

The Case for Mental Health Reform in Australia: a Review of Expenditure and System Design

Detailed Expenditure Calculations



The full report can be downloaded at www.medibankhealth.com.au/Mental_Health_Reform
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Glossary and acronyms

| | | | |
|---------------------|--|----------------|--|
| ABS | Australian Bureau of Statistics | Health funding | Who provides the funds that are used to pay for health expenditure |
| ACOSS | Australian Council of Social Services | IP | Income Protection |
| ACFI | Aged Care Funding Instrument | MBS | Medicare Benefits Schedule |
| ADF | Australian Defence Force | NDA | National Disability Agreement |
| AIHW | Australian Institute of Health and Welfare | NHMRC | National Health and Medical Research Council |
| ATAPS | Access to Allied Psychological Services | OATSIH | Office for Aboriginal and Torres Strait Islander Health |
| BEACH | Bettering the Evaluation and Care of Health | PASTT | Program of Assistance for Survivors of Torture and Trauma |
| COAG | Council of Australian Governments | PBS | Pharmaceutical Benefits Schedule |
| CPI | Consumer Price Index | PC | Productivity Commission |
| DEEWR | Department of Education, Employment and Workplace Relations | PHI | Private Health Insurer |
| DoHA | Department of Health and Ageing | PHIAC | Private Health Insurance Administration Council |
| DRG | Diagnosis Related Group | RFDS | Royal Flying Doctor Service |
| DVA | Department of Veterans' Affairs | RPBS | Repatriation Pharmaceutical Benefits Scheme |
| FaHCSIA | Department of Families, Housing, Community Services and Indigenous Affairs | TPD | Total and Permanent Disability |
| Forensic population | As per the AIHW definition: "Services [that] principally target people whose health condition has led them to commit, or be suspected of, a criminal offence or make it likely that they will reoffend without adequate treatment or containment. This includes prison-based services, but excludes services that are primarily for children and adolescents and for older people even where they include a forensic component". | VRGP | Vocationally Registered General Practitioner |
| GP | General Practitioner | WHO | World Health Organisation |
| Health expenditure | Who spends the money, rather than who ultimately provides the money for any particular expenditure | | |

1. General assumptions to generate estimates

This report has needed to make a number of assumptions to generate expenditure estimates for 2010-11. This appendix describes the inflation and population adjustments used for data preceding 2009-10. It also provides the state and territory population data used to generate estimates, when a full set of state/territory estimates was not available.

1.1 Explanation of inflation rate adjustment

All figures presented in this report are for the 2010-11 financial year. Where the most recent data available is for a different year, the relevant inflation rate below has been applied to adjust the data to a 2010-11 value.

These inflation rates were calculated using inflation index data from the 2012 ABS publication Consumer Price Index, Australia, Dec 2011. (ABS Cat No. 6401.0, December), Table 7. CPI: Group, Sub-group and Expenditure Class, Weighted Average of Eight Capital Cities.

Table: Inflation rates to June 2011

| Inflation rate period | Health inflation rates | | | Non-health inflation rate | |
|------------------------|------------------------|----------------|-------------------------------|---------------------------|-----------|
| | Health | Pharmaceutical | Medical and hospital services | Secondary education | Insurance |
| June 2005 to June 2011 | 31.1% | 11.1% | 40.9% | 48.2% | 37% |
| June 2006 to June 2011 | 25.3% | 7.6% | 33.9% | 38.7% | 32.1% |
| June 2007 to June 2011 | 20.3% | 6.1% | 27.3% | 29.5% | 29.1% |
| June 2008 to June 2011 | 14.8% | 4.7% | 19.9% | 21.5% | 20.7% |
| June 2009 to June 2011 | 9.2% | 1.7% | 12.7% | 12.9% | 10.7% |
| June 2010 to June 2011 | 4.0% | 0.6% | 5.6% | 6.8% | 5.3% |

1.2 Explanation of population growth rate adjustment

All figures presented in this report are for the 2010-11 financial year. Where the most recent data available is for a different year and it is appropriate to apply a population growth rate, the relevant growth rate below has been applied to adjust the data to a 2010-11 value. In the instances where such a rate has been applied, this is indicated in the associated table in Appendix B and Appendix C.

These population growth rates were calculated using 'estimated resident population' data from the 2012 ABS publication Australian Demographic Statistics, Sep 2011 (ABS Cat No. 3101.0, March 2012), Table 1. Population Change, Summary – Australia ('000).

Table: Population growth rates to June 2011

| Date | Estimated resident population (000's) | Growth rate to June 2011 |
|-----------|---------------------------------------|--------------------------|
| June 2005 | 20,395 | 10.90% |
| June 2006 | 20,698 | 9.28% |
| June 2007 | 21,073 | 7.34% |
| June 2008 | 21,499 | 5.21% |
| June 2009 | 21,952 | 3.04% |
| June 2010 | 22,298 | 1.44% |
| June 2011 | 22,618 | 0% |

1.3 State and territory population

In instances where national data is not available, state based data is extrapolated to generate a national figure. These extrapolations are based on June 2011 'estimated resident population' data from the 2012 ABS publication Australian Demographic Statistics, Sep 2011 (ABS Cat No. 3101.0, March 2012), Table 4: Estimated Resident Population, States and Territories (Number).

Table: Australian state estimated resident populations as at June 2011

| State | Population (000's) | Population (% of total) |
|------------------------------|--------------------|-------------------------|
| NSW | 7,303 | 32.29% |
| Victoria | 5,621 | 24.85% |
| Queensland | 4,580 | 20.25% |
| Western Australia | 2,349 | 10.39% |
| South Australia | 1,656 | 7.32% |
| Tasmania | 511 | 2.26% |
| Australian Capital Territory | 366 | 1.62% |
| Northern Territory | 231 | 1.02% |
| Total | 22,617 | 100% |

2. Estimation of health expenditure

The following tables describe how the various elements of recurrent health expenditure are calculated, the variables used in the estimates and the sources of these variables. All figures are from 2010-11 unless otherwise noted.

Expenditure figures may differ slightly from the results of calculations involving the variables provided due to the effects of rounding.

Data deficiencies mean that it is not possible to accurately estimate some of the following components and in some instances the figures presented below will underestimate true expenditure. An asterisk (*) is used to highlight such instances.

2.1 Public mental health services

| Expenditure item | | Public psychiatric hospital services |
|--------------------------------------|-------------------------------|--|
| Value | | \$510 million |
| Description of estimation technique | | No estimation is required. Expenditure for 2008-09 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure on state/territory public psychiatric hospital services in 2008-09 |
| | 1b) Value of variable | \$454 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.1 |
| Comments | | <p>This figure includes admitted patient services only.</p> <p>This figure excludes expenditure on public specialist drug and alcohol services as this is included in the 'Drug and alcohol services' section.</p> <p>A component of expenditure on adult correctional mental health services is included here as well as in the 'Adult correctional mental health services' section.</p> <p>The 'Adult correctional mental health services' section is presented for information purposes only. It is not included in the overall health expenditure calculation. This expenditure is therefore not double counted.</p> |

| Expenditure item | | Services provided by specialised psychiatric units in public acute hospitals |
|--------------------------------------|-------------------------------|--|
| Value | | \$1,268 million |
| Description of estimation technique | | No estimation is required. Expenditure for 2008-09 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure on services provided by state/territory specialised psychiatric units in public acute hospitals in 2008-09 |
| | 1b) Value of variable | \$1,130 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.1 |
| Comments | | <p>This figure includes admitted patient services only.</p> <p>This figure excludes expenditure on public specialist drug and alcohol services as this is included in the 'Drug and alcohol services' section.</p> <p>A component of expenditure on adult correctional mental health services is included here as well as in the 'Adult correctional mental health services' section.</p> <p>The 'Adult correctional mental health services' section is presented for information purposes only. It is not included in the overall health expenditure calculation. This expenditure is therefore not double counted.</p> |

| Expenditure item | | Community mental health services |
|--------------------------------------|-------------------------------|--|
| Value | | \$1,569 million |
| Description of estimation technique | | No estimation is required. Expenditure for 2008-09 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure on state/territory community mental health services in 2008-09 |
| | 1b) Value of variable | \$1,398 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.1 |
| Comments | | <p>This includes expenditure on services provided in public hospital outpatient departments and public non-hospital community mental health care services (including crisis/mobile assessment and treatment services, day programs, outreach services and consultation/liaison services).</p> <p>This figure excludes expenditure on public specialist drug and alcohol services as this is included in the 'Drug and alcohol services' section.</p> |

| Expenditure item | | Public residential mental health services |
|--------------------------------------|-------------------------------|---|
| Value | | \$233 million |
| Description of estimation technique | | No estimation is required. Expenditure for 2008-09 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure on state/territory residential mental health services in 2008-09 |
| | 1b) Value of variable | \$207 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.1 |
| Comments | | <p>This includes expenditure on residential mental health services that are partially or entirely government funded and are non-government operated.</p> <p>This figure excludes expenditure on public specialist drug and alcohol services as this is included in the 'Drug and alcohol services' section.</p> |

2.2 Private mental health services

| Expenditure item | Mental health inpatient hospital services covered by private health insurers |
|-------------------------------------|---|
| Value | \$402 million |
| Description of estimation technique | Medibank estimate |
| Comments | <p>This expenditure figure includes:</p> <ul style="list-style-type: none"> • mental health inpatient hospital services for privately insured patients in private and public hospitals • overnight and same-day programs • medical, hospital and inpatient pharmaceutical costs • services categorised as 'unspecified psychiatry' (i.e. separations that have not been categorised by DRG due to coding issues but have occurred at hospitals that only deliver psychiatric services) • private health insurer benefits and consumer out-of-pocket expenditure. <p>This figure excludes:</p> <ul style="list-style-type: none"> • inpatient hospital services related to drug and alcohol DRGs as this expenditure is included in the 'Drug and alcohol services' section • Medicare benefits paid for inpatient psychiatry services as this expenditure is included in the 'Psychiatric services' section. |

| Expenditure item | Privately funded residential mental health services |
|------------------|--|
| Comments | <p>Estimates for expenditure on residential mental health services that do not receive any government funding are not available. Discussions with industry experts indicate there are likely to be few, if any, of this type of residential mental health service.</p> <p>Expenditure on residential mental health services that are partially or entirely government funded and are non-government operated is included in the 'public residential mental health services' section.</p> |

2.3 Mental health services provided by health professionals

| Expenditure item | Psychiatry services | |
|--------------------------------------|--|--|
| Value | \$277 million* | |
| Description of estimation technique | Australian Government expenditure on Medicare benefits for psychiatrists in 2009-10 (1) adjusted for inflation and population growth to derive an estimate for 2010-11. | |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on Medicare benefits for psychiatrists in 2009-10 |
| | 1b) Value of variable | \$259 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.11 |
| Comments | <p>* This value is likely to underestimate total expenditure on psychiatry services as it only includes Australian Government expenditure. It excludes consumer out-of-pocket expenditure for psychiatry services provided in the private non-hospital setting as this data is not available. (Total expenditure on inpatient medical services related to mental health can be estimated using Medibank data. It is not possible to determine the proportion attributable to psychiatry services.)</p> <p>A component of this expenditure figure may be double-counted in the 'Drug and alcohol services' section. The size of this double-count is unclear because disaggregated data is not available.</p> | |

| Expenditure item | | Mental health services provided by general practitioners |
|--------------------------------------|-------------------------------|--|
| Value | | \$230 million* |
| Description of estimation technique | | <p>This figure is the sum of two components:</p> <ul style="list-style-type: none"> • Australian Government expenditure on Medicare benefits for GP mental health services in 2009-10 (1) adjusted for inflation and population growth to derive an estimate for 2010-11. • estimated out-of-pocket expenditure on GP mental health services in 2010-11, which is based on the proportion of fees charged for GP/VRGP services that are reimbursed to the consumer as Medicare benefits 2010-11 (2) |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on Medicare benefits for GP mental health services 2009-10 |
| | 1b) Value of variable | \$194 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.11 |
| | 2a) Variable | Proportion of fees charged for GP/VRGP services that are reimbursed to the consumer as Medicare benefits 2010-11 |
| | 2b) Value of variable | <p>88%</p> <p>[The percentage of fees charged for GP/VRGP services in 2010-11 (\$4,898 million) that are Medicare benefits paid for GP/VRGP services in 2010-11 (\$4,327 million)].</p> <p>Therefore, the percentage of fees charged for GP/VRGP services in 2010-11 that are consumer out-of-pocket costs is 12%.</p> |
| | 2c) Data source for variables | <p>Department of Health and Ageing (2011), Medicare Statistics – December Quarter 2011, Table B2A, Available at: http://www.health.gov.au/internet/main/publishing.nsf/Content/BF0C7BDDDB0840FBCA2579AD007E3F59/\$File/tableb2a.pdf</p> <p>Department of Health and Ageing (2011), Medicare Statistics – December Quarter 2011, Table B4A, Available at: http://www.health.gov.au/internet/main/publishing.nsf/Content/BF0C7BDDDB0840FBCA2579AD007E3F59/\$File/tableb4a.pdf</p> |
| Comments | | <p>* This value is a very conservative estimate of total expenditure on mental health services provided by GPs.</p> <p>This estimate is based on the number of MBS-subsidised GP items that “define services for which Medicare rebates are payable where GPs undertake early intervention, assessment and management of patients with mental disorders as distinct from general surgery consultations where a mental health-related problem is managed”, as outlined in the AIHW’s Mental health services in Australia 2007-08 (p. 19). There were 1.8 million¹ of these encounters in 2009-10.</p> <p>A much higher number of mental health-related GP encounters is reported in the 2009-10 BEACH survey: 13.3 million encounters during which a mental health problem was managed plus an additional 2.7 million encounters during which psychologically related management was commenced but a specific mental health problem was not identified². This indicates that the number of GP encounters with a specific mental health MBS item number represents only 11.8% of all GP encounters that involve the management of a mental health problem³.</p> <p>In this costing report, Medicare rather than BEACH data is utilised to estimate expenditure because the BEACH survey uses a broader definition of mental illness than this report. For example, the BEACH data includes mental retardation which is excluded from this costing estimate. A more thorough investigation of the BEACH data through the Family Medicine Research Centre (The University of Sydney) is possible and would provide a more accurate expenditure estimate but is outside the scope of this costing project.</p> |

1. AIHW (2011), Mental health services-in brief 2011, AIHW Cat. No. HSE 113, Canberra, p. 4.

2. AIHW (2010), Mental health services in Australia, <http://mhsa.aihw.gov.au/home/>

3. AIHW (2010), Mental health services in Australia, <http://mhsa.aihw.gov.au/home/>

| Expenditure item | | Psychology services |
|--------------------------------------|-------------------------------|---|
| Value | | \$336 million* |
| Description of estimation technique | | This figure is the sum of: <ul style="list-style-type: none"> the total Medicare benefits for psychology services in 2009-10 (1) adjusted for inflation and population growth to derive an estimate for 2010-11. estimated total expenditure on psychology services covered by private health insurers for 2010 (2) adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Total Medicare benefits for psychology services in 2009-10 |
| | 1b) Value of variable | \$287 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.11 |
| | 2a) Variable | Estimated total expenditure on psychology services covered by private health insurers for 2010 |
| | 2b) Value of variable | \$34 million |
| | 2c) Data source for variables | Medibank estimate |
| Comments | | * This value, in combination with the value provided in the following section 'Out-of-pocket expenditure on psychology services and mental health services provided by allied health professionals', underestimates total expenditure on psychology services. This is because neither figure includes consumer out-of-pocket expenditure on private psychology services where the entire cost is borne by the consumer. This size of this expenditure may be significant. Industry experts suggest these services are common place. |

| Expenditure item | | Mental health services provided by allied health professionals |
|--------------------------------------|-------------------------------|--|
| Value | | \$16 million* |
| Description of estimation technique | | Total Medicare benefits for mental health services provided by allied health professionals in 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Total Medicare benefits for mental health services provided by allied health professionals in 2009-10 |
| | 1b) Value of variable | \$15 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.11 |
| Comments | | * This value, in combination with the value provided in the following section 'Out-of-pocket expenditure on psychology services and mental health services provided by allied health professionals', underestimates total expenditure on allied health mental health services. This is because neither figure includes consumer out-of-pocket expenditure on private allied health services where the entire cost is borne by the consumer. This size of this expenditure is unclear but is likely to be small as these types of mental health services are infrequently utilised. |

| Expenditure item | | Out-of-pocket expenditure on psychology services and mental health services provided by allied health professionals |
|--------------------------------------|-------------------------------|---|
| Value | | \$65 million* |
| Description of estimation technique | | <p>Out-of-pocket expenditure for Medicare subsidised Better Access services provided through Psychological Therapy Services (PTS) and Focused Psychological Strategies (FPS) is calculated as follows:</p> <p>i) The number of services with co-payments under the PTS item group delivered in 2009 (1) is multiplied by the average co-payment for services provided under the PTS item group delivered in 2009 (2).</p> <p>ii) The number of services with co-payments under the FPS item group delivered in 2009 (3) is multiplied by the average co-payment for services provided under the FPS item group delivered in 2009 (4).</p> <p>iii) The result of step i) is added to the result of step ii) and the outcome is adjusted for inflation and population growth to derive an estimate for 2010-11.</p> |
| Variables used to construct estimate | 1a) Variable | Number of services with co-payments under the PTS item group delivered in 2009 |
| | 1b) Value of variable | 654,436 |
| | 1c) Data source for variables | Ftanou M, Hall W, Harris M, Pirkis J, (2011), Evaluation of the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule Initiative: Summative Evaluation Final Report, Centre for Health Policy, Programs and Economics (The University of Melbourne), February 2011, Table 5, p. 24 |
| | 2a) Variable | Average co-payment for services provided under the PTS item group delivered in 2009 |
| | 2b) Value of variable | \$32.15 |
| | 2c) Data source for variables | Ftanou M, Hall W, Harris M, Pirkis J, (2011), Evaluation of the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule Initiative: Summative Evaluation Final Report, Centre for Health Policy, Programs and Economics (The University of Melbourne), February 2011, Table 5, p. 24 |
| | 3a) Variable | Number of services with co-payments under the FPS item group delivered in 2009 |
| | 3b) Value of variable | 1,087,247 |
| | 3c) Data source for variables | Ftanou M, Hall W, Harris M, Pirkis J, (2011), Evaluation of the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule Initiative: Summative Evaluation Final Report, Centre for Health Policy, Programs and Economics (The University of Melbourne), February 2011, Table 5, p. 24 |
| | 4a) Variable | Average co-payment for services provided under the FPS item group delivered in 2009 |
| | 4b) Value of variable | \$36.67 |
| | 4c) Data source for variables | Ftanou M, Hall W, Harris M, Pirkis J, (2011), Evaluation of the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule Initiative: Summative Evaluation Final Report, Centre for Health Policy, Programs and Economics (The University of Melbourne), February 2011, Table 5, p. 24 |

| Expenditure item | Out-of-pocket expenditure on psychology services and mental health services provided by allied health professionals |
|------------------|--|
| Comments | <p>* This value underestimates the consumer out-of-pocket expenditure on services provided by psychologists and mental health services provided by allied health professionals as it only includes out-of-pocket expenditure related to services provided through the Better Access scheme.</p> <p>In relation to services provided by psychologists, neither the expenditure figure quoted here nor the figure quoted in the section titled 'Psychology services' include consumer out-of-pocket expenditure on private psychology services where the entire cost is borne by the consumer. This size of this expenditure may be significant. Industry experts suggest these services are common place.</p> <p>In relation to allied health professional mental health services, neither the expenditure figure quoted here nor the figure quoted in the section titled 'Mental health services provided by allied health professionals' include consumer out-of-pocket expenditure on mental health services provided by allied health professionals where the entire cost is borne by the consumer. This size of this expenditure is unclear but is likely to be small as these types of mental health services are infrequently utilised.</p> <p>Services delivered under the PTS item group are provided by clinical psychologists. Those delivered under the FPS item group are provided by psychologists, social workers and occupational therapists.</p> |

| Expenditure item | Paediatric services |
|------------------|---|
| Comments | <p>An estimate of expenditure on paediatric services related to mental illness is not available.</p> <p>Expenditure on paediatric services provided through specialised public mental health units is captured in the expenditures presented in the 'Public mental health services' section.</p> <p>The value of Australian Government expenditure on Medicare benefits for paediatricians that relate to mental health services cannot be determined because the majority of Medicare items do not differentiate mental health specific services.</p> <p>Consumer out-of-pocket expenditure on paediatric mental health services also cannot be determined. This is because out-of-pocket spending associated with MBS-subsidised services cannot be determined for the reason outlined above and out-of-pocket expenditure on non MBS-subsidised services is not available.</p> <p>Private health insurer expenditure on relevant paediatric services provided to privately insured inpatients is included in the section 'Mental health inpatient hospital services covered by private health insurers'.</p> |

| Expenditure item | Physician services |
|------------------|--|
| Comments | <p>An estimate of expenditure on physician services related to mental illness is not available.</p> <p>The majority of these services relate to the management of substance use disorders. Therefore, much of this expenditure will already be captured in the 'Drug and alcohol services' section.</p> <p>The value of Australian Government expenditure on Medicare benefits for physicians that relate to mental health services cannot be determined because the majority of Medicare items do not differentiate mental health specific services.</p> <p>Consumer out-of-pocket expenditure on physician mental health services also cannot be determined. This is because out-of-pocket spending associated with MBS-subsidised services cannot be determined for the reason outlined above and out-of-pocket expenditure on non MBS-subsidised services is not available.</p> <p>Private health insurer expenditure on relevant physician services provided to privately insured inpatients is included in the section 'Mental health inpatient hospital services covered by private health insurers'.</p> |

| Expenditure item | Speech pathology services |
|------------------|--|
| Comments | <p>An estimate of expenditure on speech pathology services related to mental illness is not available.</p> <p>Expenditure on these services provided through specialised public mental health units is captured in the expenditures presented in the 'Public mental health services' section.</p> <p>The value of Australian Government expenditure on Medicare benefits for speech pathologists that relate to mental health services cannot be determined because the majority of Medicare items do not differentiate mental health specific services.</p> <p>Consumer out-of-pocket expenditure on speech pathology mental health services also cannot be determined. This is because out-of-pocket spending associated with the MBS-subsidised services cannot be determined for the reason outlined above and out-of-pocket expenditure on non MBS-subsidised services is not available.</p> <p>Private health insurer expenditure on relevant speech pathology services is unable to be determined because the proportion of benefits paid for speech pathology services that relate to mental illness is not known. Discussions with industry experts indicate the value of this expenditure is likely to be small.</p> |

| Expenditure item | Counselling services |
|------------------|---|
| Comments | <p>A robust estimate of expenditure on counselling services is not available. Counselling is an unregulated industry. Counsellors are not required to be registered with an overseeing body and are not required to hold a minimum qualification.</p> <p>The costs of counselling services are overwhelmingly borne by the consumer as an out-of-pocket expense. According to industry experts, there is only one legacy extras private health insurance package that pays benefits for counselling services.</p> |

2.4 Medications

| Expenditure item | | Benefit paid pharmaceuticals |
|--------------------------------------|-------------------------------|---|
| Value | | \$971 million* |
| Description of estimation technique | | Expenditure by the Australian Government on PBS and RPBS mental health-related medications in 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. The resulting figure is added to consumer out-of-pocket expenditure on mental health-related medications (2). |
| Variables used to construct estimate | 1a) Variable | Expenditure by the Australian Government on PBS and RPBS mental health-related medications in 2009-10 |
| | 1b) Value of variable | \$770 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1 data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.13 |
| | 2a) Variable | Consumer out-of-pocket expenditure on mental health-related medications |
| | 2b) Value of variable | \$185 million (determined by subtracting the government cost of psycholeptic and psychoanaleptic medications from the total cost of these medications) |
| | 2c) Data source for variables | Department of Health and Ageing (2011), Table 7(a): Significant drug groups (incl Drs bag) by highest Government cost, year end: Jun 2010 to year end: Jun 2011 – Section 85 Only, Available at: http://www.health.gov.au/internet/main/publishing.nsf/Content/99A860532C73A1EFCA257947008239E8/\$File/J%20Table%207(a).pdf |
| Comments | | <p>* This value underestimates total expenditure on mental health-related benefit paid pharmaceuticals. It includes Australian Government expenditure through the PBS and RPBS and consumer out-of-pocket expenditure on most mental health-related PBS medications. It excludes the following expenditure components as robust estimates are not available:</p> <ul style="list-style-type: none"> Australian Government expenditure on relevant medications in the NT that are provided through special provisions under Section 100 of the National Health Act 1953 for Indigenous Australians in remote areas. This figure is less than \$26 million (which is the estimated expenditure on all medications dispensed through these special provisions in 2010-11, based on inflation and population growth adjusted expenditure data for 2006-07 obtained from the AIHW's Aboriginal and Torres Strait Islander Health Performance Framework 2010: detailed analyses report). <p>This expenditure figure also excludes expenditure on benefit paid pharmaceuticals used only in the management of alcohol, tobacco and illicit drug attributable conditions.</p> <p>Benefit paid pharmaceuticals are those pharmaceuticals for which benefits are paid under the PBS or RPBS.</p> |

| Expenditure item | | Non-subsidised prescription pharmaceuticals |
|--------------------------------------|-------------------------------|--|
| Value | | \$176 million |
| Description of estimation technique | | <p>The estimated number of non-subsidised prescriptions related to mental health in 2009-10 (1) is calculated as a proportion of the estimated total number of non-subsidised prescriptions in 2009 (2). This figure is multiplied by the estimated expenditure on all non-subsidised prescriptions.</p> <p>The estimated expenditure on all non-subsidised prescriptions is determined by multiplying the expenditure on all other medication items in 2009-10 (3) by the percentage of all other medication items that relate to all non-subsidised prescriptions in 2009-10 (4). This final figure is adjusted for inflation and population growth.</p> |
| Variables used to construct estimate | 1a) Variable | Estimated number of non-subsidised prescriptions related to mental health in 2009-10 |
| | 1b) Value of variable | 7,000,000 |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2011), Mental Health Services – in Brief 2011, HSE 113, Canberra, p. 21 |
| | 2a) Variable | Estimated total number of non-subsidised prescriptions in 2009 |
| | 2b) Value of variable | 68,162,689 |
| | 2c) Data source for variables | Department of Health and Ageing (2011), Australian Statistics on Medicines 2009, Canberra, Table C (ii), p. 26 |
| | 3a) Variable | Expenditure on all other medication items in 2009-10 |
| | 3b) Value of variable | \$6,717 million |
| | 3c) Data source for variables | Australian Institute of Health and Welfare (2011), Health expenditure Australia 2009-10, Cat no. HWE 55, Canberra, Table 4.15, p. 70 |
| | 4a) Variable | Percentage of all other medication items that relate to all non-subsidised prescriptions in 2009-10 |
| | 4b) Value of variable | 25% (This is equal to the sum of private prescriptions 9.2% and under co-payment prescriptions 15.8%.) |
| | 4c) Data source for variables | Australian Institute of Health and Welfare (2011), Health expenditure Australia 2009-10, Cat no. HWE 55, Canberra, p. 70 |
| Comments | | Non-subsidised prescription pharmaceuticals includes private prescriptions for medications not listed on the PBS and under co-payment prescriptions (i.e. PBS-listed pharmaceuticals with a total cost under the co-payment level such that the consumer covers the entire cost). |

| Expenditure item | | Over the counter medications |
|--------------------------------------|-------------------------------|---|
| Value | | \$88 million* |
| Description of estimation technique | | Total pharmacy over the counter sales 2009-10 (1) are adjusted for inflation and population growth to derive an estimate for 2010-11. The percentage of pharmacy over the counter sales related to smoking cessation 2009-10 (2) is then applied to the result. |
| Variables used to construct estimate | 1a) Variable | Total pharmacy over the counter sales 2009-10 |
| | 1b) Value of variable | \$86 million |
| | 1c) Data source for variables | Nielsen (2010), 2010 Pharmacy State of the Industry Report, Retail Pharmacy, June 2010, p. 43. |
| | 2a) Variable | Percentage of pharmacy over the counter sales related to smoking cessation 2009-10 |
| | 2b) Value of variable | 2.7% |
| | 2c) Data source for variables | Nielsen (2010), 2010 Pharmacy State of the Industry Report, Retail Pharmacy, June 2010, p. 43 |

| Expenditure item | Over the counter medications |
|------------------|---|
| Comments | <p>* This value underestimates expenditure on mental health-related over the counter medications as it only includes expenditure on items related to smoking cessation.</p> <p>Estimates of expenditure on other relevant over the counter medications are not available. One reason for this is the difficulty of determining which over the counter medications, or what proportion of the use of a particular type of over the counter medication, is related to mental health. The overall expenditure on all over the counter medications in Australia in 2009-10 was \$4.6 billion.⁴</p> |

| Expenditure item | Complementary medications |
|------------------|--|
| Comments | <p>Estimates of expenditure on mental health-related complementary medications are not available. A key reason for this is the difficulty of determining which complementary medications or what proportion of the use of a particular type of complementary medication is used in relation to mental health.</p> <p>Estimates of the total expenditure on all complementary medicines in Australia vary significantly. A 2004-05 study estimated expenditure at \$4.13 billion⁵ while a 2006 paper estimated it at over \$2 billion⁶.</p> |

2.5 Drug and alcohol services

| Expenditure item | Drug and alcohol services | |
|--------------------------------------|---|---|
| Value | \$4,628 million* | |
| Description of estimation technique | Expenditure on drug and alcohol medical and hospital services in 2004-05 (1) and drug and alcohol pharmaceutical costs in 2004-05 (2) are summed together and adjusted for inflation and population growth to derive an estimate for 2010-11 | |
| Variables used to construct estimate | 1a) Variable | Expenditure on drug and alcohol medical and hospital services in 2004-05 |
| | 1b) Value of variable | \$2,623 million |
| | 1c) Data source for variables | Collins D, Lapsley H (2008), The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004-05, National Drug Strategy monograph series no 64, Table 18, p. 51. |
| | 2a) Variable | Expenditure on drug and alcohol pharmaceutical costs in 2004-05 |
| | 2b) Value of variable | \$530 million |
| | 2c) Data source for variables | Collins D, Lapsley H (2008), The costs of tobacco, alcohol and illicit drug abuse to Australian society in 2004-05, National Drug Strategy monograph series no 64, Table 18, p. 51 |
| Comments | <p>* This figure underestimates total expenditure on drug and alcohol services as it excludes estimates of particular components for which robust estimates are not available. It excludes:</p> <ul style="list-style-type: none"> • expenditure on drug related education, research and drug programs • benefit-paid pharmaceuticals that are associated with the cessation of smoking • expenditure related to the misuse or abuse of pharmaceuticals. <p>The figure does include:</p> <ul style="list-style-type: none"> • expenditure on medical services and hospital services • only prescription pharmaceuticals utilised for alcohol- or tobacco-attributable conditions that appear in the one hundred highest cost medications covered by the PBS. | |

4. National Health Workforce Planning and Research Collaboration (2011), *Mental Health Non-Government Organisation Workforce Project: final report*. Available at: <http://www.ahwo.gov.au/documents/Publications/2011/Mental%20Health%20NGO%20Workforce%20Project%20Final%20Report.pdf>.

5. These definitions follow AIHW (2011), Health expenditure Australia 2009-10, AIHW Cat. No. HWE 55, Canberra, Box 1.1, p. 1.

6. NGO services that are funded by government are a component of the estimates of government expenditure in this report.

2.6 Comorbid physical conditions

| Expenditure item | | Comorbid physical conditions |
|--------------------------------------|-------------------------------|--|
| Value | | \$1,964 million* |
| Description of estimation technique | | <p>The estimation of this figure involves a number of components, outlined below. The components, measured for different years, are the most recent estimates available for Australia. The final estimated figure is likely to underestimate true expenditure for the reasons discussed in the comments box below.</p> <p>To construct the estimate, total health spending for 2009-10 (3) is multiplied by the proportion of total health spending that constitutes the extra spend on chronic physical conditions due to a mental health comorbidity (derived from (1), (2), (4) and (5)). The result is adjusted for inflation and population growth to derive an estimate for 2010-11.</p> <p>The estimation technique follows that outlined in Naylor et al (2012), Long-term conditions and mental health: the cost of co-morbidities, The King's Fund and Centre for Mental Health, UK.</p> |
| Variables used to construct estimate | 1a) Variable | Average increase in cost of treating chronic physical conditions for those with mental health comorbidity |
| | 1b) Value of variable | 45% |
| | 1c) Data source for variables | This figure is the minimum value found in a range of studies reviewed in Naylor et al (2012) "Long-term conditions and mental health: The cost of co-morbidities", The King's Fund and Centre for Mental Health, p. 11. |
| | 2a) Variable | Proportion of people aged 16-85 in Australia with a physical condition and a mental health comorbidity 2007 |
| | 2b) Value of variable | 23% |
| | 2c) Data source for variables | AIHW (2012) 'Comorbidity of mental disorders and physical conditions, 2007' p. 21. |
| | 3a) Variable | Total health spending in Australia 2009-10 |
| | 3b) Value of variable | \$121.4 billion |
| | 3c) Data source for variables | AIHW (2011) 'Health expenditure Australia 2009-10' Health and Welfare Expenditure Series No. 46, p. ix. |
| | 4a) Variable | Total health expenditure in Australia in 2000-01 |
| | 4b) Value of variable | \$60.9bn |
| | 4c) Data source for variables | AIHW (2001), Health system expenditure on chronic diseases online, Available at: http://www.aihw.gov.au/health-system-expenditure-on-chronic-diseases/ |
| | 5a) Variable | Recurrent expenditure on 12 major diseases, less expenditure on chronic depression 2000-01 |
| | 5b) Value of variable | \$10bn |
| | 5c) Data source for variables | AIHW (2001), Health system expenditure on chronic diseases online, Available at: http://www.aihw.gov.au/health-system-expenditure-on-chronic-diseases/ |
| Comments | | <p>* This figure is likely to underestimate total expenditure on healthcare services for chronic physical conditions that is linked to poor mental health, for two main reasons:</p> <ul style="list-style-type: none"> • The available data on the proportion of people with a physical condition and a mental health comorbidity (2) will understate the true figure. The available data is for people within the ages 16-85 and it is reasonable to assume the incidence of comorbidity will be increasing in age and higher if a physical disease is chronic. • The available data on expenditure on major diseases may understate overall chronic expenditure as it only includes 12 priority chronic illnesses. <p>It should also be stressed that the comorbidity data is from 2000-01 and patterns of comorbidity may have changed since then.</p> |

2.7 Other mental health services

| Expenditure item | Accident and emergency services |
|------------------|---|
| Comments | <p>Expenditure on public accident and emergency services is captured in 'Public mental health services' expenditure. It is included in the elements 'Public psychiatric hospital services' and 'Services provided by specialised psychiatric units in public acute hospitals'.</p> <p>Private – An estimate of expenditure on private accident and emergency services is not available. Industry experts consulted indicate this amount is likely to be minimal as: (1) there are few private accident and emergency departments; and (2) people who are acutely unwell due to a mental illness typically attend public accident and emergency departments.</p> |

| Expenditure item | Ambulance and patient transport services | |
|--------------------------------------|--|--|
| Value | \$154 million | |
| Description of estimation technique | <p>Ambulance and patient transport services include ambulance services, emergency services provided by the Royal Flying Doctor Service and non-emergency patient transport services. This figure is the sum of:</p> <ul style="list-style-type: none"> total state/territory expenditure for ambulance and patient transport services (1) multiplied by the proportion of government health spending that relates to mental health services and related activity (2). total revenue of the Royal Flying Doctor Service of Australia over the 2011 calendar year (3) multiplied by the proportion of national total gross recurrent expenditure on health services that relates to mental health services and related activity (4). | |
| Variables used to construct estimate | 1a) Variable | Summated expenditure on ambulance and patient transport services in each state and territory |
| | 1b) Value of variable | \$1,988 million |
| | 1c) Data source for variables | <p>Estimates based on figures contained in the 2010-11 annual reports of the following state and territory organisations (with the exception of NSW which utilises the most recent annual report of 2009-10):</p> <ul style="list-style-type: none"> Ambulance Victoria – \$571 million Department of Community Safety (QLD) – \$542 million Department of Health (WA) – \$111 million SA Ambulance Service (SA) – \$176 million Department of Health and Human Services (Tas) – \$56 million Justice and Community Safety Directorate (ACT) – \$32 million Department of Health (NT) – \$19 million NSW Department of Health (Annual report 2009-10) – the 2009-10 figure is adjusted for inflation to derive an estimate for 2010-11 of \$474 million. |
| | 2a) Variable | Proportion of government health spending that relates to mental health services and related activity |
| | 2b) Value of variable | 7.5% |
| | 2c) Data source for variables | Department of Health and Ageing (2010). National mental health report 2010: Summary of 15 years of reform in Australia's mental health services under the National Mental Health Strategy 1993-2008. Commonwealth of Australia. Canberra. p.24. |
| | 3a) Variable | Total expenditure by the Royal Flying Doctor Service of Australia |
| | 3b) Value of variable | \$68 million |

| Expenditure item | | Ambulance and patient transport services |
|--------------------------------------|-------------------------------|---|
| Variables used to construct estimate | 3c) Data source for variables | Royal Flying Doctor Service (2011). Royal Flying Doctor Service Australian Council: Annual Report 10/11. NSW. Available at http://www.flyingdoctor.org.au/IgnitionSuite/uploads/docs/Annual%20Report%202010-2011.pdf . p.32. |
| | 4a) Variable | Proportion of national total gross recurrent expenditure on health services that relates to mental health services and related activity |
| | 4b) Value of variable | 7.0% |
| | 4c) Data source for variables | Department of Health and Ageing (2010). National mental health report 2010: Summary of 15 years of reform in Australia's mental health services under the National Mental Health Strategy 1993-2008. Commonwealth of Australia. Canberra. p.24. |
| Comments | | Expenditure on ambulance and patient transport services provided by the Royal Flying Doctor Service in Western Australia is double-counted as it is a component of both the Western Australian estimate (in 1 above) and the Royal Flying Doctor Service estimate (in 3 above). However, the value of this amount is small because the estimated total expenditure by the Royal Flying Doctor Service on mental health services is only \$5 million (variable 3 above multiplied by variable 4 above). Expenditure on services provided by the Royal Flying Doctor Service in Western Australian is just one component of this. |

| Expenditure item | | Public health promotion |
|------------------|--|--|
| Comments | | Expenditure on public health promotion by the Australian government and state/territory governments is included in multiple other sections such as 'Specialised mental health public hospital services', 'DVA managed programs and initiatives' and 'Australian Government expenditure on selected national programs and initiatives'. Estimates of expenditure by not-for-profit and for-profit organisations are not available. |

| Expenditure item | | Mental health research |
|--------------------------------------|-------------------------------|--|
| Value | | \$73 million* |
| Description of estimation technique | | Australian Government expenditure on mental health research for 2009-10 (1) is adjusted for inflation to derive a 2010-11 estimate. |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on mental health research 2009-10 |
| | 1b) Value of variable | \$70 million |
| | 1c) Data source for variables | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 12A.1. |
| Comments | | * This value underestimates total mental health research expenditure as it only includes Australian Government expenditure. Mental health research is funded through a number of other sources (e.g. fundraising, private donations, bequests, etc.). Robust estimates of these other sources are not available. This expenditure figures excludes mental health research funded by for-profit corporations because, similar to the AIHW Health expenditure Australia 2009-10 report, "that health research expenditure is considered to be an intermediate good, the cost of which has already been included in the cost of the associated final output" (AIHW (2011), Health expenditure Australia 2009-10, Cat no. HWE 55, Canberra, p. 76). |

| Expenditure item | | Asylum seeker mental health services |
|--------------------------------------|-------------------------------|---|
| Value | | \$20 million* |
| Description of estimation technique | | Estimated per annum expenditure on health services for people in immigration detention (1) is multiplied by the proportion of government health spending that relates to mental health services and related activity (2). This is added to the expenditure on torture and trauma services under the Program of Assistance for Survivors of Torture and Trauma (PASTT) (3). |
| Variables used to construct estimate | 1a) Variable | Estimated per annum expenditure on health services for people in immigration detention |
| | 1b) Value of variable | \$204 million (estimated by adding together the values of the three current International Health and Medical Services Pty Ltd contracts to provide health services to people in immigration detention then determining the value of the contracts on a yearly basis) |
| | 1c) Data source for variables | Department of Immigration and Citizenship (2012), Murray Motion Report 22 – Department of Immigration and Citizenship, Available at: http://www.immi.gov.au/about/contracts-tenders-submissions/murray-motion/_pdf/murray22.pdf , Attachment A, p. 40-41 |
| | 2a) Variable | Proportion of government health spending that relates to mental health services and related activity |
| | 2b) Value of variable | 7.5% |
| | 2c) Data source for variables | Department of Health and Ageing (2010). National mental health report 2010: Summary of 15 years of reform in Australia's mental health services under the National Mental Health Strategy 1993-2008. Commonwealth of Australia. Canberra. p.24. |
| | 3a) Variable | Estimate of expenditure on torture and trauma services under the Program of Assistance for Survivors of Torture and Trauma |
| | 3b) Value of variable | \$5 million This is calculated as a per annum average expenditure from the projected \$19.2 million total expenditure over the four years from 2007-08 to 2011-12. |
| | 3c) Data source for variables | Department of Health and Ageing (2007), Health Budget 2007-2008, Available at http://www.health.gov.au/internet/budget/publishing.nsf/Content/budget2007-hfact09.htm |
| Comments | | * This value underestimates total expenditure on asylum seeker mental health services. It includes expenditure by the Australian Government on services provided by International Health and Medical Services Pty Ltd (the company contracted to deliver public health services to people in immigration detention) and the Program of Assistance for Survivors of Torture and Trauma (PASTT). Expenditure on other asylum seeker mental health services, including health interpreters, is excluded because estimates are not available. |

| Expenditure item | | Australian Defence Force mental health services |
|--------------------------------------|-------------------------------|--|
| Value | | \$46 million* |
| Description of estimation technique | | Total expenditure on Garrison Health Services in 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. The resultant figure is multiplied by the proportion of government health spending that relates to mental health services and related activity (2). |
| Variables used to construct estimate | 1a) Variable | Total expenditure on Garrison Health Services in 2009-10 |
| | 1b) Value of variable | \$654 million |
| | 1c) Data source for variables | Australian National Audit Office (2010), Defence's Management of Health Services to Australian Defence Force Personnel in Australia, Audit Report No.49 2009-10, Performance Audit, The Auditor-General, p. 32-33 |
| | 2a) Variable | Proportion of government health spending that relates to mental health services and related activity |
| | 2b) Value of variable | 7.5% |
| | 2c) Data source for variables | Department of Health and Ageing (2010). National mental health report 2010: Summary of 15 years of reform in Australia's mental health services under the National Mental Health Strategy 1993-2008. Commonwealth of Australia. Canberra. p.24. |
| Comments | | Following an ADF study on the prevalence of mental illness in the ADF, it is assumed the proportion of defence health expenditure that is mental health-related is equivalent to the proportion of overall Australian health system expenditure that is mental health-related (Hodson S E et al (2011), Mental Health in the Australian Defence Force – 2010 ADF Mental Health Prevalence and Wellbeing Study: Executive Report, Department of Defence, Canberra). The study noted that the prevalence of mental illness over the past 12 months in the ADF, 22.0%, was roughly similar to the overall Australian figure of 20.7% (determined by drawing on the ABS 2007 National Survey of Mental Health and Wellbeing and ABS data which was adjusted to match the demographic characteristics, including age, sex and employment status, of the currently serving ADF population). The lifetime prevalence of any mental disorder in the ADF of 54.1% was larger than the prevalence identified in the ABS study, 49.3% (presented as a statistically significant difference). The estimated expenditure presented may therefore understate true expenditure. |

2.8 Australian Government expenditure on selected national programs and initiatives

This section includes Australian Government expenditure on national programs and initiatives managed by DVA, DoHA and FaHCSIA and on the National Suicide Prevention Program. Mental health-related services in the other areas of Australian Government expenditure (e.g. MBS and PBS) are included elsewhere in this report.

| Expenditure item | | Australian Government expenditure on DVA managed programs and initiatives |
|--------------------------------------|-------------------------------|---|
| Value | | \$166 million |
| Description of estimation technique | | No estimate is required. Expenditure for 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on DVA managed programs and initiatives that provide mental health services 2009-10 |
| | 1b) Value of variable | \$157 million |
| | 1c) Data source for variables | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 12A.1 |

| Expenditure item | Australian Government expenditure on DVA managed programs and initiatives |
|------------------|--|
| Comments | <p>This value includes the following DVA related expenditures: private hospitals; public hospitals; consultant psychiatrists; Vietnam Veteran's Counselling Service; private psychologists and allied health; general practitioners; mental health promotion; the Australian Centre for Posttraumatic Mental Health; and the Military Rehabilitation and Compensation Scheme. (as per DoHA's National Mental Health Report 2010, p. 159, and information provided by the AIHW).</p> <p>The value excludes Australian Government expenditure on the RPBS. This expenditure is included in the 'Benefit paid pharmaceuticals' section.</p> |

| Expenditure item | | Australian Government expenditure on DoHA managed national programs and initiatives |
|--------------------------------------|-------------------------------|--|
| Value | | \$233 million |
| Description of estimation technique | | No estimate is required. Expenditure for 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on DoHA managed national programs and initiatives in 2009-10 |
| | 1b) Value of variable | \$221 million |
| | 1c) Data source for variables | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 12A.1. |
| Comments | | <p>DoHA managed national programs and initiatives include (as per DoHA's National Mental Health Report 2010, p. 158-159):</p> <ul style="list-style-type: none"> • Some initiatives funded through national mental health reform funding provided under special appropriations linked to the Australian Health Care Agreements • DoHA-administered programs funded by the Australian Government under the COAG Action Plan on Mental Health 2006, excluding MBS expenditure through the Better Access to Psychiatrists, Psychologists and General Practitioners initiative and the National Suicide Prevention Program. These include the following programs: <ul style="list-style-type: none"> – Alerting the Community to Links between Illicit Drugs and Mental Illness – New Early Intervention Services for Parents, Children and Young People – Better Access to Psychiatrists, Psychologists, GPs – Education and Training component – New Funding For Mental Health Nurses – Mental Health Services in Rural and Remote Areas – Improved Services for People with Drug and Alcohol Problems and Mental Illness – Funding for Telephone Counselling, Self-help and Web based Support Programmes – Mental Health Support for Drought Affected Communities Initiative – Additional Education Places, Scholarships and Clinical Training in Mental Health –Scholarships and Clinical Training components only – Mental Health in Tertiary Curricula – Improving the Capacity of Health Workers in Indigenous Communities • National Mental Health Program • National Depression Initiative • Better Outcomes in Mental Health Care program (including ATAPS) • Youth Mental Health Initiative • OATSIH Emotional & Social Wellbeing Action Plan (base mental health funding only). |

| Expenditure item | | Australian Government expenditure FaHCSIA managed national programs and initiatives |
|--------------------------------------|-------------------------------|---|
| Value | | \$148 million |
| Description of estimation technique | | No estimate is required. Expenditure for 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on FaHCSIA managed national programs and initiatives in 2009-10 |
| | 1b) Value of variable | \$140 million |
| | 1c) Data source for variables | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 12A.1. |
| Comments | | <p>FaHCSIA managed national programs and initiatives include expenditure on three initiatives funded by the Australian Government under the COAG Action Plan on Mental Health (as per DoHA's National Mental Health Report 2010, p. 159):</p> <ul style="list-style-type: none"> • Personal Helpers and Mentors • More Respite Care Places to Help Families and Carers • Community based program to help families coping with mental illness). |

| Expenditure item | | Australian Government expenditure on the National Suicide Prevention Program |
|--------------------------------------|-------------------------------|--|
| Value | | \$23 million |
| Description of estimation technique | | No estimate is required. Expenditure for 2009-10 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Australian Government expenditure on the National Suicide Prevention Program in 2009-10 |
| | 1b) Value of variable | \$22 million |
| | 1c) Data source for variables | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 12A.1. |
| Comments | | N/A |

2.9 Mental health-related payments by injury compensation insurers

| Expenditure item | | Workers Compensation Payments |
|--------------------------------------|-------------------------------|--|
| Value | | \$41 million |
| Description of estimation technique | | Expenditure by Workers Compensation insurers on goods and services utilised as a result of mental stress in 2008-09 (1) is adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure by Workers Compensation insurers on goods and services utilised as a result of mental stress in 2008-09 |
| | 1b) Value of variable | \$37 million |
| | 1c) Data source for variables | Data provided by Safe Work Australia |
| Comments | | This expenditure figure excludes Workers Compensation insurer payments for compensation and to cover common law, legal and funeral costs. These expenses appear in the 'Workers Compensation' section of the non-health expenditure. |

| Expenditure item | | Compulsory Third Party insurer payments |
|--------------------------------------|-------------------------------|---|
| Value | | \$65 million* |
| Description of estimation technique | | Expenditure by Compulsory Third Party insurers on all health goods and services in 2009-10 (1) is multiplied by the proportion of national total gross recurrent expenditure on health services that relates to mental health services and related activity (2). The result is then adjusted for inflation and population growth to derive an estimate for 2010-11. |
| Variables used to construct estimate | 1a) Variable | Expenditure by Compulsory Third Party insurers on all health goods and services in 2009-10 |
| | 1b) Value of variable | \$877 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2011), Health expenditure Australia 2009-10, Health and welfare expenditure series no 46., AIHW, Cat No. HWE55, Canberra, p.41-42. |
| | 2a) Variable | Proportion of national total gross recurrent expenditure on health services that relates to mental health services and related activity |
| | 2b) Value of variable | 7.0% |
| | 2c) Data source for variables | Department of Health and Ageing (2010), National mental health report 2010: Summary of 15 years of reform in Australia's mental health services under the National Mental Health Strategy 1993-2008, Commonwealth of Australia, Canberra, p.24 |
| Comments | | * This value is likely to underestimate total expenditure by Compulsory Third Party insurers on mental health goods and services according to confidential discussions with compulsory third party insurers. |

2.10 Corporate expenditure on mental health services

| Expenditure item | | Employee Assistance Programs |
|-------------------------------------|--|------------------------------|
| Value | | \$120 million |
| Description of estimation technique | | Medibank estimate |
| Comments | | N/A |

| Expenditure item | | Other corporate expenditure on mental health services |
|------------------|--|---|
| Comments | | Estimates of corporate expenditure on mental health services other than Employee Assistance Programs, such as corporate health and wellbeing programs, are not available. |

2.11 Mental health services in the criminal system

| Expenditure item | Juvenile correctional mental health services |
|-------------------------------------|---|
| Value | \$7 million* |
| Description of estimation technique | Confidential state data on non-psychiatric juvenile correctional mental health services is combined with state and territory population figures to estimate total Australian expenditure |
| Comments | <p>* This value underestimates expenditure on juvenile correctional mental health services as it only include non-psychiatric (i.e. psychology and counselling) services. Expenditure on medical (including psychiatric) services is excluded as a robust estimate for this is unavailable.</p> <p>This figure relates to mental health services provided to young offenders in custody and in the community.</p> |

| Expenditure item | Adult correctional mental health services | |
|--------------------------------------|--|---|
| Value | \$232 million* | |
| Description of estimation technique | Expenditure on specialised mental health public hospital services for the forensic population aged 18-64 years in 2008-09 (1) is added to the expenditure on community mental health services for the forensic population aged 18-64 years in 2008-09 (2). The result is then adjusted for inflation and population growth to derive an estimate for 2010-11. | |
| Variables used to construct estimate | 1a) Variable | Expenditure on specialised mental health public hospital services for the forensic population aged 18-64 years in 2008-09 |
| | 1b) Value of variable | \$159 million |
| | 1c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.5 |
| | 2a) Variable | Expenditure on community mental health services for the forensic population aged 18-64 years in 2008-09 |
| | 2b) Value of variable | \$48 million |
| | 2c) Data source for variables | Australian Institute of Health and Welfare (2010), Mental health services in Australia, 2008-09: 14 Expenditure on mental health services (version 1.1) data tables, Available at: http://mhsa.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=8589934607&libID=8589934607 , Table 14.7 |
| Comments | <p>* This value underestimates total expenditure on adult correctional mental health services as it excludes expenditure on the forensic population aged 65 years and above.</p> <p>Components of the expenditure on adult correctional mental health services are included in the expenditure figures in the 'Services provided by specialised psychiatric units in public acute hospitals' and 'Public psychiatric hospital services' sections. The expenditure identified in this 'Adult correctional mental health services' section is not incorporated in the calculations used to determine total expenditure on supporting people with a mental illness. It is simply intended to demonstrate the cost of providing these particular services. This expenditure is therefore not double counted.</p> | |

3. Estimation of non-health expenditure

The following tables describe how the various elements of non-health expenditure were calculated, the variables used in the estimate and the source of the estimate. All figures are from 2010-11 unless otherwise noted.

Expenditure figures may differ slightly from the results of calculations involving the variables provided due to the effects of rounding.

Data deficiencies mean that it is not possible to accurately estimate some of the following components and in some instances the figures presented below will underestimate true expenditure. An asterisk (*) is used to highlight such instances.

3.1 Support payments

Income support

| Expenditure item | | Disability Support Pension (DSP) |
|--------------------------------------|------------------------------|--|
| Value | | \$3,913 million |
| Description of estimation technique | | Total DSP payments (1) is multiplied by the proportion of recipients whose primary medical condition is classified as 'Psychological/Psychiatric' (2). |
| Variables used to construct estimate | 1a) Variable | Total DSP payments |
| | 1b) Value of variable | \$13,286 million |
| | 1c) Data source for variable | FaHCSIA (2011) Facts and Figures, p. 9. |
| | 2a) Variable | Proportion of total DSP recipients whose primary medical condition is classified as 'Psychological/Psychiatric' |
| | 2b) Value of variable | 29% |
| | 2c) Data source for variable | FaHCSIA (2011) Characteristics of Disability Support Pension Recipients, Table 13, p. 21 |
| Comments | | n/a |

| Expenditure item | | Newstart Allowance |
|--------------------------------------|------------------------------|---|
| Value | | \$492 million |
| Description of estimation technique | | Total Newstart Allowance payments (1) is multiplied by the proportion of recipients who have a disability (2). This product is multiplied by the proportion of disability recipients whose primary disability is mental illness (3). |
| Variables used to construct estimate | 1a) Variable | Total Newstart Allowance payments |
| | 1b) Value of variable | \$6,149 million |
| | 1c) Data source for variable | DEEWR (2011), Annual Report 2010-11, p. 295. |
| | 2a) Variable | Proportion of Newstart Allowance and Youth Allowance recipients who have a disability |
| | 2b) Value of variable | 16% |
| | 2c) Data source for variable | DEEWR (2010) Response to Senate Education Employment and Workplace Relations Committee Question on Notice EW0534_11 (quoted in ACOSS (2011) "Beyond stereotypes: Myths and facts about people of working age who receive social security", ACOSS Paper 175, Table 1, p. 11) |
| | 3a) Variable | Proportion of disability recipients whose primary source of disability is mental illness |
| | 3b) Value of variable | 50% |
| | 3c) Data source for variable | AIHW (2008) Making progress: the health, development and well-being of Australia's children and young people, AIHW Cat. No. PHE 104. Canberra: AIHW, p. 31 |
| Comments | | n/a |

| Expenditure item | | Youth Allowance (other) |
|--------------------------------------|------------------------------|---|
| Value | | \$57 million |
| Description of estimation technique | | Total Youth Allowance payments (1) is multiplied by the proportion of recipients who have a disability (2). This product is multiplied by the proportion of disability recipients whose primary disability is mental illness (3). |
| Variables used to construct estimate | 1a) Variable | Total Youth Allowance payments |
| | 1b) Value of variable | \$708 million |
| | 1c) Data source for variable | DEEWR (2011), Annual Report 2010-11, p. 295. |
| | 2a) Variable | Proportion of Newstart Allowance and Youth Allowance recipients with a disability |
| | 2b) Value of variable | 16% |
| | 2c) Data source for variable | DEEWR (2010) Response to Senate Education Employment and Workplace Relations Committee Question on Notice EW0534_11 (quoted in ACOSS (2011) "Beyond stereotypes: Myths and facts about people of working age who receive social security", ACOSS Paper 175, Table 1, p. 11) |
| | 3a) Variable | Proportion of disability recipients whose primary source of disability is mental illness |
| | 3b) Value of variable | 50% |
| | 3c) Data source for variable | AIHW (2008) Making progress: the health, development and well-being of Australia's children and young people, AIHW Cat. No. PHE 104. Canberra: AIHW, p. 31 |
| Comments | | n/a |

| Expenditure item | | Sickness Allowance |
|--------------------------------------|------------------------------|---|
| Value | | \$19 million |
| Description of estimation technique | | Total Sickness Allowance expenditure (1) is multiplied by the proportion of recipients with a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total Sickness Allowance payments |
| | 1b) Value of variable | \$85 million |
| | 1c) Data source for variable | DEEWR (2011), Annual Report 2010-11, p. 295. |
| | 2a) Variable | Proportion of Sickness Allowance payments due to mental illness |
| | 2b) Value of variable | 22.6% |
| | 2c) Data source for variable | Department of Employment and Workplace Relations (2005) Characteristics of Sickness Allowance Recipients, p. 11. |

| Expenditure item | | Pensioner Education Supplement |
|--------------------------------------|------------------------------|---|
| Value | | \$26 million |
| Description of estimation technique | | Total Pensioner Education Supplement expenditure (1) is multiplied by the proportion of payments due to mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total Pensioner Education Supplement expenditure |
| | 1b) Value of variable | \$86 million |
| | 1c) Data source for variable | DEEWR, Annual Report 2010-11, p. 295. |
| | 2a) Variable | Proportion of Pensioner Education Supplement payments due to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | n/a |

| Expenditure item | | Veterans' Disability Support Pension |
|--------------------------------------|------------------------------|--|
| Value | | \$141 million |
| Description of estimation technique | | Total Disability Pension expenditure |
| Variables used to construct estimate | 1a) Variable | Total Disability Payment expenditure (1) is multiplied by the proportion of accepted claims (2) that are mental health-related (3). |
| | 1b) Value of variable | \$1,547 million |
| | 1c) Data source for variable | Department of Veterans Affairs (2011), Annual Report 2010-11, p. 86 |
| | 2a) Variable | Number of accepted claims for disability pension based on the top 15 most frequently claimed disabilities for 2010-11 |
| | 2b) Value of variable | 11,462 |
| | 2c) Data source for variable | Department of Veterans Affairs (2011), Annual Report 2010-11, p. 89 |
| | 3a) Variable | Number of accepted claims for disability pension in the top 15 most frequently claimed disabilities that are mental health-related |
| | 3b) Value of variable | 1,046 (comprised of post traumatic stress disorder 532, depressive disorder 257, alcohol dependence 257) |
| | 3c) Data source for variable | Department of Veterans Affairs (2011), Annual Report 2010-11, p. 89 |
| Comments | | Data is not available for the area of disability for all current recipients of the Disability Pension. It is therefore assumed that: <ul style="list-style-type: none"> • data for 2010-11 is representative for all recipients • the proportion of accepted claims for disability that are mental health-related for the top 15 most frequently claimed disabilities is true for the total number of claims (the top 15 claims are the overwhelming majority of all claims) |

| Expenditure item | | Military Rehabilitation and Compensation payments |
|--------------------------------------|------------------------------|---|
| Value | | \$13 million |
| Description of estimation technique | | <p>This includes expenditure on two programs. Expenditure on each separate program is not identified. The total value relating to mental health is calculated as the sum of:</p> <ul style="list-style-type: none"> • Safety, Rehabilitation and Compensation Act 1988 (SRCA) – total expenditure (1) multiplied by the proportional expenditure on SRCA (2) multiplied by the proportion of 2011 SRCA acceptances relating to mental illness (3) • Safety, Rehabilitation and Compensation Act 1988 (SRCA) – total expenditure (1) multiplied by the proportional expenditure on MRCA (4) multiplied by the proportion of 2011 MRCA acceptances relating to mental illness (5) |
| Variables used to construct estimate | 1a) Variable | Total expenditure on SRCA and MRCA |
| | 1b) Value of variable | \$230 million |
| | 1c) Data source for variable | Department of Veteran's Affairs, Annual Report 2010-11, p. 103. |
| | 2a) Variable | Proportion expenditure on SRCA |
| | 2b) Value of variable | 65% |
| | 2c) Data source for variable | <p>Department of Veteran's Affairs, Annual Report 2010-11, p. 103.</p> <p>Total expenditure weighted by the number of incapacity and lump sum payees receiving SCRA (3,640) as proportion of total (5,831) and the average size of incapacity payment (SRCA \$28,163 compared with MRCA \$24,749) in 2010-11.</p> |
| | 3a) Variable | Proportion of 2011 SRCA acceptances relating to mental illness |
| | 3b) Value of variable | 5% |
| | 3c) Data source for variable | <p>Department of Veteran's Affairs, Annual Report 2010-11, Table 25, p. 105.</p> <p>Comprised of mental disorders (80) as a proportion of the number accepted across top 15 claimed disabilities (1,637).</p> |
| | 4a) Variable | Proportion expenditure on MRCA |
| | 4b) Value of variable | 35% |
| | 4c) Data source for variable | <p>Department of Veteran's Affairs, Annual Report 2010-11, p. 108.</p> <p>Total expenditure weighted by the number of incapacity and lump sum payees receiving MCRA (2,191) as proportion of total (5,831) and the average size of incapacity payment (SRCA \$28,163 compared with MRCA \$24,749) in 2010-11.</p> |
| | 5a) Variable | Proportion of 2011 MRCA acceptances relating to mental illness |
| | 5b) Value of variable | 7% |
| | 5c) Data source for variable | <p>Department of Veteran's Affairs, Annual Report 2010-11, Table 25, p. 108. Comprised of depressive disorders (105) and post-traumatic stress disorder (121) as a proportion of the number accepted across top 15 claimed disabilities (3,098).</p> |
| Comments | | <p>Data is not available for the area of disability for all current recipients of SCRA and MRCA. It is therefore assumed that data for 2010-11 is representative for all recipients.</p> <p>Relative expenditure on each (SRCA and MRCA) is weighted by the number of recipients and the average size of incapacity payments falling under each Act.</p> |

Insurance payments

| Expenditure item | Total and permanent disability (TPD) and income protection (IP) payments |
|-------------------------------------|---|
| Value | \$1,045 million |
| Description of estimation technique | This figure is estimated using confidential data provided by a major industry superannuation fund on its TPD and IP payments related to mental illness and its market share of the group risk market. This figure is then grossed up to account for the retail risk market which is significantly larger than the group risk market (estimated to be 66% and 34% of total risk market, respectively). |
| Comments | n/a |

| Expenditure item | Workers compensation | |
|--------------------------------------|---|--------------------------------------|
| Value | \$196 million | |
| Description of estimation technique | Total direct cost of mental stress to worker's compensation insurers' 2008-09 compensation payments (1) and non-compensation payments (2) are added together. The result is then adjusted for inflation and population growth to derive a 2010-11 estimate. | |
| Variables used to construct estimate | 1a) Variable | Compensation payments |
| | 1b) Value of variable | \$139.1 million |
| | 1c) Data source for variable | Data provided by Safe Work Australia |
| | 2a) Variable | Non-compensation payments |
| | 2b) Value of variable | \$32.8 million |
| | 2c) Data source for variable | Data provided by Safe Work Australia |
| Comments | n/a | |

| Expenditure item | Compulsory Third-Party (CTP) insurance | |
|--------------------------------------|---|---|
| Value | \$52 million | |
| Description of estimation technique | The non-health component of CTP expenditure is derived by subtracting expenditure on health goods and services 2009-10 (2) (adjusted for inflation and population growth) from total gross incurred claims from direct insurers in Australia 2010-11 for CTP (1). This figure is multiplied by the proportion attributable to mental illness (3). | |
| Variables used to construct estimate | 1a) Variable | Gross incurred claims from direct insurers in Australia 2010-11 for CTP |
| | 1b) Value of variable | \$2,410 million |
| | 1c) Data source for variable | APRA Statistics, General Insurance Supplementary Statistical Tables, June 2011, Table 2, p.7. |
| | 2a) Variable | CTP expenditure on health goods and services 2010-11 |
| | 2b) Value of variable | \$877 million |
| | 2c) Data source for variable | AIHW (2010), Health Expenditure Australia 2009-10, p.41-42. |
| | 3a) Variable | Proportion of non-health CTP expenditure attributable to mental illness |
| | 3b) Value of variable | 3.5% |
| | 3c) Data source for variable | Nous assumption; assumed to be half of health expenditure (7.0%) |
| Comments | n/a | |

Non income support

| Expenditure item | | Rent Assistance |
|--------------------------------------|------------------------------|---|
| Value | | \$431 million |
| Description of estimation technique | | Rent assistance comprises Australian Government expenditure (1) and state/territory government expenditure (2). Expenditure in each category is multiplied by the proportion of householders with a disability (3). This product is multiplied by the proportion of those whose primary disability is mental illness (4). |
| Variables used to construct estimate | 1a) Variable | Total Australian Government expenditure on rent assistance |
| | 1b) Value of variable | \$3,100 million |
| | 1c) Data source for variable | FaHCSIA (2011), Facts and Figures, p. 15 |
| | 2a) Variable | Total state/territory government expenditure on rent assistance |
| | 2b) Value of variable | \$165 million |
| | 2c) Data source for variable | Only NSW, WA and SA publish expenditure data on rent assistance schemes. Data for the other states and territories was calculated using average per person expenditure across NSW, WA and SA. |
| | 3a) Variable | Proportion of householders receiving Commonwealth Rental Assistance with a disability |
| | 3b) Value of variable | 44% |
| | 3c) Data source for variable | ABS Cat. No. 4102.0 – Australian Social Trends, Sep 2011, p. 3 |
| | 4a) Variable | Proportion of those with a disability whose primary disability is mental illness |
| | 4b) Value of variable | 30% |
| | 4c) Data source for variable | Nous assumption |
| Comments | | It is assumed that the incidence of mental illness among people who receive state/territory assistance is equivalent to the incidence among people who receive Australian Government rent assistance. |

| Expenditure item | | Taxi subsidy schemes |
|--------------------------------------|------------------------------|--|
| Value | | \$36 million |
| Description of estimation technique | | Total state/territory government expenditure on taxi subsidy schemes (1) is multiplied by the proportion of expenditure related to mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total state/territory government expenditure on taxi subsidy schemes |
| | 1b) Value of variable | \$120 million |
| | 1c) Data source for variable | State and territory expenditure is drawn from the annual report of the Department of Transport or related department. |
| | 1d) Estimate technique | NT has a taxi subsidy scheme but does not publish expenditure on the program. Expenditure is estimated by multiplying average expenditure per person for all other states & territories and NT's population. (Population data is drawn from ABS (2011) Cat. No. 3101.0 Australian Demographic Statistics.) |
| | 2a) Variable | Proportion of expenditure related to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | n/a |

| Expenditure item | | Community transport schemes |
|--------------------------------------|------------------------------|---|
| Value | | \$48 million |
| Description of estimation technique | | All states and territories (either centrally and/or through local government) provide some form of community transport assistance, to assist people who are otherwise unable to travel using a private vehicle or public transport. Only the NSW Government provides a specific figure for expenditure (1). Expenditure for all states and territories is calculated as a proportion of NSW expenditure, using state/territory population data. This figure is multiplied by the proportion of expenditure related to mental illness (2) to determine total expenditure across all states and territories. |
| Variables used to construct estimate | 1a) Variable | NSW Government expenditure on Community Transport |
| | 1b) Value of variable | \$51 million |
| | 1c) Data source for variable | NSW Transport 2010-11 Annual Report, p. 83 |
| | 2a) Variable | Proportion of expenditure related to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | n/a |

| Expenditure item | | Financial Management Program |
|--------------------------------------|------------------------------|--|
| Value | | \$37 million |
| Description of estimation technique | | Total Financial Management program expenditure (1) is multiplied by the proportion of expenditure related to mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total Financial Management Program expenditure |
| | 1b) Value of variable | \$123 million |
| | 1c) Data source for variable | FaHCSIA (2011) Facts and Figures, p. 16 |
| | 2a) Variable | Proportion of expenditure related to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | n/a |

| Expenditure item | | Mobility Allowance |
|--------------------------------------|------------------------------|--|
| Value | | \$39 million |
| Description of estimation technique | | Total Mobility allowance expenditure (1) is multiplied by the proportion of expenditure related to mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total Mobility allowance expenditure |
| | 1b) Value of variable | \$130 million |
| | 1c) Data source for variable | DEEWR (2011), Annual Report 2010-11, p. 295. |
| | 2a) Variable | Proportion of expenditure related to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | n/a |

Payments to carers

| Expenditure item | | Carer payment |
|--------------------------------------|-------------------------------|--|
| Value | | \$457 million* |
| Description of estimation technique | | Total Carer payment expenditure (1) is multiplied by the proportion of people receiving care for whom their most important problem is psychological (2). |
| Variables used to construct estimate | 1a) Variable | Total Carer payment expenditure |
| | 1b) Value of variable | \$2,730 million |
| | 1c) Data source for variable | FaHCSIA (2011) Facts and Figures, p. 10 |
| | 2a) Variable | Proportion of people receiving care for whom their most important problem is psychological |
| | 2b) Value of variable | 17% |
| | 2c) Data source for variable | ABS Cat No. 4436.0, Caring in the community Australia 2009, Table 20 |
| | 2d) Explanation of estimation | The above calculation is for people requiring more than 40 hours of care a week as the carer payment eligibility is restricted to people who provide constant care. The psychological category is the only category that relates to mental illness. |
| Comments | | The above estimate may understate the true expenditure. The ABS lists five categories of disability – sensory, intellectual, physical, psychological, and head injury, stroke or other brain damage. It is possible that some conditions within intellectual disability (defined as “difficulty learning or understanding things”) may be relevant to mental illness. (Psychological disability is defined as: “nervous or emotional condition that restricts everyday activities” and “mental illness or condition requiring help or supervision”.) |

| Expenditure item | | Carer allowance |
|--------------------------------------|-------------------------------|--|
| Value | | \$235 million* |
| Description of estimation technique | | Total Carer payment expenditure (1) is multiplied by the proportion of people receiving care for whom their most important problem is psychological (2). |
| Variables used to construct estimate | 1a) Variable | Total Carer allowance expenditure |
| | 1b) Value of variable | \$1,605 million |
| | 1c) Data source for variable | FaHCSIA (2011) Facts and Figures, p. 10 |
| | 2a) Variable | Proportion of people receiving care for whom their most important problem is psychological |
| | 2b) Value of variable | 15% |
| | 2c) Data source for variable | ABS Cat No. 4436.0, Caring in the community Australia 2009, Table 20 |
| | 2d) Explanation of estimation | The above calculation is for people requiring at least 20 hours of care a week with Carer allowance eligibility based on a person who needs a lot of care and attention on a daily basis. The psychological category is the only category that relates to mental illness. |
| Comments | | See comment in preceding table. |

3.2 Aged care

| Expenditure item | | Residential care services |
|--------------------------------------|------------------------------|--|
| Value | | \$270 million* |
| Description of estimation technique | | Total expenditure on the residential aged care subsidy and supplements (1) is multiplied by the proportion of the daily ACFI subsidy rates related to the behavioural high care supplement (2). |
| Variables used to construct estimate | 1a) Variable | Total expenditure on the residential aged care subsidy and supplements |
| | 1b) Value of variable | \$1,422 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 13A.5. |
| | 2a) Variable | Proportion of daily ACFI subsidy rates related to behavioural high care supplement |
| | 2b) Value of variable | 19% |
| | 2c) Data source for variable | Department of Health and Ageing (2011), Aged Care Funding Instrument Residential Aged Care Subsidies, Basic Subsidy Rates, Table 1 – Daily ACFI subsidy rates. The proportion is calculated as the proportion of the behavioural high care subsidy of all daily subsidies paid under the ACFI. |
| Comments | | <p>To receive the behavioural high care supplement, the recipient requires either a: dementia diagnosis; provisional dementia diagnosis; psychiatric diagnosis; or other diagnosed behavioural problem.</p> <p>This estimate is likely to understate the true expenditure on supporting people with mental illness in residential aged care facilities. The proportion of residents in behavioural high care is much larger (48%). It would be inappropriate to use the higher figure as some of these residents also receive supplements unrelated to mental illness. It is not possible to calculate the true figure, which would lie somewhere between 19% and 48%. The estimate will also exclude residents with an undiagnosed mental illness.</p> <p>The estimate only considers the supplementary payments made relating to mental illness and assumes residents would still be in aged care facilities if they did not suffer from mental illness (due to general frailty). The base costs of providing aged care services are therefore not included.</p> |

| Expenditure item | | Community care services |
|--------------------------------------|------------------------------|---|
| Value | | \$118 million* |
| Description of estimation technique | | Extended Aged Care at Home – Dementia (EACH-D) expenditure (1) is used as the only mental illness-specific community care package noted in the Report on Government Services. |
| Variables used to construct estimate | 1a) Variable | Extended Aged Care at Home – Dementia (EACH-D) expenditure |
| | 1b) Value of variable | \$ 118 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 13A.5. |
| Comments | | This figure may underestimate the true expenditure on community care services related to mental illness. There are a number of additional programs and services to aged care residents in community care. This estimate only considers the supplementary payments made relating to mental illness. It assumes these residents would still require community care if they did not suffer from mental illness. These additional costs of providing community care are therefore not included. |

| Expenditure item | | Dementia education and support |
|--------------------------------------|------------------------------|---|
| Value | | \$1.7 million* |
| Description of estimation technique | | The expenditure on dementia education and support (1) is noted as the only Department of Health and Ageing service provided in mixed delivery settings that relates specifically to mental illness. |
| Variables used to construct estimate | 1a) Variable | Expenditure on dementia education and support |
| | 1b) Value of variable | \$ 1.7 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 13A.5. |
| Comments | | This figure may underestimate the true expenditure on services provided in mixed delivery settings related to mental illness. There are a number of additional programs and services relating to services provided in mixed delivery settings. Our estimate only considers the supplementary payments made relating to mental illness. It assumes these remaining services would still be required if they did not suffer from mental illness. This additional expenditure is therefore not included. |

3.3 Services for those with a disability

| Expenditure item | | Accommodation support |
|--------------------------------------|------------------------------|--|
| Value | | \$837 million |
| Description of estimation technique | | Total Accommodation support expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total state /territory government expenditure on accommodation support |
| | 1b) Value of variable | \$2,790 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

| Expenditure item | | Community support |
|--------------------------------------|------------------------------|--|
| Value | | \$290 million |
| Description of estimation technique | | Total Community support expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | \$966 million |
| | 1b) Value of variable | Total Australian and state & territory government expenditure on Community support |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

| Expenditure item | | Community access |
|--------------------------------------|------------------------------|--|
| Value | | \$199 million |
| Description of estimation technique | | Total Community access expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | \$664 million |
| | 1b) Value of variable | Total Australian and state & territory government expenditure on Community access |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

| Expenditure item | | Respite care services |
|--------------------------------------|------------------------------|--|
| Value | | \$112 million |
| Description of estimation technique | | Total Respite services expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | Total Australian and state & territory government expenditure on Respite services |
| | 1b) Value of variable | \$373 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

| Expenditure item | | Employment services |
|--------------------------------------|------------------------------|--|
| Value | | \$333 million |
| Description of estimation technique | | <p>An estimate of the value of total expenditure on open employment services and supported employment services for people whose primary disability is mental health-related is calculated using:</p> <ul style="list-style-type: none"> Total expenditure on disability employment services in 2010-11 (1) Estimated government expenditure per service users for open services and supported services in 2009-10 (2) Number of total users of open and supported employment services in 2009-10 (3) The proportion of users of disability employment services whose primary disability is mental health-related (4) <p>It is assumed that the proportion of expenditure on open and supported employment services is unchanged from 2009-10 to 2010-11.</p> |
| Variables used to construct estimate | 1a) Variable | Total Australian government expenditure on disability employment services |
| | 1b) Value of variable | \$683 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Estimated government expenditure per service users in 2009-10 for open services and supported services |
| | 2b) Value of variable | \$4,545 on open services; \$9,352 on supported services |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, p. 14.61. |
| | 3a) Variable | Number of total users of open and supported employment services in 2009-10 |
| | 3b) Value of variable | 97,745 open services; 21,258 supported services |

| Expenditure item | | Employment services |
|--------------------------------------|------------------------------|--|
| Variables used to construct estimate | 3c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.26 and Table 14A.27. |
| | 4a) Variable | Proportion of users of disability employment services whose primary disability is mental health-related |
| | 4b) Value of variable | 46.9% open services; 16.4% supported services Figures calculated based on the following classifications of disability – specific learning, autism and psychiatric. |
| | 4c) Data source for variable | AIHW (2011) Disability support services 2009-10, Report on services provided under the National Disability Agreement, Table 3.8, p. 22 |
| Comments | | n/a |

| Expenditure item | | Advocacy, information and print disability services |
|--------------------------------------|------------------------------|--|
| Value | | \$17 million |
| Description of estimation technique | | Total Advocacy, information and print services expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | \$17 million |
| | 1b) Value of variable | Total Australian and state & territory government expenditure on Advocacy, information and print services |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

| Expenditure item | | Other support services |
|--------------------------------------|------------------------------|--|
| Value | | \$55 million |
| Description of estimation technique | | Total Other support services expenditure (1) is multiplied by the proportion of users of National Disability Agreement (NDA) services whose primary disability is a mental illness (2). |
| Variables used to construct estimate | 1a) Variable | \$185 million |
| | 1b) Value of variable | Total Australian and state & territory government expenditure on Other support services |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.8. |
| | 2a) Variable | Proportion of users of NDA services whose primary disability is a mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 14A.14. Mental illness is defined as the following conditions – development delay, specific learning autism and psychiatric. The value is calculated as a proportion of those conditions reported. |
| Comments | | n/a |

3.4 Housing and homelessness services

| Expenditure item | | Social housing |
|--------------------------------------|------------------------------|---|
| Value | | \$1,506 million |
| Description of estimation technique | | The total recurrent government funding in 2010-11 on social housing (1) is multiplied by the prevalence rate of mental illness amongst social housing residents (2). |
| Variables used to construct estimate | 1a) Variable | Total state & territory government recurrent expenditure on social housing |
| | 1b) Value of variable | \$5,019 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 16A.2. |
| | 2a) Variable | Proportion of expenditure due to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | The appropriate assumption to use for the proportion of expenditure related to mental illness is unclear. A figure of 30% seems to be a conservative estimate based on some recent literature. Johnson and Chamberlain (2011), in a study of 4,291 homeless people in Melbourne, found that 15% of the homeless had mental health issues prior to becoming homeless and 16% developed mental health issues after becoming homeless ("Are the Homeless Mentally Ill?", Australian Journal of Social Issues, Vol. 46, No. 1, Autumn). The sum of these figures will be an underestimate for the purposes of this report as Johnson and Chamberlain do not include substance abuse in their definition of mental illness. Mission Australia (2012), with a smaller sample size of 253 Sydney homeless men, report that prior to receiving assistance 46.2% of their sample suffered from high or very high psychological distress. Of various mental disorders, 50% suffered from a substance-use disorder, 33.7% from a mood disorder, 29.8% from an anxiety disorder, 14.4% from a psychotic disorder and 11.5% from a personality disorder (The Michael Project, 2007-2010: New perspectives and possibilities for homeless men, Sydney: Mission Australia, p. 28). |
| Expenditure item | | Shelters and temporary accommodation |
| Value | | \$102 million |
| Description of estimation technique | | The total recurrent government fund in 2010-11 on homelessness services (1) is multiplied by the proportion of homelessness agencies delivering shelter and temporary accommodation (2) and the prevalence rate of mental illness amongst the homeless (3). |
| Variables used to construct estimate | 1a) Variable | Total state & territory government expenditure on homeless outreach programs and services |
| | 1b) Value of variable | \$482 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 17A.5 |
| | 2a) Variable | Proportion of agencies providing shelter and temporary accommodation services (defined as crisis/short term and medium/long term accommodation) |
| | 2b) Value of variable | 70.5% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 17A.3 |
| | 3a) Variable | Proportion of expenditure due to mental illness |
| | 3b) Value of variable | 30% |
| | 3c) Data source for variable | Nous assumption |
| Comments | | See comments in preceding box. |

| Expenditure item | | Homeless programs and services (non-accommodation) |
|--------------------------------------|------------------------------|--|
| Value | | \$43 million |
| Description of estimation technique | | The total recurrent government funding in 2010-11 on homelessness services (1) is multiplied by the proportion of homelessness agencies delivering outreach programs and services (2) and the prevalence rate of mental illness amongst the homeless (3). |
| Variables used to construct estimate | 1a) Variable | Total state & territory government expenditure on homeless outreach programs and services |
| | 1b) Value of variable | \$482 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 17A.5 |
| | 2a) Variable | Proportion of agencies providing homeless outreach programs and services (defined as non-accommodation services) |
| | 2b) Value of variable | 29.5% |
| | 2c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Canberra, Attachment Tables, Table 17A.3 |
| | 3a) Variable | Proportion of expenditure due to mental illness |
| | 3b) Value of variable | 30% |
| | 3c) Data source for variable | Nous assumption |
| Comments | | <p>This estimate assumes:</p> <ul style="list-style-type: none"> unit cost of different homelessness services across agencies is constant number of agencies assumed to correspond to number of services proportion of agencies providing non-accommodation services is unchanged from 2009-10 to 2010-11 (as 2010-11 data is not available). <p>The explanation for the proportion of expenditure due to mental illness is in the preceding table.</p> |

3.5 Education and training

| Expenditure item | | Special schools and support classes |
|--------------------------------------|------------------------------|---|
| Value | | \$718 million |
| Description of estimation technique | | Total targeted funding for students with a disability (1) is adjusted for inflation and multiplied by the proportion of school disability services related to mental illness (2) |
| Variables used to construct estimate | 1a) Variable | Targeted funding for students with disability needs from Australian and state & territory governments in 2009-10 is adjusted for inflation and population growth to estimate a 2010-11 figure. |
| | 1b) Value of variable | \$2,280 million |
| | 1c) Data source for variable | <p>This figure is the multiple of:</p> <ul style="list-style-type: none"> National average targeted funding per student with disability: \$12,322 (Source: Australian Council for Educational Research (2011) "Assessment of current process for targeting of schools funding to disadvantaged students", Figure 29, Average funding per targeted student, government schools 2009-10, p. 38.) Total funded students with a disability in Australia: 172,311 (Source: Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 4A.26.) |
| | 2a) Variable | Average proportion of disability school services related to mental illness |

| Expenditure item | | Special schools and support classes |
|--------------------------------------|------------------------------|--|
| Variables used to construct estimate | 2b) Value of variable | 29% |
| | 2c) Data source for variable | This figure is calculated using NSW data. It is the weighted average of: <ul style="list-style-type: none"> Proportion of special schools in NSW that cater to mental illness/behavioural disorder/emotional disturbance (33%) Proportion of support classes in regular schools that cater to mental illness (24%) This data is from NSW Department of Education and Communities (2011), Special education classes and provisions, p. 1-2. |
| Comments | | n/a |

| Expenditure item | | Higher Education Disability Support Program |
|--------------------------------------|------------------------------|--|
| Value | | \$2 million |
| Description of estimation technique | | Total program expenditure (1) is multiplied by the proportion of expenditure due to mental illness (2) |
| Variables used to construct estimate | 1a) Variable | Expenditure on the two components of the Program: Additional Support for Students with Disabilities; and Performance-based Disability Support Funding |
| | 1b) Value of variable | \$6.7 million Additional Support for Students with Disabilities (\$5.7 million); and Performance-based Disability Support Funding (\$1 million) |
| | 1c) Data source for variable | DEEWR web site: http://www.deewr.gov.au/highereducation/programs/equity/hedisabilitysupportprogram/Pages/Home.aspx#assd , accessed 24 April 2012. |
| | 2a) Variable | Proportion of expenditure related to mental illness |
| | 2b) Value of variable | 30% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | Expenditure for Additional Support for Students with Disabilities is reimbursement to institutions for the 2010 calendar year. Performance-based Disability Support Funding is expenditure for the 2011 calendar year. |

3.6 Justice

Estimating the proportion of expenditure on various justice services that is directly a cause of mental illness is extremely difficult. (The one exception is specialised mental health boards and tribunals.) As noted in the report, there is no data on the proportion of crimes that directly result from mental illness. There is UK data on the proportion of incidents that police deal with that are mental health-related. This can be used to generate an estimate of police expenditure related to mental illness. This proportion is then used to generate estimates on the expenditure in the court system and prisons & community corrections related to mental illness. This likely leads to a (possibly substantial) underestimate of true expenditure justice expenditure related to mental illness. These matters are noted in the following tables.

| Expenditure item | | Police |
|--------------------------------------|------------------------------|--|
| Value | | \$1,330 million |
| Description of estimation technique | | Total state /territory government expenditure on police services (1) is multiplied by the proportion of police incidents that are mental health-related (2). |
| Variables used to construct estimate | 1a) Variable | State & territory government real recurrent expenditure on police services |
| | 1b) Value of variable | \$8,869 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 6A.10 |
| | 2a) Variable | Proportion of incidents police deal with that are mental health-related |
| | 2b) Value of variable | 15% |
| | 2c) Data source for variable | Sainsbury Centre for Mental Health (2008), Briefing 36, "The police and mental health", p. 2. |
| Comments | | <p>The proportion of incidents that are mental health-related is drawn from unpublished research undertaken within the London based Metropolitan Police (which employs more than 32,500 officers together with about 14,200 police staff).</p> <p>This evidence is likely to be more reliable than the only Australian evidence which reports that 10% of police time is spent dealing with people with mental health problems, based on a survey of 131 Sydney police officers (Fry, A.J. et al (2002) "Social control agents or front-line carers for people with mental health problems: police and mental health services in Sydney, Australia", Health and Social Care in the Community, 10(4), 277-286, p. 280).</p> |

| Expenditure item | | Court expenditure (criminal cases heard before Magistrates, Children's, District and Supreme) |
|--------------------------------------|------------------------------|--|
| Value | | \$1,072 million* |
| Description of estimation technique | | Total state/territory government expenditure on criminal cases (1) is multiplied by an estimate of the proportion of people appearing before courts on criminal charges consequent on their mental illness (2). |
| Variables used to construct estimate | 1a) Variable | State /territory government total court expenditure on criminal cases |
| | 1b) Value of variable | \$7,144 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 7A.12 |
| | 2a) Variable | Estimated persons appearing before courts on criminal charges consequent on their mental illness |
| | 2b) Value of variable | 15% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | This figure is likely to underestimate true expenditure on criminal cases. It is assumed that the proportion of criminal cases that are a consequence of mental illness is equivalent to the proportion of incidents police deal with that are mental health-related. The true percentage may be higher, though no accurate estimate exists. To cite one example, the Western Australian Mental Health Commission notes that "About 40% of adults and juveniles who pass through courts and prisons have a mental health problem" (see: http://www.mentalhealth.wa.gov.au/ournewapproach/justice.aspx). |

| Expenditure item | | Specialised mental health courts/tribunals |
|--------------------------------------|------------------------------|---|
| Value | | \$9 million |
| Description of estimation technique | | Four states publish expenditure for their mental health review board or tribunal – NSW, Victoria, Tasmania and Western Australia (1). Expenditure data for the other states and territories is estimated by constructing an average amount per hearing for NSW, Victoria and Tasmania (2) and multiplying this by the number of hearings in Queensland, SA and the NT. (The ACT does not have a specialised mental health board or tribunal.) |
| Variables used to construct estimate | 1a) Variable | Actual mental health review board/tribunal expenditure |
| | 1b) Value of variable | NSW – \$4.9 million Victoria – \$2.7 million Western Australia – \$0.3 million Tasmania – \$0.4 million |
| | 1c) Data source for variable | NSW – NSW mental health review tribunal, Annual Report 2011, Appendix 5 – Financial summary, p.46. Victoria – Mental health review board of Victoria, Annual Report 2010, Financial summary, p.17. WA – Government of WA, Mental Health Commission website, Home > Our new approach > Justice & mental health, http://www.mentalhealth.wa.gov.au/ournewapproach/justice.aspx Tasmania – Mental health tribunal, Annual report 2010-11, Appendix 2 – MHT financial summary 2010-11, p.24. |
| | 2a) Variable | Average expenditure per hearing |
| | 2b) Value of variable | \$477 |
| | 2c) Data source for variable | Calculated using expenditure data in 1b) and data on number of hearings in 1c). |
| | 3a) Variable | Estimated mental health review board/tribunal expenditure |
| | 3b) Value of variable | Queensland – \$0.1 million South Australia – \$0.1 million Northern Territory – \$0.3 million |
| | 3c) Data source for variable | Nous estimate using 2b) and number of hearings reported in: <ul style="list-style-type: none"> Queensland mental health court, Annual Report 2010-11, Sittings, p. 1. SA Courts Administration Authority, Annual Report 2010-11, Magistrates Court Diversion Program, Table 51: participation by gender, p.42. Northern Territory Mental Health Review Tribunal, Annual Report 2010-2011, Section H: Statistical Report, Case Numbers By Location, p.15. |
| | Comments | |

| Expenditure item | | Prisons and community corrections |
|--------------------------------------|------------------------------|--|
| Value | | \$436 million* |
| Description of estimation technique | | Total expenditure on prisons and community corrections (1) is multiplied by the proportion of prison entrants whose criminal conviction and incarceration is consequent on their mental illness (2). |
| Variables used to construct estimate | 1a) Variable | State /territory government expenditure on prisons and community corrections |
| | 1b) Value of variable | \$2,909 million |
| | 1c) Data source for variable | Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 8A.12. |
| | 2a) Variable | Proportion of prison entrants whose criminal conviction and incarceration is consequent on their mental illness |
| | 2b) Value of variable | 15% |
| | 2c) Data source for variable | Nous assumption |
| Comments | | This figure is likely to underestimate true expenditure. It is assumed that the proportion of prison entrants whose criminal conviction and incarceration flowed from their mental illness is equivalent to the proportion of incidents police deal with that are mental health-related. As noted in the discussion of court expenditure, the true percentage may be higher, though no accurate estimate exists. |

| Expenditure item | | Juvenile justice |
|--------------------------------------|------------------------------|---|
| Value | | \$70 million* |
| Description of estimation technique | | <p>Only NSW reports expenditure on juvenile justice. Expenditure in other states and territories is estimated by multiplying:</p> <ul style="list-style-type: none"> the state and territory daily average number and rate of young people who were supervised in the community and in detention centres; and average cost per offender supervised in the community and in detention centres, based off NSW data. <p>Total expenditure on juvenile justice is calculated by adding the each state and territory's expenditure on juvenile justice. As the expenditure data relates to 2009-10 it is adjusted for inflation and population growth. This gives the total state /territory expenditure on Juvenile Justice in 2010-11 (1).</p> <p>The expenditure attributable to mental illness is calculated by multiplying the total state and territory expenditure on juvenile justice (1) by the proportion of incidents that are mental health-related (2).</p> |
| Variables used to construct estimate | 1a) Variable | State /territory government expenditure on juvenile justice |
| | 1b) Value of variable | \$469 million |
| | 1c) Data source for variable | <p>Nous calculation, using:</p> <ul style="list-style-type: none"> NSW Department of Human Services (2010), Juvenile Justice Annual Report Summary, 2009-2010, p2. Steering Committee for the Review of Government Service Provision (2012), Report on Government Services 2012, Productivity Commission, Attachment Tables, Table 15A.169. |
| | 2a) Variable | Proportion of incidents that are mental health-related |
| | 2b) Value of variable | 15% |
| | 2c) Data source for variable | Sainsbury Centre for Mental Health (2008), Briefing 36: The police and mental health, p.2. |
| | Comments | |

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