

Health expenditure Australia 2001–02

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Preface

Health expenditure statistics show the volume and proportion of economic resources allocated to the production and consumption of health care which in turn contribute to the health and wellbeing of the nation. This involves measuring not only the overall level of expenditure but also expenditure on the different components of the health care system, and the sources of funding for health care.

Health Expenditure Australia 2001-02 continues the Australian Institute of Health and Welfare's series of reports on health expenditures, which have been produced annually since 1986. This publication presents the most recent estimates for Australia for the year 2001-02, plus time-series data covering the period from 1991-92 to 2000-01.

A new feature of this issue is the inclusion of a detailed matrix showing a break-down of the Institute's preliminary estimates of national health expenditure for the latest year (2001-02). This innovation is aimed at providing analysts with more timely indications of the way expenditure on particular areas is expected to have moved in recent years. Users should, however, exercise caution when using these preliminary estimates as they are subject to change when firm data are received from data providers.

In recent issues the publication has provided individual health expenditure matrices at the national level for the previous decade and for each of the states and territories from 1996-97. With the exception of the state and national matrices from 1998-99, all previously published and revised matrices are now on the Institute's web site (<http://www.aihw.gov.au/expenditure/health>).

As was the case in the 2000-01 publication, there have been substantial revisions to estimates of health expenditure in earlier years, due to receipt of additional or revised data. Comparisons with years prior to 2001-02 should, therefore, be based on information provided in this publication, rather than by reference to earlier editions.

Richard Madden
Director
Australian Institute of Health and Welfare

Abbreviations and symbols

DVA	Department of Veterans' Affairs
GDP	Gross Domestic Product
n.a.	not available
..	not applicable
nec	not elsewhere classified
—	nil or rounded down to zero

Background and summary

1.1 Background

This health expenditure publication reports on health expenditure in Australia by area of expenditure and source of funds from 1991–92 to 2000–01. It also provides estimates of recurrent, capital and total expenditure by source of funds for 2001–02. Expenditure is analysed in terms of who provides the funding for health care and the types of services that attract that funding.

The bulk of funding for health expenditure is provided by the Australian Government and the state and territory governments. Therefore, as well as consideration of the whole period from 1991–92 to 2001–02, analyses of trends in expenditure have been linked to the periods covered by the health care funding agreements between these two levels of government. These are:

- up to 1992–93;
- from 1993–94 to 1997–98; and
- from 1998–99.

Australia is compared with nine member countries of the Organisation for Economic Co-operation and Development (OECD).

The tables and figures in this publication detail expenditure in terms of current and constant prices. Constant price expenditure adjusts for the effects of inflation using, wherever possible, chain price indexes provided by the Australian Bureau of Statistics (ABS). Where such chain price indexes are not available, implicit price deflators are used. Because the reference year for both the chain price indexes and the implicit price deflators is 2000–01, the constant price estimates indicate what expenditure would have been had 2000–01 prices applied in all years.

Throughout this publication there are references to the general rate of inflation. These refer to changes in economy-wide prices, not just consumer prices. The general rate of inflation is calculated with reference to the implicit price deflator for GDP.

Some expenditure estimates for 1996–97 to 2000–01 have been revised since the publication of *Health Expenditure Australia 2000–01*: these are detailed in Section 6, page 67.

1.2 The structure of the health sector and its flow of funds

The flow of money around the Australian health care system is complex and is determined by the institutional frameworks in place, both government and

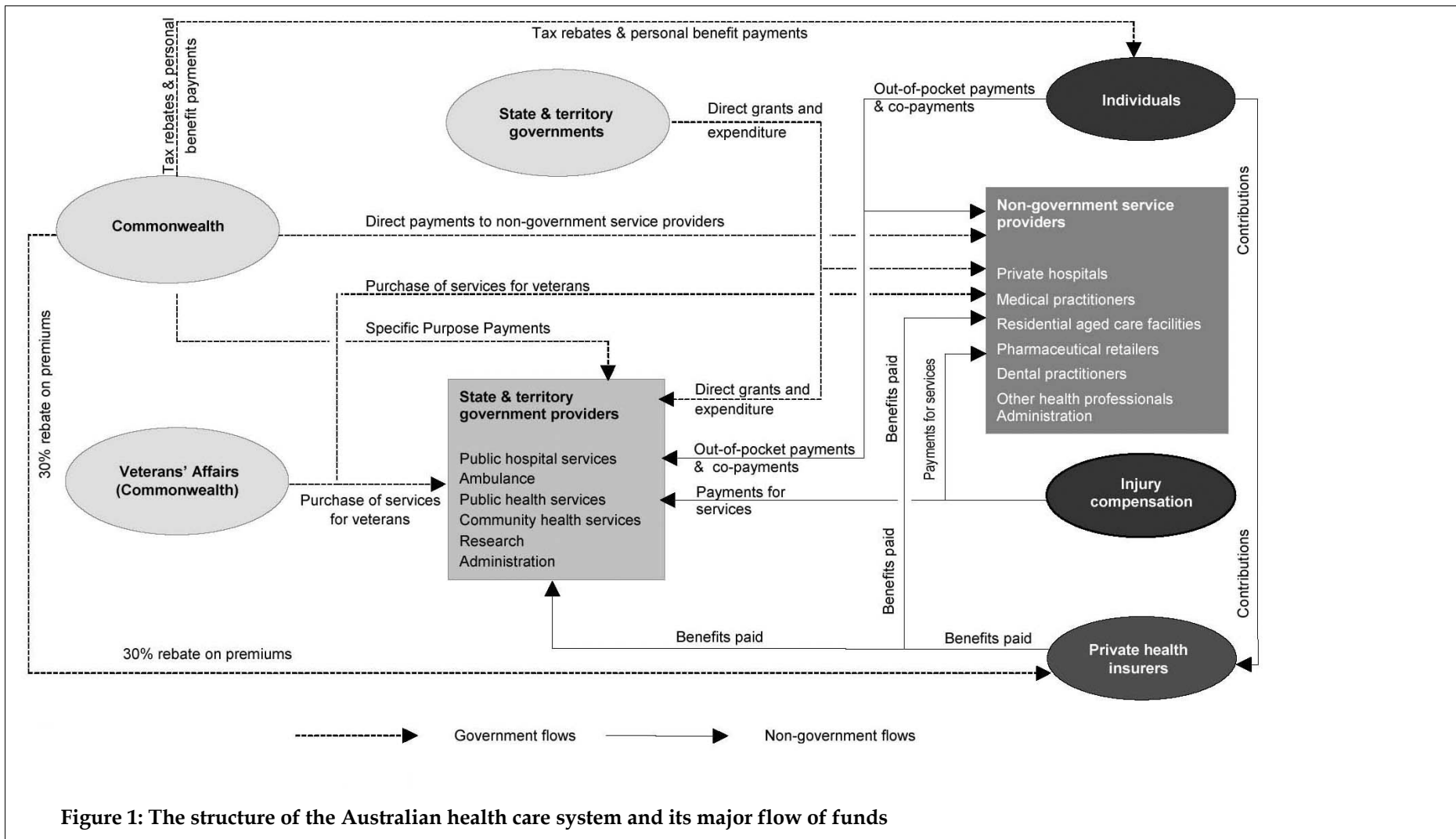
non-government. Australia is a federation, governed by a national government (the Australian Government or Commonwealth) and eight state and territory governments. Both these levels of government play important roles in the provision and funding of health care. In some jurisdictions, local governments also play an important role. All of these levels of government collectively are called the public sector. What remains is the non-government sector, which in the case of funding for health care comprises individuals, private health insurers and other non-government funding sources (principally workers' compensation and compulsory motor vehicle third-party insurers). Figure 1 shows the major flows of funding between the government and non-government sectors and the providers of health goods and services.

Most non-hospital health care in Australia is delivered by non-government providers, among them private medical and dental practitioners, other health professionals (such as physiotherapists, acupuncturists and podiatrists) and pharmaceutical retailers. Delivery of health care can occur in a diverse range of settings – hospitals, residential aged care facilities, hospices, rehabilitation centres, community health centres, health clinics, ambulatory care services, the private consulting rooms of health professionals, patients' homes or workplaces, and so on. Public, occupational and environmental health interventions can be delivered in several ways – through information in the media, regulation, screening and immunisation programs, and infectious disease identification and containment programs.

In summary, the following are the main features of Australia's health system –

- Universal cover for privately provided medical services under Medicare, which is largely funded by the Australian Government, with co-payments by users where the services are patient-billed.
- Eligibility for public hospital services, free at the point of service, funded approximately equally by the states and territories and the Australian Government.
- Growing private hospital activity, largely funded by private health insurance, is in turn subsidised by the Australian Government through its 30% rebate on members' contributions to private health insurance.
- The Australian Government, through its Pharmaceutical Benefits Scheme, subsidises a wide range of drugs and medicinal preparations outside public hospitals.
- The Australian Government provides most of the funding for high-level residential aged care and for health research. It also directly funds a wide range of services for eligible veterans.
- State and territory health authorities are primarily responsible for mental health programs, the transport of patients, community health services, and public health services such as health promotion and disease prevention.

- Individuals primarily spend money on pharmaceuticals, dental services, medical services and other professional services.



1.3 Summary of findings

- Total health expenditure in Australia was an estimated \$66.6 billion in 2001–02. This is equivalent to \$3,397 per person.
- Health expenditure as a proportion of GDP was estimated at 9.3% in 2001–02, up from 9.1% (\$60.9 billion) in 2000–01.
- Governments funded 68.4% of health expenditure in Australia in 2001–02.
- Average real growth in funding by individuals (out-of-pocket expenditures) between 1997–98 and 2001–02 was 7.7% per year.
- The Australian Government spent \$2.0 billion on rebates to members of private health insurance in 2001–02.
- Real growth in expenditure on health averaged 4.6% between 1991–92 and 2001–02, with the highest annual growth (6.0%) occurring in 2001–02.
- Pharmaceuticals was the most rapidly growing area of expenditure (9.4% per year over the decade and 11.9% annually from 1997–98 to 2001–02).
- Health prices increased, on average, 0.7% per year more rapidly than the general inflation rate between 1991–92 and 2001–02.

1.4 Revisions to ABS estimates

In *Health Expenditure Australia 2000–01* a number of revisions to key ABS source data for the health expenditure estimates were outlined. Subsequent revisions to ABS estimates of GDP and household final consumption expenditure have again affected the estimates in this 2001–02 publication.

GDP estimates for this publication are sourced from the ABS (ABS 2003). The current price GDP estimates in that ABS publication are lower than those that were published in *Health Expenditure Australia 2000–01*. For instance, the 2000–01 current price estimate of GDP in the December quarter of 2002 was revised down by \$2.9 billion, compared with the published number used in *Health Expenditure Australia 2000–01*. This has raised the health expenditure – GDP ratio.

Estimated household final consumption expenditure for medicines, aids and appliances has been revised upwards since the publication of *Health Expenditure Australia 2000–01*, while the estimate for expenditure on doctors and other health professionals has been revised down. Despite the downward revision, the latter shows strong growth for the years of interest and this markedly affects the health expenditure estimates.

2 Total health expenditure

Total expenditure on health goods and services, health-related services and capital formation in Australia in 2001-02 was estimated at \$66.6 billion (Table 1 and Table A4). This was an increase of \$5.7 billion over the previous year. Most of this increase between 2000-01 and 2001-02 was in four areas of expenditure:

- hospitals – \$2.0 billion;
- pharmaceuticals – \$0.9 billion;
- medical services – \$0.9 billion; and
- dental services – \$0.6 billion.

After allowing for inflation, real growth between 2000-01 and 2001-02 was estimated at 6.0%. This was 1.4 percentage points above the average since 1991-92, and more than half a point above the four-year average of 5.4% since 1997-98.

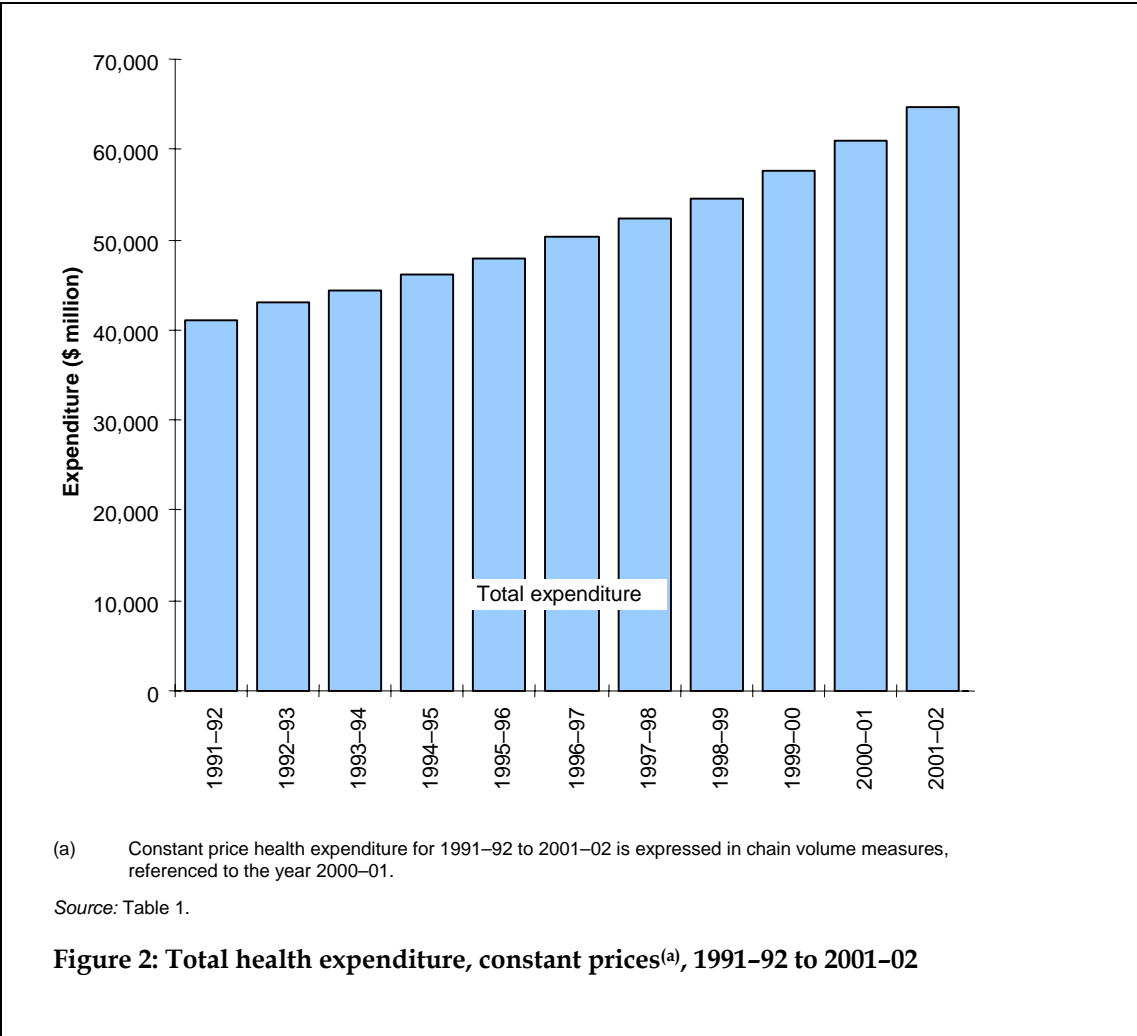


Table 1: Total health expenditure, current and constant prices^(a) and annual growth rates, 1991–92 to 2001–02

Year	Amount (\$ million)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1991–92	33,123	41,002	..	..
1992–93	35,098	43,093	6.0	5.1
1993–94	36,990	44,417	5.4	3.1
1994–95	39,216	46,062	6.0	3.7
1995–96	42,082	48,021	7.3	4.3
1996–97	45,296	50,362	7.6	4.9
1997–98	48,273	52,280	6.6	3.8
1998–99	51,629	54,632	7.0	4.5
1999–00	55,809	57,810	8.1	5.8
2000–01	60,897	60,897	9.1	5.3
2001–02 ^(b)	66,582	64,529	9.3	6.0
Average annual growth rate				
1992–93 to 1997–98			6.6	3.9
1997–98 to 2001–02			8.4	5.4
1991–92 to 2001–02			7.2	4.6

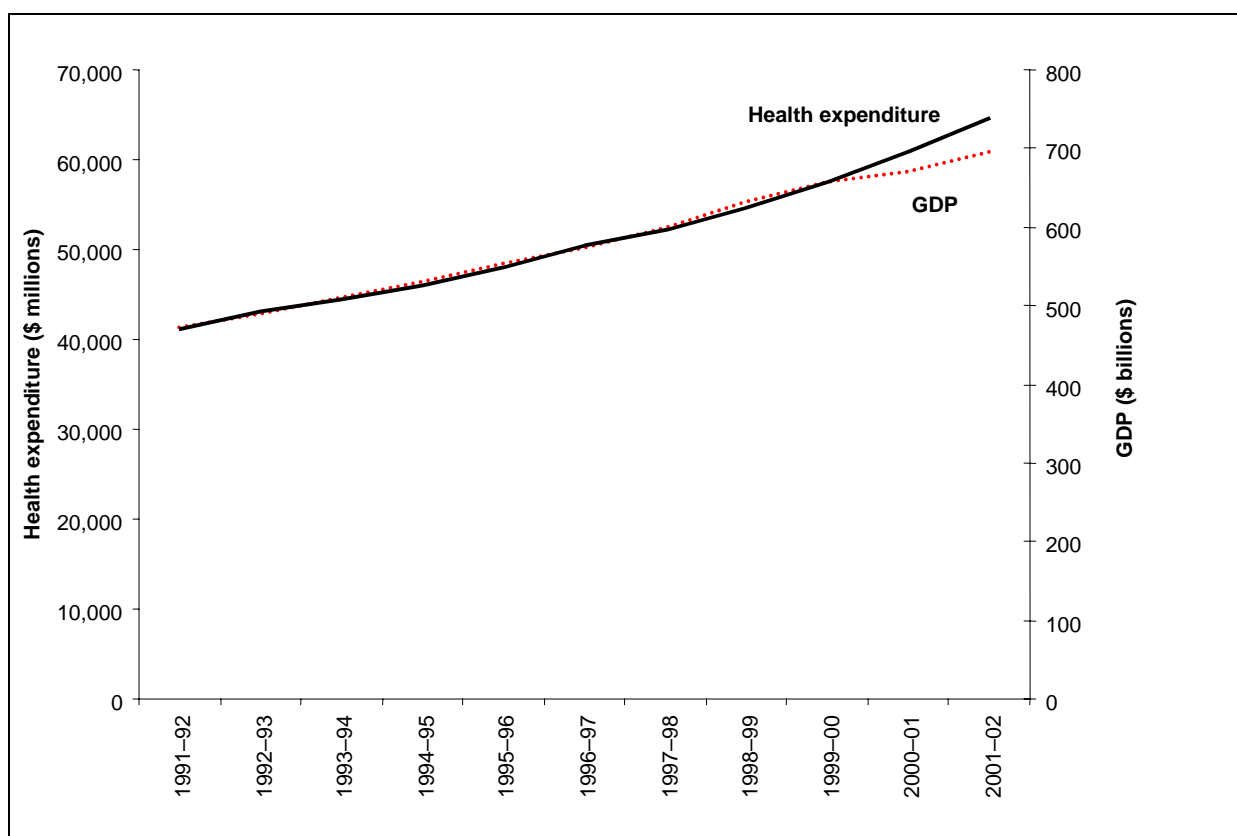
(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

2.1 Health expenditure and the general level of economic activity

Until 1999–00 real growth in health expenditure largely tracked growth in the economy. In the last three years, however, as economic growth has slowed, health expenditure has continued to grow, in real terms (Figure 3; Table 3).



(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.

Source: Table 3.

Figure 3: Health expenditure and GDP, constant prices^(a), 1991-92 to 2001-02

At the national level, GDP is the main measure used to indicate the overall level of economic activity. It is also a principal measure used to make international comparisons and this is discussed in Chapter 5. The ratio of Australia's health expenditure to GDP provides an indication of the proportion of overall economic activity contributed by the health sector. It is estimated that spending on health accounted for 9.3% of GDP in 2001-02 – up from 9.1% in the previous year and from 8.1% in 1991-92 (Table 2).

The health expenditure - GDP ratio can increase during a period for one or both of the following reasons:

- the level of use of goods and services in health increased at a greater rate than the increase in the use of all goods and services in the economy (a quantity effect); and
- price rises in the health sector exceeded economy-wide price rises – excess health inflation (a price effect).

Table 2: Total health expenditure and GDP, current prices, and annual growth rates, 1991–92 to 2001–02

Year	Total health expenditure		GDP		Ratio of health expenditure to GDP (%)
	Amount (\$ million)	Nominal growth rate (%)	Amount (\$ million)	Nominal growth rate (%)	
1991–92	33,123	..	406,605	..	8.1
1992–93	35,098	6.0	426,231	4.8	8.2
1993–94	36,990	5.4	447,024	4.9	8.3
1994–95	39,216	6.0	471,349	5.4	8.3
1995–96	42,082	7.3	502,828	6.7	8.4
1996–97	45,296	7.6	529,885	5.4	8.5
1997–98	48,273	6.6	561,229	5.9	8.6
1998–99	51,629	7.0	591,916	5.5	8.7
1999–00	55,809	8.1	628,620	6.2	8.9
2000–01	60,897	9.1	669,307	6.5	9.1
2001–02 ^(b)	66,582	9.3	712,874	6.5	9.3
Average annual growth rate					
		6.6		5.7	
		8.4		6.2	
		7.2		5.8	

(a) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2003.

The general trend in the health expenditure – GDP ratio was a gradual increase over the eleven-year period. The most significant increase was after 1998–99, when the ratio grew by 0.2 percentage points each year, the increase being due to a combination of volume and price effects. From 1998–99 real health expenditures grew by an average of 5.7% per year, compared with a real GDP growth rate of 3.2% (calculated from Table 3), while average excess health inflation was in fact negative, at –0.1% (calculated from Table 4). This indicates a sharp rise in the use of health services.

Preliminary estimates for 2001–02 show a continued increase in the health expenditure – GDP ratio of 0.2 percentage points due to a large volume effect – with real health expenditure increasing by 6.0% compared with 3.9% for real GDP (Table 3). The two largest contributors to volume change in health expenditure have been hospitals and pharmaceuticals.

A positive (0.7%) excess health inflation figure contributed slightly to nominal growth (Table 4).

Table 3: Total health expenditure and GDP, constant prices^(a), and annual growth rates, 1991–92 to 2001–02

Year	Total health expenditure		GDP	
	Amount (\$m)	Growth rate (%)	Amount (\$m)	Growth rate (%)
1991–92	41,002	..	473,559	..
1992–93	43,093	5.1	490,901	3.7
1993–94	44,417	3.1	510,002	3.9
1994–95	46,062	3.7	531,577	4.2
1995–96	48,021	4.3	554,001	4.2
1996–97	50,362	4.9	574,989	3.8
1997–98	52,280	3.8	600,590	4.5
1998–99	54,632	4.5	632,488	5.3
1999–00	57,810	5.8	657,771	4.0
2000–01	60,897	5.3	669,307	1.8
2001–02 ^(b)	64,529	6.0	695,633	3.9
Average annual growth rate				
		1992–93 to 1997–98		4.1
		1997–98 to 2001–02		3.7
		1991–92 to 2001–02		3.9

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2003

Table 4: Annual rates of health inflation, 1991–92 to 2001–02 (per cent)

Period	Health inflation	General inflation ^(a)	Excess health inflation
1991–92 to 1992–93	0.8	1.1	–0.3
1992–93 to 1993–94	2.2	1.0	1.3
1993–94 to 1994–95	2.2	1.2	1.1
1994–95 to 1995–96	2.9	2.4	0.6
1995–96 to 1996–97	2.6	1.5	1.1
1996–97 to 1997–98	2.7	1.4	1.2
1997–98 to 1998–99	2.3	0.1	2.2
1998–99 to 1999–00	2.2	2.1	—
1999–00 to 2000–01	3.6	4.6	–1.0
2000–01 to 2001–02	3.2	2.5	0.7
Average annual rates of inflation			
	1992–93 to 1997–98	1.5	1.0
	1997–98 to 2001–02	2.3	0.5
	1991–92 to 2001–02	1.8	0.7

(a) Based on the implicit price deflator for GDP.

Sources: AIHW health expenditure database and ABS 2003.

Health inflation

The relationship between movements in health prices and the general level of inflation in the economy as a whole has a strong influence on the ratio of health expenditure to GDP. The general level of inflation is measured by reference to the implicit price deflator for GDP, and health inflation is indicated by reference to the total health price index (see Section 6.3 and Table 36). Australia's health inflation has tended to move ahead of the general level of inflation in most years.

Between 1991–92 and 2001–02, the average rate of general inflation was 1.8% per year (Table 4). Health inflation during that period averaged 2.5% per year, giving an excess health inflation rate of 0.7% per year. In the latest two years – 2000–01 and 2001–02 – health inflation was higher (3.6% and 3.2%, respectively) than at any time over the period since 1991–92.

2.2 Health expenditure per person

As the population grows, it could be anticipated that health expenditure must also increase, to maintain the average level of goods and services available to each person in the community. By examining health expenditure on a per person basis, the influence of changes in the overall size of the population is removed from the analysis.

During 2001–02, estimated per person health expenditure averaged \$3,397 (Table 5).

Real growth in per person health expenditure between 1991–92 and 2001–02 averaged 3.4% per year, compared with 4.6% for aggregate national health expenditure (Table 3; Table 5). The difference between these two growth rates is the result of growth in the overall size of the Australian population.

Table 5: Average health expenditure per person, current and constant prices^(a), and annual growth rates, 1991–92 to 2001–02

Year	Amount (\$)		Growth rate over previous year (%)	
	Current	Constant	Current	Constant
1991–92	1,904	2,357	..	..
1992–93	1,996	2,450	4.8	3.9
1993–94	2,082	2,500	4.3	2.0
1994–95	2,183	2,564	4.9	2.6
1995–96	2,313	2,639	5.9	2.9
1996–97	2,458	2,733	6.3	3.6
1997–98	2,591	2,807	5.4	2.7
1998–99	2,741	2,900	5.8	3.3
1999–00	2,929	3,034	6.9	4.6
2000–01	3,147	3,147	7.4	3.7
2001–02 ^(b)	3,397	3,292	8.0	4.6
Average annual growth rate				
1992–93 to 1997–98			5.4	2.8
1997–98 to 2001–02			7.0	4.1
1991–92 to 2001–02			6.0	3.4

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

2.3 Total health expenditure, by state and territory

As well as being affected by national priorities, health expenditure in Australia is influenced by the different policy initiatives that are pursued by the state and territory governments. Consequently, while expenditure is generally distributed according to the spread of the population, there are differences between the states and territories in the way that health expenditure is distributed within their health systems. Further, over time, there are changes in average expenditures because of different socioeconomic and demographic movements in the states and territories.

Table 6: Total health expenditure, current prices, by state and territory, 1996–97 to 2001–02 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	15,679	11,310	8,242	3,963	3,550	1,308	764	480	45,296
1997–98	16,550	11,979	8,821	4,561	3,740	1,263	828	530	48,273
1998–99	17,681	12,869	9,583	4,819	3,917	1,293	888	552	51,600
1999–00	18,895	13,718	10,609	5,205	4,395	1,408	961	617	55,809
2000–01	20,237	15,449	11,417	5,744	4,885	1,489	985	690	60,896
2001–02 ^(b)	22,020	16,812	12,353	6,498	5,370	1,634	1,149	746	66,582

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Disaggregation of total health expenditure on a state and territory basis has been done since 1996–97. This has enabled some limited comparison of expenditure patterns over time for each of the states and territories. It is estimated that, during 2001–02, 58.2% (\$38.8 billion) of total national health expenditure was incurred in the two most populous states, New South Wales (\$22.0 billion) and Victoria (\$16.8 billion) (Table 6). These two states account for 58.5% of the total Australian population.

During the period covered by the 1998 Australian Health Care Agreements between the Australian Government and the states and territories, that is, from the end of the 1997–98 fiscal year to 2001–02, six states and territories recorded real average annual growth rates that were above the national average of 5.4% – the Northern Territory (6.8%), Western Australia (6.7%), South Australia (6.6%), Queensland (6.1%) the Australian Capital Territory (5.9%) and Victoria (5.6%). Only New South Wales (4.3%) and Tasmania (3.7%) had growth rates that were below the national average (Table 8).

Table 7: Total health expenditure, constant prices^(a), by state and territory, 1996–97 to 2001–02 (\$ million)

Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	17,605	12,634	9,052	4,327	3,951	1,438	830	525	50,362
1997–98	18,021	13,096	9,432	4,873	4,039	1,371	881	565	52,280
1998–99	18,770	13,716	10,081	5,049	4,113	1,384	939	581	54,632
1999–00	19,560	14,281	11,016	5,343	4,531	1,449	996	633	57,810
2000–01	20,237	15,449	11,417	5,744	4,885	1,489	985	690	60,896
2001–02 ^(b)	21,352	16,275	11,935	6,327	5,209	1,585	1,109	736	64,529

(a) Constant price health expenditure for 1996–97 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

Table 8: Total health expenditure, constant prices^(a) all sources of funding: annual growth rates, by state and territory, 1996–97 to 2001–02 (per cent)

Period	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97 to 1997–98	2.4	3.7	4.2	12.6	2.2	-4.6	6.1	7.6	3.8
1997–98 to 1998–99	4.2	4.7	6.9	3.6	1.8	0.9	6.5	2.8	4.5
1998–99 to 1999–00	4.2	4.1	9.3	5.8	10.2	4.7	6.1	9.0	5.8
1999–00 to 2000–01	3.5	8.2	3.6	7.5	7.8	2.8	-1.1	9.0	5.3
2000–01 to 2001–02 ^(b)	5.5	5.3	4.5	10.2	6.6	6.4	12.6	6.6	6.0
Average annual growth rate									
1996–97 to 2001–02 ^(b)	3.9	5.2	5.7	7.9	5.7	2.0	6.0	7.0	5.1
1997–98 to 2001–02 ^(b)	4.3	5.6	6.1	6.7	6.6	3.7	5.9	6.8	5.4

(a) Constant price health expenditure for 1996–97 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

On a per person basis, in 2001–02 Western Australia (\$3,388), Queensland (\$3,365) and New South Wales (\$3,316) had average levels of expenditure that were lower than the estimated national average of \$3,397. The Northern Territory, with an average estimated at \$3,733 had the highest per person level of expenditure on health (Table 9).

Table 9: Average health expenditure per person, current prices, by state and territory, 1996–97 to 2001–02 (\$)

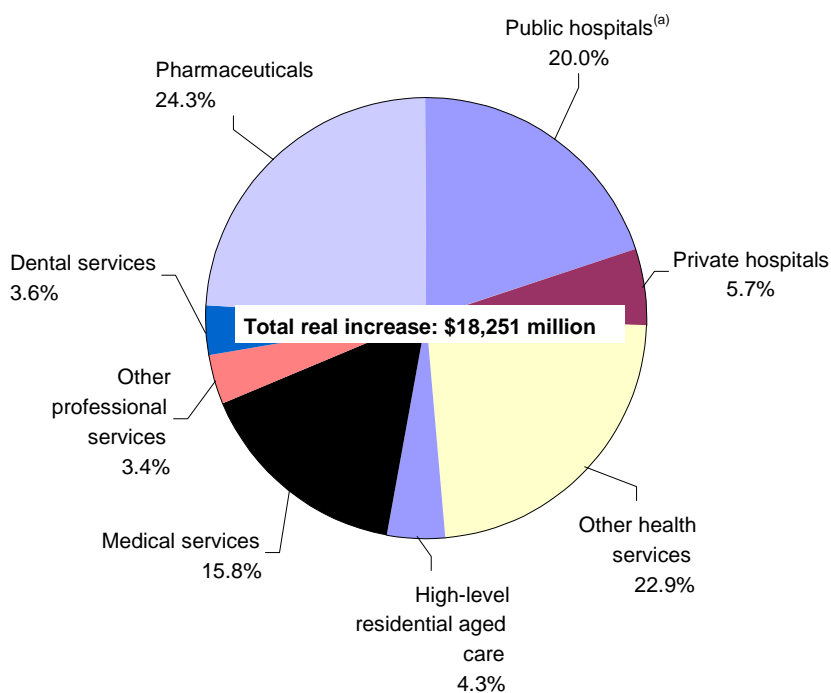
Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
1996–97	2,512	2,467	2,446	2,223	2,404	2,758	2,477	2,603	2,458
1997–98	2,626	2,587	2,575	2,516	2,522	2,673	2,693	2,811	2,591
1998–99	2,777	2,748	2,753	2,612	2,629	2,742	2,878	2,885	2,741
1999–00	2,938	2,895	3,000	2,781	2,939	2,991	3,098	3,181	2,929
2000–01	3,084	3,223	3,169	3,033	3,235	3,154	3,090	3,476	3,147
2001–02 ^(b)	3,316	3,463	3,365	3,388	3,536	3,454	3,562	3,733	3,397

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

2.4 Sources of growth in health expenditure

Just over one-quarter (25.7%) of real growth in recurrent health expenditure between 1991–92 and 2000–01 was concentrated in hospitals (Figure 4) – public (20.0%) and private (5.7%). Another quarter of the growth over this period came from pharmaceuticals (24.3%), and expenditure on medical services contributed a further 15.8% of growth. Together, these three areas of expenditure accounted for 65.8% of the growth in expenditure during the decade. Accordingly, their expenditure as a percentage of GDP rose from 4.5% in 1991–92 to 5.8% in 2000–01.



(a) Includes both non-psychiatric and psychiatric hospitals.

(b) Constant price health expenditure for 1991-92 to 2000-01 is expressed in chain volume measures, referenced to the year 2000-01.

Source: AIHW health expenditure database.

Figure 4: Growth in total recurrent health expenditure, constant prices,^(b) by area of expenditure, 1991-92 to 2000-01

This expenditure growth was largely funded by the Australian Government. Over the decade, it increased its ratio of health expenditure to GDP from 3.5% to 4.3%. For state and territory and local governments the ratio remained steady at around 2.0%, while non-government sources increased their share of GDP by 0.4 percentage points, from 2.6% to 3.0% (Table 10).

Table 10: Total health expenditure, by broad source of funds, as a proportion of GDP, 1991-92 to 2001-02 (per cent)

Year	Government			Non-government ^(a)	Total
	Australian Government ^(a)	State/territory and local	Total		
1991-92	3.5	2.0	5.5	2.6	8.1
1992-93	3.6	1.9	5.5	2.7	8.2
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	3.7	2.0	5.7	2.8	8.5
1997-98	3.8	2.0	5.9	2.7	8.6
1998-99	4.0	2.0	6.0	2.7	8.7
1999-00	4.2	2.0	6.2	2.7	8.9
2000-01	4.3	2.1	6.3	2.8	9.1
2001-02 ^(b)	4.3	2.1	6.4	3.0	9.3

(a) Expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

Sources: AIHW health expenditure database and ABS 2003.

3 Funding of health expenditure in Australia

3.1 Broad trends

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

In 2001–02 government funding of health expenditure was \$45.5 billion, compared with \$21.1 billion for non-government sources (Table 11).

In the decade to 2001–02, funding of health expenditure by governments in Australia grew at a higher average annual real rate (5.4%) than did total expenditure on health funded from all sources, which averaged 4.6% per year (Table 16, page 24).

As a consequence, the contribution of governments to the funding of total health expenditure increased from 67.3% in 1991–02 to 68.4% in 2001–02 (Table 12).

Table 11: Total health expenditure, current prices, by broad source of funds, 1991–92 to 2001–02 (\$ million)

Year	Government			Non-government ^(a)	Total
	Australian Government ^(a)	State/territory and local	Total		
1991–92	14,167	8,138	22,305	10,818	33,123
1992–93	15,291	8,202	23,494	11,605	35,098
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	18,997	9,260	28,257	13,825	42,082
1996–97	19,806	10,391	30,197	15,099	45,296
1997–98	21,588	11,489	33,078	15,196	48,273
1998–99	23,803	11,808	35,611	16,017	51,628
1999–00	26,178	12,845	39,023	16,786	55,809
2000–01	28,493	13,751	42,244	18,654	60,897
2001–02 ^(b)	30,673	14,837	45,510	21,072	66,582

(a) Australian Government and non-government expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

NB: 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, 1991–92 to 2001–02 (per cent)

Year	Government			Non-government ^(a)	Total
	Australian Government ^(a)	State/territory and local	Total		
1991–92	42.8	24.6	67.3	32.7	100.0
1992–93	43.6	23.4	66.9	33.1	100.0
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	45.1	22.0	67.1	32.9	100.0
1996–97	43.7	22.9	66.7	33.3	100.0
1997–98	44.7	23.8	68.5	31.5	100.0
1998–99	46.1	22.9	69.0	31.0	100.0
1999–00	46.9	23.0	69.9	30.1	100.0
2000–01	46.8	22.6	69.4	30.6	100.0
2001–02 ^(b)	46.1	22.3	68.4	31.6	100.0

(a) Expenditure has been adjusted for tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

Recurrent funding of health

In real terms, recurrent funding of health grew by 4.5% in the decade from 1991–92 to 2001–02 (Table 15). The government sector's share of funding grew by 5.3%, while non-government funding grew by 3.0% (Table 13; Table 14). These growth rates are similar to those for total government and non-government funding of health (Table 16).

Pharmaceuticals consistently experienced the greatest growth in funding. Overall, pharmaceuticals averaged real growth of 9.4% between 1991–92 and 2001–02. Funding for public hospitals (4.1%), medical services (3.8%) and private hospitals (3.6%) were the next highest contributors to real growth in funding.

Government sector funding

Over the whole period, the area that attracted the most rapid real growth in government funding was private hospitals – 25.7% per year (Table 13). This was largely a transfer between the non-government sector (private health insurance funds) and 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 also contributed to the rapid real growth in government funding.

The period from 1997–98 to 2001–02, during which the Australian Government's private health insurance incentives were being introduced, saw the fastest growth in government recurrent funding (5.7%). Growth during that period was largely in two areas – private hospitals (23.2% per year) and other professional services (19.6%) –

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 (14.3%).

Non-government funding

The area that attracted the fastest real growth in funding by non-government sources between 1991-92 and 2000-01 was pharmaceuticals – 7.0% per year (Table 14).

Non-government funding for private hospitals, was in fact, negligible.

Growth in non-government funding was most rapid between 1997-98 and 2001-02. It averaged 4.7% over this period, with much of the growth being driven by pharmaceuticals (9.4%) and other professional services (5.5%).

Table 13: Government funding of recurrent health expenditure, constant prices^(a), by area of expenditure, and annual growth rates, 1991–92 to 2001–02

Year	High-level resid. Aged care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total government		
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	
1991–92	2,393	..	1,554	..	5,595	..	236	..	165	..	9,757	..	5,042	..	24,743	..	
1992–93	2,444	2.1	1,880	21.0	6,160	10.1	250	5.8	186	12.9	9,927	1.7	5,022	-0.4	25,868	4.5	
1993–94	2,380	-2.6	1,929	2.6	6,552	6.4	246	-1.5	264	41.9	10,033	1.1	5,063	0.8	26,466	2.3	
1994–95	2,411	1.3	2,125	10.2	6,889	5.1	233	-5.5	373	41.5	10,572	5.4	5,129	1.3	27,733	4.8	
1995–96	2,561	6.2	2,550	20.0	7,231	5.0	248	6.5	419	12.3	11,370	7.5	5,281	3.0	29,660	6.9	
1996–97	2,743	7.1	2,761	8.3	7,423	2.7	244	-1.4	428	2.1	12,194	7.2	5,357	1.4	31,149	5.0	
1997–98	2,974	8.4	2,828	2.4	7,630	2.8	255	4.3	705	64.9	13,116	7.6	5,709	6.6	33,217	6.6	
1998–99	3,050	2.6	3,104	9.7	7,824	2.5	264	3.5	1,108	57.2	13,745	4.8	5,516	-3.4	34,611	4.2	
1999–00	3,148	3.2	3,542	14.1	8,284	5.9	402	52.3	1,478	33.3	13,875	0.9	6,794	23.2	37,523	8.4	
2000–01	3,161	0.4	4,395	24.1	8,407	1.5	515	28.2	1,574	6.5	14,479	4.4	7,135	5.0	39,667	5.7	
2001–02 ^(b)	3,202	1.3	4,827	9.8	8,732	3.9	522	1.3	1,624	3.1	15,207	5.0	7,412	3.9	41,526	4.7	
Average annual growth rate																	
1992–93 to 1997–98		4.0		8.5		4.4		0.4		30.6		5.7		2.6		5.1	
1997–98 to 2001–02		1.9		14.3		3.4		19.6		23.2		3.8		6.7		5.7	
1991–92 to 2001–02		3.0		12.0		4.6		8.3		25.7		4.5		3.9		5.3	

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Table 14: Non-government funding of recurrent health expenditure, constant prices^(a), by area of expenditure, and annual growth rates, 1991–92 to 2001–02

Year	High-level resid. Aged care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total non- government		
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	
1991–92	719	..	2,101	..	1,789	..	1,576	..	3,280	..	1,022	..	3,816	..	14,303	..	
1992–93	674	-6.3	2,152	2.4	1,844	3.1	1,634	3.7	3,461	5.5	989	-3.2	4,260	11.6	15,014	5.0	
1993–94	736	9.2	2,160	0.3	1,770	-4.0	1,609	-1.5	3,650	5.5	1,140	15.3	4,452	4.5	15,516	3.3	
1994–95	739	0.4	2,367	9.6	1,764	-0.4	1,550	-3.6	3,923	7.5	1,126	-1.3	4,452	0.0	15,920	2.6	
1995–96	765	3.5	2,299	-2.9	1,744	-1.1	1,463	-5.7	3,975	1.3	1,157	2.8	4,528	1.7	15,932	0.1	
1996–97	783	2.4	2,526	9.8	1,791	2.7	1,676	14.5	3,844	-3.3	1,165	0.6	4,663	3.0	16,447	3.2	
1997–98	812	3.8	2,878	14.0	1,758	-1.8	1,444	-13.8	3,411	-11.3	1,070	-8.1	4,562	-2.2	15,936	-3.1	
1998–99	857	5.5	3,072	6.7	1,818	3.4	1,685	16.7	3,272	-4.1	929	-13.2	4,868	6.7	16,501	3.5	
1999–00	695	-18.9	3,360	9.4	1,836	1.0	1,638	-2.8	2,964	-9.4	1,230	32.4	5,049	3.7	16,772	1.6	
2000–01	737	6.0	3,690	9.8	1,869	1.8	1,925	17.5	2,903	-2.1	862	-29.9	5,643	11.8	17,629	5.1	
2001–02 ^(b)	805	9.2	4,122	11.7	1,967	5.2	1,790	-7.0	3,287	13.2	947	9.8	6,229	10.4	19,146	8.6	
Average annual growth rate																	
1992–93 to 1997–98		3.8		6.0		-0.9		-2.4		-0.3		1.6		1.4		1.2	
1997–98 to 2001–02		-0.2		9.4		2.8		5.5		-0.9		-3.0		8.1		4.7	
1991–92 to 2001–02		1.1		7.0		1.0		1.3		—		-0.8		5.0		3.0	

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

Table 15: Total funding of recurrent health expenditure, constant prices^(a) by area of expenditure, and annual growth rates, 1991–92 to 2001–02

Year	High-level resid. Aged care		Pharmaceuticals		Medical services		Other prof. services		Private hospitals		Public hospitals		Other		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	3,113	..	3,655	..	7,384	..	1,812	..	3,445	..	10,779	..	8,859	..	39,046	..
1992–93	3,118	0.2	4,032	10.3	8,004	8.4	1,884	4.0	3,647	5.9	10,916	1.3	9,282	4.8	40,882	4.7
1993–94	3,117	0.0	4,088	1.4	8,323	4.0	1,855	-1.5	3,914	7.3	11,173	2.4	9,514	2.5	41,983	2.7
1994–95	3,150	1.1	4,492	9.9	8,653	4.0	1,783	-3.9	4,296	9.8	11,698	4.7	9,581	0.7	43,653	4.0
1995–96	3,326	5.6	4,849	7.9	8,975	3.7	1,711	-4.1	4,394	2.3	12,527	7.1	9,809	2.4	45,591	4.4
1996–97	3,526	6.0	5,286	9.0	9,214	2.7	1,920	12.2	4,272	-2.8	13,358	6.6	10,020	2.2	47,596	4.4
1997–98	3,786	7.4	5,707	8.0	9,388	1.9	1,699	-11.5	4,117	-3.6	14,186	6.2	10,271	2.5	49,153	3.3
1998–99	3,907	3.2	6,176	8.2	9,641	2.7	1,949	14.7	4,381	6.4	14,674	3.4	10,383	1.1	51,112	4.0
1999–00	3,844	-1.6	6,902	11.7	10,120	5.0	2,040	4.7	4,442	1.4	15,104	2.9	11,843	14.1	54,295	6.2
2000–01	3,899	1.4	8,085	17.1	10,276	1.5	2,440	19.6	4,477	0.8	15,341	1.6	12,778	7.9	57,297	5.5
2001–02 ^(b)	4,007	2.8	8,948	10.7	10,669	4.1	2,312	-5.2	4,910	9.7	16,154	5.3	13,641	6.8	60,672	5.9
Average annual growth rate																
1992–93 to 1997–98		4.0		7.2		3.2		-2.0		2.5		5.4		2.0		3.8
1997–98 to 2001–02		1.4		11.9		3.3		8.0		4.5		3.3		7.4		5.3
1991–92 to 2001–02		2.6		9.4		3.8		2.5		3.6		4.1		4.4		4.5

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01. Not adjusted for general tax expenditures.

(b) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

3.2 Government sources of funds

In 2001–02, the Australian Government’s (Commonwealth’s) funding of health expenditure was an estimated \$30.7 billion (Table 11). This was 46.1% of total funding for health by all sources of funds (Table 12; Figure 5). State, territory and local government sources provided 22.3% of all funding for health expenditure. The remaining 31.6% was provided by non-government funding sources.

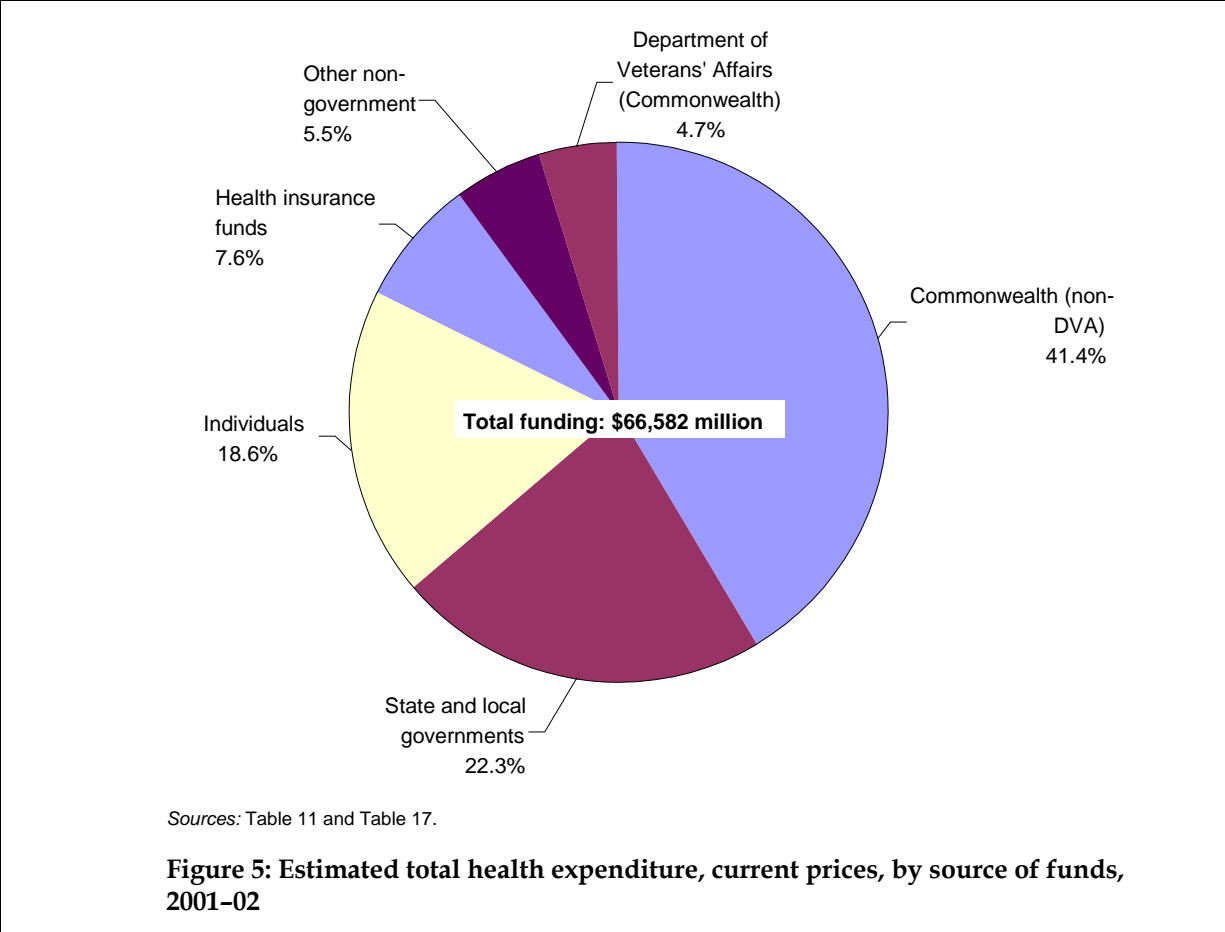


Table 16: Total health expenditure, constant prices^(a), and annual growth rates, by broad source of funds, 1991–92 to 2001–02

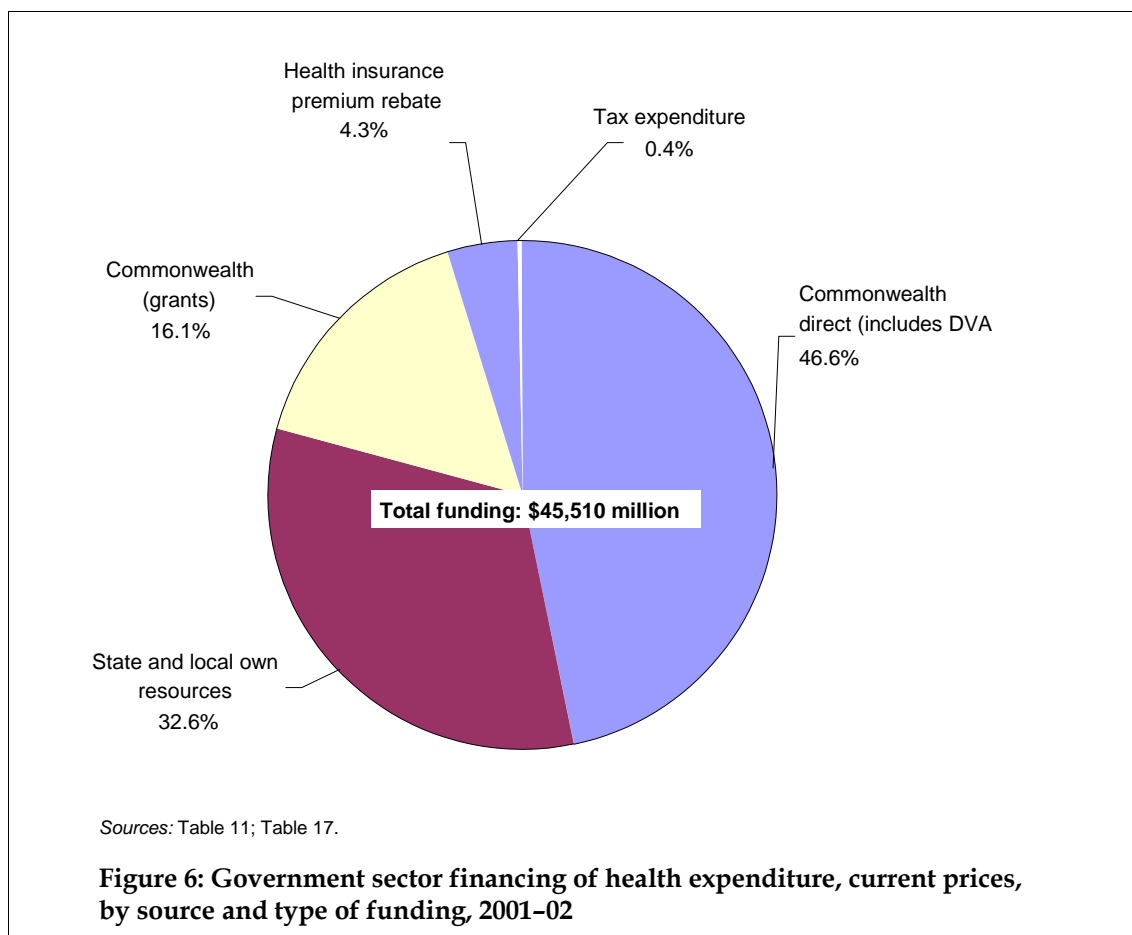
Year	Government						Non-government ^(b)		Total	
	Australian Government ^(b)		State/territory and local		Total		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1991–92	16,722	..	9,531	..	26,253	..	14,749	..	41,002	..
1992–93	17,982	7.5	9,486	–0.5	27,467	4.6	15,626	5.9	43,093	5.1
1993–94	19,139	6.4	8,993	–5.2	28,132	2.4	16,285	4.2	44,417	3.1
1994–95	19,886	3.9	9,526	5.9	29,412	4.5	16,650	2.2	46,062	3.7
1995–96	21,090	6.1	10,260	7.7	31,350	6.6	16,671	0.1	48,021	4.3
1996–97	21,665	2.7	11,369	10.8	33,034	5.4	17,328	3.9	50,362	4.9
1997–98	23,259	7.4	12,339	8.5	35,598	7.8	16,682	–3.7	52,280	3.8
1998–99	25,027	7.6	12,370	0.2	37,396	5.1	17,236	3.3	54,632	4.5
1999–00	26,978	7.8	13,269	7.3	40,246	7.6	17,564	1.9	57,810	5.8
2000–01	28,734	6.5	13,751	3.6	42,485	5.6	18,412	4.8	60,897	5.3
2001–02 ^(c)	29,799	3.7	14,449	5.1	44,248	4.1	20,281	10.2	64,529	6.0
Average annual growth rate										
1992–93 to 1997–98		5.3		5.4		5.3		1.3		3.9
1997–98 to 2001–02		6.4		4.0		5.6		5.0		5.4
1991–92 to 2001–02		5.9		4.2		5.4		3.2		4.6

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Expenditure has been adjusted for tax expenditures.

(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.



Australian Government

In 2001-02 the Australian Government (Commonwealth) provided 67.4% of estimated total government expenditure (Figure 6). This sub-section provides more detail on the Australian Government's funding of recurrent expenditure. Funding for capital formation is discussed in section 4.2, page 53.

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

- payments through the Department of Veterans' Affairs in respect of eligible veterans and their dependents;
- specific-purpose grants to the states and territories;
- direct expenditure by the Australian Government on health programs (such as Medicare, PBS residential care subsidies);
- rebates and subsidies under the *Private Health Insurance Incentives Act 1997*; and
- taxation expenditures.

The various Australian Government policies to subsidise private health insurance since 1997 have seen such assistance rise from zero (1996-97) to \$1.95 billion in 2001-02 (Table 17).

Table 17: Total health expenditure by the Australian Government, current prices, by type of expenditure, 1991–92 to 2001–02 (\$ million)

Year	General expenditure					Tax expenditure			
	DVA	Grants to States	Rebates of health insurance premiums ^(b)	Direct expenditure	Total	Rebates of health insurance premiums	General health tax expenditures	Total	Total
1991–92	1,256	3,786	—	9,043	14,085	—	82	82	14,167
1992–93	1,276	4,050	—	9,874	15,200	—	91	91	15,291
1993–94	1,412	4,404	—	10,771	16,588	—	95	95	16,683
1994–95	1,488	4,729	—	11,242	17,459	—	91	91	17,551
1995–96	1,540	5,012	—	12,340	18,892	—	105	105	18,997
1996–97	1,658	5,202	—	12,822	19,681	—	125	125	19,806
1997–98	1,799	5,656	407	13,441	21,303	160	125	285	21,588
1998–99	2,142	6,328	778	14,067	23,315	179	130	309	23,624
1999–00	2,477	6,569	1,385	15,406	25,837	191	150	341	26,178
2000–01	2,774	6,993	2,031	16,719	28,518	—	150	150	28,668
2001–02 ^(a)	3,104	7,348	2,110	18,102	30,664	—	160	160	30,824

(a) Based on preliminary AIHW estimates.

(b) Includes \$175m in 2000-01 and \$161m in 2001-02 by the Australian Taxation Office as rebates claimed through the taxation system, now classified as an expense item, not a revenue item.

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

Source: AIHW health expenditure database.

The Department of Veterans' Affairs

DVA funding of health services is through its purchase of health goods and services on behalf of eligible veterans and their dependants. In 2000–01 its funding totalled \$2,774 million (Table 17). More than half of this (59.7%) was for institutional services (mainly hospitals and high-level residential aged care services). In 2001–02 estimated funding by DVA was \$3,104 million.

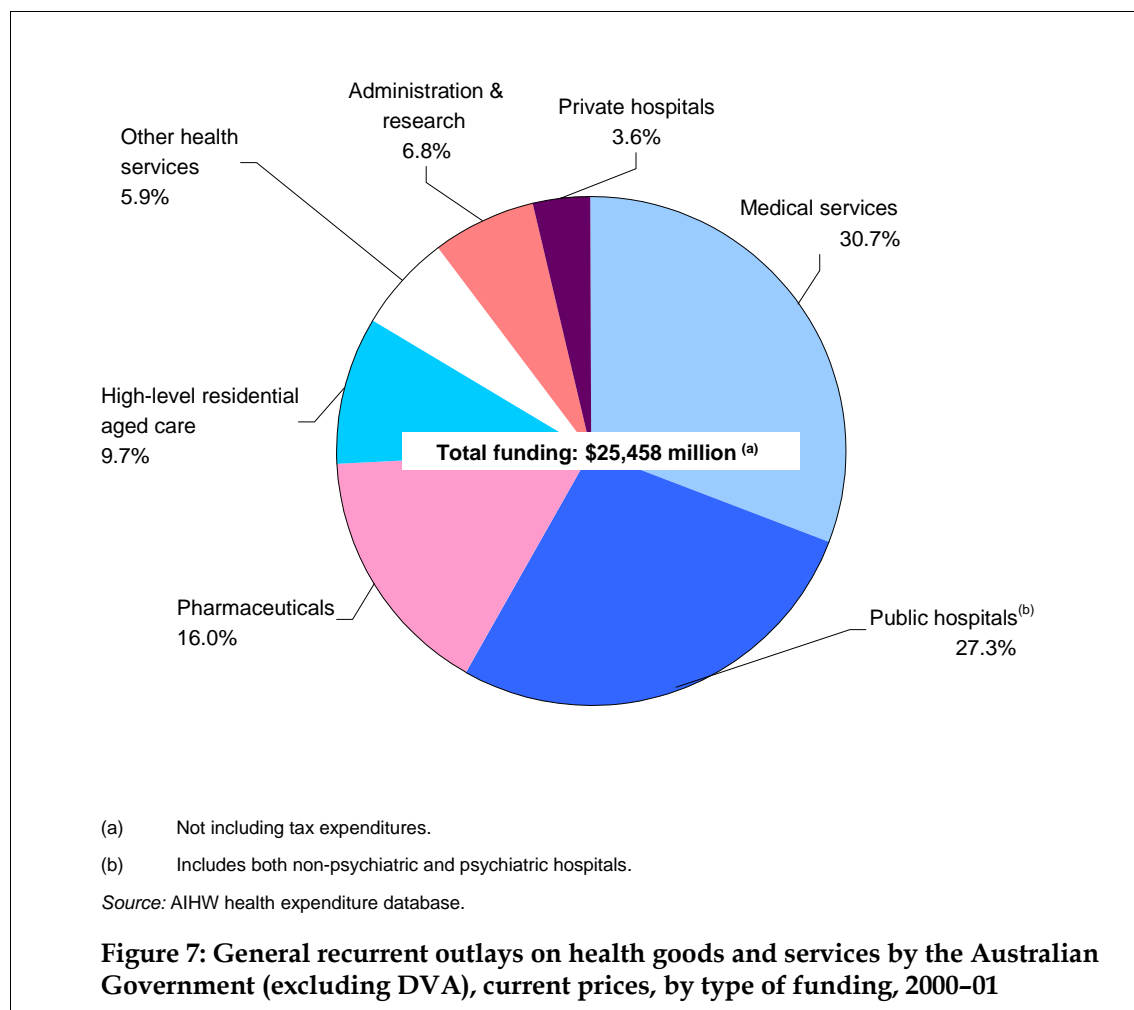
Other Australian Government sources of funding

General recurrent outlays on health

Expenditure recorded as 'general recurrent outlays on health' are recurrent expenditures paid out of appropriations by the Australian Government. Most of those expenditures are administered by the Department of Health and Ageing. They include:

- grants to the states and territories that are specifically targeted to health purposes;
- payments of personal health benefits to individuals – for example, Medicare and pharmaceutical benefits; and
- subsidies paid to providers of health services – for example, high-level residential aged care subsidies.

From 1997–98 these expenditures also include reimbursements, out of appropriations, to health insurance funds, first under the means-tested Private Health Insurance Incentives Subsidy and the non-means-tested 30% rebate arrangements.



Nearly one-third of all funding by the Australian Government was for medical services. In 2000-01 this accounted for 30.7% of all general recurrent outlays on health by the Australian Government (Figure 7).

Most of the Australian Government grants to state and territory governments recorded in the general recurrent outlays on health are provided under the Australian Health Care Agreements between these two levels of government. The grants are primarily directed to expenditure in the public hospital systems of the states and territories. Other grants that are regarded as expenditure on public hospitals include grants for high-cost drugs and blood transfusion services. A proportion of the 30% rebate on private health insurance is also included as funding by the Australian Government for public hospitals. In 2000-01 payments relating to public hospital care accounted for more than one-quarter (27.3%) of total general recurrent outlays by the Australian Government.

The other two main areas for which the Australian Government provided funding are pharmaceuticals, which in 2000-01 accounted for 16.0% of general recurrent outlays, and high-level residential aged care subsidies, which accounted for 9.7%.

Tax expenditures

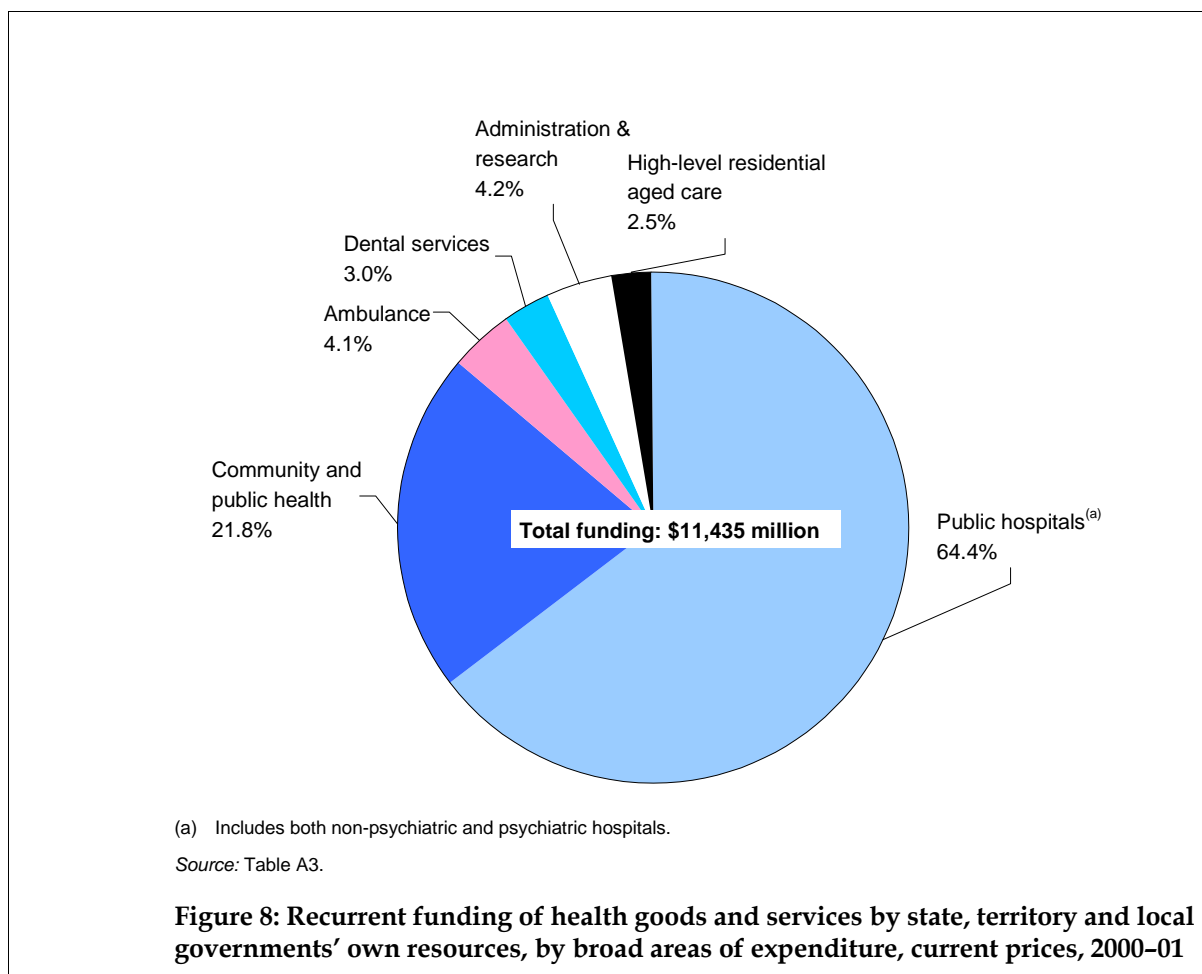
An additional and growing type of funding for health expenditure by the Australian Government is rebates claimed through the taxation system on health-related expenditures. These are referred to as tax expenditures. Two types of these rebates relate to health – general health tax rebates and rebates on health insurance premiums claimed through the taxation system. The Australian Treasury publishes data on tax expenditures each year.

General health tax rebates are included in the estimates of health expenditure for all years. These are rebates allowed for health expenditures that are incurred by individuals for themselves or their dependants – less any amount payable by a government, society, association or fund. Only that part of the aggregate net expenditures in excess of a threshold determined by the government can be used to calculate the rebate. In 2001–02 the threshold was \$1,250 and the total value of general health rebates was estimated at \$160 million, up from \$150 million in 2000–01 and from \$82 million in 1991–92 (Table 17).

The second type of tax expenditure comprises subsidies and rebates claimed under the *Private Health Insurance Incentives Act 1997*. From 1997–98, tax expenditures increased substantially due to the effects of the subsidies to private health insurance. Where such rebates were taken as tax rebates the taxation revenues forgone by the Australian Government were counted as tax expenditures. In its latest publication of tax expenditures, Treasury revised its estimates of tax expenditures for the 30% rebate to record nil values for the years 2000–01 and 2001–02.

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 specific-purpose grants 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). Taken together, these sources of funding amount to two-thirds of all government expenditure on health goods and services.



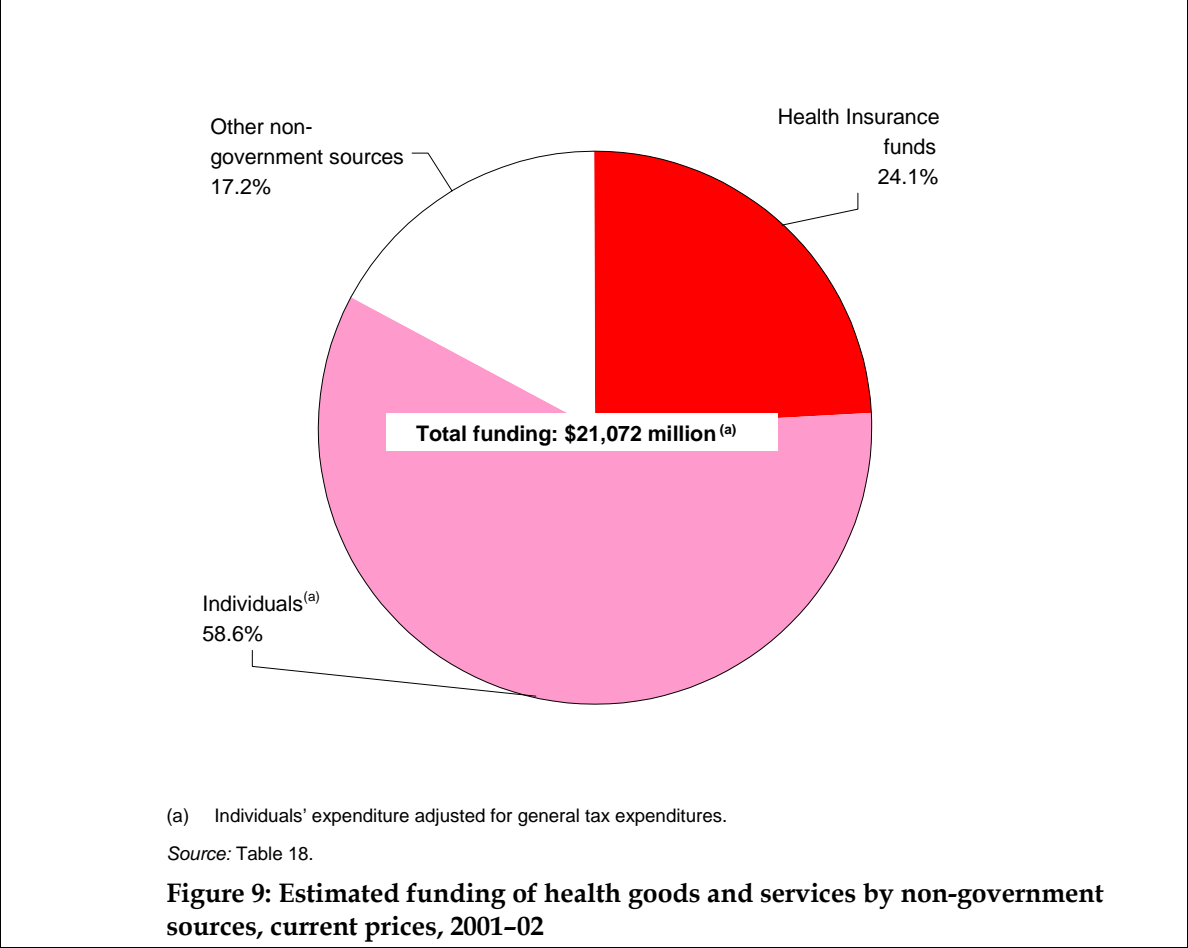
In terms of the types of health goods and services funded by the states and territories and by local government authorities, spending on public hospitals dominates, accounting for 64.4% of recurrent funding provided by those government sources in 2000-01 (Figure 8).

In real terms, expenditure on health by state, territory and local governments increased, by an average of 4.2% per year between 1991-92 and 2001-02, the annual rate of growth having peaked at 10.8% in 1996-97 (Table 16, page 24).

3.3 Non-government funding sources

Most non-government funding for health goods and services in Australia comes from out-of-pocket expenditure by individuals. This includes situations where individuals meet the full cost of care 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. Expenditure by individuals accounted for 58.6% (\$12.4 billion) of estimated non-government funding of health goods and services during 2001-02 (Figure 9; Table 18) with the proportion of expenditure rising by 7.4 percentage points in the decade to 2001-02 (Figure 10). Private health insurance funds provided 24.1% (\$5.1 billion) in 2001-02, down from 35.1% in 1991-

92. The remaining 17.2% (\$3.6 billion) came from other non-government sources (mainly compulsory motor vehicle third party and workers' compensation insurers), which experienced a rise in their share of health funding, by 3.5 percentage points, in the decade to 2001-02.



Non-government funding, which averaged around 33% of total health expenditure, each year between 1991-92 and 1996-97 and around 31% between 1997-98 and 2000-01, was 31.7% in 2001-02 (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 are now jointly funded by the Australian Government (through the contribution rebates) and the funds' members.

Table 18: Non-government sector funding of total health expenditure, current prices, by source of funds, 1991-92 to 2001-02

Year	Private health insurance funds ^(a)		Individuals ^(b)		Other non-government ^(c)		All non-government sources ^(b)	
	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)	Amount (\$m)	Proportion (%)
1991-92	3,796	35.1	5,540	51.2	1,482	13.7	10,818	100.0
1992-93	3,979	34.3	5,895	50.8	1,731	14.9	11,605	100.0
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	6,751	48.8	2,649	19.2	13,825	100.0
1996-97	4,700	31.1	7,544	50.0	2,856	18.9	15,099	100.0
1997-98	4,271	28.1	7,964	52.4	2,961	19.5	15,196	100.0
1998-99	3,886	24.3	9,023	56.3	3,109	19.4	16,017	100.0
1999-00	3,610	21.5	9,692	57.7	3,484	20.8	16,786	100.0
2000-01	4,335	23.2	11,052	59.2	3,267	17.5	18,654	100.0
2001-02 ^(d)	5,087	24.1	12,352	58.6	3,633	17.2	21,072	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.

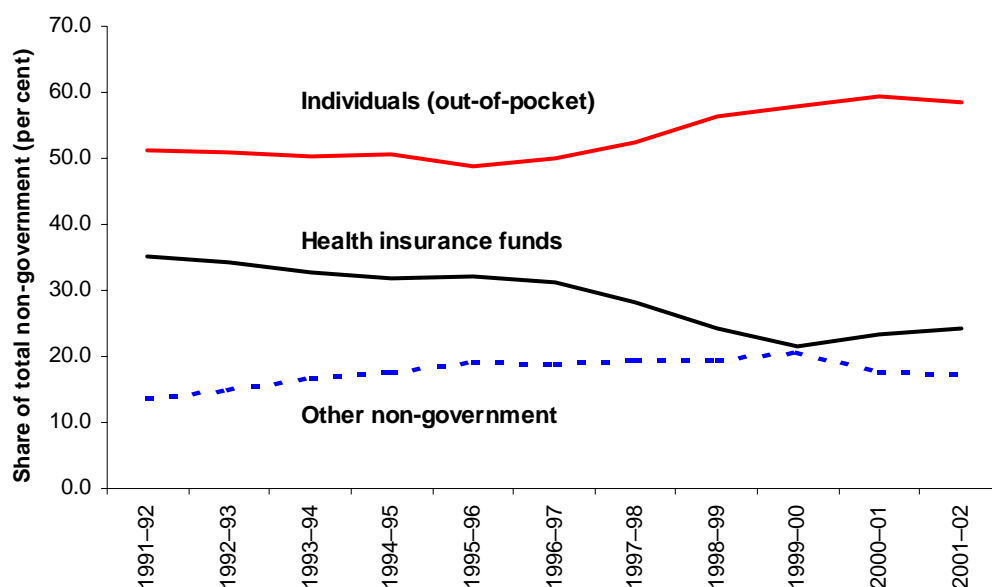
(b) Adjusted for general tax expenditures.

(c) Includes expenditure on capital formation.

(d) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.



Source: Table 18

Figure 10: Non-government sector funding of total health expenditure, current prices, by source of funds, 1991-92 to 2001-02

Table 19: Non-government sector funding of total health expenditure, by source of funds, constant prices^(a), and annual growth rates, 1991–92 to 2001–02

Year	Private health insurance funds ^(b)		Individuals ^(c)		Other non-government ^(d)		All non-government sources	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	5,391	..	7,471	..	1,887	..	14,749	..
1992–93	5,583	3.6	7,885	5.5	2,158	14.4	15,626	5.9
1993–94	5,662	1.4	8,111	2.9	2,512	16.4	16,285	4.2
1994–95	5,702	0.7	8,236	1.5	2,712	8.0	16,650	2.2
1995–96	5,685	-0.3	7,929	-3.7	3,056	12.7	16,671	0.1
1996–97	5,571	-2.0	8,547	7.8	3,210	5.0	17,328	3.9
1997–98	4,594	-17.5	8,854	3.6	3,222	0.4	17,019	-3.8
1998–99	4,049	-11.8	9,849	11.2	3,326	3.2	17,608	3.3
1999–00	3,590	-11.3	10,309	4.7	3,646	9.6	17,947	1.9
2000–01	4,335	20.7	11,052	7.2	3,267	-10.4	18,654	6.3
2001–02 ^(e)	4,854	12.0	11,921	7.9	3,505	7.3	20,281	8.7
Average annual growth rate								
		-3.8		2.3		8.4		1.3
		1.4		7.7		2.1		5.0
		-1.0		4.8		6.4		3.2

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(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 tax expenditures.

(d) Includes expenditure on capital formation.

(e) Based on preliminary AIHW estimates

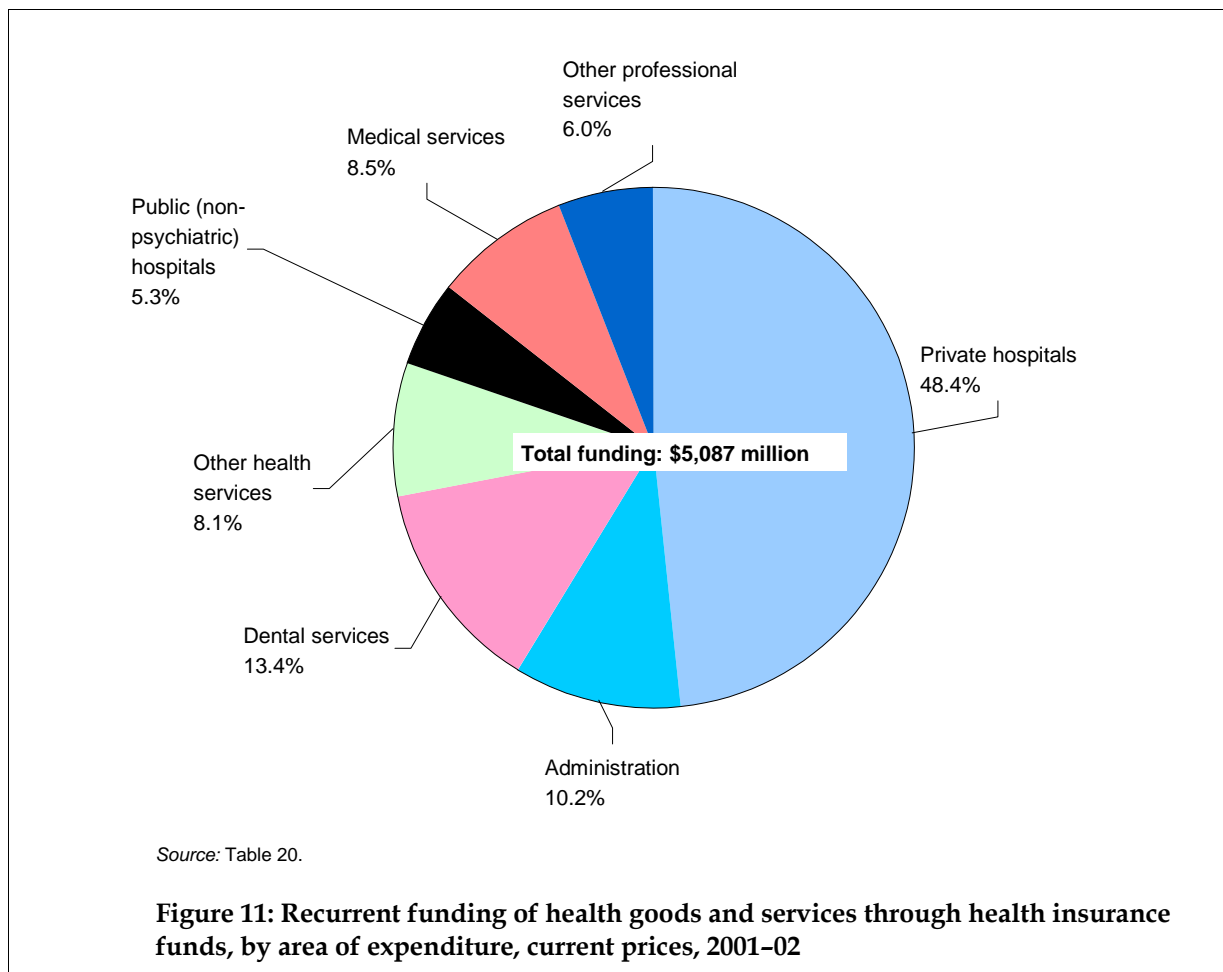
NB: Components may not add to totals due to rounding.

Source: AIHW health expenditure database.

Private health insurance

Funding by private health insurance funds is chiefly directed at private hospital services. During 2001–02 private hospitals accounted for 48.4% of the \$5.1 billion in funding provided by health insurance funds (Figure 11). Other major areas of expenditure that received funding were dental services (13.4%) and administration (10.2%).

The funds went from an operating profit before abnormal and extraordinary items of \$852 million in 2000–01 to a loss of \$32 million in 2001–02 (Table 20).



General benefits and administration

Gross health benefits paid through the health insurance funds in 2001-02 was \$6,318 million – up by \$970 million from \$5,348 million in 2000-01 and by \$1,849 million since 1999-00 (Table 20). A further \$718 million funded administration during 2001-02. This was almost the same level as in 1999-00, although it was down substantially from the 2000-01 level – \$843 million.

Table 20: Expenditure on health goods and services funded through health insurance funds, current prices, 1999–00 to 2001–02 (\$ million)

Area of expenditure	1999–00				2000–01				2001–02			
	Gross benefits paid	Premium rebates ^(a)		Net benefits paid	Gross benefits paid	Premium rebates ^(a)		Net benefits paid	Gross benefits paid	Premium rebates ^(a)		Net benefits paid
		Direct	Taxation			Direct ^(c)	Taxation			Direct ^(c)	Taxation	
Expenditure												
Hospitals	2,900	774	105	2,021	3,312	1,087	—	2,225	3,783	1,139	—	2,643
Public (non-psychiatric)	287	77	10	200	322	106	—	216	375	113	—	262
Private	2,612	698	94	1,821	2,990	981	—	2,009	3,407	1,026	—	2,381
Ambulance	136	36	5	95	181	59	—	121	189	57	—	132
Medical services	281	75	10	196	427	140	—	287	598	180	—	418
Other health professionals	262	70	9	183	333	109	—	224	420	126	—	293
Pharmaceuticals	43	12	2	30	53	17	—	36	64	19	—	44
Aids and appliances	210	56	8	146	268	88	—	180	318	96	—	223
Community/public health	1	—	—	—	1	—	—	—	1	—	—	—
Dental services	636	170	23	443	774	254	—	520	946	285	—	661
Total health	4,469	1,193	161	3,115	5,348	1,755	—	3,594	6,318	1,903	—	4,415
Health administration	717	191	26	500	843	277	—	566	718	207	—	511
Direct expenditure	5,186	1,385	187	3,614	6,191	2,031	—	4,160	7,036	2,110	—	4,926
Outstanding claims	91	24	3	63	220	66	—	154	42	12	—	30
Non-health ancillaries	17	5	1	12	27	8	—	19	72	20	—	52
Total expenditure	5,294	1,414	195	3,685	6,438	2,106	—	4,332	7,150	2,144	—	5,006
Revenue												
Contributions income ^(b)				3,853				5,202				5,288
Other revenue				214				226				66
<i>Total revenue</i>				4,067				5,428				5,354
Operating profit/loss before abnormals and extraordinary items				381				852				–32

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

(b) Adjusted to remove the Australian Government reimbursement to the funds for the 30% rebate on premiums.

(c) Includes \$175m in 2000-01 and \$161m in 2001-02 by the Australian Taxation Office as rebates claimed through the taxation system, now classified as an expense item, not a revenue item.

The initial effect of the introduction of the Australian Government subsidy in 1997 was a sharp drop in net expenditure 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 had, by 2001-02 returned to a higher level than at any time since 1996-97 (Table 21; Figure 12).

Table 21: Expenditure on health goods and services and administration through private health insurance funds, constant prices^(a), and annual growth rates, 1991-92 to 2001-02

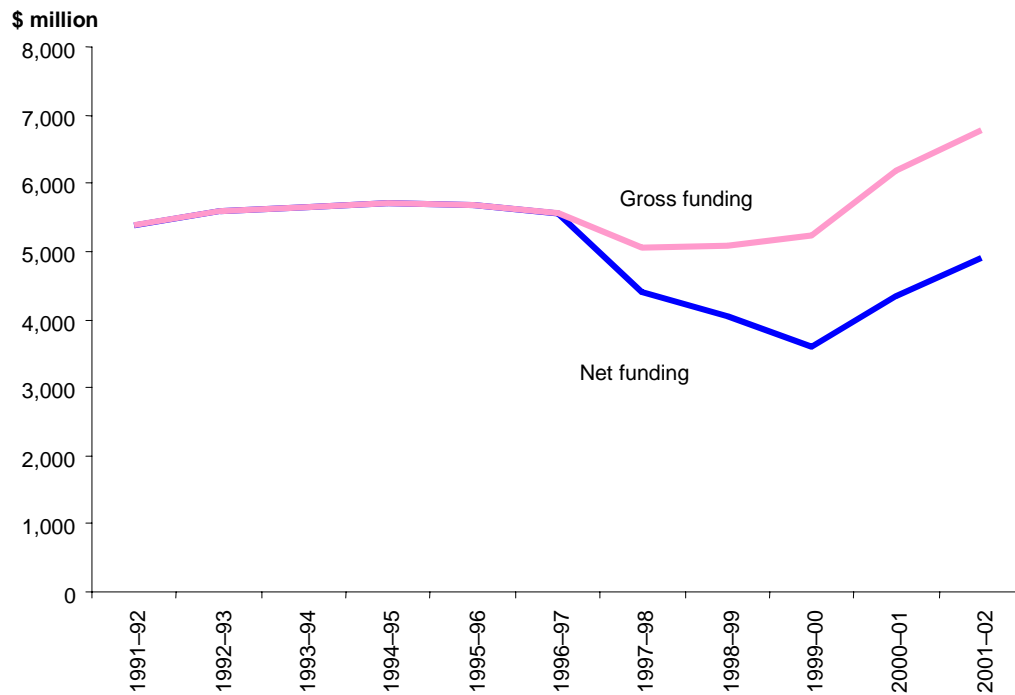
Year	Gross payments through health insurance funds		Reimbursement for rebates allowed by funds		Rebates through taxation system ^(b)		Net payments from health insurance funds resources	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991-92	5,391	..	..	..	..	..	5,391	..
1992-93	5,583	3.6	..	..	..	..	5,583	3.6
1993-94	5,662	1.4	..	..	..	..	5,662	1.4
1994-95	5,702	0.7	..	..	..	..	5,702	0.7
1995-96	5,685	-0.3	..	..	..	..	5,685	-0.3
1996-97	5,571	-2.0	..	..	..	..	5,571	-2.0
1997-98	5,044	-0.5	454	..	177	..	4,413	-20.8
1998-99	5,088	0.9	849	86.9	194	10.0	4,045	-8.3
1999-00	5,248	3.1	1,455	71.4	197	1.2	3,596	-11.1
2000-01	6,191	18.0	1,856	27.6	175	-11.0	4,160	15.7
2001-02	6,715	8.5	1,860	0.2	153	-12.4	4,701	13.0
Average annual growth rate								
1992-93 to 1997-98		-2.0		..				-4.6
1997-98 to 2001-02		7.4		42.5		-3.5		1.6
1991-92 to 2001-02		2.2		..		..		-1.4

(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.

(b) From 2000-01 no longer a tax expenditure but a payment through the tax system.

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

Source: AIHW health expenditure database.



(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.

Note: Up to 1996-97, gross expenditure equals net expenditure.

Source: Table 21.

Figure 12: Funding of health goods and services by private health insurance funds, constant prices^(a), 1991-92 to 2001-02

4 Health expenditure and funding, by area of health expenditure

4.1 Recurrent expenditure on health goods and services

Recurrent health expenditure in Australia is considered under two broad categories of health 'services' (strictly, health goods and services) – 'institutional' services and 'non-institutional' services. This follows the format suggested by the World Health Organization (AIH 1985).

The broad areas of health expenditure that are classified as institutional health expenditure are:

- hospitals;
- high-level residential aged care (formerly nursing homes);
- ambulance (patient transport) services; and
- other institutional health services (not elsewhere classified).

Non-institutional expenditure takes in:

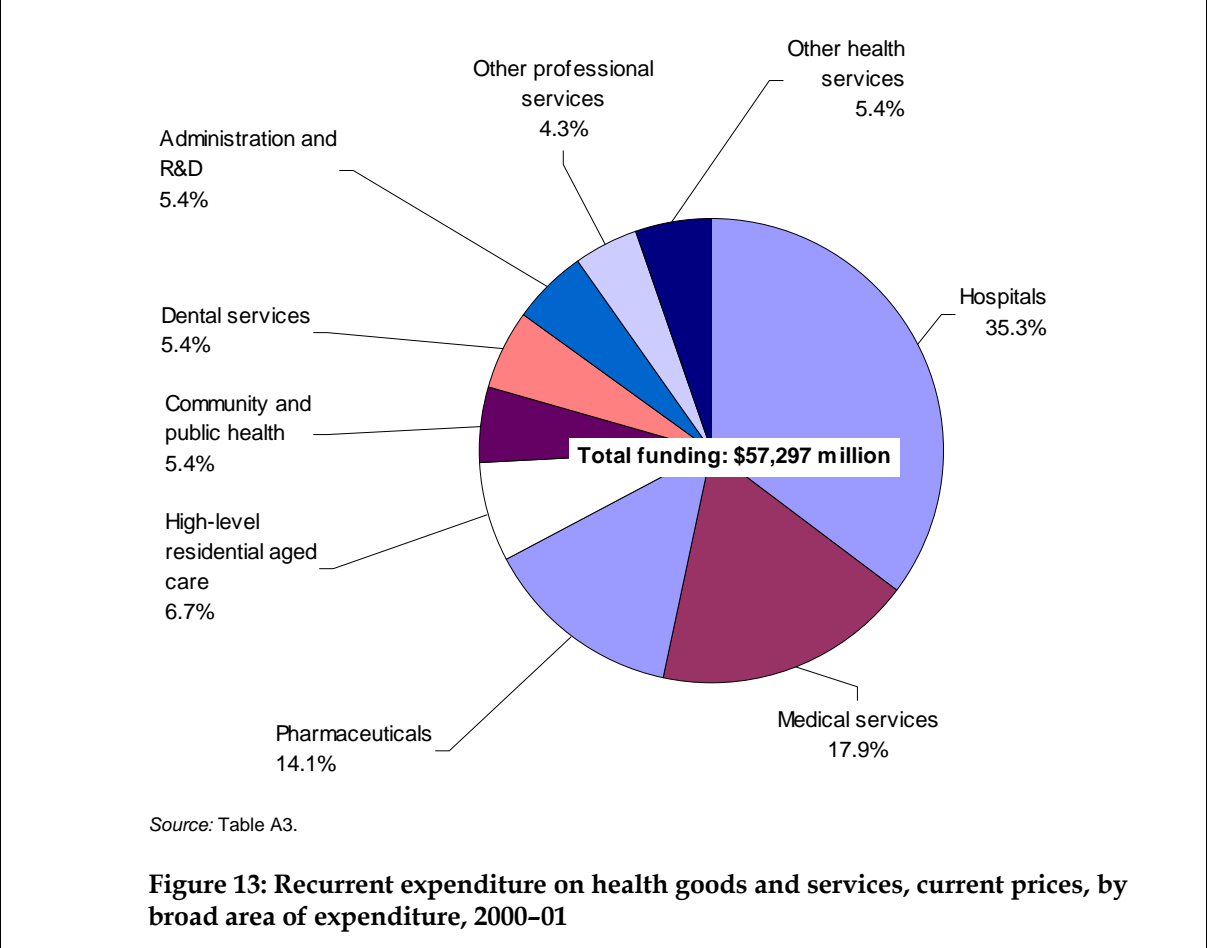
- ambulatory health services, such as those provided by doctors, dentists and other health professionals;
- community health services and public health services;
- health goods (pharmaceuticals and aids and appliances) provided to patients in the community; and
- health-related expenditures, such as expenditure on health administration and research.

Of the areas of health goods and services that attract recurrent expenditure, hospitals and medical services account for more than half. In 2000–01 hospitals were estimated to have accounted for 35.3% of total recurrent expenditure on health services; medical services accounted for 17.9% (Figure 13).

Within these two categories, however, there is substantial overlap. For example, public hospitals spent \$1,851 million on salaried medical staff and visiting medical officers during 2000–01 (AIHW 2002). While these are payments in respect of staff that provide 'medical' services, they are included in the gross operating costs of the public hospitals and are counted as expenditure on public hospitals. Further, some other expenditures that make up the estimates of expenditure on hospitals (for example, salaries of technical staff involved in providing diagnostic services) relate to

the provision of services that would usually be classified as ‘medical’ services to public patients in hospitals.

Expenditures classified as medical services, on the other hand, include medical services provided to private patients in public and private hospitals.



Institutional health services

Hospitals

Hospitals are the largest form of provider of health services in Australia. In the Australian context there are three broad categories of hospitals:

- public (non-psychiatric) hospitals;
- private hospitals; and
- public (psychiatric) hospitals.

The first two of these fall within the description of ‘general hospitals’ under the international classification of health care providers as defined by the OECD. The third category, public (psychiatric) hospitals refers to those remaining ‘stand-alone’ public hospitals that cater almost exclusively for the needs of people with mental illness.

Table 22: Recurrent expenditure on hospitals, constant prices^(a), by broad type of hospital, and annual growth rates 1991–92 to 2001–02

Year	Public hospitals							
	Public (non-psychiatric)		Public (psychiatric)		Private hospitals		All hospitals	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	11,405	..	672	..	3,445	..	15,522	..
1992–93	11,503	0.9	603	–10.3	3,647	5.9	15,753	1.5
1993–94	11,590	0.8	572	–5.1	3,914	7.3	16,076	2.1
1994–95	11,968	3.3	549	–4.2	4,296	9.8	16,813	4.6
1995–96	12,545	4.8	509	–7.3	4,394	2.3	17,448	3.8
1996–97	13,377	6.6	453	–11.0	4,272	–2.8	18,101	3.7
1997–98	14,203	6.2	411	–0.1	4,117	–3.6	18,731	3.5
1998–99	14,674	3.3	419	1.9	4,381	6.4	19,474	4.0
1999–00	15,104	2.9	436	3.8	4,442	1.4	19,982	2.6
2000–01	15,341	1.6	390	–10.5	4,477	0.8	20,208	1.1
2001–02 ^(b)	16,154	5.3	396	1.6	4,910	9.7	21,460	6.2
Average annual growth rate								
1992–03 to 1997–08		4.3				–7.4	2.5	3.5
1997–08 to 2001–02		3.3				–0.9	4.5	3.5
1991–02 to 2001–02		3.5				–5.2	3.6	3.3

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source AIHW health expenditure database.

Public (non-psychiatric) and private hospitals

In real terms, expenditure on the general hospitals – public (non-psychiatric) and private hospitals – grew by 3.5% and 3.6% per year, respectively, between 1991–92 and 2001–02. Expenditure on public (psychiatric) hospitals, on the other hand, fell consistently over the same period, averaging a real annual decrease of 5.2%.

The relative growth in expenditure on the different types of hospitals – particularly the public (non-psychiatric) and the private hospitals – is often inter-related, with policy initiatives moving expenditure sometimes in the same direction and sometimes in opposite directions.

One of the most important influences on growth in expenditure on hospitals is the Australian Government’s policy for funding hospital services. In the case of the public (non-psychiatric) hospitals, funding is governed to a large extent by bilateral agreements between the Australian Government and the various state and territory governments (the Australian health care agreements or AHCAs). Private funding for public (non-psychiatric) hospitals and for private hospitals is also greatly influenced by the Australian Government’s private health insurance initiatives. This is because private health insurance provides the bulk of funding for private hospitals and for private services provided in public (non-psychiatric) hospitals.

The latest series of AHCA's covered the five years from 1 July 1998. In the case of private hospital insurance initiatives the major movements were in:

- July 1997, with the introduction of the Private Health Insurance Incentives Subsidy;
- January 1999 with the replacement of the subsidy with a 30% rebate on private health insurance premiums; and
- July 2000 with the introduction of the 'lifetime' cover initiatives to encourage more people to take out and maintain private hospital insurance cover.

During the five-year AHCA period that ended in June 1998, expenditure on public (non-psychiatric) hospitals grew, in real terms, at an average of 4.3% per year, compared with an average growth for private hospitals of 2.5% per year (Table 22). From 1997-98 (the last year of the previous agreement period) to 2001-02, public (non-psychiatric) hospitals experienced a lower average rate of real growth in expenditure, at 3.3%, than they had previously. Expenditure on private hospitals, on the other hand, accelerated after 1997-98 to average 4.5% per year for the period ending 2001-02.

There was a movement from public (non-psychiatric) to private hospitals immediately following the introduction in 1997 of the Australian Government's initial set of private health insurance incentives. In 1997-98 private hospitals experienced a real decline in expenditure of 3.6%, while expenditure on public (non-psychiatric) hospitals grew by 6.2%. In the following year (the first year of the new AHCA's) expenditure on private hospitals increased by 6.4%, while growth in public (non-psychiatric) hospital expenditure slowed to 3.3%. The following year (1999-00) saw modest real growth of 2.9% and 1.4% in expenditure on public (non-psychiatric) hospitals and private hospitals, respectively.

The second set of major reforms to the private health insurance arrangements – the introduction of the age-related penalty provisions for people who failed to take up full private health insurance cover – was phased in from 1 July 1999 and came into full effect at the beginning of the 2000-01 financial year. Under the lifetime cover arrangements, people aged more than 30 years at the time they initially take out private hospital insurance cover are required to pay a penalty rate of premium for health insurance cover. The penalty is equivalent to a loading of 2% for each year by which the person's age exceeds 30 years at the time of joining a health insurance fund.

There was very little growth in the first full year of the new arrangements, 2000-01, possibly because of the eligibility waiting periods for new members. Expenditure growth in both public (non-psychiatric) hospitals (1.6%) and private hospitals (0.8%) was modest. In 2001-02 public (non-psychiatric) hospital expenditure grew by 5.3% and expenditure on private hospitals by 9.7%.

Table 23: Funding of general hospitals^(a), current prices, by broad source of funds, 1991–92 to 2001–02 (per cent)

Year	Government			Non-government ^(b)	Total
	Australian Government ^(b)	State/territory and local	Total		
1991–92	35.2	38.4	73.6	26.4	100.0
1992–93	36.6	36.8	73.4	26.6	100.0
1993–94	40.3	31.9	72.2	27.8	100.0
1994–95	39.7	32.7	72.4	27.6	100.0
1995–96	38.8	33.8	72.7	27.3	100.0
1996–97	37.3	35.7	73.1	26.9	100.0
1997–98	39.0	37.0	76.0	24.0	100.0
1998–99	42.9	35.6	78.5	21.5	100.0
1999–00	44.5	34.3	78.8	21.2	100.0
2000–01	45.7	35.3	81.0	19.0	100.0
2001–02 ^(c)	44.4	35.3	79.7	20.3	100.0

(a) Public (non-psychiatric) and private hospitals.

(b) Funding by the Australian Government and non-government sources has been adjusted for tax expenditures in respect of private health incentives claimed through the taxation system.

(c) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

Public (non-psychiatric) hospitals

More than 90% of all funding for public (non-psychiatric) hospitals comes from governments. The Australian Government's contribution – estimated at 47.9% in 2001–02 (Table 24) – is largely in the form of specific-purpose grants under the AHCAs. The states and territories, which have the major responsibility for operating and regulating public hospitals that operate within their jurisdictions, meet the balance of the net operating costs of the hospitals. In 2001–02, the contribution of the states and territories accounted for 46.2% of the funding for public (non-psychiatric) hospitals.

The non-government contribution changed little over the decade, fluctuating around the \$1 billion mark.

Table 24: Funding of public (non-psychiatric) hospitals, current prices, by broad source of funds, 1991–92 to 2001–02

Year	Government					
	Australian Government		State/territory and local		Non-government	
	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)	Amount (\$m)	Share (%)
1991–92	4,365	42.7	4,339	47.9	879	9.4
1992–93	4,614	44.6	4,291	46.3	869	9.1
1993–94	5,071	49.4	3,871	40.5	977	10.2
1994–95	5,180	48.6	4,263	41.9	979	9.6
1995–96	5,278	47.3	4,843	43.5	1,025	9.2
1996–97	5,465	45.2	5,558	46.1	1,048	8.7
1997–98	5,898	45.2	6,191	47.4	984	7.4
1998–99	6,650	48.0	6,351	45.8	879	6.3
1999–00	6,978	47.8	6,447	44.1	1,190	8.1
2000–01	7,481	48.8	6,999	45.6	862	5.6
2001–02 ^(a)	7,993	47.9	7,707	46.2	978	5.9

(a) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

While the shares of funding met by the two major levels of government – Australian and state and territory – fluctuate from year-to-year, longer term comparisons show some stability (Table 25; Figure 14). The Australian Health Care Agreement 5-year cycle seems to be associated with fluctuations over the period. In particular, the Australian Government’s share rose substantially in 1993–94 and 1998–99 – the first years of the two Agreement periods.

Table 25: Recurrent funding of public (non-psychiatric) hospitals, constant prices^(a), by source of funds, and annual growth rates 1991–92 to 2001–02

Year	Government						Non-government ^(b)		Total	
	Australian Government ^(b)		State/territory and local		Total		Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)				
1991–92	4,598	..	5,160	..	9,757	..	1,022	..	10,779	..
1992–93	4,874	6.0	5,052	-2.1	9,927	1.7	989	-3.2	10,916	1.3
1993–94	5,516	13.2	4,516	-10.6	10,033	1.1	1,140	15.3	11,173	2.4
1994–95	5,682	3.0	4,891	8.3	10,572	5.4	1,126	-1.3	11,698	4.7
1995–96	5,922	4.2	5,448	11.4	11,370	7.5	1,157	2.8	12,527	7.1
1996–97	6,029	1.8	6,165	13.1	12,194	7.2	1,165	0.6	13,358	6.6
1997–98	6,387	5.9	6,729	9.2	13,116	7.6	1,070	-8.1	14,186	6.2
1998–99	7,030	10.1	6,715	-0.2	13,745	4.8	929	-13.2	14,674	3.4
1999–00	7,212	2.6	6,663	-0.8	13,875	0.9	1,230	32.4	15,104	2.9
2000–01	7,481	3.7	6,999	5.0	14,479	4.4	862	-29.9	15,341	1.6
2001–02 ^(c)	7,742	3.5	7,464	6.7	15,207	5.0	947	9.8	16,154	5.3
Average annual growth rate										
1992–93 to 1997–98		5.6		5.9		5.7		1.6		5.4
1997–98 to 2001–02		4.9		2.6		3.8		-3.0		3.3
1991–92 to 2001–02		5.3		3.8		4.5		-0.8		4.1

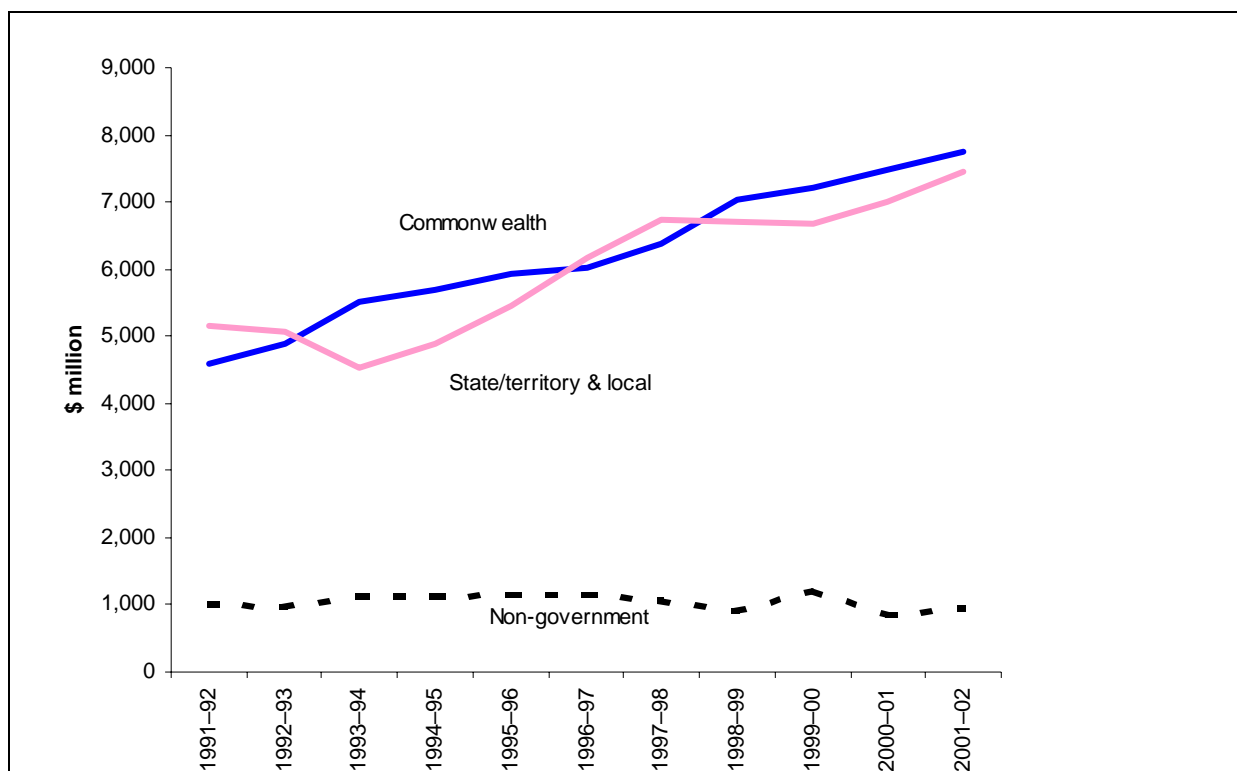
(a) constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Funding by the Australian Government and non-government sources has been adjusted for tax expenditures in respect of private health incentives claimed through the taxation system.

(c) Based on preliminary AIHW and ABS estimates.

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

Source: AIHW health expenditure database.

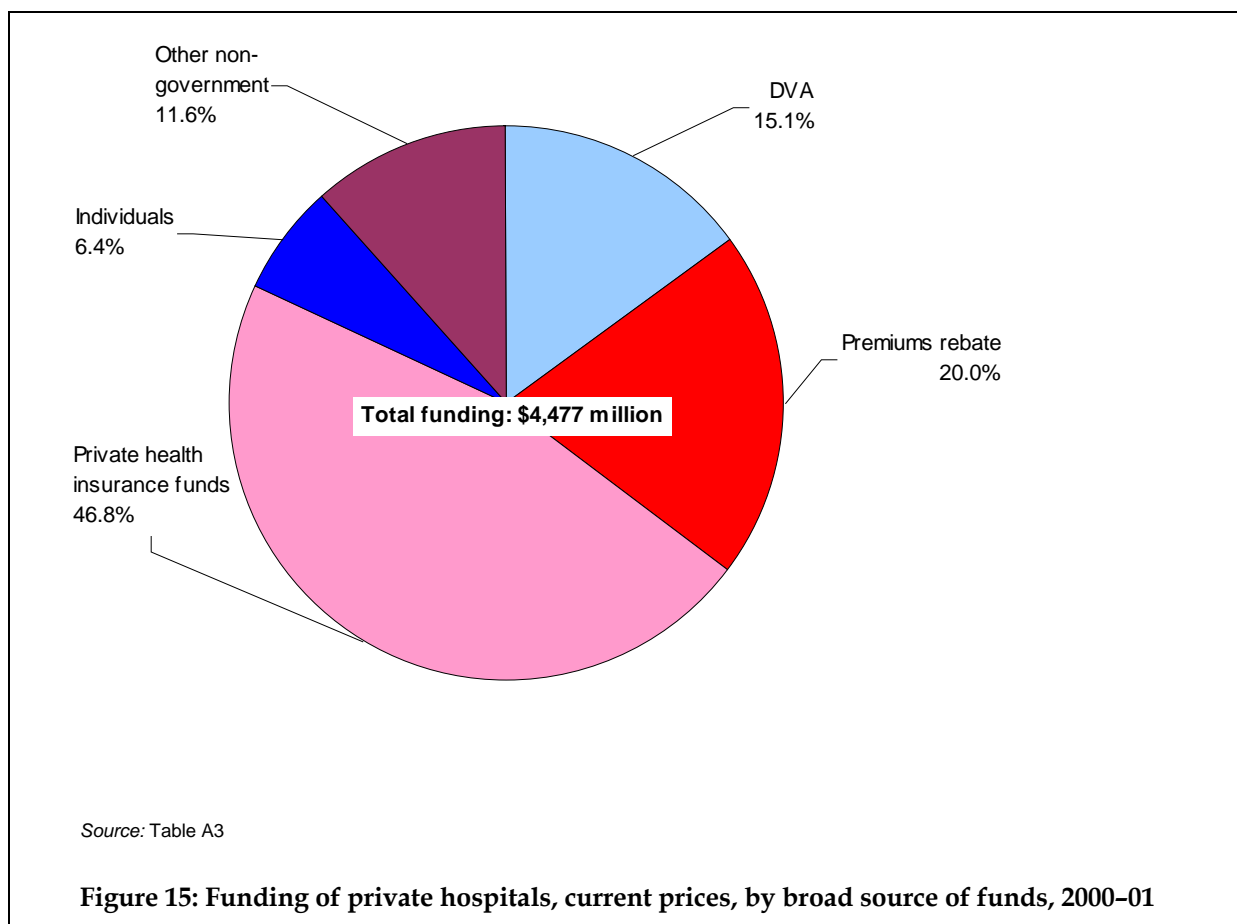


(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.
 Source: Table 25.

Figure 14: Funding of public (non-psychiatric) hospitals, constant prices^(a), by broad source of funds, 1991-92 to 2001-02

Private hospitals

Total expenditure on private hospitals in 2000-01 is estimated at \$4,477 million (Figure 15). More than two-thirds (66.8%) of this was sourced through private health insurance funds. Of this, 46.8% was funded out of the premiums paid by members and other revenues flowing to the funds; the remaining 20.0% was indirectly funded out of the rebates paid by the Australian Government in respect of contributors' premiums. In 2000-01 those rebates, in total, amounted to \$1.9 billion (Table 20), and \$0.9 billion of that is estimated to have been directed to the funding of private hospitals.



Public (psychiatric) hospitals

Public (psychiatric) hospitals are stand-alone institutions operated by, or on behalf of, state and territory governments. Their main function is to provide psychiatric care to admitted patients. It should be noted that institutions classified in this publication as public (non-psychiatric) hospitals also provide psychiatric care, sometimes in general wards and sometimes in dedicated psychiatric wards. The related expenditure, however, is not separately captured as expenditure on psychiatric care.

Total expenditure on public (psychiatric) hospitals in 2001-02 is estimated at \$409 million. Almost all of this (\$385 million) was funded by state and territory and local governments.

High-level residential aged care services

People receiving residential aged care are categorised according to the level of care they require and receive. Each resident is placed in one of eight care categories on admission and this categorisation is periodically reviewed. Residents requiring and receiving a level of care that falls within one of the four highest levels of care in residential aged care services are regarded as receiving health care services.

Therefore, the associated expenditure is expenditure on high-level residential aged care, which is classified as health services expenditure. All residents whose care needs do not come within the four highest levels of care are regarded as receiving

welfare services, and none of the expenditure related to that care is classified as health services expenditure.

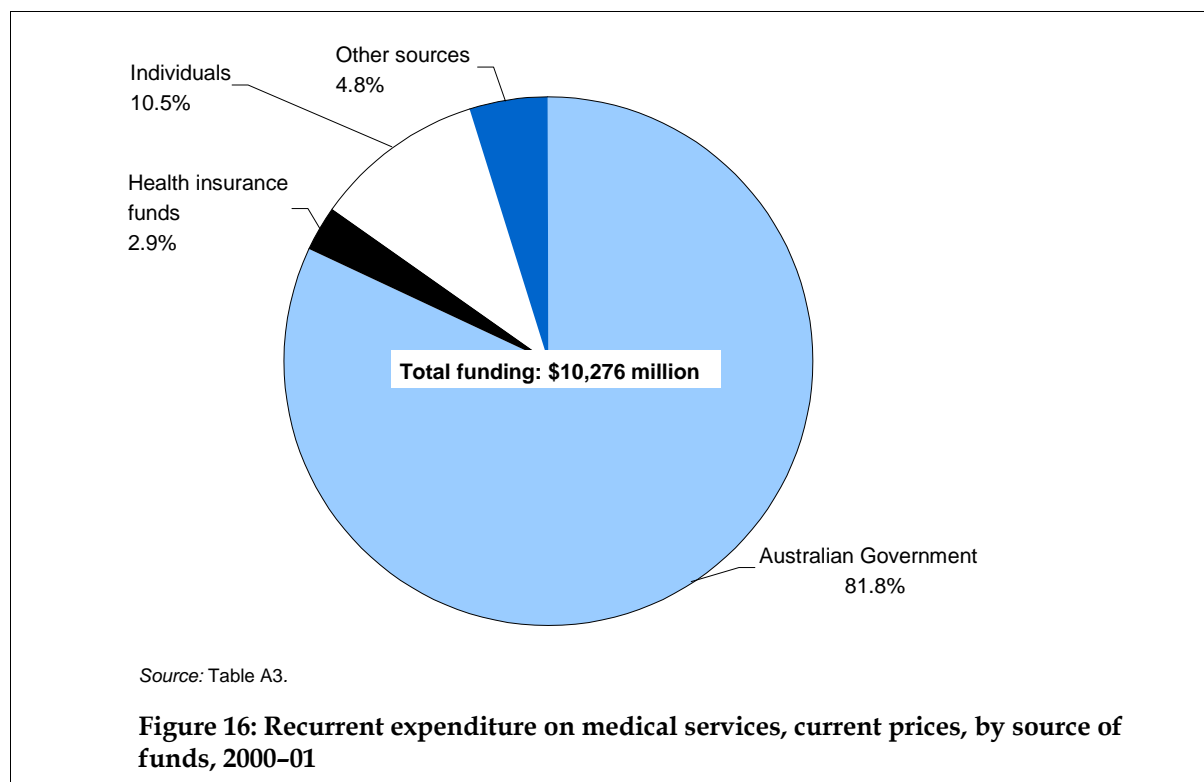
Total recurrent expenditure on high-level residential aged care in 2000–01 was \$3,899 million. Of this, the Australian Government funded \$2,877 million, state and territory and local governments funded \$284 million and the non-government sector \$737 million (Table A3, page 75).

Non-institutional health services

Medical services

Expenditure on medical services does not include the medical care component of hospital care provided to admitted patients in public hospital. Nor does it include medical services provided at outpatient clinics in public hospitals (see Section 4.1). Between 1991–92 and 2000–01 expenditure on medical services increased, in real terms, at an average of 3.7% per year (Table 26). Between 1999–00 and 2000–01 the rate of growth was 1.5%.

Almost all expenditure on medical services in Australia relates to services that are provided by practitioners on a ‘fee-for-service’ basis. This is reflected in the distribution of funding for medical services. Of the \$10.3 billion spent on medical services in 2000–01, some 81.8% was funded by the Australian Government (Figure 16). This was made up almost exclusively of medical benefits paid under Medicare, with some funding from the Department of Veterans’ Affairs for medical services to eligible veterans and their dependants, as well as payments to general practitioners under alternative funding arrangements.



Because it provides the bulk of the funding for medical services, the Australian Government's expenditure was the main determinant of growth. Between 1991-92 and 1993-94, the Australian Government's expenditure grew at an average of 8.2% per year while expenditure by individuals fell by 3% per year. This reflects the considerable growth in the direct billing rate for medical services in this period¹. In 1991-92 the rate had been 62.8% of services; it rose to 65.1% in 1992-93 and then to 68.1% in 1993-94.

As Australian Government expenditure slowed from 1994-95 to 1998-99 expenditure by individuals accelerated. In 1999-00 expenditure by the Australian Government grew by 5.9% while expenditure by individuals grew by 0.1%. In 2000-01 Australian Government expenditure grew more slowly while health insurance funds accelerated sharply by 43.3%.

¹ Department of Health and Ageing, *Medicare Statistics*, Table B8.

Table 26: Recurrent funding of medical services, constant prices^(a) by source of funds, and annual growth rates, 1991–92 to 2000–01

Year	Australian Government		Individuals		Health insurance funds		Other non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	5,595	..	1,082	..	296	..	411	..	7,384	..
1992–93	6,160	10.1	1,080	-0.2	317	6.9	448	9.0	8,004	8.4
1993–94	6,552	6.4	1,019	-5.7	311	-1.9	441	-1.5	8,323	4.0
1994–95	6,889	5.1	968	-5.0	294	-5.4	502	13.7	8,653	4.0
1995–96	7,231	5.0	961	-0.7	281	-4.2	502	0.0	8,975	3.7
1996–97	7,423	2.7	986	2.6	277	-1.7	529	5.4	9,214	2.7
1997–98	7,630	2.8	1,021	3.5	237	-14.2	500	-5.5	9,388	1.9
1998–99	7,824	2.5	1,070	4.8	224	-5.8	524	4.8	9,641	2.7
1999–00	8,284	5.9	1,072	0.1	209	-6.7	556	6.0	10,120	5.0
2000–01	8,407	1.5	1,078	0.6	299	43.3	492	-11.5	10,276	1.5
Average annual growth rate										
1992–93 to 1997–98		4.4		-1.1		-5.6		2.2		3.2
1997–98 to 2000–01		3.3		1.8		8.0		-0.6		3.1
1991–92 to 2000–01		4.6		—		0.1		2.0		3.7

(a) Constant price health expenditure for 1991–92 to 2000–01 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Australian Government and health insurance funds expenditures have not been adjusted for rebates claimed as tax expenditures.

Source: AIHW health expenditure database.

Other professional services

Expenditure on other professional services is largely funded by individual users of services (60% in 2000–01).

In real terms, expenditure on other professional services grew at an average of 3.4% per year between 1991–92 and 2000–01 (Table A5). Between 1997–98 and 2000–01 it grew by 12.3% per year. As a proportion of recurrent health expenditure it has remained fairly constant in each year.

Community and public health services

Expenditures on ‘community health’ and ‘public health’ are combined here because of the considerable definitional difficulties in dividing some expenditure into the separate categories of ‘community health services’ and ‘public health services’. This has been particularly problematic in respect of health services in community facilities that could have either a public health purpose or an individual health purpose – for example, some immunisation, cytology and mammography services.

In 2000–01 expenditure by state and territory governments and by local government authorities totalled \$2.5 billion out of a total of \$3.1 billion spent on community and public health services (Table A3). While reliable estimates are not available for earlier years, public health expenditure data for 2000–01 have been collected from each of

the jurisdictions using a collection protocol developed through the National Public Health Expenditure Project (AIHW 2001b).

Pharmaceuticals and other non-durable health goods

Expenditure recorded for pharmaceuticals and other non-durable health goods includes the cost of drugs and other therapeutic non-durables dispensed to patients within the community, either with or without a prescription by a qualified medical practitioner. It includes expenditure on therapeutic goods of a type that would be sold by pharmacies – for example, patent medicines, first aid/ wound care products, analgesics, feminine hygiene products, cold sore preparations and a number of complementary health products that are sold in both pharmacies and other retail outlets such as supermarkets and health stores. ‘Health foods’, such as bran and malt, are not included.

In real terms, total expenditure on pharmaceuticals increased by 17.1%, to \$8,085 million in 2000–01 (Table A3 and Table A5). While total expenditure experienced consistent growth between 1991–92 and 2000–01, expenditure on benefit-paid items and non-benefit items fluctuated greatly from year to year. This is due to the effects of the co-payment in determining what items attract benefits. The benefit-paid items category includes only those items listed on the Pharmaceutical Benefits Schedule for which benefits were actually paid. Items that are listed on the PBS but have a price below the statutory patient co-payment are recorded in the ‘all other pharmaceuticals’ category.

Benefit-paid items

In real terms, expenditure on benefit-paid items grew at an average of 11.3% per year from 1991–92 to 2001–02 (Table 27). The period of most rapid growth was from 1997–98 to 2001–02, when growth averaged 13.1% per year, greater than the overall rate of growth in health expenditure. Growth in that period was shared between the Australian Government (14.0%) and individuals (8.8%).

Table 27: Recurrent expenditure on benefit-paid pharmaceuticals, constant prices^(a), by source of funds, and annual growth rates, 1991–92 to 2001–02

Year	Australian Government		Individuals		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	1,554	..	363	..	1,917	..
1992–93	1,880	21.0	422	16.3	2,302	20.1
1993–94	1,929	2.6	404	-4.3	2,333	1.3
1994–95	2,124	10.1	469	16.2	2,593	11.2
1995–96	2,538	19.5	500	6.4	3,038	17.1
1996–97	2,749	8.3	556	11.2	3,305	8.8
1997–98	2,808	2.2	599	7.8	3,407	3.1
1998–99	3,096	10.3	628	5.0	3,725	9.3
1999–00	3,528	13.9	681	8.4	4,210	13.0
2000–01	4,316	22.3	775	13.8	5,091	20.9
2001–02 ^(b)	4,743	9.9	840	8.4	5,583	9.7
Average annual growth rate						
1992–93 to 1997–98		8.4		7.2		8.2
1997–98 to 2001–02		14.0		8.8		13.1
1991–92 to 2001–02		11.8		8.7		11.3

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW estimates.

Source: AIHW health expenditure database.

All other pharmaceuticals

Expenditure on all other pharmaceutical items includes expenditure on over-the-counter medicines and other non-durable therapeutics, as well as prescribed medications for which no benefits are paid under the PBS.

In real terms, expenditure on other pharmaceutical items grew by an average of 6.8% between 1991–92 and 2001–02 (Table 28). To some extent, this growth mirrors that for benefit-paid items. This is largely due to the effect of the PBS patient co-payment threshold and the increased availability of cheaper alternatives to items on the PBS that would have attracted pharmaceutical benefits. Expenditure by the Australian Government from 1997–98 reflects the private health insurance rebates.

The main sources of funding for other pharmaceutical items are individuals' out-of-pocket expenditure and ancillary tables provided by private health insurance funds. The most rapid period of growth (10.0%) was from 1997–98 to 2001–02, which can largely be attributed to growth in expenditure by individuals (9.5%).

Table 28: Recurrent funding of other pharmaceuticals, constant prices^(a), by source of funds, and annual growth rates, 1991–92 to 2001–02

Year	Australian Government		State/territory and local governments		Health insurance funds		Individuals and other non-govt		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	..	..	..	..	45	..	1,693	..	1,738	..
1992–93	..	..	..	..	48	5.6	1,682	-0.6	1,730	-0.5
1993–94	..	..	..	..	50	5.2	1,705	1.4	1,755	1.5
1994–95	..	..	2	..	48	-4.3	1,850	8.5	1,899	8.2
1995–96	..	..	12	661.8	49	2.5	1,751	-5.4	1,812	-4.6
1996–97	..	..	12	-0.1	47	-3.6	1,922	9.8	1,982	9.4
1997–98	3	..	17	44.5	33	-31.2	2,247	16.9	2,300	16.1
1998–99	7	123.9	—	..	30	-8.0	2,414	7.4	2,451	6.6
1999–00	14	84.1	—	..	31	4.0	2,647	9.7	2,692	9.8
2000–01	79	484.4	—	..	37	19.8	2,878	8.7	2,995	11.2
2001–02 ^(b)	84	5.2	—	..	46	22.0	3,236	12.4	3,365	12.4
Average annual growth rate										
1992–93 to 1997–98		..	..	..	..	-7.3	..	6.0	..	5.9
1997–98 to 2001–02		124.4	..	..	..	8.7	..	9.5	..	10.0
1991–92 to 2001–02		..	..	..	..	0.1	..	6.7	..	6.8

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW estimates.

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

Source: AIHW health expenditure database.

Aids and appliances

'Aids and appliances' takes in a wide range of medical durable goods such as spectacles, hearing aids and other devices. Expenditure on this item grew by 23.4%, to \$2,108 million, in 2000–01 (Table A3; Table A5) and by 10.4% in real terms over the period 1991–92 to 2000–01. Revisions to the ABS estimate of household final consumption expenditure for medicines, aids and appliances resulted in substantial upward revisions to this series (see Chapter 6).

Research

'Research' takes in research done at tertiary institutions, in private non-profit organisations and in government facilities. It does not include commercially oriented research carried out or commissioned by private business: the costs associated with private business research are assumed to have been included in the prices charged for the goods and services, such as pharmaceuticals, supported by that research.

Total estimated expenditure on health research in 2000–01 was \$1,182 million (Table A3). In real terms, estimated expenditure grew at an average of 9.0% per year between 1991–92 and 2000–01 (Table A5). Most of this (66.0%) was funded by the Australian Government (Figure 17). State and territory and local governments

provided 13.2% of funding for research and a further 20.9% was provided by non-government sources.

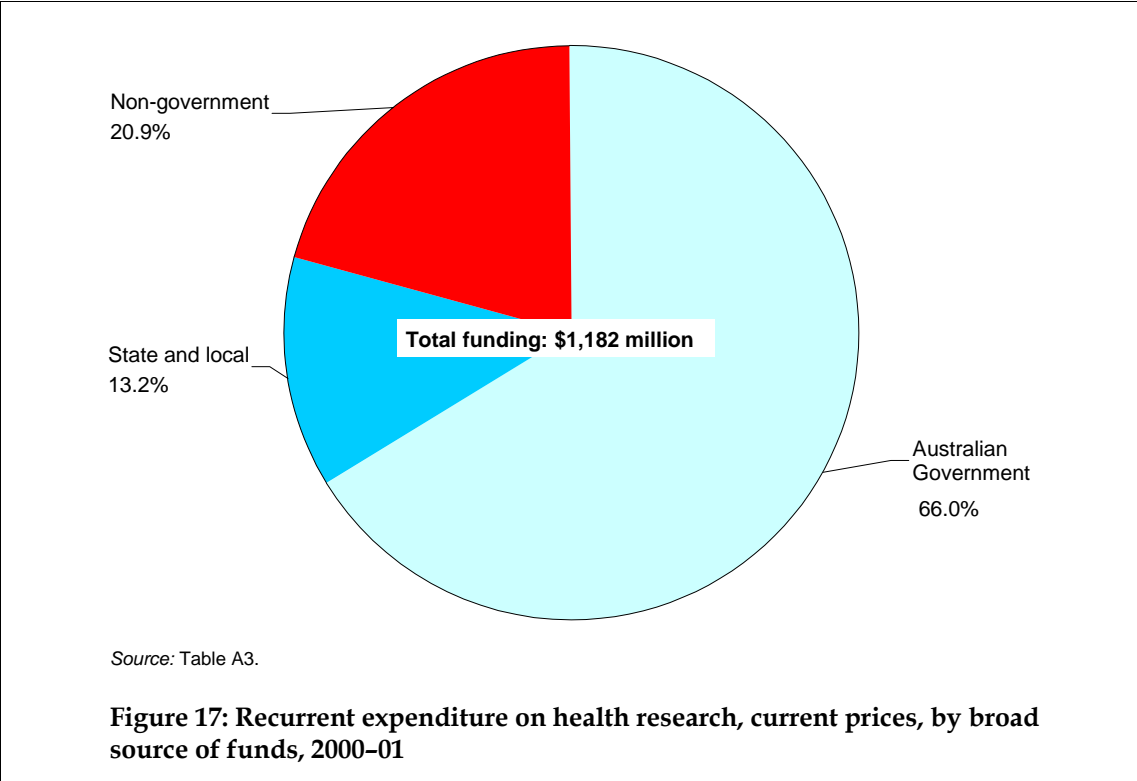


Table 29: Recurrent funding for health research, constant prices^(a), and annual growth rates, by broad source of funds, 1991–92 to 2001–02

Year	Government							
	Australian Government		State/territory and local		Non-government		Total	
	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)	Amount (\$m)	Growth (%)
1991–92	363	..	117	..	64	..	544	..
1992–93	415	14.4	43	-63.5	87	35.6	545	0.1
1993–94	440	6.1	67	56.2	100	14.9	607	11.4
1994–95	450	2.2	105	57.6	112	12.8	668	10.0
1995–96	493	9.5	94	-10.7	121	7.8	708	6.0
1996–97	504	2.3	111	18.2	129	6.8	745	5.2
1997–98	459	-8.9	103	-7.6	139	7.4	701	-5.9
1998–99	533	16.1	97	-5.8	127	-8.4	757	8.0
1999–00	647	21.3	126	30.2	204	60.5	977	29.1
2000–01	780	20.6	156	23.2	246	20.7	1,182	20.9
2001–02 ^(b)	813	4.3	162	4.0	220	-10.7	1,195	1.1
Average annual growth rate								
1992–93 to 1997–98		2.0		19.2		9.9		5.2
1997–98 to 2001–02		15.4		12.0		12.2		14.3
1991–92 to 2001–02		8.4		3.3		13.2		8.2

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

4.2 Capital formation

Because investments in health facilities and equipment involve large outlays and the lives of such facilities and equipment can be very long (up to 50 years is not uncommon for buildings), capital expenditure fluctuates greatly from year to year (Table 30 and Figure 18). It is, therefore, meaningless to look at average growth rates over a relatively short period such as 10 years. In real terms, capital expenditure on health facilities and investments, in 2000–01 was \$2,631 million, 4.3% of total health expenditure. In 2001–02 it is estimated at \$2,842 million.

Australian Government funding of capital is often by way of grants and subsidies to other levels of government or to non-government organisations. In the early 1990s, the estimates of Australian Government funding of capital were somewhat distorted by the negative outlays that resulted from the disposal of the Repatriation General Hospitals.

State and territory and local governments, in contrast, devote much of their resources to new and replacement capital for government service providers (for example, hospitals and community health facilities). There were particularly high levels of capital expenditure in Queensland towards the end of the 1990s as some of the state's very old or run-down capital stock was replaced.

Typically, capital expenditure by the non-government sector accounts for between one-third and half of all capital outlays in any year. This is largely the result of investment in private hospitals and residential aged care facilities.

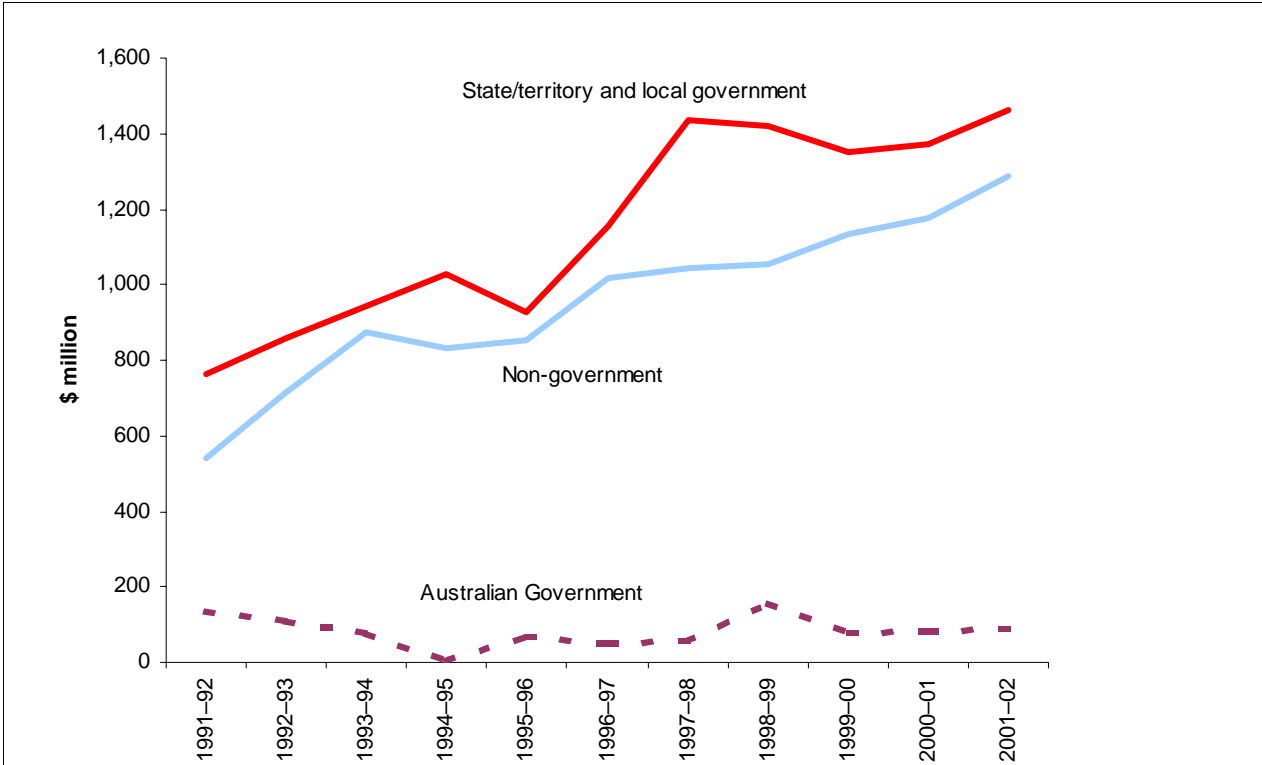
Table 30: Outlays on capital, constant prices^(a), by source of funds, 1991-92 to 2001-02 (\$ million)

Year	Australian Government	State/territory and local	Non-government	Total
1991-92	140	761	542	1,443
1992-93	113	856	716	1,686
1993-94	79	941	876	1,897
1994-95	7	1,026	832	1,865
1995-96	67	926	855	1,848
1996-97	52	1,155	1,015	2,222
1997-98	60	1,434	1,045	2,538
1998-99	158	1,420	1,054	2,631
1999-00	79	1,350	1,132	2,561
2000-01	84	1,373	1,174	2,631
2001-02 ^(b)	92	1,461	1,289	2,842

(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.



(a) Constant price health expenditure for 1991-92 to 2001-02 is expressed in chain volume measures, referenced to the year 2000-01.
 Source: Table 30.

Figure 18: Outlays of capital, constant prices^(a) by broad source of funds, 1991-92 to 2001-02

4.3 Capital consumption by governments

Estimated capital consumption (depreciation) by governments was \$970 million in 2000–01. This was up from \$934 million in 1999–00 (Table 31).

Table 31: Estimated capital consumption by governments, current and constant prices^(a), and annual growth rates, 1991–92 to 2001–02

Year	Current prices	Constant prices	Real growth (%)
	\$ million		
1991–92	497	514	..
1992–93	508	525	2.2
1993–94	523	537	2.3
1994–95	529	543	1.1
1995–96	571	581	7.0
1996–97	531	544	–6.5
1997–98	579	589	8.3
1998–99	877	889	50.9
1999–00	934	954	7.3
2000–01	970	970	1.7
2001–02 ^(b)	1,033	1,015	4.6

(a) Constant price health expenditure for 1991–92 to 2001–02 is expressed in chain volume measures, referenced to the year 2000–01.

(b) Based on preliminary AIHW and ABS estimates.

Source: AIHW health expenditure database.

5 International comparison

The countries included in this comparison are Canada, France, Germany, Japan, the Netherlands, New Zealand, Sweden, the United Kingdom and the United States, all of them OECD members. The comparison, which looks at the period from 1991 to 2001, provides an indication of the relative efforts being made to meet the need for health goods and services and capital formation in countries with similar economic and social structures or with which Australia has important economic and social links. Differences between countries in terms of what is included as 'health expenditure' complicate the comparison to some extent, so caution is warranted when making comparisons. It is also important to acknowledge that there is no definitive relationship between what a country spends on health and the health status of its population.

Table 32: Health expenditure as a proportion of GDP, Australia and other selected OECD countries, 1991 to 2001 (per cent)

Year ^(a)	Aust	Can	Fra	Ger	Jpn	Neth	NZ	Swe	UK	US	Ten-country mean ^(b)
1991	8.1	9.7	8.8	n.a.	5.9	8.2	7.4	8.1	6.5	12.6	9.0
1992	8.2	10.0	9.0	9.9	6.2	8.4	7.5	8.3	6.9	13.0	10.2
1993	8.3	9.9	9.4	9.9	6.4	8.5	7.2	8.6	6.9	13.3	10.5
1994	8.3	9.5	9.4	10.2	6.7	8.4	7.2	8.2	7.0	13.2	10.5
1995	8.4	9.2	9.5	10.6	6.8	8.4	7.2	8.1	7.0	13.3	10.6
1996	8.5	9.0	9.5	10.9	6.9	8.3	7.2	8.4	7.0	13.2	10.6
1997	8.6	8.9	9.4	10.7	6.8	8.2	7.5	8.2	6.8	13.0	10.5
1998	8.7	9.1	9.3	10.6	7.1	8.6	8.0	8.3	6.9	13.0	10.6
1999	8.9	9.1	9.3	10.6	7.5	8.7	7.9	8.4	7.2	13.0	10.7
2000	9.1	9.2	9.3	10.6	7.6	8.6	8.0	8.4	7.3	13.1	10.8
2001	9.3	9.7	9.5	10.7	n.a.	8.9	8.2	8.7	7.6	13.9	10.0
Mean ^(c)	8.6	9.4	9.3	10.5	6.8	8.5	7.6	8.3	7.0	13.1	10.4

(a) See definition of 'OECD financial year' in Chapter 6.

(b) Mean weighted by GDP.

(c) Unweighted means for Australia, Canada, France, Netherlands, New Zealand, Sweden, the UK and the US, and the group mean are based on an 11-year average; Germany and Japan are based on a 10-year average.

Sources: AIHW health expenditure database; OECD Health Data 2003.

Health expenditure by different countries can be compared as a proportion of GDP. This gives a measure of the proportion of a nation's productive effort that is spent on funding its health goods, services and capital investment. Fluctuations in the health expenditure – GDP ratio can, however, be misleading because they can indicate movements in GDP as much as health expenditure.

When making international comparisons of health expenditure, it is useful to consider the weighted means for the group in order to see where Australia fits in comparison with the group average.

The tables in this chapter show some key facts:

- Australia's average expenditure of 8.6% of GDP over the period 1991–92 to 2001–02 was the fifth-highest of the group (Table 32), which had a mean of 10.4%.
- Of the 10 selected OECD countries, the United States is by far the largest health spender, in terms of both the proportion of GDP and per person expenditure on health (Table 33).
- Japan and the United Kingdom devoted the smallest proportion of their GDP to health expenditure, averaging 6.8% and 7.0% respectively over the period.

Table 33: Health expenditure per person, Australia and other selected OECD countries, current prices, 1991 to 2001 (\$)

Year ^(a)	Aust	Can	Fra	Ger	Jpn	Neth	NZ	Swe	UK	USA	Ten country mean ^(b)
1991	1,904	2,482	2,240	n.a.	1,595	1,930	1,355	2,000	1,410	4,051	2,461
1992	1,996	2,600	2,399	2,562	1,744	2,085	1,455	2,056	1,622	4,336	2,970
1993	2,082	2,639	2,444	2,535	1,839	2,129	1,466	2,093	1,631	4,532	3,078
1994	2,183	2,669	2,467	2,743	1,956	2,192	1,550	2,080	1,703	4,690	3,208
1995	2,313	2,728	2,559	2,919	2,039	2,305	1,597	2,167	1,716	4,714	3,279
1996	2,458	2,721	2,583	3,042	2,192	2,363	1,639	2,313	1,872	4,930	3,437
1997	2,591	2,843	2,642	3,205	2,254	2,545	1,764	2,412	1,971	5,121	3,580
1998	2,741	2,997	2,746	3,301	2,266	2,851	1,875	2,493	2,048	5,364	3,733
1999	2,929	3,163	2,874	3,400	2,408	3,003	1,985	2,669	2,215	5,573	3,907
2000	3,147	3,406	3,151	3,670	2,619	3,099	2,127	2,897	2,393	5,993	4,217
2001	3,397	3,741	3,432	3,763	n.a.	3,519	2,322	3,042	2,669	6,549	4,062

(a) See definition of 'OECD financial year' in Chapter 6.

(b) Mean weighted by population.

Note: Expenditures converted to Australian dollar values using GDP purchasing power parities.

Sources: AIHW health expenditure database; OECD Health Data 2003.

Health expenditure per person allows for comparisons between countries and within a country over time without the distorting effect of movements in GDP and population size differences. In calculating it, allowance was made for the different purchasing powers of currencies in the various countries. This has been done by using purchasing power parities (PPPs) to convert expenditures in each of the countries first into US dollars and then into Australian dollars. The PPPs used are for the whole of the GDP because of the poor reliability of health-specific ones, particularly in the early part of the period.

- Australia's per person health expenditure in 2000 (that is, 2000–01) of \$3,397 was below the 10-country mean of \$4,062.

- In each year since 1995, except for 2000, Australia had the fifth-highest per person expenditure on health, above that of the Netherlands, Japan, Sweden, the United Kingdom and New Zealand.
- Health expenditure per person by the United States was more than double that by Australia throughout the period 1991 to 1997.

Table 34: Components of growth in health expenditure, Australia and selected OECD countries, 1991 to 2001^(a) (per cent)

	Aust	Can	Fra	Ger ^(b)	Jpn ^(c)	Neth ^(d)	NZ ^(e)	Swe	UK ^(d)	US
Nominal growth in health expenditure	7.2	5.5	5.0	4.9	7.2	5.9	7.1	4.8	7.2	6.4
Health inflation	2.5	1.6	1.4	n.a.	2.9	1.8	3.0	n.a.	4.3	3.5
General inflation	1.8	1.5	1.4	1.4	0.3	1.9	1.9	1.7	2.7	2.0
Excess health inflation	0.7	0.1	0.0	n.a.	2.7	-0.1	1.1	n.a.	1.5	1.4
Real growth in health expenditure	4.6	3.8	3.6	n.a.	4.1	4.0	4.0	n.a.	2.8	2.9
Population growth	1.2	1.0	0.4	0.2	0.3	0.6	1.2	0.3	0.2	1.2
Per person real growth	3.4	2.8	3.2	n.a.	3.8	3.3	2.7	n.a.	2.6	1.6

(a) See definition of 'OECD financial year' in Chapter 6.

(b) From 1992.

(c) To 1997.

(d) To 1996.

(e) To 1995.

Sources: AIHW health expenditure database; OECD Health Data 2003.

Factors contributing to the growth in the ratio of health expenditure to GDP are inflation (both general inflation and excess health inflation) and changes in the level of goods and services used, either from population growth or from more intensive per person use of goods and services. The general rate of inflation is an indication of price pressures that apply throughout the economy, and the rate of excess health inflation indicates additional price rises specific to the health sector. The ability of a nation's health financing system to influence health prices is an important factor in controlling growth in total expenditure on health.

- For the years 1991 to 2001 Australia had an excess health inflation rate of 0.7%, the fifth-highest of the group (Table 34).
- Rates of excess health inflation ranged from -0.1% for the Netherlands to 2.7% for Japan.

In order to compare the level of expenditure without the complication of different rates of population growth, it is useful to examine real growth in average per person expenditure on health. For the decade to 2001, Australia had the second-highest average real growth in per person expenditure (3.4%), behind Japan.

Table 35: Government health expenditure as a proportion of total health expenditure, Australia and other selected OECD countries, 1991 to 2001 (per cent)

Year ^(a)	Aust	Can	Fra	Ger	Jpn	Neth	NZ	Swe	UK	USA	Ten country mean ^(b)
1991	67.3	74.6	76.3	n.a.	78.3	69.0	82.2	88.2	83.3	41.2	73.4
1992	66.9	74.1	76.6	77.3	78.1	72.8	79.0	87.2	84.6	42.4	73.9
1993	66.4	72.7	76.5	76.4	79.2	73.6	76.6	87.4	85.1	43.1	73.7
1994	66.3	72.1	76.0	76.5	78.6	72.9	77.5	87.1	83.9	44.8	73.6
1995	67.1	71.4	76.3	76.7	79.1	71.0	77.2	86.7	83.9	45.4	73.6
1996	66.7	70.8	76.1	76.8	78.7	66.2	76.7	86.9	82.9	45.6	72.7
1997	68.5	70.0	76.2	75.3	77.7	67.8	77.3	85.8	80.1	45.3	72.4
1998	69.0	70.7	76.0	74.8	77.4	64.4	77.0	85.8	80.2	44.5	72.0
1999	69.9	70.4	76.0	74.8	78.1	63.3	77.5	85.7	80.5	44.2	72.0
2000	69.4	70.9	75.8	75.0	78.3	63.4	78.0	85.0	80.9	44.2	72.0
2001	68.3	70.8	76.0	74.9	n.a.	63.3	76.7	85.2	82.2	44.4	71.3
Mean^(c)	67.8	71.7	76.2	75.9	78.4	68.0	77.8	86.5	82.5	44.1	72.8

(a) See definition of 'OECD financial year' in Chapter 6.

(b) Mean weighted by total health expenditure.

(c) Unweighted means for Australia, Canada, France, Netherlands, New Zealand, Sweden, the UK and the US, and the group mean are based on an 11-year average; Germany and Japan are based on a 10-year average.

Sources: AIHW health expenditure database; OECD Health Data 2003.

It is interesting to compare how much the government sector spends on health compared with the private sector. For the decade to 2001, Australia's three tiers of government contributed an average of 67.8% to total health expenditure, which was the second-lowest of the 10 selected countries.

6 Technical notes

6.1 Methods used to produce estimates

State and territory expenditure tables

The state and territory tables are intended to give some indication of differences in the overall levels of expenditure on health in the states and territories; they do not necessarily reflect levels of activity by state and territory governments. For example, the states and territories pursue a variety of funding arrangements involving inputs from both government and non-government sources. As a result, one state or territory may have a mix of services and facilities that is quite different from that in another state. The estimates will enable a state or territory to monitor the impact of policies on overall expenditure on health goods and services provided within its borders.

Where funding data are provided only on a national basis, the Institute calculates allocations for those expenditures by state and territory and by source of funds.

Expenditure by the Australian Government

The bulk of the expenditures by the Australian Government can readily be allocated on a state and territory basis. These include:

- Specific-purpose payments to the states and territories for public hospitals;
- other specific-purpose payments to the states and territories;
- residential aged care subsidies;
- Medicare benefits payments; and
- payments under the PBS.

However, some Australian Government expenditure data are not available on a state and territory basis. In those cases, other indicators have been used to derive estimates on a state and territory basis for the data. For example, grants to medical service providers aimed at enhancing or modifying medical practice are allocated according to the proportion of vocationally registered general practitioners in each state or territory. Expenditures on community and public health that are not part of specific-purpose payments (SPPs) to the states and territories are allocated according to the allocation of similar payments that are part of SPPs.

Expenditure by state and local government authorities

The ABS produces annual estimates of public finance, which form part of the Australian National Accounts. Until 1996–97, public finance data were reported on a

cash basis. From 1997–98 reporting has been on an accrual basis for most jurisdictions. Where states or territories have not reported on an accrual basis, their cash accounts have been modified to conform to accrual definitions.

There have always been difficulties associated with the way the ABS has classified government expenditures according to their purpose (function). Since moving to accrual-based accounting, the emphasis of the ABS and the state and territory treasuries has been on ensuring that transaction type classifications of expenditure are correct (that is, ensuring that expenses and revenues are correctly classified in the state and territory accounts). To date, less attention has been given to the verification of expenditure according to function. As a consequence, only the ABS estimates of total expenditure by state and local governments are used as a guide to the overall estimate of state and local government recurrent expenditure on health. Some minor adjustments are made to take account of research expenditure that is counted by the ABS as having primarily an education purpose but which has a health outcome focus.

However, although the ABS total state government funded health expenditure numbers appear reliable, the allocations between different areas of health expenditure are far from accurate.

Of most concern are the ABS's distributions of expenditure between public hospital services, nursing homes (high-level residential aged care), community and public health services, administration and research. As a result, the Institute relies on estimates and reports of expenditure provided by state and territory health authorities for public hospitals, high-level residential aged care and dental services. These have proved consistent over time. In most years the ABS public finance database estimates have been used for state, territory and local government expenditure on administration, ambulance services and pharmaceuticals, and the *ABS Research and Experimental Development Survey* series has provided information about research. Estimates of state and territory expenditure on community and public health services are then derived by subtraction. Thus, this is a residual category and has been somewhat volatile.

In 1998–99, as part of the process for collection of data for a study of expenditure on health goods and services for Aboriginal and Torres Strait Islander peoples, each of the states and territories provided detailed expenditure and revenue information for programs for which they had primary responsibility. That information has been extensively checked and verified with the provider agencies. Because of the rigorous processes gone through in verifying the accuracy of the data, the Institute has, wherever possible, incorporated them in the state/territory estimates of health expenditure. This has raised some doubts about the reliability of previously published estimates for some areas of health expenditure in 1996–97 and 1997–98. As a consequence, there have been adjustments to the previously published data for those years (see Section 6.4). The states and territories again supplied data in this format for 2000–01.

It should also be noted that the estimates of expenditure on public hospitals in this publication reflect the level of expenditure on goods and services provided hospitals,

including community and public health services that are operated by public hospitals. The estimate of community and public health services includes only expenditure on community and public health services that is not included as part of the gross operating expenditures of public hospitals. This complicates state-by-state comparisons as far as expenditure on those services is concerned, because the proportion of community and public health services delivered by hospitals varies from state to state.

Expenditure by the non-government sector

Expenditure by the non-government sector is split into three categories – health insurance funds, individuals, and other non-government sources – in the various state matrices.

Expenditure by health insurance funds on health goods and services within a state or territory is assumed to be equal to the level of expenditure by health insurance funds that operate from that state or territory. In the case of New South Wales and the Australian Capital Territory, it is assumed that their combined total expenditure is equal to the level of expenditure by health insurance funds registered in New South Wales. This is then split between New South Wales and the Australian Capital Territory according to the number of available hospital beds. In 1997–98 and 1998–99 expenditure by health insurance funds has been reduced by the extent of the Australian Government subsidy through the PHIIS and the 30% rebate.

Estimates of expenditure by individuals are derived from the ABS estimates of household final consumption expenditure (HFCE). Estimates of funding by health insurance funds are derived elsewhere and these are deducted from HFCE to arrive at an estimate of expenditure financed by individuals.

6.2 Definitions, sources and notes

General

The total expenditure and revenue data used to generate the tables are, to the greatest possible extent, produced on an accrual basis; that is, the total expenditure reported for each area relates to expenses incurred in respect of the year in which the expenditure they are reported.

However, the data used in constructing expenditure estimates for the different sources of funds (for example, benefits paid by private health insurance funds) are the reported cash outlays of those sources of funds in each year. Those cash outlays do not necessarily relate to expenditures incurred in the year in which they are reported. This means that, if a funding source reported cash outlays on a particular area of expenditure in one year, and the outlays really related to expenses incurred in the previous year, the contribution of that source of funding would be overstated in one year and understated in the previous year. As a further consequence, the

contribution of the major source of funding related to that area of expenditure would be understated in one year and overstated in the previous year.

The Institute gathers information for estimates of health expenditure from a wide range of sources. The ABS, the Australian Department of Health and Ageing, and state and territory health authorities provided most of the basic data used in this publication. Other major data sources are the Department of Veterans' Affairs, the Private Health Insurance Administration Council, Comcare and the major workers compensation and compulsory third-party motor vehicle insurers in each state and territory.

The term 'public (non-psychiatric) hospital' is used to refer to those hospitals operated by, or on behalf of, state and territory governments that provide a range of general hospital services. Essentially, they are the hospitals that were included as recognised public hospitals for the purposes of the Australian Health Care Agreements.

The 'medical services' category in Tables A1 to A6 and B1 to B24 covers medical services provided on a fee-for-service basis, including medical services provided to private patients in hospitals. It also takes in some private medical services expenditure that is not based on a fee for service. However, it excludes expenditure on medical salaries or visiting medical officers at public hospitals.

The 'Australian Government' column in Tables A1 to A4 includes expenditure by the Department of Veterans' Affairs on behalf of eligible veterans and their dependants.

'Benefit-paid pharmaceuticals' are pharmaceuticals in the PBS and the Repatriation Pharmaceutical Benefits Scheme for which the Australian Government paid a benefit. Pharmaceuticals listed in the PBS for which a prescription is required but where all the costs are met by the patient are included in 'all other pharmaceuticals'. Also included in 'all other pharmaceuticals' are over-the-counter medicines such as aspirins, cough and cold medicines, vitamins and minerals, and some herbal and other remedies.

Box 1: Periods equating to OECD year 2001	
Country	Financial year
<i>Australia</i>	<i>1 July 2001 to 30 June 2002</i>
<i>Canada</i>	<i>1 April 2001 to 31 March 2002</i>
<i>France</i>	<i>1 January 2001 to 31 December 2001</i>
<i>Germany</i>	<i>1 January 2001 to 31 December 2001</i>
<i>Japan</i>	<i>1 April 2001 to 31 March 2002</i>
<i>Netherlands</i>	<i>1 January 2001 to 31 December 2001</i>
<i>New Zealand</i>	<i>1 July 2001 to 30 June 2002</i>
<i>Sweden</i>	<i>1 January 2001 to 31 December 2001</i>
<i>United Kingdom</i>	<i>1 April 2001 to 31 March 2002</i>
<i>United States</i>	<i>1 October 2000 to 30 September 2001</i>

For the 10 countries included in the international comparison of health expenditure (see Table 32 to 35), the OECD financial year 2001 refers to the periods listed in Box 1.

Definition of health expenditure

The term 'health expenditure' refers to expenditure on health goods and services, health-related services and health-related investment. Health goods and services expenditure includes expenditure on health goods (pharmaceuticals, aids and appliances), health services (clinical interventions), and health-related services (public health, research and administration), often termed recurrent expenditure. Health-related investment is called capital formation or capital expenditure.

The Institute's definition of health expenditure closely follows the definitions and concepts provided by the OECD's System of Health Accounts (OECD 2000) framework. It excludes the following:

- expenditure that may have a 'health' outcome but that is incurred outside the health sector – such as expenditure on building safer transport systems, removing lead from petrol, and educating health professionals;
- expenditure on personal activities not directly related to maintaining or improving personal health; and
- expenditure that does not have health as the main area of expected national benefit.

6.3 Deflators

Deflation of current price estimates of health expenditure to constant prices shows changes in the volumes of particular health goods, services and capital formation. These measures are expressed in dollar values, using the values of the reference year (in this publication 2000–01). The process is undertaken using a number of input price deflators, either chain price indexes or implicit price deflators (IPDs). The main indexes used in deriving constant price estimates in this publication are listed in Table 36. All indexes are sourced from the ABS, except for the IPDs for Medicare medical services, PBS pharmaceuticals and the total health price index, which are Institute-derived measures.

In this publication, both chain price indexes and IPDs have been used to deflate current price estimates of components of health expenditure and derive constant price estimates of expenditure on individual areas of health expenditure.

The chain price indexes published in the ABS national accounts are annually re-weighted Laspeyres chain price indexes and are calculated at such a detailed level that the ABS considers them analogous to chain volume measures and measures of pure price change. In this publication, the chain price index for:

- gross fixed capital expenditure is used to deflate capital expenditure and capital consumption;

- government final consumption expenditure on hospital and nursing home care is used to deflate most institutional services and facilities that are provided by or purchased through the public sector.

An IPD is an index obtained by dividing a current price value by its corresponding chain volume estimate expressed in terms of the reference year prices. Thus, IPDs are derived measures and are not normally the direct measures of price change by which current price estimates are converted to volume measures. The IPD for GDP is the broadest measure of price change available in the national accounts. It provides an indication of the overall changes in the prices of goods and services produced in Australia, whether for use in the domestic economy or for export.

The consumer price index (CPI) and its health services sub-group have not generally been used to measure movements in overall prices of health goods and services. This is because the CPI measures only movements in prices faced by households when purchasing services. In the case of the health services sub-group of the CPI, this includes private health insurance cover. The CPI does not, for example, include government subsidies, benefit payments and non-marketed services provided by governments.

Table 36: Total health price index and industry-wide indexes (reference year 2000–01 = 100), 1991–92 to 2001–02

Year ended 30 June	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total health price index	80.8	81.4	83.3	85.1	87.6	89.9	92.3	94.4	96.5	100.0	103.2
Final consumption expenditure (FCE) by governments											
Hospital/nursing home care	84.1	84.9	85.7	87.2	88.9	90.5	92.1	94.6	96.8	100.0	103.2
Total, non-defence FCE	85.6	87.5	88.1	88.6	90.2	92.0	93.5	96.1	96.8	100.0	102.4
Final consumption expenditure (FCE) by households											
Doctors and other health professionals	64.1	64.1	67.1	73.6	78.8	82.9	88.5	90.7	93.7	100.0	109.1
Medicare medical services	85.6	85.2	87.0	88.5	89.9	90.4	91.4	94.4	96.8	100.0	103.6
Dental services	68.2	70.5	73.5	76.9	80.4	83.7	87.0	89.9	94.7	100.0	104.9
Medicines/aids and appliances	84.9	85.1	86.3	89.5	91.7	95.0	96.5	96.3	97.1	100.0	100.8
PBS Pharmaceuticals	n.a.	n.a.	97.9	98.2	98.7	98.9	99.1	99.7	99.9	100.0	100.1
Total health FCE	71.2	72.0	73.6	76.7	80.8	86.2	90.7	92.1	95.0	100.0	105.6
Gross fixed capital expenditure											
Australian Government	130.0	126.9	124.8	121.0	118.5	112.2	108.5	105.4	100.3	100.0	97.4
State and local	94.4	94.7	95.5	96.5	98.0	97.3	97.9	98.5	97.8	100.0	99.9
Private capital	95.0	96.1	97.5	97.7	97.6	95.3	94.8	95.4	95.9	100.0	100.9
Gross domestic product	85.9	86.8	87.7	88.7	90.8	92.2	93.4	93.6	95.6	100.0	102.5

6.4 Revisions of definitions and estimates

Definitions

‘High-level residential aged care’ refers to services of a type that would have been provided to patients in institutions that were formerly classified as nursing homes. Facilities that were formerly classified as nursing homes are now incorporated into the class of facility known as ‘residential care facilities’. Aged persons’ hostels are also included in this class of facilities, as are aged persons’ complexes.

Residents in such facilities are classified according to the level of care that they need and receive and there are eight such care level categories. For the purpose of maintaining consistency with international reporting, residents who are classified into the four highest categories are included as receiving ‘health care’ and the associated expenditure is included in this publication as high-level residential aged care.

Estimates

Some estimates of recurrent health expenditure have been revised since the publication of *Health Expenditure Australia 2000–01*. These revisions relate to all years after 1995–96 (Table 37).

Table 37: Comparison of published estimates of total health expenditure, current prices, 1996–97 to 1999–00, previous estimates and current estimates (\$million)

Year	Previous estimate	Revised estimate	Change
1996–97	45,195	45,296	101
1997–98	48,360	48,273	–87
1998–99	51,680	51,629	–51
1999–00	55,630	55,809	179

(a) As published in *Health Expenditure Australia 2000–01*, September 2002, p. 8

(b) As published in *Health Expenditure Australia 2001–02*, September 2003, p. 8.

Revision of 1996–97 estimates

Estimated expenditure by the Australian Government on public (non-psychiatric) hospitals was increased by \$52 million, from \$5,398 million to \$5,450 million.

The estimate of expenditure by state and territory governments on public (non-psychiatric) hospitals was revised upwards by \$68 million, from \$5,490 million to \$5,558 million.

Estimated expenditure by individuals on other professional services was reduced by \$19 million, from \$989 million to \$970 million.

Revision of 1997–98 estimates

Estimated expenditure by the Australian Government on public (non-psychiatric) hospitals was increased by \$61 million, from \$5,837 million to \$5,898 million.

The estimate of expenditure by state and territory governments on public (non-psychiatric) hospitals was increased by \$75 million, from \$6,116 million to \$6,191 million).

Revision of the method of allocating subsidies and rebates under the Private Health Insurance Incentives Scheme claimed through the taxation system has resulted in the estimated funding by private health insurance funds being reduced by \$157 million, from \$4,427 million to \$4,270 million. That revision affected estimates over a number of areas of expenditure (Table 38). It also had the effect of increasing estimated expenditure by the Australian Government by \$157 million.

Table 38: Revision of estimates of funding of health services by private health insurance funds, current prices, 1997–98 (\$ million)

Area of expenditure	Previous estimate	Revised estimate	Change
Public (non-psychiatric) hospitals	311	300	-11
Private hospitals	2,289	2,209	-80
Ambulance	106	102	-4
Medical	217	210	-7
Other professional services	214	206	-8
Non-benefit pharmaceuticals	34	31	-3
Aids and appliances	177	171	-6
Dental services	568	548	-20
Administration	511	493	-18
Total	4,427	4,270	-157

NB: Components may not sum to total due to rounding.

The estimate of expenditure by individuals on other professional services was reduced by \$159 million, from \$1,053 million to \$894 million. This was due to a downward revision by the ABS of its estimate for HFCE on services by doctors and other health professionals.

Revision of 1998–99 estimates

The overall effect of changes to the estimates for 1998–99 was to decrease the estimate of total expenditure by \$51 million. This resulted from a number of changes to estimates for different areas of health expenditure. The major areas in which estimates of expenditure were increased were:

- capital outlays by the Australian Government – increased by \$95 million, from \$71 million to \$166 million;
- expenditure on public (non-psychiatric) hospitals by state and territory governments – increased by \$82 million, from \$6,269 million to \$6,351 million; and
- capital consumption by state and local governments – increased by \$33 million, from \$819 million to \$852 million.

These were to some extent offset by reductions in estimates for:

- expenditure by individuals on other professional services – revised down by \$130 million, from \$1,228 million to \$1,098 million; and
- estimated capital outlays by state, territory and local governments – revised down by \$199 million, from \$1,597 million to \$1,398 million.
- There was also a \$175 million transfer of funding from private health insurance funds to the Australian Government. This was the result of a change in the treatment of rebates on private health insurance contributions claimed through the taxation system. It had no effect on the overall estimate of health expenditure.

Table 39: Revision of estimates of funding of health services by private health insurance funds, current prices, 1998–99 (\$ million)

Area of expenditure	Previous estimate	Revised estimate	Change
Public (non-psychiatric) hospitals	242	229	–13
Private hospitals	2,116	2,027	–89
Ambulance	105	101	–4
Medical	212	203	–9
Other professional services	197	189	–8
Non-benefit pharmaceuticals	30	29	–1
Aids and appliances	156	149	–7
Dental services	506	484	–22
Administration	496	474	–22
Total	4,061	3,886	–175

NB: Components may not sum to total due to rounding.

Revision of 1999–00 estimates

The estimate of total expenditure on health in 1999–00 has been revised down by \$36 million since the publication of *Health Expenditure Australia 2000–01*. The revised estimate is \$55,632 million.

This relatively small change in the overall estimate was the result of a number of largely offsetting revisions to particular estimates:

- State and local government funding of ambulance services was reduced by \$432 million.
- This reduction was offset by increases of \$348 million in the estimates of expenditure by the states, territories and local governments on community and public health and \$88 million on public (non-psychiatric) hospitals.
- There was also a reduction of \$157 million in the estimate for capital outlays by state and local governments.

The result was an overall reduction of \$153 million in the estimate of health funding by state and local governments.

Revision of the data on residential care facilities has resulted in a decrease of \$350 million in the estimate of total expenditure on high-level residential care. This is made up of a \$116 million reduction in the estimate for funding by the Australian Government (through the Residential Care Subsidy Scheme) and a reduction of \$234 million in the estimated contribution by residents receiving high-level care.

Payments by individuals for medical services in Queensland had been understated by \$104 million in *Health Expenditure Australia 2000–01*, and this has been adjusted in the latest estimates.

Estimated expenditure by individuals on other professional services has been reduced by \$247 million due to revision by the ABS of its estimates for HFCE on services by doctors and other health professionals.

Expenditure by individuals on both pharmaceuticals (non-benefit) and aids and appliances has been affected by the upward revision of the ABS estimate for HFCE on medicines, aids and appliances. The effect has been to increase the estimates of expenditure by individuals for non-benefit pharmaceuticals by \$272 million, from \$2,229 million to just under \$2,502 million, and for aids and appliances by \$147 million, from \$1,125 million to \$1,272 million.

There was also an increase of \$272 million in the estimate of expenditure by individuals on ambulance services.

The revised treatment of the private health insurance contribution rebates claimed through the taxation system has resulted in a transfer of \$183 million from funding by the private health insurance funds to the Australian Government. This, however, had no effect on the estimate of total national expenditure on health.

Table 40: Revision of estimates of funding of health services by private health insurance funds, current prices, 1999–00 (\$ million)

Area of expenditure	Previous estimate	Revised estimate	Change
Public (non-psychiatric) hospitals	210	200	-10
Private hospitals	1,913	1,819	-94
Ambulance	100	95	-5
Medical	206	196	-10
Other professional services	192	182	-10
Non-benefit pharmaceuticals	32	30	-2
Aids and appliances	154	146	-8
Dental services	465	442	-23
Administration	522	499	-23
Total	3,793	3,610	-183

NB: Components may not sum to total due to rounding.

Appendix A: National health expenditure matrices, 1998–99 to 2000–01

Table A1: Total health expenditure, current prices, Australia, by area of expenditure and source of funds, 1998–9973

Table A2: Total health expenditure, current prices, Australia, by area of expenditure and source of funds, 1999–0074

Table A3: Total health expenditure, current prices, Australia, by area of expenditure and source of funds, 2000–0175

Table A4: Preliminary estimates of total health expenditure, current prices, Australia, by area of expenditure and source of funds, 2001–0276

Table A5: Annual growth in health expenditure, constant prices, Australia, by area of expenditure, 1991–92 to 2000–01.....77

Table A6: Proportions of recurrent health expenditure, current prices, Australia, by area of expenditure, 1991–92 to 2000–0177

NB: Components in some appendix tables may not add to totals due to rounding.

Table A1: Total health expenditure, current prices, Australia, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government					Non-government sources						Total expenditure
	Australian Government			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates ^(b)	Total			Gross	Premium rebates ^(b)	Net	Individuals	Other ^(c)	Total	
Total hospitals	7,101	556	7,657	6,721	14,378	2,813	556	2,256	664	938	3,858	18,236
Public (non-psychiatric)	6,591	59	6,650	6,351	13,001	289	59	229	288	361	879	13,880
Public psychiatric hospitals	7	—	7	369	376	—	—	—	9	13	21	397
Private hospitals	503	497	1,000	—	1,000	2,524	497	2,027	367	565	2,959	3,959
High-level residential aged care	2,642	—	2,642	244	2,886	—	—	—	789	22	811	3,696
Ambulance	52	24	76	239	315	125	24	101	227	52	380	695
<i>Total institutional</i>	<i>9,795</i>	<i>580</i>	<i>10,375</i>	<i>7,204</i>	<i>17,579</i>	<i>2,938</i>	<i>580</i>	<i>2,357</i>	<i>1,680</i>	<i>1,012</i>	<i>5,049</i>	<i>22,628</i>
Medical services	7,331	50	7,382	—	7,382	253	50	203	972	480	1,655	9,036
Other professional services	194	46	241	—	241	235	46	189	1,098	240	1,526	1,767
Total pharmaceuticals	3,086	7	3,093	—	3,093	36	7	29	2,889	51	2,968	6,062
Benefit-paid pharmaceuticals	3,086	—	3,086	—	3,086	—	—	—	626	—	626	3,713
All other pharmaceuticals	—	7	7	—	7	36	7	29	2,263	51	2,342	2,349
Aids and appliances	88	37	125	—	125	186	37	149	978	58	1,185	1,310
Other non-institutional services ^(d)	1,341	236	1,577	2,262	3,839	1,195	236	958	1,716	138	2,812	6,652
Community and public health ^(e)	879	—	879	1,775	2,654	1	—	1	76	84	161	2,815
Dental services	6	119	126	305	430	603	119	484	1,640	11	2,135	2,566
Administration	456	117	573	182	755	591	117	474	—	43	516	1,271
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—	—	—
Research	510	—	510	93	603	—	—	—	—	122	122	725
<i>Total non-institutional</i>	<i>12,551</i>	<i>377</i>	<i>12,928</i>	<i>2,355</i>	<i>15,283</i>	<i>1,905</i>	<i>377</i>	<i>1,528</i>	<i>7,652</i>	<i>1,088</i>	<i>10,268</i>	<i>25,550</i>
Total recurrent expenditure	22,346	957	23,303	9,559	32,861	4,843	957	3,886	9,332	2,100	15,317	48,178
Capital outlays	166	—	166	1,398	1,564	n.a.	n.a.	n.a.	n.a.	n.a.	^(f) 1,009	2,573
Capital consumption	25	—	25	852	877	..	..	..	..	..	^(g) ..	877
<i>Total capital</i>	<i>191</i>	<i>—</i>	<i>191</i>	<i>2,250</i>	<i>2,441</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>1,009</i>	<i>3,450</i>
Direct health expenditure	22,537	957	23,494	11,808	35,302	n.a.	n.a.	n.a.	n.a.	n.a.	16,326	51,629
Non-specific tax expenditure	309	..	309	..	309	..	..	..	-309	..	-309	..
Total health expenditure	22,846	957	23,803	11,808	35,611	n.a.	n.a.	n.a.	n.a.	n.a.	16,017	51,629

Notes: See Page 79.

Table A2: Total health expenditure, current prices, Australia, by area of expenditure and source of funds ^(a), 1999-00 (\$ million)

Area of expenditure	Government					Non-government sources						Total expenditure
	Australian Government			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates ^(b)	Total			Gross	Premium rebates ^(b)	Net	Individuals	Other ^(c)	Total	
Total hospitals	7,497	881	8,378	6,847	15,225	2,900	881	2,019	760	1,238	4,016	19,241
Public (non-psychiatric)	6,891	87	6,978	6,447	13,426	287	87	200	381	609	1,190	14,616
Public psychiatric hospitals	—	—	—	400	400	—	—	—	17	4	21	421
Private hospitals	605	794	1,399	—	1,399	2,612	794	1,819	361	625	2,805	4,204
High-level residential aged care	2,806	—	2,806	241	3,046	—	—	—	673	—	673	3,719
Ambulance	62	41	103	468	572	136	41	95	280	40	415	987
<i>Total institutional</i>	<i>10,364</i>	<i>922</i>	<i>11,286</i>	<i>7,556</i>	<i>18,842</i>	<i>3,036</i>	<i>922</i>	<i>2,114</i>	<i>1,712</i>	<i>1,278</i>	<i>5,104</i>	<i>23,947</i>
Medical services	7,931	85	8,016	—	8,016	281	85	196	1,005	524	1,725	9,741
Other professional services	298	80	378	—	378	262	80	182	1,123	228	1,534	1,911
Total pharmaceuticals	3,523	13	3,536	—	3,536	43	13	30	3,182	62	3,274	6,811
Benefit-paid pharmaceuticals	3,523	—	3,523	—	3,523	—	—	—	680	—	680	4,204
All other pharmaceuticals	—	13	13	—	13	43	13	30	2,502	62	2,594	2,607
Aids and appliances	81	64	144	—	144	210	64	146	1,272	92	1,510	1,654
Other non-institutional services ^(d)	1,336	411	1,747	2,939	4,686	1,353	411	941	1,738	14	2,694	7,381
Community and public health ^(e)	606	—	606	2,261	2,868	1	—	—	7	3	10	2,878
Dental services	69	193	262	373	635	635	193	442	1,700	11	2,153	2,788
Administration	661	218	879	304	1,183	717	218	499	32	—	531	1,714
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—	—	—
Research	625	—	625	122	747	—	—	—	—	197	197	944
<i>Total non-institutional</i>	<i>13,793</i>	<i>653</i>	<i>14,446</i>	<i>3,061</i>	<i>17,507</i>	<i>2,149</i>	<i>653</i>	<i>1,496</i>	<i>8,321</i>	<i>1,118</i>	<i>10,935</i>	<i>28,443</i>
Total recurrent expenditure	24,157	1,576	25,732	10,617	36,350	5,185	1,576	3,610	10,033	2,397	16,039	52,389
Capital outlays	79	—	79	1,319	1,398	n.a.	n.a.	n.a.	n.a.	n.a.	^(f) 1,087	2,486
Capital consumption	25	—	25	909	934	..	..	..	..	..	^(g) ..	934
<i>Total capital</i>	<i>104</i>	<i>—</i>	<i>104</i>	<i>2,228</i>	<i>2,332</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>..</i>	<i>1,087</i>	<i>3,420</i>
Direct health expenditure	24,261	1,576	25,837	12,845	38,682	n.a.	n.a.	n.a.	n.a.	n.a.	17,127	55,809
Non-specific tax expenditure	341	..	341	..	341	..	..	..	-341	..	-341	..
Total health expenditure	24,602	1,576	26,178	12,845	39,023	n.a.	n.a.	n.a.	n.a.	n.a.	16,786	55,809

Notes: See Page 79.

Table A3: Total health expenditure, current prices, Australia, by area of expenditure and source of funds ^(a), 2000–01 (\$ million)

Area of expenditure	Government					Non-government sources						Total expenditure
	Australian Government			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates ^(b)	Total			Gross	Premium rebates ^(b)	Net	Individuals	Other ^(c)	Total	
Total hospitals	8,061	1,087	9,147	7,368	16,515	3,312	1,087	2,225	543	925	3,693	20,208
Public (non-psychiatric)	7,384	106	7,490	6,999	14,488	322	106	216	227	410	853	15,341
Public psychiatric hospitals	-1		-1	369	369	—	0		15	6	21	390
Private hospitals	678	981	1,659	—	1,659	2,990	981	2,009	300	509	2,819	4,477
High-level residential aged care	2,877		2,877	284	3,161	—			737	0	737	3,899
Ambulance	67	59	127	471	597	181	59	121	231	44	397	994
<i>Total institutional</i>	11,005	1,146	12,151	8,123	20,274	3,493	1,146	2,347	1,511	969	4,827	25,101
Medical services	8,279	140	8,419	—	8,419	427	140	287	1,078	492	1,857	10,276
Other professional services	416	109	525	—	525	333	109	224	1,462	230	1,915	2,440
Total pharmaceuticals	4,379	17	4,397	—	4,397	53	17	36	3,580	73	3,689	8,085
Benefit-paid pharmaceuticals	4,316	0	4,316	—	4,316	—	0	0	775	0	775	5,091
All other pharmaceuticals	63	17	81	—	81	53	17	36	2,805	73	2,914	2,995
Aids and appliances	92	88	180	—	180	268	88	180	1,700	47	1,928	2,108
Other non-institutional services ^(d)	1,425	531	1,956	3,156	5,112	1,617	531	1,087	1,893	13	2,993	8,105
Community and public health ^(e)	601	0	602	2,488	3,090	1	0	0	-1	5	5	3,095
Dental services	68	254	322	341	663	774	254	520	1,893	8	2,421	3,084
Administration	755	277	1,032	326	1,358	843	277	566	0	0	566	1,924
Other non-institutional (nec)	1	0	1	—	1	—	0	0	0	0	0	1
Research	780	0	780	156	935	—	0	0	0	246	246	1,182
<i>Total non-institutional</i>	15,371	885	16,257	3,311	19,568	2,698	885	1,813	9,713	1,101	12,628	32,196
Total recurrent expenditure	26,377	2,031	28,408	11,435	39,842	6,191	2,031	4,160	11,224	2,070	17,454	57,297
Capital outlays	84	0	84	1,373	1,457	n.a.	n.a.	n.a.	n.a.	n.a.	1,174	2,631
Capital consumption	26	0	26	944	970	..	..	..	..	..	0	970
<i>Total capital</i>	110	0	110	2,317	2,426	..	..	..	..	..	1,174	3,601
Direct health expenditure	26,486	2,031	28,518	13,751	42,269	n.a.	n.a.	n.a.	n.a.	n.a.	18,629	60,897
Non-specific tax expenditure	150		150	..	150	..	..	..	-150	..	-150	0
Total health expenditure	26,636	2,031	28,668	13,751	42,419	n.a.	n.a.	n.a.	n.a.	n.a.	18,479	60,897

Notes: See Page 80.

Table A4: Preliminary estimates^(h) of total health expenditure, current prices, Australia, by area of expenditure and source of funds^(a), 2001-02 (\$ million)

Area of expenditure	Government					Non-government sources						Total Expenditure
	Australian Government			State & local	Total	Private health insurance funds						
	Direct outlays	Premium rebates ^(b)	Total			Gross	Premium rebates ^(b)	Net	Individuals	Other ^(c)	Total	
Total hospitals	8,649	1,139	9,788	8,092	17,880	3,783	1,139	2,643	586	1,126	4,355	22,236
Public (non-psychiatric)	7,889	113	8,002	7,707	15,709	375	113	262	249	458	969	16,678
Public psychiatric hospitals	-1		-1	385	385	—	0		18	7	24	409
Private hospitals	761	1,026	1,787	0	1,787	3,407	1,026	2,381	320	661	3,362	5,149
High-level residential aged care	3,093		3,093	213	3,306	—			831	0	831	4,137
Ambulance	74	57	131	517	648	189	57	132	256	50	438	1,086
<i>Total institutional</i>	11,816	1,196	13,012	8,822	21,834	3,972	1,196	2,776	1,672	1,176	5,624	27,459
Medical services	8,879	180	9,059	0	9,059	598	180	418	1,195	515	2,128	11,187
Other professional services	453	126	579	0	579	420	126	293	1,415	234	1,942	2,521
Total pharmaceuticals	4,813	19	4,832	0	4,832	64	19	44	4,030	83	4,157	8,989
Benefit-paid pharmaceuticals	4,746	0	4,746	0	4,746	—	0	0	841	0	841	5,586
All other pharmaceuticals	67	19	86	0	86	64	19	44	3,189	83	3,317	3,403
Aids and appliances	99	96	195	0	195	318	96	223	1,932	54	2,209	2,403
Other non-institutional services ^(d)	1,552	493	2,045	3,382	5,428	1,665	493	1,172	2,293	15	3,481	8,908
Community and public health ^(e)	644	1	645	2,671	3,316	1	1	0	-1	6	5	3,321
Dental services	75	285	360	365	725	946	285	661	2,293	10	2,964	3,689
Administration	832	207	1,039	347	1,386	718	207	511	0	0	511	1,897
Other non-institutional (nec)	1	0	1	0	1	—	0	0	0	0	0	1
Research	834	0	834	166	1,000	—	0	0	0	226	226	1,226
<i>Total non-institutional</i>	16,630	915	17,544	3,548	21,092	3,065	915	2,150	10,864	1,128	14,142	35,235
Total recurrent expenditure	28,445	2,111	30,556	12,370	42,927	7,037	2,111	4,926	12,536	2,304	19,767	62,693
Capital outlays	90	0	90	1,462	1,552	n.a.	n.a.	n.a.	n.a.	n.a.	1,305	2,856
Capital consumption	27	0	27	1,005	1,033	..	..	..	..	..	0	1,033
<i>Total capital</i>	118	0	118	2,467	2,584	..	..	..	..	..	1,305	3,889
Direct health expenditure	28,563	2,111	30,674	14,837	45,511	n.a.	n.a.	n.a.	n.a.	n.a.	21,071	66,582
Non-specific tax expenditure	160		150		150	..	..	..	-160	..	-150	0
Total health expenditure	28,723	2,111	30,824	14,837	45,661	n.a.	n.a.	n.a.	n.a.	n.a.	20,921	66,582

Notes: See Page 80.

Table A5: Annual growth in health expenditure, constant prices⁽ⁱ⁾, Australia, by area of expenditure, 1991–92 to 2000–01 (per cent)

Area of expenditure	1991–92 to 1992–93	1992–93 to 1993–94	1993–94 to 1994–95	1994–95 to 1995–96	1995–96 to 1996–97	1996–97 to 1997–98	1997–98 to 1998–99	1998–99 to 1999–00	1999–00 to 2000–01	Average growth		
										1991–92 to 2000–01	1992–93 to 1997–98	1997–98 to 2000–01
Hospitals	1.5	2.1	4.6	3.8	3.7	3.5	4.0	2.6	1.1	3.0	3.5	2.6
Public (non–psychiatric) hospitals	0.9	0.8	3.3	4.8	6.6	6.2	3.3	2.9	1.6	3.3	4.3	2.6
Public psychiatric hospitals	–10.3	–5.1	–4.2	–7.3	–11.0	–9.1	1.9	3.8	–10.5	–5.9	–7.4	–1.8
Private hospitals	5.9	7.3	9.8	2.3	–2.8	–3.6	6.4	1.4	0.8	3.0	2.5	2.8
High–level residential aged care	0.2	0.0	1.1	5.6	6.0	7.4	3.2	–1.6	1.4	2.5	4.0	1.0
Ambulance	4.2	0.9	–7.6	11.9	–3.0	24.2	5.1	38.8	–2.5	7.1	4.7	12.5
Other institutional (nec)	0.1	66.3	5.2	7.6	—	—	—	—	—	—	—	—
<i>Total institutional</i>	<i>1.3</i>	<i>2.0</i>	<i>3.7</i>	<i>4.3</i>	<i>3.2</i>	<i>4.6</i>	<i>3.9</i>	<i>3.0</i>	<i>1.0</i>	<i>3.0</i>	<i>3.5</i>	<i>2.6</i>
Medical services	8.4	4.0	4.0	3.7	2.7	1.9	2.7	5.0	1.5	3.7	3.2	3.1
Other health professionals	4.0	–1.5	–3.9	–4.1	12.2	–11.5	14.7	4.7	19.6	3.4	–2.0	12.8
Pharmaceuticals	10.3	1.4	9.9	7.9	9.0	8.0	8.2	11.7	17.1	9.2	7.2	12.3
Benefit–paid items	20.1	1.3	11.2	17.1	8.8	3.1	9.3	13.0	20.9	11.5	8.2	14.3
All other items	–0.5	1.5	8.2	–4.6	9.4	16.1	6.6	9.8	11.2	6.2	5.9	9.2
Aids and appliances	12.6	15.8	1.8	3.5	3.3	3.4	7.4	25.0	23.4	10.4	5.4	18.3
Other non–institutional services ^(d)	7.2	2.6	3.1	5.9	5.5	2.3	–0.9	–99.8	–12.2	4.3	3.9	4.2
Community and public health ^(e)	15.0	11.4	–4.9	16.5	18.0	3.0	11.8	2.2	4.0	7.7	7.7	5.4
Dental services	13.2	1.9	1.2	4.4	3.0	–2.2	–4.4	3.1	4.8	2.7	1.6	1.1
Health administration	–10.7	–6.3	19.9	–3.0	–4.6	11.3	–14.2	34.0	8.6	2.8	2.9	7.6
Other non–institutional (nec)	–1.5	–0.3	0.9	–0.9	–100.0	—	—	—	—	–26.3	–100.0	—
Research	0.1	11.4	10.0	6.0	5.2	–5.9	8.0	29.1	20.9	9.0	5.2	19.0
<i>Total non–institutional</i>	<i>8.0</i>	<i>3.4</i>	<i>4.2</i>	<i>4.6</i>	<i>5.5</i>	<i>2.1</i>	<i>4.1</i>	<i>9.1</i>	<i>9.3</i>	<i>5.6</i>	<i>3.9</i>	<i>7.5</i>
Total recurrent expenditure	4.7	2.7	4.0	4.4	4.4	3.3	4.0	6.2	5.5	4.4	3.8	5.2
Capital outlays	16.8	12.5	–1.7	–0.9	20.2	14.2	3.7	–2.7	2.7	6.9	8.5	1.2
Capital consumption	2.2	2.3	1.1	7.0	–6.5	8.3	50.9	7.3	1.7	7.3	2.3	18.1
<i>Total capital</i>	<i>14.3</i>	<i>11.1</i>	<i>–1.1</i>	<i>1.0</i>	<i>15.2</i>	<i>14.4</i>	<i>13.8</i>	<i>–0.2</i>	<i>2.7</i>	<i>7.0</i>	<i>7.2</i>	<i>4.8</i>
Direct health expenditure	5.1	3.1	3.7	4.3	4.9	3.8	4.5	5.8	5.3	4.5	3.9	5.2

Notes: See Page 79.

Table A6: Proportions of recurrent health expenditure, current prices, Australia, by area of expenditure, 1991–92 to 2000–01 (per cent)

Area of expenditure	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99	1999–00	2000–01
Hospitals	39.7	38.5	37.5	37.3	37.2	37.5	37.8	37.9	36.7	35.0
Public (non-psychiatric) hospitals	30.7	29.7	28.7	28.3	28.1	28.3	28.9	28.8	27.9	26.9
Public psychiatric hospitals	1.8	1.6	1.4	1.3	1.1	1.0	0.8	0.8	0.8	0.7
Private hospitals	7.1	7.2	7.4	7.8	8.0	8.2	8.1	8.2	8.0	7.5
High-level residential aged care	8.4	8.0	7.7	7.4	7.4	7.5	7.7	7.7	7.1	6.8
Ambulance	1.4	1.4	1.4	1.2	1.3	1.2	1.4	1.4	1.9	1.7
Other institutional (nec)	0.2	0.2	0.3	0.3	0.4	—	—	—	—	—
<i>Total institutional</i>	<i>49.7</i>	<i>48.1</i>	<i>46.9</i>	<i>46.3</i>	<i>46.3</i>	<i>46.1</i>	<i>47.0</i>	<i>47.0</i>	<i>45.7</i>	<i>43.6</i>
Medical services	19.0	19.5	19.9	20.0	19.8	19.2	18.9	18.8	18.6	18.0
Other health professionals	3.7	3.7	3.6	3.6	3.4	3.7	3.3	3.7	3.6	4.3
Pharmaceuticals	9.9	10.4	11.0	11.5	11.7	12.0	12.3	12.6	13.0	14.2
Benefit-paid items	5.2	5.9	6.6	6.9	7.6	7.7	7.5	7.7	8.0	8.9
All other items	4.7	4.5	4.4	4.6	4.2	4.4	4.9	4.9	5.0	5.2
Aids and appliances	2.3	2.5	2.8	2.8	2.7	2.7	2.7	2.7	3.2	3.7
Other non-institutional services ^(d)	13.8	14.3	14.3	14.2	14.3	14.5	14.4	13.8	14.1	14.2
Community and public health ^(e)	4.4	4.8	5.1	4.6	5.0	5.6	5.5	5.8	5.5	5.4
Dental services	5.3	5.9	5.9	5.9	6.0	6.0	5.7	5.3	5.3	5.4
Health administration	4.1	3.5	3.2	3.6	3.3	3.0	3.2	2.6	3.3	3.4
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	1.5	1.4	1.5	1.6	1.6	1.6	1.4	1.5	1.8	2.1
<i>Total non-institutional</i>	<i>50.3</i>	<i>51.9</i>	<i>53.1</i>	<i>53.7</i>	<i>53.7</i>	<i>53.9</i>	<i>53.0</i>	<i>53.0</i>	<i>54.3</i>	<i>56.4</i>
Total recurrent expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: See Page 79.

Notes to Appendix A tables

- (a) Tables show funding provided by the Australian Government, state and territory governments and local government authorities and by the major non-government sources of funding for health care. They do not show gross outlays on health goods and services by the different service provider sectors.
- (b) Includes rebates claimed through taxation.
- (c) 'Other' includes expenditure on health goods and services by workers' compensation and compulsory third-party motor vehicle insurers as well as other sources of income (for example, interest earned) for service providers.
- (d) 'Other non-institutional services' is a summary of community and public health, dental services and administration.
- (e) Includes some expenditures that were previously classified as 'other non-institutional (nec)' as well as expenditure on community and public health services.
- (f) Capital formation for the non-government sector cannot be allocated according to the source of funds.
- (g) Non-government capital consumption (depreciation) is incorporated in recurrent expenditure.
- (h) Preliminary estimates for 2001-02 are based on estimated growth between 2000-01 and 2001-02 for particular types of services and sources of funds.
- (i) Constant price health expenditure for 1991-92 to 2000-01 from which growth rates were calculated is expressed in chain volume measures, referenced to the year 2000-01.

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NB: Components in some appendix tables may not add to totals due to rounding.	

Table B1: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	360	2,249	2,609	2,820	5,429	684	164	246	1,094	6,523
Public non-psychiatric hospitals	203	2,103	2,305	2,682	4,987	113	146	26	286	5,273
Private hospitals	153	147	300	—	300	571	17	210	798	1,098
Public psychiatric hospitals	5	—	5	138	143	—	—	10	10	153
High-level residential aged care	133	887	1,020	71	1,091	—	263	3	266	1,357
Ambulance	13	18	31	63	94	67	69	25	161	255
<i>Total institutional</i>	<i>505</i>	<i>3,155</i>	<i>3,660</i>	<i>2,954</i>	<i>6,614</i>	<i>751</i>	<i>496</i>	<i>274</i>	<i>1,521</i>	<i>8,136</i>
Medical services	182	2,504	2,686	—	2,686	62	341	227	630	3,315
Other professional services	—	82	82	—	82	68	375	91	534	616
Total pharmaceuticals	79	1,050	1,128	—	1,128	14	891	24	930	2,058
Benefit-paid pharmaceuticals	79	1,046	1,125	—	1,125	—	225	—	225	1,350
All other pharmaceuticals	—	3	3	—	3	14	667	24	705	709
Aids and appliances	—	46	46	—	46	64	243	31	338	384
Other non-institutional services ^(c)	—	496	496	522	1,018	363	608	92	1,062	2,080
Community and public health ^(d)	—	255	255	398	653	—	31	84	115	768
Dental services	—	48	48	74	122	188	577	8	772	894
Administration	—	193	193	50	243	175	—	—	175	418
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	130	130	36	166	—	—	33	33	199
<i>Total non-institutional</i>	<i>261</i>	<i>4,307</i>	<i>4,568</i>	<i>558</i>	<i>5,125</i>	<i>571</i>	<i>2,459</i>	<i>497</i>	<i>3,527</i>	<i>8,652</i>
Total recurrent expenditure	766	7,462	8,228	3,512	11,739	1,322	2,954	772	5,048	16,787
Capital expenditure	—	47	47	204	252	..	..	..	^(e) 317	569
Capital consumption	—	6	6	318	324	..	..	..	^(f) ..	324
Total health expenditure	766	7,515	8,281	4,034	12,315	n.a.	n.a.	n.a.	5,365	17,681

Notes: See page 107.

Table B2: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds^(a), 1999-00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	397	2,428	2,825	2,521	5,346	600	197	482	1,280	6,626
Public non-psychiatric hospitals	215	2,196	2,411	2,354	4,766	98	137	243	478	5,243
Private hospitals	181	233	414	—	414	502	51	237	791	1,204
Public psychiatric hospitals	—	—	—	167	167	—	9	2	12	178
High-level residential aged care	139	927	1,066	93	1,160	—	253	—	253	1,413
Ambulance	14	31	45	173	218	66	122	16	204	422
<i>Total institutional</i>	<i>550</i>	<i>3,386</i>	<i>3,937</i>	<i>2,787</i>	<i>6,724</i>	<i>666</i>	<i>573</i>	<i>498</i>	<i>1,737</i>	<i>8,461</i>
Medical services	199	2,710	2,909	—	2,909	58	364	248	669	3,578
Other professional services	—	130	130	—	130	64	380	96	541	671
Total pharmaceuticals	104	1,187	1,292	—	1,292	15	1,045	29	1,089	2,381
Benefit-paid pharmaceuticals	104	1,181	1,285	—	1,285	—	243	—	243	1,528
All other pharmaceuticals	—	6	6	—	6	15	802	29	846	853
Aids and appliances	—	53	53	—	53	62	375	40	477	530
Other non-institutional services ^(c)	28	490	518	708	1,226	355	590	7	952	2,178
Community and public health ^(d)	—	176	176	615	791	—	—	2	2	793
Dental services	23	76	99	93	192	170	590	5	766	958
Administration	5	238	242	—	242	185	—	—	185	427
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	167	167	31	197	—	—	50	50	248
<i>Total non-institutional</i>	<i>331</i>	<i>4,737</i>	<i>5,068</i>	<i>739</i>	<i>5,807</i>	<i>554</i>	<i>2,755</i>	<i>470</i>	<i>3,779</i>	<i>9,586</i>
Total recurrent expenditure	881	8,123	9,004	3,526	12,531	1,220	3,327	968	5,516	18,046
Capital expenditure	..	12	12	295	306	..	..	..	^(e) 229	535
Capital consumption	..	6	6	308	314	..	..	..	^(f) ..	314
Total health expenditure	881	8,141	9,022	4,129	13,151	n.a.	n.a.	n.a.	5,744	18,895

Notes: See page 107.

Table B3: Total health expenditure, current prices, New South Wales, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	439	2,643	3,082	2,567	5,649	706	146	336	1,188	6,837
Public non-psychiatric hospitals	248	2,373	2,621	2,408	5,029	111	118	154	383	5,412
Private hospitals	191	270	461	—	461	595	18	178	791	1,253
Public psychiatric hospitals	—	—	—	159	159	—	10	4	14	173
High-level residential aged care	145	932	1,077	83	1,160	—	272	0	272	1,433
Ambulance	17	42	58	100	158	93	33	17	143	301
<i>Total institutional</i>	<i>600</i>	<i>3,617</i>	<i>4,217</i>	<i>2,751</i>	<i>6,968</i>	<i>799</i>	<i>452</i>	<i>353</i>	<i>1,604</i>	<i>8,571</i>
Medical services	205	2,806	3,011	—	3,011	82	403	238	724	3,734
Other professional services	33	145	178	—	178	84	494	95	673	851
Total pharmaceuticals	118	1,439	1,557	—	1,557	18	1,123	35	1,176	2,733
Benefit-paid pharmaceuticals	118	1,409	1,527	—	1,527	—	274	0	274	1,801
All other pharmaceuticals	—	30	30	—	30	18	849	35	902	932
Aids and appliances	—	66	66	—	66	80	454	20	554	620
Other non-institutional services ^(c)	26	611	637	651	1,288	429	655	6	1,089	2,377
Community and public health ^(d)	—	190	190	518	707	—	0	2	2	710
Dental services	21	93	114	74	188	212	655	4	870	1,058
Administration	5	328	333	60	392	216	0	0	216	609
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	215	215	39	254	—	0	62	62	316
<i>Total non-institutional</i>	<i>382</i>	<i>5,282</i>	<i>5,663</i>	<i>690</i>	<i>6,353</i>	<i>693</i>	<i>3,129</i>	<i>456</i>	<i>4,277</i>	<i>10,630</i>
Total recurrent expenditure	982	8,899	9,881	3,440	13,321	1,492	3,580	808	5,881	19,202
Capital expenditure	—	22	22	388	409	n.a.	n.a.	n.a.	303	712
Capital consumption	—	6	6	316	323	..	..	..	..	323
Total health expenditure	982	8,927	9,908	4,144	14,053	n.a.	n.a.	n.a.	6,184	20,237

Notes: See page 107.

Table B4: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	270	1,632	1,902	1,321	3,223	622	282	334	1,238	4,461
Public non-psychiatric hospitals	171	1,490	1,662	1,308	2,970	44	123	171	338	3,308
Private hospitals	98	142	240	—	240	578	160	162	899	1,139
Public psychiatric hospitals	—	—	—	12	13	—	—	1	1	13
High-level residential aged care	98	546	644	70	714	—	208	—	208	922
Ambulance	7	2	9	14	22	7	67	11	85	107
<i>Total institutional</i>	375	2,180	2,555	1,404	3,959	629	557	344	1,530	5,489
Medical services	114	1,747	1,862	—	1,862	57	237	82	377	2,239
Other professional services	—	56	56	—	56	34	378	65	477	533
Total pharmaceuticals	49	713	762	—	762	3	803	14	821	1,582
Benefit-paid pharmaceuticals	49	712	761	—	761	—	154	—	154	915
All other pharmaceuticals	—	1	1	—	1	3	649	14	666	667
Aids and appliances	—	28	28	—	28	24	312	15	350	378
Other non-institutional services ^(c)	—	349	349	433	782	195	614	—	809	1,591
Community and public health ^(d)	—	197	197	383	580	—	13	—	13	593
Dental services	—	22	22	50	72	80	601	—	682	754
Administration	—	131	131	—	131	114	—	—	114	245
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	163	163	18	180	—	—	49	49	230
<i>Total non-institutional</i>	163	3,056	3,219	451	3,670	313	2,343	227	2,883	6,553
Total recurrent expenditure	539	5,236	5,774	1,855	7,629	941	2,901	571	4,413	12,042
Capital expenditure	—	37	37	388	426	..	..	..	^(e) 225	651
Capital consumption	—	6	6	170	176	..	..	..	^(f) ..	176
Total health expenditure	539	5,279	5,817	2,414	8,231	n.a.	n.a.	n.a.	4,638	12,869

Notes: See page 107.

Table B5: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	289	1,788	2,077	1,498	3,575	547	319	357	1,223	4,798
Public non-psychiatric hospitals	161	1,567	1,728	1,498	3,226	39	214	185	438	3,664
Private hospitals	128	222	349	—	349	508	105	172	784	1,134
Public psychiatric hospitals	—	—	—	—	—	—	—	—	—	—
High-level residential aged care	98	576	674	18	692	—	153	—	153	845
Ambulance	9	4	13	68	82	5	43	11	59	141
<i>Total institutional</i>	396	2,369	2,765	1,584	4,349	552	515	368	1,435	5,784
Medical services	133	1,900	2,033	—	2,033	56	243	88	387	2,420
Other professional services	—	88	88	—	88	33	390	50	474	562
Total pharmaceuticals	59	820	879	—	879	3	895	17	916	1,794
Benefit-paid pharmaceuticals	59	818	877	—	877	—	168	—	168	1,045
All other pharmaceuticals	—	2	2	—	2	3	728	17	748	750
Aids and appliances	—	33	33	—	33	23	406	20	450	483
Other non-institutional services ^(c)	15	337	353	513	865	197	625	3	826	1,691
Community and public health ^(d)	—	125	125	340	465	—	—	1	1	466
Dental services	12	34	46	107	153	72	626	2	700	853
Administration	3	178	181	66	247	125	—	—	125	372
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	191	191	46	237	—	—	73	73	309
<i>Total non-institutional</i>	208	3,369	3,577	558	4,135	313	2,560	251	3,125	7,259
Total recurrent expenditure	604	5,738	6,341	2,142	8,484	865	3,075	619	4,560	13,044
Capital expenditure	—	11	11	257	268	..	..	..	^(e) 216	484
Capital consumption	—	5	5	185	190	..	..	..	^(f) ..	190
Total health expenditure	604	5,754	6,358	2,584	8,942	n.a.	n.a.	n.a.	4,776	13,718

Notes: See page 107.

Table B6: Total health expenditure, current prices, Victoria, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	282	1,981	2,263	1,872	4,135	613	162	353	1,128	5,263
Public non-psychiatric hospitals	133	1,730	1,863	1,872	3,735	41	77	201	319	4,054
Private hospitals	149	251	400	—	400	572	85	152	809	1,209
Public psychiatric hospitals	—	—	—	—	—	—	0	0	0	0
High-level residential aged care	104	591	695	45	741	—	170	0	170	911
Ambulance	11	5	15	102	117	6	54	15	75	192
<i>Total institutional</i>	<i>397</i>	<i>2,577</i>	<i>2,974</i>	<i>2,019</i>	<i>4,993</i>	<i>620</i>	<i>385</i>	<i>368</i>	<i>1,373</i>	<i>6,366</i>
Medical services	138	1,974	2,112	—	2,112	85	256	101	441	2,553
Other professional services	20	96	116	—	116	43	507	59	609	725
Total pharmaceuticals	96	1,015	1,111	—	1,111	4	984	21	1,010	2,121
Benefit-paid pharmaceuticals	96	998	1,094	—	1,094	—	192	0	192	1,285
All other pharmaceuticals	—	17	17	—	17	4	793	21	818	835
Aids and appliances	—	36	36	—	36	30	530	11	571	607
Other non-institutional services ^(c)	15	371	386	565	951	238	696	3	938	1,889
Community and public health ^(d)	—	101	101	452	553	—	0	1	1	554
Dental services	11	41	52	65	117	90	696	2	788	905
Administration	3	229	233	48	280	149	0	0	149	429
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	231	231	59	289	—	0	92	92	382
<i>Total non-institutional</i>	<i>268</i>	<i>3,722</i>	<i>3,990</i>	<i>624</i>	<i>4,614</i>	<i>400</i>	<i>2,974</i>	<i>288</i>	<i>3,662</i>	<i>8,276</i>
Total recurrent expenditure	665	6,299	6,964	2,643	9,607	1,020	3,359	656	5,035	14,642
Capital expenditure	—	13	13	373	385	n.a.	n.a.	n.a.	224	609
Capital consumption	—	5	5	194	199	..	..	..	..	199
Total health expenditure	665	6,317	6,982	3,209	10,191	n.a.	n.a.	n.a.	5,259	15,449

Notes: See page 107.

Table B7: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
DVA	Other	Total	Total							Total	Total
Total hospitals	185	1,224	1,410	1,025	2,435	425	47	133	605	3,040
Public non-psychiatric hospitals	21	1,126	1,147	934	2,081	25	-1	47	71	2,151
Private hospitals	163	98	262	—	262	400	44	85	529	790
Public psychiatric hospitals	1	—	1	91	93	—	4	2	5	98
High-level residential aged care	67	358	425	45	470	—	130	19	149	619
Ambulance	7	6	14	70	83	7	58	5	71	154
<i>Total institutional</i>	<i>260</i>	<i>1,588</i>	<i>1,848</i>	<i>1,140</i>	<i>2,988</i>	<i>432</i>	<i>235</i>	<i>158</i>	<i>825</i>	<i>3,813</i>
Medical services	116	1,237	1,353	—	1,353	38	217	27	283	1,636
Other professional services	—	44	44	—	44	30	212	13	256	300
Total pharmaceuticals	62	500	562	—	562	5	611	2	618	1,180
Benefit-paid pharmaceuticals	62	499	561	—	561	—	112	—	112	673
All other pharmaceuticals	—	1	1	—	1	5	499	2	506	508
Aids and appliances	—	22	22	—	22	24	242	2	268	290
Other non-institutional services ^(c)	—	264	264	616	880	148	205	1	355	1,234
Community and public health ^(d)	—	152	152	492	644	—	20	—	21	664
Dental services	—	19	19	91	110	73	185	1	259	369
Administration	—	93	93	33	125	75	—	—	75	201
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	70	70	17	86	—	—	16	16	102
<i>Total non-institutional</i>	<i>177</i>	<i>2,138</i>	<i>2,316</i>	<i>632</i>	<i>2,948</i>	<i>247</i>	<i>1,488</i>	<i>60</i>	<i>1,795</i>	<i>4,743</i>
Total recurrent expenditure	437	3,727	4,164	1,773	5,936	679	1,723	218	2,620	8,556
Capital expenditure	—	31	31	536	566	..	..	..	^(e) 271	837
Capital consumption	—	4	4	186	189	..	..	..	^(f) ..	189
Total health expenditure	437	3,761	4,198	2,494	6,692	n.a.	n.a.	n.a.	2,891	9,583

Notes: See page 107.

Table B8: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
DVA	Other	Total	Total							Total	Total
Total hospitals	211	1,313	1,523	1,108	2,631	379	71	161	611	3,242
Public non-psychiatric hospitals	25	1,156	1,181	1,017	2,197	20	–1	64	83	2,280
Private hospitals	186	157	343	—	343	359	69	95	524	866
Public psychiatric hospitals	—	—	—	91	91	—	3	1	5	96
High-level residential aged care	73	396	469	32	500	—	123	—	123	623
Ambulance	8	8	16	140	156	6	63	3	72	227
<i>Total institutional</i>	<i>292</i>	<i>1,716</i>	<i>2,009</i>	<i>1,279</i>	<i>3,287</i>	<i>385</i>	<i>257</i>	<i>163</i>	<i>805</i>	<i>4,093</i>
Medical services	125	1,343	1,468	—	1,468	36	189	25	250	1,719
Other professional services	—	69	69	—	69	30	217	12	259	329
Total pharmaceuticals	57	570	627	—	627	5	663	1	670	1,298
Benefit-paid pharmaceuticals	57	568	625	—	625	—	122	—	122	747
All other pharmaceuticals	—	2	2	—	2	5	541	1	548	551
Aids and appliances	—	28	28	—	28	24	305	2	332	360
Other non-institutional services ^(c)	17	298	315	769	1,084	154	183	1	338	1,421
Community and public health ^(d)	—	127	127	622	749	—	—	—	—	749
Dental services	14	31	46	102	147	69	183	1	253	400
Administration	3	139	142	46	188	85	—	—	85	273
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	90	90	17	107	—	—	27	27	134
<i>Total non-institutional</i>	<i>200</i>	<i>2,398</i>	<i>2,598</i>	<i>786</i>	<i>3,384</i>	<i>250</i>	<i>1,557</i>	<i>70</i>	<i>1,877</i>	<i>5,260</i>
Total recurrent expenditure	492	4,115	4,607	2,065	6,671	635	1,814	233	2,682	9,353
Capital expenditure	—	19	19	520	538	..	..	..	^(e) 486	1,024
Capital consumption	—	4	4	227	231	..	..	..	^(f) ..	231
Total health expenditure	492	4,138	4,629	2,811	7,441	n.a.	n.a.	n.a.	3,168	10,609

Notes: See page 107.

Table B9: Total health expenditure, current prices, Queensland, by area of expenditure and source of funds^(a), 2000-01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
DVA	Other	Total	Total							Total	Total
Total hospitals	229	1,449	1,678	1,161	2,838	433	95	88	616	3,455
Public non-psychiatric hospitals	29	1,272	1,302	1,072	2,373	21	15	11	47	2,420
Private hospitals	199	177	376	—	376	412	77	76	566	942
Public psychiatric hospitals	—	—	—	89	89	—	3	1	4	93
High-level residential aged care	82	399	481	111	592	—	134	—	134	726
Ambulance	9	8	18	185	203	8	84	—	91	294
<i>Total institutional</i>	<i>320</i>	<i>1,857</i>	<i>2,176</i>	<i>1,457</i>	<i>3,633</i>	<i>441</i>	<i>313</i>	<i>88</i>	<i>842</i>	<i>4,475</i>
Medical services	131	1,413	1,545	—	1,545	55	204	1	260	1,805
Other professional services	20	78	98	—	98	41	283	1	325	423
Total pharmaceuticals	50	732	781	—	781	7	654	—	662	1,443
Benefit-paid pharmaceuticals	50	717	766	—	766	—	140	—	140	906
All other pharmaceuticals	—	15	15	—	15	7	514	—	522	537
Aids and appliances	—	32	32	—	32	34	325	—	359	390
Other non-institutional services ^(c)	18	333	351	774	1,125	195	196	—	391	1,516
Community and public health ^(d)	—	120	120	599	719	—	—	—	—	719
Dental services	14	41	55	104	159	93	196	—	289	449
Administration	4	172	176	71	246	102	—	—	102	348
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	118	118	24	142	—	—	38	38	179
<i>Total non-institutional</i>	<i>219</i>	<i>2,706</i>	<i>2,925</i>	<i>798</i>	<i>3,723</i>	<i>332</i>	<i>1,663</i>	<i>39</i>	<i>2,034</i>	<i>5,757</i>
Total recurrent expenditure	538	4,563	5,101	2,255	7,356	773	1,976	127	2,876	10,232
Capital expenditure	—	37	37	396	433	..	..	..	^(e) 504	937
Capital consumption	—	4	4	243	248	..	..	..	^(f) ..	248
Total health expenditure	538	4,604	5,142	2,895	8,037	n.a.	n.a.	n.a.	3,380	11,417

Notes: See page 107.

Table B10: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	82	661	744	668	1,412	221	96	87	403	1,815
Public non-psychiatric hospitals	27	612	640	611	1,251	20	14	40	73	1,324
Private hospitals	55	49	104	—	104	201	81	47	329	433
Public psychiatric hospitals	—	—	—	57	57	—	1	—	1	58
High-level residential aged care	30	168	198	29	227	—	73	—	73	301
Ambulance	3	11	14	24	38	16	5	3	24	62
<i>Total institutional</i>	<i>116</i>	<i>840</i>	<i>955</i>	<i>721</i>	<i>1,677</i>	<i>237</i>	<i>174</i>	<i>90</i>	<i>501</i>	<i>2,178</i>
Medical services	33	579	612	—	612	16	66	42	124	736
Other professional services	—	25	25	—	25	27	50	28	105	130
Total pharmaceuticals	15	237	251	—	251	3	260	5	268	519
Benefit-paid pharmaceuticals	15	236	251	—	251	—	55	—	55	306
All other pharmaceuticals	—	1	1	—	1	3	205	5	212	213
Aids and appliances	—	12	12	—	12	15	90	5	110	123
Other non-institutional services ^(c)	—	184	184	208	393	125	142	30	297	690
Community and public health ^(d)	—	109	109	158	267	—	7	—	7	274
Dental services	—	20	20	39	59	80	136	1	217	276
Administration	—	55	55	12	67	44	—	29	73	140
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	39	39	9	48	—	—	8	8	56
<i>Total non-institutional</i>	<i>48</i>	<i>1,077</i>	<i>1,125</i>	<i>217</i>	<i>1,342</i>	<i>186</i>	<i>608</i>	<i>118</i>	<i>912</i>	<i>2,254</i>
Total recurrent expenditure	163	1,916	2,080	939	3,018	423	782	208	1,413	4,432
Capital expenditure	—	18	18	146	164	..	..	..	^(e) 150	314
Capital consumption	—	3	3	70	73	..	..	..	^(f) ..	73
Total health expenditure	163	1,937	2,101	1,154	3,255	n.a.	n.a.	n.a.	1,564	4,819

Notes: See page 107.

Table B11: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	90	726	816	739	1,555	211	87	112	410	1,965
Public non-psychiatric hospitals	25	642	667	687	1,354	19	10	56	85	1,439
Private hospitals	65	84	149	—	149	192	76	56	324	473
Public psychiatric hospitals	—	—	—	52	52	—	1	—	1	53
High-level residential aged care	32	182	214	71	285	—	51	—	51	336
Ambulance	4	13	17	26	43	15	1	4	20	63
<i>Total institutional</i>	<i>126</i>	<i>921</i>	<i>1,047</i>	<i>836</i>	<i>1,883</i>	<i>226</i>	<i>139</i>	<i>116</i>	<i>481</i>	<i>2,364</i>
Medical services	39	630	669	—	669	17	89	60	165	834
Other professional services	—	40	40	—	40	27	46	32	104	144
Total pharmaceuticals	20	271	290	—	290	3	244	9	256	546
Benefit-paid pharmaceuticals	20	270	289	—	289	—	61	—	61	350
All other pharmaceuticals	—	1	1	—	1	3	184	9	195	197
Aids and appliances	—	12	12	—	12	15	81	12	108	120
Other non-institutional services ^(c)	7	190	198	361	559	119	193	2	314	872
Community and public health ^(d)	—	66	66	286	352	—	7	1	8	360
Dental services	6	32	38	37	75	73	154	1	229	304
Administration	2	92	94	38	132	45	32	—	77	209
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	51	51	8	59	—	—	13	13	72
<i>Total non-institutional</i>	<i>66</i>	<i>1,195</i>	<i>1,260</i>	<i>369</i>	<i>1,630</i>	<i>180</i>	<i>653</i>	<i>127</i>	<i>959</i>	<i>2,589</i>
Total recurrent expenditure	191	2,116	2,307	1,205	3,512	406	792	242	1,440	4,953
Capital expenditure	—	4	4	95	99	..	..	..	^(e) 77	176
Capital consumption	—	3	3	73	76	..	..	..	^(f) ..	76
Total health expenditure	191	2,123	2,314	1,374	3,688	n.a.	n.a.	n.a.	1,517	5,205

Notes: See page 107.

Table B12: Total health expenditure, current prices, Western Australia, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	91	756	848	768	1,616	235	78	81	394	2,010
Public non-psychiatric hospitals	25	663	688	716	1,403	20	8	25	53	1,456
Private hospitals	66	94	160	—	160	215	70	55	341	501
Public psychiatric hospitals	—	—	—	53	53	—	1	0	1	54
High-level residential aged care	36	185	221	37	258	—	57	0	57	315
Ambulance	4	14	18	27	45	17	1	4	22	67
<i>Total institutional</i>	<i>131</i>	<i>955</i>	<i>1,087</i>	<i>832</i>	<i>1,919</i>	<i>252</i>	<i>136</i>	<i>85</i>	<i>473</i>	<i>2,392</i>
Medical services	43	678	720	—	720	34	87	57	178	898
Other professional services	8	43	51	—	51	31	60	32	122	173
Total pharmaceuticals	20	345	365	—	365	4	344	9	357	722
Benefit-paid pharmaceuticals	20	339	358	—	358	—	71	0	71	429
All other pharmaceuticals	—	7	7	—	7	4	274	9	286	293
Aids and appliances	—	17	17	—	17	18	169	6	193	210
Other non-institutional services ^(c)	8	201	209	481	690	134	176	2	312	1,002
Community and public health ^(d)	—	74	74	359	433	—	0	1	1	434
Dental services	6	34	40	44	84	79	176	1	256	340
Administration	2	93	95	79	174	55	0	0	55	228
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	71	71	10	81	—	0	16	16	98
<i>Total non-institutional</i>	<i>78</i>	<i>1,355</i>	<i>1,433</i>	<i>491</i>	<i>1,925</i>	<i>220</i>	<i>837</i>	<i>122</i>	<i>1,178</i>	<i>3,103</i>
Total recurrent expenditure	209	2,311	2,520	1,324	3,843	472	972	207	1,651	5,495
Capital expenditure	—	5	5	102	107	n.a.	n.a.	n.a.	65	172
Capital consumption	—	3	3	73	77	..	..	..	..	77
Total health expenditure	209	2,319	2,528	1,499	4,027	n.a.	n.a.	n.a.	1,717	5,744

Notes: See page 107.

Table B13: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	69	560	629	524	1,153	195	30	51	276	1,428
Public non-psychiatric hospitals	57	516	573	453	1,026	16	12	20	47	1,073
Private hospitals	11	44	55	—	55	179	14	31	225	280
Public psychiatric hospitals	—	—	—	71	71	—	4	—	4	75
High-level residential aged care	26	217	242	27	269	—	82	—	82	351
Ambulance	4	1	5	32	37	3	14	6	23	60
<i>Total institutional</i>	99	777	876	583	1,459	198	126	57	381	1,840
Medical services	29	532	562	—	562	24	45	73	141	703
Other professional services	—	21	21	—	21	24	34	20	78	99
Total pharmaceuticals	17	240	257	—	257	2	184	2	189	446
Benefit-paid pharmaceuticals	17	240	256	—	256	—	51	—	51	307
All other pharmaceuticals	—	1	1	—	1	2	133	2	138	138
Aids and appliances	—	11	11	—	11	16	40	2	59	70
Other non-institutional services ^(c)	—	142	142	189	331	99	65	1	165	496
Community and public health ^(d)	—	82	82	93	175	—	2	—	2	178
Dental services	—	13	13	29	42	49	63	1	113	155
Administration	—	47	47	67	114	49	—	—	49	163
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	58	58	4	62	—	—	5	5	67
<i>Total non-institutional</i>	46	1,005	1,051	194	1,244	165	368	102	636	1,880
Total recurrent expenditure	145	1,782	1,927	777	2,703	363	494	159	1,016	3,720
Capital expenditure	—	12	12	80	92	..	..	..	^(e) 28	120
Capital consumption	—	3	3	74	77	..	..	..	^(f) ..	77
Total health expenditure	145	1,797	1,941	931	2,872	n.a.	n.a.	n.a.	1,045	3,917

Notes: See page 107.

Table B14: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	81	683	764	556	1,321	182	17	55	254	1,574
Public non-psychiatric hospitals	63	610	673	478	1,151	14	4	19	37	1,188
Private hospitals	18	73	91	—	91	167	9	36	213	304
Public psychiatric hospitals	—	—	—	79	79	—	4	—	4	83
High-level residential aged care	30	233	264	27	291	—	65	—	65	356
Ambulance	5	4	9	30	39	2	47	6	55	94
<i>Total institutional</i>	<i>116</i>	<i>921</i>	<i>1,037</i>	<i>614</i>	<i>1,650</i>	<i>184</i>	<i>129</i>	<i>61</i>	<i>374</i>	<i>2,024</i>
Medical services	35	569	604	—	604	24	61	72	158	761
Other professional services	—	33	33	—	33	23	38	17	77	111
Total pharmaceuticals	18	274	292	—	292	2	201	3	206	498
Benefit-paid pharmaceuticals	18	273	291	—	291	—	55	—	55	346
All other pharmaceuticals	—	1	1	—	1	2	145	3	150	152
Aids and appliances	—	12	12	—	12	16	59	7	83	94
Other non-institutional services ^(c)	7	164	171	229	399	88	62	1	150	550
Community and public health ^(d)	—	50	50	118	168	—	—	—	—	169
Dental services	5	20	26	31	57	45	61	1	107	164
Administration	2	93	94	80	174	43	—	—	43	217
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	75	75	13	88	—	—	22	22	110
<i>Total non-institutional</i>	<i>60</i>	<i>1,127</i>	<i>1,186</i>	<i>242</i>	<i>1,429</i>	<i>154</i>	<i>420</i>	<i>121</i>	<i>695</i>	<i>2,124</i>
Total recurrent expenditure	176	2,048	2,223	856	3,079	338	549	182	1,069	4,148
Capital expenditure	—	2	2	129	131	..	..	..	^(e) 37	168
Capital consumption	—	3	3	76	80	..	..	..	^(f) ..	80
Total health expenditure	176	2,053	2,229	1,061	3,290	n.a.	n.a.	n.a.	1,106	4,395

Notes: See page 107.

Table B15: Total health expenditure, current prices, South Australia, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	98	683	781	579	1,360	207	11	11	229	1,589
Public non-psychiatric hospitals	67	601	668	520	1,188	17	5	-13	9	1,197
Private hospitals	31	83	113	—	113	190	4	24	218	331
Public psychiatric hospitals	—	—	—	59	59	—	2	1	2	62
High-level residential aged care	33	243	276	2	278	—	72	—	72	350
Ambulance	5	4	9	10	19	2	55	5	63	82
<i>Total institutional</i>	<i>136</i>	<i>930</i>	<i>1,066</i>	<i>592</i>	<i>1,657</i>	<i>210</i>	<i>138</i>	<i>17</i>	<i>364</i>	<i>2,021</i>
Medical services	39	626	665	—	665	36	62	61	159	824
Other professional services	6	37	43	—	43	28	49	20	98	142
Total pharmaceuticals	31	359	390	—	390	3	311	3	317	707
Benefit-paid pharmaceuticals	31	352	384	—	384	—	63	—	63	447
All other pharmaceuticals	—	7	7	—	7	3	248	3	254	261
Aids and appliances	—	15	15	—	15	18	153	4	175	190
Other non-institutional services ^(c)	7	149	156	343	499	102	73	1	176	674
Community and public health ^(d)	—	43	43	300	343	—	—	—	—	343
Dental services	5	23	29	34	63	53	73	1	126	189
Administration	2	82	84	8	92	49	—	—	49	142
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	87	87	18	105	—	—	28	28	133
<i>Total non-institutional</i>	<i>84</i>	<i>1,273</i>	<i>1,357</i>	<i>361</i>	<i>1,718</i>	<i>187</i>	<i>648</i>	<i>117</i>	<i>953</i>	<i>2,671</i>
Total recurrent expenditure	220	2,203	2,423	952	3,375	397	786	134	1,317	4,692
Capital expenditure	—	4	4	84	88	..	..	..	^(e) 37	125
Capital consumption	—	3	3	65	68	..	..	..	^(f) ..	68
Total health expenditure	220	2,210	2,430	1,101	3,531	n.a.	n.a.	n.a.	1,354	4,885

Notes: See page 107.

Table B16: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	27	153	181	122	303	63	24	33	120	424
Public non-psychiatric hospitals	13	139	151	123	274	5	-3	19	20	294
Private hospitals	15	14	29	—	29	59	27	14	100	129
Public psychiatric hospitals	—	—	—	—	—	—	—	—	—	—
High-level residential aged care	11	69	79	1	80	—	23	—	23	103
Ambulance	1	—	1	16	17	—	8	1	9	26
<i>Total institutional</i>	39	222	261	139	400	64	55	34	152	553
Medical services	16	154	170	—	170	5	23	13	41	211
Other professional services	—	6	6	—	6	4	18	10	33	39
Total pharmaceuticals	9	78	87	—	87	1	89	2	91	178
Benefit-paid pharmaceuticals	9	78	86	—	86	—	16	—	16	103
All other pharmaceuticals	—	—	—	—	—	1	72	2	75	75
Aids and appliances	—	3	3	—	3	5	33	2	40	43
Other non-institutional services ^(c)	—	46	46	136	182	24	28	—	52	234
Community and public health ^(d)	—	28	28	123	151	—	2	—	2	152
Dental services	—	3	3	10	13	11	26	—	37	50
Administration	—	15	15	3	18	13	—	—	13	31
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	5	5	1	7	—	—	1	1	8
<i>Total non-institutional</i>	25	293	318	137	455	39	190	29	258	713
Total recurrent expenditure	64	515	579	276	855	103	245	62	410	1,265
Capital expenditure	—	4	4	20	24	..	..	..	^(e) 16	41
Capital consumption	—	1	1	13	14	..	..	..	^(f) ..	14
Total health expenditure	64	521	585	309	894	n.a.	n.a.	n.a.	426	1,320

Notes: See page 107.

Table B17: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	29	163	191	174	365	54	37	25	117	482
Public non-psychiatric hospitals	12	141	152	162	315	4	7	12	23	338
Private hospitals	17	22	39	—	39	50	30	13	93	132
Public psychiatric hospitals	—	—	—	11	11	—	—	—	—	11
High-level residential aged care	12	72	84	–1	83	—	19	—	19	102
Ambulance	1	—	2	15	17	—	—	1	1	18
<i>Total institutional</i>	<i>42</i>	<i>235</i>	<i>277</i>	<i>188</i>	<i>465</i>	<i>54</i>	<i>56</i>	<i>26</i>	<i>137</i>	<i>602</i>
Medical services	17	168	186	—	186	4	26	14	44	230
Other professional services	—	9	9	—	9	4	20	10	34	43
Total pharmaceuticals	10	90	99	—	99	1	81	2	84	184
Benefit-paid pharmaceuticals	10	89	99	—	99	—	18	—	18	117
All other pharmaceuticals	—	—	—	—	—	1	64	2	67	67
Aids and appliances	—	4	4	—	4	5	31	3	38	42
Other non-institutional services ^(c)	2	63	66	131	197	24	27	—	51	248
Community and public health ^(d)	—	19	19	131	150	—	—	—	—	150
Dental services	1	5	6	—	6	10	27	—	38	44
Administration	1	40	41	—	41	14	—	—	14	54
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	7	7	1	8	—	—	2	2	9
<i>Total non-institutional</i>	<i>30</i>	<i>341</i>	<i>371</i>	<i>132</i>	<i>503</i>	<i>38</i>	<i>185</i>	<i>30</i>	<i>253</i>	<i>756</i>
Total recurrent expenditure	72	576	648	320	968	92	242	56	390	1,358
Capital expenditure	—	2	2	6	8	..	..	..	^(e) 28	36
Capital consumption	—	1	1	12	14	..	..	..	^(f) ..	14
Total health expenditure	72	579	651	339	990	n.a.	n.a.	n.a.	418	1,408

Notes: See page 107.

Table B18: Total health expenditure, current prices, Tasmania, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	33	178	211	162	373	67	20	29	116	490
Public non-psychiatric hospitals	12	151	162	154	316	5	-1	17	20	337
Private hospitals	22	27	49	—	49	63	21	12	95	144
Public psychiatric hospitals	—	—	—	8	9	—	0	0	1	9
High-level residential aged care	13	76	89	6	95	—	21	0	21	117
Ambulance	1	—	2	21	23	—	0	1	1	24
<i>Total institutional</i>	<i>48</i>	<i>254</i>	<i>302</i>	<i>189</i>	<i>491</i>	<i>67</i>	<i>42</i>	<i>30</i>	<i>139</i>	<i>630</i>
Medical services	18	175	193	—	193	6	27	17	50	243
Other professional services	3	10	14	—	14	5	26	11	43	56
Total pharmaceuticals	9	112	121	—	121	1	87	2	91	212
Benefit-paid pharmaceuticals	9	110	118	—	118	—	20	0	20	138
All other pharmaceuticals	—	3	3	—	3	1	67	2	71	73
Aids and appliances	—	5	5	—	5	6	38	2	46	51
Other non-institutional services ^(c)	2	51	54	132	186	28	29	1	58	243
Community and public health ^(d)	—	19	19	107	126	—	0	0	0	127
Dental services	1	5	7	10	16	12	29	0	42	58
Administration	1	26	27	16	43	16	0	0	16	59
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	10	10	1	11	—	0	1	1	12
<i>Total non-institutional</i>	<i>32</i>	<i>364</i>	<i>396</i>	<i>133</i>	<i>529</i>	<i>47</i>	<i>207</i>	<i>34</i>	<i>288</i>	<i>817</i>
Total recurrent expenditure	81	618	698	322	1,020	114	249	64	427	1,448
Capital expenditure	—	1	1	4	6	n.a.	n.a.	n.a.	22	27
Capital consumption	—	1	1	13	15	..	..	..	..	15
Total health expenditure	81	621	701	340	1,041	n.a.	n.a.	n.a.	449	1,489

Notes: See page 107.

Table B19: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	15	79	93	168	261	36	22	31	89	350
Public non-psychiatric hospitals	7	79	86	168	254	7	-3	20	24	278
Private hospitals	7	—	7	—	7	30	24	11	65	72
High-level residential aged care services	5	20	25	—	25	—	7	—	7	32
Ambulance	—	—	—	4	4	—	4	1	5	9
<i>Total institutional</i>	19	99	118	172	290	36	33	32	102	392
Medical services	7	93	101	—	101	—	35	11	46	147
Other professional services	—	3	3	—	3	—	21	10	31	35
Total pharmaceuticals	—	35	35	—	35	—	36	1	36	72
Benefit-paid pharmaceuticals	—	35	35	—	35	—	10	—	10	46
All other pharmaceuticals	—	—	—	—	—	—	26	1	26	26
Aids and appliances	—	1	1	—	1	—	12	1	13	15
Other non-institutional services ^(c)	—	47	47	44	91	—	40	—	41	132
Community and public health ^(d)	—	12	12	26	38	—	1	—	1	39
Dental services	—	—	—	6	6	—	40	—	40	46
Administration	—	35	35	12	47	—	—	—	—	47
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	42	42	6	48	—	—	6	6	54
<i>Total non-institutional</i>	7	222	230	50	280	—	145	29	174	454
Total recurrent expenditure	27	321	348	222	570	36	178	61	276	846
Capital expenditure	—	14	14	17	31	..	..	..	^(e) —	31
Capital consumption	—	1	1	10	11	..	..	..	^(f) ..	11
Total health expenditure	27	336	363	249	612	n.a.	n.a.	n.a.	276	888

Notes: See page 107.

Table B20: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds^(a), 1999–00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	18	86	104	145	250	36	20	30	86	335
Public non-psychiatric hospitals	8	86	94	145	240	6	3	18	27	267
Private hospitals	10	—	10	—	10	30	17	12	59	68
High-level residential aged care	5	21	26	—	26	—	7	—	7	33
Ambulance	—	—	—	5	5	—	2	1	3	8
<i>Total institutional</i>	23	107	130	151	281	36	28	31	95	377
Medical services	8	100	108	—	108	—	27	12	39	147
Other professional services	—	5	5	—	5	—	21	10	31	36
Total pharmaceuticals	4	41	44	—	44	—	32	1	34	78
Benefit-paid pharmaceuticals	4	41	44	—	44	—	11	—	11	55
All other pharmaceuticals	—	—	—	—	—	—	22	1	23	23
Aids and appliances	—	1	1	—	1	—	11	3	13	14
Other non-institutional services ^(c)	24	33	57	91	148	—	41	—	41	189
Community and public health ^(d)	—	8	8	41	49	—	—	—	—	49
Dental services	—	—	—	4	4	—	41	—	41	46
Administration	24	25	49	46	95	—	—	—	—	95
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	42	42	5	46	—	—	8	8	54
<i>Total non-institutional</i>	36	221	257	96	353	—	132	33	166	518
Total recurrent expenditure	59	328	387	247	634	36	161	64	261	895
Capital expenditure	—	28	28	12	40	..	..	..	^(e) 14	55
Capital consumption	—	1	1	10	11	..	..	..	^(f) ..	11
Total health expenditure	59	358	416	269	686	n.a.	n.a.	n.a.	275	961

Notes: See page 107.

Table B21: Total health expenditure, current prices, Australian Capital Territory, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	19	93	112	150	262	46	18	14	78	340
Public non-psychiatric hospitals	9	93	102	150	252	10	-1	6	15	267
Private hospitals	10	—	10	—	10	36	19	8	63	73
High-level residential aged care	5	23	28	—	28	—	8	—	8	36
Ambulance	—	—	—	6	6	—	3	1	3	10
<i>Total institutional</i>	<i>24</i>	<i>116</i>	<i>140</i>	<i>156</i>	<i>297</i>	<i>46</i>	<i>28</i>	<i>15</i>	<i>89</i>	<i>386</i>
Medical services	13	106	118	—	118	—	31	12	43	161
Other professional services	6	5	12	—	12	—	29	9	38	50
Total pharmaceuticals	2	11	13	—	13	—	55	2	57	70
Benefit-paid pharmaceuticals	2	11	13	—	13	—	13	0	13	25
All other pharmaceuticals	—	—	—	—	—	—	42	2	44	44
Aids and appliances	—	2	2	—	2	—	28	1	29	30
Other non-institutional services ^(c)	33	22	54	83	137	—	49	0	49	186
Community and public health ^(d)	—	11	11	64	75	—	0	0	0	75
Dental services	1	—	1	4	5	—	49	0	49	54
Administration	32	11	43	14	57	—	0	0	0	57
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	43	43	4	47	—	0	6	6	53
<i>Total non-institutional</i>	<i>53</i>	<i>189</i>	<i>242</i>	<i>87</i>	<i>328</i>	<i>—</i>	<i>191</i>	<i>31</i>	<i>222</i>	<i>551</i>
Total recurrent expenditure	77	305	382	243	625	46	220	46	311	937
Capital expenditure	—	1	1	18	19	n.a.	n.a.	n.a.	17	36
Capital consumption	—	1	1	11	12	..	..	..	..	12
Total health expenditure	77	307	384	272	656	n.a.	n.a.	n.a.	329	985

Notes: See page 107.

Table B22: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds^(a), 1998–99 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	88	89	73	162	11	—	22	33	195
Public non-psychiatric hospitals	—	86	86	73	159	1	1	18	20	178
Private hospitals	1	2	3	—	3	10	—	4	13	17
High-level residential aged care	—	9	9	—	9	—	2	—	2	11
Ambulance	—	3	3	17	20	—	2	—	2	22
<i>Total institutional</i>	<i>1</i>	<i>100</i>	<i>101</i>	<i>89</i>	<i>191</i>	<i>11</i>	<i>4</i>	<i>23</i>	<i>37</i>	<i>228</i>
Medical services	1	36	36	—	36	1	7	5	14	50
Other professional services	—	2	2	—	2	1	9	3	13	15
Total pharmaceuticals	—	11	11	—	11	—	15	1	15	26
Benefit-paid pharmaceuticals	—	11	11	—	11	—	3	—	3	14
All other pharmaceuticals	—	—	—	—	—	—	11	1	12	12
Aids and appliances	—	1	1	—	1	1	6	1	7	8
Other non-institutional services ^(c)	—	49	49	113	163	5	14	14	32	195
Community and public health ^(d)	—	44	44	102	147	—	—	—	—	147
Dental services	—	—	—	6	6	2	14	—	16	22
Administration	—	4	4	5	10	3	—	14	17	26
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	3	3	2	6	—	—	2	2	8
<i>Total non-institutional</i>	<i>1</i>	<i>102</i>	<i>102</i>	<i>116</i>	<i>218</i>	<i>8</i>	<i>51</i>	<i>25</i>	<i>84</i>	<i>302</i>
Total recurrent expenditure	2	202	204	205	409	19	55	48	121	530
Capital expenditure	—	3	3	6	9	..	..	..	^(e) —	8
Capital consumption	—	1	1	12	14	..	..	..	^(f) ..	14
Total health expenditure	2	206	208	223	431	n.a.	n.a.	n.a.	121	552

Notes: See page 107.

Table B23: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds^(a), 1999-00 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	1	75	76	106	181	9	12	15	36	218
Public non-psychiatric hospitals	—	72	72	106	177	1	7	11	19	196
Private hospitals	1	4	4	—	4	8	5	4	17	22
High-level residential aged care	—	8	9	—	9	—	2	—	2	10
Ambulance	—	2	2	11	12	—	1	—	2	14
<i>Total institutional</i>	<i>1</i>	<i>85</i>	<i>86</i>	<i>116</i>	<i>202</i>	<i>9</i>	<i>15</i>	<i>16</i>	<i>40</i>	<i>242</i>
Medical services	1	39	40	—	40	1	7	5	13	53
Other professional services	—	3	3	—	3	1	10	2	13	16
Total pharmaceuticals	—	12	12	—	12	—	19	1	20	32
Benefit-paid pharmaceuticals	—	12	12	—	12	—	3	—	3	15
All other pharmaceuticals	—	—	—	—	—	—	16	1	17	17
Aids and appliances	—	1	1	—	1	1	4	5	10	11
Other non-institutional services ^(c)	—	71	71	138	208	5	18	—	23	231
Community and public health ^(d)	—	35	35	108	143	—	—	—	—	143
Dental services	—	1	1	—	1	1	18	—	19	20
Administration	—	35	35	30	65	4	—	—	4	68
Other non-institutional (nec)	—	—	—	—	—	—	—	—	—	—
Research	—	3	3	2	5	—	—	3	3	7
<i>Total non-institutional</i>	<i>1</i>	<i>128</i>	<i>129</i>	<i>139</i>	<i>268</i>	<i>8</i>	<i>58</i>	<i>16</i>	<i>82</i>	<i>350</i>
Total recurrent expenditure	2	213	215	256	471	17	74	31	122	592
Capital expenditure	—	1	1	6	6	..	..	..	^(e) 1	8
Capital consumption	—	2	2	16	17	..	..	..	^(f) ..	17
Total health expenditure	2	215	217	277	495	n.a.	n.a.	n.a.	123	617

Notes: See page 107.

Table B24: Total health expenditure, current prices, Northern Territory, by area of expenditure and source of funds^(a), 2000–01 (\$ million)

Area of expenditure	Government sector					Non-government sector				Total health expenditure
	Australian Government			State and local	Total	Health insurance funds	Individuals	Other ^(b)	Total	
	DVA	Other	Total							
Total hospitals	—	79	79	108	188	11	13	13	36	224
Public non-psychiatric hospitals	—	75	75	108	183	—	6	9	16	200
Private hospitals	—	4	4	—	4	10	6	4	20	24
High-level residential aged care	—	9	9	—	9	—	2	0	2	11
Ambulance	—	1	1	19	21	—	2	1	3	24
<i>Total institutional</i>	—	89	90	128	217	11	17	14	41	259
Medical services	1	42	43	—	43	1	7	5	14	57
Other professional services	—	4	4	—	4	1	13	2	16	20
Total pharmaceuticals	1	55	56	—	56	—	21	1	22	78
Benefit-paid pharmaceuticals	1	55	55	—	55	—	4	0	4	59
All other pharmaceuticals	—	—	—	—	—	—	17	1	18	18
Aids and appliances	—	2	2	—	2	1	4	3	8	10
Other non-institutional services ^(c)	—	63	63	126	189	6	20	0	27	216
Community and public health ^(d)	—	44	44	89	133	—	0	0	0	133
Dental services	—	1	1	6	7	3	20	0	23	30
Administration	—	18	18	31	49	4	0	0	4	53
Other non-institutional (nec)	—	—	—	—	—	—	0	0	0	0
Research	—	5	5	2	6	—	0	3	3	9
<i>Total non-institutional</i>	2	170	172	128	300	11	66	14	90	390
Total recurrent expenditure	2	260	262	256	517	21	83	28	131	649
Capital expenditure	—	1	1	9	9	n.a.	n.a.	n.a.	2	12
Capital consumption	—	1	1	28	29	..	..	..	..	29
Total health expenditure	2	262	264	292	556	n.a.	n.a.	n.a.	134	690

Notes: See page 107.

Notes for Appendix B tables

- (a) Tables show funding provided by the Australian Government, state and territory Governments and local government authorities and by the major non-government sources of funding for health goods and services. They do not show gross outlays on health services by the different service provider sectors.
- (b) 'Other' includes expenditure on health goods and services by workers' compensation and compulsory motor vehicle third-party insurers as well as other sources of income (for example, interest earned) of service providers.
- (c) 'Other non-institutional services' is a summary of community and public health, dental services and administration.
- (d) Includes some expenditures that were previously classified as 'other non-institutional (nec)' as well as expenditure on community and public health services.
- (e) Capital formation for the non-government sector cannot be allocated according to source of funds.
- (f) Non-government capital consumption (depreciation) is included as part of recurrent expenditure.

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