Neoliberalising disability income reform: What does this mean for Indigenous Australians living in regional areas?

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Introduction

It is well documented that Australia’s Aboriginal and Torres Strait Islander peoples have experienced some of the harshest effects of neoliberal intensification and its continuous pursuit of state welfare retraction and stigmatisation (Bielefeld this volume, Chapter 8). Given the highly racialised nature of these measures, practitioners, activists and researchers concerned with the advancing of neoliberal principles in Australia have been mostly interested in Indigenous social policy. In the meantime, other fields of social provisioning that have become increasingly important to Aboriginal and Torres Strait Islander wellbeing have received little critical attention (Gilroy & Donnelly 2016). Disability social provisioning measures, particularly disability social security income structures, is one such area. The Howard Government, as early as 2004, began to radically transform Australia’s Disability Support Pension (DSP), and there has been continued bipartisan support to significantly diminish access to this payment (Morris et al. 2015). Some community advocacy organisations have recently attested that the number of people receiving the DSP
has decreased overall (Soldatic & Sykes 2017). Further restrictions are predicted, with the announcement in the 2016 Budget that up to 90,000 DSP recipients would be reassessed for an estimated budgetary saving of AU$62.1 million (Morton 2016).

The impact of such changes on Aboriginal and Torres Strait Islander peoples is not directly known or understood, with attention on disability social security systems being surpassed by other urgent concerns, such as access to the new AU$22 billion National Disability Insurance Scheme (NDIS). Nonetheless, the population size affected by the DSP is almost twice that of the targeted NDIS (over 800,000 compared to an estimated 400,000); its population base has been historically much broader. Yet, emerging narrative evidence suggests that Aboriginal and Torres Strait Islander Australians with disabilities are one of the groups most affected by the retraction of the DSP. The DSP is much more generous than general social security payments, such as Newstart Allowance, and entitles recipients to access a diverse range of subsidies and concessions that alleviate the additional costs associated with living with a disability.

The interrelationship between Indigenous political rights and Indigenous health and wellbeing and the right to appropriate and adequate social protection strategies (commonly referred to as social security benefits and payments) was first formerly identified as a critical factor for indigenous self-determination and autonomy internationally within the International Labor Organization’s (ILO) Indigenous and Tribal Peoples Convention, C169. Part 5, ‘Social Security and Health’, consists of two distinct yet interrelated Articles, 24 and 25, that clearly illustrate the interrelationship of long-term indigenous health and wellbeing with state social protection mechanisms. Article 24, in particular, illustrates the need for states to recognise and provide appropriate mechanisms to ensure non-discrimination and accessibility to a broader diversity of social security arrangements and that, in application to indigenous persons:

Social security schemes shall be extended progressively to cover the peoples concerned, and applied without discrimination against them (Article 24).

The long-term impacts upon indigenous bodies with European invasion and colonisation has also been recognised within the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Articles 21 and 22 of UNDRIP proclaim that particular attention be paid to ‘the rights and special needs of … persons with disabilities’, as well as indigenous elders, women, youth and children. While this is an attempt to address intersectionality within international law, Australia’s reluctance to enact UNDRIP or support the ILO convention demonstrates the unique discriminatory processes, impacts and outcomes of its disability and Indigenous policy at the local scale.

To identify the potential impacts of these trends in disability social security retraction, this chapter first provides an overview of the changes to the DSP and then focuses on the implications for regional Australia, particularly the historical role of the DSP in sustaining regional populations in times of economic change. This section raises significant questions about the impact of the national neoliberal retraction of social policy on regional towns. It also shows the kind of adjustments and policy responses that local government authorities harness for some of their most vulnerable populations in times of economic change. Finally, the chapter discusses the potential effects on regional Aboriginal and Torres Strait Islander people with disabilities who are seeking access to the disability income support system but are frequently denied it due to the interstice of Aboriginality, disability and regionality, drawing upon theories of economic insecurity advanced by Bruce Western and colleagues (2012).

Neoliberalising the disability income system

Recent national data in relation to disability suggests that the prevalence of disability for Aboriginal and Torres Strait Islander Australians was approximately 23.9 per cent (ABS 2015), an increase from 23.4 per cent in 2012 (ABS 2012) and 21.1 per cent in 2009 (ABS 2009). The non-Indigenous population prevalence of disability has remained fairly constant at around 17.5 per cent in 2015 and 18.5 per cent in 2012 and 2009 (ABS 2017). The labour market participation of disabled people of workforce age currently stands at only 53.4 per cent, which is 30 per cent lower than that of non-disabled individuals of the same age group.

lower than for the general Australian population (ABS 2015). More than 800,000 Australians with disabilities of workforce age receive a DSP (Morris et al. 2015). This raises broader questions in relation to issues of long-term illness and disability, and how Australian disability policy responds to Aboriginal and Torres Strait Islanders living with disability.

The shift of disability from the fringes to the centre of economic policy, particularly within Organisation for Economic Co-operation and Development (OECD) countries, emerged in the mid-1990s (Soldatic & Chapman 2010). With the onset of the global financial crisis, disability policy became ‘a key economic policy area in most OECD countries’ (OECD 2009: 1). Nearly all Western liberal democracies have undertaken large-scale disability policy restructuring in line with neoliberal welfare policy trends (Wilton & Schuer 2006, Humpage 2007, Soldatic 2013). While there is a multiplicity of local variations and deviations, international analysis suggests that neoliberal disability policy tendencies converge around the restructuring of disability social security entitlements with the primary aim of steering disabled people off disability pensions and into the open labour market (Roulstone & Barnes 2005, Grover & Piggott 2010). Australia, the UK, Canada and the USA have seen wide-ranging implementation of numerous governance technologies to ‘activate’ the labour market participation of people with disabilities (OECD 2009). These technologies, such as individual compacts, participation plans, sanctioning regimes and, in Australia, mutual obligation requirements, compel disability social security recipients into a set of prescribed activity tests as a condition of maintaining access to benefits (Grover & Piggott 2010, Soldatic & Pini 2012). The central purpose of these activation technologies is to: 1) reduce the number of disabled people receiving disability social security; and 2) restrict the disability eligibility criteria to curtail the future growth of disability social security and programming (Grover & Soldatic 2013).

Australia has been both leader and follower in these global trends. Indeed, since the late 1990s a plethora of strategies has been implemented to reduce the number of people accessing the DSP (Galvin 2004, Soldatic & Pini 2009, 2012), and disability social security policy has been radically reconfigured under the broad banner of national welfare reform (Mendes 2008, Soldatic & Meekosha 2012). While the most contentious of the proposed reforms proved to be politically untenable under the Howard Government, the 2011 Labor Government budget actively implemented many of its predecessor’s policies. Yet, unlike its predecessor, the Labor
Government undertook a comprehensive review of the DSP medical impairment test to ascertain disabled people’s partial work capacity and implemented mutual obligation requirements and activity tests—participation plans—for those people on the DSP aged under 35 years (Macklin 2011). Within a 12-month period, the number of Australians on the DSP dropped by 0.98 per cent, from 827,460 to 814,391 (Soldatic & Sykes 2017).

This drop raises the question of what entitlements people with disabilities receive if they no longer qualify for the DSP. Morris and colleagues (2015) have demonstrated that people with disabilities now on general social security payments, such as Newstart Allowance, have significantly lower weekly payments with few benefits and concession entitlements. As the Australian Council of Social Service has identified, relying on Newstart results in extreme poverty, with 55 per cent of Newstart recipients living below the poverty line (ACOSS 2016). This is based on income only and does not take into account the full gamut of costs associated with living with a disability. As Soldatic and Sykes (2017) document, disability poverty is much more complex. Drawing on Alcock’s (1993) framework, they highlight that disability poverty is interrelated across four dimensions: income deprivation, inadequacy of service systems and supports, employment exploitation and discrimination, and, finally, inaccessible environments that increase costs for people with disabilities. For example, people with physical impairments are often required to use taxi services rather than public transport. Even though they may receive some type of transport subsidy, the personal outlay of using taxi services results in higher personal expenditure that they cannot afford. Therefore, income deprivation results in a range of social and economic losses, cumulating in greater personal hardship and poverty over a longer period of time. Additionally, to qualify for such subsidies, individuals must first qualify for the DSP and be deemed eligible for mobility assistance.

The move to diminish access to the DSP has pushed more disabled people onto Newstart with dire outcomes—increased rates of real poverty—as people are unable to meet the additional costs of disability; in some circumstances, this has led to the development of secondary impairments (Morris et al. 2015). Not only is the ongoing retraction of the DSP demoralising and stigmatising, but it has real impacts on the health and wellbeing of people with disabilities, diminishing their bodily capacities and sense of self-worth while denying dignity and respect. Many people
with disabilities will no longer qualify for additional disability assistance, such as mobility subsidies or increased health care costs. Table 7.1 outlines these significant changes.

Table 7.1: Welfare streams for people with disabilities according to assessed work capacity

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Less than 15 hours</th>
<th>15–30 hours</th>
<th>30+ hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry program</td>
<td>DSP</td>
<td>Newstart</td>
<td>Newstart</td>
</tr>
<tr>
<td>Payment for singles</td>
<td>$797.90 per fortnight</td>
<td>$528.70 per fortnight</td>
<td>$528.70 per fortnight</td>
</tr>
<tr>
<td>Pension supplement</td>
<td>$35.00 per fortnight minimum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditions</td>
<td>No activity testing required if you are over 35 years DSP reduced by 50c for each dollar earned in the labour market above $164 per fortnight</td>
<td>Required to undergo job search and activity testing Newstart reduced by 50c for each dollar earned in the labour market above $104 and up to $254 per fortnight, then 60c in the dollar for labour market earnings above $254 per fortnight</td>
<td>Required to undergo job search and activity testing Newstart reduced by 50c for each dollar earned in the labour market above $104 and up to $254 per fortnight, then 60c in the dollar for labour market earnings above $254 per fortnight</td>
</tr>
<tr>
<td>Special assistance measures</td>
<td>Access to a range of pension benefits such as highly subsidised pharmaceuticals, rental assistance, educational supplement and subsidised transport DSP is one of the key eligibility criteria for state/territory-funded disability support services such as in-home support, disability counselling, aids and equipment, subsidised taxi scheme, and companion card</td>
<td>Access to a range of pension benefits such as highly subsidised pharmaceuticals, rental assistance and educational supplement Do not qualify for state/territory-funded disability support schemes that require the DSP for eligibility</td>
<td>Access to the Health Care Card, which has lower-level subsidies than those available on the DSP No access to state/territory-funded disability support schemes</td>
</tr>
</tbody>
</table>

Note: All dollar figures are Australian dollars.

Source: Adapted from Morris et al. (2015) and updated from Department of Human Services (2016a–e) to reflect the rules and payment rates at the time of writing (27 December 2016).
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An investigative report released by the Commonwealth Ombudsman has identified that Aboriginal and Torres Strait Islander Australians are significantly disadvantaged under these new eligibility rules and criteria (Neave 2016). Two aspects are particularly discriminatory: 1) the medical evidence required for DSP assessment; and 2) the highly restrictive eligibility criteria. Aboriginal and Torres Strait Islander people are therefore more likely to be assessed for Newstart, further entrenching their structural position of poverty.

First, the new evidence requirements for a positive DSP determination presuppose extensive engagement with the formalised Australian medical system, where an individual can draw upon historical medical records and evidence to demonstrate long-term disability. As documented throughout the report, this actively discriminates against Aboriginal and Torres Strait Islander peoples’ cultural engagement with their bodies and the use of Indigenous medical knowledges of healing and wellbeing (Neave 2016). Importantly, the requirements also misrecognise the lack of medical services readily available to Aboriginal and Torres Strait Islander people residing in regional and remote areas. It is well documented that regional and remote Australia is poorly serviced; in turn, residents of such areas have poorer health outcomes as they are unable to attend to the early onset of disability-creating illnesses and diseases due to lack of readily available medical services. Second, the eligibility criteria for the DSP is imbued with a set of Western normative systems of the body and, therefore, the questions asked of the individual in relation to the impact of disability do not necessarily align with Indigenous cultural engagements with the body and mind: it is ‘race blind’. As noted in the report, this also has a particular spatial-cultural dimension. Aboriginal and Torres Strait Islander people with disabilities residing in regional and remote areas, close to community and country, respond to many of the eligibility questions from an Indigenous standpoint, a form of body-and-mind engagement that is outside Western understandings of what the body and mind can and cannot do.

The spatial dimension of the experience of Aboriginal and Torres Strait Islander people with disabilities residing in regional Australia is little understood, despite the significant consequences this has on their daily lives, the levels of poverty experienced and, critically, the level of social supports and services they are entitled to, to ensure a life of decency as a person with disability. It is this aspect that this chapter will now explore in greater detail.
Spatial dimensions of the DSP: Regional Australia

Regional Australia has endured extensive economic restructuring over the last 30 years (Horsley 2013). With the onset of a changing international and national economic and social landscape, many regional centres are adopting new policies and practices to regenerate their economic activity, to meet the employment demands of their communities and to sustain their local population base (Beer & Clower 2012, Rainnie et al. 2014). Processes of regeneration are increasingly framed around developing new markets to spur on economic growth, which, in many instances, are export-focused for global trade (Beer 2012). The effects of these economic processes of regional regeneration are often uneven and differentiated (Plummer et al. 2014). They are shaped by local historical structures, industries and populations, and the fluctuating global demand for local resources, products and services (Luck et al. 2011).

As Fraser and colleagues (2005: 151) suggest, economic restructuring and social change in regional Australia has stimulated ‘two sharply differentiated zones, one of growth and one of decline’. This is particularly the case for regional centres in the Top End and in the lower southeast of Australia; their economies are markedly distinct (McKenzie et al. 2014). Lower southeast Australian regional centres have experienced long-term processes of mining disinvestment and deindustrialisation (Weller & O’Neill 2014). In the northern, Top End of Australia, regional economic development has been heavily tied to the resource boom alongside cultural economies, such as cultural festivals and natural tourism, in anticipation of the resource boom demise (Gibson et al. 2009, Plummer et al. 2014, Rainnie et al. 2014).

One of the key factors mitigating the negative impacts of regional economic instability and economic restructuring has been Australia’s complex income support system (Beer 2012: 274). National income support systems have offered local populations a type of ‘buffer zone’ to navigate shifting and/or declining local labour markets while regional areas transition to new forms of economic activity (Tonts et al. 2012). The significance of these support systems in maintaining regional centres in times of economic uncertainty has been well recognised in national income support legislation and policy (Daniels 2006), particularly for the DSP. Before 2004, national DSP legislation described disability broadly,
taking into account structural disadvantages including residential location and local labour market buoyancy (Soldatic 2010)—forms of structural disablement that were locally contingent, yet nationally recognised. This historical feature within the DSP added a layer of support for regional communities to withstand processes of economic restructuring and endure the often long wait until regeneration of their communities, economies and industries. In 2004, these broader structural processes of disablement were removed from the eligibility criteria of the national DSP (Soldatic 2010), making it more difficult for regional disabled people to access disability income support and associated entitlements (Soldatic & Sykes 2017). Local regional disabled populations who no longer qualify for the DSP are facing greater levels of economic insecurity as the loss of disability status means the loss of local and state government tax breaks, subsidies and entitlements specifically designed to maintain a level of support for regional disadvantaged populations (Soldatic et al. 2014).

This economic insecurity is particularly heightened for those people with disabilities and their families who reside in regional areas that are dominated by extractive industries. Local residents of mining regions tend to access jobs in ‘ancillary industries or other sections [that] often earn much more modest wages and are confronted by high house prices and inflated living costs’ (Beer 2012: 273). Regional residents with disabilities are often not in a position to take up mining employment due to the limited educational opportunities available within these regions (Spurway & Soldatic 2015), evident by their consistently low employment rates (ABS 2015). Even when they do work, their earnings are not sufficient to cover the daily costs of living, which have become artificially inflated with the resource boom (Chapman et al. 2014). Simultaneously, regional areas in economic decline that have lower costs of living experience an increase in low-income households with the in-migration of income support recipients (on DSP and Newstart) (ABS 2009).

The interstice of disability and regionality creates uneven and differentiated outcomes, yet this experience remains largely unknown and is little understood. Core questions remain. How do local governments, communities and economies respond to changing national redistributive social policy measures? How do regional towns and centres adjust social programming within the local landscape to address new vulnerabilities that are created with population restratification? And how do they respond to the specific needs of Aboriginal and Torres Strait Islander peoples with
disabilities within their regions who are unable to access appropriate nationally assigned disability entitlements and payments? The next section identifies some of the potential issues that require further investigation.

The impact of disability income reform on Indigenous people in regional towns

Indigenous unemployment in regional Australia has largely remained static at 17.6 per cent over the last 10 years (ABS 2011), and this rate is even higher for Aboriginal and Torres Strait Islander people with disabilities residing in these areas (AIHW 2011). Tonts and colleagues (2012: 288–301) have demonstrated that regional centres with high Aboriginal and Torres Strait Islander populations have a higher proportion of low-income households dependent on income support measures.

Bruce Western and colleagues propose examining the impact of changing social security regimes on regional communities through the prism of economic (in)security. They define economic (in)security as the level of potential loss faced by households as they encounter the unpredictable events of social life (Western et al. 2012: 341). Public policies, related to unemployment benefits and disability pensions for example, alongside social policies around public housing, health care and education, play a central role in mediating the impact of negative outcomes of a changing economic landscape on individuals, their families and communities (Western et al. 2012). Economic insecurity has been on the rise globally with the intensification of neoliberalism as policy hegemony, as it radically diminishes the social provisioning structures that have historically provided household stability and wellbeing with the onset of broader economic change (growth or decline). While, in Australia, household economic insecurity has risen overall (ILO 2004), it is rural and remote regions that have most sharply felt its presence (Tonts et al. 2007).

Having a disability substantially increases all risks associated with economic insecurity, whether the disability is acquired in adult life or is an existing condition on entering the labour market (UNDESA 2008). For people with disabilities, economic insecurity is heightened due to the enduring structural discrimination embedded within the labour market (ILO 2014). Additionally, it is well recognised that due to direct and indirect forms of racism, Aboriginal Australians face particular barriers
to achieving economic security via labour market participation and associated earnings. The persistence of these extensive forms of racism has significant implications for health, illness and disability and, in turn, extensively heightens Aboriginal Australians’ exposure to economic insecurity when compared to the non-Aboriginal population (Scrimgeour & Scrimgeour 2008).

Diminished access to the DSP for Aboriginal and Torres Strait Islander people with disabilities in regional areas only heightens the risks associated with economic insecurity. Disability status, recognised through DSP eligibility, provides access to a range of increased supports, such as, but not limited to, prioritisation for public housing (thereby lessening long-term dependence on the private rental market); additional local government subsidies, benefits and community programs; public transport subsidies; and a range of highly subsidised health care and disability supports. These critical social benefits are broader than disability supports and care, such as those offered under the NDIS.

As Peck (2013: 248) has argued, neoliberalising the development of rural and remote economies positions the market as ‘natural’ through counterposing discursive structures of ‘dysfunction’ that publicly undermine enduring and sustainable Indigenous customary economies and practices. Yet, as Spurway and Soldatic (2015) have documented, for many Aboriginal and Torres Strait Islander people with disabilities residing in regional towns, traditional food practices and knowledges have been central in coping with the chronic economic insecurity generated by the neoliberalisation of disability income regimes. This research stresses the importance of not romanticising Indigenous food sovereignty practices when they are enacted to address chronic food insecurity caused by a changing social security landscape.

Conclusion

The eligibility rules for the DSP are not based on an objective system of disability measurement. The DSP’s operationalisation is deeply embedded in political ideological commitments to a just society (positive or negative) and constructed with a particular set of normative assumptions about the body and Western medical science. Significantly, and a key area undertheorised within the disability social policy literature, the DSP has a spatial dimension. The implications of the ongoing neoliberal retraction
of disability income regimes for Aboriginal and Torres Strait Islander Australians residing in regional towns has been little considered. Aboriginal and Torres Strait Islander people with disabilities living in regional Australia face serious disadvantages that have persisted over time, with few documented improvements despite the significant investment in government policy to ‘close the gap’. With further changes mooted for the DSP, it is urgent that we begin to identify, examine, analyse and document the ways in which regional Australia responds to, navigates and traverses the interstices of national policy agendas and local economic imperatives for its Aboriginal and Torres Strait Islander populations with disabilities. This knowledge is critical to enable regional Australia—which has in the past heavily relied upon national income support policies for its most marginalised populations—to design, develop and implement effective local responses to substantive economic and social change that sustain the material, social and cultural wellbeing of Aboriginal and Torres Strait Islander Australians with disabilities.

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