

Shifting the Balance

**INVESTMENT PRIORITIES FOR
MENTAL HEALTH IN NSW**

mhcc.org.au



SNAPSHOT: THE STATE OF MENTAL HEALTH IN NSW



NSW total population

8.09 million



16.7%

of people in NSW live with high or very high psychological distress



\$143.4 million

investment over four years in suicide prevention



7% severe

244,000 people in Australia experience a severe mental health condition



6% moderate

374,133 people in Australia experience a moderate mental health condition



11% mild

732,000 people in Australia experience a mild mental health condition (2017-2019)



15% of Australians

experience high or very high levels of psychological distress

- **19%** of women experience high or very high levels of psychological distress
- **12%** of men experience high or very high levels of psychological distress
- **Younger Australians** aged 16 - 34 are more likely to experience high or very high levels of psychological distress

Sources of pressure



High rates of mental health emergency department presentations and admissions

Since 2016-17, the number of emergency department presentations and mental health presentations per 100,000 population increased by 2.8% and 1.5% respectively (2020-2021 est.)



Mental health impacts of COVID-19 with higher rates of psychological distress during 2020

15% increase in the number of Medicare-subsidised mental health services delivered across Australia in March to October 2020



High rates of mental health challenges for young people

Young people aged 16-24 (39.6%) are most likely to have experienced symptoms of a mental health disorder in the previous 12 months



High number of people missing out on psychosocial supports

- 154,000 people are missing out on psychosocial supports nationally
- Approximately 50,000 people are missing out on psychosocial support in NSW

HOW TO SHIFT THE BALANCE IN MENTAL HEALTH

Four key recommendations for New South Wales

1. Increase mental health support in the community

Expand the availability of psychosocial support delivered in the community for people living with mental health conditions by providing a further 10,000 Community Living Supports and Housing and Accommodation Initiative packages, at an additional investment of \$365 million over four years. This scaling up would ensure barriers to access supports are lowered, offering flexible transitions into services and supports.

2. Expand Step-Up Step-Down services

Establish a network of Step Up Step Down services across NSW by adding an extra 130 places, to ensure more people have access to recovery-focused residential programs that minimise the risk of hospital admission. The additional 130 places will provide services for an extra 2,000 people a year across the state, at an annual cost of \$18.2 million.

3. Improve access to youth supports

Boost dedicated community-based, face-to-face, tailored and holistic psychosocial supports that address the gap in mental health services for young people. Establish an additional 10 specialist youth services located around the state and scale up the five existing Youth Community Living Support Services for young people at an additional investment of \$12 million per annum.

4. Invest in workforce

Strengthen workforce planning to better forecast projected demand and increase investment in a workforce development program to address current and future shortages, including in the peer workforce.

Provide adequate indexation for community mental health organisations that responds to the impact of inflation on services and salaries.

Introduce guidelines for services delivered by community mental health organisations to allow for rolling five year contracts based on ongoing review and achievement of objectives.

RECOMMENDATION 1

INCREASE MENTAL HEALTH SUPPORT IN THE COMMUNITY

The NSW Government funds community-managed psychosocial programs as part of the suite of NSW Mental Health Community Living Programs. Services currently available include the Housing and Support Initiative (HASI), HASI Plus, Community Living Supports (CLS) and Mental Health Community Living Supports for Refugees (MH-CLSR).

Community-managed mental health programs have been shown to have positive outcomes for people experiencing mental ill health, communities and for the service systems more broadly. People accessing rehabilitation and support programs provided by CMOs:

- stay well for longer periods
- have more chance of completing their educational goals,
- Increased opportunities to gain and sustain employment
- experience greater social participation
- and, have more chance of achieving a 'contributing life'.

These supports greatly impact both admission and readmission rates to mental health facilities, thus reducing the pressure on more acute hospital settings.

The way forward

- People experiencing mental health challenges should be able to **access supports that are close to home and enable their continued connection to community**. For people who are experiencing urgent mental health crises, there are few alternatives to emergency departments widely available. The Royal Commission into Victoria's Mental Health System in 2021 noted inadequacies in the current responsiveness of emergency services to respond to mental health crises.

- Psychosocial supports in the community, such as HASI and CLS, have demonstrated the ability to provide valuable and accessible mental health supports. However, the service would need to **scale up to realise wider system-level impacts**. In addition, supports like HASI-CLS are unable to provide for actual housing stock to meet the needs of individuals. A clear gap is shown within the current homelessness service provision.
- Psychosocial supports in the community provide **vital services for people ineligible for NDIS packages**. The Productivity Commission Report into Mental Health (2020) called for an increase in the psychosocial supports available to assist a further 154,000 people in community living with mental health challenges ineligible for NDIS supports by 2033, requiring an estimated \$8.19 billion investment over 10 years.

HASI system level outcomes

Offers a more cost effective option for people experiencing mental health challenges compared to hospitals and EDs

Cost savings for the health system through reduced hospitalisations

Cost savings for the health system through avoided reduced length of stay

Reduction in average community mental health service contacts per person

Improved outcomes for participants

Impact of investment

Average costs per person based on HASI-CLS program funding for 2018-19 is:

\$35,622 cost per person

with costs ranging from \$10,400 for low support consumers to \$203,000 for high support consumers.

Estimated net **cost savings per person** over five years is:

\$86,000 cost saving per person

The majority of the cost savings are estimated to be due to cost offsets from reduced inpatient hospital admissions.

Economic modelling performed on HASI-CLS programs revealed that the cost effectiveness of the program increases exponentially.

- Cost saving in year one **43%**
- Cost saving in year two **67%**
- Cost saving by year five **95.3%**

The 2022 NSW HASI-CLS evaluation report found HASI-CLS reduced mental health inpatient hospitalisations by

30.7 days per person per year, saving **\$33,617** per person per year.

Reduced interactions with the justice system resulted in a cost saving of **\$8,242** per person per year.

When considered against the costs of homelessness services, the return on investment (ROI) was calculated to be **1.93** in the medium term.*

*Based on 2022 calculations of cost and return figures provided in the 2022 HASI/CLS Evaluation

These figures make it clear that HASI-CLS provides a cheaper alternative to emergency department and hospital-based supports with benefits at both individual and service system level.

Medium term (4 years)	
Cost per person	\$35,622
Savings per person	\$68,800
ROI	1.93

Some of the key cohorts that would benefit from HASI-CLS supports include a subset of people who present at emergency departments experiencing mental health challenges, as well as those accessing homelessness services who require mental health services and supports. Investment into an additional 10,000 psychosocial support packages over the next four years would help address this evidenced need.

KEY RECOMMENDATION

There is a clear need for the NSW Government to expand the availability of psychosocial support packages in the community for people experiencing mental health challenges. An additional investment of \$356 million over four years would support a further 10,000 HASI-CLS packages for people living with mental health conditions to be supported in the community. This scaling up of support would ensure barriers to access supports are lowered, offering flexible transition into community-based supports.

RECOMMENDATION 2

EXPAND STEP-UP STEP-DOWN SERVICES

Step Up Step Down (SUSD) services are recovery-focused residential programs that provide a 'step-up' from the community into a highly supportive environment that aims to minimise the risk of readmission to inpatient mental health facilities. The service provides a 'step-down' for people being discharged from inpatient mental health facilities who would benefit from safe and comfortable voluntary environment from which to be supported to transition back into the community.

Projected need for Step Up Step Down services

NSW is lagging behind in its per capita expansion of SUSD services compared with other states. Western Australia has six SUSD services operating in the state, Victoria has 22 adult PARC services and 3 youth PARC services operating in the state and Queensland has 8 state-funded SUSD services in the state.

Step Up Step Down services per capita across Australia



Source: Various service and population data from AIHW, 2022.

- Victoria has at least one SUSD service available per **260,000** people in the state.
- NSW has at least one SUSD service available per **1,633,200** people in the state.

To match Victoria's level of service availability, NSW would have to invest in a further 26 SUSD services across the state. This indicates there is a significant service gap for SUSD services in NSW.

The way forward

Greater and strategic investment by NSW Government is required to build on existing and establish new Step Up Step Down services that provide a secure referral pathway out of inpatient mental health services and an alternative to hospitalisation.

KEY RECOMMENDATION

Establish a network of Step Up Step Down services across NSW by adding an extra 130 places, to ensure more people have access to recovery-focused residential programs that minimise the risk of hospital admission. The additional 130 places will provide services for an extra 2,000 people a year across the service, at an annual cost of \$18.2 million.

It is recommended that the expansion of SUSD places be supplemented by an evaluation and cost analysis study embedded in the NSW Budget. Any expansion would also need to be supported by workforce supports to ensure there is adequate workforce for services to operate.

	Short-term	Long-term
Costs	\$9,306	\$9,306
Savings	\$9,599	\$51,879
ROI	1.03	5.57

RECOMMENDATION 3

IMPROVE ACCESS TO YOUTH SUPPORTS

Supports available

In NSW there are a variety of youth services and supports. This includes key national initiatives, such as headspace, Kids Helpline, Reach Out, headspace, eheadspace, Beyond Blue Youth Support, Smiling Mind and Head to Health, a service that provides early intervention supports for young people.

In the past few years there has been increased investment in youth mental health services, including \$109.5 million over four years to develop 25 'Safeguards' – Child and Adolescent Mental Health Response Teams across NSW to provide services to children and teenagers with moderate to severe mental health issues and their families and carers.

While these supports and services are welcome and needed, additional investment is required to cover the full spectrum of complex mental health needs for young people.

Projected need

A lack of services and supports are available that are suitable for young people who represent part of the 'missing middle' within the mental health sector. Characteristically young people in the 'missing middle' fall through the service gaps as many within this group have higher care and support needs than currently available from the primary care sector but may require a lower level of care than what is available in acute public health service settings.

The most recent evaluation of the National headspace program found **waitlists and opening hours to be key barriers to access** for young people seeking supports. Waitlists were found to be driven by limited referral pathways and high demand for services as well as high levels of complexity of those presenting with mental health challenges. The long wait times before service impact on the therapeutic engagement of young people at the point of treatment, and overall satisfaction and experience when accessing services.

These challenges are exacerbated for young people who live in rural and remote settings as well as those experiencing high levels of complexity, which may include coexisting conditions, substance use and developmental conditions such as ADHD.

Young people aged 16-24 have higher rates of mental health challenges when compared to other groups. This is true for young people experiencing anxiety disorders, substance use, high/very high rates of psychological distress, eating disorders and other self-harming behaviours. **There is a lack of ongoing and long-term mental health supports and services for young people as most existing supports are short term and focus on prevention, early intervention, and low acuity needs.**

KEY RECOMMENDATION

Boost dedicated community-based, face-to-face, tailored and holistic psychosocial supports that address the gap in mental health services for young people. Establish an additional 10 specialist youth services located around the state and scale up the five existing Youth Community Living Support Services for young people at an additional investment of \$12 million per annum.

There is a need to increase dedicated supports for young people through a diversity of community-based face-to-face psychosocial supports, as well as Step-Up Step-Down services.

This is particularly relevant for young people who require a higher intensity of clinical and psychosocial support in a sub-acute setting. Supports for adults are often unsuitable or unwelcoming for young people. Supports should be focused on the longer term and episodic needs for young people and support for higher and more complex needs. These services will reduce young people falling through the gaps or ending up in adult focused mental health facilities. Young people who live in rural and remote settings, who are socio-economically disadvantaged and who are dealing with intergenerational trauma have an increased likelihood of experiencing mental health challenges. Services and supports catering to young people need to consider these complexities and provide holistic support.

Best practice services for young people

Young people need services that are codesigned by them



Services for young people need to be informed by their aspirations and provide holistic and strengths-based services and supports, with a dual focus of supporting young people living with complex mental health challenges. These supports need to also supporting young people to engage in activities of interest to them.



Services need to be face-to-face to provide for higher acuity needs and community-based support that helps retain connections to communities, schools and friends.



Services need to be a welcoming environment with low barriers of entry, and a youth friendly and strong peer workforce, providing the opportunity to engage with other young people to support them.

Greater strategic investment is required for dedicated psychosocial supports for young people.

	Services	FTE per service	Funding amount
Current cost per specialist youth service	5	3	\$476,000
Investment needed to scale up all 5 current services	5	3 additional	\$4,760,000
Investment needed for 10 additional services	10	6	\$9,520,000
Total investment needed	5	6	\$14,280,000

RECOMMENDATION 4

INVEST IN WORKFORCE

The community managed organisations (CMO) workforce makes up one-quarter of the entire mental health workforce in NSW, and is growing significantly, increasing by nearly 13% in the two years between 2019 and 2021.

However, further increases in workforce numbers with higher levels of skills and competencies is required to meet the projected future demand. There is a need to invest in the workforce both now and into the future.

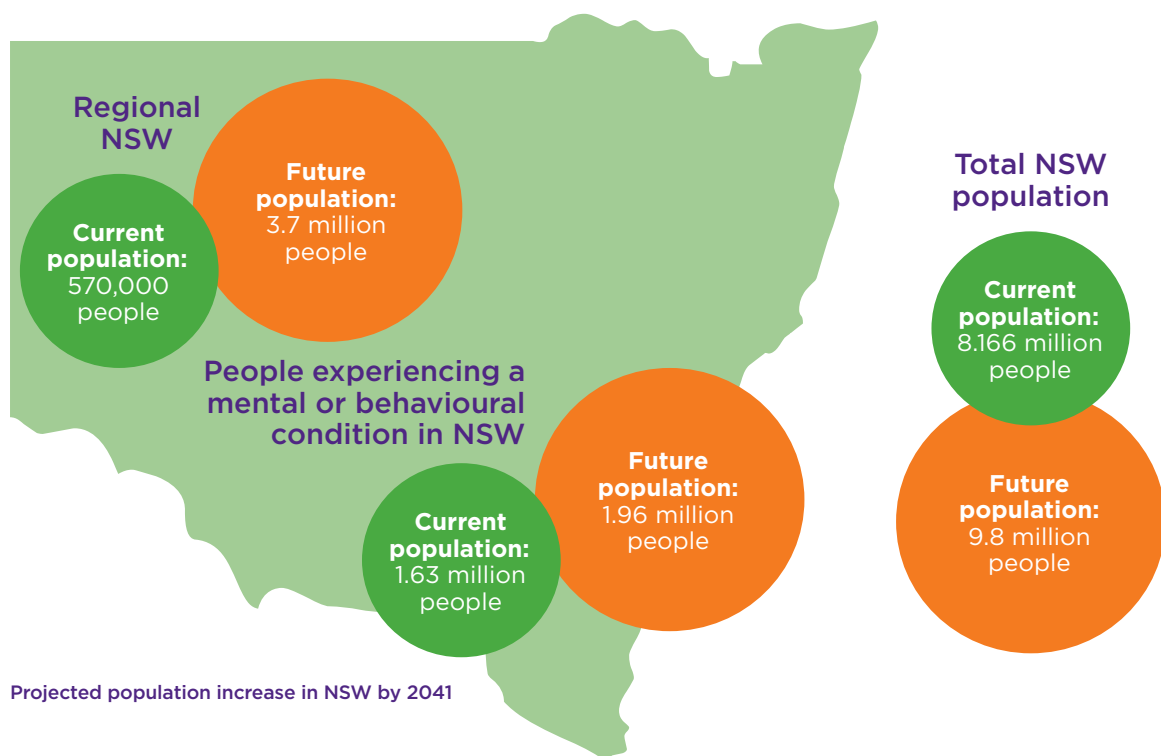
Projected workforce investment needed

Amongst CMOs in the sector, there is a growing concern that recognition of the significant need to increase workforce numbers, particularly a higher-skilled workforce, is necessary in order to meet the future demand in the sector. **Between 59% and 69% of organisations identified that demand for skilled workers was the most important priority to address.** These CMOs believe that this will be driven by increased funding levels

to recruit staff, the commissioning of mental health services by primary health networks and contestable tendering and funding environments. Furthermore, the mental health reforms occurring across NSW and Australia will likely increase the demand for a workforce as the system is transformed.

There is a **significant projected population increase in NSW** which is expected to grow, on average, by over 85,000 people each year until 2041 where it will reach approximately 9.8 million people (over a million more people than currently live in NSW). This will be particularly significant for regional NSW which is expected to increase by 570,000 to 3.7 million in 2041.

Based on the current statistics of one in five people in NSW experiencing a mental or behavioural health condition, there will be 1.96 million people experiencing a mental or behavioural health condition by 2041, an increase from the current 1.63 million people at present.



The way forward

The NSW Government should recommit to a mental health workforce strategy that develops a deep understanding of the projected demand for mental health services and professionals within the state as well as identify the key skills that will be required as part of the strategy. **This would allow the government to invest strategically in ways that would urgently address the significant shortages in the workforce as well as anticipate the needs for the future mental health system.** The NSW Government needs to significantly improve the data available about the community-managed sector to inform its policy and workforce development, including that the National Best Endeavours Data Set is implemented in NSW to contribute towards national implementation.

There should be particular attention paid to disparities in CMO workforce shortages that further disadvantage communities such as those in rural, regional and remote parts of NSW. The NSW Government should prioritise equity of workforce capacity across rural and remote areas to ensure access to adequate services for all communities. The NSW Government should also prioritise workforce roles such as Navigators that support people navigate the mental health system to get connected to the services they need in the community.

The government's **strategy should touch on all the key areas of the workforce cycle, including attraction, orientation training, retention and upskilling**, to cultivate a highly skilled and sustainable workforce. The strategy should encourage people to consider the mental health sector an attractive place in which to build a career, as well as better advertise career pathways and opportunities to help fill difficult vacancies. This would include the NSW Government committing to supporting longer-term funding cycles in line with the Productivity Commission's recommended action around extending the length of funding cycles to a minimum of five years. Longer funding cycles would support continuity of care and sustainability for organisations operating in the sector. The strategy should also include identifying key skill gaps in the CMO workforce and budget for investment to fill these skill gaps through training and professional development. The

strategy, where possible, should align with the principles of the National Mental Health Workforce Strategy.

The Government should also continue to invest in the development of the peer workforce and ensure the right organisational structures are in place to support and sustain this workforce. This should include establishing equal opportunity and career pathways for people with lived experience as well as peer support roles that ensure support, supervision, learning, development and career growth for the lived experience workforce. This workforce requires intense support to ensure the outcomes intended are met.

MHCC recognise the NSW Government has taken action to build capacity of the sector's workforce, however a much greater and ongoing funding program needs to be put in place to create capacity and sustainability for the community mental health sector.

KEY RECOMMENDATION

Strengthen workforce planning to better forecast projected demand and increase investment in a workforce development program to address current and future shortages, including the development of a peer workforce.

Provide adequate indexation for community mental health organisations that responds to the impact of inflation on services and salaries.

Introduce guidelines for services delivered by community mental health organisations to allow for rolling five year contracts based on ongoing review and achievement of objectives.