



## Disability Support Pension – eligibility bar rises

### DSP Changes in Detail:

- From 1 July 2006, people assessed as being capable of working more than 15 hours per week at award wages will not be eligible for the DSP.
- People granted the DSP before 11 May 2005 will continue to be assessed against the old rules, unless they leave the pension for more than 2 years, in which case they will be considered new applicants and will be assessed on the new rules.
- People who apply for the DSP between 11 May and 30 June 2006 will initially be assessed on the old rules, but reassessed against the new rules after 1 July 2006
- People who become ineligible to receive the DSP because of earnings will be able to return to the DSP within two years for any reason.

The 2005/2006 Federal Budget has proposed changes to the process of assessment and review for a Disability Support Pension (DSP) and has tightened DSP eligibility by changing the work capacity test from 30 to 15 hours. New income support recipients with a disability will also be subject to all the participation requirements of people without a disability, but with little support to do so.

MHCC agrees that there is the need to bring more people with disabilities of workforce age into employment, but increasing penalties and reducing access to the DSP is not the answer. There is a need to balance obligations with supports, with people having greater barriers to employment needing more support and incentives rather than increased obligations.

### **Reduced payments**

Recent ACOSS modeling estimates that 60,000 people with disabilities who apply for DSP over the next three years would instead be put on lower unemployment payments. On Newstart Allowance they would be \$20-40 a week worse off than if they were on the DSP. These people would also be required to meet mutual obligation requirements, except for those aged over 55 who will be able to satisfy their participation requirements through voluntary work.

### **Assessment**

How people apply for eligibility will be one of the fundamental changes to the DSP and processes are yet to be finalised. It has also been proposed that GPs will no longer be asked to assess a person's ability to work when applying for a DSP. Rather, GPs would only be asked to supply details of a person's disability and a Centrelink Disability Officer (CDO) would carry out the assessment. MHCC has major concerns about Centrelink being the final arbitrator on DSP eligibility.

### **Penalties**

MHCC is also concerned about penalties to be introduced which may impact unfairly on people with a mental illness who may have difficulty managing the requirements. It is proposed that people who do not meet their participation obligations will have their payments suspended until they meet the obligation. People who repeatedly or seriously breach their obligations will have their payment stopped for 8 weeks.

### **Allowances**

The Mobility Allowance will be increased to \$100 per fortnight for people who are on the Newstart or Youth Allowance and are obliged to look for work or are working more than 15 hours and cannot use public transport.

While DSP recipients are registered with an employment assistance provider they will be also eligible for the increased rate of the Allowance.

People with a disability on the Newstart or Youth Allowance will have access to the Pensioner Concession Card, Pharmaceutical Allowance and Telephone Allowance. It is not clear if they will have access to a Health Care Card. They will also be eligible for a once a year Employment Entry Payment of \$312.

People on DSP, the Newstart or Youth Allowance will be able to keep the Pensioner Concession Card for 12 months if they earn enough to lose eligibility for their payment.

### **Employment Assistance/Rehabilitation**

\$80M over four years will be used to establish Pre-Vocational Participation Accounts to fund assistance that helps people become job ready quickly, such as pain management, work conditioning and short-term mental health interventions. Participation in pre-vocational assistance will be compulsory.

Disability Employment Assistance places (i.e. open employment market) will be increased by 20,000 over 4 years. However, most of these places will be reserved for people with disability who are assessed as being able to work 15 hours or more per week. In addition, the budget includes:

- 137,000 additional Job Network places over 4 years
- 42,000 additional vocational rehabilitation places over 4 years
- 7,600 additional vocational education and training places from July 2006 (subject to Commonwealth, State and Territory negotiations)
- an expanded Language, Literacy and Numeracy Program (by 2,900 places) with additional places targeted at people who have new obligations to work

The Budget contains no measures for Business Services (sheltered workshops).

### **Employer Demand Strategy**

The Government will work with industry groups and employers to promote better matching of job seekers to employment opportunities, including improving flexible working arrangements and providing increased funding for workplace modifications and wage subsidies.

The Employer Demand Strategy will have three parts:

- targeted and improved industry and workplace engagement strategies;
- training for employers to effectively manage an ageing workforce; and,
- strategies to increase employment of workers with a disability.

A communication campaign will be designed to make employers aware of the benefits of hiring people with disability and other groups. An information service with online support will be established, providing expert advice on workplace adjustments. Tools will be developed to assist employers to address barriers faced by people with mental illness. Key industries to be targeted include hospitality, retailing, manufacturing and building and construction.

*(Cited Australian Federation of Disability Organisations press release May 200*

### **Disability Participation Alliance**

Anticipated government reform of the DSP and employment assistance programs for people with disability has brought the sector together to advocate for positive developments. A new national alliance of disability and welfare organisations has been established and membership is steadily growing. The first forum hosted in February by leading organisations including People with Disabilities (PWD), Australian Council of Social Service (ACOSS), Australian Federation of Disability Organisations (AFD), National Welfare Rights Network, ACE National Network and ACROD was attended by over 30 disability, welfare and employment services agencies. Options for the reform of income support were discussed, as well as employment policies for people with disability and ways that the community sector could contribute.

A second forum is currently being planned and will be held in Sydney to further the campaign for positive DSP reform. The Australian Federation of Disability Organisations (AFDO) is about to launch a campaign about the changes to the DSP and believes there is scope for amendments to the proposed reforms. AFDO believe final decisions on DSP assessment processes are yet to be decided upon and can be influenced by the disability sector through the Alliance.

The parameters for consultation that the Alliance is calling for are set out in the alliance's 'principles' document which is available on the PWD website: [www.pwd.org.au/alliance](http://www.pwd.org.au/alliance). For more information on joining the Disability Participation Alliance or getting involved in their activities, contact Alanna Clohesy at PWD on 9319 6622 or toll free 1800 422 015

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