

# Review of the Disability Discrimination Act 1992

Productivity Commission Inquiry Report

Report No. 30, 30 April 2004

ISSN 1447-1329 ISBN 1740371461

This work is subject to copyright. Apart from any use as permitted under the *Copyright Act* 1968, the work may be reproduced in whole or in part for study or training purposes, subject to the inclusion of an acknowledgment of the source. Reproduction for commercial use or sale requires prior written permission from the Department of Communications, IT and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Intellectual Property Branch, Department of Communications, IT and the Arts, GPO Box 2154, Canberra ACT 2601.

This publication is available in hard copy or PDF format from the Productivity Commission website at www.pc.gov.au. If you require part or all of this publication in a different format, please contact Media and Publications (see below).

#### **Publications Inquiries:**

Media and Publications
Productivity Commission
Locked Bag 2 Collins Street East
Melbourne VIC 8003

Tel: (03) 9653 2244 Fax: (03) 9653 2303 Email: maps@pc.gov.au

#### **General Inquiries:**

Tel: (03) 9653 2100 or (02) 6240 3200

#### An appropriate citation for this paper is:

Productivity Commission 2004, *Review of the* Disability Discrimination Act 1992, Report no. 30, Melbourne

JEL code: I,Z

#### The Productivity Commission

The Productivity Commission, an independent agency, is the Australian Government's principal review and advisory body on microeconomic policy and regulation. It conducts public inquiries and research into a broad range of economic and social issues affecting the welfare of Australians.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Information on the Productivity Commission, its publications and its current work program can be found on the World Wide Web at www.pc.gov.au or by contacting Media and Publications on (03) 9653 2244.



Melbourne Office

Level 28, 35 Collins Street Melbourne VIC 3000

Locked Bag 2 Collins Street East

Melbourne VIC 8003
Telephone 03 9653 2100
Facsimile 03 9653 2199

Canberra Office

Telephone 02 6240 3200

www.pc.gov.au

The Honourable Peter Costello MP Treasurer Parliament House

CANBERRA ACT 2600

Dear Treasurer

30 April 2004

In accordance with Section 11 of the *Productivity Commission Act 1998*, we have pleasure in submitting to you the Commission's final report into *Review of the* Disability Discrimination Act 1992.

Yours sincerely

Helen Owens Presiding Commissioner Cate McKenzie Commissioner

#### Terms of reference

National Competition Policy Review of the *Disability Discrimination Act* 1992

#### PRODUCTIVITY COMMISSION ACT 1998

I, IAN CAMPBELL, Parliamentary Secretary to the Treasurer, under Parts 2 and 3 of the *Productivity Commission Act 1998* and in accordance with the Commonwealth Government's Legislation Review Schedule, hereby refer the *Disability Discrimination Act 1992* (DDA) and the Disability Discrimination Regulations 1996 ("the legislation") to the Productivity Commission for inquiry and report within 12 months of the date of receipt of this reference. The Commission is to hold hearings for the purpose of the Inquiry.

- 2. The Productivity Commission is to report on the appropriate arrangements for regulation, taking into account the following:
  - a) the social impacts in terms of costs and benefits that the legislation has had upon the community as a whole and people with disabilities, in particular its effectiveness in eliminating, as far as possible, discrimination on the ground of disability, ensuring equality between people with disabilities and others in the community, and promoting recognition and acceptance of the rights of people with disabilities;
  - b) any parts of the legislation which restrict competition should be retained only if the benefits to the community as a whole outweigh the costs and if the objectives of the legislation can be achieved only through restricting competition;
  - c) without limiting the matters that may be taken into account, in assessing the matters in (a) and (b), regard should be had, where relevant, to:
    - i) social welfare and equity considerations, including those relating to people with disabilities, including community service obligations;
    - ii) government legislation and policies relating to matters such as occupational health and safety, industrial relations, access and equity;
    - iii) economic and regional development, including employment and investment growth;
    - iv) the interests of consumers generally or of a class of consumers (including people with disabilities);

- v) the competitiveness of Australian business, including small business;
- vi) the efficient allocation of resources; and
- vii) government legislation and policies relating to ecologically sustainable development.
- d) the need to promote consistency between regulatory regimes and efficient regulatory administration, through improved coordination to eliminate unnecessary duplication;
- e) compliance costs and the paper work burden on small business should be reduced where feasible.
- 3. In making assessments in relation to the matters in (2) the Productivity Commission is to have regard to the analytical requirements for regulation assessment by the Commonwealth, including those set out in the Competition Principles Agreement and the Government's guidelines on regulation impact statements. The Report of the Productivity Commission should:
  - a) identify the nature and magnitude of the social (including social welfare, access and equity matters), environmental or other economic problems that the legislation seeks to address;
  - b) ascertain whether the objectives of the DDA are being met, including through analysis and, as far as reasonably practical, quantification of the benefits, costs and overall effects of the legislation upon people with disabilities, in particular its effectiveness in eliminating, as far as possible, discrimination on the ground of disability, ensuring equality between people with disabilities and others in the community, and promoting recognition and acceptance of the rights of people with disabilities;
  - c) identify whether, and to what extent, the legislation restricts competition;
  - d) identify relevant alternatives to the legislation, including non-legislative approaches;
  - e) analyse and, as far as reasonably practical, quantify the benefits, costs and overall effects of the alternatives identified in (d), including on, or in relation to, people with disabilities.
  - f) identify the different groups likely to be affected by the legislation and alternatives;
  - g) list the individuals and groups consulted during the review and outline their views, or reasons why consultation was inappropriate;

- h) determine a preferred option for regulation, if any, in light of the factors set out in (2); and
- i) examine mechanisms for increasing the overall efficiency of the legislation, including minimising the compliance costs and paper burden on small business, and, where it differs, the preferred option.
- 4. In undertaking the review, the Productivity Commission is to advertise nationally, consult with State and Territory Governments, key interest groups and affected parties (in particular, people with disabilities and their representatives) invite submissions from the public, and publish a draft report. To facilitate participation by people with disabilities, the Productivity Commission is to ensure that all hearings are held at accessible venues and that documentation and information distributed during the consultative and review processes including the draft and final reports, are available in accessible formats.
- 5. In undertaking the review and preparing its final report and associated recommendations, the Productivity Commission is to note the Government's intention to release the report and announce its responses to the review recommendations as soon as possible, with the response to be prepared by appropriate Ministers, including the Attorney-General.

IAN CAMPBELL 5 February 2003

## Contents of this report (2 volumes)

#### **VOLUME 1**

Terms of Reference

Acronyms

Glossary

Executive summaries

#### **CHAPTERS**

- 1 This inquiry
- 2 Disability and human rights
- 3 Disability in Australia
- 4 Disability discrimination legislation
- 5 Eliminating discrimination
- 6 Benefits and costs of the DDA
- 7 Necessity and focus of the DDA
- 8 Eliminating discrimination
- 9 Equality before the law
- 10 Promoting community recognition and acceptance
- 11 Definitions
- 12 Exemptions
- 13 Complaints
- 14 Regulation
- 15 Other issues

References

#### **VOLUME 2**

#### **APPENDICES**

- A Eliminating discrimination in work
- B Education
- C Access to premises and public transport
- D Goods, services and facilities, and social participation
- E Commonwealth laws and programs
- F Quantitative analysis and data sources
- G Conduct of the Inquiry

#### References

# Contents of Volume 1

Te	rms of	f Reference	IV
Ac	ronyn	ns	XVII
Glo	ossary	7	XXI
EX	ECU	TIVE SUMMARIES	
Ke	y Poin	nts	XXVI
Ov	erviev	N .	XXVII
	The	DDA at a glance	XXVIII
	Impa	act of the DDA	XXXI
	The	way forward	XL
	Reso	ources	XLVI
	In co	onclusion	XLVII
Re	comm	endations	XLIX
Fin	ndings		LVII
CH	IAPTI	ERS	
1	This	s inquiry	1
	1.1	Background	1
	1.2	Scope of the inquiry	3
	1.3	Conduct of the inquiry	9
	1.4	Report structure	10
2	Disa	ability and human rights	11
	2.1	Approaches to disability	11
	2.2	Human rights	15
	2.3	Equality	19
	2.4	Measuring social welfare	23
	2.5	Summing up	26
3	Disa	ability in Australia	29
	3.1	Disability	29
	3.2	Trends in the prevalence of disability	38

4	Disa	bility discrimination legislation	41
	4.1	Enactment of the Disability Discrimination Act	41
	4.2	Key features of the Disability Discrimination Act	46
	4.3	Disability discrimination regulations	52
	4.4	The complaints process	55
	4.5	Administration of other Disability Discrimination Act functions	59
	4.6	Future developments in discrimination legislation	61
5	Elim	ninating discrimination	65
	5.1	Complaints data	66
	5.2	Eliminating discrimination in employment	70
	5.3	Eliminating discrimination in education	83
	5.4	Eliminating discrimination in access to public premises	90
	5.5	Eliminating discrimination in the provision of goods and services and other areas	97
	5.6	Eliminating discrimination in the administration of Commonwealth laws and programs	99
	5.7	Effectiveness of the Disability Discrimination Act for different groups	101
	5.8	Summary and conclusions	109
6	Bene	efits and costs of the DDA	113
	6.1	Introduction	113
	6.2	Can the DDA restrict competition?	114
	6.3	Approaches to measuring the benefits and costs of the DDA	115
	6.4	Benefits of the DDA	116
	6.5	Costs of the DDA	135
	6.6	Net benefits of the DDA	149
	6.7	Conclusion	152
7	Nece	essity and focus of the DDA	155
	7.1	Reasons for government intervention	155
	7.2	Are there non-regulatory alternatives to the DDA?	166
	7.3	Federal or State responsibility?	172
	7.4	A separate Act or omnibus legislation?	178
	7.5	What should be the objects of the DDA?	180
	7.6	Competition Principles Agreement conclusions	183

8	Elim	inating discrimination	185
	8.1	Reasonable adjustments	185
	8.2	What checks and balances are required?	202
	8.3	Who should pay?	221
	8.4	Conclusion	230
9	Equa	ality before the law	233
	9.1	The Disability Discrimination Act and equality before the law	233
	9.2	Accommodation	238
	9.3	Decision making by and for people with cognitive disabilities	245
	9.4	Justice and civic participation	248
	9.5	Laws with discriminatory effects	259
	9.6	Effect of the DDA on equality before the law	266
10	Pron	noting community recognition and acceptance	267
	10.1	The approach so far	267
	10.2	Changes in community awareness and attitudes	270
	10.3	Effectiveness of the current approach	274
	10.4	Improvements to the current approach	284
	10.5	Summing up—striking a balance	296
11	Defir	nitions	297
	11.1	Definition of disability	297
	11.2	Definition of discrimination	304
	11.3	Definition of indirect discrimination	313
	11.4	Harassment and vilification	319
12	Exen	nptions	327
	12.1	Partial exemption for insurance and superannuation	327
	12.2	Exemption of the Migration Act 1958	342
	12.3	Exemptions for specific activities	349
	12.4	Exemptions for prescribed laws	355
	12.5	Exemptions for health and safety reasons	357
	12.6	General conclusions on exemptions	364
13	Com	plaints	365
	13.1	Strengths and weaknesses of the complaints process	365
	13.2	HREOC administrative issues	375
	13.3	Role of the federal courts	388

	13.4	Representative complaints	396
		Conclusions	401
14		lation	403
14	14.1	Disability standards	405
		Self-regulation and co-regulation	424
		Guidelines and advisory notes	426
		Action plans	428
15		r issues	435
15	15.1		435
	15.1	Funding of legal assistance and HREOC Government funding for students with disabilities	440
	15.2	Government employment assistance programs	446
	15.3	Access to disability and other Government services	453
		Government procurement policies	456
	15.6	Copyright	461
		Other concerns	464
		Conclusions	466
Dof			R.1
Kei	erence	es s	К.1
во	XES		
1.1	Glo	ossary of DDA terms	4
1.2		uiry terms of reference (summary)	5
2.1	-	ossary of terms	12
2.2		ses of human rights	16
2.3	Lib	pertarian approach to rights	18
2.4	Co	lker's hierarchy of positive measures	20
2.5	Me	asuring social welfare	24
2.6	The	e capability approach	25
3.1	Dif	ferent definitions of disability	30
4.1	Inte	ernational conventions and declarations	42
4.2	Fed	leral Magistrates Court	58
4.3	Exa	amples of offences and penalties in the DDA and HREOC Act	59
5.1	Inq	uiry participants' views on employment discrimination	73
5.2	_	uiry participants' views on the effectiveness of the Disability crimination Act in employment	74

5.3	Influences on labour market outcomes for people with disabilities	79
5.4	Impact of the Americans With Disabilities Act on employment	80
5.5	Inquiry participants' views on the effectiveness of the Disability	80
3.3	Discrimination Act in education	87
5.6	Inquiry participants' views on the effectiveness of the Disability	
	Discrimination Act in access to premises	91
5.7	Use of public transport by people with disabilities	93
5.8	Inquiry participants' views on the effectiveness of the Disability Discrimination Act in public transport	94
5.9	The Disability Discrimination Act and goods and services	98
5.10	Centre for Remote Health information on Indigenous disability	105
5.11	Inquiry participants' views in Alice Spring visits	106
5.12	Inquiry participants' views in Victorian regional forums	110
6.1	Measuring the benefits of disability discrimination legislation	119
6.2	The economy-wide cost of disability and of disability discrimination	127
6.3	Economy-wide effects of disability benefits recipients moving into the labour force	130
6.4	Labour market efficiency under the Americans with Disabilities Act	132
6.5	Adjustment costs under the general provisions of the DDA	138
7.1	Statistical discrimination	164
7.2	Externalities affecting wheelchair users	165
7.3	The Prime Minister's Employer of the Year Awards	169
7.4	Inquiry participants' views on an omnibus Act	179
8.1	What the Australian Government said about reasonable adjustments	190
8.2	Employment equity measures in Canada, the United Kingdom,	400
	Northern Ireland and South Africa	199
8.3	Defining inherent requirements	218
8.4	Stein's taxonomy of employer accommodations	223
8.5	Incidence of costs and benefits under the transport disability standards	227
9.1	HREOC investigation of changes to Medicare benefits for psychiatric services	235
9.2	Office of the Public Advocate, Victoria	246
9.3	People with cognitive disabilities in the criminal justice system	250
9.4	Accessible voting	255
9.5	Voting by people with disabilities	256

9.6	Equality before the law under the Racial Discrimination Act	261
9.7	McBain v Victoria	262
10.1	Inquiry participants' views on the impact of the DDA on awareness and attitudes	277
10.2	Inquiry participants' views on improving education	285
10.3	Characteristics of successful education campaigns	286
11.1	Behaviour as a disability in the Purvis case	302
11.2	Alternatives to the comparator in other legislation	306
11.3	Inquiry participants' views on the comparator	308
11.4	Examples of vilification provisions in other legislation	322
12.1	Legal decisions about disability discrimination in insurance	331
12.2	Genetic discrimination and genetic information in insurance	340
12.3	Migration Regulations 1994: health requirements	344
12.4	Inquiry participants' views on the Migration Act 1958 exemption	345
12.5	Health and safety and the DDA	358
12.6	Health and safety provisions in anti-discrimination legislation	363
13.1	Costs of making complaints	368
13.2	Provision for cost orders in the Family Law Act 1975	397
13.3	Extended standing for judicial review under the <i>Environment</i> Protection and Biodiversity Conservation Act 1999	400
14.1	Types of regulatory tool	404
14.2	The flexibility of disability standards	411
14.3	The DDA Standards Project	421
14.4	What is in an action plan?	429
15.1	Legal assistance available to complainants	436
15.2	Disability funding arrangements in schools	441
15.3	Disability funding arrangements in tertiary education	445
15.4	Employment assistance provided to people with disabilities	447
15.5	The Employer Incentives Strategy	449
15.6	Inquiry participants' views on funding workplace adjustments	451
15.7	National Disability Services Standards	454
15.8	Overseas public procurement policies	458
15.9	Selected features of the Australian Copyright Act 1968	462

#### **FIGURES**

3.1	Relationships among ABS terminology for disability, 1998	31
3.2	People with disabilities, by main condition, 1998	32
3.3	People with disabilities, by disability, 1993 and 1998	40
4.1	HREOC's complaints handling process	56
5.1	Disability discrimination complaints to HREOC, 1993-94 to 2002-03	68
5.2	DDA complaints received by area, 2002-03	70
5.3	Proportion of DDA complaints received, by area of activity, 1992-93 to 2002-03	71
5.4	Distribution of persons with schooling/employment restrictions, with and without disabilities, by total weekly cash income quintile, 1998	76
5.5	Students with disabilities as a proportion of all students, by education sector, 1991–2003	85
5.6	Ongoing staff with disabilities by Australian Public Service classification group, 1993, 1998, and 2003	101
13.1	Satisfaction with HREOC complaints handling	376
13.2	Disability/impairment complaints under the DDA and State and Territory legislation, per 10 000 population with a disability	380
TAB	LES	
3.1	Types of disability, by restriction, 1998	34
3.2	Disability by age and gender, 1998	36
3.3	Disability and restriction rates across the States and Territories, 1998	36
3.4	Selected characteristics of people with disabilities, 1998	37
3.5	Prevalence of disability, 1981–98	38
4.1	Discrimination legislation in Australia, by year	43
5.1	Outcomes of finalised Disability Discrimination Act complaints, 2002-2003	67
5.2	Labour force participation and unemployment rates of people with and without disabilities, 1988, 1993, 1998, 2001	75
5.3	DDA complaints received that relate to education, by institution type, 1998-99 to 2002-03	84
10.1	How often people experience hostility and aggression in the local neighbourhood, 2001	273

12.1	Prescribed laws, Disability Discrimination Regulations 1996	355
14.1	Areas in which disability standards may be formulated and the status of	
	each standard, April 2004	416
14.2	Number of registered action plans, March 2004	429

### Acronyms

ABA Australian Bankers' Association

ACROD National Industry Association for Disability Services

ADA Americans with Disabilities Act 1990

AHRC Australian Human Rights Commission

AIHW Australian Institute of Health and Welfare

ANAO Australian National Audit Office

APS Australian Public Service

ATO Australian Tax Office

ATSIC Aboriginal and Torres Strait Islander Commission

BAS Business Activity Statement

BCA Building Code of Australia

CAL Copyright Agency Limited

CPA Competition Principles Agreement

CRS Commonwealth Rehabilitation Service

CSDA Commonwealth State Disability Agreement

CSTDA Commonwealth State and Territory Disability Agreement

DDA Disability Discrimination Act 1992 (Cth)

DDLS Disability Discrimination Legal Service

DEST Department of Education, Science and Technology

DSA Disability Services Act 1986

DSP Disability Support Pension

FAQs Frequently Asked Questions

FCA Federal Court of Australia

FMS Federal Magistrates Service

FTE Full time equivalent

GBE Government Business Enterprise

HILDA Household, Income and Labour Dynamics in Australia

HREOC Human Rights and Equal Opportunity Commission

HREOC Act Human Rights and Equal Opportunity Commission Act 1986 (Cth)

ILO International Labour Organisation

MCEETYA Ministerial Council on Employment, Education, Training and

Youth Affairs

MCS Multiple Chemical Sensitivity

MOU Memorandum of Understanding

NESB non-English speaking background

NILS National Information and Library Service

NCVER National Centre for Vocational Education Research

NCYLC National Children's and Youth Law Centre

NRS National Relay Service

OH&S Occupational Health and Safety

RDA Racial Discrimination Act 1975 (Cth)

RIS Regulation Impact Statement

SAISO Strategic Assistance for Improving Student Outcomes

SDA Sex Discrimination Act 1984 (Cth)

XVIII ACRONYMS

SOCOG Sydney Organising Committee for the Olympic Games

TAFE Technical and Further Education

TTY Telephone Typewriter

UNCHR United Nations Commission on Human Rights

UNCSD United Nations Commission for Social Development

VET Vocational Education and Training

WHO World Health Organisation

## Glossary

activity restriction The impact of an impairment on an individual's

ability to function without assistance

disability A restriction on, or lack of, ability to perform an

activity in a normal manner as a result of an

impairment

direct discrimination Treating a person less favourably, in response to

their her disability, than a person without the

disability would be treated in similar circumstances

equality of opportunity Treating all individuals on merit. That is, decision

making should not account for irrelevant

characteristics.

equality of outcome Taking account of disadvantage by requiring

positive differential treatment of disadvantaged groups to achieve the same outcome as for

advantaged groups

equivalent access Access by people with disabilities to a premises with

an equivalent standard of amenity, availability, comfort, convenience, dignity, price and safety. Equivalent access does not include a segregated or

parallel service.

formal equality An extreme form of equality of opportunity, which

rules out any adjustment or favourable treatment for disadvantaged groups because to do so would discriminate against those who do not receive the

preferential treatment

handicap The social, behavioural and psychological

consequences of disability. That is, the disadvantages facing the individual as a result of an

impairment or disability.

harassment Humiliating comments, actions and/or insults about

a person's disability, which create a hostile

environment

human rights Rights recognised as inherent in every person by

virtue of common humanity and innate dignity as human beings. They tend to be derived from moral or ethical codes and social mores. Many human rights are recognised in international conventions

and local legislation

impairment Any loss or abnormality of bodily function, whether

physiological, psychological or anatomical

indirect discrimination Applying the same rule or condition to everybody

but with a disproportionate effect on people with a disability (and when the rule is not 'reasonable' in

the circumstances)

completion of the tasks required in a particular job

medical model A view of disability that places it in a medical

context as a condition to be 'cured'

> disabilities from special education or employment in a supported work setting, to paid employment in the open labour market. Recipients of these services are not paid by the service provider, but by their

employer

pre-market discrimination A situation in which a worker is disadvantaged in

the labour market as a result of discrimination

experienced in education

post-market discrimination A situation in which a worker is discriminated

against in the labour market solely as a result of their

disability, not for their other characteristics

social model A view of disability that places it in a social context

and focuses on social barriers to participation

substantive equality

taking limited account of disadvantage by providing assistance to disadvantaged groups so they have the same opportunities as those of advantaged groups

supported employment services or business services (previously known as sheltered employment)

Services that provide support *and* employment to people with disabilities. Recipients of these services are employed and paid by the service provider, which receives part funding from the Australian Government

supported wage system

A system whereby people with a disability receive a proportion of the full Award wages equivalent of their level of productivity relative to that of a fully productive worker. Someone who is 70 per cent productive, for example, may receive 70 per cent of the Award wage.

unjustifiable hardship

Requirements to provide adjustments for people with disabilities are limited to the point where it would impose an 'unjustifiable hardship', taking into account likely benefits or detriments to any persons concerned and the financial circumstances of the provider.

victimisation

Threatening or subjecting a person to a detriment because they have made (or propose to make) a discrimination complaint.

vilification

Offensive, insulting, humiliating and/or intimidating behaviour.