

Australia's Mental Health Think Tank



COVID-19 AND AUSTRALIA'S MENTAL HEALTH
PREVENTING PANDEMIC DISTRESS
THROUGH ECONOMIC SUPPORTS

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Australia's young people are experiencing a new peak in the national mental health crisis, driven by the COVID-19 pandemic and ongoing lockdowns. Anxiety and depression rates are at record levels, calls to crisis lines are at record high levels, and more young people are presenting to emergency departments with self-harm.

Mental health support services are overwhelmed. Expanded mental health funding and services announced by the Federal Government and selected state governments are vitally important and welcomed by the sector, but in many cases take time to be fully established.

Temporary government-funded economic supports, JobKeeper and the Coronavirus Supplement for Youth Allowance and JobSeeker, introduced in 2020, played a key role in reducing mental ill-health for Australians.

Despite the clear indicators of the worsening mental health crisis during the current 2021 lockdowns, economic supports remain limited and hard to access. Economic supports which have been introduced during the current lockdowns do not have many of the key features that made the 2020 schemes so successful, in terms of boosting the economy and supporting people's mental health.

The 2020 economic supports were relatively universal. Limited accessibility requirements enabled the schemes to be implemented quickly and reach the people who needed them, including young people and families. Relaxation of eligibility requirements like means testing ensured individuals and families did not need to exhaust savings to be able to access support. Support was provided at a sufficient level to support cost of living, but below a level which would act as a disincentive to work where available.

Young people, who more vulnerable to unemployment, casual and insecure work and have limited savings to fall back on, are not receiving the economic support they need to help limit mental distress and escalating mental health crisis.

Australia's Mental Health Think Tank strongly recommends the urgent introduction of:

1. **Coronavirus 2021 Supplement** for Youth Allowance and JobSeeker, to provide people experiencing unemployment during the pandemic sufficient financial security.
2. **JobKeeper 2.0** or equivalent national scheme for businesses, to support people to stay connected to work and provide financial security during the pandemic.

Immediate re-introduction of broad-based and easy to access economic supports would:

- mitigate the impact of the lockdowns on Australians' mental health, particularly younger Australians' mental health,
- reduce the number of young people falling into mental health crisis, and
- reduce the burden on over-stretched mental health services now and in the longer term.

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The urgent re-introduction of a sufficient level of income during the lockdowns will also encourage people to stay at home, increasing protection against COVID-19 community transition.

Young people were more likely to access both JobKeeper (through their employer) or the Coronavirus Supplement, than other age groups, in 2020, but it is not sufficient to target payments to young people, or a sub-set of young people. Many young people are part of families, and economic insecurity and distress experienced by parents and carers has a direct impact on their financial security, and mental health.

A pandemic-driven peak in young people's poor mental health

The COVID-19 pandemic has had significant impact on Australians' mental health and wellbeing. The pandemic has amplified pre-existing inequalities, with more unmet needs amongst groups already experiencing socio-economic disadvantage, including Indigenous Australians. It has also disproportionately impacted women.¹

Young people are amongst the worst affected. While young people have demonstrated resilience in the face of an extremely challenging period, levels of anxiety and depression amongst young people in Australia were already on the rise prior to the pandemic.² A comprehensive review of evidence about the impact of the pandemic on Australians' mental health conducted by Australia's Mental Health Think Tank has found that young people identified they had 'worse' or 'much worse' mental health after the first year of the pandemic.³

The economic impacts of lockdown measures in 2020 were particularly hard for young people, who were more likely to be trying to enter the job market for the first time when jobs were not available, and more likely to lose existing jobs as their jobs are more likely to be seasonal, part-time, casual, low-wage, and insecure, and concentrated in industries hardest hit by COVID, such as hospitality.⁴

In general, young people as a group tend to have less access to income and savings, to support them through times of hardship.⁵ Lockdown measures were also particularly hard for young people because they tend to live in poorer-quality and more crowded housing,⁶ and rely strongly on being able to connect with family and friends for their mental wellbeing.⁷

The key stresses of lockdown in 2020 were reflected in spikes in demand for mental health services.⁸ The scale of the mental health crisis building in 2020 has escalated further in 2021, in the face of the current wave of pandemic lockdowns. Crisis help lines including Lifeline and Kids Helpline are recording higher demand now than at the peaks of the 2020 lockdowns,⁹ and hospital emergency departments are reporting record rates of young people who have self-harmed.¹⁰

Addressing demand for mental health services

Australia was already facing increased demand for mental health services, before the pandemic. As has been recently demonstrated in the Productivity Commission Inquiry into Mental Health¹¹ and the Victorian Royal Commission into Mental Health,¹² meeting increased demand, preventing mental ill health and ensuring early intervention, won't be achieved without significant transformations to care and delivery.

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Governments across Australia have recognised that our nation is experiencing a mental health crisis, made worse by the pandemic. In 2020, the Federal Government announced a record \$2.3 billion investment in mental health funding, including expanded digital mental health services, more funding for help lines, and expanded Headspace youth centres and Head to Health adult mental health services.¹³

Additional or fast-tracked spending was announced following the latest lockdowns, including \$17.7 million in August 2021 to support Head to Health clinics in Victoria and provide 'pop up' mental health support sites in areas currently facing extended COVID-19 restrictions in and around Greater Sydney.¹⁴

Expanded mental health funding and services are vitally important, however funding is slated to be rolled out over five years, but will not meet the need that existed before the pandemic, and has been increased by it. Australia does not have capacity within its current mental health workforce to scale up existing services to meet the level of demand.¹⁵ Essential new services, such as additional Head to Health clinics, are targeting selected priority areas, though the demand is nationwide.

The role of economic supports in protecting mental health during the pandemic

Economic insecurity, unemployment - and the prospect of unemployment - are key drivers of mental distress for all Australians.¹⁶ Australia's Mental Health Think Tank has identified multiple studies demonstrating that during the pandemic those who lost their jobs - or had a decrease in paid hours - experienced worse mental health outcomes. This includes increased psychological distress, loneliness, depression, anxiety and self-harm, compared to those who had steady employment and financial security.¹⁷

Federal Government economic support measures introduced in 2020 included JobKeeper (wage subsidies of up to \$750 per week per worker, paid to employers) and the Coronavirus Supplement for Youth Allowance and JobSeeker (\$275 per week, paid through Centrelink).

Increasing the level of payments to people who were unemployed and receiving Youth Allowance and JobSeeker prevented more than 2 million Australians from falling into poverty and housing stress.¹⁸ Anxiety and depression declined as a result of the increased welfare payment,¹⁹ with the increased payment and removal of mutual obligation requirements leading to more time directed towards managing mental health needs.²⁰ The Federal JobKeeper subsidy supported businesses to save at least 700,000 jobs.²¹

These measures were implemented swiftly and were relatively universal. Limited accessibility requirements enabled the schemes to reach people who needed them quickly, including young people and families. Relaxation of eligibility requirements like means testing ensured individuals and families did not need to exhaust savings to be able to access support.

The payments protected the Australian economy from falling into a predicted recession. Young people were more likely to access both JobKeeper and the Coronavirus Supplement than other groups.²²

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Australia is now facing lockdowns and pandemic restrictions on a scale greater than at any point in 2020. Federal Government economic support through JobKeeper ended in March 2021, and has not been replaced by an equivalent scheme. The Coronavirus Supplement ended on 30 March 2021, returning the base rate of JobKeeper to \$310 per week and Youth Allowance (for a person living independently) to \$206 a week.²³

Australian Government support for people impacted by the current pandemic lockdowns are significantly lower, more targeted and shorter term than economic supports provided in 2020. A 'COVID-19 Disaster Payment' of between \$200 and \$750 per week is available for those who have lost work or income directly as a result of a COVID-19 lockdown, including some people on income support. A short-term Pandemic Leave Disaster Payment is available for those directed to self-isolate or quarantine due to having COVID-19 or being a close contact of someone who does.²⁴ State and Territory Governments have provided some limited financial support for businesses and other forms of economic support.²⁵

What we need to do now to protect young Australians' mental health

Australia needs measures to support young people to maintain their mental health and wellbeing, and to prevent those with mental health ill-health tipping into crisis, which can be introduced immediately, and have proven to be effective for people's mental health, as well as the economy. National Economic supports similar to those introduced in 2020 can do this.

Australia's Mental Health Think Tank is proposing urgent introduction of:

1. **Coronavirus 2021 Supplement** for Youth Allowance and JobSeeker, to provide people experiencing unemployment during the pandemic sufficient financial security.
2. **JobKeeper 2.0** or equivalent national scheme for businesses, to support people to stay connected to work and provide financial security during the pandemic.

These measures must be introduced immediately, to help protect young Australians from the escalating mental health crisis they are experiencing now. The crisis is immediate, but it will also have long term implications for Australians' mental health needs for many years into the future. In the medium to long term, a **Youth COVID Support Mental Health Recovery Package** will be need to be developed, to help people recover from the mental health impacts of the pandemic.

Demand on an already stretched service system has intensified and access to high quality care remains inadequate. Investing in preventing or mitigating mental health crises and ill-health has further economic benefits through reducing demand for mental health services.²⁶

Conclusion

Australia has a responsibility to help protect young Australians from the escalating mental health crisis. The best way to do this is the re-introduction of broad-based and easy to access economic supports that will ensure young workers stay connected to work, and ensure young people who cannot work receive a sufficient level of economic security.

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About Australia's Mental Health Think Tank

Australia's Mental Health Think Tank was established in 2020 in response to the COVID-19 pandemic. The Think Tank exists to forge collaborative relationships between policy makers, members of the public, researchers, industry, those with lived and living experience, carers, clinicians and politicians to enable the creation of new knowledge, policy and practice recommendations, and meaningful change that will shape an Australia where mental health is valued. The Think Tank strives to build connections from knowledge to impactful action by stimulating bold thinking around a national response to mental health. Australia's Mental Health Think Tank's initial focus is on the ongoing mental health impacts of the COVID-19 pandemic in Australia, particularly for young people.

To address the pervasive and detrimental ongoing effects of COVID-19 on the mental health of Australians, the Think Tank envisages a 'whole system' approach whereby key stakeholders across sectors come together to learn and respond to current mental health challenges; integrating action to bring about long-term, transformational change. Importantly, the Think Tank exists to empower; to create a better mental health system; to be bold; to embrace hope and build on strengths.

At the Think Tank core is an independent group of world-leading researchers, leaders in Aboriginal and Torres Strait Islander health, health clinicians, people with lived and living experience, carers, policy experts and human rights experts.

Members of Australia's Mental Health Think Tank are: Prof Maree Teesson (Chair), Prof Harvey Whiteford, Prof Marc Stears, Prof John McGrath, Prof Patrick McGorry, Prof Frances Kay-Lambkin, Prof Ian Hickie, Prof Phil Batterham, Mr John Brogden, Prof Alison Calear, Prof Helen Christensen, Prof Pat Dudgeon, Mr James Ensor and Prof Tom Calma.

More information

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- ² Hall, S., Fildes, J., Perrens, B., Plummer, J., Carlisle, E., Cockayne, N., and Werner-Seidler, A. (2019) *Can we Talk? Seven Year Youth Mental Health Report - 2012-2018*. Mission Australia: Sydney, NSW.
- ³ Australian Institute of Health and Welfare. *Mental health services in Australia*. Available from: <https://www.aihw.gov.au/reports/mental-health-services/mental-health-services-in-australia/report-contents/mental-health-impact-of-covid-19#mental-health> (last updated 20 Jul 2021).
- ⁴ Young workers (aged 15 to 24 years) account for 55% of hospitality workers. Other heavily COVID-impacted industries, in which young workers are most likely to be employed, include retail, and arts and recreation: National Skills Commission (Nov 2020) *Australian Jobs 2020*, accessed at <https://www.nationalskillscommission.gov.au/australian-jobs>. See also: Coates, B., Cowgill, M., Chen, T., and Mackey, W. (2020). *Shutdown: estimating the COVID-19 employment shock*. Grattan Institute.
- ⁵ For example, the Australian Institute of Health and Welfare Reports that "In May 2020 just over 1 in 4 (28%) young people aged 18–24 reported not being able to pay their rent and/or mortgage on time in the previous three months. This compares with 15% of Australians aged 18 and over." Australian Institute of Health and Welfare (2021) *COVID-19 and the impact on young people*, Web Article, accessed at <https://www.aihw.gov.au/reports/children-youth/covid-19-and-young-people> (updated 25 June 2021)
- ⁶ See Youth Action NSW and Tenants Union NSW (2021) [2021] *Young Renters Report*, accessed at https://www.youthaction.org.au/young_renters_report, Australian Institute of Health and Welfare (2021) *Australia's Youth: Housing Stress*, Web Article, accessed at <https://www.aihw.gov.au/reports/children-youth/housing-stress> (last updated 25 June 2021)
- ⁷ Magson NR, Freeman JYA, Rapee RM, Richardson CE, Oar EL, Fardouly J. Risk and Protective Factors for Prospective Changes in Adolescent Mental Health during the COVID-19 Pandemic. *Journal of Youth and Adolescence*. 2021;50(1):44-57.
- ⁸ Australian Institute of Health and Welfare (2021) 'COVID-19 impact on mental health' in *Mental health services in Australia*, Web Report, accessed at <https://www.aihw.gov.au/reports/mental-health-services/mental-health-services-in-australia/report-contents/mental-health-impact-of-covid-19#use-of> (last updated 20 July 2021).
- ⁹ After a short reduction in help seeking in early 2021, Lifeline is consistently recording its highest daily number of calls on record during the 2021 lockdowns. For example, on Tuesday 17 August 2021 is received 3,436 calls. Data provided directly by Lifeline to Australia's Mental Health Think Tank. In August 2021 Kids HelpLine reported its peak figures were reached in July 2021. The Age reported on 15 August 2021: "Sydney's current lockdown, which started in late June, has triggered a jump of more than 50 per cent in calls to the Kids Helpline in NSW, peaking at a pandemic high of 4143 calls in the week beginning on July 19. Victorian children made 3632 calls in the same seven-day period." See Adam Carey, 'Calls to Kids Helpline surge in Melbourne and Sydney', *The Age*, accessed: <https://www.theage.com.au/national/calls-to-kids-helpline-surge-in-melbourne-and-sydney-20210813-p58ijs.html>

10. See the Australian Institute of Health and Welfare's 'Suicide & self-harm monitoring' website at <https://www.aihw.gov.au/suicide-self-harm-monitoring>. Data shows increased ambulance attendances for self-injury in 0-24 year-olds. Young people aged 18-24 were already more likely to be present to emergency department presentations for self-harm or suicidal ideation than any other group. Data reported in August 2021 for NSW hospitals showed a 47% increase in emergency department presentations for self-harm or suicidal ideation in young people (12-17 years) between 2019 to 2021. See:

https://www.dailytelegraph.com.au/subscribe/news/1/?sourceCode=DTWEB_WRE170_a_GGL&dest=https%3A%2F%2Fwww.dailytelegraph.com.au%2Fnews%2Fnsw%2Ftia-sweeney-shares-how-covid-is-impacting-young-peoples-mental-health%2Fnews-story%2Fc48abb36de665fe6101ea9f9f6521ed7&memtype=anonymous&mode=premium

11. Productivity Commission, Steven King (Commissioner), Julie Abramson (Commissioner), Harvey Whiteford (Associate Commissioner) (2021) Productivity Commission Inquiry Report into Mental Health

12. State of Victoria, Royal Commission into Victoria's Mental Health System, Final Report, Parl Paper No. 202, Session 2018-21

13. Australian Government Department of Prime Minister and Cabinet (12 May 2021) 'National Mental Health and Suicide Prevention Plan announced', Web page, at <https://pmc.gov.au/news-centre/domestic-policy/national-mental-health-and-suicide-prevention-plan-announced>

14. Australian Government Department of Health (9 August 2021) 'Mental health clinics to support Australians in lockdown in NSW and Vic', Media Release, Minister for Health and Aged Care

15. For discussion of the shortfall in Australia's mental health workforce see *Productivity Commission Inquiry Report into Mental Health* (2021), above, and National Mental Health Workforce Strategy Taskforce's work to develop a *National Mental Health Workforce Strategy*. The strategy is being jointly developed by the Department of Health and the National Mental Health Commission, at <https://www.health.gov.au/committees-and-groups/national-mental-health-workforce-strategy-taskforce>

16. Batterham PJ, Calear AL, McCallum SM, Morse AR, Banfield M, Farrer LM, et al. Trajectories of depression and anxiety symptoms during the COVID-19 pandemic in a representative Australian adult cohort. *Medical Journal of Australia*. 2021.

17. Multiple Australian studies have found that those who lost their jobs, or had a decrease in paid hours, experienced worse mental health outcomes including psychological distress, loneliness, depression, anxiety and self-harm, than those who had steady employment. For discussion of evidence pre-pandemic and during the pandemic see: Fisher JR, Tran TD, Hammarberg K, Sastry J, Nguyen H, Rowe H, et al. *Mental health of people in Australia in the first month of COVID-19 restrictions: a national survey*. *Medical Journal of Australia*. 2020;213(10):458-64, and Griffiths D, Sheehan L, Van Vreden C, Petrie D, Grant G, Whiteford P, et al. *The Impact of Work Loss on Mental and Physical Health During the COVID-19 Pandemic: Baseline Findings from a Prospective Cohort Study*. *Journal of Occupational Rehabilitation*. 2021.

18. ANU-led modelling suggested the introduction of COVID-19 welfare payments prevented approximately 2.2 million Australians from falling into poverty and housing stress. They predicted their removal would push an additional 740,000 people into poverty, including over 212,000 of those who were not in poverty prior to COVID-19. See Phillips B, Gray M, Biddle N. COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios. *ANU Centre for Social Research and Methods*; 2020, 29 August 2020.

19. In mid-2020, Australian Council of Social Services surveyed over 950 people who had been living on government benefits since before COVID-19 about the impact of the 'coronavirus supplement'. They found that anxiety and distress declined as a result of the increased payment. Most of those surveyed also reported that the extra income allowed them to better afford basic necessities, including three meals a day, fresh fruit and vegetables, medicines, medical care and emergency expenses. Participants also talked about their anxiety around when the supplement would be removed. See: Australian Council of Social Services. 'I Can Finally Eat Fresh Fruit and Vegetables': Survey of 955 People Receiving the New Rate of JobSeeker and Other Allowances. 2020, 24 June 2020.

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23. Services Australia reported that, as of August 2021, the rate of JobSeeker for a person who is single with no children is \$620.80 per fortnight, and the rate of Youth Allowance for a person over 18 years who is single and lives away from home is \$512.50 per fortnight, see Services Australia 'Centrelink payments and services', accessed at <https://www.servicesaustralia.gov.au/individuals/services/centrelink>

24. Michael Klapdor for the Australian Parliamentary Library, Australian Government COVID-19 disaster payments: a quick guide, 4 August 2021, accessed at https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2122/Quick_Guides/COVID-19DisasterPayments

25. See for example Services Australia 'How much you can get? The amount of COVID-19 Disaster Payment – New South Wales you can get depends on your situation', payments up to 28 August 2021, accessed at <https://www.servicesaustralia.gov.au/individuals/services/centrelink/covid-19-disaster-payment-new-south-wales-if-you-dont-get-centrelink-or-dva-payment/how-much-you-can-get>

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