

Policy Profile for Compensating Family Caregivers

Australia



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A project of the "Hidden Costs/Invisible Contributions: The Marginalization of 'Dependent' Adults" research program.



Introduction and Overview

'Hidden Costs/Invisible Contributions: The Marginalization of "Dependent" Adults' (HCIC) is an international, collaborative program of research designed to create a deeper understanding of the place of those characterized as "dependent" in society, specifically, older adults and those persons with disabilities or chronic illness.

The research is divided into four Themes. Theme 3 – Impact of Public Policy on Costs and Contributions – includes a critical examination of national level policies and programs aimed at financially compensating caregivers of dependent adults in ten countries. Policy Profiles have been developed for Australia, Canada, France, Germany, Israel, Netherlands, Norway, Sweden, United Kingdom, and the United States.

These Policy Profiles describe national level direct compensation (e.g. allowances) and indirect compensation (e.g. tax relief) policies for family caregivers. National labour policies that support employed caregivers are also included. Information presented is the result of a systematic review of articles, reports, and websites. The Profiles were reviewed by decision makers and researchers familiar with the country's public policy.

This Profile describes national level policies and programs that offer compensation for family caregivers in Australia, and summarizes the social policy context for supporting family caregivers.

Home Care in Australia

Australia is a democratic, federal country divided into 6 states and 2 territories, with a multicultural and indigenous population of almost 20 million.

Since 1983, the federal government has been shifting long-term care towards community-based care. The Home and Community Care Program (HACC) is jointly funded and administered by federal and state governments. It provides services ranging from home support (help with laundry, meals, transportation) to more intensive personal and nursing care.

Key initiatives helping caregivers include HACC, started in 1992, and the National Respite for Carers Program (NRCP), started in 1996. The HACC established a range of services to assist caregivers and is significant because it recognized caregivers as clients in their own right. The NRCP provided caregivers with access to information, advice, counseling and respite services.



Highlights

- % 65 years and older – 12.6% (2001)
- % of 65+ institutionalized – 6% (1998)
- % of disabled persons – 20% (2003)
- % of women in labour force – 44% (2000)
- % of people requiring daily care – 4.1% (2000)
- % gdp for long term care - 0.9% (1992-95)

Caregiver Highlights

The Australian Bureau of Statistics reports that in 2003, 2.6 million Australians were providing care, representing about 8.5% of the total population. Of these, 19% are classed as "primary carers" – someone who provides the most informal assistance to a care receiver. Additionally:

- 54% of all caregivers are women.
- 71% of primary caregivers are women.
- 24% of primary caregivers are aged 65 and over.
- 78% of primary caregivers cared for someone living in the same household.
- 37% of primary caregivers spent on average 40 hours or more per week providing care.

National Compensation Initiatives for Caregivers

Direct Compensation

Initiative	Carer Allowance
Target Group	<ul style="list-style-type: none"> • Caregivers of a child or an adult with a disability or severe medical condition, or frail aged.
Eligibility Criteria	<ul style="list-style-type: none"> • Adult care receivers must meet a minimum level of care needs under the Adult Disability Assessment Tool. • Caregiver must be living with the care receiver, or if not living with the care receiver must provide personal care on a daily basis for a minimum of 20 hours per week. • Care must be provided in the caregiver or care receiver's home.
Income Tested	<ul style="list-style-type: none"> • No.
Entitlement	<ul style="list-style-type: none"> • As of June 2004, payment is \$90 AUD biweekly (\$89 CAD) and nontaxable. • Indexed to increase annually with general cost of living index. • Caregiver can receive the Carer Allowance for up to two adults if both individually qualify.

Initiative	Carer Payment
Target Group	<ul style="list-style-type: none"> • Caregivers who are unable to participate substantially in the workforce due to caregiving responsibilities for a child or adult.
Eligibility Criteria	<ul style="list-style-type: none"> • No co-residency requirement, but care must be provided in the home of the care receiver. • Adult care receivers must have a severe disability or medical condition as assessed by the Adult Disability Assessment Tool, or a moderate level of care needs and supervision of a dependent child that needs care. • Care receiver must be eligible for social security benefits. • Caregiver can participate in employment for up to 20 hours per week.
Income Tested	<ul style="list-style-type: none"> • Income and asset tested for caregiver and care receiver with levels based on household composition - single, couple, couple separated by illness, and number of children. • Asset test levels vary based on home owner/non-home owner status.
Entitlement	<ul style="list-style-type: none"> • Maximum payment is \$464 AUD biweekly (\$459 CAD) for a single person, and \$387 AUD (\$351 CAD) biweekly per person for couples. • Taxable once the caregiver or care receiver reaches Age Pension age. • Payable for up to 63 days in a calendar year during a period of respite or while the care receiver is in hospital. • Recipients may also be entitled to a number of additional payments and benefits such as Education Entry Payment, Employment Entry Payment, and Rent Assistance.

National Compensation Initiatives for Caregivers

Direct Compensation

Initiative	Veteran's Attendant Allowance
Target Group	<ul style="list-style-type: none">• Veterans with specific disabilities who have an attendant.
Eligibility Criteria	<ul style="list-style-type: none">• Care receiver has a war or defence caused condition arising from service rendered prior to July 1, 2004.• Care receiver must be in receipt of DVA Disability Pension.• Caregiver must not be in receipt of Carer Payment.• Care receiver helps with feeding, bathing, dressing and other activities of daily living.
Income Tested	<ul style="list-style-type: none">• Income tested for caregiver only.
Entitlement	<ul style="list-style-type: none">• Rate ranges from \$236 AUD biweekly (\$219 CAD) to \$464 AUD biweekly (\$459 CAD).

Indirect Compensation

Initiative	Invalid Relative Tax Offset
Target Group	<ul style="list-style-type: none">• Caregivers of an invalid relative.
Eligibility Criteria	<ul style="list-style-type: none">• Invalid relative must be a dependent who is maintained by the caregiver either by residing together, or providing food, clothing or lodging, or by helping to pay for their living, medical and educational costs.• Invalid relative is a person 16 years or older who is the caregiver's child, brother or sister who gets a disability support pension or special needs disability support pension, or has a medical certificate stating that they have a continuing inability to work.
Entitlement	<ul style="list-style-type: none">• The maximum offset is \$691 AUD (\$627 CAD) for each dependent invalid relative for the income year 2003-2004. The maximum only applies if the dependent invalid relative has a separate net income of less than \$286 (\$259 CAD), and is a dependent for the full income tax year.• A part-year tax offset will apply if the caregiver maintained the dependent relative for only part of the year, or the dependent invalid relative resided in Australia for only part of the year.• A reduced tax offset is available if the dependent relative's net income exceeds \$286 AUD (\$259 CAD).• The offset may be shared if more than one person contributed to care of the dependent invalid relative.

Current Issues and Debates

The situation for caregivers in Australia continues to improve. Caregiver organizations in Australia are well organized and provide a strong, unified advocacy voice. Carers Australia is the main organization representing caregivers in Australia. The Australian Government provides funding to this organization and also contributes to Carers' Week activities and national caregivers' conferences.

In May 2004, a \$461 million Carers' Package was announced in the 2004-05 Federal Commonwealth Budget. Highlights of the proposed package include:

- A one time, tax-free, Carer Bonus of \$1000 to recipients of the Carer Payment and \$600 to recipients of the Carer Allowance. These payments were made in June 2004.
- Expanded eligibility criteria for the Carer Allowance to enable caregivers who provide at least 20 hours of care per week to a person with a disability, but do not live with the care recipient, to receive the payment. This change was enacted in September 2004.
- Expanded access to in-home respite care, in addition to a range of information, referral and advice services, for young caregivers under age 25. Expanded access to respite services for aging caregivers of adult children with disabilities.

Despite these advancements, the extent to which carers should have access to more cash benefits rather than services has been a subject of debate in Australia. Younger people with disabilities and their carers are stronger advocates for consumer-directed care than are frail older people and their carers.

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For additional information on the HCIC project, please visit
<http://www.hecol.ualberta.ca/rapp/mcri.htm>

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The author accepts full responsibility for any errors or omissions in the information presented in this profile.