Indigenous Australian Lived Experience Centre

MentalHealthCarers Australia

NATIONAL MENTAL HEALTH CONSUMER ALLIANCE

Gayaa Dhuwi (Proud Spirit) Australia

CMHA Community Mental Health Australia

Parliamentary Breakfast

31 March 2026
Parliament House Canberra

We acknowledge the Ngunnawal and Ngambri peoples as the Traditional Custodians of the land on which we meet. We pay our respects to Elders past and present. We extend the same respect to all Aboriginal and Torres Strait Islander people.

We recognise people with lived experiences of mental health, suicidality, and social and emotional wellbeing challenges, and their families, carers and kin.

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Welcome

Today, we come together as five organisations, each grounded in deep experience, advocacy and leadership across Australia's mental health landscape. Together, we bring voices shaped by the lived expertise of consumers, families, carers and kin, the strength and wisdom of Aboriginal and Torres Strait Islander communities through social and emotional wellbeing frameworks, and the practical expertise of the community-managed mental health sector.

We come to this conversation from different places. Our organisations have been shaped by different histories, responsibilities and ways of working. At times, our perspectives are not the same. Yet it is in choosing to come together, deliberately and respectfully, that we create something special. Together, we bring a fuller picture of what it means to support people as whole human beings, within families, communities and cultures.

As lived experience and community-managed organisations, the communities we represent are diverse, however what is shared is clear: the current system is not consistently meeting the needs of the people it is intended to support.

Across Australia, people continue to experience distress shaped by trauma, poverty, housing insecurity, racism, violence, or disconnection, yet too often encounter responses that do not reflect the realities of their lives.

Through our diverse experiences, and across many years, a consistent truth has emerged: Australians are asking for supports that recognise the whole of their lives. Supports that are relational, culturally informed, community-based and grounded in lived experience. Supports that honour the role of families, carers and kin. Supports that reflect social and emotional wellbeing, not only clinical need.

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We see this every day in the programs, services and community-led responses delivered across the country. We see the impact when psychosocial supports are designed and delivered well.

> **We see the difference when people are met as people first.**

Today, we bring an additional lens to this conversation. An economic lens.

It sits alongside lived experience, cultural knowledge and care, strengthening the case for what we already know to be true.

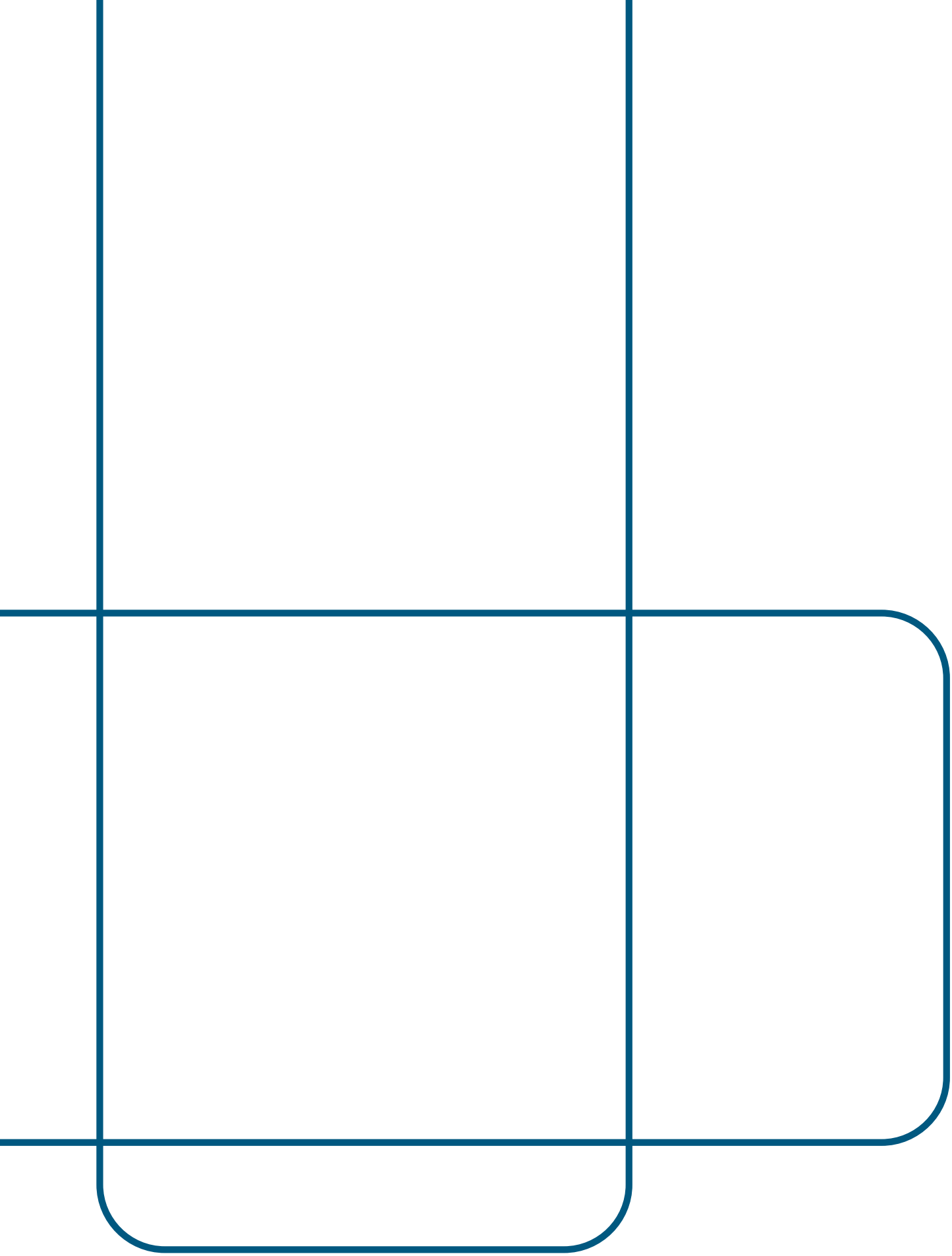
We recognise that economic analysis can feel at odds with conversations about whole-of-person support. However, this research strengthens our message, providing additional evidence to guide investment, policy and system design.

Economic analysis allows us to articulate, in another manner, the value that has long been understood within our sectors. It helps to demonstrate the broader impact of psychosocial supports and social and emotional wellbeing approaches, including their contribution to individual outcomes, community wellbeing and the sustainability of systems. It provides government with an additional way to understand where investment is needed, how it can be directed, and what it can achieve.

This moment matters because it represents a coming together of voices, and an expansion of how those voices are heard. Our discussion today will contribute to this transformational work.

Together, we offer a shared commitment to shaping a mental health system that recognises the whole person, values diverse knowledge, and responds to what people, families and communities are asking for, designing a system that supports people in ways that recognise the full context of their lives. By bringing these perspectives alongside a robust economic understanding, we strengthen our collective ability to contribute to meaningful, long-term system transformation.

This is the spirit in which we gather, and the purpose that brings us here today.



Meet the Collaborating Organisations

Gayaa Dhuwi (Proud Spirit) Australia

Gayaa Dhuwi (Proud Spirit) Australia is the national peak body for Aboriginal and Torres Strait Islander social and emotional wellbeing, mental health, and suicide prevention.

As a community-controlled organisation, it is led by Aboriginal and Torres Strait Islander experts and peak bodies, ensuring that leadership and decision-making remain firmly in the hands of communities.

Building on a strong foundation of advocacy and expertise, Gayaa Dhuwi provides national leadership across all parts of the mental health system. Its work is guided by the Gayaa Dhuwi Declaration, which sets a clear vision for culturally grounded, rights-based approaches to social and emotional wellbeing.

The name Gayaa Dhuwi reflects this purpose. In the Yuwaalaraay and Gamilaraay languages of northwest New South Wales, “Gayaa” means happy, pleased, and proud, and “Dhuwi” means spirit. Together, they speak to strength, identity, and the importance of culture in shaping wellbeing.

At its core, Gayaa Dhuwi stands for leadership grounded in culture and community. It connects with Aboriginal and Torres Strait Islander peoples across the country, ensuring their perspectives shape national policy and system design. It also brings forward evidence supporting integrated approaches, where cultural knowledge and clinical practice work together to achieve better outcomes. Through its leadership, partnerships, and advocacy, Gayaa Dhuwi is influencing lasting change across the mental health system. It works to ensure that services are culturally safe, community-informed, and responsive to the needs and strengths of Aboriginal and Torres Strait Islander peoples.

Gayaa Dhuwi is helping to shape a future where Aboriginal and Torres Strait Islander leadership drives a more inclusive, culturally grounded, and effective mental health system.

Rachel Fishlock – Chief Executive Officer

Rachel Fishlock is a nationally recognised leader bringing lived experience, cultural leadership, and strategic influence to Australia's mental health reform. A proud descendant of the Yuin Nation and Chief Executive Officer of Gayaa Dhuwi (Proud Spirit) Australia, she is committed to ensuring Aboriginal and Torres Strait Islander people can access the highest standard of social and emotional wellbeing, mental health, and suicide prevention supports.

Her leadership is shaped by her own experiences of systemic neglect as a former child carer, giving her a clear understanding of where systems fail and what must change.

With more than a decade of experience across the health sector, Rachel has played a key role in advancing culturally grounded, community-led reform. Through positions on national boards including Mental Health Australia, Suicide Prevention Australia, and the Capital Health Network, she is helping to shape the future of the system. Her work places culture, self-determination, and community at the centre of reform.

Scan to learn more about Gayaa Dhuwi

NATIONAL MENTAL HEALTH CONSUMER ALLIANCE

The National Mental Health Consumer Alliance (NMHCA) is the national peak body representing people with lived experience of mental health challenges in Australia. Led by mental health consumers, for mental health consumers, NMHCA brings together a federation of state and territory organisations with deep roots in community and a shared commitment to lived expertise leadership.

Collectively, NMHCA represents more than 8,000 members and over 135 years' of collective experience of leadership, representation and advocacy by, for and with mental health consumers who have a lived experience of mental health challenges. This reflects not only scale, but depth, drawing on knowledge shaped by real encounters with the mental health system and a clear understanding of what supports people need to participate and live well.

NMHCA stands for a future where people with lived experience determine their own needs and the supports that respond to them. This vision underpins its work across national policy, service design, and reform. It plays a critical role in shaping conversations with government and decision-makers, ensuring that lived experience is recognised as essential expertise.

Its leadership is defined by honesty, courage, and collaboration. NMHCA challenges systems that are not working, brings together diverse perspectives, and promotes more responsive, person-centred approaches. It also works to remove barriers that prevent people from accessing the support they need.

Grounded in strong grassroots networks, NMHCA remains closely connected to communities across Australia. This ensures that national reform efforts reflect lived experience in meaningful and practical ways.

NMHCA is helping to shape a mental health system where lived experience is central to how services are designed, delivered, and improved.

Priscilla Brice – Chief Executive Officer

Priscilla Brice (she/they) is the Chief Executive Officer of the National Mental Health Consumer Alliance, Australia's national peak body and collective voice for people with lived experience of mental health challenges.

Priscilla identifies as queer and neurodivergent and draws deeply on her own lived experience of mental health challenges in their leadership. Prior to joining the Alliance, Priscilla served as CEO of BEING Mental Health Consumers in NSW and was the Founder and Managing Director of All Together Now, a racial equity organisation based in Sydney, where they led innovative social change projects for over 12 years. Priscilla's earlier career included roles with Australians for Native Title and Reconciliation (ANTaR) and Oxfam Australia.

A strong advocate for equity and systemic reform, Priscilla is a Churchill Fellow, a Graduate of the Australian Institute of Company Directors (GAICD) and holds an MBA in Social Impact from the University of New South Wales.

Scan to learn more about National Mental Health Consumer Alliance

Mental Health Carers Australia (MHCA) is the national peak body representing Australians who provide care and support to a family member, kinship member or friend living with mental health and suicidal distress.

At its core, MHCA stands for visibility, inclusion, and equity. The holistic context of family, kin and friendships is central to the way we live our lives and must be reflected in systems and service design. Few navigate the system alone. We are inherently relational and social beings.

MHCA brings the grassroots voice of everyday Australians, and alongside advocacy, research, and engagement with government and sector stakeholders, strives to influence meaningful and lasting change.

Our leadership on relational approaches to service design is grounded in the lived expertise of our board, team members and member organisations. Our lived expertise is informed by the expressed perspectives, needs and experiences of our grassroots movement.

We are working in partnership with the sector to shape a future where the relational and community context in which people live their lives is seen as the central pillar to supporting Australia's mental health and wellbeing.

Katrina Armstrong – Chief Executive Officer

Katrina Armstrong is redefining how systems recognise the people who sustain them. As Chief Executive Officer of Mental Health Carers Australia, she brings more than three decades of experience across disability services, policy, and community sectors, alongside a strong focus on the often-overlooked role of families, carers, and kin in supporting mental health and wellbeing.

Her leadership is grounded in a clear conviction: that the system must be relational by design and reflect the diversity of Australia's population.

Since her appointment as CEO in 2024, Katrina and the MHCA team continue to drive reform, championing a future where the concept of relational by design is structurally embedded in policy and service design, and where systems are more responsive and built around the families, cultures and communities they serve.

Scan to learn more about Mental Health Carers Australia

Indigenous Australian Lived Experience Centre

The Indigenous Australian Lived Experience Centre (IALEC) is a First Nations governed organisation embedding lived and living experience into mental health, suicide prevention, and social and emotional wellbeing across Australia. It places Aboriginal and Torres Strait Islander voices at the centre of systems that have too often been shaped without them.

Established in response to the unique challenges faced by Aboriginal and Torres Strait Islander communities, IALEC maintains a clear focus on ensuring lived and living experience informs how services are designed, delivered, and evaluated. This approach recognises the strength of Indigenous knowledge systems, cultural identity, and community-led solutions in achieving lasting change.

As an independent, self-determined organisation, IALEC continues to strengthen its role as a national voice for lived and living experience. It is positioned to influence policy, shape practice, and advocate for culturally responsive approaches that reflect the realities of individuals, families, and communities.

IALEC works to amplify diverse voices and embed cultural integrity into social and emotional wellbeing initiatives. It contributes to national conversations, supports policy and program development, and builds capability across the sector.

Grounded in community and driven by lived experience, IALEC is committed to advancing solutions that promote healing, strengthen cultural connection, and improve outcomes.

IALEC is helping to shape a future where lived and living experience is recognised as essential to mental health, social and emotional wellbeing, and suicide prevention systems across Australia.

Aunty Vicki McKenna – Chief Executive Officer

Aunty Vicki McKenna is a nationally respected leader who has played a pivotal role in advancing Aboriginal and Torres Strait Islander lived experience within Australia's mental health and suicide prevention systems. As Head of the Indigenous Australian Lived Experience Centre, she brings a lifetime of advocacy grounded in culture, community, and a deep commitment to strengthening social and emotional wellbeing. Her leadership is defined by a clear focus: ensuring First Nations voices are not only included, but central to the systems designed to support them.

Across her career, Aunty Vicki has strengthened community-led approaches to healing, resilience, and cultural connection. She has mobilised lived experience voices across local, state, and national levels, elevating them into decision-making forums and shaping more culturally safe and effective approaches.

A recipient of the Craig Dukes Memorial Lifetime Achievement Award, she continues to lead with authority and care, championing a future where Aboriginal and Torres Strait Islander knowledge, leadership, and lived experience are recognised as essential to meaningful and lasting reform.

Scan to learn more about Indigenous Australian Lived Experience Centre

CMHA
Community Mental Health Australia

Community Mental Health Australia (CMHA) is the national peak body for the community-managed mental health sector. It represents state and territory peaks and, through them, hundreds of community-managed organisations delivering psychosocial support to tens of thousands of Australians each year.

CMHA works at the intersection of policy, practice, and lived experience to strengthen the impact of community-based mental health services. Its role extends beyond advocacy, building sector capability, supporting collaboration, and driving reform that reflects the realities of people and communities.

At its core, CMHA stands for a mental health system grounded in human rights, dignity, and inclusion. It promotes approaches that recognise recovery as a social and community process, ensuring support is accessible, responsive, and shaped by lived experience. Through co-leadership, CMHA works alongside people with lived experience to inform decisions and guide change.

CMHA is a recognised voice in national reform. As a Disability Representative Organisation and Disability and Carer Representative Organisation, it contributes to policy development across health, social services, and the NDIS. It brings forward the collective expertise of the community-managed sector, advocating for investment and system design that better supports people to live well in their communities.

Grounded in collaboration, integrity, and clarity, CMHA continues to strengthen the role of the community-managed sector through national projects, partnerships, and networks.

CMHA is helping to shape a future where community-based mental health support is recognised as essential to a well-functioning system.

Kerry Hawkins – Chief Executive Officer

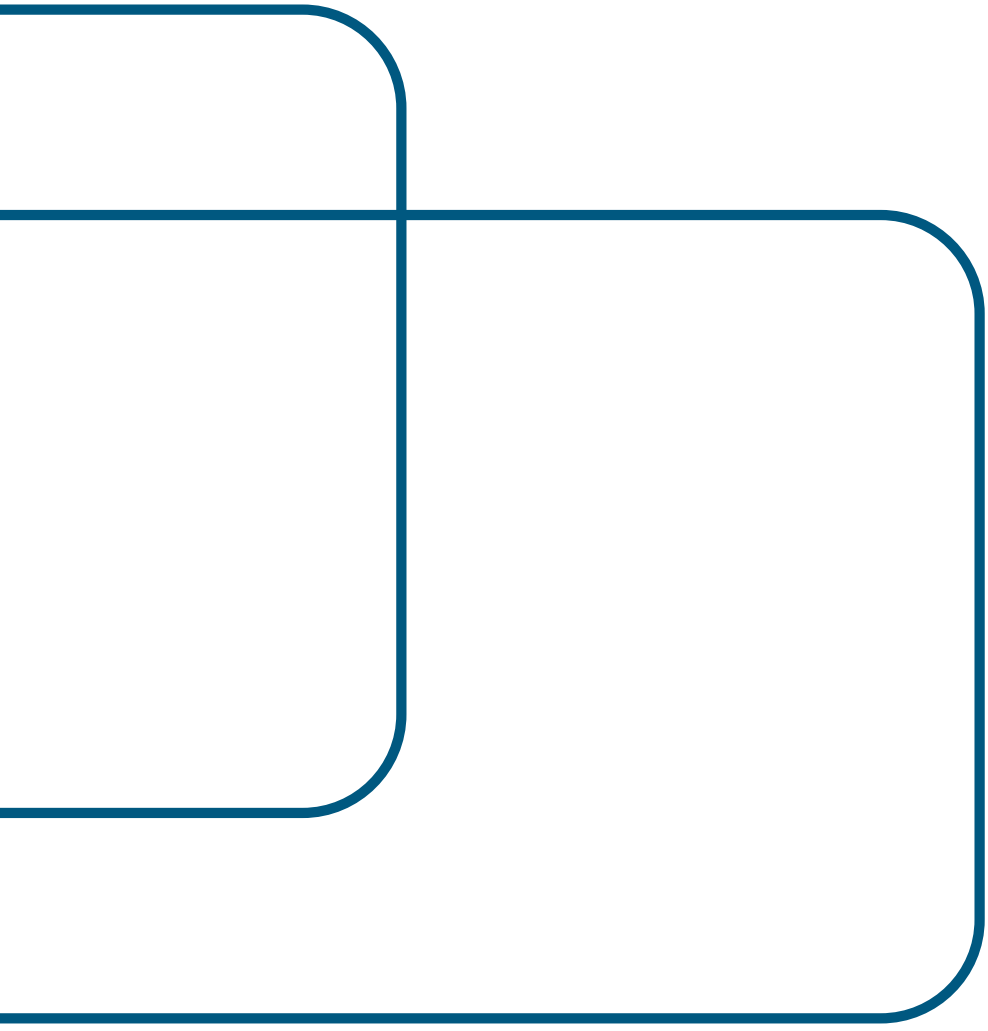
Kerry Hawkins is a national leader in community mental health, known for her collaborative approach and ability to work across systems, sectors, and policy environments to drive meaningful reform.

Her leadership brings together lived experience, senior executive capability, and a strong grounding in strategy, governance, and system design. She has worked across government, consulting, and the community sector, including roles in strategic advisory and project delivery, alongside senior leadership positions within the National Disability Insurance Scheme and state mental health systems.

Kerry is a published contributor to national conversations on mental health, with a focus on human rights, system accountability, and the role of community-based supports. Her work reflects a consistent position: that sustainable reform requires a whole-of-system approach, grounded in lived experience and informed by evidence.

Her perspective has been shaped by both Australian and international contexts, enabling her to engage confidently at the highest levels of policy, research, and sector leadership.

Scan to learn more about Community Mental Health Australia



Foreword

We are pleased to introduce the research undertaken by the Centre for Social Impact, led by Professor Paul Flatau, with Lisette Kaleveld, Zoe Callis and David Kuppers.

The Centre for Social Impact is a national collaboration across leading Australian universities, established to generate rigorous research, build capability, and support positive social and economic change. Working closely with governments, the not-for-profit sector, philanthropy and industry, the Centre focuses on complex challenges including mental health, housing and homelessness, financial inclusion, and entrenched disadvantage. Its work is grounded in evidence, shaped by real-world partnerships, and designed to inform policy and practice across Australia.

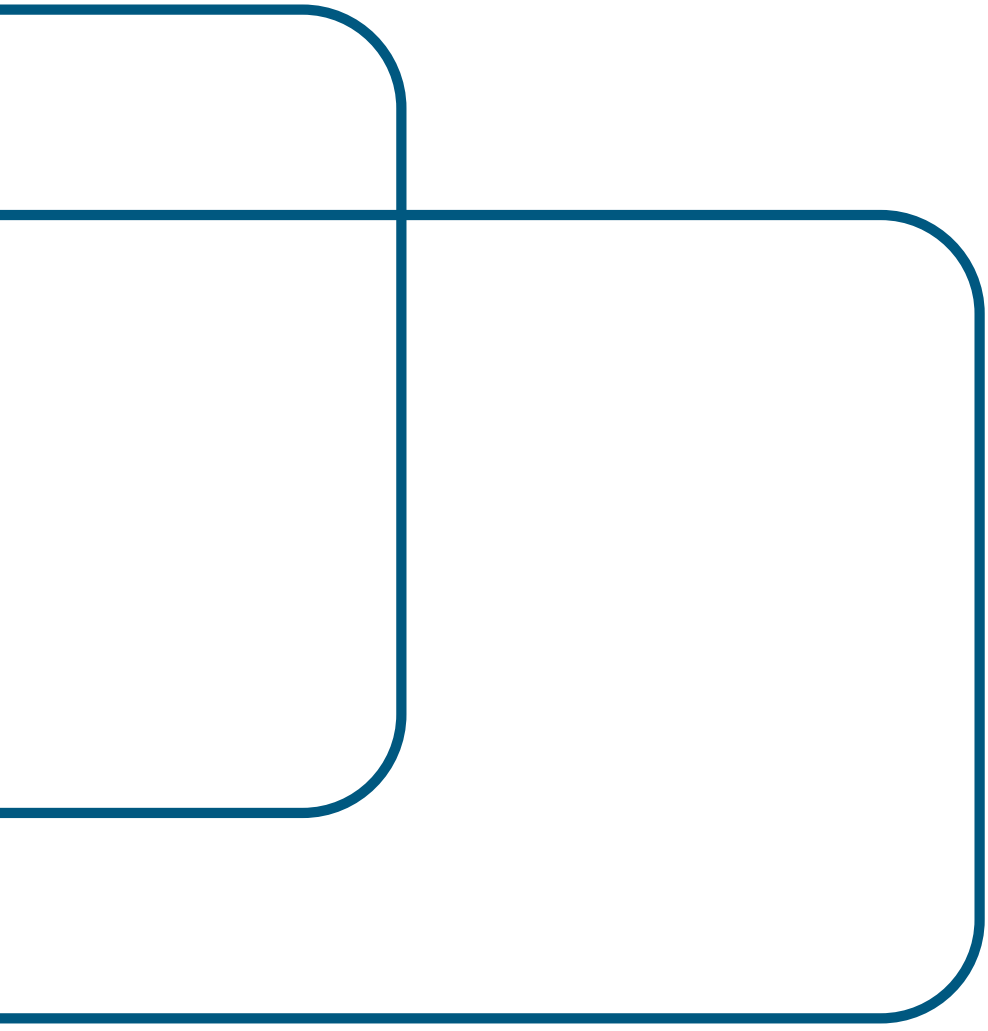
Professor Flatau, Director of the Centre for Social Impact at the University of Western Australia, is a leading Australian economist whose work spans poverty, homelessness and social disadvantage. His research has contributed to national conversations on social policy, program effectiveness and impact, working alongside governments, service providers and communities to strengthen both understanding and outcomes.

This analysis contributes to a conversation long shaped by lived and living experience, by families, carers and kin, by Aboriginal and Torres Strait Islander communities, and by the community-managed mental health sector. It brings an economic perspective that strengthens this work, adding further depth to what is already understood through experience, practice and evidence.
The research examines psychosocial supports across Australia, including current provision and investment, the gap between need and demand, and the broader mental health, social and economic outcomes associated with these supports.

Importantly, it articulates the value of psychosocial supports in a way that can inform policy, funding and system design. It shows how investment in prevention, promotion, and community-managed supports can improve outcomes for individuals and communities, while also contributing to more sustainable use of public resources, including potential cost savings across the broader health system.

We recognise that placing an economic frame around human experience can feel complex. People's lives cannot be reduced to numbers alone. Yet, when used with care, economic analysis offers another way of understanding impact. It allows us to speak across systems, strengthen our collective voice, and support approaches that are already known to work.

This work stands with the voices that have shaped this conversation. It contributes to a shared goal: a mental health system that recognises the whole person, responds to the full context of people's lives, and invests in supports that enable individuals, families and communities to live well.



CAPTURING THE ECONOMIC VALUE OF PSYCHOSOCIAL SUPPORT: A DISCUSSION PAPER

Summary of Findings

Commissioned by Community Mental Health Australia

Prepared by the Centre for Social Impact

April 2026

Professor Paul Flatau, Lisette Kaleveld, Zoe Callis and David Kuppers

CENTRE for SOCIAL IMPACT

THE UNIVERSITY OF WESTERN AUSTRALIA

1. Background

This summary paper[1] presents the key findings of the *Capturing the Economic Value of Psychosocial Support: A Discussion Paper*[2], hereafter referred to as the Discussion Paper.

What are psychosocial supports

The Commonwealth Department of Health, Disability and Ageing defines psychosocial support as non-clinical programs that facilitate recovery in the community for people experiencing mental illness.[3] In addressing mental health challenges, psychosocial supports are a critical complement to clinical interventions. They assist people to live full, meaningful lives based around their individual circumstances and goals: to choose the supports that help them; access the supports that help them; and live a good life.

Psychosocial supports cover a broad range of domains: accessing and maintaining housing and employment, making friends, or sustaining positive relationships, hobbies, and interests. Some examples of psychosocial support are outlined below.[4]

From a Lived Experience perspective, choosing to be supported through social recovery (i.e., recovering one's sense of citizenship fully), can be just as important as, or at times even more valuable than, a focus on improving symptoms.

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1. Suggested citation for this summary: Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Supports*. Centre for Social Impact, University of Western Australia. DOI: 10.60836/tbyr-r819

2. Based on forthcoming Discussion Paper by Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Supports*. Centre for Social Impact, University of Western Australia.

3. Australian Government (2025). Commonwealth Psychosocial Support: Program Guidance. https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

4. This figure was adapted from the Primary and & Community Care Services Limited (PCCS)website at https://www.pccs.org.au/case_study/social-rx/

The National Mental Health Consumer Alliance (NMHCA) defines psychosocial supports as "the full range of social, relational, cultural, material, and structural conditions that enable a person to live with dignity, agency, connection, and self-determination. High quality psychosocial supports strengthen a person's capacity to have full citizenship rights; experience belonging; determine identity; feel safe; participate in community; sustain relationships; access housing, employment and income; and navigate systems that affect their wellbeing".

While the role of psychosocial supports in improving mental health outcomes is well established [5,6,7,8] what we know about the social outcomes of these supports, and other flow-on economic impacts is less clear.

Do psychosocial supports, in helping people to strengthen their social connections, also make a difference to the lives of the families, friends and social networks of people who receive them? By enabling individuals to take steps to achieve their goals, do these supports deliver economic benefits for society?

At a time of rising demand for mental health services, understanding the impact of psychosocial supports in more depth can help increase confidence in decisions about investing in psychosocial support, and integrating them with the care and support people with lived experience choose (including clinical services) in ways that can facilitate both effectiveness and cost effectiveness.

The interlocking nature of mental health and social outcomes, and the need for individuals to have a strong social and economic foundation for recovery, provides the core rationale for the provision of psychosocial supports.

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5. Harvey, C., Zirnsak, T. M., Brasier, C., Ennals, P., Fletcher, J., Hamilton, B., Killaspy, H., McKenzie, P., Kennedy, H., & Brophy, L. (2023). Community-based models of care facilitating the recovery of people living with persistent and complex mental health needs: a systematic review and narrative synthesis. *Frontiers in Psychiatry*, 14, 1259944. https://doi.org/10.3389/fpsyt.2023.1259944

6. Killaspy, H., Harvey, C., Brasier, C., Brophy, L., Ennals, P., Fletcher, J., & Hamilton, B. (2022). Community-based social interventions for people with severe mental illness: a systematic review and narrative synthesis of recent evidence. *World Psychiatry*, *21*(1), 96-123. https://doi.org/10.1002/wps.20940

7. Smit D, Miguel C, Vrijsen JN, Groeneweg B, Spijker J, Cuijpers P (2023). The effectiveness of peer support for individuals with mental illness: systematic review and meta-analysis. *Psychological Medicine 53*, 5332–5341. https://doi.org/10.1017/S0033291722002422

8. McKay, C., Nugent, K. L., Johnsen, M., Eaton, W. W., & Lidz, C. W. (2018). A systematic review of evidence for the clubhouse model of psychosocial rehabilitation. *Administration and Policy in Mental Health and Mental Health Services Research*, *45*(1), 28-47. https://doi.org/10.1007/s10488-016-0760-3

9.The National Mental Health Consumer and Carer Forum. (2024). *Outcome Report - Lived Experience Leading the Way: National Psychosocial Disability Roundtable* (20 June 2024 in Melbourne). https://nmhccf.org.au/component/edocman/outcome-report-national-psychosocial-disability-roundtable-2/download

The social and economic value of psychosocial supports

A range of voices are calling for the continued or increased investment in psychosocial supports. Lived Experience experts, consumer-based groups, peak bodies and advocacy groups have been saying they want more options in terms of non-clinical, holistic, recovery-oriented approaches,[9] that can also be culturally responsive, such as those addressing the Social and Emotional Wellbeing of First Nations communities. [10,11]

These goals and expressed preferences from Lived Experience voices are very much in line with the critical reform agendas of the Australian government (supported by analysis by organisations such as the World Health Organization, the Actuaries Institute and the Productivity Commission) aimed at transitioning the mental health system from a crisis-driven system based around clinical treatments to a system that is more person-centred, recovery-oriented, and focused on prevention and early intervention.

Economic analysis can offer significant value in supporting these goals and claims surrounding psychosocial support and provide insights into strategic decision-making.[12]

> *"Health economics is a way to help answer the question— 'Is this thing good value compared with other things that could be done with the same resources?'"*

At a population level, the economic costs and benefits of improving the mental health of Australians have been recognised and estimated by the Productivity Commission in their 2020 *Mental Health* report. The Productivity Commission's modelling is outlined in Section 2 of this summary paper [14]. In undertaking this economic modelling, the Productivity Commission has provided key measures and estimates which can be applied to an understanding of the economic value of psychosocial support.

The Productivity Commission's Mental Health report estimated significant economic benefits from reforming the mental health system. For many of the recommended reforms...there is a clear role for psychosocial supports

Economic evaluation tools and methods, when applied robustly and with a basis in rich data, can allow policymakers in mental health to optimise resource allocation and prioritise high-value interventions.

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10. Gupta, H., Tari-Keresztes, N., Stephens, D., Smith, J. A., Sultan, E., & Lloyd, S. (2020). A scoping review about social and emotional wellbeing programs and services targeting Aboriginal and Torres Strait Islander young people in Australia: Understanding the principles guiding promising practice. *BMC Public Health*, 20(1), 1625. https://doi.org/10.1186/s12889-020-09730-1

11. Summerton, J., & Blunden, S. (2022). Cultural interventions that target mental health and wellbeing for First Nations Australians: a systematic review. *Australian Psychologist*, 57(6), 315-331. https://doi.org/10.1080/00050067.2022.2130026

12. Evers, S., Salvador-Carulla, L., Halsteinli, V. & McDaid, D. (2007) Implementing mental health economic evaluation evidence: Building a bridge between theory and practice. *Journal of Mental Health*, 16:2, 223-241. https://doi.org/10.1080/09638230701279881

13. Wynne, O., Bill, A., McFayden, L., Reeves, P. & McCreanor, V. (2025). *Introduction to Health Economics*. NSW Regional Health Partners. Newcastle, NSW, p6.

14. Productivity Commission. (2020). *Mental health*: Productivity commission inquiry report. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

The cumulative number of reports on economic evaluations of mental health care and support has grown from approximately 100 in 1999 to over 4,000 in 2019.[15] However, despite the expanding economic evidence in relation to mental health care and mental health services, our Discussion Paper found that there is a dearth of economic evaluation analysis on psychosocial supports, especially at the program level.

Despite the expanding economic evidence in relation to mental health care and mental health services, there is a dearth of economic evaluation analysis on psychosocial supports, especially at the program level.

Purpose and scope of the Discussion Paper

Our Discussion Paper aimed to contextualise the role of psychosocial support in the mental health system in Australia and examine existing economic evidence on the impact of psychosocial support, with this context in mind.

Our key framing question was:

What do we know about the provision and overall spend on psychosocial support programs, the gap between need and demand, and the mental health, social and economic impact of providing psychosocial supports including the potential cost savings to the health system more broadly, when investments are made in psychosocial supports aimed at prevention, promotion, and community-based treatment and recovery services?

The Discussion Paper provides an overview of the extant Australian evidence available on the impact that psychosocial supports have on mental health as well as social outcomes, and flow-on economic benefits. It also highlights key gaps in the evidence base.

We drew on the scoping work of the highly influential 2024 Health Policy Analysis report: *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme* ("HPA Report").[16] While the HPA Report took a broad definition of psychosocial supports, it also provided a much narrower, utilisation-focused framework and scope defined by government funding streams. Within this scope, 63 psychosocial support programs were identified, all funded by the Commonwealth Department of Health, Disability and Ageing and/or state and territory governments and operating outside the National Disability Insurance Scheme (NDIS).

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15. Knapp, M. & Wong, G. (2020). Economics and mental health: The current scenario. *World Psychiatry*. 19:3- 14. https://doi.org/10.1002/wps.20692

16. Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Our analysis of program evidence was restricted to evaluations conducted and published on these 63 programs. However, to support the discussion around this evidence we also drew on insights from selected case studies and system-level reports such as modelling utilised by the Productivity Commission.

2. Key estimates related to the provision of psychosocial support

Several significant policy shifts in the last decade have influenced the provision, and also our understanding, of psychosocial supports and the critical role that they play within the mental health system—for individuals and carers, as well as in creating a more equitable mental health system for everyone. Based on a desktop review, the Discussion Paper presents an overview of what we know about psychosocial supports in terms of the key estimates related to understanding their implementation and measurement, with summary findings presented here in this summary report.

Estimating the economic value of an improved mental health and system reforms

The Productivity Commission's *Mental Health* report undertook detailed modelling of the economic impacts of addressing mental health at the population level, and the expected gains in reforming the mental health system.

The Productivity Commission 2020 *Mental Health* report estimated that, in total "mental illness, on a conservative basis, is costing Australia about $200-220 billion per year" which represents "just over one-tenth of the size of Australia's entire economic production in 2019".[17]

The Productivity Commission's *Mental Health* report estimated significant economic benefits from reforming the mental health system. For many of the recommended reforms—building a system that is more person-centred, focused on prevention and early help for people, improving people's experiences with mental healthcare, improving people's experiences with services beyond the health system, equipping workplaces to be mentally healthy—there is a clear role for psychosocial supports. Key economic benefits result from people's increased employment participation and higher wages as well as improved health-related quality of life (valued in dollar terms) and reductions in government expenditure (e.g., hospital costs) as a result of improved mental health outcomes. Lifetime benefits from prevention and early intervention programs in childhood and adolescence would add to these gains.

The value gained from investing in mental health support generally was conceptualised in three ways: the benefits of improved quality of life (valued in dollar terms); labour market and employment-related benefits; and cost offsets derived from programs (i.e., reductions in system costs because of improved mental health outcomes). Economic benefits relate to both the direct beneficiaries and their families and carers. We note that benefits to families and carers are often not estimated which acts to underestimate total economic benefit.

17. Productivity Commission. (2020). *Mental health* Productivity commission inquiry report. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/ Pg.9

The benefits of improved quality of life

The main economic benefits estimated by the Productivity Commission arise from an increase in people's quality of life (quality adjusted life years [QALY]) which were valued at up to $18 billion annually. This estimate was derived by first determining the additional QALY from the recommended reforms and then putting a dollar value on this, using estimates of the value of a statistical life year based on the willingness to pay method and commonly accepted values.

Labour market and employment-related benefits

The Productivity Commission also estimated the impact of reforms to increased economic participation and wages using estimated models of labour force participation and wage equations.

Cost offsets derived from programs

The final component of the Productivity Commission's economic analysis involved comparing the costs of delivering programs against the cost offsets obtained. If psychosocial supports produce positive mental health, social and labour market outcomes, this is likely to result in further economic benefits to the public purse (saving in areas such as emergency and public hospital use and costs, and reduced use of clinical care), producing cost offsets.

As the name suggests, cost offsets refer to Commonwealth and state/territory budget savings that accrue from the program in question that can (notionally) be offset against the cost of the program itself.

Economic Evaluation Case Study 1: Housing Support Worker Mental Health (HSWMH) National Partnership Agreement on Homelessness (NPAH) Program[18]

The HSWMH program provided dedicated support for people with severe and persistent mental illness who were either experiencing homelessness or at high risk of homelessness when they were discharged from a Mental Health Inpatient Unit. The support provided case management (one-on-one support up to 12 months) linking with community and clinical mental health services and assistance with sourcing, accessing and maintaining suitable long-term accommodation in public housing.
Wood et al. (2016) conducted an economic evaluation of the cost offsets associated with reduced health service usage. Specifically, they found that HSWMH consumers had a total cost saving of $118,246 per person per year (adjusted to 2025 dollars). This cost offset was based on a 38.7% decrease in the proportion of consumers presenting to emergency, a 44.4% decrease in the proportion of consumers being admitted to hospital, a 60.7% decrease in the proportion of consumers accessing psychiatric care, and a 21.6% decrease in the proportion of consumers accessing mental health services; in the year after program entry. This analysis was based on linked Western Australia Department of Housing and Department of Health data for the 12 months before and after tenancy commencement. Cost offsets are likely to be higher if consumers were followed over a longer period of time after the program.

18. Wood, L., Flatau, P., Zaretzky, K., Foster, S., Vallesi, S. and Miscenko, D. (2016) *What are the health, social and economic benefits of providing public housing and support to formerly homeless people?*, AHURI Final Report No.265, Australian Housing and Urban Research Institute, Melbourne, http://www.ahuri.edu.au/research/final-reports/265, doi:10.18408/ahuri-8202801.

Economic Evaluation Case Study 2: Cost savings of 13YARN [19]

An analysis of cost-savings was undertaken by 13YARN to assess if 13YARN's benefits outweigh its cost per call. The monetary cost savings analysis did not consider non-financial savings that 13YARN delivers such as reduction in mental ill-health or suicidality.

The main quantifiable benefit for the service was the number of mental health Emergency Department presentations that were prevented because of 13YARN. Since 13YARN commenced operations, there have been 117 emergency interventions requested (0.2% of total call volume). For the purpose of this cost-saving estimate, three scenarios were quantified: if 100%, 50% or 25% of emergency intervention requests via a 13YARN phone call would have led to an Emergency Department presentation if not for 13YARN.

The figure below shows the logic used to estimate cost savings from the reduced mental health related presentations based on 13YARN emergency intervention request data.

Benefit logic underpinning the value of avoided Emergency Department presentations calculation

The potential overall cost savings per person receiving an emergency intervention through 13YARN were estimated to range from $14,218 (25 per cent attribution) to $56,870 (100% attribution). This supports the claim that 13YARN has had a meaningful impact on hospital costs through reduced Emergency Department presentations.
There are also likely to be other economic benefits such as costs saved from decreased use of community services and mental health acute services, and reduced costs to family and friends.

Mapping the psychosocial support system in Australia

The HPA Report represents one of the first comprehensive mappings of psychosocial support programs in Australia in 2022–23. It utilised the following definition:

Psychosocial supports are "non-clinical and recovery-oriented services, delivered in the community and tailored to individual needs, which support people experiencing mental illness to live independently and safely in the community" (Psychosocial Project Group, 2023).[20]

19. Source: Gayaa Dhuwi.

20. Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report.* https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

The HPA Report mapping exercise examined psychosocial support programs funded by the Australian Government or by state and territory governments, outside the NDIS and targeted at those with diagnosed severe and moderate mental illness (i.e., excluding those with mild mental health illness) as defined under the National Mental Health Service Planning Framework (NMHSPF).[21] In total, 63 programs met the criteria. These programs assisted people to:

- manage daily living skills;
- obtain and maintain housing;
- identify their need for other services (such as the NDIS, alcohol and other drug treatment services, clinical care), connect with and maintain engagement with these services;
- socialise, build, and maintain relationships; and,
- engage, and maintain engagement, with appropriate education (including vocational skills) and employment opportunities.

There were significant limitations to this mapping exercise that were recognised in the both the report itself, as well as in sector responses to the report. There exists psychosocial programs that do similar work in community settings and across the social purpose sector, but fall outside the HPA Report criteria. These programs might be implemented outside the mental health system, not be captured by specific government funding streams, or are, in fact not labelled as psychosocial programs, but in effect, aim to achieve the same goals.[22]

Estimating the total spend on psychosocial support programs

Given the difficulties with mapping psychosocial supports and the absence of a national data collection system that applies to organisations providing these programs, it is not surprising that there are also difficulties determining the total spent on psychosocial supports in Australia.

The Commonwealth Psychosocial Support (CPS) Program (for psychosocial support outside the NDIS) is expected to provide $272.1 million over two years to June 30, 2027, according to the 2024-25 Mid-year Economic Fiscal Outlook. Beyond this, it is very difficult to determine the total spend on all psychosocial support programs in Australia.

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21. "Severe" mental illness refers to people with significant days out of role, who experience distress or impairment, and who are seen as requiring support from specialised mental health services. The NMHSPF also has subcategories that include "severe standard" and "severe complex", which further differentiate individuals based on the complexity and intensity of care they may require. "Moderate" severity refers to people who have a diagnosed mental illness that has a moderate impact on their day-to-day lives. They may experience problems with psychological functioning that impede their ability to attend school or work, carry out household responsibilities or maintain healthy relationships. Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report.*

22. Psychosocial support programs that support those with mental health challenges will not all be administered under mental health services umbrella. One case in point are specialised housing and homelessness and justice-based programs funded from respective budgets which have a focal target of support for those experiencing significant mental health challenges.

The Australian Institute of Health and Welfare (AIHW), for instance, provides estimates of total expenditure on mental health services[23]. However, expenditure on psychosocial support services is not separately identified in the publication. This would require the Commonwealth and state and territory governments to provide more detail on the type of services funded and joint agreement on which services fit with the definition of psychosocial support services adopted at the Australian Government level. We would recommend that AIHW was resourced to source such data and include resulting estimates in its *Expenditure on Mental Health Services* publication.

A rough approximation of the expenditure on psychosocial support is to add state and territory government mental health services expenditure on non-government organisations which might reasonably be seen as psychosocial supports and add this to Commonwealth Psychosocial Support spending. In 2023-2024, a rough estimate, based on AIHW Expenditure on Mental Health Services expenditure is $294 million. However, this is an imprecise estimate given that absence of direct psychosocial support labelling of NGO grant expenditure.

Despite the difficulties determining a total spend on psychosocial support in Australia, it is clear that the spend on clinical forms of support accounts for the bulk of total expenditure on mental health services of $13,788 million (2023-2024), far exceeding the total spend on psychosocial support (which is likely to be under $300 million).

Estimating unmet need for psychosocial support

Productivity Commission – 690,000 people nationally with unmet need

The Productivity Commission estimated that approximately 690,000 people with a mental health condition would be likely to benefit from access to psychosocial support services, were they available (about 290,000 of these people were assessed as having a severe and persistent mental health condition). [23] However, it was estimated that only about 34,000 people with a primary psychosocial disability received psychosocial supports under the NDIS, and 75,000 people received psychosocial support directly from other federal, state and territory government-funded programs.

Health Policy Analysis – 493,600 people nationally with unmet need

The HPA Report, estimates that approximately 493,600 people in Australia need psychosocial support but lack access to necessary services. [24]

State-based estimates

Aside from these estimates, there are also other calculations that have been completed by other states.

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23. Productivity Commission. (2020). *Mental Health*. Report No. 95. ISBN: 978-1-74037-700-3. pp.42

24. Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report. Health Policy Analysis*

State-based estimates

Estimates of unmet demand from state-based estimates include Tasmania (12,226)[25], Queensland (92,010)[26], South Australia (19,000)[27], and New South Wales (125,000 individuals and 95,000 carers).[28]

> *"Left untreated, mental health conditions can worsen over time, leading to serious consequences for individuals' wellbeing, social participation and productivity."*[29]

Key takeaways

The desktop review presented in the Discussion Paper indicates the following:

- There are economic benefits to supporting mental health in general. In particular, changes to the mental health system that would involve a greater role for psychosocial supports are expected to deliver economic value calculated in terms of improved quality of life, labour market and employment-related benefits, and cost offsets derived from programs.
- The economic benefits modelled at a population level are aligned to lived experience insights. Hayley's story and Len's story (see below), are examples of consumer journeys that reflect these benefits and avoided costs through a lived experience lens.
- Current methods of mapping psychosocial supports and tracking expenditure on psychosocial supports are poorly developed.
- Estimates of unmet need are approached with varying methodologies, leading to different results. However, all exercises undertaken of unmet need point to significant unmet need for psychosocial support for people experiencing mental health challenges, outside the NDIS.
- Psychosocial support expenditure is difficult to precisely measure, but rough estimates suggest that psychosocial support expenditure represents a relatively small proportion of total mental health service expenditure with clinical supports dominating total expenditure.

Taken together, these findings point to a case for continued investment, and even increased investment in psychosocial support, to deliver economic benefits to society, address unmet need, and potentially change lives for the better. At the same time, a concurrent investment in more adequately defining, mapping and tracking expenditure is needed.

25. Mental Health Council of Tasmania. (2025). *A Plan for funding psychosocial supports for Tasmanians with severe and moderate mental illness.*

26. Queensland Alliance for Mental Health. (2024). *Summary of the analysis of unmet need for psychosocial supports outside the NDIS final report for Queensland.*

27. David McGrath Consulting. (2023). *Unmet mental health service need that could be met by the NGO sector. An analysis on behalf of the South Australian Government.*

28. *Analysis of unmet need for psychosocial support for people with mental health conditions in New South Wales. An analysis on behalf of NSW Health.*

29. Deloitte Access Economics (2015). *The economic value of informal care in Australia in 2015*, Report for Carers Australia, Canberra: Deloitte Access Economics Pty Ltd; 2015, cited 1 December 2015 <http://www.carersaustralia. com.au/storage/Access%20Economics%20 Report.pdf>.

3. Lived experience perspectives and descriptive findings on the value of psychosocial supports

Lived experience perspectives, which inform the advocacy and strategic directions of the mental health sector, as well as providing descriptive findings from the evaluation studies of psychosocial supports, provide a rich understanding of what can be achieved with the whole-of-life approach offered by psychosocial support.

Supporting Social and Emotional Wellbeing

One example, from the evaluation of the Intensive Home Based Support Services (IHBSS) for SA Health[30] outlines in detail the meaningful health, mental health, social, and cultural outcomes that were realised when an Aboriginal male elder (Len) was supported with housing, health and Social and Emotional Wellbeing programs.

Len's story

Len, an Aboriginal male elder from Adelaide, had no fixed address and was classified as homeless for a period of 10 years. Len wished to return to his homeland where he grew up as a child. He would speak about his home town and how he played for the local football team as a youth. Len spoke about all the friends and relationships he had made as a child and his wish to reconnect with them. Len worked with the Country Mental Health team and was offered, and accepted, Mental Health Stimulus housing in his home town. Len was put on an IHBSS support package and support commenced the next day. Len needed to furnish his home and engaged well with all agencies involved to do so. The support worker liaised with Len's public trustee to arrange quotes for sundries for his home. Len chose all his own kitchen and homewares and chose earth colours to remind him of the country he had returned to. As part of the 3-month IHBSS package many other areas identified in his Individual Recovery plan were addressed:

- Furnished whole home
- Independent living
- Community engagement
- Financially independent through the use of a pin card
- Supply of an air conditioner, TV and DVD
- Neurological psychological report
- Health and fitness assessment
- Hearing and vision check-up, including order of glasses.
- Dental appointment
- Use of Aboriginal health services
- Reconnection with family, including monthly planned visits in Adelaide, with support
- Joined local Aboriginal Men's group
- Reengaged with local agencies
- AOD missuses minimized

Len completed the 3-month package and the goals he wished to complete and more. He now wants to give back to his community and become an Aboriginal story teller in order to share his knowledge and story with the youth of his country. Len was referred to IPRSS and is still doing well 6 months later. He continues to live independently and has had no hospital admissions for his mental health during this period.

30. Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia.* https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

Describing the continuing benefits of personalised psychosocial support

Hayley's story[31,32] is well known for its powerful advocacy message. What is important about Hayley's experience, is its ability to describe the lasting impact that the right, personalised supports can have. In Hayley's case, the support received mostly likely helped to change the direction of her life in positive ways, and the consequent benefits were realised both immediately as well as long after the support was provided.

Positive outcomes highlighted in Hayley's story

- Hayley's story illustrated how psychosocial supports can help **address loneliness and overcome social isolation.**[33] She spoke of how the program helped her to connect with other peers facing similar challenges. Previous research has found that there is an economic cost associated with loneliness and social isolation and that interventions yield positive social return on investment (SROI).[34] Further, economic modelling suggests that a 10% reduction in loneliness (based on a single item measure) could reduce mental health-related expenditure by around $4.3 billion or $216 per person, per year (converted to 2025 dollars).[35]

- Hayley mentioned the PHaMS program helped her develop **living skills** (e.g., cooking and budgeting), consistent with previous research on psychosocial supports.[36]

- Hayley's participation in PHaMS helped her to pursue a **meaningful career and find employment.** There has been some evidence to suggest that psychosocial supports can be associated with improved employment outcomes.[37]

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31. Harris, H. (2023). *Hayley Harris' Story. Bring Bach PHaMS.* https://bringbackphams.com/stories-hayley-harris

32. Bring Back PHaMs. (2023). *Bring Back PHaMS: Campaign Summary [Version 1.1].* https://docs.google.com/document/d/1Gx26DXa60llOJie6XNKMhlHc6ncAu4EF/

33. Spanos, S., Wijekulasuriya, S., Ellis, L. A., Saba, M., Schroeder, T., Officer, C., & Zurynski, Y. (2025). Integrating non-clinical supports into care: a systematic review of social prescribing referral pathways for mental health, wellbeing, and psychosocial improvement. *International Journal of Integrated Care, 25(3), 21.* https://doi.org/10.5334/ijic.9127

34. Engel, L., Rizal, M. F., Clifford, S., Faller, J., Lim, M. H., Le, L. K. D., Chatterton, M.L., & Mihalopoulos, C. (2025). *An Updated Systematic Literature Review of the Economic Costs of Loneliness and Social Isolation and the Cost Effectiveness of Interventions. PharmacoEconomics, 43(9), 1047-1063.* https://doi.org/10.1007/s40273-025-01516-w

35. Rohde, N., D'Ambrosio, C., Tang, K. K., & Rao, P. (2016). Estimating the mental health effects of social isolation. *Applied research in quality of life, 11(3), 853-869.* https://doi.org/10.1007/s11482-015-9401-3

36. Patmisari, E., Huang, Y., Mclaren, C., Bhatia, P., Orr, M., Govindasamy, S., Hielscher, E., & Mclaren, H. (2025). *Review of community-based interventions for people with serious mental illness, focusing on learning instrumental activities of daily living and enhancing wellbeing. Scandinavian Journal of occupational therapy, 32(1), 2468421* .https://doi.org/10.1080/11038128.2025.2468421

37. Mousavizadeh, S. N., & Bidgoli, M. A. J. (2023). Recovery-oriented practices in community-based mental health services: A systematic review. *Iranian journal of psychiatry, 18(3), 332.*

Hayley's Story

"I have dealt with anxiety since a young age, along with severe depression. I attempted suicide at the age of 14. When I was very stressed out I would hear voices whisper angrily to me. I even had hallucinations on a number of occasions and always experienced a sense of paranoia. Despite all this, I managed to attend school, make some friends, and maintain a close relationship with my family.

Unfortunately, when I turned 17, life became overwhelming, and I shut down. I left school, isolated myself from my family, stopped talking to friends, and withdrew from the world. For 18 months, I remained confined to my home, spiralling deeper into despair, constantly contemplating death and suicide. My mother did everything she could to find suitable psychosocial support services, tirelessly searching for options.

Eventually, I discovered a service I was eligible for. I didn't need a formal diagnosis, we could refer ourselves, and they collected me from my home to engage with the community. This service was PHaMS, and it changed my life.

Here's how it worked: A Personal Helper and Mentor met with me weekly, helping me develop a Wellness Recovery Action Plan. They worked at my pace, asked thought-provoking questions, assisted me in leaving my house, accommodated my abilities, and opened doors to new possibilities.

Through PHaMS, I defined what recovery meant to me, learned to cook healthy meals on a budget, connected with peers facing similar challenges, gained self-advocacy skills, and discovered my own strengths.

During a group outing, a PHaMS worker approached me and said, "Hey, I noticed you interacting with one of the participants, and I think you have the potential to be a great mental health worker. Maybe you could pursue that path one day."

That simple statement planted a seed of hope.

Eventually, I did become a mental health worker, and now I even deliver training to other mental health workers, teaching them about strengths-based practice, just as I experienced in PHaMS.

Without PHaMS, I wouldn't have left my house, repaired relationships with my family, or found employment in the mental health field. Without PHaMS, I would not be alive today."

Inspired by her own experiences with PHaMs and disheartened seeing the experiences of some of her peers, Hayley founded the Bring Back PHaMs advocacy campaign in hopes that other people might have the same access she did.

Avoided negative outcomes highlighted in Hayley's story

- Hayley credits PHaMS for saving her life, noting that without it, she would not be alive today. Previous research has found psychosocial supports may **prevent suicide**.[38] One study estimated the total cost associated with suicide and non-fatal suicide attempts in 2014 at $9.2 billion (converted to 2025 dollars).[39]
- **Reduced hospital admissions and emergency department presentations** (see Appendix for economic impacts of reduced hospital use – all identified economic evaluations analysed reduced health service usage and associated cost reductions).
- Hayley was able to **find work** and avoid an extended period of unemployment.

4. Program evidence analysis

The initial step in our analysis was to examine the extent to which the 63 psychosocial support programs had been evaluated. We searched for published or publicly available evaluation findings with both evidence of effectiveness, and economic evaluation evidence. Overall, nine (out of the 63 studies) could provide some evaluation evidence, with only five providing economic evaluation evidence. Even within this small number of studies, some interesting insights were gained.

The nine studies represent a wide variety of psychosocial support programs, all with differing methods of care. There were generally limited data available for evaluation and the majority of evaluations relied on cost per client as a key measure (which ranged significantly due to differing modes of service delivery, total program costs and the number of clients). While this data is interesting, it's not entirely useful for comparative analysis or an overall analysis, and is more reflective of different system structures for different processes. The studies that only reported costs (and not estimated economic benefit) all attempted a more complex analysis, but were unable to do so due to a lack of available data, or the time limitations of the funding cycle. Despite these common limitations, there was still some valuable evidence.

Of the existing studies, the economic evaluation methods and results were detailed in our Discussion Paper with summary results presented in the Appendix: Economic outcomes of HPA identified psychosocial supports (December 2025 dollars).

The studies that only reported costs all attempted a more complex analysis but were unable to due to a lack of available data, or the time limitations of the funding cycle.

38. Hou, X., Wang, J., Guo, J., Zhang, X., Liu, J., Qi, L., & Zhou, L. (2022). Methods and efficacy of social support interventions in preventing suicide: a systematic review and meta-analysis. *Evidence Based Mental Health, 25(1).* https://doi.org/10.1136/ebmental-2021-300318

39. Kinchin, I., & Doran, C. M. (2017). The economic cost of suicide and non-fatal suicide behavior in the Australian workforce and the potential impact of a workplace suicide prevention strategy. *International journal of environmental research and public health, 14(4), 347.* https://doi.org/10.3390/ijerph14040347

From this process of analysis, three key findings are summarised below.

Key finding 1: Economic evaluations of psychosocial support programs that do exist show strong results in terms of value and cost offsets

- Where economic evaluations of psychosocial support programs have been undertaken at the program level, there are indications of strong results in terms of both psychosocial/mental health and quality adjusted life years[40,41,42], outcomes as well as cost offsets. [43,44]

- Of the studies that did involve a cost-benefit analysis, some interesting insights are gained. They generally trend towards cost efficiency: the programs return people to the workforce, leading to strong cost returns, or divert people away from high-cost clinical care. Overall, if the cost to access the system is lower than the returns gained, positive economic outcomes are seen.

- More comprehensive economic evaluations that estimate cost offsets across a variety of domains including social outcomes, and over longer time periods after program commencement, are more likely to demonstrate increased cost savings that offset the cost of program delivery. However, those that focused only on health and/or mental health service usage and associated savings still demonstrated considerable cost offsets.

- Overcoming the initial investment cost as well as the recurring expenses of the programs means that the benefits of these services are not seen immediately, but rather build up to an efficient system of returns over time, which should be captured when programs are more systematically evaluated over the medium or long term. The funding cycle of program and the evaluation timeframe are critical, and usually factors that limit the development of strong evidence.

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40. Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/cls-hasi-eval-rpt.pdf

41. E.Y. (2020). *Evaluation of the Early Psychosis Youth Services.* Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

42. Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

43. Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus)*. HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

44. Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

Comprehensive Economic Evaluation Case Study 3: Community Living Supports (CLS) and Housing and Accommodation Support Initiative (HASI)[45]

CLS and HASI are psychosocial support programs based in NSW that support people who have a severe mental illness so that they can live and participate in the community the way they want to. Support is tailored to consumers' unique goals and can include daily living activities, social inclusion, tenancy support, and access to services (e.g., referrals to clinical mental health services). The average cost per consumer was $44,838 (adjusted to December 2025 dollars).

Purcal et al (2022) conducted an economic evaluation of the cost offsets associated with reduced service usage after receiving support. Specifically, they modelled a 5-year timeframe that yielded a cost offset of $108,470 per person (adjusted to December 2025 dollars) and positive outcome of around 0.25 QALYs. This cost offset is based on a reduction in justice service usage (e.g., new charges and community corrections orders) and a 74.0% decrease in hospitalisations and 74.8% decrease in average days in hospital over the two years following program entry. This comprehensive economic evaluation was made possible by access to Government linked Administrative Data sets.

Key finding 2: There is a very limited number of economic evaluation studies of psychosocial support

- Of the 63 programs, only nine had published evaluation studies[46] that included economic evidence. Of the nine economic evaluations attempted, only five were able to be completed. This is because many studies suffered from insufficient data.
- There is a 'patchwork' of economic evaluation evidence, in terms of both quantity and quality, leading to limited reach of the evidence, and lack of ability to compare across programs. Although the programs in scope were all funded by governments, there was still a lack of systematic approach to evidence.
- As noted in Section 2, the Productivity Commission's modelling of the potential costs and benefits of its recommended reforms to the mental health system suggests that psychosocial supports (which are a critical to the reforms) may contribute to significant improvements in health-related quality of life (and concomitant dollar benefits) together with labour market benefits and cost offset savings. While this presents a strong case for the potential economic benefits of psychosocial support programs, the analysis of programs identified in the HPA Report reveals that relatively few economic evaluations have been undertaken. Therefore, there is a mismatch between the potential economic benefits that we anticipate are occurring as a result of psychosocial interventions, and the actual program-level evidence base available.

45. Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/cls-hasi-eval-rpt.pdf

46. Note that there may be unpublished evaluations that were undertaken by the service delivery organisations and were not made public.

There is a mismatch between the potential economic benefits that we anticipate are occurring as a result of psychosocial interventions, and the actual program-level evidence base available.

- The patchy evaluation evidence in respect of psychosocial supports leads to a less stable platform from which to advocate for stronger funding of psychosocial supports.

Key finding 3: Systemic factors seem to be limiting effective economic evaluation

- Of the nine economic evaluations attempted, only five were able to be completed; many studies suffered from insufficient data.
- Where discrete economic evaluations do exist, the capability to draw conclusions from them is limited because of the lack of other program studies to draw comparative analysis from. Across programs there are inconsistencies in the use of language, inclusion and exclusion criteria, measures and definitions, making comparative analysis across programs difficult.

Key takeaways

The program evidence analysis presented in the Discussion Paper indicates the following:

- There is very promising, but limited, evidence to demonstrate that psychosocial support helps to return people to the workforce, leading to strong cost returns, or diverting people away from expensive clinical care, leading to strong cost offsets. Overall, if the cost to access the program is lower than the returns gained, positive economic outcomes are estimated.
- More studies are needed across diverse psychosocial programs to substantiate these findings. In particular, longitudinal data on participants' mental health outcomes as well as social outcomes, collected over five years or more would provide a richer picture on the social and economic gains.
- In our analysis we also became aware that there are evaluations of psychosocial programs that have been completed that are not publicly available (although some were still in the process of being completed and may be published at a later date).

Taken together, these findings indicate that advocacy is needed for more evaluation of the effectiveness of psychosocial supports and the flow-on economic value and benefits, as well as a commitment to sharing any evaluation findings publicly. This must also go hand-in-hand with increasing funding cycles for programs, so that robust evaluation designs can adequately capture mental health, social as well as economic outcomes.

5. Discussion

Despite the anticipated economic benefits of psychosocial support, and the thin but promising evidence collected through economic evaluations of psychosocial programs, the application of robust and comprehensive economic evaluation methods to psychosocial programs remains underdeveloped. These two key points that emerged from the Discussion Paper are summarised in more detail in this section.

Recognising the emerging evidence base for economic benefits of continued investment in psychosocial supports

The continued or expanded investment in psychosocial supports is supported by the available evidence, in the following ways.

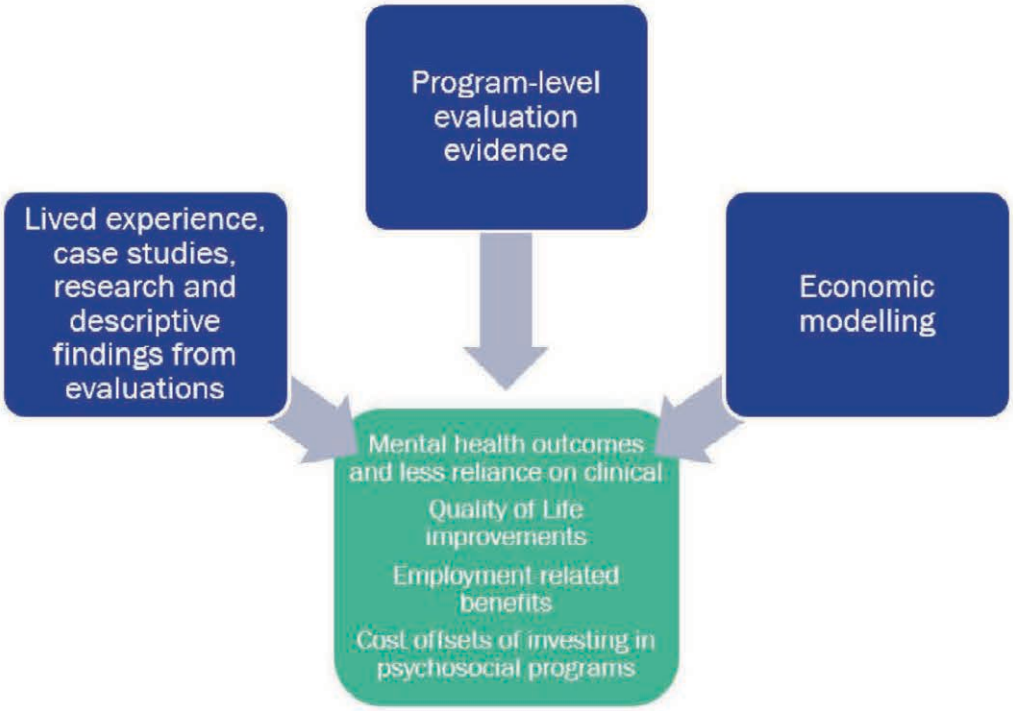
- Reforming the mental health system in a way that leans towards an expanded role for psychosocial support, is, as Productivity Commission economic modelling suggests, likely to provide significant economic benefits through improved quality of life, labour market and employment-related benefits, and cost offsets from reduced use of clinical and acute services.
- A handful of psychosocial programs that have successfully completed and published economic evaluations show strong evidence of economic benefit, especially in terms of quality of life improvements and cost offsets.
- Estimations of unmet need for psychosocial support outside the NDIS, and our understanding of the ongoing costs as a result of a significant number of people continuing to live with mental health challenges without their psychosocial needs being supported, point to a case for further investment.

There's a high cost to inaction, in terms of reduced quality of life, people experiencing a lack of independence or social connections (including potential ongoing costs to families who take on a supporting role), and the economic costs of people missing employment-related opportunities.

- Lived experience insights, and the descriptive findings of psychosocial program evaluations, suggest that people with psychosocial support needs can struggle to participate in education or employment, social activities or meaningful engagement with family members and social networks. This is a costly 'baseline', meaning that there's a high cost to inaction, in terms of reduced quality of life, people experiencing a lack of independence or social connections (including potential ongoing costs to families who take on a supporting role), and the economic costs of people missing employment-related opportunities.

Several layers of economic benefits of providing psychosocial support have been identified, based on a mix of supporting sources of evidence, as illustrated in the figure below.

Anticipated economic benefits that are occurring as a result of psychosocial support, and types of supporting evidence



Supporting maturity in the system around the evaluation of psychosocial support

Investing in strengthening the evidence base for psychosocial support through more program-level evaluation also needs to be supported by changes to measurement infrastructure. While this would require significant development, we propose the following as next steps to support this process.

Economic evaluation (or any substantive evaluation) cannot be conducted effectively where programs are subject to fragmented, short term funding cycles.

- There are few published evaluations at the program level of psychosocial support programs and fewer still which provide an economic evaluation of the impact of psychosocial support programs. Where economic evaluations have been undertaken, they show positive impacts but there is clearly a need for greater investment in economic evaluations of programs. The absence of economic evaluations may have the perverse impact of hindering investment in the provision of new or expanded programs and so we do call for joint Commonwealth and state and territory attention in this area.

- Health-based reporting frameworks focus on mental health outcomes, but miss an understanding of, and the opportunity to capture, social outcomes and economic outcomes. Notwithstanding this, the Productivity Commission provided a clear modelling strategy for assigning a dollar value to mental health improvements so that the impact of such improvements is not undervalued. We recommend the application of such modelling in the future assessment of psychosocial support programs. Programs cannot be evaluated for their full effectiveness and economic value, if there are no social outcomes in the data design or measurement infrastructure or if cost offsets are not assessed fully.

- Economic evaluation (or any substantive evaluation) cannot be conducted effectively where programs are subject to fragmented, short term funding cycles. Extended funding cycles would support better evaluation and evidence. Guidelines around measurement tools that can be used systematically across various psychosocial programs would also be useful.

- A commonly accepted language and stable definition of psychosocial support is needed. Differing, contested and continually changing definitions of psychosocial support create difficulties in assessing the evidence base on the impact of psychosocial support and the economic value of psychosocial support programs, as it is difficult to find and compare outcomes across different programs, or over time. Without a reliable definition it is also difficult to create adequate measures of effectiveness and impact.

- Further development of system mechanisms for mapping psychosocial support programs is needed. In national data collection systems, such as those managed by the Australian Institute of Health and Welfare, non-clinical programs (a reasonable number of which would be taken as psychosocial programs) are not 'tagged' as such making it difficult to map psychosocial programs and associated expenditure across Australia.

- Funding for psychosocial support is fragmented and subject to different (and contested) methodologies to estimate need. Although all existing estimates of unmet need for psychosocial support indicate that the funding falls well short of need (and there is general support for further investment in psychosocial support), the way this is measured by various bodies, such as the HPA Report, and also work undertaken by Tasmania, New South Wales, Queensland and South Australia, indicate the difficulties with defining and scoping inclusions and exclusions, and a lack of commitment to align to a central understanding.

6. Concluding thoughts

In other sectors, such as health and education, the emergence of a strong evidence base that underpins policy and practice often depends on a certain level of coherence and maturity in the system around evaluation and measurement. This happens at both the system level and the program level.

Ultimately, system-level maturity involves 'assets' such as agreed definitions, commonly-used methods and measures, access to linked data/data linkage and system-level data being readily accessible. Program-level maturity involves an ongoing commitment to document and share on-the-ground learnings. That could be through program evaluation or collecting evaluation data across programs and services systematically to build quality evidence about what works for the participants of specific interventions. A commitment to make any program evaluation findings publicly available is also critical.

> *Finding ways to support people's wellbeing, and prevent mental health problems worsening, that do not have to involve hospital stays, highly qualified expert clinicians, and medication needs to be recognised as integral to a financially sustainable health system. (Worthington, 2015)*

From our analysis, it seems that while in mental health these assets may be present when it comes to clinical interventions, in terms of psychosocial supports, there are very little system-level or program-level assets that can facilitate this strong evidence base emerging. This is expected given that psychosocial supports are only just emerging, in a more formal sense, as a critical component of a mental health system.

There are many voices advocating for investment in the provision of psychosocial supports in Australia, and having an economic lens on these decisions can only add value. Afterall, finding ways to support people's wellbeing, and prevent mental health problems worsening, that do not have to involve hospital stays, highly qualified expert clinicians, and medication needs to be recognised as integral to a financially sustainable health system[47].

> *While further investment in psychosocial support requires the allocation of public resources, there are indications that this is both a cost effective and a humane approach given the overall cost of having a significant portion of the population living with mental health challenges, and experiencing barriers to social and economic participation due to these challenges.*

The evidence presented in the Discussion Paper does demonstrates the need for much greater attention to psychosocial supports across the board. The need to establish an agreed definition and perhaps a more solid conceptual framework is a good start, and that in turn can support outcomes measurement, more complete mapping of psychosocial supports, and encourage more systematic ways to identify psychosocial programs and calculate spending. Importantly, more resources and commitment to the evaluation of psychosocial programs is needed, including economic evaluation, so that the mental health outcomes, as well as the social and economic outcomes of psychosocial support can be measured.

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47. Worthington, E. (2015). *Mental health as significant as tax reform, says economist. Australian Broadcasting Corporation.* https://www.abc.net.au/pm/content/2015/s4287653.htm

While further investment in psychosocial support requires the allocation of public resources, there are indications that this is both a cost effective and humane approach given the overall cost of having a significant portion of the population living with mental health challenges, and experiencing barriers to social and economic participation due to these challenges. The costs of these needs going unmet are ultimately borne by the mental health or health care system and other social institutions. The argument is not a new one, but the costs of not addressing needs (to multiple sectors; housing, health, mental health, social services, justice) only escalate.

When people get the support they need that is empowering, that addresses their whole of life needs and enables them to meet their goals, including social and financial goals, not only does this reduce their reliance on clinical supports, but they can experience the benefits of a more productive and meaningful life.

Appendix: Economic outcomes of HPA identified psychosocial supports (December 2025 dollars)

Program	Program Costs per Person	Cost Offset per Person	Economic Impacts Assessed						
			Health Costs	Mental Health Costs	Justice Costs	Income Support Costs	Public Housing Costs	Labour Market Impacts	QALY
Early Psychosis Youth Services	$18,954	$512	Yes	No	No	No	No	No	No
Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS)	$44,838	**$108,470** (over 5 years)	Yes	Yes	Yes	No	No	No	Yes
HASI Plus	$234,136	$171,186	Yes	Yes*	No	No	No	No	No
Intensive Home Based Support Services (IHBSS)	$23,342	$16,611	Yes	Yes	No	No	No	No	No
Online mental health services for people with complex mental health needs	$2,824	$462	Yes	Yes	No	No	No	No	Yes

[1] E.Y. (2020). *Evaluation of the Early Psychosis Youth Services*. Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[2] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/cls-hasi-eval-rpt.pdf

[3] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus)*. HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[4] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[5] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

Meaningful discussions to contribute to the next phase of system transformation