2.0   Overview

This chapter looks at key aspects of the health system in Australia—how it works, who funds it, and the composition of the workforce that delivers frontline services. It also examines the importance of digital health and secondary use of health data in achieving better health outcomes for all Australians.

Every day, millions of Australians come in contact with the health system. It may be as simple as a visit to the pharmacist to pick up a prescription—or a more complex interaction, such as being admitted to hospital for surgery. The job of the health system is to respond to these individual needs by offering timely and appropriate treatment and services.

Australia's health system has different components—health promotion, primary health care, specialist services and hospitals—each supported, in turn, by a network of other organisations, including research bodies, surveillance authorities, medical boards and consumer health groups. Health care services are delivered, operated and funded by the Australian Government and state and territory governments, as well as by the private sector and not-for-profit organisations. Government departments also play a central role in health policy and service planning.

Australia's health system currently faces many challenges. These include demographic changes and the demand for health services; coordinated management of chronic conditions; greater availability and access to health data; and advances in medical research, science and technology (such as genetic testing).

Spending on health has grown in real terms (after adjusting for inflation)—by 50% between 2006–07 and 2015–16, from $113 billion to $170 billion. This compares with a population growth of about 17% over the same period; it means that, in 2015–16, spending on health amounted to nearly $7,100 per person. Using Organisation for Economic Co-operation and Development (OECD) methods, Australia spends more on health as a proportion of gross domestic product (9.6%) than New Zealand (9.2%) and the OECD average (9.0%) but less than the United Kingdom (9.7%), Canada (10.6%) and the United States (17.2%).

Together, hospitals (39%) and primary health care (35%) account for three-quarters of health spending. Governments fund the majority of spending (67% or $115 billion), and non-government sources fund the remaining $56 billion (33%). Individuals contributed more than half ($29 billion) of the non-government funding.

Australia has a large, diverse health workforce that includes a variety of professions, many of which are regulated by the Australian Health Practitioner Regulation Agency (AHPRA). In 2016, there were more nurses and midwives employed (315,000) than any other health care professional—more than 3 times as many as medical practitioners (91,000). Nine in 10 nurses were women, compared with 4 in 10 medical practitioners and dentists. Over the past decade, the number of women entering medical practice has grown; in 2016, more than half (53%) of employed medical practitioners under the age of 35 were women, compared with 43% in 1997.

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Australian Government

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*Australia's
health*
2018

Some occupations that play an important role in delivering health care services are not regulated by the AHPRA. For example, there are 69,000 receptionists, 25,000 nursing support and personal care workers, and 21,000 medical technicians working in the health industry.

Today, many Australians actively participate in monitoring their own health; for example, they might wear a fitness device to record how much exercise they do each day or use a smartphone to record what they eat. For health care providers, digital technology can provide opportunities to improve continuity of care—for example, by making it easier to share a person's clinical notes between all the health practitioners involved in their care. This can lead to improved quality of care.

Technology—in particular, digital technology—has had a huge impact on data generation, access and availability. So, what does happen to all the information collected on our health?

Health data can be collected for a variety of reasons: for a patient admitted to hospital, the primary reason may be to monitor their progress so that they can get the care they need. But health data can also be used for 'secondary' reasons: to provide a holistic overview of the health system and the pathways that individuals take when using health services. For example, access to health data may enable researchers to examine trends in health spending, look at potential risk factors and determinants of health and disease, or track hospital wait times.

The unprecedented volume and diversity of data currently available offer new opportunities for the secondary use of data. In health, this has the potential to lead to improved processes, increased efficiency, better targeting of resources and, ultimately, a healthier population.

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Australian Institute of Health and Welfare 2018. *Australia's health 2018*. Australia's health series no. 16. AUS 221. Canberra: AIHW.

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