

Community Affairs Legislation Committee

**Social Services Legislation Amendment
(Omnibus Savings and Child Care Reform)
Bill 2017**

**Children and Young People with Disability Australia
Submission – March 2017**

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INTRODUCTION

Children and Young People with Disability Australia (CYDA) welcomes the opportunity to provide feedback regarding the *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017* (the Bill). This submission will discuss key considerations for children and young people with disability and their families. It will focus on the proposed changes to the Family Tax Benefit (FTB), childcare payments and youth income support payments. A brief discussion is also provided about linking budget savings made through the passage of this Bill to the funding of the National Disability Insurance Scheme (NDIS).

CYDA notes that many aspects of the Bill have previously introduced into Parliament and examined by inquiries. CYDA provided submissions regarding the FTB and the *Jobs for Families Childcare Package* in 2016.¹ This submission will therefore draw upon feedback previously provided by CYDA, noting changes in the current Bill.

Australia has demonstrated a strong commitment to the inclusion of people with disability. This is recognised in the *National Disability Strategy 2010-2020*, a key policy framework which seeks to ensure the rights of people with disability are afforded across all life areas.² It is an important mechanism to support the development of inclusive communities, services and programs.

However, exclusion and social isolation shamefully remain frequent experiences of people with disability. It is commonly reported to CYDA that children and young people with disability are excluded from many opportunities routinely afforded to their peers without disability. Examples include access to quality early childhood or school education, participation in play, access to employment and a range of social opportunities.

CYDA has concerns about a range of measures contained in the Bill. In particular, CYDA does not support the changes to the FTB and youth income support payments contained in the Bill as it is believed that these will have significant negative impacts on children and young people with disability and their families. In relation to childcare payments, there is a need for further consideration of the impacts of the proposed reforms on children with disability.

The current Bill contains numerous measures that impact different life areas and service systems. It is the view of CYDA that each aspect of reform needs to be considered individually, rather than being grouped together.

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 the Australian Government Department of Social Services and is a not for profit organisation. CYDA has a national membership of 5300.

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 Available at <https://goo.gl/IOVy8Y>.

² Council of Australian Governments 2011, *National Disability Strategy 2010-2020*, 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.

CHANGES TO THE FAMILY TAX BENEFIT

CYDA provided a submission to the Senate inquiry into the *Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015* in February 2016. While there are differences between the previous and current Bill in terms of changes to the FTB, many of the concerns previously raised by CYDA are still relevant.

CYDA supports the measures that maintain or increase the present rates of payment for the FTB, Youth Allowance or Disability Support Pension. However, CYDA is concerned that the removal of FTB Part B for children aged 17 and 18 and the cessation of the FTB supplements have given little consideration to the specific circumstances that families of children with disability typically contend with. There is also a lack of data and information regarding families of children with disability who receive FTB payments, which creates a barrier to assessing the impact of the proposed changes.

Recommendation 1: The Australian Government collect data detailing the number of families of children with disability receiving the Family Tax Benefit.

Context for Children with Disability and their Families

As previously stated, children with disability experience significant disadvantage and discrimination within the Australian community. Experiences of exclusion and inadequate service systems frequently result in a range of additional expenses and financial disadvantage for families of children with disability.

While we are in the midst of unprecedented social reform with the roll out of the NDIS, many children with disability are yet to access the Scheme and some will not be eligible for funded services and support through the NDIS in the future. Many service and support gaps are therefore still being paid for by families.

Further, some children with disability have ongoing medical care needs and require access to health care or rehabilitation, often requiring families to pay to access medical or allied health services, either at full or partial costs.

My children requires weekly therapy, which costs me \$279 a week, none of which is covered by the government. I manage to pay this by limiting luxuries others (would) consider necessities.

There are also many incidental financial costs which families of children with disability often incur. Examples include increased utility expenses, specific dietary requirements and additional transport costs.

Presently there is considerable reform occurring in a number of important areas for children with disability and their families such as the NDIS, early childcare education and care and schools. It is clearly the responsibility of the relevant systems and sectors to address discrimination and exclusion of children with disability and the lack of appropriate support. These reform areas should progress in the coming years. However, currently there remains a considerable financial impact on families of children with disability because of a variety of systemic barriers.

I had to leave my job of seven years as they would not accommodate my son's needs.

I work two to three days a week. However due to my sons complex needs I am often forced to take time off.

I'm not able to work...as I can get a phone call at any time to collect (my son from school when they cannot meet his needs).

I am a full-time carer and one of my children is forced to study distance education at home as there is no school that can (meet her needs). I rely solely on government assistance to live, I wish I didn't. I wish I could go to paid employment everyday but I can't.

I can't work as childcare centres refuse to take my son into care so I also have a loss of wages.

My son with has only attended school 2.5 days per week this year, as that is all his school says they can do to meet his needs. The flow on effects to families (in terms of earning ability and stress) are horrible.

At (my son's) school's request he is currently doing shorter days. It is extremely difficult for me to manage.

The barriers encountered by families of children with disability to workforce participation are reflected in available statistics. The Australian Bureau of Statistics have found that 64 per cent of families of children with disability aged 0 to 14 years reported that the main financial impact of their caring role was a decreased income or an increase in their expenses.³

It is therefore the current lived reality for many families of children with disability that expenses are higher in a range of areas or income is reduced. This can be increased for families who experience multiple disadvantage including: single parent families; single income families; low income families; families in regional, rural and remote areas; families who have experienced domestic violence; Aboriginal and Torres Strait Islander families; and families from culturally and linguistically diverse backgrounds.

³ Australian Bureau of Statistics 2012, 'Children with a Disability,' *Australian Social Trends 2012*, Commonwealth of Australia, Canberra.

While there is a lack of specific data that examines the socio economic status of families of children with disability, available evidence suggests families of children with disability are more likely to experience economic hardship.⁴ For example, the poverty rate of families with at least one person with disability (including parents with disability, children with disability or adults in the family) was 11.1 per cent in 2010 based on incomes, as opposed to 7.6 per cent for families without a person with disability.⁵ This data did not take into account additional expenses for families with a person with disability.

Many families have expressed very strongly to CYDA that their ability to meet the range of costs they incur is dependent on receipt of income support and family payments. Many are extremely fearful about how they will fund essential costs if access to the FTB is removed.

Family Tax Benefit Part B Rate

FTB payments aim to support families with the costs associated with raising children⁶ and to ensure access to an adequate standard of living for children.⁷ They were introduced to assist families with cost increases incurred as a result of the introduction of the Goods and Services Tax.⁸ FTB Part B provides additional assistance to single parents, non-parent carers and couples with one main income.⁹ Previous legislation removed FTB Part B eligibility for couple families whose youngest child is aged 13 years or older.¹⁰

The current Bill seeks to remove the entitlement to “FTB Part B for single parent families who are not single parents aged 60 or more or grandparents or great-grandparents, from 1 January of the calendar year their youngest child turns 17.”¹¹ CYDA is concerned that losing the FTB Part B for single parent families of children with disability who are turning 17 will significantly increase the financial pressure on families who are already vulnerable.

Members have previously expressed strong concerns around the losing FTB Part B as it is often used to fund essential living expenses for children with disability, including therapies, care costs, medical costs, food, clothing, school supplies, transport and utilities. Families reported the following to CYDA:

We won't be able to afford food, car registration or insurance. How will I take my child to appointments?

With the cost of living going up, we are going to struggle and will need to toss-up between medicines, food, therapies and utilities.

⁴ Australian Bureau of Statistics 2012, *Children with a Disability*, National Centre for Social and Economic Modelling 2013, *Poverty, Social Exclusion and Disadvantage in Australia*, University of Canberra.

⁵ National Centre for Social and Economic Modelling 2013, *Poverty, Social Exclusion and Disadvantage in Australia*, p. 22.

⁶ Australian Government Department of Human Services 2016, *Family Tax Benefit*, Commonwealth of Australia, Canberra, viewed 3 March 2017, <http://goo.gl/dzQxxD>.

⁷ M Klapdor 2015, *Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015*, Department of Parliamentary Services, Commonwealth of Australia, Canberra, p. 8.

⁸ Ibid, p. 8.

⁹ Australian Government Department of Human Services 2016, *Family Tax Benefit*.

¹⁰ Parliamentary Library 2016, *Bills Digest: Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015*, Parliament of Australia, Canberra p. 3.

¹¹ House of Representatives 2017, *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 – Explanatory Memorandum*, Parliament of Australia, Canberra, p. 14.

Every bit of financial help is greatly welcomed. I am already struggling to pay rent, bills and specialist fees, this is really going to hurt.

These changes could see us homeless, as it's the only place left in my budget to cut.

I work full time but still qualify for (FTB Part A and FTB Part B) - these amounts are what help me get through and to provide some level of therapy for my son.

I rely on the FTB both Part A and Part B to assist in covering living expenses. We don't spend money unnecessarily and have to pay to be able to attend (recreational activities and events). None of this is going to be possible if these payments are reduced in anyway. I share rent with my mother as I can't afford to pay rent on my own even with the Centrelink payments.

If we lose FTB this leaves under \$400/week for five people to live on.

Other families report to CYDA that they accumulate significant debt in order to cover essential costs of raising children. Families have stated that they use credit cards or take out loans to cover living expenses or if unexpected costs arise.

I am in debt with a credit card due to trying to keep my car on the road - which is essential for us all getting to school and appointments. I struggle to pay \$100 a week in petrol (yes, that's how much driving I do in a week to get to schools and appointments)...I struggle feed and clothe my children, additional expenses for school are not often possible.

The payments I receive from Centrelink don't even near cover my costs for two children with disability so all I do is accumulate debt.

These financial pressures can also have profound impacts on families' emotional wellbeing, causing significant stress. Families of children with disability frequently contend with discrimination and exclusion when looking to access basic entitlements afforded to children. CYDA often hears from families who are completely frustrated and exasperated due to dealings with inadequate service systems or attitudes within the community that position children with disability as inferior and incapable. Financial pressures are an additional source of stress and hardship for families.

Every dollar I receive is spent with great care and the idea that that will soon be less is very distressing. The saddest part is it's the children that suffer, every cent I have is spent on them so I now have less money for their needs, which are already expensive.

The pressure on me is at breaking point as it is - if they add even extra financial pressure I don't know how I will manage living let alone providing for my child's needs.

Children with disability are also more likely to live in sole parent households than children without disability (34% and 18% respectively).¹² This suggests that families of children with disability are more likely to be impacted by the proposed changes to FTB Part B. Further, it is important to note that single parent families are more likely to experience poverty than couple families.¹³ A number of

¹² Australian Bureau of Statistics 2014, 'Family Type,' *Young People with Disability, 2012*, Commonwealth of Australia, Canberra, viewed 3 March 2017, <https://goo.gl/HUxzrl>.

¹³ Australian Council of Social Service 2016, *Poverty in Australia 2016*, Sydney, p. 19.

single parent families have raised significant concerns to CYDA regarding specific disadvantage experienced and the need to access to income and child support.

I'm a sole parent, which makes this doubly difficult. I am extremely grateful to have payments to assist me I really am. I am living on the breadline now and I work how can I afford another cut?

As a single parent...this will impact us in many ways. I'm struggling now to pay for therapy, medication and other incidentals.

I am a single parent but I am also a New Zealand citizen so all I am entitled to is FTB. I struggle to keep a roof over my children's head and putting food on the table is helped a lot by welfare services...If I lose any benefit money I will find it impossible to raise my family.

Available evidence demonstrates that child raising costs increase as children get older, particularly during transition points such as starting primary school, starting secondary school and during the final two years of schooling.¹⁴ Again, families of children with disability often experience additional costs at these times.

Personally it always baffled me why the payment was reduced when the kids hit school...in clothing and footwear, food, transport - the list goes on and grows the older they get.

Recommendation 2: The Australian Government maintain the present standard rate for Family Tax Benefit Part B for families with a youngest child aged 17 to 18.

Recommendation 3: In the event that the new rate structure for Family Tax Benefit Part B recipients contained within the Bill is implemented, CYDA recommends extending the exemptions that apply to single parents over 60, grandparents and great-grandparents to include families of children with disability.

Family Tax Benefit Supplements

The FTB supplements were introduced in response to “the large number of FTB recipients who ended up with small debts after their end of year reconciliation” and are a lump sum payment at the end of each financial year.¹⁵

Feedback previously provided to CYDA indicates that some families of children with disability rely on these payments to cover larger essential purchases. These include aides and equipment, car registration, dental or medical bills or to pay off debts. For many, the loss of FTB supplements will have a significant impact on their capacity to finance a range of essential living costs. This is reflected in the following experiences reported to CYDA:

The bonus payments at the end of the financial year are used to assist in purchasing equipment that we couldn't normally afford and ensuring the car is kept roadworthy so that we have the ability to access school and the community on the rare occasion.

I really appreciate every cent we receive and especially the one off yearly payments. They have enabled me to buy things for the children that I could never afford, like a bed.

¹⁴ Reference Group on Welfare Reform to the Minister for Social Services 2015, *A New System for Better Employment and Social Outcomes*, Commonwealth of Australia, Canberra, p. 88.

¹⁵ *Ibid*, p. 9.

We always use the...supplements to pay off debts and any dental work, haircuts (et cetera). My kids are used to us always saying "in August we can afford to do that."

I use the supplement for therapy costs and respite including family holidays. We would not survive without the supplement, as my husband is on a basic wage.

(The) supplement pays my (car registration) and tyres plus everything else to keep my car on the road to get my son to his appointments in the next town.

Being a single mum, the supplement payment helps for Christmas lay-bys and so forth, so we would really struggle.

The supplements pay for Christmas otherwise we wouldn't have one and to move house pretty much every year because the rentals keep getting sold off or they're structurally unsound. With any more cuts I don't know what we'll do.

The new payment system would mean my family will struggle a lot more than we already are. We are barely able to afford bills and food as it is. We rely on the top up for bills and fix the car up.

Recommendation 4: The Australian Government retain the Family Tax Benefit supplements.

Given the specific circumstances and financial pressures experienced by families of children with disability, CYDA recommends removing the elements of the Bill that change eligibility for FTB Part B and end the supplements. CYDA welcomes the intent of the Australian Government to simplify and better target family payments. However, a consequence of this should not be the reduction of the vital income support available to families of children with disability to meet the needs of their children.

JOBS FOR FAMILIES CHILDCARE PACKAGE

This section draws heavily from CYDA's submission to the *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* provided in January 2016.

Direct Experiences of Children with Disability in Early Childhood Education and Care

Participation in quality early childhood education and care (ECEC) has been increasingly recognised in international research and policy as critical to child wellbeing and learning outcomes.¹⁶ Access to affordable ECEC is also a crucial component of supporting the workforce participation of families. This is reflected in the Australian Government's present focus on this crucial policy area.

Children with disability and their families in Australia, however, face unique challenges in accessing and participating in ECEC. CYDA is frequently informed of a range of poor experiences and barriers in relation to access, participation, resourcing, expertise and discrimination. This places children with disability at a distinct disadvantage compared to their peers without disability as they enter primary education and beyond. Experiences reported to CYDA include:

(When my son was in pre-school we) fought for funding assistance...It took 18 months to get funding, then pre-school didn't use it because the director thought there was no issues... Before and after school care for kids with disability is seriously lacking too.

¹⁶ Organisation for Economic Cooperation and Development 2015, *Starting Strong: Monitoring Quality in Early Childhood Education and Care*, OECD Publishing, Paris, p. 18.

(My daughter) was refused enrolment at the preschool because they don't have funding.

One preschool that I approached told me that they couldn't take my child. The next preschool happily took him using funding for extra staff.

A mother was informed by her son's childcare provider that he was "too difficult to manage."

Statistics available on participation rates illustrate a disparity between the use of childcare by children with disability compared to their peers without disability. The Productivity Commission's *Report on Government Services 2017* shows that children aged 0 to 12 years with disability had a lower representation in childcare services (3.7%) than their representation in the community (7.2%).¹⁷ Despite this difference in participation in ECEC, children with disability have not been a specific focus of the reform agenda to date.

Key issues confronting children with disability in ECEC include:

- **Funding.** CYDA has previously raised concerns regarding the lack of flexibility in *Inclusion Support Subsidy* payments in meeting the individual needs of each child and recommended a more individualised approach to providing additional funding for children with disability;
- **Inclusion.** Attitudes regarding disability can significantly compromise ECEC experiences. Further, it is often reported to CYDA that appropriate accommodations to support children with disability to participate in ECEC are not met. While the *Inclusion Support Programme* may provide some support in ensuring ECEC providers are inclusive, it is critical that programmes are administered using a firm evidence base and that robust evaluation and monitoring of outcomes occurs. Further, there is a need to ensure that reform promoting inclusive ECEC is embedded, rather than a bolt-on initiative;
- **Choice.** Children with disability experience significant challenges in relation to accessing ECEC and are frequently denied enrolment; and
- **Educational outcomes.** ECEC is vital part of all children's education pathways and plays a key role in preparing children for school. Barriers in access therefore have significant flow on effects and therefore must be considered in broader education outcomes of students with disability.

The barriers encountered in accessing ECEC for children with disability also have specific impacts for families. It is often reported to CYDA that families are required to strongly advocate to ensure their children can access ECEC. It is not uncommon for families to feel that their children are unwelcome or are perceived as a burden by providers.

For many families, ECEC is one of the first areas in which barriers and discrimination against children with disability are encountered, a pattern that is typically replicated in school education, employment and access to disability services and supports. Confronting such significant barriers to accessing a basic entitlement afforded to all children causes significant stress for families. It can also compound the financial and time pressures on families who are already balancing the competing requirements of having young children.

There are further implications for workforce participation of families of children with disability. Families of children with disability are sometimes referred to as carers as they provide unpaid care

¹⁷ Productivity Commission 2017, *Report on Government Services 2017: Volume B Child Care, Education and Training*, Commonwealth of Australia, Canberra, p. 3.10.

and support to their child. Available statistics show carer workforce participation is much lower than the rest of the community.¹⁸ CYDA members frequently report difficulties with gaining and keeping employment. Many families report a strong desire to undertake paid employment. The overwhelming lack of care options for children with disability creates a barrier to achieving this.

Comments on the *Jobs for Families Childcare Package*

It is important that there is specific consideration of the needs and circumstances of children with disability and families in relation to reform to ECEC. CYDA is concerned that certain components of the Bill may limit access to ECEC for children with disability and requests further clarification regarding the impacts of the Bill on children with disability and families.

Activity Test

The activity test requiring families to undertake tiered hours of activity in order to access the Child Care Subsidy (CCS) may result in reduced access for some families of children with disability. Families often report to CYDA that they are required to maintain highly flexible working arrangements in order to care for and support children. Children with disability may access early intervention services, disability services and supports or have care and support needs requiring families to frequently change their working hours. There is a risk that the activity test requirements may reduce families' access to the CCS if responsibilities for children mean that work or study hours are reduced.

An additional issue arises when children with disability can only access shortened hours in ECEC, requiring families to take time off work. This can occur for a number of reasons. Families may only be able to secure part-time hours in ECEC because providers state they lack the funding or expertise to meet the needs of children with disability. In other cases, families are frequently asked to collect their children early because the provider is unable to meet their needs.

Again, CYDA is concerned that the activity test requirements do not take into consideration the specific challenges of families of children with disability and may result in reduced access to the CCS. It is therefore important that there is a mechanism for taking into account the individual circumstances of families of children with disability when using the activity test to calculate the CCS.

A further issue is that given flexible working hours are often required of families of children with disability, the Bill in its current form risks imposing arduous bureaucratic reporting requirements on families who will change the number of 'hours of activity' undertaken from week to week. Requiring significant amounts of time to report upon weekly activities would increase the challenges faced by busy families. It is therefore important to ensure that these requirements are minimised.

Recommendation 5: Development of mechanisms within the activity test to ensure families are not denied access to the Child Care Subsidy in the event that working hours are reduced to meet caring responsibilities for children with disability.

Recommendation 6: The processes associated with reporting requirements and the activity test are as simple and as straightforward as possible. This also applies to circumstances in which there is variability in 'hours of activity' undertaken in a given reporting period.

Additional Child Care Subsidy – 'At Risk' Payment

The provisions in the Bill regarding the Additional Child Care Subsidy (ACCS) for children at risk of experiencing abuse and neglect require clarification. Given that the key definitions of 'abuse and

¹⁸ Australian Bureau of Statistics 2016, 'Carers,' *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra, viewed 2 March 2017, <https://goo.gl/IOA7Ko>.

neglect' are contained within the yet to be released *Minister's Rules*, it is difficult to gain an accurate understanding of how children will be assessed as eligible for the payment in practice. In particular, CYDA has concerns regarding the delegation of powers to access private information about families and to make assessments of risk of abuse and neglect.

Children with disability are known in research to experience a heightened rate of violence, abuse and neglect. While there is a significant gap in Australian data, international research indicates that children and young people with disability are over three times more vulnerable to abuse and neglect than their peers without disability.¹⁹ It is unclear how this known vulnerability will inform 'at risk' determinations.

In addition, children with disability are vulnerable to abuse and neglect in institutional settings, as well as in the family home.²⁰ For example, CYDA has received reports of children with disability experiencing restraint in ECEC settings such as being left in a high chair for hours at a time. There is a need for clarification as to whether these experiences of abuse will be captured in the ACCS.

Further concerns include:

- It is unclear how and when families will be notified if an 'at risk' determination is made about their child and how this information is transferred across sectors, including child protection, where relevant;
- Further concerns relate to the capacity of child care providers to make 'at risk' determinations. For example, parents with disability frequently encounter assumptions of 'bad parenting' on the basis of disability. It is unclear how service providers will be equipped with appropriate skills to combat similar stereotypes and make determinations in the best interests of children; and
- Clarification is required regarding whether children who are at risk of experiencing abuse and neglect who are not already receiving the CCS (for example if their families do not meet the activity test requirements) could access the ACCS.

Recommendation 7: A clear definition is established regarding children 'at risk' and a transparent process exists for establishing this determination.

Recommendation 8: The Australian Government provides clarification regarding the process for notification of families if a child is deemed to be 'at risk.'

National Disability Insurance Scheme

A further issue relates to the establishment of the NDIS. NDIS funded services and ECEC will interact in a number of ways. For example, children may access disability services and supports in ECEC settings or there will be need to determine which system will fund particular interventions and supports. To date the work around the NDIS interface with a range of other areas, such as health, education or children and family services, is not well advanced with a complex web of considerations across multiple jurisdictions.

In the context of ECEC, the concurrent transitional period as the two systems undergo significant change underscores the critical need to clearly define interface arrangements. This will involve

¹⁹ P Sullivan et al. 2000, 'Maltreatment and Disabilities: A Population-Based Epidemiological Study,' *Child Abuse and Neglect*, Vol. 24, No. 10, p. 1257.

²⁰ Children and Young People with Disability Australia 2012, *Enabling and Protecting: Proactive Approaches to Addressing the Abuse and Neglect of Children and Young People with Disability*, Melbourne, p. 10.

defining clear roles and lines of responsibility, funding arrangements, present gaps in service provision and ensuring effective collaboration occurs.

A further consideration is also the impact of the Bill on disability specific ECEC services that are therapy based. These centres represent a key area where it is necessary to clearly define roles and funding arrangements with the NDIS.

Recommendation 9: Interface arrangements between the National Disability Insurance Scheme and early childhood education and care are developed as a matter of priority.

Recommendation 10: Children and Young People with Disability Australia is involved in work undertaken regarding the establishment of National Disability Insurance Scheme and early childhood education and care interface arrangements, to ensure the direct experiences of children with disability are a key informant of relevant policy and practice.

CHANGES TO INCOME SUPPORT PAYMENTS AFFECTING YOUNG PEOPLE

A number of changes within the Bill will impact young people accessing income support payments. The Bill seeks to increase the age requirement to access the Newstart or sickness allowance from 22 to 25 years.²¹ Eligible young people under 25 would instead be able to claim youth allowance, which is paid at a lower rate.²² The youth disability supplement will be available to eligible youth allowance recipients under 25.

The Bill also introduces a four-week waiting period for young job seekers under 25 years to receive income support payments.²³ During this period, young job seekers classified as “job ready” through the Department of Human Services’ Job Seeker Classification will be required to undertake a new employment program, RapidConnect Plus.²⁴

The Australian Government has introduced these changes with the stated aim of encouraging and supporting employment and employability skills of young people.²⁵ However, CYDA is concerned that these measures have been developed without consideration of the context and needs of young people with disability and will create additional financial pressures for these young people.

Employment Context of Young People with Disability

The benefits of employment for people in terms of financial security, independence, physical and mental health and a basis for identity are well established in available evidence.²⁶ Within the Australian community there is a strong value placed on employment, with a career or occupation frequently being a key part of a person’s identity. However, young people with disability experience significant disadvantage in relation to educational attainment and employment. This is reflected in available statistics:

²¹ House of Representatives 2017, *Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 – Explanatory Memorandum*, p. 150.

²² Ibid, p. 150.

²³ Ibid, p. 143, 157.

²⁴ Ibid, p. 157.

²⁵ Ibid, p. 150, 157.

²⁶ Foundation for Young Australians 2015, *The New Work Order: Ensuring Young Australians have Skills and Experience for the Jobs of the Future, Not the Past*, Melbourne, p. 5, Organisation for Economic Cooperation and Development 2015, *OECD Skills Outlook 2015: Youth, Skills and Employability*, OECD Publishing, Paris, p. 15.

- 45.8% of people aged 15 to 64 years with disability's highest level of education was Year 10 or below, compared to 25.7% of people without disability;²⁷
- 41% of people with disability have completed Year 12, compared to 62.8% of people without disability;²⁸
- 17% of people with disability have completed a Bachelor Degree or higher compared to 30.1% of people without disability;²⁹
- 38% of young people aged 15 to 24 years with disability either work, study, or do a combination of both on a full time basis compared to 56% of young people without disability;³⁰
- The labour force participation rate for people with disability is 53.4% compared to 83.2% for people without disability;³¹ and
- 10% of people with disability are unemployed compared to 5.3% of people without disability.³²

Key factors that impact employment opportunities for young people with disability include:

- Inadequate school education that does not provide the necessary knowledge, skills and resources to support future meaningful community participation including further education and employment pathways;³³
- Limited or no formal post school transition provision. Post school transition refers to the period in which young people informally or formally consider and prepare for post school life. It is reported to CYDA that post school transition is typically a variable and ad hoc process. This time is fraught with limited information and negative attitudes from schools, employment programs and further education providers. Valuable opportunities such as work experience or part time employment are also frequently denied;³⁴
- Negative attitudes about disability among employers.³⁵ For example, it may be assumed that people with disability are less capable employees or that it will be burdensome or costly to provide any required assistance, modifications or adjustments in the workplace;

²⁷ Australian Bureau of Statistics 2016, 'Table 7.3 Persons Aged 15 Years and Over, Living in Households, Disability Status, by Selected Social Characteristics–2015, Proportion of Persons,' *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra.

²⁸ Australian Bureau of Statistics 2016, *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra, viewed 23 November 2016, <https://goo.gl/cXkD3a>.

²⁹ Ibid.

³⁰ Australian Bureau of Statistics 2012, *Australian Social Trends*, Commonwealth of Australia, Canberra, viewed 23 November 2016, <https://goo.gl/u0oAlp>.

³¹ Australian Bureau of Statistics 2016, 'Table 9.3 Persons Aged 15–64 Years, Living in Households, Disability Status, by Sex and Labour Force Status–2012 and 2015, Proportion of Persons,' *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra.

³² Ibid.

³³ Children and Young People with Disability Australia 2015, *Hear Our Voices: Submission to the Senate Inquiry into Current Levels of Access and Attainment for Students with Disability in the School System, and the Impact on Students and Families Associated with Inadequate Levels of Support*, Melbourne, Senate Education and Employment References Committee 2016, *Access to Real Learning: the Impact of Policy, Funding and Culture on Students with Disability*, Commonwealth of Australia, Canberra.

³⁴ Children and Young People with Disability Australia 2015, *Post School Transition: The Experiences of Students with Disability*, Melbourne.

³⁵ National People with Disabilities and Carer Council 2009, *Shut Out: The Experience of People with Disabilities and their Families in Australia*, Commonwealth of Australia, Canberra, p. 38, Australian Human Resources Institute 2011, *Recruiting People with Disability: An Employer Perspective*, Melbourne, Australian Government Department of Education, Employment and Workplace Relations 2011, *Employer Perspectives on Recruiting People with Disability and the role of Disability Employment Services*, Commonwealth of Australia, Canberra.

- Difficulties in establishing flexible workplace arrangements and negotiating reasonable adjustments; and
- Current structural workforce issues that inhibit young people from locating and maintaining employment, such as increased workforce casualisation; and education systems not providing skill sets that align with the current and future labour market needs.³⁶

Below is a small sample of some direct experiences of young people with disability that illustrate challenges in relation to education, post school transition and employment.

I should be able to work in most jobs, with little changes (to support me). But really, getting a job in the first place is a nightmare! People judge my ability to work, based on an interview which I greatly struggle with – Young person.

(At school) I was never encouraged to achieve and found the expectations were very low for me – Young person.

(My child was) held back from work placement...We have had to fight for him to have transition for life after school.

(School) staff are ill equipped to provide the right support and are knocking back training and new strategies to help my son. As a result he accesses less than 10% of the curriculum, the school has become a baby sitting service. My son is missing out and falling further behind.

Young people with disability evidently experience distinct disadvantage in accessing in employment that is additional to the barriers experienced by their peers without disability.

Comments on Measures Impacting Youth Income Support Payments

The changes included in the current Bill would result in young jobseekers experiencing increased wait times to access income support payments or receipt of a lower payment. CYDA is concerned that these measures will increase financial pressures experienced by young people with disability who are significantly disadvantaged in the current labour market. It is the view of CYDA that the systemic barriers impacting employment outcomes for young people with disability should be the primary focus of policy and reform, rather than reducing access to vital income support to locate budget savings.

Employment of people with disability has been a key focus of recent Australian Government reform. Key examples include the development of a new Disability Employment Framework and reform to Disability Employment Services (DES). Despite this focus, many of the entrenched systemic barriers to employment persist. A key example is education. Students with disability are still typically denied access to a quality education that will support better employment outcomes. Despite this, meaningful education reform for students with disability has not occurred.

It is also critical to note that not all young people with disability are to access the DES system or the Disability Support Pension. Therefore changes impacting youth allowance and newstart are highly relevant for many young people with disability.

³⁶ Foundation for Young Australians 2015, *The New Work Order: Ensuring Young Australians have Skills and Experience for the Jobs of the Future, Not the Past*, Melbourne, Foundation for Young Australians 2014, *Renewing Australia's Promise: Will Young Australians be Better off than their Parents?*, Melbourne, Foundation for Young Australians 2015, *Report Card 2015: How are Young People Faring in the Transition from School to Work?*, Melbourne.

Further, while CYDA supports provision of services to support young job seekers, including those with disability, to develop their employability skills, it is critical that these services are effective, evidence based and do not place an unreasonable burden on young people who are already subject to extensive mutual obligation and compliance requirements when accessing income support.

The changes included in the current Bill will reduce access to vital income support for young people with disability who experience significant disadvantage and exclusion from the current labour market. CYDA therefore does not support these measures.

Recommendation 11: The Australian Government maintain existing waiting periods and age requirements for income support payments impacting young people under 25 years.

LINKING SAVINGS TO NATIONAL DISABILITY INSURANCE SCHEME

The Australian Government has reported that some of the savings made through the passage of the current Bill will be used to fund the NDIS. While CYDA is aware that this issue does not relate directly to the legislation, it is still a relevant consideration.

CYDA has previously raised concerns around the use of savings from other areas of the budget to fund the NDIS.³⁷ Addressing the present NDIS funding gap through savings made from other areas of the budget will take vital funding away from vulnerable people and requires the NDIS to compete for funding with other areas of need.

This arrangement also means funding for the NDIS will be dependent on the capacity of the government of the day to identify savings according to their priorities and have them passed through Parliament. This puts funding for the NDIS in a precarious position, determined by the budget cycle.

CYDA does not support the creation of a special account for the NDIS and inclusion of savings identified elsewhere in the budget as has been the case in relation to the current Bill. Rather, it is the view of CYDA that as a core area of government spending, the NDIS should be funded according to principles articulated in relevant legislation and the shared governance arrangements associated with the Scheme.

CONCLUSION

The current Bill contains a range of measures that will impact children and young people with disability and their families. While CYDA appreciates the urgent need for reform in relation to child care payments, it is seen as problematic that this is contingent upon cuts being made to vital income support for vulnerable families and young people.

The direct experiences of children and young people with disability and their families highlights that reduced access to income support will have significant impacts on wellbeing. For this reason CYDA does not support many of the changes included in the current Bill.

³⁷ Children and Young People with Disability Australia 2016, *Submission: National Disability Insurance Scheme Savings Fund Special Account Bill 2016*, Melbourne.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: The Australian Government collect data detailing the number of families of children with disability receiving the Family Tax Benefit.

Recommendation 2: The Australian Government maintain the present standard rate for Family Tax Benefit Part B for families with a youngest child aged 17 to 18.

Recommendation 3: In the event that the new rate structure for Family Tax Benefit Part B recipients contained within the Bill is implemented, CYDA recommends extending the exemptions that apply to single parents over 60, grandparents and great-grandparents to include families of children with disability.

Recommendation 4: The Australian Government retain the Family Tax Benefit supplements.

Recommendation 5: Development of mechanisms within the activity test to ensure families are not denied access to the Child Care Subsidy in the event that working hours are reduced to meet caring responsibilities for children with disability.

Recommendation 6: The processes associated with reporting requirements and the activity test are as simple and as straightforward as possible. This also applies to circumstances in which there is variability in 'hours of activity' undertaken in a given reporting period.

Recommendation 7: A clear definition is established regarding children 'at risk' and a transparent process exists for establishing this determination.

Recommendation 8: The Australian Government provides clarification regarding the process for notification of families if a child is deemed to be 'at risk.'

Recommendation 9: Interface arrangements between the National Disability Insurance Scheme and early childhood education and care are developed as a matter of priority.

Recommendation 10: Children and Young People with Disability Australia is involved in work undertaken regarding the establishment of National Disability Insurance Scheme and early childhood education and care interface arrangements, to ensure the direct experiences of children with disability are a key informant of relevant policy and practice.

Recommendation 11: The Australian Government maintain existing waiting periods and age requirements for income support payments impacting young people under 25 years.

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