QTON No. 01

Legislative Assembly for the **Australian Capital Territory**
Select Committee on Estimates 2026–2027

Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question taken on notice

Asked by: Andrew Braddock MLA

Addressed to: Mental Health Community Coalition ACT

In relation to: Mental ill health gambling percentage

Hearing: 03 July 20226
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Transcript provided: 06 July 2026
Answer Due: 13 July 2026

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Ms Kelly took on notice the following question(s):

MR BRADDOCK: Yes. Roughly what percentage of mental ill health in the ACT is related to gambling?

Ms Kelly: You have got the questions today, do you not?

MR BRADDOCK: I do.

Ms Kelly: I would have to take that one on notice.

Mental Health Community Coalition ACT: The answer to the Member's question is as follows:

Although the exact percentage of mental ill health in the ACT that is related to gambling cannot be precisely identified, evidence shows gambling related harms to be strongly linked to mental health concerns, showcasing a significant issue in the ACT.

The 2024 ACT Gambling Survey found that 9.1% of ACT adults (33,480 individuals) reported to experience at least one gambling-related harm from their own gambling, which equals to an estimated 6,201 years of healthy life lost to gambling harms (Rockloff et al., 2025).

Emotional and psychological harms were the highest reported consequences of gambling, which includes stress, anxiety, depression, shame and reduced self-esteem. The survey also

found risky gambling behaviours to be associated with higher levels of psychological distress and additional psychosocial challenges (Suomi et al., 2025).

Nationally, gambling problems are strongly associated with mental health concerns. Research has found that more than 96% of people with a gambling disorder had at least one co-occurring mental health condition (Rash et al., 2015). Additionally, 40% of people who have struggled with harmful gambling have experienced depression or anxiety, and 68% of high-risk gamblers have been found to experience mental health concerns (Dowling et al., 2015; Tillman et al., 2025).

Therefore, while the proportion of all mental ill health in the ACT attributable to gambling cannot be precisely identified, the evidence shows that gambling-related harm does have significant negative impacts on the mental health of individuals.

References:

Dowling, N. A., Cowlishaw, S., Jackson, A. C., Merkouris, S. S., Francis, K. L., & Christensen, D. R. (2015). Prevalence of psychiatric co-morbidity in treatment-seeking problem gamblers: A systematic review and meta-analysis. Aust N Z J Psychiatry, 49(6), 519-539. https://doi.org/10.1177/0004867415575774

Rash, C., Weinstock, J., & Van Patten, R. (2015). A review of gambling disorder and substance use disorders. *Substance Abuse and Rehabilitation*. https://doi.org/10.2147/SAR.S83460

Rockloff, M., Russell, A.M.T., Browne, M., & Hing, N. (2025). 2024 ACT Gambling Survey. Experimental Gambling Research Laboratory, CQUniversity Australia.

Suomi, A., Hahn, M., & Biddle, N. (2025). Gambling participation in Australia 2025. Trends over time, and profiles associated with online gambling and gambling harm. *POLIS: The Centre for Social Policy Research*. Australian National University.

Tillman, G., Irving, R., Wickramasinghe, S., Pappu, T., Budinski, M., Greer, N., Whitlock, B., & Sakata, K. (2025). *National Gambling Prevalence Study Pilot 2024: Key Findings.* Melbourne: Australian Gambling Research Centre, Australian Institute of Family Studies.

Approved for circulation to the Select Committee on Estimates

Signature: Date:

By the [Commissioner for/Official……], [name of Commissioner/Official]

CAPTURING THE ECONOMIC VALUE OF PSYCHOSOCIAL SUPPORT

Commissioned by Community Mental Health Australia

Prepared by the Centre for Social Impact, UWA

July 2026

Paul Flatau, Lisette Kaleveld, Zoe Callis, and David Kuppers

CENTRE for SOCIAL IMPACT | THE UNIVERSITY OF WESTERN AUSTRALIA

Acknowledgement of Country

In the spirit of reconciliation, the Centre for Social Impact at the University of Western Australia (CSI UWA) acknowledges that their operations are situated on Noongar land, and that the Noongar people remain the spiritual and cultural custodians of their land, and continue to practise their values, languages, beliefs and knowledge. We acknowledge the Traditional Custodians of the country throughout Australia and their connections to land, sea and community. We pay our respect to their elders and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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The Centre for Social Impact (CSI) is a national research and education centre dedicated to catalysing social change for a better world. CSI is built on the foundation of four of Australia's leading universities: UNSW Sydney, The University of Western Australia, Flinders University and Swinburne University of Technology. Our **research** develops and brings together knowledge to understand current social challenges and opportunities; our postgraduate and undergraduate **education** develops social impact leaders; and we aim to **catalyse change** by drawing on these foundations and translating knowledge, creating leaders, developing usable resources, and reaching across traditional divides to facilitate collaborations.

Suggested Citation

Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Support.* Centre for Social Impact, University of Western Australia. https://doi.org/10.60836/y22q-8w40

Previous Publications

This Report is accompanied by a Summary Report:
Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Support A Discussion Paper. Summary of Findings*. Centre for Social Impact, University of Western Australia. https://doi.org/10.60836/tbyr-r819

Acknowledgements

The authors would like to thank Ankita Mukesh for her research assistance support with the literature search. Additionally, we thank those with Lived Experience, those working in peak bodies or agencies that deliver psychosocial supports, and those working in policy who responded to our requests for further information and feedback. Community Mental Health Australia should be acknowledged for initiating and supporting this work, and, in particular, Kerry Hawkins who recognised the strategic importance of documenting the economic value of psychosocial supports.

Contents

Foreword – Kerry Hawkins

The question at the heart of this Report is deceptively simple: what is psychosocial support worth?

For the thousands of Australians and their families who have experienced the transformative power of psychosocial support first-hand, who credit these supports with saving their lives and opening new futures, the answer is self-evident. The community-managed mental health sector, too, in delivering psychosocial support in local communities and witnessing these changes, has advocated for decades for this support to be made available on an equitable basis to all Australians.

But in the Australian mental health system, the case must be made in the language of economics as much as in the language of human experience. That is precisely why Community Mental Health Australia commissioned this work.

Australia's mental health system remains overwhelmingly oriented toward crisis response: acute hospital care, specialist clinical services, emergency intervention. This is the most expensive way to support people, and the least likely way to help them build the lives they want. Psychosocial support does something different. It meets people in their communities, at their pace, around their goals. And when it works, when people get the right support at the right time, they need less of everything else. Less emergency care, less inpatient treatment, and less crisis intervention. And more of what matters most, to individuals, to families, and to the economy: participation, connection, contribution, and the capacity to live a full life.

This Report tells us two things. When measured, psychosocial support is effective and provides compelling economic value across quality of life, labour market participation, and cost offset measures.

The report also exposes something we must be willing to name: a lack of planning capability, visible in what is not measured. The striking absence of family, carer and kin measurements, human rights indicators, agreed definitions of psychosocial support, and Aboriginal and Torres Strait Islander Social and Emotional Wellbeing frameworks tells its own story. We lack the critical data and workforce infrastructure needed to model, map, measure and monitor psychosocial support across the sectors it touches. Without that, psychosocial supports will continue to lose out in funding competitions against clinical services that have decades of health economics infrastructure behind them. The evidence presented here almost certainly understates the true value of what is being achieved. We believe the real picture, properly measured, would be even more compelling.

Real system transformation starts with listening, and then with building the systems that allow us to validate what we believe we know and then to act on that evidence, adjusting our decision-making with renewed confidence. That is what this Report calls us toward.

This Report arrives at a critical moment in Australia’s history. The conversations about lived experience, co-design and co-production, suicide prevention, cost of living pressures, unmet needs, sustainable community-based funding models, and the growing cost pressures on human service systems are all live and urgent. We hope this Report sharpens those conversations with evidence that investing in psychosocial support is not a cost to be managed, but an opportunity to be seized.

Community Mental Health Australia extends its deepest thanks to the team at the Centre for Social Impact at the University of Western Australia, and the team of dedicated researchers who have completed this work including Professor Paul Flatau, Lisette Kaleveld, Zoe Callis and David Kuppers. The quality and depth of this Report reflect their intellectual curiosity, values-alignment, rigour, and commitment to creating systems that respond to the realities of Australians who use them.

Kerry Hawkins

CEO, Community Mental Health Australia

July 2026

Language used in this report

Working in a contemporary mental health sector demands much of us; not only in terms of skills, understandings, abilities, but also in the translation work required to consider diverse voices and navigate language in that process.

We bring to this report an understanding that terminology can be embedded with institutional, cultural and personal living histories. At times we reach for a word because of its precision; it does the definitional work that is required. But the same word can also carry an incredible amount of baggage.

The language of 'mental illness' for instance has emerged from the medical model of mental health and the systems that have been built around clinical practice. The language of illness, treatment and recovery are commonly utilised across many of the foundational and strategic documents that apply to mental health, and therefore psychosocial supports.

However, as we know from Lived Experience experts, including First Nations experts who work in supporting the Social and Emotional Wellbeing (SEWB) of their communities, experiences of mental health challenges are not context-free and not always experienced nor understood as illnesses in and of themselves, but often as simply responses to life circumstances and stressors.

Finding words that have currency and relevance to mental health service provision (and related policy and planning functions), without being too fixative, stigmatising, or requiring the narrowing of human experience, is ever challenging.

For this report we accept the validity of diverse lived experience voices, and where possible endeavour to use non-illness-based language. We also acknowledge that health system tools and language are useful if we are to examine the current system and imagine a different one.

Financial data used in this report

In many cases, the dollar values reported in this report will differ slightly from those reported in the respective sources. This difference is due to the figures being adjusted for inflation, based on the Australian Consumer Price Index (CPI) for the respective year.[1] Accordingly, most dollar values presented in this report have been converted to March 2026 dollars using the following formula:

$$\$\, Amount_{Year\ reported} \times \frac{CPI_{March\ 2026}}{CPI_{Year\ reported}} = \$\, Amount_{March\ 2026}$$

For example, Purcel et al. (2022)[2] report the average cost of the NSW Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS) program to be $35,622 per consumer in 2018-19 dollars. To convert this figure into March 2026 dollars, the CPI for June 2019 (i.e., 79.70) and March 2026 (i.e., 101.70) are applied in the following formula:

$$\$35{,}622_{2018-19\,\$} \times \frac{101.70_{March\ 2026}}{79.70_{June\ 2019}} = \$45{,}455_{March\ 2026}$$

Consequently, the cost of the NSW HASI-CLS program is reported as $45,455 in this report.

The use of a constant price (i.e., March 2026 dollars) assists with comparability and interpretation. It should be noted that these are just estimates, and there may be other changes in the cost of service delivery over time in addition to inflation. Further, figures in this report differ slightly from those reported in the summary report,[3] as the March 2026 CPI had not been released at the time of publication.

[1] Australian Bureau of Statistics. (2026a). *TABLE 17. CPI: Quarterly All Groups, Index numbers and Percentage change.* Consumer Price Index, Australia [6401.0; March 2026 release]. https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/mar-2026

[2] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative.* CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396 pp.49.

[3] Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Support A Discussion Paper. Summary of Findings*. Centre for Social Impact, University of Western Australia. https://doi.org/10.60836/tbyr-r819

Glossary of acronyms and contractions

Acronym or Contraction	Meaning
ABS	Australian Bureau of Statistics
ACCHO	Aboriginal Community Controlled Health Organisation
ADHD	Attention-Deficit Hyperactivity Disorder
AIHW	Australian Institute of Health and Welfare
AOD	Alcohol and other drugs
CBR	Cost Benefit Ratio
CLS	Community Living Supports
CMHA	Community Mental Health Australia
CoS	Continuity of Support
CPI	Consumer Price Index
CPS	Commonwealth Psychosocial Support
CSI	Centre for Social Impact
D2DL	Day to Day Living
DALY	Disability-Adjusted Life Years
DES	Disability Employment Services
EPYS	Early Psychosis Youth Services
GDP	Gross Domestic Product
HASI	Housing and Accommodation Support Initiative
HPA Report	Health Policy Analysis Report: Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report. 2024.
HSWMH	Housing Support Worker Mental Health
ICU	Intensive Care Unit
IHBSS	Intensive Home Based Support Services
IPS	Individual Placement and Support
IPRSS	Individual Psychosocial and Rehabilitation Support Service
K10	Kessler Psychological Distress Scale (10 questions)
LFP	Labour Force Participation
MH-CLSR	Mental Health Community Living Supports for Refugees
MYEFO	Mid-Year Economic and Fiscal Outlook
NAPS	Non-Acute Psychosocial Support

Acronym or Contraction	Meaning
NDIS	National Disability Insurance Scheme
NGO	Non-Government Organisation
NMHCA	National Mental Health Consumer Alliance
NMHSPF	National Mental Health Service Planning Framework
NPAH	National Partnership Agreement on Homelessness
NSW	New South Wales
PCCS	Primary and Community Care Services
PHaMs	Personal Helpers and Mentors (the name of a program)
PHN	Primary Health Networks
PiR	Partners in Recovery (the name of a program)
QALY	Quality Adjusted Life Year
Qld	Queensland
SA	South Australia
SEWB	Social and Emotional Wellbeing
SROI	Social Return on Investment
Tas	Tasmania
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
UWA	The University of Western Australia
Vic	Victoria
WA	Western Australia
YCLSS	Youth Community Living Support Services

Overview of key findings

Purpose

The purpose of this report is to provide an overview of the extant economic evaluation evidence available in relation to psychosocial support programs within Australia's mental health system.

Our key framing question is: **What do we know about the mental health, social and economic outcomes of investing in psychosocial support?**

Background

> *"Left untreated, mental health conditions can worsen over time, leading to serious consequences for individuals' wellbeing, social participation and productivity."*
> – Actuaries Institute[4]

Psychosocial supports address the underlying social determinants and drivers of mental health vulnerability (such as how an individual addresses any problems with housing, employment, finances, social isolation, relationships, etc.), as well as the multidimensional nature of what is needed to support a wholistic and sustained mental health recovery. In addressing mental health challenges, psychosocial supports are as important as clinical or medical interventions, which focus primarily on the presentation of symptoms.

In the last few decades in Australia, the dominance of clinical models in mental health has been called into question as understandings emerge about the interlocking nature of mental health outcomes with social and economic determinants and outcomes. A growing recognition of the need for individuals experiencing mental health challenges to have a strong social and economic foundation for recovery is the core rationale for the provision of psychosocial supports as a critical complement to clinical services.

A 2020 Productivity Commission report[5] on mental health estimated that mental health challenges cost Australia about $255-280 billion per year (converted to March 2026 dollars),[6] representing about one-tenth of Australia's GDP in 2025.[7] Addressing mental health challenges requires both clinical and community-based responses. Clinical interventions within the mental health system are necessary but also costly due to the specialists and the clinical or hospital settings required to deliver them. The Productivity Commission report[8] highlighted that the economic value gained from psychosocial supports was attached to the lower costs of delivering these supports relative to clinical supports, improved quality of life, the budget savings that accrue when the mental health of a population overall improves (e.g., through reduced hospital

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[4] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net*. https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314 p5

[5] Productivity Commission. (2020). *Mental Health Productivity Commission Inquiry Report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[6] Productivity Commission. (2020). *Mental Health: Productivity Commission Inquiry Report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[7] Australian Bureau of Statistics. (2026b). *Australian National Accounts: National Income, Expenditure and Product.* https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/dec-2025

[8] Productivity Commission. (2020). *Mental Health Productivity Commission Inquiry Report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

admission costs), and productivity benefits of greater economic participation when people experiencing mental health challenges are supported to access and maintain education and work opportunities.[9]

Lived experience evidence supports these economic propositions; when people receive support that is empowering, that addresses their whole-of-life needs and that enables them to meet their goals, including social and financial goals, they not only enjoy a more productive life but often they no longer need to rely as much on clinical supports.

Various national[10,11] and state[12,13,14,15] policy documents, plans and frameworks also emphasise the need for expanding the provision of psychosocial supports. The key policy rationale presented is often around the urgency of addressing high unmet need in the population (especially for people experiencing moderate to severe mental health issues), as well as the recognition that psychosocial supports can be the preference for some cohorts and target populations.

An economic rationale, however, is also often stated. This is recognised in terms of the value created from the provision of psychosocial supports, particularly in terms of cost savings.

> *"Balancing the system and potential resources to the community [i.e., community supports[16]] from acute … is the most efficient, cost effective, accessible and equitable way to provide services for recovery and long-term wellbeing."*
> - Public sector agency comment[17]

Strategic policy documents generally acknowledge the high costs of a service system that addresses mental health challenges through acute, crisis-driven responses such as hospital stays. Psychosocial support—especially where the definition includes early intervention and prevention programs—is an investment option for reducing the overall financial burden of a crisis-driven system while achieving positive net benefits in terms of economic value.

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[9] Productivity Commission. (2020). *Mental Health Productivity Commission Inquiry Report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[10] Commonwealth of Australia. (2013a). *A national framework for recovery-oriented mental health services: Guide for practitioners and providers.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-guide-for-practitioners-and-providers

[11] Commonwealth of Australia. (2013b). *A national framework for recovery-oriented mental health services: Policy and theory.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-policy-and-theory

[12] WA Mental Health Commission. (2026). *Western Australian Mental Health and Alcohol and Other Drugs Strategy 2026-2031.* Government of Western Australia. https://www.mhc.wa.gov.au/awcontent/Web/Documents/MHAOD%20Strategy%20docs/MHAOD-Strategy-2026-2031.pdf

[13] Victoria Department of Health. (2024). *Statewide Mental Health and Wellbeing Service and Capital Plan 2024–2037.* Victoria State Government. https://www.health.vic.gov.au/publications/statewide-mental-health-and-wellbeing-service-and-capital-plan

[14] Henderson, C, Sam, K, Jaggers, D, Williams, L, & Tadros, E. (2026). *Foundational Supports for people with psychosocial support needs in NSW: Position Paper.* Mental Health Coordinating Council and National Disability Services. https://mhcc.org.au/wp-content/uploads/2026/04/MHCC-NDS_Foundational-Supports_Position-Paper_WEB.pdf

[15] Queensland Mental Health Commission. (2023). *Shifting minds: The Queensland Mental Health, Alcohol and Other Drugs, and Suicide Prevention Strategic Plan 2023–2028.* https://www.qmhc.qld.gov.au/sites/default/files/documents/shifting_minds_2023-2028_accessible_0.pdf

[16] 'Community supports' can be used interchangeably with psychosocial supports

[17] WA Mental Health Commission. (2026). *Western Australian Mental Health and Alcohol and Other Drugs Strategy 2026-2031.* Government of Western Australia. https://www.mhc.wa.gov.au/awcontent/Web/Documents/MHAOD%20Strategy%20docs/MHAOD-Strategy-2026-2031.pdf

Methodology

After contextualising the role of psychosocial support within the mental health system in Australia and outlining key economic evaluation frameworks and approaches related to government investment in psychosocial support, this report examines the existing, available evidence base on the economic value of psychosocial support programs in Australia.

As part of our review of the evidence base, we drew on the scoping work of the 2024 Health Policy Analysis report: *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme* ("HPA Report"),[18] by examining the 63 psychosocial support programs that the report identified, all funded by the Commonwealth Department of Health, Disability and Ageing and/or state and territory governments and operating outside the National Disability Insurance Scheme (NDIS).

While our analysis of program evidence was restricted to evaluations conducted and published on these 63 programs, to support a broader discussion we also drew on insights from selected case studies and system-level reports.

Summary findings

Key finding 1: The economic evaluations of psychosocial support programs that do exist show strong results in terms of value and cost offsets

Where economic evaluations of psychosocial support programs have been undertaken, there are indications of strong results in terms of mental health outcomes, improved quality of life (Quality Adjusted Life Years (QALYs)),[19,20,21] and economic outcomes.[22,23,24] Programs returned people to the workforce, and diverted people away from clinical care, leading to cost offsets and reduced demand for high-cost services. Overall, if the cost for participants to access the program was lower than the returns gained, net positive economic outcomes were seen (indicated in bold in Table 3 in Section 5).

The need to overcome the initial program establishment cost as well as cover the ongoing expense of maintaining the programs means that the economic benefits are not seen immediately, but rather build up to an efficient system of returns over time. This can be

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[18] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[19] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative.* CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[20] EY. (2020). *Evaluation of the Early Psychosis Youth Services*. Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[21] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[22] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus)*. HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[23] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[24] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

effectively captured when programs are evaluated over the long term. The length of the funding cycle of the program and the evaluation timeframe are both critical. Consequently, short, fragmented funding cycles often limit the development of strong evidence.

More comprehensive economic evaluations are possible and typically involve estimating cost offsets over longer periods of time after program commencement and across a broader range of domains that include social outcomes; see Economic Evaluation Example presented below. Comprehensive measurement is more likely to demonstrate higher cost savings that significantly offset the cost of program delivery. Nonetheless, even less comprehensive economic evaluations that focus only on health and/or mental health service usage and associated savings in the short term still demonstrate considerable cost offsets.

Economic Evaluation Example: Community Living Supports and Housing and Accommodation Support Initiative[25]

Community Living Supports (CLS) and the Housing and Accommodation Support Initiative (HASI) are psychosocial support programs based in New South Wales (NSW) that support people who have severe mental health challenges so that they can live and participate in the community the way they want to. Support is tailored to consumers' unique goals and can include daily living activities, social inclusion, tenancy support, and access to services (e.g., referrals to clinical mental health services). The average cost per consumer was $45,455 (adjusted to March 2026 dollars).

Purcal et al. (2022) conducted an economic evaluation of the cost offsets associated with reduced service usage after receiving support. Specifically, they modelled a five-year timeframe that yielded a cost offset of $109,962 per person (adjusted to March 2026 dollars) and positive outcome of around 0.25 QALYs. This cost offset was based on a reduction in justice service usage (e.g., measures such as number of new charges and community corrections orders) and a 74.0% decrease in hospitalisations and 74.8% decrease in average days in hospital over the two years following program entry. This comprehensive economic evaluation was made possible by access to government linked administrative data sets.

Key finding 2: There is a very limited number of economic evaluation studies of psychosocial support

A review of the economic evaluation evidence available for the 63 psychosocial programs identified in the HPA Report[26] indicated that only 10 programs had associated evaluation studies that included economic evidence.[27] Of the nine studies covering the 10 programs[28] (one study covered two programs) that had economic evaluations, only six had undertaken a cost offset analysis (see Table 3 in Section 5). This was due mainly to the studies not being able to collect sufficient data for a cost offset analysis.

As this review of evidence for the 63 programs suggests, there is no consistent attempt to collect

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[25] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[26] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[27] Note that there may be unpublished evaluations that were undertaken, including those by the service delivery organisations and were not made public. There may also be ongoing evaluations yet to be finalised.

[28] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

and assess economic evidence on the impact of programs. Although the programs in scope were all funded by governments, there were no apparent systematic approaches applied to data, measurement or evaluation across the programs. Consequently, the evidence that is available has a limited reach, and establishing comparative data across programs is also limited.

Section 2 of this report outlines the Productivity Commission's modelling of the potential costs and benefits of its recommended reforms to the mental health system. Many of the recommendations outlined point to an expanded role for psychosocial supports, and overall the Productivity Commission proposes that the reforms will contribute to significant improvements in health-related quality of life (and concomitant dollar benefits) together with labour market benefits from increased employment, and cost offset savings from reduced demand on crisis services.[29] While this presents a strong case for the potential economic benefits that can be realised from psychosocial support programs, the analysis of programs identified in the HPA Report reveals that relatively few economic evaluations at a program level have been undertaken. Therefore, there is a mismatch between the economic benefits that we anticipate are occurring as a result of psychosocial interventions, and the actual program-level evidence base available.

Key finding 3: Systemic factors limit effective economic evaluation

As noted above, only six of the identified economic evaluations (out of the 63 HPA psychosocial programs) were able to include a cost offset analysis; the other studies reported that they had insufficient data. Additionally, the ability to understand the significance of the findings was limited by the paucity of other program evaluations from which to base comparisons. Comparative analysis was also prevented by the inconsistencies across programs in the use of language and definitions, inclusion and exclusion criteria, and measures.

We also note limitations with the existing evaluations relating to the short-term nature of how programs and program evaluations are funded; which does not allow sufficient time for social and economic outcomes to be fully realised and measured (i.e., the lack of longitudinal data available to track gains). Therefore, one likely driver of both the absence of economic evaluations and also their limitations, is the time-limited and fragmented funding for these programs.

Further, in some cases, programs are delivered by multiple organisations with a relatively small number of consumers at each organisation. If evaluation only happens at the organisation level, the small sample sizes will limit the economic evaluation. It may be the case that an evaluation at the program level is more appropriate, and may potentially reduce the evaluation burden on smaller organisations.

At a broader level it seems that the investment in economic evaluation for community mental health programs may be well below that for clinical and pharmaceutical interventions and programs.

In other sectors, such as medicine and education, the strong evidence base that underpins policy and practice has been supported by a level of coherence in the system around evaluation and measurement, at the system level and the program level. Developing a strong evidence base could involve program as well as system level sector support.

- Program-level: involves an ongoing commitment across the sector to capturing on-the-ground learnings, whether that be through program evaluation or systematically collecting evaluation data across programs and services to build quality evidence about what works for the participants of specific interventions.
- System-level: involves establishing agreed definitions, commonly-used methods and

[29] Productivity Commission. (2020). *Mental health Productivity Commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

measures across different programs, access to linked data/data linkage and making system-level data readily accessible.

From our analysis, it appears that while in the mental health sector these assets may be present when it comes to *clinical interventions*, for psychosocial supports there are very few system-level or program-level assets that can facilitate this strong evidence base emerging. Even consistently applied and agreed methods for understanding the need (and unmet need) for psychosocial support, and for comprehensively mapping psychosocial support programs across Australia, are yet to be established.

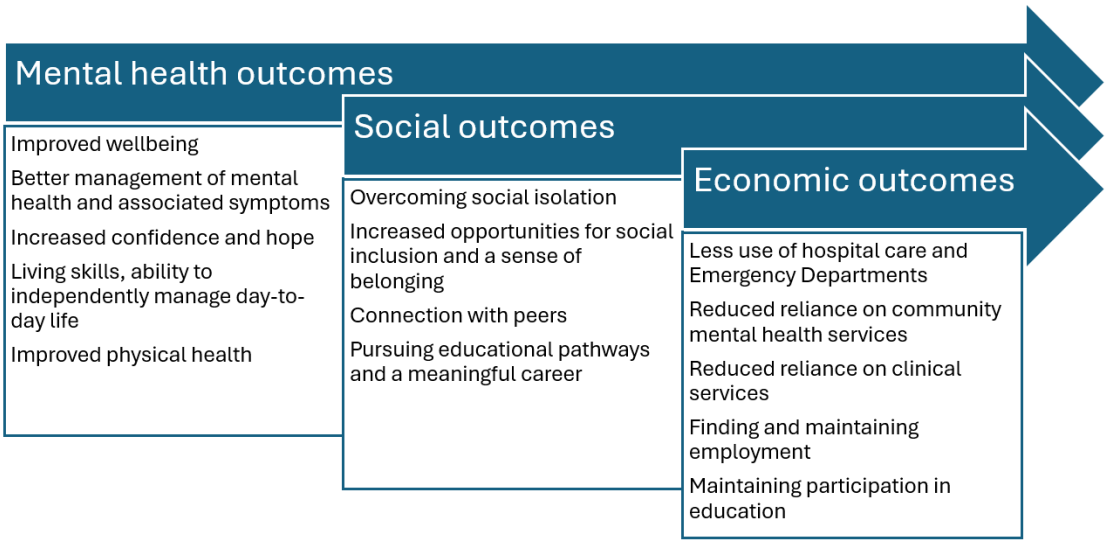
Developing more coherent approaches to sector measurement and evaluation will be critical for establishing a stronger evidence base and understanding of the economic benefits of psychosocial support.

Concluding thoughts

There is promising, but limited, evidence to demonstrate that psychosocial supports not only improve the wellbeing and quality of life for individuals (which can be valued in dollar terms as was done by the Productivity Commission), but they also lead to economic gains. Strong economic benefits include the productivity gains of helping people return to the workforce, and cost offsets that accrue when people are diverted away from crisis services or from relying solely on clinical care (which also helps reduce overall demand for high-cost services). Overall, if the cost to implement a program is lower than the returns gained, positive economic outcomes are estimated.

A diverse range of outcomes—across the domains of mental health, social and economic outcomes—can be mapped. The summary diagram below (Figure 1) is based on some of the outcomes measured across a range of psychosocial program evaluations.

Figure 1: Outcome model for the mental health, social and economic impacts of psychosocial supports



More studies are needed across diverse psychosocial programs, however, to substantiate these findings. In particular, longitudinal data on participants' mental health outcomes as well as social and economic outcomes, collected over five years or more, would provide a fuller, richer picture of the social and economic benefits of psychosocial programs.

Our review and analysis indicate that there is a need to understand, utilise and 'lift up' the existing promising evidence for the effectiveness and cost effectiveness of psychosocial support.

Going forward, there is also a need to advocate for greater investment in the evaluation of the effectiveness of psychosocial supports, and particularly to design evaluations that can capture the flow-on economic benefits. This can be supported by:

- increasing funding cycles for programs to enable robust evaluation designs;
- the development of more consistent definitions, measures and shared measurement infrastructure across the sector; and,
- a commitment to sharing any evaluation findings publicly.

Strengthening the evidence base for psychosocial support in these ways is critical and timely, especially within the context of a mental health system facing cost pressures and increasing demand.

1. Introduction

Background

In recent years, there have been significant shifts in mental health policy in Australia. A sector that was once dominated by clinical services for people diagnosed with 'mental illness' is now informed by diverse understandings and research evidence that goes beyond clinical models, about what is needed to support the mental health and wellbeing of all Australians.

The influence of social and relational determinants—the effects of experiences of housing, education, income and employment, social opportunities, and connections—on mental health outcomes and the mental health recovery process is increasingly recognised,[30] as are the socioeconomic consequences of poor mental health.[31,32]

Lived Experience expertise, concerns about health equity, and human rights considerations have also brought into focus the support needs of those who cannot access care or do not typically seek out mental health services. Mental health policymakers are taking interest in a broader range of support options that can serve diverse populations and individual needs,[33] and meet equity goals by addressing barriers that people face in trying to access specialist, clinical services when needed.[34]

Expanding options beyond medical, clinical approaches to mental health challenges is also seen as a more cost-effective way to balance the mental health system, reducing the overreliance on high-cost acute services. This is especially relevant at a time of rising demand for mental health services and increasing cost pressures within the system.

What is psychosocial support

The Commonwealth Department of Health, Disability and Ageing defines psychosocial supports as non-clinical programs that facilitate recovery in the community for people experiencing mental health challenges.[35] Experiencing moderate to severe long-term mental health challenges can cause people to experience difficulties managing their life or meeting the demands of living. This can be referred to as 'functional impairment' and often requires a range of responses that go beyond clinical responses: helping people manage daily activities and finances; rebuilding routines and self-care; maintaining social connections, hobbies and interests; strengthening social skills; accessing and maintaining secure housing; and participating more fully in education

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[30] Alegría, M., Alvarez, K., Cheng, M., & Falgas-Bague, I. (2023). *Recent advances on social determinants of mental health: looking fast forward.* American Journal of Psychiatry, *180*(7), 473-482. https://doi.org/10.1176/appi.ajp.20230371

[31] Evers, S., Salvador–Carulla, L., Halsteinli, V. & McDaid, D. (2007*) Implementing mental health economic evaluation evidence: Building a bridge between theory and practice.* Journal of Mental Health, *16*(2), 223-241. https://doi.org/10.1080/09638230701279881

[32] Dote Pardo, J. S., & Parra-Domínguez, J. (2026). The mind–money connection: how financial health shapes mental well-being (and vice versa). *Mental Health and Social Inclusion*, *30*(1), 24-35. https://doi.org/10.1108/MHSI-03-2025-0101

[33] National Mental Health Commission. (2024). *National Report Card 2023*. https://www.mentalhealthcommission.gov.au/publications/national-report-card-2023

[34] Productivity Commission. (2020). *Mental health: Productivity commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[35] Department of Health, Disability and Ageing. (2025). *Commonwealth Psychosocial Support: Program Guidance.* Australian Government https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

and employment.[36]

In addressing mental health challenges, psychosocial supports are a critical complement to clinical interventions, and assist people to live full, meaningful lives based around their individual circumstances, goals and choices. Some examples of psychosocial support are outlined below.

Figure 2: Examples of Psychosocial Supports (adapted from PCCS)[37]

The National Mental Health Consumer Alliance (NMHCA) defines psychosocial supports as:

"...the full range of social, relational, cultural, material, and structural conditions that enable a person to live with dignity, agency, connection, and self-determination. High quality psychosocial supports strengthen a person's capacity to have full citizenship rights; experience belonging; determine identity; feel safe; participate in community; sustain relationships; access housing, employment and income; and navigate systems that affect their wellbeing."[38]

Psychosocial support acknowledges the significant influence that social determinants can have on an individual's mental health, and the impact that poor mental health, in turn, can have on social and economic outcomes. This is illustrated by the following lived experience quote from the 'Bring back "Personal Helpers and Mentors services" (PHaMs) campaign'.[39]

[36] Australian Government (2025). Commonwealth Psychosocial Support: Program Guidance. https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

[37]This figure was adapted from the Primary and Community Care Services Limited (PCCS)website. Source: Primary and & Community Care Services Limited. (n.d.). *Social Rx.* https://www.pccs.org.au/case_study/social-rx/

[38] The National Mental Health Consumer and Carer Forum. (2024). *Outcome Report - Lived Experience Leading the Way: National Psychosocial Disability Roundtable (20 June 2024 in Melbourne).* https://nmhccf.org.au/component/edocman/outcome-report-national-psychosocial-disability-roundtable-2/download

[39] Bring Back PHaMs. (2023). *Bring Back PHaMs: Campaign Summary* [Version 1.1]. https://docs.google.com/document/d/1Gx26DXa60IlOJie6XNKMhIHc6ncAu4EF/

"Through PHaMs I defined what recovery meant to me, learned to cook healthy meals on a budget, connected with peers facing similar challenges, gained self-advocacy skills, and discovered my own strengths…Without PHaMs, I wouldn't have left my house, repaired relationships with my family, or found employment in the mental health field. Without PHaMs, I would not be alive today."
– Hayley Harris[40]

From a Lived Experience perspective, choosing to be supported through social recovery (i.e., recovering one's sense of citizenship fully), can be just as important as, or in some cases even more valuable than, a focus on improving symptoms.

The interlocking nature of mental health outcomes and social outcomes, and the need for individuals experiencing mental health challenges to have a strong social and economic foundation for recovery, provides the core rationale for the provision of psychosocial supports as a critical complement to clinical services.

Calls for an expanded role for psychosocial support

A diverse range of voices have called for the continued or increased investment in psychosocial supports. Mental health organisations, lived experience coalitions, consumer-based groups, peak bodies and advocacy groups have been calling for more mental health support options. In particular, there is expressed demand for more non-clinical, holistic, recovery-oriented approaches[41] and supports that are culturally responsive and community-based, such as those addressing the Social and Emotional Wellbeing (SEWB) of First Nations communities.[42,43]

Sector peak bodies have also been advocating for a long time for more deliberate investment in prevention and early intervention, as well as supporting people to recover and rebuild following the experience of a mental health condition (which means staying well and out of hospital).

Thes preferences for enhancing psychosocial support options are very much in line with the critical reform agendas proposed by the Australian government,[44,45,46] and supported by analyses

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[40] Harris, H. (2023). *Hayley Harris' Story*. Bring Back PHaMs. https://bringbackPHaMs.com/stories-hayley-harris See Lived Experience Example 2 for full story.

[41] The National Mental Health Consumer and Carer Forum. (2024). *Outcome Report - Lived Experience Leading the Way: National Psychosocial Disability Roundtable* (20 June 2024 in Melbourne). https://nmhccf.org.au/component/edocman/outcome-report-national-psychosocial-disability-roundtable-2/download

[42] Gupta, H., Tari-Keresztes, N., Stephens, D., Smith, J. A., Sultan, E., & Lloyd, S. (2020). A scoping review about social and emotional wellbeing programs and services targeting Aboriginal and Torres Strait Islander young people in Australia: Understanding the principles guiding promising practice. *BMC Public Health, 20*(1), 1625. https://doi.org/10.1186/s12889-020-09730-1

[43] Summerton, J., & Blunden, S. (2022). Cultural interventions that target mental health and wellbeing for First Nations Australians: a systematic review. *Australian Psychologist, 57*(6), 315-331. https://doi.org/10.1080/00050067.2022.2130026

[44] Department of Health, Disability and Ageing. (2025). *Commonwealth Psychosocial Support: Program Guidance.* Australian Government https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

[45] Commonwealth of Australia. (2013a). *A national framework for recovery-oriented mental health services: Guide for practitioners and providers.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-guide-for-practitioners-and-providers

[46] Commonwealth of Australia. (2013b). *A national framework for recovery-oriented mental health services: Policy and theory.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-policy-and-theory

of organisations such as the World Health Organization,[47,48] the Actuaries Institute[49] and the Productivity Commission.[50] Many of the reforms recommended by the Productivity Commission, for instance, are based on transitioning the mental health system from a crisis-driven system, made up primarily of clinical treatments, to a system that is more person-centred, recovery-oriented, and focused on prevention and early intervention. It is in these areas that psychosocial supports can make a significant contribution to the mental health sector.[51]

Purpose

While the role of psychosocial supports in improving mental health outcomes is well established and demonstrated through systematic reviews and meta-analyses,[52,53,54,55] what we know about the extent to which psychosocial supports facilitate social outcomes is less clear. More uncertain are the economic impacts that these programs have. In enabling individuals to take steps to achieve their social, employment and financial goals, do psychosocial supports deliver economic benefits for society?

The purpose of this report is to examine the evidence base for the economic value of psychosocial support. After contextualising the role of psychosocial support in the mental health system in Australia we examined the existing economic evidence on the impact of psychosocial supports, with this context in mind.

Our key framing question was: **What do we know about the mental health, social and economic outcomes of investing in psychosocial support?**

In presenting the results of this analysis we highlight key gaps in the evidence base and point to possible reasons for those gaps and ways to support and build a stronger evidence base.

It is hoped that this analysis can make a contribution to an emerging conversation within

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[47] World Health Organization. (2021a). *Guidance on community mental health services: promoting person-centred and rights-based approaches.* https://iris.who.int/server/api/core/bitstreams/184ff4ef-9c4c-4aad-b1c5-437b08bc0184/content

[48] World Health Organization. (2021b). *Comprehensive Mental Health Action Plan 2013–2030.* https://iris.who.int/server/api/core/bitstreams/69921758-6229-49ba-bd3d-c24736e35829/content

[49] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net.* https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314

[50] Productivity Commission. (2020). *Mental health Productivity commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[51] Elmes, A., Kaleveld, L., Olekalns, A., & Clark, K. (2021). *Mental Health Deep Dive: Strategic context and problem definition report*. Centre for Social Impact, Swinburne University of Technology, University of Western Australia and University of New South Wales. https://doi.org/10.25916/edba-3283

[52]Harvey, C., Zirnsak, T. M., Brasier, C., Ennals, P., Fletcher, J., Hamilton, B., Killaspy, H., McKenzie, P., Kennedy, H., & Brophy, L. (2023). Community-based models of care facilitating the recovery of people living with persistent and complex mental health needs: a systematic review and narrative synthesis. *Frontiers in Psychiatry, 14*, 1259944. https://doi.org/10.3389/fpsyt.2023.1259944

[53]Killaspy, H., Harvey, C., Brasier, C., Brophy, L., Ennals, P., Fletcher, J., & Hamilton, B. (2022). Community-based social interventions for people with severe mental illness: a systematic review and narrative synthesis of recent evidence. *World Psychiatry, 21*(1), 96-123. https://doi.org/10.1002/wps.20940

[54]Smit D, Miguel C, Vrijsen JN, Groeneweg B, Spijker J, Cuijpers P (2023). The effectiveness of peer support for individuals with mental illness: systematic review and meta-analysis. *Psychological Medicine 53*, 5332–5341. https://doi.org/10.1017/S0033291722002422

[55]McKay, C., Nugent, K. L., Johnsen, M., Eaton, W. W., & Lidz, C. W. (2018). A systematic review of evidence for the clubhouse model of psychosocial rehabilitation. *Administration and Policy in Mental Health and Mental Health Services Research, 45*(1), 28-47. https://doi.org/10.1007/s10488-016-0760-3

Australian policy and advocacy circles about the need to make sound investment decisions in psychosocial supports as a critical component of the mental health system.

Methodology

Scope

Our study draws on the existing literature on the economic benefits from addressing mental health challenges, and improving mental health, at both individual and population levels. In particular we look at the contribution of psychosocial support programs.

A significant component of our exploration was looking in depth at the psychosocial support programs identified in the 2024 Health Policy Analysis report: *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report* (referred to hereafter as the 'HPA Report').[56] While the HPA Report adopted a broad definition of psychosocial supports, it also provided a much narrower, utilisation-focused scoping definition based on government funding streams. Within this scope, 63 psychosocial support programs were identified by Health Policy Analysis, all funded by the Commonwealth Department of Health, Disability and Ageing and/or state and territory governments and operating outside the National Disability Insurance Scheme (NDIS).

In accepting this scope, we consulted the literature on the *N* = 63 psychosocial programs detailed in Appendix D of the HPA Report, to examine and summarise the evidence across all programs, where available. We then reviewed the data available for the programs excluded from the scope but presented in Appendix E. For example, the National Partnership Agreement on Homelessness (NPAH) programs were excluded from Appendix D because they were implemented prior to the HPA Report review period (see Economic Evaluation Example 1: Section 2).

While our analysis of program evidence was focused on the programs identified in the HPA Report, we also drew on insights from selected evaluation case studies and system-level reports such as modelling utilised by the Productivity Commission.

Literature search

In seeking evaluation evidence of the 63 HPA Report[57] psychosocial support programs, a literature search was conducted by two researchers, independently. The researchers searched for both grey literature (through Google Scholar and Google search) and academic literature (through OneSearch [the UWA Library research portal] and Google Scholar) for each of the programs.

Each document was recorded in a spreadsheet which collated the following details:

- **Year**: Document publication year.
- **Author:** Document authors.
- **Program**: Program name from the HPA Report.

[56] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[57] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

- **Program Year**: The years in which data has been reported in the document.
- **Sample Size**: Study sample size (i.e., the number of people in the analysis)
- **Evaluation Method:** Type of data analysed: Linked administrative data (i.e., data held by government departments), agency administrative data (i.e., data held by the agency/program delivery organisation), or self-report data (i.e., surveys) and the frequency data was collected (e.g., Longitudinal Surveys: Baseline, 12 months, 24 months). Some studies had multiple methods.
- **Counterfactual/Control Group**: Whether they used a comparison or control group and how this was defined. Alternatively, if they had used pre-post data instead of a control group (e.g., Purcal et al.[58]: Single group pre- and post- differential outcomes).
- **Outcomes Assessed:** Outcomes measured and if they used any specific scales (e.g., K10).
- **Costs Reported:** Did the study report costs of running the program and/or costs associated with service use (e.g., mental health inpatient, hospitalisations)?
- **Reference:** APA 7 citation.

At the end of the search, the results from the independent searches were consolidated.

Stakeholder consultation

In addition to the search for publicly available reports and publications, the researchers contacted State and Territory Government Health and Mental Health departments and researchers and contacts at the services that delivered the 63 psychosocial support programs. These representatives were asked for further information about evaluations that had been undertaken or were underway.

Preliminary findings were presented initially at the Mental Health Leaders Roundtable on 26 November 2025,[59] then as a Discussion Paper[60] and Presentation at the Lived Experience and Community-Managed Alliance Parliamentary Breakfast in Canberra on 31 March 2026. This provided an opportunity to get feedback and additional material from those in attendance at the breakfast, as well as others in these networks such as people with Lived Experience, those working in peak bodies or agencies that deliver psychosocial supports, and those working in policy. All organisations were encouraged to reach out to the research team to provide additional insights or case studies that could be incorporated into the report.

A draft of the present report was sent Community Mental Health Australia (CMHA), who commissioned the study, who also sought feedback from their stakeholders.

Limitations

The evaluation evidence presented in this report is limited to reports and information that were publicly available and/or made known to the research team. There may be cases where economic evaluations were undertaken (or are not yet completed) but were not made public

[58] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[59] Hosted by the Mental Illness Fellowship of Australia

[60] See the summary report:
Flatau, P., Kaleveld, L., Callis, Z. & Kuppers, D. (2026). *Capturing the Economic Value of Psychosocial Support A discussion paper. Summary of Findings*. Centre for Social Impact, University of Western Australia. https://doi.org/10.60836/tbyr-r819

and/or were not made known to the research team at the time of the completion of the report.

Outside of the HPA Report,[61] the infrastructure to adequately map existing psychosocial supports, let alone measure their effectiveness, across Australia is limited. The search strategy was limited to the 63 programs identified in the HPA Report. It is acknowledged that there may be additional programs that meet the criteria for a psychosocial support program but were not identified in the HPA Report or commenced after the HPA mapping exercise was undertaken. Further, while some of the 63 programs referred to a specific program (e.g., *Kindred Clubhouse* or *St Vincent De Paul Compeer Friendship Program*) others referred to clusters of programs (e.g., *Aboriginal and Torres Strait Islander Mental Illness* in Queensland) delivered by many smaller organisations who received funding through a particular stream of funding. In the former case, it was relatively easy to search for associated research or evaluation studies. In the latter case, effort was made to contact the respective State health departments for assistance with identifying corresponding programs and/or relevant evaluations. However, in many cases identification was not possible. Consequently, there may be relevant evaluations missing from the analysis that pertain to specific programs that form part of a program cluster.

There are also significant limitations in the cultural assumptions that have been applied to this review. The scoping framework as well as evaluation frameworks applied, for instance, are based on understandings, that for instance would not reflect First Nations' perspectives on Social and Emotional Well-Being (SEWB),[62] or their understanding of what is needed in terms of psychosocial support,[63,64,65] which involve domains that ecological and much broader than the typical diagnostic criteria or clinical interventions.

In addition, the costs of providing services and subsequent costs saved by these supports (especially supports focused around recovering a fuller sense of citizenship) need to be understood in terms of a life course. The high cost effectiveness of treating mental health issues as soon as they emerge, and early in life, is theoretically sound but impossible to substantiate without longitudinal measurement to capture the sustained impacts over time and across the life course.

Taken together, these limitations may suggest that the findings presented in this report could represent an underestimation of the potential impact of psychosocial support.

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[61] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[62] Dudgeon, P., Bray, A., D'costa, B., & Walker, R. (2017). Decolonising psychology: Validating social and emotional wellbeing. *Australian Psychologist*, *52*(4), 316-325. https://doi.org/10.1111/ap.12294

[63] Fatima, Y., Liu, Y., Cleary, A., Dean, J., Smith, V., King, S., & Solomon, S. (2023). Connecting the health of country with the health of people: application of" caring for country" in improving the social and emotional well-being of Indigenous people in Australia and New Zealand. *The Lancet Regional Health–Western Pacific*, *31*. https://doi.org/10.1016/j.lanwpc.2022.100648

[64] Murrup-Stewart, C., Searle, A. K., Jobson, L., & Adams, K. (2019). Aboriginal perceptions of social and emotional wellbeing programs: A systematic review of literature assessing social and emotional wellbeing programs for Aboriginal and Torres Strait Islander Australians perspectives. *Australian Psychologist*, *54*(3), 171-186. https://doi.org/10.1111/ap.12367

[65] Summerton, J., & Blunden, S. (2022). Cultural interventions that target mental health and wellbeing for First Nations Australians: a systematic review. Australian Psychologist, 57(6), 315-331. https://doi.org/10.1080/00050067.2022.2130026

2. Applying an economic lens on the value of psychosocial supports

In recent years in Australia, political scrutiny around government spending on mental health and the NDIS, elevated demand for mental health services, and overall increasing expenditure on mental health services have put a spotlight on estimating appropriate levels of investment in mental health services and psychosocial supports, and related questions such as access to services, levels of unmet need, and maximising outcomes for money spent.

> *"*[There] *is now an acknowledgement of the need to pay attention to the broad costs of mental* [health challenges] *and the pursuit of cost-effectiveness in the way that resources are used in promoting mental wellbeing, as well as in treating and supporting people with mental health problems. In turn, this has generated demand for economic analysis and insights to support strategic decision-making."*[66]

Economic analysis can help support claims regarding the value of psychosocial support programs and also inform strategic decision making.[67] Just as health economics transformed healthcare to have a more cost-effective focus, economic evaluation tools like cost-effectiveness analysis, cost offset analysis, cost-utility analysis, and various forms of cost-benefit analysis, that are applied to specific interventions, can also provide enormous value and insight to support the transitions currently facing the mental health system, especially as the role of psychosocial support within this system is more purposefully considered by policymakers.

In Australia's healthcare system, value assessment is largely based on Quality Adjusted Life Years (QALYs). The QALY framework is, for example, used as a measure of benefit for reimbursement decisions of pharmaceuticals and other medical services, via the Pharmaceutical Benefits and Medical Services Advisory Committees. However, funded government programs have not had formal requirements for evidence of cost-effectiveness.

> *"While there are well-known limitations of such outcome measures [QALY], they are nevertheless a well-accepted and understood outcome measure within the health sector and used extensively within most international health technology agencies. Importantly, the decision criterion of such methods is not that interventions need to demonstrate that they are cost-savings…but rather that they represent some notional value for money."*[68]

However, economic evaluation is becoming increasingly called upon in the mental health sector in Australia. For instance, economic evaluation is now an integral component in major youth mental health initiatives such as Headspace.[69]

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[66] Evers, S., Salvador–Carulla, L., Halsteinli, V. & McDaid, D. (2007) Implementing mental health economic evaluation evidence: Building a bridge between theory and practice. *Journal of Mental Health, 16*(2), 223-241. https://doi.org/10.1080/09638230701279881

[67] Evers, S., Salvador–Carulla, L., Halsteinli, V. & McDaid, D. (2007) Implementing mental health economic evaluation evidence: Building a bridge between theory and practice. *Journal of Mental Health, 16*(2), 223-241. https://doi.org/10.1080/09638230701279881

[68] Chatterton, M.L., Engel, L., Faller, J., Le, L., Lee, Y. Y., & Mihalopoulos, C. (2023). *Background Paper: The contribution of health economics to mental health research.* National Mental Health Commission. https://www.mentalhealthcommission.gov.au/sites/default/files/2024-03/background-paper-the-contribution-of-health-economics-to-mental-health-research.pdf

[69] Hilferty, F., Cassells, R., Muir, K., Duncan, A., Christensen, D., Mitrou, F., Gao, G., Mavisakalyan, A., Hafekost, K., Tarverdi, Y., Nguyen, H., Wingrove, C., & Katz, I. (2015). *Is headspace making a difference to young people's lives?*

"Health economics is a way to help answer the question— 'Is this thing good value compared with other things that could be done with the same resources?'"[70]

Economic evaluation tools and methods, when applied robustly and with a basis in rich data, can allow policymakers in mental health to:

- define and gain an understanding of the 'value' of a range of interventions;
- optimise and justify resource allocation;
- prioritise high-value interventions; and,
- improve the overall financial sustainability within the mental health system.

Despite the potential value that can be offered by economic evaluation, the *State of Evaluation in the Australian Government 2025* report states that only 1% of evaluations conducted were economic evaluations,[71] indicating that it is generally an underutilised approach.

In terms of evaluations of mental health care interventions and supports, the cumulative number of economic evaluation reports has grown from approximately 100 in 1999 to over 4,000 in 2019.[72] However, despite the expanding economic evidence in relation to mental health care and mental health services, there continues to be a dearth of economic evaluation analysis on psychosocial supports.

This section will explore the theoretical and evaluation frameworks that underpin the economic value of psychosocial supports, and potential measures and approaches that can help to inform this work.

The outcome model and rationale for the economic value of psychosocial supports

Economists have joined the diversity of voices that are questioning the dominance of clinical interventions within the mental health system and advocating for the role of psychosocial supports.[73] The economic argument for psychosocial supports is in the potential to disrupt people's overreliance on mental health clinicians and specialists; psychosocial supports help divert people away from public hospitals and emergency departments to alternative care settings

Final Report of the independent evaluation of the headspace program. (SPRC Report 08/2015). Social Policy Research Centre, UNSW. https://headspace.org.au/assets/Uploads/Evaluation-of-headspace-program.pdf

[70] Wynne, O., Bill, A., McFayden, L., Reeves, P. & McCreanor, V. (2025). *Introduction to Health Economics*. NSW Regional Health Partners. https://nswregionalhealthpartners.org.au/wp-content/uploads/2025/09/Introduction-to-Health-Economics.pdf p6.

[71] The analysis found that there were only four evaluations out of a total of 650 evaluations examined which were economic evaluations.

Australian Centre for Evaluation. (2025). *State of Evaluation in the Australian Government 2025.* The Treasury, Australian Government. https://evaluation.treasury.gov.au/sites/evaluation.treasury.gov.au/files/2025-02/state-of-evaluation-2025.pdf

[72] Knapp, M. & Wong, G. (2020). Economics and mental health: The current scenario. *World Psychiatry. 19*, 3- 14. https://doi.org/10.1002/wps.20692

[73] Productivity Commission. (2020). *Mental Health*: *Productivity Commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

and/or improve discharge pathways for people who have been admitted to hospital.[74]

Delivered in the community, often through peer worker models or community workers, psychosocial supports are less expensive than specialist clinical interventions. Supporting people to stay well, in several dimensions of their life, also potentially has prevention benefits, meaning there will be less demand for acute care, or for crisis responses, making this approach very cost effective.

Various national[75,76] and state[77,78,79,80] policy documents, plans and frameworks emphasise the need for expanding the provision of psychosocial supports. While the key policy rationale is often to address unmet need and respond to calls for more diverse support options, a cost savings perspective is also often emphasised.

> *"Balancing the system and potential resources to the community [community supports[81]] from acute…is the most efficient, cost effective, accessible and equitable way to provide services for recovery and long-term wellbeing."*
> - Public sector agency comment[82]

These strategic documents generally acknowledge the high costs of a service system that relies primarily on providing acute, clinical, crisis care, and support delivered through hospital stays. Psychosocial support—especially where the definition includes early intervention and prevention—is an investment option for reducing the overall financial burden of a crisis-driven system.

Lived experience evidence indicates that when people get support that is empowering, that addresses their whole-of-life needs and enables them to meet their goals, including social and financial goals, they not only enjoy a more productive life, but often they no longer rely as much on clinical supports (see Section 4 for further Lived Experience and descriptive evidence). Further

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[74] Mental Health Council of Tasmania. (2025). *A Plan for Funding Psychosocial Supports for Tasmanians with Severe and Moderate Mental Illness*. https://mhct.org/wp-content/uploads/2025/03/MHCT-Funding-psychosocial-supports-Analysis-Report.pdf

[75] Commonwealth of Australia. (2013a). *A national framework for recovery-oriented mental health services: Guide for practitioners and providers.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-guide-for-practitioners-and-providers

[76] Commonwealth of Australia. (2013b). *A national framework for recovery-oriented mental health services: Policy and theory.* Australian Government. https://www.health.gov.au/resources/publications/a-national-framework-for-recovery-oriented-mental-health-services-policy-and-theory

[77] WA Mental Health Commission. (2026). *Western Australian Mental Health and Alcohol and Other Drugs Strategy 2026-2031.* Government of Western Australia. https://www.mhc.wa.gov.au/awcontent/Web/Documents/MHAOD%20Strategy%20docs/MHAOD-Strategy-2026-2031.pdf

[78] Victoria Department of Health. (2024). *Statewide Mental Health and Wellbeing Service and Capital Plan 2024–2037.* Victoria State Government. https://www.health.vic.gov.au/publications/statewide-mental-health-and-wellbeing-service-and-capital-plan

[79] Henderson, C, Sam, K, Jaggers, D, Williams, L, & Tadros, E. (2026). *Foundational Supports for people with psychosocial support needs in NSW: Position Paper.* Mental Health Coordinating Council and National Disability Services. https://mhcc.org.au/wp-content/uploads/2026/04/MHCC-NDS_Foundational-Supports_Position-Paper_WEB.pdf

[80] Queensland Mental Health Commission. (2023). *Shifting minds: The Queensland Mental Health, Alcohol and Other Drugs, and Suicide Prevention Strategic Plan 2023–2028.* https://www.qmhc.qld.gov.au/sites/default/files/documents/shifting_minds_2023-2028_accessible_0.pdf

[81] 'Community supports' can be used interchangeably with psychosocial supports

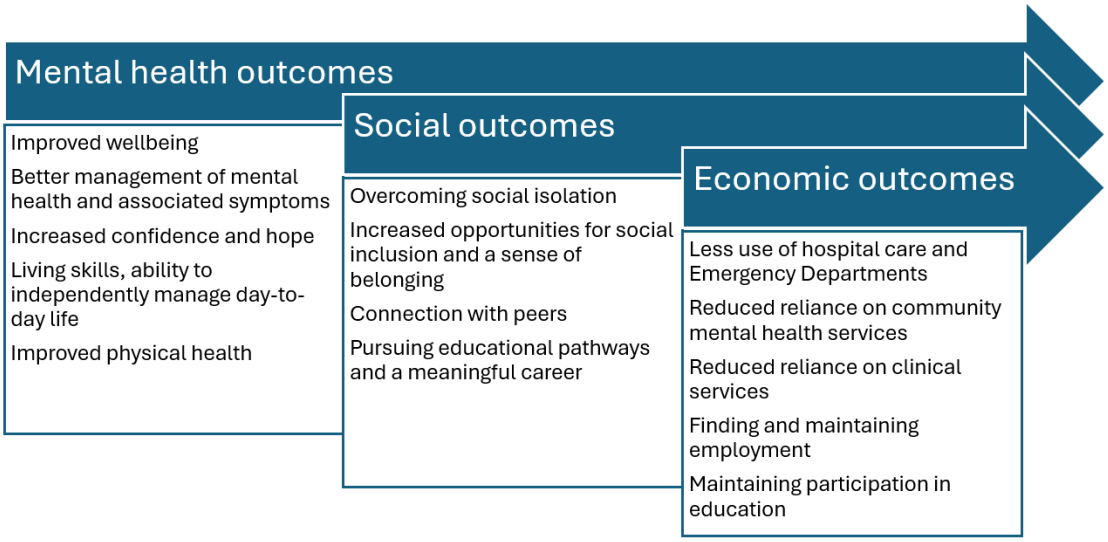
[82] WA Mental Health Commission. (2026). *Western Australian Mental Health and Alcohol and Other Drugs Strategy 2026-2031.* Government of Western Australia. https://www.mhc.wa.gov.au/awcontent/Web/Documents/MHAOD%20Strategy%20docs/MHAOD-Strategy-2026-2031.pdf

to this, psychosocial supports that facilitate fuller engagement and sustained participation in economic and social life have additional social benefits that can consolidate over time and extend beyond the individual to their families, friends and social networks.

Additionally, reducing the demand for clinical services through providing alternative sources of support can lead to a reduced overall demand on crisis services such as emergency departments. This can lead to other benefits such as freeing up crisis services to address other healthcare priorities, reducing the healthcare workforce burden, freeing up beds in mental health units, or helping to reduce the potential political costs of overfilled emergency departments.

An outcome model for the mental health, social and economic impacts of psychosocial supports is presented as Figure 3, and is based on outcomes measured across a range of psychosocial program evaluations. It suggests that not only do psychosocial supports improve the wellbeing and quality of life for individuals, the supports also lead to positive social outcomes and economic gains. Strong economic benefits include the productivity gains of helping people to return to the workforce, and cost offsets include diverting people away from crisis services or clinical care (which also helps reduce overall demand for high-cost services).

Figure 3: Outcome model for the mental health, social and economic impacts of psychosocial supports



Estimating the economic value of mental health system reforms

At a population level, the economic costs and benefits of improving the mental health of Australians (via specified mental health system reforms) have been recognised and estimated by the Productivity Commission in their 2020 *Mental Health* report.[83] The Productivity Commission undertook detailed modelling of the economic impacts of addressing mental health at the population level, and the expected gains in reforming the mental health system. In undertaking this economic modelling, the Productivity Commission provided key measures and estimates which can be applied to an understanding of the economic value of psychosocial support.

The *Mental Health* report estimates that, in total, mental health challenges cost Australia about $255-280 billion per year (converted to March 2026 dollars).[84] The report estimated significant

[83] Productivity Commission. (2020). *Mental Health*: *Productivity Commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[84] Productivity Commission. (2020). *Mental Health: Productivity Commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

economic benefits from recommended reforms to the mental health system, which were to:

- make the mental health system more person-centred and focused on prevention and early help for people;
- improve people's experiences with mental healthcare; improve people's experiences with services beyond the health system;
- equip workplaces to be mentally healthy; and
- instil incentives and accountability for improved outcomes.

For many of these key reforms there is a clear role for psychosocial support, therefore by implication, psychosocial supports underpin the estimated anticipated economic benefits.

The economic value estimated to be gained from investing in mental health support through these reforms was conceptualised in three distinct ways:

1) the benefits of improved quality of life;
2) labour market and employment-related benefits; and
3) cost offsets derived from programs.

Across these estimates, we note that benefits to families, carers and kin are often not considered or calculated, which is likely to translate to an underestimation of the total economic benefit.

The benefits of improved quality of life

The main economic benefits estimated by the Productivity Commission arise from an increase in people's quality of life (QALY) which were valued at up to $18 billion annually ($23 billion in March 2026 dollars). This estimate was derived by first determining the additional QALY from the recommended reforms and then putting a dollar value on this, using estimates of the value of a statistical life year based on the willingness to pay method and commonly accepted values.

Labour market and employment-related benefits

The Productivity Commission estimated the impact of reforms to anticipated increased economic participation and wages using estimated models of labour force participation and wage equations, or increased tax payments linked to higher income resulting from improved labour market outcomes.

Cost offsets derived from programs

Cost offsets refer to Commonwealth and state/territory budget savings that accrue from the program in question that can (notionally) be offset against the cost of the program itself. If psychosocial supports produce positive mental health, social and labour market outcomes, this may prevent people needing acute care, or divert them away from clinical services. This is likely to result in further economic benefits to the public purse (system savings in emergency department and public hospital use, reduced need for residential mental health care or medication, and reduced interactions with the justice systems), producing cost offsets.

Economic Evaluation Example 1: Housing Support Worker Mental Health (HSWMH) National Partnership Agreement on Homelessness (NPAH) Program[85]

The HSWMH program provided dedicated support for people with severe and persistent mental health challenges who were either experiencing homelessness or at high risk of homelessness when they were discharged from a Mental Health Inpatient Unit. The support provided case management (one-on-one support up to 12 months) linking with community and clinical mental health services and assistance with sourcing, accessing and maintaining suitable long-term accommodation in public housing.

Wood et al. (2016) conducted an economic evaluation of the cost offsets associated with reduced health service usage. Specifically, they found that HSWMH consumers had a total cost saving of $119,873 per person per year (adjusted to March 2026 dollars). This cost offset was based on a 38.7% decrease in the proportion of consumers presenting to emergency, a 44.4% decrease in the proportion of consumers being admitted to hospital, a 60.7% decrease in the proportion of consumers accessing psychiatric care, and a 21.6% decrease in the proportion of consumers accessing mental health services; in the year after program entry. This analysis was based on linked Western Australia Department of Housing public housing records and Department of Health data for the 12 months before and after tenancy commencement. Cost offsets are likely to be higher if consumers were followed over a longer period of time after the program.

Economic evaluation approaches

This section outlines some key economic evaluation frameworks, and methods that are applied to economic evaluations of psychosocial support.

Economic evaluation framework for mental health

The modelling of the Productivity Commission's 2020 *Mental Health* report[86] as described above is useful in identifying possible dimensions of the value of psychosocial supports in a mental health context. As outlined above, the three key measures of economic benefit were:

(1) the value of improved quality of life;

(2) labour market and employment-related benefits; and,

(3) cost offsets derived from outcomes of successful programs.

Economic evaluation methods

Economic evaluation is a type of evaluation that considers the benefits and costs of alternative uses of resources to aid decision makers in allocating and prioritising resources. Economic evaluation methods are important for making assessments about both the impact of a program in terms of outcomes achieved relative to costs incurred, and to compare programs on a value for money basis.

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[85] Wood, L., Flatau, P., Zaretzky, K., Foster, S., Vallesi, S. and Miscenko, D. (2016) *What are the health, social and economic benefits of providing public housing and support to formerly homeless people?,* AHURI Final Report No.265, Australian Housing and Urban Research Institute. https://doi.org/10.18408/ahuri-8202801

[86] Productivity Commission. (2020). *Mental Health*: *Productivity Commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

There are four main types of economic evaluations.

- **Cost-minimisation analysis** measures and compares input costs of programs. While cost minimisation is not a goal in and of itself when evaluating programs, the approach becomes viable when outcomes across programs are shown to be equivalent. It is important to consider whether conducting psychosocial interventions are worthwhile given the incremental costs and incremental benefits they may generate.[87]
- **Cost-effectiveness analysis** measures the costs and benefits of interventions with costs expressed in monetary units (e.g. $) and effects in own-source outcome units (e.g., incremental improvements in Wellbeing).
- **Cost-utility analysis** measures costs in monetary units and benefits in QALYs or Disability-Adjusted Life Years (DALYs).
- **Cost-benefit analysis** measures costs and benefits with both expressed in monetary units.

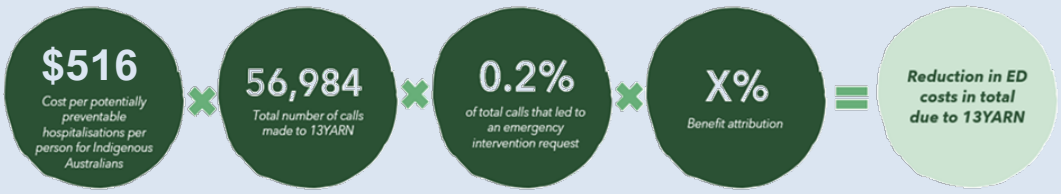
Economic Evaluation Example 2: Cost savings of 13YARN[88]

An analysis of cost-savings was undertaken by 13YARN to assess if 13YARN's benefits outweigh its cost per call. The monetary cost savings analysis did not consider non-financial savings that 13YARN delivers such as reduction in mental health challenges or suicidality.

The main quantifiable benefit for the service was the number of metal health emergency department presentations that were prevented because of 13YARN. Since 13YARN commenced operations, there have been 117 emergency interventions requested (0.2% of total call volume). For the purpose of this cost-saving estimate, three scenarios were quantified: if 100%, 50% or 25% of emergency intervention requests via a 13YARN phone call would have led to an emergency department presentation if not for 13YARN.

The formula below shows the logic used to estimate cost savings (adjusted to March 2026 dollars) from the reduced mental health related presentations based on 13YARN emergency intervention request data.

Benefit logic underpinning the value of avoided emergency department presentations calculation:



The potential overall cost savings per person receiving an emergency intervention through 13YARN were estimated to range from $14,690 (25 per cent attribution) to $58,759 (100 per cent attribution).

There are also likely to be other economic benefits such as costs saved from decreased use of community services and mental health acute services, and reduced costs to family and friends.

[87] Dieng, M., Cust, A. E., Kasparian, N. A., Mann, G. J., & Morton, R. L. (2016). Economic evaluations of psychosocial interventions in cancer: a systematic review. *Psycho-Oncology*, *25*(12), 1380-1392. https://doi.org/10.1002/pon.4075

[88] Source: Gayaa Dhuwi.

Using data linkage for economic evaluations

Many comprehensive economic evaluations rely on data linkage to provide the longer-term tracking of outcomes. This is particularly useful where the economic evaluation has been scoped around existing administrative or service usage data.

For instance, the study on the National Partnership Agreement on Homelessness (NPAH) programs (presented in Economic Evaluation Example 1, above) examined cost offsets to the public health system resulting from the provision of public housing with support to people experiencing homelessness.[89] The study used linked administrative data from the Western Australian public health system and WA Public Housing, involving 3,383 tenants in the linked data set (1,005 National Partnership Agreement on Homelessness participants, 2,378 Priority Housing-Homelessness participants).

The public health measures used, accessed through linked data, were:

- Number of emergency department visits
- Length of stay in hospital (days)
- Hospital in the home care (days)
- Intensive Care Unit (days)
- Psychiatric care (days)
- Mental health service (days)
- Average number of prescriptions in a year.

The study compared the average annual number of people/per year in the 3 years prior to public housing using nominated health services, with the average annual number of people/per year in the 12 months after tenancy commencement. Service utilisation was measured using the Report on Government Services. Using this approach to measurement based on available, reliable and valid data and data linkage over time, strong cost offset results could be obtained.

[89] Wood, L., Flatau, P., Zaretzky, K., Foster, S., Vallesi, S. and Miscenko, D. (2016) *What are the health, social and economic benefits of providing public housing and support to formerly homeless people?,* AHURI Final Report No.265, Australian Housing and Urban Research Institute. https://doi.org/10.18408/ahuri-8202801

3. The complexities of defining psychosocial support in Australia

One clear observation and finding from our review of the literature is that the term 'psychosocial support' is far from settled. The reasons behind this, and the implications for economic evaluation are explored in this section. In recognition of this scope and complexity, a broad definition of psychosocial support is usually preferred. For instance, the definition of psychosocial support developed by the Australian Government's Psychosocial Project Group is as follows:

> "[Psychosocial supports are] *non-clinical and recovery-oriented services, delivered in the community and tailored to individual needs, which support people experiencing mental* [health challenges] to *live independently and safely in the community."*
> – Psychosocial Project Group, 2023.[90]

This definition has pragmatic value in its ability to reflect the breadth and depth of this area, and because it is defined in contrast to clinical care, which is generally easy to identify through structures such as regulatory and practice frameworks. In other words, psychosocial support refers to any form of support that is *not* directly delivered in the course of a clinical mental health care program (e.g., involving mental health assessment and diagnosis, therapy, medication management) delivered by accredited and authorised clinicians (e.g., clinical psychologists, psychiatrists, and specialised clinical mental health nurses) in residential mental health settings (e.g., acute inpatient hospital care, community-based residential care units) or clinicians' rooms.

Despite this, defining and identifying psychosocial support continues to be challenged by the diversity of approaches applied, variety of delivery options and settings, the bureaucratic complexity created from the implementation of the NDIS, and the lack of system mechanisms for mapping psychosocial supports and their funding streams. As part of the feedback we received from stakeholders who reviewed this report draft, it was noted that the HPA Report definition of psychosocial support excludes families, carers, and kin. Further, the scope of the HPA Report did not include SEWB programs.

Diversity in the types of psychosocial support models

As described in Section 1, psychosocial supports address underlying social determinants (housing, employment, finances, relationships, etc.) and the multidimensional nature of the mental health recovery process. While the core aim of psychosocial support is to help keep people well and living independently in the community, this can be achieved in multiple ways, such as focusing on prevention, early intervention, or recovery and healing from adverse mental health events.

A literature review of psychosocial support models by the NSW Government[91] found that formal service models for psychosocial support 'overlapped considerably' and the use of different terminology made it difficult to distinguish distinct models. However, their review found four broad categories for psychosocial support models, as presented in Table 1.

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[90] Health Policy Analysis. (2024). Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[91] NSW Government. (2025). *Evidence check: Psychosocial support models in the community*. Critical intelligence unit. https://aci.health.nsw.gov.au/__data/assets/pdf_file/0015/1005711/Evidence-Check-Psychosocial-support-models-in-the-community.pdf

Table 1: Four categories of psychosocial support models in the literature (NSW Government)

Category of psychosocial support	Description
Supported housing and 'housing first' models	Supports that target the provision and continued maintenance of housing as the key component with support provided as a complementary intervention (e.g., tenancy support, individual social support workers delivering direct social supports or referrals to other programs)
Intensive case management	Case workers provide outreach, develop relationships and collaborate with other services to help consumers access services they require, such as housing, clinical and complementary supports. Intensive case management typically has smaller caseloads that enable more intensive work
Recovery-oriented models	Focus on recovery outcomes or a strength-based focus, often delivered within service models that have broader goals and purposes than, for example, supported housing
Digitally-based service models	Supports that provide care virtually or remotely

Within each of these domains, there are diverse approaches and models of support. For instance, 'recovery-oriented' programs may involve personal recovery (e.g., quality of life, relationships, and overall functioning), functional recovery (e.g., daily living activities and abilities, such as cooking or managing finances) or clinical recovery (e.g., psychiatric symptoms as they relate to mood and overall functioning).[92]

'Recovery Options'[93] is one example of a recovery-oriented program. This is a relational, peer support model that is implemented for individuals alongside the clinical care they receive. Individuals are provided with relational support by a Recovery Mentor, who helps develop an individualised plan and set goals to manage wellbeing and daily activities.[94]

The NSW Government literature review found that the majority of psychosocial supports were delivered in combination—for instance, a range of health, social, and housing support services could be provided within a specific place or setting. Importantly, many programs were delivered in line with common principles, such as building a culture of hope and providing a personalised approach. However, the actual activities had varying goals and outcomes (defined and driven by the consumer), such as managing everyday activities, social inclusion and connecting with community.[95] Therefore, the nature of these approaches means it is difficult to pin down or narrowly define what constitutes psychosocial support.

[92] NSW Government. (2025). *Evidence check: Psychosocial support models in the community*. Critical intelligence unit. https://aci.health.nsw.gov.au/__data/assets/pdf_file/0015/1005711/Evidence-Check-Psychosocial-support-models-in-the-community.pdf

[93] Uniting WA. (n.d.). Recovery Options (RO).https://unitingwa.org.au/get-support/mental-health-disability-support/mental-health-support/recovery-options/

[94] Hooper, Y., Lester, L., & Mahon, F. (2026). *Supporting healing, empowerment and growth:An Evaluation of Outcomes in the Recovery Options Program* [Executive Summary]. Centre for Social Impact, UWA Business School. https://www.csi.edu.au/research/supporting-healing-empowerment-growth-an-evaluation-of-the-recovery-options-program/

[95] NSW Government. (2025). *Evidence check: Psychosocial support models in the community*. Critical intelligence unit. https://aci.health.nsw.gov.au/__data/assets/pdf_file/0015/1005711/Evidence-Check-Psychosocial-support-models-in-the-community.pdf

Lack of consistent language or conceptual anchoring

While this report does not aim to comprehensively examine the language and definitional challenges underpinning mental health and the domain of psychosocial support, we do recognise that these challenges are especially relevant when undertaking any kind of systematic analysis, especially work that involves measurement.

Interest in psychosocial support in Australia and globally is occurring within rapidly evolving policy contexts, and the range of possible terms that are related to psychosocial support reflects this dynamic environment. Examples of terminology that can be, or in the past have been, closely related to 'psychosocial supports' include:

- person-centred care,
- recovery oriented practice,
- community-based supports,
- daily living skills/activities of daily living,
- non-clinical approaches,
- relational supports,
- rights-based approaches,
- holistic or whole-of-life care,
- social prescribing,
- foundational supports,
- social and emotional wellbeing (SEWB).

These terms are sometimes used interchangeably, some are preferred by certain groups or individuals and not others, and some terminology reflect gradual overall shifts in concept and usage (although sometimes these shifts are not evenly understood nor applied). While it is possible to differentiate between these concepts, and even to determine a clear and bounded definition for each term, in practice they are often utilised within the mental health sector without precision or agreement, without stability over time, and are generally utilised within a context that is already challenged by what can feel like a 'quicksand of fuzzy concepts'.[96] This is most likely the result of a developing sector that has its foundations in various knowledges and disciplines (e.g., psychology, psychiatry, disability, lived experience epistemology, social work, community development) and purposes (e.g., health planning, public health, health promotion, service commissioning, lived experience, and sector advocacy).

When language and definitions are highly contextually dependent, or created and shaped in very localised ways, it becomes more difficult to cross reference studies, track trends over time, and do meta-analysis or comparative analysis across studies. It also means that any one piece of work suffers from limitations, which will be significant especially if providing generalisable findings is one of the aims of the research or analysis. The implications of the lack of definitional clarity, consensus, and stability in the language and concept of 'psychosocial support' are therefore significant. To support comprehensive and reliable estimations, analysis, and evaluation, of impact, effectiveness, and economic outcomes, the definitional question must first be resolved.

[96] Timimi, S. (2025). *Searching for Normal.* Penguin Random House. pp.76

Psychosocial support and the National Disability Insurance Scheme

Two key systems provide psychosocial supports in Australia: the National Disability Insurance Scheme (NDIS), and a network of programs (outside the NDIS) that are funded through state, territory and federal governments.

To be eligible for the NDIS people need to have a mental health condition that is likely to be permanent and causes a significant, long-term impact on their day-to-day life (psychosocial disability), requiring psychosocial supports in addition to, or alongside, clinical mental health services. Determining the need for psychosocial support, within the NDIS system, is based around assessing levels of functioning, i.e., how a mental health condition affects a person's ability to handle daily life.

The conceptualisation of who psychosocial supports serve has been in flux for decades. In the last decade, it has changed considerably, leaning away from being only those with severe mental health illness. (The stepped care models presented in the Fifth National Mental Health and Suicide Prevention Plan of 2017, for instance, clearly define psychosocial support as being for those identified as having 'severe' mental health challenges, estimated as being 3.1% of the population at the time.)[97]

There are programs, however, that expand the target population out to include anyone needing help with emotional, social, or functional daily living, including those in crisis or managing chronic illness. This could include those who are not eligible for the NDIS but are still experiencing severe health conditions, as well as those who are facing crises that might be more transitional (i.e., not meeting the strict permanence criteria that applies to the NDIS) such as the loss of loved ones, disasters, or coping with physical illnesses such as cancer.

Despite changing access criteria, it is widely recognised that only a subset of the Australian population with psychosocial disabilities, or who need access to psychosocial supports, will be able to access it through the NDIS. Hence, the need for funded psychosocial support programs outside the NDIS.

> *"Access to the NDIS is primarily based on the severity and permanency of a person's functional impairment. In contrast the broader mental health system comprises multiple, often fragmented programs, including state-funded community mental health services, federally funded primary care initiatives and various local government and non-government services."* [98]

The introduction of the NDIS in 2013 significantly disrupted the way psychosocial supports were funded, with funding being transferred from previous government-funded programs (e.g., Partners in Recovery (PiR) and Personal Helpers and Mentors Services (PHaMs)).[99] This meant that the role of the NDIS in providing psychosocial supports became increasingly important as other funding streams were withdrawn.

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[97] National Mental Health Commission. (2017). *Fifth National Mental Health and Suicide Prevention Plan.* Australian Government. https://www.mentalhealthcommission.gov.au/sites/default/files/2024-03/the-fifth-national-mental-health-and-suicide-prevention-plan-2017.pdf

[98] Shelby-James, T., & Rattray, M. (2025). The Future of Psychosocial Supports in Australia–Are the Recommendations from the National Disability Insurance Scheme Review the Answer?. *Community Mental Health Journal*, *61*(7), 1294-1298. https://doi.org/10.1007/s10597-025-01467-8

[99] Shelby-James, T., & Rattray, M. (2025). The Future of Psychosocial Supports in Australia–Are the Recommendations from the National Disability Insurance Scheme Review the Answer?. *Community Mental Health Journal*, *61*(7), 1294-1298. https://doi.org/10.1007/s10597-025-01467-8

A 2023 Review of the NDIS,[100] however, highlighted how the introduction of the NDIS created significant barriers to accessing psychosocial support for both people who were eligible for the NDIS as well as those who were not:

- For people eligible for the NDIS support, there were often relatively few psychosocial supports available.
- For people who needed psychosocial support, becoming eligible for NDIS funding is prohibitive for many people, and 'overwhelming'. (An analysis of exit data from transitioning Commonwealth funded programs showed a high proportion of people did not apply for the NDIS, and a high proportion of people who did apply were found ineligible).[101]

These access and equity barriers had the effect of increasing uncertainty for both service providers and consumers, as well as a general sense of confusion as a result of the 'problematic' lack of alignment "between the NDIS's disability-centric approach and the strength-based recovery ethos driving modern mental health".[102]

Psychosocial supports outside the NDIS and foundational supports

People with mental health challenges who do not meet the strict 'permanence' criteria of the NDIS, or who need lower-intensity, short-term support theoretically can access psychosocial support outside the NDIS (such as through the Australian Government's Commonwealth Psychosocial Support (CPS) Program or psychosocial support provided through the 31 Primary Health Networks (PHNs)).

Despite these provisions, the NDIS Review highlighted that for people who cannot access the NDIS, there remain significant service gaps and 'unmet need' created by access issues.[103] (This is the background for the focus on understanding, defining and estimating 'unmet need', or the need for psychosocial support outside the NDIS.) See Appendix A: 'Estimating unmet need for psychosocial support' for the calculations of unmet need.

Informed by the NDIS Review, in December 2023, the Commonwealth and state governments reached an in-principle agreement to co-fund foundational supports—a new category of disability support for people who do not qualify for the NDIS but still require assistance with daily living. These psychosocial support services fill a crucial gap in service provision.[104]

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[100] NDIS Review. (2023). *Working together to deliver the NDIS: Independent Review into the National Disability Insurance Scheme Final Report 2023.* Commonwealth of Australia, Department of the Prime Minister and Cabinet. https://www.ndisreview.gov.au/sites/default/files/resource/download/working-together-ndis-review-final-report.pdf

[101] Hancock, N., Degolis, C., Gye, B., Borilovic, J., & Smith-Merry, J. (2019). *Commonwealth mental health programs mentoring project: Tracking transitions of people from PIR, PHaMs and D2DL into the NDIS. Phase 2 report*. The University of Sydney and Community Mental Health Australia. https://apo.org.au/sites/default/files/resource-files/2019-10/apo-nid261861.pdf

[102] Williams, T., & Smith, G. (2021). Mental health and the NDIS: Making it work for people with psychosocial disability. In M. Cowden, & C. McCullagh (Eds.), *The National disability insurance scheme: An Australian public policy experiment* (pp. 161–191). Palgrave Macmillan Singapore. https://doi.org/10.1007/978-981-16-2244-1_9

[103] Shelby-James, T., & Rattray, M. (2025). The Future of Psychosocial Supports in Australia–Are the Recommendations from the National Disability Insurance Scheme Review the Answer?. *Community Mental Health Journal*, *61*(7), 1294-1298. https://doi.org/10.1007/s10597-025-01467-8

[104] Rosenberg, S. (2017). Shangri-La and the integration of mental health care in Australia. *Public Health Research & Practice*, *27*(3), e2731723. https://doi.org/10.17061/phrp2731723

Foundational psychosocial supports are non-clinical services designed for people with severe mental health challenges (psychosocial disability) who are not eligible for the NDIS. They provide community-based help to build independence, social connections, daily living skills, and housing stability. These supports are designed to be accessible, universal, and targeted to prevent reliance on acute, high-intensity mental health service.

Specifics about the scope and implementation of these arrangements are still being negotiated and implemented, leaving concerns around existing service gaps and uneven coverage. These concerns reflect a broader pattern of cost-shifting across the mental health ecosystem.[105]

Delivery and funding variability

Defining what supports are funded as 'psychosocial support' becomes difficult because of the various funding streams behind the delivery of these supports (i.e., state and territory, federal). There is a lack of consistency across funding streams as to what is and what is not included as a psychosocial support, and what model of care counts as psychosocial support. In some cases, a narrower understanding of what is included is applied where some of the key elements of what are typically referred to as psychosocial support are separated out—such as housing placements with tenancy support—and put in their own separate categories resulting in a narrower set of supports specified under the term psychosocial support. (This was the approach adopted in the Productivity Commission's *Mental Health* report.) See Appendix A: 'Estimating the total spend on psychosocial support programs' for more information.

In addition to what is and what is not included as a psychosocial support in any given analysis, there is a question of whether a psychosocial support needs to be provided in the context of a particular form of delivery to be counted as a psychosocial support. For example, is the provision of housing to those with high mental health needs counted as psychosocial support when no additional individualised tenancy or other support is on offer? Does support need to be delivered through wholistic, flexible, person-centred plans to constitute psychosocial support?

Psychosocial services are delivered predominantly by not-for-profit organisations, but also by community or private providers, public health services or consumer-led groups. Support can be accessed in community-based settings, digital platforms or via home and community visits. In each of these settings, there is a range of understandings of what constitutes psychosocial support.

The variance in how psychosocial supports are delivered, through federal or state/territory government funding streams and via a range of organisational partners and settings, all influence definitional boundaries.

Mapping psychosocial support programs in Australia

Getting a clear view on the full range of psychosocial support programs delivered outside the NDIS in Australia is extremely difficult. As noted by the Productivity Commission *Mental Health* report "there is no national data collection on psychosocial support providers".[106]

Any mapping exercise is inhibited by the lack of fidelity to the term, as well as the fact that psychosocial supports can be provided through many funding streams, through different types of delivery partners, often via short-term contracts and, therefore, they are not always easy to

[105] Actuaries Institute, Lau, C., Caulfield, H., & Tang, F. (2025). *The Mental Health Financial Safety Net.* https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314

[106] Productivity Commission. (2020). *Mental health Productivity commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/ p833

identify. Psychosocial support programs that support those with significant mental health issues but that are funded by non-health-related government departments or health authorities or by philanthropic foundations are the most likely to be missed in any mapping exercise. More generally, mapping Australian psychosocial support programs requires making judgements about eligible target groups and program focus as well as the demarcation line between clinical support and non-clinical support.

In some cases, it is easy to identify psychosocial support programs outside the NDIS. For instance, the Australian Government's Commonwealth Psychosocial Support (CPS) Program and psychosocial supports provided through the 31 PHNs. However, in other cases, the determination of whether a specific program is a psychosocial support program can become a matter of judgement. Not all such programs fall in the mental health services bucket of funding. In national data collections (such as those managed by the Australian Institute of Health and Welfare), there are many non-clinical programs that are functioning essentially as psychosocial support programs, but that are not 'tagged' as such. Philanthropic funding for psychosocial support also exists–for example Open Dialogue is funded through Australian Communities Foundation[107]–but it is difficult to map these programs and assess the extent of such programs in Australia.

The HPA Report represents one of the first comprehensive mappings of psychosocial support programs in Australia. Conducted in 2022-23, the HPA Report identified psychosocial support programs funded by the Australian Government or by state and territory governments, outside the NDIS and targeted at those with diagnosed severe and moderate mental health challenges (i.e., excluding those with mild mental health challenges) as defined under the National Mental Health Service Planning Framework (NMHSPF).[108] In total, 63 programs met the criteria.

In addition to restricting the mapping exercise to those programs with an identified target of severe and moderate mental health illness, the HPA mapping exercise made a number of further specific exclusions. For example, the analysis excluded counselling programs and those programs which included both clinical and non-clinical supports where it was difficult to separate out the clinical from the non-clinical. It also excluded carer support programs and programs where individual advocacy, case management, alcohol and drug services were the main focus as well as phone based psychosocial support programs where it was difficult to separately assess whether the target group had severe or moderate mental health illness. First Nations SEWB programs were generally also excluded from the analysis.

There were additional limitations noted in the both the report itself, as well as in sector responses to the report. There are many psychosocially-focused programs, for instance, that do similar work in community settings and across the social purpose sector, that would also fall outside the HPA Report criteria.[109] Any comprehensive mapping exercise should recognise the broad range of systems that can intersect with, and influence, mental health (for instance, Australia's income support system, housing assistance and employment programs). Incorporating this into the scope, however, is not especially easy within a siloed government system.

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[107] Open Dialogue Centre. (2025). *Goulburn Region Open Dialogue Connect.* Australian Communities Foundation. https://communityfoundation.org.au/wp-content/uploads/gravity_forms/71-bd51e2edca30c3ea6be490c0de118d02/2025/07/ODC_Prospectus_July14.2.pdf

[108] The NMHSPF utilises the following definitions of severe and moderate mental health illness: "Severe" mental health challenges refers to people with significant days out of role, who experience distress or impairment, and who are seen as requiring support from specialised mental health services. The NMHSPF also has subcategories that include "severe standard" and "severe complex", which further differentiate individuals based on the complexity and intensity of care they may require. "Moderate" severity refers to people who have a diagnosed mental health condition that has a moderate impact on their day-to-day lives. They may experience problems with psychological functioning that impede their ability to attend school or work, carry out household responsibilities or maintain healthy relationships.

[109] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Many programs may exist outside the mental health system, not be captured by specific government funding streams, or are not labelled as psychosocial programs, but in effect, aim to achieve the same goals.[110]

[110] Psychosocial support programs that support those with mental health challenges will not all be administered under mental health services umbrella. One case in point are specialised housing and homelessness and justice-based programs funded from respective budgets which have a focal target of support for those experiencing significant mental health challenges.

4. Lived experience perspectives and descriptive findings

Lived Experience perspectives, which inform the advocacy and strategic directions of the mental health sector, tend to critique the dominance of clinical mental health interventions, and endorse psychosocial supports as an important option or alternative within the mental health sector. These perspectives can be based on various standpoints, for instance: protest about the reductive or even dehumanising assumptions embedded in the medical model; recognition of experiences of harm from clinical interventions and restrictive practices; or, advocating for more appropriate and accessible options to meet diverse needs. These understandings are especially important for diverse cohorts (such as people from culturally and linguistically diverse backgrounds), who may be especially reluctant to seek clinical care or a diagnosis, but may still be willing to engage in a supportive service that helps them maintain wellbeing.[111]

Lived Experience Expertise is likely to consider the central role of psychosocial drivers of mental health issues, such as poverty, domestic violence, workplace hazards, discrimination and loneliness (see Table 2 below). From a lived experience perspective psychosocial support that includes help to get a job or with strengthening social connections offers significant value in shifting the experience of a mental health challenge.

Table 2 Psychosocial drivers of mental health challenges and potential psychosocial supports

Psychosocial drivers of mental health challenges	Examples of psychosocial supports that respond to psychosocial drivers of mental health
• **Environmental and structural factors:** Poverty, inequality, unsafe housing, and lack of social support. • **Life events and trauma:** Child abuse, neglect, bullying, domestic violence, and bereavement. • **Workplace hazards:** High job demands, low control, inadequate reward, poor support, and poor organizational management. • **Social and personal factors:** Discrimination, social isolation, loneliness, and low self-efficacy. • **Societal factors:** Rapid changes, conflict, and environmental degradation	• Gaining education, support training • Workplace support • Help to get a job • Independent living skills • Help to leave circumstances of domestic violence • Making friends and strengthening relationships and connections

On this basis, Lived Experience knowledge offers an important lens, providing descriptive findings

[111] Elmes, A., Kaleveld, L., Olekalns, A., & Clark, K. (2021). *Mental Health Deep Dive: Strategic context and problem definition report*. Centre for Social Impact, Swinburne University of Technology, University of Western Australia and University of New South Wales. https://doi.org/10.25916/edba-3283

to illustrate the value and economic value of psychosocial supports. Additionally, the direct lived experiences of program participants documented in the evaluation studies of psychosocial supports, in the form of anecdotes, comments and consumer journeys, are also useful in providing a rich understanding of what can be achieved with the whole-of-life approach offered by psychosocial support.

Supporting Social and Emotional Well-Being

One example, from the evaluation of the Intensive Home Based Support Services (IHBSS) for SA Health,[112] outlines in detail the meaningful health, mental health, social, and cultural outcomes that were realised when an Aboriginal male Elder (Len) was supported with housing, health and SEWB programs.

Experience 1: Len's Story[113]

Len,[114] an Aboriginal male Elder from Adelaide, had no fixed address and was classified as homeless for a period of 10 years.

Len wished to return to Country where he grew up as a child. He would speak about his home town and how he played for the local football team as a youth. Len spoke about all the friends and relationships he had made as a child and his wish to reconnect with them. Len worked with the Country Mental Health team and was offered, and accepted, Mental Health Stimulus housing in his home town. Len was put on an Intensive Home Based Support Services (IHBSS) support package and support commenced the next day. Len needed to furnish his home and engaged well with all agencies involved to do so.

The support worker liaised with Len's public trustee to arrange quotes for sundries for his home. Len chose all his own kitchen and homewares and chose earth colours to remind him of the Country he had returned to.

As part of the 3-month IHBSS package many other areas identified in his Individual Recovery plan were addressed:

- Furnished whole home
- Independent living
- Community engagement
- Financially independent through the use of a pin card
- Supply of an air conditioner, TV, and DVD
- Neurological psychological report
- Health and fitness assessment
- Hearing and vision check-up, including order of glasses.
- Dental appointment
- Use of Aboriginal health services
- Reconnection with family, including monthly planned visits in Adelaide, with support
- Joined local Aboriginal Men's group
- Reengaged with local agencies

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[112] Zmudzki, F., Valentine, K., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[113] Zmudzki, F., Valentine, K., Katz, I., Loebel, A. & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[114] 'Len' is a pseudonym.

- AOD missuses minimised.

Len completed the 3-month package and the goals he wished to complete and more. He now wants to give back to his community and become an Aboriginal story teller in order to share his knowledge and story with the youth of his Country. Len was referred to Individual Psychosocial and Rehabilitation Support Service (IPRSS) and is still doing well 6 months later. He continues to live independently and has had no hospital admissions for his mental health during this period.

Positive outcomes highlighted in Len's story

Len's story highlighted how psychosocial supports can help people to engage in self-care activities such as **physical health maintenance** (e.g., dental[115] and new glasses) and **physical health screening**. This is important, as people with severe mental health challenges are less likely to access health screening,[116] which leads to later diagnosis of physical health conditions and poorer health outcomes.[117,118] Delays in seeking health care has also been found to increase emergency department presentations for general medical conditions.[119] People with mental health challenges and comorbid physical health conditions have been found to have 61% more outpatient care, 23% more hospital use, and 55% more emergency department presentations compared to people with physical health conditions alone.[120] Accordingly, prevention, screening, and early diagnosis will reduce the excess economic costs associated with physical health conditions in people with mental health challenges compared to those without.

Len's story also demonstrated the impact of psychosocial supports on **improving social connections.**[121] The IHBSS program helped Len to reunite with family members and connect to local social support. Additionally, the program helped Len to **reconnect to Country**. As an Aboriginal man, Len's connection to Country is critical for his social and emotional wellbeing.[122] The IHBSS program also helped Len to **live independently**, including being **financially independent** in the sense that he had control over his finances. Independent living is often the

[115] Turner, E., Berry, K., Aggarwal, V. R., Quinlivan, L., Villanueva, T., & Palmier-Claus, J. (2022). Oral health self-care behaviours in serious mental illness: A systematic review and meta-analysis. *Acta Psychiatrica Scandinavica*, *145*(1), 29–41. https://doi.org/10.1111/acps.13308

[116] Lamontagne-Godwin, F., Burgess, C., Clement, S., Gasston-Hales, M., Greene, C., Manyande, A., Taylor, D., Walters, P., & Barley, E. (2018). Interventions to increase access to or uptake of physical health screening in people with severe mental illness: a realist review. *BMJ Open*, *8*(2), Article e019412. https://doi.org/10.1136/bmjopen-2017-019412

[117] Liberati, E., Kelly, S., Price, A., Richards, N., Gibson, J., Olsson, A., Watkins, S., Smith, E., Cole, S., Kuhn, I., & Martin, G. (2025). Diagnostic inequalities relating to physical healthcare among people with mental health conditions: a systematic review. *EClinicalMedicine*, *80*, Article 103026. https://doi.org/10.1016/j.eclinm.2024.103026

[118] Hert, M., Correll, C. U., Bobes, J., Cetkovich-Bakmas, M., Cohen, D., Asai, I., Detraux, J., Gautam, S., Möller, H., Ndetei, D. M., Newcomer, J. W., Uwakwe, R., & Leucht, S. (2011). Physical illness in patients with severe mental disorders. I. Prevalence, impact of medications and disparities in health care. *World Psychiatry*, *10*(1), 52–77. https://doi.org/10.1002/j.2051-5545.2011.tb00014.x

[119] Mojtabai, R., Cullen, B., Everett, A., Nugent, K. L., Sawa, A., Sharifi, V., Takayanagi, Y., Toroney, J. S., & Eaton, W. W. (2014). Reasons for not seeking general medical care among individuals with serious mental illness. *Psychiatric Service, 65*(6), 818–821. https://doi.org/10.1176/appi.ps.201300348

[120] Simon, J., Wienand, D., Park, A.-L., Wippel, C., Mayer, S., Heilig, D., Laszewska, A., Stelzer, I., Goodwin, G. M., & McDaid, D. (2023). Excess resource use and costs of physical comorbidities in individuals with mental health disorders: A systematic literature review and meta-analysis. *European Neuropsychopharmacology*, *66*, 14–27. https://doi.org/10.1016/j.euroneuro.2022.10.001

[121] Killaspy, H., Harvey, C., Brasier, C., Brophy, L., Ennals, P., Fletcher, J., & Hamilton, B. (2022). Community-based social interventions for people with severe mental illness: a systematic review and narrative synthesis of recent evidence. *World Psychiatry, 21*(1), 96-123. https://doi.org/10.1002/wps.20940

[122] Dudgeon, P., Bray, A., D'costa, B., & Walker, R. (2017). Decolonising psychology: Validating social and emotional wellbeing. *Australian Psychologist*, *52*(4), 316-325. https://doi.org/10.1111/ap.12294

preferred living arrangement for people with mental health challenges,[123] and has similar outcomes for people compared to residential care.[124] With respect to economic benefits, psychiatric inpatient settings have an average cost of $1,730 per bed day,[125] and community residential services have an average cost per day of $882 for 24 hour staffed units and $355 for non-24-hour staffed units[126] (converted to March 2026 dollars). These costs are avoided every day that Len lives independently in his home.

Avoided negative outcomes highlighted in Len's story

Preventing the ongoing costs of the continuation of chronic homelessness. Len was experiencing homelessness for the decade before he accessed IHBSS. Len's support worker assisted him to access housing and furnish his home. Previous research has estimated that when people experiencing homelessness obtain a tenancy, their use of government funded services (e.g., health, justice, and homelessness support) is reduced, resulting in cost offsets of $18,109[127] to $43,451[128] (converted to March 2026 dollars) per person per year. That is, psychosocial supports that enable people to maintain their tenancies and have stable housing could potentially save the government $20,000 to $40,000 a year.

Len's story touches on the impact psychosocial supports may have on the **reduction of AOD misuse.**[129,130] From an economic perspective, it is estimated that alcohol use costs $22.3 billion per year based on health, justice and other costs (e.g., traffic accidents) and a further $59.8 billion per year based on impacts on quality of life and labour force participation[131] (converted to March 2026 dollars). Further, the social costs associated with illicit drug use were estimated at $18.4 billion and $14.1 billion per year, respectively. Accordingly, psychosocial supports that reduce AOD misuse may have a positive economic impact in this domain.

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[123] Richter, D., & Hoffmann, H. (2017). Preference for Independent Housing of Persons with Mental Disorders: Systematic Review and Meta-analysis. *Administration and Policy in Mental Health and Mental Health Services Research*, *44*(6), 817–823. https://doi.org/10.1007/s10488-017-0791-4

[124] Richter, D., & Hoffmann, H. (2017). Independent housing and support for people with severe mental illness: systematic review. *Acta Psychiatrica Scandinavica*, *136*(3), 269-279. https://doi.org/10.1111/acps.12765

[125] Productivity Commission. (2026). *Table 13A.41 Average recurrent real costs per inpatient bed day, public hospitals, by target population, 2023-24 dollars. Report on Government Services 2026 Part E Section 13 Services for mental health*. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/health/services-for-mental-health/

[126] Productivity Commission. (2026). *Table 13A.44 Average recurrent cost per patient day for community residential services, 2023-24 dollars. Report on Government Services 2026 Part E Section 13 Services for mental health*. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/health/services-for-mental-health/

[127] Parsell, C., Petersen, M., & Culhane, D. (2017). Cost offsets of supportive housing: Evidence for social work. *British Journal of Social Work*, *47*(5), 1534-1553. https://doi.org/10.1093/bjsw/bcw115

[128] Zaretzky, K., Flatau, P., Clear, A., Conroy, E., Burns, L., & Spicer, B. (2013). *The cost of homelessness and the net benefit of homelessness programs: A national study. Findings from the Baseline Client Survey*. AHURI Final Report No.205. Australian Housing and Urban Research Institute. https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Final_Report_No205_The-cost-of-homelessness-and-the-net-benefit-of-homelessness-programs-a-national-study.pdf

[129] O'Connell, M. J., Flanagan, E. H., Delphin-Rittmon, M. E., & Davidson, L. (2020). Enhancing outcomes for persons with co-occurring disorders through skills training and peer recovery support. *Journal of Mental Health*, *29*(1), 6–11. https://doi.org/10.1080/09638237.2017.1294733

[130] Killaspy, H., Harvey, C., Brasier, C., Brophy, L., Ennals, P., Fletcher, J., & Hamilton, B. (2022). Community-based social interventions for people with severe mental illness: a systematic review and narrative synthesis of recent evidence. *World Psychiatry, 21*(1), 96-123. https://doi.org/10.1002/wps.20940

[131] Gadsden, T., Craig, M., Jan, S., Henderson, A., & Edwards, B. (2023). *Updated Social and Economic Costs of Alcohol, Tobacco, and Drug Use in Australia, 2022/23*. The George Institute for Global Health. https://www.georgeinstitute.org/sites/default/files/documents/cost-of-alcohol-drug-use-in-aus-report.pdf

Describing the continuing benefits of personalised psychosocial support

Hayley's story[132] is well known for its powerful advocacy message. What is important about Hayley's experience is its ability to describe the lasting impact that the right, personalised supports can have. In Hayley's case, the support received most likely helped to change the direction of her life in positive ways, and the consequent benefits of this support were realised both immediately as well as long after the support was provided.

Experience 2: Hayley's Story

"I have dealt with anxiety since a young age, along with severe depression. I attempted suicide at the age of 14. When I was very stressed out I would hear voices whisper angrily to me. I even had hallucinations on a number of occasions and always experienced a sense of paranoia. Despite all this, I managed to attend school, make some friends, and maintain a close relationship with my family.

Unfortunately, when I turned 17, life became overwhelming, and I shut down. I left school, isolated myself from my family, stopped talking to friends, and withdrew from the world. For 18 months, I remained confined to my home, [spiralling] *deeper into despair, constantly contemplating death and suicide. My mother did everything she could to find suitable psychosocial support services, tirelessly searching for options.*

Eventually, I discovered a service I was eligible for. I didn't need a formal diagnosis, we could refer ourselves, and they collected me from my home to engage with the community. This service was PHaMs, and it changed my life.

Here's how it worked: A Personal Helper and Mentor met with me weekly, helping me develop a Wellness Recovery Action Plan. They worked at my pace, asked thought-provoking questions, assisted me in leaving my house, accommodated my abilities, and opened doors to new possibilities.

Through PHaMs, I defined what recovery meant to me, learned to cook healthy meals on a budget, connected with peers facing similar challenges, gained self-advocacy skills, and discovered my own strengths. During a group outing, a PHaMs worker approached me and said, "Hey, I noticed you interacting with one of the participants, and I think you have the potential to be a great mental health worker. Maybe you could pursue that path one day."

That simple statement planted a seed of hope. Eventually, I did become a mental health worker, and now I even deliver training to other mental health workers, teaching them about strengths-based practice, just as I experienced in PHaMs.

Without PHaMs, I wouldn't have left my house, repaired relationships with my family, or found employment in the mental health field. Without PHaMs, I would not be alive today."

– Hayley Harris[133]

Inspired by her own experiences with PHaMs and disheartened seeing the experiences of some of her peers, Hayley founded the Bring Back PHaMs advocacy campaign in hopes that other people might have the same access she did.[134]

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[132] Hayley was happy for the research team to include her story in this Report.

[133] Harris, H. (2023). *Hayley Harris' Story*. Bring Bach PHaMs. https://bringbackPHaMs.com/stories-hayley-harris

[134] Bring Back PHaMs. (2023). *Bring Back PHaMs: Campaign Summary* [Version 1.1]. https://docs.google.com/document/d/1Gx26DXa60IlOJie6XNKMhIHc6ncAu4EF/

Positive outcomes highlighted in Hayley's story

Hayley's story illustrated how psychosocial supports can help **address loneliness and overcome social isolation.**[135] She spoke of how the program helped her to connect with other peers facing similar challenges. Previous research has found that there is an economic cost associated with loneliness and social isolation and that interventions yield positive social return on investment (SROI).[136] Further, economic modelling suggests that a 10% reduction in loneliness (based on a single item measure) could reduce mental health-related expenditure by around $4.4 billion or $219 per person, per year (converted to March 2026 dollars).[137]

Hayley mentioned the PHaMs program helped her **develop living skills** (e.g., cooking and budgeting), consistent with previous research on psychosocial supports.[138]

Hayley's participation in PHaMs helped her to pursue a **meaningful career and find employment**. There has been some evidence to suggest that psychosocial supports can be associated with improved employment outcomes.[139]

Avoided negative outcomes highlighted in Hayley's story

Hayley credits PHaMs for saving her life, noting that without it, she would not be alive today. Previous research has found psychosocial supports may **prevent suicide.**[140] One study estimated the total cost associated with suicide and non-fatal suicide attempts in 2014 at $9.3 billion (converted to 2026 dollars).[141]

Reduced hospital admissions and emergency department presentations (see Table 3 for economic impacts of reduced hospital use–all identified economic evaluations analysed reduced health service usage and associated cost reductions).

Hayley was able to find work and **avoid an extended period of unemployment.** Unemployment can worsen poor mental health[142] and experiences of unemployment as a young person can have

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[135] Spanos, S., Wijekulasuriya, S., Ellis, L. A., Saba, M., Schroeder, T., Officer, C., & Zurynski, Y. (2025). Integrating non-clinical supports into care: a systematic review of social prescribing referral pathways for mental health, wellbeing, and psychosocial improvement. *International Journal of Integrated Care, 25*(3), 21. https://doi.org/10.5334/ijic.9127

[136] Engel, L., Rizal, M. F., Clifford, S., Faller, J., Lim, M. H., Le, L. K. D., Chatterton, M.L., & Mihalopoulos, C. (2025). An Updated Systematic Literature Review of the Economic Costs of Loneliness and Social Isolation and the Cost Effectiveness of Interventions. *PharmacoEconomics, 43*(9), 1047-1063. https://doi.org/10.1007/s40273-025-01516-w

[137] Rohde, N., D'Ambrosio, C., Tang, K. K., & Rao, P. (2016). Estimating the mental health effects of social isolation. *Applied Research in Quality of Life, 11*(3), 853-869. https://doi.org/10.1007/s11482-015-9401-3

[138] Patmisari, E., Huang, Y., Mclaren, C., Bhatia, P., Orr, M., Govindasamy, S., Hielscher, E., & Mclaren,H. (2025). Review of community-based interventions for people with serious mental illness, focusing on learning instrumental activities of daily living and enhancing wellbeing. *Scandinavian Journal of occupational therapy, 32*(1), 2468421. https://doi.org/10.1080/11038128.2025.2468421

[139] Mousavizadeh, S. N., & Bidgoli, M. A. J. (2023). Recovery-oriented practices in community-based mental health services: A systematic review. *Iranian Journal of Psychiatry, 18*(3), 332. https://doi.org/10.18502/ijps.v18i3.13013

[140] Hou, X., Wang, J., Guo, J., Zhang, X., Liu, J., Qi, L., & Zhou, L. (2022). Methods and efficacy of social support interventions in preventing suicide: a systematic review and meta-analysis. *Evidence Based Mental Health, 25*(1). https://doi.org/10.1136/ebmental-2021-300318

[141] Kinchin, I., & Doran, C. M. (2017). The economic cost of suicide and non-fatal suicide behavior in the Australian workforce and the potential impact of a workplace suicide prevention strategy. *International journal of environmental research and public health, 14(4), 347.* https://doi.org/10.3390/ijerph14040347

[142] Steele, F., French, R., & Bartley, M. (2013). Adjusting for Selection Bias in Longitudinal Analyses Using Simultaneous Equations Modeling: The Relationship Between Employment Transitions and Mental Health. *Epidemiology (Cambridge, Mass.), 24*(5), 703–711. https://doi.org/10.1097/EDE.0b013e31829d2479

lasting effects, making them more likely to experience unemployment again in the future.[143] Based on average wage data,[144] the tax rate,[145] and the maximum Jobseeker rate[146] (plus rent assistance[147]), each week a person is unemployed costs the government $812 ($298 in lost tax revenue and $514 in income support payments), on average. However, the financial cost to the individual (e.g., on average $750 less income per week) increases as unemployment duration increases.[148]

Structuring support around individual goals

Experience 3: Peter's Story[149]

Peter is a 34 year old man living with bipolar affective disorder and ADHD, referred to Non-Acute Psychosocial Support (NAPS) Mental Health Services (Whyalla) in November 2025 following an inpatient admission at Glenside's Rural and Remote Unit. Peter has four previous inpatient admissions. At the time of referral, he was experiencing social withdrawal and sleep disturbance, with ongoing concerns around social isolation and risk of psychotic relapse.

Despite these significant challenges, Peter identified employment as his primary goal from the outset and approached his recovery with a clear sense of purpose. He identified a Test and Tag certification as a practical pathway forward. While the theory component could be completed remotely, the practical was only available in Adelaide, and the associated costs were a barrier, compounded by an existing ambulance bill he was already repaying via direct debit.

Brokerage funding provided as part of the NAPS service is a significant and important resource not available in most community services. Gina, Peter's Mental Health Worker, utilised brokerage to cover the course fee and fuel to Adelaide. Accommodation was offered but Peter had someone to stay with.

It was Peter's own motivation and commitment that drove the process. He was determined to attend and make the most of the opportunity, travelling to Adelaide in December 2025 to complete the course.

Gina had begun linking Peter to an employment service, but this ended up not being needed. Peter was already actively pursuing work and secured a full-time position with a maintenance company, commencing in February 2026. He has also expressed an interest in starting his own business in the future.

Positive outcomes highlighted in Peter's story

Peter's story highlights how psychosocial supports with brokerage funds can **remove barriers to**

[143] Schmillen, A., & Umkehrer, M. (2017). The scars of youth: Effects of early-career unemployment on future unemployment experience. *International Labour Review*, *156*(3–4), 465–494. https://doi.org/10.1111/ilr.12079

[144] Australian Bureau of Statistics. (2026c). *Average Weekly Earnings, Australia*. https://www.abs.gov.au/statistics/labour/earnings-and-working-conditions/average-weekly-earnings-australia/nov-2025

[145] Australian Taxation Office. (2024). *Weekly Tax Table.* Australian Government. https://www.ato.gov.au/tax-rates-and-codes/tax-table-weekly

[146] Services Australia. (2026a). *JobSeeker Payment: How much you can get.* Australian Government. https://www.servicesaustralia.gov.au/how-much-jobseeker-payment-you-can-get?context=51411

[147] Services Australia. (2026b). *Rent Assistance: How much you can get.* Australian Government. https://www.servicesaustralia.gov.au/how-much-rent-assistance-you-can-get?context=22206

[148] Flatau, P., & Hemmings, P. (1993). The Cost of High and Long-Term Unemployment. *Australian Economic Review, 26*(3), 69–84. https://doi.org/10.1111/j.1467-8462.1993.tb00799.x

[149] Story shared with the research team. 'Peter' and 'Gina' are pseudonyms.

gaining certifications (e.g., Peter's Test and Tag certification). This outcome is an example of what becomes possible when self-determination meets responsive, person-centred support. The targeted use of brokerage funding, modest in dollar terms (<$500) but significant in impact, removed a practical barrier that could have stopped progress. Without it, saving for the course fee and travel costs would have taken a significant amount of time, particularly with an ambulance debt already limiting any capacity to save. That delay could have been the difference between momentum and missed opportunity.

Additionally, the NAPS program assisted Peter to **achieve his employment goals**. This is consistent with research that suggests that psychosocial supports can be associated with improved employment outcomes.[150]

Avoided negative outcomes highlighted in Peter's story

Peter had had a number of inpatient admissions prior to being referred to the program. Peter's psychosocial support may potentially **reduce future mental health inpatient admissions.**[151] For every admission Peter avoids, the average savings to government is $22,829 (based on average cost per inpatient bed day[152] and average length of stay,[153] converted to March 2026 dollars).

[150] Mousavizadeh, S. N., & Bidgoli, M. A. J. (2023). Recovery-oriented practices in community-based mental health services: A systematic review. *Iranian Journal of Psychiatry, 18*(3), 332. https://doi.org/10.18502/ijps.v18i3.13013

[151] Killaspy, H., Harvey, C., Brasier, C., Brophy, L., Ennals, P., Fletcher, J., & Hamilton, B. (2022). Community-based social interventions for people with severe mental illness: a systematic review and narrative synthesis of recent evidence. *World Psychiatry, 21*(1), 96-123. https://doi.org/10.1002/wps.20940

[152] Productivity Commission. (2026b). *Table 13A.44 Average recurrent cost per patient day for community residential services, 2023-24 dollars. Report on Government Services 2026 Part E Section 13 Services for mental health*. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/health/services-for-mental-health/

[153] Productivity Commission. (2026c). *Table 13A.43 Average length of stay, public hospital acute units, by target population. Report on Government Services 2026 Part E Section 13 Services for mental health*. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/health/services-for-mental-health/

5. Program evidence analysis

As noted, our study draws on the existing literature on the economic benefits arising from improved mental health including from psychosocial support programs with a focus on a review of economic analyses of psychosocial support programs identified in the *2024 Health Policy Analysis report: Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report* (referred to as the 'HPA Report'). In this section we report of the findings of this review.

The initial step in our analysis was to examine the extent to which the 63 psychosocial support programs identified in Appendix D of the HPA Report[154] had been evaluated. We searched for published or publicly available evaluation findings with both evidence of effectiveness and economic evaluation evidence. Additional evaluations were sent through in response to requests for further information sent out to state and territory government health and mental health departments and researchers and contacts at the services that delivered the 63 psychosocial support programs. Evaluation data was mostly limited to grey-literature reports distributed across state and federal level systems. Overall, evaluation evidence was retrieved for 28[155] of the 63 programs: 10 programs had some form of economic analysis, 12 programs had other (noneconomic) evaluation methodologies published in reports[156,157,158,159,160] or journal articles,[161,162] one program informed the research team that an evaluation was underway, another had undertaken an internal evaluation that was not made public (and could not be shared with the research team), and five programs had evidence of internal evaluation activities (e.g., collecting client feedback) but did not present it in a formal evaluation report.

Even with this small number of studies, some interesting insights were gained (for a more detailed overview of the 10 identified economic evaluations, see Table 6, Table 7, and Table 8 in Appendix C). Of the 10 programs with economic evaluations, six presented some form of cost

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[154] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[155] Note that in some cases, evaluations for 2-4 programs listed in the HPA Report were presented in a single report.

[156] The National Institute for Mental Health Research. (2015). *Evaluation of Transition to Recovery (TRec) Program*. Australian National University. https://www.wcs.org.au/wp-content/uploads/2021/07/Evaluation_of_Transition_to_Recovery_21.05.15.pdf

[157] Australian Healthcare Associates. (2013). *Evaluation of the Community Mental Health Intentional Peer Support Training and Consumer Operated Services*. https://www.ahaconsulting.com.au/wp-content/uploads/2015/07/ips_cos_final_report_june2013.pdf

[158] Rutherford, Z. H., Enright, M., Arthur, S., Luebbe, A., & Whiteford, H. (2022). *Mental Health Community Support Services evaluation: Final report*. Queensland Health Mental Health Alcohol and Other Drugs Branch.. https://www.health.qld.gov.au/__data/assets/pdf_file/0013/1154110/mh-css-evaluation-report-full.pdf

[159] Beacon Strategies. (2022). *Evaluation report: Integrated Mental Health Service Hubs.* https://brisbanenorthphn.org.au/web/uploads/downloads/Mental-health-services/BNPHN-Integrated-Mental-Health-Service-Hubs-Evaluation-report.pdf

[160] Spies, R., Egan, R., McLoughlan, G., & Hall, C. (2022). *A Community for Healing: Youth Residential Recovery Service Youth Outreach Recovery Service: Practice Approach*. Neami National. https://www.neaminational.org.au/wp-content/uploads/2023/09/3027_NEA_YRR_YORS_PracticeApproach_v6FA-DIGITAL-1.pdf

[161] Fjeldsoe, B. S., Vitangcol, K., Lamerton, T., Sennett, M., Helton, D., Hardy, F., Wyder, M., Cunningham, Z., McGrath, M. O., Roseby, M., McLean, A., Brown, S., & Lawler, S. (2025). The Stepping Stone Clubhouse Evaluation: Exploring Members' Experiences, Service Engagement, and Perceived Impact of the Clubhouse International Model. *Community Mental Health Journal, 61*(2), 382–393. https://doi.org/10.1007/s10597-024-01397-x

[162] Savaglio, M., Vincent, A., Bentley, M., Gaul, J., Poke, S., Watson, N., & Skouteris, H. (2024). A Controlled Evaluation of a Psychosocial Outreach Support Program for Adults with Severe Mental Illness. *Intervención Psicosocial, 33*(3), 179–185. https://doi.org/10.5093/pi2024a12

offset analysis (see Table 3). The remaining four programs (three reports) had undertaken alternative economic analyses, such as a cost-effectiveness analysis that compared program costs with similar psychosocial program costs,[163] an analysis of implementation costs across different program delivery sites,[164] and a break-even analysis based on the minimum outcomes required to offset the cost of the program.[165] Additionally, all three reports explicitly noted that there was insufficient data available to conduct a cost offset analysis. Despite these common limitations, there was still some valuable evidence to explore.

The six reports[166,167,168,169,170,171] with cost offset analyses are presented in Table 3.

In Table 3, the program costs and total cost offsets per person are reported (in March 2026 dollars), and the types of economic impacts accounted for are indicated on the right-hand side. Cost offsets presented in bold indicate the cost of the program was fully offset by the outcomes. Specifically, it can be seen that all six evaluations assessed cost offsets associated with reduced health expenditure (e.g., reduction in hospitalisations) although few studies included offsets in other domains. Further, only two evaluations accounted for cost offsets associated with QALYs. Finally, no evaluations examined labour market impacts (e.g., Labour Force Participation wages).

From this analysis, three key findings were identified:

Key finding 1: Economic evaluations of psychosocial support programs that do exist show strong results in terms of value and cost offsets

Key finding 2: There is a very limited number of economic evaluation studies of psychosocial support

Key finding 3: Systemic factors seem to be limiting effective economic evaluation

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[163] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[164] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[165] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].

[166] EY. (2020). *Evaluation of the Early Psychosis Youth Services*. Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[167] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative. CLS-HASI Evaluation Report*. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[168] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus). HASI Plus Evaluation Report*. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[169] Zmudzki, F., Valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[170] Institute for Social Science Research. (2023*). FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs.* University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[171] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative*. Fae Robinson Futures [Internal Report].

Table 3: Economic outcomes of HPA-identified psychosocial supports (March 2026 dollars)

Program⁺	Government Agency⁺	Mean Program Costs per Person	Mean Cost Offset per Person	Economic Impacts Assessed						
				Health Costs	Mental Health Costs	Justice Costs	Income Support Costs	Crisis Accom Costs	Labour Market Impacts	QALY
Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS)[172]	NSW	$45,455	**$109,962** (over 5 years)	Yes	Yes	Yes	No	No	No	Yes
HASI Plus[173]	NSW	$237,357	$173,541	Yes	Yes*	No	No	No	No	No
Intensive Home Based Support Services (IHBSS)[174]	SA	$23,663	$16,839	Yes	Yes	No	No	No	No	No
Housing and Accommodation Support Initiative (HASI)[175]	Tas	$18,652	**$70,890**	Yes	No	No	No	Yes	No	No
Online mental health services for people with complex mental health needs[176]	Australian Government Department of Health and Aged Care	$2,863	$469	Yes	Yes	No	No	No	No	Yes
Early Psychosis Youth Services (EPYS)[177]	Australian Government Department of Health and Aged Care	$19,592	$1,698	Yes	Yes	No	No	No	No	Yes*

Note. QALY = Quality Adjusted Life Years. *Not included in cost offset figure. ⁺Program name and Government agency are written as they were reported in Appendix D of the HPA Report[178]. Cost offsets exceeding program costs are indicated in bold. Costs have been converted to March 2026 dollars based on the quarterly CPI figures reported by the ABS.

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[172] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative.* CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[173] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus).* HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[174] Zmudzki, F., Valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[175] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

[176] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[177] EY. (2020). *Evaluation of the Early Psychosis Youth Services.* Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[178] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Strong cost offsets

Key finding 1: Economic evaluations of psychosocial support programs that do exist show strong results in terms of value and cost offsets

Where economic evaluations of psychosocial support programs have been undertaken at the program level, there are indications of strong results in terms of both psychosocial/mental health and QALYs outcomes[179,180,181] as well as cost offsets.[182,183,184]

More comprehensive economic evaluations that estimate cost offsets across a variety of domains including social outcomes (i.e., beyond health), and over longer time periods after program commencement, are more likely to demonstrate increased cost savings that offset the cost of program delivery. For example, Purcel et al. (2022; see below) modelled 5 years of cost offsets across health, mental health, justice, and QALY, and when calculated together they completely offset the costs associated with program delivery. Even the less comprehensive economic evaluations that focused only on health and/or mental health service usage and associated savings could demonstrate considerable cost offsets.

Economic Evaluation Example 3: Community Living Supports (CLS) and Housing and Accommodation Support Initiative (HASI)[185]

CLS and HASI are psychosocial support programs based in NSW that support people who have severe mental health challenges so that they can live and participate in the community the way they want to. Support is tailored to consumers' unique goals and can include daily living activities, social inclusion, tenancy support, and access to services (e.g., referrals to mental health services). The average cost per consumer was $45,455 (adjusted to March 2026 dollars).

Purcal et al. (2022) conducted an economic evaluation of the cost offsets associated with reduced service usage after receiving support. Specifically, they modelled a 5-year timeframe that yielded a cost offset of $109,962 per person (adjusted to March 2026 dollars) and positive outcome of around 0.25 QALYs. This cost offset is based on a reduction in justice service usage (e.g., new charges and community corrections orders) and a 74.0% decrease in hospitalisations and 74.8% decrease in average days in hospital over the two years following program entry. This

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[179] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative.* CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[180] EY. (2020). *Evaluation of the Early Psychosis Youth Services*. Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[181] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[182] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus)*. HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[183] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). UNSW: Social Policy Research Centre. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[184] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

[185] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

comprehensive economic evaluation was made possible by access to government linked administrative data sets.

Of the six studies that did involve a cost offset analysis, some interesting insights are gained. They generally trend towards cost efficiency: the programs divert people away from high-cost clinical care. Overall, if the cost to access psychosocial supports is less than the returns gained, positive economic outcomes are seen. However, one of the domains that was not assessed by the six studies was the impact of returning people to the workforce, which in theory, could lead to strong cost returns. As an example, the value for money analysis of the Individual Placement and Support (IPS) program (a program that we could not link to one of the 63 programs identified in the HPA Report, but does appear to meet the criteria of a psychosocial support program) is detailed in the box below.

Economic Evaluation Example 4: Individual Placement and Support (IPS)[186]

IPS is a psychosocial support program that supports young people (up to 25 years) requiring mental health support who wish to gain or remain in education or employment. Support is customised and works with the strengths of the individual. The average cost per participant was $9,005, which was $5,702 more than the traditional jobactive program (i.e., $3,303; adjusted to March 2026 dollars).

Wallace et al. (2020) conducted a 10-year model of the cost offsets associated with gaining employment (e.g., avoided income support payments) using jobactive as a comparison[187]. Specifically, they estimated that the program had an average cost saving of $5,016 in avoided income support payments per person and an average increase in participant income of $15,987 per person (converted to March 2026 dollars). Compared to the jobactive base case, this represented an additional cost saving of $2,452 in avoided income support payments per person and an average increase in participant income of $7,812 per person (converted to March 2026 dollars). This represents a benefit cost ratio of 1.78 relative to the jobactive base case. This benefit is based on 38.4% of IPS participants successfully obtaining employment, compared to 30.7% of jobactive participants. Further, 15.6% of IPS participants were still employed 26 weeks from first employment, compared to 8.6% of jobactive participants. Finaly, the median days for IPS participants to find employment was 75 days, compared to 123 days for jobactive participants.

Overcoming the initial investment cost as well as the recurring expenses of the programs means that the benefits of these services are not seen immediately, but rather build up to an efficient system of returns over time. This, of course, will be captured when programs are more systematically evaluated over the long term. The funding cycle of the program and the evaluation timeframe are critical, and usually factors that limit the development of strong evidence.

[186] Wallace, B., Hawthorne, K. & Carter, S. (2020) *Report on the Value for Money of the IPS Trial.* Department of Social Services. https://www.dss.gov.au/system/files/resources/report_on_the_value_for_money_for_the_ips-_2020_0.pdf

[187] Comparisons were also made with the Disability Employment Services (DES) program, but we have not reported them here.

A limited number of evaluation studies completed

Key finding 2: There is a very limited number of economic evaluation studies of psychosocial support

Examining economic evaluation evidence for 63 programs found a lack of economic evaluation evidence, in terms of both quantity and quality. Of the 63 programs, only 10 had published evaluation studies[188] that included economic evidence. Of the nine economic evaluations attempted (one evaluation covered two programs), only six were able to include a cost offset analysis (see Table 3). This is because the remaining three studies[189,190,191] had insufficient data.

Although the programs in scope were all funded by governments, there were no apparent systematic approaches applied to data, measurement or evaluation across programs. Consequently, the evidence that is available will have a limited reach, and establishing comparative data across programs will also be limited.

As noted in Section 2, the Productivity Commission's modelling of the potential costs and benefits of its recommended reforms to the mental health system suggests that psychosocial supports (which are a critical to the reforms) may contribute to significant improvements in health-related quality of life (and concomitant dollar benefits) together with labour market benefits and cost offset savings. While this presents a strong case for the potential economic benefits of psychosocial support programs, the analysis of programs identified in the HPA Report reveals that relatively few economic evaluations have been undertaken. Therefore, there is a mismatch between the potential economic benefits that we anticipate are occurring as a result of psychosocial interventions, and the actual program-level evidence base available.

The patchy evaluation evidence in respect of psychosocial supports leads to a less stable platform from which to advocate for stronger funding of psychosocial supports.

Systemic factors limit data quality

Key finding 3: Systemic factors seem to be limiting effective economic evaluation

Assessing value in health economics requires frameworks that are accepted. The use of consistent accepted methodologies and measures means that comparisons can be made across interventions, increasing cost-effectiveness.

We note systemic limitations with the existing evaluations relating to the short-term nature of how program evaluations are funded which prevents social and economic outcomes from being fully realised and measured (i.e., the lack of longitudinal data available to track gains). The likely driver of both the absence of economic evaluations and also their limitations, is the time-limited

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[188] Note that there may be unpublished evaluations that were undertaken by the service delivery organisations and were not made public.

[189] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[190] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[191] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].

and fragmented funding for these programs. Further, in some cases, programs may be delivered by multiple organisations with a relatively smaller number of consumers at each organisation. If evaluation only happens at the organisation level, the small sample sizes can limit the extent to which an economic evaluation can be undertaken. It may be the case that an evaluation at the program level is more appropriate, and may potentially reduce the evaluation burden on smaller organisations.

In other sectors, such as medicine and education, the strong evidence base that underpins policy and practice has been supported by a level of coherence in the system around evaluation and measurement, at the system level and the program level. Developing a strong evidence base could involve program as well as system level sector support.

- Program-level: involves an ongoing commitment across the sector to capturing on-the-ground learnings, whether that be through program evaluation or systematically collecting evaluation data across programs and services to build quality evidence about what works for the participants of specific interventions.
- System-level: involves establishing agreed definitions, commonly-used methods and measures across different programs, access to linked data/data linkage and making system-level data readily accessible.

From our analysis, it seems that while in mental health these assets may be present when it comes to *clinical interventions*, in terms of psychosocial supports there are very few system-level or program-level assets that can facilitate this strong evidence base emerging. Even consistently applied and agreed methods for understanding the need (and unmet need) for psychosocial support, and for comprehensively mapping psychosocial support programs across Australia, are yet to be established.

Summary

There is very promising, but limited, evidence to demonstrate that psychosocial support helps to return people to the workforce, leading to strong cost returns, or diverting people away from expensive clinical care, leading to strong cost offsets. Overall, if the cost to access the program is lower than the returns gained, positive economic outcomes are estimated.

More studies are needed across diverse psychosocial programs to substantiate these findings. In particular, longitudinal data on participants' mental health outcomes as well as social outcomes, collected over five years or more would provide a richer picture on the social and economic gains. Taken together, these findings indicate that advocacy is needed for more evaluation of the effectiveness of psychosocial supports and the flow-on economic value and benefits, as well as a commitment to sharing any evaluation findings publicly. This must also go hand-in-hand with increasing funding cycles for programs, so that robust evaluation designs can adequately capture the mental health, social as well as economic outcomes.

6. Discussion

The findings presented in this report point to the value, and contribution, of psychosocial support to the mental health and wellbeing of Australians, and the flow-on social and economic benefits as well. 'Value' is demonstrated through examples of people's direct experiences of psychosocial supports, program evaluation evidence of effectiveness and cost-effectiveness, and the modelling of economic gains at a population level. Despite the strong sense of value from these sources of evidence, overall, the evidence base does remain patchy and undeveloped. Key discussion points exploring these findings, and implications are summarised in this section.

Evidence supports the continued investment in psychosocial supports

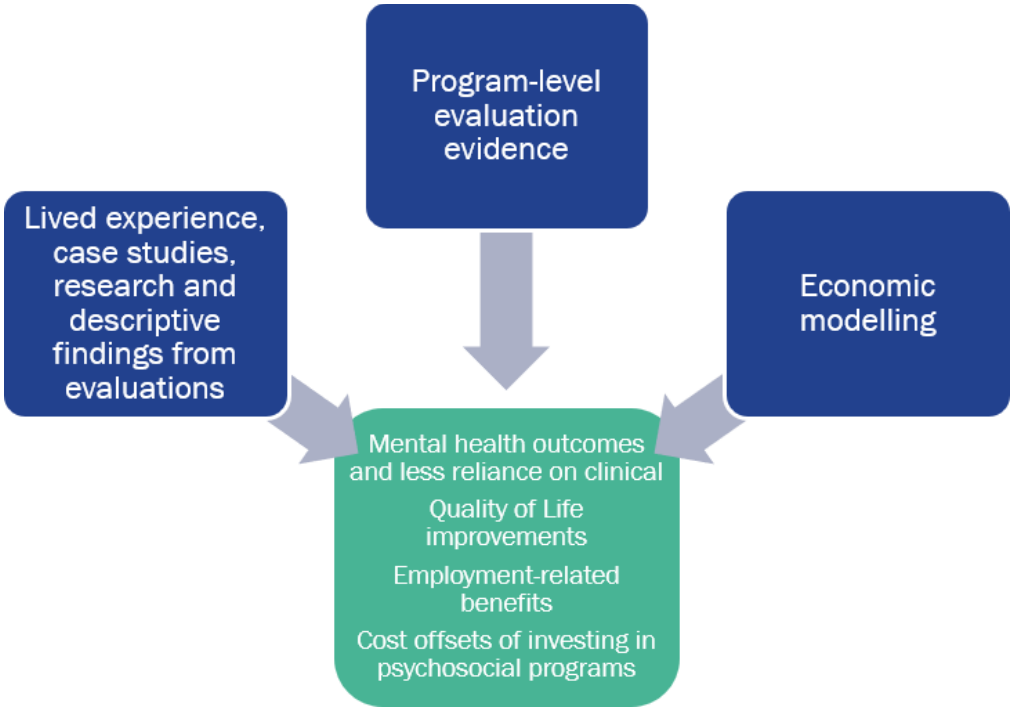
Anticipated economic benefits of expanded investment

The continued or expanded investment in psychosocial supports is supported by the available evidence, in the following ways.

- Productivity Commission economic modelling suggests that reforming the mental health system to embed an expanded role for psychosocial support is likely to provide significant economic benefits through improved quality of life, labour market and employment-related benefits, and cost offsets from reduced use of clinical and acute services.
- The handful of psychosocial programs that have successfully completed and published economic evaluations show strong evidence of economic benefit, especially in terms of quality of life improvements and cost offsets.
- Descriptive findings from lived experiences of psychosocial support suggest that flexible and wholistic psychosocial approaches do effectively help individuals achieve a combination of wellbeing, social and financial goals.

Based on this mix of supporting evidence, several layers of economic value have been identified for psychosocial support, as illustrated in Figure 4 below.

Figure 4: Anticipated economic benefits that are occurring as a result of psychosocial support, and types of supporting evidence



Taking a societal as well as a healthcare perspective on mental health

Currently, our conceptual understandings of, and responses to, mental health challenges are built firmly around a focus on the individual, their experience and their recovery. Psychosocial supports, however, aim to encourage independent living, a contributing life, and also deeper social connections, having impacts in areas such as relationships, community participation, income and employment. There are clear opportunities for benefits that extend beyond the individual to the people they share their lives with.

At the policy level, there are many conversations emerging around how system approaches to mental health can be less individualistic and narrow. How can the mental health system and our models of impact better integrate family and carer impacts, models of recovering citizenship and First Nations' frameworks of SEWB (involving an ecological model of wellbeing that includes impacts on family, community, kin and Country)? While this report cannot represent or cover these developments comprehensively, they are important to note because they help to make the case for expanded understandings of how psychosocial supports contribute to positive outcomes, and that should include outcomes that reach beyond the individual receiving them.

Capturing the impact of rights-based approaches to mental health

While clinical approaches will always be essential to the mental health system, there is also emerging support for rights-based approaches to mental health, a social understanding of mental health challenges (such as that highlighted by the UN Convention on the Rights of Persons with Disabilities (UNCRPD)), where the focus is on supporting an individual's social recovery. Within

this framing, people facing mental health challenges are seen as people with fundamental rights, including rights to participation and citizenship, and therefore have psychosocial needs. The focus, therefore, becomes on removing societal barriers and stigma rather than merely fixing a 'disorder'.

Health-based data and measurement infrastructure may miss capturing the impact of these critical pathways to recovery, that are facilitated through psychosocial support. In health, reporting frameworks focus on mental health outcomes based around clinical definitions. This may mean that much of the data collection, evaluation and measurement applied to mental health programs, including psychosocial supports, may be framed in a way that is too narrow, missing the benefits that psychosocial support can have on social and economic recovery, such as impacts on family members, carers and kin, workplaces and, more broadly, the public purse.

Considering carers and family members

Developing an evaluation culture around psychosocial supports is an opportunity to measure, test and potentially validate how supporting a person through their mental health challenges can also have flow-on benefits for their close relationships.

In terms of economic impacts, we know that economic research on the impacts of families is rare, despite the critical part they play in supporting people with mental health challenges.[192]

Until recently, there were no published attempts to establish the value of the care delivered by family members, carers and kin who take on the role of mental health carers, in terms of the unpaid hours of support provided to people with mental health challenges. A report[193] published in 2017 however documented the benefits of the NDIS in terms of better supporting the carer to continue their caring role, with indications that this leads to "positive outcomes for carers: their ability to return to work, reduced stress and less financial pressure".

Overall, the total annual replacement cost for all informal mental health carers in 2015 was $19.5 billion (converted to March 2026 dollars). After adjusting for $1.5 billion offset in Centrelink payments, this figure was $18 billion. This is how much it would cost governments to replace all of the caring tasks currently provided by mental health carers with formal mental health support services, such as PHaMs or disability support workers (converted to March 2026 dollars).[194] (Calculations presented in this report estimate the overall value of caring (nationally) for carers of individuals with all types of disorders or disabilities, based on several

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[192] Knapp, M. & Wong, G. (2020). Economics and mental health: The current scenario. *World Psychiatry. 19*, 3- 14. https://doi.org/10.1002/wps.20692

[193] Diminic, S., Hielscher, E., Lee, Y. Y., Harris, M., Schess, J., Kealton, J. & Whiteford, H. (2017). *The economic value of informal mental health caring in Australia: summary report*. The University of Queensland. https://www.mindaustralia.org.au/sites/default/files/2023-05/The_economic_value_of_informal_mental_health_caring_in_Australia_summary_report.pdf

[194] Diminic, S., Hielscher, E., Lee, Y. Y., Harris, M., Schess, J., Kealton, J. & Whiteford, H. (2017). *The economic value of informal mental health caring in Australia: summary report*. The University of Queensland. Pp.13 https://www.mindaustralia.org.au/sites/default/files/2023-05/The_economic_value_of_informal_mental_health_caring_in_Australia_summary_report.pdf

reports.)[195,196,197]

Considering the value of Social and Emotional Wellbeing

Recently in Australia, there have been more opportunities for First Nations knowledge to shape and deliver supports that are more aligned with how wellbeing is understood by First Nations people and communities. Social and Emotional Well-Being (SEWB) is the important concept that underpins appropriate responses to supporting First Nations people. SEWB as a concept has links to psychosocial support in that it understands and addresses mental health symptoms through more holistic approaches that recognise one's place within a family, community and culture. SEWB programs, for instance, aim to "address the adverse impacts of past trauma, dispossession, ongoing social disadvantage and racism and other historical, social and cultural issues that impact on the SEWB of First Nations peoples" (pp. 185).[198]

One model by Gee et al. (2014),[199] lays out seven domains: (1) connection to body and behaviours, (2) connection to mind and emotions, (3) connection to family and kinship, (4) connection to community, (5) connection to culture, (6) connection to Country and land, and (7) connection to spirit, spirituality and Ancestors. See Figure 5[200] below for an illustration of the interdependence of these domains.

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[195] Pezzullo, L., Mckibbin, R., Cheung, S., & Cutler, H. (2010). *The economic value of informal care in 2010*. Access Economics Pty Limited. https://library.bsl.org.au/jspui/bitstream/1/2128/1/Theeconomicvalueofinformalcarein2010-321.pdf

[196] Hill, T., Thomson, C., & Cass, B. (2011). *The costs of caring and the living standards of carers* [Social Policy Research Paper No. 43]. Social Policy Research Paper. https://library.bsl.org.au/jspui/bitstream/1/2608/1/The%20costs%20of%20caring%20and%20the%20living%20standards%20of%20carers.pdf

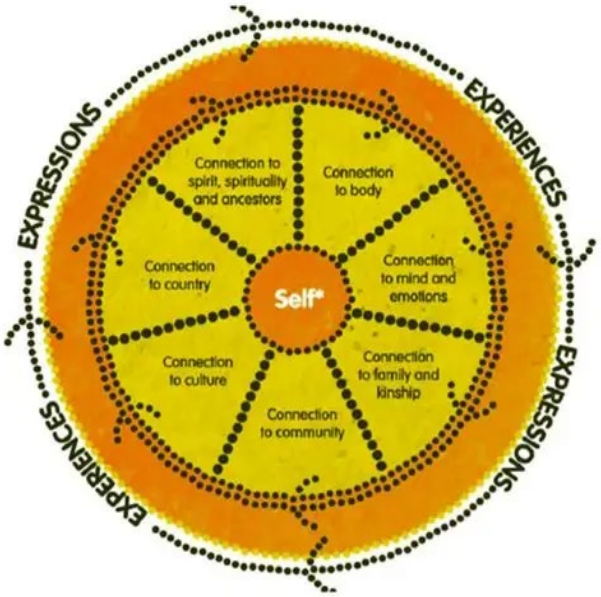
[197] Deloitte Access Economics (2015). *The economic value of informal care in Australia in 2015: Report for Carers Australia.* https://www.carersaustralia.com.au/wp-content/uploads/2020/07/access-economics-report-2015.pdf

[198] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[199] Gee, G. (Aboriginal), Dudgeon, P. (Bardi), Schultz, C. (Gamilaroi), Hart, A. (Bagala), & Kelly, K. 2014, 'Aboriginal and Torres Strait Islander Social and Emotional Wellbeing', in P. Dudgeon, H. Milroy, & R. Walker (Eds.), Working Together: Aboriginal and Torres Strait Islander Mental Health and Wellbeing Principles and Practices, Australian Government: 55-68. https://timhwb.org.au/working-together-book/

[200] Gee, G. (Aboriginal), Dudgeon, P. (Bardi), Schultz, C. (Gamilaroi), Hart, A. (Bagala), & Kelly, K. 2014, 'Aboriginal and Torres Strait Islander Social and Emotional Wellbeing', in P. Dudgeon, H. Milroy, & R. Walker (Eds.), Working Together: Aboriginal and Torres Strait Islander Mental Health and Wellbeing Principles and Practices, Australian Government: 55-68. https://timhwb.org.au/working-together-book/

Figure 5: Social and Emotional Wellbeing from a First Nations' perspective[201]



**Note:* This conception of 'self' is grounded within a collectivist perspective that views the self as inseparable from, and embedded within, family and community. Artist: Tristan Schultz, RelativeCreative.

As SEWB principles become legitimate alternatives to psychosocial support (or, at least as the concept becomes more integrated in the delivery of psychosocial supports when they are targeted for First Nations people), it is clear that such supports must be informed by First Nations experiences, expertise, and voices.

It should be noted that the HPA Report[202] scoping exercise excluded many First Nations SEWB programs from the analysis (although there were some First Nations-specific programs included). The HPA Report explained that this was because SEWB programs do not necessarily target people with diagnosed mental health issues. SEWB programs are usually provided through Aboriginal Community Controlled Health Organisations (ACCHOs) and are more community focused (rather than focused on individuals). Additionally, there were difficulties in disentangling psychosocial supports from the other services and supports provided through SEWB programs.

Consultation on the draft estimates of psychosocial need conducted as part of the HPA Report sought stakeholder perspectives on the role of SEWB within the wider psychosocial work.

[201] Gee, G. (Aboriginal), Dudgeon, P. (Bardi), Schultz, C. (Gamilaroi), Hart, A. (Bagala), & Kelly, K. 2014, 'Aboriginal and Torres Strait Islander Social and Emotional Wellbeing', in P. Dudgeon, H. Milroy, & R. Walker (Eds.), Working Together: Aboriginal and Torres Strait Islander Mental Health and Wellbeing Principles and Practices, Australian Government: 55-68. https://timhwb.org.au/working-together-book/

[202] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

> *"Whilst ACCHOs may be offering psychosocial supports, these are often as part of other programs and therefore there may be difficulty disentangling data. Whilst some participants felt that this would include SEWB supports, others have specified that SEWB supports are not a replacement for psychosocial supports, despite areas that are similar in practice."*
> - Health Policy Analysis (pp 124)[203]

Importantly, SEWB programs are being considered as part of the Social and Emotional Wellbeing Policy Partnership under the National Agreement on Closing the Gap. Additionally, the HPA Report[204] noted that the National Indigenous Australians Agency (NIAA) was undertaking a national mapping exercise to better understand the SEWB sector. Specifically, the NIAA aimed to map the work governments were doing to support SEWB and identify how SEWB programs are being funded and delivered across jurisdictions. It was also noted that this mapping exercise was not intended to be made public at the time of the HPA Report. We (the research team) made efforts to learn more about this mapping exercise but could not find any further information at the time of writing.

First Nations' economic evaluations

The search for economic evaluations associated with the psychosocial support programs identified in the HPA Report[205] only yielded economic evaluations for 10 programs (see Section 5 and Appendix C: Economic Evaluation summary evidence for psychosocial programs for full discussion of findings). No economic evaluations were found for the few First Nations specific psychosocial support programs identified in the HPA Report. While not SEWB or psychosocial support-focused, a recent systematic review[206] of economic evaluations for First Nations health programs found only 13 economic evaluations published between 2010 and 2020. The authors noted that no studies reported using a First Nations research methodology or evaluation framework. In an older piece of work[207] which identified 1,082 First Nations specific programs that were active at the time of the mapping exercise (2016), they found that less than 10% had been or were being evaluated. Further, when they evaluated the quality and extent of the evaluations,[208] only 11 economic evaluations were identified (5 cost-benefit analyses; 6 social return on investment). Given the large amount of investment into First Nations' specific programs, grant makers must ensure funding is sufficient for program evaluation, including economic evaluations.

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[203] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[204] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[205] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[206] Doran, C. M., Bryant, J., Langham, E., Bainbridge, R., Begg, S., & Potts, B. (2022). Scope and quality of economic evaluations of Aboriginal and Torres Strait Islander health programs: a systematic review. *Australian and New Zealand Journal of Public Health*, *46*(3), 361–369. https://doi.org/10.1111/1753-6405.13229

[207] Hudson, S. (2016). *Mapping the Indigenous program and funding maze*. Centre for Independent Studies. https://www.cis.org.au/publication/mapping-the-indigenous-program-and-funding-maze-2/

[208] Hudson, S., Salvatierra, C. A. M., & Andres, C. (2017). *Evaluating Indigenous programs: a toolkit for change*. Centre for Independent Studies. https://www.cis.org.au/publication/evaluating-indigenous-programs-a-toolkit-for-change/

First Nations' concept-of-benefit

Vos et al. (2010) [209] suggested that a First Nations' concept-of-benefit instrument be developed to ensure that First Nations' perspectives of what is important are incorporated into economic evaluations of First Nations' programs. They suggested that such an instrument be applied in the same way that measures such as the Kessler Psychological Distress Scale (K10)[210] have been used to quantify QALYs (or DALYs) and subsequently determine cost per QALY.

Drawing from a series of three workshops, Vos et al. (2010)[211] identified four dimensions of benefit from a First Nations' perspective to be included in the concept-of-benefit instrument:

- **individual health gain**: including both DALY and non-DALY sub-dimensions (the non-DALY dimension covered empowerment, emotional wellbeing and spiritual wellbeing);
- **community health gain:** defined to cover internal relationships (development of bonding, social capital and First Nations' governance/control of interventions and involvement in decision-making), external links to social policies and institutions affecting health and wellbeing and sustainability of interventions;
- **equity**: regarding disease status and access to support differentials; and
- **cultural security:** judging whether interventions had a design informed by First Nations' knowledge and were culturally appropriate.

"One of the challenges in developing the Indigenous concept-of-benefit instrument is balancing the need for clear measurement properties that health economics demands (such as orthogonal dimensions, clear simple language, interval properties) with the richness of language and nuances of meaning the more sociological/behavioural science approaches favour. While this task is feasible, it is time consuming and cannot be rushed."[212]

While we understand that SEWB may be distinctive from psychosocial supports as a concept and the ways it is applied, there is also a need to advocate for investment in the evidence-base of these approaches so that we can understand their effectiveness, and, in particular, develop evidence to understand the social and economic value of this work.

[209] Vos. T, Carter. R., Barendregt, J., Mihalopoulos, C., Veerman, J.L., Magnus, A., Cobiac, L, Bertram MY, Wallace AL, ACE–Prevention Team (2010). Assessing Cost-Effectiveness in Prevention (ACE–Prevention): Final Report. University of Queensland, Brisbane and Deakin University, Melbourne.

[210] Mihalopoulos, C., Chen, G., Iezzi, A., Khan, M. A., & Richardson, J. (2014). Assessing outcomes for cost-utility analysis in depression: comparison of five multi-attribute utility instruments with two depression-specific outcome measures. *British Journal of Psychiatry*, *205*(5), 390–397. https://doi.org/10.1192/bjp.bp.113.136036

[211] Vos. T, Carter. R., Barendregt, J., Mihalopoulos, C., Veerman, J.L., Magnus, A., Cobiac, L, Bertram MY, Wallace AL, ACE–Prevention Team (2010). Assessing Cost-Effectiveness in Prevention (ACE–Prevention): Final Report. University of Queensland, Brisbane and Deakin University, Melbourne.

[212] Vos. T, Carter. R., Barendregt, J., Mihalopoulos, C., Veerman, J.L., Magnus, A., Cobiac, L, Bertram MY, Wallace AL, ACE–Prevention Team (2010). Assessing Cost-Effectiveness in Prevention (ACE–Prevention): Final Report. University of Queensland, Brisbane and Deakin University, Melbourne. p53

Addressing inequality, unmet need, and the costs of inaction

"Left untreated, mental health conditions can worsen over time, leading to serious consequences for individuals' wellbeing, social participation and productivity."
– Actuaries Institute[213]

Lived experience insights, and the descriptive findings of psychosocial program evaluations, suggest that people with psychosocial support needs can struggle to participate in education or employment, social activities or meaningful engagement with family members and social networks. This is a costly 'baseline', meaning that there's a high cost to inaction–reduced quality of life, people experiencing a lack of independence and diminished social connections and the economic costs of missing employment-related opportunities. Additionally, these costs are borne by families, carers and kin who take on a supporting role.

The HPA Report[214] as well as the NDIS Review[215] are examples of recent reports that highlighted significant levels of unmet need for psychosocial supports outside the NDIS (estimations of unmet need are outlined in Appendix A). While estimations (and ways of calculating these estimates) vary, they all indicate significant unmet need for psychosocial support outside the NDIS.

The impacts of unmet need for this support are most likely to result in inequities across the population, hitting poor people the hardest. As psychosocial supports address social and structural barriers to participation (including economic participation), and do so in community settings, investment in psychosocial supports can help to address social inequality.

Understanding unmet need more broadly

Regardless of definitional stance, there are many indications across published research, advocacy and sector and policy analysis work, of there being significant unmet need for psychosocial support in the Australian population (outside the NDIS).

Concerns about 'unmet need' have various anchoring points. Some are raised within the context of the limitations of providing recovery-oriented supports within an NDIS framework of access and service provision. Other voices raise the need for psychosocial support to be available for people experiencing less severe mental health conditions, as well as people who may not be connected to mental health services or who face significant barriers to being diagnosed.

Regardless of the understanding of unmet need, there is a clear argument about the importance of providing people across a diverse range of cohorts with the options and choice with which they can determine their own needs and ways to support their mental health, and SEWB, quite separately from whether they have a diagnosis, or are using or can access clinical supports.

People may be missing out on psychosocial support needs for various reasons, such as:

- they may be unaware of their need for support;

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[213] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net*. https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314 p5

[214] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[215] NDIS Review. (2023). *Working together to deliver the NDIS: Independent Review into the National Disability Insurance Scheme Final Report 2023.* Commonwealth of Australia, Department of the Prime Minister and Cabinet. https://www.ndisreview.gov.au/sites/default/files/resource/download/working-together-ndis-review-final-report.pdf

- they may be aware of their need for support but not knowledgeable about how to get help, or confident or motivated enough to seek it;
- they may seek support but not be able to access it, due to barriers such as geographic availability, eligibility and/or cost; and
- they may successfully access support but find the support does not meet their need.

Different policy contexts or discussions involve different 'starting points' or assumptions for exploring unmet need, as reflected in several key, influential policy documents of recent years. For instance, Lived Experience Australia's 'Missing Middle' Report (2021) called for more choice and options in how people are supported. Based on survey responses from 182 consumers and 65 carers, a need was identified for more psychosocial-focused and recovery-oriented support.[216]

Despite diverse views about what unmet need involves and how to measure the extent of unmet need for psychosocial support, overall, in the strategic and policy context, there is broad agreement around:

- the significant gap that exists between the number of people who need support and the number of people who can access support, and this gap has real-world implications for individuals when they access the support they need;
- the understanding that actual levels of unmet need in Australia may be much greater than our current estimates, because current estimates are based on incomplete data or frameworks that are overly narrow due to being built around the service system and/or mental health definitions;
- a sense that advocating for more investment in psychosocial supports in general is important in this moment and has the potential to deliver real world health and mental health benefits as well as positive social outcomes.

In addressing the challenges facing the mental health system–increasing demand and pressure on services, a lack of equity of access to support for mental health challenges, the demand from advocacy bodies for more options that are appropriate for diverse needs, and the general fatigue and frustration in the population over processes related to the NDIS and access to acute clinical supports–it makes political sense to invest in psychosocial support programs outside the NDIS.

Supporting the evaluation of psychosocial support

The evidence available suggests psychosocial programs produce benefits to participants–mental health outcomes, social outcomes and economic outcomes–and that these translate to benefits to society from participants' ability to more fully recover active participation and citizenship, as well as savings to government.

While this claim is supported in a more abstract way by the economic modelling of the Productivity Commission, the evaluation evidence base needs significant development and as this review suggests, there is a need for greater investment in economic evaluations of programs. The absence of economic evaluations not only hinders the ability to allocate resources and make confident and justifiable investment, but also may have the perverse impact of hindering investment in the provision of new or expanded programs. Therefore, we do call for joint Commonwealth and state and territory attention in this area.

[216] Kaine, C. & Lawn, S. (2021). *The 'Missing Middle' Lived Experience Perspectives*. Lived Experience Australia Ltd. https://www.livedexperienceaustralia.com.au/_files/ugd/907260_8b2ad57fd3e8494080e609c7f82281d4.pdf

7. Concluding thoughts

In the last decade, emerging research evidence has expanded our understanding of mental health challenges, so it can be considered not only in terms of the symptoms of diagnosed conditions, but also with reference to the influence of social, structural and relational dimensions. These understandings, and significant policy upheavals in the Australian context, have put a spotlight on psychosocial support and its critical role within the mental health system.

When people get support that complements clinical care, that addresses whole of life needs (beyond the management of symptoms) and enables them to meet their goals, including social and financial goals, not only does this reduce their reliance on clinical supports, but they can also experience the benefits of a more productive and meaningful life. Psychosocial supports result in positive outcomes for individuals and their family members and carers, as well as in creating a more financially sustainable and equitable mental health system.

While investment in psychosocial support may require a significant allocation of public resources, there is a good argument that this investment is both cost effective and humane, given the cost of having a significant portion of the population living with mental health challenges, and experiencing barriers to social and economic participation due to these challenges. The costs of psychosocial support needs going unmet are ultimately borne by the mental health or health care system and other social institutions. (The argument is not a new one, but the cost of inaction easily spills across to other sectors—housing, health, mental health, social services, justice—with costs only escalating when support needs are not addressed).

Given this, our review highlights the pragmatic value of expanding the economic evaluation evidence for psychosocial support. Economic evidence has the potential to help governments with cost-saving imperatives, informing "a wide range of strategic, clinical, preventative, purchasing and person-centred decisions"[217] relevant to mental health care.

This review, however, has confirmed a paucity of evidence on social outcomes or economic analysis of psychosocial support programs. The Productivity Commission[218] outlines some reasons for lacking evidence as being:

- Psychosocial supports are delivered by a large but unknown number of small-scale, poorly defined and measured services;
- There is currently little transparency around who is delivering what supports to which people and what outcomes they achieve;
- Confusing and inconsistent eligibility criteria for some supports with delays in application approval; and
- Very short funding cycles.

We identify this as an area where there is a need for development.

In other sectors, such as health and education, the emergence of a strong evidence base that underpins policy and practice has been supported by coherence in the data and reporting infrastructure, and a more embedded, systematic approach to evaluation and measurement.

System-level evaluation and measurement require 'assets' such as agreed definitions,

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[217] Knapp, M. & Wong, G. (2020). Economics and mental health: The current scenario. *World Psychiatry. 19*, 3- 14. https://doi.org/10.1002/wps.20692

[218] Productivity Commission. (2020). *Mental health: Productivity commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/ p42

commonly-used methods and measures, access to linked data/data linkage and system-level data being readily accessible. Program-level evaluation and measurement require an ongoing, sector-wide commitment to document and share on-the-ground learnings. That could be through program evaluation or collecting evaluation data across programs and services systematically to build quality evidence about what works for the participants of specific interventions. A commitment to make any program evaluation findings publicly available is also critical.

From our analysis, it seems that while in mental health these assets may be present when it comes to clinical interventions, in terms of psychosocial support there are very few system-level or program-level assets that can facilitate this strong evidence base emerging. This is expected given that psychosocial supports are only just emerging, in a more formal sense, as a critical component of a mental health system.

There are many voices advocating for investment in the provision of psychosocial supports in Australia, and having an economic lens on these decisions can only add value.

> *"Finding ways to support people's wellbeing, and prevent mental ill health, that do not have to involve hospital stays, highly qualified expert clinicians, and medication needs to be recognised as integral to a financially sustainable health system"*
> - Worthington.[219]

While economic evaluation in mental health remains underdeveloped, indicative evidence presented in this report suggests that investing in the provision psychosocial supports does have a sound basis. However, if policymakers must balance the costs of providing psychosocial supports to people with mental health problems, with the consequences of not doing so (to those directly affected, their families, and to the public purse more generally), substantial robust economic analysis and evaluation is required, and for more than just a handful of programs. Establishing more reliable estimates of cost savings (to the mental health system) and dollar benefits (to society) may enable decision-makers to act with more confidence, and with decisions underpinned by robust evidence.

Before this can happen, the findings presented in this report demonstrate the need for much greater attention to psychosocial supports across the board. Establishing an agreed definition and perhaps a more solid conceptual framework is a good start, and that in turn can support outcomes measurement, more complete mapping of psychosocial supports, and encourage more systematic ways to identify psychosocial programs and calculate spending. Importantly, more resources and a commitment to the evaluation of psychosocial programs is needed, including economic evaluation, so that the mental health outcomes, as well as the social and economic outcomes of psychosocial support can be measured.

[219] Worthington, E. (2015, 5 August). *Mental health as significant as tax reform, says economist.* Australian Broadcasting Corporation. https://www.abc.net.au/listen/programs/pm/mental-health-as-significant-as-tax-reform-says/6675434

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Australian Institute of Health and Welfare. (2026c). *Table EXP.1: Government mental health-related expenditure as a proportion (per cent) of Government health expenditure, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

Australian Institute of Health and Welfare. (2026d). *Table EXP.6: Recurrent expenditure on state and territory specialised mental health services by service type, states and territories, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

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Zaretzky, K., Flatau, P., Clear, A., Conroy, E., Burns, L., & Spicer, B. (2013). *The cost of homelessness and the net benefit of homelessness programs: A national study. Findings from the Baseline Client Survey*. AHURI Final Report No.205. Australian Housing and Urban Research Institute. https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_Final_Report_No205_The-cost-of-homelessness-and-the-net-benefit-of-homelessness-programs-a-national-study.pdf

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Appendix A: Key estimates related to the provision of psychosocial support

Estimating the total spend on psychosocial support programs

Given the difficulties with mapping psychosocial supports and the absence of a national data collection system that applies to organisations providing these programs, it is not surprising that there are also difficulties determining the total spent on psychosocial supports in Australia.

The Commonwealth Psychosocial Support (CPS) Program (for psychosocial support outside the NDIS) is expected to provide $272.1 million over two years to June 30, 2027, according to the 2024-25 Mid-year Economic Fiscal Outlook.[220] Beyond this, it is very difficult to determine the total spend on all psychosocial support programs in Australia.

The Australian Institute of Health and Welfare (AIHW), for instance, provides estimates of total expenditure on mental health services.[221] However, expenditure on psychosocial support services is not separately identified in the publication. This would require the Commonwealth and state and territory governments to provide more detail on the type of services funded and joint agreement on which services fit with the definition of psychosocial support services adopted at the Australian Government level. We would recommend that AIHW was resourced to source such data and include resulting estimates in its *Expenditure on Mental Health-Related Services* publication.

A rough approximation of the expenditure on psychosocial support is to add state and territory government mental health services expenditure on non-government organisations which might reasonably be seen as psychosocial supports and add this to Commonwealth Psychosocial Support spending. In 2023-24, a rough estimate, based on AIHW Expenditure on Mental Health Services expenditure is $294 million[222] ($310 million in March 2026 dollars). However, this is an imprecise estimate given that absence of direct psychosocial support labelling of NGO grant expenditure.

Despite the difficulties determining a total spend on psychosocial support in Australia, it is clear that the spend on clinical forms of support accounts for the bulk of total expenditure on mental health services of $13,788 million[223] (2023-24; $14,545 million in March 2026 dollars), far exceeding the total spend on psychosocial support (which is likely to be around $300 million).

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[220] Department of Health, Disability and Ageing. (2025). *Commonwealth Psychosocial Support: Program Guidance.* Australian Government https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

[221] Australian Institute of Health and Welfare. (2026a). Expenditure on mental health-related services. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[222] Australian Institute of Health and Welfare. (2026b). *Table EXP.13: Non-government organisations service type expenditure, current and constant prices, 2015–16 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[223] Australian Institute of Health and Welfare. (2026c). *Table EXP.1: Government mental health-related expenditure as a proportion (per cent) of Government health expenditure, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

Expenditure on Mental Health Services in Australia

In the last decade, Commonwealth and state funding for mental health has increased significantly, across primary care, acute services and community-based supports[224]. On the basis of Australian Institute of Health and Welfare estimates, total Government expenditure on mental health services (not including some services such as mental health services in aged care facilities) has grown from $11 billion in 2014–15 to $14.5 billion in 2023–24[225] (adjusted to March 2026 dollars).

The largest component of mental health services expenditure is state/territory expenditure ($9.604 billion)[226] broken down into the following categories (converted to March 2026 dollars):

- Public psychiatric hospitals $0.757 billion
- Specialised psychiatric units or wards in public acute hospitals $3.206 billion
- Community mental health care services $3.703 billion
- Residential mental health services $0.579 billion
- Grants to non-government organisations $0.674 billion
- Other indirect expenditures $0.684 billion.

Each of the above categories has seen significant growth in real terms over the last ten years, particularly since 2020-21. The combined $3.964 billion spending on mental health-related public hospital services equates to average cost per patient day of $1,756.

Australian Government spending on mental health-related services in 2023-24 was $4.980 billion with key components including national programs and initiatives ($2.194 billion), Medicare Benefits Schedule payments ($1.636 billion), and Pharmaceutical Benefits Scheme $0.774 billion[227] (converted to March 2026 dollars).

Not surprising given the difficulty of mapping psychosocial supports and the absence of a national data collection system in relation to organisations providing psychosocial support programs, it is difficult to determine the total spend on Psychosocial Support Programs in the mix of expenditure on mental health services.

While the HPA Report[228] mapped psychosocial support programs identifying 63 Australian Government and State and Territory programs it did not assess total expenditures under these programs. One area where a definitive assessment of spend is available is Commonwealth

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[224] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net.* https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314

[225] Australian Institute of Health and Welfare. (2026c). *Table EXP.1: Government mental health-related expenditure as a proportion (per cent) of Government health expenditure, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[226] Australian Institute of Health and Welfare. (2026d). *Table EXP.6: Recurrent expenditure on state and territory specialised mental health services by service type, states and territories, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[227] Australian Institute of Health and Welfare. (2026e). *Table EXP.3: Australian Government expenditure on mental health-related services, 2014–15 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[228]Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Psychosocial Support (CPS) Program. The Australian Government administers the CPS Program for psychosocial support outside the NDIS, managed through Primary Health Networks, with the 2024-25 MYEFO providing $272.1 million over two years to June 30, 2027.[229]

Psychosocial Support Programs are generally administered by non-government organisations. Total government mental health services expenditure on non-government organisations in 2023-24 (excluding residential mental health services and other services which could not be classified as psychosocial support amounted to about $306 million, but this includes counselling at $82 million (converted to March 2026 dollars) which was excluded from the set of psychosocial support programs in the HPA Report.[230]

It should be noted that psychosocial support programs that support people with mental health challenges will not all be administered under the mental health services umbrella. One case in point are specialised homelessness and justice-based programs.

Despite the difficulties in determining a total spend on psychosocial support in Australia, it is clear that the spend on clinical forms of support for those experiencing mental health issues including in hospitals, residential mental facilities and by clinicians far exceeds the total spend on psychosocial support and that psychosocial supports represent a small fraction of total spend on mental health services.

Against the existing evidence that there are high levels of unmet need for psychosocial support, the low level of spend on such services relative to clinically-based services suggest that there is room for further allocation of expenditure in this area. Of course, this begs the question of the outcomes achieved from psychosocial support programs and the overall benefit of such programs relative to cost.

Estimating unmet need for psychosocial support

"Not everyone who needs psychosocial supports is able to access them. Significant service gaps stem from ad hoc funding arrangements, short funding cycles and lack of economies of scale." – Productivity Commission[231]

Productivity Commission – 690,000 people nationally with unmet need

The Productivity Commission *Mental Health* report,[232] estimated that approximately 690,000 people with a mental health condition would be likely to benefit from access to psychosocial support services, were they available (about 290,000 of these people were assessed as having a severe and persistent mental health condition).[233] However, it was estimated that only about 34,000 people with a primary psychosocial disability received psychosocial supports under the

[229] Department of Health, Disability and Ageing. (2025). *Commonwealth Psychosocial Support: Program Guidance.* Australian Government https://www.health.gov.au/resources/publications/commonwealth-psychosocial-support-program-guidance

[230] Australian Institute of Health and Welfare. (2026d). *Table EXP.13: Non-government organisations service type expenditure, current and constant prices, 2015–16 to 2023–24*. Data Tables: Expenditure on mental health-related services 2023-24. https://www.aihw.gov.au/mental-health/topic-areas/facilities-resources/expenditure

[231] Productivity Commission. (2020). *Mental Health*: *Productivity Commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/, p.825

[232] Productivity Commission. (2020). *Mental health Productivity commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[233] Productivity Commission. (2020). *Mental health Productivity commission inquiry report.* Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

NDIS, and 75,000 people received psychosocial support directly from other federal, state and territory government-funded programs.

The Productivity Commission,[234] while noting the lack of comprehensive data, also sought to identify the reach of psychosocial support services although as noted previously, the Productivity Commission separates out housing- and justice-related services from other psychosocial support services. Its estimate of 75,000 people receiving psychosocial supports from Australian, State and Territory Government-funded programs is above that of the HPA Report. The difference in part possibly relates to the fact that the Productivity Commission report was undertaken at a time when the NDIS rollout had yet to be completed but also the fact that data collection on psychosocial support is still at an early stage of maturity.

Health Policy Analysis – 493,600 people nationally with unmet need

The HPA Report[235] estimates that approximately 493,600 people in Australia need psychosocial support but lack access to necessary services.[236] An overview of findings indicates that 493,600 people (with moderate or severe mental health challenges) have an unmet need for psychosocial support but are not receiving it through government programs or the NDIS. The definitions of 'moderate' and 'severe' mental health challenges are as follows:

- Severe mental health challenges are defined as severe level of clinical conditions and symptoms (e.g., schizophrenia, bipolar disorder, and severe, disabling forms of major depression and anxiety disorders) *and* a significant degree of impairment in social, personal, family, and occupational functioning.
- Moderate mental health challenges are defined as diagnosed mental health conditions and a moderate impact on daily lives.

Table 3: Health Policy Analysis estimates[237]

	People with moderate mental health challenges	People with severe mental health challenges
How many people need support? Estimated need for psychosocial supports (2022-23)	**311,500 people**	**335,800 people**
How many people are accessing support?	Outside NDIS – 20,400 people Within NDIS – 28,000 people	Outside NDIS - 43,700 people Within NDIS – 61,600 people

[234] Productivity Commission. (2020). *Mental health Productivity commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[235] Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[236] Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[237] Based on population of people aged 12-64 years, NMHSPF Version 4.3,
Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

	People with moderate mental health challenges	People with severe mental health challenges
Current service provision (government-funded programs and NDIS)	**48,400 people**	**105,300 people**
How many people have unmet need?	**263,100 people**	**230,500 people**
Total estimates	**493,600 people with unmet need for psychosocial support who are not receiving support through government programs or NDIS**	

State-based estimates

The 2020 Productivity Commission Report[238] and the 2024 HPA Report[239] provided estimations of the extent of unmet need for psychosocial support.

These reports contribute to a broader policy discussion in Australia about the levels of need for, and provision of psychosocial supports both within and outside the NDIS. However, states and territories are also providing their own analysis.

Estimates of unmet demand from state-based estimates include Tasmania (12,226),[240] Queensland (92,010),[241] South Australia (19,000),[242] and New South Wales (125,000 individuals and 95,000 carers).[243]

Technical aspects of calculating unmet need

The HPA Report[244] represents a technical report outlining present estimation of unmet need for psychosocial supports outside the NDIS for the 2022–23 financial year. Unmet need is calculated by comparing 2022–23 estimates of the need for psychosocial supports using the National Mental Health Service Planning Framework (NMHSPF), which defines mental health needs in terms of *severe, moderate and mild mental health challenges.* However, their focus of

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[238] Productivity Commission. (2020). *Mental health Productivity commission inquiry report*. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[239] Health Policy Analysis. (2024). *Analysis of Unmet Need for Psychosocial Supports Outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[240] Mental Health Council of Tasmania. (2025). *A Plan for funding psychosocial supports for Tasmanians with severe and moderate mental illness*. https://mhct.org/wp-content/uploads/2025/03/MHCT-Funding-psychosocial-supports-Analysis-Report.pdf

[241] Queensland Alliance for Mental Health. (2024). *QAMH Summary of the analysis of unmet need for psychosocial supports outside the NDIS final report for Queensland*. https://www.qamh.org.au/wp-content/uploads/2026/01/QAMH-Summary-of-Analysis-of-Unmet-Need-Final-Report.pdf

[242] David McGrath Consulting. (2023). *Unmet mental health service need that could be met by the NGO sector. An analysis on behalf of the South Australian Government.* https://s3-ap-southeast-2.amazonaws.com/sahealth-ocp-assets/general-downloads/Unmet-Mental-Health-Service-need-in-South-Australia-that-could-be-met-by-the-NGO-sector.pdf

[243] David McGrath Consulting. (2025). *Analysis of unmet need for psychosocial support for people with mental health conditions in New South Wales. An analysis on behalf of NSW Health.* https://www.health.nsw.gov.au/mentalhealth/resources/Publications/psychosocial-report.pdf

[244] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

analysis is on *severe and moderate mental health challenges*.

Frameworks such as the NMHSPF, when used for estimating and analysing 'unmet need for psychosocial supports' may not be completely fit for purpose, and can lead to significant barriers to reliable estimation. For instance, the scope of what is included or excluded regarding what is to be measured is contested. This is one reason that modelling across states and territories differs.

Economic modelling used across states and territories is not consistent

There are significant state-based differences in the provision of non-NDIS psychosocial support.

When assessing the included and excluded programs and the studies and reports on them, it becomes important to consider the bigger picture of how these programs are designed, funded, and delivered. The way that psychosocial services outside the NDIS are funded is not standard, creating a complex arrangement of funding. This leads to the states having different applications of psychosocial support, with different guiding principles.

Western Australia, for example, organises some services through the Mental Health Commission, a government agency independent of the Health department, while Queensland and South Australia integrate these supports through their health department.

One commonality is that service delivery is reliant on community and corporate partnerships.

When working with psychosocial supports, determining what program they are running, how it is designed and who is funding it will be valuable information, as the lack of consistency can create a complex environment for service providers to navigate. This is especially true of services outside of the NDIS, as they no longer have the structured funding arrangement.

Appendix B: Desktop review of psychosocial supports in the policy literature

Table 4: Policy documents, policy-informed research, and frameworks that recognise the economic benefits of psychosocial supports

Types of economic benefits	How psychosocial supports can contribute	Document source
Cost offsets in avoiding use of acute mental health services	Consumers and carers who want non-clinical services that they currently cannot access Based on responses from 182 consumers and 65 carers a need was identified for more psychosocial-focused and recovery oriented support.	The 'Missing Middle' Lived Experience Perspectives [245]
The replacement cost approach to valuing informal caring	Mind Australia commissioned the University of Queensland (UQ) research team to: 1. profile Australian mental health carers 2. provide an estimate of the value of informal mental health care (replacement cost) 3. estimate bed-based service replacement costs 4. review current government spending on carers. The replacement cost approach to valuing informal caring assumes that, in the absence of a carer, the care recipient would need to receive equivalent levels of support from formal mental health or other support services, paid for by the relevant level of government. This approach therefore values caring by estimating how much this informal care would cost if delivered by government funded services instead of unpaid family and friends. Overall, the total annual replacement cost for all informal mental health carers in 2015 was $19.5 billion (converted to March 2026 dollars). After adjusting for $1.5 billion offset in Centrelink payments, this figure was $18 billion. This is how much it would cost governments to replace all of the caring tasks currently provided by mental health carers with formal mental health support services, such as PHaMs or disability support workers (converted to March 2026 dollars).	The economic value of informal mental health caring in Australia: summary report[246]

[245] Kaine, C. & Lawn, S. (2021). *The 'Missing Middle' Lived Experience Perspectives.* Lived Experience Australia Ltd. https://www.livedexperienceaustralia.com.au/research-missingmiddle

[246] Diminic, S., Hielscher, E., Lee, Y. Y., Harris, M., Schess, J., Kealton, J. & Whiteford, H. (2017). *The economic value of informal mental health caring in Australia: summary report*. The University of Queensland. https://www.mindaustralia.org.au/sites/default/files/2023-05/The_economic_value_of_informal_mental_health_caring_in_Australia_summary_report.pdf

Types of economic benefits	How psychosocial supports can contribute	Document source
Financial sustainability of the system	Prevention, early intervention and community support contributes to emotional and social wellbeing and to a financially sustainable health system.	Mental health as significant as tax reform, says economist [247]
Support for people to be able to stay out of hospital	High rates of emergency department admissions and readmissions to acute psychiatric services is evidence of a "failure to provide timely and adequate community based mental health supports", therefore linking levels of hospital usage to the provision of psychosocial supports	Report of the National Review of Mental Health Programmes and Services[248]
Priority investment approaches to reduce financial burden on acute care	The key recommendation lies in adopting a well-targeted priority investment approach, where greater investment as soon as practicably possible in evidence-based prevention and early intervention in one part of financial safety net will more than save investment and expenditure otherwise required later in another part. (Actuaries Institute, 2025) This is consistent with the PC's recent Interim report on Delivering quality care more efficiently which recommends a National Prevention Investment Framework	The Mental Health Financial Safety Net.[249] Delivering quality care more efficiently - Inquiry interim report[250]
High costs of crisis responses	The high-cost burden of acute and emergency care, including emergency department presentations, psychiatric admissions, and crisis or emergency responses delivered through state systems, which often become the default pathway when early and community-based care is inaccessible	The Mental Health Financial Safety Net.[251]
Financial benefits of enabling people to participate and contribute more fully	"Recovery from mental illness necessarily involves recovery not just of the individual alone, but recovery within their family and community context. For all people with mental illness, social inclusion – the capacity to live contributing lives and participate as fully as possible in the community – is a necessary, but too often neglected, part of a recovery plan."	Mental health Productivity commission inquiry report[252] p.41

[247] Worthington, E. (2015, 5 August). *Mental health as significant as tax reform, says economist.* Australian Broadcasting Corporation. https://www.abc.net.au/listen/programs/pm/mental-health-as-significant-as-tax-reform-says/6675434

[248] National Mental Health Commission. (2014). *Report of the National Review of Mental Health Programmes and Services*. https://mhaustralia.org/fact-sheets/national-review-mental-healthprogrammes-and-services-preliminary-analysis

[249] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net.* https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314

[250] Productivity Commission. (2025). *Delivering quality care more efficiently - Inquiry interim report*. https://www.pc.gov.au/inquiries-and-research/quality-care/interim/

[251] Actuaries Institute, Lau, C., Caulfield, H. & Tang, F. (2025). *The Mental Health Financial Safety Net.* https://content.actuaries.asn.au/resources/resource-ce6yyqn64sx3-2093352434-60314

[252] Productivity Commission. (2020). Mental health Productivity commission inquiry report. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

Types of economic benefits	How psychosocial supports can contribute	Document source
Cost offsets in addressing social determinants of health and mental health and reducing avoidable system burden	The Productivity Commission recommends that community mental health supports be more actively and deliberately brought into services that address housing and homelessness, interactions with the justice system and education and employment as people facing these points of transition or crisis and most likely to be experiencing mental health challenges or distress	Mental health Productivity commission inquiry report[253]
Cost savings in providing non-clinical options as preferred alternatives	"Focus on community-based support for those who can manage in the community, rather than institutionalisation. Holistic care programs such as art therapy, group programs, involving nature and bush work in a mental health setting" (State of Victoria, 2021, p. 230)	Royal Commission into Victoria's Mental Health System Final Report[254]
Health equity and serving underserviced and/or low socioeconomic status communities	Low socioeconomic status (i.e. high levels of disadvantage) is strongly correlated with high non-clinical needs, greater psychosocial complexity and poorer health and wellbeing outcomes . In Australia, individuals and communities with lower socioeconomic status experience disproportionately high rates of premature mortality and preventable chronic disease, including heart disease, cancer, diabetes, lung disease and mental health conditions. . These disparities between the least and most socioeconomically disadvantaged communities are persistent and increasing. Disadvantaged communities also often have limited community infrastructure, further compounding the entrenched socioeconomic health disparities observable in Australia and internationally . Evidence indicates that while all population groups can obtain health and wellbeing benefits from social prescribing, it is particularly beneficial for individuals most affected by the wider determinants of health, including those experiencing high levels of socioeconomic disadvantage	Social Prescribing in the Australian Context: A National Feasibility Study Report[255]

[253] Productivity Commission. (2020). Mental health Productivity commission inquiry report. Australian Government. https://www.pc.gov.au/inquiries-and-research/mental-health/report/

[254] State of Victoria. (2021). *Royal Commission into Victoria's Mental Health System Final Report.* https://www.vic.gov.au/royal-commission-victorias-mental-health-system-final-report

[255] McNamara, S., Nichols, T., Wells, L., Morgan, M., & Calder, RV. (2025). *Social Prescribing in the Australian Context: A National Feasibility Study Report.* Australian Health Policy Collaboration. Victoria University.https://content.vu.edu.au/sites/default/files/documents/2025-11/social-prescribing-in-the-australian-context.pdf

Appendix C: Economic Evaluation summary evidence for psychosocial programs

This Appendix presents summaries of the economic evaluations of the programs identified in the HPA Report[256]. For each of the 10 economic evaluations retrieved in the literature search, this section presents a description of the service, the evaluation approach, program costs, and program outcomes. However, it should be noted that data are presented in the format that it was collected (i.e., dollar values have not been converted to the March 2026 constant price, see Table 3 in Section 5 for conversions).

Economic evaluation methodologies

Table 5 presents a description of the service, the research methodology, and the economic analysis methodology for each of the 10 programs with economic evaluations.

Table 5: Description of Economic analysis papers service, method of research and method of economic analysis

Program	Description	Research Methodology	Economic Analysis Methodology
Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS)[257] NSW	HASI (fixed support hours) and CLS (flexible support hours) support people who have severe mental health challenges with personalised psychosocial support including daily living activities, social inclusion, tenancy support, and access to services (e.g., referrals to mental health services).	• Review of program documents. • Qualitative interviews with consumers, families and carers, and staff. • Focus groups with statewide stakeholders. • Analysis of program data (includes consumer surveys) and linked administrative data	Cost Offset Analysis: Accounted for improvement in QALYs, and the savings to government based on reduced hospital and justice service usage. Modelled a 5 year timeframe based on 2 years of data post program entry. Cost Effectiveness Analysis: Compared program costs with similar programs.

[256] Health Policy Analysis. (2024). Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[257] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

Program	Description	Research Methodology	Economic Analysis Methodology
HASI Plus[258] NSW	Version of the HASI with higher intensity psychosocial support.	• Review of program documents. • Qualitative interviews with consumers, families and carers, and staff. • Focus groups with statewide stakeholders. • Analysis of program data (includes consumer surveys) and linked administrative data	Cost Offset Analysis: Accounted for the savings to government based on reduced hospital service usage. Estimates based on 2 years of data post program entry. Cost Effectiveness Analysis: Compared program costs with similar programs.
Mental Health Community Living Supports for Refugees (MH-CLSR)[259] NSW	Version of the CLS that is tailored to meet the needs of people with refugee and asylum seeker backgrounds.	• Review of program documents. • Qualitative interviews with consumers, staff and statewide stakeholders. • Quantitative staff survey. • Analysis of program data and linked administrative data.	Cost Offset Analysis: could not be completed due to data limitations. Cost Effectiveness Analysis: Compared program costs across different delivery sites.
Youth Community Living Support Services (YCLSS)[260] NSW	Community based program that aims to prevent young people with severe mental health challenges from developing chronic disability. Supports participants' goals in developing living skills; education and training; and accessing housing, income support and recreation activities.	• Review of program documents. • Qualitative interviews with consumers and staff. • Analysis of program data.	Cost Offset Analysis: could not be completed due to data limitations. Break Even Analysis: estimates the minimum outcomes required to offset the costs of the program.

[258] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus).* HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[259] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[260] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].

Program	Description	Research Methodology	Economic Analysis Methodology
Continuity of Support (CoS) [261] Vic	Provides continued supports for clients of (PIR, D2DL, PHaMs), but are ineligible for NDIS support.	• Review of program documents. • Qualitative interviews and focus groups with consumers, families and carers, staff, and statewide stakeholders. • Analysis of program data (includes consumer surveys) and linked administrative data	Cost Offset Analysis: could not be completed due to data limitations. Cost Effectiveness Analysis: Compared program costs with similar programs.
Intensive Home-Based Support Services (IHBSS) [262] SA	At-home intensive psychosocial support (3-12 months) for people with severe mental health challenges. Support includes both clinical and non-clinical support, case management and coordination, with a focus on maximising consumer resilience and protective factors.	• Qualitative interviews with consumers and staff. • Analysis of program data (includes consumer surveys) and linked administrative data.	Cost Offset Analysis: Accounted for the savings to government based on reduced hospital service usage. Modelled a 2 year timeframe based on 6 months of data post program entry.
Housing Accommodation and Support Initiative (HASI) [263] Tas	Coordinated, multidisciplinary, person-centred support for people experiencing housing instability and complex mental health challenges.	• Analysis of program data (includes consumer surveys)	Cost Offset Analysis: Accounted for the savings to government based on reduced hospital and crisis accommodation service usage. Estimates based on 40 weeks of data post program entry.

[261] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[262] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[263] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

Program	Description	Research Methodology	Economic Analysis Methodology
Commonwealth Psychosocial Support Program[264] Australian Government Department of Health and Aged Care	Supports people with severe mental health challenges who were not more appropriately supported through the NDIS or other existing programs Provides short- and medium-term supports for social skills and connections; managing daily living; building confidence and resilience; financial management and budgeting; and finding and maintaining a home.	• Review of program documents. • Qualitative interviews and focus groups with consumers, families and carers, staff, and statewide stakeholders. • Analysis of program data (includes consumer surveys) and linked administrative data.	Cost Offset Analysis: could not be completed due to data limitations. Cost Effectiveness Analysis: Compared program costs with similar programs.
Online mental health services for people with complex mental health needs[265] Australian Government Department of Health and Aged Care	Telephone and online psychosocial support service for people with complex mental health needs and their families and carers. Supports include counselling, peer-led group support, SANE's drop-in services (online Forums and Support Line services), and connection with local services.	• Qualitative interviews with consumers. • Quantitative surveys for consumers and stakeholders. • Analysis of program data (includes consumer and carer surveys). • Analysis of linked administrative data (for comparison group).	Cost Offset Analysis: Accounted for improvement in QALYs and the savings to government based on reduced hospital service usage. Estimates based on 84 days of data post program entry. Cost Effectiveness Analysis: Compared program costs with similar programs.

[264] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[265] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

Program	Description	Research Methodology	Economic Analysis Methodology
Early Psychosis Youth Services (EPYS)[266] Australian Government Department of Health and Aged Care	Specialised services for youth at risk of or experiencing a first episode of psychosis, run out of headspace centres nationwide.	• Review of program documents. • Qualitative interviews and focus groups with consumers, families and carers, staff, and stakeholders. • Quantitative surveys for families and carers. • Analysis of program data (includes consumer surveys). • Analysis of linked administrative data (for comparison group).	Cost Offset Analysis: Accounted for improvement in QALYs and the savings to government based on reduced hospital service usage. Cost Effectiveness Analysis: Compared program costs across different delivery sites.

Note. Program name and government agency are written as they were reported in Appendix D of the HPA Report[267].

[266] EY. (2020). *Evaluation of the Early Psychosis Youth Services.* Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[267] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Program costs

Table 6 present the total program cost, cost per client, and the relevant year for the financial data for each of the 10 programs with economic evaluations. It should be noted that data are presented in the format that it were collected (i.e., dollar values have not been converted to the March 2026 constant price, see Table 3 in Section 5 for conversions).

Table 6: Service Costs, Costs per client, year for financial data

Program	$ Year	Total Program Cost	Program Cost Per Consumer
Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS)[268]	2018-19$	$70 million per year	Low Support: $10,363 per year Medium Support: $43,002 per year High Support: $202,807 per year Mean: $35,622
HASI Plus[269]	2018-19$	$11.2 million	$186,011 per consumer
Mental Health Community Living Supports for Refugees (MH-CLSR)[270]	2020-21$	$5.3 million per year	$1,408 per consumer
Youth Community Living Support Services (YCLSS)[271]	2018-19$	$7.0 million	$19,530 per consumer $64 per hour
Continuity of Support (CoS)[272]	2019-20$	$36.6 million per year	$7,385 per consumer

[268] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

[269] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus).* HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[270] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[271] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].

[272] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

Program	$ Year	Total Program Cost	Program Cost Per Consumer
Intensive Home Based Support Services (IHBSS)[273]	2013-14$	$8.6 million	$17,190 per consumer $128 per hour
Housing Accommodation and Support Initiative (HASI)[274]	2020-21$	$363,000 per year	$15,125 per year
Commonwealth Psychosocial Support Program[275]	2019-20$	$24.1 million per year	$3,248 per consumer
Online mental health services for people with complex mental health needs[276]	2022-23$	$5.4 million per year	$2,614 per consumer
Early Psychosis Youth Services (EPYS)[277]	2020$	$6.6 million per year per state	$15,304 per consumer

Note. Program names are written as they were reported in Appendix D of the HPA Report[278].

[273] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[274] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

[275] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[276] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[277] EY. (2020). *Evaluation of the Early Psychosis Youth Services.* Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[278] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

Program outcomes

Table 7 presents the outcomes and associated cost offsets for each of the programs with economic evaluations. The table excludes Commonwealth Psychosocial Support Program[279], Continuity of Support[280], Mental Health Community Living Supports for Refugees[281], and Youth Community Living Support Services[282] as there was no associated cost offset analysis presented in the respective evaluation reports. Cost offsets are presented for QALYs, health savings, mental health savings, public housing and crisis accommodation savings, and justice department savings.

It should be noted that data are presented in the format that it was collected (i.e., dollar values have not been converted to the March 2026 constant price, see Table 3 in Section 5 for conversions). Further, some figures may differ slightly from those reported in the respective evaluations as we have converted aggregate values to per consumer values to aid in interpretation. Where reported, we have included the quantity of the variable reduced, even in cases where the value of the cost offset was not reported. For example, the HASI Plus program reduced admitted mental health days by an average of 96.9 days per consumer per year (a cost offset of $139,451) and community mental health contacts by 26.7 contacts per consumer per year (no reported cost offset).Importantly, data is presented here for the purposes of collating and illustrating the extent to which economic evaluations of psychosocial support programs (i.e., those that were identified in the HPA Report[283]) have been conducted to date. As can be seen in Table 7, cost offsets varied across programs depending on the extent of support provided, the number of domains evaluated for cost offsets, and the length of the economic evaluation. As an example, the economic evaluation for the online mental health services for people with complex mental health needs[284] program found that the program yielded a cost offset of 16.4% based on a reduction of health service use after 12 weeks, whereas the HASI and CLS[285] evaluation demonstrated a 241.9% cost offset based on a more comprehensive cost modelling of health, mental health, and justice savings and QALYs gained, over 5 years. It is likely that other programs may have demonstrated similar returns had they had access to comprehensive linked administrative data sets over longer periods of time post program entry. It is also noted that sample sizes varied by evaluation and some reports noted that their effects were not significant statistically.

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[279] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[280] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[281] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[282] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].

[283] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[284] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[285] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

Table 7: Outcome of Economic Analysis, broken down by category

Program	$ Year	QALY	Health Savings per Consumer	Mental Health Savings per Consumer	Public Housing and Crisis Accommodation Savings per Consumer	Justice Savings per Consumer	Labor Market Impacts	Total Savings per Consumer
Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS)[286]	2018-19$	0.10 additional QALYs after 2 years 0.25 additional QALYs after 5 years	Low Support: 0.94 Emergency Department Presentations: $675 per year Medium Support: 0.62 Emergency Department Presentations: $445 per year High Support: 0.52 Emergency Department Presentations: $373 per year	Low Support: 21.73 Admitted days: $31,270 per year 7.72 Community MH Contacts: $2,030 per year Medium Support: 29.78 Admitted days: $42,853 per year 3.42 Community MH Contacts: $899 per year High Support: 12.93 Admitted days: $18,606 per year 4.81 Community MH Contacts: $1,265 per year	Low Support: 0.11 Public Housing Applications per year 0.14 Public Housing Tenancies per year Medium Support: 0.15 Public Housing Applications per year 0.19 Public Housing Tenancies per year High Support: 0.08 Public Housing Applications per year 0.22 Public Housing Tenancies per year	Low Support : 0.73 Charged Offenses per year 0.75 Correctional Orders per year Medium Support: 0.70 Charged Offenses per year 0.75 Correctional Orders per year High Support: 0.45 Charged Offenses per year	Not Reported	38.3% offset ($13,652) after 2 years 241.9% offset ($86,175) after 5 years

[286] Purcal, C., O'Shea, P. Giuntoli, G., Zmudzki, F., & Fisher, K.R. (2022). *Evaluation of NSW Community-based Mental Health Programs: Community Living Supports and Housing and Accommodation Support Initiative*. CLS-HASI Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28396

Program	$ Year	QALY	Health Savings per Consumer	Mental Health Savings per Consumer	Public Housing and Crisis Accommodation Savings per Consumer	Justice Savings per Consumer	Labor Market Impacts	Total Savings per Consumer
HASI Plus[287]	2018-19$	Not Reported	0.1 Emergency Department Presentations	96.9 Admitted days: $139,451 per year 26.7 Community MH Contacts per year	Not Reported	Not Reported	Not Reported	75.0% offset ($139,451) after 2 years
Intensive Home Based Support Services (IHBSS)[288]	2013-14$	Not Reported	Emergency Department presentations: $88 Emergency Department costs: $256	Admissions: $4,512 Admitted days: $7,378	Not Reported	Not Reported	Not Reported	71.2% offset ($12,233) after 6 months
Housing Accommodation and Support Initiative (HASI)[289]	2020-21$	Not Reported	6.9 Admitted days: $9,268	Not Reported	Homelessness services: $48,217	Not Reported	Not Reported	380.1% offset ($57,485) after 40 weeks
Online mental health services for people with	2022-23$	0.22 additional QALYs after 12 weeks	ED presentations and admissions: $428	Not Reported	Not Reported	Not Reported	Not Reported	16.4% offset ($428) after 12 weeks

[287] Purcal, C., Giuntoli, G., O'Shea, P., Zmudzki, F., Fisher, K.R., & Campbell, E. (2022). *Evaluation of Housing and Accommodation Support Initiative Plus (HASI Plus).* HASI Plus Evaluation Report. UNSW Social Policy Research Centre. https://doi.org/10.26190/unsworks/28496

[288] Zmudzki, F., valentine, k., Katz, I., Loebel, A., & Bates, S. (2015). *Evaluation of Intensive Home Based Support Services for SA Health* (SPRC Report 03/2015). Sydney: Social Policy Research Centre, UNSW Australia. https://www.unsw.edu.au/research/sprc/our-projects/intensive-home-based-support-services-evaluation

[289] Robinson, F. (2021). *Hand in Hand: Housing Stability and Mental Health Recovery: A report on HASI - Housing and Accommodation Support Initiative.* Fae Robinson Futures [Internal Report].

Program	$ Year	QALY	Health Savings per Consumer	Mental Health Savings per Consumer	Public Housing and Crisis Accommodation Savings per Consumer	Justice Savings per Consumer	Labor Market Impacts	Total Savings per Consumer
complex mental health needs [290]								
Early Psychosis Youth Services (EPYS)[291]	2020$	0.05 additional QALYs after 1 year	Admissions: $413	Community MH use: $913	Not Reported	Not Reported	Not Reported	8.7% offset ($1,326) after 1 year

Note. Program names are written as they were reported in Appendix D of the HPA Report[292]. Table excludes Commonwealth Psychosocial Support Program[293], Continuity of Support (CoS) [294], Mental Health Community Living Supports for Refugees (MH-CLSR)[295] and Youth Community Living Support Services (YCLSS)[296] as there was no associated cost offset analysis. Program offsets are not comparable across programs as they are presented as the dollar value for their respective analysis years and have not been converted to a constant price (see Table 3 in Section 5 for March 2026 dollars).

[290] Institute for Social Science Research. (2023). *FINAL REPORT: Evaluation services for the SANE pilot for people with complex mental health needs*. University of Queensland. https://www.health.gov.au/sites/default/files/2024-04/evaluation-services-for-the-sane-pilot-for-people-with-complex-mental-health-needs-final-report_0.pdf

[291] EY. (2020). *Evaluation of the Early Psychosis Youth Services*. Australian Department of Health. https://www.health.gov.au/resources/collections/evaluation-of-the-early-psychosis-youth-services-program

[292] Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme – Final Report*. https://www.health.gov.au/resources/publications/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report

[293] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[294] Nous Group. (2021). *Evaluation of National Psychosocial Support Programs: Final Report*. Australian Department of Health. https://www.health.gov.au/resources/publications/evaluation-of-national-psychosocial-support-programs-final-report

[295] Ridoutt, L., Leary, J., Stanford, D., Lawson, K., Cowles, C., & Yousif, M. (2022). *Evaluation of the NSW Mental Health – Community Living Supports for Refugees Program (2019-21): Final report, June 2022*. NSW Ministry of Health. https://www.health.nsw.gov.au/mentalhealth/resources/Publications/mh-clsr-process-evaluation.pdf

[296] Kurti, L., McMurtrie, F., Formosa, J., Wiseman, A., Chan, A., & Fong, B. (2020). *Youth Community Living Support Service (YCLSS) Evaluation: experiences and outcomes review*. Urbis [Internal Report].