



people with disability

ABN 98 879 981 198

People with Disability Australia (PWDA)

Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014

**Submission
July 2014**

Contact details:

Kate Finch

Advocacy Projects Manager

People with Disability Australia Incorporated

PO Box 666 Strawberry Hills NSW 2012

Tel: 02 9370 3100

Fax: 02 9318 1372

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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 thanks the Community Affairs Legislation Committee (the Committee) for the opportunity to input into this inquiry. The 2014-15 federal budget has been widely criticised for placing the burden of reducing Australia's debt on the most vulnerable in our community. 45% of people with disability in Australia already live in or near poverty¹. Measures implemented through this budget will impact disproportionately on those already suffering financial hardship, compounded by the numerous systemic and societal barriers people with disability face every day.

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)² 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, their barriers to social and economic participation that they experience.

It has been noted in the past that reductions in social security to a level that does not enable individuals to meet their everyday living costs places the Government in a position whereby they violate Article 9 of the International Covenant on Economic Social and Cultural Rights (ICESCR) recognising "the right of everyone to social security including social insurance".³ In addition, Article 28 of the CRPD specifies that "state parties recognise the right of persons with disabilities to an adequate

¹ PWDA 2013 Election Briefing: Get Real on Jobs, found here <http://ymjp.com/zkrsro>

² 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>

³ In 2012, ACOSS sent a letter to the UN Special Rapporteur on Extreme Poverty and Human Rights on the proposed introduction of the Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012 in Australia. The letter can be found here http://acoss.org.au/uploads/Urgent%20communication%20to%20the%20UN%20Special%20Rapporteur%20on%20Extreme%20Poverty%20and%20Human%20Rights_Final_051012.pdf

standard of living for themselves and their families, including adequate food, clothing and housing, and to the continuous improvement of living conditions, and shall take appropriate steps to safeguard and promote the realisation of this right without discrimination on the basis of disability”.

This submission has been informed by PWDA membership. Since the release of the budget, PWDA has been contacted by members increasingly confused and concerned about the impact of the budget measures on themselves and their families. Whilst a number of the measures introduced do not require legislative change, the uncertainty around the process has left people unsure of when and how new expectations will be placed upon them. In addition, the associated negative media and derogatory labelling of people with disability has compounded this anxiety and distress.⁴

This submission contains comments from our members and constituents to illustrate their concerns and highlight their views. They have been collected through social media, online surveys and via one on one feedback. This submission will specifically examine Bill 1, Schedule 4 and Bill 2 Schedule 1, 2 and 6. We make the following recommendations to the Committee.

Recommendations

Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014

- Reject Schedule 4, Bill 1. Request further information on the proposed ‘program of support’ requirements and potential penalties.
- Recommend the Government initiate an immediate review of the new Tables for the Assessment of Work-Related Impairment for Disability Support Pension (Impairment Tables) and program of support requirements since implementation. Request that the review be a public process with open consultation with stakeholders, including people with disability affected by the measures and their representative organisations.

Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014

- Reject Schedule 6, Bill 2. Recommend Pensioner Education Supplement be maintained.
- Reject Schedule 2, Bill 2. Recommend that portability allowance for people on DSP is maintained at a minimum level of six weeks per year.
- Schedule 1, Bill 2: Reject proposals to index pensions and equivalent payments and parenting Payment Single by the CPI.
- Schedule 11, Bill 2: Seek information about the potential impact of pension age increases on people receiving basic income support payments.

⁴ 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>

More unrealistic expectations creating hardship for people with disability

Budget Measure (SCHEDULE 4, Bill 1): From 1 July 2014, apply ‘program of support’ requirements to those people who retain their DSP after review against the new Impairment Tables.

Recommendations:

- **Reject Schedule 4, Bill 1. Request further information on the proposed ‘program of support’ requirements and potential penalties.**
 - **Recommend the Government initiate an immediate review of the new Tables for the Assessment of Work-Related Impairment for Disability Support Pension (Impairment Tables) and program of support requirements since implementation. Request that the review be a public process with open consultation with stakeholders, including people with disability affected by the measures and their representative organisations.**
1. From July 1 2014, Disability Support Pension (DSP) recipients under the age of 35, who were granted payment between 2008 and 2011, and who do not have a ‘severe’ disability, will have their DSP eligibility reviewed against the new Impairment Tables, which were introduced in January 2012.
 2. Of the 28,000 people to be reviewed, at a cost of \$46.4 million, it is estimated that 1400 (5%) will leave the DSP. People moved off DSP to the Newstart Allowance (Newstart) risk losing up to \$166 per week in income⁵. Young people aged under 24 will be hit harder, ending up on the lower rate of Youth Start Allowance.⁶
 3. Schedule 4 of Amendment Bill 1 aims to ensure that those people who maintain the DSP after review are subject to program of support requirements. These requirements would affect people under 35, able to work at least 8 hours a week and who do not have a dependent child under 6 years. Under new budget measures already introduced, all DSP recipients under the age of 35 with a work capacity over 8 hours are now required to have a Participation Plan including compulsory activities focused on training and employment, with penalties applying for non-compliance.
 4. In addition, new applicants for the DSP who are required to participate in a program of support will have a narrower range of options, limited to Commonwealth supported programs. Vocational training not funded by the Commonwealth may not be seen as a viable program option. Whilst not included in the Bill, the new requirements imply that there would be financial penalties for not taking part in the program of support. The Australian Council of Social Services (ACOSS) understand that these penalties could include:

⁵ ACOSS 2014 Budget Bills Brief: Disability Support Pension found here
http://www.acoss.org.au/take_action/federal_budget_2014-15/

⁶ Newstart rate for a single person is \$510.50

- Suspension of DSP payment on first occasion a person does not comply (e.g. fail to attend an interview or course), with payment restored *with* full back-pay once they do;
 - Suspension of DSP payment on the second occasion a person does not comply, with payment restored *without* back-pay once they do;
 - Cancellation of DSP on the third occasion a person does not comply.⁷
5. People on the DSP are already facing immense uncertainty in terms of security of income and are worried about the expectations and penalties regarding participation requirements. New budget measures limiting income support payments to the majority of young people on Newstart to six out of twelve months, will create even greater pressure on the job market. People with disability will be competing against more people, for scarce jobs, in an already unfriendly environment⁸.

Assessments do not take into account the challenges that people with disability face in finding and keeping work

"I have a 22 year old grandson who I raised, who is...on DSP for a congenital heart problem and ADHD and learning difficulties. I am expecting he will lose it with the review and be forced on youth allowance...The problem is the assessment doesn't take into account what an employer expects you to do. He has tried some casual jobs but never keeps them. One small cleaning job the owners complained that he wasn't friendly enough, another his general knowledge wasn't good enough, others haven't given him a reason. I tutored him all through school and I know it's not just laziness his issues are complex, he doesn't cope with pressure and he is not physically strong enough to do labouring. He only has 43 % lung capacity but I don't think the implications of this will be obvious in the review. He is probably capable of working eight hours a week but has next to no chance of getting and keeping a job when he has to compete with bright healthy people with great personalities. I wonder if people who are healthy and have not had the experience of family members who have health problems realise how hard it is for these people just to live everyday, how much effort actually goes into keeping well. I have also two members of my extended family on DSP for mental health issues and I am concerned about this idea that mental illness is not a permanent disability. Yes I know that there are episodes where people get worse but the illness is always there. Life is more difficult for them. Whilst I agree that if people are feeling well and want to work they should be encouraged and supported I think it's a mistake to push them. The stress of work might be too much, the fear of going through the assessment might be too much to cope with. Some people just do not get the fear

⁷ ACOSS 2014 Budget Bills Brief: Disability Support Pension found here
http://www.acoss.org.au/take_action/federal_budget_2014-15/

⁸ *Centrelink is Designed to fail the most Vulnerable*, Sydney Morning Herald July 3, 2014
<http://www.smh.com.au/comment/centrelink-is-designed-to-fail-the-most-vulnerable-20140706-zsuvj.html>

6. The measures combined will, as ACOSS suggest:

*“...entrench poverty, increase homelessness, place financial pressure on families, reduce job readiness and further disconnect people from the labour market. It would also make social security more complex and encourage people to enrol in training regardless of its relevance to future job prospects, as people come under pressure to make use of exemptions in order to receive income support”.*⁹

People are at risk of greater hardship if moved off DSP to lower payments

“I am currently on a New Start Allowance having waited 13 weeks without an income to qualify. It doesn't pay sufficient to apply to the medical costs I have nor the standard of living I was used to whilst working. In fact it's so hard to pay rent and medical expenses as many of my medications are not under the PBS. If my brother was to lose his DSP given his intellectual and mental health disability, he would surely risk not fulfilling his job search requirements and possibly be without any funds. It was so difficult to get him approved for the DSP”.

7. To match the need for increased participation and program of support requirements for people with disability, innovative and supportive training and job opportunities need to be available for people with disability. To be forced to participate in a program of support, with little to no realistic employment prospects is setting people

Innovative and supportive job opportunities are needed for people with disability

“I work for myself, from home. It's the only way to earn money I could find that didn't require I travel, need me be in attendance somewhere at particular times when I may not be able and need me to sit in chairs that may be vastly unsuitable. This way I can work when I can, and don't have to when I can't, I don't have to find the extra energy for travel and can be physically comfortable, all meaning I can complete more work. I believe if more employers offered a work from home option, MANY more people with restrictions on mobility, unpredictable illness and fatigue could work”.

up to fail.

Background to recent DSP changes

8. Over recent years, successive Government policies and tightening of requirements for the Disability Support Pension (DSP) have seen a decrease in the number of successful new DSP claims.

⁹ ACOSS 2014 Budget Bills Brief: 6-month wait for payment for unemployed young people
http://www.acoss.org.au/images/uploads/ACOSS_Budget_Bills_6-month_wait_for_payments.pdf

9. Changes brought in under the *Family Assistance and Other Legislation Amendment Bill 2011* required new DSP applicants to prove their capacity to undertake work for a period of 18 months before being approved. While undertaking their 'program of support', applicants would be eligible for alternative income support, such as Newstart. The *Better and Fairer Assessments* measures also initiated a review of the DSP assessment tables. The new Impairment Tables, introduced in January 2012, were intended to be more in line with 'contemporary medical and rehabilitation practice', shifting away from a deficit approach (a person's capacity or incapacity to work) towards a focus on functional ability.
10. To date, we do not know if the new Impairment Tables and the program of support requirements are actually leading to better employment outcomes for people with disability.
11. As at 30 June, to be eligible for DSP a person must be permanently blind or have a permanent physical, intellectual or psychiatric impairment of at least 20 points under the new Impairment Tables. If at least 20 points are not allocated under a single Impairment Table, a person must have also actively participated in a program of support. This requirement has in effect meant that people are in limbo for 18 months, accessing the lower rate of Newstart. Newstart is widely acknowledged to be inadequate for people to maintain a reasonable standard of living, the additional costs associated with disability make Newstart unliveable.¹⁰ There are approximately 130,000 people on Newstart Allowance with 'partial capacity to work'.¹¹
12. The purpose of the program of support rule was 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 employment¹². The remaining 85% of people would have participated in the program of support but failed to find employment.
13. In addition, since the introduction of the new Impairment Tables, Centrelink have undertaken random medical reviews of people on the DSP. From the period 1 July 2012 to 30 June 2013 a total of 5,734 DSP recipients were medically reviewed; 212 resulted in cancellation.¹³ Those people who had their DSP cancelled may have appealed, or would have had to apply for alternative income support from Newstart or Youth Allowance. The outcomes for these people are unknown.

¹⁰ Research released by ACOSS in 2012 showed that 2,265,000 people were living in poverty in Australia. This included 620,000 people with disability

http://www.acoss.org.au/media/release/wake_up_call_for_the_nation_more_than_620_000_people_with_disability_living

¹¹ Further welfare reform proposals suggest a tiered working age pension which puts more people with disability at risk of having to survive on lower payments <http://www.probonoaustralia.com.au/news/2014/07/nfps-call-fair-and-supported-welfare-system>

¹² Answers to Senate Estimate questions on notice Social Services Portfolio 2013-14 Supplementary Estimates Outcome Number 5 Question No 39.

¹³ Answers to Senate Estimate questions on notice Social Services Portfolio 2013-14 Supplementary Estimates Outcome Number 5 Question No 218.

14. PWDA has heard feedback from members about the reassessment process, including the need to “*jump through hoops over and over again to prove my disability*” and that re-assessments have been carried out by assessors with inappropriate skills, or not

Inadequate assessments do not provide a full picture of a person’s individual circumstances

A person with psychosocial disability was recently re-assessed for job capacity by an occupational therapist. At his job assessment it was determined that he was able to work 15hrs per week. The assessor did not seek additional medical information from a qualified psychiatrist based on his diagnosis. It would have been the individual’s responsibility to collect this information. When Centrelink were asked about a further interview, they referred to the private firm that was contracted to do the assessment who responded saying that they did not do second appointments.

“This is a person who cannot drive because of his medication, which he has to take over the entire day to stop his symptoms re-emerging...He has to be reminded to shower, shave and eat as well as supervised with taking his medication, which he will not take unless it is actually handed to him... According to him he should be able to work 40hrs a week...therefore he would have agreed to any proposition put to him at the interview. No supporting medical information was sought from him or his psychiatrist”.

referred for a second opinion.

A review of recent changes is urgently needed

15. Despite recommendations made at the time of the implementation of the new Impairment Tables, no review has been undertaken of the outcomes for DSP applicants since the Impairment Tables and program of support rules were introduced.

16. The Government cross-sector advisory committee formed to oversee the development of the new Impairment Tables made the following recommendation in their final report to Government:

‘FaHCSIA and the Department of Human Services should monitor the initial implementation of the revised Impairment Tables and undertake a comprehensive evaluation of the results over the first 18 months following implementation. The

Impairment Tables should be reviewed regularly thereafter i.e. at least every five years.¹⁴

17. In September 2011, a Senate Community Affairs Committee¹⁵ inquiry into the new impairment tables heard concerns from numerous stakeholders relating to the;
- consultation process both during the advisory committee's review of the impairment tables and consultation following the release of the draft revised impairment tables;
 - testing of the draft revised impairment tables, including the adequacy and results of the testing;
 - treatment of intellectual disability in the draft revised impairment tables;
 - importance of family and community support structures to those with a disability;
 - ongoing monitoring of the impacts of the revised tables;
 - capacity and ability of people with a disability living in regional areas to access work;
 - availability and capacity of employers in smaller regional economies to provide access to work for people with a disability and support these people in work;
 - and capacity of the job network to accommodate people with a disability.
18. The Taylor Fry Report¹⁶, which was relied upon for the implementation of the Impairment Tables also indicated that there was inconsistency between assessments when Job Capacity Assessors were asked to assess a person with the same injury when the trials occurred.
19. The introduction of the program of support requirements in September 2011, prior to implementation of the new Impairment Tables was highly criticised¹⁷. In addition, the Bill containing the Impairment Table changes was rushed through Parliament on 21st November 2011. Whilst the Bill passed, the Committee provided the following recommendations:

“The committee recommends the government find ways to expand consultation and evaluation of the revised Impairment Tables. This should include information for current DSP recipients about the potential impact of the tables when a medical review is conducted. The committee recommends that inter-assessor reliability using the disability support pension impairment tables is checked regularly by the Department of Families, Housing, Community Services and Indigenous Affairs”.

20. In a Dissenting Report¹⁸, Senator Rachel Siewert reiterated the concerns of the Australian Federation of Disability Organisations (AFDO) regarding the need for a timely Government review of the changes:

¹⁴ Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Review of the Tables for the Assessment of Work-related Impairment for Disability Support Pension*. Available at: http://www.fahcsia.gov.au/sa/disability/payments/Pages/review_dsp_impairment_table.aspx
¹⁵ http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2010-13/SocSecAmend/report/~media/wopapub/senate/committee/clac_ctte/completed_inquiries/2010-13/Soc_Sec_Amend/report/report.ashx

¹⁶ Taylor Fry Pty Ltd, *Department of Families, Housing, Community Services and Indigenous Affairs: Analysis of the testing of draft impairment tables*, 22 June 2011

¹⁷ Senator Sue Boyce expressed concern about the new program of support measures and the manner in which they were introduced during Senate debate, Thursday 23 June 2011 <http://www.openaustralia.org/senate/?qid=2011-06-23.201.1>

¹⁸ The Dissenting Report can be found from p. 28 of the Committee report http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Completed_inquiries/2010-13/SocSecAmend/report/~media/wopapub/senate/committee/clac_ctte/completed_inquiries/2010-13/Soc_Sec_Amend/report/report.ashx

‘They need to provide to the public appropriate data about how the tables are operating, what is happening to the numbers of people who go onto disability support pension, what is happening to those people who are put onto Newstart, whether those people are in fact getting the employment outcomes which are the alleged intent of these tables and whether people with disability have qualitative narrative responses to the impairment tables about their experience that can be useful in refining and making sure the tables and any guidelines associated with them are most useful to people with disability. We would particularly like to see, regardless of what happens with some of the specifics we have outlined here today, government asked to consult with people with disabilities and their organisations six months in and to provide us with the sort of data that I have just outlined, both qualitative and quantitative’.

21. Following the introduction of the *Better and Fairer Assessments* measures, FaHCSIA formed a DSP Advisory Group to oversee the implementation of these far reaching changes. PWDA was a member of the group and contributed to consultation with the

People with disability face different challenges in meeting participation requirements

“My partner is under 30, bipolar and autistic, and receives the DSP. I am also under 30, a wheelchair user, but receive Newstart. We are concerned that with the crackdown on people claiming psychiatric illness, my partner will lose their DSP and be forced to work, even though she is incapable of doing so. This is because her medication which keeps her mentally stable, also makes her so tired she sleeps 14 hours a day, and is too tired the rest of the day to do much... We both have significant medical costs (physiotherapy, psychology, psychiatry, assistive equipment inc. wheelchairs). I have been unable to find work for almost a year now. My partner's DSP and my Newstart does not go far with all our medical costs. If Claire were to lose her DSP, it would be even harder to make ends meet”.*

**name has been changed*

department. However, at the time of writing this submission the group no longer exists, and any ongoing recommendations have not been made public. It is of great concern that the department have no existing forum for consultation with people with disability and their representative organisations in terms of how these changes have affected them.

22. The new Impairment Tables and program of support requirements were intended to encourage greater participation in the workforce from DSP recipients. However, to date we do not have the evidence to show that these measures have resulted in better employment outcomes for people with disability. A comprehensive review of these changes needs to be undertaken before any further legislative changes are made.

[13/SocSecAmend/report/~media/wopapub/senate/committee/clac_ctte/completed_inquiries/2010-13/Soc_Sec_Amend/report/report.ashx](#)

23. Data gathered can guide an inclusive consultation process with the community sector, experts, people with disability and their representative organisations to inform further policy and legislative changes around the DSP and improve training and employment outcomes.

Reducing opportunity

Budget Measure (SCHEDULE 6, Bill 2): From January 1 2015, Pensioner Education Supplement to be abolished

Recommendation: Reject Schedule 6. Recommend the Pensioner Education Supplement be maintained.

24. The increase in focus on participation and program of support requirements will lead to more people on the DSP looking to pursue further education and training. Currently the Pensioner Education Supplement (PES) provides support for people on the DSP (and other income support recipients¹⁹) to cover the costs associated with study.
25. For some people with disability, starting their own business and working from home

Cuts to support for training and education will make it more difficult for people with disability to find suitable jobs

"I am 48 on a DSP (legitimately), I live rurally in the Bega Valley NSW. I have paid taxes at various points, I am not allowed to drive EVER due to my condition; I have work history in telecommunications, ran a medium sized business in the 90s and until 2005 I worked as a chef when I was well; until I could no more. My skills are irrelevant now and together with my health; reskilling to work or run a business (and in my case, maybe possibly with my carer as a partner in it) at home is my only realistic non-pension option. Also, subsisting on a DSP sitting at home with nothing to do does nothing for the mental health of one.

Recently I started a degree through Open Universities Australia (OUA) in Professional Writing and Publishing available through Curtin Uni only. I wanted to become financially self-reliant again (as I have numerous times before). By cutting my PES, I have now had to give that degree up. There is no point wasting time to Jan 1 2015, it'll be pointless as I would have many years left (part-time so much longer) and depending on whether I do 1 or 2 subjects a study period (4 SPs a year), I would have to give up between 4-8 weeks of food a year to afford to do it without the PES. (I have found doing 2 subjects per SP is beyond my capacity at this time).

This also extends to carers in a more significant fashion than many realise. For many on carers payment, programs like OUA are the only option to pursue study whilst fulfilling their role as carers. Pursuing 1 unit a study period at home (through OUA and like) whilst caring or on DSP, not only improve skills but to participate in something outside of the day to day and feel included in the more "normal society" (a ridiculous concept in my opinion)...PES is the ONLY way they and DSP recipients can afford to do this unless they are self-funded.

ALL pensioners of any type that don't have at least \$ 2000 a year put aside to spend on books, etc (even with hecs/fee-help), will now have to choose either to study or eat. This is exacerbated even more in rural regions like the Bega Valley and like. I have had to quit my studies until there is a change of government.

can provide the opportunity to overcome the structural barriers that the traditional workplace presents, whilst enabling the individual to maximise their skills and interests. About 18,000 people on DSP access the PES, worth up to \$64 per fortnight.²⁰

26. Plans to cut this supplement are counter-productive to the Government focus on employment. Whilst expectations increase, enabling support payment such as the PES are to be abolished, leaving people on DSP needing to pay for their study costs

Travelling overseas is not as simple as jumping on a plane

"I believe that the current budget reduces overseas stays to 4 weeks, I believe that this will make the viability of visiting my relatives overseas [difficult]. You see with my illness, ME, it will take about 2 weeks to recover from an air-trip and then I will need 1 week of full rest before I can attempt to make the return journey. This [does] not take into account of any complications from the illness. Therefore, the cost of having the company of family for only 1 week, theoretically anyway, is not economically viable. If this reduction in time overseas is implemented is there a way to get an extension of 1 or [2] weeks at least".

out of their DSP. The PES provides essential support for people with disability to gain the skills they need to compete in a very tough labour market.²¹

Restricting right of movement

Budget Measure (SCHEDULE 2, Bill 2): From January 2015, portability requirements for people on DSP to be restricted to 4 weeks out of a twelve month period

Recommendation: Reject Schedule 2, Bill 2. Recommend that portability allowance for people on DSP is maintained at a minimum level of six weeks.

27. The capacity for people on the DSP to travel overseas without having their payments stopped has considerably diminished over recent years²². The 2014 budget now

²⁰ Department of Social Security briefing attended by PWDA in June 2014

²¹ National Welfare Rights Network Media Release 29.5.14 found here <https://www.welfarerights.org.au/news/2014/5/29/media-release-29-may-2014-budget-cuts-hit-carers-people-with-disabilities-and-single>

²² National Welfare Rights Network detail recent changes to portability for income support recipients in their submission to the Senate Community Affairs Committee inquiry into the *Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012*

proposes further reduction in the amount of time a person on DSP can travel overseas before their payments are cancelled and they need to reapply. Changes in this Bill intend to restrict DSP recipients to four weeks overseas in a 12 month period. Whilst extensions, exception or unlimited portability may still apply under special circumstances, such as terminal illness or permanent and severe disability with no future work capacity, the process for application of these exceptions has in the past been confusing.²³ Currently DSP recipients can travel up to six weeks, on multiple occasions in the year. The Government have anticipated a saving of \$12.3 million over the next five years, but no estimates have been provided indicating how many people this new measure is expected to affect and what the consequences may be for their lives.

28. The impact of reduced portability measures fall disproportionately upon those people who have family living overseas, particularly migrant and refugee families. The restrictions in this Bill to only four weeks travel out of every year will mean that people with disability have one opportunity to visit their loved ones. This is unreasonably restrictive for those who call Australia home, but want to maintain strong ties with their family and birth country. For most people with disability, travelling overseas is not straight forward. A restriction of four weeks will make travel unnecessarily burdensome.

²³ Ibid

29. Under the proposed measures, if a person stays out of the country for longer than four weeks they will have their DSP cancelled, and on return will need to reapply. This may have considerable impact on their stability at home, for example a loss of income could mean that they default on rent or bill payments, or are unable to pay for their medications or other ongoing needs associated with disability. Those reapplying for the DSP will have a medical review and work capacity assessment against the new impairment tables, which may result in some people being moved off DSP and onto lower payments.

People on DSP have the right to travel

"I am disabled through polio as a child, am wheelchair dependent and receive a part DSP. I was lucky enough to have a great education and now as an older woman (63), I undertake voluntary and honorary work with community groups in developing countries assisting them address their pollution and environmental justice issues. I give talks, presentations and provide advice based on my experience and expertise; not only to communities but also to regulators and the U.N. I can only do this with the significant support of my partner and carer, as well as the charity organisations who pay our travel costs. The proposed changes to disability support will restrict my voluntary work to a maximum of 4 weeks per year. After which I lose my DSP and must be reassessed. I am often away longer periods as I am limited to the period of time I can perform these activities and need rest in between episodes. While this may seem a trivial concern, I believe I do much to help the poor and vulnerable using my life knowledge and expertise. I also believe even as a disabled person I can give back to society and have a right to do this with dignity. These changes will not only impact on me but others who wish to visit grownup children living overseas and as this may only occur rarely due to costs and the difficulty in undertaking travel, to limit it to 4 weeks is cruel. The way these changes were presented was also insulting, suggesting it will stop 'bludgers' holidaying overseas while collecting DSP'.

30. These proposed changes to DSP recipient portability contradict recent legislation under the National Disability Insurance Scheme Act 2013. Participants under the NDIS are permitted to be temporarily absent from Australia for a period of six weeks (longer periods also applicable)²⁴. It is essential that these two areas of legislation are coherent to avoid unnecessary confusion, inefficiency and conflicting requirements for people with disability.

²⁴ National Disability Insurance Act 2013, Chapter 3 *Participants and their Plans* point 40, found here http://www.comlaw.gov.au/Details/C2013A00020/Html/Text#_Toc352761886

Entrenching hardship

Budget Measure (SCHEDULE 1, Bill 2): The Government will achieve savings of \$449.0 million over five years by indexing pension and equivalent payments and Parenting Payment Single by the Consumer Price Index (CPI).

Recommendation: Schedule 1, Bill 2 - Reject proposals to index pensions and equivalent payments and parenting Payment Single by the CPI.

Budget Measure (SCHEDULE 11, Bill 2): From 1 July 2025, the Age Pension qualifying age will continue to rise by six months every two years, from the qualifying age of 67 years that will apply by that time, to gradually reach a qualifying age of 70 years by 1 July 2035

Recommendation: Schedule 11, Bill 2: Seek information about the potential impact of pension age increases on people receiving income support payments.

31. In 2009, a new pensioner index was introduced that more realistically recognised the cost of living for people on pensions, including the DSP. The pension rate, whilst by international standards is still fairly frugal, does provide recognition of the additional cost of disability. For people on the DSP who may be long term unemployed, or never have the potential to significantly supplement their livelihood through paid employment, this safety net is critical to avoiding further vulnerability and poverty for them and their families.
32. Proposed measures to index pensions against CPI rather than the higher average male weekly earning rate, will have a significant impact on pensioners' incomes and their living standards. Newstart is indexed to the CPI, and this level of indexation does not reflect the current cost living²⁵. This is not sustainable, creates greater poverty and entrenches hardship for the most vulnerable people in society. ACOSS estimates that ten years after this change is implemented, pensioners would be \$80 per week worse off than they would be under the current indexing arrangements.²⁶ Indexing pensions and equivalent payments to the CPI will result in DSP recipients being pushed further into poverty, unable to afford the basic necessities.
33. Proposals to increase the pension age to 70 will also see increasing numbers of people on the DSP²⁷, as well as older people with disability forced to exist on inadequate Newstart payments, particularly those people who have been long-term unemployed and cannot self-fund earlier retirement.

²⁵ Peter Whiteford article in The Conversation April 2012 comments on how insufficient Newstart is to live on <http://theconversation.com/paltry-newstart-allowance-is-fast-becoming-a-poverty-trap-6218>

²⁶ ACOSS Budget Briefing 2014 : Pension Indexing and Income Assets Test. Found here http://www.acoss.org.au/images/uploads/ACOSS_budget_bills_pension_indexation_income_assets_test.pdf

²⁷ Research released in October 2013 detailed how much of the growth in DSP can be attributed to population growth and changes to other income support payments, including the aged pension <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fprspub%2F2783695%22>

34. PWDA members made the following comments at the prospect of being moved from

The reality of losing DSP

"I would lose my home of 18 years. I rent at the lowest end of the market and I would not be able to afford to rent anymore. What would I do? Where would I go? I think it would be easier to just kill myself"

"I could end up homeless, bankrupt, unable to afford to see specialists for my disability, unable to afford medicine for my disability, unable to afford food. The large amount I would lose will have to be made up from somewhere and with such a limited income anything could happen to me. I don't have any family to help. I was on Newstart Allowance before I was approved for DSP and I was facing all the problems above"

"My brother could end up homeless, could commit suicide, won't be able to afford his anti-psychotic medication, might stop going to psychiatrist. We live in country town & GP's charge as do specialists. He has constant anxiety from what the government is proposing. Our family would have to pay the shortfall in his income to make sure he didn't end up homeless but with parents renting on Aged Pension and 80yo and I don't have financial ability or time to help, he could end up in a really bad way and especially will when my parents pass away"

"The DSP only allows me to exist. To lower the support could mean ends cannot be met and with mental health services being cut and homeless services and affordable housing at risk where do we go - jail?"

DSP to a lower payment:

Conclusion

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. This is not only the Governments' moral responsibility, but also a legal requirement as signatory to the CRPD.

Rather than legislative change that will create greater hardship and poverty, 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.

We thank the Committee for the opportunity to make this submission.