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# Summary of NSW Health Submission

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Australian Government Productivity Commission Final Review  
of National Mental Health and Suicide Prevention Agreement

April 2025

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## 1.1 Introduction

Thank you for the opportunity to provide a submission to the final review of the National Mental Health and Suicide Prevention Agreement (the National Agreement). This document is a summary of the NSW Health submission for publication on the Productivity Commission website.

NSW Health notes the scope of the review is as follows:

- a) the impact of mental health and suicide prevention programs and services delivered under the National Agreement to Australia's wellbeing and productivity
- b) the effectiveness of reforms to achieve the objectives and outcomes of the National Agreement including across different communities and populations
- c) the opportunities under the National Agreement to adopt best practice approaches across Australia, particularly where productivity improvements could be achieved
- d) the extent to which the National Agreement enables the preparedness and effectiveness of the mental health and suicide prevention services to respond to current and emerging priorities
- e) whether any unintended consequences have occurred such as cost shifting, inefficiencies or adverse consumer outcomes
- f) effectiveness of the administration of the National Agreement, including the integration and implementation of Schedule A and the bilateral schedules that support its broader goals
- g) effectiveness of reporting and governance arrangements for the National Agreement
- h) applicability of the roles and responsibilities established in the National Agreement
- i) without limiting the matters on which the PC may report, in making recommendations the PC should consider the complexity of integrating services across jurisdictions and ensuring that the voices of First Nations people and those with lived and/or living experience of mental ill-health and suicide, including families, carers and kin are heard and acted upon.

There have been significant changes that impact mental health and suicide prevention across the country since the National Agreement was first executed in 2022. These changes need to be taken into account when considering progress made against the objectives of the National Agreement.

The impacts of COVID-19 and natural disasters have been wide reaching. There have been changes to mental health oversight bodies, with the establishment of the National Suicide Prevention Office (NSPO) and recent release of the National Suicide Prevention Strategy, governance and leadership changes to the National Mental Health Commission, and a change in leadership of the NSW Mental Health Commission. Reports have been handed down from the Royal Commission into Defence and Veteran Suicide and the Disability Royal Commission which both call for significant reforms.

In NSW there have been two key reviews of mental health services to contribute to the evidence base on how NSW can achieve better community mental health outcomes. The NSW Community Mental Health Services Priority Issues Paper (the Gap Analysis) identified critical priority areas in the state's mental health services, focusing on underfunding, workforce shortages, emergency care deficiencies, and limited psychosocial supports. In response, NSW Health has initiated key programs such as expanding the peer workforce to strengthen recovery-oriented care, increasing the Aboriginal mental health workforce to improve culturally safe services, and enhancing service navigation to ensure better access and coordination. These initiatives aim to address workforce shortages, improve service accessibility, and enhance support for individuals needing mental health care.

The NSW Government's response to the Parliamentary Inquiry into Equity, Accessibility, and Appropriate Delivery of Outpatient and Community Mental Health care aligns closely with the findings of the Gap Analysis. Acknowledging the need for improved service coordination, workforce development, and culturally appropriate care, the NSW Government committed \$111.8 million to strengthen community mental health services and wellbeing. Key initiatives include a four-year \$40 million investment to expand the Aboriginal mental health workforce and Closing the Gap programs, mirroring the Gap Analysis' emphasis on culturally safe services. Additionally, the government is advancing service navigation enhancements, including a Memorandum of Understanding between NSW Health, NSW

Police, and NSW Ambulance to streamline emergency mental health responses—an area flagged as critical in the Gap Analysis. Efforts to grow the peer workforce and expand the Towards Zero Suicides initiatives further reflect priorities identified in the Gap Analysis, demonstrating a targeted response to identified service gaps. Of the 39 recommendations from the inquiry, the government fully supported 24, supported eight in principle, and noted seven, signaling a strong commitment to addressing systemic enhancement areas in NSW’s mental health system.

Workforce issues have been experienced nationally, with challenges in NSW recently with significant psychiatry workforce shortages. A Psychiatry Workforce Plan has been developed to support this workforce and a rapid redesign project, led by the Agency of Clinical Innovation, is also underway to identify models of care that can be piloted in NSW to support mental health services to provide safe and effective care.

Work has been underway in NSW since late 2023 to develop new whole of government suicide prevention legislation to ensure that suicide prevention is seen as a collective responsibility across the NSW Government, beyond health alone. The legislation will ensure that every NSW Government department recognises its role in reducing drivers of distress and routinely factors suicide prevention into policy and service delivery.

The National Agreement and Bilateral Schedule have allowed for the establishment or enhancement of services that have filled important service gaps for priority populations. NSW Health welcomed the expansion of funding for mental health and suicide prevention initiatives across NSW resulting from the Bilateral, which has fostered collaboration across key stakeholders including local health districts, Primary Health Networks and Community Managed Organisations.

The National Agreement and Bilateral Schedule have been an important first step for national mental health and suicide prevention reform, and there is more to be done, with target areas recommended for focus identified in the NSW Health submission. NSW Health supports renewing the National Agreement, and it is imperative that negotiation of the next Agreement and Bilateral Schedule commence on receipt of interim findings from this review to avoid gaps to service delivery.

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## 1.2 Summary of NSW Health Submission

NSW Health makes the following recommendations to the Productivity Commission to inform this review.

Recommendations relating to the National Agreement:

- The National Agreement should be renewed, with negotiation of the Agreement to commence immediately after receipt of interim findings by the Productivity Commission.
- The focus of Mental Health and Suicide Prevention Senior Officials (MHSPSO) meetings should return to progressing the objectives of the National Agreement between Health and Mental Health Minister’s meetings.
- The voices of people with a lived experience of suicidality should be heard at MHSPSO as much as those with lived experience of mental health issues.
- Current governance of the National Agreement via MHSPSO is effective and should continue under the next Agreement.
- People with a lived and living experience of mental health issues and suicidality need to have a clear voice and opportunity to input into the scoping, development and decision making associated with the next Agreement. Given the timeframe for negotiation of the next Agreement this engagement should commence as soon as possible, with a national approach recommended.
- Future psychosocial support arrangements need to be a priority in the next National Agreement. This should include clarifying responsibility for the delivery of psychosocial supports and a funding commitment towards addressing the unmet need identified in the analysis.
- Relating to data collection and sharing:

- The next Agreement should support and maintain successful initiatives including regular data sharing, a coordinated national approach to suicide and self-harm data, and a consistent national approach to data and indicator development.
  - The next Bilateral Schedule should avoid data collection or reporting requirements which are inconsistent with national agreements and systems.
  - Future Agreements should include binding commitments and timelines for data sharing from all government-funded mental health services.
  - The Commonwealth should review the interpretation and application of Medicare Benefits Scheme and Pharmaceutical Benefits Scheme data suppression rules for agreed inter-governmental data sharing activities.
  - A Review should be conducted into the efficiency and responsiveness of national data linkage strategies and structures.
- Mental health and suicide prevention require a whole of government approach and should be embedded as a priority across all government portfolios.

#### Recommendations relating to the Bilateral Schedule:

- Greater collaboration is needed between NSW and the Commonwealth in selecting initiatives for the next Bilateral schedule.
- Initiatives within the next Bilateral should be implementable within the timeframe of the Agreement.
- Initiatives should be funded through to the final year of the Bilateral.
- LHD and PHN service integration needs to be prioritised in the next Bilateral, with a greater focus on regional planning and commissioning.
- Joint performance and reporting arrangements need to be established for co-funded initiatives to reduce fragmentation and duplication of effort.
- Options other than 50:50 funding mechanisms should be explored for the next Bilateral.
- Funding and responsibility for evaluation needs to be specified in the next Bilateral.
- A staged approach towards outcomes-based funding should be set out in the next National Agreement or Bilateral Schedule that allows for innovation and adaptation.

NSW Health looks forward to receiving the interim and final reports which will be important in guiding national mental health and suicide prevention reform and improving outcomes for people experiencing mental health challenges and suicidality nationally.