

Senate Inquiry on revised DSP Impairment Tables

SUBMISSION SUMMARY

This document provides a brief summary of Anglicare Australia's submission to the Senate Community Affairs Committee Inquiry into Social Security and Other legislation Amendment (Disability Support Pension Impairment Tables) Bill 2012 in August 2011. Please refer to Anglicare Australia's submission for more information. The submission is available at www.anglicare.asn.au.

As part of a 2009-10 federal budget measure, the Australian Government undertook to review and update the impairment tables used to assess an individual's capacity to work and hence their eligibility for the Disability Support Pension (DSP). Looking into this in the context of **the state of the labour market, income adequacy and the potential administrative traps**, Anglicare Australia submitted the following:

Commendable People-centred approach to disability

Anglicare Australia commended the Australian Government for taking a strengths approach to the revision of the impairment tables (commenced on 1st January 2012) as they **focus on how a person with disability can contribute to society, rather than their incapability to participate**. Anglicare Australia has long been seeking to include a **person-centred approach with individualised support and flexibility in the development of policy or initiative concerning disability**.

Gloomy employment prospects for people with disabilities

Anglicare Australia appreciated the Australian Government's policy imperative to boost productivity, as it is beneficial to both individuals engaging in paid work, and to the society's economic wellbeing. While the policy intention has merit, there are difficulties in relying too heavily on DSP recipients to achieve that end mainly because **the government has overestimated the actual number of jobs available for people with disabilities in the job market**.

The lack of readily available jobs, together with misconceptions and stigma lingering in workplaces means jobseekers with disabilities find it exceedingly difficult to find a job that is at once meaningful and matched to their abilities. Further compounding this issue; **testing of the revised impairment tables showed that the cut-off levels would limit DSP approvals, with approximately four out of ten people who were receiving DSP becoming ineligible with the revised system**.

It is also important to note that the policy agenda of productivity also applies to other groups of people in society, such as indigenous people, the long-term unemployed, as well as single mothers. Anglicare Australia questioned **where all these readily available jobs might come from**.

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Budget measures at odds with implementation of revised tables

As part of the 2010-11 *Building Australia's Future Workforce* budget measures, the Australian Government introduced various initiatives intended to provide support for people to enter the workforce. **With the current timetable, none of the intended supports would provide immediate support for the inflow of new job applicants rejected from DSP under the revised tables.** These initiatives, although intending to support individuals into work and stimulate the job market to generate job supply, would not come into effect at least six months after the revised impairment tables were implemented, and most would not have any impact until well after 18 months to two years.

In a climate where **demand for work by people with disabilities clearly outweighed supply**, Anglicare Australia questioned the Australian Government's rationale behind disconnecting participation requirements and support for people with disabilities.

DSP screens out people with temporary disabilities

To be eligible for DSP, applicants need to go through an initial screening (permanency test) to see if they are qualified – i.e. their condition(s) and resulting impairment(s) are assessed as permanent and stabilised for more than two years with no functional improvement observed during that period. Those who pass the test will then have the impairment tables applied to determine an impairment rating and hence their eligibility for either full or part payment of the DSP.

For people under 35, according to the revised tables, only those assessed to have the capability to work for less than 15 hours per week are eligible for the full DSP. **Those who have the capability to work between 15 and 30 hours are qualified, depending on the cut-off levels, for only part payment, which is effectively the same as the Newstart Allowance (NSA) payment.**

This arrangement, Anglicare Australia argued, **tends to gear screenings towards streaming people with a work capacity of over 15 hours a week toward the NSA payment.** In the name of productivity, Anglicare Australia contended, the Australian Government was pursuing a policy that used people's work capacity to price themselves out of the DSP market, and has set the cut-offs of the revised tables so high that only those with profound and enduring disability would be captured.

It remained unclear how this policy mechanism would interact with others related to disability. For instance, though the policy would apply to new applicants to DSP it **did not stipulate what effect there would be for current recipients in their bi-yearly review of their claims.**

Again, all of this is occurring without ensuring necessary supports to assist people to find gainful employment that are readily available or that those jobs exist to be taken up.

Preparing the labour market for inflow of new job applicants

To support this inquiry submission, the Major Church Providers: Anglicare Australia, Catholic Social Services Australia, Uniting Care Australia and The Salvation Army released a report *What if employers say no?* and put forward three recommendations for the Australian Government **to prepare the labour market for the potential inflow of thousands of people with disability seeking employment:**

- The public service, being the largest employer in Australia, should **take the lead in ensuring equal employment opportunity by employing people with disability into APS positions.**
- The Federal Government should **target socially responsible procurement plans towards agencies employing people with a disability.**
- There should be a **campaign to influence private sector employers' understanding of the benefits of including people with disability among the workforce.**