



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

17 February 2021

Department of Health
GPO Box 9848
Canberra ACT 2601

via email: MHStrategy@health.gov.au

Dear Sir/Madam

Productivity Commission Report on Mental Health

Our Office welcomes the opportunity to provide feedback to the Government on the critical recommendations from the Productivity Commission Report on Mental Health. We acknowledge that mental health is vital to the wellbeing of the Australian community and everyone has the right to a psychologically safe workplace. We support the immediate implementation of Recommendation 7 and Action 7.1 to assist workplaces, particularly small businesses, to meet their obligations to employees.

Small businesses are collectively Australia's largest employer. To ensure the best outcomes for workers it is vital that small businesses are included in these changes. However, the Actions listed for Recommendation 7 are focused on employees of traditional large workplaces, which have sophisticated HR systems. To this end we raise the below implementation issues that should be addressed so small businesses are best placed to support their employees mental wellbeing.

Of particular concern to our Office is the critical gap in support for small business owners and sole traders which is left by the Actions under Recommendation 7. The Government should provide targeted and specialised mental health support to ensure their wellbeing and the continuation of their businesses. Additionally under the proposed workers compensation changes sole traders and members of partnerships, who are ineligible for workers compensation schemes, will be unable to access these schemes, will be denied access to mental health clinical treatment and rehabilitation provided to traditional employees. We recommend the Government step in to ensure access and affordable mental health care for these workers.

Implementation Concerns:

Action 7.4. We support the expansion of workers compensation schemes to provide rapid access to psychological treatment and rehabilitation to assist workers to return to work. However, this change creates a risk of an expansion in costs that small businesses will not be able to meet. Although the modelled annual premium increase for this change is 0.6%, we strongly urge the Government to implement monitoring of the actual premium cost increase and, if needed, commit to funding the increase for small businesses. Additionally, where liability is not established a claim for treatment should not trigger employer workplace injury 'return to work' obligations or result in increased premiums.

Actions 7.2 and 7.6. We support the implementation of Actions 7.2 and 7.6 to provide guidance for creating psychologically safe workplaces. However, we believe that mental health experts should drive the creation of workplace mental health guidance material and resources. These resources already exist and are being delivered by the Mentally Healthy Workplace Alliance via the Heads Up website. To avoid reproduction of existing work, Government should provide long term funding for the Mentally Healthy Workplace Alliance

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to maintain and evaluate non-legal guidance material and ensure a central resource point. Workplace Health and Safety authorities should consult this Office, and other experts, when producing any legal guidance material to ensure its suitability for small businesses. Both legal and non-legal resources must take the practicalities of small business operations into account to ensure the best outcomes for workers and business owners.

Action 7.3. We support Action 7.3 in principle however practicality of implementation must be considered when setting discounts for workers compensation premiums. Small businesses without sophisticated HR systems should be provided with support and guidance in how to lower their workers compensation premiums within their current operating processes. This will encourage small businesses to adopt proven initiatives without high implementation costs which would create a disincentive.

Critical Gaps: Small business owners, including sole traders, are often under significant stress associated with their business. These business owners may be working long and irregular hours, feel pressure to maintain the business to support their employees and families, and will lack access to HR support systems in place in larger businesses. It is vital for their wellbeing and the health of their business that they are encouraged and supported to seek help early.

This space requires ongoing programs and initiatives that understand the complex and unique stressors for small business owners and that provide accessible support. Specifically, Government should commit to ongoing support of dedicated resources and programs, including Ahead for Business and NewAccess for Small Business Owners. Without these dedicated support mechanisms these business owners risk slipping through the cracks of the system creating worse mental health outcomes.

The proposed changes to workers compensation schemes will be an important mechanism for workers to access help and return to work after a period of mental ill-health. However, as addressed above, workers compensation schemes are not universally accessible for workers. For example sole traders and partnerships are not be eligible to access these schemes. To ensure these workers are supported to return to work as soon as possible they need accessible and affordable mental health care. The Government should address the financial impost existing under the current MBS rebate scheme for psychological therapy for all workers that are not covered by workers compensation schemes.

My Office would welcome the opportunity to continue to engage on this matter, including providing feedback on any draft guidance for small business. If you would like to discuss this matter further please contact Ms Jac Frater on 02 6213 7434 or at jac.frater@asbfeo.gov.au.

Yours sincerely



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