



Public Sector
Commission

Agency Capability Mental Health Commission Executive summary



October 2024

Introduction

The Mental Health Commission (the agency) was reviewed under the Agency Capability Review Program (the program) from August 2023 to April 2024.

The agency serves as the Western Australian Government's primary commissioning agency for mental health and alcohol and other drug (AOD) services, facilitating delivery of \$1.15 billion of services a year.

The agency holds a critical position as the state's mental health and AOD strategic policy setting agency, bringing together all elements of the system – public and private, clinical and non-clinical, bed based services and community care.

This Agency Capability Review (the review) explores the importance of the agency getting these 2 fundamental functions right: executing both its strategic policy leadership role for the sector and its approach to commissioning.

The agency is recognised as a leader in engaging people with lived experience. Through an inclusive engagement and co-design process, the agency developed policies that were the first of their kind in the public sector, recognising and incorporating the expertise in the community.

The agency is beginning a multi-year rebuilding process, and the new executive acknowledges and embraces the challenges ahead.

About the Agency Capability Review Program

The program takes a comprehensive whole of sector approach to improvement and sets standards based on a clear understanding of what constitutes a high performing public sector agency in Western Australia (WA).

The program was trialled over 2 years (2021-22 and 2022-23) in 8 government agencies before being made a permanent function of the Public Sector Commission (the Commission) in July 2023. Reviews provide valuable insight into how agencies can improve and deliver the quality of services expected of them. Reviews also contribute to the development and improvement of the sector.

Reviews are conducted by independent lead reviewers who have public administration expertise and experience. Lead reviewers are supported by senior executives from the government sector who are co-opted for each review, as well as the Agency Capability Review team at the Commission.

Each review is conducted against a standardised [Agency Capability Framework](#) (the framework) of the 5 most significant areas of public sector management and administration. The framework is relevant and applicable to all agencies regardless of remit, purpose, functions and services.

The framework supports agencies to ask 4 key questions:

- What are we meant to achieve?
- How well are we currently doing it?
- How do we know?
- Where can we do better?

Agency background

The agency was established in March 2010 to lead mental health reform and work towards a modern and effective mental health system that places the individual and their recovery at the centre of its work.

On 1 July 2015, the agency merged with the Drug and Alcohol Office, establishing an integrated approach to mental health and AOD service delivery for WA.

The agency's mission is to strive to be an effective leader of alcohol, drug and mental health commissioning, providing and partnering in the delivery of person centred and evidence based:

- prevention, promotion and early intervention programs
- treatment services and supports
- research, policy and system improvements.

While the agency delivers some services, mostly in the AOD area, plans are being made to transfer these services to the East Metropolitan Health Service by mid-2024. Once this occurs, the agency will retain mental health and AOD telephone support services. Contracted service providers deliver all other mental health and AOD services.

The agency provides corporate support to 3 administered entities: the Mental Health Tribunal, Office of the Chief Psychiatrist and Mental Health Advocacy Service.

Ministers

The agency reports to the Hon Amber-Jade Sanderson MLA, Minister for Mental Health, also holding the Health portfolio.

Boards and/or committees

The agency does not have responsibility or reporting requirements for statutory boards.

The agency supports key committees and advisory groups to help administer the mental health and AOD system and provide advice to the Mental Health Commissioner:

- Community Mental Health, Alcohol and Other Drug Council
- Mental Health Executive Committee
- Mental Health Advisory Council
- Alcohol and Other Drug Advisory Board
- Mental health network executive advisory groups (including sub networks).

Future operating environment

The WA population is projected to grow from 2.89 million in 2022 to 3.65 million by 2041. Consequently, it is expected that the number of people experiencing poor mental health and/or use of AOD will continue to increase. People in regional areas continue to encounter difficulties accessing mental health and AOD services due to

limited resources and availability. This anticipated increase will further strain a workforce struggling to meet demand due to a shortage of skilled professionals.

Young people aged 16 to 24 and older people in aged care facilities have experienced a marked increase in mental health conditions in recent years and the rise is expected to continue. Engaging these groups is crucial to ensure they are aware of and able to access available services.

Technology use in the mental health and AOD sectors is expected to continue to expand as its benefits and efficiencies are realised. With ongoing research and innovation in mental health and AOD services, there will be improvements in prevention and treatment practices. Adoption of these practices will result in better outcomes for individuals and communities affected by mental ill health and AOD use.

Many people seeking mental health and AOD treatment have co-occurring needs and require support from multiple government agencies such as primary health care and housing. Agencies need to integrate services to provide a person centred approach and address community needs and expectations.

The agency has been tasked by the government with developing a new statewide mental health and AOD strategy that prioritises the delivery of an integrated, recovery oriented and community focused system. In developing the strategy, the agency will need to be cognisant of the complexities of the operating environment and how demand for its stewardship of the sector will continue to grow and change.

The review process

The review was undertaken by Jo Gaines as the independent lead reviewer with support from Natalie Gibson as senior reviewer co-opted from the Office of the Inspector of Custodial Services.

Jo is an experienced organisational leader and strategic policy director. She was Deputy Chief of Staff to Mark McGowan, Premier of Western Australia and Leader of the Opposition for 9 years.

Jo is the Chair of GESB, Executive Director of Gaines Advisory and a Non-Executive Director of DevelopmentWA, Chalice Mining and Australian Vanadium Limited.

She worked across all levels of government, the private sector and non-government organisations to drive reforms in a diverse range of fields including economic diversification, energy, child protection, health, contracting and procurement, and climate change. She was a leader in the development of the WA Recovery Plan in response to the COVID-19 pandemic.

The review looked at all 21 capabilities and identified 2 lines of inquiry for in-depth investigation. This involved further engagement and investigation with the agency, and research into how practices might be improved, and capability gaps addressed.

The review identified areas of strength that the agency and sector can build on and share.

The process involved 6 months of investigation, research and information collection including:

- a comprehensive review of published and unpublished documents
- 82 external stakeholder consultations
- a corporate executive self assessment against the framework
- 2 half day corporate executive workshops, and several briefings and meetings with the executive team
- interviews with each corporate executive member
- meetings and workshops with staff, management tiers and various internal committees
- a comprehensive capability questionnaire gauging staff perceptions of the agency's capabilities
- a 'Have Your Say' tool inviting staff to share what the agency does well, what can be improved and ideas for improvement.

Key observations

- The agency's purpose is to provide strategic leadership to the mental health and alcohol and other drugs (AOD) sectors and act as the primary commissioning agency for mental health and AOD services. There has been a widening drift between the agency's purpose and delivery of the WA Mental Health, Alcohol and Other Drug Services Plan 2015-25 objectives.
- It has not effectively executed its leadership role of the sectors to achieve integrated service delivery, resulting in inefficiencies, gaps in services and vulnerable people not always receiving services when and where they need them.
- The agency commissions approximately \$1.15 billion of services a year delivered through not for profit and government health service providers. The agency has not led a strategic approach to commissioning, resulting in operational services that are not targeted or joined up where they need to be, or delivering best value for money.
- The contract management lifecycle is not typically applied by the agency. Contracts are often renewed without assessing whether services remain fit for purpose or deliver value for money, presenting risks and missed opportunities to enhance service delivery. Evaluation of contract performance and procurement practices in accordance with a financial management and integrity framework can reduce vulnerabilities and strengthen shared accountability for outcomes.
- Approximately \$1 billion is allocated to commissioning from government health service providers. At the time of the review there were no Commission Service Agreements between the agency and government health service providers resulting in little oversight of how the money was spent.
- Delivering the WA Mental Health, Alcohol and Other Drug Services Plan 2015-25 was hampered due to the absence of an identified funding model, too many priorities, and a lack of broader government support. The agency is tasked with developing a new statewide strategy. Central to the success of this strategy is

establishing the authorising environment at the start of the process and obtaining agreement on objectives aligned with government priorities.

- There is an opportunity to re-examine the appropriate balance of funding between government and non-government service providers to ensure the mix best meets consumer needs as they transition through the continuum of care from one provider to another.
- The mental health sector is struggling to meet the demand for skilled workers, especially in regional areas, and this directly impacts service delivery. The agency has a role to play in developing a sustainable pipeline of sufficiently skilled, resilient, adaptable and available professionals. The issue must be addressed to improve the likelihood of the objectives of the new statewide strategy being achieved.
- Structural fragmentation in the agency is evident in the distinct silos separating service and treatment teams as well as the internal divide between mental health and AOD. This fragmentation inhibits efficient practices and the design and provision of holistic, consumer centred services. Leaders across the agency are not yet working together to deliver agreed strategic objectives.
- The agency has not consistently engaged in genuine consultation with providers or paid sufficient attention to change management. As the agency does not deliver services directly to consumers, its relationship with providers is crucial when designing solutions to improve health outcomes for consumers.
- A planned approach to outcomes focused budgeting is required. In its absence, the agency faces challenges in gaining support for business cases. In developing the new statewide strategy and an internal agency strategic plan it is important to accurately forecast the resources needed to achieve intended outcomes.
- The agency is recognised as a leader in engaging people with lived experience. This citizen focus is commended, however, there is scope to improve the management of consumer and stakeholder expectations at all stages of the consultation process. The agency needs to consider when to use co-design and when different methods of engagement would be more appropriate.
- The agency is beginning a multi-year rebuilding process, and the new executive acknowledges and embraces the challenges ahead. With recommendations from previous reviews not actioned, the way forward must be guided by learnings to establish an informed future direction for the agency and the consumers it serves.

Lines of inquiry

The review identified 2 lines of inquiry to inform areas of focus for the agency and direct performance improvement efforts.

Line of inquiry 1: Improving systemwide leadership and strategic policy for mental health and AOD

The mental health and AOD sectors in WA are highly complex, involving diverse stakeholders and intricate governance structures. To bring the pieces together, the agency

should assume a leadership role by establishing the strategic direction for the sectors and setting expectations and overseeing performance of all mental health and AOD services.

A supportive authorising environment is essential to the agency's success. Understanding, shaping and engaging with stakeholders who make up its authorising environment is critical for the agency to deliver its remit. Government balances competing priorities to ensure public resources are used to achieve the best outcomes for citizens. It is difficult for government to support or fund initiatives without a clear demonstration of how an agency's strategy fits into and delivers on wider government priorities. To succeed, the agency should develop and communicate a narrative that aligns the strategy's objectives to government priorities.

There is widespread acknowledgement that the 10 year timeframe of the WA Mental Health, Alcohol and Other Drug Services Plan 2015-25 was too long. As the plan comes to an end, the agency has an opportunity to re-establish its role in leading the mental health and AOD sectors when it develops a refocused and updated statewide strategy. The new statewide strategy should prioritise delivery of a consumer recovery oriented, community focused and integrated system.

To successfully lead the sector, the agency needs to work with stakeholders when developing the statewide strategy. It should consult with public sector agencies and leverage existing governance frameworks and network structures. The agency should lean into the support and expertise of central government agencies and establish an ongoing dialogue with the Department of Treasury.

While developing the statewide strategy, the agency needs to work closely with the Department of Health and health service providers to ensure the strategy aligns with broader health plans. It is also important for the statewide strategy to align with national mental health and AOD strategies. The right service providers and consumers need to be consulted to identify system reforms and deliver consumer centred outcomes across the state.

As the strategic leader for the mental health and AOD sectors, the agency is responsible for identifying capability gaps in the sectors' workforce and developing strategies to address them. Without a sufficiently skilled, resilient, adaptable and available workforce, the sectors are going to struggle to meet the objectives of the new statewide strategy.

Project and implementation arrangements to support the 2015-25 plan were absent, adversely affecting its success with many objectives not achieved. The agency needs to develop its own corporate plan to ensure staff understand how agency operations and objectives fit into the new statewide strategy and how their roles align at an operational level.

The agency should establish itself as a trusted source of expert advice and research. To achieve this, there is significant potential for improved collaboration among the agency's divisions. The review identified pockets of good practice that could be extended across the agency.

As the agency begins developing the new statewide strategy, it is in a good position to identify areas of contemporary mental health and AOD research that can influence sector growth and improvement as well as build internal capability.

Line of inquiry 2: Improving commissioning for high quality services

At the time of the review, the agency spent approximately \$1.15 billion a year on commissioning services from the mental health and AOD sectors. Of this, approximately \$1 billion was allocated to the public health system and the remainder to non-government organisations.

Commissioning mental health and AOD services is core business and needs improvement, particularly in regional and remote WA where services and resources are more constrained. The 2015-25 plan identified system deficits that the agency initially used to guide its commissioning decisions. Over time, the plan became outdated, with commissioning more ad hoc leading to a fragmented approach.

The strategic commissioning approach has been impacted by internal structural changes. An unintended consequence has been a disjointed commissioning approach across the agency and a loss of corporate expertise, particularly in data analysis. The agency is working to address these issues.

Developing a new 5 year agency strategy should assist with a more intentional commissioning approach aligned to clear priorities. It presents an opportunity to re-examine whether the balance of funding between government or non-government service providers is appropriate, and ensures a mix that best meets the needs of the consumer as they transition through the continuum of care from one provider to another.

The agency commissions mental health services to meet the needs of consumers across the continuum of care with some consumers facing barriers when transitioning from one service to the next. It is vital to ensure all steps are taken to support safe and effective care transitions when moving consumers between services. The agency is not solely responsible for the seamless flow of consumers through the mental health system. Other agencies such as health service providers and non-government organisations have an important role as the delivery arm.

When purchasing outcomes from service providers, the agency needs to balance providing flexibility to service providers with ensuring the original intent of commissioning is achieved. The agency should work with service providers to develop relevant performance indicators and regularly monitor performance against them.

Without adequate system oversight there is also a risk of service duplication. Better system oversight allows the agency to reprioritise resources where duplication is identified. The agency is establishing a working group with the WA Primary Health Alliance, non-government organisations, health service providers, people with lived experience and peak bodies to understand the services delivered across the system.

The agency is keen to engage with consumers directly impacted by the design of services. However, it needs to manage the expectations of consumers and stakeholders when they provide input into service design.

Co-design can help the agency increase the likelihood of producing successful services by understanding issues from the perspectives of consumers and stakeholders. However, it may not be feasible to always use co-design as it is highly resource intensive. It is important for the authorising environment to be agreed with government before co-design begins. Going forward, the agency needs to consider when it uses co-design and manage stakeholder expectations from the outset.

Managing health service provider performance is critical so services are effective and efficient, particularly given the significant value of the contracts. The agency should leverage work being undertaken by the Department of Health so there is a consistent framework applied to health service providers. The agency should introduce longer agreements in partnership with the Department of Health. These would provide more certainty and help address attraction and retention issues for health service provider staff who are employed on short term contracts linked to annual funding agreements.

The agency has historically focused more on measuring outputs rather than outcomes. The agency is moving towards a more contemporary approach to evaluation by developing an outcomes management framework. As an interim step, it has moved to an outcomes measurement approach for all new contracts.

Service evaluation is an opportunity for providers to suggest changes to contracts so services remain fit for purpose. Without evaluation, the agency is procuring services that are at risk of becoming inadequate, outdated and, consequently, not responsive to the changing needs of the community.

The [Agency Commissioning Plan 2023-2030](#) sets the commissioning schedule for services delivered by non-government organisations over the next 7 years and defines periods of program evaluation for different program areas.

The agency should consider including provisions or clauses in contracts that allow for periodic review and assessment. The purpose of these mechanisms is to ensure service providers are effectively achieving intended outcomes. This approach emphasises accountability and the efficient use of resources by linking continued funding to achieving specific outcomes.

Service delivery in the regions is particularly impacted by resource constraints including workforce shortages, and service availability restricted by distance. These factors make it particularly difficult for the agency to ensure there are no gaps in the continuum of care for consumers.

The agency needs to prioritise integrating services with Aboriginal Controlled Community Organisations (ACCOs) in its commissioning plan including the capability building that needs to take place before transitioning to ACCO led services. The agency needs to work with delivery partners to help transition services to ACCOs and include funding for capacity building in tendering for contracts.

Areas of strength

Sharing areas of good practice is an important element of the program as it contributes to the development of the WA public sector. The body of knowledge and data collected through reviews creates a bank of valuable learnings and resources to help develop solutions to common themes that can be shared across the public sector.

Area of strength 1: Community engagement and lived experience expertise

The agency is consistently recognised as a leader in engaging with consumers with lived experience. Processes that enable those affected by mental health conditions and AOD use to collaborate and co-design responsive systems and treatment options, tailored to individual needs, are profoundly empowering. Research consistently demonstrates that such approaches yield greater effectiveness, efficiency and impact.

The agency has laid a robust foundation in 2 strategies to achieve more inclusive, better designed and impactful mental health and AOD recovery services:

- Stakeholder engagement
- Lived experience workforce development.

The agency's expertise in these areas can be used by stakeholders and other public sector agencies seeking to replicate aspects of its successful approach.

WA was among the first states to appoint a dedicated mental health ministerial portfolio (2008) and the first to establish a standalone mental health agency (2010). The agency prioritised engagement with advocates and a strategic objective in its inaugural plan was to create a modern mental health system. A consumer advocate position was established within 18 months of the agency's creation, providing a designated person to coordinate this engagement.

Through an inclusive engagement and co-design process, the agency developed the pioneering Consumer, Family, Carer and Community Paid Participation policy. As the first of its kind in the public sector, this policy recognises the expertise residing in the community. It emphasises the vital role of consumers, families, carers and the wider community in shaping policy and systems development.

Throughout the review, stakeholders consistently acknowledged the agency's lead in embedding this contemporary way of working into service delivery. This was reflected in feedback from government, other public sector agencies, commissioning partners and consumer groups.

Central to embedding engagement and lived experience into processes is building shared understandings, definitions and expectations about how embedding will happen, who is involved and the outcomes to be delivered. The initiatives outlined above guide those leading consultation and co-design processes at different levels.

Understanding the experiences and needs of consumers and the community - and incorporating these into agency structures, processes, practices and service designs - is an optimal approach.

Area of strength 2: Suicide prevention framework development

The agency's [Western Australian Suicide Prevention Framework 2021-2025](#) provides a coordinated approach to address suicide prevention activity in WA. Staff and stakeholders commended the work of the prevention division in developing the framework, recognising the process as an example of good practice.

The Department of Treasury was engaged early when developing the framework to ensure the agency had the authorising environment at commencement. The prevention team also ensured the Department of Treasury was involved throughout to maintain that authorising environment. The prevention team then worked with the Department of Treasury to develop an evaluation plan to report back to the Expenditure Review Committee and support submissions for continued funding.

Adopting a structured approach to stakeholder engagement started with developing the program logic. This identified a clear intent for the framework including systematic measures, programmatic measures and individual outcomes.

Feedback from the community and non-government organisations was used to identify gaps, improve the program logic and develop the framework. The prevention team recognised the importance of developing productive relationships with stakeholders, and regularly meeting with them ensured expectations were managed throughout the process.

The prevention team understood the importance of regional considerations and place based commissioning from framework development through to implementation. The intent of the process was provided to local service providers during the development phase. During the implementation phase, each region developed a plan so the framework was tailored to the specific needs of different local communities. The prevention team commissioned an Aboriginal agency to employ Aboriginal community liaison officers who led implementation of the regional plans in a culturally responsive way.

Area of strength 3: Drug Education and Support Services

The agency expanded the Drug Education and Support Services (DESS) program across the state and contacted DESS workers to provide AOD education and support in youth accommodation services funded by the Department of Communities. There is an opportunity to formalise some of the processes and practices for wider application across the agency.

Expanding the DESS program included a shift from outputs to outcomes based commissioning. Intended outcomes were co-designed with service providers. The expansion included co-designing a new data collection tool and guidelines by analysing how data is currently collected by service providers and considering best practice trauma informed approaches to collecting outcomes data. The tool and guidelines were developed to support consistent data collection. Together they provide an expectation about data collection from the agency.

The request for tender and associated contract included requirements to improve consumer flow. Research and consultation identified outcomes of the DESS program. One is “there are stronger relationships and networks across DESS workers and mental health and AOD services.”

While service providers have the flexibility to “determine the exact activities required to achieve the key outcomes”, some specific components are prescribed particularly those to enhance consumer flow.

The DESS program is a collaboration between the agency and Department of Communities. The agencies identified an opportunity to improve outcomes for a target cohort through a coordinated approach to service delivery. The approach recognises the importance of having services that meet complex needs and co-existing issues such as AOD use and homelessness.

The agency could capitalise on some of this work including a consideration of how such an approach can be applied when transitioning services to ACCOs.



We are proud to deliver our services from Whadjuk Noongar boodja. We acknowledge and pay respect to Elders, Traditional Owners and Custodians from the many land and language groups of Western Australia.

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Public Sector Commission | 2 Havelock Street, West Perth, WA 6005
T 08 6552 8500 | E admin@psc.wa.gov.au | WA.gov.au

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