

Response to Productivity Commission

Mental Health and Suicide Prevention Agreement Review

Interim Report

About PACFA

The [Psychotherapy and Counselling Federation of Australia](#) (PACFA) is the leading national peak body for the tertiary-qualified counselling and psychotherapy profession. With more than 11,000 members, PACFA provides registration and quality assurance services for counsellors nationally. PACFA members designated as Registered Clinical Counsellors, Certified Practising Counsellors and Registered Clinical Psychotherapists are fully qualified allied health practitioners as recognised by PACFA's full membership of [Allied Health Professionals Australia](#) (AHPA).

Counsellors and psychotherapists are highly trained experts in talk and creative therapies (often referred to as psychotherapies). Working with people across the lifespan they provide evidence-based interventions to build self-awareness, enable psychological connection and reduce distress. Research consistently shows that counselling is highly effective in preventing, mitigating and resolving an incredibly wide range of presenting challenges. Counsellors work with individuals, couples and groups in a wide range of settings including crisis centres, primary health care, schools, acute settings, rehabilitation and private practice.

PACFA is a qualifying member of the [National Alliance of Self-Regulating Health Professions](#) (NASRHP) and a key advisor to the [National Standards for Counsellors and Psychotherapists](#) project funded by the Department of Health, Ageing and Disability and due for finalisation in late 2025.

In this response the terms “counsellor” and “psychotherapist” can be used interchangeably to refer to tertiary qualified allied health professionals registered with PACFA as Certified Practising Counsellors (entry level), Registered Clinical Counsellors (full Scope of Practice) and Registered Clinical Psychotherapists (extended Scope of Practice). More details on this can be found on page 8-9.

Overview

In support of the Productivity Commission's Review and intergovernmental collaboration on mental health, PACFA recommends greater inclusion of counsellors and psychotherapists as allied health practitioners with proven effectiveness in addressing service gaps and workforce shortage. Increasing utilisation of counselling and psychotherapy in public health settings will contribute to a more flexible and stepped response to the current mental health crisis. Counsellors and psychotherapists represent a key, but underutilised, solution to the two primary flaws in the current mental health system as identified by the Commission in its review.



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Key points

- ✱ **The mental health and suicide prevention system is fragmented and out of reach for many people. The National Mental Health and Suicide Prevention Agreement represents the commitment of governments to work together towards a person-centred, integrated mental health and suicide prevention system. Under the Agreement, the Australian, state and territory governments committed to progress an ambitious set of outcomes through national outputs and specific actions contained in bilateral schedules.**
- ✱ **The actions in the Agreement do not advance system reform. As a result, consumers, carers and practitioners report that services remain unaffordable and difficult to access and are not always able to respond to people's needs. This is despite governments' progress in implementing actions under the Agreement and the substantial efforts of many working across mental health and suicide prevention services.**

Counsellors and psychotherapists are, and always have been, trained throughout their higher education degrees to be “person-centred” and to take an “integrated” approach to mental health and suicide prevention. Counselling and psychotherapy training draws on the best of psychological and neuroscientific research, combining it with philosophical understandings of the human condition, lived experience, and practical skills. This integrative approach equips graduates to deliver person-centred, tailored support. Counsellors and psychotherapists understand that every individual is a unique human being shaped by their own biological and social determinants, personal experiences, and interpretations. Each person is approached with respect and recognition of this individuality.

Workforce studies consistently show that counsellors and psychotherapists have untapped capacity, with many practitioners eager to take on additional work, particularly in rural and remote areas. A key challenge for PACFA is supporting new graduates who report difficulty finding employment. This surplus of available practitioners also contributes to the continued affordability of counselling and psychotherapy services. PACFA highlights the emerging opportunities to deliver greater access to mental health and suicide prevention services by recognising graduate counsellors in regional planning and commissioning for primary health networks.

Specifically, this response informs the following findings and recommendations of the Productivity Commission’s Mental Health and Suicide Prevention Agreement Review:

- Draft finding 3.1
- Draft recommendation 4.1
- Draft recommendation 4.3
- Draft recommendation 4.5
- Draft recommendation 4.12
- Draft recommendation 4.13
- Draft recommendation 5.1

Draft finding 3.1



Draft finding 3.1

The National Mental Health and Suicide Prevention Agreement is not effective

The National Mental Health and Suicide Prevention Agreement is not an effective mechanism for facilitating collaboration between governments to build a better person-centred mental health and suicide prevention system for all Australians.

Some aspects of the Agreement are commendable, including its ambition, whole-of-government approach and commitments to improve services and address gaps in several important areas. However, a range of problems are limiting its effectiveness.

- The Agreement does not set out clear and focused objectives and outcomes, and actions connected to their achievement.
- Roles and responsibilities at the national and regional level are still unclear.
- People with lived and living experience of mental ill health and suicide, their supporters, families, carers and kin have not been meaningfully included in the governance arrangements, or the design, planning, delivery and evaluation of services under the Agreement.
- The governance structures are not effective, and monitoring and accountability is lacking.
- The Agreement does not address key barriers to reform, including system fragmentation, insufficient collaboration, a lack of flexibility in funding arrangements and workforce shortages.

To ensure that a new National Mental Health and Suicide Prevention agreement is comprehensive, flexible and fit-for-purpose, PACFA recommends increased inclusion of counselling and psychotherapy.

Counselling and psychotherapy services address the barriers to reform noted in finding 3.1, allowing for greater funding flexibility and addressing issues of insufficient collaboration and workforce shortages.

Increased funding flexibility would allow for counsellors to work collaboratively with other allied health providers in offering a more flexible stepped approach to mental health care that better meets the needs of diverse communities. Registered Counsellors represent an affordable alternative for multi-disciplinary teams in a wide range of service contexts across all possible patient cohorts.

Counselling provides a more affordable and accessible option for consumers facing financial barriers to mental health support. According to the National Mental Health Commission's *National Report Card 2024* The cost of mental health treatment remains a significant barrier, with over one in five Australians delaying or forgoing care due to cost.¹ This trend is increasing each year.

PACFA Registered Counsellors can directly address workforce shortages in the mental health space, lowering wait times and increasing system capability to provide responsive crisis intervention. A workforce survey completed in 2020 stated that approximately 60% of counsellors could see new

¹ National Mental Health Commission, *National Report Card 2024* (July 2025)

patients within two weeks and 25% within 24 hours.² PACFA Registered Counsellors can work clinically with clients across the life span and across the mental health cycle, for chronic presentations, at times of distress, in early intervention and in prevention.³

To support the greater inclusion of counselling and psychotherapy services in Australia's mental health workforce, PACFA eagerly awaits the finalisation of the National Standards for Counsellors and Psychotherapists and the regulatory reforms to follow. The inclusion of these standards in industry practice will give the sector and the community increased confidence in integrating counsellors and psychotherapists into clinical teams at greater scale.

Draft recommendation 4.3



Draft recommendation 4.3

The next agreement should have stronger links to the broader policy environment

The next agreement should articulate its role within the policy environment and specify the way it links with other key policy documents. This will require consideration of the interactions with a range of policy areas including housing, justice, disability supports and more. As a starting point, the next agreement should link to:

- the National Health Reform Agreement, which provides much of the funding for the mental health and suicide prevention system
- key policies in relevant non-health portfolios, such as the Better and Fairer Schools Agreement which will support the whole-of-government approach needed to improve mental health and suicide prevention outcomes (draft finding 4.1)
- jurisdictional mental health and suicide prevention policy documents, which should inform the bilateral schedules developed under the agreement
- policy documents related to Aboriginal and Torres Strait Islander social and emotional wellbeing, including the National Agreement on Closing the Gap (draft recommendation 5.1).

PACFA supports greater inclusion and cooperation with the broader mental health policy environment. Counselling and psychotherapy services can be much better utilised to support connectivity across existing mental health policy frameworks and priorities, including:

- The National Health Reform Agreement
 - Prevention and wellbeing.

The National Health Agreement acknowledges that investment has historically been targeted towards treating ill health rather than prevention. PACFA recommends the

² Bloch-Atefi, Alexandra et al, 'A Snapshot of the Counselling and Psychotherapy Workforce in Australia in 2020: Underutilised and Poorly Remunerated, Yet Highly Qualified and Desperately Needed' (2021) 9(2) *Psychotherapy and Counselling Journal of Australia*

³ Hill, Andrew and Alison Brett, 'The Effectiveness of Counselling with Older People: Results of a Systematic Review' (2005) 5(4)

inclusion of counselling in national programs to assist in providing early and responsive wellbeing interventions.

We know that counselling is an underutilised asset in early intervention and prevention. Greater access to counselling provided by registered counsellors in a wide range of settings, including primary care, will contribute to a more sustainable and flexible mental health system. This is particularly crucial in rural and remote areas where access to mental health services can be limited. According to a 2020 workforce study, 30% of counsellors are located outside metropolitan centres. This means that access in rural and regional locations can be rapidly enhanced with minimal effort and expense.⁴ In addition, counselling is a flexible and accessible service that is as effective when accessed via telehealth or video conference.

- The Better and Fairer Schools Agreement
 - National Priority Area – Wellbeing for Learning and Engagement

Counsellors can be particularly effective in school settings.⁵ Workforce data from 2020 illustrates that over 35% of counselling practitioners already work with young people or children showing high demand and expertise, yet less than 6% are employed in education settings.⁶ PACFA Registered Counsellors offer a flexible option for a stepped approach to meeting the needs of young people in schools.

Draft recommendation 4.5



Draft recommendation 4.5

The next agreement should clarify responsibility for carer and family supports

The next agreement should clarify the level of government responsible for planning and funding carer and family support services for supporters, families, carers and kin of people with lived and living experience of mental ill health and suicide.

PACFA supports the recommendation that the next agreement should clarify responsibility for carer and family supports. Counselling is flexible and adaptable to the needs of the client and their carers and supports, particularly in targeting programs to children, families and relationships. Counselling

⁴ Bloch-Atefi, Alexandra et al, 'A Snapshot of the Counselling and Psychotherapy Workforce in Australia in 2020: Underutilised and Poorly Remunerated, Yet Highly Qualified and Desperately Needed' (2021) 9(2) *Psychotherapy and Counselling Journal of Australia*

⁵ Finning, Katie et al, 'Longer-Term Effects of School-Based Counselling in UK Primary Schools' (2022) 31(10) *European Child & Adolescent Psychiatry* 1591; Masia Warner, Carrie et al, 'Can School Counsellors Deliver Cognitive-behavioural Treatment for Social Anxiety Effectively? A Randomized Controlled Trial' (2016) 57(11) *Journal of Child Psychology and Psychiatry* 1229

⁶ Bloch-Atefi, Alexandra et al, 'A Snapshot of the Counselling and Psychotherapy Workforce in Australia in 2020: Underutilised and Poorly Remunerated, Yet Highly Qualified and Desperately Needed' (2021) 9(2) *Psychotherapy and Counselling Journal of Australia*

offers flexible support to those living with a disability, their carers and their families, and counselling, where available, is in high demand for these cohorts.

A 2010 UK report examining carers of individuals with chronic illnesses highlights the critical need for support systems for carers.⁷ The report emphasizes that carers often experience isolation, anxiety, depression, and guilt. They frequently become the primary outlet for the patient's frustration and worry, which can strain the relationship and negatively affect both individuals over time. The author advocates for counselling to reduce isolation, provide emotional support, and help carers develop effective coping strategies to sustain their role.

A 2019 review by the UNSW Social Policy Research Centre reviewed existing research to get a picture of the social impacts of caring.⁸ Counselling can provide carers with key information, coping skills and techniques to manage stress and relax. Importantly, counselling provides carers with the opportunity to express their feelings and receive emotional support. The report found:

- Counselling improved the overall quality of life and relationships for carers of people with cancer and helped improve how families functioned for people who had experienced a stroke.
- Telephone counselling and meditation-based approaches helped reduce depression in carers of people with dementia.
- Art therapy helped improve mental health for carers of people with cancer, reducing anxiety, stress, and negative emotions.

PACFA registrants are well-positioned to provide high-quality support to carers. With a broad network of practitioners across rural, regional and metropolitan areas, these counsellors offer accessible and affordable services, enabling carers to receive timely support without long waiting periods.

Draft recommendation 4.12



Draft recommendation 4.12

Funding should support primary health networks to meet local needs

The next agreement should emphasise national consistency in areas where there are efficiency gains, including standardising reporting requirements across primary health networks (PHNs) and jurisdictions where possible and investigating ways to standardise procurement and data collection processes.

Funding arrangements in the next agreement should provide PHNs with sufficient flexibility to commission locally relevant services or support existing services where they have been positively evaluated. National service models should not limit the ways in which PHNs meet their communities' needs.

PACFA supports flexible funding arrangements in future agreements to ensure Primary Health Networks (PHNs) have flexibility to commission services that best meet community needs.

⁷ Kelly, Mike, 'WHO CARES.....FOR THE CARERS?' (2010) 36(1) *Journal of Renal Care* 16

⁸ Hill, Trish and T Broady, *Understanding the Social and Emotional Needs of Carers: Final Report* (UNSW Sydney, 2019)

Counselling could play a much larger role within PHNs and contribute to addressing a broad range of mental health concerns. Unfortunately, however, current funding mechanisms often limit the effective utilisation of the available counselling workforce.

Current commissioning structures limit the provision of counselling to non-counselling trained professionals, such as psychologists. This unnecessarily limits all talk therapy provision to the non-person-centred paradigm of diagnosis and symptom management. Counselling can be effective for a wide range of mental health related needs that do not align with diagnosis, such as grief and loss, alcohol and other drug abuse, stress and anxiety, depression-associated malaise, school counselling, early intervention for suicide risk, family therapy, crisis support, domestic violence and relationship counselling.⁹

This misalignment of objectives is particularly evident in the Medicare Better Access initiative, where financial incentives confine General Practitioners to refer clients with all levels of mental health symptomatology to psychologists. As a result, patients are frequently directed toward services that are do not align with their specific needs and circumstances at that time. In many cases, referral to a counsellor would be a much more effective and affordable fit for their therapeutic needs.

An independent review of the Better Access initiative highlighted accessibility issues within the scheme.¹⁰ One clear example is the way in which utilisation of the scheme favours those on a higher income living in a major metropolitan area. The review also noted growing concerns around affordability, with the consumer costs of accessing sessions under Better Access increasing.

Additionally, Better Access appears to be utilising psychologists to provide services to individuals with relatively low levels of need at unnecessarily high cost. Many of these people could be more appropriately supported through services offered by counsellors, who can work with clients with mild to moderate mental health concerns to:

- Gain greater understanding of themselves and others
- Identify underlying causes of presenting symptoms (such as anxiety and depression)
- Manage change to resolve identified concerns
- Explore aspects of identity, spirituality and past experiences
- Build self-awareness and change behaviour
- Address grief and loss, trauma, domestic violence or use of alcohol and other substances
- Intervene early to support enhanced relationships with family and community
- Provide the support necessary to prevent suicide

A 2020 study by Converge International found that counsellors outperformed psychologists in several key areas, including building rapport, understanding client issues, and achieving better outcomes, while also receiving fewer complaints.¹¹ PACFA urges that future funding models empower PHNs with

⁹ Moloney, Lawrence, Child Family Community Australia., and Australian Institute of Family Studies., *Defining and Delivering Effective Counselling and Psychotherapy* (Australian Institute of Family Studies, 2016)

¹⁰ Pirkis, Jane et al, *Evaluation of Better Access* (University of Melbourne, 12 December 2022)

¹¹ Page, Cate, *Counselling Efficacy between Professions* (White Paper, Converge International, 2020)

the flexibility to commission appropriately qualified and registered counsellors and psychotherapists, ensuring that client care is driven by need and suitability rather than by funding incentives.

Draft recommendation 4.13



Draft recommendation 4.13

The next agreement should support the implementation of the National Mental Health Workforce Strategy

The next agreement should support the implementation of the National Mental Health Workforce Strategy. This should include:

- clear commitments to, and timelines for, priority actions under the National Mental Health Workforce Strategy
- an explicit delineation of responsibility and funding for workforce development initiatives.

Counsellors and psychotherapists can provide additional coverage in mental health care with significantly lower waiting times than psychologists.

Counsellors and psychotherapists are well-equipped for greater utilisation across a range of mental health systems and services, including federally funded programs such as PHNs and the NDIS, as well as in state-funded school, community, aged care and acute mental health settings. While the roles counsellors play across these environments may differ, their clinical training enables them to adapt and contribute meaningfully. With appropriate credentialing, counsellors can support triage and assessment processes, in addition to providing therapeutic care.

While counsellors and psychotherapists frequently support individuals experiencing mild to moderate mental health issues—particularly anxiety and depression, many also possess specialised expertise in treating complex diagnosable conditions such as trauma and eating disorders, where evidence strongly supports the use of talk therapies as best practice.¹² In an integrated mental health system, counsellors could be well-positioned to offer psychosocial support for individuals transitioning between acute and primary care settings, contributing to continuity of care and recovery.

PACFA registration allows employers and funding bodies to recognise verified counsellors who meet high professional standards to support their communities. PACFA maintains rigorous registration criteria and is proud to uphold the highest standards in the sector. All registrants must practise within PACFA's Scope of Practice and adhere to the Code of Ethics and grievance procedures. To be registered with PACFA, practitioners must meet the following requirements:

¹² Kass, Andrea E, Rachel P Kolko and Denise E Wilfley, 'Psychological Treatments for Eating Disorders' (2013) 26(6) *Current Opinion in Psychiatry* 549



‘Certified Practising Counsellors’ must have completed an accredited course or equivalent (this mandates that the course must be Bachelor or postgraduate level, (AQF 7-9) and include a placement and clinical supervision).



‘Registered Clinical Counsellors’ must have completed the above plus an additional 750 hours of client contact and 75 hours of clinical supervision over more than two years. This recognises the experience of senior counsellors.



‘Registered Clinical Psychotherapists’ must be a clinical member of PACFA as above and have completed significant specialised psychotherapy training as well as personalised therapy.

As with PACFA’s clinical psychotherapists, counsellors can provide specialised counselling across a range of disciplines to provide the right care for a client’s needs. PACFA’s specialist colleges allow for registrants to be recognised as a specialist in the fields of Psychotherapy, Relationship Counselling, Indigenous Healing Practices, Creative and Experiential (art) Therapies, and Clinical Supervision for a range of service providers.

Accredited counsellors with a specialisation in Supervision provide high-quality clinical supervision across disciplines. They routinely support the professional development and ethical practice of psychologists, general practitioners, social workers, youth workers, mental health and disability support workers, coaches and educators. Despite its critical importance to workforce sustainability and safety, clinical supervision remains an under-recognised function in the mental health system for the prevention of compassion fatigue and burn-out, one that counsellors are particularly well-qualified to deliver.

Draft recommendation 5.1



Draft recommendation 5.1

An Aboriginal and Torres Strait Islander schedule in the next agreement

The next agreement should include a separate schedule on Aboriginal and Torres Strait Islander social and emotional wellbeing. This schedule should be developed in a process of co-design with Aboriginal and Torres Strait Islander people.

The schedule should:

- align with the National Agreement on Closing the Gap and other important documents and include tangible actions, with commensurate funding, to improve the social and emotional wellbeing of Aboriginal and Torres Strait Islander people, including better mental health and suicide prevention outcomes
- clarify governance for its design and implementation, including the role of the Social and Emotional Wellbeing Policy Partnership established under the National Agreement on Closing the Gap as the decision-making forum over issues relating to Aboriginal and Torres Strait Islander social and emotional wellbeing
- measure progress in a strengths-based way, with community-led evaluation
- articulate and embed priorities highlighted by community such as cultural safety in all services, and greater investment in the community-controlled sector and the Aboriginal and Torres Strait Islander social and emotional wellbeing workforce.

PACFA supports the inclusion of a separate schedule on Aboriginal and Torres Strait Islander social and emotional wellbeing and highlights the role of qualified practitioners in Indigenous healing practice as a key part of the Counselling and Psychotherapy workforce. [PACFA's College of Indigenous Healing Practices](#) (CIHP) led by an Indigenous Leadership Group, advocates for access to, and training in, therapeutic healing practices founded in Indigenous ways of knowing, being and doing.

Within PACFA's *Indigenous Healing Practice Training Standards (2021)*, CIHP broadly defines healing as a return to wholeness and restoration of connection and relationships that are central to the wellbeing of individuals, families and extended kinship networks, Elders and the ancestors, communities, and whole of nations. Indigenous Healing Practice emerges from foundations of safety and deep listening and can facilitate self-healing - the return of spirit to its centre, the healing of others, truth-telling and dreaming.

CIHP has outlined eight core features of Indigenous Healing Practice that form the foundation for both PACFA-registered Indigenous Healing Practitioners and PACFA-accredited Indigenous Healing Practice training programs. Intended to be interpreted in a broad and inclusive manner, the features are:

- Deep listening
- Relationships
- Connection to Country
- Culture
- A focus on family and community healing
- Mind, body, and emotions
- Indigenous pedagogy and decolonising practices
- Spirituality



PACFA's College of Indigenous Healing Practices endeavours to support and nurture Indigenous Healing Practice and Practitioners. CIHP aims to ensure that there is awareness of, and access to, Indigenous Healing practice primarily for Aboriginal and Torres Strait Islander people who are bearing complex and intergenerational trauma but also for the broader Australian community.

For more information:

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