



Queensland Advocacy Incorporated

Our mission is to promote, protect and defend, through advocacy, the fundamental needs and rights and lives of the most vulnerable people with disability in Queensland.

Systems and Individual Advocacy for vulnerable People with Disability

Senate Committee Affairs References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

12 September 2019

Dear Committee,

Inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

We refer to the above inquiry and **enclose** Queensland Advocacy Incorporated's submission.

Thank you for the opportunity to make a submission to this important inquiry.

We are happy to provide further information or clarification of the matters raised in our submission upon request.

Yours Faithfully,

Michelle O'Flynn

Director

Ph: (07) 3844 4200 or 1300 130 582 Fax: (07) 3844 4220 Email: qai@qai.org.au Website: www.qai.org.au

2nd Floor, South Central, 43 Peel Street, STH BRISBANE QLD 4101

QAI endorses the objectives, and promotes the principles, of the Convention on the Rights of Persons with Disabilities.

Patron: His Excellency The Honorable Paul de Jersey AC

Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia

**Submission by Queensland Advocacy
Incorporated**

**Senate Standing Committee on
Community Affairs**

12 September 2019

About Queensland Advocacy Incorporated

Queensland Advocacy Incorporated (**QAI**) is an independent, community-based systems and individual advocacy organisation and a community legal service for people with disability. Our mission is to promote, protect and defend, through systems and individual advocacy, the fundamental needs and rights and lives of the most vulnerable people with disability in Queensland.

QAI has an exemplary track record of effective systems advocacy, with thirty years' experience advocating for systems change, through campaigns directed to attitudinal, law and policy reform and by supporting the development of a range of advocacy initiatives in this state. We have provided, for almost a decade, highly in-demand individual advocacy through our individual advocacy services – the Human Rights Legal Service, the Mental Health Legal Service and the Justice Support Program and more recently the National Disability Insurance Scheme Appeals Support Program and Decision Support Pilot Program.

QAI has previously made submissions and appeared at Public Hearings on welfare reforms and initiatives considered by the Federal Government that have the potential to impact on the rights and lives of people with disability or mental illness. Relevantly in this regard, in 2014 we made submissions to the Welfare System Taskforce of the Department of Social Services on the review of Australia's welfare system; in 2015 we made a submission to the Australian Human Rights Commission's Willing to Work Inquiry; in 2017 we made submissions to the Senate Community Affairs References Committee's Inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the better management of the social welfare system initiative; and in 2018 we made submissions to the House of Representatives Select Committee on Intergenerational Welfare Dependence and to the Education, Employment and Small Business Committee's Inquiry into Wage Theft in Queensland.

QAI situates the consideration of issues relating to employment, income support and welfare for people with disability within a human rights framework. This is because the rights to an adequate standard of living, to healthcare, to education and to work freely, in an area of the person's choice, are fundamental human rights. Education and work are critical to the enjoyment of other key human rights too – they provide people with a source of identity, valued status, belonging and community, with the ability to associate with others with whom they share a common interest or connection, and with an income or the potential to ultimately earn a decent income – thus protecting against other vulnerabilities, such as isolation, inadequate healthcare and homelessness.

Key Recommendations

QAI recommends:

1. Many Australians, including many Australians with disability, have inadequate financial means to support an acceptable standard of living. This has significant ill effects on their physical and mental health, ability to engage in socially, in education and work, and for some, their ability to raise and nurture children. This is an important issue that requires redress.
2. Budget standards, such as those developed by the Social Policy Research Centre of the University of New South Wales, should be used to inform the minimum levels of income support payments.
3. An individual approach should be taken to determining housing support for people with disability, to support independent living in the community.
4. Urgent measures are required to address unemployment and under-employment of people with disability. The Government should implement measures to assist people living in poverty, to ensure poverty ceases to be a barrier to entry to the workforce.
5. All workers, including workers with disability, should be paid at a rate equal or greater to the minimum award wage for the particular industry in which the worker is engaged. The supported wage system, and specialist disability employment enterprises, must be abolished.
6. The current Disability Employment Services (DES) model should be replaced by appropriate, individually-tailored, continuing support for people with disability within the workplace.
7. No one should be penalised for fluctuations in their income. The interface between income support and payment of wages must be transparent and easily understood to ensure that there are no financial disincentives for working, whether actual or perceived.
8. The government should maintain the distinction between pensions and allowances. Persons with disability should not be transitioned to Newstart Allowance as a budget-saving measure. The rates of pensions and allowances should be increased in accordance with current research and international best practice.
9. Students with disability must be provided with improved inclusive educational supports.
10. Independent expert evidence should inform decision-making around income support payments.

Responses to Terms of Reference

QAI thanks the Senate Standing Committee on Community Affairs (**Committee**) for initiating this important conversation and for the opportunity to make this submission.

Consistent with the focus of our work and experience, we will focus our submissions on the impact of income support payments on people with disability. At times, we have combined our response to different terms of reference, below.

What constitutes an acceptable standard of living in Australia, including the cost of safe and secure housing AND the adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training

At present, many Australians, including many Australians with disability, have inadequate financial means to support an acceptable standard of living. This has significant ill effects on their physical and mental health, ability to engage in socially, in education and work, and for some, their ability to raise and nurture children.

Research has established that the adequacy of the incomes that form the social safety net (income support payments) will affect the degree of exposure to poverty experienced by families in low-paid work, unemployed or unable to work because of a disability or retirement.¹

The Australian Research Council project led by Peter Saunders from the Social Policy Research Centre resulted in development of the budget standards: 'New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians'.² These standards highlight the inadequacy of welfare measures including Newstart Allowance and offer budget standards to estimate how much a person, couple or family needs to achieve the prescribed 'healthy living standard'. These minimum income standards have been used for assessing the adequacy of minimum incomes and calling for appropriate adjustments where needed (including for particular groups of persons, such as those with disability).³

People with disability have complex needs that generally require additional (and often significantly higher) finances to manage, as compared with people who would otherwise be categorised within the same group but who do not have the disability. This is an important consideration in calculating appropriate minimum income support payments.

The Report states:⁴

¹ P Saunders, M Bedford & Social Policy Research Centre, UNSW (2017). New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians; ACOSS (2014) Poverty in Australia in 2012. Poverty and Inequality Report No. 2, Sydney: ACOSS; Saunders, P., Wong, M. and Bradbury, B. (2016), Poverty in Australia since the financial crisis: the role of housing costs, income growth and unemployment, Journal of Poverty and Social Justice, Vol. 24, No. 2, pp. 97-112.

² P Saunders, M Bedford & Social Policy Research Centre, UNSW (2017). New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians.

³ P Saunders, M Bedford & Social Policy Research Centre, UNSW (2017). New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians, 11-12.

⁴ P Saunders, M Bedford & Social Policy Research Centre, UNSW (2017). New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians, 15.

The idea of healthy living reinforces the importance of ensuring that all family members can participate socially and are able to access the goods and activities that contribute to good health. The MIHL standard thus has direct relevance to the social inclusion policy agenda, since poor health and disability often act as barriers preventing those affected from participating. Secondly, the maintenance of good health has become a focus of policy in many different areas and has drawn attention to the need to develop a comprehensive, integrated approach. By providing a link to the healthy living concept and giving greater weight to the knowledge that exists among community members (both as citizens and as practising budgeters) the MIHL budgets are better grounded in existing knowledge and are more credible to a broader range of stakeholders and end-users.

Regarding housing, we note the importance of measures that support people with disability to live autonomously, where desired and possible. The strong emphasis on deinstitutionalisation and reformation of the social and housing policy framework in Australia over the past few decades has resulted in the movement of people with disability from large state institutions into smaller, community-based group homes,⁵ with favourable outcomes.⁶ However, there remains a significant disparity between the preferences and reality of accommodation for many people with disability in Australia.

Recent Australian research has recognised the desirability of taking an individualistic approach to housing for people with disability, which acknowledges the importance of providing appropriate fiscal and non-fiscal supports to enable people to live independently in the community.⁷ In 2010, an external evaluation of the delivery and outcomes of the Queensland Government's Housing and Support Program found that people with intellectual and cognitive disability or mental illness can successfully reside and participate in their community of choice, with adequate community support, stable housing and appropriate clinical case management.⁸

For many adults with disability, adequate financial support in the form of rental assistance is but one part, albeit an integral part, of the support structures required. The type of financial assistance required to support appropriate accommodation arrangements for people with disability, whether it be a physical impairment or a mental health, intellectual or cognitive impairment, is higher (and often significantly so) than that required by a person without the disability. However, it is appropriate and necessary that this additional assistance is provided to ensure persons with disability are able to enjoy living conditions on par with persons without disability.

The introduction of the Supported Independent Living (SIL) Scheme⁹ under the National Disability Insurance Scheme (NDIS) has been fraught with problems. Despite the rhetoric on the National Disability Insurance Agency's (NDIA) website regarding participants' choices of housing options,

⁵ Lisa Bostock, Brendan Gleeson, Ailsa McPherson and Lillian Pang, deinstitutionalisation and housing futures: Final report (Australian Housing and Urban Research Institute UNSW-UWS Research Centre, 2001).

⁶ See, for example, doctoral research by Young, which reports on Australia's largest deinstitutionalisation research project, whereby residents from Challinor, a government-run institution located in Ipswich, Queensland, were relocated after the centre was closed. The residents of Challinor was predominantly classified as a most problematic group to deinstitutionalise, as the demographics of this group were mostly older (aged over 40 years), had been institutionalised for an extremely lengthy period (over 20 years), many had severe and profound levels of intellectual disability and many had behaviour problems. However, the deinstitutionalisation of this group resulted in favourable outcomes: Janet Louise Young, *Deinstitutionalisation and Changes in Life Circumstances of Adults with Intellectual Disability in Queensland*, unpublished doctoral thesis, University of Queensland, 2001.

⁷ Lesley Chenoweth, Natalie Clements and School of Human Services and Social Work, *Funding and service options for people with disabilities: Final Report*, Griffith University, June 2009, reporting on the 2008 meta-analysis by Parmenter and Arnold for the Victorian Department of Human Services.

⁸ The evaluation was conducted by the Department of Psychiatry, University of Queensland, in conjunction with the Queensland Centre for Mental Health Research (known as 'The Park').

⁹ See also QAI's submission to the Joint Standing Committee on the NDIS – Supported Independent Living Inquiry (submission #8), September 2019.

most SILs arrangements are mechanisms for congregated living and shared care arrangements. QAI is concerned that several people with disability and their families have been ignored, had their wants and wishes disregarded, as service providers have submitted SILs applications to the NDIA without the persons' knowledge or agreement.

Mary Lovell,* jobseeker on Newstart, lives in a boarding house a couple of kilometres from the centre of Cairns, Queensland. She has a learning disability and a psychosocial disability for which she takes medication. She supplements her income by selling The Big Issue in the town centre, earning \$45 - \$60 per fortnight. She completed school to Grade 10. She is a disability 'everywoman':

- one of the 12.5 % of Australians under 65 years who have disability
- one of the ~ 90% of Australians with disability who will not get access to the NDIS
- one of the 47.5% Australians with moderate/mild disability not in the labour force (ABS)
- one of the ~ 44% of people on Newstart for more than two years
- one of the 13.2% of Australians living below the poverty line

Mary is 'tertiary homeless', occupying a room ('furnished'; no A/C) in a boarding house, sharing common facilities including toilet, bathroom and kitchen with other residents. **Her tenure is not secure.** The provider can evict her 'without grounds' at any time with 30 days' notice, and with no notice at all if Mary causes a nuisance. Her clothes are purchased from op-shops or donated; her personal possessions fit in a 3 x 4 m room and she has no assets or vehicle.

Other than rent and phone, she has no recurrent payments and few incidentals. She has a pre-paid mobile for job searching and social connection. She pays approximately half-fare for public transport journeys, and her local drop-in centre reimburses her bus fares when she travels there to volunteer on reception. Mary does not drink or smoke, pays no insurance or credit debt and has no subscriptions or contracts for utilities. Until March 2020, she has a 15% (\$83.35 P/FN) Centrelink debt repayment.

Mary has a **maximum of \$145.05 P/FN for food**. She eats free food-van food for homeless people whenever she can. She pays \$460 P/FN for her room, which is just below the \$466 P/FN median rent for a one bedroom rental in the Cairns region. Like many people she knows, she does not have savings to pay bond for a flat or unit. If they charge them, rooming house providers set bonds at the equivalent of one or two weeks' rent, which is more affordable than the \geq four weeks' rent that is standard for rentals. For a person whose income is \$123.60 P/FN below the poverty line, these differences are critical.

Mary always stays in rooming houses or sublets in share houses. Even if she could afford to pay a standard rental bond (and loans are available) her **outstanding AGL (electricity) debt** stops her renting a flat or house in her own name. She's also aware that **no real estate agent will let to anyone on the 'TICA' database**. Mary defaulted her tenancy and the agent listed her on TICA when Mary last was admitted to a psychiatric hospital for involuntary treatment.

While she remains unemployed, Mary feels she has no reasonable prospect of improving her employability. Employers see her as work-shy, and she has no money to spare for further education and skills-acquisition.

* Name has been changed to protect identity

Mary's Budget per Fortnight

Item	Income P/FN (\$)	Expenses P/FN (\$)	TOTAL P/FN (\$)
Newstart	555.70		
Rent Assistance	137.20		
Big Issue sales	<u>49.50</u>		
			742.40 (\$123.60 P/FN below poverty line)
Rent (Utilities included)		460.00	
Medication		15.00	
Transport (Weekly 2 zone concession)	-	24.00	
Mobile Phone		15.00	
Centrelink Debt Repayment		83.35	<u>- 597.35 =</u> \$145.05
Groceries		145.05 P/FN max for food/groceries and other discretionary spending	

The labour market, unemployment and under-employment in Australia, including the structural causes of long term unemployment and long term reliance on Newstart

The rates of unemployment and under-employment of Australians with disability is a pressing concern. Australia's employment of people with disability remains significantly lower than the OECD average. Indeed, Australia has one of the lowest employment participation rates for people with a disability, ranking 21st out of 29 OECD countries, with an employment rate of 39.8% for people with a disability compared to 79.4% for people without a disability.¹⁰ The rates of employment for those with severe or profound disability is significantly lower.¹¹

Poverty can itself be a barrier to finding work. QAI notes the importance of ensuring income support payments are sufficient to enable people to look for work and to cover job search costs including transport, IT and telephone costs.

Research has found an intergenerational link in welfare dependency, with young people almost twice as likely to need social welfare payments if their parents have a history of receiving assistance. This is not attributed to internal cause and effect, but to structural and circumstantial issues, including young people caring for parents with disability, resulting in a reduced ability to work and parents caring for children with disability, which reduces their ability to engage in or ultimately re-enter the workforce.

¹⁰ PriceWaterHouse Coopers, *Disability Expectations: Investing in a Better Life, a Stronger Australia*, 2011.

¹¹ ABS, 2016. Survey of Disability, Ageing and Carers 2015. Canberra.

The changing nature of work and insecure work in Australia

Prior to 2015, wage theft against people with disability was systematically enabled through use of the Business Services Wage Assessment Tool (BSWAT) wage assessment tool in Australian Disability Enterprises (ADEs). BSWAT assessments meant people with disability could be paid solely based on productivity, even if the resulting rate of pay was below the minimum wage for their industry. QAI has long maintained that paying workers with disability in this manner harms their self-esteem, creating an impression they are inherently less valuable than those without disabilities. Workers in the open workforce in Australia are all legislatively guaranteed at least the minimum wage for their industry, irrespective of their productivity. The denial of a guaranteed minimum wage to all people with disability constitutes discrimination on the basis of disability. Since the Federal Court decision in *Nojin and Prior v Commonwealth*¹² found BSWAT discriminatory against people with intellectual disability, the government gradually transitioned ADEs to a variation of the Supported Wage System (SWS) altered specifically for use with persons with disability working at ADEs.

The SWS is an improvement in that it does not automatically justify the use of productivity based wages for employees with disability, instead requiring the employee to be clearly unable to work at full productive capacity compared to a co-worker without disability. However the SWS still provides for people with disability to be paid a pro-rata percentage of the minimum wage for their industry according to their assessed capacity, even allowing workers who initially received the full award rate to be reduced to pro-rata payment if they underperform.¹³ Though the SWS is designed to affect less people, it creates the same potential for harm to a person's sense of self-worth and belonging as the BSWAT by explicitly assessing employees with disability at a certain percentage of their co-worker's competence.

There is also significant potential for financial hardship under the SWS, as people with disability may be paid as little as \$84 a week under the system, which places them well below the poverty line. We note that people without disability who are considered to be underperforming in their roles are not subjected to garnished wages calculated pursuant to an authorised wage system.

All workers, including workers with disability, should be paid at a rate equal or greater to the minimum award wage for the particular industry in which the worker is engaged. The supported wage system functions as a significant disincentive to employment for people with disability and can have the effect of demeaning and undervaluing the contribution made by people with disability to the labour market, in terms of the grossly insufficient remuneration provided and the concentration and confinement of workers to a small and undervalued sector of the labour market.

While some employers have demonstrated that they are more likely respond to incentives to employ a person with a disability and will not independently do this, reduced wages are not the answer. The imposition of mandatory quotas is far more appropriate.

Government contracts and funding arrangements with employment agencies should specifically require that employment agencies work with employers to help to develop more roles for employees with disability.

Volunteer work can potentially be an effective means by which people with disability can make a valuable contribution to the workplace, demonstrate their capabilities and simultaneously develop skills that are valuable to the workplace. However, it is vitally important that safeguards are implemented to ensure that people with disability are not exploited, by remaining engaged in a voluntary capacity where their role could, but ultimately does not, lead to paid employment.

¹² [2012] FCAFC 192.

¹³ http://awardviewer.fwo.gov.au/award/show/MA000103#P544_56310

Classification as a casual, rather than a permanent worker, can also be a form of wage theft as it can deprive people of industrial entitlements including sick, annual and long service leave. The payment of casual loading is not sufficient to negate the disadvantage associated with this form of employment.

We note that the passage in December 2018 of the *Modern Slavery Act 2018* (Cth) will impact on this area. This legislation requires certain large businesses and other entities in Australia to report publicly on their actions to address modern slavery risks in their operations and supply chains. In requiring big business to take proactive, effective action to address modern slavery practices, this legislation protects the human right to protection from exploitation, violence and abuse (Article 16 of the Convention on the Rights of Persons with Disabilities).

The appropriateness of current arrangements for supporting those experiencing insecure employment, inconsistent employment and precarious hours in the workforce AND The economic cost of long-term unemployment, underemployment, poverty, inequality and inadequate income support payments AND The economic benefits – including job creation, locally and nationally – of increasing and improving income support payments and supports, and decreasing poverty and inequality

QAI submits there is a need for increased – and more appropriate and individually-tailored – continuing support for people with disability within the workplace.

In the 2016 inquiry into New Disability Employment Services from 2018, it was recognised that only one-third of people assisted by Disability Employment Services (**DES**) achieve an effective employment outcome.¹⁴

Some of the most significant barriers that people with disability face that demonstrate ingrained weaknesses in the present regulatory framework include:

1. attitudinal barriers, including stigma about the nature and effects of their disability, and low expectations of and for them. This is particularly the case for those with intellectual impairment, and this often begins in school, resulting in a high level of illiteracy among students with disabilities. This is then exacerbated by the very support services charged with assisting them into the workplace. People with intellectual/cognitive impairment, especially those people who have communication issues, are underestimated in their capacity to learn the skills and perform the work even if they may require more time to undertake the training;
2. very low rates of pay, which would not be sanctioned if paid to a person without disability;
3. segregation into 'sheltered workshops', rather than employed within the open labour market;¹⁵
4. facing barriers to access, including workplaces physically designed for people without disability, lack of understanding of their support needs and inflexible workplaces unwilling to make appropriate modifications;
5. being subjected to bureaucratic requirements not imposed on people without disability;
6. disadvantage from the beginning of their lives and throughout their education, which can disempower and marginalise them.

¹⁴ Australian Government, Department of Social Services. *New Disability Employment Services from 2018: Discussion paper*, 11.

¹⁵ NDIS Participants with Down syndrome (72%) or intellectual disability (74%) are the most likely to be working in an Australian Disability Enterprise (Sheltered Workshop). 49% of older adults in the NDIS are working in an ADE, compared to 35% of younger adults in the NDIS. (Source: National Disability Insurance Agency. 2019. Employment Outcomes 30 June 2018 - NDIS participants, their families and carers).

The present framework has not been effective in protecting people with disability against wage theft and other forms of discrimination and adverse treatment in the workplace. Significant systemic change is required.

Professor Alan Morris' research exploring the attitudes and experiences of people with disability regarding employment documents that most Disability Support Pension recipients under the age of 35 have a strong desire to work, with the inability to work a source of anguish for many.¹⁶ The noted barriers, aside from the severity of the person's disability and the failure by many workplaces to make appropriate physical modifications to the environment to enable proper access by people with disability, were workplace cultural issues such as discrimination and inflexible working hours.

People with disability may require additional support to develop and maintain a meaningful connection with the labour market. Providing support to people with an incapacity which recognises the possibility of future participation can potentially foster greater confidence and skills acquisition and contribute to the deconstruction of stereotypes of what people with disabilities can achieve.

We also note that there are significant issues at the work/income support interface. The balance between social security payments for those unemployed and the minimum wage also reflects the financial attractiveness of being in and out of work and thus affects the financial incentive to move between these two key labour market states.¹⁷

It is important that the interface between earnings and welfare payments are designed to ensure people are not penalised for fluctuations in their income. It is integral that the system is transparent and easily understood to ensure that there are no financial disincentives for working, whether actual or perceived. We consider that it is appropriate for the fiscal benefits of labour market participation to be accounted for and measures implemented to ensure any disincentives to work are removed.

We note that long term social and economic costs are significantly lower in countries that provide a strong level of social welfare support. For example, the recorded crime rates of Australia are more than double that of Finland¹⁸ and 96% more than Denmark.¹⁹ Given the costs of imprisoning people who commit crimes of poverty, and the costs to victims of crime associated with poverty experienced by perpetrators, the arguments for the introduction of a universal income are strong.

The current approach to setting income support payments in Australia

Income support payments have traditionally fallen into two categories – pensions and allowances. Pensions have been provided without an expectation that a person can or will engage in paid work and work is therefore not a condition of payment. The higher rate of payment of pensions, as compared with allowances, reflects that the pension is the sole income for the recipient.²⁰ In contrast, allowances are calculated and paid on the basis that recipients are willing and able to work (an 'activity test' or 'participation' requirement is imposed on the recipient) and unlikely to need

¹⁶ Alan Morris, "Pain and Mythology: Disability Support Pension Recipients and Work" (2006) 7(1) Australian Review of Public Affairs 41, 47.

¹⁷ P Saunders, M Bedford & Social Policy Research Centre, UNSW (2017). New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians; ACOSS (2014) Poverty in Australia in 2012. Poverty and Inequality Report No. 2, Sydney: ACOSS; Saunders, P., Wong, M. and Bradbury, B. (2016), Poverty in Australia since the financial crisis: the role of housing costs, income growth and unemployment, Journal of Poverty and Social Justice, Vol. 24, No. 2, pp. 97-112.

¹⁸ Australia is ranked 47th with a crime level of 46.01; Finland is ranked 81st with a crime level of 22.92: https://www.unodc.org/documents/data-and-analysis/WDR2011/World_Drug_Report_2011_ebook.pdf, World Drug Report 2011, United Nations Office on Drugs and Crime (UNODC), 2011, p. 217.

¹⁹ Denmark is ranked 78th, with a crime level of 23.44: https://www.unodc.org/documents/data-and-analysis/WDR2011/World_Drug_Report_2011_ebook.pdf, World Drug Report 2011, United Nations Office on Drugs and Crime (UNODC), 2011, p. 217.;

²⁰ The Treasury, Australia's Future Tax System: Final Report (2010), 496.

income support for an extended period.²¹ The lower rate of payment for allowances, as compared with pensions, is designed both to incentivise recipients to actively job seek and, in some cases, on the assumption that the recipient receives other forms of income (for example, students in receipt of Austudy).

Research by the Australian Law Reform Commission points to the increasingly blurred distinction between pensions and allowances in recent years. They note that the shift towards a social rather than a medical model of disability has seen more emphasis on the capacity of people with disability to work.²² While QAI strongly supports this paradigm shift, we acknowledge the ALRC's finding that an unintended consequence of this shift has been the inappropriate transition of many people from the Disability Support Pension to Newstart Allowance. We have previously outlined our concerns about this issue to the McLure Welfare Reform inquiry.²³ In particular, we noted our concerns with the proposal to demarcate between people with temporary and permanent disability and to allocate payments for people with disability who have current or future capacity to work through the tiered working age payment to better reflect different work capacities, reserving Disability Support Pension only for people with a permanent impairment and no capacity to work.

The impact of the current approach to setting income support payments on older unemployed workers, families, single parents, people with disability, jobseekers, students, First Nations peoples, people from culturally and linguistically diverse backgrounds, people living in regional and remote areas, and any others affected by the process AND The impact of geography, age and other characteristics on the number of people receiving payments, long term unemployment and poverty

As noted above, QAI does not support the transition of persons with disability from the Disability Support Pension to an allowance such as Newstart. This is inappropriate from the perspective of the different purposes of pensions and allowances and their different rates. The amount of the DSP should be raised to conform to international standards (as proposed by Saunders and discussed above) to ensure all people with disability can enjoy an acceptable standard of living. People experiencing intersectional disadvantage are particularly vulnerable and payments must be tailored to address considerations such as regional or remote localities and geographical distance from services.

The introduction of the NDIS has created a further avenue by which people with disability may seek access to the supports and services they need. However, implementation of the scheme has been plagued with problems and many people are currently denied access to the scheme or attempting to survive on inadequate plans. Yet the NDIS does offer an avenue by which people with disability can articulate and seek to progress towards goals including engagement (or increased participation) in the workforce.

Intersectional disadvantage correlates significantly with welfare dependency, long-term unemployment and poverty.

The relative merits of alternative investments in health, education, housing and other programs to improve outcomes

Education is the first formal introduction a child has to a society where he/she will normalise the experience of segregation and exclusion or alternatively, of welcoming and inclusion. Inclusive

²¹ DEEWR, FaHCSIA, DHS and DIISRTE, Submission to the Allowance Payment Inquiry (2012); FaHCSIA, Guide to Social Security Law (2012) <www.fahcsia.gov.au/guides_acts> [1.1.A.40].

²² Australian Law Reform Commission. Grey Areas – Age Barriers to Work in Commonwealth Laws [5.13]; Productivity Commission, Disability Care and Support (2011), 271.

²³ Department of Social Services. (2014). Interim Report of the Reference Group on Welfare Reform, A New System for Better Employment and Social Outcomes.

educational supports must be improved for students with disability. Far too many students with disability (particularly those with autism and/or intellectual or cognitive impairment or psychosocial disability) are subject to multiple suspensions, expulsions and restrictive practices or coerced into home-schooling without support, which can have catastrophic economic consequences for parents forced to leave the workforce.

It is inconsistent to expect that people with disability will move from welfare payments and obtain work in open employment if they are denied quality educational outcomes. It is inconsistent and incongruent to support a specialised and marginalised system of education that leads to segregated pathways of adult life and living in institutionalised settings or group homes.

Education systems have not kept pace with changes in communities. Motherhood statements and minor adjustments to policy or practice have not addressed discrimination or segregation and poor learning outcomes for students with disabilities. The plan must include quantified inclusion targets, performance indicators, third party oversight, and outcome measurement. Inclusion is a right, and not a gift, concession or benefit.

Investment in health outcomes is for the benefit of individuals, society and the economy.

The Productivity Commission has recognised that mental health is a key driver of economic participation and productivity in Australia, with the potential to impact incomes and living standards as well as social engagement and connectedness. The reduced economic costs associated with improved mental health are stated and it is recognised that improvements in mental health can benefit both individuals and the wider community. The significant occurrence of mental health issues experienced by Australians are noted and it is recognised that, notwithstanding 'a plethora of past reviews and inquiries into mental health in Australia', and related positive service delivery and service reforms, there are significant problems with mental health in Australia.²⁴ QAI agrees. We note that our experience is that there are significant, unaddressed mental health problems in Australia. We also agree that addressing these problems requires holistic reform encompassing innovations not only within the healthcare system, but also in the areas of work, education, justice, housing and social services.

The role of independent and expert decision-making in setting payments

QAI strongly supports decision-making around income support payments to be by independent experts. This is a matter that must be above politics. There is now a wealth of Australian economic modelling, which draws on international expertise and can inform payment setting.

Any other related matters

Technology is a powerful tool assisting people with disability to interact with others on a level playing field. Information technology has become of heightened relevance in the context of an increasingly globalised labour market, where technology facilitates the transcendence of temporal, physical and geographical boundaries. Access to, and proficiency with, information technology is fundamental at the point of entry to the labour market. Measures that increase the technological skills of people with disability, coupled with initiatives that ensure that appropriate technological equipment is affordable and available to all people with disability, are therefore vital. We consider that appropriate measures in this regard could include subsidies for people with disability to purchase and install appropriate information technology and investment in information technology training for people with disability.

Conclusion

QAI thanks the Committee for the opportunity to contribute to this important inquiry.

²⁴ Productivity Commission Inquiry. The Social and Economic Benefits of Improving Mental Health. 2019.

Matters pertaining to the employment of people with disability and the people who care for them and support them, are core human rights concerns. Having a secure job, and an adequate and dependable source of income, is a fundamental prerequisite to the enjoyment of basic rights by all adults.

Being a valued part of the workforce also offers protection against other vulnerabilities – it helps to protect people from homelessness and enables them to access adequate health care. We also know that it is a buffer against becoming involved in the criminal justice system.

As people with disability often have complex needs that may result in the heightened financial expense, the ability to earn a decent wage and to have their basic industrial rights protected is particularly important. Financial certainty for the future, including in retirement (whether from age or ill health) is something all people are entitled to.

It is time for the Australian Government to take action to ensure all Australians have an acceptable standard of living.