Ernst & Young Services Pty Limited
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Building a better working world

Stephen King
Presiding Commissioner – Mental Health Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

26 February 2020

Re: EY written submission on the Productivity Commission Draft Report on Mental Health

Dear Commissioner,

Thank you for extending the timeframe to allow EY the opportunity to provide this submission on the Productivity Commission Draft Report on Mental Health. EY is committed to its purpose of building a better working world and believes a mentally healthy Australia is critical to achieving its ambitions.

Delivering a mentally healthy Australia is complex and multi-faceted. This is recognised by the broad scope of the Productivity Commission inquiry and, subsequently, by the depth and breadth of considerations and recommendations made within the draft report on mental health.

We have consulted widely across EY and sought input from senior partners and subject matter experts. Our perspective is informed by professionals, our organisational experience and our work with clients, providing us with rich and practical data.

Through this submission, EY seeks to share with the Productivity Commission high-level considerations that our multi-disciplinary team believes merit further exploration. These considerations align with three key aspects arising from the draft report and are introduced over the coming pages:

1. Mental health at work.
2. Evaluation and outcome measurement.
3. System integration and capital investment.

We welcome the opportunity to discuss our submission in further detail with the Productivity Commission. Please contact Andi Csontos on 0412 062 354 or me on 0408 989 962 should this be of value.

Yours sincerely,

Kate Hillman
Oceania People Partner
EY

Building a better working world

A mentally healthy Australia, and the cognitive performance of workers, is fundamentally interlinked with economic outcomes and productivity.

Australian workplaces have traditionally focused on supporting workers who are experiencing mental health difficulties. This has primarily been through the promotion of employee assistance programs and some limited education to promote personal resilience.

This is now changing. This change is largely driven by organisations responding to the needs of workers and a rising recognition that the cognitive performance of workers and productivity, are fundamentally interlinked. Mental health at work is becoming more critical as Australia adopts changing technology and shifts away from industries that produce "things" towards industries that produce ideas. With the value of organisations becoming increasingly dependent on intellectual property, brand, innovation and other intellectual output, there is a heightened need to protect and nurture the minds of the people generating this value.

As a consequence, executive teams including the CEO are taking direct responsibility for the creation and maintenance of a psychologically healthy workplace. Increasingly, they are turning to workplace culture, leadership, and job and organisational design to not only reduce and address mental health hazards, but also to embed the conditions that promote workforce wellbeing and performance.

A workable legislative framework for mental health at work

While psychological health is included in the 'health' definition in the WHS Act, the tier two and three legislation (i.e. Regulations and Codes) does not include adequate reference to psychological risks or how to manage them. This is problematic, as separating mental health and wellbeing from other health responsibilities further fragments and increases complexities for Australia's overall health system. Amendments to the WHS Act to enhance its reach with regards to mental health, will need to consider the flow on impact to tier two and three legislation, with appropriate incorporation of psychological risk, specific definitions, requirements and subsequent obligations.

In amending the WHS legislation, consideration must be given to organisations' obligations with regards to psychological harm and injuries, including the treatment and consideration of complexities that arise from pre-existing psychological trauma and mental illness. As 75% of mental illness is experienced before the age of 25, many will enter the workforce with pre-existing mental illness, trauma or vulnerabilities. Therefore, amendments to WHS legislation should be limited to psychosocial injuries acquired from or at work and target an organisation's obligation to identify, assess and control potential psychosocial risks with work, rather than more general aspects of wellbeing.

There remains widespread misinterpretation and misunderstanding of the WHS Act intent and requirements for psychosocial risk to be identified, mitigated or managed. Further, significant gaps exist in the design and implementation of effective risk management processes or accurate recording, assessment and reporting of psychosocial risk. This potentially constrains Board and executive level discussions on risk exposure to relatively rudimentary data analysis and superficial intervention programs that do not target risk areas or high-risk demographic groups.

Building a better working world

An effective framework for managing psychosocial risk

An effective approach to managing psychosocial risk is one that is developed in consultation with the workforce and supported by effective leadership practices. This includes a mental health strategy with psychosocial risk assessment that considers demographic and job role risks and targeted controls, appropriate programs to support mental health, reporting of incidents or risk all overseen by an assurance program with a view to corrective action via an improvement plan.

This foundation allows for extension beyond regulatory codes of practice by developing practical mental health guidelines on a per-industry basis. These guidelines will facilitate targeted and fit-for-purpose application of legislation and the associated regulatory framework.

Prevention, early intervention and no-liability treatment are critical to reducing the impact of mental ill-health on individual workers, businesses and the wider community, as is addressing the ineffectiveness of the current workers' compensation system in terms of mental health issues. To improve this and to avoid liability disputes, mental health treatment should be provided for no-fault workers' compensation claimants for up to six months, though it's worth noting that individuals with mental health issues can take longer than six months to return to work. An effectively monitored no-liability system will also help identify individuals at the prevention (primary) and acute (secondary) stages of the mental ill-health cycle.

Australia must shift to a person-centric, outcomes-driven point of view where evaluation determines funding.

Mental health issues are on a continuum of vulnerability. Ultimately, the most important outcomes are those perceived by the people who are using the mental health system and support programs. A person-centric approach, ideally integrated across public and private sector, enables differentiated treatment and preventative regimes as well as outcome measures for distinct populations showing combinations of complex and severe risk factors or lack of strength factors.

Refocusing on people outcomes rather than program outcomes simplifies the evaluation framework considerably. Consideration should be given to redirecting measurement to valuing the individual and focusing outcomes on what the consumer needs, and away from indicators of success for varied services and individual packages.

The role of Employee Assistance Programs

Underpinning the challenge in delivering a mentally healthy Australia is the access to quality services. This is compounded by the conflict of interest wherein Employee Assistance Program (EAP) providers are delivering and reporting on their services with few reporting outcomes beyond utilisation.

Given this conflict, EAP providers should be removed from outcomes-measurement frameworks, and independent assurance organisations used to provide independent assessment and oversight of quality services and compliance.

Building a better working world

Overarching definitions of quality and service outcomes are required. Consideration may be given to an EAP quality index, against which EAP providers are independently measured and which is independently monitored and reported on. Assurance frameworks should also be considered and re-designed with an emphasis on quality of outcomes for users. Within this framework, prevention and treatment systems should be dealt with separately recognising the differences across both.

Creating system capacity through digital services

Introducing effective evaluation and outcomes-measurement frameworks can help shift perception around support avenues at a cultural level. In turn, this can increase community uptake of self-help and scalable digital services.

Given their potential for high reach at a low cost, digital services need to be prioritised to meet forecast demand for preventative and low intensity care. General Practitioners and other medical professionals should be educated on available digital mental health services within a stepped care model and encouraged to inform and refer patients to these services. This will create extra capacity in the system, thereby reducing the reliance on a finite pool of resources to treat the mentally well, and redirecting specialist care to treat moderate, severe and complex mental illness - for which there is urgent need.

Workforce strategy and planning

A person-centric system requires a focus on holistic and team-based care. It is advisable to consider implementing a methodology that delivers a holistic approach to a mental health workforce strategy and planning that delivers the right support services into workplaces as well as local communities according to need. The workforce strategy should include the integration of digital services and how the workforce interacts with digital services.

Consideration should be given to service model innovation, including the design of a community care services model, with General Practitioners working alongside embedded clinical nurse resources. Within this model, clinical nurses can have a more person-centric understanding of mental health issues and capability in building care plans that divert people towards earlier management and prevention. Individuals with physical, mental health and socioeconomic issues will be better able to access integrated care plans, overseen by their team of medical and social support services within their community, and managed within one system.

Underserviced communities and health professionals should receive proportionate investment to achieve and sustain the requisite workforce for service delivery. Issues of geographical short fall (for example, the geographic concentration of psychiatrists versus the distribution of need) requires appropriate labour supply interventions, coupled with innovation and capital.

Building a better working world

A national, fully integrated and holistic wellbeing approach that considers the social determinants of health will deliver better mental health and productivity outcomes for Australians.

A large proportion of mental health issues have their genesis in social determinants of health. Adverse childhood experiences; those children who have experienced an impact to pre-frontal cortex development (in utero / early childhood or even later in adolescence) combined with poor wellbeing (their own / environment existing within the family) are much more likely to develop mental health issues (as well as a host of other adverse lifetime outcomes). Individuals that lack strength factors (connectedness / support / belonging etc) may be more predisposed to mental illness, and / or may develop mental health issues due to trauma. Further, a high proportion of people engaged with the Justice system tend to have experienced mental health issues in the preceding period to offence.

A coherent mental health strategy for Australia is required to address the needs of individuals from emerging and chronic mental health issues across all ages. We must transition the existing mental health system from one that treats symptoms and manages conditions to an integrated system that also invests in prevention across the social determinants of health. A forum is needed for all people who play a role in addressing social determinants of health, with representation of lived experience, to work together on the integrated system design.

Consideration should be given to building models that define needs and demand for services, applying simulation techniques to define cohorts, geography profiles and pathways of people in the system. This analysis will inform the integrated service design as well as performance management frameworks, cost benefit and social return on investment propositions and ultimately drive the case for change and scalable options.

System reform and achieving shared objectives

A coordinated, whole-of-government approach to system reform and achieving shared objectives is challenging within Australia's federated system, noting that policy, funding and/or service delivery responsibilities for different aspects of the overall service system sit with different levels of government and different portfolios within each level of government. The approach to system reform is best dictated by Federal Government to overcome these challenges. To further ensure responsibility is not delegated to a statutory authority, consideration should be given to the Council of Australian Governments taking overall responsibility for coordinating mental health funding and initiatives, while support is also provided for mental health decisions made locally.

Strong system management and governance will be essential for any cross agency / jurisdictional issue arising from the transition. This includes measuring success and performance at multiple levels including population, cohort / geography level, Service and agency level, as well as at the individual level. An option for consideration is performance monitoring and reporting annually by the National Mental Health Commission to determine effectiveness, with outcome and cost-effectiveness evaluations underpinned by data linkage and modelling.

Building a better working world

Consolidation of health and wellbeing responsibilities to pool funding

National health and hospital reforms agreed to date have gone part way to establishing mezzo-level organisations for health service planning, commissioning and delivery, and to improve coordination across levels of government, as evidenced by the establishment of PHNs and LHNs.

The concept of using a mezzo-level organisation to pool funds from all tiers of government and to commission nearly all services is strongly supported, as is the consolidation of alcohol and other drugs funding with mental health funding (considering the level of interdependency within and across the three). The geographic boundaries of any mezzo-level organisation must be aligned with the geographic boundaries of existing LHNs and PHNs.

However, separating responsibilities for mental health and wellbeing from physical health, while enabling a singular focus of a new entity on mental health, will further fragment Australia's health system. There are also avoidable costs associated with establishing and administering new legal entities with associated governance and operational overhead costs, rather than the economies of scale and efficiencies that can be realised by expanding the role of and consolidating these responsibilities in an existing, established mezzo-level organisation within Australia's health system.

The Commission's preferred approach of its Rebuild model could advance the architecture of the future national health and wellbeing system as well as addressing mental health needs. This model could be strengthened by:

- Transitioning the existing PHNs to become RCAs.
- Empowering and enabling the RCAs to provide a wellbeing approach with flexible, pooled, outcomes-based funding to support prevention, early intervention and demand management – as well as to ensure equitable access to more acute services as close to home as possible - and hold them to account for achievement of outcomes.
- Consolidate responsibilities for mental health, alcohol and other drugs with non-mental health and wellbeing responsibilities to support an integrated approach to health and wellbeing.

Attracting greater commercial investment

The Future Generation Companies survey conducted by EY in October 2019 found 85% of private funders (philanthropists and corporate foundations) believed Australia was facing a mental health crisis; yet only 28% directly and consistently invest in mental health causes. Private funders believed there was significant duplication across mental health delivery and a lack of effective outcome measurement required to attract funding.

The Productivity Commission should consider pointing to ways that all tiers of Australian government, mental health focused charities and private funders can work together to attract greater investment in mental health. While funding continues to flow for pharmacological research and treatment, consideration should be given to how funding can be redirected to exploring, testing and establishing effective prevention and early intervention programs.

One area of potential funding may be private health insurance reform and the use of insurance premiums to fund treatment. Group life and private health insurances may act as access points to building capital / community investment.