



SOCIAL SECURITY – challenges for the future

Paper 3 in a Series of 5 Position Papers to raise awareness of the needs of people with a mental illness in Australia

For more information and a summary of all 5 papers, (40,000 people missing out on mental health services) visit the MIFA website www.mifa.org.au

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The Members of MIFA are the:

- *Schizophrenia Fellowship of New South Wales*
- *Mental Illness Fellowship of North Queensland*
- *Mental Illness Fellowship of Queensland*
- *Mental Illness Fellowship Victoria*
- *Mental Health Carers Northern Territory*
- *Mental Illness Fellowship of South Australia*
- *Mental Illness Fellowship of Western Australia*
- *ARAFMI Tasmania*

Combined, these organisations have fifteen thousand members, many of which are family or corporate members and therefore represent many more people than the membership number.

From the President

The Mental Illness Fellowship of Australia (MIFA) is a not-for-profit coalition of mental health organisations that supports people with serious mental illnesses, their families and friends. Such illnesses include schizophrenia, major depression, bipolar disorder, obsessive-compulsive disorders and anxiety disorders. MIFA is committed to maximising opportunities for recovery through hope, choice and improved capacity for decision making for all people affected by serious mental illness.

MIFA is the largest grass-roots organisation in mental health in Australia with in excess of 15,000 members within its eight member organisations. The majority of members are consumers and carers with approximately 20% of membership being organisations, mental health services, health professionals and others.

The role of community based service providers is to work with and support people with mental illness to self manage their illness and to be active in their own recovery, acknowledging that each person's journey of recovery is a personal process.

In 2007, MIFA undertook the "Australians Talk Mental Illness" survey. We received more than 2,000 responses from people with mental illness, family members and carers, other members of the State and Territory organisations and medical professionals.

The responses presented a compelling snapshot of the experiences, opinions and feelings that a variety of Australians have towards mental health issues. The key Federal issues identified included:

- **Appropriate housing and support;**
- **Consumer and carer education and support;**
- **Social security impacts on consumers and carers;**
- **Employment opportunities; and**
- **Research to develop evidence based service models delivered in the community.**

In 2010 MIFA has commissioned research to provide an update of the issues identified in the survey of 2007. The result is a series of 5 position papers which are available on the MIFA website.

The papers also seek to identify progress in these priority areas since the last federal election and those matters that require urgent action, some outstanding for many years.

We need fundamental reforms and increased investment across all sectors involved in supporting people with mental illness if we are to better meet the needs of Australians with a mental illness, their family members, friends and carers.

The Governments own estimates are that more than 50,000 Australians with severe and persistent mental illness urgently require support from community mental health services.

In the last three years, new funds obtained through the COAG initiatives appear to have reached 10,000 people, 40,000 Australians are still waiting.



ROB KNOWLES
CHAIRPERSON MIFA

THE FACTS

1. 45.5% of respondents to the MIFA “Australians Talk Mental Illness” survey identified social security support for people with mental illness as a key issue. Other key issues identified were housing and housing support (70.1%), employment and employment support (60.1%), consumer and carer education and support (48.6%), and the need for more research (45.8%).¹
2. Mental illness is a leading contributor (13%) to chronic illness, after cancer (19%), and cardiovascular illnesses (18%).²
3. Nearly a quarter (24.3%) of Australian youth - people aged 12-25 years - have anxiety, affective or substance use disorders, and a variety of other mental illnesses.³
4. Most of the disease burden for a person with cancer or cardiovascular disease is due to premature death. However, for people with a mental illness it is the result of living for years with disability resulting directly from their mental illness, and associated physical disabilities, particularly those arising from lack of physical activity, poor diet and tobacco use.
5. Approximately half (7.3m) of the 16 million Australians aged 16–85 years will experience a mental disorder in their lifetime. While one in five Australians (20% or 3.2m people) had a mental health disorder in the last 12 months.⁴
6. In terms of the total population, 4.1% or over 650,000 people had severe mental disorders in the previous 12 months, 6.6% or over one million people had moderate mental disorders and 9.3% or almost one and a half million people had mild mental disorders.⁵
7. The prevalence of mental disorders is higher in people who provide care to relatives with a mental disorder as a consequence of caring (35.1%), than people who provide care to relatives with a chronic physical condition only (19.3%).⁶
8. At least 75% of people with psychotic disorders do not participate in employment, whilst other disability groups have unemployment rates of 30% among people physical disabilities and 20% for people with intellectual disabilities. Further to this, at least 175,000 Australians with psychiatric disabilities are on a disability support pension.⁷
9. In 2009, the financial cost of mental illness in people aged 12-25 was \$10.6 billion.⁸

SOCIAL SECURITY

Overview of issues

The Australian social security system plays an important role in providing people with at least a minimum income when they have no other options.⁹

Many Australians with mental illness and those who care for them are at risk of unemployment and poverty. The relationship is complicated by the fact that poverty and unemployment are both risk factors for mental illness.¹⁰

It is important therefore that the social security system functions effectively so as to ensure people with a mental illness and their carers have a fair and reasonable income.

The key form of income support for people with a disability, including those with a mental illness, is the Disability Support Pension (DSP), and for carers, the Carers Payment (CP). Other forms of income support payments include: Sickness Allowance, Newstart Allowance, Youth Allowance, Rent Allowance, Parenting Payment or Special Benefit for people who have a "partial capacity to work".¹¹

ABS data in 2003 showed that over the preceding decade, Australia had a 35% increase in the numbers of DSP recipients and a 395% increase in Carer Payment recipients.¹² Since the social security system also represents a considerable expense for the Federal Government, these figures were perceived as untenable. For welfare advocacy groups, the increases served to highlight inefficiencies in the social security system in serving at risk people.

Aiming to reduce the number of welfare recipients, the Howard Liberal Coalition Government introduced Welfare to Work reforms which tightened the eligibility criteria for various types of welfare payments. In effect,

these changes have meant that many people with a mental illness, who were eligible for the Disability Support Pension or Parenting Payment (Single) pension prior to 1 July 2006, are now on Newstart Allowance with job-search requirements.

The Welfare to Work reforms have had a number of inadvertent consequences for people with a mental illness and people who provide care; for example, the incomes of some people have been reduced (Newstart and Youth Allowance are less generous than the DSP); some people face disruptions to the income stream; the desire to seek work has been dampened; some people are missing out on the services they need.

Not surprisingly, the 2007 "Australians Talk Mental Illness" survey undertaken by MIFA identified Social Security (including Centrelink programs and policies, disability pensions, carer payments and allowance) as an area in need of greater government attention.

MIFA notes that with the change of government in 2007 greater attention and funding has been directed towards mental health reform. In particular, MIFA welcomes the Secure and Sustainable Pension Reform Package and the National Mental Health and Disability Employment Strategy as steps in the right direction.

This Position Paper outlines a range of challenges for the future. The top priorities are:

- **A commitment from all parties in government to providing fair and reasonable income support for people with a mental illness as well as for carers of people with a mental illness**
- **Continued Federal Government leadership to reform employment services by implementing new welfare to work programs specifically aimed at supporting Australians with mental illness**

FAIR AND REASONABLE INCOME

There is a significant association between income and mental health, although the causal relationship between income and mental illness is complex.¹³

Due to fluctuating work ability, people with a mental illness may not be capable of obtaining and remaining in regular work. They are therefore at risk of low or insecure earnings. The people who care for them are also at risk of low or insecure earnings since their workforce participation is constrained by their caring responsibilities. The cost of living with a mental illness can also be relatively high, especially for people or families that have to pay for out of pocket care and treatments.

Financial stress and economic disadvantage place people at risk of mental illness. For example, a high prevalence of anxiety and depressive disorders has been found among unpartnered women with children on the Parenting Payment (single).¹⁴ The 2008 Harmer review of the pension system revealed that people on the DSP are among the poorest in the community.¹⁵ This does not bode well for their future wellbeing.

Furthermore, carers make a significant social and economic contribution to society by providing care and support to people with a disability. As such, they deserve compensation and recognition for their work.¹⁶

MIFA notes the pension increases for recipients of a DSP and Carer Payment under the \$14.2 billion Secure and Sustainable Pension Reforms package in addition to other pension reforms as outlined in the Commonwealth Government's 2009/10 budget including the permanent Carer Supplement and the extension of the Utilities Allowance to recipients of the DSP and the

Carer Payment.¹⁷ While these reforms are welcome, it is imperative that the adequacy of income support for people with disability and carers should continue to be closely monitored.

WHAT AUSTRALIA NEEDS

- **Periodic review of the DSP and other relevant allowances to ensure adequacy**
- **Periodic review of the Carer Payment and Allowance to ensure adequacy**
- **A whole of government approach to protecting people with mental illness and those who care for them from financial and economic disadvantage. Policies, programs and services must be effectively linked across Commonwealth portfolios.**

IMPROVED ASSESSMENT DETERMINATIONS

There is widespread concern about the efficiency and effectiveness of the Job Capacity Assessment that determines a person's level of income support and level of assistance. The concerns relate to:

- The appropriateness of the qualifications necessary for Job Capacity Assessors to undertake assessments of people with a mental illness¹⁸
- The complexity of the assessment and referral process¹⁹
- Assessment criteria and tools, used as a determinant for benefits, (e.g., the Centrelink Impairment Table and the ADAT) that fail to capture the level of disability associated with mental illness.^{20 21}
 - In terms of the assessment process for the Carers Payment, the Adult Disability Assessment Tool (ADAT) fails to provide an accurate and fair assessment of people with episodic mental health conditions. The ADAT requires that if the condition is episodic or only apparent at certain times (less than once a day), the carer and Treating Health Professional (THP) must respond as if the care recipient is NOT experiencing an episode or flare-up.²² In effect, this directive disqualifies all people with episodic conditions, no matter how complex their care needs, and how much these needs impact upon their Carers when they are experiencing an episode.²³

An inefficient system means that people who are in similar circumstances receive different forms of income support and are paid at different rates; and that vulnerable people miss out on the support that they need.

MIFA welcomes the recent announcement of a review into the Centrelink Impairment Tables which will (a) reassess the appropriateness of definitions contained in the Introduction to the DSP Impairment Tables, with particular regard to the assessment of people with intermittent psychiatric conditions, (b) ensure that the DSP Impairment Tables can be used by both Allied Health Professionals and Medical Officers and (c) examine the descriptors in the DSP Impairment Tables to ensure that a score of 20 points aligns with an inability to work 15 or more hours per week without the need for on-going support.²⁴

The outcome of the review will have important implications for people with mental illnesses and the people that care for them and will thus be closely monitored by the MIFA.

WHAT AUSTRALIA NEEDS

- **An Assessment Determination which ensures disabilities resulting from mental illness are properly assessed along with physical disabilities**
- **Review of the Carer Payment (adult) and Carer Allowance (adult) assessment processes to ensure it acknowledges the level of support provided by carers of people with mental illness.**

REMOVE DISINCENTIVES TO WORK

“The social security framework must support people who are both currently capable of participating in employment and people who are potentially capable, but need additional support and resources to improve their level of readiness, such as those people with a mental illness”.²⁵

ABS data indicates that people with a physical disability have greater success in participating in paid employment than do people with psychological disabilities. Approximately 70% of people with a psychological disability rely on a government pension or allowance as their principle source of personal income, compared to 46% of people with physical disability.²⁶ This implies that the social security system has been more effective in supporting people with physical disabilities in work than in supporting people with a mental illness.

Some welfare rules have disadvantaged people with a mental illness and their ability and or desire to participate in employment. Several rules have been changed under the new employment model; however, some significant disincentives remain.

- People are discouraged from seeking employment by the risk of a large drop in income support.²⁷ People with a mental illness that require medications for example are anxious about losing concessions such as health care cards.
- The risk of losing a job or not being offered shifts and then being unable to cover basic living costs represents a concern due to the burden of reapplying for Centrelink payments and the waiting time involved.

The MIFA welcomes the release of the *National Mental Health and Disability Employment Strategy* involving the new employment services model for people with disability and the provision of a \$6.8 million Disability Support Pension (DSP) Employment Incentive Scheme for employers and people with disability, and other measures.

Yet, MIFA agrees with the concerns of the Mental Health Coordinating Council (MHCC) as expressed in their February 2009 submission to “the future of Disability Employment Services in Australia’ and seeks clarity on the methodology determining admission to Programs A and B and movement between²⁸.

WHAT AUSTRALIA NEEDS

- **Monitor and evaluate the implementation and performance of the National Mental Health and Disability Employment Strategy in addressing the barriers that are faced by people with a disability and/or mental illness that make it harder for them to gain and keep work.**
- **Monitor and evaluate the new Disability Employment Service in achieving a simplified, streamlined and improved service for people with disability, their carers, and employers.**

SECURE INCOME SUPPORT

People with a mental illness face multiple disruptions to their income and thus are at risk of financial stress.

People with a mental illness are disadvantaged by some of the inappropriate mutual obligation requirements in some payments, such as the Newstart or Youth Allowance, as they are often less capable of complying with and are therefore more likely to breach their agreements and incur debt. In turn, rising debt may precipitate episodes of mental illness in people with episodic conditions and exacerbate symptoms in people with an ongoing psychiatric disability.^{29 30 31}

Anecdotal evidence suggests that mental health issues are not considered in Centrelink internal reviews of debt recovery due to a lack of knowledge about mental illness and psychiatric disability on the part of the Centrelink officers or to an awkwardness of raising the issue with the client, or to the client's refusal to discuss the issue.³²

Homeless people who have mental illnesses but who have not been able to claim DSP also face endless interruptions to payments since they have no fixed address and may be struggling to comply with obligations.

WHAT AUSTRALIA NEEDS

- **A social security system which provides vulnerable people, such as those with a mental illness, with a secure and flexible safety net.**
- **Centrelink staff who are have an appropriate level of awareness of mental health issues, particularly those staff involved in the raising of debts, administrative review of debt recovery and in the consideration of referrals to the Director of Public Prosecutions**

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