

10 March 2023

Senator the Hon Jane Hume
Chair
Select Committee on Cost of Living
PO Box 6100
CANBERRA ACT 2600

Delivered online via email to costofliving.sen@aph.gov.au

Dear Senator Hume

Select Committee on the Cost of Living

People with Disability Australia (PWDA) welcomes the opportunity to provide this submission to the [Select Committee on the Cost of Living](#).

As a national peak body representing people with all types of disability, PWDA wants to highlight here the impacts that rising costs of living, low incomes and the extremely limited availability of affordable, safe, secure and accessible housing is having on the lives of Australians with disability.

People with disability make up a significant proportion of the Australian population, with 4.4 million people or 1 in 6 people (18%) in Australia having a disability.¹

A significant number of people with disability claim income support payments. Approximately 754,000 people received the Disability Support Pension in mid-2020². In January 2023, 363,165 people with a partial capacity to work claimed the JobSeeker Payment and 10,415 people with partial capacity³ to work claimed Youth Allowance.⁴

In short, the economic circumstances for people with disability are vastly different for people with disability when compared with those of people without disability. For example, over half (56%) of people with disability in Australia derive their main source of income from income support payments, compared to 13% of people without disability.⁵ This means that when costs of living rise, people with disability are disproportionately impacted.

Unemployment figures further illustrate that there is a need for targeted action to increase employment rates, and therefore the incomes, of people with disability. People with disability are less likely to be employed, with only 53.4% of working age people with disability being in the workforce in 2018, compared with 84.1% of working age people who don't have a disability.⁶

People with disability are also twice as likely to be unemployed, having 10.3% unemployment rates in Australia in 2018 compared to 4.6% for people without disability in the same year.⁷ In addition to facing unemployment, people with disability can earn a lot less than people without disability,^{8 9} and have higher rates of underemployment (10%) than people without disability (6.9%).¹⁰

In previous submissions to the Australian government¹¹, PWDA has made recommendations to improve the economic status of people with disability and thereby increasing their ability to afford the ordinary costs of living. We also note that people with disability face sizeable additional costs because of their disability.¹²

Additional costs can include greater out-of-pocket expenses for personal assistance and health care services, and unique costs for facilities, goods and services people without disability do not need, such as increased electricity costs to charge wheelchairs or running heating and cooling to maintain temperature control.^{13 14} Furthermore, PWDA has made recommendations related to increasing access to safe, affordable and accessible housing based on impacts of rising housing costs, a lack of accessible housing and a lack of transparency over accessible stock in the private rental market.

In our [January 2023 pre-budget submission](#), PWDA made a series of recommendations aimed at lifting the incomes of people with disability both via employment and through changes to income support payment settings.

Given the rising costs of housing and the fact that housing is a key issue for the people contacting PWDA's Individual Advocacy services, our recommendations also focused on

actions to increase access to safe, secure, affordable and accessible housing. These recommendations are included in full in **Appendix 2**.

Some of those recommendations include urging the Australian Government to:

- ensure the Disability Support Pension (DSP) rate is always above the Henderson Poverty Line
- lift the JobSeeker Payment to the rate of DSP
- provide an additional supplement to meet extra cost-of-living pressures
- increase Commonwealth Rent Assistance by 50%
- support the building of at least 25,000 accessible social housing properties each year.

PWDA's [February 2023 submission](#) to the [Senate Inquiry into the Extent and Nature of Poverty in Australia](#) recommended that the Australian Government to address barriers to education for people with disability and ensure an adequate standard of living for people who cannot access employment.

PWDA's [submission](#) to the [Joint Standing Committee on the National Disability Insurance Scheme's \(NDIS\) inquiry into Current Scheme Implementation and Forecasting for the NDIS](#) recommended NDIS Tier 2 and Department of Social Services Information, Linkages and Capacity Building (ILC) grants should support people with disability to access mainstream services. This recommendation will be reiterated in our upcoming NDIS Review submission where we will recommend attention returns to the original vision¹⁵ of ILC grants supporting people with disability who are currently not eligible for the NDIS to access mainstream services.

The full recommendations from our 3 previous submissions are attached at **Appendix 2**.

In addition to reiterating our previous recommendations, we take this opportunity to provide the Committee with four case studies that demonstrate the very real impacts the combination of higher costs of living and low incomes is having on people with disability (full case studies at **Appendix 1**). In summary:

Case Study 1 highlights the struggle people with disability who have JobSeeker mutual obligations face nationally, just to eat or find a place to live, especially when Services Australia has raised a debt against them.

Case Study 2 flags a woman's experience in a regional area, where people with disability who have escaped domestic and family violence can struggle while living in communities where there's no bulk-billing general practitioners (GPs) or public transport services available.

Case Study 3 highlights single people's experiences living in Sydney, where living on the DSP can mean reaching out to family members just to pay for food and housing.

Case Study 4 flags the experiences of families with people who acquire disability but are left with historically high costs for things like rent, living well below the poverty line on reduced means.

PWDA's Individual Advocates regularly hear these and similar stories from the people who reach out to PWDA for support.

We welcome the interest from government to improve employment for people with disability, including actions announced following the **Jobs and Skills Summit** in September 2022. However, a comprehensive and multi-faceted approach will be needed to address the complexity of issues contributing to not only unemployment but also the broader cost of living pressures and poverty faced by many people with disability.

Not least of which are rooted in housing related costs and the failure of rent assistance and income support payments to ensure people can meet the rising cost of living.

If you would like to speak to us further about our recommendations, or potentially interview any of the people we have profiled in our case studies, please contact PWDA Deputy CEO Carolyn Hodge on (02) 9370 3100 or email policy@pwd.org.au and carolynh@pwd.org.au.

Yours sincerely

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People with Disability Australia

Appendix 1

Case Study 1 – Pippa

Pippa* is a woman in her 50s who has been homeless for 2 years after leaving her husband of more than 30 years after he developed a serious drug addiction.

A mother of five adult children, three with disability, Pippa lives with a degenerative condition and psychosocial disability. She can't find a place to rent because her income support payment is only \$240 a week after the \$75-a-week debt Services Australia takes from her. To have a place to stay, she travels the countryside staying with friends.

Despite being eligible for the Disability Support Pension, Pippa has not applied because of the stress involved in making the application. Pippa receives JobSeeker and has to complete mutual obligation activities to get her payment. Pippa volunteers her time while on the road but her efforts are not recognised as mutual obligation activities because she's not yet 55 years old. To stay on payments, she applies for jobs and catches public transport to in-person interviews despite being warned she's clinically vulnerable to COVID-19. Trips to meet interviewers can cost her up to \$40. Sometimes she can't afford to meet her obligations and worries she'll get cut off from her payments.

While Pippa has a National Disability Insurance Scheme plan to cover her care and a federal [Health Care Card](#) for her medications, they don't pay for bricks-or-mortar or food. She regularly skips meals and scripts and has gone for up to a month just eating porridge and wheat biscuits. She hopes to reverse her Services Australia debt and plans to use any cash she gets back on food.

*Name changed to protect privacy

Case Study 2 – Heng

Heng* is an older Australian, who was born overseas, and is currently living alone in a regional area after escaping domestic violence. She receives the Disability Support Pension and lives in a social housing complex that has a very high crime rate. Heng regularly witnesses domestic violence and violent crimes in her neighbourhood. She is regularly targeted by other residents of the neighbourhood for abuse, due to her disability and cultural background.

Heng faces significant barriers in her day-to-day life due to cognitive and psychosocial social disability. She is unable to regularly access basic medical help due to the high rates of need in her area, as there are no longer any bulk-billing GPs locally. In addition to this, she has never been able to afford the specialist reports required to apply for access to the National Disability Insurance Scheme.

Because of the financial stress she faces, Heng sold her car and is now isolated from her community and can't perform basic day-to-day tasks, such as grocery shopping, attending medical appointments, or socialising without spending a substantial amount of income on taxis.

While Heng can afford social housing, she has limited choice about where she lives and now lives in an area with no access to affordable public transport. In addition to this, she has been taken advantage of by local businesses that target vulnerable community members and has accrued \$5,000 in debt.

Due to the high demand for community support services in her area, Heng will spend the next 9 to 12 months on a wait list for access to even the basic community support services that she needs to clean and maintain her home. Although she is highly likely to be eligible for the NDIS, she is unlikely to ever be able to afford the reports that would support her access request. The financial pressure of the cost of living on a pension and lack of access to supports has presented Heng with hefty barriers to accessing support that she has a right to.

*Name changed to protect privacy

Case Study 3 – Abigail

Abigail* is a 55-year-old single woman with a psychosocial disability living in Sydney's Western suburbs. She is unable to work and is receiving the maximum Disability Support Pension, along with Rent Assistance, [Energy Supplement](#) and [Pension Supplement](#), giving her \$589.05 a week or \$1178.10 a fortnight to live on.

Her living costs often use up all her funds. Abigail has a rental property with a current rent of \$375 a week or \$750 a fortnight. Once she pays rent to her private landlord, she's left with \$214.05 a week or \$428.10 a fortnight. This amount is about half the current \$421.43 a week or \$842.86 a fortnight that the world's largest cost-of-living database [Numbeo](#) estimates is needed by singles' living in Sydney, without including funds for rent.¹⁶

Because of the regular hospital admissions Abigail has because of her psychosocial disability, she maintains singles private health insurance with hospital coverage at a cost of \$52.50 a week or \$105 a fortnight.

Once Abigail pays her rent and private health she has just \$161.55 a week or \$323.10 a fortnight to live on. This income has to pay for all her needs, including essentials such as electricity, phone, internet and food, and her regular and recurring costs such as clothing, toiletries and transport.

Although Abigail is on the [NSW Government Communities & Justice priority housing list](#) there is an unprecedented lack of available public housing properties available to her, and this pool is further shrunk by the support needs Abigail has surrounding her disability.

Abigail tells us that she experiences extreme cost-of-living stress. She survives by sourcing [Energy Accounts Payment Assistance \(EAPA\) vouchers](#) for gas and electricity where possible, and sometimes requests [free or subsidised groceries](#), although she finds this embarrassing and feels that she is reaching the limit of charity options.

On those occasions when Abigail cannot stretch her income to pay for her food or rent, she seeks a cash supplement from her parents who are in their late 70s. She worries about what will happen to her when they need costlier care or pass away.

*Name changed to protect privacy

Case Study 4 – Jane

Jane* lives with her husband and young son in a private rental property in a large capital city. She uses a wheelchair after having a stroke. Jane and her family have a limited income, as Jane is trying to support herself on the Disability Support Pension. Her husband is currently unable to work due to a workplace injury.

Despite bringing in less income, the family's everyday living costs have gone up. They are struggling to pay their rent which is \$700 a week or \$1400 a fortnight. Significant increases in the price of utilities, food and groceries in the past few years have added to their financial distress.

The family has looked at other rental properties but they are more expensive, inaccessible, or quickly snapped up by other couples with higher incomes.

Jane's advocate is helping her apply for public housing. She hopes to put on the priority waiting list but is worried it may still take years to get an affordable, accessible home.

*Name changed to protect privacy

Appendix 2

PWDA Pre Budget Submission 2023

Employment and Income Support recommendations

- **Recommendation 1** – Suspend participation and mutual obligation requirements while the Disability Employment Services program is being reviewed.
- **Recommendation 2** – Ensure the Disability Support Pension rate is always above the Henderson poverty line (including housing costs).
- **Recommendation 3** – Increase JobSeeker payments to the same rate as the Disability Support Pension inclusive of pension supplements.
- **Recommendation 4** – Introduce a \$55 a week disability and illness supplement for people with disability on the JobSeeker payment and the Disability Support Pension to meet additional living costs.
- **Recommendation 5** – Increase the income free-area for the Disability Support Pension to a level equal with recent changes in the Age Pension and Veteran Payment, and change the taper rate to 25 cents in the dollar for income over the Work Bank total.
- **Recommendation 6** – Provide lifelong access to the Centrelink Disability Support Pension, and improve access to the Disability Support Pension by permitting people to meet impairment table requirements across multiple tables.
- **Recommendation 7** – Promote and introduce reforms, including waived tuition fees for vocational courses and public universities.

Housing recommendations

- **Recommendation 8** – Create a dedicated national housing plan for people with disability as part of the National Affordable Housing Agreement and appoint a

person with disability to join the new interim National Housing Supply and Affordability Council.

- [Recommendation 9](#) – Establish a program to fund necessary modifications of existing housing to (a) meet Livable Housing Australia Silver-level design guidelines, and (b) rationalise existing home-modification assistance programs under one Commonwealth program.
- [Recommendation 10](#) – Revise targets and begin building at least 25,000 accessible social housing properties each year and set annual targets for housing for people with disability.
- [Recommendation 11](#) – Increase Commonwealth Rent Assistance by 50%.
- [Recommendation 12](#) – Fund specialist disability homelessness services to meet demand.

PWDA submission to the Inquiry into the Extent and Nature of Poverty in Australia

- [Recommendation 1](#) – Break the links between poor educational outcomes, access to employment, and limited economic security by addressing barriers to education for people with disability.
- [Recommendation 2](#) – Break the link between disability and poverty by addressing barriers to employment for people with disability.
- [Recommendation 3](#) – Provide for an adequate standard of living, in relation to the rest of the community, for people with disability who cannot access employment.

PWDA submission to the Joint Standing Committee on the NDIS

- [Recommendation 1](#) – As intended, Tier 2 NDIS supports and Department of Social Services Information, Linkages and Capacity Building grants should support people

with disability to access mainstream services, not deliver more research funding to universities.

- [Recommendation 2](#) – As planned, there should be a singly funded, fully underwritten National Disability Insurances Premium Fund. People with disability have the right to a fully funded sustainable NDIS to ensure their supports and services are delivered equitably.
- [Recommendation 3](#) – The financial and actuarial modelling and forecasting of the NDIS being relied upon by governments must be accessible, completely publicly available and transparent, and available for full probity under Australian freedom of information laws.
- [Recommendation 4](#) – The NDIS must be a strong scheme for people with disability.

Endnotes

- ¹ Australian Bureau of Statistics, 2019, 'Disability, Ageing and Carers, Australia: Summary of Findings', (2018 data table 'People with disability by state or territory of usual residence' section), in *Australian Bureau of Statistics*, , accessed 22 February 2023. <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>
in Australian Institute of Health and Welfare A 'People with disability in Australia', *AIHW*, AIHW, last updated 5 July 2022, accessed 22 February 2022. <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/people-with-disability/prevalence-of-disability>
- ² Australian Institute of Health and Welfare, 2022, 'People with disability in Australia', (see 'The size of the DSP population'), , accessed 28 February 2023. <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/income-and-finance/income-support>
- ³ See Endnote 4 below: 'Partial capacity to work refers to activity tested recipients with an assessed work capacity of under 30 hours per week'.
- ⁴ Department of Social Services, 'DSS Expanded JobSeeker Payment and Youth...', (see 'Table 7 – By Work Capacity' tab in Excel spreadsheet titled DSS Expanded JobSeeker Payment and Youth Allowance Recipients – monthly profile – January 2023), *data.gov.au*, Australian Government, 17 February 2023, accessed 27 February 2023. <https://data.gov.au/data/dataset/jobseeker-payment-and-youth-allowance-recipients-monthly-profile/resource/5dfc8ede-e369-4dc1-a77e-1f2b92210177>
- ⁵ Australian Institute of Health and Welfare, 2022, 'People with disability in Australia', see Endnote 2 (see 'Type of income')
- ⁶ Australian Bureau of Statistics, 2022, 'Disability and the labour force', ('Key statistics' in 2018 dataset bullet point one), *Australian Bureau of Statistics*, ABS, 24 July 2022, accessed 22 February 2022. <https://www.abs.gov.au/articles/disability-and-labour-force>
- ⁷ Australian Bureau of Statistics 2019, as Endnote 1, (see paragraph three in the subsection 'Autism and work')
- ⁸ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, 'People with disability paid as low as \$2.37 per hour in Australian Disability Enterprises', *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*, Disability Royal Commission, 11 April 2022, accessed 22 February 2023. <https://disability.royalcommission.gov.au/news-and-media/media-releases/people-disability-paid-low-237-hour-australian-disability-enterprises>
- ⁹ Fair Work Ombudsman, no date, 'Employees with disability pay rates', accessed 2 March 2023. <https://www.fairwork.gov.au/pay-and-wages/minimum-wages/employees-with-disability-pay-rates#>:
- ¹⁰ Australian Institute of Health and Welfare, 2022, 'Underemployment', (see paragraph one in 'Underemployment rate'), , accessed 23 February 2023. <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/employment/underemployment>
- ¹¹ Ellis, A, Keogh, M, de Vera, G, Ira, L and Britt, J, *Budget Measures to Help Us Access Everyday Life: A pre-budget submission to the Commonwealth Treasury on employment and housing*, 27 January 2023, accessed 28 February 2023. <https://pwd.org.au/budget-measures-to-help-us-access-everyday-life-a-pre-budget-submission-to-the-commonwealth-treasury-on-employment-and-housing>
and Keogh, M, *Disability and Poverty: Submission to the Community Affairs References Committee inquiry into the extent and nature of poverty in Australia*, People with Disability Australia, February 2023.
- ¹² Mitra S, Palmer M, Kim KMA, Mont D and Groce N, 'Extra costs of living with a disability: A review and agenda for research', *Disability and Health Journal*, 10(4): 475–484, October 2017, accessed 27 February 2023. <https://www.sciencedirect.com/science/article/pii/S193665741730078X>

¹³ Mitra S et al., 2017, as above.'

¹⁴ Public Interest Advocacy Centre, 2012, 'More power to you: electricity and people with physical disability', accessed 2 March 2023.
<https://piac.asn.au/2012/11/23/more-power-to-you>

¹⁵ Public Interest Advocacy Centre, 2012, 'What were the original intentions of the National Disability Insurance Scheme?' Public Interest Advocacy Centre, PIAC, 17 May 2022, accessed 27 February 2023.
<https://piac.asn.au/2022/05/17/what-were-the-original-intentions-of-the-national-disability-insurance-scheme>

¹⁶ Numbeo, 'Cost of Living in Sydney', no date, copyright 2009–2023, accessed 27 February 2023.
<https://www.numbeo.com/cost-of-living/in/Sydney>