



Policy costing request—during the caretaker period for a general election

Name of policy:	More Funding for Mental Health
Person requesting costing:	Senator Richard Di Natale
Parliamentary party:	The Australian Greens
Date of request to cost the policy:	29 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/mental-health
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<p>The proposal contains a number of components:</p> <p><u>Component 1: National Institute for Mental Health Research</u> This component would provide \$37.5 million per year to establish a National Institute for Mental Health</p> <p><u>Component 2: National Suicide Prevention Campaign</u> This component would provide around \$9.6 million per year to establish a National Suicide Prevention Campaign and improve the collection of data</p> <p><u>Component 3: Rural mental health workforce plan</u> This component would provide:</p> <ul style="list-style-type: none">- \$35 million per year to develop and implement a rural mental health workforce plan incorporating investment in hiring incentives, education, research and training- \$35 million per year for stepped prevention and recovery facilities and services, including step-up and step-down accommodation and short term residential care <p><u>Component 4: Primary Health Networks</u> This component would provide additional funding of \$100 million per year for the Primary Health Network mental health flexible fund</p>

	<p><u>Component 5: National Mental Health Consumer and Carers</u> This component would provide \$6 million for the National Mental Health Consumer and Carer forum, the National Register, mental health consumer and carer representatives</p> <p><u>Component 6: Insurance Discrimination</u> This component would provide \$0.5 million to research and develop a plan to end insurance discrimination for those with a mental illness over the period 2016-17 and 2017-18.</p> <p><u>Component 7: Mental Health Nurse Program</u> This component would:</p> <ul style="list-style-type: none"> - Provide additional funding of \$70 million per year to the Mental Health Nurse Incentive Program - Ensure that although the MHNIP funding would be managed by the PHNs, it would be kept quarantined from the flexible funding pool until 2021 <p><u>Component 8: Children of Parents with a Mental Illness</u> This component would restore full funding to ‘Children of Parents with a Mental Illness’ at the same rate as prior to the withdrawal of federal funding</p> <p><u>Component 9: Mind Matters and KidsMatter</u> This component would increase funding for the Mind Matters and Kids Matter programs by 50 per cent</p> <p><u>Component 10: Better Access Initiative</u> This component would reintroduce additional sessions in exceptional circumstances to the Better Access Initiative</p> <p><u>Component 11: Targeted anti-stigma campaigns</u> This component would provide \$10m per year for targeted mental illness anti-stigma campaigns</p>
<p>What is the purpose or intention of the policy?</p>	<p>To improve the quality, scope and accessibility of the mental health system in Australia</p>
<p>What are the key assumptions that have been made in the policy, including:</p>	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>No</p>

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<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>Capped for all except Better Access. Administration costs come from within the cap.</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>Yes, third party providers will be responsible for delivering services in most cases.</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>n/a</p>
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>n/a</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>No</p>
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>No</p>

Expected impacts of the proposal						
If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?						
Estimated financial implications (outturn prices) ^(a)						
	2016–17	2017–18	2018–19	2019–20		
Underlying cash balance (\$m)	-360.7	-361.9	-363	-364.4		
Fiscal balance (\$m)	-360.7	-361.9	-363	-364.4		
(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.						
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?		16-17	17-18	18-19	19-20	Forwards
	MH Research	-37.5	-37.5	-37.5	-37.5	-150
	Suicide	-9.6	-9.6	-9.6	-9.6	-38.3
	Rural/Regional	-70	-70	-70	-70	-280
	PHNs	-100	-100	-100	-100	-400
	Consumer/Carer	-1.5	-1.5	-1.5	-1.5	-6
	Insurance Plan	-0.3	-0.2			-0.5
	MHNIP	-70	-70	-70	-70	-280
	COPMI	-1.5	-1.5	-1.5	-1.6	-6.1
	KidsMatter	-8.4	-8.4	-8.4	-8.4	-33.6
	Better Access	-51.9	-53.2	-54.5	-55.8	-215.4
Anti-stigma	-10	-10	-10	-10	-40	
TOTAL	-360.7	-361.9	-363	-364.4	-1449.9	
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	No					
What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?	<p>Better public health outcomes and improved service uptake by those with a mental illness.</p> <p>67,500 people are assumed to rely on the Better Access program based on previous data from the scheme.</p> <p>The stricter criteria for ‘exceptional circumstances’ reduces this number by 19%</p>					

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Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	Department of Health, PHNs and private sector actors
Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).	n/a
Intended date of implementation:	1 September 2016
Intended duration of policy:	Ongoing (except for insurance discrimination investigation)
Are there transitional arrangements associated with policy implementation?	n/a
List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).	
Are there any other assumptions that need to be considered?	No
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	