

11 Expenditure by local government authorities and non-government organisations

With the exception of one jurisdiction, South Australia, the estimates of expenditure on public health activities have been limited to those activities funded by the Commonwealth, State and Territory health departments. South Australian estimates also include some estimates of expenditure by non-health State government departments.

During the course of this study and the 1998–99 study, it became apparent that LGAs and NGOs contribute substantially to expenditure on activities that might be classified as having a public health focus or have a relationship to public health services. Where core public health activities are supported by grants from the Commonwealth or the State and Territory health departments, that part of the expenditure covered by the grants has been included in the expenditure estimates. It has, however, been subsumed into the estimates of expenditure by the jurisdiction providing the grants. That part of expenditure that is funded by LGAs and NGOs themselves has not been included.

During the 1999–00 collection, the AIHW investigated the contribution of LGAs and NGOs through their expenditure on ‘public health-type’ activities. This chapter briefly discusses the results of that investigation. It is important to emphasise, however, that the estimates of expenditure by both LGAs and NGOs are:

- preliminary estimates
- only intended to give an indication of the possible level of involvement of LGAs and NGOs in activities that may be of a type that could be considered to be public health activities, and
- provided for information only.

As mentioned earlier, only those parts of the expenditure by LGAs and NGOs that was funded by grants from the Commonwealth and/or State and Territory health departments and considered to be core public health activities have been included in the 1999–00 estimate of \$931.2 million expenditure on core public health activities in this report.

11.1 Funding by local government authorities

The involvement of LGAs in the delivery of public health programs varies from State to State in accordance with the respective Local Government Acts and Health Acts.

The estimates of expenditure by LGAs were calculated using information collected from the ABS’s Public Finance Database and other data provided by Departments of Local Government and State Grants Commissions in jurisdictions.

Estimated gross expenditure on public health services by LGAs in 1999–00 was \$222.5 million (Table 11.1). This cannot be allocated to the core public health activities because there is insufficient detail, particularly in the data provided by ABS.

Table 11.1: Local government expenditure on public health-type services by State/Territory, current prices, 1999–00 (\$'000)

| State or Territory | Total expenditure |
|--------------------------------|-------------------|
| New South Wales ^(a) | 124,604 |
| Victoria | 39,221 |
| Queensland | 41,134 |
| South Australia | 6,425 |
| Tasmania | 10,798 |
| Northern Territory | 322 |
| Australia | 222,504 |

(a) Expenditure for New South Wales may include non-public health components of expenditure on waste management and environmental protection.

Sources: New South Wales—State Grants Commission, unpublished data; Victoria—Department of Local Government, unpublished data; all other States and the Northern Territory—ABS Public Finance Database.

11.1.1 Data from the Australian Bureau of Statistics

The quality of the ABS data on expenditure by LGAs varies across jurisdictions, particularly in relation to their purpose classifications. Only four jurisdictions – Queensland, South Australia, Tasmania and the Northern Territory – record expenditures against the Government Purpose Classification (GPC) for ‘Public health services’ (GPC2550).

In those jurisdictions, total recurrent public health expenditure by LGAs was \$58.7 million. That expenditure is funded by:

- revenue (\$22.6 million or 38.6%)
- grants from other levels of government (\$5.1 million or 8.6%)
- LGAs’ own funding (\$31 million or 52.8%).

The LGAs’ own funding is calculated by subtraction (Table 11.2).

These problems with data quality mean that ABS data cannot be relied upon to provide a comprehensive picture of the level of involvement of LGAs in the funding and provision of public health services. These problems have been discussed with the ABS, who have indicated that steps are in hand to address them.

Table 11.2: Funding of expenditure by local government authorities on public health-type services, by State/Territory, current prices, 1999–00 (\$'000)

| State or Territory | Revenue | Grants from other levels of government | Own funding ^(a) | Total expenditure |
|-------------------------------------|---------------|--|----------------------------|-------------------|
| Queensland | 20,222 | 1,625 | 19,287 | 41,134 |
| South Australia | 349 | 268 | 5,808 | 6,425 |
| Tasmania | 2,009 | 2,851 | 5,938 | 10,798 |
| Northern Territory | 48 | 326 | –52 | 322 |
| Total | 22,628 | 5,070 | 30,981 | 58,679 |
| Proportion of total expenditure (%) | 38.6 | 8.6 | 52.8 | 100 |

(a) Calculated by subtraction.

Source: ABS Public Finance Database.

11.1.2 Data from States and Territories

For the three States – New South Wales, Victoria and Western Australia – where the ABS Public Finance Database did not provide details of expenditure by LGAs on public health-type activities, data were sought from other sources.

In the case of New South Wales, detailed information on LGAs' expenditure was obtained from that State's Grants Commission and for Victoria, detailed data were provided by the Victorian Department of Local Government. These data, while sufficiently detailed to enabled estimation of the expenditure by LGAs on public health-type activities for those two States, were insufficient to map to the core public health activities. The resulting estimates are discussed below.

The data provided by the State Grants Commission of Western Australia, however, did not contain sufficient detail to allow such any estimation of LGA expenditure on public health-type activities in that State.

New South Wales

The State Grants Commission of New South Wales provided detailed estimates of expenditure by LGAs. This indicated that estimated gross expenditure by New South Wales LGAs on public health activities in 1999–00 was \$124.6 million (Table 11.3). Public health-type expenditure was broken down into five broad categories:

- immunisation
- food control
- Aboriginal services
- other waste management
- environmental protection.

Because the expenditure recorded within some of these categories could include expenditure on activities that do not have a public health focus, it is likely that the public health expenditure figure for New South Wales LGAs may be overestimated.

Table 11.3: Estimated gross expenditure by local government on public health-type activities in New South Wales, 1999–00 (\$'000)

| Health | | Community services and education | Housing and community amenities | | Total public health |
|--------------|--------------|----------------------------------|---------------------------------|--------------------------|---------------------|
| Immunisation | Food control | Aboriginal services | Other waste management | Environmental protection | |
| 790 | 1,356 | 1,494 | 75,061 | 45,903 | 124,604 |

Source: NSW State Grants Commission, unpublished data.

Estimated gross expenditure by New South Wales LGAs on 'Public health related activities' in 1999–00 was \$993.6 million (Table 11.4). This includes activities, such as domestic waste management, water supplies and sewerage services, which while they have some public health focus, are not typical of activities that might be classified as core public health. A greater degree of detail is needed to give more meaning to this information.

Table 11.4: Estimated gross expenditure by local government on public health related activities in New South Wales, 1999–00 (\$'000)

| Function | Activity | Expenditure |
|------------------------------------|-------------------------------|----------------|
| Public order and safety | Animal control | 14,898 |
| Health | Administration and inspection | 43,087 |
| | Insect/vermin control | 752 |
| | Noxious plants | 17,236 |
| Community services and education | Youth services | 11,319 |
| Housing and community amenities | Domestic waste management | 327,265 |
| | Other sanitation and garbage | 22,713 |
| | Urban stormwater drainage | 90,272 |
| Water supplies | | 243,515 |
| Sewerage services | | 218,333 |
| Transport and communication | Water transport | 4,237 |
| Total public health related | | 993,627 |

Source: NSW State Grants Commission, unpublished data.

Victoria

The estimated gross expenditure by Victorian LGAs on public health-type activities in 1999–00 was \$39.2 million (Table 11.5). Public health expenditure is broken down into preventative services (\$26.4 million) and environment protection (\$12.8 million). The estimate of gross public health expenditure by Victorian LGAs of \$39.2 million is similar to the estimate given by the ABS Public Finance Database of \$41.1 million.

Table 11.5: Estimated gross expenditure by local government on public health-type activities in Victoria, 1999–00 (\$'000)

| Program | Expenditure |
|---|---------------|
| Health, Education and Housing Preventive Services | 26,416 |
| Waste and Environmental Management Environment Protection | 12,805 |
| Total public health | 39,221 |

Estimated gross expenditure by Victorian LGAs on 'Public health related activities' in 1999–00 was \$383.9 million (Table 11.6) and includes activities related to infants and mothers, community health, sanitation, sewerage, council drainage and private/other drainage, which are not considered to be core public health activities under this project. A greater degree of detail is needed to give more meaning to this information.

Table 11.6: Estimated gross expenditure by local government on public health related activities in Victoria, 1999–00 (\$'000)

| Program | Activity | Expenditure |
|------------------------------------|------------------------|--------------------|
| Health, Education and Housing | Infants and mothers | 53,146 |
| | Community health | 14,478 |
| <i>Program total</i> | | <i>67,624</i> |
| Waste and Environmental Management | Sanitation | 257,082 |
| | Sewerage | 453 |
| | Council drainage | 57,782 |
| | Private/other drainage | 940 |
| <i>Program total</i> | | <i>316,258</i> |
| Total public health related | | 383,883 |

Source: Victorian Department of Local Government, unpublished data.

11.2 Funding by non-government organisations

Like the expenditure by LGAs, the only part of expenditure incurred by NGOs that was included in the estimates of expenditure on core public health was that funded by Commonwealth, State and Territory health departments. Also like LGA expenditure, the NGO expenditure is not separately identified, but is subsumed into the estimates of expenditure by the jurisdiction concerned.

During the course of the 1999–00 data collection process, the AIHW gathered information from 32 major NGOs that received public health funding from State and Territory health departments. That information was used to estimate the likely contribution those organisations made to spending on public health-type activities.

The major NGOs to be included in this special study were identified by the jurisdictions. They were those that received the largest public health grants from health departments in 1999–00.

The AIHW estimated the non-government-funded expenditure from each of these NGOs, using published data provided by the organisations. Using those data and other information, an estimate was then made of the amount of expenditure that could have related to public health-type activities. In all, the 32 organisations covered by the special study spent an estimated \$93 million in providing public health-type services. While this is not a comprehensive estimate of all expenditure by all NGOs, it is equivalent to 10% of total expenditure on core public health activities by the Commonwealth, State and Territory health departments during 1999–00.