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**People with Disability Australia (PWDA)**

**Consultation on the Interim Report of the Reference Group on Welfare Reform ‘A New System for Better Employment and Social Outcomes’**

**Submission**

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# About People with Disability Australia

**People with Disability Australia (PWDA)** is a leading disability rights, advocacy and representative organisation of and for all people with disability. We are the only national, cross-disability organisation - we represent the interests of people with all kinds of disability. We are a non-profit, non-government organisation.

PWDA’s primary membership is made up of people with disability and organisations primarily constituted by people with disability. PWDA also has a large associate membership of other individuals and organisations committed to the disability rights movement.

We have a vision of a socially just, accessible, and inclusive community, in which the human rights, citizenship, contribution, potential and diversity of all people with disability are recognised, respected and celebrated. PWDA was founded in 1981, the International Year of Disabled Persons, to provide people with disability with a voice of our own.

# Introduction

PWDA is supportive of the need for a review of the social security system. The current system is overly complex, inefficient and does not meet the needs of many people with disability who have little or no alternative form of income.

However, we are deeply concerned about the public and political rhetoric within which the release of the Interim Report ‘A New System for Better Employment and Social Outcomes’ has been framed. The insufficient window of opportunity for public consultation on such important reform proposals, pre-empted by punitive budget measures, gives an impression that there is an urgent need to halt the burgeoning cost of social welfare in Australia. In particular, media reports would have the public believe the number of people on the Disability Support Pension (DSP) is increasing at an unsustainable rate and must be contained[[1]](#footnote-1).

A closer look tells a different story. The Interim Report notes that the proportion of people of working age on income support has fallen by one third over the last 17 years, from 25% in 1997 to 17% in 2013[[2]](#footnote-2). Expenditure on income support payments for people of working age (including Newstart Allowance, Disability Support Pension, Youth Allowance and Carer payment) actually comprises less than a third of all money spent on cash social security payments ($36 billion out of $120 billion in 2012-13), most of which is devoted to Age Pension and Family Tax Benefits[[3]](#footnote-3).

The Interim Report also acknowledges that the proportion of people of working age on the DSP has remained generally steady over the past ten years. Moreover, that much of the growth in DSP numbers in the 1990’s is attributable to changes in other payments due to the Welfare to Work and pension reforms, population growth in the working age population and population ageing[[4]](#footnote-4).

Whilst reform is certainly needed to improve the economic opportunities for people on income support, especially for people with disability, more time could, and should be taken to engage in a meaningful consultation with all stakeholders, including people receiving income support and their representative organisations.

People with disability remain some of the most vulnerable and marginalised in our community. The inefficient social safety net compounded by persistent inequity in social, educational and economic opportunity[[5]](#footnote-5) means that 45% of people with disability in Australia live in or near poverty. For people with disability, everyday life is more expensive, and the current rate of income support, including the DSP, does little to compensate for the additional cost of disability.

In addition, ongoing barriers to work have resulted in people with disability being dependent on income support when they would much rather have a job and be self-sufficient. The labour force participation rate for those aged 15-64 years with disability in 2009 was 54%, much lower than that for those without disability (83%). The most recent OECD ranking placed Australia 21 out of 29 OECD countries for employment participation of people with disability[[6]](#footnote-6).

## Australia’s Social Security Obligations

All people with disability have the right to an adequate standard of living for themselves and their families, and for continuous improvement of these living conditions. Article 28 of the UN Convention on the Rights of Persons with Disabilities (CRPD)[[7]](#footnote-7) obliges the Australian Government to safeguard and promote the realisation of these rights. People with disability are entitled to appropriate levels of social protection based on their individual circumstances and which recognises, without discrimination, the barriers to social and economic participation that they experience.

Article 27 of the CRPD also articulates the obligation of State parties to promote and protect the rights of people with disability to ‘gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities[[8]](#footnote-8)’.

The National Disability Strategy (NDS) is the mechanism through which Australia has committed to delivering its commitments under the CRPD. The NDS acknowledges that, ‘Income support remains an important safety net to ensure an acceptable standard of living for many Australians with disability. These payments should allow people to live with dignity’. The NDS also states, ‘In 2009-10 the Australian Government reformed the pension system to improve pension adequacy, make its operation simpler and ensure its sustainability. Income support payments also need to be geared so that where possible they encourage people who choose to seek employment do so, rather than creating new barriers’.[[9]](#footnote-9)

Any future social security reform must ensure that Australia is progressively realising its responsibilities under the CRPD and the NDS. Ambitious welfare reform should look to break down the structural and systemic barriers that prevent social and economic inclusion of people with disability and leaves them vulnerable to dependence on the welfare system.

## Previous welfare reforms

Welfare changes brought in under the *Family Assistance and Other Legislation Amendment Bill 2011* were designed to respond to the increase in people accessing the DSP by ensuring that there was an expectation that those people with disability who could work, should be expected to do so. The introduction of new Impairment Tables, and increased participation requirements for new DSP claimants under a ‘Program of Support’ have been credited with the decrease in successful new DSP claims over the past two years.

In addition, those people with disability who receive Newstart Allowance (Newstart) have been faced with increasing job search expectations under compulsory Participation Plans, with penalties imposed if activity requirements are not met.

It is seriously questionable as to whether recent welfare reform has actually led to increased economic participation of people with disability. With over 100,000 people with partial capacity to work now accessing Newstart[[10]](#footnote-10), it appears more likely that rather than finding work, people with disability are being diverted from the DSP to income support payments widely acknowledged as being woefully insufficient for an adequate standard of living, before the additional costs of disability are even considered.

The gap between the DSP and Newstart rates has widened over the past decade at the same time as more people with disability have been diverted to the lower payment. The Interim Report points to the need for a review of the lowest payments for single people[[11]](#footnote-11). This review should be conducted and an increase in the rate of lowest payments implemented as a matter of urgency to protect against more people with disability falling into poverty.

New social security policy and potential reforms will only be as good as the evidence that informs them. It is vital that prior to further reform the Government invest time and resources to evaluate the consequences of previous reform measures. This evaluation must assess the outcomes for people with disability in terms of economic opportunity and living standards, not just look at the number of people moved off DSP, or the impact on the budget bottom line. The future benefits of investment in people with disability need to be assessed and quantified, with detailed modelling of options for reform and their likely impact publicised and consulted upon.

## Proposals in the Interim Report of the Reference Group on Welfare Reform

Under the auspice of a simplified structure, the Interim Report proposes tiered income support payments, with the DSP reserved only for those people assessed as having a ‘permanent’ disability and ‘no capacity’ to work. Those people deemed able to work would be moved to a common working age payment with supplements to cover additional costs, including the cost of ‘partial capacity to work’[[12]](#footnote-12). How the level and eligibility of supplements would be determined is not outlined in the Interim Report and this is a major gap. However, the Report does state that some people eligible for DSP under existing rules would be moved to this lower tiered working age payment.

Future social security reform needs to separate the notion of permanent disability from a person’s capacity to work. Disability, and the interaction of impairment with social barriers, is much more complex than this. Some people may have capacity to work but face multiple barriers to employment due to the nature of their disability. For example, a person with episodic impairment such as psychosocial disability may find it difficult to sustain employment, even over the short term. On the other hand, many people previously considered unable to work due to permanent incapacity may soon have greater prospects to pursue economic opportunities due to the provision of adequate disability support from the National Disability Insurance Scheme (NDIS).

In addition, a persons’ capacity to work is influenced by their individual circumstances, such as family responsibilities and where they live. For people with disability these circumstances also include access to affordable and accessible transport and housing, their ability to utilise appropriate technology and the attitude towards disability of prospective employers. In short, the capacity of people with disability to take part in social and economic activities is limited by the barriers placed on them by society.

Rather than focusing on a person’s inability to work to demonstrate their worthiness for different levels of income support, payments should be based on a person’s financial need at that particular point in time. This should then be matched with individualised employment and support services which focus on how to maximise opportunities for social and economic participation.

## The need for further consultation

Whilst we welcome the release of this Interim Report for consultation and support a comprehensive review of the social security system, we believe that the six-week consultation period is not sufficient.

Further consultation, particularly with people in receipt of income support and their representative organisations, prior to final recommendations is essential. Consultation through means that are accessible to all people, including those with disability and limited literacy skills, will not only better inform future policy direction, but will also go some way to demonstrate that the Government is genuine in its intentions to support people to build capacity in their lives, rather than simply impose greater hardship.

In addition, the Government should undertake a proactive media and communications strategy to challenge the negative stereotypes and perceptions of people on welfare payments in the wider community, particularly people with disability. Anyone in Australia may be in need of social support at some point in their lives and this reform process should be an opportunity to shift the focus towards supporting people to meet their aspirations, rather than stigmatising them for accessing the support they need.

Whilst we have not had long enough to conduct an in-depth consultation with our members regarding all the proposals contained in the report, this submission is informed by input provided via Facebook discussion, online surveys and one on one conversations with PWDA members and supporters over the past six weeks.

Under each of the Pillars outlined in the Interim Report we have discussed some of the proposals as they relate to people with disability and provided some context for further discussion.

# Recommendations

* The Reference Group on Welfare Reform should extend the consultation period prior to releasing their recommendations and undertake full consultation with a range of stakeholders, including people who receive income support and their representative organisations. These consultations should be inclusive of people with disability.
* To inform this consultation, the Reference Group should provide public information with detailed modelling of the options for reform and the likely impact on people with disability receiving income support.
* The Government should undertake a proactive media and communications strategy to challenge the negative stereotypes and perceptions of people on welfare payments in the wider community, particularly people with disability.

In terms of future welfare reform, PWDA makes the following overarching recommendations:

 **Income support**

* An immediate review should be undertaken into the base rates of income support for individuals and couples. This review should be conducted, and an increase in the rate of lowest payments implemented as a matter of urgency to protect against more people with disability falling into poverty.
* A baseline should be established, which benchmarks current income support payments to an acceptable standard of living index. Current budget measures to change pension indexation to the CPI should not proceed. The DSP should remain indexed every six months and benchmarked to the Male Total Average Weekly Earnings (MTAWE).
* Any future reform must ensure that the base rate for all people on income support is sufficient to provide for an adequate standard of living, and prevent poverty.
* An assessment should be undertaken into previous welfare reform prior to any further changes being implemented. This evaluation must assess the outcomes for people with disability in terms of economic opportunity and living standards, not just look at the number of people moved off DSP, or the impact on the budget bottom line.
* The future benefits of investment in people with disability need to be assessed and quantified, with detailed modelling of options for reform and their likely impact publicised and consulted upon.
* People with disability should be provided with adequate additional financial support to cover the costs of living with disability. People with disability should not be moved from a higher to lower payment where they risk losing income.
* Income support should be based on financial need, rather than a persons assessed capacity to work at a particular point in time. Supplements, including a supplement to account for ‘partial capacity to work’, must be available to all who need it to cover the additional cost of disability. These supplements must be maintained over time, to provide adequate support for people as they move from income support to employment.
* The NDIS provides necessary support for daily life, it is not an income support. Eligibility to the NDIS should in no way be seen as a substitute for adequate income support, nor should support funding through the NDIS be incorporated in means testing for eligibility to Disability Support Pension or other income support payments.
* To reduce the risk of housing instability, rental support and social housing must be protected for fixed periods while people transition to employment. Funding for the National Rental Affordability Scheme should be re-instated.

**Employment and training**

* Disability employment policy must be reinvigorated as a matter of priority. Disability Employment Services should be assessed and funded based on the long-term employment outcomes they achieve for their clients, not on the number of people they get into work.
* People with disability should be given greater control and choice regarding their employment service provider and have the right to move providers if their needs are not being met. Job search funding should be provided as an individualised package to be spent on the job services that the person chooses.
* The Government should assess the benefit of having employee and employer support services provided within one structure to enable better sharing of information focused on meeting the needs of all parties.
* Participation Plans must be based on the goals and aspirations of the individual, and realistically reflect the local employment market. Any participation requirements should be individually tailored and negotiated, and designed to directly improve employment prospects for people with disability. People who are unable to work in the foreseeable future should not be subject to compulsory requirements.
* The Government should initiate national research on employer attitudes towards people with disability and in partnership with business and civil society, develop a ‘Jobs Plan’ aimed at improving economic opportunities for people with disability.
* The Government should set targets to increase the diversity of the public sector workforce to genuinely reflect the diversity in the community and to demonstrate commitment to employment for people with disability.
* Schemes aimed at improving self-employment opportunities for people with disability, such as the New Enterprise Incentive Scheme (NEIS) should be subject to timely review and include consultation with people with disability who have accessed the scheme to direct future initiatives in this area.

**Social Inclusion**

* A timely public review should be undertaken to assess progress towards the governments’ commitment to ensure all government websites adhere to the new Web Content Accessibility Guidelines standards by 2015.
* Already established forums, such as the Digital Hubs Program, should be expanded to incorporate the accessibility needs of people with disability. Pilot programs in a number of Digital hub locations should assess the relevance of the program in providing free internet access to people with disability on low income.
* Ramp Up, the only mainstream media platform for discussion and debate around disability, has recently been discontinued. Ramp up was an important tool for building the capacity for people with disability within the community and as such should be re-established.
* The benefit of a technology and communications supplement should be investigated. This supplement would provide support for the costs of mainstream and specialist technology so that people with disability can maximise the opportunities for social and economic participation that technology offers.
* Any future welfare reform for people with disability must be implemented based on Australia progressively realising its obligations under the UN Convention on the Rights of Persons with Disabilities and the goals of the National Disability Strategy. By fully implementing the National Disability Strategy, the Government will address the systemic and structural barriers that prevents the social inclusion of people with disability, including access to affordable and accessible housing, transport, and social and economic opportunities.

# Pillar One: A simpler and sustainable structure

## Simpler architecture and fair rate structure

It is increasingly apparent that the base rate of income support in Australia for people of working age is insufficient to maintain an adequate standard of living[[13]](#footnote-13). The Interim Report recognises the inadequacy of these rates and the need for a review to address the widening gap between Newstart and the DSP, which has increased to $170 per week over the past decade.[[14]](#footnote-14)

The current income support structure is based on an assessment of a person’s perceived capacity to work, rather than their financial need, or a realistic perception of the employment opportunities available. Tightening of the DSP eligibility criteria over recent years has led to more people with disability being moved from the DSP to lower rates of payment, matched with an increase in participation requirements focused on finding work.

Whilst employment does play a critical role in raising self-esteem and improving connections to social and community networks, thereby promoting social inclusion more generally, these impacts are not automatic. These positive outcomes depend on suitable jobs being available, and the level of support that is provided while people make the transition to work. Legislative changes aimed at incentivising employment will not automatically deliver greater economic participation for people with disability; this depends on a multitude of other factors. What is certain though is that budget measures that result in a drop in people’s income will lead to greater economic marginalisation and poverty for people with disability.

Proposals in the Interim Report suggest a further narrowing of DSP eligibility to people with ‘permanent disability’ and ‘no capacity’ to work. Those people assessed as having capacity to work would be moved to a tiered working age payment with additional supplements that recognises individual circumstances, such as partial capacity to work[[15]](#footnote-15).

This tiered structure raises a number of significant issues:

* A person who is perceived as having no capacity to work, and therefore no future economic participation potential, is entitled to a higher pension rate. To categorise someone this way is deterministic and contrary to the person-centred policy approach being implemented through the NDIS. The NDIS is designed from the premise that with appropriate supports in place individuals will have opportunity to pursue their social and economic goals over time. With this support the economic inclusion of people will increase[[16]](#footnote-16).
* The financial level of proposed supplements, and what these supplements would cover is not identified in the report. However, it is suggested that eligibility to supplements, and the support services associated with these payments, would be based on the current assessment methods used to ascertain a person’s capacity to work. The current assessment process already leads to people with disability being placed on insufficient income support payments. Under the proposed new structure, people with disability will remain at risk of being moved from higher to lower payments based on reviews of their eligibility for both the DSP and the supplements for limited capacity to work under the tiered payment structure. This risk will be ongoing as future policy changes and cost saving activities may tighten the eligibility criteria for working age supplements even further.
* People in receipt of the working age payment would remain subject to participation requirements based on a hypothetical assessment of their capacity to work. As mentioned previously a person’s capacity depends on the numerous factors that impact on their ability to find work at a given time, including the state of the local employment market and the barriers to accessing employment for people with disability.

Income support payments should be based on a person’s financial needs at a particular point in time, rather than their future job prospects. The fundamental premise of any new welfare system should be that no group is worse off as they move through transitions in life, potentially in and out of employment.

In order to establish a basis for a common approach to adjusting payments in future, a baseline needs to be established, which benchmarks current income support payments to an acceptable standard of living index. Experience has shown that benchmarking to the Consumer Price Index (CPI) alone does not ensure that payments are maintained at an adequate level[[17]](#footnote-17). Current budget measures to change pension indexation to the CPI should not proceed and the DSP should remain benchmarked to the Male Total Average Weekly Earnings (MTAWE).

Base rates should be sufficient to allow recipients and their families to maintain an adequate standard of living in relation to the rest of the community. Supplements, including a supplement to account for partial capacity to work, would need to be available to all who need it to cover the additional cost of disability. These supplements would also need to be maintained over time, to provide adequate support for people as they move from income support to employment.

## The National Disability Insurance Scheme (NDIS)

There are approximately 730,000 people with a ‘profound or severe core activity limitation’ under the age of 65 in Australia[[18]](#footnote-18). It is estimated that approximately 460,000 of these people will be covered under the NDIS[[19]](#footnote-19).

The Interim Report rightly acknowledges that reform of the social security system needs to take into account recent developments, such as the introduction of the NDIS. The NDIS realises a fundamental shift in disability policy from a medical model towards delivering support and services from a person centred approach based on the goals and aspirations of people with disability themselves.

The NDIS is designed to provide disability support services to a person how, when and where they choose. NDIS funding packages are not income, and should not be considered as relevant to determining whether a person qualifies for income support. Rather, NDIS funding are monies held by the participant, or another entity on their behalf, and must be used only for the purchase of ‘reasonable and necessary’[[20]](#footnote-20) supports and services according to a pre-agreed plan. The NDIS will not provide direct support for the everyday living costs of people with disability. Whilst the NDIS has the potential to mitigate some of the mainstream costs of disability for some people, evidence to the extent that it does so is yet to be seen. What the NDIS has the potential to do is be an enabler for people with disability to have new goals in terms of workforce participation, which would in turn reduce overall expenditure on income support.

As a national insurance scheme the NDIS recognises that any Australian may have a disability at some point in their life and that the scheme should be available to, and paid for, by everyone. Eligibility to the NDIS is not based on a person’s level of income or their perceived economic contribution to society. The welfare system must also genuinely acknowledge that any Australian with disability may have difficulty finding and maintaining employment at some point in their lives, and that some people with disability may never work. Social security should be available to all of these people regardless of their past or future economic contributions.

## Rent Assistance

The Harmer Review in 2009 found that pensioners who rent privately have poorer outcomes, including higher financial stress, than pensioners who own their own home or who live in public housing. The Interim Report notes that the reason for this financial stress is the declining effectiveness of rent assistance and other disadvantages such as the insecurity of housing arrangements[[21]](#footnote-21).

The cost of housing in Australia has increased at almost three times the rate of income over the past ten years and dramatic increases in rental prices have priced low-income renters, including people with disability, out of the private housing rental market. Home ownership is out of reach for the vast majority of Australians, and only 28% of people who received the DSP own their own home[[22]](#footnote-22).

For those people with disability that cannot afford to enter the private rental or owner market, social housing becomes the only option. Social housing only makes up 5%[[23]](#footnote-23) of the total housing stock in Australia, and demand already far outstrips supply. The shortage of social housing stock means that vulnerable people can wait years for placement.

As the Interim Report notes, Commonwealth Rent Assistance (CRA) has not kept pace with the growth in rents experienced by income support recipients. Research has shown that 36% of households affected by a disability and renting paid more than 30% of their gross income for housing compared with 26% of households with no disability[[24]](#footnote-24). In addition to paying more of their income on rent, people with disability also pay a higher proportion of their income on out of pocket expenses related to disability. This leaves little disposable income for everyday needs such as food and clothing, and makes spending on luxuries, investing in education, or the opportunity to save for the future out of reach for the vast majority of people with disability.

In addition to the issue of housing affordability and the inadequacy of CRA, the majority of existing homes in Australia are not accessible for people with disability. For example, they have steps, narrow doors and hallways or are too far away from accessible public transport. Although people with disability have the right to live in the community[[25]](#footnote-25) close to friends and family, the reality is that many people are restricted to specialised disability housing, or substandard housing conditions due to a lack of viable, and affordable options. Although Liveable Housing Australia has developed comprehensive guidelines for universal house design[[26]](#footnote-26), these guidelines remain voluntary for the housing sector and the majority of new homes are not meeting design standards to allow these homes to be accessible for everyone.

Historically, people with disability have had their housing choices constrained by how disability supports have been provided to them. For a majority of people with disability, where they live has been dictated by where their support provider is located (whether this be professional support or family care). If they move house they may lose the essential support on which they depend or face increased barriers to get to the service, such as expensive transport costs. Additionally, eligibility rules for disability support differ from state to state, placing restrictions of movement on people with disability who may risk losing services if they moved interstate. Moreover, many people with disability are compelled to live in institutions because they have complex needs and their support services are linked to accommodation provision, and because there are no affordable and accessible alternative options.

With the new freedom to choose where and how services are to be delivered, it is estimated that the roll out of the NDIS will enable 30,900 more people across Australia to seek access to private, public and social housing for the first time. However, the estimated total unmet need for affordable housing will be between 83,000 and 122,000 NDIS participants, nation-wide[[27]](#footnote-27). This is over a quarter of the approximate 460,000 people that the scheme has been designed to support[[28]](#footnote-28).

To ensure that choice and control in the provision of support is maintained under the NDIS, housing stock must match demand so that people with disability are not limited in their options and forced to continue living in unsuitable accommodation, or feel compelled to choose specialist disability housing simply to ease the pressure on mainstream affordable housing or to reduce the public cost of providing disability support services in the community. A lack of accessible alternative community and private sector housing cannot be used as a justification for the continued or ‘re-segregation’ of people with disability into institutional environments.

The provision of Government assistance through social housing and adequate rates of CRA helps to protect people with disability living on income support from further vulnerability to housing insecurity. It is imperative that further investment is made to boost the supply of affordable and accessible housing in Australia, including in rural and regional areas. CRA is currently paid at a flat rate regardless of the difference in rent charged in different regions. The Harmer Report in 2009 recommended a Rental Affordability Index, and as the Interim Report notes this could be worth considering further to better reflect the real rents for households[[29]](#footnote-29). Furthermore, immediate steps could be taken to address the lack of affordable housing. Reinstating funding for the National Rental Affordability Scheme, which was axed in the 2014 federal budget would be a good place to start.

Accessible and affordable housing is essential for the inclusion of people with disability in social and economic life. Current policy which ties income support to housing retention is a disincentive to work. Providing rental support or social housing for fixed periods while people are supported to gain and transition to employment would help to address fears of housing instability. The current focus on forcing people with disability to take jobs regardless of the long term certainty of this employment, means that they are not only putting their income, but also their housing security at risk.

# Pillar Two: Strengthening individual and family capability

## Mutual obligations

The Interim Report recognises the mutual obligations of Government, business, civil society, local communities and individuals within a sustainable social security system.

Over recent years welfare reforms have led to an increase in participation requirements for people with disability on income support payments. People on Newstart with partial capacity to work are required to take part in compulsory activities through a Participation Plan aimed at improving their employment opportunities. For some people with disability on the DSP, participation activities have also recently become compulsory where in the past these activities were optional.

Despite these initiatives to increase expectations on people with disability to find work, there appears to been limited positive outcomes. For example, the Program of Support rule introduced under the *Family Assistance and Other Legislation Amendment Bill 2011* was intended to assist those with work capacity to improve their job prospects so that they do not need the DSP. However, few have progressed into fulltime employment. By October 2013, only 300 out of 2,000 people who had participated in a Program of Support (15%) found employment[[30]](#footnote-30). The remaining 85% of people would have participated in the Program of Support and failed to find employment.

No evaluation has been completed to see whether the Welfare to Work reforms of recent years, including the new Impairment Tables, have led to better employment outcomes for people with disability.

We agree that people who are in receipt of income support payment should be supported to identify and take steps to reach their future social and economic goals. However, as expectations on job seekers have increased, the Government has not provided the enabling environment to promote employment and career advancement opportunities, especially for people with disability who experience high barriers to inclusion.

## Increasing expectations are not being met with adequate support

The investment in building the social and economic capacity of individuals starts from childhood through the school system. However, children with disability continue to face exclusion from mainstream education[[31]](#footnote-31). Young people with disability entering the labour market cannot be expected to ‘earn or learn’ if they do not have adequate support to do so. For example, a recent NSW government decision to apply arbitrary, non-dedicated TAFE loading will make it more difficult for people with disability to further their vocational education. The Pensioner Education Supplement (PES), which provided financial support to people on the DSP to cover the costs associated with study was cut in the 2014 budget. This means that people with disability now have to fund their study out of their income support payments which will clearly be prohibitive. DSP recipients are not eligible for Jobs Education and Training (JET) childcare although people receiving working age payment including Newstart are.[[32]](#footnote-32) This means that DSP recipients who are studying or want to study must pay for child care from their DSP which is also clearly prohibitive.

Presenting barriers to education and training makes it almost impossible for people with disability to meet their obligations to find work, and further their own aspirations. Participation Plans should focus on pathways that match the individual goals of the client, be supported by adequate funding, and be focused on employment outcomes only. Compliance regimes which mean that people with disability undertake training that is irrelevant or does not meet the needs of the job market are futile and setting people up to fail. Recent proposals to extend income management to all people on income support is demeaning and perpetuates the stigma towards people supported by social security payments[[33]](#footnote-33).

# Pillar Three: Engaging with employers

When compared with other OECD countries, Australia ranks 21 out of 29 in employment participation rates for people with a disability[[34]](#footnote-34). In June 2014 the need for a new approach to employment for people with disability was emphasised by outgoing Disability Discrimination Commissioner Graeme Innes who called for the Government to develop a ‘Jobs Plan’ for people with disability in his final public address.[[35]](#footnote-35)

Tying employment and income support for people with disability together at the Federal level maintains the view that the only levers for change are Newstart or the DSP. However, ‘this model hasn’t created jobs, hasn’t supported employers to create jobs, hasn’t made workplaces more accessible or removed discrimination, hasn’t created more positive employer attitudes and hasn’t equipped people with disability with the skills or resilience to retain their place in the workforce’[[36]](#footnote-36).

Negative attitudes and misconceptions about disability means that employers remain reluctant to employ people with disability[[37]](#footnote-37). Disability employment policy must be reinvigorated as a matter of priority and could include initiatives such as:

* Increasing targets for employing people with disability in public service positions and initiating key signature measures such as Parliamentary internships to demonstrate Government commitment to a diversified workforce.
* Mandatory reporting on the numbers of people with disability employed by private sector and not for profit organisations in annual reports.
* The adoption of an accessible procurement policy by the Government to preference employers that demonstrate best practise in the employment of people with disability.
* Retention of the full DSP for at least six months for people with disability entering the workforce in entry level positions in order to provide real incentives and buffers against perverse outcomes due to extra costs.
* Comprehensive tax offsets for the costs of mainstream supports people with disability may encounter in order to maintain themselves in jobs (for instance the costs of tailored clothing, taxis or maintaining a car).
* Transition from the Australia Disability Enterprises model to genuine work training and skills building opportunities that lead to open mainstream employment for people with disability[[38]](#footnote-38).

The Government should set an example by proactively encouraging people with disability into jobs in the public service. Where there are demands for a new workforce, such as with the roll out of the NDIS, the Government and business sector should promote a diversified workforce and put strategies in place to maximise opportunities for people with disability, including adequate training and education support.

Many people with disability would benefit from paid work experience or internships. This should be promoted as part of income support related Participation Plans, with participation in this work not affecting a person’s level of income support. Schemes such as Work for the Dole where people are forced to take part in employment irrelevant to their goals and aspiration are unlikely to have a long term impact on a persons’ employability[[39]](#footnote-39).

People with disability who have been long-term unemployed face multiple challenges to finding and keeping work. Employment services and other social supports such as mental health services and subsidised transport, should work in tandem to support people with disability to maximise the potential for employment through a holistic approach to improving the long term well-being of each individual.

Soft-bigotry and low expectations within the general community and Disability Employment Services (DES) continue to lead to poor employment outcomes for people with disability. Employment services should be evaluated and funded on the outcomes they deliver for people over the long term, not just how many people they get into any type of work, regardless of the security that job offers. A 2012 government evaluation of disability employment shows that only 25% of people with a mental illness accessing DES obtain a job and only 14% keep their job for 13 weeks[[40]](#footnote-40).

To drive Disability Employment Services to have a focus on longer term positive outcomes for clients, people with disability should be given greater control and choice regarding their employment service provider and have the right to move providers if their needs are not being met. Job search funding should be provided as an individualised package to be spent on the job services that the person chooses. For example, a person may choose to employ a job agent to help them prepare and tailor their CV.

Employers also need support when moving to more accessible and disability inclusive work practices. The Australian Council on Social Services (ACOSS), together with the Business Council of Australia (BCA) and the Australian Council of Trade Unions (ACTU) recently released a statement outlining how the current employment services system could be reformed to support employers to increase their recruitment practices among people who are very long-term unemployed, including people with disability[[41]](#footnote-41). Having employee and employer support services within one structure could enable better sharing of information focused on meeting the needs of all parties.

 In order to develop strategies to deliver better employment outcomes for people with disability, solid national research on employer attitudes towards people with disability is needed. This would help inform future strategies to meet the needs and concerns of employers. Matched with consultation with people with disability and their representative organisations, expectations, challenges and opportunities can be identified to inform future strategies to deliver jobs for people with disability.

All people with disability should be supported to find and keep work, and be compensated appropriately for that work. Where a person is unable to gain paid employment, they are entitled to an adequate level of income support for themselves and their families. Rather than legislative and policy change that will create greater hardship, the Government needs to ensure that the safety net is there for those people who need it, when they need it, at the same time as implementing a genuine plan to improve employment opportunities for people with disability.

# Pillar Four: Building community capacity

## Building resilience through civil society

People with disability are over-represented in disadvantaged communities. The fact that ‘residents of disadvantaged regions are also more likely to have a health condition or disability and be unemployed[[42]](#footnote-42)’ is both a cause and consequence of persistent structural and systemic barriers.

For communities to build resilience they must be able to directly influence decisions that affect their lives. In addition, through strong social networks (informal and formal) people can identify support structures and resources within their community that can be called upon during difficult periods or periods of change.

The Interim Report rightly acknowledges that the civil society sector in Australia has an ‘international reputation for its innovation, advocacy, ability to deliver outcomes, cost-effective programmes and partnerships with Government, business and philanthropic foundations and high net worth individuals’[[43]](#footnote-43).

In order to build community capacity and resilience over the long term, predictable funding is needed to maintain essential advocacy and frontline services to vulnerable groups. Locally based service providers have the relevant knowledge and existing relationships to engage in a meaningful way and facilitate capacity building initiatives with vulnerable communities.

Representative and independent advocacy organisations play an essential role in promoting the rights of people with disability. Advocates work with individuals to protect their interests and help build their capacity to take control of decisions that affect them. This can lead to greater levels of social inclusion benefitting people with disability themselves and the community in which they live. Representative organisations also educate employers about disability, and advocate for systemic policy change at a State and Federal level. Recent Government cuts to organisations that provide advocacy services[[44]](#footnote-44) is short sighted and counter-productive to building individual and community capacity for people with disability.

To build community capacity, people must be provided with the means to voice their concerns and promote public dialogue around issues that affect them. Ramp Up[[45]](#footnote-45), the only mainstream media platform for discussion and debate around disability, has recently been discontinued. Platform’s such as Ramp Up provide the means by which marginalised people can provide insight into their lives, breakdown public perceptions and stereotypes, and promote ideas around how to achieve social inclusion. Ramp Up was an important tool for building the capacity for people with disability within the community and as such should be re-established.

## Role of local business

The 2012 National Disability Strategy (NDS) report to Council of Australian Governments (COAG) identified the need for future action to ‘encourage innovative approaches to employment of people with disability such as social enterprises, or initiatives to assist people with disability to establish their own small business’[[46]](#footnote-46). Self-employment through micro-business provides people with disability the opportunity to pursue their career aspirations and establish financial stability.

To reach this goal people with disability may need to retrain or undertake further education courses. Self-employment should be considered a viable long-term goal for people with disability on income support, and adequate financial assistance should be provided for retraining and education. Where people have successfully established small business, their experiences could be shared through peer support networks, matched with industry mentoring through the Community Business Partnership and the Australian Network on Disability[[47]](#footnote-47).

Initiatives highlighted in the COAG report referenced the Social Enterprise Development and Investment Fund and the New Enterprise Incentive Scheme (NEIS)[[48]](#footnote-48), which was extended to eligible DES job seekers from July 1, 2012. People with disability accessing NEIS are eligible for CRA and continuation of income support payments for a period of 39 weeks. The NDS report states that consultation will be conducted during the delivery and implementation stages of this initiative with a range of stakeholders including DES providers, the Department of Human Services, NEISproviders, and relevant industry peak organisations. A timely public evaluation of the Scheme two years on, including consultation with people with disability who have accessed the scheme would help to direct future initiatives in this area.

The National Disability Insurance Agency (NDIA) has stated an intention to fund the establishment of Disability Support Organisations (DSOs)[[49]](#footnote-49). DSOs, established by and for people with disability, will play a vital role in communities as a central resource to identify service options already in the community, identify gaps and advocate for these needs to be met. DSOs will facilitate the social and economic inclusion of people with disability, support people with disability through the transition to the NDIS, and build their capacity to take control of decisions that affect their lives. Financial support for DSOs should be maintained over the long term and the model evaluated to assess the social and economic outcomes for people with disability beyond the remit of the NDIS.

## Role of technology

The Interim Report notes that access to technology is an important enabler for people with disability to find employment[[50]](#footnote-50). Increased access to information and communication technology is an essential tool for social inclusion. Research points to the value of ‘technological innovation, particularly the internet and software adaptations, in helping young people make contact with their peers, giving them a sense of belonging and breaking down barriers’[[51]](#footnote-51).

In addition to social and communication alternatives for people with disability, technology provides the opportunity to pursue flexible educational and employment arrangements. However, the extent that technology can be utilised to build capacity for people with disability will depend on its accessibility. As more information and activities are moved online, the detrimental effect may be further isolation for people with disability who cannot access these technologies and consequently the opportunities they provide.

The National Digital Economy Strategy includes the goal that by 2020 four out of five Australian will choose to engage with the Government through the internet or other online service[[52]](#footnote-52). As more community, education and Government entities move to increase their online presence it is essential that this is not achieved at the exclusion of people with disability. For example, currently Government websites still post documents in PDF format, which are inaccessible to people who are vision impaired and use screen reading technology.

The Web Content Accessibility Guidelines 2.0 were introduced in 2009 by the World Wide Web Consortium as the international standard for online accessibility. In 2010, the Australian Government announced it would ensure all government websites adhere to the new Web Content Accessibility Guidelines standards by 2015. This commitment should be subject to timely public review[[53]](#footnote-53).

For technology to be fully utilised by people with disability the software and hardware needs to be accessible to all people who need it. Internet at home is still an additional cost that people need to meet out of their income support payments. For people with disability on income support, the costs associated with accessing internet at home may be prohibitive. Already established forums, such as the Digital Hubs Program[[54]](#footnote-54) should be expanded to incorporate the accessibility needs of people with disability. Pilot programs in a number of Digital Hub locations could be trialled to assess the relevance of the program in providing free internet access to people with disability on low income.

The reformed Community Business Partnership[[55]](#footnote-55) should play a central role in promoting the design of new innovations, as well as the delivery of accessible technology at low cost to people with disability throughout Australia. A formal consultative process with people with disability and their representative organisations could inform the Partnership where further investment in technology would maximise outcomes.

In addition to mainstream technology, for many people with disability assistive technology and equipment (such as screen readers, hearing devices, augmentative assistive communication (AAC) devices etc.) facilitates social inclusion, including employment. People with disability and their representative organisations must be included in the planning and evaluation of strategies to deliver essential equipment and assistive technology to ensure it is accessible and affordable. Independent Living Centres[[56]](#footnote-56) play an important role in ensuring people with disability are able to view and learn how to use the most up to date assistive technology available to them, but these centres are only located in metropolitan areas. Whilst for some people funding for assistive technology will fall under the NDIS, the majority of people with disability will still need to pay for these essential supports out of their income.

A technology and communications supplement could provide support for the costs of mainstream and specialist technology so that people with disability can maximise the opportunities for social and economic participation that technology offers.

# Creating a bold social security blueprint for inclusion

Providing adequate social security through income support to those who need it is a responsibility that lies with the Government. The Interim Report acknowledges that the improved economic and social outcomes for individuals depends on their demand for, and access to, a wide range of formal and informal social support services. Investing in people at the same time as investing in the community where they live will create an enabling environment which delivers better social and economic opportunities for all.

For people with disability, the barriers to social and economic participation remain significant. Changes such as a simpler income support structure, or increases in rent assistance will make little difference to the capacity of people with disability to work unless the social obstacles faced everyday are addressed. To promote social and economic participation and minimise the impact of disability, the Reference Group should ensure that the recommendations they make for welfare reform promote social inclusion for all people with disability, not create further marginalisation and segregation. As a membership based organisation of people with disability, PWDA looks forward to working with the Reference Group and the Government on an ambitious social security reform agenda that benefits all of the Australian community over the long term.

1. Negative media articles have targeted people on the DSP, for example; <http://www.dailytelegraph.com.au/news/nsw/disabling-rorters-planned-disability-pension-scheme-overhaul-could-force-thousands-of-australians-into-workforce/story-fni0cx12-1226969938830>, <http://www.news.com.au/national/nsw-disability-support-pensioners-now-outnumber-australias-total-war-wounded-by-more-than-44000/story-fncynjr2-1226926318057> [↑](#footnote-ref-1)
2. Interim Report of the Reference Group on Welfare Reform, Appendix G, p.162 [↑](#footnote-ref-2)
3. Ibid [↑](#footnote-ref-3)
4. Ibid [↑](#footnote-ref-4)
5. The Shut Out Report released in 2012 by the Department of Social Services comprehensively documented what life is like in Australia for people with disability. The report can be accessed here http://www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research [↑](#footnote-ref-5)
6. See the ABS 4102.0 Australian Social Trends, March Quarter 2012 found here http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features40March+Quarter+2012 [↑](#footnote-ref-6)
7. Australia ratified the UN Convention on the Rights of Persons with Disabilities in 2008. The full convention can be found here http://www.un.org/disabilities/convention/conventionfull.shtml [↑](#footnote-ref-7)
8. Ibid [↑](#footnote-ref-8)
9. Australian National Disability Strategy p. 43 http://www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research/national-disability-strategy-2010-2020 [↑](#footnote-ref-9)
10. Research released by the Australia Council of Social Services shows that increasing number of people are living in poverty, including people with disability on Newstart for more information go to <http://www.acoss.org.au/media/release/wake_up_call_for_the_nation_more_than_620_000_people_with_disability_living> [↑](#footnote-ref-10)
11. This review would then inform the setting of single and double rates in the future. Interim report of the Reference Group on Welfare Reform p.60 [↑](#footnote-ref-11)
12. Interim Report of the Reference Group on Welfare Reform, p.6 [↑](#footnote-ref-12)
13. Read more in the Australia Council of Social Services research recently released go to <http://www.acoss.org.au/media/release/wake_up_call_for_the_nation_more_than_620_000_people_with_disability_living> [↑](#footnote-ref-13)
14. National Committee of Audit data available here http://www.ncoa.gov.au/report/appendix-vol-1/9-12-disability-support-pension.html [↑](#footnote-ref-14)
15. Interim report of the Reference Group on Welfare Reform p.51 [↑](#footnote-ref-15)
16. Refer to the Principles and Objectives of the NDIS https://www.coag.gov.au/node/497 [↑](#footnote-ref-16)
17. See PWDA recent submission to the Senate Inquiry into Social Security Legislation found http://www.aph.gov.au/Parliamentary\_Business/Committees/Senate/Community\_Affairs/Social\_Services\_2014\_Budget\_Measures/Submissions [↑](#footnote-ref-17)
18. The ABS Survey of Disability, Ageing and Care 2012 http://www.abs.gov.au [↑](#footnote-ref-18)
19. Estimated numbers to be covered by the NDIS http://everyaustraliancounts.com.au/ndis\_qanda/ [↑](#footnote-ref-19)
20. See here for the NIDS definition of reasonable and necessary support http://www.ndis.gov.au/document/768 [↑](#footnote-ref-20)
21. Interim report of the Reference Group on Welfare Reform p.68 [↑](#footnote-ref-21)
22. Australian Government Department of Social Services, *Characteristics of Disability Support Pension Recipients*, 2013, p. 19. [↑](#footnote-ref-22)
23. Joe Flood and Emma Baker , *Australia’s Changing Patterns of Home Ownership*, Issue 133, Australian Housing and Urban Research Institute, December 2010 [↑](#footnote-ref-23)
24. Australian Housing and Urban Research Institute, 2009, p. 1 [↑](#footnote-ref-24)
25. See Article19 of the Convention on the Rights of Persons with Disabilities http://www.un.org/disabilities/convention/conventionfull.shtml [↑](#footnote-ref-25)
26. Liveable Housing has a tired level of accreditation for universal design. Further details can be found here: http://www.livablehousingaustralia.org.au/ [↑](#footnote-ref-26)
27. Bruce Bonyhady, ‘The National Disability Insurance Scheme: Supporting participants to gain appropriate housing with quality support.’ Presentation at Disability Supported Living Innovation Forum, 21 October 2013. [↑](#footnote-ref-27)
28. Australian Government, Productivity Commission, *Disability Care and Support: Productivity Commission Inquiry and Recommendations,* No. 54, July 2011 [↑](#footnote-ref-28)
29. Interim report of the Reference Group on Welfare Reform p.68 [↑](#footnote-ref-29)
30. Answers to Senate Estimate questions on notice Social Services Portfolio 2013-14 Supplementary Estimates Outcome Number 5 Question No 39. [↑](#footnote-ref-30)
31. Children with Disability Australia Policy brief *Inclusion in Education* can be accessed here http://www.cda.org.au/cda-issue-papers [↑](#footnote-ref-31)
32. See here for more information http://www.humanservices.gov.au/customer/services/centrelink/jobs-education-and-training-child-care-fee-assistance [↑](#footnote-ref-32)
33. The Forrest Indigenous Jobs and Training Review recently recommended extending Income Management across more income support recipients, including people on the DSP http://indigenousjobsandtrainingreview.dpmc.gov.au/ [↑](#footnote-ref-33)
34. See here for more information <http://www.oecd-ilibrary.org/social-issues-migration-health/sickness-disability-and-work-breaking-the-barriers_9789264088856-en>. [↑](#footnote-ref-34)
35. Graeme Innes made his last speech as Disability Discrimination Commissioner at the National Press Club in July 2014, see here for more information https://www.humanrights.gov.au/news/stories/commissioner-innes-calls-disability-jobs-plan [↑](#footnote-ref-35)
36. PWDA 2013 federal Election Brief found here http://www.pwd.org.au/campaigns/federal-election-2011.html [↑](#footnote-ref-36)
37. See the Shut Out Report released in 2012 by the Department of Social Services http://www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research [↑](#footnote-ref-37)
38. PWDA 2013 federal Election Brief found here http://www.pwd.org.au/campaigns/federal-election-2011.html [↑](#footnote-ref-38)
39. See here for more on the effectiveness of the Work for the Dole http://theconversation.com/work-for-the-dole-doesnt-work-so-why-is-it-coalition-policy-784 [↑](#footnote-ref-39)
40. http://docs.employment.gov.au/system/files/doc/other/evaluation\_of\_disability\_employment\_services\_interim\_report\_reissue\_march\_2012.pdf provides more information [↑](#footnote-ref-40)
41. Further information can be found on the Business Council of Australia website here http://www.bca.com.au/publications/opportunity-for-all-joint-statement-on-acoss-actu-and-bca-cooperation [↑](#footnote-ref-41)
42. Interim report of the Reference Group on Welfare Reform p. 112 [↑](#footnote-ref-42)
43. Ibid [↑](#footnote-ref-43)
44. For more information on the impact of cuts see here http://www.probonoaustralia.com.au/news/2014/08/govt-cuts-shutdown-disability-advocacy-innes [↑](#footnote-ref-44)
45. The Ramp up website can be accessed here, although it is no longer live http://www.abc.net.au/rampup/ [↑](#footnote-ref-45)
46. The National Disability Strategy report can be found here http://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-strategy-2010-2020-report-to-coag-2012 p.92 [↑](#footnote-ref-46)
47. The Australian Network on Disability is a platform aimed to enhance the social inclusion of people with disability through business http://www.and.org.au/pages/about.html [↑](#footnote-ref-47)
48. More information on the Social Enterprise Development and Investment Fund see here http://employment.gov.au/social-enterprise-development-and-investment-funds and the NEIS here <https://employment.gov.au/help-available-and-eligibility-neis> [↑](#footnote-ref-48)
49. More information on DSOs can be found here http://www.ndis.gov.au/document/759 [↑](#footnote-ref-49)
50. Interim Report of the Reference Group on Welfare Reform p.124 [↑](#footnote-ref-50)
51. Young people with Disability: Independence and Opportunity: A Literature Review published by The University of Melbourne Youth Research Centre in 2013 provides a comprehensive summary of recent research on inclusion of young people with disability. The report can be found here http://web.education.unimelb.edu.au/yrc/linked\_documents/research\_report39.pdf [↑](#footnote-ref-51)
52. For more information on the National Digital Economy Strategy see here http://www.finance.gov.au/blog/2011/05/31/australian-government-releases-national-digital-economy-strategy/ [↑](#footnote-ref-52)
53. See <http://www.mediaaccess.org.au/digital-technology/government-websites-to-be-wcag-20-compliant-by-2015> for more information [↑](#footnote-ref-53)
54. Digital Hubs are found in a number of location around Australia and provide free internet training and support, for more information see http://www.communications.gov.au/digital\_economy/programs\_and\_initiatives/digital\_hubs\_programme [↑](#footnote-ref-54)
55. The Community Partnership was reformed as part of the 2014-15 budget measures http://www.dss.gov.au/our-responsibilities/communities-and-vulnerable-people/programs-services/community-business-partnership [↑](#footnote-ref-55)
56. Further information on Independent Living Centres can be found here http://ilcaustralia.org.au/ [↑](#footnote-ref-56)