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Health and Welfare**

*Better information and statistics  
for better health and wellbeing*

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# **Public health expenditure in Australia, 2007–08**

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# Preface

There are different interpretations as to what may constitute a public health activity. The public health funding and expenditure estimates included in this report and the earlier reports in this series relate only to those activities where the funding is provided or the expenditure incurred by the key health departments and agencies in each jurisdiction. They do not include estimates of funding that is provided for public health activities by 'non-health' government departments and agencies (such as education, veterans' affairs, law enforcement, transport and environment). Nor do they include funding by local government authorities, non-government organisations or households.

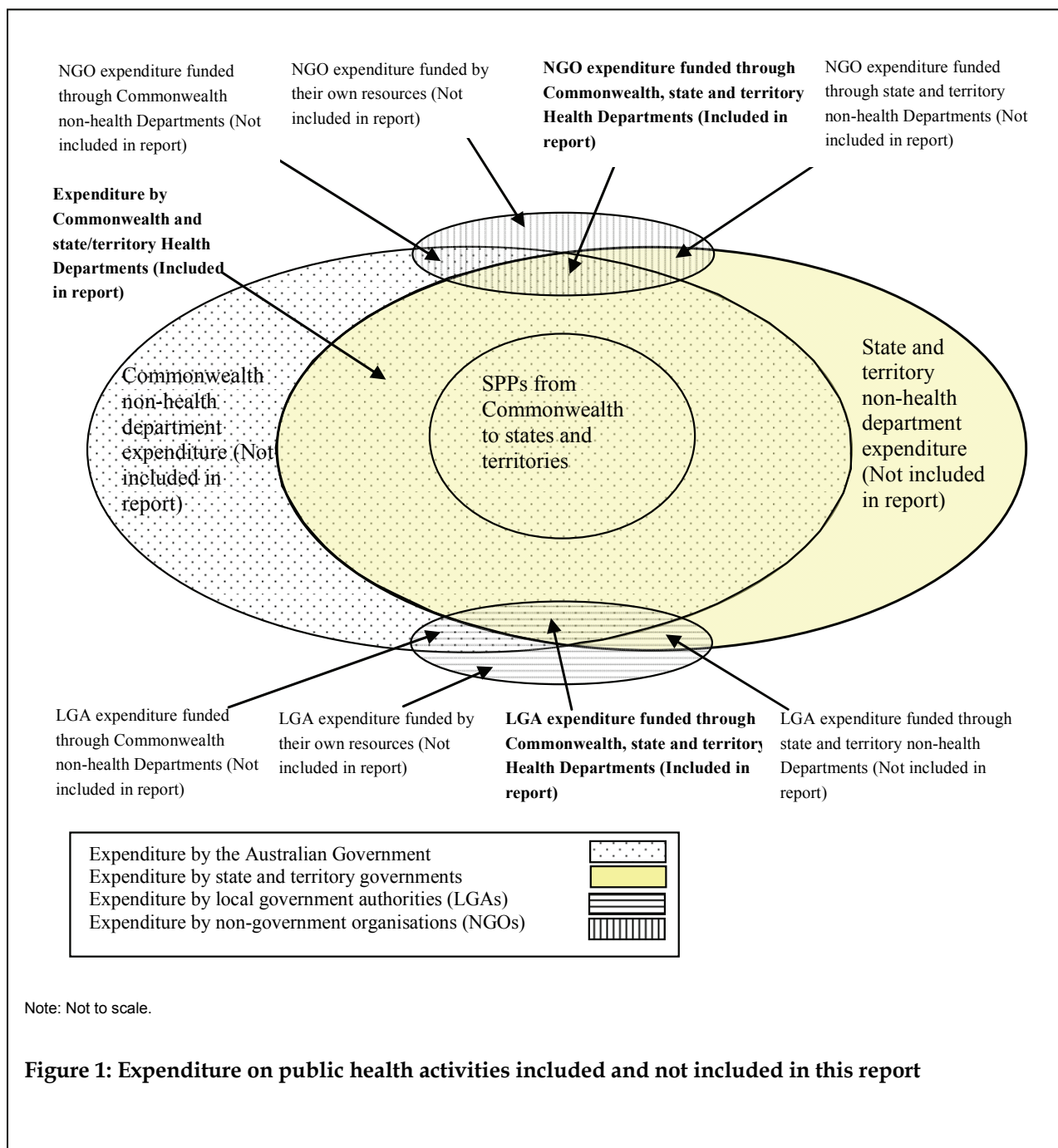
Figure 1 illustrates the portion of the public health expenditure that is captured by this report.

While public health expenditure is an important element of governments' investment in the nation's health, it is not the only such expenditure related to prevention of illness/injury. For example, it does not include the expenditures incurred by individuals to improve their own and their families' existing and future health status and to prevent injury and illness. It also omits expenditures incurred by employers in ensuring that employees have safe workplace in which to work, thereby reducing the risk of injury and illness in the workplace.

With the exception of cervical screenings and immunisations undertaken by general practitioners and other clinicians, expenditure on preventative services delivered in clinical settings has been excluded. This is because the report focuses on the expenditures associated with delivering organised programs on a whole of population basis rather than activities that may be provided by clinicians in other circumstances.

Some of the public health funding provided by the Australian Government to the states and territories through Specific Purpose Payments (SPPs) was through grants under the Public Health Outcome Funding Agreements (PHOFAs) between the Commonwealth and the individual state and territory governments. These agreements provided the states and territories the flexibility to manage priorities within a total pool of funds allocated to them under the agreements. Due to this flexibility, it is not possible to disaggregate total funding under the PHOFAs to individual public health activities. Thus, while this report provides detailed information on public health expenditure, the funding levels are only presented at a higher level.

Finally, the report does not quantify the beneficial outcomes associated with public health activities. Information on the levels of risk factors and other outcomes that are the targets of public health expenditure are included in reports such as *Australia's health 2008* (AIHW 2008).



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In addition, the AIHW thanks the individual jurisdictions for compiling the public health expenditure estimates and to the Australian Government Department of Health and Ageing for funding the National Public Health Expenditure Project.

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# Abbreviations and symbols

|        |  |
|--------|--|
| ABHI   | Australian Better Health Initiative          |
| ABS    | Australian Bureau of Statistics              |
| AIHW   | Australian Institute of Health and Welfare   |
| CDC    | Communicable disease control                 |
| DoHA   | Department of Health and Ageing              |
| EH     | Environmental health                         |
| FSH    | Food standards and hygiene                   |
| LGA    | Local government authority                   |
| NPHP   | National Public Health Partnership           |
| OI     | Organised immunisation                       |
| PHH DU | Prevention of hazardous and harmful drug use |
| PHOFA  | Public Health Outcome Funding Agreement      |
| PHR    | Public health research                       |
| SHP    | Selected health promotion                    |
| SP     | Screening programs                           |
| SPP    | Specific Purpose Payment                     |
| WHO    | World Health Organization                    |
| n.a.   | not available                                |
| n.e.c. | not elsewhere classified                     |
| ..     | not applicable                               |
| –      | nil or rounded down to zero                  |

# Summary

Public health focuses on prevention, promotion and protection rather than on treatment; on populations rather than on individuals; and on the factors and behaviours that cause illness.

The estimates included in the *Public health expenditure in Australia* series relate only to public health activities where the funding was provided or the expenditure incurred by the key health departments and agencies in the various jurisdictions. They are accompanied by descriptions of public health activities undertaken nationally and by states and territories.

Total expenditure on reported public health activities by health departments in Australia during 2007–08 was \$2,158.8 million or \$101.61 per person on average. This was an increase of \$444.0 million on what was spent in 2006–07 which, after adjusting for inflation, represented real growth of 21.5% in 2007–08. Average expenditure per person increased by 19.4%.

Expenditure on public health increased by 77.7%, in real terms, between 1999–00 and 2007–08, averaging 7.4% per year. Total recurrent health expenditure grew at a similar rate over most of this period, maintaining the proportion of public health expenditure at 1.8%–1.9% until 2006–07. The relatively large growth in public health expenditure in 2007–08 meant that public health expenditure as a proportion of total health expenditure increased to 2.2%.

This increase was mainly attributable to a large increase in expenditure on *Organised immunisation*, which increased by \$268.2 million (61.5%), compared to 2006–07. Most of the increase in *Organised immunisation* was due to the implementation and initial catch-up phase of the National Human Papillomavirus (HPV) vaccination program, aimed at reducing the incidence of cervical cancer. The HPV program included \$302.1 million of expenditure for the purchase of the HPV vaccine (an increase in expenditure on the purchase of vaccines of \$235.8 million from 2006–07 levels). This increase in expenditure on HPV vaccine purchases was responsible for 53.1% of the \$444.0 million increase in total public health expenditure.

The Australian Government provided the largest share of the funding for public health activities in 2007–08, contributing \$1,372.7 million, or 63.6%, of the total funding. Of this, \$562.7 million was spent on its own programs and \$810.1 million was provided to state and territory governments through Specific Purpose Payments to fund public health activities. State and territory health departments incurred nearly three quarters (73.9%) of the total public health expenditure with an estimated \$1,596.1 million of expenditure. The \$1,596.1 million comprised \$786.0 million funded from their own resources and \$810.1 million from the Australian Government.

The public health activities recording the highest expenditure in 2007–08 were *Organised immunisation* (\$704.3 million or 32.6% of the total expenditure), *Selected health promotion* (\$366.6 million or 17.0%) and *Screening programs* (\$289.1 million or 13.4%).