are individually tailored and focused according to need.

Recent data from FaHCSIA's Targeted Community Care Program provides an indication of the positive impact services are having in the community. Around 30,000 clients Australia wide were assisted by FaHCSIA's community mental health services in 2008-09.

Services funded through FaHCSIA's Targeted Community Care Program work collaboratively with the mental health sector and community services to provide information, education, counselling, social network development and referrals to appropriate specialist services for people with mental illness, their families and carers. They are uniquely positioned between clinical and hospital services (managed by States and Territories) and the range of community support that assists people with a mental illness with recovery and community participation.

The Targeted Community Care Program, was designed to meet the needs of some of the most disadvantaged and vulnerable people in our community who face multiple barriers in their recovery. For example, as at 31 January 2010, PHaMs services had assisted a total of 8,919 people with:

- 8 per cent identifying as Indigenous Australians (including Stolen Generation);
- 11 per cent identifying as people who are homeless or at risk of homelessness;
- 15 per cent identifying as people with drug and alcohol co-morbidity;
- 18 per cent identified as people who have previously been institutionalised or incarcerated (including Forgotten Australians and former child migrants);
- 12 per cent identifying as people from culturally and linguistically diverse backgrounds; and
- 11 per cent identified as young people aged 16-24 years impacted by mental illness.

⁷ Commonwealth of Australia (2009) *Fourth National Mental Health Plan – An Agenda for Collaborative Government Action in Mental Health 2009-2014*

⁸ Commonwealth of Australia (COAG) (2006) *National Action Plan on Mental Health 2006-2011*

4 Key initiatives to strengthen disability and carer services in context of an ageing population

The Australian Government has a significant reform agenda for improving the support for people with disability, their families and carers. In recent times the Government has pursued the following initiatives.

4.1 National Disability Agreement

The National Disability Agreement (NDA) came into effect on 1 January 2009. Under the NDA the Commonwealth and State and Territory Governments will improve and increase services for people with disability, their families and carers. The NDA reflects a strong commitment from these two levels of government to provide more opportunities for people with disability to participate in and enjoy Australia's economic and social life. The NDA will improve and increase services for people with disability, their families and carers.

The NDA is designed specifically with the aim of ensuring that people with disability have an enhanced quality of life and participate as valued members of the community. Through the agreement, all Australian Governments have agreed to support services that provide skills and supports to enable people with disability to live as independently as possible and help them establish stable and sustainable living arrangements. It has a focus on the achievement of economic participation and social inclusion, choice, wellbeing and independence for people with disability. At the same time, the agreement focuses on supporting families and carers in their caring roles.

Under the NDA the Commonwealth has responsibility for the provision of employment services for people with disability and income support.

The State and Territory Governments have responsibility for delivering other specialist disability services including accommodation, respite, community support and community access services, in a manner which most effectively meets the needs of people with disability, their families and carers, consistent with local needs and priorities.

Reform is a major focus of the new Agreement – the principal goal is to implement reforms, which will place people with disability, their families and carers at the centre of services across the country.

It is recognised that the fulfillment of this goal will be a long term process, however, as the initial steps, all governments have committed to achieving this through driving key national reform initiatives in several areas, including:

- a. **Better Measurement of Need** – Under this priority: a national model to estimate demand will be developed by mid 2010; there will be improvements in the data collected through the Survey of Disability, Ageing and Carers (SDAC), which will provide a stronger basis for demand estimates; and improvements in the quality of data reported under the National Minimum Data Set, and jurisdiction-level unmet demand data;
- b. **Population Benchmarking for Disability Services** – A National Population Benchmarking Framework will be developed and initial population benchmarking of disability services, based on information available, will be achieved by mid 2010 and improve the evidence base to assist in policy, service and planning decisions;
- c. **Making Older Carers a Priority** – The National Disability Priorities Framework will assist Governments to target services to more vulnerable population groups based on relative need (including older carers and Indigenous people with disability). (Details on page 10);

- d. Quality Improvement Systems based on Disability Standards – A National Disability Quality Framework with a National Quality Assurance system for disability services will be developed to introduce a national approach to quality assurance and the continuous improvement of disability services by mid 2010;
- e. Service Planning and Strategies to Simplify Access – The National Framework for Service Planning and Access will be developed, focusing on providing a person centred approach to service delivery and to simplify access to specialist disability services;
- f. Early Intervention and Prevention, Lifelong Planning and Increasing Independence and Social Participation Strategies – An Early Intervention and Prevention Framework will be developed to increase Governments’ ability to be effective with early intervention and prevention strategies and to ensure that clients receive the most appropriate and timely support by mid 2011;
- g. Increased Workforce Capacity – A national workforce strategy will be developed to address qualifications, training and cross sector career mapping issues and establishing the disability sector as an ‘industry of choice’ by the end of 2010;
- h. Increased Access for Indigenous Australians – A National Indigenous Access Framework will ensure that the needs of Indigenous Australians with disability are addressed through appropriate service delivery arrangements;
- i. Access to Aids and Equipment – More consistent access to aids and equipment by end of 2012; and
- j. Improved Access to Disability Care – Systems that improve access to disability care and ensure people are referred to the most appropriate disability services and supports, including consideration of single access points and national consistent assessment processes in line with nationally agreed principles by end 2011.

The Agreement also includes a commitment to working towards implementing several Commonwealth 2007 election commitments, comprising:

- The establishment of a National Disability Strategy;
- Harmonisation of rules for accessible parking;
- The establishment of a National Companion Card Scheme;
- Ensuring Younger Veterans have access to specialist disability services;
- Modernisation of Print Disability Services;
- Community Aged Care Package for people in group homes; and
- Consideration of improvements in the administration of advocacy.

4.2 NDA activities and future priorities

Increased funding to improve services under new agreement

Under the National Disability Agreement, from 1 January 2009 to 30 June 2014, the Commonwealth Government will be providing more than \$6.2 billion to the State and Territory Governments for increased and improved specialist disability services, such as supported accommodation, targeted support and respite. The \$6.2 billion includes funding previously provided by the Commonwealth under the Disability Assistance Package to deliver more than 24,000 additional disability places including supported accommodation, respite and in-home care places, as well as individual support packages across Australia.

This Agreement means that in 2013-2014, the Commonwealth Government's contribution will exceed \$1.35 billion, compared to \$620 million in 2006-07.

This funding also includes \$900 million (and matched by the State and Territory Governments) for investment in additional support for disability services. Combined with funding from the \$100 million Capital Works Funding Memorandum of Understanding and the Young People with Disability in Residential Aged Care Program in the first year of operation of the NDA:

- over 6,200 new respite places have been delivered;
- around 2,300 individual service packages and 1,260 intensive in-home places were achieved;
- work has commenced on the design or development of 313 new supported accommodation places, to be provided by States and Territories under the \$100 million Capital Works Supported Accommodation MOU. As of March 2010, 75 places are available for use (further details below); and
- more than 770 young people with disability have been moved out of or diverted from entering residential aged care, or received additional support services in residential aged care to make their care more appropriate.

\$100 million in new investment in Supported Disability Accommodation

On 4 May 2008 the Prime Minister and Minister for Families, Housing, Community Services and Indigenous Affairs jointly announced the investment of \$100 million in capital funds for supported accommodation for people with disability. The funding was distributed to State and Territory Governments on a potential population basis, with no requirement for matched funding.

This funding is being used to establish new supported accommodation facilities for people with disability. It is anticipated that by June 2012 some 313 new supported accommodation places across Australia will be established. These new supported accommodation facilities, accommodating up to six people each, will be available to:

- people with disability whose parents are ageing and can no longer care for them at home;
- people with disability who may not currently have appropriate accommodation; and
- assist the transition of people with disability from home to other accommodation arrangements and to allow older carers to better plan for the future of their children.

National Disability Agreement reform initiative (c.) - Making Older Carers a Priority

In response to the needs of older carers – The National Disability Priorities Framework is being developed in 2010 and when complete will be presented to relevant Commonwealth, State and Territory Ministers for consideration. This Framework is expected to assist Commonwealth, State and Territory Governments with targeting services to more vulnerable population groups based on relative need (including older carers, and Indigenous people with disability).

This framework will encompass information on supports and future planning services provided to older carer parents as a priority, as well as identified areas of good practice, models of support and gaps in services intended to inform future innovation and development.

4.3 United Nations Convention on the Rights of Persons with Disabilities

The Commonwealth Government is committed to addressing disadvantage and reducing social exclusion so that all Australians are empowered to participate fully in all aspects of Australian life. On 17 July 2008, Australia became one of the first western nations to ratify the *United Nations Convention on the Rights of Persons with Disabilities* (the Convention). While not creating any new rights, all tiers of Australian government now have an obligation to act in accordance with the rights provided for in the Convention.

The Convention aims to enhance opportunities for people with disability, to participate in all aspects of social and political life including access to employment, education, health care, information, justice, public transport and the built environment. In accordance with article 33 (1) of the Convention, the Attorney-General's Department and FaHCSIA have been formally designated as a joint focal point within government for matters relating to the implementation of the Convention.

The Government acceded to the Optional Protocol to the Convention, which came into force for Australia on 20 September 2009. The Optional Protocol enables people to make a complaint that their rights under the Convention have been violated directly to the United Nations Committee on the Rights of Persons with Disabilities when all domestic remedies have been exhausted. Becoming a party to the Optional Protocol affirms Australia's commitment to openness and transparency in meeting our international obligations and reaffirms Australia's commitment to the rights of people with disability.

The National Disability Strategy (see 4.4 below) will be an important mechanism to ensure that the principles underpinning the Convention are incorporated into policies and programs affecting people with disability, their families and carers.

People who are ageing with a disability have the same rights under the Convention as other Australians with disability. The Convention also makes a number of references to the recognition of age-related needs:

- Part (p) in the Preamble notes the difficult conditions faced by persons with disabilities who are subject to multiple or aggravated forms of discrimination on the basis of race, colour, sex, language, religion, political or other opinion, national, ethnic, indigenous or social origin, property, birth, age or other status; and
- Article 8 (awareness raising), Article 13 (Access to justice) and Article 16 (Freedom from exploitation, violence and abuse) also include reference to those who are ageing with a disability.

4.4 National Disability Strategy

The National Disability Strategy (NDS, or the Strategy) is currently being developed between the Commonwealth, States and Territories. It intends to deliver a long term road map to improve outcomes for people with disability and their families. This NDS will work across Commonwealth, State and Territory governments to address barriers faced by people with disability and promote their participation. The Strategy will be released in 2010. Of note:

- a National Disability Strategy (NDS) was one of the key recommendations of the 2007 Senate Inquiry into the Commonwealth, State and Territory Disability Agreement (CSTDA);
- the NDS will provide direction and focus at a national level for the development of disability legislation, policy and standards which deliver a whole-of-government, whole-of-life approach to disability planning; and
- as noted in 4.3 above, the NDS will be an important mechanism to ensure that the principles underpinning the UN Convention on the Rights of Persons with Disabilities are incorporated into policies and programs affecting people with disability (including those who are ageing), their families and carers.

The development of the NDS has included a formal public consultation process and the establishment of the 28 member National People with Disabilities and Carer Council. The Council provides expert advice to Government on the development and implementation of the Strategy. Additionally:

- as the Strategy is being developed jointly with the Commonwealth and State and Territory Governments, a monitoring and reporting process will be developed and will be a means to track the progress of the Strategy;
- the NDS consultation report, *Shut Out: The Experience of People with Disabilities and their Families in Australia*, was launched by the Council and presented to the Commonwealth Government on 5 August 2009. This report will inform the NDS and help governments to identify the barriers and issues facing people with disability, their families and carers, and guide solutions.

The NDS will address both the performance of the disability service system and other mainstream systems for people with disability, their families and carers.

4.5 National Carer Recognition Framework

The Australian Government recognises the massive effort carers undertake in looking after their loved ones at home and the challenges they face and recognises that more work needs to be done to better support carers and the person they care for. On 19 October 2009, Minister Macklin announced that the Government would lead the development of a National Carer Recognition Framework to better recognise and support the valuable contribution carers make to society. The development of a National Carer Recognition Framework comprises the Commonwealth carer recognition legislation and a National Carer Strategy.

The Carer Recognition Bill 2010 was introduced into Parliament on 17 March 2010 as the first element of the National Carer Recognition Framework. Subject to the passage of legislation through Parliament the bill is intended to drive cultural change about the role of carers in Commonwealth Government agencies and funded service providers. The cornerstone of the bill is a 'Statement for Australia's Carers' which sets out how carers should be treated and considered in policy development, program and service delivery. Key principles that are relevant to future services for ageing carers include: carers should be acknowledged as

individuals with their own needs within and beyond the caring role; and that carers should be considered as partners in care with other providers in the provision of care, acknowledging the unique knowledge and experience of carers.

All Commonwealth Government agencies are required to have an awareness and understanding of the Statement and have due regard to the statement when developing human resource policies that significantly affect an employees caring role. Commonwealth Government agencies and funded service providers who provide policies, programs or services directed to carers, or the person they care for, have obligations under the bill to take practical steps to reflect the principles in their dealings with carers. They also have obligations to consult with carers and to report annually on how they have complied with their obligations under the bill.

The National Carer Strategy is the second element of the National Carer Recognition Framework. The National Carer Strategy will shape the long term reform agenda for carers and will guide policy development and the delivery of services for carers. It will ensure policy, programs and services for carers are better coordinated and responsive to the needs of carers throughout the course of the caring role.

The National Carer Strategy will cover carers of people with disability, medical condition, mental illness and the frail aged and will consider the needs of vulnerable carer groups, such as older carers. The Government will work with State and Territory Governments and carers themselves to develop the National Carer Strategy by the end of the year.

4.6 An Inquiry into a National Disability Long-term Care and Support Scheme

The Productivity Commission is undertaking an Inquiry into a national disability long-term care and support scheme. Commencing from April 2010, the Commission will examine the costs, benefits and feasibility of alternative approaches to funding and delivering long-term care and support for people with severe or profound disabilities on an entitlement basis.

- The inquiry will examine a range of options for long-term care and support, including consideration of a social insurance model on a no-fault basis.

This significant initiative follows the September 2009 release of the Disability Investment Group's (DIG) report titled *The Way Forward – A New Disability Policy Framework For Australia*.

The DIG report along with a wide cross section of Australian society had indicated the need for such a feasibility study on a long-term care and support scheme. The report noted that:

‘With increasing numbers of people with disability, decreasing availability of informal carers, and an ageing population, there will be even greater stress in future on the fragmented service system and a growing unfunded liability for families and governments’⁹.

⁹ The Way Forward – A New Disability Policy Framework for Australia, p. 13

Although there are high levels of Commonwealth, State and Territory expenditures toward disability services and support, it is recognised that our nationwide disability support system faces pressures on several fronts, namely:

- population ageing, related to falling birth rates over time, combined with increased average life spans, and projected increased demand for care of disabled and frail aged over the next 25 years;
- biggest impact anticipated from growth in older Australians with disabilities (aged 65 years plus) who are projected to increase by 150 per cent (from 350,000 to 882,000 over next 25 years) and the very old with disabilities (aged 85 years plus) projected to increase by more than 200 per cent (from 80,000 to 260,000)¹⁰; and
- although the number of potential carers is also projected to increase, it will not be at a rate sufficient to match the rate of increased demand.

While Australia's social security and universal health care systems provide an entitlement to services based on need, there is currently no equivalent entitlement to disability care and support services.

Advocates have argued that a long-term care and support scheme would deliver incentives for early intervention, provide certainty for people with disability and their families and encourage efficiency in the disability services system.

The Productivity Commission will undertake the Inquiry and report to Government by July 2011. For more information, the Terms of Reference for the Inquiry can be accessed on the Productivity Commission's website under Inquiry into a National Disability Long-term Care and Support Scheme (see footnote)¹¹.

4.7 Special Disability Trusts - Planning for the Future for People with Disability

Since 20 September 2006, families have been able to establish a Special Disability Trust, which attracts social security means test concessions for the beneficiary and eligible contributors. The purpose of the trust is to assist immediate family members and carers who have the financial means to do so, to make private financial provision for the current and future care and accommodation needs of a family member with severe disability and receive means test concessions.

On 15 May 2008 the Senate Standing Committee on Community Affairs announced an inquiry into Special Disability Trusts. The Committee issued its report on 16 October 2008. The Government tabled its response to the report on 14 May 2009.

As part of the 2010-11 Federal Budget, the Australian Government has announced additional measures to respond to the recommendations of the Senate Standing Committee on Special Disability Trusts.

¹⁰ The cost of caring in Australia 2002 to 2005, AMP.NATSEM Income and Wealth Report Issue 13 May 2006, p. 19

¹¹ <http://www.pc.gov.au/projects/inquiry/disability-support/terms-of-reference>.

From 1 January 2011:

- People with disability who are the beneficiaries of a trust will be able to work up to seven hours a week in the open labour market and still qualify;
- The Trust will be able to pay for the beneficiary's medical expenses, including membership costs for private health funds, and the maintenance expenses of the Trust's assets and properties; and
- The Trust will be able to spend up to \$10,000 in a financial year on discretionary items not related to the care and accommodation needs of the beneficiary of the trust.

These measures build on the Government's initial response to the Senate Standing Committee. As part of the 2009-10 Federal Budget, the Government agreed to the following measures:

- starting from the 2008-09 financial year unexpended income of a Special Disability Trust will be taxed at the beneficiary's personal income tax rates, rather than the highest marginal tax rate;
- from 1 July 2009 the Government will extend the capital gains tax main residence exemption to include a residence that is owned by a Special Disability Trust and used by the relevant beneficiary as their main residence;

As at 31 March 2010, 91 trusts were operating with 423 individuals assessed as eligible beneficiaries (including 91 that are in operation).