

2 April 2024

## Budget Submission to the Australian Federal Government: Urgent Funding Needs for Mental Health Services

### Introduction

This submission addresses critical deficiencies in the current mental health care framework in Australia. Specifically, it highlights the urgent need for reform in three key areas: Medicare funding for mental health sessions, the allocation of university placements for psychologists, and the accreditation pathways for new psychiatrists. These areas significantly impact mental health outcomes and accessibility of services for Australians, underscoring the necessity for immediate government action to foster a healthier, more resilient population.

### Issues, Impacts, and Recommendations

#### 1 Medicare Funding for Mental Health Sessions: Inadequacy of Current Rebates and Session Limits

- **Issue:** Medicare currently supports up to 10 psychological sessions per year under the Better Access initiative. This limit is grossly inadequate for managing chronic or severe mental health conditions, which often require sustained and intensive intervention.
- **Impact:** The limitation of 10 sessions per year frequently results in suboptimal treatment outcomes, higher rates of relapse, and prolonged recovery times. This not only affects individual health but also escalates the economic burden on society. The Australian Institute of Health and Welfare notes that mental health issues cost the Australian economy over \$60 billion annually, approximately 4% of GDP. Inadequate session limits contribute significantly to these costs by preventing adequate early and ongoing intervention.
- **Solution:** Increase the number of Medicare-rebatable sessions to at least 20 per year and align the rebate amount more closely with the actual costs of providing psychological services. This change will help ensure the sustainability of mental health services and improve access to necessary care.

#### 2 University Placements for Psychologists: Insufficient Training Opportunities

- **Issue:** There is a critical shortfall in the number of training placements available for aspiring psychologists within Australian universities, exacerbating the gap between the supply of qualified professionals and the growing demand for mental health services.
- **Impact:** The current limitation on training placements severely restricts the number of new psychologists entering the workforce each year. This shortage undermines the

effectiveness of Australia's mental health response, particularly affecting rural and underserved regions and leading to significant economic and social costs.

- **Solution:** Substantially increase federal funding to expand university placements in psychology at both undergraduate and postgraduate levels. Additionally, incentivise universities and affiliated training clinics to enhance their capacity for training new clinicians, thereby ensuring a robust pipeline of qualified mental health professionals.

### 3 Accreditation Pathways for Psychiatrists: Restrictive and Outdated Requirements

- **Issue:** The pathways to becoming a licensed psychiatrist in Australia are excessively restrictive and involve lengthy, costly training processes. These barriers significantly limit the entry of new psychiatrists into the profession at a time when the demand for psychiatric services is rising. While requirements should remain stringent, attracting only the best candidates into the profession, they are currently excessively restrictive and discriminate against candidates without the financial means to sustain themselves while becoming qualified.
- **Impact:** The stringent requirements for entering the psychiatry profession have led to a shortage of psychiatrists, particularly in areas with high psychiatric service needs. This shortage results in longer wait times for patients, increased healthcare costs due to delayed or ineffective treatment, and a greater overall burden on the healthcare system.
- **Solution:** Reform the accreditation process to streamline the pathway for becoming a psychiatrist without compromising training quality. This could include revising the prerequisites for entry into training programs, increasing the number of accredited training positions, and offering government-funded scholarships or loan forgiveness programs to reduce the financial burden on new psychiatrists.

### Economic and Long-Term Care Considerations

The economic impact of inadequate mental health care is profound and multifaceted. Individuals who fall through the cracks due to insufficient early intervention and limited access to continuous care are more likely to develop chronic health conditions, leading to escalating healthcare costs and diminished life quality. Recent statistics indicate a troubling rise in mental health conditions across Australia, with reported cases of anxiety, depression, and other disorders increasing by approximately 30% over the last decade. This decline in mental health not only places a direct burden on affected individuals and their families but also increases demand on social services, emergency response teams, and the broader healthcare system. Addressing these issues with enhanced funding and strategic reforms would alleviate these burdens and promote a healthier, more productive society.

### Monitoring, Evaluation, and Continuous Improvement

#### Purpose and Importance

- **Purpose:** To establish robust mechanisms for monitoring and evaluating the effectiveness of the new funding and policies implemented as part of this initiative. This ensures that the intended outcomes are being met and provides data to guide further improvements.



[www.unboundminds.com.au](http://www.unboundminds.com.au)



[hello@unboundminds.com.au](mailto:hello@unboundminds.com.au)



1300 151 110



Suite 15, 13 Digitaria Drive, Gledswood Hills 2557



Suite 202, 13 Barber Avenue, Kingswood 2747

- **Importance:** Continuous monitoring and evaluation not only ensure transparency and accountability but also foster a culture of evidence-based practice and continuous learning within the mental health sector.

## Strategies for Implementation

- **Development of Key Performance Indicators (KPIs):**
  - **Objective:** Create specific, measurable, achievable, relevant, and time-bound (SMART) KPIs to assess the impact of increased Medicare sessions, expanded training placements, and streamlined accreditation processes.
  - **Examples of KPIs:**
    - Reduction in wait times for mental health services.
    - Increased number of patients completing recommended treatment courses.
    - Higher satisfaction rates among patients and mental health professionals.
    - Increase in the number of trained psychologists and psychiatrists entering the workforce.
- **Regular Reporting and Public Transparency:**
  - **Objective:** Implement a regular reporting system that provides updates on the progress and effectiveness of the initiatives. These reports should be made publicly available to ensure transparency and foster public trust.
  - **Implementation:** Quarterly and annual reports detailing progress against KPIs, challenges encountered, and the strategies used to overcome them. This could involve collaborations with academic institutions for independent evaluations.
- **Feedback Mechanisms:**
  - **Objective:** Establish clear and accessible channels for feedback from healthcare providers, patients, and the general public to inform ongoing policy and practice adjustments.
  - **Implementation:** Online platforms, surveys, and stakeholder meetings to gather feedback and engage with the community about their experiences and suggestions for improvement.
- **Continuous Professional Development and Training:**
  - **Objective:** Ensure that mental health professionals are continuously updated on best practices and innovations in mental health care.
  - **Implementation:** Mandatory continuing professional development (CPD) programs for mental health professionals funded by the government, focusing on areas highlighted by ongoing evaluations as needing improvement.

## Benefits

- **Adaptive Policy Making:** By continually assessing the impact of reforms, policy-makers can adapt strategies in real time, ensuring that the mental health system remains responsive to the needs of Australians.



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[hello@unboundminds.com.au](mailto:hello@unboundminds.com.au)



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- **Enhanced Outcomes:** Continuous improvement leads to more effective and efficient services, ultimately improving health outcomes and reducing the economic burden of mental health issues.

## Conclusion

The challenges outlined in this submission represent significant barriers to effective mental health care in Australia. Addressing these issues through increased funding and systemic reforms will not only improve health outcomes for individuals with mental health conditions but also yield substantial economic benefits by enhancing productivity and reducing long-term healthcare costs. We urge the Australian Federal Government to consider these recommendations in the upcoming budget to ensure a healthier, more resilient population.

Thank you for considering this submission.

Sincerely,



Justin Khoury  
Chief Executive Officer  
Unbound Minds



[www.unboundminds.com.au](http://www.unboundminds.com.au)



[hello@unboundminds.com.au](mailto:hello@unboundminds.com.au)



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