Centrelink debt debacle is bad policy for mental health

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The controversial Centrelink debt recovery system shifts the onus of proof about apparent debts onto disadvantaged and vulnerable people.

The automated system uses matching data from various government agencies to generate letters to those receiving, or who have received, Centrelink payments, claiming they owe the government money. People then only have a few weeks to respond to matters that may go back years.

The debt recovery system could hardly have been better designed to create conditions that cause chronic stress.

Its approach has potentially serious consequences. UK research shows when government policies placed new and onerous demands on people receiving welfare payments this led to an increase in mental health problems, and in suicides.

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If this debt recovery program continues, it is quite possible we may see similar, adverse effects on people’s health in Australia. As such, the government should suspend the program and rethink its approach.

**How does stress affect health?**

Stress stimulates our senses and focuses our attention. Our heart rate and blood pressure increase to support rapid changes in behaviour. Occasional relatively mild bursts of short-term stress are useful in navigating everyday social environments and our bodies are designed to deal with it.

The social causes of stress are complex, but in simple terms, people are more likely to experience stress arousal in situations when they believe they lack control over a situation and/or fear a possible negative evaluation from other people.

Unlike short-term stress, chronic stress can have more serious, long-term health consequences. It occurs when people are faced with repeated environmental stressors over time and do not have (or cannot see) a way to avoid or resolve the perceived problem. Chronic stress can cause changes in the brain that lead to the onset of common forms of mental illness such as depression and anxiety disorders.

It is almost certain chronic stress plays a significant role in mediating the effects of social factors – like low income, unemployment, unsafe living environments, poor conditions in childhood, or being subject to discrimination – on health and illness across populations. Research shows such “social determinants of health” can undermine people’s mental and physical health.

**How does this relate to Centrelink?**

In light of evidence on stress and its social causes, Centrelink’s debt recovery program is highly likely to contribute to chronic stress among people already subject to socioeconomic disadvantage and/or other life demands. So it is likely to cause or exacerbate mental health problems and illness.

For a person with limited resources, receiving a government letter demanding payment of large debts and threatening legal action is very likely to undermine their sense of control over their life, especially given community legal centres are simultaneously being defunded.

**Broader lessons for policy**

A broader aspect of this problem is the failure of policy makers and key mental health organisations to come to terms with the causal link between social conditions and mental health and illness.

My research with colleagues on Australian health policy has shown although mental health policies often acknowledge social determinants of mental health, they mainly focus on individualised responses through medication and therapy.
The lack of action on social determinants of mental health and illness allows governments to avoid responsibility for the adverse health impacts of policies, like the Centrelink program.

It also blocks much needed public discussion on the **broader impacts of stress** in modern societies. It lets down the Australian public and obscures the potential for Australia to do far better than our current sorry **performance** on mental health by pursuing a **policy agenda** to create social conditions that support well-being for all.