

Appendix Two: *Mental health and work: New Zealand / Aotearoa*

- The OECD's report *Mental health and work: New Zealand / Aotearoa* includes a comprehensive assessment of the current landscape, challenges and opportunities for policy and service delivery to support people with mental health needs in the labour market.
- The report acknowledges that New Zealand's current policies related to mental health and work provide a good foundation on which to build, but notes that progress in this area has been slow. A greater focus on action is needed to address systemic barriers and to improve outcomes for people with mental health needs in the labour market. Key findings include:
 - New Zealand has a strong platform on which to build, as awareness of challenges related to mental health and work is high.
 - Recent policy development and implementation in this area has not advanced significantly.
 - New Zealand has a complex set of systems and service landscapes, including a myriad of pilots that have not led to structural reforms.
 - Health and employment services are fragmented, and interventions come too late and are not always suitable for those who need them. These are barriers to improved outcomes for people with mental health needs in the labour market.
 - Welfare reforms have had limited impact on the labour force participation of people with mental health conditions.
 - There are significant ethnic and regional disparities, both in access and outcomes.
 - Stronger cross-government leadership is required to enact change.
- The overall direction of the OECD's report aligns with *He Ara Oranga*. This includes supporting mental wellbeing through addressing both their mental health needs and broader social determinants; taking a whole-of-government approach to supporting mental wellbeing; and increasing efforts in promotion, prevention and early intervention, particularly for young people.
- The report identifies a number of opportunities to better support people with mental health needs in the labour market. Key recommendations for policy-makers include:
 - develop a cross-government, national mental health and work strategy with a focus on evidence-based employment services integrated with mental health treatment
 - independently and rigorously evaluate the large number of pilots and roll-out successful pilots nationally to ensure services of comparable nature and quality are available to all
 - systematically collect evidence needed for good policy-making, including on sickness absence and on employment status before and after health treatment
 - increase the focus on high-prevalence common mental health conditions, with less focus on diagnosis and more focus on the provision of non-stigmatising support
 - reconsider the distinction between injury and illness in the New Zealand system, which comes at a particular cost for people with mental health conditions
 - shift spending from physical to mental health care and from specialist to primary care, while strengthening the employment competence of the health sector and making employment a focus of the health system outcomes and quality framework
 - improve the mental health competence and responsiveness of the welfare system and provide and expand coverage of integrated health and employment services both to people claiming benefits and to people with mental health conditions not claiming a benefit
 - identify a set of cross-government measures on mental health and work that can be integrated into the Treasury's wellbeing frameworks.

Proposed responses to the recommendations in Mental health and work: New Zealand / Aotearoa

#	Theme / recommendation	Response	Comments
Establishing employment as a key target for mental health care			
1	Shift health spending from specialist to primary care and from somatic to mental health care, and provide more funding for talking therapies, including a scale-up of e-therapies.	Accept in principle	<ul style="list-style-type: none"> The Government acknowledges the need to build the missing components of New Zealand's continuum of care, particularly for people who do not meet the threshold for specialist services, and is committed to expanding and enhancing mental health and addiction responses in primary and community settings. The Government supports greater integration of physical and mental health care, with the same level of response and service options. This is aligned with the commitment to a wellbeing approach and will support better employment outcomes for people with mental health and addiction needs. The Government supports expansion of evidence-based responses, including talking therapies and e-therapies. While significant investment in primary responses is needed, funding should not be shifted away from specialist mental health and addiction services at the expense of responses to New Zealanders with more severe needs. Rather, giving effect to the intent of this recommendation requires additional investment above current spending levels on specialist mental health and addiction services and physical care.
2	Ensure consistent, equitable access to primary and mental health care for everyone and improve the mental health capacity of primary care.	Accept	<ul style="list-style-type: none"> The Government acknowledges regional variations, as well as inequities between population groups, in access to effective and timely primary mental health and addiction support. Ensuring consistent and equitable access to primary mental health and addiction responses is crucial to begin to respond to significant levels of unmet need of New Zealanders with mild to moderate needs, and to reduce inequities for Māori and other population groups, such as Pacific peoples and people on a main benefit. The capacity and capability of workforces to respond to mental health and addiction needs will be both a key enabler and key barrier to transformation. Longer-term planning to transform our approach to mental health and addiction will include development of a strategic and cohesive approach to workforce development and cross-sector competencies.
3	Develop the primary care sectors' work and workplace competence, and provide guidelines for sickness certification to treating doctors.	Accept	<ul style="list-style-type: none"> Employment can be a mental health intervention and part of a wider treatment plan. As such, the Government recognises the need to provide guidelines on the interrelationship between mental health and work, including in relation to work capacity certificates required for benefit purposes and possible reasonable accommodations in the workplace. Increasing primary workforces' understanding and awareness of workplace issues, and strengthening pathways between the workplace and primary care, is in line with the Government's commitment to a wellbeing approach. The wellbeing approach takes into account people's broader circumstances when responding to mental health and addiction needs. Longer-term transformation planning will include development of a strategic and cohesive approach to workforce development and cross-sector competencies.

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4	Make employment part of the health system's quality and outcomes framework, and prioritise employment in national mental health policy e.g. by providing incentives for primary health services to connect with employment support.	Accept in principle	<ul style="list-style-type: none"> Meaningful employment is strongly associated with better mental health and wellbeing. The Government supports improved integration of health and employment support services, in line with a wellbeing approach. Further consideration is needed as to how best to facilitate service integration between mental health and addiction responses and a range of other social supports and protective factors, including employment, education, housing, community connectedness and cultural identity. This may include incorporating cross-sector outcomes into performance frameworks or providing incentives to connect people with cross-sector supports, and will consider opportunities to learn from or expand existing local activities integrating mental health and employment support.
Helping vulnerable youth to succeed in education and employment			
5A	Step up teachers' mental health competence	Accept in principle	<ul style="list-style-type: none"> Teachers have contact with a majority of children and young people in New Zealand. Ensuring teachers are well-equipped to identify and support children's and young people's mental health needs, or have the infrastructure to refer students to appropriate supports, aligns with the Government's commitment to an integrated and holistic wellbeing approach. Further consideration is needed of the role of teachers and schools in promoting and responding to mental wellbeing of students and the function of teachers in the wider mental health system. Longer-term transformation planning will include development of a strategic and cohesive approach to workforce development and cross-sector competencies. The Government acknowledges that New Zealand's rates of bullying and other risk factors of poor mental health are worse than the OECD average. Some communities are particularly affected such as Māori, Pacific peoples, students with disabilities, and Rainbow communities. Further work is underway to build on anti-bullying initiatives in schools and support the Bullying-Free NZ Framework.
5B	Address bullying at school more rigorously.	Accept	
6	Ensure that comprehensive school-based mental health services are available for all students.	Accept	<ul style="list-style-type: none"> School settings provide a wide-reaching entry point for young people to engage with mental health supports. The balance and mix of service options for young people will need to complement the existing service landscape, and must be co-produced with Māori, young people with lived experience, communities, whānau and tāngata whaiora. This will be considered as part of longer-term transformation planning and alongside the recommendations in <i>He Ara Oranga</i> to increase access and choice.
7	Ensure adequately-equipped, easily accessible Youth One Stop Shops operate in all regions, with comparable service quality.	Accept in principle	<ul style="list-style-type: none"> The Government supports Youth One Stop Shops (YOSS) as an additional and effective pathway for young people to engage with integrated health and social services, and acknowledges regional variations in access and quality of services provided through YOSS. The Government will undertake to develop a cross-government policy approach to YOSS, including shared outcomes sought, which could support the delivery of this recommendation. Further consideration is needed about the ideal balance and mix of service options for young people.

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8	Resource Youth Primary Mental Health Services adequately and enable them to provide common interventions (such as talking and e-therapies).	Accept in principle	<ul style="list-style-type: none"> The Government supports Youth Primary Mental Health Services as an additional and effective pathway for young people to engage with services. The Government supports expansion of talking therapies and e-therapies, as these responses are supported by evidence of effectiveness. Further consideration is needed about the ideal balance and mix of service options for young people.
Improving workplace mental health and return to work			
9	Strengthen employer support and obligations to better enforce the Health and Safety at Work Act; and increase WorkSafe's mental health competence, its enforcement powers and its resources.	Accept in principle	<ul style="list-style-type: none"> Work is already underway to support businesses and workers, including through engagement and education, to understand their work health and safety obligations and how to take a proactive risk management approach for work-related mental health risks. A greater focus on work-related health, including mental health, is part of the <i>Health and Safety at Work Strategy 2018–2028</i>. In line with this, WorkSafe intends to build its mental health competency across all its functions to support businesses to understand their obligations to provide a work environment that supports positive mental health outcomes. The Health and Safety at Work Act 2015 (HSWA) contains a range of enforcement tools that provide WorkSafe and other work health and safety regulators with flexibility around what compliance action is appropriate. The Government agrees with the OECD finding that HSWA has considerable potential and that its ability to realise positive mental health outcomes depends on how actively this legislation is enforced.¹ The Government acknowledges the need to clarify our understanding of how existing enforcement tools (and other levers) could be better utilised, any potential gaps in available enforcement tools and other alternative levers, and in which regulatory system responses best fit (ie, work health and safety may not always be the most appropriate regulatory system).
10	Develop a sickness absence policy including collection of absence data; a longer sick-pay period; and an effective return-to-work strategy.	Further consideration needed	<ul style="list-style-type: none"> A Government-appointed Holidays Act Review Taskforce is currently carrying out a full review of the Holidays Act and is expected to report back in mid-2019. The recommendations arising from the Taskforce may include changes to leave entitlements and provide an opportunity to further consider settings around the existing sickness absence policy relating to leave entitlements. Further consideration is needed of the scope of guidance materials required to provide the support and education needed for employers to meet their obligations and how return-to-work strategies should be developed. Collection of absence data will be considered alongside recommendations for mental health and addiction surveys.
11	Provide financial incentives for smaller firms to get income protection insurance and to contract an Employee Assistance Programme (EAP) provider.	Do not accept	<ul style="list-style-type: none"> Provision of these supports is good practice for employers, however incentivising certain firms to offer income protection insurance represents a fundamental shift in the Government's role in the provision of income support (whether through ACC or the welfare system). At present, the system is not designed to subsidise or incentivise the offering of income protection insurance. In relation to incentivising firms to offer EAP, the Government recognises the need to expand access to quality, affordable mental health support for all New Zealanders. This will be considered alongside the

¹ Note: While this recommendation suggests increased enforcement tools are needed, the body of the report does not reflect this. Rather, the report focuses on utilisation and full implementation of current settings and tools.

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			recommendations in <i>He Ara Oranga</i> to expand access and choice of mental health and addiction responses, including for people in the labour market.
12A	Consider expanding ACC to cover illness, fully or partially.	Do not accept	<ul style="list-style-type: none">At this time, the Government is not considering expanding the scheme to cover illness. To do so would require a redrawing of the boundaries between health, welfare and ACC systems and an increased burden on levy and tax payers.Consideration of the interface with the health system, and how to improve outcomes for disabled people and people with health conditions (including mental health), were included in the Welfare Expert Advisory Group's Terms of Reference.The Health and Disability System Review will also consider the relationship between the health and disability system and the ACC scheme.
12B	Consider replicating the comprehensive ACC approach in other parts of the (welfare) system.	Further consideration needed	
Prioritising support for mental health in the employment and welfare system			
13	Assess claimants' (mental) health needs quickly irrespective of the type of benefit and primary reason for a claim to ensure effective matching of needs and services.	Accept in principle	<ul style="list-style-type: none">The Government acknowledges the need to improve early access to appropriate support and services for New Zealanders interacting with the welfare system.Case managers have a key role in facilitating access to support, but their focus is on assessing their clients' wider needs (especially income), within limited time period. They are not expected to always identify mental health needs, nor is it their role to diagnose clients.The Government is considering options to further improve case managers' competency to respond to clients' needs, including mental health needs. This may include, for example, guidance on the range of mental health services available and circumstances where a referral may be appropriate (including for clients not on a health or disability-related benefit).Longer-term transformation planning will include development of a strategic and cohesive approach to workforce development and cross-sector competencies.
14A	Provide access to fully-integrated psychological and employment support.	Accept in principle	<ul style="list-style-type: none">The Government supports integrated approaches to mental health and employment support, which can lead to improved health and wellbeing along with better employment outcomes.The Government is building an evidence base through current Individual Placement and Support pilots, with a view to support increased access to evidence-based approaches.Further consideration is needed of the feasibility and implications of the expanding the provision of employment support to people not claiming a benefit. This will be considered as part of longer-term transformation planning.
14B	Expand services to people with mental health conditions not claiming a benefit (be they off-sick or inactive).	Further consideration needed	

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15	Further improve mental health and cultural competence of welfare staff and improve ease of case managers' access to mental health advisors.	Accept	<ul style="list-style-type: none"> The Government acknowledges the importance of supporting the mental health and cultural competency of all Work and Income staff, given the cultural diversity of clients and high proportion of clients who have mental health needs. The Government is considering how to further strengthen training on mental health awareness, including cultural competency, for case managers, and how to enable more case managers to access appropriate follow-up for clients with mental health and addiction needs. The Ministry of Social Development already offers all client facing roles, including case managers, a range of training programmes to work with and better support clients with mental health issues. A mental health advice line has also been introduced to give advice to case managers interacting with clients with possible mental health needs. Longer-term transformation planning will include development of a strategic and cohesive approach to workforce development and cross-sector competencies.
16	Coordinate service procurement; elongate service contracts to ensure service quality investment; provide incentives for the provision of evidence-based and post-placement employment support.	Accept in principle	<ul style="list-style-type: none"> The Government acknowledges that there are currently a number of separate contracts (both across and within agencies) for delivering similar types of employment support to people with mental health needs. Coordinated service provision will reduce gaps in service and duplication of reporting and procurement requirements, which will in turn better support the NGO sector. Some improvements are already underway. New provider contracts for nationally contracted disability employment services now have longer contract periods. Contracts also use outcomes-based funding to incentivise effective approaches, with the new Employment Support Practice Guidelines a key tool to support evidence-based best practice. Further consideration is needed as to the best approach for delivering on the intent of this recommendation. This will be considered alongside related machinery of government recommendations in <i>He Ara Oranga</i>, for example around coordinating NGO commissioning.
Moving from policy thinking to policy implementation			
17	Set up a mental health and employment strategy with focus on evidence-based employment service integrated with mental health treatment.	Accept in principle	<ul style="list-style-type: none"> The Government acknowledges the strong link between employment and mental wellbeing and the need to integrate support for both in order to improve labour market outcomes for people with mental health and addiction needs. The Government supports expansion of evidence-informed, integrated responses; however, further consideration of a strategy specific to mental health and employment is needed in the context of the broader response to the Inquiry and development of a longer-term investment strategy and transformation plan.
18	Rigorously evaluate pilots and trials and their impact on education and employment outcomes and roll-out successful pilots nationally to ensure comparable service is available in all regions.	Accept	<ul style="list-style-type: none"> The current service landscape is fragmented, and service availability and quality are variable between regions. The Government supports the need for national consistency in service options. There are a large number of promising pilots and regional programmes underway, including pilots testing more integrated approaches to health, social and employment support. Expansion of pilots found to be successful and cost effective will be considered.
19	Systematically collect evidence needed for good	Accept	<ul style="list-style-type: none"> The Government acknowledges the importance of having accurate, comprehensive, up-to-date data on the prevalence and impact of mental health and addiction issues, and on the access to and effectiveness of

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	policy-making, through administrative data as well as regular health and mental health surveys.		<p>services. This is crucial to inform the optimal mix and balance of responses, and to establish a baseline from which to measure progress.</p> <ul style="list-style-type: none"> • There are limitations in current data collection, resulting in gaps in our administrative data. There are also opportunities to build cross-agency connections to better connect data and survey information on mental health at work, and to develop system-wide indicators that captured the interrelated systems across health, welfare, ACC and the labour market. • Further consideration is needed about the best way to achieve the intent of this recommendation. This will need to be considered as part of longer-term transformation planning in conjunction with recommendation 11 in <i>He Ara Oranga</i> for a regular mental health survey.
20	Increase the focus on high-prevalence common mental health conditions, with an emphasis on non-stigmatising support rather than diagnosis.	Accept	<ul style="list-style-type: none"> • The Government acknowledges the gap in the continuum of care for people with mild to moderate needs, including high-prevalence common mental health disorders. The societal and economic burden of these common disorders is substantial. • The Government is committed to a wellbeing approach with a broader focus than traditional health diagnosis and treatment. This requires making better use of more diverse support options and non-clinical workforces to respond to mental health and addiction needs. • An activated health and safety system that focuses employers on their obligations to provide a work environment that supports mental wellbeing could positively influence non-stigmatising support.