



# Australian Council of Social Service

5 April 2019

Mental Health Inquiry  
Productivity Commission  
GPO Box 1428,  
Canberra City, ACT 2601

## **Submission: Productivity Commission Inquiry - The Social and Economic Benefits of Improving Mental Health**

Dear Commissioner(s),

The Australian Council of Social Service (ACOSS) is a national advocate for action to reduce poverty and inequality and the peak body for the community services sector in Australia. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life. ACOSS welcomes the opportunity to contribute to the work of the Productivity Commission in this important area.

In this submission, we canvass issues associated with poverty, unemployment, income and mental health, along with the issues associated with commissioning mental health services. We reference other reports and material produced by ACOSS that the Commission may find useful in its inquiry.

### **Poverty, unemployment, income and mental ill health**

The links and associations between poverty, low income, unemployment and mental ill health are well documented. In the Australian context, the 2007 National Survey of Mental Health and Wellbeing provides useful research on the causes and consequences of mental ill health. This survey found that people who are on income support experience significantly higher rates of mental ill health than the broader population.<sup>1</sup> The prevalence of mental illness was 34% across income support recipients over a 12 month period compared with 20% for non-income support recipients.<sup>2</sup>

People who were unemployed experienced affective disorders at almost three times the rate of employed people (15.9% and 5.7% respectively). Unemployed women experienced mental health disorders at higher rates than men (34% and 26% respectively).

There is also an association between low income, poverty and mental ill health. The National Survey of Mental Health and Wellbeing found that people on the lowest incomes (in the lowest 20% of

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<sup>1</sup> Australian Bureau of Statistics, 2007, National Survey of Mental Health and Wellbeing: Summary of Results [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/6AE6DA447F985FC2CA2574EA00122BD6/\\$File/National%20Survey%20of%20Mental%20Health%20and%20Wellbeing%20Summary%20of%20Results.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/6AE6DA447F985FC2CA2574EA00122BD6/$File/National%20Survey%20of%20Mental%20Health%20and%20Wellbeing%20Summary%20of%20Results.pdf)

<sup>2</sup> Butterworth P, Burgess P, Whiteford H, 2011, 'Examining welfare receipt and mental disorders after a decade of reform and prosperity: analysis of the 2007 National Survey of Mental Health and Wellbeing' *Australian and New Zealand Journal of Psychiatry*; 45:54–62 <https://journals-sagepub-com.ezproxy.library.uq.edu.au/doi/pdf/10.3109/00048674.2010.522555>



incomes) experience higher rates of mental ill health than people on the highest 20% of incomes<sup>3</sup>. In particular, the survey found that people on the lowest incomes were more likely to experience anxiety disorders, affective disorders and substance abuse disorders.

Not only is poor mental health associated with receipt of income support, the conditions tied to receipt of income support can exacerbate people's mental health issues. For example, the Welfare Conditionality Project in the UK found that "the application of welfare conditionality exacerbates many disabled people's existing illnesses and impairments. Its detrimental impact on those with mental health issues is a particular concern"<sup>4</sup>. In our Voices of Unemployment report, people talked about their experience of engaging with jobactive as a condition of receiving their payment. Many described their experience as frustrating and depressing, with one woman stating 'with the crippling anxiety I was experiencing, appointments with the provider sent it into overdrive.'<sup>5</sup>

**The provider role in the benefit compliance system (and risk of loss of payments) was a major source of anxiety.** Poverty and inequality have "direct and indirect effects on the social, mental and physical wellbeing of individuals"<sup>6</sup> and are both a determinant and a consequence of poor mental health<sup>7</sup>. Poverty rates in Australia are very high among households where the main source of income is Youth Allowance (64%) and Newstart Allowance (55%)<sup>8</sup>. The single most effective step that the Federal Government could take to alleviate the worst poverty in our community is to increase the rate of Newstart Allowance and Youth Allowance by \$75 per week. The last time Newstart rose above CPI was in 1994, when it went up by \$2.95 per week. Newstart has therefore not increased in real terms for 25 years, and is now worth just \$282 per week. The cost of basic essentials like housing, groceries, energy, transport, and clothing has risen, and is estimated as a minimum total household cost of \$433 per week for a single unemployed person<sup>9</sup>.

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<sup>3</sup> Australian Bureau of Statistics, 2007, National Survey of Mental Health and Wellbeing: Summary of Results [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/6AE6DA447F985FC2CA2574EA00122BD6/\\$File/National%20Survey%20of%20Mental%20Health%20and%20Wellbeing%20Summary%20of%20Results.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/6AE6DA447F985FC2CA2574EA00122BD6/$File/National%20Survey%20of%20Mental%20Health%20and%20Wellbeing%20Summary%20of%20Results.pdf)

<sup>4</sup> Economic and Social Research Council, 2018, *Final Findings Report, Welfare Conditionality Project 2013 – 2018*, University of York, York, [http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/06/40475\\_Welfare-Conditionality\\_Report\\_complete-v3.pdf](http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/06/40475_Welfare-Conditionality_Report_complete-v3.pdf)

<sup>5</sup> ACOSS, 2018, *Voices of Unemployment: Results of an ACOSS survey of jobactive service users*, Sydney, [https://www.acoss.org.au/wp-content/uploads/2018/10/Voices-of-Unemployment\\_October-2018\\_web.pdf](https://www.acoss.org.au/wp-content/uploads/2018/10/Voices-of-Unemployment_October-2018_web.pdf)

<sup>6</sup> Murali V, Oyeboode F, 2004, 'Poverty, social inequality and mental health' *Advances in Psychiatric Treatment*, vol. 10, 216–224 [https://www.cambridge.org/core/services/aop-cambridge-core/content/view/39E6EB94B44818EDE417F181AC300DA4/S135551460001322a.pdf/poverty\\_social\\_inequality\\_and\\_mental\\_health.pdf](https://www.cambridge.org/core/services/aop-cambridge-core/content/view/39E6EB94B44818EDE417F181AC300DA4/S135551460001322a.pdf/poverty_social_inequality_and_mental_health.pdf)

<sup>7</sup> *ibid*

<sup>8</sup> Davidson, P., Saunders, P., Bradbury, B. and Wong, M. (2018), *Poverty in Australia, 2018*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 2, Sydney: ACOSS

<sup>9</sup> Saunders, P., & Bedford, M. (2017). *New Minimum Income for Healthy Living Budget Standards for Low-Paid and Unemployed Australians*. (SPRC Report 11/17). Sydney: Social Policy Research Centre, UNSW Sydney. <http://doi.org/10.4225/53/5994e0ca804a4>



## **Purchasing and delivering Mental Health Services**

We note the Commission's interest in the way that mental health services are funded, and how better outcomes can be achieved. ACOSS considers that human services are unique and differ from conventional "markets". The delivery of human services by community-based, not-for-profit organisations is part of a rich framework of human capital that delivers far more than just a service. The relationship between people and community services is unlike other consumer-provider relationships and must be treated very differently. These relationships build and contribute to communities and enrich people's lives. They may be forged in times of crisis and have transformational and enduring effects.

In 2017 the Commonwealth Department of Social Services commenced a new approach to the way that services are planned and delivered to focus more on outcomes for people. This program of work – originally 'Commissioning for Better Outcomes', now reframed as 'Getting Better Outcomes' – has generated discussion and debate in the community sector about the program, and about commissioning as an approach more generally.

In this context ACOSS engaged with the debate by reviewing a range of literature about what makes an effective commissioning framework, and engaged with members via a full day workshop focused on informing the Getting Better Outcomes program. We have also consulted widely with our members. To inform the process, ACOSS produced the [Commissioning for Better Outcomes – Principles and Practice Briefing Note](#), aimed at further contributing to the development of good policy in this area. We consider that the lessons from the process would be useful to you in developing an analysis of how mental health services are planned, purchased and delivered.

If the inquiry has any questions regarding this submission, the ACOSS contact person is Senior Adviser (Community Services and Health), John Mikelsons,

Yours sincerely,

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