



**Submission to the Senate Community Affairs
References Committee**

**Inquiry into the Purpose, intent and adequacy of the
Disability Support Pension**

30 July 2021

For information contact:

Ms Liz Callaghan
Chief Executive Officer
Carers Australia

Unit 2, 11 McKay Lane TURNER ACT 2612
Telephone: 02 6122 9900
Email: ceo@carersaustralia.com.au
Website: www.carersaustralia.com.au

About Carers Australia

Carers Australia is the national peak body representing the diversity of the 2.65 million Australians who provide unpaid care and support to family members and friends with a disability, chronic condition, mental illness or disorder, drug or alcohol problem, terminal illness, or who are frail aged.

In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network and are an established infrastructure that represent the views of carers at the national level.

Our vision is an Australia that values and supports all carers, where all carers should have the same rights, choices and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

This includes carers:

- Who have their own care needs
- Who are in multiple care relationships
- Who have employment and/or education commitments
- Aged under 25 years (young carers)
- Aged over 65 years, including 'grandparent carers'
- From culturally and linguistically diverse backgrounds
- Who identify as Aboriginal and Torres Strait Islander
- Who identify as lesbian, gay, bisexual, transgender, intersex (LGBTI+)
- Who are living in rural and remote Australia, and
- That are no longer in a caring role (former carers).

Carers Australia acknowledges Aboriginal and/or Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to Elders past, present and emerging. As an inclusive organisation we celebrate people of all backgrounds, genders, sexualities, cultures, bodies and abilities.

Introduction

The adequacy, accessibility and financial security offered by the Disability Support Pension (DSP) is of paramount importance to carers of people with disability for a number of reasons. These include, but are not limited to:

- The income gap experienced by people with disability dependent on the DSP to meet their costs of living, as many family and friend carers will have to step in and provide additional financial support for the person they care for, even in circumstances where they themselves are in financial stress. Regular financial support may include assisting with rent, energy costs, phone and internet payments, transport, medical costs, replacement of essential household items and a range of other needs.
- Carers constantly worry about the future financial security of those they care for if they themselves lose employment or become ill or die.
- Over one-third (37.4%) of primary carers (those who provide the most substantial care) have a disability themselves.¹

Various measures in the last decade designed to curtail the number of people on the DSP have had perverse outcomes for many people with disability and their carers. These include financial hardship and the introduction of new stressors to the lives of those already under stress.

Against this background, it is important to remember that the National Disability Insurance Scheme (NDIS) does not address or directly compensate for poverty among people with disability. Not only is it the case that a large number of people with disabilities that prevent them from accessing the employment opportunities or income support are not eligible for NDIS packages, but the supports available to people on NDIS packages do not necessarily lead to or enable employment or cover the cost of the basic necessities of life as direct income support is not within the remit of the NDIS.

While we are not expert in the intricacies of DSP regulation and administration, we do have strong views gathered as the peak body for carers in Australia, through our interaction with carers, people with disability, other organisations in the disability sector, and our own research, which is often hampered by the lack of data and analysis publicly available through Government sources.

The terms of reference invite us to consider, among other things:

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

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

We have focused on these issues, but touch upon others in this submission. It should be noted that Carers Australia have also provided a response to the Disability Support Payment (DSP) Impairment Tables Review being conducted by the Australian Government Department of Social Services (DSS), and are a member of the DSS Community Services Advisory Group.

¹ Australian Government, Australian Bureau of Statistics (ABS), 2018 Survey of Disability, Ageing and Carers (SDAC)

DSP eligibility criteria, assessment and determination

Eligibility assessment for DSP has been a matter of concern for a number of years since the introduction of a series of measures in 2012 and 2014-15² which were designed to produce savings to the social security budget and to “encourage” more people with disability into employment. Changes specifically targeted to reduce dependence on the DSP include:

- Revision of the Impairment Tables in determining eligibility for the DSP and work capacity.
- Subsequent review of the eligibility of large cohort of people currently on the DSP against the revised impairment tables.
- The requirement for most applicants to demonstrate that they have participated in training and job seeking in the last 18 months before applying.

An additional process change which has had an impact on claimants is the removal of the Treating Doctor’s Report (TDR) in 2015³, making it more difficult for claimants and their doctors to understand the information needed to support a claim. Greater reliance is now placed on the collection of what has been described as “raw” medical evidence, placing an additional burden on often very stressed and vulnerable DSP applicants for the collection of that evidence.

The effort of collecting this information, which may go far back in time, in order to access the full range of medical test and reports required may deter them from proceeding with an application, especially if they lack the executive and self-regulation skills to do so. For future generations of DSP applicants My Health Record may make this process easier, but we are a long way from that at this stage of its implementation. Moreover, such evidence may obscure the interplay between multiple conditions and comorbidities which do not in themselves, or when each is considered in isolation, add up to a sufficient number of points on the Impairment Tables. The full impact of a range of disabling conditions on a person’s ability to function is often greater than the sum of its parts.

The introduction in 2015 of a secondary Disability Medical Assessment (DMA) by a Government contracted doctor has also attracted criticism⁴, for introducing significant delays in claims processing, and for the same reasons the introduction of an Independent Medical Assessment for NDIS applicants received such opposition, questioned with respect to the ability of an assessor unfamiliar with the person with disability to build a complete and accurate understanding of their functional ability.

A person’s capacity in real life is not completely revealed by a diagnosis, a dossier of medical tests, or single conversation with a professional. It is best determined by an appropriate health professional who has had ongoing contact with the applicant and ideally in consultation with their carer who understands the impact of their disability on day to day living and their employment prospects.

Recommendation 1: Treating Doctor Reports are restored, with a report pro forma issued to Disability Support Pension claimants when they claim. The focus of the report should be on the holistic impact of a person’s disabling conditions, over and above points scored for particular conditions in the Impairment Tables, many of which are narrowly task based. Developing the report should be separately billable to Medicare at a rate which reflects the time and effort involved by the doctor.

² Parliament of Australia, Parliamentary Library ‘Changes to Disability Support Pension’ Budget Review 2014-15 Index [[accessed online](#)]

³ National Social Security Rights Network (NSSRN), *Disability Support Pension (DSP) Project: A snapshot of DSP client experiences of claims and assessments since the 2015 changes*, January 2018, p.4 [[accessed online](#)]

⁴ Op.Cit (4)

The combined impact of this range of policy changes on access to the DSP has been marked. It has been reflected in the decline of both DSP recipients who have been found eligible for the payment, and in the number of people with particular kinds of disability who receive DSP payments, as well as in the growing number of people with disability who rely on Jobseeker but who have been judged as only having a partial capacity to work.

An in-depth analysis of changes in access to DSP between 2012 and June 2018 conducted by Collie, Sheehan and Lane⁵, demonstrated a large and statistically significant decline in both the number of people accessing DSP and successful grant application approvals, and an accompanying growth in the percentage of people on Newstart/Jobseeker with only a partial capacity to work due to disability. Trends against particular conditions show declining numbers of people with mental health conditions on DSP and rising levels of people with mental health conditions on Newstart/Jobseeker with partial capacity to work. The same trends hold in relation to conditions of the circulatory system, conditions of the nervous system, intellectual disability and, markedly, musculoskeletal conditions. As at March 2021, 32% of people on Jobseeker were designated as having a partial capacity to work.

The growth of people on Jobseeker with partial capacity to work for very extended periods of time suggest that changes to DSP eligibility criteria have become too rigid and restrictive and should be revisited. We are aware of the current review of impairment tables, but concerned that a focus of this review will be to further restrict DSP eligibility in yet another cost cutting exercise. The DSS has designed a three-stream consultation process to inform this review which includes:

- Welfare and disability rights groups
- The internal Departmental team plus other Government stakeholders, including the Administrative Appeals Tribunal (AAT)
- Medical professionals

Carers Australia's is concerned that the partitioning of these consultations may produce sub-optimal outcomes and that all stakeholders hear from people who have lived experience of disability and their carers, including people with lived experience of the DSP and reliance on Jobkeeper.

Recommendation 2: With respect to the current review of the Disability Impairment Tables used in the assessment of eligibility for the DSP, an independent advisory committee should be established to guide the review. In addition to medical professionals, it should include representatives of community sector organisations representing people with disability and their family and friend carers and it should have the opportunity to hear directly from people with lived experience and their carers.

The adequacy of income support for people with disability

Article 28 of the United Nations Convention on the Rights of Persons with Disabilities (CRPD), to which Australia is a signatory, states that "Parties recognize the right of persons with disabilities to an adequate standard of living for themselves and their families, including adequate food, clothing and housing, and to

⁵ Alex Collie, Luke R. Sheehan and Tyler J. Lane, *Changes in Access to Australian Disability Support Benefits During a Period of Social Welfare Reform*, Journal of Social Policy (2021), pp. 1-23 [accessed online].

the continuous improvement of living conditions, and shall take appropriate steps to safeguard and promote the realization of this right without discrimination on the basis of disability.”⁶

A report commissioned by the Australian Federation of Disability Organisations (AFDO) explored the income inequalities in standards of living between people with disabilities and those without, including people relying on the DSP and those on Jobseeker with partial capacity to work as a result of disability, drawing on financial hardship and insecurity data from the Australian Bureau of Statistics (ABS) 2015-16 Household Expenditure Survey.⁷ This report found that people relying on the DSP for income were two times more likely to experience financial hardship and insecurity than people in standard households against nine of the top 16 indicators, and were three times more likely than people in standard households against three of these indicators.

Further, a 2020 report on *Poverty in Australia* found that more than two-fifths of people in households whose reference person receives Disability Support Pension is in poverty.⁸ None of this is surprising against a background where people with disability face a number of additional costs, and the result is often a DSP recipient relies on carers to support them on a regular basis, to help meet basic funding shortfalls. Many adults with disability find this dependency undignifying. It adds to the other circumstances around their disability which can have very negative, lasting effects on their sense of self-esteem.

Recommendation 3: The DSP should be increased to enable people to maintain an acceptable standard of living without having to rely on families and friends or charities for additional funds.

If people on the DSP face financial hardship, people with disability on Jobseeker face so much more. Indeed, the NATSEM analysis indicated that people relying on Newstart for income support were three times as likely to suffer financial hardship and insecurity as people in standard households against 12 of the 16 indicators and twice as likely against three of the indicators.⁹ This is hardly surprising given that they are expected to survive on an income of between \$565.40 and \$667.50 a fortnight and that many will also have to cover the additional regular costs of purchasing items and services which arise as a result of their disability or chronic illness. These include those costs that are not subsidised or adequately subsidised by Medicare or Pharmaceutical Benefits, transport subsidies or energy and rental allowances (bearing in mind people with disability often have less choice on where they find suitable rental properties).

The amount of financial support available to people on Jobseeker is set at that level based on the assumption that it is a short-term payment. It is well recognised that there are damaging effects on a person’s mental and physical health when they are living below the poverty line even in the short-term (especially if they have a pre-existing psycho-social condition).

Data provided by DSS indicate worrying trends in the amount of time people with a partial capacity to work have been reliant on the Newstart/Jobseeker Allowance. Twenty percent have relied on the allowance for between one and two years, 29% for between two and five years, 24% for between five and

⁶ United Nations Convention on the Rights of People with Disabilities (CRPD), (UN 2008)

⁷Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities In Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019, p. 22

⁸ Australian Council of Social Services (ACOSS)/University of New South Wales (UNSW), *Poverty in Australia 2020*

⁹ Op. cit.

ten years. They provide an indication of the impact of disability on a person's capacity to find sustainable employment, or indeed any employment.

As noted in the Boston Consulting's *Mid-Term Review of the Disability Employment Services (DES) Program*, there is a high churn rate for DES participants who do manage to find employment, with about one third having participated in the program multiple times up to the March quarter 2020. Fifty two percent of re-entries take place in less than three months, and only 21% occur after an interval of longer than 12 months. It was also noted that, despite the fact that DES providers tend to focus on the easier to place clients with disability, as at March 2020, 85% of DES participants were on unemployment support for more than 12 months, 20% for between two and three years, and 51% for three years or more.¹⁰

Recommendation 4: People in receipt of Jobkeeper deemed to have only a partial capacity to work due to mental, intellectual and/or physical disability who have been on the payment for an extended period of time (more than one year) should be referred for a Disability Support Pension assessment and their reasons for not being able to access work while on Jobseeker or even undertake mutual obligations requirements should be considered as evidence that they are unable to work due to an ongoing physical, intellectual or psychiatric impairment (or a combination thereof).

¹⁰ Boston Consulting, *Mid-Term Review of the Disability Employment Services (DES) Program*, August 2020, p. 23