

# NSW Psychosocial Research Project

## Summary

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### Introduction

#### What is the NSW Psychosocial Research Project?

NSW Health engaged David McGrath Consulting to undertake a technical analysis to identify unmet need for psychosocial supports in NSW for people with mental health conditions. The project aimed to:

- map current psychosocial supports in NSW
- identify demand for psychosocial supports in NSW, and
- compare the current supports with the demand to identify unmet need.

An Advisory Group with sector representatives was established to oversee the project (see [Terms of Reference, Full Report - Appendix 1](#)).

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#### How should I use this document?

This document is a short summary of the NSW Psychosocial Research Project, including high level findings. It should be read in conjunction with the Full Report, which provides a detailed explanation of the methodology including assumptions and limitations.

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### Methodology

#### What methodology did the analysis use?

The project used the National Mental Health Services Planning Framework (NMHSPF) to determine what services/programs were in scope and to identify demand for psychosocial supports. The NMHSPF was used as it is the only nationally agreed reference point in Australia for planning purposes in mental health. The NMHSPF was also used to undertake a similar unmet need analysis by the Productivity Commission in 2020.

The NMHSPF is a technical and complex tool and the consultant was required to make assumptions when conducting the analysis. A detailed overview of the methodology used (including assumptions and limitations) is in the Full Report.

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## What are some of the limitations of the project?

The project involved a technical analysis. It did not include consultation with people with lived experience and their families and carers about what their psychosocial support needs are or whether these are being met.

The advisory group identified several limitations with the analysis and the NMHSPF tool, including:

- The project is a point in time analysis using data from 2022-23 and was limited by the data that was available.
- The project focused on current psychosocial supports. It did not consider limitations or problems with the current system or how the system could be redesigned.
- The NMHSPF has a health sector lens rather than a rights-based conceptualisation preferred by many people with lived experience. New types of psychosocial support that do not fit neatly into clinical or non-clinical service definitions were therefore not captured.
- The project did not consider the quality of psychosocial supports and whether they are meeting people's needs. This is particularly important for services provided through the National Disability Insurance Scheme (NDIS).
- The project included non-clinical programs and did not capture psychosocial supports that are provided as part of clinical services.
- The report documents a gap but does not include a narrative on how this gap impacts people.

NSW Health acknowledges the limitations of this project. The findings are intended to be a starting point to build a more comprehensive understanding of community based mental health supports in NSW. The findings will be considered in conjunction with other gap analyses and reviews that are occurring both nationally and in NSW, including the national [Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report](#).

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## How did the project map current psychosocial supports in NSW?

The project defined psychosocial supports as non-clinical and recovery-oriented services, delivered in the community and tailored to individual needs, that support people experiencing moderate to complex mental health challenges to live independently and participate in the community.

To be included in the psychosocial service mapping, a program had to be assessed as meeting the Specialised Mental Health Community Support Services description in the NMHSPF taxonomy. Refer to the Full Report for a detailed explanation of this process.

Services and programs funded by the following agencies were considered in the mapping:

- NSW Health including local health districts and specialty health networks
- Commonwealth Government through the NDIS
- 10 NSW Primary Health Networks
- other NSW government departments including the Department of Communities and Justice and the Department of Education.

Each service/program was reviewed by the consultant and NSW Health to determine if it met the definition of psychosocial supports for the project, noting there is no nationally agreed funding and performance definitions for psychosocial support. It is acknowledged that there may be omissions from the data set despite best endeavours to capture activity across government portfolios (refer to the 'In and Out of Scope Program List' for a full list of the programs considered).

## How did the project identify demand for psychosocial supports in NSW?

The target group for the project was people with complex mental health conditions aged 12 years and over who require psychosocial supports and their carers.

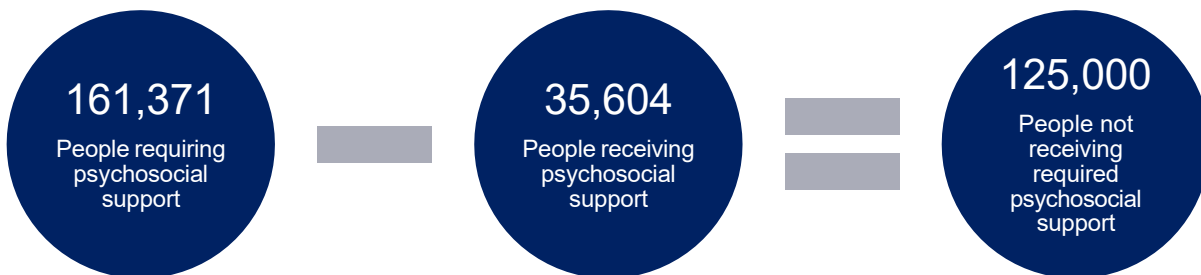
The consultant identified the number of people who require psychosocial support in NSW by identifying people who had a demand for Specialised Mental Health Community Support Services using the NMHSPF tool. This is a complicated and technical process that requires a range of assumptions to be made. Details on the methodology and assumptions used by the consultant can be found in the Full Report.

## Findings

### What unmet need did the report identify for consumers?

The analysis identified that there were approximately 125,000 people in NSW who required a psychosocial support but did not receive it in 2022-23. This was determined by comparing the number of people who required a service with the number of people who received a service to determine the gap.

Figure 1: Approximate number of people not receiving required psychosocial support in NSW in 2022-23



### What unmet need did the report identify for carers?

The analysis identified that there were approximately 95,000 carers in NSW of people with a mental health condition who required a psychosocial support but did not receive it in 2022-23.

Figure 2: Approximate number of carers not receiving required psychosocial support in NSW in 2022-23



1. Carer numbers include 2,629 carers supported through the Family and Carer Mental Health Program.

## Did the report identify a funding gap for psychosocial support services in NSW?

The consultant used the NMHSPF tool to estimate that the total required expenditure on psychosocial support in NSW in 2022-23 was \$907 million.

However, the overall expenditure on psychosocial support services in NSW in 2022-23 was \$1,631 million, which is approximately \$723 million (80%) higher than what the NMHSPF estimates was required. This is despite the analysis identifying high numbers of unmet need.

Chart 1: Modelled expenditure needed in 2022-23 verse actual expenditure in 2022-23

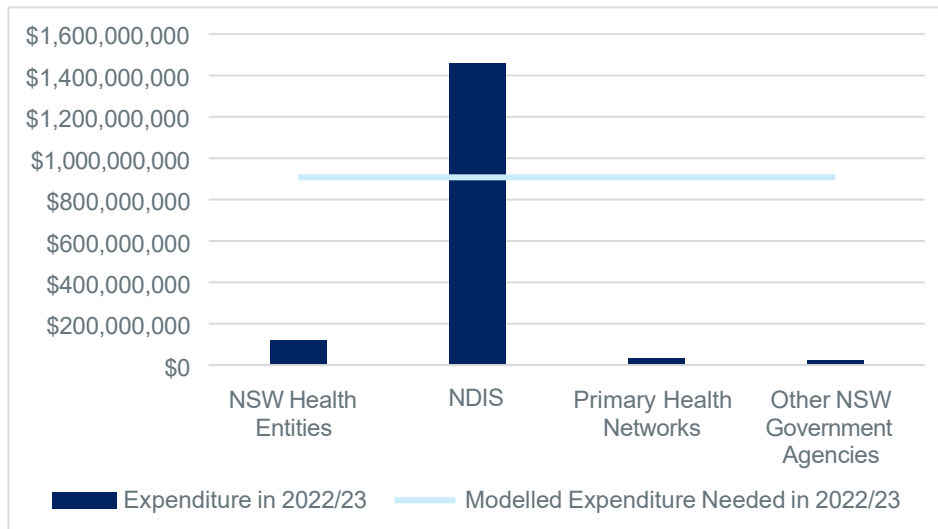


Chart 1 shows that NDIS expenditure accounted for almost 90% of total expenditure in NSW but only supported approximately 50% of consumers (with average annual funding of \$83,000 per person, compared to NSW Health expenditure of \$21,000 per person).

The NDIS is spending around 11.5 times the average estimate expenditure per consumer modelled by the NMHSPF, and around 4 times the NSW Health average expenditure. This may be appropriate for some people due to their complexity being at the extreme of the population distribution curve. However, given total expenditure on the NDIS exceeds total modelled need, it is unlikely to be appropriate for all of the NDIS participants. Co-existing conditions and secondary non-mental health related diagnoses may also contribute to this expenditure.

The report identifies a clear unmet need for psychosocial supports for people with mental health conditions in NSW. Caution should be used when quoting the exact numbers from the report, noting the different ways the NMHSPF tool can be interpreted/ used, the limitations of the NMHSPF, and potential data inaccuracies.

## Recommendations

The Terms of Reference for this project did not require any recommendations in response to the findings, nor did it preclude them. As such, the following are couched as suggested approaches within the context of the Terms of Reference:

- There is a requirement for cross agency, interjurisdictional service planning for psychosocial supports.
- Future policy changes in either the health or disability portfolios could impact the utility and appropriateness of budgets and expenditure in the other.
- Accountability across levels of government and across agencies for addressing the shortfall in the number of consumers receiving psychosocial support services in NSW must be resolved transparently as a matter of urgency. A failure to do so will impact a significant number of vulnerable individuals in NSW with mental health concerns and will likely have flow on cost impacts to other government portfolios.
- The current Intergovernmental Agreement in Mental Health foresees the possibility of transfer of psychosocial supports outside the NDIS to the states and territories from the Commonwealth Government. Given the size of the population gap identified, accountability for unmet need into the future should be clearly documented between governments before commitments are finalised.