

OPEN LETTER TO THE FEDERAL GOVERNMENT

AN OPEN LETTER ON THE HEALTH IMPACTS OF THE WELFARE SYSTEM

We, the undersigned, are deeply concerned by the impacts of the welfare system on the physical and mental wellbeing of recipients – particularly the meagre rate of Allowances and other payments, the growing restrictions on access to Disability Support Pension (DSP), and the unreasonable, convoluted regulations around medical certificates.

The Australian public expect a welfare system that treats people with fairness and respect, and ensures everyone an adequate quality of life.

Therefore, we demand the federal government implement the following:

- That Newstart Allowance (and Youth Allowance) be raised to the poverty-line, with an immediate increase of at least \$100 per week.
- A cancellation of the government reviews of 90,000 DSP recipients over the 2016-2019 period.
- A relaxing of eligibility requirements, so that there is a closer link between access to DSP, and being unable long-term to work in the labour market, due to having a disability.
- Withdraw any measures from the 2017-2018 federal budget around restricting access to DSP for those whose health issues are solely caused by substance abuse.
- A Senate inquiry into how Centrelink treat medical certificates, and the experiences of recipients with chronic, episodic, and long-term health issues, when dealing with Centrelink and job agencies.
- A Senate inquiry into breaches and penalties in the welfare system, and their health impacts on recipients.
- The establishment of a employment services ombudsman to ensure a fair compliance system and review process for welfare recipients.

MEAGRE PAYMENTS

While none of Australia's welfare payments are generous, it is alarming that Newstart, at \$267 per week (roughly \$13,800 per year), is over \$160 per week (roughly \$8,000 per year) below the poverty-line. It has not been raised in real terms since 1994.

Australia ranks second-worst in the developed world for poverty rates among the unemployed. 52 percent of Newstart recipients live in poverty.

Newstart has fallen dramatically behind the rest of the community. It is now less than 18 percent of the average wage and less than 41 percent of the minimum wage.

Living off Newstart can affect physical and mental wellbeing in many ways:

- Access to fresh fruit and vegetables, to regular, nutritious meals.
- Capacity to afford dental care and some medicines.
- Ability to heat/cool home during cold/hot weather.
- Intense stress about expenses, bills, and rent, which affects cognitive, emotional, and physical functioning.
- Stigma and other negative attitudes towards Newstart recipients.
- Isolation and loneliness from being unable to fully participate in community life and social support networks.

Even in a rich country, being poor has consequences. Whether it is the emotional harm of being disconnected from friends and family and excluded from community life, because one cannot afford to drive or catch public transport. Or having to skip meals, or not always being able to afford the most nutritious food. Or the fatigue and ill-health that comes from constant stress about one's finances. The data tells us surviving on Newstart is harmful - and unemployed people themselves tell us this.

An ACOSS (Australian Council of Social Service) survey of 600 Newstart recipients in 2015 reported:

- 40 percent are unable to pay their bills on time or see a dentist.
- 50 percent are unable to raise \$2,000 in the event of an emergency.
- 50 percent are turning off heating and cooling to save money.
- 32 percent skipped meals in the previous year.
- 25 percent are suffering from 'housing crisis' – spending more than half their income on rent.
- 20 percent do not have enough money for essentials like housing, food, and electricity.

Making matters worse, there are not enough jobs – 11 job-seekers for every job, according to ABS – meaning unemployment is no longer a short burst of pain but a long period of deprivation. 70 percent of Newstart recipients are unemployed for more than 12 months.

With growing numbers of sole parents and people with a disability now on Newstart (27 percent of recipients have a diagnosed disability), thanks to changes to other payments, it is even more important that those living on Newstart receive a significant, long overdue raise, of at least \$100 per week. After all, even business groups like the Business Council of Australia and KPMG have called for a raise to Newstart.

“I would literally eat my meal as I was doing the grocery shopping. I would just eat bits of food through the supermarket and that would be my meal. And it had a big health impact on me when I first had a child because I just had no money for food...so in the end my breast milk dried up - I must have lost 20 kilos within a month or two of that period because it was so hard.”

- Eileen, Newstart Allowance, aged 42.

“I often have to skip breakfast and lunch every day in order to save money. I do not feel I eat enough fresh fruit and vegetables; I look for specials and Black and Gold products. Nutrition never enters into what I buy, how cheap it is the only thing I'm capable of buying. If my income was higher, I would be able to buy fresh fruit, vegetables, things other than frozen products; I would buy more food in general if I could afford it.

I think every day about my finances. I'm living from hand to mouth without any chance to save or prepare for the future.

Very rarely am I able to see my family and friends...My family lives in a different state and I haven't seen them in about 2 years due to being unable to afford the travel expenses, with no chance of being able to join in on family occasions or holidays. Leaving the house is hard, even bus transport affects my budget, so leaving my house as little as possible is necessary. Any kind of community activity, festivals or events, getting there, buying anything whilst there, is beyond my income, and means any bus ticket or drink or food I buy their effects my income and ability to pay for rent, groceries and bills.

I feel as if relationships are impossible until I'm able to support myself.”

- Joel, Newstart Allowance, aged 23.

RESTRICTED ACCESS TO DISABILITY SUPPORT PENSION

In the past year, more than 31,000 people have been removed from the DSP. This is the largest annual drop in history. Since June 2014, the number of DSP recipients has dropped from 830,000 to 788,000 – a five percent fall.

Currently, around 15 percent of applications for DSP are approved. This

represents a significant decline in successful applications. In June 2014, 39 percent of applications were successful. In July 2011, 54 percent. This is the result of increasingly strict eligibility requirements.

As well as tighter eligibility requirements, there have been changes to the application process. These include changes around what kind of evidence is to be submitted by claimants, and a new, three-tiered approval procedure – changes that have increased confusion for individuals and their treating doctors and specialists, as well as delays for claimants.

The requirement that a condition must be ‘fully diagnosed, treated and stabilised’ in order for an applicant to qualify for DSP does not appreciate the reality experienced by those with fluctuating medical illnesses, like chronic and episodic health conditions.

Thousands of people with disabilities are being pushed onto Newstart, stuck on the payment more or less indefinitely. They will likely find it harder to manage their condition without the extra income DSP provides.

There are already an estimated 164,000 people on Newstart with a diagnosed disability and an assessed “partial capacity” to work – roughly one-quarter of recipients.

These people are forced to look for work that is often beyond their ability to undertake, and which they are unlikely to secure in a very tight labour market where there is not enough work to go around.

“Take one of our clients – a 40 year old, mother of three, who was battling breast cancer. Despite having six months of chemotherapy, Centrelink turned down her DSP applications multiple times. We have dealt with many others – people with HIV, multiple sclerosis, post-traumatic stress disorder – who Centrelink have declared ineligible for the DSP, despite the evidence they may not ever be well enough to work.”

- Peter Horbury, *Social Security Rights Victoria*.

Preventing those whose health issues are caused solely by substance abuse from accessing Disability Support Pension, as announced in the 2017-2018 federal budget, is wrong, and harmful.

Access to Disability Support Pension should be based on need, not judgments about deservingness.

Substance abuse is often a form of self-medicating – a response to severe trauma and hardship. It is a medical issue. Those battling addiction need access to drug and alcohol services – services that sadly have experienced severe cuts under the Abbott and Turnbull governments.

Forcing addicts with significant health issues to languish on the grossly inadequate Newstart has the potential to exacerbate health problems.

CENTRELINK MEDICAL CERTIFICATES AND EXEMPTIONS

We are also concerned about the growing practice of Centrelink (and government-funded job agencies – the organisations tasked with purportedly helping job-seekers find work) rejecting medical certificates, and failing to acknowledge the health issues of clients.

A growing number of welfare recipients exist in a sort of ‘no man’s land’: individuals with serious health issues who have been deemed ineligible for DSP, but whose health problems nevertheless restrict, or completely prohibit, their ability to meet their Newstart obligations for periods longer than the currently provided 13-week exemption period.

ENDORSED BY

ORGANISATIONS	(Melbourne)	Administrators Group	Workers (Melbourne)	University of South	University of South	Brendan De	Jacob Rosling	Margarette	Roland Alger
Adelaide Day Centre	Australian	(Adelaide)	Women In Poverty	Australia	Australia	PaorMoore	Jade Manson	McLennan	Russell Howroyd
for Homeless Persons	Unemployed	International Workers	(Adelaide)	Eva Cox AO, Adjunct	Dr. Matt Fisher,	Christopher Roy	James Beau	Margie MacDonald	Ruth Rooney
Adelaide Justice	Workers' Union	of the World Adelaide		Professor, Jumbunna	Research Fellow,	Collosser	Mannarino	Marina Kurlmelovs	Sally JordanPeck
Coalition	(Newcastle)	National Council of	INDIVIDUALS	Indigenous House of	Southgate Institute	Claire Campbell	Jane Shepherd	Mark Carey	Sam Crump
Adelaide Unitarian	Australian United	Single Mothers and	Dr. John Falzon,	Learning, University	for Health, Society,	Claudia Ienco	Jen Williams	Maryke Reis	Sandra Legro
Church	Sole Parents Network	their Children	Chief Executive	of Technology	and Equity, Flinders	David McInerney	Jillian Offe	Meaghan O'Brien	Sarah Burkinshaw
Anti-Poverty Network	Brian Burdekin	PEACH Housing	Officer, St. Vincent de	Sydney	University	Debbie Membrey	Joel White	Melanie Bubyik	Sean Boyle
South Australia	Medical Clinics	Co-Operative	Paul Society	Professor Fran	Dr. Shelley Bielefeld,	Debra Abell	Kali Parsons	Melinda Toth	Selina Boyle
Anti-Poverty	Communities Against	People's Health	Carmel Sutcliffe,	Baum AO,	Braithwaite Research	Denise Leffers	Kathryn Wilkes	Michael SadlerBurns	Sharon Hollamby
Network South-East	Pokies	Movement Oz	Tutor, University of	Matthew Flinders	Fellow, Australian	Edward Fallows	Kaylea Bohan	Mick Lanzendorfer	Sonja Grdcisic
Queensland	Fair Go for	Public Health	South Australia	Distinguished	National University	Keiran Snape	Keiran Snape	Mick Smart	Stefanija Rozitis
Anti-Poverty Network	Pensioners	Association of	Dr. Connie Musolino,	Professor, Southgate	Aidan Jarvis	Fiona De Caux	Kerry Arch	Monique Lonergan	Sue Payne
Victoria	(Melbourne)	Australia	Southgate Institute	Institute for Health,	Alexandra Rosevear	AlexisJo Louise	Kerry Egan	Myles Stritzke	Susanne Kennedy
Australian Health	Food for the Community	The Romero	for Health, Society,	Society, and Equity,	Amanda Bishop	Gemma Beale	Kristy Louise Orr	Natalie Chalmers	Tanya Newbury
Promotion Alliance	Community	and Equity, Flinders	University	Flinders University	Amanda Shanahan	Grace Newman	Kylie Pike	Neisha Hoffman	Tina Hunter
Australian	Incorporated	(Adelaide)	Dr. Freya	Dr. Freya	Amber Perkins	Greg Tropeano	Kym Mercer	Nuttawut Wisethom	Tina Gamberini
Unemployed	The Say No Seven	Senior Lecturer,	Dr. Deirdre Michell,	Senior Lecturer,	Amber Perkins	Harald Dingnis	Latoya Rule	Paul Jackson	Toby James Bell
Workers' Union	Facebook Community	University of South	University of South	University of South	Amanda Shanahan	Heather Hill	Leigh Heine	Paul Wormald	Tracey Jones
(Inner West Sydney)	Poverty (Sydney)	Adelaide	Adelaide	Australia	Annette Bennett	Hugh Edward Ryland	Liah Lazarou	Peter Dixon	Tracey Smith
Australian	Independent	Uniting Communities	Associate Professor	Jack Desbiolles,	April Louise	Ian Law	Liam Ellis	Rachel Maskell	Vicki Dorre
Unemployed	Community-wide	(Adelaide)	Associate Professor	Deirdre Tedmansan,	McTaggart	Inga Baker	Lisa Storm	Rebecca Kay	Wendy Morgan
Workers' Union	Homelessness	Willing Older	Deirdre Tedmansan,	Researcher,	Austin De Caux	Irayna Lee	Margaret Dingle	Robert LeCornu	William Rattley

- <http://www.smh.com.au/national/health/terminally-ill-cancer-patient-rhys-pagaldays-centrelink-support-cut-off-when-he-failed-to-go-job-hunting-20170323-gv4j7p.html>
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- <https://newmatilda.com/2016/11/05/turns-out-being-in-hospital-doesnt-excuse-you-from-work-for-the-dole>
- <http://www.couriermail.com.au/question/logan/should-a-person-with-a-broken-back-deformed-foot-and-a-liver-cancer-be-expected-to-work-yes-says-centrelink/news-story/2d9330dcb511618495634c333bf252>

The Administrative Appeals Tribunal stated that the current exception “is for temporary illnesses only and not for long-term disabilities”. In response, we ask: what happens to those with chronic and long-term illnesses when Centrelink refuse to accept successive medical certificates? Something must be done to ensure such recipients are adequately supported.

The exacerbating, and sometimes causative, impacts to health caused by the pressure and stress recipients feel as they attempt to meet Centrelink requirements that they plainly are unable to meet, are well-established. Centrelink’s job capacity assessors are not medical practitioners; they lack both medical training and a holistic understanding of an individual’s health – the exact information welfare recipients’ medical professionals do have.

From the outside it appears as though Centrelink is suffering from a case of institutionalised ableism: a failure to understand that expectations and requirements deemed simple for some may be very difficult for those suffering from physical or mental health problems.

Compounding matters is Centrelink’s broken compliance system. During the 2015-16 financial year, there were more than two million penalties imposed on Newstart recipients – ten times the 2011-12 figure.

According to the Department of Human Service’s latest annual report it was revealed that when a welfare recipient appealed against a Centrelink compliance penalty, in just under 40 percent of cases the decision was changed. The skyrocketing level of unfair penalties has created a culture of fear and intimidation.

Example A: Rhys Pagldays, 21, terminally ill cancer patient who was expected to apply for jobs despite “having only months to live.”

Example B: Matthew Bond, age unspecified, was seriously injured at work nine years ago and was placed on DSP, but then moved on to Newstart. He has a heart problem, is unsteady on his feet, suffers from memory loss and takes heavy painkillers.

“Despite his well-documented medical conditions, he has not been able to gain placement again on the DSP and must continue to undergo job training. “I get lost very easily,” he said. “I forget the basics of everything, and yet they think I’m suitable for a job.” Despite providing medical certificates, Bond has had applications to be exempt from training turned down several times by Centrelink..”

Example C: Leigh Markovic, 21, Sydney, was told she would be penalised if she did not attend Work for the Dole, despite providing Max Employment (her job agency) with a medical certificate and a letter from her psychologist stating that attending 25 hours of Work For The Dole per week would be detrimental to her health.

Example D: Alex Rossi, 51, of Mount Warren Park, who broke his back but has been deemed ineligible for DSP, placed on Newstart and assigned a job agency, despite being heavily medicated and unable to perform physical tasks, as determined by independent medical professionals.

FURTHER INFO: contact *Anti-Poverty Network SA* at antipovertynetwork.sa@gmail.com or on 0411 587 663.