

The Disability Poverty Cycle in the ACT

Anti-Poverty Weeks 2023

Poverty disproportionately impacts marginalised people, exacerbating financial costs and social disadvantage. Many people with disability experience poor economic outcomes, un(der)employment, financial hardship and poverty. In 2010, Australia ranked the lowest among OECD countries for the relative income of people with disabilities.¹

The Disability Poverty Cycle

Not only does having an illness or disability limit people's ability to find suitable paid work but it also incurs higher living expenses due to medication, treatment, and the premiums placed on more specific items. Such extra costs are typically unreported.

For people with disability, a range of physical, communication, institutional and attitudinal barriers reinforce cyclical poverty. These include;

- economic insecurity (inadequate income support, higher living costs, limited employment opportunities),
- housing stress (lack of affordable and accessible housing, discrimination),
- health issues (lack of timely and affordable healthcare, isolation and lack of mental health support),
- high living costs (high medical expenses, additional costs of devices, aids, household modifications etc.), and, reduced access to education, skills and training.



Figure 1. Visual Representation of the Disability Poverty Cycle

¹ OECD, [Sickness, Disability and Work: Breaking the Barriers: A Synthesis of Findings across OECD Countries](#), Paris: OECD Publishing, 2010

Data on Disability Disadvantage

Most figures underestimate poverty and financial stress among people with disability as the poverty line does not account for the extra costs of disability which many people experience. These include, for example, adjustments to the home, personal support and care, medical and pharmaceutical expenses, and additional transport costs such as taxis.



- People with disability have lower personal incomes than their non-disabled counterparts.
- In the ACT, the weekly personal income of people with disability was estimated as \$700, nearly half that of people with no reported disability (\$1343).²

- In the ACT, people with disability are overrepresented in the bottom two income quintiles.
- People with disability represent 44% of people in the two lowest income quintiles.³
- Approximately one third (30.8%) of all people with disability live in low-income households.⁴



- Almost 4 in 10 Australians living in poverty have a disability (38%).⁵
- The number of young people with disabilities in Australia surviving on below-the-poverty-line welfare benefits has exploded by more than 300% over the past decade.⁶

- In June 2023, there were 8805 Disability Support Pension payments in the ACT.⁷
- Of all DSP recipients Australia-wide, only 6.9% reported any earnings from the previous fortnight in June 2023.⁸



² Australian Bureau of Statistics (ABS), [Disability Ageing and Carers, Australia: Australian Capital Territory, 2018](#). ABS: Canberra, Australia, 2019, Table 7.1

³ ABS, [Disability Ageing and Carers, Australia](#), Table 8.3

⁴ ABS, [Disability Ageing and Carers, Australia](#), Table 8.3

⁵ Australian Institute of Health and Welfare (AIHW) [People with disability in Australia 2022](#), AIHW, 2022, p. 364.

⁶ Children and Young People with Disability Australia, [Drive inclusion and equity for children and young people with disability: Pre-budget 2021–22 submission](#), 2021 p. 15.

⁷ Department of Social Services (DSS), [DSS Benefit and Payment Recipient Demographics – June 2023 Quarter](#). DSS: Canberra, 2023

⁸ Department of Social Services (DSS), [DSS Benefit and Payment Recipient Demographics – June 2023 Quarter](#), DSS, 2023

Case Study – Jack (Advocacy for Inclusion)

AFI advocated for Jack, a 56-year-old man living with HIV/Aids, and mental illness (schizophrenia and anxiety disorder). When Jack was referred to AFI by the real estate property manager, he was at risk of homelessness due to rent arrears and was also experiencing suicidal ideation.

Previous to becoming unwell, Jack worked for 30 years as a retail assistant; however, he was dismissed in 2018 because of poor work attendance due to his illness. With no family or supports, he attempted to apply for the Disability Support Pension but was declined. Jack did not appeal the decision, as he did not know he could.

Now living on a Newstart allowance, Jack had been unwell and isolated himself in his private rental, which he had lived in since 2012. This resulted in his Newstart payment being cut off, failing to lodge his mutual obligation requirements (work form).

Before having his payments cut off, Jack was receiving \$545.80 per fortnight plus \$134.80 per fortnight rent assistance, which totalled \$689.40 per fortnight. Jack's private rental was \$560 per fortnight, leaving him with just over \$120 per fortnight to buy food, medication and pay electricity. Jack supplemented the Newstart payment with his savings since losing his job in 2018, but all his savings were now depleted.

Jack would go without eating so he could purchase much-needed medication and was forced to supplement his food bill by using charity food hampers.

The week after AFI engaged with advocacy services, Jack was admitted to the hospital with pneumonia which health experts advise may have been due to living in cold and damp conditions in his home as he could not afford to run the heating.

Jack died shortly after in hospital with complications due to HIV and pneumonia.

Time for action

For more information on AFI's recommendations for action, read their [White Paper on Income Support](#). To learn more about ACTCOSS' recommendations you can read the [ACT Cost of Living Report](#). During Anti-Poverty Weeks (15-27 October 2023) you can also learn more by reading our general Poverty & Disadvantage in the ACT Factsheet and participating in [APW events](#).

Other ways to take individual action include: petitioning politicians to take action and [emailing your MP about poverty](#), and joining the ACOSS campaign to permanently and adequately [Raise the Rate](#) of income support payments including the DSP so that they keep people out of poverty.



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