

Australian government moves to cut thousands off disability pensions

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11 August 2011

Continuing its historic dismantling of welfare benefits, the Labor government has announced that eligibility for the disability pension will be sharply restricted as of January 1. The changes aim to disqualify almost 40 percent of new Disability Support Pension (DSP) applicants, effectively shoving them onto meagre unemployment benefits and forcing them to try to find work despite injuries or disabilities.

Those affected will be among the most vulnerable members of society. Many will be elderly workers thrown onto the jobless scrapheap and no longer able to bear arduous work, or workers who have suffered serious injuries or workplace-related ill-health. These numbers have grown as a result of employer speedups, demands for constant productivity increases and business negligence toward safety requirements.

Injured and disabled workers are, by definition, those least capable of gaining stable, decently-paid and independent employment. Yet, the Labor government is demanding that they hunt for work—in order to expand the pool of cheap labour used by business to drive down wages and conditions. Community Services Minister Jenny Macklin contemptuously asserted: “I want to see people who have some capacity to work doing so.”

According to the government’s advisory committee, the lists of acceptable disabilities—or Impairment Tables—used by assessors deciding eligibility for the pension must “focus more on ability.” Chronic pain will no longer qualify in itself—DSP applicants will have to demonstrate sufficient “functional impairment” as a result of the pain.

Similarly, claims for psychiatric disability have been singled out. The committee’s report criticised the “focus on a mental diagnosis and treatment.” Instead, “assessment should emphasise the impact on an individual’s ability to carry out tasks or activities.”

Disabilities must already be permanent, that is, expected to apply for at least two years. Assessors are instructed to

ignore factors not directly related to the applicant’s medical condition, “such as the availability of work in the person’s local community.” This means that pensions are denied even when there is no suitable local employment.

The changes are an integral part of Prime Minister Julia Gillard’s agenda, as she seeks to demonstrate to big business that her government can deliver its demands for fundamental economic restructuring amid the global financial crisis. The government has already unveiled measures or trials aimed at removing or drastically reducing welfare entitlements for sole parents and jobless youth, as well as indigenous people.

The disabled will be marshalled into any jobs they are deemed physically capable of taking, no matter what their interests, and regardless of the pay and conditions. This will add to the layer of unemployed workers desperately competing for jobs, allowing business to drive down wages and conditions.

Besides Australia’s booming mining industry, which employs less than 2 percent of the national workforce, other sectors such as retail, manufacturing, tourism and construction are experiencing recessionary conditions. Gillard is responding to the demands of industry groups for a lowering of working conditions in line with those being imposed across Europe and the US as well as Asia.

The assault on welfare is also designed to meet the demands of the financial markets for the slashing of social spending to eliminate the budget deficit and reduce the taxes paid by business and high-income earners. The DSP changes seek to save the government \$35 million next year alone—part of its pledge to produce a budget surplus by 2012-2013. No official estimate has been provided of the much larger amounts by which these savings will grow over the ensuing years as current DSP recipients move onto aged pensions or die.

Trials conducted by the advisory committee indicate that 38 percent of formerly eligible applicants are likely to

be disqualified under the new criteria. About 143,000 people are expected to apply for the DSP next year. Already, the rejection rate stands at 41 percent, so the changes are expected to increase that figure to roughly two-thirds of all applicants, or 96,000 people next year. According to the National Welfare Rights Network, 30,000 people already on the pension have their cases reviewed each year, and these too will be subjected to the new punitive criteria.

Other measures have already been announced to cut the scope of the DSP. Beginning next month, applicants aged below 35 must attend regular interviews with unemployment agencies for 18 months before applying for the DSP. The previous Howard government made it compulsory to prove an inability to work for as little as 15 hours a week, down from 30, effectively compelling many applicants to work part-time.

Despite the Howard government's efforts, there are today about 800,000 people on the DSP, up by about 130,000 over the past six years. Previously-suppressed official statistics indicate that much of this rise has been caused by other welfare-slashing measures, particularly those directed against women workers.

Documents obtained from the families department under Freedom of Information laws show that the percentage of men accessing the DSP scheme dropped slightly from 5.76 percent of the working population in 1998 to 5.73 percent in 2008. For women, however, the figure rose from 3.09 percent to 4.44 percent. This period saw the abolition of pensions for wives and widows, incremental increases to the age of 65 for women to retire on an aged pension and reductions to parenting payments.

Rejected DSP applicants will be pushed onto Newstart unemployment allowances, which provide a paltry \$34 per day for singles, \$128 less per week than the DSP. Those on Newstart must prove they are actively seeking work, and attend meetings—up to three times per week—with the government welfare agency Centrelink, or have their payments suspended or cut off. This regime is designed to demean and frustrate the unemployed, pressuring them into casualised and low-paid work.

According to the Australian Council of Social Services, the umbrella welfare group, there are already more than 100,000 people with a disability receiving Newstart benefits—a figure that will now rise relentlessly.

Gillard spelled out the punitive thrust of the government's welfare measures in February. "To the maximum extent possible, I want to ensure that every Australian who can work, does work. I want to ensure that

the incentives to work always outweigh the attractions of staying on welfare," she declared. Together with the 800,000 DSP recipients, she singled out an estimated 800,000 part-time workers and another 800,000 "discouraged workers." From these sources alone, she claimed, an extra two million people could be placed in the workforce.

This agenda was underscored by an editorial in the Murdoch-owned *Australian* on August 1, titled "Welfare reforms welcome." It declared: "The economic benefits of moving people from welfare to work are felt directly on the budget by removing unnecessary welfare payments and increasing the number of people who might pay tax. This agenda also helps to ensure maximum participation in the workforce at a time of labour shortages."

Leaked documents have exposed how the government and the media are working hand in glove to slander welfare recipients in order to stifle opposition to these measures. A Centrelink "fraud and compliance media strategy" outlined a protocol for releasing to the media video footage—obtained by private investigators—of DSP recipients charged with fraud.

No evidence of fraud is required—the strategy states: "In instances where the Media Section makes a tip-off to the media prior to a court appearance, it does not supply written material about the case." The blatant aim of this policy is to stereotype the disabled and other welfare beneficiaries as fraudsters and promote a poisonous atmosphere in which Labor's measures can be carried out.



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