

(Cth) Increase the Disability Support Pension Payment to Above the Poverty Line

- P: In Australia, the maximum single rate of the Disability Support Pension (DSP) is \$1,200.90 a fortnight.
- S: The Minister for Social Services should amend the indexation rules in Sections 1064-1066 of the *Social Security Act 1991* (Cth) to increase the DSP to above the poverty line.
- E: People with Disabilities Australia (PWDA): 'increase income support payments, including the Disability Support Pension (DSP) ... to above the poverty line'.

PROBLEM IDENTIFICATION:

Sections 1064-1066 of the *Social Security Act 1991* (Cth) establish a framework for calculating the DSP, taking into account an individual's residence status, assets, income, and other adjustments. However, there is no existing standard that guarantees that the DSP will exceed the poverty line.

As stated by Jenny Karavolos, Co-Chair of the Autism Australia Alliance, this means that 'income support systems trap people with disability in poverty'. According to Services Australia, the latest maximum DSP payment rate is \$1,200.90 per fortnight. According to ABS figures, this is below the poverty line of 50% of the median income (i.e. \$1,436 per fortnight).

CONTEXT:

The DSP refers to financial assistance provided to people with 'physical, intellectual or psychiatric condition[s]' that are 'likely to persist for more than 2 years' and which prevent them from working over 15 hours a week.

In 2025, around 670,000 working-age Australians were receiving the Disability Support Pension, representing 3.8% of people aged 16-64.

Australia has 'no official definition of poverty', but experts often use a 50% or 60% median income rate as a 'relative income-based poverty line'.

ARGUMENTS:

The Australian Council of Social Service argued that 'the costs of disability are not sufficiently reflected in the rate of DSP'. Mitra et al. (2017) argued that 'individuals with disability hav[e] sizeable extra costs' due to their disability. The Consumers Health Forum of Australia identified that low-income support 'can trap people in a cycle of poverty and poor health from which it is extremely difficult to escape'. Olney and Yates (2025) highlighted that the extra costs of a disability are influenced by multidimensional factors (e.g. inadequate or remote housing) and reduced work opportunities, which exacerbate the financial impact of a disability. The National Centre for Social and

Economic Modelling reported that DSP recipients 'are much more likely to experience financial hardship and insecurity'. Disability Discrimination Commissioner Rosemary Kayess contended that failing to reform the DSP 'denies people dignity and respect and entrenches the dehumanising effects of poverty'.

The Senate Inquiry Report into DSP articulated that 'failing to attend to a person's ill-health will result in greater costs to the health system in the long-term'. Researchers from Monash University's School of Public Health and Preventive Medicine explained that 'people receiving DSP benefits ... [are] more likely to be hospitalised, are heavy users of healthcare services and have higher self-reported rates of medicine use ... compared to wage earners'. Further, the Housing for the Aged Action Group suggested that 'the inadequacy of [DSP] payments ... forces them to rely on community services that ... are already struggling to meet community needs.' The Productivity Commission identified that this over-reliance creates 'direct economic costs', including 'the cost of ... healthcare, housing and justice services'. PWDA stated that '1 in 5 (19 per cent) of people with disability who delay, or do not see a GP, do so because of the cost'. The ABC highlighted how 'Melissa has a skin condition that requires care and antibiotics that can cost her \$150 a fortnight [and] if she can't afford them, she may require overnight stays in hospital, which costs taxpayers potentially thousands of dollars a day.' Monash researchers ultimately argued that 'poverty is a barrier to recovery from illness'.

Milner et al. (2020) argued that 'poor mental health among [DSP recipients] could be a result of financial hardship given the low levels of payment.' The same study found a larger decline in mental health scores when a person reported both disability and DSP receipt, compared with reporting disability alone.

ADVICE/SOLUTION IDENTIFICATION:

PWDA has recommended increasing the DSP 'to above the poverty line so people with disability can afford the cost of living and achieve financial security.' According to Cassandra Goldie, CEO of the Australian Council of Social Service, raising the DSP payment could provide 'people with enough to cover essentials, including the extra costs that disability brings', and ensure that people with disability 'are treated with the respect and dignity they deserve'. PWDA has stated that increasing the DSP to above the poverty line could ensure people with a disability can 'avoid preventable health and housing crises, reducing long-term government expenditure on emergency and crisis services'.

PRECEDENT:

If Australia were to enact this reform, it would be world-leading to the best of the author's knowledge.

