

Joint Committee of Public Accounts and Audit

**Inquiry Based on Auditor-General's
Report 18 (2015-16) - *Qualifying for the
Disability Support Pension***

**Children and Young People with Disability Australia
Submission – November 2016**

INTRODUCTION

Children and Young People with Disability Australia (CYDA) welcomes the opportunity to contribute to the Joint Committee of Public Accounts and Audit Inquiry based on Auditor-General's report 18, *Qualifying for the Disability Support Pension (DSP)*.

The United Nations *Convention on the Rights of Persons with Disabilities* (CRPD) articulates the right of people with disability to income support. Article 28 describes "the right of persons with disabilities to an adequate standard of living for themselves and their families" and "the right of persons with disabilities to social protection."¹ As a signatory to the CRPD, Australia has demonstrated its commitment to the realisation of these rights.

The DSP is an income support payment for people unable to work more than 15 hours per week due to a permanent disability and are otherwise unable to maintain a basic acceptable standard of living. The application and eligibility assessment process for the DSP is complex, with claimants often being required to undertake a range of assessments regarding their disability and 'capacity to work.'²

The aim of the Auditor-General's report 18 was to assess the administration of the DSP eligibility processes by the Department of Social Services (DSS) and Department of Human Services (DHS). This included a specific focus on the *Tables for the Assessment of Work-related Impairment for DSP* (Impairment Tables) and 'Job Capacity Assessments.' While the audit concluded that the eligibility processes implemented by DSS and DHS "were in keeping with legislation," it also highlighted areas for improvement.³ The recommendations made in the Auditor-General's report aim to ensure appropriate documentation of eligibility decisions, improve the efficiency of the DSP review process and promote the development of mechanisms for ongoing review of the administration of the DSP.⁴

This submission focuses on specific considerations and experiences in regard to young people with disability. Young people aged 16 to 24 years represent 6.4% (49 918) of total recipients of the DSP.⁵

A key issue of concern for CYDA is that there has been no direct consultation with DSP recipients around their experiences of the qualification processes to inform this audit. Young people with disability and their families consistently report to CYDA that accessing the DSP is a highly bureaucratic process that is very difficult to navigate and is extremely stressful.

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. The organisation is primarily funded through DSS and is a not for profit organisation. CYDA has a national membership of 5500.

CYDA provides a link between the direct experiences of children and young people with disability to federal government and other key stakeholders. This link is essential for the creation of a true appreciation of the experiences and challenges faced by children and young people with disability.

¹ United Nations General Assembly 2006, *Convention on the Rights of Persons with Disabilities*, Article 28.

² Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, Commonwealth of Australia, Canberra, p. 22.

³ *Ibid*, p. 8.

⁴ *Ibid*, pp. 11-12.

⁵ Department of Social Services 2016, *DSS Demographics June 2016*, Commonwealth of Australia, Canberra.

CYDA's vision is that children and young people with disability living in Australia are afforded every opportunity to thrive, achieve their potential and that their rights and interests as individuals, members of a family and their community are met.

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:

- **Listen and respond** to the voices and experiences of children and young people with disability;
- **Advocate** for children and young people with disability for equal opportunities, participation and inclusion in the Australian community;
- **Educate** national public policy makers and the broader community about the experiences of children and young people with disability;
- **Inform** children and young people with disability, their families and care givers about their citizenship rights and entitlements; and
- **Celebrate** the successes and achievements of children and young people with disability.

BACKGROUND AND IMPACTS OF RECENT REFORM TO THE DSP ON YOUNG PEOPLE WITH DISABILITY

There have been a range of reforms to the DSP in the last decade which have impacted the eligibility criteria and application process. Many of these have been implemented with the aim of reducing the total number of DSP recipients and new applications granted.⁶

Key reforms include:

- The 2006 'Welfare to Work' reforms, which changed the eligibility criteria to include people able to work 15 hours per week at or above minimum wage.⁷ These reforms also introduced 'Job Capacity Assessment' requirements;⁸
- In 2011, changes were introduced requiring applicants who do not have a "severe impairment" to demonstrate participation in a 'Program of Support';⁹
- In 2012, the revised Impairment Tables came into effect.¹⁰ The new tables included an increased focus on the functional impact of disability, introduced a consistent scoring scale and a reduction in the number of tables;¹¹
- The 2014 Federal Budget introduced measures requiring
 - DSP recipients aged under 35 years who have been assessed as able to work more than eight hours per week to undertake activities to locate employment
 - DSP recipients aged under 35 years who were granted the DSP between 2008 and 2011 to have their eligibility reassessed according to the revised Impairment Tables

⁶ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 8.

⁷ Australian Government 2005, 'What Does it Mean for People with Disabilities?', *Budget 2005-06*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/Q1ndy>.

⁸ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 18.

⁹ Australian Government 2015, 'Disability Support Pension (DSP) – Description,' *Australian Guide to Social Security Law*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/bZdslK>.

¹⁰ *Social Security (Tables for the Assessment of Work-related Impairment for Disability Support Pension) Determination 2011*.

¹¹ Advisory Committee for the Review of the Tables for the Assessment of Work-Related Impairment for Disability Support Pension 2011, *Advisory Committee Final Report*, Commonwealth of Australia, Canberra.

- (reassessments were not required of people who have a “severe” or “manifest” disability)
- Some people claiming DSP to have a ‘Disability Medical Assessment’ conducted by a government contracted doctor;¹² and
 - The 2016 Federal Budget announced that 300 000 DSP recipients will have their eligibility reviewed each year for three years by assessing their “capacity for work.”¹³

These changes have had numerous impacts on young people with disability. New eligibility requirements have made it increasingly difficult to access the DSP and increased the number of rejected applications. This was reflected in the Auditor-General’s report, which found that the proportion of DSP claims granted by DHS “has decreased from around 53% in July 2011...to 39% of total claims in June 2014.”¹⁴

Further, young DSP recipients have been the specific focus of reviews of eligibility. For many this has involved further assessments and contact with DHS and Centrelink. Some young people found to be ineligible upon review are transitioned to the Newstart unemployment payment. In 2014, 24.9% of Newstart recipients were people with disability (defined as those participating in Disability Employment Services or with “partial capacity to work” of under 29 hours per week).¹⁵

Newstart is more than \$250 less per fortnight than the DSP.¹⁶ This represents a significant reduction in income for people who transition from the DSP to Newstart. Further, it has been recognised that for many, having a disability involves additional financial costs.¹⁷ This includes increased expenses associated with travel, the need to fund access to specialist services and supports and a range of incidental costs such as increased utility expenses or specific dietary requirements. This highlights the significant financial impact experienced by many people with disability. A reduced income can also increase challenges associated with seeking employment for people with disability.¹⁸ For example, ability to travel to and participate in job interviews have been found to be impacted by acute financial stress.¹⁹

Young people assessed as able to work more than eight hours per week are also now required to undertake activities to locate employment. Activities may include “Work for the Dole, job search, work experience, education and training, and connection with Disability Employment Services.”²⁰

¹² Australian Government 2014, ‘Changes to the Disability Support Pension,’ *Budget 2014-15*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/AW1T1e>, Australian Government Department of Human Services 2016, *Disability Medical Assessment*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/h6l9U1>.

¹³ Australian Government 2016, *Budget 2016-17, Budget Paper No. 2*, Commonwealth of Australia, Canberra, p. 142.

¹⁴ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 8.

¹⁵ Senate Community Affairs Committee 2014, *Answers to Estimates Questions On Notice: Social Services Portfolio 2014-15 Budget Estimates Hearings – Question No. 760*, Commonwealth of Australia, Canberra.

¹⁶ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 15.

¹⁷ Australian Council of Social Service, Social Policy Research Centre 2016, *Poverty in Australia 2016*, Sydney, p. 35.

¹⁸ Senate Education, Employment and Workplace Relations References Committee 2012, *The Adequacy of the Allowance Payment System for Jobseekers and Others, the Appropriateness of the Allowance Payment System as a Support into Work and the Impact of the Changing Nature of the Labour Market*, Commonwealth of Australia, Canberra, p. 32, 41.

¹⁹ *Ibid*, p. 41.

²⁰ Australian Government 2014, *Changes to the Disability Support Pension*.

Regular meetings with DHS are required to develop and monitor each person's 'Disability Support Pension Participation Plan' and activities undertaken.²¹

Finally, some DSP applicants are now required to have a 'Disability Medical Assessment' conducted by a government contracted doctor rather than a preferred medical professional. This involves an assessment of "medical conditions and their functional impact which form the basis of medical eligibility of DSP" and is separate to the Job Capacity Assessment.²²

This measure was introduced to ensure independent advice is provided in relation to medical assessments.²³ However, an impact of this requirement is that medical professionals who have a comprehensive understanding of a young person and the functional impact of their disability has diminished capacity to provide this expertise to inform DSP applications. CYDA is concerned that this means that these assessments will therefore not capture the individual needs and circumstances of the person concerned.

COMMENTS RELEVANT TO AUDITOR-GENERAL'S REPORT 18

Service Constraints and Concerns

Many concerns raised with CYDA around the DSP relate to contact with Centrelink, with extremely poor customer service experiences being commonly reported. These experiences have also been raised in recent reports and media coverage about Centrelink's service delivery challenges.

A key issue is phone services, with it being reported by DSS that in 2015-16:

- Almost 29 million calls to Centrelink received a busy signal, including 5 690 000 calls to the 'disability and carers' phone line;²⁴ and
- 7 million calls to Centrelink were abandoned by the caller, including 677 723 to the 'disability and carers' phone line.²⁵

Reduced funding and staffing is another relevant consideration regarding the administrative capacity of DSS and DHS. The 2016 Federal Budget reduced funding for DHS by \$80 million over four years.²⁶ Further, the Average Staffing Level for DHS has also decreased by 810, from 30 102 in 2015-16 to 29 292 in 2016-17.²⁷ Centrelink is also increasingly employing staff on a casual basis, which typically involves less opportunities for appropriate training and professional development.²⁸

²¹ Australian Government Department of Human Services 2016, *Participation Requirements for Disability Support Pension*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/YSyh6t>.

²² Australian Government Department of Human Services 2016, *Medical Evidence and Assessment*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/b8ilyp>.

²³ The Hon. Kevin Andrews MP 2014, *Commonwealth Doctors to Assess New DSP Claims*, Canberra, viewed 14 November 2016, <https://goo.gl/1vYqUe>.

²⁴ Australian Senate 2016, *Community Affairs Legislation Committee: Estimates, Thursday, 20 October 2016*, Commonwealth of Australia, Canberra, viewed 14 November 2016, <https://goo.gl/cg4RPq>, pp. 125-126.

²⁵ *Ibid*, p. 125.

²⁶ Australian Government 2016, *Budget 2016-17, Budget Paper No. 2*, p. 140.

²⁷ Australian Government 2016, *Budget 2016-17: Agency Resourcing Budget Paper No. 4*, Commonwealth of Australia, Canberra, p. 139.

²⁸ N Towell 2014, Centrelink, Medicare Call Centres Casualised at a 'Furious' Rate, Says Public Service Union, *Canberra Times*, viewed 14 October 2016, <https://goo.gl/mM3tq5>.

These pressures are reflected in the complaints made to DHS. Complaints about Centrelink increased from 52 763 in 2013-14 to 113 746 in 2015-16.²⁹ In 2015-16, difficulties with phone services including wait times represented 15.8% of complaints and dissatisfaction with timelines represented 14.2%.³⁰ Further, the Commonwealth Ombudsman has stated that complaints about Centrelink increased by 38% in 2015-16.³¹

These resourcing and staffing constraints risk increasing pressure on the operational and administrative capacity of Centrelink. Specific issues around the DSP eligibility process and impacts for young people with disability are discussed below:

Information Provision

Young people with disability and families frequently experience significant barriers in obtaining clear, concise and accessible information about the DSP. This includes information about eligibility requirements, the application process particularly which supporting documents are required, reviews and reasons for rejected applications.

It is reported that a lack of appropriate information provision is highly frustrating for young people and families and can substantially prolong the processing of applications. For example, completing the application form/s can be at times complex and confusing for young people and families, with some being unclear about what information and documents are required. Incorrect submission of the initial application then requires Centrelink to contact the applicant and request they resubmit their form. This lengthens the application process.

Contacting Centrelink

A key concern is significant wait times involved in phoning Centrelink. While DSS has reported that the average wait time for the 'disability and carers' phone number is 24 minutes and 47 seconds,³² it has been reported to CYDA that people have experienced wait times of between one and two hours.

Minimal or non-existent communication from Centrelink around pending applications, reviews or other relevant issues has also been raised to CYDA. For example, DSP applicants have reported not being provided with any information about the status of their application for months.

Length of Application Process

Many DSP applications take a significant amount of time to be processed. This appears to be the result of the complexity of the DSP eligibility criteria and multiple assessments typically required, as well as administrative delays and challenges. Experiences reported to CYDA include:

Eventually Sam was awarded the DSP based on his lifelong disability, however the entire process from initial submission of paperwork had taken exactly seven months! Not once during this process had Centrelink directly contacted to state there was a problem!*

Hopeless service...All (forms were submitted in) April 2016 and are still not processed (eight months later).

²⁹ Australian Government Department of Human Services 2016, *2015-16 Annual Report*, Commonwealth of Australia, Canberra, p. 154.

³⁰ Ibid, p. 154.

³¹ Commonwealth Ombudsman 2016, *Annual Report 15-16*, Canberra, p. 24.

³² Australian Senate 2016, *Community Affairs Legislation Committee: Estimates, Thursday, 20 October 2016*, p. 126.

* Pseudonym used.

The application takes months to process. In our case, nearly eight months.

It has also been reported that administrative errors can further extend the process:

(Months after the initial DSP application I) was informed that the paperwork could not be located and Centrelink would require the paperwork to be resubmitted.

(I was informed that Centrelink staff) determined that (my son's pending DSP) application had sat in the 'to be scanned tray' for so long someone decided it was no longer relevant and shredded it!

This is also a common experience in relation to reviews and appeals regarding rejected claims. The Auditor-General's report found that the average time to complete reviews regarding rejected DSP claims was 70 days, with some taking up to 12 months.³³ This illustrates the need to examine existing processes and implement changes to ensure appeal and review processes occur in a timely manner.

Inadequate Consideration of Individual Circumstances

Some experiences provided to CYDA suggest that there appears to be limited capacity to consider individual circumstances in the DSP qualification process. Eligibility criteria at times seem to be applied rigidly when assessing applications.

For example one parent reported to CYDA:

(I am) appalled with the DSP process...as my 16 year old in full time schooling met the medical criteria and was turned down as he had not attended an employment program. When and how is this supposed to occur when he is at school full time?

It is critical to ensure that compliance with current process does not involve unrealistic, impractical and impossible expectations and requirements imposed on young people with disability and families.

Expertise

Concerns have also been raised with CYDA regarding the expertise of people making assessments regarding the functional impact of disability or 'capacity to work.' This includes assessments by medical and allied health professionals, Job Capacity Assessments and DHS and Centrelink staff. It is vital to ensure appropriate expertise is available to ensure DSP eligibility decisions are well informed and reflect the needs of applicants.

Consultation with People with Disability

The audit methodology involved:

- Interviews with DSS and DHS staff;
- Interviews the Commonwealth Ombudsman's Office, Job Services Australia, Mental Health Australia, National Disability Services, the Social Security Appeals Tribunal and the National Welfare Rights Network;
- Review of DSS and DHS documentation including 506 customer service records; and
- Analysis of DSP data and information.³⁴

³³ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 35.

³⁴ *Ibid*, p. 20.

CYDA is concerned that there appears to have been no direct consultation with DSP recipients to inform this review. The experiences of people with disability are a vital informant of the efficiency of DSP qualification processes.

Further, the audit notes “to date, DSS has not undertaken any formal review or evaluation of the eligibility changes.³⁵” CYDA supports the recommendation of the Auditor-General to develop performance measures for the delivery of the DSP to ensure ongoing examination of the administration of the payment. It is important to consider ways to ensure the direct experiences of DSP recipients inform this process. This should not be restricted to examinations of complaints but rather broader experiences around accessing the DSP.

CONCLUSION

Experiences reported to CYDA by members and constituents highlight a range of issues in relation to qualification processes for the DSP. These experiences depict a highly frustrating and bureaucratic system that is extremely difficult and time consuming for young people with disability and families to navigate.

However, because the audit did not include direct consultation with DSP recipients, many of these critical experiences were not captured. It is therefore important to consider mechanisms to ensure appropriate consultation and input regarding the direct experiences of people with disability in relation to evaluation of the DSP and broader reform impacting the payment.

RECOMMENDATIONS

Recommendation 1: Development of mechanisms to ensure the experiences of DSP recipients inform reviews and reform relating to the payment, including direct consultation.

Recommendation 2: The Australian Government, DSS and DHS collaborate to address issues with Centrelink phone services, with a focus on significantly reducing wait times, busy signals and abandoned calls.

Recommendation 3: The Australian Government ensure adequate resourcing and staffing of Centrelink to facilitate timely processing of DSP applications and administration of reviews and appeals.

Recommendation 4: Publication of data about average time taken to process DSP applications to be used in future evaluations.

Recommendation 5: The Australian Government, DSS and DHS collaborate to ensure appropriate and accessible information about the DSP application and qualification processes is available to claimants and recipients. One option may include ensuring a key worker is available to assist people with application forms and other queries.

³⁵ Australian National Audit Office 2016, *Qualifying for the Disability Support Pension*, p. 8.

CONTACT

Stephanie Gotlib
Chief Executive Officer
20 Derby Street, Collingwood VIC 3066
03 9417 1025
stephanieg@cda.org.au
www.cda.org.au