



Carers Queensland Inc.

**Submission to the
Australian Financial System Inquiry 2013**

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Family carers provide unpaid care and support to family members and friends who have a disability, mental illness, chronic medical condition, terminal illness or are frail aged.

The activity and impact of providing care is best understood in terms of its context; as a relationship between two or more individuals, rooted in family, friendship or community. Caring is a role rarely chosen by most, nor does it discriminate. Children and young people, people of working age and older people, people with a disability, people who identify as culturally and linguistically diverse, indigenous Australians and those living in rural and remote Queensland provide care to a family member or friends on a daily basis. For some caring is a short term commitment whilst for others, it is a role that literally lasts a lifetime.

Carers Queensland Inc. is the peak body representing the diverse concerns, needs and interests of carers in Queensland. Carers Queensland believes that all carers regardless of their age, disability, gender identification, sexuality, religion, socioeconomic status, geographical location or their cultural and linguistic differences should have the same rights, choices and opportunities and be able to enjoy optimum health, social and economic wellbeing and participate in family and community life, employment and education like other citizens of the State. Carers Queensland's mission is to improve the quality of life of all carers throughout Queensland.

We believe we are in a unique position to advocate on behalf of, the 484,400¹ carers living in Queensland. We aspire to provide an independent platform from which to advance the issues and concerns of carers and believe our knowledge and expertise in carer issues means that we are able to provide the Government with relevant and trusted information that will ensure that the needs of carers will be recognised, respected and acted upon. Our ambition is to ensure that carers are recognised and included as active partners in the development of government health and social policy, legislation and service delivery practices.

This submission reflects the concerns of Queensland's carers, those citizens who provide unpaid care and support to vulnerable family members and friends. This submission has been informed by consultation with Queensland's carers and Australian and international research.

KEY AREAS OF RELEVANCE REGARDING THE INQUIRY'S REVIEW

Inquiry objective - Recommendations will be made that foster an efficient, competitive and flexible financial system, consistent with financial stability, prudence, integrity and fairness.

Terms of reference - The current cost, quality, safety and availability of financial services, products and capital for all end users.

RECOMMENDATIONS

Carers Queensland recognises that the fringe lending sector is used by many carers to meet their financial needs either on a regular or ad hoc basis. Acknowledging this Carers Queensland respectfully recommends that the Financial System Inquiry reviews and assesses:

- 1. The adequacy of the National Consumer Credit reforms to ensure the prudent and responsible operation of the fringe lending sector to meet the persistent need of the most financially excluded from society and*
- 2. The adequacies of recent legislative changes to appropriately protect those people who can least afford to buy expensive credit.*

CONTEXT - CARERS AND FINANCIAL VULNERABILITY

In support of our recommendations we provide the following contextual information and supporting data.

Carers are, by and large, the main providers of care and support in the community complementing and supporting formal community care services. It has been estimated that carers provide 74%² of the assistance required by people with disabilities and the frail aged and, as such, carers can be considered an integral component of the aged care sector in Australia. The support and assistance carers provide varies according to the needs of the person they care for and support and their own material, financial and physical capacity to provide.

For some carers their caring responsibilities are a full time role and many have foregone educational and employment opportunities and as a consequence have been wholly or partially reliant on statutory income support. Data from the ABS Survey of Disability, Ageing and Carers (2012) indicates that significant proportions of carers are financially disadvantaged:

- Almost two thirds (65%) of primary carers resided in a household with equivalised gross household income in the lowest two quintiles, compared with 36% of non-carers. The median gross personal income per week for a primary carer was \$400, and for a non-carer was \$600 and
- 55% of primary carers are on a Government pension or allowance. Fifty four per cent of primary carers have difficulty meeting everyday costs as a result of a caring role.

Research conducted by ACOSS (2012) indicates that in households where the main income earner is in receipt of the Carer Payment or the Age Pension, 24% and 14% respectively, live below the poverty line.³ At the aggregate level carers have a higher rate of poverty and those carers caring for two years or more are more likely to be in persistent poverty.⁴ Like other low income earners, many carers are financially vulnerable and lack the resilience necessary to manage unexpected costs without asset de-accumulation or incurring expensive debt and as a result are egregiously marginalised.

Carers Queensland's own research indicates that many carers reliant on statutory income support or low/inconsistent income have been denied credit by financial institutions and rely on payday lenders or family and friends to 'get by'. Unable to 'set aside' money many carers fall into one of the four types of borrowing practices: one-off; cycling, spiralling and parallel loans.⁵

- Nearly 8% of the survey respondents using payday lenders/family or friends to 'get by' resorted to obtaining loans from multiple sources at any one time to meet their financial demands
- 27% of this cohort have used payday loans once or twice a year to get by whilst another 18% have used them more than three times in a year.⁶

In 2009 Carers Queensland became a microfinance provider offering affordable finance for eligible carers. Demand for Carers Queensland's NILS® loans has grown by 160% since 2009 indicating the persistent demand for affordable credit to purchase everyday items such as whitegoods, household furniture and essential car maintenance, registration and insurance etc. This pattern reflects the need of many carers to use microfinance to smooth consumption in order to maintain or improve wellbeing and in doing so, continue their caring role.

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