



**WAAMH**

Western Australian Association  
for Mental Health

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Committee Secretary  
Senate Standing Committees on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
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## **Re: Inquiry into the purpose, intent and adequacy of the Disability Support Pension**

Dear Senate Community Affairs References Committee,

The Western Australian Association for Mental Health (WAAMH) welcomes the opportunity to make a submission to the Inquiry into the purpose, intent and adequacy of the Disability Support Pension.

### **Background**

WAAMH is the peak body for the community mental health sector in Western Australia, and exists to champion mental wellbeing, recovery and citizenship. WAAMH recognises a continuum of supports – built on principles of human rights, recovery, co-production, personalisation and choice, social inclusion and cultural connection – are essential to the promotion, protection and restoration of mental wellbeing. WAAMH promotes, advocates for and further develops this network of supports.

WAAMH's membership comprises community-managed organisations providing mental health services, programs or supports and people and families with lived experience of mental health issues and suicide, with whom WAAMH engages in genuine partnership. WAAMH also engages in a wide network of collaborative relationships at a state and national level, with individuals, organisations and community members who share its values and objectives.

This feedback has been prepared by senior WAAMH staff, and has been informed by our ongoing engagement with community members, people with lived experience, non-government organisation mental health service providers and WAAMH's strategic objectives and ongoing advocacy priorities. This submission focused primarily on the Disability Support Pension as it relates to mental health.

### **Disability Support Pension in the Context of Mental Health**

- Income is a key social determinant of health; low income and poverty are associated with poor mental health outcomes<sup>i</sup>.
- The significant changes that have occurred with respect to income support policies and practices of successive Federal Governments have resulted in significant damage to the mental health of many income support recipients, including people receiving the Disability Support Pension (DSP).<sup>ii</sup>

- An income support system, including DSP, that addresses the problems that exclude many people with long term mental health conditions from playing an active role in society is required in Australia; the current system does not do achieve this.
- If Australia is to provide a contemporary, whole-of-government approach to mental health, it is necessary to recognize that the current income support system, including the DSP, is not fit for purpose.

### **Welfare conditionality as a cause of mental ill-health**

- The principles and practices of conditionality (where behavioral 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 services.<sup>iii</sup>
- Conditionality makes access to income support (and other services) conditional on the behavior of recipients and on them meeting certain tightly defined requirements. This is coupled with need to comply with key requirements and the threat of sanctions and financial penalties such as the reduction or loss of income support. All income support payments have a high degree of conditionality.<sup>iii</sup>
- There is clear evidence from Australian and overseas that conditionality attached to income support payments, including the DSP, are experienced as punitive, undermine social citizenship, contribute to mental ill-health, are ineffective in moving people into work, and damage many people's mental health.<sup>iii, iv, v, vi, vii</sup>

### **DSP eligibility and assessment**

- Estimates are that some 750,000 Australians now receive the DSP. People living with mental health conditions make up the largest group of people on the DSP, with some estimates suggesting that over half of all DSP recipients have a mental illness.
- Numbers of people with mental health conditions receiving the DSP have declined over recent years as a result of significantly tightened assessment and eligibility requirements and processes introduced by successive Labor and Coalition Governments which have made it more difficult for people with mental health conditions to access the DSP.<sup>viii, ix</sup> In 2012 63% of applicants were successful. By 2017 the number had fallen to 43%. In 2018 only 1 in 3 applications were successful.
- These changes in process have resulted in increasing numbers of people with mental health conditions being incorrectly forced onto lower benefit payments and/or moved from the DSP to the lower paying Newstart<sup>x</sup>, with the result that people with mental health conditions are pushed further into poverty. Others without a specific severe impairment who want to access the DSP payment must complete up to 18 months of job search within 3 years.<sup>x</sup> This means that people who are generally found to be eligible for the DSP are made to wait at least 18 months and survive on around \$40 per day while they wait to receive the DSP.

- The change in eligibility requirements also means that an increasing number of people with mental health conditions are having their DSP revoked, even in situations where they are unwell.

### **The experience of people with mental health issues receiving the DSP**

- DSP applicants and recipients find their interactions with Centrelink and the DSP application process to be challenging, stressful and opaque.<sup>xi</sup>
- Many people with mental health conditions on the DSP live each day with the constant anxiety and fear that the DSP that it will be taken away. Conditionality and the risk of sanctions leaves people with mental health conditions demoralized, with poorer mental health and greater risk of suicidal behavior.<sup>xii</sup>
- WAAMH continues to hear anecdotally from people in the community of the direct and negative impacts of how income support measures, the compliance requirements and specifically the DSP, are managed. The parent of a person on the DSP has recently raised concerns with WAAMH about the profound impact of seemingly well-intentioned actions by Centrelink on her son's mental health. Months of hard work by the parent and her son to restore his mental health and successfully manage a co-occurring AOD issue have been undermined by Centrelink's lack of awareness about the way their actions can cause people's mental health to deteriorate.

### **Adequacy of the DSP**

- The DSP is known to be inadequate; previous research by ACOSS has shown that 80% of people on the DSP consider it to be inadequate to live on<sup>xiii</sup>. The same research showed that 25% of people on the DSP send more each week than they receive, and almost 25% would describe themselves as poor or very poor.

### **Discrimination and stigma**

- People with mental health conditions experience prejudice and discrimination linked to their conditions, and they may also experience stigma associated with receiving income support, such as the DSP.<sup>xiv</sup> This is compounded by the language used by Governments and politicians when they speak about income support recipients in ways that create divisions between the supposedly underserving and the deserving through their use of terms such as 'welfare recipients', 'dole bludgers', 'lifters and leaners', 'scroungers', 'benefit cheats' who are contrasted to hard working Australians or the 'silent majority'.

### **Employment, IPS and the DSP**

- Research has shown that people on the DSP, including people with a mental health condition, have a desire to work.<sup>xv</sup> There is a need for structured programs to support people on the DSP to gain and maintain employment.
  - The Individual Placement Support (IPS) program provides this type of support. IPS specialises in assisting community organisations and services to implement evidence-based supported employment following the internationally acclaimed Individual Placement and Support model.
  - Where the IPS program has been implemented and successfully managed, employment outcomes for people with a lived experience of mental illness have been

as high as 54 percent, compared to traditional employment methods of just 24 per cent.

- IPS is the most effective way of assisting people with mental health conditions into the workforce. It is an approach that is person-centered and strengths based, combining both mental health and employment support services.
- The Productivity Commission Mental Health Inquiry Report recommends that IPS be rolled out in all States and Territories (Action 19.4, p. 954) – this recommendation should be followed, and IPS services should be made to young people and adults alike.
- Recommendations from the PC Report to increase allowable hours of work from 30 to 38 hours for DSP recipients should also be implemented (Action 19.5, p. 963).

#### **The DSP and First Nations people.**

- The application and eligibility process for the DSP is extremely arduous. Research has shown that this process is very disruptive for First Nations people, and that the processes can lead to significant mental distress for First Nations people, particularly in relation to the timeframes involved and the anxiety of living on other social welfare payments while waiting for DSP approval<sup>xvi</sup>. These processes also put significant pressure on social networks including family and friends, who may have to assist applicants in these processes<sup>xvi</sup>.

#### **WAAMH suggests the following:**

- Remove the punitive conditionality and compliance responsibilities attached to income support payments, including the DSP.
- Relax eligibility requirements for the DSP to ensure a closer link between access to the DSP and being unable to long term work in the labor market due to having a psychosocial disability and significant mental health condition.
- Consideration should be given to the needs of First Nations DSP applicants, and for other diversity groups.
- Increase the amount of the DSP payment.
- Improve employment support offered to people receiving the DSP, through a successful evidence-based program such as the IPS (Individual Placement and Support program).

WAAMH thank the Senate Community Affairs References Committee for their consideration of this submission. If further information is required, please contact Dr Elizabeth Connor ([econnor@waamh.org.au](mailto:econnor@waamh.org.au) or 6246 3000) or Mr Colin Penter ([cpenter@waamh.org.au](mailto:cpenter@waamh.org.au) or 6246 3000).

Kind regards,

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and

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- <sup>iii</sup> Parsell, C., Vincent, E., Klein, 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.
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