



## Budget 2018: What it means for carers

Set out below is an overview of the key 2018-19 federal Budget measures that may affect carers.

There may be other relevant measures that are not included in this overview and more detailed information can be found at [www.budget.gov.au](http://www.budget.gov.au)

Call the Department of Human Services (Centrelink) for information about income support payments:

- **carers** (Carer Payment and Carer Allowance) Mon to Fri 8 am to 5 pm on **132 717**
- **families** (Family Tax Benefit, Child Care Benefit, Parenting Payment, Double Orphan Pension, Baby Bonus) Mon to Fri 8 am to 8 pm on **136 150**
- **people with disability** (Disability Support Pension, Mobility Allowance, Sickness Allowance) Mon to Fri 8 am to 5 pm on **132 717**
- **students and trainees** (Austudy, Low Income Health Care Card, Pensioner Education Supplement, Youth Allowance) Mon to Fri 8 am to 5 pm on **132 490**, or for ABSTUDY Mon to Fri 8 am to 5 pm on **1800 132 317**

## **Please note that Budget measures must be passed by Parliament before they can come into effect**

### **Summary**

The Budget included the measures to design and fund an integrated service delivery system to carers that was announced in by the Minister for Social Services in March.

There were announcements to help older people remain independent and stay in their homes for longer, particularly by providing more home care packages. There were also changes announced to funding for residential aged care facilities.

Carers Australia supports these measures, but would like to see measures that would increase access to respite care. We are also concerned that increases to the number of home care packages do not go far enough.

There were also measures that will place greater financial strain on carers and people with care needs, including the extension of the Newly Arrived Residents Waiting period to four years and the extension of the waiting period to Carer Allowance, Family Tax Benefit, Paid Parental Leave and other payments. Carers and people with care needs may also have compulsory deductions made from their payments to pay for fines imposed by state and territory courts, and Disability Support Pensioners in prison for longer than 13 weeks will have their payments cancelled, rather than suspended.

The Government has also announced measures to provide continuity of support to people who currently access disability support services, including employment, but are not in the National Disability Insurance Scheme (NDIS), however it is not clear specifically which services are in scope although we would expect them to include mental health services.

### **Income testing the Carers Allowance**

#### **What has changed?**

New application of an income test of \$250,000 a year to the Carer Allowance, the associated Carer Supplement and the Carer Allowance Child Health Care Card Only.

#### **Who does this affect?**

Families with a household income of \$250,000 or more per year will no longer be eligible for Carer Allowance or the Child Health Care Card Only. It is expected that 1 per cent, or 7000 Carer Allowance recipients will be affected and around 400 holders of the Carer Allowance (Child Health Care Card Only).

### **Continued support for people ineligible for the National Disability Insurance Scheme**

#### **What has changed?**

Support will continue for a further five years for people receiving support from programs currently transitioning to the NDIS.

#### **Who does this affect?**

At this stage, it is unclear which programs will be affected, including whether it will include carer services that are being absorbed into the NDIS.

## Health and replacement care for older people

### What has changed?

Funding for residential aged care and for home care will be combined from 1 July 2018, so that it can more flexibly meet demand.

There will also be new funding to provide:

- 14,000 new high level home care packages over four years, bringing the number of new places to 20,000 since the 2017 Budget
- 13,500 residential aged care places
- 775 short term restorative care places
- additional aged care places in remote Indigenous communities
- additional aged care facilities in rural, regional and remote communities
- greater access to mental health care services for older people in residential aged care facilities and in the community.

The My Aged Care website will also be improved to make it easier to use and to simplify assessment forms.

## Extension of volunteer program for aged care visitors

### What has changed?

The Government will provide \$46.1 million to local organisations to continue to recruit volunteers to participate in the Community Visitors Scheme, spending time with older people living in residential aged care facilities and in private homes.

## Disability Employment Services

### What has changed?

There will be an additional \$300 million over 10 years for the Disability Employment Service Program to implement new reforms expected to improve outcomes to jobseekers with disability.

### Who does this affect?

Jobseekers in the NDIS will have greater flexibility and choice when using specialist employment services and providers greater incentives to find sustainable employment even for hard to place jobseekers.

## Extension of the Pensioner Loan Scheme

### What has changed?

Currently, the Pensioner Loan Scheme (PLS) enables part pensioners and some self-funded retirees to draw a fortnightly payment, up to the rate of Aged Pension, against the value of their assets, similarly to a reverse mortgage from a bank. The PLS is being extended from part pensioners and those self-funded retirees who would have some pension payable under the assets or income test, but not when both are applied together, to all pensioners and self-funded retirees, with payments increased to up to 150 per cent of the Aged Pension rate. The interest rate, charged is 5.25%, will not change.

### Who does this affect?

Everyone over the age of 65 years who owns their own home (or another significant asset), will be able to draw on the value of their home to receive up to 1.5 times the rate of Aged Pension.

## Residency requirements for Government payments

### What has changed?

Announced in the Mid Year Economic and Fiscal Outlook (MYEFO) statement, the existing two year newly arrived residents waiting period, which applied to Carer Payment and other income support payments, was to be extended to three years and applied to payments that were not affected previously, including Carer Allowance, Family Tax Benefit and Paid Parental Leave. This measure proposes to extend the waiting period to four years.

This measure is strenuously opposed by Carers Australia and many other organisations, and was recently the subject of an Inquiry by the Senate Community Affairs Committee. The Committee will report on 18 May 2018.

It is not clear whether this measure will be passed by the Senate.

### Who does this affect?

Recipients of government payments, including carers and people with care needs, with less than four years' permanent residency, except for humanitarian entrants (asylum seekers and refugees).

## Welfare Payment Infrastructure Project

### What has changed?

The Government has committed to continuing the Welfare Payment Infrastructure Project (WPIT) to continue replacement of the ageing Centrelink IT system, with greater automation of the claim processing and payment system. This funding had been allocated in previous Budgets.

### Who does this affect?

There has been some additional automation for student payments and the next area of work will be for carer claims, processing and payments.

## Data sharing and release arrangements

### What has changed?

The newly established National Data Commissioner will develop guidance to agencies on sharing and managing data and the ethical use and protection of data. The Australian Bureau of Statistics will advise and support agencies on release of aggregate (de-identified data).

### Who does this affect?

This will be relevant to the WPIT project and other data sharing arrangements involving Centrelink payment recipients.

## Reduce Centrelink call wait times

### What has changed?

The Government will increase funding to the Department of Human Services to reduce call waiting times and improve processing times.

### Who does this affect?

Intended to improve services, including call wait times and processing claims and other documentation, for Centrelink customers.

## Cancellation of Disability Support Pension for prisoners

### What has changed?

Currently, people receiving Disability Support Pension (DSP) who are serving prison terms can have their payments suspended for two years. This means that the payment can be immediately reinstated upon release. From 1 January 2019, DSP prisoners will have their payment cancelled after 13 weeks.

### Who does this affect?

DSP recipients who are in prison for more than 13 weeks will have their payments cancelled (rather than suspended), so that they will have to reapply for DSP on their release.

## Deduction from, and suspension/cancellation of payments for outstanding state and territory fines and warrants

### What has changed?

Subject to negotiation with the states and territories, payments for fines will be able to be deducted from income support payments, and those payments may be suspended or cancelled altogether for people who have outstanding arrest warrants for criminal offences.