



**ST VINCENT'S
HEALTH AUSTRALIA**

UNDER THE STEWARDSHIP OF MARY AIKENHEAD MINISTRIES

St Vincent's Health Australia

Submission to the Senate Standing Committee on
Community Affairs' inquiry into the Adequacy of Newstart and
related payments and alternative mechanisms to determine
the level of income support payments in Australia

13 September 2019



St Vincent's Health Australia Ltd

ABN 75 073 503 536

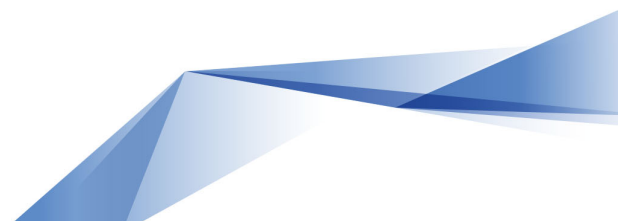
Level 22, 100 William Street
Woolloomooloo NSW 2011

Telephone 02 9367 1100
Facsimile 02 9367 1199

www.svha.org.au

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1. Introduction

1.1 St Vincent's Health Australia

St Vincent's Health Australia (SVHA) is the nation's largest not-for-profit health and aged care provider. We operate six public hospitals, 10 private hospitals and 19 aged care facilities in Queensland, New South Wales and Victoria. Along with three co-located research institutes – the Victor Chang Cardiac Research Institute, the Garvan Institute of Medical Research and St Vincent's Institute of Medical Research – we work in close partnership with other research bodies, universities, and health care providers.

St Vincent's Health Australia has been providing health care in Australia for more than 160 years, since our first hospital was established in Sydney in 1857 by the Sisters of Charity. When the first five Sisters arrived in Australia in 1838 they carried with them the vision of their Founder, Mary Aikenhead, to reach out to all in need of care and particularly to the poor and vulnerable. It is the legacy entrusted to us by the Sisters of Charity that continues to inspire St Vincent's Health Australia to strengthen and grow our mission.

St Vincent's Health Australia employs over 19,000 staff and operates close to 3,000 hospital beds and 1,400 residential aged care places. In our hospitals, we provide more than 1 million episodes of care for patients each year.

We are a clinical and education leader with a national and international reputation in medical research. Our areas of expertise include mental health; drug and alcohol services; homeless health; prisoner health; heart lung transplantation; bone marrow transplantation; cardiology; neurosurgery;

1.2 Why is SVHA responding to this Inquiry?

By virtue of our inner city locations and founding mission to support marginalised people and communities, SVHA delivers a significant amount of care to vulnerable patients (eg: homeless people, people with drug and alcohol disorders, people exiting prison, people living with mental illness, and patients from Aboriginal and Torres Strait Islander backgrounds). Patients from these groups are both frequent users of public hospital services and are commonly reliant on income support payments and services delivered by the Commonwealth's Department of Human Services.

For example, St Vincent's public hospitals in both Sydney and Melbourne care for individuals who, because of the nature of their illness and vulnerability, are recipients of Newstart and/or require access to other Centrelink payments, such as Sickness Allowance. Others require their loved ones to apply for (or make adjustments to, or change their circumstances around) the Carer Payment.

To help illustrate the level of demand our hospitals experience from patients who rely on a form of support through Centrelink, in the 2017 calendar year, St Vincent's Hospital Melbourne experienced 65,505 inpatient admissions. Of this number, more than 31% – 20,529 people – held valid Centrelink concession cards. In the first three months of 2018, more than 38% of inpatient admissions – 5,530 people – were holders of valid Centrelink concession cards.

But as our submission highlights, prior to them becoming unwell or experiencing an unplanned accident requiring hospitalisation, a number of those patients now on Newstart were employed and were active participants in their surrounding community.

It was their experience of illness and impairment that caused them to lose their job and require them to apply for Newstart. And it was while receiving Newstart that these same individuals often plunged deeper into poverty.

Our frontline clinicians, nurses, allied health, social workers and peer workers treat, care and support patients who are on Newstart on a daily basis. SVHA acknowledges the hard work our staff undertake every day to provide world-class healthcare to our patients. The content of this submission has been largely informed by them.

SVHA's experience with delivering healthcare to Newstart recipients corresponds with the Australian Council of Social Service's (ACOSS) description:

- of the 772,000 people on Newstart, half are over the age of 45.¹
- one-in-four people on Newstart have an illness or disability, but have not been granted the Disability Support Pension.
- two-thirds of people receiving Newstart have received the payment for 12 months or more.
- over the course of 12 months, the majority of people who start to receive Newstart move off the payment, but this masks the large number of people who are long-term unemployed.

It's because of SVHA's experience delivering hospital and healthcare to vulnerable Australians, that we are well-placed to demonstrate:

- the current Newstart payment does not support a patient to live a healthy life;
- the Newstart allowance level is inadequate;
- there is a link between inadequate welfare support and decline in health; and
- the ongoing stigmatisation of Newstart recipients is based on a misinformed and misguided understanding of the causes and circumstances that lead an individual requiring income support.

1.3 Our submission

There is considerable research which illustrates the significant human cost of unemployment, particularly long-term joblessness. SVHA believes the inquiry provides an opportunity to consider how better to support people experiencing long-term and/or under-employment, as well as supporting those who may not be able to work for some time.

A key plank of any future income support system should be the principle that unemployment, particularly when it relates to the development of an unexpected health circumstance, should not result in a person's life declining into poverty or stigmatisation.

February 2019 labour figures showed that while the headline unemployment rate is 5%, there are some indicators that signal:

- full-time employment is out of reach for some Australians;
- more than one million – close to eight per cent of the 12.7 million working Australians – work two jobs;²
- job growth in large sectors such as retail and construction is slowing;³ and
- underemployment is the worst it's been in Australia in more than 40 years.⁴

¹ *Raise the rate of Newstart* fact sheet (22 July 2019)

² <https://www.news.com.au/finance/economy/australian-economy/one-million-australians-have-to-work-two-jobs-new-figures-reveal/news-story/2d59d6203e0a14f5c68459c568eeaffb>

³ Roy Morgan employment data 2019

⁴ NSW Social Policy Research Centre Dec 2017

Given this labour market backdrop, SVHA welcomes the chance to engage with the Senate's Standing Committee on Community Affairs' inquiry into the adequacy of Newstart.

We hope that the inquiry's final recommendations will provide the Australian Government with the information to reform its income support system so that it:

- responds to the needs of all Australians and provides access to adequate support payments, and related health, employment and community support regardless of where a person lives;
- encourages better coordination across Centrelink, health, employment and aged care systems and supports holistic and responsive care of patients;
- eradicates red tape and administrative duplication between agencies and levels of government;
- supports those who, due to no fault of their own, have an accident or a diagnosed illness, and need rapid assessment and bridging support to ensure they and their families don't fall behind in housing, health, and other life-related costs;
- recognises that the use of technology and other innovations to deliver advice, support and services to support payment recipients doesn't cater for those experiencing cognitive, mental health and who are unconscious;
- considers alternative support models/packages other than Newstart particularly for individuals experiencing cancer treatment, temporary physical or mental trauma (eg: accident, witness to an accident); and
- doesn't force people to move locations and lose their social networks.

This submission sets out SVHA's views regarding Newstart via responses to the inquiry's terms of reference sections F, H, N and R.

Case studies 1-7 in this submission highlight the diversity of circumstances our patients present with and for the purposes of this submission, the case studies have been de-identified. We have also included quotes throughout our response from our staff who continue to support patients and deliver excellent healthcare to all Australians.

2. SVHA Summary of Recommendations

Terms of reference	Recommendations
F	<ol style="list-style-type: none"> 1. Increase Newstart to reflect the real costs of living in Australia. The current Newstart payment does not support an individual to live a healthy life. 2. Reform Australia's income support system to provide a base single-income support payment for all working-aged people requiring welfare support, topped up by additional individualised payments, based on a person's needs and circumstances, and a participation supplement to support the costs of finding employment. 3. Consider the development of an <i>emergency hospital income support package</i> for those who find themselves in hospital for an extended, or episodic, period of time, which begins once a medical certificate is issued. The purpose would be to provide immediate financial support to help a patient meet their housing costs and other essential payments until other income support mechanisms become available (eg: Workcover and/or other insurances) to help avoid risks such as loss of housing. 4. Better investment and reforms to make Centrelink's staff and services more accessible to customers, improve the accuracy of income support assessments, and reduce the waiting times associated with applications.
H	<ol style="list-style-type: none"> 5. Evolve Australia's income support system so it recognises the WHO definition of health and its importance in an individual's ability, not just to find work, but to participate both economically and socially in the community. 6. Reform Newstart so that recipients do not experience an increase in financial, social, housing and health vulnerability by virtue of its inadequacy. 7. Reform Newstart so that patients who seek appropriate health and community support to address their alcohol and/or other drugs misuse aren't excluded from eligibility criteria and stigmatised. 8. Reform the income support system so that people with health issues aren't negatively affected while waiting for the outcome of their Disability Support Pension application.
N	<ol style="list-style-type: none"> 9. Future evidence-based policy responses to employment and labour market initiatives must be based on the understanding that the causes of unemployment are multi-dimensional, as are the solutions. 10. That the Australian Government acknowledges the challenges hospital patients face are often complex and do not always fall neatly under the domain of one Government agency, requiring assistance to be better coordinated across departments. 11. Change how Centrelink and Australia's income payment system is administered so service is customer-centric and responsive to the needs of individuals, particularly the most vulnerable.

	<p>12. That the Australian Government considers what initiatives it can pursue to combat the stigmatisation of Australians requiring income support.</p> <p>13. That the Australian Government acknowledges and respond to the evidence that a well-funded income support system makes sound economic sense.</p>
R	<p>14. Trial the establishment of regular pop-up Centrelink clinics in public hospitals with large cohorts of vulnerable patients, to enable patients and hospital social workers to see a Centrelink officer in person (eg: the Salvation Army's Oasis community Centrelink clinic).</p> <p>15. Trial a direct phone line for hospital social workers making representations on behalf of high-risk and vulnerable patients with specialised Centrelink advisors/subject experts (eg: homelessness, health, aged care) to liaise with.</p> <p>16. Trial a Centrelink call back service to prevent lengthy waiting periods.</p> <p>17. Centrelink to provide regular training and education sessions for hospital social workers on its range of payments, eligibility requirements, and their application processes.</p> <p>18. Establish a pilot program in conjunction with state health departments that aims to expedite Centrelink payment applications for inpatients to avoid discharge delays.</p> <p>19. Establish a project for social workers across public hospitals to collect data on Centrelink-related delays and the associated costs of lengthier hospital admissions as a result.</p>

3. Response to Terms of Reference – F

SVHA's public hospitals deliver hospital and health care to a diverse range of individuals, from those who arrive at our hospitals because of an unexpected accident or event, through to those who have been diagnosed with a chronic illness or mental health issue.

SVHA advocates that the current approach to setting income support payments, particularly for vulnerable and/or marginalised groups, is inadequate.

Newstart, in real terms, has not increased since 1994, while the cost of living has increased.

Newstart is indexed to prices, rather than wages like the age pension. Since 1994, when the unemployment benefit was last increased in real terms, wages have grown 40% faster than prices.⁵ This means the age pension has doubled in real terms, while Newstart has not moved.

If Newstart had been tied to wages, recipients would currently receive \$351.91 a week, which is in line with the \$75 a week increase advocated by the Australian Council of Social Services.⁶

Case Study 1 – 35 year old Intensive Care Unit (ICU) patient

A 35 year old patient was admitted to Intensive Care (ICU) with a bleed on the brain after falling down stairs. Previously the patient was a well-paid and successful professional living in private rental. The patient spent some time in ICU and it was too early to say if their impairment was a permanent disability or not, which meant staff were unable to submit a Disability Support Pension application because they were unsure if the disability would last longer than two years.

The patient therefore needed to apply for Newstart or Sickness Allowance and lost their property because they could no longer afford to pay rent or non-health bills.

"We see stories like this very frequently in ICU: previously high functioning people who have an accident and then lose everything because Newstart is the only option and the amount is too low." St Vincent's Social Worker, 2019

In SVHA's experience, Newstart isn't sufficient to stop patients slipping into poverty, which is often characterised by living in unstable and unsafe housing resulting in homelessness, poor diet, additional illness and stress.

While SVHA's primary expertise is in health and aged care, from our experience the current approach of only raising Newstart in line with the Consumer Price Index (CPI) doesn't take into account the entrenched disadvantage and limited cash reserves many Newstart recipients begin with due to their recent employment and/or living circumstances.

The 'one size fits all' approach for Newstart payments isn't working.

SVHA joins with leading health, aged and community organisations; economists and business leaders; and both former and current Federal Parliamentarians from across the political spectrum, calling for an immediate increase in the Newstart payment.

SVHA concurs with the Business Council of Australia's view⁷ that Australia's income support payment system must:

⁵ <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-1.pdf>

⁶ *ibid*

⁷ https://www.bca.com.au/welfare_and_safety_net/July2019

- maintain a strong, sustainable safety net for the most vulnerable;
- preserve a targeted and compassionate welfare system and, where possible, remove the disincentives preventing people from working;
- acknowledge that entrenched disadvantage is inter-generational and deep-rooted, stemming from a set of complex problems including poor education, chronic health conditions, mental illness, addiction and violence;
- review the adequacy of income support payments as part of a broader package to improve the ability of long-term unemployed Australians to return to work;
- recognise that job seeking is not costless and should be accessible; and
- improve the effectiveness of specialist job services networks for people with mental health issues and chronic disabilities.

In SVHA's experience, the current approach to setting income support payments needs to take the following into consideration:

1. **Special and individual circumstances** – The “one size fits all” Newstart Allowance is not an effective way to manage the diversity of circumstances individuals find themselves experiencing. Some of our patients have a strong family/community safety net to fall back onto with insurance or cash reserves they can access for extended periods to cover private rent or mortgage payments, medical costs and to support themselves while they recover. However, a significant minority are underemployed (eg: working two or more part-time, and often casual, jobs) and live on the edge of poverty, or may not be working at all due to illness when they arrive at one of our facilities.

Many of these patients do not have cash reserves. Patients often require ongoing medication and support for their physical and mental impairment and this means they are often unable to return to work and/or job seek at the level required by Centrelink under its Newstart guidelines to avoid penalty.

2. **The real cost of accessing safe and affordable housing** – Feedback from St Vincent's Health social work staff who support patients receiving Newstart is that the current level of Commonwealth Rental Assistance does not meet the real cost of private rent or mortgage, particularly in cities such as Sydney and Melbourne.

Many patients find themselves in circumstances where they are unable to work for a long period of time. Subsequently, our staff observe such patients facing large debts and the loss of their private rental property and/or their house because Newstart does not take into account the individual's housing situation. The loss of a home can in turn lead to enormous personal stress, relationship breakdown, risk of ongoing homelessness, and increased demand on other health and community services.

The long delay in Centrelink's processing of Newstart (applications can take up to 13 weeks) often sees a patient accessing their cash reserves, resulting in them going into debt to maintain their shelter while in hospital. Patients experience increased stress due to concerns about growing debt, threat of eviction, and/or the need to seek more affordable – but not always appropriate and safe – accommodation, a long distance away from their current residence and support networks.

3. **Individuals with children escaping family violence** – Australia experiences alarming rates of domestic and family violence: one in six Australian women and one in 16 men have been subjected, since the age of 15, to physical and/or sexual violence by a current or previous

cohabiting partner. More than half (54%) of the women who have experienced current partner violence, experienced more than one violent incident.⁸

Our staff often provide healthcare and case coordination support to individuals with their children, who are experiencing domestic and family violence. As outlined above, the long delays in Centrelink's processing of Newstart – as well as the length of period it can take to apply for emergency support – often means individuals are forced to return to their unsafe living circumstances.

Such a development places both the at-risk partner and any dependants in danger, increases trauma, and can result in readmission to hospital – with injuries related to further violence – and/or homelessness. Newstart is not an appropriate income support payment for individuals escaping domestic and family violence.

4. **The additional heavy lifting other health and community services have to do to meet the shortfall of Newstart** – Given the current payment allowance does not meet basic costs of living, (see Case Studies 1-7) hospitals, charities, community service organisations, and other government agencies are regularly picking up the real the cost of supporting Newstart recipients.

Unemployment does not operate in a vacuum, nor does getting sick. In SVHA's opinion, it does not make sense for a support payment to be maintained at such a low level, resulting in increasing demand for other government and philanthropically-funded agencies and services. Better coordination of, and a renewed holistic case management approach to, Newstart recipients is required.

5. **The customer reality: the time it takes to connect with Centrelink and receive assistance** – The current access methods promoted by Centrelink do not take into account if a Newstart recipient:

- is experiencing a physical or cognitive impairment or mental health episode and is unable to either attend a Centrelink office or call and hold for periods of time;
- is living in unstable accommodation and/or experiencing homelessness and may not have access to a phone or internet;
- can afford a mobile phone or internet; and
- can afford the travel costs to attend Centrelink appointments.

"The transitional housing I was in was chaotic. I couldn't even keep a decent roof over my head so how was I going to be able to fill out the forms, get IT access at home, and afford the transport to Centrelink?"

Patient feedback regarding experience with Centrelink, 2019

6. **Quality of life impact** – When a patient is experiencing ill health and/or finds themselves in hospital, any added stress can result in a longer recuperation and other health complications. SVHA staff have provided feedback that many of the Newstart recipients they encounter express high levels of stress related to Centrelink's processes and live in fear of being suspended or having their income cut off if they are unable to meet their payment obligations.

⁸ Australian Bureau of Statistics, Personal Safety, Australia, 2016 (November, 2017)

SVHA has seen some patients require readmission due to deteriorating physical and mental health connected to them receiving an insufficient level of income support for their basic needs (See Case Studies 1-7).

A recent survey conducted by ACOSS of Newstart and Youth Allowance recipients revealed that Newstart recipients often skip meals, refrained from eating meat or fresh produce, held back from turning on the fridge and other electric-powered household items, and only showered once a week to save money, and yet still struggled to get by on less than \$100 a week after housing costs.⁹

Case Study 2 – 45 year old patient with loss of vision

A 45 year old patient became unwell resulting in loss of vision and required hospitalisation.

Because the patient was unable to work, they subsequently lost their job due to the casual nature of their position. At the time, the patient was renting privately, having maintained their rental agreement for approximately five years.

Multiple attempts to find new employment were unsuccessful, despite years of expertise and experience. The patient felt this was due to their age and the costs associated with hiring a senior professional in their industry compared to an apprentice or junior.

The patient applied for Newstart, however due to the lengthy wait period they fell behind in rent. Unable to afford rent once receiving Newstart, and unable to cover rental arrears, the patient was evicted from their home.

The patient found themselves staying on friends' couches and, on occasion, rough sleeping. They felt unsafe accessing hostels and boarding houses due to experiencing violence and aggression in such places.

Socially isolated and with no contact with family, the patient's difficulties at maintaining basic hygiene and clean clothing because of their insecure housing further affected their ability to find suitable work.

Because of this situation, the hospital provided the patient with free medicines, shopping vouchers for groceries, and regular suicide risk assessments to ensure the patient was not at risk of self-harm.

These findings are consistent with the lived experience of Newstart recipients encountered by SVHA's clinicians and social workers at our public hospitals.

SVHA's view is that it's unacceptable that the inadequacy of Newstart is very often the contributing factor for a patient's life slipping into poverty and chaos characterised by poor diet, insecure housing, relationship breakdown, leading to a deterioration in physical and mental health causing increased contact with health services, hospitals and community services.

SVHA's experience echoes the recent statement by the Australian Medical Association's President, Tony Bartone, during a speech at the National Press Club:

"...obviously, people on that kind of allowance [Newstart] are experiencing significant stresses, significant issues. And that must have a health impact on their well-being. So, clearly, if they are

⁹ ACOSS Survey of people on Newstart and Youth Allowance 2019

struggling, clearly if it's insufficient to meet the needs, well then certainly we would – from a health perspective – it makes sense to increase that.”¹⁰

Increasing Newstart would have an immediate positive impact on our patients.

SVHA believes that increasing Newstart should only be the first step in reforming Australia's support system. Ultimately, the Australian Government should move to an income support system made up of three components: a universal payment, additional add-on payments that take into account a person's individual needs (eg: in the event a person finds themselves in hospital for an extended period of time), and a participation supplement to cover the costs associated with job hunting.

3.1 Recommendations – F

SVHA recommends the following:

- Increase Newstart to reflect the real costs of living in Australia.
- Reform Australia's income support system to provide a base single-income support payment for all working-aged people requiring welfare support, topped up by additional individualised payments, based on a person's needs and circumstances, and a participation supplement to support the costs of finding employment.
- Consider the development of an emergency hospital income support package for those who find themselves in hospital for an extended, or episodic, period of time, which begins once a medical certificate is issued. The purpose would be to provide immediate financial support to help a patient meet their housing costs and other essential payments until other income support mechanisms become available (eg: Workcover and/or other insurances) to help avoid risks such as loss of housing.
- Better investment and reforms to make Centrelink's staff and services more accessible to customers, improve the accuracy of income support assessments, and reduce the waiting times associated with applications.

“We often get people coming into ED or on the wards who have been cut off from their payment for not reporting on time. This can often be because they have been too unwell to report or have been in hospital and have not had access to a computer or phone. We frequently have to give people Opal cards (for transport), clothing, and food as they have no money. Over time this would be having a significant impact on hospital resources.”

St Vincent's Social Worker feedback, 2019

¹⁰ AMA President Tony Bartone's address to National Press Club, 24 July 2019

4. Response to Terms of Reference - H

Case Study 3 – Patient with rapid onset of blindness awaiting DSP application

Under the Newstart rules, this patient still has to report to Centrelink every fortnight. SVHA staff observed this patient being cut off eight times in one session trying to report to Centrelink phone line. Following is a breakdown of this patient's budget:

Allowance	Budget
Newstart (with rent assistance)	\$660 per fortnight
Rental per week at a boarding house (this includes 2 basic meals a day)	\$175
Medication scripts per week	\$18
Opal Card per week	\$45
Lunches per week	\$70
Clothing (from charity shops)	\$30
Toiletries	\$10
Phone (to call Centrelink, Job Service Providers etc)	\$30
Costs per week	\$378
Costs per fortnight	\$756
Newstart shortfall	\$96

Case Study 3 highlights the common “poverty trap” our patients can encounter on Newstart. SVHA’s experience is that Newstart does not provide an adequate level of income to allow individuals to maintain an acceptable standard of living while balancing their immediate health and well-being needs, let alone when also attempting to complete job search and training obligations.

Better health is central to human happiness and well-being. It also makes an important contribution to economic progress, as healthy populations live longer, are more productive, and save more.

The World Health Organisation (WHO) defines health as ‘a state of complete physical, mental and social wellbeing and not merely the absence of disease and infirmity’, recognising that a person’s health status is linked to their wellbeing.¹¹

Healthy individuals are better able to contribute to the employment market and economic prosperity, and yet Newstart’s rules do not embrace the complexities of the whole person.

Centrelink is also often slow to respond and inflexible to individual conditions, particularly when a person is in ill-health as highlighted in Case Study 3.

¹¹ <https://www.aihw.gov.au/reports/australias-welfare/understanding-welfare-and-wellbeing>, Australian Institute of Health and Welfare

It is also unacceptable that a clearly unwell and impaired patient is forced to wait on Newstart while awaiting the outcome of their application for another income support payment, such as the Disability Support Payment (DSP). Our staff advise that DSP wait times can be as long as 10 months, and if the application is rejected, the patient can continue to spiral into further poverty while awaiting the outcome of an appeal/review.

SVHA believes Australia's income support system:

- fails to consider the WHO definition of health and its importance in an individual's ability, not just to find work, but to participate both economically and socially in the community;
- doesn't act as an enabler of good health;
- fails to take into consideration individual circumstances; and
- puts unnecessary stress on individuals during times of unexpected and episodic physical and mental health impairment.

In SVHA's experience, the current inadequacy of Newstart has a number of negative impacts on the lives of recipients:

1. **Inappropriate level of job seeking demands** – Under the current Newstart rules a participant is required to complete a number of diary entries, job applications and fortnightly reports. When a patient is experiencing a range of physical, functional and cognitive impairments, adherence to this regime can be extremely difficult. SVHA staff report that they have frequently witnessed patients having their Newstart suspended for perceived breaches of the reporting regime, even when there were exceptional circumstances involved, such as being incapacitated in hospital.

In SVHA's response to Terms of Reference F, we highlighted the compounding impact of unstable housing and other vulnerability factors on participation activity. The result of the system's inflexible 'one size fits all' approach can be a cycle of increased stress, loss of income, and increasing poverty and marginalisation.

2. **Inability to afford medicines and other consumables** – By virtue of their treatment at our hospitals, it's common for our patients to be prescribed important and sometimes life-saving medications, such as antibiotics, and require other health consumables such as bandages or pads related to their conditions. Many patients on, or seeking access to, Newstart are unable to afford their medication or consumables after discharge from hospital, particularly if they're needed long-term.

SVHA staff report that it's common for patients who are on Newstart not to be able to afford repeat scripts for essential medicines, which leads to a deterioration in that person's health, and increases the likelihood of their readmission to hospital. Staff also report that women are often left unable to afford basic feminine hygiene products.

3. **Inability to access appropriate and safe accommodation** – As outlined in SVHA's response to Terms of Reference F, Newstart with Commonwealth Rental Assistance is not sufficient to cover the cost of most private rentals in major Australian metropolitan centres. In addition, if you are a Newstart recipient, under some state government policies you are not always eligible for social housing, which leaves the private rental market your only option for accommodation.

Individuals in this circumstance are sometimes forced to move away from their family and social networks to try and secure housing elsewhere, which can often be inappropriate or substandard because of their limited funds. This can place additional stress on an individual's health and well-being as well as increase their transport costs for job seeking.

4. **Loan sharks** – The inadequacy of Newstart makes recipients vulnerable to unscrupulous lenders. SVHA staff have witnessed disadvantaged patients who have fallen victim to loan sharks and who are under significant financial stress in order to cover household basics – such as

medicines, groceries, repairs to household items, and mobile phones so they can job hunt – which Newstart is unable to cover. Such loans condemn vulnerable patients to a cycle of debt and financial stress from which it is very difficult to recover from.

5. **Impact of time taken for Centrelink assessments** – Many of SVHA’s patients who are eligible for a Disability Support Payment (DSP) are placed on Newstart while they await the outcome of their application. Our hospitals report significant time delays in the processing of DSP applications, sometimes as long as 10 months. The result is vulnerable patients – often physically or mentally incapacitated and unable to seek employment – left trying to make ends meet while on Newstart, which is wholly inappropriate for their situation. Our staff report patients becoming deeply entrenched in poverty while on Newstart or simply passing away from their health condition in the time it takes for their DSP application to be considered.
6. **Patients experiencing addiction** – Patients who take the brave step of seeking appropriate health and community support to address their alcohol and/or other drugs misuse should not be stigmatised and excluded from the eligibility criteria for Newstart. Experiencing alcohol and other drugs misuse is a public health issue. From our experience patients do not maintain an addiction as part of their ‘lifestyle’ but because addiction is symptomatic of other physical, traumatic or mental health issues. To label addiction as a ‘lifestyle choice’ is stigmatising and reflects a substantial misunderstanding of addiction. Experiencing addiction should not force patients into a cycle of poverty and stigmatisation.

Case Study 4 – 52 year old professional, terminally ill but still asked to work at least eight hours per week

A 52 year old patient was working in a professional role while managing a long history of problematic alcohol use. After becoming unemployed, the patient registered for Newstart. At the same time their alcohol dependence increased, often drinking up to three litres of wine per day.

The patient’s life continued to deteriorate and they ended up living in backpacker hostels, unable to afford private rental.

At this point, the patient was diagnosed with laryngeal cancer (voice box/throat cancer) and required a total laryngectomy (ie: the removal of the voice box leaving a permanent stoma or hole in the front of the neck) leaving them voiceless.

Sometime after the operation, the patient’s cancer sadly progressed and their diagnosis became terminal.

SVHA helped the patient apply for the Disability Support Pension but Centrelink’s response to the application was that the patient was still functioning “relatively well” and should be able to work at least eight hours per week. Centrelink suggested the patient pursue work as a traffic controller.

The patient expressed their deep frustration and embarrassment to our hospital staff at the situation and felt humiliated in needing to beg for the necessary support.

4.1 Recommendations – H

SVHA recommends the following:

- Evolve Australia’s income support system so it recognises the WHO definition of health and its importance in an individual’s ability, not just to find work, but to participate both economically and socially in the community.
- Reform Newstart so that recipients do not experience an increase in financial, social, housing and health vulnerability by virtue of its inadequacy.

- Reform Newstart so that patients who seek appropriate health and community support to address their alcohol and/or other drugs misuse aren't excluded from eligibility criteria and stigmatised.
- Reform the income support system so that people with health issues aren't negatively affected while waiting for the outcome of their Disability Support Pension application.

5. Response to Terms of Reference – N

The causes of unemployment are multi-dimensional. Similarly, the challenges our unemployed patients face are often complex far beyond their joblessness. As a result, it's often the case that the issues faced by our vulnerable patients do not always fall neatly under the domain of one Commonwealth Government agency.

As highlighted in this submission, supporting individuals to return to health and maintain their well-being – in order to participate more fully, not just in employment but in the community around them – takes a multi-portfolio response from both service providers and government agencies.

The Organisation for Economic Co-operation and Development states that the circumstances under which people grow, live, work and age – and the systems put in place to deal with illnesses – help to determine an individual's health and are important contributors to well-being. Many of these elements are shaped by social and economic forces; they are also shaped by government direction.¹² Policies at all levels of government can substantially influence the well-being of individuals and the broader population.¹³

Case Study 5 – Newstart to NDIS

A 53 year old was brought into hospital after a fall, the result of progressive bilateral lower limb weakness and not coping at home. The patient had worked most of their adult life but had been out of work for the past five years. They were living in a boarding house with no social or formal supports. Their walking had deteriorated to the point where some days they were unable to leave their home, and on many occasions, to walk the short distance to the communal bathroom, needing to urinate in old soft drink bottles in their bedroom.

Despite their health status, at the time the patient presented at hospital they were still required to report to Centrelink to maintain their Newstart payment. One of the reasons for the patient's lack of mobility was a Vitamin B deficiency which had contributed to spinal degeneration. This had been caused by poor nutritional intake that was likely a by-product of poverty and subsequent inability to maintain an adequate and nutritious diet.

Unable to return home and unable to live anywhere else, the hospital provided the patient with an extended admission of four months. This patient now resides in an aged care facility while they await an application for NDIS.

A range of interdependent factors can affect well-being. At the individual level, these include a person's knowledge, attitudes, behaviours and responses to life events.

Factors on a broader scale might include access to education, employment, secure housing, the environment, community networks and safety.

SVHA believes the Newstart Allowance must be increased so individuals experiencing unemployment do not find themselves slipping into poverty. SVHA further advocates for:

- changes in how Centrelink and Australia's income payment system is administered so service is customer-centric and responsive to the needs of individuals, particularly the most vulnerable;

¹² CSDH (Commission on Social Determinants of Health) 2008. Closing the gap in a generation: health equity through action on the social determinants of health. Final report of the CSDH. Geneva: World Health Organisation.

¹³ 1.3 Understanding Welfare page 1 (2017) Australian Institute of Health and Welfare

- an end to stigmatisation and shaming of Australians who require income support; and
- for governments to embrace the evidence that a well-funded income support system – one that doesn't plunge individuals into poverty – makes sound economic sense.

In SVHA's experience, the current inadequacy of Newstart has a number of roll-on impacts for other government portfolios. For example, the inadequacy of Newstart does not afford patients with any ability to meet the costs of any extras or incidentals which often arise with ill health. For example, upon leaving hospital, a patient may need to change bandages, eat certain foods, or purchase additional medications.

As highlighted by Case Study 3, the Newstart Allowance does not afford patients with any ability to meet the costs of unexpected extras. As a result, public hospitals, along with many government-funded charities, are forced to cover this shortfall by providing additional food, clothing and medicines. There is also a higher risk of readmission if patients are not able to be discharged into suitable and safe housing without access to goods and services that are fundamental to good health.

SVHA also advocates for better investment in housing and community support services. No public hospital should be placed in a situation of discharging a patient into homelessness and/or back to unsafe, inappropriate housing.

Access to transitional or social housing is critical when someone in previously insecure housing is recovering from health issues. SVHA advocates that government portfolios responsible for housing and community services need to be consulted and contribute to improving Australia's income payment system so new holistic responses can be put in place for vulnerable patients upon discharge from hospital.

5.1 Recommendations – N

SVHA recommends the following:

- Future evidence-based policy responses to employment and labour market initiatives must be based on the understanding that the causes of unemployment are multi-dimensional, as are the solutions.
- That the Australian Government acknowledges the challenges hospital patients face are often complex and do not always fall neatly under the domain of one Government agency, requiring assistance to be better coordinated across departments.
- Change how Centrelink and Australia's income payment system is administered so service is customer-centric and responsive to the needs of individuals, particularly the most vulnerable.
- That the Australian Government considers what initiatives it can pursue to combat the stigmatisation of Australians requiring income support.
- That the Australian Government acknowledges and respond to the evidence that a well-funded income support system makes sound economic sense.

"I don't know why the Government doesn't consider an amnesty period when a patient is on Newstart and a medical certificate is issued, or when an individual ends up in hospital unexpectedly, while the appropriate plan of action is sorted out across all the agencies."

St Vincent's Social Worker feedback, 2019

6. Response to Terms of Reference – R

Case Study 6 – 26 year old with permanent cognitive impairment

A 26 year old person presented to St Vincent's by ambulance following a cardiac arrest after an IV drug overdose. The overdose, and a subsequent fall post-cardiac event, resulted in a hypoxic and traumatic brain injury. As a result, the patient sustained permanent brain damage and required support with all of their care needs along with 24/7 supervision due to complex behaviours.

The patient was an inpatient at rehabilitation unit for several months where a variety of systemic barriers significantly delayed their discharge and community reintegration, including:

- The patient had lived a transient life since they were 16 years. They had a complex family background including developmental trauma in context of domestic violence, neglect, parental mental illness and drug and alcohol issues.*
- The patient was socially isolated and not in contact with any of their family members. They were a vulnerable member of the community due to poor self-worth, mental health and drug and alcohol issues.*
- The patient had a longstanding history of homelessness and when admitted appeared to be experiencing malnutrition.*

Prior to admission, the patient was residing in a boarding house and in receipt of the Newstart Allowance. However, due to the patient's permanent cognitive impairments, they were recommended for transfer to supported accommodation with 24/7 care in place. A St Vincent's social work staff member noted the patient was eligible for the DSP.

The patient's only identification was an expired Centrelink concession card, yet despite the patient being known to Centrelink since they were 16 years old, Centrelink staff insisted the patient visit a branch with a new passport to provide suitable identification and to be assessed.

However, the patient was not safe to leave the hospital due to unpredictable behaviour. A Hospital social worker advocated on a daily basis for Centrelink to send an employee to visit the patient, or participate in a videoconference, as an alternative, however both options were declined.

Centrelink also requested multiple medical reports from the hospital despite clear explanation the patient's cognitive impairment would not improve.

The challenge in supporting the patient's DSP application was exacerbated by the fact that the group home identified for their future accommodation would not engage with the hospital until it was confirmed his DSP application been successful, which significantly delayed the patient's discharge.

Hospital social workers spent several hours on hold with Centrelink, over many days, to assist in progressing the patient's application. The delay in discharge caused significant distress to the patient and extensive costs to the hospital as their prolonged admission and related complex behaviours required 24/7, one-on-one nursing care.

- Centrelink's lack of support for hospital social work teams and their disadvantaged patients**

SVHA acknowledges the efforts of Centrelink employees towards their customers and the support they – and their colleagues in the Department of Human Services – endeavour to provide our hospital staff, and through them, our patients and clients.

In the past, Centrelink has provided tailored services to support public hospitals in their care of vulnerable patients/clients in recognition of their often complex needs as outlined in Case Study 6.

At St Vincent's Hospital Melbourne (SVHM), Centrelink once provided a liaison service which made on-site visits. A Centrelink employee would attend the hospital once a week to see patients face-to-face on the ward with appointments being made via a booking system. At St Vincent's Hospital Sydney (SVHS) Centrelink used to provide a visiting service via Centrelink Engagement Officers (CEOs).

The benefits for St Vincent's vulnerable patients from this dedicated Centrelink support were:

- Centrelink could assist with DHS-service application forms and lodge them directly (on behalf of patients);
- Centrelink could trouble shoot issues and advise staff/patients of the correct course of action in real time; and
- patient ID checks could be completed on the spot.

Centrelink visits to the Melbourne hospital were wound up before 2012 and were initially replaced with a direct phone number to the office, but that has since ceased.

At St Vincent's Sydney, this service became a 'virtual team' between 3-5 years ago when a dedicated phone line was established for hospital staff to use. However, this service was closed in September/October 2017 and the service was restricted to email contact only.

Subsequently, this access was restricted further to matters only related to Newstart, and no other payments such as the Carer or Disability Support Pensions.

Unfortunately, Centrelink no longer provides either hospital with a dedicated or direct support service. There is no uniform system in place to provide patients and clients with assistance.

Instead, both hospitals largely rely on Centrelink's general phone and online gateways which create challenges for staff and patients in the form of lengthy wait times and unnecessarily prolonged delays in the resolution of issues. This takes our staff away from their clinical duties and can lead to unnecessary extended hospital stays.

Centrelink want patients to apply online but St Vincent's has many patients who neither have the capacity (eg: because of dementia, acquired brain injury) nor the access (eg: homeless) for this to occur. Patients are also required to have an email address, yet many older/vulnerable patients do not have an email nor access to their Centrelink Reference Number.

Unable to apply online, patients (or our social work staff on their behalf) face significant wait times on the phone or are unable to get through. This frequently contributes to delays in care planning and discharge, eg: homeless patients are unable to access Housing NSW support without confirmation of Centrelink income support.

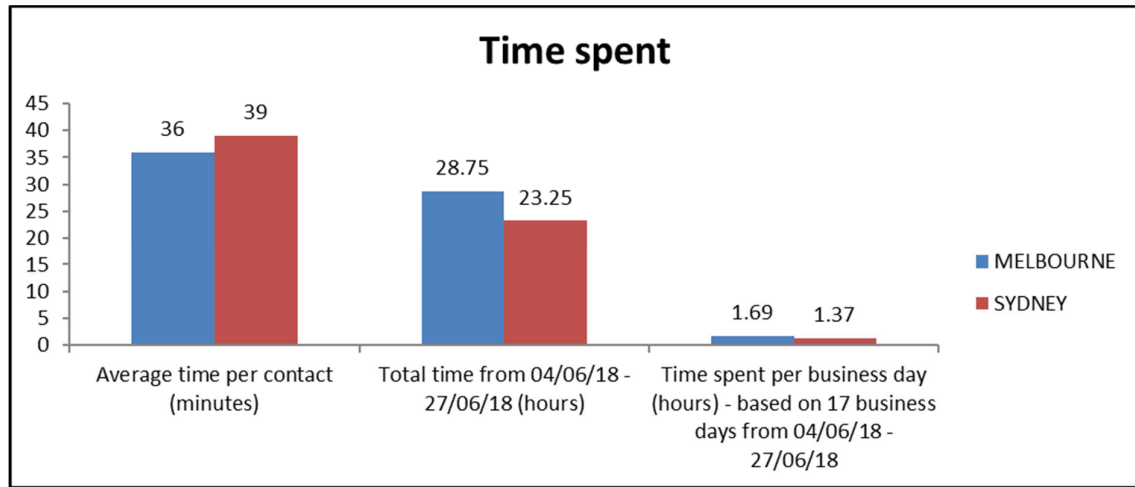
The other option – clients attending Centrelink in person to resolve their matters – can be extremely difficult, particularly without an advocate present, or impossible for health reasons.

The hospital's social workers can submit Medical Certificates on behalf of patients to Centrelink via fax. However, there is no confirmation from Centrelink that faxes have been received and processed. Staff often find out from patients at a later date that nothing has been progressed in relation to their fax. Hospital staff are concerned that Centrelink is not actively checking or actioning incoming faxes.

Due to Centrelink's online focus, social workers have also found it increasingly difficult to help clients apply for new payments (excluding DSP and Sickness Allowance which still have paper forms available) because of the challenges establishing a new MyGov/Centrelink Account.

As a result, patients and clients – often at an extremely vulnerable time in their lives – are receiving an inconsistent service from Centrelink that at times delays their recuperation and is a barrier to well-being.

In June 2018, SVHA recorded the time its social work staff spent on assisting patients with Centrelink over a three week period. The table below shows the loss of productivity experienced by our social work employees – collectively and individually – attempting to engage with Centrelink.



In an effort to identify whether the negative encounters with Centrelink at its public hospitals were unique, SVHA conducted an informal audit in late 2018 of the issue among social work staff at other comparable facilities and found that similar experiences were common and that there is no uniform system in place to provide patients and clients – particularly those who are most vulnerable – with prompt and easily accessible support.

Centrelink services across the organisations surveyed are utilised via a mix of formal arrangements (including Centrelink staff making visits, direct phone or email contact with Centrelink staff, etc); informal and personal contacts; or no arrangement at all, leaving hospitals to either use the agency’s general contact gateway or direct patients and their families to do so themselves.

As a result, patients and clients – often at an extremely vulnerable time in their lives – are receiving an inconsistent service from Centrelink that at times delays their recuperation and is a barrier to well-being.

- **End stigmatisation of income support recipients**

SVHA has observed an increasing amount of negative public commentary by media and political commentators about people receiving income support, the implication being that if you receive income support you are a ‘dole bludger’ and unwilling to find a job.

SVHA understands the biggest single income support payment for the Australian Government is the aged pension. There are some 2.6 million eligible senior Australians (as at December 2016) who receive the aged pension, or 2 in 5 (42%) people who receive the Age Pension on a part rate.¹⁴ There is also a range of supplementary payments.¹⁵

This is compared to 772,000 Australians on Newstart. The evidence presented by organisations such as ACOSS, the AMA, and Business Council of Australia about income support recipients does not support their portrayal by negative media reports and by political commentators.

¹⁴ 1.3 Understanding Welfare page 5 (2017) Australian Institute of Health and Welfare

¹⁵ Business Insider Australia “Why having the best social welfare system in the world matters to Australia”, A Leigh MP, October 2016

Stereotyping, stigmatising and judging Newstart recipients – particularly given many are unable to work due to a physical or cognitive impairment – has real physical and mental health consequences for our patients. SVHA calls for an end to the stigmatisation of unemployed people.

6.1 Recommendations – R

SVHA recommends the following:

- Trial the establishment of regular pop-up Centrelink clinics in public hospitals with large cohorts of vulnerable patients, to enable patients and hospital social workers to see a Centrelink officer in person (eg: the Salvation Army's Oasis community Centrelink clinic).
- Trial a direct phone line for hospital social workers making representations on behalf of high-risk and vulnerable patients with specialised Centrelink advisors/subject experts (eg: homelessness, health, aged care) to liaise with.
- Trial a Centrelink call back service to prevent lengthy waiting periods.
- Centrelink to provide regular training and education sessions for hospital social workers on its range of payments, eligibility requirements, and their application processes.
- Establish a pilot program in conjunction with state health departments that aims to expedite Centrelink payment applications for inpatients to avoid discharge delays. This would involve state health department professionals seconded to Centrelink to assist in managing and coordinating the welfare applications for each local health district and prioritising them in accordance with level of risk, outcomes and discharge. The health professionals could also assist in visiting vulnerable/high risk inpatients (eg: new quadriplegics, homeless patients, transplantees, carers, new amputees) and provide information, education and practical support with applications and required evidence. This level of support and input would provide a great deal of reassurance to patients, their carers and the treating teams.
- Establish a project for social workers across public hospitals to collect data on Centrelink-related delays and the associated costs of lengthier hospital admissions as a result. This is particularly relevant in stroke units, rehabilitation services, geriatric care and homeless health services, because an inability to successfully process a patient's Centrelink payment means the next stage of their care (eg: supported accommodation) cannot be arranged.

Case Study 7 – The journey to return to work, J's story

J is a 42 year old, well-qualified professional. After experiencing extreme trauma at work, J developed PTSD and began problematic drug and alcohol use as a result. J attempted to utilise WorkCover but was told that their psychological injury wasn't recognised. After three years struggling with addiction, J lost professional registration, job, family and home and had to register for Newstart.

Part of the registration demanded an assessment by a health professional to determine what Job Active stream J should be placed in. J was eventually placed in Stream C where he was expected to search for 15 jobs/month and work 15 hours/week if successful. At the time, J was living in a tent in a National Park, fighting active drug addiction, and with a diagnosis of depression and PTSD.

Following discharge from rehab, J shared a unit with six other people in a crisis accommodation service. J was eventually offered casual work with a disability service in an outer suburb. However, J's working credits soon disappeared as did the travel and health concession cards, making maintaining his new job very difficult.

In the end, it took J approximately two and half years to get to full-time employment and living independently. An increase in total working credit, and six months of subsidised travel and medication would have ensured that journey was completed much sooner.