

# 3. People with Disabilities

## Background

AWT provided more support for people with disabilities to enable them to maximise their capacity to participate in paid work. The Better Assessment and Early Intervention measure came into effect in September 2002 and affected both people claiming DSP and jobseekers claiming an activity test exemption due to a medical incapacity.

- For people claiming DSP the Better Assessment and Early Intervention measure set up a new assessment process to identify an individual's work capacity and recommend services that could assist new claimants to find work consistent with their level of capacity. This included a service offer so that claimants could be directed as early as possible to appropriate assistance and services.
- For NSA/YA jobseekers who were seeking an activity test exemption due to a medical incapacity the assessment was designed

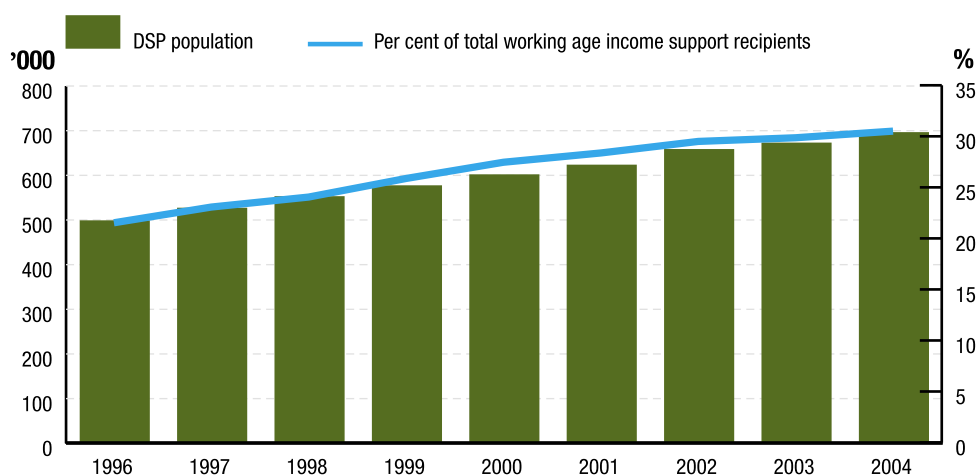
to encourage participation according to their work capacity. Those identified as at high risk of moving onto DSP had an interview with a Personal Adviser who would establish their level of incapacity and direct them to interventions that may assist in their recovery.

Several other AWT measures, including extra places in disability employment services, Working Credit, and the Personal Support Program (PSP) were also available to people with disabilities.

## Income Support Reliance

Chart 13 shows that the number of people receiving DSP has been increasing, although the rate of increase slowed after the introduction of AWT. The population reached almost 700 000 in 2004 and comprised 30 per cent of the total working age income support population.

Chart 13: Total DSP — population, June 1996 to June 2004

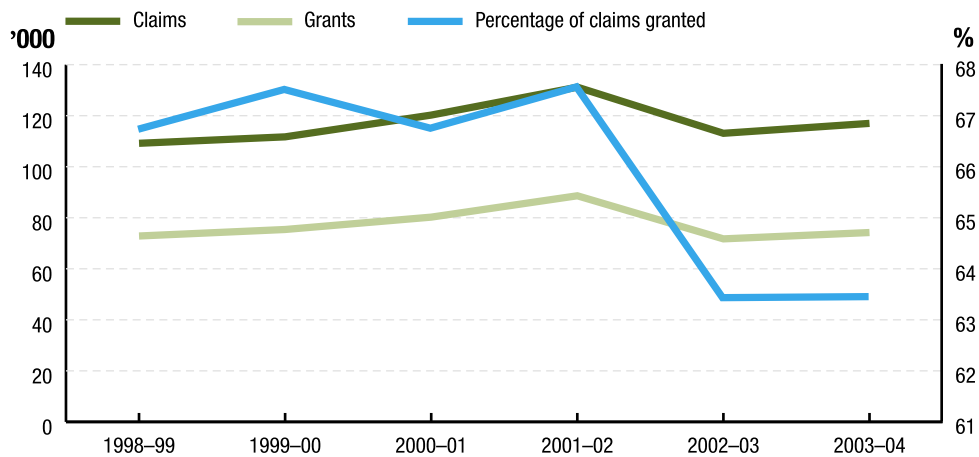


Source: Centrelink Administrative Data

Note: Working age income support data excludes students

It was intended that AWT would lead to a decrease in the number of people being granted DSP. While both claims and grants of DSP dropped immediately after the implementation of AWT, they have since remained steady (Chart 14).

**Chart 14: DSP — claims and grants, 1998–99 to 2003–04**



Source: Centrelink administrative data

After the implementation of AWT there was also a decrease in the number of NSA/YA recipients being granted an activity exemption due to incapacity. The NSA/YA (incap) population as a proportion of all NSA/YA recipients fell from 13 per cent in September 2002 to 10 per cent in September 2003.

As AWT changed the assessment process for claiming DSP,<sup>6</sup> income support reliance and participation data in the remainder of this chapter will report on the status of new DSP recipients<sup>7</sup> over the twelve months from grant

(referred to hereafter as ‘new DSP recipients’). That is, new DSP grants in 2000–01 and 2002–03 are followed for twelve months through 2001–02 and 2003–04 respectively.

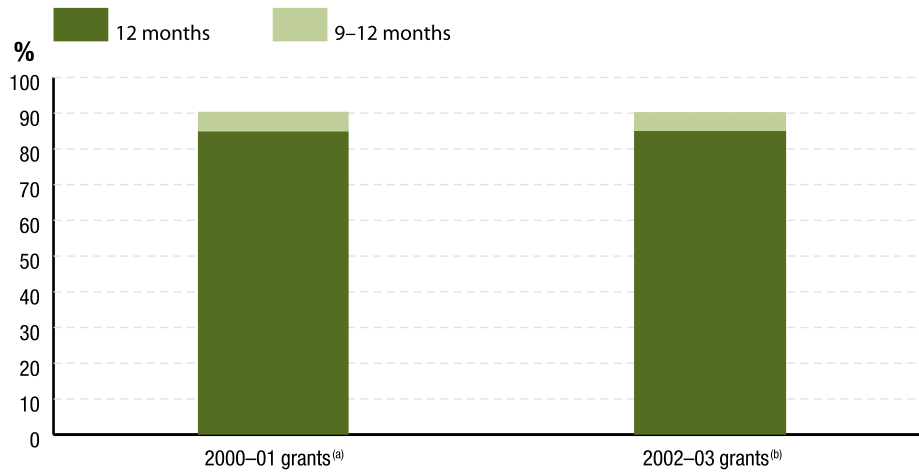
The Better Assessment process came into effect in September 2002. Most new DSP recipients granted in 2002–03 were subject to this measure. AWT also affected people whose claim for DSP was rejected (predominately Newstart recipients). Specific data on this group was not available at the time this report was prepared.

<sup>6</sup> As existing DSP recipients were reviewed for DSP, they were also assessed under the new assessment process. This accounts for only a small proportion of all those who came under the new assessment process.

<sup>7</sup> For all Centrelink administrative data analysis, the data shows the status of DSP recipients covering a twelve month period after being granted payment. This means that where a DSP recipient is selected in 2001, analysis shows their status within the following twelve months. For survey data analysis, DSP recipients who had been granted payment after AWT were questioned.

Since the introduction of AWT, new DSP recipients have remained heavily reliant on income support, with around 85 per cent of recipients spending the entire year on income support (Chart 15).

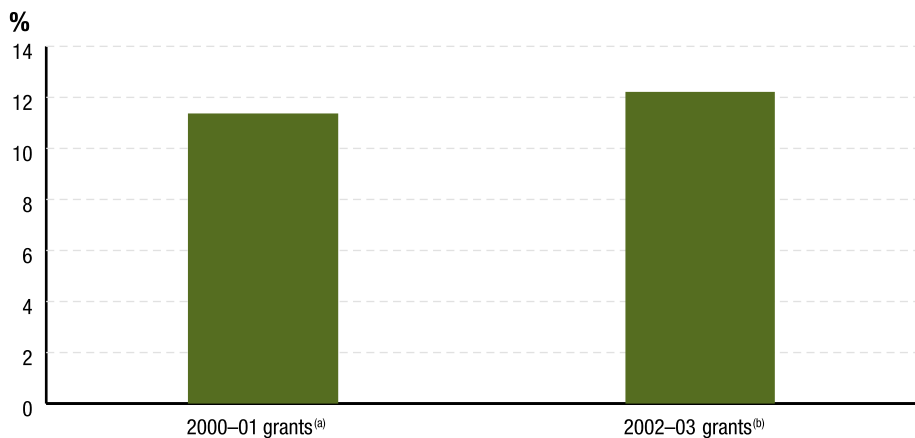
**Chart 15: New DSP recipients in 2000–01 and 2002–03 — income support status in following 12 months**



Source: Centrelink administrative data,  
 (a) Status in 2001–02 (b) Status in 2003–04

The proportion of new DSP recipients who exited payment over the year for reasons other than death or reaching age pension age remained at around 12 per cent (Chart 16).

**Chart 16: New DSP recipients in 2000–01 and 2002–03 — exits from income support in following 12 months**



Source: Centrelink administrative data  
 Note: Exits do not include recipients who exited due to death or reaching Age Pension Age.  
 (a) Status in 2001–02 (b) Status in 2003–04

## Participation

Participation in paid work remained steady at 14 per cent pre and post AWT (Table 4). Of those with earnings, there was a small increase from 50 per cent to 54 per cent over the period in the share recording a level of fortnightly earnings of \$400 or more.

It is not possible to determine to what extent this was attributable to increased hours of work or the general increase in wages. The Job Network assisted more DSP job seekers into work post AWT with total job placements increasing from 2 840 in 2001–02 to 3 983 in 2003–04.<sup>8</sup>

**Table 4: New DSP recipients 2000–01 and 2002–03 — per cent in paid work while on income support during following 12 months**

% reporting	2000–01 <sup>(a)</sup>	2002–03 <sup>(b)</sup>
<b>Fortnightly earnings from paid work</b>	14	14
Of those with earnings:		
<b>Distribution of fortnightly earnings <sup>(c)</sup>:</b>		
<b>Less than \$100</b>	11	9
<b>\$100 to \$399</b>	39	37
<b>\$400 and over</b>	50	54

Source: Centrelink administrative data

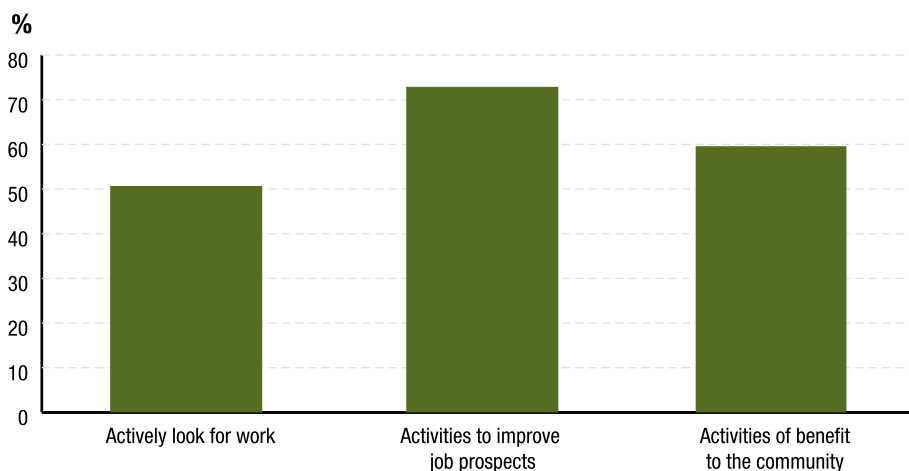
(a) Status in 2001–02 (b) Status in 2003–04 (c) Not indexed for inflation

Although participation in paid work was low, 36 per cent of new DSP recipients said that they would have some capacity to work within the next two years.

As well as this self reported capacity to undertake paid work, the community is

supportive of people with disabilities actively participating, with over 70 per cent of survey respondents agreeing that people with disabilities should have to undertake activities to improve their job prospects, if they are able to do so (Chart 17).

**Chart 17: Community support for participation requirements for DSP recipients, 2004**



Source: Customer and Community Attitudes Survey 2004

<sup>8</sup> Information on the participation in PSP and Disability Open Employment Services for people with disabilities was not available at the time of preparation of this report.

## Conclusion

There were some positive changes to the population of people with disabilities following the introduction of AWT, with decreases in the number of claims for and grants of DSP as well as decreases in the proportion of the NSA/YA population with activity exemptions due to incapacity.

However, income support reliance among DSP recipients has remained high, and participation in paid work has not increased

since AWT. This is not surprising, given that the focus of AWT was on the assessment process and participation for people with disabilities remained voluntary.

On a positive note, a large proportion of DSP recipients reported a capacity to work within 2 years. In addition, there is strong community support to increase economic or social participation of DSP recipients.