



**The Senate Standing Committee on
Community Affairs
References Committee**

**Regarding
Purpose, intent and adequacy of the Disability
Support Pension**

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| Date Submitted: | 25 June 2021 |
| Submitted by: | Gerard Dwyer National Secretary SDA National Office Level 6 53 Queen Street MELBOURNE VIC 3000 |
| Telephone: | (03) 8611 7000 |

SDA Submission to Senate Standing Committee on Community Affairs References Committee, regarding the purpose, intent and adequacy of the Disability Support Pension

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Executive Summary

According to Services Australia, the Disability Support Pension is financial support for people (between 16 years old and Age Pension age) who have a permanent physical, intellectual or psychiatric condition that stops them from working.

The Disability Support Pension is important not only to those who are eligible, but also impacts on those who care for them. It should be assessed within the context of other structural issues identified in this submission, particularly in relation to the availability of flexible work, the Supported Wage System, and Jobseeker.

This submission is particularly focussed on term of reference i) *the economic benefits of improved income support payments for persons with disabilities, their immediate households and broader support services and networks.*

Shop, Distributive and Allied Employees' Association

1. The Shop, Distributive and Allied Employees' Association (the **SDA**) is one of Australia's largest trade unions with over 210,000 members. Our members work in retail, fast food, warehousing, hairdressing, beauty, pharmacy, online retailing, and modelling.
2. The majority of SDA members are women (60%, approximately 131,000), under 35 years (57%, approximately 120,000 workers), and low-income. Retail and food services are two of the three lowest industries for median weekly earnings.

3. The SDA has a long history of advocating on behalf of members. We do this through enterprise bargaining; making submissions regarding Awards and the NES to provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews. The SDA has 10 policy principles that guide our engagement in these reviews. For a list of these, see Appendix A.
4. SDA members make important economic and social contributions through their paid work, and also through the unpaid labour they provide as carers, including as carers of people with a disability.
5. SDA members regularly provide care to others. 9% of SDA members provide regular care to a person with a disability, 10% provide care to someone with a long-term illness and 16% of SDA members who are parents have a child with a disability or additional needs. This is about twice as high as the general population in Australia.
6. Carers for people with a disability are over-represented in low-paid work and also workers with a disability are likely to work in low skilled or entry level jobs, including retail and warehousing.

Disability Support Pension: interaction with employment of carers

7. The Disability Support Pension (the 'DSP') does not necessarily compensate adequately for the high costs associated with living with a disability. This means that many people with a disability rely on SDA members to provide both financial support and unpaid care. This in turn impacts members ability to work as many hours as they would like to.
8. Most carers are women, and the workplace disadvantages for carers are exacerbated in the female-dominated industries the SDA covers. Carers also come from all age ranges.
9. Caring responsibilities limit career opportunities as carers' employment and study are interrupted by the demands of caring.
10. Carers are more likely to miss out on paid work and paid leave entitlements and are more likely to retire with lower superannuation savings than non-carers.
11. In addition to economic disadvantage, carers report that juggling employment and caring takes a physical and mental toll, with little opportunity for respite.

Increasing the DSP is likely to allow more carers to participate more fully in the labour market as they would be less relied on for unpaid care.

Supporting workers with a disability and carers of people with a disability: employment arrangements

12. The benefits for people with a disability participating in employment are both financial and social. The economy also benefits from greater labour force participation and job seekers with a disability are a largely underutilised and willing pool of workers.

13. Labour force participation of people with a disability has remained stagnant for too long, while labour force participation of the non-disabled community is increasing.
14. There is scant data on the types of accommodations that are made for workers with disabilities, but SDA members report that managers are generally unwilling or unable to support requests for flexible work arrangements for this category of workers and carers.
15. Carers for and people with disabilities seem to be drawn to the industries that the SDA covers, believing that such work will allow them to balance their caring responsibilities or their disability with employment that promises flexibility, but is in fact increasingly rigid.
16. SDA members who are carers for people with a disability report that they are generally not supported by their employers in their needs for flexible working arrangements to provide for the often complex requirements of those they care for. This is another factor that limits workplace participation of carers.
17. Of surveyed SDA members who are parents of children with a disability or additional needs, 64% agreed or strongly agreed that their caring responsibilities meant they had to turn down work activities and opportunities
18. Carers also report that they are offered low hours and short shifts, and working times that emphasise business priorities, compounded by changes to rosters, often at short notice. These issues affect many SDA members but cause particular difficulty for workers with complex care responsibilities.
19. It is the SDA's experience that employers and managers do not have the necessary training to support workers with a disability, especially in relation to requests for reasonable accommodations, which are often refused in the first instance on the basis that *any* cost is "an unjustifiable hardship".
20. The SDA has also been involved with increasingly frequent cases where understaffing as a business model means managers do not have the capacity to roster to accommodate periods of ill health of workers, or the flexibility sometimes required by carers of people with complex needs.
21. Lack of practical workplace support and systems can lead to a workplace culture of discrimination against workers with disabilities and their carers as absences.
22. Parents and carers of people with disability report to the SDA that formal caring arrangements are rare or non-existent outside of regular business hours, and when they are available they charge for full sessions which are usually 10 – 12 hours. But carers are told they must be available for "model" rosters that typically include one week-night each week and one weekend shift each fortnight, and they must be available for short shifts. This forces carers out of many service industries with non-standard business hours, including retail, warehousing and fast food.
23. The SDA advocates for section 65 of the Fair Work Act to be amended so that the right to *request* flexible work be replaced with the *right to flexible work*, for all the categories of workers covered, which includes workers with a disability and carers of people with a disability.

24. The *right* to flexible work would help balance the needs of both carers and workers with on-going needs relating to a permanent disability, and those with periodic disability, including short term and recurring disability symptoms such as those associated with diabetes, carpal tunnel syndrome and periodic mental ill-health.
25. Further, workers with disabilities are often required to use personal or annual leave to deal with the medical and administrative consequences of their disability when specific disability leave may be more appropriate¹.
26. People with a disability may be reluctant to seek employment as their income will decrease or cease their DSP payments, and they cannot easily access them again when, as is inevitable with some types of disability, episodic incidents may mean a worker is unable to work for periods of time. The DSP should be considered not only in terms of the payment rate but also the ability for people with disabilities to access it, such as during times of short-term need.
27. Current Government projections for a tightening labour market would see more people with a disability and people caring for someone with a disability returning to the labour force. Better access to flexible work arrangements and reasonable accommodations would lead to better engagement and retention of these workers, who are currently an under-utilised source of labour.

Supported Wage eligibility determined by Disability Support Pension criteria

28. The Supported Wage System (the **SWS**) allows employers in certain circumstances to pay a proportional rate of wages to workers with a disability based on the assessed productivity of individual workers.
29. In order to be eligible to be assessed for a Supported Wage, a person with a disability must be receiving the DSP or must meet the qualifying impairment threshold for the DSP.
30. There is no publicly available information on how many people apply for Supported Wage each year; how many are successful; what rate of capacity (and therefore wage) they are assessed at; what industries they represent.
31. As noted in the Supported Wage System (SWS) handbook published by the Department of Social services, many people with disabilities access the SWS as clients of employment services providers². Children and Young People with Disability in Australia noted in its submission to the Employment Issues paper to the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with a Disability* (the '**Disability Royal Commission**') that job seekers may be 'pushed' into unsuitable jobs³.

¹ Pg 5: <https://www.actu.org.au/media/1034000/workers-with-a-disability.pdf>

² Pg 9: https://www.jobaccess.gov.au/sites/default/files/documents/06_2018/Supported%20Wage%20System%20in%20open%20employment%20Handbook.pdf

³ Pg 9: <https://disability.royalcommission.gov.au/system/files/2020-07/Issues%20Paper%20-%20Employment.pdf>

32. The SDA notes that advocacy groups such as Wage Justice Australia support the capacity assessment of the Supported Wage System over the competency assessment used by many Australian Disability Enterprises⁴.
33. However, as the Australian Human Rights Commission (AHRC) noted in its submission to the Employment Issues paper to the Disability Royal Commission: payment rates lower than minimum wage may be discriminatory and may not provide adequate wages⁵.
34. The SDA agrees with the AHRC that rather than reducing wages, there may be more effective tools to incentivise employment of people with a disability, such as improved access to support for people with disabilities and their employers.
35. The SDA notes that the outcomes of this policy are opaque and that it is an area that should be reviewed. It is also important to note that any changes to the DSP process and assessment may have consequences for the SWS, such as reducing or increasing the number of people who may be eligible for it.

Disability Support Pension and Jobseeker: pathways to employment?

36. The eligibility to receive the DSP has been tightened over the last 15 years by successive governments, which as has resulted in significant numbers moving from the DSP to Jobseeker (and its predecessors)⁶.
37. The DSP is higher than Jobseeker, but both leave people living in poverty and often without a decent quality of life. As noted in submissions to Employment Issues paper to the Disability Royal Commission: it's very difficult to be work-ready when living in poverty⁷.
38. If a person with a disability is assessed as able to work more than 15 hours per week (or 8 hours per week for people under 35 years old), then that person is not eligible for DSP and is pushed into the Jobseeker system.
39. The theoretical capacity to work 8 or 15 hours per week does not mean that people with disabilities will succeed in securing or maintaining employment, due both to discrimination and employers not providing systems and support for workers with disabilities.
40. Under Jobseeker, recipients are required to participate in 'mutual obligations' such as applying for a minimum number of jobs or doing 'work for the dole'. These obligations can be difficult for all job seekers, but more so for people with disabilities. The 'mutual obligations' are

⁴ Landing page: <http://www.wagejustice.org.au/>

⁵ Pg 6: <https://disability.royalcommission.gov.au/system/files/2020-07/Issues%20Paper%20-%20Employment.pdf>

⁶ <https://www.theguardian.com/australia-news/2019/may/07/ask-a-policy-expert-why-is-it-so-hard-to-get-on-the-disability-support-pension>

⁷ Pg 5: <https://disability.royalcommission.gov.au/system/files/2020-07/Issues%20Paper%20-%20Employment.pdf>

generally viewed as punitive, and pressure to comply creates stress and can contribute to mental ill-health.

41. Other submissions to the to the Disability Royal Commission pointed out that the relationship between mental health and employment goes in both directions: mental ill health can make it difficult to obtain employment and failing to obtain employment can exacerbate mental ill-health⁸.
42. People with disabilities that are on Jobseeker may succeed in obtaining employment, but it may be work they are not able to manage continuously, particularly if their disability is episodic. This means that they do not get the care and support they need, particularly, as we have noted, because employers are reluctant to make reasonable accommodations or provide flexible work.

Conclusion

The Disability Support Pension is one of many structures that are critical to people with disabilities. The SDA supports an increase in the rate of the DSP such that people with a disability who rely on it can live a decent quality of life, and so that carers can be freed up to be able to work more.

The DSP should not be viewed through such a narrow lens, because disability can also have a profound effect on the people who provide unpaid care for people with a disability. SDA members are over-represented in this category and they report that they need better workplace supports, in particular a right to flexible work, so they are able to balance their caring responsibilities and participate more in the labour market. Employers must also make reasonable accommodations for disabilities, including through flexible work and leave arrangements.

The limitations of the DSP mean that people who should probably be recipients are often pushed into the labour market and the lower payment of Jobseeker. This creates difficulty both for them as individuals and for the labour force itself. The restrictions on eligibility for the DSP should be reduced so that people who cannot succeed in the labour force receive the financial support they need through the DSP.

The eligibility criteria for the DSP also flows on to eligibility for the Supported Wage System, so any changes to the DSP must be assessed against this structure so there are no unintended consequences or disadvantage to workers, or potential workers, in this category.

⁸ Pg 5: <https://disability.royalcommission.gov.au/system/files/2020-07/Issues%20Paper%20-%20Employment.pdf>

Appendix A: Rationale for SDA policy positions

SDA policy is driven by providing value to our members whose work is regulated by a broken industrial framework. We seek an economic system that supports, protects and advances the interests of working people in this country.

Our predecessors built the conciliation and arbitration system which provided the foundations to our nations prosperity over a century ago, it is now our responsibility to build a system for the next generation.

Since the introduction of the Fair Work Act 2009 and subsequent radical changes to the financial and digital context inequality has grown and economic and political power has concentrated in the hands of a few.

We believe that fundamental not incremental change is needed. In contributing to policy, we seek to drive a new system that acknowledges the change that has occurred and will withstand the emerging world of work.

We engage in topics that help us drive this agenda and are guided by ten principles that we believe will create value for our members. Those principles are:

1. Address Inequality & Enshrine Fairness.
Minimum expectations must be set and adhered to.
2. Equity & Empowerment.
All workers must be supported to progress so that no-one is left behind.
3. Mobility & Security.
A socially successful economy must provide opportunity for all, regardless of their background. Systems must be built in a way that support success and adaptation in a rapidly changing world of work.
4. Delivering Prosperity and Growth For All.
A foundation for prosperity and economic growth must be achieved.
5. Protection in Work & Beyond.
Workplaces and the community must be healthy and safe for all workers and their families during and beyond their working lives.
6. Workers Capital & Superannuation.
Workers capital and superannuation must be an industrial right for all workers and treated as deferred earnings designed for dignity and justice in retirement.
7. A Strong Independent Umpire.
A strong, independent, cost effective and accessible industrial umpire and regulator must be central to the future system of work in Australia.
8. Protection & Support for Our Future.
Protecting and supporting our future requires a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers.
9. Work & Community.
Work is a fundamental human activity that provides for personal, social and economic development. Work as it operates in community must build and protect a balance between life at work and life so that workers can contribute to society through the wider community.
10. Institutional Support for Collective Agents
Institutional support must provide for collective agents (registered organisations) so that they are recognised, enshrined and explicitly supported as central to the effective functioning of the system.

Details of specific policy positions can be discussed by contacting:

SDA National Office
Level 6 53 Queen Street
MELBOURNE VIC 3000

Phone: (03) 8611 7000