FOR IMMEDIATE RELEASE
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MEDIA RELEASE

Peak body pleas for more investment to address a mental health system in crisis

The NSW Government has once again failed to deliver the critical investment needed for community-managed mental health services, leaving people with complex mental health challenges without the care and support they need.

Improving mental health outcomes across NSW hinges on targeted, increased investment from both State and Commonwealth governments to address critical service gaps. This must include a significant boost to psychosocial supports delivered by the not-for-profit community sector to ensure the estimated 166,000+[1] people in NSW currently without access to these essential services receive the care they need and deserve.

Whilst Mental Health Coordinating Council (MHCC) welcomes the commitments of $23.1m to expand community-led suicide prevention and wellbeing support programs for First Nations people, we are deeply disappointed at the lack of investment in community-based services in the 2025-26 NSW State Budget.

MHCC acknowledges the following investments as important contributions to mental health service provision, although they do not directly support community-managed organisations:

- $15.4m to grow the community mental health workforce and enhance mental health support for young people and regional communities.
- $49.4m to fund a trauma-informed hub to support victim-survivors, including for individuals who have experienced domestic, family and sexual violence, and are participating in legal proceedings.
- $344m to improve support for injured workers, and to restore the independence of SafeWork NSW, ensuring it has recourse to protect workers from harm, including psychosocial hazards.

Although the NSW Government has committed $3.4 billion to TAFE NSW, MHCC is disappointed that this investment fails to recognise the important role of industry-based Registered Training Organisations (RTOs), including MHCC. These RTOs play a critical role in building the capacity of the community mental health and psychosocial disability workforce. Overlooking the leadership, innovation and relevance to the sector reflects an unfortunate miscalculation of future workforce needs to support rising mental health demand in the community. Dr Tadros says, “We urge the NSW Government to invest in the access to more independent, diverse and specialised training led by industry-based RTO's such as Mental Health Coordinating Council.”

The NSW Government provided commitments in response to the *Inquiry into Equity, Accessibility and Appropriate Delivery of Outpatient and Community Mental Health Care in*

[1] People not receiving psychosocial support in NSW in 2022-23.
Health Policy Analysis, Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report

NSW in September 2024, which recommended significant investment in mental health and psychosocial services and programs, and a sustainable workforce. Now is the time to act.

“Despite the funding provided in the 2025-26 State Budget, we have yet to see the Government’s commitments realised in meaningful terms to a number of critical services that should be provided by community-managed mental health organisations (CMOs),” says Dr Evelyne Tadros.

There is strong research evidence in relation to CMO service evaluations which clearly demonstrate the efficacy and value of community-based recovery models that provide an alternative to inpatient care. CMO programs such as:

1. Community Living Supports (Housing & Accommodation Support Initiative). This program delivers a net savings of ~$86K per person over 5 years, mental health hospital admissions dropped 74% and the average length of stay decreased by 74.8% over two years following program entry.

2. Bondi Prevention and Recovery Centre, delivered by Independent Community Living Australia, costs a third of inpatient care ($146K vs $467K p.a.) and reduces Emergency Department visits by 33–44%.

3. Flourish Australia’s Resolve Social Benefit Bond was Australia’s first social impact investment aimed at improving mental health outcomes, cut hospital admissions by 54% and reduced time in hospital reduced by 66%.

4. We also commend the work of Mental Health Australia’s: Advice to governments on evidence-informed and good practice psychosocial services.

The sector has repeatedly called for the NSW Budget to address service gaps clearly identified in multiple reviews and analyses which intersect with ongoing discussions between the Federal, state and territory governments through the bilateral National Mental Health and Suicide Prevention Agreement. We therefore call on the NSW Government to fulfil its own commitment to meet the mental health needs of people in NSW in the community by reinvesting in psychosocial supports in NSW.

“Let’s stop consulting, reviewing and reporting, but use the evidence we already have to invest in and address the needs already identified” says Dr Tadros.

-ENDS-

About Mental Health Coordinating Council: Mental Health Coordinating Council is the peak body largely for community-managed mental health organisations in NSW and is a Registered Training Organisation. MHCC provides policy leadership, promotes legislative reform and systemic change, and develops resources and training to assist community mental health organisations to deliver quality and effective services underpinned by best practice principles. Visit mhcc.org.au.

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