



# Statement on Addressing Unmet Need for Psychosocial Support Outside the National Disability Insurance Scheme

## The problem: a system gap

Analysis for governments shows there are 230,500 people experiencing severe mental illness and a further 263,100 experiencing moderate mental illness in Australia who need psychosocial supports<sup>1</sup> but don't have access to them.<sup>2</sup> Not only is this a huge cost to the health and wellbeing of people with a mental illness, and their family, carers and supporters, it is also a missed opportunity for investment in this core component of a well-functioning mental health system which reduces pressure on more costly interventions like hospitalisation.

## The solution

Mental Health Australia recommends:

- the Commonwealth Government immediately extends funding for Commonwealth funded psychosocial supports (due to expire on 30 June 2025) for another two years
- in the 2025-26 Budgets, Commonwealth and State and Territory Governments should invest to begin expanding existing psychosocial supports, to grow workforce capacity, to improve commissioning capability and to consult on the design of future psychosocial support arrangements
- Commonwealth and State and Territory Governments should agree to a five-year plan to increase investment in psychosocial supports outside the National Disability Insurance Scheme (NDIS) to meet need – funded through a 50:50 cost share arrangement and delivered through the National Mental Health and Suicide Prevention Agreement that recognises and addresses the differing unmet needs between jurisdictions.

Further detail is provided below.

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<sup>1</sup>Psychosocial supports assist people with mental ill-health in their personal recovery, to connect with their community and what's meaningful for them. This complements clinical supports, and can include support for care coordination, personal recovery, drug and alcohol rehabilitation, accommodation, education, employment and family, social and community connection. Psychosocial supports also enable family, carers and supporters to participate in employment and engage with the community.

<sup>2</sup> Health Policy Analysis, *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report* (2024), <https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report?language=en>.

## Fund what works

A diversity of psychosocial supports have already been shown to improve mental health and wellbeing, personal recovery, housing outcomes, physical health, social inclusion, education and employment outcomes and reduce hospital admissions and length of hospital stay, as well as improving outcomes for family, carers and supporters.<sup>3</sup> Advice has already been provided to governments on the principles that should underpin psychosocial support delivery, in addition to identifying successful models across jurisdictions.<sup>4</sup> We have a firm foundation for governments to invest in what we already know works, while supporting innovation to ensure continuous improvement of psychosocial supports.

## Leverage existing services infrastructure

There are already a range of government-funded, community-managed psychosocial supports across the country, which offer existing service infrastructure that can be built upon.<sup>5</sup> A genuinely national program with national targets and clear guidelines should be developed in consultation with the sector to ensure equity and quality across the country. Within these national parameters there should be significant flexibility to adapt to local areas, service infrastructure and existing understanding of what works for that community.

For example, psychosocial supports for First Nations communities need to be culturally appropriate and embedded in a Social and Emotional Wellbeing framework that allows providers to work holistically with First Nations people. Program funding must recognise the variability in service delivery cost between urban, rural and remote settings, and be flexible enough to allow for innovative service provision that is led by and responsive to community need.

## Leverage existing commissioning mechanisms

Governments should leverage existing mechanisms to commission psychosocial supports. This could differ between jurisdictions – for example, in some jurisdictions joint commissioning between Primary Health Networks (PHNs) and Local Health Networks (LHNs) with the aim of improving integration and minimising administrative duplication would be most appropriate, while in others relevant state departments or state mental health commissions may hold psychosocial commissioning expertise.

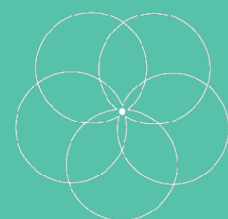
Arrangements should be informed by the mental health sector and people with lived experience, carers, family and supporters around what commissioning mechanism would work

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<sup>3</sup>Mental Health Australia and the National Mental Health Consumer and Carer Forum, *Advice to governments on evidence-informed and good practice psychosocial services* (2024), <https://mhaustralia.org/submission/advice-governments-evidence-informed-and-good-practice-psycho-social-services>.

<sup>4</sup>Mental Health Australia and the National Mental Health Consumer and Carer Forum, *Advice to governments on evidence-informed and good practice psychosocial services* (2024), <https://mhaustralia.org/submission/advice-governments-evidence-informed-and-good-practice-psycho-social-services>.

<sup>5</sup>Health Policy Analysis, *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report* (2024), <https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psycho-social-supports-outside-of-the-national-disability-insurance-scheme-final-report?language=en>.



best in each jurisdiction and could be detailed in bilateral agreements between the Commonwealth and States and Territories.

National leadership is also needed to ensure quality and outcomes are being met. For example, there should be capability uplift on commissioning practices across commissioning bodies, national program guidelines and data collection and five-year funding<sup>6</sup> including appropriate indexation.

### Share funding responsibility between the Commonwealth Government and the State and Territory Governments

Commonwealth and State and Territory Governments should agree to a 50:50 cost share arrangement to address unmet need for psychosocial support outside the NDIS. This arrangement should address the differing unmet needs in each jurisdiction as identified in the Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report.

Recognising Commonwealth, State and Territory Governments have already agreed to be “jointly responsible”<sup>7</sup> for psychosocial supports outside the NDIS, such an arrangement, with appropriate interjurisdictional governance, would facilitate collaboration and service integration. It would also provide for shared governance with the Commonwealth Government responsible for national benchmarks and sharing learnings across jurisdictions and the State and Territory Governments responsible for integration into other systems and building on local strengths.

Embedding delivery of this cost-share commitment through the National Mental Health and Suicide Prevention Agreement provides a platform for greater transparency and accountability between jurisdictions. Importantly, it also provides stability of the negotiated outcomes across election cycles, with mechanisms to review progress regularly through the Health and Mental Health Minister’s Meetings (and related departmental committees).

### Leverage existing interjurisdictional governance mechanisms

Through the National Mental Health and Suicide Prevention Agreement Governments have already committed to develop clauses relating to future arrangements for psychosocial supports outside of the NDIS, as a Schedule.<sup>8</sup> This Schedule should outline:

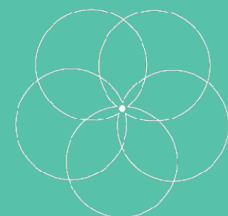
- A five-year plan to increase investment in psychosocial supports outside the NDIS to meet need

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<sup>6</sup>Productivity Commission, *Mental Health* (2020), 843, <https://www.pc.gov.au/inquiries/completed/mental-health/report>.

<sup>7</sup> Australian and State and Territory Governments, *National Mental Health and Suicide Prevention Agreement* (2022), 14, [https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2022-05/nmh\\_suicide\\_prevention\\_agreement.pdf](https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2022-05/nmh_suicide_prevention_agreement.pdf).

<sup>8</sup> Australian and State and Territory Governments, *National Mental Health and Suicide Prevention Agreement* (2022), 29, [https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2022-05/nmh\\_suicide\\_prevention\\_agreement.pdf](https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2022-05/nmh_suicide_prevention_agreement.pdf).



- A 50:50 cost share arrangement between the Commonwealth and State and Territory Governments for funding psychosocial supports, which recognises and addresses the differing levels of unmet need between jurisdictions
- Funding to build the capacity of commissioning bodies to effectively commission psychosocial supports
- Ongoing funding to develop and grow a suitably qualified and capable psychosocial support workforce
- Work to improve national data collections on psychosocial support delivery, outcomes and workforce
- Inclusion of independent research, evaluation, impact and outcome reporting and continuous quality improvement as a part of psychosocial support program design
- A clear process for governance and monitoring of delivery of psychosocial supports as part of existing national agreement governance processes – this must include lived experience, family, carer and supporter and sector representation.

### Consider related reforms

Development of future arrangements for psychosocial support outside the NDIS must take into account related reforms. In particular, this should include the Commonwealth Government's response to the NDIS Review – including recommended development of a psychosocial early intervention pathway, and design of Foundational Supports outside the NDIS (which the NDIS review recommended should include psychosocial supports).

## Next steps

Mental Health Australia recommends governments address the gap in psychosocial supports through the following mechanisms and timeframes.

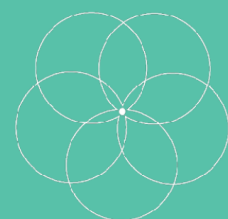
### Immediately – November/December 2024

The Commonwealth Government should extend funding for Commonwealth psychosocial supports (due to expire on 30 June 2025) for another two years.

### 2025-26 Budgets

The Commonwealth Government should announce:

- a preliminary increase in funding for existing psychosocial supports
- preliminary funding to support capability uplift for commissioning bodies to effectively commission psychosocial supports



- funding to support development of the psychosocial support workforce
- funding to undertake a thorough consultation on new psychosocial support arrangements with people with lived experience of mental ill-health, family, carers and supporters, service providers and other stakeholders.

State and Territory Governments should announce:

- a preliminary increase in funding for psychosocial supports
- funding to support capability uplift for local commissioning bodies to effectively commission psychosocial supports.

### First meeting of Health and Mental Health Ministers in 2025

Ministers should agree to:

- a public consultation process to design future psychosocial support arrangements
- recommend to National Cabinet that it agree a funding envelope for a 50:50 cost share arrangement between the Commonwealth Government and State and Territory Governments to increase investment in psychosocial supports to meet need over a five-year period ('the five-year funding plan'). This arrangement should recognise and address the differing levels of unmet need between jurisdictions.

### Following meeting of National Cabinet in 2025

National Cabinet should agree in principle to the above-mentioned five-year funding plan.

### Second meeting of Health and Mental Health Ministers in 2025

Commonwealth and State and Territory Governments should agree to a Schedule to the National Mental Health and Suicide Prevention Agreement outlining future arrangement for psychosocial supports.

### 2026-27 Budgets

Commonwealth and State and Territory Governments should commit to increased investment in psychosocial supports over the forward estimates in line with the five-year funding plan.

