



NZ College of Clinical Psychologists

Te Whare Wānanga o te Mātauranga Hinengaro

6th December 2023

Hon Nicola Willis, Minister of Finance

Dear Minister Willis,

Re: Social investment approach to wellbeing: Mass delivery of evidence-based psychological therapies boosts productivity and, when delivered efficiently, are cost-neutral or cost-saving.

Many congratulations on your own re-election to parliament and on National's overall election victory. We are pleased to welcome you to government and, personally, to your Treasury portfolio.

Alongside welcoming you to your role, we are writing to draw your attention to the ongoing need for the Treasury to be informed by an evidence-based, social investment approach to funding wellbeing services- in order to boost productivity and deliver economic growth.

We have copied this letter to your colleague, Minister Doocey, in his capacity as Minister for Mental Health, however we felt that it would be helpful for us also to provide this information to Treasury.

New Zealand has a significant issues with productivity.

As you will be well aware, New Zealand's productivity rates are low compared to those of other OECD countries (within the bottom third) with relatively slow rates of growth. While this is likely to be a multi-factorial issue, there is strong evidence to show that the mental wellbeing of the population has a significant effect upon productivity.

Mental distress currently affects a large proportion of the population

As the 2018 Mental Health Inquiry report noted, approximately 1 in 3 New Zealanders are currently experiencing mental distress, with 1 in 5 meeting criteria for a diagnosable mental health condition at any one time. There is also strong evidence to show that these numbers are increasing and that they are likely to have considerable significance to our long term future as a country.

Population wellbeing has a strong influence on productivity.

Based purely on rates of absenteeism and employment status of people with depression and anxiety, the senior economist and peer Lord Richard Layard argued that the cost to the UK economy was in the region of 1% of Gross Domestic Product, as long ago as 2005. Since that time, there has been increasing recognition of the cost of 'presenteeism' (remaining in work, but with poor productivity) to international economies- with some estimates suggesting this could be equivalent to a further 1% of GDP.

While these are not small numbers- equating to between \$3 and \$6 billion NZD - they do not take into account the costs unemployment, sickness and disability benefits related to mental health

issues, the impact of psychological issues on recovery from physical illness, nor the current expenditure on mental health Services. Overseas estimates suggest that this cost could be as high as a further 2-3% of GDP.

Evidence-based psychological therapies programmes clearly boost wellbeing and productivity

Overseas, several governments have recognised the link between access to mass access to psychological therapies and economic growth. As long ago as 2008, the UK government commissioned a national roll-out of evidence-based psychological therapies- the 'Improving Access to Psychological Therapies' (IAPT) programme- and the current government continues to increase funding to this programme- even amongst increased economic uncertainty due to the effects of both Brexit and COVID-19. We understand that similar projects have been undertaken in parts of Canada, Australia, Israel and Norway, in response to both economic and public health concerns.

In the UK, research has shown that these investments are largely cost-saving to the Treasury, as long as more than 50% of those treated showed significant improvement (which NHS services typically exceed by some margin).

These programmes must be well designed and managed to achieve their aims.

In order to maintain a high level of treatment success, and therefore a positive return on (social) investment, the UK IAPT scheme specifically requires:

- The provision of psychological therapies at the appropriate dose based on international recommendations (e.g. National Institute of Clinical Excellence).
- The development of an appropriately trained and supervised (new) workforce: where high-quality care is provided by clinicians who are trained to an agreed level of competence and accredited in the specific therapies they deliver, and who receive weekly by senior clinical practitioners.
- Collection of routine outcome monitoring on a session-by-session basis, so that the individual and their therapist have data on whether therapy is working, as well as allowing for service improvement, transparency and accountability to government.

Current services in New Zealand are not well designed to deliver a positive return on investment

While we are broadly supportive of the previous government's focus on wellbeing and the development of the Access & Choice programme in primary care, this programme is not designed to work in the way we have described. The Access & Choice scheme only offers short-term support, utilising already-registered practitioners who typically have only limited experience and training in psychological therapy, and doesn't involve the kind of routine evaluation that would allow us to evaluate its return-on-investment.

Our organisation is keen to support the government in improving population wellbeing and economic productivity.

We would strongly urge the government to consider including a programme of reform of access to evidence-based psychological therapies, similar to the work undertaken in the UK, for its next round of budget planning. Such an approach would not only address our economic recovery but also provide an immediate solution to the calls for better mental health Services in New Zealand

We would very much appreciate the opportunity to meet with your Ministry to discuss the above proposal and present the relevant evidence to support it.

Yours sincerely,



Dr Paul Skirrow

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President NZCCP

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c.c. Hon Matt Docey, Minister of Mental Health