The Hon. Mark Butler MP
Minister for Health and Ageing
Minister for Disability and the National Disability Insurance Scheme
Australian Government

The Hon. Emma McBride MP
Assistant Minister for Mental Health and Suicide Prevention
Australian Government

Ms Rachel Stephen-Smith MLA
Minister for Health
Minister for Mental Health
Australian Capital Territory Government

The Hon. Ryan Park MP
Minister for Health
New South Wales Government

The Hon. Rose Jackson MLC
Minister for Mental Health
New South Wales Government

The Hon. Steven Edgington MLA
Minister for Health
Minister for Mental Health
Northern Territory Government

The Hon. Timothy Nicholls MP
Minister for Health and Ambulance Services
Queensland Government

Mrs Donna Kirkland MP
Assistant Minister for Mental Health, Drug and Alcohol Treatment, Families and Seniors and Central Queensland
Queensland Government

The Hon. Chris Picton MP
Minister for Health and Wellbeing
Government of South Australia

The Hon. Jacqueline Petrusma MP
Minister for Health
Tasmanian Government

The Hon. Roger Jaensch MP
Minister for Mental Health and Wellbeing
Tasmanian Government

The Hon. Mary-Anne Thomas MP
Minister for Health
Victorian Government

Ms Ingrid Stitt MLC
Minister for Mental Health
Victorian Government

The Hon. Meredith Hammat MLA
Minister for Health; Mental Health
Western Australian Government

26 May 2025

Dear Ministers,

RE: Investment to address unmet need for psychosocial support outside the National Disability Insurance Scheme (NDIS)

We write regarding the upcoming Health and Mental Health Ministers Meeting scheduled for June 2025, and in particular, the urgent requirement to determine a way forward on addressing unmet psychosocial need in the Australian community. We appreciate the acknowledgement to date of this important issue, including the commitment made at the last meeting in August 2024 to consider this reform issue at your next meeting.

Therefore, at the Health and Mental Health Ministers meeting in June 2025, we urge you to:

- **recommend to National Cabinet that it agree a funding envelope for a 50:50 cost share arrangement to increase investment in psychosocial supports over a five-year period to meet need; and**
- **commit to a public consultation process to design future psychosocial support arrangements.**

We know that 493,600 people are missing out on the psychosocial support they need and deserve. It is now nine months since Australian governments released analysis quantifying this shortfall,[1] and we are still waiting on a plan to close the gap and ensure equitable access to care. This ongoing gap in psychosocial supports outside the NDIS not only has an enormous impact on individual and family health and wellbeing, but it also perpetuates system pressures on more costly interventions like hospitalisation.

Governments committed through the current *National Mental Health and Suicide Prevention Agreement* ('the National Agreement') to develop future arrangements for psychosocial supports after the analysis was completed. We are still waiting to see decisive government action to progress these arrangements, and the current agreement is due to expire by 30 June 2026. Action must be taken urgently to meet this outstanding commitment.

Mental Health Australia, State and Territory mental health peak bodies and broader sector representatives have together developed a *Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS* ('the Statement').[2] Released in November 2024, this Statement outlined the sector's expectations of next steps from governments. Please find the Statement attached.

We have since welcomed the Australian Government's investment through the 2024-25 Mid-Year Economic and Fiscal Outlook providing $272.1 million to continue the Commonwealth Psychosocial Support Program for a further two years, addressing the first recommendation in our Statement. While this was a necessary and welcome investment to continue existing

[1] Health Policy Analysis, **Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme** (St Leonards NSW, Health Policy Analysis Pty Ltd, 2024).
[2] See **Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS.**

services, it has not narrowed the needs gap. We note that there has not yet been action on the second recommendation of our Statement to commence expansion of psychosocial supports and to grow the capacity of the workforce, and capability of commissioning bodies, to meet the level of need for psychosocial support.

We publicly welcomed governments' commitment to the development of a "robust plan for future psychosocial support arrangements" at the last Health and Mental Health Minister's meeting and were pleased to contribute to an initial targeted consultation to support development of this plan. However, despite the urgency, we are not confident that a comprehensive plan will be presented at the next Ministers meeting. Without a robust plan agreed to by all jurisdictions, we cannot hope to see joint action to tackle unmet psychosocial need across all States and Territories, which our communities desperately need.

We call on Health and Mental Health Ministers to recommend to National Cabinet that a funding envelope for a 50:50 cost share arrangement between the Commonwealth Government and State and Territory Governments be allocated to increase investment in psychosocial supports to meet need over a five-year funding period.

Implementation should be informed by robust consultation with the mental health sector, including people with lived experience, family, carers and kin and service providers. In addition to the five-year funding plan, there must also be funding to develop and grow a suitably qualified and capable psychosocial support workforce; and funding to build the capacity of commissioning bodies to effectively commission psychosocial supports.

Governments have the information needed to make wise investments in psychosocial services to achieve good outcomes. Governments have an analysis of unmet need, evidence about what works,[3] existing interjurisdictional governance mechanisms to build on, and existing service infrastructure and commissioning pathways. **All we need now is for Governments to commit funding to ensure all people in Australia who need it can access quality psychosocial supports.**

Health and Mental Health Ministers cannot miss this opportunity to make a real tangible change to better support community health and wellbeing and ensure a holistic mental health support system that reduces inefficient over-reliance on hospital care.

The sector is united in our belief that psychosocial support is an essential component of an effective, efficient and well-balanced mental health system. All our organisations stand ready to assist governments with the design, implementation and evaluation of psychosocial supports into the future. We look forward to a decisive commitment through the Health and Mental Health Ministers meeting in June 2025, so we can commence working together to address critical unmet need for psychosocial support.

Kind regards,

[3] See: **Advice to governments on evidence-informed and good practice psychosocial services**.

Lisa Kelly

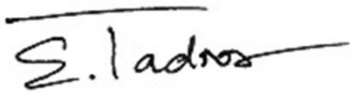
CEO

Mental Health Community Coalition Australian Capital Territory

Carolyn Nikoloski

CEO

Mental Health Australia



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