

Appendix 5.

Vaccination funding in Australia

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Prior to 1988, the Commonwealth provided childhood vaccines to States/Territories for distribution to providers in the public sector. During the same time, live attenuated vaccines such as oral polio vaccine (OPV) and measles vaccine were provided to private practitioners, although it is not certain that this occurred in all States/Territories. Private practitioners who provided vaccination services were required to issue prescriptions for the supply of inactivated vaccines, such as DTPw, by a pharmacist.

In July 1988, the Commonwealth made a decision to withdraw from the direct provision of funding to purchase childhood vaccines, and instead increased funding provided to States/Territories as part of the Finance Assistance Grants (FAGs) and Hospital Funding Grants (HFGs). The increase in funding was equivalent to the level of immunisation activity in each jurisdiction in 1988.

The level of funding provided via the FAGs/HFGs was in dispute by States/Territories from a very early stage, as increases in vaccination activity above the 1988 level began to put pressure on the resources provided. Details of the funding arrangements were also interpreted differently by the Commonwealth and each State/Territory, leading to variations in implementation of immunisation programs and uncoordinated and fragmented service delivery.

In April 1993, the National Health and Medical Research Council (NHMRC) reported on Australia's immunisation programs and made recommendations concerning a National Immunisation Strategy (NIS). The NHMRC Report identified a number of factors contributing to poor immunisation coverage and the rising incidence of vaccine preventable diseases in Australian children. These were the lack of a coordinated scheme for the provision of vaccines, and the wide variation in prices which the States/Territories paid for vaccines, with the smaller jurisdictions paying higher prices. The Strategy recommended that vaccine purchase be coordinated centrally and funding occur directly to States/Territories, based on population size.

In 1992, the first *Haemophilus influenzae* type b (Hib) vaccine was approved for use in children aged 18 months and older. In January 1993, vaccines approved for use in younger children became available. As these were new vaccines, no funding was available within existing arrangements for purchase by States/Territories. In July 1993, the Commonwealth provided funds to States/Territories, so Hib vaccines became the first to be funded via the mechanism recommended in the NIS.

In 1994, the Commonwealth Government decided to fund the purchase of a number of childhood vaccines (DTP, MMR, OPV) via Specific Purpose Payments to States/Territories. Commonwealth funding was conditional on vaccines being provided to all public and private practitioners and was formalised in bilateral agreements with each State/Territory.

From 1997–1998 funds for vaccination were included in the Public Health Outcome Funding Agreements (PHOFAs). However, a number of vaccines continued to be funded via Finance Assistance Grants (OPV doses 1, 2, 3 and 4 and MMR dose 1) and Hospital Funding Grants (ADT).

In 1997, the NHMRC recommended that the diphtheria-tetanus-acellular pertussis vaccine (DTPa) be used for the fourth and fifth doses of DTP vaccination. These became funded nationally in September 1997.

The 1998–1999 Commonwealth Budget included an initiative to streamline all childhood vaccine funding as from 1999 to 2000, resulting in funding for all childhood vaccines on the Australian Standard Vaccination Schedule (ASVS) (up to 15 years of age) being included in the PHOFAs. In the same financial year, pneumococcal vaccine for Indigenous Australians and influenza vaccine for those aged over 65 years were also funded. Existing vaccine funding allocations via FAGs and HFGs were not adjusted, thereby freeing up State/Territory resources to purchase non-Commonwealth funded vaccines.

Federal funding to use DTPa for all five infant vaccinations began in February 1999, immediately after the NHMRC recommended the schedule change.

In 1999 to 2000, PHOFA funding to purchase enough vaccine for 105 per cent of the eligible cohort for each vaccine (with the current exception of influenza vaccine) was made available. Funding for vaccines is approved by the Federal Minister for Health and Aged Care as a 'special appropriation' under the provisions of Section 9B of the *National Health Act 1953*. Based on interpretation of this provision, funds appropriated are for the sole purpose of vaccine purchase.

From May 2000, universal infant vaccination with hepatitis B vaccine was recommended and funded. In 2001, the 7-valent pneumococcal conjugate vaccine was made available free of charge for the following categories of children. First, all Aboriginal and Torres Strait Islander children aged up to two years; second, in the Central Australian region, Indigenous children aged up to five years and non-Indigenous children aged up to two years; and third, all children under five years with medical risk factors predisposing them to a high incidence or severity of pneumococcal infection.

Table 36 summarises the dates when vaccines became free of charge in the public and private sectors as outlined above.

Table 36. Dates when childhood vaccines became available in Australia free of charge* in the public and private sectors, up to December 2002

Vaccine	Public sector		Private sector†	
	Australia	Exceptions	Australia	Exceptions
OPV	1966		1994	Qld (? 1998) NSW 1966 Tas 1966
DTPw	1953		1994	WA 1988
Rubella (adolescent girls)	1971			
MMR (infant dose)	1989		1994	NSW 1989 Qld 1989
MMR (adolescent dose)	1994	SA 1996	1994	WA 1993 SA 1996
ADT	1982		1994	WA 1988
CDT	1975		1994	WA 1988
Hib vaccines (infants born from Feb 1993)	1993 April		1993 April	
Hib vaccines (all infants aged <5 years)	1993 July	WA 1993 Jan NT 1993 April	1993 July	WA 1993 Jan NT 1994
DTPa boosters (infants aged 18 months and 4–5 years)	1997 Sept	Tas 1997 Oct Qld 1997 Dec	1997 Sept	Tas 1997 Oct Qld 1997 Dec
DTPa (infants aged 2, 4 and 6 months)	1999 Feb	NT 1997 Aug SA 1997 Aug Tas 1999 Feb Qld 1999 April	1999 Feb	NT 1997 Aug SA 1997 Aug Tas 1999 Feb Qld 1999 April
Hep B (at-risk infants)	1987	NT 1988 Jan SA 1996	Not funded by the C'wealth	NSW 1987
Hep B (adolescent dose)	1998 Jan	Qld 1998 March Tas 1998 March NT 1998 April NSW 1999 SA 1999	?1998	Qld 1998 March Tas 1998 March NT 1998 April NSW 1999
Hep B (universal infant dose)	2000 May	NT 1990 Aug	2000 May	NT 1994
7vPCV (at-risk children)	2001		2001	

* Vaccines on the current Australian Standard Childhood Vaccination schedule became free of charge in the public and private sector in all jurisdictions in 1999/2000.

† All scheduled childhood vaccines became free in the private sector in the Australian Capital Territory in 1993 (except for MMR vaccine which became free in the private sector in 1994) and in the Northern Territory in 1994.