

Welfare Review Submission – Mental Illness Fellowship of Australia

Pillar One: Simpler and sustainable income support system

Changes to Australia’s income support system over time have resulted in unintended complexities, inconsistencies and disincentives for some people to work. Achieving a simpler and sustainable income support system should involve a simpler architecture, a fair rate structure, a common approach to adjusting payments, a new approach to support for families with children and young people, effective rent assistance, and rewards for work and targeting assistance to need.

Simpler architecture

Page 42 to 52 of the Interim Report considers the need for a simpler architecture for the income support system. The Reference Group proposes four primary payment types and fewer supplements. The primary payment types proposed are: a Disability Support Pension for people with a permanent impairment and no capacity to work; a tiered working age payment for people with some capacity to work now or in the future, including independent young people; a child payment for dependent children and young people; and an age pension for people above the age at which they are generally expected to work.

In shaping the future directions for a simpler architecture the Reference Group would like feedback on:

- What is the preferred architecture of the payment system?
- Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
- How could supplements be simplified? What should they be?
- What are the incremental steps to a new architecture?

MIFA and its member organisations across the whole of Australia are keen for the review to carefully consider the position of people with severe mental illness and the people who care for them.

The notion of ‘permanent’ is proving troublesome in terms of severe mental illness and the issue is being reviewed in several Federal Government policy areas at present. The National Disability Insurance Scheme as well as in the Welfare Review and the Review of Mental Health Services being conducted by National Mental Health Commission all seek a reasonable understanding of this complex issue.

MIFA seeks to support a single agreed outcome on the definitions, functional capacity assessment and limitations around severe mental illness before eligibility, any payment system and supplement access is changed. The ability of people living with severe mental illness and those who care about them to understand the criteria for all the service and support types would be of great value.

MIFA agrees that supplements should be simplified, and the number and variety reduced, as one issue in seeking out additional support is the plethora of options available. The person seeking support is expected to be an expert on the system, or miss out on needed extras, such as healthcare card, allowances or rent assistance.

Fair rate structure

Note: The page numbers refer to pages in the PDF version of the Interim Report.

Page 55 to 60 of the Interim Report considers changes that could be considered to rates of payment for different groups. In shaping the future directions for a fairer rate structure the Reference Group would like feedback on:

- How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?

The report highlights (p 10) “consideration should be given to reducing the current gap between pensions and allowances, particularly for people with limited work capacity, or with significant labour market disadvantages.” MIFA agrees that people with similar functional or work capacity should receive the same level of support.

Fair rate structures should be set at levels that respect people and their individual needs. There should NEVER be a situation where the architecture of a benefits system means going to work reduces income or reduces the incentive to train or study through loss of access to essential supports. Neither should the system lag behind individual activity that payments nor do supports not reflect CURRENT circumstances.

There should be NEVER be a period where no benefit is available due to youth, as there are many reasons why young people vacate training or work for a period of time, including developing a severe mental illness.

Common approach to adjusting payments

Page 60 to 64 of the Interim Report considers a common approach to adjusting payments to ensure a more coherent social support system over time. In shaping the future directions for a common approach to maintaining adequacy the Reference Group would like feedback on:

- What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?

Benefits or supports should not lag behind real costs, especially where basics are considered such as food, accommodation, medical care.

Support for families with children and young people

Page 65 to 68 of the Interim Report considers how the payments could be changed to improve support to families with children and young people. In shaping the future directions for support for families with children and young people the Reference Group would like feedback on:

- How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?
- In what circumstances should young people be able to access income support in their own right?

Children and young people who have caring responsibilities within their families require payments that target their specific needs, not moderated by a non-carer adult within the family. Their support for educational needs may be higher, as well as their needs for personal physical and emotional health and these items may be complex to access within a third party payment such as Centrelink.

A child or young person carer should never have to miss social or school based opportunities due to care responsibility administration, such as repeated visits to Centrelink due to clumsy administration..

Effective rent assistance

Page 68 to 71 of the Interim Report considers Rent Assistance and suggests a review to determine the appropriate level of assistance and the best mechanism for adjusting assistance levels over time. In shaping the future directions for Rent Assistance the Reference Group would like feedback on:

- How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

Rewards for work and targeting assistance to need

Page 72 to 78 of the Interim Report considers changes to means testing for improved targeting to need and better integration of the administration of the tax and transfers systems to improve incentives to work. In shaping the future directions for rewards for work and targeting assistance to need the Reference Group would like feedback on:

- How should means testing be designed to allow an appropriate reward for work?
- At what income should income support cease?
- What would be a simpler, more consistent approach to means testing income and assets?

Pillar Two: Strengthening individual and family capability

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

Mutual obligation

Page 80 to 85 of the Interim Report considers more tailored and broadening of mutual obligation and the role of income management. In shaping the future directions for mutual obligation the Reference Group would like feedback on:

- How should participation requirements be better matched to individual circumstances?

- How can carers be better supported to maintain labour market attachment and access employment?
- What is the best way of ensuring that people on income support meet their obligations?
- In what circumstances should income management be applied?

Their own employment participation is particularly worrying for people who care for a person with a severe mental illness. The episodic nature of the illness, the unpredictability of the occasions for support, and the stress of caring can make searching for work all but impossible during these periods of intensive caring..

Part time or casualised work for carers can be difficult to sustain, as they have to compete in the marketplace with people who are able to provide a more continuous, flexible work profile with more guaranteed productive time than a carer. This is not about not wishing to work, but about the nature of the job market and the employment options available.

People who are receiving a benefit need support to develop a plan for achieving reasonable mutual obligations, with consideration of the immediacy of support that a carer may be asked to fulfil, and the episodic nature of mental illness. All plans should be negotiable when circumstances change, in a manner that is not additionally burdensome to the carer.

Income management should only be applied in the most exceptional of circumstances where there is a legal obligation to protect a person during a period of illness. It is difficult enough to learn to live with government welfare, without that welfare being managed by another person and limiting choices for an individual or a family and adding to the stigma experienced by people with mental illness.

Early intervention

Page 85 to 88 of the Interim Report considers risk based analysis to target early intervention and investment and targeting policies and programmes to children at risk. In shaping the future directions for early intervention the Reference Group would like feedback on:

- How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
- How can the social support system better deliver early intervention for children at risk?

The consideration of 'return of investment' when referring to a child or a family is a new concept for Australia. All families at risk need support first then at some later time when the family and its members have achieved some degree of stability, plans for meeting mutual obligation can be considered. Intensive early support to get young people the best opportunity to enter the workforce is admirable ,but should not be the measure of their worth.

Education and Training

Page 89 to 90 of the Interim Report considers the need for a stronger focus on foundation skills in both schools and vocational education and training, and on transitions from school to work. In shaping the future directions for education and training the Reference Group would like feedback on:

- What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
- How can early intervention and prevention programmes more effectively improve skills for young people?
- How can a focus on 'earn or learn' for young Australians be enhanced?

Improving individual and family functioning

Page 90 to 93 of the Interim Report considers cost effective approaches that support employment outcomes by improving family functioning and the provision of services especially to people with mental health conditions to assist them to stabilise their lives and engage in education, work and social activities. In shaping the future directions for improving individual and family functioning, the Reference Group would like feedback on:

- How can services enhance family functioning to improve employment outcomes?
- How can services be improved to achieve employment and social participation for people with complex needs?

Support for people with complex needs requires highly skilled staff working in a wide ranging connected framework over time. At MIFA we believe that 80% of all support for people living with serious mental illness is not of a medical or clinical nature, and therefore those offering support need to have the community background to develop options for participation that will survive both periods of illness and recovery.

The 'wrap around' service model is a great idea. But services funded across different jurisdictions with different eligibility and entry criteria are difficult to negotiate for most people. Those people with complex needs have additional burdens that make this wrap around almost impossible without the right assistance, which is unlikely to come from the clinical service or Centrelink domains.

People identified as having complex needs are generally not suitable candidates for employment or education when their living situation, behaviour and illness are preventing them from stabilising their life. There will be people who are averse to models of clinical support, and this rejection should not prevent other forms of support occurring. Medical treatment should not be a pre-requisite to benefits receipt and family support should not be predicated on a short-term employment outcome, just as some people choose to go under-treated or untreated for other conditions.

Evaluating outcomes

Page 93 of the Interim Report considers improved monitoring and evaluation of programmes aimed at increasing individual and family capability to focus on whether outcomes are being achieved for the most disadvantaged. In shaping the future directions for evaluating outcomes the Reference Group would like feedback on:

Note: The page numbers refer to pages in the PDF version of the Interim Report.

- How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?

Linking together data sets about people and families would be the right place to start, rather than jumping to something new. States and territories, ABS, AIHW, Centrelink, programs government departments and the health system all collect unlinked data about individuals, and a method of joining together records of service types for individual and families could be the best place to start to have an understanding of cause and effect.

The Government will have to decide what they might be evaluating – program cost effectiveness, program outcomes, changes for people, positive outcomes in the long term, because cost effectiveness is not the only relevant measure of success.

Pillar Three: Engaging with employers

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

Employment focus – making jobs available

Page 95 to 100 of the Interim Report considers what initiatives result in businesses employing more disadvantaged job seekers. In shaping the future directions for making jobs available the Reference Group would like feedback on:

- How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
- How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

Improving pathways to employment

Page 101 to 107 of the Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models. In shaping the future directions for improving pathways to employment the Reference Group would like feedback on:

- How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
- How can vocational education and training into real jobs be better targeted?
- How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

IP&S is not open ended, and can only support people for limited periods of time. IP&S is highly valued but the provider needs time, resources and the right amount of funds to build the employer relationships on which these employment opportunities may be built.

Adequate resource and funding allocation is essential to make these systems for people living with severe mental illness work, and we believe that a peer workforce in the employment sector is essential to the understanding of the complexity of severe mental illness.

PHaMS Employment (DSS) is still proving itself as a model for people with mental illness, and there should be no additional models added to the system until this is evaluated and considered for further extension in the community.

Supporting employers

Page 108 to 110 of the Interim Report considers what can be done to support employers employ more people that are on income support including better job matching, wage subsidies and less red tape. In shaping the future directions for supporting employers the Reference Group would like feedback on:

- How can an employment focus be embedded across all employment and support services?
- How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
- How can the administrative burden on employers and job service providers be reduced?

The Government's notion that pathways to work are an essential element is not the experience of many organisations that work with people with severe mental illness. There may be several YEARS of work that starts and stops due to illness fluctuation and recovery pathways before a person can set realistic goals that include education or employment.

Veronica Sheen of Monash University summarised in the Conversation on Wednesday 30 July 2014 the current numbers on jobs and unemployed people – “The overall unemployment rate is now 6%, and 13.5% for 15-24 year olds. In May there were 146,000 job vacancies with 720,000 people unemployed. Another 920,000 were underemployed and wanting more hours of work. Underemployment is a very important labour market indicator as, under the terms of internationally agreed labour statistics collection; an individual is counted as employed if working one hour a week for pay or profit. Altogether, these figures mean 1.64 million people who have no work or not enough work is potentially competing for available job vacancies.”

This effect is often greater in specific geographical locations. It is imperative that people are not disadvantaged in receiving benefits by the limits in their location of a range or volume of jobs in the right place, for the right number of hours on the right days for them. This is particularly applicable to people with caring roles in families, who by the nature of the support they offer, are limited in their ability to respond to job opportunities, especially for variable shift or casual work/on call work.

Moving to unknown locations for work will be difficult for people with severe mental illness and carers, who may be locked in to support and care cycles dependent on location. There is also the chance that changing locations will limit access to key support services due to waiting times, limits on availability or changes to population that have reduced service allocation, all of which affect the ability of people to work.

Reduction of administrative burden relies on several things. Only one part of the system should collect each piece of information, and service users should not be required to re-report their details multiple times, especially as it relates to disclosing mental health issues.

Pillar Four: Building community capacity

Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

Role of civil society

Page 112 to 116 of the Interim Report considers the role of civil society in building community capacity. In shaping the future directions for the role of civil society the Reference Group would like feedback on:

- How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?
- How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
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- How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

There is still considerable stigma about severe mental illness ; sometimes leading to assumptions it is the fault of the person, a matter for shame or fear or something to be ignored wherever possible. These attitudes do bear on sources of philanthropic support in this area.

In the mental illness space, youth mental health and suicide prevention are the most likely topics to attract philanthropy..

Role of government

Page 116 to 120 of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

- How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
- How can the income management model be developed to build community capacity?

In evaluation of community capacity good baseline data is essential. It is our experience that evaluation criteria are not always set at the beginning of a commonwealth or state funded program, and therefore the evaluation is measuring memory not actual change, or the evaluation is of the behaviour of the participants and not the program structures.

Government reviews and evaluations are sometimes not released to the public when they do not deliver the government's preferred outcome. This reinforces staff and service user beliefs that there is an unequal playing field.

Government sometimes refers to research or evaluation when in fact they are using anecdote. This has happened recently in discussion of Work For The Dole program outcomes: Despite all evidence to the contrary, the Government continues to cite the success of WFD programs in the Howard era even where no formal positive evaluation agrees. Reference: Borland J, Department of Economics, University of Melbourne -Does 'Work for the Dole' work: An Australian perspective on work experience programs? – 'Participation in the Wfd program is found to be associated with a large and significant adverse effect on the likelihood of exiting unemployment payments. It would be foolhardy of the government to believe that pushing through Wfd programs, that there will be a different outcome to last time.'

The income management model should be avoided when at all reasonable so that people remain in charge of their own lives and destiny. When necessary it should be applied in consultation with all members of the family affected and always on a fixed time scale. Whenever possible, the person managing the income has frequent positive contact with the family or individual to work on the plan to independence. This system should avoid punitive actions wherever possible.

Role of local business

Page 121 to 123 of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

- How can communities generate opportunities for micro business to drive employment outcomes?
- How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

Where these opportunities (micro, mutuals, cooperatives) have reasonable chance of success, and the research has been well interrogated, it is clear that ownership and leadership are essential, and initiatives must be funded adequately for set up and delivery.

Access to technology

Page 124 to 125 of the Interim Report considers access to affordable technology and its role in building community capacity. In shaping the future directions for access to technology the Reference Group would like feedback on:

- How can disadvantaged job seekers' access to information and communication technology be improved?

Community Resilience

Page 125 to 126 of the Interim Report considers how community resilience can play a role in helping disadvantaged communities. In shaping the future directions for community resilience the Reference Group would like feedback on:

- What strategies help build community resilience, particularly in disadvantaged communities?
- How can innovative community models create incentives for self-sufficiency and employment?

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