



**Australian Government**

**Department of Employment and  
Workplace Relations**

# Characteristics of Sickness Allowance Recipients

June 2005

## **SICKNESS ALLOWANCE - OVERVIEW**

### ***Who is this Payment for?***

Sickness Allowance is paid to people who are temporarily unfit, due to disability, illness or injury that prevents them for working and studying; and have a job or study to return to when the temporary incapacity for work or study ends. Sickness Allowance is intended to ensure that people who are employed and who are temporarily unable to work because of a medical condition receive assistance.

### ***Eligibility Requirements***

To qualify for Sickness Allowance a person must:

- have a disability, illness or injury that temporarily prevents them from working or studying; and
- have a job or study to return to when the temporary incapacity for work or study ends; and
- be less than the Age Pension age (currently 62.5 years for women and 65 years for men); and
- satisfy residency requirements (a person must be an Australian resident); and
- satisfy income and assets tests.

Sickness Allowance is available if a person is:

- employed and aged 21 years or over and temporarily unable to work in their usual job due to a disability, illness or injury; or
- a full-time student aged 21 years or over receiving ABSTUDY and temporarily unable to study due to a disability, illness or injury; or
- a full-time student aged 25 years or over receiving Austudy payment and temporarily unable to study due to a disability, illness or injury.

### ***Trends***

At June 2005:

- there were 8,367 Sickness Allowance recipients, a decrease of 1.3% (111) on the June 2004 figure;
- just over two thirds were male;
- 48.6% were aged 20 to 39, 45.8% were aged 40 to 59 and 5.7% were aged 60-64;
- 55.5% lived in either NSW or Victoria;
- 77.6% were born in Australia;
- 69.4 were single; and
- 44.9% had a musculo-skeletal/connective tissue illness.

While the population continues to decrease, the rate of decline has slowed.

This report was prepared by:  
Disability Payments Section, Income Support Programme Branch  
Department of Employment and Workplace Relations

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### **Source of Data**

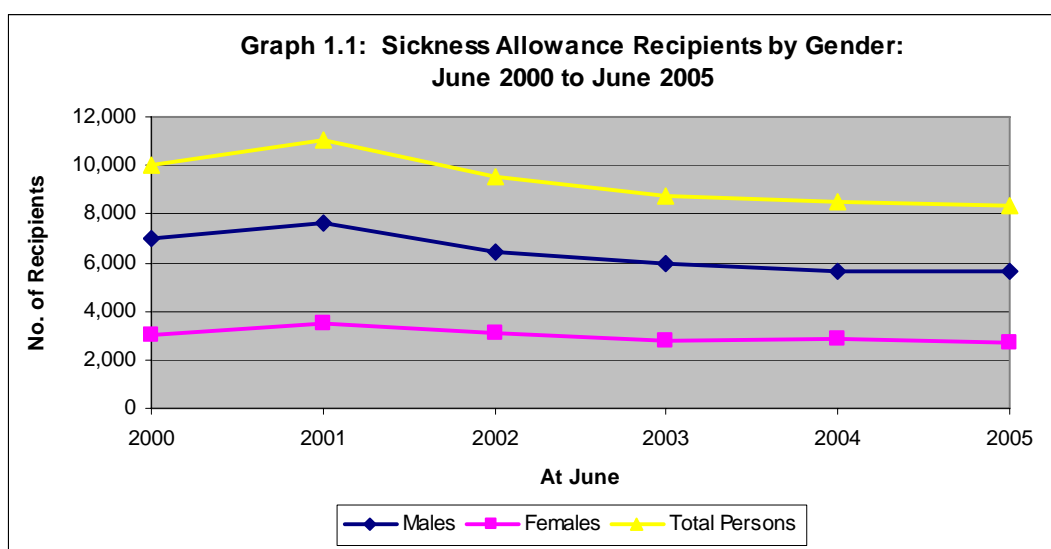
Centrelink administrative data.

# 1 SICKNESS ALLOWANCE POPULATION CHARACTERISTICS

## 1.1 Recipients by Gender 2005

There were 8,367 people in receipt of Sickness Allowance at June 2005, a 1.3% decrease on the June 2004 figure. The rate of decline continues to slow since the 13.7% decrease experienced in 2002 (the result of a Centrelink review of recipients to ensure they had a job or training to return to).

The male proportion of the Sickness Allowance population has remained around 68% since 2002.

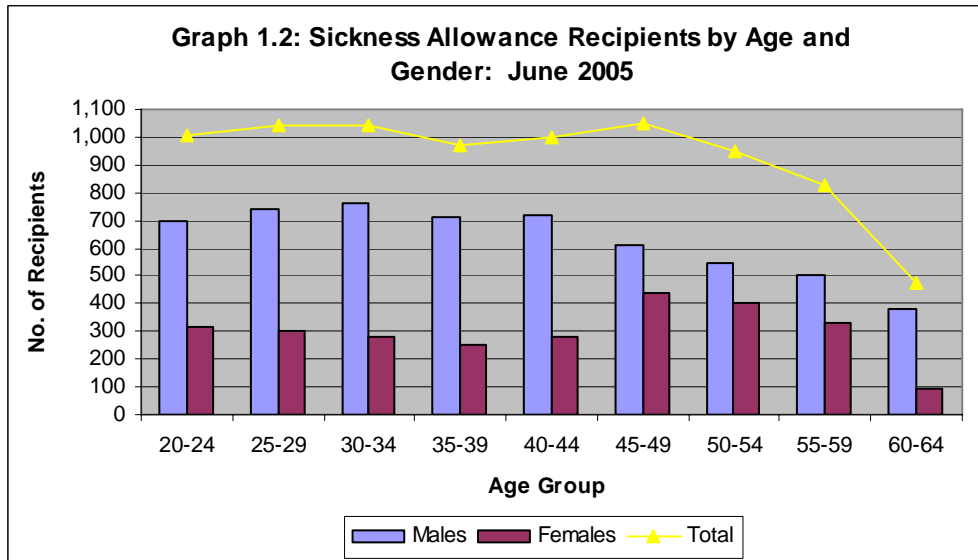


**Table 1.1: Sickness Allowance recipients by Gender: 2000 to 2005**

At June each year	Males			Females			Total Persons		
	Count	Change	% of Total	Count	Change	% of Total	Count	Change	% Growth
2000	6,990		<b>69.6%</b>	3,053		<b>30.4%</b>	10,043		
2001	7,598	608	<b>68.7%</b>	3,460	407	<b>31.3%</b>	11,058	1,015	<b>10.1%</b>
2002	6,414	-1,184	<b>67.2%</b>	3,126	-334	<b>32.8%</b>	9,540	-1,518	<b>-13.7%</b>
2003	5,973	-441	<b>68.2%</b>	2,782	-344	<b>31.8%</b>	8,755	-785	<b>-8.2%</b>
2004	5,613	-360	<b>66.2%</b>	2,865	83	<b>33.8%</b>	8,478	-277	<b>-3.2%</b>
2005	5,671	58	<b>67.8%</b>	2,696	-169	<b>32.2%</b>	8,367	-111	<b>-1.3%</b>

## 1.2 Recipients by Age and Gender

There was an even spread of recipients across all age groups (around 12% up to age 50-55). While 51.3% of males were aged 20-39 and 42.0% were aged 40-59, the opposite was the case for females (42.7% and 53.9% respectively).



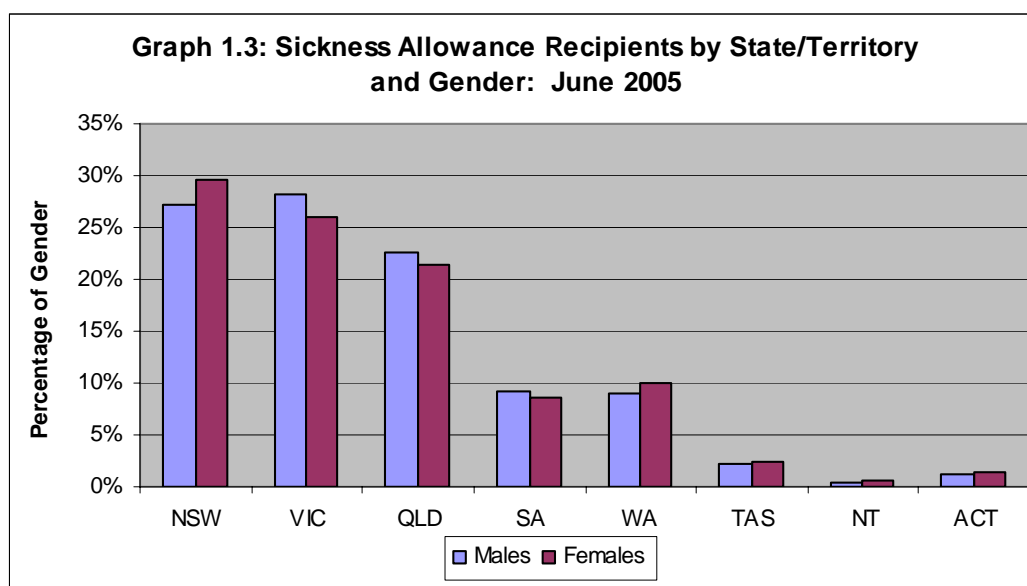
**Table 1.2: Sickness Allowance Recipients by Age and Gender: June 2005**

Age	Males	%	Females	%	Total	%
20-24	694	12.2%	316	11.7%	1,010	12.1%
25-29	738	13.0%	305	11.3%	1,043	12.5%
30-34	762	13.4%	279	10.3%	1,041	12.4%
35-39	715	12.6%	252	9.3%	967	11.6%
40-44	721	12.7%	281	10.4%	1,002	12.0%
45-49	610	10.8%	438	16.2%	1,048	12.5%
50-54	547	9.6%	405	15.0%	952	11.4%
55-59	501	8.8%	328	12.2%	829	9.9%
60-64	383	6.8%	92	3.4%	475	5.7%
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>

### 1.3 Recipients by Geographic State

The majority of Sickness Allowance recipients can be found in the more populous Australian States. New South Wales is the largest with 28.0% of the Sickness Allowance population, while the Northern Territory is the smallest with 0.5%.

When compared with the ABS Census 2001, the proportion of Sickness Allowance recipients living in Victoria, Queensland, South Australia and the ACT is higher than the proportion of the total Australian population in these States.



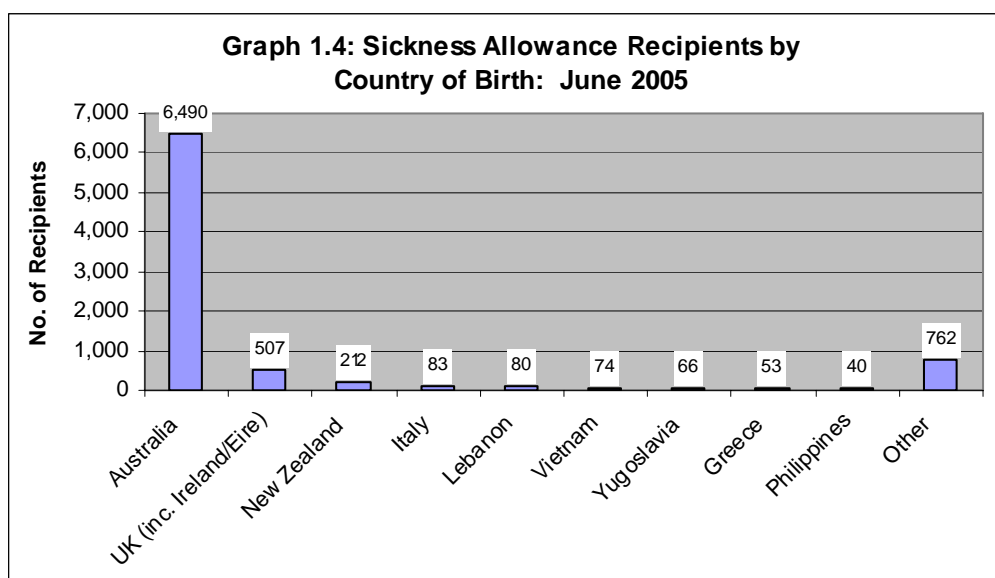
**Table 1.3: Sickness Allowance Recipients by State: June 2005**

STATE	Males	%	Females	%	Total	State as % of Total	ABS Census 2001
NSW	1,542	27.2%	800	29.7%	2,342	28.0%	33.6%
VIC	1,597	28.2%	701	26.0%	2,298	27.5%	24.5%
QLD	1,286	22.7%	576	21.4%	1,862	22.3%	19.3%
SA	522	9.2%	230	8.5%	752	9.0%	7.7%
WA	509	9.0%	272	10.1%	781	9.3%	9.8%
TAS	124	2.2%	64	2.4%	188	2.2%	2.4%
NT	25	0.4%	15	0.6%	40	0.5%	1.6%
ACT	66	1.2%	38	1.4%	104	1.2%	1.1%
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>	<b>100.0%</b>

## 1.4 Recipients by Country of Birth

The following graph and table shows the country of birth of Sickness Allowance recipients. The 9 countries with the highest number of recipients are shown.

The majority of Sickness Allowance recipients were born in Australia (77.6%). The next largest group was those born in the United Kingdom/Ireland (6.1%). When compared with ABS Census 2001 country of birth data, only one country was not over-represented on Sickness Allowance (Italy) with two being the same (Greece and the Philippines).



**Table 1.4: Sickness Allowance Recipients by Country of Birth: June 2005**

COUNTRY OF BIRTH	Males	%	Females	%	Total	%	ABS Census 2001
Australia	4,379	77.2%	2,111	78.3%	6,490	77.6%	71.8%
UK (inc. Ireland/Eire)	336	5.9%	171	6.3%	507	6.1%	5.7%
New Zealand	158	2.8%	54	2.0%	212	2.5%	1.9%
Italy	64	1.1%	19	0.7%	83	1.0%	1.2%
Lebanon	72	1.3%	8	0.3%	80	1.0%	0.4%
Vietnam	47	0.8%	27	1.0%	74	0.9%	0.8%
Yugoslavia	44	0.8%	22	0.8%	66	0.8%	0.3%
Greece	45	0.8%	8	0.3%	53	0.6%	0.6%
Philippines	14	0.2%	26	1.0%	40	0.5%	0.5%
Other	512	9.0%	250	9.3%	762	9.1%	16.8%
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>	<b>100.0%</b>

While males represent 49.4% of the Australian population (ABS Census 2001), they represent 67.8% of the Sickness Allowance population (June 2005). Males are over represented on Sickness Allowance for all countries listed below with Lebanon (90.0% of Sickness Allowance compared to 52.0% reported in the ABS Resident Population 2001) having the highest over representation. The Philippines recorded the smallest, at 35.0% and 34.5% respectively.

**Table 1.4.1: Sickness Allowance by Country of Birth June 2005**

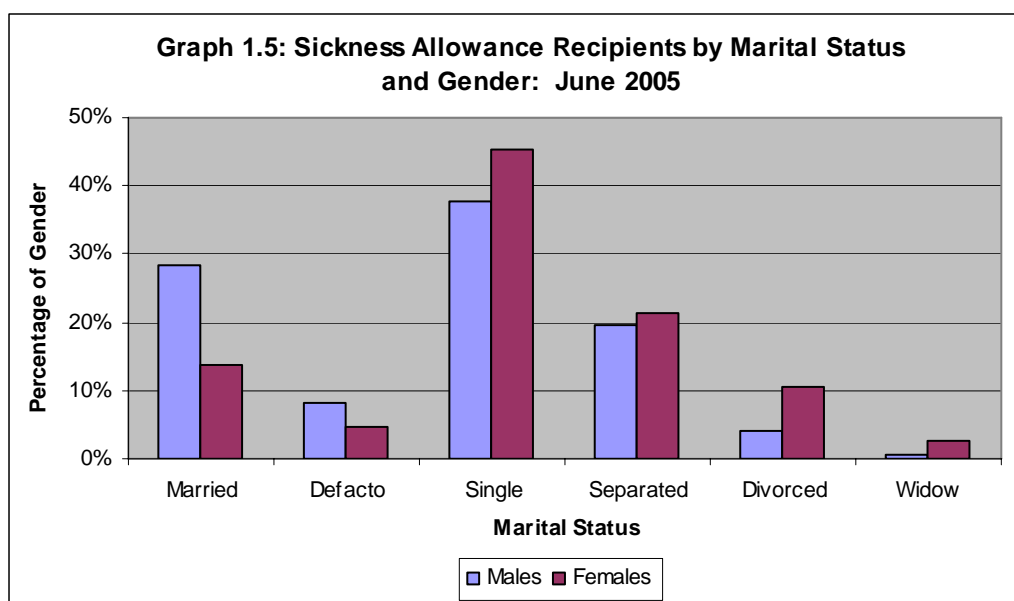
COUNTRY OF BIRTH	Sickness Allowance			ABS Resident Population		
	Males	Females	Difference	Male	Female	Difference
Australia	67.5%	32.5%	<b>34.9%</b>	49.3%	50.7%	<b>-1.5%</b>
UK (inc. Ireland/Eire)	66.3%	33.7%	<b>32.5%</b>	50.2%	49.8%	<b>0.4%</b>
New Zealand	74.5%	25.5%	<b>49.1%</b>	50.7%	49.3%	<b>1.3%</b>
Italy	77.1%	22.9%	<b>54.2%</b>	52.5%	47.5%	<b>5.0%</b>
Lebanon	90.0%	10.0%	<b>80.0%</b>	52.0%	48.0%	<b>4.0%</b>
Vietnam	63.5%	36.5%	<b>27.0%</b>	48.5%	51.5%	<b>-3.1%</b>
Yugoslavia	66.7%	33.3%	<b>33.3%</b>	51.6%	48.4%	<b>3.3%</b>
Greece	84.9%	15.1%	<b>69.8%</b>	50.5%	49.5%	<b>1.0%</b>
Philippines	35.0%	65.0%	<b>-30.0%</b>	34.5%	65.5%	<b>-31.0%</b>
Other	67.2%	32.8%	<b>34.4%</b>	49.1%	50.9%	<b>-1.9%</b>
<b>Total</b>	<b>67.8%</b>	<b>32.2%</b>	<b>35.6%</b>	<b>49.4%</b>	<b>50.6%</b>	<b>-1.3%</b>

## 1.5 Recipients by Marital Status and Gender

The majority of Sickness Allowance recipients are not partnered (69.4%) with females more likely to not have a partner than males (81.7% of the female population are not partnered, compared to 63.5% of males).

The higher percentages of divorced, separated and widowed women may be the result of:

- women who have separated from a spouse who was the main income earner which resulted in them having to seek income support; and
- the closing off of payments such as Widow B Pension.

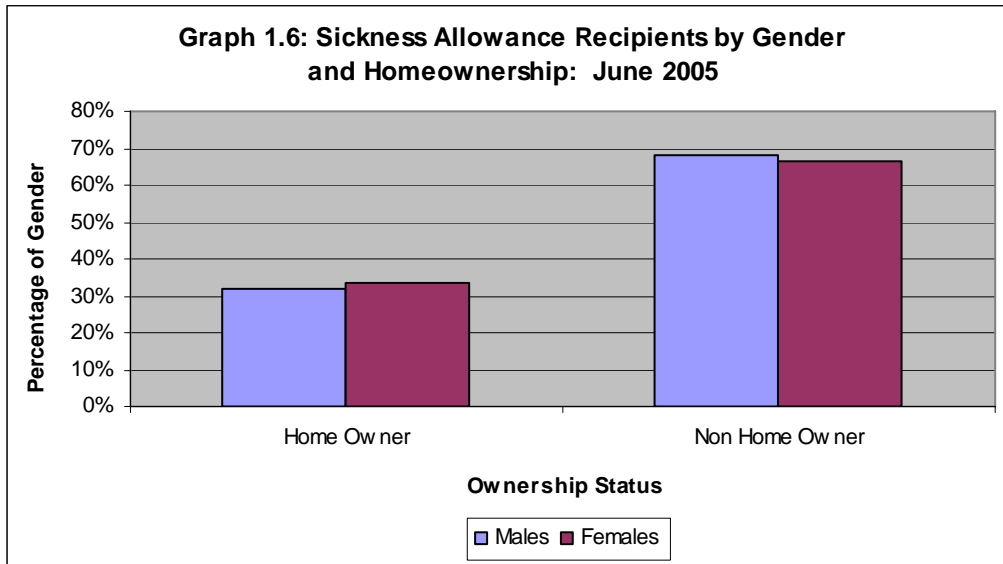


**Table 1.5: Sickness Allowance Recipients by Marital Status and Gender: June 2005**

MARITAL STATUS	Males	%	Females	%	Total	%
Married	1,601	28.2%	371	13.8%	1,972	23.6%
Defacto	467	8.2%	123	4.6%	590	7.1%
Single	2,136	37.7%	1,222	45.3%	3,358	40.1%
Separated	1,114	19.6%	572	21.2%	1,686	20.2%
Divorced	231	4.1%	287	10.6%	518	6.2%
Widow	29	0.5%	72	2.7%	101	1.2%
Unknown	93	1.6%	49	1.8%	142	1.7%
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>

## 1.6 Recipients by Gender and Home Ownership

The majority of Sickness Allowance recipients do not own their home (67.5%). Females receiving Sickness Allowance are marginally more likely to own a home, including paying it off, than males (33.3% compared to 32.1%).



**Table 1.6: DSP Recipients by Gender and Homeownership: June 2005**

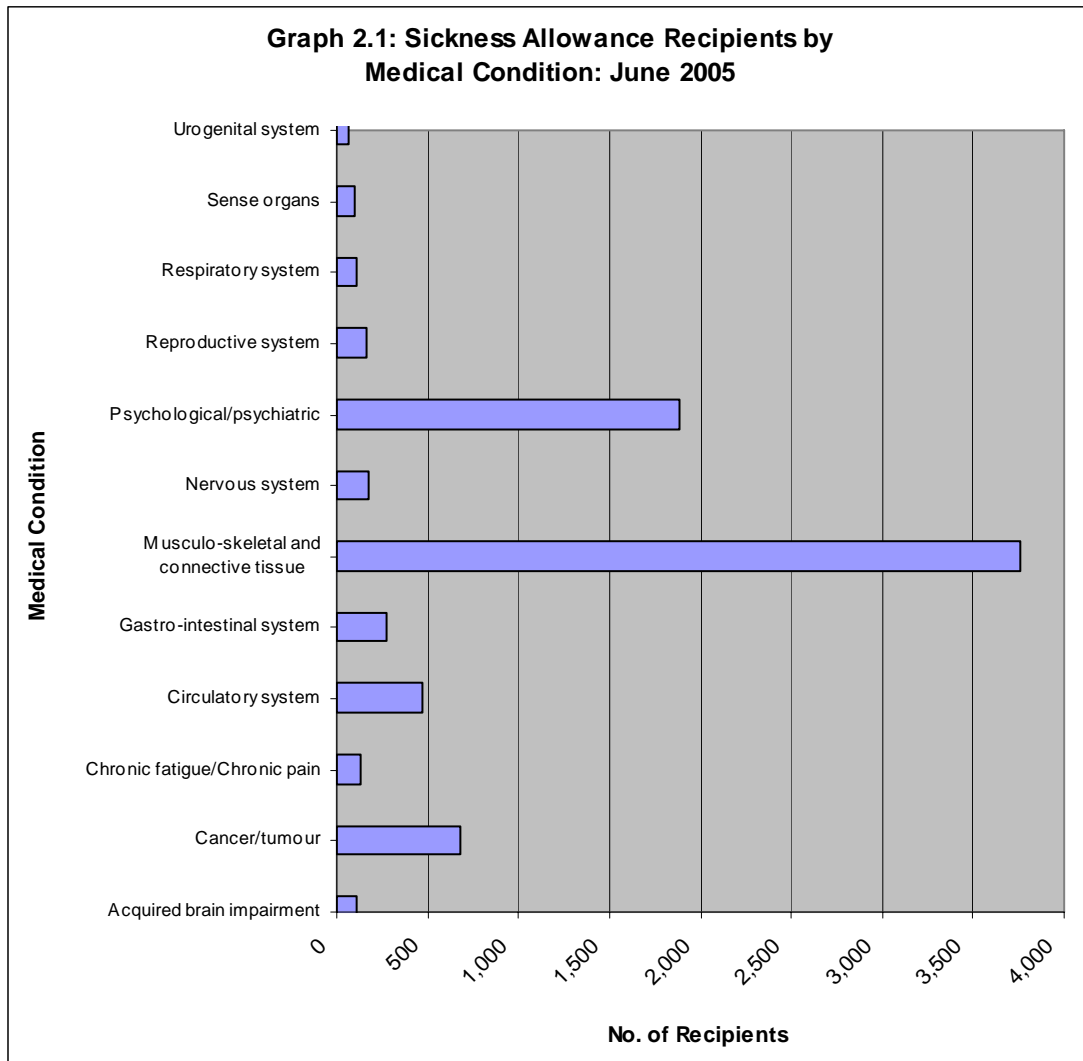
HOUSING STATUS	Males	%	Females	%	Total	%
Home Owner	1,820	<b>32.1%</b>	897	<b>33.3%</b>	2,717	<b>32.5%</b>
Non Home Owner	3,851	<b>67.9%</b>	1,799	<b>66.7%</b>	5,650	<b>67.5%</b>
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>

## 2 MEDICAL CONDITION

### 2.1 Recipients by Medical Condition

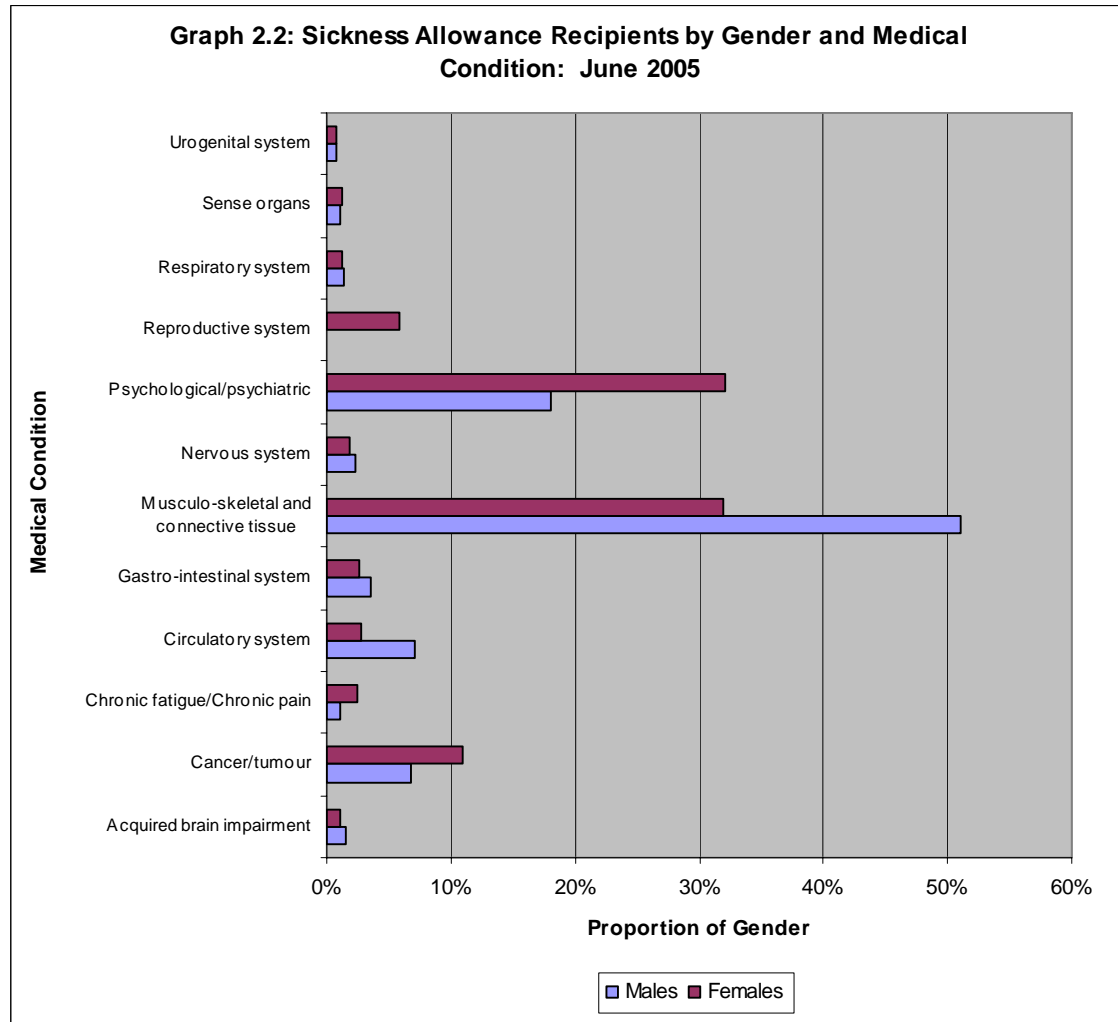
The medical conditions reported here represent the primary condition that is recorded on a recipient's record.

The three largest medical condition groups are musculo-skeletal/connective tissue (44.9%), psychological/psychiatric (22.6%) and cancer/tumour (8.2%).



## 2.2 Recipients by Medical Condition and Gender

Just over half the male Sickness Allowance population (51.0%) had a musculo-skeletal/connective tissue medical condition. Psychological/psychiatric was the second largest group at 18.1%. Psychological/psychiatric and musculo-skeletal/connective tissue was the largest groups for females at 32.0% and 31.9%.



Of the medical condition groups listed in table 2.1, females outnumbered males in only two groups, chronic fatigue/chronic pain (52.3%) and reproductive system (98.8%).

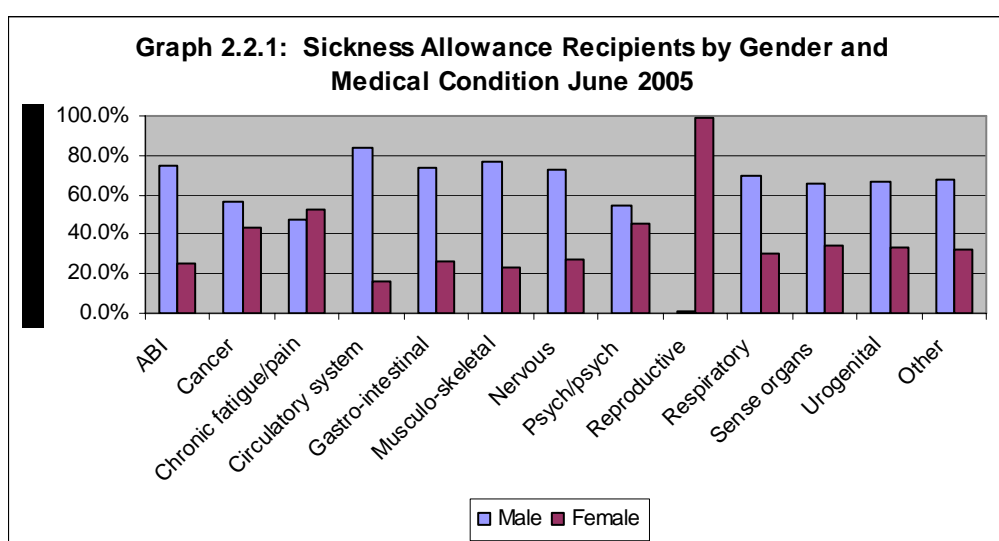
Male recipients make up 84.0% of the circulatory system medical condition group. The next highest male dominated group is musculo-skeletal/connective tissue with 77.1% followed by acquired brain injury with 75.2%.

**Table 2.1: Sickness Allowance Recipients by Gender and Medical Condition: June 2005**

MEDICAL CONDITION	Males	%	Females	%	Total	%
Acquired brain impairment	85	1.5%	28	1.0%	113	1.4%
Cancer/tumour	388	6.8%	294	10.9%	682	8.2%
Chronic fatigue/Chronic pain	61	1.1%	67	2.5%	128	1.5%
Circulatory system	400	7.1%	76	2.8%	476	5.7%
Gastro-intestinal system	204	3.6%	72	2.7%	276	3.3%
Musculo-skeletal and connective tissue	2,895	51.0%	859	31.9%	3,754	44.9%
Nervous system	129	2.3%	48	1.8%	177	2.1%
Psychological/psychiatric	1,026	18.1%	863	32.0%	1,889	22.6%
Reproductive system	2	0.0%	160	5.9%	162	1.9%
Respiratory system	79	1.4%	35	1.3%	114	1.4%
Sense organs	64	1.1%	34	1.3%	98	1.2%
Urogenital system	42	0.7%	21	0.8%	63	0.8%
Other	296	5.2%	139	5.2%	435	5.2%
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>2,696</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>

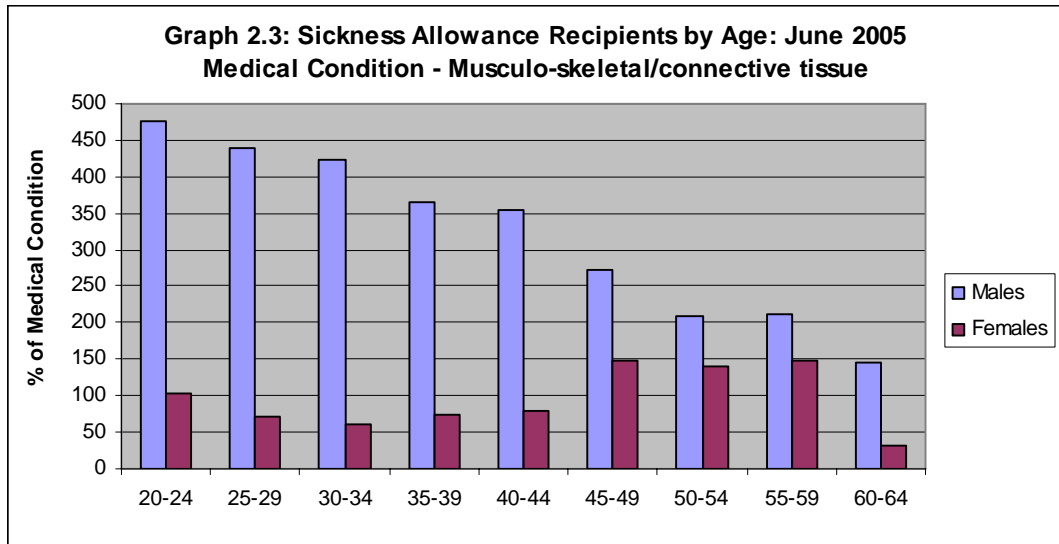
**Table 2.2: Sickness Allowance Recipients by Gender and Medical Condition – Gender as a Percentage of the Total: June 2005**

MEDICAL CONDITION	Males	%	Females	%	Total	%
Acquired brain impairment	85	75.2%	28	24.8%	113	100.0%
Cancer/tumour	388	56.9%	294	43.1%	682	100.0%
Chronic fatigue/Chronic pain	61	47.7%	67	52.3%	128	100.0%
Circulatory system	400	84.0%	76	16.0%	476	100.0%
Gastro-intestinal system	204	73.9%	72	26.1%	276	100.0%
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Nervous system	129	72.9%	48	27.1%	177	100.0%
Psychological/psychiatric	1,026	54.3%	863	45.7%	1,889	100.0%
Reproductive system	2	1.2%	160	98.8%	162	100.0%
Respiratory system	79	69.3%	35	30.7%	114	100.0%
Sense organs	64	65.3%	34	34.7%	98	100.0%
Urogenital system	42	66.7%	21	33.3%	63	100.0%
Other	296	68.0%	139	32.0%	435	100.0%
<b>Total</b>	<b>5,671</b>	<b>67.8%</b>	<b>2,696</b>	<b>32.2%</b>	<b>8,367</b>	<b>100.0%</b>



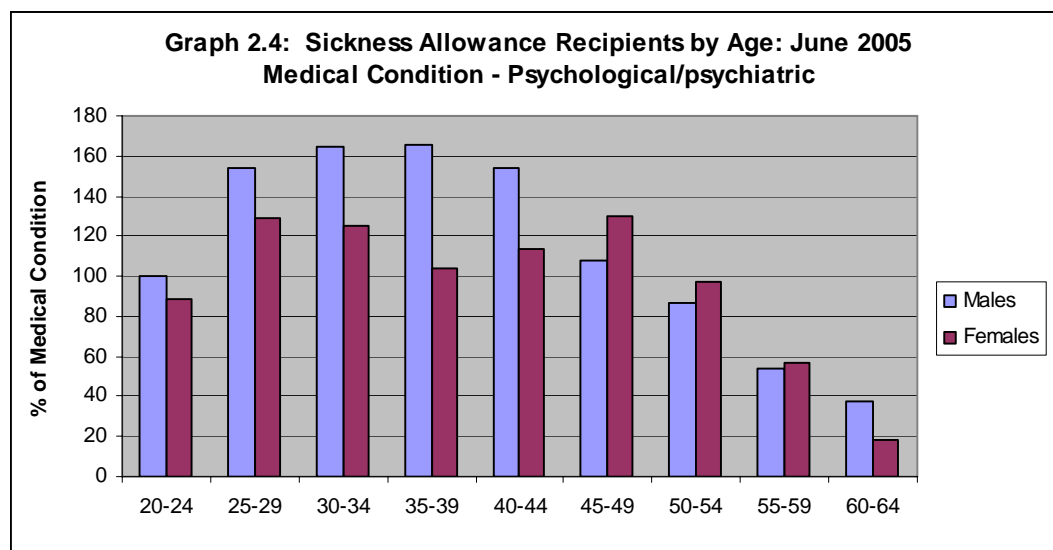
### 2.3 Recipients by Musculo-skeletal/Connective tissue Medical Condition

The age distribution for male and female recipients with musculo-skeletal/connective tissue conditions is quite different. Male recipients decrease as age increases. This may be related to the number of males on the Disability Support Pensioners with this medical condition (numbers increase significantly as age increases). Female Sickness Allowance recipients increase from age 30-34 to 55-59 before dropping away at age 60-64 (related to the Age Pension qualifying age for women which at June 2005 was 62½).



### 2.4 Recipients by Psychological/Psychiatric Medical Condition

Psychological/Psychiatric conditions show a more even distribution in age groups but like the musculo-skeletal group, fall away as age increases (from age 35-39 for males and age 45-49 for females).

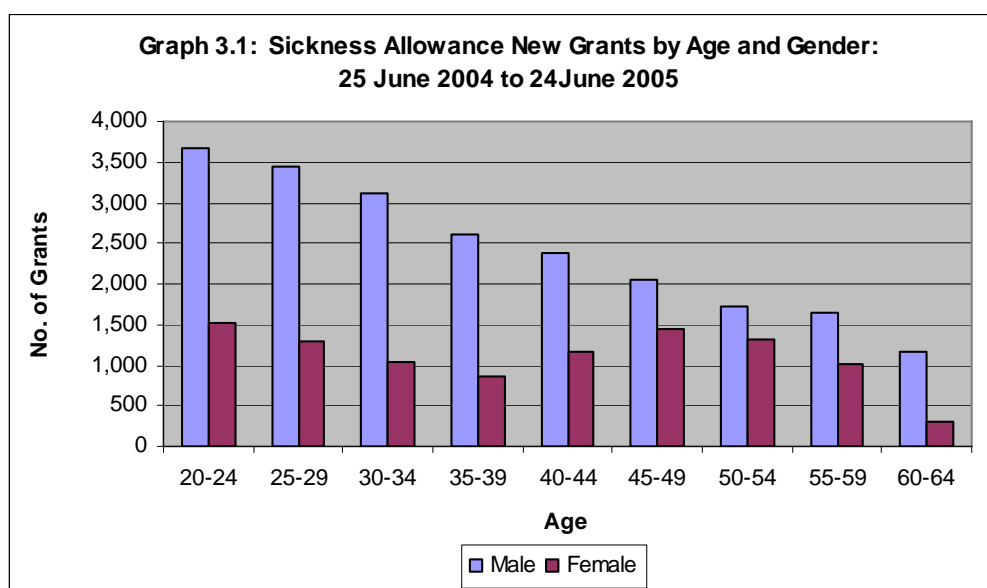


### 3 NEW CLAIMS

#### 3.1 New Claims Granted by Age and Gender

During the period 25 June 2004 to 24 June 2005, there were 31,800 new claims for Sickness Allowance granted compared to 31,600 in the previous twelve month period.

Males make up 68.7% of Sickness Allowance new grants while females comprise 31.3% (males represent 67.8% of the total Sickness Allowance population). The graph below is similar to the distribution shown in Graph 2.3 on page14.



**Table 3.1: Sickness Allowance New Grants by Age and Gender:  
25 June 2004 to 24 June 2005**

AGE	New grants						Total SA recipients	
	Male	%	Female	%	Total	%	Total	%
20-24	3,679	16.8%	1,528	15.3%	5,207	16.4%	1010	12.1%
25-29	3,444	15.8%	1,303	13.1%	4,747	14.9%	1043	12.5%
30-34	3,115	14.3%	1,036	10.4%	4,151	13.1%	1041	12.4%
35-39	2,609	11.9%	861	8.6%	3,470	10.9%	967	11.6%
40-44	2,390	10.9%	1,156	11.6%	3,546	11.1%	1002	12.0%
45-49	2,060	9.4%	1,445	14.5%	3,505	11.0%	1048	12.5%
50-54	1,733	7.9%	1,324	13.3%	3,057	9.6%	952	11.4%
55-59	1,634	7.5%	1,009	10.1%	2,643	8.3%	829	9.9%
60-64	1,175	5.4%	306	3.1%	1,481	4.7%	475	5.7%
<b>Total</b>	<b>21,839</b>	<b>100.0%</b>	<b>9,968</b>	<b>100.0%</b>	<b>31,807</b>	<b>100.0%</b>	<b>8,367</b>	<b>100.0%</b>

### 3.2 New Claims Rejected by Reason and Gender

The main reasons for rejecting a Sickness Allowance claim were because the recipient failed to reply to correspondence (17.6%) or failed to supply documentation (17.4%).

Females were more likely than males to be rejected because their medical certificate had expired (12.3% compared to 8.4%) while males were more likely than females to be rejected because they did not have a job to return to (15.5% compared to 9.5%).

**Table 3.2: New Claims Rejected by Reason and Gender:  
25 June 2004 to 24 June 2005**

Rejected	Males	% of Male Total	% of Total	Female	% of Female Total	% of Total	Total
Failed to reply to correspondence	833	17.8%	66.8%	414	17.1%	33.2%	1,247
Failed to supply Documentation	851	18.2%	69.2%	379	15.7%	30.8%	1,230
No job to return to	723	15.5%	75.9%	230	9.5%	24.1%	953
Medical Certificate expired	391	8.4%	56.7%	298	12.3%	43.3%	689
Withdrawn/voluntary surrender	356	7.6%	64.7%	194	8.0%	35.3%	550
Assets over the limit	247	5.3%	68.8%	112	4.6%	31.2%	359

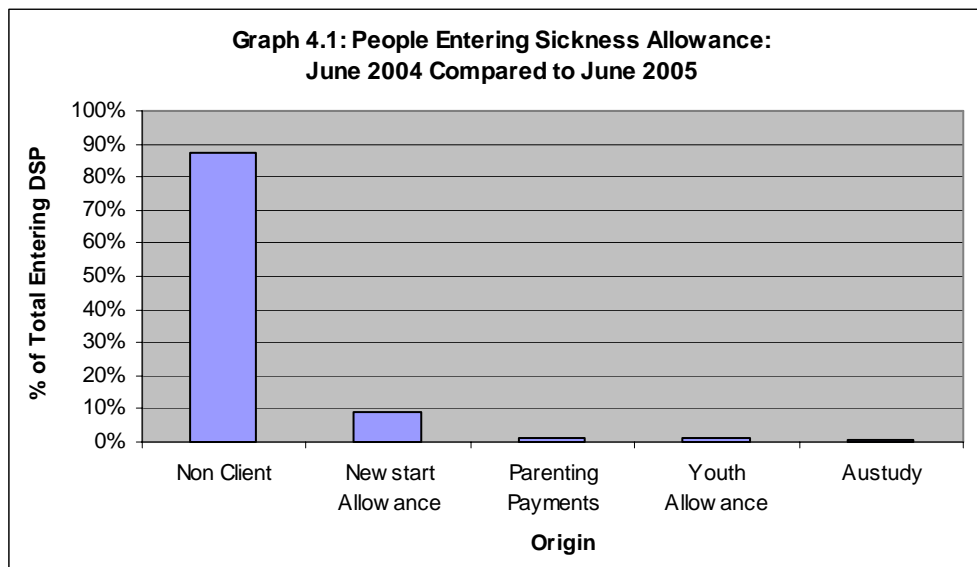
## 4 WHERE SICKNESS ALLOWANCE RECIPIENTS ARE COMING FROM AND GOING TO

### 4.1 Where Sickness Allowance Recipients Are Coming From

There were 7,798 people receiving Sickness Allowance in June 2005 who were not receiving Sickness Allowance in June 2004.

The largest group of people entering Sickness Allowance were those who were not previously receiving an income support payment. These comprise 87.4% of new recipients on payment. The next largest source of Sickness Allowance recipients were transfers from Newstart Allowance with 8.8% of new recipients.

It should be noted that figures for recipient transfers do not exactly match those for new grants due to the different business rules used in extracting these data sets, for example, some new grants can be for the same recipient or a recipient may be granted Sickness Allowance and then leave Sickness Allowance within the same year.

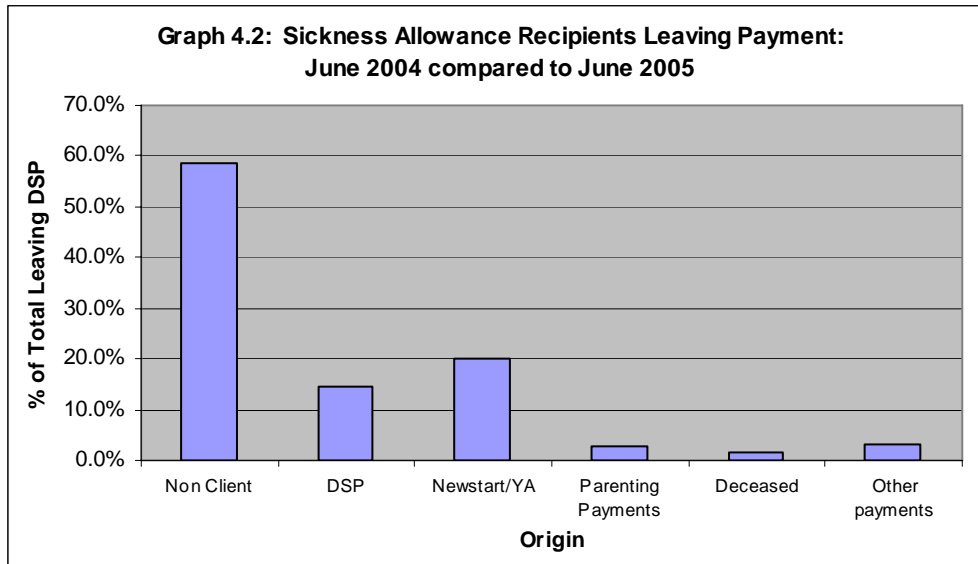


**Table 4.1: People Entering Sickness Allowance:  
June 2004 compared to June 2005**

Origin	Count	%
Non Client	6,814	87.4%
Newstart Allowance	683	8.8%
Parenting Payments	100	1.3%
Youth Allowance	85	1.1%
Austudy	56	0.7%
Other	60	0.8%
<b>Total</b>	<b>7,798</b>	<b>100.0%</b>

## 4.2 Where Sickness Allowance Recipients Are Going To

The majority of recipients who were on Sickness Allowance in June 2004 but were not on Sickness Allowance in June 2005, left income support all together (58.5%). Another 20.0% went to Newstart/Youth Allowance and 14.4% to DSP.



**Table 4.2: Sickness Allowance Recipients Leaving Payment: June 2004 compared to June 2005**

Destination	Count	%
Non Client	4,689	58.5%
Newstart/YA	1,602	20.0%
DSP	1,154	14.4%
Parenting Payments	207	2.6%
Deceased	118	1.5%
Other payments	247	3.1%
<b>Total</b>	<b>8,017</b>	<b>100.0%</b>