

23 January 2020

The Commissioners
Professor Stephen King, Presiding Commissioner
Ms Julie Bramson, Commissioner
Professor Harvey Whiteford, Associate Commissioner
Productivity Commission
Australian Government

Dear Professor King, Ms Bramson and Professor Whiteford

RE: Productivity Commission Draft Report, October 2019

Thank you for the comprehensive Productivity Commission Draft Report, Overview and Recommendations, Volume 1 and Volume 2 (October 2019).

The material is comprehensive and provides the potential for significant improvement in the reform of mental health services in Australia. I would like to comment on a number of specific areas of the Productivity Commission Draft Report.

This submission has been reviewed by carers, youth representatives and mental health clinicians, however these are my personal comments and not the view of the Department of Health of Western Australia.

Overview, page 74 - Information Request 14.1 – Individual Placement and Support Expansion Options

The Productivity Commission is seeking further information about the pros and cons of the two distinct options for expanding the Individual Placement and Support (IPS) model of employment support...

Individual Placement and Support

I completed the Individual Placement and Support (IPS) Training at Dartmouth, New Hampshire, USA in 2012, and conducted site visits of IPS sites in Manchester, USA. I am an IPS Trainer. I have been the Technical Advisor on IPS to the Western Australian Mental Health Association, and I was the Technical Advisor to a community organisation that implemented vocational rehabilitation in Western Australia.

The Manchester, USA IPS site visit was an integrated mental health service that had funded IPS workers integrated with the mental health service. The Manchester general population was 170,000 and there were nine supported employment specialists and an employment specialist supervisor employed by the mental health service. The information provided was that 80% of people with severe mental illness would like to be employed. With good fidelity, significant outcomes can be achieved enabling people with severe mental illness gain employment.

The USA had a number of sites where they used Cognitive Remediation for those who had difficulties gaining employment through the IPS model, even when the IPS was provided with high fidelity. There was emerging evidence that Cognitive Remediation, added to IPS, was beneficial for those clients with significant difficulties. These clients also improved educational and mental health outcomes.

For young people, there is an approach in Europe, the United Kingdom and Australia, where supported education is added to supported employment. The model of supported education and supported employment is backed by research, and is the preferred approach for young people.

Volume 1, p 39 outlines that, “The Commission estimated that approximately 50 000 job-seekers with mental illness could benefit from participation in IPS.”

My experience internationally, nationally and in Western Australia, is that over 80% of people with severe mental illness would choose to have employment or education.

In addition, there are a number of people with mild to moderate mental health difficulties that would like to be offered IPS or supported education programs, and return to a meaningful role. This is confirmed by the *KPMG Report on the Evaluation of the Individual Placement and Support Trial*, Headspace, June 2019.

I believe the 50 000 individuals who could benefit from IPS is a tenfold underestimate of the number of people in Australia who could benefit from supported employment and supported education programs.

IPS has been demonstrated to be effective in vocational rehabilitation in over 17 countries and is a well-researched, evidence based rehabilitation approach. As well as employment benefits there has also been significant improvement in people’s mental health from access to IPS.

The benchmark for IPS workers in community mental health services in Australia should be 6.0 FTE, plus leave relief for 100 000 general population. This figure could be reviewed after 12 months of implementation.

Australia has under scoped and under resourced the rehabilitation of people with mental health difficulties

In Australia, many mental health services would have 1.0 FTE IPS specialist for a general population for 100 000 to 200 000 people. The majority of mental health services would have no IPS worker.

The comparison against Manchester, USA (10 IPS workers for 170 000 general population) is that this is a tenfold reduction in IPS staff. This would result in potentially a tenfold reduction in clients obtaining meaningful educational and employment outcomes across Australia.

I fully support the direct employment of IPS employment specialists by State and Territory government and community mental health services. This would need to be supported by additional Australian Government funding.

Overview, page 104 - Information Request 23.1 – Architecture of the Future Mental Health System

The Productivity Commission has proposed two distinct models for the architecture of the future mental health system”

- *The Renovate model, which embraces current efforts at cooperation between Primary Health Networks (PHNs) and Local Hospital Networks (LHNs).*
- *The Rebuild model, under which State and Territory Governments would establish ‘Regional Commissioning Authorities’ that pool funds from all tiers of government and commission nearly all mental healthcare (Regional Commissioning Authorities would take over PHNs’ mental health commissioning responsibilities and also commission more acute mental healthcare) and psychosocial and carer supports (outside the NDIS) for people living within their catchment areas.*

At this stage, the Rebuild model is the Commission’s preferred approach.

How could the Rebuild model be improved on? Are the proposed governance arrangements appropriate? Should RCAs also hold funding for, and commission, alcohol and other drug services?

If you consider the Renovate model or another alternative approach is preferable, please describe why, and outline any variations you consider would be an improvement.

Productivity for Australia

Alistair Mant is a leadership consultant who is utilised by the Western Australian Department of Health. Figure 1 outlines that we should think much longer term if we are to gain positive results in mental health.

Figure 1 – Levels of work authority, complexity & talent – Elliott Jacques’ Stratified Systems Theory - (Alistair Mant, Intelligent Leadership; 1997).

VII Global corporate prescience	Sustaining long-term viability; defining values, moulding contexts	25-50
VI (Group) corporate citizenship	Reading international contexts to support/alert level V strategic business units	15-20
V Strategic intent	Overview of organisation purpose in context	10
IV Strategic development	Inventing, modelling new futures; positioning the organisation	5
III Good practice	Constructing, connecting and fine-tuning systems	2/3
II Service	Supporting/serving level 1 and customers/clients	1
I Quality	Hands-on skill	

The Productivity Commission Draft Report would benefit from a longer term vision for its approach to reform the mental health system to enable people with mental health illness to live a meaningful life.

There should be a blueprint for mental health reform in Australia for the period 2020 to 2070.

Leadership will be critical for the reform.

Volume 2, page 903 – Leadership

“Effective leadership is central to realising systemic change in the mental health system...

Leadership for implementation is often missing. Policy documents, strategic plans and roadmaps abound. What is often missing is leadership and skilled oversight of the implementation of these policies.”

The systemic changes needed to create a people-oriented system are outlined in Vol 1 p196, and they provide an outline of critical areas needed for reform.

The Productivity Report could be strengthened by emphasising the role of accreditation. This would include the examples in Canada through Foundry, which is developing accreditation for a system of care. Locally the Australian Commission of Health Standards recently provided an outline of the Mental Health Supplement which will address a number of the system of care issues for patients.

Accreditation across multiple agencies that form an integrated mental health system of care approach for a geographical area, has merit and should be pursued for Australia.

The **rebuild option** is the model that has most merit for Australia, though the national approach would need to ensure that funding is provided to regional areas with a weighting for socio-economic disadvantage and rurality, number of diverse populations including CALD, Aboriginal and LGBTIQ.

The rebuild model would also benefit from an outline of the services that are required in each region of Australia, though these services maybe need to be adapted to meet local need.

Unless we have a national approach, we will have the present postcode lottery, where clients receive variable services dependent on where they live, becoming regional lottery with variable mental health services across the states and nation.

Many services would fall to the bottom denominator unless there was an adequate national and state funding, planning, leadership and accreditation process built-in to ensure quality service provision.

There would be some exemplar services across Australia. Unfortunately we do not scale up the services that are working effectively. Australia is seen to have a ‘tall poppy syndrome’ which limits the potential of benchmarking and other strategies to improve all services across the states, territories and nation.

The National Mental Health Reform in 1992 outlined that mental health services were to be mainstreamed with health services.

Volume 2, page 896 – 22.3 Strengthening the National Mental Health Strategy Strategy Shortcomings

“The National Mental Health Strategy is failing. Since its introduction in 1992, the Strategy has led to a series of reforms of government-funded mental health services and supports...

The National Mental Health Strategy lacks:

- a whole of government approach
- coherence
- the role of the private sector
- a vision that is outcomes focussed.”

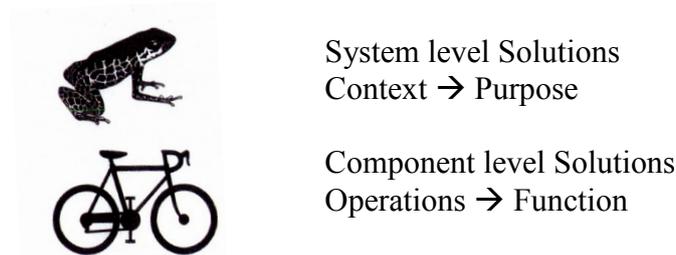
I have been in leadership positions across the community managed sector and public mental health sector for over 30 years. Over this time there have been some excellent health managers who have not had previous experience of the mental health sector. They have provided excellent management and have been truly client focussed. Unfortunately they are the minority.

There have been a number of health service managers that have not provided adequate leadership or stewardship to the mental health services they govern.

Mental health services in a region of Perth were integrated with mainstream health some years previously. There are a number of examples in the attachment demonstrating significant issues of the governance and leadership of mental health services.

Alistair Mant outlines that mental health is a complex system, and strategies that recognise this complexity are required (Figure 2).

Figure 2 – Improving Systems Operation



Improving systems operation – Intelligent leaders understand that complex systems are more like frogs than bikes. You can disassemble a bicycle completely, clean and oil all the separate parts, and reassemble it confident that it will work as before. Frogs are different. The moment you remove any part, *all* the rest of the system is affected instantly, in unpredictable ways, for the *worse*. Binary ‘leaders’, and quite a few management consultants too, really do think that complex organisational systems will respond to the bicycle treatment. They think you can get a realistic picture of the total *system* by simply aggregating its *component* parts. They are not wicked, just dim.
(Alistair Mant, Intelligent Leadership; 1997).

One of the options for consideration is for a mental health service to cover the Perth metropolitan area, and a mental health service to cover WA Country Health Service.

Another option would be for Department of Health WA mental health services to be under the governance of a Board, specifically for mental health that covers all of Western Australia. The WA Mental Health Board would be in accordance with the WA Hospital Act 2016.

If these options are not implemented, the poor management of mental health services under mainstream health, needs to be addressed.

Overview, page 68 - Draft Recommendation 12.1 – Extend the Contract Length of Psychosocial Supports

In the short term (in the next 2 years)

The Australian, State and Territory Governments should extend the funding cycle length for psychosocial supports from a one-year term to a minimum of five years.

Funding for five years is inadequate.

Community mental health services should have ongoing funding with appropriate indexation, with annual review to ensure they are meeting objectives. The present system has so many services lose staff because the contract has not been extended, or a new provider is awarded the tender, often when a community service is obtaining excellent results.

The present short term funding of community mental health services is contributing to the lack of coordination in mental health services across Australia, and is reducing the productivity outcomes that should occur for people with mental illness.

Conclusion

The Productivity Commission Draft Report is comprehensive and outlines the areas that would make a profound difference for people with mental health difficulties, their families and their communities across Australia. The recommendations of the final report should be fully implemented by Federal and State/Territory governments.

Though the Productivity Commission Draft Report is excellent, I am not convinced that Federal and State governments will fully implement the recommendations of the Productivity Commission Report when released later this year. The economic cost of not implementing the Productivity Commission Draft Report is huge.

State and Federal leadership to obtain bipartisan support is required to improve the outcomes for people with mental ill health, their families and communities across Australia.

Please contact me if you would like further information.

Yours sincerely

Warwick Smith
Director
Youth Mental Health

Enc. Attachment 1