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### Supporting Australians with Disability into work

Chris Evans, Iain McClellan, Jenny Macklin, Kate Ellis posted Tuesday, 10 May 2011

The Gillard Government is improving support for Australians with disability to help them into work where possible, while providing an essential safety net for Australians unable to work.



Reforms in the 2011-12 Budget will:

- \* Introduce new participation requirements for disability support pensioners under the age of 35 with some capacity to work;
- \* Fast track new rules that require new disability support pension (DSP) applicants to get employment assistance to try and get back to work before they can apply for DSP;
- \* Provide more generous rules for existing disability pensioners to encourage them to work more hours; and
- \* Support employers to take on more disability pensioners through new financial incentives.



In 2009, the Australian Bureau of Statistics found that the workforce participation rate of people with a disability was 54 per cent, compared to 83 per cent for people with no reported disability. Fewer than nine per cent of DSP recipients have income from employment.



The Government believes we can do better than a lifetime spent on income support for Australians who have some capacity to work. That's why we are taking steps to make it easier for people on disability pensions to get and keep a job.

We know that many people with disability want to work if they can, but that they may need extra support. Employers may also need incentives to encourage them to employ people with disability.

#### Reforming the disability support pension

Over the last three Budgets, the Government has initiated a series of reforms that are fundamentally overhauling key aspects of the disability support pension.

The Government is developing new DSP Impairment Tables, to better target the DSP towards individuals with genuine needs. These changes, announced in the 2009-10 Budget, will ensure the impairment tables are in line with contemporary medical and rehabilitation practices and modern expectations about functional ability. The tables are used to measure how a person's impairment affects their ability to work. The new tables will be implemented from 1 January 2012.

Once completed in 2012, the Government's reform program will have fundamentally reshaped many aspects of the disability pension, including:

- \* Fast tracking claims for manifest and severely disabled applicants so they get support quicker;
- \* Improving the adequacy of the base pension, especially for singles;
- \* Increased incentives to give work a try by removing punitive rules that discourage use of disability employment services;
- \* Removing waiting lists for access to disability employment services by uncapping places; and
- \* Establishing a new Health Professional Advice Unit within Centrelink to give DSP assessors independent advice on medical issues in DSP assessments.



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Julia Gillard posted Friday, 26 October 2012

The 2011–12 Budget will continue these reforms with the introduction of important new requirements to encourage greater engagement in support services by DSP recipients.



**PM's statement  
on passing of  
John Gillard**

*Julia Gillard  
posted Sunday, 9  
September 2012*

More support for disability support pensioners to participate in work

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The Government is investing \$92.8 million over the next four years in new requirements for disability support pensioners to increase their participation, including \$30.4 million in additional employment services for people with disability.

The DSP currently has no ongoing requirements on recipients, and many people are simply left on DSP with no support or encouragement to participate in the economic and social life of the community.

For the first time, from 1 July 2012, DSP recipients under the age of 35 with some capacity to work will be required to attend regular participation interviews to engage with Centrelink to develop participation plans, tailored to their individual circumstances.

Participation plans could involve working with employment services to improve job readiness, searching for employment, undertaking training, volunteering or rehabilitation. These are different from the requirements that apply to other income support recipients, such as jobseekers.

The compulsory participation interviews will also help make sure DSP recipients are connected to other services and supports they need to overcome barriers to participation, such as drug and alcohol rehabilitation, or accommodation support.

Attendance at Centrelink interviews will be compulsory. If someone does not attend an interview Centrelink will contact them to make another interview time. If they do not attend this interview the usual penalties will apply, though Centrelink will make several attempts to contact the person by phone and by mail before this occurs. Participation in activities will be on a voluntary basis.

In recognition of the very low workforce participation of people with mental illness, the Government is also investing \$50 million in the budget for new personal helpers and mentors to support DSP and other income support recipients with a mental illness who are engaging with an employment service.

These new participation requirements will apply to existing and new DSP recipients under 35 years of age who are assessed as having a work capacity of at least eight hours a week.

DSP recipients who are manifestly disabled or have a work capacity of zero to seven hours a week, or who work in an Australian Disability Enterprise or the Supported Wage System, will be excluded from the participation requirements. DSP recipients in open employment will not be required to attend regular interviews while they are in employment.

While many come onto the DSP from employment, very few go back to work. The average length of time that DSP recipients are on income support is almost twelve years.

This important reform builds on steps the Government took in the 2008–09 Budget to make it easier for DSP recipients to access support to get and keep a job, by removing the cap on access to disability employment services with a \$1.7 billion investment over the contract period. Previously, people with disability had to wait for up to a year to access these services.

Allowing all DSP recipients to work up to 30 hours a week

From 1 July 2012, the Government will also provide greater incentives to work by allowing all DSP recipients to work up to 30 hours a week without their payment being cancelled or suspended. DSP recipients will also be able to receive a part pension while they work, subject



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to income testing arrangements.

Currently, DSP recipients granted after 11 May 2005 can only work up to 15 hours a week before their payment is suspended or cancelled. DSP recipients granted before this date were 'grandfathered' under the Welfare to Work changes and can work up to 30 hours a week before their DSP is suspended or cancelled.

DSP recipients subject to 'the 15 hour rule' can find it difficult to find work limited to only 15 hours a week. Many want to test whether they can work more hours but are worried about losing their eligibility for DSP.

This change will remove the disincentive for DSP recipients to work if they are able and will help to address the low workforce participation rate of people with disability.

It will also improve incentives for DSP recipients to work, or to increase their work hours, as they may receive a part pension in addition to employment income subject to the income test.

It is estimated that this change will cost \$7.6 million over the forward estimates and will encourage around 4,000 DSP recipients to take up work, and 3,900 recipients who are already employed to work extra hours.

#### More accurate and efficient Disability Support Pension assessments

The Government is also fast tracking the start of significant reforms to DSP assessments announced in the 2010-11 Budget. These new rules will now apply from 3 September 2011, rather than 1 January 2012.

The new DSP assessment procedure will help people with disabilities return to the workforce by focusing on their ability, rather than their disability.

These reforms will provide faster, more sustainable support for people with severe disabilities, while referring others with the potential to work to employment services including Job Services Australia and Disability Employment Services.

While eligibility for the DSP will not change, applicants will be required to provide sufficient evidence that they are unable to work independently, even with assistance and support.

To satisfy this requirement, most applicants will have to provide evidence that they have been unable to obtain employment through an open employment service or vocational rehabilitation.

Currently, people can apply for DSP without having to demonstrate that they have investigated alternative employment options.

People with severe disability or illness who are clearly unable to work will be fast-tracked to ensure they receive financial support more quickly.

The new start for these reforms will deliver a saving of \$49.7 million in addition to \$383.4m over four years from 2010-11 to 2013-14 from the original measure, which was announced in the 2010-11 Budget.

The Government will also trial a new auditing process for DSP assessments, using medical professionals from the health professional advice unit to review the quality and robustness of DSP assessments. This trial will not affect DSP recipients' qualification for the DSP.

#### More support for employers

Many employers would be willing to employ someone with disability but aren't sure about the assistance they could access or may need some financial help to take the first step. Two new wage subsidy programs for employers of job seekers with disability will be introduced in this Budget.

- \$94.6 million investment to provide very long term unemployed job seekers with disability participating in the Disability Employment Services and Job Services Australia programs with a new six month wage subsidy worth around \$6000.

- \$11.3 million investment to provide new wage subsidies of \$3,000 to employers who employ people with disability in jobs for at least 15 hours a week for 26 weeks, and a new Supported Wage System Employer Payment.

The subsidies will be available through Disability Employment Services providers and will help employers cover the costs of recruiting and training and will encourage more employers to give people with disability a go.

From 1 July 2012, a new Supported Wage System Employer Payment will also be available to employers who employ people whose work productivity is reduced as a result of their disability.

The \$2,000 incentive payment will be available to eligible employers after they have employed a person under the Supported Wage System for a minimum of 15 hours a week, for a period of 26 weeks.

The Supported Wage System Employer Payment is an incentive for employers who employ people with disability who have reduced work productivity and are not registered with an Australian Government employment service provider.

In addition, in 2012-13 the Government will inject \$1 million into targeted Disability Employment Broker projects to create new jobs for unemployed people with disability.

The Disability Employment Broker projects will increase awareness of the incentives that are available to employers and build employer confidence in working with people with disability.

People with a disability and their employers deserve access to the best possible employment services. This Government has greatly increased funding to expand and improve disability employment programs. In addition, we will continue to enlist the services of existing expert providers under the Disability Employment Services Employment Support Service that are performing at the highest 4 and 5 Star levels. They will be assured of continued funding through to 2015.

Those that are only performing at average or lower levels will be invited to demonstrate their capacity through a procurement process that will be open to other providers. To support providers in preparing for this transition, the existing contract for providers will be extended by 8 months to conclude in March 2013

The Government is also investing \$2.4 million to better support employers and front line employment service staff so they are better equipped to help people with disability, including those with mental illness into employment.

#### New rules for overseas travel for people with severe disability

The Government also recognises that the DSP is an essential safety net for those who cannot work.

New, more generous rules from 1 July 2012, will allow people receiving DSP who have a permanent disability and no future work capacity, to travel overseas for more than 13 weeks while retaining access to their pension.

In addition, DSP recipients who are severely disabled and are required to accompany a family member who has been posted overseas by their Australian employer will be entitled to continue to receive their pension for the period of the family member's posting. These pensioners will not be eligible for add-on payments such as the Pension Supplement or Rent Assistance while they are overseas. These changes deliver a net saving of \$19.0 million over four years.

Existing portability rules will continue to apply to DSP recipients who may have some ability to work. Other working age payments will not be affected by these changes to portability arrangements.

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