1 Expenditure on public health activities in Australia

1.1 Background

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

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

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

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

This publication reports estimates of expenditure on public health activities in Australia that were funded by the Australian Government and state and territory health departments', and sources of funds over the period 2001–02 to 2003–04. In addition, some previously published and revised estimates covering the years 1999–00 and 2000–01 are included in selected tables.

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) (see Box 1 for the distinction between funding and expenditure). 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 their related expenditure estimates.

Box 1: Defining health funding and expenditure

Health funding

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

The Australian Government, on the other hand, as well as funding all expenditures incurred through its own programs, provides Specific Purpose Payments to states and territories (most notably payments under the Public Health Outcome Funding Agreements (PHOFAs). Those payments help fund programs for which the states and territories are primarily responsible. As a consequence, the Australian Government's contribution averaged around 54% of total funding of public health activities in Australia over the past three years.

Health expenditure

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

1.2 Structure of report

In this report, estimates of expenditure on public health activities are recorded for each jurisdiction through a separate chapter for each.

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

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

The report also includes a glossary to provide descriptions of concepts that may not be familiar to readers.

1.3 Introduction

The public health expenditure activities covered in data collection are:

- *Communicable disease control*
- *Selected health promotion*
- *Organised immunisation*
- *Environmental health*
- *Food standards and hygiene*

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

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

As well as the estimates of expenditure on the public health activities, most jurisdictions provided estimates of expenditure on other activities that they considered to be related to public health and important in explaining their overall expenditure. Such expenditures are reported separately in this publication but are not included in the overall estimates of expenditure on public health activities in Australia.

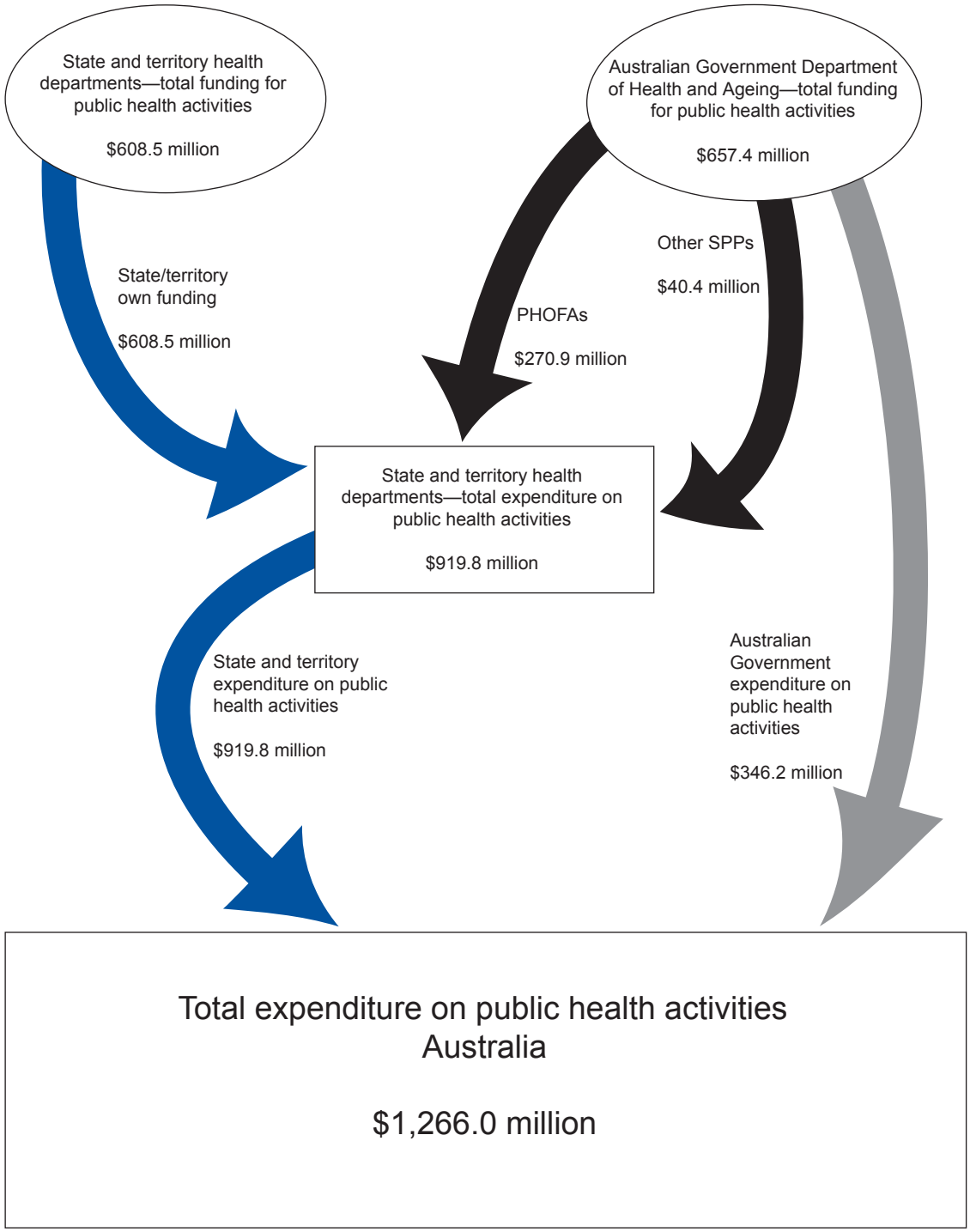
As well as the amounts that each state and territory estimated were spent on the public health activities themselves, the estimates include notional allocations of corporate overheads and other 'on-costs' incurred in providing and supporting those activities. These include such things as human resources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

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

Readers should note that the expenditure estimates reported here relate only to those incurred by or funded by the key health departments and agencies in the various jurisdictions (Figure 1.1). It does not include funding of public health activities by non-health state and territory government departments.

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 in complying with public health legislation, nor does it include the contribution made by them in preventing injury and illness and promoting healthy environments within the family and the larger community. While these are important contributions to public health in Australia, they are out of scope for this particular study.



Note: PHOFAs = Public Health Outcome Funding Agreements; SPPs = Specific Purpose Payments.

Figure 1.1: Funding and expenditure on public health activities in Australia, 2003–04

1.4 Summary of results

- It is estimated that $1,266.0 million was spent on public health activities during 2003–04, which amounted to 2.5% of total recurrent health expenditure by all governments (Table 1.3). Of this the Australian Government's share of funding was estimated at $657.4 million (51.9%). The state and territory governments' share was $608.5 million (48.1%) (Table 1.1).
- In terms of who incurred the expenditure, state and territory health departments spent $919.8 million (or 72.7%), and the Australian Government $346.2 million (27.3%) (Figure 1.1).
- The Australian Government directed $346.2 million of its funding to public health programs and activities for which it was primarily responsible. The remaining $311.3 million was in the form of SPPs to support state and territory governments' programs aimed at achieving agreed public health outcomes (Table 1.1).
- There was no change in public health's share of estimated total recurrent health expenditure on all health services in Australia over the period 1999–00 to 2003–04 (Table 1.3). It remained constant at approximately 1.7% over the period.
- The share of state/territory recurrent health expenditure allocated to public health varied considerably across jurisdictions, ranging from 5.8% in the Northern Territory to 1.5% in New South Wales and Victoria in 2003–04 (Table 1.4).
- In 2003–04, New South Wales and Victoria—the two most populous states—provided almost half of the total funding by state and territory governments (Table 1.2).
- On a per person basis, total government expenditure on public health activities was estimated at $63.31 (current prices), up from $60.75 in 2002–03 and $55.84 in 2001–02 (Table 1.8; Table A5; Table A6).
- Expenditure on public health grew by 1.8%, in real terms, between 2002–03 and 2003–04, compared with 6.3% between 2001–02 and 2002–03 and 4.4% between 2000–01 and 2001–02 (Table 1.10).
- Over the whole period covered by the public health expenditure series of publications—1999–00 to 2003–04—expenditure grew, in real terms, at an average of 4.9% per year (Table 1.10).
- The four public health activities attracting the highest levels of expenditure during 2003–04 were (Table 1.5; Table 1.6):
  - *Organised immunisation*—$268.0 million (21.2%)
  - *Selected health promotion* —$214.6 million (17.0%)
  - *Communicable disease control*—$203.9 million (16.1%)
  - *Prevention of hazardous and harmful drug use*—$171.6 million (13.6%).

1.5 Government funding of public health activities

Total funding of public health activities during 2003–04 was estimated at $1,266.0 million. Of this, the Australian Government contributed an estimated $657.4 million (51.9%) (Table 1.1).

In the two previous years, 2001–02 and 2002–03, the Australian Government's share of funding was $572.9 million (52.5%) and $706.6 million (58.9%), respectively.

More than half the funding provided by the Australian Government in 2003–04 ($346.2 million) was funding for its own direct expenditures. The remaining $311.3 million was funding to states and territories through SPPs. Of the SPP funding, $270.9 million (87%) was through the Commonwealth/State Public Health Outcome Funding Agreements (PHOFAs) (Figure 2.1).

Funding by states and territories from their own sources was estimated at $608.5 million (48.1%) in 2003–04. In the two previous years (2001–02 and 2002–03), the states and territories provided $518.0 million (47.5%) and $493.2 million (41.1%), respectively. The proportions of state/territory direct expenditure attributable to individual states and territories were generally aligned with their shares of total population. For example, in 2003–04 New South Wales and Victoria—the two most populous states (which account for approximately 60% of the population)—provided 25.4% and 24.2%, respectively, of net funding by state and territory governments (Table 1.2).

Table 1.1: Funding of public health expenditure, current prices, by source of funds, 2001–02 to 2003–04

	2001–02		2002–03		2003–04	
Source of funds	**Amount ($ million)**	**Share of total (%)**	**Amount ($ million)**	**Share of total (%)**	**Amount ($ million)**	**Share of total (%)**
Funding by the Australian Government						
Direct expenditure	312.9	28.7	320.3	26.7	346.2	27.3
Plus SPPs	260.0	23.8	386.3	32.2	311.3	24.6
Australian Government funding	572.9	52.5	*706.6*	*58.9*	*657.4*	*51.9*
Funding by state and territory governments						
Gross expenditure	778.0	71.3	879.5	73.3	919.8	72.7
Less SPPs	260.0	23.8	386.3	32.2	311.3	24.6
Net funding by the states and territories	*518.0*	*47.5*	*493.2*	*41.1*	*608.5*	*48.1*
Total funding/expenditure	**1,090.9**	**100.0**	**1,199.8**	**100.0**	**1,266.0**	**100.0**

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

Table 1.2: Net public health funding by states and territories[(a)(b)], current prices, and shares of the total funding by states and territories , 2001–02 to 2003–04

State/territory	2001–02 Amount ($ million)	2001–02 Proportion of total (%)	2002–03 Amount ($ million)	2002–03 Proportion of total (%)	2003–04 Amount ($ million)	2003–04 Proportion of total (%)
New South Wales	133.7	25.8	105.8	21.5	154.8	25.4
Victoria	135.4	26.1	141.9	28.8	147.2	24.2
Queensland	81.4	15.7	73.8	15.0	99.4	16.3
Western Australia	61.0	11.8	60.2	12.2	73.1	12.0
South Australia	43.3	8.4	48.3	9.8	53.5	8.8
Tasmania	14.8	2.8	16.0	3.2	17.9	2.9
Australian Capital territory	16.8	3.2	17.5	3.6	23.9	3.9
Northern Territory	31.7	6.1	29.7	6.0	38.7	6.4
Total	**518.0**	**100.0**	**493.2**	**100.0**	**608.5**	**100.0**

(a) Excludes 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 page 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.

1.6 Government expenditure on public health activities

Public health expenditure

Of the total $1,266.0 million spent on public health activities in 2003–04, $919.8 million (72.7%) was incurred by the state and territory governments. The balance of $346.2 million (27.3%) related to programs and activities for which the Australian Government was primarily responsible (Table 1.5).

Over the three years 2001–02 to 2003–04 (inclusive), the state and territory governments' proportion of total expenditure fluctuated. In 2001–02 it constituted 71.3% of total expenditure, rose to 73.3% in 2002–03, and then reduced slightly to 72.7% in 2003–04.

Total public health expenditure by activity is presented in Table 1.5, Table 1.6 and Figure 1.2. *Organised immunisation* accounted for $268.0 million or 21.2% of estimated expenditure on all public health activities by all jurisdictions during 2003–04 (Figure 1.2 and Table 1.5) 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*—$214.6 million (17.0% of total expenditure on public health activities)
- *Communicable disease control*—$203.9 million (16.1% of total expenditure on public health activities)
- *Prevention of hazardous and harmful drug use*—$171.6 million (13.6% of total expenditure on public health activities).

Total public health expenditure as a proportion of recurrent health expenditure

Recurrent expenditure on health in 2003–04 was estimated at $75,804 million (Table 1.3). Of this, $50,682 million was funded by governments, the balance being funded by private sources.

Total expenditure on public health in Australia during 2003-04 was estimated at $1,266 million. This represented 1.7% of total recurrent expenditure and 2.5% of recurrent government expenditure in that year. Although expenditure on public health activities has increased steadily over the past five years (1999–00 to 2003–04), its share of total recurrent health expenditure has remained relatively stable.

Table 1.3: Total public health expenditure and total recurrent health expenditure, current prices, Australia, 1999–00 to 2003–04

Year	Total public health expenditure ($ million)	Total recurrent health expenditure[(a)] ($ million)		Public health as a proportion of total recurrent expenditure (%)	
		All funding sources	Government funding	All funding sources	Government funding
1999–00	913	51,851	36,228	1.8	2.5
2000–01	1,012	58,078	39,896	1.7	2.5
2001–02	1,091	63,672	42,814	1.7	2.5
2002–03	1,200	69,830	47,233	1.7	2.5
2003–04	1,266	75,804	50,682	1.7	2.5

(a) AIHW 2005, and AIHW health expenditure database.

Public health expenditure as a proportion of total recurrent health expenditure by state and territory

The Australian Government incurs direct expenditures (see Chapter 2) in supporting public health programs. In order to estimate total government public health expenditure by state and territory, Australian Government direct expenditure must be added to the expenditures directly incurred by states and territories. Therefore, total direct expenditure incurred by the Australian Government, which is not part of the public health SPPs to states and territories, has been allocated to each state and territory. With the exception of *Cervical screening*, Australian Government expenditure has been apportioned to each state and territory in line with the proportion of total SPPs allocated to that state and territory (see Table 2.4). In the case of *Cervical screening*, expenditure directly incurred by the Australian Government has been allocated by state and territory in line with the Medicare benefits paid to recipients by their state of location (see Chapter 11, Technical notes for further information).

Table 1.4 below shows estimated total government expenditure for each state and territory as a proportion of their total recurrent health expenditure (see Glossary for definition). The table shows that the public health share of total recurrent health expenditure in 2003–04 varied considerably across jurisdictions, ranging from 5.8% in the Northern Territory to 1.5% in New South Wales and Victoria.

For the more populous states (New South Wales, Victoria and Queensland), their proportions were relatively stable over the period 1999–00 to 2003–04, but generally lower

than the national average of 1.7% (Table 1.3). With regard to the other states and territories, their proportions were above the national average, with the highest being recorded by the two territories (which also have the lowest populations).

Table 1.4: Estimated total government public health expenditure for each state and territory[(a)(b)(c)] as a proportion of total recurrent health expenditure, current prices, 1999–00 to 2003–04 (per cent)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
1999–00	1.6	1.6	1.6	2.0	1.9	2.2	3.0	7.4
2000–01	1.5	1.7	1.6	2.0	1.9	2.2	2.8	6.8
2001–02	1.5	1.6	1.6	2.0	1.9	2.0	2.6	6.5
2002–03	1.5	1.6	1.7	2.0	1.9	2.3	2.5	5.3
2003–04	1.5	1.5	1.6	1.9	1.8	2.1	2.7	5.8

(a) Total direct expenditure by the Australian Government has been apportioned to states and territories in line with their proportion of SPP funding from the Australian Government, except for *Cervical screening* (see Table 2.4).

(b) Direct expenditure by the Australian Government on *Cervical screening* has been allocated by state and territory according to the state of location of the recipients who received benefits paid under Medicare.

(c) Estimates and comparisons across states and territories need to be interpreted with care. For further information see page 12 of this report. Refer to the individual jurisdiction chapters for more information on expenditures incurred.

Source: AIHW health expenditure database.

Table 1.5: Total public health expenditure by the Australian Government and states and territories, current prices, by activity, 2001–02 to 2003–04 ($ million)

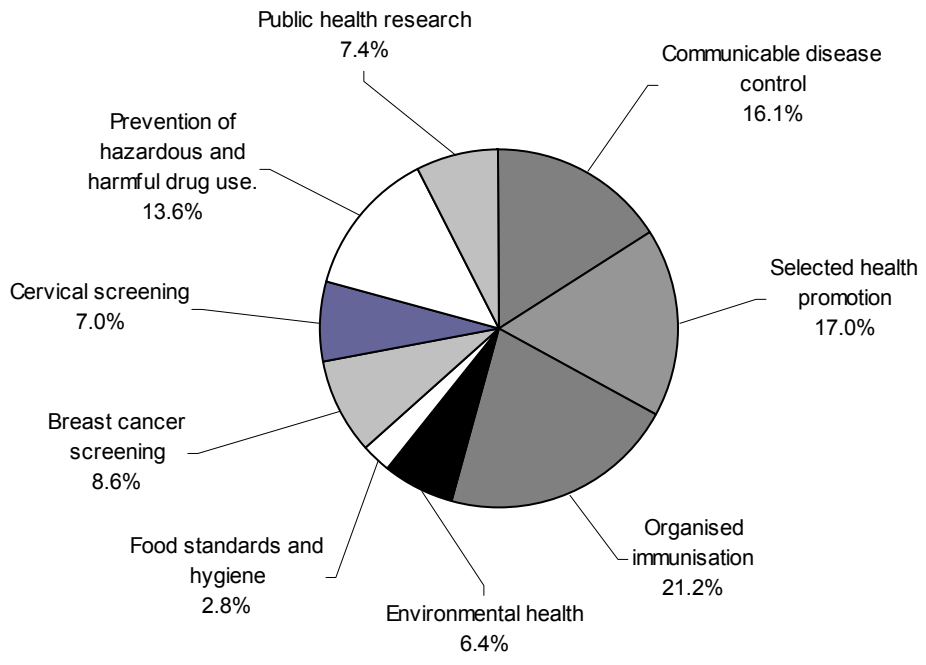
	Year 2001–02			Year 2002–03			Year 2003–04		
Activity	**Australian Government[a]**	**States and territories[b]**	**Total**	**Australian Government[a]**	**States and territories[b]**	**Total**	**Australian Government[a]**	**States and territories[b]**	**Total**
Communicable disease control	24.9	161.8	186.7	25.1	175.4	200.5	30.4	173.5	203.9
Selected health promotion	46.2	172.8	219.0	45.2	167.8	213.0	44.3	170.3	214.6
Organised immunisation	52.5	124.7	177.2	53.1	202.3	255.4	49.5	218.5	268.0
Environmental health	15.1	57.3	72.4	13.3	60.9	74.2	19.2	61.9	81.1
Food standards and hygiene	15.1	17.7	32.8	13.3	20.5	33.8	14.6	21.0	35.6
Breast cancer screening	1.6	95.6	97.2	1.6	95.9	97.5	1.7	106.7	108.4
Cervical screening	66.9	23.7	90.6	62.8	22.3	85.1	65.6	23.5	89.1
Prevention of hazardous and harmful drug use	32.6	105.6	138.2	40.6	111.9	152.5	52.0	119.6	171.6
Public health research	57.7	18.9	76.6	65.0	22.7	87.7	68.6	24.8	93.4
PHOFA administration[c]	0.3	0.0	0.3	0.3	0.0	0.3	0.3	0.0	0.3
Total expenditure	**312.9**	**778.0**	**1,090.9**	**320.3**	**879.5**	**1,199.8**	**346.2**	**919.8**	**1,266.0**
Proportion of total public health expenditure (%)	28.7	71.3	100.0	26.7	73.3	100.0	27.3	72.7	100.0

(a) Australian Government expenditure does not include its funding of state/territory expenditures through SPPs (see Glossary for an explanation of this term).

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



Source: Table 1.5.

Figure 1.2: Total government expenditure on public health activities, all jurisdictions, by activity, 2003–04

Table 1.6: Total public health expenditure by the Australian Government and states and territories as a proportion of total expenditure on public health activities, current prices, by activity, 2001–02 to 2003–04 (per cent)

Activity	2001–02	2002–03	2003–04
Communicable disease control	17.1	16.7	16.1
Selected health promotion	20.1	17.8	17.0
Organised immunisation	16.2	21.3	21.2
Environmental health	6.6	6.2	6.4
Food standards and hygiene	3.0	2.8	2.8
Breast cancer screening	8.9	8.1	8.6
Cervical screening	8.3	7.1	7.0
Prevention of hazardous and harmful drug use	12.7	12.7	13.6
Public health research	7.0	7.3	7.4
PHOFA administration	0.0	0.0	0.0
Total public health	**100.0**	**100.0**	**100.0**

Source: Table 1.5.

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

Expenditure on public health activities by jurisdictions

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

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

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

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

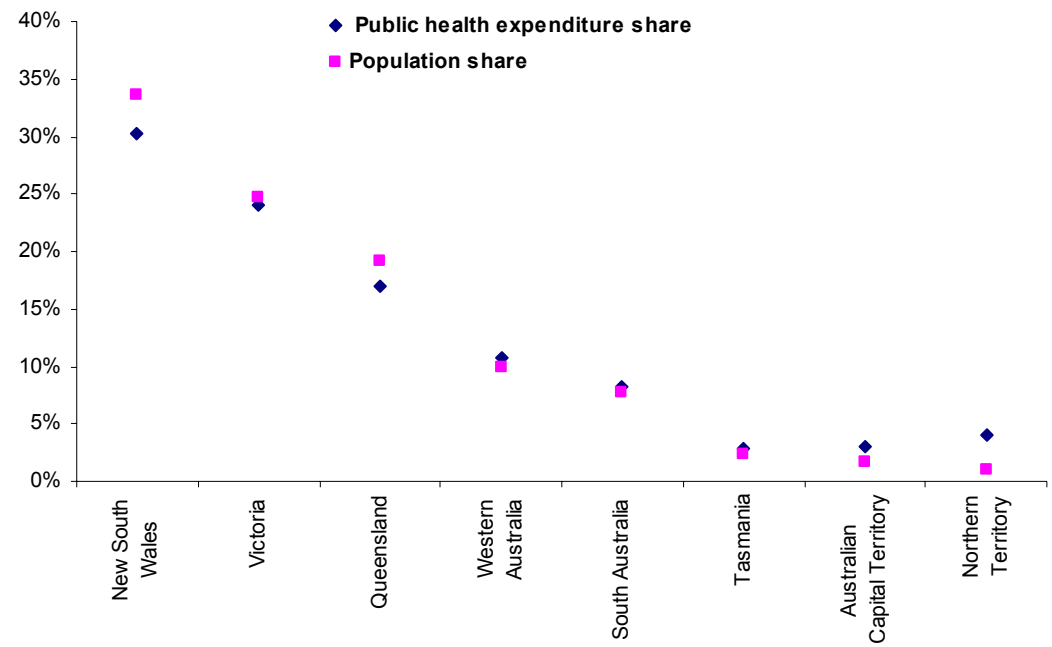
- for years prior to 2003–04, both Tasmania and the Northern Territory reported on a cash basis, while all other jurisdictions reported on an accruals basis
- some differences arising from the different data collection processes across jurisdictions
- differences in the treatment of some overheads in the health expenditure estimates.

This second group of differences, however, would not seem capable of exerting any large degree of influence on the relative levels of expenditure by the different jurisdictions. They represent, at most, marginal differences and would not, for instance, account for the

substantial differences between expenditure patterns in the jurisdictions—for example, expenditure on *Organised immunisation* in New South Wales is around 83% higher than in Victoria, despite the latter population being only approximately a third smaller (see Table 1.7; Figure 1.3), and average expenditure in Victoria on *Selected health promotion* is around 42% higher than in New South Wales.

It should also be noted that direct expenditure by the Australian Government has been allocated across states and territories in order to estimate total expenditure in each state and territory.

Despite these problems, some interesting patterns emerge between states and territories. For example, while New South Wales had the highest level of expenditure overall, its proportion of total government expenditure was lower than its share of the national population (Figure 1.3). In the case of Victoria, its proportion of the total was just below its share of the national population. For Queensland, too, its proportion of total government expenditure was lower than its share of the national population. The smaller jurisdictions, on the other hand, all had shares of total government expenditure that were larger than their corresponding shares of the national population.



Source: Table 1.7 and AIHW health expenditure database

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

Figure 1.3: Relative shares of state/territory public health expenditure and population, current prices, by state and territory, 2003–04

In respect of the expenditure proportions across specific public health activities, different patterns of expenditure emerge for the different jurisdictions. These reflect differences in public health priorities between the states and territories (see Table 1.7). For example, in 2003–04, New South Wales had a much greater proportion of its public health effort on *Organised immunisation* (26.6% of the state's total expenditure on public health) than any other state or territory. Victoria's spending on *Selected health promotion* (24.6%) was just less than one–and-a-half times the national average share. Queensland expenditure on *Communicable disease control* and *Organised immunisation* (21.5% on each) was above the national average shares. Western Australia had a higher proportion of its expenditure on both *Selected health promotion* and *Organised immunisation* (18.6% on each). In the case of South Australia, its highest proportion was on *Communicable disease control* (17.2%). As for the least populous jurisdictions, Tasmania had its highest expenditure on *Communicable disease control* (19.9%), the Australian Capital Territory's main emphasis appeared to be on *Prevention of hazardous and harmful drug use (*25.3%) and the Northern Territory's on *Communicable disease control* (32.8%).

As to total expenditure across states/territories on particular activities, the national pattern was influenced heavily by the emphases placed on activities by the more populous states. *Organised immunisation*, which is largely targeted at children, was the activity that attracted the greatest share of state and territory expenditure nationally. The national average (21.2%) was much higher than for any other category; it was also the top area of expenditure in three jurisdictions and second highest in four others. Even in Tasmania, with its relatively older population structure, expenditure on *Organised immunisation* attracted the third highest share of expenditure (15.6% of total Tasmanian expenditure on public health activities).

Table 1.7: Total government expenditure[a][b] on public health activities, current prices, by state and territory[c], 2003–04

Activity	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Expenditure ($ million)				
Communicable disease control	68.8	47.8	46.2	23.0	18.1	7.4	4.9	16.5	203.9
Selected health promotion	52.5	74.8	16.6	25.3	16.3	5.8	4.6	3.3	214.6
Organised immunisation	101.7	55.7	46.2	25.3	17.9	5.8	6.4	9.1	268.0
Environmental health	18.9	9.5	16.6	14.2	7.3	4.5	4.3	5.6	81.1
Food standards and hygiene	12.6	6.8	5.6	3.5	2.5	0.6	3.0	1.0	35.6
Breast cancer screening	37.3	23.9	22.5	9.9	8.3	3.8	1.7	1.1	108.4
Cervical screening	26.7	20.6	17.8	9.5	8.1	2.4	1.5	2.8	89.1
Prevention of hazardous and harmful drug use	37.6	35.5	32.6	23.0	17.4	7.1	9.5	9.1	171.6
Public health research	25.8	29.2	12.3	10.9	9.3	2.4	1.6	1.9	93.4
Total	**381.9**	**303.8**	**214.5**	**135.7**	**105.2**	**37.2**	**37.3**	**50.3**	**1,266.0**
					Proportion of total government expenditure for each state and territory (%)				
Communicable disease control	18.0	15.7	21.5	17.0	17.2	19.9	13.0	32.8	16.1
Selected health promotion	13.7	24.6	7.7	18.6	15.5	15.6	12.3	6.5	17.0
Organised immunisation	26.6	18.3	21.5	18.6	17.0	15.6	17.1	18.0	21.2
Environmental health	5.0	3.1	7.7	10.4	6.9	12.2	11.6	11.2	6.4
Food standards and hygiene	3.3	2.2	2.6	2.6	2.4	1.6	8.0	2.1	2.8
Breast cancer screening	9.8	7.9	10.5	7.3	7.9	10.1	4.5	2.2	8.6
Cervical screening	7.0	6.8	8.3	7.0	7.7	6.5	3.9	5.5	7.0
Prevention of hazardous and harmful drug use	9.9	11.7	15.2	17.0	16.5	19.0	25.3	18.0	13.6
Public health research	6.8	9.6	5.7	8.0	8.9	6.3	4.3	3.8	7.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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

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

(c) Estimates and comparisons across states and territories need to be interpreted with care. For further information see page 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.

Average state and territory government expenditure, per person

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

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

It should also be noted that direct expenditure by the Australian Government has been allocated across states and territories in order to estimate total expenditure in each state and territory.

Bearing in mind these qualifications (including those set out on page 12), the estimates of per person expenditures for 2003–04 (Table 1.8) show that the Northern Territory and the Australian Capital Territory had the highest average expenditure per person during 2003–04 ($252.52 and $115.42 per person, respectively), compared with the national average of $63.31 per person. This is partly explained by their small populations and the associated diseconomies of scale they face in delivering the range of public health activities to those small populations. To some extent, the same could be said of Tasmania, which has a population that is slightly larger than the Australian Capital Territory. However, for the two territories, there are other non-public health factors that also could influence their estimated average expenditures.

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

(a) the relatively higher proportion of Indigenous people within the population, with their associated much poorer average health status; and

(b) average relative isolation of their population, with its associated cost disadvantages.

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

At the other end of the scale, Queensland, had the lowest average expenditure per person ($55.83 per person).

Table 1.8: Total government expenditures[a][b][c][d] per person on public health activities, current prices, by state and territory[e], 2003–04

Activity		NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Communicable disease control	Average per person ($)	10.26	9.66	7.36	8.38	11.83	6.80	15.00	82.81	10.21
	Per person index	*100.6*	*94.7*	*72.1*	*82.1*	*115.9*	*66.7*	*147.0*	*811.4*	*100.0*
Selected health promotion	Average per person ($)	7.83	15.14	8.54	11.70	10.64	15.43	14.15	16.38	10.74
	Per person index	*72.9*	*141.0*	*79.6*	*109.0*	*99.1*	*143.7*	*131.8*	*152.5*	*100.0*
Organised immunisation	Average per person ($)	15.16	11.26	12.02	12.86	11.68	12.08	19.74	45.56	13.40
	Per person index	*113.1*	*84.0*	*89.7*	*96.0*	*87.1*	*90.2*	*147.3*	*340.0*	*100.0*
Environmental health	Average per person ($)	2.82	1.92	4.32	7.21	4.77	9.44	13.35	28.23	4.05
	Per person index	*69.7*	*47.5*	*106.6*	*178.0*	*117.8*	*233.1*	*329.8*	*697.2*	*100.0*
Food standards and hygiene	Average per person ($)	1.88	1.37	1.46	1.78	1.67	1.22	9.28	5.19	1.78
	Per person index	*105.5*	*76.9*	*81.7*	*99.0*	*93.4*	*68.1*	*520.3*	*290.8*	*100.0*
Breast cancer screening	Average per person ($)	5.56	4.84	5.84	5.01	5.39	7.85	5.22	5.47	5.42
	Per person index	*102.6*	*89.3*	*107.9*	*92.5*	*99.6*	*144.9*	*96.4*	*100.9*	*100.0*
Cervical screening	Average per person ($)	3.98	4.17	4.62	4.82	5.29	5.03	4.50	13.87	4.46
	Per person index	*89.1*	*93.4*	*103.6*	*107.9*	*118.6*	*112.7*	*100.8*	*310.7*	*100.0*
Prevention of hazardous and harmful drug use	Average per person ($)	5.61	7.19	8.47	11.70	11.34	14.69	29.22	45.50	8.58
	Per person index	*65.3*	*83.8*	*98.7*	*136.3*	*132.1*	*171.2*	*340.4*	*530.0*	*100.0*
Public health research	Average per person ($)	3.84	5.90	3.20	5.53	6.10	4.91	4.96	9.54	4.67
	Per person index	*82.3*	*126.5*	*68.6*	*118.5*	*130.6*	*105.1*	*106.3*	*204.3*	*100.0*
Total for the nine activities	**Average per person ($)**	**56.94**	**61.45**	**55.83**	**68.99**	**68.71**	**77.44**	**115.42**	**252.52**	**63.31**
	Per person index	**89.9**	**97.1**	**88.2**	**109.0**	**108.5**	**122.3**	**182.3**	**398.9**	**100.0**

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

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

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

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

(e) Estimates and comparisons across states and territories need to be interpreted with care. For further information see page 12 of this report. Also refer to the individual jurisdictions' chapters for more information on the expenditures incurred on the above public health activities.

1.7 Growth in expenditure on public health activities

In this part of the analysis, expenditures during different years are all expressed in terms of 2002–03 prices. The method used in converting current expenditure to constant prices is outlined in the Technical notes (Chapter 11).

It should be noted that some of the current price estimates for years prior to 2001–02, on which these constant price estimates have been based, have been revised since the release of the *National Public Health Expenditure Report 2000–01* (AIHW 2004). It is not, therefore, appropriate to relate the constant price estimates presented here with the current price estimates in previous reports in this series.

Total government expenditure estimates

Between 1999–00 and 2003–04, estimated expenditure in constant price terms, grew at an average rate of 4.9% per year. All activities showed real increases in expenditure over the five years except for *Cervical screening* (down, on average, 1.4% per year) and *Breast cancer screening,* which showed a small decline (down 0.1% per year). The highest average annual growth rate was for expenditure on *Organised immunisation* (11.7%), followed by *Prevention of hazardous and harmful drug use* (6.3%) (Table 1.9).

Table 1.9: Total government expenditure on public health activities, constant (2002–03) prices[a], by activity, 1999–00 to 2003–04

	Expenditure ($ million)					
Activity	**1999–00[b]**	**2000–01[b]**	**2001–02**	**2002–03**	**2003–04**	**5-year average**
Communicable disease control	166.9	174.7	193.3	200.5	196.7	186.4
Selected health promotion	184.4	200.3	226.4	213.0	207.1	206.3
Organised immunisation	166.2	180.6	183.3	255.4	258.6	208.8
Environmental health	63.5	69.4	74.9	74.2	78.1	72.0
Food standards and hygiene	27.6	37.6	34.1	33.8	34.4	33.5
Breast cancer screening	105.0	102.3	100.5	97.5	104.5	102.0
Cervical screening	91.4	94.2	93.8	85.1	86.2	90.1
Prevention of hazardous and harmful drug use	129.9	152.0	143.0	152.5	165.6	148.6
Public health research	72.3	69.4	79.2	87.7	90.1	79.7
PHOFA administration[d]	0.3	0.3	0.3	0.3	0.3	0.3
Total public health	**1,007.5**	**1,080.9**	**1,128.9**	**1,199.8**	**1,221.6**	**1,127.7**

	Growth rates (%)[c]				
	1999–00 to 2000–01	**2000–01 to 2001–02**	**2001–02 to 2002–03**	**2002–03 to 2003–04**	**1999–00 to 2003–04[d]**
Communicable disease control	4.7	10.6	3.8	–1.9	4.2
Selected health promotion	8.7	13.0	–5.9	-2.8	3.0
Organised immunisation	8.6	1.5	39.3	1.3	11.7
Environmental health	9.4	7.9	–1.0	5.3	5.3
Food standards and hygiene	36.3	–9.3	–0.9	2.0	5.7
Breast cancer screening	–2.6	–1.7	–3.1	7.2	–0.1
Cervical screening	3.1	–0.3	–9.3	1.3	–1.4
Prevention of hazardous and harmful drug use	17.0	–5.9	6.6	8.6	6.3
Public health research	–3.9	14.1	10.7	2.7	5.7
PHOFA administration[e]	—	—	—	—	—
Total public health	**7.3**	**4.4**	**6.3**	**1.8**	**4.9**

(a) Expenditure is expressed in terms of 2002–03 prices (see Chapter 11, Section 11.1).

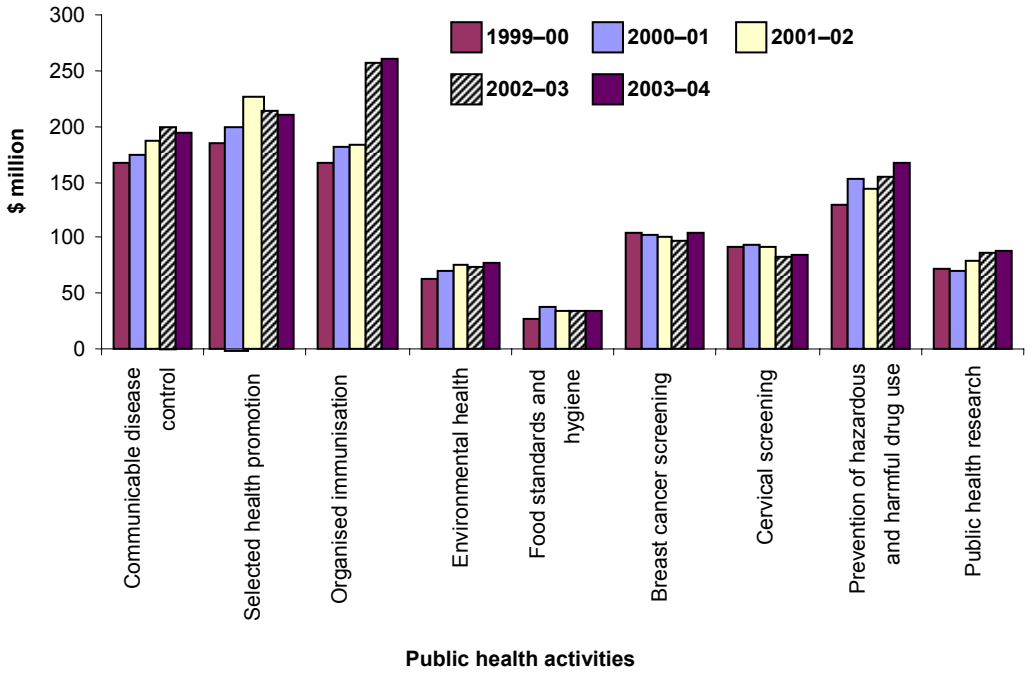
(b) Underlying expenditure estimates have been revised from those published in the *National Public Health Expenditure Report 2000*–01 (AIHW 2004). See notes on page 18.

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

(d) Average annual growth rate.

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

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



Source: Table 1.9.

Figure 1.4: Total government expenditure on public health activities, constant (2002–03) prices, 1999–00 to 2003–04

Jurisdictional expenditure estimates

At a jurisdictional level, the highest average real growth in estimated expenditure over the five years (1999–00 to 2003–04) was recorded by Queensland (7.6%) and Victoria (7.0%). Other jurisdictions generally had an average real growth rates ranging from 3.6% to 5.7%, with the exception of the Northern Territory, which showed a marginal decline (–0.6%) over the period (Table 1.10).

Table 1.10: Total government expenditure on public health activities, by jurisdiction[a], constant (2002–03) prices[b], 1999–00 to 2003–04

	Expenditure ($ million)					
Jurisdiction	**1999–00[c]**	**2000–01[c]**	**2001–02**	**2002–03**	**2003–04**	**5-year average**
Australian Government	289.3	313.5	324.2	320.3	333.9	316.2
New South Wales	208.9	213.7	226.9	233.0	250.9	226.7
Victoria	166.5	199.6	204.2	234.4	218.6	204.7
Queensland	109.3	116.6	127.7	145.1	146.7	129.1
Western Australia	78.9	82.7	89.2	97.4	98.5	89.3
South Australia	63.8	67.6	68.8	79.8	74.9	71.0
Tasmania	21.8	23.2	24.5	27.9	26.1	24.7
Australian Capital Territory	25.2	23.7	23.5	24.6	29.3	25.3
Northern Territory	43.8	40.3	39.9	37.3	42.7	40.8
Total public health	**1,007.5**	**1,080.9**	**1,128.9**	**1,199.8**	**1,221.6**	**1,127.7**

	Growth rates (%)[d]				
	1999–00 to 2000–01	**2000–01 to 2001–02**	**2001–02 to 2002–03**	**2002–03 to 2003–04**	**1999–00 to 2003–04[e]**
Australian Government	8.4	3.4	–1.2	4.2	3.6
New South Wales	2.3	6.2	2.7	7.7	4.7
Victoria	19.9	2.3	14.8	–6.7	7.0
Queensland	6.7	9.5	13.6	1.1	7.6
Western Australia	4.8	7.9	9.2	1.1	5.7
South Australia	6.0	1.8	16.0	–6.1	4.1
Tasmania	6.7	5.6	13.7	–6.3	4.7
Australian Capital Territory	–5.9	–0.8	4.9	18.8	3.8
Northern Territory	–8.0	–1.0	–6.5	14.5	–0.6
Total public health	**7.3**	**4.4**	**6.3**	**1.8**	**4.9**

(a) Estimates and comparisons across states and territories need to be interpreted with care (see page 12).

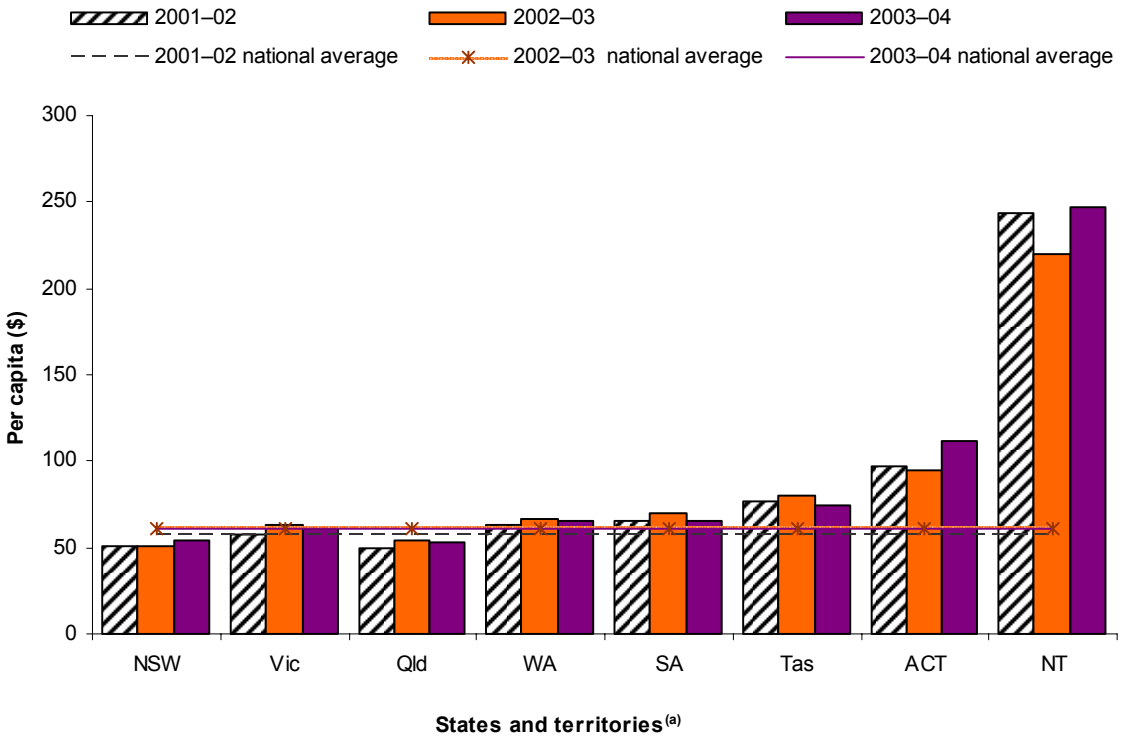
(b) Expenditure is expressed in 2002–03 prices (see Chapter 11, Section 11.1).

(c) Underlying expenditure estimates have been revised from those published in the *National Public Health Expenditure Report 2000–01 (AIHW 2004)*. See note on page 18.

(d) Estimates are based on expenditure data expressed in $ millions and rounded to one decimal place.

(e) Average annual growth rate.

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



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

Note: Constant price estimates have been derived by using the ABS chain price indexes for 'Hospital and nursing home services' (see Section 11.1).

Source: Tables A7, Table A8 and Table A9.

Figure 1.5: Average government expenditure per person, incurred by state and territory governments on public health activities, constant (2002–03) prices, 2001–02 to 2003–04

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

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

More than 70% of the portfolio funding for public health was administered by the Population Health Division of DoHA.

2.2 Overview of results

Total funding by the Australian Government

Total portfolio funding of public health activities in 2003–04 was $657.4 million, compared with $706.6 million in 2002–03 and $573.1 million in 2001–02 (Table 2.1).

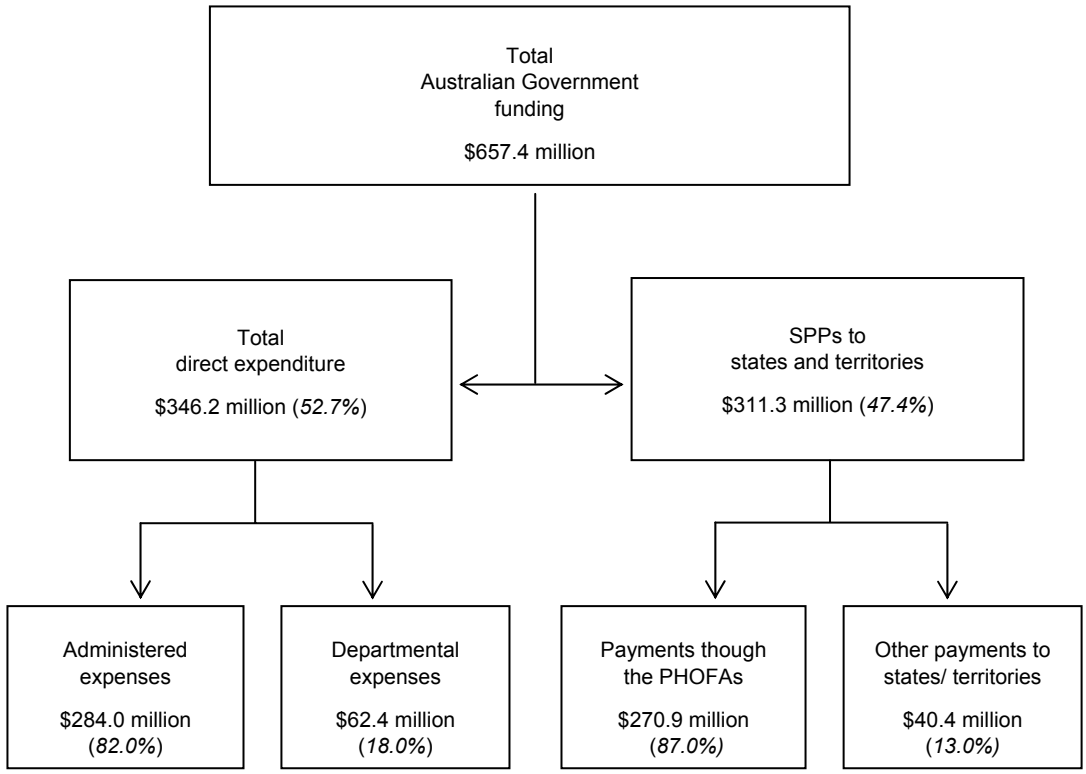
Of the 2003–04 totals funding, $311.3 million was in the form of SPPs to states and territories. Of the SPP funding, 87.0% ($270.9 million) was for the purchase of vaccines and other public health services under the Public Health Outcomes Funding Agreements (PHOFAs) (Figure 2.1). The remaining $346.2 million was funding for direct expenditure incurred by the Australian Government.

Direct expenditure

The estimated $346.2 million in direct expenditure by the Australian Government in 2003–04 was made up of:

- expenditure administered by the portfolio on activities and programs for which it was primarily responsible ($284.0 million)
- departmental expenses incurred in administering its public health expenditure and funding responsibilities ($62.4 million).

In the previous year, 2002–03, estimated direct expenditure by the Australian Government was $320.3 million, and in 2001–02 it was $312.9 million (Table 2.2). A high proportion of its direct expenditure has been in areas that support public health outcomes across jurisdictions, such as *Public health research* (19.8%) and *Cervical screening* (18.9%) (Table 2.3).



Note: PHOFAs = Public Health Outcome Funding Agreements.
SPPs = Specific Purpose Payments.
Components may not add through to totals due to rounding.

Figure 2.1: Australian Government Health and Ageing portfolio, distribution of expenditure on public health activities, current prices, 2003–04

Table 2.1: Total funding by the Australian Government for expenditure on public health activities, current prices, by activity, 2001–02 to 2003–04 ($ million)

Activity	2001–02			2002–03			2003–04		
	Direct expenditure	SPPs to states and territories	Total	Direct expenditure	SPPs to states and territories	Total	Direct expenditure	SPPs to states and territories	Total
Communicable disease control	24.9	10.2	35.1	25.1	10.2	35.3	30.4	10.6	41.0
Selected health promotion	46.2	2.3	48.5	45.2	2.4	47.7	44.3	2.5	46.8
Organised immunisation	52.5	87.0	139.5	53.1	190.9	243.9	49.5	141.2	190.8
Environmental health	15.1	. .	15.1	13.3	. .	13.3	19.2	. .	19.2
Food standards and hygiene	15.1	1.3	16.4	13.3	—	13.4	14.6	0.9	15.5
Breast cancer screening	1.6	. .	1.6	1.6	. .	1.6	1.7	. .	1.7
Cervical screening[a]	66.9	4.6	71.5	62.8	4.7	67.5	65.6	5.2	70.8
Prevention of hazardous and harmful drug use	32.6	31.6	64.3	40.6	51.2	91.9	52.0	19.7	71.7
Public health research	57.7	0.2	57.9	65.0	0.2	65.1	68.6	. .	68.6
PHOFAs	[b]0.3	[c]122.9	123.2	0.3	[c]126.7	126.9	0.3	[c]131.1	131.3
Total public health	**312.9**	**260.2**	**573.1**	**320.3**	**386.3**	**706.6**	**346.2**	**311.3**	**657.4**

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

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

(c) Excludes those SPPs to states and territories which have been included under the public health activities *Organised immunisation* and *Cervical screening* (see Table 2.4).

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

Table 2.2: Direct expenditure by the Australian Government for expenditure on public health activities, current prices, by activity, 2001–02 to 2003–04 ($ million)

	2001–02			2002–03			2003–04		
Activity	**Administered expenses[a]**	**Departmental expenses**	**Total**	**Administered expenses[a]**	**Departmental expenses**	**Total**	**Administered expenses[a]**	**Departmental expenses**	**Total**
Communicable disease control	19.7	5.2	24.9	19.4	5.7	25.1	24.2	6.2	30.4
Selected health promotion[b]	37.5	8.8	46.2	37.0	8.2	45.2	35.1	9.3	44.3
Organised immunisation	50.8	1.7	52.5	51.2	1.8	53.1	47.5	2.0	49.5
Environmental health[c]	0.6	14.5	15.1	0.6	12.7	13.3	1.2	18.0	19.2
Food standards and hygiene[c]	2.4	12.8	15.1	0.5	12.9	13.3	0.8	13.8	14.6
Breast cancer screening	0.8	0.8	1.6	0.8	0.9	1.6	0.7	1.0	1.7
Cervical screening	66.1	0.8	66.9	61.9	0.9	62.8	64.7	1.0	65.6
Prevention of hazardous and harmful drug use[b]	26.2	6.4	32.6	33.8	6.8	40.6	44.5	7.5	52.0
Public health research	54.9	2.8	57.7	62.0	3.0	65.0	65.3	3.3	68.6
PHOFA administration	. .	0.3	0.3	. .	0.3	0.3	. .	0.3	0.3
Total public health	**259.0**	**54.1**	**312.9**	**267.2**	**53.2**	**320.3**	**284.0**	**62.4**	**346.2**

(a) Does not include SPPs to states and territories.

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

(c) Departmental expenditures 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.

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Table 2.3: Direct expenditure by the Australian Government as a proportion of its total direct expenditure on public health activities, current prices, by activity, 2001–02 to 2003–04 (per cent)

Activity	2001–02	2002–03	2003–04
Communicable disease control	8.0	7.8	8.8
Selected health promotion	14.8	14.1	12.8
Organised immunisation	16.8	16.6	14.3
Environmental health	4.8	4.2	5.5
Food standards and hygiene	4.8	4.2	4.2
Breast cancer screening	0.5	0.5	0.5
Cervical screening	21.4	19.6	18.9
Prevention of hazardous and harmful drug use	10.4	12.7	15.0
Public health research	18.4	20.3	19.8
PHOFA administration	0.1	0.1	0.1
Total public health	**100.0**	**100.0**	**100.0**

Source: Table 2.2.

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

SPPs to states and territories

Total public health funding to states and territories through SPPs in 2003–04 were estimated at $311.3 million, compared with $386.3 million in 2002–03 and $260.2 million in 2001–02 (Table 2.4). The large increase between 2001–02 and 2002–03 was largely due to the implementation of the National Meningococcal C Vaccination Program from 1 January 2003. It is a four-year program providing free vaccines to children and adolescents up to 19 years of age.

Of all SPP funding to the states and territories, 87% ($270.9 million) was for the purchase of essential vaccines and other activities under the PHOFAs (Figure 2.1).

PHOFA funding

The PHOFAs are funding agreements between the Commonwealth and each state and territory. The PHOFAs discussed here covered the period 1 July 1999 to 30 June 2004. The agreements included three funding components:

1. broadbanded or pooled funding for the following eight programs:
   - National Drug Strategy
   - National HIV/AIDS Strategy
   - National Immunisation Program
   - BreastScreen Australia
   - National Cervical Screening Program
   - National Women's Health Program
   - National Education Program on Female Genital Mutilation
   - Alternative Birthing Program

2. program-specific funding for Family Planning organisations in South Australia and the Australian Capital Territory, and for the Victorian Cytology Service
3. funding for the purchase of essential vaccines in all states and territories.

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

It is not possible to disaggregate the broadbanded component of the PHOFA funding to individual public health activities, as the state and territory governments have flexibility in using these funds to achieve nationally agreed outcomes.

Payments through the PHOFAs amounted to $270.9 million in 2003–04 (Figure 2.1). Of this, only $134.6 million purchases of essential vaccines—*Organised immunisation*—and $5.2 million in the provision of cytology services—*Cervical screening*—could be directly allocated to particular activities. The remaining $131.1 million cannot be allocated to specific public health activities (Table 2.4).

Table 2.4: SPPs for public health, current prices, by state and territory, 2001–02 to 2003–04 ($ million)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Year 2001–02				
Broadbanded PHOFA funding	41.4	27.3	21.4	11.1	11.0	4.7	3.1	3.0	122.9
Communicable disease control	3.1	2.3	1.8	1.1	0.9	0.4	0.3	0.3	10.2
Selected health promotion	0.7	0.6	0.4	0.2	0.2	0.1	0.1	0.1	2.3
Organised immunisation[(a)]	30.4	20.4	13.7	9.4	6.5	2.8	1.2	2.6	87.0
Food standards and hygiene	0.3	0.2	0.2	0.2	0.1	0.2	0.1	0.1	1.3
Cervical screening[(b)]	—	4.5	—	—	—	—	—	—	4.6
Prevention of hazardous and harmful drug use	9.8	6.7	4.7	3.2	4.6	0.9	1.2	0.6	31.6
Public health research	—	—	—	—	0.2	—	—	—	0.2
Total payments	**85.7**	**62.0**	**42.2**	**25.2**	**23.4**	**9.0**	**5.9**	**6.6**	**260.2**
					Year 2002–03				
Broadbanded PHOFA funding	42.5	27.9	22.3	11.4	11.4	4.8	3.2	3.1	126.7
Communicable disease control	3.1	2.3	1.8	1.1	0.9	0.4	0.3	0.3	10.2
Selected health promotion	0.8	0.6	0.5	0.2	0.2	0.1	0.1	0.1	2.4
Organised immunisation[(a)]	64.9	46.0	36.4	19.3	14.2	4.8	2.3	2.9	190.9
Food standards and hygiene	—	—	—	—	—	—	—	—	—
Cervical screening[(b)]	—	4.7	—	—	—	—	—	—	4.7
Prevention of hazardous and harmful drug use	16.0	11.0	10.3	5.2	4.6	1.8	1.2	1.2	51.2
Public health research	—	—	—	—	0.2	—	—	—	0.2
Total payments	**127.2**	**92.5**	**71.3**	**37.2**	**31.5**	**11.9**	**7.1**	**7.6**	**386.3**
					Year 2003–04				
Broadbanded PHOFA funding	43.7	28.8	23.3	12.1	11.8	4.9	3.3	3.2	131.1
Communicable disease control	3.2	2.3	1.9	1.2	0.9	0.4	0.3	0.3	10.6
Selected health promotion	0.8	0.7	0.5	0.2	0.2	0.1	0.1	0.1	2.5
Organised immunisation[(a)]	47.3	32.8	26.8	15.1	10.8	3.6	2.7	2.1	141.2
Foods standards and hygiene	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
Cervical screening[(b)]	—	5.2	—	—	—	—	—	—	5.2
Prevention of hazardous and harmful drug use	10.6	9.1	—	—	—	—	—	—	19.7
Total payments	**105.9**	**79.1**	**52.6**	**28.7**	**23.7**	**9.1**	**6.4**	**5.8**	**311.3**

(a) Includes funding for essential vaccines provided under the PHOFAs—$85.1 million in 2001–02, $186.4 million in 2002–03 and $134.6 million in 2003–04.

(b) Relates to funding for cytology services provided under the PHOFAs.

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

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 2003–04 was estimated at $41.0 million (Table 2.5), compared with $35.3 million in 2002–03 and $35.1 million in 2001–02.

Table 2.5: Australian Government funding of *Communicable disease control*, current prices, 2001–02 to 2003–04 ($ million)

Category	HIV/AIDS hepatitis C and STIs	Needle and syringe programs	Other communicable disease control	Total communicable disease control
		Year 2001–02		
Direct expenditure	5.7	0.3	18.9	24.9
SPPs[(a)]	2.1	8.1	—	10.2
Total funding	**7.8**	**8.4**	**18.9**	**35.1**
		Year 2002–03		
Direct expenditure	5.1	0.2	19.8	25.1
SPPs[(a)]	2.1	8.1	—	10.2
Total funding	**7.1**	**8.3**	**19.8**	**35.3**
		Year 2003–04		
Direct expenditure	4.8	0.5	25.1	30.4
SPPs[(a)]	2.1	8.5	—	10.6
Total funding	**6.9**	**9.0**	**25.1**	**41.0**

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

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

Direct expenditure

Total direct expenditure in 2003–04 was $30.4 million (Table 2.5; Table 2.6), compared with $25.1 million in 2002–03 and $24.9 million in 2001–02. This represented 8.8% of total direct expenditure on public health activities in 2003–04 (Table 2.3).

HIV/AIDS, hepatitis C and sexually transmitted infections

The Australian Government provided funding to peak community and professional bodies addressing issues surrounding HIV/AIDS, hepatitis C and related diseases. Its funding in 2003–04 was estimated at $4.8 million. This was lower than in each of the preceding two years—2002–03 ($5.1 million) and 2001–02 ($5.7 million).

The estimates for both 2001–02 and 2002–03, however, include 'one-off' funding for the 2002 reviews of the National HIV/AIDS and Hepatitis C strategies and strategic research. On the recommendation of the 2002 reviews, the Australian National Council for AIDS and Hepatitis Related Diseases was discontinued in 2003–04 and this contributed to the lower expenditure in that year.

Needle and syringe programs

Funding for needle and syringe programs was estimated at $0.5 million in 2003–04, compared with $0.2 million in 2002–03 and $0.3 million in 2001–02. This funding was directed to educational and review purposes.

Other communicable disease control

Estimated funding for *Other communicable disease control* was $25.1 million in 2003–04, compared with $19.8 million in 2002–03 and $18.9 million in 2001–02. The 2003–04 expenditure included $13.4 million funding for surveillance and management activities, and the provision of information and referral services. The remaining $11.7 million was funding for the National Indigenous Australians Sexual Health Strategy through the Office of Aboriginal and Torres Strait Islander Health (OATSIH).

The increased funding in 2003–04 was largely attributable to an increase in expenditure on disaster medicine activities, and the introduction in 2002–03 of initiatives to address the threats of pandemic influenza and severe acute respiratory syndrome (SARS). Funding for the National Serology Reference Laboratory in 2003-04 was $2.9 million—an increase of $1.3 million from 2002-03.

Table 2.6: Direct expenditure on *Communicable disease control* by the Australian Government, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	19.7	19.4	24.2
Departmental expenses	5.2	5.7	6.2
Total expenditure	**24.9**	**25.1**	**30.4**

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

Funding through SPPs

SPPs for *Communicable disease control* amounted to $10.6 million in 2003–04, up marginally on the 2001–02 and 2002–03 funding of $10.1 million and $10.2 million respectively (Table 2.5).

The SPPs in 2003–04 were mainly for the Council of Australian Government's (COAG) illicit drug diversion measures relating to the needle and syringe programs (NSPs) ($8.5 million) and the Hepatitis C Education and Prevention Program ($2.1 million) (Table 2.7).

Australian Government funding of the COAG supporting measures for the NSPs commenced in 1999–00. Funding increased from $3.7 million in 1999–00 to $8.5 million in 2003–04. The program does not fund the provision of injecting equipment. It supports two specific initiatives:

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

Table 2.7: SPPs for *Communicable disease control*, current prices, by state and territory, 2001–02 to 2003–04 ($ million)[a]

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Year 2001–02				
COAG needle and syringe programs[b]	2.5	1.8	1.5	0.9	0.7	0.3	0.2	0.2	8.1
Hepatitis C Education and Prevention Program	0.6	0.5	0.4	0.2	0.2	0.1	0.1	0.1	2.0
Total	**3.1**	**2.3**	**1.8**	**1.1**	**0.9**	**0.4**	**0.3**	**0.3**	**10.2**
					Year 2002–03				
COAG needle and syringe programs[b]	2.5	1.8	1.5	0.9	0.7	0.3	0.2	0.2	8.1
Hepatitis C Education and Prevention Program	0.6	0.5	0.4	0.2	0.2	0.1	0.1	0.1	2.1
Total	**3.1**	**2.3**	**1.8**	**1.1**	**0.9**	**0.4**	**0.3**	**0.3**	**10.2**
					Year 2003–04				
COAG needle and syringe programs[b]	2.6	1.9	1.6	1.0	0.7	0.3	0.3	0.3	8.5
Hepatitis C Education and Prevention Program	0.6	0.5	0.4	0.2	0.2	0.1	0.1	0.1	2.1
Total	**3.2**	**2.3**	**1.9**	**1.2**	**0.9**	**0.4**	**0.3**	**0.3**	**10.6**

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

(b) The management of the needle and syringe programs (NSPs) is a state and territory responsibility and there are no direct activities by the Australian Government in relation to NSP service delivery.

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

Selected health promotion

The Australian Government funds *Selected health promotion* through its own direct expenditure and by way of SPPs to states and territories. Total funding for *Selected health promotion* in 2003–04 was $46.8 million, compared with $47.7 million in 2002–03 and $48.5 million in 2001–02 (Table 2.8).

Table 2.8: Australian Government funding of *Selected health promotion*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Direct expenditure	46.2	45.2	44.3
SPPs to the states and territories	2.3	2.4	2.5
Total funding	**48.5**	**47.7**	**46.8**

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

Direct expenditure

In 2003–04, total direct expenditure by the Australian Government for *Selected health promotion* activities was $44.3 million, compared with $45.2 million in 2002–03 and $46.2 million in 2001–02 (Table 2.9). This represented 12.8% of total direct expenditure on public health activities during 2003–04 (Table 2.3).

Total expenditure included $9.2 million for family planning organisations, $9.8 million for work associated with the National Suicide Prevention Strategy, and $6.0 million for the National Mental Health Program.

Table 2.9: Direct expenditure by the Australian Government on *Selected health promotion*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	37.5	37.0	35.1
Departmental expenses	8.8	8.2	9.3
Total expenditure	**46.2**	**45.2**	**44.3**

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

Funding through SPPs

A total of $2.5 million was paid in SPPs for *Selected health promotion* activities during 2003–04, compared with $2.4 million in 2002–03 and $2.3 million in 2001–02 (Table 2.10). This expenditure was predominantly associated with the promotion of health services for homeless youth.

Table 2.10: SPPs for *Selected health promotion*, current prices, by state and territory, 2001–02 to 2003–04 ($'000)

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Year 2001–02				
Queensland public health forum	. .	. .	20.0	. .	. .	. .	. .	. .	20.0
Innovative health services for homeless youth	735.0	619.0	382.0	197.0	180.0	56.0	50.0	50.0	2,269.0
Total	**735.0**	**619.0**	**402.0**	**197.0**	**180.0**	**56.0**	**50.0**	**50.0**	**2,289.0**
					Year 2002–03				
Queensland public health forum	. .	. .	50.0	. .	. .	. .	. .	. .	50.0
Innovative health services for homeless youth	776.2	649.5	403.4	208.0	190.1	59.1	52.8	52.8	2,392.0
Total	**776.2**	**649.5**	**453.4**	**208.0**	**190.1**	**59.1**	**52.8**	**52.8**	**2,442.0**
					Year 2003–04				
Queensland public health forum	. .	. .	50.0	. .	. .	. .	. .	. .	50.0
Innovative health services for homeless youth	792.4	661.3	411.0	212.0	193.1	60.4	53.3	60.4	2,444.0
Total	**792.4**	**661.3**	**461.0**	**212.0**	**193.1**	**60.4**	**53.3**	**60.4**	**2,494.0**

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

Organised immunisation

The Australian Government funds *Organised immunisation* through its own expenditure and through SPPs. Total funding in 2003–04 was $190.8 million. Expenditure was estimated at $243.9 million in 2002–03 and $139.5 million in 2001–02 (Table 2.11). A large proportion of

the increase in funding in both 2002–03 and 2003–04 was due to introduction of the National Meningococcal C Vaccination Program.

Table 2.11: Australian Government funding of *Organised immunisation,* current prices, 2001–02 to 2003–04 ($ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation	All other organised immunisation	Total organised immunisation
		Year 2001–02		
Direct expenditure [(a)]	48.0	0.5	4.1	52.5
SPPs to the states and territories	—	1.9	85.1	87.0
Total funding	**48.0**	**2.4**	**89.2**	**139.5**
		Year 2002–03		
Direct expenditure [(a)]	50.2	0.2	2.7	53.1
SPPs to the states and territories	[(b)]106.7	1.8	82.4	190.9
Total funding	**156.9**	**2.0**	**[(b)]85.0**	**243.9**
		Year 2003–04		
Direct expenditure [(a)]	44.8	0.2	4.6	49.5
SPPs to the states and territories	[(b)]62.2	1.7	77.3	141.2
Total funding	**107.0**	**1.9**	**[(b)]81.9**	**190.8**

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

(b) Includes funding for the National Meningococcal C Vaccination Program.

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

Direct expenditure

Direct expenditure on *Organised immunisation* in 2003–04 was estimated at $49.5 million. This represented 14.3% of total direct expenditure on public health activities in 2003–04 (Table 2.3). For the previous two years, expenditure has been estimated at $53.1 million (2002–03) and $52.5 million (2001–02) (Table 2.12).

Most expenditure on *Organised immunisation* was directed through the General Practice Immunisation Incentive scheme. Under the scheme, some $17.2 million was distributed to general practitioners (GPs) through service incentive payments during 2003–04. A further $14.5 million was paid to GPs as outcome payments—these are paid to practices that achieved 90% immunisation of children less than seven years of age attending their practice.

A combination of immunisation infrastructure funding to the Divisions of General Practice, state-based organisations and the National GP Immunisation Coordinator contributed to further expenditure of $3.5 million in 2003–04.

Also reported under this activity was direct expenditure ($1.7 million) on the National Indigenous Pneumococcal and Influenza Immunisation Program and the National Meningococcal C Vaccination Program.

Table 2.12: Direct expenditure by the Australian Government on *Organised immunisation*, current prices, 2001–02 to 2003–04 ($ million)

Category	Organised childhood immunisation	Organised pneumococcal and influenza immunisation	All other organised immunisation	Total organised immunisation
2001–02		**Year 2001–02**		
Administered expenses	48.0	0.3	2.5	50.8
Departmental expenses	—	0.2	1.5	1.7
Total expenditure	**48.0**	**0.5**	**4.1**	**52.5**
		Year 2002–03		
Administered expenses	50.2	—	1.0	51.2
Departmental expenses	—	0.2	1.6	1.8
Total expenditure	**50.2**	**0.2**	**2.7**	**53.1**
		Year 2003–04		
Administered expenses	44.8	—	2.8	47.5
Departmental expenses	—	0.2	1.8	2.0
Total expenditure	**44.8**	**0.2**	**4.6**	**49.5**

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

Funding through SPPs

Total funding through SPPs for *Organised immunisation* was $141.2 million in 2003–04 (Table 2.13), compared with $190.9 million in 2002–03 and $87.0 million in 2001–02. As noted previously, the large increases in expenditure over the latest two years were largely due to the implementation of the National Meningococcal C Vaccination Program from January 2003.

Immunise Australia Program

The Immunise Australia Program aims to reduce the incidence of vaccine-preventable diseases and their associated mortality and morbidity by increasing and maintaining high immunisation coverage in Australia. The program is a joint initiative between 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 PHOFAs. State and territory governments are responsible for the service delivery, including the purchase and distribution of vaccines to immunisation providers.

National Meningococcal C Vaccination Program

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

The Australian Government provided a total of $106.7 million in 2002–03 and $62.2 million in 2003–04 to state and territory governments under the National Meningococcal C

Vaccination Program for the purchase of vaccine and the provision of school-based delivery programs.

The expenditure for the meningococcal C vaccine was $101.3 million in 2002–03. This amount provided vaccine coverage of the 12 month-old cohort as well as a catch-up program for children 2–5 years of age and 15–19 years of age. In 2003–04, expenditure of $57.3 million provided vaccine coverage for the 12 month-old children and half of the children in the 7–15 year age group. Funding to extend coverage to the remaining children in the 7–15 year age group is to be distributed during 2004–05.

The Australian Government's funding to states and territories for the school-based delivery programs was estimated at $2.7 million in 2002–03 and $4.9 million in 2003–04.

National Indigenous Pneumococcal and Influenza Immunisation Program

In 2003–04, the Australian Government provided $1.7 million to state and territory governments under the National Indigenous Pneumococcal and Influenza Immunisation Program, administered through OATSIH. This funding was targeted at Indigenous people aged over 50 years and Indigenous people in the 15–50 year age group who were in high-risk groups according to the National Health and Medical Research Council.

Table 2.13: SPPs for *Organised immunisation*, current prices, by state and territory, 2001–02 to 2003–04 ($ million)[a]

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Year 2001–02				
Immunisation program									
Essential vaccine purchases[b]	20.9	13.6	8.7	7.0	4.1	2.1	0.9	2.2	59.4
Influenza vaccine purchases for people 65 and over[b]	9.0.	6.6	4.4	2.2	2.3	0.7	0.3	0.1	25.7
National Indigenous Pneumococcal and Influenza Immunisation Program	0.5	0.2	0.5	0.3	0.1	—	—	0.3	1.9
Total	**30.4**	**20.4**	**13.7**	**9.4**	**6.5**	**2.8**	**1.2**	**2.6**	**87.0**
					Year 2002–03				
Immunisation program									
Essential vaccine purchases[b]	54.5	38.3	30.8	16.4	11.5	4.0.	2.0	2.6	160.2
Meningococcal C vaccine purchases for school-based programs	0.9	0.7	0.5	0.2	0.2	0.1	—	—	2.7
Influenza vaccine purchases for people 65 and over[b]	9.2	6.8	4.5	2.2	2.4	0.7	0.3	0.1	26.2
National Indigenous Pneumococcal and Influenza Immunisation Program	0.3	0.2	0.5	0.4	0.1	—	—	0.3	1.8
Total	**64.9**	**46.0**	**36.4**	**19.3**	**14.2**	**4.8**	**2.3**	**2.9**	**190.9**
					Year 2003–04				
Immunisation program									
Essential vaccine purchases[b]	36.0	24.6	20.8	11.9	8.0	2.7	2.2	1.7	107.9
Meningococcal C vaccine purchases for school-based programs	1.6	1.2	1.0	0.5	0.4	0.1	0.1	0.1	4.9
Influenza vaccine purchases for people 65 and over[b]	9.3	6.9	4.6	2.3	2.4	0.7	0.3	0.1	26.7
National Indigenous Pneumococcal and Influenza Immunisation Program	0.4	0.2	0.5	0.4	0.1	—	—	0.3	1.7
Total	**47.3**	**32.8**	**26.8**	**15.1**	**10.8**	**3.6**	**2.7**	**2.1**	**141.2**

(a) Excludes any funding provided through the broadbanded component of the PHOFAs that is used to support state and territory governments' Organised immunisation programs.

(b) Funded through the non-broadbanded component of the PHOFAs.

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

Environmental health

The Australian Government's estimated funding for *Environmental health* in 2003–04 was $19.2 million. All of this was funding for its own direct expenditures. This constituted 5.5% of the Government's estimated own expenditure on public health in the year (Table 2.3).

In the previous two years, 2002–03 and 2001–02 estimated funding was $13.3 million and $15.1 million, respectively (Table 2.14).

Most of this funding was for the operations of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)—$15.8 million in 2003–04, and $10.7 million and $10.8 million respectively for 2002–03 and 2001–02.

The large increase in funding between 2002–03 and 2003–04 was also largely related to funding for ARPANSA. The agency undertook major efficiency improvements in 2003–04 including staffing restructuring, information technology infrastructure and security upgrades which contributed to the higher expenditure in that year.

Table 2.14: Direct expenditure on *Environmental health*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	0.6	0.6	1.2
Departmental expenses			
Population Health Division	1.9	2.0	2.2
ARPANSA	10.8	10.7	15.8
Therapeutic Goods Administration	1.9	—	—
Total departmental expenses	*14.5*	*12.7*	*18.0*
Total expenditure	**15.1**	**13.3**	**19.2**

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

Food standards and hygiene

The Australian Government funds expenditure on *Food standards and hygiene* through its own direct expenditure and through SPPs (Table 2.15). Total funding was estimated at $15.5 million in 2003–04, compared with $13.4 million in 2002–03 and $16.4 million in 2001–02.

Table 2.15: Australian Government funding of *Foods standards and hygiene*, 2001–02 to 2003–04 ($ million)

Activity	2001–02	2002–03	2003–04
Direct expenditure	15.1	13.3	14.6
SPPs	1.3	—	0.9
Total funding	**16.4**	**13.4**	**15.5**

Note: Components may not add to totals due to rounding

Direct expenditure

Total direct expenditure in 2003–04 was estimated at $14.6 million (Table 2.16). This represented 4.2% of the Government's total direct expenditure on public health (Table 2.3).

Most of this expenditure related to the operations of Food Standards Australia New Zealand (FSANZ), which totalled $13.4 million in 2003–04, compared with $12.5 million in 2002–03 and $12.4 million in 2001–02. FSANZ operates under the *Australia New Zealand Act 1991*.

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

Table 2.16: Direct expenditure on *Food standards and hygiene*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	2.4	0.5	0.8
Departmental expenses			
Population Health Division	0.3	0.4	0.4
FSANZ	12.4	12.5	13.4
Total departmental expenses	*12.8*	*12.9*	*13.8*
Total expenditure	**15.1**	**13.3**	**14.6**

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

Funding through SPPs

SPPs for *Food standards and hygiene* were estimated to be $0.9 million in 2003–04 (Table 2.17). This expenditure was associated with the operation of OzFoodNet—Australia's national system for the surveillance of food-borne illness.

Table 2.17: SPPs for *Food standards and hygiene*[(a)], by state and territory, current prices, 2001–02 to 2003–04 ($'000)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
2001–02	262.2	179.5	226.5	155.5	148.5	172.5	77.0	91.5	1,313.2
2002–03	—	—	25.5	—	—	—	13.5	—	39.0
2003–04	242.0	143.2	146.6	80.2	55.4	116.3	84.8	53.7	922.4

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

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

Breast cancer screening

All funding by the Australian Government reported here as *Breast cancer screening* is in respect of its own expenditure. Funding provided to states and territories for this purpose has been rolled into the broadbanded component of the PHOFAs. Consequently, 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 2003–04 was estimated at $1.7 million (Table 2.18) or approximately 0.5% of the Government's direct expenditure on all public health activities(Table 2.3). Estimated expenditure in both 2001–02 and 2002–03 was $1.6 million.

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

Table 2.18: Direct expenditure[a] on *Breast cancer screening*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	0.8	0.8	0.7
Departmental expenses	0.8	0.9	1.0
Total expenditure	**1.6**	**1.6**	**1.7**

(a) Excludes the breast screening component of broadbanded PHOFA payments to state and territory governments.

Note: Sum of components may not add to totals due to rounding.

Cervical screening

The Australian Government funds *Cervical screening* through its own expenditure and through SPPs. However, most funding provided to states and territories for this purpose has been rolled into the broadbanded component of the PHOFAs. Consequently, it is not possible to estimate fully how much of that PHOFA funding has been allocated to cervical screening activities.

All funding by the Australian Government reported here as *Cervical screening* is in respect of its own expenditure and SPPs for funding of cytology services provided in Victoria (Table 2.19).

Table 2.19: Australian Government funding[a] of *Cervical screening*, current prices, 2001–02 to 2003–04 ($ million)

Activity	2001–02	2002–03	2003–04
Direct expenditure	66.9	62.8	65.6
SPPs to the states and territories[b]	4.5	4.7	5.2
Total funding	**71.5**	**67.5**	**70.8**

(a) Excludes the cervical screening component of broadbanded PHOFA payments to state and territory governments.

(b) Relates to funding of cytology services provided by Victoria.

Note: Sum of components may not add to totals due to rounding.

Direct expenditure

Direct expenditure on *Cervical screening* in 2003–04 was estimated at $65.6 million (Table 2.20). This represented 18.9% of total direct expenditure on public health activities and was the second most significant area of expenditure (Table 2.3). This was higher than in 2002–03 ($62.8 million), and slightly lower than that incurred in 2001–02 ($66.9 million).

The Practice Incentive Program Cervical Screening Initiative commenced in 2001–02. Expenditure in that year included sign on incentive payments that were offered to practices who registered to participate in the Initiative. This contributed to higher expenditure on cervical screening in that year.

Most of the expenditure was funded by Medicare benefits ($58.8 million in 2003–04). This was made up of $30.5 million in benefits for GP consultations, $21.8 million for pathology testing and $6.6 million for benefits associated with collecting samples.

Only expenditure on cervical screening for asymptomatic women is reported here. A further $19.8 million was spent in 2003–04 on Medicare benefits for personal health services provided to women presenting with symptoms. That funding is not regarded as expenditure on public health.

Table 2.20: Direct expenditure[a] on *Cervical screening*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	66.1	61.9	64.7
Departmental expenses	0.8	0.9	1.0
Total expenditure	**66.9**	**62.8**	**65.6**

(a) Excludes the cervical screening component of broadbanded PHOFA payments to state and territory governments.

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

Funding through SPPs

SPPs for *Cervical screening* were estimated to be $5.2 million in 2003–04 (Table 2.19). This expenditure was associated with payments to Victoria to provide cytology services.

Table 2.21: SPPs for *Cervical screening*[a], by state and territory, current prices, 2001–02 to 2003–04 ($ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
2001–02	. .	4.5	. .	. .	. .	. .	. .	. .	4.5
2002–03	. .	4.7	. .	. .	. .	. .	. .	. .	4.7
2003–04	. .	5.2	. .	. .	. .	. .	. .	. .	5.2

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

Prevention of hazardous and harmful drug use

Total funding for *Prevention of hazardous and harmful drug use* was $71.7 million in 2003–04 (Table 2.22). This was made up of $52.0 million in funding for the Australian Government's own expenditure programs and $19.7 million in SPPs.

In the previous two years, 2002–03 and 2001–02, total Australian Government funding had been $91.9 million and $64.3 million, respectively.

The drop in funding between 2002–03 and 2003–04 was due to the cessation of the National Illicit Drugs Campaign in all jurisdictions except New South Wales and Victoria.

Table 2.22: Australian Government funding of *Prevention of hazardous and harmful drug use,* current prices, 2001–02 to 2003–04 ($ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
			Year 2001–02		
Direct expenditure	9.8	4.2	10.4	8.2	32.6
SPPs to the states and territories[(a)]	—	—	31.6	—	31.6
Total funding	**9.8**	**4.2**	**42.0**	**8.2**	**64.3**
			Year 2002–03		
Direct expenditure	18.6	2.7	10.0	9.3	40.6
SPPs to the states and territories[(a)]	—	—	51.2	—	51.2
Total funding	**18.6**	**2.7**	**61.2**	**9.3**	**91.9**
			Year 2003–04		
Direct expenditure	25.4	3.3	13.8	9.5	52.0
SPPs to the states and territories[(a)]	—	—	19.7	—	19.7
Total funding	**25.4**	**3.3**	**33.5**	**9.5**	**71.7**

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

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 2003–04 was estimated at $52.0 million, which represented 15.0% of its total direct expenditure on public health activities in that year (Table 2.3).

In the previous two years, 2002–03 and 2001–02, it had been $40.6 million and $32.6 million, respectively (Table 2.23).

Alcohol

An estimated $25.4 million was spent on national initiatives to reduce alcohol-related harm in 2003–04. The majority ($24 million) was expenditure through the Alcohol Education and Rehabilitation Foundation, which provided grants to local communities to promote responsible consumption of alcohol and reduce harm caused by alcohol. Expenditure through the Foundation in 2003–04 was up $9.6 million (from $14.4 million) on 2002–03 and was $18 million higher than the estimate for 2001–02.

The remaining $1.4 million expenditure in 2003–04 was for activities under the National Alcohol Strategy.

Tobacco

An estimated $3.3 million was spent on tobacco-related programs in 2003–04. Most of this was spent by DoHA on the National Tobacco Campaign (targeting 18–40 year-olds), and on projects under the campaign which included the review of tobacco health warnings.

Illicit and other drugs of dependence

An estimated $13.8 million was spent on illicit and other drugs of dependence programs in 2003–04. Most of this was in the form of funding under the non-government organisations (NGOs) Treatments Grants Program ($6.6 million) and the Community Partnership Initiative ($2.6 million). The public health component of the expenditure on the NGO Treatments Grants Program represents half the total spending under that program with the remainder reported as 'Public health-related activities'.

Total expenditure on the above activity in the two preceding years had been $10.0 million in 2002–03 and $10.4 million 2001–02.

Mixed

This category relates to activities that covered the whole range of hazardous and harmful drug types, but which could not be separately allocated to the three previous categories. They largely relate to expenditures directly incurred by the Australian Government in the implementation, monitoring and evaluation of programs which aimed to reduce demand for hazardous and harmful drug use, through treatment, prevention and early intervention. Overall, expenditure amounted to $9.5 million in 2003–04, compared with $9.3 million in 2002–03 and $8.2 million in 2001–02.

Table 2.23: Direct expenditure on *Prevention of hazardous and harmful drug use*, current prices, 2001–02 to 2003–04 ($ million)

Category	Alcohol	Tobacco	Illicit and other drugs of dependence	Mixed	Total
			Year 2001–02		
Administered expenses	9.8	4.2	10.4	1.8	26.2
Departmental expenses	—	—	—	6.4	6.4
Total expenditure	**9.8**	**4.2**	**10.4**	**8.2**	**32.6**
			Year 2002–03		
Administered expenses	17.6	2.7	10.0	3.6	33.8
Departmental expenses	1.1	—	—	5.7	6.8
Total expenditure	**18.6**	**2.7**	**10.0**	**9.3**	**40.6**
			Year 2003–04		
Administered expenses	24.0	3.3	13.8	3.4	44.5
Departmental expenses	1.4	—	—	6.1	7.5
Total expenditure	**25.4**	**3.3**	**13.8**	**9.5**	**52.0**

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

Funding through SPPs

SPPs for *Prevention of hazardous and harmful drug use* during 2003–04 amounted to $19.7 million (Table 2.24).

This was lower than the levels of funding in both 2002–03 ($51.2 million) and 2001–02 ($31.6 million). As mentioned previously, this fall in funding was because of the cessation of the National Illicit Drugs Campaign in all jurisdictions except New South Wales and Victoria.

Table 2.24: SPPs for *Prevention of hazardous and harmful drug use*, by state and territory, current prices, 2001–02 to 2003–04 ($ million)[(a)]

Category	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
					Year 2001–02				
Illicit drug diversion initiative	9.3	6.7	4.7	3.2	4.6	0.9	1.2	0.6	31.1
NGO treatment grants	0.5	—	—	—	—	—	—	—	0.5
Total	**9.8**	**6.7**	**4.7**	**3.2**	**4.6**	**0.9**	**1.2**	**0.6**	**31.6**
					Year 2002–03				
Illicit drug diversion initiative	15.4	11.0	10.3	5.2	4.6	1.8	1.2	1.2	50.6
NGO treatment grants	0.6	—	—	—	—	—	—	—	0.6
Total	**16.0**	**11.0**	**10.3**	**5.2**	**4.6**	**1.8**	**1.2**	**1.2**	**51.2**
					Year 2003–04				
Illicit drug diversion initiative	10.1	9.1	—	—	—	—	—	—	19.1
NGO treatment grants	0.5	0.1	—	—	—	—	—	—	0.5
Total	**10.6**	**9.1**	**—**	**—**	**—**	**—**	**—**	**—**	**19.7**

(a) Excludes any funding through the broadbanded component of 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

Most of the Australian Government's funding for *Public health research* related to its own expenditure (Table 2.25). In addition, $0.2 million in both 2001–02 and 2002–03 was provided through SPPs to South Australia for the Public Health Information Development Unit at the University of Adelaide.

Direct expenditure

The Australian Government's direct expenditure on *Public health research* in 2003–04 was estimated at $68.6 million (Table 2.25). This represented 19.8% of its total expenditure on public health activities in that year and was the largest single area of direct expenditure by the Australian Government on public health activities(see Table 2.3).

In the previous two years direct expenditure was estimated at $65.0 million in 2002–03 and $57.7 million in 2001–02.

About half ($34.4 million) of the Government's expenditure in 2003–04 was in the form public health grants by the National Health and Medical Research Council. Almost $10 million was incurred by the Public Health Education and Research Program (PHERP) and a further $5 million was spent on research into illicit and other drugs of dependence.

Table 2.25: Direct expenditure by the Australian Government Health and Ageing portfolio on *Public health research*, current prices, 2001–02 to 2003–04 ($ million)

Category	2001–02	2002–03	2003–04
Administered expenses	54.9	62.0	65.3
Departmental expenses	2.8	3.0	3.3
Total expenditure	**57.7**	**65.0**	**68.6**

2.4 Revisions to previously published estimates for 1999–00 and 2000–01

Public health expenditure estimates for 1999–00 and 2000–01 have been revised since the publication of *National Public Health Expenditure Report 2000–01*. All revised figures in the relevant tables have been indicated by 'r'.

The estimate for total funding by the Australia Government in 1999–00 has been revised up due to a change in estimate of SPPs to state and territory governments. The SPPs estimate has been revised from $185.7 million to $189.5 million (see Appendix A, tables A1 and A2).

Total funding and expenditure by the Australian Government in 2000–01 have both been revised down by approximately $3.1 million, because of changes in the estimates for *Public health research* (see Appendix A, tables A1 and A3). Total funding has been revised from $548.9 million to $545.8 million and total expenditure from $296.3 million to $293.2 million.

2.5 Growth in expenditure on public health activities

Direct expenditure

The Australian Government's direct expenditure on public health activities rose, in real terms, by 4.2% between 2002–03 and 2003–04 (Table 2.26; Figure 2.2). The public health activities which showed the largest real growth were:

- *Environmental health* (39.1%)
- *Prevention of hazardous and harmful drug use* (23.4%).

Over the period that the present public expenditure series have been compiled, that is, 1999–00 to 2003–04, expenditure rose by 15.4% at an average rate of 3.6% per annum. The public health activities which recorded the highest average annual growth rates were:

- *Selected health promotion* (18.4%)
- *Prevention of hazardous and harmful drug use* (12.8%).

Three activities also recorded a decline in their average annual expenditure over the same period—*Breast cancer screening* (–8.7%), *Organised immunisation* (–3.1%) and *Cervical screening* (–0.9%).

Table 2.26: Direct expenditure by the Australian Government on public health activities, constant (2002–03) prices[a] and annual growth rates, 1999–00 to 2003–04

	Expenditure ($ million)[b]					
Activity	**1999–00**	**2000–01**	**2001–02**	**2002–03**	**2003–04**	**5-year average**
Communicable disease control	23.0	22.8	25.8	25.1	29.3	25.2
Selected health promotion	21.8	33.1	47.8	45.2	42.8	38.1
Organised immunisation	54.2	54.4	54.4	53.1	47.8	52.8
Environmental health	15.5	15.5	15.6	13.3	18.5	15.7
Food standards and hygiene	12.3	17.8	15.7	13.3	14.1	14.6
Breast cancer screening	2.3	3.6	1.7	1.6	1.6	2.2
Cervical screening	65.6	66.0	69.3	62.8	63.3	65.4
Prevention of hazardous and harmful drug use	31.0	44.0	33.8	40.6	50.1	39.9
Public health research	63.3	56.0	59.8	65.0	66.1	62.0
PHOFA administration[c]	0.3	0.3	0.3	0.3	0.3	0.3
Total public health	**289.3**	**313.5**	**324.2**	**320.3**	**333.9**	**316.2**

	Growth rates (%)[d]				
	1999–00 to 2000–01	**2000–01 to 2001–02**	**2001–02 to 2002–03**	**2002–03 to 2003–04**	**1999–00 to 2003–04[e]**
Communicable disease control	–0.9	13.2	–2.7	16.7	6.2
Selected health promotion	51.8	44.4	–5.4	–5.3	18.4
Organised immunisation	0.4	—	–2.4	–10.0	–3.1
Environmental health	—	0.6	–14.7	39.1	4.5
Food standards and hygiene	44.7	–11.8	–15.3	6.0	3.5
Breast cancer screening	56.5	–52.8	–5.9	—	–8.7
Cervical screening	0.6	5.0	–9.4	0.8	–0.9
Prevention of hazardous and harmful drug use	41.9	–23.2	20.1	23.4	12.8
Public health research	–11.5	6.8	8.7	1.7	1.1
PHOFA administration[c]	—	—	—	—	—
Total public health	**8.4**	**3.4**	**–1.2**	**4.2**	**3.6**

(a) Expenditure expressed in constant prices (see Chapter 11, Section 11.1 for details of the deflators used).

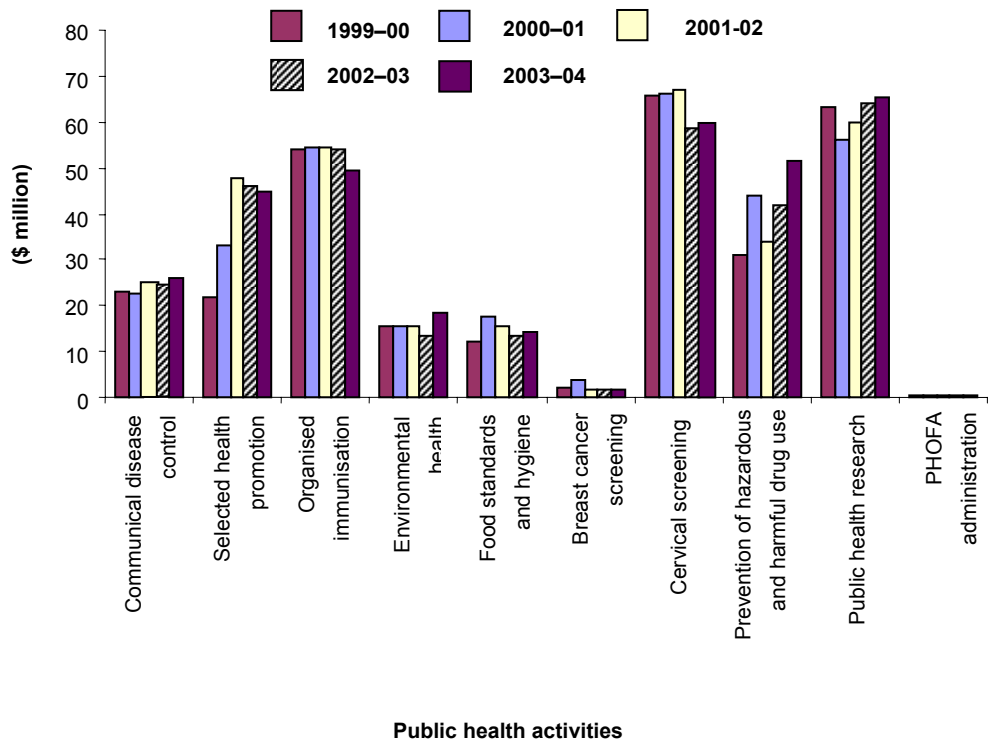
(b) Excludes SPPs (see Table 2.4).

(c) Relates to expenditure incurred in administering the PHOFAs.

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

(e) Average annual growth rate.

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



Source: Table 2.26.

Figure 2.2: Total expenditure on public health activities by the Australian Government, constant (2002–03) prices, 1999–00 to 2003–04

2.6 Expenditure on 'Public health-related activities'

There are a number of personal-type health expenditures funded by the Australian Government that have a public health outcome or contribute to the prevention of disease. These are not included in the estimates of expenditure on public health activities. In 2003–04 it was estimated that the Government spent a total of $48.9 million on such activities.

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

- cervical examinations for women presenting with symptoms indicative of cancer ($19.8 million)
- treatment services provided by the Alcohol Education and Rehabilitation Foundation (estimated at $16.0 million)
- non-public health aspects of the NGO Treatment Grants Program (estimated at $6.6 million)
- family planning services ($5.1 million).

In the previous years these non-public health-related expenditures totalled $41.0 million in 2002–03 and $33.5 million in 2001–02.