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Business SA submission to the Mental Health Review

April 2019



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Introduction

Business SA, South Australia's Chamber of Commerce and Industry, was formed in 1839 and has over 3,000 members across a wide range of industry sectors, from micro businesses right through to listed companies. We are a not-for-profit business membership organisation which not only works on behalf of members, but for the broader business community and in pursuit of economic prosperity for both South Australia and the nation. Being primarily funded by our products and services to thousands of local businesses alongside member subscription support, Business SA is independent of the policy agenda of any government or political party.

As a member of the Australian Chamber of Commerce and Industry (ACCI), Business SA supports the submission of ACCI. This submission supplements the ACCI submission in that it demonstrates the important work being carried out in the area of mental health in South Australian workplaces. Business SA recognises the importance of good mental health in the workplace and the effects it can have on individuals, companies and the South Australian economy.

It is important to recognise that mental health in the workplace does not begin and end with employees. There is a significant amount of focus and resources regarding employee mental health, however business owners, who are under a considerable amount of pressure and stress, are often ignored. The impact of the poor mental health of business owners on employees, clients and families is rarely considered. Business owners juggle a lot, including managing staff, working long hours, family responsibilities, constantly weighing up profit and loss statements to make ends meet and paying wages.

This is a significant issue when we also recognise that 98% of all businesses in South Australia are small businesses.

Business SA asks the Productivity Commission to consider the effect poor mental health of the owners of small and medium enterprises (SMEs) has on the economy and whether there are adequate resources available to assist owners of SMEs when they face a mental health crisis.

Business SA continues to encourage all businesses to assess the procedures they have in place to handle mental health issues or staff trained to help colleagues struggling with their mental health. Business SA recognises that it is important for businesses to be aware of mental health issues within their organisations, however, it is important that significant additional legal obligations are not forced on businesses that are already drowning in paperwork.

Businesses should be encouraged to improve the workplace environment, whether it be through engagement or wellbeing programs, five-day or five-month challenges. By doing this, businesses can start to lower costs and provide healthier worksites for all. The business community must be encouraged to be proactive about tackling mental health at work, whether it's by encouraging others to come forward, offering training to know how to deal with colleagues, or making sure people are aware of employee assistance programs.

1. Business SA's Contribution to Mental Health in the Workplace

Business SA recognises the importance of mentally healthy workplaces and as such has, we believe, made significant contributions to this area. Business SA contributes in the following ways:

Member of the **SA Mental Health and Wellbeing Steering Group** the purpose of which is to:

- Lead the development of the South Australian Mental Health Strategic Plan for the period 2017-2022 (the Strategic Plan);
- Lead and coordinate implementation of the Strategic Plan and the development of subsequent action plans and projects;
- Develop policy and project proposals requested by the Minister for Mental Health and Substance Abuse;
- Engage with the mental health sector and community to promote the wellbeing of people who have experience of mental health issues and facilitate sharing of knowledge about mental health issues;
- Promote and facilitate research in relation to mental health issues;
- Produce Annual Reports on the functioning of the Commission;
- Such other functions relating to mental health.

Member of the **SA Workplace Mental Health Collaboration Group**, the purpose of which is to provide a forum for members to align state-wide efforts around workplace mental health and wellbeing and promote a collaborative approach to engaging and supporting South Australian businesses to create and maintain mentally healthy workplaces.

Business SA is a representative on the **Wellbeing and Prevention Working Group** for the development of the **SA Mental Health Services Plan**. As a member of the group, Business SA has raised the topic of support and resources for South Australian workplaces during the review process. Business SA is concerned that there is little reference to mental health in the workplace and, in general, to early intervention and prevention in the community.

In 2018, we collaborated with the Mental Health Coalition to encourage businesses to take up the 5 day Mentally Healthy Workplace Challenge, the launch was attended by 80 people from various South Australian businesses.

Weekly, Business SA contributes to The Advertiser's, SA Business Journal. In December 2018, Business SA CEO, Nigel McBride, used the opportunity to promote the benefits of a mentally healthy workplace and the economic costs of poor workplace mental health. The SA Business Journal has a significant audience in South Australia with a daily average reach of ~350,000 and as such reaches many businesses on a range of important topics.

2. Minds at Work – A Mental Health in the Workplace Publication

Recently Business SA developed and published a mental health discussion paper, *Minds at Work* (Attachment 2). The publication was developed to raise awareness of mental health issues in the workplace and reduce the stigma surrounding mental health issues.

Minds at Work was launched by the South Australian Minister for Health, Hon. Stephen Wade and the Mental Health Commissioner, Chris Burns, and was attended by over 100 businesses. The paper was contributed to by Unions, ReturntoWorkSA, Mental Health Commission, South Australian businesses and the University of South Australia.

In *Minds at Work*, Professor Maureen Dollard released new figures from the University of South Australia's Asia Pacific Centre for Work Health and Safety that showed unplanned absences in large worksites due to poor mental health can cost a business close to \$1.2 million annually, seriously impacting on productivity and the wider economy.

Professor Dollard studied the Psychosocial Safety Climate (PSC) in workplaces. In other words, she and her team have measured worker psychological health and safety and how it is valued in a workplace, along with measuring the impacts PSC can have on a worksite. We know unhappy worksites or ones where staff have low engagement levels, are the least productive. The PSC studies looked at close to 700 staff in just under 40 workplaces.

The study found more than half (51 per cent) reported high PSC contexts – meaning the 43 per cent more sick days and have 72 per cent higher performance loss at work, equating to \$1,887 per employee per year (based on average wages of \$440 per day), compared to psychologically healthy workplaces. Professor Dollard says some worksites have conditions which predispose workers to higher stress levels – such as environments subjected to deadlines; the health industry, construction and even legal affairs. However, by being aware of those stressors and how they may change, a PSC-aware worksite may be able to mitigate levels of high stress, better support workers and create a healthier environment for staff.

By measuring PSC and monitoring how staff are faring, businesses can consider preventative strategies to improve mental health and engagement levels, and be more able to pinpoint what's going wrong, including bullying and harassment, stress levels and disengagement. Moderating PSC can also provide social support to help workers manage demands. workplace created a high chance of future depressive symptoms and job strain.

Professor Dollard says PSC is a leading indicator of psychological distress and emotional exhaustion, depression, exhaustion, cynicism, sickness absence, low work engagement and worker's compensation claims for physical and psychological injuries. The report found that across 38 worksites almost a third were in high risk environments, where the psychosocial safety climate was poor, 24 per cent were at medium risk, and 47 per cent were at low risk. According to Professor Dollard, when PSC was low, work absences increased, and when PSC was high – or worksites had mentally healthy environments – absence rates remained stable.

Evidence suggests that a 10 per cent increase in PSC, or improved conditions, would lead to a 4 per cent decrease in demands, a 4.5 per cent decrease in bullying and an 8 per cent increase in psychosocial resources, such as social support, training and autonomy. It would also lead to a 6 per cent increase in engagement. Financial modelling suggested that a business employing 1,000 people could save \$1.18m per year in lost productivity due to unplanned absences relating to job strain and depression. Professor

Dollard's research suggests by improving PSC, workplaces would reduce sickness absence, presenteeism, and workers compensation, allowing employers across the nation to recoup a collective \$6 billion per year.

As part of the launch of Minds at Work, Business SA collaborated with St John Ambulance Australia to provide discounted mental health first aid training to members to assist in identifying employees who may be suffering with a mental health issue. Given almost half the total population will experience a mental health disorder at some point in their lifetime, mental health first aid training enables employees to support a work colleague, family member or friend when the time comes. Providing mental health first aid early can assist workers to return to their usual performance quickly and avoid the problem worsening or a crisis emerging.

3. Survey of Business Expectation Results, June Quarter, 2018

Business SA's Survey of Business Expectations is the longest, continuously running survey of South Australian business confidence and view of current and future economic conditions. In partnership with financial advisory firm **William Buck**, the results are analysed and published in our quarterly publication, Business Now. These results inform Business SA policy and advocacy work and provide a robust indicator to government and other stakeholders of the business environment in South Australia. Each quarter respondents are asked supplementary questions on a topical issue.

In the June 2018 quarter survey, Business SA's SOBE supplementary questions focused on businesses views of mental health in the workplace. The survey produced some positive results, showing that many businesses understood the need of a mentally healthy workplace. However, a significant number of organisations had not implemented strategies to improve or manage mental health. This indicates a lack of knowledge and/or resources in this area.

Businesses, especially SMEs, are faced with many time and cost pressures. They do not have the capacity to implement yet another workplace policy. However, this does not mean they do not recognise the importance of good mental health in the workplace.

Of the organisations surveyed, 34.4% had policies that include the management of mental health at work.

Of those who had implemented such policies, it was positive to see that 91% considered that the policies are well communicated and understood by employees.

In the 12 months prior to the survey, almost 30% of businesses reported employees taking time off work for mental health issues. Business SA recognises that this number is probably greater as some employees would not report the reason for taking time off to be related to mental health. Of the businesses who experienced employees taking time off, 68.42% reported a financial impact on the business.

83.5% of businesses agree employees should be able to take personal leave for mental health issues, with 16.5% believing personal leave should not be used for mental health issues.

Business SA was impressed with the results with 91.2% of respondents considering it the employers' responsibility for managing mental health in the workplace. Respondents were asked to specify what they thought an employer's responsibility was, with the option of more than one response. 67% of respondents considered the employer's responsibility for mental health to be the same as for a physical injury, followed by time off for medical appointments at 57.7%. This was closely followed by the employer's responsibility to offer flexible working hours, provide personal leave and address employee conflict.

Employers were able to make comments regarding employer responsibility in a free text response. A small number of responses indicated a knowledge gap where employers saw mental health as a personal issue and not work-related. Responses such as:

- “Employers should be able to concentrate on their business, and not be involved in personal issues”; and
- “If you have personal mental issues and cannot work, then that is the government’s problem”;

What is heartening is the number of respondents who saw mental health as a larger issue with responses such as:

- “Free-enterprise is a life policy... We must care for each-other or free-enterprise will fail”;
- “Keep the doors of communication open, the first thing about mental illness is being aware of its existence”;
- “Whatever necessary to support staff”.

In South Australia, ReturntoWorkSA supported a pilot program, New Access, to provide up to six free coaching sessions to help people tackle the day to day pressures of life. The program was available to small business owners as well as employees. **82% of businesses responding to the SOBE agreed that they did see value in the New Access program receiving continued funding.** Several respondents commented that they were unaware of the program and it was not promoted adequately.

4. Healthy Workers Across Industry Program

Industry associations and peak bodies are well positioned to actively promote and work with their members and businesses who are ready to take a more active role in workplace health initiatives.

Business SA respects that industry associations and peak bodies know the circumstances, needs and challenges experienced within their own industry and member businesses. They have experience when it comes to driving a change agenda and have communication and support mechanisms in place to implement positive change.

Through the support of the state government department, SA Health, Business SA is delivering the Healthy Workers Across Industry Program that advocates for and supports workplace health and wellbeing initiatives within industry associations to roll out to their business membership base. A Healthy Workers Adviser engages with industry associations to explore the health and wellbeing strengths and opportunities which exist within specific industries.

The program works to enhance pre-existing industry mechanisms which support workplace health and wellbeing or to develop new initiatives. Financial incentives are available to encourage the creation or enhancement of industry-lead healthy workplace initiatives.

Examples of initiatives available to associations include the creation of yearly awards, adding wellness information or newsletters to websites, holding events and functions with guest speakers, creating better links with associations such as Beyond Blue.

To date, the funding provided by SA Health for Healthy Workplaces has seen 4 industry associations apply for funding related to mental health/resilience in the workplace. These programs include webinars, education programs, resilience plans, e-Newsletters and events.

5. Recommendations

Business SA **recommends** that funding be available to South Australian PHN/LHN to provide low intensity interventions for workplaces – especially within small business that cannot afford EAP.

The New Access program exists in other states supported by the primary health networks. SA provides a similar rural program but, although the pilot in SA was successful, it was not continued and metro workplaces, unable to afford an Employee Assistance Program (EAP), are unable to find affordable support for employees or business owners.

Business SA **recommends** that current avenues for community education, including mass media campaigns assisting in the prevention of mental illness and ways to strengthen wellbeing be continued and strengthened.

Business SA **recommends** that resources be committed to support mentally healthy workplaces, and mentally healthy university's/ VET sector training organisations.

Business SA **recommends** that funding of the Workplace Healthy Workers Healthy Futures Initiative in SA be continued.

Business SA **recommends** that Mentally Healthy positions within the Safe Work SA Adviser Service to support small business in the area of mental health in the workplace continue to be funded.

Business SA **recommends** that the SA Mental Health Commission's important role facilitating and coordinating prevention, wellbeing and protective factors against mental illness across our community be continued.

6. Conclusion

Overall, businesses are not well equipped to respond to mental health issues in the workplace, be that their role to reduce psychological risk, or when there is a worker who may have a mental illness. Business SA recognises that South Australian businesses need assistance in this area and, through a number of initiatives, is assisting members and other employer associations to educate and train businesses.

While most businesses acknowledge the need to address mental health issues in the workplace they are restricted by gaps in education, training and resources. However, more can be done, and the Australian Government must take the lead and aid businesses in addressing this issue.

7. Attachment One

Supplementary Questions, SOBE, June Quarter 2018 - Mental Health

Does your organisation have policies that include the management of mental health at work?

Yes: **34.36**

No: **65.64**

Are these policies well communicated and understood by your employees?

Yes: **91.04**

No: **8.96**

In the last 12 months, are you aware of any employees in your organisation who have taken time off for mental health issues?

Yes: **29.38**

No: **70.62**

Did this have a financial impact on your workplace?

Yes: **68.42**

No: **31.58**

Do you believe employees should be able to take personal leave for mental health issues?

Yes: **83.51**

No: **16.49**

What do you believe is an employers' responsibility for managing mental health in the workplace?

No responsibility **8.76**

Same responsibility as physical illness **67.01**

Provide Employee Assistance Program (EAP) **25.26**

Offer time off for medical appointments **57.73**

Offer alternative duties **28.87**

Offer flexible working hours **41.24**

Relocate employee to a different area within the workplace **20.62**

Provide personal leave **46.39**

Implement mental health in the workplace policies **32.47**

Address employee conflict **42.78**

Other **8.25**

- Have good rapport with employees;
- Some of these factors would be wise or appropriate, but not necessarily the employer's responsibility;
- Employers should be able to concentrate on their business, and not be involved in personal issues;
- Whatever necessary to support staff;
- Free-enterprise is a life policy... We must care for each-other or free-enterprise will fail;
- It is a hard topic to discuss with many people as they don't open up;
- Keep the doors of communication open, the first thing about mental illness is being aware of its existence;

- It is a very grey area open to manipulation if persons are dishonest. I have seen it first hand in my work place. It costs thousands in lost time revenue, wages etc;
- Spend more time discussing the issue;
- Works both ways, employee should let us know the condition;
- Need to meet general duty of care under the WHS legislation;
- Assist where possible;
- If you have personal mental issues and cannot work, then that is the governments problem;
- Depends on source of illness. More it relates to work; the more work is responsible;
- Need to know more about mental health in workplace policies and assistance;
- I am in favour and support of employees who may have a mental health issue because of their workplace. There would be a limit as to what the employer can offer should it be a non-work-related illness.

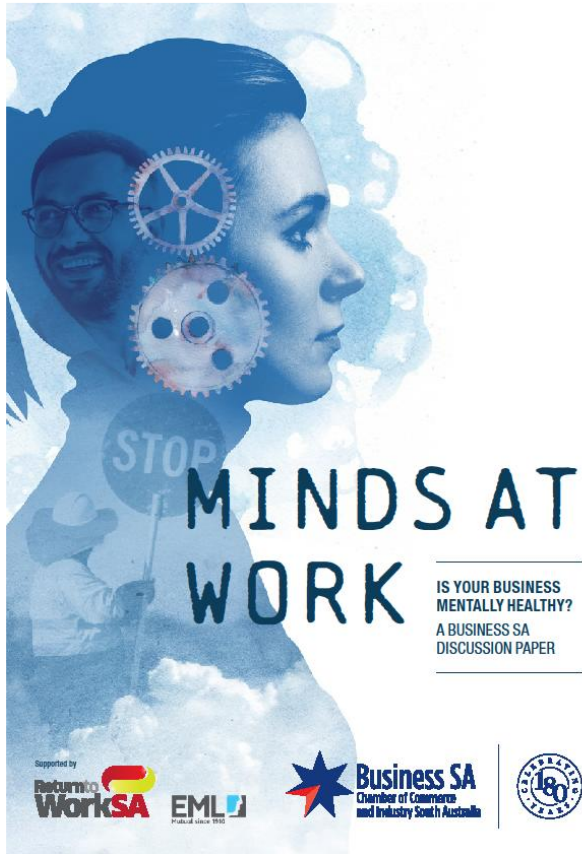
Until recently, ReturntoWorkSA provided a program, New Access, to provide up to six free coaching sessions to help people tackle the day to day pressures of life. The program was available to small business owners as well as employees. In your opinion, are programs such as New Access valuable, and should they continue to be funded?

Yes: 81.96

No: 18.04

8. Attachment Two

Minds at Work



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