



**“On Newstart with a child I am always at risk of being homeless and go without food for days at a time. Centrelink don't listen to my doctors who say I should be back on DSP.”**

36 year old woman from WA<sup>i</sup>

## How do we reduce poverty for people with disability?

**“We must urgently increase the rate of unemployment payment by at least \$75 per week so that it does not leave people destitute. We must ensure people who need the DSP receive it. And we must do better in employing people with a disability.”**

– ACOSS CEO Cassandra Goldie

With NATSEM and Australia Federation of Disability Organisations (AFDO): “An additional payment of around \$100 per fortnight for single persons on the DSP and \$310 per fortnight for a couple in a household has a significant impact on poverty reduction with the proportion of DSP recipients living below the poverty line dropping from 17.8% to 9.7%.<sup>iii</sup>”

Australian Network on Disability and People with Disability Australia made a joint statement, [Inclusive employment the key to reducing poverty](#), in Anti-Poverty Week 2016:

- “We need to break the link between disability and poverty and the way to do that is through work. I strongly encourage employers from the private, public and not-for-profit sectors to open up their jobs to people with disability.
- Evidence shows that businesses employing people with disability benefit in many ways. Employees with disability have fewer workplace accidents, make fewer Workers’ Compensation claims, take fewer days off and have longer tenure than employees without disability.
- Some people with disability with the same, or even superior skills and attributes to other candidates without disability are often overlooked because of prejudice or low expectations.”

## How many Australians with disability are living in poverty?

According to the ACOSS/UNSW report Poverty in Australia 2018<sup>iv</sup>:

- Just under 2 of the 5 Australians living in poverty have a disability (739,200 or 38% of the nearly 2 million adults Australians who are living in poverty).
- 1 in 6 people with disability were living in poverty, compared with just over 1 in 10 Australians without disability.
- ACOSS/UNSW said “these numbers are likely to under-estimate poverty among people with disability as the poverty line doesn’t take into account the extra costs of disability which many people experience: adjustments to the home, personal support and care, medical and pharmaceutical expenses and additional transport costs such as taxis.”



NATSEM<sup>v</sup> has since estimated the **extra costs of living** for households with

- an adult with profound or severe disability as \$173 a week on average over and above their 2015-16 net income, and
- households with adults with mild or moderate disability needed an extra \$87 per week on average.

**A significant number of Australians with disability and their families are now living in poverty.**

– NATSEM, 2019

## What are the main causes of poverty for people with disability?

### Lack of paid employment

- Less than 5 out of 10 Australians with disability are employed (48%) compared with nearly 8 in 10 (79%) people without disability. People with disability are more likely to want more hours of work as well.<sup>vi</sup>
- The number of people receiving Disability Support Pension (DSP) and working part-time is low and declining. In 2009, just over 9 in 100 (9.3%) received earnings<sup>vii</sup>; in December 2018, it was less than 8 in 100 (7.6%)<sup>viii</sup>.

**People with disability have not benefitted from the positive employment trend in Australia over the last two decades...and that employment is the most important factor in reducing poverty risks.**

– OECD, 2017<sup>ix</sup>

### Low levels of income support payments

- Income support payments for people with disability (especially Newstart) are too low, relative to the poverty line.
- High housing costs are also a source of poverty for people with disability, as for many Australians living in poverty. Rent Assistance payments for people who are living on income support and rent privately only cover one third of the actual cost of rent.
- Households surviving on government allowances such as Newstart or Youth Allowance are twice as likely to be living in poverty than 25 years ago. In 2017, 4 in 5 households with government allowances as their main income (not including payments like the aged or disability pensions) were living in poverty after their housing was paid for, compared with less than 2 in 5 in 1993.<sup>x</sup>

**I was stuck living in my car for 5 months so that I could afford one medical treatment a fortnight, but I could not afford rent on Newstart.**

– 29 year old woman from QLD<sup>xi</sup>



### Why are such large numbers of people with disability receiving the low Newstart payment?

Up to  
**40%**

of adults who rely on Newstart or Youth Allowance have a disability.

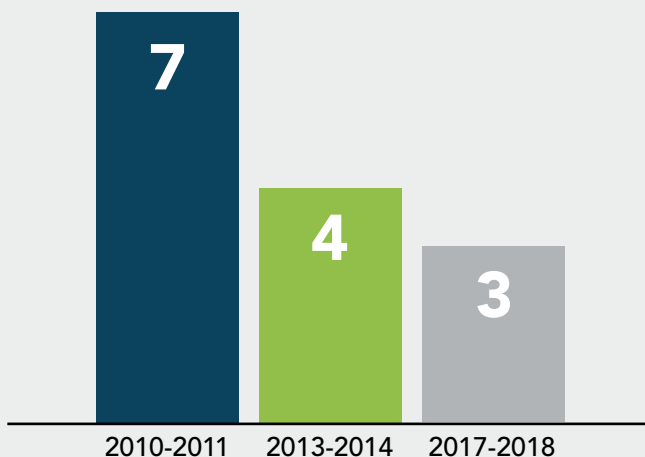
- APW estimates nearly 2 out of 5 of the ~800,000 adults Australians who rely on Newstart or Youth Allowance have a disability. At December 2018 there were 336,800 Newstart & Youth Allowance (Other) recipients with disability participating in labour market programs.<sup>xii</sup> This includes ~210,700 people with a partial capacity to work (more than 1 in 4 of all recipients of Newstart and Youth Allowance Other).
- At December 2014, 1 in 5 people receiving Newstart were assessed as having only a partial capacity to work (less than 30 hours per week). By December 2018, more than 1 in 4 or nearly 200,000 Newstart recipients were in this category.<sup>xiii</sup>

**“I didn’t go anywhere. I didn’t do anything. I just stayed home. As far as food goes, I was eating baked beans, cheese, yoghurt. Just trying to survive really. I was getting behind on all these normal bills, which is something that’s never happened to me or my husband. We’ve always prided ourselves on being ahead.”**

– Trish, on her experience of living on Newstart before she won her appeal to receive Disability Support Pension<sup>xvi</sup>

- The number of people with disability receiving the lower Newstart payment has increased as the eligibility for receiving the Disability Support Pension (DSP) has tightened. For example, there were 86,000 new DSP recipients in 2010-11 and 32,000 in 2016-17.<sup>xiv</sup> The number of successful grants per applicants has also fallen dramatically<sup>xv</sup>:

#### DSP: number of successful grants for every 10 applicants over time



#### What about children with disability?

- ARACY looked at deprivations based on a long-term study of children born in 2004. It found in addition to living below the poverty line, children experienced more deprivations in families for children with a disability and where no parent had a job (unemployed or not looking for work). The 2016 Child Well-Being project found food and clothing deprivation was concentrated among children with disability, young carers and Indigenous young people.<sup>xvii</sup>



**Indigenous people with a disability are 14 times more likely to be imprisoned than the rest of the population... Most of the Aboriginal prison population we would say have some form of disability.**

– Damian Griffis, CEO First Nations Disability Network Australia, 2019 <sup>xviii</sup>

## Are Indigenous Australians more likely to have disability and live in poverty?

- Indigenous Australians are 1.8 times more likely to have disability<sup>xix</sup> and 2.5 times more likely to receive DSP than non-Indigenous Australians.<sup>xx</sup>
- More than 2 in 5 Indigenous households with a family member receiving the DSP reported they had run out of money for basic living expenses in last 12 months.<sup>xxi</sup>

## Are people with disability more at risk of persistent or entrenched poverty?

- Many Australians experience economic disadvantage at some stage in their lives - often as a result of unemployment, illness or disability or a relationship breakdown. For most of us, it is temporary and we are back on our feet in a short time especially if we have savings and/or family and friends to help.
- About 3% of Australians (roughly 700,000 people) have been in income poverty continuously for at least the last 4 years. People with disability are one of the 5 groups of people who are at risk of this entrenched poverty. The others are single parent families, unemployed people, Indigenous Australians and children living in jobless households where no one has paid work.<sup>xxii</sup>

Produced by Anti-Poverty Week as part of its Fast Facts series. Data correct as of 20 September 2019.

<sup>i</sup> Quote provided to APW by [People with Disability Australia](#), August 2019.

<sup>ii</sup> The Guardian, [Access to disability pension slashed by more than half, data shows](#), 8/6/18.

<sup>iii</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>iv</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), *Poverty in Australia 2018*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS.

<sup>v</sup> The first Australian study to apply the Standard of Living approach where households with a member with disability are matched to households with similar characteristics but with no member with disability. Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>vi</sup> AIHW, [Disability in Australia: changes over time in inclusion and participation in employment](#), 2017

<sup>vii</sup> COAG Reform Council, *Disability 2011-12: Comparing performance across Australia*, May 2013.

<sup>viii</sup> [DSS Demographics December 2018](#)

<sup>ix</sup> OECD, [Connecting people with jobs: key issues for raising labour force participation in Australia](#), 2017.

<sup>x</sup> [Poverty rates in Newstart households rising, Centre for Social Research and Methods report finds](#), Canberra Times, 15/9/19.

<sup>xi</sup> Quote provided to APW by [People with Disability Australia](#), August 2019.

<sup>xii</sup> According to the Federal Government's [Labour Market Information Portal](#), 163,600 people (or 77%) of all in the [Disability Employment Service \(DES\) program](#) and 173,200 people (or 27%) of all in the [jobactive program](#) had a disability at December 2018. [DSS Demographics December 2018](#) only counts the number of Newstart and Youth Allowance Other recipients with a partial capacity to work (defined as less than 30 hours per week). At December 2018, there were 210,690 Newstart (199,907) and Youth Allowance Other (10,783) with a partial capacity to work (26% of all recipients of Newstart and Youth Allowance Other). Note that qualifying for DES or jobactive depends on whether it has been assessed that your disability is your primary barrier to employment. For the 77% of people in DES receiving Newstart & YAO, their disability has been

assessed as the *primary barrier* to employment; for the 27% in jobactive with a disability, it must have been assessed as manageable and not the primary barrier.

<sup>xiii</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>xiv</sup> The Guardian, [Centrelink wrongly denies disability support pension to severely ill woman](#), 26/8/19.

<sup>xv</sup> Parliamentary Budget Office, [Disability Support Pension Historical and Projected Trends](#), 2018.

<sup>xvi</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>xvii</sup> The Guardian, [Centrelink wrongly denies disability support pension to severely ill woman](#), 26/8/19.

<sup>xviii</sup> Redmond, G., Skattebol, J., Saunders, P., Lietz, P., Zizzo, G., O'Grady, E., Tobin, M., Thomson, S., Maurici, V., Huynh, J., Moffat, A., Wong, M., Bradbury, B. and Roberts, K. (2016), [Are the Kids Alright? Young Australians in their Middle Years](#), Final Report of the Australian Child Well-Being Project, Flinders University, University of New South Wales and Australian Council for Educational Research.

<sup>xix</sup> Radio National Breakfast, [Concerns over Disability Support Pension brought to the UN](#), 11/9/19.

<sup>xx</sup> AIHW, [Australia's Welfare 2019, Disability Support for Indigenous Australians](#), 2019.

<sup>xxi</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>xxii</sup> Li, J., Brown, L., La. H.N., Miranti, R., and Vidyattama, Y. (2019). *Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability*. NATSEM, Institute for Governance and Policy Analysis, University of Canberra. Report commissioned by the Australia Federation of Disability Organisations. September 2019.

<sup>xxiii</sup> [Rising Inequality?](#) Productivity Commission, August 2018.