Mental Health Australia

Submission to the Productivity Commission Review of the National Mental Health and Suicide Prevention Agreement

26 March 2025

Mentally healthy people,
mentally healthy communities

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Contents

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.

This submission is informed by targeted consultations with members and key stakeholders, who provided insights from their experiences delivering services or systemic advocacy in relation to the National Mental Health and Suicide Prevention Agreement and bilaterals. This submission is also informed by a desktop review of publicly available information and progress reporting; consideration of recommendations yet to be implemented from previous national inquiries; and Mental Health Australia's own experiences engaging with the government and the sector over the course of the development and implementation of the National Agreement. Mental Health Australia would like to thank the many members and individuals who contributed their expertise to this submission.

Introduction

Mental Health Australia welcomes the opportunity to contribute to the Productivity Commission's Review of the National Mental Health and Suicide Prevention Agreement (National Agreement).

Mental Health Australia called for a national agreement for mental health in our submissions to the 2020 Productivity Commission Inquiry into Mental Health, and have since welcomed this inquiry's recommendations and Australian governments' implementation of the National Agreement.

There are many ways in which the National Agreement has already contributed to improved outcomes in mental health and suicide prevention, both directly and indirectly.

The National Agreement enabled establishment of governance architecture which was sorely missing following the disbandment of the Council of Australian Governments and its subcommittees in 2020. The National Agreement enabled re-creation of necessary interjurisdictional committees that oversee important aspects of mental health policy, implementation and data.

The National Agreement also created new funding architecture and facilitated joint interjurisdictional funding of additional services to increase access to mental health supports across the country.

The National Agreement articulates sound principles and objectives for interjurisdictional collaboration to progress mental health and suicide prevention system reform and clearly articulates some key Commonwealth and State and Territory Government responsibilities. It reinforced the importance of growing the mental health workforce and addressing stigma and discrimination, as well as identifying gaps in the mental health ecosystem and outlining priorities to improve the collection, sharing and reporting of mental health system data.

The National Agreement started work on improving regional commissioning approaches. It also made a start on addressing the social determinants of mental health through a whole of government approach.

These developments through the National Agreement represent genuine progress. However, while the National Agreement sets out appropriate principles, objectives, outcomes and outputs, they remain far from being fully realised. The aspirations of the multilateral agreement were not concrete enough, and not adequately translated enough in bilateral agreements. In practice, the National Agreement is largely a programmatic funding mechanism. Australia still lacks an overarching strategic vision for a truly national mental health system to drive cohesive system action and change.

As discussed in this submission, there has been progress in delivering some specific actions and commitments of the National Agreement. However, in other cases implementation has been delayed or sometimes completely stalled. Far greater transparency and accountability are needed to track the reform implementation, and outcomes achieved, through the National Agreement.

This may in part reflect that lived experience and sector engagement in development of the National Agreement was very poor and although the governance structures the National Agreement established do include lived experience engagement, Mental Health Australia understands lived experience expertise is not strategically drawn upon to enhance tangible

actions under the Agreement. In addition, while there is sector engagement in some of the governance structures it is not included across all.

In short, while the National Agreement has made a good start in establishing system architecture and has facilitated much-needed investment in mental health services, it falls short of delivering a truly national mental health and suicide prevention system. This is because the responsibilities articulated largely reflect existing arrangements, rather than progressing collaborative and transformational reform. The reliance on bilateral agreements perpetuates fragmentation through funding 'bits and pieces' that are not aligned to a national vision of the support system Australia is aiming to achieve.

The next National Agreement must deliver on a national vision for the mental health system. Rather than continuing the current piecemeal approach it should focus on true system reform levers like implementing better funding models; clarifying roles and responsibilities across systems; embedding the views and expertise of people with lived experience, families, carers, supporters and the sector into service system design, implementation and evaluation; strengthening the mental health workforce; strengthening quality and safety of services and supporting innovation; and continuously improving data, evidence and evaluation along with transparency, accountability and monitoring of the system.

Recommendation 1: The next National Agreement should:

- provide a foundation for an integrated and truly national mental health system, which implements a human rights-based approach and addresses current gaps and fragmentation in care
- focus on system reform levers like better funding models, clearer roles and responsibilities, strengthening the workforce, strengthening quality and safety of services and supporting innovation, and continuously improving data evidence and evaluation along with transparency, accountability and monitoring of the system
- be developed in consultation with people with lived experience of mental ill-health, family, carers and supporters, service providers, health professionals, peak bodies, researchers and other key stakeholders.

Mental Health Australia is pleased to provide the following response to the review Terms of Reference, and looks forward to further engagement with the Productivity Commission as it progresses its findings and recommendations.

List of Recommendations

Recommendation 1: The next National Agreement should:

- provide a foundation for an integrated and truly national mental health system, which implements a human rights-based approach and addresses current gaps and fragmentation in care
- focus on system reform levers like better funding models, clearer roles and responsibilities, strengthening the workforce, strengthening quality and safety of services and supporting innovation, and continuously improving data evidence and evaluation along with transparency, accountability and monitoring of the system
- be developed in consultation with people with lived experience of mental ill-health, family, carers and supporters, service providers, health professionals, peak bodies, researchers and other key stakeholders.

Recommendation 2: Australian Governments must engage with people with lived experience, families, carers, supporters and the mental health sector to design the next National Agreement, to address fundamental gaps in Australia's national mental health ecosystem including prevention, psychosocial supports, employment supports, and child and youth supports.

Recommendation 3: Governments should work with the sector to consider the findings of emerging evaluations of supports funded through the current National Agreement, publicly release these evaluations, and ensure ongoing adaptation and improvement to meet the needs of communities and deliver a cohesive national approach.

Recommendation 4: The next National Agreement should deliver clear strategic, agreed, meaningful goals to progress national mental health reform, developed with people with lived experience of mental ill-health, carers, family and supporters, the mental health sector and other key stakeholders. While the next National Agreement is being implemented, Australian Governments should work with people with lived experience, family, carers, supporters and the sector to create a new whole of government and interjurisdictional National Mental Health Strategy, as recommended by the 2020 Productivity Commission Inquiry into Mental Health. The following National Agreement should provide the interjurisdictional governance infrastructure and clarify roles and responsibilities and financial contributions to deliver this Strategy.

Recommendation 5: The new 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).

Recommendation 6: The Productivity Commission should consult with Gayaa Dhuwi (Proud Spirit) Australia on how to improve the effectiveness of the next National Agreement in improving social and emotional wellbeing outcomes for First Nations people. This could include committing to implementation of the Gayaa Dhuwi (Proud Spirit) Declaration Framework and Implementation Plan, the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy and the forthcoming National Strategic Framework for Aboriginal and Torres Strait Islander peoples' Mental Health and Social and Emotional Wellbeing.

Recommendation 7: 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 8: the Productivity Commission should consult with LGBTIQ+ Health Australia on priority actions to progress as a part of the next National 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 9: The next National Agreement should both ensure the right levers are in place to incentivise continuous improvement and create a national mechanism for sharing best practice learnings across the mental health sector (at both a service delivery and system design level), with a focus on embedding these learnings into practice.

Recommendation 10: The next National Agreement should include significant investment to fully deliver the National Mental Health Workforce Strategy, with public prioritisation of actions and improved accountability.

Recommendation 11: The next National Agreement should outline tangible actions across the social determinants of mental health with associated funding to implement these actions, building on lessons learned through the current Schedule A (Whole of Government) Working Group. The Working Group could continue to identify, coordinate and track delivery of commitments across portfolios.

Recommendation 12: Mental Health Australia urges the Productivity Commission to attend to the insights and priorities of the MHSPSPO Lived Experience Group in developing recommendations to improve lived experience and family, carer and supporter engagement in National Agreement governance structures moving forward.

Recommendation 13: Mental health sector representatives should be included on all governance groups of the National Agreement moving forward. Governments should engage with the mental health sector further in development and implementation of the next National Agreement, and with additional resourcing could utilise Mental Health Australia's established mechanisms for sector consultation to do so.

Recommendation 14: Transparent and timely reporting must be improved in the next National Agreement, through:

- moving to quarterly public progress reporting, in line with MHSPSO meetings
- further mechanisms to ensure timely provision of data to the National Mental Health Commission to deliver reporting
- greater detail in MSHPSO communiques on agenda items and decisions made.

Recommendation 15: The next National Agreement must better drive implementation of the YES, CES and NGO-E through appropriate resourcing and accountability to address these data gaps, and ensure a cohesive picture of our national mental health.

Recommendation 16: Where the new National Agreement outlines joint responsibilities, there should be clear actions for each party in progressing key policy or funding issues of national significance related to these joint responsibilities.

Recommendation 17: The next National Agreement should outline future arrangements for psychosocial supports, including the elements outlined in Mental Health Australia's Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS.

Recommendation 18: The next National Agreement should create a national mechanism focussed on improving integration across the mental health system:

- across portfolios within each of the Commonwealth Government and the States and Territory Governments
- between Commonwealth Governments funded and State and Territory funded services
- across state and territory boarders
- at the regional commissioning level.

Recommendation 19: The new National 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.

Recommendation 20: The Productivity Commission should consult with the Mental Health and Suicide Prevention Senior Officials Group Lived Experience Group, the National Mental Health Consumer Alliance and Mental Health Carers Australia, about how to best embed the voice of lived experience in development, implementation and evaluation of the next National Agreement, and how best to ensure the advice of lived experience representatives is acted on in this context.

Recommendation 21: The Productivity Commission should consult with a range of expert organisations in making recommendations on how to structure lived experience engagement in the next National Agreement.

Recommendation 22: The next National Agreement should explicitly commit parties to meaningful lived experience, carer, family and supporter involvement in regional planning and commissioning.

Recommendation 23: The next National Agreement should task and resource the Data Governance Forum with expanding the reach of all forms of the Your Experience of Service and Carer Experience of Service surveys to elicit more robust, timely and national analysis of progress against the National Agreement's objectives and outcomes from a lived experience (including family, carers and supporter) perspective.

a) The impact of mental health and suicide prevention programs and services delivered under the National Agreement to Australia's wellbeing and productivity

Through the National Agreement and bilateral agreements, Australian Governments have made welcome and necessary investments in local mental health services for adults, children and young people. However, due to the relatively recent and at times delayed implementation of initiatives funded – along with a lack of public data and reporting – it is difficult to meaningfully assess the impact these programs have made for population-level mental health and wellbeing.

While Mental Health Australia is aware that evaluations of some services are underway, we are unsure whether these will become publicly available to enable the sector and public to understand the impact of these programs. In addition, collation of an evaluation schedule and results as part of the National Mental Health Commission's reporting on the National Agreement would be valuable in promoting transparency.

Mental Health Australia and our members have the following insights into the impact of the Medicare Mental Health Centres, perinatal, and child and youth mental health services funded through the Agreements.

Medicare Mental Health Centres

Mental Health Australia welcomes joint investment through the National Agreement in 61 Medicare Mental Health Centres (MMHCs) across the country to be established by mid-2026. The Medicare Mental Health Centres go some way to addressing a longstanding gap in the mental health ecosystem and our members tell us established Centres are addressing previously unmet community need by being a safe, free entry point to receive support and access to the broader health and mental health systems.

For example, data from a co-evaluation by the ALIVE National Centre for Mental Health Research Translation of the Medicare Mental Health Centres run by Neami indicates:

- the Centres are addressing previously unmet need, with nearly a third of people attending the services indicating they're seeking mental health support for the first time, and 26% saying they would not have sought support elsewhere[1]
- the Centres are diverting people from emergency departments with 12% saying they would have attended an ED if not for the Medicare Mental Health Centre.[2] This is even higher at 42% for the Adelaide Urgent Mental Health Care Centre (which while not technically a MMHC, is co-funded with some MMHC investment)[3]

[1] ALIVE National Centre for Mental Health Research Translation, **Early implementation findings from co-evaluation research of Medicare Mental Health Centres delivered by Neami**, (Melbourne: ALIVE National Centre for Mental Health Research Translation, 2024).
[2] ALIVE National Centre for Mental Health Research Translation, **What are the guest experiences of care in Neami National Medicare Mental Health Centres? An Implementation Co-Evaluation Snapshot #3**, (Melbourne: ALIVE National Centre for Mental Health Research Translation, 2024).
[3] ALIVE National Centre for Mental Health Research Translation, **What are the guest experiences of care in Neami National Medicare Mental Health Centres? An Implementation Co-Evaluation Snapshot #3**, (Melbourne: ALIVE National Centre for Mental Health Research Translation, 2024).

- the Centres are supporting people with moderate to severe distress – potentially addressing part of the "missing middle" gap between primary and acute care[4]
- people are having a positive experience at the Centres and value the peer workers, with 94% satisfied with the care they received.[5]

Early indications are that MMHCs are a valuable investment and service that is improving wellbeing by providing affordable, accessible mental health care and better addressing the needs of people who either may have attended an emergency department or not sought help at all.

However, little data is publicly available to assess the overall impact of these Centres and, as is a common theme across the National Agreement, our members have reported significant challenges in implementation. For example:

- sourcing the workforce with appropriate skills to deliver the services, as the workforce shortages across the mental health sector are exacerbated in regional and remote areas (this issue is discussed further in our response to Term of Reference 'd')
- without clear national guidance, Primary Health Networks have taken varied approaches to commissioning and setting KPIs for MMHCs, leading to inefficiencies in delivery and reporting
- funding uncertainty with little transparency or notice period about whether the services will be recommissioned or rolled over, which makes it difficult to retain staff and invest in service improvements.

Perinatal mental health screening

The inclusion of perinatal mental health screening in most jurisdictions under the bilateral agreements is a positive step towards universal perinatal mental health screening and national reporting. However, it is unclear how perinatal mental health screening programs under the bilateral agreements are rolling out, and if screening and help seeking/referral to supports has increased in the term of this National Agreement.

Our members report that there are challenges in ensuring consistent screening and reporting, including:

- increasing the availability and use of screening tools that are culturally sensitive for First Nations and multicultural communities
- ensuring the workforce delivering screenings are appropriately trained to do so
- improving indicators in the National Dataset for Perinatal Mental Health
- ensuring public reporting of implementation.

Beyond implementation of screening, governments must work with the sector to ensure availability and connection to appropriate perinatal mental health supports.

[4] ALIVE National Centre for Mental Health Research Translation, **Who accesses Neami National Medicare Mental Health Centres? An Implementation Co-Evaluation Snapshot # 1**, (Melbourne: ALIVE National Centre for Mental Health Research Translation, 2024).
[5] ALIVE National Centre for Mental Health Research Translation, **Who accesses Neami National Medicare Mental Health Centres? An Implementation Co-Evaluation Snapshot # 1**, (Melbourne: ALIVE National Centre for Mental Health Research Translation, 2024).

Child and youth mental health services

Activities funded through the National Agreement in relation to child and youth mental health are a combination of a Kids Hubs network and further investment in headspace. There is not yet a comprehensive system of child and youth mental health support despite the growing crisis in child and youth mental health.[6]

Kids Hubs

Mental Health Australia has welcomed government's commitment to increase access to free mental health supports for children and their families through a network of mental health and wellbeing centres for children up to 12 years across the country. However, implementation of these Kids Hubs has been slow, with only 7 of the 16 hubs operational as of March 2025, in Victoria, Queensland, NSW and WA. Many of the Kids Hubs appear to be delayed and unlikely to be operational as per the timelines in the bilateral agreements. The Productivity Commission should consider investigating the causes for delay in implementation of the Kids Hubs through its review, and consider ways to mitigate the risk of similar delays occurring in the next National Agreement.

With only some Kids Hubs operational, and a lack of publicly available data and evaluations, Mental Health Australia cannot yet comment on the impact of these services on population-level mental health and wellbeing.

headspace

Similarly to the Kids Hubs, implementation of the headspace funding via the bilateral agreements has been too short-lived to assess impact.

Mental Health Australia understands that jurisdictions have taken different approaches in the interpretation, prioritisation and progression of bilateral commitments to strengthen headspace services. These variations across jurisdictions and between PHNs exacerbate inefficiencies and reflect shortfalls in progressing towards a nationally cohesive approach that the community needs, and which the National Agreement ought to deliver.

Suicide-prevention and aftercare investments

Mental Health Australia welcomed joint investment in suicide prevention, response and aftercare services through the bilateral agreements, and is pleased to commend Suicide Prevention Australia's submission to the Productivity Commission for consideration in relation to the effectiveness of implementation of these programs.

Investment Gaps

Beyond these welcome investments, there are significant ongoing gaps in Australia's national mental health ecosystem that remain unaddressed by the National Agreement. For example, though in the National Agreement, the Commonwealth, States and Territories agreed to be jointly responsible for undertaking mental health promotion and prevention, in addition to suicide prevention (paragraph 47a). However, this has not translated into any

[6] ABS, **National Study of Mental Health and Wellbeing** [Internet], (Canberra: Australian Bureau of Statistics, 2020-2022).

funding for specific mental health promotion and prevention initiatives in the bilateral agreements.

There are also investment gaps for early intervention, psychosocial services, employment supports integrated with mental health services, and a comprehensive child and youth mental health response.

> **Recommendation 2**: Australian Governments must engage with people with lived experience, families, carers, supporters and the mental health sector to design the next National Agreement, to address fundamental gaps in Australia's national mental health ecosystem including prevention, psychosocial supports, employment supports, and child and youth supports.
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> **Recommendation 3**: Governments should work with the sector to consider the findings of emerging evaluations of supports funded through the current National Agreement, publicly release these evaluations, and ensure ongoing adaptation and improvement to meet the needs of communities and deliver a cohesive national approach.

b) The Effectiveness of reforms to achieve the objectives and outcomes of the National Agreement including across different communities and populations

An overarching vision

Overall, the National Agreement has delivered important progress and reforms in particular areas, but fallen short of the opportunity to demonstrably improve the community's mental health, and progress an integrated national mental health system.

The National Agreement fails to outline a strategic vision for an integrated, effective and well-balanced system of mental health support. This means action under the National Agreement has devolved into a piecemeal approach, whereby necessary and effective services have been funded, but in the absence of a clear strategy, the vision for a seamless system has not been realised. It also means there remain significant gaps in the system.

We note that there have been various attempts over recent years to create such a national vision for Australia's approach to mental health, including the National Mental Health Commission's Vision 2030 and five National Mental Health Plans, all with varying degrees of success.

To address the lack of an overarching vision, Mental Health Australia is recommending a two phased approach. First, in development of the next National Agreement, governments should agree to particular goals to achieve through the Agreement, to progress meaningful collective reform. These goals could have associated targets, and should be developed with (and meaningful for) people with lived experience of mental ill-health, carers, family and supporters and the mental health sector. Development of specific, shared goals would set an interim strategic direction to ensure actions funded through the bilateral agreements drive improvement in a common direction, rather than funding disparate initiatives with no unified purpose.

Secondly, while the next National Agreement is being implemented, Mental Health Australia recommends Governments develop a new, whole of government and interjurisdictional mental health strategy, as recommended by the Productivity Commission's 2020 Inquiry into Mental Health. A new National Mental Health Strategy would articulate the vision for the national mental health and suicide prevention system, with the subsequent National Agreement outlining the practical interjurisdictional roles, responsibilities and financial contributions to deliver this Strategy. The new National Mental Health Strategy should be based on evidence and developed in consultation with people with lived experience of mental ill-health, family, carers and supporters, the mental health sector and other key stakeholders.

> **Recommendation 4:** The next National Agreement should deliver clear strategic, agreed, meaningful goals to progress national mental health reform, developed with people with lived experience of mental ill-health, carers, family and supporters, the mental health sector and other key stakeholders.
>
> While the next National Agreement is being implemented, Australian Governments should work with people with lived experience, family, carers, supporters and the sector to create a new whole of government and interjurisdictional National Mental Health Strategy, as recommended by the 2020 Productivity Commission Inquiry into Mental Health. The following National Agreement should provide the interjurisdictional governance infrastructure and clarify roles and responsibilities and financial contributions to deliver this Strategy.

Funding commitments

The National Agreement makes underwhelming financial commitments which have hampered achievement of its broad outcomes and objectives. The current National Agreement commits parties to maintain or increase their existing levels of investment in mental health and suicide prevention over the life of the agreement (paragraph 105). However the mental health system is chronically underfunded, there are identified gaps in services across the system, and critical workforce shortages. In this context the focus on maintaining existing funding is insufficient.

> **Recommendation 5:** The new 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).[7]

Delays in implementation

The National Agreement outlines a vast array of well-considered actions to improve mental health outcomes in Australia. However, implementation of many of these actions has been slow and some have completely stalled. For example, the analysis of unmet need in psychosocial support outside the NDIS, the National Evaluation Framework, the National Guidelines on Regional Commissioning and Planning, and the National Mental Health Workforce Strategy, all experienced significant delays.[8] The National Stigma and

[7] Productivity Commission, **Mental Health, Report no. 95**, (Canberra: Australian Government, 2020), pp.14.
[8] NMHC, **National Mental Health and Suicide Prevention Agreement 2022-2023: Annual National Progress Report Summary**, (Sydney: National Mental Health Commission, 2024).

Discrimination Reduction Strategy appears to have completely stalled after it was delivered to government.

In addition, in its first progress report against the National Agreement, the National Mental Health Commission noted several reasons for delays. These included establishing funding arrangements, decision making due to government changes, establishing partnerships to support implementation, release of strategic guidance to inform initiatives, recruiting staff to oversee initiatives and provision of data.[9]

There is a clear need for stronger accountability in the next National Agreement to ensure timely delivery of commitments, and greater consideration of the sequencing of reform implementation.

Objectives

The specific objectives and outcomes outlined in the National Agreement are sound. While there has been good progress in some areas, unfortunately many appear to have not been achieved. It is difficult to robustly assess progress against the objectives and outcomes due to the lack of timely and transparent reporting against the National Agreement.

The objectives of the Agreement centre on building the foundations for delivering landmark mental health and suicide prevention reform. They talk to building a comprehensive, consumer focussed and compassionate mental health and suicide prevention system; to equitable access for all Australians to care; to reduced system fragmentation; to reducing gaps (including in community based mental health care); and to further investment in prevention, early intervention and effective management of severe and enduring mental health conditions.

The National Agreement has established interjurisdictional governance mechanisms that are fundamental to delivering integrated, cohesive national reform. However, and as discussed in more detail above, the National Agreement has failed to set a strategic national vision for the mental health and suicide prevention system. Far from building a comprehensive, consumer focussed and compassionate mental health and suicide prevention system, the National Agreement has largely amounted to funding of very valuable and much needed but discrete services, that have not resulted in a comprehensive system.

In short, while the objectives are sound and well prioritised, it is difficult to discern a clear correspondence between these system objectives, the specific measures funded through the bilateral agreements, and the impact on the community's mental health.

Outcomes

The National Agreement sets out broad outcomes around improving the mental health and wellbeing of the Australian population; reducing suicide, suicidal distress and self-harm; providing a balanced and integrated mental health and suicide prevention system; improving physical health and life expectancy; and improving quality, safety and capacity in the Australian mental health and suicide prevention system.

[9] NMHC, **National Mental Health and Suicide Prevention Agreement 2022-2023: Annual National Progress Report Summary**, (Sydney: National Mental Health Commission, 2024).

It is inherently difficult to ascertain whether these outcomes have been achieved. First, there is little timely, public data reported against these outcomes. Second, even where there is data available, it is difficult to ascertain whether any changes identified are attributable to the reforms outlined in the National Agreement. The need for more timely, public data collection and publication is discussed further at Term of Reference 'g' below.

Priority Populations

The National Agreement includes "a focus on improving outcomes for priority populations" (paragraph 26a), and identifies 15 priority population groups for governments to consider in implementation of initiatives. However, it is difficult to find a link between the priority populations identified, and tangible actions or funding allocated through the National Agreement and Bilateral Agreements. Mental Health Australia encourages the Productivity Commission's engagement with a broad range of stakeholders through its review to ascertain outcomes relating to this range of population groups.

Mental Health Australia has engaged with members and stakeholders regarding three particular priority population groups to offer the following feedback and recommendations.

First Nations peoples

The National Agreement commits governments to support implementation of the Gayaa Dhuwi (Proud Spirit) Declaration, and in implementing activities of the National Agreement to ensure alignment with the National Agreement on Closing the Gap, the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy and the National Strategic Framework for Aboriginal and Torres Strait Islander Peoples Mental Health and Social and Emotional Wellbeing. However, this has not flowed through to tangible actions being funded through the bilateral agreements to deliver practical reform.

The next National Agreement should commit to the implementation of the Gayaa Dhuwi (Proud Spirit) Declaration Framework and Implementation Plan, the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy and the forthcoming National Strategic Framework for Aboriginal and Torres Strait Islander peoples' Mental Health and Social and Emotional Wellbeing. Alignment with these important frameworks and strategies will provide clear guidance on appropriate principles, outcomes and initiatives to provide culturally safe and accessible services and to embed self-determination and leadership in the mental health system.

This should be coupled with the necessary governance mechanisms, which leverage the policy partnerships established under the Closing the Gap Agreement and enable Aboriginal and Torres Strait Islander influence and leadership. In addition, the outcomes used to measure the success of the Agreement should be strengths based and informed by Aboriginal and Torres Strait Islander people. In terms of tangible implementable actions, there should be a focus on eliminating racism in services and enhancing cultural safety.

Recommendation 6: The Productivity Commission should consult with Gayaa Dhuwi (Proud Spirit) Australia on how to improve the effectiveness of the next National Agreement in improving social and emotional wellbeing outcomes for First Nations people. This could include committing to implementation of the Gayaa Dhuwi (Proud Spirit) Declaration Framework and Implementation Plan, the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy and the forthcoming National Strategic Framework for Aboriginal and Torres Strait Islander peoples' Mental Health and Social and Emotional Wellbeing.

Culturally and linguistically diverse communities and refugees

Although the National Agreement rightly identifies culturally and linguistically diverse (CALD) communities and refugees (paragraph 111c) as a priority population, this has not flowed through to tangible investment through the bilateral agreements to purpose-built services tailored to CALD and refugee communities. Nor does it sufficiently address the issue of upskilling for mainstream mental health and suicide prevention services to ensure the delivery of culturally appropriate care. Although the Embrace Multicultural Mental Health project, delivered by Mental Health Australia, undertakes effective and targeted work to assist some mainstream mental health organisations to upskill in this way, a more comprehensive approach is required to ensure all mental health and suicide prevention services across the country are culturally safe and responsive to the needs of CALD and refugee communities.

The National Agreement also represents a missed opportunity to address the systemic barriers people from CALD and refugee communities face in accessing culturally appropriate and effective mental health care in Australia. Systemic barriers and challenges include:

- a lack of inclusive and comprehensive research and data
- a lack of universally available high quality language support
- the need for a diverse and suitably skilled mental health workforce
- the need for co-designed, place based, culturally tailored mental health literacy and stigma reduction programs
- the need for culturally appropriate system navigation support.

Recommendation 7: 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

The National Agreement identifies LGBTQIA+SB people as a priority population, given disparities in mental health outcomes compared to others in the population. However, there is little tangible action or funding committed to initiatives designed to benefit the LGBTQIA+SB community specifically.

The next National Agreement must commit parties to tangible initiatives and funding for an approach to LGBTQIA+SB mental health that balances 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. In addition, the next National Agreement should prioritise actions from the National LGBTIQ+ Mental Health and Suicide Prevention Strategy for implementation.

> **Recommendation 8:** the Productivity Commission should consult with LGBTIQ+ Health Australia on priority actions to progress as a part of the next National Agreement to better address the mental health needs of LGBTQIA+SB people. This could include:
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> - 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.

c) The opportunities under the National Agreement to adopt best practice approaches across Australia, particularly where productivity improvements could be achieved

The National Agreement provides a potential platform for interjurisdictional coordination to identify and share best practice approaches, however this has been largely under-utilised given the diversity across bilateral agreements and early stages of implementation of many reforms.

Mental Health Australia welcomed the focus in the National Agreement on strengthening an evaluation culture, and the subsequent public release of the National Mental Health and Suicide Prevention Evaluation Framework. This important piece of work will assist in providing some national consistency in the way initiatives funded through the National Agreement are evaluated. In addition, we welcome the efforts under the National Agreement to improve nationally consistent data collection, sharing and reporting which is essential to identifying best practice and driving system improvement. Further feedback in relation to data collection and transparency is provided in response to Term of Reference ‘g’ below.

Mental Health Australia understands there are pockets of collaboration in sharing best practice approaches under the National Agreement, such as the community of practice established in relation to the implementation of Medicare Mental Health Centres. However, we understand that to date this community of practice has largely functioned as an information sharing mechanism, rather than a mechanism to identify and promote innovative practice and national consistency in delivery of Medicare Mental Health Centres.

These are all worthwhile pieces of work at various stages of implementation. What appears to be missing is a mechanism through which to disseminate evaluation and data learnings, weave the latest insights and best practice into delivery of funded initiatives in a timely manner, and ensure there are the right levers in place to incentivise continuous improvement (e.g. funding incentives). This applies both to delivery of services and design of the system itself.

> **Recommendation 9:** The next National Agreement should both ensure the right levers are in place to incentivise continuous improvement and create a national mechanism for sharing best practice learnings across the mental health sector (at both a service delivery and system design level), with a focus on embedding these learnings into practice.

d) The extent to which the National Agreement enables the preparedness and effectiveness of the mental health and suicide prevention services to respond to current and emerging priorities

The effectiveness of the National Agreement in enhancing the capability of the mental health service system to respond to current and emerging priorities has been limited.

The National Agreement identifies nine national priority areas: priority populations; stigma reduction; safety and quality; gaps in the system of care; suicide prevention and response; psychosocial supports outside the NDIS; regional planning and commissioning; national consistency of Initial Assessment and Referral; and workforce.

The identification of these specific priority areas for interjurisdictional action was welcome. However, overall the commitments under these areas are broad and without clear tangible deliverables. Where the National Agreement does include specific actions, some progress has been made – such as completing an analysis of unmet need for psychosocial support. Yet, as outlined elsewhere in this submission, action across many of these priority areas is either unclear or delayed.

Further, mechanisms within the National Agreement to support identification and response to emerging mental health priorities appear limited. There have been missed opportunities for coordinated action to respond to key issues arising during the implementation of the National Agreement, such as emerging priorities around children's mental health, the increasing prevalence of mental ill-health amongst young people, and the mental health impacts of the cost-of-living crisis.

As outlined further below, Australia continues to lack nationally comparable, real-time data to track mental health need and response across the country to support identification and response to emerging priorities. The next National Agreement should prioritise and resource work to improve the availability and timeliness of national data to support identification and response to emerging community and system priorities.

The commitment of Health and Mental Health Ministers to two meetings every year provides an opportunity that should be leveraged in the next National Agreement for more timely consideration and response to emerging priorities.

Workforce

Building the mental health workforce is an urgent national priority that underpins the capability of the mental health system to respond to both current and emerging need.

The National Agreement provides a unique platform for interjurisdictional collaboration to address workforce challenges, and move beyond siloes and competition between jurisdictions to deliver the truly national approach needed. The National Agreement rightly acknowledges the importance of joint action on mental health workforce priorities. However, a lack of funding, delays in delivery and implementation of the National Mental Health Workforce Strategy (the Workforce Strategy), absence of clear prioritisation and lack of accountability for delivery has meant little meaningful action.

Through the National Agreement governments made a series of broad commitments to work together, in partnership with the mental health sector, to attract, upskill, retain and optimally distribute and utilise the mental health workforce (paragraphs 144 – 164). The most specific commitment was to identify priority areas of action by mid-2022 as part of development of the Workforce Strategy, and to "work together to agree on the Workforce Strategy's implementation, including an annual review of priorities" (paragraph 151). The Workforce Strategy was not released until October 2023, and progress on prioritisation is not clear.

There has been some progress through recent Federal Budgets for important workforce initiatives, including funding for implementation of the first stages of the mental health workforce strategy, additional psychology training placements, implementation of health related recommendations of the independent review of Australia's regulatory settings relating to overseas health practitioners (the Kruk Review), establishing a national professional association for peer workers, and a new Commonwealth Prac Payment including for nurses and social workers.

These targeted investments have been very welcome, however, to date Mental Health Australia has been disappointed with the lack of significant and ongoing investment to ensure strategic delivery of the Workforce Strategy as a whole.

Further, the National Agreement and Workforce Strategy fails to acknowledge the community-managed mental health workforce as a key deliverer of mental health and psychosocial supports, which must be part of workforce planning. Growth and development of this workforce is particularly important to meet governments' commitment to address unmet need for psychosocial support outside the NDIS, and to ensure quality and sustainability of psychosocial supports provided through the NDIS.

The lack of coordinated strategic action on workforce is particularly concerning as there is already an estimated 32% shortfall in mental health workers, anticipated to grow to 42% by 2030 if current shortages are not addressed.[10] Action through the next National Agreement to grow, strengthen and appropriately distribute the mental health workforce must be proportionate to the urgency and significance of this issue.

Mental Health Australia is pleased to now be working with the Australian Government's Department of Health and Aged Care from February 2025 to establish a Sector Advisory Group to inform the interjurisdictional Working Group responsible for coordinating implementation of the Workforce Strategy. Though delayed, it is anticipated this mechanism will facilitate critical sector input to support prioritisation and implementation of the Workforce Strategy.

> **Recommendation 10:** The next National Agreement should include significant investment to fully deliver the National Mental Health Workforce Strategy, with public prioritisation of actions and improved accountability.

e) Whether any unintended consequences have occurred such as cost shifting, inefficiencies or adverse consumer outcomes

Although the National Agreement has put in place much needed governance infrastructure to implement national mental health policy, and sound initiatives have been funded through the bilateral agreements, there have also been unintended consequences resulting from the National Agreement's implementation, mostly in the form of missed opportunities.

As explained under Term of Reference 'b' above, the National Agreement fails to outline a strategic vision for an integrated, effective and well-balanced system of mental health support. Instead, piecemeal investments have been made through the bilateral agreements, which do not necessarily align with a national vision. This is coupled with underwhelming financial commitments that only commit parties to maintaining existing levels of funding, despite the Productivity Commission recommending in 2020 that an extra $1.9 to $ 2.4 billion be invested each year to implement its priority recommendations through its Inquiry into Mental Health. The combination of a lack of a national vision, coupled with underwhelming funding commitments, results in unintended consequences of a lack of a cohesive national system that perpetuates fragmentation and fails to adequately and efficiently address service system gaps.

In relation to implementation, many of the commitments under the National Agreement have been delayed or completely stalled, leading to slower than anticipated implementation of key National Agreement commitments. This slow implementation can result in unintended consequences.

[10] Department of Health and Aged Care, **National Mental Health Workforce Strategy 2022-2032**, (Canberra: Commonwealth of Australia, 2022), pp.16.

For example:

- the complete stalling of the National Stigma Discrimination and Reduction Strategy means there is no concrete action on stigma and discrimination, while people continue to face stigma and discrimination in their day to day lives and this in turn contributes to further deterioration of mental ill-health.
- delays in relation to the implementation of the National Mental Health Workforce Strategy coupled with a lack of funding, absence of clear prioritisation and lack of accountability for delivery, has meant little meaningful action. The unintended consequence has been the continuation of large shortages across the mental health workforce, which directly impacts on service delivery.

Some of this slow implementation can be explained by the confusion engendered through the inclusion of joint responsibilities in the National Agreement. Articulation of joint responsibilities in the National Agreement introduces potential unintended consequences through lack of clear lines of accountability, and opportunity for cost shifting and lack of transparency. This is a particular concern in relation to psychosocial services, and this issue is outlined in more detail under Term of Reference 'h' below.

In addition, there are a range of issues related to a fundamental lack of transparency on progress made under the National Agreement. This includes:

- a lack of timely and transparent reporting to monitor progress (see Term of Reference 'g')
- the current temporary position of the National Mental Health Commission within the Department of Health and Aged Care, rather than sitting as a truly independent entity (see Term of Reference 'g')
- the need to improve data collection and reporting (particularly but not exclusively for the community mental health sector) (see Term of Reference 'g')
- the lack of incentives to share and implement best practice (see Term of Reference 'c').

The unintended consequence here is that governments are not held to account for their actions in relation to the National Agreement and best practice learnings are not swiftly and consistently implemented across the national mental health system.

In addition, there is a significant missed opportunity in relation to improving integration across the mental health system nationally. While the intent to improve integration to create a seamless experience of care is evident in the National Agreement itself, there are few tangible commitments to progress this worthwhile cause. This results in an unintended consequence of reinforcing fragmentation at the service level and perpetuating service gaps. The next National Agreement would benefit from a renewed focus on integration across portfolios within levels of government, between Commonwealth and State and Territory Governments, at the boundaries between States and Territories and through regional commissioning. This is discussed in more detail under Terms of Reference 'f' and 'i' below.

Finally, there is a significant missed opportunity in relation to lived experience and sector engagement. Through development of the National Agreement, lived experience and sector engagement was poor. Although there is now lived experience engagement throughout the governance structures established under the National Agreement, which is a great step forward, the extent to which this is genuinely drawn upon in implementing National Agreement initiatives is questionable. In addition, sector engagement is less consistent

throughout the National Agreement governance structures and must be improved for implementation of the next National Agreement. The unintended consequence of this need for greater and more genuine engagement is that initiatives implemented under the National Agreement may not adequately reflect or address the needs of people with lived experience of mental ill-health, family, carers and supporters and the mental health sector, and key considerations regarding ease and appropriateness of implementation are not considered at the outset. This is discussed in more detail under Term of Reference 'i' below.

There is potential opportunity to address some of these shortcomings around funding and integration through greater alignment with the next National Health Reform Agreement (NHRA). With the next NHRA and National Mental Health and Suicide Prevention Agreement both now due for renegotiation by July 2026, there are opportunities for alignment. Pursuing mental health investment through the NHRA may offer more systemic and embedded reform options, greater potential for system integration and increased funding sustainability for mental health services, if the role of community and non-government organisations delivering supports is appropriately enabled. The Productivity Commission could consider opportunities for greater alignment of the National Agreement with the NHRA in their Review.

f) Effectiveness of the administration of the National Agreement, including the integration and implementation of Schedule A and the bilateral schedules that support its broader goals

In the context of the Productivity Commission's 2020 Inquiry into Mental Health, Mental Health Australia called for a National Agreement that was truly whole of government in nature, recognising the impact of social determinants on mental health outcomes for people across Australia.[11] Schedule A to the current National Agreement is an attempt to action this type of whole of government collaboration on mental health across education, workplaces, homelessness, alcohol and other drugs, financial counselling, family, domestic and sexual violence, child maltreatment and justice.

Mental Health Australia welcomes this recognition of the interconnectedness of these social determinants and service systems with the prevention and response to mental ill-health. In addition to financial counselling, we would encourage further consideration of the importance of income security and the social security system for mental health in light of increasing evidence of the strength of this relationship.[12]

Overall however, the commitments outlined in Schedule A largely focus on broad collaboration rather than tangible action. Concerningly, the Schedule has no associated funding for initiatives or services.

[11] Mental Health Australia, **Submission to the Productivity Commission Inquiry into Mental Health Draft Report**, (Canberra: Mental Health Australia, 2020).

[12] Economic Inclusion Advisory Committee **2025 Report to Government** (Canberra: Department of Social Services, 2025); and Brain and Mind Centre, **Road to Recovery: Restoring Australia's Mental Wealth** (Sydney: University of Sydney, 2020).

Similarly, as identified by the National Mental Health Commission's (NMHC) first Progress Report,[13] the actions of the Schedule A Working Group in the first year of implementation had been focused on facilitating information sharing and knowledge exchange. The NMHC cautioned it would be important for this sharing to translate into collaborative cross portfolio action to address current gaps. Due to a lack of transparency around the current activities of the Schedule A Working Group, it is unclear whether progress has been made, however this remains unfortunately unlikely given the lack of clear actions or associated funding for Schedule A.

More broadly, it is difficult to comment on the effectiveness of the administration of the National Agreement, including Schedule A and the bilateral agreements, given the lack of publicly available information. As noted throughout this submission, there is a substantive disconnect between the overarching priorities and objectives of the National Agreement and the particular activities funded through the bilateral agreements, hampering delivery of the National Agreement's broader aims.

> **Recommendation 11**: The next National Agreement should outline tangible actions across the social determinants of mental health with associated funding to implement these actions, building on lessons learned through the current Schedule A (Whole of Government) Working Group. The Working Group could continue to identify, coordinate and track delivery of commitments across portfolios.

g) Effectiveness of reporting and governance arrangements for the National Agreement

Governance

The National Agreement enabled the establishment of new interjurisdictional governance structures to address a fundamental gap following disbandment of previous structures under the Council of Australian Governments.

Mental Health Australia welcomes the re-establishment of interjurisdictional mental health governance arrangements through the National Agreement, including the Mental Health and Suicide Prevention Senior Officials Group (MHSPSO) and range of sub-groups.

Lived experience engagement

We particularly welcome the establishment of the Lived Experience Group to inform MHSPSO, alongside lived experience and family, carer or supporter representation on subgroups. However, the delay between execution of the National Agreement and establishment of the Lived Experience Group was far too long, and Mental Health Australia understands there are inconsistencies in the integration of lived experience and carer, family and supporter representation in the governance structures of the National Agreement. This is a fundamental flaw in the implementation of the governance arrangements of the National Agreement.

[13] NMHC, **National Mental Health and Suicide Prevention Agreement 2022-23 Annual national Progress Report Summary** (Sydney: National Mental Health Commission, 2024).

Recommendation 12: Mental Health Australia urges the Productivity Commission to attend to the insights and priorities of the MHSPSPO Lived Experience Group in developing recommendations to improve lived experience and family, carer and supporter engagement in National Agreement governance structures moving forward.

Non-government sector engagement

The lack of broader mental health sector representation on governance groups under the National Agreement has hampered progress. Mental Health Australia is pleased to provide representation for the mental health sector on the Data Governance Forum and Safety and Quality Group, but such limited sector representation to only two subgroups is unacceptable. To generate the new solutions needed and create a truly cohesive mental health system, it is critical that non-government services are included at the table. We need to move to a genuine partnership approach between governments and the sector, drawing on the deep experience and insights of sector leaders delivering systemic reform.

Sector engagement is critical to ensuring initiatives funded through the next National Agreement will be suitable for the locations and settings they are implemented within. Broad sector engagement will give governments insight into community needs and expectations; providers' needs, to ensure a sustainable market of providers; broader system trends; and feedback loops to ensure commissioning and contracting processes support efficient and effective service delivery. Sector engagement provides an efficient reality check on new ideas for policy or implementation, and an early warning system so governments can respond to emerging unintended consequences if policy settings, legislation or regulatory requirements are not benefiting the community and system as a whole.

It is notable that MHSPSO reported to the National Mental Health Commission that it had intended to hold a stakeholder engagement forum in 2023, but this did not eventuate due to funding constraints.[3] There is a clear need for greater consideration of agile and low-cost options for engagement with the sector.

As the national independent peak body, Mental Health Australia is well placed and experienced in facilitating government engagement with the mental health sector. Our established mechanisms for sector engagement have been under-utilised in the design and delivery of the National Agreement to date, but with dedicated funding is a valuable pathway for future engagement.

Recommendation 13: Mental health sector representatives should be included on all governance groups of the National Agreement moving forward. Governments should engage with the mental health sector further in development and implementation of the next National Agreement, and with additional resourcing could utilise Mental Health Australia's established mechanisms for sector consultation to do so.

Reporting

Reporting arrangements on the National Agreement are inadequate. There is a fundamental lack of timely, transparent reporting to monitor progress against commitments of the Agreement and inform ongoing implementation, which must be addressed for the next Agreement.

Mental Health Australia welcomes the assignment of monitoring and reporting progress against the National Agreement to the NMHC, and supports the NMHC continuing to lead this work to ensure independent oversight and accountability. However, as noted in Mental Health Australia's submission to the review of the NMHC, it must be re-established as an independent standalone statutory agency to deliver this function effectively.[14] Such independence is integral to enabling the NMHC to monitor delivery of the National Agreement commitments appropriately, and provide the frank and fearless advice to governments and the public necessary on implementation and outcomes achieved.

Further mechanisms are also required to ensure the timely provision of appropriately detailed data from the Commonwealth, State and Territory Governments to the NMHC to inform this necessary reporting. It was disappointing to see the first Progress Report for the 2022-23 Financial Year severely delayed and not published until December 2024. Even then, the level of detail in the report was not sufficient to monitor implementation of key deliverables in the National Agreement and bilaterals.

More timely, detailed and transparent reporting is required to support delivery of the next National Agreement. Mental Health Australia recommends moving to quarterly public reporting, in line with MHSPSO meetings.

While public communiques on the outcomes of MHSPSO meetings are important, to date they have lacked adequate information to support transparent monitoring and accountability for delivery of the Agreement.

> **Recommendation 14**: Transparent and timely reporting must be improved in the next National Agreement, through:
>
> - moving to quarterly public progress reporting, in line with MHSPSO meetings
> - further mechanisms to ensure timely provision of data to the National Mental Health Commission to deliver reporting
> - greater detail in MSHPSO communiques on agenda items and decisions made.

Data and performance information

Mental Health Australia welcomed the range of actions in the National Agreement to improve data collection and sharing, support national data linkage, increase reporting and transparency and strengthen the evaluation culture. The establishment of the interjurisdictional Data Governance Forum, including lived experience representatives and sector observers including Mental Health Australia, is also welcome progress.

Key actions to progress data collection, linkage and reporting have been progressed through this Forum, such as the development of an indicator set for the National Agreement, and release of new publicly available regional profiles of some mental health service activity.[15]

More broadly however, there is still a long way to go in ensuring the timely and consistent collection of mental health system data and performance information to support essential reporting.

There are still major gaps in data collection. Only three jurisdictions (NSW, Queensland and Victoria) publicly report on implementation of the Your Experience of Service (YES) survey

[14] Mental Health Australia**, Submission on Reforms to Strengthen the National Mental Health Commission and National Suicide Prevention Office** (Canberra: Mental Health Australia, 2024)
[15] AIHW, **Regional profiles of mental health service activity** (Canberra: Australian Institute of Health and Welfare, 2025).

data on consumer-rated experiences of care.[16] Similarly the Carer Experience Survey has only been implemented in some jurisdictions, and appears to not yet be nationally reported on.[17]

There is also a significant gap in reporting on mental health services delivered by non-government organisations – while an extremely significant component of Australia's mental health system, these services are largely invisible in national government reporting. A National Best Endeavours Data Set for non-government mental health organisations (NGO-E) has long existed to provide a national standard for annual collection of data on activity, expenditure and staffing of government funded community-managed organisation services.[18] However implementation and reporting on this data is limited.

> **Recommendation 15**: The next National Agreement must better drive implementation of the YES, CES and NGO-E through appropriate resourcing and accountability to address these data gaps, and ensure a cohesive picture of our national mental health.

h) Applicability of the roles and responsibilities established in the National Agreement

The National Agreement clearly distinguishes between particular roles and responsibilities of the Commonwealth and States and Territories where these differences pre-existed the National Agreement. The joint roles and responsibilities created under the National Agreement (paragraph 47) have in some cases perpetuated a lack of clarity, and enabled ongoing confusion and delay.

For example, the National Agreement sets out joint responsibilities for psychosocial support services for people who are not supported through the National Disability Insurance Scheme (paragraph 47g). Practically this has meant that funding for addressing the gap in psychosocial support outside the NDIS, identified in the unmet needs analysis enabled through the National Agreement, has been caught up in interjurisdictional negotiations. The result of this is that an estimated 493,600 people continue to miss out on the psychosocial support they need, while the community and sector wait for governments to agree on how to address the gap.

Where the next National Agreement outlines joint responsibilities, there should be clear actions for each party in progressing key policy or funding issues of national significance. In particular, in relation to psychosocial services, Mental Health Australia has recently developed a **Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS** in collaboration with members, outlining sector expectations of the next steps for governments to address the gap in psychosocial services.[19]

[16] AIHW, **Consumer perspectives**, (Canberra: Australian Institute of Health and Welfare, 2024).
[17] Victorian Department of Health, **Consumer and Carer Experience Surveys** (Melbourne: Victorian Government, 2020); Australian Mental Health Outcomes and Classification Network, **Mental Health Carer Experience Survey (CES)**, (ND).
[18] AIHW, **METEOR Metadata Online Registry: Mental health non-government organisation establishments NBEDS 2015** (Canberra: Australian Institute of Health and Welfare, 2025).
[19] Mental Health Australia, **Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS** (Canberra: Mental Health Australia, 2024).

This statement calls for the National Agreement to outline future arrangements for psychosocial supports that should include:

- a five-year plan to increase investment in psychosocial supports outside the NDIS to meet need
- a 50:50 cost share arrangement between the Commonwealth and State and Territory Governments for funding psychosocial supports, which recognises and addresses the differing levels of unmet need between jurisdictions
- funding to build the capacity of commissioning bodies to effectively commission psychosocial supports
- ongoing funding to develop and grow a suitably qualified and capable psychosocial support workforce
- work to improve national data collections on psychosocial support delivery, outcomes and workforce
- inclusion of independent research, evaluation, impact and outcome reporting and continuous quality improvement as a part of psychosocial support program design
- a clear process for governance and monitoring of delivery of psychosocial supports as part of existing national agreement governance processes – this must include lived experience, family, carer and supporter and sector representation.

Inclusion of this information in the next National Agreement would go some way to clarifying roles and responsibilities between the Commonwealth and the States and Territories in implementing future psychosocial support arrangements.

Recommendation 16: Where the new National Agreement outlines joint responsibilities, there should be clear actions for each party in progressing key policy or funding issues of national significance related to these joint responsibilities.

Recommendation 17: The next National Agreement should outline future arrangements for psychosocial supports, including the elements outlined in Mental Health Australia's Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS.

i) Complexity of integrating services across jurisdictions and ensuring that the voices of First Nations people and those with lived and/or living experience of mental ill-health and suicide, including families, carers and kin are heard and acted upon

Integrating services across jurisdictions

The National Agreement centres its first objective around "moving towards a unified and integrated mental health and suicide prevention system" (paragraph 21). The first outcome of the Agreement states the Commonwealth and States and Territories will "work in partnership to implement arrangements for a unified and integrated mental health and suicide prevention system…"(paragraph 26a).

The National Agreement outlines a shared role and responsibility for parties to "work together across areas of established responsibility to integrate systems and services so that consumers, families and carers experience seamless treatment, care and support" (paragraph 44), and it outlines a range of actions in relation to regional planning and commissioning designed to integrate interjurisdictionally funded activities.

Despite this focus on integration in the National Agreement, and some sensible and specific actions designed to work towards it, practical implementation is far from fully seizing the opportunity to deliver a seamless national mental health care system across the country.

To achieve a seamless system of care, the next National Agreement should focus on integration at four different levels:

- integration across portfolios within the Commonwealth Government (and correspondingly within each of the State and Territory Governments)
- integration between the Commonwealth Government and the State and Territory Governments
- integration across state and territory borders to ensure a seamless system of care integration at the regional commissioning level.

Integration across portfolios within the Commonwealth Government, and within each State and Territory Government

To achieve a seamless system of care, there must be integration between portfolios within the Commonwealth Government and each of the States and Territory Governments. The current National Agreement has not enabled this to occur. One example where such integration is not evident is the current climate of uncertainty around how governments intend to address the significant unmet need in psychosocial supports outside the NDIS,[20] with separate reforms being led across the National Disability Insurance Agency, Department of Social Services and Department of Health and Aged Care at a federal level, all potentially coming to bear. It is imperative for these government agencies to coordinate

[20] See this reference for an analysis of unmet need for psychosocial support outside the NDIS: Health Policy Analysis, **Analysis of unmet need for psychosocial support outside the National Disability Insurance Scheme** (Sydney: Australian Department of Health and Aged Care, 2024).

reforms, to create a seamless and efficient system of psychosocial supports, and ensure that people do not continue to fall between the cracks of fragmented systems.

Integration between Commonwealth Government and State and Territory Government funded activities

The current National Agreement represents a missed opportunity to ensure services are well integrated between Commonwealth Government and State and Territory Government services so that people experience seamless care. For example, the interface and interdependencies between the mental health ecosystem (including State and Territory-run hospital services) and the NDIS are not well developed or documented. The NDIS Review found that the "significance of the interdependencies between these two large national service systems is not reflected in national policy frameworks or intergovernmental agreements."[21] The NDIS Review pointed to the significant number of NDIS participants with psychosocial disability who had been a resident in public hospitals for more than 12 months (443 people) as an example of the lack of coordination that results in deplorable outcomes for people and reduced efficiency of Australia's health and disability support systems.

Integration across state and territory boundaries

The National Agreement does not seize the opportunity of having all jurisdictions represented to improve integration of systems between states and territories. The complexity of this issue should not be underestimated. Mental Health Australia is aware of actions governments have taken to try to improve connection of care across state borders[22], but people continue to be impacted by the differing policy, legislative and service environments and the fragmentation this causes in particular in cross-border communities at the service level.

Integration of regional commissioning

Joint regional commissioning between Primary Health Networks and Local Health Networks would go some way to realising the currently missed opportunities to coordinate activities between States and Territory Governments and the Commonwealth Government. The National Agreement outlines a range useful initiatives to improve regional planning and commissioning and to ensure the sector is engaged in commissioning processes. Mental Health Australia understands there has been progress in joint regional planning. However, action on the next steps of coordinated local service delivery and joint commissioning is less clear.

Our members tell us there is significant variation in the maturity of commissioning bodies across the country. Joint commissioning may be delivered differently between jurisdictions to leverage existing mental health related commissioning expertise, improve integration and reduce administrative duplication between Primary Health Networks, Local Health Networks, state departments and mental health commissions.

[21] Independent Review of the National Disability Insurance Scheme, **Working together to deliver the NDIS: Independent Review into the National Disability Insurance Scheme: Final Report** (Canberra: Commonwealth of Australia, 2023), pp. 131.
[22] See for example principles and standards Victoria has established in relation to out of area placements in Victorian treatment facilities: Victorian Department of Health, **Working across service boundaries**, (Melbourne: Victorian Government, reviewed 2024)

This need for local variation must be balanced with the need for national consistency to ensure quality and efficiency across the country. Mental Health Australia's recently published **Sector Sustainability Statement**[23] outlines seven recommendations that should be implemented nationally to address widespread issues in commissioning, to ensure communities and service providers have the certainty and consistency they need. These include:

- 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.

While important work is underway in relation to service integration, given the complexity of the problem and the multiple layers of government involved in resolving the issues, the next National Agreement would benefit from more tangible actions both at the national and regional level. The next National Agreement would benefit from establishment of a mechanism for States and Territories and the Commonwealth to come together and resolve integration issues. This mechanism would need to be genuinely informed by lived experience, carer, family and supporter and sector expertise about the challenges experienced where system fragmentation impacts care. At the regional level, integration of regional commissioning processes should also be coupled with implementation from the recommendations outlined in Mental Health Australia's Sector Sustainability Statement to improve commissioning practices across the country.

Recommendation 18: The next National Agreement should create a national mechanism focussed on improving integration across the mental health system:

- across portfolios within each of the Commonwealth Government and the States and Territory Governments
- between Commonwealth Governments funded and State and Territory funded services
- across state and territory boarders
- at the regional commissioning level.

Recommendation 19: The new National 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.

[23] Mental Health Australia, **Sector Sustainability Statement** (Canberra: Mental Health Australia, 2025)

Lived experience representation, including with First Nations people

In relation to ensuring the voices of First Nations people and those with lived and/or living experience of mental ill-health and suicide, including families, carers and kin are heard and acted upon, Mental Health Australia emphasise that both lived experience and sector engagement are critical to effective development, implementation and evaluation of the next National Agreement. Engagement with these groups was inadequate in development and implementation of the current National Agreement.

Mental Health Australia has been pleased to see lived experience engagement in the governance committees set up under the National Agreement and in particular the establishment of the Mental Health and Suicide Prevention Senior Officials Group Lived Experience Group.

However, Mental Health Australia understands there is still some way to go in terms of governments demonstrating that lived experience expertise is informing tangible actions. It is important that the solution to this problem of moving from engagement in working groups to effective action on lived experience concerns is addressed in the next National Agreement.

> **Recommendation 20:** The Productivity Commission should consult with the Mental Health and Suicide Prevention Senior Officials Group Lived Experience Group, the National Mental Health Consumer Alliance and Mental Health Carers Australia, about how to best embed the voice of lived experience in development, implementation and evaluation of the next National Agreement, and how best to ensure the advice of lived experience representatives is acted on in this context.

It is also critically important that lived experience engagement represents the diversity of people who experience mental health challenges, their family, carers and supporters.

It should be a core priority for the next National Agreement to be developed, implemented and evaluated with First Nations people, and First-Nations led organisations with expertise in social and emotional wellbeing and First Nations lived experience engagement should lead design of how this engagement should occur to ensure it is as genuine and effective as possible.

Similarly, organisations that represent people across the diversity of those who interact with the mental health system should be reflected in lived experience engagement including but not limited to CALD communities and LGBTQIA+SB communities.

> **Recommendation 21:** The Productivity Commission should consult with a range of expert organisations in making recommendations on how to structure lived experience engagement in the next National Agreement.

Notwithstanding the need outlined above for more diverse and genuine lived experience (including family, carer and supporter) engagement at the national level, there are also two tangible actions the Productivity Commission could recommend for inclusion in the next National Agreement. The first is reinforcing through the National Agreement the intention for lived experience engagement at the regional level in relation to service planning, implementation and evaluation. The current National Agreement recognises the importance of other organisations being involved in regional commissioning and planning arrangements (such as non-government organisations and Aboriginal Medical Services) (paragraph 137) but is less direct on the need for lived experience engagement in regional planning and

commissioning arrangements, except to say they should be consulted in determining needs, identifying gaps, duplication and inefficiency in their region (paragraph 134a).

> **Recommendation 22:** The next National Agreement should explicitly commit parties to meaningful lived experience, carer, family and supporter involvement in regional planning and commissioning.

The second tangible action is for the next National Agreement to prioritise widespread implementation and reporting of measures of people's experience of services and care. As noted above, there has been some progress in improving the reach of the Your Experience of Service (YES), Community Managed Organisations YES, Primary Health Networks YES and the Carer Experience of Service surveys. However these surveys do not yet have a national reach and it is unclear how the results of these surveys are being used to inform policy development, implementation and evaluation in relation to initiatives funded through the National Agreement.

> **Recommendation 23:** The next National Agreement should task and resource the Data Governance Forum with expanding the reach of all forms of the Your Experience of Service and Carer Experience of Service surveys to elicit more robust, timely and national analysis of progress against the National Agreement's objectives and outcomes from a lived experience (including family, carers and supporter) perspective.

Conclusion

Mental Health Australia welcomed the establishment of the National Mental Health and Suicide Prevention Agreement in 2022. The National Agreement has contributed to improved outcomes in mental health and suicide prevention by establishing vital systems architecture and sound governance structures, as well as by facilitating much-needed investment in mental health services.

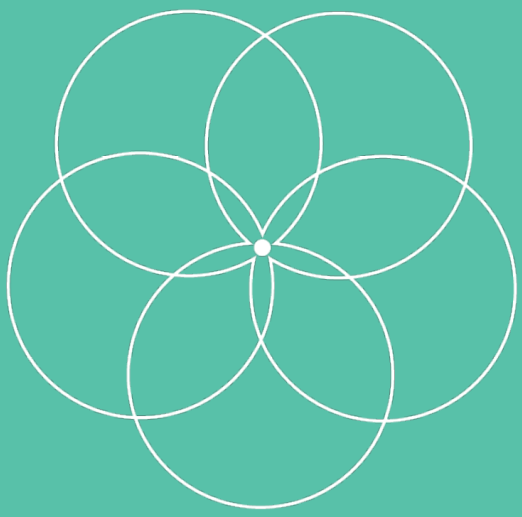
However, the National Agreement falls short of delivering a truly national mental health and suicide prevention system and there are significant ongoing gaps in Australia's mental health ecosystem. Further, the principles, objectives and outcomes set out in the National Agreement are far from being fully realised, and there is a need for greater transparency and accountability for the implementation and outcomes of funded initiatives.

While the current National Agreement is largely a programmatic funding mechanism, the next National Agreement must deliver on an overarching vision of creating a truly national mental health system to drive cohesive action, collaborative reform and transformational change. The implementation of the recommendations outlined in our submission will move Australia towards this goal.

Governments now have an opportunity to build on the foundational work of the first National Agreement, ensuring that the next moves Australia towards an integrated and seamless mental health care system. Such an Agreement must uphold the human rights of people experiencing mental health challenges, along with their families, carers and supporters.

Lived experience and sector expertise must be embedded throughout National Agreement governance mechanisms to support the true partnership approach needed for genuine reform. Ideally, the progress of the next National Agreement will be regularly monitored and reported on by a truly independent National Mental Health Commission, delivering a renewed focus on transparency and accountability.

Mental Health Australia looks forward to the Productivity Commission's interim report, and continuing to work with governments in the design and implementation of a renewed National Agreement.



Mental Health Australia

**Mentally healthy people,
mentally healthy communities**

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

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