

1 Expenditure on public health activities in Australia

1.1 Background

Government-funded public health activity is an important part of the Australian health care system. Public health activities generally can be viewed as a form of investment in the overall health status of the nation.

The former National Public Health Partnership (NPHP) defined public health as:

the organised response by society to protect and promote health, and to prevent illness, injury and disability. The starting point for identifying public health issues, problems and priorities, and for designing and implementing interventions, is the population as a whole, or population subgroups. (NPHP 1998)

Public health is characterised by planning and intervening for better health in populations rather than focusing on the health of the individual. These efforts are usually aimed at addressing the factors that determine health and the causes of illness, rather than their consequences, with the aim of protecting or promoting health, or preventing illness.

This publication reports estimates of recurrent expenditure (referred to as 'expenditure' throughout the report) on public health activities in Australia that were funded by the Australian Government and state and territory health departments, and sources of funds for 2004–05. In addition, some previously published and revised estimates covering the years 1999–00 to 2003–04 are included in selected tables (see Box 1 for the distinction between funding and expenditure).

As well as funding its own expenditures on public health, the Australian Government provides funding to support the public health activities of state and territory governments through Specific Purpose Payments (SPPs). Consequently, the estimates of funding by the Australian Government are higher than the related expenditure estimates. On the other hand, the estimates of net funding by individual states and territories, which have been derived by deducting their estimated receipts of public health SPPs from their reported total expenditure, are lower than the expenditures directly incurred.

Box 1: Defining health funding and expenditure

Health funding

Health funding is reported on the basis of who provides the funds that are used to pay for health expenditure. In the case of public health, although states and territories incur around 70% of the total expenditure through programs for which they are primarily responsible, they provide less than half of all funding for public health from their own resources.

The Australian Government, on the other hand, as well as funding all expenditures incurred through its own programs, provides Specific Purpose Payments to states and territories (most notably payments under the Public Health Outcome Funding Agreements (PHOFAs)). Those payments help fund programs for which the states and territories are primarily responsible. The Australian Government's contribution of total funding of public health activities in Australia in 2004–05 was estimated at approximately 60%.

Health expenditure

Health expenditure is reported in terms of who incurs the expenditure, rather than who ultimately pays for that expenditure. In the case of public health services for which the states and territories are primarily responsible, all related expenditure is incurred by the state and territory governments although a considerable proportion of the funding for those expenditures is provided by the Australian Government through Specific Purpose Payments to the states and territories for public health.

1.2 Structure of report

The first chapter provides a picture of Australia-wide expenditure and is followed by nine chapters, one describing expenditure in the Australian Government Health and Ageing portfolio and one each for the states and territories.

Each jurisdiction's chapter reports recurrent expenditure against the nine public health activities that have been defined for this series. It also includes information about particular programs within those activities, where it is considered important to the understanding of the composition of expenditure. In addition, most jurisdictions have provided estimates of expenditure they have incurred in respect of programs and activities that they consider to have some public health-related relevance.

Information on the deflators used in compiling constant price estimates used in measuring real change in expenditure on public health activities is provided in Chapter 11, along with a broad overview of the data collection methodology used by jurisdictions.

Definitions of the public health activities included in this data collection are set out in Appendix B. The report also includes a glossary to provide descriptions of concepts that may not be familiar to readers.

1.3 Introduction

The framework adopted by the National Public Health Expenditure Project (NPHEP) for reporting expenditure on public health activities since 1999–00 is made up of nine activity categories:

- *Communicable disease control*
- *Selected health promotion*
- *Organised immunisation*

- *Environmental health*
- *Food standards and hygiene*
- *Breast cancer screening*
- *Cervical screening*
- *Prevention of hazardous and harmful drug use*
- *Public health research.*

Jurisdictions were asked to estimate expenditure within these nine core activities.

As well as the estimates of expenditure on the public health activities, most jurisdictions provided estimates of expenditure on other activities that they considered related to public health and important in explaining their overall expenditure. Such expenditures are reported separately in this publication under the heading 'Public health-related activities', but are not included in the overall estimates of expenditure on public health activities in Australia. As these estimates are reported on a voluntary basis by jurisdictions, not all jurisdictions have reported this information.

As well as the amounts that each state and territory estimated were spent directly on the public health activities themselves, the estimates include notional allocations of corporate overheads and other 'on-costs' incurred in providing and supporting those activities. These include such things as human resources management, legal and industrial relations activities, staff development and finance expenses, as well as development and maintenance of information systems, disease surveillance and epidemiology, and a range of similar corporate activities (refer to Glossary for details). While these 'indirect' expenditures have been incorporated in the estimates, they have not been separately identified in the report.

In the case of direct expenditures by the Australian Government, estimates have been separately identified as being either 'administered expenses' or 'departmental expenses'. The former are essentially monies specifically appropriated in respect of the public health programs and activities that are administered by the Department of Health and Ageing (DoHA); the latter are expenses incurred by the DoHA in administering those programs and activities and include wages and salaries of employees and departmental overheads (refer to Glossary for details).

Readers should note that the public health expenditure estimates reported here relate only to those incurred by or funded by the key health departments and agencies in the various jurisdictions (see diagram on page xiii). It does not include funding of public health activities by non-health state and territory government departments, non-government organisations and households.

The only part of expenditure incurred by local government authorities (LGAs) that has been included in the report relates to the funding provided by the key health departments and agencies. Thus, the report does not include any LGA expenditures that were funded from their own funding sources or from fees charged to users of the services. For example, if a particular program was jointly funded by a key health department and a local council in a particular jurisdiction, only the relevant state government's contribution would be included and it would be identified as state government expenditure and funding. The same applies in respect of expenditure undertaken by non-government organisations.

The report does not include estimates of additional expenditures incurred by households for example in complying with public health legislation, nor does it include the contribution made by them in preventing injury and illness and promoting healthy environments within

the family and the larger community. While these are important contributions to public health in Australia, they are out of scope for this particular study.

1.4 Government funding of public health activities

Total funding of public health activities during 2004–05 was estimated, in current price terms, at \$1,436.3 million. This was an increase of \$173.3 million over the previous year.

The Australian Government contributed an estimated \$863.3 million (60.1%) of the total funding in 2004–05, compared with \$657.5 million or 52.1% in 2003–04 (Table 1.1). This increase of \$205.8 million was largely due to increased funding on *Organised immunisation* of \$132.5 million and the *Prevention of hazardous and harmful drug use* of \$45.6 million (see Table A2).

Of the total funding by the Australian Government in 2004–05, \$468.0 million was direct expenditure. The remaining \$395.3 million was funding to states and territories through SPPs. Of the total SPP funding, \$146.6 million (37.1%) was through the Public Health Outcome Funding Agreements (PHOFAs) between the Australian Government and the states and territories (see Figure 2.1). The remaining \$248.7 (62.9%) was funding for the purchase of essential vaccines and the provision of other public health activities by the state and territory governments.

Table 1.1: Funding of public health expenditure, current prices, by source of funds, 2003–04 and 2004–05

Source of funds	2003–04		2004–05	
	Amount (\$ million)	Share of total (%)	Amount (\$ million)	Share of total (%)
Funding by the Australian Government				
Direct expenditure	346.2	27.4	468.0	32.6
Plus SPPs	311.3	24.6	395.3	27.5
<i>Australian Government funding</i>	657.5	52.1	863.3	60.1
Funding by state and territory governments				
Gross expenditure	916.8	72.6	968.3	67.4
Less SPPs	311.3	24.6	395.3	27.5
<i>Net funding by the states and territories</i>	605.5	47.9	573.0	39.9
Total funding/expenditure	1,263.0	100.0	1,436.3	100.0

Note: Components may not add to totals due to rounding.

Funding by states and territories from their own sources was estimated at \$573.0 million in 2004–05, compared with \$605.5 million the previous financial year. Of this, approximately 50% was provided by New South Wales and Victoria (Table 1.2).

Table 1.2: Net public health funding by states and territories^{(a)(b)}, current prices, and shares of the total funding by states and territories, 2003–04 and 2004–05

State/territory	2003–04		2004–05	
	\$ million	Proportion of total (%)	\$ million	Proportion of total (%)
New South Wales	154.8	25.6	138.0	24.1
Victoria	147.2	24.3	144.1	25.1
Queensland	99.4	16.4	93.7	16.4
Western Australia	73.1	12.1	65.4	11.4
South Australia	55.3	9.1	49.8	8.7
Tasmania	17.9	3.0	14.9	2.6
Australian Capital Territory	19.1	3.2	20.4	3.6
Northern Territory	38.7	6.4	46.7	8.2
Total	605.5	100.0	573.0	100.0

(a) Does not include funding to states and territories by the Australian Government through the SPPs.

(b) Estimates and comparisons across states and territories need to be interpreted with care. For further information see pages 10 and 11 of this report. Refer to the individual jurisdictions' chapters for more information on expenditures incurred.

Note: Components may not add to totals due to rounding.

1.5 Government expenditure on public health activities

Public health expenditure

Of the total \$1,436.3 million spent on public health activities in 2004–05, \$968.3 million (67.4%) was incurred by the state and territory governments. The balance of \$468.0 million (32.6%) related to programs and activities for which the Australian Government was directly responsible (Table 1.3).

Organised immunisation accounted for \$338.3 million or 23.6% of estimated expenditure on all public health activities by all jurisdictions during 2004–05 (Table 1.3) and reflected the largest single area of public health expenditure. Other major activities, in terms of their share of total expenditure, were:

- *Selected health promotion* – \$232.8 million (16.2% of total expenditure on public health activities)
- *Communicable disease control* – \$232.0 million (16.1% of total expenditure on public health activities)
- *Prevention of hazardous and harmful drug use* – \$194.2 million (13.5% of total expenditure on public health activities).

Table 1.3: Total public health expenditure by the Australian Government and states and territories, current prices, by activity, 2003–04 and 2004–05

Activity	2003–04			2004–05				
	Australian Government ^(a) (\$ million)	States and territories ^(b) (\$ million)	Total (\$ million)	Proportion of total public health expenditure (%)	Australian Government ^(a) (\$ million)	States and territories ^(b) (\$ million)	Total (\$ million)	Proportion of total public health expenditure (%)
Communicable disease control	30.4	173.5	203.9	16.1	38.6	193.4	232.0	16.1
Selected health promotion	44.3	172.1	216.4	17.1	40.4	192.4	232.8	16.2
Organised immunisation	49.5	218.6	268.1	21.2	136.2	202.1	338.3	23.6
Environmental health	19.2	60.8	80.0	6.3	17.0	66.3	83.3	5.8
Food standards and hygiene	14.6	20.8	35.4	2.8	14.0	18.6	32.6	2.3
Breast cancer screening	1.7	106.7	108.4	8.6	2.0	116.3	118.3	8.2
Cervical screening	65.6	23.5	89.1	7.1	77.1	25.5	102.6	7.1
Prevention of hazardous and harmful drug use	52.0	115.9	167.9	13.3	68.0	126.2	194.2	13.5
Public health research	68.6	24.9	93.5	7.4	74.4	27.4	101.8	7.1
PHOFA administration ^(c)	0.3	—	0.3	—	0.3	—	0.3	—
Total expenditure	346.2	916.8	1,263.0	100.0	468.0	968.3	1,436.3	100.0
Proportion of total core public health expenditure (%)	27.4	72.6	100.0	..	32.6	67.4	100.0	..

(a) Australian Government direct expenditure reported here does not include its funding of state/territory expenditures through SPPs.

(b) Relates to activity-specific, program-wide and agency-wide expenditures incurred by state and territory governments, including expenditures that are wholly or partly funded through Australian Government SPPs to states and territories (see Glossary for an explanation of these terms).

(c) Relates to expenditure incurred by the Australian Government in administering funding under the PHOFAs.

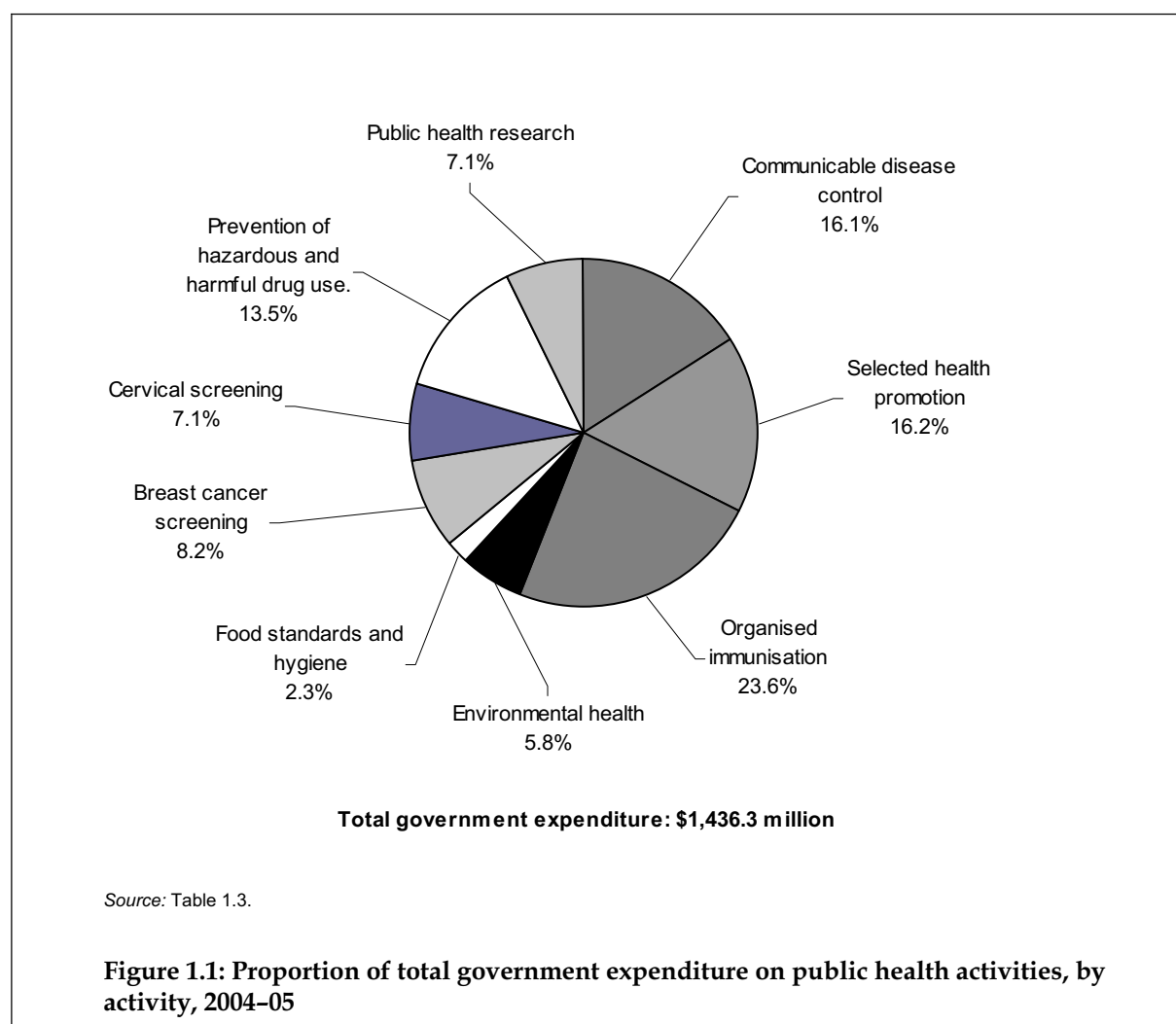
Note: Components may not add to totals due to rounding.

Table 1.4: Growth in public health expenditure by the Australian Government and states and territories, current prices, by activity, 2003–04 to 2004–05 (per cent)

Activity	Australian Government	States and territories	Total
Communicable disease control	27.0	11.4	13.8
Selected health promotion	-8.8	11.8	7.6
Organised immunisation	175.2	-7.6	26.2
Environmental health	-11.5	9.1	4.2
Food standards and hygiene	-4.1	-10.3	-7.8
Breast cancer screening	17.6	9.1	9.2
Cervical screening	17.5	8.5	15.1
Prevention of hazardous and harmful drug use	30.8	8.9	15.7
Public health research	8.5	10.3	9.0
Total expenditure	35.2	5.6	13.7

Source: Table 1.3.

Note: Components may not add to totals due to rounding.



Compared with 2003–04, total expenditure on public health activities in 2004–05, in current price terms, was up \$173.3 million or 13.7% (Table 1.3; Table 1.4). In absolute terms, the highest increases between 2003–04 and 2004–05 were recorded in *Organised immunisation* (up \$70.2 million), *Communicable disease control* (up \$28.1 million) and *Prevention of hazardous and harmful drug use* (up \$26.3 million).

It should be noted that the annual expenditure on *Organised immunisation* across states and territories has fluctuated over the past three years (2002–03 to 2004–05) (see tables in the individual jurisdictional chapters). This fluctuation largely reflects the introduction of new immunisation programs as they tend to have higher start-up costs in the initial year. For example, the National Meningococcal C Vaccination Program, which started in January 2003, provided free vaccine to all those aged 1 to 19 years up to 30 June 2006 and all children turning 12 months since 2003. This program resulted in higher start-up costs as all children and youths aged 1–19 years were eligible to be vaccinated. In subsequent years, there are lower numbers of children to be vaccinated resulting in lower expenditure. Other new programs, which have start-up costs, include the National Childhood Pneumococcal Vaccination Program and the National Pneumococcal Vaccination Program for older Australians, both of which commenced on 1 January 2005. In addition, the implementation processes and timing varied across jurisdictions.

Public health expenditure as a proportion of total recurrent health expenditure

Total recurrent expenditure on health in 2004–05 was estimated at \$82,176 million (Table 1.5). Of this, \$56,010 million was funded by governments, the balance being funded by private sources.

Total government expenditure on public health in Australia during 2004–05 was estimated at \$1,436.3 million. This represented 1.7% of total recurrent expenditure and 2.6% of recurrent government expenditure in that year. Although expenditure on public health activities has increased steadily over the past six years (1999–00 to 2004–05), its share of total recurrent health expenditure has remained relatively stable (Table 1.5).

Table 1.5: Total government public health expenditure and total recurrent health expenditure, current prices, Australia, 1999–00 to 2004–05

Year	Total government public health expenditure (\$ million)	Total recurrent health expenditure ^(a) (\$ million)		Public health as a proportion of total recurrent expenditure (%)	
		All funding sources ^(b)	Government funding	All funding sources	Government funding
1999–00	914	51,841	36,238	1.76	2.52
2000–01	1,014	57,967	39,911	1.75	2.54
2001–02	1,092	62,998	42,867	1.73	2.55
2002–03	1,202	69,024	47,349	1.74	2.54
2003–04	1,263	74,718	50,960	1.69	2.48
2004–05	1,436	82,176	56,010	1.75	2.56

(a) Refers to the expenditure by the public and private sectors on a recurring basis, for the provision of health goods and services. It excludes capital expenditure but includes indirect expenditure.

(b) Includes government and non-government sources of funds.

Source: AIHW 2006, and AIHW health expenditure database.

State and territory expenditure

In order to estimate the overall levels of public health expenditure in each state and territory, it is necessary to allocate the Australian Government funding in supporting public health programs on a state and territory basis.

The Australian Government funds expenditure on public health activities through:

- its own direct expenditure in supporting public health programs
- the provision of SPPs to states and territories.

The Australian Government's SPPs can readily be allocated on a state and territory basis. However, as its direct expenditure is generally not available on a state and territory basis, other indicators need to be used to allocate these expenditures. With the exception of *Cervical screening* and any direct purchases of essential vaccines by the Australian Government on behalf of the state and territory governments, the direct expenditure has been apportioned across each state and territory according to the allocation of public health SPPs (see Table 2.4). In the case of *Cervical screening*, expenditure directly incurred by the Australian Government has been allocated by state and territory in line with the Medicare benefits paid to recipients by their state of location (see Chapter 11 for further information). Purchases of essential vaccines have been apportioned in line with the purchases by the Australian Government on behalf of the states and territories.

Table 1.6 shows estimated total government expenditure in each state and territory as a proportion of their total recurrent health expenditure (see Glossary for definition). The table shows that the public health share of total recurrent health expenditure in 2004–05 varied considerably across jurisdictions, ranging from 6.8% in the Northern Territory to 1.6% in New South Wales and Victoria. For the more populous states (New South Wales, Victoria and Queensland), their proportions were relatively stable over the period 1999–00 to 2004–05, but generally marginally lower than the national average of 1.7% (Table 1.5; Table 1.6). With regard to the other states and territories, their proportions were above the national average, with the highest being recorded by the two territories.

Similarly, the public health share of government-funded recurrent health expenditure in 2004–05 varied across jurisdictions, ranging from 8.6% in the Northern Territory to 2.4% in New South Wales, Victoria and South Australia.

Table 1.6: Estimated total government public health expenditure for each state and territory^{(a)(b)(c)} as a proportion of total recurrent health expenditure for each state and territory, current prices, 1999–00 to 2004–05 (per cent)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
All funding sources									
1999–00	1.59	1.61	1.60	1.98	1.88	2.22	3.06	7.34	1.76
2000–01	1.53	1.70	1.57	1.97	1.88	2.17	2.88	6.77	1.75
2001–02	1.54	1.62	1.60	2.00	1.94	2.07	2.70	6.48	1.73
2002–03	1.47	1.70	1.69	1.98	1.96	2.33	2.52	5.29	1.74
2003–04	1.51	1.61	1.59	1.88	1.76	2.20	2.41	6.60	1.69
2004–05	1.63	1.56	1.70	1.88	1.76	2.14	2.49	6.84	1.75
Government funding sources									
1999–00	2.26	2.45	2.23	2.81	2.51	3.11	4.20	9.24	2.52
2000–01	2.23	2.61	2.20	2.86	2.60	3.07	4.09	8.68	2.54
2001–02	2.25	2.50	2.29	3.02	2.75	2.92	3.91	8.34	2.55
2002–03	2.17	2.44	2.44	2.84	2.74	3.37	3.57	6.64	2.54
2003–04	2.23	2.48	2.30	2.65	2.44	3.11	3.53	8.40	2.48
2004–05	2.42	2.39	2.46	2.69	2.42	2.98	3.58	8.57	2.56

(a) Total direct expenditure by the Australian Government has been apportioned to states and territories in line with their proportion of SPP funding from the Australian Government, except for *Cervical screening* and the direct purchases of essential vaccines by the Australian Government on behalf of the states and territories. For more details see Chapter 11 (pages 118 and 119).

(b) Estimates and comparisons across states and territories need to be interpreted with care. For further information see section below. Refer to the individual jurisdiction chapters for more information on expenditures incurred.

(c) Includes government and non-government sources of funds.

Source: Table A8 and Table A9.

Expenditure on public health activities by jurisdictions

Care must be exercised when comparing estimates of expenditure on public health across jurisdictions. The levels of expenditure on public health activities may vary, because different jurisdictions often need to direct more effort and resources to particular activities to meet needs that are of primary concern to their populations. These are sometimes determined by factors outside their control, such as their geographic location in relation to known or perceived risks to public health.

In addition, the relevance and levels of expenditure on public health activities by individual states and territories are also influenced by ‘non-public health’ factors, such as:

- location and population demographics (that is, age–sex structure and geographic distribution)
- relative economies of scale in the delivery of particular activities
- the need to cater for some populations in other states and territories
- the public health roles assigned to other agencies, such as LGAs, within jurisdictions.

Furthermore, while every effort has been taken to minimise differences in the methods used to estimate expenditures, there remain some methodological differences that render comparisons across jurisdictions a little problematic. These include:

- some differences arising from the different data collection processes across jurisdictions

- differences in the treatment of some overheads in the health expenditure estimates.

This second group of differences, however, would not seem capable of exerting any large degree of influence on the relative levels of expenditure by the different jurisdictions.

It should also be noted that direct expenditure by the Australian Government has been apportioned across states and territories in order to estimate total government expenditure in each state and territory (see Chapter 11 for details).

Despite these problems, some interesting patterns emerge between states and territories for 2004–05. For example, while New South Wales had the highest level of expenditure overall, its proportion of total government expenditure on public health activities was lower than its share of the national population (Figure 1.2). Similarly, Victoria’s and Queensland’s proportions of total government public health expenditure were lower than their share of the national population. The smaller jurisdictions (in terms of population), on the other hand, all had shares of total government public health expenditure that were larger than their corresponding shares of the national population.

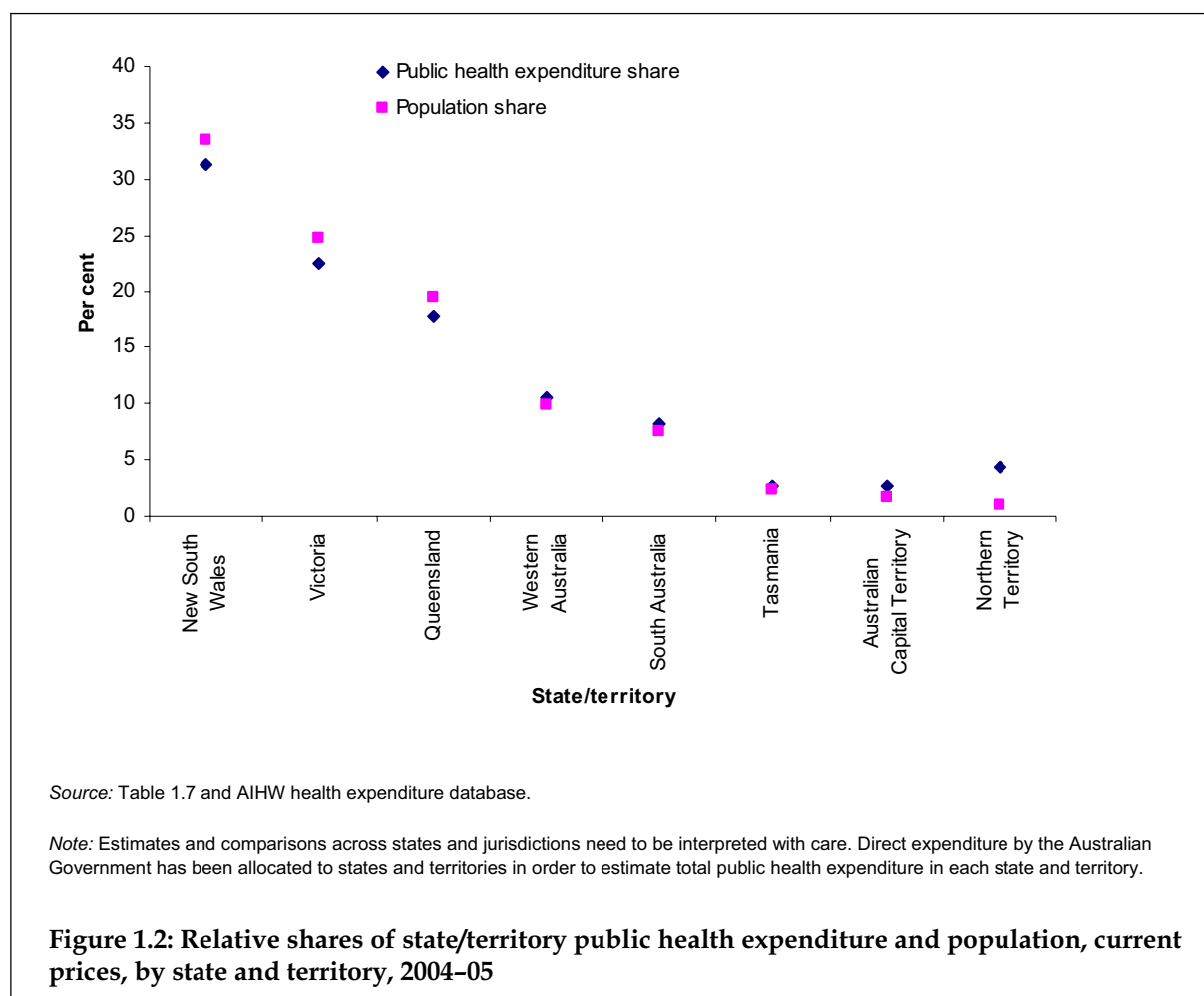


Table 1.7: Total government expenditure^{(a)(b)} on public health activities, current prices, by each state and territory^(c), 2004–05

Activity	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Expenditure (\$ million)									
Communicable disease control	84.8	50.0	30.3	19.6	18.2	4.1	6.5	18.6	232.0
Selected health promotion	57.6	76.8	37.0	28.1	17.1	5.1	7.2	3.9	232.8
Organised immunisation	128.9	66.3	61.0	29.9	23.5	8.5	7.6	12.5	338.3
Environmental health	20.5	9.1	17.4	13.2	7.4	5.3	3.1	7.5	83.3
Food standards and hygiene	10.0	6.0	6.3	3.6	2.5	0.6	2.7	1.2	32.6
Breast cancer screening	43.9	25.8	23.6	10.1	7.9	4.1	1.7	1.3	118.3
Cervical screening	32.4	22.1	20.1	10.6	9.4	2.8	1.9	3.6	102.6
Prevention of hazardous and harmful drug use	39.2	39.0	44.2	25.8	22.6	6.4	5.1	11.8	194.2
Public health research	33.3	26.7	14.2	11.4	9.7	2.4	1.6	2.4	101.8
PHOFA administration	0.1	0.1	—	—	—	—	—	—	0.3
Total	450.7	321.9	254.0	152.2	118.2	39.4	37.4	62.7	1,436.3
Proportion of total government expenditure in each state and territory (%)									
Communicable disease control	18.8	15.5	11.9	12.9	15.4	10.3	17.3	29.7	16.1
Selected health promotion	12.8	23.9	14.6	18.5	14.5	12.9	19.2	6.2	16.2
Organised immunisation	28.6	20.6	24.0	19.7	19.9	21.6	20.4	19.9	23.6
Environmental health	4.6	2.8	6.8	8.7	6.3	13.4	8.3	11.9	5.8
Food standards and hygiene	2.2	1.9	2.5	2.4	2.1	1.6	7.2	1.9	2.3
Breast cancer screening	9.7	8.0	9.3	6.7	6.7	10.5	4.5	2.0	8.2
Cervical screening	7.2	6.9	7.9	7.0	7.9	7.2	5.0	5.8	7.1
Prevention of hazardous and harmful drug use	8.7	12.1	17.4	17.0	19.1	16.2	13.7	18.9	13.5
Public health research	7.4	8.3	5.6	7.5	8.2	6.2	4.3	3.7	7.1
PHOFA administration	—	—	—	—	—	—	—	—	—
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) Includes expenditures incurred by state and territory governments that are wholly or partly funded by Australian Government SPPs to states and territories.

(b) Includes estimates of direct expenditure incurred by the Australian Government on its own public health programs. These have been apportioned across states and territories according to the allocation of public health SPPs, except for *Cervical screening* which has been allocated using Medicare benefits data. In addition, direct purchases of essential vaccines by the Australian Government on behalf of state and territory governments have been allocated directly to states and territories.

(c) Estimates and comparisons across states and territories need to be interpreted with care. For further information see pages 10 and 11 of this report. Also refer to the individual jurisdictions' chapters for more information on the expenditures incurred on public health activities.

Note: Components may not add to totals due to rounding.

On an activity basis, all jurisdictions except Victoria and the Northern Territory recorded their highest proportion of expenditure on *Organised immunisation*, ranging from 19.7% in Western Australia to 28.6% in New South Wales. In the case of Victoria and the Northern Territory, their highest proportion was on *Selected health promotion* (23.9%) and *Communicable disease control* (29.7%), respectively (Table 1.7).

Average state and territory government expenditure, per person

Estimates of average expenditures on a per person basis are often useful in enabling comparative assessments to be made across different-sized populations.

Readers should bear in mind that the figures presented here are simple per person averages, based on the total population within particular jurisdictions. This same method has been applied across all activity types irrespective of the particular population group(s) that are the target(s) of specific programs or activities. Thus, the per person figures do not reflect the average funding or expenditure incurred in respect of the group(s) within the population at whom the particular activities are targeted. For example, per person expenditure on *Cervical screening* and *Breast cancer screening* is estimated across the whole population (male and female, including children), whereas the targets for those programs and activities are clearly the adult female populations within particular age categories. Consequently, these estimates and comparisons across jurisdictions need to be interpreted with care.

It should also be noted that direct expenditure by the Australian Government has been apportioned across states and territories in order to estimate the overall levels of public health expenditure in each state and territory (see Chapter 11 for further information).

Bearing in mind these qualifications (including those set out on pages 10 and 11), the estimates of per person expenditures for 2004–05 (Table 1.8) show that the Northern Territory and the Australian Capital Territory had the highest average expenditure per person during 2004–05: (\$312 and \$115 per person respectively), compared with the national average of \$71 per person. This is partly explained by their small populations and the associated diseconomies of scale they face in delivering the range of public health activities to those small populations. To some extent, the same could be said of Tasmania which has a population that is slightly larger than the Australian Capital Territory. However, for the two territories, there are other non-public health factors that also could influence their estimated average expenditures.

In the case of the Northern Territory, their disadvantage is exacerbated by:

- (a) the relatively higher proportion of Indigenous people within the population, with their associated much poorer average health status
- (b) the average relative isolation of their population, with its associated cost disadvantages.

In the case of the Australian Capital Territory, while the expenditures are averaged across the Territory's population, some of the activities covered by those expenditures are utilised by the population in the surrounding regions of New South Wales.

At the other end of the scale, Victoria and Queensland had the lowest average expenditure per person (\$64 and \$65 per person respectively), marginally lower than that incurred by New South Wales (\$67).

Table 1.8: Estimated total government expenditures^{(a)(b)} per person^{(c)(d)} on public health activities, current prices, by state and territory, 2004–05

Activity		NSW	Vic	Qld	WA	SA	Tas	ACT ^(e)	NT	Total
Communicable disease control	Average per person (\$)	12.56	10.00	7.71	9.83	11.86	8.43	19.92	92.52	11.48
	<i>Per person index</i>	<i>109.4</i>	<i>87.2</i>	<i>67.2</i>	<i>85.7</i>	<i>103.3</i>	<i>73.5</i>	<i>173.6</i>	<i>806.1</i>	<i>100.0</i>
Selected health promotion	Average per person (\$)	8.54	15.38	9.42	14.08	11.12	10.54	22.19	19.46	11.52
	<i>Per person index</i>	<i>74.1</i>	<i>133.5</i>	<i>81.8</i>	<i>122.2</i>	<i>96.5</i>	<i>91.5</i>	<i>192.6</i>	<i>169.0</i>	<i>100.0</i>
Organised immunisation	Average per person (\$)	19.11	13.27	15.53	14.98	15.29	17.60	23.57	62.07	16.73
	<i>Per person index</i>	<i>114.2</i>	<i>79.3</i>	<i>92.8</i>	<i>89.5</i>	<i>91.4</i>	<i>105.2</i>	<i>140.8</i>	<i>370.9</i>	<i>100.0</i>
Environmental health	Average per person (\$)	3.04	1.82	4.42	6.61	4.81	10.90	9.55	37.10	4.13
	<i>Per person index</i>	<i>73.7</i>	<i>44.2</i>	<i>107.2</i>	<i>160.2</i>	<i>116.5</i>	<i>264.1</i>	<i>231.4</i>	<i>898.9</i>	<i>100.0</i>
Food standards and hygiene	Average per person (\$)	1.48	1.20	1.60	1.79	1.60	1.34	8.27	5.82	1.62
	<i>Per person index</i>	<i>91.1</i>	<i>74.1</i>	<i>98.5</i>	<i>110.5</i>	<i>98.5</i>	<i>82.6</i>	<i>510.2</i>	<i>359.3</i>	<i>100.0</i>
Breast cancer screening	Average per person (\$)	6.51	5.17	6.01	5.08	5.13	8.54	5.22	6.37	5.86
	<i>Per person index</i>	<i>111.0</i>	<i>88.2</i>	<i>102.6</i>	<i>86.7</i>	<i>87.6</i>	<i>145.6</i>	<i>89.1</i>	<i>108.7</i>	<i>100.0</i>
Cervical screening	Average per person (\$)	4.80	4.42	5.11	5.30	6.11	5.87	5.74	17.93	5.09
	<i>Per person index</i>	<i>94.3</i>	<i>87.0</i>	<i>100.4</i>	<i>104.1</i>	<i>120.2</i>	<i>115.4</i>	<i>112.9</i>	<i>352.5</i>	<i>100.0</i>
Prevention of hazardous and harmful drug use	Average per person (\$)	5.81	7.81	11.27	12.93	14.68	13.21	15.81	58.80	9.61
	<i>Per person index</i>	<i>60.5</i>	<i>81.3</i>	<i>117.3</i>	<i>134.6</i>	<i>152.8</i>	<i>137.5</i>	<i>164.6</i>	<i>612.1</i>	<i>100.0</i>
Public health research	Average per person (\$)	4.94	5.35	3.61	5.70	6.29	5.04	5.01	11.69	5.03
	<i>Per person index</i>	<i>98.1</i>	<i>106.4</i>	<i>71.8</i>	<i>113.3</i>	<i>125.1</i>	<i>100.2</i>	<i>99.6</i>	<i>232.3</i>	<i>100.0</i>
Total for the nine activities	Average per person (\$)	66.78	64.45	64.69	76.36	76.89	81.48	115.30	311.79	71.08
	Per person index	94.0	90.7	91.0	107.4	108.2	114.7	162.2	438.7	100.0

(a) Includes expenditures incurred by state and territory governments that are wholly or partly funded by the Australian Government through SPPs to states and territories.

(b) Includes estimates of direct expenditure incurred by the Australian Government on its own public health programs. These have been apportioned across states and territories according to the allocation of public health SPPs except for *Cervical screening*, which has been allocated using Medicare benefits data.

(c) The 'per person' estimate for each activity is based on the total population for the jurisdiction concerned. See Chapter 11 for further details.

(d) The 'per person' index for each category is referenced to the national per person expenditure = 100.0.

(e) In the case of the Australian Capital Territory, while the expenditures are averaged across the Territory's population, some of the activities covered by those expenditures are utilised by the population in the surrounding regions of New South Wales.

Note: Estimates and comparisons across states and territories need to be interpreted with care. For further information see pages 10 and 11 of this report. Also refer to the individual jurisdictions' chapters for more information on the expenditures incurred on the above public health activities.

1.6 Growth in expenditure on public health activities

In this part of the analysis, expenditures during different years are all expressed in terms of 2003–04 prices. The method used in converting current expenditure to constant prices is outlined in the Technical notes (Chapter 11).

Total government expenditure estimates

Between 1999–00 and 2004–05, estimated expenditure in constant price terms grew at an average rate of 5.8% per year. All activities showed real increases in expenditure over the six years, with the highest average annual growth rates being recorded for expenditure on *Organised immunisation* (13.6%) and *Prevention of hazardous and harmful drug use* (6.8%) (Table 1.9).

Over the period 1999–00 to 2004–05, *Organised immunisation* (\$234.6 million) reflected the highest average annual real expenditure, followed by *Selected health promotion* (\$216.6 million) and *Communicable disease control* (\$198.3 million) (Table 1.9; Figure 1.3).

Table 1.9: Total government expenditure on public health activities, constant prices^(a), by activity, 1999–00 to 2004–05

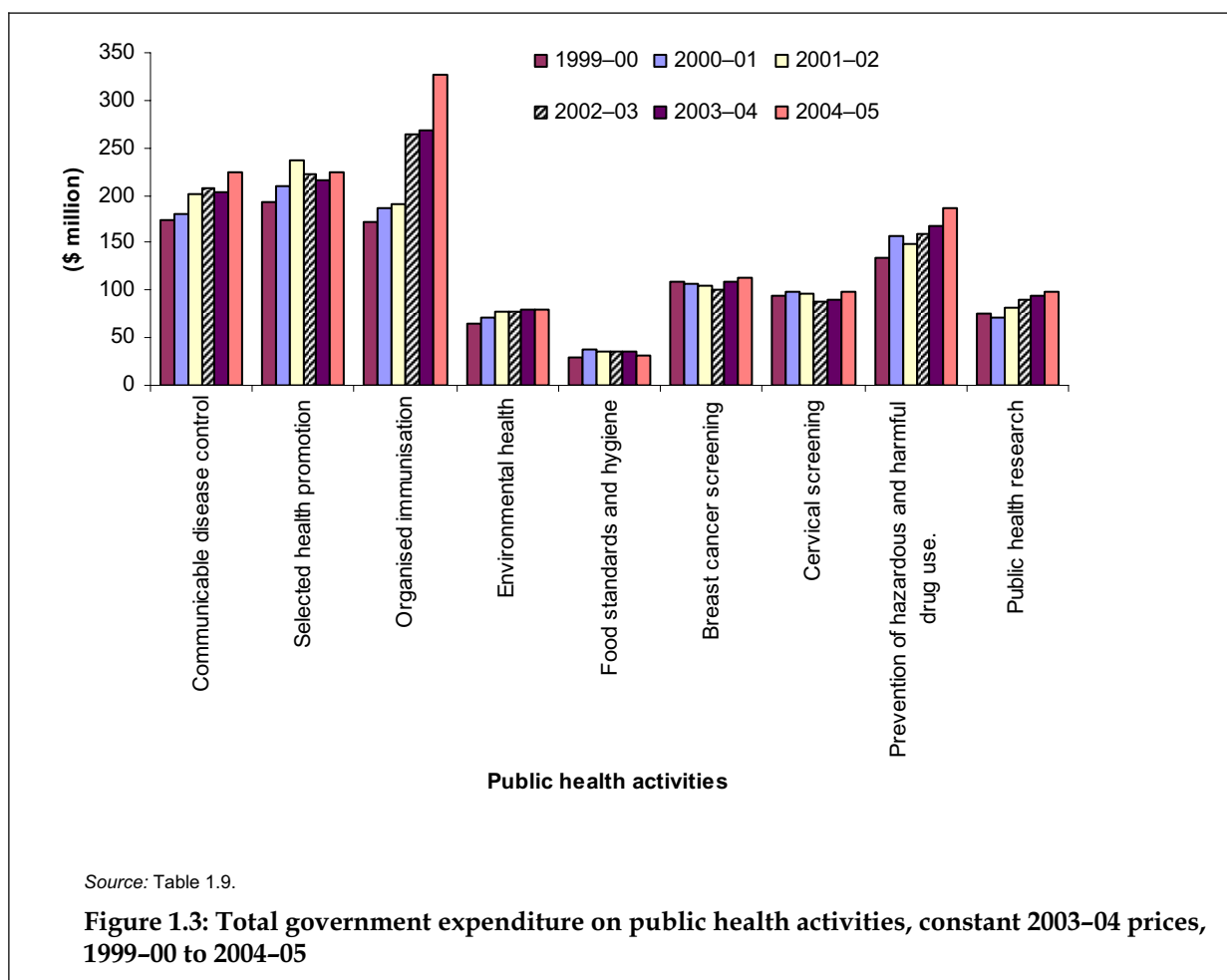
Activity	Expenditure (\$ million)						6-year average
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	
Communicable disease control	173.1	181.0	200.3	207.9	203.9	223.5	198.3
Selected health promotion	192.2	208.8	236.1	221.8	216.4	224.5	216.6
Organised immunisation	172.2	187.0	189.9	264.5	268.1	326.1	234.6
Environmental health	65.8	72.1	77.6	76.8	80.0	80.5	75.5
Food standards and hygiene	28.5	38.7	35.3	35.1	35.4	31.7	34.1
Breast cancer screening	109.0	106.1	104.2	101.0	108.4	114.1	107.1
Cervical screening	94.5	97.6	97.2	88.2	89.1	99.0	113.1
Prevention of hazardous and harmful drug use	134.6	157.4	148.1	159.0	167.9	187.3	190.9
Public health research	74.8	71.7	82.1	90.9	93.5	98.1	85.2
PHOFA administration	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total public health	1,045.1	1,120.8	1,171.0	1,245.4	1,263.0	1,385.1	1,205.1

Activity	Growth (%)					
	1999–00 to 2000–01	2000–01 to 2001–02	2001–02 to 2002–03	2002–03 to 2003–04	2003–04 to 2004–05	1999–00 to 2004–05 ^(b)
Communicable disease control	4.6	10.6	3.8	–1.9	9.6	5.2
Selected health promotion	8.6	13.1	–6.0	–2.4	3.7	3.2
Organised immunisation	8.6	1.5	39.3	1.4	21.6	13.6
Environmental health	9.5	7.7	–1.1	4.3	0.6	4.1
Food standards and hygiene	35.8	–9.0	–0.6	1.0	–10.3	2.1
Breast cancer screening	–2.6	–1.8	–3.0	7.3	5.3	0.9
Cervical screening	3.3	–0.5	–9.2	1.0	11.1	0.9
Prevention of hazardous and harmful drug use	16.9	–5.9	7.3	5.6	11.5	6.8
Public health research	–4.1	14.4	10.7	2.8	4.9	5.6
PHOFA administration	—	—	—	—	—	—
Total public health	7.2	4.5	6.4	1.4	9.7	5.8

(a) Constant price expenditure has been expressed in 2003–04 prices (see Section 11.1).

(b) Average annual growth rate.

Note: Components may not add to totals due to rounding.



Jurisdictional expenditure estimates

At a jurisdictional level, the highest average real growth in estimated expenditure over the period 1999-00 to 2004-05 was recorded by the Australian Government (8.6%) followed by Queensland (7.2%) and Victoria (5.0%). Other jurisdictions generally had average real growth rates ranging from 1.0% in the Australian Capital Territory and to 4.4% in New South Wales (Table 1.10).

With regards to 2004-05, the highest annual real growth was recorded by the Australian Government (up 30.4%), followed by the Northern Territory (up 18.9%), the Australian Capital Territory (up 7.4%) and New South Wales (up 3.3%). The other four jurisdictions, Victoria, Western Australia, South Australia and Tasmania, recorded a decline in their annual real expenditure (Table 1.10).

Average real expenditure per person for Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory remained above the national average over the period 2002-03 to 2004-05 (Tables A5, A6 and A7; Figure 1.4). The remaining jurisdictions' expenditures were below the national average.

Table 1.10: Total government expenditure on public health activities, constant prices^(a), by state and territory, 1999–00 to 2004–05

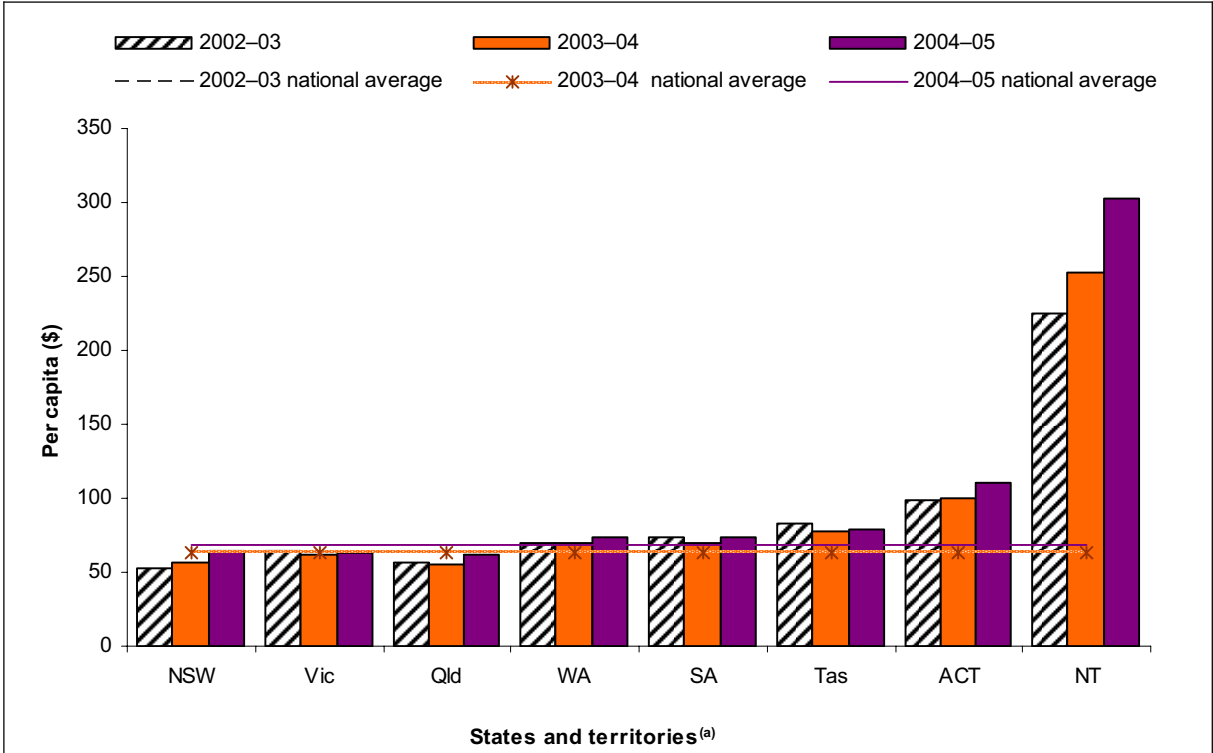
Jurisdiction	Expenditure (\$ million)						6-year average
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	
Australian Government	299.3	324.3	335.5	332.0	346.2	451.5	348.1
New South Wales	217.2	222.0	236.0	242.1	260.7	269.2	241.2
Victoria	172.4	206.9	211.5	242.8	226.3	219.7	213.3
Queensland	113.2	120.8	132.2	150.2	152.0	160.0	138.1
Western Australia	81.4	85.4	92.5	101.0	101.8	100.4	93.7
South Australia	67.4	71.0	72.5	84.5	79.0	78.6	75.5
Tasmania	22.5	24.0	25.3	28.8	27.0	25.4	25.5
Australian Capital Territory	26.1	24.5	24.3	25.5	25.5	27.4	25.5
Northern Territory	45.6	41.9	41.2	38.5	44.5	52.9	44.1
Total public health	1,045.1	1,120.8	1,171.0	1,245.4	1,263.0	1,385.1	1,205.1

Jurisdiction	Growth (%)						
	1999–00 to 2000–01	2000–01 to 2001–02	2001–02 to 2002–03	2002–03 to 2003–04	2003–04 to 2004–05	1999–00 to 2004–05 ^(b)	
Australian Government	8.4	3.5	–1.0	4.3	30.4	8.6	
New South Wales	2.2	6.3	2.6	7.7	3.3	4.4	
Victoria	20.0	2.2	14.8	–6.8	–2.9	5.0	
Queensland	6.7	9.4	13.6	1.2	5.3	7.2	
Western Australia	4.9	8.3	9.2	0.8	–1.4	4.3	
South Australia	5.3	2.1	16.6	–6.5	–0.5	3.1	
Tasmania	6.5	5.6	13.7	–6.3	–5.9	2.4	
Australian Capital Territory	–6.0	–0.9	5.1	0.1	7.4	1.0	
Northern Territory	–8.1	–1.7	–6.6	15.6	18.9	3.0	
Total public health	7.2	4.5	6.4	1.4	9.7	5.8	

(a) Constant price expenditure has been expressed in 2003–04 prices (see Section 11.1).

(b) Average annual growth rate.

Note: Components may not add to totals due to rounding.



(a) Comparisons across states and territories need to be interpreted with care. For further information see page 12 of the report.

Note: Average national real expenditure per person in 2002-03 (\$63.04), 2003-04 (\$63.19) and 2004-05 (\$68.53).

Source: Tables A5, A6 and A7.

Figure 1.4: Average total government expenditure per person, incurred by state and territory governments on public health activities, constant 2003-04 prices, 2002-03 to 2004-05

2 Australian Government Health and Ageing portfolio

2.1 Introduction

Funding and expenditure by the Australian Government relate to activities and responsibilities of the Department of Health and Ageing (DoHA) and other agencies within the Health and Ageing portfolio.

The major agencies that contribute to total portfolio expenditure on public health were:

- DoHA
- the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- Food Standards Australia New Zealand (FSANZ)
- the National Health and Medical Research Council (NHMRC)
- the Australian Institute of Health and Welfare (AIHW).

The Australian Government funds public health activities in two ways, through:

- direct expenditure incurred by the Australian Government in supporting public health programs
- Specific Purpose Payments (SPPs) to state and territory governments (Figure 2.1).

2.2 Overview of results

Funding by the Australian Government

Total portfolio funding of public health activities in 2004–05 was \$863.3 million, compared with \$657.4 million in 2003–04 and \$706.6 million in 2002–03 (Table 2.1).

Of the 2004–05 total funding, \$468.0 million (54.2%) was direct expenditure incurred by the Australian Government. The remaining was in the form of SPPs to state and territory governments (Figure 2.1) which increased from \$311.3 million in 2003–04 to \$395.3 million 2004–05 (up 27%).

Of the SPP funding, \$248.7 million (62.9%) was for the purchase of essential vaccines and other public health services. The remaining \$146.6 million (37.1%) was for payments to state and territory governments under the Public Health Outcome Funding Agreements (PHOFAs).

Funding of *Organised immunisation* accounted for \$323.4 million (or 37.5% of all Australian Government funding on public health activities) during 2004–05 and was the largest single area of funding (Table 2.2).

Table 2.1: Total funding by the Australian Government for expenditure on public health activities, current prices, 1999–00 to 2004–05 (\$ million)

Period	Direct expenditure	SPPs to state and territory governments	Total
1999–00	262.2	189.5	451.7
2000–01	293.2	252.5	545.7
2001–02	312.9	260.2	573.1
2002–03	320.3	386.3	706.6
2003–04	346.2	311.3	657.4
2004–05	468.0	395.3	863.3

Source: Table A1.

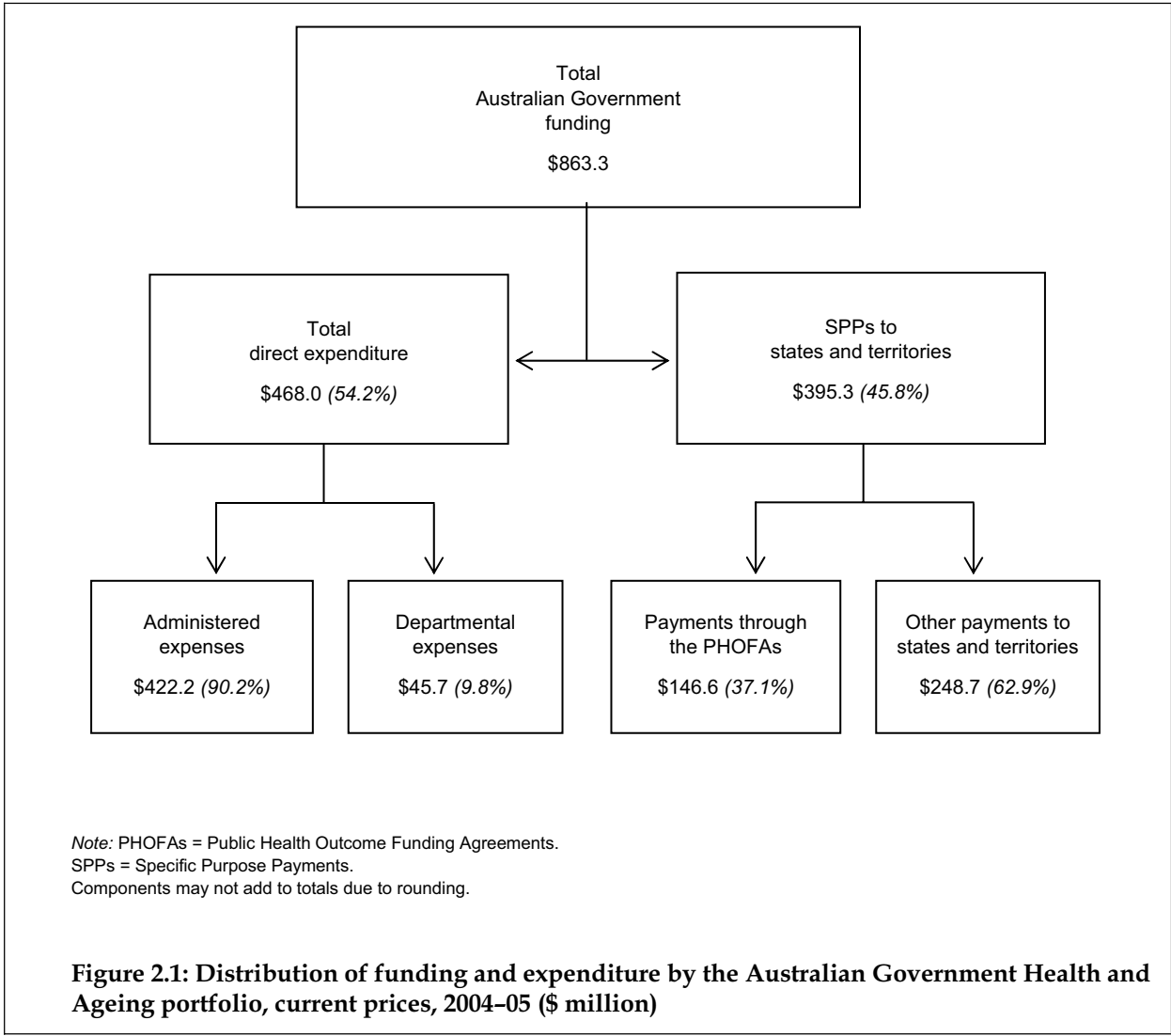
Note: Components may not add to totals due to rounding.

Direct expenditure

The estimated \$468.0 million in direct expenditure by the Australian Government in 2004–05 was made up of:

- expenditure administered by the DoHA portfolio on activities and programs for which it was primarily responsible (\$422.2 million)
- departmental expenses incurred in administering its public health expenditure and funding responsibilities (\$45.7 million) (Figure 2.1).

A high proportion of the Australian Government's direct expenditure has been in areas that support public health outcomes across jurisdictions. These include *Organised immunisation* (\$136.2 million or 29.1%), *Cervical screening* (\$77.1 million or 16.5%), *Public health research* (\$74.4 million or 15.9 %) and *Prevention of hazardous and harmful drug use* (\$68.0 million or 14.5% (Table 2.3).



**Table 2.2: Australian Government funding of public health activities, by activity, 2004–05
(\$ million)**

Activity	Direct expenditure	SPPs to state and territory governments	Total	Proportion of total funding on core public health activities (%)
Communicable disease control	38.6	5.8	44.4	5.1
Selected health promotion	40.4	0.1	40.5	4.7
Organised immunisation	136.2	187.2	323.4	37.5
Environmental health	17.0	—	17.0	2.0
Food standards and hygiene	14.0	0.4	14.4	1.7
Breast cancer screening	2.0	—	2.0	0.2
Cervical screening ^(a)	77.1	—	77.1	8.9
Prevention of hazardous and harmful drug use	68.0	55.0	123.0	14.2
Public health research	74.4	0.2	74.6	8.6
PHOFAs	^(b) 0.3	^(c) 146.6	146.9	17.0
Total public health	468.0	395.3	863.3	100.0

(a) Includes Medicare expenditure on cervical testing that has a public health purpose.

(b) Relates to expenditure incurred by the Australian Government in administering the PHOFAs.

(c) Does not include SPPs to state and territory governments which have been allocated to individual public health activities (see Table 2.4).

Note: Components may not add to totals due to rounding.

Table 2.3: Australian Government direct expenditure on public health activities, by expenditure type and activity, 2004–05 (\$ million)

	Administered expenses ^(a)	Departmental expenses	Total	Proportion of total direct expenditure (%)
Communicable disease control	32.7	5.9	38.6	8.2
Selected health promotion ^(b)	35.4	5.0	40.4	8.6
Organised immunisation	134.4	1.8	136.2	29.1
Environmental health ^(c)	1.1	15.9	17.0	3.6
Food standards and hygiene ^(c)	0.2	13.8	14.0	3.0
Breast cancer screening	1.0	0.9	2.0	0.4
Cervical screening	76.2	0.9	77.1	16.5
Prevention of hazardous and harmful drug use ^(b)	66.9	1.1	68.0	14.5
Public health research	74.3	0.1	74.4	15.9
PHOFAs	—	0.3	0.3	0.1
Total public health	422.2	45.7	468.0	100.0

(a) Does not include SPPs to state and territory governments.

(b) Departmental expenses for *Selected health promotion* and *Prevention of hazardous and harmful drug use* are relatively higher than for other activities because they contain social marketing campaigns.

(c) Departmental expenses on *Environmental health* and *Food standards and hygiene* are relatively higher than for other activities because they include operational expenditure for ARPANSA and FSANZ respectively.

Note: Components may not add to totals due to rounding.

SPPs to state and territory governments

Total public health funding to state and territory governments through SPPs in 2004–05 was estimated at \$395.3 million, compared with \$311.3 million in 2003–04 and \$386.3 million in 2002–03 (Table 2.4; Table A2). The increase in SPPs between 2003–04 and 2004–05 was mainly due to the increased funding by the Australian Government on *Organised immunisation* (up \$45.9 million) and on *Prevention of hazardous and harmful drug use* (up \$29.6 million). In addition, PHOFA funding in 2004–05 was up approximately \$16 million on the previous financial year.

Of 2004–05 funding, \$248.7 million (62.9%) was for the direct purchase of essential vaccines and expenditure on other public health activities. The remaining \$146.6 million (37.1%) was for the funding of health programs by state and territory under the PHOFAs (Figure 2.1; Table 2.4).

Before 2004–05, funding to states and territories for the purchase of essential vaccines was through the PHOFAs. In 2004–05, these purchases were funded under separate arrangements with the state and territory governments through the Australian Immunisation Agreements (AIAs) and are now reported under 'Other payments to states and territories' (see Figure 2.1). Consequently, the funding of health programs reported under the PHOFAs for 2004–05 is markedly lower than for previous years.

Funding under the Public Health Outcome Funding Agreements (PHOFAs)

The PHOFAs are funding agreements between the Australian Government and each state and territory government. The PHOFAs discussed here cover the period 1 July 2004 to 30 June 2009. The agreements include funding to achieve outcomes in respect of the following broad areas of public health:

- communicable diseases
- cancer screening
- health risk factors.

The PHOFAs also provide funding to implement programs in such areas as women's health, alternative birthing, female genital mutilation services, and some programs under the National Drug Strategy.

Under the PHOFAs, the state and territory governments are required to report annually against a range of outcome-based performance indicators.

The Australian Government has committed a total of \$812 million over the period 2004–05 to 2008–09 under the PHOFAs.

It is not possible to disaggregate the PHOFA funding to individual public health-related activities, as the state and territory governments have flexibility in using these funds to achieve nationally agreed outcomes. In 2004–05, payments of \$146.6 million were made to states and territories (Figure 2.1; Table 2.4).

Table 2.4: SPPs for public health, current prices, by state and territory, 2004–05 (\$ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
PHOFA funding	46.3	36.7	26.0	13.6	12.0	5.2	3.3	3.7	146.6
Communicable disease control	1.7	1.3	1.1	0.6	0.5	0.2	0.2	0.2	5.8
Selected health promotion	—	—	0.1	—	—	—	—	—	0.1
Organised immunisation ^(a)	73.4	31.0	36.7	21.8	14.6	4.7	2.8	2.1	187.2
Food standards and hygiene	—	0.1	0.1	—	0.1	—	—	—	0.4
Prevention of hazardous and harmful drug use	20.8	14.8	8.3	2.5	3.9	1.2	1.6	2.0	55.0
Public health research	—	—	—	—	0.3	—	—	—	0.3
Total payments	14.3	83.8	72.1	38.5	31.3	11.3	8.0	8.0	395.3

(a) Includes funding for the purchase of essential vaccines provided under the AIAs with state and territory governments.

Note: Components may not add to totals due to rounding. Data for years prior to 2004–05 are shown in Appendix Table A2.

2.3 Funding of public health activities

Communicable disease control

The Australian Government funding for *Communicable disease control* was in the form of both direct expenditure and SPPs. Total funding in 2004–05 was estimated at \$44.4 million (Table 2.5).

Table 2.5: Australian Government funding of *Communicable disease control*, current prices, 2004–05 (\$ million)

Category	HIV/AIDS hepatitis C and STIs	Needle and syringe programs	Other communicable disease control	Total communicable disease control
Direct expenditure	13.2	1.0	24.4	38.6
SPPs ^(a)	2.2	3.6	—	5.8
Total funding	15.4	4.5	24.4	44.4

(a) Does not include SPP funding under the PHOFAs.

Note: Components may not add to totals due to rounding.

Direct expenditure

Total direct expenditure in 2004–05 was \$38.6 million (Table 2.5; Table 2.6). This represented 8.2% of total direct expenditure on public health activities in 2004–05 (Table 2.3).

HIV/AIDS, hepatitis C and sexually transmitted infections

The Australian Government provided funding to peak community and professional bodies addressing issues surrounding HIV/AIDS, hepatitis C and related diseases. Its funding in 2004–05 was estimated at \$13.2 million.

Needle and syringe programs

Funding for needle and syringe programs was estimated at \$4.5 million in 2004–05. This funding was directed to educational and review purposes.

Other communicable disease control

Estimated funding on other communicable disease control was \$24.4 million in 2004–05. The expenditure included \$14.8 million funding for surveillance and management activities, biosecurity and pandemic preparedness, along with the provision of information and referral services. A further \$9.6 million was provided for activities under the National Indigenous Australians' Sexual Health Strategy.

Table 2.6: Direct expenditure on *Communicable disease control* by the Australian Government, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	32.7
Departmental expenses	5.9
Total expenditure	38.6

Funding through SPPs

SPPs for *Communicable disease control* amounted to \$5.8 million in 2004–05 (Table 2.7).

The SPPs in 2004–05 were for the Council of Australian Government's (COAG) illicit drug diversion measures relating to the needle and syringe programs (NSPs) (\$3.6 million) and the Hepatitis C Education and Prevention Program (\$2.2 million).

Australian Government funding of the COAG supports two specific initiatives:

- education, counselling and referral services through NSPs
- diversification of NSPs through pharmacies and other outlets.

The management of NSPs is a state and territory responsibility. There are no direct activities by the Australian Government in relation to NSP service delivery or in the provision of injecting equipment.

Table 2.7: SPPs for *Communicable disease control*, current prices, by state and territory, 2004–05 (\$ million)^(a)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
COAG needle and syringe programs	1.1	0.8	0.7	0.4	0.3	0.1	0.1	0.1	3.6
Hepatitis C Education and Prevention Program	0.6	0.5	0.4	0.2	0.2	0.1	0.1	0.1	2.2
Total	1.7	1.3	1.1	0.6	0.5	0.2	0.2	0.2	5.8

(a) Excludes any funding provided through the PHOFAs that was used to support state and territory public health programs.

Note: Components may not add to totals due to rounding.

Selected health promotion

The Australian Government funds *Selected health promotion* through its own direct expenditure and by way of SPPs to states and territories. Total funding for *Selected health promotion* in 2004–05 was \$40.5 million (Table 2.8).

Table 2.8: Australian Government funding of *Selected health promotion*, current prices, 2004–05 (\$ million)

Category	2004–05
Direct expenditure	40.4
SPPs to the states and territories	0.1
Total funding	40.5

Note: Components may not add to totals due to rounding.

Direct expenditure

In 2004–05, total direct expenditure by the Australian Government for *Selected health promotion* activities was \$40.4 million (Table 2.8; Table 2.9). This represented 8.6% of total direct expenditure on public health activities during 2004–05 (Table 2.3).

Total expenditure included \$11.5 million for work associated with the National Suicide Prevention Strategy, \$5.8 million for the National Mental Health Program, \$3.6 million on

obesity prevention, and \$3.5 million for family planning organisations. A further \$10.9 million was spent on a diverse range of other prevention and health promotion programs (e.g. asthma, falls prevention, bowel cancer detection, school promotions). The balance related to departmental expenditures incurred by DoHA in administering the above programs.

Table 2.9: Direct expenditure by the Australian Government on *Selected health promotion*, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	35.4
Departmental expenses	5.0
Total expenditure	40.4

Note: Components may not add to totals due to rounding.

Funding through SPPs

Funding of \$50,000 was provided to the Queensland Public Health Forum for advice on public health.

Organised immunisation

The Australian Government funds *Organised immunisation* through its own expenditure and through SPPs. Total funding in 2004–05 was estimated at \$323.4 million (Table 2.10).

Table 2.10: Australian Government funding of *Organised immunisation*, current prices, 2004–05 (\$ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation for older Australians	All other organised immunisation	Total organised immunisation
Direct expenditure ^(a)	134.4	—	1.8	136.2
SPPs to the states and territories	108.4	78.7	—	187.2
Total funding	242.8	78.7	1.8	323.4

(a) Excludes any funding provided through the PHOFAs that is used to support state and territory governments' organised immunisation programs. For further details see Table 2.12.

Note: Components may not add to totals due to rounding.

Direct expenditure

Direct expenditure on *Organised immunisation* in 2004–05 was estimated at \$136.2 million (Table 2.10; Table 2.11). This represented 29.1% of total direct expenditure on public health activities in 2004–05 (Table 2.3).

The majority of the expenditure was on *Organised childhood immunisation* (\$134.4 million or 98.7%). Of this, \$87.4 million was spent on a new immunisation program – Universal Childhood Pneumococcal Vaccination Program. This program provides free vaccine for all children born after 1 January 2005 at two, four and six months of age, plus catch-up

vaccination in 2005 for all children born between 1 January 2003 and 31 December 2004. Under this program the Australian Government directly purchases childhood pneumococcal vaccine for distribution to the states and territories.

A further \$34.3 million was spent through the General Practice Immunisation Incentives scheme. Of this, some \$16.7 million was distributed to general practitioners (GPs) through service incentive payments during 2004–05. An additional \$14.1 million was paid to GPs as outcome payments – these are paid to practices that achieved 90% immunisation of children less than seven years of age attending their practice.

A combination of immunisation infrastructure funding to the Divisions of General Practice, state-based organisations and the National GP Immunisation Coordinator contributed to further expenditure of \$3.5 million in 2004–05.

Table 2.11: Direct expenditure by the Australian Government on *Organised immunisation*, current prices, 2004–05 (\$ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation	All other organised immunisation	Total organised immunisation
Administered expenses	134.4	—	—	134.4
Departmental expenses ^(a)	n.a.	n.a.	n.a.	1.8
Total expenditure	134.4	n.a.	n.a.	136.2

(a) Departmental expenditure could not be allocated across the expenditure categories.

Funding through SPPs

Total funding through SPPs for *Organised immunisation* was estimated at \$187.2 million in 2004–05 (Table 2.12).

Immunise Australia Program

The Immunise Australia Program aims to reduce the incidence of vaccine-preventable diseases and their associated mortality and morbidity by maintaining and increasing high immunisation coverage in Australia. The program is a joint initiative of the Australian Government and state and territory governments, with the involvement of immunisation providers.

The Australian Government's major role is to provide funding to state and territory governments for the purchase of essential vaccines through the Australian Immunisation Agreements (AIAs). The state and territory governments are responsible for service delivery, including the purchase and distribution of vaccines to immunisation providers.

In November 2004, DoHA concluded the AIAs which provide \$671 million over five years (2004–05 to 2008–09) to state and territory governments for the purchase of National Immunisation Program (NIP) vaccines. The AIAs continue the arrangements established under the previous Public Health Outcome Funding Agreements (1 July 1999 to 30 June 2004), with very similar terms and conditions. The AIAs provide funding for vaccines delivered by states and territories under the NIP. In addition, they provide some assistance for delivery of school-based vaccination programs and financial incentives for controlling vaccine wastage and leakage.

In 2004–05, the Australian Government provided \$200.6 million under the AIAs to state and territory governments for the purchase of these vaccines. Details on some of the key programs and expenditures incurred are provided below.

National Meningococcal C Vaccination Program

In 2003, the National Meningococcal C Vaccination Program, a collaborative national program between the Australian Government and states and territories, was implemented at a cost of \$298 million over four years. It provides free meningococcal C vaccine for all those aged 1 to 19 years through GPs, immunisation clinics and school-based programs.

The Australian Government provided a total \$106.7 million in 2002–03 and \$62.2 million in 2003–04 to state and territory governments for the purchase of vaccine and the provision of school-based delivery programs. In 2004–05, a further \$61.9 million was provided for the coverage of children in the 7–15 years age group, who had not been previously vaccinated.

National Influenza Vaccination Program for Older Australians

Under this program free influenza (flu) vaccine is made available to all Australians aged 65 and older. Expenditure amounted to \$27.2 million during 2004–05 (Table 2.12).

National Pneumococcal Vaccination Program for Older Australians

Under this program free vaccine is made available to all Australians aged 65 and over. Expenditure amounted to \$49.6 million in 2004–05 (Table 2.12).

National Indigenous Pneumococcal and Influenza Immunisation Program

In 2004–05, the Australian Government provided \$1.5 million to state and territory governments under the National Indigenous Pneumococcal and Influenza Immunisation Program, administered through OATSIH (Table 2.12). This funding provides for free annual influenza vaccine and pneumococcal vaccine every five years to all Aboriginal and Torres Strait Islander people aged 50 years and over, and those who are in the age group 15–49 years who are at high risk due to heart disease, kidney or lung disease, asthma, diabetes, or immuno-compromising conditions such as HIV infection or cancer, or because they are heavy drinkers or tobacco smokers.

Table 2.12: SPPs for Organised immunisation, current prices, by state and territory, 2004–05 (\$ million)^(a)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Immunisation program									
Essential vaccine purchases ^(b)	44.2	16.1	21.4	14.1	7.0	2.4	1.8	1.9	108.8
National Influenza Vaccination Program for Older Australians ^(b)	9.5	6.9	4.9	2.4	2.4	0.7	0.3	0.1	27.2
National Pneumococcal Vaccination Program for Older Australians ^(b)	19.6	7.8	10.0	4.9	5.0	1.5	0.7	0.1	49.6
National Indigenous Pneumococcal and Influenza Immunisation Program	0.4	0.2	0.4	0.4	0.1	—	—	—	1.5
Total	73.6	31.0	36.6	21.8	14.6	4.7	2.8	2.1	187.2

(a) Excludes any funding provided through the PHOFAs that is used to support state and territory governments' public health programs.

(b) Funded through the AIAs with states and territories.

Note: Components may not add to totals due to rounding.

Environmental health

The Australian Government's estimated funding for *Environmental health* in 2004–05 was \$17.0 million (Table 2.13). All of this was funding for its own direct expenditures. This constituted 3.6% of the Government's estimated own expenditure on public health in the year (Table 2.3).

Most of this funding (\$13.6 million) was for the operations of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) which is responsible for protecting the health and safety of people and the environment from the harmful effects of ionising and non-ionising radiation.

Table 2.13: Direct expenditure on Environmental health, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	1.1
Departmental expenses	
Population Health Division	2.4
ARPANSA	13.6
<i>Total departmental expenses</i>	15.9
Total expenditure	17.0

Note: Components may not add to totals due to rounding.

Food standards and hygiene

The Australian Government funds expenditure on *Food standards and hygiene* through its own direct expenditure and through SPPs (Table 2.14). Total funding was estimated at \$14.4 million in 2004–05.

Table 2.14: Australian Government funding of *Foods standards and hygiene*, 2004–05 (\$ million)

Activity	2004–05
Direct expenditure	14.0
SPPs	0.4
Total funding	14.4

Note: Components may not add to totals due to rounding.

Direct expenditure

Total direct expenditure in 2004–05 was estimated at \$14.0 million (Table 2.15). This represented 3.0% of the Government's total direct expenditure on public health (Table 2.3).

Most of this expenditure related to the operations of Food Standards Australia New Zealand (FSANZ), which totalled \$13.5 million.

The remaining expenditure covered areas such as food regulation reform, safety, surveillance and other food management activities.

Table 2.15: Direct expenditure on *Food standards and hygiene*, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	0.2
Departmental expenses	
Population Health Division	0.3
FSANZ	13.5
<i>Total departmental expenses</i>	13.8
Total expenditure	14.0

Note: Components may not add to totals due to rounding.

Funding through SPPs

SPPs for *Food standards and hygiene* were estimated to be \$0.4 million in 2004–05 (Table 2.16). This expenditure was associated with the operation of OzFoodNet – Australia's national system for the surveillance of food-borne illness.

Table 2.16: SPPs for *Food standards and hygiene*^(a), by state and territory, current prices, 2004–05 (\$'000)

NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
—	75.0	66.0	37.9	63.0	44.7	36.4	34.5	357.5

(a) Does not include funding provided through the PHOFAs that was used to support state and territory public health programs.

Note: Components may not add through to totals due to rounding.

Breast cancer screening

All funding by the Australian Government reported here as *Breast cancer screening* is in respect of its own expenditure. Funding provided to state and territory governments for this purpose has been included under the PHOFAs. As the PHOFA funding is not allocated to specific public health activities, it is not possible to estimate how much of that PHOFA funding has been allocated to breast cancer screening activities.

Direct expenditure

Total direct expenditure for *Breast cancer screening* in 2004–05 was estimated at \$2.0 million (Table 2.17) or approximately 0.4% of the Government's direct expenditure on all public health activities (Table 2.3).

Most expenditure reported under this activity was for the national administration of the BreastScreen Australia program and also the screening-related functions of the National Breast Cancer Centre. It does not include any funding to the state and territory governments through the PHOFAs that may have been used to fund breast cancer screening activities.

Table 2.17: Direct expenditure^(a) on *Breast cancer screening*, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	1.0
Departmental expenses	0.9
Total expenditure	2.0

(a) Does not include the breast screening component of PHOFA payments to state and territory governments.

Note: Components may not add to totals due to rounding.

Cervical screening

All funding by the Australian Government reported here as *Cervical screening* is in respect of its own expenditure. Funding provided to states and territories for this purpose has been included under the PHOFAs. As the PHOFA funding is not allocated to specific public health activities, it is not possible to estimate how much of that PHOFA funding has been allocated to cervical screening activities.

Direct expenditure

Direct expenditure on *Cervical screening* in 2004–05 was estimated at \$77.1 million (Table 2.18). This represented 16.5% of total direct expenditure on public health activities and was the second most significant area of Australian Government expenditure (Table 2.3).

Most of the expenditure was funded by Medicare benefits (\$62.8 million). This was made up of \$33.0 million in benefits for GP consultations, \$22.9 million for pathology testing and \$6.8 million for benefits associated with collecting samples. Other costs for cervical screening increased from \$5.9 million in 2003–04 to \$13.4 million in 2004–05. This attributed to the 13.4% increase in expenditure for 2004–05.

Only expenditure on cervical screening for asymptomatic women is reported here. A further \$19.8 million was spent in 2004–05 on Medicare benefits for personal health services provided to women presenting with symptoms. That funding is not regarded as expenditure

on public health. It is reported below under in the *Public health-related activities* (see Section 2.5).

Table 2.18: Direct expenditure^{(a)(b)} on *Cervical screening*, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	76.2
Departmental expenses	0.9
Total expenditure	77.1

(a) Does not include the cervical screening component of PHOFA payments to state and territory governments.

(b) Does not include MBS payments on cervical testing for symptomatic women.

Prevention of hazardous and harmful drug use

The Australian Government funds *Prevention of hazardous and harmful drug use* through its own direct expenditure and by way of SPPs to state and territory governments. Total funding for *Prevention of hazardous and harmful drug use* was \$123.0 million in 2004–05 (Table 2.19). This was made up of \$68.0 million in funding for the Australian Government’s own expenditure programs and \$55.0 million in SPPs.

Table 2.19: Australian Government funding of *Prevention of hazardous and harmful drug use*, current prices, 2004–05 (\$ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
Direct expenditure	30.4	2.2	24.3	11.1	68.0
SPPs to the states and territories	—	—	41.1	14.0	55.0
Total funding	30.4	2.2	65.3	25.1	123.0

Direct expenditure

The Australian Government’s own expenditure on *Prevention of hazardous and harmful drug use* in 2004–05 was estimated at \$68.0 million, and represented 14.5% of its total direct expenditure on public health activities in that year (Table 2.3).

Alcohol

An estimated \$30.4 million was spent on national initiatives to reduce alcohol-related harm in 2004–05 (Table 2.20). The majority (\$28.4 million) was a payment to the Alcohol Education and Rehabilitation Foundation, which provides grants to local communities to promote responsible consumption of alcohol and reduce harm caused by alcohol.

The remaining \$2.0 million expenditure in 2004–05 was for activities under the National Alcohol Strategy.

Tobacco

An estimated \$2.2 million was spent on tobacco-related programs in 2004–05 (Table 2.20). Most of this was spent by DoHA on the Tobacco Harm Minimisation Program.

Illicit and other drugs of dependence

An estimated \$24.3 million was spent on illicit and other drugs of dependence programs in 2004–05 (Table 2.20). Most of this was in the form of funding of the National Illicit Drugs Community Education and Information Campaign (\$10.8 million), Community Partnership Initiative (\$4.1 million) and on education, counselling and referral programs (\$5.2 million).

Mixed

This category relates to activities that covered the whole range of hazardous and harmful drug types, but which could not be separately allocated to the three previous categories. They largely relate to expenditures directly incurred by the Australian Government in the implementation, monitoring and evaluation of programs which aimed to reduce demand for hazardous and harmful drug use, through prevention and early intervention. Overall, expenditure amounted to \$11.1 million in 2004–05 (Table 2.20).

Table 2.20: Direct expenditure on *Prevention of hazardous and harmful drug use*, current prices, 2004–05 (\$ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
Administered expenses	29.5	2.2	24.3	10.9	66.9
Departmental expenses	0.9	—	—	0.2	1.1
Total expenditure	30.4	2.2	24.3	11.1	68.0

Note: Components may not add to totals due to rounding.

Funding through SPPs

SPPs for *Prevention of hazardous and harmful drug use* during 2004–05 amounted to \$55.0 million (Table 2.21). Most of this expenditure (\$41.1 million) was on the Illicit Drugs Diversion Initiative which aimed to educate young people about the risks and negative consequences of illicit drug use. A further \$11.4 million was spent on the NGO Treatment Grants Program. However, this only represents half of the total spending under the program with the remainder reported as 'Public health-related activities'.

Table 2.21: SPPs for *Prevention of hazardous and harmful drug use*, by state and territory, current prices, 2004–05 (\$ million)^(a)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Illicit Drug Diversion Initiative	16.0	12.0	6.0	1.0	3.0	0.9	1.0	1.2	41.1
NGO Treatment Grants Program	4.0	2.1	1.9	1.2	0.7	0.3	0.5	0.7	11.4
Innovative Health Services for Homeless Youth	0.8	0.6	0.4	0.2	0.2	0.1	0.1	0.1	2.5
Total	20.8	14.8	8.3	2.5	3.9	1.2	1.6	2.0	55.0

(a) Does not include any funding through the PHOFAs that was used to support the state and territory governments' public health programs.

Note: Components may not add to totals due to rounding.

Public health research

The majority of the Australian Government's funding for *Public health research* related to its own direct expenditure (Table 2.22). In addition, \$0.3 million was provided through SPPs to South Australia for the Public Health Information Development Unit at the University of Adelaide.

Direct expenditure

The Australian Government's direct expenditure on *Public health research* in 2004–05 was estimated at \$74.4 million (Table 2.22). This represented 15.9% of its total expenditure on public health activities in that year and was the third largest single area of direct expenditure by the Australian Government on public health activities (see Table 2.3).

About three-quarters (\$57.4 million) of the Government's expenditure in 2004–05 was in the form of public health grants by the National Health and Medical Research Council. Almost \$10 million was incurred by the Public Health Education and Research Program (PHERP).

Table 2.22: Direct expenditure by the Australian Government Health and Ageing portfolio on *Public health research*, current prices, 2004–05 (\$ million)

Category	2004–05
Administered expenses	74.3
Departmental expenses	0.1
Total expenditure	74.4

2.4 Growth in expenditure on public health activities

The Australian Government's direct expenditure on public health activities rose, in real terms, by 30.4% between 2003–04 and 2004–05 (Table 2.23; Figure 2.2). The public health activities which showed the biggest real growth rates were:

- *Organised immunisation* (165.5%)
- *Prevention of hazardous and harmful drug use* (26.2%)
- *Communicable disease control* (22.4%).

Over the period 1999–00 to 2004–05, expenditure rose at an average rate of 8.6% per annum. The public health activities which recorded the highest average annual real growth rates were:

- *Organised immunisation* (18.6%)
- *Prevention of hazardous and harmful drug use* (15.4%)
- *Selected health promotion* (11.6%)
- *Communicable disease control* (9.3%).

From 1999–00 to 2004–05, *Cervical screening* (\$68.8 million) reflected the highest average real expenditure, followed by *Organised immunisation* and *Public health research*—\$67.4 million and \$65.5 million respectively.

Table 2.23: Direct expenditure by the Australian Government on public health activities, constant prices^(a) and annual growth rates, 1999–00 to 2004–05

Activity	Expenditure (\$ million)						6-year average
	1999–00	2000–01	2001–02	2002–03	2003–04	2004–05	
Communicable disease control	23.8	23.6	26.7	26.0	30.4	37.2	28.0
Selected health promotion	22.5	34.2	49.5	46.9	44.3	39.0	39.4
Organised immunisation	56.1	56.3	56.3	55.0	49.5	131.4	67.4
Environmental health	16.0	16.1	16.2	13.8	19.2	16.4	16.3
Food standards and hygiene	12.7	18.4	16.2	13.8	14.6	13.6	14.9
Breast cancer screening	2.4	3.7	1.7	1.7	1.7	1.9	2.2
Cervical screening	67.9	68.3	71.7	65.1	65.6	74.4	68.8
Prevention of hazardous and harmful drug use	32.1	45.5	35.0	42.1	52.0	65.6	45.4
Public health research	65.5	57.9	61.9	67.3	68.6	71.7	65.5
PHOFA administration	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total public health	299.3	324.3	335.5	332.0	346.2	451.5	348.1

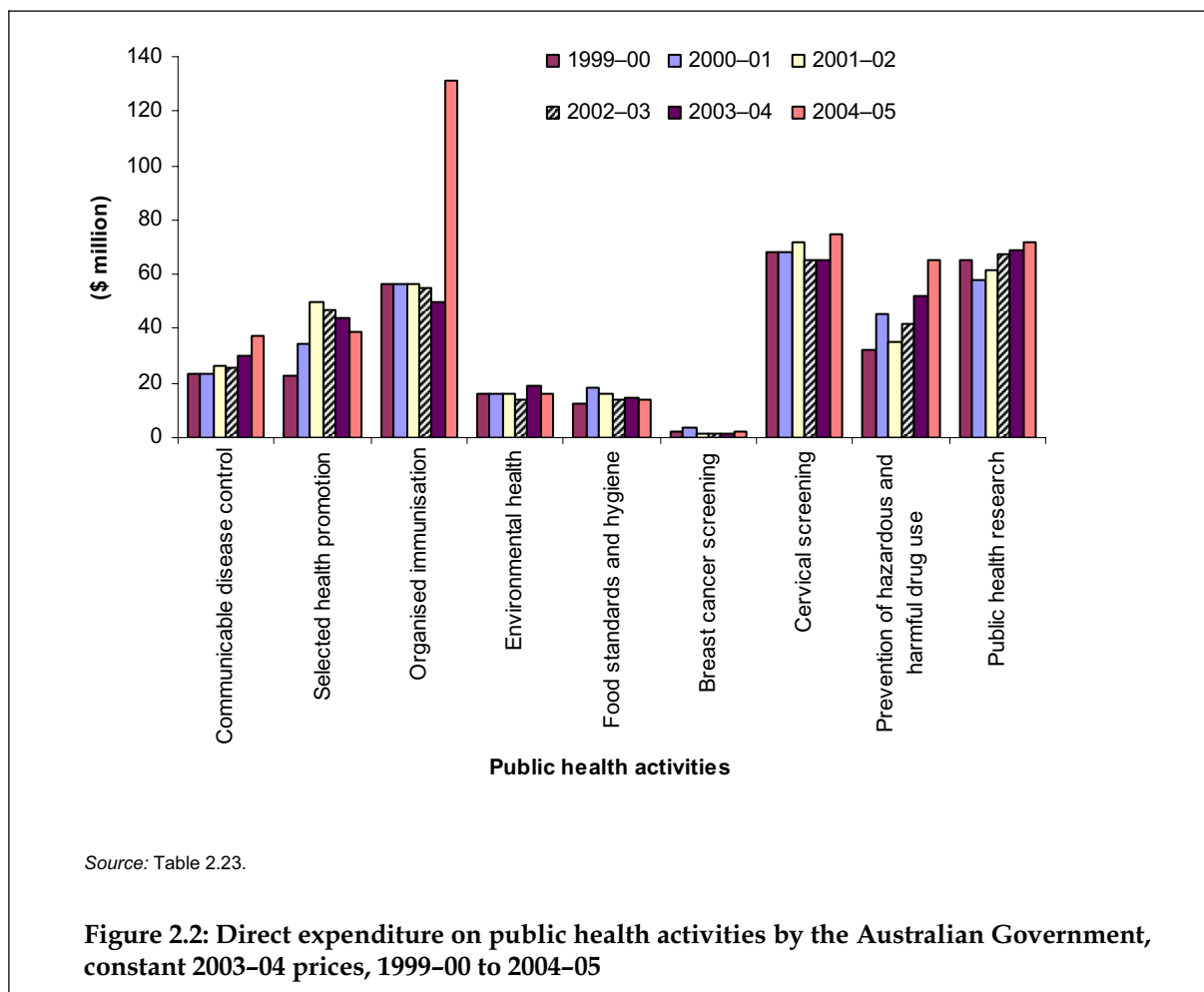
Activity	Growth ^(b) (%)					
	1999–00 to 2000–01	2000–01 to 2001–02	2001–02 to 2002–03	2002–03 to 2003–04	2003–04 to 2004–05	1999–00 to 2004–05 ^(c)
Communicable disease control	–0.8	13.1	–2.6	16.9	22.4	9.3
Selected health promotion	52.0	44.7	–5.3	–5.5	–12.0	11.6
Organised immunisation	0.4	—	–2.3	–10.0	165.5	18.6
Environmental health	0.6	0.6	–14.8	39.1	–14.6	0.5
Food standards and hygiene	44.9	–12.0	–14.8	5.8	–6.8	1.4
Breast cancer screening	54.2	–54.1	—	—	11.8	–4.6
Cervical screening	0.6	5.0	–9.2	0.8	13.4	1.8
Prevention of hazardous and harmful drug use	41.7	–23.1	20.3	23.5	26.2	15.4
Public health research	–11.6	6.9	8.7	1.9	4.5	1.8
PHOFA administration	—	—	—	—	—	—
Total public health	8.4	3.5	–1.0	4.3	30.4	8.6

(a) Constant price expenditure has been expressed in 2003–04 prices (see Section 11.1).

(b) Estimates are based on expenditure expressed in \$ million and rounded to one decimal place.

(c) Average annual growth rate.

Note: Components may not add to totals due to rounding.



2.5 Expenditure on ‘Public health-related activities’

There are a number of personal-type health expenditures funded by the Australian Government that have a public health outcome or contribute to the prevention of disease. These are not included in the estimates of expenditure on public health activities. In 2004-05 it was estimated that the Government spent a total of \$34.5 million on such activities.

These public health-related expenditures were mainly made up of:

- cervical examinations for women presenting with symptoms indicative of cancer (\$19.8 million)
- treatment services provided by the Alcohol Education and Rehabilitation Foundation (estimated at \$25.2 million)
- non-public health aspects of the NGO Treatment Grants Program (estimated at \$5.7 million)
- family planning services (\$1.4 million).

These public health-related expenditures totalled \$48.9 million in 2003-04 and \$41.0 million in 2002-03.