



Mental Health  
Australia  
Media release

# Funding for mental health falls short in Federal Budget

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Mental Health Australia is disappointed that the national outcry for more mental health support has not been fully funded in the 2024-2025 Federal Budget.

As the national peak organisation, Mental Health Australia has consistently advocated for mental health reform to be prioritised.

“Australia needs urgent mental health reform to address the crisis we’re facing. As Prime Minister Anthony Albanese recently stated, ‘We can always do better when it comes to mental health.’ Why haven’t we seen investment that matches the level of need in the 2024-2025 Federal Budget?” says Mental Health Australia CEO Carolyn Nikoloski.

While the level of funding does not match the level of need, there are welcome investments in the budget.

“We are nonetheless pleased to see the Australian Government announcement of a \$361 million package for mental health. It shows they’re listening to the sector and we’re heading in the right direction.”

Mental Health Australia strongly advocated for funding a national low-intensity digital mental health service, and 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.



“We have seen some gains in this Federal Budget,” Ms Nikoloski says.

“While we welcome these investments, they are broad, but not deep. We 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.

“The level of need in the community far surpasses what these budget allocations provide – 40 per cent of young people now experience a mental health condition, compared to 25 per cent in 2007. What we need is a real commitment from all sides of government to address this gap, with funding security for the sector to deliver the transformational change that is needed.”

Current investment in mental health does not match this urgent need. Despite overall increases, mental health expenditure has decreased as a proportion of total health expenditure (8 per cent in 2019-20 to 7 per cent in 2020-21) and is still well below the equivalent 13 per cent burden of disease.

“In 2020, the Productivity Commission recommended governments invest an extra \$2.4 billion per year nationally, to deliver priority mental health system reforms,” Ms Nikoloski says.

“Mental Health Australia acknowledges reform is complex, and includes responsibilities from governments at the federal, state and territory levels. It’s critical that mental health funding and commissioning is expanded in the renegotiations of the National Health Reform Agreement, which must include community-based mental health supports.”

The sector is also still waiting on formal responses and funding announcements to the major reviews and inquiries that the government has initiated such as the Disability Royal Commission and forthcoming Analysis of Unmet Needs for Psychosocial Support.

“We urge all members of parliament, no matter their political affiliation, to work together to deliver supports that people with mental ill-health and their family, carers and supporters need,” Ms Nikoloski says.

“Everyone in Australia should be able to access the mental health care they need, regardless of their income or where they live.”

**ENDS**

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**Mental Health Australia CEO Carolyn Nikoloski is available for interviews**

