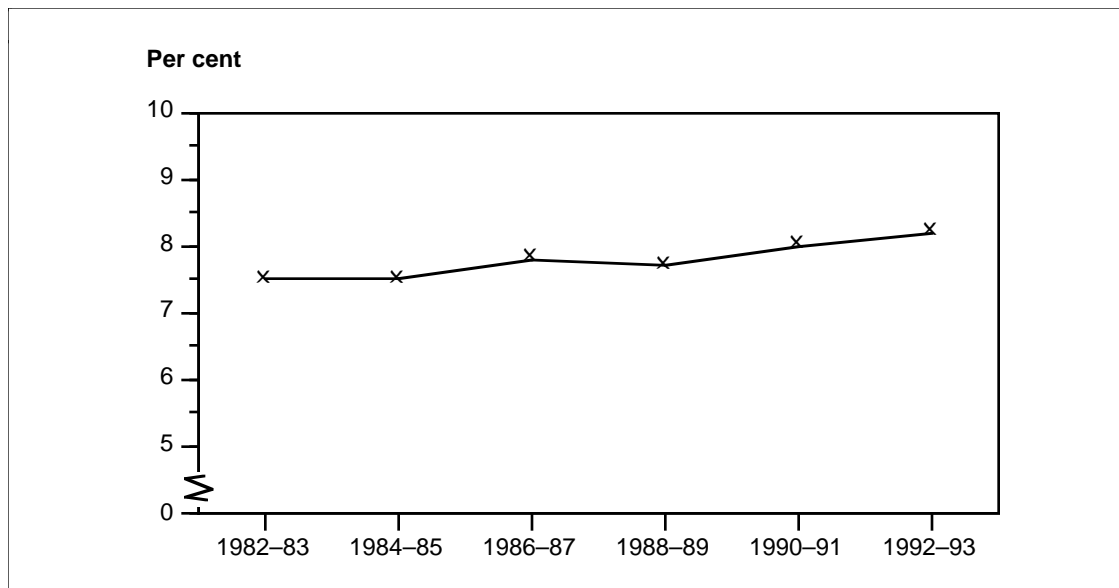


Health resources

- ◆ *Health expenditure*
- ◆ *Health labour force*
- ◆ *Hospitals*

Health expenditure as a proportion of GDP at constant 1989–90 prices



	1982–83	1984–85	1986–87	1988–89	1990–91	1992–93
Total health expenditure (\$m)	20,673	22,862	25,341	27,748	29,358	31,068
Total GDP (\$m)	275,444	306,651	326,505	359,506	368,524	380,602
Total health expenditure as a % of GDP	7.5	7.5	7.8	7.7	8.0	8.2

Notes: 1. Health expenditure is deflated to constant prices using specific health deflators (see AIHW Health expenditure bulletin referred to below).

2. Total health expenditure for 1992–93 based on preliminary AIHW and ABS estimates.

Sources: Health expenditure data from AIHW Health expenditure bulletin No. 10 (1994); GDP data from ABS Cat. No. 5204.0.

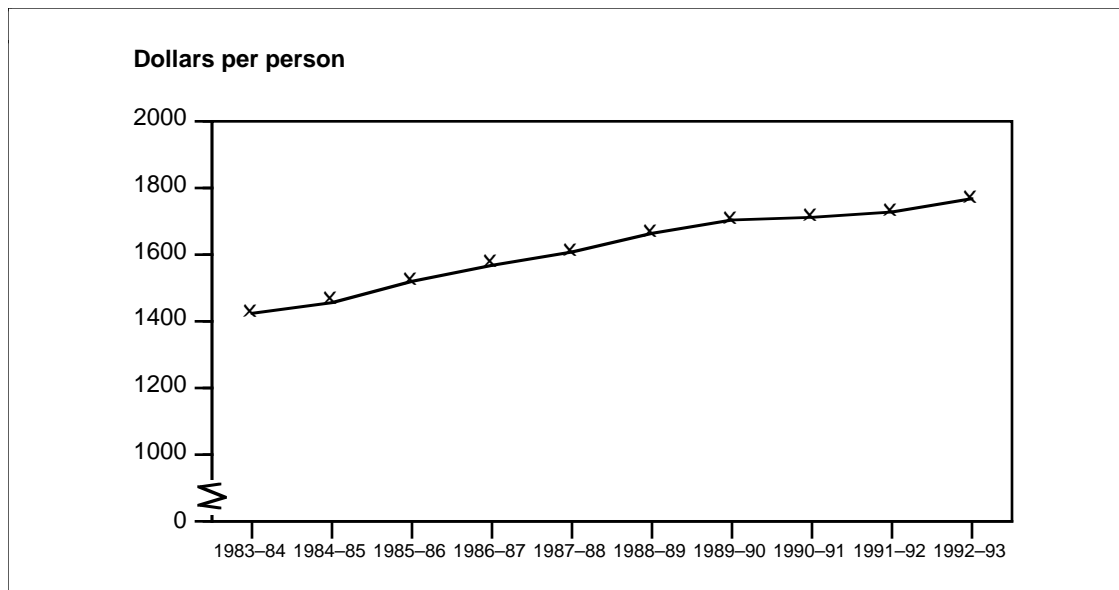
- The amount of resources allocated to health is one indicator of the priority which society places on health and health care. Gross domestic product (GDP) is a measure of expenditure or income occurring from production within the domestic economy. Hence, health expenditure, expressed as a proportion of GDP, indicates how much is spent on health in relation to the productive capacity of the economy. For the period 1982–83 to 1992–93, this proportion showed a slight upward trend.
- Health expenditure expressed as a proportion of GDP is also the best indicator for

long-term and international comparisons. For example, in 1990, total health expenditure in the USA represented 12% of GDP and in Japan 6.5%, compared with approximately 8% for the same period in Australia. However fluctuations in the growth of GDP in different countries can distort these comparisons.

For more information, see:

AIHW (1994) *Health expenditure bulletin* No. 10. Canberra: AIHW.

Health expenditure per person at constant 1989–90 prices



	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Health expenditure per person (\$)	1,420	1,458	1,521	1,571	1,605	1,664	1,703	1,710	1,724	1,768
Annual growth rate (%)		2.7	4.3	3.3	2.2	3.7	2.3	0.4	0.8	2.6

Notes: 1. Health expenditure is deflated to constant prices using specific health deflators (see AIHW Health expenditure bulletin referred to below).

2. The health expenditure figures in 1991-92 and 1992-93 are based on preliminary AIHW and ABS estimates.

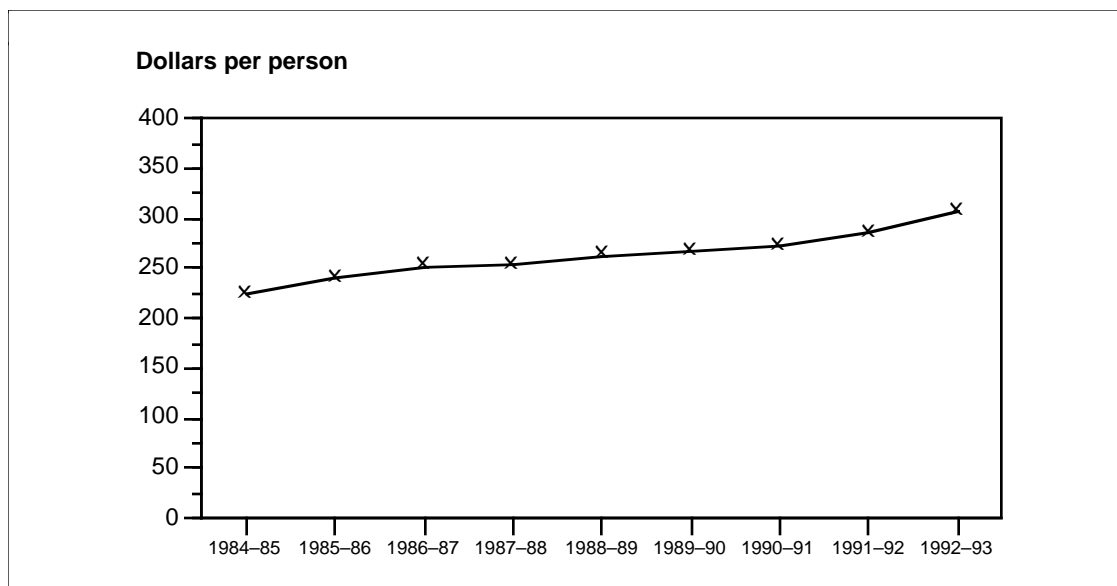
Source: AIHW Health expenditure bulletin No. 10 (1994).

- In the period 1983 to 1993, the amount per person spent on health increased substantially in real terms. The average annual growth rate during this time was 2.7%. In 1990-91, 52% of health expenditure was spent on acute care hospitals and medical services alone.
- Much of the increase in health expenditure per person is due to the growth in individual use of health services.

For more information, see:

AIHW (1994) *Health expenditure bulletin* No. 10. Canberra: AIHW.

Medical service fees per person at constant 1989–90 prices



	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
Medical service fees per person (\$)	224	240	252	253	263	267	272	284	307
Annual growth rate (%)		7.3	4.8	0.6	3.7	1.5	1.9	4.7	7.8

Notes: 1. Medical service fees include fees charged by general practitioners, specialists and private diagnostic service providers for services which are reimbursable under Medicare.
 2. Health expenditure is deflated to constant prices using the 'doctor' private final consumption expenditure deflator (see AIHW Health expenditure bulletin referred to below).

Source: AIHW, derived from Medicare Claims data provided by the Health Insurance Commission.

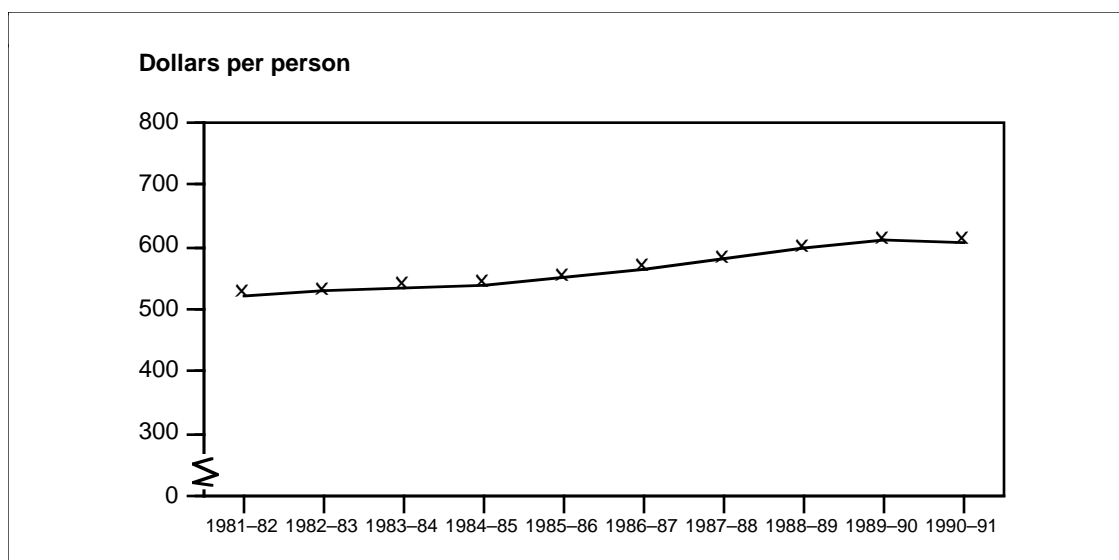
- Medical services refer to services provided by doctors for patients. These include GP attendances, pathology, radiology and optometry. Also included are medical services provided to private patients in public and private hospitals.
- Expenditure not included in this indicator are the cost of salaried medical practitioners, that of visiting medical officers at recognised public hospitals and that of compensable services or payments made directly by patients to a doctor that were not reimbursed by Medicare.
- Between 1984 and 1993, medical service fees per person rose by an average of

4% per year. In 1992-93, they accounted for 17% of total health expenditure. Thus, the growth in medical service fees per person has contributed substantially to the overall growth in health expenditure per person. In the period 1983 to 1993, health expenditure per person rose by an average 2.7% per year (see *Health expenditure per person at constant 1989-90 prices* on page 86).

For more information, see:

AIHW (1994) *Health expenditure bulletin* No. 10. Canberra: AIHW.

Acute care hospital expenditure per person at constant 1989–90 prices



	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Acute care hospital expenditure (\$m)	7,869	8,112	8,292	8,472	8,770	9,138	9,503	9,963	10,334	10,454
Acute care hospital expenditure per person (\$)	523	531	536	540	552	566	579	597	610	609
Annual growth rate (%)		1.5	0.9	0.8	2.2	2.5	2.3	3.1	2.2	-0.2

Note: Hospital expenditure data are compiled and estimated by AIHW.

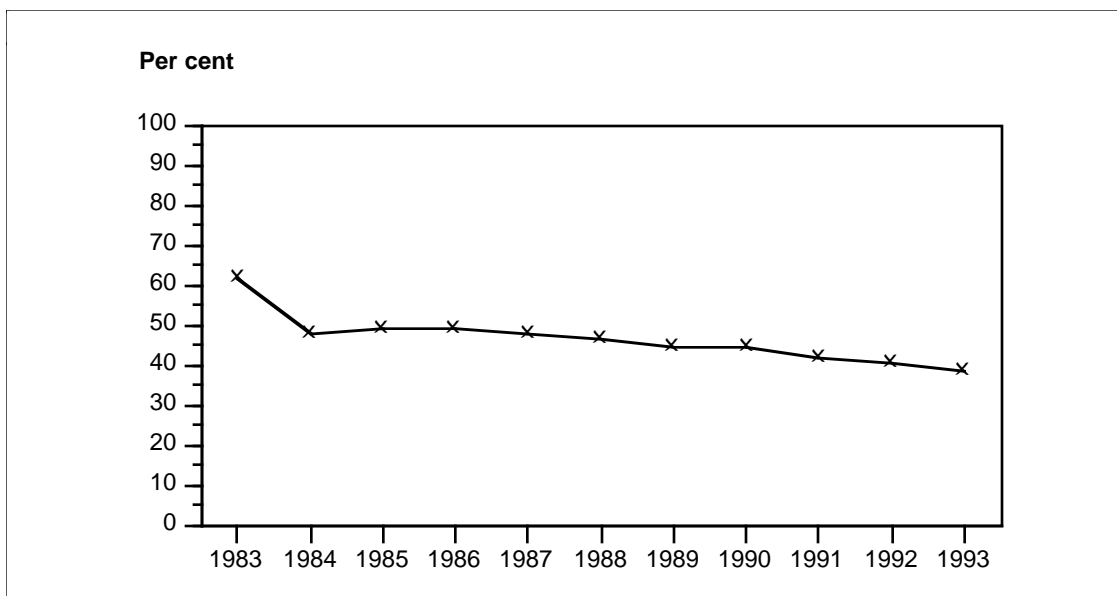
Sources: AIHW Hospital utilisation and costs study 1989-90; AIHW Hospital utilisation and costs study 1991-92.

- Acute care hospitals include public, private and repatriation hospitals that provide medical, surgical or obstetric services for inpatient treatment and round-the-clock nursing services. Most patients stay for a relatively short time.
- Acute care hospitals are an important sector of the health system. In 1990-91, they accounted for 36% of health expenditure. In 1991-92, 4.3 million people were admitted to acute care hospitals, and 32 million outpatient and accident and emergency services were provided.
- Acute care hospital expenditure is an important indicator of the resources being allocated to the health sector. Between 1981 and 1991, expenditure per person rose by an average 1.7% per year, despite falls in the average length of stay in hospital over the same period (see *Average length of stay in acute care hospitals* on page 99).

For more information, see:

Cook M & Sardana B (1994) *Hospital utilisation and costs study 1991-92*. Vol. 2, Canberra: AGPS.

Proportion of the population with private health insurance



	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Proportion with private health insurance (%)	61.5	47.9	49.1	49.2	47.5	46.2	44.5	44.5	41.9	40.4	38.4

Note: Private health insurance refers to basic hospital insurance coverage as at 31 December in each year.

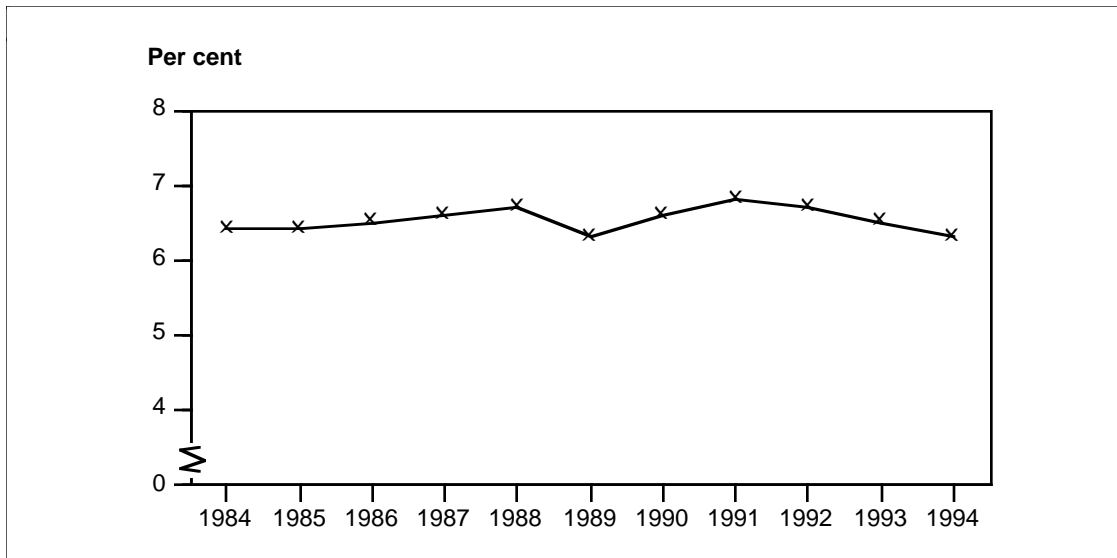
Source: AIHW Australia's Health 1994.

- Every Australian resident is guaranteed adequate health care at minimal or no cost (at the point of service) through a comprehensive health insurance scheme funded by compulsory levies (Medicare scheme). However, a large proportion of the population choose to supplement that guaranteed level of health care by purchasing private health insurance.
- The factors that motivate people to purchase private health insurance are varied, and include the option of receiving treatment in a private hospital or as a private patient in a public hospital, perceived ability to avoid waiting lists for non-urgent services and perceived ability to choose their own physician. Changes in the proportion of people who choose to have private health insurance may reflect changes in their attitudes towards these factors as well as their ability to pay the health insurance premiums.
- Between 1983 and 1993, the proportion of people with basic private health insurance, fell from 61.5 to 38.4% of the total population. The introduction of Medicare in February 1984 caused a rapid decline between December 1983 and December 1984. From 1985 to 1993, the decline slowed to an average 1.3% per year.

For more information, see:

AIHW (1994) *Australia's health 1994: the fourth biennial report of the Australian Institute of Health and Welfare*. Canberra: AGPS.

Proportion of the labour force employed in the health industry



	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Employed in the health industry ('000)	453.6	461.6	489.2	510.5	530.7	520.3	557.9	578.5	571.8	557.8	547.2
Civilian labour force ('000)	7,070.1	7,248.3	7,516.2	7,694.4	7,892.1	8,197.0	8,412.5	8,475.2	8,585.7	8,537.0	8,683.5
Proportion of the labour force employed in the health industry (%)	6.4	6.4	6.5	6.6	6.7	6.3	6.6	6.8	6.7	6.5	6.3

Note: Civilian labour force includes unemployed people looking for work.

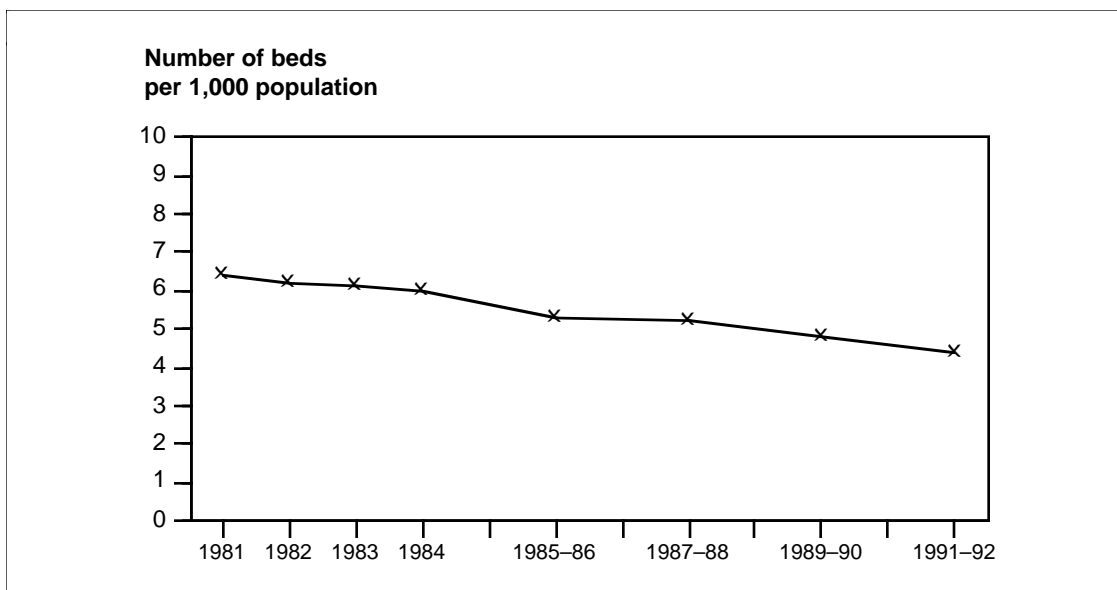
Sources: Health industry employment data from unpublished data provided by the ABS; civilian labour force data from ABS Cat. No. 6203.0.

- Workers employed in the health industry include people with a wide variety of skills. These range from health professionals (such as medical practitioners, nurses, physiotherapists) to other professionals (such as computer specialists, accountants, social workers, cooks) and general support staff (such as clerks, orderlies). In the past 15 years, workers employed in the health industry have accounted for 6 to 7% of the total civilian labour force in Australia.
- In the period 1984 to 1991, the proportion of health industry workers to the total civilian labour force increased by an average of 0.9% per year. Growth in the private sector accounted for most of that increase.
- The decline in the workforce since 1991 is directly attributed to reductions in the workforce in institutional care settings such as hospitals. Despite these reductions, the resources allocated to the health industry continue to grow.

For more information, see:

AIHW Health labour force bulletins.

Number of acute care hospital beds per 1,000 population



	1981	1982	1983	1984	1985-86	1987-88	1989-90	1991-92
Number of beds per 1,000 population	6.4	6.2	6.1	6.0	5.3	5.2	4.8	4.4

Notes: 1. Includes public, private and repatriation hospitals (operated by the Department of Veterans' Affairs) and private psychiatric hospitals.

2. Excludes prison hospitals, hospitals operated by the Department of Defence and public psychiatric hospitals.

Sources: AIHW Hospital utilisation and costs study 1989-90; AIHW Hospital utilisation and costs study 1991-92.

- The number of acute care hospital beds per 1,000 population provides a measure of the capacity of institutional health care facilities. It does not indicate total capacity as hospital services comprise a mix of inpatient, non-inpatient and outreach services.
- Acute care hospitals are establishments that provide at least minimal medical, surgical or obstetrical services for inpatient treatment and care, round-the-clock comprehensive qualified nursing service and other necessary professional services.
- The number of beds available in acute care hospitals has declined from 6.4 beds per 1,000 population in 1981 to 4.4 beds per 1,000 in 1991-92. However, this decline has not resulted in fewer people being treated in hospital (see *Acute care hospital separation rate per 1,000 population* on page 97).
- The decline is consistent with projected demand for hospital services. It has been projected that 3.3 beds per 1,000 persons will be required by the year 2001. These projections take account of population growth and ageing, trends in disease-specific admissions and decreases in the average length of stay in hospital.

For more information, see:

AIHW (1994) *Australia's health 1994: the fourth biennial report of the Australian Institute of Health and Welfare*. Canberra: AGPS.

AIHW *Hospital utilisation and costs study* series.

