

Budget summary

This document details some of the key measures in this year's Budget that are likely to be of interest to mental health stakeholders.

Positive mental health related measures

Mental health treatment for current and former members of the Australian Defence Force – improved access

The Government will provide \$37.9 million over four years from 2016-17 to extend access to certain mental health services on a non-liability basis to all current and former permanent Australian Defence Force (ADF) members irrespective of their date, duration or type of service. Eligible services will include treatment for post-traumatic stress and depressive disorders. Current and former ADF members, including victims of abuse in the ADF, will be able to apply for treatment without needing to obtain a formal diagnosis beforehand.

We welcome this new funding, as well as the fact that no formal diagnosis will be required. It will be important to ensure these services are appropriately integrated, including with services commissioned by PHNs.

Support services for children of veterans

The Government will provide \$2.1 million over two years from 2016-17 to the Australian Kookaburra Kids Foundation to provide services to the children of current and former ADF members who have been affected by mental illness.

We welcome this new funding to a Mental Health Australia member. It will be important to ensure these services are appropriately integrated, including with services commissioned by PHNs.

Veteran suicide awareness and prevention programs – continuation of Operation Life

The Government will provide \$1 million over four years from 2016-17 to continue the Operation Life suicide awareness and prevention workshops for the veteran community. These workshops increase awareness of suicide risk and the importance of early intervention, with the aim of preventing suicide amongst veterans.

We welcome this continued funding. Customised programs in particular industries, and communities, such as veterans, construction and mining, have been shown to be effective in lowering suicide risk in their target populations.

It will be important to ensure that these services are appropriately integrated with other services, in particular the new digital mental health gateway.



Perinatal Depression Online Support

The Government will provide \$0.8 million over two years from 2015-16 to develop online support resources for women who are experiencing, or are at risk of developing, perinatal depression. The cost of this measure and for the ongoing management of the online support tools will be met from within the existing resources of the Department of Health.

We welcome this investment, but note that no new funding is being provided, and the investment does not restore funding for perinatal depression services recently withdrawn from Commonwealth/state agreements. It will be important to ensure that these services are appropriately integrated with other services, in particular the new digital mental health gateway.

Measures that could have a negative impact

Cuts to new welfare recipients

The Government has announced it will close carbon tax compensation to new recipients of welfare benefits. Existing recipients will continue to receive payments.

The practical impact of this measure is that new recipients of the Aged Pension, Carer Payment or Disability Support Pension (DSP) will be around \$12.40 per fortnight worse off than existing DSP/Age Pension recipients. Similarly, new recipients of Newstart will be around \$8.80 per fortnight worse off. Mental Health Australia remains concerned about unreasonably low income support payments, a problem compounded by this new measure.

More reviews of people on Disability Support Pension

Over the next three years, up to 90,000 current DSP recipients will have their eligibility reviewed to assess their capacity to work. This measure will be targeted at those considered to be a high risk of not being eligible for the payment. The Government expects to save \$62.1 million over five years.

We know these reviews are likely to disproportionately impact people with mental health conditions. We understand that around 60% of people who lost access to DSP under the previously announced "under 35s" measure were on the DSP because of a mental health condition.

Health Flexible Funds – pausing indexation and achieving efficiencies

The Government will achieve efficiencies of \$182.2 million over three years from 2017-18 from the Health portfolio Flexible Funds. The savings will be achieved through various methods, including by reducing uncommitted funds and continuing the current pause in the indexation of the funds for a further two years from 2018-19. Savings will be focussed to reduce the impact on high priority areas.

This is unlikely to directly impact mental health service providers, as most mental health funding does not come through the flexible funds. However, much of this funding supports preventive health and public health activities that have been cut back in recent years.

Medicare Benefits Schedule – pause indexation

The Government will achieve efficiencies of \$925.3 million over two years from 1 July 2018 by extending the pause on indexation of Medicare Benefits Schedule fees for all services



provided by general practitioners, medical specialists, allied health and other health practitioners until 30 June 2020.

This will directly impact all health consumers, and is likely to reduce bulk billing rates. Similar indexation pauses have occurred in recent Budgets, meaning the real value of MBS rebates has declined significantly over time.

Other measures of interest

Domestic and family violence – new initiatives to break the cycle of violence

The Government will provide \$100 million over three years from 2016-17 toward initiatives to break the cycle of violence against women and children. The initiatives will draw on the recommendations of the Third Action Plan 2016-19 under the National Plan to Reduce Violence Against Women and their Children 2010-2022, and build on existing Commonwealth initiatives under previous action plans.

More information is needed to better understand this announcement, but we support the additional investment in domestic violence prevention.

National Framework for Protecting Australia's Children – Third Action Plan 2015-18

The Government will invest \$5.1 million over four years in two early intervention and prevention trials to reach vulnerable people. The first three-year trial will build parenting skills in the first 1,000 days of a child's life, focusing on vulnerable families where parents have mental health issues, are in jail, or face significant disadvantage.

More information will be required on this, but we support early intervention measures and this initiative appears to provide a small foundation for future investment.

Investment approach to welfare – Try, Test and Learn Fund

The Government will provide \$96.1 million over four years from 2016-17 for a new Try, Test and Learn Fund to test the effectiveness of innovative policies aimed at reducing long-term welfare dependency. The Try, Test and Learn Fund will be used to apply and test the effectiveness of new approaches to assisting specific groups who are identified through the Australian Priority Investment Approach as having a high risk of long-term welfare dependency.

These new approaches will be evaluated based on their effectiveness in supporting people into employment and so reducing long-term welfare costs. Results of specific programs and policies under the Try, Test and Learn Fund will inform future decisions as to whether they should be continued, revised, scaled up, or discontinued.

We welcomed the announcement last year of the development of an "Australian Priority Investment Approach". If done well, this will provide significant evidence of the importance of investing in early intervention, and the social determinants of health. We will work with DSS to identify how the trials can give due attention to mental health.

National Disability Insurance Scheme Savings Fund

The Government will establish the National Disability Insurance Scheme (NDIS) Savings Fund Special Account to assist in meeting the future costs of the NDIS. In the 2016-17 Budget, the Government will credit \$2.1 billion to the fund, comprising:



- Funding of \$711.2 million over five years, reflecting reduced net costs in NDIS transition agreements which have been signed with the states and territories; and
- Savings of a total \$1.3 billion over five years which are the net proceeds of more efficiently targeting social welfare expenditure, after offsetting a range of new priorities in the Social Services Portfolio.

This Fund is mainly an accounting measure, and any additional funds for the NDIS appear to be reaped from savings in other areas such as the DSP.

Youth Employment Package – Youth Jobs PaTH (Prepare – Trial – Hire)

The Government will provide \$751.7 million over four years from 2016-17 to establish a *Youth Jobs PaTH* program for job seekers aged under 25 years to improve youth employment outcomes. The new pathway is designed to enhance young people's employability and provide up to 30,000 young people each year with real work experience. The pathway has three elements:

- Industry-endorsed pre-employment training (Prepare) – from 1 April 2017, training for up to six weeks will be provided to develop basic employability skills, including those required to identify and secure sustainable employment.
- Internship placements of up to twelve weeks (Trial) – from 1 April 2017, up to 30,000 internship placements will be offered each year to enable businesses and job seekers to trial their employment fit. Job seekers will receive a \$200 fortnightly incentive payment and businesses will receive \$1,000 upfront to host an intern. Placements will be voluntary and will be organised by employment services providers. Job seekers must be registered with jobactive, Disability Employment Services or Transition to Work, and have been in employment services for at least six months to be eligible for the internship program.
- Youth Bonus wage subsidies (Hire) – from 1 January 2017, employers will receive a wage subsidy of up to \$10,000 for job seekers under 25 years old with barriers to employment and will continue to receive up to \$6,500 for the most job-ready job seekers. Job seekers must be registered with jobactive or Transition to Work, and have been in employment services for at least six months for employers to be eligible for the wage subsidy. Funding for this component will be provided from within the existing funding for wage subsidies.

The program will include an employer mobilisation strategy to encourage participation in the initiative by all employers.

While more details are needed to better understand this measure, we welcome the investment in youth employment. It is likely to be regarded as one of the highlights of the budget and an opportunity for mental health if well executed.

