

**RE: Submission to Interim Report
“A New System for Better Employment and Social Outcomes”**

1. Introduction

The following submission is provided by cohealth, Australia's newest, and one of the country's largest not for profit community health organisations. Cohealth was established 1 May 2014, through the merge of three leading community health services – North Yarra Community Health, Doutta Galla Community Health, and Western Region Health Centre. Cohealth provides vital local health and support services including medical, dental, allied health, mental health, and counselling, and many specialist health services, to people in Melbourne's northern, western and inner northern suburbs.

Cohealth agrees that the current system is complex, however this complexity has arisen in response to a population whose needs are complex. Simplifying the system is a worthy goal, but equity and fairness should not be compromised for the sake of simplicity. Simplifying shouldn't mean that people or groups of people whose situation requires that they get additional support miss out or get less support because 'the system' doesn't understand their needs and can't respond adequately.

Cohealth welcomes some aspects of the report, such as recognition of the inadequacy of the low rate of Newstart and measures to support employers to engage staff with a disability. However cohealth has concern at other proposals, in particular:

- The sanctions being proposed against those who do not meet participation requirements, and
- The intention to transition some people with psychosocial disability off the disability support pension.

Cohealth also strongly believes that the new system needs to reflect current employment patterns and labour market trends.

2. Cohealth

Cohealth's service presence encompasses fourteen LGAs, covering most of metropolitan inner, northern, north western and western Melbourne. Cohealth operates in areas characterised by higher levels of socio-economic disadvantage, including lower percentages of employment, skilled workforce, school completion and affordable housing:

- Compared to the state average eight of the LGAs in the cohealth catchment had a lower SEIFA Index of Disadvantage, and a number of suburbs in the cohealth catchment have been listed in the top 10 Most Disadvantaged suburbs in Victoria.
- The unemployment rate for the region is higher than the Victorian average of 5.4% with the highest rate in Brimbank (9%). Ten of the cohealth LGAs recorded a lower percentage of highly skilled workforce than the state average, and nine of the LGAs recorded higher than average unemployment rates. The region also has a slightly lower than average percentage of people who did not complete year 12.
- Over the ten years to 2013 there has been a structural change in industry employment in the Outer Western Melbourne and North Western Melbourne Labor Force Regions (LFRs). Over the five years to May 2013, employment for those living in the Outer Western Melbourne LFR and North Western Melbourne LFR increased. However, there were considerable disparities between growth numbers when comparing occupation groups. High and medium skill occupation groups experienced growth of 17% whereas lower skilled occupations, experienced a net growth of just 4%. By and large, there was a large increase in employment for higher skilled occupations. For medium skilled occupations there were moderate gains in employment. For lower skilled occupations overall, there was only a small net increase in employment. For sales workers and labourers, there were overall declines in employment. (Source: ABS Labour Force, May 2013 and May 2003)
- The average duration of unemployment in July 2013 in the Outer Western Melbourne LFR was 39 weeks whilst the North Western Melbourne LFR was 28 weeks. The average duration of unemployment for the Outer Western Melbourne LFR is 6 weeks longer than for Victoria. Overall, in the Outer Western Melbourne LFR 22% of all unemployed persons are unemployed for over 52 weeks. This is higher than the North Western Melbourne LFR (15%) and Victoria (17%) (Source: ABS labour Force, July 2013 - 12 month averages)
- The cohealth region has a higher percentage of persons reporting high or very high psychological distress, with ten of the LGAs recording percentages above the state average. North and West Metro region has higher than average percentages reporting fair/poor health status and high/very high psychological distress. Brimbank and Melton have high percentages in both categories. The percentage of people reporting high/very high psychological distress is significantly higher than the Victorian average in Hume.
- 8 of the 14 LGAs had a higher percentage of population with severe and profound disability living in the community.

Cohealth's work is targeted to those who experience stigma and face the risk of exclusion from opportunities that most take for granted, including: refugees and asylum seekers; Aboriginal and Torres Strait Islander people; people at risk of harm associated with alcohol and drug use; families and young people at risk; people with or at risk of chronic disease;

older people with complex needs; people who are, or are at risk of being, homeless; and people with or at risk of mental illness or poor mental health.

The people cohealth work with will be disproportionately affected by the reform to the income support system. One group that will be particularly impacted will be people with or at risk of mental illness or poor mental health. Cohealth's submission is based on our extensive experience providing mental health support services and working with people experiencing chronic as well as episodic mental illness. Our mental health support services and programs include one-on-one recovery support, opportunities to join and lead group activities, social inclusion programs to build social and life skills and community connections. We offer specialist programs for young people, youth and adult residential rehabilitation programs, and care coordination for people with multiple and complex needs.

3. Punitive compliance measures

Cohealth feels that the emphasis of most individuals' interactions with the welfare system on transition into employment, and harsh punishment for not meeting participation requirements, may lead to unintended but negative consequences. This emphasis fails to acknowledge that unemployment, like other social determinants of health, occurs in a context.

Some of the sanctions proposed in the report could see large numbers of people at risk of being forced onto lower allowances with more rigid compliance measures. Introducing punitive measures that reduce the quality of life and put increased pressure on unemployed people and those around them are likely to lead to negative health (both physical and mental) outcomes. Conversely, providing support to people in the context of their lives to be able to make decisions and engage when they can, working with them to reduce the barriers that they are experiencing, and supporting them in the areas which they need support is more likely to lead to long term employability and job readiness.

4. Supporting people with psychosocial disability

The workforce participation rate amongst people with psychosocial disability remains significantly lower than it is for people with other disability types at less than 30% compared to 54% for all people with disabilities and 83% for people with no disabilities¹. People with lived experience of mental illness and psychosocial disability face a number of barriers to obtaining and maintaining jobs, which can include:

- symptoms which fluctuate in severity and impact;

¹ Australian Bureau of Statistics, *Australian Social Trends – Disability and Work*, Catalogue # 4102.0, Australian Government, Canberra, March Quarter 2012.

- lower educational attainment;
- lack of work-relevant skills due to time spent out of the workforce;
- high levels of housing instability;
- multiple levels of disadvantage; and
- experiences of stigma and discrimination.

People experiencing mental illness need access to support that recognises their situation and provides the flexibility required. Not having access to appropriate supports for themselves or their families will add to the burden that they are already experiencing through illness and will exacerbate their situation.

Compelling people experiencing mental illness off the DSP and onto working age payments and imposing compulsory participation requirements on people who are not ready could set them up to fail and/or make mental health conditions worse. It is especially important that the system can recognise non-compliance to participation measures can often be a direct result of the person's mental illness rather than a wilful intention. Many people experiencing mental illness have minimal savings, so the loss of payments even for a short period could cause significant financial hardship, leaving them unable to meet the cost of basic needs like food, medications and housing

5. Work preparation activities

The Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models.

Cohealth can vouch for the importance of these programs from experience gained through The Launch Project:

The Launch Project

In 2012 cohealth collaborated with young people and local programs and services to design develop and deliver three eight-week modules of training for young people aged 16-25 who experience mental illness and are long-term unemployed. The objective of The Launch Project is to make a positive difference to the health and wellbeing of young people experiencing mental health challenges and empower them to make progress toward their goals and individual journeys of recovery. The Launch Project can be considered a bridging program that connects socially-isolated young people to the broader community support network, including employment agencies.

Each workshop develops "real life" skills, assist participants to identify and build on their existing strengths, meet new people and put new skills into action. The second module, focussing on Vocation and Self-Management, was delivered in conjunction with local

employment agencies and included topics such as Communication & Personal Strengths; Self-Management & Emotions@Work and Employability Skills .:

Outcomes from the Vocation and Self-Management module have been increased ability for participants to recognise and communicate their strengths and abilities, and increased knowledge of possible career pathways and employment practices. Results of The Launch Project have been positive, with many of the participants going on to study or gaining employment.

Cohealth agrees that appropriate work preparation activities such as The Launch Project for people with a partial capacity to work could assist recovery from mental illness by increasing opportunities for social and economic participation.

6. The system needs to reflect labour market trends

The new system needs to reflect current employment patterns and economic trends. The current system was developed in an economic era where job stability and maintenance was much greater - people had jobs for life, they didn't tend to go in and out of a range of jobs.

The welfare support system is provided now in a vastly different economy than when it was built. There is now much greater movement in and out of jobs, higher rates of casual work, and people who will over the course of their employment life undertake many more different jobs than would have been expected by previous generations. People employed on casual conditions are forced to move in and out of the labour market as employers respond to difficult markets by cutting jobs. With people moving in and out of work more often, the support system needs to demonstrate the flexibility, rather than assuming the same waiting periods for eligibility should be kept.

I would be pleased to discuss this submission further. I can be contacted on 03 9680 1111 or at lyn.morgain@cohealth.org.au

Your Sincerely,

{Signed by Lyn Morgain}

Lyn Morgain

Transitional CEO

Cohealth