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Connections between employment and mental health within the Workforce Australia employment system.

**A submission to the Select Committee on
Workforce Australia Employment Services**

March 2023



WAAMH

**Western Australian Association
for Mental Health**

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Acknowledgment of Country and People with Lived Experience

The Western Australian Association for Mental Health (WAAMH) acknowledges the traditional custodians of country on which this submission was developed, the Whadjuk people of the Noongar Nation. We acknowledge their continuing and unbroken connection to land, sea, and community. We pay our respect to their culture and their Elders, past and present and emerging and acknowledge their ongoing contribution to WA society and the community.

WAAMH also acknowledges the individual and collective expertise of people with a living or lived experience of mental health, alcohol and other drug issues, and the families and carers who provide support and have a lived/living experience. We recognise the vital contribution and value the courage of individuals and families who have shared their perspectives and experiences for the purpose of learning and growing together to create a mental health system and a wider community that can achieve better outcomes for all.

Abbreviations

AOD	Alcohol and Other Drugs
ACOSS	Australian Council of Social Services
DES	Disability Employment Services
DSP	Disability Support Pension
DSS	Department of Social Services
IPS	Individual Placement and Support Program
NDIS	National Disability Insurance Scheme
NGO	Non-Government organisation
NT	Northern Territory
OECD	Organisation for Economic and Cultural Development
PBAS	Points Based Activation System
SA	South Australia
UN	United Nations
WA	Western Australia
WAAMH	Western Australian Association for Mental Health
WAJA	WA Justice Association

Executive Summary

This submission focuses on the particular needs and experiences of people with mental health issues in relation to employment and their access to and outcomes from the Workforce Australia employment system. In doing so, the submission will touch on some of the background system interactions that people with mental health issues have with the income support and mutual obligation systems, as these significantly shape people's experience of Workforce Australia.

The submission is focussed on the following questions identified in the Submission Guide:

- What aspects of the current system are of particular concern (because of the impact they have on participant's mental health)
- What are the biggest barriers to the delivery of good outcomes and what needs to be done to remove these barriers?
- What would be one key change if implemented that would drive the greatest improvements?
- How to create greater opportunities for people with mental health issues in the Workforce Australia system?

Engaging in meaningful activity, including paid employment, is associated with positive mental health and wellbeing.¹ The evidence shows that engaging in meaningful work improves not only mental health, but also access to the financial, social, and other resources necessary to improve mental health and quality of life.² Employment can be helpful in preventing and reducing mental ill-health and promoting recovery for people experiencing more severe mental ill-health.³

While the current system may achieve some success with particular cohorts, such as people who are short term unemployed and those with few barriers to employment, it has not succeeded in moving into employment those at risk of becoming long term unemployed and those who experience complex barriers, such as mental health issues, low educational attainment and homelessness.⁴

Workforce Australia does not appear to display the qualities of a system capable of assisting people with mental health issues into employment.⁵ Concerns with the current approach include:

- the lack of suitable assessment processes and tools.
- a high administrative burden and punitive mutual obligation compliance arrangements.
- staff who often lack appropriate skills and training, burdened by high caseloads.
- the absence of appropriate and personalised employment support.
- job seekers placed in jobs that did not match their skills, interests, or abilities.
- poor client outcomes achieved by employment agencies.
- the perverse incentives driving practices such as creaming and parking which in turn cause churning of participants through activities and providers without achieving long-term results.⁶

¹ Productivity Commission, (2020). *Mental Health Productivity Commission Inquiry Report*, Chapter 19 Income and Employment Support June 2020, Government of Australia.

² Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

³ Mental Health Australia, (2022). *Employment and Mental Health*, October 2022.

⁴ Anglicare Australia., (2023). *Creating Jobs Creating Opportunity: Tackling long term unemployment in Australia*, Anglicare Australia, January 2023, Canberra; O'Sullivan S, McGann, M & Considine, M (2021) *Buying and Selling the Poor: Inside Australia's privatised welfare-to-work market*, Sydney University Press.; Considine, M (2023), *Chapter 2: Employment Services, in The Careless State: Reforming Australia's Social Services*, Melbourne University Press.

⁵ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney; Foote, C., Tran, S & West, M (2021). *Job active: The private investment firms profiting from Australia's unemployed*, Report prepared by Michael West Media for GetUp, October 28, 2021 Mental Health Australia, (2022). *Employment and Mental Health*, October 2022.

⁶ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western

We make the following points:

1. The current Workforce Australia system (and the Disability Employment Services) does not adequately support people with mental health issues into employment.
2. Relying on the Disability Employment Services to address the shortcomings of the Workforce Australia system and assume the responsibility for supporting people with mental health issues to secure employment does not appear to be functioning as an effective solution to improving outcomes for people with mental health issues.
3. The current Workforce Australia system does not appear to be fit-for-purpose to support people with mental health issues into employment. Despite the rebranding from Job Active and some changes to the model, the current system continues to be compliance driven, punitive, deficit-based and relies on a one-size fits all model across Australia that is insensitive to individual circumstances and local and regional contexts and is therefore replicating many of the problems of the previous system.
4. Significant structural, design and operational reform of the Workforce Australia system (and the Disability Employment system) is needed if the employment system is to successfully meet the needs of people with mental health issues in securing and sustaining employment. The system needs to be overhauled and re-designed, not just reconfigured as a digital and online platform reliant on questionable assessment processes and Points Based Activation system (PBAS).
5. The Workforce Australia system needs to be more flexible, strength-based, personalized and person centered, recovery-oriented and trauma responsive with the capacity to case manage and support participants and actively engage employers.
6. The Individual Placement and Support model (IPS), which is an innovative, evidence based and successful approach to support people with mental health issues into employment should be scaled up and adapted and used as a template to reform the Workforce Australian system to ensure it works better for people with mental health issues. There is already considerable experience and expertise in the IPS approach within Australia to draw on.

We propose a redesign of the current system, including a national rollout of the Individual Placement and Support model as a partnership between the Workforce Australia system and the mental health system.

Priorities for Action

- The Federal Government immediately and permanently increase income support payments to lift Australians out of poverty and improve the mental health of people receiving income support payments, as well as their families and children. The low level of income support payments acts a barrier to work.
- The Federal Government reform and improve the income support and mutual obligation system to improve income and payment eligibility and remove the conditional and punitive features that cause psychological distress to the people who rely on income support, and damages their mental health, while forcing many to slide even further into poverty. Compliance obligations are unhelpful for supporting people with mental health issues to access and retain meaningful employment.
- The Federal Government replace the compliance-focused Workforce Australia system, including inflexible mutual obligation requirements and the Points Based Activation System (PBAS), with a new model, co-designed with people that use the system, that prioritises funding for individualised, person- centred, recovery and trauma informed, intensive, flexible training and support, and meaningful pathways to employment for people with mental health issues seeking work. This to include immediate removal of breach powers from employment service providers.

- Review the Job seeker classification to ensure it better reflects the needs and circumstances of people experiencing mental ill-health and those with mental health challenges.
- Increase the income test threshold for Job Seeker and other income support recipients to allow people to earn more before losing access to income support benefits.
- Establish a National Mental Health Individual Placement and Support Program, including the development and implementation of an integrated model within the Australian network of mental health, employment (including Workforce Australia) and other support services for people living with mental health challenges.
- The Federal Government create a lived experience and peer workforce (of people with lived experience of mental health issues and experience in the Workforce Australia employment services), to work within key Government, non-government, and private sector providers of employment support services to operate in much the same way as the in the mental health sector to provide support and assistance to people with mental health issues at each stage of the Workforce Australia system.

About WAAMH

The Western Australian Association for Mental Health (WAAMH) is the peak body for the community managed (non-government) mental health sector in Western Australia, with more than 80 organisational and over 130 individual members across metropolitan and regional WA.

WAAMH's membership comprises community managed organisations providing mental health services, programs or supports, and individuals and families with lived experience of mental health issues and suicide, with whom WAAMH engages in genuine partnership. Community-managed organisations provide a critical network of services that support people affected by mental ill-health and their families and help them live valued lives in their community.

WAAMH has been engaged in the mental health sector for more than 50 years. We advocate for effective public policy on mental health issues, deliver workforce training and sector development, hold events for the sector and the wider community, promote positive attitudes to mental health and recovery and undertake projects to deliver outcomes in a range of areas including employment, the NDIS, supported accommodation, youth mental health, community sport and mental health and mental health support in regional and remote areas.

WAAMH's broader work that informs this submission includes membership engagement, lived experience engagement, systemic advocacy, and projects in metropolitan and regional/remote areas. The breadth of the activities that WAAMH delivers mean we are well placed to identify and respond to issues of mental health and employment.

At the state level WAAMH works closely with the WA Mental Health Commission, other Government Departments, and agencies with an interest in mental health and wellbeing to strengthen the community mental health sector, provide support to people experiencing mental health issues and drive systemic change in the mental health system.

At the national level WAAMH works closely with Community Mental Health Australia and Mental Health Australia, as well as state-based community mental health peak bodies. We have relationships with Commonwealth agencies including Department of Social Security, Department of Social Services and Department of Health. We also support the work of the National Mental Health Commission and national non-government community mental health services.

WAAMH recognises the importance of employment to the prevention of mental ill health, as well as to a person's recovery from mental health challenges. We recognise that employment can reduce the negative impacts of living with a mental health condition by increasing self-worth, alleviating symptoms, and increasing satisfaction and well-being.

Employment provides important opportunities for social connection and valued social roles. It also improves economic security which empowers people to address other needs in a sustainable way, including housing which is an important contributor to mental health and well-being.

It is for this reason that WAAMH made a commitment to investing in our organisation's capacity to promote and implement Individual Placement and Support (IPS) in Australia.

WAAMH and Individual Placement and Support

IPS WORKS is a dedicated unit within the Western Australian Association for Mental Health which facilitates the internationally recognised Individual Placement and Support (IPS) employment support model across Australia. We recognise that paid employment is a basic human need and endorse the Individual Placement and Support (IPS) model as person-centred, fostering hope and promoting social inclusion.

IPS is an internationally utilised and evidence-based model of employment support that has been particularly effective in achieving employment and education outcomes for individuals experiencing disability. IPS WORKS offers practical support and training to organisations that are implementing or want to implement an IPS program within their services.

IPS is based on the idea, that with the right job match and appropriate in-work support everybody can gain and maintain competitive employment. IPS is one of the most structured and well-defined forms of supported employment. It is set apart from vocational rehabilitation by 8 core principles and a scientifically validated fidelity scale.

IPS WORKS offers a range of technical support services and specialises in consultancy, the customised development of IPS program tools and templates, training, and evaluation of IPS programs. IPS staff maintain strong international links and connections with IPS practitioners and researchers in Australia and New Zealand, and around the world.

The IPS WORKS team provides fidelity support to 50 headspace sites across Australia that deliver the IPS program. This involves the provision of mentoring and support to Headspace sites to adhere to the practice principles and conducting fidelity reviews.

IPS WORKS also provides technical support to pilot IPS programs implemented in Head to Health sites in Midland (WA) and Darwin (NT), as well as technical advice and fidelity support to adult mental health services delivering IPS in Western Australia and South Australia.

Personal Testimonies

These testimonies are provided by people with lived experience of mental health challenges involved in WAAMH's Lived Experience network.

Testimony 1

I've been connected with employment services quite a bit over the years, including over the last 12 months, and do have some experiences that I'm willing to share on the matter.

I feel as though my experiences with employment services have provided a large amount of stress in return for very little benefit. I've found that the expectations are one-sided. My job provider has not always been on time, or even in the office when I've had appointments scheduled, but when I have had to try and reorganise an appointment due to the disability that has put me with a disability service in the first place, they punished me with demerits to my Centrelink profile, despite my rescheduling and attending the next appointment within a week. Communication has also been lacking, with appointments often only announced via text a day or two before they occur. The fact that my case manager was switched over multiple times did not help with communication matters.

I did not receive any assistance to acquire the job that I currently have. There was a gap in my employment between September 2022 and December 2022, and I was not offered any real support in searching for a job to apply for, and I am unsure if the provider truly even understood what a peer work job looked like. I spent time on Seek.com and applied for jobs myself, including forming a resume and cover letter, securing, and preparing for an interview, and ultimately being successful in my application.

As stated in part one, I was quite stressed as a result of my interactions with my job provider. The pressure of being expected to attend rigidly set appointments so frequently, with threat of having your only source of income cut off if you don't meet these requirements, is immense. This system brings a sense of shame and degradation, as it gives the impression that people are only worthy of basic human needs such as food, water, shelter, and electricity if they are engaged in employment. I was engaged with a disability provider in the first place due to my mental health, and it seems counteractive that the same provider was responsible for making that disability worse.

The upside of these issues is that there is plenty of opportunity for growth. These services could work better if they expand their options for communication, keeping staff employed in the same positions (as opposed to moving them to different offices and/or roles regularly), offer flexibility in appointment dates and times, and open dialogues with their clients about what their needs and desires are from a job and workplace. The staff also need additional training to understand complex and diverse needs. They need to be able provide a level of care that is person-centred, empowering, and trauma informed. The system of a mandatory amount of job applications per month also means that people are rushing job applications, putting quantity over quality, and applying for jobs that they do not have the right qualifications for. If this is not restructured or abolished, it will continue to put undue stress on service users, as well as waste time and resources of employers.

I'm aware this is a rather scathing review of both Centrelink and employment services, but I do feel that there's a strong need and opportunity for change here. I don't believe I've had conversations about this topic with a single person that does not have similar sentiments to share. I tried my best to keep my points as brief as possible, but there is so much to say on the topic, so I hope that you can work with this.

Thanks again for the opportunity to share these experiences.

Testimony 2

Experience with Centrelink or Workforce Australia provider

Very bad. Centrelink never seems to know what was going on. Extremely long wait times only to have to explain everything again and wait for them to "figure it out". I was made to feel like I was doing the wrong thing and it seemed like CL staff would look for reasons whatever was wrong was "my fault". Better on phone, atrocious in person. Workforce provider didn't care, they just wanted the initial and info when I got a placement.

Were you assisted or supported by your provider to achieve your employment goals?

Not really, WfA were more about "ticking and flicking" rather than helping me.

What impact if any, did your contacts and interactions with that system have on your wellbeing and mental health?

Negative. All interactions with CL were extremely upsetting and I was made to feel like a criminal.

How could the Workforce Australia system be improved?

Eliminate conditional welfare.

1. Scope of our submission

Our submission focuses specifically on the particular needs and experiences of people with mental health issues in relation to employment, and access to and outcomes between mental health and the Workforce Australia employment services system. In doing so, the submission will touch on some of the background system interactions that people with mental health issues have with the income support and mutual obligation systems, as these significantly shape people's experience of Workforce Australia.

In the submission we pay attention to the operation of the current system of employment support provided through Workforce Australia, particularly whether it is effective in supporting people with mental health issues to secure and retain employment and whether it is having a positive or negative impact on participants' mental health.

The submission addresses the following questions identified in the Submission Guide:

- What aspects of the current system are of particular concern (because of the impact they have on participant's mental health)
- What are the biggest barriers to the delivery of good outcomes and what needs to be done to remove these barriers?
- What would be one key change if implemented that would drive the greatest improvements?
- How to create greater opportunities for people with mental health issues in the Workforce Australia system?

2. Background and Context

In this section we provide background and briefly comment on some issues that are important for understanding the context to the Workforce Australia system and the need to ensure participants with mental health issues can enjoy the benefits of employment.

2.1 Employment can be beneficial for mental health and wellbeing

People that experience mental health conditions want to work and have a desire to live meaningful and independent lives. Despite this, employment outcomes remain inadequate with employment support systems often failing, resulting in diminished social and economic inclusion.⁷

Engaging in meaningful activity, including paid employment, is associated with positive mental health and wellbeing.⁸ The evidence shows that engaging in meaningful work improves not only mental health but also increases access to the financial, social, and other resources necessary to improve mental health and quality of life.⁹

Employment can also be helpful in preventing and reducing mental ill-health and promoting recovery for people experiencing more severe mental ill-health.¹⁰

However, it is also the case that employment is not, of itself, always good for mental health. While employment clearly has significant mental health benefits, there is evidence that cycling between poor quality jobs, underemployment or precarious poorly paid employment and unemployment, and/or detrimental psychosocial environments can have adverse consequences for mental health.¹¹ Insecure employment, such as insecure contractual work, temporary agency, casual or zero hours or gig work, is often harmful to mental health and wellbeing.¹²

2.2 The job market locks certain cohorts of people out, including people with mental health issues

While unemployment rates may be low, the Australian jobs market is locking out certain sections of the community. This includes people with disabilities, older Australians, people with limited experience or qualifications and people re-entering the workforce after a long break. Anglicare Australia found almost 100,000 Australians in this situation are looking for work, that number has barely budged in five years and the same people are being left behind each year.¹³

Using data using data from the government's Jobactive program, Anglicare Australia measured how many jobs were available for people who don't have qualifications or work experience and live with disabilities, including psychosocial disabilities. Anglicare Australia found that there is not enough to meet demand in any part of the country and even in a surging market, the same people, including people with psychosocial disabilities and mental health conditions are missing out.

Anglicare found that across Australia, there are 15 jobseekers competing for each entry-level role. People with barriers to work barely stand a chance.¹⁴

The Anglicare Jobs Availability Snapshot released in December 2022 found that for every entry level job in WA there are 15 potential applicants. Of those at least 3 face significant barriers to

⁷ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021), *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney.

⁸ Productivity Commission, (2020). *Mental Health Productivity Commission Inquiry Report*, Chapter 19 Income and Employment Support June 2020, Government of Australia.

⁹ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

¹⁰ Mental Health Australia, (2022). *Employment and Mental Health*, October 2022.

¹¹ Research cited in O'Halloran, D., Farnworth., L & Thomacos, N, (2020). Australian unemployed workers experiences of being parked and creamed by employment provider, *Australian Journal of Social Issues*, 2020: 1-16

¹² Irvine, A, & Rose, N, (2022). How does precarious employment affect mental health? A scoping review and thematic synthesis of qualitative evidence from western economies, *Work Employment and Society*, 2022: 1-24.

¹³ Anglicare Australia (2022). *Obligation without Opportunity: Issues in Employment Services*, Anglicare Australia, August 2022.

¹⁴ Anglicare Australia (2022).

employment.¹⁵ Anglicare WA called for genuine entry level pathways to employment to enable people to find and retain jobs.

Anglicare Australia and many others argue that employment services are not doing their job effectively and the job market does not work well for those looking for entry level jobs.

2.3 High rates of mental ill-health among the unemployed and income support recipients

An estimated 40% of people on Jobseeker payment have a mental health condition.¹⁶ The Productivity Commission found that approximately 191,000 people with a mental health condition receive Job Seeker payment or Youth Allowance.¹⁷ Mental health conditions are the most common condition amongst people receiving Job Seeker payment and Disability Support Pension (DSP).¹⁸

There are high rates of mental ill-health among people who access income support related to unemployment. A high proportion of Workforce Australia participants are dealing with mental health challenges and mental health conditions are the most common condition among people receiving the Disability Support Pension and Job seeker payment.¹⁹

This means that the policies and practices of the income support and employment system, like Workforce Australia, disproportionately affects the lives of people with mental health issues.

People experiencing mental-ill health face high barriers to employment, with only 26% of people with a psychosocial disability employed, compared to 57% of people with disabilities and 80% of those without disabilities.²⁰

2.4 Despite wanting to work people with mental health issues experience some of the highest rates of unemployment

The majority of people who experience mental ill-health want to work. This is also the case with people who experience the most severe mental ill-health.²¹ Importantly, they view work as a crucial part of their recovery. However, they frequently report they are unable to access adequate support to gain and maintain employment and when they do find employment, they are likely to earn less.²²

The reality is that living with moderate to severe mental ill-health increases an individual's chance of becoming long term unemployed. Australians experiencing severe and persistent mental health conditions experience some of the highest rates of unemployment.²³

The National Mental Health Survey 2017-2018 found that the proportion of people not in the labour force ranged between 40% and 50% for most mental health conditions. Unemployment rates increase with the severity of mental ill-health. For people with schizophrenia related conditions the proportion of people not in the workforce increased to 76%, meaning that 3 in 4 people with those conditions were unemployed and looking for work.²⁴

¹⁵ Anglicare WA (2023). Media Release: Our call for a system shake up at Workforce Australia hearing, February 2023, Perth.

¹⁶ Mental Health Australia, (2022). *Employment and Mental Health, October 2022*; Productivity Commission., (2020). *Mental Health Productivity Commission Inquiry Report*, June 2020, Government of Australia.

¹⁷ Productivity Commission., (2020).

¹⁸ Mental Health Australia., (2022). *Employment White Paper Submission*, 30 November 2022.

¹⁹ Mental Health Australia, (2022). *Employment and Mental Health, October 2022*.

²⁰ Australian Bureau of Statistics, (2018). *National Study of Health and Wellbeing*, 2018.

²¹ See research cited in Brisbane et al., (2022).

²² Brisbane et al., (2022).

²³ Brisbane, R, Macklin, S, Klepac, B, & Calder, R., (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

²⁴ Mental Health Australia, (2022). *Employment and Mental Health, October 2022*.

Unemployment is associated with increased psychological distress and decline in mental health²⁵, as well as a greater risk of suicide.²⁶

2.5 There is clear evidence about the types of employment services and support that are most effective for people living with mental health issues

People experiencing mental ill-health and mental health challenges need flexible, multifaceted employment services which provide the supports that help them find and retain sustainable employment. People living with or experiencing mental health issues have indicated that the employment support and assistance they need includes:

- Access to quality and coordinated mental health support and employment support that is person-centred.
- Access to appropriate education and training with support
- Support from a mentor/ peer worker
- Providers that have the flexibility, resources, and skills to work with each person's strengths, limitations, and circumstances.
- Providers that support and can meet each person's specific needs and employment goals.
- Access to meaningful employment opportunities matched to their skills, interests and circumstances.
- A reduction in stigma and acceptance of the capabilities of people living with mental health issues.
- A supportive and understanding employer/work environment with appropriate adjustments.
- Entitlements and conditions that are sufficiently flexible to accommodate the episodic nature of mental ill-health and the need to take time off at short notice.²⁷

Mental Health Australia notes that employment support services are most effective when they are person centred and strengths-based, when participants can make decisions about their own lives, when employment opportunities are carefully matched to their skills, needs and preferences, and move beyond one-off or short-term placements towards active support of employers and participants to secure meaningful and ongoing work opportunities and career development.²⁸

The Individual Placement and Support model has been consistently identified in international literature as the most effective intervention to improve employment outcomes for people experiencing mental ill-health. High quality studies from Australia and across the globe have consistently shown that the IPS model achieves better employment outcomes than those achieved by Disability Employment Services.²⁹ A range of studies show that IPS has competitive employment success rates of 60%, compared to other vocational programs which achieve around 25%.³⁰

Research has demonstrated that the IPS model is the most effective approach of assisting people to engage in competitive employment. The IPS model has been evaluated in 28 randomised controlled

²⁵ Mental Health Australia, (2022). *Employment and Mental Health*, October 2022.

²⁶ Australian Institute of Health and Welfare., (2022). *Suicide and self-harm monitoring*.

²⁷ Mental Health Australia., (2021). New Disability Employment Support Model, Submission to the Department of Social Services, Consultation Paper.; Mental Health Australia, (2022), *Employment and Mental Health*, October 2022.

²⁸ Mental Health Australia., (2022). *Employment and Mental Health*, October 2022.

²⁹ Bond, G.R., Drake, R & Becker, D., (2019). Expanding the Individual Placement and Support to populations with conditions and disorders other than serious mental illness, 2019, 70(6): 488-498; Bond, G.R., Drake, R & Becker, D (2012) . Generalisability of the Individual Placement and Support (IPS) model of supported employment outside the US, *World Psychiatry*, 2012, 11(1); Waghorn, G, et al., (2020) Evidence based supported employment for people with psychiatric disabilities in Australia: Progress in the past 15 years, *Psychiatric Rehabilitation Journal*, 2020 4391) p 8

³⁰ Waghorn, G., Killackey, E., Dickson, P., Brock, L., & Skate., C. (2020). Evidence-based supported employment for people with psychiatric disabilities in Australia: Progress in the past 15 years. *Psychiatric Rehabilitation Journal*, 43(1), 32-39

studies in various international settings.³¹ In each controlled trial both in Australia and internationally, all showed results that more than doubled the employment outcomes for people with disability compared to other vocational programs.³²

The Productivity Commission Inquiry into mental health found that:

*trials and meta-analyses in Australia and abroad have shown that the IPS model outperforms conventional approaches, with superior vocational outcomes (greater employment of participants) and non-vocational results (improved mental health leading to reduced need for healthcare). The effects are often large — sometimes with employment rates of the order of 40 percentage points greater than conventional programs.*³³

Research comparing the outcomes of a DES program for people with mental illness in NSW before and after the service incorporated IPS practices, found that job commencement outcomes increased significantly after IPS incorporation (67.6% compared to 56.1%).³⁴

Analysis indicates government investment in IPS programs could generate a return of \$1.80 for every dollar invested in the short term, and \$2.30 in the long term.³⁵ The effectiveness and economic impact of employment services could be significantly increased then through greater incorporation of IPS practices.

Engagement in voluntary employment support programs can improve mental health and wellbeing. Mental Health Australia reports early data of more than 500 young people participating in the IPS Headspace model that found more than 80% achieved significant improvement in their quality of life, psychological distress or functioning; significantly higher than outcomes achieved for young people who only received a clinical service.³⁶

3. Aspects of concern in the current system

The current system is not serving those who need the most help to find work. While the current system may achieve some success with particular cohorts, such as people who are short term unemployed and those with few barriers, it fails to move into employment those at risk of becoming long term unemployed and who experience complex barriers, such as mental health issues, low educational attainment and homelessness.³⁷

Many people with mental health issues and psychosocial disabilities in Australia are effectively consigned to Job Seeker indefinitely and struggle to comply with mutual obligations" For people with a mental health condition, the eligibility criteria and application requirements make it more difficult for them to access the Disability Support Pension. Many people in this situation end up on Jobseeker Payment where they find it difficult to meet the mutual obligation requirements to remain eligible for payment.

³¹ Bond, G. R., Drake, R. E., & Becker, D. R. (2020). An update on Individual Placement and Support. *World Psychiatry*, 19, 390-391; Bond, G. (2020, May 29). Evidence for the Effectiveness of Individual Placement and Support Model of Supported Employment [PowerPoint presentation]. Retrieved from <https://ipsworks.org/index.php/evidence-for-ips>

³² Brinchmann, B., Widding-Havneraas, T., Modini, M., Rinaldi, M., Moe, C., & McDaid, D. et al. (2019). A meta-regression of the impact of policy on the efficacy of individual placement and support. *Acta Psychiatrica Scandinavica*, 141(3), 206-220.

³³ Productivity Commission., (2020). *Mental Health*, Report no. 95. p.947.

³⁴ Parletta, V. A & Waghorn, G., (2016). 'The financial viability of evidence-based supported employment for people with mental illnesses in a blended funding system' *Journal of Vocational Rehabilitation*, 44(2), pp227-241, DOI: 10.3233/JVR-150793 10

³⁵ KPMG and Mental Health Australia., (2018). *Investing to Save*, May 2018, page 40.

https://mhaustralia.org/sites/default/files/docs/investing_to_save_may_2018_-_kpmg_mental_health_australia.pdf

³⁶ Data from Headspace is cited in Footnote 23 in Mental Health Australia, (2022), *Employment and Mental Health*, October 2022.

³⁷ Anglicare Australia., (2023). *Creating Jobs Creating Opportunity: Tackling long term unemployment in Australia*, Anglicare Australia, January 2023, Canberra; O'Sullivan S, McGann, M & Considine, M (2021) *Buying and Selling the Poor: Inside Australia's privatised welfare-to-work market*, Sydney University Press.; Considine, M (2023), *Chapter 2: Employment Services, in The Careless State: Reforming Australia's Social Services*, Melbourne University Press.

As will be discussed in Section 4, the low level of payments and the mutual obligation requirements have a significant impact on people's mental health and hinders their capacity to find and retain employment, as does the loss of payments, which means that people have no income.³⁸

There is clear evidence that people subject to mutual obligations take longer to find employment and spent less time in employment twelve months on and were in lower quality jobs in terms of hourly wage, hours worked and weekly wage, than other identical Australians.³⁹ Gerards and Welters conclude that:

*.. mutual obligation as a labour market policy instrument fails the test of assisting unemployed Australians into jobs. Where it does, it gets them into jobs which aren't as remunerative.*⁴⁰

People living with or experiencing mental health issues require the support of individually tailored employment support and assistance to help them transition into secure employment. They want to be treated as individuals and receive personally tailored support specific to their circumstances.^{41 42}

Participants regularly say they want psychologically positive and practically useful employment services that help them change their situation. They want to avoid poor quality providers that coerce them into precarious or short-term work placements, that take credit for an employment outcome in which they took no part, that sanction them unfairly and without just cause, that cycle them through meaningless courses and activities or that don't find them work.^{43 44}

Currently, the support and assistance provided to people living with or experiencing mental health challenges falls well short. The privatised system fails to understand their needs and aspirations and has become a standardized, one-size-fits all approach, focused primarily on compliance, and delivered by staff with high caseloads, limited training and understanding, and few capabilities to assist and support people with mental health issues.⁴⁵

Policies and processes that require mental health conditions to be "fully diagnosed, treated and stabilised" can create structural disadvantage for people with mental health conditions. Diagnosis can change over time and often relies on the subjective judgments of different health providers.⁴⁶

³⁸ Naidoo, Y Valentine, K, & Adamson, A (2022). *Australian experiences of poverty: risk precarity and uncertainty during COVID-19*, An ACOSS & University of NSW Partnership, Sydney, October 2022.

³⁹ Gerards, R., & Welters, R., (2021). New finding: jobseekers subject to obligations take longer to find work, *The Conversation*, June 15, 2021; Klein, E., et al, (2021). *Social Security and time use during COVID-19*, Swinburne University of Technology & Centre for Excellence in Child and Family Welfare, Melbourne 2021.

⁴⁰ Gerards, R., & Welters, R., (2021). New finding: jobseekers subject to obligations take longer to find work, *The Conversation*, June 15, 2021.

⁴¹ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney.

⁴² Casey, S., (2020). *Voices 2: results of a survey of people who used job active*, Australian Council of Social Services (ACOSS).

⁴³ O'Halloran, D., Farnworth, L & Thomacos, N, (2020). Australian unemployed workers experiences of being parked and creamed by employment provider, *Australian Journal of Social Issues*, 2020: 1-16; Henriques-Gomes, L, (2022). Jobseekers experience with job agencies left his mental health so poor he could not work, *Guardian Australia*, 14 August 2022; Henriques-Gomes, L, (2022a). Workforce Australia job agencies rake in millions more from training contracts, *Guardian Australia*, July 27, 2022; Henriques-Gomes, L, (2022b). Tony Burke flags parliamentary inquiry to consider overhaul of Workforce Australia jobs program, *Guardian Australia*, August 2, 2022; Henriques-Gomes, L, (2022c) Jobs agency refers welfare recipients to online course asking basic questions about computers, *Guardian Australia*, 3 August 2022; Henriques-Gomes, L, (2022d). It felt insulting: welfare recipients sent to body language courses as job agencies profit, *Guardian Australia*, August 1, 2022; Henriques-Gomes, L. (2022e). In Australia's welfare sector obligations are 'mutual', but profits flow only one way, *Guardian Australia*.

⁴⁴ Casey, S., (2020). *Voices 2: results of a survey of people who used job active*, Australian Council of Social Services (ACOSS).

⁴⁵ O'Sullivan S, McGann, M & Considine, M (2021) *Buying and Selling the Poor: Inside Australia's privatised welfare-to-work market*, Sydney University Press.; Considine, M (2023), *Chapter 2: Employment Services, in The Careless State: Reforming Australia's Social Services*, Melbourne University Press; Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney.

⁴⁶ Elmes, A., Brown J., Carey, G., & Moussa, B, (2021), *Social Security and Stigma in Australia*, Final Report by Centre for Social Impact and Swinburne University, September 2021.

Participants are required to comply with job seeking activities unless they have a medical exemption. However, the current exemption system does not adequately support people experiencing mental ill-health whose conditions are episodic/ongoing.⁴⁷

There is also evidence that many people experiencing mental health challenges are misclassified by the existing assessment process, resulting in them receiving inadequate support.⁴⁸

Workforce Australia does not appear, on our assessment, to display the qualities of a system capable of assisting people with mental health issues into employment.⁴⁹ Concerns with the current approach include:

- the lack of suitable assessment processes and tools.
- a high administrative burden and punitive mutual obligation compliance arrangements.
- staff who often lack appropriate skills and training, burdened by high caseloads.
- the absence of appropriate and personalised employment support.
- job seekers placed in jobs that did not match their skills, interests or abilities.
- poor client outcomes achieved by employment agencies.
- the practices of creaming and parking used by many providers.
- participants being churned through activities and providers without achieving long-term results and
- the perverse incentives driving practices such as creaming and parking which in turn cause churning of participants through activities and providers without achieving long-term results.⁵⁰

Decades of research by Australian researchers Siobhan O’Sullivan, Michael McGann and Mark Considine identifies that employment providers spend much of their time of administrative tasks, compliance activities and routine activities and little time improving the participants’ skills and options.⁵¹ The experience of many people who are most disadvantaged in the labour market, including people with mental health issues is they experience being “creamed” and “parked” by providers.⁵²

Creaming means providers focus resources on those participants more likely to get a job or participants who generate a greater amount of income, and parking occurs when providers provide minimal assistance to more disadvantaged jobseekers who might require more time, resources and effort to find work and generate income for the provider.⁵³

Limited employer engagement is a feature of the current system.⁵⁴ Employment services need to work closely with employers, however, only a small number of employers use the current system.⁵⁵ David

⁴⁷ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney.

⁴⁸ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022).

⁴⁹ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney; Foote, C., Tran, S & West, M (2021). *Job active: The private investment firms profiting from Australia’s unemployed*, Report prepared by Michael West Media for GetUp, October 28, 2021; Mental Health Australia, (2022). *Employment and Mental Health*, October 2022.

⁵⁰ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney; Foote, C., Tran, S & West, M (2021). *Job active: The private investment firms profiting from Australia’s unemployed*, Report prepared by Michael West Media for GetUp, October 28, 2021.

⁵¹ O’Sullivan S, McGann, M & Considine, M (2021).

⁵² O’Halloran, D. Farnsworth, L. and Thomacos, N. (2020). Australian unemployed workers’ experiences of being parked and creamed by employment providers. *The Australian Journal of Social Issues*, December 2021, 56, 4: 596-611; Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney.

⁵³ O’Donovan, D, (2023). *When you add ‘digital’ to a broken thing, you get a ‘digital broken thing’*, Submission to the Workforce Australia Inquiry

⁵⁴ Soldatic, K, et al (2021).

⁵⁵ O’Donovan, D, (2023). *When you add ‘digital’ to a broken thing, you get a ‘digital broken thing’*, Submission to the Workforce Australia Inquiry

O'Halloran reports data suggesting that fewer than 4% of employers were registering vacancies in the previous jobactive system.⁵⁶

The various parts of system, including Workforce Australia, are challenging for people experiencing distress or mental ill-health or people living in poverty. The challenges, confusion, frustration, uncertainty and anxiety that people experience in dealing with the both the income support system (Centrelink) and the Workforce Australia employment system, including the way participants are treated, communicated with, coerced, administered and threatened with sanctions creates a substantial mental burden and mental load that makes people feel dehumanised and contributes to increased mental and psychological distress both for people with mental ill health and their family members and carers.⁵⁷

This view is reflected in many of the submissions and the evidence presented in hearings by participants in the Workforce Australia system, and by some of the experiences presented in this submission. The experience of many participants experiencing mental health challenges is that the Workforce Australia system does not help them find work and is often harmful to their mental health and wellbeing.

An ACOSS study found high levels of dissatisfaction and frustration with the current system:⁵⁸

- **People were overwhelmingly dissatisfied with the services provided:** 75% of respondents reported they were either dissatisfied or very dissatisfied with their jobactive service, while just 10% reported they were satisfied. 46% of respondents indicated that appointments were for less than 10 minute and were a tick-a-box exercise.
- **Consultants and providers were not helpful:** 59% of respondents reported that they did not see the same consultants regularly; 61% did not agree that consultants are well-trained; 62% said consultants were not sympathetic and 65% said they did not provide appropriate support.
- **There was a lack of personalisation, choice, and control:** although 89% of the respondents agreed it was important to have choice about the requirements in their job plan, 65% of respondents did not choose the activities in their plans, 75% believed the number of hours of activity were not right for them, and 52% said the job plan did not accommodate their caring responsibilities or disability.
- **Payment suspensions are unfair:** 61% thought unemployment payment suspensions they had received were unfair, 58% indicated they had received 'demerit points' (which may lead to a loss of future payments) because of provider errors, and 66% said they had payment suspensions because of provider errors.
- **Complaints processes are not accessible or helpful:** 70% disagreed that it was easy to make a complaint, 72% did not think their complaint would result in changes to the service and 59% did not find the Department of Education Skills and Employment's National Customer Service Line easy to get through to.
- **Positive experiences were reported when support was provided flexibly and quickly,** such as when people were directly provided with equipment or licenses that enabled them to get jobs. Examples of this included being supported to obtain white cards (for construction work), licenses, or work clothing.

ACOSS concluded:

⁵⁶ O'Halloran, D. (2022). Workforce Australia will repeat the same mistakes as jobactiv, *Pearls & Irritations*, June 30, 2022.

⁵⁷ Elmes, A., Brown J., Carey, G., & Moussa, B. (2021). Social Security and Stigma in Australia, Final Report by Centre for Social Impact and Swinburne University, September 2021.

⁵⁸ Casey, S., (2020). *Voices 2: results of a survey of people who used job active*, Australian Council of Social Services (ACOSS).

*While the new system is an improvement on jobactive, it retains many deeply problematic aspects of the old employment services that need to go, such as computer-generated payment suspensions and inflexible regimes of compulsory activities like Work for the Dole.*⁵⁹

The review paper by Brisbane, Macklin, Klepac and Calder found that.

*“Existing employment services for people with mental health disorders cost Australia more than half a billion dollars each year are not effectively supporting people with mental illness into work”.*⁶⁰

4. Other barriers to the delivery of outcomes for people with mental health issues

WAAMH, along with many other agencies remains concerned that, while the new system is intended to offer more choice and agency for people as they search for employment, it retains many problematic features from the previous employment services system.

The limitations of the current employment services system are well known. There is clear evidence that people experiencing mental ill health or living with mental health issues are being failed by the Australian employment services.⁶¹

There is considerable evidence demonstrating that people experiencing mental ill-health and mental health issues experience considerable barriers. We highlight just a few additional barriers:

The changing nature of work and employment

Compared to other OECD countries Australia has a high rate of part-time and casual jobs, especially for women.⁶² Around 30% of employees work on a casual or contractor basis and almost 32 % of employees work part time.⁶³ Part time work increasingly is like casual work with hours flexing up and down according to demand. It is estimated that 12% of part time workers rely on income support.⁶⁴

Low level of income support payments

Many people living in poverty and/or with mental health conditions rely on income support payments as they may be unable to earn an income or have, they difficulty earning regular income through work due to their circumstances or episodic nature of their mental health condition.

An estimated 40% of people on Jobseeker payment have a mental health condition. The Productivity Commission found that approximately 191,000 people with a mental health condition receive Job Seeker payment or Youth Allowance.⁶⁵

The Productivity Commission showed the punitive nature of the income support system adversely impacts people’s mental health.⁶⁶

⁵⁹ ACOSS., (2022). Survey of jobactive experiences clearly signals need for new Workforce Australia to do much better, *ACOSS Media Release*, ACOSS, 28 June 2022.

⁶⁰ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

⁶¹ Brisbane., et al (2022); Soldatic, K., et al (2021).; O’Sullivan S., et al (2021).

⁶² ACOSS., (2020). *Faces of unemployment 2020*, ACOSS & Jobs Australia; Australian Council of Trade Unions., (2019). *The Rise of Insecure Work in Australia*: Khadem, N., (2019) Australia has a high rate of casual work and many jobs face automation threats: OECD, *ABC News*, 25 April, 2019.

⁶³ Soldatic, K., et al (2021). page 25

⁶⁴ Soldatic, K., et al (2021). page 25

⁶⁵ Productivity Commission, (2020). *Mental Health Productivity Commission Inquiry Report*, June 2020, Government of Australia.

⁶⁶ Productivity Commission, (2020).

The Business Council of Australia acknowledges that the rate of Jobseeker payments is so low that acts as a barrier to work. For example, the costs of preparing for or travelling to an interview can be huge for the person relying on the payment.⁶⁷

The current low levels of income support are corrosive of people's dignity and can have the effect of further immiserating people. The low level of income support undermines people's sense of self and identity and their ability to seek and maintain work.⁶⁸ The current level of income support payments is a major cause of poverty and mental ill-health. Australia has one of the harshest income support and welfare compliance regimes in the OECD⁶⁹. People are trapped in poverty by the low level of income support payments.

Raising all income support payments is the fastest and most effective thing the Federal government can do to address poverty and "entrenched disadvantage and reduce mental-ill health.

Mutual obligation requirements

The principles and practices of conditionality (or mutual obligation as it is commonly called) for income support (where behavioural conditions and sanctions for not meeting those conditions are attached to the receipt of income support) have long been a policy imposed by successive Australian governments on people receiving income support and other supports and services and continues to be a key feature of Workforce Australia services.⁷⁰

Conditionality makes access to income support (and other services) conditional on the behaviour and action of recipients and on them meeting certain tightly defined requirements. All income support payments and the Workforce Australia system have a high degree of conditionality.⁷¹ This is coupled with the need to comply with key requirements and the threat of sanctions and financial penalties, such as the reduction or loss of income support payments.

The conditional and punitive nature of the income support system and the Workforce Australia system causes financial instability and insecurity for many people and is a major cause of mental ill-health.^{72 73}

Compliance obligations are widely viewed as punitive and unhelpful for supporting people to access work. Evidence shows that mutual obligation causes significant emotional, psychological, material and physical harm to participants and results in psychological distress, increased anxiety and depression, mental ill-health and suicide.⁷⁴ This is a result of the actions associated with mutual obligation including:

⁶⁷ Anglicare Australia, (2023). *Creating Jobs, Creating Opportunity Tackling Long Term Unemployment in Australia*, January 2023.

⁶⁸ Naidoo, Y Valentine, K, & Adamson, A (2022). *Australian experiences of poverty: risk precarity and uncertainty during COVID-19*, An ACOSS & University of NSW Partnership, Sydney, October 2022.

⁶⁹ Siewart, Senator R., (2020). Mental health and Income Support, *Pro bono Australia*, December 7, 2020.

⁷⁰ Parsell, C., Vincent, E., Clarke, A. & Walsh T., (2020). Introduction to the special issue on welfare conditionality in Australia, *Australian Journal of Social Issues*, 55 (1), 4-12.

⁷¹ Parsell, C., et.al (2020).

⁷² Productivity Commission, (2020). *Mental Health Productivity Commission Inquiry Report*, June 2020, Government of Australia; Simpson, J., Albani, V., Bell, Z., Bamba, C. & Brown, H. (2021). Effects of social security policy reforms on mental health and inequalities: A systematic review of observational studies in high income countries, *Social Science and Medicine*, 272, 113717

⁷³ We note that the Committee's Interim Report into the Parents Next Program recognises and acknowledges that the onerous participation and reporting requirements, coupled with the threat of financial sanctions, results in significant adverse impacts, including poor mental health outcomes.

⁷⁴ Soldatic, K., Bowman, D., Mupanemunda, M & McGee, P (2021). *Dead ends: How our social security system is failing people with partial capacity to work*, Research and Policy Centre, University of Western Sydney; Henriques-Gomes, L, (2022). Jobseekers experience with job agencies left his mental health so poor he could not work, *Guardian Australia*, 14 August 2022; Elmes, A., Brown J., Carey, G., & Moussa, B, (2021). *Social Security and Stigma in Australia*, Final Report by Centre for Social Impact and Swinburne University, September 2021; O'Halloran, D., Thomason, N., & Farnworth, L., (2019). Australian Employment Services: Help or Hindrance in the achievement of mutual obligation, *Australian Journal of Social Issues*, November 2019:1-17; O'Halloran, D. Farnsworth, L. and Thomacos, N. (2020). Australian unemployed workers' experiences of being parked and creamed by employment providers. *The Australian Journal of Social Issues*, December 2021, 56, 4: 596-611.

- Undermining of people’s confidence and agency.
- Experience of feeling dehumanised, mistreated and disrespected by the system.
- Hundreds of thousands of suspensions and cancellation of payments.
- Constant threat of sanctions and fear of payments being suspended.
- Pointless and endless conditions to be met for no useful purpose.

As the Voices report shows, people receiving unemployment payments live in fear of having their payments suspended for minor infringements such as not attending a meeting with their employment service. In many cases they weren’t aware of the meeting. In the first three months of this year, an average of 200,000 payment suspensions a month were imposed – in many cases for failing to meet some sort of rigid requirement.⁷⁵

In a submission to the Inquiry, the Commonwealth Ombudsman noted its concerns that Workforce Australia was subjecting disadvantaged participants to unnecessarily onerous and punitive conditions:

For Workforce Australia, the Commonwealth Ombudsman is concerned the incentive structure for providers and their discretion concerning participant’s job plans may not always produce fair outcomes for participants. For example, participants may be subject to significant penalties, such as payment suspensions, for relatively minor instances of non-compliance.⁷⁶

The Commonwealth Ombudsman also raised concerns about Department procedures to handle participants’ complaints about Workforce Australia providers.

Income support compliance requirements and the threat of sanctions, including suspension of payments causes enormous stress to people living with mental health issues and lead to increases in anxiety and depression.⁷⁷ The ACOSS Survey found that payment suspensions cause mental health related harm. 33% of people who had received payment suspensions indicated that they had caused high levels of stress and anxiety, while 11% indicated they were unable to pay rent on time due to payment suspensions.⁷⁸

Anglicare notes that

“The pressures imposed on people to meet strict mutual obligation rules or risk losing income support are not helping them secure employment. In fact, by undermining people’s agency, confidence, and mental health, they have the opposite effect.⁷⁹

There is clear evidence from Australia and overseas that the aspects of conditionality attached to income support payments in Australia by successive governments are experienced as punitive, unfair, undermine social citizenship, are a cause of poverty, are ineffective in moving people into work and damage people’s mental health.⁸⁰

⁷⁵ Casey, S., (2020). *Voices 2: results of a survey of people who used job active*, Australian Council of Social Services (ACOSS)

⁷⁶ Commonwealth Ombudsman, (2023)

⁷⁷ Productivity Commission, (2020). *Mental Health Productivity Commission Inquiry Report*, June 2020, Government of Australia; Simpson, J., Albani, V., Bell, Z., Bamba, C. & Brown, H. (2021). Effects of social security policy reforms on mental health and inequalities: A systematic review of observational studies in high income countries, *Social Science and Medicine*, 272, 113717.

⁷⁸ Casey, S., (2020). *Voices 2: results of a survey of people who used job active*, Australian Council of Social Services (ACOSS)

⁷⁹ Anglicare Australia (2022). *Obligation without Opportunity: Issues in Employment Services*, Anglicare Australia, August 2022.

⁸⁰ Dwyer, P., Scullion, J., Kones, K., McNeill, J. & Stewart, A. B. R. (2019). Work, welfare and wellbeing: The impacts of welfare conditionality on people with mental health impairments in the UK. *Social Policy Administration*, 54, 311-326; Stewart, A. B. R., Gawlewicz, A., Bailey, N., Vital Katikireddi, S. & Wright, S. (2020). Lived experiences of mental health problems and welfare conditionality. https://www.researchgate.net/profile/AnnaGawlewicz/publication/348116679_Lived_experiences_of_mental_health_problems_and_welfare_conditionality/links/5fef4c2045851553a00d5bcd/Lived-experiences-of-mental-health-problems-andwelfare-conditionality.pdf ; Williams, E. (2020). Punitive welfare reform and claimant mental health: The impact of benefit sanctions on anxiety and depression, *Social Policy Administration*, 54, 311-326; Simpson, J., Albani, V., Bell, Z., Bamba, C. & Brown, H. (2021). Effects of social security policy reforms on mental health and inequalities: A systematic review of observational studies in high income countries, *Social Science and Medicine*, 272,;

Structural discrimination

A major review of stigma and discrimination in the social security system in Australia undertaken by Aurora Elmes and her co-researchers at the Centre for Social Impact found that structural discrimination within the social security and income support system significantly impacts on the lives of people with mental health issues and restricts opportunities for meaningful participation and recovery, including through employment.⁸¹

They describe a detailed number of factors that contribute to structural discrimination and stigma and impact on employment, some of which include:

- Recent changes to the Disability Support Pension and tightened access and eligibility requirements, which aim to taper DSP growth and reduce new grants, have a disproportionate impact of people experiencing mental ill-health and limit their financial resources and opportunities for meaningful participation and recovery, including through employment.
- Information about income support and the system of income support, and employment support, are too complex and not well adapted for people experiencing mental ill-health.
- Programs that target people with mental health issues for budget cuts, increased compliance or the raising and pursuit of debts is a form of overt oppression.
- The primary focus of employment support on compliance with obligations, suspensions and cancellations of payment and exemptions that fail to respond adequately to the needs of people with episodic conditions, such as mental health conditions can and do result in significant distress and deterioration of mental health.
- People with mental health issues are required to demonstrate the impact of their condition to assessors and staff who have limited understanding of and capabilities in working with people experiencing mental ill-health.
- The use of assessments whether for the DSP, income support or job capacity assessment, are usually based on a single time point and may not adequately demonstrate the impact of mental ill-health on a person's life.
- Additional structural inequalities compound the experiences of discrimination and stigma for Aboriginal and Torres Strait Islander people and negatively impact on social and emotional wellbeing and employment.

Elmes and her colleagues argue that policy and practices that systematically disadvantage or stigmatise or harm already stigmatised groups, such as people with mental health issues, (even if this is unintended) are a form of structural discrimination and oppression, as is the policy action (or inaction) that allows this to happen.

Practical barriers

People with mental health issues looking to find and retain employment face a variety of practical barriers including.

- Limited money to pay for travel
- Caring responsibilities
- Lack of access to childcare or unaffordable cost of childcare
- No access to a vehicle, cannot afford petrol or to repair a vehicle and can't afford bus, uber and taxi fares.

Economic Justice Australia. (2021). Psychiatric Impairments and the Disability Support Pension. <https://www.ejaustralia.org.au/wp/social-security-rights-review/psychiatric-impairments-and-the-disability-support-pension/>; Collie, A., Lane, T. & Sheehan, L. (2021). Changes in Access to Australian Disability Support Benefits During a Period of Social Welfare Reform, *Journal of Social Policy*, 1-23, <https://doi.org/10.1017/S0047279420000732>; Henriques-Gomes, L. (2020). Nearly 14,000 Australians with a disability made to live on \$40 a day for 18 months before receiving pension, *The Guardian*, Thursday October 1, 2020.

⁸¹ Elmes, A., Brown J., Carey, G., & Moussa, B. (2021). *Social Security and Stigma in Australia*, Final Report by Centre for Social Impact and Swinburne University, September 2021, page 33-34.

- No access to the internet (because it is too expensive) or no computer at home.
- The distress, worry and anxiety and exhausting nature of survival when faced with daily issues such as being hungry, worried about paying the rent, or paying bills and/or feeding children, getting to appointments can be overwhelming.
- Physical health issues
- Impact of ongoing and historical trauma
- Fear, anxiety and lack of confidence
- Unwilling to leave the house.

Stigma, negative attitudes, and discrimination

People with experience of mental ill-health often experience considerable employment related stigma and discrimination.⁸² A survey of people with mental health conditions found more reports of discrimination than positive treatment when looking for work. People reported discrimination was common when looking for work, as well as in situations involving the legal system, banking and insurance.⁸³

Over half of the 1386 people surveyed said they had not been hired because of their mental health condition and participants also mentioned negative responses after disclosing their condition.

Of participants who were employed discrimination sometimes continued with 14% reporting they were discriminated against and 11% mentioning that people avoided them. Common forms of discrimination in the workplace included having their condition treated dismissively, being shown a lack of understanding about their mental health issues affect behaviour and performance at work, being forced to change responsibilities, being denied opportunities, being fired or made redundant and being judged or treated as incompetent.⁸⁴

Discrimination and stigma lead to self-stigma, loss of confidence, hopelessness and can result in a reluctance to take on work even if it is available.⁸⁵

The findings highlight the need to better support people with mental health issues who are looking for work- to support and assist them overcome discrimination and stigma and education of employers.

The level of knowledge and understanding of mental health among employment services staff is poor.

Strategies for up-skilling existing staff to better understand mental health conditions is critical. This would potentially result in the delivery of services in a non-stigmatising and non-threatening manner. Up-skilling would also lead to a better understanding of the impact of mental health conditions on employment participation and outcomes, including the role of employment in recovery; best practice strategies to support people with a mental health condition; and knowledge of the availability of health and support services.

5. One key change if implemented that would drive the greatest improvements

WAAMH's view is that there is not one change that would drive significant improvements. The point we make in this submission is that the the current Workforce Australia system is not fit-for-purpose to support people with mental health issues into employment. Despite the rebranding from Job Active and some changes to the model, the current system continues to be compliance driven, punitive,

⁸² Elmes, A., Brown J., Carey, G., & Moussa, B., (2021). *Social Security and Stigma in Australia*, Final Report by Centre for Social Impact and Swinburne University, September 2021.

⁸³ Reavley, NJ, (2016). People with a mental illness discriminated against when looking for work and when employed, *The Conversation*, February 4, 2016

⁸⁴ Reavley, NJ., (2016).

⁸⁵ Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022). *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

deficit-based, relying on a one-size fits all model across Australia that is insensitive to individual circumstances and local and regional contexts.

A wholesale redesign of the system is required, based on principles of co-design with the people the system is designed to serve. Significant structural, design and operational reform of the Workforce Australia system (and the Disability Employment system) is needed to meet the needs of people with mental health issues. The system needs to be re-designed to be fit-for-purpose, not just reconfigured to be a digital and online platform reliant on questionable assessment processes and Points Based Activation system (PBAS).

The Workforce Australia system needs to be more flexible, strength-based, personalized and person centered, recovery-oriented and trauma responsive with the capacity to case manage and support participants and actively engage employers. Our assessment is that it currently does not fulfill these expectations of a contemporary and effective employment support system servicing a population that is likely to have underlying mental health issues and a history of trauma.

WAAMH would support the approach proposed by Anglicare WA for the implementation of a Human-Centered Approach to the redesign of Workforce Australia⁸⁶ and propose that this should incorporate key elements of contemporary mental health practice, including trauma-informed practice, recovery-oriented practice and person-centred and consumer directed care.⁸⁷

A whole of system approach that encompasses Centrelink, Workforce Australian services, disability employment services, NDIS, the mental health system and intersecting social and community services and involves collaboration with employers and industry is required. This approach involves the coordination of multiple supports across different program areas.⁸⁸

This approach is important because many of the barriers to employment experienced by people experiencing mental health issues relate to associated issues such as housing issues, physical health issues, income support, legal issues, access to mental health services and support, harm from alcohol and other drugs and family issues.

As Mental Health Victoria notes, it is a critical time for governments, the non-government and private sector to work together to ensure people with mental health issues can work towards meaningful employment. The confluence of various reform processes including the Review of the NDIS, The Disability Royal Commission, this review of Workforce Australia and the various State and Commonwealth reforms of mental health systems present a historic opportunity to connect people living with mental health issues to appropriate employment support and address the barriers they face in finding and retaining a job.⁸⁹

A more tailored approach is needed to improve employment participation for people with mental health issues, in particular, having an integrated team specialising in different areas of an individual's support with the individual themselves determining their own employment journey. One model that does that is Individual Placement and Support (IPS), which is an evidence-based, supported employment model providing a means for individuals living with severe and persistent mental health conditions to seek and obtain competitive employment.

5.1 National roll out of the IPS

One change we propose is a national roll out of the Individual Support and Placement Program (IPS) which should be integrated with mental health services and employment service providers.

⁸⁶ Anglicare WA., (2023). Media Release: Our call for a system shake up at Workforce Australia hearing, February 2023, Perth.

⁸⁷ Loughhead., M, McDonagh., J et al., (2023). *Person Centred and Consumer Directed Mental Health Care: Transforming Care Experiences*, Report prepared for the National Mental Health Commission, University of South Australia, January 2023.

⁸⁸ Mental Health Victoria., (2020). *Submission to the Disability Royal Commission Paper on Employment*, October 2020.

⁸⁹ Mental Health Victoria., (2020). *Submission to the Disability Royal Commission Paper on Employment*, October 2020, page 3.

Detail about the IPS model and its effectiveness has been described previously in Section 2.5 of this submission.

The 2020 Productivity Commission Report recommended for the IPS model of employment support to be extended beyond its current limited application through a staged rollout to all State and Territory Government community mental health services, involving co-location of IPS employment support services.⁹⁰ The Productivity Commission found that the IPS model would achieve net savings to government and increase participants' income and quality of life. The Commission reported that providing IPS employment supports to 40,000 people for a year would:

- cost between \$108-286 million.
- result in healthcare savings of \$137-575 million.
- resulting in savings to DES of about \$49 million.
- increase participants' income by \$42-90 million.
- increase participants' quality of life by 238-434 quality-adjusted life years.

The rollout of IPS would allow Australians experiencing mental ill-health access to equitable, sustainable, and meaningful ongoing employment as part of their wellness and recovery journey.

IPS follows eight core practice principles:

- competitive employment as the primary goal
- integrated with mental health treatment.
- client preferences
- benefits counselling
- rapid job search
- Zero exclusion
- time unlimited follow along supports and
- systemic job development.

A key feature of the IPS model is systematic job development, which includes establishing and building strong employer contacts and relationships. The IPS Vocational Specialist develops contacts and builds relationships with employers by making repeat or multiple visits to the employer over time. This approach aims to build a professional relationship with employers, identify jobs and employment opportunities, build trust and demonstrate commitment and reliability. The IPS approach requires at least 3 visits to employers before asking about a vacancy or discussing a prospective candidate. This may include working directly with employers to educate them on reasonable adjustments to the workplace for people with mental health issues.

5.2 Implementation Options

Implementing an IPS model within the network of mental health, employment and other services would face several challenges.

Currently Australia's mental health and employment services operate largely independently. This leads to service gaps, difficulties for participants in navigating different service systems and competing priorities for both services.⁹¹ Ensuring the complementarity of mental health services and employment services will be a challenge. In particular, finding ways to ensure that access, eligibility and funding arrangements specific to each system are not imported or imposed in ways that undermine the integrity of the IPS model.⁹²

⁹⁰ Productivity Commission., (2020). *Mental Health Productivity Commission Inquiry Report*, Chapter 9: Employment, June 2020, Government of Australia.

⁹¹ Mental Health Australia., (2022). *Employment White Paper Submission*, 30 November 2022.

⁹² Brisbane, R, Macklin, S, Klepac, B, & Calder, R (2022), *Scaling, integrating and better supporting people with mental disorders to engage in employment and education*, Mitchell Institute, Victoria University.

Implementation would need to ensure that funding arrangements and contractual obligations do not compromise the flexibility, adaptability, and continuity of service provision.

In rolling out Individual Placement and Support it is important that the services involved are supported through an implementation phase to ensure the model is understood and accurately provided to consumers.

Ongoing technical support, assistance with outcome data collection and evaluation via fidelity reviews are required to ensure adherence to, and integrity of, the evidence-based model. This is necessary to ensure that providers demonstrate fidelity with the eight core IPS principles, which underpin the model's effectiveness. Commissioning bodies would need to invest in the IPS technical support, which is a critical component of the model's effectiveness. This involves an independent specialist service providing the necessary training, technical support, and independent fidelity reviews to successfully operate an IPS program.

The IPS model can be applied in any setting and can be scaled up to larger service areas. Because IPS can be integrated into existing service systems rather than requiring a specific new service system of its own, it represents significant value for money, given its effectiveness.

5.3 Adaptability of IPS to other settings, including employment services

Although IPS was originally developed and traditionally implemented in mental health, it is a model that can be applied to any group that would otherwise be disadvantaged from open competitive employment or navigating education streams.

Other areas IPS has been implemented include individuals experiencing post-traumatic stress disorder, veterans, people who are experiencing homelessness, older adults, spinal cord injuries, people with autism spectrum disorder, intellectual and developmental disabilities, people with criminal history, transition age youth and young adults with first episode psychosis.⁹³

WAAMH has recently worked with the WA Justice Association (WAJA) to develop a model for adopting the IPS model in the criminal justice system. The report *An Individual Placement and Support Model for the Criminal Justice System* was released in late 2022 and provides a practical model and recommendations for the design and implementation of a specialised IPS pilot program within the criminal justice system for individuals with lived experience of the WA criminal justice system.⁹⁴

WAAMH has also worked with a community housing provider here in Western Australia to design an IPS approach that would integrate IPS into a community housing service to increase people's confidence about gaining and sustaining employment and entering the private housing market.⁹⁵

One example of IPS's adaptability is the IPS Youth Program which is currently being delivered through 50 headspace sites across Australia. The Department of Social Services (DSS) is currently funding this roll out. The IPS Program originally commenced as a trial in 14 sites which was expanded and extended to 10 additional sites in 2019 before being transitioned into Program in 2021 and extended to 26 additional sites to make up the total of 50 headspace sites ("Individual Placement and Support Program (IPS) Program | Department of Social Services, Australian Government, 2021).

The mid trial evaluation completed by KPMG in 2019 found that the 43% of the individuals accessing IPS Program had achieved an employment and/or education outcomes. In addition to the improved

⁹³ Bond, G. R., Drake, R. E., & Becker, D. R. (2020). An update on Individual Placement and Support. *World Psychiatry*, 19, 390-391; Bond, G. (2020, May 29). Evidence for the Effectiveness of Individual Placement and Support Model of Supported Employment [PowerPoint presentation]. Retrieved from <https://ipsworks.org/index.php/evidence-for-ips>

⁹⁴ WA Justice Association., & WA Association for Mental Health., (2022). *An Individual Placement and Support Model for the Criminal Justice Systems: Consultation Discussion Report*, 2022, WA Justice Association & WAAMH, Perth.

⁹⁵ The proposal was not able to attract funding.

outcomes, increase in confidence, self-esteem, and resilience along with an improved ability to seek employment or education opportunities were also noted as a direct result of having been in the IPS program.⁹⁶

6. Priorities for Action

- The Federal Government immediately and permanently increase income support payments to lift Australians out of poverty and improve the mental health of people receiving income support payments, as well as their families and children. The low level of income support payments acts a barrier to work.
- The Federal Government reform and improve the income support and mutual obligation system to improve income and payment eligibility and remove the conditional and punitive features that cause psychological distress to the people who rely on income support, and damages their mental health, while forcing many to slide even further into poverty. Compliance obligations are unhelpful for supporting people to access and retain meaningful employment.
- The Federal Government to replace the compliance-focused Workforce Australia system, including inflexible mutual obligation requirements and the Points Based Activation System (PBAS), with a new model, co-designed with people that use the system, that prioritises funding for individualised, person-centred, recovery and trauma informed, intensive, flexible skills development training and support, and meaningful pathways to employment, including extensive employer engagement for people with mental health issues seeking work. This to include immediate removal of breach powers from employment service providers.
- Review the Job seeker classification to ensure it better reflects the needs and circumstances of people experiencing mental ill-health and those with mental health issues.
- Increase the income test threshold for Job Seeker and other income support recipients to allow people to earn more before losing access to income support benefits.
- Establish a National Mental Health Individual Placement and Support Program, including the development and implementation of an integrated model within the Australian network of mental health, employment (including Workforce Australia) and other support services for people living with mental health challenges.
- The Federal Government create a lived experience and peer workforce (of people with lived experience of mental health issues and experience in the Workforce Australia employment services), to work within key Government, non-government and private sector providers of employment support services to operate in much the same way as the in the mental health sector and to provide support and assistance to people with mental health issues at each stage of the Workforce Australia system.

⁹⁶ KPMG Consulting., (2019). *Final Report for the Evaluation of the Individual Placement and Support Trial*. Canberra: Department of Social Services. Retrieved from https://www.dss.gov.au/sites/default/files/documents/08_2019/individualplacement-and-support-trial-evaluation-report-june-2019.pdf