

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2011-2012, 15 February 2012

Question: E12-371

OUTCOME 11: Mental Health

Topic: MENTAL HEALTH BUDGET 2011-12

Hansard Page: CA 48

Senator Fierravanti-Wells asked:

[Referring to an article on mental health by Rosenberg, Mendoza and Russell and the assertion that mental health's share of the overall health budget is shrinking.] You might like to provide me with the figures that disprove the assertion that has been made there.

Answer:

The Rosenberg, Mendoza and Russell article compares mental health per capita growth over 2004-05 to 2008-09 (4.8 per cent) and total health annual growth over 2004-05 to 2009-10 (5.2 per cent). This latter figure does not account for population growth over the same period, which is why the incorrect conclusion is reached (refer to Tables A and B attached).

When the annual growth of mental health-related per capita expenditure and the annual growth of total health per capita expenditure are compared, mental health-related expenditure grew at a higher rate between 2004-05 and 2008-09 (4.8 per cent compared to 3.3 per cent). Therefore, the proportion of overall health funding allocated to mental health is growing (refer to Tables A and C attached).



## Mental health services in Australia, 2008–09

14: Expenditure on mental health services (version 1.1)

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**Table 14.19: Expenditure (\$ million) on mental health-related services<sup>(a)</sup>, by source of funding<sup>(b)</sup>, 2004–05 to 2008–09**

	2004–05	2005–06	2006–07	2007–08	2008–09	Average annual change (per cent)	
1	<b>Current prices</b>						
2	State and territory governments <sup>(c)</sup>	2,376	2,645	2,932	3,220	3,490	10.1
3	Australian Government <sup>(d)</sup>	1,397	1,483	1,564	1,940	2,161	11.5
4	Private health funds <sup>(e)</sup>	165	183	202	214	234	9.1
5	<b>Total</b>	<b>3,938</b>	<b>4,311</b>	<b>4,697</b>	<b>5,375</b>	<b>5,885</b>	<b>10.6</b>
6	<b>Constant prices<sup>(f)</sup></b>						
7	State and territory governments	2,750	2,926	3,118	3,325	3,490	6.1
8	Australian Government	1,617	1,641	1,662	2,002	2,161	7.5
9	Private health funds <sup>(e)</sup>	191	203	215	221	234	5.2
10	<b>Total</b>	<b>4,558</b>	<b>4,769</b>	<b>4,994</b>	<b>5,548</b>	<b>5,885</b>	<b>6.6</b>
11	Per capita <sup>(g)</sup>	225.05	232.14	239.26	261.22	271.88	4.8

(a) Some mental health services (for example, mental health services in aged care facilities) are not included.

(b) Some sources of funding (for example, private out-of-pocket expenses) are not included

(c) Includes *State/territory funds*, *Other revenue* and *Other Australian Government funds* from Table 14.18. State/territory funds may include Australian Government funds provided under the Australian Health Care agreements.

(d) Includes *Total expenditure* from Table 14.17

(e) Total revenue less Commonwealth sources derived by DoHA and subject to some degree or error. Direct measures are not possible from source data. Data was not available for 2007–08 as a PHEC survey was not conducted. Estimates of expenditure represent the midpoint between 2006–07 and 2008–09.

(f) Constant prices, calculated by the AIHW, are referenced to 2008–09 and are adjusted for inflation. See Data source section for deflator description.

(g) Crude rate, calculated by the AIHW, is based on the Australian estimated residential population as at 31 December of the reference year.

Sources: Tables 14.17, 14.18 and Department of Health and Ageing (unpublished)(private health insurance funds).

**Table 2.1: Total health expenditure, current and constant prices<sup>(a)</sup>, and annual rates of change, 1999–00 to 2009–10**

Year	Amount (\$ million)		Change from previous year (%)	
	Current	Constant	Nominal change <sup>(b)</sup>	Real growth <sup>(b)</sup>
1999–00	52,570	72,160	..	..
2000–01	58,269	77,301	10.8	7.1
2001–02	63,099	81,000	8.3	4.8
2002–03	68,798	85,647	9.0	5.7
2003–04	73,509	88,597	6.8	3.4
2004–05	81,061	94,208	10.3	6.3
2005–06	86,685	96,761	6.9	2.7
2006–07	94,938	102,391	9.5	5.8
2007–08	103,563	109,148	9.1	6.6
2008–09	113,445	117,086	9.5	7.3
2009–10	121,355	121,355	7.0	3.6
<b>Average annual change (%)</b>				
1999–00 to 2004–05			9.0	5.5
2004–05 to 2009–10			8.4	5.2
1999–00 to 2009–10			8.7	5.3

(a) Constant price health expenditure for 1999–00 to 2009–10 is expressed in terms of 2009–10 prices. Refer to Appendix D for further details.

(b) Nominal changes in expenditure from year to year refer to the change in current price estimates. Real growth is the growth in expenditure at constant prices. Refer to Box 1.2 for more information.

Source: AIHW health expenditure database.

**Table 2.6: Average health expenditure per person<sup>(a)</sup>, current and constant prices<sup>(b)</sup>, and annual growth rates, 1999-00 to 2009-10**

Year	Amount (\$)		Annual change in expenditure (%)	
	Current	Constant	Nominal change	Real growth
1999-00	2,762	3,791	..	..
2000-01	3,024	4,011	9.5	5.8
2001-02	3,231	4,147	6.8	3.4
2002-03	3,480	4,332	7.7	4.5
2003-04	3,674	4,428	5.6	2.2
2004-05	4,003	4,652	9.0	5.1
2005-06	4,220	4,710	5.4	1.3
2006-07	4,549	4,906	7.8	4.1
2007-08	4,877	5,140	7.2	4.8
2008-09	5,242	5,410	7.5	5.3
2009-10	5,479	5,479	4.5	1.3
<b>Average annual growth rate (%)</b>				
1999-00 to 2004-05			7.7	4.2
2004-05 to 2009-10			6.5	3.3
1999-00 to 2009-10			7.1	3.8

(a) Based on annual estimated resident population. Refer to Appendix E for further details.

(b) Constant price health expenditure for 1999-00 to 2009-10 is expressed in terms of 2009-10 prices. Refer to Appendix D for further details.

Source: AIHW health expenditure database.