

2017 FEDERAL BUDGET

Budget summary

This document details some of the key measures in the 2017-18 Federal Budget that are likely to be of interest to mental health stakeholders.

See Mental Health Australia's press release welcoming the Budget initiatives on mental health.

Positive mental health related measures

There are four specific measures under the banner *Prioritising Mental Health*.

Psychosocial Support Services

The Government will provide \$80.0 million over four years from 2017-18 for psychosocial support services for people with mental illness who do not qualify for the National Disability Insurance Scheme (NDIS). This funding is contingent on a matching commitment from the States and Territories, which will secure a national approach to maintaining community mental health services outside the NDIS.

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Health	-	7.8	23.7	24.1	24.4

Improving telehealth for psychological services in regional, rural and remote Australia

The Government will provide \$9.1 million over four years to improve access to psychological services through telehealth in regional, rural and remote Australia. Under existing Medicare Benefits Schedule items psychologists will be allowed to provide video consultations to clients living in eligible regions, improving access and outcomes for people who currently have to travel to access these services.

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Health	-	1.5	2.4	2.5	2.6
Department of Human Services	-
Total — Expense	-	1.5	2.4	2.5	2.7



Research

The Government will provide \$15.0 million over two years from 2017-18 to support research into mental health, including contributing to the National Centre for Excellence in Youth Mental Health (Orygen) for research infrastructure, and the Black Dog and Thompson Institutes for further work on prevention and early intervention.

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Health	-	7.5	7.5	-	-

Suicide prevention support programs

The Government will provide \$11.1 million over three years from 2017-18 to help prevent suicide at high risk locations and provide additional support, including:

- \$9.0 million for the States and Territories to fund infrastructure projects aimed at preventing suicide by installing barriers, fencing and lighting; and
- \$2.1 million for Lifeline to further support its activities in preventing suicide.

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of the Treasury	-	3.0	3.0	3.0	-
Department of Health	-	0.7	0.7	0.7	-
Total — Expense	-	3.7	3.7	3.7	-

Mental Health Treatment for Current and Former Members of the Australian Defence Force — expanded access

The Government will provide \$33.5 million over four years from 2017-18 to expand the range of mental health conditions current and former Australian Defence Force members can seek treatment for on a non-liability basis.

Eligible services will now cover treatment for all mental health conditions listed in the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, irrespective of whether the treated condition is linked to military service.

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Veterans' Affairs	-	4.6	12.8	14.1	14.0
Department of Health	-	-0.7	-2.8	-4.2	-5.3
Total — Expense	-	3.9	9.9	9.9	8.7

Related capital (\$m)

Department of Veterans' Affairs	-	0.7	0.4	-	-
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Suicide Prevention Pilots

The Government will provide \$9.8 million over three years from 2017-18 to fund pilot programs to improve mental health services for veterans and support suicide prevention efforts.

Activities will focus on supporting better continuity of treatment for veterans after they are discharged from hospital and providing more holistic treatment for veterans who have both chronic physical and mental health conditions.

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Veterans' Affairs	-	1.3	4.3	4.2	-

Guaranteeing Medicare – Medicare Benefits Schedule – indexation

The Government will provide \$1.0 billion over four years from 2017-18 for the phased re-introduction of indexation for certain items on the Medicare Benefits Schedule (MBS):

- bulk-billing incentives for General Practitioners will be indexed from 1 July 2017;
- standard consultations by General Practitioners and specialist attendances will be indexed from 1 July 2018; and
- specialist procedures and allied health services will be indexed from 1 July 2019.

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Health	-	9.2	140.4	389.3	421.0
Department of Veterans' Affairs	-	0.3	5.6	14.1	22.4
Total — Expense	-	9.5	146.0	403.4	443.4

We were advised by a Department of Health official that the GP Mental Health Treatment Plans will be indexed from 1 July 2020.

Improving Disability Employment Services

The Government will provide \$24.0 million over four years from 2017-18 to implement a new framework and funding model for the Disability Employment Services (DES) program from 1 July 2018.

The new framework aims to improve the DES program performance by:

- making it easier for DES participants to choose and change providers, with funding to follow participants;
- providing greater incentives for providers to achieve employment outcomes for job seekers, including longer term employment outcomes and outcomes for those with significant employment barriers;
- indexing provider payments from 1 July 2019 to ensure that cost increases for DES providers will not impact on the services they deliver to DES participants; and



- undertaking a trial to expand DES to a broader group of school leavers with less significant disability, to assist them to successfully transition from school to work.

National Disability Insurance Scheme Quality and Safeguards Commission – establishment

The Government will provide \$209.0 million over four years from 2017-18 to establish a new, national, independent regulatory body, the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission.

The Commission will implement the NDIS Quality and Safeguarding Framework that will support NDIS participants to exercise choice and control, ensure appropriate safeguards are in place to protect participants in care, and establish expectations for providers and the disability workforce in the delivery of quality and safe services. The Commission will commence operations on 1 January 2018 replacing the various quality and safeguarding arrangements in each State and Territory as they reach full scheme, to deliver a nationally consistent quality and safeguarding system for the first time.

Reducing Pressure on Housing Affordability – a new National Housing and Homelessness Agreement

The Government will work with the States and Territories to reform the National Affordable Housing Agreement and provide ongoing, indexed funding for a new National Housing and Homelessness Agreement (NHHA) from 2018-19. The NHHA will combine funding currently provisioned under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH).

As part of the NHHA, the Government will provide an additional \$375.3 million over three years from 2018-19 to fund ongoing homelessness support services, with funding to be matched by the State and Territory Governments.

Reducing Pressure on Housing Affordability – Social Impact Investments

The Government will provide \$10.2 million over 10 years from 2017-18 to partner with State and Territory Governments to trial the use of Social Impact Investments to fund a small number of innovative programs aimed at improving housing and welfare outcomes for young people at risk of homelessness. The trial would target priority groups, including those supported by specialist homelessness services, exiting the out-of-home care system or exiting institutions such as juvenile detention.

Measures that could have a negative impact

Better Targeting of Assistance to Support Jobseekers

The Government will refocus Work for the Dole and introduce a new Jobseeker Compliance Framework (the Framework) that strengthens penalties for deliberate non-compliance while providing additional help for genuine job seekers to meet their requirements.

The new Framework will include a Personal Responsibility Phase where each failure without a reasonable excuse will result in payment suspension until re-engagement, and accrual of demerit points. Individuals who accrue four demerits in six months will enter a three-strike Intensive Compliance Phase, in which they will face escalating penalties.



They will:

- lose 50 per cent of their fortnightly payment for their first strike without a reasonable excuse;
- lose 100 per cent of their fortnightly payment for their second strike; and
- have their payment cancelled for four weeks for their third strike.

The new process will simplify the compliance system and provide vulnerable people with support by ensuring appropriate, individualised assessments are undertaken by providers and the Department of Human Services before any financial penalties are incurred for not meeting obligations. These assessments will take into account individual circumstances to ensure that people with genuine issues are not unfairly penalised.

This will achieve efficiencies of \$632.0 million over five years from 2016-17.

The new Compliance Framework will include initiatives aimed at reducing substance misuse among welfare recipients. It will also include initiatives that will encourage claimants to provide information and meet their responsibilities in a timely manner, including the removal of backdating provisions. The relationship status verification process will also be streamlined for new and existing single parent claimants.

In the closing remarks of his Budget Speech, the Treasurer clarified this measure includes "denying welfare for a disability caused solely by their own substance abuse".

Other measures of interest

Reducing Pressure on Housing Affordability – a new National Housing and Homelessness Agreement Expense

The Government will work with the States and Territories to reform the National Affordable Housing Agreement and provide ongoing, indexed funding for a new National Housing and Homelessness Agreement (NHHA) from 2018-19. The NHHA will combine funding currently provisioned under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH).

As part of the NHHA, the Government will provide an additional \$375.3 million over three years from 2018-19 to fund ongoing homelessness support services, with funding to be matched by the State and Territory Governments.

The Government will also provide \$6.5 million over four years from 2017-18 to the National Competition Council to assist with the implementation and ongoing assessment of performance under the NHHA.

Personal income tax – increase in the Medicare levy – National Disability Insurance Scheme

The Government will increase the Medicare levy by half a percentage point from 2.0 to 2.5 per cent of taxable income from 1 July 2019 to ensure the National Disability Insurance Scheme (NDIS) is fully funded. Other tax rates that are linked to the top personal tax rate, such as the fringe benefits tax rate, will also be increased.



This measure is estimated to have a gain to tax revenue of \$8.2 billion over the forward estimates period. This is the net impact across all heads of revenue, not just the Medicare levy.

Boosting the Local Care Workforce

The Government will assist service providers in rural, regional and outer suburban areas to provide the workforce required to meet the expected growth in the disability and aged care sectors arising from the introduction of the National Disability Insurance Scheme and an ageing population by investing \$33.0 million over three years from 2017-18.

Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse

The Government will provide \$33.4 million in 2017-18 to establish the Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse (the Scheme). The Scheme has been designed in close consultation with the Independent Advisory Council on Redress appointed by the Prime Minister in December 2016. The Scheme will commence in March 2018 and start receiving applications from 1 July 2018 from people who were sexually abused as children in Commonwealth institutions. The Commonwealth will continue to engage with States, Territories and non-government institutions to encourage them to join the Scheme to promote a nationally consistent approach to redress. Redress payments will be exempt from income tax.

My Health Record – continuation and expansion

The Government will provide \$374.2 million over two years from 2017-18, including \$94.0 million in capital, to continue the My Health Record system and expand utilisation of the system through the implementation of national opt-out arrangements as agreed by the COAG Health Council on 24 March 2017. The My Health Record system allows individuals to control and track their medical history and treatments, such as medical tests and vaccinations.

The costs of this measure will be partially offset, by \$305.5 million over four years, including by delivering health system efficiencies through greater use of the My Health Record by general practitioners, specialists and hospitals, and by utilising uncommitted health program funds

