###  Submission on Welfare Reform

### By Peter Schaecken

###  14th August 2014

My name is Peter Schaecken. I am employed as a peer support worker in mental health services in Sydney. I live with a mental illness, and have spent almost 20 years employed in frontline service support roles, understanding the voice of mental health consumers and supporting them to negotiate health and support services.

**Introduction**

The Welfare system in Australia provides an important safety net for Australians. For people with a mental illness, welfare can sometimes be a disincentive to participating in meaningful work. Mental Health consumers would like to see a welfare system that feels supportive, safe, and balances between providing the right amount of financial stability with the right amount of support to move into open employment.

**Housing Issues**

The housing crisis in Australia is impacting on many welfare recipients and low to moderate wage earners. For people with mental illness, decent and affordable housing is desperately required. Private rental prices in the Inner West area of Sydney have increased to a point where it is no longer affordable for welfare recipients to live in any of the suburbs. This shortage of appropriate/affordable housing options for people with mental illnesses needs urgent review. From my own experience of mental illness, addressing this issue is paramount. If you live somewhere, where you feel unsafe: there are drug dealers, antisocial behaviour, or noisy neighbours, it can have a negative impact on your mental illness, and make it more difficult to work or study.

 Over 105 000 Australians (**1)** are homeless every night which should be recognised as a national emergency.

**An example of good practice currently exists in the Inner West:**

”The Common Ground Project” is located in Camperdown NSW and has provided affordable/secure housing and support services to people who were previously homeless or living with issues such as mental illnesses/substance abuse.

**Employment Issues**

A 2007 Survey **(2)** of metropolitan mental health consumers found there was 18% employment rate.

Effects of the Global Financial Crisis still remain in the Australian economy with subdued employment opportunities still present.

Mental health consumer’s t tell me that often, the only jobs they can find involve significant travel. Also, with welfare reforms consumers feel pressured to take the first position they are offered even if it is a long way from home, or risk losing their benefits. This leaves mental health consumers feeling like they need to move to take up a job, or spend hours in transit each way for an entry level position. This has the potential to cause considerable stress and increases susceptibility to becoming unwell again by potentially reducing consumers access to vital support networks.

I believe the ABS unemployment rate (currently 6.4 % **(3)**) severely underestimates the numbers of Australians who would like to work or work more hours, and the employment rate of people with psychosis including schizophrenia is approximately 21.5%4. This hidden unemployment is a tragedy for many Australians. In my experience, most people with mental illnesses would like to work but are fearful of losing access to welfare benefits if a job they obtain doesn’t work out. Employer discrimination or lack of knowledge prevents many older Australians, people with mental illnesses, people with disabilities and young people from obtaining gainful employment. In addition: self and societal stigma, medication side-effects, persistent and enduring mental illnesses, lack of education and training, poverty, lack of safe and secure housing and long periods of unwellness can all be barriers for people living with mental illnesses to obtaining and maintaining employment.

I would like to see disadvantaged Job seekers linked with employment service providers who understand their needs and concerns and who achieve good vocational outcomes. “Work for the Dole” conditions may be detrimental to the health of people living with mental health issues and disabilities, and should be re-evaluated and adjusted for this group. While I support a community driven expectation that everyone has the right to work and gainful employment, we remain concerned that people who already experience multiple disadvantages be supported in using any employment experience scheme to their advantage and are able to access opportunities for work experience and skill development.

I also remain concerned that some of the proposed penalty’s associated with non compliance with the welfare system – minimum number of monthly job applications, the impact of missing appointments – may be unreasonably weighted towards people with multiple disadvantages such as those with mental health problems. Over the years, many people with mental health problems have described the stress of welfare penalty’s or the threat of losing their pension during periods of deteriorating mental health, or homelessness, and the impact this has had on their recovery. We would value the inclusion of caveats that protect the communities most disadvantaged from further penalties.

A broad and empowering Anti-stigma campaign6 for people with mental health conditions, especially those with schizophrenia, is needed.

Consumers often report that they are concerned they will be financially worse off if they work. The confusing mix of welfare benefits, housing support, and any impact of losing a health care card acts as a deterrent for some mental health consumers to seek employment. The community would benefit from accessible, understandable information about the impact of increasing income on benefits so mental health consumers can make an informed choice.

Further, accessible information on reasonable accommodations for work, and for study, would be beneficial for consumers, employers and educators. The community is usually able to easily grasp the sorts of obvious accommodations that are needed for a physical disability. However, the hidden disability of mental illness is often hard to for educators and employers to understand how they should support accommodations, and consumers are often unaware of what they should ask for.

Disability employment services also need reform. The IPS Model in Australia where implemented to fidelity, has employment outcomes of up to 60% success for people with persistent mental illnesses. In a metropolitan Health service, an employment success rate of 63% has been achieved for people with a mental illness who were referred to an Enhanced Intersectoral Links model of employment services where mental health staff work in partnership with federally funded specialist employment services. These results are promising.

.

I am hopeful that the NDIS can be implemented to support people living with mental illness to engage in training, and secure employment outcomes.

**Recommendations**

The following recommendations are based on the perspectives of mental health consumers concerned about changes to the welfare system, and my own lived experience of this system.

* Unemployment benefits are too low to enable people with complex conditions and the associated costs to engage in activities that support recovery, the rates provided need to be increased.
* Increase rental assistance to allow welfare recipients to be able to live in areas where there are jobs and access to mental health and disability services.
* For people who live in Public Housing, the current system of paying 25%-30% of their income or/up to the market rent enables access to secure housing, and is supported.
* Allow welfare recipients to be able to work to a reasonable financial threshold without reducing their benefits. . This will enable people to experience work, and test their work capacity, without the fear of losing all entitlements.
* Income management should be only available for people who volunteer for this scheme and not be mandatory for welfare recipients. I believe forced income management will only serve to make consumers feel more disempowered and unable to make positive changes in their life.
* Training and education and employment opportunities must be made available and accessible to people with mental health issues.
* Address stigma & discrimination towards people living with a mental illness/disability by a broad public education campaign.

 **Conclusion:**

If the government makes the necessary reforms then it will have the support of the community and concurrently will reduce the costs of unemployment, poor health and spiralling poverty. If the government does not make reforms and continues to take people with disabilities off the DSP and transfer them to unemployment benefits to save money in the short term, it will be seen as a failure by the community and ultimately will incur greater costs through health and other social services.

The biggest question is, how is the federal government going to create the hundreds of thousands of jobs required for all Australians, especially those living with mental health issues and disabilities?

 The concept of mutual obligation is also about Governments governing for all Australians, not just the wealthy. The reality is it is far less costly, and more ethical to fund welfare properly, and assist people with mental health issues and disabilities into real jobs which helps society and the economy.

**References:**

1: Australia’s number of Homeless people:

 Australian Bureau of Statistics census 2011

2: A snapshot of consumers in a mental health service who were employed in 2007

3: Australia’s seasonally adjusted unemployment rate.

 July 2014 Australian Bureau of Statistics

4: People living with Psychotic illness 2010- November 2011

 Report on the second Australian national survey

5: A contributing Life the 2013 National Report card on mental Health and Suicide Prevention

 P76

 Australian Government National Mental Health Commission

6: A contributing Life the 2013 National Report card on mental Health and Suicide Prevention

 P90

 Australian Government National Mental Health Commission