THE SENATE

FAMILY ASSISTANCE, SOCIAL SECURITY AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (2005 BUDGET AND OTHER MEASURES) BILL 2006

Second Reading

SPEECH

Wednesday, 29 March 2006

BY AUTHORITY OF THE SENATE
Senator BARTLETT (Queensland) (7.16 pm)—The Family Assistance, Social Security and Veterans' Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006 deals with family assistance and social security matters. A lot of them are what might be called minor or technical changes. Some raise income tests thresholds and index income estimates and other sorts of things to do with the family tax benefit part A and B and the child-care benefit.

Having participated in the brief Senate Community Affairs Legislation Committee inquiry into this legislation, it is clear that the almost total area of concern about the legislation concerns the changes regarding the curtailing of the backdating available for new claimants of carers allowance. Having sat through that inquiry and read the submissions, particularly the very valuable, as ever, submission of the Welfare Rights Centre, and listened to the evidence from the department and read their own submission, it totally baffles me as to why the government has put forward this measure to reduce the amount that people claiming carers allowance can get in initial payments from backdating.

It is the sort of measure that you could imagine some sort of razor gang, desperately trying to cut back a multibillion dollar deficit, might slice away at in a desperate bid to try to save $30 million or so here and there, to try and pull the balance back towards the black. But it is the sort of measure that is absolutely unfathomable at a time when we have record budget surpluses—over $10 billion. We get different estimates all the time, and who knows what the final figure for the final budget surplus will be when the financial year ends, because the estimates are always out by so much, but there is no doubt that, at the most conservative end, it will be well and truly over $10 billion.

How we can possibly justify tearing money away from carers at a time when we have billions and billions of dollars in surplus is simply unfathomable. I just cannot see any possible reason. Also, from the evidence given by the department, there seemed to me to be no particular reason. There was no evidence given about what the actual impact would be on certain groups of carers. There were no particular arguments advanced, as far as I could see, as to why carers should be denied the current rates of backdating in the future. It has to call into question some of the statements made by some members of the government over the years about their commitment to carers.

I do not mean to reflect negatively on some of the work of the former Minister for Family and Community Services, Senator Patterson, because she did achieve some positive gains for carers in her time in the ministry—she was still a minister, of course, when the budget went through and this measure was announced. But to see this sort of clawback in this area of entitlements available to a group of carers is simply extraordinary, and it is very hard to comprehend what the rationale could be. Nonetheless, it is being done. I would hope that some members of the Liberal and National parties in the Senate—one or two is all it would take—will vote to knock that schedule out of the legislation. I think there is no justification for it to be in there.

The Senate committee report and the majority recommendation of the government members of the committee—chaired by Senator Humphries—recommended an amendment to allow some discretion for backdating for a longer period if there are issues such as significant financial hardship, and that is welcome. I have not as yet seen a government amendment to reflect that recommendation and I hope there is one. I do not believe it goes far enough. As I said, I do not see any justification at all for removing backdating. It should not be about carers having to demonstrate that they are in a position of significant financial hardship before they get access to the backdating that has been available—at least with regard to caring for children—for a very long period. At a minimum, some modification or amendment such as that should be put in place. My understanding is that an amendment along those lines has been circulated by the ALP.

The Democrats' position is that the measure is unnecessary, it is unfair, it is unreasonable and it will impact on a group in the community that I think would have to be in the upper echelon of groups that really deserve every bit of extra help they can get. So the Democrats' position is that this part of the bill—schedule 6, the schedule that contains this measure—should simply be removed. I will move in the committee stage to take that
measure out of the legislation. We support the rest of the legislation, although there are other comments that I have made as additional comments in the committee’s report regarding one or two other matters. But that section of the legislation dealing with carers allowance should be removed. As a fallback, we would expect to support the ALP amendments, subject to any issues that may be raised or that may be brought forward in the committee stage of the debate.

I emphasise again the detail of carers allowance and how it operates. It is a payment that, as was clear from the evidence before the committee inquiry, a lot of people are not aware of. People may be aware of carers payment or what is often thought of as ‘carers pension’, but carers allowance is a separate payment. It is quite a small payment. I think it is around $90 or so a fortnight, from memory, or a little more than that. It is not a huge amount; it is a supplement. It is not an income support payment; it is a supplement to recognise the significant extra costs involved in caring. It is not just straight-out expenditure but costs in terms of lost earning opportunities or other lost opportunity costs on the part of the carer.

A lot of people are not aware of that extra payment. I can speak from my own experiences, a long time ago now, when I worked in the then Department of Social Security as a social worker. I think most of, if not all, the claims for the then child disability allowance, which was the forerunner of the carers allowance, would go past the social worker to do an assessment, because it is not just a medical assessment of the condition; it is an assessment of the amount of extra care that is required because of the condition that a child—or, under carers allowance, an adult—brings to bear on a family member. It was a fact even at that stage that a lot of people who applied for a child disability allowance—and the same applies now to carers allowance—are not aware that the payment exists. Many people who could claim would have been providing significant extra care for their child for quite a long period of time, years in some cases, before they became aware that there was this extra payment that could assist them. Evidence was provided to the inquiry that that is clearly still the case.

It is a payment that is not income tested. I think the department actually provided some statistics in regard to this. A percentage of people on carers allowance receive not only no income support payments but also no other payments at all from Centrelink. Many people who are in that circumstance, who are in the higher income earning situation, just would not realise that this sort of payment through Centrelink would be available to them, because they would assume their income would disqualify them. So there are many people who are not aware of their potential eligibility for this payment.

I welcome the recommendations in the report from all the senators, including government senators, that there should be a comprehensive education campaign aimed at medical practitioners and others charged with assessing the care needs of individuals to improve awareness of the availability of assistance for carers and emphasising the existence of the carers allowance entitlement. That is welcome, and I think that should be implemented as a matter of urgency. It was clear from the evidence to the committee that there was no budget or plan to do that, but I believe it is important that that is done.

This is not just an ordinary income support payment; this is a payment to assist a group of people in the community who, quite frankly, save the taxpayer enormous amounts of money. The amount of money that will be saved if this measure goes ahead is, according to the department’s figures, not much over $30 million a year. That is less than half the amount this government saw fit to spend last year on promoting their own industrial relations policy. They are happy to grab that amount of money straight from the taxpayer to promote their own policies and overcome political difficulties, yet they cannot see fit to provide even half that amount to assist people who provide significant care for their children. I think that sends a very strong and very negative message to the community about how carers are recognised. I again urge all coalition members to rethink this matter.

I also indicate another reason many people should be eligible for backdating. The fact is that this level of backdating has been in place since the old days of the child disability allowance. The child disability allowance was merged with another payment which related to adults, which I acknowledge did not have backdating at that time, to create the carers allowance. Currently people can be eligible for backdating of up to 12 months if they are caring for a child or children and up to six months if they are caring for an adult who has had acute onset of their condition. So it is not as though it is just some recent piece of generosity that is now being wound back again; it has been in place for a long period of time and it has been there for very good reasons, some of which I have outlined. But also, as the evidence clearly showed, when you are talking about children, particularly young children, it takes quite a period of time for many conditions before parents become aware of precisely what condition their children may have. So they spend more of their time trying to get diagnoses and trying to get assessments, and they are not thinking of themselves as having additional caring burdens at that stage.
By the time they get around to applying for carers allowance, they may well have already been putting in enormous amounts of extra hours for years before recognising that this is an ongoing reality that they are going to have to live with for a prolonged period of time. To deny them that little bit of extra assistance up front by way of backdating when they first get around to claiming carers allowance is, I think, miserly in the extreme and really sends a message back not only that caring is not being valued but that there is a lack of recognition of the reality of the experience that many carers go through, particularly when it involves children with extra needs, the nature of which takes a while to ascertain.

The amount that recipients of carer allowance child will lose potentially will be close to $1,900. Many people—on the department’s own figures, about 40,000 people a year—will lose access to that $1,900 when they first apply for carer allowance. That is not a fortune by any means. As Labor senators pointed out, there are people who get much more than that under the family tax benefit B, which is also not means tested. Millionaire families can be paid up to $3,300 a year under family tax benefit part B, but for some reason or other paying $1,900 by way of backdating carer allowance, recognising the caring that people have already done, is seen as unacceptable. The best they could come up with for excuses or rationale was that it would standardise or rationalise the backdating period available. It does not particularly standardise it. It certainly does not standardise it with any other payments to bring it back down to 12 weeks maximum. I am not sure how you can apply the word ‘rationalise’, either, in regard to what is being done here. What is being done is simply a withdrawal of entitlement to claim backdated payment for carer allowance, a withdrawal that will cost up to 40,000 people each year $1,800 or $1,900. It is unsatisfactory and demonstrates a lack of recognition of what it is like to be in the shoes of many parents in particular who find themselves in this situation with their children.

When we pass legislative measures in this place, it is particularly important to think about the circumstances of the men, women and children—the families—that these measures will affect, to put ourselves in the shoes of people who are caring for children or other adults, to put ourselves in the shoes of parents who have become aware that their child may have special needs but are not able to nail down precisely what those needs are. Examples were given during the Senate committee inquiry in relation to a condition that is becoming far more prevalent and much more recognised in recent times—autism spectrum disorder. Many times this disorder is diagnosed when children become three, four or five years old. It can take quite a long time before it is clearly diagnosed. It has different characteristics for different people and different children. So the nature of it, the level of care and the type of care that may be required can take a very long time to specify and, I might say, can also require quite a lot of expenditure. All parents are willing to assist their children but most parents do not immediately think, ‘Is there some payment for me as a result of my needing to do this?’ It is not until a long way down the track that those sorts of things might spring to mind when they realise how much expense, time and extra activity can be involved in dealing with children with, for example, an autism related condition.

More and more young people are being diagnosed with this condition as awareness of its nature and variety becomes apparent and more skill is developed in the professions that look for these sorts of conditions. These cases relate precisely to the sorts of things that carers allowance can provide for. I recall a couple of cases in particular back in the late 1980s with applications for disability allowance for children with an autism related condition. That sort of condition is not as straightforward as a physical disability, in some respects therefore making it all the more difficult to assess precisely how much extra care is required and the nature of that care. Failure to recognise that conditions like autism spectrum conditions involve a lot of extra time, care, attention and cost can add to the difficulty and trauma for parents trying to deal with the situation. That to me is a broader concern with measures like this—a lack of recognition of the nature of what many parents are going through, a lack of recognition of the seriousness of the situation and, I might say, a lack of recognition of just how important it is that children with extra needs get that care.

It is always possible and it does occur with some parents, whether through financial necessity or lack of awareness, where they just let things go. If extra assistance is not provided at an early age, 10 years down the track the child, in particular, and the family and society as a whole will pay the price. Measures like this can be false economies and we will pay the price for them. The simple fact is that carers will pay the price straightaway if this measure goes through. I urge all coalition senators to think carefully before they allow it to become a reality.