



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

8 April 2019

Ms Tracey Horsfall
Mental Health Inquiry
Productivity Commission
CANBERRA ACT 2601

Dear Ms Horsfall

THE SOCIAL AND ECONOMIC BENEFITS OF IMPROVING MENTAL HEALTH

We support including mental health in workplace health and safety regulations to overcome the stigma associated with mental ill-health and better identify the actions that SMEs need to take to deliver mentally healthy workplaces. It is important that further research into the mental health of small business owners and employees is undertaken to identify their specific risks and to better target assistance and measure the impact of interventions. However, for time and money-poor small businesses, any new requirements would need to be affordable, flexible and easily accessible.

Depression and anxiety are the leading cause of disability in Australia. Approximately 4 million Australians experience depression and/or anxiety each year. Unlike many physical illnesses, these conditions impact on people during their prime working years. Effective treatments are available but as many as 50% of people do not seek treatment. The personal and economic cost of this is significant.

Good mental health is critical to the success of all workplaces. Research shows that the impact of depression in the workplace includes:

- 3 – 4 days off work per month for each person experiencing depression
- Over 6 million working days lost each year in Australia
- 12 million days of reduced productivity each year due to the symptoms of depression and anxiety such as an inability to concentrate and meet deadlines
- The costs of absenteeism and reduced productivity can be as high as \$10,000 per employee with untreated depression

Current mental health initiatives in the workplace are mostly focused on larger businesses that have infrastructure like human resource departments to support the implementation of programs, policies and training. Given that in almost 1.5 million small businesses, the owner is the only employee¹, and a further 627,000 have less than 5 employees, these support services are not readily transferable to small businesses.

But there is much that can be done to deliver better mental wellbeing in small business. First it is important that small business owners understand the factors that contribute to job stress;

- High demands
- Low job control
- Work overload or pressure
- Lack of control and participation in decision making
- Unclear work roles

¹ Source: ABS Counts of Australian Business 8165.0 Table 13, Feb 2019 and ASBFEO calculations (excludes nano businesses with no GST role) Small Business Counts p. 8

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- Job insecurity
- Bullying
- Poor communications

Having policies and procedures in place to minimize these issues and having regular discussions with staff about how they are feeling is important, as is making it clear that mental health issues will be treated the same way as physical health. It is important to encourage staff to feel comfortable to talk about mental health and to be sure there will be no associated stigma. Early treatment significantly improves the outcome of mental health conditions both for the individual and for the business.

Strong leadership is important.

It is also important to encourage small business owners to look after themselves, not just their staff. Running a business can be very stressful with cash flow issues, long hours, red tape, disruption in the marketplace and trying to balance family with the pressures of the business. Small business owners find it difficult to have the time off to seek help, even when they are aware they are struggling. Often they are unwilling to admit they have a problem until it is too late. We need to provide services that integrate business needs, such as help with cash flow management, staff management and access to capital, with support with mental health and wellbeing. Providing better links between existing services and information is essential.

A multi-pronged approach is needed to prevent and treat mental ill-health². Online mental health interventions present a real opportunity for tackling mental wellness in small business workplaces because they are accessible from anywhere at any time and are often free. Complimented by mental health phone hotlines being answered by staff trained in small business issues to provide specialised advice on how the small business owner can create a mentally healthy workplace.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence

Yours sincerely

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

² icare and Everymind, *White Paper: Can digital interventions help to improve mental health and reduce mental ill-health in small businesses?*, 2017