

# Developments in disability policies

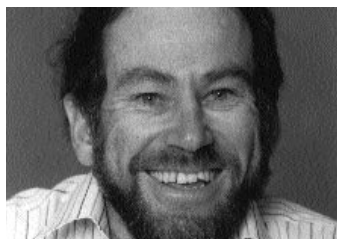
ANDREW BURBIDGE reports

Most of the programs to assist people with a disability come under the Commonwealth State Disability Agreement (CSDA) of 1991. The Agreement sets out the types of disability support services to be provided or funded and specifies the responsibilities of the federal and state governments.

The Agreement comes up for renewal in June 1997 and will provide an important opportunity for the new coalition government to implement its philosophies on support programs for people with disabilities.

In the lead-up to the renewal of the Agreement, issues likely to be addressed include: the division of responsibility between federal and state governments in the supply and financing of support services; whether or not the Commonwealth government will expand its redistributive role to meet needs; how far the Commonwealth will extend 'user pays' principles with charges for services and 'self-service' provision by families.

Under the present Agreement, the Commonwealth retained responsibility for employment-related services to people with disabilities, while accommodation and most other support services were devolved to the states and territories. The Commonwealth is also responsible for income support through such programs as the Disability



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Support Pension and the Child Disability Allowance.

An independent external review of the Commonwealth State Disability Agreement was undertaken by Professor Anna Yeatman of Macquarie University, whose final report was published in July 1996. Her report recommends that a second Agreement be broadened in scope to cover the Commonwealth Rehabilitation Service, equipment schemes, and parts of the Home and Community Care program, and that an alliance be formed between disability services and aged community and residential care. Professor Yeatman (1996: xiv) maintains: 'The tight rationing culture which characterises the provision of disability services has prevented strategic thinking around the development of an adequate, responsive and comprehensive disability service system.'

One of the major research studies undertaken to support the work of the external review was a study of the demand for accommodation

support, respite external care, day programs and other support services, carried out by the Australian Institute of Health and Welfare. The study found that there is considerable unmet demand for services provided under the Commonwealth State Disability Agreement; an estimated 13,500 people with severe disabilities were not receiving accommodation, accommodation support or respite care services (Madden et al. 1996: 101).

## Does the budget indicate future directions in disability services?

Several program changes announced in the Coalition government's first budget may act as pointers to the changes which the Commonwealth may seek to incorporate in the revised Commonwealth State Disability Agreement.

The major new spending item in the disability services area, for example, was expansion of community based respite services, with \$36.7 million to be spent over the next four years. The Minister for Family Services said that the government's plans provide 'recognition of the efforts and needs of carers and their role in the community' (Moylan 1996:11). The emphasis on programs for carers is consistent with a philosophy of providing support to enable individuals to look after themselves or to be looked after by their families.

The budget changes suggest that the government has a strong belief that services can be delivered more efficiently, and that this can be done through increasing competition, contracting out, and providing subsidies to eligible individuals rather than service providers.

Following the review of the Commonwealth Rehabilitation Service (Baume and Kay 1995), for example, the Minister for Family Services announced in the budget session a restructuring which will corporatise the service and fund specific services on a contract basis. It appears that over the next four years the government hopes to create 1000 new places in the workforce for people with disabilities (Moylan 1996:11).

However, quite apart from efficiency objectives, the budget provides many examples of what appears to be a 'user pays' philosophy which may mean that individuals (and their families) who are sick or disabled bear the double burden of a disability and of additional costs which reduce their standard of living below that of other families. For example, following changes in the budget, Pharmaceutical Benefit charges will rise to \$3.20 per script for pensioners and to \$20 for non-concession patients, and fees will be increased for Home and Community Care services, day centres and nursing homes.

One well established measure by which the equity of taxation and income security provisions is assessed is whether people in similar situations are treated equally – the criterion of horizontal equity. A similar benchmark can be used to assess the equity of services for people who are sick, have a disability or a need for long-term care. If two families have the same income but one has a child or elderly parent requiring regular medication or attendant care, charges for the services to meet the extra needs of sickness or disability leave one family with less income for all other needs

than the other family.

Thus the extension of user pays principles to services that help meet the special needs of disability conflicts with equity objectives in family policies. Examination is needed, therefore, of the many other ways to raise revenue to pay for services and reduce budget deficits.

Similarly, 'budget capped' services can create inequities between families – services where people eligible for assistance can miss out

because the program is funded to a set dollar level rather than provide for everyone meeting the needs criteria (see ALRC 1996). Accommodation services for people with a severe or profound handicap is one example where eligible people are turned away because the philosophy of entitlement is overridden by imposed budget limitations (Madden et al. 1996:52).

This is in sharp contrast to taxation concessions where everyone eligible receives the

concession regardless of initial cost estimates. It is not hard to imagine the popular and press outcry if a tax concession or pension increase were to be made available to only a proportion of those eligible.

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## To move or not to move? Some issues facing aged home owners

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It has been estimated that by the year 2041, the number of aged people in Australia will have more than doubled and will represent 22 per cent of the population (ABS 1995: 27). Population ageing, and the ever expanding size of our capital cities, are two factors that have engendered a lively debate on the housing circumstances of aged home owners.

Discussions about retirement incomes, for example, raise issues about the wealth tied up in home ownership and appropriate policies for those who are asset rich but income poor (Brotherhood of St Laurence 1994).

Other discussion has centred on a 'mismatch' between the size of housing occupied by many aged people (mostly three-bedroom houses) and declining average household

size and capacity to maintain their homes (Maher et al. 1996). One commentator (a human services consultant) says: 'The real issue is one of Right Sizing of housing . . . Alternative housing that meets the needs of older persons does not exist in sufficient numbers or suitable locations to cater for the rising numbers of people needing to relocate.' (Forbes 1996:3)

Encouraging the aged to move by increasing the supply and diversity of medium density housing has also been seen as having labour market advantages; increasing flexibility and reducing the mismatch between unemployed families and aged households in relation to the location of jobs (Howe 1989).

On the other hand, others have been trenchant critics of

many of the assumptions on consolidation and urban sprawl (Troy 1992, McLoughlin 1991, Alexander 1994). Encouraging small households to move to smaller dwellings, Troy points out, involves substantial economic costs (estimated at between 7–11 per cent of the value of the property being sold) as well as the social costs of relocation.

'Efficiency arguments about the need to encourage/force people to move and relocate to smaller dwellings as their household size falls ignore the distribution of benefits and costs of the moves . . . it would seem that the policy priority should be to find ways of supporting older people in the communities in which they have lived until such time that they need or wish to move to supported accommodation.' (Troy 1996: 33–34)

What help is there for aged home owners who want to stay in their home but are finding it difficult to meet daily living costs? While there are no recent statistics on the numbers involved, anecdotal information suggests that increasing longevity is sometimes combined with a need for extra income to meet repairs and general living expenses. A number of the major home finance organisations were therefore approached to see if they had financial arrangements to assist low income families (such as those on social security because of age or unemployment) and save them the disruption and substantial cost of selling their current dwelling and purchasing something cheaper. Lenders were asked if they made loans which do not have to be repaid until the death of the owner or the home is sold.

Westpac advised that they have Equity Access Loans, but borrowers must be on a salary and able to meet interest and capital repayments. Similarly, the Commonwealth bank will make loans available on the security of a dwelling for a