Addressing Mental Health and Injury in the Workplace

1. THE CONCERN WITH MENTAL HEALTH IN THE WORKPLACE

Mental health in the workplace is becoming a more regular occurrence, from mood disorders (such as depression and bipolar), to anxiety disorders (such as post-traumatic stress disorder, phobias and obsessive compulsive disorders), to psychotic disorders (such as schizophrenia). No doubt, the effect of these conditions on the workplace as a whole and on individual performance can be very significant and quite damaging.

Employees may have a pre-existing condition or may develop the condition throughout the course of their employment. In both cases it is critical that employers take care reasonable care to provide a safe system of work and ensure they act appropriately in accordance with their legal duty.

This duty is heavily entrenched in the law, both at common law and by statute and a failure to discharge the duty may result in a hefty award of damages being made in favour of the employee for the loss they have suffered as a result.

1. All employers owe a duty of care to employees to provide a safe system of work and to avoid causing a risk of injury to the employee where a reasonable person in the position of the employer could foresee the risk of injury (a breach of this duty may result in an action for the tort of negligence and significant damages may be awarded);

2. All contracts of employment have within them an implied term which provides that employers must provide a safe system of work (a breach of this implied term may result in an action for breach of contract and significant damages may be awarded); and

3. Pursuant to section 19 of the Work Health and Safety Act 2011 (Qld) an employer has a duty to ensure so far as is reasonably practicable, the health and safety of workers (a breach of this statutory duty may result in prosecution and heavy penalties by the governing body, Workplace Health and Safety Queensland).

An employer’s failure to properly prevent, manage and respond to employee with a pre-existing mental health condition or to mental health risks in the workplace can expose the employer and/or principals to significant legal liability. These liabilities include the following:

- Liability for compensation pursuant to the Workers’ Compensation and Rehabilitation Act 2003 (Qld) (WCRA) for a psychological or psychiatric injury that is sustained in the course of the employee’s employment;

- Liability under the Fair Work Act 2009 (Cth) (FWA), such as the general protections and unfair dismissal claims, and the new anti-bullying regime. With respect to general protections claims, employers and principals are required to ensure that they do not take “adverse action” (for example,
discriminatory action because of an employee’s mental health condition) against an employee or a prospective employee because of one of the protected reasons. If successful in such claims, an employee could claim compensation and reinstatement, and the business could be exposed to civil penalties. If an employee’s employment is terminated unlawfully on the basis of the employee’s condition, a claim for a remedy under the unfair dismissal provisions is also possible. The new anti-bullying regime under this legislation is also particularly relevant to mental health as discussed below.

- Liability under the *Disability Discrimination Act 1992* (Cth) (*DDA*) and the *Anti-Discrimination Act 1991* (Qld) (*ADA*) (collectively, the anti-discrimination legislation) which, if progressed may result to civil penalties and reputational damage.

- Breach of privacy laws. The *Privacy Act 1988* (Cth) (*PA*) and State privacy laws impose obligations on employers and health providers regarding the disclosure of information about a worker’s mental health status.

Therefore, it is imperative that employers understand their obligations well and are not in breach of the same.

This paper discusses situations employers might more commonly face and the risks that arise in respect of these situations.

2 EMPLOYEES WITH A PRE-EXISTING CONDITION

A common risk that employers face when approached by a person with a pre-existing psychological or psychiatric condition is the risk of discriminating against him or her.

2.1 Discrimination

For employees who suffer from pre-existing mental health issues, the anti-discrimination legislation protect their employment.

Discrimination can occur both in the pre-work area, that is, the hiring of employees including the terms of the work that is offered,\(^1\) or in the work area, that is, in the treatment of an existing employee in the workplace.\(^2\)

Importantly, the discrimination can occur on the basis of an actual condition or an imputed, presumed or past condition.\(^3\) So whilst an employee may not have informed the employer of their condition, if the employer assumes that the employee has a mood disorder for example, and acts unlawfully on that basis, the employer may be liable under the anti-discrimination legislation, even if that condition does not actually exist or no longer exists. It is enough that a condition has been imputed upon this employee and as a result the employee has been discriminated against unlawfully.

Unlawful discrimination includes:

a. **Direct discrimination** - treating an employee less favourably than they would treat any other person in the same or not materially different circumstances who does not have their condition (direct

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\(^1\) *Anti-Discrimination Act 1991* (Qld), s14

\(^2\) *Anti-Discrimination Act 1991* (Qld), s15.

\(^3\) *Anti-Discrimination Act 1991* (Qld), s8.
discrimination); or failing to make or proposing not to make reasonable adjustments for the employee and this failure has the effect of treating this person less favourably than a person without the disability would be treated in circumstances that are not materially different.

b. Indirect discrimination - imposing a condition or requirement on them (whether written or implied) which the employee is unable to comply with by virtue of their condition, where other employees are able to comply or where the requirement or condition has or is likely to have the effect of disadvantaging persons with that condition. Indirect discrimination can also occur when an employer imposes a condition or requirement but the employee is unable to comply with this condition or requirement unless a reasonable adjustment is made for him or her, and the employer has failed to do so which has the effect of disadvantaging the persons with this condition. Employers should attempt to make reasonable adjustments where possible but only if it will not result in unjustifiable hardship on the employer;

c. Unnecessary questions - asking personal questions about the employee’s condition and using the response against the employee. For example, an employer should not ask about the mental health and then use this information to justify dismissal of the employee.

Of course, to impose a genuine occupational requirement or inherent requirement will generally not constitute unlawful discrimination, although employers should consider the possibility of reasonable adjustments to the workplace which might assist the employee to meet those genuine occupational requirements. There is no definition in the ADA of “genuine occupational requirement”, but this term generally refers to the essential elements of a job.

Not all requirements of a job that are set out in policies, for example, are genuine occupational requirements. To determine whether a requirement is a genuine occupational requirement, employers should objectively consider:

- the tasks and skills of the position;
- the circumstances within which those tasks and skills are to be performed; and
- the function that the employee performs “as part of the employer’s undertaking” (the work environment in which the employee performs his or her role).

For example, a hospital operating 24/7 will reasonably require a registered nurse to be able to work night shifts.

Also if a person requires special services or facilities to be provided to them to accommodate for their impairment, and this would cause an unjustifiable hardship on the employer to implement, it will generally not be unlawful discrimination to fail to implement these special services or facilities.

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4 Anti-Discrimination Act 1991 (Qld), s10; Disability Discrimination Act 1992 (Cth), s5(1).
5 Disability Discrimination Act 1992 (Cth), s5(2).
6 Anti-Discrimination Act 1991 (Qld), s11.
7 Disability Discrimination Act 1992 (Cth), s6(1).
8 Disability Discrimination Act 1992 (Cth), s6(2).
10 Anti-Discrimination Act 1991 (Qld), s25; Disability Discrimination Act 1992 (Cth), s21A.
11 See for example Seaton v Queensland Fire Service [1995] QADT 10; Flannery v O’Sullivan [1993] QADT 2, where the requirement that fire fighters and police officers meet certain eyesight standards were held not be genuine occupational requirements.
13 Chivers v State of Queensland (Queensland Health) [2014] QCA 141.
14 Anti-Discrimination Act 1991 (Qld), s35; Disability Discrimination Act 1992 (Cth), s21B.
Employers need to consider whether workplace rules and practices need to be adjusted in order to accommodate an employee suffering from a mental impairment. Employers need to consider alternative ways of doing things and whether the criteria they use unjustifiably excludes persons with psychological or psychiatric conditions.

With anti-discrimination matters, the onus of establishing whether it was reasonable for an employer to impose a condition or requirement generally rests with the employer.

3 EMPLOYEES WHO DEVELOP A CONDITION

According to the Australian Human Rights Commission there are eight clear risk factors which result in stress, which in turn majorly contribute to mental health in the workplace:

1. High demand (work overload);
2. Low support from co-workers and supervisors;
3. Lack of control;
4. Poorly defined roles;
5. Poorly managed relationships and conflict;
6. Poor change participation;
7. Lack of recognition and reward;
8. Organisational injustice.¹⁵

3.1 Cautionary Matters

These risk factors may already be in existence in your workplace if one of the following has occurred:

1. An employee has begun to show signs or symptoms of one who has sustained an psychological or psychiatric condition;
2. An employee has notified his or her employer that he or she is suffering from a psychological or psychiatric injury;
3. An employee has made a complaint or raised a concern regarding a bullying, harassment or stressful situation.

In all of these cases, the employer may be liable for loss that results and is attributable to the workplace.

Therefore employers should make reasonable inquiries as to whether the workplace could be the cause of this developing psychological or psychiatric condition and determine what steps need to be taken to reduce this.

3.2 Employees Who Show Symptoms of a Condition

This kind of situation is difficult and frustrating, particularly where the employee does not wish to disclose what they are suffering from.

However, it is important to realise that disclosure is often a difficult choice for an employee to make and whether or not disclosure will be made will depend on the circumstances, the context, how the illness is being managed and how comfortable the employee feels about disclosing the issue. There is generally no obligation on an employee to disclose his or her personal health unless for example, it is expected to impact on his or her ability to perform.

3.2.1 Safe System of Work

One of the most common risks that the above situation brings forth is the risk of failing to provide a safe system of work in accordance with the previously mentioned duties of care.

Where an employee is beginning to show signs and symptoms of a psychological or psychiatric injury and the employer finds that he/she is not coping in the workplace then it would be prudent to:

- Inquire with the employee to ascertain whether there is any assistance or workplace adjustment that needs to be made. There may be a particular situation in the workplace which is contributing to or causing the employee to feel this way. In terms of the extent of the enquiries an employer may make will depend on the circumstances. Legal advice should be sought in that respect;

- Offer the choice of seeking confidential support from an Employee Assistance Program or similar outside professional advice.

Employers may feel the need to obtain further information about the employee’s condition in order to properly manage the workplace. At first instance, employers should consider obtaining consent from the employee to speak with his or her treating medical practitioner. Alternatively, employers may consider offering to cover the associated medical costs with sending an employee to a medical practitioner engaged by the employer.

In the event that an employee refuses to provide their consent, in certain cases, it will be reasonable for an employer to issue a direction to the employee requiring them to attend an independent medical assessment to determine the extent of his or her fitness to perform all ordinary duties. However, an employer must not arbitrarily request medical evidence. Consider the employment contract, policies, award or agreement for potential sources of obligations. Comply with the requirements and procedures contained in these relevant documents. If no procedures are provided, only request medical evidence if it is reasonable to do so and if there is reason to suspect the employee is suffering from a condition that makes him or her not fit.

For example, in the case of Schoeman v Director-General, Department of Attorney-General and Justice [2013] NSWIRC 1018, the Industrial Relations Commission ordered the reinstatement of an employee after it found that the employer did not have a proper basis for directing the employee to undergo a psychiatric assessment. The employee had a history of a psychological injury which stemmed from interpersonal issues with co-workers. The employee being placed in other locations away from these co-workers addressed this matter. Not long after the employee sustained a wrist injury, the employer directed her to attend a psychiatric assessment and when she had refused to do so on three occasions her employment was terminated. As a result of the invalidity of the direction to attend the medical assessment, the employee’s termination was considered unlawful.
Importantly, a direction to attend a medical assessment must be motivated by determining the employee’s fitness for work and there must be a proper basis for concluding that a medical assessment is necessary in the circumstances. Not any and all employee/s can be made to undergo medical assessments.

When acting upon medical advice, to limit the risk of exposure to an discrimination claim, act on the medical advice only to the extent reasonable or necessary to comply with safety requirements or other relevant law.

### 3.2.2 Discrimination

Another common risk that can arise out of the above situation is the risk of discriminating against the employee.

Even though an employee may not have confirmed that they are suffering from a condition, the employer must not discriminate against the person on the basis of its belief that the employee has a psychiatric or psychological condition, because as stated discrimination may still occur where a particular action is taken on the basis of an imputed, presumed or past condition.

Of course there are some circumstances where any employer is not acting in a discriminatory manner because of or on the basis of the employee's imputed or actual condition, but because the employer concerned with the health and safety of that employee and of the other employees. The fact that an employer has acted on the basis of its health and safety concerns can be raised as a defence against a discrimination complaint.\(^\text{16}\)

Under the ADA the psychological/psychiatric condition must be the substantial reason for which an employer discriminates against an employee.\(^\text{17}\) Therefore if the health and safety of employees is the real or at least substantial reason for the employer's actions, the discrimination claim will fail.

Under the DDA on the other hand, the psychological/psychiatric condition need only be one of the reasons for the employer acting in a particular way.\(^\text{18}\) So whilst health and safety may have contributed to a particular action being taken may not always be sufficient to show that there has been no discrimination.

### 3.3 Receiving Notice of a Psychological or Psychiatric Injury

Where an employee has notified his/her employer of the fact that they are suffering from a psychological or psychiatric condition it is critical that the employer takes this seriously and acts appropriately.

#### 3.3.1 Safe System of Work

An employer should closely monitor the situation, by again ensuring that nothing that is occurring in the workplace is contributing to, or aggravating, the employee's condition.

Employers should:

- Provide support to address any workload concerns (just as you would for any other employee who may not be performing as well for reasons that are not health related);

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\(^\text{17}\) Anti-Discrimination Act 1991 (Qld), s10(4).

\(^\text{18}\) Disability Discrimination Act 1992 (Cth), s10.
• Discuss concerns and make a genuine effort to resolve them;
• Ensure the safety of other workers, by ensuring that this person’s condition is not impacting upon other employees’ abilities to perform their tasks properly;
• Provide counselling or other support to employees.

3.3.2 Discrimination

Being provided with notice of a psychological or psychiatric injury can again give rise to the risk of discrimination, this time on the basis of an actual impairment.

3.3.3 Privacy

It is important not to breach an employee’s privacy by disclosing to other employees his or her condition, unless permission is provided.19

Personal information pursuant to the PA is defined to mean information that identifies a person. Personal information can also be sensitive in nature. For example, a person’s race, religious beliefs, sexual preference and health information would be sensitive. The Australian Privacy Principles provide a higher privacy standard for sensitive personal information. Employers should apply these higher standards even if they are not covered by the PA to ensure that this information is handled correctly and appropriately.20

It may be possible to simply state something such as “Samantha will be on sick leave for 4 weeks” or “James has agreed to alter his work duties for a specific period to focus on some particular tasks”.

When possible, the employee should approve the manner of communication.

3.3.4 Workers’ Compensation

Notice provided to the employer of the employee’s injury is relevant also in relation to workers’ compensation. Where an employee makes a claim for workers’ compensation for the psychological or psychiatric condition, the employer’s knowledge about the condition is relevant to determining the employer’s liability.

It is now the case that in determining whether management action is reasonable or whether management action was taken in a reasonable way (see below for an explanation of this), regard must be had to a worker’s susceptibility to a psychiatric or psychological disorder which is known to management.

What management ought to have known is also relevant. This is a question of whether the party taking the actions complained of could reasonably have been expected to foresee that these actions carried a risk of harm to the plaintiff.21

Employers should take note also that secondary psychological injuries can also be compensable under the WCRA provided it meets the definition of ‘injury’ (see below at 3.4.1). For example, in Shiel v Australian

19 Privacy Act 1988 (Cth).
20 The Australian Privacy Principles will apply to all private sector businesses with an annual turnover of more than $3 million, all private health service providers nationally, a limited range of small businesses and all Australian government agencies.

Hospital Care Pty Ltd [1998] QSC 113 the Queensland Supreme Court considered the issue of a plaintiff who had fallen at work and injured her arm and subsequently developed a depressive disorder. The Court held that due to the direct chronological link between the incident in which the initial physical injury occurred, and the development of the plaintiff’s psychological condition, they were casually linked and therefore damages were awarded.

3.4 Receiving a Complaint

Where an employee has made a complaint or raised a concern in relation to alleged bullying or a stressful situation, employers must take this complaint seriously and properly investigate the matter.

3.4.1 Workers’ Compensation

A failure to address the matter may result in the employee developing a psychological or psychiatric injury, in which case the employee may have a right to claim workers’ compensation.

Psychiatric or psychological conditions now come within the definition of ‘injury’ for the purpose of making a workers’ compensation claim under the WCRA. The employee, however, must be able to satisfy the following two pre-requisites:

a. The injury arose out of, or in the course of employment; and
b. The employment is the major significant contributing factor to the injury;

c. The injury did not arise out of reasonable management action taken in a reasonable way.

The first is perhaps more straightforward to establish. The latter two requirements are discussed below.

a Contributing Factor

There must have been some incident or circumstances to which the employee was exposed whilst performing his or her duties which caused the injury. This requires an assessment of what normal tasks and responsibilities the employee has or treatment that the employee has been subjected to. The injury must have been caused by or out of these duties or this treatment. Simply being employed is insufficient.

For example in Jaine Zahner and Q-Comp (WC/2011/156) Ms Zahner, a David Jones employee lodge a workers’ compensation claim for psychological injury sustained as a result of alleged bullying and threats by a co-worker. In particular Ms Zahner complained that a co-worker had:

- Told her to “f ** k off” when she asked for his assistance;
- Brought illegal drugs to work;
- Threatened to “get something on [her] that would have [her] fired instantly” if she lodged a complaint against him.

She made several complaints to her employer in relation to this conduct, but her manager had failed to take any action and told her not to take the complaint about the drugs any further as she “would look stupid”.

The Queensland Industrial Relations Commission dismissed the application on the basis that the employment was not the major significant contributing factor to the injury. Rather, the key source of her anxiety was “her apprehension that [her co-worker] might take some recriminatory action against her as a
result of...her having made a complaint abut him” due to what she had heard about his alleged involvement with the Bandidos bikie gang and because she had also heard that he was a cage-fighter.

b  Significant

The employment’s contribution must also be significant, that is, “important” or “of consequence”. The intention of having this qualification is to exclude situations where an employee’s pre-existing condition is the major contributing factor, or where there are multiple factors and employment is not the major one.

c  Reasonable management action in a reasonable way

An injury does not include a psychiatric or psychological disorder which arises out of, or in the course of, “reasonable management action taken in a reasonable way” by the employer. Essentially, there are three elements to this:

- the behaviour of your employer must be management action;
- it must be reasonable for the management action to be taken; and
- the management action must be carried out in a manner that is reasonable.

i  Management Action

Section 32(5) of the WCR Act provides examples of actions that may be reasonable management action, namely:

- An action taken to transfer, demote, discipline, redeploy, retrench or dismiss the worker;
- A decision not to award or provide promotion, reclassification or transfer of, or leave of absence or benefit in connection with, the worker’s employment.

Other examples of reasonable management action are:

- Responding to poor performance;
- Effectively directing and controlling the way work is carried out;
- Allocating work; or
- Providing fair and constructive feedback on a worker’s performance.

ii  Reasonable

If management action has taken place then the employee would need to prove either that:

a. The management action was not reasonable;

b. Or the reasonable management action was not done in a reasonable way.

Determining whether management action is reasonable requires an assessment of how a reasonable person would see the action in the context of the circumstances and knowledge of those involved at the time, and

22 Workers’ Compensation and Rehabilitation Act 2003 (Qld), s32(5)(a).
the way in which the action impacted the employee. The test is whether the management action was reasonable, in all the circumstances of the case, not whether it could have been 'more reasonable'. It must at least not be unlawful or 'irrational, absurd or ridiculous'.

In the case of WorkCover Queensland v Kehl, in the context of mental health, President Hall stated:

“There seems to be no reason for concluding that the circumstances of the case do not include circumstances relating to the psychological makeup of the worker where those circumstances are known to the employer. It is not a matter of suggesting that management should speculate about the psychology of each of its workers if they are engaging in management action which may impact upon particular workers, or should require psychological evaluation of its workers. It is simply a matter of recognising that fixed with knowledge of a worker’s makeup a reasonable person would take that knowledge into account in assessing what is a reasonable way in which to implement an otherwise reasonable decision.” (emphasis added)

If proper guidelines were followed then it may be difficult to show that the action was conducted in an unreasonable manner.

While management action must be done in a reasonable way, it “… does not have to be perfect. It merely has to be reasonable, and this encompasses the notion that there may be blemishes in the management action.”

For example, in Prizeman v Q-Comp [2005] QIC 53, the employee had made a workers’ compensation claim on the basis of the fact that she had sustained a psychiatric or psychological injury as a result of two incidents which both involved a supervisor chastising the employee in an embarrassing manner and in the presence of customers. On appeal, the court upheld the previous finding that the employer had taken ‘reasonable management action’ when she had sought to chastise the employee. In respect of the manner in which the employer went about this reasonable management action, the court considered that ‘the lapses from “proper and reasonable staff treatment” were but “blemishes.”’

**d Expectation or perception of reasonable management action**

The employee’s injury must also not have arisen out of, or in the course of, his/her expectation or perception of reasonable management action being taken against him or her.

Therefore, it is irrelevant that the action that an employer took could have been more reasonable in the employee’s opinion.

**3.4.2 Anti-Bullying**

An employee who “reasonably believes” that they are being bullied may make an application pursuant to the FWA for an order to stop the bullying.

A worker is bullied at work under the FWA if:

a. while the worker is at work;

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b. an individual or group of individuals repeatedly behave unreasonably towards a worker, or a group of workers, and
c. that behaviour creates a risk to health and safety.\(^{26}\)

The behaviour must be repeated and unreasonable (referring to the persistent nature of the behaviour and can refer to a range of behaviours over time) and must be considered cumulatively with respect to the risk to health and safety of the employee. Examples of bullying include:

- Aggressive and intimidating conduct;
- Belittling or humiliating comments;
- Victimisation;
- Spreading malicious rumours;
- Practical jokes or initiations;
- Exclusion from work-related events; and
- Unreasonable work expectations.

Before an application can be made to the Fair Work Commission, the employee must have exhausted or exercised his or her rights under the workplace internal grievance processes. If the employee is unable to obtain an appropriate remedy through the workplace’s grievance process and/or the bullying persists, the employee may apply to the Fair Work Commission.

The Fair Work Commission cannot order re-instatement or the payment of compensation or a pecuniary amount, but will make orders focussed towards resolving the matter and enabling a normal working relationship to resume.

Again if an employer has exercised reasonable management action, this can be a defence to such an application.\(^{27}\) Employers have a right and obligation to take appropriate management action and appropriate management decisions. These actions will not be considered to be bullying if they are carried out in a reasonable manner that takes into account the circumstances of the case and do not leave the worker feeling victimised or humiliated. Action may have been taken necessarily and reasonably to respond to poor work performance, or to discipline employees for misconduct, or to direct and control the way in which work is carried out, in which case bullying will not have been made out.

Note however, that the courts under the anti-bullying provisions have extended the meaning of ‘reasonable management action’ to include everyday management actions to direct and control the way work is carried out. This is unlike the definition of reasonable management action for the purposes of the WCRA.\(^{28}\)

\(^{26}\) *Fair Work Act 2009* (Cth), s 789FD(1).

\(^{27}\) *Fair Work Act 2009* (Cth), s789FD(2).

\(^{28}\) Ms SB [2014] FWC 2104.
4 CONCLUSION

Mental illness is more prevalent than people may realise and employers will find themselves facing a number of issues (legal and otherwise) that arise because of mental health, whether it is because an employee has a pre-existing condition or because an employee has developed a condition throughout the course of their employment.

In all situations, employers should have at the forefront of their minds, their duty to take reasonable care to provide a safe system of work (which is derived from both common law and statute) and the need to create a mentally healthy workplace that does not contribute to, or aggravate an employee’s existing or developing condition.

In addition employers should become familiar with their obligations under other legislation, including:

- The *Workers’ Compensation and Rehabilitation Act 2003* (Qld) (WCRA);
- The *Fair Work Act* 2009 (Cth) (FWA).
- The *Disability Discrimination Act 1992* (Cth) and the *Anti-Discrimination Act 1991* (Qld).
- The *Privacy laws*.

If employers are unsure of their rights or obligations in any given situation, appropriate advice should be sought.

5 CONTACT

Our experienced Brisbane Employment, Industrial, Workplace Relations and Personal Injury Lawyers offer their legal services, Australia wide (not just in Brisbane), throughout the entire employment relationship, from advice in the pre-selection and contract formation stage, through to advice on the relationship between employee and employer, through to advice when the employment relationship comes to an end (including acting and appearing in litigation as it relates to these matters).

We act for both employees and employers – this gives us a complete perspective when advising you as we understand what is of concern to you.

Contact us for advice and assistance before you sign an agreement on (07) 3252 0011 or via email on alistair.macpherson@corneyandlind.com.au