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Mental health in Australia: a quick guide

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Introduction

According to the [World Health Organization](#), mental health is ‘a state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community.’ When a person has a condition that affects their mental health, they may have a mental illness or [mental health disorder](#). This includes conditions such as depression, anxiety, schizophrenia and bipolar disorder.

In Australia, the framework for mental health services is a highly complex mixture of public and private systems, with funding shared between the Australian, state and territory governments, individuals and private health insurers.

This quick guide provides an overview of mental health in Australia, including the prevalence of mental health conditions, the cost of mental illness, government responsibilities, and mental health services available in Australia.

Prevalence of mental health conditions

The Australian Bureau of Statistics (ABS) [National Survey of Mental Health and Wellbeing \(NSMHWB\)](#) provides the most comprehensive (albeit dated) estimates for mental disorders in Australian adults both over their lifetime and in the preceding 12 months. The survey estimated that 45 per cent of Australians had experienced a mental disorder in their lifetime, with 20 per cent experiencing a mental disorder in the previous year. Conducted in 2007, this was the second ABS mental health and wellbeing survey, with the first survey conducted in 1997. The Department of Health has [said](#) that there are no plans to fund another survey on mental health by the ABS.

In addition to the NSMHWB, the following sources provide an indication of the prevalence and impact of mental health conditions in Australia:

- The most recent ABS [National Health Survey](#) estimated there were 4.8 million Australians (20.1 per cent) with a mental or behavioural condition in 2017–18. This was an increase of 2.6 percentage points from 2014–15, mainly due to an increase in the number of people reporting anxiety-related conditions, depression, or feelings of depression. While this is the

most recent available data for mental health prevalence in Australia, it only provides data on people who currently identify as having mental or behavioural conditions, and does not provide data on lifetime prevalence or incidence of mental illness in the past year.

- The [Australian Child and Adolescent Survey of Mental Health and Wellbeing](#), conducted between June 2013 and April 2014 by the Department of Health, estimated that almost 14 per cent of young people aged 4 to 17 years (or 560,000 people) experienced a mental disorder in the 12 months before the survey.
- Poor mental health may also be associated with suicidality. According to the ABS, 3,128 people [died](#) in Australia from intentional self-harm in 2017, rising from 2,866 in 2016. While suicidality is not confined solely to people with poor mental health, the [NSMHWB](#) estimated that 94.2 per cent of persons who attempted suicide in the previous 12 months had experienced a mental disorder in the same time period.
- According to the Australian Institute of Health and Welfare's (AIHW) [Burden of Disease Study](#), in 2011 the Australian population lost a total of 542,554 years of healthy life as a result of mental and substance use disorders. This accounted for 12.1 per cent of the [total burden of disease](#), making mental and substance use abuse disorders the third highest cause of burden in Australia.

Cost of mental illness in Australia

Economic impact

A report commissioned by the [Royal Australian & New Zealand College of Psychiatrists](#) (RANZCP) estimated in 2014 that the cost of severe mental illness in Australia was \$56.7 billion per year. This includes the direct economic costs of severe mental illness arising from the use of health and other services, as well as indirect costs due to lost productivity because people are unable to work.

Similarly, in December 2016, the National Mental Health Commission [stated](#) that the cost of mental ill-health in Australia each year was around \$4,000 per person, or \$60 billion in total.

The 2018 KPMG and Mental Health Australia report, [Investing to Save](#), looked at how much mental ill-health in the workplace costs Australian employers. The report found that, mental ill-health in the workplace costs an average of \$3,200 per employee with mental illness, and up to \$5,600 for employees with severe mental illness. Overall, it was estimated that the cost of workplace mental ill-health in Australia was \$12.8 billion in 2015–16.

Spending on mental health services

The [Australian Institute of Health and Welfare](#) (AIHW) estimates that spending on mental health-related services in Australia from all sources (government and non-government) was around \$9.0 billion, or \$373 per person, in 2015–16.

Of the \$9.0 billion, \$5.4 billion (59.8 per cent) was funded by state and territory governments, \$3.1 billion (35.0 per cent) was funded by the Australian Government, and \$466 million (5.2 per cent) was funded by private health insurance funds.

In 2016–17, the Australian Government [spent](#):

- \$1.2 billion on Medicare-subsidised mental health-specific services (\$49 per person) and
- \$511 million on mental health-related subsidised prescriptions under the Pharmaceutical Benefits Scheme (PBS) and the Repatriation Pharmaceutical Benefits Scheme (RPBS) (\$21 per person).

Government responsibility for mental health services

Responsibility for funding and regulating mental health services in Australia is shared between the Australian and state and territory governments. However, as noted in the Parliamentary Library publication, [Health in Australia: a Quick Guide](#), their respective roles are not always clear. Below is a broad outline of government responsibility for mental health services in Australia.

Australian Government

- [Medicare](#)-subsidised mental health services provided by general practitioners (GPs), psychiatrists, and allied health professionals (for example, through the [Better Access initiative](#))
- subsidised mental health prescription medications under the [PBS](#) and [Repatriation Pharmaceutical Benefits Scheme](#) (RPBS)
- [veterans' mental health services](#) through the Department of Veterans' Affairs
- primary care quality and access through [Primary Health Networks](#) (PHNS), including funding the [PHN Primary Mental Health Care Flexible Funding Pool](#) and
- social security payments; for example, the [Disability Support Pension](#).

State and territory governments

- management and administration of public hospitals and
- funding and management of [community mental health services](#).

Shared responsibility

On 4 August 2017, the Council of Australian Governments (COAG) agreed to the [Fifth National Mental Health and Suicide Prevention Plan](#), which established a national approach for collaborative government effort from 2017 to 2022.

Additional shared arrangements are usually detailed in national agreements, such as those agreed to by COAG, and include:

- funding of [public hospital services](#) based on an agreed national [activity-based funding](#) (ABF) formula as outlined in the [National Health Reform Agreement](#)
- registration and accreditation of mental health professionals through the [Australian Health Practitioner Regulation Agency](#) (AHPRA)
- the [National Disability Insurance Scheme](#)
- homelessness as outlined in the [National Housing and Homelessness Agreement](#) and
- suicide prevention (a [National Partnership Agreement](#) is in development).

Mental health services

Medicare-subsidised services

In Australia, mental health services provided by GPs, psychiatrists, psychologists, occupational therapists and social workers may be subsidised through Medicare.

General practitioners

According to the [Bettering the Evaluation and Care of Health \(BEACH\) survey](#) of GPs, 12.4 per cent of GP encounters (or 17.7 million separate encounters) in 2015–16 involved the management of psychological problems, such as depression, anxiety and sleep disturbance. This is much higher

than the 3.2 million GP mental health-specific [Medicare Benefits Schedule \(MBS\) items](#) (MBS Group A20) that were billed by GPs in 2015–16, indicating that GPs likely billed many of these encounters as general MBS items.

Psychiatrists

Under Medicare, rebates are available for consultations with psychiatrists. In 2017–18, there were 2.4 million [MBS items](#) billed by psychiatrists (MBS Group A8). According to the [AIHW](#), psychiatrists provide the highest number of services per patient (in 2016–17, 6.2 services per patient) of all mental health-related services.

Allied health professionals

Under the [Better Access initiative](#), Medicare rebates are available for up to ten individual and ten group allied health services per year to patients with a mental disorder who are referred by a GP, psychiatrist or paediatrician. The table below outlines the number of mental health-related services that were billed under Medicare by allied health professionals in 2017–18.

Medicare benefits claimed under the Better Access initiative, 2017–2018.

Professional	MBS Items	Services billed
Clinical psychologist	80000, 80001, 80005, 80010, 80011, 80015, 80020, 80021	2,302,682
Registered psychologist	80100, 80101, 80105, 80110, 80111, 80115, 80120, 80121	2,855,039
Occupational therapist	80125, 80126, 80130, 80135, 80136, 80140, 80145, 80146	72,966
Social worker	80150, 80151, 80155, 80160, 80161, 80165, 80170, 80171	335,559
Total	All	5,566,246

Source: Department of Human Services (DHS), [Medicare Group Reports](#), Medicare Australia Statistics, DHS, last updated 23 November 2018.

Specialised mental health care services

In addition to services subsidised under Medicare, there are a range of other specialised mental health care services in Australia. [Specialised mental health care](#) can be delivered in a range of facilities, including public and private psychiatric hospitals, psychiatric units or wards in public acute hospitals, community mental health care services, and residential mental health services. In 2015–16, there were 1,591 specialised mental health care facilities providing care.

- **Hospital emergency services:** In 2016–17, there were 276,954 mental health-related presentations to [hospital emergency departments](#).
- **Admitted hospital care:** In 2016–17, there were 64,692 [same day](#) and 258,300 [overnight](#) episodes of admitted patient care.
- **Residential mental health care:** mental health care can be provided in a domestic-like environment, and can include services such as rehabilitation, treatment or extended care. In 2016–17, there were 7,290 episodes of [residential mental health care](#) recorded for 5,476 residents.
- **Community mental health care services:** treatment provided in the community and hospital-based outpatient care settings is known as [community mental health care](#). In 2016–17, there

were around 8.9 million community mental health care service contacts provided to approximately 420,000 patients.

Other services

Disability support services

In Australia, the [NDIS](#) provides support to people with disability, their families and carers. The NDIS was [introduced](#) across Australia from July 2016 and is expected to be fully rolled out across all states and territories by July 2020.

The main component of the NDIS is individualised packages of support to eligible people with disability. The NDIS also has a broader role in helping people with disability to:

- access mainstream services, such as health, housing and education
- access community services, such as sports clubs and libraries and
- maintain informal supports, such as family and friends.

People who experience disability as a result of a mental health condition are referred to as having a [psychosocial disability](#). Once the NDIS has been fully rolled out, it is [expected](#) that there will be 64,000 participants (13.9 per cent of all participants) with a significant and enduring primary psychosocial disability.

Following the introduction of the NDIS, there has been [concern](#) that the transfer of funding for existing mental health programs to the NDIS could leave people who are ineligible for the NDIS without services or support. In response to these concerns, the Australian Government committed \$80 million to the [National Psychosocial Support \(NPS\) measure](#), to provide psychosocial support services to people who are not more appropriately funded through the NDIS. Additionally, the Australian and state and territory governments have committed to ensuring [continuity of support](#) for people with disability already receiving services who are ineligible for the NDIS.

Homelessness support services

Mental illness is one [factor](#) that contributes to the level of homelessness in Australia, with 27 per cent of people who accessed specialist homelessness services in 2016–17 having a [current mental health issue](#).

The main source of government-funded support for people who are homeless or at risk of homelessness is [specialist homelessness services](#). These services are delivered by non-government organisations, including agencies that specialise in delivering services to specific target groups (such as young people or people experiencing domestic and family violence) and agencies that provide more generic services to people in crisis.

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