

## Schedule 3—Assessing qualification for disability support pension

### Amendment proposed

- 1.65 Schedule 3 of the Family Assistance and Other Legislation Amendment Bill 2011 proposes to amend the *Social Security Act 1991* to enact measures announced in the 2011–12 Budget.
- 1.66 The substance of the proposed amendment is the introduction of a requirement that people provide evidence that they have tested their future work capacity by participating in training or work-related activities in order to qualify for the disability support pension (DSP).
- 1.67 The new requirement would take effect from 3 September 2011. It would not apply to claimants for DSP who have a severe impairment, such as those who are clearly unable to work.
- 1.68 Under current arrangements:
- ...a person has a continuing inability to work because of an impairment if the Secretary is satisfied that the impairment is of itself sufficient to prevent the person from doing any work independently of a program of support within the next two years, and either: (i) the impairment is of itself sufficient to prevent the person from undertaking a training activity during the next two years; or (ii) if the impairment does not prevent the person from undertaking a training activity – such activity is unlikely (because of the impairment) to enable the person to do any work independently of a program of support with the next two years.<sup>15</sup>
- 1.69 The key change that this Schedule represents is the requirement for people claiming the DSP to have demonstrated that they have participated actively in a program of support. These programs of support include Department of Employment and Workplace Relations funded employment services, Disability Management Services and some Job Services Australia services.

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15 Family Assistance and Other Legislation Amendment Bill 2011 Explanatory Memorandum, p. 8.

## Issues and impacts

- 1.70 This part of the Bill is an element of the *Building Australia's Future Workforce* measures. The broader changes to the DSP program include:
- increasing the number of hours a DSP recipient can work from 15 to 30 hours
  - changes in arrangements for Disability Employment Services, and
  - providing incentives to encourage employers to employ people with disabilities.
- 1.71 The package of measures would provide positive incentives for people with disabilities to return to or engage with the workforce, improve employment services for DSP recipients, and increase the opportunities for people with disabilities to obtain employment.
- 1.72 Welfare reform is a complex issue and, in particular, changes to DSP eligibility must ensure that appropriate employee and employer assistance is in place to assist those persons with a disability to engage in the workforce to the full extent of their capacity.
- 1.73 On this Budget measure there has been sound support from some key stakeholders. Mr Toby Hall from Mission Australia called for similar changes to those included in the Bill prior to the delivery of the Budget. Mr Hall proposed that:
- ...successive governments and a failing welfare system have allowed thousands of people without serious disabilities to move from the dole to receiving disability pensions when they are not engaged in looking for work. This is despite the fact they might have a capacity for employment and their issues could be overcome with intensive support.<sup>16</sup>
- 1.74 Mr Hall urged the Government to offer people receiving the DSP intensive assistance 'a new stream in the employment service system to offer the specialised help required'.<sup>17</sup>

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16 Toby Hall, Mission Australia, 'System Fails Jobless on Disability Support', 10 May 2011 <[www.missionaustralia.com.au/news/3227-system-fails-jobless-on-disability-support](http://www.missionaustralia.com.au/news/3227-system-fails-jobless-on-disability-support)> viewed 6 June 2011.

17 Toby Hall, Mission Australia, 'System Fails Jobless on Disability Support', 10 May 2011 <[www.missionaustralia.com.au/news/3227-system-fails-jobless-on-disability-support](http://www.missionaustralia.com.au/news/3227-system-fails-jobless-on-disability-support)> viewed 6 June 2011.

1.75 Similarly, Mr Tony Nicholson from the Brotherhood of St Laurence described the budget measures as a step in the right direction:

At long last we see policy initiatives that recognise that the most disadvantaged in our community have modest mainstream aspirations and that they won't shy away from increased obligations.<sup>18</sup>

1.76 One possible community concern relating specifically to this Schedule of the Bill is that the requirement to attend programs of support could be onerous for some DSP applicants, particularly if they live some distance away from their local employment service providers.

1.77 This concern needs to be balanced against the potential benefits of increasing the workforce participation of people with disabilities.

### Committee comment

1.78 The Committee notes that this Budget measure is designed to ensure applicants for DSP have tested their capacity for future employment by undertaking and participating actively in a program of support.

1.79 The Committee finds that the requirements stipulated in these amendments are not overly onerous when weighed against the potential social and economic benefits of boosting the workforce participation of people with disabilities.

1.80 The Committee is of the view that Schedule 3 promotes workforce engagement and will not result in disadvantage for persons with a disability. The Committee recommends that the House of Representatives agree to pass Schedule 3 of the Family Assistance and Other Legislation Amendment Bill 2011 without amendment.

### Recommendation 3

1.81 **The Committee recommends that Schedule 3 – Assessing qualification for Disability Support Pension of the Family Assistance and Other Legislation Amendment Bill 2011 be passed by the House of Representatives without amendment.**

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18 Patricia Karvelas, 'Disabled can't be forced to work', 12 May 2011 <[www.theaustralian.com.au/national-affairs/budgets/disabled-cant-be-forced-to-work/story-fn8gf1nz-1226054261826](http://www.theaustralian.com.au/national-affairs/budgets/disabled-cant-be-forced-to-work/story-fn8gf1nz-1226054261826)> viewed 6 June 2011.