



**Mental Health
Australia**

2025-26 Federal Budget Summary

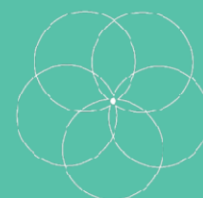
25 March 2025

**Mentally healthy people,
mentally healthy communities**

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Overview

Australia is facing enormous pressures on our collective mental health and wellbeing. But the 2025-26 Federal Budget does very little to address this, with mental health left behind in this pre-election budget pitch.

The Budget includes some piecemeal mental health investments, including \$46 million to continue digital mental health services. Mental Health Australia understands this will restore some funding discontinued as part of the recent digital tender decisions. There are also targeted measures to continue mental health-specific supports for veterans and their families, people in Australia impacted by the conflict in the Middle East, and to increase the First Nations psychology workforce. These are welcome investments, but falls far too short of the systemic reform needed.

As outlined in Mental Health Australia's **Pre-Budget Submission**, we need urgent action to address immediate service and workforce gaps, together with longer-term commitments to both prevent mental ill-health and create a world-class system of mental health supports.

Informed by members, we outlined 13 specific recommendations in our Pre-Budget Submission across multiple areas to strengthen system foundations, reform funding models and address support gaps.

It is extremely disappointing to see no action in this Budget on these key urgent recommendations, including beginning to address unmet need for psychosocial supports, as recommended in our **Statement** on Addressing Unmet Need for Psychosocial Support Outside the NDIS; investing in delivering the National Mental Health Workforce Strategy; or fixing mental health contract funding duration and indexation issues.

There are measures in this Budget to improve affordable access to primary health care, and with mental health issues now the most common reason for people to see a GP,¹ this is an important move to improve accessibility of support. However, we need further changes to ensure access to supports beyond the GP office.

Mental Health Australia also called for further action from the Australian Government in this Budget to address the cost-of-living crisis to mitigate impacts on mental health. Over half of Australians – 57% of a representative sample – report cost of living increases have negatively affected their mental health over the past year.²

We therefore welcome measures in this Budget to provide cost of living relief through increasing the Medicare levy low-income thresholds, targeted tax cuts, energy bill rebates, subsidised childcare measures, and reducing student debts. However, we continue to call on the Government to work with the mental health sector to introduce specific measures to improve equity and affordability of access to mental health supports.

With focus now inevitably shifting towards the upcoming Federal Election, Mental Health Australia will continue to pursue commitments from all sides of politics to improve the sustainability of mental health service funding and deliver pathways to accessible, affordable mental health care for all people in Australia.

¹ Royal Australian College of General Practitioners, **General Practice Health of the Nation** (2024)

² Redbridge for Mental Health Australia (December 2024) **Voters' attitudes towards mental health policy**



Mental health measures

As outlined in Budget Paper 3, the Australian Government will make payments of \$144.2 million from 2024-25 to 2025-26 to the State and Territory Governments under the existing National Mental Health and Suicide Prevention Agreement Bilateral Schedules.

There are some further specific mental health budget measures in Budget Paper 2, as outlined below.

Digital mental health

This Budget sets aside an additional \$46.0 million over four years from 2024–25 to continue digital mental health services. The cost of this measure will be partially met from within the existing resourcing of the Department of Health and Aged Care. This measure builds on the 2023–24 Mid-Year Economic & Fiscal Outlook (MYEFO) mental health measure.

Mental Health Australia believes this measure may restore funding discontinued as part of the recent digital tender decision, and is seeking further detail from the Department of Health and Aged Care.

Culturally safe mental health support for First Nations peoples

Through Closing the Gap measures, the Government will provide \$24.7 million over four years from 2025–26 to improve access to culturally safe and qualified mental health support including scholarships for up to 150 First Nations psychology students to boost the First Nations health care workforce.

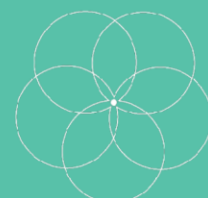
Supporting Australian Communities Affected by the conflict in the Middle East

The Government will extend funding for mental health supports and services for Australians impacted by the conflict in the Middle East, with \$1.6 million over two years from 2024–25. This extends funding for this measure announced in the 2023–24 MYEFO.

Support for Veterans and their families

The Government will provide:

- \$47.6 million in 2025–26 to address the additional increased demand for downstream services following the increase in the determination of veterans' claims. This includes additional resourcing for the Veterans' Access Network, Veteran Support Officers, complex case management, information access and mental health support.
- \$1.0 million in 2025–26 to extend the Volunteer Training in Suicide Recognition and Intervention program for one year to 30 June 2026.
- \$5.6 million in 2025–26 to extend the Defence Kids Program run by the Australian Kookaburra Kids Foundation for one year to 30 June 2026
- an extension of the Military and Veteran Psychiatry Training Program for one year to 30 June 2026.



Health system reform measures

National Health Reform Agreement

The Government will provide funding of \$33.9 billion in 2025–26 to extend the Addendum to the National Health Reform Agreement (NHRA) to 30 June 2026. Funding includes \$1.8 billion in 2025–26 as a one-off boost to fund public hospitals and related health services, including a one-off uplift to the Northern Territory.

Strengthening Medicare

The Government will provide additional funding of \$8.4 billion over five years from 2024–25 (and \$2.5 billion per year ongoing) to increase access to bulk billing, by expanding eligibility for bulk billing incentives to all Australians, and introducing the new Bulk Billing Practice Incentive Program for general practices if they bulk bill every visit under Medicare. This measure has already been partially funded.

Expanding Medicare Urgent Care Clinics

The Government will provide \$657.9 million over three years from 2025–26 to expand the Medicare Urgent Care Clinics Program. This will include an additional 50 Medicare Urgent Care Clinics across Australia, which will take the total number of Medicare Urgent Care Clinics to 137. This measure has already been partially funded.

Health Workforce

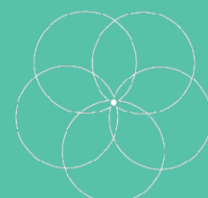
The Government will provide \$662.6 million over five years from 2024–25 (and \$230.9 million per year ongoing) to continue to strengthen and support Australia's health workforce. This measure focuses on doctors and nurses, and includes:

- \$265.4 million over four years from 2025–26 to expand general practitioner training
- \$45.0 million over four years for 100 new medical Commonwealth Supported Places per year from 2026, increasing to 150 per year from 2028
- \$3.2 million over four years from 2025–26 to uncap the number of medical Commonwealth Supported Places for First Nations students from 2026.

Access and affordability of medications

The Government will provide \$784.6 million over four years from 2025–26 (and \$236.4 million per year ongoing) to lower the Pharmaceutical Benefits Scheme (PBS) general patient **copayment** from \$31.60 to \$25.00 on 1 January 2026. This extends a measure from the 2024–25 Budget.

The Government will also provide funding to improve access to medicines and trial an expansion of services delivered by community pharmacies. This includes \$539.4 million to establish the First Pharmaceutical Wholesalers Agreement, and \$5.7 million to extend funding to ensure sustainability of Australia's electronic prescribing infrastructure.



Research

The Government will provide \$7.8 million in 2024–25 for increased operational costs for the National Health and Medical Research Council.

Disability and the National Disability Insurance Scheme

National Disability Insurance Scheme

The Government will provide additional funding of \$175.4 million over four years from 2025–26 (and \$43.8 million per year ongoing) to further safeguard the integrity of the National Disability Insurance Scheme (NDIS) and support people with disability. Funding includes:

- \$151.0 million over four years from 2025–26 (and \$43.8 million per year ongoing) to continue enhancements to the National Disability Insurance Agency's (NDIA's) fraud detecting information technology systems, with this funding to be held in the Contingency Reserve until the fraud and compliance system enhancements funded in previous economic updates are complete
- \$17.1 million in 2025–26 to continue to invest in the NDIA's ability to detect and respond to fraud and non-compliant payments
- \$7.3 million in 2025–26 to extend supplementary funding for the NDIS Appeals Program.

The Government has already provided partial funding for this measure.

Support for People with Disability

The Government will provide \$423.8 million over five years from 2024–25 (and \$150.0 million per year ongoing) to support inclusion and build the capacity of people with disability and their families through improving accessibility, delivery of inclusive community services, and general understanding of disability. Funding includes:

- \$364.5 million over five years from 2024–25 (and \$150.0 million per year ongoing) to redesign the Information, Linkages and Capacity Building program to provide general supports for people with disability and their families, carers and kin, improving consistency, quality and national coverage, as envisaged by the Independent Review of the NDIS. These supports will complement additional foundational supports to be co-funded with states and territories
- \$42.2 million over five years from 2024–25 (and an additional \$0.1 million from 2029–30 to 2031–32) to deliver the National Autism Strategy and implement the Strategy's First Action Plan
- \$17.1 million over four years from 2024–25 to establish the Accessible Australia initiative, to increase accessibility in community spaces across Australia through accessible infrastructure projects at national parks, beaches, and play spaces, as well as fixed and portable Changing Places facilities to enable increased participation.

The Government has already provided partial funding for this measure.



Disability Australian Apprentice Wage Support Subsidy

The Australian Government will provide \$11.0 million over four years from 2025–26 to increase the Disability Australian Apprentice Wage Support subsidy.

Social determinants of mental health measures

Easing the cost of living

The Government has offered a range of measures to address the cost of living. These include:

- **Increasing the Medicare levy low-income thresholds** by 4.7% for singles, families, and seniors and pensioners from 1 July 2024. The threshold for singles will be increased from \$26,000 to \$27,222. The family threshold will be increased from \$43,846 to \$45,907.
- Additional **tax cuts** in 2026 and 2027:
 - From 1 July 2026, the 16 per cent tax rate, which applies to taxable income between \$18,201 and \$45,000, will be reduced to 15 per cent.
 - From 1 July 2027, this tax rate will be reduced further to 14 per cent.
 - This means a worker on average earnings will get a new tax cut of \$268 in 2026–27 and \$536 per year from 2027–28.
 - This measure is estimated to cost \$17.1 billion over 5 years from 2024–25.
- A further \$1.8 billion to continue **energy bill rebates** of \$75 per quarter for Australian households and small businesses until 31 December 2025.
- \$427M over five years to guarantee three days of **fully subsidised childcare** per week for households earning less than \$530,000 annually.
- Subject to the passage of legislation, the Government will **reduce outstanding Higher Education Loan Program (HELP)** and other student debts by 20%.
- Through the Closing the Gap measure, \$50.0 million over four years from 2025–26 to provide access to low-cost products for remote stores, to ease cost-of-living pressures and improve food security in remote communities.

Disaster recovery support

The 2025–26 Budget includes a provision of \$1.2 billion over the forward estimates to accommodate additional expenditure on disaster response payments, including following ExTropical Cyclone Alfred.

The Government has also provided \$28.8 million over two years from 2024–25 to improve Australia's resilience to natural hazards and preparedness to respond to disasters, including \$3.2 million in 2025–26 to **extend targeted mental health support for emergency service workers** provided through Fortem Australia and the Black Dog Institute.



Addressing family, domestic and sexual violence

The Government is committing \$21.4 million over three years from 2025–26 to improve victim and survivor engagement in the justice system and inform a broader response to the Australian Law Reform Commission’s Inquiry into the Justice System’s Response to Sexual Violence.

The Government is also providing \$2.5 million in 2025–26 for emergency accommodation for women and children experiencing family, domestic and sexual violence under the Safe Places Emergency Accommodation Program, and \$0.2 million in 2025–26 to extend funding for complex case management and provide wrap around support services for victim-survivors of family, domestic and sexual violence.

Under the National Strategy to Prevent and Respond to Child Sexual Abuse, the Government will provide \$21.2 million in 2025–26 to multiple portfolios to continue initiatives to prevent, disrupt and combat child sexual abuse, and maintain support services for victims and survivors of child sexual abuse.

Through the Closing the Gap measure, mentioned below, the Australian Government will provide \$21.8 million over two years from 2025–26 to continue to provide family, domestic and sexual violence services to First Nations women, children and communities.

Closing the Gap

The Government will provide \$506.4 million over five years from 2024–25 (and an additional \$12.3 million in 2029–30) to achieve better outcomes for First Nations people under the National Agreement on Closing the Gap. Specific measures relevant to social and emotional wellbeing and mental health include:

- \$24.7 million over four years from 2025–26 to improve access to culturally safe and qualified mental health support including scholarships for up to 150 First Nations psychology students to boost the First Nations health care workforce (as mentioned above)
- \$21.8 million over two years from 2025–26 to continue to provide family, domestic and sexual violence services to First Nations women, children and communities (mentioned above)
- extending the Territories Stolen Generations Redress Scheme by two years to 30 June 2028 to support Stolen Generations survivors.

The Government will also provide \$842.6 million over six years from 1 July 2025 towards the Northern Territory Remote Aboriginal Investment, in partnership with the Northern Territory Government and the Aboriginal Peak Organisations Northern Territory. The Partnership will support design and delivery of essential services for remote communities including policing, women’s safety, health and education.

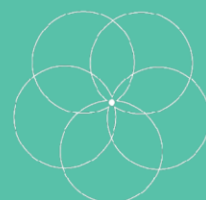


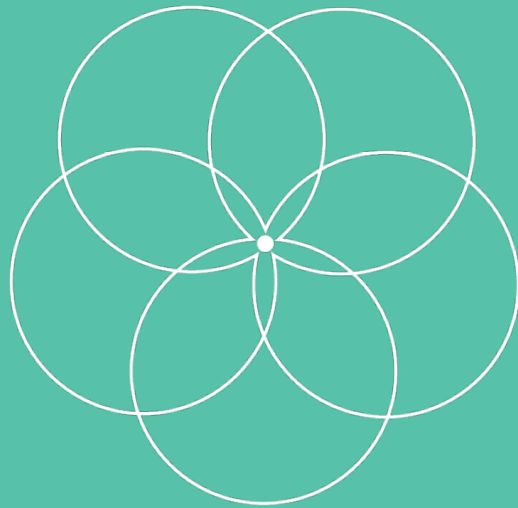
Housing support

The Government will provide \$6.2 million over three years from 2025–26 to housing and homelessness peak bodies to undertake research, sector development and provide advice to Government on improving housing security for Australians at risk of homelessness.

To increase the amount of social and affordable homes, the Budget also promises an increase in the cap on the Commonwealth’s guarantee of Housing Australia’s liabilities from \$10 billion to \$26 billion, including support for commitments for projects under the Housing Australia Future Fund and the National Housing Accord Facility. The cost of this measure will be partially met from within the existing resourcing of the Housing portfolio.

To increase home ownership and affordability, the Government has committed an additional \$0.8 billion investment in the Help to Buy program, and \$70.9 million over two years from 2025–26 to increase opportunities for First Nations people, and particularly single carer families, to buy their own home and build intergenerational wealth through a boost to Indigenous Business Australia’s Home Loan Capital Fund.





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Mental Health Australia is the peak independent national representative body of the mental health sector in Australia.

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