

Welfare-to-Work: early days

Spring 2006: View from the Peak

A re-cap of the changes:

The Australian Government introduced significant changes to welfare policy on 1 July. People who apply for income support are now required to complete a Job Capacity Assessment to gauge their capacity for work, and if they are assessed as being able to work 15 or more hours per week, they will not be eligible for the Disability Support Pension (DSP). Instead, they may receive an Allowance level income support payment, which, depending on their circumstances, could be Newstart, Youth Allowance, or Austudy. It is estimated this will save the Government about \$800m over the first three years.

These payments are lower than the DSP, and recipients are required to undertake job search activities. The National Centre for Social and Economic Modelling estimates that people with disabilities assessed as being able to work 15 or more hours per week, and who are unemployed, will receive \$45 per week less than under the previous system. Full time students with disabilities will be \$110 - \$165 worse off per week, taking into account the loss of rent assistance and Pensioner Education Supplement.

There is also a tough new compliance and penalty system, which applies the suspension of payment for 8 weeks for a "serious" breach of the rules - including refusing a job offer or leaving a job. Three less "serious" breaches will likewise see payments cut off for 8 weeks, regardless of whether the person subsequently complies.

According to Senate Estimates, about 18,000 people a year are expected to lose their benefit for 8 weeks for breaching job search rules, and between 4000 and 5000 deemed the most vulnerable will be eligible for financial case management.

Financial case management involves charities and other community based organisations providing financial counselling and managing the finances of each eligible person cut off from payments. The Government pays these organisations \$650 to assess the person's essential expenses and notify Centrelink, which would pay the bills.

Up to 50 organisations have signed up to provide this service, although we have been unable to identify most of these services. Most of the large religious charities have refused to take part. John Falzon from St Vincent de Paul has said that the obligation for a person stripped of their benefits to turn to a charity for financial case management effectively "institutionalises" a process of making people feel they are only deserving of charity rather than justice.

Because of the lack of support for the program by the large charities, Centrelink officers will have to take on this role in most areas.

Feedback so far

MHCC spoke to Disability Employment Network (DEN) agency staff and consumer coordinators about their experience of the changes in the first three months of Welfare to Work. The main feedback is outlined here.

The Job Capacity Assessment process seems to be causing considerable difficulties for agencies, with reports of the system now being more complex, fragmented, and punctuated with inconsistencies, duplication, and delays for consumers in accessing payments. Private contractors have taken on the role of doing the assessments, and the standard of assessments varies enormously.

The successful implementation of the assessment relies on the competence and skill of the assessor, and there is no quality control to ensure consistency. As one specialist DEN provider put it: "Some Job Capacity Assessors are doing a great job, but it's a lucky dip!" Where an assessment has been poorly conducted, the resultant referrals can be inappropriate or wrong.

There have been concerns from the outset about the appropriateness of the assessment tool for

mental health consumers.

The National Mental Health Consumer and Carer Forum has identified a “unique set of dynamics” that people living with mental illness face in the workplace.

- the episodic nature of many mental illnesses;
- the diversity of mental illness diagnoses;
- the specific impact of a diagnosis upon the individual;
- the possibility, dynamics and ramifications of a partial or full relapse into an individual's particular diagnosis;
- an assessor's knowledge base, qualifications and familiarity with the unique set of dynamics that apply to an individual living with a mental illness (cognitive functioning / impairment, issues of stigma, required levels of employment support in situ, etc);
- the accessibility to Workcover for people living with a pre-existing mental illness: and
- the impact and side effect(s) of certain medications upon the consumer.

Agency staff also cited problems with the administration of the tool and its appropriateness. First, there is the issue of privacy and the new process of sharing information. In the past, much sensitive health information was not disclosed outside of Centrelink, but under the new scheme, this information may be shared among a number of agencies. It is likely that many consumers will simply not disclose sensitive personal information about their health or other barriers to employment for this reason, particularly in small communities. This effectively places these people at particular risk of ending up on the wrong payment, or being placed in jobs that are beyond their capacity, which in turn places them at risk of breaching their obligations and being penalised.

MHCC received no reports of people having been stripped of their payments for “breaches”.

Double whammy - Welfare to Work & WorkChoices

The impact of Welfare to Work becomes more concerning when it is considered alongside the WorkChoices legislation, and many have seen this as a double whammy on particularly vulnerable members of our community. In fact, the combination may lead to an Australian version of the US-style “working poor”, as the most vulnerable employees will be forced into jobs with minimum pay and conditions.

Professor Terry Carney from the University of Sydney's Law Faculty, states that the combined effect of the two sets of legislation effectively “degrades the conditions of the most vulnerable welfare clients, whether they are in work (on reduced employment conditions) or on welfare (on less generous benefits)”.

Dr Falzon, too, has made this connection, suggesting that the obligations placed on employees under some Australian workplace agreements may mean, for example, that a single mother may not be able to fulfil her work obligations due to caring responsibilities, but if she voluntarily leaves her job or refuses to take on a new job, she may be “breached” and lose her income for eight weeks. Bev Kilger of VCOSS suggests: “If they find jobs at all, they will almost certainly be low paid, insecure and casualised—the very jobs which will have lost most of their protection under the government's industrial relations changes.”

Australian Federation of Disability Organisations chief executive Maryanne Diamond said: “Together with the industrial relations bill, the welfare to work legislation is the biggest attack on the rights and welfare of people with disability in our history.

Major charities refuse financial case management funds

In the Autumn issue of View from the Peak, we reported that the St Vincent de Paul Society had

refused funding for the Welfare-to-Work compliance scheme, labelling it “immoral and unjust”. Since then, almost all major charities have remained at arms’ length, with Catholic Social Services Australia and Anglicare pulling out in mid-August after some of their agencies had initially signed on, and the Salvation Army publicly announcing it will not take part.

Catholic Social Services executive director, Frank Quinlan, was reportedly outraged to hear that the typical person who could lose their benefits was a mentally ill parent on medication. He asks: "How on earth could we be contemplating a system that sees [this person] suspended from income support for eight weeks?" He said his organisation did not believe that vulnerable people would be adequately protected. The Salvos’ spokesperson, Major Brad Halse said they had “a number of concerns”, particularly with reference to vulnerable people, and emphasised that the Salvos’ view stems from their long-term practical experience of working with the unemployed.

Hillsong Emerge, the welfare arm of Hillsong Church, remains the biggest religious-based non-government provider of financial case management services to unemployed people, although it has said it will monitor the financial case management program and its impact on clients to decide on whether to continue participating.

What should MHCC be doing?

MHCC is keen to receive feedback from members about what we could be doing. Examples provided to us so far include:

- Provide feedback from consumers and agencies to the Department of Employment and Workplace Relations (DEWR) and make recommendations for changes to the legislation to make it fairer for people living with a mental illness;
- Lobby for a measure of quality to be incorporated in the assessment process;
- Bring to DEWR’s attention examples that may be unfair or discriminatory to people living with a mental illness;
- Hold a forum for consumers with industry experts to provide information and answer questions;
- Run local groups with consumers around some of the key issues.

Please contact MHCC on info@mhcc.org.au if you have further ideas or suggestions.

For more information: ACOSS, Welfare to Work - effects and solutions: www.acoss.org.au

National Welfare Rights Network - info package: www.welfarerights.org.au/wrtraining/introduction.htm

References

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