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## MIFA Pre-Budget Submission January 2021

## A National Psychosocial Support Program

This Budget Submission recommends the establishment of a National Psychosocial Support Program delivered by community-managed not-for-profit organisations to address the gap in psychosocial support services for people with severe and complex mental health conditions. It sets out a four-year implementation and investment plan required to establish this measure.

The submission draws on the analysis and recommendations contained in the Productivity Commission Inquiry into Mental Health<sup>1</sup>. The submission sets out the actions that should be taken by the Federal Government over the next four years to achieve the recommendations of the Productivity Commission Inquiry to address the gap in psychosocial support.

This submission seeks an investment of \$1,220M of new funding over four years from July 2021 to June 2025, and \$610M per annum of new funding from July 2025. In the 2021 Federal Budget, it is essential that the Federal Government signal its commitment and actions for the investment needed to establish a National Psychosocial Support Program.

This submission recommends that the Federal Government action the following components of a National Psychosocial Support Program in the 2021 Budget:

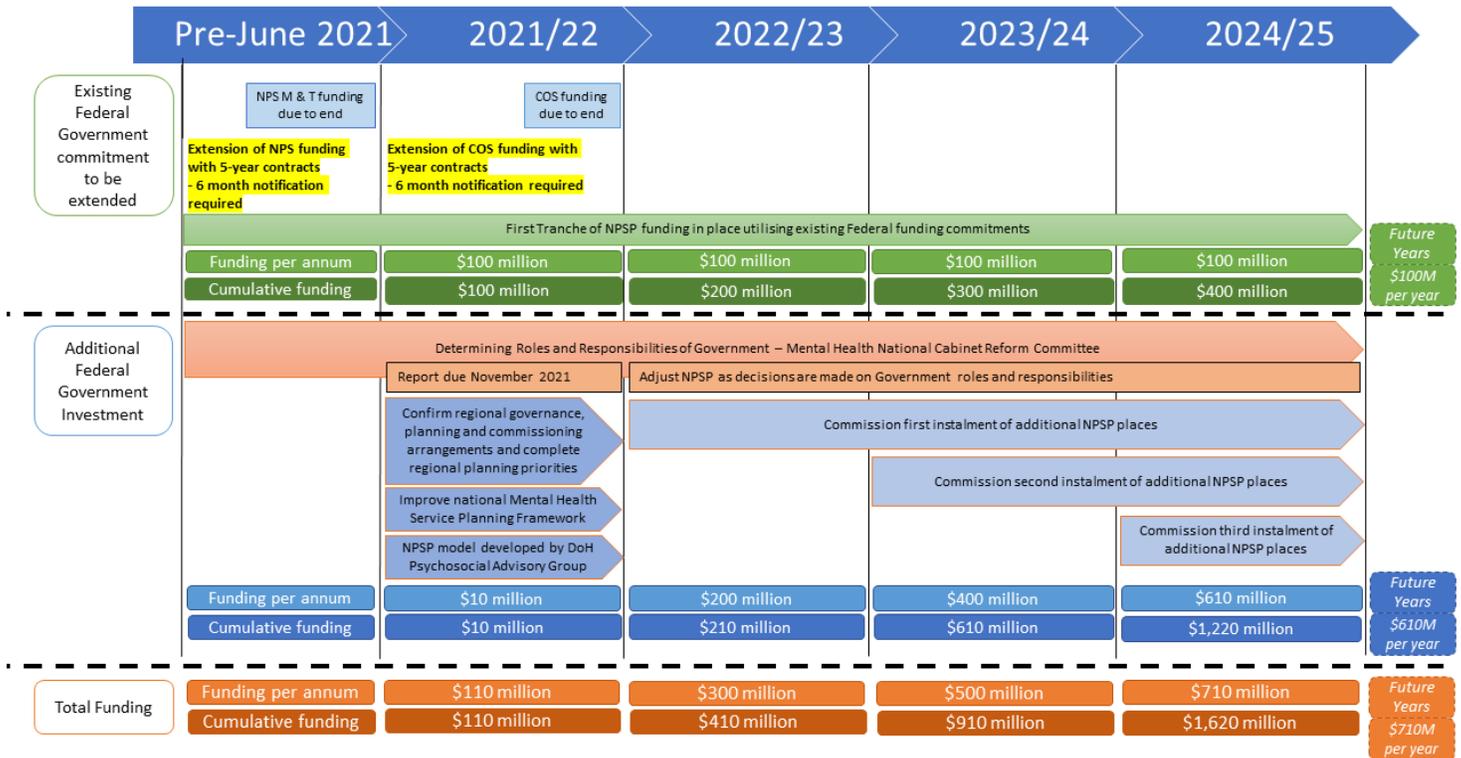
1. Transition the current Federal psychosocial programs and funding commitments into a new National Psychosocial Support Program, as the first tranche. These programs include Continuity of Support, the National Psychosocial Support Measure and transitional funding. The funding required is \$100M per annum of existing commitments.
2. Immediately establish five-year contract arrangements for all psychosocial support programs, including the first tranche.
3. Prior to the 2021 Budget, and as soon as possible, roll out the first tranche by confirming all contract approvals for existing psychosocial support programs to avoid the impending funding cliff of June 2021. For future funding cycles, ensure that all contract approvals are confirmed at least six months prior to the end of the previous funding cycle.
4. Commit sufficient funds to commence the planning and implementation of additional psychosocial support places, while the longer-term roles and responsibilities are being considered. Subject to the outcomes of the Mental Health National Cabinet Reform Committee, committed Federal funds can be adjusted in the future to reflect any new Federal and State/Territory funding arrangements. The funding required is \$610M per annum once fully operational.
5. As an interim measure, establish the regional governance, planning and commissioning arrangements to ensure local and regional responsiveness, until any new arrangements are decided.

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<sup>1</sup> Productivity Commission 2020, Mental Health, Report no. 95, Canberra.

- Enhance the National Mental Health Services Planning Framework to ensure a balance of national consistency and local/regional responsiveness, and to provide structure for decisions about future investment priorities and allocations.

### Recommended Four-Year Plan for a National Psychosocial Support Program (NPSP)



**Note: a full-scale image of the recommended Four-Year Plan for a National Psychosocial Support Program is available on page 8 of this submission.**

### The need for a National Psychosocial Support Program

Psychosocial support facilitates recovery in the community for people experiencing mental ill-health. It helps people manage daily activities, rebuild and maintain connections, build social skills, and participate in education and employment.

The Productivity Commission Report notes<sup>2</sup> that psychosocial supports play a vital role in enabling those living with mental illness to live well, to recover in their communities, and to counter stigma and discrimination. Psychosocial supports also empower people to achieve independence, increase control over daily life, promote self-determination and enable people to make a greater contribution to their community through employment and volunteering. Culturally capable psychosocial supports can be particularly effective in preventing relapse in people from CALD backgrounds and enhance social inclusion and participation.

<sup>2</sup> Productivity Commission 2020, Mental Health, Report no. 95, Canberra at pp. 831 -833.

Currently, there is an overreliance on crisis services, emergency departments and admission to acute or inpatient facilities. Psychosocial support services complement and support clinical interventions and, particularly when applied early, can reduce the demand for mental health-related hospital admissions and decrease the average length of hospital stay.

The delivery of psychosocial support has been hampered by inefficient funding arrangements and service gaps. This is affecting the recovery of people with mental illness and their families, who can benefit substantially from improved access to psychosocial supports. The Productivity Commission has highlighted that reforms to psychosocial support arrangements could significantly improve quality of life for recipients.

### The gap in psychosocial support services

The National Mental Health Services Planning Framework (NMHSPF) estimates that about 690,000 people in Australia with a mental illness are likely to benefit from access to psychosocial support services, were they available to them. Of those, 290,000 people experience persistent, severe and complex mental health conditions, and require psychosocial support. However, many of these people do not receive any support or the level of support falls short of what is needed.

The Productivity Commission estimates that about 109,000 people currently receive psychosocial support, where 34,000 of these people are on the NDIS and 75,000 people are supported by non-NDIS Federal and State/Territory services. Assuming that the cap for the NDIS (64,000 people) will be met at some point in the future and that the provision of supports outside of the NDIS remains constant, about 150,000 people with severe and complex mental health conditions (the PC Report calculates this as 154,000 people) are likely to be without requisite supports.<sup>3</sup> This submission estimates the costs required for 150,000 additional people to receive psychosocial support.

### The level of investment in psychosocial supports needed

The Productivity Commission recommended that, as a priority, Governments should ensure that all people who have psychosocial needs arising from mental illness receive adequate psychosocial supports. To achieve this, State and Territory Governments, *with support from the Australian Government*, should increase the quantum of funding allocated to psychosocial supports to meet the estimated shortfall.

The estimate of the Federal Government's current commitment for psychosocial support outside the NDIS is \$100M per annum. The Productivity Commission estimates that expanding the provision of psychosocial supports to about 150,000 people who may currently miss out on services could cost approximately \$610 million per year and result in significant improvement in the quality of life of people accessing them.

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<sup>3</sup> Productivity Commission 2020, Mental Health, Report no. 95, Canberra at pp. 827 and 844.

## The priority for 2021

The Productivity Commission recommends that State and Territory Governments take on the sole responsibility for the commissioning of psychosocial supports outside of the NDIS. This issue is currently being addressed by the Mental Health National Cabinet Reform Committee, with their response expected in November 2021. It is not possible to predict the outcome of these discussions, or to contemplate the timeframe for any transition to sole State/Territory responsibility if this is decided.

It is unacceptable to delay the investment in additional psychosocial supports until these decisions are finalised and implemented, which could take many years. This submission recommends that the Federal Government announce an immediate commitment to establish additional psychosocial supports within a National Psychosocial Support Program to support *all* Australians with psychosocial support needs, while the longer-term roles and responsibilities are being considered. The recommended implementation and investment plan can be transitioned to a new structure if and when implemented during the term of the four-year implementation and investment plan.

This submission recommends that the Federal Government action the following components of a National Psychosocial Support Program in the 2021 Budget:

1. Transition the current Federal psychosocial programs and funding commitments into a new National Psychosocial Support Program, as the first tranche. These programs include Continuity of Support, the National Psychosocial Support Measure and transitional funding. The funding required is \$100M per annum of existing commitments.
2. Immediately establish five-year contract arrangements for all psychosocial support programs, including the first tranche.
3. Prior to the 2021 Budget, and as soon as possible, roll out the first tranche by confirming all contract approvals for existing psychosocial support programs to avoid the impending funding cliff of June 2021. For future funding cycles, ensure that all contract approvals are confirmed at least six months prior to the end of the previous funding cycle.
4. Commit sufficient funds to commence the planning and implementation of additional psychosocial support places, while the longer-term roles and responsibilities are being considered. Subject to the outcomes of the Mental Health National Cabinet Reform Committee, committed Federal funds can be adjusted in the future to reflect any new Federal and State/Territory funding arrangements. The funding required is \$610M per annum once fully operational.
5. As an interim measure, establish the regional governance, planning and commissioning arrangements to ensure local and regional responsiveness until any new arrangements are decided.
6. Enhance the National Mental Health Services Planning Framework to ensure a balance of national consistency and local/regional responsiveness, and to provide structure for decisions about future investment priorities and allocations.

Short funding cycles and last-minute roll-over of funding commitments create uncertainty for providers of psychosocial supports, which can negatively affect consumers, carers and the psychosocial support workforce.

The Federal Government should extend the funding cycle length for psychosocial supports to a minimum of five years and ensure that the outcome for each subsequent funding cycle is known by providers at least six months prior to the end of the previous cycle. The Federal Government should require Primary Health Networks to enter into longer term contracts when commissioning psychosocial services, in line with the longer funding cycles that have been introduced more generally for Primary Health Networks.

## Planning for a National Psychosocial Support Program

The recommendations of the Productivity Commission Inquiry aim to create a coherent system of regional funding for psychosocial supports designed in partnership with, and that work for, people with mental health conditions. The Productivity Commission recommends that regional demand for psychosocial supports for people with mental illness be estimated, with a view to expanding services to meet any shortfall.

The Productivity Commission recommended that, as a priority, Governments should ensure that all people who have psychosocial support needs arising from mental illness receive adequate psychosocial support. To achieve this, the shortfall in the provision of psychosocial supports outside the NDIS should be estimated at a regional and State and Territory level.

Regional planning ensures that the diverse needs of communities can be adequately addressed and additional psychosocial support places created. Rural and remote communities, Indigenous communities and CALD communities have different needs. By effectively engaging consumers, carers, service providers, community leaders and other relevant stakeholders, regional planning is effective in co-designing the right mix of services for each community. Once the level of need has been estimated, funding for psychosocial supports should be matched to the level of need across the region.

As recommended by the Productivity Commission, a range of existing or enhanced regional planning and governance arrangements are in place currently. Until further reform is implemented in this domain, these existing arrangements should be utilised in the short term.

The National Mental Health Services Planning Framework should be updated and improved to ensure a balance of national consistency and local/regional responsiveness, and to provide structure for future investment priorities and allocations.

## Delivery of a National Psychosocial Support Program

### Delivery within a person-led model

Implementing person-led system design and support services across the mental health system is essential. The Federal Government should prioritise this within the ongoing development of a

National Psychosocial Support Program model. This development should be undertaken within the Department of Health's Psychosocial Advisory Group, with improved consumer and carer representation. The outcomes of the NOUS Review into psychosocial support services should be considered by the group in designing the National Psychosocial Support Program model.

### Delivery through recovery-oriented services

Recovery-oriented mental health services — embracing the concept of the personal recovery of an individual within their family, carer, community and cultural context, rather than a narrow focus on clinical recovery — has been endorsed by Australian Health Ministers.

Recovery from mental illness necessarily involves recovery not just of the individual alone, but recovery within their family and community context. For all people with mental illness, social inclusion — the capacity to live contributing lives and participate as fully as possible in the community — is a necessary, but too often neglected, part of a recovery plan. Psychosocial supports are a key facilitator of recovery, can help alleviate some risks of illness relapse and support people as they develop skills to self-manage the effects of variations in their mental health.

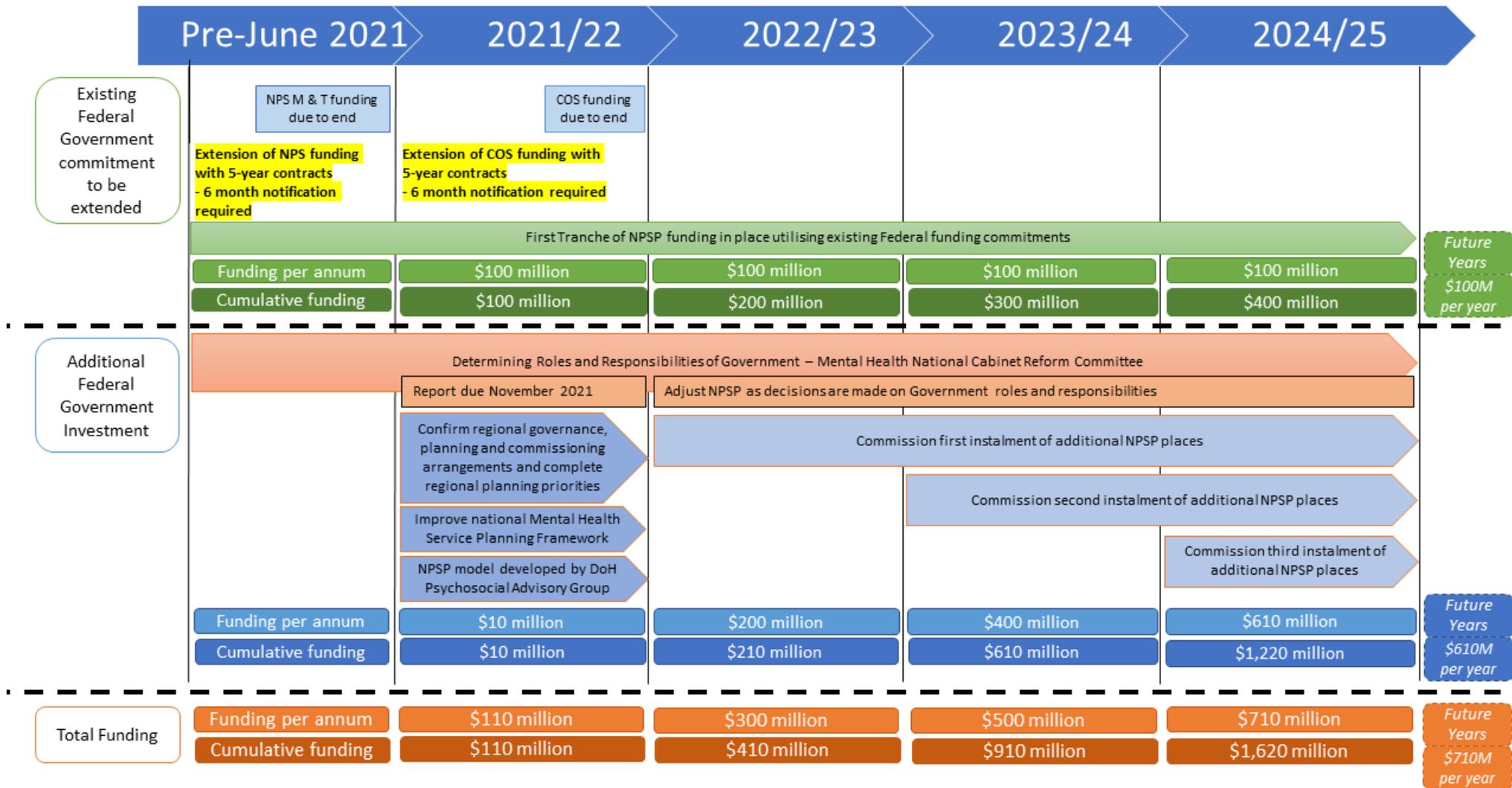
### Utilising a peer workforce

Peer workers are well placed to support people with mental illness during their recovery and peer support is highly valued by people with mental illness. The National Psychosocial Support Program should be implemented in line with the development of the peer workforce reforms recommended by the Productivity Commission and other mental health workforce measures.

### Care coordination

Persisting gaps in information about what services are available and how to access them can lead to a deterioration in mental health and, potentially, unnecessary hospitalisation. The National Psychosocial Support Program should adopt the Productivity Commission's recommendations for care coordinators who would work directly with consumers, their families and carers, clinicians and providers, to establish the types of services needed and provide access to those services.

## Recommended Four-Year Plan for a National Psychosocial Support Program (NPSP)



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## Disclaimer

This submission represents the position of MIFA. The views of MIFA members may vary.