

**Community Mental Health Australia submission to the Senate Community Affairs Legislation  
Committee Inquiry on the National Disability Insurance Scheme Savings Fund Special Account Bill 2016**

*Introduction*

Community Mental Health Australia (CMHA) is a coalition of the eight state and territory peak community mental health organisations. CMHA, through its state and territory bodies, has a direct link and contact to mental health organisations delivering services at the community level. CMHA provides a unified voice for over 800 community-based, non-government organisations who work with mental health consumers and carers across the nation and who are members of, or affiliated with, the various coalition members.

The state and territory peak bodies are involved in the implementation and roll-out of the National Disability Insurance Scheme (NDIS) and have a strong understanding of the impacts for service providers, consumers and carers through their members.

CMHA's main issue with regards to this Bill relate to having a sound and thorough understanding of costings associated with the NDIS when determining where underspends should be directed and in establishing a special account that is to fund the NDIS into the future. There are issues emerging for mental health in the NDIS trial sites around pricing structures for services and underspends in packages, which has consequent impacts for the level of funding to mental health services.

While CMHA recognises the Government's need to provide a sustainable and established source of funding for the NDIS, we would not want to see this done on the basis of incomplete financial and other data, which for mental health may not be known for a number of years.

CMHA's submission to this bill relates to issues around having sound information on which to base the establishment of ongoing funding for mental health in the NDIS into the future. Overall issues with the NDIS for CMHA are also highlighted to provide context as to why having sound financial information is vital.

*Key issues with the NDIS*

A key issue for CMHA with the NDIS overall is how the system will respond to people with psycho-social disability to assist individuals to both reduce the disabling impacts of their illness (community-based rehabilitation including intervention, prevention and promotion) and to gain high quality disability support.

Traditionally community managed mental health service providers prioritised community-based rehabilitation to support individuals to recover, and the specific quality aspects took reference from the National Standards for Mental Health Services (or in some states specific psychosocial rehabilitation and support service standards). The community managed mental health sector has developed a workforce

that is appropriately qualified and skilled to deliver these services and a culture that reflects the appropriate Standards.

A key question is how to provide an appropriate workforce base within the NDIS pricing and practice structure which references disability standards and is designed primarily to deliver disability support.

The NDIS pricing structure and its relationship to qualified mental health staffing is having a significant impact, with their seeming to be a misunderstanding between what constitutes psychosocial disability support and what constitutes psychosocial rehabilitation. The skills and knowledge required are different with the NDIS pricing structure able to fund disability support, while being unclear about its reach into more complex supports.

This creates a potential imbalance in the provision of mental health support which should represent a balanced system of clinical treatment, community-based rehabilitation and disability support.

A recent piece of work by Community Mental Health Australia (CMHA) led by the Mental Health Coordinating Council (MHCC) in New South Wales (NSW), on the impact of the NDIS on the mental health workforce, found that:

an overall perspective from the study that many service providers consider the NDIS to be a 'challenging' environment, with pricing constraints and perceived rigidity in the Catalogue of Supports (now the National Disability Insurance Agency/NDIA Price Guide) seemingly making it difficult if not impossible to remain faithful to a recovery model and to deploy and manage the workforce in a preferred manner.<sup>1 2</sup>

The NDIS pricing does not officially set mental health sector workers' wages, however, it does have a significant influence over wages that mental health organisations are able to pay their employees. Some stakeholders have noted that pricing was not sufficient to purchase a suitably skilled workforce that engaged in complex 'cognitive behavioural interventions' as well as direct personal care.<sup>3</sup>

A 2015 report by VICSERV on the NDIS Barwon trial concluded that the NDIS wasn't effectively delivering rehabilitation focused services and that these services and disability support services are both important

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<sup>1</sup> Community Mental Health Australia (2015). *Developing the Workforce: Community Managed Mental Health Sector National Disability Insurance Scheme Workforce Development Scoping Paper Project*. Sydney: Mental Health Coordinating Council.

<sup>2</sup> The report was commissioned and funded by the NDIS Sector Development Fund as part of an NDIS Capacity Building Project delivered by Mental Health Australia.

<sup>3</sup> Community Mental Health Australia (2015). Op cit.

parts of the continuum of care for people living with a mental illness. The commonwealth and the state/territory governments should ensure both receive secure and ongoing funding.<sup>4</sup>

It is acknowledged that the impact of the NDIS on people living with a mental illness and service providers is in its early stages. It is important that the key learnings and issues that emerge from the various reports and studies, particularly those from the community mental health sector – involved on the ground in delivering services as they transition – are incorporated and lead to changes which will ultimately affect the quality of service that is delivered to consumers.

#### *Key issues with the NDIS Savings Fund Special Account Bill*

Any piece of legislation or initiative associated with the NDIS, must consider the range of groups that are a part of the NDIS and the specific issues that relate to them. Mental health is one of these groups, that arguably has very different needs to other disability groups, and this impacts on the range and level of services that people living with a mental illness require.

What is clear though is that a range of highly successful community managed mental health services will no longer be funded in various jurisdictions as the NDIS moves to full implementation. These services are primarily focused on community-based rehabilitation and their disappearance means that people will no longer have access to these services that help them to reduce the disabling impacts of their mental illness. This has consequent issues in relation to the NDIS such as the potential for a growing level of disability over time of people entering the scheme as well as the appropriateness of the pricing structure and its relationship to qualified mental health staffing being able to provide effective rehabilitation services, and therefore the level of funding provided to mental health NDIS packages.

As noted earlier in this submission, CMHA's key issue with regards to this Bill relates to having a sound and thorough understanding of costings associated with the NDIS when determining where underspends should be directed and in establishing a special account that is to fund the NDIS into the future. There are issues emerging for mental health in the NDIS trial sites around pricing structures for services and underspends in packages, which has consequent impacts for the level of funding to mental health services.

Mental health cannot be simply made to fit a system which is focused on disability support when psychosocial rehabilitation is a very different concept. We must ensure that mental health services are funded accurately through an appropriate mechanism. If this does not occur, it may result in people who

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<sup>4</sup> Psychiatric Disability Services of Victoria Inc. Learn and Build in Barwon, The impact of the National Disability Insurance Scheme on the provision of Mental Health Services in the Barwon Launch Site. Key issues for consumers, families and the Victorian mental health services system. June 2015. Victoria: VICSERV.

would have received psychosocial services not receiving them, and placing additional pressure on the health and social services system.

The explanatory statement notes that the establishment of the special account is to help government meet obligations to fund the NDIS, and states savings from other areas, primarily from human and social services, will be redirected to this account. It is committed to for 10 years and the closing balance should not exceed the estimated funding shortfall. Credits to the account may also come from:

- underspends and net savings from the NDIS and other portfolio savings, as determined by the Minister for Social Services;
- discretionary decisions by the Prime Minister or the Cabinet (for example, to establish a starting balance at the special account's commencement); and
- decisions by the Prime Minister or the Cabinet about identified savings from other Commonwealth portfolios.

As noted above, issues have already emerged from the NDIS trial sites where there have been underspends in mental health packages. There is no definitive data or information on the impacts resulting in underspends but these may include:

- NDIS participants with psychosocial disability not being adequately supported to implement their plans (while acknowledging the introduction of the new 'coordination of support' items);
- services not actually being available to purchase (or participants being unaware of services available for purchase and/or encouraged in their pursuit of service innovations);
- unavailability of staff and/or qualified staff; and
- the actual pricing of services.

However, until there is a definitive understanding of and information available on why there has been an underspend, redirecting this funding elsewhere – as could occur through this Bill – from mental health to other areas would be premature and have potentially negative consequences. Any decision made on this must be informed by sound data, information and understanding. Otherwise stated, NDIS psychosocial disability related underspends must be quarantined and redirected for the benefit of increased understanding of the NDIS and mental health.

To reiterate the point made above, the impact of the NDIS on people living with a mental illness and mental health service providers is in its early stages, and key learnings and issues that emerge must be listened to and incorporated. If the people on the ground delivering services and experiencing the impacts of NDIS roll-out for mental health aren't listened to, it will have a range of impacts including on funding for the NDIS via a mechanism such as this Bill.

Lending further support to this position is recent work undertaken by the University of Melbourne and Mind exploring effective evidence-based psychosocial intervention in the NDIS.<sup>5</sup> This literature review points to a range of issues related to achieving long term outcomes for NDIS participants with psychosocial disability, reducing their long term reliance on the NDIS and reducing its long term costs. The work was recently presented to the Independent Advisory Council of the National Disability Insurance Agency Board.

### *Other questions regarding the Bill*

CMHA believes there are a number of unanswered questions that emerge from the Bill that require more detail before this special account is enshrined in legislation and implemented, noting that once a mechanism is established via legislation it can be less flexible and more difficult to amend if problems emerge.

The questions and areas where CMHA believes more detail is required are:

- Does the account preclude additional Government investment in the NDIS?
- Do savings need to be identified in order to maintain the account and meet NDIS costs? What happens if this isn't possible, for example if savings can't be identified or if additional costs emerge through NDIS roll-out, such as with regional rural and remote areas?
- Are savings just from the human services and social services area, and if so, what is the process to determine what are priorities in funding, apart from Ministerial and Cabinet discretion?
- What happens after the 10-year commitment?
- Does the fund incorporate growth funding? How does it account for changes to costs in services, wages and other such factors?

CMHA would urge the Committee to seek answers on these questions and provide more detail in their report on the Bill.

### *Conclusion*

CMHA's main issue with regards to this Bill relates to having a sound and thorough understanding of costings associated with the NDIS when determining where underspends should be directed and in establishing a special account that is to fund the NDIS into the future.

Mental health cannot be 'made' to fit the NDIS, and it must be funded accurately through an appropriate mechanism. Not doing so may result in people missing out on services, additional pressure

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<sup>5</sup> Dr Lisa Brophy, Professor Carol Harvey, Professor Helen Herrman, Professor Eoin Killackey and Juan Jose Tellez (2016). Effective, evidence-based psychosocial interventions suitable for early intervention in the National Disability Insurance Scheme (NDIS): promoting psychosocial functioning and recovery.



placed on the health and social services system, and the loss of evidence-based, best practice psychosocial services.

A key issue for CMHA with the NDIS overall is how the system will respond to people with psycho-social disability, and it is vital that key learnings and issues that emerge from the trial sites for service providers, consumers and carers are listened to and accounted for.

There is further detail required on particular aspects of the Bill including ongoing government investment in the NDIS beyond the Bills 10-year commitment; how are savings redirected into the account identified and how are funding areas prioritised; and what information is used to inform Ministerial and Cabinet decisions on the funding.