

# FACT SHEET: The Haven Foundation Program – Cost Benefit Analysis

## Cost-Benefit Analysis of Mind Australia’s Haven Foundation Program: Background

- **Mind Australia Ltd (Mind)** is a non-government, specialist, mental health organisation.
- **Mind Australia’s Haven Foundation Program** is an innovative way to meet the needs of individuals with long-term mental health challenges. The Haven Foundation (a community housing provider that is fully owned by Mind Australia) provides long-term, purpose-built, high-quality housing combined with 24/7 on-site psychosocial support – involving crisis intervention, ongoing care, treatment and rehabilitation services from specialised mental health staff. Haven is filling a gap in the current system for adults with long-term mental health issues.
- **Approximately 535,000 Australians (2% of the adult population)** live with long-term mental health challenges – which can be episodic and typically fluctuate in intensity.
- **Without appropriate ongoing support**, long-term mental health challenges lead to increased rates of educational under-achievement, unemployment, social isolation, housing instability, homelessness, impoverishment, substance use disorders (50%) and co-morbid physical conditions (50-80%), acute hospitalisations, and crime. There are often also carers whose lost economic activity or lack of choice also contributes to the cost of chronic mental ill health.
- **Haven began in Victoria** and now has 12 facilities offering 194 apartments. Planning is underway for additional facilities throughout Victoria, two additional facilities in NSW, and one in SA.

### The Haven Foundation model

- **Long-term, safe, secure housing** – with the option for permanency for adults with severe and enduring mental health issues; high-quality one-person apartments in small-scale facilities with communal areas.
- **24/7 psychosocial support in many sites** – On-site staff trained in psychosocial disabilities provide assistance with daily living, medical appointments, crisis intervention, and other issues.
- **Residents contribute financially** – 25-30% of their Disability Support Pension (DSP), or Commonwealth Rental Assistance (CRA).
- **Psychosocial support** - Funded through the NDIS
- **Refer to Attachment - Fact Sheet: The Haven Program**

- **Mind Australia commissioned Bell Health Advisory to undertake a cost-benefit analysis:**
  - to quantify the economic value of the Haven Program; and
  - to strengthen the evidence regarding costs, benefits and cost effectiveness to support the maintenance and expansion of the Haven program in Victoria and interstate.
- Bell Health’s Draft Report was completed on 4 April 2025.

### Key findings

**Haven provides substantial economic and social benefits for all beneficiary populations in all states and territories and nationally:**

|                       |                                                                                                                                                    |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>\$40.4 million</b> | <b>NPV (net present value)</b> – current scenario (as at April 2025)                                                                               |
| <b>1.22</b>           | <b>BCR (benefit-cost ratio)</b> – current scenario (as at April 2025)<br>(meaning the payoff for each dollar invested is \$1.22)                   |
| <b>\$26.3 billion</b> | <b>NPV (net present value)</b> – the estimated total net benefit if the Haven Program was expanded nationally over a 10-year period                |
| <b>2.21</b>           | <b>BCR (benefit-cost ratio)</b> – if the Haven Program was expanded nationally<br>(meaning the expected payoff for each dollar invested is \$2.21) |
| <b>Beneficiaries</b>  | <b>Carers</b> , homeless individuals, and people with mental health challenges in prison                                                           |
| <b>Reduced</b>        | <b>Hospitalisations</b> – fewer emergency admissions and shorter hospital stays                                                                    |
|                       | <b>Criminal justice system costs</b> – fewer interactions with police, courts, and prisons                                                         |
| <b>Increased</b>      | Stability, community participation, physical and mental health, and better life outcomes                                                           |

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|                     |                                                                                                                                                                                        |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Over \$15.5 billion | <b>Economic impact and cost savings</b> – the current financial cost per year of not providing additional Haven services – including health, policing, social housing, and carer costs |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- **Conclusion:** The Haven Foundation Program is a cost-effective, evidence-based solution to support individuals with severe mental health conditions. Its expansion could generate substantial economic and social benefits while improving the quality of life for vulnerable populations in Australia.
- Haven produces benefits because it improves outcomes for:
  - individuals with mental health challenges;
  - carers, by providing support; and
  - society, by helping to reduce housing instability, number of hospitalisations and length of stay, and interactions with the criminal justice system.

### Key recommendations

- **Expansion of Haven facilities:** Additional funding and policy support are needed to expand the program nationally.
- **NDIS policy adjustments:** Ensure funding aligns with the episodic but persistent nature of severe mental health conditions.
- **Interagency collaboration:** Coordination among health, housing, and justice departments to optimise outcomes.

### The modelling assumptions

- **Potential resident population (aged 18-64 years):** 20% (107,000 individuals) of the at least 535,000 Australian adults living with long-term mental health challenges.
- **Potential resident population divided into 4 sub-groups** by current living arrangements (see *Table 1* in the Appendix):
  - in carer families
  - in government/social housing
  - homeless; and
  - in prison.
- **Base case costs:**
  - *Table 2* (see the Appendix) shows the estimates for each state and territory government for the measurable fiscal costs of providing services (ambulance, public hospitals, police, courts, prisons) to the relevant population groups.
  - *Figure 1* (see the Appendix) shows the estimates for each state and territory government for the total base cost per person associated with not providing Haven facilities for each of the next 10 years.
- **Nationally, the current (2025) total financial cost** of not providing additional Haven services is estimated to be over \$15.5 billion.

### The main scenario modelled

- The main scenario option developed was the proposed expansion of Haven-type facilities (including Mind Australia support services) to meet the projected demand over the next decade.
- This analysis, based on data for 2019-2024 (see *Figure 3* in the Appendix):
  - compares the base case to a scenario where Haven facilities are developed, and
  - shows that the estimated total net benefit of expanding the Haven Program is \$26.3 billion over a 10-year period.

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- Achieving the level of service calculated would require:
  - development of approximately 9,000 apartments per year, or between 480 to 540 Haven facilities, at a cost per apartment estimated at \$413,687 (in 2024).
  - the costs to government are less than the calculated costs because most people suitable for a Haven facility are already receiving NDIS payments and housing support in one form or another.
  - Mind Australia requires approximately \$19,619 additional NDIS funding per resident per year to provide the full set of services, and Haven requires approximately \$10,735 per resident per year to support the housing at current levels.

### Net outcomes

- All population groups are likely to have higher benefits than the measured values (see *Figure 6* in the Appendix), as there will also be gains in life outcomes, happiness, and other unmeasured welfare dimensions.
- The calculated benefit–cost ratios for each sector and region are positive, with the investment of \$1 nationally expected to return \$2.21 to society (see *Table 3* in the Appendix).

### The impact of reduced NDIS funding on the Haven Program

- Mind Australia’s main revenue source is from the residents’ NDIS payments.
- Since 2019, the NDIS funding was on average 94.4% of Mind’s revenue.
- Each year, the percentage of NDIS payments per resident has reduced.
- Since the NDIS review in 2023, the payments to Mind clients have reduced dramatically, which is undermining financial sustainability.

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## APPENDIX: Tables and Figures from Bell Health’s Draft Report (4 April 2025)

**Table 1 (from Draft Report, p. 4):**

*Table 1. Model core population estimate 2025*

|                | NSW           | Vic           | Qld           | WA           | SA            | Tas          | ACT          | NT           | Aust           |
|----------------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|----------------|
| Carer families | 19,533        | 16,597        | 14,394        | 4,872        | 6,277         | 2,128        | 417          | 934          | 65,151         |
| Social housing | 4,468         | 2,772         | 1,951         | 1,155        | 1,437         | 437          | 339          | 127          | 12,687         |
| Homeless       | 3,642         | 3,093         | 2,077         | 711          | 1,196         | 376          | 316          | 602          | 12,011         |
| Prison         | 5,184         | 2,807         | 3,979         | 2,650        | 1,265         | 266          | 161          | 774          | 17,088         |
| <b>Total</b>   | <b>32,826</b> | <b>25,269</b> | <b>22,402</b> | <b>9,388</b> | <b>10,175</b> | <b>3,207</b> | <b>1,234</b> | <b>2,437</b> | <b>106,937</b> |

**Table 2 (from Draft Report, p. 5):**

*Table 2. Per item cost 2024<sup>13</sup>*

|     | Ambulance | Public Hospital | Police    | Court    | Prison (week) |
|-----|-----------|-----------------|-----------|----------|---------------|
| NSW | \$1,641   | \$58,616        | \$38,961  | \$8,003  | \$3,499       |
| Vic | \$2,004   | \$80,878        | \$69,686  | \$13,891 | \$5,096       |
| Qld | \$1,038   | \$63,278        | \$40,731  | \$5,977  | \$3,766       |
| WA  | \$1,165   | \$76,134        | \$63,622  | \$11,089 | \$3,595       |
| SA  | \$1,728   | \$63,745        | \$42,510  | \$11,107 | \$2,989       |
| Tas | \$2,083   | \$75,998        | \$48,931  | \$7,386  | \$5,528       |
| ACT | \$1,817   | \$71,140        | \$106,534 | \$19,397 | \$7,208       |
| NT  | \$1,055   | \$56,269        | \$59,922  | \$12,951 | \$2,796       |

**Table 3 (from Draft Report, p. 11):**

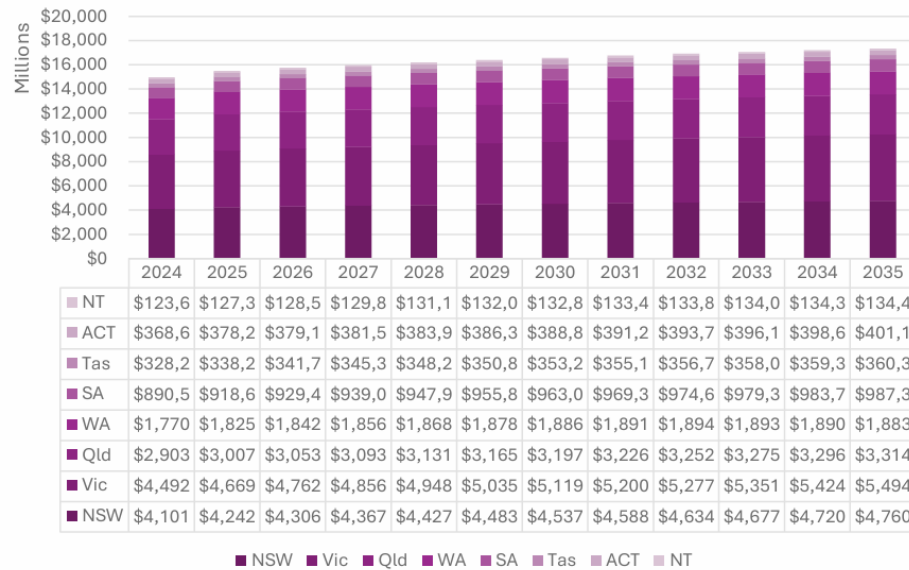
*Table 3. Total benefit–cost ratio outcome*

|           | Carers | Social Housing | Homeless | Prison | Total |
|-----------|--------|----------------|----------|--------|-------|
| NSW       | 1.72   | 2.36           | 1.64     | 5.77   | 2.08  |
| Vic.      | 1.98   | 2.72           | 2.21     | 5.58   | 2.36  |
| Qld       | 1.75   | 1.92           | 1.68     | 5.78   | 2.11  |
| SA        | 1.89   | 3.04           | 2.06     | 4.31   | 2.39  |
| WA        | 1.79   | 1.60           | 1.74     | 4.53   | 1.93  |
| Tas       | 1.95   | 2.61           | 1.91     | 7.04   | 2.27  |
| NT        | 1.80   | 2.92           | 2.47     | 9.28   | 2.93  |
| ACT       | 1.64   | 1.80           | 1.83     | 4.71   | 2.04  |
| Australia | 1.83   | 2.42           | 1.89     | 5.40   | 2.21  |

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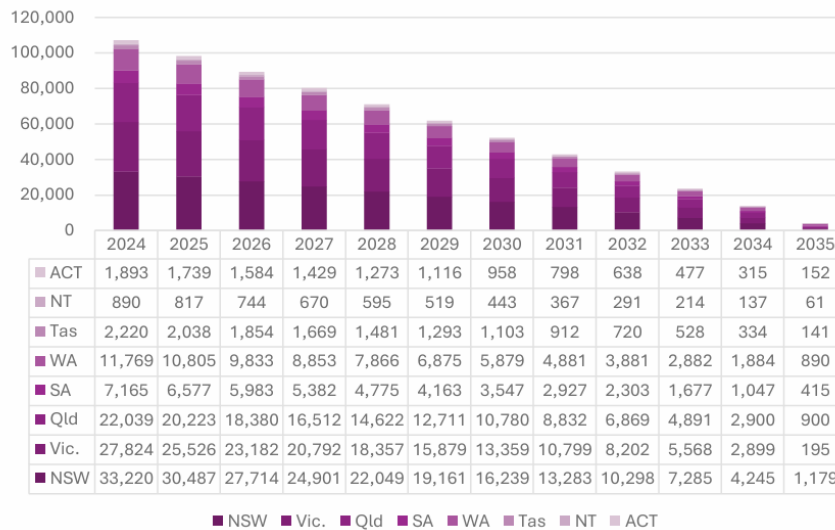
**Figure 1 (from Draft Report, p. 6):**

*Figure 1. Total base case costs of not providing Haven facilities*



**Figure 3 (from Draft Report, p. 8):**

*Figure 3. Reducing the population of people in need of a Haven*



**Figure 6 (from Draft Report, p. 10):**

*Figure 6. Net benefit per person 2024*

