

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2011-12 Budget Estimates Hearings

Outcome Number: 5

Question No: 406

Topic: Disability Support Pension

Hansard Page: Written

Senator Boyce asked:

In relation to changes announced in the budget to the Disability Support Pension (DSP), past experience suggests that measures to improve the quality of DSP and work capacity assessments are likely to have only a limited impact on DSP numbers. In the past, when stricter measures have been introduced, numbers initially decline and then rise again as people find ways of getting around the system.

What lessons has the department learnt from the past to ensure that the integrity of the system is not compromised by people who are fit to work, do not find ways to get around the system?

Answer:

Over the last three Budgets, the Government has initiated a series of reforms that are fundamentally overhauling key aspects of the DSP. These reforms began on 1 July 2010.

More thorough assessments of claims for the DSP, other than in cases which are clear cut, began in July 2010. Eligibility for DSP is now assessed by experienced Senior Job Capacity Assessors using new, clearer guidelines to assess DSP claimants' work capacity.

A new Health Professional Advice Unit within Centrelink has also been established to give DSP assessors independent advice on medical issues in DSP assessments.

Since these reforms began on 1 July 2010, the rate at which disability pension claims are granted fell from 63.3 per cent to 56.8 per cent at 6 May 2011 – a drop of more than 6 percentage points.

Also, from 1 July 2011 all DSP assessments will be performed by Centrelink and CRS Australia. This will enable more efficient and effective delivery of consistent policy and training.

New rules that will require most new DSP applicants to provide evidence that they have been unable to obtain employment through an open employment service or vocational rehabilitation will commence on 3 September 2011.

In addition, new Impairment Tables will be implemented from 1 January 2012. The tables are being brought into line with contemporary medical and rehabilitation practices and modern expectations about functional ability. They will ensure a person's ability is looked at when assessing their eligibility for the DSP, not just their disability.