



Community Mental Health Australia

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Submission to the Productivity Commission: Response to the Interim Report on the National Mental Health and Suicide Prevention Agreement Review

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Introduction

Community Mental Health Australia (CMHA) welcomes the opportunity to respond to the Productivity Commission's Interim Report on the National Mental Health and Suicide Prevention Agreement (the Agreement). As the national peak body representing the community-managed psychosocial mental health sector, we advocate for a strong, community-led, person-centred, rights and relationally-based system that enables people to live contributing lives in the community. CMHA is ambitious for change where human rights are at the heart of the mental health system.

We commend the Commission's extensive engagement with people with lived and living experience, families, carers and kin, peer workers, community-managed services, and the broader sector. The reflections shared through the review echo what our member organisations have been voicing for many years: that the system remains fragmented, underfunded, over medicalised and in many cases inaccessible.

Context Matters

CMHA's submission is framed within the context of:

- Successive failed attempts by both Commonwealth and the State/Territory governments to reform the mental health system
- Lack of accountability structures to measure and learn from these repeated failures, including the current National Mental Health and Suicide Prevention Agreement (the Agreement)
- An unapologetically entrenched rights-breaching mental health system
- The establishment of consumer, family/carers and Aboriginal and Torres Strait Islander lived experience peaks

- Administrative Arrangement Orders made in May 2025 providing portfolio alignment with Health, Disability and the NDIS, eliminating previous structural barriers to reform
- International calls from the United Nations Human Rights Office of the High Commissioner and the World Health Organisation for an urgent paradigm shift from medically-based mental health systems to rights-based mental health systems¹²

CMHA strongly believes the Productivity Commission's Final Report must strengthen its Interim Report recommendations to address the gap between the normative objective language of system transformation and the recommendations to implement transformation, particularly to align health policy with Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities.

This will require significant policy thought and focus on system transformation, not just theory of change processes which will not fully address the complexity of the structural and cultural characteristics of the system preventing genuine transformation.

CMHA Supports:

A New National Agreement – but not at the cost of urgent action to invest in psychosocial supports in the current Agreement

CMHA strongly supports the Commission's recommendation to develop a new, co-designed National Mental Health and Suicide Prevention Agreement. The current Agreement, while well-intentioned, has not delivered meaningful reform or addressed the entrenched service gaps affecting the most vulnerable in our communities.

However, designing a new agreement must not delay action. Governments should begin implementing critical reforms now - using the extension period to test, refine, and evaluate scalable models - rather than pausing for a wholesale reset. This includes addressing urgent issues such as psychosocial supports, peer workforce development, and outcomes measurement.

A new Agreement must:

- Be built upon genuine co-design with people with lived and living experience, families, carers and kin, and the community-managed sector.
- Provide clear, measurable outcomes linked to long-term strategic objectives – supported by robust evaluation methods and sustainable resourcing for impact measurement.

¹ <https://www.who.int/publications/i/item/9789240080737>

² <https://www.who.int/publications/i/item/9789240106819>

- Include strong accountability mechanisms with transparent reporting overseen by an independent body with own-motion functions, such as a reinvigorated National Mental Health Commission.
- Embed implementation support and system transformation capability-building initiatives across all levels of the sector - including dedicated investment in community-managed services and peak bodies to lead reform on the ground.
- Recognise that community-led innovation requires sustained, flexible funding - not short-term pilot grants or compliance-heavy commissioning.
- CMHA supports the extension of the current Agreement **only if** urgent action is taken to invest in psychosocial supports in this Agreement, **and** the National Mental Health Commission is given independent statutory powers and co-produces with the Lived Experience peaks appropriate reporting mechanisms in the current and future Agreements to keep governments accountable, **and** the extension period includes consultative structures co-chaired by the Lived Experience peaks that includes the psychosocial community managed sector to negotiate the next agreement

A New Strategy – but not at the cost of urgent action to invest in psychosocial supports in this current Agreement

CMHA welcomes the development of a renewed National Mental Health and Suicide Prevention Strategy, underpinned by a new Agreement. However, as with the Agreement itself, this must not come at the cost of immediate action on the most pressing and harmful service gaps - particularly the lack of adequate psychosocial supports for the 500,000+ Australians ineligible for the NDIS.

We echo the Commission's call to urgently resolve funding and commissioning arrangements for psychosocial supports outside the NDIS. In particular, we stress that:

- Investment must begin now, during the extension phase, rather than waiting for a new strategy to be negotiated.
- Implementation of the previously agreed Psychosocial Supports Schedule must be fast-tracked, with clear milestones, transparent oversight, and reporting.
- A nationally consistent approach to psychosocial support funding and commissioning is essential, with shared responsibility across all levels of government.
- Outcome measurement strategies for psychosocial supports should reflect what matters to people with lived experience - including social inclusion, participation, recovery, and quality of life - not just clinical improvements or activity-based metrics.

- Capacity-building support is urgently needed so that community-managed providers can collect and use meaningful outcomes data, without creating excessive burden.
- Adequate, sustainable funding must be allocated to peak bodies, including CMHA and its members, to lead sector-wide readiness efforts, support smaller organisations, and strengthen evaluation and advocacy capabilities.

A renewed strategy is vital, but its credibility will be dependent on the extent to which governments begin demonstrating action during the current extension period - particularly for cohorts who have already been left behind for far too long.

Urgent Action on Psychosocial Supports

We strongly endorse the Commission's call for immediate resolution of funding and commissioning arrangements for psychosocial supports outside the NDIS. Approximately 500,000 people are left unsupported because they do not meet NDIS eligibility criteria, despite significant psychosocial disability needs.

Community-managed mental health services play a vital role in delivering these supports, yet they have been systematically underfunded following the introduction of the NDIS, which diverted resources without ensuring continuity of care for those not eligible. We call for:

- Immediate investment to restore and expand psychosocial support services.
- A nationally consistent approach to psychosocial support funding and commissioning, with shared responsibility across all levels of government.
- A commitment to fully address unmet need by 2030, supported by clear milestones and accountability mechanisms.
- Urgent action to fast-track delivery of the outstanding psychosocial supports schedule, as required under the current Agreement and referenced in the HPA report.
- The new Agreement must prioritise this issue appropriately, recognising the significant risk of harm and poor outcomes faced by people with unmet psychosocial support needs. Funding alone is not sufficient. It must be accompanied by:
 - Dedicated outcome measurement strategies that go beyond service volumes, focusing on indicators such as social inclusion, recovery, participation, and quality of life.
 - Capacity building across the community-managed sector to support consistent data collection, outcomes reporting, and evaluation readiness - particularly for services working with complex and marginalised populations.

- Sustainable investment in sector-wide infrastructure, including peak bodies, to provide technical assistance, support continuous improvement, and build shared outcome frameworks across jurisdictions.
- Explicit recognition of psychosocial supports as a central part of a whole-of-system mental health architecture - not merely as an NDIS afterthought.

CMHA strongly supports the report's emphasis on shifting to an outcomes-based approach and recognises that this requires substantial investment in data infrastructure, evaluation, and measurement capability. To avoid repeating the limitations of the current Agreement, the next phase must be underpinned by a well-funded strategy that defines what success looks like, supports timely and fit-for-purpose data, and embeds independent monitoring and accountability mechanisms across jurisdictions.

At the same time, this reform must be grounded in the realities of service delivery. Community-managed organisations, particularly those working with complex and marginalised populations, need dedicated support to build outcomes capability - including training, tools, and resourcing for data collection and use. Without adequate investment at this level, outcomes-based approaches risk being tokenistic or burdensome. The ability to measure, interpret, and act on data must be distributed across the system, not concentrated in government or academia.

CMHA also believes the next Agreement should address the required reform of state and territory mental health commissions, who were established to provide accountability, transparency, and rebalance systems towards community managed psychosocial supports, but have largely resorted to isomorphic mimicry instead at a state and territory level.

Embedding Lived and Living Experience

CMHA welcomes the recommendation to embed lived and living experience throughout system design, governance, and delivery. However, this must move beyond tokenistic inclusion. Genuine involvement means enabling leadership roles, ensuring people with lived experience have decision-making power, and resourcing peer workforces appropriately.

This work must be underpinned by the extensive evidence base on effective co-design approaches - including the documented risks of harm, retraumatisation, and unintended consequences when co-design is poorly implemented or inadequately supported.

Embedding lived experience should not be treated as a procedural box-tick, but as a critical lever for system reform that requires care, resourcing, and sustained commitment.

We recommend:

- Embedding governance requirements that ensure people with Lived Experience expertise hold decision-making power, not just advisory roles, such as Chief Consumer and Chief Family/Carer/Kin roles wherever Chief Clinical roles exist
- Resourcing the Lived Experience workforces across all service types, avoiding tokenistic, siloed, or casualised positions.
- Prioritising investment in the expansion of the Lived Experience workforces

Giving additional weight to Lived Experience Peak body submissions to counter the overwhelming weight of service provider submissions.

Addressing Workforce Challenges

The National Mental Health Workforce Strategy does not reflect contemporary human-rights based understandings of psychosocial disability and omitted the critical development of the psychosocial support workforce to support the investment in Unmet Need for Psychosocial Supports.

In the period up to the renegotiation of the new agreement remedial policy work is required to develop:

A Psychosocial Supports Workforce Strategy

Update of the National Mental Health Strategy to include this workforce and an immediate uplift in workforce to prepare for the investment into psychosocial supports.

The community-managed mental health sector faces critical workforce shortages, worsened by short-term contracts and funding uncertainty. To deliver integrated, person-centred care, we need:

- Long-term, sustainable funding that enables job security and sector growth.
- Investment in peer and lived experience workforces, including training, accreditation and clear career pathways.
- Policies, interventions and funding structures to support staff wellbeing, safety and retention - including initiatives that foster inclusion, psychological safety, and a strong sense of belonging across diverse workforce groups.

These challenges will be further compounded if expectations around improved data collection, evaluation, and monitoring are increased without commensurate investment in workforce capacity. Any new outcome or accountability framework must be designed with

implementation realism in mind - recognising the current strain on services and ensuring providers are adequately supported to meet these expectations.

A Whole-of-Government Approach

We support the Commission's emphasis on addressing social determinants of mental health. Issues such as housing, employment, income security, and justice system interactions are inseparable from mental health outcomes. CMHA supports the recommendation for Prime Minister and Cabinet to convene the next Agreement. The future Agreement must:

- Explicitly integrate actions on social determinants, including incorporation of the Productivity Roundtables and the 5 pillars of productivity inquiry.
- Establish mechanisms to coordinate across health, housing, social services, and justice portfolios.
- Invest in prevention and early intervention to reduce demand on acute services.
- Prioritise the development and use of integrated data systems that enable linkage across sectors (e.g. mental health, housing, justice), to support person-centred care, improve service planning, and allow for system-wide impact evaluation.

Improving Regional Planning and Commissioning

We echo concerns about inconsistencies and inefficiencies in regional planning and commissioning, particularly through Primary Health Networks (PHNs). CMHA calls for:

- National guidelines to ensure equitable, needs-based regional service planning.
- Greater flexibility for local co-design, allowing communities to tailor services to their unique needs.
- Data-informed commissioning that uses both national indicators and locally gathered data and insights.
- Avoiding duplication and competition between state and Commonwealth-funded services, instead fostering genuine collaboration.

Commitment to Aboriginal and Torres Strait Islander Social and Emotional Wellbeing

CMHA strongly supports the recommendation to establish a new schedule focused on Aboriginal and Torres Strait Islander social and emotional wellbeing, aligned with the National Agreement on Closing the Gap. This must be led by Aboriginal and Torres Strait Islander communities and organisations, respecting self-determination and cultural knowledge.

We are deeply concerned that suicide rates among Aboriginal and Torres Strait Islander peoples have worsened in recent years - a stark indicator of the failure to deliver appropriate

and effective support. This highlights the urgent need for investment in culturally safe, community-led models and the establishment of robust data collection and evaluation strategies that are strengths-based, disaggregated, and community-controlled.

The new schedule must include clear, measurable outcomes co-developed with Aboriginal and Torres Strait Islander leaders, supported by transparent reporting and accountability mechanisms.

Laying the Foundations for Successful Outcomes-Based Reform

As emphasised throughout our submission, CMHA welcomes the Commission's recommendation to strengthen the focus on outcomes but note that this shift will fail without foundational investment in data infrastructure, evaluation capability, and national measurement leadership.

The current Agreement's outcomes were broad, undefined, and often unmeasurable. Progress reporting relied heavily on jurisdictional self-assessment, with no independent validation or credible monitoring framework. Where data did exist, it was often outdated, inconsistently reported, or lacked relevance to real-world outcomes.

Future agreements must go further by:

- Clarifying what outcomes matter most - including for whom, over what timeframe, and what level of change is considered meaningful.
- Aligning activities to outcomes through measurable logic models and co-designed theories of change.
- Adequately resourcing evaluation activities - including funding for internal capability, independent evaluations, and feedback loops that support continuous improvement.
- Investing in sector-wide capability so that providers, peaks, and lived experience partners can meaningfully collect, interpret, and use data - not just report it.

Outcomes-based funding must reflect the complexity of mental health and suicide prevention systems. Without careful design, there is a risk that simplistic or rigid metrics will penalise services working with the most marginalised or those delivering complex interventions. Indicators must be equity-informed, context-sensitive, and allow for mixed-methods evaluation over appropriate timeframes.

We support the recommendation to strengthen national measurement architecture and propose the following enhancements:

- Ensure the Australian Institute of Health and Welfare (AIHW) leads the development of a national outcomes measurement framework within 12 months of the new Agreement, in close partnership with lived experience stakeholders, community-managed providers, and peak bodies.
- Ensure outcome measures are valid, timely, and meaningfully disaggregated (e.g. by region or priority population), while maintaining strong privacy protections - enabling the system to track equity, identify gaps, and monitor both short- and long-term change.
- Build national capability to leverage existing administrative data for evaluation, prioritising quasi-experimental methods where randomised approaches are not feasible, and exploring stepped-wedge designs³ or other experimental options where appropriate. Invest in tools that can support attribution and capture complex systems change over time. This should be complemented by rich qualitative data - particularly insights from lived and living experience - to ensure that measurement reflects what matters most to people and supports continuous learning and improvement.
- Support a national evaluation capacity-building agenda across governments, providers, and the community sector.

Ultimately, embedding a meaningful outcomes focus requires rethinking not just what we measure, but how we define, resource, and support impact - with reform grounded in both lived experience and implementation science.

Embedding Rights-Based Reform and Aligning with the UNCRPD

CMHA notes with concern the lack of dedicated attention to human rights in both the current Agreement and the Commission's Interim Report. Apart from isolated references, human rights and alignment with the UN Convention on the Rights of Persons with Disabilities (UNCRPD) remain peripheral in national reform discourse - despite repeated calls from people with lived experience and the community sector.

A future Agreement must:

- Include a dedicated section on human rights, with a clear commitment to align all system reforms with Australia's obligations under the UNCRPD.

³ <https://www.bmj.com/content/350/bmj.h391>

- Recognise and address the current breaches of rights occurring in mental health services, including coercive practices, lack of informed consent, and inadequate access to housing, supports, and justice.
- Ensure human rights-based approaches are embedded in commissioning, evaluation, and service design frameworks.
- Commit to reviewing existing frameworks - such as the National Mental Health Service Planning Framework (NMHSPF) - to ensure alignment with recovery-oriented, person-led and rights-affirming practice.
- Review the effectiveness and alignment of State and Territory Mental Health Commissions' functions with human rights affirming practice
- Support initiatives that enhance rights literacy, including interventions that improve understanding of existing rights, expose current gaps, and identify priority areas for reform.
- Signal a longer-term shift toward a National Human Rights Act, to ensure legal protections are consistent, enforceable, and embedded across all jurisdictions.

We emphasise that a truly reformed system cannot be built without putting rights, dignity, and autonomy at the centre.

Conclusion

The community-managed mental health sector is ready and willing to partner with governments to build a mental health and suicide prevention system that is compassionate, person-centred, and effective. However, this requires genuine commitment to systemic reform, sufficient and secure funding, and the courage to prioritise human experience over bureaucratic structures.

We urge the Productivity Commission to retain a strong focus on psychosocial supports, lived experience leadership, and social determinants as it finalises its recommendations. The time for piecemeal reform has passed; we need a bold, integrated approach that delivers on the promise of equitable mental health care for all Australians.



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