Saving lives.
Saving money.

The case for better investment in Victorian mental health.

June 2018
Mental Health Victoria is the peak body representing mental health services in Victoria.

This report was developed in consultation with Mental Health Victoria’s member organisations and other key stakeholders in mental health in Victoria.

Victoria’s mental health system is a mix of clinical and non-clinical, acute setting and community-based, and public and private services.

It’s important to remember that services not traditionally thought of as mental health services – such as GPs and school counsellors – also have a role to play in improving the mental health of Victorians.

‘Emergency services’ such as ambulance services, police, and emergency departments can also be considered part of the broader mental health system, particularly when the rest of the system is not functioning well.

While considerable data relating to Victoria’s public mental health system is collected, there are significant gaps in our understanding of the broader Victorian mental health system.

Improved whole-of-system monitoring is needed to develop a more comprehensive understanding of client pathways, key gaps in the system, and opportunities for early intervention and strengthening community-based supports.
Victoria’s mental health system is an interconnected puzzle.

Improved whole of system monitoring is needed to develop a more comprehensive understanding of client pathways, key gaps in the system, and opportunities for early intervention and strengthening community-based supports.
Executive summary

Chronic underfunding over the past two decades has seen investment and service delivery in mental health in Victoria fall well below that of the rest of Australia.

<table>
<thead>
<tr>
<th>After once leading the nation in mental health care, Victoria today has the dubious distinction of having:</th>
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<tbody>
<tr>
<td>• the lowest per capita expenditure on mental health in the country (13 per cent below the national average)</td>
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<tr>
<td>• access to mental health services that is nearly 40 per cent below the national average.</td>
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<table>
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<tr>
<th>What that means out in our community is that:</th>
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<tr>
<td>• tens of thousands of Victorians with serious and complex mental health needs receive no support services</td>
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<tr>
<td>• two out every three young people who need help are turned away.</td>
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<table>
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<tr>
<th>This is now set to get worse under the National Disability Insurance Scheme (NDIS), where funding rules and changes mean that:</th>
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<tbody>
<tr>
<td>• crucial community services are being cut to fund the NDIS</td>
</tr>
<tr>
<td>• at least 1,000 specialist mental health workers are set to lose their positions.</td>
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Only a very small proportion of the estimated 150,000 people experiencing severe mental illness each year will be eligible for the NDIS.

This has huge health and wellbeing ramifications for hundreds of thousands of Victorians and their loved ones, as well as for our broader community and economy.

The gaps will be found most severely in community mental health services which are critical to psychosocial support and recovery – helping to keep people’s relationships intact, maintain safe housing, manage physical health, and help them to stay at work or connected to the community.

Without these frontline supports we see escalating numbers of people with mental health issues who now present in crisis to hospitals or get caught up in the justice system for want of earlier intervention and support.

The 2018-19 Victorian Budget showed there is light at the end of the tunnel, committing $705 million to mental health. But it is still not enough overall.

More importantly, barely any of that new funding goes to vital community services that help to stop mental health issues from spiralling into crisis and requiring acute services.
What is needed?

**We need:**

$543 \text{ MILLION}

boost at least in funding for mental health services by 2022.

$110 \text{ MILLION}

for housing for 3,000 young homeless Victorians.

Given the magnitude of under-investment over so many years, sustained long-term investment is needed, particularly in the areas of youth and adult preventative services, hospital beds, suicide prevention and access to housing.

This paper sets out the case for these investments, and challenges the next Victorian Government to do better than “below average” in mental health support in Australia.

Led by Mental Health Victoria, this paper draws on the advice of expert stakeholders from across Victoria’s mental health system: working in the community, in hospitals and prisons, with specialist knowledge in prevention, clinical and community support. It is backed by data from the Australian Institute of Health and Welfare.

It identifies and quantifies the investment needed for Victorians to have a mental health system that is, at the very least, on par with the national average by 2022.

This investment plan also urges accountability through:

- targets for community, youth, acute bed, housing and suicide prevention funding out to 2022
- ongoing performance measures to ensure accountability for mental health expenditure and service delivery.

This investment will pay off significantly for the state, delivering:

- urgent access to quality health care for an estimated 65,000 more Victorians each year
- $1.1 billion in estimated savings per year, particularly to our hospital and justice systems, over the long-term
- the retention of 1,000 mental health jobs.

Around 1,000 qualified and experienced mental health positions are set to be lost by June 2019 due to the defunding of Victoria’s community mental health support services to fund the National Disability Insurance Scheme (NDIS). The experienced mental health workers in these positions won’t be employed in the NDIS service system.

This creates a new crisis, for people needing mental health supports and for the workforce itself. But it also creates a real and immediate opportunity. This specialist workforce could immediately get to work:

- providing new preventative mental health services in the community
- preventing psychiatric crises
- reducing pressure on emergency departments, police and ambulance services
- significantly relieving stress and harm for people with mental health issues and their carers and families.

We need:

$543 \text{ MILLION}

boost at least in funding for mental health services by 2022.

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for housing for 3,000 young homeless Victorians.
Attitudes to mental health in Australia have evolved dramatically over the past decade, thanks to the work of consumers, carers, services and organisations like beyondblue, SANE, Lifeline and many others.

Today, mental health is better understood than ever and, while much needs to be done to reduce stigma and to normalise mental ill health, we are more open to the conversation.

It may therefore come as a shock for Victorians to learn that our mental health system is in trouble. Having once been a model for deinstitutionalisation and community-based preventative care, it has been in significant decline for years and now lags nationally.

Chronic underfunding over the past two decades has seen Victoria’s investment in mental health fall well below that of the rest of Australia. Today, Victoria has the dubious distinction of having the lowest per capita expenditure on mental health in the country, with access to services at 39 per cent below the national average – which itself is too low.

Where the gaps are felt most deeply, and will get deeper under the NDIS, is in psychosocial rehabilitation services and support for the often long journey of recovery.

The needs of consumers and carers must be at the centre of the mental health system.

Psychosocial rehabilitation involves essential services and programs that support people with mental health issues to succeed on their recovery journey, often through the strength and support of their peers. Critical supports are those that help people to live well in their family, relationships, and the broader community, to have a safe home, to live lives that are as healthy as possible with control and choices, and to support the recovery from grief and trauma.

Victoria’s per capita expenditure on mental health is the lowest of all States and Territories.
The evidence is clear that recovery in these domains leads to better mental health and supports mental health rehabilitation, recovery and self-management.

Lack of support in these areas, which are largely provided by non-government community organisations, conversely can lead to ill-health and mean that more Victorians are being forced into crisis. That is most graphically seen in our hospital emergency departments, where so many mental health issues now present. As well as causing immense distress for patients and families, this places an enormous burden on police and ambulance services, as well as our dedicated medical and nursing staff.

Our struggling mental health system is not the fault of any particular party or government – it is the result of many years of underinvestment by successive governments.

But the ramifications are huge: tens of thousands of Victorians with serious and complex mental health needs receive no support services and two out every three young people who need help are turned away. This is unacceptable.

There is some light at the end of the tunnel. We commend the Victorian Government for its 2018-19 Budget commitment of $705 million to mental health and hope that it marks a turning point for mental health – the poor cousin of the health system – in Victoria.

The Budget represents a solid commitment to improving the lives of Victorians experiencing mental illness, particularly for those in need of crisis and acute care. Yet Victoria has also recorded the highest population growth rate of all states and territories so there remains a long overdue and still growing need to build on the 2018-19 commitment by further growing community based mental health care in Victoria in line with population growth.

We have welcomed much needed investment in acute services, but we need now to also boost funding for community-based prevention and recovery services to keep people out of crisis.
While much of the care currently extended in Victoria is of an excellent quality, a long period of under-resourcing means it is not universally available and not everyone gets it when they need it. Funding and services should be based on need, not a competition for precious resources.

We won’t repair this in an instant but we can be planning now for the kind of mental health system that we could call on should we need to.

Mental Health Victoria represents the services and organisations that seek to provide the supports and services, which are mostly needed in the community setting.

We want a robust system that responds to the needs of Victorians and that means funding for the gaps that exist.

This cannot be done cheaply, which is why in this report we are outlining the economic case to support investment, as well as the health imperative.

This is not an ambit claim. Rather we have drawn on the advice of experts from across Victoria’s mental health system to identify and quantify the investment needed for Victorians to have a mental system that is at the very least on par with the national average.

It would have an enormous positive impact for tens of thousands of Victorians living with mental illness, along with their carers, families, and friends.

If any of us were seeking help for our mental health, we would want to be confident that we could access the best quality care in a timely and efficient way.
It will create jobs, reduce the ever increasing call on police and ambulance resources, and benefit the economy and community, including through the economic and social participation of people with mental health issues.

With its strong economy and projected budget surpluses, Victoria can afford to get back on track on mental health investment. This report provides the case for that investment.

“Long waits for mental health care in emergency departments are unacceptable and discriminatory and are likely to lead to serious deterioration in the wellbeing of patients.”

Australasian College for Emergency Medicine (ACEM) President Dr Simon Judkins
Snapshot:

Why Victoria needs to **invest more** in mental health.

Victoria's population is the fastest growing in Australia, contributing to increasing demand pressures across health and human services sectors, including mental health.

**Other sources of pressure.**

- **Historical focus on acute and crisis care**
- **Under-investment in community based services and early intervention**
- **Misalignment of resources and capacity with the areas of greatest demand and need**

The significant and increasing levels of demand for mental health services in Victoria are not currently reflected in expenditure. This under-resourcing in turn results in a lower proportion of Victorians in need receiving appropriate mental health services.
Failing to meet the need in the community.

Community mental health patients per 1,000 population

Community mental health services are a vital part of the mental health system, providing care in a community setting to people with severe mental illness and psychiatric disability. Community mental health services provide early intervention when people are becoming unwell, and also support people to return to their community from more acute settings like hospital.

Putting homelessness services under pressure

2016-17
More than 500 people presented at Victorian homelessness services after leaving psychiatric services.

45% increase in the last 3 years
Acute bed numbers have fallen.

Victoria has also seen a decrease over the last 10 years in the number of acute beds per 100,000 population.

The burden on the ‘hidden workforce’ of carers.

A lack of appropriate mental health services increases the burden on carers.

It is estimated that over 60,000 informal carers across Victoria supported a person with a mental illness in 2015.

Young people are at particular risk.

The largest discrepancy between Australians receiving clinical mental health services (national average) and Victorians receiving clinical mental health services is in the younger age brackets.

Proportion of population receiving clinical mental health care (%)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>VIC</th>
<th>AUS</th>
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<tbody>
<tr>
<td>LESS THAN 15 YEARS</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>15-24 YEARS</td>
<td>2.0</td>
<td>3.0</td>
</tr>
<tr>
<td>25-34 YEARS</td>
<td>1.5</td>
<td>2.5</td>
</tr>
<tr>
<td>35-44 YEARS</td>
<td>1.0</td>
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</tr>
<tr>
<td>45-54 YEARS</td>
<td>0.5</td>
<td>1.5</td>
</tr>
<tr>
<td>55-64 YEARS</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>65 YEARS &amp; OVER</td>
<td>0.0</td>
<td>0.5</td>
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</tbody>
</table>

50% lower for Victorians less than 15 years of age

45% lower for Victorians 15 to 24 years of age

43% lower for Victorians 25 to 34 years of age
The NDIS shortfall.

The National Disability Insurance Scheme (NDIS) will provide some community-based supports to people with severe and persistent mental illness. However, it is estimated that up to 91% of people with severe mental illness will not be eligible for the NDIS.

This shortfall would mean that approximately 135,000 adult Victorians living with severe mental illness per year will be reliant on non-NDIS mental health services to meet their needs.

Leading people into crisis responses.

When people cannot access community mental health services, they are more likely to come into contact with hospital emergency departments, ambulance services, the police and justice system. These services are resource-intensive, and do not represent the most appropriate response for people living with mental illness.

In 2016-17 there was a mental health-related emergency department (ED) presentation every 10 minutes.

In 2016 the number of suicide deaths in Victoria was 624.

The estimated number of suicide attempts in Victoria was 19,760.

In 2015 Ambulance Victoria responded to approximately 132 mental health-related cases per day.

76.8% of these patients had a documented mental health history and it is likely that many of these patients were already known to mental health services.

132 per day

Emergency mental health cases responded to by Ambulance Victoria in 2015 were Victorians 15 years and under.

19% of people with severe mental illness won’t be eligible for the NDIS.

135,000 adult Victorians living with severe mental illness per year will rely on non-NDIS mental health services.

In 2016-17 there was a mental health-related ED presentation every 10 minutes.
Given the magnitude of under-investment over so many years, sustained long-term investment is needed, particularly in the areas of:

- youth and adult preventative services
- hospital beds
- suicide prevention
- access to housing.

The Investment Priorities section of this report outlines the specific investments needed in each of these areas and what that extra level of funding will deliver.

In total they require:

A boost of at least $543 million in funding for mental health services by 2022.

Further investment of $110 million in housing for 3,000 young homeless people.

These two priorities recognise the direct relationship between housing and mental health, and the reality that about 50 per cent of homeless people have a mental health issue. We know that homelessness contributes to mental illness and that safe housing improves mental health. They are inextricably linked.

Obviously, it would take time to increase overall mental health investment to this level so we propose a target of 2022 for Victoria to reach the national average.

Beyond that, an investment plan is needed to cover the next eight years to restore spending and accountability within the Victorian service system. This must include:

- A timeframe for the delivery of ongoing and sustainable funding of a comprehensive mental health service system.
- Creation of an accountable framework for an all-inclusive mental health service system, outlining State and Commonwealth responsibilities and linking with the broader health and community support service system.

Targets for community, youth, acute bed, housing and suicide prevention year-on-year out to 2022, with on-going performance measures to ensure accountability for mental health expenditure and service delivery.

Mental health consumers and carers must be part of any system of accountability and know who is responsible and liable for the monies spent and the value of the services, policies, programs and advocacy achieved.

Services providers should also be accountable for what they provide, and how they fit into the wider system, within the context of their funding arrangements and contracts.
Return on investment

Such investment will deliver huge benefits across the entire Victorian community and economy, and lead to long-term cultural changes in the way we understand and support mental illness in the community.

*Investing to Save*, a report by KPMG for Mental Health Australia, outlined the economic rationale for investment. KPMG point out that a “large body of reviews, reports and inquiries” over the past 30 years has “made the case for greater investment in mental health.”

This detailed report highlights the ‘win-win’ for governments – an upfront investment leads to many positive economic and social returns:

- avoidable emergency department (ED) admissions and presentations
- reduced demand on public hospital beds
- reduction in homelessness
- reduction in crime and prisoner numbers
- less absenteeism
- improved economic productivity
- greater workforce participation.

The investments recommended in this report are designed to directly address the shortcomings in the Victorian mental health system. They will also deliver strong returns to government and taxpayers.

The Commission’s work to date has shown that improving mental health is an invest-to-save issue. The Commission’s view is that tackling the causes rather than the symptoms of mental ill-health, preventing and intervening early in mental illness and suicidal behaviour, promoting good mental health for everyone, and timely support when things start to get tough, is the best economic and social renewal strategy that we can invest in.

The goal of all mental health policies should be to see people able to fully participate in society; to have somewhere safe and stable to live, to be employed (or find value and self-worth through volunteering or other activates), and lead a life with optimism and hope.

David G. Smith & Judith D. Moore.

Investment at the level we have recommended would produce health and productivity savings of an estimated $1.1 billion over the longer term.
Governments and political parties are reluctant to set targets, probably because they are afraid of what happens when they are not met.

But without targets, plans – including the Victorian Government’s 10-year Mental Health Plan – remain aspirational documents full of well-meaning but unfulfilled intent.

As well as having deliverable and measurable targets, a mental health plan must have ongoing performance measures and the right apparatus to track progress.

To reform mental health in Victoria, we need to know:

The shortcomings and deficiencies in Victoria’s mental health system are a consequence of historic underinvestment by all governments over the past 20 years.

Drawing on the detailed comparative data gathered by the Australian Institute of Health and Welfare (see references at the end of this report), expert stakeholders have identified what is urgently needed and will allow Victoria to catch up nationally on mental health.

As well as dedicated mental health services, we know that providing access to stable housing is a vital first step in ensuring the health and wellbeing of people who are at risk of mental illness. Investment in housing and homelessness must therefore go hand in hand with providing specialist mental health services. If governments want to save money and reduce the pressures and expenditure over a range of areas, then investing in mental health prevention is a ‘no brainer’.

**Targets and accountability**

**Investment priorities**

**Supporting investment**

<table>
<thead>
<tr>
<th>AREA OF FOCUS</th>
<th>Homelessness</th>
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<tbody>
<tr>
<td>RECOMMENDATION:</td>
<td>$110 million for Housing first programs to 3,000 young homeless Victorians.</td>
</tr>
<tr>
<td>INVESTMENT &amp;</td>
<td></td>
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<tr>
<td>INTERVENTION</td>
<td></td>
</tr>
<tr>
<td>RATIONALE</td>
<td>Housing is a vital early intervention to reduce the risk of mental illness.</td>
</tr>
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# Mental health services

<table>
<thead>
<tr>
<th>AREA OF FOCUS</th>
<th>RECOMMENDATION: INVESTMENT &amp; INTERVENTION</th>
<th>RATIONALE</th>
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<tbody>
<tr>
<td>Community mental health</td>
<td>$200 million in operational funding to provide community mental health support for 35,900 Victorians.</td>
<td>• Increase Victoria’s community mental health access rate to the national average.</td>
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<tr>
<td></td>
<td></td>
<td>• Reduce pressure on emergency departments, police and ambulance services.</td>
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<td></td>
<td></td>
<td>• Retain 1,000 mental health worker jobs being displaced by the NDIS.</td>
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<td>• Return on investment (ROI) of $3 for every $1 invested.</td>
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<tr>
<td>Young people and early</td>
<td>$251 million to improve clinical care for 16,000 young Victorians.</td>
<td>• Increase Victoria’s rate of clinical support for young people to the national average.</td>
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<tr>
<td>intervention</td>
<td></td>
<td>• Generate long-term savings from interventions such as early intervention in psychosis which has an ROI of <strong>$8.60 for every $1 invested</strong>.</td>
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<td></td>
<td></td>
<td>• Reduce pressure on emergency departments, police and ambulance services.</td>
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<tr>
<td>Acute beds</td>
<td>$65 million in operational funding for 204 extra general acute beds for mental health.</td>
<td>• Increase Victoria’s general acute bed rate to the national average.</td>
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<td></td>
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<td>• Reduce pressure on the hospital system.</td>
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<tr>
<td>Suicide prevention</td>
<td>An extra $27 million to increase the coverage of assertive outreach programs to another 4,300 Victorians who are hospitalised from self-harm.</td>
<td>• Targeting assertive outreach programs after self-harm hospitalisations is particularly effective.</td>
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<td>• <strong>ROI of almost $2 on every $1 invested,</strong> with long-term gains of <strong>$50 million.</strong></td>
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<tr>
<td>Total</td>
<td>An extra investment of $543 million to support an additional 56,200 people and deliver 204 more acute beds.</td>
<td>• Increase Victoria’s level of mental health services to the national average.</td>
</tr>
</tbody>
</table>
|                                | **2018/19:** $135.75 million  
**2019/20:** $271.50 million  
**2020/21:** $407.25 million  
**2021/22:** $543 million | • Strong health and productivity savings of $1.1 billion over the longer term.                                                              |
|                                | – national average mental health spend reached                                                           |                                                                                                                                         |
Deficit:

Victoria’s community mental health services see 11.3 consumers per 1,000 population, 35 per cent below the national average of 17.3 consumers per 1,000 population1.

2018-19 Victorian Budget:

The 2018-19 Budget provides $232 million in operational funding over 4 years to support an additional 12,800 Victorians with mental illness with community based services, and to provide 89 more acute beds. The funding is not disaggregated between the costs of community care versus acute beds, however combined it equates to $58 million each year.

Recommendation:

The extra funding for community support is welcome, but will only go about a third of the way to reducing Victoria’s shortfall relative to the national average. To reach the national average rate of community services for mental health, Victoria needs to support an additional 35,900 Victorians at a cost of around $200 million per year, or almost 3 times the funding allocated to both acute beds and community support in the 2018-19 Budget.

Community mental health investment should be targeted towards particularly vulnerable groups in Victoria including:

- Aboriginal and Torres Strait Islander people
- people from culturally and linguistically diverse (CALD) backgrounds, including refugees and people seeking asylum
- people who are lesbian, gay, bisexual, trans, intersex, and/or queer (LGBTIQ+).

Rationale:

Community mental health can be a ‘quick win’ for Victoria. A consequence of defunding of Victoria’s community mental health support services to fund the NDIS will be the loss of around 1,000 qualified and experienced mental health workers by June 2019. This workforce could immediately be put to work providing new preventative mental health services in the community.

This investment will reduce pressure on emergency departments, police and ambulance services.

1. Australian Institute of Health and Welfare (AIHW) 2016, Mental health services in Australia: State and territory community mental health services, AIHW, Canberra, Table CMHC.1.
2. AIHW 2016, Australia’s Health 2016, Australia’s health series no.15. Cat. No AUS 199, AIHW, Canberra, pp 5-6.
Young people and early intervention

Deficit:

The proportion of young Victorians receiving clinical mental health care is almost 50 per cent below the national average. This means Victoria is missing the opportunity to intervene early in a person’s lifetime to help build resilience and reduce the downward trajectory towards serious mental health issues.

2018-19 Victorian Budget:

The 2018-19 Budget provides an $11.9 million investment for a new 20-bed prevention and recovery care facility for young people across Melbourne.

Recommendation:

Victoria should almost double operational funding for clinical mental health care for young Victorians from $129 million to $251 million. This would increase clinical care to around 16,000 young Victorians, and ensure young Victorians had the same rate of clinical care as those in other parts of Australia.

Rationale:

The World Economic Forum found mental ill-health to be the most important health issue facing young people (12-25 years) globally. Mental ill-health is the leading cause of disability in young people aged 10–24 years, contributing 45 per cent of their overall burden of disease.

As a majority of mental health disorders begin before the age of 24, interventions can have a particularly large impact when targeted at the young.

A United States study that tracked siblings for over 40 years from childhood into adulthood found those who experienced mental illness as a child had lifetime earnings on average $US300,000 less than their brothers or sisters who did not have childhood mental health issues. Early interventions have been shown to have a positive return on investment: for severe mental health issues like psychosis, the downward trajectory of the illness can be dampened by interventions early on in onset of the disease.

An example is early intervention programs for psychosis that provide increased clinical care at the first signs of illness. Over the long term, these interventions have been shown to significantly reduce long-term hospitalisations, and deliver a return on investment of $8.60 for every $1 invested. Around 900 Victorians are diagnosed with schizophrenia each year. Ensuring they received assertive early intervention would cost around $8 million but deliver almost $70 million in long term savings.

This investment will also reduce pressure on emergency departments, police and ambulance services.

Deficit:

Victoria’s number of acute beds per capita has not kept pace with our growing population, and is 22 per cent below the national average®.

2018-19 Victorian Budget:

The 2018-19 Budget provides $232 million in operational funding over 4 years to support a further 12,800 Victorians with mental health with community-based services, and to provide 89 more acute beds. The funding is not disaggregated between the costs of community care versus acute beds, however combined it equates to $58 million each year.

Recommendation:

The extra funding for 89 acute beds is welcome, but will only go about half of the way to reducing Victoria’s shortfall relative to the national average. To reach the national average rate of general acute beds for mental health, Victoria requires funding of 204 beds, or $65 million per year.

Rationale:

Victoria’s number of acute beds has not kept pace with a growing population or burden of disease. It is imperative that those with serious mental issues can access acute care that they need.

Providing adequate resourcing of acute beds can also have significant positive flow-on impacts to emergency departments where mental health patients are experiencing significant waiting times. This is both detrimental to the patient and the efficiency of the emergency department where around a third of the workload involves caring for patients who are waiting for an inpatient bed®.

Suicide prevention

We welcome the Victorian Government’s announcement of $18.7 million to expand the Hospital Outreach Post-suicidal Engagement (HOPE) initiative to 6 more hospitals.

Need:

Each year almost 20,000 Victorians attempt suicide. In 2016 there were 624 deaths from suicide.10 11

2018-19 Victorian Budget:

The government announced $18.7 million to expand the Hospital Outreach Post-suicidal Engagement (HOPE) initiative to 6 more hospitals, supporting another 3,000 Victorians a year. These are significant investments to help prevent suicide, however further investment is required.

Recommendation:

A further $27 million should be spent on community-based assertive outreach to a further 4,300 Victorians who have self-harm hospitalisations each year. Targeting assertive outreach in this manner has been shown to be particularly effective.12 Specific examples of this intervention include beyondblue’s The Way Back Support Service and the Victorian Government’s HOPE Initiative.

Rationale:

Suicide prevention models require significant upfront investment costs, however we know the harm that can be inflicted on families and communities if we don’t.

Economic analysis of assertive outreach suicide prevention models indicate significant returns on investment of $1.80 in the long-term.13 This intervention could deliver $50 million over the longer term.

10. Australian Bureau of Statistics (ABS) 2016, 3303.0 Causes of Death, Australia, Table 11.6.
13. MHA and KPMG 2018, op cit.
Homelessness

Deficit:
Almost 10,000 young Victorians under the age of 25 are homeless or without stable accommodation. In 2016-17, more than 500 people presented at homelessness services after leaving psychiatric services, an increase of 45 per cent over the last 3 years.

2018-19 Victorian Budget:
The homelessness and rough sleeping action plan in the 2018-19 Budget contains funding of $23.9 million over 4 years or around $6 million per year. A range of activities have been announced since the beginning of 2017, including $9.8 million for Towards Home, an investment to house vulnerable people in Melbourne, and $19 million for assertive outreach terms in suburban, regional and rural areas. These are significant investments to help reduce homelessness, however further investment is required.

Recommendation:
A further $110 million should be spent on Housing First interventions for 3,000 young Victorians to reduce homelessness in Victoria. Housing First models are based on the knowledge that providing stable housing is the first and primary requirement for any social intervention. Subsequent needs can then be addressed. The intervention involves the provision of both physical housing as well as community care and outreach, and recognises the need for intensive support to maintain housing and support stability.

Rationale:
Housing First models require significant upfront investment costs, however stable housing is the first step in providing social support to a particularly at risk cohort.

The long-term consequences of homelessness are stark. A landmark Australian study found that those who experience homelessness in youth and adolescence have remarkably poor adult employment outcomes, with an employment rate of 24 per cent (compared to the national average of 62 per cent); this falls even further to just 10 per cent if homelessness occurred at or before 15 years of age.

Economic analysis of Housing First models indicate significant returns on investment of $3 for every $1 invested in the short-term, due to healthcare and justice savings, increasing to over $9 in the long-term as the benefits to employment are factored in.

An investment of $110 million can lead to savings of $330 million in the short term, and over $1 billion over the longer term. Providing housing to young people who are struggling is the first step in providing them the opportunity of a healthier, happier and more productive life.

Infographics in this report are sourced from the following:


ABS Sept 2017, 3101.0 – Australian Demographic Statistics, Change over previous year.

ABS June 2017 3101.0 – Australian Demographic Statistics, Table 52, Estimated resident population by single year of age, Victoria.


Australian Institute of Health and Welfare (AIHW) 2016, Mental health services in Australia: Expenditure on mental health services, Table EXP.1 (recurrent per capita expenditure on mental health 2015/16).

AIHW, Mental health services in Australia: Key performance indicators for Australian public mental health services, KPI.8.1, KPI.8.2.

AIHW, Mental health services in Australia: Specialised mental health care facilities, Table FAC.16: Public sector specialised mental health hospital beds per 100,000 population, by target population and program type, states and territories, 1993-94 to 2015-16.

AIHW, Mental health services in Australia: State and territory community mental health services, CMHC.1 & CMHC.2

Department of Health and Human Services (DHHS) 2015, Victoria’s 10-year Mental Health Plan, Prevalence of mental illness in the adult population.

DHHS, Victoria’s Mental Health Services Annual Report 2016-17, Appendix 2: Public Mental Health Service Data.


KPMG analysis of ABS data 4430.0 – Disability, Ageing and Carers, Australia: Summary of Findings, 2015 (Table 35.1).


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