

We have no fundamental arguments with Tier 3 proposals—the target group, the numbers and the funding model.

- Additional funds from the NDIS in this area are urgently required. The existing shortage of packages for people with severe mental illness and associated disabilities makes this a widely recognised priority. The long-term nature of the commitments being considered mean that careful, consistent assessment across Australia is important, as is service provider accountability to deliver as promised. The potential for greater choice and control is also very welcome.
- Tier 3 has been defined as covering 57,000 people in Australia. This figure can be debated, as some would put it at 80,000 or more, (MHNIP, NMHSPF, Morgan report) but for the next few years needed to achieve full roll-out that is academic.

Our key issue is with Tier 2—its target population, its scope of services and the proposed funding model

- Opinions about what proportion of the several million Australians with a diagnosable mental health issue each year should be able to access low to medium levels of disability support vary widely. In the past fifteen years all jurisdictions have funded programs that reach a population of around 250,000 to 300,000. At least one (ACT) claims not to have aimed wider than ‘the 57,000’ but ACT service providers say otherwise. Certainly most jurisdictions, including the Commonwealth, have explicitly aimed their funding at the larger cohort.
- (explain here about the example of PHaMs—cost-effective, preventative and hugely popular with consumers and their families)
- Therefore the decisions made in 2013 allowing these programs to be ‘rolled in’ to Tier 3 were always likely to disenfranchise up to 200,000 Australians with mental illness-related disabilities. This is especially true if Tier 2 is defined as being restricted mainly to information and referral to mainstream services. The current bi-lateral funding agreements for the NDIS

all appear to make this fundamental targeting error. Some have moved to re-arrange state funding arrangements based upon it, so the problem is being continually compounded.

- (give ACT examples here)
- Experience in the Hunter area, where the largest number of 'mental health packages' have been allocated, bears out this analysis. Around 70%-80% of participants in the Personal Helpers and Mentors programs in the Hunter have been found to be ineligible for Tier 3. Because PHaMs is administered reasonably consistently across Australia in more than 200 locations, what happens in the Hunter with PHaMs is a good guide to the likely impact of these processes nation-wide.
- In July 2014, the Joint Standing Committee said in Hansard
 - a. (2.83) 'Moreover, the committee draws attention to the lack of a fully-developed Tier 2 strategy and recognises that as a consequence, many people feel vulnerable and at risk.'
 - b. (6.72) 'the committee is particularly concerned that arrangements for the provision of mental health services are clarified.'
 - c. (6.73) 'The KPMG Interim Report (to the NDIA) described as 'critical' the need for clarity on how Tier 2 will be designed, including how it will be linked to the broader human services sector in each jurisdiction. It argued that the development of Tier 2 is required 'as soon as possible' to ensure that appropriate supports are in place for those not eligible for an NDIS package.'
 - d. (6.76) 'The committee recommends that the Ministerial Disability Reform Council expedite roles and responsibilities and any funding arrangements for Tier 2 services. The committee commends the attitude and direction that the South Australian Government is taking in its involvement with Tier 2 and the sector, and recommends that states and territories adopt this approach.'
- If Tier 2 is more broadly defined to include services and supports for people who are ineligible for Tier 3, but in need of low-to-medium support from time to time, the problem is well on the way to resolution—if the funding is available.

- In the interim, in the words of the Joint Standing Committee in July this year (6.70), ‘State and territory governments have responsibility for maintenance of existing Tier 2 supports whilst national policy work is completed on Tier 2 for the full Scheme.’
- I would add that the Commonwealth has a similar responsibility

Block funding is the right model for Tier 2 services

Modern low to medium support services in this sector are generally characterised by

- easy access with minimal assessment and no requirement for a formal, recent diagnosis
- flexibility to ‘start where the client is at’ in choosing what issues will be addressed and what activities will be undertaken (holistic while Tier 3 is not necessarily)
- capacity to ‘flex’ the level and type of support from minimal to intensive as required by the participants from time to time
- ready access for the participant’s family to be part of the recovery focus
- significant numbers of peers among the staff—people with mental illness and carers—trained to use their lived experience to assist others
- relatively short-term engagement—PHaMs for example sees people for an average of a little over one year, with data showing that exit from the program is most often associated with achievement of goals
- minimal workforce shortages and high retention rates
- inclusion of a wide range of providers, many of which are ‘grass-roots’ and quite small organisations

These characteristics are best maintained by block funding, rather than a payment on proof of service model, which tends to favour

- formal assessment by a third party before being found eligible
- decisions at a point in time about long-term entitlements and designated types of activity
- well cashed-up organisations with sophisticated information and accounting systems—ie, larger organisations

Conclusion

- Tier 3 is a welcome initiative, helping to address a major gap in services, and we will work as closely with the NDIA as they will let us to help make it work
- Low to medium services are not problematic in the same way, and do not need a major redesign.
- First do no harm