



Western Australian Association  
for Mental Health  
WAAMH

## **WELFARE TO WORK**

**Issues for consideration by the Department for Human Services**

Submission to the Hon Joe Ludwig  
Minister for Human Services

**Joe Calleja  
President  
WA Association for Mental Health**

**22 January 2008**

## **Welfare to Work, the Economy & Social Inclusion**

**The following statements are provided to offer some context for the possible future response by the government in dealing with the future implementation of the Welfare to Work policy.**

“...There are those for whom the disability pension is essentially a form of early retirement. About half the disability pensioners are 50-64. There is little point devising retraining schemes for either these people or for the long term severely disabled who have experience a catastrophic event.

However, the OECD says all the growth in disability pensions in the past 10 years has come from people under 50 years, with half coming from people aged under 35. Mental illness and lesser physical disabilities are common among this group..”

***“Disability legislation no walkover”* David Uren, Economics correspondent, “The Australian” 5 January 2008.**

“...Whereas in the past, economists have argued that the cost of bringing the socially disadvantaged back into the workforce did not warrant the investment, in the future, policies of economic and social inclusion will be vital because in an ageing society we cannot afford to have anyone who can work dropping off the edge...”

“..So our economy needs a national social inclusion agenda.

But we also need a national social inclusion agenda to show our maturity as a nation and our values as a community...”

***“Social Inclusion: A new portfolio, a new approach”*, Julia Gillard. A paper presented in her capacity as Shadow Minister for Social Inclusion, Shadow Minister for Employment and Industrial Relations, to the Centre for Public Policy, Melbourne University – 10 April 2007.**

## **Issues for Consideration**

1. WAAMH acknowledges the commitment and support of the staff at Centrelink WA for their involvement and follow up from matters raised at the Centrelink Consultative Committee on Mental Health. The committee is the only one of its kind in Australia.
2. Mental Health has been classified within the broad definition of disability for the purposes of the Welfare to Work Policy. However, it is a case of putting a square peg in a round hole because mental health is different from:
  - Intellectual disability;
  - Developmental disability, and
  - Physical disability.

In as much as it can be episodic, not obvious to people, and something from which a person can recover, but for which a range of supports can be provided apart from medication.

3. Fifty percent of people on disability pension who are being assessed by a JCA are recorded as having a mental illness, or believed to have one. These numbers alone should justify the introduction of streaming for a job capacity assessment.
4. People who live with a mental illness may not be ready for sudden transition to increased hours of work beyond 15 hours. Current requirements do not provide for effective or supportive transition to work.
5. The loss of income caused by the shift from DSP to Newstart is drastic and has compounding effects for a person with a mental illness:
  - Stress associated with loss of income;
  - Housing, basic needs, and
  - Access to medical benefits if on medication.

There is much to be learnt from the U.K. experience where people can retain their access to health cards as an example.

6. Job Capacity Assessments:
  - The need for streaming;
  - The need for suitably trained staff, and
  - The difference in thresholds between government and “for profit” providers.
7. Vulnerability Flags – their use nationally given the experience in WA.
8. Participation reporting (breaching) guidelines are particularly onerous for people living with a mental illness and we believe this group is at a greater risk than most people. We ask that compassion be extended to ensure that vulnerable people living with a mental illness are not put at risk this way.

9. Financial Case Management eligibility requirements exclude a number of people living with a mental illness because they may not be on medication, or they may not even have a diagnosis. The Commonwealth funded Personal Helpers and Mentors Program recognises there are people who live with a mental illness who have slipped through the cracks in the system. These people along with others are likely to fall victim to these guidelines.
  
10. There is a great deal of information that appears to be collected by DEWR but much of this information is not available to other departments and the mental health sector to enable a better understanding of the impact of the policy. The information does not appear to be accessible for research purposes.
  
11. There is a greater need for joint work with the mental health sector. We recommend there be a closer working relationship between your portfolio and the mental health sector at the Commonwealth level and at state branches, with the active involvement of the State Mental Health Division.



21 January 2008

The Hon. Joe Ludwig MP  
Federal Minister for Human Services  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Minister,

**Psychiatric Disability and Welfare to Work: A case for a more  
compassionate approach.**

The Western Australian Association for Mental Health (WAAMH) recognizes the importance of work to the well being of individuals, families and the Australian community. The Welfare to Work policy offers special opportunities to people who live with a mental illness because they are among the most marginalized and socially isolated people in the community and the opportunity to undertake mainstream employment is an essential ingredient for their recovery.

The manner in which the previous government implemented that policy was destructive to people who live with a mental illness and a great deal of damage was done through the Human Services portfolio implementation of the policy. In particular, the punitive nature of the policy developed by the



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former Department of Workplace Relations (DEWR) is reminiscent of the culture that lead to destructive service practices and attitudes within the former DIMEA. The agencies which are under your portfolio are bound by a policy which is causing considerable damage to many people when it has the potential to be improving their lives if it were to be less rigid.

The economic imperatives which drive the Welfare to Work policy are understood and supported by WAAMH. The extent to which these can be achieved in the current application of the policy as it relates to people living with a mental illness are in question. Work is important both in maintaining mental health and in promoting the recovery of those who experience mental health problems. Employment opportunities for people living with mental illness are an important concern of those working in mental health services, not least because they form part of the recovery and reintegration work of those services.

It is in this context that we write to you, Minister, to ask you to assist with softening aspects of Welfare to Work policy - for a more facilitative approach to Welfare to Work, with a strong focus on partnership with mental health services. In doing so, we seek your support and understanding of the need for people living with mental illness to be supported in the transition to employment because we are finding that the "one model fits all" application of the policy is harming some people who live with a mental illness and can harm many more.

We also draw to your attention that the way in which the policy has been implemented under the previous government was undermining the COAG policy on Mental Health and potentially forcing up health costs by increasing admissions to hospitals of people who were badly affected by the poor JCA processes which fall under your portfolio.

The main issues included in this letter have been identified through a range of consultation processes that the WA Association for Mental Health, as the Mental Health peak body in Western Australia, has participated in, or facilitated. These include having held Welfare to Work Forums attended by over 400 people, extensive feedback from welfare advocacy, mental health and employment services, and consumers and carers, and participation in the Centrelink Mental Health Community Consultative Committee.

### **Suitability of Job Capacity Assessors**

Many people living with mental illness fear that they will be misrepresented by the Job Capacity Assessment process, as an assessment of their abilities is based on a one-off interview with a Job Capacity Assessor who may have neither understanding of mental health issues nor the disabling consequences of mental illnesses. This fear is shared by many mental health professionals.

There is concern about the completion of Job Capacity Assessments by those who are not suitably qualified. Whilst people living with mental illness can

have access to psychologists, social workers and occupational therapists, there are too many occasions where people with significant mental health issues have been assessed by others who do not have the requisite professional skills to deal appropriately with these clients and to do no harm in the process. It is not just about the availability of suitably qualified persons but also their appropriate level of understanding; and also about the ability of people struggling with mental illness and associated problems to be able to articulate and ask for a suitable health professional.

It is also about the potential harm that can occur with an untrained practitioner conducting these assessments. An example of this is a consumer who reported that in the course of the assessment that the Job Capacity Assessor asked questions around the consumer's thoughts of suicide and then went on to talk about the JCA's own parent's suicide attempts and depression within the JCA's family. The consumer reported that the JCA was normalizing suicide and depression and had the consumer been in a more vulnerable place that the consumer may have thought that suicide was all right.

Some consumers with mental health issues who do not have activity requirements will agree to participate in retraining programs just to leave the interview and are not aware of their rights to refuse or to delay agreeing to such activities until they have discussed it with their treating health professional. Potentially consumers could agree to activities recommended by Job Capacity Assessors, those with non-mental health backgrounds, which will be detrimental to the consumer's mental health. There is a case where a consumer had the impression after attending one of these appointments with a JCA trained as a physiotherapist that Centrelink was going to arrange and pay for the treatment of his mental health issue.

We ask that JCAs be provided with training about mental illness and about strategies that build the capacity of people living with mental illness through social capital development and social inclusion.

We ask that professionals making job capacity assessments be appropriately qualified and that they be required to actively seek information from clients and their health professionals before making any judgment about work capacity or participation. We ask that this judgment not be based on a one-off test but rather on a close collaboration with the person, their mental health service provider and family supports with consideration to the person's motivation to work, their work history, cognitive impairments the usually episodic and non-linear course of the person's mental illness.

Other concerns are with respect to the time allocated for assessments – an hour is insufficient time in which to fully assess someone with mental illness. We have also been told that the financial incentive for 'for-profit' service providers is to reduce the time for assessments. This move to see more people in a day can cause undue pressure on their clients and on staff. There appear to be uneven standards across service providers when conducting these assessments and that some of this is driven by cost cutting, which could ultimately incur greater costs to the community in increased mental health

costs.

We would appreciate your comments on what rigour is used to ensure high standards of process across all service providers – what quality assurances are used to ensure this?

With respect to staff turnover – we have heard that there is a high ‘flow through’ of staff. We appreciate that the nature of the work can be stressful, but we have been told of incidents where the staff are insufficiently prepared for the work.

Staff need to be supported, have appropriate training, and have sufficient time to carry out the assessments to ensure that the end result is a ‘win-win’ for all parties. We believe that some of these issues can be complicated by profit driven motivation.

We believe that as a ‘duty of care’ issue there is a need to ensure that suitable safeguards are in place to ensure High Standards of Service Principles.

### **Participation Requirements for Social Capital Development and Social Inclusion**

At present Activity Participation Requirements focus on short term vocational courses - to facilitate a rapid return to work. In the case of people living with mental illness, there needs to be a stronger focus on building a capacity for social inclusion and re-engagement with family and society in a manner that facilitates rehabilitation and recovery, as well as the development of employability skills. Short-term training can work against longer-term pathways to reintegration and social inclusion. For people with serious mental health vulnerabilities, the latter focus should take precedence. We ask that, for people living with mental illness, longer-term educational courses and non-vocational engagement in education and training and parenting be counted as activities that meet Participation Requirements.

### **Compassionate Removal for Breaching Risk**

The current Participation Reporting (breaching) guidelines are particularly onerous for people with a mental illness, and we believe places a person living with a mental illness at higher risk than most people. The potential for breach is very stressful for people living with mental illness and puts them at greater risk of relapse. We ask that compassion be extended to ensure that vulnerable people living with mental illness are not put at risk in this way, or at the very least ensure that such a person who is breached has recourse back to allowance if the person modifies their behavior.

## **Eligibility for Financial Case Management**

We believe the conditions for financial case management under which people with mental illness can be considered for case management are extremely harsh and restrictive, particularly for people living with a mental illness. The guidelines state that people should be on medication in order to get access to financial case management. There will be people with psychotic conditions that are not taking medication and will be unreliable in meeting the eligibility requirements and will be breached. We ask that out of compassion for this very vulnerable group, the conditions under which people with mental illness can be considered for financial case management are revised in consultation with mental health professionals.

We are aware from the Western Australian Centrelink Mental Health Consultative Forum that the use of 'vulnerability flags' is achieving a high level of success in Western Australia of ensuring a more sensitive response and consideration of the needs of people who are living with a mental illness. We commend Centrelink in WA for the initiative shown around vulnerability flags and the related follow up. We hope this can be implemented as successfully across other states.

We would be grateful if you could clarify for us the extent to which this level of identification of people in need of a 'vulnerability flag' is being achieved in other States and Territories, and what the relationship is between the identification and rate of referral for financial case management? While we understand that this is more of an operational matter for your colleague the Minister for Human Services, you are the policyholder and all implementation strategies tie directly back to the policy, as other agencies have no discretion in the interpretation of the policy.

## **Remove Deterrence to Job Seeking**

We understand that a person on a Disability Support Pension (DSP) who wishes to try to obtain a job in open employment has to be put through the work assessment process. This opens them to the risk of losing their DSP, regardless of whether they are or are not successful in getting a job. Clearly, this is a major deterrent to such people who are considering trying to get into open employment. We ask that this approach is revised so that such people are able to return to the DSP at any time within a given period (up to 12 months) without any questions/assessments should their attempt to obtain and maintain employment fail. This would encourage people to try without fear of significant financial repercussions. Even if a person returns to the DSP, there are no financial repercussions for the Commonwealth. The United Kingdom has an effective policy like this, one that supports people on the DSP to try for open employment.

It has also been drawn to our attention that people living with mental illness who undertake voluntary work can result in a negative impact with them losing

DSP. Voluntary work is often the entry point for many people back into the employment market – and for people with mental illness doing small voluntary work activities can boost self-esteem, confidence and employability skills. However the results of being taken off DSP will negate many of the benefits – not only is it an immediate deterrent for them but it could also damage future directions into the employment job market, and could have the very detrimental effect of causing a relapse potentially resulting in costly medical intervention and hospitalisation. It will also reduce the likelihood of mental health professionals encouraging people into voluntary work even though, under normal circumstances, this would be beneficial to recovery.

### **Awareness Raising & Partnerships - Mental Health Sector**

There is a widespread lack of knowledge amongst mental health professionals about Welfare to Work and employment and allied programmes that will support the person's return to work and vocational rehabilitation. The Welfare to Work legislation and its implications for the clients of mental health services has not been promoted within the mental health sector. Most mental health professionals know very little about it, despite the major implications for their consumers and carers.

We ask for an extensive awareness and partnerships program be conducted for mental health professionals to ensure they understand Welfare to Work and what they can do to support the aspirations of consumers to return to work, including partnerships with the employment sector. We also believe that there needs to be support for job placement agencies, Centrelink and public mental health clinicians to be able to work together with flexibility around Welfare to Work procedures to ensure effective outcomes for people with mental illness.

### **Other related Policies**

The abolition by the previous government of CDEP, changes to the Work for the Dole policy and the application of Welfare to Work for Supporting Parents all have implications for people who live with a mental illness. We also believe that the implementation of the Welfare to Work policy in its current form will work against some of the objectives of the COAG strategy on mental health, which was announced by the former Prime Minister in February 2006 and is currently being implemented.

In summary, we ask Minister that you consider a more compassionate approach, one that is more facilitative and less punitive, for a future in which people living with mental illness are supported in their aspirations to get and keep a job without fear of losing income support security, and where support is facilitated through the job capacity assessment process, and by close partnerships between mental health services and the employment sector. We fully support the recent decision of the previous government to support

evidence based practice trials in mental health employment, and we hope to see an extension of the trial and indeed an extension of all employment service models that prove to be facilitative of the job aspirations of people living with mental illness.

Thank you for your consideration of this letter, and we look forward to your response.

If you have any queries, please do not hesitate to contact myself on 0433 821 214, email [joe.calleja@rfa.org.au](mailto:joe.calleja@rfa.org.au) or Ann White, Executive Officer, on 08 9420 7277 or 041 337 9924, email [awhite@waamh.org.au](mailto:awhite@waamh.org.au) .

Yours sincerely,



Joe Calleja  
President

CC

- Minister for Social Inclusion and Minister for Workplace relations
- Chairperson of the Mental Health Council of Australia
- State Mental Health Peak Bodies
- President, National Welfare Rights Network