



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

Submission by Children and Young People with Disability Australia, September 2019

Children and Young People with Disability Australia (CYDA) is the national representative organisation for children and young people with disability aged 0 to 25 years. CYDA has an extensive national membership of over 5,000 young people with disability, families and caregivers of children with disability with the majority of our members being families.

CYDA's purpose is to advocate systemically at the national level for the rights and interests of all children and young people with disability living in Australia and it undertakes the following to achieve its purpose:

- Listening and responding to the voices and experiences of children and young people with disability.
- Advocating for children and young people with disability for equal opportunities, participation and inclusion in the Australian community.
- Educating national public policy-makers and the broader community about the experiences of children and young people with disability.
- Informing children and young people with disability, their families and care givers about their citizenship rights and entitlements.
- Celebrating the successes and achievements of children and young people with disability.

Children and Young People with Disability Australia (CYDA) welcomes the opportunity to provide this brief submission to the *Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. We also endorse and support the Australian Council of Social Service (ACOSS) submission to the inquiry. Our short submission is intended to raise issues as they particularly relate to children and young people with disability and their families.

Background

The rates and experience of joblessness among young people with disability is an issue of serious and ongoing concern for CYDA. People with disability, in particular young people, experience profound and unique disadvantage in relation to employment as a consequence of systemic barriers such as poor educational experiences and outcomes, a lack of support during the post school transition phase and workplace discrimination.

People with disability have significantly lower levels of educational attainment than those without disability. Only 36% of people with disability aged 15 to 64 years complete secondary education compared to 60% of people without disability. Young people with disability have lower education levels and are more likely to leave school early than people

without disability. Only 32% of people with disability age 20 or over have completed year 12 and only 15% have completed a bachelor degree or higher education¹.

Young people with disability report to CYDA the direct experience of post school transition is characterised by limited information about options, negative attitudes and low expectations from schools, employment, Vocational Education and Training (VET) and higher education providers.²

For young people with disability accessing and maintaining employment is rarely experienced as a positive and meaningful experience. Instead, accessing and obtaining employment is typically characterised by disadvantage and exclusion.

Compared with other OECD countries, Australia has one of the lowest employment participation rates for people with disability. Only 9% of people with disability report they have the same employment opportunities as other people³. Complaints about discrimination in employment make up a significant proportion of all disability discrimination complaints made to Australian anti-discrimination agencies. The unemployment rate in Australia for all young people aged 15 to 24 is 11.2%, and remains stubbornly high and is still more than twice Australia's overall unemployment rate (5%).⁴ Unemployment rates for young people with disability are not well measured, but will be considerably higher as Australia has one of the lowest employment participation rates for people with disability.

In addition to the disadvantage and discrimination people with disability face in the labour market, jobs are scarce. In May 2019 243,200 job vacancies were identified, far less than total number of recipients of Newstart and Youth Allowance (794,000).⁵ There is an average of 19 applicants for every job and one in five vacancies were not advertised⁶. Another challenge people with disability face finding employment is the industries with job vacancies and availability, such accommodation, food services or construction may not be disability inclusive.

Nearly half of young people with disability aged 15 to 24 (49%) of people rely on income support payments compared to 14% of people aged 15 to 24 years without disability.⁷ The changes taken by the Australian government since 2012 to reduce access to the Disability Support Pension (DSP) have forced young people with disability to apply and live with the Newstart or Youth Allowance income support, which is significantly less than the fortnightly DSP income.

In December 2018 there were 46,792 young people with disability aged under 25 on the DSP, compared to 55,416 young people with disability in 2013⁸. There are no comparable data available prior to 2013, as age groups were aggregated in different ways.

¹ Australian Institute of Health and Welfare. People with Disability in Australia 2019 Brief. Retrieved from <https://www.aihw.gov.au/getmedia/3bc5f549-216e-4199-9a82-fba1bba9208f/aihw-dis-74.pdf.aspx?inline=true>

² Children and Young People with Disability (2015)

³ Disabled Peoples Organisations Australia (2019) National Committee on the Rights of Persons with Disability Survey Findings. Retrieved from <https://dpoa.org.au/crpd-shadow-report-consultation-survey-results/>

⁴ Brotherhood of St Laurence, Youth Unemployment Monitor, March 2019 http://library.bsl.org.au/jspui/bitstream/1/11134/2/BSL_Smashing_the_avocado_debate_youth_unemployment_hotspots_Mar2019.pdf

⁵ Australia Bureau of Statistics (2019). Jobs Vacancies, Australia May, 2019. Retrieved from <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6354.0>

⁶ Department of Employment, Skills and Small and Family Business (2019), '2018 survey of employer's recruitment experiences'. Retrieved from <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmployersRecruitmentInsights>

⁷ Ibid.

⁸ December 2013 - Payment recipients by payment type by state and territory by age group, December 2018 and December 2013. Retrieved from <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details>

Approximately 27% (199,097) recipients of all Newstart Allowance recipients are people with a partial capacity to work from illness or disability. However this is not broken down by age. There are 12% (10,783) of recipients of Youth Allowance (Other) who have a partial capacity to work. The lack of data comparability over time means that an analysis of decreasing rates of DSP and increasing rates of Newstart Allowance for young people with disability aged cannot be made.

The rationale for the smaller payment for Newstart compared to the DSP is it is a shorter term payment to encourage people to find employment. However the data shows people stay on Newstart for more than two years. The average duration of payments for recipients of Newstart is 156 weeks or three years⁹ which demonstrates this is not a short term incentive to find employment. In this period people with disability are condemned to live below poverty line.

The current weekly amount of Newstart Allowance is \$277.85 for single people with no children, \$300 for single person with a dependant child or children or \$250 partnered¹⁰. The current Disability Support Pension weekly income is \$421.80 for a single person, \$317.95 for couple each and \$292.50 for a single person under 18 and independent¹¹ These payments are below the poverty line in Australia which is equivalent to \$433 a week for a single adult living alone; or \$909 a week for a couple with 2 children¹².

Many families with children and young people with disability also live on income support. For children and young people with disability living in families experiencing poverty this can create a double disadvantage, and impact on child development and wellbeing.

The level of disadvantage faced by young people with disability in securing employment as outlined above means that the discrimination they face in employment is also perpetuated in their income support and in other areas like housing.

People with disability struggle to get into the private rental property market. An Anglicare report on affordable housing found that only 0.5% of rental properties advertised in Australia on a selected weekend in 2019 were affordable and appropriate to single people aged 21 and over receiving the DSP, compared with 2.2% for a single person on a minimum wage.¹³ People with disability are more likely than people without disability to rent from a state or territory housing authority.¹⁴ Families with children with disability requiring income support are also disadvantaged in the rental market, particularly if they are required to make home modifications to support their child.

⁹ Selected payment recipients by duration on payment and average duration, December 2018. DSS Payment Demographics Dataset December 2018. Retrieved from <https://data.gov.au/dataset/ds-dga-cff2ae8a-55e4-47db-a66d-e177fe0ac6a0/details>

¹⁰ New Start Allowance. Australian Government Department of Human Services. Retrieved from <https://www.humanservices.gov.au/individuals/services/centrelink/newstart-allowance/how-much-you-can-get>

¹¹ Australian Government, Department of Human Services. (2019). Disability Support Pension Payment Rates. Retrieved from <https://www.humanservices.gov.au/individuals/services/centrelink/disability-support-pension/how-much-you-can-get/payment-rates>

¹² Poverty in Australia 2018 Report. Australia Council of Social Services and University of NSW Sydney. Retrieved from https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf

¹³ Anglicare Australia (2019) Rental Affordability Snapshot 2019 retrieved from <https://www.anglicare.asn.au/our-work/research-reports/the-rental-affordability-snapshot/docs/default-source/default-document-library/final---rental-affordability-snapshot9d02da309d6962baacc1ff0000899bca>

¹⁴ Australian Institute of Health and Welfare. People with Disability in Australia 2019 In Brief

Recommendations

- Increase the Newstart Allowance and Youth Allowance by \$75 a week. This increase will allow young people with disability and families with children with disability to cover basic living expenses such as food and accommodation.
- Index payments at least annually to movements in a standard Australian Bureau of Statistics measure of typical fulltime wage levels (before tax), as well as movements in the Consumer Price Index
- Increase Commonwealth Rental Assistance by 30% to better support people in private rental accommodation and provide adequate indexation.
- Review access to the Disability Support Pension and adequacy of payments and income support for young people with disability and their families.
- Improve data reporting to enable age and disability to be included in public reporting to monitor trends over time.

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