

QUEENSLAND TREASURY

Mental Health Levy - Guidelines

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Translating and interpreting assistance

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1.0 Purpose

1. This document outlines the scope of activities eligible for funding consideration, the submission process and assessment criteria for requests for funding from the mental health levy (MHL).
2. The guidelines cover all requests for MHL funding, including new initiatives, program expansions, and reallocations of funding.
3. These guidelines are intended to assist government agencies with preparation of funding submissions from the MHL and describe the criteria that will be used to assess the merits of each funding request once legislative compliance has been confirmed.
4. It is acknowledged that ultimate decision-making sits with executive government.

2.0 Overview of the mental health levy

5. The Mental Health Select Committee report – Report No. 1, 57th Parliament, *Inquiry into the opportunities to improve mental health outcomes for Queenslanders* – recommended an increase in funding and expenditure and the creation of a dedicated funding stream for mental health and alcohol and other drug (MHAOD) services.
6. The MHL commenced on 1 January 2023 to provide a sustainable funding source for mental health related services and investment. It was introduced through an amendment to the [Payroll Tax Act 1971](#).
7. The MHL only applies to large employers, or groups of employers, with:
 - a. a 0.25 per cent levy on annual Australian taxable wages over \$10 million; and
 - b. an additional 0.5 per cent levy applied to businesses with Australian taxable wages over \$100 million.
8. In accordance with the amendment to the *Payroll Tax Act 1971*, the MHL may be used only for providing a service or infrastructure that is consistent with the main objects and principles of the [Mental Health Act 2016](#), section 3 (1), including the way in which the main objects of that Act are to be achieved; or the guiding principles stated in the [Queensland Mental Health Commission Act 2013](#), section 5 (2) to (5).
9. The exact amount of revenue that the MHL raises varies from year to year, as it depends on overall economic conditions. For example, if there is unexpectedly low wage growth or slow business revenue growth, the MHL revenue may be lower than forecast.
10. Where revenue raised by the MHL exceeds the amount spent on MHAOD and suicide prevention services and infrastructure, the difference is to remain in the Consolidated Fund (CF) for future allocation to MHAOD and suicide prevention services and infrastructure.¹

¹The CF is the central operating bank account for the Queensland Government, established under the [Financial Accountability Act 2009](#) to manage all public money, including tax revenue, royalties, and Australian Government grants.

3.0 Scope of the mental health levy

11. This section provides guidance on the cohorts and type of activities (comprising services and infrastructure) that comply with the relevant legislation for accessing MHL funding.

3.1 Cohort

12. Several cohorts are identified within the relevant objects and guiding principles of the *Mental Health Act 2016* (MH Act) and the *Queensland Mental Health Commission Act 2013* (QMHC Act).

13. Based on the legislation, the cohorts that the MHL should support are:

- a. people with a mental illness* (Section 5(2) of the QMHC Act). This cohort includes “persons who have a mental illness who do not have the capacity to consent to be treated” or who have been “found to have been of unsound mind” (Section 3(1) of the MH Act),
- b. people who misuse substances (Section 5(2) of the QMHC Act),
- c. carers, family, and support people of people with a mental illness or who misuse substances (Section 5(4) of the QMHC Act), and
- d. people vulnerable to, or otherwise at significant risk of, developing mental health or substance misuse issues (identified within the definition of the “mental health and substance misuse system” in Section 5(5) of the QMHC Act).

14. *The MH Act defines ‘mental illness’ as “a condition characterised by a clinically significant disturbance of thought, mood, perception or memory”. The QMHC Act does not define mental illness, but based on an assessment of other government definitions, it is submitted that a reasonable interpretation by Queensland Treasury (QT) for the purpose of administering the MHL is that the cohort of people with mental illness includes those who have a ‘clinically significant’ or ‘diagnosable’ mental illness.

3.2 Activities

15. In accordance with the legislation, activities funded by the MHL must comprise services (including care and support) and infrastructure consistent with the main objects stated in the *Mental Health Act 2016*, Section 3(1) or the guiding principles stated in the *Queensland Mental Health Commission Act 2013*, Section 5(2) to (5).

16. The main objects of the *Mental Health Act 2016*, Section 3(1) outline the objectives that activities must have for specific cohorts:

- a. “To improve and maintain the health and wellbeing of persons who have a mental illness² who do not have the capacity to consent to be treated,²
- b. To enable persons to be diverted from the criminal justice system if found to have been of unsound mind² at the time of committing an unlawful act² or to be unfit for trial, and

² Meaning of term defined in the *Mental Health Act 2016* (Qld).

- c. *To protect the community if persons diverted from the criminal justice system may be at risk of harming² others.”*
17. The guiding principles in the *Queensland Mental Health Commission Act 2013*, Section 5(2) to (5) do not present specific requirements for services but provide examples of potentially eligible service areas and their features.
18. One of these guiding principles is that *“an effective mental health and substance misuse system³ is the shared responsibility of the government and non-government sectors and requires a coordinated and integrated approach... a commitment to communication and collaboration... and strategies that foster inclusive, safer and healthier families, workplaces and communities”*. The definition of the mental health and substance misuse system³ includes reference to “the policies, services and programs across human service agencies, service delivery agencies, and the private sector that involve”:
- a. mental health services³ – for which the definition includes *“clinical, non-clinical or rehabilitation services”*,
 - b. substance misuse services³ – including *“detoxification, treatment or other related harm minimisation services”*,
 - c. human services that affect people with a mental health or substance misuse issue³– as defined in the ‘Dictionary’ Schedule of the QMHC Act, and
 - d. support or respite services to families, carers and support persons of people with mental illness or who misuse substances.
19. These definitions highlight the breadth of the activities that may be considered within the scope of MHL funding.
20. Any requests for MHL funding must comply with relevant sections of the Acts and contribute to an effective mental health and substance misuse system.

3.3 Eligible parties

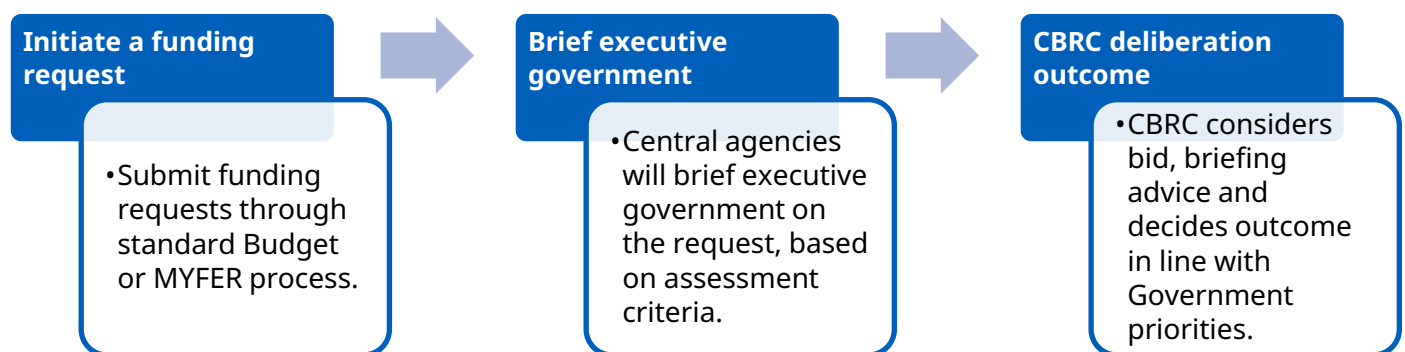
21. Any government agency can apply to access MHL funding for services or infrastructure that complies with the legislative scope, as explained in Sections 3.1 and 3.2.
22. QT is unable to provision MHL funding to non-government entities. Government agencies who receive MHL funding allocations may choose to commission other organisations to assist with service delivery.

4.0 Application process for mental health levy funding

23. All requests for accessing funding from the MHL should be submitted through the standard Budget or Mid-year Fiscal and Economic Review (MYFER) submission processes.
24. Exceptions may be considered in the case of extreme, unforeseen circumstances.

³ Meaning of term defined in the *Queensland Mental Health Commission Act 2013* (Qld).

25. Funding requests must adhere to the MYFER, Budget or Cabinet and Budget Review Committee submission requirements.
26. The request must include a description of the proposed service or infrastructure including whether it is operational or capital, whether it is a one-off or recurrent request, the rationale for the request, and how it complies with the legislative intent of the MHL.
27. As per current Cabinet practice, QT and the Department of the Premier and Cabinet (DPC) will brief the executive government on the submission or bid.
28. Briefings to executive government about applications for MHL funding may include advice from QMHC in relation to best practice, evidence, and alignment with whole of government strategic direction and priorities.
29. The decision will then be made by the CBRC about the funding allocation.
30. The standard application process is summarised below:



5.0 Assessment criteria for mental health levy funding applications

31. In providing advice to executive government on the merits of any requests, following an assessment of legislative compliance (as described in Section 3.0), central agencies will consider the following factors:
 - a. Alignment with Government priorities. Submissions should demonstrate the alignment of the proposed service or infrastructure with the Government's election commitments, strategic objectives and policy commitments.
 - b. Evidence base for the proposed work. Robust data, research, or analysis that supports the evidence base of the proposed work should be included in submissions. Submissions should also identify the need for the initiative, its expected impact, and demonstrate alignment with best practices or proven methodologies.
 - c. Cost-effectiveness of the proposed work. Evidence of the proposed investment's value for money should be included, quantifying benefits and costs wherever possible. Submissions should present a clear breakdown of costs, justify expenditure, and identify opportunities for efficiencies or savings. For

infrastructure bids, evidence of an approved and available operating and maintenance budget should be provided.

- d. Financial viability of the proposed work. The total funding requested will be assessed against the available MHL revenue, including any surplus. Consideration will be given to whether the request is reasonable and proportionate to the scope of the proposal, including any potential for cost-sharing or co-funding opportunities.
- e. Funding history. The submission should indicate whether the proposed service or infrastructure has received funding in the past. If so, the submission should detail the source of previous funding, outcomes achieved, and any lessons learned from prior funding rounds.
- f. Cross-portfolio implications. Requests for funding should identify any impacts on, or collaboration required with, other government portfolios or departments to avoid duplication of effort, leverage collaboration across portfolios and promote integrated, whole of person response.
- g. Outcomes. The submission should clearly define the expected outcomes of the proposed service or infrastructure. Submissions should include a framework for measuring and evaluating success where possible.

6.0 Reporting, monitoring and roles and responsibilities

32. To ensure accountability and transparency in the use of MHL funding, the following responsibilities and reporting requirements are outlined.

33. Reporting:

- a. Agencies that have received an allocation of funding sourced from the MHL will be responsible for providing a full acquittal of actual expenditure to QT at the end of the financial year. This annual acquittal process should continue until funding ceases.
- b. Where agencies receive MHL funding via another agency, it is the responsibility of the agency that initially received the funding, based on a CBRC decision, to acquit the funding to QT.
- c. Agencies should submit a report to QT each year including breakdowns by program and relevant categories, funds transferred to other agencies or organisations, and details of any unspent funds.
- d. Agencies should report to Government on details of services delivered using MHL funding, including measurable outcomes received and evaluation of effectiveness and efficacy of the services.
- e. Actual expenditure is to be reported in agencies Annual Reports.
- f. QT is available to provide guidance and assistance to agencies on reporting requirements and compliance expectations.

34. Expenditure tracking and reconciliation:

- a. QT will be the single point of truth on the financials related to the MHL and be responsible for undertaking an annual reconciliation of expenditure allocations and actual expenditure; utilising existing Whole of Government financial reporting processes (i.e. FRAMES).

- b. Adjustments to expenditure profiles may occur as part of Forward Estimates Update processes undertaken by QT. For example, if agencies do not spend the full amount allocated in a budget year, the expenditure will either be deferred to a future year or the funding will lapse. Where funding does lapse, the unspent funds will be retained in the CF for future mental health expenditure.
 - c. Any requests for deferrals of MHL funding are considered as part of the Forward Estimates Updates. As part of this process, agencies are required to provide a rationale and supporting documentation.
 - d. The MHL collections will be published in the QT's Annual Report, and the total MHL forecast will be published in Budget papers.
 - e. QT will assist agencies in addressing any issues identified in reporting, including unspent funds or non-compliance with guidelines.
 - f. QT will provide feedback to agencies to support continuous improvement in reporting.
 - g. Agencies must ensure that funding is used for the approved purpose consistent with the legislative requirements and government decision making.
35. Monitoring and evaluation:
- a. It is a joint responsibility of all parties to monitor, ensure compliance and seek the greatest value from MHL expenditure. This includes monitoring the flow of funds to ensure proper utilisation and undertaking evaluations where appropriate.

7.0 Acronyms

CBRC	Cabinet Budget Review Committee
CF	Consolidated Fund
DPC	Department of Premier and Cabinet
MHAOD	Mental Health, Alcohol and Other Drugs
MHL	Mental Health Levy
MYFER	Mid-Year Fiscal and Economic Review
QMHC	Queensland Mental Health Commission
QT	Queensland Treasury

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