



Submission to the Senate Standing Committee on Employment, Workplace Relations and Education

Inquiry into the Social Security Amendment (2007 Measures No. 1) Bill 2007

July 2007

National Disability Services appreciates the opportunity to comment on the Social Security Amendment (2007 Measures No. 1) Bill, particularly in regard to the extension of the higher rate of the Mobility Allowance.

The Mobility Allowance assists people in employment or training who, because of a disability or medical condition, cannot use public transport without assistance. The higher rate (currently \$104 per fortnight) is payable to people who are in receipt of Disability Support Pension, Newstart Allowance or Youth Allowance and are working (or looking for work) of 15 hours or more a week at the minimum wage or above. All others receive the lower rate of \$74.30 per fortnight.

The Australian Government created a higher rate of Mobility Allowance as part of its welfare-to-work package, announced in 2005. Initially it proposed restricting the higher rate to people who would no longer be eligible for Disability Support Pension under new stricter rules. The higher rate would help compensate or assist people who, under the new rules, would receive a

lower rate of income support (Newstart or Youth Allowance) and be required to work or look for work of 15 hours or more.

However, the Government was persuaded to relax its original position by extending the higher rate of Mobility Allowance to people in receipt of Disability Support Pension, as long as they were either working or looking for work in the open labour market of 15 hours or more.

This extension of the higher rate to a group unaffected by the welfare-to-work changes weakened the rationale for maintaining two rates of Mobility Allowance. The Bill that is currently before the Committee further weakens the rationale by extending the higher rate to people in open employment paid under the Supported Wage System.

National Disability Services welcomes the extension of the higher rate of Mobility Allowance proposed in this Bill, but believes that continuing to maintain a lower rate for some groups is inequitable.

The inequity is particularly apparent once it is recognised that the lower rate applies to people who are most likely to be in need of assistance. There are two main groups who are denied - and under this Bill will continue to be denied - the higher rate of Mobility Allowance.

The first is people whose disability is so severe that it prevents them working 15 hours a week. This group includes people with high support needs in open employment.

The second group is all people with disability employed in a Disability Business Service.

Disability Business Services employ people with a disability who find it difficult to work or maintain employment in the open labour market. The 378 Disability Business Service outlets across Australia employ around 19,000 people with disability, 75% of whom have an intellectual or learning disability and 9% of whom have a psychiatric disability. 97% of supported employees receive the Disability Support Pension and most employees (56%) work full-time.

Most supported employees in Disability Business Services are paid a productivity-based wage. A small number are paid under the Supported Wage System. NDS's understanding is that even the few who are paid under the Supported Wage System will be denied the higher rate of Mobility Allowance proposed in this Bill, because they don't work in open employment.

On average, supported employees in Disability Business Services receive a significantly lower wage than employees with disability in the open workforce. Thus their capacity to pay for transport to work is less.

Under current arrangements, the lower the employee's income and the more severe the disability the less likely he or she is to receive the higher rate of Mobility Allowance. The Bill under consideration, although it extends the

higher rate to new groups, does little to rectify this anomaly. Indeed, it makes the continuing denial of the higher rate to the remaining group look even more anomalous.

There is no sound justification for continuing to deny access to the higher rate of Mobility Allowance to people who are most likely to be in need of it.

Recommendation

On the grounds of equity, all people eligible for the Mobility Allowance should receive the higher rate.

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About National Disability Services

National Disability Services is the peak industry body for disability services. Its purpose is to promote and advance services for people with disability. It represents a membership of over 600 not-for-profit organisations, located across Australia. NDS's members support people with all forms of disability – including physical, intellectual, sensory and psychiatric. NDS is the only organisation that represents the full spectrum of disability services – employment, accommodation, respite, children's services and more – at national and state/territory levels.
