



**Catholic Social  
Services Australia**

# Submission on the purpose, intent and adequacy of the Disability Support Pension

Senate Community Affairs References  
Committee

25 June 2021

**The national network of Catholic social services**

# About Us



Catholic Social Services Australia (CSSA) is the national body representing more than 15,000 workers and volunteers in more than 650 locations throughout Australia. Our member organisations providing social and community services across our Catholic network, reaching more than one million vulnerable Australians through more than 300 different service offerings each year. CSSA represents the social services mission of the Catholic Church and undertakes advocacy on matters of social justice, inclusion, human rights, inequality and policies that are informed by research and the practical experience of our network.

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## Catholic Social Teaching

The Catholic tradition understands every human life to be equal, inherently sacred and worth of dignity and respect as the bedrock of a just society. This is not a passive teaching, however, but is instead a call to create communities and social systems that reflect the underlying love and divinity of each person.

It is from the perspective that the Church criticises systems, values and structures that exclude, discriminate, hide or otherwise diminish people living with disabilities – it offends their human dignity and so is also a symptom of an unjust society.

A just society stands with (solidarity) people with disability and offers them with the same opportunities and respects their equality with all people, it allows them to make their own decisions in relation to their own needs, relationships and communities (subsidiarity) and does not unduly delegate their decision making power to higher authorities and governing bodies.

In a just society, people with disability are not pushed to the margins and impoverished but are integrated and full a part of social life and so recognised as a valuable part of the human family.<sup>1</sup>

## Submission

Thank you for the opportunity to make a submission to this Inquiry. The CSSA network provides support and assistance to Australians across the service spectrum, with a focus on family and relationship services, mental health, youth, disability and the National Disability Insurance Scheme (NDIS), children's services and housing and homelessness.

Our submission is based on the experience of our frontline service providers and their clients.

## Application Process

Since 2006, changes to the Social Security Act's qualification criteria and Impairment Tables and Centrelink's assessment processes have reduced the rate of new grants of Disability Support Pension (DSP). CSSA is concerned that vulnerable groups of people with disability who should qualify for DSP are being excluded from the scheme not based on need but due to the complexity of the claims and appeals processes.


The following aspects of the Act and Centrelink processes were raised with us as key issues creating barriers for those in genuine need from accessing DSP:

- **The crude requirement for a condition to be “fully treated and stabilised” (i.e. permanent):** It is difficult for assessors to apply these criteria to complex cases. For example, the requirement fails to acknowledge fluctuating conditions or illnesses, rapid onset of disease, and injury from accidents.

Clearer definitions of “diagnosed, treated and stabilised” are needed to recognise complex diagnoses, mental illnesses, and the current state of medical evidence for some conditions.

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<sup>1</sup> <http://justiceandpeace.org.au/catholic-social-teaching-and-living-with-disability/>

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- **The Impairment Table criteria is a “blunt instrument”:** Our major criticism of the implementation of the impairment tables is that they require a claimant to reach 20 points regarding a single permanent condition. This requirement fails to include people experiencing multiple conditions that, in combination, limit or completely impair their capacity to work.

A person may still be eligible for DSP if they reach 20 or more points across more than one impairment table, but they must then meet the Program of Support rules.

The current impairment tables were introduced in 2012. In 2011, nearly 60 per cent of DSP applications were successful; by 2018, that number had dropped to less than 30 per cent.

- **The arbitrary requirement to complete a Program of Support (PoS):** Our members argue that the criteria for exemption from attending a Program of Support are arbitrary, particularly given that it does not appropriately consider the impact of two or more moderate impairments.

In many instances, the PoS requirements merely delay an assessment for a person in need and unnecessarily force them to rely on the JobKeeper payment (approx. 70% of DSP rate) for a lengthy period.

- **Removal of pro forma Treating Doctor Reports (TDRs):** In the past, TDRs were a source of guidance for claimants and doctors about the information needed for decision-makers to determine DSP eligibility. Without this direction, applications may be rejected for lack of supporting evidence that doctors did not understand they needed to supply. This lack of guidance is inefficient, create delays in processing and increases the rate of appeals.
- **Lack of transparency and poor communication:** Clearer communication on what information is needed to support a claim would reduce the need for Centrelink to request further information from clients, the time to assess claims and the rate of appeal.

Better information would reduce unnecessary hardship to people experiencing disability and assist applicants in deciding whether or not to pursue claims or appeals.

This list is not exhaustive. CSSA note the matter was the subject of an Inquiry conducted by the Joint Committee of Public Accounts and Audit into the Auditor General’s Report (No.18) titled “Qualifying for the Disability Support Pension” in 2016. A review of submissions suggests that many of the issues raised then are yet to be addressed.

## The Rate of DPS

People with disability are by no means a homogenous group, but as a cohort, they are disproportionately represented among Australians living in poverty. ACOSS and UNSW’s Poverty in Australia 2018<sup>2</sup> report states:

*“People with disabilities, especially those with more severe incapacities (core activity limitations), face a risk of poverty well above-average ... the rate of poverty among adults with a disability is*

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<sup>2</sup> [https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS\\_Poverty-in-Australia-Report\\_Web-Final.pdf](https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf)

*17% (29% when the 60% of median income poverty line is used). The rate of poverty is higher (19% and 34% respectively) among adults with a core activity limitation.*

*This research is likely to under-estimate poverty among people with disabilities, as it does not take account of the extra costs of a disability when assessing whether people are living below the poverty line. The costs incurred by those with a disability can include adjustments to the home or workplace, costs of care, additional transportation costs such as taxis and medical and pharmaceutical costs."*

People with disability are individuals with various talents and ambitions, many of whom are proactively engaged either in the workplace or in search of meaningful work. However, for those for whom work is not an option, a life resigned to living on or below the poverty line can be dehumanising.

DSP is designed to cover the basic necessities, which in most cases means there is no opportunity to save money, buy a unit/house or build up superannuation. As a result, people in receipt of DSP and their dependants live in perpetual financial vulnerability.

Several interrelated issues perpetuate this vulnerability:

- **National Disability Support Scheme (NDIS):** NDIS provides funding for "reasonable and necessary" support under various categories (such as carer support, mobility devices and transport) for people with certain types of disability. However, not all people eligible for DSP receive NDIS support. More than 4 million Australians experience disability (18 per cent of the population), yet just 10 to 12 per cent of all people with disability are eligible for NDIS.
- **Costs of accessing medical attention:** Medical fees beyond those covered by Medicare, such as gap payments charged by GPs and specialists, can exhaust savings or place people in significant debt.
- **Unaffordable housing:** Many people with disability are priced out of the private rental market and can wait many years for placement in social housing. Until appropriate housing can be secured, some live in residences that are not fit for purpose, and some become homeless.
- **Vulnerability in relationships:** As DSP is means tested against a spouse's income, people with disability may feel unable to live with a partner or get married because doing so may result in a cut to their DSP and other concessions. Should they choose to cohabit, they can become vulnerable to family violence, including financial abuse with little means of escape.

People who receive the DSP struggle to access appropriate medical attention or housing due to the inadequacy of the payment, and most won't be able to afford items such as membership fees to join social/sporting groups or the occasional day trip or evening out that most Australians take for granted. CSSA does not believe the rate of DSP allows recipients to become fully integrated members of society but marginalises them.





## DES and Mutual Obligation

A significant body of research supports the value for people of being engaged in work – benefits include higher income, greater social contact and improvements in wellbeing. It is estimated from survey evidence that around half of those receiving DSP would like to work.<sup>3</sup>

The reality for many with a disability seeking work is they are presented with a range of barriers, including:

- discrimination and poor attitudes towards employing people with a disability, and a failure to provide adequate access to workplaces,
- a lack of job opportunities, particularly work appropriate to the vast range of skills offered by people with disability, and
- the costs associated with working, such as transport, parking, and childcare.

There are government-funded Disability Employment Services (DES) designed to assist people find a job and then provide either occasional or ongoing support to perform their role. However, a recent report from the Boston Consulting Group<sup>4</sup> found that “reforms to the \$1bn a year scheme had delivered a windfall to privatised job agencies but not improved outcomes for the unemployed.”

The report from Boston Consulting claims that the 2018 reforms to the DES Program have resulted in adverse outcomes for job seekers with a disability and taxpayers. Such as:

- The likelihood of a DES participant finding work had declined by “around 12-14% since the July 2018 reforms”, despite the labour market remaining flat.
- The cost of getting one person into six months of work under the program had increased from \$27,800 to \$38,400 in two years after the reforms.
- Employers reported that the providers they dealt with lacked understanding of the corporate environment, and they were flooded with inappropriate applications.
- Providers’ efforts to offer a quality service were hampered by “compliance and administrative burdens”, such as administering mutual obligations, which might be better handled by Centrelink.

Aside from the inferior outcomes described in the report, CSSA believes that the requirements of the mutual obligation themselves both fail to improve outcomes and result in harm. The requirements place strain on the relationship between providers and participants; their administration is costly and time-consuming; employers resent the cost of sort through inappropriate applications; and people with disability experience trauma from repeated rejection from roles they should not have been forced to apply or interview for in the first place.

CSSA understands that the DES program is slated to be replaced by a new model. During the consultation and development of this new model, we urge the government to reflect on whether

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<sup>3</sup> Productivity Commission Inquiry Report Volume 1, Chapter 6: Aligning the Disability Support Pension with the goals of the NDIS, pg.277.

<sup>4</sup> “Cost of Coalition’s privatised disability employment system blows out to \$40,000 per job”, The Guardian, 27 May 2021.

there is genuine value in imposing these obligations on a cohort already facing significant barriers to employment.

### Pathways to employment

Remembering that a relatively small number of people in receipt of DSP are also receiving support from the NDIS, a pathway to employment should be an optional but available part of NDIS plans. However, it would be inappropriate to make this a requirement of entitlement for NDIS.

A proposal raised with us is that government should focus on investment and collaboration with employer groups to provide education for employers and incentivise the employment of people with disability. The Business Council of Australia (BCA) and the Australian Chamber of Commerce and Industry (ACCI) have shown interest in looking at disability employment but reportedly struggle with knowing where to start.

Expectations of young people with disability have evolved; given appropriate support, they can envision and plan for a future where their abilities are valued and utilised. The NDIS has been life-changing for hundreds of thousands of Australians; augmenting the program to provide greater support in identifying and pursuing career pathways for school leavers could be the difference between people with disability's ongoing connection or disengagement with workplaces.

### Mental Health

The Australian Institute of Health and Welfare (AIHW) report that in 2019, 36 per cent of DSP recipients aged 16–64 has a psychological or psychiatric condition as their primary medical condition. In 2001, the same cohort represented closer to 22 per cent<sup>5</sup> of DSP recipients.

A 2017 review of available data published online in The Medical Journal of Australia<sup>6</sup> investigated the trend. It noted that “The prevalence of probable common mental disorders in Australia was fairly stable between 2001 and 2014. Over this same period, however, the number of working-age individuals receiving disability support pensions for psychiatric conditions increased by about 50%.”


The paper goes on to suggest four possible explanations for this being the case. The explanations range from legitimate changes in terminology and policy through to a concerning trend identified that “workplaces in Australia are becoming less tolerant of CMDs because of the changing nature and demands of contemporary work or because of social stigmas, forcing more people with CMDs to leave the workforce.”

The paper concludes with the statement, “While the increase may reflect better recognition of and greater willingness to diagnose mental disorders in working Australians, it also means that greater emphasis on and more research into improving occupational outcomes for people with mental illness are needed.”

Fortunately, in 2021 there is greater awareness, diagnosis and treatment of mental health conditions than ever before. But, unfortunately, it does not appear that workplaces are sufficiently tolerant or accommodating of this form of disability. Whilst CSSA does not have the answers to this complex issue we believe the following matters need to be taken into account regarding the DSP:

<sup>5</sup> <https://www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research/characteristics-of-disability-support-pension-recipients/characteristics-of-disability-support-pension-customers-june-2001?HTML#p2>

<sup>6</sup> <https://www.mja.com.au/journal/2017/206/11/prevalence-mental-illness-increasing-australia-evidence-national-health-surveys>

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- The level of stigma and discrimination people with psychological or psychiatric condition face when applying for or maintaining a job, and
  - The effect on the health of this cohort of undergoing a “Program of Support” or fulfilling mutual obligation requirements, and any penalties resulting from non-compliance. In many instances, non-compliance is a direct result of a person’s illness rather than intention.

There must be a review of the entire process of applying for and maintaining DSP eligibility in the context of mental illness. This review must begin with the assessment criteria for a condition to be “diagnosed, treated and stabilised” that does not recognise or accommodate challenges, specifically episodic chronic and severe disorders, and carry on to assess the suitability of mutual obligation requirements as mentioned above.

CSSA is also concerned that ill-informed alarm over the proportion of DSP recipients with mental illness will lead some to conclude that this cohort of applicants is required to be “cracked down on” or unreasonably monitored. As identified, many workplaces and work conditions (such as casualisation and short term contracts) are hostile to people with mental illness; insensitive criteria and onerous obligations only exacerbate the health of those with these conditions.

## Conclusion

CSSA acknowledges the responsibility of the Commonwealth Government to administer the DSP Program in a manner that accords with expectations of taxpayers, particularly to ensure that the pension is not provided to people for whom it is not intended. We also acknowledge the significant economic and social benefits for people of being engaged in work. However, we are concerned that significant numbers of people with disability are being excluded from the scheme not because they are not in genuine need but because the assessment regime and/or the mutual obligation requirements either fail to recognise their incapacity or because the system is too complex to navigate.

Our vision is for a world where those who have the capacity are encouraged, supported and given every opportunity to participate, and those with less or no capacity to perform paid work are supported adequately to engage in society and live a fulfilling life. We believe the present system aims to do this, but an overwhelming fear of what were once increasing rates of DSP recipients has resulted in the implementation of sometimes crude eligibility criteria.

CSSA has long called for the reform of Australia’s welfare system through the establishment of an expert review panel to examine and make recommendations on the adequacy of all welfare payment rates, including pensions. This panel should consider overhauling the assessment criteria to better reflect the complexity of fluctuating conditions or illnesses, rapid onset of disease, and injury from accidents.