

CURRENT FEDERAL FUNDING PRIORITIES

TREATMENT

In 2002/3 the Federal Government spent \$65m on treatment services. \$14.5m went directly to NGOs and \$9.5m was spent on illicit drug treatment, not including Opioid Maintenance Therapy (OMT). In 2012 \$57m (approx half of treatment funding) went to 133 NGO projects. It estimated that \$34.2m was for illicit drug treatment.

In 2002/3 the Federal Government spent \$15.3m buying methadone and buprenorphine for OMT programs. At that time there were 32,000 people on OMT. Today there are 46,000 and the estimated expenditure is now \$22m. The other major area of funding was for GP consultations for methadone patients. Expenditure for GPs in 2012 is estimated at \$19.7m with direct expenditure totaling \$41.7m.

Other costs included the proportion of people paying dispensing fees from their Social Security payments and cost of counselling and other treatment services. In 2002 it cost a person who got their OMT from a private clinic \$5/day. This has now increased to \$7.50/day. Estimating the change of numbers having to go to private clinics with the close of some public clinics and the proportion of disability or unemployment benefits the estimated cost to the Federal Government is \$80.5m.

In 2002/3 it is estimated that counselling and support programs costs \$1,460 per person per year. If costs have risen to \$2,330 per person and 10% of OMT clients are having counselling/in-patient treatment then this cost is estimated at \$10.7m. The Federal Government also spends funds to pay for treatment of prisoners. Today's estimate for providing OMT in prisons is \$12.6m.

Based on these estimates the total cost for OMT for the Federal Government is estimated to be \$152.1m. Another paper estimated a cost of \$9.63 per day in the community and \$9.45 per day for those in prison (Dolan, 2004) for each person on methadone including dispensing costs. Total cost is \$171.8m less cost of dispensing paid out of state budgets (\$25m). Total cost is \$146.8m

HARM REDUCTION

The major cost of HR expenditure was for NSPs. This amounted to \$44.9m out of a total expenditure of \$55.4m. However the Federal Government only spent \$4.6m, the major proportion coming from State budgets. Expenditure for Federal Government for HR programs was mainly for Hep C prevention and education (\$3.7m) and housing of people and support for those affected by drugs (\$2.6m) totaling \$6.5m. Total Federal funding for HR in 2002/3 was \$17.1m.

In today's terms HR cost would be estimated at \$27.3m.

FEDERAL GOVERNMENT EXPENDITURE

The major cost to the Federal Government in 2002/3 was for Prevention, Treatment, Harm Reduction and responses to illicit drug harm (hospital, medication). Total cost was \$434.6m. If cost of dispensing is included this rises to \$514m. Of this only \$122.4m was spent on treatment and prevention compared to \$391.5m on OMT, HR

and consequences of illicit drug use. This compares to \$213m for Supply Reduction strategies (law enforcement and interdiction).

As illustrated by the Howard Government strategies enforcement of drug laws and interdiction resulted in a major decline in illicit drug use and drug related death and harm. In 1999 drug related deaths were 1100 per year. Five years later this had declined to less than 400 and was directly related to the "heroin drought" as result of interdiction and prevention strategies. The number of deaths has now risen to over 700 per year.

The major cost is OMT. While it is considered a prevention strategy there is **no evidence, as recorded in the most authoritative Cochrane Collaboration review to date, to suggest that it significantly reduces mortality or criminality** based on Random Control Trials (Amato, 2004; Mattick, 2009) or 'intention-to-treat' studies and **no evidence to indicate it has any impact on HIV transmission**.

While it was widely believed that NSPs had a major impact on HIV transmission due to sharing of needles there is no research to substantiate this. The high rates of HCV transmission, which is much more robust than the HIV virus, is indicative of the failure of NSPs to prevent transmission of blood borne viruses. HIV transmission is related to unsafe sex practices among both MSM and the sex industry especially correlated to high incidence of other STDs. The evidence strongly suggests that condom use is the predominant preventive strategy in prevention of HIV transmission.

If this spending is proportionally the same today the cost of prevention and treatment is \$195.m compared to \$612.2m for harm reduction strategies including OMT and \$340.8m for supply reduction.

Studies (NDARC, 2004) show that treatment is effective in terms of improvement in outcomes and that those who become abstinent have much better outcomes compared to those on OMT. Recent studies, including RCTs and reviews have found that naltrexone treatment is both effective and safe.

DFA recommends that more funds be allocated for prevention and treatment, including the use of naltrexone and exit strategies for long-term OMT patients, and a reduction in funding for HR strategies.

Cost of programs (2002/3).

Illicit Drugs

Totals in 2002/3:

Fed, State, Local Govt: \$1.3b

Funding is divided into two main areas:

Proactive- Supply, demand and harm reduction \$1.25b

		Total	Fed
Law Enforcement:	\$546m (42%)		
Interdiction:	\$182m (14%)		
		\$728m (56%)	\$213m
Prevention:	\$299m (23%)		
Treatment:	\$221m (17%)		
		\$520m (40%)	\$303m
		\$1.248b (96%)	\$516m

Reactive:

Fed:	\$104.4m		
State:	\$45.2m		
Total:		\$149.6m	
Total (Proactive and Reactive)			\$1.397b

Total Prevention:

Fed:	\$57.4m	
State:	\$246.5m	
Total:		\$303.9m

Total Treatment:

Fed:	\$65m	
State:	\$164.2m	
Total:		\$229.2m (\$137.2m – illicit drugs)

(Half provided by NGOs through Fed funding -133 projects: \$57m in 2012)

Pharmacotherapy

Fed:		
Medication (methadone and buprenorphine)	\$15.3m	
GPs	\$13.7m	
Total:		\$29.0m
Cost to consumers for dispensing in Private Clinics:	\$58.4m (\$82.44m – 2012; Paid from Social Benefits)	
State (Public clinics)		\$15.0m (\$30.3m – 2012)

Prison Treatment:

State:		
Detox:	\$17.0m	
Methadone:	\$4.7m (\$2459 ea) (\$6.7m – 2012)	
Counselling	\$5.3m	
Total:		\$27.0m

Diversion:

Fed:	\$26.5m
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Harm Reduction:

Fed:	\$17.1m (Research - \$1m, HIV educ and info - \$3.7)	
State:	\$38.3	
Total		\$55.4m
NSPs		
Fed:	\$4.6m	
State:	\$38.3m	
Total:		\$44.9m

Reactive:

Hospitals:		
Fed:	\$34.1m	
State:	\$31.5m	
Total:		\$65.9m
Medical Costs - Fed:	\$63.4m	
PBS – Fed	\$6.6m	
Ambulance – State (drug ODs)	\$9.9m	
Coroners Court – State	\$3.8m	
Totals:		
Fed:	\$104.4m	
State:	\$45.2m	
Total:		\$149.6m

Federal Govt Funding in 2002/3

<u>Prevention:</u>	\$22.4
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Treatment:

Residential (mainly NGOs)		\$57m	
Pharmacotherapy:			
Medication	\$15.3m		
GPs	\$13.7m		
Dispensing: (Social Security)	\$46.72		
Prisons:	\$4.7m		
Total		\$80.42m	
Diversion:		\$26.5m	
Harm Reduction:	\$12.5m		
NSPs	\$4.7m		
Total:		\$17.1m	
Hospitals:	\$34.1		
Medication	\$70m		
Total:		\$104.1m	
Total:			\$307.52m

Does not count:

1. spending by NGOs through their own efforts eg Red Cross Appeal, Salvos – outreach, etc.
2. Private health insurance (Private hospitals and residential rehabs)
3. Individual costs: (methadone - \$117.53m (less Social Security - \$46.72); individual treatment – psychologists; residential treatment, etc.)