



# Beyond Blue submission to the Productivity Commission's Productivity Inquiry 2022

**23 March 2022**

Beyond Blue welcomes the opportunity to respond to the Productivity Commission's Productivity Inquiry. We make three recommendations on systemic mental health reforms that are critical to enhancing productivity in Australia. The Productivity Commission's own Mental Health Inquiry (the Inquiry) in 2020 estimated the cost to the Australian economy of mental illness and suicide is estimated to be up to \$70 billion per year. The Productivity Commission highlighted that reforming the mental health system would produce economic and quality-of-life benefits of up to \$18 billion annually.

Mental ill-health affects all Australians' lives either directly or indirectly. As such, an effective response to unlocking greater productivity in Australia by preventing and reducing the impact of mental ill-health and suicide must be coordinated and delivered across government portfolios.

Two years since the release of the Inquiry, we are yet to see some of the major recommended reforms implemented. The system remains unbalanced, fragmented, uncoordinated, confusing and unaffordable for many people.

The COVID-19 pandemic has exacerbated the challenge. We have seen a population-level deterioration in mental health, increasing demand for mental health services and a widening of the mental health equity gap for vulnerable and marginalised groups.<sup>1</sup>

A clear, long-term plan for major structural reform – e.g. to roles and responsibilities, commissioning, funding and outcomes measurement models, workforce and infrastructure – needs to accompany investment that reflects the burden of disease and is balanced across a continuum from prevention to acute and crisis care.

The recently released National Mental Health and Suicide Prevention Agreement (the Agreement) is a first step on the path towards reforming the mental health and suicide prevention systems by setting out shared intentions, principles and objectives for all jurisdictions. However, the Agreement lacks detail about how large systemic reforms (e.g. to improve service integration, and increase investment in prevention and early intervention) will be implemented. The principles in the Agreement outline what should feature in a reformed system. Now we need the roadmap (clear implementation and investment plans) for how to get there. This detail must be included in the implementation plans because genuine, meaningful reform requires detailed actions that are transparent and measurable.

In addition, with only five jurisdictions signed up to the Agreement at the time of writing, and without bilateral agreements to release funding across all jurisdictions, significant barriers to meaningful, structural, national reform remain.

Beyond Blue acknowledges that reform will take time and be incremental, and we hope that if the Agreement is fully delivered, progress is seen in key areas.

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<sup>1</sup> Bower M, Smout S, Ellsmore S, Donohoe-Bales A, Sivaprakash PP, Lim C, Gray M, Francis A, Grager A, Riches J and Australia's Mental Health Think Tank. (2021) *COVID-19 and Australia's mental health: An overview of academic literature, policy documents, lived experience accounts, media and community reports*. Sydney NSW: Australia's Mental Health Think Tank; p.g. 4-5

## Recommendations

Beyond Blue recommends that:

1. The Commonwealth Government secures support for the National Mental Health and Suicide Prevention Agreement from all states and territories and governments negotiate bilateral agreements to support its effective implementation along with clear implementation and investment plans and transparent reporting against progress.
2. The implementation of the Agreement must (a) embed lived and living experience; (b) take a whole-of-government, whole-of-life approach; (c) invest in prevention and early intervention; and (d) have long-term funding that is outcomes-based.
3. The Commonwealth Government continue to support and invest in the National Workplace Initiative and fund implementation assistance to help workplaces create environments where people stay and thrive in employment.

To improve Australia's productivity, we need to prioritise the following mental health and suicide prevention reforms:

- 1. Securing support from all governments for the National Mental Health and Suicide Prevention Agreement, including through the negotiation of bilateral agreements between the Commonwealth and all states and territories, and the development of and reporting against implementation and investment plans.**

The Agreement must unite national reform efforts across Commonwealth and state/territory governments, guide and track progress and set clear roles and responsibilities. We urge all governments to endorse the Agreement and publish their implementation plans to drive meaningful progress in much needed reform of our national mental health and suicide prevention systems. This is a first step on the path of long-term incremental reform. If the Agreement is properly implemented and well-funded, it can promote alignment between jurisdictions, enable strong leadership to drive change and facilitate collaboration and support across all levels of government, the mental health sector and the community.

- 2. Ensuring that the implementation of the National Mental Health and Suicide Prevention Agreement:**
  - a) Embeds lived experience**

Building better mental health services that work starts with people. Sustainable, large-scale reform of the mental health and suicide prevention systems will only be achieved if people with lived and living experience are positioned, alongside clinicians, researchers, NGOs and governments, at the forefront of change. As the Inquiry report states, impact on people is the factor by which all other elements of reform are judged – if the system doesn't work for the people who need the system most, it doesn't work.

Beyond Blue welcomes lived experience voice being committed to in the Agreement, however, given the limited engagement of people with lived experience in the design of the Agreement, this commitment and approach will need to be greatly improved during its implementation.

Embedding people's lived experience in co-design, planning, delivery, and evaluation can be challenging for governments. Beyond Blue calls on all governments to implement the commitment in the Agreement to include the voice of people with lived experience meaningfully by sharing power and control. This includes:

- engaging in authentic partnerships that go beyond traditional consultation
- embedding an outcomes framework that prioritises outcomes that matter most to people
- ensuring participation is representative by addressing barriers to diverse participation
- elevating First Nations voices, recognising the ongoing impact of colonisation and inter-generational experiences of trauma

- supporting and valuing the contributions of people with lived experience through remuneration and investment in career pathways
- funding to build the lived experience workforce, including a mental health and suicide prevention peer workforce peak body.

**b) Takes a whole-of-government, whole-of-life approach**

Beyond Blue welcomes the commitment in the Agreement to a whole-of-government and people-centred approach. However, given the responsibility to implement the Agreement lies with Health Ministers, there is further work to do to enable the system to be whole of government that will need to extend beyond the Agreement.

A truly cross-jurisdictional, cross-portfolio approach to implementing the Agreement will enable reform that centres people as whole beings and accounts for risk factors (like experiencing unemployment, problematic levels of loneliness, homelessness or systemic discrimination) and protective factors (such as strong relationships and financial security) that impact their long-term wellbeing. Generational transformation in the mental health of Australians is only possible if we address the social determinants that unevenly distribute the burden of mental ill-health and suicide.

**c) Invests in prevention and early intervention**

National leadership and increased investment in prevention is needed to give Australians the opportunity to live mentally healthy lives, free from the avoidable circumstances that give rise to psychological distress and mental health conditions. While the Agreement confirms existing joint responsibility with the States for prevention of mental ill-health and early intervention, it is disappointing that the Agreement did not commit to greater leadership and innovation in this important pillar of reform. The Agreement notes that prevention and early intervention effort will likely generate economy-wide benefits but contains no commitments or detail foreshadowing how this will be achieved.

The foundations of good mental health are laid early in life and outcomes improve when mental health support is delivered early in a person's experience of poor mental health. Prevention and early intervention reform should focus on equipping individuals to manage their mental health and wellbeing, increasing access to low intensity services, and tackling the structural causes of poor mental health to promote health equity.

A holistic mental health system needs to reach back further into wellbeing, to prevent early distress from becoming a mental health condition. Government should apply a prevention lens to all key areas of reform, including to workplace, suicide prevention, low intensity digital supports, and education. Shifting the focus to prevention will not only reduce the onset or recurrence of mental health conditions. It also stands to increase people's productivity across all domains of their life (such as work, volunteering, caring) and to deliver social and economic benefits by helping people thrive in their learning, creative pursuits, physical health and relationships.

**d) Has long-term funding that is outcomes based**

Insufficient and insecure funding has repeatedly been identified as a barrier to workforce development, service delivery and meaningful change. Mental health and suicide prevention reform must be enabled through long-term funding linked to shared outcomes across Commonwealth, state, and territory governments. These outcomes must embed long-term priorities that support service continuity, incentivise sector innovation, appropriately ringfence new investment, and ensure funding is allocated where it's most effective. Implementation of the Agreement, including the development of bilateral agreements, must transparently articulate how reform will be funded, delivered and monitored and this should be tied to clear, long-term outcomes.

### 3. Mentally healthy workplaces

Intervening in the big settings where people live their lives creates scope for population-wide, transformational, cost-effective change. Investment in healthy workplaces is good for the individual, the workplace and the broader community. Conversely, the prevalence of mental ill-health has a direct and continuing impact on workplaces, affecting participation, performance, retention, absenteeism, presenteeism, illness and accidents<sup>2</sup>. As such, it is welcome that the Agreement acknowledges the opportunity that promoting mentally healthy workforces presents in protecting and improving the mental health of Australian workers.

Employers need support to create workplace cultures and conditions that foster good mental health, reduce stigma and discrimination, protect workers from risks to their mental health and go beyond existing mandatory legal obligations to create thriving workplaces.

Timely action is needed given the impact of the pandemic and considering the changing nature of work. Evidence points to the increasing complexity of work, reduced job control, concerns about job security<sup>3</sup>, and the strong links between financial distress and mental health<sup>4</sup>. Small businesses are reporting that they have been hit particularly hard and are experiencing increased levels of stress<sup>5</sup>. Interventions must consider business size and capacity, with a focus on small business and sole traders. With a third of small businesses in Australia run by people from culturally and linguistically diverse backgrounds, resources should be designed with them to ensure that they meet their needs<sup>6</sup>.

The National Workplace Initiative (NWI) (being developed by the National Mental Health Commission) aims to provide a single integrated framework and implementation support to catalyse adoption of mental health strategies across Australian workplaces of all sizes, including small business. Sustained investment in mentally healthy workplaces through the implementation of the NWI, once launched, will strengthen sector collaboration to address fragmentation and confusion. The NWI can support Australia's 13 million workers to achieve their best possible mental health, no matter where they are on the mental health continuum. Government should fund implementation assistance to maximise usability design, relevance and impact for all businesses in Australia.

The NWI can drive reform gains as significant as many of the much-heralded microeconomic reforms of recent decades because it is focused on lifting the performance of the whole Australian workforce. It will impact the two key drivers of economic growth:

- Lifting productivity: Improving mental health lifts productivity by improving human capital – helping people perform at their best. The Inquiry reports the estimated cost of absenteeism and presenteeism due to mental ill-health is up to \$17 billion per year. KPMG estimate that implementing a select group of evidence-based workplace interventions could save \$4.5 billion a year<sup>7</sup>.
- Lifting participation: Improving mental health lifts participation by helping those under pressure to remain in the workforce and those with mental health conditions to gain employment.

In addition, a more mentally healthy working population will mean lower outlays on addressing mental conditions and their consequences. While only six per cent of all workers compensation claims in Australia are for work related mental health conditions, the cost of these claims is typically about 2.5 times the cost of other workers compensation claims and involve 2.5 times more time off work.<sup>8</sup>

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<sup>2</sup> Harnois, Gaston, Gabriel, Phyllis, World Health Organization & International Labour Organisation. (2000) *Mental health and work: impact, issues and good practices*. World Health Organization; p.g. 1

<sup>3</sup> Black Dog Institute. (2021) *Modern work: how changes to the way we work are impacting Australians' mental health*. Sydney; p.g. ii

<sup>4</sup> *Mental health and work: impact, issues and good practices*. World Health Organization

<https://melbourneinstitute.unimelb.edu.au/news/news/financial-stress-and-mental-distress-growing-despite-signs-of-economic-upturn>

<sup>5</sup> WorkWell for the Small Business Victoria project. (2022) *Victorian Small Business Consultation Insights Report*, p.g. 9

<sup>6</sup> EY Sweeney. (2018) *Migrant Small Business Report*. CGU Insurance; p.g. 1.

<sup>7</sup> KPMG and Mental Health Australia. (2018) *Investing to Save: The Economic Benefits for Australia of Investment in Mental Health Reform*, p.g. 28

<sup>8</sup> Productivity Commission. (2020) *Productivity Commission Inquiry Report – Mental Health*. Volume 1; Canberra, p.g. 50