

# Physical Disability Council of Australia Ltd

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## Senate Inquiry into Poverty in Australia

*A response from  
The Physical Disability Council  
of Australia Ltd*

**June 2003**

The Physical Disability Council of Australia Ltd (PDCA) would like to take this opportunity to thank the Senate Community Affairs Reference Committee for the invitation to appear before the committee today.

## Who we are

PDCA is a national disability peak organisation, funded by the Department of Family and Community Services under the National Secretariat Programme.

PDCA was established in 1996 by 5 people with physical disability, to represent the interests and views of people with physical disability in Australia. Today PDCA has over 3200 members and has a reputation as a professional and ethical organisation and is well known for its integrity and representation of members.

## The people we represent

In 1998, 3.6 million people in Australia had a disability (19% of the total population). A further 3.1 million had an impairment or long-term condition that did not restrict their everyday activities. Of those with a disability, 87% (3.2 million) experienced specific restrictions in core activities, schooling or employment.

Self care, mobility and communication are fundamentally important activities underlying all aspects of everyday life. Most people with a disability (78%, or 15% of the total population) were restricted in one or more of these core activities. Depending on the level of assistance needed or difficulty experienced, restriction in core activities was profound (3% of the total population), severe (3%), moderate (4%) or mild (6%) (table 2). Participation in education and the labour force contributes to personal development and independence. Of those with a core activity restriction, 47% (1.3 million) people were also restricted in schooling or employment. A further 327,900 people without a core activity restriction were restricted in schooling or employment.<sup>1</sup>

Regardless of individual differences, it can be said with confidence that people with physical disability, particularly those with significant mobility handicaps:

- have great difficulty gaining access to public and private buildings because of physical barriers such as steps, steepness of site and lack of parking
- face greater costs than other people because of their disability such as specific and essential equipment, modifications to vehicles, household appliances, modifications to housing including internal and external, home maintenance including gardening and lawns, transport, personal and health care including pharmaceutical's and items not included on the PBS, and managing a household and family in many cases.
- generally cannot access public transport and are reliant on taxis, with varying levels of subsidy throughout Australia, or on private vehicles
- face significant discrimination in finding a job and obtaining promotional opportunities, despite the avenues for redress through disability discrimination legislation. The Australian Public Service does not employ people with disability in the same numbers as it once did <sup>2</sup>
- have lower incomes than their age/education peers due to greater difficulties in getting employment and in achieving promotion
- have fluctuating income if their impairment is associated with medical conditions leading to episodic periods of hospitalisation and/or absence from work. (Such people include people with spinal cord injury, multiple sclerosis, muscular dystrophy, polio, cerebral palsy, arthritis etc).

## Poverty and Disability in Australia

The Brotherhood of St Laurence defines poverty as:

- *the lack of access to an adequate material standard of living (in terms of food, shelter, clothing and health) resulting primarily, but not only, from inadequate income*

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<sup>1</sup> ABS Catalogue No. 4430.0 Disability, Ageing and Carers 1998

<sup>2</sup> (discussed at a forum on the Commonwealth Disability Strategy organised by Family and Community Services in 2002 Canberra.

and

- *the lack of opportunity to participate fully in society (for example through employment, education, recreation and social relationships).*<sup>3</sup>

People with disability fit into both of these categories especially those in receipt of a Disability Support Pension or on low wages. People with disability also lack the opportunity to participate fully in society in employment, education, recreation and social relationships and experience discrimination in almost all areas of life.

## Income

In Disability and Disabling Conditions (ABS 1998),<sup>1</sup> the majority of people aged 15 to 64 years earned their main source of income from wages or salary or their own business (8.1 million or 65%). Just over one in five (22%) received a government pension or allowance as their main income. People in this group were more likely to have a disability (34%) than those whose main income was from wages, salary or their own business (11%). Consistent with the employment patterns of the different impairment groups, a higher proportion of those with sensory or speech (46%) or physical impairment (38%) received their main source of income from wages, salary or own business than did those with an intellectual (20%) or psychological impairment (14%).

## Employment

The impact of lower employment opportunities experienced by people with a disability is reflected in their generally lower levels of income. In 1998, the median weekly income for people aged 15 to 64 years living in households was \$360, but for those with a disability it was \$210. As mentioned previously, some impairments have a greater impact on people's ability to work than others. For example, working age people with a sensory impairment averaged \$250 per week, however the median income for those with an intellectual impairment was \$170 per week (ABS 1998),<sup>4</sup>

Current Federal Industrial Relations law is sound for workers with disability. It recognises their equal rights, acknowledges the Disability Discrimination Act (1992) and provides a number of safeguards against disadvantage/discrimination (ie Supported Wages System).

It has been argued that the changing nature of the workforce is making it harder for workers with disability to compete in the workforce with workers without disability. However, it is also true that Australia (as a country) has yet to make a concerted effort to change the attitudes of employers to understand workers with disability as a valuable resource in the economy and to make use of the social capital this gives. This is the basis of Mr Mark Bagshaw's presentations, and his recent research. (Mark is from IBM and himself a person with disability and a well-respected speaker on this issue). This is the 'flipside' to reducing dependency on income support that the Government continues to do little with.

We continue to invest in sheltered workshops, which do nothing to reduce welfare dependency or the image of people with disabilities as valuable citizens and employees. Of course the employer of the year awards begin to address the issue but much more needs to be done.

These are big issues that go beyond 'disability' - the impact of under-employment or unemployment is large - especially in our society where we are taught that a job provides self-identity and esteem and rewards from our peers. As people with disabilities are encouraged (or forced) to move forward and have a greater participation rate in both these areas it is clearly a significant economic, social and health issue for people with disability. For both of these issues, the additional costs of living with disability make the impact of unemployment all the greater.

There is nothing significantly wrong with the income support system - income support is but a safety net without 'bounce' (ie it is not a trampoline). Ministers Newman and now Vanstone are right to turn the debate around to capacity and early intervention, however the debate requires some 'risk taking' by government and an honest and open commitment to mutual obligation as a two way street.

The current employment assistance program for people with disabilities is poor in terms of outcomes. The irony of the disability employment budget is that the government is pumping millions into services that have a historic record of poor results in assisting people with disabilities to participate with dignity in the workforce. We need to ask what such money buys for people with disability or whether we are falling into the cycle of \$\$\$ without change or outcome (like aboriginal health). Or whether any job, regardless of whether it is exploiting the worker, is better than being included as a DSP recipient.

<sup>3</sup> Brotherhood Comment April 2003.

<sup>4</sup> ABS Catalogue No 4433.0 Disability and Disabling Conditions 1998

<sup>5</sup> Meeting specifications as outlined in Australian Standard AS 4299 -1995: Adaptable housing

The Don Grimes view of the world, that Government and the community should evaluate paid assistance by its ability to produce positive outcomes for people with disability has merit and Australia should not be afraid to take risks or be prepared to try other models ... as we have nothing to lose and all to gain.

One example of risk taking was a programme More Intensive Flexible Service or MIFS, which addressed the often difficult and diverse needs that many people with disability experience. It was considered that daily difficulty such as accommodation, training, transport etc, impacted on whether a person with disability would be successful in obtaining and retaining employment. The MIFS programme was embraced by people with disability for it made sense in addressing barriers to employment and building the capacity of a person to be employed, however the current government did not refund this programme after the pilot scheme was completed.<sup>6</sup>

## Housing

In relation to people with disabilities and housing, PDCA submitted the following recommendations to the Senate Inquiry into Housing Assistance in 1997. Since that time little has changed.

1. ensure a national approach to meeting the housing needs of people with physical disabilities, addressing:
  - affordability, taking into account the cost of disability
  - appropriateness (design, location and safety), and
  - security of tenure, including rent adjustment in times of lower income and cost of relocation,
  - through retaining the Commonwealth State Housing Agreement
2. develop national standards which encourage State Housing Authorities and other social housing providers to develop needs based assessment instruments which recognise the severe financial and access disadvantages of people with a physical disability, seeking rental housing, including those people who are not DSS recipients
3. guarantee that the States, with Commonwealth support, retain existing levels of public and community housing stock and commit to the ongoing expansion and upgrading of public and community adaptable<sup>4</sup> and modified housing
4. in co-operation with the states, ensure that capital funding (a special allocation if necessary) is available for housing for people with a physical disability, with the capacity for use for a wide variety of housing models, reflecting flexible property and tenancy management and including individualised funding to encourage home ownership
5. develop a national approach to tenant protection and security of tenure in the private rental market for people with a physical disability
6. in reforming subsidy payments, recognise the needs of non-working spouses and lowly paid workers with a physical disability for affordable housing by including them in the target group for rental subsidies
7. make available a greater level of rental subsidy for eligible public and private renters who require greater amenity to cater for storage of wheelchairs, carer accommodation, greater circulation space and/or proximity to specialist services such as spinal units
8. ensure private investors, particularly those seeking taxation benefits, are aware of their obligations to provide equitable services (including rental housing services) under the Disability Discrimination Act, 1992
9. revise the Building Code of Australia to make adaptable housing AS 4299 mandatory for new Class 1, 2 and 3 buildings
10. **introduce an individually assessed, non means tested disability allowance which meets the cost of disability.** All people with a disability should be eligible, including those in the labour force, those on DSS payments, superannuants and spouses of working partners.<sup>5</sup>

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<sup>6</sup> Paul Cain - Senior Policy Officer - National Council on Disability.

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<sup>57</sup> Unmet need for disability services - Effectiveness of funding and remaining shortfalls. July 2002. AIHW

<sup>8</sup> Physical Disability Council of Australia Submission to Senate Inquiry into Housing Assistance 1997

## Unmet Need

The Australian Institute of Health and Welfare study of Unmet need in services <sup>6</sup> provides some clear factual information about the shortfalls in services. PDCA's conclusion is that people with disabilities have to find these facilities for themselves if not available in the community, which adds to their poverty and cost of disability. :

The findings include:

- The baseline estimate of unmet need for accommodation and respite services in 2001 is 22,200 people.
- The estimate of unmet need for community access services in 2001 is 10,600 places.
- Estimate of unmet need for employment support services in 2001 of 7,300 people;

This research should be taken into consideration when looking at poverty in our community especially in relation to the unmet need aspect and issues where people with disability have their child as primary carer, or people with disability who receive assistance in the home, but not to access the community, thereby being captive in their home. <sup>7</sup>

## Cost of Disability

Physical Disability Council of Australia has been concerned about poverty and the cost of having a disability since its inception. In particular how this impacts on those with a physical disability. <sup>8</sup>

The question of the cost of having a disability has been researched time and again in Australia, and to date has not been addressed, but rather placed into the 'too hard basket.'

Research/References on this topic have included:

- Extra Costs of Disability. The Commonwealth Office of Disability 1987
- Australian institute of Health and Welfare (AIHW) 1997b. Australia's welfare 1997: services and assistance. Canberra: AIHW.
- Schizophrenia Costs: An analysis of the burden of schizophrenia and related suicide in Australia. Sane Australia 2002.
- A concession card for people with chronic illness - a report by the Chronic Illness Alliance Inc. 2000
- John Walsh and Phillip Chappell (1999), Department of Family and Community Services, Cost of Disability Survey Stages 2 and 3 - Demonstration of Relationship: Severity of Disability v Cost, Commonwealth of Australia, Canberra
- Digby Hughes and Felicity Purdy (1999), Australian Quadriplegic Association, Survey of the Unavoidable Cost of Disability Among 200 People with Quadriplegia.
- Needs Survey - Physical Disability Council of Australia Ltd (1997)
- An Analysis of the Additional Costs Due to Physical Disability. Dr Jack Frisch for PDCA (2000)
- The Cost of Blindness. Blind Citizens Australia. 2002
- Prevalence, cost and disease burden of arthritis in Australia. Arthritis Foundation of Australia, (2001)
- Frisch, J. (2000). Economics of Disability. Disability and Law Conference. Australia: Canberra.
- Frisch, J. (2000). Towards a Disability Allowance: Offsetting the Costs of Disability. The Cost of Disability Project. Physical Disability Council of Australia Ltd (PDCA) Australia: Canberra
- Round Table Consultations on the Reform of Income Support for Working Age Australians. Department of Family and Community Services: National Disability Advisory Council (2003)

For this reason, PDCA developed a questionnaire in 1997/98 'Needs Survey' to determine the major needs in the lives of those with a physical disability. The overwhelming response indicated that the cost of having a disability had the most impact on a day to day basis and prevented people from being fully included in Australian society. The questionnaire responses indicated that people with physical disability were struggling to survive, not only in daily living, but also in meeting their disability specific needs on a day to day basis.

The natural progression from the Needs Survey was a specific Cost of Disability Research Project over a 2 year period. This research was conducted and supervised by Dr Jack Frisch, a parent of a young women with a physical disability and a respected Economist and Lecturer with the University of NSW. Dr Frisch was contracted to PDCA during this period and produced the documents below, which are attached for this committee's consideration. An example of the findings is presented below:

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Table 1 below is taken from the document 'An Analysis of the Additional Costs Due to Physical Disability - Based on PDCA Needs Questionnaire' by Dr, Jack Frisch, Economist, Senior Lecturer at University NSW and Consultant to Physical Disability Council of Australia during the years 1999 - 2001.

#### ADDITIONAL COST OF LIVING DUE TO DISABILITY

	Number of Respondents	Cost Estimated by Respondents - \$			Ratio of Average To Standard Deviation
		Average	Median	3 <sup>rd</sup> Quartile	
Loss of income	3	1,500	1,300	1,650	3.4
Accommodation	6	242	225	375	1.7
Aggregate	6	250	200	300	1.3
Insurance	10	115	102	142	2.0
Personal/Home/Attendant Care/Assistance	41	140	80	200	0.8
Home modifications and Furniture	8	153	75	194	0.8
Taxis	56	129	75	170	0.9
Wheelchair, scooter	31	72	55	100	1.2
Miscellaneous	15	61	50	63	.9
Home maintenance, cleaning, garden	83	74	50	100	1.1
Therapies and Exercise	57	70	48	70	0.9
Transport excl. taxis	131	54	42	82	1.5
Continence aids, and associated products	33	55	40	70	1.1
Pharmaceutical's and health care products	159	54	40	70	1.2
Respite	11	46	40	60	1.8
Medical	35	52	36	65	1.0
Food, Diet, Hygiene	31	43	33	55	1.2
Wheelchair and Equipment maintenance	43	46	30	50	.7
Aids and Equipment, Other	91	47	28	60	.9
Communications	19	19	20	28q	1.7
Clothing and footwear	49	29	20	40	1.2
Power and Temperature Control	36	23	18	33	1.3

Results: People with disabilities face a substantially higher cost of living and participating in society than people without disabilities. These higher costs include:

Obvious out of pocket expenditures on the goods and services reported in Table 1 – equipment such as wheelchairs, PADP items, gardening, personal care, attendant care. These are pure disability goods and services.

In addition, many people with disabilities also face higher prices for the regular goods and services bought on a day to day basis that are available for general consumption and unrelated to the individual's disability. For instance taking taxis instead of public transport, additional clothing because of wear and tear, dietary requirements, holidays at accessible venues etc.

The full results of this study are hereby presented to the committee for their consideration. These research findings also forms the position for PDCA in the current consultation on Building a Simpler Income Support System under Australians Working Together being driven by Senator Amanda Vanstone.

1. Frisch, J. (2000). Towards a Disability Allowance: Offsetting the Costs of Disability. The Cost of Disability Project. Physical Disability Council of Australia Ltd (PDCA) Australia:

2. Frisch, J (2000) Towards a Disability Allowance - Offsetting the Costs of Disability - Booklet.

Since that time, other disability organisations such as Blind Citizens Australia and Sane Australia, as well as Chronic Illness Alliance have produced similar studies that reflect the costs of their members.

PDCA offers this document to the Senate Committee and thanks the Committee for giving us the time to present our views on this important matter.

The full Cost Analysis and Cost Booklet are attached to this document and presented to this Inquiry for your consideration.

Thankyou.

Sue Egan  
On behalf of Physical Disability Council of Australia Ltd (PDCA)