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Disability burden hits \$17bn a year

GROWTH 'UNSUSTAINABLE', COALITION TO ACT

EXCLUSIVE

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The Disability Support Pension has reached an "unsustainable" point as the \$17 billion welfare program outstrips inflation and puts a growing burden on taxpayers, triggering a new vigilance in the federal government to curb the growth.

The spending is growing faster than the Australian population and forcing a greater contribution from those who stay in the workforce, according to government figures that counter claims that the trend presents no threat.

Worried that past reforms will not do enough to fix the problem, the government is warning that payments to more than 800,000 disability support pensioners have grown by 7.6 per cent on average every year for the past decade, far ahead of inflation.

The total annual bill has swollen from \$10bn to \$17bn over the decade in real terms and continues to rise as a proportion of the working-age population — a sign of the load that workers have to carry to fund the safety net.

The findings inflame a debate

over whether the nation has made it too easy for people to "opt out" of the workforce and retire early on the DSP, where they can collect more than they would on unemployment benefits and then eventually move to the Age Pension.

Academic studies have rubbished the "alarm" over the growth of the disability pension, arguing that social shifts and policy changes have driven the increase.

But Social Services Minister Christian Porter said the nation needed "pathways" to get people back into study or work rather than encouraging them to get "stuck on welfare".

"The Disability Support Pension is an important safety net but there is no doubt that we inherited a situation where the growth in people claiming the DSP stretched the system to an unsustainable point," he told *The Australian*.

"DSP spending over the last decade has been growing at a rate considerably faster than inflation

and at a considerably greater rate than our population. Suggestions DSP spending is merely increasing in line with population growth are simply wrong."

Unlike the National Disability Insurance Scheme, which is ramping up to fund health and other services for people with disabilities, the DSP is a form of income support for those with physical, intellectual or psychiatric conditions that prevent them working.

It has grown from 168,784 recipients in 1975 to 814,391 recipients four decades later, outpacing population growth for much of that time.

Mr Porter said the government had already changed the rules to

target the help at those with a "permanent and significant" disability, but he made it clear the tougher approach would continue.

"This kind of stringency and targeting is the only way to guarantee the sustainability of the DSP system so it is available into the future for the Australians who