Mental Health Victoria's

Submission to Productivity Commission

Review of the National Mental Health and Suicide Prevention Agreement

Following the Interim Report

About Mental Health Victoria

Mental Health Victoria (MHV) is the peak body for mental health and wellbeing, that exists to ensure every Victorian has access to the enablers of positive mental health and wellbeing. MHV Associates (member organisations) form a diverse and dynamic network representing the breadth of the mental health and wellbeing sector. This includes mental health service providers from the public health, private and non-government sector, community health, and allied sector organisations.

MHV regularly brings together the voices of the mental health and wellbeing sector and community to engage and provide input into matters of public policy that shape Victoria's mental health system and outcomes.

MHV acknowledges the Wurundjeri people as the Traditional Owners of the lands on which we work. We pay our respects to their Elders, past and present, and Aboriginal Elders of other communities across Victoria and Australia. We recognise the rich history, unbroken culture, and ongoing connection of Aboriginal and Torres Strait Islander people to country, and that sovereignty was never, and has never been ceded.

We also acknowledge all those that we know, meet, and work alongside, who are living with, or who have lived with, the experience of mental health vulnerability. We thank them for sharing their knowledge and expertise, recognising that their voices are vital to improving and strengthening the mental health system.

Mental Health Victoria Ltd is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a Public Benevolent Institution (PBI).

The Australian Taxation Office (ATO) has endorsed the company as an Income Tax Exempt Charity. As a result, it receives income and certain other tax concessions, along with exemptions consistent with its status as a PBI which relate to Goods and Services and Fringe Benefits taxes. Mental Health Victoria is also endorsed by the ATO as a Deductible Gift Recipient (DGR).

Mental Health Victoria Ltd (ABN 79 174 342 927) is a public company limited by guarantee.

Our registered office is located at 6/136 Exhibition Street, Melbourne 3000.

Overview of this submission

Mental Health Victoria (MHV) is pleased to provide this submission to the Productivity Commission's review of the *National Mental Health and Suicide Prevention Agreement* (NMHSPA), following the release of the Productivity Commission's *Interim Report*.

MHV is a member-based peak body that represents mental health organisations from the public health, private and non-government sector, community health, and allied sector organisations in Victoria. MHV makes this submission as part of a series of written advice to both the Productivity Commission and Government to inform considerations of the next iteration of the National Agreement.

This submission has been informed by both MHV members, and broader sector targeted engagement which has included both discussion forums and survey approaches. The submission also draws on MHV's broader policy and advocacy work with the sector and the community and integrates key themes. Concerningly, MHV's consultation process identified a recurrence of themes from similar and past inquiries which are indicative of a lack of coordination and commitment to address longstanding barriers and system issues.

Having the benefit of participating in an ambitious reform process, MHV make the observation that failure to adequately attend to the suitability of the foundations of any system and the readiness of enablers for change is likely to result in significant implementation complexity and obstacles. Accordingly, through this submission, MHV have sought to highlight the need to attend to structural barriers that have repeatedly rate limited innovation and sustainable change.

MHV is pleased that many recommendations in the Productivity Commission's *Interim Report* align with MHV's initial submission to the NMHSPA review. MHV again observe the failure of the current agreement to fulsomely acquit its vision, and it is with this in mind that MHV have structured this submission to include both enabling recommendations (made regarding the NMHSPA as an instrument) and material recommendations (that speak to policy priorities within the NMHSPA):

Enabling Recommendations	
1	**Policy sequencing** The development of the next NMHSPA occurs without further delay and in parallel with the *National Health Reform Agreement* and should be preceded by priority completion and release of the *National Stigma and Discrimination Reduction Strategy* and the detailed *National Guidelines on Regional Planning and Commissioning* no later than the end of 2025.
2	**Accountability** The next NMHSPA be released alongside a set of companion outcome measures and an implementation plan detailing reporting and governance arrangements that ensure transparency and accountability.

Material Recommendations	
3	**Psychosocial supports and unmet need** The NMHSPA should be the instrument through which psychosocial supports and response to unmet need outside of the NDIS be formalised. The roles and responsibilities of the Commonwealth, States and Territories should be defined as well as the principles for funding and services delivery.
4	**Workforce** The *National Workforce Strategy* should be implemented in partnership with States and Territories and include an agenda that ensures the contemporising of mental health curricular across disciplines, and shared responsibility for workforce growth.
5	**Data** A national mental health data strategy should be developed and published.
6	**Prevention and Early Intervention** The NMHSPA establishes a framework for ensuring prevention and early intervention initiatives are implemented and sustained to maturity.
7	**Governance and Coordination** The National Mental Health Commission undertake a comprehensive review of the organisation of the national mental health governance and service delivery model and relationship between the Commonwealth and States.

Enabling Recommendations

Recommendation One: Policy sequencing

The development of the next NMHSPA occurs without further delay and in parallel with the *National Health Reform Agreement* and should be preceded by priority completion and release of the N*ational Stigma and Discrimination Reduction Strategy* and the detailed *National Guidelines on Regional Planning and Commissioning* no later than the end of 2025.

MHV note the current NMHSPA is due to expire in June 2026, and the recommendation of the Productivity Commission to extend this by 12 months with an expiry date of June 2027.[i]

MHV understands and agrees in principle with the Productivity Commission's intention through this recommendation to give sufficient time for codesign and to refresh the National Mental Health Strategy. However, MHV seek to raise awareness of the potential unintended consequences of further delay to a revised Agreement, particularly given the lack of progress made within the terms of the existing Agreement. Should the Productivity Commission maintain its recommendation for the cadence of release, MHV recommend this be accompanied by a statement of intervening activity to be progressed in the interim, including the release of previously committed policy outputs including the N*ational Stigma and Discrimination Reduction Strategy* and the detailed *National Guidelines on Regional Planning and Commissioning*.

MHV is particularly concerned that a delay in finalising the new Agreement will further compound and extend the ambiguity that currently surrounds the delivery of psychosocial supports and unmet need outside of the NDIS. MHV believes that this will result in both poor consumer outcomes and a market readiness decline.

MHV agree with the recommendation of the Productivity Commission that there is an immediate need for Governments to focus on defining psychosocial supports, designing solutions and agreeing on the roles of the Commonwealth and State however are of the view that 2 years is an excessive and unacceptable delay for clarity.

Finally, with the *National Health Reform Agreement* (NHRA) currently under review and being the mechanism by which most mental health services are funded, MHV believe that further delay in the NMHSPA would result in a missed opportunity to drive integration across the health system underpinned by commitments to sustainable mental health investment.

Recommendation Two: Accountability

The next NMHSPA be released alongside a set of companion outcome measures and an implementation plan detailing reporting and governance arrangements that ensure transparency and accountability.

The next NMHSPA should include clear outcome and output measures along with an implementation plan that identifies accompanying strategies, and clarity on roles responsibilities.

As discussed in Recommendation 7 within this submission, too often government policy and funding solutions are siloed, lack integration and result in a fragmented approach to how commonwealth and state funded initiatives are delivered. Combined with inadequate mechanisms for guiding and monitoring implementation this results in a lack of accountability and transparency

The next NMHSPA must be accompanied by a clear set of outcome and output measures, together with a companion implementation plan that clearly sets the cadence of priorities and roles and responsibilities agreed across jurisdictions.

The National Mental Health Commission should play an independent oversight and monitoring role of the next agreement and should play a lead role in convening stakeholders.

MHV supports the Productivity Commission recommendation to elevate the role of the National Mental Health Commission to improve effective operation of the NMHSPA, by making the National Mental Health Commission an independent statutory authority and tasking it with monitoring and reporting on progress and outcomes.

Governance of the next NMHSPA should be inclusive of sector perspective along with lived and living experience.

Sector perspective is critical in the governance and monitoring of the NMHSPA and while the re-introduction of interjurisdictional mental health Ministers' meetings and other intergovernmental governance structures have been positive, future governance structures must be more inclusive of sector, consumer, and carer perspectives.

To this end, whilst the Productivity Commission has recommended that the negotiations of the next NHMPSA are led by the Department of Prime Minister and Cabinet with jurisdictional counterparts, MHV caution against the loss of critical subject matter expertise if these negotiations are not underpinned by sufficient engagement with jurisdictional administrators.

Material Recommendations

Recommendation Three: Psychosocial supports and unmet needs

The NMHSPA should be the instrument through which psychosocial supports and response to unmet need outside of the NDIS be formalised. The roles and responsibilities of the Commonwealth, States and Territories should be defined as well as the principles for funding and services delivery.

Settling the roles and responsibilities of the Commonwealth, States and Territories as well as the principles for funding and delivering services in the context of psychosocial supports and unmet needs is urgently required.

There are currently an estimated 130,020[ii] Victorians who have unmet psychosocial needs, and around 500,000 nationally.[iii] While Governments have acknowledged the need to address this gap, little progress has been made since the release of the assessment.

To understand the impacts in Victoria, MHV undertook a Victorian sector survey in 2025 [iv] and identified:

- The rate of NDIS applications that have been declined has increased in the last 2 years, and there is an increase in the number of application attempts required before a consumer receives approval for a package.
- The rate of consumers assessed at review as no longer meeting eligibility for the NDIS has increased in the last 2 years.
- The overall value of packages and range of inclusions has decreased in the last 2 years.
- There is an observed increase in prevalence of consumers requiring enduring psychosocial support secondary to a severe mental illness who are assessed as ineligible for the NDIS on the basis that the functional need, or 'disability' is not considered permanent.
- The need for supports outside of the NDIS is growing as a consequence of declined NDIS applications and the decreased scale of those approved, resulting in increased pressure on other parts of the system including the Early Intervention Psychosocial Support Response and Mental Health and Wellbeing Local Services (and Mental Health and Wellbeing Hubs).

MHV recommend the Productivity Commission consider how recent and current lines of enquiry can be used to expedite the development of the next Agreement including work undertaken to inform the review of the National Disability Insurance Scheme (NDIS), design of Foundational Supports outside of the NDIS, and any progress made to date on a response to unmet need.

Specific recommendations by MHV related to the provision of psychosocial supports and resolution of unmet need outside of the NDIS are reserved for inclusion in future consultation.

Recommendation Four: Workforce

The *National Workforce Strategy* should be implemented in partnership with States and Territories and include an agenda that ensures the contemporising of mental health curricular across disciplines, and shared responsibility for workforce growth.

Australian states and territories are experiencing critical mental health workforce shortages. In 2019, the number of mental health workers was 32% below the National Mental Health Service Planning Framework (NMHSPF) target. If not addressed, this is estimated to increase to 42% by 2030[v].

Jurisdictions are competing for the same resource at significant expense, and the current NMHSPA has not made the impact on workforce shortages necessary to support system growth to meet demand. Currently, states and territories are burdened with the need to invest in high-cost graduate training programs that supplement gaps in mental health curriculum and contribute to delays in the work-readiness of graduates.

The next NMHSPA must ensure mechanisms are in place to support implementation of the *National Workforce Strat*egy and monitor for implementation barriers requiring additional cross-jurisdiction support. Specifically, MHV recommends a focus on ensuring coordination and leadership of a review of mental health curricular across all disciplines, and expansion of graduate pathways and programs aligned to the primary care system.

Recommendation Five: Data

A national mental health data strategy should be developed and published.

A consistent approach to the collection of data for experience and outcome measures, activity, system performance and workforce is required.

This could be achieved through the development of a *National Mental Health Data Strategy* that defines roles and responsibilities for cooperation across jurisdictions and implemented through state health service and Primary Health Network levels.

MHV recommends where possible the standardisation of data and reporting systems and metrics across jurisdictions to support improved coordination and planning, together with sophistication of mechanisms for the measurement of impact on population level outcomes.

Outcome measures

MHV support Mental Health Australia's call for the consistent and National implementation of the Your Experience Survey (YES), Carer Experience Survey (CES) and the National Best Endeavors Data set for non-government mental health organisation (NGO-E)[vi].

Activity reporting

The *Final Report* of the Royal Commission into Victoria's Mental Health System concluded that existing data collection systems are *"not fit for purpose."*[vii] Through extensive sector consultation, the Commission identified several key issues, including a lack of data on specific interventions, limited information about diverse communities, and an overemphasis on compliance-based reporting[viii]. Overall, the Commissioners found that current data practices do not support data-informed decision-making or continuous improvement of mental health and wellbeing services[ix].

MHV support the Australian Medical Association's [x] guidance for reducing unnecessary administrative burdens on clinical staff, however, observe that the investment that is necessary to ensure improved processes for data collection across jurisdictions will vary. National leadership and coordination of efforts to identify available and emerging technologies to reduce the reporting burden for health professionals would result in significant service efficiency and system insights leading to improved planning and coordination.

Performance data

Performance data should be made publicly available through the development of a dashboard. The National Mental Health Commission should play a lead role in this and work in collaboration with jurisdictional Peaks and Commissions.

Recommendation Six: Prevention and Early Intervention

THE NMHSPA establishes a framework for ensuring prevention and early intervention initiatives are implemented and sustained to maturity.

The need for investment in prevention and early intervention is undisputed[xi], the Productivity Commissions Mental Health Inquiry documented a strong case for the need to invest in prevention and promotion[xii] but despite this, investment remains minimal and poorly sustained, with the prevalence of mental health issues and inequalities remain the same[xiii].

MHV sector consultations identified that the lack of sustained commitment and long-term investment in prevention and early intervention initiatives is a growing concern. Initiatives frequently suffer a reduction or loss of funding prior to a point of maturity which perpetuates a cycle of missed opportunity to reduce the impact and severity of mental illness. The origin of this issue is understood as arising from:

- Early intervention and prevention policies and programs requiring longer periods to achieve impact than funding and election cycles provide.
- Early intervention and prevention policies and programs requiring cross-portfolio or whole government commitment.
- Early intervention and prevention initiatives contributing to and being impacted by a range of other public policies that make causal outcome measures difficult to implement.

MHV recommends the implementation of mechanisms that ensure innovations in early intervention and prevention initiatives be supported for minimum periods to ensure outcomes

and evaluations are based on learnings from longitudinal studies and the full maturity of the initiative.

Further, MHV recommend that public policy domains influencing the enablers of positive mental health and wellbeing be subject to assessments of compatibility to ensure that investment in early intervention and prevention initiatives. The National Mental Health Commission should have a role in undertaking impact assessments and providing advice that ensures early intervention and prevention priorities are not undermined by competing impacts of other public policies.

Recommendation Seven: Governance and Coordination

The National Mental Health Commission undertake a comprehensive review of the organisation of the national mental health governance and service delivery model and relationship between the Commonwealth and States.

Currently, the Commonwealth and states and territories have shared responsibility for the planning, funding, service delivery, and governance that comprise the mental health 'system,' as well as the levers that are the enablers of this system. Either intentionally or as a consequence of the complexity of system navigation, a high proportion of service users will move through a pathway of care that engages both funding streams. However, for reasons well documented historically, the systems remain stubbornly disparate.

The *National Health Reform Agreement 2020-2025* made a series of recommendations for the improvement of cooperation and coordination of the planning and delivery of health services within the federated system of health governance. Ideally, these recommendations would respond to issues arising from the entrenched fragmentation of the mental health system, however the increasing complexity and rate of change across jurisdictions is likely to mean that the mental health system continues to operate with added layers of administrative complexity that ultimately translate into navigation and connection challenges for the community. For example, in Victoria community based mental health services targeting the missing middle are operated by both the Commonwealth (Medicare Mental Health and Wellbeing Centre's) and the state (Mental Health and Wellbeing Locals).

MHV recommend the National Mental Health Commission be positioned to lead a review of the current organisation of mental health within the federated system and make recommendations for changes that contemporise and clarify the roles and responsibilities of each jurisdiction, as well as mechanisms to ensure seamless collaboration and cooperation at each level of the system.

Summary of consultation process

The final review of the NMHSPA and the opportunity to re-negotiate the future Agreement is significant for the mental health and wellbeing sector in Victoria. The NMHSPA touches on so many components of the mental health system, therefore MHV is taking an ongoing approach to consulting with Associates and the broader sector.

MHV hosted an Associate only discussion forum to discuss the strengths and weaknesses of the NMHSPA, as well as the extent to which it allows for flexibility and innovation, and the information in this submission primarily reflects those insights. It also builds on discussions MHV has with Associates on a regular basis about their experience of service delivery and funding.

MHV intends to make a second submission following the release of the Productivity Commission's draft report and will advocate to all levels of government on behalf of MHV Associates and the sector in the renegotiation of a future NMHSPA.

Get in touch

MHV thank you for the opportunity to contribute to this consultation and welcome any opportunity to explore these themes further.

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References

[i] Productivity Commission, Mental Health and Suicide Prevention Agreement Review, Interim Report, p.14.

[ii] Australian Institute of Health and Welfare, Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme Final report, p.81.

[iii] Productivity Commission, Mental Health and Suicide Prevention Agreement Review, Interim Report, p.94.

[iv] Mental Health Victoria, NDIS access for psychosocial support services survey, 2025.

[v] National Mental Health Commission, National Report Card 2024, p.33.

[vi] Mental Health Australia, Submission to the Productivity Commission Review of the National Mental Health and Suicide Prevention Agreement, March 2025.

[vii] Royal Commission into Victoria's Mental Health System, Final Report; Volume 5-Transforming the System, 2021, p.93.

[viii] Royal Commission into Victoria's Mental Health System, Final Report; Volume 5-Transforming the System, 2021.

[ix] Royal Commission into Victoria's Mental Health System, Final Report; Volume 5-Transforming the System, 2021.

[x] Australian Medical Association, AMAV - Get Rid of 'Stupid Stuff' in Victorian Healthcare in Victorian Healthcare.

[xi] Royal Commission into Victoria's Mental Health System, Final Report; Volume 1- A new approach to mental health and wellbeing in Victoria, 2021.

[xii] Productivity Commission, Inquiry Report into Mental Health, June 2020.

[xiii] Beyond Blue, Submission to Productivity Commission's Mental Health and Suicide Prevention Agreement Review, March 2025.