



Queensland Alliance for Mental Health

A stronger, more diverse and independent community sector

November 2023

Who is QAMH?

The Queensland Alliance for Mental Health (QAMH) is the peak body for the Community Mental Health and Wellbeing Sector and people with experiences of psychosocial disability in Queensland. We represent more than 100 organisations and stakeholders involved in the delivery of community mental health and wellbeing services across the state. Our role is to reform, promote and drive community mental health and wellbeing service delivery for all Queenslanders, through our influence and collaboration with our members and strategic partners. We provide information about services, work to build community awareness, education and training to influence attitudes and remove barriers to inclusion and advise government on issues affecting people with experiences of psychosocial challenges. At a national level, we have a formal collaboration with Community Mental Health Australia and provide input and advice to the work of Mental Health Australia and the National Mental Health Commission where appropriate. Locally, we work alongside our members, government, the Queensland Mental Health Commission and other stakeholders to add value to the sector and act as a strong advocate on issues that impact their operations in Queensland communities.

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Acknowledgement of Country

QAMH acknowledges the Traditional Custodians of the land on which we live, learn, and work and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures; and to Elders past, present and emerging.

Recognition of Lived Experience

QAMH recognises that the Community Mental Health and Wellbeing Sector exists because of people with Lived Experience of mental distress, their families, carers and support people. We acknowledge the expertise and the courage of people with Lived Experience, and we commit to work with and alongside people with Lived Experience in all we do.

Background

QAMH welcomes the opportunity to provide a submission to the Department of Social Services as part of its *A Stronger More Diverse and Independent Community Sector* issues paper consultation. The Community Mental Health and Wellbeing Services funding landscape has seen many changes over the past decade, not least with the introduction of the NDIS, which has drastically concentrated funding for mental health services at the severe end of possible interventions for mental distress. We appreciate this consultation opportunity as it is an important chance for Community Mental Health and Wellbeing Sector organisations to assist the Commonwealth to review grants funding processes and consider evidence-based approaches which can maximise mental health and wellbeing outcomes for all Australians. Overall, we believe there are significant opportunities for the Commonwealth to see a higher return on investment by:

- 1) Adequately addressing the gaps in psychosocial support provision by working with the states and territories to share the cost of providing these services to ensure that all Australians have access to the care they need.
- 2) Expanding the quantum of Primary Health Network (PHN) commissioned services to the Community Mental health and Wellbeing Sector which should include low intensity support services, social prescribing initiatives and services for those experiencing moderate to severe mental distress to foster better mental health outcomes for people earlier, and reduce demand on higher-cost interventions including NDIS and acute hospital admission; and
- 3) Intentionally partnering with Local Communities and Community Mental Health and Wellbeing Sector organisations (referred to as CSOs within this submission) to co-design service models to inform funding agreements and desired outcome measures.

The Community Mental Health and Wellbeing Sector includes non-government, not-for-profit, community-based mental health organisations that offer practical supports, provide opportunities to re-establish skills and relationships, help people connect with their communities, and address the social determinants of mental health. The sector also focuses on early intervention and prevention by removing barriers to wellbeing. Also known as psychosocial support, this approach offers a valuable point of difference to the clinical system that has the potential to divert people from high-cost support systems such as NDIS and acute care. For example, evaluation of psychosocial supports delivered by the NSW community mental health services (Housing and Support Initiative and Community Living Supports)¹ found the following benefits for both consumers and the mental health system:

¹ Purcal, C., O'Shea, P., Giuntoli, G., Zmudzki, F. and 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. <https://www.health.nsw.gov.au/mentalhealth/resources/Publications/cls-hasi-eval-rpt.pdf>

- length of hospital stays fell by 52 per cent per person in the year following commencement of the program from an average of 49.4 days to 23.8 days;
- consumers who stayed in the program for a second year had a further 22.8 fewer hospital days, with an average of 12.4 days (per person, per year);
- mental health hospital admissions dropped by 44 per cent. The 2022 HASI evaluation found a 90 per cent cost offset through reduced hospital admissions and decreased length of hospital stay.

While there is increasing recognition that widespread access to psychosocial supports is critical in a well-designed and effective mental health ecosystem, there are significant gaps. In its landmark 2020 report, the Productivity Commission² identified that up to 500 000 Australians who are not currently accessing any mental healthcare would benefit from greater access to low-intensity services, such as those commissioned by PHNs. Likewise, the Productivity Commission found that there are likely to be large numbers of people experiencing moderate to severe mental distress who are considered too unwell to be treated in the primary care system but are not deemed sick enough to be treated by acute services. Termed “the Missing Middle”, this cohort fall between the cracks of federal and state funding and cannot necessarily afford to access private support, nor are they eligible for psychosocial supports via the National Disability Insurance Scheme (NDIS). To try to quantify the unmet need for psychosocial supports outside the NDIS, the Department of Health and Aged Care and state and territory governments have established the Psychosocial Project Group under the National Mental Health and Suicide Prevention Agreement. Although this work is not due to be completed until March 2024, a recently completed gap analysis of unmet need outside the NDIS in South Australia³ conservatively estimates that an additional minimum investment of \$125 million - calculated at a cost of approximately \$7000 funding per person via NGOs versus \$56,000 per person for NDIS support - is needed outside the NDIS to meet the existing unmet need for severe mental illness supports alone. Based on this work, we know that at a national level, we can expect the gap in psychosocial support for moderate-severe mental illness to be substantial.

QAMH recommends that the Commonwealth urgently seeks to address this gap in psychosocial supports by sharing the costs with states and territories and by immediately expanding access to Community Mental Health and Wellbeing Sector services, that are upscaled and funded through Primary Health Networks.

² Australia. Productivity Commission. (2020). Mental Health: Productivity Commission Inquiry Report, Volume 1, No. 95, 30 June 2020. <https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health.pdf>

³ David McGrath Consulting. (2023). Unmet mental health service need in South Australia that could be met by the NGO sector. <https://s3-ap-southeast-2.amazonaws.com/sahealth-ocp-assets/general-downloads/Unmet-Mental-Health-Service-need-in-South-Australia-that-could-be-met-by-the-NGO-sector.pdf>

Response to consultation questions

These responses are informed by consultation with QAMH member organisations, many of whom access Commonwealth funding via PHNs. Overall, we suggest that there are significant opportunities for the Commonwealth to improve outcomes in the consultation areas identified in the issues paper. These are explored in detail below.

1. Giving the sector the voice and respect it deserves through a meaningful working partnership

Consultation Questions

1.1 What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?

1.2 How can CSOs and government streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner?

1.3 How can government ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?

Community Mental Health and Wellbeing Sector organisations highlight that, ultimately, an ideal partnership between CSOs and the government is one that is achieving meaningful mental health and wellbeing outcomes for individuals and communities in resource-efficient ways.

QAMH member organisations that we spoke to believe allowing sufficient time upfront to collaborate and co-design models of care to inform funding agreements between CSOs and government is an important way to ensure that services match the needs of the community and outcomes intended by government. CSOs highlight that spending this time upfront is likely to result in better outcomes for individuals and efficiency savings. Community Mental Health and Wellbeing Sector organisations often have long established relationships with the communities that they are working in, as well as a deep understanding of the makeup of that community and how specific needs of the individuals and cohorts that they are working with can be met. They also often invest in and utilise co-design approaches with people who access the services themselves. Investing time upfront in the planning process to collaborate and co-design initiatives together with CSOs can help to ensure that the intended service outcomes reflect the true needs of the target population, and that the service is designed to effectively meet these local needs.

The value of a closer working relationship between government and CSOs early in the service design and funding process should also incorporate outcomes that reflect what is important to the

participant rather than the service or funder. For example, one of our members reported there is heavy reliance on the standard K10 measurement tool for reporting clinical health outcomes within some grants agreements, however this does not necessarily reflect the outcomes for the person accessing the service. Investing time upfront in the planning process to co-design reporting requirements together with CSOs and service users may generate more meaningful, efficient and effective outcomes measures, that minimise the collection of superfluous data and reduce unnecessary burden on providers.

It is also important to recognise that Community Mental Health and Wellbeing Sector organisations operate in a complex and fragmented funding environment, with unique challenges. Providing CSOs in the sector with ongoing opportunities to engage with the Commonwealth beyond individual funding agreements – for example through the Community Services Advisory Group (CSAG) – are also important to build a successful working partnership with open lines of communication between funders and CSOs.

Recommendations

- Allow substantially more time for planning and service and outcome co-design in the commissioning process through PHNs.
- Ensure that the Community Mental Health and Wellbeing sector is represented in the CSAG, for example by including the national peak body Community Mental Health Australia, to advise the Government on issues that are specific to our sector.

2. Providing grants that reflect the real cost of delivering quality services

Consultation Questions

2.1 What would adequate and flexible funding look like?

2.2 What administrative and overhead costs are not being considered in current grant funding?

2.3 How are rising operational costs impacting the delivery of community services?

2.4 What have been your experiences with, and reflections on, the supplementation and change to indexation?

2.5 How can CSOs and the department work together to determine where funds are needed most to ensure equitable and responsive distribution of funds?

2.6 How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on CSOs?

Inadequate funding to meet the real costs of delivering services including adequate rates of indexation, remains an ongoing challenge for Community Mental Health and Wellbeing Sector organisations. QAMH has conducted significant consultation on this issue and member organisations

continue to indicate that current PHN contracts are not funded or indexed at rates reflective of the true cost of service delivery. For example, QAMH understands that:

- Over the last 2 years, employers have been required to implement the Fair Work Commission's increase to modern awards of 4.6% in 2022 and 5.75% in 2023 as outlined in the Social, Community, Home Care and Disability Award under which most of the community mental health sector is employed.
- Since July 2021, the Superannuation Guarantee rate has increased from 9.5% to 11%, with a further total 1% increase expected from July 2025.
- Rent increases are generally outstripping inflation, with residential increases averaging 2% and commercial (including retail and office space) around 3%.
- Cost of equipment, stock purchases, electricity and fuel has increased significantly over the past 2 years as inflation has risen.
- There are new additional costs faced by Community Mental Health and Wellbeing Sector organisations for training and supervision support to meet relevant workplace health and safety legislation such as state and territory Code of Practices for managing psychosocial hazards in the workplace.

Community Mental Health and Wellbeing Sector organisations have clearly been subjected to significant cost increases since 2021, which is compounded by inadequate indexation, leading to difficult choices for organisations regarding whether to scale down services and/or reduce workforce. Given the major resource used by our services is employment of people, indexation of contracts must better reflect this exponential increase in delivering community mental health and wellbeing services.

In addition to issues with indexation, grant funding is largely allocated according to a one-size-fits-all funding approach, which is not reflective of the true cost variations encountered by organisations supporting different cohorts in different socio-demographic areas. These costs may vary significantly depending on whether a service is providing an outreach service versus a place-based service, or operating in a metropolitan compared to a regional or remote area. Cost differences that are not adequately accounted for in current cost-modelling include:

- Travel and vehicle costs for staff (including the cost of wages for up to one hour travel each way, which are doubled for a first home visit as two staff members are required to meet risk assessments);
 - Rent differences between different geographical regions;
 - Higher staff remuneration sufficient to attract qualified workers to regional/remote areas, including relocation allowance;
 - Higher material costs in remote areas (and/or spikes in the costs of basic goods and services);
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- Costs of networking and relationship building to develop and maintain referral pathways with multiple PHNs and/or develop partnerships with other CSOs; for smaller organisations in particular, these costs can be prohibitive.

Greater flexibility within grants agreements could help to alleviate some of these issues. Current grants agreements between CSOs and PHNs tend to be highly prescriptive, outlining specific deliverables which must be met regardless of the service or geographical environment. Ideally, outcomes need to be end user-focused, not service-focused, and funding should be flexible enough to enable CSOs to determine how they will operationalise service delivery to meet outcomes within budget, according to local needs. Greater funding flexibility rather than one-size-fits-all approaches are particularly important in regional and remote areas and can enable an essential service to be offered locally, with specialised support procured on an as-needs basis.

One idea flagged by members is having access to brokerage funds or greater flexibility within contracts to assess local Community Mental Health and Wellbeing Sector organisations meet the needs of those accessing care. People experiencing mental distress often face multiple complex issues, including difficulty accessing services and increasing food insecurity and housing issues. Brokerage funding enables CSOs to purchase specialist services or goods that contribute to the overall needs and wellbeing of the individual, consistent with the outcomes and intentions of the service. For example, brokerage funds may be used to purchase specialist services where existing fee-free funded services are unavailable, an immediate vacancy does not exist within the service or the service has a long wait list. Brokerage funds could also reduce barriers to accessing a service (e.g. by covering the cost of a taxi where a consumer has no other way of accessing transport) or purchasing other supports within select criteria when it has been identified that the use of these funds is a critical component to achieving the outcomes outlined in the case plan.

Finally, Community Mental Health and Wellbeing Sector organisations share that there are significant inconsistencies and gaps in the data collection portals and reporting mechanisms across different PHNs and other funding bodies. This imposes unnecessary administrative burdens on CSOs who often work across multiple PHNs with different requirements. Standardisation of data collection across multiple grants would vastly streamline reporting and reduce the burden on CSOs. Similarly, CSOs report that an unnecessarily large amount of time is currently spent manually aggregating and reporting on data that should be able to be much more efficiently collated and reported automatically via technology, with the right data collection and reporting systems rather than requiring resource intensive manual reporting by CSOs.

Recommendations

- Review current indexation and cost-modelling to accurately reflect the real costs of service delivery and regional variation.

- Increase funding flexibility to enable CSOs to work with local PHNs to co-design service models to meet local needs with agreed budgets and outcomes desired.
- Consider building brokerage funding (and criteria for use) into current grant agreements, or establishing a system for this to allow funds to be used flexibly to improve service outcomes.
- Review, standardise and simplify data collection across Commonwealth grants and PHNs so that they are consistent and easy to use.

3. Providing longer grant agreement terms

Consultation Questions

3.1 What length grant agreements are CSOs seeking to provide certainty and stability for ongoing service delivery?

3.2 What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?

3.3 What funding flexibility do CSOs require to enable service delivery and innovation?

3.4 What flexibility is required by CSOs in acquittal processes to support and encourage sector innovation?

3.5 How can government improve the variation process, with consideration that CSOs must demonstrate alignment with the grant agreement and provide evidence of value-for-money outcomes?

Community Mental Health and Wellbeing Sector organisations have provided consistent feedback that current grant terms are not conducive to service stability and consistency of staffing. CSOs report that funding contracts vary according to the service provided, with contracts that provide psychosocial supports typically limited to one year compared to three years for clinical supports and five years for Head to Health Centres. Short funding cycles also create instability for people accessing services and these people may fall through the gaps if there has been insufficient time to transition to another service if available in their community.

Recommendations

- Increase grant terms to five years for all contracts, with clear review points that provide suitable a suitable point for exit if required.
- Ensure minimum of 6-12 months' notice of contract renewal or funding cessation to allow for appropriate planning for both staff and people accessing services.

4. Ensuring grant funding flows to a greater diversity of Community Service Organisations

Consultation Questions

4.1 How can the government ensure opportunities are available for new and emerging organisations to access funding?

4.2 What programs, supports and information are already available for smaller CSOs to help build capacity of the organisation? Are these working?

4.3 How could larger CSOs support smaller CSOs? What are the barriers to providing this support?

Community Mental Health and Wellbeing Organisations tell us that they currently spend significant resources duplicating tools and resources that may already exist and/or be able to be easily shared or adapted for use by other CSOs. Smaller specialist organisations may not have the capacity to dedicate a staff member to grant research and writing, or building relationships across networks which can improve their efficacy and opportunities for partnerships. They are also subject to the same legislative compliance requirements as larger organisations which can be highly administratively burdensome and prohibit smaller organisations from applying for funds to expand their offering. With this in mind commissioning should prioritise the consortia approach to routinely bring different services together to ensure that individuals have access to the full range of services in communities.

Recommendations

- Encourage more collaboration between CSOs by incentivising large organisations to support smaller organisations by commissioning consortia approaches which will naturally lead to capacity building and sharing resources.
- Fund Industry Peak Bodies to deliver better capacity building for smaller organisations.

5. Partnering with trusted community organisations with strong local links

Consultation Questions

5.1 What is your experience with and reflections on place-based funding approaches?

5.2 What innovative approaches could be implemented to ensure grant funding reaches trusted community organisations with strong local links?

5.3 Which areas do you consider have duplicative funding or gaps you think need to be addressed, and what is the evidence?

5.4 Where there is a community-led change initiative, could shared accountability to community and funders (government) strengthen service delivery?

Currently, responsibility for identifying funding gaps and service needs for mental health services falls within the role of PHNs. PHNs are independent organisations funded by the Australian Government to assess the needs of their community and commission health services so that people in their region can get coordinated health care where and when they need it. PHNs are tasked with:

- ensuring government funding is directed to where it's needed and spent on health programs that will be most effective; and
- improving links between local health services and hospitals, so that patients receive the right care, in the right place, at the right time.

QAMH has long maintained that effectively resourcing and expanding PHN funding contracts so that they can identify and co-design local initiatives with communities is required to reduce the gap in psychosocial supports and effectively meet the needs of local communities.

Recommendations

- Expand funding and contracting for PHNs to increase their ability to identify where supports are needed in communities, and commission appropriate responses.
- Ensure sufficient time and resources are provided to facilitate true co-design approaches to design wellbeing initiatives in partnership with local communities.

6. General questions for each focus area

Consultation Questions

6.1 If any, what are the problems or challenges you think have been overlooked?

6.2 What other solutions or changes could also be considered?

6.3 What does success look like?

Currently, grant funding rounds often have impossible timeframes and have complex requirements to prepare the application. This is prohibitive for smaller or specialist organisations with limited resources outside service delivery to dedicate to researching and writing grants applications. Greater lead times and simplifying the process for smaller organisations to compete in this environment would assist equity of access to available funding.

Recommendations

- Ensure grant timelines provide sufficient time for all organisations to complete and provide simplified guidance and details to support smaller organisations to equitably participate in the opportunities available.

Thank you for the opportunity to contribute to this consultation process. We look forward to continuing to work with the Australian Government to better the lives of people living with mental distress. Please do not hesitate to contact QAMH should you require any further information.