Attachment 2

Supplementary notes to Australian Government submission to Senate Inquiry into the Provision of Mental Health Services in Australia

Derivation of estimates of total government indirect expenditure attributable to mental health (Table 5)

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This document is provided as a reference for the information of Australian Government departments contributing expenditure information used to compile Table 5 ('Government direct and indirect expenditure on mental health in Australia, 2001-02') of the Australian Government submission to the Senate Inquiry into Mental Health. It is designed to also serve as an audit trail of how the various indirect expenditure estimates have been made.

Purpose of Table 5

Table 5 is aims to provide an estimate of the total Australian Government outlays on 'mainstream' programs and services that are attributable to mental illness, and to place this in the context of total government (Australian Government and States and Territories) direct expenditure on mental health services and related activities. As noted in the text accompanying the table, such analysis has not previously been conducted with any degree of rigour.

Scope of 'Indirect expenditure'

All Australian Government programs and initiatives were considered to be in scope for the indirect expenditure estimates. However, in view of the time constraints applying to the preparation of the Senate submission and the difficulties evident in deriving estimates, the focus has been on major programs where expenditure is likely to be significant.

The guiding rule used in preparing the estimates was to count the costs of programs and services used by individuals **where that utilisation can reasonably be attributed to the user's mental illness or psychiatric disability – that is, where mental illness or psychiatric disability is the principal factor underlying the reasons why the individual needs and uses such services.**

This is different from counting the costs of services used by Australians who are affected by mental illness or psychiatric disability. The latter would include, for example, child care benefit payments. Individuals access such payments by virtue of their parenting roles rather than their mental health condition. In contrast, the costs of income support and workforce participation programs were considered to be in scope because mental illness or psychiatric disability can be a key contributor causing an

individual to need such services, or once receiving the services, to remain dependent upon them.

The cost estimates shown in Table 5 should not be interpreted as the total economic costs of mental illness to the Australian Government. Full economic costing would take account of lost productivity arising from mental illness within the government employed workforce, as well as tax revenue losses caused by mental illness. These are not included in the current estimates.

Reference year

The reference year used for Table 5 is 2001-02, because this is the most recent year for which specialised mental health service expenditure has been published in the National Mental Health Report.[a] Extensive reference is made to the most recent National Mental Health Report data throughout the Senate submission.

An implication is that more recent Australian Government initiatives are not reflected in the table. Details of these are however included in relevant sections of the main body of the submission.

Basis of estimates

Estimates made by departments are derived from four main sources:

- Administrative datasets, where these included information on clients that allowed cost attributions to mental health to be made. This was the preferred basis for making estimates but few departments collected such data within their routine information systems.
- Internal surveys or file sampling conducted by the department.
- Departmental-commissioned research or surveys.
- External published research studies.

Data sources for all estimates are described in the following pages.

Exclusions and under-counting

It became evident in preparing the material that there are significant areas of Australian Government expenditure that could not be included due to the lack of any suitable basis for estimation. Areas of likely significant expenditure that have been excluded are identified throughout this document.

Additionally, it is also clear that estimates in most areas are likely to understate actual costs, due to the limitations of the data.

For both of these reasons, the estimates of Australian Government indirect expenditure shown in table can be reasonably described as ‘conservative’.

[a] Department of Health and Ageing (2004), *National Mental Health Report 2004: Eighth Report.- Summary of changes in Australia’s Mental Health Services under the National Mental Health Strategy 1993-2002*. Commonwealth of Australia, Canberra.

Data sources

The table below reproduces Table 5 as presented in the Australian Government Senate submission, but also identifies the relevant departmental sources for each indirect expenditure item.

		$Millions	
AUSTRALIAN GOVERNMENT			
Direct expenditure	National Mental Health Strategy	94.2	All information sourced to *National Mental Health Report 2004*
	Medicare Benefits Schedule – Psychiatrists	196.9	
	Medicare Benefits Schedule – General practitioners	167.3	
	Pharmaceutical Benefits Scheme	497.8	
	Private health insurance rebates	37.7	
	Department of Veterans' Affairs	133.8	
	Other	18.2	
	Sub total Direct	*1,145.8*	
			Dept.
Indirect expenditure	National Suicide Prevention Strategy	9.8	DoHA
	Income support payments	1,968.3	DEWR, FaCS, DVA
	Workforce participation programmes	70.5	DEWR, FaCS
	DVA Disability Compensation payments	180.0	DVA
	Housing and accommodation programs	108.9	FaCS
	Disability services	42.6	FaCS
	Aged Care residential and community services	1,258.5	DoHA
	Home and Community Care programme	10.0	DoHA
	Sub total Indirect	3,648.6	
Total Australian Government		4,794.4	
STATE AND TERRITORY GOVERNMENTS			
Direct expenditure	New South Wales	562.6	All information sourced to *National Mental Health Report 2004*
	Victoria	477.8	
	Queensland	310.9	
	Western Australia	212.1	
	South Australia	145.8	
	Tasmania	44.3	
	Australian Capital Territory	27.2	
	Northern Territory	16.9	
Total States and Territories		*1,797.6*	
Total Direct expenditure (Australian Government, States and Territories)		*2,943.4*	
Total Indirect (Australian Government only)		*3,648.6*	
Total expenditure		*6,592.6*	

Indirect expenditure table in detail

The table below looks at indirect expenditure only and, where more than one program has contributed to a total, disaggregates the total to show its components.

	Dept.		
National Suicide Prevention Strategy	DoHA		**9.8**
Income support payments			
Disability Support Pension	DEWR	1,516.9	
Newstart Allowance	DEWR	143.1	
Youth Allowance	DEWR	6.5	
Sickness Allowance	DEWR	21.0	
Mobility Allowance	DEWR	6.1	
Carer Payment	FaCS	98.3	
Carer Allowance	FaCS	81.4	
Invalidity service pension	DVA	95.0	
subtotal			**1,968.3**
Workforce participation programmes			
Disability Open Employment providers	DEWR	29.4	
Vocational Rehabilitation	DEWR	27.5	
Employment Services – Supported	FaCS	9.6	
Employment Services – Open Supported	FaCS	4.1	
subtotal			**70.5**
DVA Disability Compensation payments	DVA		**180.0**
Housing and accommodation programs			
Commonwealth-State Housing Agreement	FaCS	61.7	
Supported Accommodation Assistance Program	FaCS	47.1	
National Homelessness Strategy	FaCS	0.2	
subtotal			**108.9**
Disability services (CSTDA)	FaCS	42.6	**42.6**
Aged Care residential and community services			
Aged Residential Care - High Level (Nursing Homes)	DoHA	1,217.2	
Aged Residential Care - Low Level (Hostels)	DoHA	37.2	
Aged Community Care	DoHA	4.1	
subtotal			**1,258.5**
Home and Community Care programme	DoHA		**10.0**
TOTAL INDIRECT			**3,648.6**

Note: Totals may not tally due to rounding error

Department of Health and Ageing

Total indirect expenditure included in Table 5 - $1,278 million

1. Aged Care Residential and Community services

The amounts reported include the following components:

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Aged Residential Care - High Level (Nursing Homes)	3,400.0	35.8%	1,217.2
Aged Residential Care - Low Level (Hostels)	600.0	6.2%	37.2
Aged Community Care			4.1
TOTAL	4,000		1,258.5

Totals may not tally due to rounding error

Residential

Previous estimates have been made of the prevalence of dementia within aged care residential populations and highlighted that aged residential care is largely dementia care. Approximately 30% of people in low care (hostel) and 60% in high care (nursing home) facilities have a diagnosis of dementia while 54% and 90% of residents in these facilities, respectively, show some degree of cognitive impairment.

In order to reflect the complexities of aged care provision in Australia, it was not considered appropriate to apply these proportions to total Australian Government outlays on low and high level aged residential care. Widespread debate exists over where dementia care is best placed in the health system, and within disease classifications. Currently, in all jurisdictions, the primary locus for service provision is within the aged care sector and not considered to be the responsibility of specialist mental health services. By contrast, many people with dementia were routinely referred to mental hospitals in the systems of health care that existed in Australia 50 years ago.

However, current practice models indicate that a sub population of people with dementia do require the specialist services of mental health professionals. These residents present with a more complex clinical picture than is the case with Alzheimer's disease or other uncomplicated dementias, and are characterised by their high levels of behavioural disturbance or 'challenging behaviours', including agitation, wandering, verbal disruption, physical aggression or inappropriate social and sexual behaviour.

Service systems vary between the jurisdictions but in general, it is recognised that the care of individuals with moderate to severe levels of challenging behaviour has a

significant mental health component. Several jurisdictions – Victoria in particular – have in fact developed their aged care residential systems in way that provides specialist 'psychogeriatric nursing homes' specifically designed to care for dementia sufferers with high levels of challenging behaviours. Victoria manages such units within its specialist mental health care system.

For the purposes of the current submission, estimates of the costs associated with this sub population are derived from the results of a major research project commissioned by the Department in 1997 that examined the care needs of residents in Australian Government-funded aged care residential units (Rosewarne et al 1997). Based on a sample of approximately 10,000 individuals, the study profiled the characteristics of residents and provided detailed statistics on the relative proportions with cognitive impairments, problems in activities of daily living and challenging behaviours. Residents were classified in terms of both the presence or absence of problem category and its severity.

Residents classified as having moderate to severe levels of challenging behaviour were found to represent 35.8% of the nursing home population, and 6.2% of hostel residents. In the absence of more recent estimates, these proportions were applied to 2001-02 aged care residential expenditure, as shown above.

Aged Community Care

The Community Care funding estimates are based on qualitative estimates of services accessed by people with high complex behavioural management needs. No quantitative data were available to support these estimates.

	Total Outlays 2001-02 $Million	**Estimated mental health**	**Mental health cost $Million**
Dementia Education & Support Program			0.3
Psychogeriatric Care Unit Program			2.65
National Dementia Behaviour Advisory Service			1.1
Dementia Support for Assessment			0.076
TOTAL			4.126

Totals may not tally due to rounding error

Departmental sources for Aged Care estimates:

Special Needs Strategies Section, Community Care Branch, Ageing and Aged Care Division, Department of Health and Ageing

References:

Rosewarne R, Opie J, Bruce A et al (1997) *Care needs of older people with dementia and challenging behaviour living in residential care facilities*, Canberra AGPS.

2. National Suicide Prevention Strategy

Mental health issues are closely linked to suicide prevention but each is given prominence under a separate national strategy. The National Suicide Prevention Strategy (1999-06) replaced the earlier National Youth Suicide Prevention Strategy (1995-99), retaining a special focus on youth but expanding it to consider the whole Australian population.

Total expenditure for 2001-02 was $9.808 million, as reported by the Health Priorities & Suicide Prevention Branch.

Departmental contact for National Suicide Prevention Strategy:

Health Priorities and Suicide Prevention Branch, Health Services Improvement Division, Department of Health and Ageing

3. Home and Community Care (HACC)

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Home and Community Care Programme	615.6	1.62%	10.0
TOTAL	615.6		10.0

Totals may not tally due to rounding error

Current national data on the use of HACC funded services do not allow costs to be attributed to client types. Future modifications to the HACC National Minimum Data Set are planned that will introduce a dependency screening instrument and will provide a basis for such estimates to be made.

To derive estimates for 2001-02, the Victorian Department of Human Services made available information taken from a pilot study conducted in 2003 that trialled the new dependency measure. The Victorian study collected information on 1,200 HACC clients and included data on up to three diagnosed health conditions that had the most impact on the client's need for a HACC service (acquired brain injury, dementia and 'psychiatric conditions'.). The study found that 7.3% of clients in the sample fell into one of the three categories, with the majority being people with dementia. Clients with a primary psychiatric condition represented 1.62%. Further analysis by Victoria assigned costs based on service type and unit prices and found that services used by this represented only 0.25% of HACC expenditure, but this was based on too small a sub sample (n=50) to be representative.

For the purposes of the current estimates, and in the absence of more reliable estimates, the 1.62% figure was applied to total Australian Government HACC expenditure to derive the costs shown above.

Departmental sources for HACC:

HACC Outcomes Section, Community Care Branch, Ageing and Aged Care Division, Department of Health and Ageing

Source for Victorian data:

Data Collection & Analysis, Co-ordinated & Home Care Unit, Aged Care Branch, Department of Human Services

Department of Employment and Workplace Relations

Total indirect expenditure included in Table 5 - $1,750 million

Expenditure data reported by DEWR are distributed across two categories – Income Support and Workforce Participation.

1. DEWR Income Support

The amounts considered for inclusion, and final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Disability Support Pension	6,400.4	23.7%	1,516.9
Newstart Allowance	5,078.2	2.82%	143.1
Sickness Allowance	93.7	22.4%	21.0
Youth Allowance – Job Seekers (est.)	488.7	1.33%	6.5
Mobility Allowance	67.9	9.0%	6.1
Parenting Payment – Single Parents	4,146.0	n.a.	-
Parenting Payment – Partnered Parents	1,426.0	n.a.	-
TOTAL	17,700.9		1,693.6

n.a. – Not available

Totals may not tally due to rounding error

Disability Support Pension

This information is taken from the administrative collections which record the main disability types of DSP clients. The data suggest that psychiatric or psychological disorder was the primary disabling condition for 23.7% of DSP recipients in 2001-02, while a further 10.2% were classified as having intellectual or learning conditions as their primary disability (FaCS, 2002). Only the former are included in the above estimate.

Three points are worth noting about the estimate:

Firstly, as the estimate is based on the primary disability type recorded, it does not take account of the contribution of mental health conditions that co-exist with a primary physical disorder. It is therefore a minimal estimate.

Secondly, the proportion of disability pensions receiving payments due to mental health conditions is consistent with comparable countries. A recent study by the OECD of related policies and experiences in 20 member countries, including Australia, reported that 'mental and psychological problems are responsible for between one quarter and one-third of the disability benefit recipiency levels' and for much of the increase in these levels. Almost one in three current and new Australian

recipients in 1999 were classified with 'mental illness' according to 'stock' and 'inflow' figures (OECD 2003).

Thirdly, mental health-related Disability Support Pension payments have grown significantly since the 2001-02 reference year, increasing to approximately $1.9 billion in 2003-04. Data reported by the Department of Employment and Workplace Relations in the Australian Government Senate submission shows the following trend.

Year	Customers	Total Outlays $Million	% recipients with mental health condition	Total payments for people with mental health condition
2000-01	623,926	$5,849.8	22.6%	$1,322.1
2001-02	658,915	$6,400.4	23.7%	$1,516.9
2002-03	673,334	$6,851.6	24.7%	$1,692.3
2003-04	696,742	$7,492.5	25.4%	$1,903.1

Totals may not tally due to rounding error

References:

Department of Family and Community Services (2002), *Characteristics of disability support pension customers,* Commonwealth of Australia, Canberra.

Organisation for Economic Cooperation and Development (OECD) 2003, *Transforming disability into ability: policies to promote work and income security for disabled people.* As cited in Australian Institute of Health and Welfare (2003), *Australia's Welfare 2003*. AIHW, Canberra.

Newstart Allowance

A recent report commissioned by the Department of Family and Community Services has highlighted the prevalence of common mental disorders (anxiety, depression and substance abuse) and other mental health problems among Australian income support recipients (Butterworth, 2003). The report found that mental disorders were much more prevalent among income support recipients than non-recipients. Almost one in three income support recipients have a diagnosable mental disorder in any 12-month period, 66% more than the prevalence of mental disorders among Australian adults not receiving income support (18.6%).

The report suggests that the mental health problems may be a major risk factor that makes a person more likely to rely on income support, but issues about causality require further research. It was therefore not considered appropriate to apply the prevalence estimates to derive income support expenditure estimates.

A more conservative approach was taken, based on the Newstart incapacity exemption provisions. Using an internal file sample (n=200), it was found that anxiety and/or depression accounted for 20% of Newstart clients on incapacity exemptions. Using this proportion, the estimate of mental health-attributable Newstart payments was derived as follows:

Total Newstart clients 2001-02		=	545,535
Total incapacity exemption clients at any point in time 2001-02		=	76,882
Total Newstart payments to incapacity exemption clients 2001-02 =	(76,882 ÷ 545,535) x 5,078.2 =		$715.7M
Estimated Newstart Incapacity exemption payments attributable to mental health problems =	$715.7 x 20%	=	$143.13M

Totals may not tally due to rounding error

Source for incapacity exemption client counts: AIHW (2003)

Two important caveats apply to this estimate.

First, the number of incapacity exemptions is decreasing annually, currently down to approximately 50,000 (cf 76,882 in 2001-02) and expected to drop further. Similarly, Newstart client numbers are decreasing. The ratios used above therefore may not accurately reflect current spending patterns.

Second, the estimate only addresses mental health incapacity arising following the entry of the client into the Newstart scheme and does not take account of the role of mental health problems in contributing to the person's need for such support. It is therefore likely to be a significant underestimate of actual Newstart expenditure attributable to mental health problems.

References:

Butterworth P (2003) *Estimating the prevalence of mental disorders among income support recipients: Approach, validity and findings*. Department of Family and Community Services Policy Research Paper No. 21, Commonwealth of Australia, Canberra.

Australian Institute of Health and Welfare (2003), *Australia's Welfare 2003*. AIHW, Canberra.

Youth Allowance

A parallel approach was taken with estimates of Youth Allowance payments.

The file sample used to estimate the mental health 20% of incapacity exemptions was based on Newstart clients only. However, based on the Butterworth report that found mental health problems to be more prevalent in youth recipients of income support, it was considered reasonable to also apply the 20% proportion to Youth Start expenditure.

The estimate was derived as follows, excluding Youth Allowance full time student clients:

Total Youth Allowance clients 2001-02		=	395,496
Youth Allowance Jobseekers as % Youth Allowance clients	87,304 ÷ 395,496	=	22.08%
Estimated total Youth Allowance job seeker payments =	22.08% x 2,213.7	=	$488.67M
Total Youth Allowance incapacity exemption clients at any point in time (2001-02)		=	5,792
Total Youth Allowance payments to incapacity exemption clients 2001-02 =	(5,792 ÷ 87,304) x 488.67 =		$32.42M
Estimated Youth Allowance Incapacity exemption payments attributable to mental health problems =	32.42 x 20% =		$6.48M

Totals may not tally due to rounding error
Source for incapacity exemption client counts: AIHW (2003)

Caveats described above for Newstart also apply to this estimate.

References:

Australian Institute of Health and Welfare (2003), *Australia's Welfare 2003.* AIHW, Canberra

Sickness Allowance

This information is taken from the administrative collections which record the primary medical condition contained on the sickness allowance claim. The data indicate that primary mental health conditions accounted for 22.4% of payments in 2001-02. As with Disability Support Pension estimates, this is a minimal estimate because it does not include payments made for individuals who have mental health conditions that co-exist with a primary physical condition.

Parenting Payments

Parenting payments represent a significant component of total income support outlays, totalling $5.6 billion in 2001-02. Approximately 74% of payments are made to people who qualify under the Single Parent provisions, with the balance to Partnered Parents.

While estimates could be not be made of the Parenting Payments that are attributable to mental health disorders, there is prima facie evidence that the costs are likely to be substantial. The work undertaken by Butterworth (2003), cited above, found that the prevalence of clinical anxiety and depressive disorders among lone mother recipients of the payments is between three and four times the national average, with 45 per cent of lone mothers experiencing a diagnosable mental disorder. Prevalence rates for partnered parents are lower and similar to the level of mental health problems found in the general community.

Butterworth's data suggest that poor mental health is a major factor impacting on the lives of lone mother recipients of Parenting Payments, reducing their ability to seek work and move beyond dependence on income support. Further research in this area is warranted.

2. DEWR Workforce Participation programs

The amounts considered for inclusion, and final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Disability Open Employment providers	125.0	23.5%	29.4
Workplace Modifications	0.7	n.a.	-
Wage Subsidy	2.1	n.a.	-
Personal Support Programme (PSP) *	*	*	*
Vocational Rehabilitation	104.0	26.4%	27.5
Jobs Placement Employment and Training (JPET)	11.8	n.a.	-
Job Network	816.0	n.a.	-
TOTAL	1059.6		56.8

n.a. – Not available

Totals may not tally due to rounding error

* Personal Support Program not operational 2001-02

Disability Open Employment providers

Estimate of mental health clients as provided by DEWR and based on the Commonwealth Disability Services Census 2002, an annual survey managed by the Department of Family and Community Services.

Vocational Rehabilitation

Estimate of mental health clients as provided by DEWR and based on Department of Family and Community Services Annual Report 2001-2002.

References:

Department of Family and Community Services (2002). *Annual Report 2001-02.* Commonwealth of Australia, Canberra.

Departmental sources for DEWR estimates:

Disability Policy Branch, Department of Employment and Workplace Relations

Department of Family and Community Services

Total indirect expenditure included in Table 5 - $349 million

Many of the family and community support programs funded through FaCS are of direct relevance to the question being addressed by the 'indirect' expenditure estimates shown in Table 5 because they are used by people whose need for such services is attributable to mental illness or psychiatric disability. However, estimates for these are not available. Expenditure for which estimates are available are distributed across four categories – Income Support, Workforce Participation, Housing and accommodation and Disability Services. A list of FaCS programs for which estimates could not be made is provided at the end of this section.

1. FaCS Income Support

The amounts included in final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Carer Payment	595.8	16.5%	98.3
Carer Allowance	645.7	12.6%	81.4
TOTAL	1241.5		179.7

Totals may not tally due to rounding error

Carer Payment and Carer Allowance

Both figures are derived from administrative data collections and represent the proportion of those receiving care from a Carer Payment or Carer Allowance recipient who have a psychological/psychiatric condition. Based on FaCS estimates for 2002-03 - data are not available on the mental health conditions of care receivers for 2001-02.

An additional caveat to the estimates is that funding is for recipients of Carer Payment or Carer Allowance who may be providing care to more than one person. As such, it is not possible to accurately determine the total funding associated with care recipients mental health problems.

2. FaCS Workforce Participation programs

The amounts included in final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Employment Services - Supported	105.9	9.09%	9.6
Employment Services - Open & Supported	20.5	19.84%	4.1
TOTAL	126.4		13.7

Totals may not tally due to rounding error

Employment Services – Supported and Open &Supported

Based on estimates derived from Commonwealth Disability Services Census data 2002, an annual survey managed by FaCS.

> Note: In the 2001-02 financial year disability employment services were categorised into 3 service types - Open Employment, Supported Employment, and dual Open & Supported services. Following machinery of government changes, responsibility for Open Employment services was transferred to the Department of Employment and Workforce Relations. Data in relation to Open Employments services are reported above under DEWR.

3. FaCS Housing and Accommodation programs

The amounts considered for inclusion, and final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Commonwealth-State Housing Agreement	1,028.0	6.0%	61.7
Rent Assistance Program	1,815.0	*	*
Supported Accommodation Assistance Program	162.3	29.0%	47.1
Reconnect	19.0	n.a.	-
National Homelessness Strategy	0.7	23.0%	0.2
TOTAL	3,025		108.9

n.a. – Not available

Totals may not tally due to rounding error

* The Rent Assistance Program is significant in outlays but no attempt was made to quantify a mental health-attributable amount due to the fact that a substantial proportion of payments under this scheme are made as part of the eligible individual's income support payments, covered under DEWR estimates. The balance of outlays are paid through Family Taxation Benefits for which no basis exists to make mental health attribution estimates.

Commonwealth-State Housing Agreement (CSHA)

Data or studies that would allow a direct estimate to be made of the mental health-related expenditure under this program are not available. However, information is collected under the National Minimum Data Set covering the CSHA that indicates that, at June 2003, 24% of clients were in receipt of disability support pensions (AIHW, 2003). The 6% mental health attribution in the above table assumes that disability support recipients in receipt of CSHA assistance are comparable to the national profile of DSP clients - i.e. approximately 25% have a primary psychiatric or psychological disability (see page 9; 25% x 24% = 6%).

The expenditure amount ($61.7M) is likely to underestimate the outlays under the CSHA that are provided to support people with mental illness or psychiatric disability because it does not include assistance provided to individuals whose need for housing support assistance is caused by their mental health problems but who are not in receipt of the disability support pension.

References:

Australian Institute of Health and Welfare (2003), Australia's Welfare 2003. AIHW, Canberra.

Supported Accommodation Assistance Program

The estimate of SAAP mental health clients is based on a specific study, commissioned by FaCS, of SAAP clients who have needs for high level and complex service provision (Thomson Goodall Associates, 2004), The study found that 29% of SAAP clients meet these criteria.

References:

Thomson Goodall Associates (2004), *People who are assisted by SAAP services and require a high level and complexity of service provision.* Report to the Australian Government Department of Family & Community Services Supported Accommodation Assistance Program.

National Homelessness Strategy

The 23% expenditure estimate for this program is based on 2002-03 data and refers to National Homelessness Strategy funding directed to a specific project conducted by the Top End Association For Mental Health that investigated rates of homelessness among psychiatric ward in patients in Darwin.

References:

Sutherland Y, Carter C and Champion V *Housing Options Project for People with a Mental Illness*. Department of Family & Community Services, Canberra.

4. FaCS Disability Services

The amounts considered for inclusion, and final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
Commonwealth State Territory Disability Agreement	501.4	8.5%	42.6
National Disability Advocacy Program	11.1	n.a.	-
Supplementary Services Program (SUPS)	49.8	n.a.	-
Disabled Supplementary Services Program (DSUPS)			
Special Needs Subsidy Scheme			
Supplementary Services Program (SUPS)			
TOTAL	562.3		42.6

n.a. – Not available

Totals may not tally due to rounding error

Commonwealth State Territory Disability Agreement (CSTDA)

Data derived from the National Minimum Data Set covering the CSTDA indicate that, for 2001-02, 8.5% of clients were recorded as having a primary psychiatric disability (FaCS, 2002). Data based on 'snapshot day' survey and does not cover all service types funded under the Agreement.

References:

Department of Family and Community Services (2002). *Annual Report 2001-02.* Commonwealth of Australia, Canberra.

5. FaCS Family and Community Support programs not included in estimates

Relevant FaCS programs that could not be estimated and not identified above are summarised below.

	Total Outlays 2001-02 $Million
Family Relationships Services Program	26.5
Household Organisational Management Expenses Advice Program	1.3
Indigenous Financial Management Project	*
National Indigenous Money Management Agenda	0.2
Emergency Relief Program	26.4
Disaster Relief Programs	*
Strengthening and supporting families coping with illicit drug use	3.1
Volunteer Management Program	1.5
Fixing houses for better health 2	0.5
Indigenous Parenting and Family Wellbeing	1.9
Aboriginal and Islander Child Care Agencies	2.8
Family Violence Partnership Program (Indigenous Australians)	*
Family Violence Regional Activities Program (Indigenous Australians)	*

* No expenditure or programme not operational 2001-02

Departmental sources for FaCS estimates:

Strategic Policy Branch, Department of Family and Community Services

Department of Veterans' Affairs

Total indirect expenditure included in Table 5 - $275 million

Indirect expenditure data reported by DVA are distributed across two categories – Income Support and DVA Compensation.

The amounts included in the final estimates are shown below.

	Total Outlays 2001-02 $Million	Estimated mental health	Mental health cost $Million
DVA Compensation - (Disability Pension)	1,100	16.5%	180.0
Income support - Invalidity service pension			95.0
TOTAL			275.0

Totals may not tally due to rounding error

DVA Compensation - Disability Pension

In terms of number of recipients, the DVA Disability Pension was the second most common payment in 2002 for people with a disability and was received by over 159,000 veterans at a cost of $1.1 billion (AIHW, 2003).

Estimates were been made for the purpose of the current Senate inquiry and suggest that approximately $180 million DVA compensation payments were made in 2001-02 that could be attributed to mental health factors. This estimate is based on the number of special rate (TPI) pensions granted to end-2001 where post-traumatic stress disorder was accepted as war- or service-caused. This underestimates the number of veterans receiving disability pensions with accepted mental health conditions, but allows for veterans also having other physical conditions.

Reference:

Australian Institute of Health and Welfare (2003), *Australia's Welfare 2003.* AIHW, Canberra.

DVA Income Support - Invalidity service pension

The estimate of DVA income support payments is also preliminary and based on the proportion of veterans with TPI pensions and PTSD as an accepted condition applied to the number of Vietnam veterans receiving invalidity service pension in December 2001. The estimates are conservative.

Departmental sources for DVA estimates:

Younger Veterans' Branch, Department of Veterans' Affairs