

Welfare Review Interim Report

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Joint Submission to the Interim Report of the Reference Group on Welfare Reform:

A New System for Better Employment and Social Outcomes

8 August 2014

NSW Consumer Advisory Group - Mental Health Inc.

The Mental Health Association NSW

Mental Health Carers ARAFMI NSW Inc.

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About Us

NSW Consumer Advisory Group - Mental Health Inc. (NSW CAG) is the independent, state-wide peak organisation for people with a lived experience of mental illness (consumers). NSW CAG works with consumers to achieve and support systemic change.

NSW CAG regularly engages with consumers to inform its policy work. It does this through a range of activities, such as face to face discussions, online surveys and consumer forums. In 2011, NSW CAG consulted with consumers specifically about barriers to employment, education and training.¹ In 2012 and 2013, NSW CAG also travelled across different parts of the State to consult with consumers in different communities, discussing many issues relevant to this report.²

The Mental Health Association NSW (MHA) is the second oldest mental health charity in NSW. It works in partnership with others to promote mental health and wellbeing through education, support and advocacy. It also develops mental health initiatives which result in increased community awareness and knowledge of mental health issues.

MHA programs include anxiety support and self-help groups, mental health and anxiety information phone lines, and popular health promotion campaigns, such as Mental Health Month NSW. MHA also co-ordinates the Workplace Health Promotion Network which supports member organisations to gain and share knowledge on creating healthy workplaces.

Mental Health Carers ARAFMI NSW Inc. (ARAFMI NSW) is the peak body for mental health carers in NSW. It provides support, education and advocacy for the carers, family and friends of those experiencing mental illness across NSW.

ARAFMI NSW regularly consults with carers across NSW to gain information on their opinions and experiences with the mental health system. ARAFMI NSW also operates a Help Line that provides advice and referrals for carers. Feedback from carers are used to influence changes in policy, legislation and service provision, with the aim of making a positive difference to the mental health system for carers.

Mental Health Carers ARAFMI Australia (MHCAA) represents a group of mental health carer and family services across Australia. MHCAA member organisations across Australia are: Mental Health Carers Tasmania, Mind Australia, Arafmi Mental Health Carers and Friends Association (WA) Inc, Mental Illness Fellowship Australia NT, Mental Health Carers Arafmi Qld, and ARAFMI NSW.

MHCAA's mission is to represent at a national level the interests of ARAFMI groups throughout Australia and the needs and concerns of their constituency – families and others voluntarily caring for people with mental illness.

¹NSW CAG submission, *My Job, My Mental Health: Submission to the House of Representatives Inquiry into Barriers to Participation for people with a mental illness*, 2011. Available online: http://www.nswcag.org.au/files//our_work/submissions/2011.05.11_barriers_to_employment_education_and_training.pdf

² NSW CAG report, *Border to Border: Vision of Hope* (2012). Available online: http://www.nswcag.org.au/files//board_members/_july/mhc_august_2012_final.pdf

Introduction

This joint submission of NSW CAG, MHA, ARAFMI NSW and MHCAA provides feedback on the future directions across the first three pillars of reform proposed in the Interim Report, *A New System for Better Employment and Social Outcomes* (2014), by the Reference Group on Welfare Reform to the Minister for Social Services.

The submission highlights the impact of some suggestions in the Interim Report on consumers and carers. It envisions a welfare system that is responsive to people's individual needs and supports people in their individual choices and goals. Such a welfare system would address the significant barriers for consumers and carers to meaningful social and economic participation.

We would have liked to consult more mental health consumers and carers and employers about issues covered in the report. However, due to the substantial length of the Interim Report and the 6-weeks submission timeframe, we did not have adequate time to do so. We have included people's feedback from previous consultations where relevant.

Background

"Working means the world to me. It gives me something to do look forward to when I go to sleep and it makes me wake up in the morning with a smile." (Consumer feedback, NSW CAG, 2011).

There are many benefits of working, and many mental health consumers and carers want to work. However, many consumers and carers face significant barriers to meaningful social and economic participation, which affect their access to employment³. The Reference Group's examination of how to reform the welfare system to encourage economic and social participation is therefore a welcome opportunity to address such barriers.

Mental illness touches upon the lives of many people across Australia. It is experienced by almost half of the Australian adult population at some point over their lifetime (45% of the population).⁴ It is estimated to cost Australia \$20 billion a year, which includes the cost of lost productivity and labour force participation.⁵ It is important to support people to achieve an acceptable standard of living and move towards recovery. Any short-term savings that worsen the economic and social circumstances of consumers and carers would exacerbate the human and economic cost of mental illness.

³ See Australian Chamber of Commerce and Industry, *Improving the Employment Participation of People with Disability in Australia*, 2013; Australian Department of Education, Employment and Workplace Relations, *Employment assistance for people with mental illness Literature review*, 2008.

⁴ Tim Slade et al, *The mental health of Australians 2. Report on the 2007 National Survey of Mental Health and Wellbeing*, Department of Health and Ageing, Canberra, 2009.

⁵ Council of Australian Governments, *National Action Plan on Mental Health 2006–2011*, 2006, p. 1.

Importance of Person-centred and Recovery-oriented Practice

Many people accessing the current welfare system are people with disability, including mental illness. It is important that any reform to the welfare system is informed by a person-centred and recovery-orientated approach.

The *National Disability Strategy 2010-2020*⁶, particularly in outcomes 3 and 4, emphasises a ‘person-centred’ approach. This means that services and supports for persons with disability should be “centred on an individual and their strengths, needs, interests and goals”.⁷ The Australian Government’s *Inclusive Employment 2012-2022: A vision for supported employment* also focuses on ensuring people with disability have real choices about where they want to work and how they are supported.⁸

In the mental health sector, there has been consistent emphasis on ‘recovery-oriented approaches’.⁹ There is no single description of recovery, however, recovery has been defined in the *National Framework for Recovery-Oriented Mental Health Services* as “being able to create and live a meaningful and contributing life in a community of choice with or without the presence of mental health issues.”¹⁰ Outcomes are not limited to employment and education, but also include housing, social and family relationships, as well as health and wellbeing measures.¹¹ In line with recovery-oriented approaches, services should support the self-determination and autonomy of mental health carers and consumers, and recognise that recovery outcomes are personal for each individual.¹²

We recommend that any welfare reform aligns with the ‘person-centred’ and ‘recovery-oriented’ approaches in the disability and mental health sectors to support the self-determination, strengths, needs, interests and goals of individuals. We know from mental health consumers and carers that such approaches are essential for them to achieve positive service outcomes and experiences of services.

Recommendation:

1. Welfare reform to align with the ‘person-centred’ and ‘recovery-oriented’ approaches in the disability and mental health sectors.

⁶ Australian Government, *National Disability Strategy 2010-2020*, 2011.

⁷ Australian Government, *National Standards for Disability Services*, 2013, p. 6.

⁸ Australian Department of Families, Housing, Community Services and Indigenous Affairs, *Inclusive Employment 2012-2022: a vision for supported employment*.

⁹ Australian Department of Health, *A National Framework for Recovery-Oriented Mental Health Services: Policy and Theory*. 2013; Australian Department of Health, *National Standards for Mental Health Services*, 2010; Australian Department of Health, *Fourth National Mental Health Plan*, 2010, pp. 24-29.

¹⁰ *A National Framework for Recovery-Oriented Mental Health Services*, above n 9, p. 4.

¹¹ ibid., p. 11.

¹² *National Standards for Mental Health Services*, above n 9, pp. 21, 42.

Pillar One: Simpler and Sustainable Income Support

1. Problems with differentiating between ‘permanent incapacity’ and ‘partial capacity’

The Interim Report suggests that:

- (a) The income support system should distinguish between ‘permanent incapacity’ and ‘temporary incapacity’ or ‘partial capacity’.¹³ Only people who have a ‘permanent and profound’ disability and no work capacity would be assisted through the Disability Support Pension (DSP).¹⁴

Our View:

We do not agree with (a).

Having a separate income support payment for people, who are assessed to have ‘permanent incapacity’, assumes that some people with disability will never have the capacity to work. However, for many people with disability, their ‘incapacity to work’ may be due to environmental and social barriers.¹⁵ From our experience, many people with disability want to work and are able to work if they are provided with appropriate support.

“I was diagnosed as having a mental illness many years ago and I always thought that I would never ever get a job, but because of the people here, I have had the training and the support that I need.”
(Consumer feedback, NSW CAG, 2011)

Assessing people as having ‘permanent incapacity’ is detrimental to their confidence and society’s perception of their abilities. It encourages the exclusion and stigmatisation of people with disability as ‘hopeless cases’. It also ignores the crucial role governments and communities could, and should, play in supporting people with disability to fulfil their potential.

“In clinical services there is a complete lack of hope...someone gets a diagnosis at 20, is handed a script, and told they will never get a job and this proves to be a self-fulfilling prophecy.” (Consumer feedback, NSW CAG, 2012)

The Reference Group should cease suggesting that some people with disability will never have the capacity to work. It should instead examine ways to differentiate between the levels of support people with disability would require in order to obtain and sustain meaningful work. The Reference Group should also explore ways to address the social, environmental and structural barriers that impede people with disability from obtaining meaningful work. This would better

¹³ Australian Department of Social Services, *A New System for Better Employment and Social Outcomes – Interim Report of the Reference Group on Welfare Reform*, 2014, (‘Interim Report’), pp. 46, 51.

¹⁴ *ibid.*, pp. 46, 50.

¹⁵ See World Health Organization, ‘Disabilities’, accessed 28 July 2014, <<http://www.who.int/topics/disabilities/en/>>

align with the strength-based¹⁶ and person-centred¹⁷ approach emphasised elsewhere in the Interim Report.

Recommendations:

2. Welfare reform to recognise that everyone may have the capacity for work if given time and appropriate support.
3. The Reference Group to examine ways to differentiate between the levels of support people with disability would require in order to obtain and sustain meaningful work, and also to explore ways to address the social, environmental and structural barriers that impede people with disability from obtaining meaningful work.

2. The need for sufficient income support

The Interim Report suggests that:

- (a) “Ultimately income support has to be sufficient to deliver a basic acceptable standard of living for those with no other means of financial support”.¹⁸ It notes the concerns that rates of allowance payments are currently inadequate to achieve this.¹⁹
- (b) There should be fewer supplementary payments with more clearly defined purposes. Some supplementary payments could be absorbed into primary payment rates.²⁰

Our view:

We agree with (a) and (b) if they recognise the higher living costs mental health consumers and carers generally have.

Factors contributing to higher living costs of many mental health consumers and carers include: the often poorer physical health of consumers; the number of medications consumers have to buy; the costs of specialist treatments; and the poor mental health of some carers such as anxiety and depression. There are also costs associated with accessing treatment, such as transport costs.

Consumer experience: ‘Elizabeth’ lives in a regional area. Her sole income is from the Disability Support Pension (DSP). She has a mental illness and a number of physical health issues, and much of her income is spent on the thirteen different types of medication she needs. She goes to a homeless drop-in service for her meals and spends most of her daytime in the local activity centre. She said she wants to be able to cook healthy food at home and go to the movies with friends, but this isn’t possible with the little money she has. Going to the centre gives her something to do and reduces the amount of water and energy she uses at home. (NSW CAG, 2012)

¹⁶ See e.g., *Interim Report*, pp. 46-47.

¹⁷ See e.g., *Interim Report*, p. 51.

¹⁸ *Interim Report*, p. 53.

¹⁹ *Interim Report*, pp. 53, 60.

²⁰ As suggested in *Interim Report*, p. 52.

While not specifically addressed in the Interim Report, recent statements by the Social Services Minister suggest limiting access to the DSP for people with mental illness, especially if the illness is episodic.²¹ This has caused significant concerns to carers of mental health consumers.

Australian Bureau of Statistics data indicates that 60% of carers provide ongoing care for periods of five years or more.²² The support carers give to people with a mental illness is vital. On average, carers of people with a mental illness spend 104 hours a week caring.²³ The annual replacement value of informal care in Australia is estimated to exceed \$40 billion per annum.²⁴ Therefore, supporting and providing adequate financial aid, support and services to carers to continue their unpaid role is crucial in reducing the burden on the health care system.

Carers of a person with mental illness have consistently reported that they have great difficulties accessing both the Carer Payment and Carer Allowance.²⁵ Changes to the social security system need to ensure that carers are able to access the payment they would require to continue their caring role.

We recommend establishing primary payment rates that are adequate to support mental health consumers and carers in meeting their higher costs to achieve an acceptable standard of living. Some supplementary payments could be absorbed into primary payment rates. However, the primary payments need to be high enough to cover the support that had been provided by any supplementary payments they replace.

Recommendations:

4. The welfare system to provide income support sufficient for delivering an acceptable standard of living, recognising the higher living costs of mental health consumers and carers.
5. Primary income support payments to be high enough to cover the support that had been provided by any supplementary payments.

Problems with determining payment rates by capacity to work

The Interim Report asks:

- (a) How payment rates should be set, and suggests that the person's capacity to work could be considered.²⁶

Our view:

We do not agree with the emphasis in the Interim Report on a person's capacity to work in determining payment rates.

²¹ See e.g., 2GB Radio Station, 'Kevin Andrews explains disability support pension changes', *The Chris Smith Afternoon Show*, audio recording, 4 July 2014, accessed 7 August 2014, <<http://www.2gb.com/article/kevin-andrews-explains-disability-support-pension-changes#.U-LI1qOoquK>>

²² Australian Bureau of Statistics, *Disability, Ageing and Carers: Summary of Findings, 2003*, cat. no. 4430.0, ABS, Canberra, 2004.

²³ Access Economics, *The Economic Value of Informal Care in 2010*, Report for Carers Australia, 2010, p. 4.

²⁴ *ibid.*, p. 3.

²⁵ See Carers Association Victoria, *Invisible care: Access to Carer Payment and Carer Allowance*, 2013.

²⁶ *Interim Report*, pp. 46-47, 50-51, 59-60.

Some people with episodic mental health conditions may have periods of full or ‘partial capacity’. However, work capacity does not necessarily correspond with employability. Even if a person is assessed to have ‘partial capacity’, they may have very low chances of obtaining and maintaining employment, due to factors such as a lack of workplaces offering the flexibility required by mental health consumers and carers,²⁷ and prevalent discrimination and stigma around mental illness.²⁸ The periods of work capacity may also be too insubstantial or unpredictable²⁹ for individuals to realistically find and maintain employment.

Ultimately, payment rates should be determined by the level of support a person needs to achieve an acceptable standard of living. Payment rates should consider the high ongoing living costs mental health consumers often have, even when they are relatively well. For example, a consumer may have increased capacity to work when they are responding to treatment, but they may still need continual access to treatment to maintain their capacity to work, and sufficient income for this. If their income support is reduced because of an increased work capacity, it could compromise their ability to pay for treatment, accommodation or other basic requirements to be ‘work ready’. In which case, they could reduce their capacity to work once again. This would be counter-productive. It could cause significant distress to the consumer and anyone caring for them, and would not reduce overall social security costs.

"My biggest concern is that people with mental illness will not be deemed "disabled enough" to receive the DSP. I feel angry and frightened by talk in the media about how a large proportion of people on the DSP "only" have psychological/psychiatric conditions. I feel like we have spent decades trying to educate people that mental illness can be just as, and in deed more, debilitating than a lot of physical conditions, yet now we seem to be demonising people who are on the DSP for mental health reasons. I am terrified of getting shifted from the DSP to Newstart even though people in my support network assure me that it won't happen. If it did happen, I figure I will have to take a job that I know I can't cope with, have the inevitable dangerous and humiliating meltdown and thereby demonstrate that my need for the DSP is legitimate. I feel really afraid. (Consumer feedback, NSW CAG, 2014)

We recommend determining payment rates by identifying people’s needs and the adequate support required to meet these needs. This could take into account the employability of a person, including their work capacity. However, determination of payment rates should not focus on a person’s work capacity.

²⁷ House of Representatives Standing Committee on Education and Employment, Parliament of Australia, *Work Wanted – Mental Health and Workforce Participation*, 2012, (‘Work Wanted’) p. 85.

²⁸ ibid., p. 86; Australian Department of Education, Employment and Workplace Relations, *Employment assistance for people with mental illness: Literature review*, 2008, pp. 14, 16.

²⁹ See Kim MacDonald-Wilson et al, ‘Unique issues in assessing work function among individuals with psychiatric disabilities’, *Journal of Occupational Rehabilitation*, vol 11, 2001, p. 224.

Recommendations:

6. Income support to be, at a minimum, adequate for recipients to achieve an acceptable standard of living.
7. Income support payment rates to take into account the adequate support required to meet people's needs.
8. The income support system to recognise that the support people require should not be related to their work capacity.

Targeting and ensuring accessibility of sufficient income support

The Interim Report:

- (b) Suggests a tiered working age payment structure with some people receiving higher working age payments.³⁰
- (a) Asks "what are the incremental steps to a new architecture"?

Our View:

- (a) The higher working age payment needs to be accessible for mental health consumers and carers.
- (b) Any incremental steps to a new architecture need to ensure that people have the adequate level of support at all times.

As discussed earlier at page 8, mental health consumers and carers generally have higher living costs.

"I have to be on ten medications for my heart problems but I'm on Newstart, and they give me \$3 to cover my medication. On a number of occasions, I had to ask for additional money just to get me through, and every time I called Centrelink, the person on the line is really rude, it's just for \$20 but they make you feel like you're worth nothing and you're just greedy." (Consumer feedback, NSW CAG, 2012)

In line with early intervention approaches, the social security system needs to be responsive to ensure that people have sufficient support as soon as they need it. In a responsive system, when a person's independent income is reduced (e.g., due to a relapse or episodic nature of a mental health condition), moving onto a higher level of support would be straightforward and accessible.

Strict criteria for accessing a higher level of support, such as requiring certain illness diagnoses, may exclude people from receiving the level of support they require. Due to the complex nature of mental illness and associated psychosocial disability, it is often difficult to accurately assess a person's mental health condition and needs.

"The other difficulty is that I get categorized. In order to meet the standards for certain programs you need to have a certain condition-

³⁰ *Interim Report*, pp. 56, 59.

like schizophrenia. If you say you have PTSD you are treated like a leper and it is almost as if you don't have a right to these services. Now I have been diagnosed as having bi-polar a few more doors seem to be opening." (Consumer Feedback, NSW CAG, 2011)

People with mental health issues receiving the DSP said that a major barrier to them seeking employment is the fear of losing access to the DSP and its associated benefits if they worked more than a certain number of hours.³¹ These DSP-recipients are afraid of the prospect of unaffordable medication if they lose access to the DSP and the Pensioner Card, which provides discounts for medication.³² People are also afraid that if they obtain employment and lose their income support, they might relapse into an episode of mental illness without any income support at all.³³ If people are assured that they can access a higher level of income support when they need it, many would be less fearful about receiving less income support when they obtain employment.

We recommend ensuring that it is straightforward and easy for individuals to access a higher level of support when they need it. Criteria for receiving more support need to be flexible enough to accommodate people in a range of circumstances, and the system needs to recognise that people's circumstances might change suddenly.

If the social security system proposed in the Interim Report is to be adopted, it would be crucial to ensure recipients have adequate level of income support during the transition into the new system. For example, if supplements are removed, the support previously provided through the supplements would need to be covered by other means, such as a consolidated supplement or a higher primary payment rate. We recommend ensuring that this kind of safety net is in place before any support is removed.

Recommendations:

9. The reformed income support system to ensure straightforward and easy access to higher levels of income support when individuals need it.
10. Criteria for accessing income support to be flexible to accommodate for people in a range of circumstances.
11. Welfare reform to ensure that people have an adequate level of support during any incremental steps to the new income support architecture.

Approach to adjusting payments

The Interim Report recognises that:

- (a) Adjustment of payments should "ensure that living standards of people relying on income support payments increase in line with broader changes in community living standards".³⁴

³¹ *Work Wanted*, above n 27, p. 163.

³² ibid., p. 164.

³³ ibid.

³⁴ *Interim Report*, p. 60.

Our View:

We agree with (a). Indexing payment rates to the Consumer Price Index (CPI), which is only meant to measure price inflation for the household sector, cannot achieve this.³⁵ Adjusting payments only by changes to CPI may have contributed to allowance rates becoming increasingly inadequate over time.³⁶

Despite this, the 2014-2015 Federal Budget Bill proposes to index DSP payments to the Consumer Price Index (CPI).³⁷ This risks the DSP becoming increasingly inadequate for people's basic living standards over time. It also does not address the inadequacy of allowance rates.

We recommend examining ways to adjust all payments to reflect changes in broader community living standards. One example would be changes in Analytical Living Cost Indexes, which are indicative of expenditure changes in different types of Australian Households.³⁸

Recommendation:

12. The rate of income support payments to be adjusted in line with changes in the broader community living standards.

3. Better Rent Assistance

Rent Assistance is a supplementary payment to support eligible Centrelink recipients with rental costs. It is not available for public housing rents.³⁹

The Interim Report suggests that:

- (a) As the growth of private rental costs exceed the growth of Rent Assistance,⁴⁰ Rent Assistance should be reviewed to determine appropriate levels of assistance and the best mechanism for adjusting assistance levels over time.⁴¹
- (b) Consideration could be given to moving public and community housing away from the current system of income based rents towards the use of Rent Assistance.⁴² The Interim Report suggests that the use of income based rents in public housing leads to two "perverse incentives":⁴³ 1) people on public housing waiting lists are reluctant to improve

³⁵ See Australian Bureau of Statistics, 'Main conceptual Differences between the CPI and the selected living cost indexes', *Selected Living Cost Indexes, Australia – Explanatory Notes*, cat. no. 6467.0, ABS, 2014, para 7, accessed 28 July 2014,
<<http://www.abs.gov.au/ausstats/abs@.nsf/Products/6467.0~Mar+2014~Explanatory+Notes~Explanatory+Notes?OpenDocument#2718121728189953>>

³⁶ See suggestion that allowance rates are inadequate in *Interim Report*, p. 60.

³⁷ Australian Government, *Budget measures: budget paper no. 2: 2014–15*, 2014, p. 203, accessed 24 July 2014,
<http://www.budget.gov.au/2014-15/content/bp2/html/bp2_expense-21.htm>

³⁸ Australian Bureau of Statistics, *Analytical Living Cost Indexes and Pensioner and Beneficiary Living Cost Index: 16th Series Weighting Patterns*, cat. no. 6472.0, ABS, 2011, accessed 29 Jul 2014,
<<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6472.0>>

³⁹ Australian Department of Human Services, *Rent Assistance*, 2014, accessed 25 July 2014,
<<http://www.humanservices.gov.au/customer/services/centrelink-rent-assistance>>

⁴⁰ *Interim Report*, p. 69.

⁴¹ *Interim Report*, p. 71.

⁴² *Interim Report*, p. 71.

⁴³ *Interim Report*, p. 70.

their circumstances because it may jeopardise their claim for a public housing tenancy; 2) people in public housing are charged more rent if they earn more, which may deter people from improving their circumstances. It also leads to inequity between low income tenants in public housing and those in the private rental market.

Our View:

We agree with (a) and would consider (b) if (a) was in place though we do not agree with the “perverse incentives”.

Access to safe and stable housing is often a precondition for social and economic participation. It is also crucial for people with mental health issues to move towards recovery.

“Since I’ve been in that flat I’ve gotten a lot better, I feel like going out now, socialising, not locking myself away from society so much.”
(Consumer feedback, NSW CAG, 2012)

Due to the inflation of housing costs and shortage of public and social housing, Rent Assistance is increasingly important for people on income support to access housing.

“You can’t afford to pay these rents. We’re going without food, to have a roof over your head” (Consumer feedback, NSW CAG, 2012)

In a 2013 survey, NSW CAG found that 29% of 276 mental health consumers consulted were renting privately. More than half (57%) of these people, who disclosed their income source, relied solely or partly on Centrelink for income support. Of these people who responded to a question about the assistance they needed, approximately half (48%) needed financial support to make their living environment more suitable for them.

Mental health consumers who rented privately also had less housing stability than those in public housing. It is difficult for people experiencing ‘rental stress’ to access and maintain safe and stable housing. A household is considered to be in rental stress if its rental costs exceed 30 per cent of its gross income (excluding Rent Assistance).⁴⁴ It is important that Rent Assistance addresses the rental stress people experience.

The two potential “perverse incentives” of income-based rents in public housing, suggested in the Interim Report and as mentioned above in (b), do not correspond with the consumer experiences shared with NSW CAG over the years. The expected waiting time for most public housing in Sydney is more than ten years.⁴⁵ From NSW CAG’s experience, people are keen to improve their circumstances and to not remain in poverty.

⁴⁴ Australian Bureau of Statistics, ‘Housing Circumstances’, *Gender Indicators*, cat. no. 4125.0, ABS, 2014, accessed 29 Jul 2014,

<<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features1310Feb%202014>>

⁴⁵ NSW Department of Family and Community Services, ‘South Western Sydney, Western Sydney and Nepean Blue Mountains’ and ‘Sydney, South Eastern Sydney and Northern Sydney’, *Expected Waiting Times*, Housing Pathways website, accessed 1 August 2014
<<http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/South+Western+Sydney+and+Nepean+Blue+Mountains.htm>> and

Furthermore, increasing income is only one of many incentives for mental health consumers to work. Other incentives include personal and career development, financial security, confidence building and social participation. There needs to be clear evidence of these two “perverse incentives” occurring before they are considered in policy.

Consumer feedback, NSW CAG:

“I would really like to have a job, something to call my own. I have never had a job. I am hoping that I can do some part time work here.” (2011)

“Having a job means purpose and meaning. It is important for confidence and meaning. I’d like to be involved [in the community]. The reality is that I’m not.” (2011)

“Having a job would mean independence. It would mean that I would not be living from week to week. It would be everything.” (2011)

Consumer experience (2014): ‘Alice’ and her mother are mental health consumers living in a 2-bedroom public housing apartment in Glebe. Their rent is \$198 per week. Alice is left with \$300 per week from her disability support pension to spend on basic living costs and health insurance. She cannot afford expenses like Internet, which are outside of basic living costs. The market rent for the apartment is \$475 per week. Even with the current Rent Assistance support, she and her mother would not be able afford rent.

Alice said: “If you’ve had experience living on a pension, because it’s not an adequate amount of money, of course there’s an incentive to work [...] Getting skills, and confidence back, and experience [...] I could sit at home all day if I wanted to, but I come here to volunteer because I don’t want to live on the poverty line for the rest of my life.

The place I live is my home and I’ve made it that and I’ve lived there for over a decade [...] as you would know, early intervention doesn’t really happen, so you’re usually in crisis and then you’ve got to navigate your way through the system. But once you’ve done that, and you’re stable like I am – you know, I’ve got everything in place, I’ve got my meds coming from the [mental health] clinic, I have my psychiatrist, you know, I have community support, and volunteer work that I do, I’ve got

lots of networks. If I had to move, and be de-stabilised, it would be horrendous to my mental health.

I remember once being so depressed, and I was thinking there was nothing in my life to be grateful for, and then I thought, actually, I've got a great place that I live at, and I call home, and that is sustaining and that is something that is still good in my life.

Because, you know, I've had periods of homelessness. I wasn't homeless with a disincentive to work, I was homeless because I was drug addicted, I was mentally unwell, I had no support, and you know, finally I got out of that cycle of homelessness and I don't want to go through that again. I want to come home to a place like everyone does and call it home and feel safe, and don't think that six months down the track, I'm going to be kicked out." (2014)

Many public housing tenants would not be able to afford market rent with the current Rent Assistance subsidies. In the 2013 survey, NSW CAG found that 20% of 276 mental health consumers consulted live in NSW public housing. For 78% of these consumers, Centrelink payments were their only source of income. Considering the high market rents in Sydney, and the current Rent Assistance rates, many mental health consumers would have to move out of their public housing. This would put people at a high risk of homelessness.

Having to move to other areas due to unaffordable rents would also be detrimental to the recovery of mental health consumers. For example, it would mean moving away from their established formal and informal support networks.

We recommend determining and adjusting Rental Assistance to adequately address the rental stress people face. We also recommend examining other ways to improve access to stable and secure housing.

Income-based rents are better than the current Rent Assistance subsidies in targeting needs. This is important for public housing tenants, who generally have a very low income. Considering this and the current market rent and maximum Rent Assistance rates, many public tenants would have to move out of their current homes if they were moved onto Rent Assistance. This would be detrimental to their mental health and capacity for social and economic participation.

We recommend not moving public housing towards the use of Rent Assistance. Rent Assistance should only be considered if it is changed so that public tenants would be better off with Rent Assistance than income-based rents.

Recommendations:

13. The current Rent Assistance scheme to become adequate for resolving the rental stress many people are facing.
14. The Reference Group to examine ways to improve access to stable and secure housing.
15. Public housing should not be moved from the use of income-based rent subsidies to the use of Rent Assistance, unless the Rent Assistance scheme is changed to meet the needs of public housing tenants.

4. One week waiting period for all income support

The Interim Report suggests:

- (a) A one-week period for all income support applicants unless they are facing hardship⁴⁶

Our View:

The proposed one-week waiting period is already a discretion Centrelink has for people starting Newstart and sickness benefits.⁴⁷

Creating a formal waiting period which can be waived at the discretion of Centrelink staff creates another hurdle for people who are already vulnerable, and could subject people to further disadvantages. For example, some people might not be informed of the existence of such exemptions, while some might not be in robust enough health to request them, or to provide the level of evidence required.

Furthermore, given the means tests which have been imposed by recent governments to determine eligibility for benefits,⁴⁸ people qualifying for social security payments are almost always experiencing financial hardship. One could argue it would be better to give staff discretion to impose a waiting period in cases where Centrelink can demonstrate it would not result in hardship. However, this suggestion is unlikely to be taken up by Government.

Given people are already subjected to rigorous means testing to qualify for income support, the proposed one week waiting period is unnecessary and would only add to the hardships of people seeking income support.

Recommendation:

16. The Reference Group to consider eliminating the waiting period for all those who qualify for income support.

Pillar Two: Strengthening Individual and Family Capability

5. Mutual obligation

Requiring increased work participation from carers

The Interim Report suggests that:

- (a) A key goal of the income support system is to encourage people to support themselves through employment⁴⁹, and the employment and social outcomes for people in caring roles could be improved by encouraging and requiring greater participation in work, in line with their capacity.⁵⁰

⁴⁶ *Interim Report*, p. 77.

⁴⁷ Australian Department of Social Services (DSS), ‘3.1.2.10 Application of Waiting Periods’, *Guide to Social Security Law*, DSS website, accessed 1 August 2014, <<http://guides.dss.gov.au/guide-social-security-law/3/1/2/10>>

⁴⁸ Australian Department of Human Services, *Eligibility for Carer Allowance*, accessed 1 August 2014, <<http://www.humanservices.gov.au/customer/enablers/centrelink/carer-allowance/eligibility>>.

⁴⁹ *Interim Report*, p. 80.

⁵⁰ *Interim Report*, p. 28.

Our view:

We disagree with (a).

The limitation of work capacity to determine the support people require has already been discussed on pages 9-11. For similar reasons, participation requirements should not be based on work capacity.

We support pathways for carers to get into paid work, but this needs to occur at a time that is appropriate within their caring role.

Welfare reform needs to recognise that many people caring for a person with mental illness are already under significant stress. Many families affected by mental illness have complex needs, including social exclusion, unemployment, discrimination, low income, poor housing, bad health and family breakdown. The symptoms of the disorders, and accessing services and treatment often become the central points around which carers' and family life revolve.⁵¹

We are concerned that on top of the stresses and challenges of caring, the proposed changes will place more pressure on carers to find and participate in work. Many mental health carers already have a 24 hour role, which means that many of them are not ready to re-enter employment. Furthermore, work requirements and mutual obligations placed on carers ignore the massive contribution they make to our community and economy each year.

Recommendation:

17. Welfare reform to take into account the needs of carers and to ensure any changes to the income support system do not adversely impact people in caring roles.

Increased risk of coercion through sanctions

The Interim Report suggests:

- (a) "Giving employment service providers greater management of sanctions, including suspension and penalties" to improve effectiveness of the compliance framework.⁵²

Our View:

We disagree with (a).

Under the current compliance framework, employment service providers do not decide whether someone has complied with their obligations to receive income support payments or not. They report non-compliance to Centrelink, and Centrelink makes the decision.⁵³

There are monetary incentives for employment service providers to place people into employment and education.⁵⁴ There is anecdotal evidence of employment service providers

⁵¹ See Anne-Marie Baronet, 'Factors associated with caregiving burden in mental illness: a critical review of the literature', *Clinical Psychology Review*, vol 19, 1999, pp. 819 -841.

⁵² *Interim Report*, p. 81.

⁵³ Australian Department of Social Services (DSS), '3.1.13 Compliance Framework for Participation Payments', *Guide to Social Security Law*, DSS website, accessed 28 July 2014, <<http://guides.dss.gov.au/guide-social-security-law/3/1/13>>

⁵⁴ Australian Department of Employment, *Employment Services Deed 2012-2015*, Annexure C – Fees, pp. 342-347, accessed 31 July 2014,

coercing people into vocational education or employment, which the person does not choose or is otherwise unsuitable for the person, in order to achieve these outcomes. If employment service providers were given more management over sanctions, they will have more power to coerce people. This is inconsistent with the promotion of self-determination in the ‘person-centred’ and ‘recovery-oriented’ approaches of the Government regarding disability and mental health.

Consumer feedback, NSW CAG:

“There’s pressure to take courses you’re not interested in like Senior First Aid and the RSA. I told them I didn’t want to do the RSA because I had an alcohol addiction.” (2011)

“The disability services people forced me to take jobs. It was too much pressure. They weren’t supportive.” (2011)

“[The disability employment service] kept pushing and pushing for me to do full time work, which I clearly wasn’t ready for, and I ended up quitting the job” (2012)

Consumer Experience (2014):

“Over ten years I attended five different Disability Employment Services/Networks all of which had no employment consultants with training in mental illness, and they didn’t know how to assist me. Most of my employment consultants were unable to help me fill out selection criteria’s for positions that fit my qualifications, and many assumed that I should not need any assistance because of my education. I actually applied for a job with a Disability Employment Service once and was told that they didn’t want anyone with training in welfare, because “I was likely to be too soft on service users.

Many Disability Employment Consultants discouraged me from continuing my education, and one told me the best job I could hope for was a part-time job in retail (even though I am in my thirties, overweight, haven’t worked in retail before, and have university and TAFE qualifications in community services). I would have happily accepted a retail job as a stepping stone, but it was presented to me as the best outcome for my life which is unacceptable to me. Experiences I had of soft bigotry of low expectations had a damaging impact on my self-esteem. None of my Consultants knew about Peer/Consumer worker

<https://docs.employment.gov.au/system/files/doc/other/request_for_tender_for_job_services_australia_20122015_draft_deed.pdf>; Australian Department of Social Services, *Disability Employment Services Deed 2013*, Annexure B2, pp. 148 -151, accessed 31 July 2014,
<http://www.dss.gov.au/sites/default/files/documents/05_2014/des_deed_1july2013.pdf>

positions that are specifically for people who can use their lived experience of mental illness to help others.

Other things I have experienced [...] being forced to attend a service three days per week spending most of the time in a small room without windows with other clients and not being allowed on the computers for more than half an hour at a time due to the amount of clients (when I had a perfectly good computer at home), being breached for lying when I had never lied to my consultant and the emphasis was on me to prove my innocence rather than them to prove my guilt, and witnessing other people being breached unfairly. I tried to make complaints through the system, but found out that there is no way to make complaints about systemic issues.”

The proposal contradicts recent efforts to make the compliance framework fairer for people. For example, the Comprehensive Compliance Assessment process, which examines why an individual has not been meeting their participation requirements,⁵⁵ reduces the risk of a heavy sanction being imposed unreasonably.⁵⁶

Even if protections were provided under the proposed system for vulnerable people,⁵⁷ some people would still likely fall through the gaps. People with a reasonable justification for non-compliance but do not want to disclose it, or are unaware of it, would be sanctioned anyway.⁵⁸ For example, people may not be aware of their underlying mental health issues, or they may not want to disclose these issues to others.⁵⁹ People, especially young people, may also be afraid to disclose other barriers to compliance, such as substance dependency or homelessness.⁶⁰

“It took me a long time to realise that I had a problem. My manager had no idea of what to do. I still see a psychologist and psychiatrist. That’s saved my life, seeing these people. It took me 45 years to realise that I have [mental illness]. I have to look after it. It’s been a long journey to recovery.”(Consumer feedback, NSW CAG, 2011)

We recommend not giving employment service providers greater management or powers in the compliance framework. Rather, we recommend continuing to improve understanding of barriers to compliance with participation requirements and examine ways to address these barriers.

⁵⁵ Australian Department of Human Services, *Comprehensive Compliance Assessment Fact Sheet*, accessed 30 July 2014, <<http://www.humanservices.gov.au/spw/customer/publications/resources/lw060/lw060-1211en.pdf>>

⁵⁶ Julian Disney et al, *Impacts of the new Job Seeker Compliance Framework - Report of the Independent Review*, 2010, p. 60.

⁵⁷ Suggested in *Interim Report*, p. 81.

⁵⁸ Julian Disney, above n 56, p. 60.

⁵⁹ ibid.

⁶⁰ ibid.

Recommendations:

18. Employment service providers to not have greater management of sanctions or other punitive powers.
19. The Australian Government to continue improving the understanding of barriers to compliance with participation requirements, and examine ways to address these barriers.

An individualised system

The Interim Report suggests that:

- (a) Having individually tailored mutual obligation requirements would better recognise the diversity of people receiving income support and ensure that the requirements are suitable.⁶¹

Our View:

We agree with (a) if implemented effectively.

We agree with the Interim Report that the current system's approach of targeting mutual obligation requirements based on payment categories is unrealistic for some people. For some recipients, this approach would have caused unintended hardships and distress. As such, we agree with a more individualised approach in determining any mutual obligation requirements.

However, in a system where decisions are made on an individual basis, there is a risk of inconsistency due to variations in assessor's decisions. For example, two people in identical circumstances may be given different levels of requirements and obligations because they were assessed by different people.

If an individualised system is to be adopted, it would be important that the system minimises any potential inconsistency in assessments or outcomes. There should also be mechanisms for monitoring and evaluating the implementation of such a system, so as to identify and address any issues that may arise.

Recommendation:

20. The income support system to adopt an individualised approach in determining mutual obligation requirements. For such a system to contain measures to minimise inconsistency in assessment and outcomes, as well as mechanisms to monitor and evaluate its implementation, so as to ensure people are given suitable requirements and support.

6. Impact of the National Disability Insurance Scheme (NDIS)

The Interim Report suggests:

- (a) By providing greater access to support services for people with disability, the NDIS may also provide increased opportunities for Carer Payment recipients to participation in education and work.⁶²

⁶¹ *Interim Report*, p. 82.

⁶² *Interim Report*, p. 81.

Our View:

We do not agree with (a).

We recommend not linking the carer payment with the NDIS because the NDIS will only support a very small cohort of people with mental illness. Many carers will continue to need the supports of the existing social welfare system.

There should be better support, job services and adequate income support payments in order for carers to be supported in their caring role. We also support better pathways into volunteer and paid employment where appropriate.

Recommendation:

21. Not linking carer payment with the National Disability Insurance Scheme because the Scheme only applies to a small number of people with mental illness.

7. Income management

The Interim Report suggests:

- (a) Income management could be used to build capacity and that consideration should be given to incorporating income management as part of a package of support services available to job seekers.⁶³
- (b) The success or otherwise in assisting individuals and communities to function more effectively will need to be monitored and evaluated.⁶⁴

Our View

We agree with (a) only if income management is voluntary, and we agree with (b).

The impacts of income management in Australia are currently unclear.⁶⁵ It is difficult to attribute improvements in communities subject to income management, as there are often other initiatives in the communities.⁶⁶ Furthermore, as suggested by the first evaluation report of the ‘New Income Management’ program in Northern Territory, people’s perceptions of income management as effective may be objectively inaccurate.⁶⁷

There are also negative impacts of income management to consider. These include:

- Increasing stigma against people who are income managed, risking further social exclusion and disadvantage⁶⁸
- Relatively expensive implementation and administration costs.⁶⁹

⁶³ *Interim Report*, p. 84.

⁶⁴ *Interim Report*, p. 120.

⁶⁵ See Australian Department of Social Services, *Cape York Welfare Reform Evaluation*, 2012; Australian Department of Social Services, *A Review of Child Protection Income Management in Western Australia – Final Report*, 2014; J Rob Bray, Matthew Gray, Kelly Hand, Bruce Bradbury, Christine Eastman and Ilan Katz, *Evaluating New Income Management in the Northern Territory: First Evaluation Report*, 2012.

⁶⁶ *Cape York Welfare Reform Evaluation*, above n 65, p. 221.

⁶⁷ *Evaluating New Income Management in the Northern Territory*, above n 65, pp. xviii, 194.

⁶⁸ *ibid.*, p. xxii.

Findings from Western Australia and Northern Territory indicate that income management is not effective in building the capacity of vulnerable individuals and families to manage their income, as they generally experience multiple problems.⁷⁰ Without effective capacity building, income management could be long-term⁷¹ and with high cost implications. Evaluation of mandatory income management has also found that it was applied to many people who had no need for, or would not have benefited from, such a high costs exercise.⁷²

Voluntary, rather than mandatory, income management has generally been more positive for people and favoured by Centrelink staff in the ‘New Income Management’ program in the Northern Territory.⁷³ People mainly ask to be placed on income management to avoid financial harassment.⁷⁴

We recommend taking a more holistic approach to address the multiple problems people face that lead to budgeting issues. Voluntary income management should be available, but involuntary income management should not be used without clear evidence to demonstrate its effectiveness.

Recommendations:

22. Income management should be available to job seekers on an opt-in basis, but involuntary income management should not be used without clear evidence of its effectiveness.
23. The Reference Group to take a more holistic approach to address the multiple problems people face that lead to poor budgeting.

Pillar Three: Engaging with Employers

8. Making jobs available

The Interim Report states that:

- (a) “The cooperation of employers is central to achieving positive employment outcomes for disadvantaged groups”.⁷⁵

Our View:

We agree with (a), and discuss the need for mentally healthy workplaces and reduction of stigma around mental illness.

⁶⁹Australian National Audit Office, *Administration of New Income Management in the Northern Territory*, Audit Summary, accessed 30 July 2014, <<http://www.anao.gov.au/Publications/Audit-Reports/2012-2013/Administration-of-New-Income-Management-in-the-Northern-Territory/Audit-summary>>; Luke Buckmaster, ‘Does income management work?’, *Parliamentary Library Briefing Book – 44th Parliament*, Parliament of Australia, 2013, p. 66.

⁷⁰ *Evaluating New Income Management in the Northern Territory*, above n 65, p. xx; *A Review of Child Protection Income Management in Western Australia*, above n 65, p. 71.

⁷¹ *Evaluating New Income Management in the Northern Territory*, above n 65, p. xx.

⁷² ibid., p. xxii.

⁷³ ibid., p. xx.

⁷⁴ ibid., p. xx; *Cape York Welfare Reform Evaluation*, above n 65, p. 187.

⁷⁵ *Interim Report*, p. 95.

The need for mentally healthy workplaces

The importance of encouraging employers to maintain mentally healthy work environments reaches well beyond helping income support recipients with mental health issues back into the workforce. It is also a legal requirement - employers have a primary duty of care to ensure the health and safety (both physical and psychological) of their workers.⁷⁶

There are many positive incentives for employers to ensure that work environments are mentally healthy. These include monetary incentives. Mental stress related workers' compensation claims, absenteeism and 'presenteeism' cost Australian businesses more than \$10b per year.⁷⁷ There is also the impact on worker efficiency, with unhealthy levels of stress associated with steep declines in productivity.⁷⁸ If we are to expect people with mental health issues to transition out of income support and retain long-term employment, it is imperative that workplaces are able to minimise factors detrimental to people's psychological wellbeing.

A recent research by BeyondBlue found that, on average, for every dollar that a business spends on successfully implementing an appropriate workplace mental health strategy, they see a return on investment (ROI) of \$2.30 through lower absenteeism, presenteeism, and compensation claims.⁷⁹ BeyondBlue's research shows that there is a cumulative effect on ROI for the implementation of multiple strategies.

This suggests that by implementing best practice strategies for creating mentally healthy workplaces, we can create a system in which everyone wins. Mental health consumers will be more likely to gain and retain long-term employment, employees will be better equipped to maintain optimal productivity, and employers will benefit financially.

The BeyondBlue report recommends seven strategies for achieving better employee mental health outcomes. These are:⁸⁰

- worksite physical activity programs
- coaching and mentoring programs
- mental health first aid and education
- resilience training
- CBT based return-to-work programs
- well-being checks or health screenings
- encouraging employee involvement.

If the Australian Government wants to get people with mental health issues into sustainable paid work, then it should actively encourage employers to implement workplace mental health strategies. This could be through education, collaboration, incentive, sanction, or a combination of these.

⁷⁶ *Work Health and Safety Act 2011* (Cth) s 19.

⁷⁷ Safe Work Australia, *Mental Stress Costs Australian Businesses More Than \$10 Billion Per Year*, media release, 8 April 2013, accessed 31 July 2014, <<http://www.safeworkaustralia.gov.au/sites/SWA/media-events/media-releases/Documents/2013%20Media%20Releases/MR08042013-Mental-Stress-Cost-Australian-Businesses.pdf>>

⁷⁸ Medibank Private, *The Cost of Workplace Stress in Australia*, 2008, p. 6.

⁷⁹ BeyondBlue, *Creating a Mentally Healthy Workplace: return on investment analysis*, 2014, p. iv.

⁸⁰ ibid., p. v.

An example of an approach is the work by the Mental Health Association NSW (MHA) in the promotion and development of mentally healthy workplaces. MHA's Workplace Health Promotion Network (WHPN) is an employer engagement program, which aims to keep employers informed of best practice for creating and maintaining mentally healthy workplaces.

Recommendation:

24. The Australian Government to develop processes to actively encourage employers to implement strategies that support mental health within workplaces.

Stigma reduction

In addition to creating mentally healthy workplaces that will promote long-term job retention for consumers, we must also encourage an environment in which consumers are able to successfully contend for job selection in the first instance.

Research commissioned by WISE Employment reports that only 32% of employers would readily consider employing a person who has a known mental illness, and that the strongest predictor of an employer's willingness to hire a consumer was having done so in the past.⁸¹

Additionally, WISE found that of employers that indicated they were 'unlikely' or 'very unlikely' to employ a mental health consumer, 44% would consider doing so if the employee had ongoing support from an Employment Service Provider, and 43% would do so if there were a 'no strings attached trial period' in place.⁸²

This suggests that from the employers' side, overcoming the initial hurdle of hiring someone with mental illness for the first time could lead to a substantial increase, over time, in job opportunities for which consumers can contend.

"From my friends I understand that work for the dole often is for organisations that do not have paid positions to offer, and that most of them remove work for the dole from their resumes as employers tend to see it as a punishment by Centrelink and do not want to employ people who needed to be punished. [...]Instead of work for the dole, I would like to see people allowed volunteering positions in the public service, and after say three months, if they do well then they are given the job without going through the very demanding employment processes that currently disadvantage the long-term unemployed." (Consumer feedback, NSW CAG, 2014)

We recommend that the Reference Group research into strategies that could encourage employers to hire people with mental health issues. This might include evaluating the range of incentives currently available to employers.⁸³ It might also include researching into innovations from overseas and international evidence-based practices.

⁸¹ WISE Employment, *Empowermental Research Snapshot*, 2012, p. 1.

⁸² ibid., p. 2.

⁸³ Disability Works Australia, *Employer Incentives*, 2006, accessed 1 August 2014, <<http://www.dwa.org.au/employerincentives.htm>>

Recommendation:

25. The Reference Group to research strategies that would increase employers' willingness and ability to hire people with mental health issues.

9. Improving pathways to employment

The Interim Report suggests:

- (a) Improving assessment of job seekers is important for both the prospective employee and employer. Better assessment would ensure better job matching and a positive employment outcome.⁸⁴
- (b) Vocational education and training for job seekers should be better linked to skills required for available jobs, thus employment service providers should play a key role in linking job seekers to such vocational education and training.⁸⁵ The review of Jobs Services Australia should take into account focussing employment services more on employers and their needs.⁸⁶

Our View:

We agree with (a) but add that assessments should consider the individual goals of job seekers. We disagree with (b) to the extent that it risks coercion.

Better assessments

If people with disability, including those with mental health issues, are moved from the DSP to the proposed tiered working age payment system,⁸⁷ they would need to have access to appropriately skilled employment service providers. There has been progress towards more effective assessments of the support individuals require to obtain and maintain employment, e.g., better qualified assessors.⁸⁸ It is important that welfare reform does not undermine such progress.

Most people, including those with disability, prefer jobs with better long-term prospects and opportunity for career progression.⁸⁹ Less than half of the Disability Employment Services participants in a 2010-2013 evaluation were satisfied with these aspects of their employment.⁹⁰

We recommend continuing to improve job-seeker assessments, and taking into account individual goals and abilities in determining the appropriate support. It is important that people have access to suitable employment support, including support to obtain and maintain a job that aligns with their long-term goals.

⁸⁴ *Interim Report*, p. 108.

⁸⁵ *Interim Report*, pp. 103, 107.

⁸⁶ *Interim Report*, p. 110

⁸⁷ *Interim Report*, pp. 50-51.

⁸⁸ Australian Government, *Response to the House of Representatives Standing Committee on Education and Employment Report: Work Wanted: Mental Health and Workforce Participation*, 2013, pp. 16-17.

⁸⁹ Australian Department of Education, Employment and Workplace Relations, *Evaluation of Disability Employment Services 2010-2013*, 2014, p. 89.

⁹⁰ *ibid.*

Vocational education and training, and job matching

It may be helpful to inform people about job market demands. However, people should not be coerced into vocational education or training that they do not choose to do. There is already a risk of coercion by employment service providers as discussed at pages 18-20. This risk should not be increased.

In an evaluation of the disability employment services, fewer than two percent of participants achieved a 13 Week Education outcome.⁹¹ Placing people into education and training that they do not choose is unlikely to improve people's chances of successfully completing education or training. Instead, it is likely to have the counterproductive result of diminishing the person's sense of autonomy, confidence and worth. This could in turn worsen the person's mental health and reduce their capacity for education and training.

It would be more beneficial to improve access to person-centred and flexible education and training.⁹² For example, many consumers cannot study full-time and need to have the option of deferring for periods of time. They may also need individualised support to deal with learning demands and the associated stress.

"Because of some of the things I've went through, I find it tough to focus and don't cope under pressure. How can the uni help when this is exactly the things they test for?" (Consumer feedback, NSW CAG, 2011)

Furthermore, people are more likely to achieve job satisfaction and stay in their job for longer if the job matched their goals and preferences.⁹³ Therefore, supporting people in their individual choices and goals, including vocational education and training, is more likely to improve retention rates and long-term employment outcomes. It also aligns with the intent of Disability Employment Services to "help participants find employment that suits their individual goals and abilities".⁹⁴

We recommend informing job seekers about the job market and supporting people's individual choices and goals regarding vocational education and training. It is important that this does not involve any coercion.

Recommendations:

26. Job-seeker assessments to be person-centred, and with the aim of providing suitable support for obtaining and maintaining employment that aligns with individual goals.
 27. Employment services to inform people about the job market, but not coerce them into accepting a job or taking up particular vocational education/training.
 28. The welfare system and employment services to support people's individual choices and goals regarding vocational education/training and job matching.
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⁹¹ ibid., p. 62.

⁹² *Employment assistance for people with mental illness Literature review*, above n 3, pp. 19-20.

⁹³ ibid., p. 20.

⁹⁴ *Evaluation of Disability Employment Services 2010-2013*, above n 89, p. 3.

Summary of Recommendations in this Submission

1. Welfare reform to align with the ‘person-centred’ and ‘recovery-oriented’ approaches in the disability and mental health sectors.
2. Welfare reform to recognise that everyone may have the capacity for work if given time and appropriate support.
3. The Reference Group to examine ways to differentiate between the levels of support people with disability would require in order to obtain and sustain meaningful work, and also to explore ways to address the social, environmental and structural barriers that impede people with disability from obtaining meaningful work.
4. The welfare system to provide income support sufficient for delivering an acceptable standard of living, recognising the higher living costs of mental health consumers and carers.
5. Primary income support payments to be high enough to cover the support that had been provided by any supplementary payments.
6. Income support to be, at a minimum, adequate for recipients to achieve an acceptable standard of living.
7. Income support payment rates to take into account the adequate support required to meet people’s needs.
8. The income support system to recognise that the support people require should not be related to their work capacity.
9. The reformed income support system to ensure straightforward and easy access to higher levels of income support when individuals need it.
10. Criteria for accessing income support to be flexible to accommodate for people in a range of circumstances.
11. Welfare reform to ensure that people have an adequate level of support during any incremental steps to the new income support architecture.
12. The rate of income support payments to be adjusted in line with changes in the broader community living standards.
13. The current Rent Assistance scheme to become adequate for resolving the rental stress many people are facing.
14. The Reference Group to examine ways to improve access to stable and secure housing.
15. Public housing should not be moved from the use of income-based rent subsidies to the use of Rent Assistance, unless the Rent Assistance scheme is changed to meet the needs of public housing tenants.
16. The Reference Group to consider eliminating the waiting period for all those who qualify for income support.
17. Welfare reform to take into account the needs of carers and to ensure any changes to the income support system do not adversely impact people in caring roles.
18. Employment service providers to not have greater management of sanctions or other punitive powers.

19. The Australian Government to continue improving the understanding of barriers to compliance with participation requirements, and examine ways to address these barriers.
20. The income support system to adopt an individualised approach in determining mutual obligation requirements. For such a system to contain measures to minimise inconsistency in assessment and outcomes, as well as mechanisms to monitor and evaluate its implementation, so as to ensure people are given suitable requirements and support.
21. Not linking carer payment with the National Disability Insurance Scheme because the Scheme only applies to a small number of people with mental illness.
22. Income management should be available to job seekers on an opt-in basis, but involuntary income management should not be used without clear evidence of its effectiveness.
23. The Reference Group to take a more holistic approach to address the multiple problems people face that lead to poor budgeting.
24. The Australian Government to develop processes to actively encourage employers to implement strategies that support mental health within workplaces.
25. The Reference Group to research strategies that would increase employers' willingness and ability to hire people with mental health issues.
26. Job-seeker assessments to be person-centred, and with the aim of providing suitable support for obtaining and maintaining employment that aligns with individual goals.
27. Employment services to inform people about the job market, but not coerce them into accepting a job or taking up particular vocational education/training.
28. The welfare system and employment services to support people's individual choices and goals regarding vocational education/training and job matching.

Conclusion

People with a lived experience of mental illness and their carers want to contribute to society in meaningful ways including through employment. Often what makes it difficult for many people to engage in meaningful employment are the barriers society and employers put up and the stigma and discrimination people experience.

To assist mental health consumers and carers obtain and maintain employment when they are able to, and live with dignity when they are unable to participate in the workforce, the welfare system needs to recognise the diverse and transient nature of mental illness. A welfare system that is coercive, punitive and thereby demoralising, would add to the barriers to social and economic participation people already face.

Rather, we want a welfare system that respects people's individual choices, builds people's sense of self-worth and supports people to contribute to society in ways that are meaningful to them. This includes ensuring people have sufficient support to maintain an acceptable standard of living, safe and stable housing, and to achieve their individual goals. For welfare reform to be effective, the Australian Government also needs to proactively break down the barriers, stigma and discrimination people with a lived experience of mental illness face. We commend this submission to you and hope we can work together to achieve all this and more.