


Jessica Brown

**Centre for Independent
Studies**

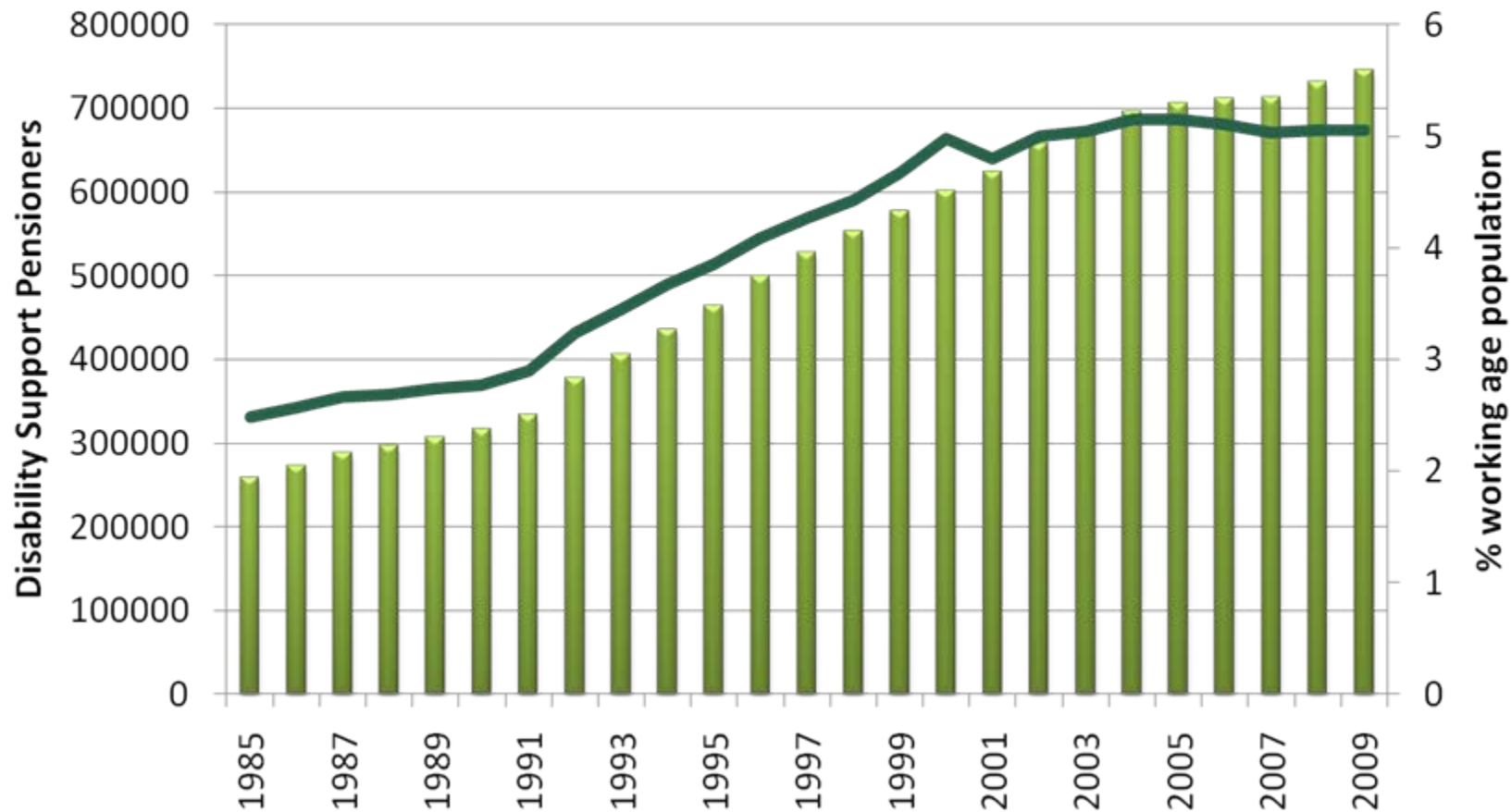


No disability
or mild
disability:
able to work

Some
disability: can
often work
with right
help and
incentives

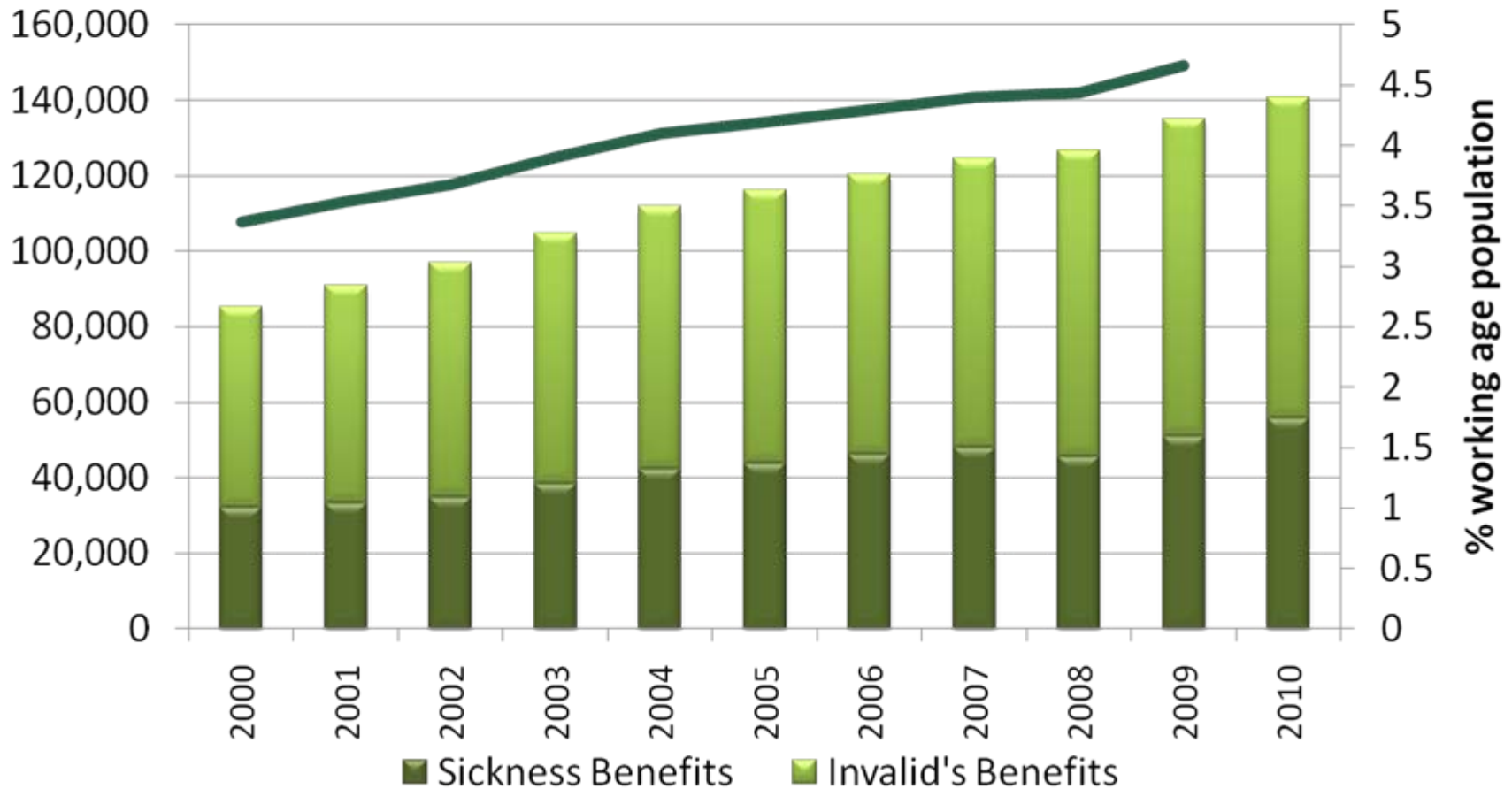
Profound
disability:
often unable
to work

Growth in the number of Disability Support Pensioners



Source: FaHCSIA, Australian Bureau of Statistics

Growth in the number of Incapacity and Sickness Benefit Recipients

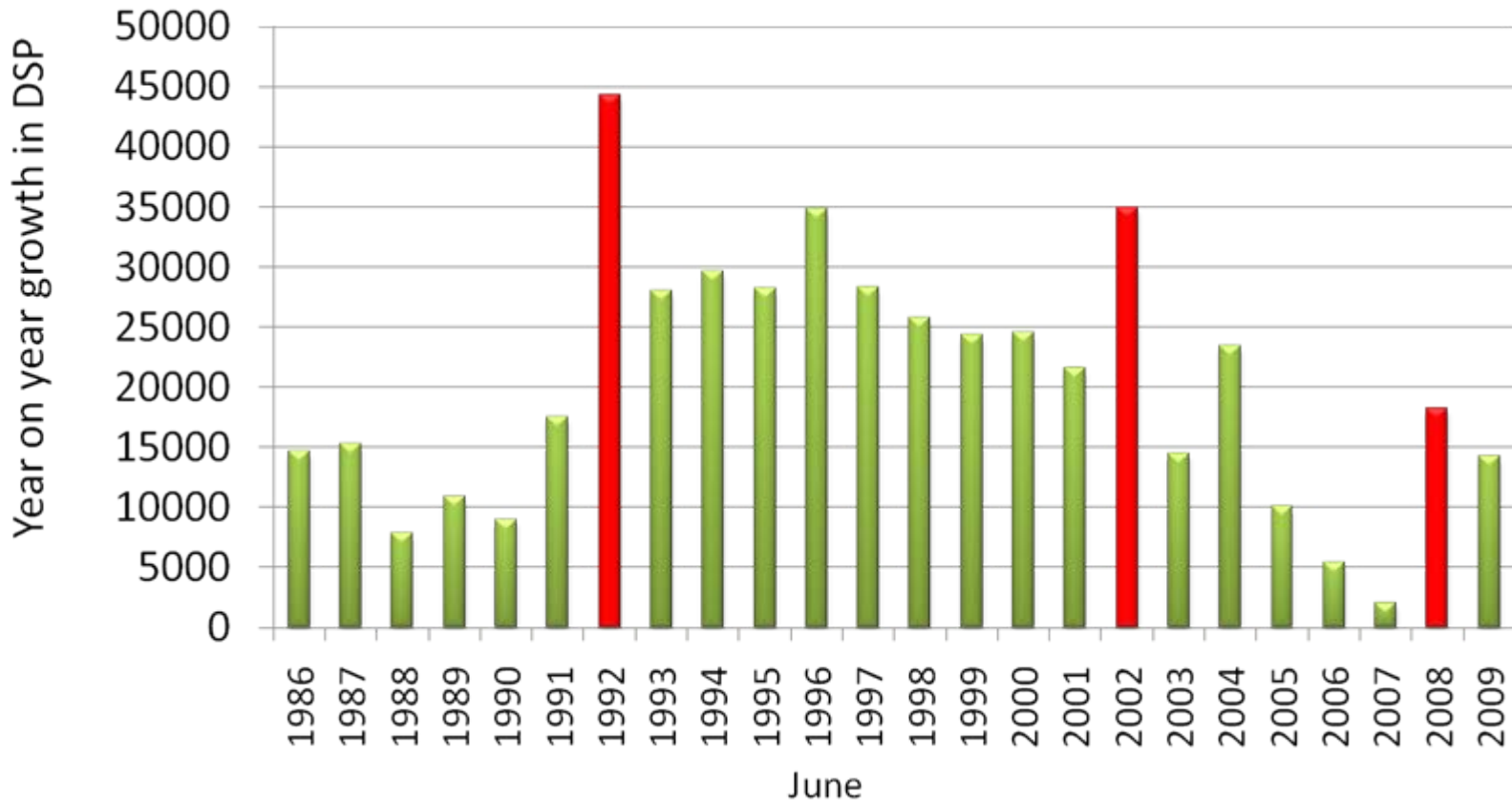


Source: Ministry of Social Development, Statistics NZ

- **Australia**

- Mutual Obligation (1990s)
- Howard reforms to DSP (2006)
- Rudd reforms to DSP (2009/10)

There is a relationship between disability benefits and unemployment

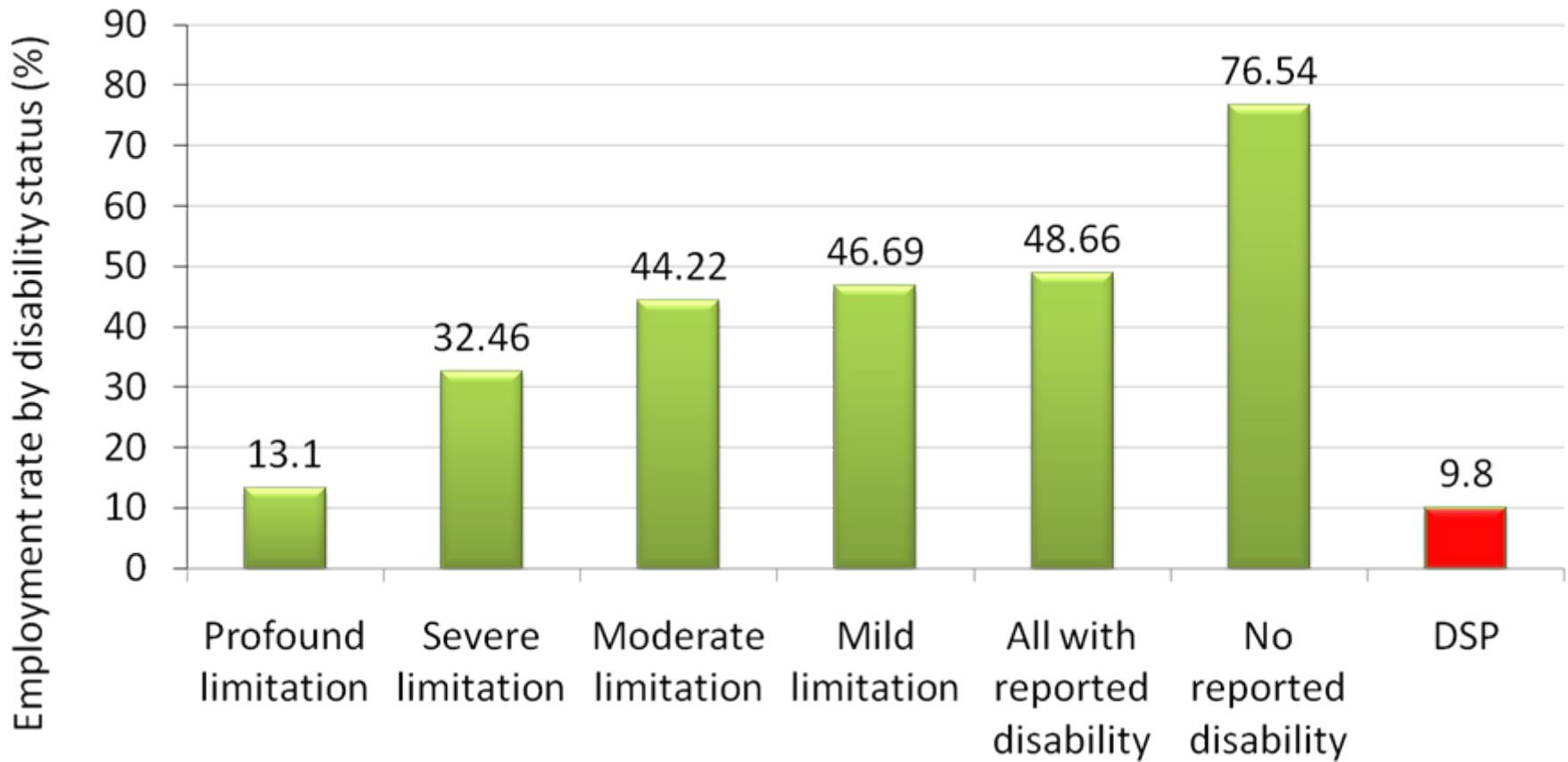


Source: FaHCSIA, Australian Bureau of Statistics

- **Welfare reforms can lead to a perverse incentive to go on disability benefits**
 - Hidden Unemployment

- **Disability benefits are often a ‘destination’ payment for people on other welfare payments**
 - 35% from unemployment benefits
 - only 1.2% return to work each year

There are some disability pensioners who probably could work



Source: FaHCSIA, Australian Bureau of Statistics

- **Targeting new applicants only will not reduce the total number on payments**
 - 600,000 ‘Grandfathered’

- **Successful reform of disability benefits could have unintended consequences**

- **There is a clear relationship between disability benefits and unemployment**
- **Welfare reforms can create a perverse incentive to go on disability benefits**
- **Disability benefits are often a ‘destination’ payment for people on other welfare payments**
- **There are some people on disability benefits who probably could work**
- **Targeting new applicants only will not reduce the total number on disability benefits**
- **But reform of disability benefits must be matched with better help for people with disabilities to secure jobs**

Defeating Dependency:

Moving Disability Support Pensioners Into Jobs

Available at www.cis.org.au