

Welfare Review Submission

Response to the Interim Report of the Reference Group on Welfare Reform:

A New System for Better Employment and Social Outcomes

8 August 2014

# About Queenslanders with Disability Network (QDN)

QDN has been established as a network of, for and with, people with disability for eleven years. The Network regularly brings members together to campaign on issues that impact upon their lives. From such gatherings, and through input from Local Area Networks, members determine the focus of the Network and the activities to be undertaken.

QDN has over 600 members across Queensland. All of QDN’s members are people with disability.

# Introduction

Queenslanders with Disability Network (QDN), appreciates the opportunity to provide feedback on the *A New System for Better Employment and Social outcomes Interim Report*. QDN’s submission has been informed by information provided by its 600 member network. Additionally, given this topic covers such a vital area of public policy, QDN convened a forum on 4 August, 2014 with key consumer and community stakeholders, to gather their perspective on issues listed in the interim report.

Provision of income support has been a catalyst for people with disability to participate in Australian society in ways that could not have been imagined by previous generations. Australians with disability are now contributing to the economic and social fabric of their community by being taxpayers and/or through their voluntary contribution to, and participation in, a range of community building initiatives as citizens in their own right. These outcomes are evidence of a system that has succeeded. This path underlines the value of “early intervention and targeted support to assist people to reach their potential, and provide a “return on investment” in an economic and social context. The outcomes also reflect that attributing value to a person via a purely financial framework does people with disability a great injustice. We support statements made by Australia’s major church providers[[1]](#footnote-1), stating that:

*We believe all people have inherent value, and have the ability to contribute to Australia*

The Interim Report correctly highlights the non-financial benefits of employment. Feedback to QDN by people with disability reflects that the majority desperately crave the fulfilment that comes with meaningful employment, including the social aspect of a workplace, the positive role modelling of a working parent for their children and the aspirational lifestyle afforded by the parent’s paid remuneration for their family.

While the current welfare system has succeeded in breaking down barriers for some people with disability, many still experience other systemic barriers to their potential employment. Australia’s ethos is built on fairness, and this underpins our collective responsibility to ensure that people with disability are given a push-start to overcome the inertia of unemployment, rather than leave people with disability the seemingly insurmountable task of overcoming these roadblocks on their own.

Overall feedback to QDN strongly reinforces that people with disability want paid, meaningful work. However, consumer feedback indicates that the Interim Report has an underlying theme of personal responsibility as the primary driver of unemployment. QDN acknowledges that there will always be individuals not completely committed to the goal of working; however they are heavily outnumbered by people with disability robustly seeking employment. As such, this submission highlights a number of strategies to improve the support and likelihood of people with disability finding and maintaining meaningful employment.

The introduction of the National Disability Insurance Scheme (NDIS) is an acknowledgement that in many cases, the support system for people with disability and their families has not met the standards of our society, and QDN welcomes this significant social reform. It is vital that the progress made by the NDIS is not offset by a reduction of income support, leaving people with disability disadvantaged in different ways.

# Pillar One: Simpler and sustainable income support system

# Simpler architecture

While the need for a simpler system is well made in the report, QDN warns that the quest for simplicity may come at an expense. The individualistic nature of the National Disability Insurance Scheme’s approach is an acknowledgement of the inherent complexities in the lives of people with disability.

At the beginning of every meeting held by QDN, in our welcoming statement, members agree to “take on the responsibilities of being clear about the rights of ALL people with disability and, where necessary, speak in an informed and considered manner, for those who cannot speak for themselves.” In many, but not all cases, we are referring to the same cohort as those identified in the Interim Report as those people with disability that are unable to work in any capacity. QDN welcomes this acknowledgement that disability affects people at many different levels, and that a society as sophisticated as Australia must protect the rights of our most vulnerable, by providing adequate support and financial assistance.

The proposed separation of payments for people with disability has the capacity to accentuate flaws that already exist in the current income support system.

Feedback to QDN indicates that the current system encourages people with disability to present the most limited form of their capacities and capabilities to obtain more than “survival”, income support. This deficit approach, driven by the disparity between the Newstart Allowance and the Disability Support Pension, could potentially shift to the delineation between those with no capacity to work and those with partial capacity to work.

People with disability with some capacity to work are very concerned that their income support will be reduced if they are moved from the Disability Support Pension (DSP) onto a Working Age Payment. While the Interim Report doesn’t state that this will happen, the concept of one merged payment with allowances currently at lower rates than the DSP indicates that people may receive a reduced payment.

The following case study provided to QDN reflects this level of concern:

*Mary is a woman with disability in her mid-30s. Her family has done a lot of planning around her future. Recently Mary received a small amount of funding from the State government to enable her to live in a home of her own in the community. Excited by this news, her family bought Mary a small unit so that she can achieve her goal of living independently in the community with some formal support. Life is going very well for Mary and she is beginning to make some meaningful connections in her community.*

*Mary’s family are still very involved in her life and assist her to make decisions in her best interest. Upon hearing the news of the proposed Welfare Reforms, Mary’s family became very anxious about her ongoing financial security and welfare, should she be moved off the DSP. The family has worked very hard to achieve a good life for Mary and previously the DSP is something they haven’t had to worry about, it has just been there. They believe that Mary has extremely limited work capacity and if assessed as being able to work, would not be able to achieve this. And as such, she would breach her mutual obligation requirements. Since hearing of the proposed reforms and the uncertainties around the continuation of the DSP, the family are considering moving Mary back home to live with them so that they can sell her unit and use the money as a guaranteed income stream for her, should she be removed from the DSP. This would be a retrograde step for Mary’s independence and both Mary and her family’s quality of life. Mary’s parents are in their mid-70s and have seen the DSP as central to her futures planning which incorporates planning around a time when her parents are no longer able to support her.*

The Interim Report places a large focus on the rates of payment as being drivers for the transition of people into the workforce. The reality for QDN members is that many people want to work. They simply can’t find work that is suitable to not only their skills and qualifications, but also accommodates their specific needs, including accessible, affordable transport.

However the system is restructured, QDN reinforces the need for a flexible, responsive system that economically and socially supports people with disability to take all opportunities that arise. Feedback to QDN indicates that people with disability have experienced challenges in securing the DSP if they have given this up because they want Newstart support to actively seek employment. In cases, this does not work as the person has overestimated their work capability. Feedback also indicates that other consumers are forced to weigh up employment options because their level of wage does not cover the real cost incurred by them in working, related to the nature of their disability. This group tends to minimise their work capacity, and maximise their incapacity.

# Fair rate structure

QDN reinforces that creating a two-tiered income support system for people with disability could result in people portraying their disability in the most negative way possible, to retain the DSP. This flies in the face of the paradigm shift that the NDIS has undertaken which encourages people to think in a strength-based model, rather than focussing on the deficits and incapacities associated with their disability.

Should a tiered working age payment be introduced, QDN supports the proposal that higher rates of the tiered working age payment include people with disability with a partial capacity to work.

As raised above, QDN is concerned that the proposed changes will leave many people with disability with less income support than they are currently receiving from the DSP. Reducing income is far from an enabling policy and makes the cost of looking for work more difficult to meet.

# Common approach to adjusting payments

QDN sees that the approach to adjusting payments is a central element in the sustainability of the income support system in the long term. This is a complex issue and requires further consideration as the Interim Report states. QDN strongly reinforces that in these deliberations, disability stakeholders must be consulted in the process.

# Support for families with children and young people

QDN does not wish to make any submission on this aspect of the Interim Report.

# Effective rent assistance

The importance of stable housing arrangements cannot be underestimated for all people in our society. This importance is magnified for people with disability, where suitable housing for their specific needs is even harder to find. In many cases, social housing is accessible, and is therefore the primary choice for people with disability.

QDN endorses any changes that improve the system, with the proviso that it does not leave people currently in social housing worse off. For many people in social housing, any increase in rental expense will result in increased financial hardship.

# Rewards for work and targeting assistance to need

People with disability with complex health needs face additional costs of living related to gap payments for medical costs including many medications needed to treat their condition, and aids and equipment. A case study from a person with disability best explains the complexity of factors faced by people with disability. The broad taper rate that applies to the DSP assists people to stay in the workforce, whereas a reduction in the taper rate may adversely affect people’s capacity to remain employed.

*I am very concerned about the proposed changes to income support payments. In particular, I am concerned that there may be insufficient recognition of the costs of disability for people with disabilities and chronic illnesses who are working. This may mean that the same income tests for government assistance will apply to people with and without disabilities and chronic illnesses. This indicates a profound ignorance of the very high costs of disability faced by some people.*

*I am a 53 year old single woman with rheumatoid arthritis. I was very unwell for over 20 years and unable to work. After a new medication improved my condition, I went back to university and qualified as a social worker. I now work 26 hours per week and earn $1359 per fortnight after tax. My income is supplemented by a very small Disability Support Pension and a Mobility Allowance. Most importantly, I have a Pensioner Concession Card which assists me with some of my costs of illness and disability. For example, I require expensive shoes and ongoing modifications to these. Some of the costs of the shoes and all of the cost of the modifications are covered by Queensland Health because I have a PCC. If I lose my concession card, I will pay between $1000 and $4000 per year for my shoes. Without the shoes and the ongoing modifications, I would soon lose my capacity to walk and to work.*

# Pillar Two: Strengthening individual and family capability

# Mutual obligation

QDN endorses an individualised approach to the imposition of participation requirements. People with disability have cited the soul-destroying consequences of being forced to apply for jobs that they will not be successful in obtaining. As such, an individualised approach must consider the effects of any mutual obligation. Government needs to invest effort and resources into upskilling and targeted job seeking, rather than a scatter-gun approach of mandatory, multiple job applications that may be ineffective and have a long-term impact on a person’s confidence, and therefore their job prospects in the future.

A deep understanding of the lived experience of people with disabilities, such as barriers to safe accessible transport, effective formal personal support, and disabilities and medical conditions that may be episodic need to be understood before penalties are applied for non-compliance This may lead to further feelings of depression and worthlessness for people with disabilities and mental health issues, thus perpetuating cycles.

In ensuring that people on income support meet their obligations, it is vital that any sanctions don’t become counter-productive for the individual. Any sanctions that result in a person’s capacity to become less employable due to, say, homelessness, will prove to be more costly on an individual and economic basis.

QDN believes that income management should only be applied at the individual’s/family’s approval. Income management should not be imposed on a person against their will. Compulsory income management based solely on belonging to a particular population group is derogatory, offensive and stigmatising as it can portray the group as people with misplaced priorities around family welfare, or as incapable of managing their own budgets. Many people who have impaired capacity have other people in their lives already fulfilling this function. The Adult Guardian already fulfils this role for many people with disability.

# Early intervention

Investing in people early to improve outcomes for the individual and to maximise return on investment for government funds is a principle adopted by the NDIS. QDN fully supports a proactive approach to all social supports to improve the lives of disadvantaged people. The Interim Report discusses those at risk but does not mention children with disability.

QDN is greatly concerned about people with disability where the nature of the disability is not obvious, but there is a need for support. For many young people with a mild intellectual disability leaving school, job prospects will be low. They may not be eligible for the NDIS, but will require significant investment early, to avoid the perils of requiring long-term income support.

# Education and Training

Education and Training is certainly a foundation on which improved outcomes for people are built. QDN is troubled by recent cut-backs to TAFE courses for people with disability, and sees this as a step in the wrong direction in building foundation skills.

Many people with disability need to build foundation skills and information technology skills that may not have developed as a consequence of being out of the workforce. Targeted information technology training would be a sound investment in people to make them more attractive to employers.

The case study from a QDN member below, gathered in our consultation process in developing this submission, articulates the importance of education, and the support the DSP has provided to achieve long term employment.

*Another matter that needs to be raised is that the Government needs to take a longer-term view of getting people with disabilities into employment. In many cases the DSP combined with educational and training opportunities is the path to sustainable and ongoing employment. In my case, I was on the DSP from when I left home, through university and until I got employment. The DSP and associated mobility equipment benefits (eligibility for MASS) allowed me to complete a Bachelors degree, Honours and a PhD. From this I successfully obtained an entry level public service job from which in seven years, I've been able to move through the ranks with hard work and focus.*

*While technically many would consider a PhD to be a hideous over-qualification for an entry level public service job, I believe it was vital to the interviewers looking past my substantial physical disability and giving me a go - in a sense, saying to them 'if he can complete a doctorate then he can do the work we require'. I am not sure that I would have had the same success with just a Bachelors degree, which was the qualification of the other applicants.*

*As such, I believe there are many jobs out there that people with disabilities can do and that even people with significant disabilities can move from the DSP to work. However, to achieve this, the Government needs to take a 'bigger picture' view of support for people with disabilities - one that considers providing extra support and assistance for people with disabilities to get training and qualifications. Unfortunately, all indications are that the focus is on using sticks not carrots. However, making cut-offs and eligibility harder is the antithesis of this and means people spend more time seeking support than getting training or looking for jobs.*

# Improving individual and family functioning

The acknowledgement of the need for wrap-around services to support people with complex needs is strongly supported by QDN. This is a key component in improving outcomes for people with mental health conditions.

# Evaluating outcomes

QDN does not wish to make any submission on this aspect of the Interim Report.

# Pillar Three: Engaging with employers

# Employment focus – making jobs available

QDN would welcome an Australian Employment Covenant to increase employment opportunities for people with disability. Strong leadership will be required to kick-start a change in the employment of people with disability. Australia has one of the lowest employment participation rates for people with a disability, ranking 21st out of 29 OECD countries, with an employment rate of 39.8% for people with a disability compared to 79.4% for people without a disability.[[2]](#footnote-2)

The corporate initiatives of Westpac and IBM, along with the work of small and medium business and social enterprises deserve high praise, but so much more needs to be done. The work of the Australian Network on Disability must be broadened to every state with the support of Government. This type of investment in enabling the private sector to be a major part of the solution is another example of long-term vision for better outcomes. If Westpac and IBM can achieve results with the support and tools of the Australian Network on Disability, surely this can be multiplied across the country.

Governments at federal, state and local levels, along with the business community, must take a leadership role by setting and achieving benchmarks for people with disability in the workforce. QDN strongly recommends the adoption of disability business plans by these entities, if currently not in place, and the plans to include similar employment ratio targets for people with disability of 10-13%. This would reflect the proactive planning and targets achieved by the Westpac Group in relation to the employment of people with disability.

# Improving pathways to employment

Programs such as the Employment Assistance Fund must be retained so that employers are encouraged to employ people with disability. Work Inspiration Placements must be expanded across as many sectors as possible, to allow people with disability the opportunity to make a successful transition from school to the workforce.

The effect of failure and rejection in initial attempts to join the workforce cannot be underestimated. Many people with disability suffer from low self-esteem throughout their schooling, and the prospect of repeated rejection upon entering the workforce can be a major setback.

Employer attitudes are a central component in opening up the labour market to people with disability. Organisations like the Australian Network on Disability can assist businesses to overcome any fears they hold about employing people with disability. This will take an investment to create this momentum, but the opportunities for a return on this investment are huge.

# Supporting employers

QDN supports the use of wage subsidies to assist in the employment of people with disability and disadvantaged job seekers.

# Pillar Four: Building community capacity

# Role of civil society

QDN does not wish to make any submission on this aspect of the Interim Report.

# Role of government

QDN does not wish to make any submission on this aspect of the Interim Report.

# Role of local business

QDN does not wish to make any submission on this aspect of the Interim Report.

# Access to technology

Access to affordable technology is a major problem for people with disability. Currently, approximately one third of QDN’s members do not have an email address. This is of great concern as the digital divide widens.

The WorkVentures Social Enterprise and DigitalHubs programmes must be broadened in their reach. If they have been identified as successful initiatives, they should be rolled out nationally. The return on the investment in creating these initiatives must be maximised, by rolling out successful programs broadly.

Not only is the job seeking process very difficult without the use of technology, but information technology skills are often prerequisites for many jobs. People without technology skills are disadvantaged in applying for jobs and in their suitability for positions as well.

Many people with a vision impairment find that the job application process itself is inaccessible due to their specific requirements. These obstacles may be able to be overcome with simple measures in the workplace, but this opportunity is denied in the application process.

# Community Resilience

QDN does not wish to make any submission on this aspect of the Interim Report.

1. http://www.probonoaustralia.com.au/news/2014/08/church-stand-welfare-review-response [↑](#footnote-ref-1)
2. PricewaterhouseCoopers, Disability Expectations: Investing in a Better Life, a Stronger Australia, 2011. [↑](#footnote-ref-2)