

MEDIA RELEASE

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PREVENTABLE JOB STRESS COSTS \$730M A YEAR: REPORT

Excessive pressure at work is costing Australia's economy \$730 million a year due to job-stress related depression, a University of Melbourne and VicHealth report has revealed.

The *Estimating the Economic Benefits of Eliminating Job Strain as a Risk Factor for Depression* report was funded by VicHealth and led by Associate Professor Tony LaMontagne from the University of Melbourne School of Population Health and Dr Kristy Sanderson from the Menzies Research Institute Tasmania.

A/Prof LaMontagne has previously found that "job strain", where workers have little control over their job, but who are under high pressure to perform, accounts for 17 per cent of depression in working women and 13 per cent in working men.

The \$730 million job strain price tag includes lost productive time, employee replacement costs, government-subsidised mental health services and medications for depression. It equates to \$11.8 billion over the average working lifetime, with the biggest loss accruing to employers.

The report also revealed an \$85 million cost of absences for depressed workers who do not have access to paid sick leave, which also represents a significant cost to employees.

However, A/Prof LaMontagne said the figures underestimated the true costs of depression in the workplace, as other factors that increase the risk of depression such as bullying, sexual harassment and job insecurity were not included in the study. In addition, the study did not include the costs of mental health related WorkCover claims.

"These figures represent a significant burden on the Australian economy that is preventable by improving job quality," A/Prof LaMontagne said.

"There has always been legal and ethical reasons for employers to address poor working conditions and to support staff, but these new findings add an economic incentive as well. Employers would be the major beneficiaries of reducing job strain over the long term, because the greatest costs fall on employers due to lost productivity and employee replacement."

Todd Harper, VicHealth CEO, added: "This report raises questions about the current workplace culture in Australia. We need to develop strategies that can be applied in all workplaces to make them healthier, happier and more productive environments that nurture good health rather than cause ill-health."

The report concludes:

- Depression caused by stressful working conditions is common and can be prevented.
- Most of the costs associated with depression among working people affect employers, mainly due to lost productivity and employee replacement costs.
- Employers would be the main economic beneficiaries of improving workplace conditions, through reduced turnover and improved productivity.
- There is a need for more research to develop workplace health promotion approaches that address stressful work environments.
- Effective strategies for the prevention and control of job stress currently exist, but are not widely utilised.
- Integrated job stress and workplace mental health promotion programs hold the greatest promise to reduce stressful working conditions and address depression and other common mental disorders (for example, *beyondblue's* Workplace Program).

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NOTES OVERLEAF

NOTES TO EDITORS

- An estimated 1.54 million working Australians currently have depression. For each person who is working, the illness costs businesses an average of \$8000 per person, per year.
- 'Job strain' is defined as the perception of little control over a person's work while facing high job demands. It is different to occasional stress at work, which is normal and can motivate a person perform to their peak ability.
- These estimates were calculated using a complex mathematical model that incorporated the latest findings from the 2007 National Survey of Mental Health and Wellbeing and cost data drawn from various sources, including the Pharmaceutical Benefits Scheme, the Australian Bureau of Statistics, the Medicare Benefits Schedule, and international research literature.
- The \$730 million does not include costs associated with accidents caused by depression or workers' compensation claims.