Australian Government Response to Contributing Lives, Thriving Communities – Review of Mental Health Programmes and Services
## Contents

**Summary of response** 2

1. Introduction 4

2. The case for reform presented by the National Mental Health Commission 5

3. Outcome of consultation with the Mental Health Expert Reference Group and the sector 6

4. A new approach to mental health funding and reform 7
   4.1 Person centred care funded on the basis of need 7
   4.2 Thinking nationally, acting locally – a regional approach to service planning and integration 8
   4.3 Delivering services within a stepped care approach – better targeting services to meet needs 8
   4.4 Effective early intervention across the lifespan – shifting the balance 10
   4.5 Digital mental health services – making optimal use of Australia’s world leading technology 10
   4.6 Strengthened national leadership – facilitating systemic change 10

5. Immediate action to reform programmes and services 11
   5.1 Locally planned and commissioned mental health services through Primary Health Networks and the establishment of a flexible primary health care funding pool 11
   5.2 A new easy to access digital mental health gateway 12
   5.3 Refocusing primary mental health care programmes and services to support a stepped care model 13
   5.4 Joined up support for child mental health 14
   5.5 An integrated and equitable approach to youth mental health 15
   5.6 Integrating Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing services 15
   5.7 A renewed approach to suicide prevention 16
   5.8 Improving services and coordination of care for people with severe and complex mental illness 17
   5.9 National leadership in mental health reform 18

6. What the reforms mean for consumers 19

7. How will these reforms be taken forward? 20

8. When will change commence? 22

Glossary of key terms 23
Summary of response

The National Mental Health Commission’s Review of Mental Health Programmes and Services ‘Contributing Lives, Thriving Communities’, highlighted the existing complexity, inefficiency and fragmentation of the mental health system and presented a compelling case for long-term sustainable reform.

The need for action is critical when considering almost four million people in Australia will experience a mental illness in any one year. Mental illness is the third largest cause of disease burden in Australia after cancer and cardiovascular disease and the largest single cause of non-fatal burden, and results in significant health, social and economic and productivity consequences.

More efficient and sustainable approaches are needed to improve the system for individuals, across the life course and across illness severity, and to improve targeting of efforts. Key system-wide problems highlighted in the Review included:

– Fragmentation, inefficiency, duplication and a lack of planning and coordination at a local level;
– Service delivery based on the needs of providers, rather than on consumer choice;
– Waiting too late to intervene to offer services for people with mental illness, with an imbalanced focus on acute, crisis and disability services rather than prevention and early intervention;
– A ‘one size fits all’ approach to service delivery that does not optimally match or meet individual needs; and
– Underutilisation of innovative approaches to use workforce and technology.

The Commission particularly highlighted the economic costs and social burden of mental illness and the implications if governments fail to act. The economic cost of mental illness to Australia is enormous, with estimates ranging up to $40 billion a year in direct and indirect costs and lost productivity. A significant share of this can be averted if the right services are put in place.

The Government has taken the opportunity of considering the challenges raised by the Commission, to ensure a better future is delivered for people with mental illness and their families. The Government has undertaken a collaborative and consultative approach to develop a comprehensive plan for action. This included establishing an Expert Reference Group to explore how to put some of the Review recommendations on the ground, along with targeted consultations across the mental health sector which have informed this response.

The Australian Government is committed to the system change necessary to improve the efficiency and sustainability of the mental health system. Immediate action will see the mental health system transformed within the next three years, with a significant shift in the way services are planned and delivered, within a stepped care approach to mental health.

This response presents a system-level change in the Australian Government’s role in funding and reform, based on the following platforms:

– Person centred care funded on the basis of need;
– Thinking nationally, but acting locally – a regional approach to service planning and integration;
– Delivering services within a stepped care approach – better targeting services to meet needs;
– Effective early intervention across the lifespan and across the care continuum – shifting the balance to provide the right care when it is needed;
– Making optimal use of Australia’s world leading digital technology; and
– Strengthening national leadership – facilitating systemic change at all levels and promoting the partnerships needed to secure enduring reforms.
The response outlines nine, interconnected, concrete areas of reform:

**Locally planned and commissioned mental health services through Primary Health Networks (PHNs) and the establishment of a flexible primary mental health care funding pool**

PHNs will lead mental health planning and integration at a regional level, in partnership with State and Territory governments, non-government organisations (NGOs) and other related services and organisations. Consumers will benefit from a local service system which is designed and planned around their needs and which makes the best use of available workforce and services. A flexible pool of funding will be established from which PHNs can commission services to meet local needs.

**A new easy to access digital mental health gateway**

A single gateway will be established offering phone line and online access to navigate mental health services as a first line of support. Consumers will have straightforward access to evidence based information, advice and digital mental health treatment.

**Refocusing primary mental health care programmes and services to support a stepped care model**

Primary mental health programmes and services will be redesigned within a stepped care model, moving from the ‘one size fits all’ approach to better match services to individual need. The PHN flexible pool will support provision of services within this stepped care model. Consumers will benefit from better targeted services.

**Joined up support for child mental health**

A new networked system will be established, to help reduce the impact of mental illness on children. Children will benefit from being supported by better informed and joined up services, a single integrated end to end school based mental health programme and new pathways to services including online based support.

**An integrated and equitable approach to youth mental health**

Better connections will be made between services and sectors for youth with mental health and related issues, including supporting engagement with education and employment. Young people with or at risk of a range of mental health issues will benefit from services which are better integrated, more equitable, and which meet the need of young people with severe mental illness, and young people with mental health and substance misuse problems. Current programme funding for youth mental health services will be channelled through PHNs, which will commission appropriate services based on community need.

**Integrating Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing services**

Mental health services for Aboriginal and Torres Strait Islander people will be enhanced. There will be better integration between mental health, drug and alcohol, suicide prevention and social and emotional wellbeing services at a regional level, with skilled teams providing support for Aboriginal and Torres Strait Islander people with mental illness.

**A renewed approach to suicide prevention**

People at risk of suicide will be better supported in their local community through a new evidence based approach to suicide prevention, including a systematic and planned, integrated and regional approach, replacing the current piecemeal approach. Negotiations with states and territories will seek to ensure that people who have self-harmed or attempted suicide will receive critical follow-up support, and efforts to reduce suicide among Aboriginal and Torres Strait Islander people will be refocused.

**Improving services and coordination of care for people with severe and complex mental illness**

People with severe and complex mental illness will benefit from new innovative approaches to coordinating and packaging available services and funding to better meet their multifaceted needs, from new assessment arrangements and from ensuring the National Disability Insurance Scheme delivers on its promise in providing choice and control for people with a disability arising from mental illness.

**National leadership in mental health reform**

The Australian Government will lead the mental health reform actions outlined in this response, which are critical to implementing an improved, efficient and sustainable mental health system. The Government will also continue its ongoing responsibilities in promotion, prevention and stigma reduction activities, supporting consumer and carer engagement, building the evidence base and ongoing monitoring to enable continued improvements in mental health. As part of this leadership role the Government will support the development of the Fifth National Mental Health Plan, which emphasises the linkages between state funded acute facilities and the new primary mental health environment. In addition, the Plan will be an opportunity to develop an appropriate performance framework and national indicators for measuring progress towards reform in this context.

The Australian Government is committed to change – real and meaningful change – in the delivery of mental health and suicide prevention and improving the system for the benefit of all Australians. The Government is pleased to announce this reform package but recognises that the changes will be significant and need to be staged in a way that avoids disruption to service continuity for consumers and providers alike. To this end we will work closely with stakeholders to successfully implement these critical reforms.
1. Introduction

The National Mental Health Commission was tasked by the Australian Government to undertake the Review of Mental Health Programmes and Services (the Review).

The Review report, ‘Contributing Lives, Thriving Communities’, highlighted the existing complexity, inefficiency and fragmentation of the mental health system. It also recognised the health, social and economic costs of mental illness and suicide for individuals and the community. The breadth of the report reflects the multitude of issues faced by people with mental illness and the sector and the complexity associated with mental health reform.

The Review report presented an ambitious plan for reform in mental health over the short, medium and longer term. The Government is committed to making the comprehensive system changes required to reform the mental health system and to improve outcomes for people with or at risk of mental illness. Given the importance and complexity of the Review’s findings, a consultative and collaborative approach was taken to inform this response. This has involved working with experts, the sector, consumers and carers to consider the challenges presented by the Review and to ensure the best national and on the ground action can be taken into the future.

The Government established a Mental Health Expert Reference Group to provide advice on the substantial system issues identified by the Review. It also undertook targeted consultations including with groups with expertise on Indigenous issues and suicide prevention, together with other government agencies on key implementation challenges and opportunities. These consultation processes have been central to informing this response.

This response strategically focuses on key system reform principles and solutions needed to achieve an efficient and sustainable approach to mental health reform. It identifies areas for a significant shift in the way in which mental health programmes and services are delivered in order to improve outcomes from the available investment. It seeks to deliver a better planned, integrated, targeted and outcome-focused mental health system.

The National Mental Health Commission’s analysis was framed on the basis of making change within existing resources. Similarly this response is largely premised on making more effective use of existing funding and emerging systems architecture.

The Government recognises the health, social and economic gains that can be made through maintaining investment in mental health. In particular, improving services for people with mild to moderate mental illness through appropriate primary mental health care and/or self-help interventions offers the greatest economic returns through improving the productivity of the workforce. On the other hand, improving support for people with severe mental illness through health and disability services provides strong social benefits as well as reducing avoidable costs to Australian taxpayers by decreasing the use of hospital care and reducing income and disability support expenditure.
2. The case for reform presented by the National Mental Health Commission

The Commission concluded that currently “instead of a ‘mental health system’—which implies a planned, unitary whole—we have a collection of often uncoordinated services that have accumulated spasmodically over time, with no clarity of roles and responsibilities or strategic approach that is reflected in practice”.

The Review also found that the greatest inefficiencies are coming from an imbalanced focus on the wrong end of the system. The current focus is on acute and crisis reactive services rather than on prevention and early intervention which can yield significant gains and reduce the need for more complex and costly interventions.

The Review pointed to services being provided too late in a person’s life or disease trajectory, resulting in avoidable escalation of illness and associated implications—this is in stark contrast to the approach taken for many other health issues. The system needs to better tackle early action across the life course and across all levels of severity.

The level and type of services provided on the ground can also be problematic. Current issues in targeting and coordination, and applying a ‘one size fits all’ approach, are resulting in some people not getting the level of intervention they need, while conversely over-medicalisation and over-prescribing is occurring at the other extreme. Services need to better match consumer need, and be more flexible to address individual and local circumstances.

People with severe and complex mental illness are a particularly vulnerable group, many of whom need health and social support services provided by multiple agencies. The Review highlighted that current efforts to support this group are poorly coordinated and inflexible, with lack of integration between clinical and broader social supports and duplication across governments. The Review noted that recent Commonwealth investment in programmes for this group duplicates state government efforts and has further muddied responsibilities.

Of critical importance, the Review found that current efforts around suicide prevention are fragmented and lack focus. It found that people who attempt suicide are not receiving sufficient support and follow-up to help prevent further attempts in this high risk period. The Review concluded that a new approach to suicide prevention is needed, with strong national direction backed by comprehensive, coordinated planning and implementation at a regional level.

It is evident from the Review that urgent reform action is needed to create an integrated and better functioning system of mental health care. The economic cost of mental illness to Australia is enormous, with estimates ranging up to $40 billion a year in direct and indirect costs and lost productivity. As the Review has emphasised, a new focus on service planning and integration at a regional level is essential to improving whole of system efficiencies, the use of available resources and overall outcomes. The Commonwealth recognises the need to play a strong national leadership role in supporting critical system reforms into the future to achieve genuine, long term change that will improve Australia’s mental health system.
3. Outcome of consultation with the Mental Health Expert Reference Group and the sector

The Mental Health Expert Reference Group (ERG) was established as a time limited body to provide advice on the development and implementation of the Government’s response to the Review. The ERG undertook detailed consideration of priority areas in which actionable change could be made to achieve meaningful outcomes.

The ERG supported many of the reform directions outlined in the Review. It particularly supported the central role of the Commonwealth in implementing a better planned, integrated, targeted, equitable, and outcomes-based mental health system. The final advice of the ERG formed the foundation of this Government response to the Review.

Key elements of the ERG’s final advice are outlined below:

- **Regional service integration** – A new model of integrated regional service planning and delivery is needed, and should constitute an overarching system reform.

- **Primary Health Networks (PHNs)** – PHNs should play an important role in mental health planning and integration at a regional level. PHNs will need resources and accountability measures to perform the role.

- **Stepped care** – A model of care that better matches services to need and promotes early intervention to reduce the impact of mental illness across the lifespan is required.
  > Improving access and efficiencies of telephone and web based programmes was identified as a key element of stepped care. A single gateway for digital mental health and a single telephone line could encourage and enable optimal use of services.

- **Severe and persistent mental illness and complex care needs** – There is a need to address fragmentation and promote better coordination of services through stepped care arrangements and exploration of innovative funding approaches.
  > The Group noted the relevance of models of complex care coordination involving pooled, blended payment systems being explored through the Primary Health Care Advisory Group (PHCAG) for people with severe and complex mental illness.

- **National Disability Insurance Scheme (NDIS)** – People must not lose access to psychosocial supports in relation to NDIS eligibility. This could be supported by a single care plan across sectors and development of a stepped care approach for NDIS services with clear links to other services.

- **Suicide prevention** – A new approach is needed to suicide prevention, with systems-based regional implementation supported.

- **Children and youth** – There is a need to improve integration, targeting and equity in programme delivery for children and youth. This should be supported by:
  > Consolidating school-based programmes with more effective linkages to related services;
  > Improving integration of headspace with other services at a regional level including primary mental health care services, state child and adolescent services and alcohol and other drug services; and
  > Reviewing the approach to provision of services to young people with severe mental illness to expand the early intervention focus beyond early psychosis and offer better integration at a regional level.

- **Aboriginal and Torres Strait Islander people** – Planning and integration of mental health, suicide prevention and social and emotional wellbeing services at a regional level must be improved. This requires bringing together activities in a comprehensive, culturally appropriate stepped care approach incorporating the delivery of both Indigenous specific and mainstream services.
4. A new approach to mental health funding and reform

The Commission has provided a strong case to ‘redesign, redirect, rebalance and repackage’ the approach to mental health, and highlighted the risks of maintaining the status quo or further ‘tinkering around the edges’. The Government will address this through a fundamental shift in the way mental health programmes and services are delivered.

This shift will involve:

- Moving from programmes and services restrained by programme boundaries and old models of care to a flexible and joined-up system focused on the needs and views of consumers and which maximises their potential to participate.
- Moving from fragmentation, duplication and service gaps on the ground associated with current national and state programme delivery to a system that is planned, integrated, coordinated and delivered at a regional level.
- Rather than waiting for illness to manifest or symptoms to elevate before providing services, moving to embed effective early intervention in the way services and programmes are delivered across the lifespan and across the trajectory of mental illness.
- Moving from the ‘one size fits all’, coarsely targeted approach to mental health service delivery in primary care to a new stepped care arrangement that will retarget the continuum of services to match consumer need and make optimal use of workforce and technology.
- Moving from a reliance on old models of face to face service delivery to the innovative use of Australian technology and a new digital gateway to care.
- Moving from the previous Commonwealth leadership role that mainly focused on funding and programme delivery to one of true strategic leadership, facilitating systemic change and strategic partnerships at all levels.

These changes underpin the actions proposed within this response.

The new approach to mental health funding and reform will be based on the following system reform platforms:

- Person centred care funded on the basis of need;
- Thinking nationally, acting locally – a regional approach to service planning and integration;
- Delivering services within a stepped care approach – better targeting services to meet needs;
- Effective early intervention across the lifespan – shifting the balance;
- Digital mental health services – making optimal use of Australia’s world leading technology; and
- Strengthened national leadership – facilitating systemic change at all levels and promoting the partnerships needed to secure enduring reform.

4.1 Person centred care funded on the basis of need

The Review clearly articulates a vision for person centred care within the mental health system. The Commission’s report stated that

“An ideal, person-centred mental health system would feature more clearly defined pathways between health and mental health. It would recognise the importance of non-health supports such as housing, justice, employment and education, and emphasise cost-effective, community-based care.”

The Government agrees that a renewed focus on the person at the centre of care is essential. This should focus on the consumer’s need for easy access to health and broader services, based on their personal needs and for these services to be connected and coordinated. Carers should also be recognised as key partners in achieving better outcomes for people with mental illness.

A consumer focused approach to care must be underpinned by consumer centred funding arrangements. Essentially, funding for primary mental health care services should be targeted at, and support, the choices of the individual consumer based on the level and type of need. Mechanisms for consumer and carer participation in policy, programme development and delivery, including through informal and formal peer support, are also essential.

The Government will develop with consumers and carers a participation framework to guide future national reform efforts by governments and services, and will explore means to strengthen communication with consumers and carers in national policy.

The Australian Government believes that reform must be based on the links and interdependencies between health and broader social support needs for people with mental illness. For example, supporting participation in employment and education will in turn enhance mental health outcomes, while providing mental health services and support will help people achieve and maintain employment. Conversely, failure to provide health supports or social supports, including stable housing, is likely to be counterproductive to efforts to facilitate participation and recovery.

A vital element of this approach is ensuring providers at a national and regional level understand that, from the consumer’s perspective, a failure in one part of the system will reduce their outcomes in another, and increase their demands on services and benefits.

Reform must build programmes and integrated pathways around the individual needs of consumers, including particular subgroups with or at risk of mental illness. This must include people living in rural and remote areas, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, humanitarian entrants and other vulnerable groups. Continued development and promotion of specific consumer focused performance measurement tools will also be embedded in efforts to monitor, review and improve programme efforts.
4.2 Thinking nationally, acting locally – a regional approach to service planning and integration

The Review report highlighted the current fragmentation and failure in planning and service coordination within the mental health system, making the system difficult to navigate and creating duplication, silos and inefficiencies while negating potential improved outcomes.

The Review supported system redesign focused on service integration and better targeting of investment. It concluded that responsibility for integration is best devolved to the regional level, with the Australian Government taking a strengthened national leadership role to support regional integration reforms.

The Australian Government will respond to fragmentation and inefficiencies through a new regional approach to integrated service planning and delivery, across the spectrum of services. Integration efforts have previously been focused at a national or state level, and not readily translated to regional and local service contexts.

Regional service integration is a critical structural platform for reform of Australia’s mental health services. This new approach will be supported by commissioning of services through a new flexible funding pool which will progressively roll together primary mental health care programmes. Responsibility for this pool of funding will sit with PHNs.

Regional integration will bring together mental health policy and services to most effectively meet the needs of individuals at the local level, while making best use and coordination of available resources. For people with severe and complex mental illness new approaches to assessment will be developed and innovative models through which funding follows the consumer needs will be implemented.

The new comprehensive approach will include both ‘ground up’ and ‘top down’ elements. At the national level, the Commonwealth will seek the support of states and territories to implement arrangements for regional planning and integration, building the capacity of PHNs to lead these efforts in partnerships with Local Hospital Networks (LHNs) and other key stakeholders including non-government organisations (including those providing community based mental health and alcohol and other drug services), Aboriginal and Torres Strait Islander organisations and consumers.

The Commonwealth will also lead the phased introduction of regional planning arrangements. Integration of services will occur ‘on the ground’ at the regional level because this is the level of the system where direct communication and practical steps can be taken to drive integration of currently disconnected services and to optimally address local needs. Essential to regional integration efforts will be a robust system of communication between providers and with consumers, including moving towards shared use of digital records, utilising myHealth Record.

4.3 Delivering services within a stepped care approach – better targeting services to meet needs

The Review highlighted problems with the current targeting of mental health resources and pointed to the need for efficiencies to prevent both under-servicing and over-servicing. It recommended a stepped care approach be a central reform priority, with service delivery matching the needs of individuals and with a particular emphasis on early intervention and self-care. Stepped care was seen as essential to improving service integration and navigation through the system and to optimising the use of available resources.

The Review emphasised that a stepped care model needs to address the full range of clinical needs in the population. The level and range of need is significant.

Each year:

- 16.8% of the population (3.7 million Australians) experience symptoms of a mental illness sufficient to warrant a diagnosis. Of these:
  - 3.1% (690,000) will have a severe illness;
  - 4.6% a moderate illness (1.03 million); and
  - 9.1% (2.02 million) a mild illness.
- A further 23.1% (5.2 million) will have symptoms that fall short of a formal diagnosis but have other indicators of need for mental health assistance. About half will have had a previous mental illness and may require help to prevent relapse. The remainder may require early intervention to prevent development of a full scale illness.

The Government agrees with the advice of the Commission about the need to move towards a stepped care approach as a platform for reform. A stepped care model embedded in service delivery is necessary to ensure the level of service provided is matched to each consumer’s need. It will also help shift the focus upstream, away from acute and crisis intervention over time and towards an early intervention approach.

When fully implemented, a comprehensive stepped care approach will ensure people get the right clinical service at the right level and at the right time, linked to other non-health supports as required. A mental health system built on a stepped care approach will need to comprise a full continuum of services, from low intensity, early intervention through to high levels of care requiring coordination, including wrap around coordinated care for those with severe and complex mental illness.
For consumers this will mean there is a broader range of services available which are better targeted to their needs, and that they are assisted to access the most suitable service. Appropriately identifying issues and engaging the right level of intervention for people with mild and moderate mental illness will also enable more optimal use of resources at the other end of the spectrum for people with more severe mental illness.

Within a stepped care approach, the Government will implement better targeting and use of digital mental health services, Medicare and practice-based services, and pooled mental health programme funding to support greater emphasis on self-help, early intervention and reducing inefficiencies and over-medicalisation of mental health problems. PHNs will have a key role in commissioning appropriate services and facilitating integration with other relevant supports at the regional level. This will include facilitating linkages between clinical and non-clinical supports, particularly for people with severe and complex mental illness. The approach to strengthening primary care through a stepped care model is summarised in Figure 1 below.

Figure 1: System changes to strengthen the stepped care model in primary mental health care clinical service delivery

What do we need to achieve?
- Focus on promotion and prevention by providing access to information, advice and self-help resources
- Increase early intervention through access to lower cost, evidence-based alternatives to face-to-face psychological therapy services
- Provide and promote access to lower cost, lower intensity services
- Increase service access rates maximising the number of people receiving evidence-based intervention
- Improve access to adequate level of primary mental health care intervention to maximise recovery and prevent escalation.
- Provide wrap-around coordinated care for people with complex needs

What services are relevant?
- Mainly publicly available information and self-help resources
- Mainly self-help resources, including digital mental health
- Mix of self-help resources including digital mental health and low intensity face-to-face services
- Psychological services for those who require them
- Mainly face-to-face clinical services through primary care, backed up by Psychiatrists where required
- Self-help resources, clinician-assisted digital mental health services and other low intensive services for a minority
- Face-to-face clinical care using a combination of GP care, Psychiatrists, Mental Health Nurses and Allied Health
- Coordinated, multiagency services for those with severe and complex mental illness

What system changes are needed?
- Promote and support availability of self-help and digital mental health services as an alternative and/or adjunct to face-to-face services
- Increase capacity over time of clinician assisted digital mental health services
- PHN use of flexible funding to commission range of services to fill gaps
- Expand primary care system capacity to better meet needs of people with complex and chronic mental health conditions, including enhanced nursing support and coordinated care
- Programme redesign and optimal targeting
- Integration between service levels
4.4 Effective early intervention across the lifespan – shifting the balance

The Review found the greatest inefficiencies in the mental health system come from providing acute and crisis response services when prevent and early intervention services would have reduced the need for complex and costly interventions while supporting people to remain in the community.

The Review also found that intervening early, and providing the right interventions at the right time, can save enormous costs throughout a person’s lifetime. It also highlighted the importance of a life course approach to prevention, early intervention and recovery, recognising that different population groups have different needs.

The Review called to “shift the pendulum in Commonwealth expenditure away from acute illness and crisis towards primary prevention, early intervention and a continuous pathway to recovery.”

The Government strongly supports this principle and agrees it should be embedded across the spectrum of interventions and across the lifespan. Previous efforts and substantial investment in early intervention have focused on the important area of youth mental health. It is time to review, and where possible extend this focus, particularly with regard to intervening early through promotion and prevention for children, providing first line responses which are easy to access, and ensuring that care is provided before crises develop for people who are at heightened risk of suicide and/or mental illness.

The Government has previously indicated it does not support the proposal by the Commission to immediately reallocate a minimum of $1 billion in Commonwealth funding to public hospital services in the forward estimates into alternative services. As consultations revealed, there is not a simple dichotomy between services, and reducing funding for public hospital services in this way would be likely to disadvantage consumers. A significant proportion of Commonwealth funding to public hospital services is used to support community-based clinical mental health services managed by those hospitals, a fact that is not widely appreciated. Any substantial reduction in Commonwealth funding would therefore significantly impact on necessary clinical services in the community as well as place further pressure on hospitals.

However, outlays on hospital funding should reduce over the medium to long term through embedding early intervention in mental health reform and better planning and targeting primary and community care services. This will be a priority issue for the Commonwealth to take to negotiations with states and territories in the context of the Fifth National Mental Health Plan and to monitor throughout implementation of the Plan.

4.5 Digital mental health services – making optimal use of Australia's world leading technology

The Australian Government’s investment in telephone and online forms of evidence based mental health services has started to transform the way in which treatment can be made available to people with a broad range of needs for services. It is time to take the role of these services one step further to form a critical entry point to mental health service delivery. Australia is not currently optimising use of these services.

Digital mental health services encompass a broad range of support services including information, self-help, crisis support, assessment, treatment and peer support. Some services are self-help, others have a clinician moderated component. Services are provided by telephone or online. Many focus on particular types of needs, based on clinical diagnosis of depression, anxiety or other disorders. Others support particular population groups.

There is a robust evidence base showing that for many people these interventions are as effective as face-to-face services. For those people who prefer anonymity or who are in regions where it is difficult to access face-to-face providers there is an added utility to these services. While Australia has provided a leading edge in the development and evaluation of digital mental health services, uptake has not been optimal. Multiple providers and multiple access points make phone and web services difficult to easily access.

A key reform element of the response will be utilising Australia’s innovative digital mental health services to offer a new easy to access gateway to services, and to make it easy to connect with the particular service which best matches the needs of the consumers.

4.6 Strengthened national leadership – facilitating systemic change

The Government acknowledges that mental health reform must be underpinned by national leadership as well as partnership between governments if the challenges presented by the Commission’s report are to be addressed. The Australian Government reaffirms its commitment to leading national mental health policy direction, particularly in those areas where a national approach is efficient and effective. This national leadership role will, as the National Mental Health Commission suggests, translate to supporting effective change and integration at a regional and local level.

This will involve strengthening and broadening the Commonwealth’s leadership role from a funder and participant in mental health reform to actively facilitating enduring change at a national and regional level by promoting key partnerships, evidence and accountability. This role will also require a commitment to continuing and better coordinating key activities to promote mental health and prevent illness, and to support the needs of particular groups for whom the Commonwealth is primarily responsible.
5. Immediate action to reform programmes and services

The Government is clear that the mental health sector is looking for reform and agrees that action needs to be taken without further delay. This will take the form of concrete steps to implement change that responds to critical Review findings within a new systems based approach to mental health and suicide prevention.

Work will immediately commence on the following key action areas:

- Locally planned and commissioned mental health services through Primary Health Networks and the establishment of a flexible primary health care funding pool
- A new easy to access digital mental health gateway
- Refocusing primary mental health care programmes and services to support a stepped care model
- Joined up support for child mental health
- An integrated and equitable approach to youth mental health
- Integrating Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing services
- A renewed approach to suicide prevention
- Improving services and coordination of care for people with severe and complex mental illness
- National leadership in mental health reform

5.1 Locally planned and commissioned mental health services through Primary Health Networks and the establishment of a flexible primary health care funding pool

The Review identified the mismatch between national programme objectives, and the services delivered on the ground as one of the core problems of implementation. The Review linked the problem of poorly planned and integrated programmes which were ‘parachuted’ in from different agencies to a lack of regional leadership and inflexible funding. The Review concluded there was an ideal opportunity to build on PHN infrastructure to better target mental health efforts to meet local needs. The Review strongly supported PHNs acting as the key regional architecture for planning and purchasing of mental health programmes, services and integrated care pathways.

The Government will provide both leadership and flexible funding at a regional level through building the capacity of PHNs to lead, plan and integrate the delivery of mental health services at the local level in consultation with LHNs, non-government organisations, Indigenous organisations and NDIS providers. PHNs will commission all regionally delivered Commonwealth mental health programmes for the Department of Health into the future, providing a flexible pool from which to target needs against a stepped care approach.

PHNs provide core architecture for health service integration and are already playing an important role in commissioning mental health programmes such as Access to Allied Psychological Services (ATAPS) and Mental Health Services in Rural and Remote Areas (MHSRRA) which offer a payment approach that allows targeting of mental health services to priority groups.

Additional mental health programme funding will be redirected to PHNs from 2016 to enable commencement of their enhanced role in mental health and suicide prevention activity. Over time, an increased pool of programme funding will be redirected to PHNs to commission services to target local needs, including the need for innovative and integrated service delivery in rural areas, and for particular population groups, such as children and youth with or at risk of mental illness, people with severe and complex illness requiring clinical care coordination, women with perinatal depression, and people at risk of suicide.
PHNs will also be supported to demonstrate and embed a stepped care approach to providing a continuum of services at a regional level, with care and funding designed around the needs of the consumer. Assessment and referral pathways will be enhanced to ensure consumers are directed to the services they need.

Creation of the PHN structure has for the first time aligned Commonwealth and state and territory health planning and service boundaries, providing an unprecedented opportunity to focus efforts at a regional level to achieve better system integration. The alignment of regional boundaries has laid the groundwork for collaborations in localised planning and decision making, with more direct communication between service managers who have the required knowledge of local system inadequacies and opportunities to leverage efficiencies from separate service providers and sectors.

A phased transition will take place to ensure PHNs are well equipped to take on these tasks. Given the scale of the challenges, the Government recognises that the role required of PHNs in mental health will require additional support and capacity building. PHNs will be supplied with data, service planning and commissioning tools and evidence-based resources to enable them to undertake regional needs assessment, identify service gaps and target resources to best respond to identified needs. As part of this process, the Government will commission the necessary work to prioritise finalisation of the National Service Planning Framework that will inform PHNs in planning for the right mix and level of services and the workforce needed to meet local circumstances. Finalising the framework will be progressed in collaboration with state and territory governments who have an equal stake in building an evidence-based approach to mental health planning.

The Government will work with PHNs to develop new strengthened governance and accountability arrangements to support mental health functions, building on their existing performance framework. An important part of this will be ensuring that people with lived experience of different types of mental illness will have an opportunity to contribute to planning and service design through governance arrangements. Another key element will be ensuring opportunity for service provider contestability and competition to ensure that consumers benefit from a robust and open market for service. The Government aims to transition relevant mental health and suicide prevention programmes to PHNs, so that over the next three years, all regionally delivered mental health grant programmes will be commissioned through PHNs through quarantined but flexible pooled funding arrangements.

5.2 A new easy to access digital mental health gateway

The Review highlighted that digital mental health is clinically effective and offers one of the greatest invest-to-save opportunities for government and the community. It pointed to strong evidence for the efficacy of self-guided and clinician-moderated digital mental health interventions, particularly for depression and anxiety, with digital mental health options demonstrating similar clinical outcomes to more conventional face-to-face therapies.

The Review noted however that there was poor integration of existing digital health services, creating difficulty for consumers accessing and navigating relevant services. It also noted significant potential to better utilise the self-help and clinician moderated services available through the internet and to make more efficient use of telephone based support services. Moving forward, the Review suggested that easy access to self-help and digital mental health options should form an essential part of a stepped and integrated care system, including empowering people to support their own recovery.

The Government will introduce a new digital mental health gateway which will provide consumers with the tools and information they need to successfully navigate the mental health system and make informed choices about their care.

The Gateway will bring together and streamline access to existing evidence based information, advice and digital mental health treatment and will connect people to the services they need through a centralised telephone and web portal. It will promote use of low cost and evidence based interventions for consumers who would most benefit from them.

Enhancements to the Gateway will be explored to more comprehensively reflect the potential for digital service delivery in mental health over time, to support fully integrated information and service pathways becoming available for both consumers and service providers.

The Gateway will provide an integrated web-based portal interfaced with a single telephone line which will operate as a first point of contact for information, resources, advice and treatment options. It will also provide links to online mental health services and information offered by portfolios such as the Departments of Veterans’ Affairs, Social Services, Defence and Education.

Building the Gateway will be undertaken in a way that protects the role of crisis support services and the need to be simple and quick to access. Guidelines for service providers will be developed, disseminated and promoted to emphasise the benefit and role of these services within a stepped care approach. These tools will support better identification and referral of those individuals for whom self-help and low intensity telephone and web-based services should be encouraged.
The Government will also look to undertake communication activities which develop greater sector awareness of the availability and effectiveness of digital mental health services, and reduce the stigma associated with having a mental health issue.

The Gateway will be particularly beneficial for people with or at risk of mild to moderate mental illness, but may also be an important resource for some people with severe mental illness. It is acknowledged that digital mental health will be only one element of the stepped care approach, recognising that it will not be suitable for all consumers, for a range of reasons including access to technology, literacy and clinical needs.

5.3 Refocusing primary mental health care programmes and services to support a stepped care model

In addition to embedding a stepped care approach in the mental health system, the Review also noted opportunities to improve primary mental health care services and programmes within a stepped care model, and to better support health professionals to work within a stepped and integrated approach.

The Review also highlighted the need to better support the role of GPs through incentives and guidelines which could support a stepped care approach. The Commission suggested that for people with low level needs, access to face-to-face psychological services should be limited to those who do not respond to a first-line response, such as a digital mental health service. The Review also suggested bundling of primary care programmes into a flexible pool arrangement at a regional level, and has suggested GPs may sometimes require additional specialised mental health assessment to determine the best option for consumers in their care.

The new role for PHNs, including the flexible funding pool, together with the new digital mental health gateway, will provide core infrastructure upon which to refocus existing primary mental health care programmes to achieve better targeted stepped care services to meet consumer needs.

The Government will maintain its investment in primary mental health care, but will redesign existing programmes over a three year period to better match different levels or ‘steps’ of consumer need by:

- promoting the new digital mental health gateway as the first point of service for many who require information, advice or digital mental health services;
- using new pooled flexible funding commissioned through PHNs to support the development and delivery of cost effective low intensity services for people with mild mental illness, making optimal use of workforce;
- exploring options for the modification of the COAG Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule Initiative (Better Access) to better target the needs of people with moderate to severe mental illness;
- developing new funding models to support people with severe and complex mental illness which offer clinical care coordination in parallel with initiatives developed through PHCAG that target chronic and complex illness; and
- strengthening support to GPs in undertaking assessment to ensure people are referred to the service which best targets their need, particularly in relation to the assessment of people with severe and complex mental illness.

The Government invests significantly in a range of programmes which offer primary mental health care, including Better Access, but also ATAPS, MHSRRRA, headspace and the Mental Health Nurse Incentive Programme. However these programmes are not designed in a way which offers easy access to a continuum of services, or which offers the flexibility to make optimal use of the available workforce. Alternatives to face-to-face service delivery such as digital mental health and self-help have not been well promoted. The result has been, as the Review points out, the ‘over medicalisation’ of some consumers, and the under servicing of others.

The Government is committed to ensuring that the current blunt and ‘one size fits all’ approach to providing psychological services to people in the community is transformed in line with the stepped care model to match consumers to the intensity of service they need.

There is an opportunity to bundle together the grant programme funding available for primary mental health care services into a single flexible pool available to PHNs to commission and target regional needs, as previously outlined in this response.

The development of a stepped care model also offers opportunity to better target Medicare based services. Modification options for Better Access will be explored which would encourage more judicious referral to Medicare based services targeting people whose needs cannot be met through other first-line responses, such as digital mental health, and which would consider alternative options for people with severe and complex mental illness.
The Review recognised that Medicare-based services through Better Access has provided an efficient means of providing access to primary mental health service delivery for many people. Of the 1.9 million Australians who received mental health care through the MBS in 2013–14, 92% or 1.77 million received their care through Better Access. Nearly one million of this group received their mental health services from allied health professionals. Better Access has been the single biggest driver of advances in treatment rates since its inception as part of the Howard Government’s COAG Mental Health package in 2006, lifting treatment rates from one in three to more than 50% of those with mental illness.

However, the Better Access initiative in particular is a ‘one size fits all’ programme which the Review suggested may not be the most efficient service pathway for either people with mild mental illness or with severe and complex mental health needs. Data has indicated that between 2 to 5 percent of Better Access users seek support from the initiative year in and year out, suggesting they have an enduring and severe form of mental illness, which could potentially be better addressed through an alternative service delivery model.

At the other end of the needs spectrum, evidence points to use of Better Access and other MBS mental health items by many people who might equally be assisted by alternative, less costly models of evidence-based service delivery. Ease of access to a new digital mental health gateway and low intensity services would offer an alternative for GPs to referral to psychological services that enables better matching of consumer need to the intervention delivered. Upon establishment of the digital gateway, GPs will be actively encouraged and supported to target referral to face to face psychological services under Better Access to those for whom a self-help or low intensity service is not clinically appropriate.

Progressive and phased implementation of the new arrangements through PHNs will assist the government in refining a model of stepped primary mental health care which will combine the above elements and help to inform modification options for Better Access. PHNs will also be encouraged and supported to work towards better utilisation of low intensity ‘coaching’ services for people with lesser needs, building on evaluations of programmes such as the NewAccess model of care, and the Improving Access to Psychological Therapies model of stepped care implemented in the United Kingdom. In line with the principle of redirecting funding within the mental health system, savings achieved from redesign of Better Access which may ensue will be reinvested in expanding primary mental health care services provided through PHNs.

The Government is also committed to ensuring redesign does not disadvantage particular groups, does not reduce access for those who need it, continues to support early intervention and is coherent to service providers. Importantly, any future redesign must make it easier for individuals to be referred to the service which best meets their needs, but also make the best use of the available resources and funding for primary mental health care. Central to any redesign options will be ensuring service continuity in recognition of the importance of appropriately targeted primary mental health care services for supporting recovery from mental illness.

5.4 Joined up support for child mental health

The Review noted the significant impacts of mental illness on children and their families, and the need to act early to reduce long term implications. The Review raised a number of issues around the current delivery of child mental health programmes, including duplication and siloed implementation and the need for better targeting and integration of services. It suggested particular benefit in bundling measures to provide more comprehensive, targeted and integrated services and supports for this vulnerable population group.

The child mental health area has been the subject of previous reform efforts, and a number of small worthwhile projects have been funded. However, as noted above this is an area where efforts have been particularly fragmented and have operated in silos, failing to connect providers, families and schools to information and supports which are needed to get the best services and outcomes for children. Children need a supportive school and family environment, and need to build resilience skills and protective factors to help promote a mentally healthy life. Children at heightened risk of mental illness and their families and carers need to be able to access health and broader social support services, be assisted by professionals who are able to identify early problems and intervene early, and have access to services which they are likely to feel comfortable using. Parents and families also need mental health support, including mothers impacted by or at risk of perinatal depression.
The National Framework for Protecting Australia’s Children is also an important element in framing government responses to the mental health needs of a particularly vulnerable group of children and young people. Actions within the Third Action Plan under the Framework have a focus on early intervention and prevention, including in the early years of life.

The Government will work across portfolios to join up child mental health programmes to reduce the impact of mental illness on children, commencing with the early years and going through to adolescence. This will be achieved through the following interconnected activities:

- A single integrated end to end school based mental health programme which will support promotion and prevention activity and help to build resilience skills. The consolidated approach will build on the success of KidsMatter and MindMatters, covering the continuum from early childhood to secondary school and be promoted through the Safe Schools Hub;
- Easy access for children and young people to telephone and web-based information and advice through the new digital mental health gateway and to stepped care arrangements through PHNs, including the continuation of child mental health and perinatal depression services previously funded under ATAPS arrangements;
- A national workforce support initiative assisting clinical and non-clinical professionals and services who work with children, to identify, support and refer children at risk and to promote resilience building. This initiative will particularly support providers working with children who would benefit from early intervention, including those who have experienced trauma, and will support professionals in working with parents and families of these children; and
- Partnership approaches at a regional level between clinical and non-clinical support services, including Family Mental Health Support Service providers, supported at a national level by the workforce support initiative.

5.5 An integrated and equitable approach to youth mental health

The Review acknowledged the vital importance of investment in youth mental health, particularly given the potential lifelong health and economic implications and benefits of early action. The Review found that better integration is needed between existing Commonwealth funded youth mental health services, state and territory child and adolescent services and broader primary care or social support services (such as education and employment supports). The Review also saw a potential role for PHNs in supporting optimal integration of youth mental health services with primary care.

The recent survey of child and adolescent mental health and wellbeing, Young Minds Matter, has shown progress in increasing access by young people to services, with the access rates almost doubling over the past 15 years, particularly through increased access to Medicare-based primary mental health care services. However it also highlighted high prevalence of conditions such as depression, alarming rates of self-harm and suicide related behaviour among young people with serious mental illness and the need to better target services for young people at higher risk due to socioeconomic disadvantage.

The work of the Government’s Ice Taskforce has highlighted the importance of integrated action, and early intervention particularly to address the needs of young people who may self-medicate to address mental health problems. Online safety, domestic/family violence and radicalisation are acknowledged as other important priorities relevant to the mental health of young people and their families.

The headspace initiative has provided a system based and networked approach to providing youth mental health services around Australia. It has helped raise awareness of youth mental health issues and has played a significant role in promoting help-seeking behaviour. With the expansion of funding for headspace sites, 100 services will be available across Australia. There are opportunities to better leverage this investment to make optimal use of this important service platform and offer more integrated services for young people, linked to broader youth and primary care services at a regional level.

headspace also currently manages the Early Psychosis Youth Services funding stream. The consultation process undertaken by Government, including the advice of the Expert Reference Group, strongly supported the need to intervene early for severe mental illness including psychosis, and commended the exploration of models of integrated early support. However, it also revealed an urgent imperative to rethink this investment, given the need to provide early intervention for a broader group of young people experiencing early symptoms of severe mental illness who rely on primary care for services.

There is an opportunity to use evaluations of both headspace and the Early Psychosis measure to inform a more equitable and efficient way forward. The challenge will be to avoid duplicating the role of states and territories and to consider different funding options through primary care to provide early intervention to a broader group of young people with early signs of severe mental illness, a number of whom may be at risk of suicide or a lifetime of severe mental illness.
The Government will:

- undertake a trial of specialised employment support, led by the Department of Social Services, to assist young people up to the age of 25 with mental illness in addressing their educational and/or vocational goals. Professional employment specialists will be integrated into youth mental health services under an individual Placement and Support model to better integrate employment and educational support with mental health services;
- ensure headspace and other youth mental health services are integrated at a regional level with primary care services through PHNs, and support young people impacted by substance misuse; and
- explore opportunities to use available youth mental health funding to provide early intervention for a broader group of young people who present to primary care services with severe mental illness or at risk of such.

Broader employment support initiatives are also underway. This includes a trial to test a participant-driven employment assistance model with young people in Disability Employment Services (DES) with a mental health condition, led by the Department of Social Services. Additionally, the introduction of jobactive, (through the Department of Employment) will provide jobseekers, including those with a mental health issue, with access to tailored assistance in finding and maintaining employment.

5.6 Integrating Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing services
The Review highlighted the significant mental health gap between Indigenous and non-Indigenous Australians and noted that Aboriginal and Torres Strait Islander people have lower access to mental health services. This is in part because services and programmes designed for the general population are not culturally appropriate within a broader context of social and emotional wellbeing as understood by Aboriginal and Torres Strait Islander people. It also noted that services were not well connected.

The Review called for Indigenous mental health to be a national priority and for the establishment of Integrated ‘Mental Health and Social and Emotional Wellbeing (SEWB) Teams’, in addition to culturally responsive and accountable mainstream mental health services.

The Commonwealth is committed to addressing Aboriginal and Torres Strait Islander mental health, social and emotional wellbeing and suicide prevention as a priority, particularly in recognition of the current health and social disadvantage which impact on mental health outcomes. The concept of social and emotional wellbeing has been well developed. However the Government agrees that there is an opportunity to better integrate programmes on the ground for Aboriginal and Torres Strait Islander people which are currently designed to separately support social and emotional wellbeing, prevent suicide, provide alcohol and other drug services and support people with mental illness.

The Commonwealth will increase access to culturally sensitive mental health services for Aboriginal and Torres Strait Islander people and work with PHNs to better plan and integrate services in the comprehensive primary healthcare context.

This will include seeking a better joined up approach to social and emotional wellbeing support, mental health, suicide prevention and alcohol and other drug services given the close connection between these services, and the importance of an integrated service offer for Aboriginal and Torres Strait Islander people.

Mental health is also a high priority within the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023.

In consultation with local Aboriginal community controlled health services, PHNs will be required to prepare a mental health service plan to enable better targeting, integration and access within the region, specifically in places where Aboriginal and Torres Strait Islander people access mental health care. The regional mental health service plans will provide the structure to better connect and optimise efforts to reduce the impact of mental illness, suicide and substance misuse, building on the existing social and emotional wellbeing concept, through purchasing and delivering enhanced clinical services.

The Commonwealth will also continue work under the National Strategic Framework for Aboriginal and Torres Strait Islander People Mental Health and Social and Emotional Wellbeing 2014–2019; the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy 2013; and the National Aboriginal and Torres Strait Islander Drug Strategy.

Finally the Government will continue to seek advice from Aboriginal and Torres Strait Islander mental health leadership to provide guidance on the key challenges around integrated service delivery in the Indigenous-specific and mainstream sectors, particularly the critical role of PHNs.

5.7 A renewed approach to suicide prevention
The Review highlighted a lack of coordination in suicide prevention programmes and duplication between Commonwealth and state and territory efforts. The Review calls for overall system redesign in this area, focused on a whole of community approach with regional service integration and better targeting of investment. The Review also notes the need to improve service responses for people who seek help for self-harm, and/or suicidal ideas or behaviours, especially in the high risk period following a suicide attempt.

The consultation on the Review report confirmed that it is time for a new approach to investment in suicide prevention at the community level. While significant progress has been made particularly in reducing youth suicide, suicide remains the leading cause of death of Australians aged between 15 and 44 years. The Government is committed to moving towards a regional, systems based approach to preventing suicide.
The Government will move to immediately implement a new national suicide prevention strategy with four critical components:

- national leadership and infrastructure including evidence based population level activity and crisis support services;
- a systematic and planned regional approach to community based suicide prevention, which recognises the take-up of local evidence based strategies. This approach will be led by PHNs who will commission regionally appropriate activities, in partnership with LHNs and other local organisations;
- refocusing efforts to prevent Indigenous suicide; and
- working with state and territory governments to ensure effective post discharge follow up for people who have self-harmed or attempted suicide, in the context of the Fifth National Mental Health Plan.

The Government will also commit to measurement of progress on reducing suicide, including developing a key performance indicator to measure progress in implementing the principle of active follow up support for people who have attempted suicide.

5.8 Improving services and coordination of care for people with severe and complex mental illness

The Review reiterated that fragmentation of care is particularly problematic for people with severe and persistent mental illness who often have to navigate a complex system across multiple providers. It also noted issues with duplication and role confusion between governments for this population group. The Review noted further that the introduction of the National Disability Insurance Scheme would provide opportunities for people with psychosocial disability, but also challenges for ensuring integrated care pathways and access to appropriate services. The Review agreed that the NDIS represented an unprecedented opportunity for people with a disability arising from mental illness to access support, but that there was a need to ensure people did not lose access to psychosocial supports in relation to NDIS eligibility. Finally, the Review stressed the importance of a ‘medical home’ for people with severe and complex illness.

The needs of people with severe illness are not homogenous. Some people have episodic illness which can be supported through time-limited clinical services currently provided through the primary health care system. Current estimates suggest that around one third of the 690,000 Australians with severe mental illness have chronic, persisting illness and that most have a need for some form of social support, ranging from low intensity or group-based activities delivered through mainstream social services to extensive and individualised disability support. The impact of these conditions on individuals and families and their need for services is significant.

The Commonwealth, state and territory funded service providers and the NDIS all play critical roles in the care of this group. In primary care a significant number (around 360,000) are currently managed by a psychiatrist. Many others rely on GPs for their ‘medical home’ to provide both mental health and physical health services. Both the Review, and in consultations, the Commonwealth heard concerns about the ‘missing middle’ – those people with severe illness who are not being supported by the state mental health system or by the NDIS, but who have complex needs and significant need for clinical care coordination to avert escalation of symptoms. A further subset of this group are young people with severe illness or at risk of such, as discussed earlier in this document.

The Government will give priority to resolving the fragmentation of service delivery for people with severe and complex mental illness who are being managed in primary care, and address their need for coordinated clinical and social supports by:

- the phased implementation of innovative funding models and payment options through which funding would follow the consumer’s needs;
- enhancing services delivered by mental health nurses;
- enhancing regionally based clinical assessment arrangements for people with severe and complex mental illness and linking these to Local Hospital Network and NDIS assessment and referral to help match people to the service pathway which best meets their needs;
- promoting the use of a single e-health record to link services and enhance communication between providers and consumers with mental illness; and
- implementing new arrangements to support young people with severe mental illness or at risk of such.

The Government will also continue to work with state and territory governments to ensure the effective transition to full scheme NDIS for people with severe and persistent mental illness and psychosocial disability, including:

- ensuring that the NDIS delivers on its promise as a major advance in terms of providing choice and control for people with disability, including people eligible for the Scheme due to a disability arising from mental illness;
- learning from the experience of the NDIS trial sites to ensure that people with psychosocial disability are well supported and that service providers have clarity around transition;
- ensuring continuity of support for people with severe mental illness who are not eligible for NDIS services; and
- periodically reviewing progress of the transition to full scheme NDIS to ensure that the scheme is delivering positive outcomes for people with psychosocial disability.
A key focus of the Commonwealth’s efforts will be on the development of new innovative funding and delivery models through primary care to better support coordinated wrap around services for people with complex needs, including physical comorbidities. This will initially include proportionally accessing funding from Medicare-based Better Access services for people with severe mental illness and streaming this funding to packages of care to support the role of the GP in managing needs, along with exploration of alternative funding options for this population group. The arrangements will also be supported through an enhancement of the Mental Health Nurse Incentive Programme, including arrangements to address the geographic inequities of the scheme.

Sustainable innovative funding models and arrangements will need to be developed in partnership with state and territory governments, non-government organisations and the private sector, and be informed by work underway through the Primary Health Care Advisory Group. The role of the GP in assessing the need of individuals for complex care packages will be supported through new assessment arrangements for people with severe illness to be supported through PHNs, which will have links to referral pathways to non-clinical services including the NDIS but also state government and broader educational, vocational and social supports.

Support for people with severe psychosocial disability will be progressed through the NDIS, which represents an unprecedented opportunity for people with a disability arising from mental illness to access support. Funding for a number of existing mental health programmes which target people with severe and persistent mental illness will transition to the NDIS over coming years. The Commonwealth is continuing work on implementation and eligibility arrangements through the National Disability Insurance Agency (NDIA).

Given the shared responsibilities of the Commonwealth and States and Territories for this group, developing new integrated arrangements and flexible options for coordinated care, will be a priority for Government in negotiation with states and territories of the Fifth National Mental Health Plan and in broader discussions concerning reform of the Federation.

5.9 National leadership in mental health reform

The Australian Government will lead the above mental health reform actions, which are critical to implementing an improved, efficient and sustainable mental health system. The Government is also committed to enhancing national efforts on core ongoing responsibilities to support the mental health system and health outcomes for Australians.

In this context, in addition to leading the above outlined reform activities, the Commonwealth will:

• continue to play a central role in leading promotion, prevention and early intervention initiatives, and raise awareness of mental illness and new avenues to seek help, with a focus on:
  > renewing efforts to reduce the stigma associated with mental illness
  > promoting the availability of support through the new digital gateway;

• provide ongoing responsibility for ensuring the mental health of particular population groups, including specific programmes which support Aboriginal and Torres Strait Islander people, humanitarian entrants who have experienced trauma, defence personnel and veterans;

• support and coordinate the data collections, measurement and evaluations required to inform system monitoring, accountability and service quality improvement;

• promote the use of a single e-health record to link services and enhance communications between providers and consumers;

• enhance opportunities for consumer participation including through development of a consumer and carer participation framework; and

• further develop the evidence base to support national policy and planning and improve outcomes for people with mental illness.

As part of this leadership role the Government will support the development of the Fifth National Mental Health Plan with states and territories as a priority. In particular the Government will seek the assistance of states and territories in taking forward collaborative action to achieve an integrated mental health system at a national and regional level, to embed early intervention within the system and to better address the needs of people with complex conditions or who are at risk of suicide.

The Commonwealth also recognises that people with mental illness have needs which span many areas of Government and that this requires cross sectoral engagement and integration. Long term improvements to mental health will require a critical role for health, mainstream social services, disability, education and employment sectors. Embedding consideration of the needs of people with mental illness within these sectors will continue.

Finally to understand these needs it will be important to continue and strengthen efforts to engage consumers and carers in shaping and implementing reform efforts.
6. What the reforms mean for consumers

The reforms outlined in the Government’s response to the Review will improve the mental health system as a whole, and are designed to have particular benefits for consumers with or at risk of mental illness. Some of these benefits are outlined below.

• Consumers across Australia will benefit from a local service system which is designed and planned around their needs. The local system will support communication among providers and with consumers and make the best use of the workforce and services available, including in rural and remote areas.

• A range of better targeted clinical services in the primary care setting will be available, matched to need. The higher the person’s need, the more intense the service.

• A new digital gateway to services will match individuals to the service which best meets their needs and provide easy to access information about mental health services. Low or no cost anonymous services will be easy to access through phone and web-based services with the support of an online triage system.

• Children will benefit from gaining resilience skills, being supported by better equipped and informed parents, teachers, professionals and services, and from new pathways to services including web-based support. This will maximise the likelihood of a mentally healthy, fulfilling and productive life.

• Young people will benefit from services which recognise the connection between their mental health problems, their ability to participate in education and employment and alcohol and other drug problems.

• Aboriginal and Torres Strait Islander people will benefit from enhanced mental health services which recognise the links between mental health problems, social and emotional wellbeing, risk of self-harm and suicide and alcohol and other drug problems.

• People at risk of suicide will be supported within their local communities through a new evidence based approach to suicide prevention. People who have self-harmed or attempted suicide will receive critical follow-up support.

• People with severe and complex mental illness will benefit from new assessment processes and packaging of available services, and better coordinated health and disability support services.
7. How will these reforms be taken forward?

To take forward these changes, the Government proposes to immediately reform the way in which Commonwealth mental health programmes and services are structured.

There is a need to move towards a more agile and consumer focused approach to programme delivery. The current programme structure within the Department of Health alone involves 20 separate areas of funding activity, which have built up in sedimentary layers over the years and are not well positioned to support joined up approaches to improving outcomes for consumers. These separate programme activities will be amalgamated into five core programmes which will focus on the following key areas of Commonwealth health involvement:

- National leadership;
- Promotion, prevention and early intervention;
- Primary mental health care;
- Suicide prevention; and
- Supporting the psychosocial needs of people with severe mental illness.

The following table outlines these areas of programme activity. Within this new programme structure, existing programme objectives will continue but in a more coordinated way to achieve the reform outlined in this response. There will be some redirection and bundling of project funding over time to achieve the best services for consumers within a stepped care model. This new programme structure will also provide a foundation on which to build new investment into the future.

<table>
<thead>
<tr>
<th>Programme areas</th>
<th>Activities covered</th>
</tr>
</thead>
</table>
| National leadership | - Facilitation of system reform at a national and regional level including continuing support for the sector
- Building the national evidence base for policy and service planning
- Strengthening accountability, quality and workforce capacity
- Ensuring strong consumer and carer participation
- Support for particular population groups including people from culturally and linguistically diverse backgrounds and Indigenous people
- Partnership activity with the sector and states and territories on mental health and suicide prevention |
| Promotion, prevention and early intervention | - Mental health promotion activities
- Reducing stigma associated with mental illness
- Efforts to reduce the impact of depression and anxiety
- Child and youth mental health initiatives including school based programmes
- Self-help activity |
| Primary mental health care | - Evidence based telephone and web-based services
- Provision of psychological services, including for people in hard to reach groups
- Mental health nursing services
- Services for particular groups including humanitarian entrants
- Facilitation of a stepped care approach |
| Suicide prevention | - National population level approaches to suicide prevention and evidence
- Regional suicide prevention activities
- Indigenous suicide prevention |
| Supporting the psychosocial needs of people with severe mental illness | - Efforts to coordinate care and provide non clinical support for people with severe mental illness to live in the community, including through the NDIS |
The sector will be supported at a national level to respond to the challenge through the provision of clear information about transition points, the encouragement of partnerships to achieve joined up activity, and through significantly building the capacity of PHNs to play a central role at a regional level. Where changes to the way in which programmes are funded are proposed, organisations will be given sufficient lead time to plan for these changes. The Government will work with organisations to ensure changes are implemented in a way which does not compromise continuity of access to services needed by consumers.

Transition arrangements will also be established to lead implementation of this reform package, particularly to support the engagement of stakeholders including consumers and carers in governance arrangements to guide the transition towards substantial change, promoting partnerships and communication with the sector.

Implementation of these reforms will also require continuing joined up cross-sectoral efforts. New initiatives such as the digital mental health gateway will be utilised to support easy access to information and services associated with mental health programme activity in other portfolios, including Departments of Veterans’ Affairs, Defence and Social Services. Continuing cross portfolio efforts will assist the implementation of the new mental health employment supports being delivered through the Department of Social Services, and will also assist in reviewing issues of access and eligibility to the NDIS. Cross portfolio collaboration will also be vital to establishing the new networked system of child mental health workforce support.

The Commonwealth will also play a key role in supporting professionals, providers and organisations through the provision of key national and regional data and tools, and through supporting the coordination and translation of mental health research efforts. Finalisation of the National Service Planning Framework will support planning of services and workforce requirements. A commitment to ongoing evaluation, review and improvement of service delivery efforts will be embedded within programme delivery arrangements.

The Fifth National Mental Health Plan will be a timely and important vehicle to take forward discussions with state and territory governments and with stakeholders regarding shared planning, regional integration, and collaboration required to achieve enduring reform. The Plan will also be a key vehicle to develop an agreed performance framework and national indicators against which to measure and review performance in achieving meaningful reform and better services and outcomes for consumers.

Finally longer term reforms, including innovative funding options, will be developed to ensure that the needs of people with mental illness are a priority in the context of broader health reform. This will include options being developed through the PHCAG, discussions with state and territory governments through the Reform of Federation, and through broader Medicare reform. For example, the chronic disease coordination approach for mental illness arising from the Reform of the Federation provides an opportunity to focus further on collaboration between Commonwealth and state and territory governments to produce improved results for people with severe and complex mental illness.
8. When will change commence?

The Commission’s Review acknowledged that a long term commitment to continuing reform would be required to achieve sustained and systemic reform to mental health programmes and services. However, many of the changes proposed within this response are too important to delay.

Some of the key steps for implementation of the Government’s response to the Review are provided below.

In 2015–16:

- Programme consolidation will commence to offer the agility and flexibility needed to consolidate and refocus programmes and services. Funded organisations will be given a clear indication by the end of 2015 of the future of the programme or funding stream from which they are currently funded, including transition arrangements, to provide clarity about future arrangements, ensure continuity of services by consumers and support their local planning.
- PHNs will commence commissioning mental health programmes and will be consulted on ways to support their role into the future.
- PHN sites selected for phased implementation of stepped care approach.
- Efforts will commence to address the inequitable distribution of access to mental health nurses to support people with severe illness.
- The Fifth National Mental Health Plan will be developed with states and territories.

In 2016–17:

- The new digital mental health gateway will be established.
- PHNs will commence a role in leading the phased introduction of regional planning and integration for mental health programmes and services, including a key role in supporting a system based approach to suicide prevention.
- Demonstration sites will commence trialling an approach to stepped primary mental health care to help to finalise the redesign of primary care programmes and to inform the development of supporting guidelines and frameworks.
- Models of low intensity services for people with mild mental illness will be developed through PHNs.
- New approaches to supporting young people with mental illness will be implemented.
- Trialling of integrated approaches to Aboriginal and Torres Strait Islander mental health through PHNs and Indigenous services will commence.
- Approaches to innovative funding for people with severe and complex mental illness will commence through ‘opt in’ arrangements aligned with broader trials of innovative approaches to funding for chronic health conditions.

In 2017–18

- The new arrangements for suicide prevention will be fully implemented.
- Expansion of integrated approaches to Aboriginal and Torres Strait Islander mental health through PHNs and Indigenous services will continue.
- Redesign of primary mental health care programmes to ensure optimal targeting.
- Interim evaluations will be undertaken of new approaches to programme delivery.

In 2018–19

- New programme arrangements for stepped care will be fully implemented through redesigned primary mental health care services delivered through PHN flexible funding, including new services for young people with severe illness or at risk of such.
- All regionally delivered primary mental health care grants programmes will be commissioned through PHNs.
Glossary of key terms

**Fifth National Plan Mental Health Plan**
The Fifth National Mental Health Plan (Fifth Plan) will be the latest in a sequence of national plans developed under the National Mental Health Strategy. The Fifth Plan will be developed between the Commonwealth and state and territory governments and build on the work of previous plans to set the agenda for collaborative cross jurisdictional government action on mental health.

**Acute mental health services**
Acute mental health services provide specialist psychiatric care for people who present with acute episodes of mental illness. These episodes are characterised by recent onset of severe clinical symptoms of mental illness that have potential for prolonged dysfunction or risk to self and/or others. The treatment effort is focused upon symptom reduction with a reasonable expectation of substantial improvement. In general, acute services provide relatively short term treatment and may be provided in state-based hospitals or community services.

**Better Access**
The Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule initiative (Better Access) commenced in November 2006. Under Better Access, psychiatrists, general practitioners, psychologists and appropriately trained social workers and occupational therapists provide mental health services on a fee-for-service basis subsidised through Medicare. These services offer access to evidence based short-term psychological therapies through private providers.

**Early intervention**
The concept of early intervention can be considered from three perspectives: early in life, early in illness and early in episode. In the context of mental health it is used to describe a coordinated approach to assisting a child, young person or adult through the early identification of risk factors and/or the provision of timely treatment for problems which can alleviate potential harms caused.

**Digital mental health**
Digital mental health is the delivery of services targeting common mental health problems through online and mobile phone interactive websites, apps, sensor-based monitoring devices and computers. The term also extends to telephone crisis lines and online crisis support services. Digital mental health services are delivered in real-time through multiple settings, including the home, the workplace, schools, and through clinicians’ workplaces. Some services offer fully automated self-help programmes, while others involve guidance from clinicians, crisis workers, teachers, administrators or peers.

**headspace**
Established by the National Youth Mental Health Foundation, headspace offers specific services for people aged 12–25 who need help across the areas of mental health, employment, alcohol and other drug, relationships and education.

**KidsMatter**
KidsMatter is a mental health and wellbeing framework for primary schools and early childhood education and care services which supports mental health promotion, prevention and early intervention for all children.

**Local Hospital Network (LHN)**
Local Hospital Networks (LHNs) are statutory entities established by state and territory governments to directly manage single or small groups of public hospital services and their budgets, and are directly responsible for hospital performance. Most LHNs are responsible for the provision of public hospital services in a defined geographical area, but in some jurisdictions a small number of LHNs provide services across a number of areas. At the discretion of the states and territories, they may also have responsibility for delivery of other health services.

**Mental Health Nurse Incentive Programme**
This programme provides a non-MBS incentive payment to community-based general practices, private psychiatrist services, primary care organisations and Aboriginal and Torres Strait Islander Primary Health Care Services which engage mental health nurses to assist in the provision of coordinated clinical care for people with severe mental illness.

**Mental health problems**
Diminished cognitive, emotional or social abilities but not to the extent that the diagnostic criteria for a mental illness are met.

**Mental health services**
Refers to services in which the primary function is specifically to provide clinical treatment, rehabilitation or community support targeted towards people affected by mental illness or psychiatric disability, and/or their families and carers. Mental health services are provided by organisations operating in both the government and non-government sectors, where such organisations may exclusively focus their efforts on mental health services provision or provide such activities as part of a broader range of health or human services.

**Mental health system**
The mental health system comprises all health and non-health services and activities that aim to promote, restore or maintain the mental health of individuals, families and communities. These components may or may not interact directly, but combine to provide elements of the whole approach.

**Mental illness**
Mental illness is a clinically diagnosable disorder that interferes with an individual’s cognitive, emotional or social abilities. The diagnosis of mental illness is generally made according to the classifications systems of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or the International Classification of Diseases (ICD).
**MindMatters**
MindMatters is an evidence-based mental health initiative for secondary schools that aims to improve the mental health and wellbeing of young people. It provides school staff with blended professional learning that includes online resources, face-to-face events, webinars and support.

**myHealth Record**
The myHealth Record is a national electronic medical records system that allows consumers to share their healthcare information (with consent) to all clinicians involved in their health care.

**National Disability Insurance Scheme (NDIS)**
The National Disability Insurance Scheme (NDIS) provides individualised support for eligible people with permanent and significant disability, their families and carers.

**National Service Planning Framework**
The aim of the National Service Planning Framework is to develop a planning tool based on epidemiological evidence that specifies the mix and level of mental health services required to meet the mental health needs. It will provide standardised Australian average estimates of the ideal mix of staffing, beds and treatment places for various age groups to meet the projected demand for mental health services. Work on the Framework is ongoing.

**NewAccess**
NewAccess is an early intervention programme designed by not-for-profit organisation beyondblue to provide easily accessible, free and quality services for people with mild to moderate depression, within a stepped care model.

**Peer support**
Social and emotional support, frequently coupled with practical support, provided by people who have experienced mental health problems to others sharing a similar mental health condition. Peer support aims to bring about a desired social or personal change and may be provided on a financial or unpaid basis.

**Performance indicator**
Refers to a quantitative measure that is used to judge the extent to which a given objective has been achieved. Indicators are usually tied to a specific goal and serve simply as ‘yardsticks’ by which to measure the degree of success in goal achievement. Performance indicators are usually expressed as a rate, ratio or percentage.

**Person centred care**
Person centred care is the term for treatment and care provided by health services that places the person at the centre of their own care and considers the needs of the person’s carer(s).

**Primary health care services**
Primary and community based services often constitute the first point of contact for people experiencing a health problem. A major role is the early detection and prevention of disease and the maintenance of health. This level of care also encompasses the routine care of individuals with common health problems and chronic illnesses that can be managed in the home or through periodic visits to an outpatient facility.

**Primary Health Networks (PHNs)**
Primary Health Networks (PHNs) have been established to increase the efficiency and effectiveness of medical services for patients, by improving coordination of care to ensure patients receive the right care in the right place at the right time.

**Primary mental health care**
Primary mental health care is an important continuing plank of early intervention and service delivery to people with mental illness and may be defined as health care services aimed at early detection and treatment of mental health problems and the maintenance of mental health, that are delivered to nominated individuals (or groups of individuals), usually in community settings, within a service model where mental health problems are identified and managed as part of a broader range of health care to a population.

**Regional integration**
Regional integration is a systems-based approach that seeks to better coordinate and plan regional services to improve system and health outcomes.

Regional Integration works to integrate pathways and services around the needs of consumers, while also striving for the best possible use and targeting of available resources to address individual and community needs at a regional level and across the continuum of care.

**Severity of mental illness**
Like other health conditions, mental illness impacts at different levels of severity, ranging from mild to severe. Clinically, severity is judged according to the type of disorder the person has (diagnosis), the intensity of the symptoms they are experiencing, the length of time they have experienced those symptoms (duration) and the degree of disablement that is caused to social, personal, family and occupational functioning (disability). Some diagnoses, particularly schizophrenia and other psychoses, are usually assigned to the severe category automatically, but all disorders can have severe impact on some people.
Severe mental illness

Severe mental illness is characterised by a severe level of clinical symptoms and degree of disablement to social, personal, family and occupational functioning. An estimated 3.1% of the population have severe disorders, equivalent to 690,000 people. About one third of the severe group have a psychotic illness, primarily schizophrenia or bipolar disorder. The largest group (approximately 40%) is made of people with severely disabling forms of anxiety disorders and depression. Severe mental illness is often described as comprising three sub categories:

- **Severe episodic mental illness** – refers to individuals who have discrete episodes of illness interspersed with periods of minimal symptoms and disability or even remission. This group comprises about two thirds of all adults who have a severe mental illness.

- **Severe and persistent mental illness** – refers to individuals with a severe mental illness where symptoms and/or associated disability continue at high levels without remission over long periods (years rather than months). This group represents about one third of all adults who have a severe mental illness.

- **Severe and persistent illness with complex multiagency needs** – the most disabling of the severe category requires significant clinical care (including hospitalisation), along with extensive support from multiple agencies to assist in managing most of the day to day living roles (e.g. housing support, personal support worker domiciliary visits, day program attendance). This group is relatively small (approx. 0.4% of adult population, 60,000 people).

Social and emotional wellbeing

An holistic Aboriginal definition of health that includes: mental health; emotional, psychological and spiritual wellbeing; and issues impacting specifically on wellbeing in Aboriginal and Torres Strait Islander communities such as grief, suicide and self-harm, loss and trauma.

Stepped care

Stepped care is defined as an evidence-based, staged system comprising a hierarchy of interventions, from the least to the most intensive, matched to the individual’s needs. Stepped care is a different concept from ‘step up/step down’ services which is defined below.

Step up/step down

These are clinically supported services which offer short term care to manage the interface between inpatient and community settings. They provide an alternative to hospital admission (pre-acute) and provide bridging support following discharging from hospital (post-acute). Step up/step down services are usually delivered through staffed residential facilities but may be delivered in the person’s home.