Institute of Public Affairs MEDIA RELEASE

7 April 2024

GROWING WELFARE DEPENDENCY REQUIRES HONEST DEBATE AND URGENT ACTION

"The rapid growth of welfare dependency, often concentrated in certain geographic sections of the community post-Covid, is an urgent wake-up call for our political leaders that the Australian culture of hard work is at risk," said Daniel Wild, Deputy Executive Director of the Institute of Public Affairs

Today, the IPA released new research which analyses the growth in the proportion of the population receiving welfare in communities across the nation. The research shows;

- **Approximately 2.1 million Australians (aged 15+) are currently receiving welfare through either the NDIS, Disability Support Pension (DSP), Jobseeker, or Youth Allowance.**
    - This is approximately 425,000 higher than in 2018, before the NDIS was implemented in full and before the Covid lockdowns.
- **Approximately 86 per cent of the growth to the total number of people on welfare since 2018 is from the NDIS.**
- **From 2013-2018, the total number on welfare declined by around 115,000, which is around 23,000 per year on average.**
    - If this trend had continued until 2023, there would be around 1.5 million (of those aged 15+) on welfare, instead of 2.1 million, a difference of 600,000.

"Many Australians receive welfare for valid reasons, however there is a rapidly growing cohort who could work, but do not. This is placing an enormous burden on our nation's stretched finances and ballooning debt levels," said Mr Wild.

The IPA's analysis shows, before Covid and the implementation of the NDIS, there was a steady decline in the number and share of Australians who were welfare dependent, but this has climbed dramatically in recent years and failed to decline back to pre-Covid levels.

"The growing culture of welfare and dependency in Australia is alarming and our leaders need to start having an honest, grown-up conversation about it. This is particularly urgent given the protracted worker shortage crisis facing the nation," said Mr Wild.

"It is clear the federal and state governments' response to Covid has normalised a welfare culture, severing the link between income and work. The failed Covid legacy continues to harm our society, including, in particular, younger Australians."

"Exponential and uncontrolled growth in the NDIS, and overly generous Covid programs, has shifted the mindset of too many Australians into a welfare-first, ask questions later culture, where work and earning your own living way is becoming a thing of the past."

"This is not simply an economic problem alone; curbing the 'welfare-first' mentality is vitally important for the prosperity of Australians currently falling into the trap of unnecessary welfare dependency."

"While the nation's robust social safety net enjoys broad community support, Australians will not stand for it being taken advantage of by those who are simply workshy," said Mr Wild.

To download the IPA's research click here.

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