

Purpose, intent and adequacy of the Disability Support Pension

**Spinal Cord Injuries Australia
Policy and Advocacy Team Submission
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Senate Standing Committees on Community Affairs

Via email to community.affairs.sen@aph.gov.au

Introduction

Spinal Cord Injuries Australia (**SCIA**) welcomes the opportunity to offer a submission on the purpose, intent and adequacy of the Disability Support Pension (DSP) to the Senate Standing Committees on Community Affairs. The DSP has an important role in providing financial stability in the lives of people with disability. However, there is a clear need for review of various aspects of the DSP and introduction of reforms to ensure that all people with disability across Australia are financially secure and can enjoy the same quality of life and supports as those living without disability.

About Spinal Cord Injuries Australia

SCIA is a for-purpose organisation working for people living with spinal cord injury (SCI) and other physical disabilities. SCIA was founded by people with SCI over fifty years ago; people with disability make up over 25% of our staff, and the majority of our Board live with SCI. SCIA is a national, member-based organisation that serves 2,500 members made up of people living with disability, their family, carers, researchers, and other professionals in the sector.

SCIA's Social Enterprise aims to drive positive social change by creating meaningful employment opportunities for people living with physical disability. Our Social Enterprise delivers a range of commercial contracts, giving people with disability the opportunity to gain valuable work experience, in temporary, part-time or full-time employment. Past projects have covered a range of skill areas, including telephone market research, data entry, transcription services, call centre support work and document digitisation, and clients have included Government departments and private corporations.

SCIA's Policy and Advocacy Team provides individual and systemic advocacy, and supports self-advocacy. Our team aims to ensure that people living with SCI and other disabilities do not face barriers in exercising their independence and realising their human rights. Our team strives to achieve inclusivity and change for people with disability, their family members and carers. Individual advocates support advocacy clients across NSW, including in the Northern Rivers region.

This submission draws upon feedback from SCIA members and clients on financial security and barriers to employment, which was a feature of a wider engagement project conducted by SCIA's Policy and Advocacy Team in 2020. It is also informed by insight from SCIA's individual advocates and Employment Services Team, who assist people with disability to find a job and develop their careers. SCIA also made a submission to the DSP review in 2008 of which some of SCIA's recommendations were included in the current DSP eligibility criteria.

Executive summary and recommendations

This submission outlines the various challenges people with disability encounter in applying for the Disability Support Pension (DSP) and maintaining an adequate standard of living when receiving DSP benefits as compared with other government income supports, such as JobSeeker. It is clear that anecdotally and in the existing research it has been found that there is an inequality in standards of living for people with disability and taking advantage of meaningful employment opportunities. There is a lot of scope to further review the DSP rate and implement changes that will address these barriers and improve applicants and recipients' experiences. The following recommendations provide practical reforms to achieve these goals:

Recommendation 1: Centrelink staff should ensure that all DSP recipients receive information and referrals to appropriate services and support persons to assist navigate the DSP application process. This includes informing applicants that they may be eligible for JobSeeker and its medical exemption.

Recommendation 2: DSP applicants should be referred to a single point of contact at Centrelink following initial inquiries into applying for DSP. They should also be provided with information on timeframes for decisions and avenues for complaints.

Recommendation 3: Services Australia should regularly report on its progress towards its service commitments on timeframes and decreasing phone wait times.

Recommendation 4: Centrelink staff should be better trained in adopting a trauma informed approach in all communications with customers.

Recommendation 5: Centrelink Call Centres should have extended operating lines open to at least 7 PM and possibly operate on weekends.

Recommendation 6: Services Australia should coordinate with Primary Health Networks and peak medical associations across Australia to provide information materials and training sessions for general practitioners and specialists to better understand how to assist patients in providing supporting medical evidence for DSP applications.

Recommendation 7: The Department of Social Services should consult DSP recipients to better understand their motivations and engagement with employment opportunities as part of its review of Disability Employment Services and any other future review of Australian Disability Enterprises.

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Recommendation 8: The Australian Government should invest in engaging external researchers to better analyse the impact of the current DSP rate in allowing recipients to have an adequate standard of living and readjust the rate depending on research findings.

Recommendation 9: People with disability who are current or former DSP recipients or JobSeeker recipients medically exempt from mutual obligation requirements, should be indefinitely eligible to hold either the Pensioner Concession Care or the Health Care Card.

1. Purpose of the Disability Support Pension

The Disability Support Pension (**DSP**) is a crucial pillar of Australia's social security system and, as of 2018, supports 4.7% of Australia's working age population.¹ As per the Australian Treasury's most recently published Intergenerational Report, the DSP is projected to represent the largest component of Australia's income and family support 'payments to individuals over the next 40 years (note this excludes the Age Pension).² With this in mind, it is vital to review the ongoing impact of the DSP on people's everyday lives and its role in providing financial security for current and future DSP recipients.

Over the past ten years, we have seen efforts to slow the growth of DSP receipt through successive reforms to eligibility criteria, the application and compliance process, which research has shown has led to "significant declines in the number of people accessing disability income support".³ This correlates with an increase in the number of recipients accessing unemployment benefits via the former Newstart program and present JobSeeker scheme.⁴ This is significant as the unemployment benefit has always been lower than the DSP payment rate. This has major implications for people's quality of life, particularly when we acknowledge that Australia's unemployment benefit is one of the lowest among OECD countries.⁵ This will be further discussed in Section 4 of this submission as to the adequacy of the DSP and other social security benefits and allowances.

Ultimately, as a pension payment, as the Australian Government Solicitor characterised the DSP, it is "a longer-term payment for people who are not expected to, or have little capacity to work".⁶ It is central when thinking about the DSP that its primary purpose is to provide recipients long-term, sustainable, financial security in order for people to enjoy independent lives with a decent quality of life. If the DSP is purely viewed as an income support supplement it is far too easy for successive governments to slow the rate of DSP receipt through further policy reform, as has been the case over the past 10 years. This will jeopardise the financial stability of hundreds of thousands of Australian residents and their ability to live and plan independent futures. The DSP should be considered in conjunction with other benefit programs, including JobSeeker and other allowances and how receipt of different payments directly correlates with people's quality of life. Also, constant review of the DSP rate must be considered when reforms to other schemes, including the National Disability Insurance Scheme (**NDIS**), are introduced. These reforms to other programs may affect large cohorts' ability to cover their living expenses and their disability support needs, particularly as many NDIS participants also receive the DSP and as the NDIS supports the economic participation of people with disability. For example, with reforms to the NDIS, fears have arisen that the definition of 'ordinary living costs' could be expanded, such that NDIS participants currently funded for certain supports and services may be suddenly left to cover these expenses from their DSP payment, if the Minister for the NDIS's powers

¹ Parliamentary Budget Office, *Disability Support Pension: Historical and Projected Trends*, Report No.1/2018, p. 12.

² Commonwealth of Australia, *2021 Intergenerational Report: Australia Over the Next 40 Years*, Treasurer of the Commonwealth of Australia, June 2021, p. 152.

³ Collie, A., Lane, T. and L. Sheehan, 'Changes in access to disability support benefits during a period of social welfare reform' as published on medRxiv, later published in the *Journal of Social Policy*, 2020, pp. 1-23.

⁴ Ibid.

⁵ Ibid.

⁶ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, *Report on the key elements of the legislative framework affecting people with disability*, Australian Government Solicitor, Research Report, December 2020, p. 190.

are expanded to allow for a 'veto' power of specific supports (which may one day include home maintenance and lawnmowing).⁷

Research from other jurisdictions shows that Australia's reforms to the DSP (including eligibility reviews, proof of participation in job seeking and introduction of impairment tables) are "practices [that] have been linked with adverse health and employment outcomes".⁸ Such outcomes include increased risk of suicide and self-reported mental health issues,⁹ and increased rates of unemployment among people with moderate and severe medical conditions.¹⁰ There is a lot at stake whenever reforms are introduced and that it is why it is so central that the integrity of the DSP and the protection of the interests of people with disability are considered foremost.

In light of the above, this submission views the DSP's purpose as providing long-term financial security to people with disability when their disability, or disabilities, prevent them from fully engaging in employment opportunities.

2. Eligibility and the application process

Successfully applying for the DSP is often an unnecessarily lengthy and complex process.

SCIA strongly believes that the most important aspect of the application process is that people retain financial security and certainty. Many advocacy clients have sought out assistance following many months without receiving any urgently needed income support to meet their living expenses. People should not be left without any income security and reliant on use of personal savings for extended periods. They must be referred to appropriate supports to navigate the application process; encouraged to make a JobSeeker application with a medical exemption as a possible stop gap measure; decision-makers should be held to account and follow recommended timeframes for initial application decisions, reviews and appeals. These issues will be further discussed in the following sections and the adequacy of the DSP and other payments will be later considered in Section 4.

SCIA welcomes the Department of Social Services' current consultation on the Disability Support Pension's Impairment Tables. Advocates have found that, with increasing numbers of people with psychosocial conditions applying for the DSP, there needs to be better, more nuanced and evidence-based categorisation of tables relating to mental health function and alcohol, drug and other substance use. This is particularly so when we understand the episodic and fluctuating nature of these conditions and their interrelatedness with comorbidities and other sociodemographic factors.¹¹ Additionally, with disparate opinions on appropriate treatments and differing expert opinions on how to understand what a 'stabilised' psychosocial condition is, it is vital that these tables are closely re-

⁷ L. Henriques-Gomes, 'Support classified as 'ordinary living expense' would be banned in NDIS overhaul', *The Guardian Australia Online*, 3 July 2021, <https://www.theguardian.com/australia-news/2021/jul/03/disability-related-transport-and-other-ordinary-living-expenses-to-be-banned-in-ndis-overhaul>, viewed on 9 July 2021.

⁸ Collie, A., Lane, T. and L. Sheehan, 'Changes in access to disability support benefits during a period of social welfare reform'.

⁹ Barr, B., Taylor-Robinson, D., Stuckler, D., Loopstra, R., Reeves, A., & M. Whitehead, 'First, do no harm': are disability assessments associated with adverse trends in mental health? A longitudinal ecological study', *Journal of Epidemiology and Community Health*, 2016, vol. 70(4), pp. 339-345.

¹⁰ Jensen, N. K., Bronnum-Hansen, H., Andersen, I., Thielen, K., McAllister, A., Burstrom, B., and F. Diderichsen, 'Too sick to work, too healthy to qualify: a cross-country analysis of the effect of changes to disability benefits', *Journal of Epidemiology and Community Health*, 2019, vol. 73(8), pp. 717 -722.

¹¹ See for example Byles, J.E., Robinson, I., Banks, E., Gibson, R., Leigh, L., Rodgers, B., Curryer, C. and L. Jorm, 'Psychological Distress and Comorbid Physical Conditions: Disease or Disability?', *Depression and Anxiety*, 2014, vol. 31(6), pp. 524-532.

examined. It is very difficult to obtain appropriate supporting medical evidence from specialists for these 'invisible' conditions on first presentation and the need for evidence to be sourced from treating professionals should be a priority. It is also important to appreciate that in considering an individual's medical or health condition, the impact of the impairment on their day-to-day function may change and that the impairment tables should account for people's 'worst' days as some people can underestimate the impact of their condition.

When considering the situation for people with acquired disabilities, it is vital to ensure that people have access to support in hospitals and rehabilitation centres to apply for the DSP. Anecdotally, we have heard that recently, social workers in hospitals tend to prioritise NDIS applications for clients with acquired injuries over the DSP, as having an NDIS can often be a precondition for discharge. While it is vital for people with disability to have the right NDIS supports in place for discharge, it is equally vital that people have access to timely in-person assistance to navigate DSP applications prior to discharge, to ensure that they are financially secure. Otherwise, people with disability will be left to explore their eligibility for the DSP and encounter the same difficulties as those outlined in Sections 2.2 to 2.5.

People with disability also need access to information from social workers on all available schemes and pension benefits they or their carers may be eligible for, including, among others, the Carer Payment or Carer Allowance, Mobility Allowance. People should also be informed that if they are found ineligible for the DSP, they may still benefit from JobSeeker by applying for a medical exemption to complying with mutual obligations requirements by seeking a medical certificate. Many people are unaware of this exemption and do not even attempt to apply for JobSeeker in the fear that they would have to complete the tasks and activities mandated by the mutual obligations' requirement. This is also particularly relevant when people's level of function has not stabilised during their rehabilitation journey. Unfortunately, advocates have heard many stories of people exhausting their savings while ineligible under the DSP's general medical rules, but unaware of their eligibility for JobSeeker, as they explore different treatment options for their condition.

2.1. Comparing the DSP and the National Disability Insurance Scheme

One challenge many individuals have encountered when applying for both the DSP and NDIS is understanding the differences between the eligibility criteria across both programs. Many applicants have assumed that it would be possible to use the same application reports and supporting medical documentation across both. However, with DSP's focus on obtaining a full diagnosis, evidencing full treatment and stabilisation under its general medical rules, rather than proof of permanence and functional capacity, this is not the case. This is indicative of a wider education gap surrounding the DSP process, its purpose and eligibility criteria across different stakeholders, which will be discussed further below in Sections 2.2 to 2.4.

The two purposes of the two programs need to be understood in contrast with one another, the DSP serving as a pension payment that provides people with disability who cannot fully engage in employment with financial security. By contrast, the NDIS serves to provide reasonable and necessary supports to enhance people with disability's social and economic participation as well as meet their needs and empower them to achieve their goals. It is the responsibility of both the National Disability Insurance Agency (NDIA), Services Australia and the Department of Social Services to better enhance people's understanding of the various schemes that can provide support people with disability, and more specifically raise awareness about different people's eligibility for each scheme. Definitions of disability and medical understandings of permanence of condition and disability need to be more consistent across different programs and legislative frameworks reviewed in order to ensure that

policy is evidence based and in line with the World Health Organisation's International Classification for Functioning, Disability and Health and the social model of disability underpinning the United Nations' Convention on the Rights of Persons with Disability (**UN CRPD**), and in turn Australia's upcoming National Disability Strategy.¹²

2.2. The role of Centrelink and Services Australia

With the inherent complexity of the DSP application process, it is paramount that Centrelink staff are well trained in supporting applicants, adopting a person-centred approach and trained in trauma-informed approaches, especially when interacting with applicants with psychosocial conditions or a known history of trauma. This applies whether contact is conducted in person, on the phone, via social media platforms or digitally via email. At present, based on our consultations there is a feeling among DSP applicants that they have not been appropriately or adequately supported by Centrelink staff, receiving ambiguous or conflicting information that significantly impacts their ability to make successful applications. Positive comments have usually only referred to one or couple of individual staff members that applicants have encountered, which illustrates that there is not a systemic culture fostering support for applicants across the agency.

At present, it is very difficult for applicants to contact Centrelink using their preferred communication method. Many people experience excessively long phone wait times that often do not result in successful outcomes in providing accurate information. This often leads people to attend Centrelink Service Centres in person, despite their wishes, particularly if people feel less comfortable interacting with staff due to interpersonal difficulties in communication or due to a history of trauma, which leads to confrontation when discussing personal, sensitive information. Many people also find it daunting to navigate self-service computers and find that staff on hand are not necessarily easy to notify when they encounter difficulties. Staff often fail to inform people that they have the right to contact a social worker via phone for assistance – there should be a positive obligation on staff to facilitate access to social workers in all situations. Furthermore, as the Centrelink Call Centre only operates during business hours, working applicants needing to making an inquiry and working DSP recipients, who are required to report their income fortnightly, find it difficult, if not impossible, to connect during working hours. SCIA strongly recommends that Centrelink extend its call centre hours to at least 7 PM.

While improving efficiency in processing applications, some applicants have found that the automated processing and scanning of documents often leads to details getting lost in the system and not accounted for by decision-makers. Others have lost original copies of reports and other supporting documentation, which is highly worrying, particularly when it can be so problematic obtaining further copies from specialists.

Ideally, DSP applicants should receive a single point of contact within their local Centrelink Service Centre and all communications should include their contact details for reference, as well as recording of all discussions with this contact, to use for reference when the single point of contact is unavailable. This will assist in ensuring that people do not receive conflicting information and that they feel reassured that they can consult someone who is familiar with their circumstances even after they have submitted their application. As one advocate said, 'Don't change the goalposts on proving a person's

¹² It should be noted that it seems incongruent that when comparing legislative definitions of permanent disability and conditions under the *Social Security (Tables for the Assessment of Work-related Impairment for Disability Support Pension) Determination 2011* (Cth) s 6(4) and *NDIS Act 2013* (Cth) s 24 reasonableness of treatment is considered for the DSP, but not for the NDIS. This discrepancy is significant in understanding people's obligations in relation to seeking medical treatment and establishing a discriminatory system between the two programs, despite them both seeking to benefit people with permanent conditions.

functional impairment!'. It also avoids the possibility of re-traumatising individuals who may have to repeat their story multiple times to different people.

Anecdotally, as Sarah and Craig's case studies illustrate in Section 2.5, many staff members and decision-makers are failing to meet Services Australia's service commitments and regular reviews need to be conducted to hold staff accountable, which includes reporting on, among others, phone wait times, customer satisfaction surveys and average decision-making timeframes. People need to be made aware of the accountability mechanisms available to them to report about incidents of mistreatment by Centrelink staff.

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Recommendation 2: *DSP applicants should be referred to a single point of contact at Centrelink following initial inquiries into applying for DSP. They should also be provided with information on timeframes for decisions and avenues for complaints.*

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Recommendation 4: *Centrelink staff should be better trained in adopting a trauma informed approach in all communications with customers.*

Recommendation 5: *Centrelink Call Centres should have extended operating lines open to at least 7 PM and possibly operate on weekends.*

2.3. The role of medical evidence and health professionals

The consensus among DSP applicants, who have sought individual advocacy services, is that the majority of health professionals have a poor understanding of the DSP process (its forms and proper procedures) and become overwhelmed by its complexity. Ultimately, they are poorly trained and informed and therefore unprepared in providing appropriate supporting medical documentation. This repeatedly leads to unjustified rejections and prolonged delays in payments due to subsequent reviews and appeals and further costs involved in seeking alternative reports from other clinicians.

General practitioners and other specialists need to be specifically trained in understanding the purpose, eligibility criteria and specific provisions of the Impairment Tables when writing reports in support of DSP applications. Applicants can incur significant out of pocket expenses seeking appropriate reports and the additional burden of rectifying reports or seeking supporting documentation from other health professionals with an understanding of the DSP pose additional barriers to people persisting with their DSP application.

Another concern that many people share is that specialists do not have the time to dedicate to writing in-depth reports as required by decision-makers to prove eligibility. With significant wait times in scheduling appointment times with specialists, it has led some applicants to 'doctor shopping', particularly when their access to a range of specialists is limited by their geographical residence if they live in regional, rural and remote areas. This is particularly worrying as it does not encourage continuity of care in patients' treatment and the development of long-term relationships with treating professionals.

Recommendation 6: *Services Australia should coordinate with Primary Health Networks and peak medical associations across Australia to provide information materials and training sessions for general practitioners and specialists to better understand how to assist patients in providing supporting medical evidence for DSP applications.*

2.4. Other supports throughout the application process

A major aspect of the policy reforms over the last 10 years to Australia's disability benefits system has been "a shifting of the burden of information provision and compliance to the benefit applicant or recipient and away from the social welfare agency, Centrelink".¹³ This is a significant development and it requires ensuring that applicants have ready access to supports to assist them in filling out forms and gathering supporting documentation, particularly as DSP applicants have no true equivalent to a support person as NDIS applicants do in the form of Local Area Coordinators.

Many people find navigating online information platforms overwhelming and filling out paperwork complex to understand. It is of particular concern when people do not have informal support persons in their life that can assist in the process. Additionally, as researchers have observed, advocates have found that this shift has had a "disproportionate impact on people with cognitive, intellectual or psychological conditions".¹⁴

People have found that the level of additional support they receive during the application process is very inconsistent and purely depends on the available staff at the local Centrelink Service Centre and whether they are aware of their right to speak with a social worker via phone.

Additionally, with the issues already identified above in relation to health professionals' understanding of DSP eligibility and process, for those with episodic conditions, it can be extremely difficult for people to find supporting evidence. Advocacy services are often stretched with capacity and people's awareness of these services is often simply due to word-of-mouth or referral through employment advisors. One aspect that individual advocates are struggling with in supporting clients navigating the DSP process is that they cannot attend appointments with clients to provide face-to-face support with Centrelink staff. This is a significant disadvantage and especially problematic for clients who are at risk of being traumatised during the application process. This is evident when reading Sarah's case study below.

In supporting future DSP applicants is the need to be considerate of people's level of computer literacy and access to materials in all accessible formats and support persons fluent in different community languages. As Centrelink's processes become more automated and as many service centres reduce staffing levels in favour of self-service computers, it is vital that people who require additional technological or language support feel safe and comfortable in navigating processes in person, on the phone and online. Again, as Sarah's story illustrates below, this has not anecdotally been the case.

¹³ Collie, A., Lane, T. and L. Sheehan, 'Changes in access to disability support benefits during a period of social welfare reform'.

¹⁴ Ibid.

2.5. Case studies ¹⁵

Sarah

Sarah is a resident of regional NSW and lives with a psychosocial condition.

Sarah has been in the process of applying for the DSP for the past three years. She formerly received DSP payments in the early 2000s, however became ineligible following a change in circumstances.

For the past three years she has been in the process of re-applying for the DSP, however she has encountered multiple barriers to making a final submission. This has been largely due to the traumatising nature of the administrative process, lack of accurate information, negative treatment from representatives from Centrelink, misunderstanding and lack of sensitivity from health professionals when gathering supporting documentation.

Sarah is highly intelligent with tertiary qualifications, but described the 33-page *Claim for Disability Support Pension* form as **“designed to confound people who are not very literate”**. When seeking support to assist with the application, Sarah has been met with incorrect information that has left her **“just going in circles”**. When attending her local Centrelink Service Centre, Sarah has been met with negativity and mistrust. With a transition to automating processes, Sarah has found the self-service computers very confusing and it was only when she burst into tears on one visit that she received assistance from a staff member. On another occasion, a senior staff member verbally accused Sarah of misrepresenting her situation: **“He was accusing me of lying! They have so much disdain for the unemployed...They treat you like you’re making it all up!”**.

However, despite this mistreatment, Sarah has never received instructions on how to initiate a complaint by other staff. She also noted that there is a fear in her regional community that their applications or payments will be at risk if they make a complaint as **“the same bullies [staff]”** continue to live and work in the area.

In gathering medical evidence, Sarah has seen a considerable number of different health professionals. She has found that the vast majority do not understand their obligations in providing medical evidence to support a DSP application. Additionally, she has faced delays in receiving the correct documentation from practitioners and found most unjustifiably dismissive of the success of the application. This approach has left her feeling unsupported, re-traumatised and lacking in continuity of care. When one of Sarah’s treating health professionals heard that she was receiving support through an advocacy service, he even asked if the service could assist him and his patients to better understand the DSP process.

When summarising her experience so far, Sarah noted:

“It’s been a struggle for me...It’s not that it’s just not fair. It’s inhumane. They are out of touch with what our lives are like.”

It is clear from the case study above that the application of applying for DSP is unjustifiably complex and especially traumatising for applicants with psychosocial conditions. The paperwork needs to be simplified and there need to be accessible supports in place to provide applicants with accurate, up-

¹⁵ All names used in this section are pseudonyms.

to-date information to better understand the process and how to gather the necessary supporting documentation.

For people living in regional and rural areas in NSW, due to an increasing number of Centrelink Service Centre closures in the last five years and with limited access to public transport and rising cost of fuel, there are multiple barriers to receiving in-person assistance with DSP applications. Again, many of SCIA's individual advocates working in regional areas have also been informed that Centrelink staff are poorly trained in how to best assist people with psychosocial conditions and fail to let them know that they have the right to speak to a Centrelink social worker (either in person or by phone). This leaves people in a vacuum without support, leading to a very high risk that people will be disincentivised to persist with DSP applications that could result in successful outcomes that could radically improve their quality of life.

Emma

Emma is a resident of NSW who experienced a stroke and brain bleed, which significantly impacted her ability to work.

She was supported by SCIA's individual advocates to seek an internal review of her DSP application in November 2020. During review at the Administrative Appeals Tribunal (**AAT**), it was found that she was ineligible for the DSP as her condition had not been 'fully treated'. In order to provide her with interim financial security, she applied for JobSeeker, with an exemption from completing mutual obligations due to her medical condition.

Following multiple home visits, gathering extensive medical documentation, consultation with a Centrelink-appointed doctor and numerous telephone interviews with Centrelink, Emma was successful in finally receiving the DSP in March 2021, receiving backdated payments to January 2021.

Emma's case illustrates the significance of having the rights supports in place in successfully applying for the DSP. Despite clearly meeting eligibility criteria, it was only when she received additional advocacy support, that within a period of four months she was able to gather the evidence that substantiated her eligibility. With limited access to individual advocates and possible funding cuts to existing advocacy services depending on State and Territory funding, it is crucial that there is investment in increasing free access to social workers, educating health professionals on the DSP and promoting referral to local advocacy services to ensure that eligible DSP recipients are not disincentivised by a daunting application and review process in receiving desperately needed financial payments.

Craig

Craig's application to the DSP was rejected in November 2020. After seeking support from SCIA in January 2021, a review was submitted at the end of February 2021. As of the end of June 2021, Craig and their SCIA advocate are yet to hear about the progress of this review and he has been left in limbo, with no updates to provide any clear pathway forward.

Delays in people's DSP applications and review are highly concerning when people are left without income security for extended periods. Services Australia needs to adhere to timeframes and keep applicants regularly updated on progress. Similarly, Services Australia should provide specific updates

in its Annual Report outlining its progress toward complying with its decision-making timeframes and providing transparent, up-to-date information to applicants and the wider public online.¹⁶

3. The role of the DSP and achieving better employment outcomes

It is important to reiterate that the primary purpose of the DSP is to provide people with disability who are unable to fully engage in employment with financial security to meet their daily living expenses. Achieving better employment outcomes for people with disability should not be the focus of DSP – the role of DSP should be considered in conjunction with other programs including Disability Employment Services and specific NDIS supports in empowering people to make independent choices about their financial stability and taking advantage of employment opportunities that match their aspirations. The most significant aspect of DSP that should be considered in light of labour participation is ensuring that DSP recipients do not feel disincentivised from working if it jeopardises their right to receive DSP. As the market changes and more workplaces use new technologies and facilitate working from home arrangements and alternative setups, and as employers are encouraged to explore adapting their workplaces to promote inclusive working environments new opportunities arise for people with disability to engage in the workforce. People with disability should not be afraid to take up these opportunities in the fear that it will risk their receipt of DSP.

There is perhaps also an opportunity to explore and re-examine the manifest medical rules and whether other conditions in addition to permanent blindness should be considered exempt from the income and assets test associated with the DSP for the reasons outlined above. This may be particularly relevant for people with severe impairments who have been disengaged from labour participation for extended periods of time.

Following multiple consultations over the past seven years it does seem that there is a correlation between policy changes (including reducing the eligibility criterion from capacity to work for 30 hours to 15 hours, and introducing participation requirements in programs of support for under 35-year olds who are able to work at least 8 hours) and lower participation levels in employment. The Australian Human Rights Commission (AHRC) found in its major 2016 report that there was a “significant concern raised by individuals was the fear that if they were to get work [that exceeded 15 hours], they would lose their social security payment and be unable to get back on the payment if they were unable to retain the job”.¹⁷ This was further confirmed more recently by the Disability Royal Commission’s consultation on Employment Issues for people with disability: “Many employees with disability fear losing the Disability Support Pension and its associated benefits if they earn too much. A member of Diversity Council Australia described this as a disincentive to working more”.¹⁸ Furthermore, as the DSP is means tested against any gross income there is a major disincentive for the DSP recipients to increase their working hours as every \$1 earned over the DSP means test income threshold is taxed and \$0.50 is reduced from the DSP.

¹⁶ Noting that this complies with Services Australia’s business priorities for 2015-2019. See Australian Government, ‘Service Commitments’, *Our agency*, viewed on 6 July 2021, servicesaustralia.gov.au/organisations/about-us/our-agency/our-goals/service-commitments.

¹⁷ Australian Human Rights Commission, *Willingness to Work: National Enquiry into Employment Discrimination Against Older Australians and Australians with Disability*, 2016, p. 200.

¹⁸ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, ‘Overview of Responses to the Employment Issues Paper’, March 2021, p. 9.

The reforms identified above should be reviewed to ensure that the DSP remains fit for purpose in light of the present cohort of recipients and future applicants. The findings from the AHRC's National Disability Forum Survey still ring true: "Many people with disabilities...are put in a situation where they have to choose between their often-hard-fought government funded support and the hours they work. If they work too much they put their supports/pension at risk which is a terrifying prospect for them and their families".¹⁹ As Section 1 already noted, in other jurisdictions policy reforms of this nature to disability social security schemes can lead to poorer employment outcomes and there needs to be further research into this area, particularly as it correlates with the issues raised in the following Section 4 regarding ensuring DSP and JobSeeker recipients with disability have an adequate standard of living.

Recommendation 7: *The Department of Social Services should consult DSP recipients to better understand their motivations and engagement with employment opportunities as part of its review of Disability Employment Services and any other future review of Australian Disability Enterprises.*

4. Adequacy of the DSP and improving standards of living

It is difficult to assess the adequacy of the DSP and improving standards of living among people with disability without more in-depth empirical research that accounts for differences in geographical residence; identification as First Nations person or as a person from a culturally and linguistically diverse background; receipt of other payments or eligibility for other schemes (including Rent Assistance); situational differences for single, partnered and DSP recipients with dependents; people in different living situations; among many other factors. Many people with disability will prioritise applying for the DSP than relying on the medical exemption to JobSeeker, because of the higher rate of payment, as this can significantly impact day-to-day expenses.

Recent research from the Disability Royal Commission into Australia's compliance with the provisions of the UN CRPD left open the question of whether people with disability's socioeconomic rights are met, even with receipt of the DSP: "It is clear that many First Nations people with disabilities live in poverty and many persons with intellectual and/or psychosocial disabilities do not have an adequate standard of living".²⁰ Other research has shown that generally, there is a significant gap in equality in standard of living between households with DSP recipients. On average, there is a difference of \$183 in income of households with DSP recipients, as opposed to those without any DSP recipients.²¹ This significantly increases for people with disability receiving the former Newstart Allowance to \$343.²²

According to feedback from advocates in metro, regional and rural areas DSP recipients still struggle to meet their daily living expenses, particularly as the DSP rate is not in line with rental prices, costs of living and increasing inflation rates. This is particularly evident when examining existing data on private rental costs. Anglicare's most recent *Rental Affordability Snapshot for Greater Sydney and the Illawara* found that of private rental listings, less than 1% of properties were affordable and

¹⁹ Australian Human Rights Commission, 'National Disability Forum 2014: Summary of Survey Results', 15 September 2014, p. 15.

²⁰ Ron McCallum AO, *The United Nations Convention on the Rights of Persons with Disabilities: An Assessment of Australia's Level of Compliance*, Royal Commission into the Violence, Abuse, Neglect and Exploitation of People with Disability, October 2020, p. 139.

²¹ National Centre for Social and Economic Modelling, 'Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability', University of Canberra, report prepared for the Australian Federation of Disability Organisations, September 2019, p. 23.

²² Ibid.

appropriate for single DSP recipients aged over 21.²³ Worryingly, this does not even consider whether the property is accessible to meet the occupants' needs. This becomes even more problematic in regional areas, where housing crises place more and more people at risk of homelessness as social housing is virtually impossible to access. For those without access to social housing or benefitting from the Private Rental Subsidy or Rent Assistance, it is difficult to argue that the DSP is adequate to sustain living independently in areas such as Greater Sydney. There needs to be further, extensive research into the impact of increasing rental prices and access to affordable housing across Australia, particularly as this will further impact people's access to employment opportunities and other services. Again, the adequacy of the DSP rate should be considered in conjunction with the cap on Rent Assistance and other benefits.

In relation to health outcomes, research has illustrated that there is a disparity between DSP and JobSeeker recipients with disability and those with different sources of income. A 2019 study found that "people receiving Commonwealth government DSP benefits are at a much greater risk of ill health...across a range of disease categories...[and] are heavy users of most healthcare services ...Similar to the DSP group, Australians receiving NSA [Newstart Allowance] benefits report an increased prevalence of disease in multiple categories, report poorer health, have a higher rate of multi-morbidity, are more likely to use some health services and be hospitalised".²⁴

In considering the adequacy of the DSP, another major determinant is the impact of accounting for a partner's income and assets in means testing. When a person's DSP rate decreases due to a partner's income and assets, there is an in-built assumption that the DSP recipient's expenses are compensated for by the partner. This is not representative of the nature of some relationships where there is a power imbalance in financial control and can foster financial reliance and increase the vulnerability of people with disability. It is of particular concern in situations where a DSP recipient is experiencing domestic violence from their partner, as finances can often be a tool in coercive control. It also discourages some people from entering into relationships in the first place. This in turn can lead to further social exclusion among people with disability. This trend has already been observed in other countries, including in the UK, in which people with disability were trapped in households dominated by domestic violence for an average of 3.3 years before seeking support, as contrasted with survivors without disability, who sought support on average after 2.3 years.²⁵ It can become even more complex in circumstances in which an NDIS participant living in Specialist Disability Accommodation with a partner is excluded from receiving the DSP due to their partner's income. For if the relationship breaks down, with the lead time in applying for the DSP, there is a great risk of that person facing homelessness or experiencing extended periods in emergency accommodation.

Another important factor to consider in relation to adequacy of the DSP and meeting community standards of living is eligibility for the Pensioner Concession Card and Health Care Card to benefit from cheaper healthcare, medicines and for Pensioner Concession Card holders, other concessions on utilities. This is particularly urgent in light of the statistics referenced above that illustrate the higher

²³ Social Policy and Research Unit Anglicare, 'Rental Affordability Snapshot 2021 for Greater Sydney and the Illawarra: Summary Report', 2021, p. 4. Note that *affordable* is defined as requiring up to 30% or less of a household's income in rent and *appropriate* assumes that a one-bedroom property can accommodate a childless couple and a two bedroom property is the minimum required for a couple with one or two children.

²⁴ Collie, A., Sheehan, L. and A. Mcallister, 'The Health of Disability Support Pension and Newstart Allowance Recipients: Analysis of National Health Survey Data', Monash University Public Health & Preventive Medicine, September 2019, p. 43.

²⁵ BBC News, 'Benefits and disability: "I'll never cohabit again, to protect myself"', BBC News Online, 6 July 2021, <https://www.bbc.com/news/disability-57482418>, viewed on 6 July 2021.

healthcare needs of people with disability. We have heard that many times former DSP recipients have been denied their right to a Pensioner Concession Card and have had to ‘battle’ with Services Australia to retain their 12 month right to a card. This also applies to JobSeeker recipients eligible for the Pensioner Concession Card with a partial capacity to work or those eligible for the Health Care Card who may be medically exempt from mutual obligation requirements. These scenarios also reflect earlier issues raised in relation to information gaps among certain Centrelink staff members and the complex, confusing nature about eligibility for these two cards.

We would argue that people with disability who had formerly been entitled to the DSP, even if they are able to work above 15 hours, or even 30 hours, and irrespective of their shared income and assets with a partner, should indefinitely retain the right to hold a Pensioner Concession Card.

Recommendation 8: *The Australian Government should invest in engaging external researchers to better analyse the impact of the current DSP rate in allowing recipients to have an adequate standard of living and readjust the rate depending on research findings.*

Recommendation 9: *People with disability who are current or former DSP recipients or JobSeeker recipients medically exempt from mutual obligation requirements, should be indefinitely eligible to hold either the Pensioner Concession Care or the Health Care Card.*

5. Conclusion

The DSP is a valuable component of Australia’s social security system that supports a significant cohort of people with disability. However, as this submission highlights there are several opportunities to improve the application process and reconsider how the DSP operates in relation to other government schemes benefitting people with disability. The policy reforms over the last 10 years have resulted in significant declines in the number of DSP recipients and increases in JobSeeker applications. Further analysis of the impact of this trend needs to be urgently conducted to ensure that people with disability are not left in indefinite financial limbo, without appropriate supports, as has anecdotally been the case. Without such reconsideration, it is highly questionable whether

If the Committee requires further information or has any queries about the content of this submission, please do not hesitate to contact SCIA.

Kind regards,

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