

# Better Mental Health Briefing

May 2018

## The Problem

Workforce supply has failed to keep pace with record new investments in the Victorian mental health system. Currently, there are over 100 clinical mental health nurse vacancies across the state. These positions are already funded out of existing appropriations, yet chronic staff shortages result in no service delivery to the most vulnerable Victorians.

While most welcome, the 2018/19 Victorian State Budget's record mental health investment will exacerbate these shortages. One Budget initiative alone—the introduction of 89 new acute in-patient beds—will create demand for over 200 positions.<sup>1</sup> Without urgent intervention, the situation at Werribee Mercy Hospital—where 25 new beds remain unopened due to staffing shortages—will become more common.

A major cause of the supply shortage is the mental health graduate intake system. Each year, over 800 prospective workers apply for 165 graduate intake positions in the clinical mental health system.<sup>2</sup> These positions are all acute bed-based positions, with applicants required to complete two years of workplace training before becoming eligible to apply for a vacant position. However, almost 1 in 5 graduates withdraw from the program prior to completion, leaving a pipeline of only 140 qualified mental health nurses available to fill ongoing vacancies, newly created positions and address natural workforce attrition. The current level of vacancies demonstrates that this supply is inadequate to meet current demand.



### THE GRADUATE BOTTLENECK



## The Solution

Easing the graduate intake bottleneck is a simple and cost-effective solution for the workforce crisis. With an investment of \$118.2 million over 5 years, the Victorian Government would create

an additional 720 graduate places (running for two years each) for the strained service system, starting with 180 in the first year of operation.

<sup>1</sup> This is based on 2.4 full-time equivalent (FTE) positions per acute in-patient bed.

<sup>2</sup> Of the 165 positions, 56 are partially funded by the Victorian Government, with the remaining 109 funded by the various health services out of their existing budgets in order to grow workforce supply.

To enable the service system to cope with the additional places and to better service the community there must be variations to the current graduate intake model. At present, the 120 annual graduate positions are exclusively for nurses in bed-based settings. HACSU proposes that each annual graduate intake is comprised of 120 nurses and 60 allied health professionals. Additionally, these graduates would rotate across bed-based and community settings to ensure that the service system can deliver appropriate levels of clinical supervision.

An added benefit of the rotation model is the possibility of improving graduate retention rates. Currently, graduates are compelled to work in bed-based services, which support clients with the greatest acuity. By working in community settings, graduates will have the opportunity to witness the mental health recovery model in action, supporting consumers reintegrating into the community.

Presuming a 90% retention rate, this initiative would supply an additional 162 skilled mental health clinicians into the Victorian mental health system each year (642 in total over the five years). Given the number of ongoing vacant positions and newly created ongoing positions funded out of existing appropriations, there would be no new financial impost to provide these clinicians with ongoing jobs in the Victorian mental health system.

### Summary of Costs

The table below provides indicative costings for the initiative. The figures are based on current (April 2018) rates of pay for a full-time Registered Psychiatric Nurses (RPN Grades 1 and 2) in the Mental Health EBA, with assumed 25% on-costs and indexation of 3.25% applied for each subsequent year.

	Graduate Places	Post-Graduate Places	Cost
<b>Year 1</b>	180	-	\$13,477,230
<b>Year 2</b>	180	180 (Year 1 Graduates)	\$28,602,520
<b>Year 3</b>	180	180 (Year 2 Graduates)	\$29,531,823
<b>Year 4</b>	180	180 (Year 3 Graduates)	\$30,491,607
<b>Year 5</b>	-	180 (Year 4 Graduates)	\$16,166,037
			<b>\$118,268,948</b>

With a total five-year cost of \$118.2 million (an average of \$23.6 million per annum) this investment would increase total Victorian Government expenditure on mental health services by 1.47% based on current annual expenditure.<sup>3</sup> Moreover, it will ensure that mental health expenditure properly supports those Victorians who need it most.



<sup>3</sup> Increase per annum of 1.47% based on total mental health expenditure identified in the 2018-19 Victorian State Budget of \$1,605.7 million.