



MEMBER UPDATE

2014-15 BUDGET MEASURES – NEW INFORMATION FROM SENATE ESTIMATES – JUNE 2014

NDIS

No changes to rollout of the NDIS

The NDIA and the Assistant Minister for Social Services the Hon. Senator Mitch Fifield reaffirmed during Senate Estimates that there would be no changes or delays to the rollout of the NDIS or the funding to be made available to the scheme. The NDIA confirmed that the ACT, NT and WA trial-sites were 'on track' to launch on 1 July.

People receiving NDIS packages with psychosocial disability

The NDIA indicated that to date around about 15 per cent of people getting funded supports either have a primary or a secondary psychiatric impairment. The agency provided the following breakdown of recipient numbers to date. 531 participants with approved plans have either primary or secondary conditions. That splits between 298 who have a primary psychiatric condition and 233 who have secondary conditions.

Average cost of funded NDIS Packages

The Minister noted that the average cost of a funded support package (across all disability types) had fallen from \$49,000 in the first quarter of the scheme's operation to \$34,000 in the quarter ending 31 March.

Mismatch between PHaMs eligibility and NDIS access requirements

The NDIA confirmed at Senate Estimates that it was aware that a number of current recipients of PHaMs support had approached the NDIA and been found to not meet the access requirements for the NDIS. The NDIA has agreed to work through the issue of mismatched eligibility criteria with providers urging them to talk to the NDIA at any time about whether they feel that that the issue of continuity {of support} is being jeopardised.

The estimates transcripts for the NDIS can be [found here](#).

SOCIAL SERVICES/HUMAN SERVICES

Reforms to the Discretionary Grants Programme

The Department confirmed that it is reforming its Discretionary Grants Programme. The projected savings from this measure will be \$51.9 million in 2014-15, \$57.1 million in 2015-16, \$70.9 million in 2016-17 and \$60 million in 2017-18, totalling the \$240 million. The Department informed Estimates that the savings will be 'achieved through the reforms that we are making about looking at better connections, aligning priorities and reducing duplication'.

The Discretionary Grants Programme covers more than 4,500 grants across a range of social services sectors including community services advocacy, disability, family and community services, homelessness and mental health. The Department was not able to confirm at this time the distribution of the savings across all funded organisations but undertook to provide a list of the organisations affected by the measure on notice.

Compulsory reviews for DSP recipients aged under 35

The Department of Social Services confirmed that the number of people aged under 35 in receipt of the DSP who would be subject to compulsory reviews would be 'in the order of 28,000 customers'. The reviews will take place over a 12-18 month period. People would be subject to only one review with the Department noting: 'This is a measure where they will be reviewed and once we get through the 28,000, we have done that measure.'

People with psychosocial disability affected by DSP changes

The Department of Human Services informed Senate Estimates that allied health professionals would be conducting reviews of work capacity and on-going eligibility for the DSP. Psychologists would be conducting these reviews for people who have claimed the DSP because their 'primary condition' is a psychological/psychiatric impairment.

Number of people with psychosocial disability affected

The Department of Human Services was not able to provide an estimate of the number of people receiving the DSP because their 'primary condition' is a psychological/psychiatric impairment who will be subject to a review of their work capacity but agreed to take it on notice.

Proportion of DSP recipients aged under 35 who will be transferred to Newstart Allowance

The Department of Social Services estimates that 'about five per cent will lose eligibility for DSP and will then need to test their entitlement to another payment, which would include Newstart allowance or Youth Allowance'. This equates to about 1400 of the 28,000 people who will be subject to reviews under the measure. The Department 'is confident that as this group would likely only have a partial work capacity and therefore would likely be exempt from the under-30s new measure'.

Compulsory participation requirements for DSP recipients aged under 35

The Department of Social Services estimates that approximately 20,000 younger recipients of the Disability Support Pension will be affected by this measure and required to undertake compulsory activities that will be documented in their participation plan. Currently people are can voluntarily undertake to participate in agreed activities. Approved activities can include; approved education and training, employment preparation, participation in a PHaMs programme or work for the dole.

Sanctions for non-compliance

The Department has confirmed that there will be 'a range of sanctions that can be put in place' for younger DSP recipients who do not meet their compulsory participation requirements and that the eight week non-payment period is 'one of those sanctions'.

Waiting period for people aged under 30 seeking to access income support

The Department of Social Services revealed during Senate Estimates that the maximum period that a person aged under 30 could be left without access to either Newstart or Youth Allowance in a given year is 11 months. The Department stated that it has not done a calculation for a person who would be subject to every single waiting period. The Department revealed that just over 161,000 people are expected to be affected by this measure over 4 years.

Compulsory Work for the Dole

Following the completion of the waiting period for the Newstart Allowance or Youth Allowance – non-student, Centrelink customers will be required to undertake compulsory 'Work for the Dole' activities in exchange for receiving the Newstart or Youth Allowance if they are not enrolled in approved education and training programmes or working.

The transcript of these Senate Estimates hearings can be [downloaded here](#).

Reassessments for people under 30 on Newstart and Youth Allowance

The Department of Human Services has confirmed that people aged under 30 who apply for Newstart or Youth Allowance – non-student and are assessed as stream 1 or 2 (work-ready) and therefore subject to the waiting period can apply to be reassessed for stream 3 or 4 (barriers to employment) if circumstances change (e.g. They become homeless or further economically marginalised through having no income support).

Social Security Appeals Tribunal

In response to questions about the likely impact of the changes to on-going eligibility for the Disability Support Pension, the tribunal's representative indicated that people could seek to appeal decisions made that affected their pension payments and noted that the previous policy changes in relation to DSP did produce an increase in applications for review of decisions about eligibility for disability support pension.

The transcript of these Senate Estimates hearings can be [downloaded here](#).

HEALTH

Mental Health Review

The National Mental Health Commission told Senate Estimates that it had received over 1800 submissions to the mental health review and was still on track to report by 30 November 2014. Six of the eight states and territories have provided 'global data' on their mental health expenditure via a 'letter and a template'. The findings in the November report will be influenced by: an audit of Commonwealth and State expenditure, a review of national and international literature, evidence based modelling and a data linking project as well as recommendations from the submissions received.

Mental Health Services Planning Framework (informing the review?)

The National Mental Health Commission informed Estimates that it does 'not have access to the National Mental Health Services Planning Framework; because that sits with the Commonwealth and the states and territories'. The Commission indicated that while it would be good to have access to it, it had not informed the review because 'there is not much point getting access to something that has not got broad support, because it would not have credibility'.

The Department informed Estimates that the MHSPF has not come forward to the multilateral forum for Ministerial endorsement, because a number of jurisdictions had some issues with it. It is not endorsed. The Department stated that until it is endorsed by all jurisdictions it is not completed. It also questioned the broad applicability of the framework stating that 'it was drawn up by people in and of the sector, without a broader grasp on broader approaches. That meant that it was a little self-referencing'.

2014/15 funding extension \$170 million for 150 Commonwealth Mental Health Programmes

The Department of Health undertook to provide a list of the 150 Commonwealth mental health programmes that had been allocated an additional \$170 million over 12 months to continue operating 'until the results of the mental health review are known'. The Department said the programmes included 'things like ATAPS, mental health programs around suicide prevention and e-mental health programs'.

Mental Health Nurse Incentive Programme

The Department informed estimates that \$41.8 million has been allocated to the Mental Health Nurse Incentive Programme in 2014/15, including an extra \$22 million has been put into it to maintain services as current levels. This will support 383 organisations to provide approximately 165,000 sessions of support.

Partners in Recovery

The Department confirmed that 'at a very high level, Partners in Recovery is being looked at in terms of some of the pilot sites for the NDIS and it is awaiting the results of the pilots to inform its thinking about the intersection of PIR with health and the NDIS. The Department informed estimates that 'no formal communication process exists between Health and the NDIA about programmes such as PIR, which is probably one of the weaknesses'.

Suicide Prevention Programmes

The Department confirmed that as yet none of the recommendations of the 'Hidden Toll' report on suicide in Australia have been adopted and it was not aware of any plans to adopt a target for a reduction in the number or proportion of suicides by a given date/year.

Headspace expansion

The Department confirmed that over \$3 million will be allocated to the establishment of ten new headspace centres across 2014/15 and that all ten will be rolled out and established in 2014/15.

Perinatal Depression Initiative

The Department of Health confirmed that funding for the perinatal depression initiative has been extended for 12 months, pending the outcomes of the mental health review. In the current budget, \$8.2 million has been allocated to the states and territories' funding, \$500,000 for beyondblue and \$5 million for ATAPS to support the initiative.

Activity Based Funding

Following the Community Affairs Committee Senate Estimates hearing this week it is now apparent that Activity Based Funding (ABF) will continue for the next three years and cease in 2017-18. From 2017-18 onwards, the Government will return to block funding hospitals, indexing this funding to CPI and population growth.

However, it will up to each State and Territory as to whether they wish to adopt ABF for their own purposes – an eventuality that looks likely in at least some jurisdictions. That would mean that the role of the Independent Hospital Pricing Authority (IHPA) would continue, although IHPA's functions may be rolled into the Commonwealth Department of Health pending discussions over the next 12 months between the Commonwealth and States.

Medicare safety net amendments

The Government has also introduced an amendment to the Health Insurance Act that seeks to increase the general threshold of the Extended Medicare Safety Net to \$2000 from 1 January 2015. This increase is nearly double the current threshold.

Medicare co-payments for patients presently bulk-billed

The Department has not yet been able to confirm whether or not the proposed \$7 co-payment for GP visits for patients who are presently bulk-billed (and incur no out-of-pocket expense) will apply to GP visits at which a mental health care plan is drawn up. It undertook to provide an answer to this query on notice.

Medical Research Future Fund

Estimates heard that the Department had not yet been asked to determine the likely priorities for the proposed Medical Research Future Fund. The way the fund is proposed to work is that it will progressively accumulate its capital base and will achieve the \$20 billion target by about 2020. The Department did confirm that the National Health and Medical Research Council would be involved in these discussions at a later date and that mental health research would be included in the ambit of the fund.

Health and Hospitals Fund

The Department and the Assistant Minister for Health confirmed that the Health and Hospitals Fund will be closed down in 2014/15 with around \$900 million being redirected to the Medical Research Future Fund. The Health and Hospitals Fund was established under the former Government's National Building and Economic Stimulus Plan.

Health Workforce Australia (abolition)

The Department confirmed that Health Workforce Australia will be formally abolished next year generating an expected saving of \$142 million. There are a couple of savings elements under this particular initiative. The Assistant Minister for Health we expressed confidence in the ability of the Department to take on the range of functions that HWA currently performs.

General Practice Education & Training

In response to questions about the abolition of General Practice Education and Training, the Assistant Minister for Health It was a budget decision. It was taken to ensure that we reduce administration costs, that we reduce overheads. Again, we think it is appropriate and more efficient to have that function transferred from where it is.

National Partnership on Preventative Health and National Preventative Health Agency NHPA (Discontinuation)

The Minister confirmed that the National Partnership Agreement on Preventative Health will be discontinued and the National Preventative Health Agency would be abolished generating an expected saving of \$368 million. The Department informed Estimates that all administrative funding that was provided to ANPHA is transferring 100 per cent back to the department. That is the funding that was in the forward estimates in relation to the program. The various component parts—their research fund, social marketing programs and other preventive health activities—are also transferring back to the department.

Senate Estimates transcripts for the Department of Health can be found at:

http://www.aph.gov.au/~media/Estimates/Live/clac_ctte/estimates/bud_1415/Hansard/20140602.pdf

and;

http://www.aph.gov.au/~media/Estimates/Live/clac_ctte/estimates/bud_1415/Hansard/20140603.pdf