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.

Public health is defined in this report 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.

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 for 2005–06 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. In addition, some previously published and revised estimates covering the years 1999–00 to 2004–05 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 mainly 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 mainly responsible. The Australian Government's contribution to total funding of public health activities in Australia in 2005–06 was estimated at 54%.

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 mainly 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 chapters describing expenditure in the nine jurisdictions—one chapter for the Australian Government Health and Ageing portfolio and one chapter 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 purpose related to public health but are not within the nine activity categories defined for this report.

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

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

1.3 Introduction

Public health activity categories

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 for 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 'Expenditure on other activities related to public health', but are not included in the overall estimates of expenditure on public health activities in Australia. These estimates are reported on a voluntary basis by jurisdictions, and not all jurisdictions have reported this information.

Indirect expenditure

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, development and maintenance of information systems, disease surveillance and epidemiology, and a range of other corporate activities (refer to Glossary for details). Although these 'indirect' expenditures have been incorporated in the estimates, they have not been separately identified in the report.

In the case of expenditure 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 DoHA in administering those programs and activities and include wages and salaries of employees and departmental overheads (refer to Glossary for details).

Expenditure and funding sources in scope

The public health expenditure estimates reported here relate only to those incurred or funded by the key health departments and agencies in the various jurisdictions (see diagram on page xiv). They do not include funding of public health activities by non-health government departments, non-government organisations or 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 wider community. Although 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 2005–06 was estimated, in current price terms, at $1,467.9 million. This was an increase of $27.8 million over the previous year.

The Australian Government contributed an estimated $796.7 million (54.3%) of the total funding in 2005–06, compared with $866.4 million or 60.2% in 2004–05 (Table 1.1). This decrease of $69.7 million was largely due to a decrease in funding for *Organised immunisation* (down $67.4 million) and *Prevention of hazardous and harmful drug use* (down $30.8 million). This decrease was somewhat offset by increased funding for *Public health research* (up $14.8 million) and through the Public Health Outcome Funding Agreements (PHOFAs) (up $13.4 million) (see Table A2).

Of the total funding by the Australian Government in 2005–06, $439.3 million was direct expenditure. The remaining $357.4 million was funding to states and territories through SPPs. Of the total SPP funding, $160.0 million (44.8%) was through the PHOFAs between the Australian Government and the states and territories (see Figure 2.1). The remaining $197.4 million (55.2%) 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 expenditure on public health activities, current prices, by source of funds, 2004–05 and 2005–06

	2004–05		2005–06	
Source of funds	**Amount ($ million)**	**Share of total (per cent)**	**Amount ($ million)**	**Share of total (per cent)**
Funding by the Australian Government				
Direct expenditure	r471.1	32.7	439.3	29.9
Plus SPPs	395.3	27.5	357.4	24.3
Australian Government funding	*866.4*	*60.2*	*796.7*	*54.3*
Funding by state and territory governments				
Gross expenditure	r969.0	67.3	1,028.6	70.1
Less SPPs	395.3	27.5	357.4	24.3
Net funding by the states and territories	*573.7*	*39.8*	*671.2*	*45.7*
Total funding/expenditure	**r1,440.1**	**100.0**	**1,467.9**	**100.0**

Note: Components may not add to totals due to rounding. 'r' indicates that the data have been revised since the last publication.

Funding by states and territories from their own sources was estimated at $671.2 million in 2005–06, compared with $573.7 million in the previous financial year. Of this, approximately 50% was provided by New South Wales and Victoria (Table 1.2).

Table 1.2: Net funding for public health activities by states and territories[(a)(b)], current prices, and shares of the total funding by states and territories, 2004–05 and 2005–06

	2004–05		2005–06	
State/territory	**$ million**	**Proportion of total (per cent)**	**$ million**	**Proportion of total (per cent)**
New South Wales	138.0	24.1	169.6	25.3
Victoria	144.0	25.1	155.2	23.1
Queensland	93.7	16.3	119.2	17.8
Western Australia	r65.4	11.4	81.3	12.1
South Australia	50.6	8.8	55.7	8.3
Tasmania	14.9	2.6	18.7	2.8
Australian Capital Territory	20.4	3.6	20.2	3.0
Northern Territory	46.7	8.1	48.4	7.2
Total	**r573.7**	**100.0**	**671.2**	**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 11 and 12 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. 'r' indicates that the data have been revised since the last publication.

1.5 Government expenditure on public health activities

Public health expenditure

Of the total $1,467.9 million spent on public health activities in 2005–06, $1,028.6 million (70.1%) was incurred by the state and territory governments. The balance of $439.3 million (29.9%) related to programs and activities for which the Australian Government was directly responsible (Table 1.3).

Organised immunisation accounted for $320.7 million or 21.9% of estimated expenditure on all public health activities by all jurisdictions during 2005–06 (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*—$251.9 million (17.2% of total expenditure on public health activities)
- *Communicable disease control*—$247.7 million (16.9% of total expenditure on public health activities).

Table 1.3: Total expenditure on public health activities by the Australian Government and states and territories, current prices, by activity, 2004–05 and 2005–06

	2004–05				2005–06			
Activity	Australian Government[a] ($ million)	States and territories[b] ($ million)	Total ($ million)	Proportion of total public health expenditure (per cent)	Australian Government[a] ($ million)	States and territories[b] ($ million)	Total ($ million)	Proportion of total public health expenditure (per cent)
Communicable disease control	38.6	r193.3	r231.9	16.1	35.9	211.8	247.7	16.9
Selected health promotion	40.4	192.4	232.8	16.2	41.6	210.3	251.9	17.2
Organised immunisation	136.2	202.1	338.3	r23.5	132.5	188.2	320.7	21.9
Environmental health	17.0	66.3	83.3	5.8	15.1	69.7	84.8	5.8
Food standards and hygiene	14.0	18.6	32.6	2.3	15.0	19.2	34.2	2.3
Breast cancer screening	2.0	116.3	118.3	8.2	1.9	121.3	123.2	8.4
Cervical screening	77.1	r26.3	r103.4	r7.2	76.9	27.6	104.5	7.1
Prevention of hazardous and harmful drug use	68.0	126.2	194.2	13.5	27.5	149.3	176.8	12.0
Public health research	r77.5	27.4	r104.9	r7.3	92.6	31.1	123.7	8.4
PHOFA administration[c]	0.3	—	0.3	—	0.3	—	0.3	—
Total expenditure	**r471.1**	**r969.0**	**r1,440.1**	**100.0**	**439.3**	**1,028.6**	**1,467.9**	**100.0**
Proportion of total public health expenditure (per cent)	r32.7	r67.3	100.0	. .	29.9	70.1	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.

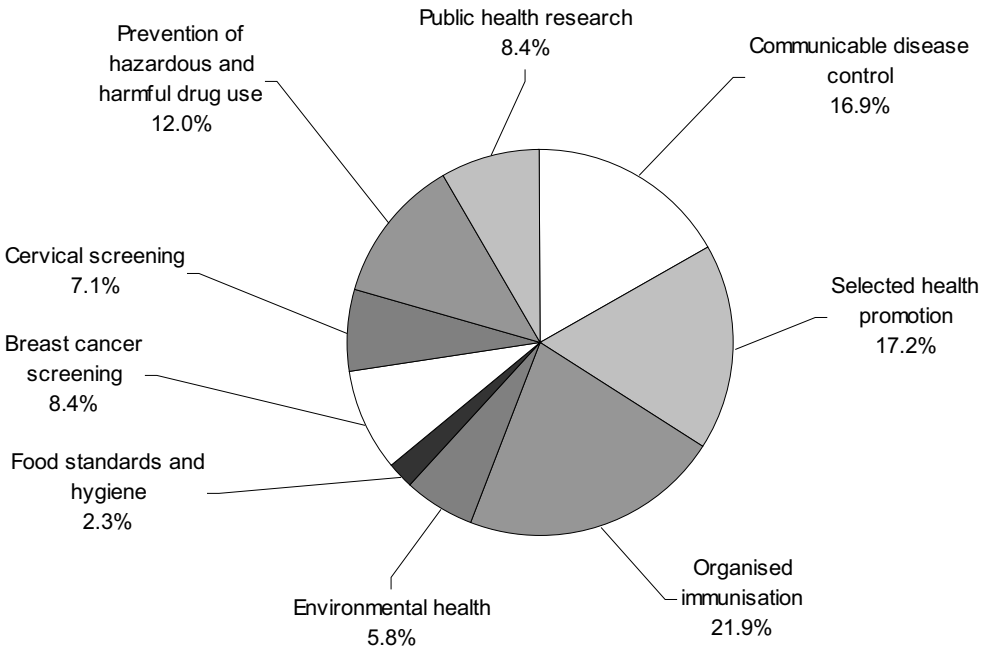
Note: Components may not add to totals due to rounding. 'r' indicates that the data have been revised since the last publication.

Table 1.4: Growth in expenditure on public health activities by the Australian Government and states and territories, current prices, by activity, 2004–05 to 2005–06 (per cent)

Activity	Australian Government	States and territories	Total
Communicable disease control	–7.0	9.6	6.8
Selected health promotion	3.0	9.3	8.2
Organised immunisation	–2.7	–6.8	–5.2
Environmental health	–11.2	5.0	1.7
Food standards and hygiene	7.1	3.2	4.9
Breast cancer screening	–5.0	4.3	4.1
Cervical screening	–0.3	4.9	1.0
Prevention of hazardous and harmful drug use	–59.6	18.3	–9.0
Public health research	19.5	13.4	17.9
Total expenditure	**–6.8**	**6.1**	**1.9**

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

Source: Table 1.3.



Source: Table 1.3.

Figure 1.1: Proportion of total government expenditure on public health activities, by activity, 2005–06

Compared with 2004–05, total expenditure on public health activities in 2005–06, in current price terms, was up $27.8 million or 1.9% (Tables 1.3 and 1.4). In absolute terms, the highest increases between 2004–05 and 2005–06 were recorded in *Selected health promotion* (up $19.1 million) and *Public health research* (up $18.8 million). The activities which reported the largest decreases were *Organised immunisation* (down $17.6 million) and *Prevention of hazardous and harmful drug use* (down $17.4 million).

Public health expenditure as a proportion of total recurrent health expenditure

Total recurrent expenditure on health in 2005–06 was estimated at $80,389 million (Table 1.5). Of this, $55,143 million was funded by governments, the balance being funded by private sources.

Total government expenditure on public health in Australia during 2005–06 was estimated at $1,467.9 million. This represented 1.8% of total recurrent expenditure on health and 2.7% of recurrent government expenditure on health in that year. Although expenditure on public health activities has increased over the past 7 years (1999–00 to 2005–06), its share of total recurrent health expenditure has remained relatively stable (Table 1.5).

Table 1.5: Total government expenditure on public health activities and total recurrent health expenditure, current prices, Australia, 1999–00 to 2005–06

Year	Total government public health expenditure ($ million)	Total recurrent health expenditure[a] ($ million)		Public health as a proportion of total recurrent expenditure (per cent)	
		All funding sources[b]	Government funding	All funding sources	Government funding
1999–00	914	r48,528	r33,663	1.88	2.72
2000–01	1,014	r53,810	r36,682	1.88	2.76
2001–02	r1,091	r58,792	r39,466	1.86	2.76
2002–03	r1,201	r63,941	r43,604	1.88	2.75
2003–04	1,263	r68,682	r46,843	1.84	2.70
2004–05	r1,440	r75,196	r51,579	1.92	2.79
2005–06	1,468	80,389	55,143	1.83	2.66

(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.

Note: 'r' indicates that the data have been revised since the last publication. Estimates of total recurrent health expenditure for previous years have all been revised because of the reclassification of high-level aged residential care from health to welfare expenditure. As a result, public health expenditure as a proportion of total recurrent health expenditure has been affected.

Source: AIHW 2007b, and AIHW health expenditure database.

State and territory expenditure as a proportion of total recurrent health 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. As its direct expenditures are generally not available on this basis, other indicators need to be used to allocate these expenditures.

Except for the purchases of essential vaccines by the Australian Government on behalf of the state and territory governments, direct expenditure by the Australian Government has been apportioned across state and territories in this report, using population measures which directly relate to the recipients or the people who are direct beneficiaries of the expenditure. For example, direct expenditure on *Organised immunisation* has been split according to the specific target populations in each state and territory (e.g. children, adults). Alternatively, where the specific populations are not readily identifiable, then the total populations for each state and territory have been used.

Table 1.6 shows estimated total government expenditure on public health in each state and territory as a proportion of the total recurrent health expenditure in each state and territory (see Glossary for definition). The table shows that the public health share of total recurrent health expenditure in 2005–06 varied considerably across jurisdictions, ranging from 5.8% in the Northern Territory to 1.6% in New South Wales. For the more populous states (New South Wales, Victoria and Queensland), their proportions were relatively stable over the period 1999–00 to 2005–06, but generally marginally lower than the national average in each year (Tables 1.5 and 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 2005–06 varied across jurisdictions, ranging from 7.1% in the Northern Territory to 2.4% in New South Wales.

Table 1.6: Estimated total government expenditure on public health activities in each state and territory[(a)(b)] as a proportion of total recurrent health expenditure[(c)] for each state and territory, current prices, 1999–00 to 2005–06 (per cent)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
					All funding sources				
1999–00	1.69	1.73	1.75	2.16	2.08	2.17	2.71	7.15	1.88
2000–01	1.67	1.84	1.70	2.10	2.10	2.20	2.90	6.43	1.88
2001–02	1.65	1.77	1.77	2.11	2.04	2.01	2.65	6.08	1.86
2002–03	1.61	1.84	1.84	2.07	2.12	2.40	2.56	5.27	1.88
2003–04	1.63	1.78	1.80	2.01	1.93	2.30	2.45	5.64	1.84
2004–05	1.74	1.78	1.92	2.03	1.97	2.28	2.58	6.41	1.92
2005–06	1.64	1.73	1.83	2.01	1.81	2.31	2.32	5.76	1.83
					Government funding sources				
1999–00	2.43	2.67	2.46	3.11	2.77	3.09	3.56	8.93	2.72
2000–01	2.44	2.87	2.40	3.09	2.93	3.18	4.17	8.16	2.76
2001–02	2.45	2.75	2.55	3.25	2.93	2.85	3.82	7.84	2.76
2002–03	2.38	2.78	2.65	3.05	3.00	3.48	3.62	6.57	2.75
2003–04	2.36	2.75	2.59	2.94	2.74	3.31	3.56	6.90	2.70
2004–05	2.52	2.73	2.76	2.97	2.74	3.22	3.70	7.86	2.79
2005–06	2.37	2.66	2.60	2.96	2.51	3.28	3.30	7.14	2.66

(a) Total direct expenditure by the Australian Government has been apportioned to states and territories. For information on the methods used, see Chapter 11 (pages 134–5).

(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 A11 and Table A12.

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 such as their geographic location in relation to known or perceived risks to public health.

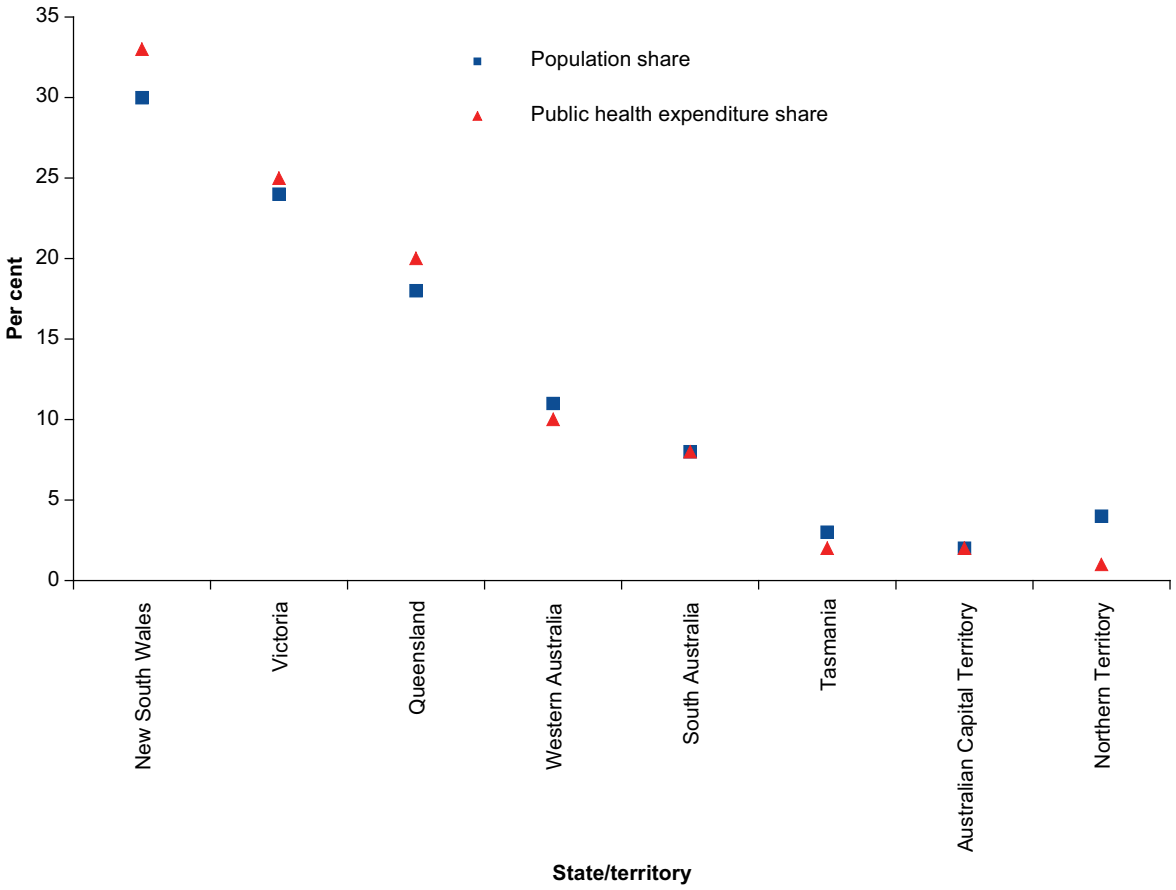
In addition, the relevance and levels of expenditure on public health activities by individual states and territories are influenced by 'non-public health' factors, such as:

- 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, although 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, are probably less likely to affect comparability of the estimates of expenditure by the different jurisdictions.



Note: Estimates and comparisons across states and jurisdictions need to be interpreted with care. Direct expenditure by the Australian Government has been allocated to states and territories in order to estimate total public health expenditure in each state and territory.

Source: Table 1.7 and AIHW health expenditure database.

Figure 1.2: Relative shares of expenditure on public health activities and population, current prices, by state and territory, 2005–06

Table 1.7: Total government expenditure[(a)(b)] on public health activities in each state and territory[(c)], current prices, 2005–06

Activity	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Expenditure ($ million)				
Communicable disease control	87.6	55.1	37.7	22.3	18.5	4.8	6.5	15.1	247.7
Selected health promotion	56.8	84.1	42.2	28.9	17.4	6.6	8.0	8.0	251.9
Organised immunisation	113.4	72.1	56.2	30.9	19.6	8.8	6.2	13.6	320.7
Environmental health	22.1	12.3	18.8	12.6	7.2	3.2	3.0	5.6	84.8
Food standards and hygiene	12.0	5.7	6.7	3.4	2.4	0.6	2.5	0.8	34.2
Breast cancer screening	45.1	26.4	26.0	9.7	8.3	4.4	2.0	1.1	123.2
Cervical screening	30.1	23.6	21.5	10.3	10.3	2.9	1.7	4.0	104.5
Prevention of hazardous and harmful drug use	31.5	35.0	41.3	28.5	20.8	7.2	3.4	9.1	176.8
Public health research	42.5	31.9	19.9	13.0	10.4	2.5	1.6	2.1	123.7
PHOFA administration	0.1	0.1	0.1	—	—	—	—	—	0.3
Total	**441.2**	**346.3**	**270.5**	**159.7**	**114.8**	**40.9**	**34.9**	**59.5**	**1,467.9**
					Proportion of total government expenditure in each state and territory (per cent)				
Communicable disease control	19.9	15.9	13.9	14.0	16.1	11.6	18.7	25.4	16.9
Selected health promotion	12.9	24.3	15.6	18.1	15.1	16.2	22.8	13.4	17.2
Organised immunisation	25.7	20.8	20.8	19.3	17.1	21.5	17.8	22.9	21.9
Environmental health	5.0	3.5	6.9	7.9	6.3	7.8	8.5	9.4	5.8
Food standards and hygiene	2.7	1.7	2.5	2.2	2.1	1.5	7.2	1.4	2.3
Breast cancer screening	10.2	7.6	9.6	6.1	7.3	10.8	5.7	1.9	8.4
Cervical screening	6.8	6.8	8.0	6.5	9.0	7.1	5.0	6.7	7.1
Prevention of hazardous and harmful drug use	7.1	10.1	15.3	17.9	18.1	17.5	9.6	15.4	12.0
Public health research	9.6	9.2	7.3	8.1	9.0	6.0	4.7	3.6	8.4
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, which have been apportioned across states and territories. For information on the methods used, see Chapter 11 (pages 134–5)

(c) Estimates and comparisons across states and territories need to be interpreted with care. For further information see pages 11 and 12 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, New South Wales, Queensland, Western Australia and Tasmania all recorded the highest proportion of expenditure on *Organised immunisation*, ranging from 19.3% in Western Australia to 25.7% in New South Wales. In the case of Victoria and the

Australian Capital Territory the highest proportion was on *Selected health promotion* (24.3% and 22.8% respectively), whereas in South Australia the highest proportion was on *Prevention of hazardous and harmful drug use* (18.1%) (Table 1.7).

Average state and territory 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.

The figures presented here are simple per person averages, based on the total target populations within particular jurisdictions. For example, per person expenditure on *Cervical screening* and *Breast cancer screening* is estimated for the adult female populations within particular age categories that are targeted by these programs. Readers should bear in mind that the method for deriving the state and territory government public health expenditure per person has been revised from previous reports. Table 11.2 shows the population groups within each jurisdiction used to calculate per person expenditure.

Bearing in mind these qualifications (including those set out on pages 11 and 12), the estimates of per person expenditure for 2005–06 (Table 1.8) show that the highest average expenditure per person during 2005–06 occurred in the Northern Territory and the Australian Capital Territory. Average expenditure on public health activities occurring within these jurisdictions was estimated at $284.94 and $104.91 per person respectively, compared with the national average of $71.40 per person. This average expenditure per person equates to a per person index of 399.1 in the Northern Territory and 146.9 in the Australian Capital Territory when compared with a reference index of 100 being the average national expenditure per person. This may reflect small populations and the associated diseconomies of scale the territories 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, these are:

- the relative isolation of the population
- the relatively higher proportion of Indigenous people within the population, who have a much poorer average health status.

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

At the other end of the scale, the lowest average expenditure per person occurred in New South Wales and Queensland ($64.98 and $66.80 per person respectively), which was lower than that incurred in Victoria ($68.01).

Table 1.8: Estimated total government expenditure[(a)(b)] per person[(c)(d)] on public health activities in each state and territory, current prices, 2005–06

Activity		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Communicable disease control	Average per person ($)	12.90	10.83	9.32	10.94	11.83	9.73	19.66	72.29	12.04
	Per person index	*107.1*	*89.9*	*77.4*	*90.9*	*98.2*	*80.8*	*163.2*	*600.2*	*100.0*
Selected health promotion	Average per person ($)	8.37	16.52	10.43	14.17	11.14	13.58	23.95	38.11	12.26
	Per person index	*68.3*	*134.8*	*85.1*	*115.7*	*90.9*	*110.8*	*195.4*	*311.0*	*100.0*
Organised immunisation	Average per person ($)	16.71	14.15	13.89	15.14	12.57	17.99	18.63	65.21	15.60
	Per person index	*107.1*	*90.7*	*89.0*	*97.0*	*80.6*	*115.3*	*119.4*	*417.9*	*100.0*
Environmental health	Average per person ($)	3.25	2.41	4.64	6.18	4.61	6.57	8.91	26.91	4.12
	Per person index	*78.9*	*58.4*	*112.6*	*150.0*	*112.0*	*159.4*	*216.3*	*653.2*	*100.0*
Food standards and hygiene	Average per person ($)	1.77	1.13	1.66	1.69	1.52	1.29	7.57	3.92	1.67
	Per person index	*106.2*	*67.7*	*99.8*	*101.2*	*91.2*	*77.2*	*454.0*	*235.1*	*100.0*
Breast cancer screening	Average per person ($)	6.64	5.19	6.43	4.78	5.34	9.03	5.96	5.34	5.99
	Per person index	*110.8*	*86.7*	*107.3*	*79.8*	*89.2*	*150.7*	*99.4*	*89.2*	*100.0*
Cervical screening	Average per person ($)	4.43	4.63	5.32	5.06	6.61	5.94	5.21	19.19	5.08
	Per person index	*87.2*	*91.1*	*104.7*	*99.6*	*130.1*	*116.9*	*102.5*	*377.6*	*100.0*
Prevention of hazardous and harmful drug use	Average per person ($)	4.64	6.88	10.19	13.98	13.30	14.65	10.10	43.75	8.59
	Per person index	*54.0*	*80.0*	*118.6*	*162.7*	*154.7*	*170.5*	*117.5*	*509.0*	*100.0*
Public health research	Average per person ($)	6.26	6.26	4.90	6.36	6.65	5.07	4.92	10.20	6.02
	Per person index	*104.0*	*103.9*	*81.4*	*105.6*	*110.5*	*84.1*	*81.6*	*169.3*	*100.0*
Total for the nine activities	**Average per person ($)**	**64.98**	**68.01**	**66.80**	**78.33**	**73.60**	**83.85**	**104.91**	**284.94**	**71.40**
	Per person index	***91.0***	***95.3***	***93.6***	***109.7***	***103.1***	***117.4***	***146.9***	***399.1***	***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 which have been apportioned across states and territories. For information on the methods used, see Chapter 11 (pages 134–5).

(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.

Note: Estimates and comparisons across states and territories need to be interpreted with care. For further information see pages 11 and 12 of this report.

1.6 Growth in expenditure on public health activities

In this part of the analysis, expenditure during different years is expressed in terms of 2004–05 prices. The method used in converting current expenditure to constant prices is outlined in Chapter 11.

Total expenditure estimates

Between 1999–00 and 2005–06, estimated expenditure in constant price terms grew at an average rate of 4.5% per year. All activities showed real increases in expenditure over the 7 years, with the highest average annual growth rates being recorded for expenditure on *Organised immunisation* (9.5%) and *Public health research* (7.4%) (Table 1.9).

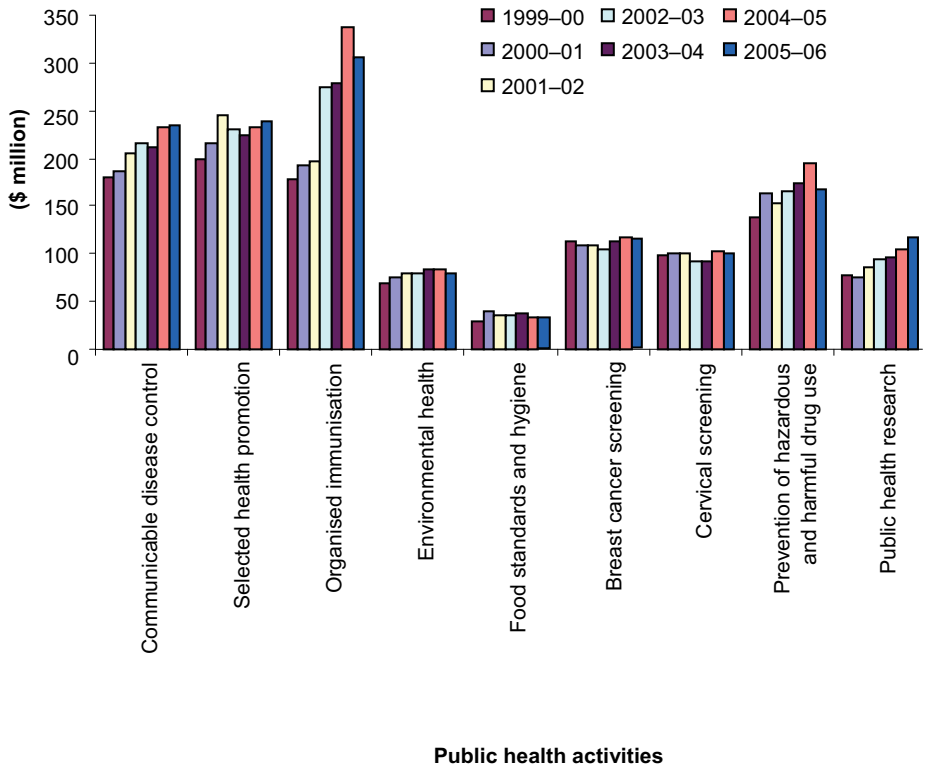
Over the period 1999–00 to 2005–06, *Organised immunisation* ($252.3 million) reflected the highest average annual real expenditure, followed by *Selected health promotion* ($227.2 million) and *Communicable disease control* ($209.8 million) (Table 1.9; Figure 1.3).

Table 1.9: Total government expenditure on public health activities, constant prices[a], 1999–00 to 2005–06

Year	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	PHOFA adminis-tration	Total public health
					Amount ($ million)						
1999–00	179.3	199.5	178.4	68.2	29.5	113.1	97.9	139.4	77.4	0.3	**1,083.0**
2000–01	187.5	216.7	193.7	74.7	40.3	109.9	101.2	163.4	74.5	0.3	**1,162.2**
2001–02	206.3	244.9	196.6	80.3	36.6	108.2	100.6	153.5	85.1	0.3	**1,212.4**
2002–03	214.9	230.3	274.3	79.4	36.5	104.8	91.4	164.9	93.9	0.3	**1,290.6**
2003–04	211.4	224.4	277.8	82.9	36.7	112.4	92.6	173.9	96.7	0.3	**1,308.9**
2004–05	231.9	232.8	338.3	83.3	32.6	118.3	103.4	194.2	104.9	0.3	**1,440.1**
2005–06	237.5	241.6	307.3	81.2	32.8	118.1	100.2	169.4	118.5	0.2	**1,406.8**
Average annual expenditure ($ million)											
1999–00 to 2005–06	209.8	227.2	252.3	78.6	35.0	112.1	98.2	165.5	93.0	0.3	1,272.0
Annual growth rate[b] (per cent)											
2004–05 to 2005–06	2.4	3.8	–9.1	–2.5	0.6	–0.2	–3.1	–12.8	12.9	–33.3	–2.3
Average annual growth rate[b] (per cent)											
1999–00 to 2005–06	4.8	3.2	9.5	3.0	1.8	0.7	0.4	3.3	7.4	–6.5	4.5

(a) Constant price expenditure has been expressed in 2004–05 prices (see Section 11.1).

(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.



Source: Table 1.9.

Figure 1.3: Total government expenditure on public health activities, constant 2004–05 prices, 1999–00 to 2005–06

Jurisdictional expenditure estimates

At a jurisdictional level, the highest average real growth in estimated expenditure over the period 1999–00 to 2005–06 was recorded by Queensland (6.9%) followed by the Australian Government (5.2%) and Western Australia (4.9%). Other jurisdictions had average real growth rates ranging from 2.2% in South Australia and the Northern Territory to 4.4% in Victoria. The Australian Capital Territory actually showed a small decline of 0.2% (Table 1.10).

The highest annual real growth between 2004–05 and 2005–06 was recorded by Tasmania (9.6%), Western Australia (7.9%), Queensland (6.3%) and Victoria (2.1%). The other five jurisdictions 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 was above the national average over the period 2003–04 to 2005–06 (Table A7; Figure 1.4). The remaining jurisdictions' expenditures were generally just below the national average.

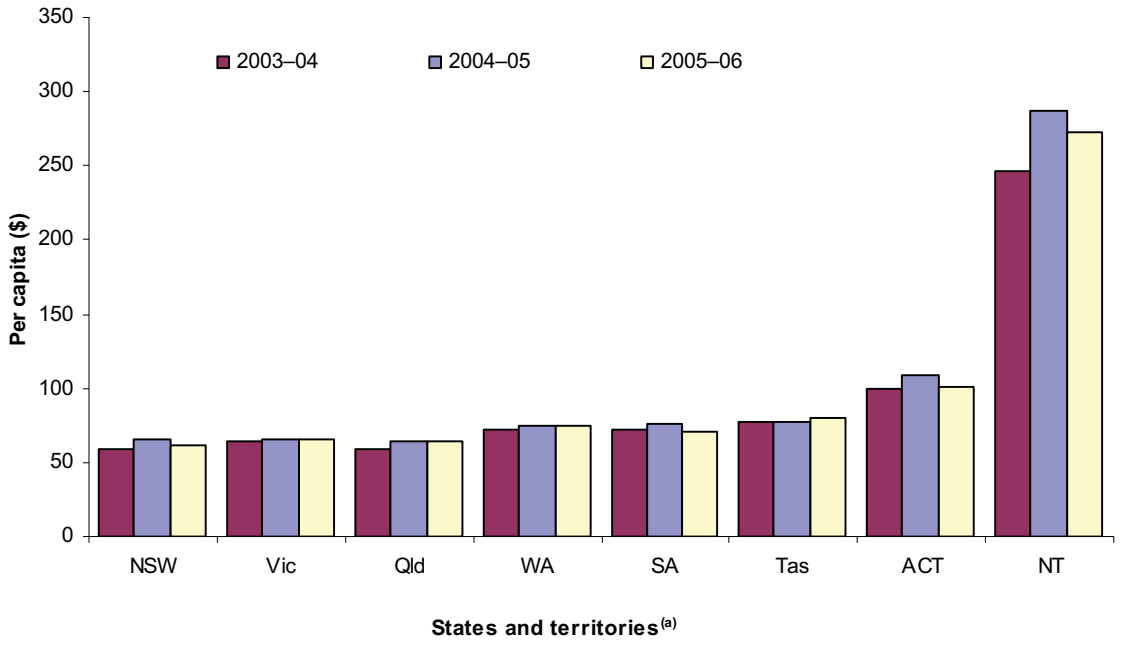
Table 1.10: Total government expenditure on public health activities, constant prices[a], by jurisdiction, 1999–00 to 2005–06

Year	Australian Government	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Australian Capital Territory	Northern Territory	Total public health
					Amount ($ million)					
1999–00	309.7	224.3	180.0	117.9	84.2	69.8	23.5	27.2	46.4	**1,083.0**
2000–01	336.0	229.3	216.0	125.8	88.6	73.5	24.9	25.5	42.6	**1,162.2**
2001–02	347.4	243.8	219.9	137.1	95.1	75.2	26.4	25.3	42.2	**1,212.4**
2002–03	343.5	250.6	252.7	155.8	104.0	87.9	29.9	26.5	39.8	**1,290.6**
2003–04	358.6	270.3	235.3	157.6	105.1	81.9	27.9	26.4	45.7	**1,308.9**
2004–05	471.1	280.3	227.8	165.8	103.9	81.9	26.2	28.4	54.7	**1,440.1**
2005–06	420.6	277.1	232.6	176.2	112.1	79.7	28.8	26.9	52.8	**1,406.8**
Average annual expenditure ($ million)										
1999–00 to 2005–06	369.6	253.7	223.5	148.0	99.0	78.6	26.8	26.6	46.3	**1,272.0**
Annual growth rate[b] (per cent)										
2004–05 to 2005–06	–10.7	–1.1	2.1	6.3	7.9	–2.7	9.6	–5.1	–3.5	**–2.3**
Average annual growth rate[b] (per cent)										
1999–00 to 2005–06	5.2	3.6	4.4	6.9	4.9	2.2	3.5	–0.2	2.2	**4.5**

(a) Constant price expenditure has been expressed in 2004–05 prices (see Section 11.1).

(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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 pages 11 and 12 of the report.

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 2004–05 prices, 2003–04 to 2005–06

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 contributed 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 Therapeutic Goods Administration (TGA)
- 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
- through 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 2005–06 was $796.7 million, compared with $866.5 million in 2004–05 and $657.4 million in 2003–04 (Table 2.1).

Of the 2005–06 total funding, $439.3 million (55.1%) 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 decreased from $395.4 million in 2004–05 to $357.4 million in 2005–06 (down 9.6%).

Of the SPP funding, $197.4 million (55.2%) was for the purchase of essential vaccines and other public health services. The remaining $160.0 million (44.8%) was for payments to state and territory governments under the Public Health Outcome Funding Agreements (PHOFAs).

Funding of *Organised immunisation* accounted for $256.0 million (or 32.1% of all Australian Government funding on public health activities) during 2005–06 and was the largest single area of funding (Table 2.2), followed by the PHOFAs ($160.3 million or 20.1%), *Public health*

research ($92.6 million or 11.6%) and *Prevention of hazardous and harmful drug use* ($92.2 million or 11.6%).

Table 2.1: Total funding by the Australian Government for expenditure on public health activities, current prices, 1999–00 to 2005–06 ($ 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	471.1	395.4	r866.5
2005–06	439.3	357.4	796.7

Note: Components may not add to totals due to rounding. 'r' denotes revised since last report.

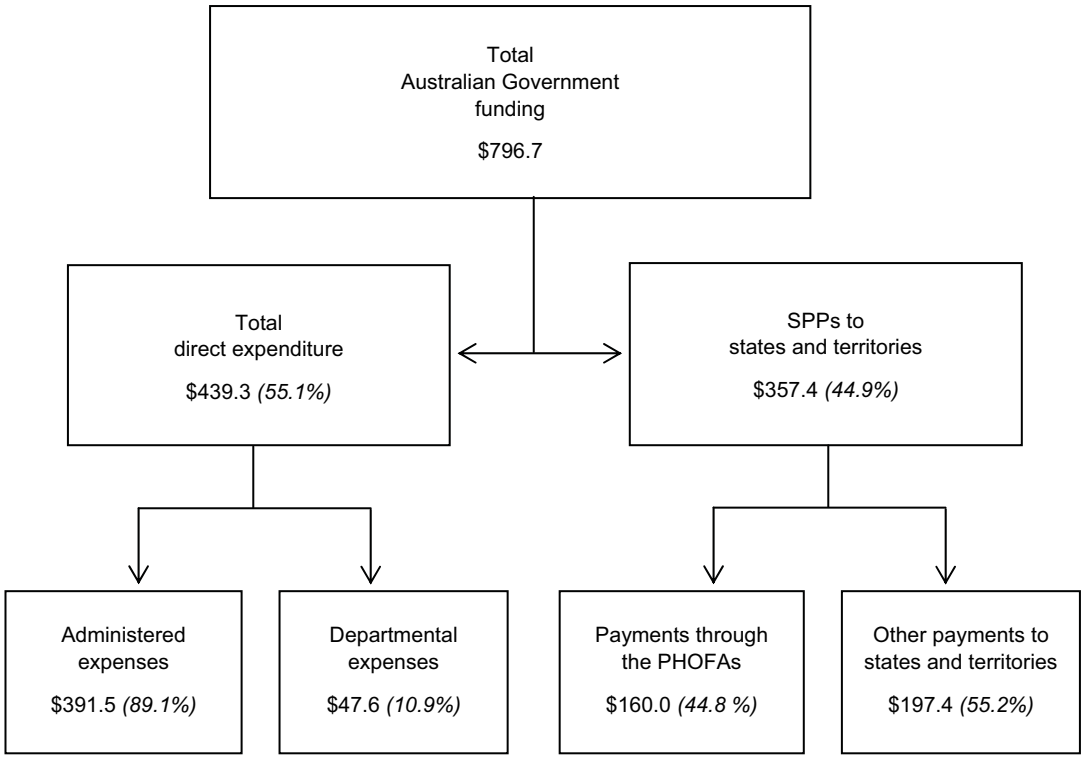
Source: Table A1.

Direct expenditure

The estimated $439.3 million in direct expenditure by the Australian Government in 2005–06 was made up of:

- expenditure administered by the DoHA portfolio on activities and programs for which it was mainly responsible ($391.5 million)
- departmental expenses incurred in administering its public health expenditure and funding responsibilities ($47.6 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* ($132.5 million or 30.2%), *Public health research* ($92.6 million or 21.1%) and *Cervical screening* ($76.9 million or 17.5%) (Table 2.3).



Notes
1. PHOFAs = Public Health Outcome Funding Agreements.
2. SPPs = Specific Purpose Payments.
3. Components may not add to totals due to rounding.

Figure 2.1: Australian Government Health and Ageing portfolio, distribution of expenditure, current prices, 2005–06 ($ million)

Table 2.2: Total funding by the Australian Government for expenditure on public health activities, current prices, 2005–06 ($ million)

Activity	Direct expenditure	SPPs to state and territory governments	Total	Proportion of total funding on core public health activities (per cent)
Communicable disease control	35.9	9.2	45.1	5.7
Selected health promotion	41.6	—	41.6	5.2
Organised immunisation	132.5	123.5	256.0	32.1
Environmental health	15.1	—	15.1	1.9
Food standards and hygiene	15.0	—	15.0	1.9
Breast cancer screening	1.9	—	1.9	0.2
Cervical screening	76.9	—	76.9	9.7
Prevention of hazardous and harmful drug use	27.5	64.7	92.2	11.6
Public health research	92.6	—	92.6	11.6
PHOFAs	0.3	160.0	160.3	20.1
Total public health	**439.3**	**357.4**	**796.7**	**100.0**

Note: Because PHOFA funding cannot be disaggregated to the individual core public health categories, SPPs to state and territory governments for core public health categories exclude funding provided through the PHOFAs that was used to support state and territory public health programs. Components may not add to totals due to rounding. Data for years prior to 2005–06 are shown in Table A1.

Source: Table A1.

Table 2.3: Australian Government direct expenditure on public health activities, by expenditure type and activity, 2005–06 ($ million)

	Administered expenses[(a)]	Departmental expenses	Total	Proportion of total direct expenditure (per cent)
Communicable disease control	30.0	5.9	35.9	8.2
Selected health promotion	36.6	5.0	41.6	9.5
Organised immunisation	130.7	1.8	132.5	30.2
Environmental health[(b)]	0.9	14.1	15.1	3.4
Food standards and hygiene[(b)]	0.9	14.1	15.0	3.4
Breast cancer screening	1.0	0.9	1.9	0.4
Cervical screening	75.9	0.9	76.9	17.5
Prevention of hazardous and harmful drug use	26.0	1.4	27.5	6.3
Public health research	89.4	3.2	92.6	21.1
PHOFAs	0.0	0.3	0.3	0.1
Total public health	**391.4**	**47.6**	**439.3**	**100.0**

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

(b) 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 2005–06 was estimated at $357.4 million, compared with $395.3 million in 2004–05 and $311.3 million in 2003–04 (Tables 2.4 and A2).

Of 2005–06 funding, $197.4 million (55.2%) was for the direct purchase of essential vaccines and expenditure on other public health activities. The remaining $160.0 million (44.8%) was for the funding of health programs by states and territories 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. From 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).

Funding under the Public Health Outcome Funding Agreements

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 prevention and harm minimisation 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 core public health activities, as the state and territory governments have flexibility in using these funds to achieve nationally agreed outcomes. In 2005–06, payments of $160.0 million were made to states and territories, compared with $146.6 million the previous financial year (Figure 2.1; Table 2.4, Table A2).

Table 2.4: SPPs for public health, current prices, by state and territory, 2005–06 ($ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
PHOFA funding	50.7	38.7	30.9	14.3	12.3	5.7	3.4	4.0	160.0
Communicable disease control	1.9	0.8	3.4	1.0	0.9	0.5	0.4	0.4	9.2
Selected health promotion	..	..	—	..	..	..	..	..	..
Organised immunisation[(a)]	42.8	30.4	21.2	13.1	9.0	3.4	1.9	1.7	123.5
Prevention of hazardous and harmful drug use	23.0	17.5	7.3	7.3	5.2	1.8	1.9	0.7	64.7
Total payments	**118.4**	**87.4**	**62.8**	**35.6**	**27.3**	**11.4**	**7.7**	**6.9**	**357.4**

(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 2005–06 are shown in 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 2005–06 was estimated at $45.1 million (Table 2.5).

Table 2.5: Australian Government funding of *Communicable disease control*, current prices, 2005–06 ($ million)

Category	HIV/AIDS, hepatitis C and STIs	Needle and syringe programs	Other communicable disease control	Total communicable disease control
Direct expenditure	6.0	0.1	29.8	35.9
SPPs[(a)]	1.9	3.7	3.6	9.2
Total funding	**7.9**	**3.8**	**33.4**	**45.1**

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

Direct expenditure

Total direct expenditure in 2005–06 was $35.9 million (Tables 2.5 and 2.6). This represented 8.2% of total direct expenditure on public health activities in 2005–06 (Table 2.3).

HIV/AIDS, hepatitis C and sexually transmitted infections

The Australian Government provided funding to peak community and professional bodies tackling issues surrounding HIV/AIDS, hepatitis C and related diseases. Its funding in 2005–06 was estimated at $6.0 million.

Needle and syringe programs

Funding for needle and syringe programs was estimated at $0.1 million in 2005–06. This funding was directed to educational and review purposes.

Other communicable disease control

Estimated funding on other communicable disease control was $29.8 million in 2005–06. The expenditure included $19.7 million funding for surveillance and management activities, biosecurity and pandemic preparedness, along with the provision of information and referral services. A further $10.1 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, 2005–06 ($ million)

Category	Expenditure
Administered expenses	30.0
Departmental expenses	5.9
Total expenditure	**35.9**

Funding through SPPs

SPPs for *Communicable disease control* amounted to $9.2 million in 2005–06 (Table 2.7).

The SPPs in 2005–06 were for the Council of Australian Governments' (COAG) illicit drug diversion measures relating to the needle and syringe programs (NSPs) ($3.7 million) and the Hepatitis C Education and Prevention Program ($1.9 million). Further grants were provided to states and territories for health surveillance work ($0.8 million), biosecurity ($2.0 million) and the control of rabies and mosquitoes in Queensland ($0.8 million).

Australian Government funding of the COAG illicit drug diversion measures 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*[(a)], current prices, by state and territory, 2005–06 ($ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
COAG needle and syringe programs	1.1	0.0	1.5	0.4	0.4	0.1	0.1	0.1	3.7
Hepatitis C Education and Prevention Program	0.5	0.5	0.4	0.3	0.1	0.1	0.1	0.0	1.9
Surveillance grants	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.8
Pandemic flu exercise	0.2	0.2	0.6	0.2	0.2	0.2	0.2	0.2	2.0
Rabies/mosquito control programs	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.8
Total	**1.9**	**0.8**	**3.4**	**1.0**	**0.9**	**0.5**	**0.4**	**0.4**	**9.2**

(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 through SPPs to states and territories. Total funding for *Selected health promotion* in 2005–06 was $41.6 million (Table 2.8).

Table 2.8: Australian Government funding of *Selected health promotion*, current prices, 2005–06 ($ million)

Category	Expenditure
Direct expenditure	41.6
SPPs to the states and territories	—
Total funding	**41.6**

Direct expenditure

In 2005–06, total direct expenditure by the Australian Government for *Selected health promotion* activities was $41.6 million (Tables 2.8 and 2.9). This represented 9.5% of total direct expenditure on public health activities during 2005–06 (Table 2.3).

Total expenditure included $8.6 million for work associated with the National Suicide Prevention Strategy, $7.7 million for the National Mental Health Program, $6.8 million on obesity prevention, and $6.2 million on school-based health promotion programs. A further $7.3 million was spent on a diverse range of other prevention and health promotion programs (e.g. asthma, falls prevention, bowel cancer detection). 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, 2005–06 ($ million)

Category	Expenditure
Administered expenses	36.6
Departmental expenses	5.0
Total expenditure	**41.6**

Funding through SPPs

Funding of $20,000 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 2005–06 was estimated at $256.0 million (Table 2.10).

Table 2.10: Australian Government funding of *Organised immunisation*, current prices, 2005–06 ($ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation for older Australians	All other organised immunisation	Total organised immunisation
Direct expenditure[(a)]	130.7	—	1.7	132.5
SPPs to the states and territories	88.3	35.2	—	**123.5**
Total funding	**219.0**	**35.2**	**1.7**	**256.0**

(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 2005–06 was estimated at $132.5 million (Tables 2.10 and 2.11). This represented 30.2% of total direct expenditure on public health activities in 2005–06 (Table 2.3).

The majority of the expenditure was on *Organised childhood immunisation* ($130.7 million). Of this, $86.2 million was spent on the Universal Childhood Pneumococcal Vaccination Program. This program provides free vaccine for all children born after 1 January 2005 at 2, 4 and 6 months of age. Under this program the Australian Government directly purchases childhood pneumococcal vaccine for distribution to the states and territories.

A further $35.1 million was spent through the General Practice Immunisation Incentives scheme. Of this, some $18.7 million was distributed to general practitioners (GPs) through service incentive payments during 2005–06. An additional $16.3 million was paid to GPs as outcome payments—these are paid to practices that achieved 90% immunisation of children under 7 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 $9.4 million in 2005–06.

Table 2.11: Direct expenditure by the Australian Government on *Organised immunisation*, current prices, 2005–06 ($ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation	All other organised immunisation	Total organised immunisation
Administered expenses	130.7	—	—	130.7
Departmental expenses[(a)]	n.a.	n.a.	n.a.	1.8
Total expenditure	**130.7**	n.a.	n.a.	**132.5**

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

Funding through SPPs

Total funding through SPPs for *Organised immunisation* was estimated at $123.5 million in 2005–06 (Table 2.12).

Immunise Australia Program

The Immunise Australia Program aims at reducing 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 AIAs. The state and territory governments are responsible for service delivery, including the purchase and distribution of vaccines to immunisation providers.

In 2005-06, the Australian Government provided $207.5 million for the purchase of vaccines under the National Immunisation Program ($121.4 million provided to states and territories and $86.2 million purchased directly by the Australian Government). The AIAs provide $1.5 billion over 5 years (2004–05 to 2008–09) and continue the arrangements established under the previous PHOFAs (1 July 1999 to 30 June 2004), with very similar terms and conditions. In addition to funding for vaccine purchases, the AIAs provide some assistance for delivery of school-based vaccination programs and financial incentives for controlling vaccine wastage and leakage.

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 4 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 a catch-up program of children in the 7–15 years age group who had not been previously vaccinated.

In 2005–06, the Australia Government provided $9.8 million under the National Meningococcal C Vaccination Program for the ongoing program targeting children aged 12 months. The decline in funding since the program started is typical of trends in funding for new vaccines involving a catch-up program targeting previously unvaccinated cohorts of the population.

National Influenza Vaccination Program for Older Australians

Under this program, free influenza (flu) vaccine is made available to all Australians aged 65 and over. Expenditure amounted to $25.6 million during 2005–06 (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. Funding for this program amounted to $7.5 million in 2005–06 (Table 2.12). This represents a decline in funding of $42.1 million since 2004–05, which is attributable to a greater number of

older Australians receiving the vaccine in 2004–05 when it first became freely available. A booster dose is not required for 5 years.

National Indigenous Pneumococcal and Influenza Immunisation Program

In 2005–06, the Australian Government provided $2.1 million to state and territory governments under the National Indigenous Pneumococcal and Influenza Immunisation Program (Table 2.12). This funding provides for free annual influenza vaccine and pneumococcal vaccine every 5 years to all Aboriginal and Torres Strait Islander peoples 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*[(a)], current prices, by state and territory, 2005–06 ($ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Immunisation program									
Essential vaccine purchases[(b)]	31.8	19.8	15.1	9.9	6.3	2.5	1.5	1.4	88.3
National Influenza Vaccination Program for Older Australians[(b)]	8.9	6.5	4.6	2.3	2.2	0.7	0.3	0.1	25.6
National Pneumococcal Vaccination Program for Older Australians[(b)]	1.6	3.9	0.9	0.4	0.4	0.1	0.1	0.0	7.5
National Indigenous Pneumococcal and Influenza Immunisation Program	0.5	0.2	0.5	0.5	0.1	0.1	0.0	0.2	2.1
Total	**42.8**	**30.4**	**21.2**	**13.1**	**9.0**	**3.4**	**1.9**	**1.7**	**123.5**

(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 2005–06 was $15.1 million (Table 2.13). All of this was funding for its own direct expenditures. This constituted 3.4% of the Australian Government's estimated own expenditure on public health in the year (Table 2.3).

Most of this funding ($11.8 million) was for the operations of 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, 2005–06 ($ million)

Category	Expenditure
Administered expenses	0.9
Departmental expenses	
Population Health Division	2.3
ARPANSA	11.8
Total departmental expenses	*14.1*
Total expenditure	**15.1**

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. Total funding was estimated at $15.0 million in 2005–06.

Direct expenditure

Total direct expenditure in 2005–06 was estimated at $15.0 million (Table 2.14). This represented 3.4% of the Australian Government's total direct expenditure on public health (Table 2.3).

Most of this expenditure related to the operations of FSANZ, which totalled $13.8 million.

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

Table 2.14: Direct expenditure on *Food standards and hygiene*, current prices, 2005–06 ($ million)

Category	2005–06
Administered expenses	0.9
Departmental expenses	
Population Health Division	0.3
FSANZ	13.8
Total departmental expenses	*14.1*
Total expenditure	**15.0**

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 2005–06 was estimated at $1.9 million (Table 2.15) 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 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 2.15: Direct expenditure[(a)] on *Breast cancer screening*, current prices, 2005–06 ($ million)

Category	Expenditure
Administered expenses	1.0
Departmental expenses	0.9
Total expenditure	**1.9**

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

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 2005–06 was estimated at $76.9 million (Table 2.16). This represented 17.5% of total direct expenditure on public health activities and was the third 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 $33.1 million in benefits for GP consultations, $22.9 million for pathology testing and $6.8 million for benefits associated with collecting samples. The incentive costs associated with the cervical screening program amounted to approximately $13 million in 2005–06. Most of this is in the form of incentive payments to support general practices for screening women between 20 and 69 years who have not had a cervical smear in the last 4 years. The balance related to departmental expenditures incurred by DoHA in administering the program.

Only expenditure on cervical screening for asymptomatic women is reported here. A further $20.1 million was estimated to be spent in 2005–06 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 in Section 2.5.

Table 2.16: Direct expenditure[a][b] on *Cervical screening*, current prices, 2005–06 ($ million)

Category	Expenditure
Administered expenses	75.9
Departmental expenses	0.9
Total expenditure	**76.9**

(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.

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

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 $92.2 million in 2005–06 (Table 2.17). This was made up of $27.5 million in funding for the Australian Government's own expenditure programs and $64.7 million in SPPs.

Table 2.17: Australian Government funding of *Prevention of hazardous and harmful drug use*, current prices, 2005–06 ($ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
Direct expenditure	1.2	3.6	10.7	11.9	27.5
SPPs to the states and territories	—	—	50.4	14.4	64.7
Total funding	**1.2**	**3.6**	**61.1**	**26.4**	**92.2**

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

Direct expenditure

The Australian Government's own expenditure on *Prevention of hazardous and harmful drug use* in 2005–06 was estimated at $27.5 million, and represented 6.3% of its total direct expenditure on public health activities in that year (Table 2.3).

Alcohol

An estimated $1.2 million was spent on national initiatives to reduce alcohol-related harm in 2005–06 (Table 2.18). This funding represented a decrease of approximately $29.2 million since 2004–05. This main reason for the decline was the fulfilment of funding given to establish the Alcohol Education and Rehabilitation Foundation (AERF) which addresses prevention, treatment, research and rehabilitation for the misuse of alcohol and other substances. The Australian Government provided $115 million to AERF over a 4–year period from 2001 using funds from the excise on beer. The period of Australian Government funding ended in June 2005. The AERF continues to operate as a self-funded, not-for-profit organisation.

Tobacco

An estimated $3.6 million was spent on tobacco-related programs in 2005–06 (Table 2.18). Most of this was spent by DoHA on the Tobacco Harm Minimisation Program.

Illicit and other drugs of dependence

An estimated $10.7 million was spent on illicit and other drugs of dependence programs in 2005–06 (Table 2.18). This expenditure covered funding of the National Illicit Drugs Community Education and Information Campaign ($2.5 million) and Community Partnership Initiative ($2.3 million), and $5.9 million was spent on a range of other education, counselling and referral programs under the National Illicit Drugs Strategy.

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 at reducing demand for hazardous and harmful drug use, through prevention and early intervention. Overall, expenditure amounted to $11.9 million in 2005–06 (Table 2.18). Most of this was spent on research and policy development work ($5.8 million) and the Australian National Council of Drugs ($2.3 million).

Table 2.18: Direct expenditure on *Prevention of hazardous and harmful drug use*, current prices, 2005–06 ($ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
Administered expenses	—	3.6	10.7	11.7	26.0
Departmental expenses	1.2	—	—	0.2	1.4
Total expenditure	**1.2**	**3.6**	**10.7**	**11.9**	**27.5**

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

Funding through SPPs

SPPs for *Prevention of hazardous and harmful drug use* during 2005–06 amounted to $64.7 million (Table 2.19). Most of this expenditure ($45.1 million) was on the Illicit Drugs Diversion Initiative which aimed at increasing incentives for drug users to identify and treat their illicit drug use early and decrease the social impact of illicit drug use within the community. In addition, $11.9 million was spent on the NGO Treatment Grants Program. However, this represents only half of the total spending under the program, with the remainder reported as 'Expenditure on other activities related to public health'. A further $5.3 million was spent on counselling and referral programs operating under the National Illicit Drugs Strategy.

Table 2.19: SPPs for *Prevention of hazardous and harmful drug use*[(a)], by state and territory, current prices, 2005–06 ($ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Illicit Drug Diversion Initiative	17.0	14.2	2.7	5.2	3.6	1.2	1.2	—	45.1
NGO Treatment Grants Program	3.6	2.7	2.0	1.3	0.9	0.4	0.5	0.5	11.9
Education, counselling and referral program	1.6	0.2	2.2	0.6	0.5	0.2	0.2	0.2	5.3
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	**23.0**	**17.6**	**7.3**	**7.3**	**5.2**	**1.8**	**1.9**	**0.7**	**64.7**

(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 Australian Government's funding for *Public health research* related to its own direct expenditure (Table 2.20).

Direct expenditure

The Australian Government's direct expenditure on *Public health research* in 2005–06 was estimated at $92.6 million (Table 2.20). This represented 21.1% of its total expenditure on public health activities in that year and was the second largest area of direct expenditure by the Australian Government on public health activities (see Table 2.3).

Over three-quarters of the Australian Government's expenditure in 2005–06 was in the form of public health grants by the National Health and Medical Research Council ($74.9 million). A further $9 million was incurred by the Public Health Education and Research Program.

Table 2.20: Direct expenditure by the Australian Government Health and Ageing portfolio on *Public health research*, current prices, 2005–06 ($ million)

Category	Expenditure
Administered expenses	89.4
Departmental expenses	3.2
Total expenditure	**92.6**

2.4 Growth in expenditure on public health activities

The Australian Government's direct expenditure on public health activities decreased, in real terms, by 10.7% between 2004–05 and 2005–06 (Table 2.21; Figure 2.2). The public health activities that showed the largest declines in real terms were:

- *Prevention of hazardous and harmful drug use* (down 61.3%)
- *Environmental health* (down 15.3%)
- *Communicable disease control* (down 10.9%).

Over the period 1999–00 to 2005–06, direct expenditure rose at an average rate of 5.2% per annum. The public health activities which recorded the highest average annual real growth rates were:

- *Organised immunisation* (13.9%)
- *Selected health promotion* (9.3%)
- *Communicable disease control* (5.7%).

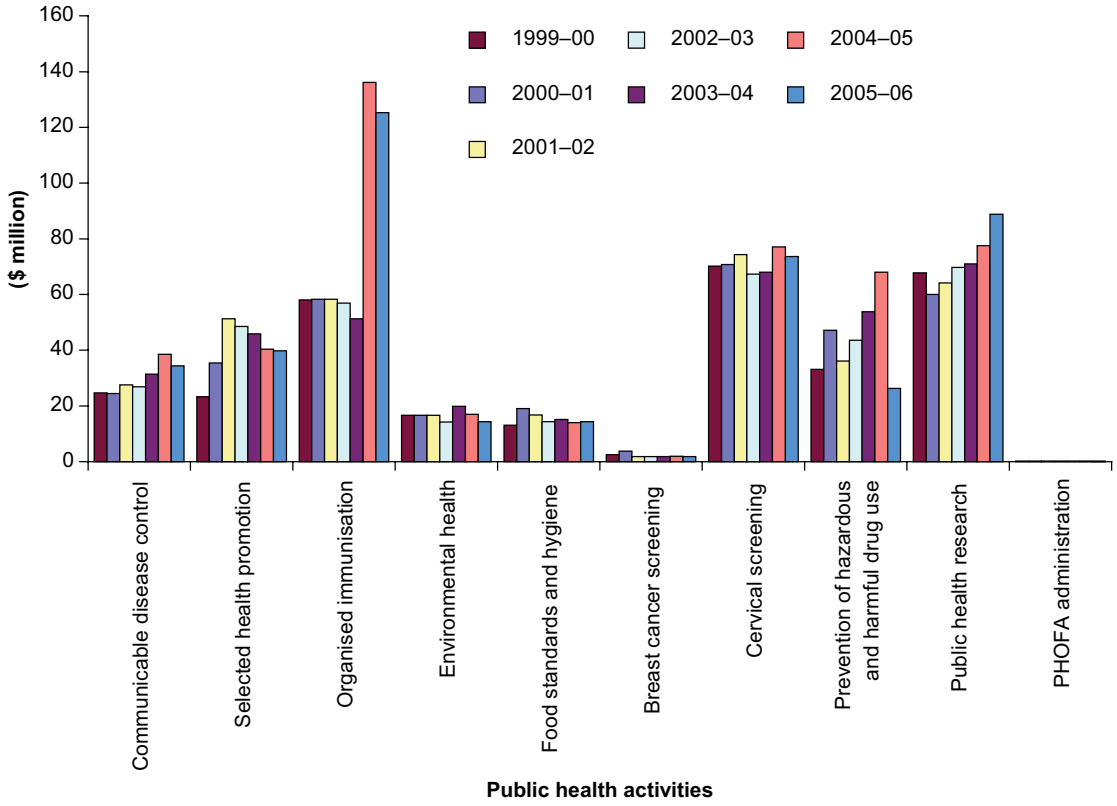
From 1999–00 to 2005–06, *Organised immunisation* ($78.0 million) reflected the highest average annual real direct expenditure by the Australian Government, followed by *Cervical screening* and *Public health research*—$71.6 million and $71.3 million respectively.

Table 2.21: Australian government direct expenditure on public health activities, constant prices[a], 1999–00 to 2005–06

Year	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	PHOFA adminis-tration	Total public health
					Amount ($ million)						
1999–00	24.7	23.3	58.0	16.6	13.1	2.5	70.2	33.2	67.8	0.3	**309.7**
2000–01	24.4	35.4	58.3	16.7	19.1	3.8	70.8	47.2	60.0	0.3	**336.0**
2001–02	27.6	51.3	58.3	16.7	16.8	1.8	74.3	36.2	64.1	0.3	**347.4**
2002–03	26.9	48.5	56.9	14.2	14.3	1.8	67.3	43.6	69.7	0.3	**343.5**
2003–04	31.5	45.9	51.3	19.9	15.1	1.8	68.0	53.8	71.0	0.3	**358.6**
2004–05	38.6	40.4	136.2	17.0	14.0	2.0	77.1	68.0	77.5	0.3	**471.1**
2005–06	34.4	39.8	126.9	14.4	14.4	1.8	73.6	26.3	88.8	0.2	**420.6**
Average annual expenditure ($ million)											
1999–00 to 2005–06	29.7	40.7	78.0	16.5	15.3	2.2	71.6	44.0	71.3	0.3	**369.6**
Annual growth rate[b] (per cent)											
2004–05 to 2005–06	–10.9	–1.5	–6.8	–15.3	2.9	–10.0	–4.5	–61.3	14.6	–33.3	**–10.7**
Average annual growth rate[b] (per cent)											
1999–00 to 2005–06	5.7	9.3	13.9	–2.3	1.6	–5.3	0.8	–3.8	4.6	–6.5	**5.2**

(a) Constant price expenditure has been expressed in 2004–05 prices (see Section 11.1).

(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.



Source: Table 2.21.

Figure 2.2: Direct expenditure on public health activities by the Australian Government, constant 2004–05 prices, 1999–00 to 2005–06

2.5 Expenditure on other activities related to public health

There are a number of health expenditures funded by the Australian Government that have a public health outcome or contribute to the prevention of disease that could not be allocated to any of the core public health activities. In 2005–06 it was estimated that the Australian Government spent a total of $32.8 million on such activities.

These expenditures were mainly made up of:

- cervical examinations for women presenting with symptoms indicative of cancer ($20.1 million)
- non-public health aspects of the NGO Treatment Grants Program (estimated at $11.9 million)
- family planning services ($0.8 million).

3 Expenditure by the New South Wales health authorities

3.1 Introduction

New South Wales is the most populous of Australia's states and territories with one-third of the total Australian population. Most of the state's population of approximately 6.8 million is located in and around the three major urban centres of Sydney, Newcastle, and Wollongong.

Over 2005–06 state government health services in New South Wales were arranged into eight area health services, each covering a distinct geographic region of the state. Each area health service is responsible for, among other things, the provision of major public health services within its region. The New South Wales Department of Health (NSW Health), on the other hand, has major state-wide responsibilities for:

- policy development
- system-wide planning
- health and health system performance monitoring
- management of public health issues.

Within NSW Health, the Population Health Division and other areas work with communities and organisations to contribute to the achievement of the state's public health goals.

The Cancer Institute NSW is a statutory authority with responsibility for overseeing the state's cancer control effort.

Expenditures, including funding, by NSW Health and the Cancer Institute NSW on public health activities have been included in this report.

3.2 Overview of results

Total expenditure by the New South Wales Government on public health activities during 2005–06, in current prices, was estimated at $289.1 million (Table 3.1). Overall, expenditure was up $8.8 million or 3.1% on that for the previous financial year. The major contributors to this increase were expenditure on *Prevention of hazardous and harmful drug use* (up $7.7 million) and *Public health research* (up $5.3 million).

Approximately 80% of the expenditure during 2005–06 was directed towards four public health activities:

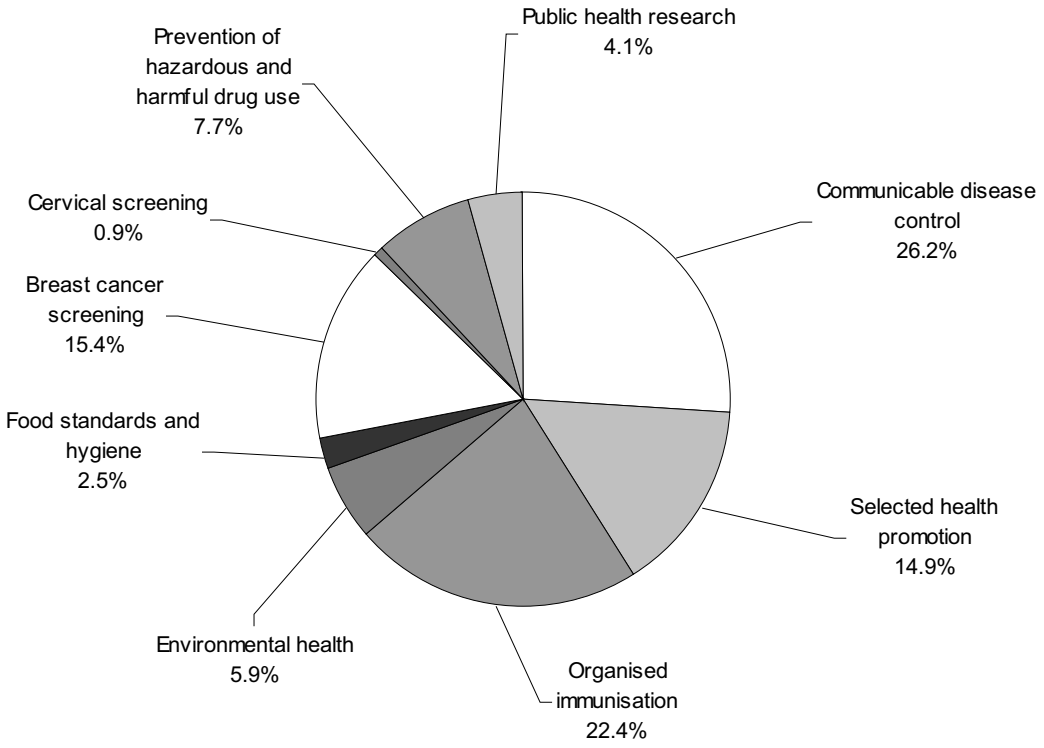
- *Communicable disease control* (26.2%)
- *Organised immunisation* (22.4%)
- *Breast cancer screening* (15.4%)
- *Selected health promotion* (14.9%).

Table 3.1: State government expenditure on public health activities, current prices, New South Wales, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	54.3	28.7	32.1	4.4	7.3	35.7	5.0	19.3	2.4	**189.2**
2000–01	54.0	36.1	38.0	10.8	7.3	32.1	3.8	17.2	0.6	**199.9**
2001–02	67.0	35.4	41.1	15.1	7.2	33.5	4.5	13.8	1.8	**219.4**
2002–03	69.4	35.1	56.5	14.7	7.7	30.5	2.8	14.1	2.2	**233.0**
2003–04	58.3	37.2	84.6	12.3	7.6	36.7	2.3	19.6	2.1	**260.7**
2004–05	70.9	43.1	79.2	14.4	4.9	43.2	3.3	14.7	6.6	**280.3**
2005–06	75.8	43.1	64.8	17.1	7.1	44.4	2.5	22.4	11.9	**289.1**
					Proportion of public health expenditure[(a)] (per cent)					
1999–00	28.7	15.2	17.0	3.9	2.3	18.9	2.6	10.2	1.3	**100.0**
2000–01	27.0	18.1	19.0	5.4	3.7	16.1	1.9	8.6	0.3	**100.0**
2001–02	30.5	16.1	18.7	6.9	3.3	15.3	2.1	6.3	0.8	**100.0**
2002–03	29.8	15.1	24.2	6.3	3.3	13.1	1.2	6.1	0.9	**100.0**
2003–04	22.4	14.3	32.5	4.7	2.9	14.1	0.9	7.5	0.8	**100.0**
2004–05	25.3	15.4	28.3	5.1	1.7	15.4	1.2	5.2	2.4	**100.0**
2005–06	26.2	14.9	22.4	5.9	2.5	15.4	0.9	7.7	4.1	**100.0**

(a) The proportions are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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



Source: Table 3.1.

Figure 3.1: Proportion of state government public health expenditure, by activity, New South Wales, 2005–06

3.3 Expenditure on public health activities

This section of the report looks at New South Wales' level of expenditure in relation to each of the public health activities. It discusses in more detail the particular programs within each of the health activities and their related expenditure.

Communicable disease control

Expenditure on *Communicable disease control* by NSW Health in 2005–06 was estimated at $75.8 million, up $4.9 million or 6.9% on the previous financial year (Table 3.1).

The 2005–06 expenditure accounted for 26.2% of the total public health expenditure and was the highest area of expenditure incurred by NSW Health during that year (Figure 3.1). The major elements of the spending are shown in Table 3.2.

Table 3.2: State government expenditure on *Communicable disease control*, current prices, New South Wales, 2005–06 ($ million)

Category	Expenditure
HIV/AIDS, hepatitis C and STI programs	54.6
Needle and syringe programs	9.7
Other communicable disease control	11.4
Total	**75.8**

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

Some of key achievements over the 2005–06 period included:

- the NSW Health media campaign called Safe Sex—No Regrets
- coordinated interagency response to significant increase in HIV diagnoses among gay and other homosexually active men
- conduct of routine school-based hepatitis B vaccination for Year 7 students
- conduct of the high school pertussis vaccination program with the aim of interrupting the epidemic cycle
- a significant reduction in notifications of measles over previous years.

Selected health promotion

Total expenditure on *Selected health promotion* in 2005–06 was $43.1million—the same as it was the previous financial year. This represented 14.9% of total expenditure on public health activities and was one of the more significant areas of public health expenditure by NSW Health in 2005–06 (Table 3.1; Figure 3.1).

Two broad areas of activity covered by expenditure on selected health promotion were:

- general health promotion and education
- injury prevention.

Some of the major spending by NSW Health under this activity was aimed at prevention of injurious falls in older adults, and prevention of childhood obesity. This last area of spending was undertaken in collaboration with a range of intersectoral partners, most notably the New South Wales Department of Education and Training.

Organised immunisation

Total estimated expenditure on *Organised immunisation* in 2005–06 was $64.8 million. This represented 22.4% of the total expenditure on public health activities in the year and was the second most significant area of public health expenditure incurred by NSW Health (Table 3.1; Figure 3.1).

The major elements of the spending for 2005–06 are shown in Table 3.3.

Table 3.3: State government expenditure on *Organised immunisation*, current prices, New South Wales, 2005–06 ($ million)

Category	Expenditure
Organised childhood immunisation[(a)]	45.0
Organised pneumococcal and influenza immunisation	11.0
All other organised immunisation	8.8
Total	**64.8**

(a) Reported expenditure excludes purchases of essential vaccines for the Universal Childhood Pneumococcal Vaccination Program which is included under direct expenditure by the Australian Government.

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

Overall, expenditure in 2005–06 was down $14.4 million or 18.2% on 2004–05. This largely reflected the lumpy nature of expenditure with the introduction of new national immunisation programs.

Expenditure patterns for *Organised immunisation* are in line with the funding provided by the Australian Government through the PHOFAs (prior to 30 June 2004) and the AIA from 1 July 2004. Changes in the funding for the purchase of essential vaccines along with the implementation of new national immunisation programs can vary the amount of expenditure from year to year. For example, the higher expenditure in 2002–03 and subsequent years reflect the introduction of the National Meningococcal C Vaccination Program by the Australian Government in January 2003, involving immunisation of all those aged 1 to 19 years in New South Wales. In addition, two new programs were introduced in January 2005—the National Childhood Pneumococcal Vaccination Program and the National Pneumococcal Vaccination Program for older Australians.

Funding for this activity in 2005–06 came from a combination of state appropriations and the Australian Government through the AIAs.

Environmental health

Total expenditure on *Environmental health* in 2005–06 was $17.1 million, up $2.7 million or 18.8% on expenditure in 2004–05. The 2005–06 expenditure represented 5.9% of the total public health expenditure incurred by NSW Health for that year (Table 3.1; Figure 3.1).

The expenditure under this activity mainly related to:

- health impact assessment of major developments
- health risk assessment of environmental hazards
- protection of metropolitan and rural water quality
- Indigenous environmental health including initiatives under the Aboriginal Community Development Program
- environmental health regulatory activity under the New South Wales Public Health Act
- other environmental health programs managed by Area Health Services.

Food standards and hygiene

The expenditure on *Food standards and hygiene* during 2005–06 was estimated at $7.1 million, up $2.2 million, or 44.9% on the previous financial year. This constituted 2.5% of the total expenditure by NSW Health on public health activities during 2005–06 (Table 3.1; Figure 3.1).

Breast cancer screening

The expenditure for *Breast cancer screening* during 2005–06 was estimated at $44.4 million, up $1.2 million or 2.8% on the previous financial year. The 2005–06 expenditure constituted 15.4% of the total public health expenditure and was the third most significant area of expenditure incurred by NSW Health during that year (Table 3.1; Figure 3.1).

The provision of a breast cancer screening service is achieved through NSW Health's funding of BreastScreen New South Wales. Funding for this program is provided under a joint arrangement with the Australian Government through the PHOFAs. From 1 July 2004, the Cancer Institute NSW has assumed responsibility for BreastScreen New South Wales.

Cervical screening

The expenditure on *Cervical screening* by the state government during 2005–06 was estimated at $2.5 million, down $0.8 million or 24.2% on that in 2004–05. This represented 0.9% of the total public health expenditure by NSW Health during the year (Table 3.1; Figure 3.1).

Prevention of hazardous and harmful drug use

Expenditure on *Prevention of hazardous and harmful drug use* by NSW Health in 2005–06 was estimated at $22.4 million (Table 3.1). This expenditure does not include drug prevention monies allocated to non-health state government departments that undertake drug and alcohol prevention activities, and therefore does not represent total expenditure in this area by the NSW Government.

The 2005–06 expenditure constituted 7.7% of the total expenditure on public health activities by NSW Health during that year (Figure 3.1). The major elements of this expenditure are shown in Table 3.4.

Table 3.4: State government expenditure on *Prevention of hazardous and harmful drug use*, current prices, New South Wales, 2005–06 ($ million)

Category	Expenditure
Alcohol	2.7
Tobacco	13.9
Illicit and other drugs of dependence	4.1
Mixed	1.8
Total	**22.4**

Overall, expenditure in 2005–06 was up $7.7 million or 52.4% on the previous year. This increase was due to the higher expenditure recorded in 2005–06 on tobacco education and preventative programs by the Cancer Institute as part of the National Illicit Drugs Campaign.

Some of the major activities covered by spending in this area were:

- reducing alcohol-related harms among young adults
- issues of importance to Indigenous Australians
- reducing exposure of children to environmental tobacco smoke
- reducing smoking in licensed premises (clubs and hotels)
- discouraging smoking by high school students
- reducing heroin overdose levels
- reducing harms associated with use of psychostimulant drugs.

Public health research

Total expenditure on *Public health research* in 2005–06 was estimated at $11.9 million, up $5.3 million on that incurred in the previous financial year. This higher expenditure for the past 2 years largely reflects improved capture and classification of expenditure on public health research, rather than major new research funding programs.

Expenditure on *Public health research* activities represented 4.1% of the total expenditure on public health activities during 2005–06 (Table 3.1; Figure 3.1). The majority of this expenditure took the form of infrastructure grants to public health research organisations to cover costs such as salaries of senior researchers and administrative staff, as well as physical infrastructure (e.g. power, furniture, and computers). Also included was funding to the Sax Institute to support its collaborative research programs, including the 45 and Up Study, a longitudinal study of 250,000 NSW residents aged 45 years and over.

Note that it is likely that other expenditure on specific public health research projects was captured under the relevant activity area, for example *Selected health promotion*, rather than included under *Public health research*.

3.4 Growth in expenditure on public health activities

Total expenditure on public health activities decreased, in real terms, from $280.3 million in 2004–05 to $277.1 million in 2005–06, representing a decrease of 1.1% on the previous financial year.

Public health research (up 72.7%), *Prevention of hazardous and harmful drug use* (up 46.3%) and *Foods standards and hygiene* (up 38.8%) recorded the highest annual real growth rates.

From 1999–00 to 2005–06, expenditure grew an average rate of 3.6% per annum (Table 3.5). The highest annual growth was in *Public health research*, which averaged 25.6% over the period, followed by *Environmental health* (11.1%) and *Organised immunisation* (8.5%).

Over the period 1999–00 to 2005–06, *Communicable disease control* ($68.5 million) reflected the highest average annual real expenditure, followed by *Organised immunisation* ($59.6 million) and *Selected health promotion* ($39.3 million) (Table 3.5; Figure 3.3).

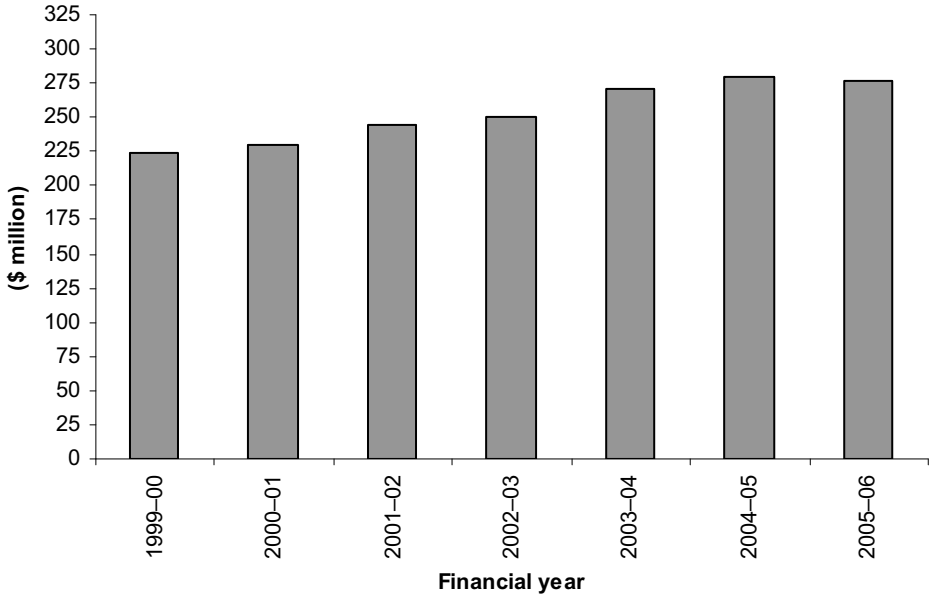
Table 3.5: State government expenditure on public health activities, constant prices[a], New South Wales, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	64.3	34.0	38.0	8.7	5.3	42.3	5.9	22.9	2.9	**224.3**
2000–01	61.9	41.4	43.6	12.4	8.4	36.8	4.3	19.8	0.7	**229.3**
2001–02	74.4	39.3	45.6	16.8	8.0	37.3	5.0	15.4	2.0	**243.8**
2002–03	74.6	37.7	60.7	15.8	8.3	32.8	3.1	15.2	2.4	**250.6**
2003–04	60.5	38.5	87.7	12.8	7.8	38.1	2.4	20.4	2.1	**270.3**
2004–05	70.9	43.1	79.2	14.4	4.9	43.2	3.3	14.7	6.6	**280.3**
2005–06	72.6	41.3	62.1	16.4	6.8	42.6	2.4	21.5	11.4	**277.1**
Average annual expenditure ($ million)										
1999–00 to 2005–06	68.5	39.3	59.6	13.9	7.1	39.0	3.8	18.6	4.0	**253.7**
Annual growth rate[b] (per cent)										
2004–05 to 2005–06	2.4	-4.2	-21.6	9.0	38.8	-1.4	-27.3	46.3	72.7	**-1.1**
Average annual growth rate[b] (per cent)										
1999–00 to 2005–06	2.0	3.3	8.5	11.1	4.2	0.1	-13.9	-1.0	25.6	**3.6**

(a) Constant price expenditure has been expressed in 2004–05 prices (see Section 11.1).

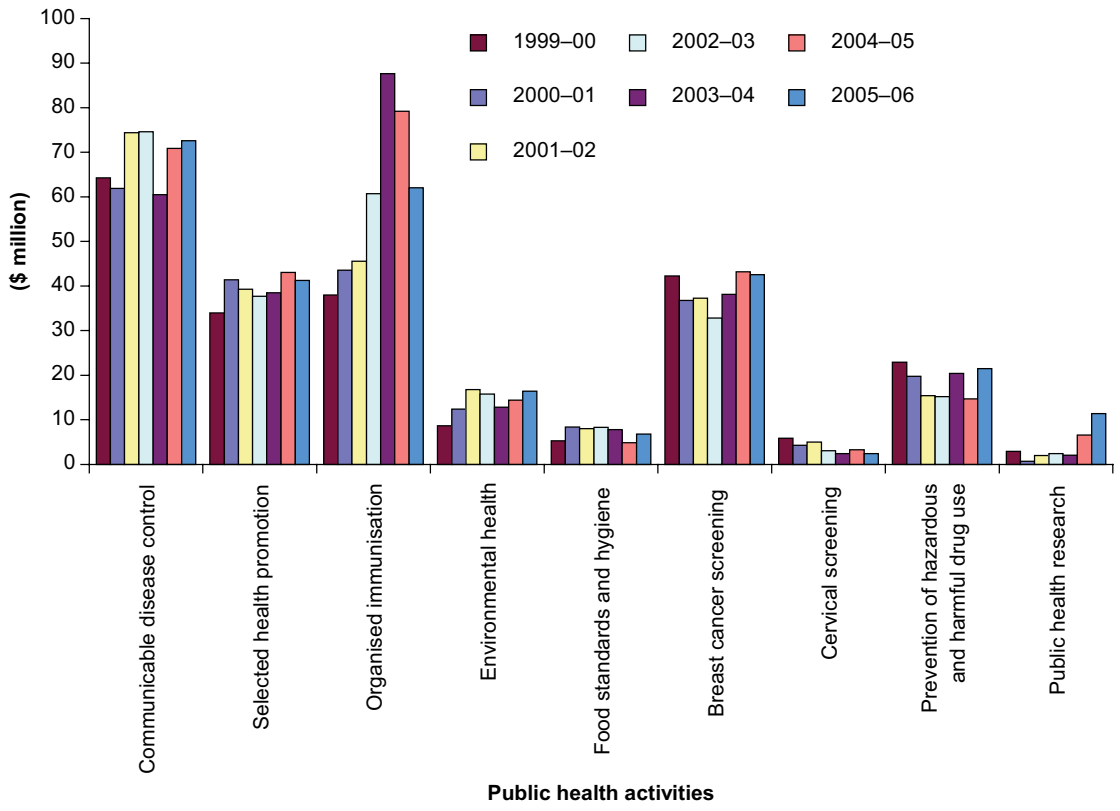
(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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



Source: Table 3.5.

Figure 3.2: State government expenditure on public health activities, constant 2004–05 prices, New South Wales, 1999–00 to 2005–06



Source: Table 3.5.

Figure 3.3: State government expenditure on public health activities, constant 2004–05 prices, New South Wales, 1999–00 to 2005–06

4 Expenditure by the Victorian Department of Human Services

4.1 Introduction

Victoria is the second largest state, in terms of population, and the second smallest geographically, of the six Australian states. Consequently, Victoria is the most densely populated of the states. In 2005–06 its total population was 5.1 million.

The Public Health and Drugs Output Groups of the Department of Human Services (DHS) administers most of the state government's public health activities in Victoria.

During 2005–06, approximately 72% of the department's public health expenditure was on services provided by agencies under service agreements with DHS. These include agreements both with non-government organisations and with government agencies, such as public hospitals, metropolitan health services, kindergartens, LGAs, community health centres and ambulance services.

DHS's main public health activities included developing partnerships with the community to tackle drug-related issues; raising immunisation rates, particularly among children; minimising the transmission of communicable diseases; promoting healthy lifestyles; and improving food handling and hygiene processes.

4.2 Overview of results

Total expenditure by the Victorian Government on public health activities during 2005–06, in current price terms, was $242.6 million, up $14.8 million or 6.5% on the previous financial year (Table 4.1). This increase was largely due to the rise in expenditure on *Selected health promotion* (up $5.5 million), *Communicable disease control* (up $4.5 million), *Prevention of hazardous and harmful drug use* (up $3.6 million) and *Environmental health* (up $3.0 million). These increases were partially offset by reductions in expenditure on *Public health research* (down $2.1 million) and *Food standards and hygiene* (down $1.0 million).

Almost 65% of the expenditure during 2005–06 was directed towards three public health activities (Table 4.1; Figure 4.1). These were:

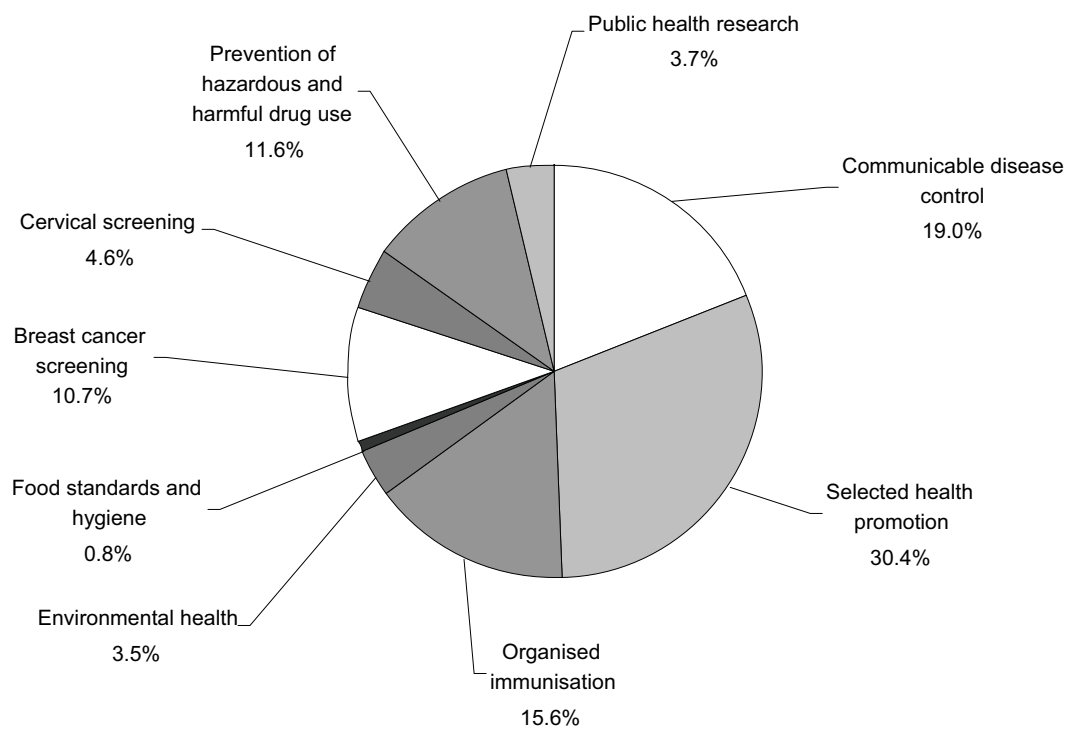
- *Selected health promotion* (30.4%)
- *Communicable disease control* (19.0%)
- *Organised immunisation* (15.6%).

Table 4.1: State government expenditure on public health activities, current prices, Victoria, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	23.7	58.2	23.4	2.9	2.3	19.0	7.3	11.9	2.2	**150.9**
2000–01	31.0	60.0	27.0	3.2	3.1	19.4	11.0	25.3	7.0	**187.0**
2001–02	r31.8	65.3	28.1	3.5	2.4	19.8	9.5	25.5	r10.4	r**196.3**
2002–03	r34.2	65.5	58.6	4.4	2.8	21.4	9.9	r25.4	r11.4	r**233.6**
2003–04	r40.3	64.1	43.7	4.9	3.2	23.5	10.9	23.0	12.6	r**226.2**
2004–05	r41.7	68.3	37.6	5.5	3.0	25.4	10.7	24.6	11.0	r**227.8**
2005–06	46.2	73.8	37.8	8.5	2.0	26.0	11.2	28.2	8.9	**242.6**
					Proportion of public health expenditure[(a)] (per cent)					
1999–00	15.7	38.6	15.5	1.9	1.5	12.6	4.8	7.9	1.5	**100.0**
2000–01	16.6	32.1	14.4	1.7	1.7	10.4	5.9	13.5	3.7	**100.0**
2001–02	16.2	33.3	14.3	1.8	1.2	10.1	4.8	13.0	5.3	**100.0**
2002–03	14.6	28.0	25.1	1.9	1.2	9.2	4.2	10.9	4.9	**100.0**
2003–04	17.8	28.3	19.3	2.2	1.4	10.4	4.8	10.2	5.6	**100.0**
2004–05	18.3	30.0	16.5	2.4	1.3	11.2	4.7	10.8	4.8	**100.0**
2005–06	19.0	30.4	15.6	3.5	0.8	10.7	4.6	11.6	3.7	**100.0**

(a) The proportions are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

Note: Components may not add to totals due to rounding. 'r' indicates revised since last report.



Source: Table 4.1.

Figure 4.1: Proportion of state government public health expenditure, by activity, Victoria, 2005–06

4.3 Expenditure on public health activities

This section of the report looks at Victoria's level of activity in relation to each of the public health activities. It discusses in more detail the particular programs within each of the health activities and their related expenditure.

Communicable disease control

Total expenditure for *Communicable disease control* by DHS in 2005–06 was $46.2 million, up $4.5 million or 10.8% on expenditure in 2004–05 (Table 4.1).

The 2005–06 expenditure accounted for 19.0% of the total public health expenditure and was the second most significant area of public health expenditure by DHS during that year (Figure 4.1). The major elements of this spending are shown in Table 4.2.

Table 4.2: State government expenditure on *Communicable disease control*, current prices, Victoria, 2005–06 ($ million)

Category	Expenditure
HIV/AIDS, hepatitis C and STI programs	14.7
Needle and syringe programs	5.2
Other communicable disease control	26.3
Total	**46.2**

Funding is provided to a range of agencies, including hospitals, some non-government agencies and public health laboratories, to provide a range of tests including HIV and associated testing. Funding was also provided for health promotion (prevention strategies), counselling and support services.

Selected health promotion

Total reported expenditure on *Selected health promotion* during 2005–06 was estimated at $73.8 million, which was up $5.5 million or 8.1% on expenditure during 2004–05. This constituted 30.4% of total expenditure on public health activities in 2005–06 and reflected the most significant area of public health expenditure by DHS during that year (Table 4.1; Figure 4.1).

DHS, the Victorian Health Promotion Foundation (VicHealth) and a broad range of funded sectors jointly undertake the promotion of healthy lifestyles in Victoria. Programs exclusively administered by the DHS support developmental projects that enhance health promotion in health and community agencies, schools and LGAs.

DHS also provides grants for projects that aim at improving health promotion practice and increasing awareness and knowledge of physical activity in the general community and in vulnerable groups.

The funding was also aimed at:

- increasing the skills of health professionals and other workers in planning, promoting and evaluating health promotion programs
- developing and disseminating the Integrated Health Promotion Resource Kit, and the development of the DHS health promotion website — <www.health.vic.gov.au/healthpromotion>.

Some of the key achievements during the course of the year included such programs as:

- 'Go for your life'
- 'Well for life'
- Community-based obesity prevention including 'Be Active Eat Well' in Colac; 'Fun 'n' healthy' in Moreland; and 'It's your move' in East Geelong
- Kids—'Go for your life'.

Organised immunisation

Total expenditure on *Organised immunisation* in 2005–06 was $37.8 million, which was marginally up ($0.2 million) on expenditure in the previous financial year. It constituted 15.6% of the total public health expenditure and was the third most significant area of public health expenditure by DHS during that year (Table 4.1; Figure 4.1).

The major elements of the spending for 2005–06 are shown in Table 4.3.

Table 4.3: State government expenditure on *Organised immunisation*, current prices, Victoria, 2005–06 ($ million)

Category	Expenditure
Organised childhood immunisation[(a)]	22.0
Organised pneumococcal and influenza immunisation	7.9
All other organised immunisation	7.8
Total	**37.8**

(a) Reported expenditure excludes purchases of essential vaccine for the Universal Childhood Pneumococcal Vaccination Program which is included under direct expenditure by the Australian Government.

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

The above expenditure also includes spending on interventions delivered or purchased by DHS that are aimed at preventing disease or responding to disease outbreaks. Funding comes from a combination of state appropriations and the Australian Government through the AIA.

Expenditure patterns for *Organised immunisation* are in line with the funding provided by the Australian Government through the PHOFAs (prior to 30 June 2004) and the AIA from 1 July 2004 (see Table 4.1). Changes in the funding for the purchase of essential vaccines along with the implementation of new national immunisation programs can vary the amount of expenditure from year to year. For example, the higher expenditure in 2002–03 reflects the higher initial implementation costs associated with the introduction of the National Meningococcal C Vaccination Program by the Australian Government in August 2003, involving immunisation of all those aged 1 to 19 years in Victoria. In addition, two new programs were introduced in January 2005—the National Childhood Pneumococcal Vaccination Program and the National Pneumococcal Vaccination Program for older Australians—which contributed to higher expenditure for that year.

Environmental health

Total expenditure on *Environmental health* was $8.5 million in 2005–06, up $3.0 million or 54.5% on the previous financial year. This constituted 3.5% of total expenditure by DHS on public health activities during 2005–06 (Table 4.1; Figure 4.1).

Environmental health focused on the protection of the community from environmental dangers arising from air, land or water, as well as radiation and other poisonous substances.

The expenditure under this activity included:

- development of state-wide environmental health policies
- provision of effective regulatory control

- responses to emergency situations
- provision of information and advice to consumers
- ongoing research into environmental health issues.

Food standards and hygiene

Total expenditure on *Food standards and hygiene* in 2005–06 was $2.0 million, down $1.0 million or 33.3% on the previous financial year. This constituted 0.8% of the total public health expenditure incurred by DHS during the year (Table 4.1; Figure 4.1).

Some of the major activities covered by spending in this area were implementation of legislation, surveillance and provision of advice, food safety and legislation issues, representation on national bodies and responses to emergency situations.

Breast cancer screening

Total expenditure on *Breast cancer screening* during 2005–06 was estimated at $26.0 million, up $0.6 million or 2.4% on the previous financial year. This constituted 10.7% of the total public health expenditure and was one of the more significant areas of public health expenditure incurred by DHS during the year (Table 4.1; Figure 4.1).

The provision of a breast cancer screening service is achieved through DHS's funding of BreastScreen Victoria. Funding for this program is provided under a joint arrangement with the Australian Government through the PHOFAs.

BreastScreen Victoria provides a free breast cancer screening service for women without related symptoms or breast problems aged between 40 and 69 years. The program specifically targets women in the age group 50–69 years, although women aged 40–49 and over 69 years can use the service.

The program has a network of services across the state, involving eight assessment centres and 38 screening centres. These sites are specially designated centres and operate to strictly controlled national standards. A comprehensive recruitment and education strategy is in place to maximise participation in the program. The program has two mobile vans to cater for women in outer metropolitan and rural areas. BreastScreen Victoria also manages a breast screen registry that records and monitors the number of women screened and the cancers detected.

Cervical screening

Total expenditure on *Cervical screening* by DHS during 2005–06 was $11.2 million, which was up approximately $0.5 million or 4.7% on expenditure in the previous financial year. This was equivalent to 4.6% of total expenditure on public health activities by DHS during 2005–06 (Table 4.1; Figure 4.1).

Cervical screening expenditure includes the costs associated with the provision of a public sector cervical smear testing service; a state-wide cervical cytology register that records program participation and outcomes, and provides a reminder to women when they are due for their next Pap smear; education projects to ensure Pap smear providers have accurate information and skills; and recruitment strategies aimed at encouraging Victorian women to have regular Pap smears.

The main goal of the Victorian Cervical Screening Program is to achieve the best possible reduction in the incidence, morbidity and mortality associated with cervical cancer at an acceptable cost through an organised approach.

Prevention of hazardous and harmful drug use

Total expenditure for the *Prevention of hazardous and harmful drug use* by DHS in 2005–06 was $28.2 million, up $3.6 million or 14.6% on the previous financial year (Table 4.1).

The 2005–06 expenditure constituted 11.6% of total public health expenditure by DHS during that year and was one of the more significant areas of public health expenditure by DHS during the year (Figure 4.1). The major elements of this spending are shown in Table 4.4.

Table 4.4: State government expenditure on *Prevention of hazardous and harmful drug use*, current prices, Victoria, 2005–06 ($ million)

Category	Expenditure
Alcohol	2.0
Tobacco	2.5
Illicit and other drugs of dependence	11.4
Mixed	12.2
Total	**28.2**

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

Some of the major activities covered by spending in this area were educational programs and a range of prevention and health activities aimed at enhancing community awareness of the harmful effects of alcohol, tobacco, and licit and illicit drugs.

Public health research

Total expenditure on *Public health research* during 2005–06 was $8.9 million, down $2.1 million or 19.1% on the previous financial year. This represented 3.7% of the total public health expenditure incurred by DHS during 2005–06 (Table 4.1; Figure 4.1).

Expenditure under this activity mainly included:

- targeted research projects in the priority areas of injury prevention and environmental health
- public health research capacity-building in public health organisations, including representation on national and state bodies and support for public events
- research to determine the most effective drug prevention interventions.

4.4 Growth in expenditure on public health activities

Expenditure on public health activities by DHS during 2005–06, in real terms, was estimated at $232.6 million, compared with $227.8 million in 2004–05 (Table 4.5). This was an increase of 2.1% on 2004–05. *Environmental health* (up 49.1%) recorded the highest annual real growth,

followed by *Prevention of hazardous and harmful drug use* (up 9.8%) and *Communicable disease control* (up 6.2%).

From 1999–00 to 2005–06 expenditure grew at an average annual rate of 4.4%. The public health activities which recorded the highest average annual growth rates over this period were *Public health research* (21.8%), *Environmental health* (15.2%) and *Prevention of hazardous and harmful drug use* (11.4%).

Over the period 1999–00 to 2005–06, *Selected health promotion* ($69.8 million) reflected the highest average real expenditure , followed by *Organised immunisation* ($39.0 million) and *Communicable disease control* ($37.8 million) (Table 4.5: Figure 4.3).

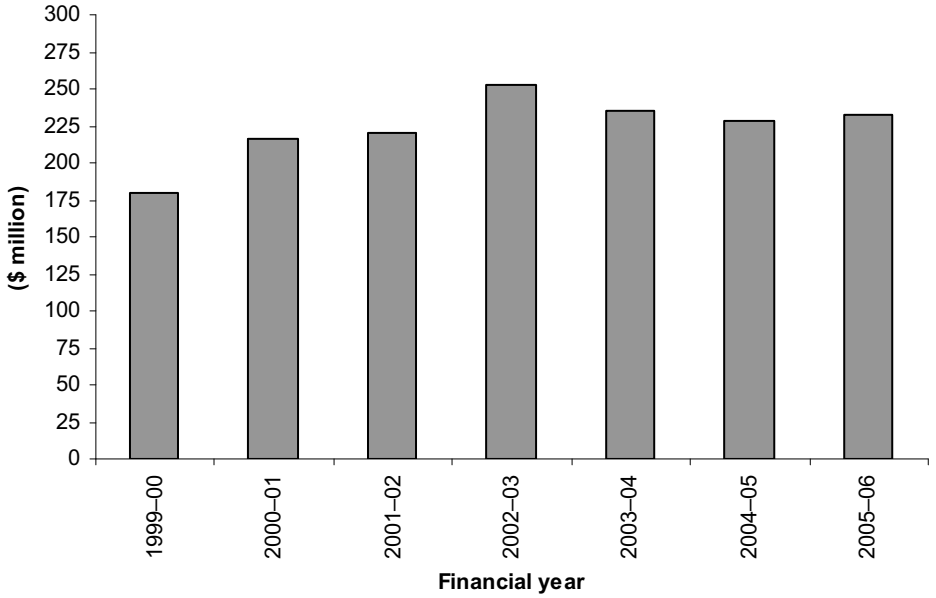
Table 4.5: State government expenditure on public health activities, constant prices[a], Victoria, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	28.2	69.4	27.9	3.5	2.8	22.7	8.8	14.1	2.6	**180.0**
2000–01	35.8	69.3	31.2	3.7	3.6	22.4	12.7	29.2	8.1	**216.0**
2001–02	35.6	73.1	31.5	3.9	2.7	22.2	10.7	28.5	11.7	**219.9**
2002–03	37.0	70.8	63.4	4.7	3.1	23.2	10.7	27.5	12.3	**252.7**
2003–04	41.9	66.7	45.4	5.1	3.4	24.4	11.4	23.9	13.1	**235.3**
2004–05	41.7	68.3	37.6	5.5	3.0	25.4	10.7	24.6	11.0	**227.8**
2005–06	44.3	70.8	36.2	8.2	1.9	24.9	10.8	27.0	8.5	**232.6**
Average annual expenditure ($ million)										
1999–00 to 2005–06	37.8	69.8	39.0	4.9	2.9	23.6	10.8	25.0	9.6	**223.5**
Annual growth rate[b] (per cent)										
2004–05 to 2005–06	6.2	3.7	–3.7	49.1	–36.7	–2.0	0.9	9.8	–22.7	**2.1**
Average annual growth rate[b] (per cent)										
1999–00 to 2005–06	7.8	0.3	4.4	15.2	–6.3	1.6	3.5	11.4	21.8	**4.4**

(a) Constant price expenditure has been expressed in 2005–06 prices (see Section 11.1).

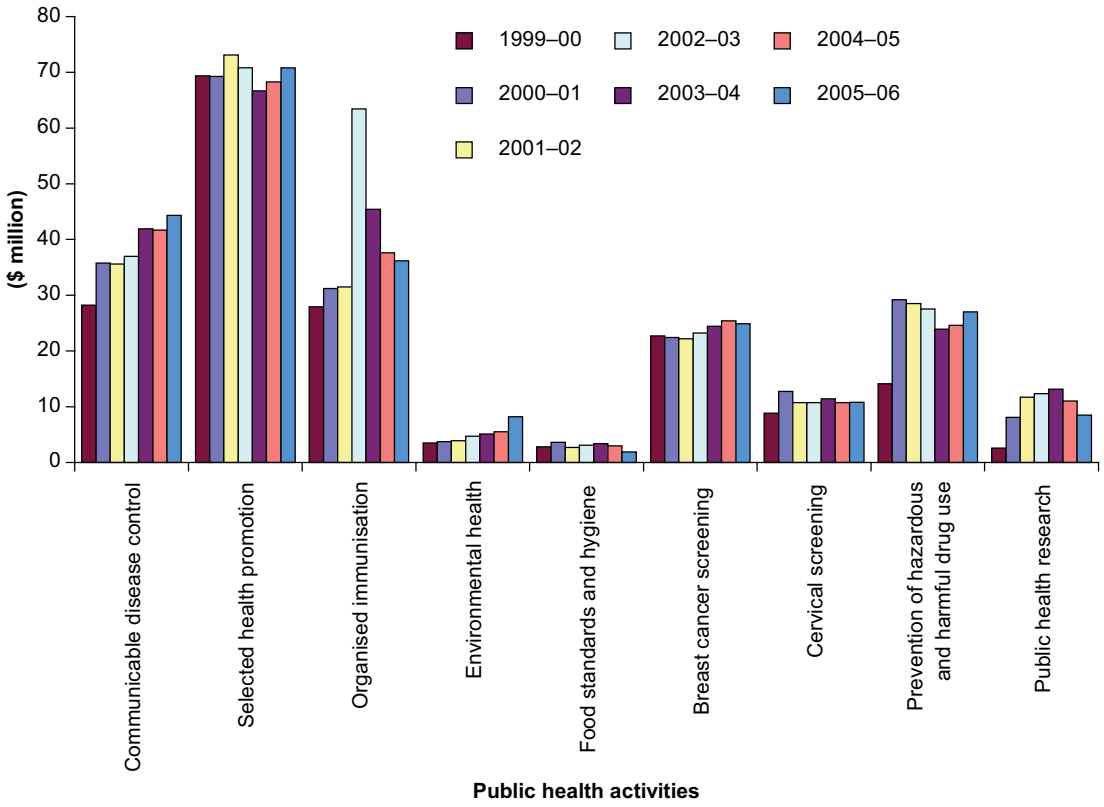
(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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



Source: Table 4.5.

Figure 4.2: State government expenditure on public health activities, constant 2004–05 prices, Victoria, 1999–00 to 2005–06



Source: Table 4.5.

Figure 4.3: State government expenditure on public health activities, constant 2004–05 prices, Victoria, 1999–00 to 2005–06

4.5 Expenditure on other activities related to public health

In addition to its expenditure on public health, the Victorian Government spent an estimated $126.8 million on personal health care activities and programs and community programs that were related to achieving public health goals in 2005–06. These mainly related to:

- drug treatment services
- drug welfare and support services
- biomedical research
- research infrastructure
- neonatal and genetic screening services
- community support and counselling programs
- community education and training.

5 Expenditure by Queensland Health

5.1 Introduction

The Queensland population in June 2005 was estimated at approximately 4.1 million. The proportion of people aged 65 years and over has grown steadily over the past 5 years, from 11.6% to 12.2%.

Queensland Health is the largest provider of public health services in the state. In 2005–06, the public health programs were provided through the Public Health Services Branch, 37 health service districts, and through funding non-government and community organisations.

In addition to the direct service providers, Queensland Health Pathology and Scientific Services provide essential support in the delivery of public health activities, including specimen collection, analytical testing, results interpretation, clinical consultation, teaching and research.

5.2 Overview of results

Total public health expenditure by Queensland Health in 2005–06, in current price terms, was estimated at $183.6 million, up $17.8 million or 10.7% on the previous financial year (Table 5.1). The increased expenditure was largely due to a rise in expenditure on *Communicable disease control* (up $7.5 million), *Selected health promotion* (up $4.4 million) and *Prevention of hazardous and harmful drug use* (up $4.1 million). All other activities showed smaller increases in expenditure except *Organised immunisation*, which showed a decline of $4.1 million on 2004–05 because of the implementation of new national immunisation programs in the previous financial year which had high start-up costs.

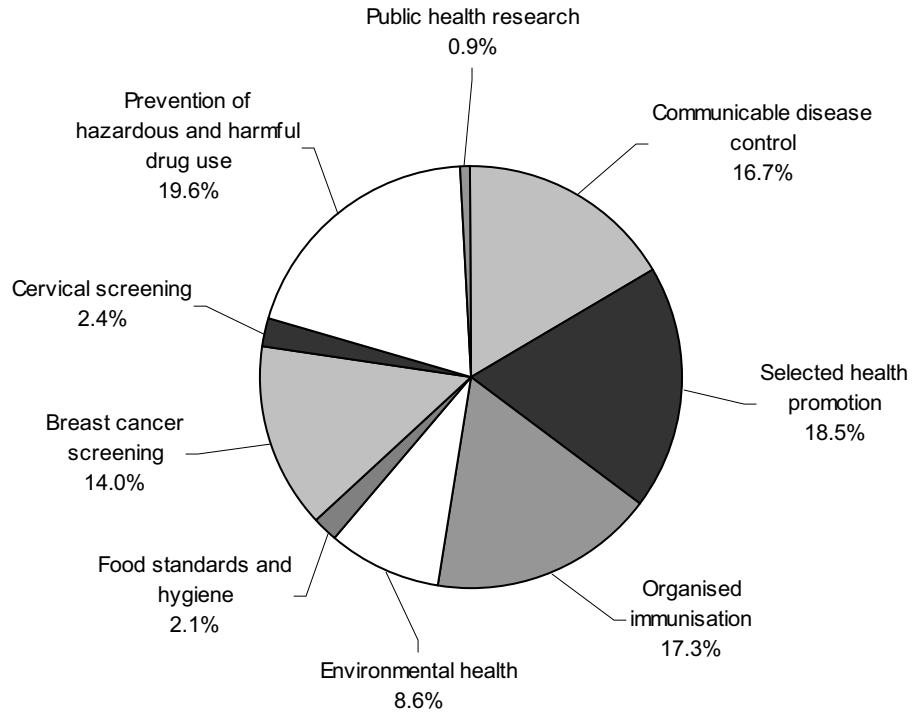
The largest expenditure incurred during 2005–06 was on *Prevention of hazardous and harmful drug use*, which amounted to $35.9 million or 19.6% of the expenditure on public health activities. The next largest areas of expenditure were *Selected health promotion* ($34.0 million or 18.5%), *Organised immunisation* ($31.7 million or 17.3%) and *Communicable disease control* (30.7 million or 16.7%) (Table 5.1; Figure 5.1).

Table 5.1: State government expenditure on public health activities, current prices, Queensland, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	16.0	18.0	16.2	9.9	1.5	18.6	3.4	15.4	0.4	**99.4**
2000–01	17.4	18.7	18.9	11.6	1.9	19.6	3.6	17.9	0.1	**109.7**
2001–02	20.1	25.8	17.6	11.6	2.0	21.1	3.1	22.3	—	**123.6**
2002–03	22.0	26.3	32.8	13.1	2.9	21.1	3.2	23.5	0.2	**145.1**
2003–04	23.0	25.2	37.7	13.3	3.1	22.2	3.4	23.6	0.5	**152.0**
2004–05	23.2	29.6	35.8	14.3	3.7	23.2	3.6	31.8	0.6	**165.8**
2005–06	30.7	34.0	31.7	15.8	3.8	25.7	4.4	35.9	1.6	**183.6**
					Proportion of public health expenditure[(a)] (per cent)					
1999–00	16.1	18.1	16.3	10.0	1.5	18.7	3.4	15.5	0.4	**100.0**
2000–01	15.9	17.0	17.2	10.6	1.7	17.9	3.3	16.3	0.1	**100.0**
2001–02	16.3	20.9	14.2	9.4	1.6	17.1	2.5	18.0	—	**100.0**
2002–03	15.2	18.1	22.6	9.0	2.0	14.5	2.2	16.2	0.1	**100.0**
2003–04	15.1	16.6	24.8	8.8	2.0	14.6	2.2	15.5	0.3	**100.0**
2004–05	14.0	17.9	21.6	8.6	2.2	14.0	2.2	19.2	0.4	**100.0**
2005–06	16.7	18.5	17.3	8.6	2.1	14.0	2.4	19.6	0.9	**100.0**

(a) The proportions are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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



Source: Table 5.1.

Figure 5.1: Proportion of state government public health expenditure, by activity, Queensland, 2005–06

5.3 Expenditure on public health activities

This section of the report looks at Queensland's level of activity in relation to each of the public health activities. It discusses in more detail particular programs within each of the health activities and their related expenditure.

Communicable disease control

Total expenditure for *Communicable disease control* by Queensland Health in 2005–06 was estimated at $30.7 million, up $7.5 million on expenditure in 2004–05 (Table 5.1).

The 2005–06 expenditure constituted 16.7% of the total expenditure on public health activities incurred by Queensland Health (Figure 5.1). The major elements of the spending are shown in Table 5.2.

Table 5.2: State government expenditure on *Communicable disease control*, current prices, Queensland, 2005–06 ($ million)

Category	Expenditure
HIV/AIDS, hepatitis C and STI programs	8.2
Needle and syringe programs	3.5
Other communicable disease control	18.9
Total	**30.7**

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

The majority of HIV/AIDS, hepatitis C and STI program funds supported sexual health clinical services across the state, workforce development, professional training activities and community-based organisations for the delivery of education and prevention programs.

Some key achievements during the course of 2005–06 included:

- completion of the first year of implementation and annual progress reporting of the Queensland HIV, Hepatitis C and Sexually Transmissible Infections Strategy 2005–2011, including:
  - funding of $1.6 million to support implementation of a best practice model of shared care for the treatment and care needs of people with hepatitis C
  - development of a new combined polymerase chain reaction (PCR) test for chlamydia, gonorrhoea and trichomonas
  - additional initiatives to tackle rising HIV notifications with key stakeholders.
- continued collaboration with community partners on the development and resourcing of additional initiatives to tackle rising HIV notifications under the Queensland HIV Action Plan 2005–06
- funding of the 2006 Sexual Health Clinicians Meeting
- development of the Interim Queensland Health Pandemic Influenza Plan and draft sub-plans (stockpile antiviral sub-plan, mass vaccination sub-plan and home management guidelines) to improve preparedness in the health sector and enhance overall capacity to respond effectively to the threat of an influenza pandemic
- establishment of an antiviral stockpile ($1 million) to enable rapid treatment and prophylaxis of people with or exposed to pandemic influenza in Queensland
- development and state-wide implementation of a health care worker training program ($65,000) in infection control requirements during an influenza pandemic, including development and distribution of supporting resources
- maintenance of state-wide surveillance systems for monitoring notifiable conditions, sexually transmitted diseases and vaccine uptake across the age-groups
- successful investigation of water supply contamination in a central Queensland region
- development of the Amphetamine Education Resources for dissemination through needle and syringe programs
- completion of the After-Hours Needle and Syringe Dispensing Machine Pilot Project Evaluation.

Selected health promotion

Total expenditure on *Selected health promotion* during 2005–06 was $34.0 million, up $4.4 million or 14.9% on 2004–05 (Table 5.1). This constituted 18.5% of total expenditure on public health activities and was the second most significant areas of expenditure incurred by Queensland Health during the year.

Some main achievements during 2005–06 were:

- completion of the first stage of Phase 1 of the Go for 2 and 5® fruit and vegetable social marketing campaign
- development of 'Eat Well, Be Active—Healthy Kids for Life' Action Plan 2005–08 through the Chief Executive Officer Sub Committee on Healthy Weight
- development of the 'Smart Choices, Healthy Food and Drink Supply Strategy for Queensland Schools' and the 'Smart Choices Tool Kit' with Education Queensland
- development of the pilot 'Be Kind to Your Mind' social marketing campaign to promote mental health in North Queensland
- qualitative research into sun-safe attitudes and behaviours of male outdoor workers and young people (12–24 years)
- the Premier's Obesity Summit held in May 2006 which included expert delegates who helped guide and affirm the Queensland Government's future moves to tackle the obesity epidemic
- recruitment of six public health nutritionists, one Indigenous nutrition promotion officer, six community nutritionists and seven advanced health workers (nutrition) to strengthen and increase access to nutrition and healthy weight services
- the collaborative development of an Indigenous resource booklet from the Child Injury Prevention Project in Mount Isa, which was the winner of a National Community Safety Award.

Organised immunisation

Expenditure on *Organised immunisation* during 2005–06 was $31.7 million, down $4.1 million or 11.5% on the previous financial year (Table 5.1). This decrease largely reflects the nature of expenditure on vaccination programs, which has higher start-up costs in the initial year and lower ongoing costs. Consequently, the level of expenditure on immunisation programs can fluctuate from year to year.

The 2005–06 expenditure represented 17.3% of the total public health expenditure and was one of the more significant areas of expenditure incurred by Queensland Health during the year (Figure 5.1). The major elements of the spending for 2005–06 are shown in Table 5.3.

Table 5.3: State government expenditure on *Organised immunisation*, current prices, Queensland, 2005–06 ($ million)

Category	Expenditure
Organised childhood immunisation[(a)]	23.4
Organised pneumococcal and influenza immunisation	4.0
All other organised immunisation	4.2
Total	**31.7**

(a) Reported expenditure excludes purchases of essential vaccine for the Universal Childhood Pneumococcal Vaccination Program which is included under direct expenditure by the Australian Government.

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

Some of the key achievements during the course of 2005–06 included:

- continued implementation of the National Meningococcal C Vaccination Program, to be completed by June 2007
- successful implementation of the new National Immunisation Program Schedule
- completion of the National Vaccine Storage Guidelines.

Expenditure patterns for *Organised immunisation* are in line with the funding provided by the Australian Government through the PHOFAs (prior to 30 June 2004) and the AIA from 1 July 2004 (see Table 5.1). Changes in the funding for the purchase of essential vaccines along with the implementation of new national immunisation programs can vary the amount of expenditure from year to year. For example, the higher expenditures in 2002–03 and subsequent years reflect the introduction of the National Meningococcal C Vaccination Program by the Australian Government in January 2003, involving immunisation of all those aged 1 to 19 years in Queensland. In addition, two new programs were introduced in January 2005—the National Childhood Pneumococcal Vaccination Program and the National Pneumococcal Vaccination Program for older Australians.

Funding for this activity in 2005–06 came from a combination of state appropriations and the Australian Government through the AIAs.

Environmental health

Total expenditure on *Environmental health* in Queensland during 2005–06 was estimated at $15.8 million, up $1.5 million or 10.5% on 2004–05 (Table 5.1). This constituted 8.6% of total expenditure on public health activities by Queensland Health during 2005–06 (Figure 5.1).

Expenditure on *Environmental health* covers a wide range of activities, including policy and technical leadership for environmental health in Queensland and supporting local government authorities and other state departments and agencies in delivering environmental health initiatives, such as water management and water quality. In addition, it covers areas such as control of poisons, therapeutic goods, pest control, fumigation, and toxicology and radiation health.

Main achievements under *Environmental health* during the course of the year included:

- continued implementation of a new information system to assist in the management of licences and approvals issued by Queensland Health in the areas of radiation health, drugs and poisons, pest management and food auditors

- introduction of the Public Health Act that provides a contemporary regulatory framework for the management and control of public health risks, including notifiable conditions, infection control, child abuse and neglect, and responding to public health emergencies
- recruitment of Environmental Health Workers in 30 Indigenous communities
- commencement of the animal management program in selected Indigenous communities to manage domestic and feral animals in collaboration with the Department of Primary Industries and the Department of Natural Resources and Mines
- Indigenous Environmental Health Infrastructure Capital Grants Program for the provision of water, sewerage and waste management infrastructure to communities.

Food standards and hygiene

Total expenditure on *Food standards and hygiene* in 2005–06 was $3.8 million, up marginally ($0.1 million) on the previous financial year (Table 5.1). This constituted 2.1% of the total expenditure on public health activities by Queensland Health during 2005–06 (Figure 5.1).

Queensland Health is the lead agency in Queensland for food safety policy and regulation. Some of the major activities covered by the spending were aimed at undertaking regulatory activity, providing assistance and advice on food issues, and developing and implementing legislation to improve food safety, including national food safety reforms.

Major activities include:

- the development of new food safety policy and regulation for Queensland (Food Act and Food Regulation)
- provision of guidelines, policies, procedures and advice on the implementation and enforcement of the Food Act, including a state-wide roadshow
- development, design, publication and dissemination of resources for industry to assist in compliance with the legislation
- coordinating a whole-of-government contribution to the development of national food policy and standards
- key contribution to the development of the National Food Safety Audit Policy
- the development of a new complaints management system.

Breast cancer screening

Total expenditure on *Breast cancer screening* during 2005–06 was $25.7 million, which was up $2.5 million or 10.8% on 2004–05 (Table 5.1). This constituted 14.0% of total public health expenditure by Queensland Health during 2005–06 (Figure 5.1).

Breast cancer screening services are provided through BreastScreen Queensland, the state component of BreastScreen Australia. Funding for this program is provided under a joint arrangement with the Australian Government through the PHOFAs. The services were provided at a local level through the health service districts.

The key achievements were:

- establishment of new BreastScreen Queensland satellite services at Taringa and Keperra, and relocation of the BreastScreen Queensland Services at Nambour and Hervey Bay to increase service capacity
- continued implementation of the BreastScreen Queensland State Plan 2001–06 with an additional 10,000 women screened in 2005–06 compared with 2004–05
- an increase in the participation rate for women aged 50–69 years from 57.8% in the 2–year period from 2003–2004, to 58.7% in the 2–year period from 2004–2005
- completion of data collection and reporting in accordance with the Australian Government and state government reporting requirements, including calculation of interval cancer data and production of the BreastScreen Queensland—a decade of achievement 1991–2001 report
- the continued implementation of the BreastScreen Queensland Policy and Protocol Manual in order to achieve consistent, high-quality practices within BreastScreen Queensland services
- accreditation of BreastScreen Queensland services in accordance with the BreastScreen Queensland National Accreditation Standards.

Cervical screening

Total expenditure on *Cervical screening* by Queensland Health during 2005–06 was $4.4 million, which was up $0.8 million or 22.4% on that incurred during 2004–05. This constituted 2.4% of total expenditure on public health activities by Queensland Health during 2005–06 (Table 5.1; Figure 5.1).

The Queensland Cervical Screening Program (QCSP) is a component of the Australian Government-funded National Cervical Screening Program. Approximately 35% of the funding under the QCSP is provided to health service districts to implement the Mobile Women's Health Service, which provides outreach screening services to women in rural and remote areas. An additional 41% of expenditure for the QCSP is incurred in the maintenance and operation of the Pap Smear Register.

Some key achievements under this activity included:

- establishment of two additional Mobile Women's Health Nurses and implementation of recommendations from a Mobile Women's Health Service review to increase rural and remote women's access to cervical screening
- development of the Aboriginal and Torres Strait Islander Women's Cervical Screening Strategy 2006–2010 and an Aboriginal and Torres Strait Islander Cervical Screening Community Education Kit
- funding and implementation of the Healthy Women's Initiative in Cape York, Mount Isa and Charleville Health Service Districts to promote and encourage Aboriginal and Torres Strait Islander women's participation in cervical screening and sexual health
- a Computer Assisted Telephone Interview (CATI) survey was undertaken to gain further understanding of the issues and barriers which affect women's participation in regular cervical screening to help with the development of a social marketing campaign planned for 2006–07.

Prevention of hazardous and harmful drug use

Expenditure on *Prevention of hazardous and harmful drug use* in 2005–06 was estimated at $35.9 million (Table 5.1). This constituted 19.6% of total expenditure on public health activities and was the most significant area of public health expenditure incurred by Queensland Health in 2005–06 (Figure 5.1).

The major elements of the expenditure for 2005–06 are shown in Table 5.4.

Table 5.4: State government expenditure on *Prevention of hazardous and harmful drug use*, current prices, Queensland, 2005–06 ($ million)

Category	Expenditure
Alcohol and tobacco programs	14.3
Illicit drugs and methadone program	8.1
Other drug-related programs	13.5
Total	**35.9**

Overall, expenditure in 2005–06 was up ($4.1 million or 12.9%) on the previous year. This increase largely reflects increased investment in a range of strategies to reduce tobacco smoking, as described below.

Queensland Health offers a comprehensive range of alcohol, tobacco and other drug services through public health services, community health centres and hospitals, and funding to the non-government sector.

Some of the key achievements included:

- implementation of the Drug Court Pilot Project, including $1.7 million enhancement to a range of alcohol and drug assessment, treatment and rehabilitation services
- investment of an additional $4.5 million (as part of the Cancer Package of $62.5 million over 4 years) in a range of strategies to tackle tobacco smoking and reduce exposure to environmental tobacco smoke, including the:
  - 'Nobody Smokes Here Anymore' public and industry education campaign, and enforcement of new Queensland tobacco legislation
  - 'Feeling Good' social marketing campaign to encourage young women (18–24 years) to quit smoking
  - Queensland Health Smoking Management Policy 2006 to restrict smoking in public hospitals, provide nicotine replacement therapy for inpatients and a program for staff to help them quit smoking
- development of a new illicit drug diversion program—the Queensland Magistrates' Early Referral into Treatment (QMERIT) program—in two pilot locations
- delivery of SmokeCheck Tobacco Brief Intervention Program training to 100 health workers (400 health workers since January 2005) to enable them to provide support to their Indigenous clients in quitting smoking
- funding and support to 80 Indigenous sporting and cultural events through the Event Support Program to promote culturally effective smoke-free messages

- implementation of the second phase of the young women and alcohol campaign (18–22 years) which aims to reduce harmful consumption of alcohol and highlights an individual's right to choose not to drink.

Public health research

Total expenditure on *Public health research* for 2005–06 was estimated at $1.6 million. The majority of this expenditure related to applied research projects to inform health promotion projects ($1.1 million), the rest of the expenditure ($0.5 million) was associated with the bowel cancer screening pilot program which was conducted in partnership with the Australian Government.

Only expenditure on activities that were mainly investigative have been included under this activity. Expenditure on research and/or investigative activities associated with the ongoing planning or management of public health activities have been included under the associated public health activity. For example, the reported expenditure under *Communicable disease control* included substantial investment in research aimed at managing communicable diseases, such as investigating diseases such as Hendra virus, Australian bat lyssavirus and Japanese encephalitis.

5.4 Growth in expenditure on public health activities

Expenditure on public health activities by Queensland Health during 2005–06, in real terms, was estimated at $176.2 million. This was an increase of 6.3% on the 2004–05 expenditure, with *Public health research* (up 150.0%), *Communicable disease control* (up 27.2%), and *Cervical screening* (up 16.7%) recording the highest real growth rates (Table 5.5; Figure 5.2).

From 1999–00 to 2005–06, expenditure grew at an average rate of 6.9% per annum. The highest average annual real growth was in expenditure on *Public health research* (20.1%), *Food standards and hygiene* (12.2%), and *Prevention of hazardous and harmful drug use* (11.2%).

Over the period 1999–00 to 2005–06, *Organised immunisation* ($28.7 million) reflected the highest average annual expenditure in real terms, followed by *Selected health promotion* ($26.9 million) and *Prevention of hazardous and harmful drug use* ($25.6 million) (Table 5.5; Figure 5.2).

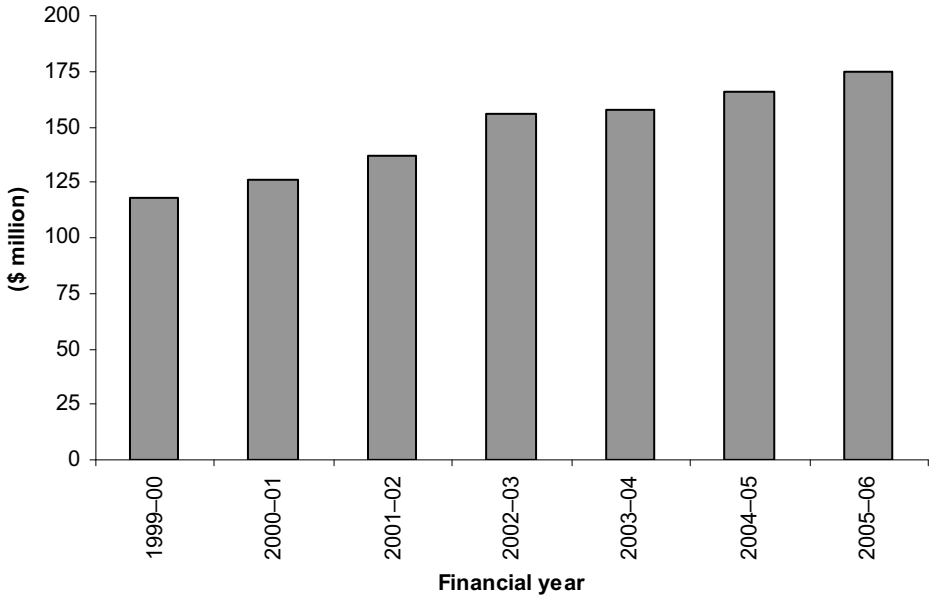
Table 5.5: State government expenditure on public health activities, constant prices[a], Queensland, 1999–00 to 2005–06

Year	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	Total public health
					Amount ($ million)					
1999–00	19.0	21.4	19.2	11.7	1.8	22.0	4.1	18.2	0.5	**117.9**
2000–01	19.9	21.5	21.6	13.3	2.2	22.5	4.2	20.5	0.1	**125.8**
2001–02	22.3	28.6	19.5	12.9	2.3	23.4	3.4	24.7	—	**137.1**
2002–03	23.6	28.2	35.2	14.0	3.2	22.6	3.5	25.3	0.2	**155.8**
2003–04	23.9	26.1	39.0	13.8	3.2	23.0	3.6	24.5	0.5	**157.6**
2004–05	23.2	29.6	35.8	14.3	3.7	23.2	3.6	31.8	0.6	**165.8**
2005–06	29.5	32.7	30.4	15.2	3.6	24.6	4.2	34.5	1.5	**176.2**
Average annual expenditure ($ million)										
1999–00 to 2005–06	23.1	26.9	28.7	13.6	2.9	23.0	3.8	25.6	0.5	**148.0**
Annual growth rate[b] (per cent)										
2004–05 to 2005–06	27.2	10.5	–15.1	6.3	–2.7	6.0	16.7	8.5	150.0	**6.3**
Average annual growth rate[b] (per cent)										
1999–00 to 2005–06	7.6	7.3	8.0	4.5	12.2	1.9	0.4	11.2	20.1	**6.9**

(a) Constant price expenditure has been expressed in 2004–05 prices (see Section 11.1).

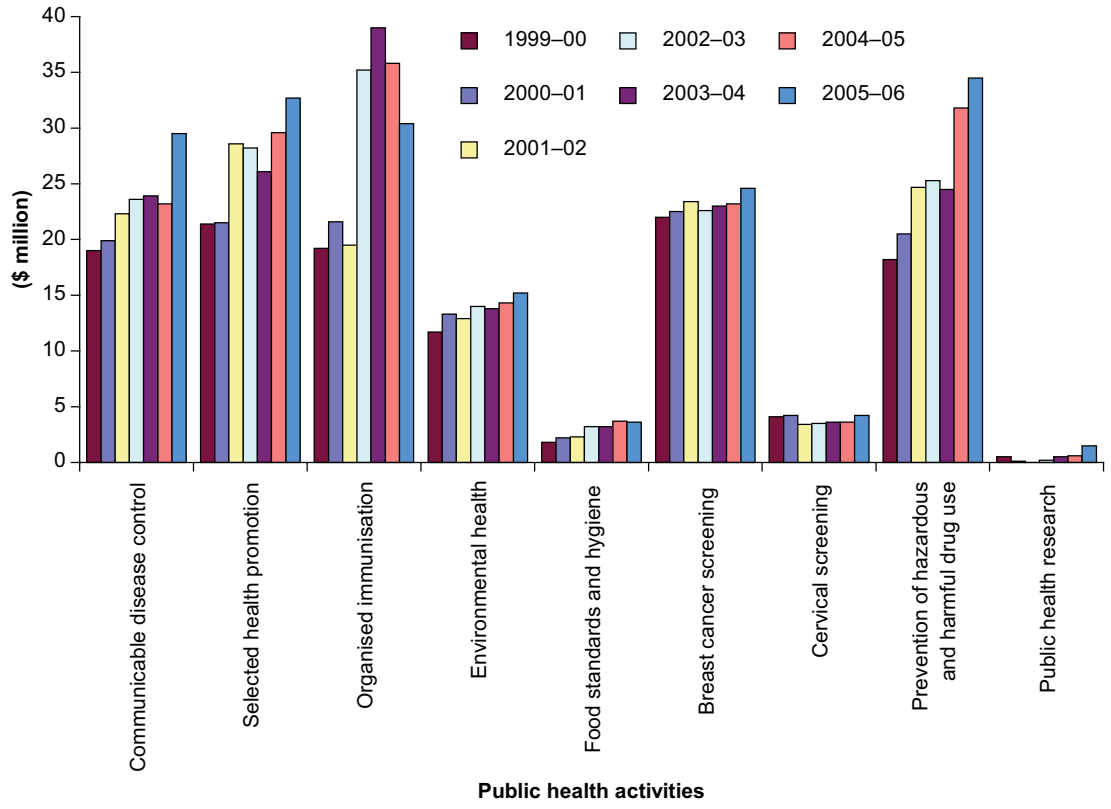
(b) Growth rates are calculated using public health expenditure data expressed in $ million and rounded to one decimal place.

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



Source: Table 5.5.

Figure 5.2: State government expenditure on public health activities, constant 2004–05 prices, Queensland, 1999–00 to 2005–06



Source: Table 5.5.

Figure 5.3: State government expenditure on public health activities, constant 2004–05 prices, Queensland, 1999–00 to 2005–06

5.5 Expenditure on other activities related to public health

Total expenditure on other activities related to public health during 2005–06 was estimated at $57.5 million. This expenditure was related to school dental services ($36.4 million), primary health centres and outpatient services ($7.5 million) and other public health-related activities ($13.5 million).