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Hon. Simon O'Brien
Chairman
Standing Committee on Environment and Public Affairs
GPO Box A11
PERTH WA 6837

Dear Chairman

Petition No. 66 – LAMP Inc.

Thank you for your letter of 22 October 2014 inviting me to make a submission to the Committee in relation to Petition No. 66 – LAMP Inc

Please find **enclosed** my submission to the Committee.

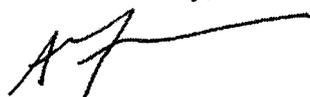
I urge the Committee to favourably consider the request for an inquiry into this matter. The issues identified as a result of the roll out of the NDIS My Way Trial in the lower South West will extend throughout the State as the NDIS is rolled out across the State. This is a matter of State significance, it is not limited to the South West. In fact, it is a matter of national significance as it is also playing out in other states.

The NDIS model, as it is currently being implemented, with block funding to mental health not for profit service providers being axed with the roll out of the NDIS, will leave the vast majority of people with mental health illness without access to critical services and support. Not only is this detrimental to their wellbeing, the ramifications, both social and financial, for the community will be significant.

It is not possible to do this matter justice in a two page submission. I respectfully request an opportunity to make an oral submission to the Committee on both the question of whether the Committee should undertake an inquiry into the matter, and, if the Committee determines to hold an inquiry, on the inquiry itself. I have substantial evidentiary information and documentation which will assist the Committee with its inquiry.

I thank you and the Committee in anticipation of your favourable consideration of Petition No. 66 and the call for an inquiry.

Yours sincerely,



Hon. Adele Farina MLC
MEMBER FOR SOUTH WEST REGION

To the Standing Committee on Environment and Public Affairs

Submission from Hon. Adele Farina MLC

Petition No.66 – LAMP Inc.

This petition has arisen from the detrimental impact the implementation of the NDIS/NDIS My Way Trial is having on not-for-profit mental health service providers in the Lower South West as exemplified by the experience of LAMP Inc.

The aim of the petition is twofold; to secure on going funding and advocacy to ensure the future of LAMP Inc. as a key mental health service provider in the lower South West, and to initiate an inquiry into the impact of the implementation of the NDIS/NDIS My Way and associated removal of block funding from the not for profit mental health service sector.

LAMP Inc. is a vital service provider for people experiencing mental illness in the lower South West. Currently, they service approximately 1000 clients each year, the majority of whom are ineligible to participate in the NDIS/NDIS My Way. Coincidental to the implementation of the NDIS My Way Trial in the lower South West, LAMP Inc. were informed by the Federal Department of Social Services that the lower South West is no longer an eligible applicant region for block funding under the Family Mental Health Support Services grants programme, funding LAMP Inc. had previously been receiving.

LAMP Inc. has been informed, by the local federal member and the Minister for Mental Health, that as the lower South West is no longer considered an area of need, to be eligible for continued block funding they may apply as a Bunbury based organisation and, if successful, continue to provide their current programme in the lower South West as an outreach service. This creates a farcical scenario whereby if LAMP Inc. accepts the additional costs of establishing a Bunbury office and service, requiring significant additional funding, they can continue to offer the well used services they already provide, for which there is a demonstrable need. Surely this is not an efficient use of public funds. It also defies logic that an application to provide services to a region declared ineligible will be successful simply because the provider bases themselves in an eligible region.

The solutions proposed to LAMP Inc. to enable them to continue to access federal block funding are impractical and inefficient and, if successful, will be to the detriment of Mental Health Service Providers already located in Bunbury providing services for Bunbury residents as they will be competing for the same funds. The State Government and the Minister for Mental Health must take a clear stand to support LAMP Inc. and to ensure continued mental health service provision by the not for profit sector in the lower South West. They need to set an example by continuing to provide block funding to LAMP Inc. and also lobby the Federal Government to do the same.

Without block funding, hundreds of people experiencing mental illness in the lower South West will be left without a service and early intervention programs, particularly for young people, will be limited. The NDIS My Way trial will provide a service to a small number of LAMP Inc.'s existing clients, but the majority will see a service they currently rely upon ripped away with no alternatives available. This stands to have a long term detrimental impact on mental health outcomes in the region.

The premise of both the NDIS and NDIS My Way is that the funding of services shifts from block funding to a client based model. If amendments to the model are not made, many mental health service providers will no longer be viable and their clients left with restricted or even no access to services. This situation demands an inquiry to ensure the introduction of these programmes does not result in a dramatic reduction in the availability of mental health services.

The Minister released a media statement on 11 November that stated 518 people had entered the NDIS My Way trial in the lower South West, and that nine people with a psychosocial disability had been found eligible to participate in the trial. This means less than 2% of trial participants are seeking mental health services. If funding is only delivered on a per client basis, the number of participants is not enough to sustain even one mental health service provider. Without block funding to complement the client focussed funding model, many services will cease to exist.

Longer running NDIS trials elsewhere in the country show the number of eligible participants with a mental health illness is unlikely to ever reach a critical mass that is adequate to support the ongoing sustainability of mental health services without additional block funding. In NSW, 7 percent of the NDIS trial participants have a psychosocial disability, that means approximately 159 people of a total of 2,268 participants. In Victoria it is 8% and in Tasmania 7%.

The Productivity Commission estimates only 60,000 people with a mental illness will be eligible for a tier three individualised support package under the NDIS Australia wide, and only 6,000 of those will be eligible for the most intensive support packages that attract the highest rates of funding. Not only does this mean approximately 87.7% of people with a severe mental illness will be deemed ineligible for support, it also means there will not be enough eligible, funded participants to support a diverse range of mental health services, particularly in regional areas. The impact of the nationwide implementation of the NDIS without the inclusion of block funding for not for profit service providers has the potential to decimate the not for profit mental health services sector.

The general consequences of the removal of block funding and a shift to a client funded model are not unknown. These concerns were raised in the Mental Health Co-ordinating Council Self-Directed Funding Discussion Paper released in October 2011. This paper detailed the experience of the United Kingdom and the impact the introduction of self-directed funding (client focussed funding) had on the viability of not for profit service providers, the difficulties for smaller, localised service providers and the resultant increase in user fees for clients not eligible for self-directed funding as well as the reduction in the diversity of services available. The concerns raised by the petition are not theoretical, they are evidence based and deserving of an inquiry.

The inquiry needs to consider the impact of the NDIS/ NDIS My Way and the resultant loss of block funding on not only not for profit service providers, but also on the clients of those providers and the impact on the whole community where they are based. It needs to ascertain the long term viability of the not for profit mental health service sector, and if it becomes evident that many services will cease to be viable, how many people with mental health illness will be affected. The inquiry needs to examine how required community, support and early intervention services will continue to be provided, for both eligible NDIS/ NDIS My Way participants and those deemed ineligible, if service providers and their highly skilled staff are driven out of the sector.

The current implementation of the NDIS/NDIS My Way model is flawed. The removal of block funding will result in the demise of many competent not for profit service providers leaving their clients without access to services. In the absence of such services, there is the potential for self-harm, suicide and anti-social behaviour to increase dramatically. The number of eligible participants is unlikely to be sufficient to sustain existing service providers and the absence of block funding indicates a reduction in general services for people experiencing mental health illness who are deemed ineligible to participate in the programme.

It is of the utmost importance that block funding from both the state and federal governments for not for profit mental health service providers is sustained, at least until a formal inquiry is commissioned to investigate the issues raised in this submission and solutions identified to ensure the continuation of at least the current level of mental health services under a sustainable funding model.

I urge the Committee to favourably consider the request for an inquiry. While the petition focusses on the impact in the lower South West as this is the current trial site, the problems identified will play out throughout the State as the NDIS is rolled out. As Members of Parliament it is our duty to serve the people who elected us, especially those least able to help themselves. People with a mental illness need an independent inquiry to investigate this matter before it is too late, and the specialist services they need are lost.