Position Statement
Investing in the psychosocial support workforce

neami national
Improving Mental Health and Wellbeing

Our vision

For all people in Australia living with mental health and wellbeing challenges to live a life that is meaningful to them.

The issue

The rate of psychological distress and prevalence of mental health conditions lasting more than 12 months is increasing, and there is a growing level of unmet need across Australia. An estimated 230,500 individuals with severe mental illness and 263,100 individuals with moderate mental illness are missing out on psychosocial support.[1,2] Concurrently, there is an estimated 32% shortfall of mental health workers, with the sector unable to meet current and future demand.[3]

The psychosocial support workforce is critical for an accessible, responsive and joined-up mental health system. Psychosocial support workers support people to stay in their communities, maintain safe and affordable housing, and sustain engagement in employment and education. This reduces the likelihood of inpatient treatment and other high-cost or avoidable interventions.[4]

Despite this, the community mental health (CMH) sector struggles to attract, recruit and retain a sustainable, high-quality workforce. This is due to continued underinvestment in CMH and the psychosocial support workforce, evidenced by the following:

- The *National Mental Health Workforce Strategy (NMHWS) 2022-2032* does not contain meaningful strategies for developing and growing a sustainable psychosocial support workforce.[5]
    - There is no accurate or consistent federal or state/territory-level data collection on the number, roles and distribution of psychosocial support workers in Australia. This was an identified limitation in the development of the NMHWS.[6,7]
    - The workforce lacks an agreed scope of practice, practice standards, or competency standards to define, unify and support the development of the psychosocial support workforce. The lack of clarity on what constitutes psychosocial support limits the capacity for the workforce to work to its full scope of practice.
    - Without these foundational elements of practice, we cannot map opportunities for career progression, develop quality professional development, and guide meaningful supervision opportunities for the workforce. This limits career satisfaction, motivation, and retention.
- Funding for CMH is inconsistent and rarely covers the true cost of service delivery. This was a key finding of the *Paying What It Takes report*[8] *and the Productivity Commission's Inquiry Report on Mental Health*.[9] Insufficient CMH funding directly impacts the capacity of providers to attract and retain quality staff and maintain a sustainable workforce.

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- Psychosocial support programs are predominantly funded via short-term contracts, creating an environment of funding uncertainty and limiting organisations' ability to offer employment security.
- Increasingly, contracts exclude the use of funding for staff redundancy costs despite short contracting perpetuating an increased likelihood of redundancies being necessary.
- Indexation is not consistently applied to government (including PHN) funding contracts. When indexation is not applied annually, increases to wages and other costs lead to decreased contract values over time.

Neami's position

Develop a dedicated Psychosocial Support Workforce Strategy that addresses specific psychosocial workforce challenges overlooked in the current National Mental Health Workforce Strategy 2022-2032.

The next National Mental Health and Suicide Prevention Agreement, commencing July 1, 2026, must embed a commitment by all levels of government to adopt a national psychosocial support workforce strategy. To ensure efficient and equitable workforce distribution, all parties must commit to ensuring alignment between national and state/territory workforce planning and funding.

The Strategy must include the following actions to be developed in consultation with consumers, CMH providers, and peak bodies for mental health, lived experience and carers:

- Define an agreed scope of practice that articulates the multidisciplinary and often complex nature of psychosocial support work.
- Develop agreed competency standards to articulate the knowledge, skills and attributes required by workers supporting people experiencing mental health and wellbeing challenges.
- Use the scope of practice and competency standards to guide the development of workforce education, training, professional development and supervision requirements.
- Explore opportunities for pathways to higher education and specialisation in collaboration with the training and tertiary sectors, professional bodies and industry.
- Engage CMH providers as expert stakeholders in federal, state, and territory-level discussions about workforce development and planning to represent the professional, educational, and workforce needs of the psychosocial support workforce.

Commence ongoing workforce data collection, analysis and monitoring to inform future mental health planning and resource management.

- Establish psychosocial workforce data monitoring as part of the Australian Institute of Health and Welfare's Mental Health Workforce series.
- Utilise accurate workforce data to distribute workforce resources throughout Australia, improving equity and access and closing the gap identified in the *Analysis of unmet need for psychosocial supports outside the National Disability Insurance Scheme final report*.

Establish fair and sustainable funding and contracting practices enabling CMH to attract, train and retain highly skilled, effective, multidisciplinary psychosocial workforces.

- Establish 5-year contract lengths for all government-funded community mental health programs. This will enable the CMH sector to offer employment security and to invest in whole of workforce development as per Action 17.1 of the Productivity Commission's Inquiry Report on Mental Health.[10]
- Address the growing deficit between the value of funding contracts for psychosocial support services and the increasing risk and compliance burden held by CMH. This includes rising indirect costs and CMHs' ongoing financial obligations resulting from CPI, Fair Work rulings and the Superannuation Guarantee.

Together, these actions would establish a highly skilled, sustainable psychosocial support workforce with attractive career progression opportunities and improved job satisfaction. It would ensure that the gap in mental health workforce planning is addressed and the value of psychosocial support workers in an accessible, responsive, joined-up mental health system is fully recognised.

About Neami National

We're big believers in everyone having the opportunity to live a full life. We support people to achieve wellbeing and mental health outcomes that matter to them. We provide services across Australia for mental health and wellbeing, housing and homelessness, and suicide prevention.

We're proud to support 34,000 people each year and offer services across 40 different Indigenous lands.

Endnotes

[1] National Mental Health Commission. 2024. National Report Card 2023. Sydney: NMHC; pp. 5, 7.

[2] Health Policy Analysis. 2024. Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme Final Report. 15 August 2024.

[3] Department of Health and Aged Care. 2022. National Mental Health Workforce Strategy 2022-2032.

[4] Mental Health Australia & National Mental Health Consumer & Carer Forum. 2024. Advice to governments: evidence-informed and good practice psychosocial services. January 2024.

[5] Department of Health and Aged Care. 2022. National Mental Health Workforce Strategy 2022-2032.

[6] Productivity Commission. 2020. Inquiry Report: Mental Health; p. 737

[7] Department of Health and Aged Care. 2022. National Mental Health Workforce Strategy 2022-2032; p. 17.

[8] Social Ventures Australia and the Centre for Social Impact. 2022. Paying what it takes: funding indirect cost to create long-term impact. Social Ventures Australia.

[9] Productivity Commission. 2020. Mental Health: Inquiry Report.

[10] Productivity Commission. 2020. Mental Health: Inquiry Report; p. 828-843.