

# Submission 2 to the Productivity Commission Review of the National Mental Health and Suicide Prevention Agreement July 2025

This second submission is provided to the Productivity Commission (PC) review of the National Mental Health and Suicide Prevention Agreement subsequent to the PC's release of an Interim Report.

## **The Australian Commission on Safety and Quality in Health Care**

The purpose of the Australian Commission on Safety and Quality in Health Care (the Commission) is to lead improvements in the safety and quality of health care so all Australians receive better care, everywhere. The Commission's strategic priorities are:

- high-quality care in an evolving environment
- strong outcome-focused clinical governance
- empowered patients, carers and communities
- an improvement-driven workforce culture.

The Commission's functions include:

- advising the Minister about health care safety and quality matters
- to promote, support and encourage the implementation of arrangements, programs and initiatives relating to health care safety and quality matters
- to consult and co-operate with organisations, governments and other persons, on health care safety and quality matters
- formulating standards guidelines and indicators and promoting their implementation
- formulating model national schemes that provide for the accreditation of organisations that provide healthcare services.

Further information on the Commission was included in our initial submission and is available for reference in the appendix to this document.

## **Additional information provided in response to the Interim Report**

Thank-you for the opportunity to provide additional information.

The Commission supports the recommendations in the Interim Report released by the Productivity Commission.

### **Incentivising quality improvement**

Section 4.7 of the Interim Report, 'Enabling adoption and diffusion of best practice services' reports 'identified variability in the quality and outcomes of existing mental health and suicide prevention services'. The review recommends that the next agreement focus on outcomes rather than service throughputs and activities and identifies two mechanisms to incentivise quality improvement, public reporting of performance monitoring and funding. The Commission supports this recommendation and the proposed shift towards a focus on outcomes.

The current National Mental Health and Suicide Prevention Agreement recognises the benefits of consistent national standards in supporting safety and quality in mental health and suicide prevention services, and governments agreed to work collaboratively with the Commission to uphold the existing standards and undertake review and development of standards to continually improve the safety and quality of mental health care for Australians.

Standards provide an existing mechanism to incentivise improvement in the system by providing a framework for how safe and high-quality care can be achieved. They are recognised by stakeholders across the sector, including consumers and carers, service providers, funders and regulators. Standards also function as quality assurance mechanisms and can therefore contribute to performance monitoring and public reporting of service providers' implementation of quality improvement strategies. Standards can also help with the commissioning of services by providing a structured framework for guiding and monitoring quality improvement that funders and providers can use in negotiating consistent funding agreements.

### **Recommendation**

The Commission recommends that the Review and future Agreements retain recognition of national safety and quality standards as an important mechanism that contributes to improving the quality of care delivered in mental health and suicide prevention services and reaffirms the commitment of governments to work with the Commission on the ongoing review and development of safety and quality standards.

## **Appendix: Content from initial submission regarding role of ACSQHC, standards and accreditation**

### **The National Safety and Quality Health Service Standards**

The National Safety and Quality Health Service (NSQHS) Standards were developed by the Commission in collaboration with states and territories, the private sector, clinical experts, patients and carers. The primary aims of the NSQHS Standards are to protect the public from harm and to improve the quality of health service provision. They provide a quality-assurance mechanism that tests whether relevant systems are in place to ensure expected standards of safety and quality are met.

The Commission has also developed National Safety and Quality Digital Mental Health Standards and National Mental Health Standards for Community Managed Organisations. Together with the NSQHS Standards, these standards ensure that there are assurance mechanisms for safety and quality across all healthcare services.

### **The Australian Health Service Safety and Quality Accreditation Scheme**

The Australian Health Service Safety and Quality Accreditation (AHSSQA) Scheme provides for the national coordination of accreditation processes.

Under the AHSSQA Scheme, the Commission's role is to:

- Develop and maintain the NSQHS Standards
- Approve accrediting agencies to assess health service organisations against the NSQHS Standards
- Undertake ongoing liaison with state and territory health departments on opportunities to improve the NSQHS Standards and the accreditation system
- Report to health Ministers annually on safety and quality.

### **Commission role in National Mental Health and Suicide Prevention Agreement**

The Commission's role is stated in the section on Safety and Quality in the current NMHSP Agreement:

#### **Safety and Quality**

115. The Parties reaffirm their joint commitment to making safety and quality central to mental health and suicide prevention service delivery and will collaborate to establish and maintain nationally consistent standards for mental health and suicide prevention care, policy, planning and reporting. This includes the development of national standards and strategies in line with quality and safety standards.

116. The Parties agree to implement and monitor the *National Guidelines to improve the co-ordination and treatment of people with severe and complex mental illness* to improve the co-ordination and treatment of people with severe and complex mental illness.

117. The Parties agree to work collaboratively with the Australian Commission on Safety and Quality in Health Care to uphold and promote existing safety and quality standards for mental health and suicide prevention, and to undertake

continuous review of existing standards and/or development of new safety and quality standards to continually improve quality, safety and capacity in the Australian mental health and suicide prevention system.

The Commission supports this arrangement and will continue to work collaboratively with governments on national safety and quality standards.

During 2025 through to 2027, the Commission will collaborate with the Australian Government, states and territories, and a broad range of stakeholders, including clinicians and clinical experts, patients and communities to develop the third edition of the NSQHS Standards.

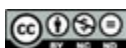
The focus of the third edition of the NSQHS Standards will be on new and emerging safety and quality issues expected to impact the healthcare system over the next ten years, as well as the persistent safety and quality risks that require ongoing improvement nationally.

The third edition of the NSQHS Standards will focus on areas in health care where there are ongoing or emerging issues influencing the optimal delivery of health care in Australia, and opportunities to improve its quality. In a rapidly evolving healthcare system, it is critical that the third edition of the NSQHS Standards prioritises areas on which to focus including: emerging risks to high quality care, technological change, workforce trends, contemporary evidence of best practice and models of care, and external system drivers to ensure relevance and applicability into the future.

With the National Safety and Quality Digital Mental Health Standards and National Safety and Quality Mental Health Standards for Community Managed Organisations, the Commission ensures there are quality assurance mechanisms in place for mental health services provided across multiple sectors.

## For more information

Please visit: [safetyandquality.gov.au](https://safetyandquality.gov.au)



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