

Senate Community Affairs Legislation Committee

Social Services Legislation Amendment (Better Targeting Student Payments) Bill 2017

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

INTRODUCTION

The *Social Services Legislation Amendment (Better Targeting Student Payments) Bill 2017* (the Bill) introduces measures which will cease or reduce income support provided to secondary and tertiary students by the Relocation Scholarship, Education Entry Payment and Pensioner Education Supplement. Students who study part-time will be most affected by these changes.

This submission addresses issues of key relevance for young people with disability who are seeking to access or participating in education. Children and Young People with Disability Australia (CYDA) is often informed that young people with disability experience significant financial disadvantage and rely upon income support payments to meet basic living costs. This has been articulated by CYDA in recent submissions regarding proposed changes to other income support payments.¹

Available research also demonstrates the financial disadvantage experienced by people with disability. For example, the Australian Council of Social Service *Poverty in Australia 2016* report found that adults with disability experience higher rates of poverty than the total adult population (17.8% and 12.9% respectively).² The same research found that 36.2% of Disability Support Pension recipients experience poverty.³ These figures do not take into account the additional costs incurred by people with disability.

A range of factors impact the socio-economic circumstances of young people with disability and their families. A key issue is employment. Young people with disability experience multiple barriers to participating in employment including: significant challenges in accessing and participating in education; limited or no post school transition planning and support; negative attitudes about disability among employers; difficulties in establishing flexible workplace arrangements and negotiating reasonable adjustments; and current structural workforce issues that inhibit young people from locating and maintaining employment.

These poor experiences and outcomes are reflected in available statistics:

- 38% of young people aged 15 to 24 years with disability either work, study, or do a combination of both on a full time basis compared to 56% of young people without disability;⁴
- The labour force participation rate for people with disability is 53.4% compared to 83.2% for people without disability;⁵
- 10% of people with disability are unemployed compared to 5.3% of people without disability;⁶ and

¹ For example, Children and Young People with Disability Australia, Senate Community Affairs References Committee, *Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with the Better Management of the Social Welfare System Initiative*, Submission, March 2017.

² Australian Council of Social Service 2016, *Poverty in Australia 2016*, Sydney, p. 35. This data refers to people with disability “with a core activity limitation” as defined by the Australian Bureau of Statistics.

³ Ibid, p. 8.

⁴ Australian Bureau of Statistics 2012, *Australian Social Trends*, Commonwealth of Australia, Canberra, viewed 11 August 2017, <https://goo.gl/u0oAlp>.

⁵ Australian Bureau of Statistics 2016, Table 9.3 Persons aged 15–64 years, living in households, disability status, by sex and labour force status–2012 and 2015, proportion of persons, *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra.

⁶ Ibid.

- 44.7% of people with disability live in households in the lowest two quintiles for gross household income, compared with 20% of those without disability.⁷

Disability services and supports are currently undergoing unprecedented reform as a result of the implementation of the National Disability Insurance Scheme (NDIS). It is however important to recognise that many young people are yet to access the Scheme and some will not be eligible for funded services and supports through the NDIS in the future. Many service and support gaps are therefore still being paid for by young people and these costs can be significant.

Further, some young people with disability have ongoing medical care needs and require access to health care or rehabilitation, often requiring payment for medical or allied health services, either at full or partial costs. There are also many incidental financial costs which young people with disability often incur. Examples include increased utility expenses, specific dietary requirements and additional transport costs.

It is therefore the current lived reality for many young people with disability that expenses are higher in a range of areas or income is reduced. This can result in ongoing, acute financial pressure, which may be increased for young people who experience multiple disadvantage. For many, this means income support payments are relied upon to meet essential living expenses.

CYDA is concerned that the changes recommended in this Bill will entrench the disadvantage experienced by young people with disability who are seeking to access or participating in education. CYDA therefore does not support the passing of this Bill.

CHILDREN AND YOUNG PEOPLE WITH DISABILITY AUSTRALIA

CYDA is the national representative organisation for children and young people with disability, aged 0 to 25 years. The organisation is primarily funded through the Department of Social Services and is a not for profit organisation. CYDA has a national membership of 5300.

CYDA provides a link between the direct experiences of children and young people with disability to federal government and other key stakeholders. This link is essential for the creation of a true understanding of the experiences and challenges faced by children and young people with disability.

CYDA's vision is that children and young people with disability living in Australia are afforded every opportunity to thrive, achieve their potential and that their rights and interests as individuals, members of a family and their community are met.

CYDA's purpose is to advocate systemically at the national level for the rights and interests of all children and young people with disability living in Australia and it undertakes the following to achieve its purpose:

- **Listen and respond** to the voices and experiences of children and young people with disability;
- **Advocate** for children and young people with disability for equal opportunities, participation and inclusion in the Australian community;
- **Educate** national public policy makers and the broader community about the experiences of children and young people with disability;

⁷ Australian Bureau of Statistics 2016, Table 8.3 Persons aged 15–64 years, living in households, disability status, by age and selected economic characteristics–2015, proportion of persons, *Disability, Ageing and Carers, Australia: Summary of Findings, 2015*, Commonwealth of Australia, Canberra.

- **Inform** children and young people with disability, their families and care givers about their citizenship rights and entitlements; and
- **Celebrate** the successes and achievements of children and young people with disability.

DISCUSSION

The Bill introduces the following measures which either cease or reduce income support presently received by some students.

Relocation Scholarship

The Relocation Scholarship is presently paid to some students on Youth Allowance or ABSTUDY Living Allowance in an approved scholarship course who move away from home for higher education study, excluding those who move between major cities. It is an annual payment starting at \$4,376 in the first year of study, intended to assist with the costs of relocating.

It is proposed that students whose family home is outside Australia and students who undertake part of their course overseas will no longer be eligible for the payment.

Education Entry Payment

The Education Entry Payment is an annual payment of \$208 to assist certain secondary and tertiary students receiving long-term income support payments with education expenses, including people on the disability support pension.

The Bill will reduce the annual payment provided by the Education Entry Payment for students whose study load is 75% or less.

Pensioner Education Supplement

The Pensioner Education Supplement is presently available to certain secondary and tertiary students receiving long-term income support payments, including people on the disability support pension, and is intended to help with the ongoing costs of study. It is currently a fortnightly payment of \$62.40 to full-time students and \$31.20 for students with a study load of 25% to 50%.

The Bill will change the rates of fortnightly payments to a four-tiered payment structure, with payments amended according to study load. Payments will be reduced for many recipients whose study load is 75% or less and will cease during semester breaks.

CYDA does not support the passing of the Bill. In CYDA's view the proposed measures have not given due consideration to the specific circumstances that young people with disability contend with. It is believed that a number of these measures will make it even harder for many young people with disability who are already on very low incomes to commence or continue study. Further it is thought that it will entrench the considerable disadvantage already experienced by many students with disability.

Thank you for the opportunity to provide feedback regarding the *Social Services Legislation Amendment (Better Targeting Student Payments) Bill 2017*.

Please do not hesitate to contact CYDA if you would like to discuss further any aspects of this submission.

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