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Australian Council of Social Service

Fair services

for people with disabilities

ACOSS Submission to Senate Community Affairs Committee, 8 September 2006

Preface

What would demand and unmet need for the CSDTA look like if Australia had:

- universal and enforced standards for accessible transport?
- universal and enforced standards for accessible and affordable housing?
- genuinely accessible education and training programs, including higher education?
- low levels of employer discrimination against people with disabilities?
- improved open labour market employment opportunities?
- increased employment of people with disabilities in government departments?
- improved support to obtain aids and equipment?
- effective and sustainable methods of providing communication assistance?
- sufficient income support for people with disabilities to live a decent life, whether in work or out of work?
- greater access to, and better level of provision of, Home and Community Care services?
- general primary health and community workers who are all trained in working with people with disabilities up to a minimum standard?
- secondary and tertiary level services planned according to population need and which provide training and support for primary care workers to enable high quality service provision at the primary level and effective referrals to secondary and tertiary services?

1. Introduction: disability and poverty

There is a strong connection between disability and poverty in Australia. Many people with disabilities face a combination of high and continual costs of medication, equipment or aids, housing, transport and services related to personal care or maintenance of a person's home, along with income deprivation.

Disability, in combination with discrimination and inadequate investment in necessary services and supports, compounds poverty by reducing capacity to take up opportunities like employment and training.

Of persons aged 15–64 years with a reported disability living in households, 30% had completed year 12 and 13% had completed a bachelor degree or higher. Of those with no disability the respective proportions were 49% and 20%.

The labour force participation rate of persons with a disability was 53% and the unemployment rate was 8.6%. Corresponding rates for those without a disability were 81% and 5.0%.

The median gross personal income per week of persons aged 15–64 years with a reported disability living in households was $255, compared to $501 for those without a disability.

Median gross personal income per week decreased with increasing severity of disability. It was lowest ($200 per week) for those with a profound core-activity limitation.[1] The poverty line for a single person not in the workforce is $268 (March quarter 2006).[2]

These facts underscore Australia's overall failure to build, in the words of the third Commonwealth State Territory Disability Agreement, inclusive communities where people with disabilities, their families and carers are valued and are equal participants in all aspects of life.

In our view there are three main problems with the CSTDA:

- The CSTDA sits in a context of wider policies and programs affecting people with disabilities which are sometimes inconsistent with the aims of the CSTDA.
- The pattern and quantity of service provision for people with disabilities has not matched the level and type of need.
- Accountability for performance is weak.

The next CSTDA therefore needs to:

- Play a stronger role as a guiding framework for wider government policies and supports for people with disabilities, or sit within a whole of government framework for the inclusion of people with disabilities in the community.
- Be underpinned by a common agreement on where and how services should be provided - for example through generic or specialist services – which is linked to corresponding needs-based planning and funding formulas.
- Have robust and transparent accountability mechanisms.

2. CSTDA and the wider policy context

Government policies and programs outside the immediate ambit of the CSTDA can either support or detract from the aims and objectives of the CSTDA. As the CSTDA has no formal linkage with broader policies that affect people with disabilities, sometimes there is an illogical clash of objectives. This undermines both the efficiency and the effectiveness of CSTDA funded services.

Recent welfare to work policies affecting people with disabilities are a case in point. The reforms will reduce the income of many people with disabilities and introduce disincentives to employment for people with disabilities.

The reforms will make it harder for people with disabilities to afford daily essentials as well as the additional costs they face as a result of their disability. There is no doubt that this will lead to an increase in the level of need in the community and to increased demand on supports and services funded under other programs, including the CSTDA. Indeed, the Australian Government has already invested some additional supports for people with disabilities as part of its welfare to work reforms.

[1] Above data from Australian Bureau of Statistics, *Disability, Ageing and Carers, Australia*, 4430.0, 2003, p3+

[2] www.melbourneinstitute.com/labour/inequality/poverty/Poverty%20lines%20Australia%20March%202006.pdf

The Case of Welfare to Work

People with disabilities who apply for payments and are assessed as able to work part time (15 hours a week) will no longer be able to get the Disability Support Pension (DSP).

81,000 people (0.6% of the current national electorate) will be put on lower payments, mainly Newstart Allowance. Those without work will receive $46 per week less than the pension and those who study full time will receive up to $166 per week less. Although the main 'taper rate' on the income test for Newstart Allowance is eased from 70 cents in the dollar to 60 cents, this is still higher than the 40 cents in the dollar deducted from the earnings of pensioners. So, if they get a job for 15 hours a week at the minimum wage their weekly disposable income will be $101 less than on the pension.

We estimate that in 2006-07 a person with disabilities would be:

- $46 per week worse off if jobless
- up to $164 worse off if a full time student
- $101 worse off if earning $200 from a part time job (on Newstart Allowance or Austudy Payment compared with DSP).

These income losses will grow bigger over time, because 'Allowance' payments are only indexed to the Consumer price Index whereas 'Pension' payments are indexed to movements in average earnings. We estimate that by July 2009, the gap between pensions and allowances for jobless people will be $59 per week for single adults without children and $41 per week for single parents.

While some parts of the Government's welfare to work agenda are a recent and obvious example of government policy pulling in a contrary direction to the aims of the CSTDA, there are many other areas where policy works as a barrier to the inclusion of people with disabilities in the community.

In relation to housing for example, an estimated 1.4 million low income households have insufficient income to maintain a 'frugal standard of living' after paying for housing. There are 746,000 households experiencing housing stress (defined as those in the bottom 40% of income and facing housing costs more than 30% of income).[3] Many people with disabilities fall into this category.

Housing affordability is a major factor in shaping the lives of disadvantaged people. Its lack constrains their options when it comes to employment, education, health, services, transport and utilities. It leads to a social and geographical divide between rich and poor as the poor cluster in low-rent outer-metropolitan, rural and remote areas. ACOSS's recent survey of community services provided by its members found that due to lack of funding housing services were under particular strain. 33.9% of people who were eligible for housing services were turned away due to this lack of capacity.

In relation to health care, there is highly restricted access to publicly funded ancillary services such as physiotherapy, podiatry, psychology and dental care and privately provided services are not affordable for low income groups, including people with disabilities. There are also co-payments for pharmaceuticals which are not linked to the capacity of patients to pay, unregulated copayments for primary health care provision (though GPs are encouraged to bulk bill concession card holders) and a mismatch between the distribution of the primary care workforce and population health need. On top of these general access issues there are concerns over the

[3] Judith Yates and Michelle Gabriel, Australian Housing and Urban Research Institute, *Housing Affordability in Australia*, Feb 2006.

quality of health care received by people with disabilities, including problems in communication between health professionals and people with disabilities; health professionals' inadequate knowledge of health conditions of people with disabilities, including patterns of dual diagnoses such as mental health and intellectual disability; the inadequacy of medical records; and the appropriateness of services provided.[4]

People with disabilities who are parents and carers are often living on low incomes. Child care costs have risen by 49% above inflation between 2000 and 2004[5] and it is families who have had to meet these increased costs because the value of CCB only increases annually by the headline inflation rate. This growth in gap fees is particularly difficult for low income families because the lower a family's income, the greater the proportion of disposable income used to pay for child care and the lower the capacity to pay gap fees. Recent government policies have not provided additional assistance to increase affordability for low income groups.

In relation to children's services, children with a disability under the age of 12 comprise 8.2% of the total population of children under 12, but only 2.1% of children in Australian Government approved child care.[6] The Australian Government currently provides extra payment to family day carers and in-home carers who care for children with ongoing high support needs. It also provides funding to child care services for additional staffing, advice, resources, training and equipment to assist access and participation of children who have a disability in child care. However, these programs are capped programs and eligibility does not mean automatic entitlement to the subsidies.[7]

In relation to Home and Community Care, the hours of service provision are often inadequate for people with disabilities. HACC clients under the age of 65, most of whom have a disability, receive an average of 50 minutes of service a week.[8]

Like the policy framework for mental health, the policy framework for the inclusion of people with disabilities is essentially sound. The problems lie in the implementation of those policies both within the lead agencies, and more importantly across government/s.

Recent COAG initiatives in relation to mental health demonstrate that coordinated and concerted action requires leadership at the highest political level.

Recommendation 1
A national strategy for the inclusion of people with disabilities should be developed under the auspices of the Council of Australian Governments. The responsibilities of all governments and relevant departments should be clearly articulated and detailed action plans developed. The CSTDA should sit within this strategy.

[4] Australian Institute of Health and Welfare, *Australia's Welfare 2005*, Canberra, p244

[5] Price Index for Child Care minus headline CPI: 6401.0 TABLE 7E. CPI: Household contents and services, Weighted Average of Eight Capital Cities. http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Dec%202005

[6] SCRGSP (Steering Group for the Review of Government Service Provision) 2006, Report on Government Services 2006, Productivity Commission, Canberra, 14.17

[7] Department of Family and Community Services (2005), Child Care Service Handbook 2005, Canberra, p.35.

[8] Calculation derived from http://www.health.gov.au/internet/wcms/publishing.nsf/Content/28B09A156480B595CA256F1900108686/$File/0405hacc.pdf

3. Service provision and unmet need

The shape of service provision provided through the CSTDA is partly dictated by the range and accessibility of mainstream human services which people with disabilities may use.

The CSTDA is essentially aimed at people with disabilities with high level needs, with 51.1% of people having a profound core activity restriction in 2003-4, 38.9% severe core activity restriction, and 10.0 having moderate to no core activity restriction.

The current (third) CSTDA focuses on:

- disability employment services;
- accommodation support services;
- community support services (such as attendant care and therapy);
- community access services (such as day programs);
- advocacy, information and print disability; and,
- respite services.

There is substantial current unmet need for services in these areas and this is predicted to increase as the result of demographic changes. The Australian Institute of Health and Welfare conservatively estimated that in 2001 there were 12,500 people in need of accommodation support and respite services, 8,200 in need of community access and up to 6,000 in need of employment services. [9]

The high level of unmet need and the likely growth in demand for disability services require governments to commit to substantial increases in disability funding and to the redesign of generic services and community resources.

Governments have increased unmet needs funding under the last two CSTDA's and between 2001-02 and 2004-05, real expenditure on disability services grew by 19%.[10] However, there are strong indicators that the unmet need for services is great and that substantially increased funding is required.

The third CSTDA, rightly in our view, was aimed at ensuring greater access to generic services for people with disabilities, but the Agreement was not backed by a convincing mechanisms to ensure action by those departments administering generic services. (See *Recommendation 1* above.)

There needs to be common agreement about where CSTDA services fit within the broader human service system, the mix of services required and a framework of how and where services are to be provided – for example through generic or specialist services. This development of the agreement must involve people with disabilities, and their families and carers, at the centre of discussions.

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[9] Australian Institute of Health and Welfare, Unmet Need for Disability Services, Canberra 2002, Table 7.1, p173

[10] Steering Committee for the Review of Government Service Provision, Report on Government Services 2006, Productivity Commission, Table 13A.4

Ideally the agreement should focus on how greater use of generic, primary, early intervention and prevention type services and community supports could reduce demand for specialist disability services and lead to a more sustainable and effective system of support.

What, for example, would demand and unmet need for the CSDTA look like if we were to assume the following:

- universal and enforced standards for accessible transport
- universal and enforced standards for accessible and affordable housing
- genuinely accessible education and training programs, including higher education
- low levels of employer discrimination against people with disabilities
- improved open labour market employment opportunities
- increased employment of people with disabilities in government departments
- improved support to obtain aids and equipment
- effective and sustainable methods of providing communication assistance
- sufficient income support for people with disabilities to live a decent life, whether in work or out of work
- greater access to, and better level of provision of, HACC services
- general primary health and community workers who are all trained in working with people with disabilities up to a minimum standard
- secondary and tertiary level services planned according to population need and which provide training and support for primary care workers to enable high quality service provision at the primary level and effective referrals to secondary and tertiary services.

The agreement should also acknowledge that CSTDA services are themselves part of the spectrum of early intervention and prevention programs. Failure to invest in specialist disability services means that costs are passed on to people with disabilities, their carers and services such as police services, corrective services, homelessness services, hospitals and boarding houses.

Once there is common agreement about the specific objectives of the CSTDA within the wider service framework, the CSTDA needs to be resourced through a needs-based planning and funding formula which provides real and sustainable support for program development.

The AIHW has canvassed a range of possible approaches to needs assessment tools and we commend this discussion to the Inquiry.[11]

Recommendation 2

The Commonwealth and State and Territory Governments should develop a common agreement about where CSTDA services fit within the broader human service system, the mix of services required and a framework of how and where services are to be provided – for example through generic or specialist services. People with disabilities, and their families and carers, should be at the centre of these discussions.

[11] AIHW (2002), Chapter 8.

Recommendation 3

Once there is common agreement about the specific objectives of the CSTDA within the wider service framework, the CSTDA needs to be resourced through a needs-based planning and funding formula which provides real and sustainable support for program development.

Workforce development strategies should be linked to the agreement and planning model.

4. Performance framework

In its submission to the Inquiry, the Australian Federation of Disability Organisations (AFDO) reports that the assessment by people with disability of the effectiveness of the CSTDA is not positive.

AFDO members advised that people with disability find navigating the services system exhausting and frustrating. People are not offered flexible service and support options and are required to coordinate support from a range of different services.

People with disability report:

- poor information about service availability, including a general lack of clear and accessible information about services
- variations in the standard of services across States/Territories
- a lack of coordination with local governments as service providers
- poor access to services for people living in rural and remote areas
- buck passing between levels of government.

The problem is that we don't know how well the CSTDA is performing against its objectives in a structured way because there are no agreed measures of performance against which governments might report, including outcomes for people with disabilities.

The Australian National Audit Office performance audit of the administration of the CSTDA concluded "there are currently no adequate measures of whether, or to what extent, the CSTDA is meeting its objectives."[12]

Recommendation 4

National benchmarks and annual targets for the provision of disability services should be developed and linked to financial incentives and penalties. There should also be transparent, detailed and comparable public financial and performance reporting and a commitment to measure quality of life outcomes for service users.

[12] Australian National Audit Office (2005), Administration of the Commonwealth State Territory Disability Agreement, Audit Report No. 14 2005-2006, p3

Recommendation 5

In return for significantly increasing its transfers to the States, the Commonwealth should insist that the CSTDA contains a stronger performance management framework that ensures that all jurisdictions are publicly accountable for delivering the outcomes that the CSTDA promises.