



The ProdCast with Richard Aedy

Episode 2: Inside our interim report – Mental Health and Suicide Prevention Agreement Review

Featuring Commissioner Selwyn Button

25 June 2025

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Note: This transcript has been edited for clarity and brevity. Certain words have been modified or omitted, while maintaining the integrity of the original message.

Richard Aedy

We don't know exactly how much mental health problems cost Australia. It's intrinsically difficult to be sure of the dollar value for lost productivity, and this is the really big bit, lost quality of life. But the smallest proper estimates about \$45 billion a year. The largest is \$220 billion. We need to be doing better. And that's what we're talking about this time on the ProdCast.

Hello, I'm Richard Aedy, and welcome to the ProdCast. One of the bits of research the Productivity Commission has been asked to do is look at something called the National Mental Health and Suicide Prevention Agreement. It's actually a series of bilateral agreements between the Commonwealth government and the different states and territories, which aims to make the mental health system and the suicide prevention system sustainable and effective.

So is it any good? Selwyn Button is a Productivity Commissioner and he's been doing the research. Selwyn, how much does mental ill health cost us?

Selwyn Button (Commissioner)

So there's two parts to the cost. One is the spend. And then there's the cost on society. What we know, and what we can quantify in terms of the spend – the spend is around \$12.2 billion. And that is both states and territories as well as federal expenditure. \$8 billion from the states and territories and then around \$4 billion that comes from the federal government that goes into the mental health services. The Agreement that we're reviewing at the moment, that only amounts to around 3% of that total spend.

Richard Aedy

So this National Mental Health and Suicide Prevention Agreement, how important is it? Because you're just saying in the great scheme of things, it's not a lot of money.

Selwyn Button (Commissioner)

Not when you quantify the figure that's attached to the Agreement. And that's about the spend that occurs in the bilaterals that are negotiated between the states and territory and the federal

government. But when you think about the agreement as a whole and what it's aspiring to achieve, what it's aspiring to do and its objectives are about reforming the mental health system.

So we've got an agreement, as it stands, that has these big aspirational goals of reforming the mental health system to improve outcomes for people with lived and living experience of mental ill health. And then there's the connection with the bilateral arrangements, which are about the practical fixes that happen in states and territories that inform that overall a goal.

Richard Aedy

It's essentially the Agreement to work out the reform process and get it going.

Selwyn Button (Commissioner)

It is, it is.

Richard Aedy

And it's not working.

Selwyn Button (Commissioner)

And it's not working. And there's a mismatch between the two because you've got these aspirational goals. But then when you look at the aspirational goals compared to then what sits in the bilateral arrangements that are attached to it about that fundamental – where the rubber meets the road, essentially – around the implementation with states and territories, those things don't necessarily match the goals that sit in the overall Agreement.

Richard Aedy

Can we talk about some specifics here? And because I know you went and heard from carers, users of the system, other stakeholders, what did they tell you?

Selwyn Button (Commissioner)

A lot of them talk to us about the fragmentation in the system. A lot of them talk to us about the lofty goals. The interesting part of the conversations we were having across the country during that time was that many people knew what was in the Agreement. And so when you're talking to an informed audience, that informed audience was saying the lofty goals don't meet the outcomes that are being achieved. And this fragmentation in the system.

Richard Aedy

Fragmentation. How does that play out? If you're a real patient, does that mean that it's difficult to access services, difficult to afford them, difficult to get them to connect up?

Selwyn Button (Commissioner)

A lot of those things came out in the conversation. Access is an issue. One access is in relation to then what it looks like in terms of accessing services through a hospital facility, access through community-based facilities, and then access or a whole range of other support services.

So they were there were varying degrees of access issues that were pointed out.

Richard Aedy

So there's access gaps as well I suppose.

Selwyn Button (Commissioner)

Yeah. Certainly gaps in the system, and the fragmentation has been caused, or is I guess a byproduct of essentially what was the fragmentation in the planning. So what you've got is a system where a mental health services planning framework, a tool that's being used to then inform not only what services required, but how do you best meet the needs of that population. And so that tool is being used by one part of the system, which is the primary health networks. And that's who the Commonwealth has a direct contractual relationship with, to look at, I guess, implementing a lot of the initiatives that sit in the bilateral. And so you had them undertaking planning processes in their regions to then determine what services are required with local communities. At the same time, you had hospital systems, who were undertaking planning processes to determine what was best needed in local communities. But in many cases, those two things weren't meeting together.

Richard Aedy

One of the things I noticed in a report was a particular concern that you have about how it's not working with the NDIS.

Selwyn Button (Commissioner)

What we have seen and what's been noticed is that it has created a gap. So there are a significant number of people who are missing out on what essentially are foundational supports in psychosocial services, and that that figure is around 500,000 people right across the country. But since the introduction of the NDIS, the eligibility requirements have created difficulties for those people to then access the support they were getting in the past.

Richard Aedy

I know it's a big, complicated thing and it's not as simple as numbers, but what can we say about numbers? Can we say that mental health and suicide prevention outcomes have improved?

Selwyn Button (Commissioner)

At the moment we can't say that.

Richard Aedy

Right. What percentage of adults have experienced a mental illness at some stage?

Selwyn Button (Commissioner)

Two in five people, 40%. So, two in five are reporting that they have experienced some type of mental illness during their lifetime. So, it is it is a fairly significant piece.

Richard Aedy

What about children? Kids?

Selwyn Button (Commissioner)

What do we get for kids? It's about one in seven that is saying that there are, and certainly and that's from a mental illness, but there are higher rates of anxiety in kids. And that is something that does come through in ABS statistics as well.

Richard Aedy

It's higher, isn't it, in the Aboriginal and Torres Strait Islander communities?

Selwyn Button (Commissioner)

It is. Psychological distress is much higher for Aboriginal and Torres Strait Islander people and issues of racism and a whole range of other things do come into play in that space. So it is much higher. And certainly what we do see is the suicide rates are much higher as well.

And that's a concerning trend because that is trending upwards as opposed to what's happening in the rest of the population, which is steadily flatlining. But what we're seeing in the Aboriginal and Torres Strait Islander community is that suicide rates are continuing to increase.

Richard Aedy

What I'm thinking is you say is when I think about those numbers, 40%, one in seven kids, it's such a human thing to have to deal with this.

Everybody listening now is going to know somebody who has had to deal with it. If they haven't had to deal with it themselves. It's part of the human condition.

Selwyn Button (Commissioner)

It is. It is something that does touch people right across the country.

Richard Aedy

All right. Let's talk about what should change. What do you propose?

Selwyn Button (Commissioner)

So, the first thing that we're suggesting is the development of a new national mental health strategy, not something sexy, but certainly is required.

The last time that there was a significant mental health strategy developed, that was in collaboration with the states and territories, was 2008.

Richard Aedy

Getting on for 20 years?

Selwyn Button (Commissioner)

It's been a long time since there was any concerted effort between governments, states, territories and federal to say what are our collective priorities around mental health are in this country, and how do we actually focus on building those into a single strategy over a 20-year period. Because, what we're suggesting is that we do need a 20-year roadmap on where we want to be, which gives us something to then focus on.

Richard Aedy

This is the ProdCast and you've been hearing from Productivity Commissioner Selwyn Button. He's talking about how the National Mental Health and Suicide Prevention Agreement could be much better to make sure the next one is it will need to be co-designed.

Selwyn Button (Commissioner)

It is very much about government sitting at the table with stakeholders in the community, with service providers and with people with lived experience. Those groups coming together to inform the development of what this new collective strategy needs to look like.

Richard Aedy

The other thing that I noted in the report is you want to reinvigorate the National Mental Health Commission.

Selwyn Button (Commissioner)

There's two elements to it. One is there is the National Mental Health Commission that already exists. But we're suggesting it needs to be reinvigorated to become independent. And the reason why it needs to be independent is because there does need to be a monitoring and accountability component that's attached to the Agreement. And you can't have a monitoring accountability component if it actually sits inside government.

It needs to be independent to then ensure that it's actually giving good advice to government about its progress against what they're setting out to do in the Agreement.

Richard Aedy

A bit like here at the PC, the PC gets to say to government, you could be doing this better.

Selwyn Button (Commissioner)

Yeah, and very similar to what we do with Close the Gap National Agreement. Within the Productivity Commission, we host the website that actually has the performance of all governments around Closing the Gap data. So it's looking at similar pieces that exist in other places. To say this is what we think the National Mental Health Commission should be set up to do. And when we had conversations with stakeholders about the independent nature of it, about hosting a performance dashboard, about its ability to advise governments and about its influence to be designing, helping, inform the design of a new strategy.

Stakeholders agreed that that's where they thought the National Health Commission should be going.

Richard Aedy

And it will be key in something else that you're emphasizing in the report, which is a mechanism to generate more accountability. Because at the moment we have this agreement in which well-intentioned people in different groups can saying, well, this is where we're ticking our boxes, but the whole thing is not working.

Selwyn Button (Commissioner)

Yeah, and one of the outputs of the Agreement was to have annual performance reports. Now, since the introduction of the Agreement in 2022, there's only been one annual performance report that's been produced by the National Mental Health Commission. Hence the need to say we need the National Health Commission stood up. We need it independent. We need it focusing on performance and monitoring.

And it's actually got to make sure it's publishing annual reports in relation to performance against the agreement.

Richard Aedy

So one of the things we touched on a few minutes ago was that things are worse within our Indigenous communities,

Selwyn Button (Commissioner)

And there's two pieces of the puzzle. One is that we already have the Close the Gap National Agreement, and there's already some existing governance arrangements that inform the social emotional wellbeing component of that Close the Gap National Agreement.

And certainly the data tells us, and suicide rates are showing us, that there doesn't need to be an explicit focus on what happens in Aboriginal and Torres Strait Islander communities. So what we're suggesting is that there does need to be a schedule to the new national agreement that focus on Aboriginal and Torres Strait Islander people that's informed by this policy partnership, which

includes First Nations leaders from across the country that sit at the table to then inform the what the new schedule looks like.

Richard Aedy

I don't speak administration. So what does a schedule mean. What effect will it have?

Selwyn Button (Commissioner)

So what we're saying is that we need a national agreement. That national agreement needs to have the high-level pieces that say this is collectively what states and territories are going to focus on what we're suggesting. That is, in addition to that, there's going to be a separate schedule that says here are the additional pieces that also enhance what's in the national agreement, that focus on what's needed on Aboriginal and Torres Strait Islander communities and the reason why we're doing that is because the way that social, emotional well-being or the way that mental health is viewed in the Aboriginal and Torres Strait Islander community is a little bit different from what goes on in non-Indigenous communities where it's looking at whole of family, whole of community. It doesn't just look at it in individual contexts, it looks at a much broader context. And it also takes into consideration a range of other things through that social emotional well-being lens, including housing, including education, etc.

So we need to think differently about that, and we need a separate schedule that focuses on working with the Aboriginal and Torres Strait Islander community control sector to make sure we're getting it right about the services that are provided in community as well.

Richard Aedy

You've done a lot of work. There's a lot in the report, but if there's going to be co-design of the next agreement, it's going to take longer, isn't it?

Selwyn Button (Commissioner)

It'll take some time. And that's essentially why we're suggesting that instead of from the middle of next year, when the current agreement is due to run out, instead of going down the path of trying to pull something together, continue with the current. Keep the focus going on what's already there. But during that period of time, and certainly what we would be suggesting is from the beginning of next year, start the process around co-design and get out there and use the National Mental Health Commission as the vehicle to go out and have some conversations with stakeholders, with the sector, to then work out what's necessary to feed into a new national strategy.

Richard Aedy

And delay the next agreement by what, another year? So mid-2027.

Selwyn Button (Commissioner)

So delayed by 12 months. So then would look to come back and have something ready to be signed off by July 27th.

Richard Aedy

There's a lot to be done in that time. Even with the extra year, I think.

We can't cover everything. Obviously, in this conversation. What happens now with this report?

Selwyn Button (Commissioner)

It'll go out for consultation. So it's really about seeking feedback from stakeholders in the sector. Post that we'll then go out and have some targeted conversations, I guess, with stakeholders as well. As well as I'm going to some public forums. And we will host forums as part of our inquiry process. So at least we can then consider all views before we work towards a final report in October.

Richard Aedy

Well, good luck with it. Thank you very much for joining us today.

Selwyn Button (Commissioner)

Thank you.

Richard Aedy

Selwyn Button is a Productivity Commissioner and this has been the ProdCast. I'm Richard Aedy.

Next time we'll be talking about the Trade Assistance Review. See you then.

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