

**Submission to the Productivity Commission:**

**Mental Health Inquiry**

**April 2019**

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05 April, 2019

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Productivity Commission

By online: [www.pc.gov.au/mental-health](http://www.pc.gov.au/mental-health)

Dear Sir/Madam

**Mental Health Inquiry**

Thank you for the opportunity to make initial comments on the Mental Health Inquiry.

We make these comments on behalf of the IPA Deakin SME Research Centre (RC).

The RC is currently finalizing a grant application with partners with respect to research on how the mental wellbeing of SME and small business owners and operators can be improved through using a professional such as an accountant. Our preliminary research indicates that small business and SME owners have reduced stress and anxiety when they engage with their accountant.

Our research proposal focuses on evaluating an accountant professional development program that integrates mental health first aid training with a more relationship-centred, business mentoring approach to supporting small business and SME owners, with the client relationship training that accountants (and other professionals) receive. The accountant would not be replacing healthcare professionals as the intention is not to try and turn them into counsellors. Rather, we are exploring how existing relationships and training can be utilized and adapted with the objective of improving the mental wellbeing of clients.

The combination of mental health first aid and relationship business training is expected to lead to improvements in psychosocial working conditions for small business and SME owners and operators, and thereby improving their mental health. Measures of financial distress and psychological wellbeing can be used and are interrelated.

This research has application to various issues and questions raised in the Inquiry issues paper *The Social and Economic Benefits of Improving Mental Health*, including the section of the Inquiry relating to – assessing current and potential interventions to improve mental health outcomes.

Given that small business and SME owners and operators are at the front line of economic participation and contribution, including generating employment, then we believe that the economic benefits to the wider community and economy of assisting these sectors would be greater than that for other sectors of the community. For this reason, we contend that this research should be fully encouraged and supported by government.

We note the issues paper states, ‘We will comment on how the costs and benefits of our recommended reforms are likely to be distributed across different groups. This may include testing the hypothesis that interventions to facilitate improved mental health can generate a net financial return for the entity that funds them. The funder could be a government (for publicly funded human services, with the financial return being reduced public expenditure on costly healthcare) or employer (for workplace initiatives, with the financial return being greater profitability from a more productive workforce).’

In this regard, we note that our research proposal specifically recognizes the detrimental impact of mental ill-health on employees and employers and the subsequent economic benefit if we are able to address the issues.

We refer to the issues paper and the section on – contributing components to improving mental health and wellbeing. We support the focus on workplaces and education providers (and justice systems). It is critical that a broader and more integrated approach is adopted if we are to seriously tackle some of the issues confronting us. Taking this approach will highlight preventive care rather than relying on the healthcare system to tackle the issues once they’ve been identified or diagnosed.

In this regard, we note the section in the issues paper on – mental health promotion, prevention and early intervention. We also welcome the focus on – skills acquisition, employment and healthy workplaces. The research of the RC and our partners is focused primarily in this area. Whilst government support to find and maintain a job for people experiencing mental ill-health is commendable and obviously needed, we believe that more can be done to assess the existing programs and to replace or supplement these through utilizing the relationship that certain sectors (ie small businesses and SMEs) have with their trusted adviser, their accountant; and to a lesser extent, other professionals they use in the course of their business. There is a plethora of research that indicates that accountants are the most trusted adviser accessed by small business and SME owners and operators.

With respect to – mentally healthy workplaces – we acknowledge the modelling work which has been undertaken indicating the significant cost to the economy of mental illness. In terms of the question posed in the issues paper as to why employers are not investing more in workplace mental health, given the large potential benefits, we believe that the barriers to implementing measures to improve workplace mental health require greater attention. And further, that any beneficial measures need to be capable of replication so they can be applied more widely at an affordable cost. The RC research will be relevant to these issues and we are particularly focused on being able to develop measures which have broad application across various sectors of the economy. In fact, the RC research has been specifically designed using a broad range of specialists (both medical and non-medical) to underpin a whole-of-economy approach with far-reaching economic, social and health benefits.

We welcome the points made in the issues paper about small businesses and their particular challenges; and the role of industry associations, professional groups, governments and other external parties in assisting small businesses to reduce implementation barriers and costs. This is the core of the work currently being undertaken by the RC. We will be addressing most of the questions raised in the issues paper around mentally healthy workplaces in our various research projects. Obviously, the IPA and Deakin University as well as our joint RC have a particular focus on the role of stakeholders such as industry/professional associations, universities and external parties.

At this stage the specific details of the grant proposal being submitted by the RC and our partners is confidential. However, we would be pleased to meet with the Commission to discuss our research and findings to date. We also anticipate making further contributions to this critical Inquiry as it progresses.

If you would like to discuss our comments please contact me

Yours faithfully

Vicki Stylianou

Executive General Manager, Advocacy & Technical

Institute of Public Accountants

**About the Institute of Public Accountants (IPA)**

The IPA is one of the three recognized professional accounting bodies in Australia. Representing more than 35,000 members in Australia and in over 80 countries, the IPA represents members and students working in business, commerce, government, academia and private practice. Three-quarters of our members work in or advise the small business/SME sectors. The IPA Group is the largest accounting body in the world focused on small business and SMEs. In 2014 we established a research partnership with Deakin University which has culminated in the IPA Deakin SME Research Centre. Our flagship Small Business White Paper (2015 and 2018) can be found at, <https://www.publicaccountants.org.au/news-advocacy/small-business-white-paper>.