



Funding for Kindred Clubhouse – A Proven, Community-Based Mental Health Model

Submitted by: Kindred Clubhouse

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1. Executive Summary

Kindred Clubhouse is a peer-led, recovery-oriented mental health support community based in Hastings Victoria. We are submitting this proposal to strongly advocate for dedicated, sustainable funding to support and expand our model of psychosocial rehabilitation, which is cost-effective, peer led, community-embedded, and produces long-term positive outcomes.

Despite growing mental health challenges across Victoria, many people—particularly those not eligible for the NDIS—remain unsupported. Kindred Clubhouse fills this vital gap, offering purpose, connection, and pathways to recovery outside of clinical systems.

We respectfully urge the Productivity Committee to recommend funding models that include non-clinical, recovery-based supports like Clubhouses, which deliver significant social and economic return on investment.

2. About Kindred Clubhouse

Kindred Clubhouse is part of an internationally recognised model with over 300 clubhouses globally. We support adults experiencing mental health challenges through a holistic, inclusive model built around:

- Meaningful work and social connection
- Peer-led recovery and community participation
- Employment and education support
- Reduced hospitalisations and crisis intervention

We are non-clinical but deeply therapeutic—providing stability, structure, and collective empowerment.

Our members report:

- Increased confidence, self-worth, and wellbeing
- Reduced isolation and hospital usage
- Re-engagement in employment and education
- A strong sense of belonging

3. The Problem: Gaps in the Mental Health System

Victoria's mental health system is under significant pressure. Key challenges include:

- **NDIS ineligibility:** Thousands of Victorians with enduring mental health challenges fall outside NDIS criteria, yet still need support.
- **Over-medicalisation:** Community-based, relational care is underfunded, despite its importance for long-term recovery.
- **Disconnection:** Social isolation, unemployment, and stigma remain key barriers to healing.

The 2021 Royal Commission into Victoria's Mental Health System recognised the need for community-based mental health services. Yet funding has not caught up with demand—especially for innovative, evidence-based psychosocial models.

4. A Cost-Effective, High-Impact Solution

The Interim Report indicates the need to develop arrangements for psychosocial supports outside the NDIS. The report states (pgs 9-10)

“In the Agreement, governments agreed to work together to develop arrangements for psychosocial supports for people who do not qualify for the NDIS. This is yet to occur. Governments should use the time remaining in the Agreement to develop solutions for this significant service gap. Psychosocial supports are non-clinical services for people experiencing mental illness that enable them to live independently and safely in the community. Examples of these supports include help finding and connecting with services, socialising and maintaining relationships and building daily living skills. People with psychosocial disability who qualify for the NDIS can access psychosocial supports, but they represent only a very small proportion of the people who need these services. In response to the introduction of the NDIS, the Australian, state and territory governments withdrew much of the funding for programs providing these supports to people with a psychosocial disability. This left an estimated 230,500 people with severe mental illness and 263,100 people with moderate mental illness without support in 2022-23, according to analysis commissioned under the Agreement.

While the next agreement is being negotiated, state and territory governments should immediately begin commissioning services to address unmet need. PHNs currently commission some psychosocial supports and have experience and existing relationships; they are well placed to work with state and territory governments and providers to support this expansion and transition. The next agreement should:

- *Confirm the roles and responsibilities for psychosocial support and the funding split between the Australian, state and territory governments*
- *Include Australian Government funding to the state and territory governments to help cover the shortfall in support, if needed*
- *Include a detailed plan and timeline for the expansion of services, with the aim of fully addressing the unmet need by 2030.”*

Kindred Clubhouse offers a solution to this unmet need identified in the Interim Report and fills the service gap. Kindred Clubhouse was listed as a psychosocial service option in the Analysis



of unmet need for psychosocial supports outside the NDIS and remains a current service that can provide a significant proportion of unmet psychosocial support hours.

Clubhouses offer a proven return on investment. International studies show:

- A 40% reduction in psychiatric hospitalisation
- Increased employment rates for members
- Significant reductions in reliance on acute services

Kindred Clubhouse leverages volunteers, community partnerships, and a small team to achieve outsized impact. A modest funding investment enables consistent operations and broader reach—saving downstream costs in health, justice, and welfare systems.

5. Our Request

We are seeking ongoing operational funding to sustain and expand Kindred Clubhouse's programs, staffing, and outreach to those who fall through the cracks.

We ask that:

- The Productivity Committee recognise Clubhouses as essential mental health infrastructure, not optional or peripheral services.
- Future funding models include psychosocial, peer-led services in both NDIS and non-NDIS funding streams (such as Clubhouse Model).
- A portion of mental health investment is earmarked for Clubhouse Models, supporting place-based, recovery-oriented community hubs.
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6. Conclusion

Kindred Clubhouse represents a scalable, impactful, and compassionate solution to Victoria's mental health crisis. With stable funding, we can continue to be a home for recovery, connection, and purpose for hundreds of Victorians each year.

We welcome the opportunity to appear before the Committee or provide further information.

Kind Regards,