



**Submission to the Senate Standing Committee on Community
Affairs**

The Extent and Nature of Poverty in Australia

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Who is the Physical Disability Council of NSW?

The Physical Disability Council of NSW (PDCN) is the peak body representing people with physical disabilities across New South Wales. This includes people with a range of physical disability issues, from young children and their representatives to aged people, who are from a wide range of socio-economic circumstances and live in metropolitan, rural and regional areas of NSW.

Our core function is to influence and advocate for the achievement of systemic change to ensure the rights of all people with a physical disability are improved and upheld.

The objectives of PDCN are:

- To educate, inform and assist people with physical disabilities in NSW about the range of services, structures, and programs available that enable their full participation, equality of opportunity and equality of citizenship.
- To develop the capacity of people with physical disability in NSW to identify their own goals, and the confidence to develop a pathway to achieving their goals (i.e. self-advocate).
- To educate and inform stakeholders (i.e.: about the needs of people with a physical disability) so that they are able to achieve and maintain full participation, equality of opportunity and equality of citizenship.

Recommendations

Recommendation 1:

That an independent investigative panel be established to investigate how to align the Disability Support Pension with Australia's international and domestic commitments towards people with disability, including those articulated in the UNCRPD and Australia's Disability Strategy

Recommendation 2:

That the Federal Government commission a comprehensive review by the Productivity Commission into the adequacy of the Disability Support Pension to support the achievement of rights for people with disability as prescribed in the UNCRPD, and Australia's Disability Strategy.

Introduction

PDCN appreciates the opportunity to comment on the inquiry into the extent and nature of poverty in Australia.

Poverty is an ongoing issue of concern across the physical disability community, particularly with record cost-of-living increases over the past year, with the monthly Consumer Price Index increasing 8.4% in the 12 months to December 2022ⁱ, and as the peak body for physical disability in New South Wales, it is important the voices of the estimated 1,056,440 individuals we represent are heardⁱⁱ.

People with disability are at a significant socioeconomic disadvantage in Australia, facing higher overall living costs and experiencing lower standards of living than those without a disability.

People with disability as a demographic are more likely to be dependent on income support (DSP, Jobseeker or Aged Pension) as their primary form of income, and are more likely to experience unemployment (46.6% versus 15.9% of those without disability)ⁱⁱⁱ or underemployment. To achieve the same standard of living as a person without a disability, research indicates that a person with disability must increase their adult equivalent disposable income by an extra 50% to account for their disability related costs^{iv}.

This puts people with disability at a significantly higher risk of poverty, perpetuating a standard of living that is consistently lower than people without disability, simply because they are disabled.

At the same time, the impacts of poverty have significant flow on effects across housing, health, and overall wellbeing of individuals. An estimated 60% of those experiencing homelessness and sleeping rough in NSW have complex physical, mental health and disability support needs^v.

Poverty is perpetuated on a systemic level through the inadequacy of current forms of income supports available for people with disability, compounded by the high costs of essentials, such as food, housing, fuel, and energy. The monthly Consumer Price Index Indicator measures that in the 12 months to December 2022, significant price rises were seen in housing (+10.1%) and food (+9.5%), putting even more pressure on those already living on low income.^{vi}

For those with disability, we are concerned that the roll out of the National Disability Insurance scheme as a support mechanism may provide false assurance that people with disability are being supported. The fact is that whilst the NDIS has provided much needed support for over 400,000^{vii} people, around 1 in 6 (18%) people in Australia – or about 4.4 million – have disability^{viii} and many will not be eligible for NDIS support, either on account of being over 65 years of age, or otherwise not meeting eligibility requirements.

It is also important to note that for those people who are eligible, the NDIS only covers demonstrable disability related expenses. Basic living costs – food, housing, medication, clothing, and utilities – are not covered under the NDIS.

Substantial changes need to be made across social security policy to ensure an adequate quality of life for those with disability who rely on income support, commensurate with community standards, to prevent people with physical disability living in poverty.

Whilst acknowledging that there are deficiencies across Jobseeker and Aged Care, this submission will focus on how the current rate of DSP is a major cause of poverty for people with disability. We will also briefly consider the intersectionality between poverty and homelessness specific to our cohort.

The inadequacy of the Disability Support Pension

Under the United Nations Convention on the Rights of Persons with Disabilities (the UNCRPD), Australia is obligated to provide an adequate standard of living for people with disabilities, and their families, extending to ensuring that people with disabilities and their families have access to food, clothing, and housing, as well as disability specific needs^{ix}.

The Disability Support Pension (the DSP) is one of the main strategies Australia utilises to meet this commitment. It is an important safety net for some 823,700 people across Australia who have reduced capacity to work on account of their disabilities^x. Many PDCN members are DSP recipients or have been on the DSP at some point in their life.

The DSP was originally conceived as a paternalistic form of charity for the 'deserving' poor with disability^{xi}. Our concept of disability has moved on but current political decision-making relating to the DSP still bears the hallmarks of its conception - access to the DSP is still considered to be a privilege to be justified, as opposed to a fundamental right.

The Disability Support Pension (DSP) is an essential part of the livelihoods of many people with physical disability. It is known that 81% of people who receive the Disability Support Pension in Australia stay on it for at least five years, and over half (56%) for more than 10 years^{xii}.

Additionally, only 7.5% of those on the DSP earned money outside of their DSP payment, making this the sole source of income for a large proportion of those receiving payments^{xiii}. Taking this into consideration, the maximum basic rate for a single person on the DSP sits at \$936.80 per fortnight^{xiv}, while the national minimum wage is set at \$812.60 per week^{xv}.

For an average single person in New South Wales, \$104 per week goes towards groceries^{xvi}, for an individual living on the DSP alone, this is not sustainable alongside living expenses and the rising cost of living.

The inadequacy of the DSP forces people to make compromises on essential living costs, often between necessities such as paying the rent that fortnight or having food on the table. With a

rising cost of living and the DSP not keeping up with rising costs to an adequate degree, people with disability are at a higher risk of poverty.

"I have secure accommodation but the recent increased costs of living mean the DSP no longer affords me the things I need to improve my position. I will make an attempt to return to uni next year but am struggling to get out and live a life. Familiar feelings of loneliness and hopelessness are close by. Something as small as paying for a GP appointment requires careful budgeting."^{xvii}

The DSP is not meeting the needs of people to live comfortably without risk of poverty, and with many people with disability remaining on the DSP for years at a time, this means low quality of life for people in the long term who have no other options for support.

There needs to be a shift in policy to address the issues surrounding the functionality of the DSP. There is a need for a move away from the paternalistic approach of the DSP as a 'safety net' of welfare that keeps its recipients on the edge of poverty, and greater understanding of the DSP as an essential support for people with disability to live with a good quality of life, particularly for those who have no option but to remain on the DSP indefinitely.

At the same time, barriers to employment need to be eliminated to give people with disability greater opportunities to work, reducing the need to rely on income support. Until Australia can provide equal opportunity of employment for those with disability, it is unrealistic to expect that people with disability will use income support as short term relief between periods of employment.

We would argue that the function of the DSP should not be to simply keep people alive, but to allow them to live a life of dignity in line with current community standards. If people are living in poverty due to their incapacity to work and inadequate financial support, this is a failure of our social system to provide for their basic human rights.

The intersectionality of poverty

The interconnection between poverty and homelessness for people with disability

Constrained incomes significantly impact people with physical disability, limiting both the range of properties they can choose from and the extent to which they can modify properties if they don't already suit their needs. With housing being one of the worst hit areas in the rising cost of living, rising 10.1% in the past 12 months according to the CPI, it is an area that must not be ignored in its relationship with poverty^{xviii}.

"Not enough access to social housing/ affordable housing for me [and other] people with disabilities. I rent but only with the assistance of family financial support."

This is of particular concern for people with disability who rely on income support (either Disability Support Pension or JobSeeker) as their primary source of income.

One of the most affordable forms of housing in Australia is social housing, where rents are determined as a set proportion of household income. For people with physical disability on low incomes, social housing is often an attractive housing option, with rent capped as a proportion of household income, and social housing providers generally building to universal design standards^{xix}.

In NSW alone There are currently 44,127 applicants waiting for social housing on the NSW Housing General Register, and a further 5801 applicants on the Priority Housing Register^{xx}. To be eligible for social housing, applicants must be able to demonstrate that they meet income and asset thresholds, and demonstrate that they are unable to sustain a tenancy in the private market.^{xxi} One in four social housing households in NSW have at least one person with disability.^{xxii}

People with physical disability are not always specifically prioritised for social housing^{xxiii}, and will often need to live in areas that are serviced by public transport and are near hospitals and other services – those areas where wait times are often highest. With waitlists for social housing that meets the needs of people with physical disability taking years, people are forced into housing that they cannot afford and does not meet their access needs, or into homelessness.

“As my condition has progressed, I have found myself becoming more and more disabled, and thus dependent on benefits. This has led to moving into cheaper (and less appropriate) accommodation, further entrenching my disability while also limiting access to essential treatments and health care (and community). Not only exhausting, but demoralising. I live in constant dread of rental increases, for I know not where I shall wash up next...”

The NSW Government’s 2021-22 Intergenerational Report has predicted that an additional 68,000 NSW families will need social housing by 2061, meaning without significant investment, wait-lists will more than double^{xxiv}. Despite this, the NSW government has only committed to 9,386 new social housing dwellings by 2026^{xxv}.

Outside of the social housing market, the maximum basic rate for the DSP for a single independent over the age of 21 years is \$936.80 per fortnight^{xxvi} and the rate for Jobseeker Payment is \$642.70 per fortnight^{xxvii}. The mean price of residential homes in NSW in 2023 is \$1,207,200,^{xxviii} while the median weekly rent is \$550.^{xxix}

Both payments effectively lock people out of the rapidly rising housing market as buyers, while at the same time greatly restrain their options in the rental market.

This is confirmed in Anglicare’s Rental Affordability Snapshot conducted in April 2022, which indicates that a single person on the Disability Support Pension could afford just 51, or 0.1 percent, of the 45,992 properties reviewed nationally, and only eight properties were affordable for a single person on Job Seeker - all rooms in share houses.^{xxx} which are often inappropriate for people with disability.

It is often the case that people with disability are forced to look outside of their preferred area for appropriate and affordable housing. This further perpetuates a higher risk or poor social, economic, and health outcomes as access to resources and known support networks becomes more difficult.

"I have had to buy in regional town which has greatly reduced my access to health care & job opportunities. I was on "high" priority social housing list for 10 years in major regional location & never offered any accommodation."

Current safety nets of social security are not enough for people to find appropriate housing for reasonable prices and finding homes that are suitable for the needs of our members is difficult, with people either being priced out of the market or having to spend extra money that they do not have on modifications to existing homes, forcing a reliance on the financial assistance of family and friends. The state of housing as it stands is actively pushing people with disability into poverty.

Concluding Comments

Poverty is perpetuated on a systemic level through the inadequacy of current forms of income supports available for people with disability, compounded by the high costs of essentials, such as food, housing, fuel, and energy. The failure of public policy in these areas is actively pushing people with disability to live beyond their means and into poverty.

People with disability are being forced to choose between affording essentials such as food and rent due to the low rates of the DSP of which for many is the sole source of income. While the NDIS is an essential source of support for people with disability, many people who require support fall through the gaps in this scheme due to age or not meeting eligibility requirements and other extenuating circumstances. In addition to this, the NDIS does not cover the costs of basic living essentials such as food, medicine, clothing, and utilities. For those that cannot rely on the NDIS, there is no other mechanism to provide an economic social net for people with disabilities who have limited capacity to financially support themselves, it is imperative that we either modify the purpose of the DSP to align with our international and domestic responsibilities or we look at an alternative mechanism to meet these requirements.

At the same time, the ongoing housing crisis is deeply affecting people with physical disability, forcing people into unaffordable and inaccessible homes. The lack of appropriate social housing for people with accessibility needs, and the dire lack of accessible and affordable housing on the private rental market is pushing people to the brink of poverty and homelessness, having no choice but to make compromises in paying for a home that they cannot afford, or a home that does not meet their needs.

To address these issues and work to prevent people with physical disability facing poverty, the low rates of the DSP need to be increased, and the structure of the supplement must be investigated. There is also a great need for stronger commitments to social and accessible housing.

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- ⁱⁱ Australian Bureau of Statistics (2019), *Disability, Ageing and Carers, Australia: Summary of Findings*, 2018 <<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>>
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- ^{iv} Vu. B, Khanam. R, Rahman. M & Nghiem. S (2020), 'The cost of disability in Australia: a hybrid panel-data examination', *Health Economics Review* <<https://healthconomicsreview.biomedcentral.com/articles/10.1186/s13561-020-00264-1>>
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- ^{ix} United Nations, *Convention on the Rights of Persons with Disability*, Art. 28.
- ^x Australian Government, Australian Institute of Health and Welfare, *People with Disability in Australia*, web report, 2 October 2020
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- ^{xiii} Ibid
- ^{xiv} Australian Government (2023), *Payment Rates for Disability Support Pension*, *Services Australia* <<https://www.servicesaustralia.gov.au/payment-rates-for-disability-support-pension?context=22276>> accessed 24th January 2023
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