

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2021-22 Budget Estimates

Melbourne—Thursday, 27 May 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr James Newbury

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

Mr James Merlino, MP, Minister for Mental Health,

Professor Euan Wallace, AM, Secretary,

Ms Katherine Whetton, Deputy Secretary, Mental Health,

Mr Greg Stenton, Deputy Secretary, Corporate Services,

Mr Chris Hotham, Deputy Secretary, Infrastructure, and

Mr Matthew Hercus, Executive Director, Mental Health and Alcohol and Drugs, Department of Health.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. On behalf of the Parliament, the committee is conducting this Inquiry into the 2021–22 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

We note that witnesses and members may remove their masks when speaking to the committee but must replace them afterwards.

All mobile telephones and computers should now be turned to silent.

All evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

Ministers will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

We welcome back Minister Merlino, this time in your capacity as Minister for Mental Health, and officers from your department. Thank you for joining us this evening. We invite you to make a 10-minute opening statement, which will be followed by questions from the committee. Thank you.

Visual presentation.

Mr MERLINO: Terrific. Thank you, Chair. I would like to take the opportunity in the next few minutes to run through our landmark investment in mental health in this budget. When this government pledged in October 2018 to hold a Royal Commission into Victoria's Mental Health System, we knew that the existing system was broken, but we needed the blueprint for how to fix it. The royal commission's final report has now given us the plan of action we need to drive reform across our mental health system and provide better care and support for Victorians with mental illness. Our job now is to overhaul our mental health system and win back the trust of those Victorians who need help and support in the places they live. Most Victorians will be affected by poor mental health over their lifetime, either directly or indirectly, yet our mental health system is failing to support those who turn to it, leading us to establish the royal commission and commit to implementing every one of its recommendations.

In March this year the royal commission's final report set out 65 recommendations to build a new mental health and wellbeing system. The final report is recent, but the interim report meant we started the work required to rebuild the system more than a year ago. We have begun to see change—more services, more beds and more doctors and nurses—but we still have such a long way to go. The 2021–22 Victorian state budget invests \$3.8 billion in mental health services to provide greater clinical care and community support services to Victorians in need. This is a budget that responds to the recommendations of the Royal Commission into Victoria's Mental Health System and starts the work to rebuild our mental health system. The royal commission was unambiguous with its findings that the mental health system is broken. We have 65 recommendations from the final report, in addition to the nine from the interim report, and we will deliver on each and every one of them. The rebuilding has already begun, with recent budget investments to deliver on the interim report recommendations. In the last six months we have now cumulatively invested over \$4.6 billion into building our new mental health system.

The 2021–22 Victorian state budget marks the turning point in building a new mental health and wellbeing system, with a record investment of \$3.8 billion—and that puts it into some context in terms of recent years. This is just the start of a 10-year reform. But this budget is a groundbreaking investment in mental health for Victoria, and one which I am proud to lead. The budget investment represents a 4½-fold increase on last year’s record investment in mental health. A core aspect of this reform is creating a new mental health and wellbeing system centred around community-based services. As a government we are dedicated to the mission to treat people earlier in the community rather than too late in hospital, as I mentioned earlier today. To make this happen we have invested to start the delivery of 20 new local adult and older adult mental health and wellbeing services to help people access treatment, care and support close to home; 22 adult and older adult area mental health and wellbeing services to help people with more complex needs; specific support and initiatives related to the mental health and wellbeing of young people; services to support families through 13 new infant, child and youth area mental health and wellbeing services; new models of care for tailored bed-based services, including in a person’s home; and new regional mental health and wellbeing boards to commission services that meet the needs of their local communities.

The new mental health system we are creating for Victoria will be responsive to people’s varying levels of need. Statewide services will be better linked and coordinated, and where possible will be provided in local services. This includes \$10.8 million to improve support for people with higher levels of specialised need; \$1.7 million to design a new statewide trauma service to better support people with lived experience of trauma; \$7.5 million to plan our new mental health-led emergency responses for Victorians in crisis by placing paramedics at the centre of a mental health emergency response; \$42.4 million to support people living with mental illness and substance use or addiction through integrated care by establishing statewide services and more addiction medicine specialists; and \$30.7 million to support the mental health and wellbeing of people in contact with or at risk of meeting the criminal and youth justice systems.

Reforms will focus on strengthening mental health and wellbeing promotion and statewide suicide prevention efforts. The effort will also look at the varied settings in a person’s life that can positively shape our mental health and wellbeing, such as schools and workplaces and access to stable housing. This includes \$32 million for a new mental health promotion office to deliver a mental health and wellbeing strategy for Victoria; \$173 million to create a suicide prevention and response office; and \$45.8 million for supported housing for adults and young people living with mental illness. This means 2000 dwellings will be prioritised for Victorians living with mental illness, and we are planning for a further 500 to be allocated to young people with mental illness who are experiencing homelessness; \$218 million to set up children and young people to thrive by supporting schools to deliver mental health programs and activities that meet the needs of their students and school community. The royal commission’s final report was clear: it had a vision of a safe, responsive and inclusive mental health and wellbeing system.

In this budget we provided \$160 million to ensure Aboriginal-led centres and services will provide culturally safe and appropriate care for Aboriginal people, families and communities; \$26 million to work with and improve accessibility to mental health support for diverse communities, including Victorians from diverse cultural backgrounds, LGBTIQ+ and people with disability; and \$13.4 million to improve access to mental health support in rural and regional communities in Victoria, acknowledging the additional barriers and tyranny of distance that often make seeking help even more difficult. True reform is enduring, and we achieve it by setting strong foundations from the start. This will be delivered through strengthened system foundations underpinned by lived experience leadership and strengthened workforce.

Funding for new system foundations included \$18.5 million to build a mental health and wellbeing system with lived experience at the core, starting with a new agency led by and for people with lived experience; \$93 million in a dedicated mental health carers package to create 8 new carer and family centres, provide increased respite and support carer leadership; \$47.5 million to embed the new legal foundations and support consumers to exercise their rights so that people who are at risk of involuntary treatment will have greater access to support; \$71.3 million to strengthen system leadership, governance and accountability; and \$24 million to ensure we are improving the quality and safety of services people use and protecting the rights of consumers.

We know that none of this can be possible without a strong, resilient and well-trained workforce. We also know that the beating heart of the mental health system is the compassionate people who work every day to change

and save lives. That is why we are investing \$206 million to build up our workforce, starting immediately, and create a new statewide workforce strategy by the end of the year.

Underpinning all of this reform will be the building of a system that is digitally enabled, continually learning and evolving. This includes \$18.5 million to facilitate translational research and support ongoing system improvement and \$2.5 million for a new approach to information management to facilitate better information sharing for consumers.

Critically, we will invest in the infrastructure required to redesign and expand Victoria's mental health system, including a dedicated \$20 million fund for redesigning and expanding Victoria's mental health and wellbeing system and capital planning new services for the future; asset funding for the largest ever upgrade to Thomas Embling Hospital since its inception, with \$350 million to build 82 new beds, including a dedicated 34-bed women's precinct; the first of 100 additional acute mental health beds—so five in Warrnambool—to ease pressure on hospital emergency departments and allow more Victorians to access acute mental health care; and \$141 million to create five new youth PARCs, expanding mental health treatment options for young people aged 12 to 25 to access age-appropriate care with 50 new subacute beds state wide.

This budget delivers continued funding to manage demand and ensure there are safety arrangements to protect the most vulnerable members of the community. This includes additional funding for the Mental Health Tribunal and Mental Health Complaints Commissioner; \$8.5 million to support regulators and complaints-handling bodies to ensure ongoing quality and the safety of the mental health system; and \$70.6 million to ensure the Victorian Fixed Threat Assessment Centre can continue delivering coordinated responses through co-located police and mental health clinicians to serious threats of violence posed by people with complex needs.

So in summary, the 2021–22 Victorian state budget is a monumental step forward to reform our mental health system for all Victorians. It sets out a comprehensive plan to redesign the delivery of mental health and wellbeing services in Victoria. At its core is the establishment of a new mental health and wellbeing system that is focused on community-based mental health and wellbeing services where people can access services locally according to their needs and preferences. And this is the reform that will save and change lives. Thank you, Chair.

The CHAIR: Thank you very much. Mr O'Brien.

Mr D O'BRIEN: Thank you, Chair. Good evening, Minister and team. Minister, I think we would all agree that the intentions to try and fix a broken system are noble. And certainly the opposition backs the government in trying to do that. The question really though is about outcomes, and I would like to go into some of the detail in the performance measures listed in the budget.

So budget paper 3, page 239, has the outcomes expected for mental health clinical care for 'Occupied residential bed days' and 'sub-acute bed days'. But if you go back to the 2020–21 budget papers, the outcomes predicted are actually less than those that were actually delivered in 2018–19. So for example those two figures—'Occupied residential bed days' was 154 700 in 2018–19. The target for this year is 153 574—not a big difference. But the 'Occupied sub-acute bed days' was 202 000 in 2018–19—that is an actual figure—versus a target of 186 771. So with all the money provided and lots of line items in the budget, why are the services themselves actually not going to increase?

Mr MERLINO: Thank you, Mr O'Brien. I will go to the explanation in terms of those targets or an explanation of the performance. So firstly, with occupied residential bed days, the 2020–21 outcome is expected to be slightly below the 2020–21 target and the outcome is also expected to be higher than the 2019–20 actual. A lower quarter one bed occupancy result was lower due to COVID-19.

Mr D O'BRIEN: I appreciate that in particular for last year, but I am actually going back to the 2018–19 actuals. You probably do not have those in front of you, I appreciate, but that is from the 2020–21 budget. The numbers have actually gone backwards, and we want to see what the outcomes are going to be. Likewise, Minister, I can talk about bed days, client support units and clients receiving community mental health support also being lower than the 2018–19 actuals. How is it that you are actually going to make sure that the money delivers better outcomes?

Mr MERLINO: Well, let us go through them. So in terms of what we are going to do: the 2021–22 budget will increase the existing capacity of the existing system to provide community services to more older people requiring mental health services that were unable to receive them in the past. This will alleviate the demand for inpatient care. The 2021–22 budget makes the following commitments to new local services for adults and older adults in the community, so it is a combination, Mr O’Brien, of what are the investments we are making in terms of local services, local support, to ensure that hospital beds—mental health beds—are not required as well as the investment to increase the number of beds across the system.

Mr D O’BRIEN: I get that that is the intention but, as I said, this is the one that sticks out: the occupied subacute bed days—202 000 in 2018–19 and the target for this year is 186 000. The Premier himself, when he was the shadow minister speaking on the Mental Health Bill in 2014, said:

The challenge is about delivering on outcomes and not having a debate about inputs or even the framework.

I think we all probably agree on that. But the question is: how are you going to avoid simply creating a large bureaucracy and actually deliver additional outcomes?

Mr MERLINO: I will go to the performance measure in terms of occupied subacute bed days. Part of the reasoning in terms of decreasing the target has been the investment and the uplift in the PARCs and youth PARCs, so that clinical uplift, providing more clinical support in PARCs, has resulted in the services being able to admit clients with higher acuity and therefore increase occupancy.

Mr D O’BRIEN: Sorry, what did you say? PARCs?

Mr MERLINO: PARCs—Prevention and Recovery Centres.

Mr D O’BRIEN: Right. Sorry. I am with you. Can I perhaps put it another way and go back to the question I asked earlier in education: for the \$3.8 billion spend, how many additional frontline health workers will we actually have in place by the end of the financial year, June 2022?

Mr MERLINO: So across the investment of \$3.8 billion, and obviously that is not just an investment that takes place in 2021 or 2022, the delivery over time for all of that investment is approximately 3000 additional mental health practitioners in the system.

Mr D O’BRIEN: So is that across the forward estimates?

Mr MERLINO: Yes. In terms of the \$3.8 billion investment across the forward estimates, the result of that investment, the approximate impact in terms of employment opportunities is around 3000.

Mr D O’BRIEN: The question was actually end of June 2022, and I am wanting to know whether we are going to have any soon or whether we have to wait four years. I know you do not just create professionals at the click of a finger, but perhaps if you could provide some further information on that.

Mr MERLINO: I am happy to provide some information on that.

Mr D O’BRIEN: Thank you.

The CHAIR: Thank you, Mr O’Brien. Mr Maas.

Mr MAAS: Thank you, Chair. Minister, I was wondering if I could take you to the topic of the mental health workforce, and my budget paper reference is BP 3 at page 10, but also the output initiative table on page 8. I was hoping you would be able to take us into the funding of that package but also talk to the committee about the expansion of the mental health sector, taking into account workforce needs into the future as well.

Mr MERLINO: Thanks, Mr Maas, for your question. It is a good segue from the last conversation we have just had and the earlier conversation in terms of the mental health workforce with Mr O’Brien. Strengthening the mental health workforce is the absolute critical enabler to every aspect of the mental health reform funded in this package and remains a top priority for myself and the department moving forward. Not only is our mental health system completely overburdened, it is chronically understaffed. It is why our once-in-a-generation reform demands a massive boost to our dedicated mental health workforce. As part of our

\$3.8 billion mental health package we will establish new community care centres, reform area mental health services and develop entirely new models of care in residential support services. Together, as I just indicated to Mr O'Brien, these investments will support around 3000 jobs, ensuring more Victorians are getting the care they need and thousands more have the security of a job.

As I said on budget day, this contributes to our long-term plan that ensures every dollar of investment is delivering a double benefit—investing in the support of people in need and the people we need to deliver it, two sides of the same coin. The budget invests \$206 million specifically to build our mental health workforce, investing in more mental health nurses, doctors, allied health professionals and support staff. But this is only the beginning of our broader commitment to expanding and strengthening the mental health workforce, delivering on several recommendations of the final report, including recommendation 40, 'Providing incentives for the mental health and wellbeing workforce in rural and regional areas'; recommendation 57, 'Workforce strategy, planning and structural reform'; recommendation 58; 'Workforce capabilities and professional development', and recommendation 59, 'Workforce safety and wellbeing'.

At the end of the day all of these investments in service provision and new infrastructure will come to naught if we do not have the dedicated, compassionate workforce we need to deliver this reform. We need workers of all stripes, from clinical workforces, such as psychiatrists and mental health nurses, through to our allied health workforces, including psychologists and occupational therapists, and to our community workers and peer support workers. I confirm that the next steps in delivering the mental health workforce that Victoria needs will be the development of the statewide workforce strategy and an implementation plan by the end of this calendar year as set out in recommendation 57.3 of the final report. And I look forward to working very closely with our industrial partners, health service providers and education providers to tackle this challenge together.

Mr MAAS: Excellent. Thank you. If I could now take you to the topic of mental health infrastructure, and indeed your presentation alluded to or detailed a \$20 million investment in the infrastructure. I have a reference of budget paper 3, again output initiatives at page 8 and page 14. Would you be able to go into more detail on what that \$20 million allocation is for and how it relates to the recommendations outlined by the royal commission?

Mr MERLINO: Yes. I would be happy to. Thank you. The interim report and final report clearly identified the need to address inadequate system-wide planning that has contributed to historical underinvestment and resulted in a poorly configured mental health system, insufficient service levels and outdated and unsafe infrastructure. So recommendation 47.2 of the royal commission recommends that the government:

develop and publish a statewide mental health and wellbeing service and capital plan and eight regional mental health and wellbeing service and capital plans, with the first plans to be endorsed by the Mental Health and Wellbeing Secretaries' Board ... by the end of 2022, with the remainder approved by the end of 2023.

The \$20 million planning funding announced in the budget will be used to deliver on this recommendation and establish short-, medium- and long-term actions to ensure an integrated and responsive mental health system by undertaking service and capital planning across the mental health and wellbeing system to expand existing and develop new service types, addressing gaps in existing mental health services and guiding future investment by governments. So similar to the conversation we had earlier about the rolling facilities fund with schools, we have got to do that same effort in terms of our mental health infrastructure.

The statewide and eight regional mental health and wellbeing service and capital plans will ultimately become public documents reviewed every three years for currency, ensuring government is accountable to the community for achieving the plans' actions and targets.

Further, we will deliver planning for an evidence-based statewide AOD service and capital plan; the Victorian Collaborative Centre for Mental Health and Wellbeing; the Aboriginal Social and Emotional Wellbeing Centre; allocation of the remaining 95 additional acute beds across the state, improving the ability of emergency departments to respond to mental health crises; and addressing gender-based violence in mental health facilities. Importantly, it will also provide the community orientated services to support the missing middle—a large and growing proportion of people whose mental health needs are too complex and enduring for primary care services but whose mental illness is not considered severe enough for hospital.

The CHAIR: Thank you, Minister. Mr Limbrick.

Mr LIMBRICK: Thank you, Chair. Thank you, Minister, and your team for again appearing. I think we are all aware, and you alluded to it in your presentation, of this nexus between mental health and alcohol and other drug issues. You also mentioned keeping people out of the justice system where possible. I was wondering what the government is doing to look at laws that might be actually causing mental health issues. I will give you an example. At the moment I am also on the cannabis inquiry, and we got a submission from someone who lives in a regional town. He is on a disability pension, he suffers anxiety and he smokes a bit of cannabis to treat his anxiety. He is not hurting anyone. Anyway, he got busted for possession, and because it is a small town all the cops know who is. He feels like he is targeted by the police. He has now got a criminal record. He said he suffered severe depression because of this, and this is all caused by our laws. What are we doing to make sure that people who are in this sort of situation are not going into our justice system and that we are treating them instead?

Mr MERLINO: Yes. Thanks, Mr Limbrick. That is a good and relevant question. Co-occurring experiences of mental illness and substance use or addiction are common, and each can contribute to the other and ultimately lead to, as you say, either the youth or adult justice system. I am here appearing before PAEC acknowledging that the system is broken. This is not the usual minister appearing at PAEC trying to defend performance. I am saying to you, yes, it is broken, and this government, as well as previous governments, have responsibility for that.

One of the areas where it is broken is that intersection between mental illness, the criminal justice system and alcohol and other drugs. People are forced to navigate two separate systems that treat their interrelated needs separately, and some people are excluded from services due to a co-occurring issue. The royal commission recommended that all future mental health and wellbeing services, including crisis services, community-based and bed-based services, must provide integrated treatment, care and support; so that is recommendation 35 of the royal commission. To increase the capability of services to deliver integrated treatment, the royal commission also recommended the establishment of a new statewide service and an increase in the number of addiction medicine specialists to support people with complex treatment needs.

In line with those recommendations, we are investing an initial \$42.36 million over four years to establish new statewide services for mental health and substance use or addiction, workforce capacity building and an increase in the number of addiction medicine specialists, as I outlined in the introduction. We will deliver integrated alcohol and other drug trials for people living with mental illness and substance use or addiction through other initiatives to, one, establish a new local service for adults and older adults; two, reform area services for adults and older adults; and three, support the mental health and wellbeing of young people. All of those reforms are an important step in addressing service delivery gaps for people living with mental illness and substance use or addiction.

Mr LIMBRICK: Thank you. One other question I would like to ask: if we look at budget paper 3, page 229, which we were referring to before, all these performance measures are talking about basically throughput in the system, if I could summarise it that way. What is not here—and I wonder if you are looking at reviewing this following the royal commission—is it does not have anything here which talks about the incidence of mental health issues in our community. I would imagine that one of the goals would be to try and not just treat mental health issues in the community but to lower the incidence of mental health problems in the community. I cannot see any performance indicators like that, and I wonder if that is something that is addressed some other way or is being reviewed.

Mr MERLINO: So there are a couple of things we are looking at, Mr Limbrick, in that area of how do we report on performance. Implementing the royal commission's recommendations will require a review of our mental health performance measures to make sure that we are measuring the right things, just as you say, and will include development of the new mental health and wellbeing outcomes framework by the end of 2022. So we will consider changes to measures and targets as part of that work.

Mr LIMBRICK: So we would expect possibly next year that this will look quite different based on the results of that?

Mr MERLINO: Yes, absolutely. We are rewriting the Act. If you have a look at the Act, it is 'seclusion', 'restraint'. It is a complete change of focus—mental health and wellbeing. I do not think our performance measures reflect wellbeing, and the Act certainly does not reflect wellbeing.

Mr LIMBRICK: Yes, it is quite stark when you look at this. It is just talking about system throughout as far as I can tell.

Mr MERLINO: Yes, that is right.

Mr LIMBRICK: All right. I think I am out of time, so thank you very much.

Mr MERLINO: Thank you.

The CHAIR: Thank you, Mr Limbrick. Mr O'Brien.

Mr D O'BRIEN: Thank you again, Chair. Secretary, could I ask a question to you. Last time in the PAEC hearings we were supplied with data relating to the number of people admitted to a mental health bed within 8 hours and within 24 hours, separated by health service. I am wondering if you could provide that data for us again on notice up to today or at least to the end of April? If you are happy to, perhaps just for the record, say that for Hansard purposes—sorry, Secretary.

Prof. WALLACE: Sorry, yes.

Mr D O'BRIEN: Thank you. Likewise, possibly a question for the Minister, but either. The interim and final reports speak of the importance of increased data and reporting. I would like to ask if you could provide the committee a breakdown of the royal commission recommendations, the progress towards implementation and due date, which minister has carriage over the recommendation and which department, as was done for the family violence royal commission.

Mr MERLINO: Yes, very pleased to do that, Mr O'Brien.

Mr D O'BRIEN: In a table or something similar would be good.

Mr MERLINO: Yes.

Mr D O'BRIEN: And, likewise, if you could provide the committee with the line item in this budget that each of those recommendations relates to, if that is possible.

Mr MERLINO: That is possible.

Mr D O'BRIEN: Thank you. The last budget provided \$2.2 million for the Victorian Collaborative Centre for Mental Health and Wellbeing, and I think on page 8 of BP3 there is additional funding under the line item 'Facilitating translational research to support ongoing system improvement' to establish the centre over the next four years. Could you tell me how long it will take to actually create the centre? And perhaps while you are looking at that, Minister, I am interested to know whether it is only there as an output initiative. Is there asset funding for that as well, or is to be established in a physical location not owned or run by the government?

Mr MERLINO: Thanks, Mr O'Brien. There is no asset funding to this particular recommendation. We need to do a bit of work. It is an exciting recommendation and a real opportunity. If you look at the sector, not dissimilar to other sectors, it is a sector that has operated in silos for a long, long period of time. If you think of an equivalent, it is like the mental health equivalent of the comprehensive cancer centre. That is the vision: of national significance. So it is part of our discussions with the commonwealth. The Prime Minister and the Premier are both passionate about mental health. We are engaging right now on a bilateral agreement and a national agreement. This is one of the areas—

Mr D O'BRIEN: So are you seeking funds from the federal government?

Mr MERLINO: Yes. This is one of the areas where we have put it on the table that this centre will have national and international significance. So we are trying to secure some commonwealth support for the project.

Mr D O'BRIEN: Just going back to the question, Minister, is the intention that the government—state and/or federal—will build a facility, or is it potentially to be located somewhere else and just funded by government?

Mr MERLINO: It is still to be determined, Mr O'Brien, whether it will be a brand new building or not, but certainly the recommendation of the royal commission is it will be located in Victoria and trying to bring together research, clinical practice and lived experience within a national centre of excellence, and there is \$18.7 million towards that end, but not asset dollars at this stage.

Mr D O'BRIEN: Right. There was a media release from Mental Health Reform Victoria that detailed that the \$2.2 million provided last year for this centre was to start design work for the centre. Has all of that \$2.2 million been dedicated to a design project and, if not, how much and has all that been expended at this point?

Mr MERLINO: I might defer to Mr Hotham to respond to that in terms of where we are at with that funding.

Mr HOTHAM: Happy to pick that up, Acting Premier. I think, Mr O'Brien, to the Acting Premier's point—

Mr D O'BRIEN: Sorry, can you just remove your mask?

Mr HOTHAM: I certainly can.

Mr D O'BRIEN: Thanks.

Mr MERLINO: With pleasure, probably.

Mr HOTHAM: Yes. I think there are some stages to this, as the Acting Premier has talked about. So that 2.2 is not capital planning money, but it is work with a range of interested parties—the clinicians, researchers, practitioners—in the co-design of this. This is a central part of the royal commission's theme, as you know, and as the Acting Premier said, a lot of interest was sparked with the announcement of and the commitment to this initiative. So the \$2.2 million is for that early design work on what the service model is and how many aspects to that there are in terms of that promotion, research and practice coming together.

Mr D O'BRIEN: And has that \$2.2 million been expended already and, if not, how much of it has been?

Mr HOTHAM: I can take that on notice.

Mr D O'BRIEN: If you would not mind. And also was a consultant contracted to undertake that design work, or has it been done within the department.?

Mr HOTHAM: As I say, it was not capital design work.

Mr D O'BRIEN: No, no, no, design of the framework. I understand that.

Mr HOTHAM: I can take that on notice as well.

Mr D O'BRIEN: Okay. Perhaps if you would take on notice as well the breakdown of that expenditure so far as to what it has gone to and what the outcomes are.

Mr HOTHAM: Certainly.

Mr D O'BRIEN: That would be great. Thank you.

The CHAIR: Thank you, Mr O'Brien. Ms Richards.

Ms RICHARDS: Thank you, Acting Premier and officials, for your time here this evening. I would like to return to some questions around workforce and unpack a little bit further some of the evidence you were providing earlier. Referring you to budget paper 2, page 12, and the investment of \$206 million into supporting graduate nurse placements and scholarships, that leads on perhaps from some of the questions Mr Maas was asking earlier, but I am interested in having you elaborate on the investment and what it will mean for the community.

Mr MERLINO: Thank you, Ms Richards. To begin, the interim report of the royal commission set out some quite concrete requirements for supporting the mental health nursing workforce over the coming years, and I refer you to the interim report, recommendation 7, which states:

The Royal Commission recommends that the Victorian Government ... prepares for workforce reform and addresses workforce shortages by developing educational and training pathways and recruitment strategies by providing:

...

- 120 additional funded graduate placements for nurses
- postgraduate mental health nurse scholarships to 140 additional nurses each year that cover the full costs of study

So we began the process of scaling up these positions in the last budget, providing 80 new placements for nurses and 35 nurse educators. As with all workforce reform, you must scale up over time to ensure a steady and sustainable pipeline of skilled workers. I am glad to say that this budget delivers over \$120 million in new training and study support, including uplift to 120 funded graduate placements for nurses each year, uplift to 50 dedicated nurse educators and 140 postgraduate mental health nursing scholarships. These investments therefore acquit the interim report recommendations, but more than that they invest in our mental health nursing workforce, who are the backbone of our clinical and community services.

When people need help, either at a hospital or a community health service, the compassionate and expert care provided to them by our nursing workforce is what gets them through. Perhaps more so than almost any other medical specialty, mental health nursing requires a very special kind of person, and what we do not want to see is our highly educated mental health nursing workforce burning out or feeling unsupported in their work, which is often taxing and challenging. This has been the vicious cycle: an overburdened system and chronically understaffed, virtue of underinvestment by government and just not enough support in terms of the professionals, and that burnout or just moving on to other disciplines as nurses. So we have more to do to ensure our mental health nurses are supported and protected in the new system, and I will continue to work closely with our industrial partners to ensure the voices of nurses are at the heart of our system rebuild.

Ms RICHARDS: Thanks again for those insights. Now I would like to refer you to page 10 of budget paper 3, and under the initiative entitled 'Enabling the mental health and wellbeing workforce to deliver a reformed system' I noted there is a reference to 'government-funded psychiatry rotations for junior medical officers'. I am interested in having an understanding, perhaps, for the committee, or evidence for the committee, on how this investment delivers on any recommendations of the royal commission.

Mr MERLINO: Terrific. Thanks. First of all let me take the committee to the interim report recommendation, which sets out the necessary investments into junior medical officers. Recommendation 7 in the interim report states that:

The Royal Commission recommends that the ... Government ... prepares for workforce reform and addresses workforce shortages by developing educational and training pathways and recruitment strategies by providing:

...

- an agreed proportion of junior medical officers to undertake a psychiatry rotation, effective from 2021, with it being mandatory for all junior medical officers by 2023 or earlier

Again, there are similarities to what we did with education. We were finding too many undergraduates were going through an education course and having no coverage at all of students with additional needs. Through the VIT we made that compulsory. You have got to have that experience, that exposure, through a psychiatry rotation, and through that you will get people to say, 'Actually, that's the discipline, that's the field, that's the area, that I want to develop my career'. So whilst it sounds like a minor thing, the reality is it has never been compulsory for our graduating doctors to undertake rotations in psychiatry or complete any significant education in mental health except for basic core units in their degree. What this creates is a body of health professionals with no grounding in mental illness—an issue that will affect half of all Victorians and at least 20 per cent of us in any given year, and yet we created this pipeline of people who have no exposure to it.

So the royal commission smartly identified additional psychiatry rotations as a priority of reform to ensure our junior medical officers are getting the experience they need to really help people with the problems they face. We must accept people as they come, with all the issues they are facing, and a lot of the time that includes mental health challenges. The funding in this budget will continue the work commenced in the last budget to expand available psychiatric rotations for junior medical officers. The new positions have commenced this year, but the additional funding will achieve the second half of the recommendation—namely, that these

rotations become compulsory by the end of 2023. This investment, small as it may be, will generate long-lasting change.

Ms RICHARDS: Thank you so much.

The CHAIR: Thank you. Mr Hibbins.

Mr HIBBINS: Thank you, Chair, and thank you, Minister and team, for appearing this evening. I want to ask firstly about an issue that seems to be arising, particularly due to COVID, and that is amongst our multicultural communities. That is struggling to find appropriate services for them, in particular workers—mental health workers—that speak their language or services that meet their needs. So their needs are not being met. I note there is a budget line item on—I do not have the page with me at the moment, but—working in partnerships to improve accessibility for diverse communities. Does that include any funding specifically for bilingual and multicultural health workers or for culturally specific services?

Mr MERLINO: Thanks, Mr Hibbins, for your question. I might seek the assistance of departmental officials if anyone can speak in detail. If we could take that on notice—

Prof. WALLACE: As you said, it is probably not recorded specifically in the mental health portfolio, but across health more broadly there is a commitment in the BP3 papers around better engagement with CALD communities and community leaders—enriching relationships between the department itself, health providers and community providers with CALD communities and difficult-to-get-at communities. I think, as you rightly identified, during the pandemic one of the core lessons of the effectiveness of the response was to have the trust of those communities—to be able to talk to them both in their own language but with and in collaboration with the leaders of those communities. So in the health portfolio maybe it is something we can visit at health PAEC. In the health portfolio there is dedicated funding for enriching community outreach and engagement with CALD.

Mr HIBBINS: Okay. All right. Thank you. If there is anything related specifically to the provision of bilingual or workers from CALD backgrounds, that would be of benefit to the committee.

I want to ask about the royal commission's recommendation in investing in 500 new medium-term supported housing places for young people with mental illness and unstable housing. Now, the budget includes money for co-design and planning but not implementing them. When we can expect that these dwellings will actually be available for young people?

Mr MERLINO: Thanks, Mr Hibbins. Let me just go to that. Mr Hibbins, the Deputy Secretary is telling me this is with the Minister for Housing's portfolio.

Mr HIBBINS: Right. Okay.

Mr MERLINO: So what I will do is I will take it on notice. We will engage with Minister Wynne and his office either to respond when he is presenting here at the committee or we can get you some information.

Mr HIBBINS: Okay. Thank you. This is in budget paper 3, page 13: the royal commission recommended replacing the existing mental health system with 50 to 60 local services for adults and older adults. Now, the budget provides for 20 new local mental health services for adults. What is the time line for the remainder of those services recommended by the royal commission?

Mr MERLINO: So the time line—for six of the 20 we have identified the locations, and these are areas with highest need. And we will have those up and operational in 2022. The budget this year funds 20 of the up to 60. From recollection the royal commission requires us to identify the locations by, I think, September. I cannot recall if it is this year or next year. The royal commission has set a number of time lines that we need to meet, and I think the up to 60 is by 2026—by the royal commission. So, again, going to those negotiations with the federal government, there is some synergy between the royal commission and the federal government's Productivity Commission report into mental health. There are some synergies between the local services that we are funding through this budget and some of the services that the federal government have been rolling out. So that, again, is one of the items we have put on the table in terms of addressing the missing middle, that

massive cohort of people that are too sick to get primary care and not sick enough to get access to care in our hospitals. This is the area where we need the investment.

Mr HIBBINS: Yes. Okay. I think that is my time. Thank you.

The CHAIR: Thank you, Mr Hibbins. Ms Taylor.

Ms TAYLOR: Thanks. I would just like to explore the initiative titled 'Supporting the mental health and wellbeing of rural and regional Victorians', specifically page 17 of budget paper 3. Can you elaborate on the investment in incentivising mental health workers to find employment in rural and regional areas?

Mr MERLINO: Thank you very much for the question, and again this goes to an earlier discussion we had around the challenge in rural and regional Victoria. I will take you first to the recommendation in the final report, recommendation 40, which states:

Providing incentives for the mental health and wellbeing workforce in rural and regional areas

The Royal Commission recommends that the Victorian Government:

1. address mental health and wellbeing workforce supply needs in rural and regional areas and establish an incentive scheme to:
 - a. attract mental health and wellbeing workers to rural and regional mental health and wellbeing services; and
 - b. retain mental health and wellbeing workers in such services.

As this specific recommendation reflects, there are significant challenges in attracting and retaining skilled and qualified mental health staff in rural and regional areas. This is not new. This is a longstanding problem, with a much higher number of nursing and psychiatric vacancies appearing outside metropolitan Melbourne. Whilst we know that rural and regional Victorians experience mental health issues at a similar rate to those in metropolitan areas, they are much less likely to access supports. Sometimes the services they do access do not have workers with the necessary skill set to manage their issues, requiring long commutes to Melbourne to access the support they need and deserve. So in this budget we have allocated \$11 million into a dedicated rural and regional mental health workforce incentive scheme, which will be designed alongside the statewide workforce strategy for rollout later this year. It will be aimed at attracting, training and recruiting more mental health professionals into our country communities and ensuring longevity and continuity of care. Overall this represents a small part of our estimated \$700 million investment into rural and regional mental health flowing from this \$3.8 billion mental health package.

Ms TAYLOR: Thank you. I am just going to toggle around a little bit. If I could refer you to budget paper 3, pages 18 and 19, can you outline the process for delivering the five new youth prevention and recovery units as well as any detail on the refurbishment of three existing units?

Mr MERLINO: I certainly can. Recommendation 21.2.a of the royal commission states that the Victorian government must ensure that:

... every region has a Youth Prevention and Recovery Centre for young people aged 16 to 25, supported through a common and consistent model of care ...

To support Victoria's young people and deliver on this important recommendation we are investing \$141 million in this budget, and that includes funding to refurbish three existing units in Bendigo, Dandenong and Frankston and establish five new youth PARC units in Melbourne's north-eastern metropolitan region as well as Barwon south-west, Gippsland, Grampians and Hume regions. This is in addition to the 20-bed youth PARC facility in Parkville that we are currently constructing. This facility is expected to be completed by the end of the year and was funded in the 2018–19 budget. We are getting on with delivering this recommendation as soon as possible. The project will enable a stronger continuum of bed-based care for young people and will enable Victoria's youth to receive safe, developmentally appropriate care.

I had the pleasure of visiting the Bendigo youth PARC last Friday with Jacinta Allan and Maree Edwards. The Bendigo YPARC is operated by Bendigo Health in partnership with Mind Australia. It is a 10-bed facility and treats approximately 200 young people experiencing mental ill health each year. YPARC units provide short-term recovery-focused care in a residential facility. It is a step-up/step-down model where a young person needs additional support that cannot be delivered at home in community, and it is also step-down care for a young

person that is recovering from acute treatment in an acute bed through to the YPARC for a period of time—so step-up/step-down care, and it is 24-hour support.

YPARC functions short term, as I mentioned. For the three YPARCs being refurbished—in Bendigo, Dandenong and Frankston—works will be planned and managed carefully to minimise impact to patients, staff and families. With the funding in this budget we can now get on with delivering these facilities as soon as possible. The government will immediately commence the process to engage an expert team of specialist consultants, including a principal architect with appropriate mental health expertise to undertake detailed capital planning. Consultants will be appointed in the first quarter of 2021–22, and this expert team will be in place following the standard government procurement process. Construction will start on the existing YPARCs by the end of 2022. Work on the five new facilities is going ahead full steam. The five new YPARC facilities are expected to care for more than 981 young people aged 16 to 25 each year—more than double the current capacity. And with one in each region we have got coverage across the whole of the state. They will be co-designed by people with lived experience of Victoria’s mental health system and will deliver 50 beds for young people aged 16 to 25. The facilities will be designed to create a welcoming, safe and therapeutic environment.

Ms TAYLOR: Thank you.

The CHAIR: Thank you. Mr O’Brien.

Mr D O’BRIEN: Thanks again, Chair. Minister, I just want to go back to a question that the Member for Cranbourne asked about—or you were answering at least—with respect to junior medical officers getting a psychiatry rotation. What proportion of junior medical officers will undertake a psychiatry rotation in the next budget year, 2021–22?

Mr MERLINO: Twenty-nine.

Mr D O’BRIEN: Twenty-nine per cent?

Prof. WALLACE: No, no. Twenty-nine JMOs will undertake the rotation.

Mr D O’BRIEN: Right.

Prof. WALLACE: And then, as the minister said before, we will progressively increase the numbers such that it is mandatory for all new graduates—

Mr MERLINO: In 2023.

Mr D O’BRIEN: Okay. So in 2023 it will be 100 per cent. Do you know what the 29 is as a percentage at the moment or what the cohort is?

Prof. WALLACE: I don’t know.

Mr D O’BRIEN: Could I perhaps ask that on notice, Secretary?

Prof. WALLACE: Yes.

Mr D O’BRIEN: Sorry, again, could you just say yes—

Prof. WALLACE: I did say yes. We will.

Mr D O’BRIEN: for the benefit of Hansard. Minister, also recommendation 7 requires the provision of—and sorry, this is a bit wordy, but:

the collation and publication of the profile of the mental health workforce across all geographic areas, disciplines, settings and sub-specialties

Are you able to provide that data by geographic area, disciplines, settings and subspecialties, as requested by the interim report two years ago?

Mr MERLINO: Mr O’Brien, I anticipate that that will be part of the workforce strategy that we need to have in place by the end of this year.

Mr D O'BRIEN: Okay. Likewise, the recommendation goes on to state the need for:

mechanisms for continuing data collection and analysis of workforce gaps and projections, and the regular mapping of the workforce to meet these gaps.

Is that also going to be part of the strategy?

Mr MERLINO: Absolutely.

Mr D O'BRIEN: Okay. So that will be completed by the end of this year?

Mr MERLINO: Yes. The royal commission set the task for us to complete that work by the end of this year. And, frankly, as I have said a number of times, if we do not get this right everything is for nought.

Mr D O'BRIEN: Yes. Presumably you will be starting with that information; otherwise, if you do not know what you have got, you do not know where the gaps are.

Mr MERLINO: Yes, that is right. There are a number of things that the royal commission assisted us in in making some recommendations: the psychiatry rotations and some clear recommendations in terms of mental health nursing numbers, for example. But, yes, if we do not have the data, if we do not know where the gaps are—that is a critical element of the workforce strategy.

Mr D O'BRIEN: And I want to go back to an earlier answer. I asked the question about how many additional professionals will be provided by the government, by the spending, and you said 3000.

Mr MERLINO: Yes.

Mr D O'BRIEN: You later, though, said in answer to another question that the \$3.8 billion investment in this budget would, 'support 3000 staff'. I am just wanting to try and get a—

Mr MERLINO: Just so I am clear, these are 3000 new, additional jobs within the mental health sector.

Mr D O'BRIEN: Okay. You anticipated the question. Thank you. So that is by the end of the forward estimates. Is it broken down any further? Could I get a figure for the end of this financial year?

Mr MERLINO: It is probably a conversation we will have at the next PAEC round, Mr O'Brien. You know, by the next time we discuss this with you we have got the workforce strategy that would have been completed and then the next round of funding to support the boost in the workforce.

Mr D O'BRIEN: Can I go back again. You mentioned—

Mr MERLINO: I might get the Secretary to add to my comments.

Prof. WALLACE: Thanks, Acting Premier. You asked there, Mr O'Brien, around additional new mental health nurses in place by June next year.

Mr D O'BRIEN: Well, I was asking specifically for professionals—not just nurses—anyone that the state can have an influence on: psychiatrists, psychologists, all the professionals that we will need.

Prof. WALLACE: So I have those numbers for you.

Mr D O'BRIEN: Okay.

Prof. WALLACE: And some of those additional places of course reflect funding that was put in place in response to the interim recommendations, because of course there is a pipeline to recruitment and training.

Mr D O'BRIEN: Yes.

Prof. WALLACE: But the additional places by the end of this year by broad groups: so by nurses, all settings, 603; medical, all settings, 74; allied health, all settings, 486.

Mr D O'BRIEN: What was that? Sorry, what was the last one?

Prof. WALLACE: Allied health.

Mr D O'BRIEN: Oh, allied health, yes. And the number?

Prof. WALLACE: 486.

Mr D O'BRIEN: 486. So that is the intention by the end of next financial year?

Prof. WALLACE: Yes.

Mr D O'BRIEN: Great. Thank you. And, Minister, you also mentioned \$206 million, I think, to train the workforce. And I am just trying to work out what line item that relates to, because in response to the Member for Cranbourne you talked about one of those, about the training for graduate placements for nurses and mental health nurse scholarships. But that is only sort of in the—is that the \$206 million?

Mr MERLINO: Yes, so—thanks, Euan.

Mr D O'BRIEN: Page 8, table 1.5.

Mr MERLINO: Yes. So page 8, and it is—

Mr D O'BRIEN: 'Enabling the mental health and wellbeing workforce'—

Mr MERLINO: 'Enabling the mental health and wellbeing workforce to deliver a reformed system', so that is the \$206 million that I was referring to.

Mr D O'BRIEN: Okay. Thank you.

Mr MERLINO: Thanks. Thanks, Euan.

The CHAIR: Thank you, Mr O'Brien. Mr Richardson.

Mr RICHARDSON: Thank you, Chair. And, Acting Premier, I want to take you to the topic of suicide prevention and response, so critical to the mental health reforms in our state. And I want to refer you to budget paper 3, pages 8 and 11, and ask if you can provide for the committee's benefit an outline and more detail of how the Victorian government proposes to support Victorians after a suicide attempt through the investment into the HOPE program.

Mr MERLINO: Thank you, Mr Richardson. Just let me find the HOPE program. Thank you, Mr Richardson. First of all let me say the message we received loud and clear from the royal commission is that we must bless the voices of those with lived experience at the heart of everything we do. It is littered and is the centre of both the interim report and the final report. We need to listen to their advice and find a better way to respect their experiences and what we can learn from them about effective, compassionate care, and I am proud to say that this budget investment does exactly that. To return to the royal commission's recommendations, we had the following specific instructions in mind when we pulled this investment together. Recommendation 28:

Developing system-wide roles for the full and effective participation of people with lived experience of mental illness or psychological distress

And recommendation 29:

A new agency led by people with lived experience of mental illness or psychological distress

This budget delivers an \$18.5 million package specifically to embed the voices of lived experience in everything we do. That includes \$5 million towards establishing Victoria's very first residential mental health service designed and delivered by people with lived experience and over \$1 million to support the establishment of a new non-government agency led by people with lived experience for people with lived experience.

And I am particularly excited by the new residential service run by people with lived experience, which will provide short-term treatment, care and support in a community setting, providing a vital alternative to hospital-based care. We are also investing \$18 million in the creation of a new entity, the Victorian Collaborative Centre

for Mental Health and Wellbeing, which will bring together people with lived experience, researchers and clinicians to establish a best practice across our mental health services going forward. A new Mental Health and Wellbeing Commission will have dedicated positions for commissioners with lived experience and will be responsible for holding government to account on the delivery of the royal commission's recommendations.

Mr RICHARDSON: Tragically the royal commission highlighted that suicide is the leading cause of death of young Australians aged between five and 17 years. How does this funding reference in budget paper 3, pages 8 and 11, support the rollout of the HOPE program to children and youth cohorts?

Mr MERLINO: The death of a child by suicide is devastating for families or carers, friends and entire communities. It is every parent's worst nightmare, and we know that some children are at increased risk, including those in our LGBTIQ+ communities and those from Aboriginal and Torres Strait Islander backgrounds. We know a child and youth HOPE program is sorely needed. That is why, in addition to the statewide rollout of the adult HOPE program, the royal commission's interim report also recommended the creation of a new HOPE service for children and young people in partnership with four health providers: Royal Children's Hospital, Monash Children's, Alfred Health and Orygen. These health providers will be leading the way with crucial support to children who have attempted suicide.

Importantly, the design of the new child and youth HOPE service will be informed by the experiences of children and young people as well as carers and families. We expect this service to be up and running by the end of this year. Like the adult service, each child and youth HOPE service will provide a 12-week program of clinical and social support tailored to individuals and their support networks, including family, friends, carers, community cultural leaders and elders. We hope to see the same success rates in the child and youth HOPE program as we have seen with the adult program, with improved participant recovery rates. I look forward to welcoming the opening of each of these new sites.

Mr RICHARDSON: Staying with that reference to the budget paper, Acting Premier, how will the suicide prevention and response office provide a whole-of-government approach to suicide prevention and response?

Mr MERLINO: The royal commission final report outlined that this new suicide prevention and response office should be stood up by the end of 2022 in the Department of Health mental health division. It has also outlined that this office should be led by a state suicide prevention and response adviser who refers to the Chief Officer for Mental Health and Wellbeing. The final report also outlined that the office's key components should be established between 2022 and 2031, and of course with the government's commitment to implementing every single recommendation, we are doing just that.

The role of this suicide prevention and response office, as determined by the final report, will be to establish system-based approaches to suicide prevention and response efforts, thinking about how Victorians can be cared for holistically; work with people with lived experience of suicidal behaviour as well as their carers and families and those with lived experience of suicidal bereavement to co-produce, implement and monitor a new Victorian suicide prevention and response strategy for the state—this will take into account the views and advice of those who most intimately understand what it is like in the current system and how we can better experience the inevitable future consumers; work with the commonwealth on a coordinated and complementary approach to suicide prevention and response so that there is no duplication or gap in service delivery between levels of government; work within existing governance structures in all government departments and agencies with senior departmental leadership on a coordinated suicide prevention and recovery approach so that there are no silos between services that allow consumers to fall through the gaps; and employ people with lived experience of suicidal behaviour, as I mentioned at the beginning.

The CHAIR: Thank you very much, Minister. That concludes the time we have set down for consideration with you this evening. We have discussed some issues that might raise some concerns for people, and I will just read out that the Beyond Blue phone number is 1300 224 636 and Lifeline is 1300 651 251.

We thank you, Minister, Secretary and all of your officials who have appeared before the committee over many hours this afternoon. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request.

We also thank other ministers, the Treasurer in particular, who have appeared before this committee today, and his officials. We thank the committee secretariat, Hansard, the attendants, the cleaners, the caterers and security, who have assisted our proceedings.

The committee, at this stage, will resume its consideration of the 2021–22 budget estimates on Friday, 4 June.

I declare this hearing adjourned.

Committee adjourned.