



Australian Federation of
Disability Organisations

Canberra - Brisbane - Sydney - Melbourne

Phone (free call): 1800 219 969

Or (02) 6198 3361

Email: office@afdo.org.au

Website: www.afdo.org.au

ABN: 25 105 510 898

10 July 2023

The Committee Secretary
Community Affairs Legislation Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

To the Community Affairs Legislation Committee,

Re: Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023

1. The Australian Federation of Disability Organisations (AFDO) has been the recognised national peak organisation representing people with lived experience of disability since 2003. Our mission is to champion the rights of people with disability in Australia and support them to participate fully in all aspects of Australian life.
2. AFDO welcomes the opportunity to provide comment on the *Social Services and Other Legislation Amendment (Strengthening the Safety Net) Bill 2023*, and thanks the Committee for their consideration of this submission.
3. While poverty is increasingly an issue in the Australian community, it is even more prevalent among marginalised groups, including people with disability. This is made clear when examining the available data – where most recent figures cite 13.4% or 3.3 million Australians as living in poverty,¹ among people with disability, this increases to 17.2% when using the 50% median income poverty line, and a staggering 28.4% when using the 60% median income line.²
4. As a signatory to both the *International Covenant on Economic, Social and Cultural Rights (ICESCR)* and the *Convention on the Rights of Persons with*

¹ Davidson, P., Bradbury, B. & Wong, M. (2020) *Poverty in Australia 2020: Part 2, Who is affected?* ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.

² Australian Bureau of Statistics (ABS) (2018) *Disability, Ageing and Carers, Australia: Summary of Findings*, ABS, accessed 1 February 2023. <<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>>

Disabilities (CRPD), Australia is obliged to ensure that all people with disability have access to social security, social protection, and an adequate standard of living. Income support payments play an integral role in ensuring income security and enabling realisation of the rights to social security and social protection.

5. They serve as a critical mechanism through which poverty can be directly alleviated, allowing the promotion of social and economic wellbeing, inclusion, and participation. This is especially true for people with disability, who face greater barriers to meaningful and accessible employment and incur additional disability-related expenses.
6. People with disability also face the “cost” of disability, defined as the inequality in the standard of living experienced by people with disability that arises from the interaction between a person’s impairment and the barriers they face to societal participation, rather than the cost of the disability itself. Modelling by the National Centre for Social and Economic Modelling (NATSEM) has shown that in order for a household with an adult with disability to achieve the same standard of living as a household without an adult with disability, they require an additional \$107 per fortnight over and above their net disposable income.³
7. **Given the scale of the cost-of-living crisis Australia is currently experiencing, it is the position of AFDO that the proposed legislative amendments are entirely inadequate.**
8. People with disability will be impacted by these measures as, due to the severely restricted eligibility criteria for the Disability Support Pension (DSP), many people with disability are forced to survive indefinitely on the lower rate of JobSeeker Payment.
9. **Regarding *Schedule 2 – Increase to working age payments***, the proposed increase of \$40 per fortnight – amounting to a mere \$2.85 per day for recipients – is so meagre as to be almost meaningless.
10. This figure is 80% less than what was recommended by the government’s own Economic Inclusion Advisory Committee (EIAC), who found that JobSeeker Payment should be increased by at least \$128,⁴ and will do little to ease the cost-of-living pressures for recipients as it remains well below the poverty line.
11. In addition to this letter, AFDO has attached our recent submission to *the Inquiry into the extent and nature of poverty in Australia*, which discusses these issues in greater depth.
12. *Schedule 2* will also extend the higher rate paid to single JobSeeker Payment recipients who have received income support for at least 9 continuous months to those aged 55 and over, where previously it was restricted to those aged 60 and over. It is unclear why the specific age of 55 was decided upon, as there are many younger long-term recipients of JobSeeker Payment.

³ Li, J., Brown, L., La. H.N., Miranti, R., & 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.

⁴ *Interim Economic Inclusion Advisory Committee 2023–24 Report to Government*

13. Data from 2021 indicates that of all JobSeeker recipients, those aged 45-54 averaged the longest duration on income support, and in addition, had the greatest number of recipients who had been on income support for ten years or more.⁵ It is important to note that many people with disability, being unable to access the DSP, would fall into this category.
14. **Schedule 3** — *Increased support for Commonwealth Rent Assistance recipients* proposes a 15% increase to the maximum rate of Commonwealth Rent Assistance (CRA).
15. This equates to a maximum of \$31 per fortnight. Given the private rental crisis that is currently taking place across much of Australia, as well as the lack of investment by governments in social housing, this paltry increase will do little to alleviate housing stress for recipients. Due to its method of indexation, the CRA has long failed to keep pace with the private rental market, and this minor increase only demonstrates how removed from reality it is.
16. While AFDO appreciates the opportunity to provide comment, it must be stated that the extremely short consultation period allowed for this inquiry – even with the provision of a short extension – has prevented us from engaging with our member base in regard to this matter, resulting in a shorter and less thorough submission than we would usually hope to put forth. If Government is sincere in its request for feedback, then sufficient time must be allowed for organisations like AFDO to engage with the material and consult with our members.
17. AFDO puts forth the following recommendations in response to the proposed amendments:

Recommendation 1: Substantially increase JobSeeker Payment and other working age payments by at least \$128 per week, as recommended by the EIAC.

Recommendation 2: Utilise additional measures of indexation for JobSeeker Payment and other working age payments to ensure that they increase in line with community standards.

Recommendation 3: Extend the higher rate paid to single JobSeeker Payment recipients who have received income support for at least 9 continuous months to all recipients, regardless of age.

Recommendation 4: Immediately and substantially increase the maximum rates of CRA to improve affordability and relieve housing stress for low-income tenants in the private rental market.

Recommendation 5: Index the maximum cap threshold of the CRA in line with average rents paid by CRA recipients to ensure its purchasing power over time.

Kind Regards,

⁵ Department of Social Services (2021) *Budget Estimates – 3-4 June 2021, Answer to Question on Notice DSS SQ21-000622*, Senate Community Affairs Legislation Committee.



Ross Joyce
Chief Executive Officer
Australian Federation of Disability Organisations

"As CEO, I am living and working remotely at times on Wadawurrung and Dja Dja Wurrung Country, as well as Wathaurong Country and Wurundjeri Country and pay my deep respects"

M: 0402 842 040

E: Ross.Joyce@afdo.org.au