

**Mental Health  
Australia**

# Budget 2022-23

Pre-Budget Submission

December 2021



Mentally healthy people,  
mentally healthy communities

[mhaustralia.org](https://mhaustralia.org)

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## Introduction

The year 2020 was a turning point for mental health in Australia. The Productivity Commission handed down the final report of a once in a generation Inquiry into Mental Health. This report shone an uncompromising light on the deeply flawed nature of the current mental health system and highlighted the need for sustained multi-billion dollar investment to fix the problems.

The year 2020 also marked the beginning of tangible impacts of the COVID-19 pandemic in Australia; an event which starkly illuminated the pre-existing gaps in Australia's already overwhelmed mental health system. The Australian Government responded quickly with a **National Mental Health and Wellbeing Pandemic Response Plan**, and more recently with additional funding to boost mental health services through the COVID-19 Response package.<sup>1</sup> However as the pandemic has evolved it has become clear that the mental health impacts associated with it, and measures to contain it, will be ongoing and require a mental health response for some time.

The Productivity Commission Inquiry into Mental Health estimated implementation of its recommended priority reforms would cost governments (both Australian and State and Territory) an additional \$2.4 billion per year in order to realise savings of \$1.2 billion per year.<sup>2</sup> It estimated implementation of all of its recommendations would cost between \$3.5 and \$4.2 billion per year and elicit savings of \$1.7 billion.<sup>3</sup> However, it also conservatively calculated benefits of mental health reform, mostly related to quality adjusted years of life, could reach up to \$18 billion per year.<sup>4</sup> It is now authoritatively clear that mental health requires billions of dollars of investment, not millions.

In response, the Australian Government's 2021-22 Budget provided a welcome \$2.3 billion as the "first phase of the response to the findings of the Productivity Commission Inquiry Report into Mental Health... and the National Suicide Prevention Adviser's Final Advice".<sup>5</sup> This investment is necessary in and of itself, but not sufficient on its own account. The 2022-23 Budget must build on this first down payment and offer sustained and significant investment in mental health reform to set Australia on a path to fully realise the vision outlined by the Productivity Commission for a person-led and community-focussed mental health system.

As a part of the 2021-22 Budget, the **Australian Government's National Mental Health and Suicide Prevention Plan** articulates the first steps planned to implement the Productivity Commission's recommendations. This was a good start. However, Governments are yet to provide a comprehensive plan to implement the Productivity Commission's recommendations, let alone an accompanying multi-year budgetary plan that includes Australian and State and Territory Government funding, both of which Mental Health Australia called for in its 2021-22 Pre-Budget submission.

It is no surprise that a comprehensive implementation plan and accompanying budgetary plan would take time given the whole-of-government and interjurisdictional nature of

<sup>1</sup> Commonwealth of Australia (2021) *Mid-Year Economic and Fiscal Outlook 2021-22, COVID-19 Responses Package – prioritising mental health* p242

<sup>2</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol 2*. p.172

<sup>3</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol 2*. p.172

<sup>4</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol 2*. p.172

<sup>5</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.7



recommendations provided by both the Productivity Commission and the Suicide Prevention Adviser's Final Advice.<sup>6</sup> Many of the recommended actions require negotiation not just across Australian Government Departments but also between the Australian and State and Territory Governments. Mental Health Australia expects that the National Mental Health and Suicide Prevention Agreement ('the National Agreement'), recently provided with in-principle endorsement by the National Cabinet,<sup>7</sup> will provide clear delineation between the roles of the Australian and State and Territory Governments. The mental health sector will now eagerly await the public release of the National Agreement and the bilateral agreements between the Australian and State and Territory Governments. This is where the sector expects detailed implementation plans and accompanying budgetary plans to be articulated.

In this 2022-23 Budget Submission, Mental Health Australia calls on the Australian Government to invest in four key priorities to sustain momentum in mental health reform. These priorities have been identified through analysis of yet-to-be implemented recommendations from the Productivity Commission Inquiry into Mental Health and prioritised through consultation with Mental Health Australia members.<sup>8</sup>

In the 2022-23 Budget, the Australian Government should invest in:

**1 Lived experience leadership:**

- formal national structures to represent the views of people with lived experience of mental ill health and carers

**2 Government leadership and accountability:**

- outlining funding that will be committed by the Australian Government through the impending bilateral agreements with the State and Territory Governments and the structures which will support accountable leadership across jurisdictions to deliver an integrated end-to-end system

**3 Co-designed implementation of a community focussed mental health system:**

- co-design of an effective integrated system of community-focussed mental health treatment and support
- establishment of a national community mental health dataset
- growing psychosocial supports to match need
- addressing the social determinants of mental health

**4 – The mental health workforce:**

- addressing urgent mental health workforce gaps
- establishment of a national centre for evidence based workforce development.

This Pre-Budget Submission outlines the rationale for implementation of each of these measures below.

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<sup>6</sup> Australian Government National Suicide Prevention Adviser (2021) *Final Advice*. Retrieved 21 December 2021 from <https://www.health.gov.au/resources/publications/national-suicide-prevention-adviser-final-advice>

<sup>7</sup> Australian Government. (2021). *Media Statement 10 Dec 2021 Prime Minister*. Retrieved 15 December 2021 from <https://www.pm.gov.au/media/national-cabinet-statement-59>

<sup>8</sup> Mental Health Australia members include national organisations representing people with lived experience of mental ill health and carers, clinical service providers, professional bodies, community mental health service providers, researchers and state and territory mental health peak bodies.



## Lived experience leadership

Multiple recent inquiries have outlined the benefits of the inclusion of people with lived experience of mental ill health and the people who care for them in robust mental health system design. Genuine engagement with people with lived experience of mental ill health and caring for people with mental ill health results in greater empowerment and ownership of mental health programs and delivers outcomes that target the issues that matter most to people accessing services.<sup>9,10</sup>

Most recently, at a national level, the Productivity Commission Inquiry into Mental Health found that “consumers and carers should have the opportunity to participate in the design of policies and programs that affect their lives.”<sup>11</sup> The final report recommended the Australian Government fund the development, establishment and ongoing functions of “peak bodies that are able to represent the separate views of mental health consumers, and of carers and families, at the national level.”<sup>12</sup>

In the 2021-22 Budget the Australian Government committed to “work with mental health stakeholders to investigate and co-design future national peak body arrangements to ensure a greater role for lived experience.”<sup>13</sup> However, the Government is yet to announce a national leadership structure for mental health consumers and carers resulting from this work.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund the development, establishment and ongoing functions of national independent structures to represent the views of people with lived experience of mental ill health and of caring for people with mental ill health in system and service design.

<sup>9</sup> Slay, J., Stephens, L. (2013). *Co-production in mental health: A literature review*. London: New Economics Foundation

<sup>10</sup> World Health Organization. (2010). *User empowerment in mental health – a statement by the WHO Regional Office for Europe*. Retrieved 16 December 2021 from [https://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0020/113834/E93430.pdf](https://www.euro.who.int/__data/assets/pdf_file/0020/113834/E93430.pdf)

<sup>11</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.1113

<sup>12</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.1113

<sup>13</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.29



## Government leadership and accountability

The Productivity Commission Inquiry into Mental Health advised that the Australian and State and Territory Governments should provide additional funding through the National Agreement to meet existing funding gaps in both clinical mental healthcare (about \$829 million per year) and psychosocial supports (between \$373–\$1,085 million per year).<sup>14</sup>

Mental Health Australia expects this funding will be discussed as a part of bilateral agreements between the Australian Government and the State and Territory Governments.

The 2022-23 Budget provides an opportunity for the Australian Government to reassure the mental health sector (including people with lived experience of mental ill health and caring for people with mental ill health) that it intends to provide tangible investments to support the states and territories to implement these important recommendations from the Productivity Commission Inquiry into Mental Health.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should outline its intended contribution to bilateral agreements under the National Mental Health and Suicide Prevention Agreement.

Mental Health Australia has previously requested that Governments develop an implementation plan for the recommendations of the Productivity Commission Inquiry into Mental Health and an accompanying budgetary plan that includes Australian, State and Territory Government commitments.<sup>15</sup> These pieces of work are yet to be addressed.

Further, the Australian Government has not indicated how it intends to monitor and report on implementation and outcomes of the measures it funds in responding to the Productivity Commission Inquiry into Mental Health.

To ensure this funding results in robust implementation of demonstrably effective mental health services, governments should develop and publish a comprehensive, funded, interjurisdictional implementation plan. In addition, interjurisdictional monitoring and accountability structures should be identified to monitor implementation and outcomes of the resulting initiatives. This should include mental health sector representation including people with lived experience of mental ill health, carers and service providers across the continuum of care.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund the establishment of interjurisdictional structures responsible for leadership, monitoring and accountability in relation to integrated implementation of the National Mental Health and Suicide Prevention Agreement, including the creation of a funded multi-year implementation plan.

<sup>14</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. pp. 1146-7

<sup>15</sup> Mental Health Australia. (2021). *2021-22 Pre-Budget Submission*. p.1



## Co-designed implementation of a community focussed mental health system

Multiple inquiries have called for a person-led mental health system which is community-focused, trauma-informed and recovery oriented. A system which emphasises treatment and supports delivered in the community via multi-disciplinary teams; growing use of digital options and supports; and with hospital bed-based care reserved as a last resort.

The 2022-23 Budget provides an opportunity for the Australian Government to fund a co-design process to effectively deliver the person-led, community-focussed mental health system outlined by the Productivity Commission Inquiry into Mental Health.

This should include co-design of:

- an effective, integrated system of community-focussed mental health treatment and support
- a national community mental health dataset
- building psychosocial supports to match needs
- addressing the social determinants of mental health.

More detail about each of the above-mentioned dot points is provided below.

### Co-designing an effective, integrated system of community-focussed mental health treatment and support

Mental Health Australia welcomed investments made through the 2021-22 Budget designed to address service gaps and work towards effective models of community-focussed mental health care such as investment in child and adult mental health hubs, and an expansion of youth services through headspace. However, continuing to make one off investments into an already fragmented system is not likely to result in a comprehensive system of integrated care. A funding model which is fit for purpose and will the address the disparities across metro, rural and regional Australia is as important as the amount and allocation of funding.

The Productivity Commission identified the need for a co-designed, overarching integrated system of community-focussed mental health treatment and support services that is inclusive of all public, private and non-government organisations, clinical and non-clinical treatment and support provided in community settings. Such a system will need to address current fragmentation of care across the eco-system and strengthen coordination between services providers and other supports in the delivery of integrated multidisciplinary care. The absence of a commitment to do so creates a significant risk of exacerbating the existing high levels of fragmentation caused by layering rather than integrating new initiatives as part of overall community based mental health reform.

Co-design of a community-focussed mental health system should include engagement with a diverse group of mental health consumers and carers alongside key representative organisations such as Gayaa Dhuwi (Proud Spirit) Australia, LGBTIQ+ Health Australia, Rural and Remote Mental Health and the Embrace Multicultural Mental Health Project led by Mental Health Australia.





This co-designing process would facilitate improved systemic response to the needs of Australia's diverse population, with a particular focus on groups over-represented amongst people experiencing mental ill-health and suicidality.<sup>16,17,18,19, 20</sup>

As the peak national non-government organisation representing the mental health sector, Mental Health Australia is uniquely placed to assist in bringing together stakeholders across the mental health sector to participate in this co-design process, which is needed to achieve articulation of an effective integrated system of community focussed mental health treatment and support.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund Mental Health Australia to facilitate co-designed development of an effective, integrated system of community-focussed mental health treatment and support.

## A national community mental health dataset

An accurate understanding of the current community mental health system is a prerequisite to working towards the effective, integrated system of community-focussed mental health treatment and support of the future. Australia already has a community mental health care national minimum dataset. However it excludes services provided by non-government organisations.<sup>21</sup> The Productivity Commission Inquiry into Mental Health Final Report recommended the "Australian, State and Territory Governments should ensure a nationally consistent dataset is established in all States and Territories of non-government organisations that deliver mental health services".<sup>22</sup> The Australian Government has indicated its support "in part" for the overarching recommendation<sup>23</sup> but has not committed to any specific action to address it.

A national standard for the annual collection of data on activity, expenditure and staffing of non-government mental health services exists through the Mental Health Non-Government Organisation Establishments National Best Endeavours Data Set (MH NGO NBEDS).<sup>24</sup> However, only two states currently collect this data. The Australian Government should implement the Productivity Commission Inquiry into Mental Health's recommendation to establish a national minimum dataset in full. This will require working with State and Territory Governments and supporting non-government organisations to measure and report this data through establishing realistic timeframes and capacity building.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund implementation of a nationally consistent dataset in all States and Territories of non-government organisations that deliver mental health services. As a first step the Australian Government should work with State and Territory Governments to implement the mental health non-government organisations national best endeavours data set in full.

<sup>16</sup> Scanlon Foundation. (2014). *Mapping Social Cohesion 2014: National Report* p.23

<sup>17</sup> Ferdinand, A., Paradies, Y., & Kelaher, M. (2013). *Mental Health Impacts of Racial Discrimination in Victorian Aboriginal Communities: The Localities Embracing and Accepting Diversity (LEAD) Experiences of Racism Survey*.

<sup>18</sup> Ferdinand, A., Paradies, Y., & Kelaher, M. (2015). *Mental health impacts of racial discrimination in Australian culturally and linguistically diverse communities: a cross sectional survey*. BMC Public Health. 15(401)

<sup>19</sup> LGBTIQ+ Health Australia. (2021). *Snapshot of mental health and suicide prevention statistics for LGBTIQ+ people*.

<sup>20</sup> Fitzpatrick SJ, Handley T, Powell N, Read D, Inder KJ, Perkins D, et al. (2021) Suicide in rural Australia: A retrospective study of mental health problems, health-seeking and service utilisation. PLoS ONE 16(7): e0245271. <https://doi.org/10.1371/journal.pone.0245271>

<sup>21</sup> Australian Government Australian Institute of Health and Welfare. (2020). *Community mental health care NMDS 2022-23*. Retrieved 27 October 2021 from <https://meteor.aihw.gov.au/content/index.phtml/itemId/742040>

<sup>22</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report: Vol. 3*. p.1204.

<sup>23</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.30.

<sup>24</sup> Australian Institute of Health and Welfare (2014) *Mental health non-government organisation establishments NBEDS 2015*, <https://meteor.aihw.gov.au/content/index.phtml/itemId/494729>





## Growing psychosocial supports to meet need

Psychosocial support services are recovery-oriented services which support people experiencing mental illness to manage daily activities, rebuild and maintain connections, participate in education and employment, live well in their community and work towards their goals and aspirations. These services are an essential component of the mental health ecosystem, particularly in providing person-led, community based care, preventing avoidable hospitalisations, and supporting recovery, thus reducing potential lifelong impacts for the person and costs to the system. These services should also include adequate access for carers to funded respite support.

The Productivity Commission Inquiry into Mental Health recommended that Governments ensure all people who have psychosocial needs receive adequate psychosocial support, however under current policy settings an estimated 154,000 people would not be able to access the psychosocial support services they require.<sup>25</sup> It is recommended that “the shortfall in the provision of psychosocial supports outside of the National Disability Insurance Scheme should be estimated and published at both State and Territory and regional levels”<sup>26</sup> and that “state and territory governments, with support from the Australian Government, should increase the quantum of funding allocated to psychosocial supports to meet the estimated shortfall.”<sup>27</sup>

The Productivity Commission Inquiry into Mental Health also noted the impact of multiple funding streams for psychosocial services leading to overly complicated (and therefore inefficient) administrative processes for service providers alongside the uncertainty created by short funding cycles.<sup>28</sup>

In the 2021-22 Budget the Australian Government provided a two year investment to continue psychosocial support for people with severe mental illness who did not qualify for NDIS support.<sup>29</sup> This was a welcome investment, which addressed an urgent need. However, it falls far short of addressing the Productivity Commission’s recommendations to grow investment to match unmet need and to extend the length of contracts to 5 years.<sup>30</sup>

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund psychosocial support to meet need. Implementation of this measure should be undertaken through co-design with consumers, carers and the broader community mental health service sector.

<sup>25</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.827

<sup>26</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. P.866

<sup>27</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.866

<sup>28</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. pp.836-40

<sup>29</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.28

<sup>30</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*.



## Addressing the social determinants of mental health

An effective, integrated system of community-focussed mental health treatment and support requires strong integration with sectors aimed at addressing the social determinants of mental health. Mental Health Australia has prioritised the following five social determinants of mental health with Mental Health Australia members and through analysis of unimplemented actions from the Productivity Commission Inquiry into Mental Health Final Report, as those which would provide great impact if acted upon now.

### Housing

The Productivity Commission Inquiry into Mental Health recommended that Australian, State and Territory Governments commit to a policy of ‘no exits into homelessness’ for people with mental illness discharged from hospitals or institutional care, and address the shortfall in supported housing places and homelessness services for people with severe mental illness. These are in line with policy priorities developed by the Australian Housing and Urban Research Institute and Mind and Mental Health Australia’s Trajectories research, which found existing models of integrated housing and mental health services (supported housing) are effective but do not meet current demand.<sup>31</sup>

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should commit to further funding for supported housing and homelessness services.

### Social support and participation

Social support and participation is crucially important to mental health. The Australian Government can increase social support and participation of people with mental ill health through funding social prescribing. The Royal Australian College of General Practitioners, Consumers Health Forum of Australia and Mental Health Australia are urging the Australian Government to implement a national social prescribing scheme to tackle Australia’s mental health and wellbeing crisis.<sup>32</sup> This is in line with the recommendation of the Productivity Commission Inquiry into Mental Health that the Australian Government promote and fund further trials of social prescribing.<sup>33</sup>

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund implementation of a national social prescribing scheme.

### Stigma and human rights

The Productivity Commission Inquiry into Mental Health recommended the development of a National Stigma Reduction Strategy and adequate resourcing for its implementation.<sup>34</sup> The National Mental Health Commission is currently developing a National Stigma and Discrimination Reduction Strategy.<sup>35</sup> The 2022-23 Budget offers an

<sup>31</sup> Brackertz, N. (2021). *Trajectories: the interplay between mental health and housing pathways. Policy priorities for better access to housing and mental health support for people with lived experience of mental ill health and housing insecurity*

<sup>32</sup> Australian Health Journal. (2021). *Calls for a National Social Prescribing Scheme*. Retrieved 7 December 2021 from <http://ahj.com.au/brain-and-mind/calls-for-national-social-prescribing-scheme/>

<sup>33</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 2*. p.715

<sup>34</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 2*. p.371

<sup>35</sup> Australian Government National Mental Health Commission (2021.) *National Stigma and Discrimination Reduction Strategy*. Retrieved 7 December 2021 from <https://www.mentalhealthcommission.gov.au/Mental-health-Reform/National-Stigma-Strategy>



opportunity for the Australian Government to commit to fully funding implementation of this Strategy.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund implementation of the National Stigma and Discrimination Reduction Strategy.

## Employment and occupation

The Productivity Commission Inquiry into Mental Health recommended a staged, national rollout of the Individual Placement and Support model of employment support<sup>36</sup> due to the program's sound evidence base, the clearly defined nature of the intervention and its well established target group.<sup>37</sup> It estimated that, over time, these supports should be provided to around 40,000 people with severe mental illness<sup>38</sup> at a cost of \$108-286 million per year.<sup>39</sup> The Productivity Commission estimated this would increase participants' income by \$42-90 million and result in savings to the healthcare system of \$137-575 million and savings to current Disability Employment Services of \$49 million.<sup>40</sup>

In the 2021-22 Budget, the Australian Government provided \$5.7 million to expand the Individual Placement and Support Program, building on its 2020-21 Budget investment of \$45.7million.<sup>41</sup> It also committed to delivering the New Employment Services Model by July 2022,<sup>42</sup> and has since launched Australia's Disability Strategy 2021-2031 and associated Disability Employment Strategy.<sup>43</sup>

The 2022-23 Budget provides an opportunity for the Australian Government to continue the staged rollout of the Individual Placement and Support Program nationally, in line with the Productivity Commission Inquiry into Mental Health's recommendation.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should continue to expand the Individual Placement and Support program.

## Early childhood

In 2020 the Productivity Commission Inquiry into Mental Health made a range of recommendations to support children's mental health including screening for mental illness and wellbeing in new parents, early childhood checks and enhancing the ability of educators to support and measure the social and emotional development of children.<sup>44</sup>

In 2021 the National Mental Health Commission released the National Children's Mental Health and Wellbeing Strategy, which makes recommendations across family and community, the mental health service system, education settings and evidence and

<sup>36</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.954

<sup>37</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.950

<sup>38</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report, Box 19.5 IPS target cohort for a new national program, Vol. 3*. p.950

<sup>39</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.959

<sup>40</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 3*. p.949

<sup>41</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.29

<sup>42</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.29

<sup>43</sup> Australian Government (2021) *Employ My Ability: Disability Employment Strategy*  
[https://www.dss.gov.au/sites/default/files/documents/12\\_2021/final-employ-my-ability.pdf](https://www.dss.gov.au/sites/default/files/documents/12_2021/final-employ-my-ability.pdf)

<sup>44</sup> Australian Government Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report Vol. 2*. p.194



evaluation.<sup>45</sup> The Australian Government had provided pre-emptive funding for implementation of the Strategy through its 2021-22 budget including for New Head to Health Kids mental health and wellbeing centres, perinatal mental health screening, inclusion of social and emotional wellbeing indicators in early childhood checks and online parenting education programs.<sup>46</sup> The 2022-23 Budget provides an opportunity for the Australian Government to build on this investment and commit to fully funding implementation of the National Children's Mental Health and Wellbeing Strategy.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund full implementation of the National Children's Mental Health and Wellbeing Strategy.

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<sup>45</sup> Australian Government National Mental Health Commission. (2021). *National Children's Mental Health and Wellbeing Strategy*. Retrieved 7 December 2021 from <https://www.mentalhealthcommission.gov.au/mental-health-reform/childrens-mental-health-and-wellbeing-strategy>

<sup>46</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.25



## Workforce

The Australian Government's approach to workforce development must address urgent workforce gaps and anticipate the needs of a future mental health system where the majority of services are delivered in community settings.

### Addressing current urgent gaps in the mental health workforce

There are significant shortages across the mental health workforce,<sup>47</sup> which need to be urgently addressed. The Productivity Commission Inquiry into Mental Health made specific recommendations in relation to increasing the number of psychiatrists and mental health nurses. It also made recommendations about growing psychosocial support services<sup>48</sup> and community ambulatory services<sup>49</sup> to meet need, which will necessitate growth in these workforces as well.

In the 2021-22 Budget the Australian Government provided a welcome down payment of \$58.8 million to grow and upskill the mental health workforce. This is a necessary down payment towards addressing gaps in existing traditional models of care, but in itself falls far short of filling the current gaps.

It is important to note that the ability of the Productivity Commission Inquiry into Mental Health and the Royal Commission into Victoria's Mental Health System to analyse the workforce were both hampered by the lack of a nationally-consolidated mental health and wellbeing workforce dataset, alongside the need to use the National Mental Health Service Planning Framework (a highly-regarded tool but one based on traditional models of care) to create projections. In particular, both final reports highlighted data gaps in relation to the community mental health sector's workforce.

The issue of current workforce shortages and immediate action to address these shortages should be addressed through the National Mental Health Workforce Strategy. The 2022-23 Budget should provide the funding that puts the National Mental Health Workforce Strategy into action including increasing training places, consideration of emerging and novel workforces and the underutilisation of counsellors and therapists currently unable to access mental health related funding streams.

**Proposed Budget Measure:** in the 2022-23 Budget, the Australian Government should announce funding to address current mental health workforce shortages.

The Productivity Commission Inquiry into Mental Health identified the peer workforce as an underutilised workforce.<sup>50</sup> The National Mental Health Consumer and Carer Forum states that the peer workforce comprises "those consumers and families/carers who are employed specifically... on the basis of their personal lived experience of mental illness and recovery (consumer peer worker) or their experience of supporting family or friends with mental illness (carer peer worker)."<sup>51</sup> To address the underutilisation of the peer workforce the Productivity Commission recommended "the Australian Government provide once-off seed funding to create a professional association for peer workers."<sup>52</sup> In response, through the 2021-22

<sup>47</sup> ACIL Allen. (2021). National Mental Health Workforce Strategy: Consultation Draft. p.1

<sup>48</sup> Australian Government Productivity Commission. (2020). Mental Health: Productivity Commission Inquiry Report Vol.3. p.826

<sup>49</sup> Australian Government Productivity Commission. (2020). Mental Health: Productivity Commission Inquiry Report Vol.2. p.580

<sup>50</sup> Australian Government Productivity Commission. (2020). Mental Health: Productivity Commission Inquiry Report Vol.2 p732

<sup>51</sup> National Mental Health Consumer and Carer Forum. (2020). The Peer Workforce: Advocacy Brief.

<sup>52</sup> Australian Government Productivity Commission. (2020). Mental Health: Productivity Commission Inquiry Report Vol.2. p.732



Budget the Australian Government provided funding to support 390 peer work related scholarships and opportunities for professional collaboration.<sup>53</sup> In addition the National Mental Health Commission developed and released Lived Experience (Peer) Workforce Development Guidelines.<sup>54</sup> These are both welcome initiatives to be celebrated but they do not address the Productivity Commission's recommendation regarding the creation of a national professional association.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should provide once-off seed funding to create a professional association for peer workers.

## National Centre for Evidence Based Workforce Development

The Select Committee on Mental Health and Suicide Prevention Inquiry into Mental Health and Suicide Prevention recommended the Australian Government provide “funding and other supports needed for the immediate development of a national workforce institute for mental health.”<sup>55</sup>

The mental health workforce would benefit from the establishment of a national centre of evidence-based workforce development similar to that of **Te Pou** in New Zealand that supports its mental health, addiction and disability sectors. Such a cross-sectoral workforce planning and training centre could be the driver of workforce changes and strategies to meet future challenges in delivering a person-led and community focussed mental health service system. This would include undertaking research, developing and coordinating education and training for service providers and trainers, as well as providing resources, tools and support to improve service delivery.

Both the Victorian Royal Commission Final Report and the Productivity Commission Final Report highlighted the specific risks to the physical and psychological safety of people working within the mental health sector. These risks would be mitigated through system-wide implementation of professional supports known to help build workforce resilience and support wellbeing such as “reflective practice, professional and clinical practice supervision and formal and informal debriefing.”<sup>56</sup> A national centre for evidence based workforce development could assist to ensure such workforce enhancements are truly applied system-wide.

**Proposed Budget Measure:** In the 2022-23 Budget, the Australian Government should fund establishment of a national centre of evidence-based mental health workforce development.

<sup>53</sup> Australian Government. (2021). *Prevention Compassion Care: National Mental Health and Suicide Prevention Plan*. p.28

<sup>54</sup> Australian Government National Mental Health Commission. (2021). *National Lived Experience (Peer) Workforce Development Guidelines*.

<sup>55</sup> Parliament of Australia House of Representatives Select Committee on Mental Health and Suicide Prevention. (2021). *Mental Health and Suicide Prevention – Final Report*. p.113

<sup>56</sup> Royal Commission into Victoria's Mental Health System. (2021). *Final Report: Volume 4: The fundamentals for enduring reform*, p.477.





## Conclusion

The 2022-23 Budget offers the Australian Government the opportunity to demonstrate its commitment to reforming Australia's mental health system to one which is person-led and community-focussed, as outlined by the Productivity Commission Inquiry into Mental Health. The 2022-23 Budget should build on the down-payment offered in 2021-22 Budget, to sustain reform momentum. As outlined in this Pre-Budget Submission, only significant and sustained investment in Australia's mental health system will produce the reform required for all people experiencing mental ill health to receive the care they need.





# Mental Health Australia



Mentally healthy people,  
mentally healthy communities

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

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