Not-for-Profit Sector Development Blueprint Issues Paper

Mental Health Coordinating Council Submission

Introduction

Mental Health Coordinating Council (MHCC) is the peak body for community-managed mental health organisations in New South Wales. We represent community-based, not-for-profit / non-government organisations who work with people living with mental health conditions. Our members assist people to live well in the community by delivering psychosocial support and rehabilitation services. Our purpose is to promote a strong and sustainable community-managed mental health sector that has the resources it needs to provide effective psychosocial, health and wellbeing programs and services to the people of New South Wales (NSW).

MHCC provides policy leadership, promotes legislative reform and systemic change, as well as develops resources to assist community-based organisations deliver quality services through a trauma-informed recovery-oriented practice approach. MHCC is a founding member of Community Mental Health Australia (CMHA), the alliance of seven state and territory mental health peak bodies which together represent more than 700 community-managed organisations delivering mental health and related psychosocial services nationally. MHCC's Learning and Development arm is a Registered Training Organisation providing accredited training and professional development to mental health community-managed organisations (CMOs) and other human services.

It is of great interest and importance to our members and the CMO sector more broadly that the not-for-profit (NFP) / non-government organisations (NGO) sector is adequately equipped and supported to help meet the needs of the communities they serve, meaningfully contribute to policy and practice reform and be able to respond to a dynamic service delivery environment with innovative and targeted solutions.

MHCC thanks the Blueprint Expert Reference Group for the opportunity to provide input into these discussions. We have consulted our members to elicit specific feedback reflecting their experiences as well as consulting other interested stakeholders. This submission reflects those diverse sector perspectives.

Background: The Community-Managed Mental Health Sector

Community-managed organisations are NGOs that play a vital role in supporting people with enduring mental health conditions to live well in the community. The sector delivers psychosocial and rehabilitation services across a wide range of core areas:

- Psychosocial rehabilitation and clinical services
- Health and wellbeing programs
- Accommodation support and outreach
- Self-help and peer support

- Helpline and counselling services
- Supported Employment
- Education, training and information
- Social inclusion, leisure and recreation
- Family and carer support

There is substantial evidence that quality mental health services delivered in the community foster improved outcomes for people with lived experience, along with their carers, and families and the community.[1] Support in the community takes considerable pressure off the public health service system, particularly in relation to emergency department presentations, hospital admissions and re-admissions. It is therefore vital that the community-managed sector be appropriately and equitably resourced across Australia to meet the needs of people living with mental health and psychosocial disability.

NSW has one of the lowest per capita spends in Australia to support people living with mental health conditions. Spending on services delivered by community-based organisations is less than 10 percent of the total mental health budget. NSW spends more per capita than the national average on public psychiatric hospitals and specialised psychiatric units in other public facilities, however it has the lowest per capita expenditure on community-managed mental health services.[2]

MHCC have responded to most of the questions posed by the NFP Blueprint Expert Reference Group. For ease of reading our responses to the questions follow as chronologically provided:

A Vision for the Not-for-Profit sector

2.1.1. What is your vision or aspiration for the NFP sector over the next 10 years?

MHCC's vision and aspiration for NFP/NGO organisations working in health and related community service contexts to be appropriately funded and resourced to develop, attract, and retain a skilled workforce. They must also be sufficiently funded to attract highly skilled and qualified leaders and board directors who can provide the strategic leadership and governance to maintain quality service provision and improve the outcomes for the people accessing services.

This is further discussed under question item 7.

An appropriately resourced NFP/NGO sector will present the sector as one that can be promoted as an attractive part of the service system to work in that provides a career pathway which can enable people to be fulfilled both professionally and personally.

2.1.2. What core values and considerations should guide a 10-year vision for Australia's NFP sector?

MHCC welcome values and principles described by the Blueprint Expert Reference Group to support the proposed vision of the NFP/NGO sector, namely that of being person-led, inclusive of diversity, and equitably resourced. These qualities must be underpinned by a human rights approach, informed by robust evidence collected from across the various NFP/NGO contexts.

It is important that when NFP/NGOs receive government funding that this does not prevent them from advocating for systems reform, increased funding, and put the organisation and service users at risk for speaking out.

2.1.3. What core themes for action should be prioritised in realising this vision? What will be the consequences of no action on these?

Increased funding is a key issue that emerges throughout community-managed mental health sector consultation. For example, it is the top concern identified in feedback received from MHCC member organisations through its annual surveys. Issues identified by community organisations include:

- funding and adequate indexation,
- need for long-term contracts,
- demand exceeding available resources to deliver services,
- workforce shortages, inadequate sustainability, and capacity building resourcing,
- Quality improvement and evaluation built into not built into contracts.

MHCC recommend that all NFP/NGO community service funding cycles be extended to a minimum of three to five years. The implications of continuing short-term contracts are that they are impacting workforce recruitment and retention because it is hard to keep skilled and qualified people in poorly paid roles with poor job security.

Inadequate funding resources to effectively evaluate the efficacy of service delivery can lead to adverse consumer outcomes. Quality improvement activities must be built into contracts. Being able to establish evidence-based practice and positive outcomes is an important way for services to prove their worth and advocate for more services. It legitimises the work of the sector and offers an opportunity to undertake cost benefit analyses.

Prioritising appropriate levels of funding and ensuring the sustainability of the NFP/NGO sector will support the need to attract and retain a skilled and qualified workforce. A strong NFP/NGO sector will encourage people to bring their personal and professional expertise to the sector and offer attractive career pathways and professional development.

Important to note in mental health and psychosocial disability space are the strong partnerships that have been established between NFP/NGOs and universities. The offering of field placements for allied health students is a means of inviting an emerging workforce, however, it is important to ensure there are appealing long-term benefits and a roadmap for career growth. One outcome of not giving precedence to supporting a skilled and effective workforce for the NFP/NGO sector is the added pressure placed on already overwhelmed public services.

An example of NGO services effectively reducing consumer use of public services is evident in the evaluation of the Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS) program. The 2022 evaluation[3] found that there was a 74% decrease in hospital admissions due to mental health for consumers engaged in the HASI/CLS program, and the average length of hospital stay decreased by 74.8%. Importantly, this improvement was sustained after consumers exited the programs. Furthermore, consumers with a new charge in the criminal justice system and with community corrections orders dropped to almost zero in the year after entering the HASI/CLS programs. The programs are generating more in cost offsets than the cost of the programs, with a net cost saving per person of about $86,000 over 5 years. Over 90% of the cost offsets were for reduced inpatient hospital admissions and lower lengths of stay. The factors identified as most important for the success of the HASI/CLS programs which are greatly applicable to the vision for NFPs were:

- strong partnerships between NGOs and Local Health Districts
- a person-centred, responsive approach to service provision
- focus on early intervention when consumers become mentally unwell
- an increased focus from NGOs on consumer choice and control

Measurement, outcomes, and quality of services

3.1.1. What core principles of service design and delivery might a sector Blueprint commit to?

Trauma-informed care and practice principles are essential when delivering services and can be implemented in any health and human service setting. In a trauma-informed service, every person has a responsibility to practice in ways that are trauma-informed. It is a practice that focuses on a person's strengths and individual needs and aspirations. This way of working is integral to best practice and aligns with the most contemporary **recovery-oriented** approach to service delivery.

Trauma-informed services incorporate a thorough understanding of the prevalence and impact of trauma and are designed to avoid re-traumatising those who are accessing services. This approach prioritises safety and recognises the social, interpersonal, and environmental dimensions of safety. Trauma-informed services are not specifically designed to treat trauma symptoms, but they are informed about, and sensitive to, trauma-related issues present in people accessing services[4].

A **person-led approach** places the individual in the driver's seat of their own support planning. It relies on workers respecting where individuals are now, where they have been, and bringing their dreams and goals into focus. It requires a collaborative approach between workers and the individual, their families, carers, and supporters to understand the individual's needs and promotes self-determination. A person-led approach requires openness, transparency, and considerate curiosity to understand what kind of supports will best meet an individual's needs and aspirations[5].

Service users represent a significant source of knowledge and expertise, knowing what will strengthen and enhance their experience and what they need to improve their wellbeing. Striving toward principles of **co-design** to support service design and delivery is advantageous and aspirational. Engaging key stakeholders, including people with lived experience, in all stages of service design, development, implementation and evaluation is key to ensuring that the service is effectively meeting the needs of the targeted community[6].

3.1.2. What good examples of co-design have you been involved in which could benefit sector practices? Why do you think they have worked?

MHCC strive to embed the principles of co-design in all aspects of the work they undertake. Whether the development of capacity-building training or sector development resources or in the writing of submissions and other publications, MHCC ensure that diverse voices of people with lived experience of mental health conditions and other key stakeholders are central. This ensures that MHCC is appropriately fostering quality improvement in the community-managed mental health sector, which in turn better meets the needs and aspirations of people accessing mental health services.

An example of effective co-design in practice was the development of the '**Co-design Kickstarter**'[7]. This was designed as a resource of a MHCC's partnership project, the Community Mental Health Drug and Alcohol Research Network (CMHDARN). The product was developed in partnership with Lived Experience researchers from University of Technology Sydney (UTS), University of New South Wales (UNSW), Black Dog Institute, and the Consumer Led Research Network; and conventional researchers from inside out & associates Australia, UNSW, UTS, and Northern Sydney Local Health District.

The Co-design Kickstarter was co-designed in response to a need for a resource to support meaningful co-design research in the mental health and alcohol and other drugs sectors, and thereby promote greater participation of lived and living experience in community-based, health, and academic research practice.

The Kickstarter resource has been very well received since published in June 2023, which can be attributed to the fact that it was authentically co-designed with people with lived and living experience of mental health and substance use and makes a clear distinction between co-design and other forms of participatory, and non-participatory approaches to research.

3.1.3. What would an outcomes-focused approach look like in your area(s) of work? What would be needed to move towards this and what unanticipated consequences should government and the sector consider?

Outcome measurement in the community-managed sector is the measurement of the difference that an initiative, program, or organisation makes to the lives of people supported[8]. An outcomes-focused approach encourages organisations to define and evaluate what impact they want to achieve, and this supports the development of a culture of innovation and leads to better outcomes for the people accessing services[9]. To achieve a systemic approach to the measurement of outcomes across the community-managed sector, the use of outcomes measures must be understood as a part of both strategy and quality and safety within an organisation[10].

It is understandable that governments and funding bodies look to achieve value-for-money through the investment made in service delivery. However, service delivery in the community-managed sector happens within a complex environment which is impacted by many factors. Additionally, governments and funding bodies can fail to recognise the impacts of policy changes on the organisations funded to deliver those services. Organisations need to be supported to implement an evidence-based outcomes framework across their operations. The effective delivery of outcomes measurement requires appropriate infrastructure and a level of understanding across all parts of an organisation, which entails suitable funding and training[11].

Governments and funding bodies must acknowledge that real and meaningful impact takes time in the human services sector. This should be reflected in the extension of future funding contracts. Service providers in the community-managed mental health space are supporting people with unique and often complex needs, and the benefits of the service provided may not be immediately evident. Further, while community mental health organisations are shown to support recovery and improve wellbeing, the social determinants of health are often outside of their control. These added complexities, which sit outside of the scope of service providers, must also be recognised in any move towards outcomes measurement[12].

3.1.4. What role(s) should government play in helping NFPs become data capable and informed by evidence?

Government must fund the broad -based collection of uniform data across NFP/NGO services that provide direct service delivery in mental health and psychosocial disability contexts. This should be more that the National Minimum Data Set (NMDS) which provides only very high-level data. These NFP/NGOs must be able to collect more than demographic and output data. They should also be able to collect and analyse rich qualitative evidence. A good example of such data collection is the Your Experience of Service YES- CMO Annual Report[13]. The YES-CMO collects demographic data and the lived experience of engaging with community-based services in NSW.

Evidence and capacity building in research can be defined as the deliberate and strategic deployment of resources, such as training, support, or funding, to enhance the capacity of individuals, teams, and organisations to perform and engage in data gathering and analysis that will result in meaningful social impact and ensure that service provision is informed by evidence[14].

The Network of Alcohol and Other Drugs Agencies conducted a study of the research capacity of NGO alcohol and other drug services and found that the three most common barriers to conducting research for NGO participants were other work roles taking priority (75.0%), a lack of time for research (61.5%) and a lack of funds for research (47.9%). It is therefore important that specific additional funding be provided to support the research capacity and associated capacity-building initiatives for community-managed organisations.

Policy, advocacy, communications, and engagement

4.1.1. How can the role of advocacy by NFP organisations be better embedded and preserved in policy and legislation?

MHCC welcome the shift in attitude towards the inclusion of the NFP/NGO sector in government consultative processes and the ongoing invitation for submissions to give voice to a multitude of legislative reform, advocacy and practice issues particularly in the mental health and psychosocial disability space over the last 5 years. However, whilst there are real opportunities give voice to advocacy issues, it is what happens after inquiries and consultations have occurred that is often disappointing. Characteristically there are long lapses before government responds, and often there is little action following inquiries even when recommendations are presented by learned and erudite groups supporting reform, such as Law Reform Commissions, the Productivity Commission and Royal Commissions etc.

Australian peak bodies and NFP/NGOs with policy and advocacy teams in a mental health and psychosocial disability context tirelessly advocate for those they represent. The peaks seek increased infrastructure funding to support their work and push for the reforms that would improve the lives of the communities they serve.

The role of NFP/NGO advocacy must be embedded in the legislation as part of a human rights approach. As with Mental Health Commissions, NFP/NGO peaks should be recognised as important independent contributors to policy and systemic reform and should be appropriated funded to undertake research and consultation with the sector and provide robust feedback to government.

4.1.2. What mechanisms are needed so that the expertise of the NFP sector is better used in designing policy and services?

Recently. there has been considerable use of the language surrounding co-design. Co-design has been promoted as a way to generate more innovative ideas, ensure policies and services match the needs of communities, achieve economic efficiencies by improving responsiveness, foster cooperation and trust between different groups, and meaningfully engage with the 'hard to reach,' including people living in rural and remote contexts, and achieve support for change[15]. However, there has been a significant misunderstanding of the true principles of the approach and a failure to authentically implement co-design processes into practice. Namely, there has been an effort to include a small number of lived experience representatives in advisory groups, however this cannot be claimed as a co-design activity but simply a consultation. Co-design is only achieved if it is truly enacted across all aspects of developing policy, service design, implementation, and evaluation. It is therefore important that active involvement and leadership from NFP/ NGOs in all stages of the design, implementation, and evaluation of policies and services is integrated into government processes.

Furthermore, adequate funding for quality improvement measures and evaluation in NFP/ NGOs to support the development of an effective evidence-base is necessary for them to validate their work, present advocacy positions, and affirm their stance as experts in the sector.

4.1.3. What could NFP organisations and networks be doing better to ensure their systematic advocacy directly involves people and communities they serve?

NFP/ NGOs in the mental health and psychosocial service sector have done much to foster 'doing with' rather than 'doing to' people with lived experience, following strong advocacy from the disability movement's call for 'nothing about us without us.' This has included a substantial push to grow the peer workforce. This has shown promise in terms of the role that peers demonstrate in advocating for systemic change. More funding is required to support people with lived experience to work in NFP/NGOs and take on paid roles that not only support others with lived experience but can also provide supported decision-making, engage in systemic advocacy, participate in, and conduct research and facilitate training. The peer workforce should be expanded to ensure that individual peers are not isolated within organisations as they are often the only identified person employed who has disclosed that they have lived experience.

Furthermore, adequate funding must be provided to ensure appropriate remuneration for people with lived experience invited to give their time and expertise for consultation and co-design purposes that are intended to inform advocacy and policy reform. The expertise and knowledge held by people with lived experience must be valued and not taken for granted. It is important that organisations consider what is fair pay for all people with lived experience and take this into account when writing project proposals, funding proposals, and project plans, and ensure that there are policies and procedures in place to ensure that consumer engagement is equitable and safe.

4.1.4. How could the assets of the sector – for example, the research expertise of larger organisations, including public universities – be better used to build the evidence base for systemic advocacy and reform?

Whilst research is important, it is where and how it is conducted that is also significant. While universities are integral to building and disseminating the evidence base for systemic advocacy, it is only effective if they meaningfully work with the sector and lived experience researchers to design and conduct research and ensure the research is translational and relevant to quality improvement to support creating systemic change. Directly supporting and funding the growth of the research capacity within the NFP/NGO sector is an advantageous means to build an evidence-base and support advocacy and reform endeavours that might directly impact them and the communities they support.

Philanthropy and volunteering

MHCC does not consider that it has sufficient expertise to comment on philanthropy. However, we can comment on volunteers to the extent that the **MHCC Workforce Profile Survey for 2023**[16] has found that the number of volunteers in the community-managed mental health sector has seen a significant slide, dropping by more than 80% in the past four years. The cause is uncertain but likely to be related to ever-changing market conditions and the lasting impacts of the COVID-19 pandemic which saw large declines in volunteering across the community sector. In 2023, the 10 largest community mental health organisations (by workforce numbers) employed 71% of the total workforce yet utilised only 9% of the volunteer workforce.

MHCC propose that the community-managed mental health sector must be funded appropriately as it is an essential part of the health system and should not be dependent on philanthropic funding. The need for its employees to maintain national standards requires that they be suitably qualified and trained to uphold best practice approaches and safely meet the needs of the communities they serve. NFP/NGOs working in this context have strict regulatory accountabilities across multiple levels of government and funding agreements including the need to meet ACNC Governance Standards. As a sector we cannot afford to utilise a volunteer workforce unless they are trained professionals giving their time pro-bono or are trained sufficiently while on the job and assessed as meeting required standards.

Moreover, the community-managed mental health sector requires sustainability and security in its resourcing to provide continuity of care, and adequately meet the needs of the people with mental health conditions that they support in the community. There is no assured longevity to donations, and in our view the reliance on philanthropy should be viewed as more appropriate for 'one-off' projects such as specific research endeavours and provision of specific resources and scholarships to enhance their offerings or workforce assets rather than for routine service provision.

Governance, organisation, and legal environment

6.1.1. What might a regulatory framework for the sector that overcomes the complexity of our federation look like?

MHCC propose that the regulatory framework should be effective and streamlined either through ACNC or ASIC for example. Currently, services are having to report to both bodies.

There needs to be a reduction in 'red tape'. One of the ACNC's objects is to "promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector". The ACNC works within the Commonwealth Government's Regulator Performance Framework to reduce the cost of unnecessary or inefficient regulation – 'red tape'.

MHCC refer to the Red Tape Committee, and the Regulatory Policy and the Road to Sustainable Growth which states that: "Evidence based impact assessment, strong institutional capacities and giving voice to users will be needed if regulatory policy is to support economic and social renewal, its core institutions and processes need to be developed further. This includes:

- a strengthening of evidence-based impact assessment to support policy coherence,
- institutional capacities to identify and drive reform priorities; and not least,
- paying more attention to the voice of users, who need to be part of the regulatory development processes.

6.1.2. Are currently available legal structures, governance standards and tax concessions fit for future purpose? How might these be improved or changed?

Currently, there are legal and governance structures, but they remain duplicated for the purposes of reporting (both to ASIC And ACNC).

MHCC is pleased to learn about the new laws passed through parliament that will establish a greatly improved industrial relations system, and which will provide the structure to bring about improvements to wages and conditions for frontline workers as well as developing a more independent pathway for negotiating conditions and settling disputes. However, more needs to be done around concessions as it relates to workers compensation in the NFP/NGO sectors.

MHCC Members have raised issues in relation to Workers Compensation insurance and claims management. MHCC members have indicated that Workers' Compensation premiums and the experience of insurers and the Personal Injury Commission in NSW are a major challenge. In fact, premiums have become so high as to threaten the viability of service delivery providers over time.

Some members have chosen to move to the Loss Prevention and Recovery model to better manage claims and premium calculation, as opposed to the usual Statutory model in NSW, which has resulted in improved outcomes. Nevertheless, it only takes one large claim to quickly impact that performance negatively.

Provisions that allow for the excusal of claims in certain circumstances (s11A defences), such as the commencement of disciplinary action, now seem to be routinely ignored.

Our members are reporting premium increases between 23-100%. In fact, MHCC's own premium increase was 23% with no claims lodged and no increase in staff at the time we renewed our insurance.

The NFP sector have few reserves and it is vital that our long-term sustainability is not compromised. We are an integral part of the mental health and psychosocial disability service system. The supports provided by our members helps people to stay well in the community and minimises the need for people to access emergency services and the public health system more generally. The sustainability of the mental health NGO sector is key to reducing the burden of cost on the public purse across a broad range of public human services contexts.

As for standards, there are multiple standards against which community mental health services are assessed, each involving a lengthy, resource-intensive process. The preparation required for a single accreditation process is substantial. Anecdotally, members tell MHCC they may need to allocate a staff member to focus on the collation of material for at least six months before a site accreditation visit. Clearly this regulatory burden is problematic for smaller organisations with already stretched resources. The mix of accredited standards for CMO's is complicated for organisations that work across a range of programs in various jurisdictions. A non-exhaustive list of examples includes:

- NDIS
- Attendant Care Industry Standard (relevant to NDIS but required for the Attendant
- Care supports we provide to iCare)
- Human Services Quality Framework (for QLD Child Safety)
- ISO 9001 (Quality management system)
- National Standards for Mental Health Services (for most programs including
- HASI/CLS)
- Quality Improvement Council 'Health and Community Service Standards' (aka QIC
- Standards)
- Victorian Human Services Standards (HSS)
- Secure Local Jobs Code (ACT specific – requires audit)
- Carers Recognition Act 2021 (ACT specific requirements for 'care and support agencies' – requirement is focused on reporting compliance)

NFP/NGOs are concerned about the compliance burden they face and advocate for mutual recognition of standards where possible to help in mitigating regulatory burden.

6.1.3. What does the sector need in its boards to be effective?

What the sector needs is funding to pay for Directors who are currently voluntary, this will then allow for more independents to contribute who may come from more business, IT or risk governance environments which would add value to an NFP/NGO Board.

What is also necessary is funding to pay for Company Secretaries who usually carry dual roles of CEO/Company Secretary or CFO/Company Secretary. In many cases volunteer Board Directors are taking on the responsibilities which can be burdensome and come with a huge responsibility and liability.

6.1.4. How could regulatory data be better used and shared with the NFP sector and wider public to support future practice?

It would be advantageous if is there was more reporting back about key themes, trends, salary benchmarking, and risks. MHCC also suggest that working and collaborating more extensively with AICD might be beneficial.

Leadership and staff development

7.1.1. What should the priorities be for future leadership in the sector and developing the sector's paid workforce and volunteers?

NFP/NGO leaders must be able to offer career pathways to staff and their organisations not just be the training ground for public services or commercial businesses. MHCC's Workforce Survey[17] suggests that the increasing lowering of age of the NFP/NGO mental health workforce indicates that people enter the sector and work for less money when young and subsequently move onto better remunerated roles as they get older and have increased responsibilities. People working in the NFP/NGO sectors are graded by years and experience under the Social, Community, Home Care and Disability Services (SCHADDS) Industry Award and are subject to insecure contracts or casual status.

Employees in the NFP/NGO sector characteristically earn 25-30% less than their counterparts in public roles with similar responsibilities. Consequently, workforce retention, sustainability, and stability are significantly impacted in the NFP/NGO sector, and the opportunity to support career development and growth is restricted.

More scholarships for leaders to access training in areas such as AICD or the Churchill Fellowships would also be encouraged.

7.1.2. What can the sector do to change understanding of the role of overheads in the value it creates for people, society, and funders?

The NFP/NGO sector has struggled with the move from block funding to a fee-for-service, market-based approach. Such an approach does not factor in the overheads required to provide a safe and quality service to an individual. Considerations related to travel time, supervision, education and training, administrative duties, and other necessary work in addition to the direct service to a client, have generally not been accounted for in the package a service user is granted. NFP/NGOs CMOs in the mental health and psychosocial disability space are often working at a loss or paying staff less than when they were block funded. Many organisations have had to utilise funds from other service areas or reduce their direct service delivery hours to maintain remuneration levels and manage related costs.

NSW State-government departments have moved to a better understanding of direct vs indirect costs in reducing the view of what a service or companies overhead is and perhaps a consistency in understanding this would hold us in good stead.

7.1.3. How can we make employment opportunities attractive and build career pathways to develop the paid NFP workforce of the future?

In New South Wales, and nationally, the mental health NFP/NGO workforce has increasingly been recognised as a significant component of the entire mental health workforce. The paid community managed mental health workforce comprises 3,435 fulltime equivalent workers. This number represents almost one quarter of the total mental health workforce in NSW (24.7%), including public sector and private sector employed workers. The estimated total size of the community-managed mental health workforce is 4,771 workers, encompassing paid workers across direct care, management, and administrative roles.[18]

Over 60% of direct support mental health workers now have permanent employment, up from 52% in 2021. This suggests a trend toward more stable job arrangements in the mental health workforce. However, 39% of workers still have temporary or casual contracts.

Despite improved job security, part-time employment remains significant, with 54% of the workforce in part-time roles. This places the sector well above the national average (32%) for part-time work. Ensuring there is appropriate funding and resourcing to support permanent full-time contracts for the sector will improve the workforce development for the NFP/NGO sector.[19]

Amongst NFP/NGOs in the mental health community managed sector, there is a growing concern that recognition of the significant need to increase workforce numbers, particularly a higher-skilled workforce, is necessary in order to meet the future demand in the sector. Between 59% and 69% of organisations identified that demand for skilled workers was the most important priority to address. These organisations believe that this will be driven by increased funding levels to recruit staff, the commissioning of mental health services by primary health networks and contestable tendering and funding environments. Furthermore, the mental health reforms occurring across NSW and Australia will likely increase the demand for a workforce as the system is transformed. Therefore, it is important to identify the key skill gaps in the CMO workforce and invest to fill these skill gaps through training and professional development.[20]

NFP/NGO Leaders must be able to secure better working conditions, tax breaks and other strategies to keep staff. Staff are often very committed to the sector but are eventually overburdened by difficulties regarding inflation, and cost of living pressures, in addition to the nature of the work leading to burn-out which exacerbates the challenges.

7.1.4. How might the sector make more of its 'for purpose' status to attract and retain paid and volunteer workers?

The NFP/NGO mental health and psychosocial disability sector does attract workers with a passion for the work undertaken by the sector. They often work for lower salaries because of their commitment and love of the sector. However, this isn't sustainable. MHCC believe that governments must better fund the sector and make it more equitable so that it can retain its staff and provide a continuity of safe and effective care to its clients.

It is only with better staffing levels and better remunerated workers that they can have the time to mentor and train volunteer staff and ensure that volunteers also are providing quality services that will meet the regulatory and ethical practice/ standards necessarily for accreditation and ensuring best outcomes for clients.

7.1.5. How can the sector coordinate and resource its influence in workforce development with education providers and governments?

MHCC has demonstrated its leadership in this context. MHCC is the only industry-based accredited (RTO) training organisation in NSW that provides the training and professional development that the sector needs and wants to build sector capacity, competencies, and skills.

In NSW the MHCC has a partnership arrangement with the University of Sydney Matilda Centre, to support the research capacity building of the NGO workforce and sector.

Government funding, contracting, and tendering

As the peak body for community-managed mental health organisations in NSW, MHCC receives one modest core grant from the NSW Ministry of Health each year to operate. MHCC is required to seek additional and time-limited grants to undertake new sector-building projects, which often require in-kind support from staff and external consultants. MHCC is unable to provide ongoing, full-time roles to existing and new staff due to the size of the core grant, and the growing cost of overheads. This has led to a lack of sustainability, poor wage levels, and poor staff retention. The limitation of the core grant also does not allow for staff career progression, and oftentimes this leads to unclear role clarity as staff are required to pick up additional responsibilities outside of their expertise and position description.

Similar roles in the public sector can offer the workforce 20-30% wage increase as well as additional benefits and professional development opportunities, which puts the organisation and its important role of representing the community-managed mental health sector at risk.

8.1.1. How should government improve the way it funds and contracts charities?

MHCC refer to NSW State Government election commitment under 'Secure Jobs and Funding Certainty' (SJFC), led by Department of Communities and Justice and a whole of State-government approach. This includes:

> **Long term funding arrangements** - Deliver more job security and funding certainty for the community services sector, by introducing longer-term five-year funding arrangements for key community service providers.
>
> **Whole-of-government prequalification**- Scheme to establish a whole-of-government prequalification process so that organisations don't need to repeat onerous accreditation/governance requirements.
>
> **Funding Framework and Jobs Compact** - Establish a taskforce to engage with the sector on the development of a new funding framework and jobs compact. It will review funding models. The taskforce will work to standardise and streamline reporting and contract management.
>
> **SJFC Outcomes** -Greater job security for thousands of women - leading to better long term economic outcomes.
>
> Improved health and wellbeing for **sector workers**.
>
> **Improved service quality and outcomes for vulnerable people** - accessing services funded by the Government.

8.1.2. How could government funding, tendering and contracting drive a good balance of collaboration and competition to support innovation in the NFP sector?

NSW has one of the lowest per capita spends in Australia to support people with mental health conditions. Spending on services delivered by community-based organisations is less than 10 percent of the total mental health budget. NSW spends more per capita than the national average on public psychiatric hospitals and specialised psychiatric units in other public facilities, however it has the lowest per capita expenditure on community-managed mental health services.

There is a significant projected population increase in NSW which is expected to grow, on average, by over 85,000 people each year until 2041 where it will reach approximately 9.8 million people (over a million more people than currently live in NSW). This will be particularly significant for regional NSW which is expected to increase by 570,000 to 3.7 million in 2041. Based on the current statistics of one in five people in NSW experiencing a mental or behavioural health condition, there will be 1.96 million people experiencing a mental or behavioural health condition by 2041, an increase from the current 1.63 million people at present.

In its 2020 Mental Health Inquiry Report, the Productivity Commission recognised the crucial role of community-based supports and went on to recommend an increase in funding to expand community services to better match demand.

Increased funding is a key issue that emerges throughout the sector. It is considered the top concern in MHCC's most recent feedback survey from member organisations. Issues identified by community organisations:

- funding and adequate indexation
- demand for mental health services exceeding available resources to deliver services
- workforce shortages and sustainability

It is important that governments commit to supporting longer-term funding cycles in line with the Productivity Commission's recommended action around extending the length of funding cycles to a minimum of five years. Longer funding cycles would support continuity of care and sustainability for organisations operating in the sector.

Information Technology, communication, and marketing

9.1.1. What standards of digital capability should the sector aim for and how might theme be achieved?

The NFP/NGO mental health and psychosocial disability sector must demonstrate alignment with National Safety and Quality Digital Mental Health Standards. These standards aim to improve the quality of digital mental health service provision, and to protect service users and their support people from harm. It is already accepted practice that services must have the policy and practices in place to ensure that people have been engaged safely on digital devises and platforms.

MHCC has developed a Digital Service Delivery Guide: Quality Practice in Community-Based Services for leaders, managers and teams who deliver mental health and psychosocial support services digitally in community-based organisations. This resource is intended to provide guidance on issues and challenges that arise from delivering a range of digital services in a community-based setting. The Guide supports best practice and keeps people at the centre of safe, ethical and effective service delivery.

MHCC also acknowledges the importance of cyber security and the need to attain accreditation under a standard such as Essential Eight or ISO 27001 and the need to build resilience activities such as the Cyber Incident Response Plan, but NFP/NGOs are simply not funded to respond to these prevention and protection activities and either draw again on reserves or remain vulnerable.

9.1.2. How might the sector aggregate support to maximise the digital capabilities of smaller organisations?

Governments must support organisations to minimise digital exclusion. Where possible, NFP/NGOs must be able to assist people to access digital services by providing devices, software or data.

Specific Sector IT Development Funds available to address cyber security resilience as outlined in 9.1.1 would be encouraged and supported.

9.1.3. What is needed and what is the sector's role in advocating for digital inclusion and participation of citizens and communities?

Services should ensure that technology used to provide digital services has been designed with the needs and aspirations of people accessing the service central to all considerations, this includes that digital services utilise a trauma-informed approach to service delivery. Mainstream technology designed for the entire community is described as 'functionally accessible' when it also meets the needs of a person's disability. This is different to assistive technology, which is specifically designed to support people with a particular disability to perform a task.

Digital technology is beneficial and makes services more accessible to rural and remote communities, however wherever services are provided, they need to allow for a period of relationship building with service providers before moving directly to this modality of support.

Leveraging assets and social finance

10.1.1. Is greater knowledge sharing about the assets of the NFP sector needed? If so, how might this be done and to what ends?

MHCC are unsure what the benefit of this would be if we are to still proceed down the line of competitive tendering.

10.1.2. What resourcing and regulatory support could be introduced or better used to allow NFPs make best use of their assets in support of operational sustainability and delivering on societal needs?

It is necessary to have capital funding and resources to invigorate (project costs), much like has been done in the Social Affordable Housing Fund (SAHF).

10.1.3. What models of social finance best suit the needs of NFPs? How can these be encouraged or scaled?

The model of social finance that best suits the NFP/NGO sectors is Block funding.

Social Benefit bonds and Social Impact Investment require a tested, evaluated and outcomes driven program and significant upfront investing for not much more gain other than dividend returns to investors.

10.1.4. What practical steps can be NFP sector take with governments, philanthropy and/or the private sector to redress underfunding and support innovation and financial health of the sector?

Several practical steps could be taken such as in campaigns, knowledge and awareness to understand:

- indexation paid to the NFP is often not reflective or lower than actual indexation,
- workers comp premiums are affecting NFP/NGOs by an increase of 23-100%, this means organisations are tapping into their reserves which is unsustainable, and will see a significant impact for instance of regulated service providers in the NDIS space,
- cost of living, utilities, commercial rent also affects NFP/ NGOs, yet they rarely get increases in grant or government funding,
- core funding for many organisations have existed for over 20 years without significant refresh of the cost of operating services under Activity Based Costing (ABC) models.

Without this NFP/NGOs always seem to have to reduce service delivery to fit within funding envelope which mean fewer vulnerable people are supported.

MHCC welcomed the opportunity to provide comment to this Issues Paper and express our willingness to be contacted for further information about this submission. Please contact Corinne Henderson, Director, Policy & Systems Reform at corinne@mhcc.org.au or Katy Sam, Policy Officer at Katy.S@mhcc.org.au

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Endnotes

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