The Committee Secretariat

Inquiry into the extent and nature of poverty in Australia

The Senate Community Affairs References Committee

Via email – community.affairs.sen@aph.gov.au

Dear Committee Secretariat,

Thank you for the opportunity to make a submission to the Inquiry into the extent and nature of poverty in Australia. This is a timely and critical inquiry. This submission addresses – to varying extents – Terms of Reference a, b, c, d, and e, with a specific focus on the complex relationship between disability, income support and housing insecurity, as well as the persistent nature of poverty.

About us:

Advocacy for Inclusion incorporating People with Disabilities ACT[[1]](#footnote-2) is an independent organisation delivering reputable national systemic advocacy informed by our experience in individual advocacy and community and government consultation. We provide dedicated individual and self-advocacy services, training, information and resources in the ACT.

As a Disabled People’s Organisation, the majority of our organisation, including our Board of Management, staff and members, are people with disabilities. Advocacy for Inclusion speaks with the authority of lived experience. It is strongly committed to advancing opportunities for the insights, experiences and opinions of people with disabilities to be heard and acknowledged.

Advocacy for Inclusion operates under a human rights framework. We uphold the principles of the United Nations Convention on the Rights of Persons with Disabilities and strive to promote and advance the human rights and inclusion of people with disabilities in the community. Advocacy for Inclusion is a declared public authority under the Human Rights Act 2004.

Background:

Poverty is a driver of abuse, neglect and violence against people with disabilities. It places people in situations of harm, reduces their capacity to remove themselves from these situations and leaves them open to exploitation. Food insecurity, housing stress, transport disadvantage and pressures from utilities and other bills combined with additional costs that come with having a disability represent a form of systemic abuse and neglect in a country that can afford to do better.

Many people with disability experience poor economic outcomes, financial hardship, un(der)employment, housing insecurity, and poverty. Recent research also finds that for people with disability, poverty is more likely to be a *persistent* rather than temporary. The nature and extent of poverty represents a systemic challenge, the drivers of which are complex, multifaceted, and interconnected.

Advocacy for Inclusion has embarked on a series of white papers, consolidating, and clarifying important Australian Capital Territory (ACT) and national priorities for disability rights, access, inclusion priorities and services. In the ACT specifically, a combination of factors further exacerbate the extent and nature of poverty amongst people with disability.

People with disability face high utility costs in the capital region.[[2]](#footnote-3) This combined with the temperature control issues in a jurisdiction with extreme weather conditions results in higher energy costs and further cost of living pressures.[[3]](#footnote-4) The ACT also features the highest out of pocket health care costs given the low – and decreasing – numbers of bulk billing practices across the region.[[4]](#footnote-5) Finally, housing remains the key cost of living issue for people on low incomes in the ACT. The chronic shortage of affordable and accessible private rental properties, combined with increasing housing prices and limited supply of social housing, further complicate the nature and extent of poverty for people with disability.[[5]](#footnote-6)

To unpack and highlight the nature and extent of poverty amongst people with disability both in the ACT and across Australia more broadly, this submission focuses on two specific drivers detailed in two supporting white papers (Attachment 1 and 2).

The first white paper details the connections between income support, constrained or intermittent access to paid work and poverty among people with disability. More than half of people with disability across Australia rely on a government pension or allowance as their primary source of income. The inquiry and corresponding report into the purpose, intent, and adequacy of the Disability Support Pension highlighted the close and reinforcing relationship between systems of income support and poverty amongst people with disability. As such, the extent and nature of poverty among people with disability must be examined within the context of income support.

The second white paper focuses on the role of insecure, inaccessible, and unaffordable housing as a driver of poverty amongst people with disability. Housing plays a major role in the health and well-being of people with disability by providing shelter, safety and security. Across Australia, people with disability are needing to increase their disposable income by half (in the short run) just to achieve the same standard of living as people without disability.

Recent reports show that low-income earners are particularly susceptible to housing instability and rental stress.[[6]](#footnote-7) More than a third of people receiving the Disability Support Pension and Commonwealth Rent Assistance are paying more than 30 per cent of their income on rent. Surveys such as the Anglicare Rental Affordability Snapshot consistently show the limited supply of affordable houses for people on the Disability Support Pension. In 2022, people on the DSP all faced a market where 0.1 per cent of rentals were affordable.[[7]](#footnote-8)

The challenges associated with sourcing, approving, and maintaining suitable housing mean that people with disability have a greater exposure to the risk of homelessness. In addition, with cost of living increasing, people with disability specifically are having to compromise on housing, utilities, food, clothing, medical bills, and additional costs that come with disability. To illustrate these costs, a sample fortnightly budget is displayed at the end of this submission (Attachment 3).

Recommendations at a glance:

Advocacy for Inclusion consistently hears from people on the Disability Support Pension who are unable to sustain independence, at risk of becoming isolated or stuck in less than ideal situations, and suffering negative health impacts. We recommend that the Federal Government:

1. Acknowledge that for people with disability who cannot work, the Disability Support Pension (DSP) is a form of income replacement.
2. Acknowledge that the current rate of DSP (just over $450 per week) is inadequate to manage the rising and added cost of living stemming from disability.
3. Raise the DSP to enable people with disability to live independently, with dignity, and actively participate in their communities, and
4. Take action to address the lack of accessible and affordable housing in the ACT by adequately funding public and community housing. In addition, AFI believes that any program of debt forgiveness for public housing between the ACT and the Commonwealth should include a requirement that a percentage of new stock should be delivered as ‘access ready’ so that it can immediately start to address the housing crisis faced by people with disability.

In both white papers, we detail a series of additional policy priorities to consider, specifically in terms of easing the administrative burdens surrounding the DSP.

Both white papers can be found here:

 Attachment 1. [White Paper on Income Support](https://www.advocacyforinclusion.org/wp-content/uploads/2022/10/White-Paper-Income-Support-Sept-2022-1.pdf)

 Attachment 2. [White Paper on Housing](https://www.advocacyforinclusion.org/wp-content/uploads/2022/10/White-Paper-Housing-12-October-2022-FINAL.pdf)

AFI are happy to provide further information or discuss this submission at a hearing.

You can contact our Head of Policy, Craig Wallace on 0477 200 755 or myself on 0439 431 814.

Regards

(Signed by email)

**Nicolas Lawler**

Chief Executive Officer

3 February 2023

Attachment 3. What it costs to live in Canberra for a fortnight with a disability

*AFI have prepared an estimated model household Budget for a fortnight in Canberra (assumes person in rented accommodation, single, unable to drive with additional cost of disability needs for food prep, transport, heating)*

|  |  |
| --- | --- |
| **Expenses**  | **Amount ($)** |
| Rent | 1300 |
| Basic utilities (electricity, gas, water)  | 97.38 |
| Mobile phone and home internet | 13.85 + 34.62 |
| Taxi’s  | 246.00 |
| Groceries + cost of disability loading | 246.00 + 8.61 |
| Personal care and pharma + cost of disability loading | 54.25 + 1.90 |
| *Healthcare/pharma/dental/unanticipated event* | *240.00* |
| Total Due (not incl. unanticipated event) | 2002.61 |
| Total Income (DSP + CRA + Supplements) | 1178.1 |
| Total Left Over  | -$824.51 |
| *Commentary on sources and some assumptions* Rent: $650 per week corresponds to [SQM Research Weekly Rents Index](https://sqmresearch.com.au/weekly-rents.php?region=act-Canberra&type=c&t=1) which represents the combined median weekly rent for all houses and all units in Canberra for the week 28 September 2022Basic utilities: figure taken from Canberra.com.au – the [available cost of living material](https://canberra.com.au/live/moving-to-canberra/cost-of-living/#:~:text=Utilities,as%20galleries%2C%20libraries%20and%20cafes.) is distributed by the Australian Capital Territory Government as a general reference source. The figures also correspond with prices in Finder’s Consumer Sentiment Tracker. Phone and internet: the [average phone bill estimate](https://www.canstarblue.com.au/phone/average-mobile-phone-bill/) represents a mid-point of $30 p/m ($28 for prepaid and $33 for post-paid) (Canstar Blue, 2022). Finder (2022) states [the average broad band user](https://www.finder.com.au/broadband-plans) spends $75 p/m on their internet plan Taxi’s: 13% of DSP recipients live in postcode 2615. The estimated fare from this postcode to Canberra Hospital is $70 one way, to the closest supermarket is $15 one way, and to the city centre $55 one way. Assuming 2 x return supermarket trips, 1 x return hospital and 2 x return city centre trips per fortnight (and taking [ACT Taxi Subsidy Scheme](https://www.audit.act.gov.au/__data/assets/pdf_file/0004/2017516/Report-No.3-of-2022-ACT-Taxi-Subsidy-Scheme.pdf) into account). This estimate is also conservative as it does not take into account extra costs associated with Wheelchair Accessible Vehicles. For a similar estimate, see ACTCOSS’s (2016) [ACT Cost of Living Report: Transport,](https://apo.org.au/sites/default/files/resource-files/2016-04/apo-nid62449.pdf) p. 56. Groceries + cost of disability loading: [Canstar Blue research](https://www.canstarblue.com.au/groceries/average-grocery-bill/#:~:text=The%20average%20grocery%20bill%20for,month%20or%20%244%2C992%20a%20year.) found that $123 represents the average weekly grocery bill for a low-income household, as of July 2022. The disability loading represents the extra, hidden costs of disability. Comparing different survey responses, Frisch (2001) states that it is reasonable to anticipate additional costs between 2 and 5 percent for groceries. A conservative mid-point estimate (3.5%) was used here. Personal care and pharma + cost of disability loading: This figure corresponds to Hughes and Purdey’s (1999) Survey results regarding median annual costs for people with disability. It has been updated to reflect 2022 values. The cost of disability loading refers to Frisch’s (2001) estimate of 2-5%. A conservative mid-point estimate (3.5%) was used here. Healthcare/pharma/dental/unanticipated event: [Household whitegood repair estimates](https://aes-service.com.au/pricing/) start at $195 in the main suburbs of Canberra. Conservative one-off estimate here equates to an appliance repair which requires additional part (+$45.00). This cost is difficult to calculate as it could cover a large range. For example, emergency dental such as root canal can [cost up to $1100;](https://www.nationaldentalcare.com.au/article/how-much-more-expensive-is-emergency-dental) a dental extraction may be up to $600. Note: Approximately 40% of DSP recipients could not raise $2000 within a week.  |

1. On March 24, 2021, Advocacy for Inclusion (AFI) officially merged with People with Disabilities ACT (PWDACT), a systemic advocacy organisation based in the ACT. Herein, reference to ‘AFI’ also acknowledges the values and philosophies of PWDACT. [↑](#footnote-ref-2)
2. ACT Council of Social Services (2022) [ACT Cost of Living Report.](https://www.actcoss.org.au/sites/default/files/public/publications/2022-report-ACT-Cost-of-Living.pdf) ACTCOSS, Canberra, p. 18-21. [↑](#footnote-ref-3)
3. Dignam, J. and Barrett, B. (2022). [Cold and costly: Renter Researchers’ Experiences of Winter ’22](https://assets.nationbuilder.com/betterrenting/pages/345/attachments/original/1661403951/Cold_and_costly_-_Winter_Renter_Researchers.pdf?1661403951). Canberra: Better Renting. [↑](#footnote-ref-4)
4. Productivity Commission (2023) Report on Government Services. [Part E – Health: 10 Primary and Community Health.](https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/primary-and-community-health/rogs-2023-parte-section10-primary-and-community-health-data-tables.xlsx) Tables 10A.31 and 10A.27. [↑](#footnote-ref-5)
5. ACT Council of Social Services (2022) [ACT Cost of Living Report.](https://www.actcoss.org.au/sites/default/files/public/publications/2022-report-ACT-Cost-of-Living.pdf) ACTCOSS, Canberra, p. 22-29. [↑](#footnote-ref-6)
6. Productivity Commission (2023) Report on Government Services. [Part G – Housing and Homelessness.](https://www.pc.gov.au/ongoing/report-on-government-services/2023/housing-and-homelessness?utm_source=twitter&utm_medium=organic&utm_campaign=mcm_social&utm_id=rogs_2023_housing) Table GA.13. [↑](#footnote-ref-7)
7. Anglicare Australia (2022) [Rental Affordability Snapshot: National Report](https://www.anglicare.asn.au/wp-content/uploads/2022/04/Rental-Affordability-Snapshot-National-report.pdf). Table 1. [↑](#footnote-ref-8)