
MENTAL HEALTH AUSTRALIA

Federal Budget Overview
14 May 2024





Overview

The 2024/25 Federal Budget has not adequately delivered investment that responds to the scale of the problem we know exists in our community. Mental Health Australia has consistently advocated for mental health reform to be prioritised, and while the investments made in this budget demonstrate that the government is broadly listening, we are not seeing the level of investment, scalability or longevity that is needed to truly transform mental health in Australia. It is clear there is more to do.

Australia needs long-term and sustainable mental health reform to address the urgent need in the community. As Prime Minister Anthony Albanese recently stated, 'We can always do better when it comes to mental health.' While we had hoped that this acknowledgement at the highest levels of government would translate into a more significant investment, we are nonetheless very pleased to see the Australian Government commit \$361 million in new initiatives.

Mental Health Australia strongly advocated for funding a national low-intensity digital mental health service and we are glad to see this has been delivered. This is an important investment that will enable more people to get support for their mental health early and free of charge – before their problems snowball.

Mental Health Australia is also pleased to see the government announce funding to increase the clinical capacity of Medicare Mental Health Centres, building on the established Head to Health network, and funding to Primary Health Networks to deliver increased wrap-

around care for people whose support needs are complex. Together, these announcements mean more people will be able to get mental health support that's right for them, across the continuum of need.

While we welcome these investments, they are broad, but not deep. We clearly need to move beyond a piecemeal approach when it comes to funding mental health, and make sure we have the foundations in place to deliver on long-term reforms that will change the trajectory of mental health in Australia.

We have seen a clear message from the government about the centrality of Medicare to this government's approach to healthcare – demonstrated through the intended rebranding of Head to Health centres as 'Medicare Mental Health Centres' and Minister Butler referencing that the Budget 'embeds mental health at the heart of a stronger Medicare'. An additional \$227 million has also been invested for a further 29 Medicare Urgent Care Clinics, which offer the opportunity for more accessible, urgent, non-emergency care, and are quickly becoming an important component of the service landscape for many Australians.

In a broader sense, it was no surprise to see a firm focus on cost of living, with items such as HECS debt relief, freezing the maximum cost of PBS prescriptions and improvements to rental assistance making a case for this being the government's "number one priority". There was also an expected focus on housing pressures, with an additional \$6.2 billion in new investments to address infrastructure bottlenecks, housing for students and provide more social and affordable housing. Given that MHA's own Report to the Nation in 2023 found the rising cost-of-living is having a "big impact" on the mental health of 58% of Australians, with housing costs particularly impacting 41% of the community, Mental Health Australia is pleased to see a Federal Budget which comes to the table on these vital concerns.

Overall, this is a Federal Budget which acknowledges the challenges and hardships being faced by the Australian community but doesn't always deliver to the scale of the problems we are facing. We see that the government is listening, and is attuned to the issues, but the quantum of investment made falls short of what is needed to create meaningful change in people's wellbeing. There is much more to do, and we will keep working collaboratively with MHA members, people with lived experience and their family, carers and supporters, and the government, to drive mental health reform, so that everyone in Australia can access the mental health care they need, regardless of their income or where they live.

Mental health measures

The Government will provide \$361 million over 4 years from 2024–25 (and \$139.8 million per year ongoing) to respond to the Better Access evaluation and to strengthen Australia’s mental health and suicide prevention system.

Funding includes:

- \$163.9m for a new national early intervention service that is free of charge and free of need for referral. Budget Paper No. 2 (p 116) outlines the Government has set aside \$588.5 million over eight years from 2024–25 (and \$113.4 million per year ongoing) to establish this national low intensity digital mental health service. This service will provide access to staff trained in evidence-based therapies, as well as tools and resources. It is based off the UK “talking therapies” model. The Government estimates around 150,000 Australians will use the service each year.
- \$71.7 million over four years from 2024–25 (and \$24.4 million per year ongoing) to provide **wrap around care for people with severe and/or complex needs** in primary care settings, through design and delivery of mental health multidisciplinary services. Primary Health Networks, in partnership with GPs, will be funded to commission the services of mental health nurses, counsellors, social workers and peer workers, to provide ongoing and wraparound care and care coordination for people with severe and or complex needs – to provide support between GP and specialist appointments.
- \$29.9 million over four years from 2024–25 to **uplift Head to Health services** to expand access to free community based mental health services for adults with moderate to severe mental health needs. Medicare Mental Health Centres will be built on the established Head to Health network, which will have their clinical capability upgraded to ensure that every centre can provide free access to a psychologist and psychiatrist, as part of a multidisciplinary team. The Government has committed that the network of 61 Medicare Mental Health Centres will be opened by the middle of 2026.
- \$29.7 million over three years from 2024–25 to **improve child and youth mental health services** through uplifting workforce capability and co-designing new models of care
- \$7.1 million over four years from 2024–25 to build and support the lived experience peer mental health workforce, through the **establishment of a national professional association for peer workers**, delivery of a workforce census and the exploration of further training pathways.
- \$12.8 million over four years from 2024–25 to **extend the Indigenous Youth Connection to Culture program** which supports First Nations youth in 12 communities through place-based activities to reduce suicide rates and improve mental health outcomes.
- \$10.0 million in 2024–25 to maintain funding to deliver targeted and **culturally appropriate mental health supports for First Nations Australians**, delivered by the National Aboriginal Community Controlled Health Organisation (NACCHO).
- \$35.9 million over four years from 2024–25 to **extend terminating mental health measures**, to enhance the delivery of mental health and suicide prevention services and to provide greater funding certainty for service providers.

The Government has already provided partial funding for this measure. Costs of this measure will be partially met from within existing resourcing.

National Mental Health Commission

The Government will transfer the functions and funding of the National Mental Health Commission to the Department of Health and Aged Care “while considering the most appropriate longer term arrangements”.

The Government has advised the National Mental Health Commission and the National Suicide Prevention Office, together referred to as ‘the Commission’, will be reformed. The reform responds to the findings from the independent investigation into the Commission in 2023, which found that the Commission had ‘outgrown its existing systems, practices and capabilities’. Under the reform, structures will be put in place to safeguard the Commission’s role in promoting transparency and accountability, and monitoring the impact of all governments’ policies and investments.

As an interim step, the Commission will transfer into the Department of Health and Aged Care as a non-statutory office on or before 1 October 2024. This will “enable appropriate longer-term function and governance arrangements to be established following consultation with the sector”.

National Disability Insurance Scheme

The Government will provide \$468.7 million over five years from 2023–24 (and \$37.9 million per year ongoing) to support people with disability and get the NDIS back on track. Funding includes:

- \$129.8 million over two years from 2023–24 for design and consultation work to respond to the findings of the Independent NDIS Review
- \$20.0 million over two years from 2024–25 for initial design and consultation work on reforms to help participants and people with disability navigate services
- \$5.3 million in 2024–25 for the Independent Health and Aged Care Pricing Authority to work with the Department of Social Services and the NDIA to undertake initial work to reform NDIS pricing arrangements, including reviewing existing pricing approaches and developing a pricing data strategy.
- \$160.7 million over four years from 2024–25 (and \$24.6 million per year ongoing) to upgrade the NDIS Quality and Safeguards Commission’s information technology systems, to better protect the safety of NDIS participants, reduce regulatory burden on NDIS providers, and improve cyber security
- \$45.5 million over four years from 2024–25 (and \$13.3 million per year ongoing) to establish a NDIS Evidence Advisory Committee, to provide independent and transparent advice to Government on the efficacy and cost-benefits of types of supports funded by the NDIS
- \$83.9 million over two years from 2023–24 to boost fraud detecting information technology systems at the NDIA

- \$23.5 million over two years from 2024–25 for Services Australia to continue fraud investigation and response activities as part of the Fraud Fusion Taskforce.

The Government has already provided partial funding for this measure. Additional costs will be partially met from within the existing resourcing of the Department of Social Services, the NDIA, and the Independent Health and Aged Care Pricing Authority.

Veterans Support

The Government will provide \$59.6 million over three years from 2024–25 to continue access to health and support services for veterans and their families. Funding includes an extension to the Military and Veteran Psychiatry Training Program for one year.

The Government will also provide \$186.0 million over four years from 2024–25 (and \$20.6 million per year ongoing) in additional resourcing for the Department of Veterans' Affairs to reduce the time taken to process claims, and respond to increased demand for services including mental health support.

NewAccess for Small Business Owners

The Government will provide \$10.8 million over two years from 2024–25 to extend the Small Business Debt Helpline and the NewAccess for Small Business Owners program to continue to provide financial counselling and mental health support for small business owners.

Improving Emergency Department facilities in NSW

The Australian Government is providing \$0.5 million to NSW to improve emergency department facilities for vulnerable patients and those with mental health issues.

Adult Mental Health Centre in South Australia

The Australian Government is providing \$4.0million to South Australia towards the establishment and operation of an adult mental health centre located in Adelaide.

Community Sector Support

The Government will provide \$2.4 million over two years from 2024–25 for the Department of Social Services to develop a community sector partnership framework, in consultation with the Community Services Advisory Group. The framework will drive administrative and cultural change across government agencies, to deliver grants that are designed to better serve the sustainability of community sector organisations and ensure better outcomes are achieved in delivering government policy. The cost of this measure will be met from within the existing resourcing of the Department of Social Services.

Health system reform measures

As previously announced, the Australian Government will provide more funding to state public hospitals from 2025–2030 through the National Health Reform Agreement, increasing the Commonwealth contribution to the cost of care to 45 per cent, from around 40 per cent, over the next 10 years.

Health Workforce

The Government will provide \$116.2 million over five years from 2023–24 to strengthen the health workforce. Funding includes:

- \$90.0 million over three years from 2023–24 to fund the implementation of the health related recommendations of the Independent review of Australia’s regulatory settings relating to overseas health practitioners (the Kruk Review) to grow and support the health workforce.
- \$17.4 million in 2024–25 to extend the General Practice Incentive Fund until 30 June 2025 to improve access to primary care in thin markets.

Prac Payment for nursing, teaching and social work

As part of the Australian Universities Accord, the Australian Government will provide \$427.4 million over four years from 2024–25 (and an additional \$1.2 billion from 2028–29 to 2034–35) to establish a new Commonwealth Prac Payment of \$319.5 per week (benchmarked to the single Austudy rate) from 1 July 2025 for tertiary students undertaking supervised mandatory placements as part of their nursing (including midwifery), teaching or social work studies.

Strengthening Medicare

The Government will provide \$1.2 billion over five years from 2023–24 (\$14.8 million per year ongoing) to strengthen Medicare by supporting earlier discharge from hospital for older Australians, improving access to essential services, modernising Australia’s digital health infrastructure and ensuring the integrity and compliance of Medicare. Further detail on this measure is available in Budget Paper No. 2 (pp 126-128).

Medicare Urgent Care Clinics – additional funding

The Government will provide \$227.0 million over three years from 2023–24 to boost the capacity of Medicare Urgent Care Clinics. This will include a further 29 Medicare Urgent Care Clinics across Australia, to take the total number to 87. The Government is also providing additional support to clinics in regional and rural Australia.

Cheaper Medicines

The Government will provide \$480.2 million over five years from 2023–24 to reduce patient costs and improve access to medicines. The Government will deliver a one-year freeze on the maximum co-payment for a PBS prescription for everyone with a Medicare card and up to a five-year freeze for pensioners and other Commonwealth concession cardholders.



Social determinants of mental health measures

Easing cost of living

In addition to previously announced tax cuts, the Government has provided a further \$7.8 billion cost-of-living relief package in this Budget. This includes power bill relief, debt relief for students, cheaper medicines, as well as changes to social security payments as outlined below.

Changes to social security payments

Carer Payment – Increased Flexibility

The Government will provide \$18.6 million over five years from 2023–24 (and \$3.1 million per year ongoing) to support Carer Payment recipients through increased flexibility to undertake work, study and volunteering activities.

From 20 March 2025, the existing 25 hour per week participation limit for Carer Payment recipients will be amended to 100 hours over four weeks. The participation limit will no longer capture study, volunteering activities and travel time and will only apply to employment. Carer Payment recipients exceeding the participation limit or their allowable temporary cessation of care days will have their payments suspended for up to six months, rather than cancelled. Recipients will also be able to use single temporary cessation of care days where they exceed the participation limit, rather than the current seven day minimum.

Commonwealth Rent Assistance – increasing the maximum rates

The Government will provide \$1.9 billion over five years from 2023–24 (and \$0.5 billion per year ongoing from 2028–29) to increase all Commonwealth Rent Assistance maximum rates by 10 per cent from 20 September 2024 to help address rental affordability challenges for recipients.

A higher Rate of JobSeeker Payment for Participants with a ‘Partial Capacity to Work’

The Government will provide \$41.2 million over five years from 2023–24 (and \$7.0 million per year ongoing from 2028–29) to extend eligibility for the existing higher rate of JobSeeker payment to single recipients with a partial capacity to work of zero to 14 hours per week from 20 September 2024. The higher JobSeeker payment rate is currently provided to single recipients with dependent children and those aged 55 and over who have been on the payment for nine continuous months or more.

Freezing Social Security Deeming Rates

The Government will freeze social security deeming rates at their current levels for a further 12 months until 30 June 2025, to support Age Pensioners and other income support recipients who rely on income from deemed financial investments, as well as their payment, to manage cost of living pressures.

Financial Wellbeing and Capability Activity – additional funding

The Government will provide \$138.0 million over five years from 2023–24 (and \$35.4 million per year ongoing) to boost support for Australians in financial distress or experiencing financial hardship and to build financial resilience, through additional funding to the Financial Wellbeing and Capability Activity. The activity will also be restructured to operate under two streams of support: Financial Capability and Resilience and Financial Crisis Response and Recovery.

Disability Employment Services Reform

The Government will provide \$253.6 million over five years from 2023–24 (and \$19.0 million per year ongoing) to reform employment services and supports for people with disability. Funding includes:

- \$227.6 million over five years from 2023–24 (and \$11.4 million per year ongoing) to implement a new specialist disability employment program to replace the existing Disability Employment Services program by 1 July 2025
- \$23.3 million over four years from 2024–25 (and \$7.6 million per year ongoing) to establish a Disability Employment Centre of Excellence
- \$2.6 million over three years from 2024–25 to extend the National Disability Abuse and Neglect Hotline and the Complaints Resolution and Referral Service.

Housing Support

The Government will provide additional funding to support social and affordable housing and homelessness services, as well as to build more homes and invest in more housing enabling infrastructure.

Funding includes:

- subject to states and territories signing the new National Agreement on Social Housing and Homelessness
- 1. \$423.1 million over five years from 2024–25 in additional funding to support the provision of social housing and homelessness services by states and territories
- 2. \$1.0 billion in 2023–24 for states and territories to support enabling infrastructure for new housing
- supporting more community housing providers to access finance through the Affordable Housing Bond Aggregator by increasing the cap on the Government’s guarantee
- \$2.0 million over three years from 2024–25 to build the financial capability of community housing providers

The Government will also:

- target the \$1.0 billion for social housing under the National Housing Infrastructure Facility in the 2023–24 MYEFO towards crisis and transitional accommodation for women and children fleeing domestic violence, and youth
- provide \$1.9 billion in concessional finance to support community housing providers to deliver social and affordable housing under the Housing Australia Future Fund and the National Housing Accord
- provide \$839.4 million over five years from 2023–24 (and \$2.1 billion over ten years from 2024–25) to accelerate housing delivery in remote Northern Territory communities and increase investment in homelands.

Family, domestic and sexual violence

The Leaving Violence Program

The Government will provide \$925.2 million over five years from 2023–24 (and \$263.3 million per year ongoing) to make permanent the Leaving Violence Program that will provide financial support, safety assessments and referrals to support services for victim-survivors leaving a violent intimate partner relationship.

In addition, \$6.1 million over four years from 2024–25 (and \$1.6 million per year ongoing) will be provided for continued specialised support for visa holders experiencing domestic and family violence through the Domestic and Family Violence visa support service.

Ending Gender-based Violence

The Government will provide \$9.6 million over five years from 2023–24 (and \$1.0 million per year ongoing) in additional resourcing to further support informed policy advice to Government to end gender-based violence. Funding includes:

- \$4.3 million in 2024–25 to further build the evidence base on pathways into and out of perpetration of family, domestic and sexual violence
- \$3.9 million over four years from 2024–25 (and \$1.0 million per year ongoing) to support whole of government coordination and work to identify further opportunities to respond to gender-based violence and continue to embed a focus on women's safety across Government
- \$1.3 million over two years from 2023–24 for a rapid review of targeted prevention approaches to violence against women, with a panel of experts to provide advice to Government on preventing gender-based violence, including a focus on homicides.

Early Years Strategy

The Government will provide \$14.3 million over five years from 2024–25 to extend and expand existing community support for parents and caregivers to improve child outcomes in line with the Early Years Strategy.

Further Investment in Closing the Gap

The Government will provide \$151.4 million over four years from 2024–25 (including \$3.0 million in capital funding in 2024–25) to accelerate progress under the National Agreement on Closing the Gap and deliver better outcomes for First Nations peoples.

The Government will also provide funding of \$5.9 million over two years from 2024–25 to establish interim arrangements for the National Commissioner for Aboriginal and Torres Strait Islander Children and Young People (National Commissioner). From mid-2024, the interim National Commissioner will lead the establishment of an Office of the National Commissioner to act to protect and promote the rights, interests and wellbeing of Aboriginal and Torres Strait Islander children and young people.

National Redress Scheme – further support

The Government will provide \$33.3 million over four years from 2024–25 to establish a demand-driven service to support applicants of the National Redress Scheme (the Scheme) who submit incomplete applications to improve the efficiency of the Scheme and to better support survivors of institutional sex abuse through the application process.

Disaster Support

The Government will provide \$138.7 million over four years from 2024–25 (and \$18.9 million per year ongoing) to improve Australia's preparedness to respond to all-hazard disasters and resilience to natural hazards. Funding includes \$3.6 million in 2024–25 to provide targeted mental health support to emergency service workers.



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