



Psychiatric Disability Services
of Victoria (VICSERV)

Submission on

Market Readiness

Joint Standing Committee on the NDIS

February 2018

Contact details:

Angus Clelland
CEO, VICSERV

T 03 9519 7000

E a.clelland@vicserv.org.au

Key Points

- The market is not ready to support NDIS participants with a psychosocial disability. An industry assistance package is required to support existing community service providers and ensure the workforce can safely meet the demands of the NDIS.
- Charitable community mental health organisations are subsidising the NDIS through unpaid work. This is unsustainable.
- In Victoria, providers are exiting the market. The impact will be felt in regional and remote areas where services are already in short supply. Participant choice and control is being compromised.
- Mass redundancies of qualified mental health staff are underway in Victoria with 300+ qualified workers being given notice since December. These qualified and experienced workers are being replaced by inexperienced and under-qualified workers with no mental health training. This is creating safety issues for workers and participants.
- The NDIS will provide disability supports, not mental health services. It is unclear how the mental health needs of NDIS participants will be met.
- State and territory governments and the Commonwealth need to invest more in mental health service provision in the community for NDIS participants and others who will not be able to access the scheme. Failure to invest will translate into more mental health emergency department admissions – which are up 19% in two years in Victoria. This will create more stress on police, ambulance services and the justice system.

Introduction

VICSERV is the peak body representing community mental health services in Victoria. Our vision is a society where everyone has access to high quality mental health treatment, rehabilitation and support when they need it.

The position put forward in this submission summarises the perspectives of VICSERV's members and other community organisations, gathered as a result of our work in both formal and informal consultations.

The transition to a market based system for service providers

The readiness of Victorian community mental health organisations to navigate the NDIS market is complicated by the discontinuation of other sources of funding.

The cessation of state and federally funded mental health programs (such as Mental Health Community Support Services, and the Personal Helpers and Mentors Service, PHaMs) leaves existing charitable community service providers with limited capacity to adapt to the NDIS. Many are subsidising the scheme with unpaid work in an effort to ensure that participants continue to get the support they need. This is unsustainable.

Workforce-wide data is not available but considerable and growing body of evidence indicates that large numbers of qualified and experienced mental health staff will exit the sector in 2018 through redundancy and worker dissatisfaction.

VICSERV SUBMISSION

Joint Standing Committee on the NDIS
Market Readiness Inquiry

More than 400 mental health staff in three Victorian organisations have been made redundant in the past three months. Many more will go in 2018.

In addition to redundancy, we are advised that the qualified worker exit from the sector is also being driven by worker dissatisfaction caused by a number of factors, including the inability to implement recovery orientated practice within NDIS context and worker safety in the new environment which encourages a highly mobile solo workforce with limited supervision and collegial contact. These issues are causing great concern to service providers, workers and the unions.

Many organisations are choosing not to provide NDIS core supports due to the risks (for worker and participant) associated with sending unqualified workers on unaccompanied visits to people with complex mental health conditions.

Community mental health service providers are employing a range of strategies to ensure they remain financially viable, including:

- Prioritising NDIS participants with higher value packages, potentially excluding or delaying support for other participants;
- Only providing lower-priced supports (core supports) if a participant also purchases higher-priced supports (capacity building supports), undermining participant choice.
- Withdrawal from the NDIS market all together.

Some organisations are poised to leave the market. This is particularly concerning in rural and remote areas where the choice of service provider is already limited. Closures will leave participants without support and subsequently at risk.

Governments need to fund an industry assistance package, which;

- **Sufficiently supports the organisational transformation required to adapt to the new market**
- **Includes funds for research and market innovation to find solutions and propose new organisational structures, business models, administrative systems, process technologies, models for collaboration**

Participant readiness to navigate new markets

Participants of the NDIS with a psychosocial disability are not ready to navigate the new markets. Community mental health organisations are subsidising shortfalls by engaging in unpaid work in order to support participants and those attempting access to prepare for the NDIS.

NDIS participants with psychosocial disability require specialised support to engage and maintain supports. There are people with psychosocial disability whose complex symptomology or previous bad experiences with 'the system' create additional barriers. These people in particular require support from workers with qualifications, experience and skills in working with people with mental illness. Such participants will also often require an ongoing relationship with their worker in order to remain engaged with their supports.

Service providers are providing many hours of unfunded support in the following areas:

- Preparation for engagement with the scheme;
- Support for people with psychosocial disability before and during planning and review meetings with the NDIS;

VICSERV SUBMISSION

Joint Standing Committee on the NDIS
Market Readiness Inquiry

- Engaging hard to reach groups (such as people who are homeless or geographically isolated) or groups with special requirements (such as indigenous communities, culturally and linguistically diverse communities).

Governments needs to fund specialised supports for people with psychosocial disabilities, in particular:

- **Funding pre-planning support (including information provision and support to engage) for new participants**
- **Funding support before and during planning and review meetings**
- **Outreach to identify and engage potential participants who are geographically isolated or hard to reach**
- **Ongoing support coordination for those participants who require assistance to sustain supports and build capacity to engage with them.**

The development of the disability workforce to support the emerging market and; the impact of pricing on the development of the market

The primary obstacle to ensuring the community mental health workforce's readiness to service the increasing demand for the NDIS and appropriately support participants with psychosocial disability, is the scheme's pricing structure.

Under previous funding, the community mental health workforce was highly qualified and generally paid at an hourly rate that was twice that of an NDIS core support. Under the NDIS, service providers cannot afford to keep these staff. As a result, and as noted above, there is a mass exit of qualified and experienced workers from the sector.

In the short term, Governments need to provide funding to enable mental health training for the new NDIS workforce.

NDIS prices have been set without a clear understanding of the expertise required to safely support individuals with psychosocial disability. Previously, community mental health services were funded to provide both disability supports *and* psychosocial rehabilitation. The NDIS provides a more limited set of supports (and is priced accordingly) however, the presenting risks of the participants' situation have not changed.

It is also unclear how the mental health needs of NDIS participants will be met. Over time the lack of available mental health services is likely to increase the risks to NDIS participants and workers, as well as place increased burden on the health and hospital system.

The Victorian Government and the Commonwealth need to invest more in mental health service provision in the community for both NDIS participants and those who are not eligible for the scheme. Failure to invest will translate into more emergency department admissions – which are up 19% in two years. More stress will be placed on the police, ambulance services and the justice system.

Governments needs to develop a mental health workforce strategy¹, that;

¹ 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.

VICSERV SUBMISSION

Joint Standing Committee on the NDIS
Market Readiness Inquiry

- **Outlines the role of the community mental health sector in an effective mental health system;**
- **Supports the peer workforce, including consumers and carers (both paid and volunteer);**
- **Addresses key areas of need such as the Aboriginal and Torres Strait Islander, rural and remote and early childhood workforce;**
- **Identifies constraints to the provision of pre-vocational training and professional development to the NDIS workforce;**
- **Identifies strategies to ensure the workforce is adequately skilled and qualified, in particular for the provision of support to people with complex mental health issues;**
- **Considers funding streams outside the NDIS pricing structure;**
- **Includes mechanisms to ensure workforce safety and service quality are maintained; and**
- **Includes mechanisms to monitor and report on workforce capacity to support the NDIS and mainstream services into the future.**

The Quality and Safeguarding Framework on the development of the market

The Productivity Commission's final report on NDIS Costs² recognised the need for an independent entity with ongoing responsibility for regulating the price of supports, suggesting the NDIS Quality and Safeguards Commission be given the authority to monitor, review and report on price caps. **We support CMHA's recommendation to transfer powers for price regulation to an independent body by 1st July, 2019³.**

The ability of the Quality and Safeguarding Framework to ensure safety and quality within the NDIS also depends on independent oversight. Consistency with existing state and territory schemes is crucial.

Service providers need to be properly resourced to implement the requirements of the Quality and Safeguarding Framework. There are significant costs involved in compliance and these are not accounted for in the NDIS pricing structure.

Provider of last resort arrangements

As a matter of priority, **governments need to confirm the arrangements for provider of last resort.** Participants require clear guidance on the process as soon as possible. If a robust service solution cannot be provided immediately, then an interim arrangement is crucial for the most vulnerable groups.

The role of the NDIA as a market steward

As has been outlined in this submission, Governments have a responsibility to intervene to ensure that people with a disability get the support they need. To ensure this action is required in the following areas:

- An industry assistance package that includes funding for organisational transformation, market innovation, research, a policy clearinghouse and incentives for new entrants

² Productivity Commission (2017) National Disability Insurance Scheme (NDIS) Costs, Productivity Commission Study Report, October 2017. Commonwealth of Australia: Canberra.

³ CMHA (2017), Community Mental Health Australia 2018-2019 Federal Pre-Budget Submission, <http://cmha.org.au/wp-content/uploads/2017/06/CMHA-2017-18-Federal-Pre-budget-Submission.pdf>

VICSERV SUBMISSION

Joint Standing Committee on the NDIS
Market Readiness Inquiry

- Specialised supports for people with psychosocial disabilities, particularly in pre-planning support, support for planning and reviews, outreach support and ongoing support coordination
- Mental health training for the NDIS workforce
- A national mental health workforce strategy
- An independent body for pricing regulation
- Resources for service providers to assist with compliance with the Quality and Safeguarding Framework
- A clear statement of the arrangements for 'provider of last resort'

As part of this role, the Government needs to:

- Engage with participants as part of the governance structure of the NDIS, including through representation on the NDIS Board
- Work more closely with the 'service providers' or organisations who comprise the existing specialised community mental health sector
- Consider more flexible approaches to funding that better cater to the needs of people with psychosocial disability and the training needs of the workforce