



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2025 ELECTION COMMITMENT COSTING

Name of proposal costed:	Mental Health
Costing Identifier:	ALP001
Summary of costing:	<p>The proposal is to provide \$1.1 billion over four years from 2025-26 (\$466.4 million per year ongoing from 2029-30) to provide new free mental health services and to grow the mental health workforce. The proposal includes the following four elements:</p> <ul style="list-style-type: none">• Element 1 provides \$246.9 million over four years from 2025-26 (\$134.9 million per year ongoing from 2029-30) to fund 22 new and nine upgraded Medicare Mental Health Centres.• Element 2 provides \$243.3 million over three years from 2026-27 (\$30.0 million per year ongoing from 2029-30), comprising:<ul style="list-style-type: none">a) \$17.6 million over three years from 2026-27 (\$8.5 million per year ongoing from 2029-30) to fund four new and two upgraded <i>headspace</i> centres.b) \$160.5 million over three years from 2026-27 to boost service capacity at 30 <i>headspace plus</i> centres.c) \$60.7 million over three years from 2026-27 (\$21.5 million per year ongoing from 2029-30) to fund two new remote <i>headspace</i> services and 20 <i>headspace</i> outreach locations in rural areas.d) \$4.5 million over three years from 2026-27 for <i>headspace plus</i> evaluation.• Element 3 provides \$508.2 million over three years from 2026-27 (\$301.5 million per year ongoing from 2029-30), comprising:

	<p>a) \$464.3 million over three years from 2026-27 (\$301.5 million per year ongoing from 2029-30) to fund 20 youth specialist care centres to support young people requiring specialist clinical support.</p> <p>b) \$43.9 million over three years from 2026-27 to fund the National Institute for Youth Mental Health.</p> <ul style="list-style-type: none"> • Element 4 provides \$97.7 million over four years from 2025-26, comprising: <ul style="list-style-type: none"> a) \$45.2 million over three years from 2026-27 to fund an extra 500 postgraduate psychology student placements each year. b) \$8.3 million over four years from 2025-26 to support 200 General Practitioners (GPs) and other medical professionals to undertake the Certificate of Postgraduate Training in Clinical Psychiatry (CPTCP) each year. c) \$21.1 million over three years from 2026-27 to extend funding for 30 psychiatry training places each year from July 2026 to December 2028. d) \$9.7 million over four years from 2025-26 to pilot 10 new psychiatry training places tied to Medicare Mental Health Centres each year. e) \$10.3 million over four years from 2025-26 to fund 500 peer workforce training places each year. f) \$3.1 million over three years from 2026-27 to fund 300 Psychology Board of Australia approved supervisor training sessions each year and funding for administration cost.
Ongoing or Terminating (including date)^(a)	Elements 1, 2a, 2c and 3a ongoing. Remaining elements terminate on 30 June 2029.
Person making the request:	Prime Minister
Date costing request received:	17 April 2025
Date of public release of policy:	8 April 2025

Date costing completed:	24 April 2025
Additional information requested (including date):	N/A
Additional information received (including date):	N/A

^(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2024-25	2025-26	2026-27	2027-28	2028-29
Underlying Cash Balance (\$m)	0.0	-16.9	-181.2	-326.3	-571.7
Fiscal Balance (\$m)	0.0	-16.9	-181.2	-326.3	-571.7

^(b) 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 for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

<p>Where relevant, state that the proposal has been costed as a defined or specified amount.</p> <p>Elements 2d, 3b and the administration cost in 4f were costed as specified amounts.</p>
<p>Where relevant, include separate identification of revenue and expense components.</p> <p>Not applicable</p>
<p>Where appropriate, include a range for the costing or sensitivity analysis.</p> <p>Not applicable</p>
<p>Qualifications to the costing (including reasons for the costing not being comprehensive).</p> <p>Not applicable</p>
<p>Where relevant, explain effects of departmental expenses.</p> <p>As specified in the costing request, the Department of Health and Aged Care would absorb the associated departmental costs.</p>
<p>Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.</p> <p>The costing includes indexation except for where the funding amount has been specified in the costing request.</p>

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Where relevant, include an explanation of the medium-term implications of the proposal.^(c)

Elements 1, 2a, 2c and 3a have ongoing operational funding of \$466.4 million per year from 2029-30.

^(c) Information on the medium-term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

Element 1

This costing is based on Medicare Mental Health Centres being established and upgraded as follows.

	2024-25	2025-26	2026-27	2027-28	2028-29
New centres	0	5	7	7	3
Upgraded centres	0	0	3	3	3

The costing assumes services would commence 12 months after establishment of a new centre and additional services 12 months after an upgrade of a centre.

Element 2

This costing is based on *headspace* centres being established and upgraded as follows.

	2024-25	2025-26	2026-27	2027-28	2028-29
<i>Element 2a:</i> New centres	0	0	2	2	0
<i>Element 2a:</i> Upgraded centres	0	0	1	1	0
<i>Element 2b:</i> <i>headspace plus</i>	0	0	10	10	10
<i>Element 2c:</i> Remote services	0	0	2	0	0
<i>Element 2c:</i> Outreach locations	0	0	20	0	0

For *Element 2d*, the costing assumes a specified amount of funding of \$1.5 million per year over three years from 2026-27.

The costing assumes services would commence 12 months after establishment of a new centre and additional services 12 months after an upgrade of a centre.

Element 3

For Element 3a, this costing is based on youth specialist care centres being rebranded, upgraded and established as follows.

	2024-25	2025-26	2026-27	2027-28	2028-29
Rebranded and upgraded centres	0	0	4	2	2
New centres	0	0	0	12	0

For Element 3b, the funding for transforming the National Centre of Excellence in Youth Mental Health into the National Institute for Youth Mental Health is as specified in the costing request. Funding of \$3.6 million in 2025-26 has been accounted for in the 2025 Pre-election Economic and Fiscal Outlook, therefore would not have an impact on the underlying cash balance.

The costing assumes services would commence 12 months after establishment of a new centre and additional services 12 months after an upgrade of a centre.

Element 4

This costing is based on the profile of each sub-element as follows.

	2024-25	2025-26	2026-27	2027-28	2028-29
<i>Element 4a:</i> Postgraduate psychology student placements	0	0	500	500	500
<i>Element 4b:</i> CPTCP places	0	200	200	200	200
<i>Element 4c:</i> Psychiatric training places (continue)	0	0	30	30	30
<i>Element 4d:</i> Psychiatric training places (new)	0	10	10	10	10
<i>Element 4e:</i> Peer workforce training places	0	500	500	500	500
<i>Element 4f:</i> Supervisor training sessions	0	0	300	300	300

For Element 4f, the costing assumes a specified amount of funding of \$0.3 million in 2026-27 for administration.

- **Statistical data used.**

This costing uses data published on the Australian Institute of Health and Welfare, Mental Health, Performance Indicators website:
<https://www.aihw.gov.au/mental-health/monitoring/performance-indicators#apmhs>

Behavioural assumptions used (as appropriate):Not applicable