

SENATE SELECT COMMITTEE ON MENTAL HEALTH INQUIRY SUBMISSION of Douglas L. McIver

ATTACHMENT C

The National Mental Health Report 2004: Federal Outlays et al

The *National Mental Health Report 2004* has confirmed the enormous Federal Government outlays on PBS psychiatric drugs (approx. \$498M in 2001/02). PBS expenditure on psychiatric medication was the largest component of the Commonwealth's expenditure on mental health in 2001-02, accounting for 43.4% of the Commonwealth's mental health spending. Medicare consultant psychiatric services accounted for 17.2% of the estimated expenditure in 2001/02. Over 60% to just two areas which are both very closely related to psychiatric drug therapies!

The main driver of growth in Commonwealth spending on mental health since 1992-93 has been the increases in the cost of psychiatric drugs provided through the PBS. This accounted for 68% of the increase in Commonwealth spending on mental health since 1992-93.

The National Mental Health Report 2004 (Table A-39 p105) estimates that just over \$9M in 2001/02 (current prices) was allocated to mental health research by the Federal Government: a measly 0.8% of Federal mental health funding!! So disappointing as more and more money is expended on PBS drug therapies and associated Medicare psychiatry consultancy services by the Federal Government. This is of great concern.

The National Health and Medical Research Council (NMHRC) is the biggest source of funding for mental health research. In a document *Research priorities in mental health*, published in 2002, the Australian National University Centre for Mental Health Research, highlighted that

“the 8.9% of MHMRC funds spent on mental health research is small when compared to the 19.1% contribution of mental disorders to disease burden in Australia, but similar in magnitude to the 9.8% contribution of mental disorders to health system costs.”

The National Mental Health Report 2004 indicated that the Federal Government funded 37% of mental health expenditure in the Federal Commonwealth in 2001/02. The States and Territories funded 58% of mental health expenditure. Apart from Federal, States and Territories outlays in 2001/02, other mental health expenditure was funded through fees and private insurance.

Only 7.9% of the Federal expenditure on mental health was directed towards the NMHS in 2001/02. Will the Commonwealth's GST allocation to the States and its Territories mean less Federal funds being allocated to mental health through the NMHS?

The allocation of resources for mental health research, by all the jurisdictions of the Federal Commonwealth, will be monitored by all those interested in this area of significant work. And this includes those especially interested in holistic approaches to mental health rehabilitation and emotional health and wellbeing.

It is important in a Federal Commonwealth to have a mutual recognition of the constitutional responsibilities of each jurisdiction and the inter-dependence of each for providing optimum mental health services to the people of the Federal Commonwealth of Australia.

In part, the National Mental Health Strategy can highlight whether goals and objectives are being achieved in the context of constitutional responsibilities, United Nations Covenants and Resolutions (albeit these are not binding on member nations) and inter-governmental agreements.

I was informed by the Victorian Minister for Health, Hon. Bronwyn Pike MP, in a letter dated 2 May 2005, that the people treated for a range of mental illnesses in Victoria

“are harder to successfully treat and usually have greater needs than those accessing mental health services funded by the Federal Government. Under the Australian Health Care Agreement, Victoria

receives Federal funding of approximately \$18 million for services with serious mental illness. This represents a very small proportion of the \$651 million spent by Victoria in 2004/05 on services with a serious mental illness."

The Minister emphasised that when considering the role of States and Territories, it must be recognized these jurisdictions have 'leading edge' responsibilities for mental health care at the 'coal face'. They provide services to people with very severe mental illnesses, such as schizophrenia, depression and manic depression (bipolar disorder).

No matter what intervention is applied, the provision of accommodation is a vital prerequisite, especially for those people requiring support. This was made abundantly clear to me when I was Vice President of the Mental Health Foundation of the ACT with responsibilities for its supportive accommodation program. I urge the Senate Select Committee to investigate the allocation of resources by all jurisdictions towards supportive accommodation programs for those with a diagnosed mental illness. There are people who are not living with family or friends, who cannot afford commercial rates to rent property, who are unable to live in any accommodation, including public housing units, without the necessary support infrastructure to assist their lifestyle. Supportive accommodation programs should be a high priority in the Federal Commonwealth's mental health strategy.

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