

FEDERAL BUDGET SUBMISSION 2025/26

By 1 July 2025, respond to the findings of the Psychosocial Support Unmet Needs Report¹:

- 1. Double** the investment in Commonwealth Psychosocial Support (CPS) from \$130.1M to \$260.2M to provide an additional 25,000 psychosocial support places for people with severe mental illness (11 percent of the Unmet Need)
- 2. Commit** \$3B over four years to establish² and deliver a coordinated and integrated National Psychosocial Support Program (NPSP) as the Commonwealth's contribution to a 50:50 cost-sharing arrangement with the States and Territories to provide an additional 204,000 psychosocial support places for people with severe mental illness by the end of 2029/30 (89 percent of Unmet Need).
- 3. From 2029/30**, commit \$1.130B per annum to maintain the CPS, and to maintain the Commonwealth's contribution to the NPSP under a 50:50 cost-sharing arrangement with the States and Territories.

- 1. Double the investment in Commonwealth Psychosocial Support (CPS) from \$130.1M to \$260.2M to provide an additional 25,000 psychosocial support places for people with severe mental illness (11 percent of the Unmet Need)**

1.1. About CPS

The CPS was established in 2019 following the closure of Partners In Recovery (PiR), Personal Helpers and Mentors (PHaMs) and Day to Day Living (D2DL). The three programs folded when their funding was transferred to the NDIS. In response, the Commonwealth funded the CPS which helps 'people with severe mental illness who need short-term help to function day to day to:

- connect with the clinical care and other services they need;
- build their capacity in managing day-to-day activities;
- strengthen social skills, friendships and relationships with their family; and
- increase their educational, vocational and training skills.'

¹ Health Policy Analysis, 2024, Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme

² It is estimated that direct costs of funding the unmet need are \$1.4B per year, based on 1.4 million hours of support. The Commonwealth's share is 700M. The costs include establishment costs and allow for a build-up to full implementation in the fourth year. Establishment of an NPSP would require, a governance framework outlining the Commonwealth, States and Territories' roles, responsibilities, cost-sharing and commissioning arrangements and bi-lateral Agreements between the Commonwealth and each State and Territory under the National Agreement on Mental Health and Suicide Prevention.

1.3. Reach and cost

The CPS is currently servicing around 25,000 people. Doubling the investment from \$130.1M to \$260.2M would enable 25,000 additional places, reducing the psychosocial support gap by 11 percent.

1.4. Urgency

Doubling investment in the CSP is the most straightforward way to make an immediate impact on Unmet Need as it does not require intergovernmental agreement.

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2.1. The need

According to the Psychosocial Support Unmet Needs Report, 686,000 Australians live with severe mental health conditions. Of this group, around 336,000 people require psychosocial support. Right now, more than two thirds of this cohort, 230,500 people, are missing out on psychosocial support.

2.3 What is psychosocial support?

Psychosocial support helps people with significant mental health challenges to participate in the community, achieve their goals, find and maintain employment, and focus on their recovery.

They help people build skills to manage their mental health challenges, develop social skills and friendships, build relationships with family, build capacity in managing day-to-day activities, manage money, find and look after a home, address drug and alcohol use issues, and increase educational, vocational and training skills.

These supports have been shown to be affordable, provide tangible benefit to people living with significant mental health challenges, increase employment and productivity, and reduce interaction with hospitals, acute care services, emergency services, and the justice system.

2.3 The benefits of psychosocial support

When psychosocial support is provided early and consistently, it results in:

- Increased chance of recovery⁴
- Reduced health costs over time⁵
- Reduced risk of hospitalisation⁶
- Reduced risk of emergency care
- Reduced risk of enduring illness and disability⁷

2.4 National Psychosocial Support Program (NPSP)

A co-designed, coordinated and integrated NPSP would provide community-based psychosocial supports which are person-led, recovery-oriented, trauma-informed, culturally responsive, and inclusive of family and carer support, to support people with significant mental health challenges to live lives which are meaningful to them. The program would be funded by the Commonwealth, and States and Territories and over time, close the psychosocial support gap for people with high-need mental health conditions.

2.5 Consultation and co-design

The NPSP consultation and co-design process would need to be:

- Lived Experience-led;
- Informed by the mental health service system; and
- Designed to improve the efficiency and effectiveness of the whole mental health system, and integrate with the broader social determinant of health system.

2.6 Integration

The NPSP would need to seamlessly integrate with (or incorporate) existing psychosocial programs including:

- Commonwealth Psychosocial Service (CPS)
- State and Territory psychosocial support and other services
- NDIS supports including the planned Early Intervention Pathway
- Targeted and General Foundational Supports

⁴ Hayes, L., 2016, Effective, evidence-based psychosocial interventions suitable for early intervention in the National Disability Insurance Scheme (NDIS): promoting psychosocial functioning and recovery, The Centre for Mental Health, Melbourne School of Population and Global Health

⁵ Productivity Commission, 2020, Mental Health Inquiry Report

⁶ South Australia Mental Health Coalition, 2021, The case for investing in Psychosocial Supports to improve the lives of South Australians

⁷ Productivity Commission, 2020, Mental Health Inquiry Report

3. What happens if we do nothing?

If we do nothing, people with severe mental illness will⁸:

- **Die earlier** – on average, people with severe mental illness die up to **23 years earlier** than the general population.
- **Attempt to take their own lives** – approximately 50% of people with the most severe mental illness attempt suicide, compared to 3.7% of the general population.
- **Experience multi-dimensional harm** including increased likelihood of prolonged distress⁹, lifelong disability, relationship breakdowns, loss of employment, homelessness, marginalisation and stigma, long stays in hospital, increased dependence on income support, loss of educational opportunities, and interactions with police and the justice system.
- **Require multiple government services across their lifetime** – people with severe mental illness are more likely to require secondary and tertiary mental and physical health supports, engage with the income support system, homelessness and accommodation support services, AOD services, emergency services including police, and the justice system.

ABOUT MIFA

Established in 1984, MIFA is a national federation of mental health organisations supporting people with severe and complex mental health challenges. Our six member organisations, Mental Health Foundation (ACT), MIFWA (WA), MIFANT (NT), Karakan (SE QLD), selectability (regional QLD), and Skylight Mental Health (SA) provide frontline support to individuals, families and carers.

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⁸ Harvey, C., 2010, Survey of High Impact Psychosis (SHIP)

⁹ Productivity Commission, 2020, Mental Health Inquiry Report