

Future Arrangements for the Disability Employment Services Program

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Social Services	-	4.6	6.9	4.0	3.2
Department of Employment and Workplace Relations	-	0.4	0.2	0.1	-
Total – Payments	-	5.0	7.1	4.1	3.2

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p. 179

The Government will provide \$19.4 million over 4 years from 2022–23 to extend the Disability Employment Services program for two years to 30 June 2025. Building on the consultation undertaken to date, the extension will allow for a detailed design phase for a new disability employment services model to better support people with disability to find ongoing employment.

The cost of this measure will be met from within the existing resourcing of the Department of Social Services.

Plan for the National Disability Insurance Scheme

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of the Prime Minister and Cabinet	-	11.1	3.9	-	-
National Disability Insurance Agency	-	5.8	385.0	-	-
Department of Social Services	-	-10.1	3.2	7.3	-
Total – Payments	-	6.9	392.1	7.3	-

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p. 185

The Government will provide \$437.4 million over 3 years from 2022–23 to support people with disability and their families. Funding includes:

- \$385.0 million in 2023–24 in additional funding to the National Disability Insurance Agency (NDIA) for operational funding to support National Disability Insurance Scheme (NDIS) participants
- \$21.2 million over 3 years from 2022–23 for NDIS Appeals providers to support people with disability and their families with the Administrative Appeals Tribunal (AAT) appeals process
- \$18.1 million over two years from 2022–23 to review NDIS design, operations and sustainability
- \$12.4 million in 2022–23 to introduce an expert review pathway to resolve disputes arising from NDIA decisions, reduce the number of appeals to the AAT, and provide better and earlier outcomes for NDIS participants
- \$0.6 million in 2022–23 to expand residential accommodation for people with disability at Jindelara Cottage in Ulladulla, New South Wales.

This measure will be partially offset by redirecting \$31.2 million of uncommitted funding over two years from 2022–23 from the Information, Linkages and Capacity Building program.

Incentivising Pensioners to Downsize

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Social Services	-	9.0	18.4	19.2	20.1
Department of Veterans' Affairs	-	0.3	0.5	0.5	0.5
Services Australia	-	-	-	-	-
Total – Payments	-	9.2	18.9	19.7	20.6
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	1.0	3.0	3.0

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p 180

The Government will provide \$73.2 million over 4 years from 2022–23 (and \$0.4 million per year ongoing), including:

- extending the assets test exemption for principal home sale proceeds from 12 months to 24 months for income support recipients
- changing the income test, to apply only the lower deeming rate (0.25 per cent) to principal home sale proceeds when calculating deemed income for 24 months after the sale of the principal home.

This measure will reduce the financial impact on pensioners looking to downsize their homes in an effort to minimise the burden on older Australians and free up housing stock for younger families.

The cost of this measure will be partially met from within the existing resourcing of the Department of Social Services, Services Australia and the Department of Veterans' Affairs.

Personal income tax receipts are also expected to increase by \$7.0 million over 3 years from 2023–24 as a result of this measure.

This measure delivers on the Government's election commitments as published in the Plan for a Better Future

Jobs and Skills Summit – incentivise pensioners into the workforce

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Social Services	-	55.4	-	-	-
Services Australia	-	4.0	0.1	-	-
Department of Veterans' Affairs	-	2.5	-	-	-
Total – Payments	-	61.8	0.1	-	-
<i>Related receipts (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	15.0	-	-

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p. 181

The Government will provide \$61.9 million over two years from 2022–23 to provide age and veterans pensioners with a once-off credit of \$4,000 to their Work Bonus income bank.

The temporary income bank top-up will increase the amount pensioners can earn in 2022–23 from \$7,800 to \$11,800, before their pension is reduced, supporting pensioners who want to work or to work more hours to do so without losing their pension.

Personal income tax receipts are also expected to increase by \$15.0 million in 2023–24 as a result of this measure.

This measure implements an outcome from the Jobs and Skills Summit.

Lifting the Income Threshold for the Commonwealth Seniors Health Card

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Health and Aged Care	-	11.3	15.0	16.4	17.4
Services Australia	-	4.3	1.6	1.7	1.8
Department of Social Services	-	-	-	-	-
Department of Veterans' Affairs	-	-	-	-	-
Total – Payments	-	15.6	16.6	18.1	19.2

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p. 181

The Government will provide \$69.9 million over 4 years from 2022-23 to increase the income threshold for the *Commonwealth Seniors Health Card* from \$61,284 to \$90,000 for singles and from \$98,054 to \$144,000 (combined) for couples.

Abolish the Cashless Debit Card

Payments (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Social Services	-	7.9	1.6	-2.7	-6.1
Department of Finance	-	0.1	-	-	-
Services Australia	-	nfp	nfp	nfp	nfp
Total – Payments	-	8.0	1.6	-2.7	-6.1

Source: Commonwealth of Australia (2022), Budget Paper No. 2, p. 175

The Government is committing \$217.7m over 4 years from 2022-23 to abolish the Cashless Debit Card and commence transition to voluntary income management from 6 March 2023. Note that not all Basics Card participants will be able to transition off compulsory income management: this is expected to impact primarily Aboriginal communities.

Policy issues and indicators

Women are more likely to live in poverty than men, with 20 per cent of all women living in poverty compared to 17 per cent of men. Data released by the Department of Social Services (June 2022) shows that women make up over half of all payment recipients in Australia.

Single parent families, 80 per cent of whom are female-headed, remain the family type who are most impoverished. Many single mothers have left domestic and family violence, which remains a key driver of poverty.

There has been an alarming increase in older women's experience of poverty. After single parent households, older women are both the poorest household type and the most likely to be dependent on income support. For older women, a lifetime of reduced financial security due to the gender pay gap, interrupted employment, little or no superannuation and relationship breakdown is being worsened by the change in the Age Pension eligibility from 60 to 65 years and the resulting increased reliance on JobSeeker. People in the 55-64 age group are those most reliant on JobSeeker, and remain on the payment the longest.

When gender is overlaid with other identities, disadvantage and marginalisation for women is magnified. This is particularly true for Aboriginal and Torres Strait Islander women, with approximately 80 per cent of households earning below the national average; women from culturally and linguistically diverse communities (CALD) or recently arrived in Australia, who have difficulty accessing services and are often

banned from accessing welfare for up to 4 years; women with disabilities, who experience higher rates of poverty and lower rates of employment, and reduced participation in the NDIS; and women who identify as LGBTIQ+, who experience higher levels of disadvantage and may be discriminated against in employment opportunities.

There are a number of budget measures that provide practical support for Australians living with disability, such as funding for Changing Places and residential accommodation. There is also the potential for structural change through the NDIS review. The increased budget allowed for the Administrative Appeals Tribunal, while possibly helpful in reducing a backlog of cases, does indicate the large number of appeals that are lodged by NDIS recipients after having funding cut or knocked back upon application. It is a symptom of a system that is inaccessible to many, including women: the NDIS has a participation rate of 37 per cent for women, whilst Australian Bureau of Statistics data indicates that girls and women make up 49 per cent of the disabled population.

Disappointingly, there are no major reviews of the Disability Support Pension flagged in the budget, nor payment rate increases. The continuance of the role of Disability Employment Services Program is concerning: many disabled Australians are required to undertake a Program of Support before being able to qualify for the Disability Support Pension. This mandatory engagement with employment services providers lacks dignity, effectiveness, and should be removed.

Gender implications

The lack of social security reform to address payment adequacy and accessibility is disappointing. While the budget includes some measures to address the high cost of living, these primarily target young families, and leave the most vulnerable women and their families behind. While some budget measures, such as Paid Parental Leave, signal a return to universal basic entitlements, this premise has not been carried over into other policy or social security areas: for example, reforms such as increases to the income threshold for Seniors Health Care Cards have not been applied to other Health Care Card users. A lack of significant reform of the NDIS and Disability Support Pension will result in disabled and chronically ill women and girls continuing to experience poverty.

Recommendations

There Government should:

- increase in the rate of Jobseeker, Single Parenting Payment, Disability Support Pension, and related payments as a matter of urgency
- introduce the indexation of rates for payments that specifically reflect the real cost of living
- introduce supplementary payments for single parents and disabled recipients to recognise the extra costs of living they incur
- double the rate of Rent Assistance
- remove the Program of Support requirements for disabled income support recipients, instead providing optional employment support programs
- abolish compulsory income management in full
- review the drivers of the gender gap in NDIS participation
- lift the income threshold for the Health Care Card for all Australians (not solely seniors), and
- Increase the income threshold for social security payments, to enable recipients to earn a living wage.