



# **Submission to the Productivity Commission's Final Review into the National Mental Health and Suicide Prevention Agreement**

**March 2025**

St Vincent's Health Network Sydney and THIS WAY UP welcome the Productivity Commission's Final Review of the National Mental Health and Suicide Prevention Agreement (National Agreement). We strongly support its focus on enhancing integration, improving service effectiveness, and ensuring sustainable, high-quality mental health care for all Australians.

## Background

Australia's mental health and suicide prevention system stands at a pivotal juncture.

Despite substantial investments and policy reforms, fundamental gaps persist in the Australian system. Approximately **54%** of Australians with mental illness remain untreated<sup>1</sup> and only **16%** receive minimally adequate treatment.<sup>2</sup>

THIS WAY UP (TWU) was developed by frontline clinical researchers at St Vincent's Clinical Research Unit for Anxiety and Depression. TWU is a leading provider of digital mental health solutions that are specifically designed to address these critical gaps.

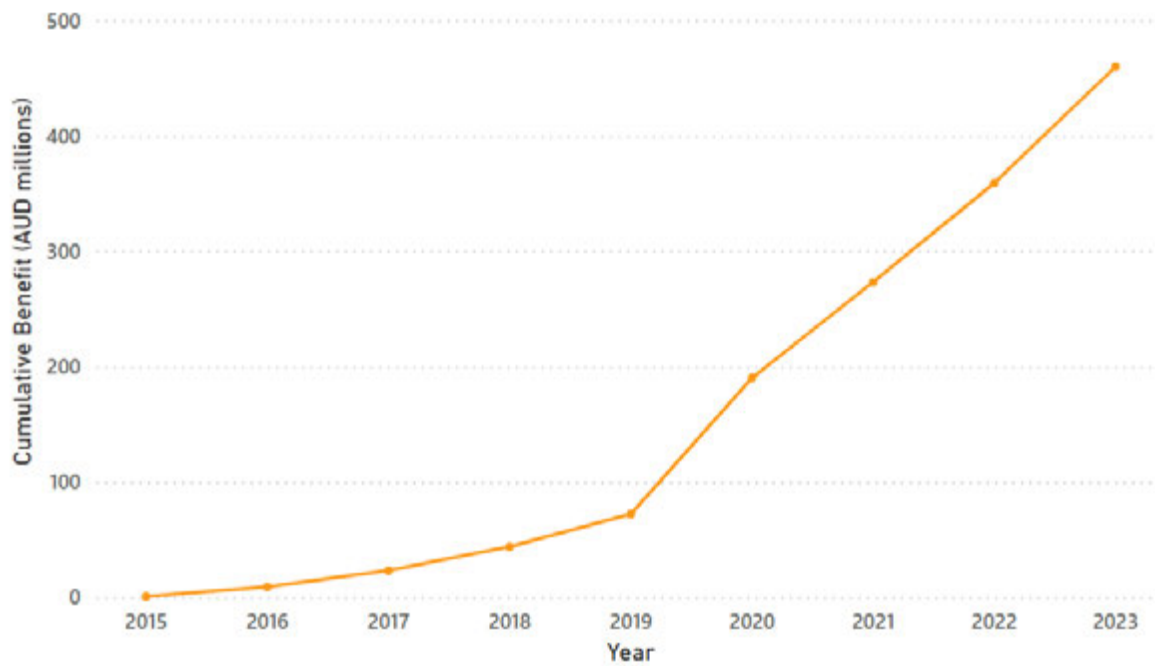
TWU has demonstrated significant value to the Australian mental health system. Through online Cognitive Behavioural Therapy (iCBT), TWU has provided care to **over 300,000 Australians**, delivering an estimated **\$287 million** in health benefits and **\$172.7 million** in economic savings since 2015 (Figure 1).

The 2020 Productivity Commission Mental Health Inquiry Report recognised digital mental health services as a key intervention to improve system efficiency and accessibility. The report highlighted TWU as a high-quality, cost-effective service that enhances access, supports consumer choice, and improves mental health outcomes. It recommended expanding online treatments to reduce strain on face-to-face services and improve service delivery efficiency.

TWU has directly contributed to achieving the objectives of the National Agreement through:

- Effective preventive and early intervention strategies.
- Enhanced service integration with diverse healthcare providers.
- Accessible and evidence-based mental health interventions.

This Review presents a crucial opportunity to further embed digital mental health solutions into Australia's mental health system. We have outlined four recommendations to address key priorities outlined in the National Agreement.



**Figure 1 – Cumulative health and economic benefits generated by TWU since 2015 (see Attachments for summary of SPP report)**

## Recommendations

***Recommendation 1:** Embed digital mental health services into primary, specialist, and community care through bilateral agreements, policy and funding mechanisms.*

TWU's digital interventions have successfully integrated into a wide range of healthcare environments across Australia, demonstrating improved outcomes and efficiency. TWU collaborates with services established under the National Agreement, helping to reduce system fragmentation, including:

- **Adult Mental Health Centres:** Implementing a blended care approach that combines TWU's online programs with tailored face-to-face clinical support. This has effectively reduced wait times and increased service capacity at Canberra Medicare Mental Health Centre - <https://www.linkedin.com/pulse/walk-in-clinic-lighting-way-innovative-mental-health-support-team/>
- **Youth mental health:** Using TWU programs to offer immediate, evidence-based care for young people facing long wait times for traditional services, and reduce symptom progression and potential deterioration at Griffith headspace and other centres.
- **Perinatal mental health:** Child and Family Health Nurses at Orange Community Health Service using TWU's postnatal depression programs to provide prompt and accessible care, addressing critical service gaps in rural communities - <https://www.linkedin.com/pulse/remote-connection-meet-rural-nurses-helping-new-parents-team/>

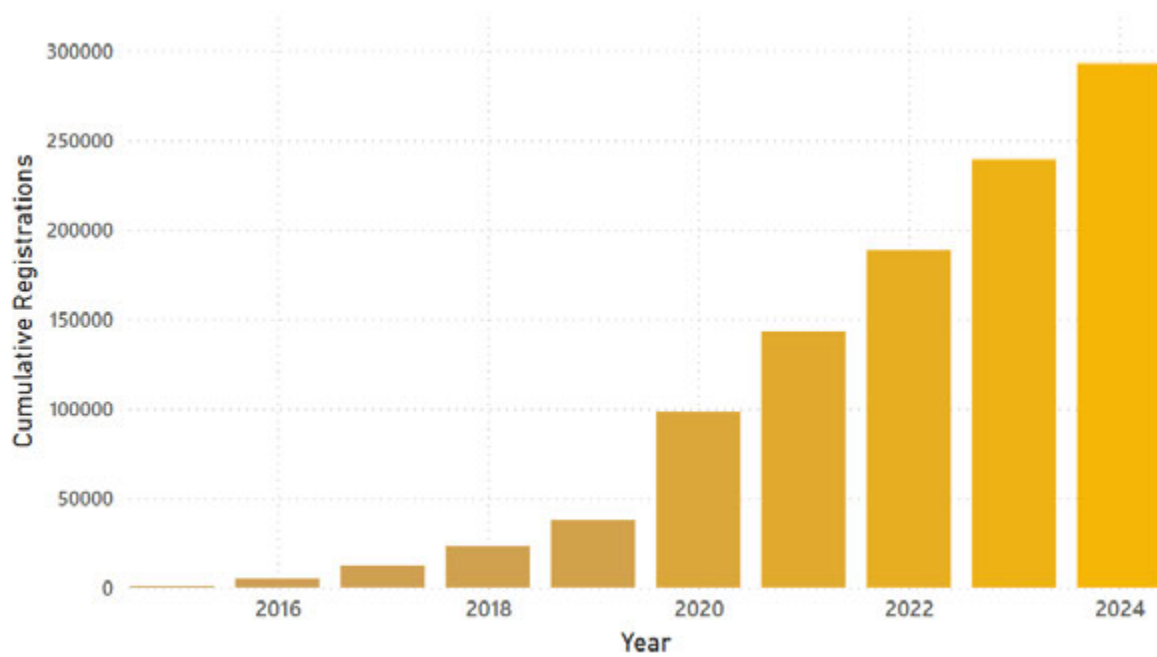
Digital mental health services are effective and safe for patients with mild to severe symptoms, at different stages of their mental health journey. An independent evaluation by the University of Melbourne found that digital mental health services, like TWU, are more cost-effective than traditional face-to-face care, delivering greater benefits at a lower cost.<sup>3</sup>

TWU is clinically proven to improve health outcomes and quality of life. Our programs are backed by 38 years of research, 40 clinical trials and 24 real-world effectiveness studies. These studies have shown that 80% of users benefit substantially and 50% are no longer troubled by their symptoms.

Lived Experience Australia has found that patients face wait times exceeding 12 weeks for traditional therapy.<sup>4</sup> In contrast, THIS WAY UP users can begin online treatment programs almost immediately, circumventing lengthy queues and preventing symptom escalation.

Targeted investment can support the expansion of these models across Australian healthcare settings, using digital mental health services to complement and enhance existing face-to-face services. Digital mental health services like TWU can be made available across all states and territories and should be considered in future bilateral agreements.

By reducing reliance on high-intensity services for mild cases, health system resources can be efficiently allocated to individuals with complex conditions—improving overall system flow and productivity.



**Figure 2 – Annual Growth in THIS WAY UP registrations since 2015**

**Recommendation 2:** *Implement Medicare or other reimbursements to incentivise clinicians to incorporate digital mental health into routine practice in line with international examples.*

TWU recommends the establishment of a sustainable reimbursement model for digital mental health services to incentivise GPs and other clinicians to use and recommend digital mental health services in their routine care. This could involve a trial of Medicare Benefits Schedule (MBS) reimbursement for digital mental health services, as a critical step toward long-term integration and sustainability.

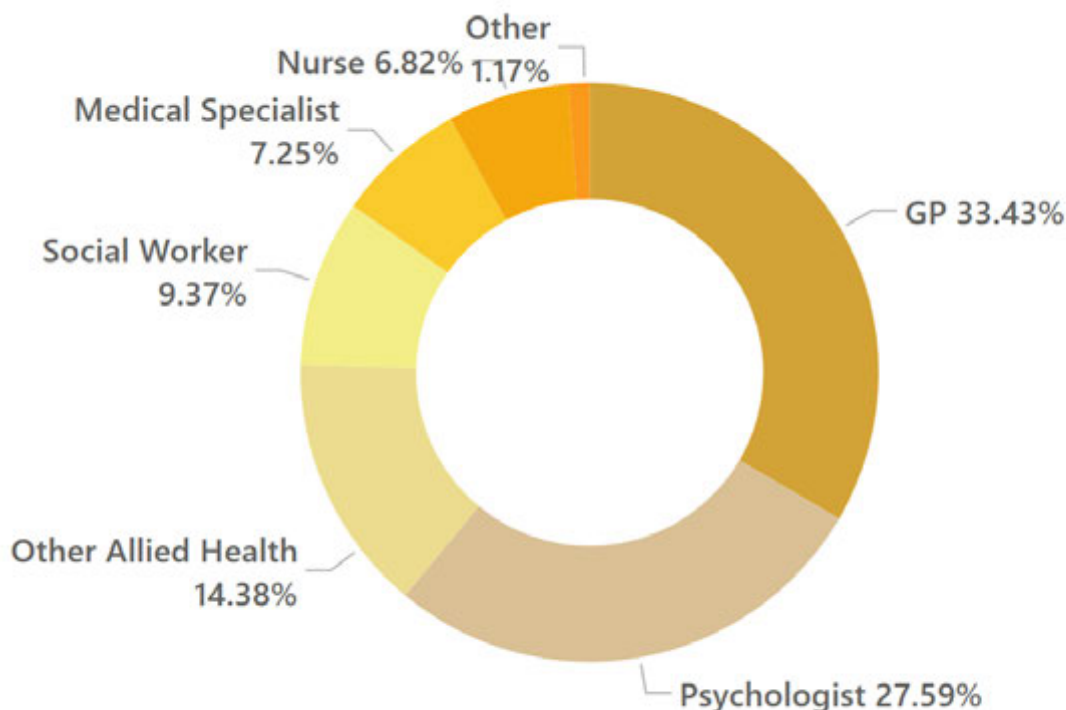
The Centers for Medicare & Medicaid Services have proposed three new reimbursement items for digital mental health services in the United States.<sup>5</sup> Models such as Germany's DiGA (Digital Health Applications) and France's PECAN (Early Access to Reimbursement for Digital Medical Devices) demonstrate that well-defined prescribing and reimbursement frameworks can drive adoption, clinician acceptance, and consumer trust. These frameworks clearly define clinical evidence requirements, prescribing protocols, and reimbursement pathways, enabling both clinicians and patients to confidently use and benefit from digital mental health interventions.<sup>6</sup>

An Australian reimbursement model could be supported by the existing safety and quality framework provided by the National Safety and Quality Digital Mental Health Standards<sup>7</sup> and regulation of software by the Therapeutic Goods Administration.<sup>8</sup>

TWU already has over 37,000 clinicians registered across Australia to prescribe our programs to their patients and clients. This includes GPs, psychologists, psychiatrists and other specialists, allied health professionals, nurses and peer workers (Figure 3). TWU collects detailed metrics to provide real-time data to clinicians, supporting safer care and data-driven improvements. TWU's blended-care model has proven cost savings of up to **AUD \$2,865** per patient.<sup>9</sup>

A formal reimbursement model for clinician-supported digital mental health services would support the aims of the National Agreement by:

- Optimising the mental health workforce by scaling clinician-supported digital treatments, reducing strain on in-person services.
- Ensuring funding is targeted on evidence-based, cost-effective interventions, improving outcomes while lowering overall system costs.
- Enhancing data-driven service improvement, aligning with the National Agreement's focus on evidence-based policy and system reform.



**Figure 3- Clinicians registered across Australia to prescribe THIS WAY UP programs**

***Recommendation 3: Drive a national initiative promoting self-guided digital programs and resources as front-line interventions for prevention, early intervention and treatment of mild-to-moderate symptoms.***

The 2020 Productivity Commission Mental Health Inquiry Report recommended that Australian Government funding should support expanded access for consumers to online treatments. As noted by the Commission, “online treatment can provide a convenient, clinically effective, low-cost way for them to manage their mental illness”.<sup>10</sup>

Consideration should be given to fully implementing these 2020 recommendations to support the National Agreement’s aims in early intervention and prevention.

TWU commends the recent investment by the Commonwealth via the Digital Mental Health Program and supports the longer-term implementation of the proposed National Early Intervention Service. TWU will play a key role in supporting these initiatives. We continue to provide one of the most established and extensive range of evidence-based, self-help programs in the country. Millions of Australians engage with our treatment programs and clinical resources every year.

***Recommendation 4: Support the co-design, development and implementation of digital mental health services for priority populations to enable greater equity of access to evidence-based care.***

TWU recommends increased support for the co-design, development, and implementation of digital mental health services tailored to priority populations, ensuring greater equity in access to high-quality, evidence-based care.

Significant disparities exist in mental health care access, with CALD communities, First Nations people, and rural Australians facing systemic barriers to care. Digital mental health solutions offer a proven, scalable, and cost-effective approach to reducing inequities while maintaining high clinical effectiveness and cultural responsiveness.

TWU’s programs and resources have been culturally adapted internationally for Māori, Pasifika, Indonesian, and Québécois communities. TWU was recently funded for the development and delivery of a unique multilingual digital mental health service to be developed in partnership with Mental Health Australia’s Embrace Multicultural Mental Health Project.

Building on these initiatives, TWU recommends broader support across governments to co-design digital mental health interventions to address the needs of priority populations.

Greater access to culturally appropriate, evidence-based digital mental health services will help reduce mental health disparities, improve service accessibility, and drive better health outcomes, ensuring that all Australians—regardless of cultural background or geographic location—have access to high-quality, evidence-based mental health care.

## Conclusion

Digital mental health services like TWU provide a uniquely scalable, evidence-based, and cost-effective solution to support the aims of the National Agreement —improving outcomes, bridging workforce gaps, and expanding equitable access.

By considering these recommendations, the Productivity Commission can help Australia harness the transformative potential of digital mental health, ensuring all Australians can access timely, high-quality care while achieving substantial cost savings.

We stand ready to collaborate with governments, health services, PHNs, clinicians and communities to implement these strategic actions. We would be happy to provide further information to the Commissioners as required to support this submission. We have attached an information pack with published research and information on our relevant collaborations.

Thank you for reviewing our submission. We look forward to continued collaboration to strengthen Australia's mental health system. Together, we can shape a resilient mental health system that delivers better experiences and outcomes for every Australian.

## Contact Information

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<sup>1</sup> Australian Institute of Health and Welfare. (2014). Australia's Health 2014. AIHW: Canberra.

<sup>2</sup> Harris, M. G., Hobbs, M. J., Burgess, P. M., Pirkis, J. E., Diminic, S., Siskind, D. J., Andrews, G., & Whiteford, H. A. (2015). Frequency and quality of mental health treatment for affective and anxiety disorders among Australian adults. *The Medical Journal of Australia*, 202(4), 185–189. <https://doi.org/10.5694/mja14.00297>

<sup>3</sup> Bassilios, B., Ftanou, M., Machlin, A., Mangelsdorf, S., Tan, A., Scurrah, K., Morgan, A., Roberts, L., Banfield, M., Spittal, M., Mihalopoulos, C., & Pirkis, J. (2022). Independent evaluation of supported digital mental health services: Phase 2 final report. Centre for Mental Health, University of Melbourne.

<sup>4</sup> Kaine, C. & Lawn, S. (2021) Consumer and Carer Experiences of Psychologist Services in Australia, Lived Experience Australia Ltd: Marden, South Australia, Australia.

<sup>5</sup> Centers for Medicare & Medicaid Services. (2024). Calendar Year (CY) 2025 Medicare Physician Fee Schedule Proposed Rule. Retrieved from <https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2025-medicare-physician-fee-schedule-proposed-rule>.

<sup>6</sup> Boyd-Skinner, C. (2022). *Driving safety and quality improvements in digital mental health service provision in Australia: International perspectives on digital mental health, digital therapeutics, and prescribing and reimbursement models*. Churchill Fellowship.

<sup>7</sup> Australian Commission on Safety and Quality in Health Care. (2020). *National Safety and Quality Digital Mental Health Standards*. ACSQHC.

<sup>8</sup> Boyd-Skinner (2022)

<sup>9</sup> See Attachments for summary of SPP Report.

<sup>10</sup> Productivity Commission 2020, Mental Health, Report no. 95, Canberra.