Australian Psychosocial Alliance

Submission on the Productivity Commission Delivering Care More Efficiently - Interim report

September 2025

About the Australian Psychosocial Alliance

The Australian Psychosocial Alliance (APA) includes Flourish Australia, Mind Australia (incorporating One Door Mental Health), Neami National, Ruah Community Support, Stride Mental Health, Open Minds and Wellways Australia. We are specialist providers of community managed mental health and wellbeing services in Australia, with most registered as NDIS providers with a focus on psychosocial disability.

Members of the APA have extensive experience providing recovery-oriented care and support which focuses on personal goals, participation and living a meaningful life. We have evidence of what works, and combine this with service delivery wisdom, to provide recovery-oriented services that support people to manage their symptoms and build their capacity to participate in society and manage their lives. This includes support to sustain a tenancy, build the skills to live independently, find fulfilling work, and build social connections.

The people who access our supports come from diverse communities across Australia. Each of our organisations have a clear commitment to promoting community inclusion and participation. We have experience providing services to at risk groups, such as LGBTIQ+ individuals, culturally and linguistically diverse communities, Aboriginal and Torres Strait Islander people and young people. We recognise the value of lived experience and seek to co-design services and approaches wherever possible.

Introduction

The Australian Psychosocial Alliance (APA) welcomes the inquiry into delivering quality care more efficiently and the opportunity to comment on the interim report.

We provide a range of mental health and disability supports, and are greatly affected by different standards, regulations and commissioning approaches – including across the health and disability portfolios, and across different jurisdictions.

We broadly support the draft recommendations. The following comments are provided from our perspective as community managed mental health and psychosocial support providers.

Area 1: Reform of quality and safety regulation to support a more cohesive care economy

As specialist care and support providers we question whether a single set of practice and quality standards, or a single provider registration and audit system would or could fully meet the requirements of ensuring that providers are meeting the standards associated with the specialist care for specific populations. However, recognising that there may be many commonalities across population groups receiving care and support, a foundational set of practice and quality standards with specialist modules, and similar registration assessment and audit approaches would simplify the current complex environment. It also opens opportunities to bring a broader range of sectors/providers into such a unified system – for example, community managed mental health providers.

We draw your attention to the relatively new National Safety and Quality Standards for Mental Health Community Managed Organisations from the Australian Commission on Safety and Quality in Health Care. These standards should be considered as part of this work, including because they are the most contemporary standards available and the audit process and resources have just been approved.

We agree that a standardised quality and safety reporting framework and data repository to hold data reported against the framework would assist with streamlining and minimising reporting requirements. With regards to a single regulator, success would rely on the regulator's staff being knowledgeable about the sub-sectors and services being delivered. A single regulator with specialist divisions to provide specific sub-sector quality and regulatory expertise may be possible and is worthy of consideration, and is used elsewhere, e.g. UK Care Quality Commission.

We do support alignment of care worker regulation and a national worker screening clearance process. Many of our organisational policies, reflecting funding expectations, require all staff to obtain both NDIS and Working with Children checks before employment.

The APA remains concerned with the low rate of service provider registration for NDIS service delivery (estimated to be around 10% in the NDIS review)[1]. It means that the recommendations in the report will not capture a large segment of this market. Not withstanding the fact that only a small proportion of the 700,000 plus people receiving support through the NDIS benefit from and/or are protected through registration, it fundamentally undermines the notion of supporting a more

[1] NDIS funding is insufficient to support aspects of registration; such as investing in standards implementation, quality improvement, staff training and development. See APA Submission NDIS Pricing (IHACPA) - November 2024; and NDIS SIL and Support Coordination Mandatory Registration - March 2025

cohesive care economy, including to provide transparency with regards to productivity, standards and outcomes.

Area 2: Embed collaborative commissioning to increase the integration of care services

The APA supports collaborative commissioning, including between LHNs/ health services, PHNs and ACCOs, to ensure more integrated and navigable services for people.

However, we note that despite existing expectations that LHNs and PHNs work closely together around planning that current capability, interest and capacity amongst the players varies significantly.

We agree that part of the solution is to have a more consistent approach to joint regional governance and funding reforms that increase flexibility and incentivise and remove barriers to collaboration. However, the interim report possibly underplays the complexity and difficulties in achieving this due to competing outcomes and interests. We agree that dedicated funding is required to address joint governance and planning, including training and support to upskill staff across areas of leadership, codesign and data capability. Specific attention is needed for:

- Changing entrenched practices and existing ways of working; including the application of financial penalties which in turn negatively impact service providers and service provision. This tends to occur with inflexible KPIs which have not allowed for environmental challenges such as workforce shortages, socio-economic context or rural or remote settings.
- Resourcing communities and service providers appropriately so that they can contribute data, information and effort into local area planning.
- Ensuring that all commissioning includes co-design and co-evaluation with the people who are to be the recipients of such commissioning. This requires the commissioning frameworks to allocate funding for this purpose.
- Developing defined, outcome focussed and lived experience/service user informed measures to support the achievement of program outcomes, program evaluation, and provision of important elements of public reporting.

The proposal to develop data sharing arrangements to underpin joint needs assessment and evaluation of outcomes is also valid. The lack of consistent national data collection and reporting across programs such as community managed mental health continues to impact on understanding of need and the outcomes achieved.

The APA has previously called for the Commonwealth Department of Health and Aged Care (as it was known at the time) to take leadership in developing a standardised (allowing for local responsiveness) commissioning framework for PHNs to follow. As indicated in previous submission re the National Mental Health and Suicide and Prevention Framework and to the Review of the PHN Business and Primary Care and Mental Health Flexible Funding Pool Model PHNs, the lack of commissioning capability and standardised practice impacts negatively on service provision (for example, short funding arrangements leading to job insecurity and turnover which can impact quality and achievement of outcomes) and significant inefficiencies for services who are having to continually adapt to different pricing and administrative requirements.

Area 3: A national framework to support government investment in prevention

A focus on prevention is welcome, as would be early intervention, focusing on preventing people's conditions getting worse before they can access a service.

Models such as Housing First which feature in your report are well understood and have a robust evidence base with outcomes across health and mental health. Mental Health Australia's advice to Governments on evidence-informed and good practice psychosocial services highlights the number and range of interventions and programs that we know work and can also deliver outcomes beyond the mental health space, including to improve physical health and social and community wellbeing. However, it remains difficult to attract sufficient investment in such programs for outcomes at scale to be achieved.

Additional investment in the community managed sector, notably in mental health, would support people in the community where people live their lives and in ways which match their needs, preferences and goals. Such investment would rebalance the mental health service system from a reliance on high cost and high intensity clinical and NDIS services, to a suite of services with greater reach at an average lower cost.

We are also aware that the Australian Government has recently funded a Care Economy Co-operative Research Centre which will generate evidence to support implementation of effective prevention programs. See Shaping Australia's Care Economy | Care Economy CRC.

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