



## Recommendations of the Productivity Commission (PC) on Mental Health

The Australian Government Department of Health has invited the community to share its views on the recommendations of the PC Inquiry Report on Mental Health. MHCC welcomes another opportunity to provide feedback, which in this instance was offered through a survey process. MHCC provides this paper as a record of its responses to the survey questions asked, in a format that can be shared with members and the sector.

The Productivity Commission (PC) Inquiry Report on Mental Health provided 21 recommendations with 103 associated actions spanning five key themes:

- prevention and early help for people
- improve people's experiences with mental healthcare
- improve people's experiences with services beyond the health system
- equip workplaces to be mentally healthy; and
- incentives and accountability for improved outcomes.

The PC's recommendations are outlined in the attached document. For further information and context to the recommendations, the PC Report is available on the PC website at [pc.gov.au](http://pc.gov.au). The Government is considering the PC's recommendations and [is consulting with the Australian public and key stakeholders to seek feedback on the recommendations](#).

MHCC responded to the survey questions by addressing issues most pertinent to its membership and the mental health community sector. This does not in any way indicate that other matters are less important, but that we take this opportunity to advocate for reforms that affect our sector as the priority that we need to focus on. MHCC answered the six questions as follows:

### **1. Of the recommendations made, which do you see as critical for the Government to address in the short term and why?**

MHCC agree with the Productivity Commission that reform of Australia's mental health system means addressing the key gaps and barriers that lead to poor psychosocial outcomes and that support and enhance economic participation and growth. Whilst all recommendations are important to achieve this goal and the Productivity Commission outlines timeframes for actions, MHCC wish to comment particularly on the recommendations that are pertinent to the CMO sector, informed by its members experience and expertise.

People living with mental health conditions should be able to get the services that are right for them when they need them, and that are flexible enough to meet their changing needs. MHCC is particularly concerned about the "missing middle" gap identified in the report. The recommendations which address navigating the system, service gaps and providing community based services including psychosocial

supports (12,13,15,17) along with those which clarify government responsibilities, planning and funding arrangements (Recommendation 23, 24) should be early priorities for action.

MHCC also strongly support early action on Recommendation 8 “Support the Social Inclusion of People Living with Mental Illness”, Recommendation 9 “Take Action to Prevent Suicide” and Recommendation 18 “Support for Families and Carers”

MHCC are particularly supportive of Recommendation 17, which proposes improving the availability of psychosocial supports. Psychosocial support and rehabilitation services delivered by community managed mental health organisations play a vital role in maximising recovery for people living with enduring mental health conditions. People are supported to manage self-care, improve social and relationship skills and achieve an improved quality of life in relation to physical health, social inclusion, secure accommodation, education and employment.

It is generally accepted by policy makers and practitioners alike that mental health services are optimally delivered in community settings addressing more than just the symptoms of illness. Evaluations of psychosocial support programs in NSW such as the Housing and Accommodation Support Initiative (HASI) demonstrate the program has provided significant benefits both for those who have received support from the program and the broader community. According to the University of NSW analysis, HASI pays for itself in health system savings, even before the personal benefits of improved mental health are factored in. Despite this, Australia remains underinvested in programs like these, which is why implementation of Recommendation 17 is critical. Not only will it mean a better quality of life for people living with mental health conditions, it will have positive flow on effects to other parts of the health and human service system.

MHCC call for the for the timeframe for expanding psychosocial supports as outlined in Action 17.3 to be brought forward so that State and Territory governments, with support from the Australian Government, should start now to increase the quantum of funding allocated to psychosocial supports for at least a conservative estimate of the number of people who need such supports. This can occur concurrently whilst seeking to establish a more reliable estimate of the shortfall across Australia (and in each region and jurisdiction).

## **2. Of the recommendations made, which do you see as critical for the Government to address in the longer term and why?**

Many of the reforms recommended by the Productivity Commission require immediate action to address gaps in the mental health service system that have long been identified. Numerous reports have found Australia’s mental health system requires urgent action and that investment in mental health provides both social and economic benefits. MHCC recognise that some reforms will take time, but we would not like that to be a reason for delaying action. Many of the recommendations are high level and the development of a comprehensive implementation plan is essential to successfully implement and realise stated objectives. We also note that some recommendations involving service systems outside health may take longer to implement but it is critical to commence action to address areas such as employment, housing and the justice system (Rec 19, 20, 21) because of the significant impact they have on people mental health and wellbeing.

## **3. Of the critical recommendations identified in the previous questions, are there any significant implementation issues or costs you believe would need to be considered and addressed?**

MHCC has largely confined its comments in this section to Recommendation 17 which focus on improving the availability of psychosocial supports. The Productivity Commission has estimated that up to 154, 000 people who would significantly benefit from psychosocial support services are currently not receiving them, and that improving access will require changes to governance, funding, and the workforce.

Funding is the most critical aspect to address. The report identifies multiple funding channels for psychosocial support services, with sustainability and uncertainty prevalent due to program changes and short funding cycles. The current funding arrangements can lead to significant costs arising from reporting, compliance, and data collection. The establishment of Primary Health Networks (PHNs) has brought benefits but it can also mean an additional reporting burden for providers who receive funding from multiple PHNs, often for the same program. While MHCC support the recommendation that State and Territory Governments take sole responsibility for psychosocial supports outside the NDIS, any such transfer of service responsibility will need to be accompanied by the equivalent transfer of funds from the Australian Government to State and Territory Governments. Longer term funding contracts are also essential to support a more sustainable workforce and ensure resources are primarily directed to service delivery.

While these changes would make the existing funding work more efficiently, the Productivity Commission also identified that governments need to increase overall funding. The Productivity Commission estimate that expanding the provision of psychosocial support to the 154, 000 people presently missing out could cost approximately \$610m. A National Mental Health and Suicide Prevention Agreement will be essential to specify additional mental health and psychosocial support funding contributions by each level of Government and provide a mechanism to monitor implementation. Governments will also have to be willing to be more transparent about service gaps if the Productivity Commission suggestion to identify psychosocial service gaps relative to NMHSPF benchmarks are to be realised.

In addition to funding, workforce enhancement will also be critical to success. Please see comments in the next section.

#### **4. What do you believe is required for practical implementation of these recommendations? What do you feel are the key barriers and enablers?**

Improving the economic and social participation of people affected by mental health conditions requires a collaborative response from all levels of government extending beyond the health/mental health sectors to other service systems such as housing, employment, education, justice and transport. The Productivity Commission report recognises this and many of its recommendations if implemented would make a significant difference across 'whole of life' - strong government leadership will be essential to implement reforms.

A key enabler will be the development of a National Mental Health and Suicide Prevention Agreement (NMHSPA) to clarify responsibilities and funding contributions (Recommendation 23). This recommendation is a foundation reform and MHCC support the three key purposes for the NMHSPA outlined in the report: clarifying the roles for mental healthcare, psychosocial supports, mental health career supports and suicide prevention; authorising Australian Government transfers to State and Territory Governments to support provision of these services; and establishing arrangements for monitoring, reporting and evaluation. The Australian, State and Territory health ministers should be responsible for developing the NMHSPA.

MHCC supports the use of the National Mental Health Services Planning Framework (NMHSPF) to identify service gaps ( as outlined in the Productivity Commission Report). Continual updating of the NMHSPF will be critical to ensure it evolves as new knowledge about appropriate services and best practice develops and adequately benchmarks optimal community health service delivery.

Another important enabler is data and research and appropriate support to improve research, data collection, monitoring and evaluation is needed. This should ensure that the right data is collected, it is used to inform decision makers and it promotes continuous improvement.

Workforce is the most critical enabler of all - reform will mean very little without the appropriately skilled and trained workforce to implement the changes. A serious commitment is required to undertake workforce planning and build capacity, so the workforce is available where it is needed and supply matches demand.

MHCC has extensive expertise in training the community managed sector workforce. In addition to core recovery capability, this workforce requires a commitment to working with families, carers and support persons and a sound understanding of:

- the diversity of mental health and co-existing conditions
- evidence-based approaches to assisting people build skills, find employment, maintain a home, and build social networks
- rehabilitation models and related skills
- trauma-informed recovery-oriented values and principles into practice
- collaboration and care coordination across the service system

The current environment, particularly the implementation of the NDIS, has created a number of challenges for the sector including:

- Difficulty affording time for essentials such as practice supervision, training, development, collaboration and innovation, and routine administration
- Workplace health and safety concerns when providers are unable to fund two support workers
- Providers by necessity shifting to an increasingly casualised workforce (49% of the NSW workforce are employed on temporary contract or on a casual basis according to a MHCC survey undertaken in 2019)
- Accommodating different levels of complexity
- Funding uncertainty due to program changes and NDIS pricing pressures have resulted in skilled and experienced workers leaving the mental health sector.

**5. Are there clear steps you believe need to be taken to ensure the recommendations are successfully implemented?**

- Leadership at a Government; administration and sector level
- Codesign with meaningful participation of consumers and carers and the workforce
- Cross sectoral agreement concerning values and principles of practice across the service system to maximise care coordination and safe transfer from one part of the service system to other parts
- Clear governance arrangements involving Australian, State and Territory Governments
- Establish an expert advisory group to provide access to broad-based expertise, experience and input including cultural diversity and consumer and carer perspectives
- Develop an action plan and establish an effective and well-resourced project group responsible for overseeing and implementing agreed reforms.

**6. Do you believe there are any critical gaps or areas of concern in what is recommended by the PC?**

The Productivity Commission has raised the importance of an evidence-base to improve programs, policies and outcomes for people living with mental health conditions and their carers; and that data collection, and evaluation are vital components to drive continuous improvement, the actions to be considered do not recognise the importance research plays, in not only providing practical solutions but to

ensuring innovation and creativity are supported in order to develop leading edge practice responses, to a dynamic and evolving service delivery environment.

Dynamic demographic changes in Australian society are important considerations for future planning, and one area that particularly stands out is the ageing population and the need for a mental health system that can support people living with mental health conditions who are living longer in the community. The age care system does not have the capacity to manage complex needs in the community and policy leaders need to look at new models of care and alternative ways of providing support that meet these people's needs.

MHCC has provided a number of responses to the PC Inquiry both informal, via public hearings and in its submission paper [Productivity Commission Inquiry into Mental Health: Draft Report](#) - January 2020.

A handwritten signature in blue ink, reading "Carmel Tebbutt".

Carmel Tebbutt  
Chief Executive Officer