

Template 1: Budget Initiative template

Overview and context

Key Question/area	Comment/answer
Agency to complete	
Portfolio of lead Minister	Hon Dr David Clark
Portfolio(s) of other Ministers involved (if this is a joint initiative)	N/A
Votes impacted	Health
Initiative title	Establishing a new Mental Health Commission
Initiative description	This funding will provide for the establishment and operation of a potential new Mental Health Commission, an entity that would be responsible for providing leadership and oversight of mental health and addiction in New Zealand to ensure there is sustained, transformational change.
Type of initiative	Priority aligning
If this initiative relates to a priority, please outline the specific priority/ies it contributes to	This initiative relates to the Budget 2019 priority to support mental wellbeing for all New Zealanders, with a special focus on under 24s.
Does this initiative relate to a commitment in the Coalition Agreement, Confidence and Supply Agreement, or the Speech from the Throne?	The Coalition Agreement includes the following: "Re-establish the Mental Health Commission" as a priority. The Speech from the Throne includes the following: "A ministerial inquiry into mental health will be set up and the Mental Health Commission will be re-established."
Agency contact	Name: Maree Roberts, Acting Deputy Director-General, Mental Health and Addiction Agency: Ministry of Health Email address: maree_roberts@moh.govt.nz Phone number: s 9(2)(a)
Responsible Vote Analyst	

Funding

Funding Sought (\$m)	2019/20	2020/21	2021/22	2022/23	TOTAL
Operating	s 9(2)(f)(iv)				
Funding Sought (\$m)					
Capital					

1. Executive Summary

1.1 EXECUTIVE SUMMARY

A. Short summary of the proposed initiative and expected outcomes.

As part of the Coalition Agreement, the Government established the Inquiry into Mental Health and Addiction to hear from New Zealanders about the changes needed to build a leading mental health and addiction system. Re-establishing the Mental Health Commission is a Coalition agreement, so the Inquiry was asked to provide advice on the roles and functions of a Commission. The Inquiry report recommends the establishment of a Mental Health and Wellbeing Commission to provide leadership and oversight of mental health and addiction in New Zealand. It also proposes core functions and powers for the Commission.

The Minister of Health received the report of the Inquiry in November 2018, and Cabinet considered it in December 2018, agreeing a phased approach to responding to the Inquiry. This phased response involves an initial response to the recommendations in the report, particularly the national package of investment in primary and community mental health and addiction responses; a more detailed response to each of the Inquiry's recommendations in March 2019; and a 5-10 year plan to transform the approach to mental health and addiction, building on the direction outlined by the Inquiry.

Further work on the roles and responsibilities of a proposed Mental Health and Wellbeing Commission is part of the initial response to the Inquiry report, as agreed by Cabinet. In relation to the establishment of a Commission, Cabinet noted in December that the Inquiry recommended strengthened leadership of the mental health and addiction system; that Ministers will work together to ensure this leadership across sectors, including engaging in prevention and responding to mental health and addiction challenges; and that operational funding would be sought for a Commission in Budget 2019. The Minister of Health has commissioned further work from officials to determine the potential scope, functions and operations (and financial implications) of a potential Commission, and has committed to bring back a proposal with the Minister of State Services to establish a Commission to Cabinet by June 2019.

A Commission has the potential to provide a key mechanism to enhance leadership on mental health, addiction and wellbeing issues, to provide implementation support for system transformation, and to undertake independent monitoring and insight. This will result in improved mental health services and support being more readily available to New Zealanders when they need it. As such, it could be an important part of the transformation change being sought through the national package of investment in primary and community mental health and addiction responses.

As signalled to Cabinet in December 2018 by the Minister of Health, this initiative seeks funding for the ongoing operational costs of the potential Commission, to ensure that the Government is able to act on advice received by June 2019. Funding for operating costs of [REDACTED] are sought. This is an indicative cost, as the funds required are contingent on the form and function of the Commission, which are yet to be determined. Indicative costs are based on the budgets of the previous Mental Health Commission and similar bodies and potential functions of a new Commission as outlined in the Inquiry Report. s 9(2)(f)(iv) [REDACTED]

This initiative will fulfil the Government's Coalition Agreement to re-establish the Commission during this Parliamentary term. If funding is not agreed, there is a risk that the Commission will not be able to be established during this Parliamentary term. There is also a risk that efforts to transform the mental health and addiction system will be hampered in the long-term if the Commission is not established to provide national leadership.

This initiative sits alongside the national package of investment in primary and community mental health and addiction responses, aligned with the strategic direction set by the Inquiry into Mental

BUDGET SENSITIVE

Health and Addiction, as well as the Vote Health initiatives responding to those with more severe mental health and addiction needs

2. The Investment Proposal

2.1 Description of the initiative and problem definition

What is this initiative seeking funding for?

Inputs for the establishment and ongoing operation of the Commission are assumed to include:

Personnel:

- Commissioner(s)
- Advisors
- Analysts
- Administration
- HR
- Finance

s 9(2)
(6)(c)

Operational:

- Communications
- Work Programme
- Consultancy
- Maintenance
- Premises rental
- Evaluation costs

Why is it required?

As part of Labour's coalition agreement with New Zealand First, the Government has committed to re-establish the Mental Health Commission, with the form and function to be informed by the recommendations of the Government Inquiry into Mental Health and Addiction.

The Inquiry was asked to provide advice on a re-established Commission. It recommended that a Mental Health and Wellbeing Commission be established to provide the required enhanced leadership and oversight of the mental health and addiction system, and made recommendations for the Commission's roles and functions.

The phased response to the Inquiry agreed by Cabinet includes progressing work on key priorities straight away, including through Budget 2019. In relation to the establishment of a Commission, Cabinet noted the Inquiry recommended strengthened leadership of the mental health and addiction system; that Ministers will work together to ensure this leadership across sectors, including engaging in prevention and responding to mental health and addiction challenges; and that operational funding would be sought for a Commission in Budget 2019.

The Minister of Health and Minister of State Services will report back to Cabinet by June 2019 on the form, functions and establishment process for a Mental Health Commission. This initiative seeking operational funding for a potential Mental Health Commission is required to enable Government to act on advice received by June 2019.

BUDGET SENSITIVE

	A Commission will help fulfil the need for leadership and oversight of mental health and addiction in New Zealand. It will support the goal of transformational change being purposed through the national package of investment in primary and community mental health and addiction responses.
2.2 Options analysis and fit with existing activity	
What other options were considered in addressing the problem or opportunity?	<p>Expanding or amending the scope of the Mental Health Commissioner in the Health and Disability Commission was considered. This would enable the proposed functions of the Commission to be undertaken. However, this option would not provide the overall sector leadership that is needed. It could also be difficult to differentiate between the individual complaints investigation and advocacy the HDC already does, and the new role of systemic monitoring and advocacy.</p> <p>Setting up a unit in the Ministry of Health to perform the recommended functions was considered. This would be simpler and quicker to do than setting up a new entity. However, this would present problems around the independence of the monitoring, as the Ministry's performance is something that would be monitored. The Inquiry report also noted the criticism they heard about the Ministry's leadership in mental health and addiction, so there is a risk the public would not be supportive of this option.</p> <p>Maintaining the status quo was considered, but this would not realise the potential benefits of a new independent Commission.</p> <p>Also of note is that none of these options would fulfil the Coalition commitment to re-establish the Mental Health Commission.</p>
What other similar initiatives or services are currently being delivered?	<p>There are several organisations responsible for advocacy and rights protection (eg, the Health and Disability Commissioner, Mental Health Foundation) and quality improvement (eg, the Health Quality and Safety Commission) of health services, including mental health services.</p> <p>The Ministry of Health and district health boards also undertake monitoring activity.</p> <p>The role and functions of a new Mental Health Commission will need to fit within this wider landscape and take into account the functions of these bodies.</p>
What other, non-spending arrangements in pursuit of the same objective are also in place, or have been proposed?	Both ongoing work on the response to the Inquiry into Mental Health and Addiction and the Health and Disability System Review are considering changes to system settings (e.g. commissioning and funding models, accountability and governance arrangements, information sharing practices, etc.) that will support a transformed approach to mental health and wellbeing.
Strategic alignment and Government's priorities/direction	This initiative aligns with the Government's expressed priorities regarding improving mental health, and was explicitly outlined in the Coalition Agreement and the Speech from the Throne.
2.3 Outcomes	
Overall outcomes expected from this initiative	The functions and powers of a new Mental Health Commission are yet to be determined; however, a Commission could potentially act as a system leader for mental health and wellbeing in New Zealand, and provide system leadership for mental health and addiction, implementation support for system transformation, and independent monitoring and oversight. This will result in improved mental health services and support being more readily available to New Zealanders when they need it. A Commission has the potential to increase the positive outcomes of other mental health interventions through its monitoring role, and through strengthening a coordinated response to mental health.

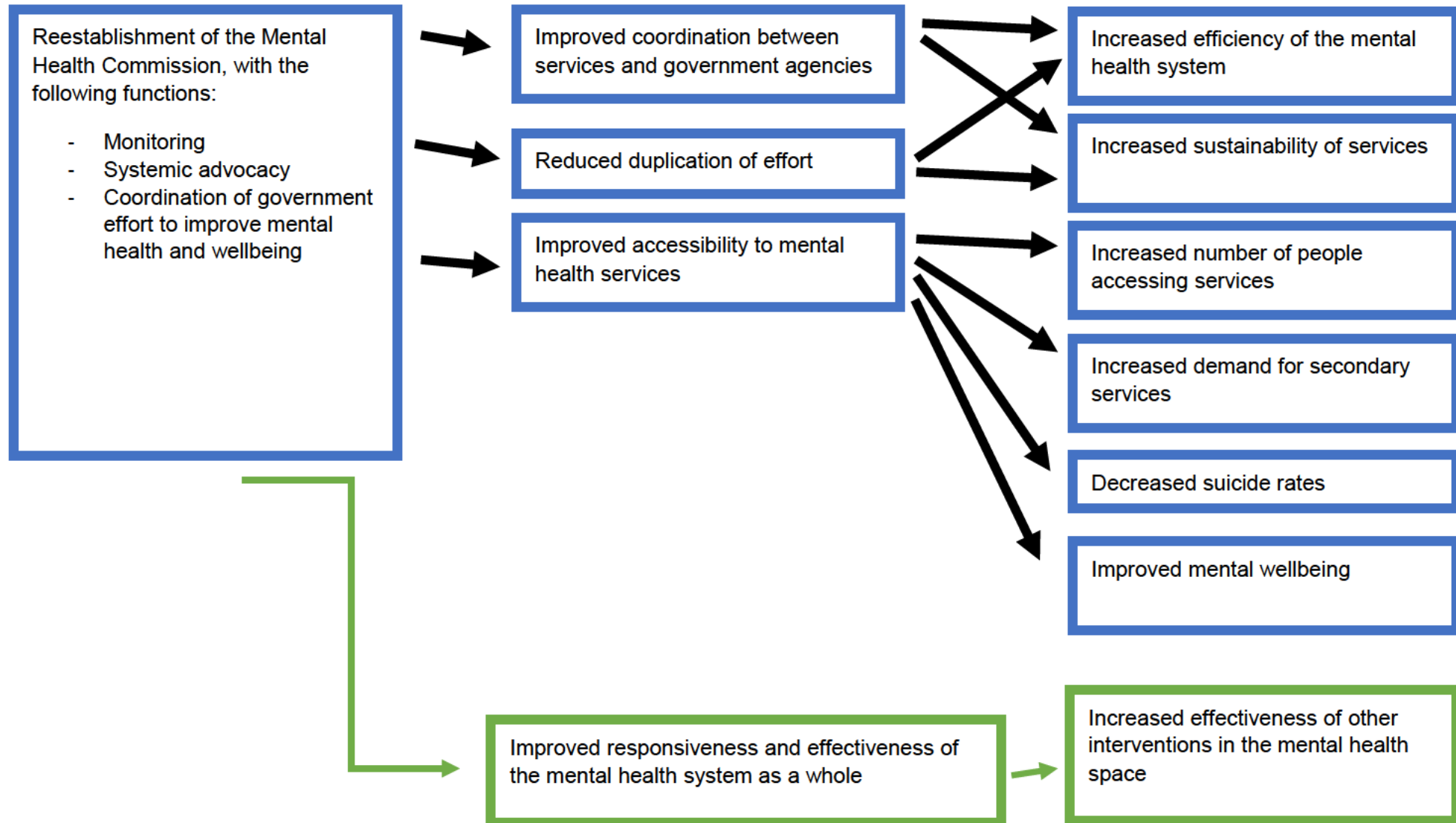
BUDGET SENSITIVE

	<p>The Government will respond formally to the Inquiry's recommendations in March 2019. If the Government accepts all of the report's recommendations regarding the Commission¹ the expected outcomes may include:</p> <ul style="list-style-type: none"> • reduced disparities in mental health outcomes among different populations • improved mental health services and mental health outcomes for service users • an improved cross-government and cross-agency approach to mental health and addiction, including improved efficiency of the system • greater accountability on government, agencies and organisations to bring about change and improve mental health outcomes, due to increased monitoring • provision of support for national, regional and local implementation of transformation to services • greater public confidence in the mental health and addiction sector • improvements in the quality and consistency of effective clinical practices across the country (this was also seen in Australia as a result of its Mental Health Commission) • the fostering of better research into the impact and incidence of mental illness in New Zealand, and the most effective treatments (this was also seen in Australia as a result of its Mental Health Commission).
2.4 Implementation, Monitoring and Evaluation	
How will the initiative be delivered?	<p>The Ministry of Health will work with the State Services Commission to provide the Minister of Health with advice on form and function of the potential Mental Health and Wellbeing Commission by mid-2019. The Ministry will then undertake activity necessary to ensure the Commission is operational in 2019/20.</p> <p>The Ministry will, simultaneously, develop legislation to establish the Commission and support its passage through the House.</p>
How will the implementation of the initiative be monitored?	<p>Initial thinking, and the Inquiry's recommendation, is that the Commission will be a crown entity. Under the Crown Entities Act 2004, it will be subject to reporting requirements, including the requirement to produce a Statement of Intent and an Annual Report each year. The Annual Report, presented to Parliament, must include financial statements, a statement of service performance, and any direction given to the Commission by a Minister.</p>
Describe how the initiative will be evaluated	<p>The Commission will be required to report annually to Parliament.</p>




¹ <https://mentalhealth.inquiry.govt.nz/inquiry-report/he-ara-oranga/chapter-12-a-new-mental-health-and-wellbeing-commission/12-2-what-needs-to-happen/>

BUDGET SENSITIVE

Intervention logic map




3. Wellbeing Impacts and Analysis

3.1 Wellbeing domains – People's experience of wellbeing over time							
Domains List domains, using the key above, where there is an impact. Order domains by magnitude of impact, i.e. largest impact domain first.	Impact(s) description Identify the impacts, with a separate line for each impact relating to a specific domain	Who are affected? Individuals/families/government/etc? Be as specific as possible. Are there distributional differences?	Magnitude of impact Relative to the counterfactual key assumptions, quantified to extent possible, and where possible monetised	How big? High/ Moderate/ Low, or where possible present value	Realised in <5 / 5-10 / 10+ years	Evidence base Nature of evidence and key references	Evidence quality High/ Medium/ Low
Health  Primary	Decreased suicide rates	Individuals and families	Assuming that improving the mental health of the broader population results in fewer people trying to take their lives.	High (given the value of a human life in CBAX impacts database)	5 – 10 years ongoing		Low
	Increased number of people accessing mental health services	Workforce	Assumes the monitoring and advocacy of the Commission results in improved accessibility of services and therefore more people accessing them.	Moderate	<5 years	New Zealand's previous Commission saw an increase in people accessing mental health services.	Low
	Improved performance of the mental health system due to the Commission's monitoring role	Workforce, consumers	Assumes the monitoring and advocacy of the Commission leads to improvements to the system and improved outcomes for consumers of mental health services.	Moderate	5 – 10 years ongoing	Improved clinical practice was seen in Australia as a result of its Mental Health Commission.	Medium
	Reduced demand on secondary services in the long term	Government – district health boards	Assumes a reduction in demand for secondary services as people are having their needs met earlier in an improved mental health system.	Moderate	5 – 10 years ongoing		Low
	Increased efficiency of the health system, as duplication across government agencies is reduced.	Workforce	Assumes the Commission will have responsibility for high level direct agencies to work together.	Moderate	<5 years ongoing		Low
Subjective wellbeing  Secondary	Increased self-reports of positive wellbeing	Individuals, members of society	Assumes in the short term people's assessments of wellbeing will spike as they have new confidence that the Commission will improve mental health services, and that in the long term there will be an ongoing increased wellbeing as people are confident they can access services when they need them.	Low	<5 years ongoing		Low
Jobs and earnings  Secondary	Increased productivity	Employers	People experiencing poor mental health can find it affects their productivity at work, or increases the number of sick days they need to take. The assumption is improving people's mental wellbeing would lead to increased productivity for individuals, and, collectively, for the wider economy.	Moderate	< 5 years ongoing	WHO estimation that depression and anxiety disorders cost the global economy US\$1 trillion per year in lost productivity.	Medium

BUDGET SENSITIVE

3.2 Wellbeing capitals – Sustainability for future wellbeing

 Capitals	Describe the impact and its magnitude	Realised in <5 / 5-10 / 10+ years
Financial/Physical	Decrease. This initiative draws down financial capital to establish a Mental Health Commission, which has ongoing running costs.	<5 years as the cost is immediate
Human	Increase. This initiative will improve individual health and wellbeing as well as the wellbeing of the wider population. This helps to build the stock of human capital by increasing the quality of life for an individual and enabling them to more fully participate in society.	<5 years, as the Commission can be established quickly, ensuring a relatively short period before improved individual wellbeing is realised.
Natural	Maintain. This initiative has no impact on natural capital.	N/A, as no impact
Social	Increase. This initiative will improve New Zealanders' mental wellbeing, which can result in increased social connections and community involvement. It will increase trust and confidence in the Government's ability to respond to mental health issues.	5-10 years as the collective impact will not be felt immediately

3.3 Risk and resilience narrative

Does the initiative respond to or build resilience?

Yes. Establishing a body expected to independently monitor mental health and addiction services and a whole-of-government response to mental health and wellbeing will contribute to Government's ongoing support of New Zealanders' resilience and mental wellbeing. It will ensure that services are effective, and that the system adapts to best respond to changing needs over time.

4 Costing understanding and options

4.2 Detailed funding breakdown

Please provide a breakdown of the costs of this initiative

Funding for the operation of the Mental Health Commission is contingent on the agreed form and function of the Commission, to be determined by Government. Further work on ongoing costs will be undertaken when the form and functions of the Commission are known.

Indicative funding options are as follows. These costs are subject to change, and we will return any funding that is allocated but not used. These have been developed taking into account:

- The previous Mental Health Commission's operating budget from 2009/2010, the final year before the disestablishment of the Commission had been flagged, and adjusted for inflation using the CPI.
- An expectation that the new Commission will have functions that do not already exist in the health system, including monitoring of the mental health system transformation, and advocacy for system improvements.
- Current budgets for the Office of the Children's Commissioner and Health and Disability Commissioner (as a comparison).
- Recommendations of the Government Inquiry into Mental Health and Addiction.

Costs would need to be scaled up if the Commission is given a larger number of functions than anticipated. Costs would need to be scaled up significantly if the Commission were to operate as a funding body. We assume that, should this function shift to the Commission from elsewhere in the Health sector, the resource associated with the current funding function would shift with it.

Funding for 2019/20 is modelled on 75%, allowing some flexibility for commencement date for the commission, and allowing for costs (eg, rent) to be paid in the second quarter if required.

s 9(2)(f)(iv)

BUDGET SENSITIVE

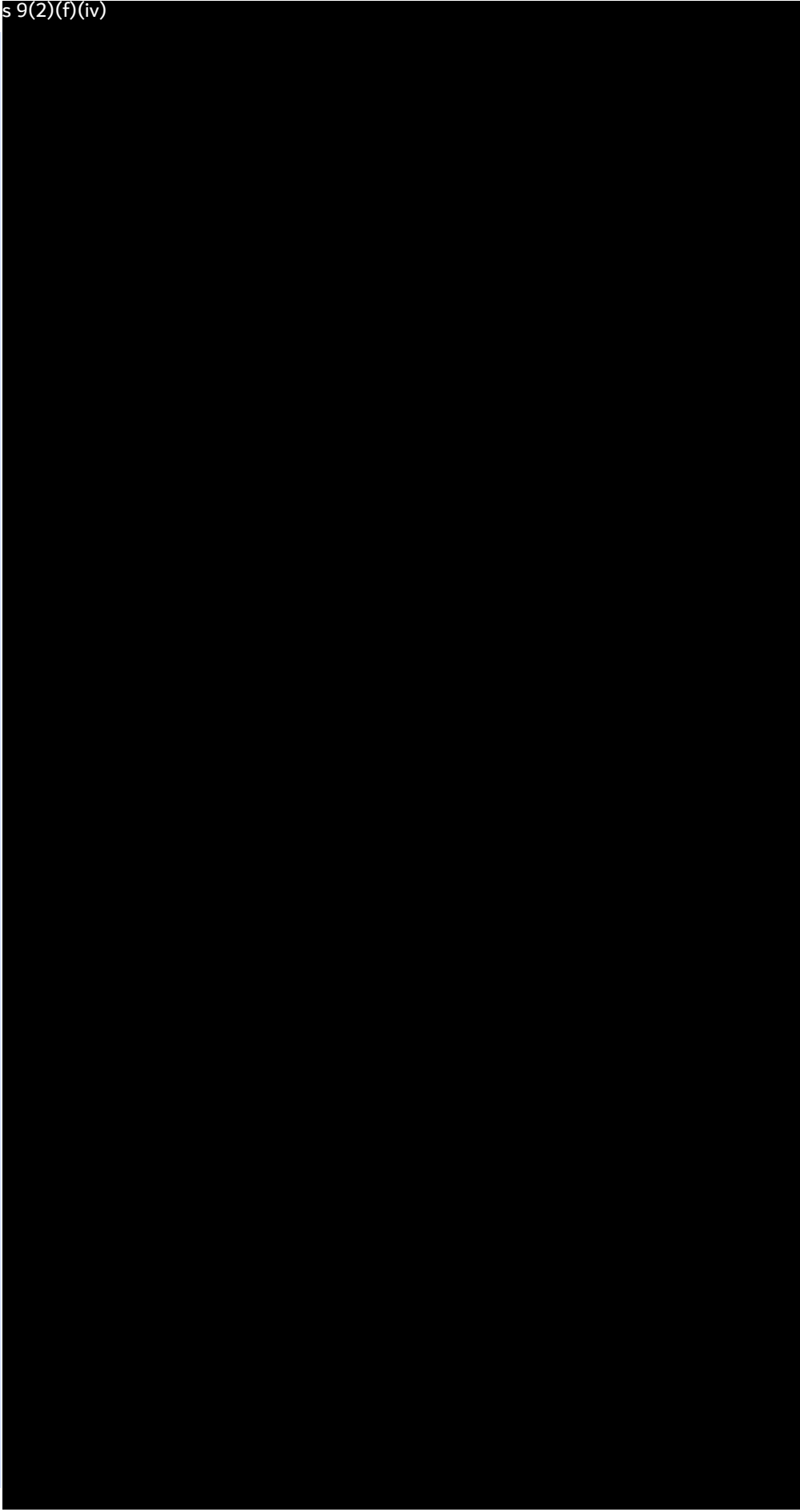
s 9(2)(f)(iv)

4.3 Options for scaling an

Scaling, phasing or
deferring - including
75% and 50% scenarios

BUDGET SENSITIVE

s 9(2)(f)(iv)



s 9(2)(f)(iv)

Phasing

The intention is for work to establish the Commission to take place from January 2019, and for the Commission to begin operating in the latter part of 2019/20.

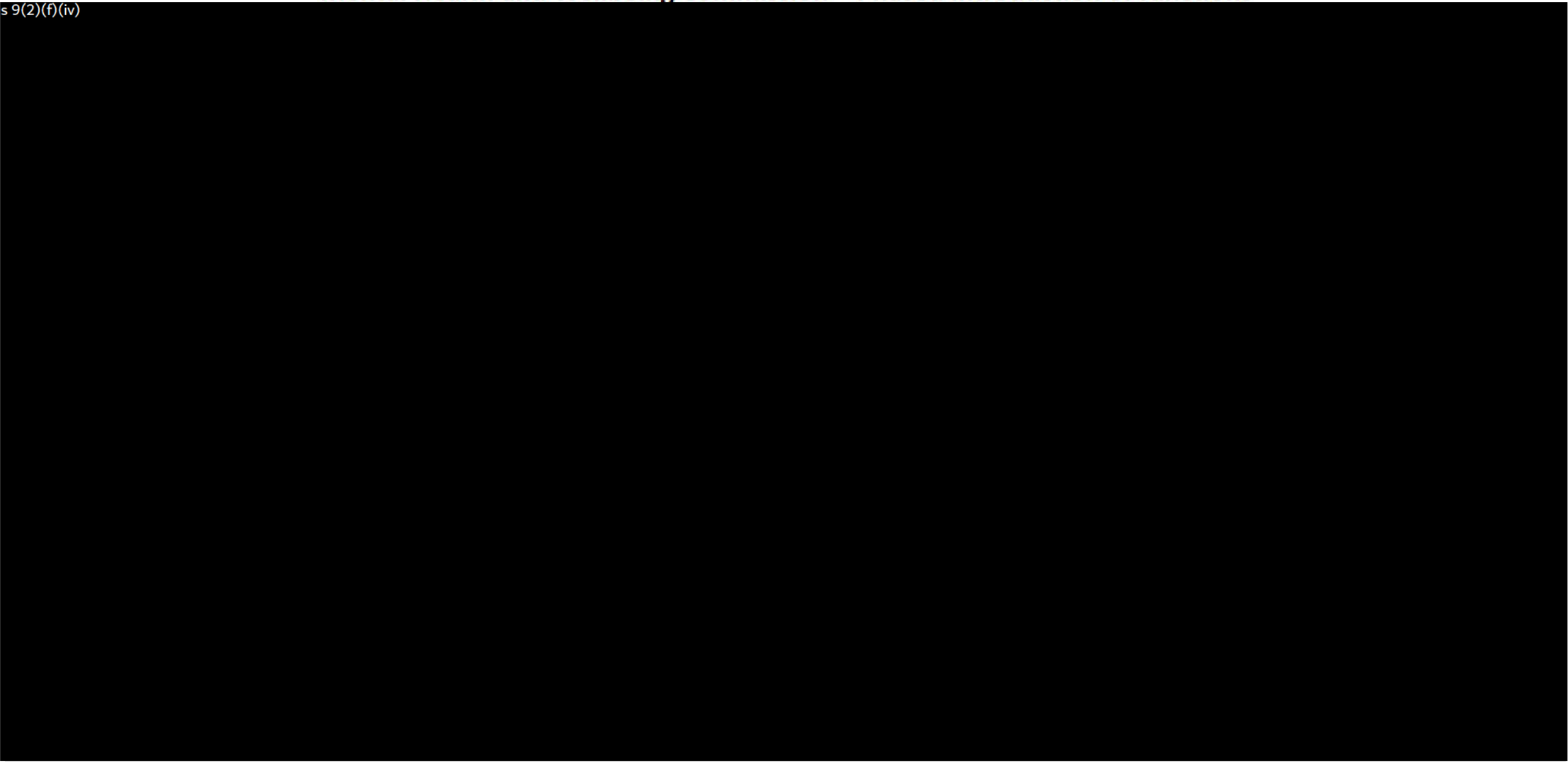
There are no phasing options to hasten the process, if the Commission is to be established within this parliamentary term (as stated in the Coalition Agreement). The options provided will allow for establishment before the parliamentary term ends, but they cannot be made any faster as legislation to establish the Commission may take up to 12 months to pass.

There are also options to phase in additional functions of the Commission. For example, in its first year of operation it could have the core functions of monitoring and systemic advocacy, and it could pick up additional functions over several years, expanding (in terms of FTE and resourcing) to do so.

The figure on the following page set out an indicative phased expansion of the Commission's functions, incorporating all functions recommended by the Inquiry.

Mental Health and Wellbeing Commission – Phased introduction of functions

s 9(2)(f)(iv)



[Redacted Content]

5 Collaboration

5.1 Collaboration and evidence

What type of cross-agency and/or cross-portfolio initiative is this?	This initiative is not a cross-agency and/or cross-portfolio bid where there is collective responsibility, but there are cross-agency relationships and implications .
Agencies and Ministers that have been engaged in initiative development	<p>We have met with State Services Commission and Treasury to discuss the development of this Budget bid and will continue to engage on ongoing work to define the form and functions of a potential Mental Health Commission.</p> <p>The Minister of Health has committed to working with Social and Justice Sector Ministers and Associate Ministers of Health on how to strengthen leadership and ensure all relevant sectors are engaged in preventing and responding to mental health and addiction challenges, and to report back to Cabinet with the Minister of State Services on the form, functions and establishment process for a Mental Health Commission.</p>
Impact of cross-agency collaboration	Treasury has advised us to seek funding through this Budget process for operational costs of the Commission, in advance of confirmation of the Commission's form and function.
Risks and challenges	Not yet knowing the form and function of the Commission has been a challenge when costing this initiative and engaging with other agencies.