



NATIONAL ETHNIC DISABILITY ALLIANCE

Building A Simpler System

To Help Jobless Families & Individuals

Submission from the:
National Ethnic Disability Alliance

June 2003

© NEDA

CONTENTS

INTRODUCTION.....	3
SUMMARY OF RECOMMENDATIONS.....	4
NESB-DISABILITY ISSUES	7
General Issues	7
Discrimination.....	7
Access to Services & Information.....	8
Cost of Disability & Ethnicity.....	8
BUILDING A SIMPLER SYSTEM: Assumption vs. Reality	10
Assumption I	10
Reality I	10
Assumption II	10
Reality II	10
Assumption III	11
Reality III	11
Assumption IV.....	12
Reality IV.....	12
Assumption V	13
Reality V.....	13
Assumption VI	14
Reality VI.....	14
BUILDING A SIMPLER SYSTEM: Objectives / Design Principles	15
BUILDING A SIMPLER SYSTEM: Income Support Payment Levels.....	17
BUILDING A SIMPLER SYSTEM: Income Tests & Work Incentives	20
BUILDING A SIMPLER SYSTEM: Participation.....	22
CONCLUSION	25
APPENDIX 1: NEDA	26

INTRODUCTION

In late 2002, the Commonwealth Government released a consultation paper on income support. The paper was called *Building a Simpler System to Help Jobless Families and Individuals*.

This submission will:

- outline some of the major issues facing people from a non-English speaking background (NESB) with disability and their families
- challenge some of the underlying assumptions contained in the discussion paper by presenting the reality that exists for people from a NESB with disability
- discuss the specific issues contained within the consultation paper and the implications for NEDA's constituency
- present a number of recommendations to government.

There are thirteen questions contained in the paper that relate to three broad areas:

- payment levels
- incentives to work and
- participation.

NEDA has responded to the questions under a series of broad headings. For this reason, the questions are not answered in numerical order.

Whilst NEDA is in agreement that the current system is problematic and in need of reform, we strongly believe that any reforms implemented must be in the best interests of people from a NESB with disability. Therefore, NEDA is keen to engage in meaningful dialogue with the Commonwealth about the contents of the consultation paper particularly given that there are some significant gaps in terms of detail.

It has been estimated that 19 per cent of the Australian population have a disability. The National Ethnic Disability Alliance (NEDA) represents the 25 per cent of people with disability who come from a non-English speaking background (NESB).

NEDA is the peak body in Australia representing the rights and interests of people from a NESB with disability and their families.

Please do not hesitate to contact NEDA's Executive Director Lou-Anne Lind for further information:

40 Albion Street Harris Park NSW 2150
PO Box 381 Harris Park NSW 2150
Tel: (02) 9687 8933
Fax: (02) 9635 5355
E-mail: office@neda.org.au
Website: www.neda.org.au

SUMMARY OF RECOMMENDATIONS

Recommendation	That government develop better links with the disability sector to gain a more accurate understanding of independence and self-reliance in relation to people with disability.
Recommendation	That government recognise activities such as education, training, volunteering etc (see page 10) as participation and that these activities be valued.
Recommendation	That government ensure culturally competent and individually tailored employment assistance is provided so that people from a NESB with disability are placed in real jobs and are paid appropriate award based wages.
Recommendation	That government recognise that the work capacity of people with disability is dependent on a number of factors (see page 12) and that training and incentives alone will not produce any real employment outcomes for people from a NESB with disability.
Recommendation	That funding for the Commonwealth Workplace Modifications Program be increased to cover part-time and casual positions and that this Program be better promoted to employers and employment service providers.
Recommendation	That government work with employers to improve current attitudes towards people with disability.
Recommendation	That government provide real incentives to employers to hire people with disability.
Recommendation	That government work to ensure the new system is fair, equitable and accessible as opposed to it being just 'simple'.
Recommendation	That the age-limit approach be removed to reflect the reality of disability.
Recommendation	That the principles of accessibility and diversity be included into the reforms to ensure meaningful outcomes for people from a NESB with disability.
Recommendation	<p>The welfare system should address income support and the additional costs of ethnicity and disability separately as follows:</p> <ul style="list-style-type: none">▪ In recognition that people from a NESB with disability have additional costs relating to their disability and ethnicity.▪ People who have a disability that are able to demonstrate that they incur non-discretionary costs specific to their disability and ethnicity should receive a cost of disability allowance. This allowance should be non-taxable and should not be included when considering income for the purpose of assessing eligibility for social security benefits.

- People who have a disability should be eligible to apply for a base income support payment, in addition to their disability allowance. This payment should be means-tested and set at the current maximum rate of the Disability Support Pension.

Recommendation	That single income support payments be means tested on the individual's income and assets only.
Recommendation	That a cost of disability allowance, and not a reimbursement model, be provided to people from a NESB with disability who can demonstrate that they incur the non-discretionary costs associated with disability and ethnicity.
Recommendation	That the allowance be non-taxable and not included when considering income for the purpose of assessing eligibility for social security benefits.
Recommendation	That the use of financial penalties for 'breaching' be completely overhauled and more appropriate initiatives (such as a targeted culturally competent information strategy) be implemented to ensure that individuals understand their social security obligations
Recommendation	That for people with disability, there is no limit on the period that a person may receive income support payments or undertake activities related to preparing for work.
Recommendation	That government develop meaningful incentives for employers to hire people with disability.
Recommendation	That a participation supplement be developed to off-set the non-discretionary participation costs for people from a NESB with disability.
Recommendation	People who are deemed to have full capacity to work should be eligible to receive a participation supplement solely on the basis of their participation in job seeking, vocational training, education or volunteer activities,
Recommendation	People who are deemed to have a more limited capacity to work should be eligible to receive a participation supplement on the basis of their participation in job seeking, vocational training, education or volunteer activities and social participation activities.
Recommendation	People who are deemed unable to work should be eligible to receive a participation supplement.
Recommendation	That people from a NESB with disability be eligible for income support while they undertake education or training in the same way as other Australians.
Recommendation	In addition, any training or education which is related to their impairment or ethnicity should be recognised as an appropriate activity, such as literacy and numeracy training.

Recommendation

People from a NESB who acquire a disability after completing a course of study or training should be able to train or study for new qualifications and still be eligible for income support.

Recommendation

People on existing Disability Support Pensions should be able to remain on this payment unless they choose to transfer to the new system.

NESB-DISABILITY ISSUES

General Issues

People with disability are routinely marginalised, stigmatised and dehumanised. People with disability from a NESB have been further disadvantaged because discrimination is experienced on the basis of disability and ethnicity. It is NEDA's experience that discrimination relating to both ethnicity and disability is interdependent and does not follow any logical order of preference

Discrimination occurs at both an individual and a systemic level. Due to the high level of social control experienced by people with disability, the discrimination faced is often institutional. People from NESB, in particular those with a disability and recent migrants, experience highly regulated environments where much of the discrimination is systemic.

Discrimination occurs on an individual and a systemic level. Due to the high level of social control experienced by people with disability, the discrimination faced is often institutional.

People from NESB, in particular those with a disability and recent migrants, experience highly regulated environments where much of the discrimination is systemic.

There are many barriers facing people from NESB with disability including:

- lack of accessible information and knowledge about rights, essential services and supports
- lack of culturally appropriate services and supports
- myths, misconceptions and negative stereotypes about disability and ethnicity in both the NESB and Anglo-Australian communities
- prejudice against people with disability from both NESB and Anglo-Australian communities
- government's emphasis on 'mainstreaming' without acknowledgement of the inequities that exist in relation to ethnicity
- NESB people often do not understand concepts used to describe their situation
- ethnic communities often do not have the capacity to advocate for their needs.

Discrimination

It has been the experience of NEDA that discrimination relating to both ethnicity and disability is interdependent and does not follow any logical order of preference.

The prejudicial attitudes and misconceptions regarding disability that are present in mainstream society are equally evident in NESB communities. Whilst there are differences in the perception of disability amongst different ethnic groups, the relative degree of stigma attached to disability appear similar across NESB and English-speaking communities.

By and large, NESB communities have missed out on education campaigns about people with disability because those conducting these campaigns have failed to seek out or consult with NESB communities. At the same time there have been consultations with people from NESB with disabilities, but those consultations have not resulted in concrete strategies.

Discrimination on the basis of ethnicity is also a reality. If ethnicity did not play a role in the provision of services to people with disability, the figures of service usage in relation to ethnicity would be comparable to those in the general community. The fact that there are so many Anglo-Australians and so few people from NESB in services shows that ethnicity does matter.

Access to Services & Information

Objective 5 of the *Disability Services Act*, 1986 states that:

Programs and services should be designed and administered so as to meet the needs of people with disability who experience a double disadvantage as a result of their sex, ethnic origin, or Aboriginality.

However, in Australia, **three out of four** people from a NESB with disability miss out on receiving Commonwealth funded disability services. This is in addition to the current unmet need for people with disability in general (see NEDA website for more information).

This figure stands despite genuine efforts made by many to redress this situation. This figure points towards the need to seek systemic solutions to the whole disability services system, involving all stakeholders.

Access to information is often the first step towards people participating in the community. Access to information means, in effect, access to opportunities and therefore choices to participate in the community.

Like all people from NESB, people from NESB with disability and their families and carers experience increased difficulties in accessing services because of the lack of resources made available for interpreters and translations.

Services such as the Translation and Interpreting Service (TIS) have increasingly adopted the user pays principle, severely restricting the number of free or subsidised on-site and telephone interpreting sessions available to people and non-profit service providers.

The costs for language services are mostly unbudgeted, resulting in:

- a reduction in community services for people with disability from NESB
- the provision of inappropriate information
- the overall increase in the use of family members and other relatives as interpreters, in violation of standards such as confidentiality, dignity, privacy, etc.

Cost of Disability & Ethnicity

Throughout this submission, NEDA refers to a 'cost a disability'. When we talk about a cost of disability it refers to the non-optional or non-discretionary costs associated with having a disability. This is not about a person's primary and basic needs such as clothing, food or housing but rather the costs a person with a disability incurs in order to have a similar quality of life that most of the community enjoy. For example: if you use a wheelchair, having to pay to catch a taxi because the bus or train is not accessible.

It is also important to consider what the cost of disability and the 'cost of ethnicity' are for people from a NESB with disability. People from a NESB with disability share similar costs of disability with those who do not come from a NESB. People from a NESB with disability however incur additional costs 'associated with their ethnicity'.

For example:

- costs relating to interpreting and translating, particularly given that these services are predominantly adopting 'user pays' principles
- costs relating to the fact that Australia does not recognise a number of overseas qualifications and experiences – there are numerous costs, including loss of income, for those needing to re-educate and re-train in their field
- costs relating to the migration process
- costs associated with the fact that people from a NESB with disability miss out so much on receiving publicly funded services at such a significant rate (see above) and at times need to purchase these services from the private sector.

Throughout this paper, NEDA argues not only for costs of disability to be better off-set via the proposed reforms but that people from a NESB with disability are also able to use their supplement to off-set the additional costs associated to their ethnicity.

BUILDING A SIMPLER SYSTEM: Assumption vs. Reality

The questions contained within the consultation paper are based on some assumed ideas and understandings of disability. Before we can answer the questions, it is important to examine the assumptions to determine if they reflect the experiences of people from a NESB with disability.

Assumption I

An important premise of the paper is the independence and self-reliance of the working-age person. *A focus on self-reliance suggests that for many people, income support would only be 'transitional' assistance...* Throughout the paper it becomes clear that complete self-reliance is promoted as the only acceptable outcome for working-age people.

Reality I

For the working-age person with a disability, independence is not the same as self-reliance. Independence, for a person from a NESB with disability, can mean participating in, and taking responsibility for, decision-making about the important decisions of daily living to the best possible extent.

For people from a NESB with disability the goal needs to be improved independence, moving towards self-reliance, rather than complete self-reliance as the only acceptable outcome.

Self-reliance tends to imply that no other supports are necessary for an individual. This is particularly concerning for people from a NESB with disability because an overemphasis on self-reliance could perversely inhibit independence if essential resources and supports are taken away.

Recommendation	That government develop better links with the disability sector to gain a more accurate understanding of independence and self-reliance in relation to people with disability.
-----------------------	--

Assumption II

That a person's worth and value is only recognised in their capacity to undertake paid work.

Reality II

Paid work should be sufficiently rewarded to those with the capacity to undertake it. However, for people without the opportunity or capacity for paid work they should not be financially or otherwise penalised. For people with disability, participation can mean a number of things: education, training, unpaid work in the community, participation in activities, volunteering, assisting peers etc.

For some people from a NESB with disability, this can be a rewarding and valuable way to contribute to community and should be recognised by government in the same way that it now recognises the value of these activities for older Australians.

Recommendation	That government recognise activities such as education, training, volunteering etc (see page 10) as participation and that these activities be valued.
-----------------------	--

Assumption III

The paper states that the best way to assist people to gain employment is to ...*help them to look actively for work or improve their skills as much as they can. In this way they can be ready to take advantage of job opportunities as they come up...*

Reality III

The reality is that for people from a NESB with disability, the incentive to work is not the primary issue. People from a NESB with disability are already motivated to work and want to this in order to achieve a better standard of living.

The real issue here is the need for practical assistance from government to assist people from a NESB with disability in a gaining employment including:

- financial assistance to meet the costs of participation
- creating opportunities for people to gain work experience
- providing incentives for employers to hire people with disability
- providing re-training to people working in industries or positions that are declining
- technical / equipment assistance
- better education opportunities
- recognition of qualifications and experiences gained in other countries
- ensuring that employment support policies assist in keeping people who acquire a disability in employment
- providing culturally competent services to place people with disability in real jobs with meaningful outcomes and appropriate award based wages.

The particular type of employment assistance that a person from a NESB with disability needs will very much depend on their individual circumstances. For example, their type of disability, age, gender, location, migration status, English literacy etc. Therefore the support provided needs to be tailored to the individual.

Recommendation	That government ensure culturally competent and individually tailored employment assistance is provided so that people from a NESB with disability are placed in real jobs and are paid appropriate award based wages.
-----------------------	--

Assumption IV

Every one with a disability that is not profound is capable of working. The work capacity of a person from a NESB with disability will only be restricted by *their physical and intellectual ability to undertake [part-time] paid work and the amount of time they are available for paid work. Improving capacity is a matter of increased training and incentives.*

Reality IV

The capacity of a person from a NESB with disability to participate in their community, either through paid or voluntary work can not possibly be assessed without reference to their:

- cultural barriers
- structural barriers
- English literacy
- impact of factors such as age, gender, migration status etc
- opportunities to gain education and develop work skills.

The barriers can not be overcome by simply providing individual training and this assumption is worrying because it shows a complete lack of understanding about disability and ethnicity in Australia.

Some facts to consider:

1. An impairment is a medical condition – a disability results from the constraints that are imposed on people who have impairments by the discriminatory practices of society.
2. The participation capacity of a person from a NESB with disability will be affected by many factors, including:
 - discrimination
 - negative employer attitudes and prejudices about people from a NESB with disability and their abilities
 - inaccessible [built] environment
 - the lack of specialised services etc.
3. People from a NESB with disability who are isolated and excluded as a consequence of their disability are further disadvantaged in a labour market where few positions are advertised and most are filled by word of mouth.
4. Australian and international research has found that gender has a significant impact on the employment prospects of people with disability, with women having significantly lower rates of participation and employment.
5. Individual training can not overcome these barriers.
6. During times of high unemployment it is more difficult for people from a NESB with disability to compete for work, particularly people who are older who also experience age discrimination.

The government needs to understand that the participation capacity of a person from a NESB with disability will depend on more than their innate abilities. It will result from the complex interaction of their impairment, personal characteristics such as their gender or age, structural barriers to participation and their access to the labour market.

This means that each person from a NESB with disability will have a different level of capacity. It also means that participation capacity will not remain static, but will change as social conditions change or as a person's circumstances change. This complexity will make gaining an accurate assessment of each individual's participation capacity a resource intensive task.

Recommendation	That government recognise that the work capacity of people with disability is dependent on a number of factors (see page 12) and that training and incentives alone will not produce any real employment outcomes for people from a NESB with disability.
-----------------------	---

Assumption V

People with disability have access to an increasing number of part-time and casual work opportunities, which makes *incentives to take up any work* more important.

Reality V

Whether people from a NESB with disability can benefit from an increase in part-time and casual positions will depend on a number of factors, including the types of jobs being created, the support that is available to potential employees and employers and the attitude of employers to disability.

Where a job is suitable for a person from a NESB with disability, it is likely that some adjustment to the workplace will need to be made. In the case of full-time and part-time positions, the cost of such adjustments may be able to be met through the Commonwealth Workplace Modifications Program. However, the program is not well known by either employers or employment service providers. Employers and Job Network service providers are not taking advantage of the Workplace Modifications Program. In 2002 it was reported that only 2 out of 196 Job Network Providers had utilised it. Moreover, funding is not available for casual positions, which can be a major disincentive to employers taking on people with disability.

The government needs to acknowledge that an increase in the number of part-time and casual positions will not lead to people from a NESB with disability having greater access to employment opportunities without more being done to meet the cost of modifications and to address the attitudes of employers.

Recommendation	That funding for the Commonwealth Workplace Modifications Program be increased to cover part-time and casual positions and that this Program be better promoted to employers and employment service providers.
Recommendation	That government work with employers to improve current attitudes towards people with disability.
Recommendation	That government provide real incentives to employers to hire people with disability.

Assumption VI

The paper talks a lot of 'simplicity'. In fact the title of the paper itself is *Building a Simpler System* and there is an implication or assumption that a 'simpler' system will somehow translate into a 'better' system.

Reality VI

Unfortunately this does not always translate into equity or fairness and NEDA has some concerns that in the government's push to simplify the system, the old inequities will remain and new ones emerge. The reality is that people with disability have a range of different needs and no two people with disability are the same – even those with the same type of disability. What is required is a system able to capture those needs and then provide support. Simplicity also does not lend itself to flexibility.

Recommendation	That government work to ensure the new system is fair, equitable and accessible as opposed to it being just 'simple'.
-----------------------	---

BUILDING A SIMPLER SYSTEM: Objectives / Design Principles

The consultation paper states that the first objective of an income support system is to *...support people who, for whatever reason, are not able to support themselves.*

It then proposes that another objective be added that relates to people who are working-aged (that is, aged between 16 and 64 years): *Income support, tax and related systems will work together to help working-age people to be self-reliant wherever possible.*

The paper then goes on to list seven design principles which could underpin the income support system for people who are working-aged. They include:

- an adequate safety net
- incentives for paid work to maximise participation
- clear expectations and requirements
- simplicity and fairness
- responsiveness to individuals and to changes in their lives
- sustainability
- complementarity with tax and wages systems.

Q1: Are the suggested objective and design principles appropriate? Should others be added?

NEDA endorses the key principles developed by the Welfare Rights Centre (page 12, June 2003 edition of *Rights Review*) as the principles underpinning the social security system in Australia. These principles envisage a social security system based on legislated, reviewable and transparent payments that are subject to parliamentary scrutiny: if you meet the legislative criteria for payment, you have a right to receive it.

NEDA does not endorse any movement towards a discretionary 'welfare' system involving charitable handouts to the 'deserving' (cf the 'undeserving') poor.

In addition to the barriers to economic participation identified in the Welfare Rights Centre key principles, NEDA would add the social barriers facing people from a NESB with disability. In our view it is a government responsibility to take action to remove these social barriers so far as possible. If the government adopted this approach, as well as taking action to remove economic barriers through support for a living wage, providing reasonable 'carrots and sticks' for employers, and providing tax incentives, the discussion paper's focus on individual responsibility would be much more reasonable than it is now.

NEDA does support the adequate safety net principle as long as it confers a living wage for who need it, for however long they need it. For those who are likely to be long-term receivers, the amount must provide not only an adequate income to cover basic living costs but should also cover additional costs as indicated by their circumstances i.e. cost of managing disability.

NEDA can see no reason why support to enhance the participation capacity of people who have a disability should be limited to people aged between 16 and 64 years. Research into the non-optional costs of disability suggests that many people who have an impairment require additional assistance to participate in the community.

In addition, for some people with disability, for instance people with intellectual disability, can be ready for retirement at a much earlier age than people without disability.

Similarly, a person with intellectual disability at 16 years may still require additional years of preparation and support before being ready to participation in the community and / or workforce.

This age-limited approach is also reflected in the objectives and design principles which over-emphasise work capacity testing and undervalue community participation. It would more accurately reflect the recommendations and spirit of the McClure Report for the objective and design principles to focus on testing for participation capacity rather than paid work capacity. This change would ensure that age was not a relevant factor in determining who required additional participation support.

In relation to the design principles, NEDA believes that the principles of **accessibility + diversity** must be included. It is essential that any reform of the income support and taxation systems results in systems that are more readily negotiated by people from a NESB with disability by recognising the issues relating to access for people who come from a diverse range of backgrounds.

Recommendation	That the age-limit approach be removed to reflect the reality of disability.
Recommendation	That the principles of accessibility and diversity be included into the reforms to ensure meaningful outcomes for people from a NESB with disability.

BUILDING A SIMPLER SYSTEM: Income Support Payment Levels

The paper proposes that the current range of pensions and allowances which are paid to people who are working-age be replaced by one payment which would be provided to all people who do not have an adequate alternate source of income. In thinking about the way the single payment might work, the paper asks if:

- the payment would be appropriate for people who have profound disabilities
- the payment should be extended to include people who work in low paid full time work
- additional support should be provided to people with particular needs, for example, people with disability, people who live alone and people who have children.

Q2: Should people with profound disabilities who are never likely to have the ability to work get a special disability payment or the same base income support payment as other working-age people?

It is NEDA's belief that the welfare system should address income support and the additional costs of ethnicity and disability separately as follows:

- In recognition that people from a NESB with disability have additional costs relating to their disability and ethnicity.
- People who have a disability that are able to demonstrate that they incur non-discretionary costs specific to their disability and ethnicity should receive a cost of disability allowance. This allowance should be non-taxable and should not be included when considering income for the purpose of assessing eligibility for social security benefits.
- People who have a disability should be eligible to apply for a base income support payment, in addition to their disability allowance. This payment should be means-tested and set at the current maximum rate of the Disability Support Pension.

Ideally, each applicant's capacity to work should be individually assessed, taking into account:

- the nature of the person's impairment and its impact on the individual the structural disadvantage resulting from the impairment
- the availability of employment options suited to the person's abilities and skills
- other characteristics of the person, for example, their age or cultural factors, caring responsibilities etc.

NEDA is concerned that those who may be considered by the 'severity of their disability' will be placed in the 'too hard basket' and will not have the same opportunities to participate in flexible and innovative learning and employment practices as will be offered to those under an ideal system.

In other words, if a child is seen to have a 'severe disability' there may be little or no support or assistance offered as the child will be considered to have no future other than a Disability Support Pension.

The frequency at which a person's participation capacity is reviewed would also ideally be individually determined. It should however, be possible to exempt some people from future review, depending on their individual circumstances.

However, such a system would require significant additional resources to ensure assessments were thorough, equitable and not subjective. NEDA does not support the proposal to capacity test people who have a disability in the absence of any evidence that additional resources will be provided.

Q5: Should the base rate of working-age payment vary according to relationship status, living arrangements, neither or both?

NEDA does not support the rate of income support payments varying according to relationship status or living arrangements. People living in share house arrangements do not always have reduced costs, nor are any cost reductions always evenly distributed.

It is also evident that financial resources are not shared equitably in many defacto and married relationships, with women being particularly disadvantaged by Centrelink rules about dependent relationships.

For these reasons, a single income support payment should be means tested on the individual's income and assets only. Recipients should be means tested using the income and assets tests that are currently applied to the Disability Support Pension, but with a greater income free area and should be able to estimate their earnings on an annual basis.

Recommendation	That single income support payments be means tested on the individual's income and assets only.
-----------------------	---

Q4: Should [a cost of disability supplement that is paid] to individuals depend on differences in people's individual needs or costs, or vary on some other basis?

See response to question 2.

A cost of disability allowance should be paid to people from a NESB with disability to assist them to meet the non-optional costs of their disability and ethnicity. This allowance should be non-taxable and should not be included when considering income for the purpose of assessing eligibility for social security benefits. The allowance should supplement, not replace, support which is currently provided, for example the Pensioner Concession Card and Mobility Allowance.

NEDA does not support a reimbursement model for a disability allowance because such a system is

- administratively burdensome
- subjective
- weighted towards those who are skilled at negotiating bureaucracy
- not responsive to individuals' circumstances
- unfair to those who have low disposable incomes.

Recommendation	That a cost of disability allowance, and not a reimbursement model, be provided to people from a NESB with disability who
-----------------------	---

can demonstrate that they incur the non-discretionary costs associated with disability and ethnicity.

Recommendation

That the allowance be non-taxable and not included when considering income for the purpose of assessing eligibility for social security benefits.

Q6: What [disability related] needs or costs should be met through additional assistance? Are they best met through cash supplements or by directly providing goods or services?

See responses to questions 2 and 4.

Research into the non-discretionary costs of disability undertaken by Blind Citizens Australia and the Physical Disability Council of Australia found that people have a diverse range of additional disability related costs. While people had some costs in common – mobility, equipment and housing – their other costs were highly personal and reflected their priorities. For this reason, a discretionary cash supplement should be provided. In addition, it should be possible to receive advance lump sum payments of the allowance so that people have the flexibility to use the payment in the way that most suits their needs.

A cost of disability allowance paid would assist people to meet their non-optional costs of disability on a day to day basis, however additional forms of assistance would be required to meet the high cost of accessible housing and some types of adaptive equipment.

NEDA totally rejects the idea of the government providing additional funding to service providers or disability agencies in lieu of a cost of disability allowance paid to individuals as outlined above. We would also reject any voucher proposal. Such schemes undermine independence by dictating to people with disabilities the costs of disability which they are allowed to meet.

Such systems also entrench the disadvantage experienced by people, particularly those coming from a NESB background who have restricted or no access to services.

Q3: Should full-time workers with incomes below the Federal minimum wage be able to get a part rate of income support payment?

The subsidisation of the wages of people whose work productivity is reduced because of a disability should continue. However, it is not the role of the income support system to subsidise the wages of people whose capacity to earn an award wage is not restricted.

The redistribution of income to people who are earning low incomes is more properly pursued through the taxation system, for example, through an extension of the low income earners rebate or the introduction of earned income credits.

BUILDING A SIMPLER SYSTEM: Income Tests & Work Incentives

The paper considers ways to address effective marginal tax rates – that is, when people who have taken on extra hours or a higher paying job lose income through reduced income support payments or lost concessions. The paper also asks what forms of social participation should be recognised as meeting activity test requirements.

Q7: How should additional assistance for participation be structured to help people become more self-reliant?

See responses to questions 2, 4 and 6.

NEDA does not support in any way the use of financial penalties to punish income support recipients for failing to meet administrative or activity test obligations, particularly when the breach has arisen because of a person's disability.

Current penalties for breaches, such as the loss of income for eight weeks, are leading to extreme financial stress and are severely disproportionate to the magnitude of the income support recipient's error.

Research by the Australian Council of Social Service has revealed that people with literacy or numeracy problems (and this includes people from NESB) are over-represented among those who have incurred breach penalties.

Recommendation	That the use of financial penalties for 'breaching' be completely overhauled and more appropriate initiatives (such as a targeted culturally competent information strategy) be implemented to ensure that individuals understand their social security obligations.
-----------------------	--

Q8: How could rewards for work be structured better so there is always an incentive for people to earn more?

See response to question 5.

The Disability Support Pension is currently means tested except for those who are blind. As a result, people from a NESB with disability face a financial disincentive to taking on paid work. Providing a cost of disability allowance which has a much more liberal application of means testing that is not taxable would ensure that people are not discouraged to work and would also protect people from losing income because of additional disability related costs.

The paper's proposals point to the introduction of limits on the period that a person may receive income support payments and the length of time they may undertake activities related to preparing for work. NEDA rejects both proposals as they demonstrate a complete lack of understanding about the reality of disability.

Recommendation

That for people with disability, there is no limit on the period that a person may receive income support payments or undertake activities related to preparing for work.

Q9: Should people in full-time work get extra supplements as incentives to stay in work if they have additional needs? Which people should benefit and what should they get?

See responses to questions 2, 4, and 6.

The paper's focus on individual motivation as the barrier to full time employment for people with disabilities is misplaced and insulting to people from a NESB with disability who have made significant efforts to try to find work, but have been met with discrimination and rejection. The government should consider the use of incentives and disincentives to make it more attractive to hire employees with disabilities and less attractive to make them redundant.

Recommendation

That government develop meaningful incentives for employers to hire people with disability.

Q10: Should employment (or earnings) conditional benefits be used to improve work incentives? If so, how should they work and who should get them?

See response to question 9.

BUILDING A SIMPLER SYSTEM: Participation

The paper explores different ways that people can be encouraged to participate in employment related activities in order to improve their chances of finding paid work. It proposes extending compulsory activity testing to people who have a disability and are capable of working part time. It asks in what circumstances participation in education or training can be considered to satisfy an activity test.

Q11: In what circumstances might people not be expected to look for paid work (eg people with profound disabilities, parents caring for young children, people caring for someone who needs constant attention)? In what circumstances should people's caring responsibilities be recognised as reducing their availability for paid work?

See response to question 2.

People from a NESB with disability with marginal or no capacity to participate should not be required to seek paid employment or to engage in voluntary work. Rather, the government should direct its efforts to overcoming barriers to community participation, for example, waiting times for services or inaccessible public resources.

Support to undertake voluntary work should be available to all people from a NESB with disability but undertaking such work should not be compulsory. The government should, in cooperation with the business and community sectors, establish a meaningful and accessible work experience program for people from a NESB with disability.

NEDA supports the principle that social security recipients of working-age should be encouraged and supported to participation in economic and social activities but strongly opposes as draconian requirements that force people into such activities.

NEDA also supports the notion that the proposed participation supplement be used to offset the costs incurred when participation in economic and social activities.

The participation supplement should be perceived as an incentive with no obligations placed on a person with disability receiving the base payment to acquire this supplement or to use a proportion of their base payment before being eligible to qualify. However, once a person is in receipt of the supplement, NEDA supports the notion that they must demonstrate that they are undertaking activities congruent with the purpose of the supplement.

NEDA strongly believes that economic and social participation should be considered of equal value and that the supplementation should be offered on the following basis:

- People who are deemed to have full capacity to work should be eligible to receive a participation supplement solely on the basis of their participation in job seeking, vocational training, education or volunteer activities,
- People who are deemed to have a more limited capacity to work should be eligible to receive a participation supplement on the basis of their participation in job seeking, vocational training, education or volunteer activities **and** social participation activities,
- People who are deemed unable to work should be eligible to receive a participation supplement solely on the basis of their participation in social participation activities.

The above demarcation in eligibility recognises people's different level of ability to participate in work related activities.

It should be noted that volunteerism in this schema is considered a work-related activity in that it provides people with exposure to a work context and job skills experience.

The participation supplementation should be scaled to those people facing higher support needs and be based on actual costs incurred. Assistance should take the form of both the participation supplementation payment and service such as English language courses for people with low English language proficiency.

Recommendation	That a participation supplement be developed to off-set the non-discretionary participation costs for people from a NESB with disability.
Recommendation	People who are deemed to have full capacity to work should be eligible to receive a participation supplement solely on the basis of their participation in job seeking, vocational training, education or volunteer activities,
Recommendation	People who are deemed to have a more limited capacity to work should be eligible to receive a participation supplement on the basis of their participation in job seeking, vocational training, education or volunteer activities and social participation activities.
Recommendation	People who are deemed unable to work should be eligible to receive a participation supplement.

Q12: To what extent, and in what circumstances, should participation in education or training be recognised as an appropriate activity to build capacity for self-reliance?

People from a NESB with disability should be eligible to receive income support while they undertake education or training in the same way as other Australians. In addition, any training or education which is related to their impairment or ethnicity should be recognised as an appropriate activity, such as literacy and numeracy training.

People from a NESB who acquire a disability after completing a course of study or training should be able to train or study for new qualifications and still be eligible for income support.

Recommendation	That people from a NESB with disability be eligible for income support while they undertake education or training in the same way as other Australians.
Recommendation	In addition, any training or education which is related to their impairment or ethnicity should be recognised as an appropriate activity, such as literacy and numeracy training.
Recommendation	People from a NESB who acquire a disability after completing a course of study or training should be able to train or study for new qualifications and still be eligible for income support.

Q13: Should a new payment system for working-age people include transitional arrangements for people on existing payments?

If any changes to the income support system are made, people on the existing Disability Support Pension should remain on this payment unless they choose to transfer to the new system.

Recommendation

People on existing Disability Support Pensions should be able to remain on this payment unless they choose to transfer to the new system.

CONCLUSION

The discussion paper is primarily concerns with reforms to the income support system. If there is a genuine intention to provide a better and fairer system for people from a NESB with disability, the new system needs to provide a:

- living income (wage)
- cost of disability allowance to meet the costs of disability and ethnicity for people from a NESB with disability
- participation supplement to off-set the costs of participating for all people with disability.

In addition, there are a range of factors that need to be co-ordinate as they also affect income and costs. This includes health and medical service provision, disability support services, genuine employment generation and appropriate employment assistance programs, tax system, public housing etc.

It would also be useful for government to provide a clear a platform for improving the recognition, opportunity and participation of all people from a NESB with disability living in Australia.

Finally, in addition to this platform, it must be acknowledged that in addition to the paid workforce there are many worthwhile and appropriate ways in which people from a NESB with disability can participation and contribute to society.

APPENDIX 1: NEDA

The National Ethnic Disability Alliance (NEDA) is the national consumer-based peak body for people from a non-English speaking background (NESB) with disability, their families and carers.

The overarching aim of NEDA is to advocate at a federal level, for the rights and interests of people from a NESB with disability, their families and carers

All activities undertaken by NEDA include strong consumer involvement and are based on the following Objectives:

1. Represent the rights and interests of people from NESB with disability, their families and carers.
2. Advocate on issues impacting on people from NESB with disability, their families and carers.
3. Work towards securing equitable outcomes for people from NESB with disability, their families and carers.
4. Co-ordinate policy advice to the Federal government and relevant peak bodies on the impact of policy and legislation on people from NESB with disability, their families and carers.

NEDA, because of its cross-sector role (disability and ethnicity) aims to collaborate with and work across a broad range of organisations to represent the interests of people from a NESB with disability

NEDA is governed by a Council, the majority of who are people from a NESB with disability. For more information, please log onto www.neda.org.au.