



9 July 2021

Committee Secretary
Senate Standing Committees on Community Affairs
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Parliament House
Canberra ACT 2600
By e-mail: community.affairs.sen@aph.gov.au

Dear Committee,

Senate Inquiry into the Purpose, intent and adequacy of the Disability Support Pension (the Inquiry)

The Queensland Council of Social Service (QCOSS) thanks the Committee for their invitation to provide a submission in relation to the Inquiry.

QCOSS is Queensland's peak body for the social service sector. Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

QCOSS undertakes research each year to examine cost of living pressures for low-income households in Queensland and produces a Living Affordability Report detailing our findings. This work is guided by our member organisations through the QCOSS Living Affordability Policy Network. This submission draws on findings from the Living Affordability Report and focuses on the eligibility criteria for the Disability Support Pension (DSP).

Our research found:

- The number of people on JobSeeker payments in Queensland increased compared to pre-pandemic levels. Further, research shows that a growing share of JobSeeker recipients do not have full capacity to work because of impairments that prevent them from entering the workforce.¹
- JobSeeker payments of \$44 per day are not adequate for recipients to meet a basic standard of living required to lead a life without disadvantage. Our modelling shows that households on JobSeeker payments will have to forego essential goods and services or increase debt levels to meet day-to-day expenses.
- Pathways to paid employment are limited for people on JobSeeker payments in Queensland. Labour market data in April 2021 indicated that there are six Queenslanders on the JobSeeker payment for every job vacancy in the state.² People with partial capacity to work have greater barriers and fewer opportunities to enter the workforce.

QCOSS endorses the submission made by the Australian Council of Social Service to the Inquiry and recommends the following changes to the Disability Support Pension (DSP) eligibility criteria:

- The Program of Support should be abolished. Currently, people who do not meet twenty points in one impairment table threshold are required to meet the Program of

Support requirement to qualify for DSP, unless they receive an exemption. This requires people to enrol with an employment service provider, disability enterprise or another form of mutual obligation and engage in the program for at least 18 months over three years to determine if work capacity can be improved. During this time, people generally receive unemployment payments from JobSeeker, which are \$160 per week less than the DSP and inadequate to meet a basic standard of living. While we recognise the intent to maintain integrity of the DSP payment system, the current Program of Support only serves to deny or postpone access to DSP and increases the number of people living with a disability who are below the poverty line.

- Ensure people with multiple disabilities or illnesses get the Disability Support Pension, including where they do not meet twenty points under one impairment table, but meet this threshold across impairment tables. The DSP eligibility criteria should recognise the impact of multiple disabilities or illnesses across multiple impairment tables on someone's capacity.
- A Disability and Illness Supplement should be introduced. People with disability face higher costs of living compared with people without disability. There are extra healthcare costs, medication, equipment, transport and housing costs. Analysis by NATSEM to calculate this 'Standard of Living' gap shows that a single person with a disability receiving DSP needs an extra \$50 per week to achieve the same standard of living as someone without a disability receiving a pension. NATSEM further estimate that lifting payments by \$50 a week would halve poverty among people receiving DSP.³

QCROSS further recommends that a clear distinction be made between the JobSeeker and the DSP payments, where the JobSeeker payments are provided to people with the capacity to undertake sufficient paid work and the DSP is provided to people who cannot engage in paid work due to an impairment.

Thank you again for the invitation to provide a submission in relation to the Inquiry.

Yours sincerely,

Aimee McVeigh
Chief Executive Officer

References

1. Parliamentary Budget Office. *JobSeeker Payment: Understanding economic and policy trends affecting Commonwealth expenditure*. 2020. https://www.apb.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/JobSeeker_Payment
2. Australian Government. Data from: Labour Market Information Portal Latest release-April 2021. Deposited April 2021.
3. Li. J BL, La. H.N, Miranti. R, Vidyattama. Y, . *Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis. 2019. Accessed 07/07/2021. <https://www.afdo.org.au/wp-content/uploads/2019/09/02A-NATSEM-Online-Disability-Report.pdf>