# 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 |
| *Note: This policy costing request and the response to this request will be made publicly available.* |
| 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): | The proposal contains a number of components:Component 1: National Institute for Mental Health ResearchThis component would provide $37.5 million per year to establish a National Institute for Mental Health Component 2: National Suicide Prevention CampaignThis component would provide around $9.6 million per year to establish a National Suicide Prevention Campaign and improve the collection of dataComponent 3: Rural mental health workforce planThis component would provide:* $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

Component 4: Primary Health NetworksThis component would provide additional funding of $100 million per year for the Primary Health Network mental health flexible fundComponent 5: National Mental Health Consumer and CarersThis component would provide $6 million for the National Mental Health Consumer and Carer forum, the National Register, mental health consumer and carer representativesComponent 6: Insurance DiscriminationThis 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.Component 7: Mental Health Nurse ProgramThis component would:* 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

Component 8: Children of Parents with a Mental IllnessThis component would restore full funding to ‘Children of Parents with a Mental Illness’ at the same rate as prior to the withdrawal of federal fundingComponent 9: Mind Matters and KidsMatterThis component would increase funding for the Mind Matters and Kids Matter programs by 50 per centComponent 10: Better Access InitiativeThis component would reintroduce additional sessions in exceptional circumstances to the Better Access InitiativeComponent 11: Targeted anti-stigma campaignsThis component would provide $10m per year for targeted mental illness anti-stigma campaigns |
| What is the purpose or intention of the policy? | To improve the quality, scope and accessibility of the mental health system in Australia |
| **What are the key assumptions that have been made in the policy, including:** |
| Is the policy part of a package?If yes, list the components and interactions with proposed or existing policies. | No |
| Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount? | Capped for all except Better Access. Administration costs come from within the cap. |
| Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged? | Yes, third party providers will be responsible for delivering services in most cases. |
| Are there associated savings, offsets or expenses?If yes, please provide details. | n/a |
| Does the policy relate to a previous budget measure? If yes, which measure? | n/a |
| If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program? | No |
| Will the funding/program cost require indexation?If yes, list factors to be used. | No |
| **Expected impacts of the proposal** |
| If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis? |
| **Estimated financial implications (outturn prices)(a)** |
|  | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
| Underlying cash balance ($m) | -360.7 | -361.9 | -363 | -364.4 |
| Fiscal balance ($m) | -360.7 | -361.9 | -363 | -364.4 |
| 1. 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? | Better public health outcomes and improved service uptake by those with a mental illness.67,500 people are assumed to rely on the Better Access program based on previous data from the scheme.The stricter criteria for ‘exceptional circumstances’ reduces this number by 19% |
| **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 |
| **NOTE:***Please note that:**The costing will be on the basis of information provided in this costing request.**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.* |