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SKYLIGHT MENTAL HEALTH (SKYLIGHT) SUBMISSION FINAL REVIEW OF THE MENTAL HEALTH AND SUICIDE PREVENTION AGREEMENT

Thank you for the opportunity to contribute to the Productivity Commission's Final Review (Review) of the Mental Health and Suicide Prevention Agreement (the Agreement).

Skylight understands the Review covers programs and services including crisis intervention and inpatient care in the acute sector, outpatient and specialised programs in the secondary sector, early intervention through GP and psychological services in the primary sector, and community-based suicide prevention, peer support, and social well-being programs in the community sector.

Skylight recognises the need for continued reform across all sectors—acute, secondary, primary, and community—to ensure a more integrated, accessible, and effective mental health system that addresses the diverse needs of individuals. While these broader reforms are essential, Skylight's input specifically focuses on the provision of psychosocial support services, aligning with the core mission of our organisation.

Skylight's submission is presented in conjunction with the Mental Illness Fellowship Australia and other like-minded peak bodies contributions, supporting a unified approach to addressing the critical gaps in psychosocial support services for individuals, and support services for their families and carers, with high-need mental health challenges.

About Skylight

Skylight has 40 years of experience in delivering recovery-oriented mental health and community development services across South Australia, and a current workforce where over 80% have lived experience. Operating from metropolitan and regional sites, Skylight is committed to providing high-quality psychosocial support services that empower individuals to rebuild their lives. Skylight runs multiple government programs offering tailored psychosocial support, therapeutic and activity groups, and capacity-building initiatives, and the delivery of NDIS services for people with mental health concerns.

Failure of the Agreement to meet the Psychosocial Support Needs of Australians with high-need mental health challenges

The failure of the Agreement and interrelated Bilateral Agreements between the Commonwealth States and Territories to effectively support and meet the psychosocial support needs of Australians is well evidenced.

Across Australia, around 230,500 people with high-need mental health challenges who require psychosocial supports are not currently receiving them through either the NDIS or other programs (equating to around 14.07 million hours of unmet need across Australia).¹ In South Australia, around 19,000 people with high-need mental health challenges do not have access to psychosocial support.²

¹ Health Policy Analysis, (August 2024), Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report, St Leonards, New South Wales.

² David McGrath Consulting, (February 2023), Unmet Mental Health Service Need in South Australia that could be met by the NGO Sector: An Analysis on behalf of the South Australian Government,

This is despite the compelling body of national and international evidence demonstrating that early intervention and continuous psychosocial support are critical in preventing hospitalisations, reducing the use of emergency services, and improving overall mental health outcomes for people with moderate to severe mental health concerns.

Worse still, the lack of investment in psychosocial support in Australia contributes to **detrimental outcomes** for individuals with mental health concerns, as it leads to their repeated cycling through acute and secondary care without improving their functional capacity or illness management. **A cruel approach on behalf of collective Australian governments when it is well evidenced that this deepens their suffering and prevents meaningful recovery.**

So, given the proven quality mental health outcomes and clear cost-effectiveness of psychosocial supports, why does a persistent, long-term, failure to adequately fund these services as a critical component of broader mental health reform still exist?

For Skylight, this issue stems from the positioning of psychosocial support within the Agreement as a supplementary or secondary service, rather than recognising it as a **core component**.

To achieve genuine and sustained mental health system improvement psychosocial supports must be incorporated as a central pillar within the next Agreement.

Why has the current approach failed?

Buried on page 29 of the Agreement under the heading 'Psychosocial Supports Outside the NDIS', the Commonwealth and States and Territories adopt a 'we'll get to it' approach, offering vague commitments, with little concrete detail.

As they stand the clauses on page 29 read more like "escape clauses" rather than a call to action, with the promised Schedule to be attached to the Agreement outlining future arrangements still nonexistent years later. There has also been a complete failure to report on progress against these items of the Agreement (the National Mental Health Commission, tasked with reporting on the progress of the Agreement has produced one progress report in three years).

The troubling lack of urgency in addressing the psychosocial support needs of people with high-need mental health challenges outside the NDIS, coupled with a failure to commit to transparency, accountability, and efficacy, has created significant barriers.

This is further compounded by unclear definitions of 'shared responsibility,' as well as confusion around roles, responsibilities, and co-funding parameters. Together, these issues have directly contributed to the current crisis:

- 230,500 people with high-need mental health challenges unable to access psychosocial support; and
- At least 230,500 caregivers of individuals with high-need mental health challenges unable to access specialised support.

These flaws, coupled with the failure to make psychosocial support a central pillar of reform, are the primary reasons the current approach has failed to deliver meaningful results.

What can be done?

For Skylight, it is essential that Australia prioritises psychosocial support as a central pillar of mental health reform, with clear commitment and accountability, adopting a mature, thoughtful approach that fully integrates psychosocial support into its framework.

Ways forward include:

- Embedding psychosocial support as a central component in all future Commonwealth, State and Territory agreements and commitments to national mental health reform
- Clearly outlining of the roles and responsibilities of each party to the Agreement, with firm commitments to funding that will address the current backlog and meet unmet needs in a timely, fair, equitable and consistent manner across all jurisdictions
- Setting timelines for achievement of commitments and establishing a robust reporting framework, including publicly available traffic light reporting, to monitor and measure progress
- Developing a clear evaluation framework to assess the effectiveness of the reforms and ensure continuous improvement
- Establishing consistent psychosocial data collection, analysis, and reporting methods across all jurisdictions to enable better monitoring, comparison, and decision-making, ensuring that data is reliable and comparable.

In conclusion, the above activities are not only achievable and cost-effective, but they also represent a compassionate and responsible approach to addressing the needs of people with moderate to severe mental health concerns.

By elevating psychosocial support, establishing clear frameworks, and ensuring consistent practices across jurisdictions, Australia can create a more equitable, effective, and sustainable mental health system.

We urge you to view this submission favourably, recognising the significant positive impact these reforms will have on individuals and communities across the nation.

Yours sincerely

Paul Creedon
Chief Executive Officer