

Submission to the Economic Reform Roundtable: Future National Agreements to have a floor of 10% of total investment dedicated to prevention measures

Mission Australia is a national non-denominational Christian charity that has been providing support for over 160 years. We have 477 services across Australia which address homelessness, provide housing, assist struggling families and children, address mental health issues, fight substance dependencies, support people with disability and much more.

Government decision-making based on solid evidence will lead to more productive investment

High quality, effective delivery, stewardship and operation of Government services and Non-Government Organisations funded to deliver essential services can unleash tremendous productivity gains if accompanied by reformed governmental commissioning and investment practices.

Future National Agreements to have a floor of 10% of total investment dedicated to prevention measures

This would catalyse system, policy and program change which is needed make government expenditure more efficient, as well as achieve a secondary objective of freeing up investment over the longer term as the need for cost-intensive crisis services diminishes (e.g. emergency department presentations, statutory child services, crisis accommodation, specialist domestic and family violence services, etc.).

This is also a necessary step to progress [Measuring What Matters](#) and deliver movement in the right direction on the measures that more accurately reflect the health and wellbeing of Australia.

The next iterations of the following National Agreements that require a 10% floor:

- The Better and Fairer Schools Agreement
- The National Health Reform Agreement
- National Agreement on Social Housing and Homelessness.

Additionally, there should be consideration of a phased, step-up approach to lifting the floor of investment percentage over time to continue driving the positive human impact and economic gains.

There are significant lifetime costs to government by not investing in prevention and early intervention

If we build capacity and capability to respond to people sooner with the right assistance, we will avoid unnecessary human misery and foster resilient, thriving and productive lives, along with reduced costs to, and demands on, government.

Case study 1

Without early intervention we lose a cohort every year: Early school leavers and young unemployed

Cost modelling of early school leavers (i.e. not attained a year 12 qualification) and disengaged young people from work (i.e. not in full-time work or study) found that:

- In 2014, there were almost 38,000 early school leavers aged 19 and 46,000 disengaged people aged 24.
- For taxpayers, having **38,000 people aged 19 who will never achieve Year 12 or equivalent costs \$315 million each year, and more than \$12 billion over a lifetime.**
- Having **46,000 people aged 24 who at risk of being disengaged for most of their lives costs taxpayers \$471 million each year, and almost \$19 billion over a lifetime.**ⁱ

Case study 2

An avoidable, significant impact: Homelessness interactions with government services

One of the most comprehensive linked datasets related to homelessness in Australia, covering over 625,000 people across 19 NSW and Commonwealth services found that:

- **An average cost per person of \$186,000 to governments (\$105,000 to the Commonwealth and \$81,000 to NSW) over six years for the Case Study Group (people accessing homelessness services), almost 4 times higher than the general NSW population (Control Group).**
- **Only 9% of costs are borne by services in the homelessness and housing sector as service usage is outlined in the table below.**ⁱⁱ

Service	% of Case Study Group using service	% of Control Group using service	Multiplier
Emergency department Admitted	31%	15%	x2
Patient (Number and length of hospital stays)	18%	11%	x2
Controlled drugs of addiction	2%	0%	x24
Ambulance (callouts)	13%	3%	x5
Ambulatory mental health services	11%	1%	x9
Police-recorded victim incident	19%	4%	x5
Legal aid	10%	1%	x13
Courts (Youth Justice: Police cautions, conferences, Children's Court)	9%	1%	x10
Custody (time in)	5%	0%	x20
OOHC (placements)	2%	0%	x6
NESA	4%	6%	x1
Welfare (Centrelink payments)	54%	20%	x3
Medicare use	74%	78%	x1
PBS (prescriptions)	59%	54%	x1

ⁱ Lamb, S., & Huo, S. (2017). *Counting the Costs of Lost Opportunity in Australian Education*.

<https://www.vu.edu.au/sites/default/files/counting-the-costs-of-lost-opportunity-in-Aus-education-mitchell-institute.pdf>

ⁱⁱ Department of Communities and Justice. (2021). *Pathways to Homelessness Final Report December 2021*.

https://www.facs.nsw.gov.au/_data/assets/pdf_file/0005/823631/pathways-to-homelessness-final-report-december-2021.pdf