

National Mental Health Commission

Annual Report 2016-17



Australian Government

National Mental Health Commission

Contact us

This Annual Report is available online at www.mentalhealthcommission.gov.au

If you have any queries about this report, please contact:

Chief Operating Officer
National Mental Health Commission
Post Office Box 1463
Royal Exchange
Sydney NSW 2000

Web address: www.mentalhealthcommission.gov.au

Email: enquiries@mentalhealthcommission.gov.au

Telephone: +61 2 8229 7550

Facsimile: +61 2 8229 7555

ABN 83 537 016 476

© Commonwealth of Australia 2017

This work is copyright. Apart from rights to use as permitted by the *Copyright Act 1968*, no part may be reproduced without prior written permission from the Commonwealth.

Requests and enquiries concerning reproduction and rights are to be sent to the National Mental Health Commission on enquiries@mentalhealthcommission.gov.au.



Australian Government

National Mental Health Commission

The Hon. Greg Hunt MP
Minister for Health and Aged Care
Minister for Sport
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Annual Report of the National Mental Health Commission for the period ending 30 June 2017.

This Annual Report has been prepared in accordance with section 70 of the *Public Service Act 1999* and section 46 of the *Public Governance, Performance and Accountability Act 2013* and Division 3A of the *Public Governance, Performance and Accountability Rule 2014*. The Annual Report has been prepared to meet the requirements of section 70(2) of the *Public Service Act 1999*.

I submit this Annual Report in accordance with section 70(1) of the *Public Service Act 1999* for presentation to the Australian Parliament.

The Annual Report includes the National Mental Health Commission's annual performance statements and audited financial statements as required by section 39 and section 42 of the *Public Governance, Performance and Accountability Act 2013*.

I certify that the National Mental Health Commission has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the needs of the Commission, and that all reasonable measures have been taken to appropriately deal with fraud relating to the Commission.

Yours sincerely

A handwritten signature in grey ink, appearing to be 'P. Brown'.

Dr Peggy Brown MB, BS (Hons) FRANZCP AFACHSM
Chief Executive Officer
Commissioner

12 September 2017

CONTENTS

Chief Executive Officer's Review	7
Message from the Chair	10
Overview of the National Mental Health Commission	13
<i>National Mental Health Commission</i>	15
<i>Structure Our Commissioners</i>	16
Report on Performance	20
<i>Performance Results</i>	22
<i>Report on Financial Performance</i>	31
Management and Accountability	33
<i>Corporate Governance</i>	33
<i>Recognising the contribution of people with lived experience, their families and support people</i>	34
<i>External Scrutiny</i>	34
<i>Fraud Prevention</i>	34
<i>Management of Human Resources</i>	35
<i>Purchasing</i>	37
<i>Consultants</i>	37
<i>ANAO Access Clauses</i>	37
<i>Exempt Contracts</i>	37
<i>Procurement Initiatives to Support Small Business</i>	37
<i>Advertising campaigns</i>	37
<i>Grants</i>	37
<i>Disability Reporting</i>	37
<i>Freedom of Information</i>	38
<i>Work health and safety</i>	38
<i>Ecologically sustainable development and environmental performance</i>	38
Financial Statements	41
Index	72
Glossary of abbreviations and acronyms	73
List of Requirements	75

National Mental Health Commission

Contributing Lives, Thriving Communities

Our vision

All people in Australia are enabled to lead contributing lives in socially and economically thriving communities.

Our mission

Promote understanding of the outcomes that matter and drive transformational change across service systems for people with lived experience of mental health issues.

Our values

Excellence

- We believe everyone is capable of great things in a great environment.
- We strive for success and celebrate it when we achieve it.
- We know and use evidence to inform our decisions.
- We support innovation and continuous improvement, and are committed to helping to build the evidence base.
- We are credible and trusted.

Integrity

- We are honest and trustworthy in all that we do.
- We stand up for what we believe in.
- We respect each other's differences.
- We value human rights and social justice.
- We believe in equity and opportunity for all.

Collaboration

- We value individuals, interactions and connectedness.
- We respect and acknowledge everyone's input, skills and experience.
- We believe in working together.
- We acknowledge the importance of effective communication.
- We support engagement and participation at all levels to enhance our outcomes.

Accountability

- We value our independence and transparency.
- We take accountability for our commitments and actions and expect no less of others.
- We are reflective and open to feedback.
- We ensure correct information.
- We shine a light on darkness.

*At the Commission we believe that everyone has the right to lead a
Contributing Life, built from:*



Chief Executive Officer's Review



I am pleased to present the 2016-17 Annual Report of the National Mental Health Commission (the Commission).

It has been an honour to lead the Commission since I joined in October 2016.

Over the past year, the Commission has played a key role in the implementation of mental health reforms which are the most significant in our nation's history. The reforms aim to change the way services are planned and delivered to enable better outcomes for people who need mental health support and are focused on delivering a more person-centred, locally based, stepped-care approach to mental health and suicide prevention.

The Commission's role is to monitor and report on the performance of the mental health system and determine what's working and what's not. We report independently to the Minister for Health and provide advice to the government and the community, particularly about evidence-based ways to improve outcomes for people living with mental illness.

Key to delivering a system that meets the needs of Australians, we engage with all stakeholders in the mental health system - especially people with a lived experience and their carers.

The Commission's primary goal is to deliver a world-leading mental health system which vastly improves the lives of the millions of Australians with a lived experience of mental illness.

Our key achievements

In August 2016, the Commission was given the responsibility by the Prime Minister to conduct the *Review of services available to veterans and members of the Australian Defence Force (ADF) in relation to prevention of self-harm and suicide* (Review).

The Review examined self-harm and suicide prevention services available to current and former members of the Australian Defence Force and their families, to assess their accessibility and effectiveness.

Self-harm and suicide prevention is seen as an intensely complex area that needs concerted and continued attention across all aspects of the mental health and social services systems. While comprehensive strategies have been implemented, it is important that efforts are continually updated and improved.

The Commission provided its Final Report and recommendations to the Australian Government on 28 March 2017. The Australian Government released its response to the Review on 30 June 2017.

The Minister for Veterans' Affairs, has since announced our Review helped inform the Government's action on veterans' mental health in this year's Budget, which included an additional \$58.6 million in mental health funding and as part of this, the Government is investing \$9.8 million to pilot new approaches to suicide prevention and improve care and the support available to veterans. This will include funding to increase support for those discharging from hospital and at risk. The Department of Veterans' Affairs also has a range of

suicide awareness and prevention resources, known collectively as Operation Life.

In April 2017, the Commission published the 2016 National Report on Mental Health and Suicide Prevention (the 2016 Report). This report provides a high-level summary of the reform journey in Australia's mental health and suicide prevention systems since the Commission presented *Contributing Lives, Thriving Communities – Report of the National Review of Mental Health Programmes and Services* (Contributing Lives, Thriving Communities) to the Australian Government at the end of 2014.

The changes have not only been at the national level, but also at the jurisdictional and local levels, through state and territory governments and many local initiatives. Whilst acknowledging the considerable work being undertaken at all levels, the 2016 Report focuses on the initiatives being announced and progressed at the national level. The 2016 Report considers the factors that will lay the foundations for the Commission's future monitoring and reporting.

In April 2017, the Commission commenced a project to develop a reporting framework on mental health and suicide prevention, to guide its future approach to monitoring and reporting. Once our new framework has been finalised, it will enable the Commission's reporting to have a primary focus on outcomes and experiences from the perspective of people with a lived experience of mental illness and suicidality, their families, friends and supporters, and to canvass whole-of-life issues.

In developing the framework, we will consult widely in the second half of 2017, to help us bring together a national perspective on mental health and suicide prevention reform and consider also the mental health sector through the lens of consumers and carers and their experiences. Our next annual *National Report on the state of our mental health system and suicide prevention in Australia* – will report back on what matters.

In June 2017, we commenced preparations to launch our Equally Well Consensus Statement - people with a mental illness live between 14-23 years less than the general population. We launched Equally Well in July 2017 to inspire a commitment to putting health care for people living with mental illness on an equal footing with people with physical problems.

Some of our key projects

Since its establishment, the National Mental Health Commission has been seeking to put mental health on the economic agenda.

In December 2016, we made progress on this important objective by bringing together a wide range of stakeholders. Drawing on the expertise of Professor Martin Knapp from the London School of Economics and Political Science, the Commission discussed a number of themes with the Commonwealth departments of Health, Social Services, Treasury and Prime Minister and Cabinet, state and territory departments and mental health commissions, consumers and carers, health researchers and economists, and representatives from the private and community-managed sectors.

In early 2017, we travelled all over Australia to hear from people about their experiences with housing and homelessness as they relate to mental health - we're now preparing a report on where improvements to the system could be made.

We also travelled to Darwin to hear about the mental health concerns of people living in rural and remote areas, as well as Aboriginal and Torres Strait Islanders.

We have been engaging with consumers, carers, service providers, government agencies and community organisations to understand the impact of the National Disability Insurance Scheme and to inform the Commission's work.

Conclusion

At the Commission, we're keenly interested and invested in how the mental health sector and people with lived experience of mental illness and their carers are being engaged in reform.

We will provide advice to government that presents the voice of those affected by these changes, to provide a 'big picture' view.

In evolving our approach to reporting, you can expect us to consult widely and partner with people and organisations to report back on what matters.

We are looking forward to collaboratively and creatively bringing about changes to our mental health systems, so that, all of us as a community can achieve the best possible mental health and wellbeing in Australia.

Finally, I would like to convey my appreciation for the energy and dedication shown by Commissioners and the Commission's staff over the past year. Together with our stakeholders, we will work hard to achieve the best possible mental health and wellbeing in Australia.



Dr Peggy Brown
Chief Executive Officer
Commissioner

Message from the Chair



Over the past year, it has been heartening to see progress in the implementation of mental health reforms, which emanated from recommendations in the Commission's 2014 *Report of the National Review of Mental health Programmes and Services, Contributing Lives, Thriving Communities*.

The economics of mental health in Australia

The Commission asserts that if Australia were to invest more in prevention and early intervention in mental health, the economic gains could dwarf those from many other reforms currently on the economic agenda.

The OECD estimates the cost of mental ill-health in Australia is equivalent to around four per cent of gross domestic product – or upwards of \$60 billion each year. These costs include spending on mental health-specific services by governments and non-government sectors, costs outside of mental health (such as income support, housing, disability, justice and employment services) as well as economic costs through lost productivity.

The Commission closely examined mental health funding to determine its effectiveness. In December 2016, we hosted an expert in this sphere, Professor Knapp from the London School of Economics and drawing on his knowledge, held discussions and workshops with a wide range of stakeholders.

In 2017, our focus was to progress debate on why mental health must be an essential part of the national social reform and economic agenda in Australia. We championed investment in mental health as 'good debt' because of its productivity enhancing potential, delivering long term economic gains. We argued the community benefit of mental health funding is equivalent to traditional infrastructure investment in road, rail and telecommunications.

We also commenced investigation into economic 'best buys' for effective interventions in mental health, working with Australian academics with assistance from Professor Knapp and colleagues.

Housing, homelessness and mental health

The Commission is passionate about increasing housing supply for those with mental illness. We are concerned about reports people are being discharged from hospital, custodial care, or public mental health and drug and alcohol services into homelessness. People have also told us about gaps in monitoring exit pathways at a national level.

From March to May 2017 we conducted a national consultation with a range of stakeholders. We held workshops in each state and territory, received input from consumers, carers, their families and support people through an online survey and received written submissions concerning Indigenous mental health, housing and homelessness with a focus on the Northern Territory (NT).

Our final report on housing, homelessness and mental health is available on our website.

The reform of our mental health system

Over the year, the Commission has been keenly monitoring the major reforms underway, in particular the National Disability Insurance Scheme (NDIS) and the Fifth National Mental Health and Suicide Prevention Plan (Fifth Plan).

The NDIS

The NDIS is a good thing, and mental health should be included. There is early anecdotal evidence that for many people with severe and persistent psychosocial disability, participation in the NDIS is resulting in more effective services and supports, better tailored to the diverse and specific needs of individual consumers.

The Commission, however, has heard from multiple stakeholders across Australia of many very serious issues and concerns expressed about its implementation. In particular, there is concern about the estimated number of people with mental illness and psychosocial disability who will not be eligible for support under the NDIS.

The Commission raised this with the Government which resulted in the provision of \$80 million in the 2017-18 Budget for psychosocial support services for people with mental illness, this will be critical for people who don't qualify for the NDIS.

The \$80 million is a good start, but it may not be sufficient to meet needs and it still needs to be matched by states and territories, which in some instances appear to have been withdrawing funding for psychosocial disability services as part of the transition to the NDIS.

The other big issue the Commission is carefully monitoring is the assessment process for determining NDIS eligibility. Assessing the eligibility of people with a mental illness and their level of psychosocial disability and the supports they require is proving to be a major problem for an assessment process dominated by physical and intellectual disability. The Commission asserts the assessment process requires radical review.

The Fifth Plan

The Commission supports the Fifth Plan, its eight priority areas and principles align with the Commission's recommendations made in our *Contributing Lives, Thriving Communities* report.

To allow us to monitor and report on the implementation of the *Fifth Plan* and our mental health system as a whole, the Coalition Government acted on its election commitment to strengthen the Commission by providing an additional \$2 million. This funding will go a long way to deliver a stronger mental health sector.

I would like to thank Mr David Butt, who was the Commission's Chief Executive Officer to September 2016, for his outstanding contribution to the mental health system in Australia during his tenure. He led transformational changes through the *National Review of Mental Health Programmes and Services, Contributing Lives, Thriving Communities*. David's leadership, knowledge and experience, brought to bear through the Review, will have an enormous impact on the future of Australia's mental health system. His commitment and passion for change and driving reform so that all Australians can live a contributing life and be part of a thriving community is commended.

Dr Peggy Brown commenced in the position of Chief Executive Officer from October 2016 and brings a wealth of experience to lead the Commission and drive cross-sectoral

collaboration and long-term commitment to person-centred and whole-of-life approaches to mental health. Dr Brown will build on the Commission's work to enable people to achieve the best possible mental wellbeing and to live contributing lives.

I wish to express my sincere gratitude to all of the people who have contributed to our projects and activities; our success depends on you! To my colleagues at the National Mental Health Commission, who consistently produce outstanding results, your efforts are commendable. Collectively we are all working towards creating the best mental health system in the world.

A handwritten signature in blue ink that reads "Allan Fels". The script is fluid and cursive, with the first letters of "Allan" and "Fels" being capitalized and prominent.

Professor Allan Fels
Chair

Overview of the National Mental Health Commission

The National Mental Health Commission (the Commission) is an independent executive agency under the *Public Service Act 1999* and a non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Commission is part of the Minister for Health's portfolio and reports directly to the Minister for Health.

The Chief Executive Officer (CEO) is the accountable authority under the PGPA Act and is responsible for the governance and performance of the Commission and for working with the Chair and Commissioners to steer and manage the deliverables of the Commission. The Commission includes a Chair and a number of Mental Health Commissioners (as determined by the Minister from time to time), as well as the CEO as Commissioner.

The Commission's role and functions are to support the Australian Government to deliver an efficient, integrated and sustainable mental health system to improve mental health outcomes for Australians and help prevent suicide. The Commission's budgeted outcome is to provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting and engaging consumers and carers.¹

The purpose of the Commission is to provide insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems, and to act as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community.

The Commission seeks to ensure that investment in mental health is both effective and efficient. We work with stakeholders – particularly with people with lived experience, their families and other support people – to ensure reforms are collectively owned and actioned. The Commission acknowledges that engaging stakeholders and facilitating meaningful participation is essential to achieving transformational change.

The Commission seeks to engage with people with a lived experience of mental health issues, including carers and other support people, in all areas of our work. We affirm the right of all people to participate in decisions that affect their care and to determine the conditions that enable them to live contributing lives. Diverse and genuine engagement with people with lived experience, their families and other support people adds value to decision-making by providing direct knowledge about the actual needs of the community, which results in better targeted and more responsive services and initiatives.

¹ Portfolio Budget Statements Program 1.1 2016-17
Portfolio Budget Statements, p.412

Throughout its existence, the Commission has applied the *Contributing Life* framework to its work – a whole-of-person, whole-of-system, whole-of-life approach to mental health and wellbeing.

A contributing life can mean many things. It can mean a fulfilling life enriched with close connections to family and friends; good health and wellbeing to allow those connections to be enjoyed; having something to do each day that provides meaning and purpose – whether it be a job, supporting others or volunteering; and a home to live in, free from financial stress and uncertainty. In short, it means thriving, not just surviving.

The Commission will work to support individuals to: live a contributing life; have equitable opportunity; have the best possible mental health and wellbeing; participate in community, education and employment; have knowledge, assurance and respect; and be able to contribute to socially and economically thriving communities.

Indigenous people have significantly higher rates of mental distress, trauma,

suicide and intentional self-harm, as well as exposure to risk factors such as stressful life events, family breakdown, unemployment, racism, discrimination, imprisonment, crime victimisation and alcohol and substance misuse.

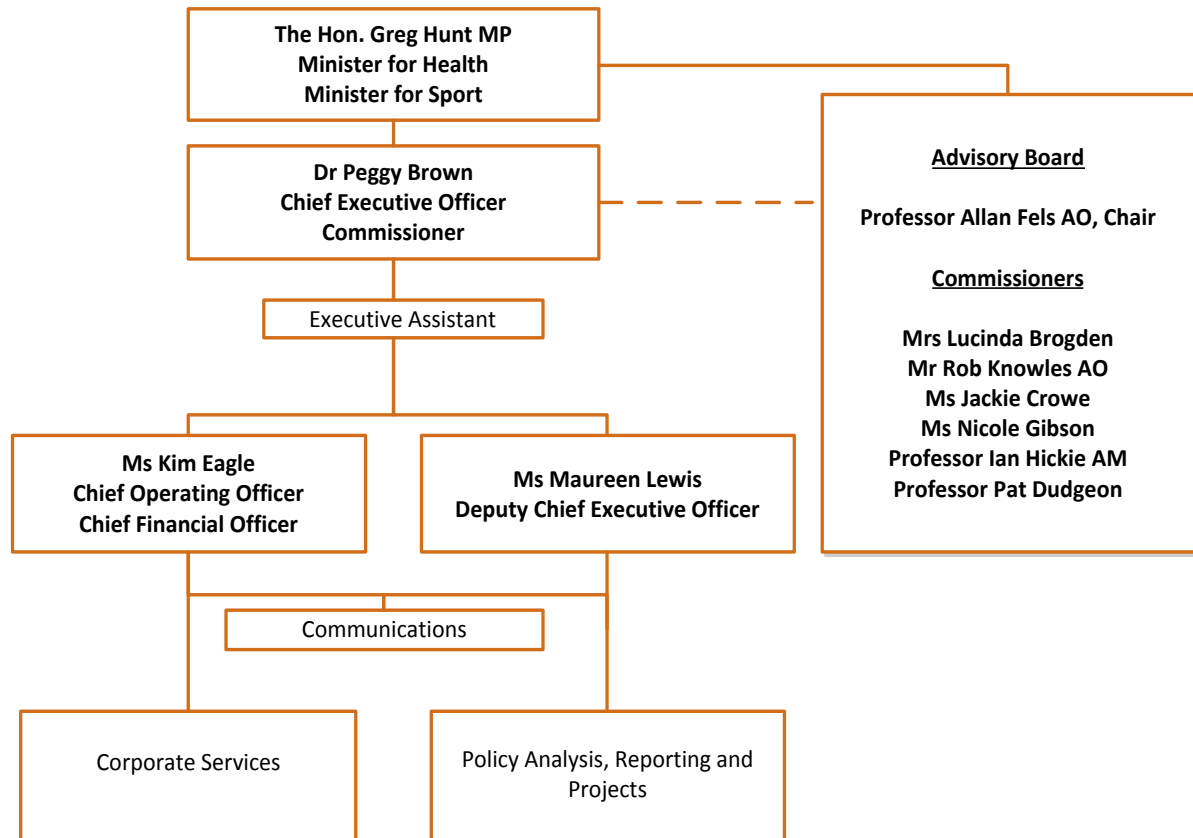
Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing is a priority across all the Commission's key work areas.

The Commission will facilitate collaboration across all sectors to promote mental health and prevent mental illness and suicide – this includes health, housing, human services, income support, justice, education, employment, defence, veterans' affairs and the broader system to maximise outcomes and integrate service provision.

The Chair and Commissioners, who bring a range of expertise and perspectives, provide independent advice which reflects the evidence they gather from the community, research and data. They are committed to giving a voice to the experiences of people living with mental health difficulties or suicide risk and their families and support people.

National Mental Health Commission Structure

As at 30 June 2017



Our Commissioners

The Advisory Board help set the Commission's strategic directions and priorities and provide independent advice to the Minister for Health.



Professor Allan Fels AO, Chair

Professor Allan Fels was Dean of the Australia and New Zealand School of Government (ANZSOG), an institution

established by the governments of Australia, New Zealand, the states and territories and 16 leading universities that educate and train senior public sector leaders.

He also is Chairman of the Haven Foundation, which seeks to provide accommodation and support for the long-term mentally ill.

Professor Fels was Chairman of the Australian Competition and Consumer

Commission from 1995 to 2003 and before that Chairman of the Trade Practices Commission and Chairman of the Prices Surveillance Authority.

In 2008-2009 he was a member of the Australian Government Disability Investment Group which first proposed the National Disability Insurance Scheme.

In the field of mental health Professor Fels serves or has served on a number of government advisory boards. He is also patron of many mental health networks. He was a member of the Bayside Health Board for a number of years. Professor Fels is a long-term advocate of mental health policy reform and a carer for his daughter.



Dr Peggy Brown, Chief Executive Officer and Commissioner (from 1 October 2016)

Dr Peggy Brown commenced as Chief Executive Officer of the National Mental Health Commission in October 2016.

Involved in mental health leadership and advocacy roles for 30 years, Peggy has a deep understanding of the many challenges of meeting the social and health needs of people with mental health and substance use issues.

Prior to her appointment with the Commission, Peggy was Chief Psychiatrist

with the Northern Territory Department of Health. In addition to multiple roles with professional bodies such as the Royal Australian and New Zealand College of Psychiatrists, she has held executive level positions in the public service for more than 20 years, including a five year term as the Director-General of ACT Health.

Peggy is also a past chair of the Australian Health Minister's Advisory Council, AHMAC, and has previously been a board member of Health Workforce Australia and a board director of the National E-Health Transition Authority, NEHTA.



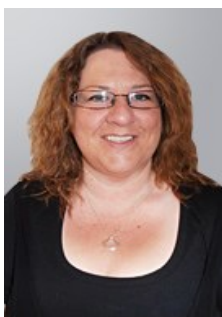
Mrs Lucinda Brogden

Mrs Lucinda Brogden brings to the commission extensive experience in psychology and has a strong commitment to helping others and building stronger communities.

Mrs Brogden's primary areas of focus are issues facing Mental Health and Wellbeing particularly in the workplace and the community. She takes an evidence based

approach to problem solving and social investment.

Mrs Brogden has more than 25 years' commercial experience with companies including Macquarie Group and Ernst & Young and more than ten years in organisational psychology. Specifically, Mrs Brogden has worked in trusted advisory roles with some of Australia's leading CEOs, Managing Partners, Ministers and Chairs in investment banking, finance, law and government.



Ms Jackie Crowe

Ms Jackie Crowe is dedicated to encouraging greater understanding, compassion and respect for people affected by mental ill health, the suicidal mind and the families, friends and carers who journey with them. Jackie has been involved in mental health and suicide prevention issues in various advocacy, advisory, public speaking, research, consultancy and commissioner roles – at the local, state, national and international levels over many years.

Jackie works to help create a better world that values all people, social justice and

ends discrimination. Her work is always grounded in the perspectives of people affected by mental ill health and suicidal concerns. She is solution focused and has an enthusiastic vision about what is possible. She enjoys engaging in differing opinions and views which inform her work.

Jackie combines her lived experience, understanding of the grass roots and knowledge of high level strategic policy and planning, with her familiarity with recovery and well-being to shift thinking about mental ill health and suicide.



Mr Rob Knowles AO

Mr Rob Knowles is a farmer and company director.

He is Chairman of the Royal Children's Hospital, Director of the Silverchain Group of Companies, St John of God Healthcare Ltd, Global Health Ltd, IPG Ltd and Drinkwise Australia Ltd.

He is a former Chair of Mental Health Australia and was a Commissioner on the National Health and Hospital Reform Commission.

He is a former Victorian Minister of Health, Housing and Aged Care and has a strong interest in services for people with a lived experience, their families and support people.



Professor Ian Hickie AM

Professor Ian Hickie AM is the Co-Director Health and Policy of the Brain and Mind Centre at the University of Sydney. He is recognised for his extensive

knowledge and experience in early detection and improving treatments of depressive disorders.

Professor Hickie was one of the first round of National Health and Medical Research Council Australian Fellows; recognising excellence in Australian Medical Research, appointed for the period 2008-2013. He is now a Senior Principal Research Fellow of

the NHMRC (2013-2017).

He has published over 400 peer-reviewed journal articles, 20 book chapters and 30 educational materials.

From 2000–2003 he was the inaugural CEO of beyondblue: the national depression initiative and from 2003-2006 served as the organisation's Clinical Advisor.

Professor Hickie's research, clinical and health services development work focuses on expansion of population-based mental health research and development of international mental health strategies.



Ms Nicole Gibson

Nicole is committed to making a positive difference in the lives of young people. After overcoming mental health challenges as a young person, in

particular anorexia nervosa, Nicole is channelling her energy into motivating other young people to be the best they can be. In 2011, Nicole established The Rogue & Rouge Foundation to reverse the stigmatisation of mental health, body image and self-esteem issues in Australia's young people.

As the Foundation's CEO, Nicole dreams that every teenager can look in the mirror

and smile. Nicole is tackling the epidemic of low self-esteem by creating community outreach programs and working directly with schools, service providers and education departments in both central and remote parts of Australia. Nicole undertook a national youth motivation tour, 'Champions for Change', which saw her facilitate workshops at 300 schools with 50 000 young people across Australia to encourage them to champion change in their communities through the development of innovative solutions.

Ms Gibson was a finalist for Young Australian of the Year 2014, named as one of Australia's 2012 Young Social Pioneers and is a current finalist for The Pride of Australia Medal.



Professor Pat Dudgeon

Professor Pat Dudgeon is from the Bardi people of the Kimberly area in Western Australia. She is a psychologist and research fellow at the School of Indigenous Studies at

the University of Western Australia. Her areas of research includes Indigenous mental health and social and emotional wellbeing, and suicide prevention. She is a member of the executive board of the Australian Indigenous Psychologists Association; the Co-chair of the national ministerial Aboriginal Torres Strait Islander Mental Health and Suicide Prevention Advisory Group, and Chair of the National Aboriginal and Torres Strait

Islander Leadership in Mental Health.

She is currently the project leader of the National Empowerment Project, an Indigenous suicide prevention project working with eight Aboriginal communities across the country. She is also project leader of an Office for Learning and Teaching initiative increasing cultural competence and Indigenous participation in psychology education, and is the project lead for the Aboriginal and Torres Strait Islander Suicide Prevention Evaluation Project (ATSISPEP). She is actively involved with the Aboriginal community and has a commitment to social justice for Indigenous people. She was recognised for her work with Deadly Award for Excellence in Aboriginal and Torres Strait Islander Health in 2013.



Mr David Butt – CEO and Commissioner (until 30 September 2016)

David Butt was appointed CEO of the National Mental Health Commission in January 2014. David has 30 years of experience in the

health system, much of it at CEO and Executive level.

Prior to his appointment to the Commission, David was Deputy Secretary of the Australian Department of Health from August 2011, head of Rural and Regional Health Australia, and the Commonwealth's first Chief Allied Health Officer.

This followed 15 years as CEO of three major health system organisations: Chief Executive of Australian Capital Territory (ACT) Health and Community Care, National CEO of Little Company of Mary Health Care (the Calvary group), and CEO of the Australian General Practice Network.

Prior to this David worked as an executive in a number of positions in Queensland Health, including as Executive Director of Policy and Planning and for a brief time as Regional Director of Peninsula and Torres Strait health region.

Report on Performance

Introductory statement

I, Peggy Brown, as the accountable authority of the National Mental Health Commission, present the 2016-17 annual performance statement of the National Mental Health Commission as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). These results are reported against the performance measures outlined in the Commission's Corporate Plan 2016–2020 (CP) and the Commission's 2016-17 portfolio budget statement (PBS). It includes the activities, achievements and performance during the year to achieve our purpose.

In my opinion, this annual performance statement complies with subsection 39(2) of the PGPA Act, is based on properly maintained records and accurately reflects the performance of the Commission in the year ending 30 June 2017.



Dr Peggy Brown
Chief Executive Officer
Commissioner

Performance Targets 2016-17

PORTFOLIO BUDGET STATEMENTS

OUR OUTCOME

Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting and engaging consumers and carers.

Program 1.1

The NMHC continues to increase accountability and transparency in mental health and suicide prevention through independent reporting and the provision of advice to the Australian Government and the community. The NMHC continues to lead projects that improve the policy, programs, services and systems that support mental health and suicide prevention in Australia.

Program Objective

A. Reporting on the national progress to improve mental health and prevent suicide

<u>Qualitative Performance Criteria</u>	<u>2016-17 Reference point or target</u>
Prepare and disseminate the national report on mental health and suicide prevention	Report published annually by 30 June.

B. Improving system accountability, evidence and results

<u>Qualitative Performance Criteria</u>	<u>2016-17 Reference point or target</u>
Undertake research, analysis and evaluation on key national mental health priorities and data gaps.	Timely evidence-advice is available to inform improvements in policy, programs, services and systems that support mental health and suicide prevention.
Enhance opportunities for consumer and carer engagement in the mental health system.	Increased opportunities for participation by consumers and carers in all levels of the mental health system.
<u>Quantitative Performance Criteria</u>	<u>Target 2016-17</u>
Percentage of NMHC projects that have governance and advisory arrangements that include people with a lived experience of mental health issues.	100%

OUR PURPOSE

The National Mental Health Commission's purpose is to provide insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems and to act as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community.

The Commission will continue to seek to ensure investment in mental health is both effective and efficient. We will work with stakeholders – particularly with people with lived experience, their families and other support people – to ensure reforms are collectively owned and actioned and to enable their participation in government process.

The Commission seeks to engage with people with a lived experience of mental health issues, including carers and other support people, in all areas of our work. We affirm the right of all people to participate in decisions that affect their care and the conditions that enable them to live contributing lives. Diverse and genuine engagement with people with lived experience, their families and other support people adds value to decision-making by providing direct knowledge about the actual needs of the community, which results in better targeted and more responsive services and initiatives.

Throughout its existence, the Commission has applied the Contributing Life framework to its work – a whole-of-person, whole-of-system, whole-of-life approach to mental health and wellbeing. The Commission will work to support individuals to live a contributing life; have equitable opportunity; have the best possible mental health and wellbeing; participate in community, education and employment; have knowledge, assurance and respect, and able to contribute to socially and economically thriving communities.

A contributing life can mean many things. It can mean a fulfilling life enriched with close connections to family and friends; good health and wellbeing to allow those connections to be enjoyed; having something to do each day that provides meaning and purpose – whether it be a job, supporting others or volunteering; and a home to live in, free from financial stress and uncertainty.

Indigenous people have significantly higher rates of mental distress, trauma, suicide and intentional self-harm, as well as exposure to risk factors such as stressful life events, family breakdown, unemployment, racism, discrimination, imprisonment, crime victimisation and alcohol and substance misuse. Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing is a priority across all of the Commission's key work areas. The Commission will facilitate collaboration across all sectors to promote mental health and prevent mental illness and suicide – this includes health, housing, human services, income support, justice, education, employment, defence, veterans affairs and the broader system to maximise outcomes and integrate service provision.

OUR KEY WORK AREAS

1. Hold the system to account for improved outcomes in mental health and suicide prevention
2. Review of the services available to veterans and members of the Australian Defence Force in relation to prevention of self-harm and suicide
3. Drive improved approaches to suicide prevention
4. Help shape the role of Primary Health Networks in relation to mental health and suicide prevention
5. Develop multi-sectoral approaches to child and youth wellbeing
6. Build on Contributing Lives, Thriving Communities to create intersectoral momentum
7. Continuously improve the Commission's operations

PERFORMANCE RESULTS

Performance criteria:

- Hold the system to account for improved outcomes in mental health and suicide prevention, CP p8.
- Prepare and disseminate the national report on mental health and suicide prevention, PBS p415.
- Undertake research, analysis and evaluation on key national priorities and data gaps, PBS p415.

National report

The Commission published the 2016 National Report on Mental Health and Suicide Prevention in April 2017. In the 2016 National Report, we considered the factors that will lay the foundations for the Commission's future monitoring and reporting. We shared the experiences of people, families and support people so that we can better understand the things that affect their lives and how we can help shape a mental health system that can respond to people's needs more effectively. We also shared examples of the overwhelming good work that is being undertaken in improving mental health outcomes and reducing suicide across Australia.

The Commission's 2016 National Report on Mental Health and Suicide Prevention is available at www.mentalhealthcommission.gov.au

Mental health indicators

The Commission contributed to the development of key mental health indicators for the Fifth National Mental Health and Suicide Prevention Plan 2017-2022 through the Mental Health Information Strategy Standing Committee (MHISSC) of the Mental Health, Drug and Alcohol Principal Committee (MHDAPC), which reports to the Australian Health Ministers Advisory Council (AHMAC).

The Commission supported work through MHISSC to refine the Your Experience of Services (YES) survey for mental health consumers, and contributed to the review of Key Performance Indicators (KPIs) in the public mental health sector in light of the extent to which they can monitor meaningful, whole of life outcomes for individuals, families and communities.

Digital mental health

The Commission funded Sane Australia to expand and promote online peer support in rural and regional Australia and raise awareness of the benefits of online peer support and social connection for Australians affected by complex mental illness. The Building Thriving Communities Through Social Connection campaign focused on sharing real-life stories of people living with complex mental illness including, bipolar disorder, schizophrenia, borderline personality disorder, anorexia, major depression and suicidal thoughts. It reached 155 Australian communities (97% in regional and remote locations) and resulted in a 256% increase in forum membership.

Economics of mental health

The Commission has been seeking to put mental health on the economic agenda. Utilising the expertise of Professor Martin Knapp from the London School of Economics and Political Science, the Commission has made progress in this important objective in 2016.

In December 2016, a wide range of stakeholders, including Professor Knapp and key experts were brought together to engage in a symposium, workshops, and targeted consultations, to discuss the case for mental health as a key part of Australia's economic and social reform agenda, and as a major potential contribution to economic growth and productivity. Commonwealth departments of Health, Social Services, Treasury and Prime Minister and Cabinet, state and territory departments and mental health commissions, consumers and carers, health researchers and economists, and representatives from the

private and community-managed sectors were engaged to identify key policy questions for a future program of work in this area.

The work completed around the economics of mental health is just a starting point. The Commission will continue work in this important area.

Levers for change

The Commission commenced a project to examine practical and achievable approaches to change the focus of mental health service provision towards prevention and early intervention initiatives, and away from crises response and acute inpatient service delivery.

The project involved interviews with key experts in prevention and early intervention, reviewed available literature to develop an evidence base of successful initiatives in early intervention and community based care, and engaged the Commission and its Commissioners in a workshop to consider findings and to develop recommendations. The project considered seven integrated levers for change and the findings were reported to the Commission in late August 2017.

Data linkage

The Commission commenced work with the Australian Bureau of Statistics (ABS) on determining outputs (including publication and data tables) from the Mental Health Services-Census-Mortality Integrated Dataset (the Integrated Dataset) in consultation with the Mental Health Analytical Advisory Committee (MHAAC).

Monitoring and reporting framework

The Commission commenced a program of work to develop an ongoing national monitoring and reporting framework on the progress and impacts of the mental health reforms, with a focus on mental health consumer and carer outcomes. During the initial stage of consultations, key expert advisers and stakeholders were engaged to consider where the Commission can add value to national

mental health and suicide prevention monitoring and reporting.

An environmental scan was conducted simultaneously to the consultations providing criteria for a draft framework in preparation for national consultations (involving workshops, targeted interviews and a public consultation website) which will be held in mid-October through to November 2017 to 'test' the draft framework and build support for its use.

The final monitoring and reporting framework will reflect the findings from the national consultation process and will be released by the Commission in early 2018.

National Disability Insurance Scheme

In 2017, the Commission continued to keep a high level watching brief on the National Disability Insurance Scheme (NDIS). It provided submissions to several public inquiries about emerging and sustained concerns regarding the interface between the NDIS and the mental health system, and the potentially negative impacts for people with mental illness.

The Commission completed a project to understand the complexities of the NDIS including implementation issues for people with psychosocial disability, and implications for services and systems in the mental health sector. Commissioners considered the project findings and recommendations in August 2017 and determined that the Commission will undertake more targeted work regarding the NDIS in 2018 and beyond.

Commissioners engaged directly with consumers, carers, service providers and other stakeholders during Commission meetings throughout the year, including via Community Forums. At these meetings Commissioners heard about their experiences with the NDIS.

Other work

The Commission continued engagement with mental health sector stakeholders, including through CEO's and Commissioners' presentations, participation in workshops and meetings with government officials and non-government organisations.

Performance criteria:

- Review of the services available to veterans and members of the Australian Defence Force in relation to prevention of self-harm and suicide, CP p9.
- Prepare and disseminate the national report on mental health and suicide prevention, PBS p415.
- Undertake research, analysis and evaluation on key national priorities and data gaps, PBS p415.

On 11 August 2016, the Prime Minister, the Minister for Veterans' Affairs and Defence Personnel and the then Minister for Health announced the Commission will undertake a Review of the services available to veterans and members of the Australian Defence Force in relation to the prevention of self-harm and suicide (the Review).

The Review focused on the type and efficacy of the self-harm and suicide prevention services that are available, and looked at prevalence rates and potential barriers to access to services.

The Commission led an extensive literature review of Australian and international evidence, and received 114 submissions and more than 3,000 responses to five online surveys. The Commission also held interviews with key informants and conducted group discussions across a number of locations,

which provided valuable information to complement the information garnered from the submissions and the surveys. The Commission worked with the Department of Veterans' Affairs and Australian Defence Force Reference Group who provided expertise and guidance to the Commission.

We thank the current and former members of the ADF and their family and friends, as well as service providers, all of whom provided their valuable opinions; the Department of Defence, the Department of Veterans' Affairs and the Department of Health, which supported and assisted the work of the Commission; and the Reference Group and the Australian Advisory Group on Suicide Prevention for their expertise and guidance.

Our Final Report was presented to Government on 28 March 2017

Performance criteria:

- Drive improved approaches to suicide prevention, CP p10.
- Undertake research, analysis and evaluation on key national priorities and data gaps, PBS p415.

Australian Advisory Group for Suicide Prevention

In June 2016, the Commission established the Australian Advisory Group for Suicide

Prevention (AAGSP) to provide advice and expertise to the Commission on suicide prevention policy across Australia by identifying priorities and promoting

action. The AAGSP is co-chaired by Commissioner Brogden and Sharon Jones, a representative from the National Mental Health Consumer and Carers Forum. The AAGSP met three times in 2016-2017 and has identified areas of priority work in the sector. The AAGSP received a presentation on the Aboriginal and Torres Strait Islander Suicide Prevention Evaluation Project and the Black Dog Institute presented on lifespan and research trials.

The AAGSP met with Department of Veterans' Affairs and Australian Defence Force Reference Group in the early stages the Commission's Review of the services available to veterans and members of the Australian Defence Force in relation to prevention of self-harm and suicide to

provide advice and guidance to the Commission.

The Commission also reported the findings of the Review to the AAGSP, including some themes that are more universal to the area of suicide prevention that were identified by the Review:

- importance of social connection and meaningful participation; and
- sense of community and belonging are protective factors.

Engagement

Commissioners Brogden, Crowe and Butt attended Suicide Prevention Australia's annual conference for a Q&A session to engage directly with the sector and provide participants with the opportunity to raise concerns with the Commission.

Performance criteria:

- Help shape the role of Primary Health Networks in relation to mental health and suicide prevention, CP p11.
- Undertake research, analysis and evaluation on key national priorities and data gaps; enhance opportunities for consumer and carer engagement in the mental health system, PBS p415.

Mental Health Outcomes Project

The Commission funded Gippsland Primary Health Network (PHN) for the PHN Mental Health Outcomes Project to better inform our approach to monitoring and reporting on PHNs in relation to mental health and suicide prevention reforms, and on outcomes for mental health consumers and carers.

Twenty five PHNs were interviewed by Gippsland PHN. The project reviewed PHNs' experiences of regional integration and reform implementation and processes concerning mental health and suicide prevention; and participation by consumers and carers in PHNs' mental health and suicide prevention policy and practice.

Mental Health Advisory Panel

The Commission CEO co-chaired the PHN Mental Health Advisory Panel that provides advice to the Minister for Health

in relation to the reform process within PHNs, including recommendations for the continuous improvement of services and programs.

Engagement

The Commission and Commissioners directly engaged with Primary Health Networks (PHN) to better understand their experiences in implementing reform in the mental health system.

The Commission directly engaged with PHNs to promote other Commission priorities including:

- Australian Advisory Group for Suicide Prevention - PHN representative participated on the committee;
- jurisdictional consultation on Housing, Homelessness and Mental Health - PHNs participated in the workshops; and
- National Consensus Statement – Equally Well: improving the physical

health and wellbeing of people living with mental illness in Australia – 16 PHNs publicly demonstrated their support for the statement. A PHN representative has been nominated for membership on the Equally Well Implementation Committee.

Australia's (SPA) interactive workshop to share knowledge and common issues with PHNs, SPA members and people with lived experience of suicide.

The Commission also participated in the planning meetings for Suicide Prevention

Performance criteria:

- Develop multi-sectoral approaches to child and youth wellbeing, CP p12.
- Undertake research, analysis and evaluation on key national priorities and data gaps, PBS p415.

Engagement

The Commissioners met with key stakeholders from across the sectors providing services to children and young people. Issues explored included:

- the ways in which children manage trauma and how changes in the system could improve how child and adolescent mental health is managed, particularly by improving pathways of care;
- supporting child and adolescent mental health, by improved evidence and data to measure outcomes; and
- implementing age appropriate technology solutions for young people, working closely with young consumers to ensure the apps they design are effective.

Royal Commission into institutional responses to child sexual abuse

The Commission collaborated with jurisdictional mental health commissions – NSW, Queensland, South Australia and

Western Australia - to develop a joint consensus statement for submission to the Royal Commission into institutional responses to child sexual abuse.

The statement identified nine essential elements required to underpin the Royal Commission's recommendations in respect of the mental health impacts of institutional child sexual abuse.

1. Childhood trauma is broader than institutional sexual abuse
2. Recognise strength and resilience
3. Build trauma capability across the full spectrum of services
4. Develop coordinated responses
5. Increase the capacity of phone and online services
6. Provide ongoing support
7. Prepare for increased demand
8. Increase community based support workers
9. Develop culturally appropriate services

Performance criteria:

- Build on Contributing Lives, Thriving Communities to create intersectoral momentum, CP p13.
- Undertake research, analysis and evaluation on key national priorities and data gaps; Enhance opportunities for consumer and carer engagement in the mental health system; Percentage of NMHC projects that have governance and advisory arrangements that include people with lived experience of mental health issues, PBS p415.

Consumer and carer participation

The Commission collaborated with mental health experts with a lived experience of mental illness and/or suicidality to co-design a Consumer and Carer Engagement Project to enhance opportunities for participation. The project aims to better understand and develop a national overview of consumer and carer engagement and participation across the mental health and suicide prevention systems. It involves:

- Reviewing research, literature and organisational publications on engagement and participation and development of a searchable database;
- Consulting with consumers, carers, families, support people and other stakeholders;
- Examining consumer and carer engagement policies and practices to inform future directions and priorities.

The project continues in 2017-18.

National Consensus Statement *Equally Well*: Improve the physical health and wellbeing of people living with a mental illness

The Commission developed *Equally Well* following extensive consultation with key stakeholders across the mental health sector, and with input from an Expert Advisory Group. The Commission negotiated the use of the branding *Equally Well* from the New Zealand consortium committed to improving the physical health outcomes of people who experience mental health and/or addiction issues.

The Commission funded Mental Health Australia to promote the implementation

of *Equally Well* through stakeholder engagement activities with its members including the National Mental Health Consumer and Carer Forum.

All jurisdictional governments have agreed to support *Equally Well* following discussions with the Commission. Over fifty organisations (including all state mental health commissions, PHNs, colleges, carer and consumer organisations, peak bodies and NGOs) have confirmed their support following a limited circulation of an embargoed copy of *Equally Well* to participants in the consultation phase.

The Commission established the *Equally Well* Implementation Committee to implement and govern *Equally Well*. Membership encompasses private, public and community representation including lived experience.

Mentally Healthy Workplace Alliance

The Commission continued to participate as a founding member of the Mentally Healthy Workplace Alliance to encourage and promote Australian workplaces to become mentally healthy for the benefit of the whole community and businesses.

Restrictive practices

The Commission funded the project Supporting Mental Health Nurses towards cultural and clinical change: Facilitating ongoing reduction in the use of seclusion and restraint in mental health settings in Australia, conducted by the Australian College of Mental Health Nurses.

The practice of seclusion and restraint in mental health settings came under intense national scrutiny following reports of their inappropriate use at Lismore and Oakden. The Commission, from its

inception in 2012, has advocated for change regarding the use of restrictive practices such as seclusion and restraint, which can be a sign of a system under stress.

Commissioner Jackie Crowe was nominated by the NSW Government to participate in its Review of seclusion, restraint and observation of consumers with a mental illness in NSW health facilities.

The Commission participated in the 11th Towards Elimination of Restrictive Practices forum, held in Perth, with the theme 'Working together, a culture of care'. Principles to support a consistent best practice approach in all mental health services in Australia to eliminate the use of mechanical and physical restraint were launched at this forum.

Housing, homelessness and mental health

The Commission conducted a broad national consultation with the aim to:

- better understand and develop a national view of housing issues in relation to mental health and hear examples of local initiatives; and
- inform future policy, practice and research priorities for the Commission.

The consultation process included:

1. Jurisdictional workshops in all eight states and territories. With a diverse range of 192 participants such as, community sector, people with lived experience, peak bodies, government departments and state mental health commissions.
2. Online survey - consumers, carers, families and support people were invited to share housing and homelessness experiences in relation to mental health through our online consultation. A total of 205 responses were received.

Performance criteria:

- Continuously improving the Commission's operations, CP p14.

The National Mental Health Commission continued to improve its operations during 2016-17, during which:

- Seven Commission meetings were held, with one meeting in regional Victoria and another in Darwin that focused on Aboriginal and Torres Strait Islander mental health.
- All statutory and government reporting requirements were met.
- The 2016-2020 Corporate Plan incorporating the 2016-17 Work Plan was submitted to the Minister and Finance Minister as required under the PGPA Act.
- The Commission operated within budget, efficiently and judiciously.
- All staff had performance plans in place in accordance with the Performance and Development Policy and performed well during the year.
- Six new or revised operational policies or procedures were implemented and work continued on the development of a mentally healthy workplace policy and action plan.
- The Commission engaged with a broad range of stakeholders including: federal, state and territory governments and agencies to progress shared priorities; private organisations; community organisations; consumers and carers; and contributed to various national committees and conferences.
- The Commission engaged with and supported the work of the Aboriginal and Torres Strait Islander Mental Health and Suicide Prevention Advisory Group (ATSIMHSPAG) and the National Aboriginal and Torres Strait Islander Leadership in Mental Health (NATSILMH).

Commission Meetings									
Commissioner	6-7 Jul 2016	14-15 Sep 2016	2-3 Nov 2016	16 Feb 2017	22-23 Mar 2017	28 Apr 2017	23-24 May 2017	14 Jun 2017	Total
Prof. Allan Fels AO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
Mrs Lucinda (Lucy) Brogden	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
Ms Jackie Crowe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8
Prof. Pat Dudgeon	X	14/9 only	Yes	Yes	X	Yes	Yes	Yes	5.5
Ms Nicole Gibson	X	Yes	Yes	Yes	Yes	Yes	X	Yes	6
Prof. Ian Hickie AM	Yes	14/9 only	3/11 only	Yes	Yes	Yes	Yes	X	6
Mr Rob Knowles AM	Yes	Yes	Yes	Yes	X	Yes	Yes	Yes	7
CEO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8

Analysis of performance against the Commission's Purpose

In 2016-17, the Commission performed strongly against its purpose: to provide insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems, and to act as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health and the prevention of suicide through the provision of independent reports and advice to the Australian Government and the community. The Commission continued to provide cross-sectoral leadership on the policy, programs, services and systems that support better mental health and social and emotional wellbeing in Australia.

The Commission delivered two significant reports in 2016-17: *The Review of the services available to veterans and members of the Australian Defence Force in relation to the prevention of self-harm and suicide* (delivered to Government in March 2017), and *The 2016 National Report on Mental Health and Suicide Prevention* (delivered to Government and published in April 2017). Both reports were well received by the Australian Government and the community, with the Review helping to inform Government's action on veteran's mental health.

In 2016-17 we commenced a program of work to develop our future monitoring and reporting framework to enable us to report publicly on the national mental health and suicide prevention system - where it is working, where it is not and how it can be improved - with a primary focus on the perspective of people with a lived experience of mental illness, suicidality, their families, friends and supporters and to canvass whole-of-life issues.

We finalised our *Equally Well Consensus Statement* to improve the physical health of people who experience mental health

and/or addiction issues, and it was launched in July 2017.

We commenced a number of key projects to inform future policy and practise including a project on the economics of mental health and a project on housing, homelessness and mental health. Both these projects included national consultation with a broad range of stakeholders to develop a national view to guide the Commission's future work. Other projects included examining approaches to changing mental health service provision toward prevention and early intervention and supporting mental health nurses towards reducing the use of seclusion and restraint in mental health settings.

In 2016-17 the Australian Advisory Group for Suicide prevention continued to provide advice and expertise to the Commission on suicide prevention policy, and the Commission established the Consumer and Carer Engagement Project to develop a national overview of consumer and carer engagement and participation.

Throughout the year, the Commission provided a number of submissions to public consultations and enquiries including contributing to a Consensus Statement by the Mental Health Commissions of Australia to the Royal Commission into Institutional Responses to Child Sexual Assault.

Commissioners engaged widely with stakeholders and the community throughout the year, with Commission meetings held throughout Australia including Mildura, Darwin, Adelaide, Canberra, Sydney and Melbourne.

The Commission improved its operations in 2016-17 through the establishment of a new Enterprise Agreement, revised Risk Management Framework, Fraud Control Plan and a number of new and revised operational policies.

Report on Financial Performance 2016-17

At year-end, the balance of appropriations remaining was \$858,921 and \$1,843,273 for Departmental and Administered, respectively. These balances included 2016-17 appropriations, as well as unspent amounts from prior years. Remaining appropriation for capital budget of \$36,000 and Administered appropriation of \$918,474 from 2014-15 are to be repealed on 1 July 2017.

Activities during the financial year resulted in expenditure of \$2,689,393 for Departmental and \$3,565,295 for Administered. Compared to the budget, this resulted in an underspend of approximately 3.7% in Departmental and 3.2% in Administered. The variance between budget and actual is deemed reasonable and minor.

NMHC Resource Statement 2016-17

	Actual available appropriation for 2016-17	Payments made 2016-17	Balance remaining 2016-17
	\$'000	\$'000	\$'000
	(a)	(b)	(a) – (b)
Ordinary annual services¹			
Departmental appropriation²	3,549	2,690	859
Total	3,549	2,690	859
Administered expenses			
Outcome 1	5,123	3,022	2,101
PGPA s51 quarantine			(258)
Total	5,123	3,022	1,843
Total ordinary annual services	8,672	5,712	2,702
Total net resourcing and payments	8,672	5,712	2,702

¹ Appropriation Act (No. 1) 2016-17. This also includes prior-year departmental appropriations.

² Includes an amount of \$23,000 in 2016-17 for the departmental capital budget, along with prior-year capital balances. For accounting purposes, this amount has been designated as 'contributions by owners'.

Expenses for Outcome 1

Outcome 1:	Budget*	Actual expenses	Variation
Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programmes, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers ¹			
	2016-17	2016-17	2016-17
	\$'000	\$'000	\$'000
	(a)	(b)	(a) – (b)
Program 1: National Mental Health Commission			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	3,685	3,022	663
Departmental expenses			
Departmental appropriation ¹	2,928	2,690	238
Total for Program 1	6,613	5,712	901
Total expenses for Outcome 1	6,613	5,712	901

	2016-17
Average staffing level (number)	11

¹ National Mental Health Commission only had one Outcome and Program during the 2016-17 year.

Management and Accountability

Corporate Governance

The Commission has structures and processes in place to implement the principles and objectives of corporate governance. The Commission is an executive agency established under the *Public Services Act 1999* and is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The CEO is the accountable authority under the PGPA Act and is responsible for the governance and performance of the Commission and for working with the Chair and Commissioners to steer and manage the deliverables of the Commission. The Commission includes a Chair and a number of Mental Health Commissioners (as determined by the Minister from time to time), as well as the CEO as ex-officio Commissioner. The Commission is chaired by Professor Allan Fels AO.

The Commission executive is made up of Dr Peggy Brown (CEO), Ms Maureen Lewis (Deputy CEO) and Ms Kim Eagle (Chief Operating Officer and Chief Financial Officer). Mr David Butt was CEO until the 30 September 2016. The Commission executive are responsible for ensuring the Commission's operations are efficient and effective and carried out in accordance with statutory and government requirements including financial management, resource management, delivering outcomes against the Corporate Plan and Work Plan, people and culture and stakeholder engagement. The executive meets on a weekly basis to discuss the management of the Commission. In addition, the Commission executive and Directors meet on a fortnightly basis to discuss budget and work planning.

The Commission's Audit Committee met

three times in 2016-17. The Committee reviewed and endorsed the Commission's Financial Statements, the Internal Audit Report and Annual Performance Statements. The Audit Committee reviewed and endorsed the Commission's revised Risk Management Policy and Framework, Fraud Control Plan and the Business Continuity Plan. General training on the Commission's Risk, Fraud Control and Business Continuity processes is provided to staff annually.

The 2016-17 Internal Audit was conducted by Walter & Partners. The objective of the audit was to assess the effectiveness of internal control frameworks for financial management activities, ensuring compliance with relevant Commonwealth regulations, including procurement, contracts, financial delegations and travel and credit cards. The Internal Audit found that the Commission's financial processes and internal controls were operating in an efficient, effective, economical and ethical manner.

The Commission's *Operating Principles* provide guidance to the Commissioners and staff and are available on the Commission's website. The Commission operates in a corporate services shared services environment provided by the Department of Health and regularly reviews internal systems and procedures to simplify and streamline its operations and make best use of resources.

The Corporate Plan 2016-2020 and Work Plan 2016-17 were also in place to guide the work of the Commission to achieve its objectives and are available on the Commission's website.

There were no significant issues reported to the Minister under paragraph 19(1)(e) of the PGPA Act that relate to non-compliance with Finance law and any action taken to remedy non-compliance.

Recognising the contribution of people with lived experience, their families and support people

The contribution of people with a lived experience of mental health issues, their families and support people is at the heart of the Commission's work. The Commission's *Paid Participation Policy* provides a daily or pro-rata payment for an individual's time when they are personally nominated or invited to give expert advice and share their experiences to inform the Commission's work; to pay for travel and accommodation costs and to reimburse any reasonable associated out of pocket expenses. This policy was reviewed and revised during 2016-17. The Commission's Operating Principles make a commitment that any expert or advisory groups established by the Commission will be jointly chaired by a Commissioner or other expert and a person with lived experience. Expert participants on such groups, unless representing a government agency, will be offered payment according to the Commission's *Paid Participation Policy* or equivalent Remuneration Tribunal determination.

External Scrutiny

No judicial, administrative tribunal decisions or decisions from the Australian Information Commissioner relating to the Commission were handed down during 2016-17. There were no reports by the Auditor-General on the operations of the agency, other than the report on the financial statements contained in this annual report. There were no reports on the operations of the Commission conducted by a Parliamentary Committee or the Commonwealth Ombudsman in 2016-17 or any other agency capability reviews.

Fraud Prevention

A revised Fraud Control Plan, developed and managed in line with section 10 of the *Public Governance, Performance and Accountability Rule 2014* and the Commonwealth Fraud Control Policy, was approved and released on 16 March 2017. General training on the Commission's fraud control processes is provided to staff annually.

The National Mental Health Commission CEO certifies that she is satisfied that the Commission:

- has prepared a fraud and corruption risk assessment and fraud control plan
- has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency
- has taken all reasonable measures to minimise the incidence of fraud in the agency, and investigate and recover the proceeds of fraud against the agency.

There were no instances of fraud in 2016-2017.

Management of Human Resources

The Commission is committed to fostering a flexible, efficient and high performing workplace. The Commission operates within the Australian Public Sector Employment Framework and implements and supports good practice as an employer which is responsive to the needs of employees.

The CEO and executive provide strategic leadership and align individual performance with the Commission's goals. Staff are afforded opportunities to build their skills and continuous learning is promoted. Staff capability is developed through ongoing workforce planning and staff participation in the performance and development scheme. Under the performance and development scheme, the performance of staff is aligned with the Commission's work plan and objectives, with performance reviewed periodically during the period. Effective management and development of staff was a key factor to the achievement of Commission objectives in 2016-17.

Staff are appointed under the *Public Service Act 1999* and remuneration and other employment terms of non-SES staff are set out under the conditions of the Commission's Enterprise Agreement 2017-2020 which, following successful completion of bargaining, came into effect on 16 March 2017. The Enterprise Agreement provides for salary increases totalling six per cent over the life of the agreement.

Non-salary benefits include: annual Christmas shutdown period; access to annual leave at half pay; maternity, adoption and foster leave for eligible

employees; and supporting partner leave.

Determinations under section 24(1) of the *Public Service Act 1999* are used to set the remuneration and conditions for SES employees. As at 30 June 2017, section 24(1) determinations were in operation for one SES employee.

In accordance with the Enterprise Agreement 2017-2020 and where required, individual flexibility arrangements are used to supplement the benefits or remuneration provided to non-SES employees. These arrangements are agreed between the employee and the Commission CEO or delegate. As at 30 June 2017 there was one such agreement in effect.

No employees were covered by common law contracts this year. Performance pay is also not applicable to the Commission this year.

Staffing statistics

The Commission has an establishment of 15 positions, including the CEO. The Commission received an increase from 14 to 15 ASL in June 2017. As at 30 June 2017, eleven positions were occupied with employees employed or engaged under the *Public Service Act 1999* of which ten were ongoing and one was non-ongoing. No staff identified as Indigenous during 2016-17. All staff were based in the Commission's office in Sydney.

The figures set out in the table below show the staff occupancy of 11.8 FTE as at 30 June 2017. The table includes full-time and part-time employees, and non-ongoing and casual employees, as well as paid inoperative employees and those acting in a higher position at 30 June 2016. An additional staff member was engaged through labour hire. During the 2016-17 year, the Commission has been undertaking recruitment.

Employee figures at 30 June 2017

Classification	Female		Male		Total
	Full-time	Part-time	Full-time	Part-time	
Statutory appointment	1.0				1.0
Senior Executive Band 1	1.0				1.0
Executive Level 2	3.0				3.0
Executive Level 1	1.0	1.8	1.0		3.8
APS 6	1.0				1.0
APS 5	1.0		1.0		2.0
APS 4					
Total					11.8

Employee figures at 30 June 2016

Classification	Female		Male		Total
	Full-time	Part-time	Full-time	Part-time	
Statutory appointment			1.0		1.0
Senior Executive Band 1	1.0				1.0
Executive Level 2	3.0				3.0
Executive Level 1		2.0			2.0
APS 6	1.0		1.0		2.0
APS 5	1.0		1.0		2.0
APS 4	1.0				1.0
Total	7.0	2.0	2.0		12.0

Salary ranges

The table below outlines our non-SES employee salary ranges under our Enterprise Agreement 2017-2020 as at 30 June 2017.

Classification or equivalent	Salary range
APS1	\$44,229 - \$48,610
APS2	\$49,806 - \$55,383
APS3	\$56,979 - \$61,361
APS4	\$63,354 - \$68,931
APS5	\$70,526 - \$76,503
APS6	\$80,486 - \$90,449
EL1	\$103,432 - \$117,883
EL2	\$120,388 - \$143,280

Purchasing

The Commission made all purchases in line with relevant procurement policies and principles, including the PGPA Act and the *Commonwealth Procurement Rules*.

Further information on the Commission's financial performance is available in the audited Financial Statements and accompanying notes of this Annual Report.

Consultants

The Commission engages consultants to provide professional, independent and expert advice or services, where those services involve the development of an intellectual output that assists with agency decision-making, and/or the output reflects the independent views of the service provider.

All tenders and contractual arrangements undertaken in 2016–17 were carried out in accordance with the Commonwealth Procurement Rules.

During 2016–17, one new consultancy contract was entered into involving total actual expenditure of \$.03 million (inclusive of GST). In addition, no ongoing consultancy contracts were active during the period.

This Annual Report contains information about actual expenditure on contracts for consultancies in the audited Financial Statements and accompanying notes. Information on the value of contracts and consultancies higher than \$10,000 is available on the AusTender website: www.tenders.gov.au.

Australian National Audit Office Access Clauses

All contracts entered into by the Commission during 2016-17 provided access for the Auditor-General to the contractor's premises where the contract value was above \$100,000 including GST.

Exempt Contracts

There were no contracts entered into by the Commission during 2016-17 that were exempt from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

Procurement Initiatives to Support Small Business

The Commission supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises and Small Enterprise participation statistics are available on the Department of Finance's website:

www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

The Commission's practices are in line with the Australian Industry Participation Plans in whole-of government procurement and the Small Business Engagement Principles such as communicating in clear, simple language and presenting information in an accessible format.

Advertising campaigns

No advertising campaigns were undertaken by the Commission during the 2016-17 year.

Grants

Information on grants awarded during the 2016-17 year is available at www.mentalhealthcommission.gov.au

Disability Reporting

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-2008, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report and the APS Statistical Bulletin*. These reports are available at

www.apsc.gov.au. From 2010-11, agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy 2010-2020 which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports was released in December 2015 and provides a high-level view of progress under the strategy. Further information can be found at www.dss.gov.au.

Although the Commission is not a public service care agency as defined by the *Carer Recognition Act 2010*, the Commission through its core functions and day to day work supports the Statement for Australia's Carers and its 10 key principles that set out how carers should be treated and considered in policy, program and service delivery settings.

The Commission's mission is to give mental health and suicide prevention national attention, to influence reform and to help people with lived experience of mental health issues live contributing lives. In doing so the Commission places the engagement of not only Australians living with mental health difficulties but their families, friends and other support people at the centre of its work to influence mental health policy and service improvements.

Freedom of Information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to

publish a Section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The Commission's Information Publication Scheme statement can be found at www.mentalhealthcommission.gov.au.

Work health and safety

To help to ensure the health, safety and welfare of employees, the Commission has a WHS Representative, First Aid Officer and a Fire Warden. Due to the small staffing this year, a second fire warden was not appointed.

There were no injuries incurred by employees, nor were there any notifiable incidents recorded. There were no investigations conducted under Part 10 of the *Work Health Safety Act 2011*.

Ecologically sustainable development and environmental performance

In 2016–17 the Commission maintained a range of measures which contributed to ecologically sustainable development (ESD), including:

- wherever possible, electronic mediums for communication, engagement and publications are favoured over other methods
- printing on both sides of the paper and in black and white where possible
- ensuring equipment such as desktop computers, photocopiers, dishwashers and printers incorporate energy-saving features
- implementing a lights out policy, and switching off all lights and computers at the end of each day
- paper recycle bins at workstations and recycling bin in the office

The Commission does not provide any capital funding, project or grant funding for activities that have a measurable impact on ESD. As the Commission uses leased office space, there are limits to its ability to introduce environmental performance improvements.



INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the National Mental Health Commission for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the National Mental Health Commission as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the National Mental Health Commission, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the National Mental Health Commission in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the National Mental Health Commission the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the National Mental Health Commission's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Muhammad Qureshi
Acting Executive Director
Delegate of the Auditor-General
Canberra
12 September 2017

Financial Statements

CONTENTS

Certification

Primary financial statement

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Administered Schedule of Comprehensive Income
- Administered Schedule of Assets and Liabilities
- Administered Reconciliation Schedule
- Administered Cash Flow Statement

Overview

Notes to the financial statements

1. Departmental Financial Performance

- 1.1 Expenses
- 1.2 Own-Source Revenue and gains

2. Income and Expenses Administered on Behalf of Government

- 2.1 Administered - Expenses

3. Departmental Financial Position

- 3.1 Financial Assets
- 3.2 Non-Financial Assets
- 3.3 Payables
- 3.4 Other Provisions

4. Assets and Liabilities Administered on Behalf of Government

- 4.1 Administered - Financial Assets
- 4.2 Administered - Payables

5. Funding

- 5.1 Appropriations
- 5.2 Net Cash Appropriation Arrangements

6. People and relationships

- 6.1 Employee Provisions
- 6.2 Key Management Personnel Remuneration
- 6.3 Related Party Disclosures

7. Managing uncertainties

- 7.1 Financial Instruments
- 7.2 Fair Value Measurement

NATIONAL MENTAL HEALTH COMMISSION
STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

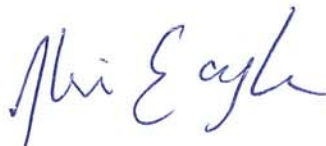
In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Mental Health Commission will be able to pay its debts as and when they fall due.



Peggy Brown
Chief Executive Officer

12 September 2017



Kim Eagle
Chief Financial Officer

12 September 2017

Statement of Comprehensive Income

for the period ended 30 June 2017

	Notes	2017 \$	2016 \$	Original Budget \$
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	1,795,873	1,851,938	1,972,000
Suppliers	1.1B	886,755	984,574	808,000
Depreciation and amortisation	3.2	6,765	7,826	13,000
Total expenses		2,689,393	2,844,338	2,793,000
Own-Source Income				
Own-source revenue				
Other Revenue	1.2A	46,255	53,000	-
Total own-source revenue		46,255	53,000	-
Gains				
Other Gains		-	-	25,000
Total gains		-	-	25,000
Total own-source income		46,255	53,000	25,000
Net cost of services		(2,643,138)	(2,791,338)	(2,768,000)
Revenue from Government	1.2B	2,755,000	2,792,000	2,755,000
Surplus on continuing operations		111,862	662	(13,000)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Expenses

The Commission made a surplus of \$111,862 as opposed to a budget deficit for the reporting period. This surplus was largely due to an underspend on Employee Benefits due to unplanned vacancies following staff turnover.

Supplier expenses were over budget costs as additional costs were incurred for consultants and contracted services.

Depreciation and amortisation expenses were lower than budget due to expected asset additions either not occurring or being made late in the period.

Own Source Income

Revenue received was largely for the remuneration of the external auditors, where the budget was recorded against gains. The work undertaken was greater than anticipated at budget.

Statement of Financial Position*as at 30 June 2017*

	Notes	2017 \$	2016 \$	Original Budget \$
ASSETS				
Financial assets				
Cash and Cash Equivalents	3.1A	469,597	45,100	270,000
Trade and Other Receivables	3.1B	2,259,572	859,697	691,000
Total financial assets		2,729,169	904,797	961,000
Non-financial assets				
Buildings	3.2	4,099	8,768	-
Plant and equipment	3.2	37,105	11,398	30,000
Computer software		-	-	150,000
Other Non-Financial Assets		24,520	-	-
Total non-financial assets		65,724	20,166	180,000
Total assets		2,794,893	924,963	1,141,000
LIABILITIES				
Payables				
Suppliers	3.3A	394	182,249	179,000
Other Payables	3.3B	1,854,294	18,272	120,000
Total payables		1,854,688	200,521	299,000
Provisions				
Employee Provisions	6.1	230,869	356,188	291,000
Other Provisions	3.4	56,220	-	30,000
Total provisions		287,089	356,188	321,000
Total liabilities		2,141,777	556,709	620,000
Net assets		653,116	368,254	521,000
EQUITY				
Contributed equity		283,564	110,564	258,000
Retained surplus		369,552	257,690	263,000
Total equity		653,116	368,254	521,000

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Financial assets

Total financial assets were lower than budget due to timing of supplier payments. Net cash held at 30 June 2017 was higher than budgeted due to timing of cash transfers related to administered expenses.

Trade and Other Receivables includes \$1.8m receivable for a Memorandum of Understanding relating to work that is to be carried out in the 2017-18 financial year. This is also shown in Other Provisions as unearned income within Other Payables.

Non-financial assets

The balance is lower than the amount budgeted due to anticipated assets not purchased throughout the year.

Payables

The Commission is \$178,606 under budget for suppliers payable this financial year due to timing of payment of supplier invoices. Other payables are lower than budgeted due to lower than expected employee related payables.

Provisions

During 2017 the Commission raised a provision for makegood as the current lease for office premises is due to terminate on 30 June 2018. Given expected increases in the Commission's workforce it is no longer likely that the Commission will extend the current arrangements.

Statement of Changes in Equity
for the period ended 30 June 2017

	2017	2016	Original Budget
	\$	\$	\$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	110,564	77,564	85,000
Adjusted opening balance	110,564	77,564	85,000
Equity injection - Appropriations	150,000	-	150,000
Departmental capital budget	23,000	33,000	23,000
Total transactions with owners	173,000	33,000	173,000
Closing balance as at 30 June	283,564	110,564	258,000
RETAINED EARNINGS			
Balance carried forward from previous period	257,690	257,028	276,000
Adjusted opening balance	257,690	257,028	276,000
Comprehensive income			
Surplus for the period	111,862	662	(13,000)
Total comprehensive income	111,862	662	(13,000)
Closing balance as at 30 June	369,552	257,690	263,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	368,254	334,592	361,000
Adjusted opening balance	368,254	334,592	361,000
Comprehensive income			
Surplus for the period	111,862	662	(13,000)
Total comprehensive income	111,862	662	(13,000)
Contributions by owners			
Equity injection - Appropriations	150,000	-	150,000
Departmental capital budget	23,000	33,000	23,000
Total transactions with owners	173,000	33,000	173,000
Closing balance as at 30 June	653,116	368,254	521,000

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets are recognised directly in contributed equity in that year.

Budget Variances Commentary

The Commission's Statement of changes in equity differs to the budget by \$132,116. This is due to a \$111,862 surplus against a budgeted deficit of \$13,000 and a higher than budgeted balance carried forward.

Cash Flow Statement

for the period ended 30 June 2017

	Notes	2017 \$	2016 \$	Original Budget \$
OPERATING ACTIVITIES				
Cash received				
Appropriations		2,928,000	2,684,949	2,692,000
Net GST received		89,313	-	79,000
Other		255	-	-
Total cash received		3,017,568	2,684,949	2,771,000
Cash used				
Employees		(1,826,556)	(1,734,230)	(1,968,000)
Suppliers		(738,713)	(1,143,820)	(724,000)
Net GST paid		-	(31,885)	(79,000)
Total cash used		(2,565,269)	(2,909,935)	(2,771,000)
Net cash from/(used by) operating activities		452,299	(224,986)	-
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		(27,802)	(25,902)	(173,000)
Total cash used		(27,802)	(25,902)	(173,000)
Net cash used by investing activities		(27,802)	(25,902)	(173,000)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Departmental Capital Budget - Bill 1		-	25,902	23,000
Appropriations - Equity Injections - Bill 2		-	-	150,000
Total cash received		-	25,902	173,000
Net cash from financing activities		-	25,902	173,000
Net increase/(decrease) in cash held		424,497	(224,986)	-
Cash and cash equivalents at the beginning of the reporting period		45,100	270,086	270,000
Cash and cash equivalents at the end of the reporting period	3.1A	469,597	45,100	270,000

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Net cash held at 30 June 2017 was higher than budgeted due to timing of cash transfers related to administered expenses.

Administered Schedule of Comprehensive Income*for the period ended 30 June 2017*

		2017	2016	Original Budget
	Notes	\$	\$	\$
NET COST OF SERVICES				
Expenses				
Suppliers	2.1	<u>3,565,295</u>	<u>3,438,418</u>	<u>3,685,000</u>
Total expenses		<u>3,565,295</u>	<u>3,438,418</u>	<u>3,685,000</u>
Net cost of services				
		<u>(3,565,295)</u>	<u>(3,438,418)</u>	<u>(3,685,000)</u>
Deficit		<u>(3,565,295)</u>	<u>(3,438,418)</u>	<u>(3,685,000)</u>

The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities

as at 30 June 2017

	Notes	2017 \$	2016 \$	Original Budget \$
ASSETS				
Financial assets				
Cash and Cash Equivalents	4.1A	121,698	2,766	-
Trade and Other Receivables	4.1B	108,560	130,790	197,000
Total financial assets		230,258	133,556	197,000
Total assets administered on behalf of Government		230,258	133,556	197,000
LIABILITIES				
Payables				
Suppliers	4.2	1,028,499	512,972	795,000
Total payables		1,028,499	512,972	795,000
Total liabilities administered on behalf of Government		1,028,499	512,972	795,000
Net assets/(liabilities)		(798,241)	(379,416)	(598,000)

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Financial assets

Financial assets are \$33,258 higher than budgeted related to the timing of deposits for payments and clearing payments from the bank account.

Suppliers

Suppliers payable is higher than budgeted due to timing on clearing travel related payables accounts.

Administered Reconciliation Schedule

	2017 \$	2016 \$	Original Budget \$
Opening assets less liabilities as at 1 July	(379,416)	(138,818)	(598,000)
Adjusted opening assets less liabilities	(379,416)	(138,818)	(598,000)
Net cost of services			
Expenses	(3,565,295)	(3,438,418)	(3,685,000)
Transfers from the Australian Government			
Administered transfers from Australian Government	3,425,409	3,448,890	3,685,000
Appropriation transfers to OPA			
Transfers to OPA	(278,939)	(251,070)	-
Closing assets less liabilities as at 30 June	(798,241)	(379,416)	(598,000)

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Commission for use by the Government rather than the Commission is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Commission on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered Cash Flow Statement

for the period ended 30 June 2017

	Notes	2017 \$	2016 \$	Original Budget \$
OPERATING ACTIVITIES				
Cash received				
Net GST received		10,488	257,407	140,000
Total cash received		10,488	257,407	140,000
Cash used				
Suppliers		(3,038,026)	(3,452,461)	(3,685,000)
Net GST paid		-	-	(140,000)
Total cash used		(3,038,026)	(3,452,461)	(3,825,000)
Net cash used by operating activities		(3,027,538)	(3,195,054)	(3,685,000)
Cash from Official Public Account				
Appropriations		3,333,917	3,448,890	3,685,000
Total cash from official public account		3,333,917	3,448,890	3,685,000
Cash to Official Public Account				
Appropriations		(187,447)	(251,070)	-
Total cash to official public account		(187,447)	(251,070)	-
Cash and cash equivalents at the beginning of the reporting period		2,766	-	-
Cash and cash equivalents at the end of the reporting period	4.1A	121,698	2,766	-

This schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Net GST received

Net GST received is lower than budgeted due to a \$108,560 timing difference on receipts from the Australian Taxation Office.

Overview

Objectives of The National Mental Health Commission

The National Mental Health Commission (the Commission) is a not-for-profit Australian Government controlled entity. The objective of the entity is to contribute to the Government's agenda to deliver an efficient, integrated and sustainable mental health system to improve mental health outcomes for Australians and help prevent suicide.

The Commission provides insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems, and acts as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community. The commission provides cross-sectoral leadership on the policy, programs, services and systems that support better mental health and social and emotional wellbeing in Australia.

The Commission's activities are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right. Administered activities involve the management or oversight by the Commission, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the entity in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the entity's administration and programs.

Comparative Figures for 2016 Financial Year

The comparative 2016 financial year amounts have been reclassified where necessary to conform with the current year's presentation.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

The Commission adopted all new, revised and amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect on the Commission's financial statements.

During the period, the Commission adopted AASB 124 *Related Party Transactions* which is reported in detail at Note 6.3: Related party disclosures.

Future Australian Accounting Standard Requirements

The following new, revised and amending standards and interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the accountable authority and Chief Financial Officer, for which the Commission is assessing the potential impact on AASB 15 *Revenue from Contracts with Customers*

AASB 16 *Leases*

AASB 1058 *Income of Not-for-Profit Entities*

All other new, revised and amending standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting period(s) are not expected to have a future material impact on the Commission's financial statements.

Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of the GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events After the Reporting Period

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the Commission.

Financial Performance

This section analyses the financial performance of the National Mental Health Commission for the period ended 30 June 2017.

1.1 Expenses

	2017 \$	2016 \$
1.1A: Employee Benefits		
Wages and salaries	1,381,100	1,354,064
Superannuation		
Defined contribution plans	123,000	140,172
Defined benefit plans	104,407	101,201
Leave and other entitlements	168,670	239,256
Other employee benefits	18,696	17,245
Total employee benefits	1,795,873	1,851,938

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

1.1B: Suppliers

Goods and services supplied or rendered

Consultants and contracted services	392,373	519,872
Travel	38,298	42,806
IT services	7,039	13,066
Property operating expenses	9,145	24,656
Audit fees	61,000	53,000
Conferences and seminars	17,463	11,753
General expenses	50,786	30,036
Total goods and services supplied or rendered	576,104	695,189
Goods supplied	27,996	20,944
Services rendered	548,108	674,245
Total goods and services supplied or rendered	576,104	695,189

Other suppliers

Operating lease rentals	297,061	276,224
Workers compensation expenses	13,590	13,161
Total other suppliers	310,651	289,385
Total suppliers	886,755	984,574

Leasing commitments

The Commission has entered into an agreement to lease office premises. The lease terminating date is 30 June 2018.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	234,547	247,484
Between 1 to 5 years	-	258,002
Total operating lease commitments	234,547	505,486

Accounting Policy

Leased assets are amortised over the period of the lease. Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.2 Own-Source Revenue and gains

	2017	2016
	\$	\$
1.2A: Other Revenue		
Interest Income	255	-
Resources received free of charge		
Remuneration of external auditors	46,000	53,000
Total other revenue	46,255	53,000

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2B: Revenue from Government

Appropriations		
Departmental appropriations	2,755,000	2,792,000
Total revenue from Government	2,755,000	2,792,000

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Income and Expenses Administered on Behalf of Government

This section analyses the activities that the National Mental Health Commission does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered - Expenses

	2017 \$	2016 \$
2.1: Suppliers		
Goods and services supplied or rendered		
Outsourced providers, contractors and consultants	2,739,194	2,842,864
Travel	264,840	215,254
IT services	3,269	502
General expenses	557,992	379,798
Total goods and services supplied or rendered	3,565,295	3,438,418
Goods supplied	-	473
Services rendered	3,565,295	3,437,945
Total goods and services supplied or rendered	3,565,295	3,438,418
Total suppliers	3,565,295	3,438,418

Financial Position

This section analyses The National Mental Health Commission's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2017	2016
	\$	\$
3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	469,597	45,100
Total cash and cash equivalents	469,597	45,100
3.1B: Trade and Other Receivables		
Goods and services receivables		
Goods and services	1,842,924	55,101
Total goods and services receivables	1,842,924	55,101
Appropriations receivables		
For existing programs	148,226	507,439
Undrawn equity injection	241,098	68,098
Total appropriations receivables	389,324	575,537
Other receivables		
Leave provisions receivables	10,009	122,432
GST receivable from the Australian Taxation Office	17,315	106,627
Total other receivables	27,324	229,059
Total trade and other receivables (gross)	2,259,572	859,697
Total trade and other receivables (net)	2,259,572	859,697

Accounting Policy

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

3.2 Non-Financial Assets

3.2: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Buildings \$	Plant and equipment \$	Computer Software \$	Total \$
As at 1 July 2016				
Gross book value	12,840	18,358	24,505	55,703
Accumulated depreciation, amortisation and impairment	(4,072)	(6,960)	(24,505)	(35,537)
Total as at 1 July 2016	8,768	11,398	-	20,166
Additions				
Purchased	-	27,803	-	27,803
Depreciation and amortisation	(4,669)	(2,096)	-	(6,765)
Total as at 30 June 2017	4,099	37,105	-	41,204
Total as at 30 June 2017 represented by				
Gross book value	12,840	46,161	24,505	83,506
Accumulated depreciation, amortisation and impairment	(8,741)	(9,056)	(24,505)	(42,302)
Total as at 30 June 2017	4,099	37,105	-	41,204

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applied to property, plant and equipment are based on the useful lives of three to four years (2016: three to four years).

Impairment

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Commission's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The expected useful lives of the Commission's software are three to seven years (2016: three to seven years).

3.3 Payables

	2017	2016
	\$	\$
<hr/>		
3.3A: Suppliers		
Trade creditors and accruals	394	182,249
Total suppliers	<u>394</u>	<u>182,249</u>

Settlement is usually made within 30 days with all supplier payables expected to be settled in the next 12 months.

3.3B: Other Payables

Salaries and wages	41,017	4,016
Superannuation	1,818	900
Lease payable	11,459	13,356
Prepayments received/unearned income	1,800,000	-
Total other payables	<u>1,854,294</u>	<u>18,272</u>

All other payables are expected to be settled within 12 months.

Accounting Policy

Financial Liabilities

Supplier payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

3.4 Other Provisions

	Provision for restoration \$	Total \$
As at 1 July 2016		
Additional provisions made	56,220	56,220
Total as at 30 June 2017	56,220	56,220
Other provisions expected to be settled		
No more than 12 months	56,220	
More than 12 months	-	
Total other provisions	56,220	

The Commission currently has an agreement for the leasing of premises which has a provision requiring the entity to restore the premises to their original condition at the conclusion of the lease. The Commission made a provision to reflect the present value of this obligation during 2017 as the possibility of a change in premises at the conclusion of the lease became more likely.

Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result. The National Mental Health Commission does not control these assets and liabilities but administers them on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for

4.1 Administered - Financial Assets

	2017	2016
	\$	\$
4.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	121,698	2,766
Total cash and cash equivalents	121,698	2,766
4.1B: Trade and Other Receivables		
Goods and services receivables	-	11,743
Total goods and services receivables	-	11,743
Other receivables		
GST Receivable from the Australian Taxation Office	108,560	119,047
Total other receivables	108,560	119,047
Total trade and other receivables	108,560	130,790

4.2 Administered - Payables

	2017 \$	2016 \$
4.2: Suppliers		
Trade creditors and accruals	1,028,499	512,972
Total suppliers	1,028,499	512,972

Settlement is usually made within 30 days with all supplier payables to be settled in the next 12 months.

5.1 Appropriations

5.1A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2017

	Annual Appropriation	Total appropriation
Departmental		
Ordinary annual services	2,755,000	2,755,000
Capital Budget	23,000	23,000
Equity Injections	150,000	150,000
Total departmental appropriation	2,928,000	2,928,000
Appropriation applied (current and prior years)	(2,689,716)	(2,689,716)
Variance	238,284	238,284
Administered		
Ordinary annual services	3,685,000	3,685,000
Total administered appropriation	3,685,000	3,685,000
Appropriation applied (current and prior years)	(3,022,379)	(3,022,379)
Variance	662,621	662,621

Annual Appropriations for 2016

	Annual Appropriation	Total appropriation
Departmental		
Ordinary annual services	2,792,000	2,792,000
Capital Budget	33,000	33,000
Total departmental appropriation	2,825,000	2,825,000
Appropriation applied (current and prior years)	(2,736,752)	(2,736,752)
Variance	88,248	88,248
Administered		
Ordinary annual services	3,685,000	3,685,000
Total administered	3,685,000	3,685,000
Appropriation applied (current and prior years)	(3,381,803)	(3,381,803)
Variance	303,197	303,197

5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2017	2016
Departmental		
<i>Appropriation Act (No. 1) 2014-2015 - Capital Budget¹</i>	36,000	36,000
<i>Appropriation Act (No. 1) 2015-2016</i>	-	507,437
<i>Appropriation Act (No. 1) 2015-2016 - cash held by the Commission</i>	-	45,100
<i>Appropriation Act (No. 1) 2015-2016 - Capital Budget</i>	32,098	32,098
<i>Appropriation Act (No. 1) 2016-2017</i>	148,226	-
<i>Appropriation Act (No. 1) 2016-2017 - Capital Budget</i>	13,000	-
<i>Supply Act (No. 1) 2016-2017 - Capital Budget</i>	10,000	-
<i>Appropriation Act (No. 2) 2016-2017</i>	150,000	-
<i>Appropriation Act (No. 1) 2016-2017 - cash held by the Commission</i>	469,597	-
Total departmental	858,921	620,637
Administered		
<i>Appropriation Act (No. 1) 2014-2015¹</i>	918,474	918,474
<i>Appropriation Act (No. 1) 2015-2016^{2,3}</i>	-	517,154
<i>Appropriation Act (No. 1) 2015-2016 - cash held by the Commission</i>	-	2,766
<i>Appropriation Act (No. 1) 2016-2017</i>	665,412	-
<i>Supply Act 1 2016-2017</i>	137,689	-
<i>Appropriation Act (No. 1) 2016-2017 - cash held by the Commission</i>	121,698	-
Total administered	1,843,273	1,438,394

Commentary:

¹The unspent appropriations for 2014-2015 are to be repealed on 1 July 2017.

²During 2016-17 an amount of \$257,742 was quarantined against this appropriation under section 51 of the *Public Governance, Performance and Accountability Act 2013*. This represents a loss of control so the amount has not been disclosed as available in the table above.

³The 2016 comparative has been restated as the forecast quarantine, note 2 above, was not effective until 2016-17.

5.2 Net Cash Appropriation Arrangements

	2017	2016
	\$	\$
Total comprehensive income - as per the Statement of Comprehensive Income	111,862	662
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	6,765	7,826
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	118,627	8,488

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

6.1 Employee Provisions

	2017	2016
	\$	\$
6.1: Employee Provisions		
Leave	230,869	356,188
Total employee provisions	230,869	356,188

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been calculated using the Australian Government short hand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Commission's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director (whether executive or otherwise). The Commission has determined the key management personnel to be the Portfolio Minister and the Chief Executive Officer. Key management personnel remuneration is reported in the table below:

	2017	2016
	\$	\$
Short-term employee benefits	310,041	339,137
Post-employment benefits	50,390	58,920
Other long-term employee benefits	27,727	35,884
Total key management personnel remuneration expenses¹	388,158	433,941

The total number of key management personnel that are included in the above table are two (2016: one). During the reporting period a new Chief Executive Officer was appointed to the Commission and the table includes remuneration for both the outgoing and incoming officers.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Commission.

6.3 Related Party Disclosures

Related party relationships:

The Commission is an Australian Government controlled entity. Related parties to the Commission are Key Management Personnel including the Portfolio Minister, the Commission's Chief Executive Officer and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment for shared services. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Commission, it has been determined that there are no related party transactions to be separately disclosed.

7.1 Financial Instruments

	2017	2016
	\$	\$
7.1: Categories of Financial Instruments		
Loans and receivables		
Cash and cash equivalents	469,597	45,100
Goods and services receivable	1,842,924	55,101
Total loans and receivables	2,312,521	100,201
Total financial instruments (assets)	2,312,521	100,201
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade Creditors	394	182,249
Total financial liabilities measured at amortised cost	394	182,249
Total financial instruments (liabilities)	394	182,249

Accounting Policy

Financial assets

Financial assets are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Financial liabilities

Financial liabilities are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

7.2 Fair Value Measurement

Fair value measurements at the end of the reporting period

	2017	2016
	\$	\$
Financial assets		
Cash on hand or on deposit	469,597	45,100
Total Financial assets	469,597	45,100
Non-financial assets		
Property, Plant and Equipment	41,204	20,166
Total non-financial assets	41,204	20,166
Financial liabilities		
Trade creditors and accruals	394	182,249
Other payables	1,854,294	18,272
Total financial liabilities	1,854,688	200,521
Non-financial liabilities		
Employee provisions	230,869	356,188
Total non-financial liabilities	230,869	356,188

Index	
Advertising campaigns	36
Alphabetical Index	72
ANAO Access Clauses	37
Chief Executive Officer's Review	7
Consultants	37
Corporate Governance	33
Disability Reporting	37
Ecologically sustainable development and environmental performance	38
Exempt Contracts	37
External Scrutiny	34
Financial Statements	41
Fraud Prevention	34
Freedom of Information	38
Glossary of abbreviations and acronyms	73
Grants	37
List of requirements	75
Management and Accountability	33
Management of Human Resources	35
Message from the Chair	10
National Mental Health Commission Structure	15
Other Mandatory Information	37-38
Our Commissioners	16
Overview of the National Mental Health Commission	13
Procurement Initiatives to Support Small Business	37
Purchasing	37
Recognising the contribution of people with lived experience, their families and support people	34
Report on Financial Performance	31
Report on Performance	20
Performance Results	22
Work Health and Safety	38

Glossary of abbreviations and acronyms

Commission: The Chair, Commissioners and Chief Executive Officer.

Contributing Life: A fulfilling life where people living with a mental health difficulty can expect the same rights, opportunities and health as the wider community. It is a life enriched with close connections to family and friends, supported by good health, wellbeing and health care. It means having a safe, stable and secure home and having something to do each day that provides meaning and purpose, whether it is a job, supporting others or volunteering.

Council of Australian Governments (COAG): the peak intergovernmental forum in Australia, comprising the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association.

Formal Commission meeting: full meetings of the Commission, of which there will be a minimum of six per year in accordance with the Operating Principles. The Commission may also conduct business out-of-session.

Mental health: a state of wellbeing in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully and is able to make a contribution to his or her own community (World Health Organization definition).

Mental illness: disturbances of mood or thought that can affect behaviour and distress the person or those around them, so the person has trouble functioning normally. They include anxiety disorders, depression and schizophrenia.

Secretariat: staff supporting the Commission.

Support person: a person whose life is affected by virtue of a family or close relationship role with a person with mental illness.

AAGSP: Australian Advisory Group on Suicide Prevention

AASB: Australian Accounting Standards Board

ABS: Australian Bureau of Statistics

AHMAC: Australian Health Ministers' Advisory Council

AIHW: Australian Institute of Health and Welfare

ISRAP: Australian Institute for Suicide Research and Prevention

ATSIMHSPAG: Aboriginal and Torres Strait Islander Mental Health and Suicide Prevention Advisory Group

CAASA: Care After A Suicide Attempt

CEO: Chief Executive Officer

COAG: Council of Australian Governments

DCB: Departmental Capital Budget

ESD: ecologically sustainable development

FOI: Freedom of Information

FRR: Financial Reporting Rule

GST: Goods and Services Tax

IPS: Information Publication Scheme

KPI: Key Performance Indicator

MHAAC: Mental Health Analytical Advisory Committee

MHDAPC: Mental Health Drug and Alcohol Principal Committee

MHISSC: Mental Health information Strategy Standing Committee

MHWA: Mentally Healthy Workplace Alliance (the Alliance)

NATSILMH: National Aboriginal and Torres Strait Islander Leadership in Mental Health

NDIS: National Disability Insurance Scheme

NEHTA: National E-Health Transition Authority

NHMRC: National Health and Research Council

OPA: Official Public Account

PBS: Portfolio Budget Statements

PGPA Act: Public Governance, Performance and Accountability Act 2013 (Cth)

PHN: Primary Health Network

RTO: Registered Training Organisation

SPA: Suicide Prevention Australia

SPARK: Supporting the Promotion of Activated Research and Knowledge

SQPSC: Safety and Quality Partnership Standing Committee

YES: Your Experience of Services

List of Requirements			
PGPA Rule Reference	Page reference	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	Page 2	A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	Aids to access		
17AJ(a)	Page 3	Table of contents.	Mandatory
17AJ(b)	Page 4	Alphabetical index.	Mandatory
17AJ(c)	Page 73	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	Page 75	List of requirements.	Mandatory
17AJ(e)	Page 2	Details of contact officer.	Mandatory
17AJ(f)	Page 2	Entity's website address.	Mandatory
17AJ(g)	Page 2	Electronic address of report.	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	Page 7	A review by the accountable authority of the entity.	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	Page 13	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Page 15	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	Page 13	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	Page 13	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(b)	n/a	An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory
17AE(2)	n/a	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		
17AD(c)(i); 16F	Page 20	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory

17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	Page 31	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	Page 31	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	Page 34	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	Page 34	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	Page 34	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	Page 34	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	Page 33	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d) – (e)	Page 33	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory
	External Scrutiny		
17AG(3)	Page 34	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	Page 34	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	Page 34	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	Page 34	Information on any capability reviews on the entity that was released during the period.	If applicable, Mandatory

	Management of Human Resources		
17AG(4)(a)	Page 35	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(b)	Page 36	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as indigenous. 	Mandatory
17AG(4)(c)	Page 35	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	Page 35	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	Page 36	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	Page 35	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	Page 35	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	n/a	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	n/a	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	n/a	Information on aggregate amount of performance payments.	If applicable, Mandatory
	Assets Management		
17AG(5)	n/a	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	Page 37	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory

	Consultants		
17AG(7)(a)	Page 37	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	Page 37	A statement that <i>“During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”</i> .	Mandatory
17AG(7)(c)	Page 37	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	Page 37	A statement that <i>“Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.”</i>	Mandatory
	Australian National Audit Office Access Clauses		
17AG(8)	Page 37	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
	Exempt contracts		
17AG(9)	Page 37	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory

	Small business		
17AG(10)(a)	Page 37	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	Page 37	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	n/a	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory
	Financial Statements		
17AD(e)	Page 41	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	n/a	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory
17AH(1)(a)(ii)	Page 37	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	Page 37	A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	Page 37	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	Page 38	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	n/a	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Page 38	Information required by other legislation	Mandatory