



**Psychiatric Disability Services**  
of Victoria (VICSERV)

# Investing in Victoria's Mental Health

**2018 Pre-Budget  
Submission**

January 2018

# Investing in Victoria's Mental Health

## 2018 Budget Submission

### Key Points

- Mental health emergency department presentations in Victoria have jumped 19% in 3 years to more than 52,000 pa—this equates to **1 presentation every 10 minutes**.<sup>1</sup>
- Community-based mental health services are a proven and inexpensive way to keep people out of hospital.
- Further investment in community-based services will reduce growing pressure on hospitals, the police, ambulance services and the justice system.
- While an important part of the solution, the NDIS is only designed to support 10% of the 180,000 Victorians living with severe mental illness.
- We call on the Victorian Government to commit to a major investment program in community-based mental health services over the next 5 years. This will help keep people out of hospital, reduce pressure on emergency services, and provide help for Victorian's who will not be covered by NDIS.

### Introduction

Victoria's mental health service system is undergoing significant changes including the introduction of stepped care through the Primary Health Networks (PHNs) – and other related reforms in the homelessness and family violence sectors. These changes are, however, largely developmental and being implemented incrementally. The outcomes will not be evident for perhaps five to ten years.

The long-term changes outlined above contrast with the immediacy of the impacts of Victoria's transition to the NDIS, and consequent cessation of Mental Health Community Support Services (MHCSS). While the NDIS provides much needed long term support for people with psychosocial disability, it does not offer mental health services and is not a replacement for MHCSS. The NDIS delivers disability supports and does not require services to be delivered by mental health trained staff.

For many years there has been unmet demand for services in the community due to underinvestment in the mental health system. The demise of MHCSS is highlighting existing service gaps and creating new gaps and uncertainty.

Sadly, many thousands of Victorian's living with mental illness will not have their needs met. With limited community-based mental health services available to prevent people becoming unwell, provide early intervention, and to support them to move into the community from acute settings, the burden falls to hospital emergency departments, ambulance services, the police and the justice system.

In the past three years alone, mental health-related emergency department presentations have increased by 19% to 52,427 a year.<sup>2</sup>

### Investing in Victoria's mental health

Victoria spends less per capita on mental health services than the national average and consequently supports fewer people than other states.

*“Victoria has slipped from the highest funder per capita for mental health in Australia to the lowest. Compared to the national average, Victoria covers half as many people, a mere 1 per cent of the Victorian population, for their mental illness needs, with greatly reduced community mental health care and fewer beds. The target should be 3 per cent, reflecting the proportion of the population who experience serious mental illness every year and who should expect access. Victoria's mental health system is turning away around two-thirds of those who need expert care.”*

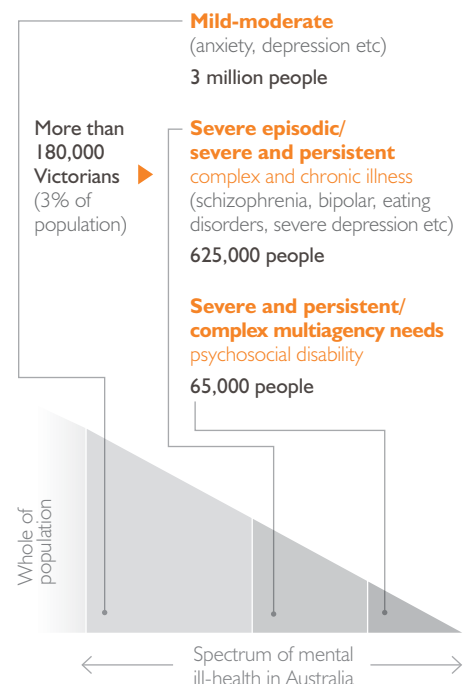
**Professor Patrick McGorry AM,**  
29 November 2017.

The NDIS is just part of the solution. Around 180,000 Victorians (3% of the population) live with a severe mental illness. When the NDIS is running at full capacity, only around 10% of Victorians living with a severe mental illness will be supported in the community within the scheme. This means that 162,000 (or 90%) of

Victorian's living with severe mental illness are not covered by the scheme and are expected to use other services and programs if available. Many thousands of Victorians will have limited access to services, particularly in country areas.<sup>4,5</sup>

The lack of community-based mental health services will impact on all people living with severe mental illness in Victoria regardless of whether or not they are eligible for the NDIS. This increases the likelihood of people presenting at hospital emergency departments, and creates a much greater cost burden for the Victorian health system.

**Figure 1:** Annual distribution of mental ill-health in Australia<sup>4</sup>



Previously in Victoria we had an integrated psychiatric disability and rehabilitation support system. The transfer of funding to the NDIS has resulted in the loss of mental health rehabilitation – an essential and evidence-based mental health offering.

Urgent investment is needed now to ensure that Victoria does not lose essential community-based mental health services. Without additional investment, an even greater burden will fall on hospitals, ambulance services, the police and the justice system.

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“The Independent Hospital Pricing Authority found that... the average \$10,000 spent on one person's hospitalisation of nine days could enable a community mental health service to provide support to a person for a full year.”<sup>6</sup>

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## Investment priorities

To address the serious and well-documented gaps in Victoria's mental health system, we recommend that the Victorian Government:

- take up the Commonwealth's offer of matched-funding for people not be eligible for the NDIS;
- commit to a substantial investment program in community-based clinical and non-clinical services over the next 5 years; and
- expand research funding.

### Commonwealth's matched funding offer

The Commonwealth's offer of \$80m over four years split across the states and territories is a welcome start, but only represents a fraction of what is required to meet unmet demand in Victoria. We urge the Victorian Government to not just match the Commonwealth's funds but to invest more to provide services to support people in the community. This will reduce pressure on acute hospital services, police and emergency services.

### Five-year investment plan

Victoria needs a five-year investment plan that clearly identifies, costs and funds initiatives to address the gaps in our mental health system.

Substantial investment is needed to ensure that community-based mental health services are available to meet the growing needs of Victorians who are not eligible for the NDIS and do not have access to other services.

An important first step would be to release the recommendations of the KPMG review of Victoria's clinical mental health system which was completed in February 2017. Stakeholders from across the mental health sector provided input during the consultation process but the report has not been made publicly available.

The investment plan should include measures to:

- provide mental health services in the community to meet unmet demand.
- provide assertive outreach services in the community that are targeted at highly vulnerable groups such as people in rooming houses, people who attend community meals programs and rough sleepers.
- enable people with mental illness who are at risk of homelessness, to access secure, stable housing, including permanent supportive housing, and specialist mental health capacity in homelessness services.
- provide proactive, aftercare follow up services for people with mental illness who have been discharged from hospitals and psychiatric inpatient units. This would involve adding significant resources to community mental health services to connect with housing services, visit people in their homes, and actively connect people with programs and activities in their community that promote positive mental health.

### Data collection and Research

Of longer term benefit, Victoria needs further investment in data collection and research.

Notwithstanding the value of the Mental Health Services Annual Report to Parliament, an independent monitoring function would assist with a number of these issues. We recommend more investment in data collection and analysis across the mental health, justice, family violence, housing and other sectors to help all stakeholders understand the current service landscape in Victoria and identify gaps and solutions to meet unmet demand.

## Conclusion

Under-investment in Victoria's mental health system over many years has diminished what was once recognized as the most progressive and innovative system in country. While we welcome the Victorian Government's recent large mental health funding announcements, we are working off a low base. Victorians deserve more.

Now is the time for leadership to improve mental health outcomes for all Victorians.

## Contact

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<sup>1</sup> Victorian Department of Health and Human Services, Mental Health Annual Reports. In 2013-14, there were 43,993 mental health related presentations in emergency departments. In 2015-17, there were 52,427 presentations.

<sup>2</sup> Victorian Department of Health and Human Services, Mental Health Annual Report 2016-17.

<sup>3</sup> Professor Patrick McGorry AM, Mental Illness. The health crisis we are happy to turn a blind eye to. Available from: <http://www.smh.com.au/comment/mental-illness-the-health-crisis-were-happy-to-turn-a-blind-eye-to-20171128-gzuj72.html>

<sup>4</sup> National Mental Health Commission. Contributing lives, thriving communities: Report of the national review of mental health programmes and services. Sydney: NHMC, 2014.

<sup>5</sup> Commonwealth of Australia (2017) Joint standing Committee on the national Disability Insurance Scheme – Report: Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition. Available from: [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/National\\_Disability\\_Insurance\\_Scheme/MentalHealth/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/MentalHealth/Report)

<sup>6</sup> Australian Government (2015). Australian Government response to Contributing Lives, Thriving Communities – Review of Mental Health Programmes and Services. Available from: <http://www.health.gov.au/internet/main/publishing.nsf/content/mental-review-response>

