

11 April 2019

Locked Bag 2
Collins St East
MELBOURNE VIC 8003

To Whom it may concern,

PRODUCTIVITY INQUIRY INTO MENTAL HEALTH

The Chamber of Minerals and Energy of Western Australia (CME) appreciates the opportunity to respond to the Productivity Commission's Issues Paper *The Social and Economic Benefits of Improving Mental Health* as part of current Inquiry on mental health (the Inquiry).

CME is the peak resources sector representative body in Western Australia (WA). CME is funded by its member companies who are responsible for most of the State's mineral and energy production and employment of the sector's workforce.

In 2017-18, the value of WA's mineral and petroleum industry was \$115 billion. Iron ore is currently the State's most valuable commodity at \$61 billion. Petroleum products (including LNG, LPG, crude oil, condensate and natural gas) followed at \$26 billion, with gold third at \$11 billion. Both commodities saw an increase in value of 39 and 5 per cent respectively from the previous financial year.

The resources sector is a major contributor to the local, State and Australian economy, with an estimated \$108 billion of WA projects in the pipeline. The value of royalties from the sector totalled \$5.8 billion (iron ore providing 77%), accounting for 19 per cent of the State Government's revenue.¹

Summary of Recommendations

A summary of recommendations is included below with further supporting detail outlined in the following submission.

- CME recommends the Inquiry acknowledge the holistic and coordinated approach required to measurably improve mental health outcomes in the wider population. Workplaces have a role to play and it should be recognised that employer's efforts to support the mental health of employees in the workplace will have positive flow on affects for the broader community.
- CME considers it critical that industry is supported in taking a risk based approach to mental health and wellbeing to ensure ongoing flexibility for the application of best practice approaches and continuous improvement across diverse industry contexts. Mandating or prescribing work arrangements such as FIFO roster lengths in the absence of clear evidence is not supported and will not lead to a best practice approach to supporting mental health in the workplace.
- CME recommends the Inquiry acknowledge the importance of building an evidence base on the effectiveness of workplace mental health and wellbeing strategies to ensure industry, government and the community can rely on robust evidence to inform policy development and workplace practices.

¹ Department of Mines, Industry Regulation and Safety, 2017-18 Statistics digest: Industry activity indicators, October 2018: http://www.dmp.wa.gov.au/Documents/About-Us-Careers/Stats_Digest_2017-18.pdf

- CME recommends the Inquiry recognise Government has a role in assisting industry in navigating the wealth of mental health information available for example, through provision of a central repository of mental health information.

Context

Mental illness and suicide are significant and complex public health issues felt across all aspects of the Australian community. The most recent data from the Australian Bureau of Statistics (ABS) indicates that one in five (20%) Australians experience a mental illness in any year.² Every day, tragically, at least six Australians die from suicide and it is the leading cause of death for Australian's aged 25-44.³

The WA resources sector is committed to the mental health and wellbeing of its workforce, as part of its ongoing commitment to health and safety. Our industry invests significantly in workplace initiatives that address the mental health and wellbeing of employees through a wide range of programs and supports.

Industry continues to strive towards continuous improvement in all areas of safety and health, whereby companies seek to continuously innovate and improve their practices. Along with safety, the industry's approach to mental health and wellbeing has evolved from reactive compliance based responses to proactive, tailored and diverse wellness programs.

CME works with our member companies to continue to improve workplace safety and health (WHS) outcomes for all resources sector employees. Our commitment to mental health and wellbeing as part of this is driven from the level of our Executive Council (Board) who continue to recognise mental health as a high priority policy area. As a result, CME continues to be actively involved in policy in this area for example through groups such as the Mining Industry Advisory Committee (MIAC) and Commission for Occupational Safety and Health (COSH). Both play key roles in mental health projects of relevance to the WA resource sector, most recently in the development of the Code of practice [Mentally Healthy Workplaces for fly-in fly-out \(FIFO\) workers in the resources and construction sectors](#) which is discussed further below.

CME's Mental Health Working Group (MHWG) was developed in 2013 to lead related responses and share best practice in this area. For example in 2015, CME launched our Mental Health Blueprint⁴, which is a continuous improvement framework for mental health in the workplace. More recently, with the support of our Board and MHWG, CME has partnered with Lifeline WA to consolidate and make accessible a suite of industry specific tools to support organisations as they continue to improve strategies. Work to progress this partnership is well underway with outcomes aiming to build on the framework set in the Blueprint. It is intended outcomes will support risk based and flexible delivery models tailored to the resources sector, and be designed to be easily accessible and available at a low cost, as required.

The resources sector is not alone in its work to address mental health and wellbeing in the workplace and CME welcomes the focus on this important issue through the current Inquiry. As acknowledged in the Inquiry's issues paper, the complex issues of mental health conditions and suicide are felt across all facets of Australian society.

CME notes the scope of the Inquiry is broad, in particular that it intends to look at how a range of sectors such as governments, employers, social services, housing and justice can contribute to improving mental health for people. Given CME's role in supporting our members in the WA resources sector, the below submission will focus on the role of employers in this equation.

² Australian Bureau of Statistics. (2009). National Survey of Mental Health and Wellbeing: Summary of Results, 4326.0, 2007. ABS: Canberra.

³ The Australian Senate. (2010). The Hidden Toll: Suicide in Australia Report of the Senate Community Affairs References Committee. Commonwealth of Australia, Canberra

⁴ The Chamber of Minerals and Energy of Western Australia (CME), (2015). *Blueprint for Mental Health and Wellbeing*, available at: <https://www.cmewa.com/images/files/policy/people-and-communities/Mental-Health-Blueprint.pdf>

Mentally Healthy Workplaces

Mental ill health generally does not result from a single cause or event, but from a complex interplay of biological, psychological, environmental and social factors. There is significant research to support the fact that a wide range of multiple and interacting risk factors may contribute to both mental health and mental illness. As outlined in the Issues Paper:

“Studies on Australian samples have shown that psychological distress is associated with unemployment, low income, low social capital, low social connectedness and social support, workplace characteristics, poor quality diet, limitations on physical functioning and physical diseases” (p.4)

The Issues Paper then states:

“There may be limits on how much change treatment can produce where such risk factors are present and persisting.” (p. 4)

These comments appropriately demonstrate the complexity of addressing mental health issues and show a holistic and coordinated approach is essential in influencing improved mental health outcomes. Employers have a role to play as part of this coordinated approach.

Mental health can be adversely affected by exposure to a range of psychosocial hazards or factors in the workplace. Psychosocial hazards or factors are anything in the design or management of work that increases the risk of work-related stress - for example: high job demand, low job demand, poor support, poor change management and remote or isolated work.

Workplaces have a role in addressing psychosocial hazards and this is appropriately supported by WHS legislation, the purpose of which is to eliminate or minimise risks to the health and safety of workers in the work environment. Currently in WA, *the Mines Safety Inspection Act 1995* (MSI Act) and supporting regulations apply to the mining industry. While the MSI Act doesn't provide a definition for "health", the regulator, the Department of Mines, Industry Regulation and Safety (DMIRS) has been explicit that it considers the term "hazard", used in the Act, to include both physical and psychological wellbeing.⁵ It should also be noted that WA is currently undertaking steps to harmonise its WHS laws and it is expected at some point in the future a version of the model WHS law will be adopted. The model WHS Act explicitly includes psychological health in its definition of health. As such, CME considers the current and likely future legislative environment governing the management of WHS in WA adequately provides for the consideration of mental health by employers.

Further to legislative obligations, a strong business case exists for addressing mental health in the workplace with a range of research identifying benefits in terms of productivity, increased employee engagement and reduced absenteeism.⁶ A number of reports have also highlighted the business case for ensuring a focus on both physical and mental health noting positive wellbeing strategies and outcomes result in benefits both for individual employees and the organisation as a whole.⁷ This business case is well recognised by our members.

There is also an increasing acknowledgment that improving workplace mental health will result in significant benefits for workers, employers and for our broader community. For example, it is acknowledged that significant stigma and discrimination has traditionally existed around mental ill

⁵ Department of Mines and Petroleum. (2015). Submission to the Education and Health Standing Committee on its Interim Report *Shining a Light on FIFO Mental Health: A Discussion Paper*, [http://www.parliament.wa.gov.au/parliament/commit.nsf/\(Evidence+Lookup+by+Com+ID\)/E079DF068207309148257DF10025F221/\\$file/Sub+86+-+Department+of+Mines+and+Petroleum.pdf](http://www.parliament.wa.gov.au/parliament/commit.nsf/(Evidence+Lookup+by+Com+ID)/E079DF068207309148257DF10025F221/$file/Sub+86+-+Department+of+Mines+and+Petroleum.pdf)

⁶ PWC, Mentally Healthy Workplace Alliance. (2014). Creating a Mentally Healthy Workplace Return on Investment Analysis, http://www.headsup.org.au/docs/default-source/resources/beyondblue_workplaceroi_finalreport_may-2014.pdf

⁷ Harvey et al. (2014). Developing a mentally healthy workplace: a review of the literature, Pg. 9. Available at: <http://www.mentalhealthcommission.gov.au/media-centre/news/workplacementalhealthreport.aspx>

health, particularly when compared to physical illness. Responding to this stigmas has been a key focus in the WA resource sector and our members continue to implement a range of awareness raising programs and strategies (as detailed in the following section) aimed at ensuring our people are aware of the available services and support, as well as the confidentiality provided in accessing these. These initiatives are incredibly valuable however tackling the significant issue of stigma cannot be solved alone in the workplace. Stigma around help seeking is a community wide issue and something industry, government and community sectors must collaborate on to have a meaningful impact.

CME recommends the Inquiry acknowledge the holistic and coordinated approach required to measurably improve mental health outcomes in the wider population. Workplaces have a role to play and it should be recognised that employer's efforts to support the mental health of employees in the workplace will have positive flow on affects for the broader community.

Approach to Mental Health in the WA Resources Sector

The WA resources sector takes a proactive approach to addressing mental health and wellbeing in the workplace and has a range of strategies and supports in place including:

- Facilitating access to counselling and other services for example through employee assistance programs.
- Peer support programs and initiatives to break down stigma.
- Broader health and wellbeing promotion.
- Providing mechanisms to stay connected with family and support networks while working away from home.
- Community engagement and partnerships with wellbeing and mental health service providers.

This proactive approach was reinforced by a 2016 review of mental health strategies in the resources sector undertaken by the then Department of Mines and Petroleum, now DMIRS, which showed the sector already has or is developing best practice systems, procedures and strategies to promote and support employee mental and physical wellbeing.⁸

The diversity of resource industry workplaces, practices and demographics means it is imperative a risk based approach to preventing or mitigating as far as possible psychosocial hazards in the workplace. The varying size, nature and duration of resource sector projects spanning exploration, construction and production means there is no one size fits all approach to mental health in the workplace.

A risk based approach enables and encourages companies to tailor and continuously improve mental health strategies with the specific needs of the workforce and work environment in mind. Prescribing particular approaches to addressing psychosocial hazards is unlikely to result in improved WHS outcomes across the diverse industry landscape. A risk based approach enables and encourages consideration of a wide range of factors without imposing arbitrary prescriptive requirements which have the potential to drive an 'audit over outcome' approach.

Over recent years in WA there has been a particular public and political focus on the mental health of fly-in fly-out (FIFO) workers. Further to a 2015 Parliamentary Inquiry on the matter (The FIFO Inquiry), the State Government has been focused on actioning a number of the Inquiry's recommendations. From the outset, CME expressed concern that a limited focus on FIFO in the resource and related construction sector is a missed opportunity to examine the issues of mental health across all workplaces and fails to recognise the complex and broad ranging nature of mental

⁸ Department of Mines and Petroleum, Baseline result of psychosocial harm audits of mining operations, and petroleum and major hazard facilities. February to October 2016, available at: http://www.dmp.wa.gov.au/Documents/Safety/RSD_R_BaselinePsychosocialHarmAudit.pdf

health. Despite this, it is acknowledged the FIFO Inquiry has been beneficial in raising awareness about the importance of workplace mental health more broadly.

As noted above, earlier this month DMIRS released the Code of practice *Mentally Healthy Workplaces for FIFO workers in the resources and construction Sectors* (the Code), a key recommendation of the FIFO Inquiry. The Code provides the resources and construction sectors that utilise FIFO work arrangements with guidance on the risk management approach to address psychosocial hazards in the workplace. In doing this, the Code refers to both mandatory (consistent with current legal requirements) and non-mandatory (continuous improvement) actions.

CME was closely involved in the Code's development through MIAC and COSH. While continuing to preference a broader scope, CME was generally supportive of the risk based drafting of the Code, in line industry's approach to physical health and safety hazards. The Code's non prescriptive approach is critical to ensure the document supports employers in meeting existing regulatory requirements and fostering mentally healthy workplaces without imposing potentially onerous or unachievable prescriptive requirements.

Of note, the Code's release date was delayed late in its development to accommodate updates in line with findings from State Government funded research on the mental health of FIFO workers, conducted by Curtin University.⁹ As a result of this, additional information was inserted in relation to work design, travel and accommodation arrangements and communications for companies to consider when assessing the risks. While the Code appropriately does not set specific requirements in relation to rosters, it does suggest considering shorter and even time rosters as part of the psychosocial risk management process. CME has expressed concern with this aspect of the Code given the strength of this particularly finding is based on a single research report which is not considered adequate to support the recommendation. The research study did not find a causal link between longer or uneven time rosters and the level of psychological distress. Further, the limited analysis whereby mean distress values were compared across different rosters, did not control for other variable factors likely to have an impact on mental health such as job role and education level.

Looking more broadly, scientific research on roster length is conflicting. Just one example of this is a 2018 study by which found workers on 1 week on, 1 week off (even time) or 2 weeks on, 1 week off swings had about twice the risk of moderate psychological distress of those who worked 4 weeks on, 1 week off (longer, uneven roster).¹⁰ Taking into account Curtin's analysis and the conflicting nature of the more recent research in this space, it would be severely unjustified to mandate limits on roster types or length. Such a requirement could have significant unintended impacts such as reduced earning capacity and lack of variety of roster types to suit individual preference which could in themselves impact mental health outcomes.

This Code is the first of its kind in Australia and it will now be important to monitor how it is practically regulated to ensure it is achieving intended outcomes to support industry in fostering mentally healthy workplaces. CME will continue to advocate for the application of the Code to workplaces more broadly, acknowledging the importance of workplace mental health regardless of how workers commute to work.

⁹ Curtin University, Centre for Transformative Work Design, (2018). Impact of FIFO work arrangements on mental health and wellbeing of FIFO workers, available at <https://www.mhc.wa.gov.au/media/2547/impact-of-fifo-work-arrangement-on-the-mental-health-and-wellbeing-of-fifo-workers-full-report.pdf>

¹⁰ Bowers J., Lo, J., Miller, P. Mawren, D. & Jones, B. (2018). Psychological distress in remote mining and construction workers in Australia. *Medical Journal of Australia*, 209 (9), 391-397.

CME considers it critical industry is supported in taking a risk based approach to mental health and wellbeing to ensure ongoing flexibility for the application of best practice approaches and continuous improvement across diverse industry contexts. Mandating or prescribing work arrangements - such as FIFO roster lengths - in the absence of clear evidence is not supported and will not lead to a best practice approach to supporting mental health in the workplace.

Evidence based initiatives

The evolution of how companies in all sectors address physical and psychological wellbeing within the workplace is, and must be encouraged to be, continual. CME supports the ongoing development of evidenced based material to assist all workplaces in identifying and implementing effective workplace wellbeing strategies.

In this regard, CME was strong advocate for Curtin's research project into the mental health and wellbeing of FIFO workers noted above. Curtin's final report contained a number of key findings which will greatly assist companies in ensuring their efforts to address mental health and wellbeing at work are meaningful and targeted in the correct areas. For example, findings that indicate some of the most important workplace factors in improved mental health outcomes are leadership and co-worker support and removing stigma, areas of increasing focus within industry. It should be acknowledged that updates to company approaches to take in to account relevant findings not only benefits individual organisations and their workers but results to lift standards more broadly across industry.

Throughout the project CME expressed frustration at the limited FIFO focus within the study, ignoring the fact most resource sector workplaces employ workers on a variety of commuting arrangements, including residential, and subsequently an opportunity was missed to understand how these groups compared both in our industry and more broadly. Despite this, the findings are of upmost relevance to all workplaces, not just those who work a FIFO roster.

While research such as this provides high levels insights about potential focus areas for industry, the broad spectrum of mental health issues and complexity of associated factors (both contributing and mitigating) means it is critical that continued effort is undertaken to build a robust evidence base to inform improvement strategies and target assistance where it is most needed. The above mentioned issues relating to Curtin's analysis on roster length, and the conflicting evidence base in this area is a good example of the need for further research to ensure decisions on work design are informed by robust evidence. CME reiterates there is currently no evidence that demonstrates moving to shorter or even time rosters results in improved mental health outcomes for individuals.

Further, CME considers that generally current research remains overly focussed on quantifying prevalence of mental illness and/or psychological distress. While this important, CME considers there is a need for increased research to support companies in understanding what workplace initiatives are most effective. As workplace programs develop and mature, evaluating their effectiveness through an evidence and risk based approach is critical to ensure resources and efforts are directed where they are most needed and targeted to address the identified contributing factors and company specific needs.

CME recommends the Inquiry acknowledge the importance of building an evidence base on the effectiveness of workplace mental health and wellbeing strategies to ensure industry, government and the community can rely on robust evidence to inform policy development and workplace practices.

Navigating Mental Health Information

As focus on this issue has increased, the mental health and wellness industry has too grown rapidly. There are a wide range of providers offering mental health in the workplace services, information

on mental health, training and other supports. Many are high quality and evidence based however there are also a concerning number that are untested and not tailored to resources sector needs specifically. Further, this information is currently spread widely across numerous organisations, websites and publications.

It is a key challenge for end users (organisations, workers) to navigate this abundance of information and identify that most relevant to their individual needs. CME considers government has a role to play in providing guidance in this space to assist companies in assessing available information and judging which to implement, given the nature of their operations.

This has also been recognised and supported by MIAC who in late 2016 wrote to WA's Mental Health Commission requesting the Commission consider developing a central repository to house mental health information to make it easier for employers and employees to access and assess relevant supports. One of the significant benefits of this arrangement would be the information would be viewed with a high level of trust from industry. Unfortunately, this has not progressed to date and CME considers there is an ongoing need to address this challenge.

CME recommends the Inquiry recognise Government has a role in assisting industry in navigating the wealth of mental health information available for example, through provision of a central repository of mental health information.

Conclusion

Mental health issues exist throughout the entire community. As a major employer in the state, the WA resources sector is committed to the mental health and wellbeing of its workforce, as part of its ongoing commitment to health and safety.

The sector takes a proactive, risk based approach to addressing mental health and wellbeing in the workplace with a range of programs and supports in place. These initiatives are continuously being reviewed and improvement upon as new evidence regarding their effectiveness becomes available. In this regard, continuing to build a robust evidence base and assisting industry in navigating existing information are considered particularly important.

CME works with our members to support this proactive and evidence based approach and remains actively engaged in mental health projects that impact the WA resources sector, for example the recent DMIRS Code of Practice and Curtin research project. CME welcomes the focus on mental health more broadly through the current Inquiry.

CME looks forward to continuing to engage with the Productivity Commission on this important Inquiry. Should you have any questions regarding this submission, please contact Elysha Millard, Senior Policy Adviser - People and Communities

Yours sincerely

Robert Carruthers
Director – Policy & Advocacy