



**Submission to the Senate Inquiry
Australian Securities and Investments Commission
(Fair Bank and Credit Card Fees)
Amendment Bill 2008**

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Introduction

This submission is submitted by Carers Australia to the Senate Inquiry into Australian Securities and Investment Commission (Fair Bank and Credit Card Fees) Amendment Bill 2008. In considering this Amendment Bill Carers Australia would request that consideration be given to the financial impact of unfair banking and credit card penalty fees on Australia's carers.

About Carers Australia

Carers Australia is the national peak body representing those Australians who provide unpaid care and support to family members and friends with a disability, mental illness or disorder, chronic condition, terminal illness or who are frail.

Carers Australia's members are the Carers Associations in each state and territory that deliver specialist information, counselling and others services to carers in the community.

Carers Australia is informed about carer issues through its member Carers Associations (the Network of Carers Associations) and its participation in national and international forums.

We believe that all carers are entitled to the same rights, choices and opportunities as other Australians in order to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment and education.

About carers

There are 2.6 million carers in Australia, and nearly 500,000 of these are primary carers – the people who provide the most care (ABS, 2004). Many carers are termed 'sandwich carers or the sandwich generation' because they care for more than one person – a frail parent, and a partner or a child with a disability or chronic condition. The majority of these carers are women.

Carers are an integral part of Australia's health system and are the foundation of our aged and community care system. The annual replacement value of the vital care that they provide is estimated to be over \$30.5 billion (*Access Economics, 2005*).

Nearly 2 million carers are of workforce age, but many have had to leave the workforce, reduce the hours they work, or work below their skill capacity because of their caring responsibility (*ABS, 2004*).

Carers are diverse and each carer has individual support requirements to improve their care situation and quality of life. The majority of carers do not receive government income support, while it is the main source of household income for others.

The impact of providing care on the carer's own health and wellbeing is well documented with many carers experiencing a significant decline in their own physical and mental health, as well as a negative impact on their employment and education prospects, their financial position, and their ability to participate in social and community life (*Cummins RA et al, 2007; Briggs D and Fisher H, 2000 and Gill T, 2007*).

Carers financial position

The 2003 ABS Survey of Disability, Ageing and Carers indicates that carers are over-represented in the lower household income quintiles and under-represented in the higher quintiles, particularly primary carers. (*Australian Bureau of Statistics (2004). 2003 Disability, Ageing and Carers: Summary of Findings, Australia. Canberra.*) This is linked to carers reduced levels of paid employment because of their caring responsibilities.

On average, their gross personal income is more than 25 per cent lower than for non carers. For almost half a million carers, the disparity is even greater at more than 40 per cent.

The majority of carers is of workforce age (18-64 years) and represents 75.6 per cent of all carers, or nearly 2 million carers. However, data reveals that the employment rates among carers are substantially lower than the Australian average, even when standardised for age-gender cohorts. The overall opportunity cost borne by carers has been estimated to be more than \$4.9 billion a year in lost earnings. (*Access Economics, 2005.*) At the same time carers must manage the extra financial costs related to caring such as medication, equipment, transport, therapies, continence products, electricity and alternative care.

Carers who need to rely on the Carer Payment and the Carer Allowance for lengthy periods of caring can be particularly disadvantaged with their reduced capacity to save, accumulate superannuation and fund their retirements. AIHW indicated that 34 per cent of primary carers of children with a disability identified more financial support as their greatest need. (*Australian Institute of Health and Welfare (2006). Disability Updates: children with disabilities, Canberra.*)

Due to strict eligibility criteria for the Carer Payment and the Carer Allowance these payments are difficult to obtain and many carers rely on other forms of government income support payments that may provide less financial support. In 2005-06, 366,960 carers received the Carer Allowance, and only 105,058 carers received the Carer Payment. (*Australian Institute of Health and Welfare (2007). Australia's welfare 2007, Canberra*)

The fortnightly Carer Payment is \$537.70 for a single carer and \$449.10 for each partner of a couple. The fortnightly Carer Allowance is \$98.50. For a single carer recipient of both payments this is over \$200 less than the Federal Minimum Wage. (*Australian Fair Pay Commission – see <http://www.fairpay.gov.au/fairpay/MinWageDecisionJul2007/>*)

The Australian Unity Wellbeing Index on carers health and wellbeing highlights that carers reliant on Centrelink income as their main source of household income had lower wellbeing than carers who did not receive Centrelink income support. Low household income is considered a double jeopardy, as carers already have the lowest wellbeing of any large group surveyed for the AUWI.

This survey also found that carers' satisfaction with their ability to pay for household essentials, ability to save money, to have financial security, and to not worry about income covering expenses are all severely compromised compared with a general population sample.