

# 3 Funding of health expenditure in Australia

## 3.1 Broad trends

This section makes broad comparisons between government and non-government funding (as described in Section 1.2). Sections 3.2 and 3.3 will discuss in more detail the funding arrangements within the government and non-government sectors. Chapter 4 provides an analysis of funding of specific classes of health goods and services (including capital).

In 2003–04, government funding of health expenditure was \$53.5 billion, compared with \$25.1 billion for non-government sources (Table 11).

In the decade to 2003–04, funding of health expenditure by governments in Australia grew at a higher average annual real rate (5.6%) than did total expenditure on health funded from all sources, which averaged 4.6% per year (Table 17).

As a consequence, the contribution of governments to the funding of total health expenditure increased from 66.4% in 1993–94 to 68.0% in 2003–04 (Table 12). However, between 2002–03 and 2003–04, the government contribution decreased by 0.8 percentage points, from 68.8% in 2002–03. The non-government contribution correspondingly rose from 31.2% to 32.0%.

**Table 11: Total health expenditure, current prices, by broad source of funds, 1993–94 to 2003–04 (\$ million)**

Year	Government			Non-government <sup>(a)</sup>	Total
	Australian Government <sup>(a)</sup>	State/territory and local	Total		
1993–94	16,683	7,868	24,550	12,440	36,990
1994–95	17,551	8,460	26,010	13,205	39,216
1995–96	19,005	9,260	28,265	13,817	42,082
1996–97	19,809	10,391	30,200	15,096	45,296
1997–98	21,450	11,502	32,952	15,336	48,288
1998–99	23,693	11,291	34,984	16,456	51,440
1999–00	26,046	12,672	38,717	16,538	55,255
2000–01	28,826	13,970	42,795	18,840	61,635
2001–02	30,818	14,845	45,662	21,107	66,769
2002–03	33,467	16,352	49,819	22,632	72,452
2003–04 <sup>(b)</sup>	35,729	17,731	53,459	25,139	78,598

(a) Expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

**Table 12: Total health expenditure, current prices, by broad source of funds, as a proportion of total health expenditure, 1993–94 to 2003–04 (per cent)**

Year	Government			Non-government <sup>(a)</sup>	Total
	Australian Government <sup>(a)</sup>	State/territory and local	Total		
1993–94	45.1	21.3	66.4	33.6	100.0
1994–95	44.8	21.6	66.3	33.7	100.0
1995–96	45.2	22.0	67.2	32.8	100.0
1996–97	43.7	22.9	66.7	33.3	100.0
1997–98	44.4	23.8	68.2	31.8	100.0
1998–99	46.1	21.9	68.0	32.0	100.0
1999–00	47.1	22.9	70.1	29.9	100.0
2000–01	46.8	22.7	69.4	30.6	100.0
2001–02	46.2	22.2	68.4	31.6	100.0
2002–03	46.2	22.6	68.8	31.2	100.0
2003–04 <sup>(b)</sup>	45.5	22.6	68.0	32.0	100.0

(a) Expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

**Table 13: Total health expenditure, by broad source of funds, as a proportion of GDP, 1993–94 to 2003–04 (per cent)**

Year	Government			Non-government <sup>(a)</sup>	Total
	Australian Government <sup>(a)</sup>	State/territory and local	Total		
1993–94	3.7	1.8	5.5	2.8	8.3
1994–95	3.7	1.8	5.5	2.8	8.3
1995–96	3.8	1.8	5.6	2.8	8.4
1996–97	3.8	2.0	5.7	2.9	8.6
1997–98	3.8	2.1	5.9	2.7	8.6
1998–99	4.0	1.9	5.9	2.8	8.7
1999–00	4.2	2.0	6.2	2.7	8.9
2000–01	4.3	2.1	6.4	2.8	9.2
2001–02	4.3	2.1	6.4	3.0	9.4
2002–03	4.4	2.2	6.6	3.0	9.6
2003–04 <sup>(b)</sup>	4.4	2.2	6.6	3.1	9.7

(a) Expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Sources: AIHW health expenditure database and ABS 2005.

Funding can also be expressed as a ratio of health expenditure to GDP. Over the decade from 1993–94 to 2003–04, the Australian Government increased its share from 3.7% to 4.4%. For

state and territory and local governments, the ratio fluctuated around 2.0%, while non-government sources increased their share of GDP, from 2.8% to 3.1% (Table 13).

## **Total recurrent funding**

Recurrent expenditure makes up around 95% of total health expenditure in Australia. Consequently, changes in recurrent health expenditure constitute the bulk of changes in total health expenditure in any period.

In real terms, recurrent funding of health grew by an average of 4.8% a year from 1993–94 to 2003–04 (Table 16). The government sector's recurrent funding grew by 5.6% per year, while non-government recurrent funding grew by 3.3% (Tables 14 and 15). These growth rates are similar to those for total government (5.6%) and total non-government funding (2.8%) of health (Table 17).

Pharmaceuticals consistently experienced the greatest growth in total funding. Real growth in pharmaceuticals averaged 10.1% between 1993–94 and 2003–04. Funding for public hospitals (4.2%) and high-level residential care (3.8%) were the next highest in terms of real growth in funding (Table 16).

## **Government sector funding**

Over the whole period under review, the area that attracted the most rapid real growth in government funding was private hospitals—22.4% per year (Table 14). This was largely a transfer from the non-government sector (private health insurance funds) to the Australian Government brought about by the effect of the rebate to holders of private health insurance cover. The increased use of private hospital services by veterans funded by the Department of Veterans' Affairs (DVA) also contributed to the rapid real growth in government funding. Further, there was some small discontinuity because of the inclusion of state funding of private hospital services, estimated at \$321 million in 2003–04.

The period from 1997–98 to 2002–03, during which the Australian Government's private health insurance incentives were being introduced and revised, saw growth in government recurrent funding of 5.9%. Growth during that period was largely in two areas—private hospitals (21.3% per year) and other professional services (14.9%), both of which were strongly influenced by changes to private health insurance arrangements. The other area that attracted strong growth in government funding after 1997–98 was expenditure on pharmaceuticals (13.0%) (Table 14).

## **Non-government funding**

The area that attracted the fastest real growth in funding by non-government sources between 1993–94 and 2003–04 was pharmaceuticals—8.8% per year (Table 15).

The only area of non-government funding to contract over that period was funding for private hospitals—down 2.4% per year.

Of the two broad periods looked at—1993–94 to 1997–98 and 1997–98 to 2002–03, growth in non-government funding was most rapid in the second, that is, between 1997–98 and 2002–03. It averaged 4.7% over this period, with much of the growth being driven by pharmaceuticals (10.3%).

Between 2002–03 and 2003–04, total non-government funding of recurrent health expenditure grew, in real terms, by 5.2% compared with 4.4% growth for total funding of recurrent health expenditure (Tables 15 and 16).

**Table 14: Government funding of recurrent health expenditure, constant prices<sup>(a)</sup>, by area of expenditure, and annual growth rates, 1993–94 to 2003–04**

Year	High-level residential care		Pharmaceuticals		Medical services		Other prof. services <sup>(c)</sup>		Private hospitals		Public hospitals		Other <sup>(c)</sup>		Total government recurrent expenditure	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	2,545	..	1,931	..	7,071	..	301	..	300	..	11,736	..	4,546	..	28,430	..
1994–95	2,576	1.2	2,128	10.2	7,421	4.9	284	-5.6	421	40.4	12,135	3.4	4,754	4.6	29,719	4.5
1995–96	2,737	6.2	2,554	20.1	7,780	4.8	303	6.6	479	13.7	12,690	4.6	5,170	8.8	31,714	6.7
1996–97	2,928	7.0	2,766	8.3	7,963	2.4	298	-1.5	521	8.7	13,490	6.3	5,347	3.4	33,313	5.0
1997–98	3,188	8.9	2,832	2.4	8,132	2.1	311	4.2	850	63.2	14,424	6.9	5,769	7.9	35,504	6.6
1998–99	3,264	2.4	3,109	9.8	8,381	3.1	266	-14.4	1,332	56.8	14,936	3.6	5,561	-3.6	36,850	3.8
1999–00	3,377	3.5	3,548	14.1	8,840	5.5	304	14.4	1,774	33.2	15,242	2.0	6,861	23.4	39,947	8.4
2000–01	3,383	0.2	4,403	24.1	8,928	1.0	641	110.5	1,992	12.3	15,584	2.2	7,727	12.6	42,657	6.8
2001–02	3,469	2.6	4,734	7.5	9,228	3.4	630	-1.7	1,931	-3.0	16,295	4.6	7,970	3.1	44,257	3.8
2002–03	3,642	5.0	5,226	10.4	9,395	1.8	621	-1.4	2,231	15.5	17,550	7.7	8,569	7.5	47,233	6.7
2003–04 <sup>(b)</sup>	3,815	4.7	5,684	8.8	9,827	4.6	603	-2.9	2,269	1.7	18,189	3.6	8,774	2.4	49,160	4.1
<b>Average annual growth rate</b>																
1993–94 to 1997–98		5.8		10.1		3.6		0.8		29.7		5.3		6.1		5.7
1997–98 to 2002–03		2.7		13.0		2.9		14.9		21.3		4.0		8.2		5.9
1993–94 to 2003–04		4.1		11.4		3.3		7.2		22.4		4.5		6.8		5.6

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

(c) From 2000–01, it includes DVA funding and DoHA hearing services (audiology component) which was previously included in 'other'.

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

Source: AIHW health expenditure database.

**Table 15: Non-government funding of recurrent health expenditure, constant prices<sup>(a)</sup>, by area of expenditure, and annual growth rates, 1993–94 to 2003–04**

Year	High-level residential care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total non-government recurrent expenditure	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	781	..	2,197	..	1,954	..	1,965	..	4,294	..	1,243	..	4,785	..	17,220	..
1994–95	785	0.4	2,404	9.4	2,091	7.0	1,894	-3.6	4,614	7.4	1,224	-1.5	4,795	0.2	17,806	3.4
1995–96	813	3.7	2,337	-2.8	2,176	4.1	1,790	-5.5	4,689	1.6	1,251	2.2	4,856	1.3	17,911	0.6
1996–97	836	2.7	2,576	10.2	2,235	2.7	2,053	14.7	4,635	-1.1	1,267	1.3	5,024	3.5	18,625	4.0
1997–98	866	3.7	2,937	14.0	2,162	-3.2	1,768	-13.9	4,111	-11.3	1,164	-8.2	4,909	-2.3	17,917	-3.8
1998–99	915	5.6	3,174	8.1	2,255	4.3	1,753	-0.8	3,915	-4.8	1,234	6.0	5,573	13.5	18,820	5.0
1999–00	741	-19.0	3,476	9.5	2,423	7.5	1,667	-4.9	3,534	-9.7	1,213	-1.7	5,299	-4.9	18,352	-2.5
2000–01	770	4.0	3,811	9.6	2,420	-0.1	1,959	17.5	3,418	-3.3	1,334	10.0	6,550	23.6	20,262	10.4
2001–02	810	5.2	4,466	17.2	2,560	5.8	2,107	7.6	3,609	5.6	1,462	9.6	7,088	8.2	22,101	9.1
2002–03	903	11.4	4,786	7.2	2,585	1.0	2,197	4.3	3,362	-6.8	1,371	-6.2	7,394	4.3	22,597	2.2
2003–04 <sup>(b)</sup>	994	10.1	5,108	6.7	2,765	6.9	2,435	10.8	3,367	0.2	1,445	5.4	7,649	3.5	23,762	5.2
<b>Average annual growth rate</b>																
1993–94 to 1997–98		2.6		7.5		2.6		-2.6		-1.1		-1.6		0.6		1.0
1997–98 to 2002–03		0.8		10.3		3.6		4.4		-3.9		3.3		8.5		4.7
1993–94 to 2003–04		2.4		8.8		3.5		2.2		-2.4		1.5		4.8		3.3

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

**Table 16: Total funding of recurrent health expenditure, constant prices<sup>(a)</sup>, by area of expenditure, and annual growth rates, 1993–94 to 2003–04**

Year	High-level residential care		Pharmaceuticals		Medical services		Other prof. services <sup>(c)</sup>		Private hospitals		Public hospitals		Other <sup>(c)</sup>		Total recurrent expenditure	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	3,326	..	4,128	..	9,025	..	2,266	..	4,594	..	12,979	..	9,331	..	45,649	..
1994–95	3,361	1.1	4,532	9.8	9,512	5.4	2,178	-3.9	5,035	9.6	13,359	2.9	9,549	2.3	47,525	4.1
1995–96	3,550	5.6	4,891	7.9	9,956	4.7	2,093	-3.9	5,167	2.6	13,941	4.4	10,026	5.0	49,625	4.4
1996–97	3,764	6.0	5,342	9.2	10,198	2.4	2,351	12.3	5,156	-0.2	14,757	5.9	10,371	3.4	51,938	4.7
1997–98	4,054	7.7	5,769	8.0	10,294	0.9	2,079	-11.6	4,961	-3.8	15,587	5.6	10,678	3.0	53,422	2.9
1998–99	4,179	3.1	6,284	8.9	10,635	3.3	2,019	-2.8	5,247	5.8	16,170	3.7	11,135	4.3	55,670	4.2
1999–00	4,118	-1.5	7,024	11.8	11,264	5.9	1,971	-2.4	5,308	1.2	16,454	1.8	12,159	9.2	58,299	4.7
2000–01	4,153	0.9	8,214	16.9	11,347	0.7	2,600	31.9	5,410	1.9	16,918	2.8	14,277	17.4	62,919	7.9
2001–02	4,280	3.0	9,200	12.0	11,788	3.9	2,737	5.3	5,540	2.4	17,756	5.0	15,057	5.5	66,358	5.5
2002–03	4,545	6.2	10,011	8.8	11,980	1.6	2,818	3.0	5,593	1.0	18,920	6.6	15,963	6.0	69,830	5.2
2003–04 <sup>(b)</sup>	4,809	5.8	10,792	7.8	12,591	5.1	3,038	7.8	5,636	0.8	19,633	3.8	16,423	2.9	72,922	4.4
<b>Average annual growth rate</b>																
1993–94 to 1997–98		5.1		8.7		3.3		-2.1		1.9		4.7		3.4		4.0
1997–98 to 2002–03		2.3		11.7		3.1		6.3		2.4		4.0		8.4		5.5
1993–94 to 2003–04		3.8		10.1		3.4		3.0		2.1		4.2		5.8		4.8

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

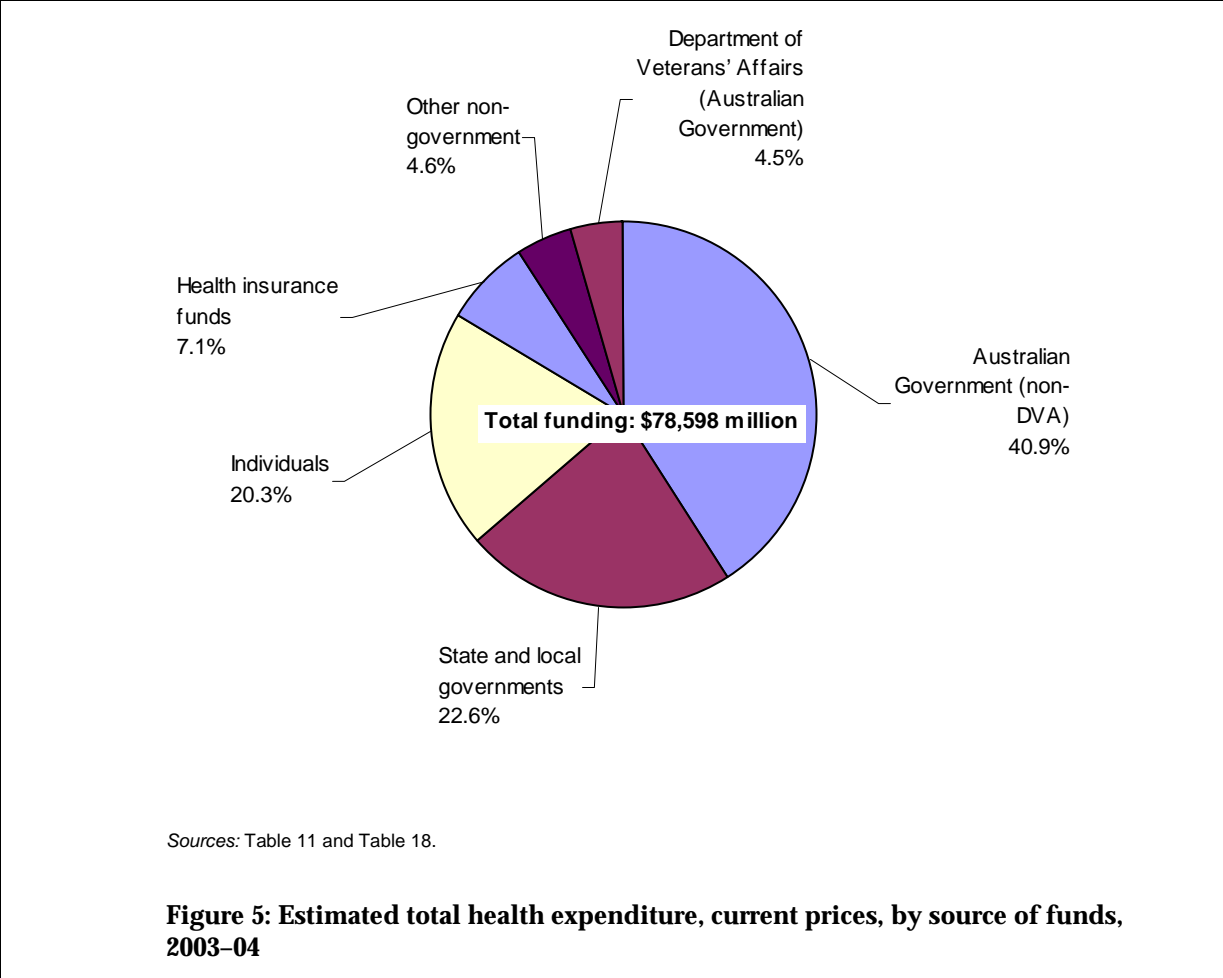
(c) From 2000–01, it includes DVA funding and DoHA hearing services (audiology component) which was previously included in 'other'.

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

Source: AIHW health expenditure database.

### 3.2 Government sources of funds

In 2003-04, the Australian Government’s funding of health expenditure was an estimated \$35.7 billion (Table 11). This was 45.4% of total funding for health by all sources of funds (Table 12 and Figure 5). State, territory and local government sources provided 22.6%.





**Table 17: Total health expenditure, constant prices<sup>(a)</sup>, and annual growth rates, by broad source of funds, 1993–94 to 2003–04**

Year	Government									
	Australian Government <sup>(b)</sup>		State/territory and local		Total		Non-government <sup>(b)</sup>		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	20,490	..	9,640	..	30,130	..	17,982	..	48,112	..
1994–95	21,268	3.8	10,175	5.6	31,443	4.4	18,530	3.0	49,973	3.9
1995–96	22,510	5.8	10,938	7.5	33,448	6.4	18,641	0.6	52,089	4.2
1996–97	23,125	2.7	12,132	10.9	35,258	5.4	19,494	4.6	54,752	5.1
1997–98	24,639	6.5	13,173	8.6	37,811	7.2	18,804	-3.5	56,615	3.4
1998–99	26,599	8.0	12,617	-4.2	39,216	3.7	19,702	4.8	58,918	4.1
1999–00	28,684	7.8	13,859	9.8	42,543	8.5	19,313	-2.0	61,857	5.0
2000–01	30,809	7.4	14,813	6.9	45,622	7.2	20,920	8.3	66,542	7.6
2001–02	31,825	3.3	15,336	3.5	47,162	3.4	22,345	6.8	69,507	4.5
2002–03	33,467	5.2	16,352	6.6	49,819	5.6	22,632	1.3	72,452	4.2
2003–04 <sup>(c)</sup>	34,774	3.9	17,134	4.8	51,908	4.2	23,786	5.1	75,695	4.5
<b>Average annual growth rate</b>										
1993–94 to 1997–98		4.7		8.1		5.8		1.1		4.2
1997–98 to 2002–03		6.3		4.4		5.7		3.8		5.1
1993–94 to 2003–04		5.4		5.9		5.6		2.8		4.6

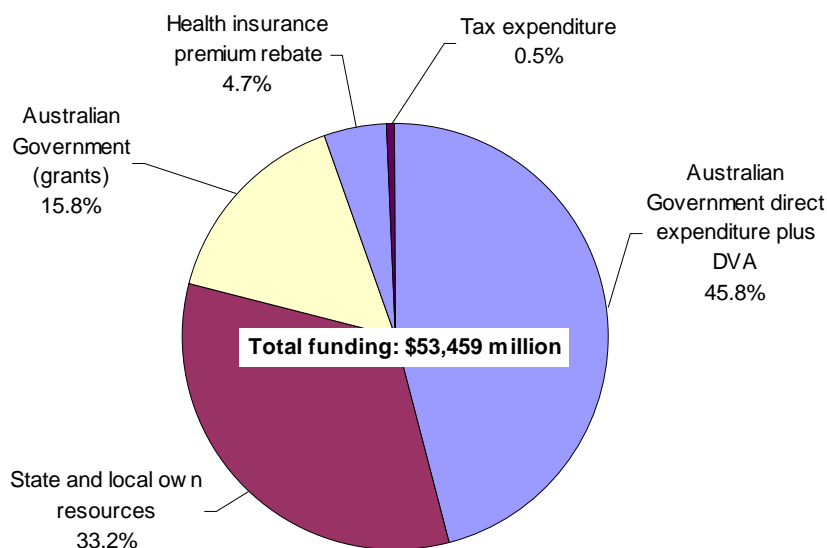
(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices.

(b) Expenditure has been adjusted for tax expenditures.

(c) Based on preliminary AIHW and ABS estimates.

Note: Components may not add due to rounding.

Source: AIHW health expenditure database.



Sources: Table 11 and Table 18.

**Figure 6: Government sector financing of health expenditure, current prices, by source and type of funding, 2003–04**

## Australian Government

In 2003–04 the Australian Government provided 66.8% of estimated total government funding (Figure 6). This subsection provides more detail on the Australian Government’s funding of recurrent expenditure. Funding for capital formation is discussed in Section 4.2.

The Australian Government’s contribution to funding for health includes:

- payments through the DVA in respect of eligible veterans and their dependants
- specific-purpose payments (SPPs) to the states and territories for health purposes
- direct expenditure by the Australian Government on health programs (such as Medicare, PBS, higher level residential care subsidies)
- rebates and subsidies under the *Private Health Insurance Incentives Act 1997*
- taxation expenditures.

Health expenditure funded by private health insurance subsidies rose from zero (1996–97) to \$2.5 billion in 2003–04 (Table 18).

**Table 18: Total health expenditure by the Australian Government, current prices, by type of expenditure, 1993–94 to 2003–04 (\$ million)**

Year	General expenditure					Non-specific tax expenditure	Total
	DVA	Grants to states	Rebates of health insurance premiums <sup>(a)</sup>	Direct expenditure	Total		
1993–94	1,412	4,404	..	10,771	16,588	95	16,683
1994–95	1,488	4,729	..	11,242	17,459	91	17,551
1995–96	1,540	5,012	..	12,340	18,892	113	19,005
1996–97	1,658	5,202	..	12,822	19,681	128	19,809
1997–98	1,802	5,656	407	13,439	21,305	145	21,450
1998–99	2,144	6,328	963	14,095	23,530	162	23,693
1999–00	2,399	6,556	1,576	15,342	25,873	173	26,046
2000–01	2,698	6,996	2,031	16,897	28,622	203	28,826
2001–02	2,962	7,397	2,105	18,129	30,593	225	30,818
2002–03	3,340	8,102	2,312	19,456	33,211	256	33,467
2003–04 <sup>(b)</sup>	3,561	8,439	2,530	20,908	35,437	291	35,729

(a) Includes rebates of health insurance premiums claimed through the taxation system.

(b) Based on preliminary AIHW estimates.

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

Source: AIHW health expenditure database.

## The Department of Veterans' Affairs

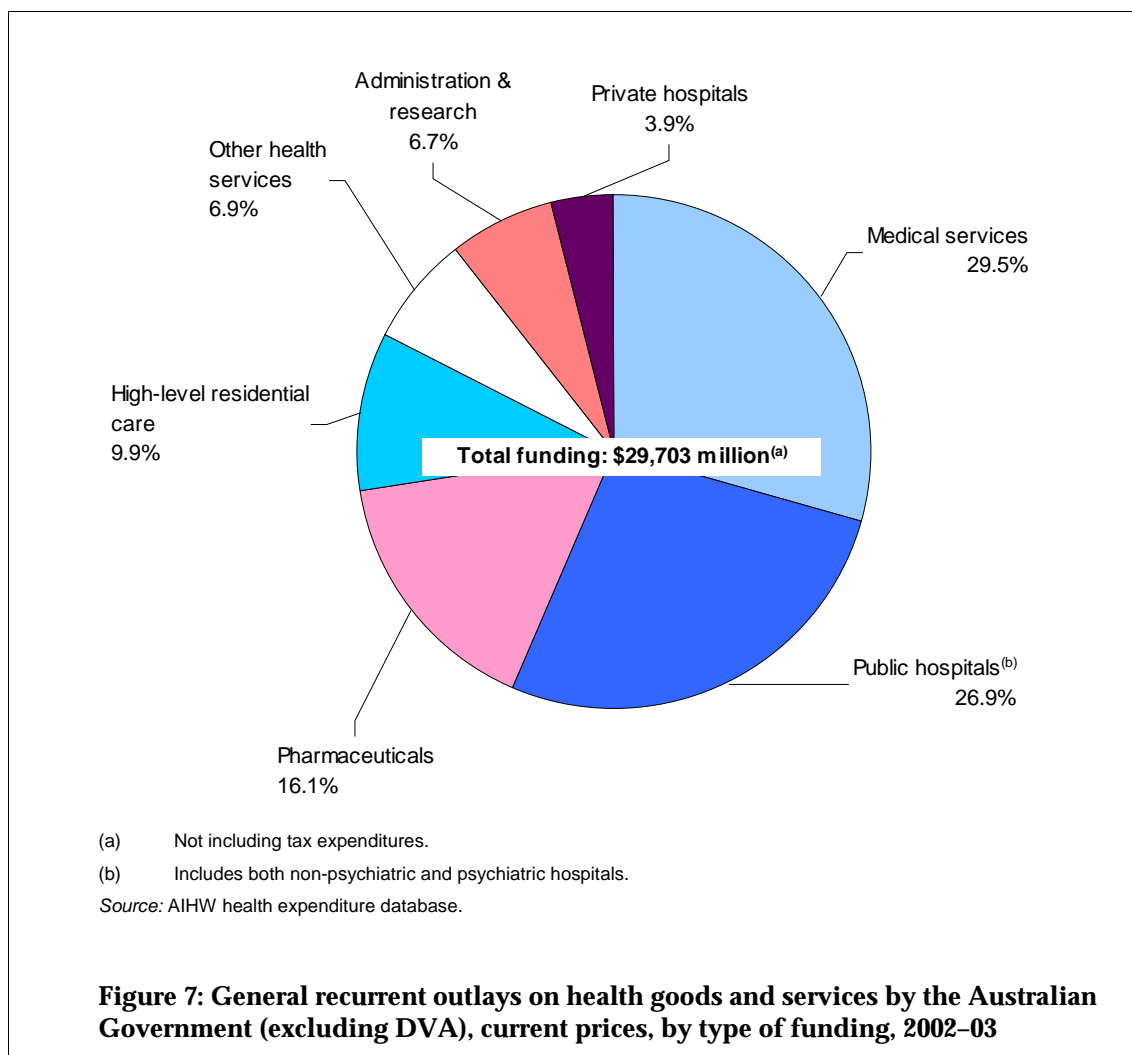
DVA funding of health is through its purchase of health goods and services on behalf of eligible veterans and their dependants. In 2002–03, its funding totalled \$3,340 million (Table 18). Nearly two-thirds of this (61.1%) was for institutional services (mainly hospitals and high-level residential care services). In 2003–04, estimated funding by DVA was \$3,561 million.

## Other Australian Government sources of funding

### *General expenditure*

Expenditures recorded as 'general expenditure' are recurrent expenditures paid out of appropriations by the Australian Government. Most of those expenditures are administered by the Department of Health and Ageing (DoHA). They include:

- SPPs to the states and territories for health purposes
- payments of personal health benefits to individuals—for example, Medicare and pharmaceutical benefits
- subsidies and rebates under the *Private Health Insurance Incentives Act 1997* (including amounts claimed through the taxation system)
- subsidies paid to providers of health services—for example, high-level residential care subsidies.



Nearly one-third of all funding by the Australian Government was for medical services which, in 2002-03, accounted for 29.5% of all its general recurrent outlays on health (Figure 7).

Most of the SPPs by the Australian Government to state and territory governments recorded in the general recurrent outlays on health were provided under the AHCAs between these two levels of government. The payments were primarily directed to expenditure in the public hospital systems of the states and territories. Other SPPs that were regarded as expenditure on public hospitals included payments for high-cost drugs and blood transfusion services. A proportion of the 30% rebate on private health insurance was also included as funding by the Australian Government for public hospitals. In 2002-03, payments relating to public hospital care accounted for more than one-quarter (26.9%) of total general recurrent outlays by the Australian Government for health.

The other two main areas for which the Australian Government provided funding were pharmaceuticals, which in 2002-03 accounted for 16.1% of general recurrent outlays, and high-level residential care subsidies, which accounted for 9.9%.

### *Rebates of health insurance contributions (30% rebate)*

There are two methods for claiming the 30% rebate on private health insurance premiums (Table 18). The first involves a reduced premium being charged by the private health insurance fund (with a subsequent reimbursement to the fund by the Australian Government). The second is where the private health insurance fund charges the full (non-rebated) premium and the person paying the full premium claims the 30% rebate directly from the Australian Government through the taxation system.

During 2003–04, the total value of the 30% rebate was \$2.5 billion (Table 18).

### *Non-specific tax expenditures*

As explained above, the 30% rebate claimed through taxation was regarded as part of Australian Government tax expenditures from 1997–98 to 1999–00.

A second form of tax expenditure on health relates to a tax rebate of 20 cents in the dollar that can be claimed in respect of direct health expenditures that exceed a prescribed threshold (in 2003–04 that threshold was \$1,500 per taxpayer). That second form of tax expenditure is referred to in this publication as ‘non-specific tax expenditures’. This is because they cannot be allocated to any particular area(s) of health expenditure (see Chapter 6).

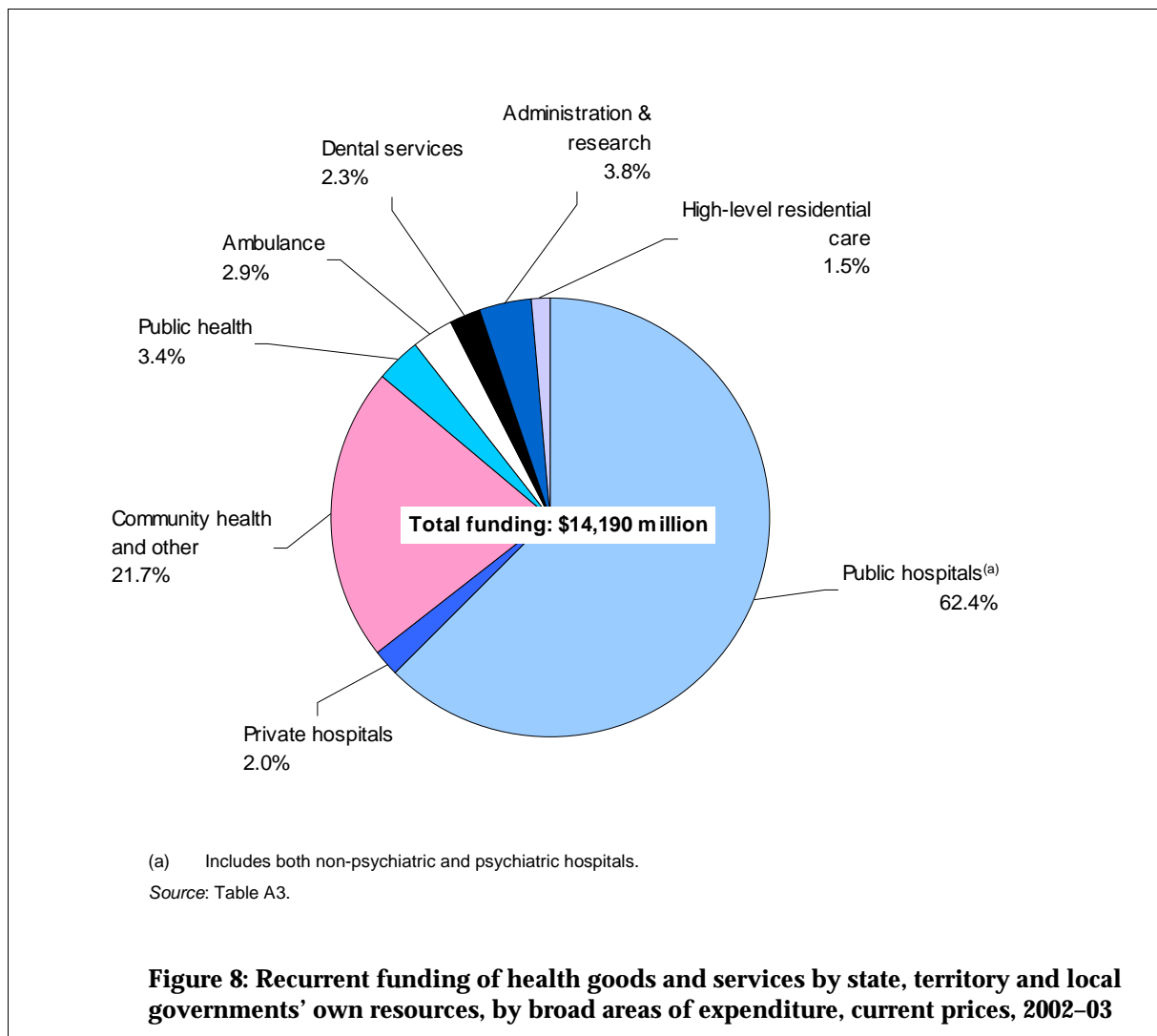
In 2003–04, the total value of such tax expenditures was \$291 million (Table 18).

## **State and territory governments and local government authorities**

State and territory governments are the main providers of publicly provided health goods and services in Australia. Those goods and services are financed by a combination of SPPs from the Australian Government, funding by the states and territories out of their own fiscal resources, and funding provided by non-government sources (usually in the form of user fees).

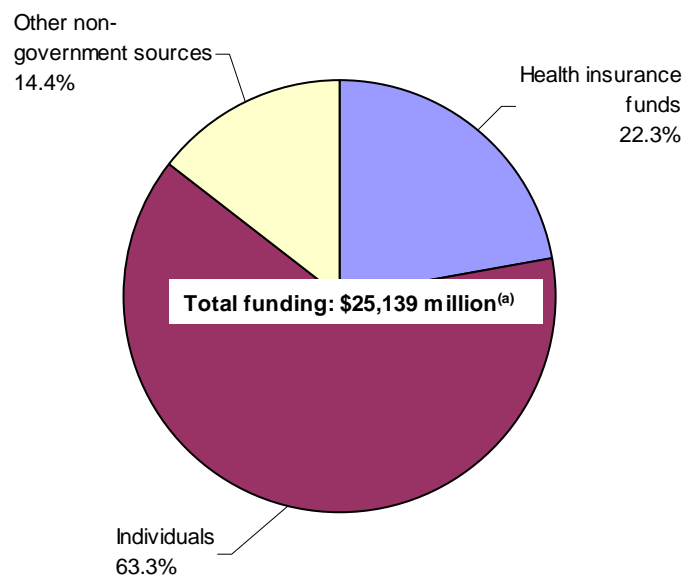
In terms of the types of health goods and services funded by the states and territories and by local government authorities, spending on public hospitals dominates, accounting for 62.4% of recurrent funding provided by those government sources in 2002–03 (Figure 8).

In real terms, funding for health by state, territory and local governments increased, by an average of 5.9% per year between 1993–94 and 2003–04, the annual growth having peaked at 10.9% in 1996–97 (Table 17).



### 3.3 Non-government sources of funds

Most non-government funding for health goods and services in Australia comes from out-of-pocket payments by individuals. This includes situations where individuals meet the full cost of a service or good as well as where they share the funding of goods and services with third-party payers—for example, private health insurance funds or the Australian Government. Funding by individuals accounted for 63.3% (\$15.9 billion) of estimated non-government funding of health goods and services during 2003-04 (Table 19 and Figure 9). That proportion rose by 12.9 percentage points in the decade to 2003-04. Private health insurance funds provided 22.3% (\$5.6 billion) in 2003-04, down from 32.8% in 1993-94. The remaining 14.4% (\$3.6 billion) came from other non-government sources (mainly compulsory motor vehicle, third-party and workers' compensation insurers), which experienced a fall in their share of health funding, by 2.4 percentage points, in the decade to 2003-04.



(a) Individuals' expenditure adjusted for non-specific tax expenditures.  
 Source: Table 19.

**Figure 9: Estimated funding of health goods and services by non-government sources, current prices, 2003-04**

Non-government funding, which averaged around 33% of total health expenditure each year between 1993-94 and 1996-97 and around 31% between 1997-98 and 2001-02, was 32.0% in 2003-04 (Table 12). The fall after 1996-97 was largely due to the influence of the Australian Government's subsidy for private health insurance. The effect of that subsidy is that the benefits paid for private health goods and services used by insured people became jointly funded by the Australian Government (through the contribution rebates) and the funds' members.

**Table 19: Non-government sector funding of total health expenditure, current prices, by source of funds, 1993–94 to 2003–04**

Year	Private health insurance funds <sup>(a)</sup>		Individuals <sup>(b)</sup>		Other non-government <sup>(c)</sup>		All non-government sources <sup>(a)(b)(c)</sup>	
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)
1993–94	4,075	32.8	6,272	50.4	2,092	16.8	12,440	100.0
1994–95	4,201	31.8	6,702	50.8	2,303	17.4	13,205	100.0
1995–96	4,426	32.0	6,743	48.8	2,649	19.2	13,817	100.0
1996–97	4,700	31.1	7,541	50.0	2,856	18.9	15,096	100.0
1997–98	4,271	27.8	8,037	52.4	3,029	19.7	15,336	100.0
1998–99	3,855	23.4	9,312	56.6	3,290	20.0	16,456	100.0
1999–00	3,601	21.8	9,511	57.5	3,425	20.7	16,538	100.0
2000–01	4,123	21.9	11,463	60.8	3,254	17.3	18,840	100.0
2001–02	4,975	23.6	12,870	61.0	3,262	15.5	21,107	100.0
2002–03	5,268	23.3	14,230	62.9	3,135	13.9	22,632	100.0
2003–04 <sup>(d)</sup>	5,603	22.3	15,922	63.3	3,614	14.4	25,139	100.0

(a) Adjusted for private health insurance incentives subsidy and 30% premium rebates claimed through the tax system for years from 1997–98 to 1999–00.

(b) Adjusted for non-specific tax expenditures.

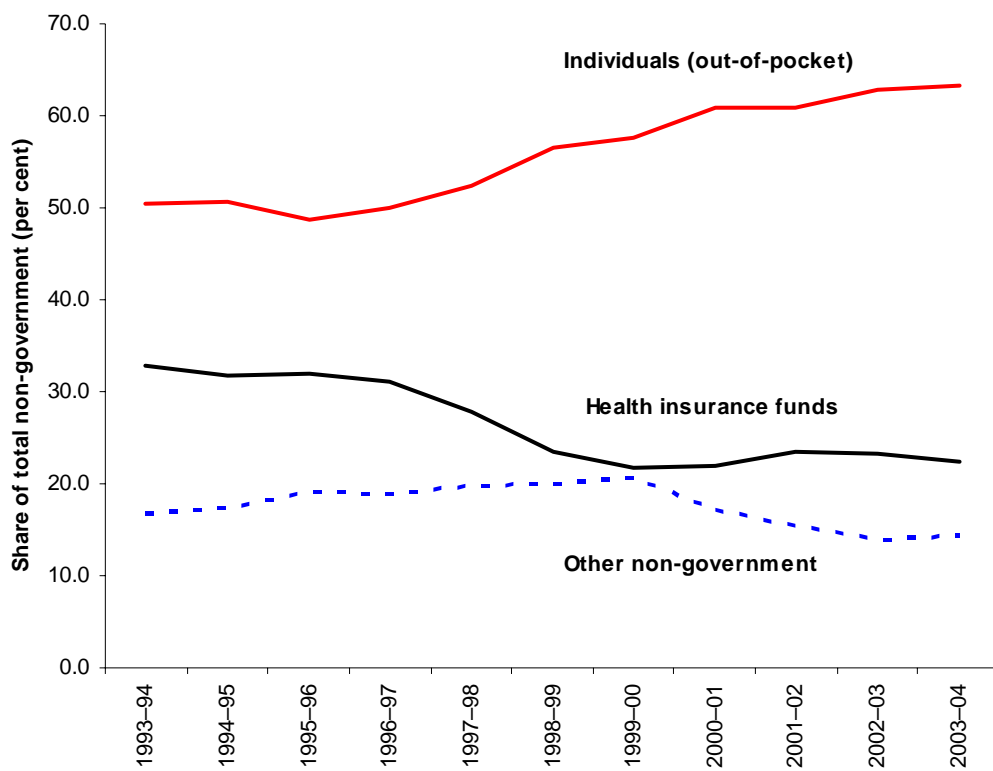
(c) Includes expenditure on capital formation.

(d) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.





Source: Table 19.

**Figure 10: Non-government sector funding of total health expenditure, current prices, by source of funds, 1993-94 to 2003-04**

**Table 20: Non-government sector funding of total health expenditure, by source of funds, constant prices<sup>(a)</sup>, and annual growth rates, 1993–94 to 2003–04**

Year	Private health insurance funds <sup>(b)</sup>		Individuals <sup>(c)</sup>		Other non-government <sup>(d)</sup>		All non-government sources <sup>(b)(c)(d)</sup>	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	6,445	..	8,924	..	2,613	..	17,982	..
1994–95	6,525	1.2	9,139	2.4	2,866	9.7	18,530	3.0
1995–96	6,528	—	8,834	–3.3	3,279	14.4	18,641	0.6
1996–97	6,498	–0.5	9,544	8.0	3,453	5.3	19,494	4.6
1997–98	5,537	–14.8	9,686	1.5	3,581	3.7	18,804	–3.5
1998–99	4,891	–11.7	10,985	13.4	3,826	6.9	19,702	4.8
1999–00	4,402	–10.0	11,007	0.2	3,904	2.0	19,313	–2.0
2000–01	4,783	8.6	12,584	14.3	3,554	–9.0	20,920	8.3
2001–02	5,376	12.4	13,544	7.6	3,425	–3.6	22,345	6.8
2002–03	5,268	–2.0	14,230	5.1	3,135	–8.5	22,632	1.3
2003–04 <sup>(e)</sup>	5,240	–0.5	15,114	6.2	3,433	9.5	23,786	5.1
<b>Average annual growth rate</b>								
1993–94 to 1997–98		–3.7		2.1		8.2		1.1
1997–98 to 2002–03		–1.0		8.0		–2.6		3.8
1993–94 to 2003–04		–2.0		5.4		2.8		2.8

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices.

(b) Adjusted for private health insurance incentives subsidy and 30% premium rebates claimed through the tax system for years from 1997–98 to 1999–00.

(c) Adjusted for non-specific tax expenditures.

(d) Includes expenditure on capital formation.

(e) Based on preliminary AIHW estimates.

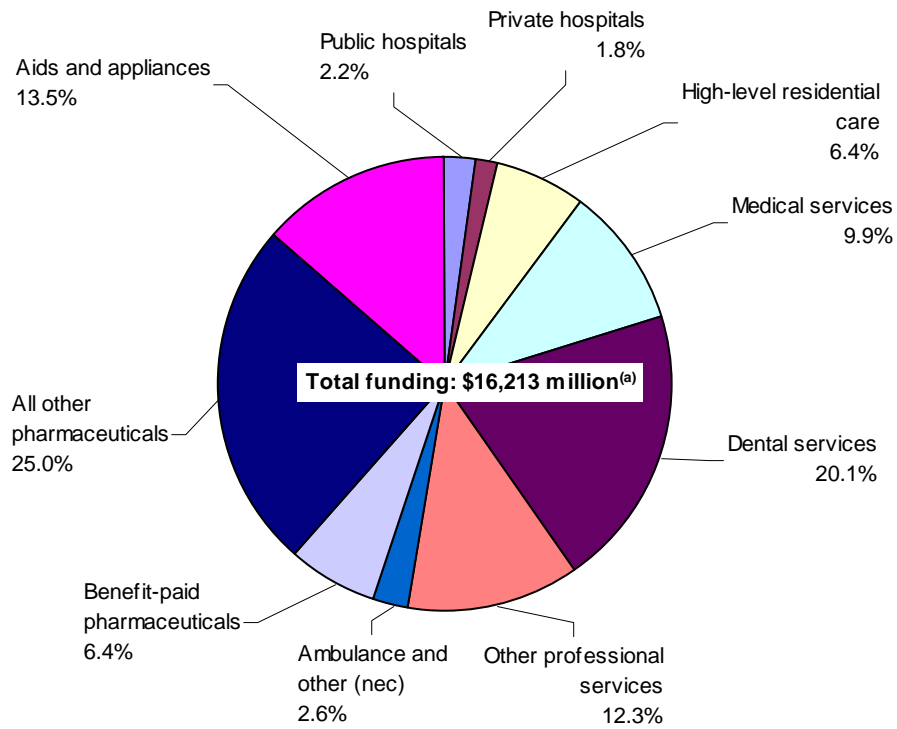
Note: Components may not add to totals due to rounding.

Source: AIHW health expenditure database.

## Individuals

In 2003–04, of the estimated \$16.2 billion out-of-pocket recurrent expenditure by individuals on health care goods and services (Figure 11):

- 31.4% was spent on pharmaceuticals
  - 6.4% on PBS and Repatriation Pharmaceutical Benefits Scheme (RPBS) patient contributions
  - 25.0% on other pharmaceuticals (see Glossary for a detailed definition)
- 20.1% on dental services
- 13.5% on aids and appliances
- 9.9% on medical services.

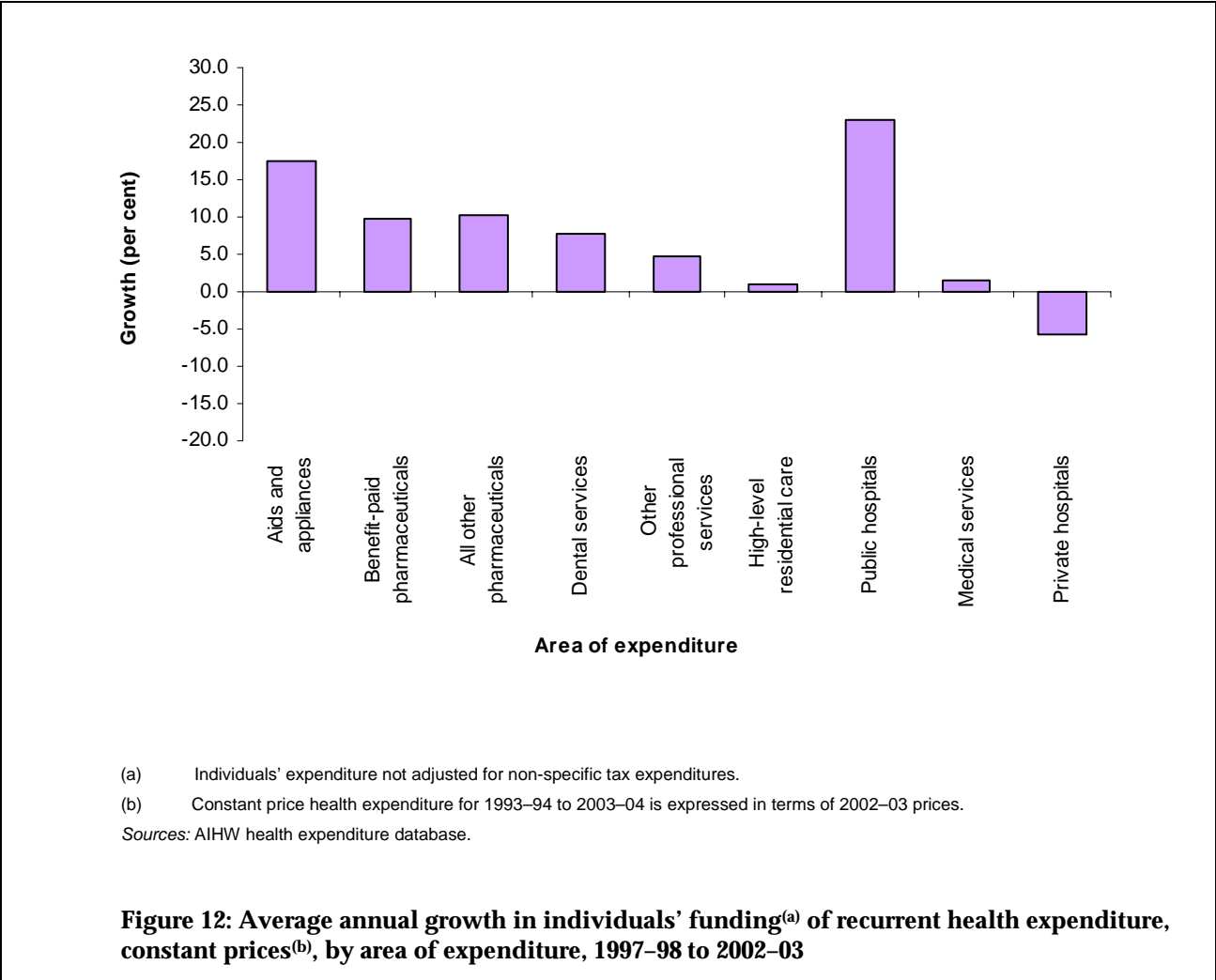


(a) Individuals' expenditure not adjusted for non-specific tax expenditures.

Source: Table A4.

**Figure 11: Recurrent expenditure by individuals, in current prices, by area of expenditure, 2003-04**

From 1997–98 to 2002–03, the main areas of real growth in individuals’ out-of-pocket funding were for public hospitals, aids and appliances, pharmaceuticals, and dental services (Figure 12). Many of these increases resulted from increases in the ABS’s estimates of HFCE over the period with the exception of public hospitals. These are, coincidentally, areas of expenditure for which substantial capped benefits are paid out of ancillary tables offered by health funds. There may be a relationship between the increasing health insurance coverage in recent years and an accompanying increase in out-of-pocket expenditure (where the costs of the goods or services exceed the maximum benefits paid by private health funds in a year). Changes to the type of health insurance cover offered may also affect out-of-pocket expenditure. For example, the introduction of in-hospital medical services no-gap cover schemes in August 2000 may be affecting the negative growth in out-of-pocket expenditure on private hospitals over the period.



In real terms, average out-of-pocket health expenditure per person grew by 4.2% a year in the decade from 1993–94 to 2003–04 (Table 21). Over this period, the area of out-of-pocket expenditure that had the most rapid real growth was aids and appliances, at 9.6% per year. Other areas of expenditure that showed high real growth rates were ambulance and pharmaceuticals at 9.2% and 7.6% per annum respectively. In contrast, average per person

out-of-pocket expenditure on hospitals declined over this decade at 2.3% per annum. This was due to an average decline in per person out-of-pocket expenditure on private hospitals.

**Table 21: Average out-of-pocket recurrent health expenditure per person, constant prices<sup>(a)</sup>, and annual growth rates, by area of expenditure, 1993–94 to 2003–04**

Year	Hospitals		High-level residential care		Ambulance and other (nec)		Medical services		Dental services		Other professional services		Pharmaceuticals		Aids and appliances		Total recurrent expenditure		
	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	Amount (\$)	Growth (%)	
1993–94	39	..	44	..	8	..	68	..	111	..	77	..	120	..	42	..	509	..	
1994–95	43	11.3	44	-0.7	5	-39.5	69	2.1	112	0.6	69	-10.1	130	8.3	43	2.6	515	1.2	
1995–96	27	-37.6	45	2.3	8	52.0	71	3.1	109	-2.2	65	-7.0	124	-4.6	45	3.7	493	-4.3	
1996–97	31	13.1	45	0.4	8	5.4	72	0.7	112	2.0	79	21.6	135	9.3	46	2.5	526	6.8	
1997–98	26	-16.3	46	3.1	8	-0.3	71	-1.1	110	-1.3	67	-14.4	154	13.9	48	3.2	529	0.6	
1998–99	44	72.5	47	2.1	21	158.6	74	4.8	111	0.5	63	-6.3	164	6.7	65	36.0	593	12.1	
1999–00	41	-7.1	39	-17.7	13	-38.1	78	5.4	110	-0.8	60	-5.0	177	8.1	68	4.5	588	-0.9	
2000–01	41	-0.9	40	2.7	15	19.0	75	-3.9	129	17.5	72	20.3	192	8.2	100	47.6	664	12.9	
2001–02	38	-6.7	41	3.9	18	18.3	72	-4.5	147	13.8	76	5.1	222	15.7	92	-8.2	705	6.3	
2002–03	30	-20.0	46	10.1	20	10.0	72	0.4	150	2.4	80	5.3	235	5.8	101	9.6	733	3.9	
2003–04 <sup>(b)</sup>	31	1.3	50	8.8	20	1.2	72	0.5	154	2.4	89	12.0	248	5.7	106	5.3	770	5.0	
<b>Average annual growth rate</b>																			
1993–94 to 1997–98		-9.9		1.3		-0.9		1.2		-0.3		-3.4		6.5		3.0		1.0	
1997–98 to 2002–03		3.4		-0.3		19.9		0.4		6.4		3.5		8.8		16.1		6.7	
1993–94 to 2003–04		-2.3		1.2		9.2		0.7		3.3		1.5		7.6		9.6		4.2	

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices. Not adjusted for general tax expenditures.

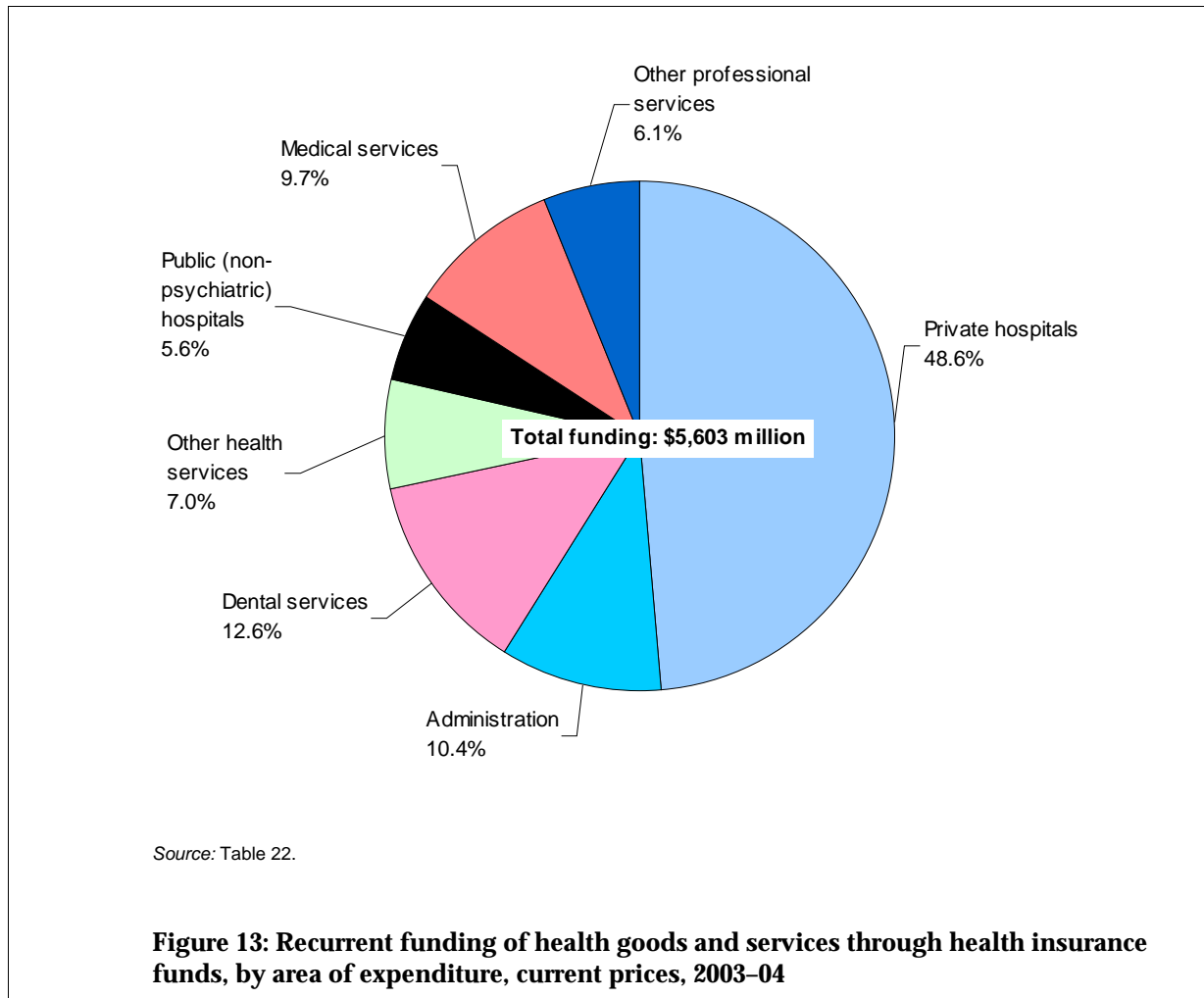
(b) Based on preliminary AIHW estimates.

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

Source: AIHW health expenditure database.

## Private health insurance

Funding by private health insurance funds is chiefly directed at private hospital services. During 2003–04, private hospitals accounted for 48.6% of the \$5.6 billion in funding provided by health insurance funds (Figure 13). Other major areas of expenditure that received funding were dental services (12.6%), administration (10.4%) and medical services (9.7%).



## General benefits and administration

Gross health benefits paid through the health insurance funds in 2003–04 amounted to \$7,290 million—up \$535 million from \$6,755 million in 2002–03 and up \$1,009 million since 2001–02 (Table 22). A further \$843 million was used to fund administration during 2003–04; this showed a steady increase from \$804 million in 2001–02 and \$825 million in 2002–03.

The position of the health insurance funds overall continued to improve in 2003–04, after experiencing a net operating loss, before abnormal and extraordinary items, of \$32 million in 2001–02 (Table 23).

**Table 22: Expenditure on health goods and services funded through health insurance funds, current prices, 2001–02 to 2003–04 (\$ million)**

Area of expenditure	2001–02			2002–03			2003–04		
	Gross benefits paid	Premium rebates <sup>(a)</sup>	Net benefits paid	Gross benefits paid	Premium rebates <sup>(a)</sup>	Net benefits paid	Gross benefits paid	Premium rebates <sup>(a)</sup>	Net benefits paid
<b>Expenditure</b>									
Hospitals	3,783	1,124	2,659	4,058	1,238	2,820	4,407	1,371	3,036
Public (non-psychiatric)	375	112	264	411	125	285	458	142	316
Private	3,407	1,013	2,395	3,648	1,113	2,535	3,949	1,228	2,721
Ambulance	127	38	89	133	40	92	130	40	89
Medical services	598	178	415	700	213	486	789	245	543
Other health professionals	420	125	295	470	143	327	499	155	343
Pharmaceuticals	64	19	45	75	23	52	71	22	49
Aids and appliances	330	98	232	341	104	237	367	114	253
Community and public health	1	--	--	1	--	--	1	--	1
Dental services	960	285	674	977	298	679	1,027	319	708
<b>Total health benefits and levies</b>	<b>6,281</b>	<b>1,866</b>	<b>4,410</b>	<b>6,755</b>	<b>2,061</b>	<b>4,694</b>	<b>7,290</b>	<b>2,268</b>	<b>5,023</b>
Health administration	804	239	565	825	252	573	843	262	581
<b>Direct expenditure on health goods and services</b>	<b>7,085</b>	<b>2,105</b>	<b>4,975</b>	<b>7,580</b>	<b>2,312</b>	<b>5,268</b>	<b>8,133</b>	<b>2,530</b>	<b>5,603</b>
<b>Items not included in estimates on health goods and services</b>									
Non-health ancillaries	72	21	50	73	22	51	46	14	31
Outstanding claims adjustment	42	12	30	-1	--	-1	91	28	63

(a) Premium rebate is pro-rated across all categories (including change in provisions for outstanding claims).

Note: Components may not add due to rounding.

Sources: PHIA C A quarterly reports; Department of the Treasury, Tax Expenditures Statement, various years.



**Table 23: Health insurance funds reported expenses and revenues, current prices, 2001–02 to 2003–04 (\$ million)**

	Amount 2001–02	Amount 2002–03	Amount 2003–04
<b>Operating expenses and revenue of funds</b>			
<b>Expenses</b>			
Total cost of benefits <sup>(a)</sup>	6,459	6,953	7,525
State levies (ambulance)	99	102	105
Management expenses	804	826	852
<b>Total expenses (not including provision adjustments)</b>	<b>7,362</b>	<b>7,881</b>	<b>8,482</b>
<b>Revenue</b>			
Contributions income	7,266	7,885	8,637
Other revenue	66	194	296
<b>Total revenue</b>	<b>7,331</b>	<b>8,079</b>	<b>8,932</b>
Operating profit (loss) before abnormals and extraordinary items	(32)	196	447

(a) Includes adjustment to provisions for outstanding claims.

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

Sources: PHIAAC Annual Reports: Operations of the Registered Health Benefits Organisations 2001–02 to 2003–04.

**Table 24: Expenditure on health goods and services and administration through private health insurance funds, constant prices<sup>(a)</sup>, and annual growth rates, 1993–94 to 2003–04**

Year	Gross payments through health insurance funds		Reimbursement for rebates allowed by funds		Rebates through taxation system		Net payments from health insurance funds resources	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	6,445	..	..	..	..	..	6,445	..
1994–95	6,525	1.2	..	..	..	..	6,525	1.2
1995–96	6,528	—	..	..	..	..	6,528	—
1996–97	6,498	–0.5	..	..	..	..	6,498	–0.5
1997–98	6,059	–6.8	319	..	203	..	5,537	–14.8
1998–99	6,099	0.7	984	208.2	225	10.6	4,891	–11.7
1999–00	6,294	3.2	1,662	68.9	229	2.1	4,402	–10.0
2000–01	7,100	12.8	2,118	27.4	200	–12.9	4,783	8.6
2001–02	7,626	7.4	2,080	–1.8	170	–14.7	5,376	12.4
2002–03	7,580	–0.6	2,146	3.2	166	–2.3	5,268	–2.0
2003–04 <sup>(b)</sup>	7,626	0.6	2,217	3.3	169	1.7	5,240	–0.5
<b>Average annual growth rate</b>								
1993–94 to 1997–98		–1.5		..		..		–3.7
1997–98 to 2002–03		4.6		46.4		–3.9		–1.0
1993–94 to 2003–04		1.7		..		..		–2.0

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices.

(b) Based on preliminary AIHW estimates.

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

Source: AIHW health expenditure database.

The initial effect of the introduction of the Australian Government subsidy in 1997 was a sharp drop in net funding by health insurance funds in each year up to 1999–00, followed by a recovery after the introduction of the lifetime health cover arrangements in the September quarter of 2000. Net expenditure in real terms was almost constant in 2002–03 and 2003–04, at \$5,268 million and \$5,240 million respectively. However, this was still below the 1997–98 level of \$5,537 million (Table 24 and Figure 14).

In 2003–04, it was estimated that health insurance funds spent on average \$605 per person covered on health (in 2002–03 prices). Fund members in South Australia on average attracted the highest amount per person covered (\$706) while people in the Australian Capital Territory attracted the least per person covered (\$370). When comparing average annual growth rates in constant prices over the period 1996–97 to 2003–04, all states and territories recorded reductions in the amount spent through health insurance. Fund members in Victoria had the greatest decline in their per person expenditure of 10.1% per annum (Table 25).

**Table 25: Average expenditure on health insurance funds per person<sup>(a)</sup> covered, constant prices,<sup>(b)</sup> by state and territory, 1996–97 to 2003–04 (\$)**

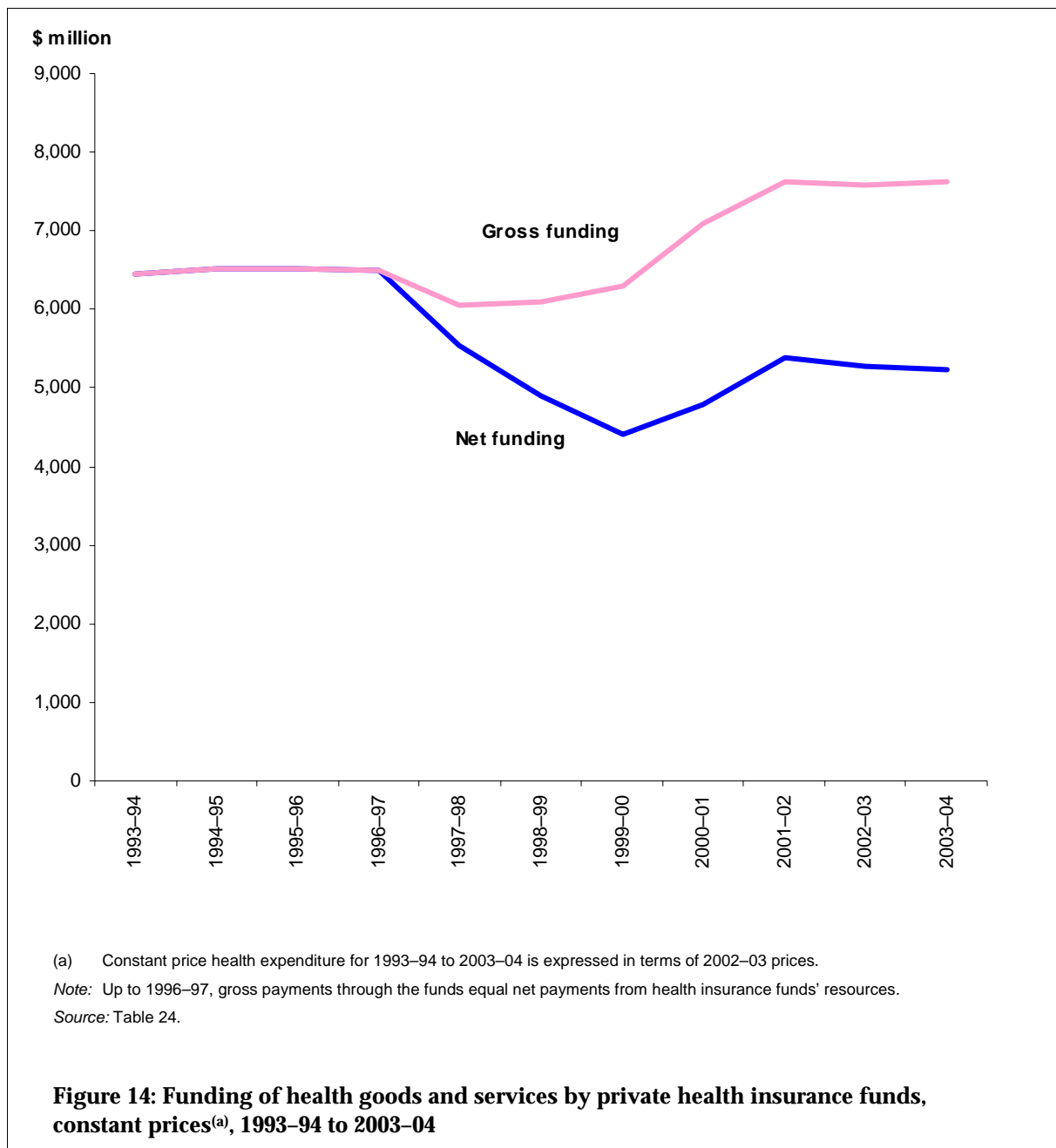
Period	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	1,069	1,136	1,087	960	1,191	1,082	533	616	1,075
1997–98	941	1,012	943	855	1,051	940	478	539	947
1998–99	847	898	883	764	956	784	451	510	854
1999–00	641	716	687	637	773	632	389	401	671
2000–01	534	538	574	535	638	595	340	336	547
2001–02	607	566	667	623	734	679	365	401	615
2002–03	600	552	650	634	724	656	362	378	606
2003–04 <sup>(c)</sup>	602	539	663	635	706	664	370	383	605
<b>Average annual growth rate</b>									
1996–97 to 1997–98	-11.9	-10.9	-13.2	-10.9	-11.7	-13.1	-10.2	-12.5	-11.8
1997–98 to 2002–03	-8.6	-11.4	-7.2	-5.8	-7.2	-6.9	-5.4	-6.9	-8.5
1996–97 to 2003–04	-7.9	-10.1	-6.8	-5.7	-7.2	-6.7	-5.1	-6.6	-7.9

(a) Based on annual mean resident population.

(b) Constant price health expenditure for 1996–97 to 2003–04 is expressed in terms of 2002–03 prices.

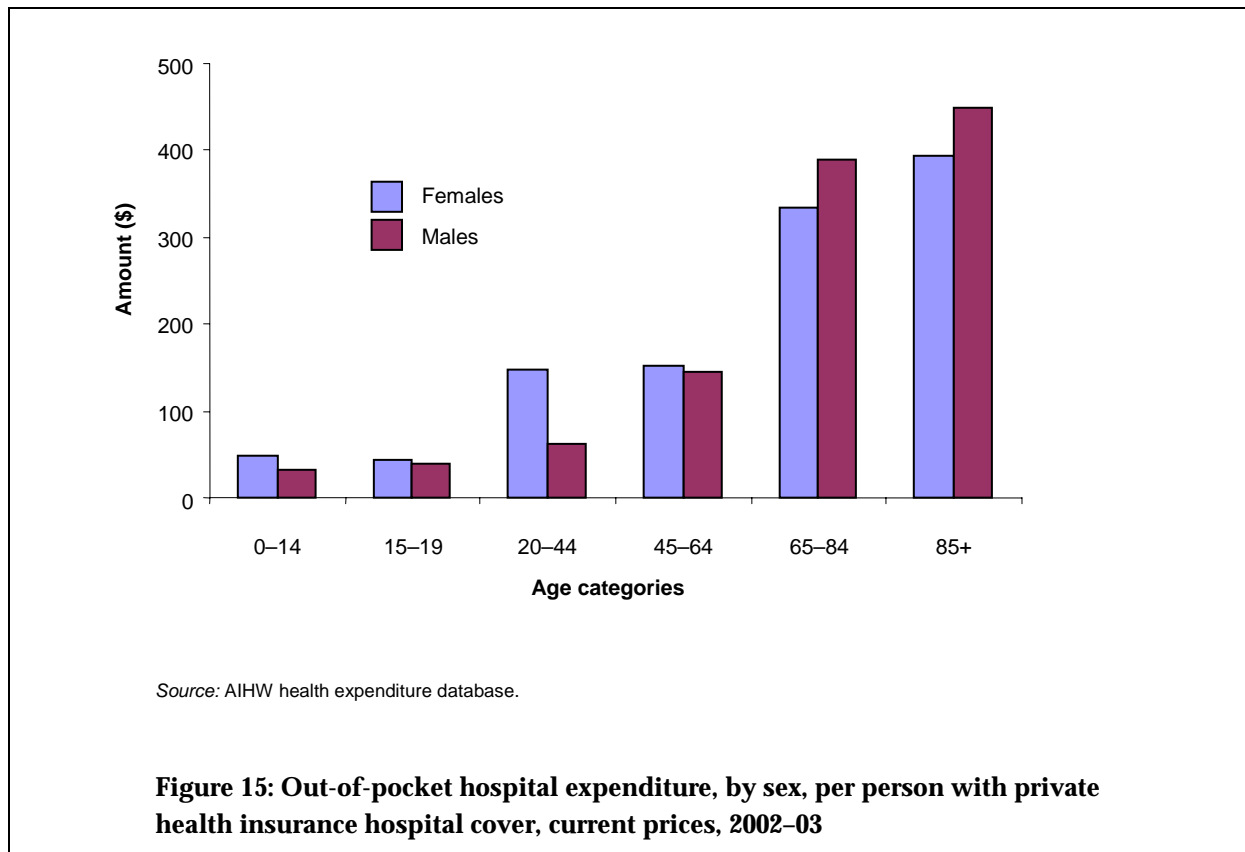
(c) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.



In 2002-03, males aged 65 years or over with private health insurance cover for hospital care attracted average out-of-pocket expenditures that were substantially higher than those for females in the same age groups with similar types of insurance cover (Figure 15). For all other age categories, out-of-pocket expenditures by females were higher than for males.

The greatest difference between the sexes, when it came to out-of-pocket expenditure on hospital services, was in the age category 20-44 years. Females in this category spent, on average, more than twice the rate of males. This reflects the additional out-of-pocket outlays on hospital services faced by women in their child-bearing years.



## Injury compensation insurers

Worker's compensation insurers and third-party motor vehicle insurers comprise the funding for injury compensation insurers. In 2003-04 injury compensation insurers spent (in 2002-03 prices), \$1,822 million on health goods and services. Workers' compensation insurers and third-party motor vehicle insurers accounted for \$1,114 million and \$708 million respectively of this expenditure. Over the period 1993-94 to 2003-04 expenditure by workers' compensation insurers rose on average by 3.9% per year while the annual increase over this decade was 5.9% for third-party insurers (Table 26).

**Table 26: Expenditure by injury compensation insurers, constant prices<sup>(a)</sup>, and annual growth rates, 1993–94 to 2003–04**

Year	Workers' compensation insurers		Third-party insurers		Total injury insurers	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1993–94	762	..	400	..	1,162	..
1994–95	859	12.7	493	23.4	1,352	16.3
1995–96	884	2.9	459	-6.8	1,343	-0.6
1996–97	870	-1.6	507	10.3	1,377	2.5
1997–98	845	-2.8	473	-6.6	1,319	-4.2
1998–99	917	8.5	550	16.1	1,467	11.3
1999–00	947	3.2	555	0.9	1,502	2.3
2000–01	938	-0.9	500	-9.9	1,438	-4.3
2001–02	945	0.7	646	29.4	1,591	10.7
2002–03	971	2.8	638	-1.4	1,609	1.1
2003–04 <sup>(b)</sup>	1,114	14.7	708	11.0	1,822	13.3
<b>Average annual growth rate</b>						
1993–94 to 1997–98		2.6	4.3		3.2	
1997–98 to 2002–03		2.8	6.1		4.1	
1993–94 to 2003–04		3.9	5.9		4.6	

(a) Constant price health expenditure for 1993–94 to 2003–04 is expressed in terms of 2002–03 prices.

(b) Based on preliminary AIHW estimates.

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

Source: AIHW health expenditure database.

### 3.4 Aboriginal and Torres Strait Islander funding, 2001–02

In July 2005, the AIHW published *Expenditures on health for Aboriginal and Torres Strait Islander peoples, 2001–02*. These statistics provide a different slice of the health expenditure data for 2001–02 presented in this publication (although there will be some slight differences in aggregates because of revisions to data since July 2005).

Estimated expenditure on health services for Aboriginal and Torres Strait Islander people for 2001–02 was, on average, \$3,901 per Indigenous person (Table 27). Governments were responsible for 92.7% (\$3,614 per person) of this funding. The non-government sector contributed 7.3% or \$287 per person.

By way of comparison, government funding for health for all Australians in 2001–02 was estimated at 68.4% of total funding (Table 12).

In 2001–02, the three areas of expenditure that attracted the highest spending for Indigenous Australians were:

- public (non-psychiatric) hospitals (\$1,774 per person)
- community health services (\$959 per person)
- medical services (\$217 per person).

The first two of these service types—public (non-psychiatric) hospitals and community health services— together accounted for most (70.1%) of the recurrent expenditure on health for Indigenous Australians during 2001–02. By way of contrast, total expenditure (for all Australians) on these services represented less than one-third (30.8%) of recurrent health expenditure (Table A2).

This reflects the much higher reliance that Indigenous people place on these largely publicly funded health services to meet their health needs and their much lower use of privately funded health goods and services.

**Table 27: Recurrent expenditure on health for Aboriginal and Torres Strait Islander peoples, per person, current prices, by service type and broad sources of funding, 2001–02 (\$)**

Area of expenditure	Government			Non-government	Total recurrent expenditure
	Australian Government	State/territory and local	Total		
Hospitals	769.64	1,030.65	1,800.29	52.46	1,852.75
Public (non-psychiatric)	756.12	975.81	1,731.93	41.94	1,773.87
Public (psychiatric)	—	51.41	51.41	2.38	53.79
Private	13.52	3.43	16.94	8.14	25.08
High-level residential care	66.57	25.51	92.08	16.75	108.83
Ambulance and other (nec)	27.51	103.82	131.33	5.63	136.95
<i>Total institutional</i>	<i>863.72</i>	<i>1,159.98</i>	<i>2,023.71</i>	<i>74.83</i>	<i>2,098.54</i>
Medical services	184.35	—	184.35	32.85	217.19
Other health professionals	14.43	—	14.43	22.33	36.76
Pharmaceuticals <sup>(a)</sup>	78.49	3.24	81.73	62.63	144.36
Benefit-paid items	77.57	—	77.57	14.63	92.20
All other items	0.92	3.24	4.16	48.00	52.16
Aids and appliances <sup>(b)</sup>	3.06	1.46	4.52	29.99	34.51
Other non-institutional	495.95	712.53	1,208.48	50.54	1,259.03
Community health and other	365.74	593.00	958.74	0.56	959.30
Public health <sup>(c)</sup>	68.00	90.15	158.15	—	158.15
Dental services	3.29	—	3.29	44.31	47.59
Health administration <sup>(d)</sup>	58.92	29.39	88.31	5.67	93.99
Other health services <sup>(e)</sup>	42.53	54.45	96.99	13.46	110.44
<i>Total non-institutional</i>	<i>818.82</i>	<i>771.68</i>	<i>1,590.50</i>	<i>211.79</i>	<i>1,802.29</i>
<b>Total recurrent expenditure</b>	<b>1,682.54</b>	<b>1,931.66</b>	<b>3,614.20</b>	<b>286.63</b>	<b>3,900.83</b>
<i>Share of total funding (%)</i>	<i>43.1</i>	<i>49.5</i>	<i>92.7</i>	<i>7.3</i>	<i>100.0</i>

(a) The Northern Territory was the only jurisdiction to report funding on pharmaceutical expenditure.

(b) Four jurisdictions reported funding of aids and appliances expenditure: New South Wales, Victoria, Queensland and the Australian Capital Territory.

(c) Includes public health research. No public health research was reported for Queensland.

(d) State and territory health administration includes Queensland, Western Australia, South Australia and Tasmania. The other states and territories distributed administration across areas of expenditure.

(e) Includes research other than public health research. No state research was reported for Tasmania.

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

Source: AIHW 2005b.