Mental Health Australia

National Mental Health and Suicide Prevention Agreement Review

Submission in response to Productivity Commission interim report

31 July 2025

Mentally healthy people,
mentally healthy communities

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Introduction

The Productivity Commission's interim report is a frank assessment of the limited effectiveness of the current National Mental Health and Suicide Prevention Agreement. The Commission has engaged thoughtfully with the concerns and priorities continually raised by the sector, to shape useful recommendations for the next Agreement. Mental Health Australia welcomes the opportunity to contribute further to the Commission's review through response to this interim report.

Overall, the Productivity Commission's draft findings and recommendations are well aligned with feedback from the sector and Mental Health Australia's initial submission. We welcome the recognition of the need for greater clarity on shared objectives, increased accountability and more robust and ongoing engagement with lived experience and sector expertise through the next Agreement.

The interim report provides a clear and valuable analysis of the shortcomings of the current approach, and a useful start on a way forward. While Mental Health Australia strongly supports the majority of the Commission's draft recommendations, **we are concerned that the proposal for extension of the current Agreement concedes pressure for reform too readily, and risks further delaying urgent intergovernmental actions, particularly in addressing unmet need for psychosocial support**. Rather, governments should engage with consumers, family, carers and kin and the sector now to agree to objectives for the next Agreement; begin to fill the urgent gaps in our support system, particularly for psychosocial supports and children; and commit as part of the next Agreement to developing a shared strategy to guide ongoing and longer-term reform.

Mental Health Australia is pleased to provide the following detailed response to the Productivity Commission's interim report. For ease of reference, this submission largely follows the structure of the interim report. This submission is informed by a consultation workshop and survey with members at a Mental Health Australia Member Policy Forum, attended by over 120 people representing the diversity of our membership across service providers, professional bodies, organisations representing people with lived experience of mental health challenges, family, carers and kin, researchers and state and territory mental health peak bodies. Mental Health Australia also undertook further discussions with key stakeholders, analysed the interim report against our initial submission and reflected on our experience in current government engagement to inform this response.

We would be pleased to facilitate any further engagement with our members, and to provide additional input to the Commission's review including through a public hearing.

List of recommendations

Recommendation 1: The Productivity Commission final report should update draft recommendation 4.1, to recommend governments engage with people with lived experience, carers, family and kin and the sector to develop objectives to guide the next Agreement, and commit to co-design of a renewed long term National Mental Health Strategy as a deliverable of the next Agreement. The Commission should clarify the role of the NMHC in the co-design and development of this Strategy, to be in line with its function as an independent monitoring and advisory body.

Recommendation 2: the Productivity Commission should update draft recommendation 4.2 on foundations for a successful agreement to:

- remove the recommendation for the extension of the current Agreement
- clarify that governments should consult with people with lived experience, family, carers kin and the sector to develop objectives to guide the next Agreement
- remove reference that the Department of Prime Minister and Cabinet convening negotiations, in order to maintain connection to essential subject matter expertise and stakeholder relationships in health departments.

The final report should retain aspects of draft recommendation 4.2, that commitments to improve collaboration across government portfolios should be included in the main body of the Agreement with allocated funding, and for development of a nationally consistent set of outcome measures for mental health and suicide prevention with implementation plans.

Recommendation 3: The Productivity Commission's final report should recommend, as in draft recommendation 4.4, immediate action from governments to begin to address unmet need for psychosocial support, with a joint commitment and detailed plan in the next Agreement to fully address unmet need outside the NDIS by 2030.

The Commission should amend draft recommendation 4.2 to remove the proposal for extension of the current Agreement. If the Productivity Commission is to discuss or maintain this proposed extension, it must include that immediate, tangible actions, to begin to address the shortfall in psychosocial supports are necessary conditions for any delay to the next Agreement.

Recommendation 4: The Productivity Commission's Review of the National Mental Health and Suicide Prevention Agreement Final Report should expand draft recommendation 4.5 that in the next Agreement governments:

- clarify responsibility for family, carer and kin supports (as per the current draft recommendation 4.5); and also
- commit to conduct an analysis of unmet support needs of families, carers and kin
- commit to immediate service expansion and development of strategies and initiatives to address this gap, through consultation with family, carers and kin.

Recommendation 5: The Commission should update draft recommendation 4.7 to clarify the governance arrangements of the current and next Agreement should ensure adequate representation of people with lived experience and family, carers and kin at all governance levels and forums.

Recommendation 6: The Commission should strengthen draft recommendation 4.8 to recommend designated roles for sector representatives in all Agreement governance levels and forums, to ensure appropriate engagement with the sector in design and implementation of reforms under the Agreement, and to support greater transparency and accountability for implementation.

Recommendation 7: The Commission should update draft recommendation 4.13, to recommend the next Agreement should include commitment to update the National Mental Health Workforce Strategy, to ensure appropriate inclusion of community managed and psychosocial workforces.

Recommendation 8: The Productivity Commission should engage further with the Federation of Ethnic Communities' Councils of Australia and the National Ethnic Disability Alliance on recommendations to better address the needs of culturally and linguistically diverse communities and refugees in the next National Agreement. This could include:

- providing greater investment in purpose-built services tailored for CALD and refugee communities and upskilling of mainstream mental health organisations to deliver culturally appropriate care
- directly addressing systemic barriers for CALD and refugee populations to receiving culturally appropriate and effective mental health care in Australia.

Recommendation 9: The Productivity Commission should consult with LGBTIQ+ Health Australia on priority actions to progress as a part of the next Agreement to better address the mental health needs of LGBTQIA+SB people. This could include:

- funding to improve the capacity of mainstream services to safely meet the needs of LGBTQIA+SB people
- specific funding for specialist LGBTQIA+SB community controlled organisations to expand mental health services tailored to the needs of LGBTQIA+SB people
- delivering priority actions from the National LGBTIQ+ Mental Health and Suicide Prevention Strategy.

Recommendation 10: The next Agreement should commit parties to ensuring commissioning and contracting practices for services funded through the bilateral agreements reflect the changes called for in Mental Health Australia's Sector Sustainability Statement.

1. The role of the Agreement and this review

Mental Health Australia commends the Productivity Commission for its approach to the final review of the National Mental Health and Suicide Prevention Agreement. The Commission has genuinely sought to engage and prioritise feedback from people most affected by the implementation of this Agreement – people with lived experience of mental health challenges and family, carers and kin, as well as the service providers, workforce and representative bodies working to improve Australia's mental health system. We commend the Productivity Commission's robust community and sector engagement, that has informed this review.

2. What has the Agreement achieved?

The Productivity Commission's interim report clearly establishes the shortcomings of the current National Mental Health and Suicide Prevention Agreement. **Mental Health Australia agrees with the Commission's draft findings (2.1 and 2.2) that unfortunately there has been little systemic change achieved over the course of the Agreement**.

The interim report also provides the clearest account to date on the status of commitments under the Agreement, with some commitments – including future arrangements for psychosocial supports (discussed further below), yet to be delivered. **Mental Health Australia strongly supports the Commission's draft recommendation (2.1) for the public release of both the National Stigma and Discrimination Reduction Strategy and the National Guidelines on Regional Commissioning and Planning by the end of 2025**.

3. Is the Agreement effective?

Mental Health Australia agrees with the Productivity Commission's draft finding (3.1) that while aspects of the Agreement are commendable, it has been limited in its effectiveness, and was not set up for success.

The interim report reflects feedback provided by Mental Health Australia and our members, including around the lack of accountability and clearly defined roles and responsibilities, the fact that many commitments in the Agreement are not funded, and that engagement with lived experience representatives and the sector has been insufficient.

Timely public reporting against objectives will be key to assessing the next Agreement's effectiveness. Many of Mental Health Australia's members highlighted the need for clearer outcomes, robust implementation mechanisms, and clear accountability and enforcement strategies. These measures will support tracking the effectiveness of initiatives being implemented and progress on system reform under the next Agreement and bilaterals.

Adequate resourcing is fundamental for the next Agreement. Mental Health Australia notes that the Agreement only covers 3% of government mental health expenditure, and reiterates our recommendation in our initial submission to this review that **the next National Agreement should commit all parties to increasing funding for mental health over time**, in line with the scale recommended in the Productivity Commission Inquiry into Mental Health in 2020 ($1.9 to $2.4 billion per year to implement its priority reforms).[i]

4. Towards an effective agreement

A renewed National Mental Health Strategy

Mental Health Australia welcomes the Productivity Commission's draft recommendation (4.1) for development of a renewed National Mental Health Strategy. As called for in our initial submission to the Commission's review, such **a Strategy is needed to provide a unified direction and clear objectives for long-term, interjurisdictional mental health reform**. Mental Health Australia members were similarly supportive of the Commission's proposal for this Strategy to set out the 20 – 30 year vision for mental health reform.

We also welcome the Commission's recognition that **this Strategy should be developed through a co-design process** with people with lived experience, mental health carers, the mental health sector and Australian and state and territory governments. This co-design process is essential to the legitimacy, effectiveness and meaningfulness of the Strategy, and should build on extensive existing advice from people with lived experience, carers and the sector to governments on national reform directions. It is also noted that to support the longevity of the Strategy, it should be developed in a bi-partisan manner.

The Commission has proposed (recommendation 4.1) that the National Mental Health Commission (NMHC) should oversee this co-design process and development of the renewed Strategy. Ownership of the Strategy by the NMHC could be in conflict with the NMHC's role of independent monitoring and reporting on governments' delivery of reform guided by the Strategy. The **NMHC's involvement in developing the proposed Strategy should therefore be restricted to providing advice**, in line with its role as an independent body, with monitoring, reporting and accountability functions.

As acknowledged by the Commission, development of this Strategy, which must be ambitious, will take time. Appropriate and genuine co-design and stakeholder engagement are critical.

Mental Health Australia is concerned that the Commission's draft recommendation (4.2) to delay the next Agreement while the Strategy is developed will **unnecessarily stall action on immediate priorities, and still not potentially give due time for development of the Strategy and next Agreement**. The proposed strict linear sequencing of the Strategy and next Agreement disregards the urgent action needed to address the gap in psychosocial supports in particular, along with progressing workforce reform, improving children's mental health and enabling more equitable service access, and risks perpetuating the ineffectiveness of the current Agreement in addressing these challenges.

Rather, Mental Health Australia proposes that governments use the last year of this current Agreement to engage with people with lived experience, family, carers and kin and the sector to develop agreed over-arching objectives to guide collective action through the next Agreement. **The Strategy should then be delivered as a commitment of the next Agreement, to give appropriate time for co-design and development, while not delaying immediate actions** government and the sector already agree are needed. Mental Health Australia believes this approach is a more appropriate balance of the need for both immediate action and long-term reform.

Mental Health Australia welcomes Health and Mental Health Minister's initial commitment for children and young people to continue to be a priority population in the next Agreement, and that addressing unmet psychosocial needs will be one of the central priorities in

consideration of the next Agreement.[ii] Mental Health Australia has worked with our members to develop advice for governments about immediate priorities to progress reform in both of these areas, which could inform commitments in the next Agreement.[iii]

Mental Health Australia members have also given feedback in our consultations around the potential focus of objectives for the next Agreement, noting that the approach under the Agreement needs to be tailored for different ages and demographics. Members indicated objectives could focus around ensuring people with a need for intensive or complex mental health supports are supported to live well and safely in the community – with targets around hospital avoidance, equity in service access, affordability of mental health supports, expansion of psychosocial supports and cross-portfolio actions on social determinants/drivers of distress. Secondly, members suggested objectives could focus around system infrastructure to enable transformation, with a clearly articulated theory of change (including prevention and early intervention), and targets around resourcing for lived experience-led initiatives, implementation of the National Mental Health Workforce Strategy, improvement of data collection and evaluation, integration through pooled funding and joint commissioning, accountability through improved governance and reporting, and investment in research to better develop the evidence base.

Building on this existing advice, Governments should use the consultation processes committed to at the recent Health and Mental Health Ministers meeting in June 2025 to engage with people with lived experience, carers, family and kin and the broader sector on objectives for the next Agreement.

Recommendation 1: The Productivity Commission final report should update draft recommendation 4.1, to recommend governments engage with people with lived experience, carers, family and kin and the sector to develop objectives to guide the next Agreement, and commit to co-design of a renewed long term National Mental Health Strategy as a deliverable of the next Agreement. The Commission should clarify the role of the NMHC in the co-design and development of this Strategy, to be in line with its function as an independent monitoring and advisory body.

Foundations for a new Agreement

Overall, Mental Health Australia agrees with the Productivity Commission's draft finding that a new and more effective agreement is needed (draft finding 4.1), which sets out clear and connected objectives, measurable outcomes and commitments.

A stand alone agreement

Mental Health Australia strongly supports the Productivity Commission's draft recommendation (4.3) that the next Agreement should have stronger links to the broader national policy environment and other related agreements, including the National Health Reform Agreement (NHRA) and Better and Fairer Schools Agreement.

There may be benefit in the longer term to incorporating mental health and suicide prevention as a specific schedule to the NHRA, to move beyond program-based funding to recurrent service funding. However, as acknowledged by the Commission, the National Mental Health and Suicide Prevention Agreement currently dictates only a very small proportion of overall mental health funding, and incorporation would need to be done with strong safeguards to ensure funding is continued to be directed to community-managed services, not amalgamated into hospital systems.

As it stands, Mental Health Australia agrees with the Commission that a stand alone agreement for mental health and suicide prevention remains the most appropriate vehicle for national mental health reform. However, **Mental Health Australia welcomes the Commission's further consideration of funding mechanisms and the potential for interaction with the NHRA** to free up activity-based funding to support the nexus of hospital and community-based care and innovative models of care (p159). We look forward to the Commissions' final recommendations in this regard.

Co-design is essential

Mental Health Australia also welcomes the Productivity Commission's recognition of the need for far greater sector and lived experience involvement in development of the next Agreement. As raised in our initial submission and further supported by our consultation with members, this has been an inherent weakness of the current Agreement.

As outlined above, **Mental Health Australia strongly supports appropriate time for co-design of a renewed National Mental Health Strategy with people with lived experience, carers, family and kin, the mental health sector and Australian and state and territory governments**, and for this Strategy to form the basis for future agreements. In the interim, we recommend governments consult with people with lived experience, carers, family, kin and the mental health sector to develop overarching objectives to guide the next national Agreement.

Mental Health Australia welcomes the Productivity Commission's call for increased resourcing for the two national consumer and carers peak bodies so that they may engage fully and effectively in providing advice to governments on the Agreement and Strategy.

Delay risks action on unmet need

As discussed above, Mental Health Australia is concerned that the Commission's draft recommendation (4.2) for extension of the current Agreement to June 2027 – while a renewed Strategy is developed – will continue to leave people waiting for urgent action and supports. This is particularly concerning given Health and Mental Health Minister's commitment at their meeting on 13 June 2025 to consider addressing unmet need for psychosocial support outside the NDIS through the next Agreement, with no commitment to increase supports prior to this.[iv] An extension would also perpetuate ineffective governance arrangements.

As discussed below, the Productivity Commission's recognition of the urgent need for expansion of psychosocial supports is welcome – but without the incentive of intergovernmental negotiations it will be more difficult to action. As outlined below, **Mental Health Australia members are clear that delay of the next Agreement without action on psychosocial supports is unacceptable**.

An effective whole-of-government approach

The Commission's draft recommendation (4.2) that the Department of Prime Minister and Cabinet (DPMC) convene negotiations of the Agreement, with support of the National Mental Health Commission (NMHC), reflects a recognition of the need for action beyond the health portfolio to truly improve population mental health and wellbeing. However, Mental Health Australia understands this would be an unusual role for the DPMC. We are concerned this move would lose the expertise and stakeholder relationships held in the Department of

Health, Disability and Ageing, as well as connection to the expertise within state and territory health departments, needed to progress meaningful mental health reform.

As the Commission's interim report demonstrates, the current approach to support cross-portfolio action through a separate Schedule overseen by a working group, has not been effective. Clearly a different approach to ensuring action across portfolios is needed.

In Mental Health Australia's consultations, the lack of funding for joint actions was identified as a key blocker to inter-portfolio collaboration on social determinants. Rather than listing broad ambitions for a whole-of-government approach (as in the current Agreement), Mental Health Australia would prefer to see specific, funded commitments in the next Agreement to address discrete priority areas of social determinants and cross-portfolio collaboration. For example, one suggestion from Mental Health Australia members was for jurisdictions to nominate a particular area to focus on (such as housing, justice or family violence) in their bilateral agreement, and demonstrate progress in this determinant, before then moving to address other drivers of distress.

On balance, **Mental Health Australia does not support the negotiation of the next Agreement being moved from Health to DPMC, but rather strongly supports the Commission's draft recommendation (4.2) that commitments to improve collaboration across government portfolios be included in the main body of the Agreement (rather than a separate schedule), and that governments must allocate funding for collaborative initiatives**. Having funded commitments, backed up by strong accountability mechanisms, would be the most useful way to progress action on the social determinants of mental health.

Recommendation 2: the Productivity Commission should update draft recommendation 4.2 on foundations for a successful agreement to:

- remove the recommendation for the extension of the current Agreement
- clarify that governments should consult with people with lived experience, family, carers kin and the sector to develop objectives to guide the next Agreement
- remove reference that the Department of Prime Minister and Cabinet convening negotiations, in order to maintain connection to essential subject matter expertise and stakeholder relationships in health departments.

The final report should retain aspects of draft recommendation 4.2, that commitments to improve collaboration across government portfolios should be included in the main body of the Agreement with allocated funding, and for development of a nationally consistent set of outcome measures for mental health and suicide prevention with implementation plans.

Alcohol, other drugs and mental health

Mental Health Australia welcomes the Commission's recognition of the need for greater national leadership and consistency to better support the needs of people with co-occurring alcohol or other drug (AOD) and mental health challenges. The need for greater connection across mental health and AOD policy, planning, and service delivery is an ongoing challenge that is well documented,[v] including in the Commission's consultations for this review.

Given the need for re-establishment of specific AOD national governance structures that include the AOD sector, a schedule to the National Mental Health and Suicide Prevention Agreement could be duplicative.[vi] As outlined by the Australian Alcohol & Other Drugs Council, there are also several reviews and reforms underway in relation to national AOD

policy, including development of the next National Drug Strategy beyond 2026, which will require independent ongoing monitoring and may be pre-empted by development of the next National Mental Health and Suicide Prevention Agreement.

As such, a separate schedule regarding co-occurring mental health and AOD challenges does not appear to be the most effective approach to progress this area at this point in time. In line with the Productivity Commission's other recommendations to clarify the relationship between the Agreement and other interjurisdictional governance arrangements – particularly in reducing duplication and improving linkages – **Mental Health Australia supports specific linkages and actions within the body of the next Agreement to better support people with co-occurring mental health and AOD challenges instead**.

These actions should include increasing the capability of the mental health and suicide prevention workforces to support people with co-occurring AOD challenges, and reviewing and addressing eligibility barriers to service access for people experiencing both AOD and mental health challenges. Governments have already committed in the National Mental Health Workforce Strategy to "Support the mental health workforce to upskill in and respond to co-occurring alcohol and other drug addiction" (Action 1.6.2).[vii] This should be prioritised and actioned as a specific commitment of the next Agreement. Ultimately, we want to move towards a no-wrong door approach where people can access and easily be connected between mental health and AOD supports appropriate for them, supported by a skilled and capable workforce.

Response to information request 4.1: an additional schedule for co-occurring AOD and mental health challenges

To better support people with co-occurring alcohol and/or other drug and mental health challenges or suicidality, rather than a separate schedule in the next Agreement, specific actions should be included in the body of the Agreement, with linkages to national AOD policy and commitments.

Psychosocial unmet need

Mental Health Australia welcomes the Productivity Commission's Draft Recommendation 4.4 that Governments should immediately address unmet need for psychosocial supports outside the NDIS with the aim of fully addressing unmet need by 2030. **It is now almost one year since the Analysis of Unmet Need for Psychosocial Support Outside the NDIS identified that there are 493,600 people who need psychosocial support but are unable to access it, with no tangible government action in any jurisdiction to address this gap**.

As clearly illustrated in the Commission's interim report, this is despite specific commitments in the current Agreement to develop arrangements for psychosocial supports. At the Health and Mental Health Ministers meeting on 13 June 2025, Ministers reaffirmed Australian, state and territory governments' shared responsibility in delivering psychosocial supports and that addressing unmet psychosocial needs will be one of the central priorities in consideration of the next National Mental Health and Suicide Prevention Agreement. Ministers also agreed to consult with lived experience and sector representatives in their jurisdictions to inform negotiations of the next National Agreement.

We recognise the intention of the Productivity Commission's draft recommendation is that work to address unmet need would commence immediately, with longer term roles and responsibilities and funding arrangements determined in the next Agreement. However as discussed above, Mental Health Australia is concerned that there are limited tangible pathways for governments to immediately expand psychosocial supports. **The Productivity Commission's recommendation for extension of the current Agreement may have the unintended consequence of enabling governments to yet again delay action on unmet need for psychosocial support**. This would particularly be the case without the tangible mechanism and pressure of negotiation of a new National Agreement on the immediate horizon.

The Productivity Commission's draft recommendation also stated that State and Territory Governments should be responsible for commissioning psychosocial supports, with the Australian Government providing funding to help cover the shortfall. In recent consultations, Mental Health Australia members have provided mixed feedback on which body/ies should commission psychosocial supports. Mental Health Australia is convening a consultation with our Members Psychosocial Network on 13 August 2025 to further consider the sector's expectations about how governments should address unmet need for psychosocial support. **Mental Health Australia would be pleased to provide the Productivity Commission with further information on the sector's views following this further consultation.**

Recommendation 3: The Productivity Commission's final report should recommend, as in draft recommendation 4.4, immediate action from governments to begin to address unmet need for psychosocial support, with a joint commitment and detailed plan in the next Agreement to fully address unmet need outside the NDIS by 2030.

The Commission should amend draft recommendation 4.2 to remove the proposal for extension of the current Agreement. If the Productivity Commission is to discuss or maintain this proposed extension, it must include that immediate, tangible actions, to begin to address the shortfall in psychosocial supports are necessary conditions for any delay to the next Agreement.

Family, carer and kin supports

Mental Health Australia welcomes the Productivity Commission's draft recommendation 4.5 that the next National Agreement should clarify responsibility for carer and family supports. However, the Productivity Commission's Final Report should go further and recommend tangible steps to measure and address unmet need for mental health family, carer and kin supports.

Mental Health Australia agrees with Mental Health Carers Australia's proposal that governments commit in the next Agreement to conduct an analysis of the unmet need of families, carers and kin, and commit to the development of strategies and initiatives to address this gap. In addressing this unmet need governments should engage directly with family, carers and kin of people experiencing mental health challenges to design responses that best suit their needs. Mental Health Australia commends Mental Health Carers Australia's submission to the Productivity Commission as useful advice regarding the types of programs that are valued by family, carers and kin and achieve good outcomes.

Recommendation 4: The Productivity Commission's Review of the National Mental Health and Suicide Prevention Agreement Final Report should expand draft recommendation 4.5 that in the next Agreement governments:

- clarify responsibility for family, carer and kin supports (as per the current draft recommendation 4.5); and also
- commit to conduct an analysis of unmet support needs of families, carers and kin
- commit to immediate service expansion and development of strategies and initiatives to address this gap, through consultation with family, carers and kin.

Governance

As raised in Mental Health Australia's original submission, there is a need for far greater involvement of sector and lived experience representatives across governance structures of the National Agreement, and public visibility of the work of the various governance groups. We welcome the Commission's consideration of these issues in the interim report and the initial recommendations presented by the Commission. **Improvements to the governance mechanisms of the Agreement could and should be implemented by governments immediately**, to support the success of both the current, and next, Agreement.

Lived experience representation

In response to the Productivity Commission's request for information (4.2) in relation to barriers to the participation and influence of people with lived experience in governance forums, Mental Health Australia refers the Commission to the submissions of the lived experience peak bodies, and commends the Productivity Commission's direct engagement with the Mental Health and Suicide Prevention Lived Experience Group (MHSPSO LEG).

As the secretariat for the MHSPSO LEG, Mental Health Australia has some insight into the structural challenges limiting the effectiveness of lived experience contributions to the governance forums of the National Agreement. The MHSPSO LEG consists of two representatives of each of the 15 priority population groups identified within the Agreement, as well as the five lived experience members of MHSPSO. Despite this wealth of expertise, there has been limited engagement from MHSPSO with this group, and limited opportunities for MHSPSO LEG members to participate as representatives on other working groups. With different government agencies and teams providing the secretariat function for various working groups under the Agreement, there appears to be confusion around the role of the MHSPSO LEG and engagement of lived experience representatives. **The next Agreement should make clear the expectation for representatives of the MHSPSO LEG to participate in all working groups.**

Further, the confidentiality clauses lived experience representatives are required to sign to participate in some working groups prohibits sharing with other MHSPSO LEG members about the work of the group, leading to a further sense of disconnection. It also impacts on the ability of MHSPSO LEG members to consult with their networks to inform their contributions to working group discussions.

Mental Health Australia supports the Commission's draft recommendation (4.7) that the next Agreement should support a greater role for people with lived experience in governance, including limited or adapted use of confidentiality agreements, greater communication between representatives on working groups and articulating formal roles for the two national lived experience peak bodies in governance arrangements including appropriate resourcing.

Mental Health Australia also notes and supports the recommendations of the National Mental Health Consumer Alliance and Mental Health Carers Australia that these mechanisms for ongoing engagement with consumers and carers to support design and implementation of National Agreement commitments must also be available at a jurisdictional level, through appropriate resourcing for state and territory lived experience consumer and family, carer and kin peak bodies.

Recommendation 5: The Commission should update draft recommendation 4.7 to clarify the governance arrangements of the current and next Agreement should ensure adequate representation of people with lived experience and family, carers and kin at all governance levels and forums.

Sector representation

Mental Health Australia strongly supports the Commission's draft recommendation (4.8) that the next Agreement should include a greater role for service providers and the broader mental health and suicide prevention sectors in governance mechanisms. The insights and experience of the non-government partners responsible for delivery of much of the services under the Agreement are essential to improved effectiveness of the next Agreement. It is also a key mechanism to improve the transparency of implementation of the next Agreement.

Of the options suggested by the Commission (designated roles for sector representatives on working groups, or a sector reference group to inform the decision making of the MHSPSO group and other working groups), Mental Health Australia recommends designated roles on each of the working groups to ensure sector involvement and contribution throughout the considerations of each of the groups. This could be complemented by specific articulation in the Agreement that MHSPSO may request sector feedback or consultation on particular issues through Mental Health Australia and Suicide Prevention Australia as the independent sector peak bodies. As demonstrated through the MHSPSO LEG mechanism, having a standalone body may result in a lack of engagement in the governance arrangements. It would also not deliver improvements in the transparency of implementation.

Recommendation 6: The Commission should strengthen draft recommendation 4.8 to recommend designated roles for sector representatives in all Agreement governance levels and forums, to ensure appropriate engagement with the sector in design and implementation of reforms under the Agreement, and to support greater transparency and accountability for implementation.

Transparency

Mental Health Australia strongly supports the Commission's draft recommendation (4.6) for increased transparency and effectiveness of governance arrangements, particularly regarding publication of information about the composition and activities of working groups established under the Agreement.

As discussed below, the ability of the National Mental Health Commission to independently monitor and report on governments and the sector's progress in implementing the Agreement is also crucial to improved transparency.

Monitoring, reporting, data and evaluation

Mental Health Australia has consistently advocated for the importance of an independent National Mental Health Commission (NMHC) to improve monitoring and accountability for ongoing improvement of Australia's mental health system.

We strongly support draft recommendations (4.9 and 4.10) to improve timely reporting and to strengthen the NMHC's reporting role. We support an independent NMHC having legislative provisions to compel information from interjurisdictional government agencies to enable this monitoring and reporting role, as proposed by the Productivity Commission in draft recommendation 4.10. However, this is dependent on the ongoing structure of the NMHC which is currently under consideration, and must be enabled by appropriate government data sharing arrangements in the National Agreement. **The Commission should update draft recommendation 4.10 to reflect the interjurisdictional data sharing arrangement needed for the NMHC to access data under the Agreement**. Mental Health Australia agrees with the Productivity Commission that requirement of all implementation plans and jurisdictional progress reports to be made publicly available through the next Agreement will also support greater accountability.

Mental Health Australia strongly agrees that the Australian Government should fund the routine collection of the National Study of Mental Health and Wellbeing and the National Child and Adolescent Mental Health and Wellbeing study every 5 years (draft recommendation 4.11). Ensuring the regular collection of this national prevalence data is fundamental to tracking changes in mental health and wellbeing, and the effectiveness of the mental health system.

Response to information request 4.3: public dashboard

A public dashboard to track and report on progress under the next Agreement's objectives and outcomes could be an iteration of the National Mental Health Commission's reporting against the Agreement. If the National Mental Health Commission are indeed empowered as an oversight body for the Agreement, and re-established as an independent agency, a public dashboard managed by the NMHC could be useful to improve transparency on progress made over time under the Agreement.

As reported in our initial submission to the Productivity Commission's inquiry, there are still major gaps in data collection. Mental Health Australia is eager to see commitment in the next Agreement to update, implement nationally and report on the Your Experience of Service (YES), Carer Experience Survey (CES) and the National Best Endeavours Data Set for non-government mental health organisations (NGO-E NBEDS), overseen by the Data Governance Forum. Only three jurisdictions (NSW, Queensland and Victoria) publicly report on implementation of the YES survey data on consumer-rated experiences of care. Similarly, the CES has only been implemented in some jurisdictions, and appears to not yet be nationally reported on. We agree with Mental Health Carers Australia that inconsistent use of the CES limits insights into the experiences of families, carers and kin and support their recommendation that the CES be redesigned to consider contemporary lived experience developed metrics and engagement mechanisms.[viii] The YES should similarly be updated through a process of co-design with consumers.

The significant gap in reporting on mental health services delivered by nongovernment organisations could begin to be addressed by updating and expanding use of the NGO-E NBEDS that provides a national standard for annual collection of data on activity, expenditure and staffing of government funded community-managed organisation services.

Therefore, **Mental Health Australia again recommends that the next Agreement better drive implementation of the YES, CES and NGO-E NBEDS through appropriate resourcing and accountability to address these data gaps, and ensure a cohesive picture of our national mental health system and services**.

During our consultations, Mental Health Australia members called for improved governance and reporting in the next Agreement, including at a regional level. They articulated that a long-term vision for the mental health system – including prevention and early intervention – would be important to developing relevant monitoring, reporting and evaluation metrics. Our members also noted the need for data and evaluation to capture quality of life improvements for people accessing mental health supports and for their families, carers and kin.

Ensuring that meaningful outcomes data is routinely collected on initiatives funded under the Agreement will support better evaluation. Mental Health Australia agrees with the draft recommendation (4.15) that the next Agreement build on the National Mental Health and Suicide Prevention and Evaluation Framework and guidelines, and importantly, support public sharing of evaluation findings. Resourcing and embedding data and evaluation roles in services funded under the Agreement are important enablers to ensuring high-quality evaluations. Additionally, our members also call for resourcing of peer-led evaluations.

Integration and regional variability

Mental Health Australia welcomes the Productivity Commission's recognition that the "next Agreement should play a greater role in facilitating the integration of services", including deliberate funding and incentives for collaboration at the local service level and greater role clarity and partnerships between Primary Health Networks, Local Hospital Networks and Aboriginal Community Controlled Health Organisations.

As outlined in Mental Health Australia's initial submission, there is a long way to go in joint regional commissioning to deliver truly integrated Australian, state and territory government services. And while there has been some progress in joint regional planning, there is significant variation in the maturity and capability of commissioning bodies across the country.

The Productivity Commission's draft recommendation (4.12) strikes a good balance between greater national consistency where there are efficiency gains – including standardised reporting and data requirements, and increased flexibility to allow commissioning agencies greater autonomy to address local needs. Clear shared objectives for the next Agreement are also imperative to help facilitate and guide joint regional planning and commissioning, to provide local commissioning agencies with joint goals and clarity on priorities.

Workforce

Despite the centrality of workforce reform to improving the effectiveness of Australia's mental health system, there has been very little interjurisdictional action to progress workforce priorities under the current Agreement. Mental Health Australia's members agree that support for the workforce will be critical to the success of the next Agreement.

As there are currently no funding commitments or clear accountability structures in the National Mental Health Workforce Strategy, Mental Health Australia and our members

strongly support the Productivity Commission's draft recommendation (4.13) that **the next Agreement support the implementation of the Strategy, including with clear commitments and timelines for priority actions and the explicit allocation of responsibility and funding for workforce initiatives**.

The recently established National Mental Health Workforce Sector Advisory Group, facilitated by Mental Health Australia, has provided advice to the intergovernmental National Mental Health Workforce Working Group on sector priorities for the implementation of the Strategy. The Group is well placed to provide guidance on implementation of the Workforce Strategy in the next Agreement. The Sector Advisory Group and broader Advisory Network identified the most urgent short-term actions in the Strategy as:

1. Develop initiatives to **safeguard the wellbeing of the mental health workforce**
2. Develop **longer minimum service contract lengths** for commissioned mental health services, including in rural and remote areas

It is important to note, however, that the National Mental Health Workforce Strategy does not presently include the community mental health and psychosocial workforces in any meaningful way. We urge commitment under the next Agreement to update the Strategy, to include actions to monitor, grow and retain these workforces. The **community mental health workforce is key to providing accessible mental health support**, takes less time to train and stand up than clinical workforces and plays an important role alleviating pressure on and complementing clinical supports. However, the growth and retention of the community mental health workforce is not yet nationally monitored and supported. Immediate action to grow this workforce is imperative to address the gap in psychosocial supports outside the NDIS, as well as incorporation of this workforce into long-term workforce planning, monitoring and development.

There are also opportunities to consider other workforce roles that aren't captured in the Strategy, including mental health promotion and prevention and public health roles designed to support mental health. Our members also call for better utilisation of allied health practitioners and building capabilities towards multi and transdisciplinary models of care. They urge the thoughtful integration of the peer and clinical workforces and the inclusion of non-biomedical models of care.

Recommendation 7: The Commission should update draft recommendation 4.13, to recommend the next Agreement should include commitment to update the National Mental Health Workforce Strategy, to ensure appropriate inclusion of community managed and psychosocial workforces.

Mental Health Australia supports the development of a scope of practice for the peer workforce (draft recommendation 4.14). This should be led by the National Peer Workforce Association currently being established. Stakeholders have also noted the importance of not creating further financial barriers to entry in moves towards greater professionalisation of the peer workforce.

Response to information request 4.4: Best practice examples in integrating peer workers in clinical settings

We draw the Productivity Commission's attention to the co-evaluation of Neami National's Urgent Mental Health Care Centre (UMHCC) in Adelaide.[ix] The UMHCC was co-designed by

people who have lived experience of mental health challenges and the staffing model comprises 50% lived experience staff and 40% clinical staff.[x]

Secondly, the Safe Haven Café at St Vincent's Hospital Melbourne is a non-clinical, therapeutic space where people seeking mental health care outside of business hours could connect with peer support workers and mental health professionals. Staff wellbeing was considered in the service model's design, including the provision of adequate support and debriefing for staff to prevent burnout.[xi]

Thirdly, the Gold Coast Transitional Recovery Service provides intensive residential treatment and support including the provision of both clinical and non-clinical psychosocial supports, incorporating peer support that is tailored to support the individual's recovery goals. A service review revealed a positive and supportive environment for staff, indicating a culture of mutual respect, collaboration and support.[xii] Clarity around the philosophy and principles of the service, as well as collaboration between partner organisations and executive and service delivery leadership, were cited as enablers of the positive culture.

Finally, we also refer the Productivity Commission to the submission of the Mental Health Coordinating Council NSW who have included further examples of best practice in integrating peer workers in clinical mental health settings in their response to the interim report.

5. Services for Aboriginal and Torres Strait Islander people

The Commission's interim report highlights the deeply concerning lack of progress under the current Agreement to progress mental health and social and emotional wellbeing outcomes for Aboriginal and Torres Strait Islander people. As Gayaa Dhuwi has continually raised, the challenge has not been a lack of plans or strategies, but a lack of implementation.

The next Agreement must include tangible actions – and most importantly, funding – to improve Aboriginal and Torres Strait Islander social and emotional wellbeing, guided by existing strategies and community-led organisations. **The next Agreement must include funding commitments to implement the Gayaa Dhuwi (Proud Spirit) Declaration Framework and Implementation Plan (2025-2035)**.

Mental Health Australia supports the Commission's draft recommendation (5.1) that these commitments should be outlined in a separate schedule to the next Agreement, to align with commitments and governance under the National Agreement on Closing the Gap. This should be overseen by rather than duplicate the Social and Emotional Wellbeing Policy Partnership.

6. Suicide prevention

Mental Health Australia supports the Productivity Commission's draft recommendation (6.1) that the next Agreement should include a separate schedule on suicide prevention. This would reflect both the alignment and distinction between mental health and suicide prevention, and support specific actions aligned to the National Suicide Prevention Strategy, National Aboriginal and Torres Strait Islander Suicide Prevention Strategy, and forthcoming National Suicide Prevention Outcomes Framework.

The Commission's proposal for the National Suicide Prevention Office (NSPO) to monitor and report on a suicide prevention schedule is also welcome – aligning well with the role of the National Mental Health Commission monitoring the broader Agreement, and building on the respected work of the NSPO. Mental Health Australia commends Suicide Prevention Australia's submission to the Commission for further detailed consideration in response to this recommendation.

Gaps in the interim report

While overall Mental Health Australia and our members are very positive about the Productivity Commission's interim report and draft recommendations, we propose that the Commission give the following areas further consideration in developing the final report.

Culturally and Linguistically Diverse communities and refugees

Though the Productivity Commission recognised that the needs of many 'priority populations' were not addressed under the current Agreement, Mental Health Australia urges the Commission to further consider how the mental health needs of culturally and linguistically diverse (CALD) communities and refugees can be better addressed under the next Agreement. The current bilateral agreements do not have tangible investments for purpose-built services tailored to CALD and refugee communities, nor is there action on addressing systemic barriers faced when accessing mental health care in Australia.

We refer the Commission again to the recommendation made in our initial submission to this review.

Recommendation 8: The Productivity Commission should engage further with the Federation of Ethnic Communities' Councils of Australia and the National Ethnic Disability Alliance on recommendations to better address the needs of culturally and linguistically diverse communities and refugees in the next National Agreement. This could include:

- providing greater investment in purpose-built services tailored for CALD and refugee communities and upskilling of mainstream mental health organisations to deliver culturally appropriate care
- directly addressing systemic barriers for CALD and refugee populations to receiving culturally appropriate and effective mental health care in Australia.

LGBTQIA+SB people

Similarly, Mental Health Australia also urges the Productivity Commission to give closer attention to mechanisms to tangibly address the mental health needs of LGBTIQ+SB communities as a priority population through the next Agreement and bilateral schedules. The next Agreement must balance both improving the capacity of mainstream services to safely meet the needs of LGBTQIA+SB people and specific funding for specialist LGBTQIA+SB community-controlled organisations with services tailored specifically to the needs of LGBTQIA+SB people seeking mental health support.

We refer the Commission back to the recommendation made in our initial submission to this review.

Recommendation 9: The Productivity Commission should consult with LGBTIQ+ Health Australia on priority actions to progress as a part of the next Agreement to better address the mental health needs of LGBTQIA+SB people. This could include:

- funding to improve the capacity of mainstream services to safely meet the needs of LGBTQIA+SB people
- specific funding for specialist LGBTQIA+SB community controlled organisations to expand mental health services tailored to the needs of LGBTQIA+SB people
- delivering priority actions from the National LGBTIQ+ Mental Health and Suicide Prevention Strategy.

Prevention

While the interim report recognises that the current Agreement and bilateral schedules have no actions to achieve the objective of greater investment in prevention and early intervention, the Commission is yet to make recommendations on how this should be addressed in the next Agreement.

Our members have called for action to address social determinants of mental health and the drivers of mental distress – for example housing, income, safety and social connection – and requiring every jurisdiction to include at least one cross-portfolio initiative to address this.

Many of the needed investments in prevention and early intervention are yet to be realised, such as the measures focusing on children's wellbeing across the education and health systems as recommended in the 2020 Productivity Commission Inquiry into Mental Health. Increasing investment in prevention and early intervention investment across the lifespan is particularly important to achieve long-term change in population rates of mental ill-health, and tangible actions must be included in the development of the next Agreement.

Addressing system fragmentation and the need for integration

Mental Health Australia's members highlighted that system fragmentation is a significant issue that should be given greater attention in the Commission's final report. The combination of a lack of a national vision, coupled with underwhelming funding commitments and differences across bilateral agreements, have continued to perpetuate fragmentation and failed to adequately and efficiently address service system gaps.

The next Agreement would benefit from a renewed focus on integration between Commonwealth and State and Territory Government service systems, and at boundaries between States and Territories. Mental Health Australia welcomes the Commission's draft recommendations (2.2 and 4.12) that governments urgently develop and release detailed National Guidelines on Regional Planning and Commissioning, and improve both national consistency and local flexibility to improve efficiency and adaptability of local commissioning. These efforts to improve regional commissioning and partnerships between PHNs, LHDs and ACCHOs would be a very welcome start.

Mental Health Australia's members have also stated the need for comprehensive service mapping to reduce fragmentation and duplication of services. This would enable governments, commissioners, service providers, clinicians and the public to understand what services are available, who they support, how to access them, as well as what that care pathway might look like.

Improved commissioning and contracting

Further action is also needed to improve sustainability of commissioning and contracting under the next Agreement.

Mental Health Australia continues to call for governments to implement our **Sector Sustainability Statement** through funding commitments for the next Agreement. This Statement outlines seven recommendations to address widespread issues in commissioning:[xiii]

- increasing the duration of government service agreements to a minimum of 5 years
- introducing a minimum 6-month notice period for contract adjustments and terminations
- introducing minimum communication requirements and maximum timeframes to notify services of funding decisions
- considering new procurement approaches
- including appropriate levels of indexation in all government service agreements
- including funding to cover mandated employment requirements
- simplifying and standardising contract reporting requirements.

We refer the Commission back to the recommendation in our initial submission to this review.

Recommendation 10: The next Agreement should commit parties to ensuring commissioning and contracting practices for services funded through the bilateral agreements reflect the changes called for in Mental Health Australia's Sector Sustainability Statement.

Conclusion

Mental Health Australia welcomes the Productivity Commission's interim report as an accurate reflection of feedback from the sector and frank assessment of the limited effectiveness of the current National Mental Health and Suicide Prevention Agreement.

Overall, we support the majority of the draft findings and recommendations, particularly on the need for greater clarity on shared objectives, increased accountability and reporting and more robust and ongoing engagement with lived experience and sector expertise through the next Agreement.

However, Mental Health Australia urges the Productivity Commission to, in particular, reconsider the proposal to delay the development of the next Agreement. Genuine co-design of a renewed National Mental Health Strategy will take considerable time. A further year is a very ambitious timeline for development of both a Strategy and the next Agreement. Further, without the pressure of negotiating a new Agreement, this move would too readily concede the pressure for reform and risks further delaying urgent intergovernmental actions to improve mental health, particularly in addressing unmet need for psychosocial supports outside the NDIS. A delay of the next Agreement without immediate action to begin to address unmet need for psychosocial support is wholly unacceptable.

Now is the time for governments to engage with consumers, family, carers and kin and the sector to agree to objectives for the next Agreement, and to begin to address the gap in psychosocial supports and progress other priority reforms. A long-term, co-designed national

mental health strategy should be developed as an action during the course of the next Agreement, to give appropriate time for co-design.

Governance arrangements for the Agreement can also be improved immediately, with greater involvement of sector and lived experience representatives across working groups, and public visibility of the work of the various governance groups.

To enable a whole-of-government approach to the next Agreement, specific and funded commitments that enable action on priority areas of social determinants and cross-portfolio collaboration would be more effective than having the Department of Prime Minister and Cabinet convening negotiations of the next Agreement.

And finally, the next Agreement should both deliver the strong system foundations that are so desperately needed, and commit all parties to increase funding for mental health over time to support meaningful action that will improve the mental health of all Australians.

We look forward to the Productivity Commission's final report and continuing to work with governments and our members in the design and implementation of the next Agreement.

About Mental Health Australia

Mental Health Australia is the national, independent peak body for the mental health sector. We unite the voices of the mental health sector and advocate for policies that improve mental health. We have over 150 member organisations, including service providers, professional bodies, organisations representing people with lived experience of mental ill-health, family, carers and supporters, researchers and state and territory mental health peak bodies. Mental Health Australia would like to thank the many members and individuals who contributed their expertise to this submission.

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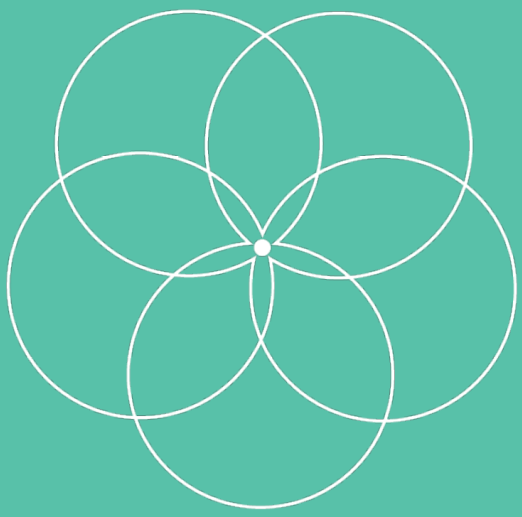

Mental Health Australia

**Mentally healthy people,
mentally healthy communities**

mhaustralia.org

Mental Health Australia is the peak independent national representative body of the mental health sector in Australia.

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