

# SENATE SELECT COMMITTEE ON MENTAL HEALTH

PUBLIC HEARING 7 OCTOBER 2005

## QUESTIONS ON NOTICE

### Outcomes:

#### Outcome 3: Increased workforce participation

#### Corporate

#### Output Group: Working Age Policy

#### Output: 3.1.1 Working Age Policy and Legislation

### Question Number: 1

*Hansard pp. 92-93*

**CHAIR**—*Could I ask DEWR to respond to what I thought was a really good presentation to the committee in Cairns from Ms O’Toole of Advance Employment Inc. She talked about their agency being capped at 78, in terms of the number of people they can assist, and the agency having a waiting list of 25 to 30 people at any point in time. I would be interested in your view of this particular agency and what was provided to us by way of evidence. Can you explain why it is that that cap is necessary, why that agency should not be properly funded and why all the people on the waiting list should not receive that service?*

**Mr Sandison**—*Firstly, I am not specifically aware of that service.*

**CHAIR**—*Generally speaking. You are in Far North Queensland: are you going to have a cap on your service and does it matter how many people are on the waiting list?*

**Mr Sandison**—*The program is across the board. It is a capped program, so government budget decisions are made about the number of places that are available in the program. Under Welfare to Work, the program will be uncapped for those people in that new 15- to 30-hour work capacity category, being people with a partial capacity. They will have a participation requirement. Because they have a participation requirement, they will be given access to uncapped places. In part, there will be a change to that service along with others.*

*People with a disability who, under the proposed new rules, are required to look for work will get access to places. It will be the same for rehabilitation because the same issue applies: at present there are caps on the number of rehabilitation places available also. It is across the board. The personal support program operates under the same process of a capped number of places and also with waiting lists.*

**CHAIR**—*Perhaps you could give us a fairly detailed response as to what I imagine would be the typical case here. It might assist the committee to know how hard we are trying to get people with mental illness into the work force. I would ask you to look at the Hansard.*

**Mr Sandison**—*What sort of information would you like?*

**CHAIR**—*You probably need to read it.*

**Mr Sandison**—*From the report, okay.*

**CHAIR**—*There is a lot of complicated commentary about the funding formula and so forth. It would be helpful for the committee to have your response to a current case study.*

**Mr Sandison**—*No problem.*

*Note from secretariat: The case study referred to (Advance Employment Inc) is in evidence given to the Senate Select Committee on Mental Health at its hearing in Cairns on 5 August 2005. The transcript is available at: <http://www.aph.gov.au/hansard/senate/committee/S8601.pdf> Pages 21-30 are relevant.*

**Question Number: 2**

*Hansard pp. 93-94.*

**CHAIR**—*A trial was conducted by DEWR of early intervention and referral through, I think, 12 Centrelink offices that involved 2,000 disability support pension recipients. What was discovered at that trial? What implications came out of it?*

**Mr Sandison**—*This is looking at a new comprehensive assessment process. The pilot started early this year and involved a range of people not only applying for disability support but also coming in for an incapacity exemption, so they would be Newstart recipients. It was provided through not only a number of Centrelink offices but also CRS Australia and APM. APM is Advanced Personnel Management—I knew that one of the acronyms would get me.*

*The findings were twofold. There was far better engagement through having a comprehensive assessment, so more effort was being made in assessing all the issues that a person was facing and then engaging that person and looking for them to volunteer to attend a voluntary activity with one of our services. The outcomes are still being written up and a report is due within the next two or three weeks.*

**CHAIR**—*How many people with a mental illness were part of that trial?*

**Mr Sandison**—*I do not have the data. It was whoever came through the door, whether they were applying for DSP or looking for an incapacity exemption. It was not channelled at all.*

**CHAIR**—*Perhaps you can take on notice a question about how many in the trial had mental illness; what that tells you about them compared with others; if they were not in the trial—and I think we have some evidence to suggest that they were not—why they were not; and whether you will do a trial on people with mental illness to see whether there is a difference.*

**Mr Sandison**—*Yes. There certainly was no exclusion.*

**CHAIR**—*I understand that.*

**Mr Sandison**—*We will find out whether or not there is evidence there.*

## **Answer: Question 1**

The Welfare to Work reforms announced in the 2005/06 Budget, introduced a number of measures to increase workforce participation among working age Australians. In particular, the new measures will require people on income support with part-time capacity for work as a result of disability to actively look for part-time work.

If job seekers require employment assistance to achieve their work capacity it is essential that they can get such a service. It is therefore expected that from 1 July 2006, the highest demand for specialist disability assistance will come from people with disabilities with part-time participation requirements.

The 'guarantee of service' for people with a disability with part-time participation requirements resulted in an additional 20,200 places nationally for Disability Open Employment Services (DOES) and 39,600 places in Vocational Rehabilitation Services (VRS) over the three years from July 2006.

The provision of these new places will essentially free up a proportion of the 38,800 places in DOES and 23,200 places in VRS for people with disabilities with ongoing support needs. These capped places will continue to provide services to job seekers with an assessed work capacity of eight or more hours per week that require either long-term support in the workplace and/or are unable to work at award wages. These places are capped as they are for job seekers who are volunteering for employment assistance as they do not have participation requirements.

In regards to the formula for determining the number of job seekers that a DOES can assist at any one time (i.e. capped places), this was required as a result of the move from block grant funding to a funding model that was based on the individual support needs of job seekers. The number of capped places of each DOES was based on either the 'snapshot' number of job seekers assisted by a service as recorded in the 2001/02 Service Census OR the average 'snapshot' number of job seekers assisted by a service as recorded in the 2000/01 and 2001/02 Service Census. DOES were able to select which of these methods would apply to their service for determining the number of capped places their service would have with the full implementation of the new funding model. This formula was developed in consultation with disability peak bodies.

It would be inappropriate for DEWR to comment on an individual agency's performance.

## Answer: Question 2

The Early Intervention and Engagement Pilot was conducted in selected sites in Western Australia, Queensland and Victoria between 11 April and 30 June 2005 to look at ways of improving the early engagement of people with disabilities.

Building on the existing core Better Assessment process, the Pilot tested a comprehensive assessment approach that combined the existing separate medical and work capacity assessments with direct referral to assistance by assessors. Assessors liaised with the service provider to refer directly to assistance.

The target population for the pilot were New Start Allowance/Youth Allowance (other) (NSA/YA) (o) new applicants for exemption from the activity test, extension to current exemption and reviews; Disability Support Pension (DSP) new claimants and review; and a sample of job seekers in trial areas identified as requiring a Job Start Allowance (Special Needs or Disability)

Centrelink was responsible for identifying and referring Pilot eligible customers for a comprehensive assessment.

The DSP target group in the Pilot presented with a wide range of medical conditions. Consistent with the overall DSP population, the most common types of main medical conditions were musculo-skeletal (45%), psychological (24%) and circulatory (7%) conditions (See Table 1. below).

NSA/YA (o) recipients seeking a medical exemption were most likely to have a psychological condition (45%, over half of which were depression) followed by musculo-skeletal disabilities (34%) as their main medical condition.

Table 1. Main medical condition of Pilot participants

	DSP New Claim	DSP Review	All DSP	NSA/YA(o) Incapacity Exemption
<b>Main medical condition</b>	%	%	%	%
Musculo-skeletal and connective tissue	45.4	32.1	42.0	34.2
Psychological / psychiatric	24.3	45.3	26.5	45.3
Other	30.3	22.6	31.5	20.5
<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>