

Position statement responding to the Australian Government's announcement of a Productivity Commission Inquiry into Mental Health

Orygen, The National Centre of Excellence in Youth Mental Health, welcomes the Productivity Commission's inquiry into 'the role of mental health in supporting economic participation and enhancing productivity and economic growth'.

This inquiry provides a significant opportunity to highlight the impact of mental ill-health on the nearly five million Australians, their families, and their communities, who are affected each year, and to deliver recommendations that recognise the human, social and economic imperative for all Australian governments to respond to these preventable and treatable conditions.

Although the government's announcement has drawn attention to the \$9 billion in Australian and State and Territory government funding that is directed to mental health, it is important to note that this investment is only a small fraction of the total health budget of more than \$170 billion and about one-third of the level that the burden of disease caused by mental illness requires.

It is also significantly less than the direct and indirect cost of mental ill-health in Australia - calculated by the National Mental Health Commission to be more than \$60 billion a year¹. Globally, the World Economic Forum has reported that mental ill-health accounts for 35% of the global economic burden of non-communicable diseases, more than cancer, diabetes and heart disease². These costs are largely 'the costs of failure' and include significant expenditure borne across other government domains including welfare payments, the criminal justice system, addiction services, housing and the business sector.

We know that the onset of mental illness peaks in adolescence and early adulthood. At this critical period of life, an experience of mental ill-health can derail a young person's attainment of key social, educational and employment milestones and persist through years of lost productivity and economic participation.

There is strong international evidence that targeting preventive measures and effective early interventions to young people presents the best opportunity to reduce the economic burden of mental ill-health, including un/under employment, health and welfare spending and premature death, over the lifespan.

In particular, through our work at Orygen, we have identified the cost-effectiveness of youth mental health and early intervention, with a return on investment of up to \$6.19 for every dollar spent³. There is particularly compelling economic evidence for first-episode psychosis services⁴ and supported employment and education⁵.

Australian Governments (both past and present) have recognised this and invested in youth mental health services and programs including headspace, the Early Psychosis Youth Services and the trials of the Individual Placement and Support (IPS) program to increase workforce participation.

Although the Productivity Commission's inquiry provides an important vehicle for critically needed mental health reform and investment, the rising tide of mental illness and its lethal consequences cannot wait another 18 months for this process to pave the way to a definitive solution. Urgent investments to stem this tide must be made now in proven evidence-based programs such as early psychosis, headspace and assertive community care.

Orygen expects the Productivity Commission inquiry will provide decisive impetus for bringing evidence-based programs for early intervention in young people and other mental health services to national scale, greatly improving the social and economic outcomes for all Australian young people, their families and communities.

1. National Mental Health Commission, *Report of the National Review of Mental Health Programs and Services*. 2015: Sydney.
2. Bloom, D., et al., *The Global Economic Burden of Non-communicable Diseases*. 2011, World Economic Forum: Geneva
3. Access Economics, *The economic impact of youth mental illness and the cost effectiveness of early intervention*. 2009: Canberra.
4. Hamilton, M.P., et al., Identifying attributes of care that may improve cost-effectiveness in the youth mental health service system. *The Medical Journal of Australia*, 2017. 207(10): p. 27-37.
5. Orygen Youth Research Centre, *Tell them they're dreaming: Work, Education and Young People with Mental Illness in Australia*. 2014: Parkville, Melbourne



Orygen, The National Centre of Excellence in Youth Mental Health is the world's leading research and knowledge translation organisation focusing on mental ill-health in young people.

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