



SUBMISSION

to the

**Welfare Review, Welfare System Taskforce
Department of Social Services**

on the

**Interim Report of the Reference Group on Welfare Reform to the
Minister for Social Services: *“A New System for Better Employment
and Social Outcomes”***

from

Mental Illness Fellowship Victoria

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Contact:

Laura Collister

**Director of Mental Health Services, Research and Development, Mental Illness
Fellowship Victoria**

lcollister@mifellowship.org

03 8486 4200

Prepared by:

Indigo Daya

General Manager, Carer and Consumer Advocacy and Leadership

idaya@mifellowship.org

03 8486 4200

Introduction

We agree that everyone with the capacity to work should be supported to do so, and that many people diagnosed with serious mental illness have a capacity to work. Employment brings independence, dignity, better mental health outcomes, social connectedness and an important contribution to society.

We also believe there is an argument for reform of the income support and employment sector, and that these reforms must be based on the best available evidence and comprehensive community consultation.

However we are not convinced that the set of recommendations included in this report are sufficient to bring about genuine improvements in employment rates or savings to the overall welfare system. We consider it probable that some of the recommended measures will lead to higher government costs and the creation of new disincentives to employment. Further, we believe it is possible to achieve many substantial improvements in employment outcomes without significant reform.

The report contains many excellent proposals, along with some others with which we disagree, and others which remain unclear without further detail being provided by the reference group. But far greater and deeper consultation and research is required to develop a new system blueprint that will bring about sustainable and significant change in the right direction.

Our experience indicates that the balance of the report is incorrectly weighted towards a focus on individuals and incentives – to the detriment of greater attention on building employment opportunities and reducing barriers to employment. For example, multiple studies consistently show that around 70%¹ of people diagnosed with serious mental illness already want to work but we are not doing enough to remove the barriers that stand in their way. Substantial changes in the employment market, and indeed in the broader community, cannot be achieved quickly or easily. This type of change requires broad and deep commitment across Australian society.

Our submission includes responses and recommendations for proposals outlined in the interim report which have relevance to mental health.

We call for an extension to the period of consultation for the interim report to allow for greater community consultation and feedback.

We also call for the formation of a national reference group of stakeholders and specialists, including people with a lived experience of income support and returning to work, to ensure that the final reform plans have the best possible chance of success.

¹ Drake, R.E., Bond, G.R., Becker, D.R. (2012). *Individual Placement and Support: An Evidence-Based Approach to Supported Employment*. New York: Oxford UP.

Pillar 1: Simpler and sustainable income support system

System simplification

We agree that: Simplification of the income support system would be of benefit to both government and those who make use of the system.

However:

Many people who receive the Disability Support Pension will be fearful when they hear more about widespread changes, particularly about potentially moving to a tiered working age payment. Many of these people are vulnerable, and it is important that the way in which these changes are communicated is done sensitively and with respect.

Capacity for work

We agree that: Everyone with the capacity to work should be supported to do so. Suitable employment brings independence, dignity and an important contribution to society, along with health benefits. Far too many people diagnosed with mental illness are excluded from employment and full social inclusion.

However:

Poorly considered and non-evidence-based employment programs can actually worsen employment outcomes and provide disincentives to work. This can include:

- Only being eligible for employment support when willing to work 8 hours or more. For many people this can act as a disincentive to engage in job seeking. Supporting people to work the hours that are right for them will encourage more people to enter employment.
- Fear of an inaccurate job capacity assessment. Many people are fearful of being assessed as being capable of working more hours than they believe they can cope with. As a result some of these people will avoid assessments rather than risk their mental health.

Mental health and employment

We agree that: Many people diagnosed with mental illness and currently in receipt of the disability pension, have a capacity to work, and that mental illness tends to be episodic for many people.

However:

- a. The impacts of mental illness vary greatly, and so it is not reasonable for all people diagnosed with mental illness to be moved from the Disability Support Pension to a tiered working age payment as a 'blanket measure'. Individual circumstances must be considered, including co-occurring health conditions, age, drug and alcohol use, medical opinions, personal history and other relevant factors.
- b. A person's mental health status is not predictable: a relapse for one person may be a few days, while for another it may be for a few months. There are few employers willing to take on employees who cannot commit to regular and consistent attendance. More work must be done to build flexibility into more workplaces and a willingness to hire people with mental illness.
- c. Not everyone diagnosed with mental illness experiences episodic wellness. Some people live with continual mental and emotional distress and confusion. This does not necessarily mean that people cannot work, but consideration must be given to each individual's capacity, needs and goals.

Changing expectations and carers

We agree that: People in the role of carer may need additional support in accessing employment if their role as a carer changes or ends.

However:

We note that language in this interim report refers to carers '*transitioning into work when their caring roles change*', which fails to acknowledge that carers already fill an important social and economic role in working to provide support for a person with a disability.

We note that: It is too early to assume that the NDIS will facilitate increased labour market participation by carers.

Interim report question: *How can carers can be better supported to maintain labour market attachment and access employment?*

Our response to this question is to strongly advise that the reference group provides a consultation period and process with carers from a broad cross-section of disability types, ages, lengths of caring role and metro/regional location. Inadequate time has been allowed for genuine consultation during this process – without which we cannot answer this question.

Pillar 2: Strengthening individual and family capability

Disincentives

We disagree that the Disability Support Pension is a disincentive to work, or that additional incentives to work are necessary for the majority of people diagnosed with serious mental illness and receiving income support.

Rather, evidence suggests that the vast majority, in fact 70%¹, of these people already want to work. But there are barriers in place that we need to help remove. We believe the most significant barriers to employment for people diagnosed with mental illness are:

- Attitudes and stigma:
 - Employers and community
 - Mental health services labelling people as 'not ready to work'
 - Self-stigma of people diagnosed with mental illness
- Fragmented support services
- Lack of knowledge/interest amongst employers in hiring people with disability, or in how to implement workplace flexibility and adjustment
- Lack of education and skill development opportunities for people with mental illness combined with disruptions to education and work histories
- Not using evidence-based programs such as Individual Placement and Support (IPS) – or not using them correctly
- Insufficient peer support and education
- An employment support system which has inappropriate incentives itself, leading to screening out the most disadvantaged clients, and a focus on short- rather than long-term employment success.

Education and skills

We agree that: The system should support people to attain the education and skills they need to find and retain work.

We remind the reference group that:

Many people are diagnosed with serious mental illness in their late teens, which can bring a rapid halt to continuing the typical trajectory of education into employment. As a result, many people diagnosed with mental illness may require support to revisit their educational goals and aspirations, and may require support to complete secondary, vocational and tertiary studies.

Individual Placement and Support

We agree that:

Individual Placement and Support (IPS) is an evidence-based and effective method of improving employment outcomes for people diagnosed with mental illness. We support widespread implementation of IPS across Australia.

However:

The current framework for Employment Services (JSA and DES) does not support effective implementation of IPS. Some examples of this:

- IPS recommends that people are supported to start working whatever hours are right for them – yet we currently have a minimum work participation requirement of 8 hours. This acts as a disincentive for many people to engage in job seeking. Supporting someone to work for 4 hours is worth the investment – the research shows that this person, with support, is likely to increase their hours over time.
- Rapid work placement is encouraged under IPS to test work areas and find the right employment match, yet current eligibility assessment measures cause long delays in accessing Employment Services.
- We have heard many examples – from consumers *and* workers – that some jobseekers who may be difficult to place are being screened out by some Employment Services providers. It appears that the current Employment Services system holds some perverse incentives which discourage providers from taking on board people with challenging issues. Yet these are the very people most in need of assistance. We are unable to verify the extent of this issue, but suggest that any revision of the system must first have accountability safeguards to ensure this does not happen – or is at least detectable during audits, and secondly that we do not unintentionally reward such behaviour by providers.
- People diagnosed with mental illness are frequently assigned to the lowest level of employment assistance. This leaves them without adequate support during job search or during work placement. We need to ensure the reverse: that people with serious mental illness are assigned the maximum amount of employment support, unless they indicate they want a lower level of support.
- We have heard many examples from consumers that their health provider has recommended against employment. In some cases consumers have even said that *'I want to work but my psychiatrist said I am not allowed to'*. We believe there is an incorrect belief, among at least some health providers, that employment is too stressful for people with mental illness to cope with. We do not support such attitudes as we prefer to believe in people's potential rather than their limitations. This is consistent with mental health recovery principles and best practice. IPS includes requirements to educate mental health services about employment, and this education is required for GPs, psychiatrists and the staff of mental health services, to assist in shifting these attitudes.

Research indicates that IPS must be correctly implemented in order to be successful. Careful review and significant change is required to ensure that IPS works effectively within the employment service and mental health systems.

Effective IPS must be embedded within existing mental health service systems. It must also comply with the IPS fidelity scale and staff must be well trained.

We also note that IPS discourages social enterprise as recommended under Pillar 3 – we say more about this in that section.

We recommend that:

The implementation of IPS include:

- Changing the Employment Services framework and performance where they do not comply with IPS principles
- Establishment of an IPS technical excellence group to ensure that service delivery is compliant with the fidelity scale
- Widespread IPS training for employment providers and appropriate mental health staff, ideally delivered by peer educators
- Employment Services providers allow for more time with people to ensure successful outcomes – which in turn requires assessing people with mental illness at the highest level of support
- Co-locate mental health Employment Services with clinical mental health services.
- The incorporation of peer support into employment services. Peer support is increasingly utilised in mental health settings and has a strong evidence base. It is highly effective at building hope, confidence, self-management skills and reducing self-stigma. Peers can provide excellent role models for returning to work and can be powerful partners for jobseekers.

Mutual obligation

We agree that: Mutual obligations must be individually tailored for people diagnosed with mental illness and must be developed using person-centred methods.

Broad obligations such as improving life skills, learning about health, seeking secure housing or activities to build social skills or confidence, may be suitable ways in which people can meet their obligations.

However:

It would be entirely unethical, and ultimately extremely damaging, for income support or employment services to require any particular obligation from a person which is tied to their mental health treatment and/or support.

It is essential to note that increasingly, mental health acts, such as the new act in Victoria, promote individual choice in treatment. Care must be taken to avoid punitive measures in employment support which pressure people towards taking particular treatment or recovery actions which are not of their choosing. To do so would also be in contravention of the United Nations Convention on the Rights of Persons with Disability.

Sanctions

We agree that: Application of sanctions should take into account the likely impact on children.

However:

We absolutely disagree that stronger compliance measures are required for people diagnosed with serious mental illness. The majority of this cohort already want to work. There is no evidence that such an action is either required, or that it would have any beneficial effect.

Should, however, stronger sanctions still be introduced, we urge that that the impacts of any sanction on housing security and mental and physical health must also be taken into account. We urge caution with the consideration of sanctions in relation to income support and people with mental illness. In particular we urge the government to consider the potential impacts of sanctions on the mental health of people who may already be in a vulnerable situation and are often already homeless or at risk of homelessness. Our social support system must include the principle that employment and employment support should promote, rather than impede, basic health and safety.

Any sanctions which increase the risk of homelessness or worsening health are likely to have the opposite effect to that desired – people will be *less* capable of employment.

Further, we urge consideration of barriers, many of which are outside of an individual's control, which may prevent employment progress. It is quite feasible that some people can make the best possible efforts to find employment yet not be successful in their efforts. This is not a justification for sanctions.

Income management

We disagree with:

The proposed extension of income management for people in receipt of income support. Fundamental principles of the Individual Support and Placement (IPS) model, and best-practice mental health recovery practice, both advise that people be supported to build their skills and independence through maximum personal choice and dignity. Income management is likely to lower self-esteem and confidence, and have negative flow-on effects in terms of people's capacity to work and achieve independence.

Further, should an individual be considered at risk because of an issue with their personal income management, then existing legal processes already exist for guardianship orders. These processes provide a raft of legal protections which are rigorous and transparent.

We strongly advise against the expansion of income management.

Pillar 3: Engaging with employers

Working with employers

We agree that: It is necessary to work more with employers to increase employment opportunities for disadvantaged job seekers.

We recommend that:

Significantly more effort be channelled into this pillar of the final report, as it presents one of the greatest barriers.

Consideration be given to a national workplace campaign focussed on a 'fair go' at work for people with mental illness. This campaign would engage employers and employees through appealing to personal experience and the Aussie desire to give people a 'fair go'. Major employers and business bodies could be enlisted to endorse the campaign.

Social enterprise

We agree that: Social enterprise has offered some more flexible employment opportunities for people.

However:

We see that the social enterprise model is a part of the mix of options for promoting employment, but it is not a suitable option for the majority of people. Social enterprise contributes by building vocational skill in the short term in a supported environment, but is not scalable for the numbers of people that need employment. Further, it runs the risk of becoming an end in itself creating isolated pockets of employment rather than increasing social inclusion for people diagnosed with mental illness.

The IPS model recommends employment in the open jobs market rather than social enterprise.

We recommend that work be undertaken to study the workplace flexibility and reasonable adjustment measures of successful social enterprises, and that these be used as a template for educating employers in the open jobs market.

We do not recommend significant increased investment in social enterprise, but instead recommend increased investment in fully implementing IPS, and in building the capacity of the open jobs market to employ disadvantaged people.

Social responsibility

We agree that: There is likely benefit in supporting and promoting social responsibility amongst employers.

However:

This alone will not be sufficient to build the shift in attitude and hiring practice that is required to make a significant difference for disadvantaged job seekers.

Public service

We agree that: The Australian public service should play a significant role in improving employment outcomes for people with a disability. We recommend detailed planning and targets for achieving growth in jobs opportunities across all public service organisations.

Skills shortage

We agree that: It is effective and efficient to focus employment services and skills training on areas of skill shortage.

However:

While it makes sense to promote areas of skill shortage, if those areas are not right for the individual and we don't listen, then ultimately we will see more unsuccessful work placements and the system will be economically inefficient for all parties. We urge that individual work preferences take priority.

It has become almost common-place for people with mental illness to be funnelled into entry-level jobs in cleaning, hospitality, retail and gardening. While these job choices are perfectly fine if they meet the goals of jobseekers, we believe that our employment focus has become stereotyped and narrow. There is no pre-determined limit to the types of employment which can be suitable for someone diagnosed with mental illness. Sir Winston Churchill had a mental illness but no-one ever suggested he become a kitchen hand.

We are not making the most of the employment potential of people diagnosed with mental illness. We urge a system which allows for a focus on careers as well as jobs, and on all levels and types of education and employment.

Employment support services

We agree that: It is important to evaluate outcomes to ensure that the most disadvantaged are receiving adequate support and that we minimise compliance burdens on providers. Our current measures are not effective and too many disadvantaged people are missing out on employment support.

We recommend:

- Ideally, benchmarks should be based on the employment goals of the individual person, including

- collaborative agreement on employment goals between the person, support services and clinicians
 - regular review of these goals and progress as part of an ongoing system of support and review.
- At a minimum, the benchmark system must be reviewed and simplified to reflect the episodic nature of mental health conditions:
 - People are currently being assessed as having high benchmarks based on their *future* capacity to work
 - The current system then expects this benchmark to be achieved immediately, regardless of the person's *current* capacity to work.

Pillar 4: Building community capacity

Using peer educators to tackle stigma

Stigma around mental illness is a significant barrier to employment for many people. While much has been done over the past decade to improve community attitudes towards conditions such as depression and anxiety, little has changed with attitudes towards psychotic conditions such as schizophrenia. Myths of violent and dangerous behaviour, despite being inaccurate, still widely persist. These attitudes are major employment barriers for many people with mental illness who are currently receiving income support.

Research tells us that one of the most effective ways to change attitudes is for people to hear the stories of real people that they can relate to. At MI Fellowship we run a Speakers' Bureau of people who share their experiences of mental illness and recovery with others in the broader community. Our speakers visit schools, workplaces and community settings.

We recommend:

A nation-wide program of peer educators to speak to employers and workplaces about mental illness, including schizophrenia and psychosis, as a method of reducing stigmatising attitudes and building greater opportunities for employment.