

# Inquiry into the extent and nature of poverty in Australia

February 2023

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# About AFDO

Since 2003, the Australian Federation of Disability Organisations (AFDO), a Disabled Peoples Organisation (DPO) and Disability Representative Organisation (DRO), has been the recognised national peak organisation in the disability sector, along with its disability specific members, representing people with disability. AFDO's mission is to champion the rights of people with disability in Australia and support them to participate fully in Australian life.

Our member organisations represent disability specific communities with a total reach of over 3.8 million Australians.

AFDO continues to provide a strong, trusted, independent voice for the disability sector on national policy, inquiries, submissions, systemic advocacy and advisory on government initiatives with the Federal and State/Territory governments.

We work to develop a community where people with disability can participate in all aspects of social, economic, political and cultural life. This includes genuine participation in mainstream community life, the development of respectful and valued relationships, social and economic participation, and the opportunity to contribute as valued citizens.

#### Our vision

That all people with disabilities must be involved equally in all aspects of social, economic, political and cultural life.

#### Our mission

Using the strength of our membership-based organisations to harness the collective power of uniting people with disability to change society into a community where everyone is equal.

#### Our strategic objectives

To represent the united voice of our members and people with disability in national initiatives and policy debate.

To enhance the profile, respect and reputation for AFDO through our members.

To build the capacity and sustainability of AFDO and our members.

To foster strong collaboration and engagement between our members and stakeholders.

To enhance AFDO's connection and influence in international disability initiatives, particularly in the Asia Pacific region, through policy, advocacy and engagement

# Our members

#### **Full members:**

- Arts Access Australia
- Autism Aspergers Advocacy Australia
- Blind Citizens Australia
- Brain Injury Australia
- Deaf Australia
- Deafblind Australia
- Deafness Forum of Australia
- Down Syndrome Australia
- Disability Advocacy Network Australia
- Disability Justice Australia
- Disability Resources Centre
- Enhanced Lifestyles
- Multiple Sclerosis Australia
- National Mental Health Consumer and Carer Forum (NMHCCF)
- People with Disability WA
- People with Disabilities ACT
- Polio Australia
- Physical Disability Australia
- Women with Disabilities Victoria
- Women with Disabilities ACT

#### Associate members:

- AED Legal Centre
- All Means All
- Amaze
- Aspergers Victoria
- Disability Advocacy and Complaints Service of South Australia (DACSSA)
- Leadership Plus
- National Organisation for Fetal Alcohol Spectrum Disorder (NOFASD)
- Star Victoria
- TASC National Limited
- YDAS Youth Disability Advocacy Service



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# Acknowledgements

AFDO acknowledges Aboriginal and Torres Strait Islander people as the traditional custodians of the land on which we stand, recognising their continuing connection to land, waters, and community. From our head office in Melbourne, we pay our respects to the Bunurong Boon Wurrung and Wurundjeri Woi Wurrung peoples of the Eastern Kulin Nation and to their Elders past, present, and emerging. We also pay our respects to the traditional owners of all lands on which we operate or meet around the country.

AFDO acknowledges people with disability, particularly those individuals that have experienced or are continuing to experience violence, abuse, neglect, and exploitation. We also acknowledge their families, supporters, and representative organisations and express our thanks for the continuing work we all do in their support.

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#### Endorsement:

AFDO would also like to highlight and endorse the submission written by:

• Physical Disability Council of NSW (PDCN)

### Introductory comments

AFDO welcomes the opportunity to provide comment on the *Inquiry into the extent and nature of poverty,* and thanks the Senate Community Affairs References Committee for their consideration of this submission. While poverty is increasingly an issue in the Australian community in general, it is even more prevalent among marginalised groups, and in particular, amongst people with disability. The purpose of this submission is thus to highlight the voices of people with disability who have experienced poverty and ensure that their lived experiences are given due consideration with respect to this Senate Inquiry.

It is the position of AFDO that the existence of poverty in a wealthy country like Australia represents a systemic failure of government to protect its most vulnerable citizens. As a signatory to the *Convention on the Rights of Persons with Disabilities (CRPD)*, Australia is obliged to uphold the rights of people with disability, in this case, the rights to social support and social protection. Despite this obligation, there is a well-established link between poverty and disability, with the two existing in a cyclical relationship that entrenches and reinforces disadvantage across multiple spheres of life. This cycle of disadvantage drags individuals further into poverty and presents a 'wicked problem' that remains impervious to many policy solutions.

While poverty is a complex problem requiring a multifaceted, whole-of-government response, income support is a key mechanism through which the work of lifting people out of poverty should begin. It is the position of AFDO that income support payments, and in particular, the Disability Support Pension (DSP), should be immediately increased in line with inflation and subsequent cost-of-living increases. As AFDO has argued in a recent submission to the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission)*, failure to do so contravenes Australia's human rights obligations under the CRPD and constitutes institutional neglect of people with disability.

This submission will largely be responding to the following questions from the Terms of Reference:

- (a) the rates and drivers of poverty in Australia;
- (c) the impact of poverty on individuals in relation to:
  - (i) employment outcomes,
  - (ii) housing security,
- (e) the relationship between income support payments and poverty;
- (f) mechanisms to address and reduce poverty;

# Recommendations

- 1. Establish an independent body to review and permanently increase all social security payments to above the recognised poverty line and indexed in line with wages, ensuring they are sufficient to enable all people to live with dignity and to fully participate in community, social, and economic life.
- 2. That financial support for the extra costs associated with disability should be uncoupled from unemployment benefits to encourage participation in employment without withholding necessary social protections.
- **3.** That Australia's social security system should ensure that all people with disability can access government assistance for disability-related costs regardless of eligibility.
- **4.** Governments to recognise the Disability Support Pension as a transformative mechanism for ensuring social protection for people with disability through wealth transfer, moving away from the traditional disability-welfare model.
- 5. Align the eligibility criteria for the Disability Support Pension in accordance with Australia's human rights obligations under article 28 of the CRPD. These criteria must account for disabling barriers in society rather than being limited to medical assessments of the impact of impairments on functional capacity.
- 6. Increase the Disability Support Pension to bring the standard of living of households with members with disability in line with the standard of living of similar households without disability.
- 7. Establish a representative mechanism through which people with disability and lived experience of the Disability Support Pension can provide advice to the Department of Social Services and Services Australia at either the Ministerial or the Departmental Secretary level.
- 8. Undertake individualised assessment of DSP applicants to identify other potential areas where support may be required, and where a need for support is identified, refer applicants immediately to the appropriate services to ensure individual wellbeing.
- **9.** Actively provide unsuccessful DSP applicants with referrals to appropriate services that can provide financial information and assistance, particularly with regards to potential payments to which they may be entitled, and guidance on how to access and apply for other appropriate financial assistance and payments.
- **10.** Federal Government to take a leadership role to develop and implement a national housing strategy with all governments, which encompasses all areas of the housing market and utilises a broad range of policy levers towards both short-term and long-term solutions.

- **11.** Federal Government to take a leadership role and ensure that all governments commit to invest required levels in social housing to immediately increase the supply of secure and affordable housing over a short to medium term timeframe.
- **12.** Review annually and increase Commonwealth Rent Assistance (CRA) so that it better meets the needs of all low-income renters and matches increased cost of living expenses.
- **13.** Federal Government to commit to a goal of full employment as a national priority with strategies to achieve in the short to medium term and ensure that all governments provide a similar commitment and implement compatible strategies to achieve.
- **14.** Commit to a flexible employment and training guarantee to improve employment prospects, particularly for the long-term unemployed.
- **15.** Undertake a comprehensive review of the social security system as a whole, including a targeted review of the partial capacity to work (PCW) issue.
- **16.** Reinstate regular publicly available reporting on all aspects of the Disability Support Pension including claims and reviews.
- 17. Develop a set of publicly available standards regarding the length of time taken to process a claim for the Disability Support Pension and to complete a review of decisions made regarding a claim. Implement a maximum timeframe of three months to determine Disability Support Pension eligibility.
- **18.** Exempt individuals with disability who are in the process of applying for the Disability Support Pension and have been placed on the Jobseeker Payment whilst awaiting the outcome of their application from mutual obligations, including reporting conditional activities.

# The right to social security and social protection

Australia is a signatory to both *the International Covenant on Economic, Social and Cultural Rights (ICESCR)* and the *Convention on the Rights of Persons with Disabilities (CRPD)*. Under articles 9 and 28 of these instruments respectively, the Australian government is obliged to ensure that all people with disability have access to social security, social protection, and an adequate standard of living.<sup>1</sup>

Per Article 28 of the CRPD, state parties to the Convention must "take appropriate steps to safeguard and promote the realization" of these rights.<sup>2</sup> This imposes a positive obligation upon states to provide the necessary supports and services to people with disability. Notably, countries must "ensure access by persons with disability...to social protection programs" and ensure people with disability who are living in poverty have access to "assistance from the State with disability-related expenses."<sup>3</sup>

The term 'social protection' refers to:

... a variety of public and private interventions aimed at securing the well-being of a person in the event of social risk and need, such as (a) lack of work-related income, (b) unaffordable access to health care and (c) insufficient family and child support... social protection is understood broadly to cover a variety of interventions **designed to guarantee basic income security** and access to essential social services, with the ultimate goal of achieving social inclusion and social citizenship.<sup>4</sup>

While the NDIS moves some way towards this approach, Australia's social security system should ensure that all people with disability can access government assistance for disability-related costs regardless of eligibility.

In line with the Special Rapporteur on the rights of persons with disabilities, AFDO contends that social protection as defined above "constitutes an essential condition for social and economic development for all."<sup>5</sup> Furthermore, an effective national social protection system – of which income support payments like DSP are a crucial component – serves as a powerful instrument, not only through "providing income security and reducing poverty and inequality",<sup>6</sup> but also by playing a crucial role in enabling the social inclusion and social citizenship of people with disability. Social citizenship, which has been described as a "precondition for meaningful democracy",<sup>7</sup> refers to an individual's full enjoyment of and access

<sup>&</sup>lt;sup>1</sup> UN General Assembly 1966, art. 9, 11; UN 2006, art. 28.

<sup>&</sup>lt;sup>2</sup> UN 2006, art. 28 (1, 2).

<sup>&</sup>lt;sup>3</sup> Ibid art. 28 (2c).

<sup>&</sup>lt;sup>4</sup> Devandas Aguilar 2015, 4, emphasis added.

<sup>&</sup>lt;sup>5</sup> Ibid., 4.

<sup>&</sup>lt;sup>6</sup> Ibid., 4.

<sup>&</sup>lt;sup>7</sup> Liebenberg 1999, 59.

to political, civil, and social rights.<sup>8</sup> In the absence of these basic necessities of life, individuals are marginalised from real political, economic, and social power, and cannot be said to be meaningfully participating in democracy as they lack the political influence necessary to improve their conditions of life.

As AFDO has most recently argued in a submission to the Disability Royal Commission, and in accordance with the definition of neglect provided therein,

Neglect includes physical or emotional neglect, passive neglect or wilful deprivation. Neglect can be a single significant incident or a systemic issue that involves **depriving a person with disability of the basic necessities of life** such as food, drink, shelter, access, mobility, clothing, education, medical care and treatment.<sup>9</sup>

AFDO submits that the failure of the Australian government to provide adequate and accessible social support and social protection to people with disability, as evidenced in the significantly higher rates of poverty seen within the disabled community, constitutes institutional neglect through a wilful deprivation of basic life necessities and subsequent denial of social citizenship.

**Recommendation 1:** Establish an independent body to review and permanently increase all social security payments to above the recognised poverty line and indexed in line with wages, ensuring they are sufficient to enable all people to live with dignity and to fully participate in community, social, and economic life.

**Recommendation 2:** That financial support for the extra costs associated with disability should be uncoupled from unemployment benefits to encourage participation in employment without withholding necessary social protections.

**Recommendation 3:** That Australia's social security system should ensure that all people with disability can access government assistance for disability-related costs regardless of eligibility.

**Recommendation 4:** Government to recognise the Disability Support Pension as a transformative mechanism for ensuring social protection for people with disability through wealth transfer, moving away from the traditional disability-welfare model.

**Recommendation 5:** Align the eligibility criteria for the Disability Support Pension in accordance with Australia's human rights obligations under article 28 of the CRPD. These criteria must account for disabling barriers in society rather than being limited to medical assessments of the impact of impairments on functional capacity.

<sup>8</sup> Marshall 1950.

<sup>&</sup>lt;sup>9</sup> Australian Government 2021.

# Poverty amongst people with disability in Australia

The disproportionate impact that poverty has on people with disability is made readily apparent by the available data. When speaking of the Australian population in general, most recent figures cite 13.4% or 3.3 million people as living in poverty.<sup>10</sup> Amongst people with disability, the rate of poverty is 17.2% when using the 50% median income poverty line, and a staggering 28.4% when using the 60% median income line.<sup>11</sup> Of people experiencing poverty, 37% identify as having a disability.<sup>12</sup> Australia is not unique in this regard, as people with disability are overrepresented among impoverished populations across the globe.<sup>13</sup>

It is important to note that much of the data regarding disability and poverty in Australia ranges from six months to over four years old, in some cases predating the Covid-19 pandemic. Given the social and economic developments of the past twelve months and subsequent cost of living crisis, it is expected that forthcoming statistics will reflect an increase in poverty, both in general and amongst people with disability. The situation is likely even more dire than the data presented here would suggest.

**Recommendation 6:** Increase the Disability Support Pension to bring the standard of living of households with members with disability in line with the standard of living of similar households without disability.

**Recommendation 7:** Establish a representative mechanism through which people with disability and lived experience of the Disability Support Pension can provide advice to the Department of Social Services and Services Australia at either the Ministerial or the Departmental Secretary level.

**Recommendation 8:** Undertake individualised assessment of DSP applicants to identify other potential areas where support may be required, and where a need for support is identified, refer applicants immediately to the appropriate services to ensure individual wellbeing.

**Recommendation 9:** Actively provide unsuccessful DSP applicants with referrals to appropriate services that can provide financial information and assistance, particularly with regards to potential payments to which they may be entitled, and guidance on how to access and apply for other appropriate financial assistance and payments.

<sup>&</sup>lt;sup>10</sup> Davidson et al. 2022.

<sup>&</sup>lt;sup>11</sup> ABS 2018a.

<sup>&</sup>lt;sup>12</sup> Davidson et al. 2022, 16.

<sup>&</sup>lt;sup>13</sup> Devandas Aguilar 2015.

# The impacts and drivers of poverty

The impacts and drivers of poverty are intrinsically linked and cannot be reduced to simple cause and effect. Rather, the negative impacts of poverty are simultaneously the primary drivers of poverty. For example, individuals living in poverty are at greater risk of insecure housing and homelessness, while lack of affordable housing is a primary cause of poverty. Similarly, those living in poverty are less likely to complete higher education, and consequently are more likely to find themselves in low-paid or precarious employment with minimal opportunity for advancement. The synergistic relationship that exists between the impacts and drivers of poverty creates a complex cycle of entrenched disadvantage that policy solutions have struggled to overcome.

This section will consider two primary drivers of poverty among people with disability in Australia – lack of access to affordable housing and exclusion from the labour market.

#### Housing

Lack of affordable housing is a major cause of poverty for all demographics. Individuals who cannot access affordable, secure, and appropriate housing are at risk of negative consequences including homelessness, poorer health outcomes, and lower rates of education and employment. Those in private rentals are most vulnerable, with renters being twice as likely to live in poverty as homeowners.<sup>14</sup> Public housing tenants are at even greater risk, with 58% living in poverty.<sup>15</sup> These figures demonstrate the failure of social security and housing policy in enabling individuals to access the basic need of housing without being driven into poverty.

In regard to people with disability:

- Of households who had at least one individual receiving DSP and were receiving Commonwealth Rent Assistance (CRA) at June 2020, 32% were in rental stress<sup>16</sup> after receipt of CRA; without CRA, 72% of these households would be in rental stress. This compares with 29% in rental stress after receipt of CRA and 55% in rental stress without CRA for all households receiving CRA.<sup>17</sup>
- Only 0.3% of 74,300 rental properties, equating to 240 properties total, advertised in Australia on a selected weekend in March 2021 were affordable and appropriate for single people aged 21 and over receiving the DSP, compared with 1.2% (or 860 properties total) for a single person receiving minimum wage.<sup>18</sup>

<sup>&</sup>lt;sup>14</sup> Davidson et al. 2022.

<sup>&</sup>lt;sup>15</sup> Davidson et al. 2022.

<sup>&</sup>lt;sup>16</sup> Rental stress is defined as rent exceeding 30% of gross household income.

<sup>&</sup>lt;sup>17</sup> AIHW 2021.

<sup>&</sup>lt;sup>18</sup> Anglicare 2021.

Of clients who had accessed Specialist Homelessness Services (SHS) in 2021-2022, 3% or 7,300 had a disability.<sup>19</sup> Two thirds of these had previously been assisted by a SHS agency at some point since July 2011.<sup>20</sup>

#### Employment

The exclusion of people with disability from participation in the labour market is another significant factor contributing to their higher rates of poverty. Barriers to finding or maintaining employment can impact all aspects of an individual's life, from economic security and standard of living to their ability to participate in the community and maintain social or familial relationships. Being unemployed and of working age remains the greatest risk factor, with 66% of households where the main income-earner is unemployed living in poverty.<sup>21</sup> Underemployment<sup>22</sup> also increases the risk of poverty, with 15% of households headed by a person employed part-time living in poverty.<sup>23</sup>

In regard to people with disability:

- The unemployment rate for working-aged people with disability is 10%, compared with 4.6% for the total population.<sup>24</sup> The labour force participation rate for working-age people with disability is 53%, compared with 84%.<sup>25</sup>
- 41% of working-age people with disability work part-time, compared with 32% without disability.<sup>26</sup>
- 93% of working-age people with disability who are underemployed report at least one difficulty finding work, compared to 83% without disability. The most common reasons cited are ill health or disability (45%); lack of necessary skills or education (34%); being considered too old by employers (27%); excess of applicants for available jobs (27%); and insufficient work experience.<sup>27</sup>
- One in four (25%) of working-age people with disability are permanently unable to work because of their condition(s).<sup>28</sup>
- Of people with disability aged 15-64, 38% describe their level of prosperity as "just getting along", and a further 8.7% describe it as "poor" or "very poor", compared with 24% and 2.2% respectively for people without disability.<sup>29</sup>

<sup>&</sup>lt;sup>19</sup> AIHW 2022b.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Davidson et al. 2022.

<sup>&</sup>lt;sup>22</sup> A person is considered underemployed if they work 34 hours or fewer per week, would like to work more hours, and are available to start working more hours in the next four weeks.

<sup>&</sup>lt;sup>23</sup> Davidson et al. 2022.

<sup>&</sup>lt;sup>24</sup> AIHW 2022a.

<sup>25</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Ibid.

<sup>&</sup>lt;sup>27</sup> ABS 2018b; AIHW 2022a.

<sup>&</sup>lt;sup>28</sup> AIHW 2022a.

<sup>&</sup>lt;sup>29</sup> AIHW 2022a.

- Of people with disability aged 15-64, 42% are not satisfied with their financial situation, compared to 24% without disability.<sup>30</sup>
- Of people with disability aged 15-64, 55% would not be able to easily raise \$3000 in an emergency, and 20% have experienced financial stress in the current year, compared with 41% and 8.8% respectively for people without disability.<sup>31</sup>

**Recommendation 10:** Federal Government to take a leadership role to develop and implement a national housing strategy with all governments, which encompasses all areas of the housing market and utilises a broad range of policy levers towards both short-term and long-term solutions.

**Recommendation 11:** Federal Government to take a leadership role and ensure that all governments commit to invest required levels in social housing to immediately increase the supply of secure and affordable housing over a short to medium term timeframe.

**Recommendation 12:** Review annually and increase Commonwealth Rent Assistance (CRA) so that it better meets the needs of all low-income renters and matches increased cost of living expenses.

**Recommendation 13:** Federal Government to commit to a goal of full employment as a national priority with strategies to achieve in the short to medium term and ensure that all governments provide a similar commitment and implement compatible strategies to achieve.

**Recommendation 14:** Commit to a flexible employment and training guarantee to improve employment prospects, particularly for the long-term unemployed.

<sup>&</sup>lt;sup>30</sup> Ibid.

<sup>&</sup>lt;sup>31</sup> Ibid.

# The relationship between poverty and income support

Income support payments play an integral role in ensuring income security and enabling realisation of the rights to social security and social protection. They serve as a critical mechanism through which poverty can be directly alleviated, allowing the promotion of social and economic wellbeing, inclusion, and participation. This is especially true for people with disability, who face greater barriers to meaningful and accessible employment and incur additional disability-related expenses.

#### History and purpose of the DSP

The DSP is intended to serve as the primary income support payment for Australians with disability who are unable to maintain full employment within the open labour market. First established in 1908 as the Invalid Pension, it was developed out of recognition that people with disability may not be able to participate fully in competitive employment and thus required ongoing income support. It remains a core component of Australia's social security system.

Administration of the DSP has followed the broader trends seen in social security reform over the past few decades, namely, a strong push towards regulatory compliance and reducing expenditure through labour market activation. The original Invalid Pension distinguished between people with disability who were unable to work and were therefore entitled to support, and people with disability who, in spite of their impairment, had some capacity to support themselves. This distinction derives from the idea of the *deserving* versus the *undeserving* poor; a common trope that can be observed throughout the history of the welfare-state and which continues to be perpetuated today by political rhetoric promoting welfare-to-work policies and demonising recipients of income support as "lazy" and "work-shy".

In 1991, the Invalid Pension was replaced with the DSP in an attempt to reduce dependency on long-term income support and encourage labour market participation among people with disability. Eligibility now included an assessment of an individual's functional capacity and the extent to which they could sustain full-time employment. This tightening of criteria further divided people with disability into two distinct classes - those who were 'severely disabled' and thus entitled to support, and those who were only 'partially disabled' and should be encouraged to find employment.<sup>32</sup> This shift to encouraging employment of people with disability was not accompanied by sufficient investment in active labour market

<sup>&</sup>lt;sup>32</sup> Soldatic & Pini 2012.

policies, and so the structural barriers that hindered people with disability from finding and maintaining employment remain in place.<sup>33</sup>

From the year 2000 onwards, a series of reforms were introduced that severely restricted eligibility for the DSP and resulted in "a major reduction in the standard of living" for Australians with disability.<sup>34</sup> In 2006, the Howard Government introduced its Welfare to Work reforms with the goal of increasing labour market participation of working-age recipients who were previously eligible for the DSP, redirecting them to the general unemployment benefit Newstart Allowance, now known as JobSeeker Payment.

Per the ICESCR, the right to social security may only be limited "for the purpose of promoting the general welfare in a democratic society", with any limitations being "proportional" and "the least restrictive alternative... available", as well as "of limited duration" and "subject to review".<sup>35</sup> The ICESCR explicitly states that any retrogressive measures, that is, measures that "reduce the extent to which an economic, social, and cultural right is guaranteed", must be adequately justified.<sup>36</sup> Unfortunately, as a direct result of these years of deliberately regressive social security legislative reform, the DSP in its current form is highly restricted and difficult to access beyond what could be reasonably considered justified. As a result, it fails in its primary directive of providing financial security and thus social protection to people with disability.

#### The cost of disability

Another factor contributing to higher rates of poverty amongst people with disability are the additional costs that living with a disability incurs.

Life costs more for disabled people and their families, spending more on essential goods and services like; heating, insurance, equipment, and therapies. These extra costs mean disabled people have less money in their pocket than non-disabled people, or simply go without. The result is that disabled people are more likely to have a lower standard of living, even when they earn the same.<sup>37</sup>

The cost of disability is defined as the inequality in the standard of living experienced by people with disability that arises from the interaction between a person's impairment and the barriers they face to societal participation, rather than the cost of the disability itself.<sup>38</sup>

The marginally higher rate of DSP as compared with JSA is intended to address these extra costs associated with disability, however, it is still grossly inadequate. Per the National

<sup>36</sup> Ibid.

<sup>&</sup>lt;sup>33</sup> Thornton et al. 2020.

<sup>&</sup>lt;sup>34</sup> Li et al. 2019.

<sup>&</sup>lt;sup>35</sup> UN General Assembly 1966.

<sup>&</sup>lt;sup>37</sup> John et al. 2019.

<sup>&</sup>lt;sup>38</sup> Li et al. 2019.

Centre for Social and Economic Modelling (NATSEM), in order for a household with an adult with disability to achieve the same standard of living as a household without an adult with disability, they require an additional \$107 per fortnight over and above their net disposable income.<sup>39</sup>

#### Data relating to people with disability and income support

- One in five (21%) of all income support payment recipients aged 16-64 received the DSP at June 2020.<sup>40</sup>
- Recipients of the DSP tend to remain on the DSP for long periods of time, with very few moving on to other payments or exiting the income support system entirely. At June 2020, 81% of recipients aged 16–64 had been on the DSP for at least 5 years, and 56% for 10 or more years.<sup>41</sup> This reflects the reality of many people living with disability, for whom employment may not be feasible and DSP is the primary source of income.
- Due to the tightening of eligibility criteria described above, receipt of the DSP has declined over time. Successful claims for DSP decreased from 64% in 2010 to a low of 25% in 2016. Since then, successful claims have slowly increased, but remain below 50%.<sup>42</sup>
- Declining rates of DSP receipt has led to an increase in people with disability claiming unemployment benefits, which is reflected in the number of people receiving JSA who have been assessed as having a partial capacity to work (PCW). The number of JSA recipients with PCW was 375,000 in 2021, increased from 124,000 in 2013.<sup>43</sup> Changes to DSP eligibility criteria are the driving force this shift.
- While the DSP rate is marginally higher than that of JSA, both are below the poverty line.<sup>44</sup>

**Recommendation 15:** Undertake a comprehensive review of the social security system as a whole, including a targeted review of the partial capacity to work (PCW) issue.

**Recommendation 16:** Reinstate regular publicly available reporting on all aspects of the Disability Support Pension including claims and reviews.

- <sup>40</sup> AIHW 2022a.
- <sup>41</sup> Ibid.
- <sup>42</sup> Ibid. <sup>43</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Li et al. 2019.

<sup>&</sup>lt;sup>44</sup> Melbourne Institute 2022.

**Recommendation 17:** Develop a set of publicly available standards regarding the length of time taken to process a claim for the Disability Support Pension and to complete a review of decisions made regarding a claim. Implement a maximum timeframe of three months to determine Disability Support Pension eligibility.

**Recommendation 18:** Exempt individuals with disability who are in the process of applying for the Disability Support Pension and have been placed on the Jobseeker Payment whilst awaiting the outcome of their application from mutual obligations, including reporting conditional activities.

# Key principles for a fair and reasonable Disability Support Pension

AFDO wishes to highlight the following eight key principles that should be adopted to ensure delivery of the DSP is consistent with our international human rights obligations.

- All persons have a human right to social security and social protection. The right to social security is also a core right of national citizenship in Australia that has long been embedded in legislation and government policy (e.g., Invalid and Old-aged Pension Act, 1908).
- 2. The right to social security and social protection does not deny the right to work for persons with impairment/s and/or chronic condition/s but recognises that across the life course, persons with disability will require differing levels of socio-economic support to account for changes in personal circumstances and in the labour market.
- 3. Persons with disability who are unable to work or are limited in their capacity to work due to impairment, have a right to social protection and economic security. Mainstream unemployment benefits and income support payments are inappropriate and not fit for purpose as social security payments for persons with disability.
- 4. The assessment of disability social security eligibility needs to be fair, reasonable, and based upon an objective measure of need to ensure it is first, responsive to the individual and their circumstances, and second, does not generate hardship or greater economic insecurity.
- 5. Disability social security assessment processes should be undertaken by relevant medical and allied health professionals who have the required expertise in relation to the individual's impairment/s and chronic condition/s *alongside* the everyday impacts the impairment/s and/or chronic condition/s have over a period of time and the impacts of social barriers like stigma, discrimination, and inaccessibility of the labour market.
- 6. Personal information and evidence provided by the assessing medical and allied health professionals, and the individual concerned, remains protected under national privacy legislation, and cannot be shared nor drawn upon without the explicit permission of the individual concerned.
- 7. Disability social security assessment processes, procedures, and outcomes must be freely and readily available and distributed widely in inclusive, accessible formats and languages to ensure that all persons with disabilities, their support networks, and medical and allied health professional support networks are fully informed.

8. Responsible government department/s should publish regular and comprehensive deidentified data documenting the core demographic information of recipients alongside changes to regulations and guidelines to enable, first, the monitoring of impact of such changes, and second, to ensure that persons with disabilities and/or chronic conditions, medical and allied health professionals, and relevant organisations are fully informed at all times. These data should be in a form that allows for secondary analysis by independent parties

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