



Mental Health Commission
of New South Wales

‘A New System for Better Employment and Social Outcomes’

Submission to the Interim Report

August 2014

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1. The Mental Health Commission of NSW

The Mental Health Commission of NSW (the Commission) is pleased to have the opportunity to provide feedback on the *Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services* (the Interim Report).

The Commission is an independent body which helps drive reform that benefits people who experience mental illness, and their families and carers. The Commission is working with the community towards sustained improvement in the support offered to people who experience mental illness and in their access to employment, education, housing, justice and general health care.

The Commission's guiding statements:

- A person's mental health is dependent upon their general wellbeing which is influenced by their social, emotional, physical, cultural and spiritual health.
- People who experience mental illness should receive the care and support they need, at the time they need it, and as close to where they live as possible.
- Responsibility for providing this care and support is shared between the Commonwealth and NSW governments and the community.
- People who experience mental illness, their families and carers should be treated with respect and dignity.
- People who experience mental illness, their families and carers should be given all the information they need to be meaningful participants in making decisions about their own recovery.
- Government and the community must support people who experience mental illness and their families and carers to lead full and rewarding lives. This should be done by providing person-centred care and support, and by taking a co-ordinated and integrated approach at a local level across all levels of government and non-government sectors, including housing, employment, health, education and justice.

The Commission has been set up to embody the needs and wishes of people with mental illness, their families and carers.

2. Introduction

The Commission commends the work conducted by the Reference Group on Welfare Reform, and is pleased to see work being progressed towards an improved welfare system in Australia.

The Commission is largely supportive of the welfare reform proposals contained in the recently released Interim Report. Any steps taken to simplify the welfare system would benefit the many people who use it. The Commission often hears from people that they find the welfare system a complex environment to navigate. The proposal to consolidate the 20 payments and 55 supplements into four payments would result in a more streamlined approach to pensions and allowances.

3. Pillar One: Simpler and sustainable income support system

The features of a properly functioning income support system (p41) appear to set the context for a fair welfare system that will support individuals in need. The Commission supports proposed changes to the system where individuals will be encouraged to transition into employment, using the Individual Placement and Support (IPS) model (p104-106), depending on their capability and capacity to do so. The 'Tiered working age payment' presents an opportunity to contribute to a person's engagement and participation in the community. The Commission agrees there is a need to ensure 'the right balance between investing in those with capacity to work and providing a pension for those who cannot work now or in the future' (p51).

Workforce participation is an essential part of the journey towards recovery for many people with a mental illness. A job brings with it opportunities for social inclusion and financial independence, both of which support mental health. Unemployment, by contrast, can lead to social exclusion, economic disadvantage, poor mental health and physical health, and housing instability. The positive effects of participation in work have been well documented.¹

While the Commission supports the proposed 'Tiered working age payment', there needs to be consideration of how to ensure individuals' payments are adequate to meet their living costs. Any changes to the welfare system need to ensure that no individual is worse off under a new payment system. The proposed transition of people living with mental illness from the Disability Support Pension (DSP) to the 'Tiered working age payment' needs to ensure that no individual will end up receiving a reduced income.

The Interim Report recognises that "the large disparity in rates is still seen as an incentive for people to seek to minimise their work capacity and maximise perceptions of their incapacity in order to qualify for the higher pension payment" (p47). The Commission understands that, at times, there is not a financial incentive to transition into full time employment for some people. A combination of engaging in part-time work and receiving the DSP payments may result in an individual receiving a higher income than if they worked full time. This may be because of people on the DSP receiving additional benefits, such as rent assistance, mobility allowance and health care cards. The Commission recommends that the Reference Group look at the possible health care support requirements for those people who will no longer be receiving the DSP.

People receiving the DSP and working part time may be disadvantaged further if they are transitioned onto the 'Tiered working age payment' because of the possible loss of subsidies they may have received for costs related to medication and medical supports. Further, it is sometimes the case that employees may lose income because of having to attend medical appointments. For example, those who attend clozapine clinics require appointments of 30 minutes to one hour on an

¹ Commonwealth of Australia (2007). Employment assistance for people with mental illness: Literature review. Department of Education, Employment and Workplace Relations, Canberra; Mental Health Council of Australia (2007). Let's get to work – A National Mental Health Employment Strategy for Australia. Canberra; Harvey, S., Modini, M., Christensen, C., and Glozier, N. (2013). Severe mental illness and work: What can we do to maximise the employment opportunities for individuals with psychosis? *Australian and New Zealand Journal of Psychiatry*, 47:421.

ongoing basis. These appointments may range from weekly, to fortnightly, to monthly, requiring regular time off work.

As mentioned in the Interim Report, some mental illnesses are episodic in nature, marked by fluctuating periods and degrees of wellness and disability. In addition, these periods of wellness and illness are unpredictable. As a consequence, a person may move in and out of the labour force in an unpredictable manner.

The possibility that welfare payments cut off during periods of improved health may then be difficult to reinstate later during periods of illness, could cause fear and a disincentive to return to work. For this reason, flexibility is very important in a welfare system that effectively addresses episodic mental illness.

Individuals need adequate supports as they are encouraged to transition to employment, balancing the support to allow them to work to their capacity, while building their capability to participate economically and socially, to the extent they are able to. Further, this needs to be flexible enough for an individual to move between supports as needed, without fear of judgement or income loss. The Commission recommends that the Reference Group explore and provide a framework that addresses the needs of individuals who may need to move up and down levels of support while receiving the 'Tiered working age payment'.

The Interim Report proposes the DSP would be reserved only for those individuals with a permanent impairment and no capacity for work (p6). There is a need to define clearly what a permanent impairment is, acknowledging this is not a simple task. The Commission recommends that the Reference Group work closely with those agencies involved in the implementation and rollout of the National Disability Insurance Scheme (NDIS) to ensure a common approach to the definition of a permanent impairment. This will ensure consistency between both the rollout of the NDIS and the introduction of a revised welfare system.

The Commission has heard from many people living with mental illness that the DSP can provide a safety net for people when they are unwell for long periods of time. While the Interim Report acknowledges that mental illness can be episodic in nature, there are instances where a person's mental illness may result in an extended period where they cannot work. This is particularly the case for those who require ongoing long-term support. During this period, the DSP provides a steady income stream that, at times, only barely pays for the living and medical supports required. Further, those on the DSP receive medical subsidies through the Health Care Card scheme. There is a risk that those who transition to the 'Tiered working age payment' may lose out on receiving these necessary supports, and may be subject to entering employment at a time when they are not ready.

There is also a need to recognise the income support needs of those individuals living with a mental illness who may not have the capacity to work again, those living with a physical disability and a mental illness, and, those with a psychosocial disability.

Psychosocial disability refers to the disability experienced by people with mental health conditions because of impairments and participation restrictions relating to the mental health conditions². Psychosocial disability can significantly impair the achievement of life goals if support needs arising from impairments and limitations associated with a mental health condition fail to be identified or are not addressed. Psychosocial disability places an emphasis on the social consequences of disability, identifying that there is a range of support needs required for a person's full and effective participation in the community.

For many people living with mental illness (such as those with severe mental illness or psychosocial disability) there is a possibility they may not be deemed eligible to receive the DSP. These individuals may also not be ready to enter paid employment. The Commission recommends that the Reference Group, as part of the 'Tiered working age payment' framework, include consideration of those who are not eligible for the DSP and are not yet ready to enter the workforce.

4. Pillar Two: Strengthening individual and family capacity

4.1 For individuals

The Interim Report stresses the importance of early intervention for those people at highest risk of long-term income support reliance (p10-12). The Interim Report envisages that, for a person with a severe mental illness, such early intervention would include wrap-around services to assist them to stabilise their lives and improve individual functioning. The Commission recommends a holistic approach whereby a person would have a central point of contact for accessing a range of services needed to achieve stability, for example: legal, antenatal, child and family health, parenting support, drug and alcohol, and housing. With this tailored and coordinated support in place, the person would then be better able to gain and keep employment.

It has been reported that the prevalence of low incomes and a reliance on social security payments among people living with a mental illness is a primary contributor to housing stress and the threat of homelessness³. Low income, as well as stigma and discrimination, make it difficult for people living with a mental illness to access stable, safe accommodation and, as a consequence, there is intense demand for and reliance on social housing.

The Interim Report discusses the complications of the broader social support system, in particular housing, and the need to ensure individuals are able to afford stable housing. Further, it is widely accepted that stable housing is essential to support employment and wellbeing. Changes to the welfare system will need to ensure that supports such as Rent Assistance payments and public housing are matched to need.

² National Mental Health Consumer & Carer Forum (2011). Unravelling Psychosocial Disability, A Position Statement by the National Mental Health Consumer & Carer Forum on Psychosocial Disability Associate with Mental Health Conditions. Canberra: NMHCCF

³ Karras, M, McCarron, E, Gray, A & Ardasinski, S 2006, On the edge of justice: the legal needs of people with a mental illness in NSW, Law and Justice Foundation of NSW, Sydney

4.2 For families and carers

The Commission supports the prevention and early intervention focus in the Interim Report, particularly as it relates to the health and wellbeing of children living in homes that receive income support. A system that focuses on prevention and early intervention helps to ensure that vulnerable families are provided access to the right services early, including during the perinatal period.

It is acknowledged that children from jobless families face a higher risk of struggling at school and a negative trajectory that may include unemployment, homelessness, poverty, severe mental illness, alcohol misuse and contact with the criminal justice system⁴. Federal and state services come into contact with a number of children and families that require additional supports to improve their general health and welfare.

The Commission supports investment in families to ensure they are supported and provided every opportunity to have a contributing and fulfilling life. In order to ensure this a whole-of-government response is required to direct appropriate support towards those children and families at risk. This means an integrated and coordinated effort between the welfare system and other government and non-government services, such as housing, community services, mental health services, and education. This would mean support services working collaboratively rather than in isolation, and ensure that children are provided the best possible start in life.

Children living with a parent or carer with a mental illness may be at increased risk of social, psychological, behavioural and physical health problems, as well as cognitive development problems.⁵ We know that many people who experience mental illness are capable parents, while many have partners or close social supports who share the load in raising children, but the impact of a parent's psychological distress can still be high. Adequate income and housing provide some protection for children in these circumstances. The Commission recommends that the Reference Group ensure income support for parents with a mental illness be considered as part of its approach to investing in children, young people and families (p88).

5. Pillar Three: Engaging with employers

The Interim Report explores the need for employment services to strengthen effective pathways and outcomes for job seekers (p107). While there is a justified focus in the Interim Report on ensuring individuals are up-skilled to meet the requirements of available jobs, there is also a need for employers to be adequately supported and trained to ensure they provide supportive work environments for people with mental health difficulties.

Mental disorders are a key priority area in the NSW Occupational Disease and Wellbeing Strategy 2011-2015 and the Australian Work Health and Safety Strategy 2012-2022. In most workplaces,

⁴ Gray, M., Taylor, M., & Edwards, B. (2011). Unemployment and the Wellbeing of Children aged 5-10 years. *Australian Journal of Labour Economics*, 12(2) pp 153-172.

⁵ Reupert, A.E., Maybery, D.J., Kowalenko, N.M. (2012). Children whose parents have a mental illness: prevalence, need and treatment. *Medical Journal of Australia*, 1(1) pp 7-9.

physical health and mental health are viewed as separate areas of concern and the focus is very much on physical health and safety. The focus needs to be expanded so that practices that promote mental health and wellbeing are embedded in workplace culture in the same way as those that address physical health and safety.

People with mental illness still face barriers to participation in the workforce. These may include: the episodic nature of mental illness and fear of losing income support and associated benefits; difficulties in accessing health, employment, rehabilitation and other services; unaddressed needs for ongoing support; and stigma and discrimination.

People with mental illness can also experience barriers to accessing education and training which need to be addressed to enable maximum workplace participation. These barriers may include: low expectations from health professionals; lack of access to programs, especially for those in rural and remote parts of the country; community stigma; social and economic disadvantage; the lack of suitable employment opportunities; and constraints that limit the capacity of services to provide suitable ongoing support for people living with mental illness to access training and educational programs.

While there are barriers to workforce participation, many people with mental illness want to work. In transitioning people into the 'Tiered working age payment', there is a range of issues that needs to be considered to ensure individuals and employers are supported.

5.1 Commonwealth and state commitments

Collaboration between government and industry is required to secure a commitment to fostering mental health and wellbeing in all workplaces. While the Commonwealth has lead responsibility for national policies and programs that relate to work safety and employee rights, there are also important steps to be taken at the state level. State public sector agencies need to ensure that they are leaders in the employment of people with a mental illness, as well as ensuring that services (including education, training and employment) are provided to people who experience mental illness.

Employment services, such as Job Services Australia, provide job seekers with tailored support to help overcome vocational and non-vocational barriers to obtaining sustainable employment. Supports towards improving pathways to employment will need to be funded to ensure that there is adequate access for those who transition from the DSP to the 'Tiered working age payment'. Further, for employees with severe mental illness, barriers to remaining in a job can be overcome with ongoing tailored support that programs, such as the IPS model, provide.

These employment services need to go beyond placing consumers in employment, and include ensuring work environments support people living with mental illness to sustain their employment. This may include working directly with employers to educate them on reasonable adjustments to the workplace for people with mental illness, and how to develop programs and policies to support wellbeing for all employees.

5.2 Flexible working arrangements

Participation in open competition for employment may not be the solution for everyone with mental illness and a range of options for participation and social inclusion is required. It should be acknowledged that seeking employment can be highly competitive. In particular, positions directed towards return-to-work employees may receive a higher number of applications, as there can be high competition within the unskilled workforce, or among those who have not worked for an extended period of time. Strategies are needed to ensure meaningful positions are available for people moving from the DSP to the 'Tiered working age payment', as well as those who qualify for the 'Tiered working age payment'.

Part-time work and flexible working arrangements are critical to supporting this future workforce. Employers, government, unions and peak bodies will need to collaborate on and contribute to plans that accommodate the needs of those in the workforce who are living with mental illness. Other arrangements such as trial periods, automatic reinstatement of benefits, and job sharing may also be features of a flexible and comprehensive set of policies.

Casual employees face additional stressors, with unpredictable and uncertain hours. An individual may receive unstable income from week to week, which may result in an inability to pay bills and maintain cost of living. Further, absence from work for medical appointments may have adverse implications. Casual workers typically have no leave entitlements, including sick and carers leave.

It is documented that casual workplace arrangements can make this already vulnerable group even more vulnerable to uncertain work conditions; uncertainty for their future; and, lead to a potential reduction in work/life balance⁶. They may face difficulties in securing childcare places, a lack of autonomy, and be subject to difficulty in obtaining finance because of the uncertainty of their employment status. These effects can contribute to a significantly negative impact on health and wellbeing. These issues will require the Reference Group to ensure the working arrangements of individuals be considered alongside their welfare payments.

5.3 Stigma and discrimination

Stigma and discrimination in the workplace faced by many people living with a mental illness needs to be considered. Stigma is consistently identified as a major barrier in the workplace for people living with mental illness. It can often result in equal, or even more, stress and isolation than the actual mental health problem⁷. Self-stigma, the effect of an individual's internalisation of the stigma and discrimination found in the community, can also often be a barrier to participation in the

⁶ Clarke, M., Wayne L., de Wolff, A., and A. King (2007) 'This just isn't sustainable': Precarious employment, stress and workers' health.' *International Journal of Law and Psychiatry* 30: 311-326; Judd, F., and Humphrey, J. (2001) 'Mental Health Issues for Rural and Remote Australia' *Australian Journal of Rural Health*, 9: 254-58; McDonough, P. (2000) 'Job insecurity and health,' *International Journal of Health Services* 30: 453-76; Malenfant, R., LaRue, A., & Vézina, M. (2007) 'Intermittent Work and Well-Being,' *Current Sociology* 55: 814.

⁷ Rethink/Institute of Psychiatry, (2003) *Reducing Stigma and Discrimination: What works?*, Conference Report, Birmingham.

workforce for many consumers. This is particularly the case for those people living with mental illness who may not feel they are worthy or valued members of the community.

Public attitudes towards mental illness may invite overt and covert stigmatisation and discrimination. Addressing stigma around mental illness is a key step to combating discrimination within the workplace. Employers need access to training and support to be able to address these issues.

6. Pillar Four: Building community capacity

Remaining mindful of the different roles and functions that the NDIS and the DSP perform, there still needs to be income support for individuals that is separate from their disability care and support. The broader social support systems will need to work in tandem with the welfare system in order to support those most in need. In particular, work between the NDIS and the newly proposed welfare system will need to ensure they are aligned. While it is also acknowledged that support provided through the NDIS is not intended to replace the informal care provided by families and carers, there is still a need to consider what levels of support are reasonable to expect from families, carers and communities. The Reference Group needs to consider the ongoing support that people who will receive the 'Tiered working age payment' may require from their carers.

While the transition of many people receiving welfare support into employment may alleviate some of the burden on carers, there is a need to acknowledge the intricacies for individuals who receive some form of carer payment. As the people they care for are transitioned into employment, these individuals may need additional support in the immediate short term. This may involve preparing them for work, getting them to work on time, and supporting them as they make the journey into the workforce. Carers may be faced with these additional duties, and will need ongoing support during this transition.

Just as individuals need to be supported to transition into the workforce, similar efforts should be directed towards their carers. As it is anticipated that people who will transition towards the 'Tiered working age payment' will seek employment, carers may be required to seek paid employment. There needs to be a meaningful investment towards ensuring carers are supported (through training, education, job matching) as they may be returning to the workforce after a substantial time spent looking after a family member, friend or loved one.

7. Summary of Recommendations

The Commission recommends that the Reference Group:

- look at the health care support requirements for those people who will no longer be able to receive the DSP;
- explore and provide a framework that addresses the needs of individuals who may need to move up and down levels of support while receiving the 'Tiered working age payment';
- work closely with those agencies involved in the implementation and rollout of the NDIS to ensure a common approach to the definition of a permanent impairment;
- as part of the 'Tiered working age payment' framework, include an approach for those individuals not deemed eligible for the DSP and not yet ready to enter paid employment;
- ensure they consider the needs of people living with psychosocial disability, with particular regard to their full and effective participation in the community;
- ensure that income support for parents with a mental illness be considered as part of its approach to investing in children, young people and families;
- work on creating strategies that ensure meaningful positions are available for people moving from the DSP to the 'Tiered working age payment', as well as those who qualify for the 'Tiered working age payment';
- look at funding improved pathways to employment for those who transition from the DSP to the 'Tiered working age payment';
- explore arrangements between employers, government, unions and peak bodies to ensure collaboration on the needs of people in the workforce who are living with mental illness (including policies addressing trial periods, automatic reinstatement of benefits and job sharing);
- explore ways to reduce the stigma and discrimination faced by people in the workplace who are living with mental illness;
- further support improving pathways to employment for people living with mental illness, through programs such as Job Services Australia;
- develop approaches that fully consider the impact of the working arrangements of individuals, such as casual work, alongside their welfare payments; and,
- consider the impact of welfare support changes on carers of people with mental illness, who may themselves be required to return to the workforce after a substantial time spent looking after a family member, friend or loved one.

8. Conclusion

There is no doubt there is a need for welfare system reform, as the current system is an often complex environment for many people to navigate. In bringing about any change to the system, there is a need to ensure support is provided to those vulnerable members of our community, without resulting in a system that only further stigmatises these population groups.

The Commission understands many people with mental illness want to work. The current barriers facing workforce participation, however, are at times too overwhelming for many, and can contribute to social exclusion, economic disadvantage, poor mental health and physical health, and housing instability. The proposed changes to the system whereby many individuals will be encouraged to transition into employment presents an opportunity to contribute to a person's engagement and participation in the community.

While these changes may lead to beneficial outcomes, there is also a series of obstacles needing to be adequately addressed, otherwise these proposed changes will not succeed. Adequate supports need to be put in place not only to encourage people living with mental illness currently receiving income support to transition into employment, but also to provide a fluctuating level of support they may require during their recovery journey.

Further, by ensuring that workplaces are positive environments that promote mental health and wellbeing, there is a potential to generate a host of benefits, including economic, for individuals, government, business and the community as a whole. In order to realise these benefits, work must be directed to ensuring workplaces are ready for these changes.

The Commission commends the work of the Reference Group, and acknowledges the hard work that is still ahead to ensure the welfare system meets the needs of the people it serves. These proposed changes may see many people transition into employment. For some, this may be after a long period of time away from the workforce. This may prove to be a challenge for some individuals; however, this provides them a real opportunity to be a contributing member of the community. The effort to see people transition into work and the support that they will require should not be underestimated.



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