



## Beyond Blue's submission to the Select Committee on Cost of Living

**Date: March 9th 2023**

### *Introduction*

- Beyond Blue welcomes the opportunity to provide this submission to the House of Representatives' Select Committee on Cost-of-Living.
- Insights gathered from a range of Beyond Blue's community-facing supports and services show people are reporting rising cost-of-living pressures and these pressures are having a detrimental impact on mental health in Australia.
- There is extensive research demonstrating the interconnected, bi-directional relationship between financial wellbeing and mental health<sup>1</sup>. The impacts of money and mental health challenges are cumulative and exacerbated by adverse events such as natural disasters, global health crises, loss of social connections, job losses and housing instability – all of which have characterised the last few years.
- Concerted effort is needed to address the mental health consequences of cost-of-living pressures to both prevent the development of mental health conditions and ensure people experiencing poor mental health have equitable access to effective mental health services.
- In this submission, we address:
  - **Terms of Reference a. the cost-of-living pressures facing Australians**  
We provide insight into the cost-of-living pressures facing the community and extend upon this by providing evidence of the *impact* of cost-of-living pressures on the mental health and wellbeing of people living in Australia; and
  - **Terms of Reference e. any other related matter**  
We make **three recommendations** on how to better support people experiencing mental and financial distress.

### *List of recommendations*

1. Improve access to affordable mental health services and supports, especially for people experiencing financial hardship.
  - a. This should include investment in effective low-intensity and digital support options as well as adequate psychosocial and clinical services. This will help better match people's needs, location, and ability to pay to the type, intensity, duration, workforce type, and channel of support, whether low or high intensity therapy.
2. Invest in initiatives that aim to promote both mental and financial wellbeing, and are tailored to account for the unique risk factors faced by disadvantaged communities.
  - a. This should include investment in comprehensive, human-centred service design that integrates warm referrals and triages between mental health services and financial services.
3. Build workforce capacity in mental health and financial sectors to ensure the supports and services people access:
  - a. are well informed about the bidirectional relationship between mental and financial hardship
  - b. help reduce stigma and discrimination, and
  - c. promote cross-sector referral pathways and system navigation to improve help-seeking.

## 1. Response to Terms of Reference a. Cost-of-living pressures facing Australians

### *Beyond Blue's community members are reporting increasingly high levels of money-related mental health challenges*

- Beyond Blue service trends demonstrate a steady increase in people seeking support for cost-of-living pressures. A range of different data sources from across the organisation have revealed the following insights:
  - Between 2021-2022, financial stress was the third most common reason for people contacting the Beyond Blue Support Service phoneline<sup>ii</sup>.
  - Visits to the Financial Wellbeing webpage on Beyond Blue's website also increased by 10%, indicating increased interest in support for cost-of-living pressures and financial distress<sup>iii</sup>.
  - A recent representative national survey conducted by Beyond Blue (unpublished) found 37% of respondents said cost-of-living pressures had negatively impacted their mental health either 'quite a bit' or 'an extreme amount' over the last 12 months<sup>iv</sup>.
  - These quantitative findings reflect further insights gathered from a recent Beyond Blue community sentiment survey<sup>v</sup> that demonstrates cost-of-living pressures have now overtaken COVID-19 as the primary current concern for people.
- Insights from Beyond Blue's [NewAccess program](#) (a free mental health coaching program using Low-intensity Cognitive Behavioural Therapy) collected between July to December 2022, show stress and anxiety around finances are commonly raised in coaching sessions. This includes rent and income, and people's ability to cater for basic needs. Concerns about employment are particularly felt by people already experiencing disadvantage, including those currently un(der)employed, precariously employed, living with a disability or who are single parents.
- Beyond Blue is uniquely positioned to gather insights on how cost-of-living pressures have impacted the small business owner community through our targeted mental health coaching program, NewAccess for Small Business Owners (NASBO). Small business owners have been significantly impacted by the financial challenges caused by the pandemic, including the consequences of public health restrictions on movement, cash-flow pressures, the extended path to 'living with Covid' and the rising cost-of-living pressures<sup>vi</sup>.
- As community stress around the pandemic diminishes, worries about the cost-of-living and the future are significant and widespread. People report a sense of lurching from one challenge to the next. There is little relief amidst this unrelenting accumulation of external stressors and people are operating with lower tolerance levels and a higher sensitivity to stress. The negative impacts of challenging life events are cumulative<sup>vii</sup> and the last few years have seen a mounting of these risk factors for many that intersect and enhance the likelihood of mental and financial distress.
- Research conducted by Beyond Blue in partnership with the Australian Securities and Investment Commission (ASIC)<sup>viii</sup> found that people experiencing financial challenges are at least twice as likely to experience mental health challenges as those who are not<sup>ix</sup>, a figure that has increased to 4 times as likely in the wake of the COVID-19 pandemic<sup>x</sup>. This bi-directional relationship is also characterised by experiences of compounding stigma. Stigma is experienced around both poor financial wellbeing and mental health, creating a notable barrier to help-seeking in both areas. However, people experiencing financial distress and mental health challenges do typically engage in help-seeking behaviour multiple times before crisis point, and often face mixed success<sup>xi</sup>. Set-backs in seeking support can prompt increased feelings of shame, inhibit further help-seeking and perpetuate the cycles of self-stigma.

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*"I feel very scared of what might happen in the future lately especially when I think about our mortgage... I understand bad things could happen in life but it is hard to manage my mental status" (Beyond Blue Community Forum's member)*

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*“People can’t often focus on the specific mental health concerns they have, because their **anxiety is focusing the sessions on problem solving how they are going to meet their basic survival needs for the week.**” (Wellways New Access coach)*

*“Yes, the rising cost has a huge impact on mental health with **participants worried about how they will manage in the future.** Without employment, unable to secure a job due to health restrictions, not having superannuation and not old enough for the pension, **many people have no security and fear living out their years in poverty.**” (Wellways NewAccess coach)*

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### **Cost-of-living pressures disproportionately impact marginalised people and communities**

- Beyond Blue’s research has found that young adults, women, First Nations Peoples, and those with intersectional experiences of discrimination are more susceptible to negative impacts of financial challenges<sup>xii</sup>. Existing social inequities exacerbated by economic downturns and financial stressors are felt most keenly by community members already facing marginalisation and structural disadvantage. Targeted supports are needed to address the needs of these people to reduce the risk of further entrenching intergenerational disparities.
- First Nations Peoples have also been disproportionately financially impacted by COVID-19 and the subsequent financial challenges. Evidence suggests that First Nations Peoples reported concerns about their ability to pay for a wide range of social services during the pandemic. Wave 20 HILDA (Household, Income and Labour Dynamics in Australia) data<sup>xiii</sup> demonstrates that out of the 3% of respondents who reported financial hardship, 7% identified as First Nations Peoples (compared to 3.8% in the total Australian population as of June 2021<sup>xiv</sup>, meaning almost twice as likely as non-First Nations People). Of the 19% of people diagnosed with anxiety and depression during the pandemic, 5% were First Nations Peoples. Similarly, First Nations Peoples were the cultural group most likely to access their superannuation during COVID-19 in Australia, thus likely impacting their future financial wellbeing<sup>xv</sup>. First Nations Peoples also made up 5% of Anglicare financial counselling clients during the July-September 2020 quarter<sup>xvi</sup>. This research demonstrates statistical disadvantages that are disproportionate to population size. Knowing First Nations Peoples face uniquely challenging barriers to accessing mental health support, it is crucial that associated factors like structural racism, healing intergenerational trauma, stigma and discrimination are directly targeted in efforts to address cost-of-living pressures.

## **2. Response to Terms of Reference c. Measures to ease the mental health impacts of cost-of-living pressures**

### **Recommendation 1: Improve access to mental health services.**

- Investing in more accessible mental health services is necessary to support people navigating cost-of-living pressures while economic reforms are underway. This includes digital options and accessible, practical and affordable low-intensity supports to ensure people get the type of support they want, matched to their individual needs, when they need it.
- Lowering the help-seeking bar by intervening early and combatting stigma can help make a difference in mental health. Many people never seek treatment, or spend years experiencing a mental health condition before they do. For those at risk or with mild to moderate symptoms, early intervention can often help people to restore good mental health relatively quickly.
- The recent evaluation of the Better Access initiative found that affordability was the main barrier to accessing care provided through the scheme. Co-payment rates increased across most types of Better Access services with the biggest jump occurring in 2021. In 2021, 47% of all Better Access services

involved a co-payment by the consumer (up from 36% in 2018) and 65% of Better Access treatment services involved a co-payment (up from 53% in 2018)<sup>xvii</sup>. By the end of 2022, less than half of service users with low socioeconomic status were able to access treatment. The recently released Strengthening Medicare Taskforce report, found much work is needed to reform the Better Access scheme to improve affordability, better match the support with the needs of the user and strengths of community.

- A key finding of the Better Access evaluation is that the scheme is providing services to some people with relatively low levels of need who could potentially be supported through other means. **There is opportunity to better meet the demand for mental health support through increasing low-intensity mental health services**, which in turn relieves pressure on the system so it can better support the “missing middle” – people in need of support who do not meet the criteria for intensive treatment.
- An example of a low-intensity service is Beyond Blue’s NewAccess program. This is a free, evidence-based mental health coaching program, suited for people with mild to moderate depression and anxiety. NewAccess has demonstrated effectiveness,<sup>xviii xix xx</sup> achieves consistent recovery rates, is free to access, and available via telephone and videocall. NewAccess is the type of accessible service that the Productivity Commission’s 2020 inquiry into mental health care recommended to address the low intensity service gap in the mental health system<sup>xxi</sup>.
- We also recommend **leveraging existing sector capabilities to improve the accessibility of mental health service design and enable a system that integrates warm triages across existing financial and mental health services**. This would build on the successful track record of many sector organisations in better integrating systems to respond and support people in need. Investing in the sector’s digital capabilities would help ensure that a whole-of-community and whole-of-sector approach is adopted.
- In particular, accessible financial counselling is critical and better integrating mental health and financial counselling support would increase the likelihood of people experiencing money and mental health challenges receiving holistic support. Beyond Blue has a long-standing community partnership with Financial Counselling Australia, the peak body for financial counselling in Australia. Beyond Blue counsellors and coaches regularly refer to the National Debt Helpline, and vice-versa. We are committed to continuing to identify opportunities to leverage each organisation’s expertise to improve financial wellbeing and mental health outcomes.

***Recommendation 2: Invest in multi-pronged and mutually reinforcing tailored initiatives that aim to promote mental and financial wellbeing and account for the unique risk factors faced by disadvantaged communities.***

- We know that cost-of-living pressures are putting people’s mental health at risk. Measures to ease the cost of living and improve access to mental health services are critical for people who are currently experiencing mental and financial distress. However, with cost-of-living pressures predicted to continue to rise and given the bidirectional relationship between money and mental health, more can be done now to promote mental wellbeing and prevent mental ill-health from developing or reoccurring.
- Beyond Blue recommends **investing in initiatives that address the mutually reinforcing relationship between financial and mental wellbeing** and promote positive uplifts in one or both areas, with a particular focus on those experiencing compounding risk factors. For example, research conducted in the UK found that a combined approach of money advice and psychological therapy in parallel would be an effective intervention that provided a more holistic service<sup>xxii</sup>. The UK’s Money and Mental Health Policy Institute has also outlined a series of best practice recommendations for both financial service design and regulation<sup>xxiii</sup>, for example in relation to debt collection communication, to decrease the impact of money and mental health challenges. Translating overseas blueprints to an Australian context could offer beneficial advancements to support both money and mental health challenges.
- Beyond Blue’s research with ASIC found that preventative measures that help identify when people need support, promote resilience, challenge stigma and utilise settings (such as workplaces and government services) would deliver greatest improvements in financial and mental wellbeing<sup>xxiv</sup>.

- Beyond Blue recommends introducing **targeted interventions to support people most adversely affected by the mental health consequences of cost-of-living pressures**. Cost-of-living pressures must be addressed head on to prevent mental distress from turning into mental illness. These interventions should address the two-way relationship between financial and psychological distress, reduce stigma, improve referral pathways, and support help-seeking.

### *Recommendation 3: Building workforce capacity.*

- Beyond Blue's research with ASIC found that there are opportunities to improve the capacities of the mental health and financial services sectors to respond to people experiencing compounding mental and financial distress<sup>xxv</sup>. This research found there were already organisations delivering effective support services in the mental health and financial wellbeing sector, as well as organisations in the wider ecosystem, such as banking and insurance, governmental services, retail, the health system and the community sector. This suggests there are opportunities to continue to build on and strengthen these efforts.
- The Government needs to know more about what these sectors want and need to help people navigate a complex service system to access the support they need. This could include guidance and education to build cross-sectoral understanding of the relationship between money and mental health, how to identify signs of distress and assist people to access support.
- **Beyond Blue recommends working with these sectors to identify where workforce capacity can be strengthened** to ensure that the supports and services people access:
  - are well informed about the bidirectional relationship between mental and financial hardship
  - help reduce stigma and discrimination
  - promote cross-sector referral pathways and system navigation to improve outcomes.
- Beyond Blue is currently developing new resources to support both utility providers and mental health services in working with people experiencing financial distress. These are due to be launched in the first half of 2023.

## Appendix

### What is NewAccess?

**NewAccess** is an evidence-based, early intervention service for people with mild to moderate depression and anxiety. The service uses low-intensity Cognitive Behavioural Therapy (LiCBT) and is based on the successful Improving Access to Psychological Therapies (IAPT) model in the UK (adapted for Australia). Several peer-reviewed studies and independent evaluations have found that recovery rates and projected economic viability for NewAccess are very promising, supporting the wider adoption and system integration of proven low intensity models across Australia.

NewAccess is also driving the emergence of a new Australian community mental health workforce: the low intensity 'coach'. This workforce can be rapidly trained and retained in regional and remote Australia. While NASBO is presently funded for national delivery for the next two years, NewAccess for the general community operates under a federated funding model and is therefore only available in Victoria and residents of some PHNs in New South Wales and Queensland. Funding NewAccess nationally is necessary to realise the full potential of NewAccess as a key, accessible low-intensity service. Scaling the service nationally also has the effect of driving down its cost to government.

The quotes below demonstrate the significant benefits of an affordable mental health service.

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*"I have a clearer mind and am feeling much more positive. There are stresses each day but I am better able to cope and identify when I need to do things differently... [NewAccess] helped improve my situation in 6 weeks. I recommend it to everyone because you don't have to struggle on your own and you can get back to wellness sooner"* (NewAccess participant)

*"Last year I was feeling in despair. Hopeless and defeated with no idea how to moderate or change my feelings for the better. After just my first couple of sessions, I started to feel so much better. I have told so many people about New Access, to help others who are finding things tough... It is a wonderful service."* (NewAccess participant)

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### **NewAccess can help address key system reform challenges:**

- Accessing support earlier results in better outcomes for people. Scaling and integrating NewAccess into the mental health system has the potential to reduce the likelihood of common, mild-to-moderate mental health concerns developing into more severe or chronic mental illness over time, while freeing up resources for those with more intensive and complex needs.
- NewAccess creates jobs and career pathways. The workforce can be trained and deployed in 6 weeks, with ongoing training and clinical supervision.
- Coaches are a new workforce that support downstream services by addressing the low intensity gap, free up other workforces to operate at the full extent of their scope of practice, and address waitlists.
- NewAccess can help to create a more equitable mental health service system. It can be targeted to those community groups most in-need, and by recruiting and training local coaches, it can be delivered in regions with low numbers of mental health professionals. The services use non-clinical language which can reduce stigma and in doing so, improve access.

**For more on NewAccess**, visit <https://www.beyondblue.org.au/get-support/newaccess-mental-health-coaching>



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- <sup>i</sup> Heartward Strategic (2022) *The Money and Mental Health Social Research Report*. Beyond Blue and ASIC.
- <sup>ii</sup> Beyond Blue (2022) *Annual Highlights 2021-2022*.
- <sup>iii</sup> Govt reports 2022 June -Dec
- <sup>iv</sup> The Social Research Centre., (2023). Beyond Blue Population Level Survey Report. Unpublished.
- <sup>v</sup> Beyond Blue (2022) *Where To? Beyond Blue CMWSS Evolution Report*.
- <sup>vi</sup> Business (2022) *Supporting the mental health and wellbeing of small business owners*. Australian Government.
- <sup>vii</sup> Heartward Strategic (2022) *The Money and Mental Health Social Research Report*. Beyond Blue and ASIC.
- <sup>viii</sup> Ibid
- <sup>ix</sup> Ibid.
- <sup>x</sup> Broadway, B., Payne A. A. & Salamanca, N. (Eds.) (2020). *Coping with COVID-19: Rethinking Australia*. Melbourne Institute: Applied Economic & Social Research, the University of Melbourne
- <sup>xi</sup> Heartward Strategic (2022) *The Money and Mental Health Social Research Report*. Beyond Blue and ASIC.
- <sup>xii</sup> Ibid.
- <sup>xiii</sup> Wilkins, R., Botha, F., Vera-Toscano, E., & Wooden, M. (2020) The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 18. 2020, *Melbourne Institute: Applied Economic & Social Research, Melbourne: VIC*.
- <sup>xiv</sup> Australian Bureau of Statistics (2021) *Estimates of Aboriginal and Torres Strait Islander Australians*. ABS.
- <sup>xv</sup> Green, H., MacPhail, C., Alananzeh, I., & Fernandez, R. (2022) Association between economic wellbeing and ethnicity, socioeconomic status, and remoteness during the COVID-19 pandemic. *Public Health Nursing*.
- <sup>xvi</sup> Anglicare (2021) *Financial stress in Victoria during lockdown*. Anglicare.
- <sup>xvii</sup> Department of Health and Aged Care (2022) *Evaluation of Better Access initiative*, Department of Health and Aged Care, Australian Government.
- <sup>xviii</sup> Ernst and Young (2015) *Beyond Blue NewAccess Demonstration Independent Evaluation. Summary of findings*. Ernst and Young.
- <sup>xix</sup> Baigent, M., Smith, D., Battersby, M., Lawn, S., Redpath, P. and McCoy, A (2020) *The Australian version of IAPT: clinical outcomes of the multi-site cohort study of NewAccess*, *Journal of Mental Health*.
- <sup>xx</sup> Cromarty, P., Drummond, A., Francis, T., Watson, J. and Battersby, M. (2016) *NewAccess for depression and anxiety: adapting the UK Improving Access to Psychological Therapies Program across Australia*, *Australian Psychiatry*, 24(5): 489-492.
- <sup>xxi</sup> Lee, Jason (2023) *Government's Better Access initiative must change to prevent a mental health crisis*. InSight+ Issue 3 / 6 February 2023.
- <sup>xxii</sup> Belcher, H., Evans, J., Bond, N., Darcy, C., Hatch, M., Preece, G., and Wykes., T (2022) *Views of services users and staff on a combined money advice and psychological therapy service within IAPT* *Journal of Mental Health*, DOI: [10.1080/09638237.2022.2069718](https://doi.org/10.1080/09638237.2022.2069718)
- <sup>xxiii</sup> Money and Mental Health (2020) *Money and Mental Health Problems: Breaking the Link. A best practice checklist for debt advice providers*. Money and Health Health: Policy Institute.
- <sup>xxiv</sup> Heartward Strategic (2022) *The Money and Mental Health Social Research Report*. Beyond Blue and ASIC.
- <sup>xxv</sup> Ibid.