

Budget 2017-18 – Summary and Analysis

Mental Health Funding

There were specific announcements of funding for mental health:

- \$80 million for psychosocial support services for people with psychosocial disability not eligible for the NDIS
- \$9.1 million over 4 years from 2017-18 to 2020-21 for telehealth services for people in rural and regional areas to access psychologists – this is ‘Better Access via telehealth’ with people able to access the same professionals currently available through Better Access, and 7 out of 10 sessions under Medicare rebatable mental health plans can be delivered via teleconference.
- \$11.1 million from 2017-18 to 2019-20 for suicide prevention to address suicide hotspots and for signage to encourage people to seek help; increased support for Lifeline crisis services; and a National Partnership Agreement to deliver small infrastructure projects to deter suicide attempts.
- \$15 million over 2 years from 2017-18 to 2018-19 for mental health research. The specific projects are:
 - \$5 million to Orygen to complete an integrated healthcare and transitional research facility in Melbourne
 - \$5 million to the Sunshine Coast Mind and Neuroscience – Thompson Institute for research on young people with major mood or psychiatric disorders and in suicide prevention; and
 - \$5 million to the Black Dog Institute with the Hunter Institute to translate research findings for people anxiety and depression.
- \$50 million over 4 years from 2017-18 to 2020-21 for mental health prevention and support packages for Australian Defence Force members, veterans and their families.

The most welcome part of this funding announcement for the community-based mental health sector is the \$80 million for psychosocial rehabilitation services for people who will not be eligible for the NDIS. The transferring of funding from federal mental health programs Partners in Recovery, Day to Day Living, Personal Helpers and Mentors and Mental Health Respite for Carers has seen a significant gap created for community based services. Many of the people who currently receive crucial support from these services will not be eligible for the NDIS. The state and territory peaks estimate this to be anywhere between 20-40% of people currently receiving support.

The sector has been calling on the Federal Government to take responsibility for these people, as you cannot remove a program you have been funding for over a decade and then have nowhere for these people to go. CMHA’s Pre-Budget Submission 2017-18 identified the gap for people not eligible for the NDIS as one of the most significant issues, along with the need to identify options for these people.

The funding is contingent on the states and territories contributing matched commitments. The first year of funding – 2017-18 – accounts for the need for State and Territory Governments with the Federal Government negotiating and reaching agreement.

Also the fact that some states and territories – Victoria and the Northern Territory – have already introduced their budgets, and the others are likely to have already formulated their budgets. The amounts over the years are as followed:

2017-18 \$7.8 million
2018-19 \$23.7 million
2019-20 \$24.1 million
2020-21 \$24.4 million

It is likely that the funding will be rolled out through the PHNs to be done on a regional basis, and that the PHNs will utilise the needs analyses that have already been undertaken for the flexible mental health funding pool. There are many details yet to be addressed including:

- Will the funding be distributed on a population or needs basis?
- Will the funding be based on new or existing funding in terms of expected contributions from state and territories?
- What will be the situation for states or territories that have transferred all or significant funding for community based services to the NDIS – such as Victoria – or those that have continued to fund community based services – such as NSW?
- Will there be any work to examine the eligibility from PIR, D2DL and PHaMs, which is the gaps that is being created through the transferring of this program funding to the NDIS?

CMJA wrote to each of the state and territory health or mental health ministers at the end of 2016 asking the following questions:

- a total figure of the annual committed contribution to the NDIS from existing mental health funds;
- a total figure of the committed funding to community managed mental health services at the year of full transition of psychosocial disability to the NDIS in your jurisdiction; and
- a breakdown of the community managed mental health sector funding by service type (as per the NGOE Data Set Specifications or the nearest approximation).

The overall sense from the responses was that no work is being done as yet on contributions into the future for either the NDIS or their relevant jurisdictions.

CMHA has spoken to Minister for Health Greg Hunt's office and Department of Health officials, and will seek further information in the coming weeks, including through the Senate Budget Estimates process.

NDIS

Medicare levy

To fund the NDIS the Government will introduce an increase in the Medicare levy from 2 to 2.5 per cent. The increase in the Medicare Levy will apply from 1 July 2019 and will raise an extra \$3.55 billion in revenue in its first year, rising to \$4.25 billion in 2020-21.

NDIS Quality and Safeguards Commission

In addition, \$209.0 million over 4 years to establish an independent NDIS Quality and Safeguards Commission to oversee the quality of NDIS providers and enforce the rights of participants. The Commission will implement the NDIS Quality and Safeguarding Framework which The Commission will be established in early 2018, and is expected to commence operations in each State and territory by 1 July, 2020. It will have an education role for people with disability, workers, and providers. The Commission will also have preventative and corrective powers, to ensure appropriate responses to issues that arise, as well as identifying opportunities to prevent them in future, either through a regulatory response, or through education and capacity building. Until the Commission is established and operating, States and Territories maintain their existing responsibility for quality and safeguarding arrangements.

The new Commission will:

- register NDIS providers and oversee provider quality
- respond to complaints and manage reportable incidents such as the abuse or neglect of a participant
- provide leadership to reduce and eliminate restrictive practices, such as the use of physical restraints.

The work of the Commission will reflect the National Standards for Disability Services and the National Standards for Mental Health Services and will provide consistent approaches to support the NDIS.

A national Code of Conduct will be developed outlining the expectations for people delivering NDIS supports and services. The Code will cover anyone doing work under the NDIS, whether they work for an NDIS registered provider, or an unregistered provider delivering services to a self-managing NDIS participant. The Code of Conduct will be overseen by the Commission, which will have the ability to apply penalties for breaches of the Code. Public consultation on the Code of Conduct will be undertaken.

Workforce funding

There will be \$33.0 million over three years to help service providers in the disability and aged care sectors grow their workforce. This builds the NDIS Sector Development Fund. The Local Care Workforce Package will provide assistance to address job shortages in the sector. Funding will be provided to establish an aged care industry-led Taskforce to develop an Aged Care Workforce Strategy, which will link with the NDIS Integrated Market, Sector and Workforce Strategy.

Welfare

The most concerning element of the Budget relates to welfare measures, particularly to measures proposed around increased activity requirements, demerit points and a proposed trial to drug test

welfare recipients. People with mental illness are likely to be impacted by these proposals and are over represented in these groups. Co-morbid drug and alcohol use for people with a mental illness is a common occurrence, and the episodic nature of mental illness means people's ability to work is also episodic. Applying an approach to help people with mental health and drug alcohol issues to recover and be a part of their community works, while measures that punish people do not.

The specific measures in relation to drug and alcohol are:

- From 1 July 2017, a series of measures will be progressively implemented. From 1 January 2018, 5000 new recipients of Newstart Allowance and Youth Allowance (Other) in trial locations will be required to undertake random drug tests for illegal drugs. The two-year trial will introduce random drug testing as a new condition of payment, with welfare recipients who test positive placed on welfare quarantining. From 1 January 2018, the Government will close loopholes which allow welfare recipients to be exempt from mutual obligation requirements solely due to drug or alcohol abuse. Recipients will be referred to employment services provider in appropriate activities, including addressing their substance-related issues. Recipients who engage in appropriate drug or alcohol treatment can have this contribute to meeting their mutual obligation requirements in order to continue receiving payments.
- From 1 July 2017 the provision where people are eligible to claim Disability Support Pension (DSP) on the sole basis that they are affected by drug and alcohol abuse will be removed. Future DSP claimants will also be required to undergo treatment for their substance abuse before any associated functional impairments can be considered to be fully diagnosed, treated and stabilised, and assessed under the remaining Disability Support Pension Impairment Tables.

Specific measures in relation to demerit points and increased activity requirements are:

- A new demerit point-based system will make job seekers responsible for complying with requirements attached to payments, and those affected by drug and alcohol abuse will be required to take action to address their problem in order to continue receiving welfare. From 1 July 2018, recipients of Newstart Allowance, Parenting Payment and Youth Allowance (Other) will be subject to new requirements; and recipients of the new JobSeeker Payment, which will start from 20 March 2020, will also be subject to the new requirements.
- From 20 September 2018, mutual obligation requirements will be progressively introduced for job seekers and parents who receive working age income support. The measures are as follows:
 - 30-49 years - Currently, recipients have part-time annual activity requirements of 30 hours per fortnight. From 20 September 2018, recipients will have full-time annual activity requirements of 50 hours per fortnight.
 - 55-59 years - Currently, recipients are excused from work-search if they satisfy their requirements through volunteering. From 20 September 2018, recipients will only be able to meet half (15 hours) of their annual activity requirement of 30 hours per fortnight through volunteering— flexibility will exist for some recipients in areas of high unemployment.
 - 60 years to Age Pension - Currently, recipients over 60 currently have no annual activity requirements. From 20 September 2018, recipients will have 10 hours of annual activity requirements per fortnight which they will be able to meet through volunteering.



Other areas

Relevant measures in housing include:

- A new National Housing Finance Corporation will establish a bond aggregator to lower the cost of finance for community housing providers and encourage investment.
- The National Affordable Housing Agreement will be replaced by a National Housing and Homelessness Agreement (NHHA).
- A new Housing Infrastructure Facility of \$1b will allow local government to bid for infrastructure projects which encourage and foster affordable housing and be administered by the housing finance corporation.
- A new land register will be established to identify surplus government land which may be used for affordable housing.