

DISABILITY SERVICES, FUNDING CHANGES

Grievance

MR A.P. O'GORMAN (Joondalup) [9.54 am]: My grievance is directed to the Minister for Disability Services and relates to government funding of services and other assistance for people with disabilities and their families in Western Australia, particularly in the light of the Howard government's so-called Welfare to Work package. I would like the minister to outline the Gallop government's view on the commonwealth's announcements and the likely impact of those changes on the services and support for people with disabilities and their families in Western Australia.

As the minister is aware, these services are of vital concern to many of my constituents. Disability service providers in my electorate have already sought a meeting with me to discuss their fears about the impact of the changes on their clients. In fact, I met with some of them last week.

In my opening remarks I referred to the so-called Welfare to Work package because the centrepiece of the Howard government's reform is to reduce payments to low-income families dependent on welfare. All new disability support pension applicants assessed as being able to work more than 15 hours a week will be ineligible for the disability support pension. People with disabilities, who are unable to access the disability support pension after 1 July 2006 and who are placed on the Newstart allowance, will be \$40 a week worse off. This will cause extreme financial hardship on top of the additional costs that they are already obliged to meet or typically incur because of their disabilities. The package has been better described as a "welfare-to-more-welfare package", and not the Welfare to Work package. Cutting payments and fiddling with eligibility for payments does not improve people's job prospects. In fact, it jeopardises them. Changing the disability support pension work test from 30 to 15 hours will not account for sporadic mental illnesses, and it will not convince one single employer to hire a person with a disability. As the minister knows, it is already quite difficult to get employers to hire a person with a disability. This measure will make it more difficult. This package is all about severe punishment, not assistance. In reality, the largest proportion of new commonwealth spending announced in the package will serve to build a bigger stick approach with more money being spent on compliance measures and advertising. It appears that the federal government has to tell the public what a good job it thinks it is doing, rather than just doing the job. It should be trying to genuinely improve employment opportunities for people with disabilities. There are major concerns about the possible impact of the new compliance penalties on people with low to intermediate intellectual and/or psychiatric disabilities who may not understand the implications on their welfare payments if they fail to meet these measures. Indeed, one gentleman who came to see me last week has a mental illness. He is protected from these changes because he is already on the disability support pension. He told me that some days he can get up and go to work without any problem. However, some weeks he is not able to reach that 15 hours. The Howard government has also abandoned the 700 000 current DSP recipients who are desperate for work opportunities, including approximately 57 000 recipients in Western Australia. They are given no support with these changes and will fall behind the rest of the community. I am told that the nature of the disability employment reform pursued by the Howard government has exposed WA to significant cost pressures estimated at approximately \$1.9 million on a recurrent basis and rising to \$6.5 million over the next five years. That is without adding in the likely additional support costs shifted to the state government for people with disabilities who are forgotten or disregarded by this package. Forcing people onto a lower income support payment and requiring them to undertake mutual obligation strategies has not been proved to be effective, nor does it stimulate growth in employment demand. Indeed, empirical evidence suggests that individuals who participate in mutual obligation activities are less likely to find work than those individuals concentrating on gaining employment. Again, a number of people with disabilities and carers of people with disabilities have approached me and outlined these issues. Additionally, the Australian work force has lost a significant number of full-time permanent jobs within the labour market and there has been a sharp increase in the casualisation of the work force. Thus, people moving from the disability support pension to casualised employment are likely to remain entrenched in positions of poverty as their income levels will not be sufficient to maintain a standard of wellbeing on a par with other Australians.

Australian Bureau of Statistics data on household income levels of people with disabilities already indicates severe levels of poverty. With the new reforms the situation will become worse. The dollar costs and empirical data do not include or acknowledge the high personal cost to people with disabilities and their families. I am aware that a member of the family that adopted the minister has a disability. I am sure he is aware of this issue already.

The proposed changes to the disability support pension will result in a two-tier system of income support for people with disabilities. People with higher support needs will be at risk of being further excluded from employment.

I am aware that the Gallop government has substantially increased its funding commitment to the disability sector. State funding will increase by 44.08 per cent over the life of the current state/territory disability agreement, compared with a 25.55 per cent increase from the Howard government. I am certain that the state government remains committed to assisting people with disabilities and their family. However, I am very concerned that not only has the commonwealth failed to fulfil its obligations but also these changes will make the situation much worse. This is a real concern for me. A lot of people with disabilities live in my electorate. I do not know whether that is because I have become involved with those people through the education support centres in the schools, but I am really concerned that in the future severe imposts will be put on them when they try to assimilate into the regular work force. I ask the minister to give this matter his attention.

MR R.C. KUCERA (Yokine - Minister for Disability Services) [10.01 am]: I thank the member for Joondalup for raising this issue. This has been an issue of concern for me and it has been heightened since the federal budget was announced. Firstly, I take this opportunity to praise those people I have met already in the disability services sector in this state. I have never seen a more committed and compassionate group of people than those in the aged care industry. The people who work in this sector are among the lowest paid in Australia, but they exhibit the most dedication and commitment that I have ever seen.

We, including backbenchers, deal with our electorates on a daily basis, and new members of Parliament will come to recognise the great deal of anguish that exists in the disability services sector because of the level of support it receives. This was recognised by the Gallop government in its pre-election commitments. The efforts of the previous minister, Hon Sheila McHale, resulted in one of the biggest budget commitments ever made to the disability services sector in this state, with the allocation of an additional \$70 million over the term of the government.

The member for Joondalup mentioned the politicians' adoption scheme. I have been a member of that scheme almost since its inception and I applaud the family that has adopted me, David and Judy Willox and their young son Timothy. He is an absolute delight but he exhibits enormously challenging behaviours. How that family copes is beyond me. I was very pleased when they obtained the full respite funding for their son. There is now a glimmer of hope for that lad as he moves into his adult years.

Under the commonwealth, state and territory disability agreement, the states and territories have administrative responsibility for accommodation, the alternatives to employment program, community access and respite, while the federal government has responsibility for specialist disability employment programs. However, the funding remains a shared responsibility. The Gallop government has committed a \$70 million funding boost to disability services. This is the largest proportion of the state budget that has ever gone into the disability services sector. I want to contrast this with the Howard government's effort. In 2003-04, this state expended \$207 362 000 of state funds under the CSTDA, and the Australian government expended \$43 866 448, making a total expenditure in that year of \$251 228 448. Since then this government has pledged a further \$10.7 million for additional accommodation services. The previous government was well aware of this issue and, despite the fact that we often play around with figures, I applaud the efforts of the member for Warren-Blackwood when he was minister. No doubt he saw the levels of compassion and commitment that I am now seeing. This should not be a political point-scoring exercise. We need to work together on this. However, the Australian government's proportion represents less than 17 per cent of Western Australia's total expenditure under this agreement. The state government is now committing some 83 per cent of the funding under this agreement. I table a graph showing the quite remarkable difference in the two levels of CSTDA funding for 2004-05.

[See paper 438.]

Mr R.C. KUCERA: Although the state acknowledges that the Howard government recently put additional moneys into this agreement, it was at the expense of the states and territories. Many of the programs that were funded by the Howard government have either been transferred or moved across to another organisation. It appears that the government will abandon the transition from school to work program, which has been working effectively in this state, again cutting off those people who find it the most difficult to enter the workplace.

In 2004-05, the Gallop government provided indexation of some 3.1 per cent for its proportion of the funding of disability services in this state, compared with indexation from the commonwealth government of 1.6 per cent. The gap continues to grow. I table another graph that shows the CSTDA growth funding for 2004-05. This state put some \$10.8 million of additional moneys into the disability program by this state, and a measly \$491 000 came from the federal government. I am sure the federal government would be pleased to see the size of the slice of the pie that it committed.

[See paper 439.]

Mr R.C. KUCERA: I will move on quickly and speak about the nature of disability service reforms, because I suspect all members in this house would have had some anxiety about these reforms expressed to them by the

disability services sector. It is clear that increased pressure will be placed on state disability services as it becomes more difficult for people with high support needs to access disability employment. They will be left behind following these changes. Nobody would argue with the concept of getting people into active employment and off welfare - everybody accepts that - but, as the member said, the support mechanisms must be put in place for the employer and not just for the person who is seeking work. It is a courageous employer who takes on board a person with disabilities. I applaud those employers for that. Nobody disagrees with this approach, but as I said yesterday, at a time when Australia can afford to help the most disadvantaged, the Howard government has chosen to punish rather than assist them. Some people can go back into work, but the decision seems to be driven by ideology instead of compassion and practicality. I thank the member for Joondalup for raising this matter. I will be a fierce advocate on behalf of the disability services sector in its approach to the federal government.