Fact Sheet 7 – What this means for Nongovernment Organisations

Key issues

- Nongovernment Organisations (NGOs) play a critical role in supporting the mental health and wellbeing of Australians.

- Support through the NGO sector has been identified as fundamental to keeping people with complex needs well, participating within their communities, and leading contributing lives.

- However the NGO system is often siloed due to the design of different Commonwealth and state funding models, with a range of different organisations providing a myriad of support services, making the mental health system difficult to navigate.

- While Commonwealth, state and territory funding through programmes delivered by NGOs comprises less than 10 per cent of total mental health expenditure, addressing the complexity and uncertainty of these arrangements is critical. International evidence suggests this is a relatively low level of government expenditure through the NGO sector.

- The Review has identified a range of factors inherent in the current programme structure which affect how NGOs operate collectively. Examples include red tape and compliance costs that draw scarce resources away from front-line services.

- There is a need to strike the right balance between public reporting to ensure accountability for outcomes, the use of taxpayers’ money, and the resources organisations can reasonably dedicate to this reporting. Data provided should be reported once and used often. Currently too much provided data is not used strategically or to plan and inform future policy decisions.

Key responses

- The Commission proposes that there should be a significant increase in the proportion of funding to the NGO sector, to strengthen the sector’s ability to provide wrap-around services which keep people out of hospital, out of crisis, and support people to lead contributing lives in the community.

- It proposes that current and additional funding should be available for a fewer number of larger organisations, or consortia of organisations, to provide more comprehensive, whole of person services.

- A fundamental design principle arising out of this Review is that the Commonwealth should use its resources as incentives to leverage measurable results and outcomes, and shift the centre of gravity of the mental health system to prevention, early intervention, primary health care, and importantly—to recovery.
• The Commission is not recommending that any specific programmes should be defunded due to lack of impact.

• The Commission recommends moving away from separate, siloed payment arrangements to a focus on early intervention and prevention. In particular, integrated care pathways for those most in need will enable a smoother journey across the mental health system, regardless of who funds and provides services—resulting in better access to needed services, improved outcomes and more effective and efficient use of resources.

• The Commission supports bundling-up programmes, so that the role and capacity of NGOs and other service providers to deliver more comprehensive, integrated and higher level mental health services and support for people, their families and supporters is boosted.

• As capacity and competence is built, NGOs should look at developing greater capacity to move into broader provision of clinical support services, in addition to the current suite of non-clinical services.

• This could be done in partnership with state and territory community mental health services, including child and adolescent services.

• The Commission also recommends reporting against meaningful, measurable performance targets at national, state, and regional levels, with the achievement of targets tied to ongoing funding.

• A benefit for NGOs will be a reduction in red tape and unproductive reporting.

• A benefit to taxpayers will be greater transparency and evidence that services being funded are achieving their desired impact.