Executive summary

Throughout OECD countries, including New Zealand, there is growing recognition that mental health is a major issue in social and labour market policy. Mental health problems exact a large cost on the people concerned, on employers, and on the economy at large, affecting well-being and employment, and causing substantial productivity losses.

New Zealand is in a good starting position. Stimulated by a continuously improved national anti-stigma and discrimination campaign, which was started about 20 years ago, the awareness of the high prevalence of mental health conditions is high. Knowledge that work is generally good for mental health and can improve recovery is also widespread among service providers, employers, policy makers and other relevant stakeholders.

Comparing the actual policy landscape in New Zealand with the Recommendation of the OECD Council on Integrated Mental Health, Skills and Work Policy, however, suggests that policies and institutions struggle to address the challenges at stake. Considerable structural weaknesses limit the provision of timely and integrated health and employment services. A myriad of trials and pilots are in place all around the country to fill some of the gaps. Service use and outcomes, consequently, differ substantially across the country and across ethnicities. The poorer outcomes for some groups, especially Māori people, point to an urgent need for mental-health-and-work policies to be culturally led, informed and responsive. Regional disparities are the result of considerable regional autonomy across government agencies, in turn leading to significant variability in the availability of adequate support and services.

Significant reforms in a number of policy areas over the past decade have improved the situation but have failed to overcome some of the structural barriers. Health reform, for example, has strengthened regional autonomy of the primary care sector but has failed to resource primary care and mental health care adequately. Welfare reform has helped to reduce the number of people dependent on benefits but has failed to support sufficiently those with a recognised mental health condition as well as the larger number of people with unrecognised mental health conditions. Reform of the Health and Safety at Work Act has initiated a shift in focus from safety to health at work but implementation of the new legislation and the focus on mental health in the workplace is weak. Finally, major efforts to support youth with mental health conditions have led to expansions and improvements in access to mental health treatment and the development or strengthening of a range of support structures. However, the uptake of measures is often low, especially among students with mild-to-moderate mental health conditions and Māori youth.

Moving forward, policy development and policy implementation will have to become more rigorous. There is considerable evidence available on both what works and the type and timing of services needed to achieve a higher and more sustainable labour force participation of people with mental health conditions. Already twenty years ago, New Zealand's Mental Health Commission called for an integrated public policy response and a systematic collection of needs, numbers and trends and identified a lack of

coordination between mental health and employment services. Twenty years later, many of those conclusions are still valid and waiting to be implemented in a rigorous way.

The OECD recommends that policy makers in Aotearoa/New Zealand:

- Develop a national mental health and work strategy with a focus on evidence-based employment services integrated with mental health treatment. Such a strategy needs to involve various government departments.
- Evaluate the large number of ongoing pilots and experiments in this policy space rigorously and independently and roll out successful pilots nationally, ensuring that services of comparable nature and quality are available in all regions.
- Systematically collect evidence needed for good policy-making, including on sickness absence and on employment status before and after health treatment, using administrative data as well as regular health and mental health surveys.
- 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. This is important for everyone, but especially for youth and adolescents and those who have a job but struggle because of mental health issues.
- Reconsider the strict and adverse distinction in the New Zealand system between injury (which is well covered) and illness (which is not well covered), a division coming at a particular cost for people with mental health conditions.
- Shift spending from somatic 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 competences and responsiveness of the welfare system, provide integrated health and employment services to people claiming welfare benefits irrespective of the type of benefit they receive, and expand these integrated employment support services to people with mental health conditions not claiming a benefit.

  Use the findings from this report to identify a set of cross-government measures on mental health and work that can be integrated into the Treasury's Wellbeing frameworks.