



# **Productivity Commission Inquiry into Mental Health**

**Mental Health Victoria's summary of key priority  
areas and recommendations**

**November 2020**

## Summary

On 16 November 2020, the Productivity Commission released its final report on mental health. This report follows one of the most comprehensive investigations into our nation's mental health, and its economic impacts, in Australia's history and makes recommendations for large-scale, systemic reform and investment for the benefit of Australia's population and economy.

Given that one in five Australians experience mental illness every year, the emotional, psychosocial, health and wellbeing costs of mental ill health and suicide are broadly understood and acknowledged to flow well beyond an individual's experience. We now know the economic cost of mental ill health and suicide to our country and economy and the figure is astounding – an estimated \$200billion per year.

In its findings, the Productivity Commission has detailed how a fractured, disjointed, and under-resourced mental health system is failing the millions of people (and their families and carers) who require support every day. The findings also look beyond our health system, outlining the often-noted but rarely actioned fact that mental health is influenced by an array of factors including a person's social connectedness and economic participation, and that these factors must be connected and included in service design and delivery.

The report emphasises priorities for reform (see table 1 below), noting the importance of prevention and early intervention and that the mental health of children and families should be a priority. People should be able to move from mentally healthy educational settings into mentally healthy workplaces and when they do require support, feel empowered and enabled to make real choices around their access to healthcare and services.

The report also emphasises the significant personal and economic cost of people "cycling" in and out of hospital and urges the expansion of more community-based options including recovery-focussed community services for people requiring support for mental health and those recovering from a suicide attempt. The important role of care coordinators to connect housing, employment and other social services with people's healthcare needs is recognised as a key element to community care.

Building and strengthening the mental health workforce is also recognised as a core foundation to ensuring access to a range of services and supports across the country and the report makes a number of recommendations aimed at aligning the workforce to better meet the needs of consumers.

Overlaying all the recommendations is the principle of 'seamless care' regardless of the level of government providing the funding or service. The report recognises that this requires a complete redesign of the administrative policies and structures that currently sit behind our disjointed system. Of particular note is the recommendation that Governments should each establish a body (such as a mental health commission) that is responsible for promoting continuous policy and program improvement, and fostering genuine accountability for their mental health reform commitments. MHV is a strong advocate for the establishment of a mental health commission in Victoria and we urge state and federal governments to prioritise this recommendation.

## Next steps

In response to this report and its findings, Prime Minister Scott Morrison acknowledged that the significant need for change and said that his government would review the report with "a view to action". He noted that a response will be made prior to the 2021 Federal Budget.

A public consultation on the report and its recommendations has been flagged to occur and MHV will ensure that all our members and stakeholders are informed of this process when more detail is available.

## Table overview

MHV has included the report's key priority areas (table 1) and summarised some of the key recommendations (table 2) below. Please note that this is just a selection of the recommended actions and a full list of the report's findings and actions can be found [here](#).

## Table 1. Priorities for reform

	<b>Prevention and early help for people</b>
	<ul style="list-style-type: none"><li>• Support the mental health of new parents</li><li>• Make the social and emotional development of school children a national priority</li><li>• National stigma reduction strategy</li><li>• Follow-up care for people after suicide attempts</li><li>• Empower Indigenous communities to prevent suicide</li></ul>
	<b>Improve people's experiences with mental healthcare</b>
	<ul style="list-style-type: none"><li>• Create a person-centred mental health system<ul style="list-style-type: none"><li>– Evidence-based mental health assessment and referral processes that help people find the services that are best for them</li><li>– Identify, support and include families and carers as part of mental healthcare</li></ul></li><li>• Get people the right services at the right time<ul style="list-style-type: none"><li>– Expand supported online treatment, group therapies and access to mental healthcare via telehealth</li><li>– Review limits on psychological treatment funded through Medicare and trial variations</li><li>– Alternatives to emergency departments that are designed for people with mental illness</li><li>– Expand community-based mental healthcare, including hospital outpatient clinics and outreach services</li></ul></li><li>• Improve mental healthcare outcomes<ul style="list-style-type: none"><li>– Address adverse outcomes from prescribing practices of mental health medication</li><li>– Reduce the gap in life expectancy for people with severe mental illness and physical illness</li></ul></li><li>• Care continuity and coordination</li></ul>
	<b>Improve people's experiences with services beyond the health system</b>
	<ul style="list-style-type: none"><li>• Meet demand for community support services that help people with mental illness recover and live well in the community</li><li>• Commit to no discharge from care into homelessness</li><li>• Increase assistance for police responding to mental illness related incidents</li><li>• Legal representation for people facing mental health tribunals</li></ul>
	<b>Equip workplaces to be mentally healthy</b>
	<ul style="list-style-type: none"><li>• Elevate importance of psychological health and safety in workplaces</li><li>• No liability clinical treatment for mental health related workers compensation claims</li><li>• Expand the individual placement and support program for people with mental illness</li></ul>
	<b>Instil incentives and accountability for improved outcomes</b>
	<ul style="list-style-type: none"><li>• Develop implementation plans for national strategies that integrate healthcare and other services</li><li>• Commit to regional planning, decision making and commissioning, with systemic cooperation and creation of new commissioning agencies if outcomes not improved</li><li>• Expand the remit and independence of the National Mental Health Commission</li><li>• Consumer and carer participation and advocacy in all aspects of the mental health system</li><li>• Strengthen evaluation culture, focusing on outcomes that matter to people and reporting at service provider level</li></ul>

## Table 2. Key areas and selected recommendations

Action	Key area	Recommendation
5	<b>Early childhood and schooling</b>	<ul style="list-style-type: none"> <li>• Take coordinated action to achieve universal screening for perinatal mental illness for all new parents.</li> <li>• Enhance the ability of early childhood education and care services to support the social and emotional development of children.</li> <li>• Develop a comprehensive set of policy responses to strengthen the ability of schools to assist students and deliver an effective social and emotional learning curriculum.</li> </ul>
6	<b>Youth mental health</b>	<ul style="list-style-type: none"> <li>• Expand online mental health services for tertiary students.</li> <li>• Improve access to mental health services for international students.</li> <li>• Embed student mental health and wellbeing strategy in tertiary education institutions.</li> </ul>
7	<b>Mentally healthy workplaces</b>	<ul style="list-style-type: none"> <li>• The model workplace health and safety (WHS) laws should be amended to ensure psychological health and safety in the workplace is given similar consideration to physical health and safety.</li> <li>• Workers compensation schemes should be amended to provide and fund clinical treatment (including any required rehabilitation) for all mental health-related workers compensation claims.</li> </ul>
8	<b>Social inclusion and stigma reduction</b>	<ul style="list-style-type: none"> <li>• The National Mental Health Commission should develop, and lead the implementation of, a National Stigma Reduction Strategy that builds on the work started under the Fifth National Mental Health and Suicide Prevention Plan and focuses on the experiences of people with mental illness that are poorly understood in the community.</li> <li>• The insurance sector should improve the way it collects information about, and relating to, people with mental illness.</li> </ul>
9	<b>Suicide prevention</b>	<ul style="list-style-type: none"> <li>• Offer effective aftercare to anyone who presents to a hospital, GP or community mental health service following a suicide attempt</li> <li>• Support development of a renewed National Aboriginal and Torres Strait Islander Suicide Prevention Strategy and associated Implementation Plan to guide suicide prevention activities in Indigenous communities.</li> <li>• The recommended National Mental Health and Suicide Prevention Agreement (Action 23.3) should identify responsibilities for suicide prevention activities across different levels of government and across portfolios to create a truly whole of government approach to suicide prevention.</li> </ul>
10	<b>Informed access to mental healthcare</b>	<ul style="list-style-type: none"> <li>• Introduce an MBS item for psychiatrists to provide advice to a GP or a paediatrician over the phone on diagnosis and management issues for a person who is receiving care from the GP or paediatrician.</li> <li>• A new assessment tool, that is consistent with the Australian Government Department of Health Guidance on</li> </ul>

		<p>Initial Assessment and Referral, should be developed and implemented across the mental health system, to ensure a robust and person-centred approach to assessment and referrals.</p> <ul style="list-style-type: none"> <li>• The Australian Government should fund the development and ongoing provision of a national digital mental health platform</li> </ul>
11	<b>Supported online treatment options</b>	<ul style="list-style-type: none"> <li>• The Australian Government should facilitate greater integration of, and access to, supported online treatment through: <ul style="list-style-type: none"> <li>○ Increasing the number of supported online treatment services available for people with high prevalence mental illness and distress.</li> <li>○ Collecting and publishing data on the use, type and outcomes of supported online treatment.</li> <li>○ Instigating information campaigns for consumers and health professionals to raise awareness of the effectiveness, quality and safety of government funded supported online treatment.</li> </ul> </li> </ul>
12	<b>Bridging the mental healthcare gaps</b>	<ul style="list-style-type: none"> <li>• Change the Medicare Benefits Schedule (MBS) to encourage more group therapy.</li> <li>• The AIHW should estimate and make public the shortfalls in specialist mental health community ambulatory services for each State and Territory.</li> <li>• Increase funding for community ambulatory services these services to the level required to meet population needs.</li> </ul>
13	<b>Mental healthcare for people in crisis</b>	<ul style="list-style-type: none"> <li>• Provide more and improved alternatives to hospital emergency departments for people with acute mental illness, including peer- and clinician-led after-hours services and mobile crisis services.</li> <li>• Public and private hospitals should take steps to improve the emergency department experience they provide for people with mental illness. This could include providing separate spaces for people with mental illness, or otherwise creating environments that do not escalate the severity of their illness.</li> <li>• Provide child and adolescent mental health beds that are separate to adult mental health wards.</li> <li>• Increase funding for bed based services, in line with agreed commitments to rectify service shortfalls over time.</li> </ul>
14	<b>Comorbidity</b>	<ul style="list-style-type: none"> <li>• Agree to a target to reduce the gap in life expectancy between people with severe mental illness and the general population.</li> <li>• Release clear statements covering how governments intend to implement the initiatives in the Equally Well Consensus Statement, including time frames and outcomes against which progress can be measured.</li> <li>• Implement all the actions in the Equally Well Consensus Statement.</li> <li>• Require mental health services, including hospitals and clinical community health services, to ensure treatment is provided for both substance use and other mental disorders for people with both conditions</li> </ul>

		<ul style="list-style-type: none"> <li>Require mental health services and alcohol and other drug services to jointly develop and implement operational guidelines</li> </ul>
15	<b>Integrated care</b>	<ul style="list-style-type: none"> <li>Continue to develop and improve Head to Health, including expanding the range of services listed.</li> <li>Ensure that government-funded real time consumer assistance services provided by voice or text are receiving sufficient funding to meet consumer demand.</li> <li>Ensure service providers have access to online navigation portals offering information on pathways in the mental health system.</li> <li>Support the development of single care plans for people with moderate to severe mental illness who are receiving services across multiple clinical and non-clinical providers.</li> <li>People with severe and persistent mental illness should receive care coordination services where this is required to ensure their complex health and social needs are adequately met</li> </ul>
16	<b>Mental health workforce</b>	<ul style="list-style-type: none"> <li>Ensure that the National Mental Health Workforce Strategy and the National Medical Workforce Strategy enable a person-centred mental health system.</li> <li>Set the objective of achieving a health workforce that aligns the skills, costs, cultural capability, substitutability, availability and location of mental health practitioners with consumer needs. This should be done by integrating the workforce strategy with service and infrastructure planning.</li> <li>Assess the estimated future supply of specific skill sets and health professions, the extent to which these could fall short of needs, and policy measures that could meet needs cost-effectively.</li> <li>Develop a national plan to increase the number of psychiatrists in clinical practice, particularly outside major cities and in sub specialities with significant shortages, such as child, adolescent and old age psychiatry.</li> <li>A curriculum standard should be developed for a three-year direct-entry (undergraduate) degree in mental health nursing.</li> <li>Provide seed funding to create a professional association for peer workers.</li> <li>Develop a program to educate health professionals about the role and value of peer workers in improving outcomes for consumers.</li> </ul>
17	<b>Psychosocial support</b>	<ul style="list-style-type: none"> <li>People with mental illness who require psychosocial supports should be able to continue accessing them, regardless of changes to the source of funding for the service.</li> <li>Extend the funding cycle length for psychosocial supports from a one-year term to a minimum of five years.</li> <li>People who choose to apply for the NDIS should continue to be supported by their current service providers during the application process.</li> <li>People who choose not to apply for the NDIS should be allowed to continue to access support through the National</li> </ul>

		<p>Psychosocial Support Measure, should they require it, until it has been phased out.</p> <ul style="list-style-type: none"> <li>• The shortfall in the provision of psychosocial supports outside of the National Disability Insurance Scheme should be estimated and published at both State and Territory and regional levels.</li> <li>• The demand for psychosocial support services by people with mental illness in a region should be estimated as a component of integrated regional planning</li> </ul>
18	<b>Carers and families</b>	<ul style="list-style-type: none"> <li>• Amend the Medicare Benefits Schedule so that family interventions provided by psychologists and other allied mental health professionals are rebated.</li> <li>• Work towards ensuring the workforce capacity exists in each region to implement family and carer inclusive practices within community and inpatient mental healthcare services.</li> <li>• Eligibility requirements for income support payments should change to better address the needs of mental health carers.</li> </ul>
19	<b>Income and employment support</b>	<ul style="list-style-type: none"> <li>• Increase the Job Seeker Classification Instrument's relevance for participants with mental illness.</li> <li>• Ongoing development of New Employment Services should explicitly consider the needs of participants with mental illness.</li> <li>• The Individual Placement and Support (IPS) model of employment support should be extended beyond its current limited application.</li> </ul>
20	<b>Housing and homelessness</b>	<ul style="list-style-type: none"> <li>• Provide mental health training and resources to social housing workers. Training should incorporate awareness about how to identify early warning signs of mental illness and the benefits of early intervention.</li> <li>• Commit to a nationally consistent formal policy of no exits into homelessness for people with mental illness who are discharged from hospitals, correctional facilities or institutional care.</li> <li>• Ensure that people with mental illness who are discharged from hospitals, correctional facilities or institutional care receive a comprehensive mental health discharge plan, and have ready access to transitional housing.</li> <li>• Address the shortfall in the number of supported housing places for people with severe mental illness by providing a combination of long term housing options for people with severe mental illness who require integrated housing and mental health supports.</li> <li>• Address the gap in homelessness services for people with mental illness, including scaling up longer term housing options such as Housing First programs</li> </ul>
21	<b>Justice</b>	<ul style="list-style-type: none"> <li>• Support an early intervention approach that would ensure people who are at high risk of coming into contact with the criminal justice system are identified, and provided appropriate support, such as mental healthcare and housing, to reduce their risk of offending.</li> </ul>

		<ul style="list-style-type: none"> <li>• Implement initiatives that enable police, mental health and ambulance services to collectively respond to mental health related incidents.</li> <li>• Ensure that approaches are tailored to meet the needs of particular groups, such as Aboriginal and Torres Strait Islander people or people from culturally and linguistically diverse backgrounds.</li> <li>• Ensure that all individuals with mental illness who would benefit from court diversion programs – that link individuals to appropriate mental health treatment and social support – can access them.</li> <li>• Mental healthcare in correctional facilities should be equivalent to that in the community and mental healthcare should be continued seamlessly as people enter and leave correctional facilities.</li> <li>• Ensure Aboriginal and Torres Strait Islander people in correctional facilities have access to mental health supports and services that are culturally capable</li> <li>• Fund pilot programs of multi-site health justice partnerships.</li> <li>• Ensure individual non legal advocacy services are available for any individual detained under mental health legislation.</li> <li>• Ensure that advance directives are formally recognised in mental health legislation.</li> <li>• Ensure there is mutual recognition of mental health treatment orders across Australia.</li> </ul>
22	<b>Governance</b>	<ul style="list-style-type: none"> <li>• Develop a new National Mental Health Strategy that comprehensively integrates the roles played by health and non-health sectors, led by the National Mental Health Commission.</li> <li>• Expedite the development of an implementation plan for the National Strategic Framework for Aboriginal and Torres Strait Islander Peoples' Mental Health and Social and Emotional Wellbeing 2017–2023.</li> <li>• Establish a Special Purpose Mental Health Council (SPMHC) to facilitate a whole-of-government approach to prevention, early intervention and recovery in mental health.</li> <li>• Establish a clear, ongoing role for consumers and carers to participate in all aspects of mental healthcare system planning, design, monitoring and evaluation and seek involvement from people with lived experience from the beginning of these processes.</li> <li>• Where a body does not exist, State and Territory Governments should each establish a body (such as a mental health commission) that is responsible for promoting continuous policy and program improvement, and fostering genuine accountability for their mental health reform commitments.</li> <li>• The National Mental Health Commission (NMHC) should have statutory authority and lead the evaluation of mental health and suicide prevention programs funded by the Australian, State and Territory Governments, and other</li> </ul>

		<p>programs that have strong links with mental health outcomes, including those in non-health sectors.</p>
23	<b>Funding and commissioning</b>	<ul style="list-style-type: none"> <li>• strengthen the guidance on joint regional planning for Primary Health Network (PHN)–Local Hospital Network (LHN) groupings and include all commissioned psychosocial supports outside of the National Disability Insurance Scheme within the scope of joint regional plans.</li> <li>• Require joint regional plans to coordinate clinical mental healthcare with National Disability Insurance Scheme psychosocial supports.</li> <li>• The National Mental Health Commission (NMHC) should develop a set of key performance indicators that capture the extent to which PHN–LHN cooperation is driving improved outcomes for consumers and carers, and seek to improve these indicators over time.</li> <li>• State and Territory Governments should take sole responsibility for commissioning psychosocial supports outside of the National Disability Insurance Scheme, supported by additional Australian Government funding.</li> <li>• Develop a National Mental Health and Suicide Prevention Agreement.</li> <li>• The Australian, State and Territory Government health ministers should be responsible for developing and implementing the National Mental Health and Suicide Prevention Agreement and consult thoroughly with consumers and carers to inform the development of the agreement.</li> <li>• Permit any State/Territory Government to establish Regional Commissioning Authorities (RCAs) to commission mental healthcare, alcohol and drug services, psychosocial and mental health carer supports outside of the NDIS, and place based suicide prevention services. State and Territory Governments should establish RCAs if there is not sufficient cooperation between Primary Health Networks (PHNs) and Local Hospital Networks (LHNs) in their jurisdiction to drive improved mental health outcomes.</li> <li>• Reform the controls that it places on the services that regional commissioning bodies (currently PHNs) can commission from the Mental Health Care Flexible Funding Pool.</li> <li>• Establish a Mental Health Innovation Fund to trial innovative service delivery, system organisation and payment models</li> </ul>
24	<b>Monitoring, evaluation and research</b>	<ul style="list-style-type: none"> <li>• Develop a strategy to improve data usability in mental health and suicide prevention including identifying data linkage projects between Australian, State and Territory Government datasets.</li> <li>• Support the Australian Bureau of Statistics to conduct a National Survey of Mental Health and Wellbeing no less than every 10 years.</li> <li>• Agree on a set of targets that specify key mental health and suicide prevention outcomes that Australia should achieve over a defined period of time.</li> </ul>

		<ul style="list-style-type: none"><li>• Require monitoring and reporting at the service provider level that is focused on consumer and carer outcomes, to encourage improvements in service quality, improve transparency and accountability, and inform consumer choice.</li><li>• Develop, in consultation with regional commissioning bodies, standardised and outcome focused reporting requirements for service providers.</li><li>• The National Mental Health Commission (NMHC) should lead monitoring and reporting on mental health and suicide prevention outcomes, activities and reforms across portfolios.</li><li>• All new mental health programs or interventions should be first trialled as pilot programs, before they can be progressively scaled up.</li><li>• Fund the establishment of a national clinical trials network in mental health and suicide prevention.</li></ul>
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