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**National Mental Health Commission**

Mr Andrew Whitecross  
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GPO Box 9820  
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**National Mental Health Commission – Submission to the NDIS Specialist Disability Accommodation Pricing and Payments Framework Review**

Dear Mr Whitecross

Thank you for the opportunity to make a submission to the review of the Specialist Disability Accommodation Pricing and Payment Framework conducted by KPMG.

Please find attached the submission from the National Mental Health Commission to the review. There is no confidential material presented.

Should you require clarification, or would like to discuss this submission in further detail, please contact Director Ms Danielle Staltari at [Danielle.Staltari@MentalHealthCommission.gov.au](mailto:Danielle.Staltari@MentalHealthCommission.gov.au) or on (02) 6289 1609.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'ML', written over a light blue horizontal line.

Ms Maureen Lewis  
Interim Chief Executive Officer  
National Mental Health Commission

26 June 2018





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## **National Mental Health Commission: Submission to the review of Specialised Disability Accommodation Pricing and Payments Framework Review**

The National Mental Health Commission (the Commission) welcomes the opportunity to make a submission to the review of Specialised Disability Accommodation (SDA) under the National Disability Insurance Scheme (NDIS).

The Commission provides cross-sectoral leadership on policy, programs, services, and systems that support better mental health, and social and emotional wellbeing in Australia. There are three main strands to the Commission's work: monitoring and reporting on Australia's mental health and suicide prevention systems; providing independent advice to government and the community; and acting as a catalyst for change.

In 2012, the Commission developed its Contributing Life Framework which acknowledges that a fulfilling life requires more than just access to health care services. It means that people living with mental ill health can expect the same rights, opportunities, and health care as the wider community.

### *Summary*

Mental health and housing are inextricably linked. If the NDIS is to realise its potential for people with psychosocial disability, and if it is to provide effective supports for all participants in a manner that supports their mental health, the scheme needs to take into account individual participants' housing arrangements. The SDA is an important component in this aspect of the NDIS. Due to a lack of data, the degree to which the SDA helps people with psychosocial disability is difficult to assess, but it is likely that this group of participants is at least as affected by the apparent undersupply of SDA housing as other disability groups. The fact that the market is not delivering a level of supply to meet the need for SDA housing is likely to have a detrimental effect on NDIS participants' mental health, and that of their families and carers.

Homelessness and unstable housing can undermine participants' mental health and can impede their ability to make full and effective use of their NDIS support arrangements. It is crucial that the NDIS is implemented in close coordination with state and territory supports and services for the homeless and the providers of various forms of supported and social housing.

Specific recommendations are provided in the last section of the submission.

### *Stable housing and mental well being*

There is a well-established link between stable and suitable housing and a person's mental health. Conversely, homelessness and housing instability can have a detrimental effect on an individual's mental health. Mental illness can undermine an individual's capacity to find, finance and retain suitable housing. The relationship between mental health and housing is therefore complex, often arising in the context of other difficulties, such as drug or alcohol addiction or unemployment.

Homelessness is, of course, the most severe form of housing instability. In 2014, people over the age of 15 who reported having had a mental illness in the last six months were more than twice as likely to have experienced homelessness at some point in their lives (25% compared to 11% of those who





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did not report a mental health illness) and almost three times as likely to have been homeless in the past 10 years (15% compared to 6%). This high correlation between mental health illnesses and having experienced homelessness was especially pronounced among people aged 25 to 54.<sup>1</sup>

The NDIS aims to provide participants with supports that build their capacity to live fulfilling and contributing lives. It is one part of the system that supports people who have a psychosocial disability, and experience housing instability and homelessness.

To understand how the scheme is supporting people with a psychosocial disability, the National Disability Insurance Agency (NDIA) could consider expanding the data it reports on to provide information on the number of those participants with supports relating to their housing and in-home supports, including:

- SDA
- Supported Independent Living
- Short-term accommodation.

This data should include the average cost and distribution of these elements of participants' NDIS supports.

### *Undersupply SDA dwellings*

While the publicly available data is incomplete and/or not up to date, there appear to be significant gaps between the supply of SDA dwellings and the current and projected need for such accommodation among NDIS participants. The following analysis is based on the data provided in the Discussion Paper for this Review, and the NDIS Quarterly Report as at 31 March 2018:

- The scheme will need to increase the current level of funding committed under the SDA more than tenfold if the Productivity Commission's (PC) estimate of expenditure in 2019-20 on SDA is to be reached.
  - According to the Discussion Paper, that projection was \$700m, whereas \$63m was committed in NDIS participants' Plans as at 31 July 2017.
- There is also a gap between the proportion of participants with SDA supports as at 31 March 2018 (7,624, or 5% of 151,970 participants) when compared to the proportion (projected in the PC's 2011 report on disability care and support<sup>2</sup>) at full scheme in 2019-20 (28,000 or 7% of 410,000 participants).
- Expenditure per SDA-funded participant appears to be lower than that projected for full scheme by the PC – as at 31 December 2017, the per participant commitment on SDA was around \$8,263, or about a third of the PC's projection of \$25,000).
  - It is acknowledged that the PC's projections in 2011 were based on available data and some variation as the scheme is rolled out is to be expected, and the scheme

<sup>1</sup> ABS. 2016. *Mental Health and Experiences of Homelessness, Australia 2014*. Cat No. 4329.0.00.005.

<sup>2</sup> Productivity Commission. 2011. *Disability Care and Support. Inquiry Report 54, 31 July 2011*. Melbourne: Commonwealth of Australia.





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roll out schedule probably affects these figures, but even so, the extent of this gap is concerning.

- The proportion of SDA dwellings that are new as at 31 March 2018 (145, or 13%) seems to be well below what would be expected, based on the proportion of participants the PC projected who would require new SDA dwellings at full scheme (12,300, or 44%).
  - While the PC does not appear to have directly modelled the number of new dwellings required to meet the anticipated demand in the NDIS, the available data suggests there may be a shortfall.

Based on this analysis, the shortfall in SDA dwellings would suggest that there is little prospect that the market will deliver sufficient dwellings to meet the projected number of participants at full scheme in 2019-20. This shortfall in SDA dwellings has the potential to result in human suffering and distress for NDIS participants who need SDA and associated supports. This distress would extend to their families and carers. The resulting toll on the mental health of many affected individuals could be considerable.

*Recommendations*

The Commission recommends that:

1. The National Disability Insurance Agency (NDIA) expand its current reporting on data relating to participants with psychosocial disability to include details of the number of participants with supports relating to their housing, including:
  - SDA
  - Supported Independent Living
  - Short-term accommodation.

This data should include the average cost and distribution of these elements of participants' NDIS supports, and the extent to which those supports have been accessed, i.e. funding has been drawn down (which may indicate a possible shortfall in supply at the local or national levels).

2. Adjustments should be made to the pricing of SDA supports to encourage more and better supply of dwellings for SDA. The Review will no doubt receive proposals for how this can be achieved, from experts in the area.

Please contact the Commission should DSS require further information or if the Commission can assist in the analysis of the policy design to address the issues raised in this submission.

