Employment and Mental Health

October 2022

Everyone has the right to work and to free choice of employment.[1] Australia recognises the right of people with disability (including psychosocial disability) to work "on an equal basis with others… in a labour market and work environment that is open, inclusive and accessible".[2]

Engaging in meaningful and contributing activity, including employment, is strongly associated with positive mental health and wellbeing. Employment can be helpful in preventing mental ill-health and in promoting recovery and wellbeing for people experiencing complex mental health challenges.

"Since I made the realisation that paid employment was possible for a person with a psychosocial disability, my life has changed completely and for the better"

Francis' story, Mental Health Council of Australia, Let's Get to Work (2007) p49

People with experience of mental ill-health face barriers to employment including stigma, discrimination, and lack of support to engage in the workforce. Over 70% of people with experience of mental health challenges are employed.[3] However, the employment rate for people with mental health challenges, particularly severe or complex, remains below the general population. Only 26% of people with psychosocial disability are employed, compared to 57% of people with other disabilities and 80% of those without disabilities.[4]

People living with, or at risk of, mental health challenges can also experience intersecting barriers to employment. These may include experiencing employment-related discrimination related to their background, identity, age, or other characteristics. People living in rural and

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[1] United Nations, *Universal Declaration of Human Rights* (n.d.), https://www.un.org/en/about-us/universal-declaration-of-human-rights

[2] United Nations General Assembly, *Convention on the Rights of People with Disabilities*, (2008), https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities/article-27-work-and-employment.html

[3] Australian Bureau of Statistics, *National Survey of Mental Health and Wellbeing: Summary of Results* (2007), https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/2007

[4] Australian Bureau of Statistics, *Psychosocial disability* (2018), https://www.abs.gov.au/articles/psychosocial-disability#employment

Mentally healthy people, mentally healthy communities

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remote areas can also face compounding challenges, including limited access to services and employment opportunities.[5]

These barriers can in turn impact mental health. Unemployment is associated with psychological distress and decline in mental health,[6] as well as greater risk of suicide.[7]

Conversely, employment can improve mental health and wellbeing through increased self-esteem, quality of life, community participation, and by supporting management of symptoms of mental ill-health.[8] Employment is especially beneficial for mental health and wellbeing when high quality supervision and good workplace conditions are present.[9]

Experiences during the COVID-19 pandemic have highlighted the close relationship between employment and mental health. Modelling shows employment programs were the "single most effective strategy for mitigating the adverse mental health impacts of the COVID-19 crisis".[10]

Given the strong association between employment and mental health recovery, supportive employment strategies should be considered a component of mental health support.[11]

Many changes are needed to ensure all Australians, including those with experience of mental health challenges, can contribute through – and enjoy the benefits of – meaningful employment.

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[5] Australian Institute of Health and Welfare, *Rural and remote health* (2022) https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health

[6] Thomas C, Benzeval M, Stansfeld SA, "Employment transitions and mental health: an analysis from the British household panel survey", *Journal of Epidemiology & Community Health* 2005;59:243-249.

[7] Australian Institute of Health and Welfare, *Suicide & self-harm monitoring* (2022) https://www.aihw.gov.au/suicide-self-harm-monitoring/data/behaviours-risk-factors/social-factors-suicide

[8] Drake RE, Frey W, Bond GR, Goldman HH, Salkever D, Miller A, Moore TD, Riley J, Milfort R and Hale T (2013) Can Social Security Disability Insurance beneficiaries with schizophrenia, bipolar disorder, or depression return to work? American Journal of Psychiatry 170, 1433–1441.

[9] Modini M, Joyce S, Mykletun A, et al. The mental health benefits of employment: Results of a systematic meta-review. *Australasian Psychiatry*. 2016;24(4):331-336. doi:10.1177/1039856215618523

[10] Brain and Mind Centre, *Road to Recovery: Restoring Australia's Mental Wealth* (2020). University of Sydney

[11] World Health Organisation, *Guidance on community mental health services: Promoting person-centred and rights-based approaches* (2021), https://www.who.int/publications/i/item/9789240025707; Drake RE, Wallach MA (2020). Employment is a critical mental health intervention. Epidemiology and Psychiatric Sciences 29, e178, 1–3. https://doi.org/10.1017/S2045796020000906

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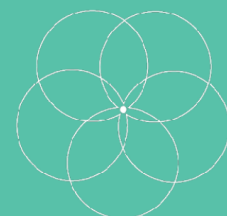
Priority Reforms

Mentally Healthy Workplaces

A mentally healthy workplace is good for everyone and supports both employee wellbeing and organisational productivity. Every dollar employers spend on creating a mentally healthy workplace has been estimated to provide an average $2.30 return on investment.[12]

Mentally healthy work environments are characterised by positive workplace culture; where stress and other risks to mental health are managed; people with mental health conditions are supported; and where there is a zero-tolerance approach to discrimination.[13]

However, it has been reported that only half of employees rate their workplace as mentally healthy.[14] The *National Workplace Initiative* and *Heads Up* campaign provide accessible resources on creating a mentally healthy workplace. There is also a need for resources and training to better equip managers to support successful employment for staff with lived/living experience of mental ill-health.

Through the National Mental Health and Suicide Prevention Agreement, governments have committed to holistic approaches to mental health and suicide prevention and identified workplaces as a priority area. In this Agreement, governments have committed to a range of actions to promote mentally healthy and psychologically safe workplaces.

Further, recent changes to model workplace health and safety regulations have specified the employers' obligation to manage psychosocial risks in the workplace.[15] These changes, along with the *Model Code of Practice on managing psychosocial hazards at work*, are welcome. However, in line with the Productivity Commission's recommendation,

Further industry or occupation specific Codes of Practice regarding managing psychosocial hazards should be developed, to support implementation of these updated regulations across all workplaces.[16]
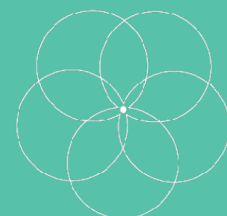
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[12] PricewaterhouseCoopers, *Creating a mentally healthy workplace: Return on investment analysis*, (2014) https://www.headsup.org.au/docs/default-source/default-document-library/research-by-pricewaterhouse-coopers.pdf?sfvrsn=3149534d_2

[13] Heads up, *Creating a mentally healthy workplace: A guide for managers* (n.d.) https://www.headsup.org.au/docs/default-source/resources/400282_1217_bl1256_acc2.pdf?sfvrsn=ddcf264d_4

[14] TNS and BeyondBlue, *State of Workplace Mental Health in Australia* (2014) https://www.headsup.org.au/docs/default-source/resources/bl1270-report---tns-the-state-of-mental-health-in-australian-workplaces-hr.pdf?sfvrsn=94e47a4d_8

[15] Safe Work Australia, *Amendments to the model WHS laws* (2022) https://www.safeworkaustralia.gov.au/media-centre/news/amendments-model-whs-laws

[16] Productivity Commission, *Mental Health*, Report no. 95. (2020), 307. https://www.pc.gov.au/inquiries/completed/mental-health/report

Addressing stigma and discrimination

Despite progress, stigma and discrimination regarding mental illness remain significant barriers to employment. Research by SANE Australia found 78% of respondents living with complex mental health issues had experienced some level of stigma or discrimination related to employment over the past year.[17]

The National Mental Health Commission [at time of writing] is finalising the *National Stigma and Discrimination Reduction Strategy*. This strategy, which will be an important driver of change, will include actions to address systemic stigma and discrimination related to employment.[18]

Insurance, compensation and return to work support

Workers compensation insurance is an important component of mental health support in the workplace, however challenges in demonstrating liability, adversarial claims processes and broader discrimination around mental health in the insurance industry mean this process can prevent rather than support access to mental health support. Mental health-related claims make up only 6% of all serious workplace compensation claims, but are more likely to be rejected than claims for other kinds of injury.[19] Improvements are needed across the prevention of workplace psychological injury, workers compensation, and return to work support. As the Productivity Commission recommends,

Australian workers compensation schemes should be amended to support timely access to mental health treatment for all psychological-related workers compensation claims, by providing or funding treatment regardless of liability until return to work or six months since the claim was made.[20]

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[17] Groot, C, Rehm, I, Andrews, C, Hobern, B, Morgan, R, Green, H, Sweeney, L, and Blanchard, M *Report on Findings from the Our Turn to Speak Survey: Understanding the impact of stigma and discrimination on people living with complex mental health issues.* (2020). Anne Deveson Research Centre, SANE Australia. Melbourne.

[18] National Mental Health Commission, *Stigma and Discrimination Reduction Strategy* (2022), https://www.mentalhealthcommission.gov.au/Projects/stigma-and-discrimination-reduction-strategy

[19] Productivity Commission, *Mental Health*, 308.

[20] Productivity Commission, *Mental Health*, 330.
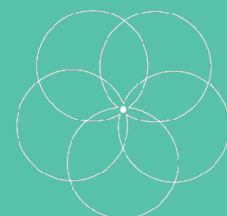
Personalised Employment Support

Some individuals with experience of mental ill-health or psychosocial disability need further support to find and maintain employment, and can benefit from personalised support. The Australian Government has committed to continued funding for employment services as part of mental health supports. However, best-practice employment support for people with mental health challenges is not yet universally available across Australia.

"Employment programs [should be] about maintaining people with mental illness in employment of their choice, so it's their goals not just what's left over ..."

NEAMI Lived Experience Research Priorities participant

Evidence-based, person-centred supports

Employment support services are most effective when participants are centred in decision making about their own lives and employment opportunities are matched to their skills and preferences. Employment services must move beyond one-off job placements toward supporting people to meaningful, ongoing work opportunities and career development.

The Individual Placement and Support (IPS) model, which involves ongoing, personalised support to gain employment in the competitive market, has been found to outperform conventional approaches to employment support for people with mental ill-health.[21]

Integrating mental health and employment services

Australia's current mental health and employment support systems operate largely independently, with inconsistent engagement and referral pathways. However, integration of employment and mental health supports has "been found to be the single variable that best differentiates more and less effective [employment] programs across a range of services".[22]

Engagement in voluntary employment support programs can improve mental health. Early analysis of more than 500 young people participating in IPS in a Headspace centre found more than 80% achieved significant improvement in their quality of life, psychological distress or functioning; significantly higher than the outcomes achieved for young people who only received a clinical service.[23]

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[21] Productivity Commission, *Mental Health*, 947.

[22] King, R., Waghorn, G., Lloyd, C., McLeod, P., McMha, T. & Leong, C. "Enhancing employment services for people with severe mental illness: the challenge of the Australian service environment", *Australian and New Zealand Journal of Psychiatry*, 40 (2006):474, https://core.ac.uk/reader/15011460

[23] headspace is currently undertaking further analysis of these data for publication
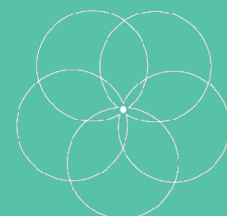
Integration of mental health and employment services can be achieved through either co-location or formal communication structures,[24] and should be a particular focus moving forward. There are also promising trials of technology-based tools to augment IPS service delivery and address barriers to access and engagement, which should be further explored in Australia.[25]

IPS programs should continue to be rolled out nationally and integrated with mental health services.

Government-funded employment support

People receiving a range of income support payments are required to undertake activities towards finding a job, managed by Workforce Australia online or through employment service providers. A high proportion of Workforce Australia participants are dealing with mental health challenges, with mental health conditions the most common condition amongst people receiving the JobKeeper payment and the Disability Support Pension.[26] However there have been significant issues with Government employment services for participants with mental ill-health, including suitability of assessment tools, application of mutual obligation compliance requirements, and level of personalised employment support.[27] Automatic payment suspensions, many times implemented unfairly, have also been found to cause high levels of anxiety and stress.[28]

Similarly, the current Disability Employment Services (DES) model is difficult for participants to navigate. It relies on a one-size-fits all performance framework that does not suit participants with psychosocial disability, and does not incentivise providers to support long-term employment and career outcomes for participants.[29]

Workforce Australia Services and the future disability employment support model should emphasise strengths-based employment support rather than compliance management; integrate more with mental health supports; provide a flexible, person-centred experience and cease automatic payment suspensions.

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[24] King, R., Waghorn, G., & Lloyd, C. (2006) 'Enhancing Employment Services for People with Severe Mental Illness: The Challenge of the Australian Service Environment' Australian & New Zealand Journal of Psychiatry, 40, pp.471-477 doi.org/10.1080/j.1440-1614.2006.01824.x

[25] Orygen, *Policy Briefing: Individual Placement and Support* (2022) https://www.orygen.org.au/Orygen-Institute/Policy-Areas/Employment-and-education/Employment/Individual-placement-and-support

[26] Department of Social Services, *DSS Demographics – June 2022*, (2022) **https://data.gov.au**

[27] Productivity Commission, *Mental Health*, 939.

[28] Australian Council of Social Services, *Mutual Obligation Snapshot – Payment suspensions and cancellations (2022)*, https://www.acoss.org.au/mutual-obligation-snapshot-payment-suspension/

[29] Mental Health Australia, *New Disability Employment Support Model: Submission to Department of Social Services Consultation Paper* (2021), https://mhaustralia.org/sites/default/files/docs/mha_submission_-_new_disabiliton_paper_-_31_jan_2022_-_final.pdf
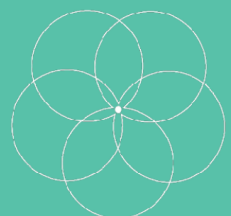
People with experience of mental ill-health and receipt of the DSP have reported that fear of not being able to access income support again if needed is a strong disincentive to moving off the payment into employment. Australia's income support system should better account for the episodic impacts of psychosocial disabilities.

The Australian Government should make changes to the DSP to improve work incentives, including easier re-access if required for recipients who have moved into employment.

National Disability Insurance Scheme

People with psychosocial disability who are participants of the National Disability Insurance Scheme (NDIS) are intended to receive individualised support to "take part in work" through their NDIS package.[30] Despite this, there has been no significant increase in the employment rate of NDIS participants with psychosocial disability over 25 years old, remaining at 14% over two years.[31]

There is ongoing confusion about the interface between NDIS and government-funded employment services,[32] and anecdotal feedback of inconsistencies in inclusion of employment participation support in participants' plans dependent on individual planners.

The National Disability Insurance Agency should:

- *provide clearer guidance to planners on the role of the NDIS in supporting participants to take part in/maintain employment, and*
- *further develop its capacity across support workers and coordinators to support participant engagement with employment and employment services.*

Other models of employment support

Some organisations providing Clubhouse Model community-based mental health supports also provide effective employment support for people who experience severe or complex mental health challenges.[33] This can include employment preparation support and training,

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[30] Department of Social Services (2015) Principles to Determine the Responsibilities of the NDIS and Other Service Systems, p16, https://www.dss.gov.au/the-applied-principlesand-tables-of-support-to-determineresponsibilities-ndis-and-other-service

[31] National Disability Insurance Agency, People with a psychosocial disability in the NDIS 30 June 2019, (2019), https://data.ndis.gov.au/reports-and-analyses/participant-groups/people-psychosocial-disability

[32] Australian Government Department of Social Services (2021) National Disability Employment Strategy: Consultation Report, p32 , retrieved 26 October 2021 https://engage.dss.gov.au/wpcontent/uploads/2021/10/dss-consultation-report.pdf

[33] McKay C, Nugent KL, Johnsen M, Eaton WW, Lidz CW. A Systematic Review of Evidence for the Clubhouse Model of Psychosocial Rehabilitation. Adm Policy Ment Health. 2018 Jan;45(1):28-47. doi: 10.1007/s10488-016-0760-3. PMID: 27580614; PMCID: PMC5756274.

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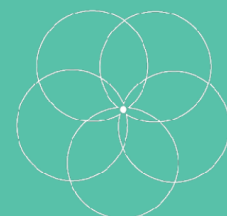
and connections with local businesses to provide transitional, supported or independent employment opportunities.

Similarly, some social enterprises provide employment opportunities for people experiencing mental health challenges. Such models have been found to be very effective in supporting ongoing employment participation for people who have previously been long-term unemployed.[34]

Governments should support growth of such community-based employment programs through social procurement commitments and tax incentives to encourage philanthropic investment.

Employer incentives

Mental Health Australia supports implementation of incentive-based measures such as wage subsidies and tax incentives, as well as employment targets, to increase employment rates for people with mental health challenges including psychosocial disability. Incentives should support long-term employment rather than purely focusing on job placement.

The DES wage subsidy should be reviewed to maintain pace with modern wages, and could include further incentives to reward employers who provide opportunities for participants who have been long term unemployed or with irregular employment history.

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[34] Productivity Commission, *Mental Health*, 394.
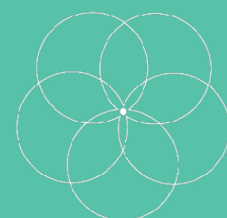
Lived Experience workforce

People with lived experience of mental health challenges, and/or caring for someone experiencing mental ill-health, provide unique leadership and contribution across the mental health ecosystem. Drawing on their experience of mental health challenges and recovery and particular training, Lived Experience workers provide recovery-oriented support for others experiencing similar challenges, as well advisory and management roles guiding service design and delivery.[35]

Expanding the Lived Experience workforce represents opportunities to increase access to meaningful employment for people with lived experience who choose this career path, while also improving access to multidisciplinary care and addressing workforce gaps.

The Lived Experience workforce has faced challenges with professional recognition and integration across the mental health system, lack of organisational support and readiness for Lived Experience workers, and lack of career progression and development opportunities.

Mental Health Australia strongly supports the call from the Lived Experience sector[36] and the recommendation of the Productivity Commission[37] for the establishment of a professional association for the Lived Experience workforce. This association should drive efforts to address these challenges, as well as supporting development of a range of qualifications and training; working with state and territory Lived Experience workforce associations; and working closely with other mental health professional associations to promote integration of the Lived Experience workforce across the mental health eco-system.

The Australian Government should fund the establishment of a professional association for the mental health Lived Experience workforce.

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[35] Janet Meagher and Gerry Naughtin, "Scope, role and contribution of peer work," in *Peer Work in Australia: A new future for mental health*, ed. J. Meaghre, A. Stratford, F. Jackson, E. Jayakody & T. Fong (Sydney: Richmond PRA and Mind Australia, 2018)

[36] National Mental Health Consumer and Carer Forum, *NMHCCF Position Statement on the Establishment of a National Peer Workforce Association* (2022) https://nmhccf.org.au/our-work/position-statements/position-statement-establishment-of-a-national-peer-workforce-association; Private Mental Health Consumer Carer Network (Australia), *Towards Professionalisation* (2019) https://www.livedexperienceaustralia.com.au/_files/ugd/907260_03122e9e815d46c987265442f7f6676c.pdf

[37] Productivity Commission, *Mental Health*, 732.