

Carers NSW position statement: Carer income support and COVID-19

Last updated 29 June 2020

Carers NSW has been closely following the development of the COVID-19 pandemic and the impacts of the COVID-19 pandemic on carers living in NSW and the people they care for. Through consultations with carers and other stakeholders, and the collection of carer case studies, economic impacts relating to employment and income support changes are apparent. In particular, a number of carers have expressed disappointment and frustration with the Government's decision not to apply the Coronavirus Supplement to the Carer Payment and Disability Support Pension.

Carer and stakeholder insights

As at 29 June 2020, Carers NSW had received 62 Coronavirus related Policy Advice Form's (PAFs) since 21 March 2020. Within these entries, increased financial support for carers was raised 16 times (26% of cases), with the extension of the Coronavirus Supplement to Carer Payment being most commonly raised theme (8 mentions).

Financial support

Of PAFs calling for additional financial support for carers, 5 gave no specific reasoning, however, reasons for increased financial support were:

- increased living costs associated with COVID-19 (5 mentions)
- recognition of the caring role (6 mentions)
- increased caring role due to COVID-19 resulting in reduced paid employment (3 mentions)
- general financial hardship (3 mentions)
- COVID-19 related general reduction in employment (2 mentions) and
- current measures are discriminatory (1 mention).

Increased costs

Carers NSW has heard from carers and stakeholders that carers have faced increased costs during COVID-19. Carers or individuals completing PAFs on behalf of carers noted costs associated with:

- increased work to find essential supplies (7 mentions)
- increased costs of groceries including delivery costs (4 mentions)
- costs of equipment for young carers to participate in remote education (3 mentions)
- increased costs of medication (2 mentions) and
- increased costs associated with transport (ie. Taxis), special dietary requirements and tech equipment to meet COVID-19 related needs (1 mention).

Further evidence

In addition to collecting carer case studies, Carers NSW also conducted a series of five consultations with a total of 30 key stakeholders in April 2020, including Carers NSW Carer Representatives.¹ Stakeholders reported that carers have faced increased costs during COVID-19 having to self-fund Personal Protective Equipment (PPE) for themselves or care workers attending the home, and additional costs associated with funding IT equipment, internet connection and alternative recreational activities for their care recipient to keep them mentally and socially active during COVID-19 in lieu of day programs and community based activities.

A survey of carers conducted by the Caring Fairly coalition in April and May 2020² found that 71% of respondents (n=471) experienced increased living costs and 58% reported having to spend more money on support for the person they care for. The top categories where carers reported increased costs were: groceries, cleaning, healthcare and medication.

In addition to increased living costs, many carers reported reduced income due to COVID-19 with over one third (37%) reporting that they lost some or all of their regular income as a result of the COVID-19 outbreak. Further, 37% of carers had worked fewer hours due to an increase in their caring role, 22% had worked fewer hours due to COVID-19 related workforce impacts and a further 10% had lost their jobs completely. The survey found that of the approximately 30% of respondents who were receiving the Carer Payment, 12% have lost what work they did have, and a further 64% have had to reduce their hours due to COVID-19.³

Eligibility for the Coronavirus Supplement

The \$550 per fortnight Coronavirus Supplement was announced on 22 March 2020 as a time-limited measure supporting existing and new recipients of a number of income support payments. The Supplement was to be paid for six months (from 27 April 2020) on a fortnightly basis to recipients of eligible payments, ultimately including: JobSeeker Payment, Partner Allowance, Widow Allowance, Sickness Allowance, Youth Allowance, Austudy, ABSTUDY Living Allowance, Parenting Payment, Farm Household Allowance, and Special Benefit.⁴ This measure was in addition to, and separate from, the \$750 stimulus payments to be paid in two lump sums (on 31 March 2020 and 13 July 2020) to social security and veteran income support recipients and eligible concession card holders, including pensioners, who would not be eligible for the Coronavirus Supplement.⁵

Extending eligibility to Carer Payment and Disability Support Pension recipients

Carers Australia, ACOSS and the Greens have been vocal in advocating for Carer Payment and Disability Support Pension recipients to be eligible to receive the Coronavirus Supplement. In support of this position, the Greens moved for the Coronavirus Supplement to be extended to the Carer Payment and Disability Support Pension in the Senate on two occasions, with the motion voted down both times.⁶

The Australian Government explained in the Senate Inquiry into the Australian Government's response to COVID-19, that the Coronavirus Supplement was intended to offset the economic impacts of COVID-19 on the workforce and therefore was not intended or considered to be applied to the Carer Payment or other pensions.

***“Ms Campbell [Secretary, DSS]:** The supplement was about those people who were engaging in the workforce, looking for work or already engaging in the workforce. Those on payments such as carer payment, disability support payment and the age pension, which didn't receive the supplement, weren't engaging in the workforce.”⁷*

The Greens then introduced the *Coronavirus Economic Support and Recovery (No-one Left Behind Bill 2020*, reiterating calls for Carer Payment and DSP recipients to receive the Supplement, with Greens Senator Siewert citing WHO recommendations that governments provide targeted financial compensation for people with disability, their families and carers.⁸

Carers NSW position extending the Coronavirus Supplement

While Carers NSW recognises the economic impact of COVID-19 on carers, including the many carers who are in some paid employment alongside receipt of Carer Payment, we do not believe that the application of the Coronavirus Supplement to the Carer Payment and Disability Support Pension is the appropriate policy response.

As with the Disability Support Pension and Age Pension, Carer Payment is paid at a higher rate than JobSeeker Payment in recognition of significant, ongoing barriers to paid employment, in this case due to the demands of the caring role and higher living costs associated with caring for someone. The Carer Allowance, on the other hand, is at a much lower rate than JobSeeker at only \$131.90 per fortnight, in recognition of the additional costs associated with caring. It is not, however, intended to replace earned income and has a relatively high income test of \$250,000 per household.

Carers receiving Carer Payment and Carer Allowance are also able to access a number of additional financial supports, such as the Pension Supplement and Carer Supplement, which those receiving JobSeeker Payment may not be able to access. During the Coronavirus pandemic, Carer Payment and Carer Allowance recipients are also eligible for the two \$750 stimulus payments.

Taking these differences into account, the variation between the Carer Payment with Pension and Energy Supplements and the JobSeeker Payment with Coronavirus Supplement is only \$185.50 per fortnight, or a total of \$2,411.50 for the entire Coronavirus Supplement period of 13 fortnights; or \$911.50 after the two stimulus payments are applied (see Table 1). This does not account for the Carer Allowance that Carer Payment and other pension recipients who are carers are also able to access (see comparison below in Table 1), which actually advantage Carer Payment recipients overall. The discrepancy between the Carer Allowance alone and JobSeeker Payment, however, is significantly more, at \$11,289.40.

Table 1: Comparison of Carer Payment with add-ons, Carer Allowance and JobSeeker Payment with Coronavirus Supplement

	Carer Payment (or other pension) (\$860.60) incl. Pension Supplement (\$69.60) and Energy Supplement (\$14.10)	Carer Payment (or other pension) (\$860.60) incl. Pension Supplement (\$69.60), Energy Supplement (\$14.10) and Carer Allowance (\$131.90)	Carer Allowance	JobSeeker Payment (or other eligible payment) incl. Coronavirus Supplement
Maximum rate for a single person (per fn)	\$930.20	\$1,076.20	\$131.90	\$1,115.70
Total amount over 13 fortnight period	\$12,092.60	\$13,990.60	\$1,714.70	\$14,504.10
Total amount over 13 fortnight	\$13,592.60	\$15,490.60	\$3,214.70	N/A

period once second stimulus payment (\$750) applied				
Difference from JobSeeker with Coronavirus Supplement	\$911.50	-\$236.50	\$12,039.40	N/A

Alternative options

Revising income support levels is not the only way of addressing financial hardship among carers, especially as most carers do not receive an income support payment.⁹ In depth analysis should indeed occur to determine what extent discrepancy between payments is a factor in carers' financial hardship and whether rectifying this in the short to medium term would be the most effective and cost-effective solution. Other approaches, however, such as reducing living costs and other costs that have risen during the pandemic, should also be explored as a matter of urgency.

Should addressing income support discrepancies be a priority, there are several options that have been put forward other than universal application of the Coronavirus Supplement which Carers NSW believes would be a better fit within the structure and purpose of the various income support payments. These include, but are not limited to:

- A temporary increase to Carer Payment (along with all pensions¹⁰) and Carer Allowance to acknowledge the additional costs and loss of income experienced by carers during COVID-19. This could bring the Carer Payment up to the same rate as JobSeeker including Coronavirus Supplement but be applied as an equivalent percentage increase to the Carer Allowance, noting its different purpose.
- A temporary increase to the Pension Supplement to bring pensions including Carer Payment into alignment with JobSeeker Payment with Coronavirus supplement.¹¹
- A third economic stimulus payment for all pension recipients and those receiving Carer Allowance.¹²

Carers NSW believes the application of a third economic stimulus payment for all pension and Carer Allowance recipients would be the most efficient and reasonable method for addressing the disparity between pension rates and the JobSeeker Payment including the Coronavirus Supplement. A third payment could also be applied to recipients of Carer Allowance, potentially at the original rate of \$750, or at the same rate as for the pensions, for consistency.

¹ Carers NSW (2020), *The COVID-19 Pandemic: Challenges and opportunities for carers in NSW, Consultation report, May 2020*. Available online at: <http://www.carersnsw.org.au/Assets/Files/Carers%20NSW%20COVID-19%20Consultation%20Report.pdf>, viewed 22 May 2020.

² Caring Fairly (2020), *COVID-19 Carer Survey: Summary of Results*, available online at: <https://www.caringfairly.org.au/sites/default/files/2020-05/Caring%20Fairly%20COVID19%20survey%20results%20%281%29.pdf>, viewed 21 May 2020.

³ Carers Australia (2020), *Survey of family and friend carers reveals them doing it very tough during COVID-19 pandemic* [Media Release] 21 May 2020.

⁴ Prime Minister (2020), *Supporting Australian workers and business*, available online at: <https://www.pm.gov.au/media/supporting-australian-workers-and-business>, media release published 22 March 2020; Services Australia (2020), *Coronavirus Supplement*, available online at: <https://www.servicesaustralia.gov.au/individuals/services/centrelink/coronavirus-supplement>, last updated 28 April 2020.

⁵ Prime Minister (2020), *Supporting Australian workers and business*, available online at: <https://www.pm.gov.au/media/supporting-australian-workers-and-business>, media release published 22 March 2020; Services Australia (2020), *Coronavirus Supplement*, available online at: <https://www.servicesaustralia.gov.au/individuals/services/centrelink/coronavirus-supplement>, last updated 28 April 2020.

⁶ The Greens (2020), *Senate does not support Greens motion calling for disabled people to receive increase in support* [Media Release] 14 May 2020.

⁷ Senate (2020), *Senate Select Committee on COVID-19: Australian Government's response to the COVID-19 pandemic* [Hansard] 30 April 2020.

⁸ Senate (2020), *COVID-19: Economic support and recovery. Motion moved by Senator Siewert* [Hansard] 12 June 2020.

⁹ According to Department of Social Services Payment data as at December 2019, 284,252 Australians received Carer Payment; while according to the 2018 Survey of Disability, Ageing and Carers there are approximately 2.7 million carers.

¹⁰ The Greens (2020), *Senate does not support Greens motion calling for disabled people to receive increase in support* [Media Release] 14 May 2020.

¹¹ Physical Disability Council of NSW (PCDN) (2020), *Briefing to Sector – DSP and Carer Payment increase*.

¹² Carers Australia (2020), *Survey of family and friend carers reveals them doing it very tough during COVID-19 pandemic* [Media Release] 21 May 2020.