



## **SUBMISSION**

**Purpose, Intent and Adequacy of the Disability Support Pension.**

**July 2021**

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## About South East Community Links

Our Mission: 'Every person counts, Every system fair'

Since 1970 South East Community Links (SECL) has operated in one of Australia's highest multicultural and fastest growing regions. Based in the South East of Melbourne SECL's reach is mainly in the City of Greater Dandenong (CGD), City of Casey, and Shire of Cardinia.

Our services include:

- Emergency Relief with a focus on working to address the underlying cause of the crisis.
- Generalist Case Work to work with people to set and achieve goals to engage in society.
- Homelessness & housing support for young people.
- Family violence support and early intervention programs.
- Financial Counselling with expertise in Generalist, Family Violence and Problem Gambling Financial Counselling.
- Refugee resettlement services to support refugees and asylum seekers engage, learn and grow in our society.

Compiled by Kay Dilger, Manager Community & Financial Wellbeing, South East Community Links.

## **1. Introduction**

South East Community Links (SECL) welcomes the Senate Inquiry into the purpose, intent and adequacy of the Disability Support Pension (DSP).

From practical experience SECL's workforce know that there are many barriers to access, social inclusion and employment opportunities for people either seeking to apply for DSP or who are on DSP trying to survive on this level of income.

We have observed a clear relationship between people accessing SECL services and the daily juggle that is required to meet basic living expenses and health needs. For many on the DSP social and economic inclusion and participation is unattainable.

This submission will focus on areas of the Terms of Reference where SECL have the expertise to comment and include a mix of case studies and data as evidence.

## **2. Methodology**

In preparing this submission SECL have reviewed National, local and our own service data. A focus group of our specialist staff was held to harness the collective expertise of our financial counsellors, settlement workers and emergency relief team to share the story of people living with disabilities in our community.

## **3. Summary**

In City of Greater Dandenong SECL support more than 450 people per year on DSP by providing emergency relief for food because the DSP is inadequate. Many seek emergency relief 2 or 3 times per year. SECL also assist around 100 per year across our catchment through our financial counselling service. This represents approximately 15% of SECL's overall clients.

The data and case studies in this submission demonstrate that the DSP does not afford persons with disabilities with an acceptable standard of living therefore making social and economic inclusion beyond their reach. In its current form the DSP is insufficient to support persons with disabilities out of poverty.

Based on the evidence in this submission SECL recommend:

- A review to the impairment tables to include broader definitions of health issues that impact on persons with disabilities.
- Simplify and streamline to apply for and/or appeal being rejected for DSP.
- More support for medical professionals in providing evidentiary reports.
- An increase to the income levels to lift payments above the poverty line.
- Simplification of how DSP interacts with the NDIS to reduce confusion and limit the risk of people falling through the cracks.

#### 4. Comment on Terms of Reference

##### The purpose of the DSP

In simple terms the DSP is income support for people with a permanent physical, mental, intellectual, or psychiatric impairment which prevents them from full-time work or study.

It is SECL's experience that:

- The DSP is a safety net that enables 'existence' for those considered to have disabilities that are considered of sufficient impairment under the current strict criteria.
- The current level of income support is not adequate for people with disabilities to have meaningful participation in society, that is people are not able to be socially and economically included.
- People on DSP who can work to increase their income fare better if their employment is stable and ongoing.
- Many on the DSP live with family or in share accommodation because they cannot afford to live independently.

The number of DSP recipients has fallen from 832,024 to 750,045. This decrease is not because there are less people with disability, or less people applying for DSP. Government policy for more than 20 years has actively reduced the number of people receiving the DSP, through tighter eligibility assessments and increased employment-related requirements.<sup>1</sup>

'Across Australia there are 722,923 Newstart\* recipients of whom 200,000 are sick or disabled. However, Newstart Allowance is not meant for people with disabilities. It is designed as an 'allowance' of approximately \$40 per day until the recipient finds work. Living with a disability has expenses which a Newstart Allowance does not cover. People with a disability in Australia are 2.7 times more likely to be at risk of poverty than in other OECD countries.'<sup>2</sup>

\*Newstart is now known as JobSeeker Payment

Essentially, people with disability have been moved from the higher-paying DSP to the lower-paying JobSeeker, the outcome of this been to push people already in poverty further into poverty. It is estimated that half of the adults in prison have been diagnosed or treated for a mental health problem.<sup>3</sup>

For many people living with mental illness, access to a psychiatrist or clinical psychologist is limited by financial hardship, availability and wait times, or both – particularly for people living in remote, rural or regional areas. People cannot afford to get the evidence they need to access the DSP.

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<sup>1</sup> Commonwealth of Australia 2018, Disability Support Pension, Historical and projected trends, Report no. 01/2018

<sup>2</sup> Social Security Rights Victoria, 2019, Submission to the Victorian Mental Health Royal Commission'

<sup>3</sup> Whitbourn, M 2017, Mental illness and cognitive disability the 'norm' among prisoners: report, The Sydney Morning Herald, The Sydney Morning Herald, viewed 17 June 2021, <https://www.smh.com.au/national/nsw/mental-illness-and-cognitive-disability-the-norm-among-prisoners-report-20170810-gxtf9y.html>

People with long-standing, debilitating mental health conditions can face insurmountable challenges in providing evidence to support DSP claims and appeals unless they are under the ongoing care of doctors who are prepared to support them in the DSP claim and appeal process. Many people do not, especially those with limited connections such as migrants and people with limited English.

Preparation of reports for DSP applications cannot be billed to Medicare. Many doctors are unwilling to help as they cannot be paid for their work. This can prevent vulnerable people with complex psychosocial conditions from pursuing DSP claims and appeals.

The stringent requirements to obtain sufficient points on the impairment table and what is considered means many on JobSeeker who are unable to engage in sustainable employment due to ill health fall through the cracks. Many people experience depression and anxiety that significantly impairs their capacity to work but are not considered 'disabled' enough to receive the DSP, which undermines its purpose.

#### **Case Study – Aisha**

Aisha\* migrated to Australia from Pakistan in 2015 and is a permanent resident. Aisha and her daughter Sasha\* aged 16 live in rented accommodation. Her other 2 children live with their father due to Aisha's poor health.

Aisha has been diagnosed with depression, has slipped discs in her back and diabetes. Despite this she has been rejected for the DSP on two occasions, so is on Jobseeker Payment and rent assistance. Her medical expenses are high for medications and specialist fees to treat her health conditions. She has tried everything she can to improve her health so she can work and has no choice but to wait on the long public treatment waiting lists as she is unable to afford private health insurance.

Aisha knows how to manage her money but struggles to pay her rent, bills, health, and transport expenses and support her daughter when only receiving Jobseeker. Aisha is forced to access emergency relief and food bank services to ensure her daughter and herself have enough food to survive and on occasion, to be able to buy her medication.

Aisha has been accessing emergency relief at SECL since 2018.

\*names are pseudonyms

#### **The DSP eligibility criteria, assessment and determination, including the need for health assessments and medical evidence and the right to review and appeal.**

To be eligible for DSP, applicant must be over 16 years old, citizen or permanent resident and their medical condition must be considered permanent and stable. That means that applicant's medical condition must be diagnosed by a doctor, must have had reasonable medical treatment and show that applicant's condition is unlikely to change in the next two years, even with treatment.

The DSP is based on a judgment of whether claimants can perform certain activities, as opposed to a medical diagnosis of their disability. Applicants have also had to complete an employment support program with a registered provider for at least 18 months before applying for the DSP.

The lack of recognition of mental health issues in the impairment tables means many are 'hidden' on Jobseeker payment. This is a large cohort of people who are not on DSP that fall into this category who struggle to find and sustain employment.

'Government policy is essentially that people with disability need to be coerced into work, which doesn't match the facts. Research suggests that compulsory interactions with Centrelink and mandated use of subpar services can create obstacles, be counterproductive and, in the worst cases, cause extreme harm.'<sup>4</sup>

SECL acknowledges the need for eligibility criteria and assessment supported by medical evidence for people to access the DSP. The system overall however is too onerous and complex.

It is SECL's view that:

- The complexity of the system sets people up to fail. At first application many are rejected due to the complexity of assessment and the way condition/s are mapped to impairment tables.
- Insufficient weight is given on impairment tables to the impact of mental health issues and torture and trauma. This also ignores the impact that mental health conditions and trauma can have on physical health conditions, such as worsening symptoms or leading to the development of other physical health conditions.
- The cost of specialist reports such as neuro psych assessments (around \$2,000) is unaffordable for people who are often on JobSeeker payment while trying to access DSP.
- It is overwhelming for participants to receive a 5page letter. When people have their application for DSP rejected the reasons are not written in simple language.
- How to appeal is complex and difficult to undertake without an advocate. People with English as a second language face the additional challenge of understanding the technical language, especially when referring to legislation.
- Support and information for treating doctors to ensure accurate reports are completed in the first instance is limited.
- Mental health conditions are not given sufficient weight in the impairment tables.
- Specialist legal services to support people to navigate the process; financial counsellors and community workers become a default resource/intermediary to facilitate appeals.

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<sup>4</sup> Guardian staff reporter 2019, Ask a policy expert: why is it so hard to get on the disability support pension?, the Guardian, The Guardian, viewed 17 June 2021, <<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>>.)

**CASE STUDY – Kevin’s story**

Kevin\* came to Australia in 2015 through the UNHCR program with his wife and children. He and his family had survived torture, persecution, and discrimination, as well as a dangerous journey fleeing to the Thai Burma Border. While living with his family in a refugee camp Kevin contracted meningitis which left him with a permanent intellectual disability.

After settling in Australia Kevin was placed on Newstart Allowance (now JobSeeker) and tried to look for work. His initial application for DSP was rejected despite medical evidence of his intellectual impairment, poor vision, low English language skills and serious joint pain. Kevin felt the constant pressure to apply for work to receive his Newstart allowance. He applied for medical exemptions however these were regularly required which caused Kevin and his family additional stress and anxiety.

To gather more evidence for the DSP application Kevin was referred for neuro psychological assessment by his GP. This assessment was difficult to arrange, very expensive for the test itself and required the availability for an interpreter for 5 hours.

After more than 6 months of trying SECL found a provider who could undertake the assessment free of charge, however he had to wait for another 3 months. In late 2020, after 4 years of trying Kevin’s DSP application was accepted.

\*name is a pseudonym

**The impact of geography, age and other characteristics on the number of people receiving the DSP.**

The 2016 census lists 60 % of persons with disabilities in the City of Greater Dandenong as born overseas (6964 of 9714). Refugees who have settled in Australia have escaped from persecution, sexual violence, discrimination and/or gender-based violence perpetrated against them in their own country. The impairment tables contain no reference to this characteristic, nor consideration being given in the ratings of the lasting impacts of torture and trauma on a person’s mental health, brain function or ability to communicate.

People who survive torture and trauma require ongoing professional health support to recover from their experiences. As demonstrated in Kevin’s story SECL’s experience is that lengthy advocacy and support is needed navigate the system successfully.

**The impact of the DSP on a disabled person’s ability to find long term, sustainable and appropriate, employment within the open labour market.**

Job opportunities vary greatly depending on the individual, the nature of their disability and their level of education.

People who do supplement the DSP with work report concern that if they take on additional hours of work, even in the short term, that they may lose their pension. Many do not want to take this risk and limit their hours to less than 15 per week. This is a barrier to sustainable employment and economic inclusion as most jobs are 3 days per week or more.

### **CASE STUDY – Sam’s story**

Sam\* is on DSP and works part-time. Sam is on the waiting list for public housing and lives alone in private rental as his health issues mean he is unable to live in shared accommodation. Sam has a motor vehicle to enable him to get to work, appointments, and socialise within his community and ongoing medical costs are high despite being on a concession.

Sam is very good at making ends meet, but when he lost his job due to the economic impact of COVID-19 in December 2020 relying on the DSP as his sole source of income plunged him into financial hardship. His meagre savings were used up very quickly on essential living expenses.

Sam’s fortnightly budget:

Income DSP plus rent assistance \$950

Expenses:

Rent	\$738
Utilities	\$ 94
Phone	\$ 15
Car rego & petrol	\$ 41
Medication	<u>\$ 75</u>
	\$963

Sam is unable to afford food and is reliant on family, friends and emergency relief services. He remains committed to looking for another job to regain his quality of life.

\*name is a pseudonym

### **Discrimination within the labour market and its impact on employment, unemployment and underemployment of persons with disabilities and their support networks.**

According to Australian Bureau of Statistics 2019, employed working-age people with disability, (11% or 89,100) are less likely than those who are unemployed (24% or 23,300) to have experienced disability discrimination in the past year. It stated that for more than 2 in 5 (45% or 40,300) employed working-age people with disability, the source of discrimination is from employers, work colleagues and others.

In working with our community SECL workers have observed that:

- People with disabilities are more at risk of being exploited/underpaid as many employers act as if they are ‘doing them a favour’ providing work.
- Many report being paid a lower award rate for the same work and/or cash in hand.
- ‘On the job’ support for employers and employees do not work in the way they were intended to support people with disabilities obtain and remain in work.
- There is a perception of KPI’s before the needs of participants in Disability Employment Services.



**The adequacy of the DSP and whether it allows people to maintain an acceptable standard of living in line with community expectations.**

As of 20 March 2019, the maximum fortnightly payment for a single adult without children was \$843.60 (\$422 per week). This is higher than JobSeeker payments, however still below the 2015-16 estimated poverty line of \$433 a week.

We take the ability to meet a friend for coffee for granted. For many in our community this is a luxury they cannot afford. Limited income means people have to choose between food, the needs of their children and their own medical needs. The overlay between the DSP and the NDIS can be confusing, and different rules apply which many in our community do not understand, so essential needs can fall through the cracks.

In CGD SECL support more than 450 people per year on the DSP with emergency relief (many 2 or 3 times per year), and around 100 per year across our catchment through our financial counselling service. This is approximately 15% of overall clients. The data suggests that the DSP does not afford persons with disabilities with an acceptable standard of living therefore making social and economic inclusion beyond their reach.

**CASE STUDY – Sharon’s story**

Sharon\* has been hearing impaired since birth. She cannot read well, so her only form of communication is Auslan. This limits her ability to interact with others and her social life is limited to those who understand and speak Auslan. To meet up with her friends Sharon uses taxis or public transport. In recent years Sharon has also survived cancer and has ongoing issues with her kidneys as a result. She is on DSP and has an NDIS package.

Her income is \$545 per week (DSP with supplements). Sharon is renting a small one-bedroom flat in Dandenong. The flat is close to public transport and other amenities important to her, and her rent is \$530 per fortnight.

Despite receiving funding for NDIS, the costs of specific health needs relating to her “kidney function issue” are not the recognised disability by NDIS. CAPS funding for these items is unavailable as they argue that it should be covered by NDIS. This means Sharon must pay \$45 per week for these essential catheters from her DSP leaving her with only \$236 per week to pay utilities, food, transport and any other unexpected medical expense.

\*name is a pseudonym

### **Any related matters.**

1,077 asylum seekers (bridging visa E holders) resided in Greater Dandenong in late 2020, the highest number in any Victorian municipality and representing 21% of asylum seekers in the state.<sup>5</sup> Those on bridging visas are not able to access Services Australia Centrelink income support payments, including the DSP. Many are reliant on family, friends, and community organisations to avoid homelessness.

At SECL we are aware that many asylum seekers, or members of their family have a disability is highlighted in the story of Ali and Zafia below.

#### **Case Study – Ali and Zafia**

Ali and Zafia\* arrived in Australia in 2013 as asylum seekers after fleeing Myanmar and remain on Bridging Visa E (Class WE) General (Subclass 050). Their Status Resolution Support (SRS) payments recently ceased as their medical conditions of diabetes (Ali), back issues and PTSD (Ali and Zafia) were not considered serious enough to warrant their inability to gain employment.

Ali and Zafia are working hard to learn English so they can find part time work while they struggle to find supports for their intellectually disabled son, Ali Jnr\*. No consideration was made of the overall family context, or the caring responsibilities and support needs of Ali Jnr. The family rely on Red Cross Extreme Hardship grant and emergency relief payments to survive.

They feel stuck in the cycle of extreme disadvantage. Unable to work due to carer responsibilities and limited English and have no access to resources to improve their situation.

\*Names are pseudonyms

SECL believe that people granted asylum in Australia who have experienced significant delays in the resolution of their application to stay in Australia should be able to access income support entitlements as a basic human right. Being unable to access income support mechanisms are a barrier to social and economic inclusion and contribute to entrenched poverty and inequality. This includes access to the DSP and Carer Payments where medical condition/s otherwise meet the eligibility criteria.

If you would like more information please read:

VCOSS [report- A State of Inclusion- VCOSS submission to the Victorian State Disability Plan 2021-2024](#)

ACOSS [media release Strengthening Income Support Bill](#)

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<sup>5</sup> City of Greater Dandenong 'Cultural Diversity and Settlement' 2020 <https://www.greaterdandenong.vic.gov.au/flysystem/filerepo/A6819537>